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Appendix

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Appendix

Which of the New Deal Measures Should I Have Voted Against?

EXTENSION OF REMARKS

OF

HON. JOHN A. MARTIN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 3, 1939

ARTICLE FROM THE COLORADO SPRINGS NEWS OF MAY 13, 1938, AND RADIO ADDRESS BY HON. JOHN A. MARTIN, OF COLORADO, ON NOVEMBER 4, 1938

Mr. MARTIN of Colorado. Mr. Speaker, under leave granted by the House, I submit for the RECORD a radio talk made by me over station KVOR, Colorado Springs, Colo., in my congressional district, on Friday evening, November 4, 1938, immediately following a national broadcast by the President, and repeated over station KGIW, Alamosa, Colo., in my district, on November 5, 1938.

Under the same leave, I submit and preface my radio talk with an editorial from the Colorado Springs News, in which the editor, Mr. John M. Green, meets the charge that I was a "rubber stamp" by showing that I was an advocate of the social and economic philosophy of the New Deal years before the term "New Deal" was coined.

MARTIN NO RUBBER STAMP

[From the Colorado Springs News of May 13, 1938]

JOHN A. MARTIN, of Pueblo, in recent years an attorney, but proud of earlier affiliations with both the newspaper and the railroad industries, in the latter of which he was a heavy-shoveling fireman, will seek reelection as Congressman from the Third Congressional District. We don't think there's any doubt of it.

Mr. MARTIN is a Democrat—a progressive Democrat, a Roosevelt Democrat. Dispatches from Washington state that "MARTIN has indicated he will run as a '100 percent new dealer.'" His record, he said, "is too completely on the side of the administration to do anything else." We imagine that pretty well tells the story. For Congressman JOHN A. MARTIN has been and is a new dealer. In his representation in Congress of the people of his district—southern and southeastern Colorado, including El Paso County—he has been consistent in his support of President Franklin D. Roosevelt and his policies. Some of his constituents don't like that. Others do. But upon one thing all should be able to agree, whether they are political friends or enemies of the Congressman. That is, he has shot straight as he has seen it. And despite the consistency of his support of administration policies, he is far from what is now being charged to many of such consistency. In brief, he is no rubber stamp. Not in any sense of the word. For JOHN A. MARTIN always has stood on his own feet and always has done his own thinking. To that extent he is a rugged individualist.

If time and tide have found JOHN MARTIN supporting the New Deal faithfully, consistently, it is because the plain-speaking, hard-hitting Puebloan is a leader, not a follower in New Deal philosophy. He is a New Dealer himself, has been for many a year past, will be for many a year to come.

So, whether you like JOHN MARTIN and his political philosophies or you don't, it is well to keep in mind one thing: They are his very own. He is not compromising with himself when he supports the New Deal. He is furthering his own convictions. And that isn't rubber stamping in any possible interpretation of the phrase.

My radio address is as follows:

WHICH OF THE NEW DEAL MEASURES SHOULD I HAVE VOTED AGAINST?

Friends and fellow citizens in Colorado Springs and El Paso County, it is a big assignment for a mere Congressman to follow the President on the air; vastly more difficult than following him in Congress, for doing which an element in the Third Congressional District is demanding my defeat next Tuesday.

They say this district should be represented by a man who will assert his independence and exercise his own judgment, instead of following the leadership of the President. Now, how would this be done? The only way I know is by opposing the President, by fighting him. And in order to assert his independence and exercise his judgment, what would he fight the President on? It has been a big program with many major acts, the greatest in the history of Congress. It has taken a big program to pull this country out of the wreckage in which Franklin D. Roosevelt found it on March 4, 1933. It must have been on some of these measures, and on which the President was wrong, that I should have asserted my independence and opposed my judgment to his and voted against him. Surely they would not ask me to oppose him when he was right.

Now, let us take a run over the record and see where he was wrong and when I should have opposed him:

Was it the legislation empowering the President to break the strangle hold of the gold-standard dollar on the economic throat of the Nation? I voted for that. The Supreme Court has sustained it.

On March 4, 1933, the dollar was worth $1.75 in all other commodities. A dollar could buy $1.75 worth of anything else. Under the authority given him by Congress the President cut it 40 percent. As a part of the process he raised gold from $22.67 per ounce to $35, and silver from 27 to 77 cents, pulling the mining camps of the West out of the graveyard. It was predicted that the devaluation of the dollar would result in ruinous inflation and destroy the value of the American dollar. Six years have passed and it is the soundest dollar in the world. Why not? We have twelve billions in gold, more than half the monetary gold of the world, and it is ours, and nearly three billions in silver. That ought to make a good backlog

for the five billions of currency in circulation, about 250 percent. The law only requires 40 percent.

Was it the legislation striking the gold-payment clause out of $100,000,000,000 worth of debts, public and private? I voted for that. The Supreme Court has sustained it.

This $100,000,000,000 never could have been paid in gold, but the metropolitan newspapers and the CONGRESSIONAL RECORD of that day are full of direful predictions that repeal of the gold-payment clause would absolutely destroy the credit of the United States at home and abroad. The answer is the credit of the Government has never been better, either at home or abroad. Its credit is still worth untold billions.

Was it the legislation to reform and control the Federal Reserve banking system of the country so that it could not again pour the people's deposited wealth into Wall Street to finance another orgy of speculation and placing upon the System some checks which would make it more a servitor of public interests and less a servitor of private banking? I voted for that. It was not even attacked in the courts.

I studied that legislation and supported it on the floor, although my remedy would have been for the Government to take over the Federal Reserve System. Some day it will. But I learned a long time ago that you can't win a war by sniping the commander in chief simply because he doesn't fight it your way.

Was it the legislation placing a Federal guaranty under the bank deposits of the Nation, which the American Bankers' Association said would destroy the banking system and advised its members to disregard? I voted for that.

This act is the reason bank deposits have gone up to $50,000,000,000, about where they were before the panic, and your money is safe as long as there is a government of the people at Washington.

Was it the vast enlargement of the loan powers of the Reconstruction Finance Corporation? I voted for that.

This legislation went far beyond the original very limited objectives of R. F. C. as set up by Mr. Hoover, such as the $90,000,000 loan Mr. Dawes made his own banks just preceding his resignation as Chairman of the R. F. C. The Government will lose half of this. Under the New Deal, R. F. C. refinanced and reopened more than 5,000 banks. Uncle Sam is the Nation's biggest bank stockholder. Don't tell me he is not interested in the welfare of the banks. R. F. C. refinances building and loan associations, mining companies, irrigation and drainage companies—it has done this for every such company in the Arkansas and San Luis Valleys—now it is extended to small manufacturing and commercial businesses. I am very strong for R. F. C. as a permanent agency of the Government.

Was it the legislation to place the gambling stock and commodity exchanges of the country under Government regulation to make them play the game fairly and requiring them to lay their securities on the table at Washington before unloading them on the public, in order to avoid another such orgy of speculation as that which wrecked the prosperity of this country in 1929 and cost American investors $100,000,000,000? I voted for that.

Mr. Whitney, then president of the New York Stock Exchange, who led the fight against the act, predicted that it would destroy the exchange and securities business of the country, but the Supreme Court has sustained the law, the stock exchanges are still doing business at the old stand, and Mr. Whitney is in Sing Sing Prison.

Was it the legislation to reform the outlaw power empire of this country, with its fantastic 10-story holding-company structure, whose fictitious stocks shrank from $19,000,000,000 to $3,000,000,000 when the crash came, a loss of $16,000,000,000 to investors? I voted for that. The Supreme Court has sustained it.

The holding-company magnates are unbending their necks, and their companies are coming down from 10 stories to 2 stories, getting a little closer to the foundation, a little closer to the lowly power companies at the bottom of the heap which sustain and support them.

Was it the Social Security Act? I voted for that. The Supreme Court has sustained it.

That act is the basis and model of every State social security act in the country, including that enacted by a Democratic administration in Colorado, under which 37,000 families are assured the necessities of life, and under it the Federal Government contributes one-half the amount of the pensions now being paid the country over. That act also established unemployment insurance, under which today 40,000,000 workers are enrolled. Just think of it, 40,000,000 workers! A number greater than the combined armies of the world. That act also carries and helps finance mothers and children's compensation, and aid for the blind, and for hospitalization.

The Republican Party in its last national campaign denounced that great humane measure and proposed to repeal it.

Was it the Home Loan Act, under which more than a million homes were refinanced for more than $3,000,000,000, or the Farm Credit Act, under which the same number of farms were refinanced for a similar amount and at little more than half the old private interest rate? I voted for that. And for supplementary acts setting up Federal building and loan, and crop loan, and other agencies, to make the home owner and farmer self-helping.

Was it the farm program, to rescue agriculture from the state of absolute bankruptcy in which Roosevelt found this basic industry of the national life, and give the unorganized farmer some degree of that economic security which highly organized industry, both employer and employee, is able to secure for itself? I voted for that.

The new Farm Act is the product of the best minds in the Department of Agriculture, in the agricultural colleges, in Congress, and in the farm organizations. It retains the best features of the methods heretofore attempted to stabilize agriculture. It is a little early to say it will not work. For this fiscal year the farmers were voted $1,000,000,000 on their program by Congress. Thirty percent of all tariff payments goes into this billion. This had long been talked about by the Republican Party, but the New Deal did it.

Was it the Sugar Act? I voted for that. Sugar comes close home to a man from the Arkansas Valley. What has been done by this administration for sugar, they ask? Well, first, may we ask what they did for sugar? Let us take a look at the record. On March 4, 1933, the Republican Party had been in power for 12 continuous years—in the White House, in the Senate, in the House of Representatives. If the Republican Party wanted to do anything for sugar, or could do anything for sugar, it certainly had a long time and all the power necessary to do it.

But on March 4, 1933, the sugar companies were broke, their stocks were down 80 to 90 percent and going begging, their stockholders were holding the sack; the beet growers were broke, the beet workers were on relief; sugar was in the ditch.

What the Republican Party did for sugar reminds me of an incident that I heard on the floor of the United States Senate when I was first in Congress, when that body was distinguished by the presence of John Sharp Williams, of Mississippi. That was back in the days when the Civil War was still an issue, and occasionally a northern Senator would air his views about the wayward South, and what the North had done for the South. On this day a northern Senator was holding forth on the old theme, when John Sharp Williams rose to his feet and made an interjection about as follows: He said, "All this continual talk here in the Senate about what the North has done for the South reminds me of an incident at a colored revival down in my home town in Mississippi. They finally got everybody up to the bench except a poor old fellow who hung back in the corner. He was half blind and all crippled up and pretty nearly a total loss. Night after night he was urged to go forward and tell the people what the Lord had done for him. At last the old man gave in and hobbled down the aisle and turned around and said, 'Well, brothers and sisters, I can tell you what the Lord has done for me; the Lord has done ruint me.' "

Since 1933 the sugar companies have again been making money; their stocks have gone back to nearly the 1929 level; their stockholders are again getting dividends; the farmers are getting $6.50 instead of $4.50 per ton for their beets; and the workers are getting $22 to $23 per acre instead of $12 and $13. And sugar now for the first time in its history has a fixed and assured place in the national economy.

Was it the legislation establishing the civilian conservation camps, which took hundreds of thousands of boys off the streets and highways and gave them a practical education in usefulness and citizenship, and with a check for $25 a month going home to their parents, or was it the legislation creating the National Youth Administration, which is helping to educate hundreds of thousands of American boys and girls who would otherwise be robbed of the privilege of an education? I voted for these acts and for every dollar that has ever been voted for them.

Was it the Tennessee Valley Authority, initiating a national water-power program and furnishing a yardstick for power? Or its offshoot, the Rural Electrification Act, to give the village and farm population of this country the comforts and conveniences of light and heat and power, such as the people of the cities enjoy? I voted for that, and I am working to establish these projects in my district. Two are already established and others are in process.

Was it the Flood Control and Soil and Water Conservation Act, under which the Federal Government has begun a great long-time program to save and to utilize the chief sources of the Nation's wealth, its soil, and its water? I voted for that.

In the long run, no program so vital to the future of America has been inaugurated by President Roosevelt, and all over in the land—in Colorado and in every State—the Government engineers are busy on the program to stop the ominous processes of erosion and waste and to convert floods into crops, into forests, into herbage, and into power.

Was it the Wagner Labor Relations Act, guaranteeing labor the right to organize and collectively bargain through representatives of its own choosing, free from the domination and interference of the employer? I voted for that. The Supreme Court has sustained it, although the National Manufacturers' Association and its Liberty League lawyers advised industry that it was unconstitutional and should be disregarded. The Republican Party is divided between repealing the Wagner Act or amending it so as to impose corporation liabilities on labor organizations, which would destroy them. The press has just carried a report that the National Manufacturers' Association, the hardest-boiled organization in the country, has retired its general counsel, the notorious James A. Emery, for 30 years the enemy of all men who work for a living and of all reform and all progress. They are going to substitute a man with a liberal front and play like they are going along. They have decided after 6 years to try fooling Roosevelt instead of fighting him.

Was it the Wage-Hour Act, to reduce the hours of labor and to make room for more of the unemployed on the job and to place under it the floor of a living wage, and abolishing child labor? I voted for that.

I voted for it the first time when it failed, and the second time when it passed. Recent decisions of the Supreme Court indicate that it will be sustained. There is a New Deal in the Supreme Court. The President lost a fight but won a war. At the last term it sustained 11 out of 12 New Deal acts. That's batting above 900.

The Wage-Hour Act, like the Social Security Act, and many other of these acts, was not hatched up in the White House or in Congress. They were forced on Congress by the pressures of an economic revolution, and they are on the calendar to stay. Many honest Representatives, with a last century background, think the administration at Washington is off on a detour, and they are straining their eyes for a glimpse of the old road, hoping some day, some way, to find themselves back on it. Never again!

Was it the great program of the Public Works and Works Progress Administrations to furnish employment to idle millions handed over to Roosevelt along with the rest of the wreckage, after the 12 long years? I voted for that. I voted for every dollar carried in every bill for 6 years for these great activities. Not a "no" vote. Under this great dual program thousands of schools have been built; thousands of gymnasiums and swimming pools; hundreds of colleges enlarged and modernized; many hundreds of municipal and county buildings erected; thousands of bridges and levees constructed; thousands of cities and towns paved and given new or enlarged water and sewer systems, setting higher standards of municipal utility and beauty to be carried on into the future; thousands of miles of highway paved; these and a multitude of other permanent and beneficial improvements, the greatest internal improvement program ever undertaken, and giving useful employment to millions of workers.

They say we still have a large army of unemployed. Some wit up here in the springs said, "Yes, but they're all eating." The wage hour, social security, and unemployment insurance, and similar measures are attacks upon this problem, thrust upon us by the machine age. We must solve it or perish. This country cannot endure with half the workers employed and supporting the other half in enforced idleness.

Great as have been the material values of work relief and pensions, their human values have been far greater. I have already mentioned that 37,000 families in Colorado are getting old-age pensions. Thirty-one thousand more are on public work. Many other thousands are getting Government aid. The grand total, some writer has said, amounts to 100,000 families in Colorado. And if it were not for this program, every town and city in this State and in this country would be swarming with hordes of human wolves fighting for bread. The old bread lines and soup kitchens would not be a circumstance. Scenes that would be a disgrace to civilization; yes, to savagery; riot, maybe revolution. Now the bread lines and soup kitchens are gone. Now, these folks are in their homes, and if they are not getting all they want, or even all they need, they have shelter and food and warmth and clothing, the necessities of life. They still look like good American citizens; they still are good American citizens. And every dollar they get goes over the counters of the merchants the day they get it. You can't buy stocks and bonds with pension and work-relief checks and you can't start savings accounts with them. It is the fastest circulating money in this country. The merchant who grumbles about his taxes should reflect. If it were not for this program, he would not have to pay any taxes because he would not have any business to pay taxes on. And a nation as rich as this, with an income such as no other country enjoys, can pay these taxes, is paying them, and is still doing business at the old stand.

Was it the legislation to levy upon the owners of the wealth of the Nation a tax sufficient to finance and sustain this program? I voted for that.

Ah, here we may have something! Perhaps I may as well concede that the Republican candidate for Congress would have voted against the legislation taxing corporate dividends and large individual incomes, and will vote against such taxes in the unlikely event of his election. They are going to balance the Budget by cutting out "waste and extravagance" and reducing taxes, but the only place they can cut is on public work and relief and pensions, on the millions at the bottom of the economic scale.

I have now given you a summary of the major acts in the program which goes to make up what we call the New Deal; and yet I have not exhausted the list of all the helpful things the Government has done under the leadership of Franklin D. Roosevelt to rescue this country from the ruin of 1933, and to establish enduring foundations of economic justice and social security, the grand objectives of the entire program and every act in it. There was much perfecting legislation on the great program and many lesser but important measures. What a stupendous program! Surely, the concept of a master mind.

Are these the things upon which the Republican Party in this congressional district would have had me assert my independence and vote against the President? Upon which of all of these great measures would they have had me vote "No"? I challenge them to come to this station and tell you.

I not only voted for all of these measures, every one of them, but I am proud of every vote, and if I had the voice to reach them all I would tell every voter in this district what I am telling you.

What does the Republican Party propose in the place of this program? During Roosevelt's first administration it was charged, and properly, that they had no program, but that is not the case now. During this Congress, the Republican minority developed a three-point program, which can be stated in three sentences.

1. Abolish public works and turn the unemployed over to the States on a dollar-matching basis. That means relief instead of work. That means the dole.

2. Reduce the taxes on wealth.

3. Stop Government interference with business and let business write its own ticket.

The answer to this program is that it has already been tried and failed. We had this program in effect before the New Deal. Before the New Deal there was no work relief or pensions either; big business was running the Government; and big business was writing its own ticket, taxes and all; but the Government and everything else was broke in 1933. Even the United States Treasury was empty, was as bare as the cupboard when Old Mother Hubbard went to get her poor dog a bone. Some day it can be told. Some day the looting of a Nation will be told, and it will make Teapot Dome look like petty larceny. It is no wonder that men of the vision of Will Allen White and BRUCE BARTON warn their party that the New Deal has become integrated in the tissue of our social and economic life and that if and when their party returns to power it must be, not to destroy but to build upon the foundations laid by Roosevelt.

A few sentences in conclusion: The general charge against me is supporting the President. I have furnished the prosecution a bill of particulars and plead guilty to all of them.

It is fitting at this point to quote a very short paragraph from the CONGRESSIONAL RECORD of June 16, 1933, which sheds additional light on my course. It is taken from a review I made on that date of the first New Deal session of Congress. That session of Congress has since been referred as as the "New Deal honeymoon." Everybody was for the President. Republicans vied with Democrats in praising his statesmanship, his vision, his courage—the man of the hour! It looked as though the millenium was at hand, but I knew better, as I shall quote:

"It is too early to boast of staying with the President. It will be time enough for that when the tide turns, as tides will. The big bridge is yet to be crossed. I hope then still to be found in the 'aye' column."

That statement was prophetic. In this Congress the tide turned. In this Congress we were on the big bridge. Even as far back as the "New Deal honeymoon" session some of them were grumbling in the cloakrooms and saying, "We will be back here next winter repealing a lot of this stuff." (I left out a bad word there.) They were ranging along hunting for a gap in the fence. In this Congress they thought they had found it. The corporation-controlled metropolitan papers proclaimed that the "honeymoon" was over.

As for my part in those troubled days, well, you have just listened to the voice of the man on the bridge. He was there when the waves rolled high and the people cowered in fear. He is there still, and still smiling, still fighting. I listened to his voice tonight with no troubled thought. I can look him in the eye with no twinges of conscience. He knows that if I am a member of the crew I will not go over the side, as the sailors say, when the storm breaks.

Navigation Improvements, Including the Development of Power and the Conservation of Water, for the People by the Congress

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EXTENSION OF REMARKS

OF

HON. JOSEPH J. MANSFIELD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 3, 1939

Mr. MANSFIELD. Mr. Speaker, in the early days of this, the Seventy-sixth Congress, it is appropriate to outline some important subjects which will come up for consideration. During the interim between the Seventy-fifth and Seventy-sixth Congresses there have been world developments which we have observed with no little apprehension but these have not submerged equally important matters within our own country.

As chairman of the Committee on Rivers and Harbors of the House of Representatives I have given careful consideration to the continued development of our waterway resources in combination with the conservation of the waters of our navigable streams and their tributaries. There is one valuable use of flowing water in which we have been for many years, and are now, keenly interested. This is the development of hydroelectric power which can be produced by falling water. The use of flowing water for navigation goes hand in hand with its use for the development of electric power. When locks and dams are constructed to form pools for stabilizing and regulating depths for navigation, the water flowing over the dams can be used for the development of power without any detriment whatsoever to its service to navigation; and the more the flow is stabilized and regulated by the storage of reservoirs and dams, the

more regular and dependable is the flow below the dams for navigation uses.

Early last summer I asked the Chief of the Army Engineers to give me information with respect to the navigable rivers of the country and their tributaries, with a view to determining where and when projects should be initiated or modified for the improvement of navigation and the development of hydroelectric power. In the light of the information that has been supplied as a result of this request, the Committee on Rivers and Harbors has passed a number of resolutions asking for specific information with respect to certain prospective projects capable of being developed for the dual benefits of navigation and power.

It is important that we pass a river and harbor bill during this session of Congress in order that the transportation facilities of our waterways may keep pace with the growth of the country and the needs of waterborne traffic. There should be in this bill a number of combination waterway improvements and hydroelectric developments. The electrical developments in such projects will yield a return to the Government, thus helping to pay for improved navigation, and they will also benefit the public by reason of the economical generation of electrical power. The national aspects of the proposed improvements are indicated by the fact that the projects under consideration involve construction in 30 or more States and affect directly or indirectly every State in the Union. I am sure that you will be interested in a brief outline of the prospective projects for which we already have plans and reports or for which we expect to have plans and reports before the river and harbor bill is finally completed.

Beginning with the New England States, harbor improvements, small but nevertheless useful, are needed in Maine at Northeast Harbor, in Connecticut at Clinton and at Greenwich, and in Rhode Island at Little Narragansett Bay. The canalization of the Connecticut River should be extended from Hartford, Conn., to Holyoke, Mass., by two dams, one of which, at Enfield, Conn., should include a substantial hydroelectric development.

In the Middle Atlantic States plans and reports are ready for improvements in New York State at Northport, Rochester, and Oswego Harbors, and on the Orowoc River; and in New Jersey on Shark River, and on the intracoastal waterway. In Maryland needed improvements have been planned for St. Georges Island, for Lower Thoroughfare at Deals Island, for Mill River, and for Duck Point Cove and St. Catherines Sound. In Virginia plans are ready for improvement of the intracoastal waterway near Norfolk; and of the Urbanna River, and on the Chowan and Blackwater Rivers in both Virginia and North Carolina.

In the Southern States reports are ready for improvements in North Carolina on Cape Fear River, in Edenton Bay, in Pamlico Sound, in Rollinson Channel, and in Swan Quarter Bay waterway; and in South Carolina on Abbapoola and Russell Rivers. There is an excellent plan for the improvement of the Peedee River by its canalization to Cheraw, S. C., with a lock and a dam which will also produce electric power. The canalization of the Santee River to Columbia, S. C., will extend navigation to the capital of South Carolina as well as provide a good hydroelectric development in that vicinity. Desirable and economical projects should be initiated in Florida at Miami Harbor; in Mississippi at Biloxi and in Galere Bayou; and in Louisiana at the mouth of the Mississippi River and in its channel between New Orleans and Baton Rouge. The Apalachicola River in Georgia, Florida, and Alabama can be improved for navigation by open channel works, and perhaps canalization to Columbus, Ga., should be included. In addition the Buford Dam might be constructed on the upper Apalachicola to help regulate the flow below and to develop hydroelectric power at the site The lower Guadalupe River of Texas should be canalized and the construction of the Canyon dam on the upper Guadalupe near New Braunfels, Tex., would regulate flow and permit the development of power in that vicinity.

For the past 60 years there has been revived from time to time public demand for a direct navigable waterway from the Tennessee River southward to the Gulf of Mexico through the State of Alabama. The narrow divide that separates the watershed of the Tennessee from that of the Tombigbee and Warrior Rivers, together with the availability of an ample water supply, are natural factors favorable to such an undertaking. The surveys and studies for the project have been under way for several years, and the plan contemplates modern 9-foot barge navigation through a lock canal.

The possibility of a shorter route to the Gulf coast and to New Orleans for traffic not interested in intermediate ports along the lower Ohio and Mississippi Rivers has made this improvement attractive to many shippers interested in through freight from the Ohio Basin to the Gulf coast. The canal would serve a nearby area embracing over 100 counties in Mississippi, Alabama, Tennessee, and Kentucky and connect Knoxville and Chattanooga in Tennessee with Birmingham and Mobile in Alabama. The adjacent territory to be benefited is predominantly agricultural, but it has important lumbering industries and extensive forest reserves. Moreover, it is one of the most important sources of basic mineral products in the entire country. Availability of such raw materials has made Birmingham one of our great manufacturing centers, and the proposed waterway would extend the area to be benefited by these resources.

The benefits of the cheap water transportation afforded by this canal would accrue not only to the nearby area but also to the more distant territories of the great Ohio River Basin. Producing and consuming areas in Pennsylvania, Ohio, Indiana, Illinois, West Virginia, Kentucky, and Tennessee would have an improved waterway connecting them with producing and consuming territory in Alabama, Mississippi, and other Gulf States. Increased interstate commerce of large proportions must necessarily result, but it is extremely difficult for anyone to make reliable estimates of the prospective benefits. In addition to the many commercial advantages to be gained from this proposed waterway, its value as a transportation artery for heavy tonnages for any character of national military preparation would be an invaluable asset to the defense of this country. A navigable connection between the Tennessee River and the Gulf is clearly an improvement of great national importance, whose benefits would surely exceed by large amounts its relatively small cost.

In the Ohio River Basin there are some low-head navigation dams at which private interests have desired to install power plants under Federal license. An economical power plant can be construced at the navigation dam on the Ohio River near Hogsett, W. Va. Also there can be constructed on the Ohio River a single dam near Ironton, Ohio, which will be a substitute for several movable dams now in the river, and at which a low head electric power plant can be installed. Similarly on the Cumberland River in Kentucky a fixed dam can be constructed at the Canton site to be a substitute for several lower dams and to permit the development of hydroelectric power.

The Lake Erie-Ohio River waterway is an improvement of national importance which was partially and provisionally authorized by the River and Harbor Act of 1935, subject to final approval of the whole project by the Board of Engineers for Rivers and Harbors. The plans have been perfected, but due to major changes that have developed with respect to the economics of the project the Board of Engineers has submitted a new report which is now before the Committee on Rivers and Harbors for consideration. The present plan contemplates a waterway extending from the Ohio River in Pennsylvania to Lake Erie near Ashtabula, Ohio, via the valleys of the Beaver-Mahoning and Grand Rivers. Such a waterway has been advocated by industry and transportation agencies for many years. Its Ohio River terminus would be 25 miles by water below Pittsburgh, and its route would pass through the industrial centers of Youngstown and Warren, Ohio. It would provide a direct water connection between the ore producing and industrial Great Lakes area and the coal, iron, and steel districts of the upper Ohio Basin. In a larger sense it would connect the Great Lakes water-borne commerce with the Ohio-Mississippi system of inland waterways leading to the Gulf of Mexico.

Plans are ready for the improvement of Cleveland Harbor on the Cuyahoga River in Ohio; of Erie Harbor in Pennsylvania; of St. Joseph Harbor, Michigan; of Green Bay Harbor and Fox River, and of Milwaukee Harbor in Wisconsin.

A much-needed meritorious improvement of the Calumet-Sag Channel in Illinois should be authorized.

A power installation should be added to the Hastings navigation dam on the upper Mississippi River near Minneapolis, Minn., and perhaps to the navigation dams at Rock Island and at Alton, Ill.

There has been formulated a comprehensive plan for the improvement of the stretch of the Mississippi River opposite St. Louis, Mo., just below the mouth of the Missouri River. This stretch of the river, known as the Chain of Rocks, has been difficult and unsatisfactory for navigation for a great many years. Involved in the improvement is the water front of the city of St. Louis, where there is a strong public demand for general improvement. The Army engineers have formulated a plan, coordinating all the advisable and desirable improvements, so that the comprehensive plan will do the greatest good to the greatest number. This project will be ready for our consideration and decision.

Definite projects are ready for localities on the upper Mississippi River at McGregor, Iowa; at Cochrane, Wis.; at Red Wing Harbor, Minn.; and in the vicinity of Lake of the Woods at Baudette Harbor, Minn.

In the Pacific Northwest reports are ready for the Committee on Rivers and Harbors for improvement of the Columbia River Channel at Arlington, Oreg.; of Tacoma Harbor, Wash.; and for the improvement of the Columbia and Snake Rivers in Oregon, Washington, and Idaho. The proposed dams on the Columbia and Snake River include extensive developments of hydroelectric power and comprise a comprehensive plan that may be authorized in part or in whole.

Last in this brief outline but by no means least is the development of the great Missouri River, which is longer than the Mississippi River and no less important than that great river. It is desirable that the authorized project for the Missouri River be definitely fixed now as providing for 9-foot depths from the mouth of the river just above St. Louis, Mo., to Sioux City, Iowa. This, however, is only a step in the ultimate development of the Missouri River Basin, which should aim toward the solution of the Great Plains problem.

The drainage basin of the Missouri River covers a territory of 529,000 square miles, embracing all or parts of Kansas, Nebraska, North and South Dakota, Montana, Wyoming, and Colorado, and extends from the Rocky Mountains to the Mississippi River. Included in its limits are extensive areas of arid or semiarid lands known as the Great Plains area, which, in spite of advances in farming technique, remain regions of great economic hazards. The principal sources of Missouri River water are melting snow and rain from the slopes of the Rocky Mountains and from headwater plateaus. The seasonal water supply which now passes off as flood flow should be conserved and put to use for navigation, hydroelectric generation, and for supplying water to agricultural lands deficient in moisture.

The fundamental need of the basin is to conserve water. One reservoir, the Fort Peck project in Montana, is now approaching completion, but several hundred reservoir sites throughout the basin have been investigated. The reports submitted to Congress discuss 71 reservoir sites in the Yellowstone Basin of Montana and Wyoming, 9 reservoir sites in the Cheyenne Basin of South Dakota and Wyoming, and 104 reservoir sites in the Platte Basin of Nebraska, Colorado, and Wyoming. The Yellowstone report is published as House Document No. 256, Seventy-third Congress, second session; the Cheyenne report as House Document No. 190, Seventy-second Congress, first session; and the Platte report as House Document No. 197, Seventy-third Congress, second session. The water conserved by reservoirs would augment the water supply of the Great Plains area in North Dakota, South Dakota, and Nebraska.

Weather experts are developing new theories as to the cycle of moisture from the air to the earth and back through plant life to the air. We know about evaporation and rainfall. Transpiration and absorption are modern terms for allied physical phenomena. Reservoirs would add moisture to the air through evaporation. Lands supplied with water from these reservoirs could grow crops and grass. This vegetation could increase transpiration and thus advance the operation of the hydrologic cycle. Like the plan for the use of the power of the Fort Peck Reservoir, the electricity generated at any dam can be transmitted and used for pumping river water onto neighboring lands. There will be released for the generation of power more water than can be pumped by the effective power, but the excess water will flow down to aid navigation on the Missouri.

It is impossible for me, in a limited time to describe all of the improvements that can be developed for the conservation of water in the Missouri River Basin and for the benefit of the Great Plains area. I might mention, however, the proposed project known as the Missouri River diversion project for the restoration of Devils Lake and for supplying water to areas in North and South Dakota. Devils Lake is said to have covered an area of 142 square miles in 1867 and to have been nearly 40 feet deep. It is now largely an alkali flat, with only 30 square miles of lake area and a maximum depth of 7 feet. The ground-water table has been lowered to a marked extent and many wells in the vicinity have failed. Some small bodies of surface water that do remain are said to be so polluted that they constitute a menace to public health. Sooner or later this condition will be corrected. With the flow of the upper Missouri conserved and regulated, it will be practicable to divert enough water to carry out the Missouri River diversion project. The principal benefits of this project, in addition to the restoration of Devils and Stump Lakes, will be to improve water supplies and increase sewage dilutions for towns on the Sheyenne River, N. Dak., on the Red River, N. Dak. and Minn., and on the James River, N. Dak. and S. Dak. The project also contemplates additional water for stock and lands along these rivers and some power development. It will benefit a considerable portion of the northern Great Plains area that has been at times parched by drought and suffers periodically from dust storms and an inadequate supply of water.

With additional headwater storage providing a constant, regulated flow, extension of existing navigation facilities on the Missouri River can be undertaken. The ultimate development of Missouri Basin contemplates the extension of navigation facilities through the Dakotas into Montana. Plans for such an improvement, involving canalization by locks and dams, have been prepared by the Army engineers. These locks and dams would be multiple-use improvements. The lock and dam planned for the Gavins Point site in Nebraska and South Dakota, to extend navigation to the mouth of the Niobrara River, would be particularly adapted to several uses, including the development of hydroelectric power and the supplying of water to about 100,000 acres of land.

The report on the Missouri River Basin, published as House Document No. 238, Seventy-third Congress, second session, was submitted in 1933, after cooperative investigations and studies by several agencies over a period of 4 years. In addition, reports on 23 separate tributaries of the Missouri River are available. These reports have all been painstakingly and efficiently prepared at a cost of only $1,500,000. They contain factual information for the use of the Congress and its committees, as well as for the use of State agencies needing such information. By legislative direction these studies must be kept up to date so that consideration may be given at any time to new data and to changes in economic conditions that occur from time to time. At this very time the Army engineer organization, in cooperation with other Federal agencies concerned, is reviewing its studies in the Missouri River Basin, and this governmental procedure is established as to continuity and effectiveness.

Time is not available for me to describe all the rivers in the United States that are potential assets for interstate commerce and the development of water-borne transportation and prosperity. In the Southwestern States of Arkansas, Oklahoma, Texas, New Mexico, Kansas, and Colorado there are many rivers for which comprehensive water conservation

plans, including navigation improvements, have been formulated. This territory now has the highest rail rate structure in the country. The people there pay more per pound for the transportation of the goods that they buy than do the people of any other part of the United States. As a result new industries are backward in developing in an area that is unusually rich in resources. In the basins of the great rivers of the Southwest lie 95 percent of our bauxite clay, 75 percent of our lead and zinc, coal fields surpassed only by those in West Virginia and Pennsylvania, two-thirds of our petroleum reserves, our greatest winter wheat regions, and our greatest cotton-producing areas. Sooner or later the rivers of this section must be improved for navigation.

The development of our rivers and harbors for water-borne traffic is essential not only to the peacetime prosperity of the country but also to preparation of national defense. The waterways of the country carry large tonnages more economically than the railroads and serve the demand for heavy and large traffic which is beyond the capacity of the railroads. The two types of transportation should not be regarded as competitive since from a broad national viewpoint they supplement each other in the development of river basins. Such general development is dependent on low transportation rates for bulky and low-cost commodities, which general development creates in turn greater tonnage of high-grade goods which can stand higher transportation rates by rail. The boats and tows moving in the Ohio River give the appearance by their number of large traffic. When the tonnages are computed the enormous amount of freight is more evident. On the Mississippi and Missouri Rivers an observer does not see so many tows, but when he realizes that 1 tow carries as much tonnage as 200 loaded freight cars or 3 freight trains, he realizes the great volume of the traffic.

One who works on the Committee on Rivers and Harbors of the House of Representatives is constantly impressed with the thoroughness, completeness, and comprehensive character of the plans which we have ready for the improvement and development of the Nation's navigable rivers and their tributaries. Not only do the Army engineers have all the information, data, and plans with respect to our great network of waterways, but the other agencies of the Government, each in its sphere of activity, also have their plans ready and up to date. The separate agencies are in constant contact and cooperation, exchanging information and plans, in such way that their effective operations meet and join so as to omit nothing, and so as to be effective as a unified whole with the minimum expense and the maximum efficiency and economy.

For example, the Army engineers have jurisdiction over the Fort Peck Dam and Reservoir and the discharge of the waters therefrom. The discharging waters are to generate power through hydroelectrical machinery also under the jurisdiction of the Army engineers, but the power will be turned over to the Reclamation Service at the switchboard, and that service will attend to disposition of the electricity from that definite point on. This seems appropriate since the principal prospective use of the power will be for pumping water from the river at points below the dam for irrigation. Both agencies are cooperative and sympathetic with each other and take pride in seeing that there is not a penny's worth of waste in the transfer of this electric power from the one to the other.

Another example is the planning and execution activities that obtained between the Army engineers and the Department of Agriculture in connection with the improvements in the valley of the Muskingum River. This same kind of cooperation has characterized procedures on all other watersheds where soil erosion and reforestation have presented problems. The Army engineers cooperate with the Weather Bureau in storm, rainfall, and run-off studies; with the Geological Survey on stream gaging; with the Geological Survey and the Coast and Geodetic Survey in mapping; with the Reclamation Service on river-basin studies of arid and semiarid regions; and with the Federal Power Commission with respect to dams suitable for the development of hydroelectric power.

The executive agencies of the Government administer the planning, execution, and operation of public improvements in cooperation and according to the directions of Congress. Each executive agency is manned with its own experts, who are fully occupied with their own specialties and are only too eager to exchange information and data and to make their several activities fit together with economy and without duplication and overlapping.

For coordinating the financial programs of the Government we have the Bureau of the Budget manned with financial and economic experts. We read in the newspapers that the President is to see the Director of the Budget in order to formulate the expenditure program for the next fiscal year. Within a day or two after we have read such a newspaper item we read another to the effect that the financial program has been decided upon. The time is miraculously short. Prior to the Presidential consideration of the Budget the executive agencies of the Government have furnished the Director of the Budget with all the figures and estimates needed by him. Coordination of the financial program of the Government is thus effected and only by a financial coordinator such as the Budget Director can this character of coordination be attained. Obviously the President must make the final decisions and he does this most effectively and efficiently with a Bureau of the Budget such as we now have.

The approved Budget is submitted to Congress, and the representatives of the people who furnish the money have the final say as to what will be done. The procedure in Congress needs no explanation. It is for the representatives of the people to determine the objectives as well as the procedure of the Government of the United States. And it is the function and prerogative of the Congress of the United States to say where, when, and for what the money of the people of the United States shall be spent. It is for the Congress to authorize and appropriate funds to be used for specific purposes, objectives, and projects with such administrative procedure and administration as will preclude any one individual from using the money of the people for his own personal ends.

Within recent months we have read of the troubles in Europe. While these troubles were filling the newspapers, a national election has been held in this country. No citizen be he rich or poor, be he statesman or private individual, be he running for office or not, has been afraid to think, say, and vote as his conscience dictated. And no dictator has been able to harm a hair of anyone's head. Such is the form of the American Government for which our forefathers fought the Revolutionary War. From the beginning the American people have zealously guarded this form of government with its checks and balances. Whenever the people of this country have sensed any tendency for their individual liberties to be encroached upon, they have been willing to fight and have fought. The American people have always ruled themselves and they will continue to do so through their representatives in Congress. We may rest assured that this democratic form of government will continue to rule this great Nation in the interests of the liberty and welfare of all the people all the time.

America, the Hope of the World—Introducing House Concurrent Resolution No. 1 of the Seventy-sixth Congress

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EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 3, 1939

Mr. LUDLOW. Mr. Speaker, America is the hope of the world.

Millions of human beings on this earth, cruelly deprived of the home, religious, and cultural life for which their hearts

yearn; robbed of their liberties and reduced to the status of mere serfs and pawns, whose lives are regimented, controlled, goose-stepped, and snuffed out at the will of dictators, are turning to America as the savior of the world.

The military madness that grips the nations is heading mankind down the road that leads to death, destruction, and the wreck and ruin of civilization. Unless some powerful regenerating influence appears in the world theater soon the doom of the human race will be sealed.

There is only one power on earth that can save the situation, and that is the United States of America. America can save the world if it acts, not as the protagonist of might but as the protagonist of peace. To win, it must reach out and extend its influence to world-wide dimensions, not in a campaign of military conquest but in a campaign of conquest over the hearts of men. It must find some way to get to the hearts of the common people all around the world and to impress them that there is something better in store for them than having to burn up their energies and sacrifice their loved ones in the everlasting flames of war.

To accomplish this mission America must burgeon forth as the good neighbor as it never has before in all of our history. It must make a tremendous appeal to the common run of mortals and must help to lift them out of the miasmas of war by the arguments of sanity and reason. Our moral strength, our great contributions to humanitarian causes, our unselfishness of purpose, and our record of never having coveted a foot of territory that does not belong to us should help us to fill this splendid role.

If we are to save the world it is important that we shall get started in the right direction, and that direction lies in the exercise of a moral strength that is more powerful than great battleships. When everyhing else has failed it will be found that a sincere application of the principles of Christianity is the best solvent of the world's troubles. Our beloved president, Franklin D. Roosevelt, expressed the thought beautifully at the recent Yuletide when he said, "The spirit of Christmas is the hope of mankind," and also not so long ago when he said, "I doubt if there is any problem—social, political, or economic—that will not melt before the fire of a spiritual awakening."

The crying need of the world today is a recrudescence of the spirit of Christianity. We need to tune our hearts to the song of the angels at Bethlehem: "Peace on earth, good will to men." We can go far to alleviate the distressing conditions throughout the world to lighten humanity's cross, and to insure the peace of America if we will preach the gospel of love, instead of the gospel of hate. We have tackled the psychosis of war on several fronts but not yet, I fear, on the right front to secure results. Let us now tackle it on the Christian front by striving for an agreement among nations to limit arms and to direct their courses into pathways of peace. May the good Lord make us realize the vastness of our opportunity.

America can do two things now to arrest the tide of butchery called war and to relieve humanity from the fears and the grueling financial burdens caused by the war insanity which has taken possession of the world. Those two things are:

First. Propose to the powers that we have a naval holiday.

Second. Call a conference of the powers on limitation of armaments.

Never did a nation have such an opportunity for leadership as now confronts the United States. If it were divinely ordered, it could not seem more perfect. The people all around the world are weary of war. They are weary of its griefs and heartaches. They are weary of its crushing burdens and of the pain it puts in the hearts of mothers.

Never was a more stellar role cast for the exercise of American statesmanship. Of all the nations on earth, America is best qualified to lead in this world-peace movement.

America's leadership, if brought into action at this time, can check the mad race for naval supremacy and can bring the powers together around a table to plan a reduction in armaments. In a concurrent resolution I have introduced in the House, known as House Concurrent Resolution 1 of the Seventy-Sixth Congress, I propose that the United States shall sound out the other nations on a suspension of all naval construction until January 1, 1941, and shall issue a call for a conference of delegates of all the leading powers to be held in Washington next June to take up the question of limitation of armaments. As my resolution suggests a definite course of national action that cannot fail to interest every peace-loving citizen, I ask your indulgence while I present its text.

It is as follows:

Whereas a competitive race of armaments is sapping the financial strength of nations, breeding international distrust and suspicion, and endangering the peace of the world; and

Whereas there are unmistakable indications that the world is weary of war and strife and the colossal burden of armaments and would welcome a sincere movement in the interest of peace: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress of the United States of America that a proposal to suspend by joint action all naval construction until January 1, 1941, should be submitted by the United States to all of the leading powers.

It is also the sense of the Congress of the United States of America that a peace conference should be held in the city of Washington on or about August 1, 1939, to which all of the leading powers should be invited to send delegates to discuss limitations of armaments and other questions associated with and promotive of international concord.

This resolution may be cited as the peace-by-conference resolution.

A great national ground swell of sentiment back of this resolution would insure its adoption. It is so worded that it does not interfere with the prerogatives of the President, the Secretary of State, or any other officials who are concerned with foreign affairs. It does not instruct or direct them to do anything. Its adoption would not be a mandate, but it would be informative as to the views of Congress and the country. The resolution does not contemplate any action outside the legitimate and proper jurisdiction of Congress. It does not infringe upon the province of any executive authority. It merely declares it to be the sense of Congress that America should now take the lead in declaring a naval holiday and in calling for a conference on limitation of armaments.

It has often been truly said that the function of a concurrent resolution is to register the opinion of Congress, and that is what this resolution will do if adopted. But it has even greater significance than that. The Congress of the United States, especially the House, is traditionally close to the people, and this resolution is proposed as the only means applicable to the situation of registering the will of the people on war. It will mean, if adopted, that the people of America think the time has come to cease the insane rivalry of armaments and to put a stop to the unconscionable butchery called war. In a democracy it is right and proper that Congress, the body that stands closest to the people, should express itself from time to time by concurrent resolution on questions of great and vital national interest. There is a strong and insistent national demand that Congress shall live up to its obligations as a coordinate branch in the scheme of government. Congress will abdicate its functions and will be untrue to its responsibilities if it does not keep forever vibrant the voice of the people. Certainly these are questions on which the people who have to do the suffering and the dying and to bear the unspeakable burdens and griefs of war have a right to express themselves; and if they do express themselves through their chosen representatives by the adoption of this resolution, there is no reason to doubt that officials of the Government who are charged with the responsibility of acting in foreign affairs will give conscientious attention and consideration to their wishes.

Some may say that dictators are not in a frame of mind to permit their countries to be represented in an arms limitations conference, but I believe this is a mistake. Japan, through her official spokesman, her foreign minister, already has stated that she will welcome an opportunity to send delegates to such a conference. I predict that other dictators will think more kindly of the proposition when they hear from the common people of their respective countries, and I venture to say that not one great power would fail to respond to such an invitation coming from Washington.

World public opinion still has strong influence, even with dictators. Hitler's willingness to listen to Chamberlain and Roosevelt in the settlement of the recent European crisis does not indicate that he would refuse to send delegates to a conference to agree on limitation of arms. Let us not permit an idea to die still-born that offers so much of hope for the future peace and security of humanity. Let us by adopting this resolution give it real promise and vitality so that something worth while may come of it. As a Christian nation, dedicated to high ideals, we could do nothing better, nothing nobler.

The world is ready for an arms limitation conference and if America does not propose such a conference it will miss one of the greatest opportunities to promote world peace that was ever offered. Diplomats and roving ambassadors may split hairs and may strive by all the unfathomable and inscrutable methods which only a diplomat can understand, to convey the impression that a peace movement is not practical at this time; but the people are tired of diplomatic circumlocution and tergiversation and are sick of the devious ways of the diplomatic gentry. The people want peace and they want it by direct action. They see nothing improper in inviting Japan and England and France and Italy and Germany and the other powers to get together around a table in Washington to ascertain whether an agreement cannot be reached that will stop the armament folly and insure peace to a weary world. They ask this question, If it comes to the worst and the movement fails, what harm has been done? The world will then be in no worse fix than it is now. It is well worth a trial.

It is entirely proper that Congress, representing the people of this great peace-loving Nation who are in deep sympathy with the common people of all other nations, should express themselves by adopting this resolution. The time is ripe for it. The world is crying for action to break the war psychology. Now is the time for America to rise to supreme heights in world service.

Will America heed humanity's cry?
There she stands—America, the hope of the world!

The Work of the Seventy-sixth Congress

EXTENSION OF REMARKS

OF

HON. PATRICK J. BOLAND

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 3, 1939

RADIO ADDRESS BY HON. WILLIAM B. BANKHEAD, SPEAKER OF THE HOUSE OF REPRESENTATIVES, ON JANUARY 2, 1939

Mr. BOLAND. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by Hon. WILLIAM B. BANKHEAD, Speaker of the House of Representatives, on the National Radio Forum, January 2, 1939:

Under the provisions of the so-called Norris or "lame duck" amendment to the Constitution, both branches of Congress will be convened promptly at 12 o'clock noon tomorrow, January 3. It will, of course, be remembered that before the adoption of that amendment on every other year the Congress met on the first Monday in December and adjourned by limitation of law on the 4th day of March succeeding, which embraced the so-called short session of the Congress, and before adoption of that amendment Members elected in November were not sworn into office and did not take up their duties until a year after they were elected.

In accepting this invitation to attempt a summary of the forthcoming activities of the Congress in its seventy-sixth session I cannot, of course, speak with any degree of certainty as to the results of a number of proposed measures of legislation that will undoubtedly receive the attention of the lawmaking bodies, and I shall have to be content with surmise and prediction only.

Of course, the first business on the program as far as the House of Representatives is concerned will be to perfect its organization and to proceed thereafter to the making up of the various committees of the House, and especially of filling many vacancies on House committees caused by the loss of a number of Democratic Members in the recent election. It is now practically assured that there will be no spirited contest over the election of Speaker, majority leader, and the other officers of the House, inasmuch as under our party system the Democratic caucus has today already acted in the selection of its nominees to be presented when the House meets tomorrow, and the vote will be largely a matter of form. I have learned that Hon. JOSEPH W. MARTIN, Jr., of Massachusetts, has tonight been selected as the candidate of the Republican Party for Speaker, which carries with it his designation as minority leader on the floor of the House. The filling of a number of vacancies on the committees of the House is a matter of great importance and serious concern to the Democratic organization. All persons who are really familiar with the procedure of Congress and the passage of laws now know that the laborious and practical framing of all laws is largely accomplished in the committee rooms, although they are, of course, debated, often amended, and sometimes defeated after being recommended by the various committees when they come up for actual passage on the floor. It also may be a matter of some interest to those who are not familiar with our parliamentary procedure that, under the present system, all Democratic vacancies on committees are recommended by the so-called committee on committees, which is made up exclusively of the Democratic members of the Committee on Ways and Means; but, of course, after such committee makes its recommendations they have to be acted upon by the House itself. The Republican vacancies are filled in similar fashion by the recommendations of the minority leader.

The President of the United States will address the joint session of the House and Senate in the Hall of the House on Wednesday at 1 p. m., and arrangements have been made for the broadcasting of his address over three of our important radio systems and, no doubt, millions of our citizens will be interested to hear the President make his recommendations to the Congress at that time.

I feel that it is reasonable to assume that the President will discuss at some length, and will probably make some very definite suggestions with reference to our international situation and matters which, in his opinion, may be reasonably necessary for the strengthening of our armed national defense. I personally feel that in view of the very distressing situation in many parts of the world involving actual armed conflict among millions of people at this time, and in view of the apparent purpose of some dictator governments to enforce their will upon helpless minorities that the people of our country will hear with great interest the views presented by our President upon these subjects which so vitally affect the future safety and security of our Republic. There can be no question that the public mind of America as indicated by the press and by some specific surveys of public opinion is thoroughly in favor of a very full consideration of our problems of national defense and will endorse the actions of the Congress in making adequate and yet reasonable provisions for our safety and security.

It is also quite probable that part of the President's message may be devoted to a discussion of our transportation problems, particularly the plight of our great railway systems at the present time. This is a matter of very great concern to the future of our country, and it may be that a proper solution of the transportation situation may require a basic reconstruction of the entire system of transportation, including not only railroads but also highway-, water-, and air-borne commerce. It is a problem which, in my opinion, should not be acted upon hastily or without adequate consideration of all the factors involved, and I feel that before wise legislation can be recommended that it will be necessary to have a very full and complete congressional survey of every phase of the problem.

One of the first matters that will engage the attention of the Congress is that of providing a deficiency appropriation to carry forward until the 1st day of July the great burden of relief in its various phases. It has been indicated that the existing appropriation will be sufficient to run this program for only a few weeks longer, and it is quite possible that there will be sharp controversy in Congress not only over the amount that should be appropriated to carry on the work for the remainder of the fiscal year, but also that some limitations may be proposed as to the manner of the expenditure of these funds.

An effort will, no doubt, be made to secure consideration for another Government reorganization bill. Under both Democratic and Republican administrations I have consistently advocated legislation of that character. I feel that by the passage of a fairly conceived and properly administered reorganization bill a vast amount of greater efficiency in government can be obtained, and I am not unmindful of the possibilities of substantial economy in the operations of government under such a program.

Indications also exist that serious efforts will be made to amend or modify certain features of the National Labor Relations Act, but to what extent and by what specific alterations it is not now apparent.

It is also now apparent that a vigorous effort may be made by certain groups of opinion to modify some of the essential features of the Agricultural Adjustment Act of 1938, and this controversy may be rather vigorously contested before both the House and Senate Committees on Agriculture and in both branches of Congress.

It will be recalled that at the last session of Congress a resolution was adopted setting up the National Temporary Economic Com-

mittee, which is composed of representatives from the House and Senate and also an equal number of representatives from the executive branches of the Federal Government:

"To make a full and complete study and investigation with respect to the matters referred to in the President's message of April 29, 1938, on monopoly and the concentration of economic power in and financial control over production and distribution of goods and services and to hear and receive evidence thereon, with a view to determining, but without limitation, (1) the causes of such concentration and control and their effect upon competition; (2) the effect of the existing price system and the price policies of industry upon the general level of trade, upon employment, upon long-term profits, and upon consumption; and (3) the effect of existing tax, patent, and other Government policies upon competition, price levels, unemployment, profits, and consumption; and shall investigate the subject of governmental adjustment of the purchasing power of the dollar so as to attain 1926 commodity price levels; and

"(b) To make recommendation to Congress with respect to legislation upon the foregoing subjects * * *."

Such committee was set up soon after the adjournment of the last Congress and is now actively engaged in the studies and investigations required of it. The various and amplified subjects required to be investigated by this committee will necessarily require long consideration and extended sessions, and it is quite unlikely that it will be possible for that committee to make any recommendations for legislation to the incoming session of Congress, although they may see fit, after due consideration, to recommend legislation on some particular matters that have been developed by the hearings.

I am sure that it is gratifying to all groups of opinion in the country that it is evidently the purpose of this committee to pursue its investigation with great judicial calmness, without any semblance of punitive disclosures against any branch of industry or society, and to go to the bottom of our present industrial and social set-up with the purpose of undertaking to solve by future legislation any gross maladjustments of our present practices and to seek to establish equality of opportunity under the law for all persons and all industries in the country.

The present surface indications point to very spirited and possibly acrimonious discussion of a great variety of proposed changes in the present Social Security Act. Old-age pensions through some form of Federal assistance is undoubtedly one of the livest issues now before the country. A great number of proposals have been put forward of varying degrees of liberality and methods of financing. It is rather certain that the House Ways and Means Committee will early in the session set down hearings on these issues and give to all the outstanding proposals a fair opportunity to be heard.

There are in prospect the possibility of various other legislative proposals which may bring on unanticipated debate and differences of opinion.

As I stated in the beginning of this address, not having the powers of clairvoyance, I cannot enter upon the field of certain and definite predictions as to the course of legislation and have been compelled as a matter of fairness and prudence to indulge only in words of prophecy and speculation. It is now apparent that, because of the increase in the Republican representation in the House of Representatives especially, party lines may be more sharply and aggressively drawn than they were in the last session, when the Democrats had such a preponderant majority. As one who has had quite a long experience in the public service of the House of Representatives, it is my judgment that, from the standpoint of effective and militant party spirit and program, it may be better for my party to have had its majority reduced despite my very deep personal regret over the defeat of many of my Democratic colleagues. Speaking as one representative of the Democratic Party, I feel that we cannot afford to overlook the result of the last election. I think it the part of political expediency, as well as of public service, to undertake to analyze as far as we may the causes of the increased vote by the opposition party and if it is the definite conclusion that such results were obtained solely by either bad features of the laws that we have passed or by the unwise administration of those laws and not by local conditions entirely aside from Federal activities which had a profound reaction in some States, then to take steps to meet public opinion in the modification and correction of such criticisms as may have been influential in the recent election; and I feel confident that that will be the spirit animating the actions of the majority party in Congress.

If I may be permitted to do so, without appearing to be too partisan in this address, it is comforting to us who have been instrumental in securing the passage of many of these so-called New Deal laws that the leaders of the opposition very frankly concede that they recognize the wisdom and justice of most of the outstanding laws we have passed, and that they would not undertake to repeal them in principle or in substance, but that their efforts would be largely upon the basis of correction and modification of some features of such legislation that they see fit to criticise.

As practical politicians and as men who are anxious to preserve the dominance of their party in government, I feel confident that it will be the objective of Democratic leadership, as well as the purpose of the rank and file, to act with as much harmony and coherence as may be possible without the surrender of individual intellectual integrity upon some particular phases of legislation.

I wish to thank this forum for the opportunity to express these very fragmentary and inconclusive sentiments and to again express my great admiration for the wonderful possibilities of molding public opinion through the instrumentality of the radio.

I cannot refrain in closing from expressing very great satisfaction as an American citizen over the reassuring business prospects for the new year, which every present augury indicates will constantly improve. Above all other things, we should be grateful for the fact that our Nation is still at peace with all the world. May a merciful Providence preserve that happy situation for all the years to come.

Racial, Religious, and Political Persecutions in Germany

EXTENSION OF REMARKS

OF

HON. EDITH NOURSE ROGERS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 3, 1939

ADDRESS BY HON. EDITH NOURSE ROGERS, OF MASSACHUSETTS, AT LOWELL, MASS., ON DECEMBER 30, 1938

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to have printed in the RECORD an address delivered by me on Friday, December 30, 1938, at Lowell, Mass., as follows:

We are here tonight, all of us together, Jews and Christians, Catholics and Protestants, in a common cause. We are here to protest against religious and racial prejudice, against the persecution of the Jew, the Catholic, and the Protestant by the leader of one of the major nations of the world. Our protest is not against the German people, but against Adolf Hitler, their dictator. We who live beyond the boundaries of the German Empire and who are permitted to read what we will, listen to whatever radio program we wish, and to express our own opinions whenever we care to do so, know that the political program of Germany is not the will of the German people, but is the frenzied dictatorial policy of the Nazi leader of that misguided country.

We realize that the people of Germany are not permitted to express their disapproval of the acts of their leader. Such an expression would not be condoned. Fear of punishment and fear of being denounced as a traitor have sealed the lips of many Germans who are not in accord with the Nazi policy. As a member of the Foreign Affairs Committee of the House of Representatives I have reason to know foreign affairs.

On May 11, 1933, almost 5 years ago, I spoke on the floor of the National House of Representatives in protest against what I termed the brutal and unwarranted treatment of the nationals of Jewish extraction in Germany by Adolf Hitler. This was the first time that a National Representative had made such a protest to Congress. Since then I have made other protests on the floor of Congress and elsewhere.

Serious as were the actions of the Hitler regime at that time, what has happened since is almost beyond belief or comprehension. It is unnecessary to tell you in detail of the indignities and cruel treatment this dictator has visited upon the Jews who were so unfortunate as to live in Germany. Hitler's actions have been so startling, so inhuman, as to command the attention and indignation of everybody throughout the world.

In the last 5 years Adolf Hitler has broadened his campaign to control all thought and opinion in Germany by maintaining a drive against the Catholic clergy. Priests and nuns have been arrested and imprisoned for long periods on the flimsiest of charges. Protestant churches have been closed by the police. Storm troopers have arrested ministers of the gospel merely because these clergymen have refused to admit the supremacy of Hitlerism over Christianity. Masonic lodges and other secret organizations have been liquidated and properties built up by these organizations for hundreds of years have been confiscated. Labor has been deprived of all rights of collective bargaining. Striking, or even talking of a strike, are crimes calling for the severest punishment.

These are but a few of the persecutions inflicted upon Germany's racial, religious, and political minorities. We in America find it difficult to visualize such treatment. It is a negation of everything for which our country stands. It is a reversion to the Dark Ages of medieval despotism, when governmental suppression of speech, press, liberty of conscience, and political belief were the order of the day.

The plight of the Jew in Germany is pitiable. The stray dog roaming the streets of Lowell is more fortunate than one of these oppressed people. Here at least the authorities will not permit the dog to be mistreated, kicked, and browbeaten.

We all recognize the right of the people of any country to establish the kind of government they deem best for their requirements. But when a nation establishes rules and laws entirely against the principles of justice and morality, then such a nation will find itself

criticized and condemned for those actions. To make it a bit clearer: We recognize the fact that our next-door neighbor has certain rights with which we cannot interfere, but suppose that neighbor inflicts cruel and inhuman treatment upon one of the members of his household—then the matter becomes the business of the community, as the general welfare of the people at large has been violated. So it is with nations. In this modern era of civilization we expect nations to protect and accord their nationals a just and humane government. When they do not do so, then it becomes the affair of the world at large.

The heaviest burden of this terrible oppression in Germany has fallen upon the Jews, as has so often been the case in central Europe. These oppressed people have been persecuted for 30 centuries. They have been driven from land to land until they have become wanderers seeking a haven of rest and contentment in a world that does not hesitate to profit by their standards of culture and their examples of loyalty to family and home.

The Jewish race has always been renowned for its ancient culture, its love of peace and simple living. America owes them much. More than 300,000 young Jewish men served with the American forces in the World War. They have a glorious record upon the battlefields. Eleven hundred Jews were cited for conspicuous valor; three of these won the highest military decoration our Nation bestows—the Congressional Medal of Honor. One hundred and fifty Jews won the Distinguished Service Cross. We cannot remain silent while the relatives of these men are being subjected to this unwarranted treatment in Germany today. They are being driven from their homes, forced to abandon their trades and professions without recourse to trial or law.

While we have not heard so much of the persecution of the great Catholic Church in Germany, there have been numerous instances of this policy of hatred by the Nazi Government. In the early months of last year Hitler started a rigorous anti-Catholic campaign. He suppressed numerous Catholic schools and ordered the children to join his Brown Shirt Hitler Youth Group. In many places in Germany parents were urged by the Nazi party not to send their children to Catholic schools. In an effort to destroy the prestige of the Catholic Church in Germany he ordered the arrest of more than 1,000 lay brothers on very unjust charges of immorality. Through the very effective and huge propaganda agency of the Nazi regime the German people were kept informed of these charges, unfair and unproved though they were. This propaganda so aroused the Catholic Church and its friends and the repercussions were so loud that the Nazi anti-Catholic program was halted, for the time at least. Since then, however, there have been numerous instances that indicate that when the anti-Jewish drive has been completed the anti-Catholic program will be taken up again and a further drive begun against the Protestant Church.

I feel very sorry and very sympathetic for the German people. They are powerless against the Nazi machine which seeks to subjugate all to the will of the leader. Its first attack was against the Jews, but it soon became evident that this was but a prelude to a threat against all religions, against freedom of thought, freedom of conscience. There was no valid reason for this persecution and oppression. The Jews in Germany were a very small minority of the nation. In a total population of 68,000,000 of people, only about 600,000 were Jewish, according to the pre-war census. One out of every six of these Jews fought for Germany in the World War. More than 35,000 of them were decorated for bravery. More than 165 Jewish aviators fought at the front, 30 of whom were killed in action. The heroes of yesterday are the oppressed of today. For some of these, more fortunate than the others, America has become a haven of safety. From its earliest days this country has always been a place of refuge for the oppressed of other lands. Because of the Nazi policy America has made herself richer by the advent of some of the leaders of German culture.

The question is asked on all sides: "What can we do about it?" Nobody wants war. It is abhorrent to all of us. But I believe that we as a nation should make our position very plain to Germany; we should serve very definite warning to her leaders that America does not condone this ruthless persecution and shameful hate and bigotry. In doing so we shall show ourselves to be true friends of the real Germany in our wish for a restoration of the normal life and health of that great nation.

In closing let us be truly thankful that we live in a country which permits liberty of conscience and freedom of thought and action. Let us keep before us the picture of oppression and servitude now so prevalent in Europe that we may guard carefully and well our own inherent rights as Americans.

The following resolution was unanimously adopted by the meeting:

LOWELL, MASS., *December 30, 1938.*

Whereas the freedom to worship as one pleases is a traditional American principle guaranteed by the Bill of Rights and cherished and preserved by numerous generations of liberty-loving Americans; and

Whereas the American people, when their sympathies are touched, when their humane instincts are challenged, and when their hatred of oppression is aroused, are not afraid to speak; and

Whereas we cannot forget and must not forget that this Nation was settled, established, and made strong by refugees in other times; by Pilgrims, by Puritans, by Hugenots, by refugees from the potato famine, and by refugees from the Palatinate, and by refugees from bolshevism; and that this Nation's position as an independent state is due to the heroic sacrifices of men who preferred death to the loss of liberty; and that throughout our history we have extended a sympathetic and helping hand to those who fought for liberty in other lands; and

Whereas there is no room in our Nation for the smoldering fires of racial hatred that have brought over the centuries untold misery to the Old World; and

Whereas oppression of one group inevitably leads to oppression of other groups: Therefore be it

Resolved, That we, the citizens of Lowell, Mass., assembled this evening in a beautiful memorial building dedicated to the men and women who gave their lives to preserve American liberty and American institutions, do most vigorously condemn the action of the German Government in persecuting the Jewish people in a wave of unsatiated hate that threatens to sweep the world like another black plague; and be it further

Resolved, That we do with equal vigor condemn man's inhumanity to man as exemplified in the past 20 years by the slaying of 2,000,000 Christians and the closing of 60,000 churches in Russia; by the murder of 6,000 diocesan clergy and the desecration, burning, and pillaging of 20,000 churches and chapels in Spain and by the exiling of 11 bishops and the destruction of 131 churches in a single State of Mexico; and, finally, be it

Resolved, That we as loyal American citizens reaffirm our belief in the integrity of the American form of government and that we strike at those who seek to create dissension and disunity among us by fostering distinctions that are un-American and by instilling hatreds and prejudices that have brought Europe to its present deplorable condition.

How Can the Menace of Nazi-ism Be Curbed?

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 3, 1939

Mr. CELLER. Mr. Speaker, concerning this very vexatious subject, words are interesting. Oratory is intriguing. But mere protests are not enough. Action—forceful action—is essential.

I herewith give a list of suggested measures which might be taken. They may be called punitive laws against the savagery of the Nazis and their loathsome, foul leaders—Hitler, Goebbels, Goering, and others equally despicable. It shall be my studied purpose in the present session to introduce most of them in the House and push same for passage. It will be readily discernible that some of these suggested measures are matters for State legislation, in which event we should endeavor to persuade the States to take appropriate action.

First. Germany shall be kept on a tariff blacklist, and there shall be absolute refusal to deal with her on any reciprocity basis. Her products are now discriminated against by higher tariffs, and that discrimination shall continue. I am sure the State Department under Hull will not dissent.

Second. Germany must assume the payment of the relief and construction loan bonds due this country from the erstwhile Republic of Austria. She has failed to give the State Department an appropriate answer as to such assumption of payment. Continued refusal should merit an ultimatum from the State Department whereby she shall be given a short period within which to pay or we shall confiscate all moneys found in this country due the German Government and levy an attachment upon all property owned by the German Government—for example, the ships of the Hapag-Lloyd.

Third. We shall compel the registration of all moneys in this country and all property in this country owned or held by German nationals or the German Government. We shall furthermore compel registration of any interest any German entity has in such property, with a view to subsequent appropriation of same for unpaid German obligations or debts due either to the Government or to our citizens. Furthermore, why should it not be feasible to refuse the transfer of interest and dividends due German subjects on account of their investments in American securities and property esti-

mated at more than $300,000,000 as long as American investors in Germany are unable to collect on their holdings?

Fourth. Investigation shall be had of all operations of the Hapag-Lloyd Lines and its officials and employees, in the interests of ferreting out espionage and spying activities. The piers, warehouses, and offices of this line are hotbeds of subversive Nazi activity. This line brings in tons of vile Nazi literature. The privileges and immunities usually granted to steamship lines in the case of the line should be carefully scrutinized and if there be violations of law found, such privileges should be curtailed or withdrawn. The city of New York rents its piers to this line. Raising of the rent or refusal to renew the lease might prove efficacious. Mayor LaGuardia, therefore, has a powerful weapon with which to punish. I realize our ships in German waters may be similarly treated. What of it? Nazis have more to lose than we. Our ships reaching German shores are few in number, far fewer than Nazi ships reaching our harbors.

Fifth. Any citizen, as, for example, the unspeakable and vile Dr. Kuhn, who may be guilty of incitement to riot and encouragement to violence shall have his citizenship revoked, after which deportation shall be in order. All aliens, or Nazis, whether they be declarants or nondeclarants, engaged in activities and propaganda having for their purposes incitements to riot, violence, and destruction, shall be similarly deported. Our naturalization and deportation laws shall be amended accordingly.

Sixth. Parades of so-called Nazi bunds in uniform shall be prohibited. All Nazi military or semimilitary organizations shall be suppressed. The hundred-or-so Nazi camps, wherever it shall be found that same are being used for stirring up religious strife, race prejudice, and incitement to riot, shall be disrupted, under severe penalties, and dissolved.

Seventh. The use of the mails shall be denied to all persons or organizations deliberately and intentionally sending misleading and false matter for the purpose of arousing religious strife or race prejudice. I admit I am on tender ground here—great care must be exercised lest the right of freedom of religion be violated. But sheer lies and patent distortions do not constitute freedom of religion. That would be freedom run riot. That would be license for carrying through our mails all manner of vicious and false propaganda. The line must be drawn somewhere.

Eighth. Any naturalized citizen who becomes a member of any subversive organization, such as the Nazi bunds, within 10 years of obtaining his second or final papers, shall be deemed guilty of acting in bad faith in the taking of his oath of allegiance and his final citizenship papers shall summarily be revoked.

Ninth. The Reich saw fit by enforced liquidation to sell at sacrificial prices real, personal, and industrial property of all Jews. The State Department shall continue to insist that American Jews, who are citizens of the United States, and who are temporarily in Germany, shall be exempt from such enforced liquidation. This demand is in pursuance of the German-American Treaty of 1923, which shall be deemed held contravened. If the Reich refuses such exemption, German nationals in this country shall be subject to the same treatment, and the moneys obtained from such enforced sale of the property of German nationals shall be used in refugee work. Suitable and vigorous protest has been made by an efficient State Department to the Nazi foreign office. I have read carefully the notes that Von Ribbentrop sent to Mr. Hull. They are full of sophistry and fake claims. They are just clumsy subterfuges. If I were an ordinary businessman claiming certain rights of a debtor and the latter answered me as did Von Ribbentrop, I would call him an unmitigated liar and an unvarnished scoundrel—nay, more, I would be tempted to give him 5 days to make restitution, failing which I should take him by the seat of his pants and dump him into a manure pit.

Tenth. The Government shall set up at the Panama Canal Zone a huge radio station in pursuance of my bill, to counteract and checkmate the vicious and ruthless German propaganda by radio and short wave pouring into all South American countries. It is as ceaseless as it is villainous. The United States, our President, and other high governmental officials are especial targets of attack. Americans are portrayed as naught but cutthroats, bandits, racketeers, cheats, and scoundrels in their business dealings. These insults spill over the airways from Germany 24 hours a day, 365 days a year. As yet we have done nothing to meet this evil. But it is an evil that must be met and met soon—otherwise the wrong done will be irreparable. Nazi proselyting while damning us will have gone too far. I am encouraged by the State Department to reintroduce the measure. Frankly, I am tempted to ask the question: Don't you think we need such a station? If you agree, write me, write the Federal Communications Commission, and write your own Senator and Congressman.

Eleventh. When public opinion in this country shall be prepared for same and there are good prospects and likelihood of passage, I would suggest offering bills that would increase to a reasonable degree the quotas from Germany, Poland, Hungary, Italy, and Rumania. I would also provide—when public opinion approves—for the bringing into this country of some 5,000 to 10,000 old men and women over the age of 65 years yearly and 10,000 children between the ages of 5 and 16 yearly.

Such old people and infants, when sufficient guaranties are offered that they will not become public charges, present no question of drain upon our resources. Their entrance would not affect our unemployment problem, as they are too old and too young to work. They would benefit us economically, as they would add to our number of consumers and thus increase demand for goods and services.

However, I repeat I would not offer or try to influence these quota changes or effect rescue of old or young victims of Nazi hate unless and until the country as a whole so desires. It may be the country is not ready yet. I incline to the belief that it is not yet willing. Therefore such changes shall at this juncture be deemed, shall I say, forbidden fruit. Perhaps later sentiment may change. Who knows? We live and hope.

Frankly, I would not risk upon the floor of either the House or Senate in the coming session any bill for the increase of quotas. The cure might be worse than the disease. Any amendment offered from the floor cutting down by, say, 50 percent present quotas might easily pass. I say all this reluctantly. Therefore, we should leave well enough alone. All efforts to change the number of those who can come in permanently should be shunned for the present at least.

Our hats go off to Roosevelt for not torturing visitors from Nazi Germany into making immediate departure into a living hell under penalty of deportation. He has instructed the Department of Labor to allow so-called visitors from Naziland to remain here indefinitely.

Twelfth. We should refrain from sending back to Germany any ambassador until such time as Germany stops her persecution of the Jews, the Catholics, and others because of race or religion.

Thirteenth. We should continue with all possible vigor to extend the boycott of all German goods and products. German trade, because thereof, has been greatly curtailed. Boycott is our strongest economic weapon. It should be used without restraint. It has baffled even the most astute of Nazi bankers—Mr. Schacht.

The London newspaper, the News Chronicle, reports that the American boycott has hit the North German Lloyd (Hapag) Line so hard that it will soon withdraw the S. S. *Bremen* from trans-Atlantic service. The paper said that the liner carried only 36 passengers on its last trip. "Such is the efficiency of the boycott decreed by the Americans after the pogroms," it added.

Fourteenth. While the majority of German-Americans are definitely not Nazis, every conceivable Nazi pressure is exerted upon them to join the so-called German-American bunds and to contribute to the Nazi cause. Of the millions of German-Americans residing in the United States, there are comparatively few who do not have relatives living in Germany.

Threats of bodily harm, veiled hints of economic revenge against the relatives within the Third Reich cause many panic-stricken and loyal German-Americans to join the Nazi cause. Appropriate measures must be taken to protect such German-Americans from such threats and terrorism.

Fifteenth. The movements of German diplomatic and consular agencies should be carefully watched. In many instances their speeches and actions have gone far beyond generally recognized consular and diplomatic usage and the demand should be made for their immediate recall. The worst offenders have been Dr. Borchers, German consul general in New York, who in a recent speech attacked "democracy" in speaking of the Sudeten victory, as well as Herry Gyssling, the consul at Los Angeles, and Manfred von Killinger, general consul in San Francisco, who incidentally was among the first to practice "feme," which is secret political murder.

Sixteenth. While the freedom of the press shall be always recognized and preserved, I deem it within the power of Congress to preclude the subsidization of the Nazi press from sources abroad when such press has for its purposes the destruction of democracy and the selling of racial strife. At the present time the German Government supports indirectly, through wholesale advertisements by the Hapag-Lloyd Line, much of the Nazi press in this country. The Nazis do not restrict their activities to German-language papers. They are now in the American newspapers. Many American newspapermen are subsidized directly or indirectly by the Nazi Government; for example, George Sylvester Viereck and Edwin Emerson. Congressional control over foreign trade and exchange gives the power to intercept Nazi funds going to these periodicals and papers and can make the recipients of such funds criminals.

In the last Congress we passed a bill requiring—under dire penalties for failure so to do—all recipients of foreign funds for propaganda and nonmercantile purposes to register with the Secretary of State. That bill can easily be expanded and broadened.

Seventeenth. We should persist in our refusal to sell helium to Germany for her dirigibles. Secretary Ickes deserves our commendation for his persistent refusal.

Eighteenth. There shall be enacted a measure for Government clearance of all testamentary and intestate inheritances and probate cases between the United States and Germany. In many instances threats are used by Nazi agents against relatives in Germany of heirs here to compel the latter to yield and cede their interests to the Nazi cause.

Nineteenth. There should be substantial increases in appropriations for all Federal departments or bureaus having to do with running down and prosecuting spies and devilish agents of Nazi Germany hidden in Government bureaus, business offices, armories, ships, munitions factories, aerodromes, and airship plants, and who carry off to Hitler highly important secrets and information, all of which undermines our national security. The Secretaries of War and the Navy, by these greater appropriations, should be encouraged to make more efficient their intelligence units. The F. B. I. of the Department of Justice should be plentifully supplied with money to catch and brand and punish these despicable creatures.

We must ferret out not only in the United States but also abroad the activities of these Nazi spies and agents provocateurs and bar their entrance into our country. We must in this respect ape the secret service of Scotland Yard.

Twentieth. The Federal Communications Commission shall be encouraged by all means in its determination to support stations which refuse to allow their facilities to be used by those—enthusiastically misguided—who stir up race animosities and religious strife. Certain owners, courageous enough to brave the thrusts of those thus refused, should be encouraged.

There is not involved any violation of the right of freedom of speech. The radio is different from a newspaper or magazine. It reaches a far greater audience, running into the millions. Any damage done cannot be checkmated quickly enough. Passion and prejudices are easily raised and the unthinking in the radio audience may be easily persuaded to force and violence. Those who stir up these animosities refuse, ordinarily, to give their scripts in advance, thereby frustrating suitable answers by orators equally gifted. The station owner has a perfect right to close his facilities if the speaker refuses to give his manuscript in advance. He acts in the public interest when making this demand. There is no abridgment of free speech. The late Justice Oliver Wendell Holmes once considered a similar situation and stated that free speech never gives the right to any man to yell "Fire" in a crowded theater.

Twenty-first. We should all rejoice at the success that crowned the efforts of Messrs. Hull and Landon at Lima. The Lima declaration should be given every possible support to develop inter-American solidarity.

Twenty-second. Cancelation of exchange of professors and students with the Nazis. All universities in Germany are Nazi-controlled. Nazi philosophy permeates and animates these teachers. Assuredly we should shun like the plague the contaminating doctrine such professors and students would bring. Nazi-ism is the very antithesis of democracy. Shall our students be subject to such contamination? Congress can suitably urge the State Department to refuse visa to such poison carriers in case any of our colleges or universities dare brook adverse public opinion and insist upon importing these Nazi professors. Passports can be denied any of our students foolish enough to want to attend a Nazi school.

Hon. William A. Rodenberg

EXTENSION OF REMARKS

OF

HON. HAROLD KNUTSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 3, 1939

ADDRESS OF FORMER SENATOR T. P. GORE BEFORE THE DISTRICT OF COLUMBIA BAR ASSOCIATION, JUNE 14, 1938

Mr. KNUTSON. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address by former Senator Gore on the life of our late colleague, W. A. Rodenberg, of Illinois, as follows:

Mr. Chairman, gentlemen of the District Bar, I arise this evening to perform a melancholy labor of love, to say a word in memory of my departed friend and your departed member, Hon. William A. Rodenberg.

I can say of him, as Mark Antony said of Caesar, "He was my friend, faithful and just to me." But his friends were legion and those who knew him best loved him best. His name deserves to be written beside the name of Abou Ben Adhem—he loved his fellowmen.

If I might be allowed to paraphrase the words of another, I would say if all his friends, if everyone to whom he lent a helping hand, if everyone for whom he performed some kindly service should bring a flower and lay upon his grave they would bury him beneath a wilderness of bloom.

He was born in Illinois. He lived beyond the allotted threescore years and ten and yet he went before his time. His going was tragic and untimely. I heard the fatal fall that sped him to his doom. He crossed the bar on the 10th of last September.

He was not only a good citizen, he was a faithful public servant. For more than 20 years he served his district, he served his country, in the House of Representatives. During the times that tried men's souls he exhibited the highest and rarest proof of statesmanship—moral courage—moral courage, the rarest if not the finest of all public virtues, that without which nothing else avails, that without which everything else counts for naught. When the question of peace or war, when the question of life or death trembled in the balances, he voted against the United States entrance into the World War. You may or may not approve his course but you must applaud his courage. I cite this one instance alone because I believe that he felt more pride and found more satisfaction in that one vote than any other that he ever cast, and I am sure that he recalled that vote with increasing satisfaction as the shadows lengthened toward the setting sun.

Before he entered and after he retired from public life he was engaged in the practice of the law, and I need not say that he observed the highest standards of the profession. In every relationship of life, as friend, as father, as husband, as private citizen, as public servant, he proved himself a manly man. Those of us who knew him best and loved him best all agree that there is less of good cheer, less of good fellowship, less of bonhomie in this valley of the shadow since William A. Rodenberg went his way.

Problems of the South

EXTENSION OF REMARKS

OF

HON. JOHN H. BANKHEAD, 2D

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Wednesday, January 4, 1939

ADDRESS BY HON. JAMES F. BYRNES, OF SOUTH CAROLINA, AT NEW YORK, N. Y., DECEMBER 7, 1938

Mr. BANKHEAD. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD an address delivered by the junior Senator from South Carolina [Mr. BYRNES] at the fifty-third annual dinner of the New York Southern Society at New York on December 7, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The 13 States known as the Southern States are a territory rich in natural resources. Beneath its soil is found coal and iron, crude oil and natural gas, marble and granite, phosphate and sulphur; in all more than 300 different minerals. Within this territory is 40 percent of the forests of the Nation. From its soil is produced a practical monopoly of such crops as cotton, tobacco, and naval stores, and a variety of grains, fruits, and vegetables, possible only in a country where for more than 6 months of the year there is no fear of frost and there is an assurance of ample rainfall.

With such a wealth of physical resources it was natural for observers a century ago to predict that the South would become the most prosperous section of the Union. But, instead of this being true today, the President of the United States has characterized the South as the Nation's economic problem No. 1, and a report filed with him by the National Emergency Council amply justifies the characterization.

Many things have contributed to bring about the economic conditions in the South to which the attention of the Nation has been so strikingly called.

More than a century ago the South made its choice as between industry and agriculture. The South chose agriculture. New England chose industry. As time marched on New England sought the aid of government to protect its infant industries. The agricultural South urged that taxes be levied solely for the purpose of raising revenue with which to pay the expenses of government. For the greater part of the time that has passed the political party believing in the doctrine of protective tariffs has controlled the Government. The manufacturers of the North have held fast to their principles and their profits. The farmers of the South have held fast to their principles and their poverty.

As a result of the choice of the South and the policies of the Government, the raw materials of the South have been produced by unskilled labor, receiving low wages. These materials have been shipped to the North and there processed by skilled labor receiving high wages. Because of the protection afforded by tariff duties against foreign competition, the manufacturers in other sections have been able to fix prices for their products high enough to enable them to pay high wages to labor and large profits to stockholders. When the South has repurchased in manufactured form its raw materials, it has not only paid these high prices, but in addition, has paid liberally for the transportation and all other handling of its products.

While buying in a protected market, the farmers of the South have been selling in an unprotected market. Their cotton and tobacco have been sold at prices fixed in the markets of the world. To the extent that tariff duties have restricted importations from abroad, they have lessened the ability of foreign customers to pay for the products of the South.

The large profits of the manufacturers in other sections resulted in the accumulation of capital which in turn resulted in low interest rates for northern industries, while high rates of interest were being charged in the South. Since 1933 there has been a reduction in interest rates but in June 1938 the average rate of interest in 27 cities of the West and South was 4.14 percent, while the average rate of interest for similar loans in New York City was 2.36 percent, and for 8 other northern cities was 3.38 percent.

The accumulation of capital in the North contributed to the organization of the great insurance companies. Only 2 percent of the assets of the life insurance companies of the Nation are in the Southern States. Seeking security, the people of the South have placed their insurance with the great companies of the East and their annual premiums have been invested by the life insurance companies in the securities of northern industries or in the real estate of northern cities.

About a half century ago northern capital began to realize the advantage of locating industries in the South in close proximity to raw materials. These industries prospered notwithstanding the fact that discriminating freight rates constituted a barrier against the shipment of their products to markets.

The freight rate structure has been built over a long period. Originally the high rates charged in the South were attributed by the railroads to the greater expense of operating in the South. As a result of improved engineering and increased traffic today the operating costs of southern railroads are lower than in the East.

But the rate barriers remain. The country is divided into zones. The northeastern zone contains 51 percent of the population of the Nation, and is the greatest market of the Nation. Under the existing rate system $1.12 will buy 200 miles of transportation in southern territory, but practically the same amount, or $1.09 will buy twice as much, or 400 miles of transportation in northeastern territory. To ship 100 pounds of butter, eggs, or dressed poultry from Dallas, Tex., to Chicago, a distance of 905 miles, it costs $1.48. To ship the same 100 pounds of the same commodities 900 miles from New York City to Chicago it costs 49 cents less, or 99 cents.

While tariff duties have operated as a penalty against the South for its choice of an agricultural economy, freight rates have prevented it from making greater progress industrially. As a result, if we can rely upon the figures of the National Emergency Council, in 1937 the average income in the South was $314, while in the rest of the country it was $604—almost twice as much—and the average gross income of the southern farmer in 1929 was only $186 per year, as compared with $528 for farmers in other sections. With such a disparity in average income it is not surprising that though the South is annually spending millions to educate its youth, the boys and girls when they graduate from the colleges and universities often leave for other sections offering greater opportunities.

The remedy for these conditions is said to be partly economical and partly political. I see no justification for the hope that the Congress will provide a remedy either for the problem of tariff rates or freight rates.

Should a bill reducing tariff duties be presented to the United States Senate, when it leaves that body it will provide for increased, instead of reduced duties. Senators from a copper-producing State will agree to let the Senators from the State of Pennsylvania fix any duties they desire for the protection of industries of that State, provided in turn they are permitted to fix the duties upon copper. That is true of the representatives of other States producing other commodities. If left to Congress, tariff duties would be fixed, as in the past, not upon a scientific basis but upon a horse-trading basis. The only difference today would be that more Democrats would participate in the trading.

Today the only hope for any relief in the readjustment of tariff duties rests upon action by the President under the reciprocal-trade agreements. Under that act we have made progress and we can hope that the Executive, considering the welfare of the entire Nation instead of a State or district, will make possible an exchange of products that will promote our foreign trade, and even more important, will promote good will between the nations and thus contribute to the preservation of peace in the world.

There can be no hope for a readjustment by Congress of freight rates in the South. If Congress reduces railroad revenues by the reduction of some rates, the Congress must provide for compensating increases elsewhere, or provide funds from the Treasury to care for the deficit. If this question were ever submitted to the Congress, any change would result only in greater discrimination against the South. By law the power to fix rates is vested in the Interstate Commerce Commission. Some rates have been increased and others reduced as a result of cases brought before that Commission. The communities and the industries of the North have had the financial ability to employ rate experts to present their causes and gradually have secured advantageous rates. The communities and the industries of the agricultural South were unable and today are unable to employ rate experts to present their cases, and consequently have suffered.

Congress could render assistance by making an appropriation to establish an office, which I would call "The People's Counsel," equipped with a staff of experts and authorized to present appeals for the readjustment of rates as to certain communities and commodities, where, in the opinion of such counsel, a readjustment would be in the interest of justice.

The President of the United States could grant a measure of relief by appointing to the Interstate Commerce Commission some person from the Southeastern States who is familiar with the economic problem of the South and sufficiently familiar with the complicated subject of rates to give cause for hope that intelligent consideration will be given to a readjustment of these prejudicial rates.

Notwithstanding the burden of tariff and freight rates, the industries of the South have grown and prospered. Many factories for obvious reasons have moved from the North to the South.

In the last Congress the wage and hour law was enacted. Many of its sponsors, particularly the leaders of labor, were actuated solely by a desire to improve the lot of the working man. But the driving force behind the legislation was the belief on the part of the manufacturers of other sections that a uniform wage rate would

put an end to the migration of industry to the South. The South was opposed, not to the principles of the minimum wage, but to the failure of the law to provide differentials as between communities and industries, just as is provided by the minimum wage laws of the States. The Congress would not think of legislating to provide uniform rates of interest or uniform rates of transportation, but it did not hesitate to provide for uniform wages—another factor in the cost of production.

We now have this interesting situation: While the wage and hour law provides that there shall be absolutely no difference in the minimum wage paid by the individual employer in New York City and the individual employer in Aiken, S. C., the Government, through the W. P. A., pays to the unskilled laborer in New York City a minimum wage of $60.50 per month and to the unskilled laborer in Aiken, S. C., only $30.80 per month.

The only direct assistance the South can hope for from Congress is the agricultural legislation providing for the payment of benefits in the nature of a subsidy for the withdrawal of acreage from cultivation under the plan for control of production. This is granted as an offset to the increased cost the farmers of the South and West must pay for everything they buy as a result of the protective tariff. It is granted because the interests of the South and the West are alike, and compensation cannot be paid the wheat grower of the West without compensation being paid the cotton grower of the South.

I know it is contended that the South profits by expenditures for work relief. On the contrary, it is a burden to the South. The 13 Southern States have a population, according to the last census, of 33,771,653—more than two and one-half times the population of New York State, which is 12,588,066. According to the figures presented to the Senate Appropriations Committee by Mr. Hopkins, the expenditures by W. P. A. in the 13 Southern States for the fiscal years 1936, 1937, and to April 1, 1938, amounted to $609,424,231, whereas in the State of New York the expenditures for the same period amounted to $737,219,651.

The expenditures for the State of Pennsylvania, having a population of 9,631,350, during the same period, were $455,563,795—only $150,000,000 less than was spent in all of the 13 Southern States, with three and a half times the population of Pennsylvania.

To bring it home to you of New York City, the population of three South Atlantic States, Virginia, North Carolina, and South Carolina, totals 7,330,833. The population of New York City is 6,931,446. The expenditures by W. P. A. in these three Southern States to April 1, 1938, total $93,874,177. The W. P. A. expenditure during the same period in the city of New York was $561,042,962, or just six times as much.

Some persons may say that the expenditure by the Federal Government of six times as much for work relief in the city of New York as in these three States is justified, because the people of New York City pay more taxes to the Federal Government. The farmer in Virginia who purchases a gallon of gasoline pays the same tax as is paid by the resident of New York. The corporation selling the gasoline may be incorporated in New York State and pay taxes there, but it is owned by the stockholders residing in many States. It fixes the price of gasoline in order to make a profit sufficient to allow for the payment of taxes. The tax may be paid in New York, but it is based on and paid out of profits made on the sale of gasoline to the people of many States. Few taxes are levied that are not passed on. If anyone can suggest a tax that cannot be passed on to the consumer, the suggestion will be welcomed by the Congress.

If any person thinks that relief expenditures should be based upon the amount of taxes paid the Federal Government by a State, and thinks such taxes do not come from the consumers scattered over the Nation, nor even from the stockholders scattered over the Nation, but solely from the people in the State where the taxes are paid, then I assert that the payment of taxes is evidence of wealth and income, and the people of a State with a large per capita income are more able to pay taxes for work relief in that State than are the people of the poorest States of the Union—States so poor that in the opinion of the President, they constitute the Nation's greatest economic problem.

I realize that within the last few years the unemployment problem has been serious in the great cities. By its support of relief appropriations the agricultural South has shown its sympathy. I realized that unemployment in the great cities constituted an emergency problem and supported this emergency legislation. If, however, it is to be established as a permanent function of government, then I want a change in the system of distribution, and I want the Congress to provide the formula to govern that distribution.

If these appropriations are to be based upon need, we cannot continue to leave the determination of need to local officials. That system has resulted in showing the greatest need in the richest States, and the least need in the poorest States. Under that system, the more people registered for relief, the more projects for the State. It rewards the local official who encourages persons to register for relief and penalizes the official who, having regard for the Treasury, discourages persons seeking relief.

I do not want the Government, as a permanent policy, to annually collect from the people two billion, or one billion, dollars, and give that immense sum to the head of any Department to spend as he pleases. I cannot now discuss the fundamental objections to this policy which affects even the form of our Government. Considering only its effect upon economic problem No. 1, I know that under such a system the people of the South will be forced to pay their proportionate share of taxes and will not receive their proportionate share of expenditures. This is true because the South is a one-party section and will remain a one-party section.

This administration has been more friendly to the South than any administration since the War between the States, and if under this administration the 13 States of the South have not received from work-relief funds as much as the State of New York with one-fifth the population, I dislike to think of what we would receive from an unfriendly administration.

In what I have said about our not relying upon the Congress to solve the problems of the South, I do not intend to reflect either upon the patriotism or the generosity of the men who represent other sections in the Congress. They represent their people, and I realize there has been a change in the attitude of the people.

Half a century ago, while expecting their representatives to protect their interests, the people nevertheless expected them to consider governmental problems from a national viewpoint. Today the Congress collects from the people in taxes billions of dollars and gives that money to department heads to be spent at their discretion. Local officials then demand the assistance of the Senators and Congressmen in getting back from the department heads for local improvements some of their money. The efficiency of the Senator or Congressman is determined by the amount of money he gets back. The more money a representative secures from the departments, the greater is his obligation to vote for additional appropriations which will be asked by the heads of the departments. In this competition with his colleagues to secure funds from the departments, it is inevitable that the viewpoint of the representative becomes more restricted to State and district.

The attitude of the representative is due to the attitude of the people. The business man and the educator will make splendid speeches about balancing the Budget. Immediately afterward one will write the Senator asking aid in securing funds for a Federal building while the other prayerfully pleads for a college stadium.

The businessman, who would never ask a public official to accompany him to a bank to borrow money, would not try to borrow money from a Government agency without the aid of a legislator. He thinks his collateral will be more acceptable when wrapped up in political influence.

The banker, who would not give serious consideration to the applicant for a loan who brought with him a United States Senator, will himself ask the aid of a United States Senator when he seeks a loan from the Reconstruction Finance Corporation.

The result of it is that the Senator and Congressman have little time to give to the consideration of national problems because their time is absorbed acting as superintendents of employment agencies and as glorified secretaries of chambers of commerce.

I assume that it is utterly impractical, but I know that if the Congress would enact a law prohibiting a Senator or Congressman from making representations to an official of any executive department as to the making of a loan, the granting of funds for work projects, or the appointment of an official in the executive departments, the Congress could reduce the appropriations for the next fiscal year by at least $500,000,000. And, at the same time, the Senators and Congressmen would again become legislators and have an opportunity to devote their time and thought to the problems affecting the welfare of the Nation.

Some of these views will not meet the approval of the "professional" liberal. But the record of southern Representatives and Senators in not only supporting but in sponsoring nearly all of the great social reforms of the last 5 years prove them to be liberals in the true sense of that term. Some people believe that to be "liberal" means only to be liberal in spending the money of other people. If that be the correct definition, then I admit the political leaders of the South are not liberals. No matter how great may be the public spending today, it would be greater were it not for the influence of the political leaders of the South.

There is a reason for their attitude. The South is still agricultural. The farmer of the South knows what debt means. He knows, too, that debts must be paid. The small-business man of the South likewise knows that no individual can daily spend more than his income without winding up in the bankruptcy courts. They both know that government is but a group of individuals and cannot indefinitely pursue a course that individuals cannot pursue.

I do not think that the public debt is dangerous, but it can become dangerous if life continues to be just one emergency after another, and if we adopt as our national slogan, "As long as it is going to be spent we may as well get ours."

I have spoken to you plainly because you are of the South, and though you may today be engrossed in the problems of your new home, I know you are still interested in the problems of your old home. The problems of the South will not be solved by politics or politicians. But I have an abiding confidence in its future. That confidence is based upon the interest shown by the business leaders in the unexampled opportunities for southern development. They are wise. There was a time when capital looked to other nations for investment. Millions were loaned to foreign countries in order to bring about the purchase of our goods. Today business leaders know that in the vast empire from the Potomac to the Rio Grande there is a better market than any foreign land. In that empire there lives a people 98½ percent native born, anxious to buy the products of the factories of the North and contribute to the wealth of the Nation. In that territory raw materials exist; hydroelectric power is being developed; efficient labor awaits employment; and a mild climate permits work outdoors the entire year and work indoors at little expense for heat. Congress may try, but it can no more restrict the industrial development of the South than it can regulate the climate of the South.

The most serious loss of the South has been the loss of its youth. At the same time those who have gone to other sections have become ambassadors of good will. Today as their eyes and hearts turn to the homes of their childhood, they see a people facing the future with courage and with hope. When gloom surrounds them, they think of another day. They recall the conditions existing when, after Appomattox, the Confederate soldier returned to his home. He found no factories operating. He found few farms cultivated. He had no stock and no money with which to buy stock. He had little clothing and little food. He found barren lands and dilapidated homes. He faced a hostile government in State and in Nation. He had lost all—all but character and courage. With love of liberty and faith in God, he faced the future and began the work of restoration. History discloses nothing comparable to his success in overcoming the economic and political obstacles confronting him. He survived and in surviving preserved the civilization of the South. The blood of the strong-hearted men and women of that day courses through the veins of the men and women of the South of this day. With the same courage and the same fine spirit of self-sacrifice, they will overcome the obstacles confronting them and restore the South to the place it once occupied in the economy and in the political councils of the Nation.

Corruption and the W. P. A.

EXTENSION OF REMARKS
OF
HON. RUSH D. HOLT
OF WEST VIRGINIA
IN THE SENATE OF THE UNITED STATES
Wednesday, January 4, 1939

STATEMENT BY HON. RUSH D. HOLT, OF WEST VIRGINIA

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by myself entitled "Corruption and the W. P. A."

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

We are winning our battle to clean up relief. Hopkins has gone; his methods must follow.

As the Seventy-sixth Congress begins, I assure the citizens of West Virginia that my fight against corruption in the handling of relief funds will go on. The prospect to clean up relief is much brighter today than it was in 1935, when I started to protest against its handling. It is not an easy job now. Too many political machines have used it. They want to continue to use relief funds for campaign purposes. In our State, as you know, honest administration of relief will be fought by the politicians. I need not recall to you the bitter, personal attacks made by the W. P. A. bosses and their henchmen against me because I told the truth. They hid behind the word "humanitarian." They dodged the issue behind a political smoke screen. Some of them have been uncovered. Some have been smoked out. We cannot stop this fight until the rest of them are brought into the open. I need not recall to you the so-called punishment by Members of the Senate and others in the administration circle because I dared to speak the truth. It is more popular to tell the truth in 1939 than it was in 1935 and 1936. I look for more expressions in the next few months than in the past few years. This has been caused by the citizens of the country who believed in decency and honesty. They must cooperate in the future to make certain that the practices will not be resumed. They must be ever vigilant.

I am sure the people are not misled by the removal of Harry Hopkins from the Works Progress Administration, even though there is an improvement. He was the head of the W. P. A. since its inception. He was responsible for its conduct. Never once when it would have done good did he raise his voice against using relief as a political club. He winked as he talked about reformation of relief. He had a common and definite understanding with those who used it for politics. I shall discuss this later.

In the last days of the Seventy-fifth Congress I said:

"Who pays for this politics?

"1. The one who needs relief, because the politician gets the money that should go to the needy to feed and clothe his family.

"2. The taxpayer, because he must pay for the waste and extravagance which, in turn, means heavy taxation, contributing to more unemployment by closed factories.

"3. The Government, because the use of the public money as a slush fund corrupts government.

"What must we do?

"Drive politics out of relief and drive out politicians who play politics with human misery. Public opinion will do it."

Time will record the handling of W. P. A. to be the worst scandal this country has known. All of it may not be uncovered now; however, it will be. Corruption in W. P. A. will and must be stopped. As the President said: "There will be no retreat."

Attorney General Murphy

EXTENSION OF REMARKS
OF
HON. H. STYLES BRIDGES
OF NEW HAMPSHIRE
IN THE SENATE OF THE UNITED STATES
Wednesday, January 4, 1939

ARTICLE FROM THE NEW YORK HERALD TRIBUNE

Mr. BRIDGES. Mr. President, inasmuch as we have recently had some major appointments to political office in this country, I ask unanimous consent to have inserted in the RECORD an article appearing in the New York Herald Tribune of Tuesday, January 3, entitled "How Murphy Vetoed Court Order," tracing the record of Mr. Murphy, who is now elevated to the attorney generalship of the United States after being defeated by the people of his own State of Michigan, campaigning on his record in taking action in violation of court orders and in violation of the laws of the land, of which he will be the chief enforcing officer if his nomination shall be confirmed by this body. We can well survey this record.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of January 3, 1939]

HOW MURPHY VETOED COURT ORDERS IS RECALLED AS HE IS ELEVATED—MARK SULLIVAN TRACES MICHIGAN SIT-DOWNS IN WHICH THE NOW CHIEF LAW ENFORCEMENT OFFICER OF UNITED STATES REFUSED TO EJECT STRIKERS SEIZING PLANTS

(By Mark Sullivan)

WASHINGTON, January 2.—The facts here given about Governor Murphy of Michigan, now appointed to be Attorney General of the United States, are taken in part from official records, in some part from newspaper accounts at the time of the happenings. I think the facts can be relied upon as accurate.

In January 1937 workers in a plant of the General Motors Co. at Flint, Mich., engaged in a sit-down strike. The company went into court and asked for a writ of ejectment. The court held a hearing, with both the company and the strikers represented by counsel. The court issued a writ of ejectment. The sheriff read the writ to the strikers. The strikers "booed" the sheriff. In the same spirit they, according to a newspaper account, sent a telegram to Governor Murphy saying, "We have decided to stay in the plant."

When the court's writ was disobeyed, the court issued what is called a "writ of body attachment." Under this writ it was the duty of the sheriff to arrest the sit-downers and remove them. Obviously the sheriff could not alone arrest and remove several hundred men. The sheriff asked Governor Murphy for the help of the National Guard. Governor Murphy did not order the National Guard to help. Instead, according to testimony given later by the judge, the sheriff reported to the court that "the Governor did not want me to execute the order of the court."

VICTORY FOR SIT-DOWNS

Governor Murphy, after telling the sheriff to withhold enforcement of the writ, called a meeting of heads of the company owning the factory and of the union conducting the sit-down. After about a week of conference, the company agreed to negotiate the matters at issue between it and the union. Thereupon, and not till then, the sit-downers evacuated the plant voluntarily, cheering as they marched out. The sit-downers won the sit-down and won it through Governor Murphy's unwillingness to give help to the sheriff to enforce the writ of the court.

In this situation two charges were made against Governor Murphy. One was that by his action he encouraged the sit-down strike as a strategy of labor disputes. This charge is hardly disputable, although Governor Murphy's friends say that in words he has never encouraged or condoned the sit-down. But the Flint sit-down was the first important use of this device in America. The success of it led to an epidemic of sit-downs in Michigan and throughout the country.

The second charge against Governor Murphy was that when officially called upon as commander of the National Guard he failed to give help for enforcement of a writ of a court. This charge is correct. The writ of the court was never executed. The break-down of law enforcement was plain. The Flint break-down, standing alone, was brief. Taken in connection with the other sit-downs which it encouraged, the break-down was serious. The man responsible for the break-down in law enforcement is now appointed to be the chief law enforcement official of the country, Attorney General of the United States.

In the talk that has arisen since President Roosevelt appointed Governor Murphy there have been statements or implications that Governor Murphy acted in consultation with President Roosevelt. There are implications that President Roosevelt was as responsible, perhaps more responsible, than Governor Murphy.

For the imputation against President Roosevelt there is some evidence. On the day that Governor Murphy failed to give help to enforce the court's writ, and called a conference between company and strikers, he announced he was calling the conference "in accordance with the wish of the President of the United States."

Nearly 2 years later, when Governor Murphy was under criticism by witnesses before the Dies committee, President Roosevelt came to his rescue. In a published statement, President Roosevelt said that throughout the conference conducted between the company and the sit-downers under Governor Murphy's direction, and hence throughout the period of suspension on the writ of the court, "I received almost daily reports on the situation from the Governor."

FIGHT ON COURT RECALLED

In this connection there is a remarkable coincidence. The day Governor Murphy told the sheriff not to execute the writ of the court, and in consultation with President Roosevelt began his conferences between the strikers and the company—that day was February 5, 1937. This was the same day on which President Roosevelt sent to Congress his bill giving him the power to appoint six additional justices of the Supreme Court, and to reorganize the lower courts. The coincidence may lead to inferences that Mr. Roosevelt was in a mood of irritation against courts generally, possibly of wish to reduce their authority and their prestige.

It should be added that it seems clearly the policy of one agency set up by the administration, the National Labor Relations Board, to justify the sit-down strike as an incident of labor disputes in some circumstances. In two cases, Fansteel and Douglas Aircraft, sit-downers occupied a plant illegally. In both cases they resisted the attempts of law officers to remove them. In both cases the sit-downers were eventually arrested, and some of them tried, convicted, and sentenced to fine or imprisonment. In both cases the labor board ordered the companies to reinstate the sit-downers in their employment without loss of priority rights, or other detriment.

Politics in Relief

EXTENSION OF REMARKS

OF

HON. H. STYLES BRIDGES

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Wednesday, January 4, 1939

EDITORIAL FROM THE PHILADELPHIA INQUIRER

Mr. BRIDGES. Mr. President, I ask unanimous consent that an editorial from the Philadelphia Inquirer of January 4, which has something to do with the new Secretary of Commerce, Mr. Harry Hopkins, and the very able report filed by the Sheppard committee yesterday may be printed in the RECORD. The editorial is entitled "Politics in Relief a Scandal; End It."

Let us survey Mr. Hopkins' record. It is an interesting one.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer of January 4, 1939]

POLITICS IN RELIEF A SCANDAL; END IT

Politics can stoop to no more shameful practices than to rob and coerce the needy to serve its own ends.

The report of the Senate Campaign Expenditures Committee offers convincing proof of the revolting charges that relief funds have been diverted to political purposes in Pennsylvania and many other States.

It should provide the final, decisive argument for vigorous and immediate congressional action to rid the whole relief system of the disgraceful machinations of politics.

The Sheppard committee's findings support accusations that the W. P. A. was made an election campaign tool in Pennsylvania.

It sustains charges of W. P. A. coercion in Luzerne, Northampton, Carbon, Allegheny, and other counties.

It corroborates assertions that the State highway department has been active in politics.

It constitutes an unequivocal reprimand to Aubrey Williams, former First Assistant Administrator of W. P. A., now head of the National Youth Administration, who, questioned repeatedly about W. P. A. coercion in Pennsylvania, replied that there wasn't "a scintilla of truth in any of the charges."

Although the Senate committee's report does not specifically connect Harry Hopkins, former W. P. A. chief, awaiting confirmation by the Senate as newly appointed Secretary of Commerce, with the politics-in-relief outrages which it cites, the implication is obvious.

While it appears unlikely that the Sheppard group's report will crystallize so much opposition against Hopkins in the Senate that his appointment to the Cabinet will be rejected, the committee's findings should be given thorough study by the Senators.

If the committee is unduly cautious about tying up Hopkins to the political activities of the Relief Administration, it is properly direct and emphatic in chiding Williams for trying to influence the votes of relief recipients and for his startling battle cry, "We've got to keep our friends in power." No more dangerous sentiment than this is conceivable in a free country.

It is no wonder that the Senate committee has labeled political activity in relief as "deplorable" in some States, notably Kentucky. "Dear ALBEN" BARKLEY's campaign for renomination to the Senate against "Happy" Chandler smelled to heaven of the improper use of relief funds.

Judged broadly, the Sheppard group's report represents an amazing indictment of a practice that is an outstanding disgrace to this great Nation.

It is plain that something must be done, without delay, to wipe out this shame and to insure that funds appropriated by Congress for relief will acually go to the care and keeping of the needy and no longer into the pockets, or to serve the purposes, of politicians.

The recommendations which the committee presents for erasing this scandal are good, so far as they go.

There should be tight prohibition against political contributions by relief recipients. There should be legislation forbidding relief officials to influence votes.

It may even be that all political contributions by Federal employees should be made illegal.

It should be a felony rather than a misdemeanor for officials to discriminate against relief workers on partisan or any other grounds.

Laws to keep candidates from using relief lists for partisan purposes and to forbid promises of benefits from relief funds ought to be considered.

Strengthening the United States Criminal Code and the Federal Corrupt Practices Act doubtless would aid in bringing to an end this insufferable disgrace of bribery and coercion in relief.

But all of these remedies are sure to fall short of the desired results if the present haphazard, unbusiness-like relief system is permitted to go on unchanged.

Along with direct measures to take politics out of relief there should be a complete and thorough overhauling of the relief set-up. Here is a gigantic agency, dispensing billions of the people's dollars, that operates under the most happy-go-lucky supervision imaginable.

In fairness to the needy who must and should have public assistance, and to the taxpayers who put up the money for it, an end should be made once and for all to this shocking, unspeakably vicious practice of using relief funds and relief organizations for political purposes.

It is a task that Congress should take in hand, not in some vague future, but at once.

The Cuban Trade Agreement

EXTENSION OF REMARKS

OF

HON. RALPH O. BREWSTER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 3, 1939

PORTIONS OF STATEMENT OF REPRESENTATIVE RALPH O. BREWSTER, OF MAINE, BEFORE COMMITTEE FOR RECIPROCITY INFORMATION AT HEARINGS ON REVISION OF CUBAN TRADE AGREEMENT, TUESDAY, JANUARY 3, 1939

Mr. BREWSTER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following portions of my statement before the Committee for Reciprocity Information on January 3, 1939:

POTATOES

Recently America was regaled with a visit from a colonel in the Cuban Army who as a sergeant led a military revolt that ousted a President and substituted himself as dictator. Although apparently without diplomatic status, he was accorded almost royal honors.

Promptly on his return to Habana this military gentleman announced that he had concluded an agreement with the United States for further substantial concessions on Cuban sugar and potatoes entering the American market. Promptly thereafter the State Department in Washington issued a notice of negotiations looking to these changes.

When, as, and if this revised agreement is announced, it would reassure the American public if there were at least some slight deviation in its terms from the fulsome pronouncement of Colonel Batista. Such a mild spanking might be an excellent lesson to this incipient Hitler who started as a sergeant instead of a cor-

poral. This unfortunate episode illustrates once again how careful a nation must be in the selection of its friends and how difficult it is for democracies to deal with dictatorships.

UNITED STATES QUOTA

In the new Canadian trade agreement 350,000,000 bushels is apparently fixed as a normal and adequate crop of potatoes, since the novel provision is introduced that Canada may ship in at reduced rates of tariff any amount of potatoes necessary to supply the deficiency below that amount "according to the estimate made as of September 1 by the Department of Agriculture." On September 1 this year and ever since down to the present time the Department of Agriculture has estimated the United States production of potatoes this year at more than 370,000,000 bushels.

Reciprocity would seem to require that Canadian and Cuban importations alike be eliminated until at least 20,000,000 bushels of surplus American potatoes are eliminated, but no trade agreements, curiously enough, carry such a provision.

"HEADS THEY WIN"

This is a clear case for our Canadian friends of "Heads they win; tails we lose." If our crop is abundant, they may still ship in under existing quotas. If our crop is small, they may then ship in that many more.

No theory of tariff making or reciprocal agreements has been suggested under which foreign commodities would be admitted at a reduced duty when the American consumer was already adequately and economically supplied with a comparable American product. Yet precisely that is being done in the case of potatoes, as the records clearly show.

DOMESTIC SURPLUS REMOVAL

Last year millions of Government money were spent to divert potatoes to other uses and remove the surplus. Yet at the same time the tariff on Canadian potatoes was being reduced to admit them more freely to our American markets. That simply does not make sense.

CERTIFIED SEED POTATOES

Nor is the situation better as to certified seed potatoes of which the United States last year produced 14,892,591 bushels. Maine turned out 8,519,901 bushels, or nearly 60 percent of the total. Yet United States producers were obliged to sell much of this expensive certified seed as table stock at a substantial loss while foreign seed potatoes were allowed to flood our market.

Now it is proposed to double the foreign quota and admit to our markets approximately 10 percent of our domestic production.

CANADIAN PRODUCTION

Canada produced approximately 7 bushels of potatoes per capita as against our production of 3 bushels per capita, which is also our consumption per capita. Canada does not consume anything like 7 bushels per capita, which indicates clearly enough that they are building up their consumption for foreign outlets, chiefly in the United States.

RECIPROCITY

The statistics are extremely illuminating as to the one-way reciprocity involved in the existing Cuban trade agreement. Presumably these agreements contemplate a fair exchange between the two countries.

How has it worked out? During the year preceding the effective date of the Cuban agreement Cuba shipped to the United States goods to the value of $14,000,000 more than the United States shipped to Cuba.

During the first 2 years of this reciprocal agreement Cuba has shipped to the United States goods to the value of $147,000,000 more than the United States has shipped to Cuba.

In other words, this agreement has cost us approximately $67,000,000 a year. A few more reciprocal agreements of this character would certainly complete the wreck of our domestic economy.

DICTATORSHIPS VERSUS DEMOCRACIES

One may be permitted to wonder whether this illustrates the superiority of a dictatorship to a democracy so far as reciprocal trade agreements are concerned.

Primary Reform in Indiana

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 3, 1939

Mr. LUDLOW. Mr. Speaker, what is the meaning of democracy? It means the right of the people to rule themselves—a right which we who subscribe to the faith of the founding fathers believe comes from God himself.

In a few States where the old convention system of making nominations still hangs over, the people do not have the opportunity which they should have to rule themselves. They take the dose which the State conventions prescribe for them, whether they like it or not, and they have nothing to do with writing the prescriptions.

The party leaders who pick the tickets under the convention system may be conscientious and high-minded, and it is not my purpose to reflect upon them or challenge their good intentions in discharging the responsibilities they inherited under the law, but the fact remains that under the American democratic system it should be the privilege of the people to select the candidates who will represent them in public offices. We need to build up our democracy along this line.

The direct primary furnishes the only way the people have of expressing themselves with certainty and accuracy in respect to the nomination of candidates. It is the only dependable means of registering the popular will. With the nineteenth amendment in force, women comprise half of our voting population, but they are practically disfranchised from having any choice in making nominations under the convention system.

In the march of progress practically all of the States have discarded the convention system and, following the advice of Woodrow Wilson and other great leaders, have substituted the primary. The State of Indiana, one of the most advanced of all the commonwealths, with a brilliant record of progress along many lines, still retains the convention system, but the legislature is to meet at Indianapolis this month, and in view of the strong and impelling demand for a change I believe it is virtually assured that a law will be passed substituting the direct primary for the State convention in making nominations for State offices and United States Senator.

I hope that the new Indiana law will meet the full expectation of those who believe in popular rule and liberal government. I have not seen the text of the proposed measure, but I predict that it will provide for an honest-to-goodness primary, in which the candidate receiving the highest number of votes will be the nominee. If I am a good judge, it will be a law that will relegate the State convention to everlasting oblivion in our State.

LETTER TO HON. E. CURTIS WHITE

By unanimous consent of the House I wish to present a letter I have written on this subject to Hon. E. Curtis White, one of our outstanding Indiana Democrats and Democratic leader of the Indiana State Senate, as follows:

NOVEMBER 23, 1938.

Hon. E. CURTIS WHITE,
Democratic Leader of the Indiana Senate,
Indianapolis, Ind.

DEAR SENATOR WHITE: I have noted with much interest and approval statements recently attributed to you forecasting repeal of the State convention by the coming legislature and the substitution in its place of the primary system of making nominations for United States Senator and all State offices, thus making the primary the universal method of choosing candidates for public offices throughout Indiana.

Permit me, as a citizen who has infinite pride in the history and traditions of our State and who wishes to see Indiana lead instead of lag in the march of progress, to give enthusiastic endorsement to your plan to bring the convention repeal issue to the front in the legislature and to express the hope that Democratic and Republican members will unite in repealing the archaic, undemocratic convention system and in substituting a universal primary for choosing candidates for all offices in the State of Indiana.

Public offices belong to the people, not to politicians, and the people have a right to say who shall occupy them. The duty of changing the system so that the will of the people will control in making nominations rests not on the Democrats alone but on the legislators who represent both political parties, and a partisan plea would be distinctly inappropriate and out of order. But in the light of history it seems to me that the party to which you and I belong is under a peculiar responsibility to stand for the repeal of a nominating system that is virtually obsolete in all other States, a system that is reactionary and abortive as far as registering the popular will is concerned. Thomas Jefferson, the founder of our party, had faith in the ability of the people to make their own decisions. He said:

"The will of the people is the only legitimate foundation of any government, and to protect its free expression should be our first object."

I am sure that in Indiana we are not going to flout as inconsequential the great primary reform fight made by Woodrow Wilson in New Jersey. In his day that fight was hailed as a regenerating triumph of colossal importance in American politics. Ray Stannard Baker, in his book on Woodrow Wilson, says:

"The news of the passage of the bill by the New Jersey Senate reached Wilson at Indianapolis, where, as a guest of Governor Marshall, he was about to begin speaking to a large audience. The toastmaster read the telegram aloud, and the crowd stood up and shouted for Wilson."

The Democratic Party of Kern, Ralston, and Marshall was sincerely and devotedly committed to popular rule. May we not hope that the Indiana Democracy of 1939 will take the lead in promoting the great ideal of Woodrow Wilson? The Democratic Party will be true to its fundamental philosophy if it keeps the lanes of opportunity forever open for the expression of the popular will.

Since the nineteenth amendment was adopted women have become a factor of increasing importance in our national life, and both political parties make a great deal over women in their political ideology, while at the same time virtually denying to them any participation in choosing senatorial and State candidates, as far as Indiana is concerned.

Everybody knows that the convention method of making nominations is a discrimination against women. In a primary, women may go to the polls and vote their sentiments free and untrammeled. But how many of them ever get into conventions as delegates? And how often it happens that those who are chosen have to fight their way to delegateships in caucuses under conditions that are positively disgusting and degrading to womanhood. I am not willing that these hobbles and handicaps shall be put on women in their efforts to express their choice for nominations, when under the primary system they may go to the polls and without worry, peacefully and without restrictions, vote their choice for offices from Senator down to the lowest candidate on the township ticket. Is it surprising that alert leaders of women are taking their stand in favor of the direct primary?

We have a right to be proud of Indiana and the splendid part it has played in the upbuilding of America, but we will be excused, I know, if we blush a little over its tenacity in holding on to the old convention system and all its evils when virtually all other States have cast it into the discard. Only three States in the Union have not adopted the primary. No State that ever adopted it has abandoned it entirely. If Indiana passes by the opportunity that will be afforded at the coming session of the legislature to repeal the State convention and to substitute in its place the instrumentalities of popular will, it will be a pioneer on the backward track.

In September, knowing that this issue would come up when the legislature meets, I wrote to the Governors of all of the States asking their opinion of the primary system as compared with the convention system of making nominations. I have not yet heard from all of them, but I have received enough replies to indicate that the sentiment in favor of the primary is practically universal. For your information and to show the general trend, I quote from some of these replies as follows:

Delaware: "We use the primary system. It has always seemed satisfactory."

Florida: "We have found that the primary system of making nominations has worked out very satisfactorily and seems to please the public."

Kentucky: "I am responsible for the present primary law, inasmuch as while Lieutenant Governor of the Commonwealth and Acting Governor in 1936, I called into extraordinary session the legislature of the Commonwealth which passed the primary bill. We, of course, believe this manner of choosing candidates is much more democratic than the convention system."—Governor Chandler.

Arkansas: "The Democratic Party in Arkansas has adopted the primary system of nominating candidates for public office and this procedure has proven quite satisfactory."

Maryland: "I am not prepared to say that we should go back to the convention system. I rather approve a primary system, but under our primary law, which is so complex, we find under the second-choice provision a great deal of confusion. I have written in my platform a plank calling for the elimination of the second choice and allowing the plurality to control."—Governor Nice.

Rhode Island: "Both systems have their advantages and disadvantages. I believe that the direct primary gets the fairer expression of the people's will. Under the convention system it is easier to control nominations by elaborate use of funds and other means than it is in the direct primary."

Idaho: "I am sure that Governor Clark is of the opinion that the primary is superior to the convention system."—Juneau H. Shinn, secretary to the Governor.

Virginia: "Virginia uses the primary system for nominating candidates for public office. This system operates satisfactorily and is preferred to the convention system."

Iowa: "The primary system in Iowa has operated very satisfactorily and I think most Iowans are in favor of retaining the law."

West Virginia: "Generally speaking, our primary system is considered to be quite satisfactory."

New Jersey: "We have in this State the primary system for nominating candidates for all public offices, and it works out very satisfactorily."

North Carolina: "We do have the primary system of nominating candidates for public office in North Carolina. Those who favor the primary insist that the privilege of nominating a candidate should belong to the people and argue also that is especially true in a State such as ours, in which one party has a large majority and nomination usually insures election."

Vermont: "Candidates for State office in Vermont are nominated by the open primary system. Ordinarily it might seem unfair to let voters of one party vote in the primary of another, but with half the voters undecided as to which party they belong to I have opposed changing it."—Governor Aiken.

South Dakota: "We have the primary system of nominating candidates for most of the public offices. I believe this method of nomination has proven quite satisfactory."

New Mexico: "At the present time we have the convention system in New Mexico. However, at a recent session of the State legislature, which I called into extraordinary session to take action on this matter, a primary law was passed and same will go into effect in December of this year."—Governor Tingley.

Oklahoma: "I wish to inform you that we have the primary system in Oklahoma and until just recently we had the run-off primary system. The latter—that is, the old run-off primary—seems to me to have worked satisfactorily."—Governor Marland.

Utah: "I may say that both political parties in the last State campaign favored some more direct system of nomination than that which had been practiced in Utah heretofore."—Governor Blood.

Michigan: "I wish to advise that in this State candidates for Governor, Lieutenant Governor, members of the legislature, and Members of Congress, as well as county offices, are selected at a primary election, in which the voter is free to vote whichever ticket he prefers without naming it. For other State offices candidates are selected at party conventions. Although criticism is frequently heard, the primary system now in use appears to meet with general public acceptance and approval."—Governor Murphy.

Montana: "We have a direct primary election in the State that nominates all officers from the justice of the peace to the Governor of the State, as well as judicial officers. The system is working satisfactorily."

Oregon: "The direct primary nominating election law was adopted in Oregon at the general election on June 6, 1904. I believe that in the minds of the people it has given general satisfaction and that the electorate would strongly oppose any effort to substitute the convention system for the primary system."—Governor Martin.

South Carolina: "I wish to advise that the State of South Carolina uses the primary system of nominating candidates for public offices. In my humble opinion the primary system exceeds by far the convention system of nominating candidates."—Governor Johnston.

Alabama: "State nominations for the Democratic Party since 1902 have all been made by a State-wide primary. So are our Congressmen and Senators. It is entirely satisfactory and in every way preferable to any convention system."

Nebraska: "Personally, I believe that the primary system as a whole is quite satisfactory, certainly very much of an improvement over the old convention system."—Governor Cochran.

Tennessee: "We have the primary system in our State and it is the only system I have much acquaintance with. My opinion is it is the best method yet used for making party nominations."—Governor Browning.

Louisiana: "Under the laws of Louisiana nominees of political parties are selected at primary elections and not at conventions. We in this State feel that this is by far the best method to follow as nominees are selected by a direct vote of the people themselves. We feel sure that the electorate by a great majority prefer the primary system to the convention system and believe that this State will never return to the convention system."

Texas: "Texas does provide for the primary system of nominating candidates. In my opinion it operates more satisfactorily in this State than the convention system. I would not advocate abolishing the primary system and returning to the convention system."—Governor Allred.

New York: "The Democratic Party in this State is responsible for the adoption of the primary system of elections. The proposal was part of the Democratic platform for many years. Neither party has found any fault with the system. No legislation has been introduced in the past 10 years to do away with that system."

Wisconsin: "The Governor prefers the open primary system to the old convention system. It has been much more satisfactory in its operation than the old convention system."

North Dakota: "It is our belief that if the primary election system is properly administered it is a more democratic system than the old convention system."

Georgia: "We have in our State the primary system of nominating candidates for public offices and it operates very satisfactorily."

Connecticut: "Until the present time Connecticut has operated under the convention system of nominating for State and National offices. There has been, however, included in the platform of the major parties of this State planks favoring the primary system on which action will be taken either at the coming State election or at the January 1939, session of the legislature."

May we not in Indiana profit by the unvarying experience of other States? Surely this universal testimony is worthy of careful consideration as our legislative session approaches and you and other public-spirited members are devoting attention to needed reforms in our election laws. No reform is so important or so much needed as the repeal of the unrepresentative convention system. The time has arrived when we should place our State in line with the progressive thought of the country. As a citizen I congratulate you and your associates in the legislature on the opportunity now afforded to render a great public service in making it possible for the people to exercise their right to make nominations for public offices and I am wishing you the best of luck.

Very sincerely yours,

LOUIS LUDLOW.

The Heart of American Democracy

EXTENSION OF REMARKS
OF
HON. CHARLES L. McNARY
OF OREGON
IN THE SENATE OF THE UNITED STATES
Thursday, January 5, 1939

ADDRESS BY HON. JAMES J. DAVIS, OF PENNSYLVANIA, DECEMBER 17, 1938

Mr. McNARY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the address delivered by the distinguished senior Senator from Pennsylvania [Mr. DAVIS] before the Pennsylvania Society of New York, at the Waldorf-Astoria Hotel, New York City, December 17, 1938. I commend it to the attention of the Members of the Senate and to the great body of American citizens who are interested in preserving the true spirit of American democracy.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

American democracy is of the heart as well as of the head. It will not function well on intellect alone. It has its source in the people as a whole, people whose words may not always sound logical but whose fundamental judgments are more to be trusted than the speculations of any one man. Essentially the people believe the test of democracy to be the equality of the individual citizen before the law. In the courts of the law and before the bar of public opinion every man is to count as one person. Every voting citizen is permitted to cast his ballot once only.

The impartiality of justice before the law should carry over into all civil life. The violation of justice, if permitted in a single instance, can speedily be multiplied in countless cases. In this way fundamental precepts and practice of justice may be destroyed. No encroachment on the rights of the people, or the right of any citizen, can be tolerated before the bar of public opinion. For American institutions of government are no stronger than their protection in common sense and commonly shared responsibility.

No absorption of power by centralized government should be permitted through subterfuge or indirection. No power of the people or of the States should be delivered to the Federal Government which is not openly recognized and approved by the Supreme Court or through constitutional amendment. The increase of Federal authority in government must be matched by an increase in all types of governmental authority, or the power now held through centralized government should be restored to the States and through the States to local agencies of government. The surest protection for the maintenance of local rights of the people is a definite exercise of those rights in civic and governmental responsibilities. Dictatorships flourish only when the people flounder. Local government and voluntary private organizations can give the answers to many problems which during times of emergency have been answered by the Federal Government alone. No task should be committed to the Government which can better be performed through cooperative action of the people in a voluntary and private way. No responsibility of local government should be imposed on the Federal Government which local government can itself carry. Failure to meet private and local governmental needs satisfactorily is the only explanation of the recent seizure of dictatorial powers in foreign lands. If America is to be safe, the individual American citizen must be strong. No American will be strong who expects others to do for him what he can best do for himself.

Authoritarian states can compel obedience to their man-made decrees, but no power on earth can control the movements of the divine spirit in the minds of men. No power can equal the force of truth. No substitute can be found for productive thought. Creative ideas spring up in the minds of men everywhere. No dictator can withhold them. The power of the mind is superior to kings, feudal lords, dictators, or any earthly ruler. Democracy has its roots in the thoughts and feelings of humble folk, whose minds no imperial decree can reach and whose hearts no bond of servitude can fetter.

The most democratic thing in the world is an idea. A great idea will choose a humble birthplace for itself, often in the mind of some obscure man or some neglected child, and from that idea will grow the force of a mighty movement which will shake the world and rock the thrones of princes and kings. Before the power of a great idea the forces of present-day dictators and tyrants must tremble. They will give way before the shining light of truth as the blackness of midnight yields to the approach of the rising sun.

The most hopeful thing in America today is that new ideas are being born. We live in a land where new ideas are welcomed, where those who nurture them are honored, and where liberty is possible for their growth and development. Dictatorships cannot harness free public opinion in America. This is a land of free ideas, of free schools, free churches, free market places, and free men.

America is the first and only place in the world where the idea of equality has been carried out on a large scale, over a long period of time, in every aspect of our common life. The American idea of government is the equality of the executive head, the legislative assembly, and the coordinate power of free courts. The American idea of religion is the equality of men before their Maker. Every religious group in America is expected to have equal place and opportunity with all others. Superiority complexes have no rightful place in a democracy. The American idea of economics is the equality of industrial management, productive labor, and free investment. The American idea of education is the equality of every boy and girl in the right to an education at public expense. The American idea of agriculture, as reflected in the fundamental principle of the original Homestead Act, is that every farmer should have as much land as he can cultivate. The American idea of science is the equal right of thinkers to the product of their thinking. A man's contribution to science in free America is expected to be judged, not by its source but by its social and human worth. The American scientist is expected to be rated, not by his economic status or his racial heritage but by his scientific output. Thank God America is still the home of free science, a free press, free assembly, and the fundamental freedoms which derive their vitality from a free people.

Equality is essentially an American idea. I am grateful for the opportunities which America has offered me. Only in this land of freedom and equality could I have enjoyed the life which has been mine. Anyone who seeks to upset or overturn the American ideal of equality is essentially un-American. Class conflict is un-American, because it is based on the idea that one class is superior to another and that the conquest of one class by another is necessary to social justice. Racial hatred is un-American, because it is based on the idea that one race is superior to others. Court packing is un-American, because it makes the courts subservient to the Executive whereas they were intended to be coordinate and free.

American freedom and essential equality are now being challenged chiefly in the market place. Industry and labor are logical partners, but it was never intended that government and industry should be partners, for they have different responsibilities, and such a partnership ignores the rightful place of labor as a partner. The partnership of government and industry is a Fascist idea; it is currently being demonstrated in the Fascist states of Europe.

The American ideal is the partnership of labor and industry in the task of production and distribution, with government to serve as an impartial referee in case of disputes and to insure fair play. The business of the Government is to be fair to both industry and labor. No interference with the economic processes of production or distribution by the Government, under the American system, should be tolerated except for emergency needs, and these should not be encouraged to last forever. Certainly governmental intervention does not require a club, for when the Government attempts to club either labor or industry it is well on the road either to fascism or communism, which are systems where governmental force has been substituted for private intelligence and public voluntary cooperation. We want neither fascism nor communism in America. There is no room for dictators here.

A dangerous idea of government has been gaining ground in America in recent years. Public funds have been spent by the billion to make the Government all-powerful. Many have come to accept the idea that the Goverment exists for itself and those who fatten at the public trough. Vast sums have been withdrawn from ordinary channels of trade and commerce, keeping labor, business, and agriculture weak, in order to make government needlessly strong. These funds have been spent in a partisan way for the perpetuation of one party in power.

This dangerous idea of government prevailed in ancient Rome when emperor worship had its day. The people existed for the sake of the state and the emperor whom they deified. The people were taxed until all business failed. The people were legislated to death. They were herded around at the whip of the bureaucrats. The courts and the Roman Senate were compelled to obey one-man decrees. Official corruption inevitably followed, and this was the beginning of the fall of Rome.

Public plunder has been the road to ruin for every monarchy in the world. This was the road of destruction which led to the end of the czaristic regime in Russia and setting up of a Communist government there. This was the way of death which was marked by the guillotine in France and the coming of violence in the French Revolution. This was the cause of the American Revolution and the setting up of free government in the United States.

Whenever government ceases to be the servant of the people and begins to exist for itself, good government ends and official corruption begins. A dangerous attempt has been made to displace the comparatively new idea of American government of liberty and equality and to substitute for it the age-long peril of government as a party right and for partisan political profit. There can be no rightful profit for agriculture, labor, or industry in the United States just as long as men are permitted under the guise of liberalism to make an unfair profit for themselves out of the Government.

The remedy for an overexalted power of state is more power in the people. For the Government is not the people but of the people, by the people, and for the people. The people must exercise their constitutional right of driving from office those who have usurped the power which belongs to the people alone. The people

should return to power, not through revolution, nor by the way of hate, nor by resort to crackpot schemes, nor through labor or industrial violence. The people must return to power within themselves. Every man must be the keeper of his own mind and heart, for out of them proceed the issues of democracy.

America needs strong men who accept as the ideals of their lives the patterns of individual initiative and social responsibility which led our American sires as pioneers from ocean to ocean. No one has yet found a substitute for their strength of character and the stout hearts which they brought to the making of America. America will not be restored to power through one-man government. War will not save America. Excessive governmental spending is not the way. Foreign "isms" will not keeps us free. Racial hatred is not the American way. Class conflict will not protect our local liberties. Restrictive legislation, with planned scarcity, is not the way. National leaders, who forget God and the people, have nothing to offer. The power of the Almighty, working in free minds and strong hearts, can save America. No sacrifice is too great to keep our institutions free. National defense on land, sea, and in the air is necessary, but it will not be enough if our people do not have spiritual defense in their own minds and hearts. We have tried the roads of bureaucracy, restricted production, and planned scarcity. These have failed. The good life lies open to good will among men, in America, among all nations, and throughout the world. Peace comes with plenty, not through poverty. Goodness comes with abundance, not through starvation. Our republican institutions of government come from the people, not from the word of one man. God keep America free. May we have a liberalism which will say truly with Jefferson "Equal opportunity for all and special privilege for none." May we have a liberalism which will follow Lincoln, who taught us that the "government of the people, by the people, and for the people shall not perish from the earth."

Presidential Third Term

EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Thursday, January 5, 1939

STATEMENT BY HON. WILLIAM H. SMATHERS, OF NEW JERSEY

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the Senator from New Jersey [Mr. SMATHERS], in which he explains why Mr. Roosevelt should run for a third term. This statement was published in Paul Mallon's column in the Philadelphia Inquirer, Thursday, December 29, 1938.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer of December 29, 1938]

PAUL MALLON—SENATOR SMATHERS EXPLAINS WHY MR. R. SHOULD RUN FOR THIRD TERM

(By Senator WILLIAM H. SMATHERS, New Jersey Democrat)

WASHINGTON, *December 28.*

The outstanding possibility for President in 1940, and I submit the best man, is President Roosevelt.

The Democratic Party, vitalized with the liberalism, the magnetism and the incomparable leadership of Franklin Delano Roosevelt, cannot toss away its greatest asset.

As a Democrat interested in party success I am convinced that he would be reelected, notwithstanding the third-term bugaboo.

As a liberal I cannot conceive a greater loss to the cause than his withdrawal from the Presidency.

As a citizen of a democracy, acutely conscious of world threats to replace popular government with various "isms," I object violently to retiring the man who has been the bulwark of democracy.

MERE COPYBOOK PRECEDENT

Democracy in the United States was saved by President Roosevelt's wise view of it as an adaptable, adjustable, malleable thing. As each new crisis threatened it, as new and unprecedented demands were made upon it, his skillful hands reshaped it and bent it and molded it until it fit each new exacting demand, until it rectified some irresistible complaint, until it satisfied a new public desire.

America could have cracked, and might still crack, without superb leadership and master statesmanship, and unless its leader makes it function so as to satisfy the complaints and desires of its citizens. To sacrifice this practiced hand at such a time is too great a maintenance price for a copybook precedent.

Washington was a tired man who wanted to return to his beloved Mount Vernon and rest on its peaceful acres in his declining years. But Hyde Park still cannot contain the energies of Franklin D. Roosevelt.

His capacity for leadership thrives on fighting the terrific battles and assuming the gigantic responsibilities that his office has encountered.

The office of President is supposed to be a man killer, and that is part of the third-term bugaboo. But this man Roosevelt, with responsibilities far heavier than perhaps any of his predecessors, is more than equal to a third term—physically, mentally, and in the public confidence.

If there at some time comes a Republican President with the same magnificent qualities of leadership, and the majority of the people do not want to lose him, let them elect him three times or four times—and that also will be real democracy.

PRACTICAL POLITICAL SIDE OF QUESTION

Even now, without rising to the heights he does in the heat of a Presidential campaign, President Roosevelt is the unrivaled hero of the masses whose battles he has fought, the unsmirched veteran of unceasing attacks by resourceful and powerful enemies.

The third-term superstition is being dusted off now as a stalking horse to disguise more selfish objections to his nomination.

Let us glance, however, at the practical political side of the question and weigh this precedent.

The West has always taken a keen delight in knocking precedent into a cocked hat when placed in the scales against liberalism or a liberal. The President would sweep the West like a whirlwind.

In the South the Democrats may differ in the primaries, but there is no doubt of the outcome in the general elections.

STAND OF DOORBELL PULLERS IN EAST

We come to the East, the conservative East. Let us take my own State of New Jersey and get at the roots of eastern politics—the doorbell pullers, the party workers who scour the neighborhoods and who can be depended upon to judge the temper of the man on the street.

I have asked them some questions:

"Would the people in your neighborhood vote for someone else in preference to a third term for Roosevelt?"

The answer is always enthusiastic:

"Give us Roosevelt again, and we can lick any two candidates put together."

Ask yourself a question:

"Whom would you vote for in preference to Roosevelt?"

The Tory will say "Anybody," but the great and countless masses of American citizens will inevitably reach the conclusion that Roosevelt, with his tremendous color, personality, and appeal, with his proven capacity for leadership, with his good sportsmanship and keen sense of humor, is the one man the Democratic Party can make the fight with and win with in 1940.

Fiscal Doctrine of 1933

EXTENSION OF REMARKS

OF

HON. ARTHUR H. VANDENBERG

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Thursday, January 5, 1939

PRESIDENT'S MESSAGE OF MARCH 10, 1933

Mr. VANDENBERG. Mr. President, I ask unanimous consent to have printed in the RECORD the Presidential message of March 10, 1933. This message deals with the fiscal subjects which the President has been discussing in his last two messages, and does it in a significant way. I think it well for the country to be reminded of this other Roosevelt philosophy of action which at one time was intended to save the country from impending calamity and greatly succeeded so long as it was pursued. Then the President was declaring that national recovery depended on economy. Then the President was warning against "the rocks of loose fiscal policy." Then he was demanding "drastic retrenchment." All this sound doctrine is now abandoned. The Roosevelt of 1939 has deserted the Roosevelt of 1933. It is to recall the splendidly sound fiscal doctrine of 1933, to which the country must one day return, that I want the Presidential message of March 10 recalled.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

To the Senate and House of Representatives:

The Nation is deeply gratified by the immediate response given yesterday by the Congress to the necessity for drastic action to restore and improve our banking system. A like necessity exists with respect to the finances of the Government itself which requires equally courageous, frank, and prompt action.

For 3 long years the Federal Government has been on the road toward bankruptcy.

For the fiscal year 1931 the deficit was $462,000,000.

For the fiscal year 1932 it was $2,472,000,000.

For the fiscal year 1933 it will probably exceed $1,200,000,000.

For the fiscal year 1934, based on the appropriation bills passed by the last Congress and the estimated revenues, the deficit will probably exceed $1,000,000,000 unless immediate action is taken.

Thus we shall have piled up an accumulated deficit of $5,000,000,000.

With the utmost seriousness I point out to the Congress the profound effect of this fact upon our national economy. It has contributed to the recent collapse of our banking structure. It has accentuated the stagnation of the economic life of our people. It has added to the ranks of the unemployed. Our Government's house is not in order, and for many reasons no effective action has been taken to restore it to order.

Upon the unimpaired credit of the United States Government rest the safety of deposits, the security of insurance policies, the activity of industrial enterprises, the value of our agricultural products, and the availability of employment. The credit of the United States Government definitely affects these fundamental human values. It therefore becomes our first concern to make secure the foundation. National recovery depends upon it.

Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this danger.

It is too late for the leisurely approach to this problem. We must not wait to act several months hence. The emergency is accentuated by the necessity of meeting great refunding operations this spring.

We must move with a direct and resolute purpose now. The Members of the Congress and I are pledged to immediate economy.

I am therefore assuming that you and I are in complete agreement as to the urgent necessity, and my constitutional duty is to advise you as to the methods for obtaining drastic retrenchment at this time.

I am not speaking to you in general terms. I am pointing out a definite road.

The last Congress enacted legislation relating to the reorganization and elimination of executive agencies, but the economies thus to be effected are small when viewed in the light of the great deficit for the next fiscal year. They will not meet the pressing needs of our credit situation. Provision for additional saving is essential, and therefore I am asking the Congress today for new legislation laying down broad principles for the granting of pensions and other veteran benefits and giving to the Executive the authority to prescribe the administrative details. We are unanimous in upholding the duty of the Government to care for those who suffer in its defense and for their widows and orphans. The application, however, of this great principle to large numbers of people involves complications—so great that it is almost impossible to draw legislation with sufficient flexibility to provide substantial justice in varying situations. The proposed legislation states the principles and, limited to them, permits the Executive to draw the lines of differentiation necessary to justice.

In accord with the same purpose of substantial justice I request also the enactment of legislation relating to the salaries of civil and military employees of the Government. This would repeal the existing furlough plan, substituting therefor a general principle and authorizing the Executive to make application of this principle. The proper legislative function is to fix the amount of expenditure, the means by which it is to be raised, and the general principles under which the expenditures are to be made. The details of expenditure, particularly in view of the great present emergency, can be more wisely and equitably administered through the Executive. The flexibility of the measures which I am proposing is not only practical, but proceeds along the road of constitutional government.

Such economies which can be made will, it is true, affect some of our citizens; but the failure to make them will affect all of our citizens. The very stability of our Government itself is concerned, and when that is concerned the benefits of some must be subordinated to the needs of all.

When a great danger threatens our basic security it is my duty to advise the Congress of the way to preserve it. In so doing I must be fair, not only to the few but to the many. It is in this spirit that I appeal to you. If the Congress chooses to vest me with this responsibility, it will be exercised in a spirit of justice to all, of sympathy to those who are in need, and of maintaining inviolate the basic welfare of the United States.

I ask that this legislation go into effect at once without even waiting for the beginning of the next fiscal year. I give you assurance that if this is done there is reasonable prospect that within a year the income of the Government will be sufficient to cover the expenditures of the Government.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 10, 1933.*

Wages, Hours, and Profits

EXTENSION OF REMARKS

OF

HON. JOSIAH W. BAILEY

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, January 5, 1939

ADDRESS BY B. M. ANDERSON, JR., ECONOMIST, BEFORE THE CHAMBER OF COMMERCE OF KANSAS CITY

Mr. BAILEY. Mr. President, I ask to have printed in the RECORD an address on the subject of Wages, Hours, and Profits, delivered by B. M. Anderson, Jr., economist, before the Chamber of Commerce of Kansas City.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE CRUCIAL IMPORTANCE OF PROFITS

The volume of business activity and the volume of employment are governed primarily by the prospects of profit or loss. When profits are good in an industry or when profits promise to be good, there is a tendency to expand that industry, to invest more capital, and to employ more labor. When business, on the other hand, is being run at a loss, or is threatened with vanishing profits and deficits, it tends to contract its activities, ceases to bring in new capital, liquidates part of its debts, if it can, releases part of its labor. A profitable industry, expanding, draws in more labor, increases the demand for labor, maintains or increases its own wages easily, and tends to bid up the price of labor as it pulls in labor from the outside. The unprofitable industry, releasing labor, tends also to reduce the wage rates that it pays, and by increasing the supply of unemployed labor in the general labor market, tends to reduce wages all around.

Under a system of economic life different from our own, it is conceivable that the question of profit and loss should not be of crucial importance. The notion of production for use, instead of production for profit, has worked well in (frequently well endowed) monastic communities and in some other small communities bound together by a religious motive. Russia tried it with disastrous results in the period culminating in the crisis of 1921. But Russia got out of that crisis of 1921 through the "new economic policy" of Lenin, which gave large scope for the profit motive, and even for the profit motive on the part of private enterprise. And in the later developments of the Russian economic system, in which state enterprise largely supplanted private enterprise, the tendency has still been strong to hold each separate trust or collective enterprise to the necessity of showing profits, exceptions being made for certain strategic enterprises, which probably include gold production, whose losses are made good out of the profits of other enterprises. And even under the Russian system it does not seem possible to have a condition of widespread vanishing profits and deficits without disaster.

PROFIT AND LOSS SYSTEM TAKEN FOR GRANTED

But it is not my purpose here to argue the superiority of the profit and loss system over alternative systems of economic organization. There is no important political group in the United States which repudiates the profits system or profit motive. I take the profit and loss system for granted, therefore, as a basis for the present discussion. And my purpose is to give a realistic analysis of the relation of profits and wages with special reference to the factors making for the ups and downs of business activity and employment, and with further special reference to certain recently enacted legislation, notably the pay-roll taxes and the wage and hour law. The discussion will also involve a consideration of labor-union policy with respect to wages and hours.

COSTS, PRICES, AND BUSINESS REVIVAL

The whole story of business revival, prosperity, crisis, depression, and revival again involves many elements, including very fundamentally the large question of equilibrium among various industrial activities, and including also complicated financial factors. These I shall not discuss today. Nor shall I discuss today the question of the relation of commodity prices to volume of sales, important though that is. My concern today is with the relation of prices to costs, in which is immediately focused for most businesses the question of profit or loss.

Depression tends to turn into revival, when costs have been reduced sufficiently in relation to prices to enable businessmen to see the possibility of profits. Always in the worst business situation somebody is making profits, and always in the best business situation somebody is making losses. Turns in the business situation come when the prospects of profit or loss are changed for a substantial part of the business community, rather than for

the whole community. A period of crisis and depression is a period in which costs are being reduced. Wages go lower and labor costs are further reduced by the fact that the less efficient workers tend to be the first to be released, that overtime ceases, and that men who retain their jobs value their jobs. Bank interest rates go lower, and even long-term interest rates, in the case of the weaker debtors, are readjusted through bankruptcy or informal composition. Expiring leases are renewed at lower rentals, and even long leases, in the case of weaker tenants, are often readjusted. Raw materials have gone down, overhead of various kinds is cut, economies of many sorts are introduced, and the business community has had time to study its methods of production and marketing with a view to introducing new methods that cut costs or increase efficiency.

Expanding production in such a situation does not raise costs in proportion to volume. Capacity exceeds current output, and overhead does not expand as more laborers are taken on, and as more raw materials are purchased. Profits rise sharply, therefore, with any increase in volume. With increasing volume in one industry, moreover, there is a tendency for increasing demand to be directed toward other industries and commodity prices first cease to decline, then grow steady, and then begin to turn up.

For a time in a period of revival prices rise faster than costs per unit of output, even though wages also begin to rise. Profits grow larger and under the stimulus of increasing profits expansion proceeds more rapidly, and more and more of the elements of our economic life are drawn into the picture. Employment grows fuller and wages rise under the law of supply and demand.

PAY ROLLS AND PROFITS MOVE TOGETHER

I repeat that I am not here concerned with a full analysis of the business cycle. I am concentrating attention upon one very definite point—the relation of wages to profits. My first generalization is that as profits rise, wages rise, and my second generalization is that as profits fall, wages fall.

Now, this is a very different generalization from that which many are disposed to make. Looking at the problem statically, at a given moment of time, they see a certain volume of money income from business, part of which is to go to wages and part of which is to go to profits, and by a very simple process of arithmetic they reach the conclusion that the more there is which goes into profits, the less there is left for wages, and the more there is going into wages, the less there is left for profits. But what they fail to see is the dynamics of the situation. What they fail to see is that the amount of production is not a fixed and static thing but a varying thing—a thing which rises as satisfactory profits emerge, and which falls as profits vanish or as losses impend. The all-important thing from the standpoint of labor income itself is that there should be a large volume of production, a large volume of business gross income, so that the total to be divided between wages and profits shall be large.

WHEN COSTS OUTRUN PRICES

I pass over the middle phases of the period of prosperity and come toward the time when costs begin to rise faster than prices and volume, a phase which culminates in crisis, or at all events in a period of liquidation and readjustments. Various costs rise. New capital is forthcoming only at increased interest rates. Rentals rise as new leases are made. Raw materials rise. Most important of all, labor costs per unit of output rise, and rise rapidly: (a) Wage rates per hour rise; (b) additions to the labor force are of the least efficient workers; (c) shop discipline is less effective as laborers know that a job across the street, or in a nearby establishment, is easy to get if they don't like the foreman or the boss; (d) overtime increases and with it very sharp increases in money cost per hour of work; (e) much more important 20 years ago than today, with our generally shorter working hours, overtime work brings weariness to the labor force. Another important factor in rising costs is in those establishments where plant capacity has been fully utilized and where new construction at high costs has to be rushed if demand is to be met. And a final important factor is a loss of managerial efficiency, as the businessman, harassed with rush orders, finds it no longer easy to watch as closely as he formerly did the details of his business, and finds the incentive for rigid economies reduced, as things seem to have been going on very well without them. New methods, moreover, are not easy to introduce when they involve interruption of activity in a time of active demand.

THE IMPORTANCE OF LABOR COSTS

Now, of all the costs which I have been considering, insofar as they are measurable in money, I think it is perfectly clear that the labor factor is of overwhelming importance for business as a whole.

Labor costs vary greatly with different industries. It would be difficult to arrive at a total labor cost figure for all industries since the price of raw materials for one industry often represents a large labor cost factor for the industry that supplies the raw materials. However, we do have figures published by the Department of Commerce on national income which give us a basis for estimating the share of the national income which is paid out to labor. The following figures are taken from the studies made of national income by the United States Bureau of Foreign and Domestic Commerce:

National income paid out,[1] by types of payment

	Amount (millions of dollars)			Percent distribution		
	1929	1936	1937	1929	1936	1937
Income paid out, total	78,174	62,056	69,330	100.0	100.0	100.0
Compensation of employees, total	51,204	41,250	46,728	65.5	66.5	67.4
Entrepreneurial withdrawals	12,342	9,783	10,441	15.8	15.8	15.1
Dividends	5,969	4,573	5,010	7.6	7.4	7.2
Interest	5,089	4,378	4,656	6.5	7.1	6.7
Net rents and royalties	3,419	2,131	2,599	4.4	3.4	3.7

[1] Sources: U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce, Statistical Abstract of the United States, 1937, U. S. Government Printing Office, 1938, p. 297. Survey of Current Business, June 1938, p. 13.

This table does not tell us directly and simply what percentage of national income goes to labor, or what percentage of total cost of production is made up of labor costs. Compensation of employees includes compensation of officials as well as of laborers in the narrow sense. We have data, however, from the same authority with respect to salaries of officials of corporations. In the year 1929 the total compensation of corporate officers was $3,337,000,000, and for the year 1934 it was $2,171,000,000. (Source: National income 1929–36, U. S. Department of Commerce, Government Printing Office, 1937, p. 29.)

A very large part of the total salaries of officials of corporations is essentially labor income. There are over 475,000 corporations and most official salaries are small. The salary of the president of a small mercantile corporation who is himself behind the counter and who does part of the bookkeeping, and of the numerous minor executives, even in great corporations, are a true part of labor cost. A minor deduction, very much less, indeed, than that for total executives' salaries, may be made from our percentage for total compensation of employees.

On the other hand, a big addition must be made to this percentage if we are to get the total labor income. Entrepreneurial withdrawals, amounting to 15.8 percent for the year 1936, represent the sums taken out of the business as individual income by the owners of unincorporated businesses. The largest single item in this is what the farmer takes. He is an owner and a businessman, and he has profits and losses. But he is also a workingman, and a very big part of his income is compensation for his work rather than compensation for his business activity and return on his capital. Another large element in the entrepreneurial withdrawals is such things as the income of the boss barber who owns his own establishment, or the master mechanic who is the owner of an automobile repair shop, or the multitudinous small retail mercantile establishments too small and too thinly capitalized to make incorporation worth while. The classification of entrepreneurial withdrawals for the year 1935 is as follows:

Total entrepreneurial withdrawals in 1935[1]

[In millions of dollars]

Total	8,701
Agriculture	2,950
Mining, manufacturing, and construction	403
Transportation	367
Trade	1,597
Service	2,315
Miscellaneous	1,069

[1] U. S. Department of Commerce, National Income in the United States, 1929–35, U. S. Government Printing Office, 1936, p. 52.

Apart from agriculture and trade and service industries, there are no big items in this table. There are important unincorporated financial institutions, such as stock-brokerage houses, but they do not compare in importance with those I have named and are reported under the general head of "Miscellaneous" in the figures of the foregoing table.

It is safe, I think, to assume that a good half of the figures of entrepreneurial withdrawals represent labor income rather than business profits, and that the total of labor income, therefore, will run high over 70 percent of the national income. As against this, we would have, in the form of clear property income, the following items: For the year 1936, net rents and royalties, 3.4 percent; interest, 7.1 percent; dividends, 7.4 percent, totaling 17.9 percent. And if to this we add the other half of entrepreneurial withdrawals, we have a maximum of 25.8 percent of income of all kinds that can be attributed to property ownership and to business enterprise.

THE ADVANCE IN LABOR'S SHARE

I may add that the tendency has been for the percentage of labor income to grow. The following figures are taken from a study made by the Brookings Institution: In 1900, compensation of employees was 53.2 percent of national income; in 1909, 54.4 percent; in 1914, 57.4 percent; in 1920, 62.8 percent; in 1924, 63.6 percent; in 1927,

64.6 percent; and in 1929, 65.1 percent. (Leven, Moulton, and Warburton, America's Capacity to Consume, Washington, 1934, p. 158.) The 1929 figure of the Brookings Institution corresponds very closely with the 1929 figure of the Department of Commerce studies, the latter being 65.5 percent, as shown in our table, based on the Department of Commerce figure. The tendency for a rise in the percentage of national income going to labor has continued through 1937.

LABOR RECEIVES OVER 70 PERCENT OF NATIONAL INCOME; PROFITS, 15.3 PERCENT

When we are contrasting wages and profits, the items to be considered are the following: Profit income as represented in our table will be made up of the 7.4-percent dividends plus one-half of entrepreneurial withdrawals, making a total of 15.3 percent. This is the compensation for risk capital and business enterprise. As against this 15.3 percent of national income for profits we have labor exceeding 70 percent of total national income.

Contrasting these two figures, over 70 percent for labor and 15.3 percent for profits, permits us to draw some very significant conclusions with respect to policy both on the part of Government and on the part of organized labor. It is eminently desirable from every point of view—humanitarian, social, and political—that the income of labor should grow, that wages should rise, that the children of the working people should be better fed, better clothed, better educated, that the workingman should feel that he is receiving a square deal in our economic system, that he has a stake in it, and that law and order are important to him and to his family. It is important that he should have a margin for luxuries and a further margin for savings. It is important that he should accumulate property. All this we may take as a major premise, and we may add that those who live by work are far more numerous than those who draw their income from property, and that their welfare must clearly be a paramount consideration in any democratic country. But insisting on this and emphasizing this, we must still, in determining what our policy should be, consider what is technically possible and what is technically effective in promoting the objective of larger income for those who work.

HOW MUCH MORE CAN GO TO LABOR?

Shall we adopt a policy which will make it possible for profits and wages to grow together, or shall we seek to increase wages by union policies and governmental policies which subtract from profits to add to wages? If we try to add 10 percent to the income of the working people at the expense of profits on the basis of the figures before us, we should find that 10 percent of wages is over 7 percent of total national income, and we should find that this is very nearly 50 percent of total profits. If we try to add 20 percent to the income of labor by encroaching upon profits, we should virtually wipe out profits. But long before we had made any such addition to the income of labor at the expense of profits we should have wrecked the incentive for business enterprise to go ahead with production. We should see production stagnating, terrific unemployment, and an immense curtailment of the income of labor. We might, by methods of this sort, increase the percentage which labor has in the total national income, but we should certainly so diminish national income that the actual return to labor would be very greatly reduced.

And we should, of course, in the process greatly reduce income of other forms, rents, royalties, and interest. They would not bear the first impact of forced measures to raise wages; but with vanishing profits and growing deficits in the business field, defaults on interest, defaults on rents and royalties on a great scale would be inevitable.

I believe it is very clear that we have pushed measures for artificially increasing the percentage of labor income dangerously far and that we must throw the heavy emphasis for the future upon policies which make possible a great increase in the production of wealth so that there may be more for all of us to share.

TAX BURDEN FURTHER REDUCES NONLABOR INCOME

I may note parenthetically that not only has the share of labor in the total national income been increased, but also the share which government takes through taxes on nonlabor income has been enormously increased. There is not much left of interest income, dividend income, and true entrepreneurial income for wages and taxes to take.

PROFITS FOR PROFIT SHARING ARE SMALL

A second important conclusion is suggested by these figures with respect to profit sharing between labor and enterprise. The total of profits for sharing in relation to the existing total of labor income is pretty small. In individual industries, special circumstances may indicate the desirability of such a system, particularly if accompanied by an agreement under which wages are flexible and recede in times of receding business and low profits or deficits. But it is not easy to see how there could be a widespread adoption of this system at the expense of profits without a slowing down of industrial activity.

LABOR—THE MAJORITY SHAREHOLDER

A third major conclusion is that it is impossible to devise a system whereby a fixed income for labor can be guaranteed at the expense of other forms of income. The total to be guaranteed is too large and the available guaranty funds would be far too small. Nor is it possible with the resources at hand for business in general to guarantee employment in general, even though in individual cases this may be feasible. Labor is overwhelmingly the majority shareholder in the national income and is far more interested in a healthy, steady growth of this national income than in policies which, at the expense of stability and growth, seek to increase its percentage share. There is no safety for the more than 70 percent unless the general 100 percent is made safe.

THE PAY-ROLL TAX—A TAX ON EMPLOYMENT

With this background I come to the discussion of two recent Federal laws regarding labor which give me a great deal of concern, not only with respect to their present workings but also with respect to their future implications. I refer to the Wage and Hour Act and to the pay-roll taxes under the Social Security Act.

We have at present in force a 4-percent tax on pay rolls, 3 percent for unemployment insurance, and 1 percent for old-age insurance. This 1 percent, however, is to be increased by stages of one-half of 1 percent until it reaches 3 percent, so that the total Federal tax on pay rolls is ultimately to be 6 percent. A tax on pay rolls is a tax on employment. Every time an additional worker is hired for $100 the employer must pay $104 because a tax of $4 goes to the Government. If he is released, both the $100 wage and the $4 tax are saved. Every time the compensation of labor is increased 4 percent of the increase goes in tax to the Government, and whenever wages are reduced the tax is reduced correspondingly. The tax as an element in business calculations, in other words, comes into play when men are hired and fired and when pay is increased or decreased. Such a tax, under the general laws of the shifting and incidence of taxation, will be shifted to labor in the long run. This can be a relatively painless thing in a period of advancing wages. Wages will simply not advance so rapidly in a period when market forces would otherwise bring about an advance of wages. In a period of receding wages labor's resistance to wage reductions may mean that the main effect of the tax is shown in a greater reduction of employment than otherwise would have taken place. When wages are fixed by law or by union activity without reference to market standards the whole of the impact of this tax may be on employment rather than on wages.

The type of taxation is itself a bad type. It is a tax on employment. Four percent is already dangerously high, and the 6 percent which we ultimately face is not to be contemplated with equanimity. When to this, however, we add the recent wage and hour legislation very grave questions arise, indeed, and the probable necessity for reversing at least a part of what we have done with respect to impediments to employment and production seems pretty clearly indicated.

THE REAL BASIS FOR HIGHER WAGES AND SHORTER HOURS

The way to get better wages and fewer hours of work is not by legislation striking directly at wage rates and hours but, rather, by freeing and encouraging the great, impersonal forces which have historically increased wages and shortened hours. These great forces in the United States have been (1) our abundant land and other natural resources, (2) the growth of capital, (3) technological progress (see the Chase Economic Bulletin, vol. XVII, No. 2), (4) the intelligence and enterprise of our people, and (5) the retardation of the growth of population by voluntary restriction of the size of families and by immigration restriction. A country where land and natural resources are abundant, where capital is abundant and growing, where technological progress is rapid and where population grows slowly is a country where opportunities are abundant and men are relatively scarce, and is a country where wages will be high. With earnings of labor high enough so that the necessities of life are earned with part of a day's work and the product of the rest of the day's work can be used for the workingman's comforts and luxuries, hours of labor tend to be shortened, because the workingman values leisure among the other comforts and luxuries, and bargains successfully for shorter hours. We saw these forces operate to reduce average hours of labor from 58.4 hours a week to 49.8 hours a week between 1890 and 1926, while during the same period hourly earnings increased from 21 cents to 71 cents (Douglas, Paul H., Real Wages in the United States, New York, 1930, pp. 205–208).

Now, this is the way in which the thing has historically come, and the causation here is definite and immediate. We had help in these matters from legislation during these years, particularly respecting the hours of women's labor. But the great force raising wages and shortening hours has been competition among increasingly well financed employers seeking relatively scarce labor. In this connection, the competition of expanding industries and rapidly growing industries, pulling labor away from more static industries or from dwindling industries, has been of very special importance.

When the normal forces of supply and demand are working in open markets, and when wage rates are flexible, wages are very closely adjusted to the productivity of labor, or, in the more technical phrase of the economist, to the marginal productivity of labor or the specific productivity of labor. If wages are above the level which this standard would set, part of the workers will be unemployed, since the wages which would be paid to them would be more than the product which they would create, and competition among laborers would bring the rate down to this standard of marginal productivity. If, on the other hand, wages should be below this standard, competition among employers would bring the rate up again to the standard.

If, however, wages are set arbitrarily, whether by government action or by powerful labor combinations, at figures above the

standard, then part of the labor force will go without work, or, if there be a general spread the work arrangement, the labor force as a whole will be employed only part time.

WAGE RATES AND EMPLOYMENT—ENGLAND AND THE UNITED STATES, 1920–29

I think that the contrast between the labor situation in post-war England and that in the United States in the post-war period is very interesting and significant here. Both in England and in the United States the post-war level of wages remained high above the pre-war level after the crisis of 1920–21. This was due in England primarily to the power of labor organizations which successfully resisted the economic tendency to lower wage rates. In the United States it was due to a very different set of causes.

In pre-war days, we had been accustomed to receiving a large body of immigrants every year, running well above a million in many years, and including a very high percentage of young men and women ready for work. This influx of new workers had not prevented a gradual rise in wages in the United States, with our growing capital and our expanding industries, but it had very greatly retarded the advance in wages that would otherwise have taken place. The war cut off immigration almost entirely, and after the war we restricted immigration sharply by law. The result was a radical change in the ratio between labor on the one hand and capital and resources on the other. Consequently the reduction of wages in the crisis of 1920–21 was far less than would have been expected. While commodity prices were dropping from 248 percent of the pre-war level to 138 percent of the pre-war level, hourly wages dropped only from 246 percent of the pre-war level to 197 percent. And then, following this, wage rates rose, under the pressure of demand for labor, from 197 percent to 238 percent by 1929, although commodity prices at wholesale remained little changed.

Our expanding industries, unable to get the accustomed stream of labor from Europe, installed labor-saving machinery and drew in labor from the farms, or from static or dwindling domestic industries, in great volume. Supply and demand raised wages. The rise was not due in the United States either to governmental action regarding wages or to a growing power of labor organization. Membership of labor unions diminished (Leo Wolman, Ebb and Flow in Trade Unionism, New York, 1936, p. 16) during this period from 5,048,000 in 1920 to 3,443,000 in 1929. At the higher levels of wages we had no greater problem of unemployment than we had had before the war (see the Chase Economic Bulletin, vol. XVII, No. 2).

In England, on the other hand, there were no such fundamental changes in the supply and demand situation with respect to labor. The high post-war level of wages was a forced level, and the result was a heavy and chronic unemployment in England through the whole period 1921–29. The wage rate was held above what the marginal product of labor would have been if all had been employed, and employment was reduced to a level such that the marginal product per individual of the smaller number of the employed would approximate the wage rate paid. Unemployment was especially heavy in those industries in England, notably iron and steel and cotton textiles, where unionism was strongest. The greatest activity was in new industries in the south of England, where a great deal of nonunion labor was employed at supply and demand wage rates.

With this inflexibility of wage rates, moreover, when the business reaction that followed the stock-market break in 1929 came, England found herself one of the earliest and heaviest sufferers. This was particularly true in connection with her export trade. Other nations, where wages and prices were more flexible, easily took a substantial part of her export business away from her. I do not think that we wish to allow ourselves in this country to become entangled in the inflexibilities and rigidities which have made England so much grave trouble.

Labor unions can be very helpful to labor and to the country. But if union policy is to fight always for higher hourly wage rates, and always to resist reductions in wage rates, then the spread of unionism will be harmful to labor and to the country. Both prices and wages should be flexible, readily responsive to market conditions. Wages do not need to shift as frequently as prices, or to move as far, but inflexible money wages are a menace to labor itself.

THE ELASTICITY OF DEMAND FOR LABOR—DOUGLAS AND PIGOU

I come now to a point of great significance. The demand for labor is elastic. By that I mean that the relation between amount demanded and price paid per unit is such that there is a sharp falling off in amount demanded if the price is raise artificially, and there is a sharp increase in the amount demanded if the price is lowered. When the rate of wages rises in response to increased demand, we have another story. But when, in a given state of demand for labor, an artificially high rate is set, employment falls off sharply.

There have appeared in the last few years two remarkable studies by two able scholars which undertake to measure the elasticity of the demand for labor. I refer to a book by Paul H. Douglas, professor of economics at the University of Chicago, called The Theory of Wages, which was published in 1934, and to a book called The Theory of Unemployment, by Prof. A. C. Pigou, of Cambridge University in England, published in 1933. Professor Pigou's book is a highly abstract mathematical study in technical economic theory with illustrations drawn from British experience. Professor Douglas' book is also theoretical, but his argument with respect to this point rests primarily upon an elaborate statistical analysis of American experience. (Douglas, Paul H., The Theory of Wages, New York, 1934, pp. 113–158.) Professor Douglas sums up his conclusion in the following proposition:

"The fact that the elasticity of the demand for labor seems to be between −3 and −4 indicates that where unemployment is caused by a wage rate which is higher than marginal productivity, a reduction of 1 percent in the rate of wages should normally lead to an increase of 3 or 4 percent in the volume of employment and hence to an increase in the total income of the workers of from 2 to 3 percent. If wages are pushed up above the point of marginal productivity, the decrease in employment would normally be from three to four times as great as the increase in hourly rates, so that the total income of the working class would be reduced in the ratio indicated above. It should also be noted that Pigou, in his recent Theory of Unemployment, arrives by almost purely deductive methods at an almost identical estimate of the elasticity of demand for labor during periods of depression, namely, that it is 'probably not less than −3.' (Pigou, A. C., Theory of Unemployment, p. 97, London, 1933.)

"It does not follow, however, that the cause of unemployment is uniformly a wage which is in excess of marginal productivity. There are other causes of a seasonal, cyclical, and technological nature, and in these cases a reduction in the wage rate need not invariably bring the greater expansion in employment." (Loc. cit., pp. 501–502.)

I do not suppose that economists would be agreed that Professor Douglas' precise ratio is established. But he does make an impressive case for his contention that a 1-percent change in the wage rate above the marginal product can make at least a 3-percent change in the volume of employment. It is to the interests of all that labor should get its full economic wage, but it is to the interests of no one, labor least of all, that an unduly high hourly rate should breed heavy unemployment.

I may add that those who are disposed to think that a 4- to 6-percent tax on pay rolls is an insignificant factor may do well to reconsider this in the light of Douglas' analysis.

AID TO STRANDED LABOR—A WORTHY OBJECTIVE

There are various theories behind the Wage and Hour Act. There is one purpose with which we must all have great sympathy. Competition among employers does not reach all labor evenly. There are, here and there, pockets in which helpless groups of laborers are caught, who can't easily get out into the main labor markets and get the benefit of employer competition. Or there are, even in industrial centers, certain specialized types of laborers who can't shift occupations easily, and whose wages may be well below prevailing levels, or whose hours may be inordinately long, so that health is taxed by overwork. All of us must welcome the activities of labor unions in such situations, as they try to pull up these wages toward the prevailing levels or to reduce the number of hours in the direction of the prevailing levels. And all of us must welcome, I think, carefully considered action by the governments of the States in dealing with such problems, which are almost always local problems.

But the main objects of the Federal Wage and Hour Act and the main motivation behind the Federal Wage and Hour Act rest on very different ideas.

THE PURCHASING POWER FALLACY

First of all, there is the fallacious notion that arbitrary forcing up of the wages of labor will increase general purchasing power, with the resultant increase in demand for goods and demand for labor. It is thought that this is a revival measure, a measure that will make for increased business activity and increased employment. Connected with this is the notion that, if hours can be shortened, with the same pay for the smaller number of hours as for the larger number of hours, there is an increased number of workers employed with a larger aggregate buying power, and that this still further increases the demand for goods and the demand for labor.

Now, this theory is incredibly naive and utterly fallacious. Increased funds for labor under these conditions must come from somewhere. Where are they to come from? I have already discussed this question in discussing the relation of wages and profits.

THE THEORY TESTED IN FRANCE

It is no longer necessary to discuss the theory of the matter. We have had some very striking practical tests of this theory that a forced increase in the purchasing power of labor will make good business in recent years. The most recent is the case of France, where the introduction of the 40-hour week led to such a violent economic disturbance that the French Government today is perforce undoing much of what it has done. This 40-hour week legislation led in one case to a 30-percent increase in personnel in a building; in a second case, where profits were already low, to a 22½-percent increase in total costs; and in a third case a factory to a 60-percent increase in labor costs, which meant a 30-percent increase in total costs. The results, in this last case especially, were very grave.

THE TEST UNDER N. R. A.

But we have had, in our own country and in our own experience, a very recent demonstration. I refer to our experience under N. R. A. We had a very sharp and dramatic rise in the volume of business in the first half of 1933, before the coming of N. R. A. Various causes contributed to this. First, and most important, was the conviction throughout the country that bottom had been reached, that the worst was over, and, above all, that the banks

were safe. Second was the fact that the March 1933 level of business activity was very low, and that a great many activities were urgently needed just as soon as men could have confidence that it was reasonably safe to proceed. Production had fallen far below consumption and inventories were extraordinarily low. Third, there was a speculative flare-up growing out of the inflation moves. And, fourth, especially manifesting itself in late June and early July, after the plans for N. R. A. and the plans for the processing taxes had come to be understood, there was an increase of activity to "beat the gun," and to get as much production as possible accomplished before the heavy increases in costs which N. R. A. and the processing taxes were expected to bring.

From March 1933 to July 1933 there was an increase in factory employment of 23 percent and an increase of factory pay rolls of 35 percent. N. R. A. came. Hours were shortened. Wages were raised arbitrarily. With what result? There was, between July and December of 1933, a further increase in factory employment of 3 percent and a further increase in factory pay rolls of 6 percent. N. R. A. made this addition to the buying power of factory labor. Did this increase production and business activity? The answer is startlingly clear. From March 1933 to July 1933 there had been an increase in industrial production of 69 percent. But from July 1933 to December 1933 industrial production dropped 25 percent.

The rise in activity from March to July of 1933 meant a sharp decline of 26 percent in labor costs per unit of output. Overhead cost was there anyhow. Hiring additional laborers and adding to pay rolls did not mean that the cost per unit of output was correspondingly increased because overhead was spread thinner. It was still profitable to put on additional laborers. But with the arbitrary imposition of shorter hours and higher rates the situation was radically reversed between July and December. The combination of the drop in industrial production and increased pay rolls meant a 54 percent increase in labor cost per unit of output between July 1933 and December 1933.

N. R. A. and business indices[1]

	Preceding establishment of N. R. A. (March-July 1933)	Following establishment of N. R. A. (July-December 1933)
Industrial production [2] (adjusted)	+69	−25
Factory employment [3] (adjusted)	+23	+3
Factory pay rolls [3]	+35	+6
Wholesale prices [4]	+15	+3
Cost of living [4]	+5	+3
Food	+16	
Clothing	+4	+21
Stocks of manufactured goods [5]	+7	+6
Labor costs per unit of output	−26	+54
Department-store sales [2] (adjusted)	+23	−1
Department-store stocks [2] (adjusted)	+11	+8

[1] This table is taken from The First Phase of the National Industrial Recovery Act, 1933, by Arthur Robert Burns, Political Science Quarterly, June 1934. In cases where later figures have appeared to replace preliminary figures, revision has been made. The cost-of-living figures published by the National Industrial Conference Board have been used in the above table. The figures for "labor costs per unit of output" are estimates by Professor Burns.
[2] Federal Reserve Board.
[3] U. S. Bureau of Labor Statistics.
[4] National Industrial Conference Board.
[5] U. S. Department of Commerce.

The effect of the N. R. A. increases in costs and the processing taxes combined upon the situation in August and September of 1933 was a very dramatic one and a very discouraging one, as a banker, talking with his customers, could see it at that time. Here were some cases: One large industrial organization had had a 300-percent increase in its volume between March and July. Its profits were large, and it absorbed the increased costs of N. R. A. and the processing taxes, both of which affected it, without any difficulty, and went on with a large volume of activity. At the opposite end was a large organization producing capital goods and equipment, which had been running a deficit of $3,000,000 a year. It was not affected by the processing taxes, but was affected by N. R. A. rules as to wages and hours. This industry had its $3,000,000 deficit increased to a $6,000,000 deficit. In between were a great many cases of businesses which reported that for the first time in 2 or 3 years they had had profits between March and July of 1933, but that with the coming of N. R. A. and, in some cases, the processing taxes they found these profits largely wiped out or turned into deficits.

The business reaction as measured by the Federal Reserve Bulletin's index of production, beween July of 1933 and December of 1933 was 25 percent.

N. R. A. was not a revival measure. It was an antirevival measure. The theory that shortening hours and raising wages would increase business activity was dramatically and conclusively exploded in this 6-month period of actual test.

Through the whole of the N. R. A. period industrial production did not rise as high as it had been in July of 1933 before N. R. A. came in. Following the disappearance of N. R. A., after the Supreme Court decision in late May 1935, came the first real recovery to anything like normal levels. We passed the July 1933 peak in the autumn of 1935, and then, with rapidly growing volume of production and with decreasing unemployment, had approximately 2 years of growing business activity.

THE FALLACY OF SECTIONAL PROTECTIONISM

There is yet another very powerful motive behind this Wage and Hour Act in the desire on the part of certain northern and western industries to avoid the competition of southern industries, which can employ labor at lower wage rates than those prevailing in the North and West. It is a manifestation of the same spirit that has called for high protective tariffs throughout the world and that has sought to have tariffs which would equalize wage rates. It rests on a very false economic philosophy, the application of which can do us incredible harm. Carried to the limit, it would mean that the country where wage rates were highest could not safely trade with any other country in the world.

It has been carried desperately far in Europe. First, following the war, we had newly created states, the successor states of the Austro-Hungarian Empire, cutting off trade with one another by high and rising tariffs with an appalling paralysis for each as accustomed trade lines were stopped. And in more recent years we have seen an intensification of trade restrictions affecting the great countries of Europe, until today most of the European Continent is half strangled by a network of complicated trade barriers—tariffs, quotas, foreign exchange controls, etc.

Our own high protective tariffs in this country have made us great difficulties, particularly by spoiling our foreign market for agricultural exports, notably cotton, wheat, lard, and tobacco. But we have had an immunity from the worst of these troubles by virtue of the great free trade area among our 48 States.

The lower wages of the South have not prevented wage increases in the North, either in the remote past or in the recent past. Rather, with the general growth of capital in the country, all sections have seen wages rise. In the post-N. R. A. period down to the fourth quarter of 1937 wages in the country generally rose, both absolutely and in relation to commodity prices at wholesale and cost of living. This was true even apart from the increases which came in the first half of 1937 through the sudden intensification of union activity in connection with the work of the Labor Board under the Wagner Act.

Wage rates are much lower in the South than in the North or in the West. Figures for industrial wages for some 20 industries indicate that the average hourly entrance rate of pay for adult male common laborers in the North is 46 cents and the average in the South is 33 cents. This is partly due to the fact that there is less capital in the South in proportion to the population than there is in the North. It is partly due to the presence of a large body of Negroes in the South.

HOURLY RATES VS. LABOR COST PER UNIT OF OUTPUT

The notion that wage rates per hour are the one determining factor in cost of production and in competition is an absurd notion. There is a multitude of other factors in costs. Labor cost per unit of output is the significant labor cost and this is a very different thing from wage rates per hour. Europe, with low wage rates, is very much afraid of the competition of products of our mass production industries, where high wage rates are paid. The question of wage rate per hour is most significant in connection with specialties where a great deal of hand work has to be done.

Labor cost per unit of output is reduced in high wage districts by the use of labor-saving devices which it is not economical to use where wage rates are lower, and which, moreover, countries and regions with limited capital cannot afford to use. Variations in taxes between countries and localities, make important differences in costs, as do variations in the quality of labor, variations in industrial skill and variations in managerial efficiency.

By what means shall the South compete, and how shall the South increase its purchasing power except by using its labor for the best wages it can get and engaging in full production? Why should not substantial volumes of capital go from other parts of the country to the South, attracted by the cheaper labor, and build up new industries there, bringing workers and machines together? And as this goes on will not wages rise in the South?

There is a problem of southern labor recently created. The impairment of the South's foreign market for agricultural products has released a great deal of labor. The retirement of land means the retirement of labor. There is a great deal of idle labor in the South which would not now be idle if we had a large two-sided trade between this country and the rest of the world. Is it right that we should undertake by wage and hour legislation to perpetuate this unemployment in the South?

N. R. A. created a great deal of unemployment in the South. Despite the differentials, the greatest increase in wages, the greatest shortening of hours, and the greatest increase in labor costs under N. R. A. were in the South. In the lumber trade, for example, very little increase was made in western wages, while a very great increase was made in southern wages, even though they remained well below those of the West. This illustration, by the way, strikingly reveals how absurd the contention is that cost of production in a given industry is wholly a question of wage rates. Far more depends upon the quality of the stumpage, its accessibility to transportation, the degree of mechanization in the methods of getting out the timber, and a wide variety of other factors. An interesting book by Charles Frederick Roos, who was formerly director of research of the N. R. A. (Roos, Charles, N. R. A. Economic Planning, The Principia Press, Bloomington, Ind., 1937), gives significant figures in connection with

this point (loc. cit., p. 166) and says: "In view of these data, it is not surprising that lumber business was diverted from the South to the Pacific Northwest." Roos estimates that, by reason of the minimum-wage provisions of the codes, about 500,000 Negro workers were on relief in 1934 (loc. cit., p. 173).

Roos adds that a minimum wage definitely causes the displacement of the young, inexperienced worker and the old worker (loc. cit., p. 193). He adds that the N. R. A. favored the highly mechanized units of industry (loc. cit., p. 416), that insuperable difficulties arose in fixing fair differentials not only as between sections but also as between large and small places (loc. cit., p. 162), that small firms survived frequently by disregarding the provisions of the code (loc. cit., p. 143), and that had the codes been rigorously enforced, employment at the expiration of the N. R. A. would have been considerably less than it was. He adds that rising wage rates and increasing prices delayed recovery, especially in residential building and replacement machinery (loc. cit., p. 150), and, in general, it is his view that the N. R. A. struck especially at the capital goods industries (loc. cit., p. 124).

The idea that we must have equal wage rates in different parts of the country, and equal wage rates in large and small places regardless of efficiency, regardless of the degree of mechanization, regardless of the volume of capital, regardless of transportation facilities and transportation costs, regardless of the quality of labor, regardless of differences in climate and natural resources, in a country as great and as diverse as this, is a fantastic notion. Regional differences in wages are, in fact, enormous, and our ups and downs of business go on largely uninfluenced by them. (For example, the study made by the Department of Labor on average hourly entrance rates of pay of adult male common laborers in 20 selected industries indicates that in the manufacture of bricks and tiles the average rate in the North is 41 cents, while in the South it is 28 cents; in sawmills, workers in the North receive 46 cents an hour, and those in the South 22 cents; in the chemicals industry the average for the North is 49 cents, and that for the South 34 cents; and in the manufacture of cement the northern average is 48 cents, while the southern is 35 cents. These variations are found not only between industry and industry but also between city and city. The average entrance rates for all the 20 industries studied in Akron, Ohio, for example, is 48 cents, while in Atlanta, Ga., it is 29 cents; in Albany, N. Y., the average is 40 cents; in Charleston, S. C., 22 cents; in Seattle, Wash., the average is 58 cents; in New Orleans, La., it is 29 cents; in Boston, Mass., the average is 47 cents; in Jacksonville, Fla., 22 cents. (Monthly Labor Review, April, 1937, p. 938.)

WAGES AND HOURS UNDER THE FAIR LABOR STANDARDS ACT

In what has gone before, I have been discussing the general philosophy of the wage and hour legislation, rather than the detailed provisions of the new law, or the effect of its provisions as they have been applied. The legislation has only recently come into effect. A great many of our industries were already working less than 44 hours a week.

The law provides that hours shall be limited to 44 hours a week for the first year, 42 hours a week for the second year, and 40 hours after 2 years. Work in excess of these hours shall be paid for at not less than one and a half times the regular wage rate. Minimum wages are set at 25 cents an hour for the first year, 30 cents an hour for the following 6 years, and 40 cents after 7 years. The minimum wage, however, is subject to further adjustment at any time through the action of "industry committees." These industry committees are to be chosen by the administrator and their membership is to be composed in equal number of three types of members—first, "disinterested persons representing the public," one of whom shall be chairman; second, an equal number of persons representing employees in the industry; and, third, an equal number of persons representing employers in the industry. In making the appointments the Administrator shall "give due regard to the geographical regions in which the industry is carried on."

These committees, hearing evidence, are to recommend minimum wages within the limits of 25 and 40 cents for the first year, and thereafter within the limits of 30 and 40 cents, which, if approved by the Administrator, shall become the effective minima for the particular industries. The industry committees are to recommend to the Administrator "the highest minimum wage rates for the industry which it determines, having due regard to economic and competitive conditions, will not substantially curtail employment in the industry." (Sec. 8 (b).) The law apparently contemplates a great deal of activity by these committees in raising minimum wages above the 25-cent minimum of the first year and the 30-cent minimum of the next 6 years during the first 7 years of the existence of the law, and apparently contemplates that their activity in reducing rates below 40 cents after the first 7 years shall be exceptional. It provides (sec. 8 (e)) that no wage-fixing order issued prior to the expiration of 7 years shall remain in effect after such expiration, and that no order shall be issued (reducing minimum wages below 40 cents) with respect to any industry after the 7 years unless the industry committee by the preponderance of the evidence before it recommends, and the Administrator by the preponderance of the evidence adduced at the hearings finds, that this is necessary in order to prevent substantial curtailment of employment in the industry.

It was thought by many that in the first year the provisions would not affect many industries outside of the South, though the framers of the law apparently forgot about Puerto Rico, and very grave disturbances have already been met in the island where capital is scarce and population dense, and where immense unemployment is resulting from sheer inability of industries to pay the 25 cents an hour. Wages are high when men are scarce and capital resources abundant, and wages are low when men are abundant and capital resources are scarce. As we look forward to the 40-cent minimum and the 40-hour maximum, however, for a large body of our industries, particularly in the South, the effect may be very grave. Two-thirds of the textile workers in the South today receive less than 40 cents an hour. Newspaper reports indicate some unemployment in the South even as a result of the 25-cent minimum wage.

SEASONAL INDUSTRIES

In the application of the law, however, some unexpected things have come up. A case in point is the following: I have in mind one company whose business is one of great variation due to the Christmas trade, though it is in production all the year around. This company employs an average of perhaps 1,250 people. Most of its common laborers are on an hourly wage rate with a bonus system, and for the most part a 40–44-hour week has been common. The week is usually 40 hours, but during the seasonal period of great activity the company has been accustomed to working 44 hours. The company finds, however, that it is expected now to begin overtime pay at time and a half when it exceeds 40 hours, even though the law does not in terms require this. This means so sharp an increase in the cost of production that the company is reducing its production schedule and will produce and sell less goods this season than would otherwise have been the case.

COMPENSATION FOR "OVERTIME" WORK

When men are working 48 or 50 hours a week, overtime is a serious burden. And, under these conditions, the trade union rule of time and a half for overtime is a good rule as limiting overtime and protecting the health of the workers. But when Congress enacts time and a half for overtime in conjunction with a 44- or 42- or 40-hour week, it is creating an inelasticity which can very easily bring the next strong upward move in business into a needlessly violent and premature crisis. I recur to the analysis at the beginning of this address of the way in which rising costs, and particularly rising labor costs, operate toward the end of a prosperity period to cut into profits and bring about business reaction. If, when labor is well employed, there is demand for further production, and in order to get it the business community generally is obliged to pay time and a half for labor for over 40 hours, the shock can be very violent indeed.

One of the modifications which France has been making in connection with the 40-hour week has been to permit additional hours of work at a 10-percent overtime charge. There is elasticity in an arrangement of that sort. And if the Congress had chosen to provide a graduated scale of 10-percent increase for overtime between 40 and 44 hours, 15 percent between 44 and 48, and 50 percent after 48, the shock would be much less violent. But I do not think we can contemplate with equanimity a 40-hour working week and a 50-percent increase in wages for all overtime beyond 40 hours for the great body of American industry, coming within 2 years. I believe that the whole of this legislation is unfortunate, but I think that the crucial point may come in the statutorial enactment of the 50-percent increase in wages for overtime.

ADMINISTRATION OF THE ACT

In the administration of the act there is considerable discretion which, if used to recognize true seasonality of employment where it occurs and to mitigate the rigors of the act wherever it is found to create real difficulties, might soften it in important particulars. There seems to be a tendency, however, on the part of those charged with the administration of the act to go beyond the law in interpretation.

The Administrator is quoted in the press as holding that any employer who reduced hourly rates in anticipation of a sudden rush of business would be responsible for overtime at the original rate, because the new rate would be an obvious subterfuge to avoid the effects of the maximum hours provision even though the rate paid should be above the minimum set by law. There is nothing in the act that says this. Section 18 does say that no provision "of this act shall justify any employer in reducing a wage paid by him which is in excess of the applicable minimum wage under this act, or justify any employer in increasing hours of employment maintained by him which are shorter than the maximum hours applicable under this act." But this provision can hardly be construed as a prohibition of reduction of wages or increase of hours within the minima and maxima set by the act. It is rather an expression of a pious hope. It provides no penalties.

And if, in the interpretation and the application of this act, this provision should be used to freeze existing hours and existing wages, an incredible, dangerous, and appalling inflexibility would be introduced into our labor situation which could intensify evils of any periods of business recession to a very great degree, and which could prevent the necessary readjustments which are needed in a continual changing economic life. The theory of the law is that it sets minima for wages and that it sets maxima for hours, but the law says nothing with reference to what wages shall be or what hours shall be above the minimum wages and below the maximum hours. If, in the administration of the act, the Government undertakes to destroy flexibility above the minima and below the maxima, we face a very dangerous situation indeed.

It is too early to say that there is a settled policy of the administration of the wage and hour law. What has just been said has been said tentatively and in a friendly spirit. At best the law is going to do harm, and probably a great deal of harm. But if the administration goes beyond the law, the harm will be intensified very greatly. And if the industrial committees are dominated by the North and the West they can do great damage to the South. On the other hand, these committees can be so used as to mitigate very greatly the evil effects of the law. Believers in the new act would do well to urge a policy of moderation in its application.

SHALL WE FREEZE THE LABOR SITUATION?

I have pointed out how the natural forces of technological progress, accumulation of capital, and retardation of growth of population put labor in a position to bargain for leisure among other luxuries of life and led to the progressive shortening of average hours of labor from 58.4 hours in 1890 to 49.8 hours in 1926. But new forces have come in since the twenties, and the shortening of hours has been on a much more arbitrary basis since that time, with a drastic drop to 42 hours in 1937. This shortening has been in a period of economic distress rather than in a period of expanding production and growing wealth. It has reduced American working hours far below those of any other country, except France, where the situation is being rapidly reversed. The workweek in Great Britain is over 47 hours, and the workweek in Sweden is approximately 48 hours. I do not think we can afford to freeze our situation by law.

The shortening of hours, which the free play of economic forces brought about prior to 1929, almost invariably meant increased industrial costs, because labor has rarely been willing to have weekly earnings reduced for the sake of shorter hours. Consequently, shorter working hours have usually meant increased hourly rates. It has been necessary, therefore, that industry should, in some way, offset shorter working hours. This has been accomplished in the past by increased managerial efficiency, by "scientific management," which has increased the efficiency of the worker, by increasing application of capital to industry, by the increasing application of new technology, and, finally, by an increased efficiency of labor itself through less weariness and better health. This last factor was particularly important when reduction in hours per week was from 60 to 50, but the same results can hardly be expected to follow the reduction of working hours from 49 to 40. For most industries and for most labor a 48-hour week is consistent with health and full efficiency, and the other factors, particularly the application of new capital to industry, have not been working over the industrial field as widely or as effectively in recent years as they did prior to 1929. A grave question is suggested by these considerations. (See the recent discussion of Prof. Leo Wolman, Hours of Work in American Industry, November 27, 1938, National Bureau of Economic Research.)

I believe that, with a return of normal economic activity in the United States, we shall need to work more hours, and it is to the interest of labor to work more hours. Restrictions of this sort cannot be justified on the grounds of health or efficiency for industry in general. They are based rather on the theory that there is not enough work to go around, and that, therefore, each man should do less. When the time comes when there is more work to go around, and when the full utilization of the labor force is needed, I believe that we shall regret very much this drastic legislation.

But, long before we reach the full utilization of the labor force, we shall, in a period of expanding industrial activity, find shortages of particular kinds of labor in a good many places. The statutory 40-hour week with the statutory provision for 50 percent increase in wages for overtime, can easily create dangerous strangling bottlenecks in strategically important parts of the industrial field, which may bring an upswing in business to a premature close long before general unemployment disappears.

CONCLUSION

Business activity increases when the prospects of profits are good. Business activity recedes as profits are cut under by rising costs. Pay rolls rise as profits rise. Pay rolls decline as profits fall off. The largest element in costs is labor cost. Over 70 percent of the national income goes to labor. Fifteen and three-tenths percent goes to profits. It is not to the interests of labor to seek by direct action further to increase its share of the national income at the expense of profits. The effort to add 10 percent to the income of labor in this way would cut profits in half and lead to violent reduction in pay rolls. Labor and business enterprises have, however, a common interest in policies which will increase the total to be shared. Our wage and hour legislation, increasing industrial costs, can easily bring a period of improving business to a premature close. The most dangerous feature of it may well be the statutory enactment of the time-and-a-half rule for overtime after 40 hours. The theory that arbitrarily reducing hours and shortening wages will increase the purchasing power of labor and thereby increase business activity has been conclusively disproved, both by the 40-hour week experiment in France and by our own N. R. A. The sound way to raise wages and to reduce hours is the way in which we have historically accomplished these altogether desirable objectives in the United States, namely, through the growth of capital and technological progress, rapidly outrunning the growth of population. When men are relatively scarce and capital is relatively abundant, hours of work are reasonable and wages are high.

What Does Free Speech Mean Today?

EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 3, 1939

RADIO ADDRESS BY HON. HAMILTON FISH, OF NEW YORK, ON NOVEMBER 24, 1938

Mr. FISH. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following speech delivered by me over the National Broadcasting Co.'s blue network on November 24, 1938, at America's Town Meeting of the Air:

Freedom of speech in our country means a free America under free institutions and a free ballot by a free people. Freedom of speech is a symbol of our free institutions and our republican form of government. We have much to be grateful for on this Thanksgiving Day in America; but nothing is of more importance than the preservation of our free speech, free press, and freedom of worship.

I know of no more vital and important issue in the world today than the preservation of free speech. Never before during the past 100 years has the right of freedom of speech been so challenged, impaired, or restricted as in the totalitarian states that have come into being since the World War. The American people look with dismay and abhorrence on the tragic acts of repression in Nazi Germany, where a ruthless dictatorship is bent on destroying free speech, a free press, and free institutions and substituting for them a government by the bullet, racial and religious persecution, robbery, and armed violence.

Article I of the Constitution of the United States reads as follows: "The Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances."

This article, part of the first 10 amendments known as the Bill of Rights, is the palladium of the rights and liberties of the American people regardless of race, color, or creed or whether in the majority or minority. The fundamental rights of free sovereign American citizens to freedom of speech are guaranteed in the Federal Constitution, and as long as the Constitution stands and an impartial and independent judiciary is its living voice, these sacred rights and guaranties of protection will continue to be the birthright of every American citizen.

Freedom of speech is rapidly becoming a lost art in the autocratic and dictatorial nations, such as Germany, Italy, Rumania, Hungary, and Soviet Russia, covering the greater part of Europe. In these nations even the courts are used to liquidate those who have the temerity to attempt to practice free speech. Twenty years ago our youth, including myself, went forth to war on European battlefields to make the world safe for democracy. What a travesty, what a mockery, and what a farce. The old nations of Europe have since then discarded their free institutions and parliaments for dictatorships of the right or the left, for fascism, nazi-ism, or communism. Democratic institutions have been supplanted by ancient absolutism in a new guise. We merely shrug our shoulders and say it cannot happen here as we watch the hands of progress and human liberty set back a thousand years in some European nations. Condemn this manifestation of despotism as we should, yet nevertheless we are powerless to prevent the undermining and destruction of the fundamental principles of civil and religious freedom that is taking place all over the world. The fact is that there are few nations in the world where freedom of the press, of the platform, of the pulpit, and of the radio is still maintained.

I state without fear of contradiction that there is more freedom of speech in America than in any other nation on earth.

We meet here tonight as representatives of different political parties and of opposite social and economic views in open forum, connected by the National Broadcasting Co. with every State in the Union and into the homes of countless free American citizens. Why, even Mr. Norman Thomas, who I have heard has had some difficulties in speaking in Jersey City, can tonight freely and safely direct his oratorical shafts at Mayor Hague and appeal over his head to the people of Jersey City listening in over the radio.

I confess that I had no sympathy with the misguided and unwarranted attempts of the police of Jersey City to keep Norman Thomas from speaking in that city or elsewhere in the United States. I believe in and uphold the constitutional rights of American citizens to freedom of speech. I agree with the famous French writer and philosopher Voltaire who is quoted as saying, "I do not agree with a word that you say, but I will defend to the death your right to say it."

We are too prone in the United States to point out the defects and limitations on freedom of speech in our own country, and to laud the alleged freedom of speech in other nations, particularly Great Britain. We have done it so consistently and successfully that we have built up a gigantic myth about the freedom of speech at Hyde Park, London (not Dutchess County, N. Y.). I have taken the trouble to investigate this myth and am glad of this opportunity to explode it. It is true that the "bobbies," or police, permit the speakers to blow off steam and to rant and rave, but if attacks are made on the King or Queen, or to incite to riot or endanger the peace and tranquillity of the British Empire, they are stopped at once. There is no such freedom of speech in England as there is here. When Winston Churchill wanted to radio his reply to Hitler he was shut off the air in his own country and could only speak to us in an effort to rope us in to do the fighting for the British Empire. Even the King of England cannot, as we recently learned, speak to his people over the radio without the consent of his Prime Minister and cabinet. I have never heard of any such restriction on President Roosevelt or even on the humblest Member of Congress. Here in New York City there is published every day the Daily Worker, a Communist newspaper filled with radical and revolutionary propaganda. A similar newspaper issued by the Communist Party in London was suppressed by the Government there many years ago.

Let us stop throwing stones at ourselves and besmirching our own free institutions. I repeat: We have the greatest, the fullest, the most complete freedom of speech in the United States of any nation in the world. The best answer that the American people can give to the growth of foreign dictatorships is to reaffirm their faith in our free institutions and constitutional government. The greatest and most important civil right is the right of every citizen of voting age to cast his or her ballot without fear or favor on election day, and to express his or her views openly on governmental issues. From this civil right to vote a free ballot all other rights depend, freedom of speech, freedom of the press, freedom of worship, trial by jury, and all the liberties of the American people under the Constitution.

The first thing dictators do, when they get into power, is to end freedom of speech, of the press, and of the radio. There is no freedom of speech, press, or radio in Soviet Russia, Fascist Italy, or Nazi Germany. Dictators whether of the left or the right are afraid of the truth.

There is one group of people whom I do not believe should be granted the same constitutional right of freedom of speech as American citizens, and that is the alien who comes over here of his own accord, and then proceeds to attack our free institutions and urge their overthrow by force and violence. If these alien Nazi, Fascists, and Communists do not like our free institutions, our laws, and our country, let them go back to their native lands, where they can enjoy the lack of freedom of speech, deplorable wage scales, and oppressive laws they have been accustomed to in the past. But if they insist on remaining here and spreading class and racial hatred and revolutionary poison against our free American institutions, then it is the duty of the Congress to enact drastic deportation laws to deport these alien Nazi, Fascist, and Communist agitators and give their jobs to loyal American citizens now walking the streets looking for employment.

It Is Time to Call a Halt on Sugar Tariff Reductions

EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 5, 1939

STATEMENT OF HON. FRED L. CRAWFORD, OF MICHIGAN, BEFORE THE COMMITTEE FOR RECIPROCITY INFORMATION AT HEARINGS ON REVISION OF CUBAN TRADE AGREEMENT, TUESDAY, JANUARY 3, 1939

Mr. CRAWFORD. Mr. Speaker, less than 30 percent of the sugar consumed by the citizens of the United States is produced on our own soil notwithstanding the fact that sugar land is untilled, sugar factories are idle, and thousands of men who could have jobs in the sugar mills are on relief or unemployed.

In the face of this, it is proposed to further reduce the duty on Cuban sugar coming into the United States in competition with our own beet and cane sugar.

Protesting against this proposal I appeared before the Committee for Reciprocity Information at its hearing this week, and under leave to extend my remarks I include here my testimony before that committee:

Mr. Chairman and gentlemen of the committee, I hope you will bear with me just for a moment while I call attention to three or four lines of excerpts from the President's message of March 4, 1933, which I think touches directly on this question as well as his statement on price levels as of February 18, 1938.

On March 4, 1933, the President said, in part: "Taxes have risen; our ability to pay has fallen; government of all kinds is faced by serious curtailment of income; the means of exchange are frozen in the currents of trade; the withered leaves of industrial enterprise lie on every side; farmers find no markets for their produce; the savings of many years in thousands of families are gone. More important, a host of unemployed citizens face the grim problem of existence, and an equally great number toil with little return. Only a foolish optimist can deny the dark realities of the moment. Yet our distress comes from no failure of substance. We are stricken by no plague of locusts. Nature still offers her bounty and human efforts have multiplied it. Plenty is at our doorstep but a generous use of it languishes in the very sight of the supply. Primarily, this is because the rulers of the exchange of mankind's goods have failed through their own stubbornness and their own incompetence; have admitted their failure and abdicated. Practices of the unscrupulous money changers stand indicted in the court of public opinion, rejected by the hearts and minds of men; * * * faced by failure of credit, they have proposed only the lending of more money."

On February 18, 1938, in a conference with newspapermen dealing with the behavior of prices and the price level, the President said:

"An important factor that determines whether we shall succeed or be blocked in our endeavor to obtain full employment and a high level of income is the behavior of prices. In this connection careful attention must be given to (1) the relation of prices to the various groups of commodities to each other; (2) the relations between commodity price levels and the levels of debt burden and cost; (3) the direction and rate of movement of the general price level. To further this broad objective, the administration has, therefore, in its agricultural, industrial, and monetary programs, necessarily been concerned both with the relation of prices of groups of specified commodities to each other and with the movement of the general price level."

At New Orleans the other day the American Farm Bureau Federation gave most unusual attention to this particular question of price levels. The convention was addressed by Governor Davis, of the Federal Reserve Board, in which he again dealt with the question of the relationship of monetary policies to price levels.

In March 1937—I believe I have the date correct—at which time the President dealt with the question of sugar, subsequent to which the sugar act, signed September 1, 1937, came into effect, the price on sugar to the retail consumer in the United state was 5.7 cents per pound, or, let us say, $5.70 per hundred. Yesterday raw sugar sold on the New York market, I am informed, duty paid, at $2.80 per hundred pounds. The latest figures I have been able to obtain with reference to the cost of sugar to the retail consumer, compiled for the month of November last, was 5.2 or $5.20 per hundred, or 50 cents per hundred pounds under the price being paid by the consumers at the time of the President's message in 1937 in March.

Since that time, as you know, there has been added to the price structure—in other words, there is an element which enters into the price structure today—53 cents excise tax. So the prices of today which the consumer is paying includes 53 cents.

Saying it in another way, we can build our price structure in this manner: Assuming a $2.80 price on raws yesterday for cane sugar and $1 refiner's margin, or $3.80 plus 53 cents excise tax, less 2 percent usual trade discount, gives roughly $4.21 per hundred pounds price to the refiner, which, mind you, carries the 53 cents excise tax.

Now, bringing that down to beet sugar and the price level, and applying it to the market conditions which would exist under such a price structure, we have $4.10 per hundred pounds on refined beet sugar. Deducting from that the tax of 53 cents plus the 2-percent discount, it leaves $3.49 per hundred pounds going to the American grower of sugar beets and the American processor of refined beet sugar.

Now, when we go back and study the relation of those prices, which are in effect, you might say, at this very hour, and which, mind you, are 50 cents per hundred pounds less to the consumer than the date the message was delivered by the President in March 1937, we find that at no time since 1900 has the net price received by the grower and processor been as low, and I am sure when you verify that statement you will find that it is correct.

So it is very evident that here we are dealing with the problems presented in the President's message on prices and in his inaugural address in March 1933. This question which is now before us, which has to do with the reduction of duty on sugar coming into this country from Cuba, has to do with price levels on this farm product; it has to do with the employment, as you gentlemen know, of men in factories and in fields, in and out of the sugar business, on highways, and in the transportation walks of life.

The net effect of the reduction will be to further enrich the growers and processors of sugar in Cuba at the cost of the American farmer and the American labore. operating in American beet sugar mills and the refineries in this country located on the seacoast. We cannot escape that fact. We are proposing in this reduction of the duty to benefit the purse of those engaged in the sugar industry in Cuba.

In addition to that, in connection with our loans to be made to the Latin-American countries in the promotion of trade, it ties directly in to the President's message of March 1933 when he referred to those who would propose to lend money. We are adding to the lending of money a proposition now to put the money into their pockets by increasing their price at the cost

of the American worker, whether in the factory or on the farm, and to that I object as a private citizen, as a Member of the Congress representing the Eighth District of Michigan; I object to it in the name of the people of this country; I object to it in the name of the industry located in my State, the western beet growers, the southern cane growers, the sugar growers and processors in Hawaii and Puerto Rico and the Philippine Islands because I have in mind that we have before us a joint trade committee report which will deal with the Philippine situation in due course, and I do not think that it is fair or good sportsmanship or good business or good statesmanship for us to go ahead with such a program. I want to emphasize my objection to it in the strongest manner possible.

Now, when this sugar question was up it had to do with the enactment of the 1937 sugar bill, at which time the prices to the growers, the fellows working in the factory, and those who had their money invested in the business was much greater than at the present time, much greater than it has been since the act became effective following its approval September 1, 1937. I repeat that when the act was under consideration there was no indication whatsoever that it was to be used in a manner separately or jointly with the Reciprocal Trade Agreement Act that would resolve itself into a much lower price for this product to the growers, the factory operators, factory workers, and those engaged in the processing, growing, and the distribution of the product.

That philosophy was not preached in Congress, it was not the intent of Congress that such should be the case, but nevertheless that is the net result today, and all of those who are students of this question know it.

If we study what has happened in the channels of trade, and that which is recorded on the daily and hourly market reports which flow to those engaged in the industry from the centers of trade and commerce, and study that only, we must come to the conclusion that insofar as managed money is concerned, in this respect it has utterly failed to do what the law intended or what the people expected. Whether it has succeeded in accomplishing what the plan was designed to do, with mental reservations, I do not know; but we are speaking today from the standpoint of balance sheets and operating statements, and the money in the bank, and the ability to employ.

Now, then, let us go back to 1932, which was the dark year that has been correctly referred to by the President. What happened in 1932? We find here that the net price on cane sugar at that time, the lowest price since 1900 I believe it is, amounted to $3.99, which did not include the tax. Now, you gentlemen of the committee know, as well as others, what happened to the sugar industry of this country during that period. You know the financial failures that resulted. You know the foreclosures, the losses on the part of the investors—East, West, North, and South—and yet the situation is managed in a way that today the financial stress on these capital structures, on the industry as a whole, is much greater than it was in 1932.

Now, I shall protest against adding to that stress a reduction in the duty on sugar coming into this country from Cuba, as is proposed by announcements that have been made pertaining to this hearing.

Now, other representatives of the industry from my State will appear in connection with this proposition, and they will have more detailed factual matter to present; but if we are to further the interests of Cuba in the name of reciprocal trade and the good-neighbor policy—and my contention is that at the present time we are paying Cuba in excess of $1.50 for each dollar's worth of business we get out of there—if we are to continue that kind of a program at the cost of the American farmer and factory worker, then we have no reason to complain about such conditions as exist now, with the channels of trade clogged, with surpluses piled up on every hand, with consumers not eating the stuff, shelving it every day as it develops from fields and factories, with our over ten and a half million unemployed, with our national income below seventy billion, and with our tax burden reaching almost 20 percent of the total income, we have no reason to complain against a situation—against a situation of that kind—if we are to continue "ditching" the American people and "ditching" our markets in the interests of those people in other lands under the name of the good-neighbor policy or the reciprocal trade agreement program.

As horse traders anyone who is trained in the practical process of horse trading, whether it be in the form of horses or in goods crossing international boundaries, we know that we are playing a losing game. Just ordinary common horse sense will teach any man that, if he wants to get down and analyze the figures. If he desires to live in a realm of philosophy and good neighborliness and be a good sport and look to far-away fields and "forget his own people," that is a different proposition; but while my people are involved, I believe in protecting them first. I thank the committee for the privilege of appearing before you.

Mr. Speaker, may I also make the observation that it is my frank opinion that the State Department rendered our people a disservice in arranging for these hearings to be held the opening week of the Congress. Members of Congress who represent the sugar-growing areas have not had a fair chance to properly prepare themselves to appear before the committee. We have had to "catch-as-catch-can" and be on the run between moving our families and locating in Washington, participating in the necessary routine involved in organizing our offices and the House for business and in appearing before the committee.

The sugar industry of our States and insular possessions is a great industry. It is a grave matter for the State Department and the administration to deal so lightly with the rights of the millions of people who depend so directly upon this industry for their daily substance. On the very day the President addresses the two Houses of Congress on the question of proper preparedness for defense and offense, the State Department conducts hearings looking forward to making our people more and more dependent upon a totally foreign country for our supply of this great and essential food—and war material, if you please—and to this I object.

We know what happened in prior years when we were so dependent upon Cuba for our sugar. At that time our people had to pay as high as $35 per 100 pounds for refined sugar. The price of raw sugar to Cuban producers reached a price of more than $22.50 per 100 pounds. When our people are so burdened with "tribute" to a foreign country, it takes only a very few months for us to pile up the "dance of the millions" all to the benefit of the foreign producer. If we could instantly make ourselves independent of this food item, that would be a different proposition. We could, under those circumstances, deny tribute to a foreign country. But organized as we are and with a food economy such as we have developed, I contend that wise statesmen will give to our people the necessary protection required to keep our people supplied with sugar from our own fields. This is a nonsurplus crop. We produce less than 30 percent of what we consume and our people are entitled to have the industry protected.

Mr. Speaker, when the present administration came into office, we were imposing a duty against Cuba of $2 per 100 pounds, raw value or 96 degree sugar. Since March 1933, President Roosevelt has influenced the Congress to reduce that duty from $2 to 90 cents per 100 pounds. Now the proposal is to further reduce—in favor of Cuba and for Cuba's specific benefit—the duty 15 cents per 100 pounds. This will leave the situation with Cuba paying only 75 cents per 100 pounds as against $2 per 100 pounds under the Tariff Act of 1930. I think Cuba has had her share. It is not in keeping with American tradition to give the foreign producer $1.25 and the American sugar grower only 75 cents out of a $2 proposition. It is now time to call a halt. I protest against the further reduction. The American people have no complaint against paying around five or five and one-half cents per pound for their sugar and this is particularly true if they are given the right to grow it. This is particularly true if the cost here mentioned accomplishes two things—places the sugar on the consumer's table and guarantees him against exploitation by a foreign country by having a large share of his sugar produced on his own farm and in the factories where he and his sons are employed.

America's Answer to Religious and Racial Persecution

EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 5, 1939

RADIO ADDRESS OF HON. HAMILTON FISH, OF NEW YORK, ON NOVEMBER 25, 1938

Mr. FISH. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following radio address delivered by me over the Columbia Broadcasting System on Friday evening, November 25, 1938:

I speak tonight not as a Jew or a German but as an American who loathes and abhors all forms of political, economic, racial, and

religious repression and persecution, whether in this country or elsewhere.

I believe the oppression and persecution of the Jews in Germany is "so enormous as to impart to them an international character in redress of which all countries, governments, and creeds are alike interested." These are the identical words used by my grandfather, Hamilton Fish, in 1872, when as Secretary of State in President Grant's administration he protested the outrages and persecution of the Jews in Rumania at that time.

I propose to discuss the American viewpoint rather than to detail the autocratic and despotic actions of Hitler, the Nazi dictator, who has set the hands of progress back 1,000 years by his attacks on race and religion. Whom the gods would destroy they first make mad. To all appearances Hitler has become stark, raving mad on the Jewish issue, and he, Goebbels, and his Nazi storm troopers are engaged in an orgy of racial and religious persecution not only of Jews but of Catholics and Protestants as well. The people of America, regardless of party affiliations, join with all other civilized people in denouncing this retreat to darkest barbarism in Germany.

My ancestors came over to America 300 years ago to escape religious persecution in England and to find a homeland where they could worship according to their own conscience and be afforded protection of their civil liberties. God forbid in our day and generation that any of the rights or liberties guaranteed by the Constitution of the United States should be restricted or endangered.

The American viewpoint is best expressed in the following extract from a well-known letter of George Washington written in 1789 to a Jewish congregation in Newport, R. I., which applies equally well to the present time. Our first President wrote:

"The citizens of the United States have a right to applaud themselves for having given to mankind examples of an enlarged and a liberal policy, a policy worthy of imitation. All possess alike liberty of conscience and immunities of citizenship. It is now no more that toleration is spoken of as if it was by the indulgence of one class of people that another enjoy the exercise of their inherent natural rights. For, happily, the Government of the United States, which gives to bigotry no sanction, to persecution no assistance, requires only that they who live under its protection should demean themselves as good citizens in giving it on all occasions their effectual support.

"It would be inconsistent with the frankness of my character not to avow that I am pleased with your favorable opinion of my administration and fervent wishes for my felicity. May the children of the stock of Abraham who dwell in this land continue to merit and enjoy the good will of the other inhabitants, while everyone shall sit in safety unto his own vine and fig tree, and there shall be no one to make him afraid. May the Father of all mercies scatter light and not darkness in our paths and make us all in our several locations useful here and in his own due time and way everlastingly happy."

There can be no compromise with the Nazi groups in America who are trying to sow the seeds of racial and religious persecution and to tear down our own free institutions and republican form of government. The American people look with sorrow and abhorrence on the disgraceful and tragic events in Nazi Germany, where a ruthless dictatorship is bent on destroying free speech, free press, and free institutions and substituting for them a government by the bullet, racial and religious persecution, confiscation, terrorism, and armed violence.

American citizens have not only a right but a duty to protest and remonstrate against racial and religious persecution of Jew and Gentile in Nazi Germany. Some Americans applaud Hitler's success in throwing off the intolerable yoke of the Versailles Treaty and uniting the German people into a mighty force in central Europe, but they will not and cannot compromise with the spread of intolerance, bigotry, and persecution that dishonors Germany and the German people. The inhuman acts of the Nazi Government put it outside of the limits of decency and fair dealing. Hitler, Goebbels, and other fanatical Nazis are undermining the fundamentals of civilization. They alone are responsible and not the German people, whose liberties they have destroyed. We must profit by the events in Nazi Germany and make sure that they shall not happen in America.

The Nazi Government's own press is warning the United States to muzzle our newspapers. Evidently the Nazi Government is unaware of the fact that we are still a free people in America under a republican form of government and that the Constitution of the United States guarantees to our citizens free speech and freedom of the press and that the American people themselves are opposed to racial and religious persecution.

The refugee problem before the world is to find a new America where the oppressed of all nations, all races, and all creeds can find civil and religious freedom and those other ideals which our ancestors sought to establish in America. Our ancestors wrote the Declaration of Independence and the Constitution and set up safeguards to make sure that our spiritual union could not easily be torn asunder. Today our population is greater than that of Germany, France, and Belgium combined. All of Germany would be lost in the State of Texas. If any country is worth living in today it is the United States of America. The American flag is the flag of tolerance, not bigotry, class, or racial hatred; of freedom, not compulsion or dictatorship; of a free ballot under free institutions, and not a government by the bullet and persecution.

I approve, as the ranking Republican member of the Committee on Foreign Affairs in the House of Representatives, of President Roosevelt's recall of Ambassador Hugh Wilson from Germany as a high moral protest against the inhuman persecution of the Jews in that country. All American citizens who hate injustice, persecution, and inhumanity will likewise approve. This does not mean, however, that we should become hysterical and talk of war or clamp down embargoes. Rather the time has come to remain cool and collected and keep our feet on the ground and ponder well before we act. There is a dangerous wave of war hysteria throughout the land, and fear and dread of war was recently demonstrated in New Jersey by the actual belief in an invasion by warriors from Mars. There is no more chance of Nazi soldiers attacking America or of ours invading Germany than there is from an attack from Mars.

Let us unite in putting out the flames of war by hysteria and consider the refugee problem on a constructive practical basis. As the sponsor for the resolution providing for a homeland for the Jewish people in Palestine that passed the Congress in 1922, I urge the British Government to permit several hundred thousand German and Austrian Jews to find a place of refuge and home in Palestine, that ancient land of their fathers.

I would be glad to vote for an appropriation of ten million or even twenty millions of dollars to transport and provide them with a new start in life. We appropriated twenty millions for famine relief in Soviet Russia and Austria, and I introduced a bill providing for $10,000,000 to buy foodstuffs for starving women and children in Germany in 1923, which passed the House by a 2-to-1 vote.

We have plenty of precedents for helping destitute and starving people, and in view of our moral indignation and protest we can well afford to back up our words with a more concrete and constructive act. I look with suspicion on the proposal of the British Government to open up the former German colonies in Africa to the Jewish refugees, as these colonies will, in all probability, be restored to Germany within the next 10 years. The proposition to colonize British Guiana with Jewish exiles is the height of generosity, as few white men or women can survive that climate for more than a year. Secretary Harold Ickes' suggestion of a haven for Jewish refugees in Alaska along with the polar bears is on a par with the utterly fantastic and costly failure of transplanting several hundred American farmers to the Matanuska Valley in Alaska.

The cost of that experiment per family will put all other New Deal experiments to shame. I know that the American Federation of Labor and other labor and loyal American organizations favor a boycott against German goods. I do not favor it in principle. I do not favor any boycott or trade embargo against any foreign nation except for arms, ammunition, and implements of war. Boycotts and embargoes are unneutral acts; they create and perpetuate enmity and hatred and eventuate in war. In the case of Germany we would be biting off our nose to spite our face. For the first 9 months of 1938 we exported to Germany $78,556,857 worth of American products, and we bought only $44,061,902 worth from her. It is all very well for us in New York City to talk of embargoes, but what about the Cotton States of the South, which furnish large quantities of cotton to Germany? How do you think they will react to any embargoes on cotton? There is no chance whatever of Congress under the present circumstances adopting an embargo policy. Any attempt to do so will alienate the support of large sections of the country from the high moral and humanitarian stand we have taken in recalling our Ambassador in protest against racial and religious persecution.

In conclusion I urge all loyal American citizens not to compromise in any way with the spread of nazi-ism or Nazi bunds or Nazi ideals in free America. There can be no compromise with either nazi-ism on the right or communism on the left.

I propose to introduce in Congress and seek favorable action on a bill to prohibit the arming and drilling of armed groups such as the Nazis, Fascists, or Communists. There is no room in free America for private armies to spread terrorism and to substitute the bullet for the ballot. We Americans, regardless of party or whence our origin, propose to defend and maintain against all our foes from within and without our free institutions and our representative and constitutional government, which has made this country a nation of free men and free women who love liberty and democracy and hate all forms of oppression and religious and racial persecution.

The Late Michael J. Brennan

EXTENSION OF REMARKS

OF

HON. EMMET O'NEAL

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 5, 1939

Mr. O'NEAL. Mr. Speaker, very recently the city of Louisville and the State of Kentucky were shocked to learn of the sudden death of Michael J. Brennan, of Louisville, Ky. He was stricken while at Hot Springs, Ark., in the prime of life, and his passing brought great sorrow and sadness to my city and State. I wish to make this permanent record, not because of his great influence, his recognized leadership, nor his

executive ability, but because of his deep devotion to his fellow man.

To his own family he was a devoted protector, to his legion of friends his loyalty was proverbial, and to anyone in distress or need he was a self-sacrificing benefactor. Not tens, not hundreds, but thousands in my city and State knew Michael J. Brennan as one who would not harden his heart to any appeal, and his generosity amounted to a public benefaction. As a political leader he was a worthy foeman crowned with continuous success, yet his opponents respected him and were personally devoted to him. His interest in good government marked his selection of candidates, and his determination to see that his city was governed well caused him to throw his backing to men of character and ability. His own ability and gentleness were merged with a geniality and humor that made him beloved and welcome wherever he went. Words are inadequate to tell the loss that our city and State have suffered, but the influence of his life will last for many years to come.

Hospital Facilities for Veterans

EXTENSION OF REMARKS

OF

HON. MICHAEL J. BRADLEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 5, 1939

REPORT OF HON. MICHAEL J. BRADLEY OF PENNSYLVANIA, MEMBER OF CONGRESS, TO THE HONORABLE JOHN E. RANKIN, CHAIRMAN OF THE WORLD WAR VETERANS' LEGISLATION COMMITTEE, HOUSE OF REPRESENTATIVES

Mr. BRADLEY of Pennsylvania. Mr. Speaker, under the unanimous consent which I have received, I am incorporating in the RECORD the following report:

PHILADELPHIA, PA., *December 20, 1938.*

HON. JOHN E. RANKIN,
Chairman of the World War Veterans' Legislation Committee, House of Representatives, Washington, D. C.

DEAR MR. RANKIN: In conformity with House Resolutions 325 and 408 and subsequent instructions from you, I have made a survey of veterans' facilities at the United States Naval Hospital in Philadelphia and am forwarding you herewith my report:

While the number of veteran patients at the hospital far exceed those active-service cases of the Navy and Army, the management of the hospital is under the United States Navy, with Capt. Frank E. Sellers, commanding. Personnel of the hospital consists of 43 doctors, of whom 7 are surgeons, 4 dental surgeons, and 4 eye, nose, and throat specialists; 8 internes, 220 Navy Hospital Corps men, 53 female Navy nurses, 108 civilian employees. The management operates its own power plant and the hospital on the whole appears to be very well equipped; sanitary conditions are good. Detail inspection was made of kitchens as to the manner of preparing food, method of distribution to the patients throughout the wards, and it is apparent that the standard of efficiency is very good; quality of food was excellent.

As of December 8, the total number of patients numbered 713; of these, 567 were veteran cases. According to figures recently submitted to the American Medical Association by naval authorities, the capacity of the hospital is 650 beds. This would indicate that even at the present time the hospital is faced with applications which are in excess of its facilities. The Veterans' Administration pays to the Navy Department $3.75 per day per patient. All examinations in connection with claims of veterans for service-connected disability compensation are made at this hospital, for which a charge is made to the Veterans' Administration of $3.75 for each examination.

It should be borne in mind that the resolutions of Congress were primarily to ascertain the adequacy of hospital facilities for veterans throughout the country, together with a survey of such institutions to determine the efficiency thereof, and that consequently, in surveying the United States Naval Hospital at Philadelphia it was necessary to examine the whole veteran situation in the Philadelphia area, from the standpoint of determining whether adequate facilities are available now and for the near future, to furnish proper hospitalization for the ex-service men. The Philadelphia area comprises eastern Pennsylvania, all of the State of Delaware, and insofar as hospitalization is concerned, the State of New Jersey as far north as Trenton. The demand for hospitalization from veterans has increased by leaps and bounds in this area during the past 3 or 4 years, and the present indications are that this situation will be aggravated rather than otherwise, so much so, in view of the already overcrowded condition at the United States Naval Hospital, it is apparent that additional facilities must soon be provided for this area. There has been a constant waiting list of applicants for the past few years of those cases which do not require immediate or emergency treatment. It is pertinent to remember that the official figures of the Navy give the bed capacity of the hospital as 650 beds, while at the present time there are 713 patients. A study of statistics in this area as compared to other sections of the United States would seem to indicate that this area has been neglected with respect to providing adequate general medical hospital facilities, which would be able to take care of the load which has been consistently increasing, and that this area is far behind other sections of the country with regard to veterans' hospital facilities for general medical patients. For instance, the State of New York, which had 493,892 men who served in the World War, has a total of 7,209 beds with facilities for 800 additional beds to be built. Illinois, with 320,228 men, has a total of 4,760 beds with construction contemplated for an additional 330 beds. California, with 154,930 men in the service, has a total of 7,581 beds with an additional 544 beds contemplated. Ohio, with 243,540 men in the service, has a total of 4,571 beds with construction contemplated for an additional 602 beds. Compared to these figures Pennsylvania, with 370,961 men in the service, has a total of only 1,964 beds with an additional 250 authorized. From these figures it is evident that construction for the State of Pennsylvania lags far behind that of other States. The 250 additional beds, which are at present authorized for Pennsylvania, are for a unit in the western part of the State at Aspinwall, Pa., which in no way would furnish relief for the Philadelphia area. In this connection the break-down of the statistics for Pennsylvania points to the conclusion that the Philadelphia area, comprising the territory as stated above, is the section which is affected by the lack of adequate construction to provide for the near future as well as to take care of the immediate problem.

Recently a map of the United States, prepared by the Veterans' Administration in Washington, showing the ratio of available and authorized beds for general patients in proportion to population, which showed a scale of from 1 bed for under 2,000 population to 1 for every unit of 15,000 population or over, develops the fact that general medical hospital facilities for veterans in Pennsylvania are the poorest of any section in the United States, for, according to these figures, some sections of Pennsylvania have 1 bed for every 10,000 to 15,000 of population, and other sections 1 bed for every 15,000 or over of population.

While there is no intention to criticize the management of the naval hospital, which, I am glad to state, has developed a high degree of efficiency at the Philadelphia Naval Hospital, nevertheless, due to naval regulations, veterans in this area are deprived of certain medical benefits which would otherwise be available to them if they were hospitalized in an institution under control of the Veterans' Administration. I am informed that due to naval regulations outside consultants are not permitted to tender their services to the hospitalized veterans, even though this would be done without cost to the Government. Philadelphia has a reputation as a medical center which is generally recognized throughout the United States. Numerous specialists have indicated their willingness to place their services at the disposal of the Veterans' Administration gratis for purposes of diagnoses and other consultation, but these services have not been available due to the rigid naval regulations. Veterans are, consequently, deprived of the professional skill of men who are outstanding in the profession and whose names are household words throughout the United States. In justice to the veterans of this area, this condition should not be permitted to exist. There are no facilities at the naval hospital for the treatment of incurable cancer cases. While operative cancer cases are operated upon at the hospital, it is necessary to transfer cancer incurables and cases requiring radium treatment to the Bronx, New York. Tubercular patients are only hospitalized temporarily as transients until beds are available in a veterans' tubercular hospital.

As a further indication of the inadequacy of the present facilities at the United States Naval Hospital to take care of all applicants in the not too distant future, when it is considered that these applications are increasing about 20 percent each year (in 1937 there was a 17.6 percent increase over 1936), it is interesting to note that in the early winter months of this year there were 604 veteran patients at the naval hospital and the Veterans' Administration regional office in Philadelphia was compelled to discontinue sending them patients because no beds were available, even though there was a considerable number of applicants on the waiting list. The percentage of increase of 17.6 in the year 1937 over 1936 is the official figure given by the Administrator of Veterans' Affairs in his report for the year 1937, and with the increase in age of veterans, it is reasonable to suppose that the number requiring hospitalization can be expected to show a great increase rather than a decrease for many years to come.

The question might arise as to what disposition would be made of facilities in the naval hospital were a veterans' hospital erected exclusively for veterans in the Philadelphia area. In this connection, I would like to point out that undoubtedly the facilities which the naval hospital has been able to furnish for the use of veterans up to the present time have been possible because of the fact that the fleet has been almost wholly concentrated in the

Pacific. Were a sizable fleet placed in Atlantic waters, there is no doubt that the Navy would have an increased demand for use of its own facilities by naval men. With the prospects being that in the future a greater proportion of the fleet will be placed in Atlantic waters, it simply means that the naval hospital in Philadelphia will be unable to provide facilities for veterans even in the degree which now exists in an already overcrowded hospital.

It is therefore recommended that a United States veterans' hospital be constructed for use of veterans in the Philadelphia area. It is my opinion that this hospital should be in Philadelphia, or in the near vicinity of Philadelphia, that city being not only the center of population but also approximately geographically centered for the territory served. In addition to this, a hospital that would be either located in the Philadelphia metropolitan area or adjacent thereto would enable veterans to have the advantage of the eminent consultants who reside in Philadelphia or are on the staff of hospitals in that city. This is an important item to be taken into consideration, as it means so much to the health of the veteran and the possible recovery of many patients if they had the advantage of treatment from men who are preeminent in all branches of medicine. In this connection it is interesting to note that in the list of approved hospitals in the United States, made public on October 17 of this year by Dr. George Crile, of Cleveland, chairman of the College's Board of Regents, American College of Surgeons, approval has been given to 45 hospitals in the city of Philadelphia alone.

In view of the statistics quoted, which are from the Veterans' Administration itself, and also because of the present overcrowded conditions at the Naval Hospital, with a waiting list already existent and the prospects for the future being that this list will increase rather than decrease, I feel that this recommendation is justified and I also feel that in order that the veterans of this area should be accorded the same facilities which exist in other sections of the country, that this construction should not long be delayed.

Respectfully yours,

MICHAEL J. BRADLEY.

Un-American Activities—Nazi-ism and American Youth Exchange Students

EXTENSION OF REMARKS
OF
HON. SAMUEL DICKSTEIN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, January 5, 1939

Mr. DICKSTEIN. Mr. Speaker, it stands to reason that the interchange of graduate students and professors between nations is altogether desirable. Manifestly, the exchange of scholars, of those who mold the minds of tomorrow, can help immeasurably in advancing international amity and culture.

But it stands equally to reason that neither international amity nor culture can be advanced an iota—that, on the contrary, they can only be hampered—if a government deliberately and dishonestly uses the exchange of students and professors as a means of disseminating propaganda utterly opposed to international amity and culture. Nazi Germany is open to that charge.

All German students desiring to study in a foreign country must obtain Nazi Party certificates of "political responsibility" attesting to their enthusiasm for national socialism and their loyalty to the Fuehrer and must submit these to the Reich Ministry of Education.

Moreover, all exchange students are required to undergo, in accordance with ministerial decree, special training in national socialist propaganda so that they may know the varied techniques of spreading the Nazi gospel on foreign campuses. This training is given chiefly by the National Socialist Students League through groups specially formed for the study of "immediate foreign questions and of Germany's border problems." Directed by orthodox faculty members and young Nazis well versed in foreign agitation, these groups concentrate their attention on particular countries, one of which, for example, is known as a "study group for the United States." The object is so plain that a Berlin correspondent of the New York Times states in this connection that: "There can be no doubt that the exchange or other German students who appear on American and other foreign campuses in the future will be expected to devote some of their time to propaganda for the Nazi regime," and that for this reason "the Government is giving its warmest cooperation to all the various agencies, such as the Institute of International Education of New York, which are engaged in the exchange of students."

Just before leaving for universities and colleges in the various countries, exchange students are gathered together at special camps and given intensive last-minute propaganda instruction, as is revealed by the following dispatch from Neustrelitz, Germany, of August 26, 1937:

German exchange students, who will leave early next month for universities and colleges in various foreign countries, including the United States, were mobilized here yesterday for a week of final intensive training in national socialism. They are now regarded as an important element in Germany's foreign propaganda and were told so by Dr. Burmeister, director of the German student exchange service.

The students' camp is a typical semimilitary national socialist training institution. Instruction will be given throughout the week in the manner in which German students abroad are to behave, particularly how they are to present the national socialist ideology.

In his address to this "important element in Germany's foreign propaganda," Dr. Burmeister explained that "it is necessary to learn about our opponent's ideology and point of view so as to be able to oppose him," and that the Nazi spirit "must remain mobilized to hold its ground in the world warfare or ideology."

In order to assure the strategic distribution of Nazi exchange students, the Government all but compels the students to attend those universities where Nazi propaganda is most necessary. A notice displayed on the boards of the University of Berlin, for example, informs persons of "political responsibility" that enrollment in the universities of Lausanne and Geneva is recommended "in the interests of German cultural policy." A similar bulletin concerning the University of Vienna ends with a statement calling "attention to the fact that study in Austria is not only possible but particularly recommended and suggested."

While they are abroad German exchange students, and especially exchange and visiting professors, must report to local National Socialist officials, a requirement stringently enforced in countries where Nazi propaganda is vital. Neglect to do so must be explained direct to Reich Minister of Education Rust and is punishable by refusal of permission to leave Germany again. The reasons offered by Herr Rust himself in an official document are quite revealing:

It has frequently been observed of late that Germans, especially professors and students, when traveling abroad for cultural or scientific purposes, have failed to establish contact with their local national official representatives. Such contact is especially important in countries where Jewry occupies a predominant influence in cultural affairs, and where emigrants seek to press into the foreground questions concerning German cultural life. In these countries it is particularly necessary that German national guests, local or official, shall be informed of these local relationships by the official national representatives abroad.

I therefore order that all under control of my ministry who travel abroad for study, research, or lectures, or for congresses or similar purposes, shall on their arrival in a foreign country forthwith establish contact with the competent local representative of Germany, with the foreign organization of the Nazi Party, and with the branch office of the German Academic Exchange, whenever possible. If this is not done, a report of the reason must be furnished to me.

I take this opportunity to point out that previous decrees regarding foreign journeys are still not always obeyed by all concerned. I therefore hereby order all controlled by my office to obey in every detail the decrees on foreign travel and lay before me, through the official channels, any applications for permission to travel abroad.

Moreover, according to a recent ruling, German students studying in foreign countries must become members of student clubs and take an active part in the extracurricular life of the universities to which they have been assigned.

What has all this to do with the United States? Plenty. The largest number of exchange students and professors in the country come from Germany, a circumstance especially marked since Hitler's advent to power 5 years ago. It follows that if, as the above facts reveal, German exchange students are trained as propagandists and visiting professors are used as propagandists, then those who come to America must be doing that which they are required to do. Yet, somehow, the Institute of International Education, through which German students and professors are placed in American uni-

versities, refuses to believe this. Its well-meaning director, Dr. Stephen P. Duggan, points out that "foreign students must not engage in propaganda of any kind in the United States" and insists that he has "every reason to believe that this principle has been honorably observed" by Nazi Germany. But careful investigation indicated that there is no reason to believe that Hitler is, or has been, any more honorable in his observance of democratic principles in the United States than he has been in Germany.

Take the case of Dr. Dietrich Zwicker, a German exchange student at the University of Kansas in 1936. In between lessons he managed to find an extraordinary amount of time for Nazi propaganda on and off the campus. Wearing a Nazi emblem in his lapel, he took occasion to mark an extra-curricular visit to St. Joseph, Kans., with a barbed warning that "if the Jewish question continues to be raised in American newspapers, there will be real barbarism toward the race in Germany." Nazi atrocities he shrugged off as "an inevitable occurrence in transitions," Aryanism he endorsed emphatically. All these statements were made for the special benefit of the St. Joseph's Gazette. Previously he told several hundred German-Americans that "66,000,000 Germans are more important than 400,000 Jews" and that true Germans "do not care about foreign opinion in regard to the Olympic games, despite the withdrawal of some athletes and the campaign against the Berlin games." As if to make amends to American opinion, he concluded his speech by comparing Hitler the house painter to Lincoln the rail splitter.

While attending Columbia University as an exchange student, Dellef Sahm, son of the Berlin mayor of that name, delivered speeches in behalf of the Nazi regime quite frequently and spoke at least once over the radio. Invariably he disposed of Jewish persecutions by insisting that Jews deserved no more than 1 percent of his time because they comprised that proportion of the German population. While living at Columbia's International House, he is said to have a Nazi cell among German students residing there.

Heinrich Sahm, evidently a relation of Dellef, was engaged in propaganda while an exchange student at the University of Cincinnati, assisted by Sigismund von Braun, another exchange student who is now an attaché in the German embassy at Paris.

More carefully chosen, more expert at propaganda, and more learned in Nazi doctrines, German exchange professors and visiting lecturers—almost all of whom have been under the sponsorship of the Institute of International Education—have been more effective and more dangerous Nazi agents than exchange students. The story of Dr. Klaus Mehnert is proof of that.

Through arrangements made by Major General Barrows of the California National Guard, whom he accompanied through Germany in 1934, and the Institute of International Education, he became a visiting professor at the 1936 summer sessions of the University of California. His class was composed of 200 graduate students, mostly school teachers intent upon advancement.

Suave and able, he had none of the outward crudenesses popularly associated with Nazi propagandists. Though his students were undoubtedly unaware of it he was—and is—a Nazi agent of considerable talent and versatility, his offices including general secretary to the German Society for the Study of Eastern Europe, an editor of Osturopa, and manager of the Berlin office of the German Economic Institute for Russia and Eastern Europe. Previous to his rise to these heights within the short duration of nazi-ism, he had been an eminent journalist who had written, among other things, a somewhat sympathetic book about youth in Russia which serves him in good stead outside of Germany.

Originally his course at the University of California was called "Fascism Versus Communism" but was hastily and discreetly changed to "Contemporary European Political Thought." Actually, the change made little difference; the latter title served Mehnert's purposes as well, if not better, than the former. By and large, his lectures were subtle harangues for fascism and against communism. As a student at the university put it in the Pacific Weekly, he "gave the intellectual rationale of fascism and created a feeling of hostility to communism by the use of carefully weighted and selected facts—and all with intelligence, grace, and charm." His essential thesis with regard to nazi-ism was that it expresses Germany's "inner soul," the temperament of the German people; that it was advocated by Germans such as Moeller van den Bruck as far back as 1800; that it was as indigenous to Germany as democracy to the United States.

The books Mehnert assigned as the basis for his course seemed to represent both communism and fascism rather fairly. There were an equal number of books by Marx, Lenin, and Stalin as by Hitler, Alfred Rosenberg, Walter Starre. But among the books which were designated as impartial were the works of Houston Stewart Chamberlain, than whom there is no more blatant British proponent of Aryanism, as is evidenced by such statements as these:

> It frequently happens that children who have no conception of what "Jew" means or that there is any such thing in the world, begin to cry as soon as a genuine Jew or Jewess comes near them. The learned frequently cannot tell a Jew from a non-Jew; the child that scarcely knows how to speak notices the difference. Is that not something? To me it seems worth as much as a whole anthropological congress.
>
> One does not need to have the authentic Hittite nose to be a Jew; the term rather denotes a special way of thinking and feeling. A man can very soon become a Jew without being an Israelite; often it needs only to have frequent intercourse with Jews, to read Jewish newspapers, to accustom himself to Jewish philosophy, literature, and art.

At public lectures at the university during the evenings, Mehnert was able to present his message to audiences of 800 or more and on other occasions, as a result of his university connections, was invited to speak at Berkeley's Commons Club, Lions Club, Women's City Club, and Rotary Club.

Should Prof. Camillo von Klenze ever write the story of his propaganda exploits on American campuses, he will, if he is not ungrateful by nature, acknowledge that his success could not have been possible were it not for the Institute of International Education. Professor of German-American cultural relations—read German-American propaganda—at the University of Munich, he has lectured in the United States under the sponsorship of the Institute of International Education and has been visiting professor of German at Stanford University. In an interview in the latter's campus daily he took occasion to denounce American correspondents in Germany as nothing short of liars, asserting that the Nazi Government was far more restrained than they were willing to acknowledge. As proof of this he claimed that during the first 18 months of Nazi power there had been no more than 200 deaths of violence—a number which he considered infinitesimal, when compared to the death tolls of civil strife of countries which he left unnamed.

Either ignorant of or unconcerned about Professor von Klenze's role as a propaganist, the Institute of International Education has assisted him in assembling American students for the so-called junior year in Munich, a propaganda project under the direction of Gen. E. von Massow, head of the German Academic Exchange Service. It is significant to note that in his activities in this connection, Professor von Klenze has taken great care to assure America that he has no bias for or against Nazi Germany. "You must not become pro-German or anti-German," he advised a group of American students just before they sailed for Munich. Though none could see it, Professor von Klenze must have had his tongue deep in his cheek when he made that statement. And he must have felt the thrill of the successful propagandists when he read the following headline in the New York Times the next morning: "Thirty-three Students Sail; Warned on Bias."

Equally indebted to the Institute of International Education, under whose auspices he has lectured frequently in the United States, is Prof. Friedrich Schoeneman, head of the American seminars at the University of Berlin, author of an article entitled "America Under a National Socialist Regime" and of "The Art of Mass Propaganda"—which Charles Beard describes as being full of contempt for the

American people. He was eminently fitted for the propaganda tasks in America to which he was assigned.

His first lecture in America, delivered in Boston, was so blatant that it provoked a riot in which several people were injured. Similar outbursts on the part of his audiences occurred in Chicago and Cincinnati.

Keeping Out of War

EXTENSION OF REMARKS

OF

HON. GERALD P. NYE

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Thursday, January 5, 1939

ARTICLE BY HON. BENNETT CHAMP CLARK, OF MISSOURI

Mr. NYE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article by the senior Senator from Missouri [Mr. CLARK] entitled "How We Can Keep Out of War" which was published in the Country Gentleman of January 1939.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Country Gentleman of January 1939]

HOW WE CAN KEEP OUT OF WAR

(By BENNETT CHAMP CLARK, United States Senator from Missouri)

On a day late in March 1917 I sat in the office of Senator William J. Stone, of Missouri, chairman of the great Senate Committee on Foreign Relations. It was during the short recess of the Congress between the second inauguration of President Woodrow Wilson and the beginning of the special session called a few weeks later to declare war on Germany.

Those were times to try men's souls, times when to cling to the dictates of sanity and patriotism, to resist the hysteria and the propaganda which were hurrying this Nation into the shambles of war, was to incur ostracism and abuse and cries of treason from those who sought to profit by plunging this country into war, echoed by the deluded many who mistook hysteria for patriotism and propaganda for reason.

After years of threats and the brandishing of arms among the nations of Europe, the world had been plunged into the bloody chaos of the greatest conflict in history by the crime of an obscure fanatic.

From the beginning of the war in Europe there had been put forth in this country the most insidious and persistent efforts upon the part of both groups of belligerents to involve us in the struggle. Both flagrantly violated the neutral rights which we asserted. A great mass of propaganda was put forth upon each side. International bankers engaged in floating loans in the United States for one group of belligerents exerted all of the vast resources of their powerful financial connections to bring our Nation to the support of their clients' interests. Munition makers able to sell their wares only to the same group by reason of its control of the seas spent vast sums for propaganda to stir our people to the same purpose. An American ambassador actively aided the government to which he was accredited in the violation of the rights being asserted by our Government to the free navigation of the seas. An unofficial ambassador, holding no office whatever under our Constitution, roamed around Europe promising to commit our Nation to war in certain contingencies. Many men seemed to lose their reason in the madness of the hour.

President Wilson had made great efforts to maintain the position of the United States as a neutral; he had pleaded with our people to be neutral "in thought as well as deed." But the aggressions of the belligerent powers, the machinations of the propagandists in this country, and the increasing bitterness of public feeling due to these factors made his task increasingly difficult.

Yet despite all the efforts to inflame our people, the overwhelming sentiment of the Nation was against war. As late as November 1916 President Wilson was reelected upon the issue: "He kept us out of war." Six months later we were engaged in the "war to end war" and to "make the world safe for democracy."

In the early winter of 1917, during the short session of the expiring Congress, President Wilson suddenly sent to Congress a demand for legislation authorizing what was called "armed-ship neutrality," which, in effect, meant that we were to allow the arming of our merchant vessels and actually to go to war without declaring war.

That measure was defeated in the closing hours of the session by the determined fight—some called it a filibuster—of a small group of Senators, among whom the most prominent, by reason of his chairmanship of the Foreign Relations Committee, was Senator Stone.

President Wilson was at the very height of his popularity. Washington was filled with his vociferous followers eager to do him honor on the occasion of his second inaugural. The adulation and sycophancy which always surrounds such occasions was on every hand. Upon the heads of that devoted little band of Senators was loosed a storm the like of which the country has seldom seen. The President promptly denounced them as "that little group of willful men." Newspapers which had been abusing the President a few weeks before for his efforts to "keep us out of war" now lauded him extravagantly and virulently abused Stone and his associates. Epithets and abuse of the most vicious kind were heaped upon them.

The President obtained from the Attorney General an opinion to the effect that the sanction of congressional legislation was not necessary to put the armed-ship bill into effect, and he proceeded to do so. It proved an utter and disastrous failure. It has always seemed to be one of the most remarkable of the phenomena of the war madness which gripped the country in 1917 that no considerable public comment was ever aroused by the public confession of President Wilson, in his dramatic appearance before the Congress less than a month later to ask for a declaration of war, that that policy had led to a ghastly condition vastly more intolerable than war.

It was at the top of the hurricane of abuse and shortly after the defeat of the armed-ship bill that I was in the office of Senator Stone, with whom I had been on terms of confidential intimacy for many years. He made it plain that he was not insensible to the pain which the storm of abuse to which he was being subjected would cause to his family and friends, but that he had done what he thought was right and had no regrets or apologies for the course he had pursued.

And then, walking across the room, he looked out the window and said: "Bennett, we are going to have a war. I am going to vote against it, but I am not foolish enought to think that I can stop it. And it will be the worst thing that ever happened to this country. It is not the lives it will cost—although God knows that it is enough to break a man's heart to think of the flower of our youth being killed and maimed and blinded. Some of you won't come back and some of you who do will wish you had not. And it is not the money it will cost, although your great-grandchildren, if you get back and have any, will not live long enough to see the payment of that debt. The worst of it is that after we win the war—and we will win it because we are too big and powerful a nation not to win the struggle in the exhaustion of all the adversaries—after we win the war, we will never have the same sort of country again that we have always had."

In the years which have passed I have thought of that conversation many times. It comes back to me as the voice of prophecy—prophecy which has been fulfilled.

We had our war. We had our war with all of the fanfare of trumpets, with all the blood and agony and misery and suffering. We had our war which left a debt which our great-grandchildren will not be able to extinguish. The whole world has been passing through the fiery furnace of the aftermath of war—paying the price in innocent suffering for the madness which then engulfed the world. Brutal dictatorships are in the ascendant in nearly every land as a result of that war.

Time has abundantly proved the soundness of Senator Stone's views. We have never had the same sort of country again that we had always had before. Unfortunately, the war did not end with the signing of the armistice in 1918. Our own terrific economic depression is as completely a part of the war as the shells which were fired on the western front. In our whole economic structure and, far more important, in our whole governmental structure the disastrous effects of our participation are still manifest.

In industry, factory production was speeded up during the war; vast additions to plant equipment, not usually necessary or productive, were made; vast debts were incurred; a whole industrial situation was created which had no relationship to the normal necessities of the country. The Government seized the transportation system of the country and then tossed it back into the hands of its owners, a proceeding which contributed greatly to our vital transportation difficulties of today.

Farmers were encouraged by promises of fabulous war prices and the urgings of the war exhorters to increase greatly their production of agricultural products. Land was put into production which should never have felt the plow. Debts were undertaken which should never have been incurred. And then with the inevitable reaction and contraction which follows war, American agriculture was cast to the lowest level in its history.

WAR—THE ENEMY OF DEMOCRACY

More vital and important were the changes in our governmental tendencies. War is the great enemy of democracy and constitutional processes, the great promoter of dictatorship and centralization with their inevitable attendant bureaucracy.

During the World War there was more actual increase of centralization of power in Washington than in all the previous years of our Government combined. Troops were levied, not through the States as in previous wars but by the direct action and authority of the Federal Government. Control of production, distribution

and price of commodities was undertaken from Washington on a basis and scale never dreamt of before. Not only local officials but governors of States as well were called on the telephone from the Nation's Capital and brusquely informed what they could and could not do. For the first time in American history the people were ordered from Washington when to sow and when to reap—a situation which Thomas Jefferson had cannily predicted long before its existence would cause the people to "soon want bread."

The cry of "Stand by the President," dangerous at any time as a modern variation of the old cry of absolutism, "The King can do no wrong," is especially to be feared during wartime when patriotic fervor frequently reaches frenzy. At such times any insistence on adherence to constitutional processes of government will be mistaken for lack of desire to win the war and opposition to grants to the executive of absolute power will be denounced as treason.

Unhappily the uniform experience of mankind has proved that no matter how high minded an executive or series of executives may be, encroachments against the constitutional processes in the shape of extraordinary grants of power for the period of an emergency are never returned in full when the emergency is over. They form a precedent not only for a renewal and extension of the grants in other wars but for the use of the principle in time of peace.

It was the custom of the old Roman Republic in times of emergency to appoint a dictator with arbitrary power for the period of the crisis. But since the dictator has complete power it is for him to determine when the crisis is ended. So one dark day there came a dictator who did not turn back his power and the Roman Republic was no more.

No one questions that war can, at least at the outset of a war, be more efficiently waged by one central authority with absolute authority to make decisions which cannot be debated or overruled than by a government in which there is a constitutional balance of authority and functions and in which individual citizens have rights guaranteed to them under the Bill of Rights which cannot be taken away from them by any authority. The very characteristics which make for authoritative efficiency in a military sense are precisely those which will with the utmost certainty destroy democracy and liberty.

There is in existence the draft of a complete set of laws prepared by the War Plans Division of the War and Navy Departments for the most sweeping grant of powers to the President. They provide the foundation work for powers comparable to those of Hitler, Mussolini, or Stalin. They range from a veiled authority for a press censorship to a veiled authority of a general draft of labor, but with no suggestion of a draft of capital.

They have not been publicized except to the extent that I was able to do so by introducing them myself and then reporting them adversely from the Senate Committee on Munitions, all purely as an attempt at information of the public. It was never the intention of the bureaucrats who prepared them that they should be forwarded to the Congress for consideration and action. It was their hope that the proposed measures should lie moldering in the archives of the two departments until a state of war was declared. Then they would be sent in haste to the Congress to be passed under whip and spur with hysteria ready to shout "Traitor" at any Senator or Representative who dared oppose them or even ask that they be carefully examined. I wish that every American man and woman could be familiarized with the provisions of this modest beginning for a totalitarian government in America when we are once again committed to the shambles.

Whatever slogans may be devised about "making the world safe for democracy" by war, it is well for all of us to pause and ponder on the somber fact that the very process of war is itself the greatest enemy of democracy and that a nation may win in a war against a particular autocrat or combination of autocrats and yet so undermine its own constitutional structure as to emerge from the war as a totalitarian state or in the process of becoming one.

Much as we suffered from our participation in the World War, both in our economic and governmental structure, we were fortunate in comparison with the other belligerents because the lateness of our entry into the struggle and, more particularly, our geographical separation from the scene of greatest rivalry gave us the opportunity of at least attempting to restore our normal governmental and economic processes. The powers of the Constitution, as exercised by the United States Senate, and the overwhelming will of the American people saved us from the obligation of active participation in all the quarrels and jealous rivalries which were the inevitable result of the war and of the Treaty of Versailles.

A TRAGIC REPETITION

We are again faced with the responsibility for making a choice as to our own policy. Through the favor of the Almighty, we still have the opportunity.

The world is again in a turmoil. Forces of aggression are again in the ascendant. Old European boundaries, which have been fought over for centuries are again being disputed. Japan is seizing Chinese territory with the same ruthlessness that Great Britain did in the middle part of the last century but on a somewhat larger scale. Nothing in the years preceding the advent of the World War approached in importance or barbarity the so-called civil war in Spain—a savage internecine guerrilla warfare made more awful by the more or less clandestine supplies of troops and the modern implements of war by the great powers. The undertaking of none of the great powers which have repeatedly negotiated in the premises has been worth the paper upon which it was written.

In this situation every American must be startled and heartsick at the tragic similarity to the fabric of events which led up to our participation in the last war. Already the propaganda is in the making to involve us in the next. We may be very certain that every energy and every resource of a tremendous and far-flung influence will be thrown into the struggle to involve us. If we should engage in another major war at the present time, it seems certain that the United States would emerge to all intents and purposes a totalitarian government.

THE ISSUE WE FACE

It is time that the great body of our people give some thought to the hard, practical questions of whether we desire to keep out of war, and if we do desire to keep out just how we shall avoid it, if war comes again. No one who has made an honest attempt to face the issue will assert that there is any easy answer. No one who has studied the history of our participation in the World War will say that there is a simple way out. There is none—no simple panacea, no magic formula.

But we found, after the World War developed, that it was too late then to formulate and put into effect an effective neutrality policy. Any variation from the policy in force at the outbreak of the war is in itself an act of war. Therefore our policy must be worked out in advance, before it is too late to appeal to reason.

We are already far advanced in the situation. We have the threat of war, far more imminent than it was in 1914. We have the competitive armament race, which did so much to bring about the World War, already far advanced. We have the shout for great "preparedness" at a far earlier stage of the situation than it occurred in connection with the last war. We have it complicated by the desire of some high in authority to use a vast armament program as a cloak for further pump-priming with regard to the so-called "heavy industries," without the necessity of openly declaring it to be so.

DANGEROUS THEORIES

We have the certainty that every declaration from such people as our late Ambassador to the Court of St. James that if England should ever again have a war, the United States would be with them "man for man, ship for ship, gun for gun," if unrepudiated, backed up by enormous increase in armament on our part, can only be calculated to lead us into war if one should develop elsewhere.

There is a section of American public opinion, and an astonishingly influential section—considering its small numerical strength when once the issue is baldly stated—who consider that it is the manifest duty of the United States to be the assistant and the burden bearer of Anglo-French international policy. As John Quincy Adams so pungently put it, they conceive that we should "come in as a cockboat in the wake of the British man-of-war."

I have myself heard the theory expounded by one of our leading diplomats that our international policy should contemplate a situation where we should protect the interests of Great Britain and France in the Orient, leaving them to deal with Germany in Europe. In other words, we should be prepared to fight a war with Japan, 7,000 miles from home, in order to allow Great Britain and France entire freedom of action for attending conferences for the partition of other peoples' territory, without the formality of the attendance of the representative of the nation to be partitioned.

WARLIKE PREACHMENTS

I have heard one of the highest ranking officers in the United States Army harangue the guests in his official residence to the effect that it was our duty to retain the Philippines—violating our national pledge—in order to maintain a part in a general defense scheme of French Indochina, British Hong Kong and Singapore, Dutch West Indies, and Australia against "a northern power," which I naturally assumed to be Japan. I have heard leading members of the "Cliveden set" in England—possibly the leading couple—preach to a group of United States Senators the theory that England should make the best terms possible with Nazi Germany to work out world affairs, but with the additional pregnant demand that our Nation must go along with Great Britain "ship for ship, gun for gun, and man for man."

There are Americans who conceive it to be the duty of the United States to act as a sort of policeman for the world and to squander billions upon billions of dollars upon huge naval and military establishments—not for the defense of the United States but to be ready at the drop of a hat to conduct a war half around the world and to send American boys to fight 7,000 miles from home to protect a handful of American investments in the Orient.

Currently the general international situation is being taken advantage of by propagandists from every angle to build up sentiment in favor of huge increases in armament and in our Military and Naval Establishments. Exactly as was the procedure in the years immediately preceding our entry into the World War, we are assured that the vast armaments urged upon us would not and could not be used for purposes of aggression or for participation in foreign quarrels but only for the defense of our own shores. All history proves the tragic fallacy of such a proposition.

EXTRAVAGANT DEMANDS

Every patriotic American is not only willing but determined to vote and to pay for every bit of preparation for national defense reasonably necessary, and even to go considerably beyond that as a matter of precaution. Yet this desire on the part of our people

is no justification for the extravagant demands being made upon the Treasury under the guise of national defense. It is proposed to extend vast Government aid to the "heavy industries," but it is not put upon its economic basis but is represented as being vitally necessary to rescue the country from imminent danger of foreign invasion. Likewise it is suggested that the Government quit fighting the utilities and extend them aid and sustenance as an aid to national defense. Propositions for river and harbor development, flood control, irrigation, mining development, highway construction, railroad subsidies, and a multitude of others are suddenly urged in the interest of national defense. Many of these measures may in themselves be desirable or necessary to our national welfare, but they are now being urged, not upon any basis of economic or social justification, but as the prelude to pre-war hysteria. In short, we are threatened with pre-war armament inflation which is fraught with peril from every standpoint but particularly from the danger that it may itself lead us into war as it did in 1917.

Economically there is no difference between the pre-war armament inflation and the inflation which comes through war itself. Both are like dope. Like dope, they have exhilaration, spurious buoyancy, contentment, and vast dreams of glories to come. Like dope they offer to the economic system temporary stimulation, brief periods of false and feverish activity, soaring prices, spurious flights of industry. Like dope, war has its awful "morning after."

We awake to find the horrible reaction of our horrible "sleigh ride"—our financial nervous system painfully disarranged, our currencies trodden under heel, our soaring prices crashed, and our fictitious markets collapsed. Nations are left clogged with unemployment and dislocated labor, clogged with overproduction from the fake stimulation of war, from the maldistribution of gold, and from the frantic and hopeless post-war efforts to keep oversized plants running to capacity to pay interest upon unproductive war expansions.

A DEADLY COURSE

Politically this armament inflation is dangerous, because experience proves that it is almost certain to be a provocation for war itself. Governments which have based their economic policies upon the spurious prosperity of armament manufacture and upon vast expenditures upon armies and navies have sooner or later been forced into war, if for no other reason than to justify this waste of money to their own people. And in doing this they have taken new steps in totalitarianism.

Already the demand is heard in many quarters for the repeal of the Neutrality Act now upon our statute books. Already the agitation has started to again allow our people to embark on a course of selling munitions, extending credits, and making loans to belligerents—a course almost certain eventually to lead to war. It is speciously argued in some quarters that we should embark upon the policy of choosing the aggressor nations and withholding munitions, loans, and credits from them while affording them to their adversaries. This would be in itself an act of war, a short cut to the heart of the conflict.

The American people should decide now what their foreign policy is to be. If we are to embark upon a policy of trying to act as policeman for the world and be prepared to fight in Asiatic and European waters at the same time, then our armament, both naval and military, should necessarily be vastly greater than has ever been openly proposed. If it is our intention to defend the United States—even including South America—then our preparations should be confined to such as are suitable for that purpose.

The desire on the part of the American people to keep the United States from involvement in any war between foreign nations is very strong today—almost universal. But there was an almost equally strong demand to keep out of the last war. In August 1914 no one could have conceived that we would be dragged into a European conflict in which we had no part. Have we learned anything from our bitter experience in that struggle?

THE PRICE OF PEACE

For us to keep out of the next war, if one develops, it means that we must adhere to the policy of attending strictly to our own business—of refusing to play the game of any other nation in its selfish pursuit of power.

It means that our people must decide whether they are willing to pay the price—or to make the investment—to keep us out of the war. To accomplish this we must cheerfully sacrifice the chance for great and speedy profits, the possible temporary expansion of our exports and resulting employment at good wages for persons who might otherwise engage in making war exports. We must deprive American ships of cargoes at excellent freight rates. We must deprive American bankers and investors of profitable commissions and investments. We must not permit American insurance companies to underwrite war risks, no matter how attractive the rates.

I am sure that the loss of these transitory profits will be far, far cheaper in the long run—that everyone concerned in America will be much better off, even as a mere matter of dollars and cents, to say nothing about human suffering, loss of life, and the other horrible consequences of our being dragged into another war. Even more important, we should all be prepared to make great sacrifices to avoid the dangers of authoritarian government which are the almost inevitable accompaniment of participation in war.

OUR BEST HOPE

The present Neutrality Act is admittedly imperfect. It should be amended and strengthened and made more mandatory at the next session of Congress. But, imperfect as it is, it does take the American flag off munition ships; it does prevent the extension of loans and credits to belligerents; it does restrict travel of our citizens upon belligerent vessels in time of war; it does prevent the sale of munitions to belligerents. The loopholes of that act must be filled and the framework maintained.

It affords our best hope of avoiding war, and to the realization of that hope our every energy should be directed.

Again I hear the voice of Senator Stone with his dread prophecy which proved so true. And again I think that it is of supreme importance to the Nation and to our children's children that there be no occasion for it to come true in more dreadful degree: "After we win the war, we will never have the same sort of country again that we have always had."

Control of Floods in the Mississippi River Valley

EXTENSION OF REMARKS

OF

HON. JOHN H. OVERTON

OF LOUISIANA

IN THE SENATE OF THE UNITED STATES

Thursday, January 5, 1939

RESOLUTIONS BY THE MISSISSIPPI VALLEY FLOOD CONTROL ASSOCIATION AT NEW ORLEANS, LA., DECEMBER 16, 1938

Mr. OVERTON. Mr. President, I ask unanimous consent to have printed in the Appendix certain resolutions unanimously adopted by the Mississippi Valley Flood Control Association, at New Orleans, La., December 16, 1938.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

The Mississippi Valley Flood Control Association, representing 33 levee and drainage districts in the States of Missouri, Kentucky, Tennessee, Arkansas, Mississippi, and Louisiana, adopted the following resolutions while assembled in annual convention in New Orleans, La., December 16, 1938:

Whereas the Congress of the United States, by the act of May 15, 1928, recognized and declared the control of floods in the alluvial valley of the Mississippi River to be a national responsibility and authorized a comprehensive engineering plan of flood control of the lower Mississippi River, which act was subsequently amended by the acts of June 15, 1936, and June 28, 1938; and

Whereas the plan and project as modified and authorized and the existing law relating to the same are now satisfactory to the people of the lower Mississippi Valley, and there should be no further delay in the prompt prosecution and completion of the entire project: Now, therefore, be it

Resolved by the Mississippi Valley Flood Control Association, That both the existing law and the project authorized thereby are approved without qualification; and be it further

Resolved, That the Congress of the United States be urged to appropriate annually $50,000,000 of regular and unrestricted funds in order that the adopted project for the control of floods in the lower Mississippi Valley may be progressively executed without further delay; and be it further

Resolved, That the Congress of the United States be urged to appropriate annually sufficient sums of regular and unrestricted funds to construct authorized flood-control projects on the principal tributaries of the Mississippi River.

Resolved by the Mississippi Valley Flood Control Association, That in any plan of Government reorganization considered by the Congress of the United States we favor unrestricted retention of the Mississippi River Commission as the administrative agency for Mississippi River flood control, under the supervision of the Chief of Engineers.

As the pioneers in flood control in the United States we have learned through long experience that the water resources of the Nation are being carefully safeguarded by the several existing departments of the Government and that their cooperation one with the other is all that could be desired. Therefore we believe:

All Federal planning, execution, operation, and maintenance of public improvements of the navigable waterways of the United States and their tributaries for the purpose of navigation and the control of floods, including the most efficient development in combination therewith of potential waterpower and the needs of irrigation, and, in such waterways or portions of waterways where the need is urgent, the prevention of injuries to the waterways by reason of commercial waste and pollution, should be under the jurisdiction of the War Department.

All Federal planning, execution, operation, and maintenance of public improvements relating to the prevention of soil erosion and to reforestation (including such estimates of run-off and waterflow retardation in the various watersheds concerned as are considered to have useful or practical values) should be under the jurisdiction of the Department of Agriculture. Be it

Resolved by the members of the Mississippi Valley Flood Control Association, in annual session assembled in New Orleans, La., on December 16, 1938, That the death of Senator Royal S. Copeland at the close of the last session of our National Congress has caused the Nation to suffer the loss of one of its ablest and most industrious statesmen, and the cause of flood control in the lower Mississippi Valley one of its most constant and helpful friends; be it further.

Resolved, That a copy of this resolution be sent to Mrs. Royal S. Copeland and that proper request be made for publication hereof in the CONGRESSIONAL RECORD.

Unspeakable Horrors of a Nazi Concentration Camp

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, January 5, 1939

Mr. CELLER. Mr. Speaker, near the lovely city of Weimar is Buchenwald, the newest Nazi concentration camp, fenced in by barbed wire and policed by SS guards and encircled by machine guns. Strangely enough, this acme of horribleness and torture is but a few kilometers from Weimar, where German bards and musicians wrote immortal verse and composed immortal music.

Thousands of important people are there—artists, writers, businessmen, inventors, authors. Their offense is that they are of the race of Abraham, Isaac, and Jacob. Many of them are old and feeble; hundreds were taken from homes of the aged. All were ripped out of their homes and forcibly taken to this camp—this living hell.

I know of no greater indictment against Nazi-ism than the mere recital of what happens at this camp at Buchenwald. And what occurs here is no different from what goes on at Sachsenhausen and Dachau.

I herewith set forth extracts from a statement written in German which appeared in one of the Swiss newspapers. This statement was translated for me by the Legislative Reference Service of the Library of Congress.

I herewith quote from this article, in part:

Train after train with human freight rolls in these days to Buchenwald. Buchenwald, the latest and most perfect attainment of national socialistic ingenuity. Buchenwald, which in public love has outrun both Dachau and Oranienburg, and which stupefies merely by the mention of the name; Buchenwald is now the special quarter for the care of Jews, namely, of people from Berlin who were chosen, who were not committed or not let out of its clutches, even after plundering and burning.

There is in Germany nothing at the present time which creates such a revulsion as this name. Only a few kilometers distant from the place, from which at one time the greatest poets wrote immortal words, it rises up in the middle of a wonderful beech forest, fenced in by barbed wire, watched over by SS guards with machine guns. This location of horribleness, the concentration camp near Weimar, is Buchenwald.

On the morning of the 13th of June 1938, about 5 o'clock, I was arrested by the police in my home, brought over to the police station, and it was revealed to me that I was taken in as a Jew most worthy of punishment, and would be taught how to humble myself, and taken to a concentration camp. I met a good many of my friends in the overfilled local jail, to which I was brought. Among these there were well-known people, businessmen, and learned people. Their punishment was based upon offenses which sometimes were committed decades ago. Some of them, for example, were now being punished because of having been in a street fight, others because of traffic regulation violations, or because of an offense against some local ordinance and similar unimportant matters.

The prison filled up more and more, and soon the police officials didn't know where they should put all their charges. On these days, the 13th and 14th of June 1938, all the male Jews who had any sort of a police record were arrested in Berlin and in Germany at the same time. There were among them men who were more than 70 years old, and who were taken from homes for the aged.

In Berlin the number of arrests was about 4,000, while in the whole of Germany they amounted to between 10,000 and 15,000. They were brought over to the concentration camps at Sachsenhausen, Dachau, and Buchenwald. They were told right away by the criminal police that they would be released from the concentration camp only when there was a possibility that they might get some sort of papers permitting them to emigrate from the country. It was therefore purely a political act, to hurry along the emigration of the Jews which was taking place up to this time much too slowly. In spite of this, the action was in the hands of the criminal police and not under the direction of the secret police, which would have seemed to be the body to handle cases like that. It also is written in the local Jewish papers that a number of Jewish criminals had been called up.

During the night of June 14–15, 1938, I was brought from the police station with about 2,000 others to the concentration camp at Buchenwald. Before that time we were examined by a doctor in regard to our health and being able to bear the life of the concentration camp. He declared all of those arrested to be able to stand the treatment, although there were tubercular people among us who had bloody sputum, as well as 70-year-old people.

The Anhalt railroad station which took us away was barred to the general public when we came there at 2 o'clock at night. On June 15, about 6 o'clock in the morning, bands of the SS death-head squadron met us at the railroad station in Weimar. We were hardly out of the train when the first blows fell upon us. With kicks, poking of the feet, and blows of the fists, we were driven from the railroad platform into a gangway. At this place we were greeted by the head of this camp, named Rödl, with the following speech: "Among you are people who were already in prison; that, however, was nothing to what you will have to endure here. You are in a concentration camp—that is, you are in hell. If you make the slightest resistance to any command from an SS man, you will be shot on the spot. We only know two punishments here—death and beating."

Our arrival in the concentration camp of Buchenwald was the occasion for a running of the gantlet of the worst kind. The SS again kicked us and hit at us. In front of this camp the entrance had the motto upon it, next to the machine gun, "Justice or Injustice, My Fatherland."

Immediately after this usual welcome into all concentration camps our heads were all shaved down, just as if we were criminals. Then we had to give up our regular clothes and receive prison clothes. The prisoners had a special mark on their clothing. Political prisoners carried red stripes; theologians, rose-colored; and lazy people, black ones.

We had a Star of David sewed upon a black and yellow background, which meant lazy Jew. This is to show that the greater part of us were independent business people, as well as workers, who been taken away from their occupations, a dentist, and a number of lawyers. Numbers were sewed upon the coats of each of us and we were called up only according to our number. Then we were put in quarters.

The other gentile prisoners, 6,000 altogether, were put up in wood barracks, always 140 men to a barrack while 500 of us were literally driven together into a sheep stall. We had no space whatever, no table, no chair, and no bed. We had to lie upon the floor at night; we couldn't stretch out because it was much too small. We received two covers, which were thin and full of holes. The other 1,500 Jews were also taken care of in the same manner. There was no opportunity to wash. We couldn't wash at all for the first 8 days, then got eight wash basins for 500 men. We had to fetch the water from a pump, which was 10 minutes away. The worst of all were the attendants who were to take care of things in this sheep stall. These were six people who had been chosen out of the criminals who were also in prison in Buchenwald. These, especially the leader of them, who was a very raw person, mistreated the prisoners in the most shameful manner, after he had received permission for punishment from the SS.

Nobody dared protect himself against these monsters, because that would be looked on as mutiny, which would call for the death punishment. I remember especially one horrible occasion. An elderly man was so mistreated one day by the SS that he groaned in the evening in the sheep stalls. He was, therefore, hit in the face with the fists so that he would stop groaning. The next morning the man was dead.

The first 2 days that we were there we didn't receive anything at all to eat. However, we had to exercise strongly. We were not given our work until 8 days afterward, because the formalities of entry had to be taken care of first. In one part of the camp we had to sign a declaration that we had been taken into the camp as work-dodging Jews. It was noted on the paper that we were filling out this declaration of our own free will. A Breslau lawyer delayed in signing this, and this unlucky man had to go through all the camp punishments which existed. He kept on delaying, and after 4 days he had to sign anyway—a dying man on whose body there wasn't a single unwounded spot.

The inmates of this camp were put through excruciating punishment for the slightest offense, such as drinking water during work time. The food of these unfortunates was taken away by the Nazi officials at noon; and on Sundays the prisoners were forced to stand up at attention, during the so-called short free time, for 4 hours, under SS direction. If they were unable to bear this torture, they were punished by severe beatings. These whippings took place, for example, if one of the prisoners was discovered smoking during working hours. In the afternoon, at the time of the roll call, the number of the one who was to be punished was called out, and he was then tied over a sawhorse. Two very tall SS Nazi guards alternated in beating him with a

whip upon his seat. Twenty-five strokes were given the prisoner. A third SS man held the person's mouth shut at this time so as to stop him from crying out. Even old people who could not work fast were punished in this inhuman fashion, because of "laziness while at work."

After a complete beating, the punished one had to lower his pants and the SS man looked at the bloody stripes to see if he had been beaten enough. These 25 strokes were the most popular punishment. But in addition thereto, there was the "bunker," the solitary cell, from which many a person was taken out dead. Every day there was heard the horrible cries of the mistreated prisoners crying out from the shuttered windows.

Still another form of torture in the camp is the so-called tree-tying "experiment." For slight offenses, the person was bound to the tree so that the arms were around the tree and tied down so that he could still move, then he had to twist himself continually around the tree. If he did not do that quickly enough, the SS guard helped by kicking him in the shins.

But that was only a lighter sort of tree-tying. Another sort ofttimes resulted in death. The sacrifice was tied to the tree and his arms bound upward and backward; then his thigh bone and his legs with which he still touched the ground were shoved together so tightly that it stopped the blood. This position the unhappy person had to keep for hours. These martyrs to bestial barbarism were not rare cases in Buchenwald.

I now continue with verbatim extracts from the article which appeared in the Swiss Journal:

Eight days after our arrival we were given our work. The work day in the concentration camp at Buchenwald was about as follows: Waked up 3:30 in the morning; 4:30 to 5:30 roll call. Then to work. Beginning at work shortly after 6 o'clock without a pause up until 12 o'clock. At 12:00 a half-hour pause, at which time there was oak coffee to be drunk. Then work again until 3:45. Four o'clock roll call, which lasted until 5:30. At this time, too, there were the public whippings. From 5:30 to 6:00, midday meal, and then until 8:00 work again. At 8:00 p. m., evening meal. At 9 o'clock locked up. On Sunday they work from 6:00 in the morning until 4:00 in the afternoon. There was no day of rest, not even Christmas (as some old camp inmates told me). We weren't ever on our feet less than 17½ hours a day. Healthy people, sick people, as long as they could still keep on their legs, young and old. They paid no attention to the weather. We had to work just as hard in our thin substitute clothes during storms and cloudbursts as when it was glowing hot.

Now, about my first working day. I shall never forget it in my life, no matter how old I become. Many people of different ages died on this glowing hot June day breaking stones.

We were divided up in groups of 100 people each at the roll call. Each group had a straw boss who generally was one of those criminals. He had the right to beat us as much as he wished. We had an 18-year-old SS guard to accompany us. None of these SS guards who accompanied us to work looked after us, mistreated us, and beat us, was more than 18 years old. When we marched to our work there were among us men 65 years old. The SS man with a whip in his hand drove us, or literally beat us, to our new working position in the business of breaking up stones. Here we were given such stone blocks of such a weight that qualified workers had had a hard time breaking them up, and 80 percent of us had never done any physical labor before. Many of the stones were so heavy that it took many people to lift them and then we had to pass them along from shoulder to shoulder. Then we had to bring the stones to a highway about 1,500 meters away, which was being built by prisoners at the same time. The road went up a steep hill and we were forced to dogtrot up, being kicked and hit by SS guards on the way. The old people who couldn't do that any more suffered the most, then they had to run back again to the place where they broke up stones, and then the hunt began again. Of course, the sun went higher and higher and the day became very hot. The way to the stone pit was continually filled with dust because of the passing of all sorts of SS autos (the road was closed to ordinary civilians). Right near the quarry there was a spring which poured out fresh, clear drinking water. The watching SS guard kicked away everyone who tried to get near the water. In the afternoon 30 men were lying down in our group of 100, partly with sun stroke, all of whom could not be moved either with beatings or with kicks. We had to bring them to the hospital. In the evening there were two dead out of our group alone.

Besides our work in the quarry we had to carry trees, too. And not more than eight men were allowed to take care of a tree no matter how many tons it weighed. There were SS men along the whole kilometer-long route, so that we couldn't have a moment of peace. Even today I think of the horrible "will you run, will you run" in my ears, accompanied by kicks and blows upon our shoulders and heads. Every once in a while an especially clever SS man made us bow under the tree, which was, of course, dangerous to our lives since if only a couple let the heavy tree fall then there would be the danger that the others would be smashed.

It was reported that the prisoners in Buchenwald had the right to receive money from home, but that the sending of food was forbidden because "it was possible to buy anything in the camp." Of course, this statement was but a cruel, inhuman jest. In the first place, the sending of money was only possible under the greatest sacrifices. The breadwinner in many cases was confined in this concentration camp, and consequently his family was without the support he had heretofore rendered. These unfortunate members of his family were not only without means to send money to him but also unable to support themselves. In not a few instances the German charitable institutions declined to support the stricken families. Even in those cases where the imprisoned one did receive money from his family, he was not able to use it to nourish himself. In the first place, the SS guards took away part of the money to pay for the railroad ticket which brought the victim to the camp. Also, only 5 marks a week at the most was given out to any one prisoner. With this sum he was permitted to buy articles in the canteen at ridiculously high prices, but the canteen never had enough food at its disposal. There was never any bread in the canteen and frequently all that one could purchase was seidlitz powder—a laxative.

The death rate for both Gentiles and Jews at this camp is dreadfully high. Both—Jews and Gentiles—were daily sacrificed to these cruel dispensers of death and hate. Of an approximate total of 2,000 Jewish prisoners, 80 were dead within the first 4 weeks, and in another week 30 more escaped further punishment through death. Thus within a period of 5 weeks there was a total of 110 deaths amongst the Jewish prisoners in Buchenwald, but the official reports stated that only 39 died during this period of time.

We will continue once again with the first-hand graphic report of the goings on at Buchenwald:

How did it happen that these prisoners lost their lives?

First of all, there was the famous "shot while attempting to flee." The camp is surrounded by wire which is charged at night. Outside of that, right near the fence there are also watch towers with SS armed guards with machine guns. It is forbidden for the prisoners to go over to the prison fence, as the guard then has the right to shoot. This was not made known to the new prisoners, however. The SS guards who were rather bored there upon their towers liked to play the following joke: They commanded a new prisoner to go over to the fence; when he came over and reached the fence the guard looked up and shot. These cases happened quite often. Oftentimes the prisoner would become half-crazy and would run over to the fence, not knowing where he was going in his despair. The guard then shot immediately, although he knew very well that it was a matter of a crazed person and not a matter of a fugitive.

In most cases death took place in the stone quarry. Here also there was a chain of guards, and one couldn't come near them on peril of losing his life. Oftentimes an older or a weaker man was burdened with a stone which he couldn't carry, even by using all his energy. The SS man drove him to lift up the pile of stone. Of course, the man fell behind the rest of the prisoners, and then after a while these could hear a shot. The guard had driven his sacrifice through the chain of guards who were only a few steps away, and these had shot the man in flight. This type of killing took place also almost every day. There was an especially tragic case of death, among many others, which I shall refer to here. Among us there was a very fine young fellow, Erich Löwenberg, hardly 22 years old. He was the cantor in a synagogue. He had married very young, and his wife was expecting a child two months later. This Erich Löwenberg—it was around the 15th of July—was driven, by an SS man at the quarry, under a truck which was steered by another SS man. An hour and a half later the young man was a corpse. One example of a good many. Others by this torture got a heart attack, and then the doctor attested that he died because he had a weak heart. The coffins were built by the prisoners themselves in the carpenter shop. The corpses were brought into the Weimar crematory and rendered to ashes. The relatives received the death notice on an open postcard, postage due.

Many prisoners died in Buchenwald because there was no way of taking care of the sick. Firstly, the hospital attendants were strictly forbidden to give medicine to Jews. Furthermore, the Jewish sick people were refused admittance into the hospital barracks. One case is reported in which

the doctor sent a sick Jew out in the cold for "feigning" illness, and he was dead 2 hours later. No water was at the disposal of the sick prisoners, let alone medicine. The sick Jewish prisoners who were kept in the sheep-stall were not permitted to fetch help. If they did dare walk out, the SS watchmen shot them at sight with machine guns. After 4 weeks, a special hospital barracks was erected for the Jewish prisoners, who were forced to pay for it out of their own money. However, even the most primitive aids were not supplied. In this so-called hospital, there were no fever thermometers, and no toilets.

There were some human beings in this hell. There were SS people who did not beat the prisoners. However, they were very much in the minority and they explained that they could not do anything about the horrible goings-on, because they had their orders from "above." This "above" was the fiend Koch, who had already become notorious because of his rages in the Kolombia Haus in Berlin, and then in the camps at Esterwege, and Sachsenhausen near Berlin. He directed Buchenwald, too.

Some of the few supervisors who tried, at peril to their own lives, to help the prisoners, were denounced as friends of Jews, and publicly whipped.

At Buchenwald there are, all told, 8,000 prisoners—2,000 Jews and 6,000 Christians. It is reported that the camp is to be built up and to become the greatest concentration camp of Germany, capable of holding 25,000 inmates.

Among the prisoners at Buchenwald are politicians, such as, for example, the communistic Reichstag representatives, Neubauer, Saefkow, Geschke, and Woitinski, who had been taken around for 5 years from one camp to the other. The well-known Hans Litten is also in this prison, his leg broken twice in the quarry. There, too, in that hellhole can be found those unfortunates who had dared curse the holy person of the Füehrer. They had to atone for this grave sin by remaining in protective-custody for an indefinite period of time; such protective custody could last 3 months, but more frequently will last 3 years, for the holy guardians of Germany respect neither the laws of God nor man.

I now continue with the first-hand statement of the Swiss correspondent who was fortunate enough to escape from this Gehenna:

Besides the political prisoners there were the so-called lazy people. I'll give you an example. A merchant's clerk was without work. He got charity support. One day the Government employment agency explained to him that he could find work on the German highways as a shoveler. This man, who was looking for some sort of position as a merchant, declined. The employment office reported him to the secret police as lazy, and so he came into the concentration camp. The same thing is true of experts who had given up their positions because of their low pay and were looking for better-paying positions.

Besides these there are the "Bibelforscher," the religious researchers—a religious sect quite common in Germany but forbidden by the secret police because they refused to serve in the Army. These people were treated almost as badly as the Jews.

The fourth group were the homosexuals, or those who had been reported by the secret police as homosexuals, for this accusation is the best means of getting rid of people and destroying those who are not wanted.

The last group were real criminals. These people were the leaders in the concentration camp and could beat us as much as they wished. As a matter of fact, they made themselves popular with the SS when they mistreated us.

That is the way things went on day after day at Buchenwald; we always had the same picture—dead and dying comrades brought past us. Even if orders actually came that a prisoner was to be released, he was not released at once. He was examined first of all by the doctors to see whether he had any black and blue spots. If there was a trace on his body of being mistreated, he was not released. He then was treated by the doctor, and could leave only when all his wounds were healed. Thus the fiends endeavored to avoid these horrible things from coming out into the open.

At the time of my release I was among the few who were allowed to leave the camp without any visa for an overseas foreign country. We were threatened by a high SS leader that we would be punished with death if we made even the slightest remark about the camp. The SS leader said that national socialism does not have to avoid the truth. It wants merely to stop atrocity stories from coming out into the world.

After my release I received a command that I must leave Germany forever within 5 weeks. I had to report every day at a Berlin police station. The first time that I reported there, something happened which is really characteristic of the present-day circumstances in Germany. I was surrounded by a group of officials who wanted to know from me how conditions were in Buchenwald. I refused to give any information, saying that I was under a threat of death if I related anything. Then the officials showed me their cards and said that I should just go ahead, as nothing would happen to me. I told them then some of the happenings related above. The officials were so disturbed that they interrupted me continually. They said that that was a horrible circumstance and a shame for Germany, that Frick and Himmler were responsible for everything, and that the police had to carry out their orders. The SS had full power over the concentration camp.

What I related here about the concentration camp, Buchenwald, I've gone through myself. Of course, since I was only in the camp for 6 weeks, this information is not complete. I know from a trustworthy source that most of the things that happened in June with me are still taking place. The number of sacrifices has climbed further.

Jackson Day Address of the President of the United States

EXTENSION OF REMARKS

OF

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 9, 1939

ADDRESS OF PRESIDENT FRANKLIN D. ROOSEVELT AT THE JACKSON DAY DINNER, WASHINGTON, D. C., JANUARY 7, 1939

Mr. SABATH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by President Roosevelt at the Jackson Day dinner on January 7, 1939:

Last night I was thinking about this gathering, about our Democratic Party, and what we ought to do to help it. I decided to go right to headquarters. So I put in a radio call for Gen. Andrew Jackson.

"Young fellow," he said to me, "I don't know what's bothering you."

"General," said I, "you see, it's about the Democratic Party. I'm very fond of it myself, but the Republicans are saying it's rotting away like a pollywog's tail, and some of our fellows are worried. Is there anything we ought to do?"

"Son," replied the General, "my eyes are getting old, and I'm some distance away, but from what I can see from here the only trouble with your fellows is that they've been feeding too well and they scare easily.

"Young fellow, do you realize that if you live out the term you now have you'll be the only President of any party who's had two full terms with a majority of his own party in both the House and the Senate all the time since—why, son, since James Monroe—and he left the White House nearly 114 years ago!

"Woodrow Wilson didn't have majorities as safe as you have now when he first came into office.

"And as for me, son, my Democrats licked old Nick Biddle when we didn't have a majority in the Senate and had few votes to spare in the House. Tell your fellows to learn to count. You Democrats today get scared and let the other fellows tell you you've lost an election just because you don't have majorities so big that you can go to sleep without sentries."

I am passing on the advice of Old Hickory.

But despite the general's optimism, I think this is a good time for the Democratic Party to "examine its conscience," to think over most seriously what we have done that we should not have done, what we have left undone that we should have done.

Let us start by being realistic.

From 1920 on the Republican Party fed too well and got fat and lazy. It gave the American people a "do nothing" government, for which they suffered through the terrible days. That was one reason why in 1932 they turned to the Democratic Party. The other reason was that the Democratic Party, during that summer and autumn, had a program of action and sounded sincere.

In the election of 1936 the Republican Party looked like a straddle-bug. The Democratic Party, however, was carrying out its pledges of 1932 and was still fighting. Hence the overwhelming victory of 1936.

Millions who had never been Democrats gave us the power in 1932, and again in 1936, to get certain things done. And our party can continue in power only so long as it can, as a party, get done those things which non-Democrats, as well as Democrats, put it in power to do.

In 1834, when Jackson was President, a shrewd observer wrote a letter which we ought to read and take to heart today. He said in it:

"There are two parties here—one which would do anything to put down Jackson and the other anything to sustain him. But there is a third party—and a very large one—which cares not a straw about who is President but who anxiously desire to see some measure of relief for the country, let it operate against or in favor of whom it may."

Today, as in Jackson's day, a majority of the people want only a President who honestly cares for them and a party anxiously and unitedly seeking a way to serve them without regard to personal or political fortunes.

Less than half of the voters of America are Democrats. Less than half are Republicans. But more than half of the voters are for the Democratic Party whenever the Democratic Party is for the majority of the people.

I welcome the return of the Republican Party to a position where it can no longer excuse itself for not having a program on the ground that it has too few votes.

During recent years Republican impotence has caused powerful interests opposed to genuine democracy to push their way into the Democratic Party hoping to paralyze it by dividing its councils.

The first effect of the gains made by the Republican Party in the recent elections should be to restore to it the open allegiance of those who entered our primaries and party councils with deliberate intent to destroy our party's unity and effectiveness.

The second effect of these gains should be to bring us real Democrats together and to line up with us those from other parties, those who belong to no party at all, who also preach the liberal gospel, so that, firmly allied, we may continue a common constructive service to the people of the country.

For if these independent voters have the conviction that the Democratic Party will remain a liberal party they will be the first to perceive what I here and now phophesy—that the Republican leadership, conservative at heart, will still seek to run with the hare and hunt with the hounds, talking for balanced budgets out of one side of its mouth and for opportunist raids on the Treasury out of the other.

Opportunists they have been—opportunists they still are; see how they have tried to shuffle New Deal cards.

The Republican first New Deal joyfully went along with our New Deal—while we were getting them off the spot and keeping them out of bankruptcy—or worse.

The Republican second New Deal said, "Support New Deal objectives, but oppose legislation to put them into effect."

The Republican third New Deal—1938 model—issued this order: "Get for the voters of your district all the New Deal benefits, promise them bigger and better benefits—any old kind that any old group asks for—but never mention how those benefits will be paid for."

Those tactics are wrong even for a party out of power, and if continued for another 2 years, they can hardly give our voters any real confidence in the Republican Party.

We Democrats, however, have to act as a party in power; and we cannot hold the confidence of the people if we cannot avoid wrangling except by agreeing to sit still and do nothing.

If there are nominal Democrats who as a matter of principle are convinced that our party should be a conservative party—a Democratic tweedledum to a Republican tweedledee—it is on the whole better that the issue be drawn within the party, that the fight be fought out, and that if the tweedledums are defeated they join the tweedledees. But the prospect of such a fight are far more remote than members of the opposition would have you believe. The people of the country are not deceived when honest debate and an honest effort to work things out for the good of the country are labeled dissension and bad blood by those outside of the party whose wish is father to the thought. They hate to admit it, but the fact remains that such debate over the past 6 years has borne six crops of good fruit.

If we deliver in full on our contract to the American people we need never fear the Republican Party so long as it commands the support of—in fact is down underneath actually directed by—the same people who have owned it for several generations. For the American Liberty League—unless I am incorrectly informed—still functions as a vehicle for political contributions and the spreading of shop-worn propaganda.

Jackson and the party as he led it, delivered on the barrel head.

Up to the very last he delivered for the common people he believed in, and for the national unity which he did so much to create.

On his very last day in the White House he vetoed a bill supported by many of his own party—a bill which surrendered to the States and to a thousand warring, petty local interests, the Federal Government's responsibility for husbanding the surplus funds in the Federal Treasury for the benefit of the whole Nation.

Alongside this statement in my manuscript I note the letters "N. B."—which in dead Latin stand for "nota bene," or in live English, "take good notice."

Jackson's successor, reputedly a smart politician, could not keep the Democratic Party in power because he and they drifted from principles to politics. He and they were turned out at the next national election in 1840 because they failed to keep the pork barrel locked up in the cellar and because they failed to deliver what they had promised to anyone except themselves.

And again my manuscript bids me say "N. B.—take good notice."

Let this be another thought for 1940. In 1840 the new Whig President, William Henry Harrison, elected on a red-fire, hard-cider, sky-is-the-limit campaign, backed by the descendants of Hamiltonian aristocrats and by disgruntled Democrats, made his first tender of the Secretaryship of the Treasury in his Cabinet—to whom do you suppose? To old Nicholas Biddle himself, the money changer whom Andrew Jackson had so soundly trounced and driven from the temple.

From Andrew Jackson to Nicholas Biddle—4 short years. And again I say, "N. B.—take good notice."

A full generation—20 years—passed by before the principle of Andrew Jackson's true democracy came back to life with the next real Democrat, Abraham Lincoln. He, incidentally, was chosen President only by the founding of a new party.

Let me ask two obvious questions. Does anyone maintain that the Democratic Party from 1840 to 1876 was by any wild stretch of the imagination the party of Jefferson or Jackson? To claim that is absurd.

Does anyone maintain that the Republican Party from 1868 to 1938—with the possible exception of a few years under Theodore Roosevelt—was the party of Abraham Lincoln? To claim that is equally absurd.

My casual acquaintance with political life for 25 years, and a more serious reading of prior history, leads me to observe that the American people have greatly changed in their attitude toward government in this our generation.

We take our politics less seriously. We take our Government more seriously.

In the old days the ideal candidate, whom smart managers always looked for, was, as someone has described a former President, a man with "a protective reputation, an obvious but unalert integrity * * * a complete absence of plan or even of thought." It might be well for both parties in considering their candidates for President and Vice President to apply that formula to the dozens who, like Barkis, seem, even at this moment, to be very, very willing.

In the old days, for the bulk of the population, the elections were only a seasonal diversion, a circus with an oratorical sideshow, with the real job done by quiet economic and social—perhaps I should say back-room—pressures behind the scenes.

Today there is emerging a real and forceful belief on the part of the great mass of the people that honest, intelligent, and courageous government can solve many problems which the average individual cannot face alone in a world where there are no longer 120 acres of good land free for everybody.

Today the voting public watches and analyzes every move made by those who govern them, whether in the executive or the legislative or the judicial branches of the Government, with clearer perception and greater insistence on efficiency and honesty.

Today in that analyzing they are less and less influenced by the red-fire and the hard-cider ballyhoo of newspaper owners or political orators who adhere to the practices of a century ago.

Yes; we have learned to go behind the headlines and behind the leads and behind the glittering generalities in order to analyze and reanalyze, using our own thinking processes and not somebody else's to make up our own minds.

You remember what Abraham Lincoln said about fooling the people. That was in the 1860's. I should say that no wise political leader in 1939 will take it as a safe working rule that you can fool many of the people any of the time.

This new generation, since the war, believes more than did its fathers in the precept, "I am my brother's keeper." It believes in realities, economic and spiritual realities, where its fathers did not bother much to go beneath catchwords.

And it is national in its outlook. Youth today will not listen to a sectional conception of party politics—to a combination of two or three parts of the country against another part, or farmers against labor or business against the State.

The younger generation of Americans, by a very large majority, intend to keep on "going places" with the New Deal. Do not overlook this rising generation. Its vote rises proportionately every year.

On Jackson Day every true follower of Jackson asks that the Democratic Party continue to make democracy work.

In answer to the demands of the American people we have expanded the functions of the Government of the United States. We are handling complicated problems of administration with which no other party has ever had to wrestle. To do that, we are constantly recruiting lieutenants who will give intense and genuine devotion to the cause of liberal governing. We have brought to the Government men and women whose first thought is to be of service to their country through their Government—men and women with fewer attributes of selfishness and more objectives of clean service than any group I have ever come in contact with in a somewhat long career.

Almost without exception, they are more intent on doing a good job than in keeping themselves on the pay rolls. Almost without exception they possess that quality of cooperative effort which distinguishes them from the old-time political officeholder.

We seek and welcome cooperation, not only from those who are with us now but from others who see the light. We are even willing to accept temporary help.

But we always bear in mind the story of the Orangemen's parade in North Ireland on the anniversary of the Battle of the Boyne.

The parade was set, but the Orangemen had no bass drum. And what is a parade without a bass drum!

But the captain of the Orangemen had a good personal friend in the captain of the Fenians in the same town.

So he explained his problem to his friend the captain of the Fenians and asked him to cooperate by lending the Fenian drum for the Orangemen's parade.

"Sure," said the captain of the Fenians, "I'll give you my fullest cooperation. I will lend you the drum; you couldn't have a decent parade without it."

"But," he added, with a twinkle in his eye, "since I'm personally responsible for the safety of the drum, you'll understand if I have to make one personal condition. You'll have to agree to take the drum out of the parade when you get to Queen Street.

"For that's the corner where we Fenians are going to be laying for you."

If we Democrats lay for each other now, we can be sure that 1940 is the corner where the American people will be laying for us.

The way to avoid fighting among ourselves is to fight together against the enemies of the American people—inertia, greed, ignorance, shortsightedness, vanity, opportunism—all the evils that turn man against man.

It is my belief, and the belief of the great majority of those who hear me tonight, that not just for 2 years to come but for a generation to come we will maintain a united front against those enemies of America.

Let us remember the example of Andrew Jackson, who fought to the last for a united democratic nation.

If we do that, by the Eternal, we shall never have to strike our colors.

Jackson Day Address of the Speaker of the House of Representatives

EXTENSION OF REMARKS

OF

HON. SAM RAYBURN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 9, 1939

ADDRESS OF HON. WILLIAM B. BANKHEAD, SPEAKER OF THE HOUSE OF REPRESENTATIVES, AT THE JACKSON DAY DINNER, JANUARY 7, 1939

Mr. RAYBURN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

On a similar occasion to this, 1 year ago in this place, I had the honor of submitting a few observations which I thought might be pertinent at that time to a celebration in honor of the victory of Gen. Andrew Jackson at New Orleans, and his participation in establishing more securely in the esteem of the people the fighting principles of the Democratic Party. At that time, if you will kindly pardon the repetition, I expressed this sentiment:

"There are those among us who feel most deeply that our party has endured so persistently as an instrumentality of public policy because it has deserved to live. For nearly a century and a half its basic principles have been enshrined in the hearts of generation after generation of our citizens. Powerful and dominant in the earlier decades of our progress as a people, it thereafter for a long period of time suffered reverses and disaster. Nevertheless, there always survived a sufficient number of the faithful to keep the fires of democracy burning on the altars of the public conscience until either the sterility of the statesmanship or the ineptitude of the leadership of the opposition again called to power and responsibility the party of Thomas Jefferson, its founder."

Under such repercussion of public opinion our party came into full power in the Government on March 4, 1933, and we still hold it, and we propose to hold it after 1940.

In looking back upon that bleak and bitter day when the American people entrusted our party with a mandate of confidence, and summarizing the honest and courageous efforts we have made to meet and to master the emergencies of this new age, I assert in no boastful spirit of party pride that we have done a reasonably good job of repairing the totally wrecked national edifice we inherited from the administrations of Harding, Coolidge, and Hoover when our party came into power.

I wish to reiterate here what I have often taken occasion to assert in other places, that we are not justified in claiming as a party that we have committed no errors and made no mistakes. Our leadership, from the President on down the line, has frequently disclaimed any such pretense of infallibility. From our President on down the line we have been content to say that we knew the American people expected and had commissioned us to take legislative and executive steps to redeem our country from intolerable social and economic chaos and misery; that they expected us to realize that we were not living under conditions that existed 50 years ago; that if we expected American democracy to survive we must invoke the spirit and essence and sacrament of democratic processes in government. And in that objective I make bold tonight to assert we have not failed.

I always feel justified in defense of my party's program under this administration in referring to the plight of our people everywhere on March 4, 1933. It was not only a pathetic and tragic but moreover a most desperate national emergency. It was unparalleled in its implications of disaster since the riotous days of the War between the States. Our memories are not too short to remember that the farmers of America, that stalwart but always patient group of our Nation, the always and forever basic industry of our country, were receiving 12 cents for corn, 30 cents for wheat, 5 and 6 cents for cotton, 3 cents for hogs and cattle on the hoof; when there were 10,000,000 or more unemployed men and women walking the streets and dusty highways, with no promise of succor or hope of relief; when the total collapse of our entire banking system seemed only a matter of days; when the millions of men who toil in the productive industries of the country, after years of appeal for the recognition of their rights, still occupied the menial status of a human commodity; when the investing public were the innocent victims of unsecured and recklessly exploited stocks and bonds; when the sick, the aged, the unemployed, were staggering along the hopeless and helpless thoroughfares of a miserable existence; when the depositors in our State and national banks had no definite assurance or insurance of the safety of their life's savings; when hundreds of thousands of the youth of the country, out of work and bereft of hope, were looking vainly into a desperate future for themselves and their dependent parents; when the American flag was disappearing from the high seas; when "unmerciful disaster followed fast and followed faster"; then, then, please God, came into power the present Democratic administration.

The manner in which this administration has dealt with these accumulated problems is now a matter of legislative history, and this is not the time or occasion in which to undertake to review them in detail. The laws that we have enacted up to this time, as far as their wisdom and justice and humanity are concerned, must be judged by the verdict of our people and the appraisal of posterity.

Looking back in retrospect upon the legislative and executive efforts that have been made to meet the terrific situations with which we have been confronted, I take great comfort in reflecting that through them all has run a consistent effort, not only to stabilize and redeem our economic conditions but also a constant course has been pursued looking toward the encouragement and stimulation of intangible human values. Henry W. Grady, in one of his great orations, pointed out with magnetic philosophy that the strength and glory of our Republic did not consist of the Capitol Building here in Washington, or the Executive Mansion, or the Army and Navy, or the courts, or the glittering functions of the National Capital, but that the real sanctuary of an enduring government reposed in the hearts and homes of our people, and it should be a source of intense gratification to us that every reliable poll of public opinion in the country reflects the consistent affection and trust of the masses of our people in the leader of our party, the President of the United States, who has suggested in large measure the institution of these reforms.

It is now apparent that the major objectives of the social and economic program advocated by this administration have been practically completed. The record has been made. That record and those achievements are being bitterly assailed and criticized by the opposition party and a hostile press. The time has come and I accept this opportunity to throw down a fighting challenge to all of the combined forces of opposition to this administration to tell us in plain and unvarnished language which of the major reform measures of this administration they would nullify in effect or repeal in substance. Will they assert that it was bad government for us to provide ample revenues to feed and clothe and house the millions of unemployed that we inherited from the former administration? Will they undertake to assert to the American people that we should revert to the former unbridled period of wildcat securities and dishonest and unrestrained speculation? Do they contend now that the employment in useful service and in the conservation of our resources by 2,000,000 boys in the Civilian Conservation Corps was merely a gesture of sloppy sentimentality? Do they feel that they can convince the farmers of America that our consistent and persistent efforts to increase their purchasing power and the price of their products were not fully justified? Will they dare have the temerity to repeal the laws for the protection of depositors in our banks? Would they undo our wisely conceived program for the conservation of our natural resources and for the protection of the people against the ravages of floods and dust storms? Have we been too tender in sympathy with the millions of men and women who toil in the industries of the country when we have by law recognized their rights of collective bargaining in order that they might share somewhat in the profits that they alone make possible for their employers? Will they refuse to acknowledge that the Democratic Party is entitled to the credit for the first time in our history of starting a program for the relief and security of the aged and blind and the crippled? It is utterly beyond the bounds of human credulity to believe that the leadership of the Republican Party will dare to assert that the outstanding major objectives that this administration has enacted into law shall be repealed or that they are bad in conscience and in principle.

Or did I use an improvident term in trying to speak of a nebulous thing called Republican leadership? Where does it reside? Who wears the crown? Upon what individual shall we gaze with awe and wonder as the Moses of the coming deliverance?

There is a certain Senator who is greatly exercised over a third term for the present Executive, whose chief anxiety and solicitude is, no doubt, a first term for himself. A great number of other fugitive shadows flit across the stage of the 1940 Republican convention. But where is the substance? Where are the crystallized

governmental principles upon which they propose to attack our Democratic record?

In the short address I delivered here 1 year ago, I called attention to setting up of a committee of 150 of the best Republican minds to formulate a platform of principles upon which to go to the country. What has become of Dr. Frank and his committee of the very best minds? Is it merely comatose and moribund, or entirely defunct? It has long been in labor—where is the mouse? I will pass that quest on to Mr. Mark Sullivan and other eminent and diligent political biologists.

It has been a most gracious privilege to sit in this company tonight. It is heartening and inspiring to be surrounded by an environment that reflects the spirit and courage of old Andrew Jackson. No man, in all our political history, has done more to announce in life the enduring principles of a really democratic form of government, and no statesman of any era in our history has left a more profound influence upon the political philosophy of succeeding generations than this courageous old warrior of our earlier days.

The Democratic Party has nothing of which to be ashamed in its long, useful, and honorable history. It has fought the people's battles; it has fought to crystallize and preserve the majestic statesmanship of Thomas Jefferson; it has sought to meet every national emergency with courage and sound judgment and is yet entirely worthy of the continued confidence and support of the American people. We must not allow petty differences of opinion along any line to shatter the solidarity of our party. We must, of course, seek to correct any errors that we may have made in judgment as to the details of legislation, but, for one, I am unwilling to depart in principle from the splendid basic achievements of this administration.

Senator Clark of Missouri

EXTENSION OF REMARKS

OF

HON. HENRIK SHIPSTEAD

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Monday, January 9 (legislative day of Thursday, January 5), 1939

ARTICLE FROM THE CENSOR OF DECEMBER 22, 1938

Mr. SHIPSTEAD. Mr. President, on December 22 last there appeared in a magazine called the Censor, printed at St. Louis, a very interesting article concerning our colleague the senior Senator from Missouri [Mr. CLARK]. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Censor, December 22, 1938]

SENATOR CLARK—AMERICAN STATESMAN

We will say without a fear of contradiction that there is no man who was ever elected to serve in any public office in this State who has received and merited the utmost respect and admiration of all the people, regardless of political affiliation, more than has Senator BENNETT CHAMP CLARK. This was proven most convincingly in the November 8 election, when the people rose up to show their appreciation to Senator CLARK for the splendid service he had rendered during the 6 years he was in the United States Senate, by sending him back to that legislative body by an overwhelming majority. It is no secret that not only did the Jeffersonian Democrats vote for him, but also thousands of Republicans, who deserted their party standard bearer in order to support a man whose record as a representative of all the people in the Senate was outstanding in its expression of independence and courage. The results of that election therefore did show plainly that the people do appreciate anyone who illustrates by his work that he is a real champion of good government.

To understand and appreciate the important part Senator CLARK has played in good government during his 6 years in the United States Senate one should first become acquainted with the scope of his activity and the general grasp he seemed to have of all important matters, both national and international. It is on the basis of this comprehensive knowledge that we feel fully justified in accrediting him with being an American statesman in every respect. It would be difficult, indeed, to find any important subject which concerns the American people of today upon which Senator CLARK cannot converse intelligently and with a complete understanding of the circumstances and conditions. In saying this we have in mind three important and vital matters upon which Senator CLARK has dwelt within recent weeks which have certainly reflected the intimate knowledge he has of each of them and also definitely revealed just how he felt about them.

It is of no particular surprise to those who have followed Senator CLARK's record in the Senate to note that he was one of the most active proponents of peace and they, too, can remember that he was one of those who bitterly assailed those who would be willing to throw this country into war. He has taken this position because he himself knows the horrors of war, inasmuch as he was in the Army during the World War. He himself witnessed the needless slaughter of human lives and with that sight in his memory has pledged himself to the cause of preventing such horrible human sacrifices in the future. Senator CLARK knows, as all of us should, of the untold grief and anguish that was in every mother's heart who saw her boy go across the seas with but little prospect of his returning alive, and in this knowledge can be depended upon to fight the good fight for peace, intent on seeing to it that no more mothers will have to go through this terrifying experience to satisfy the selfish aims of the few who stand to profit by the war. The American people should be grateful for the firm stand taken by Senator CLARK in this respect.

Then in a speech Senator CLARK delivered a short time after he was reelected, in Oklahoma City, he sharply criticized the wild spending policies of the present administration and issued the warning that this condition could not be carried on indefinitely without financial chaos. He also made it known at that time that he would oppose with all the power and influence at his command the further handing out by Congress of blank checks for relief and other large expenditures. This we have reason to believe is in accord with the wishes of the American people, who already are feeling the heavy burden of taxation and who can hardly be expected to stand the strain of an additional load which must come if excessive spending and governmental waste continues. Senator CLARK, due to the fact that he always keeps in intimate touch with actual conditions in this country, realizes the danger that lies ahead under the present course and, being a man of action, can be expected to see that something is done about it when Congress convenes in January. The American people also should feel the greatest degree of admiration for CLARK's firm stand.

Hitting forth a third time in his characteristic aggressive manner Senator CLARK turned his attention to the present farm program instituted by Secretary Wallace and condemned it as a detriment, rather than a help, to the farmer. In this contention he is supported by practically all the farm experts and economists, inasmuch as they have been crying out for some time for a sensible and practical solution of the farmers' problems which they have not received under the Wallace administration. Senator CLARK, always closely in touch with what is going on, has heard their pleas and has committed himself to advocating a farm program along the lines suggested by these experts which should go a long way toward bringing a solution to the farm problems of today. The farmers of this country have found in Senator CLARK a great friend and we feel sure they respect him as such. Having won the gratitude, admiration, and respect of the American people Senator CLARK deserves the appellation of great statesman and true representative of the people. Such a man would be a distinct credit to his country as President, a position for which he has often been mentioned.

The United States in World Affairs

EXTENSION OF REMARKS

OF

HON. M. M. LOGAN

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Monday, January 9 (legislative day of Thursday, January 5), 1939

ADDRESS OF HON. ELBERT D. THOMAS, OF UTAH, AT THE INSTITUTE OF WORLD AFFAIRS, RIVERSIDE, CALIF., DECEMBER 16, 1938

Mr. LOGAN. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an address delivered by the junior Senator from Utah [Mr. THOMAS] at the Institute of World Affairs, Riverside, Calif., on December 16, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

President von KleinSmid, Mr. Brown, associates in the institute, and ladies and gentlemen, I find myself when I look at my subject, The United States in World Affairs, in about the position of the fine old preacher who announced to his congregation that he was going to expound at length upon a subject about which the Lord had been able to say only a few words. Serious as the world condition is, one feels loath to be light-minded for fear it might seem that we would talk and not act while the world is burning; and yet it is only from talk that planning can come, and action in times like these should come only after planning. The stage has been set

for you, Dr. von KleinSmid, in a rather interesting way. First of all, we have started out here quite deliberately with what has been termed the "bovine" theory of the State. I have forgotten the story about the cows, but I remember that the United States was placed under the constellation of the "bull." That makes it hard, indeed, to remain the speaker.

But seriously, we have had pronouncement after pronouncement placed before us during the last 2 or 3 days which show that the world has sunk to a new low. I, therefore, start from scratch if I attempt to lift it. I assume, as the last speaker, that it is my duty in some way to end in Pollyanna fashion, waving a flag of hope. We were told last night that not only had collective security failed but that individual national security had failed, also that security based on the balance of power and alliances had failed. What else there is to fail the speaker very nicely forgot to mention.

Tonight we have become a bit more dignified in speaking of our world. We have ceased to name it "cockeyed" and now call it "idiotic." It is not the first time in history that governments and governors have been condemned and found wanting in ability and character. In ancient times, among those who supported idealistic anarchism governments and governors were condemned to such an extent that it was shown that each one of them had come into power as a result of murder or some other dishonorable crime. Many national governments of the earth have in this institute stood condemned indeed.

At times I have thought that one consistent way out would be universal acceptance of the theory of anarchism and definite condemnation of governments as being unfit to be trusted and governors as being incapable of having morality. That, of course, when we analyze it, is an extremely strong condemnation, almost as severe a condemnation as we in America make against the leaders of an opposing political party.

It is serious when we realize the discouragement and the disappointment found in all places where men discuss their problems openly or where men accept their lots with the dumbness of sheep. But, as some of our old Chinese friends used to say, when things are as bad as they can possibly become and still take a turn for the worse, then things are normal in China. On such a hypothesis we have not yet reached normality, and the turn for the worse has not yet come, because our last speaker held out some hope. He put that hope in the United States of America.

I should hate to see our world commit suicide. I should hate to see nations come to an end. I should hate to see more despair and greater pessimism. I should hate to see more suffering in the world. I cannot help but feel that a world dominated by fear cannot work constructively. It has even been suggested that our Union was brought into existence as a result of fear. No, there was something more constructive than fear. The things that made America were planning, courage, downright honest political science, fighting for a cause, and faith in its accomplishment. Those things reflect hope, not fear. If, then, we are to build the hope of the future world upon America, what kind of a hope shall it be and what shall our attitude toward that world be?

First of all, I think we cannot afford to take the step that has been suggested by so many, that we assume the necessity of fighting governmental ideologies and fighting governmental ideas and forget about the existence of nations. Hegel says people tell us that we should read history, but he also says that all we learn from history is that man never gets any lessons from history; and this institute seems to confirm the point. Today we are worked up, and righteously worked up, against certain actions. I do not condone those actions in the least. I condemn them as indignantly as does any man. But those actions have been taken under leaders of nations which have had a finer history than the one they are passing through today and will have a finer history tomorrow. You cannot wipe out in a single generation, no matter how false it is to itself, an age-old civilization and an age-old culture. You may feel harsh toward Hitler. You may feel harsh toward Mussolini. You may feel harsh toward Chamberlain. You may condemn the Japanese rulers. But if you are true to yourself, you cannot help but feel kindly toward the people and the culture for which those leaders act today. Therefore, one thing the United States must do during these troublesome times is to accept the proposal of Woodrow Wilson in the Great War, that we distinguish between the governments and the people of our enemies. We must not forget that we have to live with people in this world.

Twenty-five or twenty-six hundred years before the Darwinian theory gave man a sort of comparative understanding of his position in the animal kingdom there was a great feast held in China. At that feast the elders present were repeating their gratitude for God's greatness and the bounties of Nature. "Isn't God great and isn't Nature grand that they have provided all those fine things to enjoy and fine things to eat," they said: "Isn't God great, that He produces these things for us?" And then a young man, a philosopher, spoke up and said, "It isn't right to assume that God created these animals just for you to eat. That isn't the attitude to have. An ox is not merely created that man may enjoy it, but that each may be mutually helpful to the other." If oxen are made just for men, then men and women must be made for the benefit of mosquitoes, because they live on men and women. So the question today is like the question then. Are we going to live on the nations of the world or with the nations of the earth? We shall get nowhere by hating, except to breed more hate which may lead even to war.

Think through the alternatives that have been suggested. We cannot go back. We have made mistakes. There was a time when much that has been done might have been stopped. But what good is it for us to spend our time saying that America made a mistake in 1917, then again in 1919 and 1920, that England made a mistake in 1931, that all of the world made a mistake in 1933, and that America made another mistake in 1935. That is not very satisfactory except as an explanation of events which we hope may not be repeated.

There are a number of things that we have to do in America if we are going to have a consistent policy toward the rest of the world. In this I am going to do what I have suggested we should not do. I am going to point out one or two of the constructive things we forgot, and then see if we can correct them when we have to act again. I shall start with the Nine Power Pact. I do so deliberately. It is the agreement for which the United States is wholly responsible. It was not the product of the so-called scheming Europeans. The Washington Conference held the center of the world in February 1922. Before then, it must be remembered, certain countries became very energetic in the League of Nations, and later when the Washington Conference met we were energetic for the same reason. That reason was the threat of Russia, the great unknown, to the capitalistic nations of the world. There was a world-wide fear of Russia. Russia is an eastern state, but she was not invited to attend the Washington Conference. The Nine Power Pact was theoretically made up of all states interested in the Far East, but one was not present. Now, the Japanese contention and interpretation of a contract made by treaty is that when conditions are changed, the changing of those conditions modifies the treaty, even to the extent of making it obsolete. We knew as well in 1922 as today, that is the Japanese way of interpreting treaties. Treaties are made, they say, on the basis of the status quo, and when the status quo is changed the treaty is changed. With the exception of the United States, all signers of the Nine Power Pact were League members with League ideals of unity against Russia. So long as Russia was outside of the League, the pact was understandable; but when she came into the League, the pact should have been modified immediately. There was one voice in America that shouted and tried to exclaim that the structure which the United States had helped to build up should be changed because of changed conditions. He asked that a conference be called at once to bring the Nine Power Pact up to date. Was there a response? No.

We must maintain the sanctity of treaties. Democracies fail if the sacredness of contracts is abused because democracy rests on understanding. Contracts and treaties are merely understandings. We must accept and adjust those theories of other countries so that there will be a common meeting ground about the sanctity of a treaty and make it so that it is understood perfectly by all and with all concerned.

Thus, with respect to the Far East we have acted twice when we were not thoughtful. We forgot Russia in one case. We forgot Siam in another—Siam, a little land which is independent, a member of the League, a land which later renounced its treaties with us. We have now concluded a new treaty with that country. This treaty is constructive and important, extremely so, because we have built for the first time a treaty wherein our Federal organization contributes to our advantage in the treaty. We make many gains because we make a dignity of federalism and completely satisfy Siam. In this we have made progress.

The ratification of the sugar treaty is a forward step. Even Germany has become a party. The ratification of the marine labor treaties is another step forward and proves that we are moving not entirely backward. The world goes forward ultimately quite as steadily by short steps as by great strides.

A glance toward the south at the great Lima Conference brings satisfaction, too. In the development of the Monroe Doctrine, in the last 4 or 5 days we have accomplished much. It matters not whether we think of the Monroe Doctrine as a simple instrument giving the United States leadership over the Western Hemisphere or as a regional understanding; it matters not whether we consider it on the basis of the big brother and little brother idea or as a united western answ r to a European union against democracy. It has always been unilateral in its nature; it was of our making, and it depended upon us and us only for its support. Now, the Monroe Doctrine, as a result of these treaties, is a multilateral instrument, and the responsibility for continuing that doctrine rests not only on the United States of America but on 21 other states. That is a tremendous advance. The aspect of turning the South American attitude away from that of considering us an aggressive Government of the north imposing upon governments of the south is a constructive change. If the time will come when the British Commonwealth nations will go further and do their part in our Western Hemisphere by Canada's taking her place in the Pan American Union we shall have accomplished what we have dreamed for many years.

Now, since we have been left so low, and since the props of national defense, the balance of power, international alliance, and collective security have all been knocked from under us, and since we have acknowledged responsibility for some of this destruction, we have some responsibilities to the world. These, at least, we should acknowledge:

First, constructive action in regard to the neutrality law. We have reached the place in our neutrality laws where a certain policy has been followed, and under most of the rules of neutrality a change of policy in the midst of trouble or war may be deemed and may actually be an unneutral act. Care, therefore, is essential. But this change must come. The present law reflects a distrust of our Executive and ties the hands of our President in dealing effectively in international matters when there is war

in the world. That is simply bad government. It hinders America's effectiveness for good in the world, and it causes the advantage taker among the nations to be doubly reassured. To reassure an advantage taker is not standing aloof; it is not remaining neutral; it is not even being isolationistic. It is throwing one's whole moral influence and support to the least worthy of all national forces now being exerted in the world.

The three neutrality acts which we have passed since 1935 are not satisfactory, but they have not been wholly bad. First of all, the sentiment against war reached a pitch which it has never reached before in the history of our country, and in the discussion of the 1935 neutrality we heard the sentiment, "We want no war, and we want no profits from war." That is very different from the old neutrality where we stressed neutral rights to the extent that it was necessary to fight for them. All three of these acts, as they are domestic acts referring only to the United States, are acts that condemn war as such, condemn trading in war materials in theory, but best of all they emphasize the duty of a neutral; and it is fine for us to discover that even if we do not take part in war we have some obligation as well as rights of our own.

The neutrality acts were acts of retreat. They came in response to the urge of certain people who thought we were going to be dragged into war, and the enactments were in response to the desire on the part of the American people to have nothing to do with war. It was domestic law—a restraint upon our own people. As a result, the first neutrality act was interpreted by Italians as a friendly act toward Italy. Japan, too, felt secure as a result of it and interpreted it as a friendly act toward Japan. No one, especially the sponsors of the laws, expected those interpretations. The irony of the acts was that in the administration of the third act the United States actually reversed, and thereby did damage to previous arrangement and previous treaties, a policy regulating sales of munitions to Germany. The Germans in the last year were able to buy from us about $1,600,000 of munitions under the law. That, I am sure, no sponsor of the law expected.

As we are to start from the beginning, and since this is a talk on America's position in world affairs, why not, in building our new step forward, go back to something about which the American people already have made their policy and start again to catch up with ideals subsequently given expression by Woodrow Wilson and brought into existence by world organization? On June 4, 1910, the House of Representatives passed a resolution, which became a law, calling upon the President of the United States to appoint a commission of five men to meet with like representatives of other governments to bring forth plans not only for a reduction of armaments but for the use of the navies of the world as an international police force to be used for maintenance of peace throughout the world.

That resolution passed the Senate on the 20th day of June the same year and was signed by the President. The following year when President Taft delivered his message, he called the attention of the people to the fact that that law had become the law of the land and that he had been called upon to name the commission and had done nothing about it because adverse replies came from Great Britain, France, Germany, and Austria, all of them stating that while they liked the motives of the Americans, they thought that it was untimely and unwise to proceed then in accordance with the plan. Already the London Conference had been held in 1909. Four years before the war of 1914, and the world felt it was untimely to do anything about it. President Taft was prohibited because he got no response. That sentiment became the forerunner of the ideals which became part of a world system. That was the American policy. I am not going to call attention to the names of the men who voted for that most remarkable resolution, because nothing is gained by emphasizing how certain men lost their forward-looking ideas and hopeful motions. The record, though, is there for those who will read.

That brings me back to the proposition that national ideas do change and that men may come and go and in that there is great hope. I have looked toward Europe in part of my discussion. I have looked toward Latin America in part and I have looked toward Asia in part. Now, let us look at home. The American foreign policy must be kept consistent with the American national policy; and America, founded as she was, not on a little isolated spot in the world nor upon local ideas far removed from world thought, but upon a theory that has become world-wide in experience, still has a task in maintaining her position in the earth in the defense of that kind of government which accepts the theory of the good life for the individual man, the perfectability of the individual citizen, and the right of these individuals to buy, sell, own, come, go, and live on the highest plane of the good life.

This, therefore, is a time, as such periods have occurred often before, when the American people find themselves in a position which calls for action. That day, in the immediate past, when men, nations, and history had but one interpretation—the economic one—has passed. We have discovered that there is something to men besides their economic welfare and something in the actions of nations besides economic well-being, economic urge, and economic advantage. Ever since this economic interpretation became so much of us, we have all had to live constantly in suspicion. That holds for nations as well as men. During this desperate period of the economic vogue I had to avoid coming within eye or ear shot of my economist colleagues toward the end of the week; or when I handed the pot roast to my wife on Saturday and she smiled a "Thank you, dearie," I would spend all day Sunday cogitating whether the smile was one of love, one of happiness that we could get another roast, or just a deceitful, wicked, rationalized reaction from some satisfied pang from her inward anatomy.

There are bigger things in the world, but the one I am going to call attention to is still a phase of our economic life. We cannot have political democracy without economic democracy. That is, if the individual is going to grow within the state, he must in some way or other have an ability to acquire, to develop, and to improve his lot in the world. The economic phases of the mass barter and block trading systems of the single-willed states of Europe and Asia are very much more hazardous to the world than the political phases. Conquests can be overcome, armies can be defeated, and leaders of governments can be stricken down, but if a whole state is made an economic unit and the mass of that economic unity is hurled against another state whose economic system operates on the basis of free buying and selling and owning among individuals, the force of the block or mass system is so hazardous that a democratic economy cannot survive. Some thoughtless persons in America might suggest the same sort of mass or block economic system for us. By such action on the part of America, we should destroy America and the best fact of life here, which is the ability to call property our own.

There is the real threat to the world and we have a key to overcoming that threat. As a result of good planning and as a result of circumstances and necessity, the United States has gathered together more than half the gold supply of the world and very much of the silver of the world. We cannot have democratic economy in any place in the world if managed currency is made to work to such an extent that the individual cannot keep within himself a source of wealth or a sure source of credit. The right to hoard, the maintenance of something worth hoarding, is essential to free economic individualism. The greatest democracy in history, China, has been able to maintain economic individual freedom because no matter what the loss to each individual Chinaman—if his home burned down or personal property was destroyed—he might always go back and dig out of the ruins the little lumps of silver that he had hidden in the adobes or mud plaster of his buildings. Thus he always had something to start with again.

Where do the people start? The invention of money marked the beginning of democratic economy. The continued free use of metallic money is democratic economy's surest guaranty of continuance. Therefore, if democracy is to be maintained in the world, it is necessary that we restore to the world a free flow of gold and silver among men and nations of the earth. We can start now trading in specie and the same sort of prosperity would come as that which came after the Civil War, and the gold and silver would flow to and from us.

The only safeguard we need to see that nations and individuals in the world do not take advantage of this new free economy is that the right must be left to the Treasury Department to pay when the demand is made in either gold or silver. We have all the safeguard that we need by making that offer. "You can come and get our materials with our promises to pay, but we shall redeem those promises to pay on your demand in either gold or silver, or both, as we see fit." We have the reserve. And incidentally never before in the history of American money at home or in the whole world has American money taken the place in which it stands today. We must never lose sight of that fact. Tourist after tourist does not bother with credit any more, but takes American silver certificates and he finds that they are acceptable to better advantage in all countries. And as he passes from nation to nation he avoids exchange evils. That is one thing that we can do and by doing we create a simple faith and trust in the world in our ability to compete man for man and nation for nation without blocing, massing, or force; without making all property and labor of the United States a single unit to hurl against some other state's massed economy.

And now what about our attitude? I promised you that I would leave this conference with a word of hope and I am going to leave it not only with a word of hope but an absolute trust in the future. It is only through our faith to bring about a better world that we will have a better world. I have seen those fine old people in the East who were so sure that the Lord was coming the day after tomorrow that they did not even fix the doors that were hanging from their houses. That is faith gone wrong. If you can change such an attitude and say, "Would it not be fine to meet the Lord with a repaired door?" you have not put off the day of His coming one minute and you have made waiting for it more endurable. A changed attitude in their philosophy has worked tremendously for people who have become dulled by fatalism.

Thank goodness that the Americans are not caught with the spirit that most of us know exists among people who have had that fatalism with its self-helplessness for generations. Until that comes there is some help and some hope for the situation. What bothers this country and the people of the world is the same thing that bothered the father of all cynics. We have a record of it in the fourth chapter of Genesis, when a man stood in front of God and asked God if he was his brother's keeper. That was a cynical question delivered by the man worthy of being called the father of cynics. And the only one in the history of mankind who has been willing to answer that question in the affirmative, the Master of men, answered in the affirmative and lost His life by doing so. But who is there on earth who will say that that sacrifice was not worth while? When will a group of men accept the theory of the necessity of accepting the responsibility for his brother's keeping? If you can answer me that question, I will tell you when the new world will begin.

Case of Erby Harrison, of Tennessee

EXTENSION OF REMARKS
OF
HON. KENNETH McKELLAR
OF TENNESSEE
IN THE SENATE OF THE UNITED STATES

Monday, January 9 (legislative day of Thursday, January 5), 1939

EXTRACT FROM REPORT OF THE SPECIAL COMMITTEE TO INVESTIGATE SENATORIAL CAMPAIGN EXPENDITURES AND USE OF GOVERNMENTAL FUNDS

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the RECORD an extract from the report of the Special Committee to Investigate Senatorial Campaign Expenditures and Use of Governmental Funds in 1938, the extract having to do with the case of Erby Harrison, of Tennessee. It is printed on pages 345, 349, 350, and 351 of the committee's report. I also ask to have printed in connection therewith certain telegrams and a letter.

There being no objection, the excerpt, the letter, and telegrams were ordered to be printed in the RECORD, as follows:

CASE OF ERBY HARRISON

Docket No. 726

On September 8, 1938, Senator WALSH laid before the committee the following affidavit and enclosure, which had been brought to his attention:

AFFIDAVIT OF ERBY HARRISON

STATE OF TENNESSEE,
County of Washington:

Affiant being first duly sworn according to law, states as follows: My name is Erby Harrison. I have been employed by the Veterans' Administration Facility at Johnson City for the last 7½ years as meat cook in the general mess. On Saturday, July 30, 1938, while on duty at my place of work, the attached sample election ballot was handed to me by Claude Duncan, another employee of said facility, who stated to me that he received it from Jim Dempsey and that all employees of said facility were being instructed to vote according to this marked guide ballot.

Immediately after I received this ballot and expressed my opinion as to what I thought of my right to vote as I pleased, my resignation was demanded, and I therefore resigned.

This is the 3d day of August 1938.

ERBY HARRISON.

Sworn to and subscribed before me this the 3d day of August 1938.

[SEAL] L. W. OAKES, *Notary Public.*

My commission expires October 23, 1938.

SAMPLE BALLOT

Candidates for Governor
(Vote for 1)

Gordon Browning ( )
Prentice Cooper (X)
Roy C. Wallace ( )
J. Bailey Wray ( )

Candidates for United States Senator
(Vote for 1)

George L. Berry ( )
E. W. Carmack ( )
J. Ridley Mitchell ( )
John Randolph Neal ( )
C. L. Powell ( )
A. T. (Tom) Stewart (X)

Candidates for railroad and public utilities commissioner
(Vote for 1)

Worth Crowley ( )
W. D. (Pete) Hudson (X)
J. Bradley Lea ( )
Joe E. Scott ( )
W. H. Turner ( )

Candidate for Congress

John A. Armstrong ( )

Candidates for State committeewomen
(Vote for 2)

Blanche Mitchell Bellaire ( )
Elizabeth Starnes Fuller ( )
Mrs. Ferdinand Powell (X)
Edith O'Keefe Susong (X)

Candidates for State committeemen
(Vote for 2)

John Bernard ( )
Murrell W. Snell ( )
Herbert S. Walters (X)
Charles E. Worley (X)

Candidate for State Representative
(Vote for 1)

I. N. Humphreys ( )
William M. Watkins ( )

This is the ballot was give to me.

ERBY HARRISON.

Sworn to and subscribed before me this 3d day of August 1938.

[SEAL] (Signed) L. W. OAKES, *N. P.*

My commission expires October 23, 1938.

Referred to Veterans' Administration: The committee's decision was to refer this affidavit, with its enclosure, to the Veterans' Administration requesting that an investigation be made and that the committee be advised as to the outcome. Pursuant to this action taken by the committee, this case on September 8, 1938, was referred to the Veterans' Administration for investigation.

Letter from Veterans' Administration: On November 3, 1938, the chairman laid before the committee a letter of October 21, 1938, in further reference to the case of Erby O. Harrison.

OCTOBER 21, 1938.

Hon. MORRIS SHEPPARD,
United States Senate, Washington, D. C.

MY DEAR SENATOR SHEPPARD: Further reference is made to your letter of September 8, 1938, concerning Mr. Erby O. Harrison, which was acknowledged by Mr. A. D. Hiller, executive assistant to the Administrator on September 15, 1938.

I have caused further inquiry to be made in this matter, and from the information obtained it appears that this former employee voluntarily submitted his resignation as an employee of this Administration because of his resentment of instructions given him with reference to the performance of his duties, and that he was not compelled or requested to resign for political reasons, as alleged by him.

Your interest in this matter is appreciated, and any information obtained by your special committee indicating that this or any other employee of this Administration has been discriminated against or persecuted for political reasons will be appreciated.

Yours very truly,

FRANK T. HINES, *Administrator.*

Decision on Harrison case: After further considering the record of this case, the committee decision was that the charge was not sustained by the evidence.

VETERANS' ADMINISTRATION,
Mountain Home, Tenn., January 7, 1939.

Senator KENNETH D. MCKELLAR,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: Copy of the report of the Special Committee to Investigate Senatorial Campaign Expenditures and Use of Governmental Funds in 1938 received, and in view of the wide publicity given to this report, said publicity leaving the inference that the management of this facility was guilty of political coercion and political activity, I am writing you to protest such unfair accusations.

Only one affidavit was secured as to sample ballots being distributed, that being the affidavit of Erby Harrison, this case being reported as docket No. 726 and found on page 349 of the committee's report. It was referred to Gen. Frank T. Hines, Administrator, who in turn made an investigation and who wrote Senator SHEPPARD under date of October 21, 1938, stating the true facts in connection with the Erby Harrison case. The decision, as found on page 351, states as follows: "After further considering the record of this case, the committee decision was that the charge was not sustained by the evidence."

There are some 600 employees working at this facility, and every effort was made to prevent political activity during the last August primary. Every department head was instructed specifically to prevent distribution of political literature, circulars, stickers, etc., and the rules as laid down by the Veterans' Administration and the United States Civil Service Commission were rigidly enforced in connection with political activity.

Approximately 15 of the 600 employees testified before the Sheppard committee and all 15 stated under oath that there was not any political activity on the station and that sample ballots were not distributed. Approximately 585 employees were never even interviewed and yet this facility has been branded unfaily by the committee when it states on page 333 that the weight of the evidence indicated that sample ballots were distributed and employees were forced to vote for the coalition ticket. This conclusion of the committee was made in spite of the fact that a number of employees denied that activities of this kind had taken place.

I respectfully request that we be confronted with any testimony given by outside sources as to political activity at this station and that the 600 employees who are attempting to obey the rules of the Veterans' Administration and the United States Civil Service Commission be given an opportunity under oath to testify if we are to be condemned on an ex parte hearing of unknown witnesses.

With kindest personal regards, I am

Sincerely yours,

LEE B. HARR, *Manager.*

JOHNSON CITY, TENN., *January 4, 1939.*

Senator KENNETH D. MCKELLAR,
Senate Office Building:

Report of investigating committee published Johnson City Press January 3 accuses superintendent, Veterans' facility, distributing sample ballots. Accusation false. Demand show-down as head laundry department. Have 22 employees and all will testify under oath charges false.

D. L. KINSLAND,
Superintendent of Laundry.

JOHNSON CITY, TENN., *January 4, 1939.*

Senator KENNETH MCKELLAR,
Senate Office Building:

As head of hospital department, this facility with 250 employees immediately under my supervision, resent SHEPPARD'S report that sample ballots were distributed to employees here and that political coercion was practiced. No witnesses were called from my group of employees, and any and all of us will be glad to testify under oath that such report is untrue and unwarranted.

J. H. S. MORISON,
Chief Medical Officer.

JOHNSON CITY, TENN., *January 4, 1939.*

Senator KENNETH D. MCKELLAR,
Senate Office Building:

Disgusted with unfair report of Sheppard committee. Have 74 employees under my jurisdiction and was charged specifically with responsibility of prohibiting political activity on station. These attacks are for sole purpose of hurting your friends here, and in my opinion you in 1940.

DAVID H. TAYLOR.

"Air Raid" Over Bergen County, N. J.

EXTENSION OF REMARKS
OF
HON. WILLIAM H. SMATHERS
OF NEW JERSEY
IN THE SENATE OF THE UNITED STATES

Monday, January 9 (legislative day of Thursday, January 5), 1939

EDITORIAL FROM BERGEN (N. J.) EVENING RECORD OF DECEMBER 2, 1938

Mr. SMATHERS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial published in the Bergen Evening Record under date of December 2, 1938, on the subject of an air raid over Bergen County.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[Bergen Evening Record, December 2, 1938]

AIR RAID OVER BERGEN COUNTY

Yesterday Hackensack and many contiguous Bergen County towns were bombed from the air. The attacking airplane was provided through the initiative of Hackensack's progressive Chamber of Commerce—not to dismember and destroy helpless women and children but to advertise its amazing example of community cooperation to attract Christmas shopping to the county's business center. Instead of lethal bombs the plane dropped 10,000 parachutes attached to which were boxes of candy, credit coupons for merchandise, and other prizes. Instead of filling hospitals with the stricken and the wounded, it filled 10,000 American children with joy and excitement.

As an advertising stunt yesterday's display of business enterprise has attracted attention far beyond the confines of the county it was intended to serve, but that is not the motivation for this editorial comment. It was inspired by the remark of a middle-aged spectator who perhaps unconsciously was thinking out loud. Observing the shower of candy-laden parachutes, he ejaculated: "Thank God for America! In Europe they might have been bombs loaded with TNT to flatten our homes and to murder our wives and kids. It makes me a better American just to see those harmless parachutes coming down and the kids scrambling for candy instead of screaming with terror."

To all of which every American worthy of his citizenship can voice a heartfelt "Amen." The abject fear which caused the surrender of erstwhile mighty Britain and France to the threat of Germany's air armada with its potentialities for wholesale death and dismemberment to helpless women and children must not find repetition in free America. But the sense of security in our geographical isolation must not be permitted to lull us to sleep. Airplanes have succeeded in annihilating space, and the territorial greed and personal ambition of dictators have no ascertainable limits.

Without adequate defenses in the air, on the sea, and on the land that peaceful plane of Clarence Chamberlin's might have been multiplied by 200 or 500 enemy planes dropping over the metropolitan area morale-shattering and body-destroying explosive bombs instead of pleasure-creating and business-attracting boxes of candy. So, without realizing it, the Hackensack Chamber of Commerce has provided the people of its section with an example of what might have been. No American loves war, but every American loves his home and his family. He has worked and denied himself to create them both. He has insured them against all possible hazards but one.

Europe has graphically disclosed to him that new hazard from the air. As in all other forms of insurance the protection from that possibility will cost money. He is prepared to pay the premium. The world's dictators respect only one potential opponent, and that is a more powerful one. We are not now in that enviable classification, but with our industrial and manufacturing resources we soon can be. Our best insurance against Europe's dictatorial creed of might makes right is immediately to create an air force at least twice as strong as any foreign totalitarian power's.

If minorities-persecuting Germany can build 9,000 planes and scare Britain and France into supine surrender of all that they have held dear, America should build 18,000 or 36,000 to show Mr. Hitler and all his satellites of other dictatorial nations that America can and will defend its democratic self-government against them all. Its ancestors fought and died to create its priceless freedom of individual conscience, speech, and opportunity; and this generation are not spineless ingrates. They are prepared to at least pay and live to discharge their trusteeship in equal measure to their posterity. They can do no less if they would continue to call themselves Americans.

Public Address System

EXTENSION OF REMARKS
OF
HON. KARL STEFAN
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES

Monday, January 9, 1939

Mr. STEFAN. Mr. Speaker, this House Chamber has been used since 1857. There has been no material architectural change in this Chamber since that time. What important changes have been made were in the seating arrangements. Formerly each Member had an individual desk. This was eventually changed until the seating arrangement is as at present.

So, since 1857 Congresses have come and Congresses have gone, and Members have come and gone using the Chamber as it was used so many years ago. Speakers of the House have also come and also gone with recollections of terrible confusion; horrible chaotic conditions; terrible strain on the nervous systems and recollections and nightmares of disorderly and unruly membership. Speakers have suffered terribly from nervous shock as the result of failure to bring quiet and order. The beatings of the gavel must have rung long and loud in the brains of our beloved Speakers. Visitors from all over the world have visited the House gallery as the guests of Members. They have gone home with unpleasant impressions of a House of gentlemen in confusion. They have left bewildered because of the scenes they witnessed from these galleries. They went home with entirely the wrong impression of a lawmaking body of gentlemen at work.

Members of the House have become confused and bewildered time and again at the thought that their finely prepared speeches were seldom heard. Visitors in the galleries seldom heard the trend of the debates nor the trend of speeches being made by distinguished gentlemen who strained their voices in order to be heard even beyond the first row of seats in the House.

During many sessions a great part of the Speaker's time was taken up by pounding the gavel, endeavoring to bring order to the House, and urging Members who talked audibly and interfered with the business being transacted by the House to leave the Chamber and converse in the lobby. All of this confusion tended to wreck the patience, the nerves, and health not only of the Speaker but also those Members who were serious in the efforts to participate in the business

as being transacted. These conditions existed not only in our great Chamber but also in other chambers where law-making bodies assembled or where large gatherings were held.

Time marched on, and all over the world humanity took advantage of modern science and brought comfort and great convenience to those who could not hear so well and to those whose voices are not so strong as the voices of others. Thus came the modern public-address mechanism, which is so indispensable in these modern days.

Four years ago, through the aid of our beloved late Speaker, Joe Byrns, we installed such a public-address system in this House. It was not given sufficient time for testing and adjusting. There was general objection and it was removed.

A year ago our present distinguished Speaker with other distinguished gentlemen began studying the possibilities of better equipment, and our Architect did considerable experimenting and investigating, with the result that the system which is now installed in the House was given a trial. With more adjustments and experimentation, it is believed that it will become perfect and will bring more dignity to this House, and perhaps prolong the health of some of our Members, and certainly will facilitate the transaction of the important business which this Congress must transact.

By taking advantage of this modern science, Members of this House can transact business with more dispatch and efficiency, in my own belief. This is not a broadcasting system. The voice reaches only the confines of this Chamber. I call attention to all Members who have just finished their campaigns and ask them to recall the comforts of the loudspeaker system which so many used in making it possible for their constituents to hear what they had to say. Most of you have long ago learned how to speak into the microphone of your loud-speaking systems. This system in this Chamber is no different. Microphones are placed at various stations—one at the Speaker's table, one in front of the reading clerk, two in the Well of the House, and one each at the desks of the majority and minority floor leaders. The voice comes through the gondola which you see directly over the Well. An operator is located in the gallery with a monitoring apparatus which he adjusts to suit the various voices which come into the various microphones. It is all very simple. The adjustment is so made as to make the voice natural, and all mechanical sound is so eliminated as to make it practically a natural voice. Some may decide not to use the microphone. That is a matter of choice. Those who believe their voices are loud enough so that they can be easily heard may or may not use these microphones. It is just a matter of whether a Member wants to be heard or not. It is no longer necessary to strain the throat muscles. All that is necessary is to speak in a normal tone of voice. The operator who will have charge of the set will soon learn the inflection, quality, volume, and tone of each voice and can so adjust this system that each word should be heard in the remotest corner of this Chamber. Certainly our distinguished Speaker need no longer feel that he will not be heard. Certainly his voice will be heard, and dignity and calmness will prevail in this House.

Roll calls will be more rapid, reading clerks will have less difficulty in the transmission of readings to Members; reporters will have less difficulty in hearing; newspapermen in the press gallery need no longer hold hands to ears, the better to hear, and visitors in galleries will go back home with more impressive thoughts and feelings that the United States House of Representatives really transacts business in orderly and serious manner.

There are great possibilities for this public-address system. You will recall that many times even the President of the United States when he speaks in this House cannot be heard in the back seats nor in the galleries. Members see the Chief Executive and other speakers but many times cannot hear them.

I have been asked if this speaking system can be so constructed as to connect it with other offices. To this the reply is "Yes." The possibilities are unlimited.

Because of my interest in this new system and because of my earnestness in aiding the Speaker and others who are endeavoring so hard to bring more dignity and decorum to our congressional sessions, I ask that all Members be patient and give this public-address system a real serious test.

I wish Members who are jealously protecting the historical architecture of this great Capitol Building to know that I am continuing my fight against making any changes in the building which would destroy any of that historic architecture. The installation of this voice-aid system will in no way destroy this history. I understand that in another body there will be another attempt to change the front of the Capitol Building, and I wish to go on record here again against such a change. I pledge myself to fight against this proposed change and urge other Members to join me in this fight.

Roosevelt to Frankfurter

EXTENSION OF REMARKS

OF

HON. J. PARNELL THOMAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 9, 1939

LETTER FROM FORMER PRESIDENT THEODORE ROOSEVELT TO HON. FELIX FRANKFURTER

Mr. THOMAS of New Jersey. Mr. Speaker, in view of President Franklin D. Roosevelt's appointment of the Honorable Felix Frankfurter to the Supreme Court of the United States, I believe the following letter from the late former President, Theodore Roosevelt, to Felix Frankfurter, written in 1917, and as published in the Boston Herald, June 4, 1919, should be of great interest to the people of this Nation, so I take pleasure in quoting the following letter:

DECEMBER 19, 1917.

MY DEAR MR. FRANKFURTER: I thank you for your frank letter. I answer it at length because you have taken, and are taking, on behalf of the administration an attitude which seems to me to be fundamentally that of Trotsky and the other Bolsheviki leaders in Russia, an attitude which may be fraught with mischief to this country.

As for the conduct of the trial, it seems to me that Judge Dunne's statement, which I quoted in my published letter, covers it. I have not been able to find anyone who seriously questions Mr. Dunne's character, judicial fitness and ability, or standing. Moreover, it seems to me that your own letter makes it perfectly plain that the movement for the recall of Fickert was due primarily not in the least to any real or general feeling as to the alleged shortcomings on his part, but to what I can only call the Bolsheviki sentiment. The other accusations against him were mere camouflage. The assault was made upon him because he had attacked the murderous element, the dynamite and anarchy group of labor agitators. The movement against him was essentially similar to movements on behalf of the McNamaras and on behalf of Meyer and Haywood. Some of the correspondents who attacked me frankly stated that they were for Mooney and Billings just as they had been for the McNamaras, and for Meyer and Haywood. In view of Judge Dunne's statement it is perfectly clear that even if Judge Dunne is in error in his belief as to the trial being straight and proper, it was an error into which entirely honest men could fall.

But the question of granting a retrial is one thing. The question of the recall is entirely distinct. Even if a retrial were proper, this would not in the least justify a recall, any more than a single grave error on your part would justify your impeachment of President Wilson for appointing you. Fremont Older and the I. W. W. and the "direct action" anarchists and apologists for anarchy are never concerned for justice. They are concerned solely in seeing one kind of criminal escape justice, precisely as certain big-business men and certain corporation lawyers have in the past been concerned in seeing another kind of criminal escape justice. The guiding spirits in the movement for the recall of Fickert cared not a rap whether or not Mooney and Billings were guilty; all they were concerned with was seeing a rebuke administered to and an evil lesson taught all public officials who might take action against crimes of violence committed by anarchists in the name of some foul and violent "protest against social conditions." Murder is murder, and it is rather more evil when committed in the name of a professed social movement. It was no mere accident, it was the natural sequence of cause and effect that the agitation for the recall of Fickert because he fearlessly prosecuted the dynamiters (and, of course, no human

being doubts that Billings and Mooney were in some shape or other privy to the outrage) should have been accompanied by the dynamite outrage at the Governor's mansion. The reactionaries have in the past been a great menace to this Republic, but at this moment it is the I. W. W., the Germanized Socialists, the anarchists, the foolish creatures who always protest against the suppression of crime, the pacifists and the like, under the lead of the Hearsts and La Follettes, and Bergers and Hillquits, the Fremont Olders and Amos Pinchots and Rudolph Spreckels who are the really grave danger. These are the Bolsheviki of America, and the Bolsheviki are just as bad as the Romanoffs and are at the moment a greater menace to orderly freedom. Robespierre and Danton and Marat and Herbert were just as evil as the worst tyrants of the old regime, and from 1791 to 1794 they were the most dangerous enemies to liberty that the world contained. When you, as representing President Wilson, find yourself obliged to champion men of this stamp, you ought by unequivocal affirmative action to make it evident that you are sternly against their general and habitual line of conduct.

I have just received your report on the Bisbee deportation. One of the prominent leaders in that deportation was my old friend, Jack Greenway, who has just been commissioned a major in the Army by President Wilson. Your report is as thoroughly misleading a document as could be written on the subject. No official writing on behalf of the President is to be excused for failure to know, and clearly to set forth, that the I. W. W. is a criminal organization. To ignore the fact that a movement such as its members made into Bisbee is made with criminal intent is precisely as foolish as for a New York policeman to ignore the fact that when the Whyo gang assembles with guns and knives it is with criminal intent. The President is not to be excused if he ignores this fact, for, of course, he knows all about it. No human being in his senses doubts that the men deported from Bisbee were bent on destruction and murder. If the President, through you or anyone else, had any right to look into the matter, this very fact shows that he had been remiss in his clear duty to provide against the very grave danger in advance. When no efficient means are employed to guard honest, upright, and well-behaved citizens from the most brutal kind of lawlessness it is inevitable that these citizens shall try to protect themselves. That is as true when the President fails to do his duty about the I. W. W. as when the police fail to do their duty about gangs like the Whyo gang; and when either the President or the police, personally or by representative, rebuke the men who defended themselves from criminal assault, it is necessary sharply to point out that far heavier blame attaches to the authorities who fail to give the needed protection and to the investigators who fail to point out the criminal character of the anarchistic organization against which the decent citizens have taken action.

Here again you are engaged in excusing men precisely like the Bolsheviki in Russia, who are murderers and encouragers of murder, who are traitors to their allies, to democracy, and to civilization, as well as to the United States and whose acts are nevertheless apologized for on grounds, my dear Mr. Frankfurter, substantially like those which you allege. In times of danger nothing is more common and nothing more dangerous to the Republic than for men to avoid condemning the criminals who are really public enemies by making their entire assault on the shortcomings of the good citizens who have been the victims of opponents of the criminals. This was done not only by Danton and Robespierre, but by many of their ordinarily honest associates in connection with, for instance, the "September massacres." It is not the kind of thing I care to see well meaning men do in this country.

Sincerely yours,

THEODORE ROOSEVELT.

Life of Karl Stefan

EXTENSION OF REMARKS

OF

HON. CARL E. MAPES

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 9, 1939

RADIO PROGRAM EXTOLLING THE LIFE AND WORK OF HON. KARL STEFAN

Mr. MAPES. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio program extolling the life and work of Hon. KARL STEFAN:

Monday, December 19, 1938, was designated as "Karl Stefan Day" on radio station WJAG, Norfolk, marking the sixth anniversary of the beginning of the voice of the street program. Karl conducted the voice program and the noon news period. The latter was started in 1922 and Karl was its news caster for 12 years until he was elected to Congress. At 12:45 a Life of KARL STEFAN was broadcast in installments by the staff members of WJAG. This was compiled by Art Thomas, station manager. Data were obtained from WJAG and the Norfolk Daily News November 1, 1934, files.

I. KARL STEFAN AS A BOY AND YOUNG MAN

(Read by Art Thomas)

The first installment in the life of Congressman KARL STEFAN, our former chief announcer, covers the period of his boyhood and young manhood.

He is 54 years old. He was born March 1, 1884, on a farm near towns called Muelhausen (Mu-el-hou-zen) and Zebrakov, in what was then Bohemia, a part of Austria, later in Czechoslovakia. He came to Nebraska with his parents 52 years ago at the age of 2.

Karl's father was an artist. He was also an officer in the Austrian Army. When he died in Omaha he was buried with two medals which had been presented him by the late Emperor Franz Josef. He gave his son his name. Neither Karl nor his father had a middle name.

Karl's father fought against the Turks and was wounded in the arm by a poisoned bullet. Afterward, on the Danube River, Karl's father painted many of the pictures which hang in the old Scwartzenburg Castle in the mountains of Bohemia. In what is now Yugoslavia, Karl's father met Karl's mother and they settled on a farm in the Bohemian Mountains, where Karl was born.

Fifty-three years ago Karl's father decided he wanted to go to America. He didn't know just where he wanted to settle. So he took a map of the United States; hung it on a wall; walked back 10 paces, then closing his eyes and with his right hand outstretched, he walked toward the map and his finger touched Nebraska. So he and Karl's mother came direct to Nebraska. Karl was only 2 years old then. His father became the first settler of the Riverview Park district of Omaha and for many years a sign stood in front of the Stefan home reading, "The First Settler's Home." Karl's father was one of the community boosters which resulted in the building of Riverview Park. He painted murals and frescoes. This artistic ability skipped a generation. Karl's daughter was an artist before she married.

He attended the public schools of Omaha, going to what is now known as the Edward Rosewater School.

His first teacher was Miss Carrie Kumpf. Karl's mother wanted him to learn Bohemian and sent him to the Bohemian parochial schools. His father wanted him to learn German, and he sent him to the German parochial schools. For several months he attended German and Bohemian parochial schools.

Karl finished about the seventh grade in the public schools and the remainder of his education he received in the school of hard knocks and by self-education, night schools, and correspondence.

His religious education was obtained at the Park Forest Presbyterian Chapel. In 1910 he was confirmed in the Trinity Episcopal Church of Norfolk, the first church he ever joined, and in which he was a vestryman for many years.

Hard times forced Karl to leave school and go to work at the early age of 13. His first job was in a packing house. He also worked for the publicity department of the Trans-Mississippi Exposition and as a telegraph messenger boy, but continued going to school nights at the Y. M. C. A.

II. KARL STEFAN, THE TRAVELER

(Read by Russell Jensen, morning announcer)

He studied telegraphy and became one of the youngest and perhaps the fastest telegrapher in the country. He became a press telegrapher and copied some of the fastest wires of the Associated Press, Scripps-McCrae, the United Press, and other news-gathering organizations. In this capacity he studied journalism and became a newspaper writer. As a telegrapher and newspaper writer he traveled into every State of the Union, continually studying nights and during his spare time.

KARL STEFAN learned telegraph theory and became wire chief and relay chief for offices of the Western Union service. He worked as railroad operator and telegraphed for some of the prominent grain exchanges. He learned much about livestock prices by telegraphing at the South Omaha stockyards. Incidentally his brother now is the manager of that telegraph office at the stockyards. He was what was known in those days as a traveling telegrapher.

During the Philippine Insurrection Karl passed examinations as telegrapher for the Philippine constabulary and went to the Philippine Islands, where he became field telegrapher for Col. D. J. Baker in the campaign against the Filipino outlaw band headed by General Felizardo. He became closely connected with the Filipino Governor of Zambales Province and made many friends in the islands. His first newspaper work was on the Manila Times.

He studied navigation, and his gift for language helped him as interpreter. He wanted more education and after leaving the islands he made a trip around the world, working his way partly through the use of his languages. He was interpreter with tourist parties following the eruption of Mount Vesuvius and accompanied scientists to other volcanoes. He learned much about early wireless by frequenting the naval wireless station at Cavite, P. I. When Karl went to the Philippines again in 1935 with a congressional party he was met by scores of friends, both American and Filipino, who knew him so well there when he was a young man. Before leaving the islands the Philippine volunteer organization made him a colonel and the Spanish-American War post at Lincoln made him an honorary member in recognition of his services to various patriotic American organizations.

While in Europe he took a tramping trip through Bohemia and visited the house in which he was born, saw the birthplace of his father and mother, and interviewed many of Europe's statesmen.

He continued his free-lance writing and telegraphing and news writing when he returned from his travels. He worked in Omaha on the Bee, World-Herald, and News.

In Omaha in 1907 he married his school-day sweetheart, who is now Mrs. Stefan, and lived in Seattle 2 years as a telegrapher. They have two children, Ida Mae Askren, who was born in Omaha and who is a graduate of the Norfolk High School and Northwestern University, and who now is a commercial artist and lives with her husband and baby daughter in Chicago. One son, Dr. Karl Stefan, who is a medical doctor, was born in Norfolk, and who is a graduate of the University of Nebraska and now lives with his wife at Ridgefield, Wash.

In later life he toured Mexico, Central and South America, and Cuba.

III. KARL STEFAN, NEWSPAPERMAN AND RADIO ANNOUNCER

(Read by Don Huddle, afternoon announcer)

Karl came to Norfolk in 1909 as Associated Press telegrapher of the Norfolk Daily News. In those days, before teletypes, the news came by telegraph, and Karl read the copy from the wires and rewrote it for the paper. He later became city editor and was in that position when WJAG started in 1922 as the hobby of Gene Huse, owner of the News. During the World War he taught telegraphy for the Signal Corps. Karl was interested in radio and it was natural for him to be selected to prepare and broadcast the noon news period, which was the first one of its kind in the West. It was about that time he began to be called the "printer's devil."

Karl resigned from the News in 1924 to go into business for himself. He purchased a news and magazine distribution business and store. He also acted as correspondent for several news services and newspapers. He was a successful businessman. Although he left the News in 1924 he continued to act as noon news announcer for this radio station until he was elected to Congress in 1934.

For many years he did considerable free lance news writing and contributed to magazines specializing on stories of happenings on the farms in this district. He has always been a close and intimate friend of north Nebraska pioneers who gave him much assistance in his news writing of early north Nebraska days and history.

Karl originated the style of presentation of many of our daily features. The old cowbell welcome for new babies, a daily hospital report for friends and relatives back home, the radio family mythical table idea with so-called officials in the family such as father, mother, chicken eater, cripple girl, we-got-here-all-right club, and so on.

During his 12 years on the air Karl had many firsts to his credit. Besides being the first regular newscaster in the West, in October 1922 he pioneered in the reconstruction of world series' baseball broadcasts. He would take the news direct by dot and dash from a telegraph line and pass it on to the crowds gathered around receiving sets all over northeast Nebraska. That was before the days of play-by-play broadcasts direct from the ball parks. For years he conducted a telegraph school of the air. Karl also started the first regular daily "voice-of-the-street" broadcast in the West just 6 years ago today.

Today has experienced our first opportunity as a member of the radio station staff to hear Karl in the roles he created, both on the street and on the noonday news broadcast, and we understand better than ever why, after more than a few years away from the "mike," his prestige as a radio personality has continued undiminished.

IV. KARL STEFAN, THE CONGRESSMAN

(Read by Harold Kline, Sunday announcer)

Karl had never been in politics previous to 1924. He did not seek the office of Congressman. It sought him. We well remember the first letter received at the radio station suggesting he run for Congress. There seemed to be a general feeling sprung up through the district that Karl should run for Congress. So many of his friends appealed to him to do so that he finally agreed to make the race. The rest is history.

In 1934 he received over 72,000 votes and secured a plurality of about 20,000 votes.

Karl was reelected to Congress in 1936. He got over 81,000 votes, and had a 50,000 majority, one of the largest ever received by a Nebraska Congressman. His plurality on a percentage basis was one of the largest received by any Republican Congressman in the United States that year. He ran over 14,000 votes ahead of President Roosevelt in the same district.

This year he received over 78,000 votes, a plurality of almost 53,000 votes, and carried practically every precinct in his entire district.

His campaigns have always been very clean. He does not discuss partisan politics and pays no attention to the slurring remarks of opposition, and does not discuss his opponents.

While Congressman STEFAN is in Washington, he takes time off to write a weekly letter for the radio family, which we broadcast. Few listeners know how much time that takes and how busy a Congressman is, but Karl does it somehow, and listeners seem to appreciate it. One listener in Iowa, who likes these Washington letters, once wrote, "What became of the announcer you had with a peculiar brogue which I liked to listen to?"

To our Iowa listener we replied, "The announcer with the peculiar brogue you used to like to listen to is the same man who is writing the Washington letters which you now like to listen to."

Karl made friends in Congress very early. His most intimate friend became the late Joe Byrns, of Tennessee, who was Speaker of the House. From Byrns and many other older Members of the House, Karl quickly received instructions which made him a valuable Member to Members on both sides of the aisle. He conscientiously refrained from making speeches on the House floor which were tainted with party politics. When Joe Byrns died, Karl was one of the first Members to be requested to accompany the body of the Speaker to its last resting place in Nashville, Tenn. Incidentally, JOE BYRNS, JR., was elected last November from Nashville and will now represent the district which had been represented so many years in Congress by the distinguished late Speaker. Photographs of the late Speaker and his son are among the many photographs which adorn the offices of KARL STEFAN.

Speaking of photographs, Karl has in his possession autographed photographs of President Roosevelt, Speaker BANKHEAD, and many other distinguished statesmen with whom he has become very well acquainted in the past few years. Among these photographs is one of Vice President JACK GARNER, with whom Karl traveled to the Orient in 1935. Both men are very close friends and visit frequently during sessions.

KARL STEFAN has dedicated his legislative program to farming. He made it plain early in his announcements in Washington that good farming legislation and aid for agriculture would be the basis of his work in Congress. He became one of the organizers of the new popular Prairie States Committee of Congressmen, which is composed of about 75 or 80 Members of Congress from the farming States. He was a member of the committee which called on the President and worked out the farm-to-market road program which resulted in many millions of dollars being expended on farm or secondary roads. He introduced such measures as the feed and seed loan bill which demands that these loans be repaid "bushel for bushel, in kind." He appeared many times before various committees and made many speeches on the House floor, giving detailed information of conditions on the farms of the Third District, with the result that much attention was given to this farming section. Karl was placed on five important committees in the House—Education, Roads, Buildings and Grounds, Patents, and Insular Affairs. He is a member of the minority committee on committees and also a member of the National Republican Congressional Committee.

He has urged the combining of Army and Navy under one head for the purpose of economy, efficiency, and peace. He protested against the extravagance of an army in the Philippines. He is opposed to the patronage system.

V. KARL STEFAN THE MAN

(By Art Thomas, station manager)

It is fitting that in closing this series we say a few words about KARL STEFAN the man.

His voice is known to thousands who have never seen him. It is an unusual voice, one that is well understood, one with a friendly tone. Karl has always been a student of human nature, interested in people. He has lived in a house by the side of the road and been a friend of man.

Some men's voices and mannerisms conceal their real self. Karl's voice discloses his sincerity of purpose.

He is not of the dynamic type but of the diplomatic type who gets things done quietly and effectively. He is constantly being underestimated by his political opponents and even by some of his friends.

In our 7 years' association with Karl we have noted one outstanding characteristic. He is constantly being advised by people to do things in a certain way, and he does them in another and better way, which is usually conceded to be right by the person who thought it ought to be done differently.

In order to save Karl's time and our own we have had a "gentleman's agreement" with him for 7 years that we were friends and always would be until one notified the other that we would never have to wonder how one felt about the other, that we would each go about our respective tasks and not feel obliged to waste any time in back slapping.

We are often asked by people who know his voice to describe the man.

Karl is five feet eight and a half inches tall, weighs 160 pounds, has medium light-brown hair, blue eyes. He somewhat resembles photos of ex-President McKinley.

There are many more incidents we might relate if time permitted; we recall this one:

One of the most embarrassing incidents in the life of KARL STEFAN, of which he talks frequently, is the first time he was elected to Congress, and when some of his opponents put out the rumor that he was not a citizen of the United States. The Associated Press and United Press asked Karl about it, and he had a hard time finding his father's naturalization papers which made him a citizen. Lola Moore, of Norfolk, who was Karl's stenographer at that time, found the papers in Karl's lockbox hidden carefully under some old newspapers. The naturalization papers, yellow with age, told how his father took out his first papers as soon as he arrived in Nebraska about 52 years ago and how his second papers were taken out shortly afterward. That proved that Karl was a citizen ever since he was a baby. Karl took the papers back to Washington with him and had them in his hand when he took his first oath of office as a Congressman.

Although Karl has traveled into every State of the Union and visited nearly every country in the world, his closest friends know that he loves Nebraska, and especially north Nebraska, the best of all. When asked where he would settle for life if he had the chance, Karl always said "Nebraska." His little five-room home

on North Tenth Street is one of the oldest houses in town, and although he has had lots of chances to get a bigger and newer house Karl has always told friends that he wouldn't trade his five-room house for the best castle in the world.

The Congressman's wife has never appeared in the limelight, but she is a charming lady, a good mother, and grandmother (she doesn't look it), and has aided him greatly in his work. She is corresponding secretary of the Congressional Women's Club. Her maiden name was Ida Rosenbaum. She was born in Watertown, Wis., on the 4th of July, one of nine children of Mr. and Mrs. Frank J. Rosenbaum. They moved to Omaha in 1886 from Watertown, Wis. Mrs. Rosenbaum was born in Germany, and came to America at the age of 16. Both Mrs. Stefan's parents are dead. She takes great interest in the welfare of the many relatives on both sides of the house, and we know she is looking forward to a visit soon with their first grandchild Elizabeth, about 1½ years old.

As a parting recollection of our honor guest, and as an evidence of his characteristics, we very well recall when Karl suggested the voice program. We explained to him the technical difficulties and expense involved. He offered to conduct the program without any extra compensation from us, if we would furnish the time and equipment, to which we readily agreed. For 2 years he conducted the program and put in a lot of time on it, as a friendly gesture to the station and its listeners, all without financial reward. He even paid for the advertising of his own business, just as he has always paid for the time he used during political campaigns.

In behalf of the radio family, we wish Mr. and Mrs. Stefan a very Merry Christmas and a Happy New Year.

The New Deal Armament Program

EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 9, 1939

RADIO ADDRESS OF HON. HAMILTON FISH, OF NEW YORK, ON FRIDAY, JANUARY 6, 1939

Mr. FISH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address delivered by me over the National Broadcasting Co.'s red network on Friday evening, January 6, 1939:

I propose to confine my remarks this evening to the foreign policies set forth by President Roosevelt in his address to the Congress and wait until he sends in his specific recommendations on national defense to discuss that issue. It is essential in any proper discussion of our foreign policies that problems of national defense be in no way confused with picking out the aggressor nation or acting as a policeman for the morals of the world. National defense is strictly a matter of proper and adequate defense of our own territories, the protection of the rights of our citizens throughout the world, and to uphold the Monroe Doctrine. I am and have been in favor of adequate national defenses to carry out such purposes.

President Roosevelt's sensational attacks on the forms of government in other nations and the tirades of members of his Cabinet can only lead to disastrous consequences and war. As much as American citizens abhor racial and religious persecution and ruthless militarism, it is none of our business what form of government may exist in Soviet Russia, Fascist Italy, Imperial Japan, or Nazi Germany any more than it is their business what form of government exists in our own country. We have our own problems to solve in America without becoming involved in the rotten mess in Europe or in the eternal wars of both Europe and Asia.

The inflammatory and provocative message of the President to Congress and the world has unnecessarily alarmed the American people and created, together with the barrage of propaganda emanating from high New Deal officials, a war hysteria, dangerous to the peace of America and the world. The only logical conclusion to such speeches is another war fought overseas by American soldiers.

I shall never vote to join in any foreign wars without the consent of the American people, expressed in a Nation-wide referendum, unless we are attacked.

The fact is the United States was never safer from attack or invasion by any foreign power than today. We have the most powerful Navy we have ever had, and with appropriations already authorized it will be 50 percent larger than the Japanese Navy and three times the size of the German Navy.

All the totalitarian nations referred to by President Roosevelt are and will be for many years seriously involved in their own immediate spheres and haven't the faintest thought of making war on us or invading Latin America.

I do not propose to mince words on such an issue, affecting the life, liberty, and happiness of our people. The time has come to call a halt to the war mongers of the New Deal, backed by war profiteers, Communists, and hysterical internationalists, who want us to quarantine the world with American blood and money.

President Roosevelt, very properly, quoted from Abraham Lincoln (the first Republican President) in his message to Congress, but let me quote to you George Washington's advice to the American people in his Farewell Address, which applies with equal force today:

"Antipathy in one nation against another disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable, when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests. The nation, prompted by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy * * * The peace often, sometimes perhaps the liberty, of nations has been the victim."

Listening to President Roosevelt's speech Wednesday, I concluded that the New Deal farm and economic program had collapsed to such an extent that the Chief Executive had no plan or constructive suggestion to restore confidence, recovery, and reemployment of American labor, except to spend more billions for armaments and destructive purposes. He evidently desires to whip up a frenzy of hate and war psychosis as a red herring to take the minds of our people off their own unsolved domestic problems. He visualizes hobgoblins and creates in the public mind a fear of foreign invasions that exist only in his own imagination.

Nothing more clearly demonstrates the collapse and failure of the New Deal than the fact that he has no more white rabbits with which to pull us out of the Government-made depression and provide jobs for the 12,000,000 unemployed, but instead produces a red, white, and blue rabbit of war hysteria, imminence of war, and billions of the taxpayers' money for armaments for aggression and not for national defense.

"Beware of false prophets, which come to you in sheeps' clothing."

President Roosevelt said in his message to Congress: "Once I prophesied that this generation of Americans had a rendezvous with destiny. That prophecy comes true." What is this rendezvous with destiny the President speaks of? Does it mean foreign entanglements, entrance into the League of Nations, collective security, military alliances, united front with the Communists, and a huge spending program for destructive purposes and war?

Does it mean more millions of conscripted American youth to fight and die in foreign lands? Does it mean the scrapping of our traditional foreign policies of neutrality, nonintervention, and peace in order to select and make war on aggressor nations? Does it mean the saving of democracies through war and Fascist methods, which may instead overwhelm and destroy our free institutions permanently?

In spite of the fact that the American people want peace and to be isolated from other peoples ancient blood feuds and wars, President Roosevelt recommends that the Congress give him power to determine the aggressor nation and to set up economic sanctions and reprisals, which means becoming directly involved in foreign entanglements and in wars all over the world. It is sheer humbug for Senator PITTMAN or anyone else to try to make out that sanctions against a first-class power will not involve us in war.

Historians have not yet determined what nation started the last World War, but President Roosevelt proposes that we discard our traditional policy of neutrality and peace, as proclaimed by George Washington and adhered to by every President since that time, and substitute collective security, military alliances, and sanctions against the aggressor nation, all of which mean bloody, ruinous, and costly war.

I do not believe that the Congress will scrap the fundamental principles of our traditional foreign policy of peace for one of war and making the whole world the potential slaughterhouse for the youth of America.

President Roosevelt, true to his devotion to internationalism and entrance into the League of Nations, recommended action by Congress that would practically put us into the League body, boots and breeches, and into a united front with the Communists.

Failure to solve the problems within our own country does not justify conjuring up a fictitious straw man of war.

President Roosevelt said to us in Congress, that "we learned from the past what not to do." Now the President proposes that we make the tragic mistakes that will inevitably force us into war throughout the world. He wants us to repeal the neutrality law, aimed to keep us out of foreign conflicts, which he has refused to enforce in spite of his constitutional oath of office to do. Now, under the guise of a war emergency, which exists only in his own mind—and for what other purposes, political or otherwise, I do not know, as I am not in his confidence—he wants the Congress to turn over to him its war-making powers, such as determining the aggressor nation.

Instead, the time has come for the Congress to take back some of the emergency powers granted to President Roosevelt and restore representative government in the United States. The time has come to stop all this hysterical talk of war, attacks on foreign governments, and use of economic sanctions and force to make the world safe for democracy.

We tried that course 20 years ago, and since then the nations of Europe have gone to the left and to the right into communism, fascism, and nazi-ism. What a travesty; what a mockery; and

what a tragedy. England and France have rent the veil of illusion that they are champions of democracy when they sacrificed Czechoslovakia, the only real democracy in Central Europe. Furthermore, both England and France have recognized the seizure of Abyssinia by Italy and of Austria and Czechoslovakia by Germany.

Are we to ally ourselves with the Communists, the deadly enemies of America's free institutions, in order to make the world safe for the Communists? The Communists have reversed their position so often since 1935, when they first alined themselves with the New Deal in a united front movement, that they meet themselves coming back.

It should be no surprise to any well-informed American that the Communists are now leading the Roosevelt parade for superarmaments and beating the war drums louder than any other group in the country. They are united in wanting us to make war on Japan, Germany, and Italy for the benefit of Soviet Russia.

I do not agree with the President when he said that dangers within are less to be feared than dangers from without. I know of no nation that has the faintest idea of attacking us, or could if they wanted to, whereas there are millions of Communists, Fascists, and Nazis within our country who seek to destroy our free institutions and overthrow our republican form of government.

The American people must remain cool, calm, and collected and divorce national defense from war hysteria. We must keep our feet on the ground and ponder well before we act. I do not favor any economic sanctions, reprisals, or trade embargoes against any foreign nation except on arms, ammunition, and implements of war. If I had my way I would not sell such arms or implements of war in time of peace as well as in war. Sanctions and embargoes are unneutral and hostile acts and create and perpetuate enmity and hatred and eventuate in war unless applied equally against all belligerent nations.

The extent to which fear and dread of war has spread throughout the Nation was recently demonstrated in New Jersey by the actual belief in an invasion by warriors from Mars. There is no more chance of Nazi soldiers attacking or invading America than there is of an attack from Mars.

Let us unite in putting out the flames of war propaganda and hysteria. We should uphold our own American institutions and system of government and thus set an example to the world of justice, peace, and democracy.

In conclusion, I urge all loyal American citizens not to compromise in any way within our own country with nazi-ism, fascism, or communism. There can be no compromise in free America with any of these imported and alien forms of dictatorship and despotism.

Before I am a Republican I am an American and my attitude on keeping us out of foreign wars would be precisely the same under any administration that tried to involve us in economic reprisals, sanctions, or war commitments.

Congressional Problems

EXTENSION OF REMARKS

OF

HON. EDITH NOURSE ROGERS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 9, 1939

RADIO ADDRESS OF HON. EDITH NOURSE ROGERS, OF MASSACHUSETTS, ON THURSDAY, JANUARY 5, 1939

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following radio address delivered by me over the Columbia Broadcasting System on Thursday, January 5, 1939:

Good evening, ladies and gentlemen, one of the real factors contributing to make our Nation a unity today is a general knowledge and understanding of our national problems by the people as a whole. The opportunities of discussion from time to time presented by the Columbia Broadcasting System and other similar institutions are of great benefit to the people throughout the country. As a Representative in Congress I am very grateful to the Columbia Broadcasting System for this chance to join in the discussion of some of the important problems confronting the Seventy-sixth Congress.

As this new Congress begins to work the eyes of the whole Nation are focused on it. Throughout the country all of us are concerned regarding the legislation and laws to be enacted directly affecting our welfare. We want these laws to specifically deal with the problems that are to be solved without violating our Constitution. We do not want any legislation that will interfere in any way with our rights and privileges as free men and women. The Nation wants strong, effective, constructive legislation, but at the same time our people want to act and think freely and independently. In all of our activities we want to be certain we are going forward. It is in this way of meeting our problems, of advancing toward a larger, fuller, and more independent life, that as a Member of Congress I talk over with you our affairs this afternoon.

The problems which must be solved by this new Seventy-sixth Congress have to do with conditions both within and without the country. Regardless of this division, however, they are closely related. Because of this relationship it would be inefficient and ineffective to solve only part of the problems. All of them must be constructively solved.

Looking over our domestic condition, the most important problem confronting us today is the same one we faced 8 years ago, namely, unemployment. There are over 12,000,000 workers without jobs in our country. Many of these men and women have families dependent on them, so that it can be conservatively said that one-third of the Nation is still without the means of an independent living. This condition cannot and must not continue. Since methods designed to correct it in the past have completely failed, it is necessary for us to attack the problem with new and different methods. I think you will agree with me that if work could be provided for our unemployed men and women at decent wages and decent hours and working conditions our country would soon enjoy prosperity again. Many of our apparent problems of today would then disappear. Prosperity, to me, means jobs—jobs for these millions of unemployed. I do not mean any old job or a temporary job, but a job that is steady, that a worker and his family can depend on—a job so necessary in the economic scheme of things that a worker will be interested—interested in doing his best. Prosperity to me means more. It means a contented and happy people, with sufficient purchasing power to obtain not only the necessities of life but a few of the so-called luxuries. It means a people sufficiently grateful to the country providing such opportunities that they will fight to protect it within from the devastating propaganda of cowards, anxious to take all the benefits of a free country yet wanting to destroy it on the shoals of totalitarianism and dictatorship. Prosperity means a people so grateful for their advantages that they will give all—life itself—to protect the country of their opportunities from the invasion of any enemy.

How can jobs be provided for this great number of unemployed? That is the burning question of the hour, just as it has been for the last 8 years. In regard to the solution of this problem, I have a few suggestions to present to you for your considered judgment that I believe are sound and progressive.

First. Business and industry must be assured that the Government is not going to control but rather cooperate and assist in every way possible for its improvement and successful operation. Government should aid in every way possible to discover new inventions, new products, new methods, and new ideas in the industrial process. Government should become a help, not a hindrance.

Second. Business and industry should reappraise its own activities and processes to determine whether or not it is honestly giving a fair deal to the public. Unreasonable prices for unreasonable products is a cause for a lack of purchasing power. Quality merchandise again should be obtainable at a fair price. Treat the public to a real bargain occasionally. Both will benefit by it.

Third. Just as the Securities and Exchange laws protect the people from dishonest investments and shysters with unsound money-making claims and get-rich-quick schemes, there should be laws enacted to protect the people from dishonesty in business, the misrepresentation of product, overchanging, and gyp artists in business not to serve the public but to actually steal the people's money. Such laws would establish again the confidence of the public in business in general.

Fourth. Minimum wages for all classes of work, high enough to afford a worker to live properly, must be established throughout the country. For these classes of work lower wages cannot be paid. The minimum should be the same everywhere. Higher wages may be paid, depending on the skill and efficiency of the worker. Maximum hours must be set up in order to allow the worker time for relaxation and pleasure. The wages and hours bill enacted by the last Congress is a big step in the right direction. I supported this bill, believing it could be amended and improved. This must be done.

Fifth. Small industries and small business must be protected from unfair competition of large, more powerful institutions.

Sixth. Government help must be made possible for all worthy industries and business institutions which are unable to obtain private credit.

Seventh. Credit should be made easier to obtain by a revision of the national banking laws, with a Government insurance plan set up to protect national banks from losses. The vast amount of frozen funds in our banks must be made available for the development of our industries, rather than loaned to foreign countries to be used for the development of their industries and for their rearmament plans. We will not permit our money to be used to finance armaments of countries opposed to our system of government.

Eighth. Industries in the United States competing with foreign concerns paying slave wages must be protected by law. This protection is not possible under the Reciprocal Trade Act.

Ninth No State should be permitted to steal another State's industries by offering cheaper labor, lower operating costs, and free taxes.

Tenth. An exhaustive study of our markets by experts should be commenced immediately in order to determine the best methods of facilitating and increasing consumption of our products. Wherever the Government can assist and cooperate, it should do so. Every

effort should be made to merge the seasonal trend into a constant flow of consumption goods. To do so would aid to make employment in certain industries steady rather than seasonal.

These suggestions are roughly stated. If they can be utilized, I believe the result would be a large increase in our business and industrial activities. This increase would require a large amount of employment, reducing unemployment to a minimum.

As I previously mentioned, our industries manufacturing products that directly compete with the products of foreign concerns, working long hours and paying slave wages, must be protected by law. This is necessary if we are to maintain a decent standard of living for our workers. Although the reciprocal trade treaties negotiated completely by the Department of State have some merit, they do a very devastating act when they force American workers to compete with the cheap living conditions of the slave labor of foreign industries. Furthermore, these treaties force the emphasis of competition on cheap products, in many cases so lacking in quality they are practically valueless. Because of this unfairness to American workers their emphasis toward a cheaper standard of living; and because they violate the treaty clause of the Constitution I have introduced a bill in this Congress calling for the repeal of the Reciprocal Trade Agreement Act. I believe the people should have a fair forum in regard to treaties with other countries. The Constitution made that forum the United States Senate by providing that all treaties between the United States and other countries must be ratified by the Senate. I demand that that power be returned to the Senate from the executive branch of our Government.

With employment taking place in business and industry there would be a great decline in the number of our people obliged to work for the W. P. A. Until, however, the time arrives when private industry again is able to reemploy our workers the W. P. A. must and will be continued. One of the problems this new Congress faces here is the removing of politics from W. P. A. activities as well as all Government relief agencies. Every person honestly requiring the service of any Government agency should receive that service regardless of politics and without any politics entering into the question at all. Politics must be removed from these agencies.

There are other large and serious problems of a domestic nature this Congress must consider. I haven't the time to discuss them in detail. The Social Security Act must be amended to make it more beneficial to the people.

Largely due to the economic upheaval caused by the war and changes occurring during the depression years, men and women have found it impossible to gain employment if they are over 60 years of age. Many have lost their savings and property. This new Congress faces the problem of working out some plan that will be helpful and at the same time feasible for the country as a whole.

Some time during the last few years many of you have either experienced or witnessed a terrible accident on the highway. During the last decade nearly a half million of our citizens were killed in highway accidents. This is a problem of national concern. This new Congress faces the task of working out some method that will aid in the prevention of this terrible toll of the highways.

Then there is the necessity of medical aid and hospitalization for the needy. This problem is closely associated with the painful, slow-killing disease of cancer which science knows so little about. Almost 600,000 men and women have cancer in America today. Approximately 150,000 die each year. This presents a problem of grave concern and is national in scope. This new Congress must give consideration to methods of aiding in the solving and prevention of this horrible disease. It is the greatest public-health problem before us today.

With your permission I desire to speak primarily to the people in my own section of New England. (As you know, I am a Representative from Massachusetts.) As a result of the hurricane there is a real menace to the lives and property of everybody in that area. I refer to the fire hazard caused by the fallen trees in the numerous wooded sections of Massachusetts and New England. The United States Forest Service is well aware of the danger, for on December 21 the Acting Chief of the Forest Service wrote to me—and I quote from his letter: "Fire hazard conditions in New England, as they will exist next spring, cannot be exaggerated. To anyone who has been in the disaster area, the thought of the possibilities of a disaster even greater than the hurricane is appalling. If measures are not taken and fires are not adequately handled during the coming spring fire season, I predict there will be loss of life and property throughout the path of this hurricane equal and even beyond that done by the storm itself. I feel a tremendous responsibility in all these undertakings and feel that all influential and thinking people should be apprised of the exact situation and then prepare to prevent these things from happening."

This peril to our people and their homes is evident to everybody who has seen the wreckage and havoc caused by the storm. It is an emergency that cannot be handled by ordinary means. The experts have estimated that it would require a force of 39,000 men to clear the forests and place them in a safe condition. The W. P. A. has been unable to furnish anywhere near the required number of men. Not only is there insufficient manpower, but funds for the work are not available.

On the opening day of Congress I introduced a bill calling for the appropriation of sufficient money to carry out this work. I shall do everything in my power to have that bill become law, and at once. It is of vital pressing importance, and I ask not only the support of my colleagues in Congress but of all of you who are listening, in this effort to provide relief from a very real danger.

Besides this emergency legislation, Massachusetts and its Representatives are urging that this Congress take definite steps toward a system of flood control. My congressional district has suffered repeatedly from the flood waters of the Merrimack River. Surveys have been made by the United States Army engineers and recommendations for flood control and prevention have been made. Congress must act upon these recommendations and provide the funds for the work. Each year the people living along the banks of the river dread the rising of the waters which have forced them so often to leave their homes and to lose their belongings. It is a problem that must be faced.

Turning from the domestic scene to foreign affairs, we find some very important problems this Congress must consider. First of all our neutrality legislation must be amended to make it practically neutral, or it must be repealed completely. As it now stands it is a measure possessing greater chances of involving us in war than in keeping us at peace.

Then there is the great problem of our national defense. Today, in this world of force and aggression, power seems to be the only quality that demands respect. All of you know about the invasion of Austria and the reducing of this proud 900-year independent country to a vassal state. All of you are familiar with Munich and its immediate results. All of us realize that there was no real peace obtained from the Munich conference. Here in America we possess a great country and the finest system of government ever conceived by man. We must protect that which we have. We must maintain our responsibility to the Western Hemisphere. From this policy there will be no turning, regardless of the party in power. In order that we may defend and command proper respect we must be adequately prepared. Adequate preparation involves complete units of defense on land, sea, and air on the Pacific and the Atlantic coasts in order to reduce the importance of the Panama Canal from a naval point of view. Our Pacific defenses must be adequate for the requirements there, and our Atlantic defenses must be adequate for protection there.

Ladies and gentlemen, I am a member of the great Foreign Affairs Committee of the House of Representatives. I do not favor war in any sense unless it is forced on us to defend that which we have. I know the horror and tragedy of war. I was overseas in the last one. May I remind you that at 2:30 a. m. on Monday, September 26, 1918, 2,700 guns opened fire in the greatest battle Americans ever fought—the Meuse-Argonne offensive. The barrage flashes as a million American boys flung forward across the terrible terrain in an attack that broke the Hindenburg line and continued on until the armistice. We pulled the chestnuts out of the fire for European democracies then. Today we are concerned only with our own democracy and those of the Western Hemisphere.

It is my work to try to prevent any more American boys from fighting on foreign soil again. I know you will agree with me that we must strive for peace always. To insure that peace, however, we must be prepared to adequately defend our country.

A New Antilynching Bill Presenting a Reasonable Plan on Which Both North and South Should Agree

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EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 5, 1939

Mr. LUDLOW. Mr. Speaker, there is only one way to cope effectively with the lynching evil and that is to impose swift, certain, and summary punishment on those guilty of the crime of lynching. The person who feels an impulse to join in this hideous crime will think twice if he knows that if caught he will do a long term at hard labor or stretch at the end of a rope.

I wish to suggest a new approach to this subject which, I believe, would go a long way toward curbing this despicable crime. It is a reasonable plan. It contains no trace of sectional discrimination or sectional animosity. It is a plan on which both North and South should agree.

Lynching will never be stopped until the law is made more terrifying than it now is, which is another way of saying that there will never be any adequate or effective control of this atrocious crime until Congress enacts a Federal antilynching law.

As long as the lawless element knows that prosecution under State laws is a farce, to be flouted with impunity, there will be no real curb on lynchers. But if the lawless element realizes that as soon as it commits this crime it will have J. Edgar Hoover on its trail and a bunch of expert G-men

running down every guilty participant, we may expect a cooling off of lynching ardor, and a probability that lynching will drop from the top of the list of abominable crimes to near the least in frequency and importance.

How then can J. Edgar Hoover and the Bureau of Investigation be brought into the picture? Attorney General Cummings, Mr. Hoover's chief, is inclined to think that Hoover and his Bureau cannot figure in the prosecution of lynchers. I asked why that is so, when they figure with tremendous effect in the punishment of kidnapers.

The difference, I learned, was that lynching is regarded as a local crime, the same as murder, while kidnaping is, or may be, an interstate crime. Theoretically, one is intrastate while the other is interstate. The fact is that Federal jurisdiction over kidnaping often hangs by an invisible thread. In many instances the interstate feature is lacking or is little more than a figment of the imagination, and yet, as far as anyone knows, there is never a crime of kidnaping that does not bring the Bureau of Investigation into immediate action, with very wholesome results.

If the same federal activity can be directed against lynchers we may hope for a cessation of the lynching evil. It was a very wise idea that brought the Federal Bureau of Investigation into action against kidnapers and it will be an equally wise idea that will turn its attention to lynchers. I have introduced a bill which proposes to attack lynching from this new angle of getting the Federal Bureau of Investigation interested. It is as follows:

Be it enacted, etc., That (a) it shall be unlawful for any person to move or travel from one State into another State for the purpose of aiding or abetting the lynching of any person.

(b) It shall be unlawful for any person to send by telephone, telegraph, or radio, or through the mails, any communication which urges or invites any person to aid or abet the lynching of any person.

(c) As used in this section the term "States" means a State, Alaska, Hawaii, Puerto Rico, and the District of Columbia.

(d) Violations of this section shall be punished by imprisonment for not less than 5 years.

SEC. 2. Whenever a lynching occurs in any State, the Federal Bureau of Investigation is authorized and directed to investigate the facts in connection with such lynching to determine whether, in connection with or in the course of such lynching, any crime against the United States has been committed.

Nowadays whenever a lynching occurs the Federal Bureau of Investigation takes no notice of it whatever. This seems strange when we realize the revolting, degrading nature of the crime and when we remember that the Bureau of Investigation is the Nation's strongest arm dealing with the criminal element. But let my bill pass and the Bureau of Investigation will be on the spot, wherever a lynching is committed. Furthermore, the knowledge that it will be on the spot will be a powerful deterrent to prevent lynching from occurring for all criminals have a genuine fear of Hoover and his Bureau.

I cannot but feel that my bill approaches the problem in a more sane and sensible way than the legislation that has been urged before Congress in recent years. I supported that legislation because I believed a start should be made, but always with a feeling that it was in a considerable degree impractical and unjust. Both the Gavagan bill as it passed the House and the antilynching bill as reported to the Senate proposed to lay a monetary penalty up to $10,000 against the county where a lynching occurs. In any county where a lynching is committed perhaps only a small fraction of 1 percent of the people are guilty, the remaining 99 and a fraction percent being wholly innocent. It is manifestly unjust to penalize such a large group of people who are as innocent as a newborn babe. What it amounts to, in the final analysis, is that the innocent are punished and the guilty escape, because, as a general rule, lynchers are irresponsible riffraff who do not pay taxes and who therefore would not have to pay any part of the fine.

It certainly is a strange principle of law that the innocent should be punished and the guilty should go scot free. That is not the way, in my opinion, to uproot the crime of lynching. The way to uproot it is to impose a punishment on the guilty that will be swift and tough, to make certain that those who are guilty are made to feel the lash of justice, and to cause all others to realize that it does not pay to go up against the Federal buzz saw. The bill I propose would remove these antilynching cases automatically from the communities, where local sympathy is too often a handicap to justice, to the Federal courts, where the trial will be according to the law and the evidence.

I doubt whether a bill that inflicts punishment on a whole county, 99$\frac{9}{10}$ percent of which is innocent, will ever pass Congress. Southern Members of Congress will never permit such a bill to go through. I believe that my bill, which limits the punitive operations of the law to the guilty but provides a way to inflict swift punishment on those who ought to be punished, can be passed by a majority composed of Members from the South as well as the North. Lynching is not entirely a sectional crime. The worst lynching I ever have known occurred in Indiana and the victims were whites. As I understand the attitude of the South, it does not object so much to punishment of the guilty as it does to the humiliation of the indictment and punishment of entire counties for crimes committed by a few lawless persons. As it appears that this is a subject which Congress must sooner or later deal with, I commend my bill to Members from both North and South.

CORRESPONDENCE WITH DEPARTMENT OF JUSTICE

For further enlightenment, I present herewith correspondence that has passed between the Attorney General and myself, as follows:

JULY 15, 1938.

Hon. HOMER S. CUMMINGS,
Attorney General, Department of Justice, Washington, D. C.

DEAR MR. CUMMINGS: I am writing to suggest that you initiate at once a study of the horrible crime of lynching, which has again broken out with virulence in two States of the Union, with a view especially to drafting and having ready for presentation to Congress when it reconvenes in January a plan of legislation to suppress this awful crime in the future.

Put some of the best legal minds of your Department on this work, and if you select a committee to make the study, which I think would be a practicable method of procedure, by all means appoint J. Edgar Hoover on that committee. Indeed, Mr. Hoover would be a very good selection for chairman of the committee, in my opinion.

A plan of governmental campaign against lynching similar to the one which proved so effective against kidnaping would soon erect a powerful deterrent against mob violence. If the Government will exercise the same foresight, initiative, vigor, and intelligence in dealing with lynching it has exercised in dealing with kidnaping, the problem will be near solution. It is true that kidnaping has not entirely ceased as a result of the law proposed by your Department, but means have been provided to bring kidnapers to swift and summary justice and the evil has been measurably abated. Surely lynching is no less terrible and repulsive a crime than kidnaping and no less deserving of governmental attention.

It could hardly be said that any kidnaping crime could be more abhorrent and more destructive of the peace and dignity of the United States than the crime which took place, for instance, at Rolling Fork, Miss., on July 2, when Tom Green, 48-year-old Negro, was shot, tied to an automobile, and dragged through the streets, and then burned, or the similar mob outrage committed at Arabi, Ga., on July 9, when John Dukes, a 60-year-old Negro, was burned to death as he was in the throes of dying from bullet wounds.

Such revolting crimes are enough to chill the marrow of every right-thinking citizen and to bring a crying demand that the Government, which is entering into so many far-flung activities for social advancement, shall make a study of the unspeakable crime of lynching, with a view to devising some effective measure to suppress that major crime. You are the official best qualified to direct that study, and the time to undertake it is now, so that Congress, when it reconvenes in January, may have before it the concrete results of such study in the form of an antilynching bill that will do the work. With the Government's prestige back of such a bill, just as it was back of the antikidnaping bill, the problem of suppressing lynching will be tackled in a way that will promise real results. The Gavagan antilynching bill, which we passed through the House at the last session, may not be the entire solution of the lynching problem. It may not be even the right solution, though I believe it is a step in the right direction. Every lynching is a blot on the Nation and a crime against America. It is, therefore, a problem for the Government to study, to try to find the remedy, and especially for your Department, which is dedicated to the maintenance of law and order.

I respectfully submit these thoughts for your careful and serious consideration and I would appreciate having your reaction to them.

Very sincerely yours,

LOUIS LUDLOW.

JULY 22, 1938.

Hon. LOUIS LUDLOW,
House of Representatives, Washington, D. C.

MY DEAR MR. CONGRESSMAN: This acknowledges your letter of July 15. What you say about lynching is entirely warranted. I view the

crime with loathing and would welcome any feasible method of dealing with it.

Lynching is murder however you look at it. In almost every instance it is, like any other murder, entirely local, and has no interstate aspects whatsoever. The kidnaping statute to which you refer is, of course, based upon the existence of an interstate offense, viz, the transportation of a kidnaped person in interstate commerce. Any comparison between interstate kidnaping and intrastate murder is apt to be misleading.

The subject of lynching has been so long under consideration by Congress and eminent and learned members of the Senate and the House have so thoroughly debated it and so well understand its legal problems and its social implications that I feel it would be presumptuous on my part to volunteer advice as to what course Congress should pursue.

Such studies as we have made in the Department of Justice with reference to the legal problems involved are now, as they have heretofore been, available to any appropriate congressional committee having the matter in charge. As I view it, the responsibility, so far as Federal legislation is concerned, is primarily and unmistakably upon Congress.

Upon reflection I am sure you will agree with me that the only appropriate course for the Department of Justice, under the circumstances, is to be as cooperative as possible in connection with the problems of law involved, leaving the ultimate conclusion both as to the form of a proposed statute and the policy to be pursued entirely to Congress.

Very sincerely yours,

HOMER S. CUMMINGS,
Attorney General.

AUGUST 1, 1938.

Hon. HOMER S. CUMMINGS,
Attorney General of the United States,
Washington, D. C.

DEAR MR. CUMMINGS: There will never be adequate or effective control of the atrocious crime of lynching until Congress enacts a Federal antilynching law.

That, in brief, is my answer, respectfully submitted, to your courteous letter of July 22, for which I wish to express my thanks and appreciation.

So with all the earnestness I can command I renew my suggestion to you and J. Edgar Hoover and others of your departmental personnel, who are skilled in dealing with crime, that you make a summer recess study of the crime of lynching with a view to laying a definite plan for a Federal antilynching law before Congress when it reconvenes in January.

This, as I conceive it, would be in entire harmony with the administration's social program. A large majority, in fact almost all of the acts conducive to social betterment which Congress has passed in recent years, have been drafted in the executive department. For instance, in the Seventy-second and Seventy-third Congresses, 77 major measures were enacted, and of these only 18 originated in Congress and 59 in the executive department. So there would be no violation of precedents, and certainly there would be nothing indelicate or improper if your department would draft and send to Congress a proposal for a new Federal law to deal adequately with the terrible evil of lynching, which presents a social problem of first magnitude.

With all due respect for your great mastery of the law, I doubt whether your definition of lynching, in which you place that crime in the same category as an ordinary murder, is an accurate description of the nature and quality of the crime of lynching. A murder is a local crime, properly punishable by the laws of the State. A lynching is more than that. A lynching, whether it occurs in Indiana or in Mississippi (and the worse lynching I ever knew occurred in Indiana), is an ugly, diabolical crime against the Nation. A lynching is a mass insurrection against law and order and therefore a violation of the Constitution under which the Federal Government was ordained and created, among other things, "to insure domestic tranquillity."

For your consideration, and in order that you may be offered something concrete as a basis of a study of this problem, I propose a draft of a Federal antilynching law as follows:

"A bill to make criminal certain acts in connection with lynching, and to provide for investigations of crimes in connection with lynchings

"*Be it enacted, etc.*, That (a) it shall be unlawful for any person to move or travel from one State into another State for the purpose of aiding or abetting the lynching of any person.

"(b) It shall be unlawful for any person to send by telephone, telegraph, or radio, or through the mails, any communication which urges or invites any person to aid or abet the lynching of any person.

"(c) As used in this section the term 'State' means a State, Alaska, Hawaii, Puerto Rico, and the District of Columbia.

"(d) Violations of this section shall be punished by imprisonment for not less than 5 years.

"SEC. 2. Whenever a lynching occurs in any State, the Federal Bureau of Investigation is authorized and directed to investigate the facts in connection with such lynching to determine whether, in connection with or in the course of such lynching, any crime against the United States has been committed."

There are almost innumerable ways in which a Federal question may enter into a lynching, thus affording a Federal jurisdiction of the subject. I am advised that a lynching occurred in Georgia when nearly all of the participants came from Alabama and Florida, crossing State lines to commit the crime. Certainly a Federal question was presented there. Lynching of an engineer on an interstate railroad would present a Federal question. In one case which I have in mind the victim was kidnaped and hurried across a State line and lynched. There is the Federal element again. If a victim is taken away from the custody of a Federal officer and lynched, a Federal question would enter, and the same question would arise if the victim is any one of an innumerable number of Federal officers, such as an internal revenue agent, a customs guard, an immigration inspector, et al., or if the lynchers drive a stolen automobile across State lines.

Under the bill as I have drafted it the Bureau of Investigation of your Department would investigate every lynching, wherever it may occur, to determine whether a Federal question is involved. This of itself would be a tremendous deterrent force to stop lynching, just as it has been in suppressing kidnaping. The name of the Federal Bureau of Investigation is feared by criminals everywhere, and if J. Edgar Hoover is given a chance he will add to that Bureau's distinguished achievements by quelling lynching with the same efficiency he has displayed in fighting other crimes.

I believe the bill I propose, roughly outlined above, would pass Congress and thus put an end to the bitter fight over antilynching legislation. I have word from some persons who speak the sentiment of the South that they would agree to this legislation, and therefore I respectfully offer it as a compromise suggestion. As I interpret the sentiment of southern leaders, they are not opposed to penalizing those who actually commit the crime, but they do protest the injustice of penalizing the entire county where a lynching occurs, as proposed in the antilynching bills of the last Congress. They point out that 99 $\frac{8}{10}$ of the people of a county are usually innocent of any connection with the crime, and to impose a monetary penalty on a county usually means that only the innocent would suffer, because the riffraff that commit a lynching pay no taxes.

The purpose of a wisely conceived antilynching law would be to inflict swift, sure, and summary punishment on the guilty. We should not aim nor desire to penalize a great number of innocent people.

I believe that a bill such as I propose would please instead of offend the sentiment of thinking people, South as well as North, who know that the subject of lynching is one which sooner or later must be dealt with federally. I believe, furthermore, that the legislation I propose is constitutional in every phase and detail.

For reasons I have stated I ask you to give this proposal the serious attention of your splendid mental and legal faculties, that you consult J. Edgar Hoover and others in your Department who are familiar with crime prevention, and that a careful study of this problem be made by you and your associates to the end of formulating a definite program for the enactment of a Federal antilynching law at the next session of Congress.

Very sincerely yours,

LOUIS LUDLOW.

AUGUST 9, 1938.

Hon. LOUIS LUDLOW,
House of Representatives, Washington, D. C.

MY DEAR MR. CONGRESSMAN: This acknowledges your letter of August 1, in which you request that a study be made of the crime of lynching with a view to laying a definite plan for a Federal antilynching law before the Congress when it convenes in January.

We note your suggestion that much of the legislation which the Congress has enacted in recent years has been drafted in the executive departments, and that therefore there would be no violation of precedents if the Department of Justice were to draft and send to the Congress a proposal for a Federal antilynching act. In this connection may I call your attention to the following statements made by the Attorney General in his letter to you of July 22, 1938:

"The subject of lynching has been so long under consideration by the Congress, and eminent and learned Members of the Senate and the House have so thoroughly debated it and so well understand its legal problems and its social implications that I feel it would be presumptuous on my part to volunteer advice as to what course Congress should pursue.

"Such studies as we have made in the Department of Justice with reference to the legal problems involved are now, as they have heretofore been, available to any appropriate congressional committee having the matter in charge. As I view it, the responsibility, so far as Federal legislation is concerned, is primarily and unmistakably upon Congress."

Section (a) of the specific bill suggested by you in your letter relates only to those participants in a lynching who have occasion to cross a State line. This provision would probably affect merely a small percentage of lynchings—only those which take place near a State boundary.

Section (b) of your bill would affect sending messages by telephone, telegraph, radio, or mail.

We also note your suggestion that if the victim is taken away from the custody of a Federal officer and lynched, a Federal question would enter. There is already, however, Federal legislation on the subject, since it is made a criminal offense knowingly or willfully to obstruct, resist, or oppose any officer of the United States in serving or attempting to serve or execute any process or warrant (U. S. C., title 18, sec. 240). If the victim is himself a Fed-

eral law-enforcement officer, the perpetrators of the murder are guilty of a Federal offense (U. S. C., title 18, sec. 253). If the lynchers drive a stolen automobile across State lines, knowing such vehicle to have been stolen, they may be prosecuted under the National Motor Vehicle Theft Act. Consequently these aspects of the subject which you specifically mention are now covered by Federal statutes.

We wish to thank you for the complimentary references contained in your letter to the work of the Department of Justice, and to express our appreciation of the support that you have always extended to it.

Sincerely yours,

JOSEPH B. KEENAN,
Acting Attorney General.

Address by the President

EXTENSION OF REMARKS
OF
HON. ROBERT R. REYNOLDS
OF NORTH CAROLINA
IN THE SENATE OF THE UNITED STATES
Tuesday, January 10, 1939

ADDRESS BY THE PRESIDENT AT THE UNIVERSITY OF NORTH CAROLINA, CHAPEL HILL, N. C., DECEMBER 5, 1938

Mr. REYNOLDS. Mr. President, I ask permission to have printed in the CONGRESSIONAL RECORD the address delivered by the President at the University of North Carolina, Chapel Hill, N. C., on December 5, 1938.

There being no objection, the address was ordered to be printed in the RECORD as follows:

The late Justice Cardozo, of the Supreme Court, wrote a few years ago:

"We live in a world of change. If a body of law were in existence adequate for the civilization of today, it could not meet the demands of tomorrow. Society is inconstant. So long as it is inconstant * * * there can be no constancy in law. * * * Law defines a relation not always between fixed points, but often between points of varying position. * * * There is change whether we will it or not."

It is recognition of this philosophy that has made the University of North Carolina representative of liberal teaching. And it is my recognition of your recognition of that philosophy that brings me so willingly to Chapel Hill today.

It is a far cry from the days of my first visit to the university, nearly a quarter of a century ago. I came then because my old chief—that great North Carolina liberal, Josephus Daniels—told me I should see for myself a great institution of learning which was thinking and acting in terms of today and tomorrow and not in the tradition of yesterday.

In those days the leadership of the Nation was in the hands of a great President who was seeking to recover for our social system ground which had been lost under his conservative predecessor, and to restore something of the fighting liberal spirit which the Nation had gained under Theodore Roosevelt. It seemed one of our national tragedies that just when Woodrow Wilson was beginning to accomplish definite improvements in the living standards of America, the World War not only interrupted his course, but laid the foundation for 12 years of retrogression. I say this advisedly, because it is not progress, but the reverse, when a nation goes through the madness of the twenties, piling up paper profits, hatching all manner of speculations, and coming inevitably to the day when the bubble bursts.

It is only the unthinking liberals in this world who see nothing but tragedy in the slowing up or temporary stopping of liberal progress.

It is only the unthinking conservatives who rejoice when a social or economic reform fails to be 100 percent successful.

It is only the headline mentality that exaggerates or distorts the true objectives of those in this Nation, whether they be the president of the University of North Carolina or the President of the United States, who, with Mr. Justice Cardozo, admit the fact of change and seek to guide change into the right channels to the greater glory of God and the greater good of mankind.

You undergraduates who see me for the first time have read your newspapers and heard on the air that I am, at the very least, an ogre—a consorter with Communists, a destroyer of the rich, a breaker of our ancient traditions. You think of me perhaps as the inventor of the economic royalist, of the wicked utilities, of the money changers of the temple. You have heard for 6 years that I was about to plunge the Nation into war; that you and your little brothers would be sent to the bloody fields of battle in Europe; that I was driving the Nation into bankruptcy, and that I breakfasted every morning on a dish of "grilled millionaire."

Actually I am an exceedingly mild-mannered person—a practitioner of peace, both domestic and foreign, a believer in the capitalistic system, and for my breakfast a devotee of scrambled eggs.

You have read that as a result of balloting last November, the liberal forces in the United States are on their way to the cemetery—yet I ask you to remember that liberal forces in the United States have often been killed and buried—with the inevitable result that in short order they have come to life again with more strength than they had before.

It is also true that other men in public life have protested against certain forms of economic control and that epithets far stronger than any I have used have been employed even by Presidents of the United States. Those of us who knew Woodrow Wilson and Theodore Roosevelt and Grover Cleveland could hardly call them mollycoddles.

I was reading a letter of Theodore Roosevelt the other day, written to a friend in the spring of 1908, and it will, I think, interest and amuse you if I quote from it. He was writing to a man who was fighting for social and political decency on the Pacific coast. He said:

"Now and then you must feel downhearted when you see men guilty of the most atrocious crimes who, from some cause or other, succeed in escaping punishment, and especially when you see * * * men of wealth, of high business, and in a sense of high social standing, banded together against you. My dear sir, I want you to feel that your experience is simply the experience of all of us who are engaged in this fight.

"There is no form of slander and wicked falsehood in which the New York papers, not only those representing the lowest type of demagogy, but those representing the interests that call themselves preeminently conservative, preeminently cultured, have not indulged in as regards myself. From all I can gather the feeling against me, not only in Wall Street, not only in the business houses of the greatest financiers of New York, but also in most of the uptown clubs * * * it is just in these places that the feeling against me has been most bitter. As a matter of fact, I do not care a snap of my fingers about it. I do not care whether they think well of me or think ill of me. But I do care a very great deal to do this work without flinching, on the one hand, and on the other hand without becoming angered and irritated to a degree that will in any way cause me to lose my head.

"Now, so it is with you and your associates. You must keep reasonably good natured; but above all things you must not lose heart; and you must battle on valiantly no matter what the biggest businessmen may say, no matter what the mob may say, no matter what may be said by that element which chooses to regard itself as socially the highest element. You are in a fight for plain decency, for the plain democracy of the plain people who believe in honesty and in fair dealing between man and man. Do not get disheartened; and keep up the fight."

Theodore Roosevelt, born of an old New York family, southern on his mother's side, trained as a young man on our western frontiers, was perhaps the first American President in modern times who knew the whole Nation. In the letter which I have read, and with this national background, it seems to me what he said, in effect, was, first, that the American people have, and must have, a definite objective for the improvement of government, for the improvement of social and economic conditions; second, that these objectives must be carried out by definite action; and, third, that in the attaining of them, the President and the Government and the people as a whole must have two essential qualities—first, a sense of proportion and perspective; and, second, good will and a sense of humor.

Almost every crisis of our history since 1789 has become a crisis because of a lack on the part of leaders or on the part of the people themselves, or both, of some of these essentials.

The very birth of the Democratic Party, at a time when President Washington publicly expressed the hope that the Nation could be run without parties, was due to the simple fact that the Government itself was dominated by the great commercial and shipping interests of the seaboard, and failed to give recognition to the needs and the desires of the masses of the inhabitants of the Original Thirteen States who did not subscribe to the theory that birth, wealth, or political position could give to the possessors of these qualifications the sole right to govern. Hence the Democratic Party.

A generation later a government dominated by the other extreme—the plainer people from the back country, from the Piedmont and the slopes of the Alleghanies—paying scant attention to the shipowners of the seaboard, drove our Nation into the second war against Great Britain. And here in the South it is worth remembering that the first suggestion of secession from the Union was proposed by delegates from the New England States in the Hartford Convention in 1814.

In both cases tolerance and the national point of view were absent. Another generation went by and it was the same lack of tolerance, the same lack of a national point of view which brought about a war which was not inevitable—the War between the States.

The scene changed and the Nation was confronted not by a sectional difference but by a struggle for economic and social control—a period which saw the control of our National Government by groups of individuals, who, owning their Government, through owning vast financial power, used the plea of development of our national resources that they might feather their own nests.

In the lifetime of people who are still with us there were men whom we must admit had courage and vision, who pushed railroads across the plains, opened mines, dammed rivers, created vast aggregations of capital; and left in their wake vast aggregations of National and State and local political power.

In a sense those were glorious days, because the wide-open spaces were open to those native Americans and those who were flocking hither from the centers of Europe to find work in new fields.

A current author emphasizes the perfection of life that surrounded our population half a century ago. He draws a picture of the complete lack of any restraints on any individual and infers that every American of those days, no matter what part of the country he or she lived in, lived in a Utopia of work and play to which we should seek an immediate return.

A few days ago in Georgia I talked with an old friend whom I have known for 10 years. He was what might be called an old-fashioned southern conservative. We got to "reminiscing" about the old days when I first lived in Georgia. He reminded me of the days when cotton was selling at 5 cents a pound, and, while he admitted that the ramifications of our Federal legislation, and especially of court decisions during the past 6 years were somewhat beyond him, he allowed that some principle of crop control—cotton and tobacco—decided on by a majority of the farmers themselves, was the most democratic way to prevent the return of 5-cent cotton.

He reminded me of two little banks in Warm Springs, Ga.—banks in which many thousands of dollars of local savings had been deposited, of the failure of both of these banks and the loss of the savings, and of the fact today that deposits in the banks of the United States are safe, and, he remarked, "I hope that that type of liberal legislation will not be repealed."

He reminded me of the white men and Negroes who never saw, as the heads of families, $100 in cash the whole year round. He reminded me of the days in 1932 when the States of the Union were going broke and losing their credit because the whole burden of the relief of the starving was placed on their shoulders without the contribution of one dollar from the Federal Government. He reminded me of the complete lack of any social-security program; of the days when a homebuilder was charged 15 and 20 percent to borrow the money to build his house; of the days when slum clearance was a beautiful ideal on paper and nowhere else.

And when he left he said: "Young man, I don't know the United States the way you do, but I know this section of the Nation pretty well. I don't understand the actual working out of all these new-fangled things that the Government has been starting in these past 6 years. But I know this section of the country, and I want to tell you that there is a new spirit abroad in the land. I am not talking just about the fact that there is more buying power, that houses are painted that were never painted before, that our banks are safe, that our roads and schools are better. What I am talking about is that all of our young people in my section of the country think that we are 'going places.'"

Those two words "going places" seem to be an essential in modern civilization.

They represent the conviction on the part of the young people of America that life never remains static; that there are better days ahead than ever before; that an opportunity to find a way of life, to earn a living, to raise a family in comfort and security, are better today and will be better tomorrow. There may be those in the world who believe that a regimentated people, whose every thought and action is directed by one man, may give some people a type of security which is pleasing to them. But whatever convictions I have, none is stronger than my abiding belief that the security and well-being of the American people can best be served by the democratic processes which have made this country strong and great.

The future, however, rests not on chance alone, not on mere conservatism, mere smugness, mere fatalism, but on the affirmative action which we take in America. What America does or fails to do in the next few years has a far greater bearing and influence on the history of the human race for centuries to come than most of us who are here today can ever conceive.

We are not only the largest and most powerful democracy in the whole world, but many other democracies look to us for leadership that world democracy may survive.

I am speaking not of the external policies of the United States. They are exerted on the side of peace and they are exerted more strongly than ever before toward the self-preservation of democracies through the assurance of peace.

What I would emphasize is the maintenance of successful democracy at home. Necessarily democratic methods within a nation's life entail change—the kind of change through local processes described by Mr. Justice Cardozo—the kind of change to meet new social and economic needs through recognized processes of government.

Because we live in an era of acceleration, we can no longer trust to the evolution of future decades to meet these new problems. They rise before us today and they must be met today.

That is why the younger generation means so much in our current affairs. They are part of the picture in their twenties without having to wait until they have passed middle age.

That is why I myself associate myself so greatly with the younger generation.

That is why I am happy and proud to become an alumnus of the University of North Carolina, typifying as it does American liberal thought through American action.

Address by Senator Maloney

EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Tuesday, January 10, 1939

KEYNOTE ADDRESS OF SENATOR FRANCIS MALONEY AT THE DEMOCRATIC STATE CONVENTION, GROTON, CONN., SEPTEMBER 13, 1938

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a speech delivered by the senior Senator from Connecticut [Mr. MALONEY] at the Democratic State convention at Groton, Conn., on September 13, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

This gathering of Connecticut Democrats, every 2 years, to nominate candidates for public office, and to rededicate themselves to the principles of liberal government, has always filled me with feelings of pride and affection. Although we now have the satisfaction of knowing that the character of government for which we have stood steadfastly for several generations is triumphant here, and generally throughout the Nation, we cannot, and should not, forget the earlier struggles during which faith in ourselves and our party was the only bulwark against despondency.

This convention, with its traditions, and its personalities, and its associations, is the bridge between the past struggles and the present victories, and it is the chief avenue to the glorious future that I know lies ahead for our people. What we do here, and the things that are recorded, become the authentic expressions of all Connecticut citizens who are devoted to the cause of liberal action in government.

We have had great men among the Democrats of Connecticut—men who could lead well and true—we have had even greater men and women—and we still have them—who can serve honestly and faithfully in the ranks. It is to the loyalty of these that we owe most for our recent victories—and it is to these able and active men and women of Connecticut that I would primarily dedicate the remarks I make in opening this convention tonight. It is they who, acting together for a common cause, and with a common purpose, frankly dividing on specific questions and issues, but uniting always as one great army in liberalism, give to this convention its deep significance.

Analysts more learned than I have often attempted to delineate the particular characteristics that distinguished the Democratic Party from other political groups in this country. Some have thought it is the attachment of the party to the doctrine of State rights as that doctrine was dramatized in the early part of the nineteenth century. Others have declared that the party's adherence to a low tariff has been its peculiar aspect. We know that the distinction cannot be so definitely or narrowly drawn.

To me there is a more fundamental difference between our party and all other parties, and that is our insistence upon the dignity and intellectuality of the individual citizen. What we stand for has always been the crystallization of what our individual members stand for.

That is why the Democratic Party has been so consistently liberal during its entire history back to the days of Jackson and Jefferson. The party sprang from the people and has remained true to the needs of the people. No man can be a leader of Democrats without being liberal, because no true Democrat is not liberal.

We know that this is especially true in Connecticut. I have been attending conventions such as this for nearly a quarter of a century, and not once in my experience has the Democratic Party in this State proposed a reactionary program or supported a reactionary candidate.

It is easy to talk about liberalism. It is a word which may conveniently be used to cloak many obscure and confused movements. But it has never had a vague meaning among Democrats.

Liberalism is what the Democratic Party in this country stands for—and it is what Connecticut Democrats have fought for since the early days of the Republic.

Our adherence to the American system of government makes us the mortal enemies of all foreign or alien forces of destruction. We are alert to bar from our shores any taint of communism or fascism or totalitarian doctrine which would run counter to the eternal American precept that government derives its just powers from the consent of the governed.

We insist upon humanity in government. By this we mean not only that the purpose of government is to secure to all men their God-given inalienable rights, such as life, liberty, and the pursuit of happiness, but also that the government should be the active agency to improve the conditions of living, under which those

rights may be exercised and enjoyed. We propose that under the American form of government the resources of the Nation shall always be utilized to aid citizens in distress, and that the power of Government should at all times be exercised to protect, to assist, and to encourage the plain people of our country in their striving for happiness and security.

As Democrats we were the first to propose social security laws, unemployment relief, and legislation to equalize the relationship between capital and labor in industry.

We believe that the power of the Government should be exercised to encourage and not to stifle individual initiative. We, therefore, adhere to the capitalistic system as that best suited for American economy, but we have always insisted that the voice of the people, acting through Government, should determine the extent to which private enterprise should be regulated by law. Ours has been the leading and most effective action against monopolistic abuses, especially in the utility field, and today, all over the country, the individual citizen has greater confidence in his own enterprise and opportunities because of the liberal laws controlling the issuance of securities, regulating the stock exchange, increasing the stability of our banks, preserving the integrity of home investments in times of stress, and arresting the vicious growth of gigantic holding companies and other forms of unconscionable concentration of economic power.

Beyond all of these manifestations of a liberal government are the careful guarding of the most precious rights of every American—freedom to speak his mind and heart, freedom to worship God as he pleases, and the uncensored communication of news and ideas.

This is the summary I would make of Democratic liberalism—and that it has a familiar ring to the delegates of this convention is proof of my original statement—that liberalism is known, felt, and understood by every true Democrat in the land—that it has definite meaning to him, and is not a mere campaign shibboleth—and that in a convention like this it is the priceless ingredient of every action that is taken.

I need not remind you that the greatest exponent of the liberalism we stand for today is President Franklin Roosevelt. Nor need I add that he is the greatest Democrat of this generation. His preeminence is based not merely upon personal qualities that make for leadership but, in my opinion, it flows equally from the fact that he emerged from the rank and file of the Democratic Party after years of work and associations in the liberal atmosphere of party councils. Franklin Roosevelt did not suddenly appear to captivate a confused people. He used no strong-arm methods to take personal advantage of a panic-stricken nation. His rise from the ranks of the Democratic Party had been gradual over many years, and long before he was elected to the govefnorship of his own State he had lived in the traditions of our party.

We may be justifiably proud that Franklin Roosevelt served the cause of liberalism within the Democratic Party for a long time before the final collapse of the reactionary forces in this country, when he arose to lead a united Nation. We may also be grateful that through a great favor of divine Providence this country, during the past 6 years of real crisis, has had a leader so amply endowed with personal courage and high purpose.

I shall undertake now to speak with the utmost candor—the only way anyone should speak in a Democratic convention. I and some other Representatives of the State of Connecticut in the Federal Congress have differed with President Roosevelt on the enactment of a few specific measures during the past 6 years. These differences have been in many ways magnified by the press, by opponents of a liberal government, and by others who would capitalize the intellectual honesty of a Congressman or Senator for personal benefit. This is the first time I have had the opportunity to speak to an official convention of the Democratic Party since 1936. Meanwhile there have arisen the differences to which I have referred.

First let me say that not once since I have been a Representative of this State in the Congress of the United States have I taken action or expressed an opinion which in my mind constituted disloyalty to the course of government under President Roosevelt's leadership.

Not once have I gainsaid the great debt this country owes to President Roosevelt for his humane, liberal, and courageous direction of national affairs in a great crisis.

I have, however, although approving the objectives of the President, opposed certain measures which I in my own mind and heart considered to involve the adoption of dangerous legislative precedents.

I have never considered that unanimity on specific issues was necessary for the maintenance of a healthy liberalism in government. On the contrary, I have considered that the great strength of our party has been that it never permitted a squelching of sincere differences of opinion. I conclude this subject by telling you that my conscience and my mind are clear and clean. I have already said to you that I consider President Roosevelt the greatest Democrat of our generation.

Under President Roosevelt's leadership, the administration of national affairs is supported by popular endorsement to a degree unparalleled in the history of our country. We move in the triumph of the Democratic liberalism to which I have referred. So emphatic has been the people's approval of the dynamic and humane action in government for which the Democratic Party stands, that it is doubtful if any other theory of government will long survive in this country.

Already we hear the plaintive exhortations of its despairing leaders that the time at last has come when the Republican Party must rouse itself from comfortable chairs and stoop down to the plain people. Likewise there are indications that those of the other extreme in this country may pretend an abandonment of their un-American tenets in an effort to ride the waves of sane liberalism which now sweep the country. As Democrats we stand firm for the principles of our party—molded in years of struggle—and wielded now by a true sense of American responsibility.

We have tasks still to be done which we shall face courageously. We will cure the problem of unemployment. We will restore stability to private enterprise in this country. We will bring about true harmony among our economic forces. We do not pretend to have a patent on panaceas but we do claim to be able to maintain liberal and humane influences in government, and to preserve the American system for all of the American people.

A liberal in government can never rest on his oars. He must fight treacherous tides and dangerous cross-currents. The Democratic Party has not yet fulfilled its purpose in this country and it will not renounce its mission while something still remains to be done for the people of the Nation.

Some nations are at war or enduring the anguish of threatened war. In some countries liberty as we know it no longer exists. Economic chaos still pervades wide regions. We in this country have not wholly conquered the ills of economic unbalance, but as a country we are rich and powerful enough to overcome the remaining distress if we will but take advantage of our God-given wisdom and hurry to the finally unavoidable conclusion that we are social and economic kinsmen. We can work things out by practicing an American unselfishness, under a guiding light that seems always to have burned more brightly for us than for other parts of the world.

In the convention of 2 years ago I talked in part upon figures and statistics, reviewed legislation, pointed to what I felt were legislative needs, and condemned the political philosophy of those opposed to us—condemned it as a probably well intentioned philosophy, but one that was misguided and one that in effect was sometimes fraudulent.

Tonight I dwell only briefly on specific measures and practices, less on statistics, and even less in condemnation of the philosophy of those opposed to us in this campaign. Rather I have been attempting to find expression for a more general and broad outline of what I feel confronts the Democratic Party in the State and in the Nation.

Lest there be one who might feel that I would too readily skip what has been unsuccessful or unpleasant, let me say that I admit mistakes within my party and in the administration of State and National affairs, but let me hasten to add that I am firmly and sincerely convinced that despite what mistakes there have been, the way of President Roosevelt has been the right way, and, as God is my judge, I believe that his calm and courage snatched America from the pitfalls into which other nations were plunged, and that his leadership preserved democracy in the United States, and the evidence of Franklin Roosevelt's devotion to the problems of his country and the needs of his countrymen is so firmly impressed upon the living pages of history—the minds of men—that the great majority will stay with him until his work is done.

This keynote address is not especially to point with pride to the accomplishments, though they were many, nor to apologize for the mistakes, which were few, but rather to hold a light that we may see some things more clearly in this campaign. I feel that the destiny of our country is bound up in the Democratic Party, and it is with the future that we are concerned.

The entire world is going through a terrible revolution. Fortunately for us here in America it is a revolution without violence, but it has been none the less the most pronounced political, social, and economic upheaval, within the memory of man. Ours is a sturdy Nation, and because our people are made of strong stuff I am confident we will escape the horrors suffered elsewhere in the world, but we cannot, however, hope to escape by giving only lip service to the national ailments. We will survive by faithful and militant determination and practices. We will survive through growing and guarded liberalism.

Woodrow Wilson, in an article published after his retirement from the Presidency, entitled "The Road Away from Revolution," declared that "our civilization cannot survive materially unless it is redeemed spiritually."

That statement was from the pen of a man—a brilliant and good man—who, as leader of the greatest nation of all time, had been through the bitter trials of a world at war. And what he maintained is still true. In spite of the lessons of century on century, and in spite of the onward march of destructive forces, there are still those who are aware of spiritual bankruptcy in some parts of the world, but contribute little to American problems that demand man's full measure in word and deed.

On the road toward the goal at which our party aims there will be political demagogues and business fakers and labor leaders who go too far. They will be the false prophets pointing to an imaginary primrose path and claiming that it leads to a new Utopia. The "primrose path" does seem to exist for those who are blind, or for those who wear rose-colored glasses, and the harm these false prophets do will be difficult to undo until American business leadership comes to a sympathetic understanding with America's political leadership.

I cannot in this speech bring myself to be satisfied with a proclamation of satisfaction over social measures that are in part faulty or insufficient. I am vitally concerned with these things, of course, and for myself will not abandon our party pledges of sufficient relief by way of work, a sane support of agriculture, and a never-relenting effort to get lasting jobs for men and women.

At this point I cannot resist the temptation to inject a more or less personal view. Because I believe that most of our troubles are involved in the fact that millions of Americans are without the necessary security of steady work, I have devoted much time helping in the search for a scientific method of regulating the hours of labor. This problem is paramount and is seriously aggravated by the fact that hundreds of thousands of young men and young women, some of them long out of school, and fortified with a fine education, have yet to locate their first "steady" job. The national administration under President Roosevelt has stepped forward in this situation, but I would go farther than my party has gone and I would do it quickly. Business as well as labor needs a regulation of working hours that is free from sectional favoritism and is rigid enough to give labor an economic force that guarantees sufficient wages, a steady buying power, and more jobs.

While unemployment remains the outstanding national problem, it is slow of solution because of the conflict in the minds of men, partially created by the fears of certain influential groups within our population. I believe our party will successfully meet this challenge.

Let me briefly cast the light on a second great challenge to our party. There are those who are misleading certain of their fellows with exaggerated promises of sharing the wealth. Sometimes the promise is in the form of a magnified old-age pension that could do naught but bring economic destruction—and a greater distress to those most deserving of pensions. While I am among those far from satisfied with the existing laws, and will earnestly work for their liberalization, I know that the hero of $25 on Saturday is likely to be only a trial horse for the more "generous" man who would arrange for a distribution of $50 on Wednesday.

This reference is to warn of a threat against true liberalism in this period of flaming passions and emotions, lest our party be used as a vehicle to mislead good people—young as well as old, who are honest and sincere, but some of whom are bewildered by the glitter of great promise.

At this point I should like to quote from a commencement address that I delivered a few years ago at an eastern university. I was briefly discussing such a subject as now has my attention, and I said: "Be very much alarmed with the 'share the wealth' advocate if he is talking about dollars, but give him your full support if he is talking about opportunity and happiness. Have little time for the demagogue who would give men a greater pension for retirement than they could earn if occupied at work, but never rest while there is a chance to give material comfort to men and women who come to the wintertime of their lives, threatened with the stigma of pauperism, in spite of a lifetime of economic usefulness and good citizenship."

Continuing this thought I want to give another word of warning to those whom we here will nominate, and to those who make up the aggressive and progressive party of Jefferson, and Jackson, and Cleveland, and Wilson, and Roosevelt. Let your minds go back, if you will, to the almost hopeless fights we made against an arrogant Republican leadership in the days when our lot was political poverty. Can you remember our condemnation of Republican officeholders and candidates because they neglected the welfare of the plain people—the working people—or labor? Can you remember how we charged that they were the willing servants of the special interests, and were continually unmindful of the rights and needs of the factory worker and the small businessman and the farmer? I remember it well. We were right and they were wrong. We demanded that they represent all of the people—or get out.

My fellow Democrats, let us be certain that we do not commit that same political sin—for if we do, and as sure as we do—we will bring another period of chaos from which the Republic may not easily recover.

About 2 years ago I made a speech before the manufacturer's association in my own city. I said then that I hoped that if I made mistakes in connection with labor legislation or labor problems that my mistakes would be in favor of labor. I didn't want to make mistakes, I added, but it seemed to me best that what mistakes there were, if any, be in favor of the less articulate group—the group least able at that time to present its case. I haven't changed my mind. I still feel that way about it.

But neither have I changed my mind about the hope that there would be no mistakes, nor have I changed about the charges made in campaigns of a bygone day, that men elected to Congress or to other public office are bound by the solemn and almost sacred responsibility of representing the interests of all of the people. If we surrender the ideals we maintained then, we are not only doomed to a defeat we deserve, but we bring a crushing and perhaps lasting defeat to the less fortunate of our fellows and our country. Much as our hearts and sympathies direct us to an intensified and sometimes magnified effort in the cause of the man who works, if we challenge his employer beyond what is fair we hurt everybody, and most of all we hurt the worker and his family. By fairly serving business, big and small, we best serve those who have first call on our affection and sympathetic friendship. By a protection as well as a correction of the existing system we also best serve our State and Nation.

We must not permit ourselves to forget that without successful industry and business there will not long be work and wages. Neither can we for a moment forget that ours is still the party of economic as well as social justice. There may yet be devised a more perfect form of government than ours, but as we view the horrors and suffering of an Old World, we may find comfort and satisfaction in the progress we have made and in the standards we have maintained.

Responsibility increases with the passing of time, and more so for us because ours is the party now in power. We cannot shake off or repudiate our earlier criticisms or pledges, and so long as we have the public welfare in our keeping we are morally compelled to a just treatment of every man, regardless of his race, creed, color, or station in life. "The survival of the fittest" works more ways than one—the good way and the bad way. If we surrender our convictions for votes, or for public office, Heaven help us, all of us.

Tomorrow we shall select our candidates for the election in November. Our duty is to choose the best among us who are available. If we select our ticket with care and honesty, as I am certain we will, thousands upon thousands of Republican and independent voters will support us again this year. They have been confident of the true liberalism of our party and we should keep that faith.

This campaign, as every campaign, is certain to furnish false issues and some bitterness. The feelings and language of men are pretty certain to expand in a political contest. Every effort will be made to divide our legions and to lay emphasis upon the faults of those who have been of our fraternity, and of the differences of opinion within our party. I think the virtues have outweighed the faults and the errors, and that the occasions of the conflict of opinion are of lesser importance by far than the glorious fact that for the most part we have seen eye to eye and have fought shoulder to shoulder in the noble efforts and for the high purposes of the national administration under President Roosevelt.

I hope that what I have said here tonight will be not too disappointing to those who might desire a keynote speech devoted to oratorical effort and catch-phrase language, or to those who might prefer that the speaker hail the achievements and submerge the mistakes.

To me it seemed that the keynote of this campaign should be based upon the purposes and the philosophy of our party—true liberalism—economic and social justice—and a declaration of faith in our party and its leadership, and an undying faith in the goodness of God.

Since we last met in convention Governor Cross has led Connecticut through troubled times. I shall not trespass upon the privilege of the principal candidates, as our party custom provides that they address the convention themselves, and I await the addresses with eagerness and confidence.

I do, however, want to pay tribute to the successes of these years under Governor Cross. We have witnessed the smashing of a political dictatorship in the State of Connecticut. The government has been pretty much returned to the people, and the mechanism of our governmental machinery is being given added momentum under the direction of our party associates. Important among the advances has been a revision of the financial structure of the State, and, as a result of the new budgetary system, not yet perfect, of course, there will be a great saving to the taxpayers of the State and a more orderly management of our fiscal affairs.

Reorganizing so large a structure as a State government is not a simple thing and there are many obstacles to be overcome. The Governer has faithfully kept at the task and the rewards are becoming obvious. There has been an improvement in departments of the State, better services to its citizens, and there has been a continuing close and intimate cooperation with the agencies of the Federal Government. An entire address might be devoted to the advances we have made in Connecticut, but, as I have said heretofore, our candidate for Governor will want to discuss State affairs, and I shall not intrude upon his right and pleasure.

It would not be fair to our party, or to the President, or to myself, if I did not now again express our appreciation of the recognition given to Connecticut by President Roosevelt. We take great pride in the fact that Homer S. Cummings is Attorney General of the United States, that William O. Douglas is Chairman of the great Securities and Exchange Commission, and that other Connecticut men are holding high positions and places in the Federal Government. That these men have reflected credit upon our State, upon the judgment of the President, and upon their friends here at home is reason for gratitude and applause.

Despite the existing uncertainty in many countries of the world, and though there be some sadness at home and in our own State, we still have reason for thanksgiving and satisfaction. We are not at war, and with God's help we will keep out of war. Our churches and schools and press are free—and shall be free. Our democratic history and traditions and institutions are intact and will be so until the end of time. The United States continues the land of opportunity, and we rejoice in democracy and the perpetual freedom that is among the more precious of God's earthly gifts. We do have an everlasting faith, and I am certain that it is the prayer of all of us that it be strengthened.

I say again that the fight we make is intended to carry us down the middle of the road. The fight is to protect property rights and to completely reestablish human rights as we lift to a new level the men and women and children of America. We will destroy the haunting fear of uncertainty and insecurity. The loyal legions continue to press forward under the leadership of Roosevelt.

Naval Defenses

EXTENSION OF REMARKS
OF
HON. PETER G. GERRY
OF RHODE ISLAND
IN THE SENATE OF THE UNITED STATES
Tuesday, January 10, 1939

RADIO ADDRESS BY HON. DAVID I. WALSH, OF MASSACHUSETTS, ON JANUARY 9, 1939

Mr. GERRY. Mr. President, I ask unanimous consent to have printed in the RECORD a very able radio address on the subject of naval defenses, delivered by the senior Senator from Massachusetts [Mr. WALSH] on January 9, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The American people are a peace-loving nation. There is no doubt on that score and no basis for argument. They have no passion for conquest; no lust for world supremacy. They covet nothing belonging to any other nation anywhere on earth. They do not aspire to the role of international policemen. With few exceptions they do not seek to interfere in the internal affairs of any other nation, however abhorrent they may sometimes be—as is the case today—and however much they may deplore oppression and despise dictators and grieve for the suffering.

Let me add my own views, apart from the question of national defense through armaments, on what I consider to be of equal importance and equally deserving of emphasis for the preservation of peace, or, perhaps I should say, for the avoidance of war.

First, we should not undertake to intervene in political disputes raging in other parts of the world. There is no duty, moral or legal, which imposes upon our Nation responsibility for policing international areas or gratuitously attempting to settle international disputes. The American people have learned from bitter experience, both in actual warfare abroad and from the heroic efforts our Nation has made from time to time since the World War to preserve peace, that we can expect nothing but loss of life, money, and prestige from interfering with situations developing out of the deep-rooted rivalries and animosities which continually plague the nations of Europe and now extend to the Orient. In my opinion, our national welfare demands and our people insist that in international relations we follow the wise Washingtonian admonition to avoid entangling associations abroad—in brief, to mind our own business.

Secondly, our neutrality must be wholehearted, clearly expressed, and emphatic. I mean by this that we should serve notice by law on foreigners and citizens alike that we in America consider the preservation of peace paramount to the economic interests of "follow the flag" diplomats representing American corporate business engaged in exploiting resources or markets in foreign countries.

Thirdly, our neutrality laws should not permit the commitment of this Nation to any policy or course of action favorable or unfavorable to any belligerent. Neutrality should be mandatory and not permissive. The reason for neutrality laws is for the very purpose of avoiding involvement in the wars of other nations.

Fourthly, Congress should enact a provision suspending all trade and commerce with belligerents at the inception and during the continuance of hostilities. Supplying munitions and implements of war to one of the belligerents and refusing them to another because of the impossibility of delivery, resulting from effective blockage, led directly to our involvement in the World War. Profits from trade with warring nations cannot justify the ever-present danger they entail of involvement in war. Our primary concern at all times must be the lives and welfare of our youth.

Fifthly, in view of the disturbed conditions—wars, threatened wars, and dissensions among nations—which exist today and which may very conceivably break out tomorrow into another international slaughter, it is my studied conviction that we should accompany this policy of strict neutrality with an equally decisive program of self-defense. Such a program should not be beyond our needs, neither hysterical nor exaggerated. It should be broad, comprehensive, and sufficient to meet any and all contingencies likely to arise from the threatening international scene.

What I have been saying amounts to this: I am convinced our peace and security in this country embraces a sincere and honest policy of neutrality as well as adequate national defense through armaments.

When we speak of arms and armaments for our country we should be thinking solely in terms of our own safety and security. Our objectives with respect to our national defense must never be to promote war, or to assist in war, but to insure peace.

We should proceed upon the conviction, amply supported by the records of history and reinforced by recent events, that a nation is seldom attacked if the weapons of its defense are so strong that attack is foredoomed to failure, and, conversely, that weakness invites attack.

I have always favored disarmament as an avenue to peace providing the disarmament is mutual and universal. But I am not in favor of disarming our own country while all the rest of the world is in arms—leaving the United States defenseless against foreign aggressors. In my judgment, that is not the way to peace but a certain invitation to war. I am convinced that in large majority, the American people share this view.

There are those, of course, who advocate disarmament for the United States under any and all circumstances and who invariably oppose measures designed to strengthen our Navy and other mediums of national defense, and often it is these various groups of self-styled "pacifists" who are the most persistent pleaders for intervention by the United States in foreign conflicts, for our taking sides and lending aid. They would have the United States weak in the weapons of war, yet pursue a course of intermeddling that in the long run would almost certainly involve us in war. The inconsistency of such a position is utterly incomprehensible.

Since events have demonstrated that treaties and international peace pacts afford no guaranty of peace and no real security, the wisdom and necessity for adequate national defense is now generally accepted. Facing the disheartening realities of today we are forced to the realization that in the world about us, wars and the prospects of more wars are terribly menacing.

Adequate national defense of the United States as a national policy is simple to affirm, but the exact limits are not so easily specified. Adequate is a relative term. It affords large differences of opinion. What is adequate under one set of circumstances may obviously prove inadequate under different circumstances.

In my judgment, however, as matters stand today, we must avoid exaggerated emphasis on European war perils and territorial ambitions of European dictators, and in the determination of our program of adequate national defense we should concern ourselves with our own needs, for our own security and nothing else. Let me add, also, that I do not favor armed forces based on the theory that if we have an armed force of supersize and effectiveness it will prevent dictator nations from starting a general war in Europe.

The need of an adequate Navy, of an adequate Army, of an adequate air force, of adequate trained reserves—all to be adequate for our defense and security, is, I repeat, generally recognized. But when it comes to fixing size and number in the various categories, and defining the limits of adequacy, and settling upon the time factor—the pace at which we shall proceed with the building of ships and coast defenses and aircraft and naval and air bases, and the amount of money out of the National Treasury that we shall appropriate and expend for national defense—we encounter great divergence of opinion.

Let me say at this point that a recognition by the Congress of the necessity for expansion and acceleration of our national defense program in many directions ought not to mean—and I am confident that it does not mean—any stampede to approve any intemperate and ill-considered and uncharted course of multitudinous activities and expenditures postulated upon the need for preparedness.

We took a major forward step toward strengthening the first line of our national defense—our Navy—in the enactment by Congress last year of the naval expansion bill, which was intended to give reality to our declared policy of maintaining naval parity with Great Britain and a ratio of 5 to 3 with Japan.

We are not embarking upon any new naval policy. We are not setting out to outstrip England or Japan in naval building. We are not proposing to build bigger ships or more than any other nation. We are not seeking naval superiority. But we are aiming to attain and then maintain the 5–5–3 ratio.

Testifying before the Senate Naval Affairs Committee last April, Admiral Leahy, Chief of Naval Operations, stated (and I quote his exact words): "The Navy Department is of the opinion that the Navy authorized in this bill will be sufficient to provide an adequate defense to America provided the foreign nations do not expand their navies beyond what we now believe they are doing." "It is not," Admiral Leahy added, "sufficiently strong to insure our being successful against foreign attack but it is believed to be sufficient to provide reasonable assurance." On this same occasion he defined an adequate navy as one (and I quote words summarized from the Senate committee report) "capable of meeting and defeating the enemy at sea, as the only sure way that they can be kept at a distance from our coasts, and the only sure way to bring it to a close." "A navy sufficiently strong to occupy the attention of the enemy," he said, "will prevent bombing attacks against our large cities and industrial areas; will automatically insure safety to our coasts and will free most of the trade routes except for sporadic enemy raids." Admiral Leahy laid emphasis in his testimony on the fact that the expansion of the Navy authorized by the Congress at the last session was not (and I again quote his words) "sufficient to permit of aggressive action overseas, of policing the world, or of projecting an invasion of the territory of any naval power."

I commend that statement and am sure it is a source of gratification to the American people to know that the Navy's attitude toward an adequate navy is in exact conformity with the wishes of the American people against intermeddling in foreign affairs or building up a navy for aggression.

What has taken place since these statements before the Senate Naval Affairs Committee last April to alter the picture? We now

know that naval building by Great Britain and Germany is proceeding on a far greater scale than was expected a year ago, and proceeding at a feverish speed. In fact, information available indicates that Germany alone has spent $3,000,000,000 in the last 2½ years for rearmaments, that France is spending 40 percent of its budget annually for armaments, and that Japan is expanding her Navy with ominous secrecy. We now understand Japan is building battleships reported to be in excess of 40,000 tons.

This information has prompted the Navy now to seriously consider the construction of 45,000-ton instead of our present and past 35,000-ton battleships and to develop further defenses against submarines, especially harbor defenses, from the future appropriations that will from time to time be appropriated by the Congress in conformity with the authorization of the 10-year naval expansion program in the last Congress.

In the light of these facts, we may be warranted in increasing the pace—and I emphasize that word "pace"—of the naval construction program authorized by Congress last year, but we are not increasing the size of the program, because the program of last year covered a period of 10 years of expansion. In the naval expansion program of last year, which, I repeat, was a naval 10-year program apparently adequate as of that time and date, Congress directed the convening of a board of naval officers to investigate and report upon the need, for purposes of national defense, of the establishment of additional submarine, destroyer, mine, and naval air bases on the coasts of the United States, its Territories and possessions. This report has been received by Congress within the last week and lays particular emphasis upon the need of new and enlarged air and submarine bases. The importance of favorable congressional action upon this report providing for enlarged air and submarine bases cannot be overemphasized. It is obvious that it would be the sheerest folly to build a great navy and project a great air force without the indispensable adjunct of the necessary bases and landing fields. This is one of the many phases of our national defense which has been sadly neglected during the years since the World War, while we were seeking naval disarmament by treaty.

The President's annual message on the state of the Union bespoke in general terms the need of great strengthening in our national defenses. The Federal Budget of recommended appropriations for the coming fiscal year, which was submitted to Congress by President Roosevelt last Thursday, reflects this policy and contains sizeable increased amounts for naval construction and for the Army and Navy Air Corps, as compared with the appropriation for the current year.

In connection with this recommendation of the President, insofar as it relates to the national defenses, it would seem to indicate that the President proposes to continue the increased appropriations that would be expected under the naval expansion building program of last year and possibly accelerate somewhat both the building of naval vessels and naval aircraft.

The Congress and the country will have to consider also the specific recommendations contained in a special message from the President on national defense which is expected to come to Congress within a few days, embracing a further and special $500,000,000 program for national-defense facilities, of which $210,000,000 is contemplated for the coming fiscal year.

Any comment or discussion of the President's specific recommendations must necessarily await the receipt of his message. The proposals should be received and analyzed apart from political partisanship. What specific recommendations will relate to the Navy I cannot, of course, prophesy. The recommendations that may relate to the Army can better be discussed by those more familiar than I with the details of Army defense.

I believe that the Congress at the present session will see the need for the immediate enlargement of our air force in order to provide aircraft in sufficient numbers, modernity, and effectiveness to serve as coordinating adjuncts to the fleet and coastal defenses in repelling invasion. Because of the speed with which modern plates become obsolete, it is important to have in mind in this connection the futility of building too many aircraft, which might be outmoded almost as soon as they are put into service.

We must not lose our perspective in the present popular excitement regarding air forces and aerial attack. We must remember that Germany's reputed 10,000 fleet of war planes is of no peril to us so long as the Atlantic Ocean separates us and our Navy controls the sea; they are of no danger to us without an enemy base on this side of the sea. Our Navy will, in my judgment, and by reason of our geographical location, always remain the mainstay of our security, our greatest safeguard, a powerful agency for peace so long as there be peace, and our first reliance in the event of war.

Time permits me only a brief mention of the need for larger facilities for our reserves among the civilians in and out of universities, colleges, service institutions, and training schools to teach and train skilled technicians, pilots, and general personnel as part of a great reserve force to supplement regular forces of the Army and Navy. In my opinion, the building up of our long-neglected reserves is supremely important in any plan of adequate wartime defense. Indeed, I consider the development of a Nation-wide plan of defense, including industrial mobilization, organization, and training civilian personnel so as to be in a position to move speedily and effectively in time of danger, second only in importance to naval vessel and aircraft building.

Let me say in summary and in conclusion that in every consideration of our national-defense needs we should always remember that we are formulating a program for peace rather than a program for war.

What are the prime elements of a program for peace?

First, absolute neutrality.

Second, strict adherence to our national policy of nonaggression.

Third, utter avoidance of entangling alliances.

Fourth, the building and maintenance of a strong, powerful, well-balanced navy capable of meeting and defeating an enemy far from our shores—this because of our geographical prerogative of defending ourselves first on the sea.

Fifth, creation and maintenance of adequate air forces and maintenance of a comparatively small but well-equipped and well-trained army, supplemented with trained reserves.

If we adhere to this program, we will be secure. If we adhere strictly to this program, we will be able to remain at peace. If war comes to us unbidden, we will be able to bring it to a quick and successful conclusion.

Whatever the cost of this program in money, it will be infinitely less costly in money to say nothing of the cost in human lives and human suffering of the alternative, namely, a long-drawn-out war.

This program for peace does not require the universal conscription of our manpower, the regimentation of capital and labor, the abandonment of our democratic processes, and the conversion of our Government into a dictatorship.

The Budget

EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Monday, January 9 (legislative day of Thursday, January 5), 1939

EDITORIAL FROM KANSAS CITY STAR OF JANUARY 7, 1939

Mr. CLARK of Missouri. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a short editorial from the Kansas City Star on the subject of the Budget.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Kansas City Star of January 7, 1939]

ON THE WRONG ROAD

It is important to examine the facts and to cite the whole record of an apparently ceaseless splurge in Government spending and debt accumulation.

The administration's excuse for this policy is that it promotes recovery, revives business, and creates more jobs. The facts and the record do not bear out this contention. Mr. Roosevelt's own convictions shortly after he had become President were to the exact contrary.

Note these familiar words of the New Deal Executive in a special and urgent message to Congress on March 10, 1933, within a week after he had been inaugurated:

"For 3 long years the Federal Government has been on the road toward bankruptcy.

"For the fiscal year 1931 the deficit was $462,000,000.

"For the fiscal year 1932 it was $2,472,000,000.

"For the fiscal year 1933 it will probably exceed $1,200,000,000.

"For the fiscal year 1934, based on the appropriation bills passed by the last Congress and the estimated revenues, the deficit will probably exceed $1,000,000,000 unless immediate action is taken.

"Thus we have piled up an accumulated deficit of $5,000,000,000.

"With the utmost seriousness I point out to the Congress the profound effect of this fact upon our national economy. It has contributed to the collapse of our banking structure. It has accentuated the stagnation of the economic life of our people. It has added to the ranks of the unemployed. Our Government's house is not in order * * *."

Indeed it was not. Mr. Roosevelt then wanted it put in order—at once. He had been elected on a platform and on repeated pledges to that effect.

But within 90 days from the date of his special and urgent message, Mr. Roosevelt and Congress had launched out on an extravagant program of spending and debt that has continued to this moment and is now projected into an endless future so far as the New Deal administration is concerned.

So quickly was the shift to the spending made in 1933 that by the end of the fiscal year on June 30 the deficit had risen from Mr. Roosevelt's estimate of $1,200,000,000 to a total of $3,063,000,000.

The deficits in the closing years of the previous administration, of which Mr. Roosevelt spoke with such seriousness, had been due to the falling off of revenues under the powerful impact of the depression. They were not due to excessive spending.

But here, including the fiscal period covered by the Budget message of this week, is the 10-year record of deficits and added debts. The figures are in millions of dollars.

Fiscal year	Receipts	Expenditures	Gross deficit
1931	3,190	4,092	902
1932	2,006	5,154	3,148
1933	2,080	5,143	3,063
1934	3,116	7,105	3,989
1935	3,800	7,375	3,575
1936	4,116	8,880	4,764
1937	5,294	8,105	2,811
1938	6,241	7,545	1,449
1939	5,520	9,492	3,972
1940	5,669	8,995	3,326

The figures listed for the last 2 years are estimates. Both the expenditures and deficits may far exceed them, as they usually have in the last 6 years.

But there is the record, unparalleled in length in the entire history of the Nation. In 1930, before the deficits began, the Federal debt stood at $16,185,000,000. At the end of the 1940 fiscal year, according to the estimate in this week's Budget, that debt will have reached the enormous total of $44,458,000,000, or an added debt of $28,273,000,000. All except about five billions of that, or more than twenty-three billions, will represent the debt piled up by the Roosevelt administrations.

But that is not all. For it is seen from the record that revenues began to go up early in the Roosevelt administration, due to added taxation as well as the measurable recovery; also that in that administration expenditures have been nearly doubled over the previous administration.

What do we have to show for it? At the low point of the depression in 1932 the national income was $40,000,000,000. This week Mr. Roosevelt said it was running at the rate of sixty billions now, a gain of twenty billions. But we have gone into debt more than twenty-three billions in the meantime, not counting the added tax and revenue and the added expenditures not represented by debt.

Does that prove that spending pushes up the national income, promotes prosperity, and ends unemployment? Not yet; and we have had already a 6-year trial at it with still more to come.

Spending that brings prosperity must come from the bottom and not from the top. It must come from the people who have earned the money in wages and at real jobs and are using it to buy the things they need. Excessive spending and taxation by the Government tends to paralyze the industry that must furnish the jobs and pay the wages.

It is a fallacious theory and a dangerous practice. The facts and the record prove it. The administration won't or can't halt it. Congress can and must do it.

The Businessman and Congress

EXTENSION OF REMARKS

OF

HON. EDWARD R. BURKE

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Tuesday, January 10, 1939

ARTICLE BY JOHN RAYMOND McCARL, FORMER COMPTROLLER GENERAL OF THE UNITED STATES, IN NEW YORK SUN OF JANUARY 7, 1939

Mr. BURKE. Mr. President, I ask unanimous consent to have printed in the RECORD an interesting article by Mr. John Raymond McCarl, former Comptroller General of the United States, on the subject The Businessman and Congress. The article was published in the New York Sun of January 7, 1939.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Sun of January 7, 1939]

THE BUSINESSMAN AND CONGRESS

NO LONGER CAN THE PEOPLE AFFORD TO ELECT A CONGRESS AND THEN ABANDON IT TO THE ONSLAUGHTS OF THE SELF-SEEKERS—HOW AND WHY BUSINESS WITHOUT FURTHER DELAY MUST GIVE CONGRESS FULL AND UNSELFISH SUPPORT IN WORKING OUT PROBLEMS OF SELF-GOVERNMENT

(By John Raymond McCarl, former Comptroller General of the United States)

Dictators have served us well. Unwittingly, of course, but well nevertheless. By their brutality, terrorism, and war-madness they have awakened us, made us see it must not happen here—that democracies must succeed if the world is to avoid reversion to barbarism.

If we may have dreamed that men so empowered might be guided by wisdom, benevolence, or justice it is fortunate we have been aroused from our slumber. Too bad we slept so long.

Now that we are regaining consciousness it is most encouraging that we are beginning to recognize Congress as a source of help if we are to escape irreparable damage.

Equally encouraging is the fact it is being recognized there must be an improved relationship between businessmen and Congress if we are to work out our problems and build solidly for the future.

Congress and business. How timely. How to the point.

The Sun is to be congratulated. It selected the subject.

We are failing in self-government because we are not trying to succeed—and are taking an occasional "shot in the arm" to escape seeing realities. We are drifting, following the course of least resistance, downward—and are nearing financial collapse and loss of freedom. The cold fact is—we now must demonstrate our capacity for self-government or forfeit its advantages—turn the job over to a boss. Be told what to do and when to do it.

It is not so much a matter of personal ambition to rule that is dangerous. It is the mistake of permitting growth of a condition which can have no other end—and a sure route to receivership is via bankruptcy.

Think of it. A nation blessed with everything man reasonably could ask going broke!

WE'RE SUPPOSED TO GOVERN OURSELVES THROUGH CONGRESS

Congress can't save us, but it can give us a chance to save ourselves and could be mighty helpful, and would be if once convinced we had come to our senses and intend trying. In fact, Congress is the one agency in which there exists the power and a natural incentive to help us work our way out of the woods. And lest we may have forgotten—we are supposed to govern ourselves through Congress.

While technically, perhaps, no special responsibility rests upon business, as a practical matter its responsibility is very real and very grave because its opportunities are greatest. All those in places of citizen leadership have a responsibility they no longer may treat lightly, but business is out on the firing line. It must swing into action with the best it has to give, not just for business—for country.

Already bowed down by the load of a tax-eating public debt of mountain size, we still are spending lavishly—and harmfully. Even exhausting and punitive taxes do not produce enough; we still are borrowing billions for doling out by government. It seems the one thing government knows how to do.

We might willingly endure the present load if it had produced a cure, but we have not even begun to solve our problems—and thus neglected they have become more difficult. Unemployment and want still hold relief rolls at a high level and agriculture has been forced to a point nearing complete dependency upon government. But worse—by our excesses we have all but crucified that unity that brought us so far forward in a few short years. Instead of team spirit we have class consciousness, with class pitted against class, and race consciousness at a dangerous pitch.

True, we have grand objectives—oft-repeated "objectives" so wholesome as to attract unanimous approval, and which must be our goal—but we have not been moving toward those objectives. We have been mislabeling our "medicines"—fooling the sick until, in their weakened condition, they are losing confidence—not only in government but in mankind.

ELECTIONS, A BUSINESS FLURRY, AND BILLIONS FOR ARMAMENTS

That our condition is precarious no one with ability to think longer doubts. Doubt does exist, however, whether we will muster that unselfishness and that don't-give-up purpose required to do something about it.

Danger exists, too, that we may mistake the recent business flurry for motion forward on firm ground—forget it was induced by lavish spending of billions of borrowed dollars feverishly doled out by government to cover its failures—or that we may assume the rebuke the superstaters received in the recent elections leaves nothing for us to do. What a terrible mistake if either assumption should be indulged.

We produced one business flurry on borrowed money—and it ended in the recession. Now we are spending more billions in an effort to produce another, and if we don't keep the ball moving this time, where will we get the billions with which to produce another? Note the appalling height to which this flurry is sending the public debt above forty billions, not counting more billions of contingent liability.

True, another heavy spending program is already being popularized by government—aware, of course, that another recession before mid 1940 would furnish its undoing—but how it is to be financed has not as yet been pointed out. Perhaps this phase has not even been thought of—relegated as too sordid and unpatriotic even for mention where national defense is the label. Too bad Government did not think about national defense before we squandered so many billions.

Is there danger too, that we may be frightened by specters and threats of war into loss of ability to see clearly and to think straight? God forbid.

The recent elections? Like the business flurry—all depends upon whether they are understood and taken advantage of. These contests, without issue other than government "as is," were made use of by the voters to register a stinging protest against the methods of present government—a rebuke to "rubber stamp"

Congressmen (many of whom were ousted) and condemnation, not of Government's professed "objectives" but rather, our failure to move toward them. Condemnation too, of its incessant reaching for power, political paternalism, wild extravagance, and selfish uses of public moneys.

These elections show both the alertness and the temper of the voters. They are quick to measure promise by performance. They are tired of "emergencies" and of government trying to run everything. They are tired of extravagance and fear bankruptcy. They want dependability, not make-believe. They want opportunity, not dole.

WHAT HAS HAPPENED BECAUSE WE LET GOVERNMENT RUN US

Ducking responsibility seems our besetting sin.

We got into this mess because when our follies caught up with us, back in 1929, we ducked. Selfishly dumped our problems into the lap of government and thought we had "pulled a fast one," as we are accustomed to express pride in skulduggery. Politicians, sensing a chance to grow big, seized them, and we have become almost hopelessly involved because we selfishly have allowed government to flounder with conditions it has no means to improve; problems we alone can solve.

For 9 years we have been "passing the buck" to government, with the result we should have expected. We have wasted 9 years, and our problems have multiplied. Among other new difficulties we now have a top-heavy government on our hands, expert in phrase making and effective use of propaganda, extravagance, and intimidation. A government twice the size and twice as costly as need be, so intent upon bossing as wantonly to risk doing irreparable damage. It's our Government, however, and we can bring it within bounds if we will. Not, however, merely by cursing it. We must remove the excuse for its trying to run everything.

If we intend working out a basis for stability and cooperative motion forward, it's high time we got at it. We have gone a long way in the wrong direction but not, as yet, too far. To win, we must tackle our problems, attack them aggressively. It may seem a big job. It won't seem so big once we get going and score a couple of wins.

A helpful Congress will be utterly necessary—but once such determination is evidenced by us, watch Congress respond.

True, it was a weak Congress that surrendered—paved the way for Government excesses that have nearly wrecked us—but in that surrender Congress was aided and abetted by businessmen who should have known better—urged to forego promised economy and to spend heavily. This in hopes of avoiding the consequences of those follies that caused the crash, but failing to realize such course might lead from frying pan into the fire, overlooking the temptations involved, ambitions likely to be aroused. They should have anticipated the mixing of politics with spending—the era of "pap, patronage, and projects" that was the harvest.

True, too, subsequent Congresses have not recovered the ground lost by the Seventy-third, but this has been due in large part to lack of effort by those to whom Congress has a right to look for courageous leadership among our people—that resentful or, worse, that surrender attitude some assumed when the whip of superpower commenced cracking.

At that, Congress has been far out ahead of citizen leadership. Not only has it resisted further dissipation of its authority by defeating the "disorganization bill" and protected the Supreme Court from packing for political ends; it has signaled the dangers ahead and sought citizen help in an effort to alter our course. Thus far it has signaled in vain.

In truth, Congress has proven surprisingly strong considering the abuse and lack of assistance it has received. Many of its Members have invited political extermination by their efforts to arouse us to action. Lifelong Democrats, to give us warning, have braved the wrath of the most powerful political machine ever supported by public money—a machine operated under the banner of their own party. Groups within Congress have tried desperately to curtail extravagance and foolish spending—to reduce the cost of government to its needs—only to meet the resistance not only of the superstaters but of those from the business world, willing for personal gain to push us further toward bankruptcy—accomplices for assured profits or those sightless few who so hopeful for profits as blindly to risk loss of all.

CONGRESS, TOO, HAS LEARNED FROM FUTILE EXPERIMENTS

Congress can't do the job, but how it could help. It still has all its constitutional powers; it merely has been making poor use of some of them. Then, too, Congress has learned a few things. Among others, that we can't—

Make everybody rich and happy by law;

Tax our way to needed reforms and improvements;

Borrow our way to prosperity;

Build an enduring social security on the quicksands of public debt;

Succeed in self-government by building government up—and us down.

Induce frugality, self-respect or self-reliance by providing dole instead of opportunity.

Rob the country of money, tax our people white, and expect jobs to increase or pay envelopes to expand.

Get teamwork in industry (and the most for our money) by fostering hate and distrust between worker and management.

Expect youth to be filled with hope when it can see action in nothing but government—or wildly patriotic when its expectancy is a yoke of debt.

Congress knows that every dollar business spends to create employment goes many times as far as would the same dollar if taken by government for relief or made work. That not only does it go directly to the mark when so spent, because no part is lost through Government extravagance or political manipulation, but that it augments the national income now and hereafter by being employed to improve or to create income-producing property. Government spends on public buildings, on publicly owned facilities and utilities, and for made work, which may in some measure add to the national wealth but not to that by which we live and grow—wheel-turning national income.

Congress knows that government cannot continue to use labor for political ends if we ever again are to have that teamwork in industry essential to production of that better quality, and at such costs, as will ring the bell—so induce buying at home and abroad as to insure both jobs and profits. It realizes that while tariffs will protect our home market, we can't get people to buy unless quality and prices are attractive, and that we must not even hope to sell abroad in world competition until we are prepared to serve needs better or cheaper than do our competitors.

Congress knows that if our machinery for national defense is in need of repair or improvement, the necessary means must be found. No question about it. It should know, and if it does not it must be made to know, that the label "national defense" must not be made use of by government as excuse for unnecessary spending or to justify a new reach for power, as it may not be used as excuse for keeping politics in public spending or to placate or to reward those who will reap the profits. Patriotism is for no such employment, lest we cry "Wolf" once too often.

Congress has learned that for it to build up a super-Executive is but to dig its own grave; that it can't delegate authority and still wield it; that it can't give the Executive a blank check on the Treasury and then refuse his bidding without feeling the lash. The purge was but a faint suggestion of what might be—and Congress knows it.

CONGRESS HAS THE POWERS, BUT NEEDS OUR URGING

But to know these things is not to provide a cure for our ills. Such knowledge may assist Congress in avoiding further mistakes, but it is motion forward we need—not further drifting. Congress has all the power it needs. What it needs is help—citizen cooperation. Congress actually has the power to—

Cancel authority delegated to the Executive and thus remove both the dangers and the uncertainties involved in government by decree—power to restore confidence in Government.

Lighten the tax burden by ending all waste and useless activity within and by government, and by eliminating politics from public assistance.

So adjust our necessary tax load as not to inflict undue hardship or retard employment-giving activity.

Give individual enterprise a chance by taking government out of competition with those who must earn their daily bread.

Amend unworkable laws so as to make substance conform with title and to repeal those which cannot be made to work beneficially.

To guide us toward our "objectives" by molding all legislation in their direction.

But don't expect Congress to accomplish much unless we begin helping. Government has injected itself so far into almost everything and our course has induced such dependency that Congress cannot safely take bold action in the right direction until we begin showing signs of readiness to do things for ourselves. We must not only assist the unemployed and needy, we must do it in such manner as to revive their hope—help them to look up, not down. Those who may have been tempted to the ease of dole must be given a fair and friendly chance through opportunity.

Congress needs two kinds of help—both from us:

1. We must do everything possible for ourselves, on our own. Tackle our problems, not duck them and leave them to government.

2. We must help Congress get the facts—the truth—respecting problems on which it must act and the most carefully considered means whereby Congress best can further our chances for success in self-government.

We can't help until we definitely have quit compromising with superpower—selling self-government short—and trying to save our individual necks by seeking "protection." If we go down, no neck will be spared.

A few can't do the job alone. There must be leaders, but there must be, too, an army of willing workers.

As to No. 1: Some of our problems government can't solve—can only make them worse by trying. While we leave these problems in government's lap it will keep tinkering with them—keep making them worse. By taking them over ourselves we will not only be going in the right direction but will be taking a load off the back of Congress—giving it cause for hope—reason to help—and time in which to do its own work well.

Our unemployment condition and resulting hardships, labor unrest, the plight of the railroads, and the needs of agriculture are practical problems—not political. It is this type of problem we ourselves must solve if self-government is to endure. Because they are practical problems business best can supply the practical experience and leadership necessary to their working out.

If there are to be more jobs, business must provide them. If there are to be new activities, business must contrive them.

If we are to produce more goods, and sell them, labor and management must work hand in hand. The stage is set for such a reunion. There is much soundness in labor and it is beginning to

assert itself. It knows government has been fooling the worker—encouraging excesses designed to provide excuse for government to come to the rescue with a cure, and has not only rewarded labor with gold bricks but with each cure has brought labor further under its control. Labor knows that reward such as a floor under wages—with no foundation to support the floor—and a labor adjustment law, so unworkable and so political as to handicap labor in its legitimate efforts, are gold bricks. Labor is waiting for the businessman to move—and there is a basis for labor-management cooperation if we will but try to find it—and don't wait too long.

To dignify collective bargaining and to get the best from it by helping worker and management solve their differences as they arise—and to help bring the "chiseler" to time—business might set up its own national labor relations board.

The plight of the railroads has been made worse by all sides leaving it to government—so bad, indeed, that the ways are greased for the carriers to skid into Government ownership and political use. This, because there is nothing else government can do about it, and those who might and who should be trying—the stockholder, the bondholder, and businessmen who need high-grade and dependable carrier service—are doing mighty little about it, for the most part merely studying what might be asked from government. The country is anxious to know, as is Congress, what the railroads themselves, owners and management, can and will contribute toward a solution of their difficulties. Both the public and carrier employees would be encouraged to help if convinced everything possible was being done by owners and management.

If the railroads are permitted to be "taken over" it will be but the beginning of government in business.

The problems of agriculture are of such a practical nature that attempted political management and loss of valuable time have so involved them that unless there is permitted soon a practical attack by those real farmers who know what is involved and what is needed, aided by business experience and cooperation, they will grow worse. If agriculture is to be a self-managing industry and is to avoid being a charity client of government—a political football—sound leadership in agriculture must have the helping hand of experienced businessmen. Not just sometime. Now.

BUSINESS MUST QUIT WAITING FOR SUPERGOVERNMENT TO CHANGE

A new role for the businessman—but one he must undertake. If present leadership can't or won't lead, new leadership must arise. Business must broaden its horizon and work for compensation not payable currently in dollars. It now must lead in things besides producing and selling. It must learn how by trying. Leaders must draw to them the best talent available.

There must be statesmanship in business as well as in Congress.

Business must quit waiting for superpower to alter its course. Power never admits failure. It tries to cover its mistakes by claiming it does not have enough power—needs more. Its advantage is in keeping the pot boiling.

Business must quit waiting for a savior to appear. Some fellow able to perform miracles—able to restore stability and prosperity as by magic. It's a dangerous waste of time. He will be our savior who makes us to understand we must merit self-government, or lose it.

Businessmen must learn to speak the same language and there must be such cooperation and cohesion as will permit of avoiding conflicting efforts—and of handling "chiselers."

Above all, business must forget its hurts and its fear of government. It must move with such boldness and effectiveness—and with such unity and high purpose—as will leave government tongue-tied.

Chambers of commerce and like organizations throughout the country must take on new life—throw up the window shades, dust off their desks, and get busy. Not the old way—the new. Not to see how much can be milked from government but how close each community can come to mastering its own problems. Self-sufficiency and self-respect are still worth working for.

The crash of '29 brought out the fact that our methods needed modernizing. All was not right—else we would not have crashed. The fact that what we got developed into a misdeal has not removed the need for a new deal. It has made the need greater.

We still need a new deal, but the kind of deal we need can't be made up and handed to us—by law or otherwise. We must do our own dealing—and team spirit must be our objective.

As to No. 2: Of the two this duty will be the most difficult to do well. It is the one businessmen are most likely to neglect—or to do badly. It won't be easy to do, but it must be done.

The memory of old methods, and the fact that business has been so maligned that even Congress for a time may doubt its sincerity, will handicap. However, business is able to furnish both facts and sound advice that are sorely needed, and it must do so.

We are failing in self-government because we have been neglecting Congress. We elect a Congress only to abandon it—leave it to combat alone that army of self-seekers forever wanting something for nothing, the crackpot with bulging portfolio, even the cunning of the executive branch lobby. Unfounded claims, half-baked schemes, half truths, and distorted facts in abundance—with no one for Congress to turn to for the truth.

Congress must know what not to do—what would be harmful—as well as what to do and when to do it. It can't do either intelligently without the facts. It can't do the latter quite so promptly, at least, or so well, without the best advice to be had.

WE MUST LEARN AT ONCE HOW TO WORK WITH CONGRESS

One of these fine days, if self-government should weather this storm, there may come a citizen possessing such farsightedness and patriotism (and means) as to create and endow an agency to further self-government through giving unselfish assistance to Congress—an agency so manned and so safeguarded as to justify Congress in making free and effective use of it. But until that far-seeing citizen appears, we must do our best to fill the gap, using such tools as we can contrive.

Curtailing Government costs—saving essential and getting rid of useless activities; reducing and readjusting the tax load; safeguarding our monetary system and managing the public debt; ascertaining our defense needs; finding how best government can help us to help ourselves; and similar matters are those upon which Congress must act. Consider the danger should it act upon any of them without the facts—if it should act upon misinformation or just shoot in the dark. What damage may result, too, should Congress fail to act and act wisely. At present its chief source of information is the executive branch—and its so-called "experts" feed it what an ambitious administration wants it to believe. The unwholesomeness of this condition has become all too apparent—even notorious.

Then, too, government has not only become monstrous in size; it has been made complicated and intricate—much bad intermingled with good and thus difficult to untangle. Great care must be exercised in operating upon it to make sure that the bad is eliminated without injury to the good—and the patient will be all but cooperative.

No sure-fire procedural formula for businessmen is possible of prescribing. It is a work that should have a modest but sincere beginning and made to grow. A few things, however, are apparent: Business and the rest of us must—

Learn to give—and quit demanding;

See problems unselfishly—see them as Congress must view them;

Find out what Congress needs—then go get it;

Anticipate its needs—be ready;

Make our material and suggestions available to Congress in understandable and usable form.

No use submitting 20 different proposals to help a particular condition. Just confusion added to uncertainty. Proposals will be purified and rendered less likely to contain selfishness if considered and perfected by groups representing different branches of business. Possibly a clearing house for public service proposals would prove helpful and beneficial.

Businessmen likely will be clumsy for a while but they must begin and must keep trying. We must learn how to work with Congress. In its doing, businessmen will grow to be better businessmen.

Only well-informed and upstanding spokesmen should attempt speaking for business—and even such should be wisely counseled. The volunteers of the past too frequently have spoken selfishly or in anger. Neither will help Congress—only hurt business.

WHY SHOULDN'T BUSINESS LEADERS GET TOGETHER AND OFFER HELP?

What seems needed is a new group, or a series of new groups, working in harmony to bring out the best that businessmen and organizations of businessmen are able to supply and to employ that best in helping work out our problems. Many businessmen are trying, but there is lacking coordination of effort. Organizations which may be doing good work in their respective fields lack the status to be effective in affairs going beyond their fields.

What would seem desirable, as a beginning, is this: That a small group of outstanding businessmen, each from a different field, should promptly begin deliberation upon what businessmen can do best to help both in working out our problems and in finding a basis for stability and cooperative motion forward, and to make recommendations accordingly.

While its only authority would come from the quality of its motives and the soundness of its recommendations, there still is great force in public opinion. Its work might prove the beginning of a better day for all.

The new Congress contains much outstanding ability—and few Members, if any, who are not earnestly seeking to find a way to stability and sound motion forward. Views differ, of course; but no mind is closed to fact or to sound reason. Then, too, this Congress enjoys an advantage over its precedessors:

It has had better opportunity to witness the damaging effect of mistakes made by prior Congresses.

It has a new mandate from the people—notice that there must be a change of course.

It has a generous supply of new talent—some of it most promising—all of it independent.

It likely will go far wrong only if we should fail it or if it should permit itself to become involved in politics instead of problems. It would be a tragic thing if this should happen, particularly if the lines of the constitutionalists should be weakened when there is such need for a united front if we are to make self-government work. While the proximity of 1940 provides a temptation, the danger can be measurably lessened if our support be real and is free from partisan tinge.

Jackson Day Address by Assistant Secretary of War

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Tuesday, January 10, 1939

ADDRESS OF HON. LOUIS JOHNSON, ASSISTANT SECRETARY OF WAR, AT THE JACKSON DAY CELEBRATION AT MONTGOMERY, ALA.

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered on last Saturday evening by The Assistant Secretary of War, Mr. Louis Johnson, at the Jackson Day celebration at Montgomery, Ala.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Fellow Democrats, here in Alabama tonight and in every State of the Union we, the militant and energetic vanguard of the aggressive and progressive Democratic Party, have gathered to pay our respects to a great battle and to an even greater fighter.

On this day in New Orleans in 1815 a raw and untrained body of frontier sharpshooters, supported by tattered refugees from Santo Domingo, inexperienced Creole militia, and variously arrayed Negro freemen, held at bay 12,000 experienced, well-trained, battle-scarred British veterans. Flushed with victory in the campaigns of the Spanish Peninsula over the marshals of the great Napoleon and eager to add new laurels to the Crown, these seasoned troops moved forward utterly to destroy America's makeshift forces, but they met a tartar in the form of Andrew Jackson.

In 25 minutes of actual fighting, the dead-shot riflemen of the great American West converted an orthodox and methodical British attack into a disastrous and disorganized rout. The proud chariots and mighty hosts of Lord Pakenham, Andrew Jackson "cast into the sea."

In one masterful stroke "Old Hickory" had won back for the American people their confidence in themselves and in their ability to meet the vicissitudes of life, which years of bad bungling and faulty leadership had almost destroyed.

We of the Democratic Party celebrate the anniversary of this outstanding military and moral victory to remind ourselves that in every year and in every generation there arise in our society disintegrating elements which would uproot and undermine the faith of the American people in our Government and in our institutions, and that we must look to democratic leadership to smite these sinister forces hip and thigh.

In 1815 General Jackson dealt a death blow to the attitude of military defeatism that had crept into American life and injected a new spirit of courage and confidence in our Nation's political destiny. In 1933 his successor in the leadership of the Democratic Party, our beloved President, Franklin D. Roosevelt, stunned the forces of economic defeatism that for 12 years had misruled our country and revived the old spirit of initiative and enterprise in our country's industrial democracy.

Today the ideals of a free America again are subjected to vigorous attack. This time it has taken the form of insidious propaganda against American institutions and against the American way of life. Foreign isms of varied hues and colors, conceived in darkness and ignorance, and nurtured in greed and intolerance, have spread their deadly germs throughout the civilized world and have filtered even into the United States.

Again it has become necessary for American ideals to assert themselves forcefully and unequivocally. Again the Nation is fortunate in having as its President a leader who is thoroughly American himself and who in his public and private life epitomizes the ideals of democracy. His example of honest thinking and fair dealing has reawakened in the overwhelming majority of the American people the fine democratic traditions of freedom and of tolerance. These are the aspirations of the average American of today.

These are the ideals of your own forefathers of yesterday who followed the fearless Andrew Jackson into the turbulent, treacherous Creek country and converted it into the peaceful, loyal State of Alabama.

One hundred years ago there was a man in the White House who understood the aims and the aspirations of the average American. Andrew Jackson mobilized the trapper in the wilderness, the worker on the wharf, the toiler in the factory, and the farmer in the field, and galvanized them into a vital, energetic, and dominant force in American life.

Andrew Jackson never veered from his definite goal of greater opportunity and more happiness for the common man. He never compromised with his principles. He never was frustrated by the narrow legal interpretations of the sophists. He was opposed by all the so-called great minds of his day, but he won over them all, and time has added to the luster of his victories.

He was opposed by Clay, the greatest compromiser of all American history. Clay's adjustments have disappeared. Jackson's policies still survive. He was opposed by Webster, the greatest constitutional lawyer of his day. It took a war to settle some of Webster's principles. Jackson's program has contributed to the peace and prosperity of America. He was opposed by Calhoun, the master logician of 100 years ago. Today, Calhoun is but a mere tradition. Jackson is a living, dynamic force.

Today we again have at the head of our Government the same type of champion of economic and political freedom for the common man, the farmer, the laborer, and the small storekeeper. President Roosevelt, too, will not veer from his determination to add to the security and to the happiness of the American people. Long after the carping criticism of those who oppose President Roosevelt's program has been forgotten, the achievements of his administration in the field of political, social, and economic democracy will be remembered.

Let us rally behind our President. Let us marshal our strength against all forces of un-Americanism that rise to block us in our efforts. Let us, on this Jackson Day, recall the steadfastness and the courage of "Old Hickory" and vow to uphold the ideals of the Democratic Party, whose foundations he had laid more than a century ago.

To your forefathers in Alabama, the very name of Andrew Jackson conjured up images of personal courage. They never forgot the sight of their gallant leader lying in bed, his arm hanging limp by his side, broken by fever and weak from loss of blood, receiving the disturbing news of the Creek revolt. The Indians were on a rampage. They had massacred 250 white settlers at Fort Mims. Immediately Andrew Jackson seemed to regain his poise and his strength. Propped up against a pillow, he announced to the pioneer settlers who looked to him in their hour of distress:

"The health of your general is restored. He will command in person."

He was as good as his word. Haggard, weak, his arm still in a sling, he started out in command of his infantry. The terrors of a winter campaign in a hostile country did not deter him. He cut his way through the wilderness. He marched across swamps. He bridged over streams. He sought the enemy in his own lair and captured the Indian ringleaders. He broke up the revolt of the Creeks. He established law and order.

To all Americans of today the name of Franklin D. Roosevelt should recall feats of similar courage. To be sure, his victories were not won with brave soldiers on the field of battle, but they were fought on the political and economic front where fortitude equally counts. Recall, if you can, the dark days of 1932, of official inertia, of public fear, and of individual resignation. Contrast that picture of dark despondency with the energy, the confidence, the courage, and hope that transformed America when Franklin D. Roosevelt ascended to leadership.

In 1933 Democracy returned to power. The battle against the Republican depression, thank God, has been won. Here in Montgomery and throughout the country we are reaping the harvests of the seeds of recovery planted with your help and cooperation. Our ideals, our principles, and our form of government have been secured and strengthened. We have a reasonable prosperity to a degree almost unknown in the civilized world.

Ours is a happy nation. We have our faults, but we are honest enough to admit them and are making every effort to correct them. Despite shortcomings here and there, we probably still provide greater security to property, more protection to life, and greater happiness to our individual citizens than does any other nation on the face of the globe.

We have not reached the millennium. There are still some sores in our economic system that must be healed. There is still some strife in our society that must be eliminated. There are still needed reforms that must be completed. When we consider, however, what already has been accomplished we should be encouraged in facing the battles of today and tomorrow.

It is impossible in the brief period of time allotted me to discuss fully the accomplishments of our Democratic administration since 1933. Let me invite your attention to a few of the more outstanding ones. The handling of international affairs is an excellent test of the statesmanship of any administration. Let us begin with that.

We have cultivated patience and self-restraint in dealing with our neighbors in America and with nations across the seas. We have avoided force or the threat of force in the pursuit of our governmental policies. We do not interfere in the internal affairs of other nations. We encourage and ourselves use peaceful methods to adjust differences between this country and others. We have extended our open hand in friendship to all nations but have not hesitated to tighten our grip when our rights have been disregarded. We have been polite but we have been firm.

We have stood ready to cooperate with the rest of the world in the reduction and limitation of overburdening military armaments. We have encouraged trade treaties among nations. When the President speaks in international matters, he expresses the conscience and the peace hopes of the entire civilized world.

As in the days of Jackson, our work in the field of foreign relations is marked by a procession of triumphs. In keeping with the traditions of Martin Van Buren, Edward Livingston, and John Forsyth, whose administration of the State Department under Andrew Jackson elevated the United States to a new high pinnacle of influence

in the family of nations, President Roosevelt has placed in charge of foreign affairs a man of wisdom, of learning, of courage, of kindness, and of firmness. Both Republicans and Democrats have endorsed the splendid administration of our State Department under the outstanding leadership of Cordell Hull. Behind the voice of the President and the hand of Mr. Hull stands a united nation.

Every loyal man and woman in our country is thankful for the leadership of our President in awakening a spirit of solidarity among the people of America. Every friend of peace in every corner of the civilized world is grateful for the achievements of Mr. Hull in crystallizing the spirit into a new "declaration of American principles," which was recently adopted at Lima by the 21 American republics.

No; there was no complete accord at Lima, but neither was there unanimity in Philadelphia on July 4, 1776, when the Declaration of Independence was adopted, nor in New York City on September 13, 1788, when the Constitution was ratified. In the years to come we may find that the Pan American Conference of 1938 has proved just as significant a landmark in the history of free people.

The conference at Lima condemned religious and racial persecution. It protested against the collective, political activity of groups of aliens. It declared its opposition to unreasonable trade barriers. It favored freer commerce between nations. It pledged the republics of this hemisphere to the peaceful settlement of all international disputes. It denounced force as an instrument of national or international policy. It announced respect for the binding contract of international treaties. It proscribed as inadmissible "the intervention of any state in the internal or external affairs of another." In brief, it revealed a growing sense of unity and common interest in fairness and justice among all the peoples of North and South America. Harmony, tolerance, freedom, peace, and democracy, these were bywords of the conference. By pledging faith in these principles, idealistic America has answered with an effective counter barrage the attack upon its institutions that have come from the decadent ideologies of the Old World.

To reach great heights in international affairs, diplomacy is not always enough. In a great world made up of all kinds of peoples and all types of governments, there are usually some nations who live only by the sword. So long as they can bully their way through international society, they allow their ruthless ambitions to run rampant. They always think twice, however, before they dare step on the rights of those who are capable of resisting their evil machinations. We need an army and navy so strong that no nation will dare attack us without thinking it over not only twice but 3 or 4 or perhaps 10 times.

Toward the strengthening of our defensive forces, the President is lending the aid and encouragement of his great office. He is insisting upon a navy second to none. He is demanding an army small in size, compact in organization, wholly equipped with the best of modern arms and equipment, and capable of expansion to meet any grave emergency.

Our Army requires planes of every type, skilled operators to fly them, trained combat crews to man them, experienced mechanics to maintain them, efficient equipment to protect them, and ample bases to support them. We need tanks and machine guns in greater quantity and of better performance. We must augment our new semiautomatic shoulder rifles which the world regards as the peer in small arms. We must add antiaircraft guns. We must streamline our Infantry and Cavalry divisions. We must build up our reserves of munitions. We must fortify ourselves against the possibility of shortages in an emergency. We must build up a reserve supply of all our military needs except food and clothing. With such a physical reserve on hand, there would be no need, in an emergency, to dislocate industry's normal services. Instead of rushing madly into war production upon the declaration of a grave emergency, industry would have time to convert our factories into arsenals and to go into full war production in a logical and orderly manner. We must keep abreast of military developments. We must build our defenses so strong that no nation in the world will dare attack us.

To the strengthening of our national defense the President has now pledged himself. Mindful of his past achievements, we have every reason to feel that he again will accomplish his purposes.

So far, we have discussed the achievements of the Roosevelt administration in fields not so very well known to the average voter. Now, let us consider its accomplishments in the life and work of every man and woman in the State of Alabama. Most of them are known to you. I repeat them here in a summary manner to refresh your minds and urge you to keep the facts before you to help you silence the voices of defeatism that may be raised in your communities.

The wave of bank failures that characterized 12 years of Republican rule has broken. When a bank is in distress the small depositor escapes without loss.

For the farmer, production is being brought into line with demand. His submarginal lands have been abandoned. On his good land, improved conservation methods have been employed.

In the securities market, the dishonest, get-rich-quick promoters who manipulated security prices to their own advantage, have been clipped of their wings and their rackets broken up.

The Democratic Party has kept faith with the youth of America. The Civilian Conservation Corps has saved not only our physical but our human reserve. It has proved useful and stimulating activity for hundreds of thousands of our young men, many of whom have become familiar to you in Alabama. It helped put an end to those bands of roaming, homeless, hopeless youths who cluttered our street corners and our speak-easies.

In his emphasis upon youth, however, the President has not forgotten the aged. A great social-security plan has been enacted into law, a measure which some day will stand forth as a landmark in the long battle to remove the specter of penury and need from aging men and women.

The Democratic Party has ended the reign of terror that hovered over some of our biggest cities. It has driven out gangs and racketeers. It has broken the grip of the kidnaper. It has ended the reign of crime and of delinquency which prohibition and the Republican depression had brought in their wake.

I trust I have given you enough reasons why the Democratic Party is in power today and why it enjoys the confidence of the American people. Its achievements speak for themselves. What the President and the Democratic Party have accomplished since 1933 augurs well for their ability to tackle the problems that still remain.

We are confronted today with great national issues. Let us approach them with a national point of view. Let us forego narrow localism and think only in terms of our country as a whole. Let us, who are meeting tonight in Montgomery in the very "cradle of the Confederacy," revive the toast of Andrew Jackson, "Our Union, it must be preserved!"

The President is leading the American people on a road toward greater security and more happiness. He needs lieutenants and subalterns to help keep his lines unbroken. It is up to us of the Democratic Party to close ranks and march in step behind him.

What the Retiring Congressman Thinks About

EXTENSION OF REMARKS

OF

HON. ROBERT F. RICH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 10, 1939

RADIO ADDRESS BY HON. ARTHUR P. LAMNECK, OF OHIO, ON DECEMBER 17, 1938

Mr. RICH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by Representative Arthur P. Lamneck, Democrat, of Ohio, over the Columbia Broadcasting System Saturday, December 17:

I am an Ohio businessman and a Democrat who is just finishing 8 years in the House of Representatives. During much of that time I have served on the Ways and Means Committee. This is one of the most important House committees. Primarily its duty is to find money with which to pay Government expenses. That alone in rece years has been some job. But the committee does much more than raise money. Among other things, it selects members of all other House committees. One who has served on it should be familiar with what makes congressional wheels go around.

Despite the importance of the work that I have been doing in Washington, I feel that I am returning to private life to do even a bigger job than I have done here. While I shall be compelled to conduct my business to earn a living, I intend as a private citizen to devote every possible minute that I can spare to interesting people in taking an active part in the affairs of their Government. I want to help make them realize that it is their Government and that it will be run well or badly just as they permit it to be run. The task I have cut out for myself is that, insofar as time will permit, I propose to make myself available for addresses on public questions.

Most Members of Congress are responsive to the desires of their constituents exactly in proportion to the demands they receive from back home. Because of this situation it is imperative that the sound-thinking and industrious people of the Nation learn the truth about public affairs and voice their opinions to their Congressman regularly. Workers, employers, farmers, investors, property owners, life-insurance policyholders, bank depositors, and all others who believe in working for a living and are not seeking Government support must consider the situation from the standpoint of how their personal fortunes are involved. They must become militantly aggressive and highly vocal in their own behalf. They must not only elect capable men to represent them in Congress, but they also must stand behind these men when the fighting on Capitol Hill grows furious.

Make no mistake about the combat in our next Congress being furious. The fur will fly as it never has flown before. The little group of radicals, under the direction of Tommy Corcoran, the accordion player, who have been running things, are not going to give up just because they were repudiated in the last election. They will wage a fierce onslaught not only to expand their socialistic program, but also to prevent the enactment of constructive legislation.

Outstanding in their program will be another demand for huge appropriations to be spent without congressional control. Present

indications are that between eight and nine billion dollars will be sought. Do not be surprised if this amount reaches ten billion before Congress finally adjourns.

This step, however, will be only preliminary to further unbridled spending. Very early in the session an attempt probably will be made to legalize an expansion of the public debt. Under the present law the Government is prohibited from having more than $45,000,000,000 worth of paper outstanding. At present there is outstanding somewhere between thirty-eight and forty billion dollars. With a leeway of only approximately $5,000,000,000 existing, the spenders must have more money soon. Previously they have said the Nation could carry a debt of seventy-five billion.

I assert that an effort will be made to raise this debt limit because it was discussed during the last session of Congress. Every patriotic citizen interested in the American form of government and its institutions should adopt a slogan, "They shall not pass $45,000,000,000," and see to it that their Congressmen and Senators support such a proposal. If we hold the line on this issue, public spending must be reduced or taxes must be increased. If taxes are raised 150 percent over what they now are, which would be required, the American people for the first time will realize the fanatical policy on public spending that has been in effect for some time past.

A great war scare also is in the making. The radical inner circle is planning to whip the country into a state of feverish excitement and patriotic fervor over the preparedness issue. Having failed to solve the unemployment problem or restore prosperity, it realizes that it is in desperate straits for a popular issue to divert attention from its failures. With the Ship of State sinking, the crew will endeavor to direct the attention of passengers from their precarious position by shouting "sharks."

There also has been quietly discussed a scheme for elevating Harry Hopkins, the fair-haired political adviser of the inner circle, to either the Secretaryship of the War or the Navy Departments. Hopkins in either position, it is figured, would be able to continue in the pleasant pastime of spending more millions and at the same time popularize himself to such an extent that he might be the radical candidate for President in 1940.

None, of course, will oppose appropriations for adequate defense. They will be granted. But appropriating millions to defend and cover up mistakes and failures of the radical leaders is something else. The people won't stand for that.

Hopkins also has been discussed as successor to Secretary of Commerce Roper. Hopkins may be slipped into that position temporarily. A house-wrecking is probably in store for this Department. The fact is the inner circle hope to abolish the Department of Commerce as such, distributing the various bureaus among other Departments. The Commerce Department was established by Congress to "foster and encourage business," and such activities are wholly repugnant to the radicals.

A determined effort also will be made to pass a reorganization bill which will empower the President to reorganize governmental bureaus as he pleases.

Revelations by the Dies committee of the widespread activities of un-American groups and their protection by administration members has caused the inner circle much concern. It would like to eliminate the committee entirely, and set up a new one which would soft-pedal the facts about radicals within and outside the Government. A new group, for instance, which would train its guns on business and industry and charge their leaders with being Fascists. Such a program was well under way a week ago, when suddenly it encountered an unexpected obstacle in the form of the Gallup poll. That poll, taken in many different sections of the United States, showed a 3-to-1 majority favoring a continuance of an uncontrolled Dies committee. The question of its continuance under a new appropriation will receive early consideration in Congress and the radical group will endeavor to halt the committee. Whether the administration will be able to rid itself of these embarrassing investigators, who have proven especially irksome to Secretary Perkins by revealing the fact that she is protecting Harry Bridges, a radical alien, from deportation, will depend largely on how much Congressmen hear from the folks back home.

Changes in the social security law is another item on the inner-circle program. The principal reason for change is to include a great many persons who are not now covered, so that the spenders can get more money. They will also attempt to provide for socialized medicine. A sensible and economically sound old-age pension amendment would be advisable, but no other changes should be made until the law has at least had sufficient time to know whether it is practical. The most embarrassing feature of the social security laws, and one which the administration would like to keep under cover, is that the money being turned into the Treasury from pay rolls for the protection of workers is not being set aside, but is being spent as rapidly as it is received.

The foregoing in a nutshell constitutes the radical program. Obviously it does not contemplate meeting any of our major problems.

Patriots of the United States now have a golden opportunity to put this country back on its feet. All they need do is join together in demanding constructive action from Congress. Included in those who could and should stand together and insist upon a real program are 50,000,000 workers capable of being gainfully employed; 60,000,000 insurance policyholders, much of whose money is invested in industry; 30,000,000 residents of farms, who depend much upon workers in industry for consumption of their products; every taxpayer, every bank depositor, every property owner, and, finally, every person interested in the proper upkeep of churches, schools, hospitals, and other public institutions and in keeping the United States free from control by aliens and traitors within our gates.

The outstanding national issue, which the radical group plans to ignore, is that of creating steady jobs for the unemployed. Congress can solve the problem if it will assume governmental leadership.

Given reasonable assurance of protection against further onslaughts by the theorists, business, industry, and money owners generally would turn loose a flow of currency which will start commercial wheels turning and soon put to work all persons capable of being employed. This country is years behind in its necessary supplies and there is more money hidden away in banks than ever before in history. The total amount on deposit is something like $60,000,000,000. There is hardly a dollar of this that would not be brought out of hiding and be put to work tomorrow if its owners felt that Congress would stand between them and the unsound business practices followed during the last 6 or 8 years.

Specifically Congress should refuse absolutely to appropriate any more money for the purpose of putting the Government in competition with private enterprise. It should find a way to establish peace with the utilities. It should refuse to finance any further investigations designed solely to harass, embarrass, and intimidate business. It should make any reasonable tax adjustments which promise to increase prosperity. Business recently has indicated a desire to go along with government and government should hasten to embrace this unusual opportunity to emerge from the indefensible position against business into which it has gotten itself.

The Wagner Labor Act must be amended. This measure is the most vicious that radical haters of industry ever have put on the statute books. It has done immeasurable harm to the Nation by stirring up strife and retarding recovery. A bad law, administered by a group of socialistic- and communistic-minded persons, its stark unfairness has aroused opposition among fair-minded persons in all parts of the United States. Yet the administration plans, if possible, to avoid amending this act. Nothing will be done unless Congress is strongly urged by the people to make necessary changes. It is encouraging to note that such a fearless man as Senator BURKE, of Nebraska, who was active in the fight against the President's court-packing bill, is planning to lead a movement to amend this outrageous act so that it will be fair to employee, employer, and the public. Senator BURKE will need all the help he can get from you.

Likewise, leadership in the solution of the transportation problem probably will have to spring from Congress. This paramount question has needed correction for years. The present administration has side-stepped it so long that today our railroad lines are in a chaotic condition. The time has come when this problem can no longer be avoided. Congress must do its duty.

Public expenditures can and must be reduced. Whatever is spent must be spent honestly and not for political purposes. It is imperative, especially, that the Government drop the ridiculous and crooked plan of taking income-tax money away from industrial States like New York, Illinois, Ohio, Massachusetts, and Pennsylvania and using it for what amounts to political bribery in small States like North Dakota, South Dakota, Alabama, Arkansas, and New Mexico.

In 1937 the Federal Government collected a little over four and a half billion dollars in income taxes from the various States and then juggled this money around so that it distributed about three and three-fourths billion dollars back to the States in direct payments for twenty-eight different purposes. To illustrate how this money was juggled for political purposes, North Dakota paid one and one-third millions of income taxes into the Federal Government and drew out almost fifty-nine millions. South Dakota paid in a little over one and a half millions and drew out fifty-nine millions. Alabama paid in ten and a half millions and drew out sixty-one millions. Arkansas paid in six millions and drew out fifty-seven millions. New Mexico paid in less than two millions and took out over twenty-eight millions. In no case did a large industrial State get back anywhere near as much money as it put in. New York, for instance, paid in approximately $1,000,000,000 and got back less than half this amount. Ohio paid in about two hundred and seventy millions and got back a little over half of it. Illinois paid in over four hundred millions and got back slightly more than half of this amount. So the whole record runs through.

The total cost of Government last year was slightly over $8,000,000,000 and receipts a little over $5,000,000,000, leaving a deficit of $3,000,000,000, or three-fourths of a billion less than the Government paid to States. These figures would indicate that a very simple scheme for balancing the Budget would be for the Federal Government to get out of relief and other forms of political activity and let all the States take care of their own relief problems.

Briefly, I have given you the picture of our national problems. Whether the people will permit a little group of wild-eyed radicals to continue to ignore the fundamental needs of our great Nation or will take the situation in their own hands and demand constructive action, is entirely up to you. If the loyal citizens of this country will tell their Congressmen to forget party lines, ignore the radical inner circle, and go to bat for a prosperous United States, Congress will do it. You can help by letting your Representatives and Senators know that you will back them up in such a program.

Legislative Proposals Submitted by the American Farm Bureau Federation

EXTENSION OF REMARKS
OF
HON. HERRON PEARSON
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Wednesday, January 11, 1939

COMMUNICATION FROM AMERICAN FARM BUREAU FEDERATION

Mr. PEARSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following communication addressed to the President of the United States and the Members of the Seventy-sixth Congress by the American Farm Bureau Federation:

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., January 10, 1939.

To the President of the United States and the Members of the Seventy-sixth Congress:

Pursuant to resolution adopted by the House of voting delegates at the twentieth annual meeting of the American Farm Bureau Federation, the Board of Directors of the American Farm Bureau Federation herewith calls to the attention of the President of the United States and the Members of the Seventy-sixth Congress the following matters, which are considered by the organization to be of outstanding importance to the Nation:

1. In these critical times, when lack of economic balance between groups of our people prevents normal exchange of goods and services, which in turn results in a continuing unemployment problem, we reiterate our conviction that the full power of the Federal Government must be mobilized in an effort to restore the economic balance which is necessary to enable us, as a nation, to regain normal volume of production and normal national income. We must put to work our billions of unemployed dollars and our millions of unemployed people.

We recognize the fact that our national Budget cannot be constructively balanced until we have attained economic balance between groups, and until national income has been substantially increased. Therefore we recommend—

(a) That the Federal Government provide adequate funds to help restore agriculture, our basic industry, to parity position.

(b) That the Federal Government continue to provide employment for those who cannot secure employment in private industry.

We insist, however, that hours and wages of relief labor be modified so that private employment will be more attractive than relief employment, that every effort be made to return relief workers to normal employment at the earliest possible date, and that every effort be made to reduce overhead costs in the administration of relief.

We insist further that Federal works projects be limited to such constructive projects as can fairly be expected to increase national income and wealth or to add to the productive efficiency of our national economy. We believe further that the Federal Government should insist on a full day's effective work for each day's wages paid out.

We are convinced that the Federal Government must continue to supply the bulk of relief funds, for the burden is beyond the present capacity of the local political divisions to handle; and we recognize the continued necessity that the Government provide capital investment funds until such time as private funds are again attracted into productive enterprise.

As a further aid to restoring economic balance we suggest that both industry and labor refrain from advancing prices and wage rates, but that they seek higher annual income through greater volume of production and continuous employment throughout the year.

We are confident that each and every citizen is willing and eager to bear his just share of the recovery burden in order to preserve the fundamental principles of our historic democracy, provided he is assured that the public money is being expended prudently and efficiently on projects that will broadly benefit the people as a whole. All citizens must shoulder the responsibility of making our democracy work in order to maintain our system of free government.

Again we offer our complete and hearty cooperation to those charged with the responsibility of grappling with this great national problem.

2. The broad principles underlying the Soil Conservation Act and the Agricultural Adjustment Act of 1938 are fundamentally sound. This is no time to give serious consideration to substitutive programs when the facts indicate that the present program has not yet had a fair trial. These acts should be amended only as experience clearly justifies. For some time to come the adjustment of acreages of basic crops in line with effective demand will be necessary. Commodity loans to support price levels are fully justified. Adequate provision should be made for parity payments to bring agriculture into fair economic balance with industry and labor. The provisions of the Marketing Agreements Act have proved their value beyond question, and their benefits should be extended to additional crops.

3. A joint committee of the Congress should be authorized and commissioned to study and report on at the earliest possible date the monetary systems of the United States and other countries for the purpose of ascertaining the effect of monetary policies on basic commodity price levels, and that based on such a study such joint committee should propose effective methods for achieving greater stability in basic commodity prices. Pending the completion of such a report the Congress should continue the authority of the President to change the gold content of the dollar.

4. Farmers recognize that the railroads constitute an essential transportation agency and believe that private ownership will best assure the highest degree of improved service to the public. The need for action by the present Congress is apparent. Greater freedom of action on the part of railroad management could be granted without relinquishing present safeguards to the public.

5. Changed conditions would appear to clearly warrant the taxation of the income of all Government-issued securities; therefore no more tax-exempt securities should be issued.

6. It appears extremely difficult, if not impossible, for the Administrator of the Wage and Hour Act to make effective, by regulation, the exemptions to agricultural trades and industries as clearly contemplated by the Congress. Congress should amend this act to assure to farmers the full benefit and scope of the present exemptions as originally contemplated.

7. Reciprocal trade agreements which have thus far been negotiated and which do not have the effect of reducing domestic agricultural prices below the parity price level are generally satisfactory to agriculture. Until such time as curtailed market outlets, which require America farmers to restrict production, are enlarged, all foreign trade policies should be formulated so that the widest possible domestic and export markets may be obtained for all domestic producers at fair price levels. All imported agricultural and livestock products should be required to meet domestic standards.

8. The natural resources of soil, water, range, forests, and wildlife are basic to the welfare of agriculture and to the Nation. The future protection and wise use of these resources must be assured. Such a program of conservation should be of a national scope and should be correlated with other conservation programs. A cooperative farm forestry program would appear to meet the problem in many areas of our country. Most land, wildlife, and forestry conservation must be carried out in cooperation with the people who live on the land.

9. The fertilizer program of the Tennessee Valley Authority, the Rural Electrification Administration, and the farm-to-market roads program should continue to be supported with adequate funds.

10. The United States Department of Agriculture, the land-grant colleges, the agricultural experiment stations, the extension service, the vocational education service, and the regional agricultural research laboratories should have adequate appropriations for carrying on their work in the service of agriculture.

11. Since the Nation as a whole can prosper only to the extent that equalized educational opportunities are made available to all citizens, the Federal Government should provide aid to grade and secondary schools on the basis of educational need.

Since it is further apparent that preventable disease and lack of proper medical care and hospitalization in some areas cause great economic loss and human suffering, the Federal Government should reasonably extend its public-health program with respect to maternal and child health, rural hospitals, public-health services, and medical care for those unable to provide such care for themselves.

Respectfully submitted.

American Farm Bureau Federation, by its executive committee: Edward A. O'Neal, president; Earl C. Smith, vice president; George M. Putnam; J. F. Porter; H. J. King; O. O. Wolf.

The Federal Budget—Political Abuses in Relief

EXTENSION OF REMARKS
OF
HON. ROY O. WOODRUFF
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, January 11, 1939

RADIO ADDRESS BY HON. JOSEPH W. MARTIN, JR., OF MASSACHUSETTS, REPUBLICAN LEADER IN THE HOUSE, JANUARY 10, 1939

Mr. WOODRUFF of Michigan. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the

following radio address delivered by Hon. JOSEPH W. MARTIN, Jr., on Tuesday, January 10, 1939:

The new Congress which assembled a week ago today already has indicated its vigorous American temper and businesslike mood.

There is every expectation that it will prove a responsible, independent Congress, free of unwholesome executive domination, free of subservient rubber-stamp inclinations, free of that dangerous spendthrift infection which has marked the New Deal Congresses of the last 6 years.

With an effective minority of 169 Republicans in the House, this new Congress must seek to give faithful expression to the real sentiments of the American people as they were so clearly voiced in the State and National elections 2 months ago.

President Roosevelt's Budget message last Thursday, with its demand for $10,000,000,000 of new spending, came as a shock and surprise to Representatives and Senators of both parties on Capitol Hill.

This staggering Budget not only affirms the prevailing policy of reckless extravagance and dangerous bureaucratic expansion in Washington, but indicates clearly that the President himself now has abandoned every pretext of leadership toward economy, lower taxes, and orderly financial management of the National Government.

This policy in the White House is contrary to the will of the American people as expressed at the polls last November.

As such it is a rejection and repudiation of the whole theory and practice of representative government.

In State after State, and in county after county, the people voted for a curtailment of bureaucratic extravagance and for a beginning on policies which would promise to relieve the country of the present crippling burden of taxation.

No working population ever can hope to prosper permanently under prevailing policies of taxation.

No farming population ever can prosper so long as 27 cents of every income dollar must go for taxes.

Taxes are too high.

The Government is spending entirely too much money.

Our people demand a restoration of common sense, prudence, thrift, and ordinary good management in the handling of the Federal business.

They do not countenance such defiance of the popular will and judgment as is indicated by this last Budget.

Run-away spending is a dangerous habit. It feeds upon itself. It aggravates every other social and economic problem before the country. It tends to create more unemployment, and to delay the return of our 10,000,000 unemployed to regular jobs at honest American wages.

Congress already is at work on measures to cut down the President's spendthrift estimates, and in this program we on the Republican side propose to cooperate wholeheartedly with the leaders of the majority.

Our pledge already has been given that throughout this session we will place the welfare of the country above partisan interest.

Nowhere is there greater need for practical patriotism today than in the solution of the Federal financial muddle.

We all recall the eloquent warning uttered by Franklin D. Roosevelt in his address at Pittsburgh on October 19, 1932. His words are worthy of the earnest attention of every citizen in the land tonight. As a candidate for the Presidency, Mr. Roosevelt said on that occasion:

"Now, the credit of the family depends chiefly on whether that family is living within its income. And this is so for the Nation. If the Nation is living within its income its credit is good. * * * But if, like a spendthrift, it throws discretion to the winds, is willing to make no sacrifice at all in spending, extends its taxing power to the limit of the people's power to pay, and continues to pile up deficits, it is on the road to bankruptcy."

But since this administration took charge in March 1933, which was less than 5 months after Mr. Roosevelt uttered the solemn warning quoted, the Federal debt has been increased (giving effect to the 1940 Budget submitted last week) by more than $22,000,000,000.

Let us consider for a moment just how much $22,000,000,000 really is.

We may visualize a house costing $5,000.

If we built 200,000 such homes, that would be $1,000,000,000.

So we multiply by 22, and we have 4,400,000 new houses which could be built with the New Deal deficit.

Now, this is more houses than are standing today—old and new—in the cities of New York, Chicago, Philadelphia, and Boston, combined.

That, in practical terms, is what these Roosevelt deficits mean—new homes, fully paid for, for 4,400,000 American families.

There is a pump-priming project for you. There is a housing program which would put millions of men to work and start a tremendous business boom.

But instead of these 4,400,000 fine new homes, what have we got today?

A crushing burden of national debt.

This generation, our children, and our children's children are denied these homes.

Instead, our people will be lashed to the wheel of toil to repay this reckless debt.

Our Nation is mortgaged for a century to come.

The social security of our children is clouded by the threat which Mr. Roosevelt repeatedly has told us we cannot hope to escape under such policies—the disaster of national bankruptcy.

This is not a partisan issue. It is a grave question of national concern. It reaches to the very heart of unemployment.

The first duty of this Congress must be to advance measures and programs which will put our 10,000,000 unemployed back to work.

And first among these measures is a sensible approach to the Federal Budget.

Only by Federal economy may we hope to restore the normal economic drive of a robust national confidence and a vigorous, sure-footed private enterprise.

The President's Budget for 1940 is a challenge to the very system of democracy and to statesmanship.

For unless our Federal finances are placed upon a sound and prudent footing, all business and every citizen ultimately will suffer.

In the name of 10,000,000 jobless men and women, we plead with the President to give earnest attention to this urgent problem. We bespeak the aid of his vast power and influence in the prompt solution of an issue which has been too long evaded and denied—an honest Budget!

During the years of the New Deal emergency the Republican Party consistently supported the successive relief appropriations demanded by the President.

We never have denied the principle of public assistance to the needy unemployed.

But we have opposed, and we will continue to oppose, the shameful and degrading manipulation of Federal aid by the political rings which have made relief a racket during the last 6 years.

Only last week there was published by the Sheppard committee in the Senate a ringing indictment of greedy political abuses in relief throughout the country.

This report, presented by one of the most distinguished Democratic Members of the Senate, charged that relief workers in many cities had been mobilized by their foremen and supervisors for campaign duties and that political contributions had been wrung from the needy W. P. A. workers.

The Sheppard report covered a 6-month investigation of relief as administered under Harry L. Hopkins. In final form it made an indictment of more than 1,000 typed pages.

Within these pages is set forth one of the most shocking and disgraceful public scandals in all American history—for which Mr. Hopkins promptly was promoted to the President's Cabinet as Secretary of Commerce.

We on the Republican side do not propose to go along any further with this sort of business.

Every State, almost every county, reveals its own sordid story of political corruption and mismanagement in relief. In my own, the Fourteenth Congressional District of Massachusetts, my opponent on the Democratic ticket in the last election was, until he entered the campaign, the State Labor Director of W. P. A. for Massachusetts. He entered the campaign, I am informed, only after a personal conference with W. P. A. Director Harry Hopkins in Washington.

W. P. A. workers were taken from their regular assignments in the cities and towns to do house-to-house solicitation in the interest of my Democratic opponent.

Mr. Hopkins' official reports show that the national W. P. A. rolls were expanded steadily throughout the summer, reaching a new record high in the week of the November elections. But between June and November roundly 1,000,000 persons had been taken back into private employment.

The cut in relief began the day after the elections, and during the next 2 months, in the dead of winter, more than 150,000 men and women were dismissed from their W. P. A. jobs.

They were not dismissed because their need was ended, but only because the political campaign was over.

Our party stands for cleaning up this relief scandal without further delay.

We solicit national support for the proposition that all the relief dollar should go to the unemployed, not half of it to political hangers-on.

We solicit national support for the proposition that relief should be administered by local bodies, not by a headstrong bureaucracy in Washington.

We solicit national support for the proposition that there should be no more of these blank-check appropriations to the President, but that every relief dollar should be spent under a definite and exact formula laid down by Congress, which will insure that the relief money actually reaches those in need.

Let us put a stop to this shameful spectacle of playing politics with human misery.

Let us put a stop to this demoralizing coercion and intimidation of the unemployed by hand-picked political racketeers.

In this proposal our appeal is to that unfailing American quality of decency and fair play—an appeal which never has failed in this bright land.

In the final analysis, relief is but one segment of the great problem of recovery.

The foremost problem still is to put our 10,000,000 unemployed back to work.

This we may do by encouraging private enterprise to go to work; by encouraging the free flow of honest capital into productive employment.

We need to restore an abiding public confidence in the security of orderly constitutional government and in the future of American opportunity.

We need to turn our backs upon centralized one-man government.

We need to reestablish hope and opportunity as the living emblems of American life.

This is the only road to real recovery. Every other road leads but to the bog.

We on the Republican side beckon our colleagues of the majority to the broad highway of time-tested American principles.

We call upon the President of the United States to lend his great prestige and power to such a program, to the end that we may quickly send this mighty Nation once more along its accustomed path toward peace, progress, and sustained prosperity.

Reciprocal-Trade Agreement with Cuba

EXTENSION OF REMARKS

OF

HON. JAMES F. O'CONNOR

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 11, 1939

STATEMENT OF HON. JAMES F. O'CONNOR, OF MONTANA, BEFORE THE COMMITTEE FOR RECIPROCITY INFORMATION

Mr. O'CONNOR. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include my statement before the Committee for Reciprocity Information in connection with the negotiations of a reciprocal-trade agreement with Cuba at a hearing held in Washington, D. C., on January 4, 1939, as follows:

Mr. O'CONNOR. Mr. Chairman and members of the committee, I first of all wish to thank you for the courtesy which you have extended me here this morning in permitting me to say at this point in the program what little I have to say in connection with the matter that is before the committee. First of all, I want to say this, that I cannot, in language sufficiently strong enough, protest against any reduction in the tariff on Cuban sugar, particularly in view of the conditions existing in the district which I have the honor to represent from the State of Montana, which is the Second Congressional District, and the largest congressional district in the United States where a State has been divided into congressional districts.

In that territory, Mr. Chairman and members of the committee, we have an altitude in the neighborhood of an average of perhaps 3,000 feet, and in some places it is much higher than that. Consequently, the crops that we can raise are limited to such crops as wheat, feeds, or sugar beets. We cannot, except to a limited degree, raise corn, beans, and the high-priced seeds. Now, then, with the curtailment of wheat—that is, with the policy of the Government in curtailing the production of wheat—we are now getting down to a point where, in the whole area of Montana, we are principally limited to what we would call the production of sugar beets.

I might add, gentlemen of the committee, that the United States Government has assisted us materially in many ways in bringing into use large areas of dry land by the creation of irrigation districts in my territory, at a large sum of money, and if we are going to curtail the production of sugar beets, which this would amount to, then a lot of money which the Government has already spent in connection with these irrigation projects would be thrown away, because we could not produce a crop that could be grown in that area due to the altitude that I am talking about.

My own thought about the matter is, particularly in view of the plight of the American farmer, the farmer in my territory, we have had 7 long years of continuous drought in that territory, and the only cash crop that we can now raise there that is of any particular benefit to us is the sugar beets. As an incident to raising sugar beets we can produce and fatten a large number of livestock, and if we can go on in the production of our sugar beets and get an increase in the acreage of the beets that we will be permitted to raise, we cannot only take care of ourselves but we can keep a large proportion of the farmers off relief. Today, and I dislike to make the statement, but the greater number of the people on relief in Montana are farmers whose acreage has been curtailed along the line of the production of wheat and beets and because of drought and insects.

I cannot emphasize this case or state it as strongly as it has been put in a resolution, one paragraph of which I wish to call to your attention particularly, by the Montana-Wyoming Beet Growers Association, which not only represents the district that I come from in Montana but likewise Wyoming, which is also a large raiser of sugar beets. This paragraph reads as follows:

"Whereas, although reputed to be the lowest-cost sugar producer in the world, financed largely by foreign capital and always showing a keen desire to monopolize our sugar market, Cuba, during past years, has been granted very valuable concessions, all of which have served more or less to retard the normal development of our domestic sugar industry, among which are: (1) The Reciprocity Convention of December 11, 1902, which granted to Cuba a 20-percent preferential rate on import duty; (2) by Presidential proclamation on May 9, 1934, the import duty on Cuban sugar was reduced 25 percent (from 2 cents to 1½ cents per pound on Cuban 96-degree sugar); and (3) by reciprocal trade treaty of August 24, 1934, which further reduced the import duty on Cuban sugar of standard raw value from 1½ cents to 0.9 cent per pound, the latter concession extending under the most-favored-nation clause to other foreign countries with which trade agreements have or will be negotiated."

Now, it is my thought, in view of the plight of the American farmer, and particularly in view of the plight of the sugar-beet producer in territories which I serve, the American market ought to be preserved for the American farmer so we may take him off from relief, because if we do not preserve it for the American farmer it just simply means that the Government has got to take care of him anyway. I am opposed to any policy of the State Department or of the Department of Agriculture which will cause idle lands or increased relief rolls.

I ask permission at this point to insert into the record the resolution passed by the Montana-Wyoming Beet Growers Association and also a copy of a letter dated October 3, 1938, at Great Falls, Mont., addressed to the sugar-beet section, United States Department of Agriculture—I think that is probably coming to the wrong department—and also a letter dated December 28, 1938, received by me in the last few days from the Pondera Beet Growers Association, of Pondera County, Mont., which is in a very high altitude country, where the altitude averages 3,800 feet and where it is impossible to raise anything but wheat, sugar beets, and feed for livestock, and if we are cut off there in the raising of sugar beets, gentlemen of the committee, those farmers in those three large counties, Cascade Pondera, and Teton, are going to be put on relief and the Government is going to have to take care of them. Now, I do not believe that it should be the policy of this country, to the exclusion of the rest of the American farmers, to extend any further privileges to any county outside of the continental limits of America.

I thank you.

The matters referred to follow:

"Whereas national interest has prompted statesmen and economists of all generations in modern times to recognize the vital need of domestic sugar production, a condition that has also prevailed in the United States as has been amply evidenced by the encouragement given by the Federal Government toward establishing, improving, and maintaining, under adverse conditions, our continental sugar industry; and

"Whereas from the time of the earliest efforts to establish our continental sugar industry to the present it has been generally recognized that this industry could not compete in low-cost production of sugar with tropical countries, owing to their cheap labor and consequent lower standards of living, especially with our principal competitor, Cuba, and the means customarily employed to overcome differences in production cost has been the collection of an import duty on sugar; and

"Whereas, although reputed to be the lowest-cost sugar producer in the world, financed largely by foreign capital, and always showing a keen desire to monopolize our sugar market, Cuba, during the past years, has been granted very valuable concessions, all of which have served more or less to retard the normal development of our domestic sugar industry, among which are: (1) The Reciprocity Convention of December 11, 1902, which granted to Cuba a 20-percent perferential rate in import duty, (2) by Presidential proclamation on May 9, 1934, the import duty on Cuban sugar was reduced 25 percent (from 2 cents to 1½ cents per pound on Cuban 96-degree sugar), and (3) by reciprocal trade treaty of August 24, 1934, which further reduced the import duty on Cuban sugar of standard raw value from 1½ cents to 0.9 cent per pound; the latter concession extending under the most-favored-nation clause to other foreign countries with which trade agreements have or will be negotiated; and

"Whereas a hearing has been called by the administration in Washington to be held on January 3, 1939, to permit interested persons to present argument on a proposal to reduce the import duty on Cuban sugar to 0.75 cent per pound, which, if adopted, would serve to further depress sugar prices now approaching an all-time low and below which continental producers can profitably operate, and by establishing an import duty below the difference in production costs would virtually give foreign producers a preference in our American sugar market: Therefore

"*Resolved*, That we, directors of the Montana-Wyoming Beet Growers Association, in annual session, hereby vigorously protest any further reduction in the import duty on Cuban sugar; and

"*Resolved*, That copies of this resolution be forwarded to each of the United States Senators and Representatives in Congress from the States of Wyoming and Montana.

"MONTANA-WYOMING BEET GROWERS ASSOCIATION,
"By F. E. HUDDLESTON, *President*.

"Attest:
"F. J. COX, *Secretary*.

"BILLINGS, MONT., *December 13, 1938*."

GREAT FALLS, MONT., *October 3, 1938*.

SUGAR SECTION,
United States Department of Agriculture, Washington, D. C.

GENTLEMEN: The Sun River and Pondera Beet Growers Associations of Teton, Cascade, and Pondera Counties of the State of Montana, representing 950 farmers, 225 of whom are this year

(1938) growing sugar beets, respectfully request 10,000 acres of the unallotted 1939 reserve, consisting of 30,969 acres of sugar-beet land, be allotted to these associations and the Utah-Idaho Sugar Co. for the following reasons:

Water supply: The territory served by these associations is more particularly described as being bounded on the north by the Roosevelt Highway (U. S. No. 2), on the west by Glacier Park and the Rocky Mountains, and the south by the city of Great Falls. The total irrigated area is approximately 252,000 acres, served by the Gibson, Pishkun, Willow Creek, Lake Francis, Swift, and Bynum Reservoirs, with a combined capacity of 314,000 acre-feet. There has never been a shortage of irrigation water and none is contemplated. Fifteen thousand acre-feet of new storage water will be available in 1939 that was not available in 1938 as the result of the raising of the spillway on the Gibson Dam 15 feet by the Bureau of Reclamation.

New producers: These irrigation projects are comparatively new; and although sugar beets have been grown since the erection of the Chinook plant in 1925, the land had to first be built up in fertility, etc., to get it into shape for sugar beets. This year there is a total of about 5,000 acres in beets, and several thousand acres of land have been prepared earlier, before your announcement of acreage curtailment, to be put into sugar beets in 1939, by plowing down alfalfa and sweetclover, summer fallowing, leveling, etc. If this allotment is not granted, this work and preparation will be a loss to the farmers who have done it.

Of the 225 growers producing sugar beets in 1938 in this district, 32 are growing sugar beets for the first time; 106 more farmers want to raise their first crop of beets in 1939 and have gone to much work and expense in preparing their land and will be able to grow profitable crops of beets if our request for this additional acreage be granted. There has been $75,000 worth of new machinery purchased by these new beet growers in 1938. This new beet machinery will be useless for any other purpose than growing sugar beets.

Small producers: The large majority of present and prospective sugar-beet growers are operators of small units. There are 129 farm families on the Sun River irrigation project who have been placed there by the Farm Security Administration, having been moved from submarginal land areas. This movement has cost considerable money for the purchase of land, buildings, equipment, and machinery. All of these farmers are on units of small size, ranging from 80 to 160 acres, and the production of sugar beets is included in the farm plans that have been drawn up for these units, to the extent of 15 percent of the suitable acreage, and include a system of cropping designed to make it possible for them to pay their obligations. This is the first of a large movement of settlers in this area. In the fall of 1938 there will be opened for homestead entry 250 small irrigated farms by the Bureau of Reclamation on its Fairfield project, and each of the new farmers who settle there will want to and should include sugar-beet growing in their farm plan.

The Secretary of Agriculture has also recently announced a wheat reduction for those farms of approximately 30 percent for the season of 1939. Now the problem arises what these farmers and others represented by these associations are going to produce if they are also to be restricted in the amount of the sugar-beet acreages as already announced. Water charges, taxes, and other overhead expenses are burdensome and are becoming more so each year, and it is evident that idle land will not pay these obligations. Moreover, if this land is planted into hay and small grains, other than wheat, the present prices are so low and future outlook is so poor that it seems impossible to carry on.

Climatic conditions: Farmers of this area do not have a choice of crops available in most other irrigated sections because of the latitude and elevation, which averages about 3,500 feet above sea level. The crops that can be successfully and profitably grown here are limited to alfalfa hay, wheat, oats, barley, and flax. These conditions make it almost mandatory that our farmers grow sugar beets for which they have long been preparing. Experience has proven that farmers here can produce profitable yields of sugar beets and that the sugar content of the beets is much higher than in most other districts of the United States. In the season of 1937, growers experienced yields as high as 18 tons per acre and the sugar content as high as 21 percent. Regions to the south of us can turn to a large variety of other crops which they can produce if not given an allotment for sugar-beet acreage, without great injury.

Percentage of land allocated for sugar beets compared with total suitable acreage: Approximately 65 percent, or 186,500 acres, of the total area of the irrigated lands, according to a recent survey conducted by these associations and the Utah-Idaho Sugar Co., are suitable for sugar-beet growing. Tentative 1939 acreage allocation for this district as recently announced by you is about 4,000 acres, or 2.1 percent of the suitable land. We respectfully direct your attention to the allotment for the Sidney, Mont., district of 17,485 acres, which is about 35 percent of the total irrigated lands, or 50 percent of the suitable land now served by that factory. We also direct your attention to the other factory districts in this State, which appear to run about the same percentage as the Sidney district. No doubt the same is true of some other States, such as Colorado and Nebraska. The mere fact that farmers have been producing beets for the past 2 or 3 years should not, in our judgment, give them preference over other farmers who have been producing 1 year or who have been in the process of building their farms up to a condition to grow beets, which has taken several years to do. We also direct your attention to a district in California (Clarksburg) that has been given an allotment where there are possibly 100 growers in the entire district, which would give them more than 139 acres to each grower, or, in other words, corporation farming. We understand this is also a comparatively new beet district.

Availability of processing facilities: The processor company serving us, the Utah-Idaho Sugar Co., has ample processing capacity for handling this requested allotment, together with the tentative allotment already made for the Chinook district, without building a new factory. We are informed that this company now has five idle plants and with the recently announced allotments, will have at least two and possibly three more idle.

Labor: Sugar beets require a large amount of hand labor and give employment for many times as many workers as the same acreage of wheat or small grains. Any control of expansion of beets means less work and more relief clients.

Livestock: More livestock on our irrigated farms is a crying need of this district, both for the profit and the maintenance of soil fertility with the manure. The byproducts of sugar beets will make livestock feeding much more profitable, and the fine range livestock regions adjoining the irrigated sections makes feeder stock readily available.

Rural electrification: The Rural Electrification Administration has spent large sums of money for the purpose of bringing electricity to the farms in this area and establishing a permanent, prosperous community. The growing of sugar beets in their crop rotation will help these farmers pay for this additional great assistance to their standard of living, and will also make it easier for them to utilize this electricity to a better advantage.

Farm tenancy: Over 50 percent of our growers are tenant farmers and sugar beets are essential to their making a decent living and eventually becoming farm owners.

In view of the foregoing facts we therefore respectfully request your earnest consideration of our problems and that you grant 10,000 acres more to the Chinook factory district to take care of the beet growers in Cascade, Teton, and Pondera Counties in 1939.

SUN RIVER BEET GROWERS ASSOCIATION,
H. R. LENZ, *President.*
PONDERA BEET GROWERS ASSOCIATION,
BLAINE FERGUSON, *Secretary.*

PONDERA BEET GROWERS ASSOCIATION,
Conrad, Mont., December 28, 1938.

Re sugar-beet acreage quotas.

The Honorable JAMES F. O'CONNOR,
Member of Congress, Washington, D. C.

DEAR SIR: Your favor of the 23d is at hand and we appreciate what you are doing and are going to do for us in Washington. We sure need someone there to look after our interests.

On January 3, which is next Tuesday, there will be a hearing there in Washington on the Cuban sugar situation when they will take up with the Secretary of Agriculture the proposition of increasing the acreage quota and reducing the tariff on Cuban sugar. This should be stopped. What are American markets for if not for American farmers? Coming right home with this proposition, we irrigation farmers in the Great Falls area of Montana would like very much to get an increase in acreage quotas of sugar beets so that we could round out our rotations and stay off relief. It is not reasonable that we be forced to cut down our sugar-beet acreage in order that the Wall Street magnates be allowed to make a little more money on the cheap labor of the Cubans.

It would be different if we had some other cultivated crops that we could turn to. We live up here next to Glacier Park with an altitude average about 3,800 feet—corn, beans, and high-priced seeds are out of the question, we must raise wheat, feeds, or sugar beets. They have cut our wheat quotas down to where we can only put in about one-fifth of our good irrigated land to wheat, and feeds of all kinds are so cheap that they have no market price. The only answer, then, is sugar beets; and if it goes through as it is lined up now, we will have to cut our small acreage 20 percent instead of increasing it 100 percent, as we would like to do.

We are depending on you to look after our interests.

Yours very truly,

BLAINE FERGUSON, *Secretary.*

Exhibits of the State of Washington at the New York World's Fair and the Golden Gate International Exposition

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EXTENSION OF REMARKS

OF

HON. WARREN G. MAGNUSON

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 11, 1939

Mr. MAGNUSON. Mr. Speaker, the world that parades through the two big world's fairs this year, at San Francisco

and New York, is to know more about the State of Washington through the most modern types of exhibits and displays.

Visitors to Washington State's exhibits at the New York World's Fair and the Golden Gate International Exposition in San Francisco will see the State in almost as much reality as if they were taking a personally conducted trip through the famed evergreen empire.

The displays, costing $35,000 each, are being prepared under direction of the Washington State Progress Commission, the State's official publicity department. F. B. McGovern, of Seattle, is the commissioner in charge of the State's exposition participation. Under his direction duplicate exhibits are being manufactured for each exposition.

The "sightseeing" effect will be contrived with the use of nine animated dioramas, 2,800 square feet of photomural wall decorations, and 72 phototransparencies.

The dioramas, central feature of the exhibit, will display actual scenes of the State in three-dimensional reality. Actual motion will be projected into these lifelike reproductions, with miniature clipper planes, automobiles, steamships, and trains traveling back and forth.

These exhibits, the most modern and effective display engineers have yet perfected, will portray the State of Washington as it actually exists in real life. They will be strictly modern without being modernistic.

Recreational attractions, scenery, and vacation thrills; industry, commerce, agriculture, and power; resources of minerals, fishing, timber, and fruit; all will be dramatized realistically to give the millions of fair visitors a keener conception of the life and opportunities as they actually exist in the State of Washington.

Every section of the State and every major industry will be represented in the comprehensive displays, from the wheat fields of the Palouse and Walla Walla regions to the fishing and dairying of the Puget Sound country; from the mines and fishing lakes of Pend Oreille and Spokane to the rich agricultural belt and huge lumber mills of southwestern Washington.

One of the outstanding displays will be an animated diorama of Grand Coulee Dam, the United States Government's huge power reclamation project on the Columbia River. Through skillfully manipulated models and lighting effects, Grand Coulee Dam will be shown as it will appear when completed. The reproduction will be complete even to the power houses and transmission lines. When ready for use, Grand Coulee Dam will provide water to transform 1,200,000 acres of arid but fertile desert into productive land that will provide farm homes for more than 40,000 families, and low-cost electric power for countless new industries engaged in developing the State's vast natural resources.

To better acquaint people with the State of Washington, a large map with photographs will portray the agricultural and manufactured products and industries of each of the 39 counties. By pressing a button, spectators can illuminate any county and see from photographs what that section produces.

Other outstanding displays will include reproductions of 3-mile-high Mount Rainier, Yakima and Wenatchee Valley fruit orchards, mining, San Juan Islands and fishing, Seattle from the water front, Olympic National Park and Olympic wilderness, evergreen forests, and many other representatives scenes.

In the dioramas, of which nine are being prepared for each exposition, form, color, and motion are blended to produce startlingly beautiful Washington scenes as real as nature itself.

Briefly, here is how a diorama is made:

An enlarged photograph or painting is set up. Then buildings, trees, roads, and other foreground and middle-distance objects are "pulled out" of the picture by duplicating them with actual models.

The result is a lifelike re-creation of the original scene, with three-dimensional effect that enhances its effectiveness.

But there are many refinements. Houses have windows. Trees, constructed of various materials, and logs, made of molding plastic, are faithful reproductions down to the last detail.

Coloring comes next. This is done with a spray gun and by hand.

Streams, stretches of salt water, and water pouring over Grand Coulee Dam are shown in motion by means of revolving lights which shine up through transparent material on which the water is painted. Sunrises and sunsets are done in the same way.

Model boats, trains, automobiles, and clipper planes actually travel back and forth.

For the New York World's Fair the State of Washington is erecting its own building on one of the main thoroughfares. It will be of modified colonial style, 60 by 100 feet, in which Washington building materials are used throughout.

The Washington State exhibits at the Golden Gate International Exposition will be housed in a 60- by 100-foot space in the strategically located Hall of Western States, along with the 10 other Western States and British Columbia.

The total cost at each exposition, including building space, exhibits, management, personnel, and so forth, will be approximately $100,000.

Mr. Speaker, I feel it a great honor to be privileged to invite the Members of this body to view these exhibits when they visit either of these fairs.

Religion and Present-Day Problems

EXTENSION OF REMARKS

OF

HON. SAM RAYBURN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 11, 1939

RADIO ADDRESS OF HON. WILLIAM B. BANKHEAD, SPEAKER OF THE HOUSE OF REPRESENTATIVES, ON DECEMBER 25, 1938

Mr. RAYBURN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address of Hon. WILLIAM B. BANKHEAD delivered December 25, 1938, on the Reconciliation Hour under the auspices of the United States News:

Thinking tonight, as we should, in terms of the significance of an immemorial anniversary to be celebrated tomorrow, my mind goes back over 20 centuries to the Man of Galilee.

This has been announced as an hour of reconciliation, and, being such, it involves considerations of tolerance, justice, and charity. If it were not universally recognized that the whole world is aflame with the passions of greed, martial fervor, national aspirations, race prejudices, and religious interdictions, and that our own domestic affairs are shot through with class consciousness, economic bitterness, and political fratricide, there would be no legitimate excuse for invoking the spirit and purpose of this hour.

Such premises being granted, as they must be, by all thoughtful men, we play the part of prudence and of wisdom in undertaking to solve and reconcile them by appeals not only to the public mind but also the public conscience. It would be the ultimate doctrine of despair to feel that the burdens now bearing down so heavily upon the sons of men are forever insoluble.

PRESENT PROBLEMS HELD SOLVABLE

The challenge, then, is a diligent quest for some formula of alleviation. Where shall we find it? By what processes of appeal and discussion and action may the barriers of misunderstanding be broken down?

I do not think the answer will be found in the realm of pure reason, or within the domain of economic argument, or by the bludgeoning of brute force, nor indeed in the field of purely economic advantages. Those are things of mind and muscle and money.

No great and enduring advances in culture or civilization have ever been achieved purely through gross materialistic agencies. All the pages of history "with their stories of tragic fate and pathetic grandeur do but serve to teach us that immortality cherishes as her choicest nurselings the wrecks and castaways of finite fortune."

SEES AN ANSWER IN APPLIED RELIGION

To my conception, possibly as old-fashioned and out-of-date as millions may now conceive it, the best solvent for our manifold modern difficulties, if found at all, will be in the realm of applied

religion. And that belief justified my opening reference to the Man of Galilee.

Aside from all considerations of divinity, in the sanctity of which some 600,000,000 people are dedicated, I feel justified in appealing to the grandeur of His moral and economic philosophy as an antidote for many of our most grievous domestic and international wounds. The essence of that philosophy is a direct appeal, not to the minds of men alone, but with searching directness to their hearts, and to me, what this troubled world needs more today than all other treasures combined, is understanding hearts.

If today all men in America in high positions and low, employer and employee, exalted and abased, could find the time to read the fifth, sixth, and seventh chapters of the Gospel by St. Matthew, the Sermon on the Mount, and ponder its wisdom, its clarity of moral standards, its implications of business square dealing, its appeal for sympathy and justice for the underprivileged, its admonitions of disaster to those who use power unmercifully—and remember these elemental things and fashion their conduct upon such standards—we would not need so many restraints and repressions in government; we would have far less of bitterness and rebellion from the "have-nots"; we would go a long way in reducing the sinister growth of class consciousness and a nearer approach to equality of opportunity and equality of benefit from their labors for every citizen under the flag.

ASKS FOR REVIVAL OF MUTUAL TRUST

With the utmost reverence I venture to suggest that today no greater political or economic or sociological platform could be contrived than this: "Therefore all things whatsoever ye would that men should do to you, do ye even so to them."

We politicians have been sorely beset in these later years to try to find a healing for the peoples' hurts; the partisans of factions have been at one another's throats with charges of incompetence to contrive remedies for a stumbling civilization; many of our citizens are seeing red and feeling blue. Maybe we have been grasping at shadows when the substance was within our hands. The chastening rod of frustration may yet drive us back to some of the sublimer, but much simpler, things of the spirit.

There may come the day when the collective judgment of our people will agree that for a long, long time they have been throwing away "the pearl more precious than all our tribe."

Dismissal of W. P. A. Employees

EXTENSION OF REMARKS

OF

HON. VITO MARCANTONIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 11, 1939

LETTER TO COL. FRANCIS C. HARRINGTON, ADMINISTRATOR, WORKS PROGRESS ADMINISTRATION

Mr. MARCANTONIO. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter:

JANUARY 11, 1939.

Col. FRANCIS C. HARRINGTON,
Administrator, Works Progress Administration,
Washington, D. C.

MY DEAR COLONEL HARRINGTON: I take this occasion to voice my protest against the dismissal of 7,000 people who are employed on the arts projects. As I understand it, $22,500,000 was allocated for the first 6 months for these projects. The amount now being allocated will be only $17,273,356. Hence the difference of $4,000,000 will save 7,000 people and their families from utter destitution.

The Works Progress Administration has the authority to keep every one of these 7,000 people on their jobs by virtue of the fact that under the last appropriation it could spend all of its money within the 7-month period ending January 31, 1939. Hence it can maintain the present quota, and in view of the deficiency appropriation, which is about to be voted, it need only use $4,000,000 of that deficiency appropriation to prevent any of these cuts.

As the arts projects constitute only about 1 percent of the entire Works Progress Administration, it makes the cuts all the more unnecessary. These arts projects have performed services that are way up and beyond the proportionate amount of money allocated to them. Over 120,000,000 people have attended Federal music concerts. Sixty-five percent of the people who have attended the Federal Theater plays never saw a play before in their lives. Art centers have now been created in some of the most backward regions of the United States.

The arts projects have been discriminated against in the last several years. They were substantially reduced in 1937. When additional personnel was added to W. P. A. generally, the arts projects received only a nominal increase, much below the rest of the program. In 1938 wages were cut on these projects and have never been restored, although restorations took place in all other projects. Even though pink slips have been rescinded on all other projects in New York City, 1,500 on the arts projects have received these pink slips and the ax falls on January 15.

This retreat at this time, and particularly in this field, is a concession to the reactionary forces in Congress who are going hammer and tongs after the W. P. A. workers throughout our country. This retreat only weakens the fight for adequate appropriations. Specifically does it weaken the fight for the figure asked for by the President. This is no time for retreat. It is the time for the Works Progress Administration to take a positive stand to continue useful and meritorious projects and to keep people from starvation.

I trust that you will deal with these people sympathetically and order a rescission of these cuts.

Sincerely yours,

VITO MARCANTONIO.

The Fiscal Policy

EXTENSION OF REMARKS

OF

HON. ALBERT G. RUTHERFORD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 11, 1939

Mr. RUTHERFORD. Mr. Speaker, the great "middle class" of our country are worried about the fiscal policy of this administration. They do not understand the new theory of spending to get rich. They know that they cannot do it in their own affairs, and they wonder how a government can do it and survive bankruptcy. The Daily Review, a newspaper in Towanda in my congressional district, in an editorial asks the questions to which the farmers and small-business men of my district want answers.

LIKE A DRUNKEN SAILOR

How long can America continue to authorize $9,000,000,000 Budgets in the face of $5,000,000,000 tax receipts?

How long can the country stand annual deficits approaching the $4,000,000,000 mark?

How far upward can the national debt, which soon will have reached $45,000,000,000, be pushed without seriously impairing the Nation's credit and causing appearance of the twin evils of finance—inflation and repudiation?

These questions already are being raised by thoughtful citizens regardless of partisanship. The social value of the New Deal is not the fundamental issue. What is at stake is the fiscal stability of a country which for several years has been living on borrowed money and spending it like a drunken sailor.

There must be a limit somewhere. And the more cautious observers are virtually agreed that the limit has just about been reached.

One thing is certain—the administration's big spending program, when linked with the impending $2,000,000,000 armament project, gives legitimate pause for thought as to the fundamentals of the fiscal policy.

President Roosevelt, of course, envisions a national income of $80,000,000,000—a happy state of affairs that will find everyone sufficiently prosperous to pay high taxes and scarcely notice them. But businessmen are wondering how that goal can be reached so long as the uncertainty of governmental reform and the technique of bureaucratic interference with private enterprise continue to drive capital into hiding and penalize industry whenever it displays real resourcefulness.

Congress cannot fully discharge its duty to the American people unless it comes to grips with these basic issues before approving the Budget for the next fiscal year. The moment obviously has arrived for prudent reconsideration of the essential relationship of outgo and income. It will be fatal for America to be enticed into insolvency by reckless pursuit of an ever-vanishing mirage.

The President says that we are going to balance the Budget when the national income reaches $80,000,000,000, but nowhere does he or any of the New Deal statesmen tell us how we are to reach that figure. For 6 years we have tried every New Deal device to bring us prosperity, and they have failed miserably. We still have over 12,000,000 unemployed, commodity prices remain low, and the farmer and small-business man are in a worse condition than they were in 1933. As one columnist has well stated, "You can no more spend yourself rich than you can drink yourself sober." The only thing that

we as a nation can do is to get back to the old ideas of thrift, honesty, and hard work, because we will never work this financial situation out in any other way. So far as I am concerned I will oppose further spending. It may not do any good, but I will at least be voting as my constituents desire.

Venereal-Disease Control

EXTENSION OF REMARKS
OF
HON. JERRY VOORHIS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 10, 1939

LETTER FROM DIRECTOR OF PUBLIC HEALTH OF THE STATE OF CALIFORNIA

Mr. VOORHIS of California. Mr. Speaker, under leave to extend my remarks I include the following very significant letter from the director of public health of the State of California.

America is becoming conscious of the fact that earnest effort can eradicate dread diseases if pursued relentlessly and that the health of her citizens—the human resources of our Nation—is the most precious thing our country possesses. The letter speaks for itself:

DECEMBER 14, 1939.

MY DEAR CONGRESSMAN VOORHIS: At the coming session of Congress there will be considered the matter of appropriating for venereal-disease control $5,000,000 authorized by the La Follette-Bulwinkle bill for the fiscal year 1939–40.

Public health in California has benefited greatly by the allotment of $103,791 received under the appropriation of $3,000,000 for the current year. A sound beginning has been made which, if supported with increased funds, will be successful in bringing syphilis and gonorrhea under control and causing the annual incidence of these diseases to decline.

With Federal funds and the $150,000 appropriated by the State for the present biennium, we have been successful in assisting local health departments in a number of ways. A few of the accomplishments since the new program started, February 1, 1937, are:

The number of cases of syphilis and gonorrhea reported has increased from 17,568 during the first 9 months of 1936 to 39,479 during the same period this year. This increase of 73 percent does not mean that there are more venereal diseases; it means that more cases are coming under medical care and fewer are spreading infection. When the great number of hidden cases are discovered and treated, the incidence will begin to decline.

The number of clinic treatments has increased from 219,692 during the first 9 months of 1936 to 400,282 during the same period this year. This is an increase of 82 percent.

With the assistance of the State department of public health, new clinics have been opened or old clinics expanded in the cities of Santa Barbara, Sacramento, San Bernardino, Fresno, Pasadena, Long Beach, San Diego, Los Angeles, Richmond, and in the counties of San Mateo, Imperial, and Sonoma. Clinics will be opened this fall in Oakland and San Francisco.

The expansion of clinic facilities invariably means that the number of cases discovered increased two or threefold. The establishment of treatment centers will be necessary in all communities where clinics are inadequate.

State laboratory facilities have been expanded to accommodate greater demands. An average of 10,000 blood tests for syphillis are now being run monthly as compared with 3,000 when the program started.

Approximately 7 cents per capita is being spent from local, State, and Federal sources for venereal-disease control in California. The United States Public Health Service estimates that 25 cents per capita is needed. Local communities are increasing their expenditures for this purpose and the State legislature will be asked to increase its appropriation when it meets this winter. Money spent in controlling venereal diseases will ultimately decrease the amount of money necessary for the care of the aged, the insane, the sick, and the unemployed.

Your energetic support of the authorized appropriation of $5,000,000 will serve the best interest of the people of California.

Very truly yours,

WALTER M. DICKIE, M. D.,
Director of Public Health, State of California.

German Bondholders—Attention!

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, January 11, 1939

RADIO COLLOQUY BETWEEN HON. EMANUEL CELLER, OF NEW YORK, AND DR. MAX WINKLER, ASSOCIATE PROFESSOR OF ECONOMICS, CITY COLLEGE OF NEW YORK

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following colloquy between Dr. Max Winkler, associate professor of economics, City College of New York, and myself, given over the radio on Monday, January 9, 1939:

Mr. CELLER. The conduct of Nazi Germany toward American nationals has been shockingly unjust and intolerable. The treatment, or rather mistreatment, e. g., accorded American holders of German bonds has been inexcusably vicious. Don't you think, Dr. Winkler, that a firm stand against Nazi neglect, indifference, and discrimination must now be taken by our Government?

Mr. WINKLER. Yes, Congressman, our patience, especially that of bondholders, has been exhausted. Their position has grown increasingly worse. Time has come when our Government must take a firm stand. The Nazis may rant and rail against us. They may villify and vituperate us. They may express scorn at the outspoken and courageous remarks of our President and our most distinguished citizens in public and private life, but deep down in their hearts they fear us.

Mr. CELLER. Yes, Doctor, I am quite convinced that they are not unmindful of what happened a quarter of a century ago. They realize that although sentiment in the United States today may be against war, they also no doubt realize that public sentiment could be reversed much more readily than at the beginning of the World War. Frankly, don't you think that the Nazi leaders have a genuine fear of us and of what we can do?

Mr. WINKLER. Undoubtedly so. As a matter of fact, in his message to the Seventy-sixth Congress, President Roosevelt answered this question when he said: "There are many methods short of war but stronger and more effective than mere words of bringing home to aggressor governments the aggregate sentiments of our own people."

Mr. CELLER. Yes, indeed. We have many weapons we can use far short of war which can bring Hitler and his cohorts to their knees. I am convinced that the Nazi leaders will not harken unto works or oratory. They will heed only through fear of force—economic force. We have the power to deal out to Hitler economic blows from which he could never recover. Time has now come to compel him to see light. For example, to mention but one of many economic weapons of offense: Under our tariff laws the President has the right to clamp down completely on trade with Germany in retaliation for her discriminatory practices against us. He can lawfully place an embargo upon all Nazi products. That is a sort of Damoclean sword that can be held over the heads of the Nazi leaders.

Mr. WINKLER. But wouldn't such measures be too far-reaching?

Mr. CELLER. You mean they might be deemed too belligerent?

Mr. WINKLER. Yes. However, why can't we adopt another method of attack? Substantially more than $1,000,000,000 of American money was placed in the bonds of German States, cities, and corporations. Almost immediately after the advent to power of the Nazi Government a decree was promulgated, under date of June 9, 1933, whereby the service on virtually all dollar corporate bonds was stopped. Subsequently arrangements were made to pay only a part of the stipulated rate. Nothing has been paid for more than 2 years. At the time German corporate bonds were sold to American investors the bankers emphasized that many of the corporations were doing a substantial amount of business abroad which would enable them to have access to foreign exchange with which to meet their obligations. The decree just mentioned is most sweeping and applies to virtually all German corporations irrespective of the nature of their business. On the other hand, is it not strange that in European countries, including England, France, Sweden, the Netherlands, and others, payments have been made right along on German corporate bonds?

Mr. CELLER. Do you mean to say that Germany has right along been paying interest on her corporate bonds to all other nations but not to us?

Mr. WINKLER. Yes. Germany defends her action on the ground that she has a favorable balance of trade with those countries, whereas her balance of trade with the United States is unfavorable.

Mr. CELLER. The devil with that. That's no argument. A miserable pretext. Nazi Germany does not, or refuses to tell the whole story. Her trade balance with us may be unfavorable, but this trade deficit is more than made up by the large invisible income which Germany receives from the United States in the form of remittances, tourist and travelers' expenses, shipping and freight, inheritances, and interest and dividends on American securities owned by Nazis. We pay her all interest due on our bonds which the Nazis hold. We put no obstacles to the removal of moneys due Germany, yet American creditors of the Reich cannot collect what is rightfully due them. Take, for example, General Motors. It cannot remove from Germany any profits it makes on its plants there. The profits must remain there, although, for example, the American I. G. Chemical Co., owned by Nazis, can take all their moneys earned here into Germany.

Mr. WINKLER. But Congressman, don't we have any legal rights? Shall we take this punishment sitting down? Is it not asinine not to fight for our rights?

Mr. CELLER. We are, indeed, jackasses unless we do. Of course, we have been emphasizing Nazi corporate bonds. There are also bonds issued by the German Government, particularly the Dawes and Young bonds. Has interest on them been fully paid to the American holders, and has there been discrimination?

Mr. WINKLER. Only a portion of the interest has been paid to American holders on the Dawes and Young bonds, while at the same time European holders have been paid in full—another rank discrimination.

Mr. CELLER. I spoke of inheritances as one of the items of Germany's invisible income from this country. Last month the Honorable Raymond MacNeille, of the Philadelphia Common Pleas Court, refused part of a trust fund to go to claimants in Germany on the ground that since "money belonging to beneficiaries in this country is not permitted to leave Germany * * * I do not think it fair and proper to transfer funds from this country to beneficiaries in Germany." This opinion was promptly reported to Germany, and under date of December 16 the German Embassy in Washington advised the State Department that "Concerning the treatment of inheritance claims of American citizen to the estates of persons deceased in Germany * * * all inheritance credits of this kind, reciprocity provided, will be transferred to the beneficiaries in full extent."

Mr. WINKLER. In other words, the minute we threaten the Germans with retaliation which might hurt them more than us they yield. How about the rights of bondholders?

Mr. CELLER. Their position has been made perfectly clear by the decision of the Honorable Alonzo G. McLaughlin, of Brooklyn, in the Supreme Court of the State of New York. In deciding against a Nazi steel corporation whose assets in the United States were attached by a bondholder, he pointed out that the German decree of June 1933, which the Nazi steel company cited as a reason for the nonpayment of debts due us, cannot bind American citizens who are not subject to Germany's jurisdiction. This Nazi decree of June 1933 sought to suspend the payments of debts due Americans. The judge went on to say that every nation should protect its own subjects from injuries due to unjust and prejudicial influences resulting from foreign laws which are repugnant to its own interests and policies; that the rights of American holders of German bonds are not controlled by the laws of the Reich; and that failure to recognize the rights of American holders of German bonds in default because of legislation enacted in the Reich would be equivalent to depriving American citizens of the protection to which they are entitled in their courts.

Mr. WINKLER. How about Germany's plea of inability to pay interest on bonds held by American citizens? Is that plea genuine?

Mr. CELLER. Decidedly not. The moneys which rightfully belong to bondholders have been used to repurchase these bonds at greatly forced-down prices.

Mr. WINKLER. Do you mean to say that these Nazis take the interest due us on bonds and stealthily use that interest money to buy up the principal represented by these bonds?

Mr. CELLER. Yes; and it is a damnable outrage.

Mr. WINKLER. By the way, Congressman, when Austria was seized by Germany, all Austrian bonds held by American citizens were virtually repudiated by the Reich. Why has no satisfactory answer as yet been received to the protest which our State Department registered, and what is there to the explanation made by Germany's Minister of Economics, Dr. Funk?

Mr. CELLER. To what do you refer, Dr. Winkler?

Mr. WINKLER. I refer to the three precedents which Dr. Funk cited in justifying Germany's refusal to meet the Austrian (now German) bonds. He contends, first, that the British did not recognize the debts of the Boer Republic after the Boer War; second, that the French refused to assume the debt of Madagascar after its occupation by the French; and, third, that the United States refused to recognize the obligations of the Southern States after the Civil War.

Mr. CELLER. I do not know the sources on which Dr. Funk relies, but his facts are inexcusably wrong. The debts of the Boer Republic, I am reliably informed, have been met faithfully at all times. His statement to the contrary is therefore a lie. Madagascar, I am likewise informed, had no debt, so that there was nothing for France to assume—a second lie. As to the debt of the Confederacy, Minister Funk is indeed in a funk. Those debts were contracted by an unrecognized body which had rebelled against the United States. They were contracted illegally and those who underwrote or purchased them did so at their own peril. Dr. Funk's argument is mere balderdash—in common parlance, tommyrot.

Mr. WINKLER. Since it is clear that mere words will accomplish nothing for American bondholders, what concrete remedy do you propose, a remedy which is not merely academic but which will produce results?

Mr. CELLER. In line with the suggestions by our President in his message, and in line with the opinions and decisions of prominent members of our judiciary, I propose to introduce into the House tomorrow a resolution which will provide that for the purpose of protecting American citizens who are holders of Nazi corporate securities partially or completely in default, Nazi corporations in default on bonds owned by American citizens must register all their assets in the United States of every nature, name, and description which may be owned by them, directly or indirectly, with agents or agencies to be designated by our State Department, giving in itemized account of such assets as of the day on which the present measure would become law and also as of June 1, 1933, together with details as to any transfer or disposition thereof, in the intervening period; and that American financial institutions and kindred organizations, as well as agents or agencies directly or indirectly identified with or acting for Nazi corporations in default, shall likewise register all possible information as to such assets. Failure to comply with the requirements of my bill will involve severe punishments. The means will thus be afforded American bondholders to assert their rights by attachment of these assets in pursuance of Judge McLaughlin's decision.

Mr. WINKLER. Such a bill would be concrete remedy against the indefensible discrimination against American citizens by the Hitler government. I am certain that it will receive the wholeheated support of the American people and the gratitude of our victimized bondholders.

Mr. CELLER. Dr. Winkler, have you estimated the amount of Nazi assets that are hidden and undisclosed in this country?

Mr. WINKLER. This is difficult to say, but I conservatively estimate that Nazi investments in this country amount today to at least $300,000,000.

Mr. CELLER. Do you mean to imply that we thus have the means of collecting to that extent on Nazi corporate bonds?

Mr. WINKLER. No. Probably only to the extent of about half that amount, or about $150,000,000.

Mr. CELLER. Thus, holders of Nazi corporate bond claims could be paid in full by attachments to the amount of one hundred and fifty million and the United States economy could be enriched to that extent?

Mr. WINKLER. However, I do not think there would be need of forceful remedies like attachment. The mere passage of your bill, like the decisions of Judge McLaughlin as to bonds and Judge MacNeille as to inheritances, would summarily bring the Nazis to terms. Do you not think so?

Mr. CELLER. Indeed, I do. Only a day or so ago, January 6, to be exact, as a result of the MacNeille decision, the Nazis have by an aide memoir set up a legacy bureau whereby sufficient exchange would be provided to assure transfer of inheritances to America. I expect a similar result for our bondholders from the passage of my bill. In other words, as soon as we threatened to do exactly what the Nazis were doing to us, namely, refuse to transfer inheritances to Naziland, the Nazis quailed and quivered, and result, American heirs were rightfully paid. Now, pass my bill and the Nazis, confronted with possible wholesale attachments, will again cowardly retreat, and result, American bondholders will get what is rightfully due them.

Mr. WINKLER. What are the prospects of the passage of your bill?

Mr. CELLER. They are good, but they will be better if our listeners urge by letter or otherwise their Senators and Congressmen to support it.

Business Recovery

EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Thursday, January 12, 1939

ADDRESS OF HON. PAT HARRISON, OF MISSISSIPPI, AT CINCINNATI, OHIO, DECEMBER 21, 1938

Mr. CLARK of Missouri. Mr. President, I ask unanimous consent that there may be inserted in the Appendix of the RECORD a speech delivered at Cincinnati, Ohio, on December 21, 1938, by the senior Senator from Mississippi [Mr. HARRISON].

There being no objection, the address, as reported by the press, was ordered to be printed in the RECORD, as follows:

Senator PAT HARRISON, speaking here this evening at the University of Cincinnati on the Wilson fall lecture series, had for his

subject Business Recovery. He laid great stress on the necessity for curtailment of Government expenditures and discussed at length the improvement and liberalization of the 1938 tax law. In discussing the spending and tax program of the Federal Government, the Senator said in part:

"Never in our lifetime have governments been confronted with greater and more momentous problems. War threats and war preparations are confined to no one country. World finance and economics have brought the peoples of all nations so closely together that an incident occurring 3,000 miles away will have its repercussions here. Impaired credit, economic dislocation, racial or religious persecution in other countries instantaneously fire the emotions and have their effect upon our own people. This is a time when persons in places of high responsibility, as well as all our people, should keep their feet on the ground and think along straight lines.

"For the past 6 years we have tried by legislation to solve many problems. In the main, our objectives have been most worthy and humane. There has arisen, of course, a difference of opinion as to the best means of obtaining those objectives, but the ends sought have deserved the favorable consideration and commendation of the American people. It would have been impossible to have done as much as we have without making mistakes. To me the highest order of statesmanship is, when a mistake is apparent, to confess the error and to apply, if possible, the correction.

"Who would have dreamed in 1933 that the unemployment problem would have continued along as broad a front as it has? Who would have thought in 1933 that world economic confusion would continue as long as it has?

"Today our country is suffering from high blood pressure. I shall not undertake on this occasion to discuss the causes for this condition. No common agreement can be reached by the diagnosticians; but we must agree that if the exercise has been too violent some modification must be employed and proper diet and rest be practiced.

"I am not so much alarmed at the more than $39,000,000,000 to which the national debt has risen. The country's rich and wonderful resources amply provide security for the national debt. The strongest and most convincing evidence that could be offered as to the strength of the credit of this Government is in the fact that today, even though the national debt has risen to exceptional figures, not a national issue is quoted on the open market at a value less than par, and the Federal Government is paying on money borrowed at the lowest interest rates ever chronicled in the history of the Government. And while the figures of the national debt in themselves may not be alarming, the continued and recurring deficits give us great concern. Governments, like individuals, cannot go along indefinitely unless the income is sufficient to meet the expenditures. And so I should very much like to see a policy adopted that will put a stop to recurring deficits, balance Government receipts with Government expenditures, and preclude the necessity of further increasing the national debt. If that much-desired objective is to be reached, it can be approached only from one or the other of two angles—one is to increase taxes on the American taxpayer. The other is to reduce expenditures

"To me the most appealing and necessary course is to reduce expenditures. During the last 5 years this Government has appropriated and expended for relief purposes nearly $18,000,000,000. These appropriations covered a wide range of Government activities and were made to meet an emergency. We all must appreciate the vast amount of benefit which has been brought to individuals, families, and communities from many of these expenditures. The program of assistance has given succor and relief, through employment, to millions whose fighting spirit was flickering and whose hope of future had almost vanished. Many a hungry mouth has been fed and naked body clothed because of these expenditures. It was the means of many communities' obtaining civic improvements that otherwise could not have been obtained. But it was the humane spirit to give employment to the deserving and needy that inspired the policy. Of course, as was inevitable, many jealousies upon the part of individuals as well as communities arise in the administration of the program. Suspicion, criticism, and charges of political activity were but natural. As good a job has been done in the administration of the program as could be expected from the character of the venture. But whatever benefits may have come from these expenditures and whatever good has been accomplished, there are tens of thousands of our citizens whose rugged characters have been affected and whose views on life and government have been transformed. Many whose forebears' pioneering spirit blazed the way through our forests and opened up this new and modern civilization have come to feel that the Government exists to support them and theirs. And so I have no doubt that it is the much wiser policy on the part of this Government to devise plans that will encourage private industry to give employment to the deserving citizens, rather than for the Government to continue its present relief program. If these large expenditures for relief and other emergency purposes are reduced and more rigid economy employed, then we can approach in the very near future the time when Government receipts and Government expenditures will be balanced, and the day will be hastened when our national debt will be reduced.

"I am not one of those who desire to see a further increase in taxes. I would not, however, indulge the idle hope that it can be avoided unless there is an immediate and radical change in our spending policy. It has been necessary for our Government to tap every source to obtain necessary revenue, and Federal taxes are heavier today than in any other peacetime period. In the imposition of surtaxes in the higher brackets, we have reached the point of diminishing returns. Before the adoption of the income tax, the Federal Government received 96 percent of its revenue from two sources—customs and internal-revenue tax on tobacco and liquors. Today 45 percent of the revenue of the Government comes from the income tax. It has been increased from 7 percent normal and surtax on individual incomes above $20,000 until now it runs as high in normal and surtax as 79 percent in the highest brackets. Few can be found today who object to the theory that a person should pay taxes according to his ability to pay; but wise economists have and will always agree that there is a point above which Government returns will not increase, but will diminish. If taxes are too high, capital will not become invested in new enterprise and new ventures to give new employment to thousands. Too high taxes have been one of the controlling forces in checking the industrial advancement and natural development of the country.

"At the next session of the Congress a tax bill will be necessary. It is impossible to tell at this time with what subjects it will deal or how difficult will be the task. Legislation will be necessary, because all miscellaneous excise taxes will expire July 1, and the tax on corporate earnings expires at the end of 1939. So, it will be necessary at least to deal with these two subjects, because so large an amount of revenue cannot be abandoned at this time. In the excise tax alone $500,000,000 are involved, and in the corporate tax $1,300,000,000 are involved.

"The tax law enacted at the last Congress was a tremendous improvement over the provisions of the prior law. The practical elimination of the undistributed-profits tax and the very progressive and sound rates on capital gains and the liquidation features of the 1938 law have and should give further encouragement to capital investment in new and enlarged industries."

The Senator discussed the liberalization of estate taxes and the legislation recommended by the President, proposing the taxation of income derived from future issues of Federal, State, and local securities, as well as ending the present tax exemption on Government salaries of all kinds—Federal, State, and local.

He said:

"The effect of taxing the income from Federal, State, or local issues will inevitably make them less attractive to the investor, and therefore make it more difficult for the respective governments to market their obligations. So, while it is difficult to prophesy what the Congress will do, it is my opinion that in the end an opportunity may be afforded the States and the people to pass on this question by constitutional amendment."

The Senator further stated:

"There is no such thing as perfection in government. There are always faults to be corrected, evils to be avoided, and new remedies to be worked out. These things must never be wrought through passion nor on the anvil of class antagonism. This Government must have a heart, and human rights should always be protected. But in the consideration of human rights I believe as the great Jefferson when he said:

" 'Restrain men from injuring one another, but leave them otherwise free to follow their own pursuits of industry and employment.'

"Believing in that philosophy, I could not sanction the right of any group to pre-empt or usurp another's property through sit-down strikes or other means. The right of collective bargaining is just and is guaranteed by the law. It is a very proper means to obtain deserving objectives. But the Constitution and our laws protect one in the right to own and possess property and to control it, when that control does not injure another. I cannot with clear conscience yield to the expediencies of the hour and surrender what to me is the most precious gift from God—the gift of freedom and of free life under the cherished principles of American institutions. We cannot prefer socialism or communism to free enterprise. In one there is the hymn of hate, the shackling of the human soul, and death to freedom. Under the other there is life, hope, and happiness. The American system guarantees the right of free speech, the right of free press, the right of free assemblage, and, more valuable than all, the right of man to worship the God of his fathers in his own way, without the tutelage of the state or the domination of a master.

"Much has been said about conservatives and liberals. It matters not to me if I be classed as a 'conservative' or as a 'liberal.' I believe as did Disraeli when he said:

" 'I am a conservative in that I would save what is wholesome, yet I am a liberal in that I would destroy what is evil.'

"The American system has brought us along the high road of prosperity. At times we have perhaps climbed too high, the bearings of the old machine may have become too hot and caused temporary adversity; but in that experience we have been taught bitter lessons in character building that will, if left unhampered, make us an example to the civilization of the world. We cannot reach importance as a world factor in trade and commerce and peace through differences within any political party. It cannot be accomplished by any one political party, but it must be done through the united and cooperative spirit of right-thinking Americans who believe in the preservation of our form of government and that equal treatment be accorded every class of our citizens. When we read today of what is going on in many of the other countries of the world—autocracy and religious and racial persecution, we can appreciate the broad principles upon which this

Government was founded, and rededicate ourselves toward a united effort to dissipate the faults that sometimes appear to blur our vision. At this time, in the tangled thought of the Nation, when diverse views and opinions are being expressed, let us remember that Voltaire was right when he said:

"'I do not agree with a word that you say, but I will defend to the death your right to say it.'

"What we need now, in all our people, is the quality of courage, magnanimity, forgiveness, and understanding."

Current Questions Before the Senate

EXTENSION OF REMARKS
OF
HON. WARREN R. AUSTIN
OF VERMONT
IN THE SENATE OF THE UNITED STATES
Thursday, January 12, 1939

RADIO ADDRESS OF HON. CHARLES L. McNARY, OF OREGON, JANUARY 10, 1939

Mr. AUSTIN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address by the distinguished leader of the minority, the Senator from Oregon [Mr. McNARY], on the subject The Current Questions Before the Senate, delivered over the radio on Tuesday, January 10, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

After a week of this session of Congress, after hearing the President's message on the state of the Union and examining his Budget message, I feel very much as Alice did during her adventures in Wonderland. Washington since 1933 frequently has been compared to the experiences of Alice in Wonderland. That comparison never has been more apt than it is today.

In all seriousness, however, the atmosphere of Washington today is as lacking in reality as was the story of Alice in Wonderland. Good, hard common sense has been abandoned in favor of flights into the stratosphere of fanciful theories and wishful thinking. Fairy tales and stories of hobgoblins have been substituted in State papers for facts and realistic logic.

Once again we are told that we can spend our way into prosperity; that the more we spend the richer we become as a nation. Spending far in excess of our income is alluringly called an investment instead of a debt. Efforts to cause our flesh to creep are made in the form of references to mysterious foreign forces that threaten our shores and, indeed, our homes. The astounding revelation is made that for the last 6 years we have been engaged in what is called the most intensive "far-flung internal preparedness" of our history—and we did not know a thing about it until last week! Preparedness against what and whom? We have not been told. Most amazing of all is the solemn exhortation that the citizens of this country, the oldest and most successful democracy the world has known, a democracy which has thrived for 150 years and has made us the most prosperous and happy people in all history, that we now must commence action to make democracy work.

In view of that background of events of the last week, Members of Congress anxious to undertake actions for the promotion of economic recovery and the restoration of our great army of unemployed to jobs in private industry naturally feel a measure of discouragement. Particularly discouraging is the insistence of the New Deal administration on a further increase in Federal spending and an abandonment of all pretense of working toward a balancing of the National Budget.

At a time when business and industry need a word of encouragement and actions that inspire confidence to go forward, the administration proposes specifically only further spending and larger deficits. This is no more an answer to our economic problem this year than it has been in any of the last 6 years. The burden of Federal debt which this administration has piled up and clearly intends to continue to pile up constitutes a brake on any return to normal business activity. That was the view of Mr. Roosevelt in the brief period years ago in which he was economy-minded. It is the view now of every qualified economist not on the New Deal pay roll and it is a fact demonstrated by the record of events during the last 5 years.

In justification of his proposal for further spending the Chief Executive contends that we cannot have a national income of $80,000,000,000 unless the Federal Government each year spends in the neighborhood of $9,000,000,000. Let me remind the New Deal administration that in the late 1920's this country enjoyed a national income of $80,000,000,000 and at that time the Federal Government was spending only about 40 percent of the sum being expended in this fiscal year. Despite the huge sums spent annually by the New Deal, not once in the last 5 years has the national income passed beyond the $70,000,000,000 mark—and last year it was not much over $60,000,000,000.

Of course, this is an $80,000,000,000 country. With our increased population and improved technological processes since 1929, this country's national income today should be closer to $100,000,000,000 than $80,000,000,000. But the way to achieve such a national income is not by reckless Federal spending far in excess of the Treasury's revenue. It cannot be done by piling up deficit after deficit until astronomical figures are reached. In that direction, as we have so clearly seen, lies business stagnation, widespread unemployment, and a restricted standard of living for all our people. It is the desire to make the United States at least an $80,000,000,000 country that Members of Congress, irrespective of party, have been inspired to oppose a continuation of spending policies that for almost 10 years have mired us in the bog of economic depression.

The only way this country can achieve permanently a national income of $80,000,000,000 a year or more is to eliminate those New Deal policies which have strangled business, discouraged private investment, and thus decreased opportunities for employment. This country can never be prosperous with millions of its citizens unemployed or forced on relief rolls in order to live. Only private initiative operating through American business and industry can supply jobs for these millions of unemployed.

Consequently, it is the duty of this Congress to do everything within its power to encourage American business and industry to push forward with the task of giving employment to those who need jobs. In the exercise of that duty the first task of Congress is to subject to the sharpest scrutiny the proposals contained in the Budget message just submitted by the Chief Executive. For that document is the most astounding proposal to come from any Chief Executive of this country.

I do not wish to bore you with figures, but it is of the utmost importance that we clearly understand exactly what this Budget means. It calls for the appropriation by Congress at this session of approximately $10,000,000,000, a greater sum than Congress has ever been asked at one time to appropriate in the peacetime history of our country. This Budget proposes that Congress appropriate $875,000,000 immediately for the relief of distress during the remainder of this fiscal year. It calls for the appropriation of $8,995,000,000 for the fiscal year which commences July 1 next.

Breath taking as those figures are, they tell but one-half of the story. This Budget forecasts a deficit for the current year of almost $4,100,000,000, which is the largest deficit for any peacetime year in our history, except 1936, when the World War veterans' bonus was paid in full, and then, despite that huge outlay, the deficit was only $400,000,000 greater.

The Chief Executive's estimate last week of the deficit for this year is the fifth time within approximately 12 months that he has undertaken to estimate that figure, and on each occasion it has been substantially larger than the previous estimate. Twelve months ago we were told that the deficit for this fiscal year would be only $949,000,000. It was boosted last April. It was boosted again in the summer and it was increased twice last Thursday when the Budget message was submitted to Congress. Between the time the Budget was printed and its dispatch to Capitol Hill the Chief Executive added $125,000,000 to the proposed supplemental relief appropriation for this year, increasing the deficit estimate by that amount.

In view of the constant upward revision of the estimate of the deficit for the current year to a total more than four times greater than the original estimate, we must consider the estimate of a deficit in the coming fiscal year of $3,326,000,000 only as the absolute minimum. Nevertheless, taking the Budget figures as submitted at their face value, we find, as a result of the expenditures now proposed by the New Deal administration, that the public debt on June 30, 1940, will total $44,458,000,000. Add to that figure, the contingent liabilities of the Treasury not reflected in the Budget and you have a national debt in excess of $50,000,000,000.

At the beginning of his administration in 1933, when the national debt was less than one-half of that figure, Mr. Roosevelt asserted that "for 3 long years the Federal Government has been on the road toward bankruptcy." Since those words were uttered this country has traveled far down what Mr. Roosevelt called the "road to bankruptcy."

In order that there may be no misunderstanding, let me point out to you that neither relief appropriations for those in distress nor appropriations for national defense wholly account for the sharp increases in Federal spending that have taken place under the present New Deal administration. Of the sum of almost $9,000,000,000 which Congress has been asked to appropriate for the next fiscal year, only three and one-third billion dollars are for relief and all national defense, as shown by the Budget figures. The remaining five and two-thirds billions of dollars are for other functions of government not directly related to either the present relief or national defense program.

In assailing the New Deal's spending program let me make it clear that I refer primarily and chiefly to the amazing increases in the so-called ordinary expenditures of the Federal Government. Mr. Roosevelt's own budget shows that the so-called ordinary expenditures of the Federal Government in the year in which he was elected to the Presidency totaled $2,851,000,000. His estimate of the total of so-called ordinary expenditures for the coming fiscal year is $5,537,000,000, or almost twice as much within a period of 7

years. This is the largest sum for ordinary expenditures ever disbursed by the Federal Government in a single year—greater even than in 1936, when payment of the bonus was included in the figure.

Republicans in Congress favor adequate appropriations for the relief of those in distress. We are as insistent that no man, woman, or child in this country shall starve as are the members of any other political party. We favor adequate relief for all in distress. At the same time we shall resist with all our power the diversion of funds appropriated for relief into political activities. We propose to fight to make certain that the money appropriated by Congress for the relief of distress goes to those in distress and not to political spoilsmen and party henchmen.

The New Deal cannot escape responsibility for the disgraceful administration of Federal relief during the last 6 months. I need only call attention to the report of the Sheppard committee—controlled by Democrats—to the Senate a week ago today. That committee reported that "there has been in several States, and in many forms, unjustifiable political activity in connection with the work of the Works Progress Administration in such States."

The Sheppard committee further reported its belief that "funds appropriated by the Congress for the relief of those in need and distress have been in many instances diverted from these high purposes to political ends."

Nothing further need be said in substantiation of the merit of the unsuccessful fight made in the last Congress by Republicans to provide punishment for those who would play politics with relief and of the fight toward the same end which Republicans will again wage this year.

Were it not for the diversion of relief funds from the high purpose for which they were intended to political ends in the last campaign, it would not now be necessary for Congress to rush forward an additional relief appropriation in order that millions of deserving men and women shall not suffer privations after the first of next month. Ample money was appropriated by the last Congress to relieve distress among the unemployed until March 1—but under the guise that an unforeseen "extraordinary emergency" existed, those funds have been dissipated. It must be obvious now to all that this "extraordinary emergency" was nothing else than the Democratic primary elections, where party members were being subjected to a "purge" in certain States and the election on November 8. This conclusion is sustained by statistical evidence that the W. P. A. relief rolls reached their peak in the week before election day and have decreased steadily, week by week, since election day.

So the Republicans in this Congress will join hands with any group to drive the political racketeer and spoilsman out of the administration of relief. We likewise are ready to join with any group to bring about a curtailment of reckless Federal spending and take the first steps toward preservation of national solvency by bringing the Federal Budget into balance.

To those who derisively ask what expenditures we propose to reduce, we reply in the words used by Mr. Roosevelt in his 1932 campaign for the Presidency, when, speaking at Pittsburgh, he declared that "you can never expect any important economy" from an administration "committed to the idea that we ought to center control of everything in Washington as rapidly as possible—Federal control." On that occasion Mr. Roosevelt added—and I now affirm his statement—that "you cannot go very far with any real Federal economy without a complete change of concept of what are the proper functions and limits of the Federal Government itself" and "that means a complete realinement of the unprecedented bureaucracy that has assembled in Washington in the past 4 years."

In concluding that address, Mr. Roosevelt solemnly pledged himself to the task of preventing "economic disaster" by reducing Federal expenditures and he exhorted his audience to "join me and let's go." Tonight, Mr. President, the Republicans of this Nation stand ready, as they have been ready now for almost 6 long years, to join you in any movement for the reduction of Federal expenditures and the restoration of this country and economic recovery to "a firm footing, on a path that is broad, true, and straight."

Address by the President

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, January 12, 1939

RADIO ADDRESS OF THE PRESIDENT BROADCAST FROM THE WHITE HOUSE OCTOBER 26, 1938

Mr. WAGNER. Mr. President, I ask unanimous consent to have inserted in the CONGRESSIONAL RECORD a radio address delivered by the President of the United States from the White House on October 26, 1938, on the occasion of the Herald Tribune forum.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

No one who lived through the grave hours of last month can doubt the longing of most of the peoples of the world for an enduring peace. Our business now is to utilize the desire for peace to build principles which are the only basis of permanent peace.

It is becoming increasingly clear that peace by fear has no higher or more enduring quality than peace by the sword.

There can be no peace if the reign of law is to be replaced by a recurrent sanctification of sheer force.

There can be no peace if national policy adopts as a deliberate instrument the threat of war.

There can be no peace if national policy adopts as a deliberate instrument the dispersion all over the world of millions of helpless and persecuted wanderers with no place to lay their heads.

There can be no peace if humble men and women are not free to think their own thoughts, to express their own feelings, to worship God.

There can be no peace if economic resources that ought to be devoted to social and economic reconstruction are to be diverted to an intensified competition in armaments which will merely heighten the suspicions and fears and threaten the economic prosperity of each and every nation.

At no time in modern history has the responsibility which rests upon governments been more obvious or more profound.

I speak for a United States which has no interest in war. We covet nothing save good relations with our neighbors, and we recognize that the world today has become our neighbor.

But in the principle of the good neighbor certain fundamental reciprocal obligations are involved. There must be a deliberate and conscious will that such political changes as changing needs require shall be made peacefully.

That means a due regard for the sanctity of treaties. It means deliberate avoidance of policies which arouse fear and distress. It means the self-restraint to refuse strident ambitions which are sure to breed insecurity and intolerance and thereby weaken the prospect of that economic and moral recovery the world so sadly needs.

You cannot organize civilization around the core of militarism and at the same time expect reason to control human destinies.

For more than 12 years the United States has been steadily seeking disarmament.

Yet we have consistently pointed out that neither we nor any nation will accept disarmament while neighbor nations arm to the teeth. If there is not general disarmament, we ourselves must continue to arm. It is a step we do not like to take, and do not wish to take. But until there is general abandonment of weapons capable of aggression ordinary rules of national prudence and common sense require that we be prepared.

We still insist that an armament race among nations is absurd unless new territories or new controls are coveted. We are entitled, I think, to greater reassurance than can be given by words. The kind of proof which can be given, for example, by actual discussions, leading to actual disarmament. Not otherwise can we be relieved of the necessity of increasing our own military and naval establishments. For while we refuse to accept as a permanent necessity the idea of force, and reject it as an ideal of life, we must be prepared to meet with success any application of force against us.

We in the United States do not seek to impose on any other people either our way of life or our internal form of government. But we are determined to maintain and protect that way of life and that form of government for ourselves. And we are determined to use every endeavor in order that the Western Hemisphere may work out its own interrelated salvation in the light of its own interrelated experience.

And we affirm our faith that, whatever choice of way of life a people makes, that choice must not threaten the world with the disaster of war. The impact of such a disaster cannot be confined. It releases a flood tide of evil emotions fatal to civilized living. That statement applies not to the Western Hemisphere alone but to the whole of Europe and Asia and Africa and the islands of the seas.

In all that I have said to you I have reaffirmed the faith of the American people in democracy. The way of democracy is free discussion—as exemplified by the objectives of the forum to which I am speaking. Free discussion is most greatly useful when it is restrained and relates to facts. It is not useful to suggest either to the American people or to the peoples of other nations that the American Government, its policies, its practices, and its servants, are actuated by motives of dishonor or corruption. To do so is, of necessity, an attack on the American system of constitutional representative government itself.

Let us work with greater unity for peace among the nations of the world—for restraint, for negotiation, and for community of effort. Let us work for the same ideals within our own borders in our relations with each other, so that we may, if the test ever comes, have that unity of will with which alone a democracy can successfully meet its enemies.

Accident Prevention on Highways

EXTENSION OF REMARKS
OF
HON. THEODORE F. GREEN
OF RHODE ISLAND
IN THE SENATE OF THE UNITED STATES
Thursday, January 12, 1939

ADDRESS BY HON. ROBERT R. REYNOLDS, OF NORTH CAROLINA, AT ACCIDENT PREVENTION LUNCHEON, PROVIDENCE, R. I., JANUARY 9, 1939

Mr. GREEN. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the junior Senator from North Carolina [Mr. REYNOLDS] at a luncheon held on last Monday at Providence, R. I., to celebrate the world record made by the city of Providence last year in accident prevention on highways.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, Governor Vanderbilt, Senator GREEN, honored guests, ladies and genelemen, it is indeed a distinct privilege to be provided the enviable opportunity of participating in this unique program. It is particularly pleasing since I find myself here at this festive board, the speakers' table, with your most excellent chief executive, the Governor, Bill Vanderbilt, to my right, and my colleague and friend THEODORE F. GREEN, of the United States Senate, to my left. I am indeed grateful of your generous welcome on this auspicious occasion and I shall hope for the opportunity sometime to not only welcome Gov. William K. Vanderbilt and United States Senator THEODORE F. GREEN to North Carolina, but I shall hope for the opportunity of welcoming all within the sound of my voice to my Commonwealth, one of the most historic States in all the Union, when and where I may be permitted to evidence my appreciation of your generous hospitality to me here in your delightful Commonwealth of Rhode Island.

This unique program is inspired by success here in your capital city of Providence as a result of the people of Providence, more than a quarter of a million, having reduced the number of lives wasted in traffic due to impatience, carelessness, and lack of understanding of personal responsibility for safe street and highway use. Leaders in this great municipality and in the State of Rhode Island are gathered here today to mark this humanitarian achievement. They have every reason to be proud. Any city can well afford to expand its community bosom when it is recognized as having one of the finest, if not the finest, traffic safety record for American cities. Providence—a city in which one can live well and live safely—certainly offers a sound keynote for civic development.

But the achievement in reducing traffic fatalities in Providence is more than a civic accomplishment. This is true because this fine city record is paralleled by an excellent State record. Thus this gathering here has national implications. Here they are. If the State of Rhode Island, the most densely populated in the Union and with a population more than 97 percent urban, can year after year set an example for safe driving and safe walking, there is no sound reason why the other 47 States and the District of Columbia cannot also reduce the tragic toll of deaths and injuries in traffic.

Since arriving in Providence this morning I have asked many questions as regards the factors responsible for the low traffic fatality rate in Rhode Island on the basis of number of fatalities to population. I found the answers readily available and comparatively simple. Efficient police administration, sound traffic planning exemplified here in Providence, community organization such as that of the Automobile Club of Rhode Island, directed by my old friend Wise Wescott, and equally as important, wholehearted community and State cooperation and public support with the aid of such civic-purposed groups as the Town Criers. And from what I have been told today, the well-developed program for traffic-safety education in the schools and the enlisting of support of the young by your popular "Uncle Red" on the air must not be overlooked.

In brief, I have found here in Rhode Island an answer to the traffic safety problem. It is a program for intelligent action with official and public support. And the fact that it works is justification enough for its continuance without further comment.

I have long been interested in the subject of traffic safety, both as an individual who has used an automobile since the days of the first models and as a Member of the United States Senate. I see in the traffic-safety movement many great humanitarian and economic aspects. It involves the effort to reduce the annual toll of more than 30,000 killed and more than a million injured as streams of traffic and millions of humans come into conflict on millions of miles of highways and streets. It affects the whole future of highway transportation—a mammoth industry, using an endless supply of raw materials, the products of farm and factory, and one of the largest employers of labor.

It also has a definite bearing on travel, the urge to go places, which runs strong with all Americans, and which has opened new reservoirs of wealth for every section of our country and which has been so largely responsible for our new national vision. This latter has, of course, resulted from sectional understanding and the knitting together of the far-flung corners of our great stronghold of democracy.

When viewed in these broad terms, it is obvious that the traffic-safety movement is designed to contribute to that great guaranty of "life, liberty, and the pursuit of happiness," and also to assure the economic stability of millions of gainfully employed and their dependents. Thus I say without hesitation that the traffic-safety effort is one of the most vital forces in American life today and should be treated as a major objective of our times.

I recognize, of course, that traffic safety is not a national problem but one which must be treated locally. Yet all of our problems are local in effect. It is the conditions at the crossroads and in the cities which produce national problems. As a result while we must continue to have better traffic conditions stem from intelligent treatment locally, and in the States, we cannot afford to overlook the national implications if we fail to improve these local conditions. To that extent the problem is national.

In recent years, particularly since I entered the United States Senate, I have watched many traffic safety programs and many traffic safety efforts. I have seen experiment after experiment attempted. I have viewed disorganized action on widely scattered fronts. I have heard Senators propose drastic Federal measures which have no place in our modern scheme. But still the charts showed an upward surge in the number of deaths and injuries.

Then a few years ago groups vitally concerned over existing conditions began to work together with a common objective. The best opinions and the best methods were incorporated into workable programs under the direction of men with training and experience. Other men were started in training to carry on. Already this new spirit is showing results, and they may be seen on every hand. The results here in Providence are an example. The drop of 20 percent in motor fatalities for the country as a whole during 1938 as compared with 1937 offers encouragement.

I am happy that the American Automobile Association, of which I am honored to be a vice president, has been a leader in this new national organization, and its affiliated clubs, such as you have here in Rhode Island, have helped to translate the new national program into action. Burton Marsh, American Automobile Association director of safety and traffic engineering, who is here today, has contributed much to the new national action.

Following receipt of the invitation to come to Providence, it was my privilege to read the annual report of Paul Hoffman, president of the Automotive Safety Foundation, which has been a spearhead in the modernized attack on traffic-safety conditions. The automobile industry is doing a fine thing in its contributions to the cause of traffic safety. It represents the spirit of American industry at its best.

Several things in Mr. Hoffman's report struck me as particularly appropriate for reference before this gathering. For example, one statement, with which I fully agree, is as follows:

"When it is considered that the motor age really covers a span of less than 30 years; that the greater majority of our streets and roads were primarily designed for horse-drawn traffic; and that nearly 30,000,000 motor vehicles, of varying types and in the hands of individuals of varying temperament and qualification, move daily over all traffic arteries, highway transportation is a marvel of efficiency and safety.

"The year 1938, from the standpoint of further adjustment of motorized America to safer and more efficient use of existing traffic facilities and improvement of these facilities, was one of the most notable on record. It demonstrated, more than ever before, that a greater degree of traffic safety can be achieved; that the public is more alert to the need for such achievement; that public support is solidly behind sound programs to assure safer and more convenient highway use; and that individuals, both drivers and pedestrians, are willing to accept reasonable regulations advanced for their benefit." Here are more results of the new national spirit in traffic-safety efforts, which I have already mentioned.

Quite obviously we are on the way to better traffic conditions—"orderly traffic." However, to again quote Mr. Hoffman: "The immediate outlook for continued reductions in traffic accidents and injuries is tempered by the prospects of a peak year of travel in 1939. The very size of the 1938 reductions makes unlikely another such sizeable decrease. We can, however, anticipate a continually improved rate, provided there is no let-up in our activities. It is simply a question of how generally we apply the techniques which have already proven successful."

In conclusion, let me again say that Providence and the State of Rhode Island have set an example for achievements in traffic safety and offered a pattern for progress elsewhere. It deserves to be applied elsewhere. If this is done I have no fear for the future of the traffic safety movement.

It has been a privilege and an honor to participate in this inspiring occasion—one which is in keeping with every American ideal and every consideration for the public good. As a North Carolinian and as a Member of the United States Senate, I salute Providence and Rhode Island for civic pride, civic cooperation, and civic accomplishment.

Jackson Day Address

EXTENSION OF REMARKS
OF
HON. J. HAMILTON LEWIS
OF ILLINOIS
IN THE SENATE OF THE UNITED STATES
Thursday, January 12, 1939

ADDRESS BY HON. SCOTT W. LUCAS, OF ILLINOIS, AT THE ANNUAL JACKSON DAY DINNER, CHICAGO, ILL., JANUARY 7, 1939

Mr. LEWIS. Mr. President, I tender an address delivered by my colleague, Mr. SCOTT W. LUCAS, on an appropriate occasion, Jackson Day, touching the affairs of Government, which I commend to the consideration of the Senate and take the liberty of asking its insertion in the Appendix of the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I should like for this enthusiastic gathering of Democrats from every section of the State to understand that the junior Senator from Illinois is deeply appreciative of the honor and privilege conferred upon him by your national executive committeeman and the Democratic State Central Committee in tendering to him the invitation to address you on this, the anniversary of the great victory of Andrew Jackson at the Battle of New Orleans, January 8, 1815.

I hope that I may not shock the devotees of Andrew Jackson when I tell you that tonight I shall deviate somewhat from tradition and perhaps violate custom which is common at a commemorative occasion of this kind. It is generally assumed that an after-dinner speaker at such an affair will eulogize the honored one, indulge in pleasing generalities, and say little or nothing which might jolt the complacency of his listeners. But, my friends, if Andrew Jackson were here tonight and was the principal speaker at this banquet, he would indulge in plain talk, for Andrew Jackson was a patriot, a Democrat, and a fighter; he said what he had on his mind; he did not mince words. In my opinion, the highest tribute he can be paid is to adopt some of the tactics he used during his lifetime as he fought to preserve our Nation and to promote the ideals of true democracy.

This is, of course, a party given by Democrats on behalf of the Democratic Party in honor of a great Democrat. What better opportunity could there be to take stock of our assets and liabilities; to examine our weaknesses, and to take measure of our strength? Such would be truly the Jacksonian procedure, for it is inconceivable that he who won so many battles, both on the fields of war and in the marble halls of government, ever entered a fight without having a full accounting of his resources after the battle was over.

Now it is a matter of common knowledge that the Democratic Party did not poll as many votes in the November election of this year as it did in 1936, 1934, and 1932. In Illinois we polled enough, however, to elect the entire State-wide ticket and many county officers. The temporary resurgence of our enervated opponents can be attributed to several factors, a few of which I propose to discuss boldly at this time.

However, before I enter into this discussion I want to express my sincere thanks to the leaders of the Democratic Party in Illinois, both in Cook County and down-State, as well as all others, for their splendid efforts in behalf of the entire State Democratic ticket.

No one realizes better than do I the hard work, the long hours, and the unceasing effort which were required to keep the Democratic Party in the ascendancy in this State. And certainly we who are here tonight thoroughly understand what sacrifices Governor Horner made in that exhaustive campaign. So enthusiastic, so interested, and so industrious was he in the cause of the Democratic candidates and their ideals that today we find him in Florida still recuperating from the physical strain of political battle.

I know that you will agree with me when I say that citizens of Illinois in every walk of life, regardless of political affiliations, wish for Illinois' greatest Governor a speedy and permanent recovery, and truly regret his absence.

A moment ago I said I would discuss some factors and trends in the last election adverse to the interests of the Democratic Party in the State and Nation, and one of the first I shall deal with boldly involves social security and pensions for the aged. There is little doubt in my mind that many votes were lost to the Democratic Party in Illinois because of the hypocrisy and misrepresentation of our opponents on the subject of old-age pensions. Not only did my opponent, the mouthpiece and acknowledged leader of the Republican Party in Illinois, accept the Republican plank of $30 per month as a minimum to be paid out of State funds for all over 65 years of age, but he also worked for and finally obtained the endorsement of the Townsend organization. As the leader of the Republican Party he had no conscientious qualms about such inconsistency. His goal was public office in the United States Senate. He and his cohorts cared but little about the methods employed in trying to get there.

I am thankful that the Democratic candidates elected in Illinois did not resort to such chicanery, for we are now in a position to judge fairly the merits of any pension program, several of which indubitably will be presented at the current session of the Congress.

This is one of the gravest issues which faces our Nation, and I want to review at this point the position I have taken throughout in regard to pensions for the needy aged. One of the first bills for which I voted when I went to Washington 4 years ago as Congressman from the Twentieth Illinois District was the social security bill.

It was a Democratic administration which for the first time in the history of our Nation recognized the obligation of government to take care of those citizens now old who in youth had contributed to America's greatness. Having known the problems of aged persons through association with them in my immediate family, and recognizing the merit of and the need for such legislation, I voted for it gladly. I am wholeheartedly in favor of the principle of security and financial assistance for the aged.

It is highly improbable that any measure with such vast and far-reaching implications, and affecting, as it does, millions of our citizens, would be perfect in its original form. Nevertheless, the social security bill was drafted and passed after months of hearings, attended by the greatest experts in the world on social legislation. The amount of pension was set within the limitations of our Nation's ability to pay. From time to time the Democratic Party has pledged itself to expand and enlarge the social-security program in accordance with the ability of the taxpayer to meet the bill. President Roosevelt amplified this position in his message last Wednesday when he said, "All of us want better provision for our older people under our social-security legislation."

Meanwhile, America has been infested by a plague of Messiahs who hold out glittering and impractical dreams to old people. Most of the schemes are fantastic, many are ruinous. In practically every instance the plans have been engineered by able and alert demagogues who suffer no qualms of conscience over enriching themselves by deluding and holding out false hopes to the aged. Vivid and tragic examples already have been provided in the United States of the dire consequences of some of these schemes, yet they multiply and expand.

This is a fitting occasion to point out that many of the Republicans who won House and Senate seats at Washington waged their campaigns on a platform of huge pension payments. They will provide the nucleus, whether they like it or not, of a pressure minority which will seek to raid the Treasury or increase taxes. And I would like to see the fact driven home to the taxpayers that these same Republicans are members of the party which cries to the high heavens about heavy Government expenditures and promises a balanced Budget.

My opposition to Utopian pension schemes is based upon the conviction at which I arrived after hearing the testimony of qualified economists and experts upon social legislation. I predict that if any of these fantastic schemes are ever placed in effect upon a national scale they will break down of their own weight. The tragedy of this will not be that just that particular scheme will be shown up as wholly impractical, but that the entire idea of Government assistance for the aged will be discredited. And I can foresee the eventuality that such a plan could bankrupt the Nation, throw our social and economic system into chaos, and send tottering down into oblivion our entire governmental structure.

Again speaking as one who is sincerely interested in the progress of the Democratic Party, I think it behooves us to examine this vote with a view toward determining whether the gains made by the minority party came about through local conditions exclusive of Federal activities, or whether the voters were expressing dissatisfaction with laws passed the last 6 years, or with the administration of these laws. Let me deal with the latter question first, and say boldly to you that only those with eyes that cannot see and ears that will not hear can ignore the trend in the November election.

No less an authority than the Honorable WILLIAM B. BANKHEAD, Speaker of the House of Representatives, has publicly declared that if the latter be the case, steps should be taken to meet public opinion in the modification and correction of such criticisms as may have been influential in the recent elections. He added that a spirit of cooperation will animate the actions of the majority party at this session of Congress.

You and I know that it is the duty of Members of Congress to promote and foster legislation at all times which they believe to be for the best interests and welfare of our people. All such measures, and especially those dealing with new theories of social and economic recovery, should have a fair trial in the field of operation and before the bar of public opinion. If after this interim has passed we find widespread dissatisfaction with such laws and such disapproval is expressed through the ballot, it is the duty of those in charge of government to find a remedy that will satisfy public opinion, because, after all, this is still "a government of the people, by the people, and for the people."

While in some States and subdivisions thereof local conditions on election day were major factors in the defeat of some Democrats, certainly no one can gainsay that in the Midwest there was not a trend against the Democratic Party. Voters were telling

us through the secrecy of the ballot that mistakes were made which they did not like. If my conclusions are correct, it is up to this Democratic Congress to immediately pursue a course of industry and political honesty to meet such an emergency as was manifested through the ballot.

Last Wednesday our great President, Franklin Delano Roosevelt, delivered a statesman's message upon the state of the Union. He frankly admitted that some of the tools forged for a new role of government still need machining down, in the light of experience and operation. He made it clear that no new controversial legislation would be pressed at this session. He gave hope and courage to everyone when he said, "Our period of internal conflict is at an end." I believe he correctly interpreted the American viewpoint when he said that "the Nation looks to Congress to improve the new machinery which we have permanently installed."

Certainly the elimination of all controversial legislation and improvement of the new machinery which has been permanently installed will be approved by the public. I am of the opinion that the people are anxious for legislative peace rather than continued strife. They want to see us consolidate the gains made, iron out the rough spots, find ways to end factional and labor strife and employer-employee disputes, bring capital and manpower together, and make amendments to basic laws where needed in the light of experience. This is a program that I believe the great majority will readily subscribe to and should bring results beneficial to all America.

Such a common-sense course vigorously and honestly pursued by a united and Democratic Congress, having only in mind what is best for the greatest number of people, will restore business confidence and will remove from idleness the billions of dollars of private capital. Money so expended in private enterprise finds its way in the channels of trade and commerce, and when that comes to pass, I predict that we will be on our way toward an $80,000,000,000 country. It will also accomplish the Roosevelt objective to give every man and woman who wants to work a real job at a living wage.

President Roosevelt further said in that message, "It is my conviction that down in their hearts the American public—industry, agriculture, finance—wants this Congress to do whatever needs to be done to raise our national income to $80,000,000,000 a year."

To that statement I heartily concur, but the question is, How can these groups best utilize their efforts in the realization of this national necessity? Today each of these social and economic groups are experts in their own economic fields but are lacking in the knowledge of the others' problems. There is friction between them, there is a lack of understanding, and in view of the fact that every indication points toward more prosperity and business in this country in the future, I submit that if government, agriculture, labor, industry, and commerce could at this time sit around a table, present their aims and motives, compromise their clashing interests, admit to their mistakes, thrash out their problems, and attempt to emerge with a program of conformity with what is best of all America, at least if they were unable to agree they could have a better understanding of the others' aims and ideals, which would be of tremendous benefit to us all.

And I again suggest that the President of the United States could well call a conference of these groups during the present session of Congress for the purpose of accelerating our return permanently upon the road of recovery.

Obviously, I could not pass upon this day of commemorating the acts and deeds of Andrew Jackson without discussing that part of the President's message dealing with national defense. I have discussed that portion of the message with many Members of the Senate and Members of the House, and there are few who question the broad general premise of the President's plea for a stronger Army and Navy, and for a more alert and flexible national defense.

The unvarnished and uncomfortable truth is that a sudden emergency at this particular moment would place the United States at a disadvantage, with world conditions as they are. The wise course is to recognize this fact and place ourselves in readiness for any contingency. While I agree with the basic outline of the President's national-defense program, I shall wait until I see specific legislation before I express an opinion upon any of its component parts.

I am one who subscribes to the President's audible disapproval of dictator nations. Perhaps this is because my love for this land and its priceless Bill of Rights is so ingrained and deep that I resent, even though it does not affect me personally, the thought of entire peoples having their rights, their liberties, and their very lives taken away from them and imperiled under totalitarian forms of government. This is not our way of doing business here in America.

We have racial minorities here which not only live in peace with their neighbors but which have contributed greatly to our national heritage and culture. We are proud of them as citizens, and they have demonstrated their love for this great land on many an occasion, even to the extent of shedding their blood and giving their lives in its defense. Our way of living is a stunning reproof and rebuff to dictators, for under the American system of free democracy we have demonstrated that there is no need of, no excuse for, purges, persecutions, and other tactics of tyranny, mass murder, and oppression which they consistently employ.

One of the basic reasons for my enlisting in the fight to bring the Army-Navy game to Chicago next year is to herald before the world and to magnify what America has done for the sons of immigrant people. The captain of the Army football team next year is the son of Italian immigrants, living in Kankakee. The captain of the Navy football team is the son of German immigrants living in Kankakee. Was there ever a more beautiful and inspiring spectacle of what the land of opportunity has done for people of foreign extraction? Was there ever a note in the scale of true Americanism so sublime? Certainly this ideal is worthy of love and respect upon the part of every American who believes in the home of the free and the land of the brave.

Yes, to be sure the President used strong language in addressing dictators in that message, but my friends, they do not understand a soft answer. Peaceful persuasion and conciliation have not dimmed their arrogance. Perhaps they will understand better the sharp tongue of aroused American public opinion to which President Roosevelt merely gave expression when he spoke before the Congress.

So long as we keep the people of our Nation secure and happy under the American system within our borders and so long as we present a strong defense to those who might covet our land and our wealth, we need not fear the imposition of a totalitarian form of government.

Among the several methods of insuring our internal peace, none is more positive than the presentation of a militant front against communism, fascism, nazi-ism, and all other alien philosophies of government, no matter what they might be called. I have said repeatedly, and the truth of my declaration is self-evident, that there is no room in this Nation for any governmental "ism" except Americanism. Communists have assailed me bitterly, and I welcome their antagonism because I detest their philosophy. I am as firmly opposed to all other dictatorial theories of government, and I will resist to the utmost the creation of any form of supergovernment in our Nation by ruthless, brutal minority groups, no matter what disguise they assume.

In conclusion, my friends, I am asking the Democrats of Illinois and throughout the Middle West to continue the battle in behalf of the ideals of the Democratic Party. Be militant—take the cue from Andrew Jackson. He was a fighter and a patriot. He fought fairly and asked no quarter. The people still are on the side of the Democratic Party. Just remember it was our leadership which rescued this Nation from the depths of chaos and despair in 1932. True, we have had our difficulties, but few will deny that we are a wiser and a better Nation from the standpoint of humanity as a whole than we were in '29 or '32.

Let us meet this new challenge with constructive thought and action. Let us redouble our energy and our enthusiasm for our cause. The people have demonstrated in the past that they have confidence in our cause and leadership and we shall win in 1940 the same as in '32 and '36. I pledge you now as I go into the United States Senate to serve the great State of Illinois for the next 6 years that I shall ever have the best interests of the Democratic party at heart. I shall continue to pursue a course in legislative affairs in the Senate the same as I have in the House of Representatives. As Lincoln said, "I will stand with anybody that stands right, stand with him while he is right, and part with him when he goes wrong."

My friends, that is my philosophy of government when deep-seated fundamental and basic principles are involved. And as your United States Senator, I further pledge the people of Illinois, irrespective of party, that I shall give the best that is in me in the proper and adequate solution of these problems when presented, to the end that America may continue to be the last best hope on earth.

Soul Liberty

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, January 12, 1939

ADDRESS BY HON. THEODORE F. GREEN, OF RHODE ISLAND, AT NEW YORK CITY, DECEMBER 9, 1938

Mr. WAGNER. Mr. President, on December 9, 1938, the citizens of the city of New York met in Carnegie Hall to demonstrate their protest and indignation at the persecution of religious and racial minorities by the Nazi regime in Germany.

On that occasion the junior Senator from Rhode Island [Mr. GREEN] delivered an inspiring message which I commend to the attention of every Member of the Senate. I ask unanimous consent that the text of this speech be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My fellow citizens, I come from a State that was founded by a religious refugee, a State which he dedicated to the principles of soul liberty—freedom to worship God according to the dictates of one's own conscience. Roger Williams, when a young clergyman in England, was hunted down by the ecclesiastical authorities there and came to America. Once here, he proclaimed that the authority of civil magistrates did not extend to matters of conscience. For that he was banished into the wilderness. He stayed awhile in Plymouth colony, until that weak settlement, fearing the wrath of its more powerful and dictatorial neighbor, bade him leave. So, in the spring of 1636, Roger Williams came to Rhode Island, and founded there a Commonwealth upon the doctrines of religious and political liberty.

In time his ideas received confirmation in a royal charter, in words that have been incorporated into the constitution of my State and now are carved over the entrance to the statehouse, whence they proclaim in their full plenitude Rhode Island's greatest contribution to America:

"To hold forth a lively experiment, that a most flourishing civil State may stand and best be maintained with full liberty in religious concernments."

From the time of his founding of my State till now, my people have not only preached but practiced these Williams doctrines. So it is but natural that I feel concern at religious persecution anywhere, in any form.

We do not protest against the existence of a state church in other countries, however strongly we feel opposed to such an institution here. We do not rise in wrath over the disabilities imposed on particular faiths in other countries, however much convinced we be with the essential error of such measures. But whenever we come face to face with organized religious persecution, whenever active and organized campaigns of cruelty are waged against defenseless minorities, then we protest, protest in the name of humanity as we Americans have always done, no matter who were the persecuted and who were the persecutors. Just as in the past we have protested when Russian persecuted Jew or Turk harried Armenian, so today we protest on the same ground—in the name of common humanity—when we contemplate in Germany the organized campaign of persecution launched principally against the less than 1 percent of Jewish population within its borders.

Not only our American people but our American Government as well have strongly and often expressed their moral protest against inhuman outrages religious and racial, nor should exception be taken to this here or abroad. As President John Quincy Adams wrote:

"This principle, that a whole nation has a right to do whatever it pleases, cannot in any sense whatever be admitted as true. The eternal and immutable laws of justice and of morality are paramount to all human legislatures."

Daniel Webster, as Secretary of State, well summarized this position when he said:

"While performing with strict and exact fidelity all their neutral duties, nothing shall deter either the Government or the people of the United States from exercising at their own discretion, the rights belonging to them as an independent nation, and of forming and expressing their own opinions, freely and at all times, upon the great political events which may transpire among the civilized nations of the earth."

It is difficult to find in any time, in any land, a parallel for the inhuman excesses, and the calculated, concentrated cruelty of twentieth-century National Socialist Germany. We have before our eyes the spectacle of 600,000 people deprived of all means of livelihood, stripped of their property, and daily exposed to indescribable brutalities that do not stop short of murder. Indeed, threats of mass murder of these unfortunates are now made openly in responsible German circles. It is a revealing commentary on the depths which have been plumbed by the constituted authorities in Germany, that the lot of the murdered seems to the disinterested outsider happier than that of the living. What can those look to, who still live, with not only material but spiritual comforts denied them? Their houses of worship have been sacked and burned, and further celebration of religious services has been forbidden—except for funerals.

In part, obviously, the German persecution of the Jews is a campaign for loot. Germans are forbidden to buy from Jews, they may only steal from them. But the Nazi policies are more than a plan for plunder, and more than a movement against Jews alone. It is not merely an attack upon the Jewish religion—it is also an attack upon all religion.

The Roman Catholic Church also has been a target of the German Government. Members of the clergy have been attacked, arrested, maltreated, and maligned. Mobs have stoned the homes of bishops and archbishops and have threatened death by hanging to princes of the church. A persistent and pernicious campaign of defamation has been conducted against the clergy and members of religious orders.

The attack has not stopped with Catholics. Protestants, too, are under the ban, and pastors by the hundred who would not render unto Hitler that which is God's lie in prison or in concentration camps. Those who remain have been ordered to strike from their churches, to erase from their altars, the word "Jehovah," and the Old Testament is being rewritten to eliminate all reference to the race principally mentioned therein.

No, my friends; let us not be deceived. This is no mere internal matter, no mere racial prejudice gone wild. This is an organized campaign against religion. It is a crusade against God. And why? Why, because God and nazidom cannot exist side by side. The two are as mutually exclusive as good and evil.

It is perhaps significant in this connection that the most recent proposals advanced in the German press are to the effect that any person who sympathizes with the persecuted in Germany is to be persecuted in his turn. You and I have been taught, in one way or another, by one faith or another, that God is love, and that sympathy and charity are noble traits. But in the Nazi lexicon there is no place for words like those.

May I say now what perhaps I should have said before, that I am no hater of the German people? I knew well the old Germany. As a young man for over 2 years I studied in her universities. More recently, both before and after the Great War, I have visited there in the reverent spirit with which a man returns to the scenes of his youth. So, in truth, the events of the past 5 years have saddened me deeply, and often I have wished that it were possible to attribute the dreadful tales of present-day conditions there to hostile motives. Alas, however, I have become convinced that they are all too true.

This being the situation, what are we going to do?

First, we shall protest, as Americans have always protested against inhumanity. Grover Cleveland once said, and it was at a similar mass meeting here in Carnegie Hall held to protest against the Jewish massacres in Russia in 1903:

"Our people when their sympathies are touched, when their humane instincts are challenged, and when their hatred of oppression is aroused, are not afraid to speak; and in such circumstances it is not their habit to smother or cautiously soften their words."

I commend that declaration to all Americans.

Second, we shall assist those who are oppressed for conscience. We cannot forget, we must not forget, that this Nation was settled, established, and made strong by refugees in other times—by Pilgrims, by Puritans, by Huguenots, by refugees from the Palatinate, by refugees from the potato famine, by forty-eighters, by refugees from bolshevism. Nor must we forget that the Nation's position as an independent state is due to the heroic sacrifices of men who preferred death to loss of liberty, and that throughout our history we have extended a sympathetic and helping hand to those who fought for liberty in other lands.

Third, we must strike at those who seek to create dissension and disunity among us by fostering distinctions that are un-American. There is no room in this free land for the differences that spring from different forms of religion. Soul liberty and the complete separation of church and state, first established in Rhode Island, are foundation stones of our Republic; let no one, whosoever he may be, attempt to instill here the hatreds and the prejudices that have brought Europe to its present deplorable condition. Nor is there any room in our Nation for the smoldering fires of racial hatred that have brought over the centuries untold misery to the Old World. Whether our individual origins were English, or French, or German, or Irish, or Italian, or of any other nationality or race, we are united in this country as Americans.

And, finally we must keep America safe for democracy. Twenty years ago we may have cherished the hope of spreading our ideals throughout the world. Today we are more modest; we seek only to preserve those ideals for ourselves. But today our institutions are being attacked from without, and an active defense is essential. To such a defense, in whatever form it may prove necessary, let us pledge ourselves here. We mean to make this Nation safe for our democratic institutions, be the cost what it may.

For the rest, we have faith in our people, faith in our institutions, faith in the precepts of the Jewish Carpenter of Galilee who preached the Sermon on the Mount, and faith in the power of Almighty God to preserve all of these for the making of a better world for mankind.

Interparliamentary Union

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Thursday, January 12, 1939

MINUTES OF THE THIRTY-FIFTH ANNUAL MEETING OF THE AMERICAN GROUP OF THE INTERPARLIAMENTARY UNION, JANUARY 17, 1938

Mr. BARKLEY. Mr. President, since the thirty-sixth annual meeting of our group in the Interparliamentary Union is to be held Tuesday, January 17, and because every Member of the Senate and of the House is ipso facto a member also of the group, I ask unanimous consent to have printed

in the Appendix of the RECORD the minutes of the thirty-fifth annual meeting of our group held at the Capitol January 17, 1938.

There being no objection, the minutes were ordered to be printed in the RECORD as follows:

The American group of the Interparliamentary Union met for its thirty-fifth annual meeting in the room of the Committee on the Library, United States Senate, Monday, January 17, 1938, at 10:30 o'clock a. m.

Among those present were Representatives Charles A. Eaton, of New Jersey; Millard F. Caldwell, of Florida; Ralph E. Church, of Illinois; William S. Jacobsen, of Iowa; Luther A. Johnson, of Texas; Fritz G. Lanham, of Texas; Thomas S. McMillan, of South Carolina; Caroline O'Day, of New York; and Senators Elbert D. Thomas, of Utah; Tom Connally, of Texas; Ernest W. Gibson, of Vermont; Robert M. La Follette, of Wisconsin; Kenneth McKellar, of Tennessee. Present also: Arthur Deerin Call, permanent executive secretary.

Representative EATON. Senator BARKLEY, of Kentucky, the president of the American Group, having been called to the White House, cannot be here until later, and I have been asked to call the meeting to order.

The first order of business is the reading of the minutes of the last meeting.

Representative LANHAM. Since these minutes appeared in the CONGRESSIONAL RECORD of January 13, 1938, I move that their reading be dispensed with, and that they be approved.

(The motion was agreed to.)

It was announced that Representative Charles J. Colden, of California, could not be present because of illness.

Representative LANHAM. Representative Biermann has been taken to the hospital this morning, and I have been asked to announce his inability to be present.

Dr. CALL. Mr. President, Senator Joseph T. Robinson, of Arkansas, died in July last. This highly valued friend in the Interparliamentary Union attended the conference in Stockholm as far back as 1921, the conference in Copenhagen in 1923, and at the meeting at Bucharest in 1931, being invited to deliver an address, he spoke with commanding eloquence, concluding with these words:

"We of the United States recognize that our own prosperity is inseparably bound up with the progress and welfare of the peoples of other nations. We are anxious to see trade barriers lowered, to contribute to the promotion of international good will, and to aid in the reduction of armaments, to the end that the wealth of nations may be devoted to spiritual and intellectual progress, rather than to mere purposes of defense or aggression."

Representative LANHAM. I move that two Members of the Senate and one Member of the House of Representatives be appointed by the president of the group to draft resolutions relative to the death of Senator Robinson, that the resolutions be spread on the minutes of this group, that a copy be sent to the family of the late Senator and also printed in the CONGRESSIONAL RECORD.

(The motion was agreed to.)

Dr. Call thereupon referred to various communications and publications available to members of the group, and called attention to suggestions that have been made relative to the award of the Nobel Peace Prize to the Interparliamentary Union.

Senator LA FOLLETTE. I move that the president of the group be authorized to appoint a committee to consider this matter, with power to act.

(The motion was agreed to.)

Dr. Call called attention to the suggestion that it might be advisable to hold the 1939 meeting of the Interparliamentary Union in the United States.

Representative LANHAM. I move that the president of the American group appoint an appropriate committee to look into the feasibility and possibility of arranging for this matter.

(The motion was agreed to.)

Dr. Call read a list of the various standing commissions of the Union—the commission on political and organization questions; on juridical questions; on economic and financial questions; on ethnic and colonial questions; on reduction of armaments; on social and humanitarian questions; and on intellectual relations. He stated that the group is expected to be represented on each of these commissions.

Representative MCMILLAN. I move that the secretary select the membership of this group on these commissions from the membership of the House of Representatives and the Senate, with the approval of the president of the American group.

(The motion was agreed to.)

REPORT OF TREASURER

Dr. CALL. The treasurer, Representative BLOOM, being obliged to be in New York, has asked me to submit his report for him. He reports that on January 18, 1937, there was in the treasury $106.65, and that on January 18, 1938, there is in the treasury $106.65.

Senator MCKELLAR. I move that the report be received and filed.

(The motion was agreed to.)

REPORTS OF DELEGATES TO PARIS MEETING IN 1937

Dr. CALL. A number of those present attended the meeting in Paris September 1 to 6 last. I am sure each one who was there could make a very interesting and valuable report.

Senator MCKELLAR. I suggest that Senator THOMAS of Utah make the report.

Senator THOMAS. Mr. President, I think the meeting was decidedly worth while from practically every standpoint. We all gained some good from going, and I am sure those who attended from other countries were also benefited through the exchange of opinions.

Senator MCKELLAR. We felt very proud of two of our representatives, Senator BARKLEY and Senator THOMAS. Senator BARKLEY made one of the finest speeches that was ever made in any parliamentary body out at Versailles. This fine address was published in the French, the English, and the American papers. His arguments were sound and seemed to meet with full approval not only of Americans but of our European and other foreign brethren. I was very proud of the speech.

Representative MCMILLAN. I was impressed by the very profound attention given to Senator BARKLEY during his entire address.

Representative LANHAM. Mr. President I think from many angles our country gets more out of the very small appropriation made for the Interparliamentary Union than any other appropriation of which I know. It enables us to keep in touch with the people of other countries, to learn of their views, to mix with them on entirely harmonious grounds and friendly relationships, and all this in an organization claiming no power to take final action. In such ways, it would appear, we gain a great deal for our country, especially in our efforts to impress the others with our own sincere willingness to help in promoting the cause of peace, to which this organization is especially devoted.

Many things impressed me in addition to the meetings themselves. It will also be recalled that Senator THOMAS and the lady member of our organization, Representative Jenckes, of Indiana, made addresses. The various receptions that were given—for instance, the one in the Chamber of Deputies, presided over by M. Herriot—were most impressive. These social contacts, which give an opportunity for an exchange of ideas among the various people, aside from the stated meetings of the Union itself, are most helpful. I know of no small expenditure producing results for our country comparable, in my estimation to the benefits received from our interest and participation in the Interparliamentary Union.

Representative EATON. You consider this organization of value to the world?

Representative LANHAM. I certainly do, and especially now, when we are all interested in peace—and there are so few organizations working effectively to that end. When men of these various nations get together in a harmonious spirit, having that common cause in view, the effects can be but helpful. It is a leaven. If it does not leaven the whole loaf, at least it has a tendency in that direction.

Senator LA FOLLETTE. Mr. President, I think there is little I can add to what has already been stated by the other members of the delegation which attended the most recent meeting of the Interparliamentary Union, in Paris. It was my first opportunity to be a member of the American delegation to one of these meetings.

I was much impressed not only with the opportunity which Representative LANHAM has stressed, of meeting men from various parliaments and legislatures, but it also seemed to me that the idea of the Interparliamentary Union demonstrated itself to be sound, namely, that it provides an opportunity for discussion of international questions of great importance in a manner which would not be possible if people were speaking officially, or assuming responsibility for their government.

I have always been interested in the work of the Interparliamentary Union, and I am very happy to have had my impressions previously formed confirmed by my opportunity to attend the gathering in Paris.

Representative LUTHER A. JOHNSON. I think there is no better way to enable Americans to get a better outlook on world affairs than to attend one of these meetings and mingle with representatives from other countries. The thing which impressed me most about the meeting in Paris was the apparently sincere desire on the part of the delegates from the many countries represented to see peace brought about. I believe that all, without exception, stressed the desire of their countries for peace.

I think the opportunity of seeing the representatives of the lawmaking bodies of 28 countries of the world, the way they dress, their appearance, and to learn how they are dealing with problems similar to those in this country, is of itself a broadening influence, a development of one's mind.

I was privileged to visit 12 countries of Europe with Senator MCKELLAR, and I think no one else saw more of Europe in less time and got a better impression of it, because we made the trip by automobile.

The meetings of the Interparliamentary Union are valuable, and Representative LANHAM, with his usual adept way of expressing himself, has described the meeting as it should be described, and has expressed the correct thought in stating that the money is well spent in this effort to promote good will among the nations, and to emphasize the desire of our country for cooperation in securing the peace of the world.

ELECTION OF OFFICERS

Representative EATON. The next order of business is the election of officers.

Representative LANHAM. I move that the present officers be reelected to their present positions, except that provision be made for filling vacancies which may have occurred or which may occur.

The following officers were declared elected:

President, Senator Alben W. Barkley, Kentucky.

Vice presidents, Senator Robert M. La Follette, Wisconsin; Representative Sam D. McReynolds, Tennessee; Senator Wallace H. White, Maine.

Treasurer, Representative Sol Bloom, New York.
Secretary, Representative Charles A. Eaton, New Jersey.
Permanent executive secretary, Arthur Deerin Call.

Executive committee

Senator Alben W. Barkley, ex officio, chairman.
Representative Albert E. Carter, California.
Representative Fritz G. Lanham, Texas.
Senator Tom Connally, Texas.
Senator Millard Tydings, Maryland.
Senator Arthur H. Vandenberg, Michigan.
Representative Robert L. Bacon, New York.
Representative Charles A. Eaton, New Jersey.
Representative Virginia E. Jenckes, Indiana.
Representative Thomas S. McMillan, South Carolina.

Members of permanent study commissions

Members asked to serve upon the permanent study commissions, with the understanding that others as they desire may be added, follow:

Political and organization questions: Senator James F. Byrnes, South Carolina; Representative B. Carroll Reece, Tennessee.

Ethnic and colonial questions: Representatives Caroline O'Day, New York; Charles A. Eaton, New Jersey.

Economic and financial questions: Representatives Thomas S. McMillan, South Carolina; Richard B. Wigglesworth, Massachusetts; Henry B. Steagall, Alabama; Senator Alva B. Adams, Colorado.

Disarmament questions: Senator Kenneth McKellar, Tennessee; Representative Fred Biermann, Iowa.

Judicial questions: Senators Sherman Minton, Indiana; Ernest W. Gibson, Vermont; Representative James A. Shanley, Connecticut.

Social and humanitarian questions: Representatives Jed Johnson, Oklahoma; Virginia E. Jenckes, Indiana; Senator Wallace H. White, Jr., Maine.

Intellectual cooperation: Senator Elbert D. Thomas, Utah; Representative Fritz G. Lanham, Texas.

Senator BARKLEY, entering the room, expressed his regret at being delayed. Upon question as to whether or not he favored inviting the Interparliamentary Union to meet in the United States in 1939, he expressed the view that it would not be possible to make it sufficiently agreeable to the conferees, especially during that year, to warrant such an invitation at this time.

THANKS TO THE EXECUTIVE SECRETARY

Representative MCMILLAN. I move that we express the thanks of the American group to its permanent executive secretary for the very fine service he has rendered to it from year to year, and for the interest he has always manifested in the Interparliamentary Union work. Without Dr. Call the American group would be hopelessly at sea in the preparation of anything we may have to say or do as we attend the meetings. He, always on the job, is also indispensable when we arrive at the meetings. I move that the group express its appreciation of his services.

Representative LANHAM. And for the geniality with which he has performed his services.

President BARKLEY. The question is on agreeing to the motion of Representative MCMILLAN as amended by Representative LANHAM.

(The motion was agreed to by a rising vote.)

Thereupon, at 11 o'clock and 50 minutes a. m., the meeting adjourned.

Jackson Day Address

EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Thursday, January 12, 1939

ADDRESS BY HON. HENRY A. WALLACE, SECRETARY OF AGRICULTURE, AT JACKSON DAY DINNER, MINNEAPOLIS, MINN., JANUARY 7, 1939

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by Secretary Wallace, of the Department of Agriculture, at the Jackson Day Dinner at Minneapolis, Minn., on Saturday evening, January 7, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Tens of millions of people have listened this evening to the voice of that great American, who above all others typifies the spirit of Andrew Jackson—President Franklin D. Roosevelt.

The spirit of Andrew Jackson may seem to die away, but always a great man brings it to life again. Just before the Civil War the torch of national unity and human freedom began to burn low in the hands of the Democratic Party. Then came Abraham Lincoln, whose early youth had been inspired by Jackson, and one of whose advisers had been in the kitchen cabinet of Jackson—then came Lincoln to relight the torch in the time of the Nation's greatest need. After he died, the Republican Party more and more passed under the control of the great monopolistic corporations that sought and obtained high tariffs and other special privileges. Theodore Roosevelt, shocked by corporate excesses, tried to make his party act in the spirit of Jackson and Lincoln, but he was rejected by the Republican bosses. Woodrow Wilson, at the head of the Democratic Party, took up the torch. Once more the flame died down as the Republicans led the country through a speculative orgy down into the desolation of depression. And then came Franklin D. Roosevelt. He, too, was alight with the spirit of Jackson and Lincoln. He, too, believed in unity on behalf of human freedom. He, too, has carried the torch and he has not let it fall.

The spirit of those men—of Jackson, of Lincoln, of Theodore Roosevelt, of Woodrow Wilson, and of Franklin D. Roosevelt—the spirit of all these men was the spirit of the West. They were admired in the West and supported by the West. That is why I am glad to belong to the West myself. That is why I am glad to be here tonight, to shake hands on behalf of Iowa with our next-door neighbor, Minnesota, to present to the West again the challenge of these great progressives.

In this year of 1939 there is a challenge to the West. That challenge is this: Will the West, this year and next year and in the years to come, hold fast to its pioneer tradition? Will the people of the West stick to the progressive principles that are part of their bone and sinew?

The challenge is real. It cannot be dodged. The West is faced with a fundamental choice. The western progressives—and when I say "progressives" I know I am referring to the overwhelming majority of the people of the West—must decide which political party most truly represents their ideals. They must decide whether they will go back, in their national voting, to the Republican Party, which has repeatedly deserted those ideals, or whether they will help the Democratic Party keep on with the job that since 1933 has been so well begun.

Here in Minnesota many of the progressive voters, thinking mainly of State issues, have temporarily at least gone into the Republican fold. Some of these progressives may be wondering if they cannot take a chance once more with the Republican Party nationally.

On the basis of the record of the national Republican leadership of the last 30 years, any such hope as that is a vain hope. Any such hope as that seems bound to end, as it has ended before, in disillusionment and ruin. That was demonstrated once more only a few weeks ago, when the Old Guard put former Senator Hastings, of Delaware, on the executive committee of the Republican National Committee. In the final analysis the Republican Party is supported by the great corporations. That is the reason the Republicans don't have to hold Jackson Day dinners with which to finance themselves.

It is true today, just as it has been true ever since the Republican Party rejected Theodore Roosevelt, that the western progressive Republican is caught on the horns of a terrible dilemma.

If he is faithful to the progressive traditions of the West, then he runs head-on into the implacable opposition of the special interests in the East that dominate the Republican Party. If he tries to cater to those interests he is forced to desert the real welfare of the West. My father, as Republican Secretary of Agriculture, chose to fight for the welfare of the West. He could not break the strangle hold of the special interests of the East, and the fight broke his heart. Lester J. Dickinson, who for several years did real service to the cause of the agricultural West, was faced with the same dilemma in 1938. He chose to go along with the men who ruled the party. These men glorified him in the national party councils, but they refused to adapt the party's policies to the needs of the West, and for Lester J. Dickinson the result of that choice was tragedy.

A few western progressive Republicans have faithfully served the interests of their region and by good luck have survived. Such a man is Representative CLIFFORD HOPE, of Kansas. But where would CLIFFORD HOPE be today if a friendly Democratic President and a friendly Democratic Congress had not backed a sound farm program that would serve the needs of the district he represents?

Let us consider for a few minutes just what are the differences between the policies of the national Republican leadership and the policies of the national Democratic leadership. If the progressive voters of the West really understand these differences, there is only one choice they can make.

I have not time tonight to go over the whole range of issues between the national leadership of the two major parties. But here, in a nutshell, are four differences that to the West are vital:

First: The Republican leadership stands for the prosperity of big-business men, regardless of what happens to the rest of the people. The Democratic leadership stands for the prosperity of farmers, workers, and small-business men, knowing that if the common people get their share of the good things of life, the big-business men will also have a more permanent prosperity for themselves.

Second: The Republican leadership offers the farmers glittering farm plans which on trial turn out to be gold bricks. The Democratic leadership gives the farmers a program that is practical and that grapples with their very real problems.

Third: The Republican leadership stands for monetary, budget, and credit policies that in the past have brought inflation, deflation, and ruin, and, if followed again, will keep repeating these calamities. The Democratic leadership stands for monetary, Budget, and credit policies that are taking the country back to a sound

recovery and that will help to smooth out the extreme ups and downs of the business cycle so as to give the people of the United States the stable prosperity and security they want and need.

Fourth: The Republican leadership tries in every way it can to promote discord and dissension between groups and between regions. The Democratic leadership seeks to promote understanding between groups and regions, and to harmonize the group and regional interests in the service of the national interest.

Do the farmers of the West and Northwest want a workable national farm program? Do the property owners of the Northwest want to see the relief load paid for out of local property taxes instead of out of Federal taxes? To ask these questions is to answer them. Every thoughtful person in the West and Northwest knows that there must be a workable national farm program, and every thoughtful person in the West and Northwest shudders at the thought of carrying the relief load locally. If it had not been for Federal assistance, that vast area of land extending from the Twin Cities to the Rockies would today be almost depopulated. Farms would be deserted and the towns would be ghost towns, inhabited by stranded businessmen having no buying power to support the Twin City metropolis. In the last 6 years considerably over a billion dollars of Federal money in the form of expenditures and loans has been poured into Minnesota and the two Dakotas. That money has been a lifesaver for the Northwest. National Republican victory, in case the national Republican leaders do what they say they want to do, might easily produce a migration similar to those migrations that eventually overwhelmed the Roman Empire. I know that many westerners who voted for Republican Senators and Congressmen in 1938 had no such thought in mind. Neither did westerners when they voted Republican in 1928 have in mind the tribulations of the great depression that were to follow. Surely it is better to think about such things beforehand and prevent ruin, rather than be forced to resort to drastic remedies after ruin has come upon us. It has been a long job picking up after the mess of the twenties.

The Republicans within the last year have done everything they could to hamper the national farm program. They have tried to organize so-called rebellions in both the Corn Belt and the Wheat Belt. But except in the vaguest generalities they have not described the program they would offer to take its place. Would the Republican farm program—like the disastrous Republican farm programs of 1922 and 1930—consist merely of higher tariffs that would deprive our farmers of such export markets as they have left? Would the Republicans reduce the soil conservation program to an empty phrase? Would they do away with commodity loans, acreage adjustment, and benefit payments? Are they in favor of combining price fixing and export subsidies in such a way as to encourage unlimited production? Are they really against purchase of farm products by the Federal Surplus Commodities Corporation? Do they want to take away from farmers the right to manage the farm program locally through committeemen of their own choosing, and the right to vote in referendum on the use of marketing quotas and loans?

In three different ways in the last few months I have tried to find out what the Republican leadership has to suggest. During the fall campaign, after Senator VANDENBERG in a speech in Kansas had come out for some sort of two-price system, I addressed to him a series of questions intended to bring out what he really had in mind. He has not answered my questions. Following the election I offered to the newly elected Republican Congressmen the facilities of the Department of Agriculture to help work out any ideas they had. The offer has not been taken up. I also suggested that a newspaper debate between myself and a spokesman for the Republican leadership, on issues involved in the agricultural program, would be a constructive thing. But the Republican organization declined to bring forward a leader who was willing to state the case of the Republican opposition in this way. I am driven to the conclusion, therefore, that they have no program, and that their strategy is simply to sit back and try to get the Democrats into a squabble out of which the Republicans can eventually derive some partisan advantage.

The independent progressives of the West ought to recognize that, so far as western and northwestern agriculture is concerned, the national Republican leadership ever since the World War has been bankrupt of constructive policies, and it is still bankrupt today.

In contrast, the record of the national Democratic leadership in the field of assistance to agriculture is a record of solid achievement. Because the Triple A county associations are administered on a nonpartisan basis, some farmers and some residents of cities and towns in rural areas may forget that, if it had not been for the national Democratic administration and the Democratic Congress, these nonpartisan associations, manned by farmer-elected committeemen, would not even have existed.

Here in Minnesota concrete and tangible benefits have been felt this year from the corn program and the butter-stabilization program. In the commercial corn area of Minnesota farmers who participated in the Triple A conservation program by keeping their corn acreage within their corn-acreage allotments received 67 cents a bushel, including 57 cents on the corn loan and 10 cents in benefit payments. Even the noncooperators have benefited materially because the sealing of cooperators' corn has raised the price of their own corn from 30 cents a bushel to the neighborhood of 40 cents. The corn program is a good program, and the corn producers know it.

Butter producers have not engaged in any control program and they have made no sacrifice comparable to that of the cotton and wheat farmers. Their prices have held up much closer to parity. Nevertheless, the Federal Government has stepped in and rendered an unusual service to the dairy farmers. Last summer, when big butter supplies and shrunken buying power of consumers could easily have forced prices down to 16 or 17 cents a pound, the Government adopted a stabilization plan to hold the price around 25 cents, or approximately three-fourths of parity. This was done through furnishing the credit for the purchases with the knowledge that the Federal Surplus Commodities Corporation stood ready to divert into relief channels any stocks that could not be handled in the ordinary channels of trade. The butter-purchase program has put a plank not only under butter prices, but also under fluid-milk prices in many areas.

Dairy products, because there is no exportable surplus, have been more profitable in the last few years than most other farm products. As a result, many farmers have gone into dairying and those who are already in have kept more than the usual number of heifer calves. The good corn crops of 1937 and 1938 favor an increase in winter dairying. Inevitably there will be a considerable increase in dairy production and nearly all of this increase will be in the Northern States. The increase in the Northern States will be many times as great as the importations from abroad or the increase in the South. The dairy farmers of the North need to think about the problem as it really is instead of allowing themselves to be fooled by loud-mouthed people who point to countries overseas or to farmers down South.

Those Republicans who try to prejudice northern livestock farmers against southern cotton farmers who are compelled to adjust their crop to a changed world market forget three things. First, an acre of cotton in the South produces 175 pounds of cottonseed meal and 60 pounds of cottonseed oil which together represent almost as much livestock competition as the 15-bushel average corn yields in the South. Second, the corn acreage of the South in the 5 years of cotton-acreage adjustment have averaged only 5 percent more than in the 5 years preceding. Third, most of the land in the cotton South cannot be used effectively for any great volume of efficient, competitive commercial livestock production. For the sake of their soil and their health they ought to grow more livestock than they do but it is difficult to get them to do it.

Undoubtedly there will be much pressure in the years immediately ahead for control programs for dairy cows. For my part, I hope we learn to solve the dairy problem by methods of increasing consumption rather than by limiting production. For the sake of their health, the people of the United States should be consuming at least 50 percent more dairy products than they are today. While the Democratic Party is exceedingly interested in properly regulating wheat production and cotton production to a changed foreign demand, it is not and never has been interested in the economics of scarcity. More cotton and wheat in this country at the present time would increase our poverty rather than our wealth. The same cannot be said of dairy products as long as there are so many children who are getting less than a glass of milk a day. We have a committee in the Department of Agriculture which has been working on this problem for some time, and I hope in due season they will have a report ready for the public. Milk is especially vital to the health of children, and some way for promoting increased milk consumption by children must be found. I shall do everything in my power to help the dairy industry work out such a plan.

The Democratic Party is interested not only in practical programs for agriculture but also in such correlation between Government spending and private spending as will best prevent unemployment. New Deal Democrats are eager to make a science out of our monetary and budgetary policies, so as to end excessive unemployment and alternating periods of inflation and deflation. Republicans say it is a sin to think about such matters and that any planning by the Goverment is somehow wicked. They say the only thing to do is to cut down governmental expenditures at once by two or three billion dollars. Pointing to the fact that the debt of the Federal Government has increased by more than $2,000,000,000 a year since 1930, they ask how long this can keep up. "No private individual can go on increasing debt right along," so they say, "and neither can the Government."

They forget that in the decade of the twenties the total debts of the Nation increased by a far greater sum than ever before or since in this or any other country. Tremendous sums were borrowed from the people for business expansion. The net increase in debt averaged $5,000,000,000 a year. The period of excessive debt creation was in the twenties, not in the thirties. In the past few years business investment has shriveled, thus requiring more Government investment. The interest rate is lower on Government borrowing so it costs less total money to carry the debt than it did in 1930. Moreover the debts contracted in the thirties, although less than those of the twenties have brought a much larger increase of national income per dollar of money borrowed than in the twenties.

But all Democrats, both New Deal and Old Deal, feel that private capital should be given a chance and that the function of Government money is to tide over the situation until private capital has regained its courage. The patient is still convalescing from the terrible excesses of the twenties and the unusual sickness of the early thirties. He is still not well enough to be put back to full-time work. We all know that as soon as possible he must work again on the basis of regular financing, not deficit financing. In the future there will probably always be greater Federal expenditures than was the case previous to 1930, but we all hope the day will

soon come when private financing will increase and Government financing will decrease. Both the art and science of Government in the years immediately ahead will center in considerable measure around the problem of bringing about this transition as rapidly as possible but without shock. Those businessmen who ask for an overnight cut of two or three billion dollars in the Federal Budget are not thinking about the problem clearly from the standpoint of their own interests. Even from the standpoint of the Federal Budget itself, they forget that such drastic action would greatly reduce income taxes and might precipitate a political situation which would end either in revolution or a return to greatly increased spending.

Perhaps I am doing the Republican leaders an injustice. But it seems to me that insofar as they have a program they want to lower Federal taxes by doing away with most of the farm program and throwing the relief load onto the States and counties. Such policies mean lower income taxes and higher property taxes. If they had an opportunity to try out such a program for just 1 year the country would suffer, but the Democrats, as a result, would be sure of national power for a long time into the future.

These are days when, as in the days of Jackson and of Lincoln, national unity is threatened. In such a period one would expect the responsible national leaders of a major political party to be patriotic enough to reconcile the differences between groups. Instead, the national Republican leaders do everything they can to stir up dissension. They try to set farmers and workers against each other. They try to create the maximum of prejudice between the cotton farmers on the one hand and the wheat, corn, and dairy farmers on the other. Southern farmers are told that northern farmers are getting too large a proportion of benefit payments. Northern farmers are told that southern farmers are getting too large a share.

In contrast to this, the Democratic leaders have tried and are trying to bind the country together.

Rooseveltian democracy has learned and is learning more completely than any party has ever done the need for agriculture, labor, and capital to pull continuously together in a balanced way for the service and welfare of all the people. We are determined to serve the farmers, the workers, the small-business men, and the underprivileged. We know that if this is done in terms of increased balanced abundance the larger-business men will take care of themselves and will prosper along with the rest. We want to cooperate with capital to keep it continuously productive. Our program is one of unity in the service of the general welfare.

A hundred years ago Jackson thrilled the hearts of his countrymen with a toast given at a great dinner. "Our Federal Union—it must be preserved." Today Rooseveltian democracy stands for unity just as truly as Jacksonian democracy did then.

The task of Rooseveltian democracy in the years ahead will be to consolidate the achievements of the New Deal, to do the hard work that remains to be done if we are to assure continued security for the masses of our people.

The National Democratic Party could not have achieved what it has achieved in the last few years without the cooperation of the independent progressives of the West. Neither could the West have pulled out of its almost hopeless plight without the assistance of the National Democratic Party.

That is why the needs of the West are a challenge to the National Democratic Party. That is why the future of true progressivism is a challenge to the West.

The European Situation

EXTENSION OF REMARKS

OF

HON. HARRY S. TRUMAN

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Thursday, January 12, 1939

LETTER FROM WASHINGTON HERALD OF JANUARY 2, 1939

Mr. TRUMAN. Mr. President, I ask unanimous consent to have printed in the RECORD a letter written by Howard Pitcher Okie, of Washington, D. C., which was published in the Washington Herald of January 2, 1939, dealing with the subject of the Versailles Treaty.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the Washington (D. C.) Herald of January 2, 1939]

At long last the men who sat at the council table in the old Palace of Versailles are coming into their own. For years no document has been more thoroughly condemned than has the peace treaty. Our own Constitution was as bitterly attacked during the formative years of the Republic. But our organic law had defenders. The Versailles Treaty has had none.

Today it is realized that the troubles menacing Europe are not due to the treaty but to the fact that it was suffered to lapse. Its authors were men who had been inspired by the awful responsibilities of their task—responsibilities which were well discharged. Its enforcement was placed in the weak hands of men who were infirm of purpose and swayed by the exigencies of the passing hour.

The ink was not dry upon the treaty before Germany and her unconscious allies began their campaign to separate those whose interests must always be opposed to Germany's professed aim of world domination. In America the most shameful lie of the propagandists and the most potent for evil in spite of the fact that its refutation is childishly simple was that we gained nothing from our participation in the war.

That lie keeps dripping from the lips of those who at the beginning of the war announced that Brazil would be a German state and offered to divide Mexico with Japan as an inducement to that country to keep aloof in the conflict. Later our entry into the war was precipitated by the interception of the Zimmerman telegram urging Mexico to foment a war between Japan and the United States.

If, at the conclusion of the Great War, a victorious Germany had not seized the Canal and all our island possessions, she would have violated the pledges she made to her own people before we entered the struggle.

Our gains through having prevented a German victory in the Great War are as enormous as they are imponderable. We have had 20 years of freedom from German molestation. The indecisive naval battle of Jutland shows how narrow was our escape. What would our position have been today if Germany had crushed Britain and added England's fleet to her own?

The Germans of 1914 may have been loud-mouthed braggarts, but it must be admitted that then only men of breeding and culture sat in the high places of Europe. Today many of those seats are filled with acknowledged ruffians and assassins. They must be dealt with as such. We must speak to them in the only language they understand. Now we may choose our weapons and the arena in which we may fight. Tomorrow we may have no option in either respect. Our weapons lie ready at our hand in our enormous store of gold and our creditable Navy.

If we do not immediately declare that every drop of oil leaving Mexico for a German port is seizable contraband, and enforce that declaration, we are fools. For the oil seized we should pay Mexico. Let the settlement of that country with her concessionaires wait.

We should interdict the shipment of all scrap iron to Japan. And do it now! If not, it may be returned to us in a very unacceptable form.

HOWARD PITCHER OKIE,
3621 Newark Street NW.

Matthew Fontaine Maury

EXTENSION OF REMARKS

OF

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, January 12, 1939

ESSAY BY MISS MATILDA COPPER, GOSHEN, VA.

Mr. BYRD. Mr. President, in commemoration of the one hundred and thirty-third birthday anniversary of Matthew Fontaine Maury, I ask leave to have inserted in the CONGRESSIONAL RECORD an essay by Miss Matilda Copper, of Goshen, Va., which was awarded the State prize in a contest conducted recently by the United Daughters of the Confederacy.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

Matthew Fontaine Maury was born in the historic county of Spotsylvania, 12 miles west of Fredericksburg, Va., on January 14, 1806. Four years later the family moved to Tennessee, where Maury went out into the great world, but we must not forget his humble birthplace.

In the family of Richard and Dina Maury, Matthew was born the fourth son of the five sons and four daughters. He was named for his father's grandparents.

A few days before Matthew's fifth birthday his father hitched his team of horses to the squeaky old wagon and set out westward. Little Maury was full of joy and excitement, but I hardly think it was as exciting to his older sister, Matilda, who carried him most of the way. They traveled for about 2 or 3 weeks and then picked out their home about 6 miles west of the town of Franklin, in Williamson County, Tenn. With the Negroes and the other white boys around him he hunted animals, worked in the cottonfields, and now and then he attended an "old field school." The school was so

named because it was built in the corner of an old field which had been cleared by the Indians.

The Maury children all received good training at home. As Maury himself stated in later years, he was taught to respect women, to love the truth, and to remember God.

When Maury was about 12 years old he had climbed up into a tree about 45 feet, and it fell. The truth of the occurrence of this accident, which proved almost fatal to Maury, has never been known. Maury at the time seemed to be dead. He soon revived, but in falling his tongue was caught between his teeth and almost bitten off and his back was badly injured.

To make the best of this situation Matthew's father sent him off to school. He was sent to Harpeth Academy, where he had some wonderful teachers and soon became an assistant teacher himself.

Maury was anxious to go, but he soon wanted to enter the Military Academy at West Point, although the mere mention of this put his father into a rage. He gave up the idea of entering the Army, but turned to the Navy. He secured an appointment as midshipman through Sam Houston, then a Member of Congress from Tennessee.

Young Matthew, aged 19 in the spring of 1825, set out for Washington on a horse he bought on credit, and penniless. Maury's father was very much hurt over this act, probably more than anything else, because his son had obtained this appointment without consulting his parents. However, he allowed young Matthew to follow his own choice.

At Charlottesville he was invited to spend the night with his cousin, Reuben Maury, and it was here that Maury ate his first ice cream. Maury, being given a dish full of cream with a spoon in it, took a spoonful of cream and passed it on. No doubt in later years Maury could laugh over this situation, but certainly not now.

Good friends and fortune seemed to be smiling by the time Maury reached Fredericksburg. It was here he sold his faithful horse for $75 and returned the money to his former owner in Tennessee. He stopped here at his uncle Edward Herndon's, where he met Ann Herndon, his cousin, whose smiles he carried with him around the world for 9 years, and finally came back to wed her.

When Maury reached Washington, the Secretary of the Navy allowed him 15 cents a mile on his journey from Tennessee to Washington. This was the largest sum of money he had ever possessed.

On August 13, 1825, young Midshipman Maury left New York on the *Brandywine*, which was taking Lafayette back to France. It was on this voyage that Maury soon made a reputation among his shipmates for studious habits and scholarly ability. After traveling from the shore of one strange land to another, the *Brandywine* entered once again New York Harbor in May 1826. He spent a short time at home and then sailed on the *Macedonia*. It was on this trip that one of Maury's dreams was realized. He was starting on his cruise around the world. He sailed from Norfolk to South America. He visited in Brazil until he was transferred to the *Vincennes*. For 2 years he stayed close to the shores of South America, then sailed to the Philippines, West Indies, and the Hawaiian Islands. The ship turned northwestward from here toward the island of St. Helena, where Napoleon was exiled and died. They continued northwest and landed at New York on June 8, 1830.

Maury remained on shore a year, then he sailed again for the South Pacific. During this year on land, Maury took his examination and passed.

Maury was on this cruise around the world for 3 years, but Ann Herndon couldn't be forgotten, and he came back to wed her.

On this cruise around the world Maury stumbled upon his chief path to fame. He was anxious to make this trip quickly, but he could find no information about the winds or currents or the best paths for ships to take. Necessity was again the mother of invention.

On July 15, 1834, Lieutenant Maury and Ann Hull Herndon were married at her home in Spotsylvania County. The couple soon set up housekeeping in Fredericksburg.

It was in Maury's first few years of married life that he started using his pen. He began writing articles for the American Journal of Science and Art. These articles were on navigation, and, encouraged by his writings, he soon completed a book on navigation. When the United States Naval Academy was opened at Annapolis this book was used as the basic instruction in navigation for midshipmen.

Maury soon went on a short cruise, but resigned and spent several months assisting in the survey of various harbors in the United States. He got a short leave to go home, and, after spending a few days with his wife, he went to his old home in Tennessee. Returning to his duties, on a crowded stage coach on which he had given up his seat to a Negro woman and was riding outside by the driver, the coach upset. Maury's knee joint and thigh bone were dislocated. He lay suffering for 3 months in Ohio, but continued his studies in French.

Maury, the victim of two accidents, seemed unlucky, but the suffering and disappointment that resulted proved great and permanent value to the world.

Now, Maury began writing scraps from the "lucky bag." His main theme in these papers was "The Navy requires reorganization." His last paper in the "scraps" series was one of the best essays ever written in our country.

In November Maury again applied for active service, but was made superintendent of charts and instruments at Washington.

It was Maury who founded the National Observatory and Signal Service and the Naval Academy at Annapolis. His genius made it possible to lay the Atlantic cable. As early as 1851 Maury was urging a system to give weather information for the farmers. It was through Maury's travels, lectures, and articles that the Weather Bureau we have today was established.

Maury had won distinction in many fields, and his deeds suggested various titles of honor, but the one most widely known and loved is The Pathfinder of the Seas. The waters, whales, and wind have paths to follow; Maury also found a path for ships. Steamers going east were to take the southern lane, those coming west the northern one. At once ships were ordered to follow these lanes.

On August 23, 1853, a group of distinguished men assembled in Brussels. Maury was requested to be president of the group, but he declined the honor. Upon special request he gave a short address to the assembly. His suggestions were closely followed. At the close of the conference he returned to his duties in Washington.

While Maury was traveling over the country lecturing to agricultural societies, his older daughters, Betty and Dina, better known as "Nannie Curly," had been teaching the younger children to read, write, and cipher. They had been so faithful to their tasks that Maury promised to take them on a trip with him. He took them on two short trips and then to the Brussels Conference. They were accompanied by their cousins, Ellen Herndon and Ellen Maury. On this trip across Europe the girls, with Lieutenant Maury, visited many historic cities and places. Everywhere they went they were received with honor and entertained with hospitality, for the name of Maury had gone ahead all over the world.

A year and a half after Maury returned from the conference in Belgium he published his most notable book, The Physical Geography of the Sea. Some of the naval schools of Europe have used it as a textbook.

Maury was the first scientist to make a careful study of the Gulf Stream, and no one has written of it in a more picturesque manner.

"I am a man of few words. Maury furnished the brains, England gave the money, and I did the work." This is how Cyrus W. Fields recognized Maury's part in laying the Atlantic cable. The first message sent across the cable was from Queen Victoria to President Buchanan.

"Maury, like Julius Caesar, was both a writer and a fighter, but he fought ignorance with knowledge, error with truth, and wrong with right." When the War between the States broke out, Maury was much distressed, but he felt, like many other southern men, that he owed his service to his native State. He gave up his position in the United States Navy, left his office in Washington, and went to Richmond. For 19 years Washington had been his home and the observatory his workshop, so he left with deep regret. Mrs. Maury, with her younger children, returned to Fredericksburg to live with her relatives. Soon came her two older daughters, whose husbands were in the Confederate Army.

Soon Maury received two cordial invitations to come and live abroad, but because of the love for his State and the duty he felt toward her, he declined both invitations.

Maury was crippled and couldn't go into active service, but he gave himself in many ways to the Confederate cause. He was the first to use the electric torpedo successfully, and he assisted in fitting out the famous warship *Virginia*, one of the first ironclads in our history.

In September 1862 the Confederate Government sent Maury to England to purchase supplies and to make friends for the Confederacy. On this trip he took his third son, Matthew, Junior. When Maury returned to Fredericksburg to tell the family he had been ordered to England and to say farewell, it was the last time the family circle was united.

It was on this ship, the *Herald*, that Maury again proved himself a pathfinder. By the sixth day of this voyage, the vessel was completely lost, and the captain went to Maury for information. At 10 o'clock Maury went out on deck, studied the stars, gave the captain a course to follow, and told him that by 2 o'clock he would see a light on the Bermudas. At 10 minutes past 2 they saw the light.

Maury devoted most of his time to the Confederate cause, purchasing materials for torpedoes, but at the same time doing other work of importance.

By 1865 General Lee and some of the other Confederate generals had surrendered, but Maury still had hopes. At Havana, when he learned that Virginia had laid down her arms, he wrote a letter of surrender to the United States naval commander saying: "In peace as in war, I follow the fortunes of my native State, Virginia."

After Maury's surrender, he was given an invitation to live and work in Mexico, which he accepted but his wife did not accompany him, but she did join him soon after he went to England. He lived in Mexico less than a year but while there he introduced the Cinchora tree from which quinine is made.

Maury remained in England 2 years with his younger children in school and he at work. Five of the children were here, Nannie, Curly, Tots, Brave, and Sat Sing. But three of the children were missing, Col. Richard L., who had remained at his father's post in Mexico, Betty, and Davy Jones, who had mysteriously disappeared at Vicksburg 5 years before.

As time passed and bitter feelings of the war subsided, Maury and his family were anxious to return to America. He was offered a position in the University of the South, in the Virginia Military Institute, and at the University of Virginia.

On July 16, 1868, Maury, with his family, landed at New York. He had accepted the position at Lexington. He became professor of physics at the institute and director of physical survey of Virginia.

Maury was given a most cordial reception. His coming home to share the lot of his people was looked upon as high patriotism. His family remained in Richmond that winter.

Maury soon saw the need of an agricultural school in America, so in 1872 the State, with the aid of the United States Government, opened an agricultural school at Blacksburg. This school has rapidly grown and is known today as Virginia Polytechnic Institute.

The family left Richmond and moved to Lexington in June. This town is in a historic county, for we know many distinguished men have come from Rockbridge. About 14 miles southwest of Lexington is the famous Natural Bridge, for which the county is named.

Later Maury accepted a position in the University of Alabama, but Virginia put up such a protest that he finally resigned and remained at Lexington.

In 1870 his excellent Manual of Geography was published, and later his Physical Geography. Maury continued lecturing and addressing audiences all over the country. His last lecture was at the State fair in St. Louis in the autumn of 1872. He returned to Lexington, where he expected to speak on the day of his arrival. Although he had his address prepared, he was too ill to deliver it.

Upon returning to Lexington in October 1872, Maury said to his wife, "My dear, I'm come home to die"; and a few days before his death he told the doctor not to come to see him any more, but "leave me to the Great Physician."

In his death as in his life, Maury found great joy in having his family about him, and a few hours before he died they sang verses from his favorite hymns, Christ is Risen and How Firm a Foundation. His final words were "All is well."

Maury died at half past 12 on Saturday, February 1, 1873. For 2 days the body lay in state in the institute library, where his funeral was held February 5. The casket was placed in the Gilham vault in the Lexington Cemetery just opposite the grave of Stonewall Jackson.

Mrs. Maury's request was to bury him in Richmond where she herself wished to lie. He replied gently, "Very well, my dear; then let my body remain here until spring, and when you take me through Goshen Pass you must pluck the rhododendron and mountain ivy and lay them upon me." So Maury's body remained in Lexington until the following autumn, when it was carried to Richmond, its final resting place.

At this time the nearest railway station was at Goshen. The road now known as the Maury Highway, on which Maury took his last ride, runs through the beautiful Goshen Pass, with the splashing North River which flows for more than half the way on one side of the road, and the mountain scenery rugged and wonderful.

Half way through the pass, under the shadow of a cliff and bordered by spruce and rhododendron, stands a granite shaft to Maury, erected in 1923 by the State of Virginia. A bas relief of Maury is at the top of the bronze tablet on the shaft, and below it is an inscription. At the base is a huge iron anchor, and around the small enclosure is the anchor chain. On the anchor there is a small bronze plate which bears an inscription.

Armaments

EXTENSION OF REMARKS

OF

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, January 12, 1939

ARTICLE BY JOHN T. FLYNN

Mr. HOLT. Mr. President, I ask unanimous consent to have inserted in the RECORD an article on armaments by John T. Flynn.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PLAIN ECONOMICS

(By John T. Flynn)

NEW YORK.—If any American thinks that this Government has been skimping on the matter of national defense, let him look at the following figures. They represent the total expenditures for national defense—Army and Navy—for the years 1933–34 to the Budget just disclosed by the President.

Here they are:

1933–34	$540,356,000
1934–35	709,931,000
1935–36	921,684,000
1936–37	935,114,000
1937–38	1,027,841,000
1938–39	1,119,810,000
1939–40	1,668,283,000
Total	6,933,019,000

The last figure for 1939–40 is, of course, the President's estimate and includes $500,000,000 which he proposes to outline and ask next week.

Glance at the column of figures and see how each year the amount has increased. In 1937–38 it was twice what was spent in the first year of the administration. Now, in 1939–40 the sum proposed is three times what was spent in 1933–34. The whole total is a huge sum—nearly $7,000,000,000.

In arriving at these figures, which are taken from the Treasury reports, I have included the sums which have been spent from the recovery and relief funds. Each year the President has spent not merely the sums appropriated by Congress for national defense but also many millions which he has allocated from recovery and relief funds. The amounts are very great. Here they are by years:

1933–34	$60,663,000
1934–35	176,335,000
1935–36	147,246,000
1936–37	79,004,000
1937–38	53,735,000
1938–39	77,604,000
1939–40	50,726,000
Total	645,313,000

About these allocations two very significant features appear. First of all, these are sums not appropriated by Congress, but appropriated by the President himself. Thus, in 1935, Congress appropriated $553,596,000 for national defense. But Congress has been turning over to the President billions each year to spend as he likes. And in 1936 he appropriated another $176,000,000 for national defense.

Second, the money appropriated by Congress in each year was spent out of tax moneys. But the money appropriated by the President was spent out of borrowed funds. So we have actually in the last 7 years spent $645,000,000 on national defense which was never collected in taxes and which we still owe for.

The Budget

EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Thursday, January 12, 1939

EDITORIAL FROM ST. LOUIS STAR-TIMES OF JANUARY 9, 1939

Mr. CLARK of Missouri. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the St. Louis Star-Times of Monday, January 9, 1939, on the subject of the Budget.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the St. Louis Star-Times of January 9, 1939]

DEEPER INTO DEBT

The immensity of the yawning cavern of debt into which Uncle Sam is digging himself staggers the imagination. The editor of the St. Louis Globe-Democrat tried to illustrate its proportions by pointing out that a man—or succession of men—would need 5,000 years just to count our 1940 expected debt if counting a dollar every second, 8 hours a day, every day of the 50 centuries, including Sundays and holidays.

If one man started counting the dollars today and his descendants finished the job, it would end about the year 7000 A. D., and the last dollar would be counted by his great- great- great-

(3) borrowing, (4) commandeering of funds earmarked for other purposes.

Let's consider each of the four methods.

(1) Taxation: The tax rates now in effect produced a revenue in 1938 of slightly more than $6,000,000,000. In 1940 they are expected to produce about $5,669,320,000. Expenses are supposed to exceed these tax-derived revenues by $3,326,000,000.

It would, therefore, take a tax burden approximately 58 percent above today's level to meet all the expected Government expenditures and provide for reasonable yearly principal reduction. Obviously the people would not tolerate such a burden and no government that attempted it would survive. Improvement in business and agriculture, resulting in larger national income would, of course, reduce this rate increase somewhat by producing larger tax revenue without any change in the tax structure.

(2) Devaluation: This expedient has already been resorted to in the action of the administration in reducing the gold content of the dollar from 100 to 59 cents. Under the same law the President can further devalue it to 50 cents. It is not necessary to comment here on the wisdom of past or future action of this sort.

(3) Borrowing: The crux of the present situation is borrowing. As long as Government credit holds out, borrowing to meet deficits can go on. The debt peak of $25,482,000,000 following the World War seemed staggering. It was reduced to a low point of $16,185,000,000 in 1930.

Large scale borrowings to meet the depression crisis started in 1932 and the debt burden has mounted along with the accumulated deficit as follows:

	Accumulated debt	Accumulated deficit
1932	$19,487,000,000	$3,010,000,000
1933	22,539,000,000	4,794,000,000
1934	27,053,000,000	7,689,000,000
1935	28,701,000,000	10,899,000,000
1936	33,778,000,000	15,449,000,000
1937	36,425,000,000	18,597,000,000
1938	37,165,000,000	19,981,000,000
1939 (estimated)	41,132,000,000	23,953,000,000
1940 (estimated)	44,458,000,000	27,279,000,000

About 1 more fiscal year of deficit at the present rate will raise the country's debt to $50,000,000,000, or double the peak debt incident to the United States participation in the World War.

(4) Commandeering of funds earmarked for old-age security, unemployment benefits, and Government employees' retirement and war veterans' funds. The amounts to be taken from these funds are as follows:

$579,000,000 from the social security old-age reserve account.
271,000,000 from the social security unemployment trust fund.
100,000,000 from Government employees' retirement and veterans' funds.

950,000,000

How will the Government restore these funds? The method now proposed is not further taxation, further devaluation, or further borrowing, but a transformation of a "$60,000,000,000 country" into an "$80,000,000,000" or a "$90,000,000,000" country. But suppose the transformation does not work and the debt goes on, interest compounding until the day of reckoning approaches. In that event the Government—moral considerations aside—will be in the position of the trustee who borrowed from his trust funds intending to repay, but who is unable to do so and must face the consequences.

There is no escape from the present situation until people understand what the Government is doing with their money and make their resentment known to Congress. The pressures now are all on the spending side. Perhaps as the inevitable end that follows such methods approaches a general awakening will overcome political considerations and put the Government's financial house in order before it is too late.

Tribute to America

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, January 12, 1939

STATEMENT BY WALTER WINCHELL WHICH APPEARED IN THE NEW YORK DAILY MIRROR NOVEMBER 27, 1938

Mr. MEAD. Mr. President, I ask unanimous consent to have inserted in the CONGRESSIONAL RECORD a brief and most eloquent tribute to America, prepared by Mr. Walter Winchell.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[From the New York Mirror of November 27, 1938]

Every American should look about him, and weigh what it means to be an American . . . Lest we forget—we should remind ourselves that the America of today stands for 150 years of effort . . . Lest we forget, we should remember that the land and the institutions we enjoy today—are the result of the combined work of almost every race and creed in the world—all resolved to leave America better than they found it . . . For America has grown great because it protected the lowly . . . America has grown mighty, because it was humble in spirit . . . Our greatest heroes, Washington and Lincoln, are exalted because they were human . . . We should all be thankful that in Civilization's Darkest Hour—our Country is the land that stands for Freedom, Tolerance and the Dignity of Man . . . That to the bewildered, oppressed and homeless—our country is the living proof that men of all races and creeds may live as neighbors . . . And, out of our thankfulness, we too should resolve to bequeath an America greater—than when it was given to us . . . So that our children's children, 150 years from now—will be thankful—that we were—thankful!

United States Maritime Commission

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Thursday, January 12, 1939

ADDRESS OF BON GEASLIN, GENERAL COUNSEL OF THE UNITED STATES MARITIME COMMISSION, AT A MEETING OF THE ASSOCIATION OF PRACTITIONERS BEFORE THE INTERSTATE COMMERCE COMMISSION AT PITTSBURGH, OCTOBER 6, 1938

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Mr. Bon Geaslin, general counsel of the Maritime Commission, on the subject of that Commission's duty with respect to commerce.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Possibly every lawyer in this country knows, or thinks he knows, something about the workings of the Interstate Commerce Commission and the control it exercises over interstate carriers. Indeed, most every active practitioner must be more or less familiar with the numerous decisions of the courts in which the regulatory powers exercised by the I. C. C. are examined and discussed.

But I venture to say that a very small percentage of the members of the bar have more than a hazy idea concerning the powers and functions of the old Shipping Board and of its successor, the United States Maritime Commission. When I joined the legal staff of the Commission a little over a year ago I entertained the illusion that I was entering that society of erudite practitioners known as admiralty lawyers, who talk casually about such things as general average, particular average, salvage, P. & I., and other mysterious doctrines that mystify us country lawyers. I soon discovered, however, that the legal problems in water transportation do not differ greatly from those encountered in other fields. Like railroad transportation, water transportation has its special doctrines and terms, but most of the legal work in connection with the various functions of the Maritime Commission involves the field of law with which any good lawyer is familiar. So if any of you gentlemen want to switch from railroad to water transportation you will be very welcome at the Maritime Commission. I am in a position to offer you anything but clients, jobs, or favorable rulings.

I presume that the reason you asked me to speak to you today is that you want to hear something about the work of the Maritime Commission. I am sure that all of you have heard Chairman Land's excellent radio addresses, in which he has described our shipbuilding and ship-subsidy operations, so I shall confine myself very largely to a discussion of the legal work of the Commission and particularly that which deals with the regulation of water transportation.

Everyone remembers, of course, that during the World War the Emergency Fleet Corporation built a great many ships of various kinds—steel ships and concrete ships and wooden ships. Particularly, people still remember about the wooden vessels, and they remember about the $3,000,000,000 the Government spent in trying to produce a merchant marine in a hurry when we were confronted with a war emergency 21 years ago; and more recently we remember the hundreds of millions of dollars we have spent trying to maintain it. The average citizen knows but little about the peacetime functions of the Government's maritime agency, and I have been

surprised to find that very few lawyers, including those who practice in Washington, have a clear conception of the authorized activities of the Maritime Commission.

The Commission exercises two kinds of functions. That is, it acts as a quasi-judicial body in regulating, and to some extent controlling, the rates, fares, charges, and practices of carriers by water in the foreign, coastwise, and intercoastal commerce of the United States; and also is the governmental fiscal and business agency which determines and administers the subsidies that Congress has provided shall be paid to assist in constructing and operating a new merchant marine to be built in American yards and manned with American sailors.

Prior to enactment of the 1936 act our merchant marine was in the doldrums. American steamship owners and operators, as well as public officials, were under fire because of alleged abuses that existed in the administration of the ocean-mail contracts—which were nothing more than disguised shipping subsidies—and the diversion of the mail money to purposes other than to the building of new vessels that were so urgently needed. Notwithstanding the large sums spent during the period since the war, the Commission found a situation where we were fourth in ships, sixth in speed, and next to last in age of ships among the eight principal maritime nations of the world.

When the new act was passed, Congress scrapped the Fleet Corporation and the Shipping Board Bureau of the Department of Commerce, which had been in existence for 20 years, and created a new five-member commission vested with an express mandate to see that sufficient new vessels were built and operated to carry a substantial portion of our water-borne foreign commerce. Construction and operating differential subsidies sufficient to equalize the difference in cost between constructing vessels abroad and operating them under foreign flags and constructing and operating them under the American flag were authorized for that purpose.

The new permanent Commission took office about 18 months ago and found itself upon no bed of roses. In fact, we frequently feel that we are entangled in sea nettles instead. The early days of any administrative body are fraught with peril. This is especially true where that body is concerned with paying out Government funds to private persons in order to effectuate a public purpose. And the worst position of all exists where even geography tends to prevent a majority of the taxpayers from appreciating the results of a "spending program."

I cannot criticize a farmer in my home State of Missouri if he considers a Government contribution of over $6,000,000 toward the purchase price of a ship to be owned and operated by a private corporation as sheer insanity, even though you and I may realize that the ultimate profit to the Missouri farmer of contributions such as this may be great indeed.

The public memory is short, and few businessmen who are actually conscious of the value of insurance in ordinary private enterprise realize the vital necessity for insuring our international trade by constantly maintaining an adequate American merchant marine. Thinking back 20 years, however, to the time when freight cars jammed our water-front terminals and farm products rotted on the docks, should convince every taxpayer that insurance should be taken out against a repetition of catastrophes similar to those which in two wars alone cost the American people between two and three billion dollars in excessive rates and through failure to move cargoes abroad. Our foreign trade last year was between six and seven billion dollars, and it is growing from day to day. The funds necessary to carry out the congressional mandate which imposes upon the Maritime Commission the duty of developing and maintaining a merchant marine are a very modest premium for insurance covering so vast a business risk.

As usual in every enterprise, the lawyers of the Commission play a dual role. An ambidextrous amphibian, the Commission's lawyer must be a wheelhorse when the work is being done and a scapegoat when the job goes wrong. A ruling that money cannot be paid calls down the curses of the industry upon his head. A ruling that money can be paid makes him fair game for any bona fide or self-constituted watchdog of the Treasury.

There should be a close sense of kinship between those who practice before the Interstate Commerce Commission and the Maritime Commission and close and sympathetic understanding between those lawyers and the legal staffs of these two governmental agencies. Transportation is the lifeblood of trade, and there is a close relationship between what affects transportation by land and transportation by sea.

The Interstate Commerce Commission is, fortunately for its peace of mind, now principally engaged in the regulation of existing transportation systems. The Maritime Commission, on the other hand, must create and maintain, which means support in a measure, the means of water transportation, and, at the same time, regulate the water-transport system. The Commission itself operates steamship lines in a few instances where it has not thus far been possible to secure private financing and management.

The creation of a merchant marine presents painful legal problems. So painful have they been in the past that even now we are litigating the construction cost of ships completed 20 years ago. The first duty of the Maritime Commission lawyers is to construe the law under which we operate, and which is far from perfect. In order that the Commission may progress steadily in the work entrusted to it by the Congress, which is not less than to keep the American flag on the high seas, every comma in a law which contains more than 100 sections, must necessarily be the subject of careful scrutiny when contracts involving millions of taxpayers' money are being let. The problems connected with invitations for bids, contracts for the construction and acquisition of ships, purchase of equipment from wash rags to silver services, subsidized operations and operations through managing agents, are many and complex. The various provisions of the Merchant Marine Act have necessarily been the subject of laborious research and carefully drawn opinions. The documenting of ships, the drafting and redrafting of preferred mortgages, and the preparation of other documents of a maritime nature never end with us. Our insurance business is tremendous even now, and will be greatly expanded by the recent act authorizing the guaranty of ship mortgages by the Commission under certain circumstances.

The Commission's maintenance work is effected by the payment of what are known as operating-differential subsidies. These are covered by operating subsidy contracts, but their amounts are frequently the subject of long contention, and no matter how simply the contracts are drawn, it always develops that their terms later require difficult and careful construction.

The actual litigation necessarily carried on is both general and specialized and, literally speaking, covers all the civilized world. One day we may lose a case in Holland and the next day win a case in Italy. On our docket will be found rental collections, bankruptcy proceedings, suits in admiralty, the resistance of inequitable foreign port charges, and claims for the bombing of our merchantmen. Our insurance interests involve us in endless controversy, and frequently in the reconstruction on paper of wrecks in storms, the waves of which have never touched our shores.

Our mortgages amount to many millions, and when we are forced to foreclose these mortgages we must always be prepared for contests of their validity and complicated questions of priorities.

As we progress in our program which should place 50 first-class American-flag vessels in salt water every year for the next 10 years, it is obvious that our regulation work will become more and more important. It is in this work that you as practitioners before the Interstate Commerce Commission will be particularly concerned.

It is somewhat astonishing to find how little the regulatory functions of the Maritime Commission have been understood even by those lawyers whose interests center in transportation matters. I am sometimes inclined to wonder if the reason for this may not be that our regulation of water transport has not been sufficiently vigorous and its incidence upon the industry as effective as it should be. You, of course, know, however, that the regulation of railroads began in a hesitant and almost half-hearted manner, but has since 1887 gradually expanded and become firm, though sympathetic and effective while at the same time constructive. The future of the regulatory functions of the Commission may well be charted along such forward-looking lines.

If you will examine the Shipping Act of 1916, you will find that the regulatory powers over shipping delegated to the old Shipping Board, and now exercised by the Commission, are closely analogous to the powers granted to the Interstate Commerce Commission over railroads.

The power of Congress to regulate shipping springs from the same clause in the Constitution that Congress has used in the control of interstate land carriers. From the pronouncements of our Supreme Court it must be concluded that there is no limit to the power of regulation that may be prescribed by Congress and exercised over all carriers by water engaged in commerce between the United States and foreign countries, provided the exercise of such regulation does not amount to the taking of private property for public use without just compensation or without due process of law. It is for Congress to determine when its full power shall be brought into activity and as to the regulations and sanctions which shall be provided.

The extent to which such regulations should go is a matter of discretion and national policy, which may or may not be qualified by consideration of international relations. But it is for the Congress to determine when and to what extent its power shall be brought into activity.

In referring briefly to these legalistic principles with which you are familiar, I am leading up to a comparison between the regulatory problems involved in regulating domestic land carriers and those in regulating ships and shipping, where the question of foreign ownership and international relations is involved. You will concede, I think, that the Maritime Commission's problem is enormously complicated.

Steamship owners do not necessarily conduct their operations between fixed points or on established routes. No rails have been laid between the continents, and competition in water transportation is more acute than between carriers by rail, because an engine and a train, of course, must stay upon fixed rails. The Commission is not authorized to issue certificates of public convenience and necessity and has no power to prevent the entry of a competing service into any territory or to prevent a carrier by water from discontinuing service whenever he sees fit.

Water carriers may operate on definite routes and schedules or may operate as "tramps" with ships wandering from sea to sea and calling at any port where sufficient cargo makes the call worth while. The service may operate as a common carrier or as a contract carrier, carrying only specific kinds of cargo, or it may use its vessels both as common carriers and contract carriers. A part of its service may be intercoastal or coastwise, where the competition is limited to other American-flag enterprises, or it may engage in foreign commerce, where it competes with vessels under the flag of every maritime nation. It is readily understood that the regulation of transportation of this nature is necessarily a difficult and, at times, a bewildering task.

As I have pointed out, Congress possesses power to regulate vessels of foreign registry as well as those of American registry, and the Shipping Act makes no distinction between the two classes of vessels in the delegation of regulatory powers to the Commission.

However, rates charged by foreign-flag vessels operating in our foreign commerce cannot be effectively regulated without producing retaliatory measures by other countries, and the only jurisdiction exercised over these rates is to prevent the imposition of rates and fares unjustly discriminating between shippers or ports or unfair to American exporters as compared to the rates charged to foreign importers, in which case the Commission has exercised power to alter rates or otherwise prevent discrimination.

Thus far, no attempt has been made to regulate tramp services, and with respect to contract carriers, regulation has been limited to those engaging in intercoastal service via the Panama Canal.

Congress has required that the rates of interstate water carriers must be reasonable and originally provided that the carriers should file their maximum rates. The provision for filing only "maximum" rates turned out to be the selection of a highly ineffective instrumentality. Maximum rates in highly competitive services—and almost all steamship services operate in brisk competition with others—mean little, and it speedily became obvious that when the issue was whether or not a rate was "reasonable," the "maximum" rate had little if any bearing on the case.

Between 1933 and 1938 the Commission found itself in the extraordinary situation of being able to require intercoastal carriers to file actual rates, while it could only require coastwise carriers to file maximum rates. This inequity was removed in 1938 by an act requiring all interstate carriers subject to the jurisdiction of the Maritime Commission to file their actual rates, and forbidding a change in these rates without 30 days' notice, except in cases where the Commission authorizes a change within a shorter period.

The development of regulation which began in section 15 of the Shipping Act of 1916 demonstrates the way in which regulation expands by practical evolution. That section provides that carriers and other persons subject to the act must file copies of all agreements which control, regulate, or destroy competition. These are the conference and pooling agreements with which you may be familiar. Under these agreements, carriers by water may pool earnings, fix rates, and allocate sailings so as to regulate or even wipe out competition, and their action in so doing, if approved by the Commission, is exempt from the provisions of our anti-trust laws. The conferences were designed and have developed as a system of self-regulation and self-control for water carriers, a system almost necessary because of the freedom of foreign carriers from rate regulation by the Maritime Commission. Incidentally, if any system could be devised whereby the rates in foreign commerce could be regulated without provoking foreign reprisals, our problems would be greatly simplified. As a substitute for such regulation, the Shipping Board consistently encouraged the creation of conferences and the extension of conference authority over the activities of their members in order to promote the stability and equity of rates and service in our foreign trade.

The Commission inherited the system of conference agreements fostered by the Shipping Board, but has found it desirable to strictly police the operation of the agreements to prevent abuses. Section 15 of the Shipping Act authorizes us to disapprove conference agreements found to be "detrimental to the commerce of the United States." It has been determined by the Commission's decisions that a conference agreement providing for an unreasonable rate is "detrimental to the commerce of the United States," and thus they have compelled an agreement to reasonable rates as the alternative to the dissolution of the conference involved. It goes without saying that this is plenary power which might be dangerous if arbitrarily used. The Commission has been careful not to invoke this power except in flagrant cases.

Two phases of water transportation are not subject to any regulatory Government control. They are—transportation over our rivers and the operation of water terminal facilities. The Commission is now making a survey of transportation by river, designed to supplement the careful study under the direction of the Federal Coordinator for Railroads, in order to determine whether or not it is desirable to have the rates and practices of river carriers regulated by the Commission, and, if so, the extent of such regulation. The regulation of water terminals has, of course, been the subject of congressional debate for a long time. The Eastman wharfinger bills introduced in the Seventy-fifth Congress would have subjected terminals to regulation by the Interstate Commerce Commission. With all due deference to the Commission before which you gentlemen practice, we believe that the operation of water terminals is so intimately and inextricably bound up with the problems of transport by water that they should be regulated by the Maritime Commission. Regardless, however, of the regulatory body to be selected, it is perfectly clear that there is a crying need for regulation of water terminals, and it is probable that such regulation may soon be written into law.

While our life as a regulatory body has been comparatively brief, it has been sufficient to develop a number of perplexing problems upon all of which the Commission would be glad to have the opinion of all of you gentlemen who are specialists in the sphere of transportation. Among them are: the right of a carrier to pay another to refrain from competing with it; whether or not an intercoastal carrier, if it enters into a transshipment agreement with an operator in foreign commerce, loses its intercoastal carrier status and should be treated as a carrier in foreign commerce; when transportation by a carrier ends and the obligations of the terminal company begin, and other related matters. I merely present these questions for your consideration. Heaven forbid that I should try to answer them today!

As I have not hesitated to discuss our own limitations and failures, I do not believe that I should be foreclosed from saying that the records made in regulation cases before the Maritime Commission on behalf of shippers and carriers alike have not been entirely satisfactory. This may in part have been caused by a feeling in the past that we ourselves did not intend our regulation decisions to be taken very seriously. We are now attempting—successfully, I think—to correct any such erroneous impressions. It may be, too, that the attention of carriers' attorneys is more frequently and more urgently called to cases involving cargo which is wrecked or damaged than cargo safely delivered to the consignee.

With respect to the evidence presented on behalf of shippers, there is, of course, an inherent difficulty in the problem of proof. The best evidence which could be established by an aggrieved consignor is frequently possessed only by the defending carrier, such as the exact amount of space occupied in the vessel by the commodity involved, the precise cost of loading and unloading, and the storage and stevedoring factors. The shipper plaintiff, with the burden of proof upon him, all too frequently enters a rate case with two strikes against him. The carrier, however, also has his handicaps because it is practically impossible accurately to determine whether a rate actually covers the out-of-pocket cost of carriage and whether the goods carried contributes its just share to the operating cost. On questions such as these your training in rate matters should be of great value to parties coming before us, and to the Commission itself, and I have no hesitation in extending to you a sincere and hearty invitation to become members of the Maritime Commission bar.

The factors entering into the determination of fair steamship rates differ somewhat from those involved in the determination of railroad rates, but the method of determining rates for both classes of carriers is essentially the same. The difficulties of proof inherent in the problem make it inevitable that rate decisions may be regarded as successful if they may be considered as a truly intelligent guess. In the regulation of water carriers we customarily talk, as I am sure you who are involved in land carrier regulation also talk, about the "scientific establishment" of rates. Inasmuch as we are lawyers talking to one another, I may as well admit that in actual practice we have not achieved the accuracy which we confidently assume, but I hope that continued effort will enable us before too long to say that we have succeeded in establishing our rates upon a truly scientific basis.

In closing I may ask you as lawyers necessarily coming into close contact with the representatives of every phase of American life to remember the gigantic proportions of the task which has been entrusted to the Maritime Commission and to impress your friends and associates with the importance of that task, and I may say confidently that you will not be in error if you tell them that our mistakes are the honest mistakes of men working wholeheartedly in an enterprise which they feel must, for their conscience sake, be successful in the end.

Before Joseph Patrick Kennedy resigned as Chairman of the Maritime Commission to represent this country in Great Britain, he said something which every American should hear:

"The American merchant marine is our own flesh and blood, our own treasure, our own ships, and our own money. Get behind it with the pride, the enthusiasm, and the patronage that other nations emotionally and financially give to their own. Has the time come when we will turn our back on American genius and enterprise? Congress has given an emphatic 'No!' No American can do less than give it his wholehearted support."

West Virginia and the National Debt

EXTENSION OF REMARKS

OF

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, January 12, 1939

STATEMENT OF HON. RUSH D. HOLT, OF WEST VIRGINIA

Mr. HOLT. Mr. President, I ask unanimous consent to insert in the CONGRESSIONAL RECORD a statement entitled "West Virginia and the National Debt." The national debt has been figured for each county of my State on a per capita basis.

There being no objection, the statement, in the form of a letter, was ordered to be printed in the RECORD, as follows:

DEAR FRIEND: I am enclosing some statistics about the indebtedness of your county.

The national indebtedness is figured in this table at $300 an individual. It is even more than that. The State and local indebtedness is from a State report of June 30, 1938.

The President said in his recent message to Congress: "Many people have the idea that as a Nation we are overburdened with debt and are spending more than we can afford. That is not so." He advocated a $10,000,000,000 Budget for the next fiscal year, and estimates the national debt to reach nearly $45,000,000,000 by June 30, 1940.

In a speech at Pittsburgh he said: "The credit of the family depends chiefly on whether that family is living within its income. And that is equally true of the Nation. If the Nation is living within its income, its credit is good. If in some crises it lives beyond its income for a year or two, it can usually borrow temporarily on reasonable terms. But if, like a spendthrift, it throws discretion to the winds and is willing to make no sacrifice at all in spending, if it extends its taxing to the limit of the people's power to pay and continues to pile up deficits, then it is on the road to bankruptcy." Nineteen days before he made that statement our national debt was $20,611,241,804.76.

Our 1939–40 deficit is estimated by the President to be $3,326,000,000. What is the effect of continued deficits (this being the tenth)? President Roosevelt said: "The most obvious effect of extravagant Government spending is its burden on farm and industrial activity, and for that nearly every Government unit in the United States is to blame. But when we come to consider prodigality and extravagance in the Federal Government, as distinguished from State or local government, we are talking about something even more dangerous. For upon the financial stability of the United States Government depends the stability of trade and employment, and of the entire banking, savings, and insurance system of the Nation."

Some may say: "Tax more." I shall quote the President again: "Quite apart from every man's own tax assessment, that burden is a brake on any return of normal business activity. Taxes are paid in the sweat of every man who labors because they are a burden on production and are paid through production. If those taxes are excessive, they are placed in idle factories, in tax-sold farms, and in hordes of hungry people, tramping the streets and seeking jobs in vain. Our workers may never see a tax bill, but they pay. They pay in deductions from wages, increased cost of what they buy, or—as now—in broad unemployment throughout the land. There is not an unemployed man, there is not a struggling farmer, whose interest in this subject is not direct and vital. It comes home to every one of us."

These words were spoken in 1932. The principle was correct then. It is correct now. If the effect was as stated in 1932, what would be its effect in 1939?

I have said time after time the expenses of government can be reduced. Of course, many of those on the public pay roll will try to make it appear that the only way to reduce expenses is to stop relief. They know better. They are hypocrites, hiding behind the excuse. Expenses can be reduced elsewhere.

Look at the figures for West Virginia. Our National, State, and local debt is two-thirds of a billion dollars.

Our entire personal property in West Virginia was assessed in 1937 at $371,683,346. Our National, State, and local debt is approximately $300,000,000 more.

Our entire real-estate valuation is only $150,000,000 more than our debt.

The deposits in all of our State and National banks amount to $287,480,024. This is far less than half of our debt.

We talk about West Virginia being a great coal State, and it is; yet, all the coal produced in West Virginia in 1936 was valued at less than $200,000,000, or about 30 percent of our indebtedness.

We have many farms and farmers in West Virginia. In 1935 the Census Bureau compiled the value of farms, including lands and buildings. They found this to be $237,643,860. Compare this with our $680,000,000 debt.

Some may not be worried about spending and debt. I am. I have and shall continue to oppose waste and extravagance.

Look at your county figure again. The debt is a mortgage against your property. It means taxes, taxes, and more taxes. Yes; even if you do not own any property, you will pay part of this debt, as the President said, in "deductions in wages," "increased cost of what you buy," and in "broad unemployment throughout the land."

Sincerely,

RUSH D. HOLT.

County	County share, national debt [1]	Actual local indebtedness [2]
Barbour	$5,924,000	$368,500
Berkeley	8,914,000	698,500
Boone	7,818,000	885,100
Braxton	7,180,000	87,000
Brooke	7,843,000	696,100
Cabell	28,870,000	3,192,500
Calhoun	3,455,000	155,500
Clay	4,174,000	360,500
Doddridge	3,335,000	219,800
Fayette	22,912,000	1,698,000
Gilmer	3,384,000	313,800
Grant	$2,684,000	$17,400
Greenbrier	11,409,000	896,700
Hampshire	3,764,000	79,500
Hancock	9,066,000	787,250
Hardy	3,121,000	22,000
Harrison	24,984,000	925,000
Jackson	5,127,000	138,900
Jefferson	5,018,000	358,000
Kanawha	50,138,000	9,070,700
Lewis	6,930,000	220,000
Lincoln	6,092,000	260,500
Logan	18,614,000	1,804,500
McDowell	28,772,000	3,475,700
Marion	21,196,000	617,000
Marshall	12,666,000	248,100
Mason	6,611,000	1,708,700
Mercer	19,501,000	369,500
Mineral	6,387,000	2,196,000
Mingo	12,185,000	3,135,300
Monongalia	15,926,000	186,000
Monroe	3,800,000	70,000
Morgan	2,673,000	1,226,500
Nicholas	6,578,000	448,600
Ohio	22,920,000	2,832,700
Pendleton	3,072,000	22,600
Pleasants	2,081,000	158,000
Pocahontas	4,628,000	159,500
Preston	9,236,000	257,800
Putnam	5,322,000	340,500
Raleigh	21,647,000	1,901,100
Randolph	7,976,000	454,700
Ritchie	4,959,000	288,500
Roane	6,194,000	471,500
Summers	6,509,000	350,900
Taylor	6,078,000	852,000
Tucker	4,253,000	
Tyler	4,066,000	379,100
Upshur	5,706,000	144,000
Wayne	9,924,000	1,494,100
Webster	4,521,000	36,800
Wetzel	7,102,000	1,131,100
Wirt	2,022,000	112,000
Wood	17,974,000	1,875,600
Wyoming	6,654,000	969,500
Total, local indebtedness		50,719,750
West Virginia State indebtedness other than local (July 1, 1938)		80,687,000

[1] County share based by figuring the population of county times $300 per individual.
[2] Local indebtedness taken from State of West Virginia reports. This figure for July 1, 1938.

T. V. A. Investigation—Yardstick Rates

EXTENSION OF REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 5, 1939

STATEMENT OF HON. JOHN E. RANKIN, OF MISSISSIPPI, BEFORE THE JOINT COMMITTEE ON THE INVESTIGATION OF THE TENNESSEE VALLEY AUTHORITY ON DECEMBER 10, 1938

Mr. RANKIN. Mr. Speaker, under permission granted me to extend my remarks in the RECORD, I insert a statement which I made before the Joint Committee on the Investigation of the Tennessee Valley Authority on December 10, 1938.

I hope every Member of the House, and everyone else who reads this RECORD, will take time to examine this statement carefully and to note especially the fact that I have shown by the record that electricity can be generated with coal, oil, gas, or water power, and distributed to the people in every community in the United States at the T. V. A. "yardstick" rates—which would reduce light and power rates to the ultimate consumers throughout the Nation by more than $1,000,000,000 a year. This would be like paying a dividend once a month to every consumer who turns an electric switch—a dividend that would amount on an average to more than 50 percent of his present light and power bill.

I wish to call attention to the fact, also, that I have shown by the record in this statement that the Tennessee Valley Authority is one of the most profitable investments the American people have ever made; that it has been the main factor in forcing reductions in light and power rates amounting to $556,000,000 a year. I have broken these reductions down by

States so that everyone may see at a glance the benefits the people of his State are receiving.

Probably the most important fact I have brought out in this statement is that I have shown by the record that private power interests are generating electricity for profit with coal, gas, and water power throughout the country, transmitting it over long distances and selling it wholesale to other private power companies at rates much lower than the Tennessee Valley Authority's wholesale rates.

Every municipality or cooperative association that is buying Tennessee Valley Authority power is distributing it to the ultimate consumers at the T. V. A. "yardstick" rates. If these private power companies will squeeze the water out of their capital structures and eliminate the graft, waste, and extravagance, they can also distribute power to the ultimate consumers at the T. V. A. "yardstick" rates, pay all their legitimate operating expenses, and make reasonable returns on their legitimate investments. If they will do this, the ultimate consumers of electricity in this country will save more than $1,000,000,000 a year on their light and power bills, the consumption of electricity will double, the use of electrical appliances, such as refrigerators, electric irons, water pumps, washing machines, and other labor-saving devices, will double and treble—to say nothing of the relief that would result to the commercial and industrial consumers of electricity throughout the Nation.

Since this is probably the greatest economic issue of this generation, and one of the greatest with which we will ever have to deal, I invite everyone who reads this RECORD to examine this statement which I made before the Tennessee Valley Authority Investigating Committee, take it home with him, examine the rates he and his neighbors are paying for electric energy, and join us in this fight to electrify at the Tennessee Valley Authority's "yardstick" rates every home in America, including every farm home, as well as every commercial and industrial establishment throughout the Nation.

The statement referred to follows:

Mr. Chairman, we have at last reached the real issue in this controversy, that is the actual monetary value of electricity. The question before us is, What is electricity worth? What should the ultimate consumer be required to pay for it?

That question can be easily answered since electricity has only one grade. It is 100 percent pure. It cannot be polluted or corrupted. It cannot be watered, although a great deal of water seems to have been poured into the stocks of the power companies, and especially the stocks of the holding companies that handle it.

Since there is no way to alter or affect the purity of electricity, since it is all alike, whether generated by water power, coal, oil, gas, wood, or corn cobs, then the whole controversy is reduced to the question of the costs of the three steps in handling electricity: (1) Generation; (2) transmission; (3) distribution.

In other words, the question is, What should it cost to generate electricity, transmit it into a given area, and then distribute it to the ultimate consumers?

That is the question—probably the greatest question before the American people today.

I might add that I stated in 1932, at the Chicago convention, that this was one of the greatest issues with which we would have to deal for the next 25 years, affecting the lives of 25,000,000 consumers of electricity throughout the United States.

It cannot be answered by theoretical arguments, or by the use of a blue print or a slide rule. It must be answered by practical demonstrations, such as the T. V. A. is now giving, and such as are being given by the Ontario Hydro Commission, the City of Tacoma, Wash., and other similar agencies.

The T. V. A. is the most profitable investment the American people have made since the Louisiana Purchase.

I want to emphasize that statement, Mr. Chairman. The T. V. A. from the standpoint of every individual in America who turns an electric switch is the most profitable investment the American people have made since the Louisiana Purchase.

It is the only one I know of that pays them a dividend of more than 100 percent every year that rolls around—which it does in reductions of light and power rates to the ultimate consumers in every State in this Union.

During the year ending February 28, 1932, the year before the T. V. A. was created, the American people used 62,000,000,000 kilowatt-hours of electricity, for which they paid $1,803,000,000 according to the Edison Electric Institute Bulletin, the mouthpiece of the private power companies. During the year ending February 28, 1937, the American people used 91,000,000,000 kilowatt-hours of electricity, for which they paid $2,086,050,300, according to the Edison Electric Institute Bulletin. These are their figures, and not mine.

If we had paid the same rate for this 91,000,000,000 kilowatt-hours that we paid in 1932, the year before the T. V. A. was created and its yardstick rates promulgated, the cost would have been $2,642,000,000, or $556,000,000 more than we actually paid.

In other words, we have reduced light and power rates to the ultimate consumers $556,000,000 a year. Remember that is a difference of $556,000,000 a year under what it would have cost them under the old rates. The people got that reduction last year, and they will get it this year and every other year from now on. In other words, they save more than twice as much every single year as the entire T. V. A. development will cost, including the Gilbertsville Dam and all the other dams that have been constructed or are now being constructed or contemplated on the Tennessee River. These savings will be increased, as time goes on, unless the T. V. A. and its yardstick are destroyed.

I might add here that that is the cause of this investigation. It represents an attempt to destroy the T. V. A. yardstick in order to prevent the American people from finding out what electricity is really worth and getting it at the prices they should pay.

I have those figures broken down by States, showing the amount of these reductions saved to the people in each State last year. They are as follows:

Alabama	$7,600,000
Arizona	1,500,000
Arkansas	3,400,000
California	33,200,000
Colorado	5,000,000
Connecticut	11,600,000
Delaware	604,000
Florida	11,000,000
Georgia	7,600,000
Idaho	3,000,000
Illinois	65,600,000
Indiana	20,600,000
Iowa	6,800,000
Kansas	4,800,000
Louisiana	3,600,000
Maine	2,000,000
Maryland and District of Columbia	13,600,000
Massachusetts	29,600,000
Michigan	14,600,000
Minnesota	5,600,000
Mississippi	3,400,000
Missouri	12,000,000
Montana	4,000,000
Nebraska	5,000,000
Nevada	230,000
New Hampshire	2,400,000
New Jersey	18,400,000
New Mexico	1,800,000
New York	67,400,000
North Carolina	4,000,000
North Dakota	1,200,000
Ohio	55,400,000
Oklahoma	3,800,000
Oregon	5,200,000
Pennsylvania	70,600,000
Rhode Island	4,400,000
South Carolina	2,000,000
South Dakota	1,600,000
Tennessee	1,200,000
Texas	14,200,000
Utah	6,200,000
Vermont	1,200,000
Virginia	2,400,000
Washington	7,200,000
West Virginia	6,600,000
Wisconsin	16,200,000
Wyoming	470,000

I will say to the chairman that his own State of Ohio shows an annual saving of $55,400,000. Wyoming is smaller, only $470,000.

Senator SCHWARTZ. We have some rates dropped from 12 cents to 3 or 4.

Representative RANKIN. I am going to get to that in a few minutes, Senator.

In New Jersey the reduction amounts to $18,400,000.

In New York it is $67,400,000.

Now, the only answer to this break-down is that if they undertake to reduce the break-down in one State, they must put it on in another because, according to their own statement and their own figures, the reduction amounts to $556,000,000 a year.

Senator SCHWARTZ. I think Dr. Morgan said that we have had a reduction progressively for the last 50 years, and if we go on we will finally get to zero.

Representative RANKIN. Yes; I will get to that in the next paragraph, Senator. Dr. Morgan seems to want us to wait another 50 years for these reductions.

Remember that there had been no appreciable reduction in light and power rates by the power companies in this country during the years immediately preceding the creation of the T. V. A. and the promulgation of its yardstick rates, and if it hadn't been for the creation of the T. V. A. and the promulgation of its yardstick rates, in my opinion, there would have been no reduction of rates by the private power companies anywhere in the United States.

During the Hoover administration the Commonwealth & Southern made a contract to purchase power at Muscle Shoals at a little less than 2 mills a kilowatt-hour. To be perfectly accurate, one year it was 1.56 mills.

That contract was to run for 5 years. There was no reduction of rates to the ultimate consumers in that area, however, until the T. V. A. was created in 1933 and its yardstick rates announced.

The top rate for electricity through that section of the country had been 10 cents a kilowatt-hour in those towns for 10 or 15 years. During that 5 years it was not reduced as I said until after the T. V. A. yardstick was promulgated.

The power company was selling this power at 10 cents a kilowatt-hour, and the average consumption in that area was only 30 kilowatt-hours a month, average domestic consumption, so that the power for which they paid the Government $1.56 was sold for $100 to those helpless little individuals within sight of the dam. There would have been no reduction if there had not been some public yardstick to enforce it.

But someone will no doubt say that not all of this saving of $556,000,000 a year is due to rate reduction; that a part of it is due to increased consumption. That may account for a small portion of it, but only a small portion. I would say not over 25 percent. Besides there would have been no increase in consumption if the rates had not been reduced.

But even if we attribute 50 percent of this difference to increased consumption it would still leave a yearly reduction of $278,000,000, due entirely to rate reductions which have been brought about as a result of the creation and operation of the T. V. A. with its yardstick rates along with the other power policies of this administration. Besides, as I said, the increased consumption was due to the reduced rates which the T. V. A. has been most instrumental in bringing about.

Even a saving of $278,000,000 a year amounts to more than the entire cost of the T. V. A. up to this time.

I have broken that down by States, and I am inserting that table in the record to show how much each State has saved as a result of the T. V. A. yardstick, if you give it credit for only half of these reductions.

Alabama	$3,800,000
Arizona	750,000
Arkansas	1,700,000
California	16,600,000
Colorado	2,500,000
Connecticut	5,800,000
Delaware	302,000
Florida	5,500,000
Georgia	3,800,000
Idaho	1,500,000
Illinois	32,800,000
Indiana	10,300,000
Iowa	3,400,000
Kansas	2,400,000
Kentucky	3,400,000
Louisiana	1,800,000
Maine	1,000,000
Maryland and District of Columbia	6,800,000
Massachusetts	14,800,000
Michigan	7,300,000
Minnesota	2,800,000
Mississippi	1,700,000
Missouri	6,000,000
Montana	2,000,000
Nebraska	2,500,000
Nevada	115,000
New Hampshire	1,200,000
New Jersey	9,200,000
New Mexico	900,000
New York	33,700,000
North Carolina	2,000,000
North Dakota	600,000
Ohio	27,700,000
Oklahoma	1,900,000
Oregon	2,600,000
Pennsylvania	35,300,000
Rhode Island	2,200,000
South Carolina	1,000,000
South Dakota	800,000
Tennessee	600,000
Texas	7,100,000
Utah	3,100,000
Vermont	600,000
Virginia	1,200,000
Washington	3,600,000
West Virginia	3,300,000
Wisconsin	8,100,000
Wyoming	235,000

So you can hardly blame the power trusts for trying to write the schoolbooks of Ohio in an effort to propagandize the people into believing that they are great beneficent institutions, administering prosperity.

I want to ask you, Mr. Chairman, who can read this list and fail to realize that the T. V. A. is one of the most profitable investments this Nation has ever made?

Senator SCHWARTZ. I would be glad to answer that. You referred to the power companies and I wasn't in Congress at the time that the matter of the death sentence was being discussed.

Representative RANKIN. I am sorry that you were not, Senator.

Senator SCHWARTZ. Possibly you could tell me about how many operating companies in the United States were integrated finally in one control?

Representative RANKIN. Senator SCHWARTZ, I believe a thorough investigation would show that they are all under one control.

Senator SCHWARTZ. The thought I had in mind was a little to this side. The suggestion was made here yesterday to one of the witnesses as to whether T. V. A. operations weren't a form of socialism, and I was wondering whether that kind of integration of all of these companies in one control was a form of fascism.

Representative RANKIN. It is; it is the worst form of fascism. In my opinion—it is one of the most powerful and corrupt combinations of wealth and influence ever organized in a civilized country, and I say that advisedly. It has attempted to usurp the functions of government in every State and in almost every municipality, and has invariably succeeded to a degree that would put Hitler or Mussolini to shame. It is now trying to control the Federal Government.

Senator SCHWARTZ. I have noticed in the past months a great deal of sustained agitation and fear about a lot of Communists in the country, but I haven't heard much about fascism that is gradually being developed from day to day.

Representative RANKIN. Senator NORRIS showed on the floor of the Senate that some of these local communities had 14 holding companies stacked upon them. In other words, 14 different companies were reaching down to the ultimate consumers and taking money out of their pockets to sustain them, without rendering them any necessary services whatsoever. I think if you will investigate thoroughly you will find that they have attempted to intimidate the courts; they have bribed legislators, directly and indirectly; they have insidiously attempted, and in a great many instances successfully, to control the press in various localities; they have attempted to influence even the church; and, as I said awhile ago, at one time they were writing the schoolbooks in the State of Ohio in order to saturate the minds of the little children with their propaganda—and who can blame them?

They were reaping a profit, as I will show in a moment, of more than a billion dollars a year in conscienceless overcharges, and are doing it yet.

Chairman DONAHEY. I might say to you, Mr. RANKIN, from my own experience in the State of Ohio, public utilities of all character collect far more for service from the people of Ohio each year than all taxes for all purposes.

Representative RANKIN. That is right.

Chairman DONAHEY. It is true, and I wanted to state it.

Representative RANKIN. Senator, before I forget it, I want to say that if you will take the overcharges they are now collecting, turn them over to the Federal Government, and loan them out at 3½-percent interest, you can pay the national debt with them in less than 40 years without placing any additional burden at all on the American people and without depreciating the principal.

The interest on them in less than 40 years, and one man estimates in 20 years, would pay the national debt.

Now, let us go ahead.

Let me talk to you about the wholesale price of electricity. I am taking the wholesale price because the T. V. A. does not retail power to domestic consumers, but sells it wholesale to municipalities and to the cooperatives, and they retail it.

Now, let us see what this electricity is worth.

On page 530 of the report of the Army engineers of March 24, 1930, which was signed by the Honorable Patrick J. Hurley, Secretary of War, we find the following statement. I am quoting now:

"The sales prices for Wilson Dam power necessary to obtain in order to pay 4 percent on the investment in plant and transmission lines and to cover the cost of operation and maintenance (indefinitely) of these are based upon the known cost of the hydro plant to date, a careful estimate of additional installation at costs of the present installation, and upon estimates of the cost of transmission lines, and operation, depreciation, etc. It is seen, therefore, that these prices are based largely upon known costs, and that an error in the items estimated would affect the sales prices but little. The hydro prices reduced to mills per kilowatt-hour would be as follows:

	Mills per kilowatt-hour
At the switchboard	1.352
Transmitted 100 miles	1.993
That is the distance to Tupelo.	
Transmitted 200 miles	2.310
Transmitted 250 miles	2.467
Transmitted 300 miles	2.625
Transmitted 350 miles	2.775

Now, further quoting:

"If it be thought necessary to add 20 percent to the hydro prices in order to be on the safe side, the cost of prime"—I want to emphasize that word prime—"power to the purchaser would be increased only 8.8 percent at a distance of 350 miles and 7.6 percent at a distance of 100 miles, and the prime power costs would be as follows, with Wilson Dam power transmitted:

	Mills per kilowatt-hour
Transmitted 100 miles	3.893
Transmitted 200 miles	4.134
Transmitted 250 miles	4.268
Transmitted 300 miles	4.402
Transmitted 350 miles	4.531

"These would still be very tempting prices, and especially tempting to companies depending upon steam power, and if these costs were increased 10 percent, the power would still be salable. And

referring to chart III, appendix G, section C, it will be seen that a circle having a radius of 350 miles passes through Dayton, Ohio, falls a few miles short of Indianapolis, Ind., Springfield, Ill., Springfield, Mo., Alexandria and New Orleans, La., Tallahassee, Fla., and Williamson, W. Va. Less than the west half of this circle will afford a market for all the power than can be produced at Wilson Dam."

Based on this report—by the way, Mr. Chairman, I want to call attention to the fact that this report of the Army Engineers shows that this power can be generated and transmitted from Wilson Dam to Dayton, Ohio, in your own State, economically at 4.531 mills per kilowatt-hour.

Now, that is the only reason for this investigation. They are scared to death for fear that the people of Ohio, Kentucky, West Virginia, and other surrounding States will wake up and demand justice. I have advocated for years the building of a transmission line into the center of Ohio from the Norris Dam, which would not be quite as long as this one indicated, in order to supply power to those municipalities, and especially to the farmers of that State. If we would do that, it would break down light and power rates in the State of Ohio probably $40,000,000 more a year.

Mr. BIDDLE. Could I interrupt you just a minute?

Representative RANKIN. Yes.

Mr. BIDDLE. I was not quite clear what the figures were that this was based on. What is the cost at the dam; where do you start, at the switchboard?

Representative RANKIN. Here?

Mr. BIDDLE. Mr. Hurley's figures that you are referring to, or the Army engineers' figures.

Representative RANKIN. 1.352 mills per kilowatt-hour.

Mr. BIDDLE. What is the figure 1.352 based on?

Representative RANKIN. He says it is based on the "known costs."

Mr. BIDDLE. The known cost of——

Representative RANKIN. Of the dam.

Mr. BIDDLE. Of the dam?

Representative RANKIN. Yes; the dam, generating system, and so forth.

Mr. BIDDLE. Does he give his cost figures; do you remember?

Representative RANKIN. He probably does in the early part of the report.

Mr. BIDDLE. And then he adds to that the cost of transmitting?

Representative RANKIN. Yes.

Mr. BIDDLE. Over the distance about which you spoke?

Representative RANKIN. Yes; he goes on to say that if you will add 20 percent to be entirely on the safe side, then it can be transmitted and delivered at a distance of 100 miles to 350 miles at the rates laid down in this second table.

Now, based on this report of the Army engineers, the accuracy of which has never been questioned, the Hoover administration made a contract to sell power to the Commonwealth & Southern at Muscle Shoals for 5 years at a little less than 2 mills a killowatt-hour.

Remember that was firm power—the only difference between firm power and what they call secondary power or surplus power is that firm power is power that can be generated all the time, while secondary power is power that can be generated only in floodtime.

But this was firm power—remember that—since it did not absorb the entire output of power generated at Muscle Shoals at that time.

It was perfectly all right, in the estimation of the power companies, for the Government to generate power at Muscle Shoals so long as the Government sold it to the private power companies at less than 2 mills a kilowatt-hour at the dam and denied it to the municipalities and rural power associations throughout the area.

Let me call attention to the fact, Mr. Chairman, that there never was a protest on the part of the power companies—and I especially emphasize the Commonwealth & Southern, that was buying this power at less than 2 mills a kilowatt-hour and selling it at a maximum of 10 cents a kilowatt-hour—until after the creation of the T. V. A. and the promulgation of its yardstick.

Chairman DONAHEY. In what year was that?

Representative RANKIN. There never was a protest so long as they were buying this power at 2 mills a kilowatt-hour or less until the T. V. A. was created and its yardstick rates promulgated.

Did you ask me a question, Mr. Biddle?

Mr. BIDDLE. What years was that?

Representative RANKIN. From 1930 until 1935, I believe, I think maybe it began in January 1931 and ended January 1, 1936; that is my recollection.

If the T. V. A. had continued to sell all of this power to the private power companies at that rate, there would have been no demand for this investigation; and if one had been called, these Power Trust lobbyists would be testifying here in defense of the contract; and none of these lawsuits that have been brought to hamper and hamstring the T. V. A. would ever have been instituted.

The New York Power Authority made a thorough investigation of the cost of generation and transmission of hydroelectric power back in 1934, and in its report of November 10 that year it states that power can be generated on the St. Lawrence River and passed out over a State-wide system that will absorb 60 percent of its load.

"On this basis," this report says, "it could be generated and transmitted to Utica, a distance of 135 miles from the plant, at 2¼ mills a kilowatt-hour. It could be delivered at the end of a 300-mile transmission line for less than 3¼ mills per kilowatt-hour." Just about what the Army engineers said about Muscle Shoals power.

Power is generated at Boulder Dam and transmitted to Los Angeles, Calif., a distance of 268 miles, and laid down at a little less than 4 mills a kilowatt-hour.

That provision, if I remember correctly, was written into the law and approved admittedly by one of the greatest engineers who has ever been President of the United States, I mean admitted by many authorities. And I don't question it. I am not reflecting on President Hoover. He is a great engineer and he was capable of analyzing this contract, and it was understood; it was written into the law, if I remember correctly, that this power was to be generated and transmitted and sold on this basis, which means 1.63 mills per kilowatt-hour at the dam, less than half the cost the city of Florence, Ala., is now paying for Muscle Shoals power, or about 4 mills laid down at Los Angeles, 268 miles away.

By the time it is laid down in Los Angeles, Calif., the cost is a little less than 4 mills per kilowatt-hour, 268 miles, which proves the statement of the Army engineers with reference to the cost of generation and transmission of Muscle Shoals power.

Remember that the cost of Boulder Dam is all charged to power, with the exception of about $25,000,000 that, I believe, is charged to irrigation and flood control. This 4 mills a kilowatt-hour is sufficient to amortize the entire investment at Boulder Dam in 50 years.

It might not be out of place at this point to call attention to the fact that there is a line loss of only 6 percent in transmitting power from Boulder Dam to Los Angeles, a distance of 268 miles.

You pin them down and show that this power is generated at a certain price, and these power lobbyists will throw up their hands in holy horror and say, "Oh, but you are a hundred miles from the dam. My God, do you realize what the line loss would be in sending it over here?" I have heard them say that to my own people.

As a matter of fact, power is now transmitted under normal conditions with a line loss of only 10 percent for every 300 miles, and not more than 5 percent for 100 miles. Of course, the higher the voltage the less the line loss, so this voltage, which I believe is 285,000 on the line from Boulder Dam to Los Angeles, transmits this power 268 miles, which is about the distance from Norris Dam to Columbus, Ohio, with a line loss of only 6 percent.

Now it costs at the dam 1.63 mills per kilowatt-hour. And if you want to know what the line loss is, the percentage of the amount of the purchase price, multiply 1.63 mills by 6 percent, and it will be very infinitesimal.

Mr. BIDDLE. My impression is that the city of Los Angeles owns the generators at the dam. Is that incorrect; do you remember?

Representative RANKIN. Yes; but that is included in this estimate. They buy falling water. They buy the power in the falling water.

Mr. BIDDLE. They buy the water and not the power.

Representative RANKIN. Yes; but after it is generated it is estimated, as Mr. Scattergood, I am sure, will tell you if you will call him here—he is head of the Los Angeles plant—after the generation and all, it amounts to about 1.63 mills at the dam. I went into that thoroughly.

Mr. BIDDLE. You mean the cost of the generation is included in that figure?

Representative RANKIN. Yes, sir; that is right; the cost of generation is included in that figure of 1.63 mills at the dam.

Now, as you will see from this chart to which I shall refer again a little later, the wholesale price of T. V. A. power laid down at Tupelo, Miss., my home town, which is about 100 miles from the dam, during the year 1937 was an average of approximately 5.5 mills a kilowatt-hour.

During the month of September of this year, 1938, the city of Florence, Ala., which lies adjacent to Muscle Shoals, purchased power from the T. V. A. at 4.68 mills a kilowatt-hour, and the city of Tuscumbia, which is only 4 or 5 miles from the dam, paid 5.45 mills per kilowatt-hour. Tuscumbia paid a little more than Florence because of the fact that Florence used so much more power than Tuscumbia.

Now, let's see about the price at which private power companies sell electricity wholesale.

During the year 1937 the Alabama Power Co. sold to the Mississippi Power Co. 145,580,000 kilowatt-hours of firm power at an average of 4.22 mills a kilowatt-hour and delivered it at four points—Sulligent, Ala., near the Alabama-Mississippi line; West Point, Miss., 50 miles south of Tupelo—by the way, that is in my district—Meridian, Miss., 147 miles south of Tupelo; and at Gulfport, Miss., in the extreme southern end of the State.

In other words, the Alabama Power Co., which as you know is a subsidiary of the Commonwealth & Southern Co., and which is generating, transmitting, and selling power for profit, sold this power to the Mississippi Power Co. for less than the T. V. A. is selling power to either Florence or Tuscumbia, Ala., both in sight of the dam, or to Tupelo, Miss., 100 miles away.

Now, remember, and I want to emphasize this as I go along, they have never touched side, edge, nor bottom of this yardstick. I will get to that in a moment. They are attacking these wholesale contracts. They are telling you that the T. V. A. is selling power wholesale below the cost of production. That is all the testimony that they have brought here. So I am emphasizing this to show you that they are selling power cheaper all over the United States than the price T. V. A. is selling it for at the dam or within 100 miles of the dam.

During the first 6 months of this year 1938 this same Alabama Power Co., generating, transmitting, and selling power for profit, sold 71,927,000 kilowatt-hours of firm power—I wish the stenographer would underscore "firm power" at every point along here—they sold 71,927,000 kilowatt-hours of firm power to this same Mississippi Power Co., delivered at these same plants, at an average of 4.3 mills a kilowatt-hour, which is less than the T. V. A. sells power to any municipality or cooperative association in the area.

Mr. Chairman, these figures are official and come from the records of the Federal Power Commission.

During the year 1937 the Louisiana Power & Light Co. sold 196,840,000 kilowatt-hours of firm power to the Mississippi Power & Light Co. at 5.39 mills a kilowatt-hour.

And during the first 6 months of this year, 1938, this same Louisiana Power & Light Co. sold to the Mississippi Power & Light Co. 91,000,000 kilowatt-hours of firm power at an average of 5.35 mills per kilowatt-hour, which is less than the average price paid the T. V. A. by various municipalities throughout the whole T. V. A. area.

Let me call your attention, Mr. Chairman, to the fact that this power sold by the Louisiana Power & Light Co. is generated by gas. It can be produced at least as cheaply as you can produce power on the Tennessee River or the Columbia River or Colorado River with water power, and there is enough gas going to waste in the Panhandle of Texas alone, just evaporating into thin air, I am reliably informed by men who have investigated it, to generate enough power to supply five States the size of Texas.

And yet the State of Texas was overcharged according to the T. V. A. rates $31,726,000 for electricity during the year 1936.

Let me also explain to you that this power which was transmitted by the Louisiana Power & Light Co. into Mississippi and sold to the Mississippi Power & Light Co. is also generated by gas in the Louisiana oil fields.

The Mississippi Power & Light Co. covers the western part of the State. The Mississippi Power Co. covers the eastern part of the State, except that now covered by T. V. A. power.

During the year 1937 the Alabama Power Co., which, as I said, is a subsidiary of the Commonwealth & Southern Co., sold and delivered to the Birmingham Electric Co. in Birmingham, Ala., 304,740,000 kilowatt-hours of firm power at 5.6 mills a kilowatt-hour. That is less than the city of Athens, Ala., paid for T. V. A. power during the same period. Yet Athens distributed her power at the T. V. A. yardstick rates—a yardstick 36 inches long—and made money for the city and at the same time amortized her investment, while the Birmingham Electric imposed exorbitant rates charged by private power companies throughout that area—using a yardstick 95 inches long—and never amortizes her investment. The people pay it as long as this Government will permit the power companies to levy the charges.

During the year 1937 the Louisville Gas & Electric Co. sold to the Kentucky Utilities Co. in Kentucky 32,966,000 kilowatt-hours of firm power at 4.5 mills a kilowatt-hour, and during the first 6 months of the year 1938 the Louisville Gas & Electric Co. sold to the Kentucky Utilities Co. 24,612,000 kilowatt-hours of firm power at 3.95 mills a kilowatt-hour.

The T. V. A. has never sold to a single municipality electricity at that low rate wholesale.

During the year 1937 the Louisiana Power & Light Co. sold to the Arkansas Power & Light Co. 235,195,000 kilowatt-hours of firm power delivered in the State of Arkansas at 3.5 mills a kilowatt-hour; and during the first 6 months of 1938 the Louisiana Power & Light Co. sold to the Arkansas Power & Light Co. 54,179,000 kilowatt-hours of firm power at 2.39 mills a kilowatt-hour.

Mr. BIDDLE. Would you mind telling us your source of the material?

Representative RANKIN. It just came from the records of the Federal Power Commission.

Mr. BIDDLE. Could you give us a reference to the record of the Federal Power Commission information? Is that in some of their reports?

Representative RANKIN. No; I had it dug out, but you can get it, Mr. Chairman. It will be no trouble for the committee to get it.

I want to say, Mr. Chairman, if I am wrong in any of my figures I want to know it. What I am after is getting power to the American people at what it is worth.

I have had all of this criticism that I have seen coming from certain individuals here, on the floor of the House and through the press. I have challenged every man high up in power authority to meet me in a Nation-wide debate on the radio, and if they can show where I am wrong I want to know it. I am not after taking anybody's property for nothing. Where we buy the power company's property, where the T. V. A. or the municipality buys the power company's property, I want them to pay what it is worth. We are not trying to rob anybody. We are trying to keep the unprotected millions of Americans from being robbed by exorbitant power rates.

Now, then, during the year 1937, the Susquehanna Electric Co. sold to the Philadelphia Electric Co., 1,565,562,000 kilowatt-hours of firm and surplus power which means stream run, produced at the Conowingo Dam on the Susquehanna River, at 2.8 mills a kilowatt-hour; and during the first 6 months of the year 1938, the Susquehanna Electric Co. sold to the Philadelphia Electric Co. 864,448,000 kilowatt-hours of firm and surplus power from the Conowingo Dam at 2.5 mills a kilowatt-hour.

Mr. BIDDLE. Is that at the switchboard or delivered, Mr. Rankin, do you know?

Representative RANKIN. My understanding is they delivered it at or near the Conowingo Dam, which is right on the line between Maryland and Pennsylvania, or near the line at least between Maryland and Pennsylvania.

During the year 1937, the Safe Harbor Water & Power Co. sold to the Consolidated Gas, Electric Light & Power Co. of Baltimore, in Maryland, 643,496,000 kilowatt-hours of firm and surplus power at 2.59 mills a kilowatt-hour; and during the first 6 months of 1938, the Safe Harbor Water & Power Co. sold to the Consolidated Gas, Electric Light & Power Co. of Baltimore, 362,622,000 kilowatt-hours of firm and surplus power at 2.65 mills per kilowatt-hour.

I want to say in this connection that the power we get at Tupelo is firm and surplus power. We use more of it in the wintertime than we do in the summer, as I will show a little later.

Now turn to the State of Wisconsin. We find that during the year 1937 the Northern States Power Co. sold Interstate Ltd. & Power Co. in Wisconsin 459,000 kilowatt-hours of firm power at 4.65 mills per kilowatt-hour; and during the first 6 months of the year 1938 sold 231,000 kilowatt-hours at 4.73 mills a kilowatt-hour.

During the year 1937, the Deep Water Light & Power Co. sold to the Philadelphia Edison Co. in Pennsylvania 522,647,000 kilowatt-hours of firm and surplus power at 4.06 mills a kilowatt-hour; and during the first 6 months of this year, 1938, sold 213,624,000 kilowatt-hours of firm and surplus power at 4.5 mills a kilowatt-hour.

Now, coming to the State of New Jersey. During the year 1937, the New Jersey Power & Light Co. sold to the Metropolitan Edison Co. in Pennsylvania 174,222,000 kilowatt-hours of firm and surplus power at 3.85 mills a kilowatt-hour; and during the first 6 months of 1938 sold 90,824,000 kilowatt-hours at 3.79 mills a kilowatt-hour.

During the year 1937, the Niagara Falls Power Co. sold to the Buffalo-Niagara Electric Co., in the State of New York, 179,025,000 kilowatt-hours of firm power at 3.4 mills a kilowatt-hour.

During the year 1937, the Niagara Falls Power Co. sold to the Niagara Electric Service Corporation in the State of New York, 17,550,000 kilowatt-hours of firm power at 4.8 mills a kilowatt-hour.

During the year 1937 the Niagara Falls Power Co. sold to the Niagara, Lockport & Ontario Power Co., in the State of New York, 241,117,000 kilowatt-hours of firm power at 2.9 mills a kilowatt-hour.

That power—let me say, Mr. Chairman—that power could have been distributed all over the State of New York, and delivered to every consumer, at a lower rate than the one at which the city of Tupelo is distributing T. V. A. power to its consumers, and if it had been done, the people of New York State would have saved $160,905,115 in the year 1936.

If it had been sold at the price charged by the Ontario Power Commission to the ultimate consumers just across the river, the people of the State of New York would have saved $190,000,000 in the year 1936—would have saved $190,237,800 during that one year alone—and this is what they are attacking—not the yardstick; they haven't got the yardstick; I will get to the yardstick in a few minutes; but they are attacking the wholesale rate price at which power is sold to these municipalities and cooperative associations throughout the T. V. A. area, and if they were to get by with this, they would next attack the Bonneville project, the rates at which power is sold to the municipalities and cooperatives throughout the Columbia River area.

During the year 1937 the Ohio Power Co. sold to the Ohio Edison Co., in Ohio, 26,426,000 kilowatt-hours of firm power at 5.3 mills a kilowatt-hour.

That power could have been distributed at the T. V. A. yardstick rates throughout that area and the company would have made money on its investment.

I am not guessing at that. The city of Tupelo, of which you have heard a great deal, purchasing power at the T. V. A. rates, during the first calendar year ending June 30, 1938, sold its power at the T. V. A. yardstick rates which are—do you want me to read these rates or shall I just insert them?

Chairman DONAHEY. As you desire.

Representative RANKIN. Are you familiar with them?

Well, a maximum of 3 cents a kilowatt-hour, ranging down to 4 mills.

At this point I ask unanimous consent to insert the table of the wholesale residential, commercial, and industrial rates charged at Tupelo for T. V. A. power.

CITY OF TUPELO, MISS., WHOLESALE POWER RATES

Available—

1. To municipalities owning their electrical distributing systems with kilowatt demands for 750 or more.

2. To others at option of the Authority provided load is 750 kilowatts or more.

Transmitted power rates:

Demand charge: $0.90 per kilowatt per month.

Energy charge: First 100,000 kilowatt-hours per month at 4 mills per kilowatt-hour; next 200,000 kilowatt-hours per month at 3 mills per kilowatt-hour; next 700,000 kilowatt-hours per month at 2.5 mills per kilowatt-hour; over 1,000,000 kilowatt-hours per month at 2 mills per kilowatt-hour.

Nontransmitted power rate: Demand and energy charges computed as for transmitted power but subject to 10 percent differential, i. e., bill is multiplied by 0.9, which results in total amount to be billed monthly.

Minimum monthly bill: $0.90 per kilowatt-hour per month, and in no case shall the minimum bill be less than the charge for 60 percent of the highest demand occurring during the previous consecutive 12 months' period.

Minimum bill subject to a reduction of 10 percent for customers taking delivery at reservation.

Adjustment of demand charge: Demand charge may be adjusted if and when Authority deems necessary to correct for power factors lower than 85 percent. Such adjustments being made in such manner as will adjust the demand charge to the equivalent of 85 percent power factor.

Delivery at outgoing terminals of main-line switch on low-tension side of step-down transformers.

Delivery at boundary line of reservation as prescribed by law.

CITY OF TUPELO, MISS., STANDARD RESIDENTIAL RATE FOR SERVICE EFFECTIVE FEBRUARY 7, 1934

Available—

To all residential customers at local distribution secondary voltage either 2-wire or 3-wire service as municipality may require: First 50 kilowatt-hours per month at 3 cents per kilowatt-hour; next 150 kilowatt-hours per month at 2 cents per kilowatt-hour; next 200 kilowatt-hours per month at 1 cent per kilowatt-hour.

Excess—

Over 400 kilowatt-hours per month at 0.4 cent per kilowatt-hour. Minimum monthly bill:

5 ampere meter, 25 kilowatt-hours	$0.75
15 ampere meter, 33⅓ kilowatt-hours	1.00
50 ampere meter, 50 kilowatt-hours	1.50

CITY OF TUPELO, MISS., BASIC COMMERCIAL RATE FOR SERVICE EFFECTIVE FEBRUARY 7, 1934

Available—

To commercial customers taking service from the municipality's secondary system: First 250 kilowatt-hours per month at 3 cents per kilowatt-hour; next 750 kilowatt-hours per month at 2 cents per kilowatt-hour; next 1,000 kilowatt-hours per month at 1 cent per kilowatt-hour.

Excess—

Over 2,000 kilowatt-hours per month at 0.8 cent per month. Minimum monthly bill:

5 ampere meter, 50 kilowatt-hours	$1.50
15 ampere meter, 66⅔ kilowatt-hours	2.00
50 ampere meter, 100 kilowatt-hours	3.00

Surcharge: Basic rate subject to a surcharge initially established by municipality and modified from time to time as net revenues improve of 10 percent.

Surcharge to take the form of straight percentage added to customers' bills.

Representative RANKIN. I call your attention to the fact that the 10 percent surcharge provided for in the beginning, for safety purposes, for fear that our rates would not yield a proper revenue, to keep us out of the red, or to keep the city out of the red, or the municipal system out of the red, has been eliminated. There was no surcharge imposed during this year, 1938, the fiscal year ending June 30, 1938.

The city purchased this power at approximately the rates I have referred to there, at the standard T. V. A. wholesale rates, and paid all of its operating expenses, had uncollectible customers' accounts of $134.46. We counted that in as expenses, paid taxes of $10,014.50, which is more than any private power company pays in any city of that size in Mississippi that I have been able to find—that is, paid that amount in lieu of taxes; set aside for depreciation on tangible plant equipment, $9,151.49; paid interest accrued on its bonds of $2,413.32; interest accrued on other debts of $141.73; and set aside 6 percent as the city's return on its investment, and still made a profit of $40,000; distributing this power at the T. V. A. yardstick rates, which you will find on this chart, a copy of which I presume has been distributed, and last week made another reduction in rates.

Mr. BIDDLE. That is right.

Representative RANKIN. Now, this power that was sold by the Ohio Power Co. to the Ohio Edison Co. in 1937 at 5.3 mills a kilowatt-hour, could have been distributed to the people of Ohio at the same rates, and the power company could have made money on its legitimate investment.

Now, let us go further. During the year 1937 the Metropolitan Edison Co. sold to the New Jersey Power & Light Co. in New Jersey 55,359,000 kilowatt-hours of firm and surplus power at 2.98 mills a kilowatt-hour; and during the first 6 months of the year 1938 sold it 12,479,000 kilowatt-hours of firm and surplus power at 2.49 mills a kilowatt-hour.

That is in New Jersey. That power could have been distributed to the people of New Jersey at the standard T. V. A. retail yardstick rates applicable in Tupelo, Amory, Athens, Alabama, Holly Springs, and other towns in that area and the company could have made money on its legitimate investment.

During the year 1937 the Duke Power Co. sold to the Carolina Power & Light Co. in South Carolina 61,320,000 kilowatt-hours of electricity at 3.5 mills a kilowatt-hour.

By the way, you have heard of the Duke Power Co., and we have had a Duke's Mixture of power lawsuits here lately. It sold to the Carolina Power & Light Co. in South Carolina 61,320,000 kilowatt-hours of electricity at 3.5 mills a kilowatt-hour.

That power could have been distributed all over the State of South Carolina at the same rates now being paid by the ultimate consumers in the T. V. A. area, and the power companies could have made money on their legitimate investment.

Illustrations of this kind, Mr. Chairman, could be piled up indefinitely, showing that private power companies are generating electricity, transmitting it, and selling it wholesale at a profit for less than what the T. V. A. is selling the same power throughout its distribution radius.

Now, this brings us to the question of the yardstick. Remember that the yardstick is for the measurement of retail rates, the price at which power is delivered to the ultimate consumers. Witnesses who have testified about the yardstick have not even touched the yardstick.

I am not talking about T. V. A. witnesses now; I am talking about the opposition witnesses.

They have, as a rule, put in their time talking about wholesale prices and apparently attempting to confuse the committee. Now, having pointed out the rates at which power is being sold and delivered wholesale, let us turn to the question of distribution and see what rates should be charged the ultimate consumers.

Mr. BIDDLE. May I interrupt for a moment, because I think that you have touched upon a very important point, Mr. RANKIN. Do I take it that in considering the yardstick, your approach is something like this: That the American people are interested in what they individually pay for electricity, and that therefore the primary question is the retail yardstick?

Representative RANKIN. That is right.

Mr. BIDDLE. And then, to follow that a step further, if it is true that the T. V. A. wholesale rates are more than or at least not less than the rates charged, wholesale rates charged by the power companies, you start with no advantage in retail operation?

Representative RANKIN. That is right.

Mr. BIDDLE. Since the municipalities and cooperatives do not purchase their power wholesale at rates which undercut the utilities, and that therefore you can start with the retail operation on an absolutely fair basis; is that the point that you make?

Representative RANKIN. Exactly.

Mr. BIDDLE. I wish that you would develop that a little. I think it is very important.

Representative RANKIN. I have brought you down to the city gate, so to speak, Mr. Chairman. What I have been showing is that the T. V. A. and the private power companies are bringing the power into a given area and selling it wholesale at about the same rates. The private power companies sell it at a lower rate wholesale to each other, or to other private power companies, than the T. V. A. is selling it to the municipalities and cooperatives.

In other words, it puts the municipality and the private distributing agency in the position of two merchants, grain merchants, buying corn from a wholesale merchant.

This T. V. A. merchant over here buys his corn, we will say, at 50 cents a bushel, and he distributes it at 60 cents and makes money.

His competitor buys it, which is the private power company corn market, we will say, for 50 cents, or even 40 cents, but when he goes to distribute it instead of distributing it at 60 cents a bushel he distributes it at $1.20 a bushel, because of the fact that he has a monopoly and his customers can't reach the other merchant.

The power interests have a monopoly in these areas and therefore limit their retail charges only by the amount the traffic will bear.

Mr. BIDDLE. Now, would it not follow, then, to go a step further, if you say that since the T. V. A. starts with higher wholesale costs, or at least not lower wholesale costs, or starts fairly, would it not be fair to say, then, that in considering yardstick, which then becomes a retail matter, the cost to T. V. A. of power has nothing to do with the problem of yardstick?

Representative RANKIN. The cost of—the wholesale cost of—this power; that is what you are driving at?

Mr. BIDDLE. Yes, sir.

Representative RANKIN. Has nothing whatever to do with this yardstick, as I will show as I go along.

Now, let me finish my statement, and then we will take up the yardstick.

I have prepared here a chart showing the electric yardstick for residential service, to which I desire to call your attention, and which I ask to have inserted in the record at this point.

(Whereupon the chart above referred to was received in evidence and marked "Exhibit 560.")

Representative RANKIN. Let me switch this chart to the last. We will start here.

I am going to show that the American people are overcharged now, even since these rates have been reduced—they are overcharged $1,000,000,000 a year for electric light and power—and I am going to break it down by States and show that these overcharges reach the people in every State and every community throughout the country.

Now, Mr. Chairman, let us see what this extra 59 inches on the yardstick amounts to.

During the year 1936, according to the Edison Electric Institute Bulletin, the ultimate consumers of this country used 90,580,000,000 kilowatt-hours of electricity, for which they paid $2,074,000,000. This 90,580,000,000 kilowatt-hours of electricity in Tacoma, Wash., where they have one of the finest public power systems in the world, at the Tacoma rates, this 90,580,000,000 kilowatt-hours would have cost $754,185,000 instead of the $2,074,000,000 which we paid for it or $1,320,000,000 less. In other words, we were overcharged in 1 year, according to the Tacoma rates, $1,320,000,000.

I haven't tried to break these figures down for later years because, as the chairman knows, I have been hors de combat a good deal of the time.

The Province of Ontario, Canada, also has a public power system, probably the outstanding public power system of its kind in the world. Under the Ontario rates this 90,580,000,000 kilowatt-hours would have cost, at the very outside, $602,720,000, or $1,472,000,000 less than we actually paid for it.

If this 90,000,000,000 kilowatt-hours had been sold to the ultimate consumers throughout the country at the retail rates now charged in Tupelo, Miss.—the T. V. A. yardstick rates—it would have cost them $1,150,000,000, or $924,000,000 less than what they actually paid for it, even though Tupelo is a comparatively small town with very few industries.

Therefore, according to the Ontario rates we are overcharged $1,472,000,000, and if it had been sold at the T. V. A. rates, as it was in Tupelo, where we have no large industries, the difference would have been $924,000,000; so that at the very minimum the American people were overcharged, after these reductions were forced, $924,000,000 a year for electric lights and power, and are still overcharged today; and if the Power Trusts should win this investigation and should succeed in destroying this yardstick and in keeping it destroyed and prevent any yardsticks of its kind being promulgated and applied, this generation would continue to pay an overcharge of $1,000,000,000 a year, and their children's children would pay it to the remotest generation.

They never amortize. Remember the city of Tupelo is amortizing its investment. All of these municipalities, including also the T. V. A., are amortizing their investments, but private power companies never amortize, but they continue to impose these rates throughout all time to come if unrestrained.

Now, I have broken those overcharges down by States, and I will ask that the tables be inserted in the record at this point.

I am inserting at this point in the record three tables showing the overcharges paid by the American people for electricity during the year 1936.

The first table shows the overcharges paid by the residential consumers in every State in the Union, as compared with the T. V. A. rates, the Tacoma rates, and the Ontario rates.

The second table shows the overcharges for commercial rates and the third table shows the combined overcharges for all classes of service.

(Said tables are as follows:)

TABLE 1.—*Residential sales data*

State	Estimated sales for 1936				Estimated overcharges according to rate schedules in 1936		
	Number of customers	Total kilowatt-hours (thousands)	Total revenue	Annual kilowatt-hours per customer	Tennessee Valley Authority	Tacoma	Ontario
Maine	152,372	89,138	$4,865,238	585	$3,644,184	$3,393,075	$3,962,764
New Hampshire	102,337	55,364	3,475,365	541	2,608,469	2,454,565	2,817,965
Vermont and Rhode Island	230,032	133,649	7,853,292	581	5,715,616	5,342,288	6,208,329
Massachusetts	1,048,535	636,461	32,934,484	607	20,637,592	18,950,684	23,116,121
Connecticut	413,612	314,758	15,100,974	761	9,014,561	9,060,232	10,479,308
New York	3,074,514	1,915,422	99,767,979	623	66,746,115	62,555,304	74,279,801
New Jersey	983,027	603,579	35,890,316	614	23,054,261	21,441,345	25,053,472
Pennsylvania	1,849,243	1,290,772	62,966,724	698	35,367,769	33,894,651	40,904,526
Ohio	1,398,505	967,765	42,584,447	692	18,259,282	16,387,829	21,707,138
Indiana	584,882	345,080	17,277,414	590	9,052,922	7,832,949	10,127,062
Illinois	1,595,525	1,156,756	51,950,294	725	26,314,847	24,870,516	31,217,771
Michigan	931,190	718,879	26,725,153	772	12,198,428	12,020,148	15,630,901
Wisconsin	531,923	353,729	16,090,671	665	8,976,202	8,121,722	10,215,124
Minnesota	411,769	288,650	13,938,381	701	7,134,929	6,605,667	8,189,711
Iowa	374,775	213,997	11,835,395	571	7,633,607	7,002,729	8,453,896
Missouri	570,270	427,132	17,495,884	749	8,324,084	7,399,791	9,730,786
North Dakota	54,084	35,533	2,023,823	657	1,457,674	1,479,858	1,673,167
South Dakota	66,079	39,449	2,345,805	597	1,649,473	1,588,248	1,805,259
Nebraska	193,529	132,180	6,309,045	683	3,951,063	3,790,137	4,535,163
Kansas	272,496	168,675	8,044,082	619	5,255,298	4,945,226	6,032,207
Maryland and West Virginia	670,231	547,579	22,506,357	817	10,472,236	10,251,418	12,680,844
Virginia	232,181	192,246	9,029,519	828	4,986,779	4,873,033	5,679,961
North Carolina	253,441	184,505	8,994,621	728	4,488,101	4,295,488	5,019,500
South Carolina	100,771	74,974	3,686,203	744	1,496,034	1,479,958	1,761,228
Georgia	197,202	173,538	7,917,660	880	2,992,067	2,996,013	3,654,549
Florida	215,785	178,023	10,062,055	825	6,367,733	6,352,991	7,044,913
Kentucky	238,187	142,198	7,607,693	597	3,989,423	3,645,751	4,491,132
Tennessee	216,557	149,424	7,607,647	690	3,107,147	2,743,337	3,566,487
Alabama	154,150	115,613	5,045,330	750	2,224,870	2,093,599	2,641,842
Mississippi	75,893	49,710	2,826,255	655	1,611,113	1,552,151	1,805,259
Arkansas	92,712	52,382	3,340,413	565	2,493,389	2,418,468	2,773,934
Louisiana	183,947	104,114	7,107,712	566	4,449,741	4,259,392	4,843,378
Oklahoma	224,812	139,383	7,715,548	620	4,948,419	4,620,357	5,415,777
Texas	607,087	398,856	20,920,218	657	12,888,905	12,489,403	14,574,164
Montana and Utah	163,585	133,485	5,471,918	816	3,759,264	3,754,040	4,359,040
Idaho	63,330	82,392	2,458,471	1,301	1,150,795	1,118,993	1,327,921
Wyoming	29,483	17,601	1,074,655	597	690,477	685,834	748,522
Colorado	165,756	97,796	5,030,695	590	3,375,686	3,032,109	3,698,579
Arizona and New Mexico	78,991	54,978	3,176,228	696	2,685,189	2,671,144	2,906,027
Nevada	18,217	15,284	763,474	839	345,239	360,965	396,276
Washington	352,691	468,021	10,982,798	1,327	4,334,661	4,223,295	5,635,930
Oregon	198,240	249,386	6,468,571	1,258	3,107,147	3,176,496	3,918,733
California	1,598,045	1,296,014	47,749,585	811	20,637,592	18,734,104	25,229,595
Total	20,969,993	14,804,470	685,118,422	706	383,598,363	360,965,403	440,307,062

Table No. 2: Overcharges to domestic consumers by States.

This table shows the amount of electricity used by commercial consumers in each State, the amount paid for it, the average annual consumption, the average rate per kilowatt-hour, and the amount overcharged according to the T. V. A., the Tacoma, or the Ontario rates.

I wish every merchant in America, every hotel or restaurant operator, every filling station operator, every proprietor of a garage, and everyone else who pays commercial rates for electric energy could examine a copy of this table and see the enormous burdens of overcharges which they are required to pay.

TABLE 2.—*Commercial sales data*

State	Estimated sales for 1936				Estimated overcharges according to rate schedules in 1936		
	Number of customers	Total kilowatt-hours (thousands)	Total revenue	Annual kilowatt-hours per customer	Tennessee Valley Authority	Tacoma	Ontario
Maine	29,921	81,824	$3,257,114	2,735	$1,760,000	$1,522,000	$2,025,000
New Hampshire	17,921	33,878	1,987,929	1,890	1,392,000	1,235,000	1,331,000
Vermont and Rhode Island	37,845	104,802	5,207,938	2,769	2,959,000	2,558,000	3,404,000
Massachusetts	180,850	497,672	25,297,359	2,752	14,552,000	12,658,000	16,065,000
Connecticut	60,261	220,833	10,241,585	3,665	4,582,000	3,968,000	5,158,000
New York	631,115	2,242,546	99,388,554	3,553	53,827,000	46,234,000	60,217,000
New Jersey	202,784	664,696	33,445,703	3,278	16,408,000	14,501,000	17,127,000
Pennsylvania	304,871	933,559	41,321,411	3,062	22,466,000	19,421,000	25,843,000
Ohio	196,311	828,252	29,229,731	4,219	17,787,000	15,376,000	20,461,000
Indiana	93,665	334,630	12,394,989	3,573	7,842,000	6,779,000	9,021,000

TABLE 2.—*Commercial sales data*—Continued

State	Estimated sales for 1936				Estimated overcharges according to rate schedules in 1936		
	Number of customers	Total kilowatt-hours (thousands)	Total revenue	Annual kilowatt-hours per customer	Tennessee Valley Authority	Tacoma	Ontario
Illinois	262,946	1,007,797	$40,774,698	3,833	$23,153,000	$20,015,000	$26,633,000
Michigan	160,173	791,004	27,583,193	4,938	16,367,000	14,147,000	18,827,000
Wisconsin	103,669	340,736	13,500,968	3,287	7,572,000	6,545,000	8,711,000
Minnesota	88,788	275,065	11,713,464	3,098	5,792,000	5,007,000	6,662,000
Iowa	70,355	168,318	7,828,641	2,392	5,424,000	4,689,000	6,240,000
Missouri	112,603	481,979	18,631,977	4,280	11,127,000	9,619,000	12,800,000
North Dakota	20,515	37,558	2,204,952	1,831	1,129,000	773,000	1,298,000
South Dakota	18,280	37,426	1,971,505	2,047	1,165,000	1,008,000	1,343,000
Nebraska	38,943	131,019	5,315,187	3,364	3,636,000	3,192,000	3,779,000
Kansas	55,515	150,966	6,427,488	2,719	3,881,000	3,356,000	4,465,000
Delaware, District of Columbia, Maryland, and West Virginia	99,538	587,264	18,243,622	5,900	9,243,000	7,991,000	10,632,000
Virginia	44,220	197,312	7,038,770	4,462	3,848,000	3,326,000	4,427,000
North Carolina	46,598	209,747	7,111,565	4,501	2,510,000	2,170,000	2,889,000
South Carolina	23,544	74,318	2,911,326	3,157	1,470,000	1,271,000	1,692,000
Georgia	46,840	203,670	7,710,047	4,348	4,434,000	3,834,000	5,102,000
Florida	39,753	120,400	7,074,430	3,029	4,607,000	3,982,000	5,300,000
Kentucky	44,438	108,624	5,262,070	2,444	3,090,000	2,671,000	3,554,000
Tennessee	44,527	141,875	6,516,974	3,186	4,124,000	3,564,000	4,744,000
Alabama	34,086	124,893	4,535,161	3,664	2,468,000	2,134,000	2,840,000
Mississippi	21,723	55,054	2,724,913	2,534	1,656,000	1,432,000	1,904,000
Arkansas	24,939	56,017	3,029,596	2,246	1,790,000	1,430,000	2,059,000
Louisiana	34,868	96,953	5,106,231	2,781	2,944,000	2,545,000	3,387,000
Oklahoma	49,601	112,405	5,534,777	2,266	3,133,000	2,708,000	3,604,000
Texas	133,019	538,203	20,370,304	4,046	11,960,000	10,341,000	13,757,000
Montana and Utah	27,121	151,848	5,367,534	5,599	2,724,000	2,354,000	3,134,000
Idaho	11,904	36,499	1,590,262	3,066	1,188,000	1,026,000	1,366,000
Wyoming	5,849	17,861	898,738	3,054	533,000	461,000	614,000
Colorado	32,596	90,127	4,523,761	2,765	2,711,000	2,344,000	3,119,000
Arizona and New Mexico	18,324	59,368	3,066,006	3,240	1,887,000	1,631,000	2,170,000
Nevada	4,084	24,017	911,809	5,881	450,000	389,000	518,000
Washington	54,897	416,040	9,004,419	7,579	6,129,000	5,297,000	7,050,000
Oregon	31,711	152,286	4,648,469	4,802	3,747,000	3,240,000	4,310,000
California	248,308	1,095,627	33,760,933	4,412	28,012,000	24,214,000	32,224,000
Total	3,809,819	14,034,968	564,666,103	3,684	327,479,000	282,958,000	371,806,000

Table No. 3: Total overcharges to all consumers by States.

This table shows the number of kilowatt-hours of electricity consumed by the people in each State for all purposes in 1936, the amount paid for it, the average rates charged, and the overcharges by States, according to the T. V. A., the Tacoma, or the Ontario rates.

Please study this table carefully and tell me how the people of your State can continue to stagger under such burdens.

TABLE 3.—*All electric services*

State	Estimated total sales to ultimate consumers, 1936				Combined overcharges according to rate schedules in 1936 for residential, commercial, and industrial services		
	Number of customers	Total kilowatt-hours	Total revenue	Annual kilowatt-hours per customer	Tennessee Valley Authority	Tacoma	Ontario
Maine	204,469	870,629,000	$14,047,020	4,258	$7,096,184	$7,281,075	$8,327,764
New Hampshire	137,365	274,043,000	9,266,643	1,995	4,897,469	4,949,565	5,394,965
Vermont and Rhode Island	282,585	750,263,000	21,606,449	2,655	11,209,616	11,445,288	13,118,329
Massachusetts	254,347	2,734,476,000	87,565,964	2,180	45,942,592	46,650,684	54,066,121
Connecticut	497,301	1,371,556,000	40,012,838	2,758	17,376,561	18,321,232	20,871,308
New York	3,773,160	12,172,214,000	313,775,986	3,226	160,905,115	164,656,304	190,237,801
New Jersey	1,198,219	2,815,815,000	95,342,286	2,350	50,488,261	51,365,345	57,442,472
Pennsylvania	2,232,905	9,413,927,000	192,722,031	4,216	85,410,769	91,891,651	104,899,526
Ohio	1,690,015	5,962,373,000	126,311,721	3,528	50,258,282	51,644,829	61,783,138
Indiana	728,118	2,040,915,000	50,778,949	2,803	22,108,922	21,904,949	26,362,062
Illinois	1,906,945	6,969,884,000	151,010,975	3,655	66,460,847	68,655,516	81,359,771
Michigan	1,155,852	3,921,806,000	84,007,323	3,393	37,335,428	38,435,148	46,590,901
Wisconsin	685,690	1,733,424,000	45,852,090	2,528	21,172,202	21,134,722	25,323,124
Minnesota	515,083	1,308,826,000	36,457,575	2,541	16,403,929	16,476,667	19,661,711
Iowa	482,059	1,018,591,000	30,061,199	2,113	14,908,607	14,279,729	17,253,896
Missouri	705,465	2,335,795,000	51,745,858	3,311	23,408,084	22,554,791	28,005,786
North Dakota	76,675	99,984,000	5,006,878	1,304	2,845,674	2,614,958	3,329,167
South Dakota	91,727	134,288,000	5,984,269	1,464	3,182,473	3,110,248	3,656,259
Nebraska	247,322	614,595,000	16,587,887	2,485	8,579,063	8,369,137	9,686,163
Kansas	352,284	848,652,000	22,063,547	2,409	11,122,298	11,078,226	13,243,207
Delaware, District of Columbia, Maryland, and West Virginia	794,908	3,652,602,000	69,999,598	4,595	28,471,236	30,490,418	35,425,844
Virginia	298,420	1,119,075,000	25,532,815	3,750	11,662,779	12,155,033	14,011,961
North Carolina	304,054	2,031,993,000	34,315,534	6,683	12,120,101	13,629,488	14,993,500
South Carolina	125,976	1,330,810,000	17,902,449	10,564	6,040,034	7,084,958	7,739,228
Georgia	251,994	1,515,492,000	27,515,225	6,014	10,616,067	11,292,013	13,170,549
Florida	270,570	673,449,000	24,540,699	2,489	11,939,733	11,684,991	13,679,913
Kentucky	297,179	942,057,000	23,422,649	3,170	9,690,423	9,967,751	11,657,132
Tennessee	276,511	1,006,224,000	23,323,703	3,639	10,715,147	11,181,337	13,131,487
Alabama	204,821	1,529,194,000	20,996,201	7,466	6,778,870	7,146,599	8,367,842
Mississippi	105,168	501,727,000	8,820,440	2,869	4,667,113	4,940,151	5,644,259
Arkansas	127,249	369,531,000	10,200,280	2,904	5,540,389	5,608,468	6,572,934
Louisiana	228,860	862,344,000	20,672,924	3,768	9,571,741	9,850,392	11,242,378
Oklahoma	297,197	888,916,000	23,166,506	2,991	11,111,419	11,566,357	13,211,777
Texas	779,227	2,773,269,000	65,610,913	3,559	31,726,905	32,451,403	37,845,164
Montana and Utah	216,405	1,562,444,000	20,223,047	7,220	8,362,264	8,736,040	10,093,040
Idaho	94,052	548,323,000	7,727,312	5,830	3,157,795	3,290,993	3,819,921
Wyoming	36,481	72,780,000	2,984,511	1,995	1,591,477	1,661,834	1,871,522
Colorado	211,504	432,737,000	14,581,086	2,046	7,957,666	7,993,109	9,405,579
Arizona and New Mexico	107,233	389,792,000	9,573,762	3,635	5,874,189	6,122,144	6,875,027
Nevada	23,663	136,677,000	2,851,628	5,776	1,106,239	1,183,965	1,344,276
Washington	454,936	2,224,637,000	30,735,476	4,890	12,615,661	12,530,295	15,662,930
Oregon	258,463	965,359,000	17,622,007	3,735	7,813,147	7,758,496	9,554,733
California	2,025,685	8,216,178,000	150,305,827	4,056	57,591,592	55,456,104	69,824,595

No wonder this terrific drive is being made to destroy the T. V. A. yardstick. It is gradually squeezing the water out of these inflated valuations, and forcing reductions of rates in every nook and corner of every State in the Union.

We have already reduced these rates $556,000,000 a year, and still the electric consumers in this country are overcharged $1,000,000,000 a year.

Now, I want to make a little comparison of the investments, and I should like to have attention for just a moment. They have told you that the private power companies in this country had invested in 1934—they started out with $12,000,000,000 and I think that they have raised it to $14,000,000,000 now without investing anything additional. Although prices have been going down, they still claim to have $12,000,000,000 or $14,000,000,000 invested.

Now, let us see: The investments, according to the Edison Electric Institute, in 1934 were $12,124,000,000 in round numbers, while the municipal companies had invested $539,569,527, making a total of $12,664,376,952. They produced and sold that year 77,555,000,000 kilowatt-hours of electric energy, which was 12 times the amount produced and sold in Ontario, Canada, where the entire investments amounted to $398,224,000.

It would take 12 such power systems as they have in Ontario to produce and sell the same amount of power produced and sold in the United States. That would mean an investment of 12 times $398,224,000, or $4,778,688,000. That is what the investment would amount to if the Ontario system were expanded on the present basis to where it would produce the same amount of power now produced and sold in the United States, where the investment in 1934 was alleged to be $12,664,376,000.

In other words, the investment that they claimed in 1934 was $7,885,668,000 more, or almost three times as much, as it would be necessary on the basis of the Ontario Power Commission investment for generation and transmission and distribution of the same amount of power—that in a cold, ungentle climate with a sparsely settled population, where they have to reach into remote areas. For instance, they transit power to Windsor, Canada, right across the line from Detroit, Mich., 238 miles the way the line runs, from Niagara Falls, and sell it at those standard rates.

If we could just pick up the Ontario Power Commission's system and set it down in the United States and let it expand to 12 times its present size, and serve every human being that the private power companies in America serve now, instead of having an investment of over $12,000,000,000, we would have an investment of less than $5,000,000,000; and selling it at the Ontario rates, it would sell it to the ultimate consumers in this country for $1,420,000,000 a year less than we are now paying for it.

There is where this trouble is coming from; they don't want to turn loose this overcharge of $1,000,000,000 or more a year, wrung from the helpless consumers of electric light and power in every State in the Union, and from every community in this Union where they use electricity, from Maine to Mexico.

Let them squeeze the water out of their capital structure, eliminate expensive and useless holding companies, cut down their overcharges, and base their rates on honest values and honest service, and they can sell power at the T. V. A. yardstick rates in every community in the United States.

Instead of that, they are using every influence they can bring to bear to try to destroy this yardstick in order that they may continue to impose these enormous burdens upon the unprotected consumers of electric lights and power for all time to come.

And, by the way, the power companies are about to see the light in Memphis and Chattanooga. I see that at last they are reducing their rates down there approximately to the T. V. A. yardstick levels. Why didn't they do it before? Because they didn't have the influence of this golden wand, known as the T. V. A. yardstick, the greatest weapon ever devised to protect the helpless consumers of electricity throughout the United States.

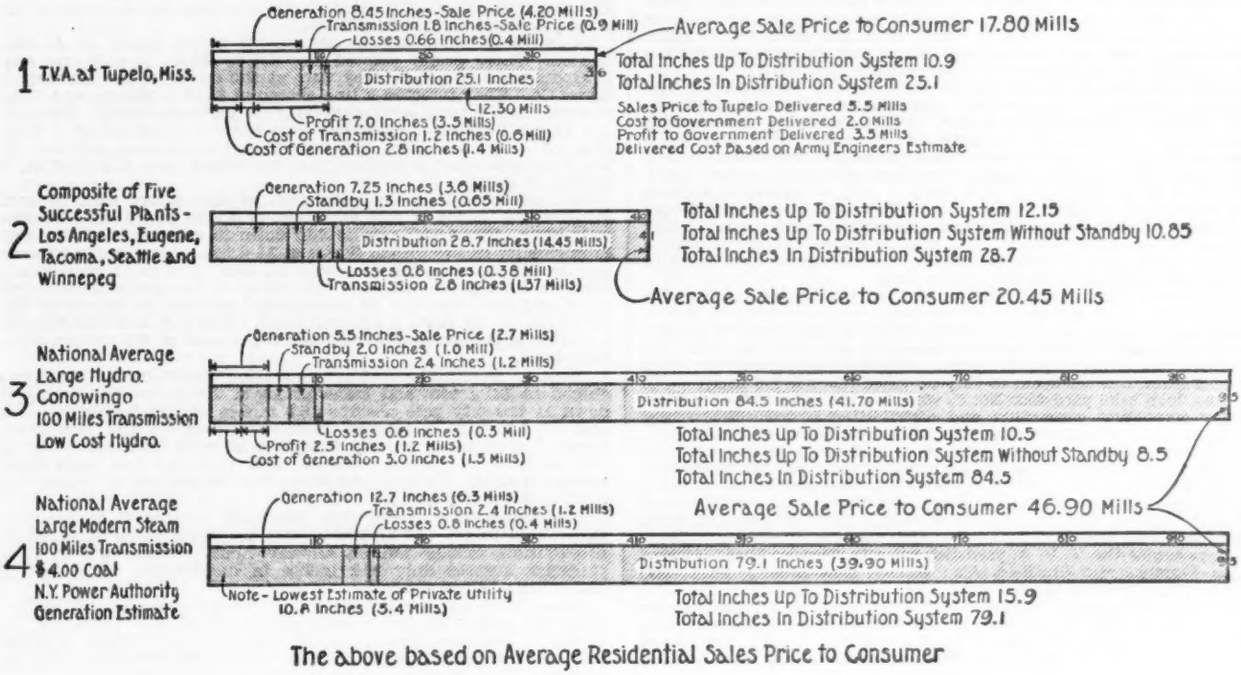
I am going to analyze those rates and see whether they are charging T. V. A. rates or not. I know how they camouflage their rate structure, and I expect to analyze it and expose it during the next Congress, unless they do come clean, and impose the standard T. V. A. yardstick rates, and I might say here, Mr. Chairman, that I have opposed from the beginning, and I expect to continue to oppose, the sale of a single kilowatt-hour of electric energy, generated by the T. V. A., or on the Columbia River, or any other public project in the United States, to a private power company, unless it is written into the contract so that it cannot be evaded, that this power is to be distributed at the standard yardstick rates to all of the ultimate consumers of all classes.

So, Mr. Chairman, I hope that this investigation will continue until you fully expose and put an end to these vile practices. Then we can electrify every home in America, including every farm home, as well as every business establishment, at the T. V. A. yardstick rates.

Let me say in this connection that I have adopted as my slogan, "Let us electrify every farm home in America at the T. V. A. rates." We are behind every other country in the world except a few Central and South American countries in rural electrification. The average country in Europe has more than 90 percent saturation, and ours will probably now run around 10 or 15 percent.

Now, Mr. Chairman, getting back to this yardstick, I have prepared here a chart showing the yardsticks for electrical consumers for residential service, to which I desire to call your attention, and which I have asked to have inserted in the RECORD at this point:

ELECTRIC YARDSTICK
RESIDENTIAL SERVICE



The above based on Average Residential Sales Price to Consumer

On this chart you will observe four yardsticks:

No. 1 is the T. V. A. yardstick, which is 36 inches long and represents the average price at which T. V. A. power is delivered to residential consumers throughout the T. V. A. area, which is 17.8 mills, or 1.78 cents, per kilowatt-hour.

No. 2 is a composite yardstick representing five publicly owned or municipally owned systems—Los Angeles, Calif.; Eugene, Oreg.; Tacoma, Wash.; Seattle, Wash.; and Winnipeg, Canada. This yardstick is 41 inches long, representing the average price at which electricity is delivered to the ultimate residential consumers in those cities, which is 20.45 mills per kilowatt-hour, or a little more than 2 cents a kilowatt-hour.

No. 3 is the yardstick of private power companies, I might say the composite yardstick of private power companies delivering hydroelectric power to the ultimate residential consumers throughout the country, and is 95 inches long; representing the average price at which power companies deliver electricity to the ultimate consumers, which is 46.9 mills, or 4.69 cents per kilowatt-hour. That is hydropower.

No. 4 is the yardstick of the private power companies that generate power with coal purchased at $4 a ton and distribute it to ultimate consumers for profit. This yardstick is 95 inches long, also representing the average price charged the ultimate residential consumers for electricity, which is 46.9 mills, or 4.69 cents per kilowatt-hour.

Let me say, Mr. Chairman, that I did not take the trouble to develop the commercial yardstick and the industrial yardstick, but the commercial and industrial yardstick run right along with the residential yardstick.

Now, note while the T. V. A. yardstick is only 36 inches long, the private power companies' yardstick is 95 inches long, or 59 inches longer than the T. V. A. yardstick. Remember, that is after we have got the power to the city gates. I have shown you that the power was delivered at the city gates at practically the same price, except the private power companies delivered it in the various areas cheaper than does the T. V. A.

You will observe that those 59 inches have nothing to do with the generation and transmission of electricity, but represents only additional charges for distribution.

Now, let's go back to the yardstick No. 1, the T. V. A. yardstick, which is 36 inches long, representing the average price charged the ultimate residential consumers of T. V. A. power. You will note that the generation, transmission, profit, and line loss, all combined, take up 10.9 inches on this yardstick, or a cost of 5.5 mills a kilowatt-hour, which brings it right down here [indicating]. I want you to watch this. I will carry it right on down through all these yardsticks. [Continuing:] While the cost of distribution absorbs 25.1 inches of this yardstick, or 12.3 mills a kilowatt-hour——

Mr. BIDDLE. Before you leave that yardstick, then would another way of putting it be that the wholesale cost of generation is a little less than a third of the ultimate retail cost?

Representative RANKIN. That is right. In other words, the wholesale price now laid down at the city gate is 5.5 mills per kilowatt-hour on an average, and the retail price to the ultimate consumers is 17.8 mills per kilowatt-hour, which is about one-third; in other words, at 100 miles distance, you can lay this power down at about one-third the cost at which it should reach the ultimate residential consumer. That is where it is laid down at 5.5 mills, understand, but, as I have shown, these private power companies lay it down in these various areas cheaper than that.

Now, let's take yardstick No. 2, which is the yardstick for Los Angeles, Eugene, Oreg., Tacoma and Seattle, Wash., and Winnipeg, Canada, and which, as I said, is 41 inches long, representing an average sale price to the ultimate consumer of 20.45 mills a kilowatt-hour. You will observe that generation, transmission, line loss, and the cost of stand-by facilities combined, absorb 12.15 inches of this yardstick, representing a cost of exactly 6 mills a kilowatt-hour; in other words, at the city gate it costs those people 6 mills a kilowatt-hour, while the distribution costs represent 28.7 inches of this yardstick, or 14.45 mills a kilowatt-hour, making a total average cost to the residential consumers of electricity in those cities of 20.45 mills a kilowatt-hour.

Remember that these cities as well as the municipalities distributing T. V. A. power are paying taxes, or an amount in lieu of taxes, equal to and invariably greater than the taxes paid by private power companies, and are gradually paying their systems out. Remember also that the private power companies never amortize their investments, but continue to impose these rates indefinitely.

Now, let's take yardstick No. 3, which is the yardstick of private power companies generating and distributing hydroelectric power to residential consumers for profit, which yardstick, as I have said, is 95 inches long. That is what it is laid down to the ultimate consumers at, representing the average price charged the residential consumers for electric energy by private power companies, which is 46.9 mills a kilowatt-hour, or more than twice the rates charged in Los Angeles, Eugene, Tacoma, Seattle, and Winnipeg, and more than two and one-half times the rates charged the ultimate consumers under the T. V. A. yardstick rates in Tupelo, Miss.; Athens, Ala.; Florence and Sheffield, Ala.; Amory, New Albany, Miss., and other municipalities in that area.

We are using as an example the Conowingo Dam on the Susquehanna River, which is owned and operated by a private company. You will note that the generation, transmission, profits, line losses, and stand-by costs absorb a total of only 10.5 inches of this yardstick, whereas on the T. V. A. yardstick it absorbs 10.9 inches, and on this composite yardstick of these four municipalities it absorbs 12.15 inches.

But on this private yardstick, to lay the power down at the city gate, it absorbs only 10.5 inches of this yardstick, representing a cost of 5.2 mills per kilowatt-hour, while the cost of distribution absorbs 84.5 inches of this yardstick, or 41.7 mills per kilowatt-hour, considerably more than three times the distribution costs under the T. V. A. yardstick, and almost three times the cost of distribution according to the yardstick used by the public plants of Los Angeles, Eugene, Tacoma, Seattle, and Winnipeg.

You will note that it costs a little less to lay this power down at the city gate 100 miles from the dam—5.2 mills a kilowatt-hour—than the city of Tupelo and other municipalities pay for T. V. A. power laid down at the city gate the same distance from the dam, which is 5.5 mills a kilowatt-hour. Some of the municipalities pay a little more than that, because they use a smaller amount and transmit it a little farther. If you are interested in it, I have every one of them here. I have all of the power rates in America on this desk at this time; I mean the retail rates; what the ultimate consumers are paying.

Yet when it comes to distributing this power, the municipalities using the T. V. A. yardstick, paying as much money in lieu of taxes as the private power companies pay in taxes, or even more, and making a handsome profit, use 25.1 inches on their yardstick to distribute this power, representing a cost of 12.3 mills a kilowatt-hour, while private power companies, operating for profit, use 84.5 inches of their yardstick to distribute power to the ultimate consumers, representing a cost of 41.7 mills a kilowatt-hour, or considerably more than three times the cost of distribution under the T. V. A. yardstick, where the city makes a reasonable profit and amortizes its investment. As I pointed out before, the private power companies never amortize their investment.

Now, let's take yardstick No. 4, which is the yardstick of the private power companies producing power with coal valued at $4 a ton, transmitting it a distance of 100 miles and distributing to the ultimate consumers for profit. At this point, I submit, you gentlemen on the committee are familiar with the price of coal and know that coal can be laid down invariably at less than half this price, and sometimes for less than a third or probably a fourth of that amount; that is, in volume where this power is generated at the mine.

Private utilities have estimated that they can produce power with $4 a ton coal at 5.4 mills a kilowatt-hour, but the New York Power Authority estimates that cost to be 6.3 mills a kilowatt-hour. In order to be on the safe side, we will use that figure.

I believe someone testified the other day for the power companies that they could produce power with coal at about 4.18 mills per kilowatt-hour, but we are using the highest figure, that used by the New York Power Authority, which was arguing, so to speak, the hydro side of the power question as against the production of electricity by coal.

Senator SCHWARTZ. I think Mr. Kellogg put the cost at 4.18.

Representative RANKIN. I think you are right, Senator. I have not been able to read all of this testimony. In fact, I have not been able to get all of it, because it is coming so fast the stenographer has been unable to transcribe it, or to get it out and make copies.

You will note this yardstick No. 4 is also 95 inches long, the same length as the private power companies' other yardstick. No matter what it costs private power companies to generate, transmit, and distribute electricity, they charge the ultimate consumers the same price—all the traffic will bear.

There was a rural line in my county before the T. V. A. was created. Those people wanted electricity. There is only one way in God's world to get it; they were at the mercy of the Mississippi Power Co. They imposed a line charge of $3.25 a month, and then charged them 5 cents a kilowatt-hour for their electricity. Twenty-five kilowatt-hours of electricity cost them $4.50 a month. They now get it for $1. That not only pays the running expenses of the association but amortizes the investment over a period of, I believe, 20 years.

You will note that the generation of this power with $4 coal absorbs 12.7 inches of this yardstick, or a cost of 6.2 mills a kilowatt-hour. Since coal can be laid down in volume in almost any municipality in the United States at $4 a ton, or less, it is unnecessary to add transmission cost or line losses. But to be on the safe side, we have presumed that this power is being transmitted 100 miles and that the cost of transmission absorbs 2.4 inches of the yardstick, or 1.2 mills a kilowatt-hour. And the line loss absorbs 8 inches of the yardstick—representing a cost of 4.4 mills a kilowatt-hour.

In other words, the cost of generating electricity by coal purchased at $4 a ton, and transmitting it 100 miles and laying it down at the city gate absorbs 15.9 inches of this yardstick—or a cost of 7.9 mills a kilowatt-hour—according to the New York Power Authority—or exactly 7 mills a kilowatt-hour according to the estimate of private utilities, and probably less than that, according to Mr. Kellogg, and where coal is cheaper of course this expense is greatly reduced.

This leaves 79.1 at the very best now, putting it at the very worst, this leaves 79.1 inches of this yardstick to be absorbed in distribution, or 39.9 mills a kilowatt-hour, whereas the T. V. A. yardstick absorbs only 25.1 inches in distribution, or a cost of 12.3 mills a kilowatt-hour.

There is where your billion-dollar overcharge comes in, in that extra 59 inches of the private power companies' yardstick. It comes in the distribution end of the business. There is where your inflated valuations lie in these exorbitant overcharges for the distribution of electric energy to the ultimate consumers.

The figures which I gave a few moments ago show that private power companies are selling power to each other and laying it down at convenient points, for a great deal less than the cost indicated on any of these yardsticks.

Therefore, if they are honest and efficient, they could distribute electric energy to ultimate consumers throughout the United States at the T. V. A. yardstick rate of 17.8 mills a kilowatt-hour, to the residential consumers and proportionate prices to the commercial and industrial consumers, using the T. V. A. yardstick, which is 36 inches long instead of charging as they do an average of 46.9 mills a kilowatt-hour, and using a yardstick 95 inches long—I say they could lay this power down to the ultimate consumers in every State in the Union at T. V. A. yardstick rates, make a reasonable return on their money, and amortize all their investments in 20 or 30 years, I mean all their legitimate investments.

This yardstick, as I said, applies to residential rates. The residential consumers are invariably overcharged more than the commercial customers, and a similar yardstick will show about the same percentage overcharges in commercial and industrial rates, charged by private power companies throughout the country, the overcharges to the industrial consumers being less in proportion than the residential compared with the commercial customers.

That is what this fight is about. They don't want to squeeze the water out of this extra 59 inches of that yardstick, but want to destroy all legitimate competition in order to continue to impose their exorbitant rates on the helpless consumers of electricity throughout the country.

Now, let me point out again, Mr. Chairman, when the T. V. A. bill was passed and its yardstick promulgated, a yardstick was worked out for the ultimate consumers in the rural sections. They are charged exactly the same rate that the municipal customers are charged, but there is a cent a kilowatt-hour extra added up to the first 100 kilowatt-hours per month to amortize the cost of the lines.

At that time private power companies were refusing to go outside even of the municipalities and in some municipalities they would not serve all of the people who wanted it. This T. V. A. yardstick not only broke these rates down throughout the country but enabled us to start a program of rural electrification, and today there are more rural power lines being built than were ever dreamed of by the most enthusiastic advocates of public power 10 years ago.

We are taking to them the benefits of this greatest of all our natural resources, outside of the soil from which we live, which is the hydroelectric power in these streams. It has been absolutely going to waste. By harnessing it we do not exhaust a natural resource, as we do by using coal and gas or oil. There is enough of it in these navigable streams to serve all of the residential consumers in America, and all of the commercial consumers and probably have enough left to serve the industrial consumers. I am not sure about that.

But where these cheap rates have gone, and these power lines have been carried into the rural sections, it has created for those farmers a new civilization, and they are manifesting an enthusiasm never known before.

Now let's see what the result has been. I know they come up here and they will bring up in my State, they can bring up a municipality that owns its own plant and charges higher rates than they do, but it is one of those municipalities where they have the complex that they must pick the pockets of private power consumers in order to raise money to pay taxes on vacant lots. The T. V. A. does not permit that. Therefore, while those so-called taxless towns amortize investments, yet they impose enormous charges in order to get money for other purposes. That is not permitted under the T. V. A. contract.

This $40,000 profit that Tupelo made last year must go back into new development or be paid on their debts or used further to reduce the power rates which have already been reduced once.

If I understand Dr. Morgan's statement in reference to the city of Tupelo—while I won't say it is ridiculous—he is tremendously mistaken because there is the statement showing the facts. I telegraphed down there and the city clerk sent that to me by air mail in order that I might have it, showing that they made a profit last year of $40,000, which must go, as I said, into a reduction of rates or the extension of their system or be used in the payment of their debts.

Now, Mr. Chairman, let's see what the effect of this is on the ultimate consumer.

Representative JENKINS. Would you let me ask a question?

Representative RANKIN. I would be glad for you to.

Representative JENKINS. On that Tupelo business right there.

Representative RANKIN. Yes.

Representative JENKINS. I am sorry that I didn't get to hear all of your statement, and I probably ought not to ask this question, since I wasn't here, but this is my chance.

Representative RANKIN. That's all right; you ask any question you want to, and I want to say to you the sky is the limit on these questions.

Representative JENKINS. In Tupelo—you are talking about Tupelo, as I gather it—the yardstick is an important factor in Tupelo, the yardstick. Of course, the T. V. A. yardstick, to be anything like an accurate yardstick, should cover the cost to T. V. A. Now, whenever you talk about a profit at Tupelo, you can't be talking about the prices laid down by the yardstick because in Tupelo you put on a charge that you call "surcharge," don't you?

Representative RANKIN. No.

Representative JENKINS. How much is the surcharge difference between the yardstick price and the price to the public?

Representative RANKIN. If the gentleman had been here, he would have understood, as I told the committee that that 10-percent surcharge had been removed because they found it unnecessary. We put it on in the beginning because we were afraid that those rates would not keep the municipal system out of the red. We found we were mistaken, and, after reducing that surcharge, we were able to make a profit last year of $40,000, and our rates were reduced again a few days ago.

Representative JENKINS. How much did you reduce the surcharge?

Representative RANKIN. Took off the 10 percent.

Representatike JENKINS. You took it all off?

Representative RANKIN. It was 10 percent. It was all taken off; yes. Now, if the gentleman had been here——

Representative JENKINS. I don't want you to go back, Mr. Rankin.

Representative RANKIN. No, no; but I want to go back. The gentleman from Ohio missed one of the most valuable contributions that I made.

Mr. Chairman, may I be permitted to insert——

Mr. BIDDLE. No; it is in the record already.

Representative RANKIN. Well, I will say to the gentleman from Ohio, Tupelo bought this power at an average of around 5½ mills per kilowatt-hour, paid all of its operating expenses, and at the same time made a profit of $40,003.19 last year, and further reduced its rates to the consumers.

Representative JENKINS. I believe you are reading from a book before you. Are you going to read extensively? If you are, I wish you would give me the citation.

Representative RANKIN. No; I am not going to read extensively.

Mr. BIDDLE. This is the exhibit that was introduced on the operation of the municipalities yesterday. It is just before the "Cooperatives" here, headed "Tupelo."

Representative JENKINS. That is right. Thank you.

Representative RANKIN. I want to say that the gentleman from Ohio [Mr. JENKINS] should have been here to hear this information.

During the year 1937 the Ohio Power Co. sold to the Ohio Edison Co. in Ohio, and I think in the gentleman's own district, I think if you will look at it you will find this power was laid down in his district, or the one east of it.

Representative JENKINS. It is not in my district. The Ohio Edison Co. doesn't operate in my district so far as I know.

Representative RANKIN. It sold 26,426,000 kilowatt-hours of firm power in the year 1937 at 5.3 mills per kilowatt-hour. That is less than this 5.5 mills paid by the city of Tupelo for T. V. A. power laid down in that area.

But when they went to distribute it to the people of Ohio they used the 95-inch yardstick you see, and charged them 46.9 mills on an average, whereas at Tupelo we sold it for 17.8 mills, paid all running and operating expenses, including money in lieu of taxes, and made a profit of $40,000 a year.

Now, Mr. Brann, the great iconoclast, once said: "You can't explain the dead cat out of the family system." There isn't a man on earth that can take those wholesale figures and take the distribution costs in these various municipalities and ever reconcile them with this 95-inch yardstick that is used by the private power companies throughout the United States, and by which I might say they overcharged the people of Ohio last year about $40,000,000 for electric lights and power. As a result of that enormously long yardstick they paid an overcharge of over $40,000,000 a year and are paying it now.

Are there any other questions?

Mr. BIDDLE. I have just one.

Do I take it that the conclusion, not in terms of figures but in terms of a general conclusion of your yardstick, which, by the way, as a matter of record, is found on page 768 of the hearings before the Committee on Rivers and Harbors of the House of Representatives, No. 2, November and December 1937—hearings on H. R. 7365 and 7863—that the ultimate conclusion is, first, that the wholesale cost of power generation is substantially the same when you compare T. V. A., Los Angeles, Conowingo, and the national average?

Representative RANKIN. Yes.

Mr. BIDDLE. That is the first thing?

Representative RANKIN. Yes.

Mr. BIDDLE. And, secondly, that, whereas the relation of the wholesale power costs in the two first charts to the ultimate retail price is between a third and a fourth——

Representative RANKIN. That is right.

Mr. BIDDLE. Of the ultimate retail price, that when we compare the relationship of the wholesale and the ultimate retail price, or try to determine to what extent the ultimate retail price reflects the wholesale price, we find that that same ratio is more like one-ninth or one-tenth of the ultimate price——

Representative RANKIN. Instead of one-third.

Mr. BIDDLE. Instead of one-third?

Representative RANKIN. Yes.

Mr. BIDDLE. That that really is the essence of this comparison.

Representative RANKIN. Yes.

Mr. BIDDLE. And from that you conclude that the essence of the yardstick is a retail profit?

Representative RANKIN. That is right. In other words, that is to say where power is laid down at the city gate by all these yardsticks at approximately the same price—approximately the same price—nevertheless the municipalities using the T. V. A. power charge about 3 times that amount for distributing it, and the private power companies charge 10 times that amount for distributing it.

That is so plain that I believe I can make Wendell Willkie understand it.

Mr. Chairman, I want to repeat my opening statement: The T. V. A. is the most profitable investment the American people have

made since the Louisiana Purchase. This T. V. A. and its yardstick has taught the American people what electricity is worth, and forced down rates in every State and in every locality in this Union. Every human being in the continental United States who turns an electric switch gets the benefit from it every month that rolls around.

It has reduced light and power rates in the United States $556,000,000 a year; it and the other power policies of this administration, which is several times the amount, more than twice the amount of the entire cost of the T. V. A. from the beginning of the Wilson Dam until its entire completion of the present program. And I say that not only they get this reduction now but they will get it throughout the generations that are to come—unless this yardstick is destroyed.

If the American Congress will see to it that this yardstick is not interfered with, we will bring these rates down to the T. V. A. levels in every community in America from Maine to California, and electrify every farm home under the American flag at those rates.

Senator FRAZIER. You have rural lines out of Tupelo, as I understand it?

Representative RANKIN. Yes, sir.

Senator FRAZIER. What is the rate the farmers pay there?

They are farm lines, are they?

Representative RANKIN. Yes.

Senator FRAZIER. What is the rate the farmers pay there?

Representative RANKIN. Let me say to you, Senator, that the rural lines have no connection with the municipality of Tupelo.

Senator FRAZIER. Oh, they are separate?

Representative RANKIN. They are operated by the Tombigbee Electric Power Association.

Senator FRAZIER. Is that private?

Representative RANKIN. The Tombigbee Electric Power Association is incorporated under the laws of the State of Mississippi, and is a nonprofit cooperative.

They sell the power at exactly the same rates as in Tupelo, except that they add 1 cent per kilowatt-hour on the first 100 kilowatt-hours a month to raise the funds to amortize the lines.

Permit me at this point to insert the schedule for the Tombigbee Electric Power Association.

Mr. BIDDLE. It is already in the record.

Representative RANKIN. I would like for it to go in here, too, so as to make my statement consecutive.

Mr. BIDDLE. Yes, sir.

Representative RANKIN. You will note that the minimum electric bill in either the municipalities or in these associations is 25 kilowatt-hours a month. In Tupelo that 25 kilowatt-hours a month costs 75 cents and on the rural lines it costs $1 a month, because Tupelo has to pay for her distribution system out of other funds. They already own the distribution system.

This extra 25 cents added to the farmer is to pay for their distribution lines. That extra 1 cent a kilowatt-hour goes up to 100 kilowatt-hours a month.

In other words, if he uses 100 kilowatt-hours 25 miles out on a rural power line, he pays $3.50. In Tupelo he would pay $2.50. That extra dollar goes to amortize his line, and then he is not taxed at all any further. The same thing applies to the commercial rates.

Senator SCHWARTZ. That extra 25 cents would come off when they have paid for their line?

Representative RANKIN. When they have paid for these lines, that is right, Senator, why, that extra 25 cents, as the Senator says, comes off.

Now, I want to show you what this means. When this T. V. A. contract was made at Tupelo—and I refer to Tupelo more often because I live there; that is my home town—the average saturation for electric refrigerators throughout the country—well, I will take first the average kilowatt-hour consumption.

In that town it was 35 kilowatt-hours a month, only 35 kilowatt-hours a month, and that has grown now; it was in September of this year 148 kilowatt-hours a month. In the wintertime it runs up around 200 kilowatts a month. While the average through the United States is only about 60 kilowatt-hours a month.

And I might say to you, on these rural lines of this very Tombigbee Electric Power Association I was speaking of a moment ago, the average consumption was 81 kilowatt-hours a month in the month of September. They are learning to use electricity. When this contract was made, the commercial consumers in Tupelo were using 183 kilowatt-hours a month, and in the month of September of this year I notice they used 524 kilowatt-hours a month—that is on the average.

And, by the way, they pay less for that 524 kilowatt-hours a month than they paid for the 183 kilowatt-hours a month 5 years ago, and what they are paying now goes to amortize their power system and further reduce rates.

The saturation for electric refrigerators throughout the United States 5 years ago was only 29 percent. Of course, the country people didn't have any electricity, and they wouldn't have got any at all if it hadn't been for this drive for public power, to give the American people the benefit of the hydroelectric power in our navigable streams.

The saturation point for electric refrigerators was 29 percent. In Tupelo, which is a small town, less than 10,000 people, the saturation point was only 19 percent. In other words, only 19 people out of 100 who had electricity in their homes had electric refrigerators 4 years ago.

In 5 years it has grown from 19 to 90 percent. Ninety percent of the people, white and black, who have electricity in their homes in Tupelo now have electric refrigerators in their homes, and on this Tombigbee Association's lines it is 55 percent.

Thousands of people who never dreamed of even seeing lights in their homes now have electric refrigerators.

In Alcorn County, which covers the city of Corinth and the rural areas of that county, it is 79 percent, and in other counties the proportion is about the same.

So, Mr. Chairman, we are bringing to the people of this country the benefit of the greatest natural resource on earth, outside of the soil, and a resource that nobody knew existed until about 50 years ago. There was no power, electricity was never used for power purposes, and could not have been used for power purposes until after the invention of the electric light by Edison about 1878 or 1879.

I notice that Dr. Morgan says that the rates have been reduced in 50 years. My God, why shouldn't they be reduced in 50 years? The first plant that they established was in New York, and nobody could use it except rich ones. The first man that ever complained of an overcharge for electric light and power, I am told, was J. P. Morgan.

Of course, they have been reduced in 50 years, and still we are behind all of the other countries in the world.

Now, let us get back——

Senator SCHWARTZ. Morgan's objection would probably be persuasive?

Representative RANKIN. Yes; with private power companies.

I take the position that the water power in these navigable streams is public property, and belongs to all of the American people, and should be used by all of them. I think power used on the Tennessee River would serve a marvelous purpose if we used it for yardstick purposes and built lines in every direction 350 miles long, and laid it down at the yardstick rates, and showed the people in those areas what electricity is worth, and inspired them to make a drive to get cheaper electricity in their own homes and their places of business.

I take the position that it is public property, and should be used for the benefit of the American people.

I am of the opinion that they can generate power by coal—and I know that they can with gas, where natural gas is available—and deliver it at the T. V. A. yardstick rates in any community in the United States and make a profit, but they can't do it until they squeeze all of this water, about $7,000,000,000 of it, out of their capital structure, and get rid of useless officials, and stop spending so much money on propaganda, indirectly buying up newspapers, and contributing to the campaign funds of every fellow they think will help to rake their chestnuts when he gets into public office, and trying to control the public affairs of America.

If they will squeeze the water out of their capital structure and get down to doing the same legitimate business that the T. V. A. is doing, they can deliver power anywhere in the United States at the T. V. A. yardstick rates.

Now, let me show you what they are doing in other countries. We are far behind. In Germany, in France, in Italy, in Norway and Sweden and Denmark, and even in Japan, 90 percent of the farm homes have electricity. In Holland and Switzerland it is 100 percent, approximately, and report shows 100 percent of electricity in their farm homes.

Holland is the best housed, and the best electrified, and the most contented country on the face of this earth today, I think, and it is because this great wealth that has been throughout the centuries running waste to the sea has been harnessed and used for the benefit of those people and not for a few stock promoters; it is not permitted to go to waste or be used by a lot of stock promoters and other manipulators in the public power game.

I made this statement on the floor of the House, and some man arose and said, "Well, those countries are thickly settled." That doesn't make any difference. In New Zealand, a new and sparsely settled country, 65 percent of its farms are electrified now, and a farm in New Zealand covers a great deal of acreage.

We are far behind. What we are driving at is not only to break these rates down to the domestic consumers, to the commercial consumers, and industrial consumers, throughout the whole United States, but to electrify every farm home in America at the T. V. A. yardstick rates and make it the most prosperous country in the world.

I am not going into the industrial or commercial rates, but I will say this to you: That this same Mississippi Power Co.—and it is a pretty good example—that buys its power at 4.22 mills per kilowatt-hour, charges in round numbers $11,000 a month for 1,000,000 kilowatt-hours, that Tupelo delivers, under the T. V. A. yardstick, for a little more than $4,000, a difference of about $7,000 a month.

Now, you can bring that on down, and, of course, it is reduced as the consumption or the amount consumed is reduced, but those enormous burdens in that proportion are imposed on the manufacturers and the merchants throughout this country, from Maine to California.

If the merchants in every town, and every city, and every community, and at every crossroad; if every person who pays commercial rates, ever finds out the truth about these overcharges, we won't have any trouble defending the T. V. A. from then on.

Senator FRAZIER. Have you got the percentage of farms in Ontario that are electrified, of farm homes?

Representative RANKIN. Senator, I am not sure that I have that; but it is pretty high. They are far ahead of us.

They have been heating their houses; those farmers have been heating their houses with electricity in Ontario for 20 years. Many farm homes built in Ontario are built without any chimneys at all.

The time will come in this country—we are just on the edge of this development—and the time will come in this country when all of the coal produced in Ohio and all the other States will be used at the mine and the power transmitted, because it is cheaper than transmitting the coal and then attempting to generate the power.

Mr. J. D. Ross, the head of the Bonneville project, says that 300 miles is a reasonable transmission distance, with alternating current; and he says that he thinks that they will soon have a program worked out whereby they can transmit it 1,000 miles with direct current.

So we are just in the beginning of the electric age, and they are asking us to fold up and march backward in the darkness.

Is there anything further?

Chairman DONAHEY. Are there any further qestions of this witness?

Mr. BIDDLE. Mr. Chairman, the figures that the witness referred to from the Army Engineers Report is from Document 328, which has often been referred to, in part 1, on page 528, which showed the average cost of hydropower at the switchboard at Wilson, and on page 530, which shows the transmission cost.

Representative RANKIN. I put the numbers of those pages in the record. I had them copied into the record.

Chairman DONAHEY. If there are no further questions, Congressman RANKIN, on behalf of the committee, I thank you.

Representative RANKIN. Thank you, Mr. Chairman, and all of the members of the committee for your kindness and your patience.

The Government and Business—Where Do We Go From Here?

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 11, 1939

Mr. LUDLOW. Mr. Speaker, I am convinced, as firmly as I ever believed anything in my life, that we will never see our way out of the depression until we witness a business recovery in this country. The one must antedate the other.

Not until business again gets on its feet, functioning normally and confident of the future, will America be lifted out of the slough of depression.

In trying to analyze what ails us as a nation and what is required to cure us, let us try to apply a little of the saving grace of common sense to the situation.

We see millions of our fellow citizens, as good people as ever lived, unemployed and struggling to get work. I believe the latest conservative estimate is 11,000,000. Every self-respecting soul among them would rather have a regular job with industry if he could get it, but the sources of regular employment have dried up, and the result is a bedlam rush to get on the Government rolls. Formerly Congressmen were implored by constituents to give them letters to key businessmen and manufacturers so they might apply for regular employment. I have not had such a request in a year. The cry now is, "Help me to get on W. P. A." I have supported large work-relief appropriations because in America people must not be allowed to starve or go naked, but I hope that soon there may be a more fundamental solution of the employment problem.

The diagnosis and the remedy of the existing situation are, to my mind, clear as a flag on a pikestaff. Business and industry are frozen with fear. They need to be thawed out by the warm rays of confidence—confidence in their Government and confidence in the future. Without any disrespect to business and industry—which I highly respect—I might draw the analogy of the fish that is frozen stiff in untold subzero temperatures and which, when placed in warm water, straightway loses its rigidity and disports itself as if nothing had happened. I saw this phenomenon on the stage the other night, and I was surprised by the naturalness and agility displayed by the fish after it had been frozen as stiff as an icicle.

It would not require a very great effort to thaw out business and to enable it to conduct itself as it always has in our periods of greatest national prosperity. I think I know how it can be done, and this is my formula:

Give business the assurance of a fair and reasonable profit, free from unnecessary governmental interference, and the depression will soon be over.

BUSINESS WILL THAW OUT

Apply this formula and business will thaw out as if under the genial rays of a warm summer sun. Atrophied industry will become quick and nimble. In other words, all in the world that is necessary to start business and industry going in a normal way is assurance of a fair and reasonable profit and a chance to operate free from undue bureaucratic domination.

This kind of assurance will immediately turn on the "Go" sign. There is nothing fundamentally wrong with the country. Banks and other large financial institutions are literally bulging with money, and with the assurance I have described once given this pent-up reservoir of vitalizing funds will be turned into the streams of credit and creative enterprise and things will begin to hum. The millions now on synthetic Government jobs will then be happily absorbed into regular employment, and the depression will become nothing more than a horrible memory.

All of this I believe with all my heart, and I advocate this philosophy because I am a friend—a sincere, earnest friend—of the millions of worthy people who deserve a better fate in life than having to fight for a Government leaf-raking job. I want every person in America on whom rests the responsibility of a breadwinner to have a steady, dependable job at a saving wage which will enable him to rear and educate his family with dignity and respect and lay by something for the inevitable rainy day. It is his right to have such a job.

CAPITAL AND LABOR ARE INTERDEPENDENT

When, I wonder, will we learn the lesson that in this country and under our form of government capital and labor are interdependent? What the workingman wants is excellent wages, reasonable hours of employment, and healthful, sanitary working conditions. On the other end of the equation there must be somebody with capital, somebody with finances and earning capacity to provide those wages and those working conditions, or the same will not be provided and the depression will go on and on, with the Government more and more edging into the field of private enterprise and more and more becoming the sole employer, which is a very gloomy and dangerous outlook.

The encouragement to business I propose, which means so much to the country in the hope it holds forth for an economic revival, can be extended without any taint of favoritism or special privilege. It can be done, and should be done, without condoning in the fraction of a degree any evil or monopolistic practices. On the contrary, it should be the aim to strengthen the arm of the Federal Trade Commission so as to keep it ever alert and active against unfair trade practices. The businessman should be held to strict moral and legal responsibility and should not be relieved of any of his obligations or responsibilities to society, but on the other hand he should have reasonable assurance of governmental encouragement and support as long as he performs his normal and useful function of fostering creative enterprise and furnishing employment. I fear that in recent years he has been "the forgotten man" in our national equation, or perhaps it would be more accurate to say that he has been too much forgotten in respect to governmental recognition of his real problems and overly remembered in respect to governmental regimentation and punitive taxation.

American business has led the world in the past because of the absence of restrictions in the way of the spirit of enterprise.

Because this freedom has been abused by some, the public called for restrictions and more restrictions. Instead of merely punishing fraud and other flagrant transgressions against business ethics, our laws provide for blanket restrictions which have suppressed hundreds of desirable enterprises for every dishonest one.

Now the tendency is to add crushing and discriminatory taxation to unreasonable restrictions. The risks of new

enterprises have remained, the profit possibilities have been severely limited.

I want to do everything I can to help businessmen to get going again. I want to encourage them, not discourage them. I do not want to see them taxed any more than is absolutely necessary to provide for the needs of the people and the Government, and above all I do not want to see them harried and worried and disheartened by punitive taxes that take all the tuck out of their hope and purpose.

BILL TO REPEAL UNDISTRIBUTED-PROFITS TAX

Because I feel that way about it, I have introduced a bill which, if it should pass, would go a long way to revive the drooping spirits of business and industry and inspire them with confidence of the future. The bill I have introduced would repeal outright the undistributed-profits tax and would not leave a vestige of that statute on the books. In the last Congress the undistributed-profits tax was modified so as to mitigate somewhat the rigors of the burden it places on business, but the principle was retained in our tax structure. The principle should be eradicated, root and branch, and I shall lend my best efforts to wipe it out entirely. As long as even a germ of it remains it will be an unjustifiable worry hanging over the heads of harassed businessmen who will never be sure that the germ may not grow by future amendments until it becomes a great evil. I voted against the undistributed-profits tax when it was first enacted, believing that it would prove a millstone around the neck of small- and middle-sized business, and that view was vindicated by the experience of the law in operation. In the last session I voted for absolute repeal of that law and I hope in this Congress to see it wiped completely off of the statute books. Likewise I voted against the proposed tax on family owned corporations, which, fortunately, died a-borning. Like the undistributed-profits tax it was conceived in the notion that it would reach a few large unworthy corporations but apparently without a thought that in so doing it would murder thousands of small worthy ones that make up the warp and woof of our industrial fiber and in our own city of Indianapolis are basically responsible for our community well-being and prosperity.

I want to do all I can to aid business, not to confer special privilege on anyone nor to give any businessman any more than his dues, but because when business is prosperous workingmen are employed with steady jobs and at high wages. The farmer, too, is better off because there is a wider demand, and consequently better prices, for farm products. In my way of thinking, therefore, the man who helps to revive and restore honest business is helping most the workingman and the farmer.

LOANS TO BUSINESS AN ALLY OF RECOVERY

I think it is perfectly proper that all of us should pause and ask ourselves the question, "Where do we go from here?" As one of the old and original proponents of Government loans to industry, who introduced in Congress the first bill on that subject, I would continue that form of governmental assistance only with a loosening up of the regulations and a less harsh application of rules which now make it almost as difficult to get a loan from the Reconstruction Finance Corporation as from a hard-boiled banking institution. In Indianapolis we are fortunate in having one of the best chambers of commerce in the United States, a chamber of commerce capable of visualizing the needs of our community and State and most responsive in rendering willing and effective assistance to all of our business interests in every worthy endeavor. As a Member of Congress, it is to me a real pleasure to work with an organization of such efficiency for the upbuilding of the civic interests of Indianapolis and a better national business outlook. Such men as President C. D. Alexander and Executive Vice President William H. Book are known throughout the country and are highly regarded as public-spirited business executives who can be depended upon to do all that is possible to help in various ways to revive business, not entirely for business' sake but to assist the workingman and the farmer. That is your problem and my problem—to get business to going again. That is the problem of our National Government. I believe it is the biggest problem before America. I repeat that I believe it can be solved by the simple formula of giving business assurance of a reasonable profit and freedom from unnecessary governmental interference. Business as a whole is not asking for any special privileges or subsidies. It is willing to take its chances with the ordinary risks and vicissitudes of life that come to every business enterprise. What it does ask is that it be relieved from punitive and discriminatory taxes and excessive regimentation and that it be given a fair show for its white alley.

As one Member of Congress, with no pretension at all to unusual wisdom, but with some conception, I hope, of the realism of our country's distressed condition, I believe the position of business is fair and reasonable and worthy of our best thought and consideration.

The Arrest by the German Police of George Roth, Naturalized American Citizen, Employed by United States Line Steamship "Washington" as a Tourist Steward

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EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 12, 1939

Mr. CELLER. Mr. Speaker, on November 30, 1938, George Roth, a naturalized American citizen of German birth, and employed as a tourist waiter on the steamship *Washington* of the United States Line, was arrested and forcibly removed from the ship by the German police as it lay in Hamburg, and has been confined in a Nazi prison pending trial. This arrest took place in the absence of the captain, and upon no more than a vague reference to "criminal charges." It is worthy of note that this arrest took place in the hours immediately preceding the sailing of the ship on its return voyage to New York after a stay in Hamburg of 5 days. Not only was Roth's arrest apparently designed to occur at such a time that his friends would be forced to abandon him, but his trial is being set for January 14, when the *Washington*—having Roth's defense witnesses on board—will be safely on the high seas, and will not be able to touch at Hamburg until long after such verdict as may be expected from a people's court in Germany has been found.

Immediately after this arrest, the ship's delegates, alarmed at this summary action on the part of the Gestapo, interviewed the ship's chief officer, who was unable to offer any explanation as to why Roth was arrested. Therefore, accompanied by two witnesses, the ship's delegates sought out our American consul, who had come aboard a few hours previously, and asked why Roth was taken. He stated that he did not know the reason for the arrest but offered every assistance to procure, if possible, Roth's release or a fair trial if an immediate release were not possible. The *Washington* therefore sailed without Roth, and the "reason" for his arrest remained unknown to crew or to officers.

On behalf of the *Washington* crew, the ship's delegates have petitioned their union to act to procure for them adequate protection against possibility of false or irresponsible arrest in the future when their work requires them to take a ship into foreign port, and for the immediate release of this man, arrested with such insulting disregard for the niceties of international usage.

The State Department has been informed by the consul general that Roth will be tried on January 14, but that now the charge has been changed to one equally vague and indeterminate, that of "distributing 'communistic' literature." It is always so easy to charge "communism." I loathe and detest communism and all that it involves, but I resent using the red flag of communism when no other reason or charge is readily available.

Endeavors to ascertain just how much protection from tyrannous acts can be expected by American seamen when in the course of their employment they are required to venture into foreign ports reveals that the United States Lines are unable to assume responsibility for the protection and safeguarding of their employees in this respect, as evidenced by the following statement issued by Mr. P. E. Warfield, personnel manager for the United States Lines, in answer to a query from the *Washington* delegates:

No police, customs officer, or other governmental authority has to give any explanation as to why they are arresting a member of the crew of a ship. It is customary for the authorities to give notice to the consul representing the country of which the arrested man is a citizen and also to the master of the ship why they are arresting a member of the crew of a ship or seizing any of his belongings. However, there is no law which states they have to give any such notice.

This case places squarely before us—and we may not sidestep it—the vexed question of how far this foreign government, not at all distinguished by friendliness to America or Americans, can be permitted to assume jurisdiction over our citizens who are temporarily in their ports without rendering adequate accounting to American authorities. Must American sailors in the prosecution of the earning of a livelihood run the hazard of loss of liberty and worse whenever the whim shall seize foreign police agents to arrest them? This high-handed arrest of Roth, made without adequate reason being given, and obviously without due and proper notice to persons qualified to supervise such a proceeding, contains a grave threat to the future safety of all American sailors entering German ports. This arrest must be protested, and this man released. We must not permit this highly dangerous precedent to be set, and action must be taken immediately before the findings of such trials as we have come to expect in Germany can be used to justify this scandalous arrest of an American citizen.

The National Maritime Union is rendering, as far as I can learn, splendid service in aiding this unfortunate seaman, Roth, and should keep up its fight.

The Government of Puerto Rico and Trade Agreements

EXTENSION OF REMARKS

OF

HON. SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 3, 1939

Mr. IGLESIAS. Mr. Speaker, Puerto Rico is an organized territory of the United States. Its people, approximately 1,800,000, are American citizens. Its total area comprises approximately only some 3,400 square miles, but it has a dense population of upward of 500 people to the square mile.

MORE TRADE THAN CUBA

For the past 6 years Puerto Rico's purchases from the United States have averaged $65,470,000 against $49,615,000 by Cuba.

For each dollar of export sales by Puerto Rico to the United States the island has purchased 83 cents' worth of American products as compared with 52 cents' worth purchased by Cuba for each dollar of Cuban exports to the United States. Thus American farmers and manufacturers sell 31 cents more per dollar of purchases to Puerto Rico than to Cuba.

Sugar production is the principal industry. If the tariff on Cuban sugar should be further reduced, the people of Puerto Rico would suffer still further from reduced revenues and the number of unemployed would be still further increased. The unemployment problem is grave.

Some 21,000 farmers in Puerto Rico are engaged in producing tobacco. A further reduction in the tariff on Cuban tobacco, one of the strongest competitors of Puerto Rican tobacco, would be highly detrimental to the interests of Puerto Rico.

Following the trade agreement of 1934, Cuba increased her plantings of pineapples abnormally, and, consequently, has unduly increased her exports of pineapples to the United States. This has resulted in lower prices and in throwing thousands of workers in the pineapple fields of Puerto Rico out of work. Production costs of pineapples in Cuba are much less than in Puerto Rico. The same effect will result through the reduction made in the tariff on coconuts of the British West Indies.

STATEMENT OF THE GOVERNOR OF PUERTO RICO

A formal statement in brief form of the views of the Government of Puerto Rico in relation to the negotiations for a proposed supplemental trade agreement with Cuba has been filed with this committee in accordance with the press release and notice of the hearing. It seems proper at this time, in amplifying the views of the Puerto Rican Government, to state more at length the economic situation of the people of Puerto Rico and the difficulties and problems with which they are confronted in connection with such proposals as those now before your committee in relation to modifying the trade agreement with Cuba. The Cuban Government is asking further reductions in the tariffs fixed by the Congress upon certain articles coming from that island to the United States, with relation to which Cuba already enjoys preferential treatment. These further reductions would be quite largely at the expense of Puerto Rico, and would further accentuate the favors already granted to Cuba largely at Puerto Rico's expense.

A brief review of the situation of Puerto Rico seems to be in order.

Puerto Rico, although a small island, only some 100 miles long by 35 miles wide, contains a population of approximately 1,800,000 people, one of the dense populations of the world. Of its total of about 2,200,000 acres, only about 1,500,000 acres are cultivable, after counting out the mountain peaks and the slopes and the forests, rivers, and marshes, and other noncultivable land. On these 1,500,000 cultivable acres, a farming population of 1,800,000 American citizens must seek their sustenance—less than an acre apiece. Their capability in utilizing their meager land resources is shown by the fact that they have made themselves into such an excellent market for the foodstuffs and manufactured products of the mainland United States.

In the calendar year 1936 Puerto Rico bought $86,350,000 of mainland products; in 1937, over $90,000,000 worth. That is at the rate of over $60 worth of mainland purchases for every one of Puerto Rico's 1,500,000 cultivable acres. It is doubted whether any other agricultural area anywhere buys so much per acre from our mainland. In 1936 Puerto Rico was the sixth greatest customer from our mainland in all the world. Its purchases were exceeded in value only by those of Canada, Great Britain, France, Germany, and Japan. Next after those great nations came the little island of Puerto Rico. It took approximately half of the entire rice shipments from the continental United States, mainly from Louisiana, Arkansas, and California. Its purchases of continental foodstuffs ran to some $28,000,000 that year; of shoes to $3,000,000; of textiles, $17,000,000; of machinery and iron and steel products, $14,000,000. Of all of its purchases from the entire world, Puerto Rico takes about 92 percent from our mainland. And it buys, of course, at full American tariff-protected prices, because it is a part of the United States within our tariff wall. It is a great and valuable American domestic market for the mainland. For that reason alone, if for none other, it should be protected and developed, rather than restricted.

When, in 1898, the United States took over the island and people of Puerto Rico, it was with the high promise that, as it was phrased by Gen. Nelson A. Miles in his proclamation to the people upon his landing at Ponce, July 28, 1898:

"We have not come to make war upon the people of a country that for centuries have been oppressed but, on the contrary, to bring you protection, not only to yourselves but to your property, to promote your prosperity, and bestow upon you the immunities and blessings of the liberal institutions of our Government."

This high promise has, upon the whole, been faithfully and willingly and generously kept by the people of the United States. The Congress has granted the island an organized territorial government upon the American model similar in all respects to the territorial governments formerly existing here in the mainland upon which States have since been erected. From the outset the customs duties collected in her ports have been given to the insular government for the benefit of her people, and, likewise, the internal revenue excises collected upon Puerto Rican products. In 1917, by the War Revenue Act, the Congress allowed the Legislature of Puerto Rico (and that of the Philippines) to repeal for the island the Federal income-tax laws and to levy their own income taxes and to retain them for the island treasury.

And in 1917, too, the Congress conferred full American citizenship upon the people of Puerto Rico, recognizing them as upon the same status with other American citizens. Whatever shortcomings there may have been, the purpose of the Congress and of the people of the United States, through all these years and through every administration, no matter which political party was in

power, and until the onset of the recent financial depression, was to be wholly fair and even generous to these newly acquired fellow citizens in the island. But the onset of the financial depression of recent years changed the situation. The people here in the mainland necessarily tightened their purse strings, and in spite of all generous intentions the tightening has been involuntarily reflected in their treatment of their fellow citizens in the island. Even among the States themselves here in the mainland a feeling of selfish localism in business has grown up in many quarters, unheard of for years before this recent depression. Thus we hear, for example, of campaigns of "buy Illinois," and even of attempts of State legislatures to impose restrictions against other States.

Puerto Rico is not a State. Its single Resident Commissioner to the Congress has no vote, has but his single voice. He is not in position by himself fully to protect Puerto Rico's interests in trying times. The Puerto Rican people must rely, as always heretofore, on the good faith and the good will and the generosity of all of the branches of the Government, and of the people of the United States at large, and on its own record as a valuable market and a business asset of the United States. The tendency is to sacrifice Puerto Rico to foreign interests, particularly Cuba, thinking that to be for the best commercial interests of the country at large; whereas, as a matter of fact, the records show that this reasoning is wholly mistaken. This mistaken tendency has been shown markedly in a number of ways: In the sugar quotas, actually cutting Puerto Rico's quota far below her normal prior production (and to only about half her present potential production with improved methods), throwing thousands of her citizens out of work, principally in favor of Cuba; in failing to give tariff protection to her native products and in admitting them free of duty or unduly lowering the tariffs on them, to the destruction or great damage to her industry; her coffee left wholly unprotected; her coconuts left largely unprotected by the recent lowering of the duties in the trade agreement just concluded with Great Britain; her pineapple industry sacrificed to Cuba by the trade agreement of 1934 with that country, cutting the tariff in two (and the sole intended benefit of which, of the right of purchasing pineapple "slips" for propagation freely from Cuba, has not been enforced); her $21,000,000 needlework industry sacrificed to China and Japan by the trade agreement with Switzerland, without even benefiting Switzerland at all, and subject to still greater sacrifice to other low-wage countries coming in under this trade agreement, by virtue of the "most-favored-nation" provision; the output of her manganese (although a vital wartime need of the United States) sacrificed; her budding canning industry and the entire output of her farms, her vegetables, and fruits generally, checked and well-nigh strangled by this lack of tariff protection emphasized further by the application of the coastwise shipping laws and the ensuing unduly high steamship freight rates protected from foreign-flag competition (although it should be said that we are even willing, in order to help American coastwise shipping, to endure our portion of the sacrifices entailed by the coastwise shipping laws, but we ought not to be asked to bear more than our fair share of the burden; and, finally, by the unduly small allotments to Puerto Rico during all the depression years from all of the Federal agencies of relief and rehabilitation.

My letter of June 26, 1938, to the President, with its enclosures, showed that, over the nearly 5-year period from March 4, 1933, to December 31, 1937, Puerto Rico received in the aggregate, out of all Federal funds expended from new and emergency appropriations, only $57.41 per capita; whereas the States on the mainland received during the same period an average of $222.99 per capita, and all the other Territories received far in excess of Puerto Rico—Hawaii, $141.50 per capita; Alaska, $211.40 per capita; and the Virgin Islands, $282.28 per capita. This is believed to have been largely due to a wholly mistaken impression that Puerto Rico had, because of the allotment of a lump sum to the Puerto Rico Reconstruction Administration, and because of the allowances given her of the customs duties collected in her ports, the internal revenue excise taxes on Puerto Rican products, and her own income taxes which she is permitted to retain, already received benefits in excess of her fair share, so as even to be said to be a "drain on the Treasury." But the foregoing figures include everything to the Puerto Rico Reconstruction Administration, which in the end proved not anything like as much as had been originally contemplated, and the statistics further show that all of the afore-mentioned taxes allowed to Puerto Rico, taken together, amounted only to around $5,000,000 per annum for that 5-year period, or to a total of only about $14 per capita in the aggregate. If you will add that $14 to Puerto Rico's total aggregate per capita receipts of $57.41, above stated, from all Federal appropriations during that 5-year period, including, as above noted, all of those actually given to the Puerto Rico Reconstruction Administration, from all Federal appropriations of every kind, you will then have a total of only something less than $72 per capita for that period for Puerto Rico, as against the average per capita for the mainland States of $222.99, as above stated. In other words, counting in everything possible, including the Puerto Rico Reconstruction Administration, Puerto Rico received less than one-third of her fair share per capita. It must further be taken into consideration that, notwithstanding this difference in the allotments, Puerto Rico will be compelled for many years to come to bear—chiefly by the increased prices of goods that it will have to pay in common with the rest of the country because of the necessary taxation until the indebtedness is repaid—its full proportionate share of the Federal indebtedness created for the purpose of furnishing the relief and rehabilitation funds during this period.

And now Puerto Rico, with her dense population and different conditions in many ways, is required by the Fair Labor Standards Act of 1938 suddenly to put her wages and her industries upon the same basis as those of the mainland. I will not say that it cannot be done; it is my desire, as it always has been, to help labor in every way possible and to increase wages as fast as practicable. During my administration as Governor of Puerto Rico during the past 5 years there have been four general increases in the rates of wages, by agreement between employers and employees. A general 8-hour day has been introduced and is effective for agricultural workers as well as others. Child labor has been prohibited; and an efficient workmen's compensation law has been effectively put into operation likewise covering agricultural workers as well as others. But this sudden Wages and Hours Act statutory fiat raise of wages in the island to levels far above those of our foreign competitors presents serious problems. Particularly, if the Wages and Hours Act is to be interpreted as extending to the hand-work industry in the home it may not improbably complete the destruction of our needlework industry, which at its peak was giving employment to some 90,000 women, very largely during the seasonal unemployment period of the men in the sugarcane fields and centrals, and thus supplying in many cases the only cash income of the family during that agricultural offseason. If this industry is to be destroyed, then, taking that together with the additional unemployment caused by the sugar-quota restriction and the other restrictions on the island industries, there may easily be as many as 100,000 additional island workers thrown out of employment, added on to our present grave unemployment situation in the island.

With this acute situation, our problems ought not now to be further accentuated by tariff reductions in favor of Cuba, further disturbing the economy of Puerto Rico.

The details of our situation with relation to the various items—sugar, tobacco, rum, needlework, pineapples, coffee, coconuts, manganese, and other matters—have heretofore been presented in separate letters, memoranda, and briefs addressed to the Secretary of State, and to the Secretary of Agriculture, and to this Committee for Reciprocity Information, as well as in my letter to the President of June 26, 1938, with its appended statistics, to which reference has already been made. They will be fully explained to you by Resident Commissioner IGLESIAS, of Puerto Rico; Mr. F. A. Lopez Dominguez, the commissioner of agriculture and commerce of the island; and other witnesses familiar with the details.

I am heartily in favor of the trade-agreement policy of the State Department; but, because of the character of Puerto Rico's products, it does appear that the island has been asked to bear an undue share of the burden of the trade agreements. This arises primarily from the fact that the range of our principal products lies within a limited field. They happen to be those that seem most available for negotiations with foreign countries, particularly with Cuba: Our sugar industry, our needlework industry, our pineapples and other fruits and vegetables, our coconuts, our manganese, and our tobacco. These are the very products on which the industries of the island and the income of the insular government depend. We have no other substantial source of income.

The above statements have been in the main factual, as gathered from all reliable sources. My observations with reference to the facts are based upon almost 5 years' service as Governor of the island.

The great outstanding question really presented here is that of our policy in dealing with the island. Every consideration of business and national interests dictates an equitable policy for the development of its commerce and industry.

Let me express the earnest hope that the interests of Puerto Rico will not, in the present instance, be further sacrificed to those of Cuba.

BLANTON WINSHIP, *Governor.*

JANUARY 3, 1939.

The Relief Problem

EXTENSION OF REMARKS

OF

HON. J. JOSEPH SMITH

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 12, 1939

Mr. SMITH of Connecticut. Mr. Speaker, the relief problem in the industrial cities of the Northeast is still acute. The most recent reports from the cities indicate that the recent cut in W. P. A. rolls has thrown onto direct relief the heads of families in a very short time in almost every case.

Our aim has been to put the employable persons on W. P. A. and let local communities, through their relief agencies, care for the unemployable. In practice we have never approached

that goal, but the direct-relief rolls of the cities and towns have been heavily burdened, not only with the destitute unemployable but with a large number who were, and are, able and willing to work. The recent reduction of the number on W. P. A. has added a corresponding number to the direct-relief rolls.

Reports from most of the cities of my district, including Ansonia, Derby, Naugatuck, Thomaston, Torrington, and Waterbury, indicate that further cuts in W. P. A. will increase the relief burden of the towns beyond the ability of the present budgets to stand it, and will increase the tax load on real estate, already overburdened.

Private industry is obviously unable to absorb those already laid off in time to lighten the burden this winter.

We are faced with a situation which requires the present maintenance of W. P. A. at the existing level. Regardless of the merit of proposals to alter the method of administration or to place the administrative force under civil service, we need now at least the sum recommended by the President if we are to prevent actual suffering at this time.

In substantiation of my position let me quote excerpts from letters received from public officials in the industrial communities of my district.

Miss Grace L. White, superintendent of welfare in the city of Waterbury, writes:

We have approximately 2,200 individuals on W. P. A. projects at the present time and a list of about 450 men and women waiting for assignments. In addition, there were 300 dropped from W. P. A. in December, many of whom have been placed on direct relief.

As the welfare budget for 1939 has already been set up with a view toward continuance of W. P. A., it would cause undue hardship to all if it became necessary to lower the standards in order to care for any number released from W. P. A. It does not seem likely that private industry in Waterbury would be in any position to absorb these individuals.

The views of the Waterbury Welfare Department are the same as those of Mr. John J. Driscoll, secretary of the Waterbury Brass Workers Union, and John J. Morrissey, president of the Waterbury Newspaper Guild. Mr. Driscoll telegraphs:

Nineteen hundred and thirty-nine Waterbury budget cannot cope with larger direct relief load than current; many local factories have cut hours and laid off since Christmas; managements offer little encouragement on rehiring those still laid off since 1937; no new hiring at all.

Mr. Morrissey telegraphs:

Observation of local factory condition tending toward further lay-offs makes larger W. P. A. appropriation imperative. Waterbury private industry unable to absorb those laid off over year ago.

Hon. John J. Sheridan, warden of the Borough of Naugatuck, writes:

I urge you to do everything in your power to the end that W. P. A. be continued at least at its present level. Naugatuck, which has an indebtedness at the present time of nearly a million dollars, will be unable to carry on the relief program properly without substantially increasing our tax rate. Of those who were recently dismissed by W. P. A., between 85 and 90 percent are now receiving either direct relief or other assistance from private relief agencies. Beyond the number dropped, which I believe totaled some 50 or 60, we have registered in our welfare department and qualified for W. P. A. employment about 55, making a total of about 115 now unemployed and in need of W. P. A. employment.

Hon. William A. Patten, mayor of Torrington, writes me:

Any drastic cut in appropriations for W. P. A. would indeed be a hardship on the city of Torrington. We have over 2,000 people receiving relief and have been under a heavy burden of expense the past year. The recent lay-off of 137 W. P. A. workers, together with over 150 more in the various factories in the city, has not helped matters.

We have only one means of securing money for relief purposes. That is taxation of small home owners, who are now taxed about as much as they can stand. Projects which are completed or are still in operation under W. P. A. have been a great help, not only in keeping relief costs down but also by providing much-needed benefits to the city of Torrington. As far as private industry is concerned I am sure that very few, if any, of those who were let go by W. P. A. in the past, or who might be let go in the future, will be absorbed. Anything you can do to prevent a cut in appropriations for W. P. A. will be greatly appreciated.

Hon. Andrew F. Nolan, mayor of Ansonia, writes:

I can truthfully state that the city of Ansonia will not be able to cope with any substantial increase in relief rolls occasioned by curtailment of W. P. A. Some few weeks ago the city of Ansonia suffered a 10-percent reduction and none of the men then laid off W. P. A. has been able to find work in private industry. All are now or will shortly be on direct relief.

The city of Ansonia at the present time has 810 cases on direct relief. There are approximately 800 obtaining partial relief—people who are partially employed but not earning sufficient to maintain themselves and their families, and the city must assist with rent, fuel, and food.

I believe the taxpayers and rent payers should not be made to sacrifice on account of economic causes beyond their control. None of the men on W. P. A. or on relief are there because they like it, and all, I am certain, would welcome return to private industry.

There is no likelihood that private industry will at the present time absorb any of the men now on W. P. A. or on direct relief. This fact can be established by a check on the pay rolls of the American Brass Co. and the Farrel-Birmingham Co.

Hon. John J. O'Connell, corporation counsel of the city of Derby, states:

Derby definitely cannot stand any decrease in Government aid or make any substantial increase in its appropriations for direct relief. We are overburdened as it is now. Hardships would result, and already the chill blast of scarcity is felt by those laid off during the last 2 weeks. I understand some more are due for the ax this week. If the city has to pay them direct relief, the city will be in a worse hole than ever. Private industry here cannot absorb even the number that already has been laid off, and definitely the manufacturers cannot take on any more.

Hon. E. R. Kaiser, first selectman of the town of Thomaston, writes:

Any drastic W. P. A. cuts at the present time would be a hardship. Every one of those recently laid off came back and applied for direct relief. * * * I doubt very much if any great number of persons laid off W. P. A. could be absorbed by private industry. * * * Any added load to the town of Thomaston would be a hardship, and I think you will find this true in any industrial community.

I have also received a telegram from the New Haven Council of Social Agencies, signed by Rev. William J. Daly, president of the council; Laura Jean Keiser, chairman of the family welfare and relief committee; and Hon. John W. Murphy, mayor of New Haven, protesting proposed reductions in W. P. A.

In addition I have had numerous messages from representatives of organized labor not only in my own congressional district but from the major industrial centers of Connecticut. There are too many of these to be reproduced here, but all are agreed that suffering would be entailed in further curtailment of W. P. A.

I hope that the Congress will appropriate at least the amount requested by the President.

Jackson Day Dinner

EXTENSION OF REMARKS

OF

HON. MATTHEW J. MERRITT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 12, 1939

ADDRESS BY HON. MATTHEW J. MERRITT, OF NEW YORK, AT A JACKSON DAY DINNER IN NEW YORK

Mr. MERRITT. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address delivered by me at a Jackson Day dinner in New York:

Mr. Chairman, Your Excellency, Governor Lehman, and Mrs. Lehman, distinguished guests, and fellow Democrats—I'll broaden that, fellow Americans, the reason I changed that salutation is that it has become time in my opinion, to make fashionable one "ism" that has almost been forgotten. An "ism" that is attractive, an "ism" that is compatible with belief in God, that is compatible with love of country, an "ism" that protects the home, an "ism" that will make us all better citizens. I refer, my friends, to the "ism" all can embrace, namely, patriotism.

Any good sound Democrat must essentially be a patriot.

The principles of Jefferson and Jackson, on which our party rests, are principles in which every patriotic American can have confidence and hope for the future.

It is essential that we adhere to these principles. It is necessary that we do not allow foreign ideas and exotic notions of

government to infiltrate our administrations, whether in city, State, or Nation.

It must be remembered that our country has been the greatest melting pot in history. On the one hand, we have benefited by the influx of ideas, ambitions, and courage contributed by our immigrants.

On the other hand, there has been a dangerous tendency on the part of these newcomers to American soil to bring with them ideas and practices that are inimical to our form of government. Perhaps that is unintentional and the natural result of generations of strife, chaos, warfare, and persecution on the other side.

While these immigrants have our deepest sympathy in their memories of other lands, they must be taught that this Government is founded on a different conception of society than the European countries. They must be encouraged to break away from the Old World inclinations and to have faith in our way of doing things. The sacred reverence which we as Americans have for our Constitution and our democratic Republic must be communicated to our newest citizens. They must all be assimilated so that the spirit of our Government may be carried out in every phase of our political, social, and economic life.

Individual freedom of action—in fact, the maximum of it—compatible with the common good of all must be the basis of our laws and our administration of them. This is the only "ism." This is Americanism. Let us all embrace it during the new year.

Some Problems Facing Us

EXTENSION OF REMARKS

OF

HON. A. LEONARD ALLEN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 12, 1939

RADIO ADDRESS BY HON. A. LEONARD ALLEN, OF LOUISIANA, ON DECEMBER 29, 1938

Mr. ALLEN of Louisiana. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address which I delivered December 29, 1938, over station KALB in Alexandria:

I appreciate very much the kind invitation of station KALB to appear here at this time and address the people of the Eighth Congressional District. I am not coming to you at this time asking for any favors, and this is in no sense a political speech, but I am simply coming to you to have a heart-to-heart talk with you about some local, national, and international questions.

Before I pass to other matters I want to take this occasion to say to you people living in Alexandria that the Christmas lighting in Alexandria was perhaps the most beautiful this Christmas that I have ever seen anywhere. In driving to and from Washington during the Christmas holidays, as I have done several times, I have passed through many towns with beautiful Christmas lights, but I do not think that I have seen any Christmas lighting that was as beautiful as the city of Alexandria was this past Christmas. I congratulate your wide-awake city officials and civic leaders who have brought about this condition.

Two years ago you elected me to represent you in Congress from the Eighth Congressional District of Louisiana. I went to Washington more than 2 weeks before Congress convened in order that I might get my bearings and get acquainted, and thereby render you the better service. When the House has 435 Members and many of them have been there 10, 20, and 30 years, I realized that a new Member of Congress would not be able to accomplish a great deal. But I also knew that any Member of Congress could render service to his people, and I made up my mind in the beginning that I would rather have my career in Congress characterized by unselfish, patriotic service to my people, and I have tried to render the highest type of service.

You have just recently returned me to Congress without opposition and I very much appreciate this signal honor. I am returning to Washington in the morning and I am determined to continue to put all my energy into this job that you have given me. I want you to feel free to write me about anything. Two years ago I made it a rule that every inquiry that came to me in Washington had to be answered the same day it was received, and we have lived up to that in every case where it was at all possible.

I now wish to discuss with you a few of the problems that will confront us in the next Congress. In my allotted time I can only discuss just a few questions. If you agree with me in what I say and in what I am doing and trying to do, I would be glad to hear from you. If you do not agree with me, I shall also be glad to have your comments and suggestions. We live in a representative democracy. The Member of Congress whom you elect to represent you in Washington is entitled to know your opinions on great national questions. I covet your advice and help. Obviously, the Member of Congress cannot always follow the advice of everybody, but as long as I stay in Congress any citizen of the Eighth Congressional District is welcome to write me about any question which confronts him.

TAXATION

The question of taxation is nearly always a big one in any session of Congress. I sincerely trust that the national administration will not seek to make the tax burden in general any heavier than it is now. The charge has been frequently made—and there is probably some foundation for it—that business is being unduly hampered by our present taxing system. We must remember that we cannot kill the goose that lays the golden egg. We must remember that jobs come from industry, and unemployment is one of our greatest problems today. And while I am at this point, let me say that it is my earnest wish that we may be able to stimulate private employment to such an extent that very soon we shall find it unnecessary to appropriate the large sums now appropriated for public relief.

We have not reached that point yet, I fear, but I fervently hope that before long our people will be restored to economic independence when public relief on the present broad scale will no longer be necessary. There is one form of taxation which is always very fair. I refer to the income tax. It falls upon the shoulders of the man who makes the money, and such a one should not mind paying it. The man who does not make the money has no kick coming because he does not have to pay it. Certainly that is one of the fairest taxes in the world. That tax is one of the best ways to redistribute the wealth and I think was a cornerstone in Senator Long's great humanitarian plan. If more revenue is needed, it would probably be better for the country as a whole to increase the income tax rather than put it on business direct. I hope in the next Congress that machinery will be set in motion to impose a tax upon the income from Government and other public bonds and salaries. Our system of taxation in this country is such that one may be very, very wealthy and have his money invested in Government bonds and pay not one cent of taxes. That is not fair. That is one great reason why such bonds are very high in price right now when so many other things that are taxable are so cheap. If the income from such bonds is taxed, more money will flow out of them and will be put into lands, houses, and other things that we own and thus the prices of lands and other things will go up. Doris Duke is perhaps the richest woman in the world. Her husband testified before a Senate committee early this year that his wife, Doris Duke, had $50,000,000 invested in Government tax-exempt bonds on which she pays not one cent of tax. There is no sound reason why the income from such sources should not be subject to taxation just as any other income is. I hope to see this condition corrected. If I get a chance, I shall vote to correct it.

FARM PROBLEM

The farm problem, likewise, has always given Congress great concern. That was especially true in the Seventy-fifth Congress just closing. The 435 Members of the House and 96 Members of the Senate labored for more than a year on a constructive farm bill and the result was the 1938 Farm Act. I do not suppose this bill was entirely satisfactory to any group in the Nation. I know it was not satisfactory to many of us, but I want to emphasize that it was the best bill that you could get Congress to agree on. Permit me to say here that it takes votes in Congress to put things over. The South is all interested in agriculture. But the original 11 Southern States have only 102 Members in the House out of its membership of 435. In considering farm legislation, I would like for you to understand that most of the Members of Congress come from the great industrial centers, and it is difficult for the Members of Congress from those sections to become very much interested in the farmers in the South or West. Since the great agricultural sections are on the short end of the voting strength in Congress, we have great difficulty in securing what we want and need along that line. A Member of Congress cannot get the legislation he wants. He simply has to work hard, do the best he can, and get the best he can. Nearly all legislation is more or less a matter of compromise among the various representatives from all interests in the Nation. Under these conditions you can see that the Southern States do not have the votes to pass legislation nor to defeat it. I have made many speeches recently in the Eight Congressional District and I have asked the people everywhere I have been what they wanted to do about the present farm bill, that is, whether or not they wished to get rid of it. In every single place where I appeared, the people overwhelmingly told me that they preferred to keep the present bill rather than to do away with it. Of course, I should like to see a bill guaranteeing to our farmers at least the cost of production. Many of us worked for such a bill last year, but we did not have enough votes in Congress to pass it. I hope, my friends, to live to see the day again that the farmer will receive parity prices for his products. If we in the South could get parity for our products, I verily believe that the Old South would blossom as a rose again.

Louisiana is the greatest sugarcane producing State in the United States. Some sections in the Eighth Congressional Dis-

trict are interested in sugarcane. The United States cannot produce as much sugar as it consumes, and despite that fact the national administration has placed sugar upon a quota basis. It is unjust to American agriculture in general and to sugar in particular that we should import sugar from outside of continental United States and not permit our own people to grow sugar, in the face of the fact that we cannot possibly grow enough to satisfy our own American needs.

FLOOD CONTROL

I am the Louisiana Member on the Flood Control Committee of the House, and in that capacity I have been very much interested in flood control. The last Congress probably accomplished more real constructive legislation for flood control than has ever been done in any preceding Congress. We were able to divorce the Morganza floodway so that work could start on it and I am assured that that will greatly assist Avoyelles Parish and the backwater area of Red River. In addition to that, we secured the authorization in the last Congress for the Denison Dam on Red River which the engineers all say will reduce flood waters on that river. We also secured either authorizations or actual construction of certain other protective works, many of them in the Eighth Congressional District. I refer to the levee west of Red River in Natchitoches Parish, the cut-off opposite Colfax to save the town from washing away, the levee from Colfax to Bayou Darrou on the east bank of the river, the levee from Moncla south on the south bank of Red River, and other works. I am now working on a plan to properly drain the territory from Alexandria south through Bayous Rapides, Boeuf, and Cocodrie. I went over this territory recently in company with Federal engineers from the office of the War Department in New Orleans, the State board of engineers, and local citizens, and the engineers all advised that all of the water from the western watershed in Rapides Parish ran over the lowlands of Rapides and on across Avoyelles and that if this water could be channeled south through these bayous it would greatly help Rapides and Avoyelles Parishes both. While there is nothing definite on this at all, I hope that we may eventually get this.

FREIGHT DISCRIMINATION

My friends, the question of freight discrimination has always been a great handicap to the South. If the South is the Nation's No. 1 economic problem, as has been said by those high in authority, which, however, we deny, it was made so because of unjust discrimination. I do not wish to put this forth as a sectional matter, but everybody knows that the North and the industrial East have had the advantage in many ways. For 50 years there has been built up a system of freight rates that has handicapped the entire South. The railroads charge, and are permitted to charge, more for some of our products than the producer gets. For instance, last year I tried to get the railroads to haul some watermelons from the northern part of the Eighth District to Chicago. The finest watermelons in the world were selling in the field at 15 cents per hundred pounds. If I recall correctly, the railroads wanted 67 cents per hundred pounds to haul the melons, all of which meant that the melons were not hauled, because the railroads were asking more to haul the melons than they would have probably sold for in Chicago. To give you an idea how the South is discriminated against in the matter of freight rates, it costs 77 cents to ship 100 pounds of freight from Shreveport, La., to Cincinnati, Ohio, and it costs only 50 cents to ship the same freight from Cincinnati, Ohio, to Holyoke, Mass., the distance being exactly 808 miles in each case. An effort will be made in the next Congress to correct this situation. A bill will be introduced and I expect to do my best to help pass it. Frankly, I am afraid that we will not be able to get enough votes to do it.

OLD-AGE PENSIONS

I wish now to discuss the question of old-age pensions. We do not have at present, strictly speaking, an old-age pension. We have an old-age assistance, which is a different matter. May I say here that whatever I shall say along this line I do not wish it taken as a criticism of the public welfare department. I am merely discussing the system. Your local welfare directors and workers work under regulations and they are doing the best that they can under the circumstances. Under the system now they have to investigate the needs of a person. I do not think, ladies and gentlemen, that one who has worked 65 years ought to be penalized because he has been frugal and has saved and has managed to have a little home. I have long favored a direct Federal old-age pension. I am not discussing the amount and I am not discussing the age at which it should be paid. I am simply discussing the principle of a direct Federal old-age pension. When the time comes, if it ever does, that each person at a given age will receive a direct check from Washington, then you will have an old-age pension and it will be fair to everybody. Under our system now, the Federal Government matches what the State government puts up. It necessarily follows that a poor State—and our Southern States are, relatively speaking, poor States—cannot put up as much as a rich State like New York or Pennsylvania or Delaware or Michigan and many others. As the result of that the Federal Government pays much more to an old person living in a wealthy State than it pays to an old person living in a poor State. I do not believe that old people ought to be discriminated against because of where they live. I want my old people in the South to receive as much from the Federal Treasury as the old people who happen to live in the North or the East.

Therefore, I am advocating and working for a direct Federal old-age pension. I am not promising you that I will get you a direct Federal old-age pension, because I am only one Member of Congress, and I have always made it a practice never to promise anything unless I can personally deliver that thing. I cannot make any promise predicated upon the actions of anybody else, and therefore in all these matters I am giving you my views, my convictions, so that you will know my position. But I have always greatly loved old people and I have always exerted myself in their behalf and I expect to keep up the fight for them. I hope that at an early date we may be able to get enough votes in Congress to bring to you a direct Federal old-age pension. I want you dear old people who are listening in to me to know where my heart is and that I am interested in you and working for you.

UN-AMERICAN "ISMS"

Now, my friends, I want to discuss briefly with you the matter of the inroads being made by certain un-American doctrines. I refer to communism, nazi-ism, and fascism. These teachings have torn up Europe and they lie at the bottom of most of the world's trouble today. Recently the Dies committee, headed by my good friend and neighbor Congressman MARTIN DIES, who joins me on the west just across the Sabine River, has been investigating the activities of un-American "ism" in our country, and some startling disclosures have been made. I sincerely hope that the investigation will go on. While we do not have much evidence of un-Americanism in the South, in the North and East there are many organizations that are teaching subversive doctrines which are intended to undermine and destroy our churches, our schools, our civic organizations, our civilization, and our Government.

Most of these organizations are openly and notoriously atheistic and agnostic. The World War was fought to save democracy, so it was said, but the fact stands out that since that time we have had dictatorships in the ascendancy, and everyone who is posted on current events today knows that there is perhaps in the world a death struggle between democracies and dictatorships. My friends, we want to preserve this country, our country, this country founded 150 years ago upon the principles of right, liberty, and justice, dedicated to the perpetuation of faith in man and God. Our forefathers believed in the fatherhood of God and the brotherhood of man, and we do not want any alien philosophies of Europe thrust upon us to destroy those concepts. I, therefore, feel that our churches, our schools, our lodges, our civic organizations, our citizens in general, ought to oppose with all their might communism, nazi-ism, and fascism. We cannot control Europe. We make no attempt to control Europe, but we do not want these European "isms" to undermine our civilization. I have faith in our country. I believe that in the grand Old South there is perhaps today the purest and the most abiding faith in man and God that can be found anywhere in the world. I want to keep it so. I want to preserve our southern civilization. We can best do it by sticking to the ideals of our forefathers.

PEACE AND WAR

I am opposed to war. I hate war. War seems so unnecessary. In this enlightened age it is strange that so-called civilized people line up and shoot each other down. But, ladies and gentlemen, we have to take life as it is, not as we would like for it to be. These same philosophies of communism, nazi-ism, and fascism which I have just discussed have made Europe a potential armed camp. We are facing ruthless dictators who will not stop at anything. They know the voice of power. They do not heed the voice of love as enunciated by the lowly Nazarene. I am very much in favor of staying out of Europe and letting them have their own quarrel. I do not want our boys to go back to Europe any more to try to settle any more European quarrels. The European situation, in the hands of ruthless dictators, remains a perpetual threat to the peace of the world. We hate to spend money in our country for armaments. We do not want any war at all. I hope that the United States will never be called upon again to fight. I sincerely hope that I shall never be faced with such a vote in Congress. But, with conditions facing the world as they are now, I do believe that the American people ought to make preparation to defend our own country if we should have it to do. Since it appears that Europe recognizes only the voice of power and force, it would appear to be pretty good insurance for peace for our people to have an adequate Army and Navy to defend this country if it had to be done.

It sounds good to preach internationalism, but it is hard to preach it and practice it when so many nations are turning distinctly nationalistic. I, therefore, believe that we should look out for America first. We should practice more the slogan of America for Americans. I like the teachings and philosophies of our fathers. I am old-fashioned enough to think that the American way of doing things is still good. I want the sacred heritage handed down to us by our great fathers and mothers preserved. I believe in America, her mission, her institutions, her people. I have faith in man and God. With that faith, with a steadfast resolution, I go forth as your servant to continue my labors for you.

Alexander Hamilton

EXTENSION OF REMARKS
OF
HON. JAMES W. WADSWORTH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, January 12, 1939

ADDRESS BY JAMES W. WADSWORTH, OF NEW YORK, AT DINNER IN HONOR OF ALEXANDER HAMILTON, IN NEW YORK CITY, JANUARY 11, 1939

Mr. WADSWORTH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me at a dinner in honor of Alexander Hamilton, in New York City, January 11, 1939:

Mr. Toastmaster, ladies, and gentlemen, the closing years of the eighteenth century produced an extraordinary group of young men, each of whom startled the world and established his fame long before reaching the middle years. While older men such as Washington and Franklin were indispensable to the causes which they represented, nevertheless divine Providence seems to have willed that the spirit of youth should, in large measure, occupy the driver's seat. For example, in Great Britain, Charles James Fox before his twenty-first birthday was acknowledged to be the ablest debater in the House of Commons. Into that same arena came the younger Pitt, who at the age of 25 was Prime Minister and in that capacity guided the British Empire in a terrific crisis. Napoleon Bonaparte was in his twenties when he amazed the world by his victories in Italy in 1796. On this side of the Atlantic a like condition prevailed. Jefferson was 33 years old when he wrote the Declaration of Independence. While Washington had reached the middle years, most of those who sustained him in his long hour of trial were young men. The delegates to the Constitutional Convention at Philadelphia in 1787 averaged less than 40 years of age. Madison was one of the youngest. But of all the men on either side of the ocean who achieved greatly in their youth none compares with Alexander Hamilton. Not only did he outshine the other youngsters with the brilliance of his intellect, but he accomplished something which none of the others accomplished. Almost singled-handed he built a government and founded a tradition which stands today substantially unimpaired. Jefferson painted a great ideal and swayed the emotions of men the world over, but he did not found a government. Fox and Pitt served their country greatly but did not alter British institutions. Napoleon Bonaparte all but conquered the world but his empire perished. Of all these youths the work of Hamilton, only, still stands—the Government of the United States, buttressed by tradition, respected and defended by 130,000,000 people.

As time is measured, Hamilton's work was done almost in the twinkling of an eye. He began it as a youngster, and he finished it still a young man. The brevity of his appearance in the firmament was meteorlike. He illuminated the heavens for but a moment of history. It may well be that this very brevity accounts for the fact that his accomplishments are not better understood.

Let us take a brief glance at Hamilton's origin and earlier years. His father was a Scotchman, his mother was French. Alexander was born in 1757 in the island of Nevis. Thus he started life as a British subject. His father was a merchant, but did not prosper. His mother died while he was still a child. Such was his poverty that he was compelled to go to work at an early age. He secured a clerical position in the office of one Nicholas Cruger, a prosperous merchant of the island of St. Croix. When he was 12 years old he wrote to a schoolmate named Stevens. I read a portion of that letter, and, please remember, as I do so, the age of the writer. He writes:

"To confess my weakness, Ned, my ambition is prevalent, so that I condemn the grovelling condition of a clerk or the like, to which my fortune, etc., condemns me, and would willingly risk my life, though not my character, to exalt my station. I am confident, Ned, that my youth excludes me from any hopes of immediate preferment; nor do I desire it; but I mean to preface the way for futurity. I'm no philosopher, you see, and may justly be said to build castles in the air; my folly makes me ashamed, and I beg you'll conceal it; yet, Neddy, we have seen such schemes successful when the projector is constant."

Was there ever such precocity? But the fact is this letter is not a freak. The boy did not stop with its writing. His strides toward intellectual maturity were constant and his progress little short of miraculous. His employer was absent from the home office for long periods, and during those absences the Hamilton boy was left in complete charge of a very considerable merchant shipping business. At the age of 16 he was writing instructions to the firm's agents in New York—instructions having to do with freight and its destination, with accounts, and with estimates. In his heart he may have been protesting against the "grovelling condition of a clerk," but he was learning to recognize facts—cold, hard facts; he came to understand a business conducted upon sound principles. It is amazing that in his early youth he should have grasped knowledge of the practical world, and planted a seed so deep in his fertile mind that it grew a few years later into a veritable tree of knowledge, hale and green, resolute against terrific tempests. His relatives scraped together a slender fund and with it young Hamilton left his island home to seek an education in the British colonies of North America. He was enrolled as a student in King's College (now Columbia) in the city of New York in the year 1773. Immediately he found himself in collision with events of enormous importance. The colonies were shaken with a spirit of protest against the tactics of King George III and his rubber-stamp Parliament. The feeling of resentment was growing ever stronger. Public meetings were held throughout the colonies up and down the Atlantic coast. The authority of the Crown was being challenged. Within a few months of Hamilton's enrollment, tea was thrown into Boston Harbor. Despite the plea of the loyalists the spirit of revolt spread. Soon Hamilton's keen mind pierced the fog of passion and hysteria and discovered the great objective—ordered liberty in a new nation.

In July 1774 a public meeting was held in New York, an open-air meeting. Delegates were being elected from New York and from the other colonies to the Continental Congress, and the issue was intense. Several men addressed that meeting with excited oratory. Their identity and their words are forgotten today. Toward the end of the meeting Hamilton mounted the platform and addressed the crowd, this boy of 17. Physically he was not what is ordinarily termed an imposing figure. He stood about 5 feet 6 inches in height. He carried himself erect, very slender, approaching frailness. His features were finely cut. There was an air of distinction about him, of gallantry. This, with the animation and good nature which sparkled in his eyes, charmed all who came in contact with him. It is related that his earnestness commanded respect at the very beginning; that he gained in confidence as he went along; that he was clear, cogent; that he depicted the issue in glowing colors; that he held the crowd; that he swayed them. It was an amazing performance. It brought him instant recognition. It set his feet upon a path which he followed without deviation for years to come. That he was ambitious, intensely so, cannot be denied, but we find in the study of his life that his ambition did not seek power and glory for himself, the pride of place, or the luxury of wealth; rather he longed to build something great and enduring, something for the lasting benefit of his adopted country. As a mere stripling, endowed with an extraordinary vision, he dedicated himself to a great task, and in every move he made dating from that speech in New York, he asked nothing for himself.

Let us follow him along the road. He had scarcely finished that speech in New York when he began writing pamphlets which were printed and circulated widely. He did not employ the language of an infant prodigy, rather he weighed in the balance the contentions of the two parties to the dispute. He denied the right of the British Parliament to legislate for the colonies, much less to tax them without their consent. He examined colonial charters, discussed the British constitution, expounded the fundamentals—thoughtfully, seriously. He urged his readers to organize and to resist; if need be, to fight. These articles first appeared at the end of 1774 and continued into 1775. They were addressed primarily to the people of the colony of New York. While he was writing them the British troops retreated from Lexington. Ticonderoga fell into the hands of the patriots. Bunker Hill was fought, and George Washington was appointed to the office of Commander in Chief. Hamilton stopped writing and stopped speech making. He turned from his discussions of political institutions, of law, and of rights, and became a soldier. He joined an artillery company, and from that moment devoted himself to learning from the ground up how to handle a battery of field artillery. He rose to the command of his battery at the age of 19. His unit was the first to come under the fire of the British guns in the New York area. The Americans were defeated at the Battle of Long Island and, later, in a series of engagements along the Hudson north of the city of New York. Suffering under heavy blows, Washington moved his army to the west bank of the great river and retreated across New Jersey, his men in utter misery. Those were dark days. Hamilton and his battery were in that retreat. It was a part of the rear guard and he handled it with consummate skill. An observer said of him: "I noticed a youth, a mere striping, small, slender, almost delicate in frame, marching beside a piece of artillery, with a cocked hat pulled down over his eyes, apparently lost in thought, with his hand resting on the cannon, and every now and then patting it as he mused, as if it were a favorite horse or a pet plaything."

A little later, at a time when victory was needed so desperately, Hamilton's battery struck a vitally important blow at the Battle of Trenton. There, as upon former occasions, he demonstrated his mastery of the artillery arm and shared with Knox the reputation of being the best artillerist in the American Army. He had attracted the favorable notice of his superiors. Washington himself was impressed by his work—on Long Island, at White Plains, at the crossing of the Raritan, at the retreat through New Jersey, at Trenton. It was not merely his ability as a soldier but the brilliance of his intellect and his unquenchable spirit which brought him into notice. Recognizing these qualities, the overburdened Commander in Chief appointed him aide-de-camp on his staff, with the rank of lieutenant colonel, and made him, in effect, his military

secretary. The appointment was made in March 1777. Hamilton was 20 years of age at the time.

Here commences another phase of his career. Washington's correspondence was enormous. It consisted of a never-ceasing exchange of messages with the Continental Congress, with the Governors of the several States, with public characters scattered over the country, with European statesmen, and, necessarily, with his subordinate military commanders. Washington knew exactly what he wanted to say, but he was not a facile writer; to him the task of writing was laborious and involved numerous corrections and alterations of the text. Given ample time, he could do it; but there are only 24 hours in a day, and Washington labored terribly. Enters Alexander Hamilton, with the exuberance of youth and its strength, with a mind that worked like chain lightning, capable of divining with absolute accuracy the wishes of his superior, a master of lucidity, wielding a facile pen. Only 20 years of age was he at the time, but he proved to be the perfect instrument which Washington needed, and as such he commenced his really great contribution to the patriot cause.

He saw at first-hand the nature of the problems that confronted his Commander in Chief. Daily evidences of the deplorable weakness of the Continental Congress were laid before him. The utter ineffectiveness of that body was tragic. It possessed power to issue commissions to general officers from time to time and to conduct haltingly the foreign relations of the so-called United States. It could authorize the organization of military units, but it could not compel recruiting. It could call upon the several States for quotas of men and supplies, but it could not compel compliance. It had no revenue for the simple reason that it did not possess the power to tax. Presumably presiding over the destinies of more than 2,000,000 people, it never put into the field more than 40,000 men at a time. The average strength of the Army through those years of struggle was far less than that. At times Washington's active and dependable force was reduced to as low as 3,000 men. Neither the Continental Congress nor Washington could do anything about it. Throughout the entire war the people of America generally were prosperous. There was plenty of food in the countryside and no lack of clothing, and yet Washington's soldiers were starving and in rags. The Congress issued paper currency and tried to finance the revolution with it. It soon became almost worthless. There was nothing behind it to make it good. During the terrible winter at Valley Forge the British Army at Philadelphia, only 15 miles away, lived on the fat of the land so far as food was concerned. They bought large quantities of it from farmers in the neighborhood, paying real money for it. Hamilton saw, as Washington did, that the trouble did not lie in any lack of patriotism on the part of the people nor any lack of justice in their cause. It lay in the fact, rather, that the United States had no real government; that the problem was essentially governmental and not military; that if the British were to win, it would be because of that very lack of government.

It is true that we staggered along until hostilities closed at Yorktown, but it is doubtful that we could have done so had it not been for the French alliance which brought loans and supplies and troops to our assistance in the closing years of the struggle. By the same token, it is evident that with a strong government from the beginning the colonists would not have needed help from France. Hamilton, coming in close contact with all this, went to work at teaching men a true concept of government and a proper management of its finances. He wrote voluminously to important men in the country arguing, explaining, demonstrating. He sketched out the structure of a federal government which should preside over a union of the States. He even went so far, in a letter to Gouverneur Morris, as to propose the establishment of a national banking system and developed it down to its last details. He was 23 years of age when he did this. Already he was looking far ahead. While he feared that America might lose in her battle for independence, he feared another thing, and that was that having won independence, the States would fall apart, each of them impotent and destined to lose that independence so dearly bought in the war. Sitting in Washington's headquarters intimately associated with his great commander, knowing his mind, sharing his vision, Hamilton built for the future. He had youth on his side, and the miracle is that despite his youth he was a stern realist, ever insisting that facts should be faced. In 1782, when actual hostilities had ceased and he had reached the age of 25, he wrote lengthily upon the prospects of building a nation. He said, "There is something noble and magnificent in the perspective of a great federal republic, closely linked in the pursuit of a common interest, tranquil and prosperous at home, respectable abroad; but there is something proportionably diminutive and contemptible in the prospect of a number of petty States, with the appearance only of union, jarring, jealous, and perverse, without any determined direction, fluctuating and uphappy at home, weak and insignificant by their dissensions in the eyes of other nations." In that passage we find Alexander Hamilton's great objective clearly defined.

Hamilton resigned his appointment as Military Secretary in 1781. His great ambition at the moment was to secure a military command, and after some delay he obtained it. In that capacity he took part in the final campaign of the war which culminated at Yorktown. Upon that field he led his command in person in a dashing assault and capture of the British redoubt which was the key of Cornwallis' defense. Its loss forced the surrender of the latter a few days later. The incident was dramatic in that it was the culminating act of the war itself. In it Hamilton displayed not only superb courage but a high talent for the leadership of men in battle. He was 24 years old at the time.

The war over, Hamilton returned to the city of New York, studied law, and embarked upon the practice of his profession. The reputation which he had made for himself as a soldier and a writer, as well as his remarkable aptitude for the law, soon made him the leader of his profession and easily the most prominent figure in the city. Successful as he was in his profession and happy in his social contacts, he was fearfully worried about his country. The war was over, independence had been won for the 13 States. A treaty of peace had been signed with Great Britian. In it the British Government acknowledged the independence of her former colonies without reserve. Moreover, London agreed to withdraw from the frontier posts in the Great Lakes region—a concession of great importance. In return, the British asked and obtained the promise that the Loyalists and their property in the several States should be respected and protected, and that private debts due to British subjects should be honored.

These last conditions, however, were totally ignored by the Americans. The loyalists were persecuted, their property seized ruthlessly, and thousands of them driven out of the country. The payment of debts due to British subjects was laughed at. We must remember, of course, that the prejudice against England was very deep and bitter, and that as a result the people in the several States paid no attention whatsoever to the promises made in their behalf in the treaty. In retaliation, as it were, the British Government refused to turn over the frontier posts. The truth of the matter was that the Congress of the United States, which was merely a continuation of the old Continental Congress, had no power to enforce the provisions of the treaty, no power to see to it that the new Republic kept its promises. Hamilton was bitterly chagrined. If there was one thing deep in his heart, it was the hope that his country would be faithful to its contracts and thus would put itself in a respectable position before all the world. Matters went from bad to worse. The Government of the Confederation had no credit standing. Its paper money was next to worthless. It had no revenue, for it could not tax. The several States began going their own ways. Each put out its own paper money, and before long they were all knee deep in inflated currency. Jealousies arose among them. Tariff barriers and various restrictions against commerce were erected between them. Neither the States nor the central Government could borrow a penny, for no one at home or abroad had the slightest confidence in their ability to pay. So great was the jealousy, the bickering, and the confusion that for a time open hostilities were threatened between certain States. Everything that Hamilton had feared was coming to pass. The new Republic was disintegrating, impotent, and despised, and destined, surely, to lose its hard-earned liberty.

You all know the story of the Constitutional Convention at Philadelphia in 1787. A few thoughtful men determined to make one last desperate effort to save the country. Hamilton, as a delegate from New York, was a member of it. In his participation in its deliberations, which was not as continuous as those of Madison and others, he never ceased urging the erection of a strong central government and the binding together of the States into an unbreakable union. True, he had little faith in pure democracy as a political institution. He plead for a government representative in character, with the process of selection conspicuous in it. He plead for a strong executive, removed as much as possible from the influence of passion and popular hysteria, but subject to check by a senate. He was suspected of harboring designs for the establishment of a hereditary monarchy. What he really wanted was continuity of authority and policy, not a monarchy in the accepted meaning of the term. The Convention finished its work, and while it did not in some respects go quite as far as Hamilton had been urging, he saw in the Constitution reported to the people of the several States a tremendous advance and a potential blessing. With all his heart and soul he threw himself into the great battle for ratification. In fact, he became its chief exponent, and more effectively than any man in America he fought for the new Constitution. The Federalist papers, of which he was the most prolific author, stand today as the ablest exposition of the principles of sound government ever written in the English language. It is difficult for us to realize the strength of the opposition to ratification. Extreme States-rights men were numerous, and, in the main, were very sincere. They fostered State pride and locality pride at the expense of national pride. They expounded the blessings of home rule. They cultivated suspicion of centralized power—an easy thing to do among a people who had fought and suffered in their battle against the great central power at London.

As the people were electing delegates to their several State conventions, which would be called upon to render judgment, the fate of the new Constitution hung in the balance. One of the States in which the bitterest opposition arose was Hamilton's home State, New York. When the State convention met at Poughkeepsie in June of 1788, it was well known and officially announced that the opponents of ratification outnumbered its supporters in the convention in the proportion of two to one. The powerful majority was under the leadership of Governor Clinton. Against him and his supporters Hamilton entered the battle of Poughkeepsie. There did not seem a chance that he should win. But he was indomitable. He expounded every provision of the Constitution, he fought every point, he answered every question. Again and again he demonstrated, with a lucidity never equaled, the vital necessity of

ratification, so that a nation might spring into existence. At first he was voted down, but he never faltered. A friend of his in New York told him that people were asking about the prospects of ratification, and Hamilton replied, "Tell them that the convention shall never rise until the Constitution is adopted." Up the steep hill he climbed, practically alone, forcing his way step by step. Logic, patience, coupled with unquenchable zeal, were his weapons. Finally he topped the summit, and on July 25, 1788, the original minority of 27 was changed into a majority of 3. New York had ratified. It was the turning point in the great battle for ratification. The States had decided to become a nation. Hamilton led all others in bringing them to that decision. He was then 31 years of age.

The new Federal Government was organized at New York in 1789 and embarked upon its career with the inauguration of George Washington. To his Cabinet he appointed Jefferson as Secretary of State, Hamilton as Secretary of the Treasury, Randolph as Attorney General, and Knox as Secretary of War. Hard tasks were assigned to these men, but by far the hardest and most important was the task assumed by Hamilton. With the greatest possible dispatch the Treasury Department must be organized, competent to administer the finances of the new Government. No corresponding department or bureau had existed in the old Federation. There was no trained and experienced personnel to form the nucleus of organization. Hamilton had to pick his men, assign them to their several tasks, and then train them for their work. He labored day and night at it. His energy was inexhaustible. He got the job done as best he could in an astonishingly short time. Then to establish the sound financial policy which in Hamilton's view was essential to the happiness and prosperity of the people at home and the credit of the young Nation abroad, he advocated boldly that the unpaid and unpayable debts of the several States incurred during the Revolution, together with the debts unpaid and unpayable of the old Continental Congress, should be brought together, merged, and funded as the debt of the United States. His proposal struck with horror many hesitant souls, who visualized a huge national debt and resultant crushing taxation, and who much preferred a policy of drift. But Hamilton had two objectives in view—first, to establish the credit of the new Government in the eyes of the world, and second, and even more important, to bind together the 13 States into an unbreakable Union in which people of all classes should have a stake, direct or indirect, in the Federal Government itself. Let it never be forgotten that the ideal of the Union was an obsession with him. And above the Union he saw the Constitution, under which great powers were carefully delegated, with checks and balances to prevent oppression, yet wide enough to shelter a nation would would eventually occupy a continent.

With the steady backing of the President, Hamilton led in the fight. Despite opposition, his measures were adopted. The debts were funded, appropriate measures inaugurated for their amortization. To accomplish this suitable duties and excises were laid, all carefully calculated to produce sufficient revenue. Shortly the national bank was established. The subscriptions to it were completed in a single day. This meant a sound currency. In the twinkling of an eye a vast change was felt in the economy of America. Despair was succeeded by confidence. Men went to work, commerce increased. Within a year the obligations of the new Government reached par and better in the markets of the world. European powers accredited diplomatic agents to the new country. Bankers abroad, as well as at home, were eager and willing to lend to the new Government and to private enterprise at rates not less favorable than those which prevailed abroad. With the completion of these financial measures the first Congress adjourned and the Members went home to find a happy people.

One other important thing Hamilton desired to accomplish, and that was to establish, if he could, a wise policy to govern the foreign relations of the infant Republic. He knew thoroughly, although he had never been there, the pitfalls of European diplomacy and politics. He anticipated that as time went on some European power would try to ingratiate itself with the people of the United States and draw them into some conflict or attitude advantageous to the tempter and dangerous to the tempted, especially when the latter was a little fellow. He knew from his reading of history that things like this had happened upon many occasions and that, generally speaking, they happened as the result of the people's being swept off their feet by hatred or sympathy approaching hysteria. The issue arose sooner than most people, including Hamilton, expected. It came and made itself felt violently with the onset of the French Revolution.

American sympathy for the French people, supposedly following the American example in a struggle for liberty, was very deep. It swept the country. People wore cockades in their hats, great processions marched through the streets singing the Marseillaise, shouting encouragement to France. Public meetings were held at which it was insisted that the United States should aline itself with France in her battle against all the powers in Europe, including Great Britain. Could a vote have been taken, intervention would have carried overwhelmingly. Washington resisted it, bravely and patiently. Hamilton struck out against it. He knew it would mean exhaustion of the new Republic and perhaps its destruction. He led in the battle, and as a result was denounced by an ever-growing group of political enemies as being a supporter of the British King and a secret enemy of liberty. For a time it seemed as if the flood would get out of control, sweep over the administration, and plunge the country into a European war. It was a time of wild hysteria and most of the public men who deprecated it did not dare speak out. A fortunate incident occurred, however, which reversed the current completely. The French minister to the United States, one Genet, made the fatal error of appealing directly to the American people for their support and at the same time attacking George Washington. This blunder gave instant pause to the agitation, and, in a moment, destroyed it. Genet's act was more than the people had calculated upon, more than they could stand. In their hearts they adored Washington. To them he was the symbol of all they had suffered, and the man or the nation that attacked him lost the sympathy and friendship of the people of the United States.

The lesson came at exactly the right moment and was supremely salutary. Hamilton instantly took advantage of it. He drafted the rules of neutrality to be proclaimed by the President of the United States. A majority of the Cabinet, Jefferson dissenting, supported Hamilton. Washington approved, and the great neutrality proclamation of 1793 was issued. The policy contained in that proclamation written by Hamilton has stood from that day to this—no entangling alliances. It was again expounded in Washington's Farewell Address, and it is generally conceded that Hamilton was the principal author of that precious document. He resigned as Secretary of the Treasury and left office at the end of January 1795. He was then 38 years old. His resignation was prompted by two considerations: First, he believed that he had accomplished everything that could be accomplished by him under the circumstances and, second, his financial condition was such that it was absolutely essential for him to return to the practice of law and recoup his fortune, sadly depleted during his term of office. He continued for several years, up to the day of his death, as a leading figure in America. Not all his undertakings were successful, for he was not a good politician in the usually accepted meaning of the term. He was not skillful in political management and not always tactful. The leadership of the Federalist Party had been thrust upon him by the logic of events. In his earlier days he had not anticipated that such things as political parties would grow up in America. His vision was above parties. Not all of the mistakes of the Federalists during the administration of John Adams were Hamilton's mistakes. As the party disintegrated, partly as the result of its own mistakes and partly of the extraordinary skill of its opponents, the purely political influence of Hamilton waned.

The Federalist Party perished. Its last administration was followed by 24 years of uninterrupted Democratic supremacy—8 years of Jefferson, 8 years of Madison, and 8 years of Monroe. Those men and their adherents numbering thousands had been Hamilton's bitter enemies when he was in the Treasury. They left no stone unturned during all that long period endeavoring to belittle his work. But they did not, they dared not, disturb his structure. Not one stone or beam in it was removed. It was so sound and so strong a building that not even his bitterest enemies could shift it an inch on its foundation. There it has stood down through the generations.

As we look back upon those days we see that Hamilton lived and worked in an era of great events, that he was the master of them, that he was wise and brave and the purest of patriots, that he more than any other man established the tradition of the Constitution, the Union, and the honor of the Government. That tradition lives to this hour. Occasionally it has been challenged, never broken. After a hundred and fifty years it is not only strong, but instinct with that spirit of youth which was unquenchable in Alexander Hamilton.

W. P. A. Appropriations

EXTENSION OF REMARKS
OF
HON. JAMES A. SHANLEY
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Thursday, January 12, 1939

TELEGRAM URGING CONTINUANCE OF W. P. A.

Mr. SHANLEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following telegram:

NEW HAVEN, CONN., *January 10, 1939.*

Hon. JAMES A. SHANLEY,
Member of Congress, Washington, D. C.:

Very much alarmed at hesitancy of Congress to approve appropriation recommended by the President for continuance of W. P. A. Recent reductions in W. P. A. rolls in New Haven area have precipitated radical increases in local public relief, for which local funds are not available. Of 349 men and families discharged from W. P. A. in New Haven proper, 328 already require local public or private relief. Of 1,554 in New Haven district, partial reports indicate almost as large a proportion now applying for public relief, and after careful

investigation being accepted. Urge that you support adequate Federal appropriation for relief needs. Community chest funds in whole area are reduced and insufficient.

Rev. WILLIAM J. DALY,
President, Council of Social Agencies.
LAURA JEAN KEISER,
Chairman, Family Welfare and Relief Committee.
JOHN W. MURPHY,
Mayor of New Haven.

American Neutrality

EXTENSION OF REMARKS
OF
HON. HAROLD KNUTSON
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Thursday, January 12, 1939

Mr. KNUTSON. Mr. Speaker, today the world is in a turmoil more violent and widespread than at any time since the World War. Racial hatreds and religious intolerance are spreading their blighting hands over other lands and in many places brother is fighting against brother. We are indeed fortunate to be so situated geographically as to be comparatively free from the destructive forces that are gripping those unfortunate peoples and it is our wish that we remain in our present happy situation, which we will be able to do only so long as we as a people remain neutral in act and thought, staying at home and attending to our own affairs.

Neutrality had been the traditional policy of the American people from the formation of the Republic up to the outbreak of the World War, when our greed for gold drove us to sell war material to the Allies, who controlled the seas, and it was our abandonment of neutrality that finally drew us into the war.

Today a very considerable number of misguided Americans, and many who are Americans neither in allegiance nor spirit, would have us again abandon that neutrality so that the embargo against the shipment of war materials may be lifted to permit their being sent to countries where there is war, civil or otherwise. In my opinion, that would be a most unwise thing to do, because it would surely lead us into another war, just as it did back in 1917, and that must be avoided at all costs.

The question of neutrality is not one that is generally understood. Certainly many of those who advocate the abandonment of our traditional policy of neutrality do not fully understand all the implications involved, and it is for the purpose of bringing about a better understanding of this most important and timely subject that I have asked to have incorporated as a part of my remarks a scholarly and thoughtful address upon the subject, delivered by Judge Martin Conboy, LL. D., of New York City, before a vast gathering of patriots assembled in Constitution Hall on Monday evening, January 9, which it was my great privilege to hear:

AMERICAN NEUTRALITY

The American reason for keeping the Spanish embargo is that it conforms to our national neutrality policy.

The neutrality policy of this country was established when the United States were formed as a separate Nation. Time has proved the wisdom of the maintenance of an attitude of impartiality and noninterference in the internal affairs of other nations. The policy was declared by the first President of the United States. It was enacted in one of the first laws adopted by the Congress of the United States.

The policy has never been narrowed. Whenever there have been any modifications of it they have all been by way of enlargement to make it more effective.

The policy has been extended to include the prohibition of the sale of arms and munitions of war. Coming to recent instances, the neutrality law, passed August 31, 1935, made the export of arms, ammunition, and implements of war from the United States to any belligerent state unlawful whenever the President found that there existed a state of war between two foreign states. Within a month after this enactment the Italian attack on Ethiopia began. On October 5, 1935, President Roosevelt issued two proclamations, one forbidding shipment of munitions to the belligerents, the other giving notice that American citizens could travel on belligerent ships only at their own risk.

When civil war broke out in Spain, July 1936, the President had no authority to lay an embargo on the exportation of munitions and implements of war to Spain for the use of either side because the then existing neutrality legislation did not apply to a condition of civil war.

Nevertheless, the established policy of the United States was opposed to such traffic and accordingly on August 7, 1936, the Assistant Secretary of State informed all American consular representatives in Spain that "in conformity with its well-established policy of noninterference with internal affairs in other countries, either in time of peace or in the event of civil strife, this Government will, of course, scrupulously refrain from any interference whatsoever in the unfortunate Spanish situation."

While the Government could not under then existing law, place an embargo on the exportation of munitions and implements of war to Spain for the use of either side, it nevertheless employed strong moral pressure to prevent American manufacturers and exporters from shipping such articles to Spain. Until the end of the year 1936 this pressure was successful. No licenses were issued by the Federal Munitions Control Board and none, in fact, was sought.

Had this situation continued it would have been unnecessary to have adopted legislation declaratory of the well-established policy of the United States.

But in December 1936 an American company applied to the Munitions Control Board for a license to export to the Loyalist Government of Spain $2,777,000 worth of airplanes and engines, and the Board, which had refused licenses for the exportation of arms and munitions to Italy and Ethiopia during the war between those countries, was without authority in law to refuse licenses to ship such articles to Spain.

The editor of The British Year Book of International Law, 1937, commenting upon this situation, says:

"With evident regret, therefore, the Board felt obliged to issue the licenses in the present case, and it did so. The President publicly expressed his disapproval of the action of the Cuse Co. in refusing to comply with the Government's nonintervention policy, although he admitted that the company was within its legal rights in shipping the airplanes and engines to the Spanish Government. At the same time he caused the various governments of Europe most directly concerned to be informed of his sincere regrets and of the intention of the Government of the United States to continue to pursue a policy of strict neutrality in the present civil war."

The President publicly characterized as "unpatriotic" such shipments as had been made and deprecated "the unfortunate noncompliance by an American citizen with this Government's strict nonintervention policy."

Thereupon, on January 8, 1937, Congress passed a joint resolution stopping exportation of arms and munitions to Spain. It was too late to prevent the shipment referred to, but it came early enough to stop a large shipment consigned to the Spanish Ambassador to Mexico, which was intended to be forwarded to Spain.

This embargo resolution adopted January 8, 1937, is a special act to stop the exportation of arms and munitions to Spain. It is still in force. It is founded on the well-established policy of the United States which had been violated by the shipments made before there was any statute prohibiting them. It reads:

"That during the existence of the state of civil strife now obtaining in Spain it shall from and after the approval of this resolution, be unlawful to export arms, ammunition, or implements of war from any place in the United States to Spain or to any other foreign country for transshipment to Spain or for use of either of the opposing forces in Spain."

The next step in the expression by Congress of our well-established principle of neutrality was the writing into our neutrality statute of a general provision relating to civil strife in any country. Such legislation was adopted May 1, 1937, in a joint resolution of Congress, and the President, acting under the authority thereof and on the same day, issued a proclamation, finding "that a state of civil strife unhappily exists in Spain," and adding to his finding "that such civil strife is of a magnitude and is being conducted under such conditions that the export of arms, ammunition, or implements of war from the United States to Spain would threaten and endanger the peace of the United States."

In that proclamation the President admonished all citizens and residents of the United States to abstain from the exportation of arms, ammunition, or implements of war from any place in the United States to Spain or to any other state for transshipment to, or for the use of Spain under the penalties provided for in this statute.

Since it would appear that pressure groups are endeavoring to induce Congress and the President to abolish the law prohibiting the export of arms and munitions to Spain and thereby to repeal the well-established policy of the United States, it is desirable to have clearly in our minds the consequences of such action.

The purpose of our neutrality policy is to keep us out of European disputes. It does not make the slightest difference whether the situation is a state of war between two nations or a state of civil war, where interference in that state of civil war will be productive of the same unfortunate results as would interference in a war between two states.

There is a condition of civil war in Spain. After 2 years of fighting the Insurgents are in control of 35 of the 50 provinces in Spain and more than half of the population of the country is within the territory they control. Congress has declared that while that condition continues no arms or munitions of war shall be exported from this country. There was implicit in that declaration that our interference in the Spanish civil war would threaten and endanger the peace of the United States just as if Spain were at war with another country, and the condition implicit in the finding by Congress is positively declared by the President in the Presidential Proclamation. Moreover, the condition is known to the world at large, and the outcome of the war, whatever it may be, and the sympathies of the pressure groups, whatever may be the interest of such groups, provide no justifiable reason for changing the well-established policy of the United States and thereby defeating the very purpose intended to be accomplished by that policy, to wit, the protection of the peace of the United States.

The argument put forward now is that by the prohibition of the export of arms and munitions from the United States, the chances of success of one of the parties to the civil strife unhappily existing in Spain are threatened and endangered.

This means, and only can mean, that the proponents of change either do not believe the peace of the United States to be in any way threatened or endangered by the export of arms and munitions to Spain, or that they believe that the risk of danger to the peace of the United States should be subordinated to their concept of the issues involved in the civil strife in Spain.

These considerations are entirely out of place when we consider the purpose of our neutrality policy. When two nations are involved in war it makes no difference so far as our policy is concerned, whether we sympathize with one or the other. Our neutrality policy is to assist neither. So, likewise, when a condition of civil strife exists, our established policy of neutrality is equally applicable.

Sympathy with one side or the other has no more to do with the invocation and applicability of our policy than would sympathy as between two warring nations.

Unquestionably there are many people in the United States who want to see the Loyalists succeed, and unquestionably there are also many people in the United States who want to see Franco succeed. This country's well-established policy of neutrality, if it is to remain what it has always been, is not affected by the desires of the one party or the other. Above the desires of both is the peace of the United States, and that peace the neutrality policy is intended to protect. The converse of neutrality is assistance to one or other of the belligerent parties, and such assistance is the direct antithesis of neutrality. In short, the change demanded under the circumstances would mean an affirmative act of aid and assistance in favor of one of the belligerent parties as against the other.

In the present instance, insistence upon maintenance of the integrity of our well-established policy of neutrality need not preclude us from inquiring whether, if the matter were one of mere temporary expediency, the President was well advised in affirming that the export of arms and munitions does tend to threaten or endanger the peace of the United States.

In respect to such an inquiry, we are not to forget that, whatever the issues in Spain may be, it cannot be said that the conflict concerning them has come about since we prohibited the exportation of arms to Spain.

Within limits, there can be no complaint against those who hold that the cause of one of the parties to the civil strife in Spain is better than the cause of the other party.

Those who are endowed with sight and hearing are aware that the minds of men and women are occupied with the relative merits of the various political cults now popular in Europe. There never has been a time when there were not differences of view between people living in this country as to what was happening in those parts of Europe with which they were most familiar. We need have no doubt, for example, that there exist here now among those who came from Hungary or Poland or Rumania or the Ukraine differences quite as accentuated as those put forward regarding Spain. We have recently witnessed a rather remarkable demonstration of interest in the current differences in England. If no well-established policy had been involved it might very well have been that the knowledge of these differences, and the prospect of war growing out of them, concentrated the attention of Congress upon the problem of how best to prevent the United States being drawn into the maelstrom of European passion and hate. Congress knew by experience how easy it is for the acts of citizens to get us into a situation in which the peace of the United States would be endangered. How to avoid being led into a situation of that kind was a more difficult problem. The way declared by our well-established policy was one that indicated how the danger of entry into war could be averted. It was a way the United States had adopted in other instances and found effective.

We abandoned the profitable business of selling arms and munitions. We abandoned the more deceptive expectation of profits from lending money on Government securities. We put behind us the indignation aroused by loss of lives that came from traveling on ships of belligerent nations. We cut clear of all the disputes that came when a neutral nation tried to maintain its place on the sea against the action of belligerents. And we decided that the favor and profit to be drawn from one set of European or other belligerents benefiting by our arms, munitions, and credits was too dearly bought at the price of the threat and danger to the peace of the United States involved in such transactions.

While no one could predict, with complete accuracy, all the conditions that might arise in the course of another world conflict, or be able to say in advance that in no circumstances would the highest interest of the United States be challenged during or after the hostilities, there was a general and entirely proper agreement that we should avoid being drawn into it through acts or omissions of our own.

There was one criterion by which we could be guided. We had been in very much the same position 20 years before, when the World War started in 1914. We knew that whoever may have been to blame for that catastrophe the United States had no share in that blame, no part in the maneuvers that precipitated the declaration of war. And we knew, also, that partly through what we did ourselves, and might have refrained from doing, we were drawn irresistibly into the war before it ended. After 20 years of reflection we had come to the conclusion that we had gone into it without having had any original intention of doing so. More than that, we were now presented with evidence that our intervention, in the terms in which we had conceived that intervention, had been fruitless. Instead of a world made safe for democracy, we saw all about us a world in which democracy was being extinguished by dictatorships. Where we had thought to establish the reign of peace we saw unprecedented preparations for war.

Therefore, we thought it well, while we could still do so without being under the influence of the passions that such a war in Europe must engender among us, even if we were not participants, to take thought about those actions of our own that could be identified as having in any considerable measure been contributory factors to our entry into that war.

The legislation that resulted in 1935, amplified in 1937, undoubtedly represented the sober judgment of the American people.

We made these enactments in development of our well-established policy, to safeguard the peace of the United States. We made them because we concluded, by costly experience, that our established policy had to be extended.

What was that experience?

Just how and why the United States did get into the Great War has been the subject of innumerable volumes. Just what was the operation of cause and effect will continue to occupy the attention of research students for many years more. But there were some facts concerning which Congress could not be in doubt.

We did take contracts for arms and munitions, and whether by our own choice or because the control of the seas left us no choice, we did supply, without limit or restraint arms, munitions, contraband of war, to one set of contestants. We did take pay for all this in securities of one set of belligerents. And we thereby exposed ourselves to the enmity of the other side. We had made ourselves in their eyes their potential enemies, and were exposed by our own acts to retaliation by them if the end of the war left them in position to retaliate.

When we had been drawn into the war by the inexorable logic of events and had come out of it as participants in victory, we found we were left with billions of debt, representing both the debts that others had contracted with us and the expenditures we incurred on our own account. We paid, or we are still paying, a large portion of the cost of the war. What we lost in lives and in the wrecked lives of our wounded, and in the care of these latter, likewise go into the account.

In the process we achieved nothing for ourselves. We might not have complained of that had we succeeded in bringing peace to Europe, but it was evident in 1935, as it is still more evident now, that we did not succeed.

If we had had no well-established policy of neutrality, Congress surely was justified in insisting that we must try to avoid letting the United States in again for a long chain of like consequences of avoidable errors.

It is true that in the neutrality legislation of 1935 and 1937 the major preoccupation of Congress was directed to the possibility of a world war. It might be fair to ask why the civil strife in Spain was made the occasion for the declarations made in the act of January 8, 1937.

When we enter upon that inquiry what we find is that this was only a development of the policy that from our very beginning had been adopted and followed by the United States.

As long ago as 1912, having in mind especially the supreme desirability of peace in this hemisphere, Congress provided for embargoes upon the exportation of arms or ammunition "whenever the President shall find that in any American country conditions of domestic violence exist which are promoted by the use of arms or munitions of war procured from the United States."

By an amendment of 1922, the resolution was extended to include, in addition, "any country in which the United States exercises extraterritorial jurisdiction," and the President's authority was broadened by authorizing him to include cases where conditions of domestic violence "are or may be" promoted by the use of munitions procured from the United States.

Under this law proclamations have been issued prohibiting shipments of arms to Mexico, to China, to Honduras, to Cuba, to Nicaragua, and to Brazil.

On May 28, 1934, the sale of arms and munitions of war to Paraguay and Bolivia, then engaged in armed conflict in the Chaco, was prohibited.

When these laws were adopted the United States was not the only possible purveyor of arms and munitions. It may have been quite

legal in some other country to sell arms and munitions for use in countries where there was domestic violence, or to one or both of the countries at war in the Chaco. The United States did not make its policy contingent upon adoption of the same policy by others.

Need we be surprised, therefore, that when the Spanish War developed Congress expressed no concern for the fact that arms and munitions could be purchased elsewhere by one or both of the parties to the civil strife. The peace of the United States was held to be of greater importance than the competition in manufacture and sale of arms, and the judgment of Congress was that keeping out of the business was the best way to maintain the traditional neutrality policy of the United States and meet any threat or danger to the peace of the United States, so far as our own action could conduce to that end.

Conditions that "would threaten and endanger the peace of the United States" are not to be lightly passed over, even if the desire of those who seek the change is to improve the chances of one of the contending elements in the Spanish strife.

We are to suppose that Congress had in mind something other than a theoretical gesture, and that the President when he said he found a condition that would threaten and endanger the peace of the United States if we sent arms to Spain meant just what he said.

There is no need for doubt on that point.

When Congress passed the present law it knew all about the conquest of Ethiopia and the futile demand for united sanctions against Italy. With that knowledge, it prohibited the export of arms to Spain. The war in Ethiopia was over, but the prospect of general war was not over.

Congress and the President, who knew what had happened to the peace of the United States because a shot was fired in Sarajevo, were not indulging in any vain imaginings when they foresaw what might come if we went carelessly along the road we had taken after 1914. There were present all the elements necessary to "threaten and endanger the peace of the United States" sooner or later, and to threaten and endanger it not in relation to Spain alone but to the much more potent forces that have transformed all Europe into armed camps.

It was utterly impossible for Congress, or for the President, not to find in the civil strife in Spain the most serious possible threat to the peace of the United States. The peace of the United States may be exposed to threats and dangers more difficult to avert than the threat and danger incidental to that civil strife itself. But so far as the United States could go in the effort to avoid being drawn into danger by acts of its own, Congress and the President were bound to go, and the people of the United States resolutely desired them to go.

It is something for us to know that what the President rightly calls the unhappy condition of things in Spain has not been further embittered, so far as we are concerned, by contributions of arms and munitions to be used by either side against the other. Neither half of Spain's twenty-eight millions will have that to hold against us.

If we were to seek evidence that the precautions then taken were well advised, we have only to recall the bare outlines of what has happened since. A Norwegian ship had been sunk in December 1936, a French ship bombed in January 1937, three British ships in February, and two French ships in March. The bombing of French and British ships in the harbors of Barcelona and Valencia has been a frequent feature of the news during the past 2 years.

We in the United States can be well content to have no immediate interest in such news. Had it not been for the action of Congress, our interest might have been intense, and the passions excited by loss of property and life might well have prepared our minds for warlike acts.

And if this was true of what might be considered phases of the civil strife itself, and of the troubles in Spain as a separate entity, what are we to say of that week in September when peace and war hung in the balance, and when the frontier between France and Spain was plainly marked as one of the battlegrounds included in the plans of the two great rival forces that from hour to hour seemed likely to be engaged in a conflict by which European civilization would have been destroyed?

The United States alone of all the great powers, was not involved in those critical hours. Thanks to our attitude, the President was able to make, without reproach from any of the interested powers, the advances he did make for the preservation of peace.

But for the prohibition of the export of arms to Spain it could very well have been said that the peace of the United States was threatened and endangered in those September days.

The threat of general war has not yet passed. Predictions are freely made that another crisis of world portent will be upon us before many months have passed. And yet, with that danger facing us, with the prospect that the utmost exertion may be required to maintain the security of the United States in the midst of a toppling civilization, there are those who seriously, and with unaccountable insistence, demand that our well-established policy shall now be reversed.

It is demanded that legislation designed to keep this Nation at peace shall be replaced by legislation that would lead to our again being trapped into war.

In my humble judgment, the people of the United States will have none of it.

Our preferences, either as to Spain or as to the world at large, may be as the poles apart, but when it comes to deliberately endangering the peace of the United States over the quarrels of other peoples, the solid good sense of the American people is certain to prevail.

The Constitution in Our Times

EXTENSION OF REMARKS

OF

HON. C. ARTHUR ANDERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 12, 1939

ADDRESS BY REV. LINUS A. LILLY, S. J., AT KIWANIS CONSTITUTION WEEK MEETING AT ST. LOUIS, MO.

Mr. ANDERSON of Missouri. Mr. Speaker, under unanimous consent to extend my remarks in the RECORD I include an address delivered by Rev. Linus A. Lilly, S. J., regent of the School of Law, St. Louis University, St. Louis, Mo., commemorating Constitution Week, as follows:

During these September days we are commemorating the first Constitution Week, when the fathers of our Republic concluded their prolonged deliberations and gave to our country and to all mankind the first draft of our Federal Constitution. Assuming your willingness that I convey to your minds the thoughts that are uppermost in my own, I shall call to your attention William Cullen Bryant's apostrophe to freedom:

"O Freedom, thou art not, as poets dream, a fair young girl, with light and delicate limbs and wavy tresses. * * * A bearded man, armed to the teeth, art thou, and thy brow, glorious in beauty though it be, is scarred with the tokens of old wars."

Of the 55 men in the Constitutional Convention, a relatively large number, more than a third, had seen actual fighting in the war with Great Britain. Their souls were tried, strengthened, and refined in the death struggles of revolution and their scarred bodies bore bleached memorials of the musket, the saber, and the bayonet. For them freedom was not to be symbolized by a frail figure, outlined in feminine delicacy, but by the bearded man armed to the teeth, "one mailed hand grasping the broad shield and one the sword." Do you think that the only tyrant before their mind's eye during those summer days of 1787 was George III? I think they saw Henry VIII, and Ivan the Terrible, and Nero, the archmonster of all ages. They knew that men like themselves, noble men, cultured and refined, had been obliged to bow down in lowly and degrading submission before monsters of iniquity, in whose base and sordid being every fiber of disordered humanity bore a several shame. Do you think their perspective of history embraced only their own colonial experiences when their "petitions were slighted, when their supplications were disregarded, when their remonstrances produced only additional violence and insult and they were spurned with contempt from the foot of the throne"? Do you think their view of the past stopped even with the convulsive struggles in the turbulent years of seventeenth-century England?

Indeed their survey of epochs agone stopped not with the century that witnessed the exile of one king and the execution of another, but included other years of lingering agony when men were too enfeebled for effective resistance and too subdued to even think in terms of positive opposition. They heard the voice of suffering humanity crying out from the lurid night of the past. They heard it in the mumbled curses of galley slaves, galled by the chains that bound them to the oars in the burning heat or whipped to their dungeon cells at the fall of evening. They heard it in the prayers of Christian martyrs when their trembling bodies twitched with the tear of grappling claws or withered under the torturing touch of the searing iron. They heard the clarion call to freedom's cause not only in the stirring eloquence of Patrick Henry in the Virginia Assembly but even in the oath of Rienzi, resounding from the walls that had echoed to the tread of either Brutus "The Eternal City shall be free." That too much power in hands too few, will lead to abuse of authority, to political degeneracy, to national decay, to unbearable oppression of the masses, is the clearest and most emphatic lesson of human history.

Confronted with the enlightening facts of world history, our fathers planned to give their country and their descendants a Constitution that would be a lasting charter of self-government for a free people. They declared as one of their chief purposes "to secure the blessings of liberty to ourselves and to our posterity." Self-government they had won in war and self-government they would adjust in Senate. They would not depend, nor have their descendants depend, upon the moods of a monster, the whims of a tyrant, or the caprice of an autocrat. With a view to preventing abuse or unreasonable extension of authority, they founded a Government of limited powers and in order that established limitations might be both clearly understood and easily remembered they reduced them to concise expression in simple, written language. To avoid controlling concentration, they distributed the legislative, executive, and judicial powers of Government, ordaining that no two should be exercised by one individual or agency and that no one should wield a dominating influence over either of the other two.

Dangers to our Constitution, in this our day, lie not so much in violations of its prescriptions as in hostility, open or covert, to its fundamental purposes. During recent times attempts to concentrate power and to subordinate departments of government have been very promptly and very successfully resisted. Yet, if we pause in our retrospects of Constitution Week to compare or contrast our attitude toward our posterity with the solicitude of the founding fathers for us, we may find lurking dangers that threaten the perpetuity of constitutional government. I fear that we have accumulated for and are leaving to our posterity a dangerous burden of national debt. Obviously we cannot everlastingly increase our indebtedness and remain forever solvent. Not many months ago very many honest and industrious citizens of this country protested vigorously against the burdens of excessive taxation. We were told that taxation had become so burdensome as to take the profits out of business, the inspiration out of initiative, the hope out of honest endeavor, and the heart out of everybody. But, nevertheless, with our shoulders bending under oppressive burdens, and the voice of complaint ringing in our ears, we increased our indebtedness by an additional $4,000,000,000. Our fathers suffered and saved and sacrificed that they might leave to use the priceless heritage of self-government in a land of opportunity. We have borrowed and spent and squandered to leave our descendants an appalling burden of debt with its distressing exactions of taxation. How does this compare with the spirit of solicitude which made the men of 1787 say, "In order to secure the blessings of liberty to ourselves and our posterity (we) do ordain and establish this Constitution for the United States of America?" Those who come after us will not be able to coin the gold of the evening sunset or the silver in the lining of the clouds.

When we make our indebtedness exceed $40,000,000,000, we must bear in mind that we have to think of interest in terms of billions. If we find it hard to pay taxes that are necessary to meet current expenses when we are using and spending billions of principal, how shall we expect our countrymen of the next generation to bear a greater burden of taxation and pay more interest on money they have neither used nor spent nor seen. Interest must be paid or allowed to accumulate. There is no third choice between these alternatives, and to allow interest to accumulate is only to put off the time of reckoning to another day, which is bound to be a worse day. The principal of a debt, however great, must be paid or repudiated. Between these alternatives there is no third choice and repudiation means dishonor. We should not make too great the temptation that may come all too soon when some pied piper paperhanger offers to lead weary multitudes out from under a burden that has become unbearable, even though the way may lead through repudiation to dishonor and to chaos. Much has been said and much has been done in our times to obtain social security, but unless we keep our constitutional government secure, the much vaunted social security which is being held before our people, and for which deductions are being made from the wages of toil, will prove to be as false as a face of painted paper. You cannot squeeze red blood from white turnips, you cannot gather grapes from thorns or figs from thistles, and you cannot obtain social security, or security of any kind, from a government that is insecure.

Beyond doubt, the social-security program has its desirable purposes and its commendable features. The fact remains that present financing plans are inadequate and that their continuation must mean added expenditure and increased taxation. To be secure against the ills that old age may bring or that unemployment may occasion, to have all our people secured against the essential ills and fortuitous calamities of life, is indeed a consummation devoutly to be wished. It cannot, however, be had by being wished for; it must be paid for. The mere fact that something is desirable does not necessarily mean that it is wise for the Government to provide it, or that the cost of obtaining and expense of maintaining it may be disregarded. A man who provides himself with everything he thinks desirable, whether he can afford it or not, is headed for bankruptcy, and a government which pursues a like policy cannot expect to avoid like consequences. All will agree that our Government should do all that can be safely done for the welfare of our people, but we should do more paying as we go and we should be less ready to pledge the credit of the future. To pass out benefits and gratuities with a liberal hand may be or seem to be the part of generosity, but there can be no charity or even justice in a spendthrift prodigality that would jeopardize our national safety. There can be no wisdom in piling up the eggs with one hand and killing the goose with the other. To live within one's means is the duty of a nation as well as of an individual, and penalty will follow dereliction, as night follows day, for the one as for the other, with unfailing fatality.

Our fathers of 1787 found self-government an ardent longing of the downtrodden and oppressed. They made it an abiding possession of the free and independent. They found freedom a frail ideal and molded it into stern reality. They found prostrate humanity trampled upon by rulers who believed that their authority came from divine right, and they established as a lasting principle that all men are entitled by the laws of nature and of nature's God to life, liberty, and the pursuit of happiness, and that to secure these rights governments are instituted among men, deriving their just powers from the consent of the governed. They not only obtained the blessings of liberty but made them secure and gave to us in the Constitution of the United States, with its distribution of powers and its limitations upon governmental authority, the means of keeping the functions of government under control of the governed. They not only gave to us an inheritance of incalculable value, but they charged us with a sacred duty—that of keeping secure the blessings of liberty for ourselves and our posterity.

The Late Representatives John J. Boylan and Robert L. Bacon

EXTENSION OF REMARKS

OF

HON. EDWARD T. TAYLOR

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 12, 1939

Mr. TAYLOR of Colorado. Mr. Speaker, at the first meeting of the Committee on Appropriations following the opening of the present Congress, I appointed a special committee to draft resolutions in tribute to our late fellow committeemen, the Honorable JOHN J. BOYLAN and the Honorable ROBERT L. BACON. The special committee was composed of the Honorable LOUIS LUDLOW, chairman, the Honorable JAMES M. FITZPATRICK, and the Honorable JOHN TABER.

The resolutions drafted by this special committee were presented at the meeting of the Committee on Appropriations held this morning, and, besides spreading them upon the records of the committee, it was the sense of the committee that they should be spread upon the records of the House of Representatives, where these two men served with such great distinction. I, therefore, present the resolutions at this time for inclusion in the proceedings of this body.

Resolution in tribute to our late fellow Member the Honorable JOHN J. BOYLAN, of New York, adopted January 12, 1939, by the Committee on Appropriations of the House of Representatives

Whereas since the last meeting of our committee our beloved colleague and friend, Representative JOHN J. BOYLAN, of New York, has answered the final summons; and

Whereas his death has deprived this committee of one of its most valuable, highly esteemed, and useful members; and

Whereas our late colleague was a man of broad humanitarian vision, whose heart beat in rhythm with the heartbeats of 130,000,000 people: Therefore

Be it resolved, That we, his colleagues on the Appropriations Committee, take this means of expressing our profound sense of grief on account of his untimely death. He brought to the service of our committee a mind trained in business affairs and a most genial and ingratiating personality that endeared him to everyone. He was a pioneer in Congress in the legislation affecting narcotics and the treatment of narcotic addicts, and many advances along this line were initiated by him. Each of us feels a very direct and personal sorrow over the loss of an associate who was so splendid, so companionable and true, a sincere patriot, and an unfailing friend. We wish those who were near and dear to him in ties of kinship to know that their grief is our grief, too, and that we of the Appropriations Committee shall always remember him with tender affection.

Be it further resolved, That these resolutions be made a part of the record of the Committee on Appropriations and that a copy thereof shall be furnished to the bereaved family.

Resolution in tribute to our late fellow Member, the Honorable ROBERT L. BACON, of New York, adopted January 12, 1939, by the Committee on Appropriations of the House of Representatives

Whereas the untimely death of Representative ROBERT L. BACON has deprived our Committee of one of its most loved and valuable members; and

Whereas his record both in peace and war was one of high renown, reflecting great credit upon his memory; therefore

Be it resolved, That we, his colleagues on the Appropriations Committee, take this formal means of making known our deep and genuine grief over his death. In Congress he represented the first district of New York for eight consecutive terms. He was a careful, painstaking, devoted legislator who served at various times as a member of 10 congressional committees, and whose crowning legislative service was as a member of the Appropriations Committee. Equally outstanding was his fine military record

which brought to him the award of the Distinguished Service Medal. His ideals of public service were high, his zeal in the public interest was unflagging, and he never compromised when principle was at stake. He was a sincere patriot and a true friend. Words do not permit us adequately to express our feeling of sorrow and loss. We miss the radiance of his presence and the wisdom of his counsel, and we shall always remember him with tender affection.

Be it further resolved, That these resolutions be made a part of the records of the Appropriations Committee, and that a copy thereof be furnished to the bereaved family.

W. P. A. Appropriation

EXTENSION OF REMARKS
OF
HON. BERNARD J. GEHRMANN
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Friday, January 13, 1939

Mr. GEHRMANN. Mr. Speaker, the time is short and many Members have not as yet had an opportunity to be heard on this bill, which provides funds to continue the W. P. A. until June 30.

I realize that what I have to say will not change a single vote, but I feel it my duty to give you some facts regarding the great army of unemployed as I know it to exist in upper Wisconsin, which embraces my congressional district.

I know that, with rare exceptions, everyone now on W. P. A. would be glad to accept private employment, if it could be found. I had several demonstrations of the truth of that statement when private employment was to be had in several instances. Wherever 25 or 30 people would be needed, several hundred would storm the offices of those needing help until they were forced to lock the doors and by sign advise those late arrivals that all places were filled and no more need apply.

Several road contractors in my district, needing from 50 to 100 men, had several thousand apply. Maybe my district is just a little worse off than many others, because we are in that transition period where lumbering is just about all finished and farming is in its infancy. Most of the sawmills and other woodworking industries have closed or dismantled their plants, and thousands were therefore not yet established when the crash came, and has continued since 1929. The former landowners stopped paying taxes, and each municipality is loaded up with tax certificates and land upon which no revenue is realized. They have had a tremendous load of social security and direct relief to carry during the last few years, and most counties and cities and other governmental units are bonded to the limit. The tax rate anywhere in my district is, at least, 4 percent, and most of them much more, and levied on full valuation.

The chairman of the subcommittee, Mr. WOODRUM, who made a very fine explanation of the bill in opening the discussion, and told why he thought it could be reduced by $150,000,000 below the Budget recommendation, said that the P. W. A. from now on would more than make up for the reduction in W. P. A. employment. No doubt, when we figure it strictly on a dollars and cents basis, that is correct. But I believe that all will agree that the amount of money allocated for P. W. A. projects is used to a much larger proportion for materials than for labor. I realize that these materials must be produced and thereby we create jobs somewhere, but nevertheless the immediate results are not noticeable in local communities. And still worse than that, the poorest communities, like most of those in my district that are now bonded to the very limit, cannot avail themselves of P. W. A. projects simply because they are unable to finance the 55 percent of their share of the cost. In spite of the fact that the last Congress wrote a provision into the P. W. A. appropriation which would permit the Government to construct needy buildings where the municipality was unable to finance its share, those in charge absolutely refused to do so. That is why I feel it is absolutely necessary that we appropriate sufficient money for the balance of the fiscal year so that at least the same number can be employed on W. P. A. that were on the rolls before December 1.

I know that even that small reduction of less than 10 percent ordered early in December is causing untold hardship in my district, because there just is not any additional private employment to be found, especially now in the middle of winter. I honestly believe that we need more than the President recommended, at least, by the figures that were furnished me by the League of Wisconsin Municipalities, as well as many counties, cities, and other governmental units, it is plain that never during the past year was it possible to employ anywhere near all those that were certified as in need of work.

Let us not be short-sighted again, as we were in 1937, when some believed that prosperity was here again, and we reduced the Government spending program, thinking private industry would take those laid off. We all know what happened; we went back more than we had gained the 2 years before. Let us keep the quota of last year, at least for now, and, if conditions warrant, a gradual reduction can be started, especially in localities where industry opens up or where large-scale P. W. A. projects replaces W. P. A. employment. But do not make those sections of the country that are bankrupt suffer, because others can finance local relief or have the ability to pay for their share of P. W. A. projects. We cannot do either, and those in charge of W. P. A. must have the necessary money and the right to assist those sections of the country that cannot help themselves more than other sections that still have the ability to borrow money.

We will have time between now and the end of this fiscal year to attempt to work out a better solution for our economic ills than we have thus far found to be practical.

I have, of course, advocated the cost of production to agriculture as the only permanent solution for years, and I am certain that some such bill will receive serious consideration this session. But in order to remove forever all the unemployed in this country I have given very careful consideration to the Townsend national recovery plan. The more I study this problem the more I am convinced that a transaction tax to finance the General Welfare Act—H. R. 2—now pending before this House, must be enacted this session. If we do that we need not ever appropriate another dollar for W. P. A. or any other Government relief agency. There will be money enough in the hands of the consumer down at the bottom that will cause industry as well as agriculture to do its utmost to produce what will be needed for home consumption. But for the next 5 months let us not cause suffering at this season of the year simply by trying to save a couple hundred million dollars.

LEAGUE OF WISCONSIN MUNICIPALITIES,
Madison, Wis., December 30, 1938.

Congressman BERNARD J. GEHRMANN,
House Office Building, Washington, D. C.

DEAR MR. GEHRMANN: In a recent press statement the senior Senator from Virginia is quoted as favoring the return of the relief burden to the local units of government on the basis that they took care of it before and can therefore take care of it now. We do not know how familiar Senator GLASS is with the relief situation in Virginia, but we do know that his recommendation can certainly not apply to Wisconsin.

The expenditures of local units of government in Wisconsin for relief during 1938 were the heaviest in history. I think you will be interested in securing some idea of the tremendous burden now borne by these local units.

With the W. P. A. program employing over 85,000 persons in November 1938, there were still on the local relief rolls over 46,000 cases, with approximately 53,000 cases expected in December. Of those on relief rolls on December 21, over 14,000 had been certified for W. P. A. jobs but were awaiting assignment because the W. P. A. quota for Wisconsin was not large enough.

Then there were about 8,200 additional cases of employables on relief rolls in October who for various reasons are not eligible for certification for W. P. A.

It should also be remembered that of the 85,000 employed by the Federal Government on W. P. A. some 11,000 persons have been receiving supplementary financial aid from local relief authorities because of the fact that their W. P. A. earnings were not large enough to support their families.

You undoubtedly realize that in addition to direct relief costs Wisconsin local units contributed over $7,000,000 during the first 9 months of 1938 as their share of the cost of the W. P. A. projects they sponsored. The following table gives a composite picture of the burden of relief and sponsors' contributions during the past year. The figures for general relief are estimated on the basis of actual figures for 10 months:

	Total	Federal	State	Local
General relief	$13,731,893.03	$875.98	$1,920,135.38	$11,810,881.67
Works Progress Administration (9 months only)	45,297,365.04	38,161,875.04		7,135,490.00
	59,029,258.07	38,162,751.02	1,920,135.38	18,946,371.67

It will be recalled that several years ago the Federal Government divested itself of the responsibility for financing direct relief. At that time it was stated that the Federal Government would be responsible for providing work for all employables in need of relief. This has never been done, and it has been pointed out that the W. P. A. quotas have not been large enough to provide work for all those eligible, and that in addition local supplementary relief must be provided for a large percentage of W. P. A. workers.

The increase in local relief costs since this unloading of direct relief responsibility by the Federal Government is shown by the following table:

Local share of cost of relief and W. P. A. program in Wisconsin

1935	$6,706,582.79
1936	16,776,908.53
1937	18,515,544.05
1938	[1] 21,000,000.00

[1] Includes conservative estimate of local share of W. P. A. program for last 3 months.

In listing those on local relief rolls there have not been included any persons receiving aid under the social-security program. This also has added heavy burdens on local governments, because Federal and State appropriations pay only part of the cost. In the fiscal year 1938-39 it is estimated that these aids will cost the local units as follows:

Old-age pensions	$2,320,000
Blind pensions	110,000
Aid to dependent children	2,100,000
County administration	614,780
Total	5,244,780

In addition, Wisconsin local governments have been required to raise many millions of dollars in the past few months as their share of the P. W. A. projects approved for this State. The retirement of bonds issued for this purpose will constitute a heavy burden for many years to come.

No attempt has been made to include figures for other local public-welfare costs not included under the heading of relief, W. P. A., or social security. In presenting these figures no effort has been made to distinguish between the amounts paid by cities, villages, and towns, and the amounts paid by counties. There has been a shifting back and forth under Wisconsin statutes, and in the long run there is little difference, since the cost must be met by general property taxpayers.

Ten years ago the total annual expenditures by Wisconsin local governments for relief, pensions, and other public-welfare activities aggregated less than $4,000,000 per year. Now this has jumped to approximately $30,000,000 annually, an increase of 650 percent.

The result has been a staggering load on the general property taxpayers of Wisconsin. It is generally recognized that the general property tax is not as fair a tax as some of the more modern forms of taxation, and yet Federal and State legislative bodies continue to act in such a way as to shift financial burdens to local government, which has no alternative source of revenue other than the property tax.

The Congress which soon convenes is faced with the immediate necessity of providing funds for a continuation of the W. P. A. program. The W. P. A. quota for Wisconsin has never, as is pointed out above, provided work for all employables on relief rolls. To further reduce the quota at this time will mean the exhaustion of local financial sources for paying the cost of relief very shortly.

Unless some plan can be worked out which will enable private business to pick up more than now seems probable there is no reason to believe that Wisconsin's direct relief load will decline during 1939. If those cut off W. P. A. by the recent or any future curtailment fail to secure private employment, then the local relief load will be increased accordingly.

Very truly yours,

JAMES R. LAW, *President.*

Peace Our Biggest Political Issue

EXTENSION OF REMARKS

OF

HON. CLARENCE CANNON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, January 13, 1939

ADDRESS BY HON. JOSEPH B. SHANNON, OF MISSOURI, AT KANSAS CITY, MO., NOVEMBER 13, 1938

Mr. CANNON of Missouri. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address delivered by the gentlemen from Missouri [Mr. SHANNON] before Dr. Marvin Sanbury's class, the Community Church (Linwood Boulevard Christian Church), Kansas City, Mo., on November 13, 1938:

When I was requested to address you today on the subject of war, my thoughts went back to the founder of your church, Alexander Campbell.

Several years ago my close friend Frank M. Lowe, who during his lifetime was a devoted member of the Independence Avenue Christian Church, gave me a book of the Addresses by Alexander Campbell. At the time he gave it to me he remarked that he felt sure some day I would find it useful and helpful.

About a year ago, and after Mr. Lowe's death, I picked up the book and read therein an Address on War, delivered by Alexander Campbell at Wheeling, Va., in 1848. To my mind then, and to my mind today, that address was one of the most convincing and comprehensive treatises on the evils of war ever written. I caused it to be printed in the CONGRESSIONAL RECORD of November 22, 1937, and I had reprints made of it which I mailed to every minister of your faith in the United States, as well as to thousands of other citizens of Missouri.

The thought occurred to me that it would not be necessary for anyone to speak to you about war if you were familiar with Alexander Campbell's eloquent utterance on the subject of four score and ten years ago. Hence, I brought with me here copies of Mr. Campbell's address for distribution among you.

I earnestly urge you to read it, to study it carefully, and to preserve it. The statements made therein will be as true and as forceful in the next generations as they were in 1848 and as they are today.

WAR NEVER A PROCESS OF JUSTICE

I stand on the question of war where Alexander Campbell stood when he said:

"War is not now, nor was it ever, a process of justice. It never was a test of truth—a criterion of right. It is either a mere game of chance or a violent outrage of the strong upon the weak."

I stand, also, where Thomas Jefferson stood when he said:

"I abhor war and view it as the greatest scourge of mankind."

And I stand where George Washington stood when he admonished us, in his Farewell Address, not to "entangle our peace and prosperty in the toils of European ambition, rivalship, interest, humor, or caprice."

It is important that we distinguish between those who talk peace while covertly working for war, and those who are sincere in their efforts to promote in America the continuance of peace and the conservation of happy homes and a contented citizenship.

Mme. Roland is said to have exclaimed, shortly before she was guillotined during the French Revolution:

"O Liberty, what crimes are committed in thy name!"

If she lived today she could well say:

"O Peace, what crimes are committed in thy name!"

WAR IN THE NAME OF PEACE

It is in the name of peace that Japan has been for many months invading China, mercilessly killing her people and destroying her property. Japanese spokesmen refer to this wholesale slaughter and destruction as the "Chinese incident," and maintain that they are merely attempting to enforce peace in China.

Every militarist, every jingoist, every munition manufacturer, every war profiteer, and every aggressor in warfare invariably prefaces his arguments as to the necessity for war with the statement: "Of course I am against war—but—."

I am against war without any buts. The history of nations has proved that war up to the present day never settled anything. And I was never more firmly convinced than I am today that the United States has no business in the quarrels of foreign nations.

Europe and Asia reek with war lords, with marching armies, with military madmen, and the time was never riper for the United States to guard to the limit her own shores and to refuse to finality ever to be drawn into another foreign war, no matter what the pretext.

The conditions in Europe today are not dissimilar to those described by Thomas Jefferson when he wrote:

"The cannibals of Europe are going to eating one another again." The war of that time was between Russia and Turkey.

"War against Bedlam," he said, "would be just as rational as against Europe, in its present condition of total demoralization. For us to attempt by war to reform all Europe, and bring them back to principles of morality and a respect for the equal rights of nations, would show us to be only maniacs of another character. We should, indeed, have the merit of the good intentions as well as of the folly of the hero of La Mancha" (Don Quixote).

THE MEN WHO MAKE WAR

Wars are never made by the people. They are made by very small groups in the cabinets of statesmen. In support of that statement, let me again quote Jefferson. In 1797, referring to a report that the French Directory had proposed a declaration of war against the United States to the Council of Ancients, who, however, rejected it, Jefferson said:

"Thus we see two nations, who love one another affectionately, brought by the ill temper of their executive administrations, to the very brink of a necessity to imbue their hands in the blood of each other."

An English commentator, Mr. White, commenting on Mr. Chamberlain's address to the House of Parliament after his second visit to Hitler, said:

"We don't want war. All of England is praying that we may be spared a war. However, we do feel that in the shaping of the universe our country was so placed geographically that we cannot keep out of this terrible thing—war."

You, Mr. and Mrs. American, have what that Englishman wished for his country. Fortunately, as so aptly expressed by Jefferson, "The insulated state in which nature has placed the American Continent should so avail it that no spark of war kindled in the other quarters of the globe should be wafted across the wide oceans which separate us from them."

LIBERTY THROUGH PEACE

Mr. Boake Carter, the well-known columnist, while testifying before the House Naval Affairs Committee last February, said:

"I have lived in 13 different countries. I was born in Baku, southern Russia. My father was Irish, my mother half Irish, half English. * * * My father was in the British diplomatic service. I served for a little more than a year as a pilot in the Royal Air Force in 1917 and 1918. Since those years I have been a newspaperman.

"Four years ago I received my final papers as an American citizen. My citizenship, to me, is the greatest gift and honor ever given me. With me, gentlemen, citizenship is not an accident of birth. It is one of choice and earnest desire, after mature thought and consideration. I sought and became a citizen of the United States because I felt that this country was the last and only real haven in the world where a man might pursue life, liberty, and happiness—in other words, a sanctuary from the disillusionment, the bitterness, and the oppression of the Old World; a country where one can relax, relax from the terrible thoughts of war. * * *

"For, gentlemen, I come from an Old World. I know what happens after war is over. I have seen peoples living close to each other, suspicious, afraid, with disillusionment in their eyes, with a fatalistic attitude and acceptance of life that makes one shudder when one has known the clean breath of democratic fresh air that is the gift that America still gives to her people."

This great gift that Mr. Carter speaks of can only be saved through eternal vigilance in the preservation of peace. Let me say that the American people have become awakened on the subject of war. They love their country and would gladly pour out their blood to defend it from invasion by foreign foes, but they resent and denounce the system whereunder their sons can be conscripted and sent to foreign slaughter pens in the settlement of the disputes of other nations.

NO WAR WITHOUT A REFERENDUM

The American watchword should be, "The American boy first, always." And at no time should he be sent to wars on foreign soil until the question has been submitted to the people in a national referendum. This involves no impairment of national defense but merely changes the mechanism by which war shall be declared, so that in the future those who have to suffer and, if need be, to die, and to bear the awful burdens and griefs of war, shall have something to say as to whether we shall go to war in foreign countries.

In the event of attack or invasion no enactment of law would be necessary to induce the American boy to rise to the defense of his country. There would be no need to conscript him, because he would gladly fight for our defense. He would not fail us. And American representative government must not fail him. We must protect him against unnecessary and useless wars in foreign lands.

Also testifying before the House Naval Affairs Committee last spring, Dr. Charles A. Beard, the noted historian, said:

"I am not and never have been a pacifist. * * * I believe in fighting for the defense of the United States and in supporting a program of defense adequate to the requirements of the American sphere of interest.

"The nature of this defense—the appropriate distribution of funds among the various branches of the defensive forces—cannot be determined by naval officers alone. The task of determination is difficult at best * * * and should be studied in connection with the whole foreign policy of the Government. * * *"

Continuing, Dr. Beard added:

"I am for keeping out and doing all we can to defend our spheres of interest in the hope that we can save some part of civilization by not joining a world afire."

THE OLD WORLD ASSAULT ON CHRISTIANITY

Let us examine briefly some of the conditions now existing in that European "world afire."

First, we find military tyrants bent upon stamping out every vestige of religion.

We learn of the execution in Russia of men whose sole offense was the teaching of the Christian religion. The trial accorded these "offenders"—if we may call it a trial—consisted of the following question by Public Prosecutor Krylenko:

"Will you stop teaching the Christian religion?"

The answer given was:

"We cannot. It is the law of God."

Whereupon the public prosecutor closed the hearing by announcing:

"That law does not exist here. You must choose."

In Germany Pastor Niemoller was arrested and placed in prison because, the reports state, he said he placed the law of God above the law of man. Upon being temporarily released from prison, he was again questioned, and when he reaffirmed that with him the law of God came first, he was sent to a concentration camp, where he remains to this day.

In Vienna another prominent churchman was recently mobbed for making the statement that there still are young people who "are not so easily tempted to listen to deceitful catchwords and hypocritical rhetoric."

The trends of the militaristic countries today in Europe are definitely away from the laws of God and from the humanitarian laws of man as well. Power is everywhere being substituted for religion; force for the doctrines of peace.

In their mad lust for power and economic advantages the war lords are even organizing the children of their countries to kill and be killed. They are reaching down into the cradles for recruits, and as the cradles become empty, they demand with importunity that they be quickly refilled, as the need for soldiers is great. Even the sacred rights of childhood are being violated to build up military machines to kill and destroy.

MILITARISM AND ITS IMPLICATIONS

"Militarism" is a term much used in the discussion of world affairs of today. I feel that it would not be amiss to say a few words concerning the meaning of the term and its historical development.

The Encyclopedia Americana defines militarism as follows:

"The term is used chiefly in connection with the vast armaments maintained by European countries and has come in particular to mean the preparation, as in the case of Germany prior to the launching of the European War, of a vast force maintained not for the purposes of national defense but for those of imposing at pleasure the will of the powerful nation upon those weaker and less well armed * * *."

The first record of a system of conscription was in the fourth century, when landed property of a certain size was called upon to furnish a man to the colors. Under this conscription system landed properties not large enough to be compelled to furnish a recruit would be grouped together until the required acreage was made up, and the different owners were compelled to furnish recruits in rotation.

This service was, of course, most unpopular. In fact, its unpopularity grew to such an extent that self-mutilation and fraud were often used to avoid it. Desertions became so numerous that the soldiers were branded like criminals to prevent their deserting.

The total number of men in the fourth century service has been estimated at three-quarters of a million, which was the largest disciplined force to exist down to the wars of the French Revolution.

For some 500 years prior to the outbreak of the French Revolution European armies were maintained on a professional basis, and the military organizations of most nations included large numbers of mercenaries hired to kill wherever they were sent or sold.

THE FRENCH REPUBLIC'S CONSCRIPTION PLAN

The French Constitution of September 3, 1791, provided that the "public force" of the Republic was "composed of the army and the navy, of the troops especially intended for internal service, and subsidiary of the active citizens and their children, in condition to bear arms, registered upon the roll of the national guard."

These national guards were described as "the citizens themselves summoned to service in the public force." Hence, under that constitution, every citizen, including "children in condition to bear arms," was a soldier.

In 1789 began the first attempt to establish in France a national conscription. For a time the regular army was supplied by voluntary enlistment, but this method proving unsuccessful, recourse was had to compulsion. Between 1798 and 1870 the basis of the French military organization was a law fixing the liability to compulsory service between 20 and 25 years.

Historians assert that it was this conscription law which rendered the Napoleonic policy of conquest possible. It will be remembered that Napoleon boasted: "I can afford to expend 30,000 men a month."

Other nations soon recognized the fact that Napoleon held an advantage over them in the efficient mobilization of his armies under the French system of conscription and many followed the example.

It was in 1814 that Prussia introduced the system of universal military service later adopted by every great power of Europe. Under this system, armies became national organizations in which nearly the whole male population, within certain years, was compelled to serve.

EUROPEANS SEEK REFUGE FROM WAR

From these seeds sprang the militaristic systems now prevalent and dominating in Europe. The tyrants ruled; the people had no choice. Military duty and hard pressure upon the population of Europe had much to do with increasing the immigration of its citizens to America.

History clearly shows that the high tides of immigration to this country usually corresponded with periods of warfare and strife in the native lands of the immigrants.

Taking, for example, the census reports covering German immigrations, it is seen that the crest of the wave was reached in the period 1850–54. This period was contemporaneous with the revolutionary troubles in Germany of 1848 and following years. It was during that time that such men as Franz Sigel, Friedrich Hecker, Ludwig Blenker, and Carl Schurz arrived on our shores.

Another high wave of German immigration came between 1866 and 1873, that period corresponding to the great wars of Prussia and the unsettled condition of the German states before their being welded into one nation by Bismarck through the Franco-Prussian War of 1870.

And still another wave of German immigration to this country is in progress at the present time, the number being limited only by our quota system. Beginning with June 1938 the maximum number of American visas have been issued to Germans each month, and thousands of applicants are awaiting their turn.

It is not difficult to comprehend why these people are seeking a means of escape from their native land.

WAR IS ALL-DESTRUCTIVE

Wars of the past have, of course, been destructive. One of the most destructive was the Thirty Years' War, 1618–48. In the course of that war it is said that 75 percent of the inhabitants of Germany, 66 percent of the houses, 85 percent of the horses, and over 82 percent of the cattle were destroyed, as a result of which Germany was set back 200 years in its material development. Describing the situation which existed in Germany following that war, Mr. Albert Bernhardt Faust, the historian, said:

"The moral degradation following in the wake of such devastation was even worse than the loss of life and property. Friend could not be distinguished from foe, and men would wrest from their starving neighbors a crust of bread. It has been recorded that not even human flesh was sacred, that the gallows and churchyards were put under guard to protect them against theft by desperate, famine-stricken people. Incredible as it may seem, in some instances even murder and cannibalism were resorted to."

Yes; that was destructive warfare; but the wars of today are far more destructive. It is not inconceivable that the same degree of devastation and moral degradation which existed in Germany following the Thirty Years' War could be reached in the present day in some of the countries, under an intensive drive with the use of modern instruments of death and destruction, in 30 days.

THE BOMBING PLANE A NEW MENACE

One of the deadly menaces of modern warfare is the bombing plane. Recent events have shown conclusively that this instrument of wholesale destructiveness is capable of multiplying the horrors of war tenfold. Militarists themselves are forced to admit that so far nothing has been devised to furnish adequate defense against this modern engine of slaughter.

We have recently seen conquest accomplished by the mere threat of invasion by vast fleets of planes, capable of wiping out cities and destroying millions of lives almost in the twinkling of an eye.

Army maneuvers in North Carolina within the fortnight demonstrated that antiaircraft artillery was almost useless against planes flying at altitudes of 20,000 feet. Blackouts, too, were found to be ineffective, since finely attuned "navigating" instruments enable planes to find their objective with uncanny mathematical certainty.

Bombing planes with a speed of 300 miles an hour and a cruising range of 4,000 miles are now in actual operation. The development of these planes has been so rapid in the past year that no stretch of the imagination is required to realize that within another year their potential destructiveness may be almost limitless. Then truly frightfulness can rule the world. No men of Mars will then be needed to terrify mankind.

Formal declarations of war are now outmoded. The modern tactics are to strike without warning and with sudden and awful fury. The "undeclared war" finds its victims unprepared.

There can be little doubt that England and France yielded to the dismemberment of Czechoslovakia in the realization that 500 planes could destroy London and Paris in a few hours. Austria gave up when a small squadron hovered over Vienna without dropping a bomb.

Apparently the totalitarian scheme of warfare is to guard their borders defensively and hurl bombing fleets against the capitals of their foes.

THE FINAL HOPE: HONEST STATESMANSHIP

Since military scientists have been unable to meet the menace of the bombing plane, the solution seems to rest with statesmanship. Peace-loving nations must declare the bombing plane outlawed. And in that declaration they must hold the heads of governments employing such planes in warfare personally responsible and to be declared beyond the pale of civilized codes. Disarmament treaties and pacts have been thrown into the discard. They are the dead letters on the books of many colors—scraps of paper in the hands of dictators to use or destroy at will—to forget, if it suits their purposes, as soon as the ink of their signatures is dry upon the pages.

My friends, it is no idle fancy that civilization is today in more peril of destruction than ever before from such warfare as these bombing planes can accomplish and are accomplishing in warring regions everywhere. It is an enemy weapon that can kill and destroy and escape unhurt—the hit-and-run monster of the air against which humanity is helpless—and it is against humanity in the sense of women and children and homes and institutions rather than against armies in the field that this monster fights. An outlaw decree against the use of the bombing plane, such as we had against the use of the dum-dum bullet, might rob modern warfare of some of its hideousness. But, even robbed of some of its terrors, war is still war, and the hopes of tortured mankind are for the reign of peace and for the dawn of an era of common sense and common justice in the settlement of the affairs of the nations of the world.

PEACE OUR BIGGEST POLITICAL ISSUE

Two years ago I said that the big issue before the people of our own country was to keep these United States out of foreign entanglements. I say it is still an issue of the greatest importance. We are still playing with fire. I say that the maintenance of peace and the keeping of our Nation's fingers out of that European witches' cauldron of trouble is one of the gravest problems before us today. A step in the wrong direction may be fatal to the ideals upon which our democracy was founded. America is for peace, and we must labor in its cause and in the hope of its accomplishment by day and by night, with that eternal vigilance which we have been told is the price of freedom.

It is my fervent hope that the people of this country will never stray into a path that will lead them into the armed camps of Europe, but rather keep up a firm and united front for peace certainly in our own homeland and hopefully for all nations.

Let the example of our free Nation, enjoying the liberty and the freedom of a democracy and the pursuit of happiness in our own ways, lend its inspiration to the world, so that the dream of the prophet may some day really come true—that the swords shall really be beaten into plowshares and the logic of peace come to supplant the illogical ideals of war.

Cuban Reciprocity (?)

EXTENSION OF REMARKS

OF

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 13, 1939

Mr. REED of New York. Mr. Speaker, it is refreshing to have a faithful public servant of the present administration, one who is in sincere sympathy with it, point out for the benefit and guidance of Congress the disastrous effects of certain administrative policies when put into practical practice. I refer to the testimony offered by Mr. Gruening, Director of the Division of Territories and Island Possessions, United States Department of the Interior, at a hearing held January 4, 1939, before the Committee for Reciprocity Information. It is a timely, frank, and fearless statement by a man who is prepared to speak from experience and with finality and accuracy as to the devastating effects of the Cuban trade agreement upon the economic and social life of Puerto Rico. I respectfully invite the attention of the Members of the House to Director Gruening's testimony.

Mr. GRUENING. I would like to present the view of the Department of the Interior in regard to the proposed revisions of the Cuban trade treaty.

From the viewpoint of the Division of Territories and Island Possessions, we have been painfully impressed in the last 4½ years, since the creation of that Division, by the apparent unawareness of certain agencies of the Government and certain in-

dividuals in these agencies that American territory inhabited by American citizens exists outside of the confines of the 48 States. Without going further afield than the agency or agencies here concerned, there appears to be an obliviousness to the fact that there are areas under the United States flag which are tropical and whose products are the agricultural products of the Tropics.

In the making of reciprocal-trade treaties there has appeared to us a disposition to assume that since tropical products are not grown within the confines of continental United States, concessions could freely be made regarding them to other nations which desired to increase their market in the United States for their tropical products. It is therefore imperative to state what is, of course, familiar to those of us who are particularly concerned with those sections of the United States lying outside the continent—that our tropical products are as important to those parts of our country which produce them as, let us say, wheat is to the farmers of the Dakotas, wool, beef, and corn to the people of Illinois and Iowa, or manufactures to the people of our industrial centers.

Indeed, the problems of our Territories are relatively more serious when affected by trade treaties than the products of the mainland, since dependence of the Territories is wholly on agricultural products. The Department of the Interior, therefore, feels particularly concerned at the proposed further revision of the trade treaty with Cuba with the announcement of a considerable list of products, all of which are produced in Puerto Rico. This is not based on any psychic premonition. It is based on the bitter experience of recent years. The existing trade treaty with Cuba has done material, tangible damage to Puerto Rico. The lowering of the differential on pineapples in the Cuban treaty for the benefit of the Cuban pineapple monopoly is wrecking one of the few forms of agriculture which was peculiarly appropriate to Puerto Rico, and which, it was hoped, would compensate in some measure for the injuries done other Puerto Rican products by legislative enactment, trade treaties, or administrative action. Our efforts to secure the inclusion in these agenda of pineapples, with the hope that the former tariff rates would be restored, proved unavailing. Only recently in the British trade treaty the tariff on coconuts was reduced from $5 to $2.50 per thousand, thus dealing a crippling blow to our coconut agriculture.

Insofar as sugar legislation is concerned, it is our view that Puerto Rico has, in the reduction of its quota of raw sugar and the limitations imposed on its right to refine its own sugar, suffered serious discrimination with definitely detrimental consequences.

It is certainly not the Department's desire to assume a "dog in the manger" attitude, or to take a position that might seem not to be fully cooperative with a national program designed to increase commerce. It is certainly our purpose and desire to view these problems from the broad standpoint of securing the greatest good for our whole American community. However, our past experience has made us extremely gun-shy and we see no reason why Puerto Rico should continue to be offered up as a sacrificial lamb. In recent weeks, a new situation has developed which requires, moreover, an extremely cautious approach to this treaty revision with Cuba. I refer to the application of the wages and hours law in Puerto Rico this fall. That law has applied standards of wages and hours which, I think it may be said categorically, do not exist in other tropical areas with whose products Puerto Rico must compete. It seems to us a manifest paradox that the administration should on the one hand endeavor to raise the standard of living—a wholly desirable objective—by fixing maximum hours of work and minimum wages, and concomitantly enter into treaties which lessen the possibility of securing a livelihood from the only products upon which the economy of our tropical areas depends. I want to state that the Department opposes any modification of the Cuban treaty in regard to sugar and the products of sugar, such as sirups, molasses, rum, and in regard to tobacco and its manufactured products, such as cigars and cigarettes, unless and until it is conclusively proved that under the changed conditions brought about by the wage and hour law—a law the effects of which are not yet fully appreciated—Puerto Rico will not be adversely affected.

The plight of Puerto Rico is so serious, the condition of its 1,800,000 people is so desperate, that we must urge with all the emphasis at our command not only that this American territory be given the benefit of every doubt, not only that no revisions take place which could possibly further aggravate her distress, but that advantage be taken of this occasion to request a consideration for the island's needs, which we regret to say has been lacking in the past. The Department desires to go on record as requesting at the earliest possible moment a revision and abrogation of the previous concessions to Cuba on the matter of pineapples. We desire the consideration of Puerto Rican and Hawaiian coffee as American products for which markets are to be sought in future trade treaties. We desire that the case affecting Puerto Rico's tobacco, the processing of part of which comes under the wage and hour law, be reviewed with that condition in mind. We ask, in sum, that the island be not sacrificed, as it has been hitherto, to make a Cuban holiday.

If it be argued that we need to improve our trade with Cuba because Cuba is an important market for American goods, let me point out that Puerto Rico and Hawaii are, respectively, the sixth and seventh largest markets in the world for continental goods; that they exceed as markets any other nation or state in this hemisphere excepting Canada, therefore surpassing any Latin American country. Therefore, apart from the essential fact that these are American territories whose citizens are entitled to the same rights and consideration as any of our citizens, from the standpoint of improving our business alone, of increasing our exports, they should have priority, preference, and precedence.

It is not merely a question of fair play. National self-interest requires that we put an end to gross, repeated, and continuing discrimination against a part of our citizenry.

Chairman GRADY. Thank you, Mr. Gruening.

Mr. Speaker, inasmuch as relief funds are required to take care of those who are pauperized in Puerto Rico by the present operation of the Cuban trade agreement, the testimony of Commissioner Gruening is pertinent to relief.

Suggested Amendments to the Railroad Retirement Act

EXTENSION OF REMARKS

OF

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, January 13, 1939

Mr. HOUSTON. Mr. Speaker, the Railroad Retirement Act of 1935, passed on August 29, 1935, set up a national system of retirement annuities for employees of carriers subject to the Interstate Commerce Act and of certain other employees whose business is directly connected with the railroad industry of this country. The Federal Railroad Retirement Board was made the administrative agency for this act and was empowered to determine, under standards and conditions prescribed in the act, the eligibility or noneligibility of individuals filing claims for annuities, to compute the amounts due monthly, to certify approved claims to the Treasury for payment, and to perform all other necessary administrative functions. Taxes for this purpose were provided in a separate act, known as the Carriers Taxing Act of 1935, so as to make the retirement system self-supporting.

These acts were almost immediately made the subject of concerted constitutional attack in the courts by the carriers. Pending determination of the suit, the individual carriers for the most part refused to cooperate with the Board, either in furnishing records of service and compensation essential to carrying out the provisions of the act or in signing "continuance in service agreements" to protect employees from reductions in annuities who continued in service after age 65.

The decree of the Federal District Court for the District of Columbia, entered on June 30, 1936, did not sustain the constitutional attack on the Retirement Act but did invalidate the tax, and further enjoined the Board from requiring the carriers to furnish records except at its own expense. Appeals were taken to the Court of Appeals for the District of Columbia on these points. The obstacles and the uncertainties naturally resulting very seriously hampered the Board's work during the entire period. Requests were received from many applicants who had filed to suspend their applications for annuities, while many other employees who would otherwise have been eligible continued in service and refrained from filing until these issues were disposed of.

The situation thus created was satisfactory to neither the carriers nor their employees, and conferences ensued between the authorized representatives of their respective associations with the object of finding some mutually satisfactory solution of the problem through new legislation. Those conferences are now history.

Accord was reached by the conferees on each point in dispute, and an agreement to request new legislation in conformity with principles and standards specifically set forth in the articles of agreement, was formally entered into by the authorized representatives of class I carriers and the 21 standard railway labor organizations, which agreement was ratified by members of their respective associations and accepted by the Short Line Railroad Association.

Pursuant to this agreement Congress passed the new legislation requested in the form of the Retirement Act of

1937 and the Carriers Taxing Act of 1937. The Retirement Act of 1937 continued the 1935 Retirement Act in full force and effect with respect to those employees whose claims had already been adjudicated and with respect to other employees who retired prior to June 24, 1937. All other claims were to be adjudicated under the 1937 act.

In addition to continuing the 1935 act in force, the 1937 Retirement Act itself constituted a separate piece of legislation in that it made necessary the determination of whether the standards of the 1935 act or those of the 1937 act should be applied in whole or in part in respect to each claim filed subsequent to June 24, 1937. Some of the more important differences which resulted were:

First. It increased the number of employers with whom the Board must deal, from a possible 1,300 employers under the 1935 act to a possible 20,000.

Second. It made eligible for annuities many thousands of employees who were not eligible under the 1935 act.

Third. It created new annuity eligibility standards.

Fourth. It changed the employment-relation status.

Fifth. It set up radically different disability qualifications.

Sixth. It completely altered the death-benefit provisions and increased the annual load with respect thereto by approximately 700 percent.

Seventh. It provided mandatory procedures governing elections of joint survivor annuities.

Eighth. It made necessary the distribution to all railroad employees by the Board of annual statements of monthly service and earnings as credited on the records of the Board after January 1, 1937.

Ninth. Finally, it required the Board to take over from the carriers the administration and payment of some 50,000 private pensions, separate and distinct from the annuity system.

Many railroad employees residing within the Fifth Congressional District of Kansas have urged that the 1937 Retirement Act be made more liberal, and this is a matter which should be seriously considered during this session of Congress.

The national weekly newspaper Labor carried an editorial in its issue of December 27, 1938, on this subject, listing most of the suggestions made by railroad employees and commenting upon the cost of such proposals to the employees and the carriers.

The editorial is quoted for the benefit of Members of Congress and railroad employees, as follows:

Last week Labor reiterated its statement that the railroad retirement system is "as strong as Gibraltar," but pointed out that if amendments were adopted liberalizing the law, additional funds would have to be provided.

As matters stand now, every railroad worker contributes to the railroad retirement fund $2.75 out of every $100 he earns. The carriers contribute a similar amount.

That is a considerable burden, and naturally the chiefs of the standard railroad labor organizations hesitate to ask Congress to increase it. Railroad workers sorely need every penny they are now receiving—and more. Therefore, in the opinion of Labor, it behooves them to consider the cost of amendments before urging their adoption.

Many amendments have been proposed and experienced actuaries, employed by the Railroad Retirement Board, have painstakingly estimated the additional tax which would be required to finance them.

It is, of course, impossible to discuss all the amendments, but here are a few which will illustrate the nature of the problem:

1. Amend the law by striking out the clause "totally and permanently disabled for regular employment for hire" and substitute the clause, "mentally or physically disabled for regular employment"; and eliminate the "30 years of service" requirement for disability annuity, making such annuity payable for any number of years of service, not exceeding 30.

Cost: About $28,600,000. Increased tax, $1.30 for each $100 of pay roll, equally divided between employees and carriers.

2. Under the existing law, in order to get the benefit of his "prior service," an applicant for pension must show that he was in an "employee relationship" with a carrier on August 29, 1935, the date when the law became effective.

It is proposed to change this provision so that if a worker is reemployed, even for 1 day, and then applies for a pension, he will be credited with all his prior service.

Cost: About $22,000,000 annually, or about $1 tax on each $100 of pay roll.

3. In place of the present death benefit—4 percent of all the deceased earned after January 1, 1937, minus what he may have drawn as pension—it is proposed to grant widows of employees pensions running up to $75 a month for the period of widowhood.

Cost: If this were restricted to those dying in railroad service, and before retirement, it would cost about $127,600,000 annually, and necessitate an increase in the tax of $5.80 on each $100 of pay roll. If it included widows of those who died after retirement, there would be a further aditional cost of $68,200,000 annually, or $3.10 per $100 of pay roll.

4. Compulsory retirement at 60 and permissible retirement, with 20 or more years of service, at 50 or over, with the further provision that an employee with 20 or more years of service might retire with a reduction of one-twentieth for each year he was under 50.

Cost: It would require $198,000,000 annually, or $9 out of every $100 of pay roll, to enforce compulsory retirement at 60, with no extensions. If retirement were permitted before 60 it would, of course, cost very much more.

5. Amend the law as follows: "The annuity shall be computed by multiplying an individual's years of service by the following percentages of his monthly compensation: 3 percent of the first $100, 1½ percent of the next $100, and ½ percent of the next $100." This amendment would produce an average annuity of $135 monthly, as compared with the present average of approximately $67 a month.

Cost: About $140,680,000 annually, or $6.44 per $100 of pay roll.

6. Permit employees to retire on full annuity after completion of 30 years' service, irrespective of age.

Cost: About $308,000,000 annually, or $14 out of every $100 of pay roll. Of course, that is based on the theory that all would take advantage of the provision.

If all these amendments were adopted, some of which appear to overlap the employee's tax on each $100 of wages would be increased from $2.75, the present figure, to possibly $20 per month, and the carriers would be asked to contribute a similar amount.

No one pretends that the railroad retirement law as it stands today is perfect, but it is the best law ever enacted in any country for workers outside the Government service. It is financially sound and has been humanely administered. We would all like to make it broader and better. It would be foolhardy, however, to advocate sweeping changes without counting the cost. The figures presented above give readers of Labor a pretty accurate idea of what that cost would be.

National Monetary Conference

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 13, 1939

RESOLUTIONS OF THE NATIONAL MONETARY CONFERENCE, CHICAGO, ILL., NOVEMBER 28–30, 1938

Mr. VOORHIS of California. Mr. Speaker, one of the greatest questions before this Congress is that of constructive reform of the monetary system under which we are now attempting to operate our national economic life. Because I agree so substantially with the principles contained therein I have asked unanimous consent to include with my remarks the following resolutions passed by the National Monetary Conference:

Whereas the National Monetary Conference, held at the Northwestern University School of Law, Chicago, Ill., on November 28, 29, and 30, 1938, after carefully considering and analyzing court decisions, factual data, and material, and after the exchanging of the views of those participating in the conference, as based upon years of study and experience in the field of monetary reform, has reached certain conclusions in regard to such reform and has considered it desirable to express those conclusions, as agreed upon by a majority of those so participating; and

Whereas the conference, however, deems it of still greater importance to initiate steps for spreading greater knowledge on this subject, for bringing the money question out into the open, and for developing more practical organized action for needed monetary reform; and

Whereas the conference realizes that there are honest differences of opinion among those interested in monetary reform in regard to various technical details of reform, including some of those matters covered by the conclusions reached by a majority of the members of this conference, but that there must be some common principle upon which the great majority of those, who realize that there is a very vital need for some such reform, can agree as a means of combining their efforts, in spreading knowledge upon the subject and in getting into practice such principles as they have in common; and

Whereas this conference further deems it desirable to suggest a common principle upon which to create an organization for

carrying on such work as those who realize the need for monetary reform have in common in the field of such reform, and to initiate the taking of various practical steps to be carried on in that field: Now, therefore, be it, and it is hereby,

Resolved, That the following are the conclusions which have been reached by a majority of those assembled in this National Monetary Conference:

1. The Congress of the United States has the sole power to coin or otherwise create legal tender money and has the power to regulate the value of money. Under this power Congress may assume full control over all of our medium of exchange and may prohibit the creation of all substitute mediums of exchange. However, Congress has not assumed such power, but should assume same.

2. Congress should prohibit all powers in the Board of Governors of the Federal Reserve System or the President inconsistent with the exclusive power in Congress to create money and regulate the value thereof.

3. There is no need for a change in the present reserve requirements for savings deposits in the banks.

4. The reserve requirements behind all demand deposits, or check-book deposits, should be 100 percent in lawful United States money.

5. The power of Congress to regulate and control all money necessarily includes the power to control bank credits.

6. Congress should assume such control by formulating a mandate embodying the requirement of stability of the monetary unit of the dollar, according to a definite criterion, which mandate should determine the functions of the monetary authority administering such mandate. This mandate should include the following objectives:

(a) Stability in the purchasing power of the dollar, according to a standard fixing the price level, consistent with other factors mentioned herein.

(b) Full employment in private industry.

(c) Production for profit to the farmers.

(d) The volume of additional currency, if any, to be added to our circulating medium from year to year should be determined by the monetary authority according to the above criterion set up by Congress, and may be paid into circulation in direct benefits, such as old-age pensions, relief to the indigent, for public works, or the like, or by the purchase of United States securities.

And be it further resolved, That the following be, and it is hereby, suggested as a common principle upon which to found a national organization for carrying on common endeavors in the field of money reform:

"All medium of exchange shall be originated exclusively by Congress and issued in accordance with some definite standard so as to insure stability of buying power, full employment in private industry, and equitable prices for farm products."

And be it further resolved, That a permanent committee be, and the same is hereby, created to work out ways and means of forming a national organization under which the various divergent groups interested in monetary reform may meet on common ground, and to work out practical measures upon which to build for the actual attainment of needed monetary reform.

Compulsory Wage Deductions a Disgrace

EXTENSION OF REMARKS

OF

HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, January 13, 1939

Mr. SHAFER of Michigan. Mr. Speaker, I have requested this brief period to call the attention of the House to a bill I have recently introduced.

This bill is drawn to abolish and correct unfair and substandard working conditions in the United States Veterans' Administration and is designed to raise the living standards among employees of the Veterans' Administration. It provides that upon its enactment no deductions shall be made from the earnings of civilian officers and employees of the Veterans' Administration for subsistence and quarters, laundry, and other facilities unless such service or facilities are voluntarily accepted, and where these facilities and service are voluntarily accepted the charges therefore shall be at cost.

Compulsory deductions for quarters, subsistence, and laundry from the earnings of Veterans' Administration employees are now made regardless of whether or not these facilities are used. In many instances these deductions amount to about $50 per month, or approximately one-half of salaries paid attendants and other employees of veterans' facilities.

In many instances these Veterans' Administration employees maintain homes and families off the Administration property, and because of the policy of compulsory quarters, subsistence, and laundry deductions their families are in want. In fact, these employees, whose services are of high value to this Government, are forced to live and maintain their families on less wages than are received by W. P. A. and P. W. A. workers.

Many other unfair and substandard working conditions exist in the Veterans' Administration and should be corrected. Passage of the bill I have just introduced will abolish one of its most disgraceful practices. It will not only raise the living standards of Veterans' Administration employees, but will develop a higher rate of efficiency in the conduct of veterans' facilities.

If Members of this House are sincere in their declared desire to raise living standards in America, they have an opportunity to demonstrate that sincerity by assisting me in obtaining favorable action on this legislation.

The Works Progress Administration in Oklahoma

EXTENSION OF REMARKS

OF

HON. JED JOHNSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 13, 1939

Mr. JOHNSON of Oklahoma. Mr. Speaker, it would seem, judging from the discussion on the pending bill proposing an emergency appropriation to continue work relief until July 1, that the W. P. A. does not have many friends on the floor of this House. Even those who are supporting this appropriation are in most instances doing so apologetically. So it seems that the die is cast and that anywhere from 600,000 to 1,000,000 workers now on the W. P. A. are to be let out of work before July next.

I deeply regret that under the present parliamentary situation it is impossible to secure a record vote on this bill as recommended and submitted by the President for $875,000,000. I gave my support both in the committee and on the floor here today to the amendment offered by the gentleman from Missouri, proposing to restore the full amount of $875,000,000 as asked by the President. I also supported the amendment offered by the gentleman from Georgia [Mr. TARVER] proposing to adjust the wage scale in the different sections of the country. The fact is I offered a similar amendment when the bill was being finally considered before the full Committee on Appropriations. Certainly there is no justification for the present unreasonable differences in wage scale in the different sections of the country.

We have heard much criticism of the former Administrator of the W. P. A., Mr. Hopkins, and of certain projects in various States. Some of that criticism may be justified. If, for example, the criticisms offered here against unpatriotic and un-American plays written and dramatized in New York City by W. P. A. workers are true, and I have no reason to doubt what the gentlemen have said, then such theater projects are inexcusable, inexplainable, and absolutely indefensible. For that reason I opposed the amendment offered by the gentlewoman from New York [Mrs. O'DAY] to earmark certain funds for the continuation of such projects.

When this appropriation was considered here a year ago, the gentleman from Texas [Mr. LANHAM] offered and secured the passage through the House of an amendment forbidding aliens who have refused to become citizens to work on the W. P. A. It is true that the teeth were taken out of that amendment at the other end of this Capitol, but had the W. P. A. officials administered the law or even the spirit of the law, I am of the opinion that it would have eliminated a lot of criticism and undoubtedly placed thousands of real Americans at

work who are now walking the streets looking for jobs they are unable to find. I am in favor of making the law so plain on this subject that it will be impossible for aliens who refuse to become naturalized, or other enemies of this Government to have the opportunity of biting the hand that feeds them.

I supported the amendment offered today by my colleague from Oklahoma [Mr. BOREN], similar to the original Lanham amendment, providing that no W. P. A. funds shall be made available to pay any except citizens of the United States.

But, Mr. Speaker, as much as I am opposed to any un-American activities in connection with the W. P. A., I submit that it is unfair to judge the entire Works Progress Administration by a few isolated projects. The W. P. A. in Oklahoma has done an excellent job. In the district I have the honor of representing in Congress I know of no leaf-raking or boondoggling projects. On the other hand, there have been more schoolhouses constructed by the W. P. A. in Oklahoma than in any other State in the Union. In many instances these schoolhouses were constructed at a lower cost than a contractor, with his 10 percent plus, could have possibly constructed them. These school buildings, or at least a majority of them, could not possibly have been constructed had it not been for the W. P. A. program in my State. Many hundreds of other schools, especially in the rural sections, have been repaired, overhauled, and painted. Hundreds of school grounds have been improved and beautified.

In addition to this, many city halls, high-school buildings, courthouses, bridges, dams, roads, and other worth-while projects of a permanent nature have been constructed in the State of Oklahoma. This has been done without any political scandals on the part of those administering the program in Oklahoma.

The gentleman from Virginia [Mr. WOODRUM], chairman of the subcommittee, in his opening statement admitted that some five or six hundred thousand workers now on the W. P. A. will be laid off before July 1. He also admitted that some two hundred thousand of such workers will be laid off immediately. The report of the mayors of the United States would indicate that the figures will be far in excess of that of the gentleman from Virginia, but to my mind the only issue involved is whether or not Congress can afford to immediately turn some two or three hundred thousand workers out on the streets in the dead of winter in the name of economy.

Within a few days or a few weeks this Congress will be spending hundreds of millions of dollars for national defense and I expect to support any reasonable national-defense program, but I submit to you that a continuation of worth-while work-relief projects is real national defense. It is poor national defense, and certainly it will not help the spirit of national defense, to turn 500,000 to 1,000,000 men out of work by July 1 and then spend sixty to a hundred million dollars each for battleships that will take 5 years to build and within another 5 years will be out of date and practically useless.

Certainly the program of building roads and the widening of our highways is real practical national defense. What is flood control and the conservation of soil but national defense? The construction of schools, bridges, and the building up of the morale of our people, old and young, is, in my judgment, a mighty factor in true national defense.

The W. P. A. worker is not here today to defend himself. He has been represented by his critics as leaning on his shovel. Perhaps he is leaning today more than ever and looking toward Washington—looking toward you and me and wondering, as he tightens his belt strap another notch, if he and his family are to go hungry on account of any action of this Congress today. I am not so concerned with the white-collared supervisors or directors of the W. P. A., although I feel that in the main that they have honestly and conscientiously worked on their jobs, but I think I hear the inarticulate voice of the W. P. A. worker who is unable to be here and speak for himself. I am thinking of those underpaid women in the sewing rooms who are so grateful to earn a livelihood, but many of whom will be forced off of the pay rolls if and when this slash of $150,000,000 in this emergency appropriation is made today.

Mr. Speaker, I am standing by the President of the United States in his request for this emergency appropriation to feed hungry men, women, and children, even if appropriating the $150,000,000 might make necessary the elimination or postponement of one or two extra battleships.

Political Phases of W. P. A. Relief

EXTENSION OF REMARKS
OF
HON. IVOR D. FENTON
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Friday, January 13, 1939

LETTER URGING INVESTIGATION OF W. P. A.

Mr. FENTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from a constituent:

MAHANOY CITY, PA., *January 10, 1939.*

HON. IVOR D. FENTON,
House of Representatives, Washington, D. C.

DEAR DR. FENTON: I hereby desire to give you some very important and interesting information concerning political phases of Government relief and W. P. A., also beg you to present these just facts to Senator G. Mason Owlett, sponsor on the State investigating committee.

The general protests that have followed wholesale dismissals of women with dependents from various sewing projects on December 9, 1938. The procedure which was inhuman requires immediate investigation, as they were all workers that received the so-called "top" security wage of $60.50, calculated as the minimum amount needed to provide human subsistence.

We quote, the dismissal of workers with dependents is contrary to rulings on W. P. A. as when a reduction in forces is necessary it must be applied to the single or lone person. This ruling has been disregarded by the politicians.

We have been informed the order for this drastic cut came direct from Washington, though it has not been applied to each worker in the same category. The reduction has not affected the single or lone person drawing $71.50, $85, $94, or $105 per month. They are maintained regardless of reduction in the $60.50 workers. Prior to November 8, 1938, this project had 123 women employed.

This included supervisor, which consisted of project head, salary $135, married, has dependents; two timekeepers at $85, inadequate work for one; a supervisor, $105; another supervisor at $94; a forelady at $85; also one at $71.50. There are four cutters, all single, no dependents, receiving $71.50. This staff is the same with approximately 28 now on the project at $60.50. The experienced seamstress uses her own sewing machine on the project and is requested to teach the amateur and receives $60.50, and is requested to pay 50 cents per month for the maintenance of the project.

The employees on supervision have not been questioned as to their qualifications for their respective jobs. No competitive examinations have been requested where Government materials are concerned. The waste and extravagance is abundant. Single cases left private industry just to get on the sewing project. The whole structure became a political football.

We quote, prior to November 8, 1938, women have been assigned to this project who, if eligible should be pensioned, and are still on, while those women with children and the responsibilities of a home have been laid off.

The relief problem and the abuses perpetrated in our community, as a result of waste, corruption, and political perversion of relief, result in a large number of our needy citizens being ill fed, ill clothed, and ill housed, despite the vast appropriation of millions of dollars in public funds for our benefit.

The administration of relief. Those dismissed on the 9th day of December 1938 as yet have not received aid; some received checks for Christmas. The relief ruling states 21 days after your last pay relief is granted. I shall prove where a case was under investigation for 4 weeks and when the client appeared at the assistance office she sat there 4 hours. When the supervisor arrived he stated they could not find her case. So developing is the political octopus now fastened upon relief in our community that there is precious little relief in relief.

We therefore beg an immediate investigation of the Senate committee for the dismissals of workers with dependents, and the retension of single cases who are unencumbered and may find a place in private industry or formulate some plan while there are no opportunities for the familied person.

Thanking you from the bottom of our hearts for your activities in behalf of the unemployed, and best wishes for a sound form of Government relief and administration of W. P. A.

Very respectfully,

MARY M. KRITCHEN,
518 West Spruce Street, Mahanoy City, Pa.

P. S.—If I can be of any assistance in the investigation, I shall be glad to do so.

Appropriations for Work Relief and Relief

EXTENSION OF REMARKS
OF
HON. CHARLES A. WOLVERTON
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Friday, January 13, 1939

Mr. WOLVERTON of New Jersey. Mr. Speaker, the question of relief for the needy unemployed of the Nation has become one of the most controversial issues with which the present Congress will be confronted.

The issue does not arise because of any serious difference of opinion as to existing need or the underlying obligation of the Federal Government to provide food and shelter for its needy citizens. This is generally recognized and has found expression time and again by each succeeding Congress providing funds for the care of the needy. The real question that demands solution relates to the administration of such funds in behalf of those for whom intended.

During the last campaign it became increasingly evident that relief funds were being administered in a manner to insure political advantage. Every Member of Congress and every observing citizen was aware that such was being done. The report of the Senate Committee on Campaign Expenditures leaves no doubt that such was the case. To use Federal funds, appropriated for the needy, for partisan political purposes is reprehensible. It is literally and truly "playing politics with human misery." The extent to which relief funds appropriated by Congress have been administered and used by machine politicians for political purposes has become one of the worst scandals in our political history. It is this condition that cries out for solution.

Republicans in Congress have always supported the relief appropriation bills. They will continue to do so as long as need exists. But they are equally insistent that the political use of relief funds shall come to an end. In this endeavor they should have the assistance of every Member of this House who thinks in terms of the national welfare. There should be no party division upon a question so fundamental to our welfare.

Congress is now being called upon to appropriate additional funds to carry the needy through until the close of the fiscal year, June 30, 1939. Congress, before it adjourned in June of last year, had made provision for such, but now we learn that the funds are almost depleted and will last but a few days more. Why is this? The answer is to be found in the political use of the funds prior to the last general election and in several primary elections where the administration was engaged in purging the Democratic Party of some "who had not gone along 100 percent." Furthermore, political workers with no claim for relief have been placed in administrative positions. The salaries paid to such were all out of proportion to the value and character of service rendered by these political overlords. Every dollar paid to them was that much less for the needy unemployed. Today we are reaping the consequences of this improper, injudicious, and un-American expenditure and use of taxpayers' funds. If the funds had been used only for the needy and not for political administrative officers, there would be no such shortage today. There is no excuse for giving any administrative job on W. P. A. to anyone not on relief. Within the ranks of the unemployed can be found men and women fully qualified to fill every administrative or other kind of job necessary to the functioning of the Works Progress Administration. There is no justifiable reason to go outside of the ranks of the needy unemployed to obtain such. Certainly there is no necessity to select such from the ranks of political workers not on relief. If relief funds were used solely for those on relief, there would be no such shortage as now exists.

How much longer will the citizens of America stand for this outrageous use of taxpayers' funds to reward political workers not on relief? The time is coming—and to some it seems close at hand—when this practice will be outlawed and relief funds appropriated by Congress will be used for relief of the needy, as intended by Congress. And now, as if to add insult to injury, a demand is being made to "blanket" all these political administrative officers of W. P. A. under the protection of civil service. The claim is made that thus will partisan politics be removed. Such is utter folly. The contrary will be the truth. If there is a sincere desire to eliminate "partisan politics" from W. P. A., let provision be made that its funds be administered by nonpartisan boards and all administrative offices be opened to competitive examination to all interested citizens, regardless of political affiliation. If this be done and positions filled as a result of such examinations, then we would be having real civil service and the first step toward elimination of partisan politics in control of W. P. A. But to "blanket" into civil service all those who are already in the administrative positions is to give permanency to those who now hold such positions for no other reason than political influence.

Republicans have always favored civil service in this and every other activity of the Government, but we seek real, genuine, and honest civil service that places the best man or best woman in the position regardless of political affiliations. That which is now proposed by the administration is nothing more or less than an effort to save the jobs for those now in administrative positions against an aroused public sentiment that seeks to remove politics from control of W. P. A. Unless relief is to be considered as permanent in character and the Works Progress Administration a continuing agency of government and thereby subject to all general laws, then the policy should be to select all administrative officers from among those on relief.

While there may be violent objections made to the manner in which the Works Progress Administration has been politically administered, yet I am certain that such does not constitute sufficient reason to cut down or refuse adequate funds for the relief of the needy. Thus, while we strive to correct abuses that have become apparent, we will just as zealously support the appropriation of necessary funds to care for the needy. Accordingly, my vote will be cast in favor of the resolution now before the House to provide funds for the relief of the needy unemployed.

Relief Appropriations

EXTENSION OF REMARKS
OF
HON. JOHN G. ALEXANDER
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Friday, January 13, 1939

Mr. ALEXANDER. Mr. Speaker, my election from a normally overwhelming Farmer-Labor district in Minnesota was the result of but one desire on the part of thousands of relief recipients and W. P. A. workers—a mandate if you will, from the very people whom we have been discussing here these past 2 days, plus the other good, God-fearing, humane, and public-spirited, patriotic citizens of my district—a mandate not for a continuation of W. P. A. but for a change, for a new new deal, if you please, for a constructive, sound, and fundamental program which will give work,

honest work at honest jobs at good American wages. Not the dole, not relief, not starvation wages, but a real program to put men and women back to work, to put idle dollars back to work, to start idle machines humming again, and to rehabilitate the farmer, the small business, or the big business. I do not care whether you are for $725,000,000 or for $1,000,000,000, as long as you have no program. The people do not want relief or W. P. A. My election proved that, for my opponent, the former distinguished Congressman, Henry Teigan, based his appeal for reelection on what he had done for W. P. A. and relief recipients, and they turned him down in my favor with a smacking majority.

They did not want W. P. A., they wanted a constructive program. And because such a program is contemplated in this amendment according to the mandate of the great American voter on November 8 last, I support this amendment. And to that idea I wish to offer a few sober reflections for the Members of this House. First, should we not, instead of going on, session after session, year after year, during both New Deal and Old Deal regimes and continually making more and larger appropriations, should we not, I say, instead of merely debating the size of the appropriation, as we have been doing, or the presence of politics in its administration; or the employment of unworthy men or women; or the misapplication of the funds; or any of the other dozen and one criticisms which have been aimed at the W. P. A. here—should we not rather take this problem by the nose right now as we cattlemen from the West take a big bull in a pen—today, without further political partisanship or delay take it in a good, humane, patriotic manner and start to tear it apart and set it up again in a constructive and business-like way as contemplated by the terms of this amendment which proposes a committee of nine members from each congressional body charged with the responsibility of giving us a program. Secondly, should we not consider, in attacking this problem, which now and for 9 years has had us by the nose, the real issue of this problem—a cure for the problem, if you please. Should we not, in place of made work and hand-to-mouth planning based on the false assumption that prosperity is just around the corner, in this the Seventy-sixth Congress, take stock of some of the fundamental needs of the people of this Nation? I refer to their need for better homes, not drab and unattractive flats planted in the center of an unattractive district as they have done in the city of Minneapolis where few respectable families will care to live and where there is no decent arrangement for the needs of young Americans. I refer to their need for better health, both physically and mentally. I refer to their need for less slums and less crime-breeding cesspools and festering canker sores of foreign "isms." I refer to their need for protection from foreign importations produced with cheap labor with which we cannot hope to compete and still retain our high standard of living. At least 10,000,000 people could be put back to work if we could stop this foreign competition. I refer to their need for monetary reform as suggested by my colleague and good neighbor Mr. BURDICK, of North Dakota, in this house on January 11. I refer to the suggestions made by my colleague Mr. VOORHIS of California a few days ago, and I refer to the suggestion made by the Congressman from New York in his remarks yesterday that our people want work, not relief. I refer to the suggestion for a group of super transcontinental highways which was made here at the last session by Mr. L. E. Steiwer, of Wooster, Ohio, which he proposed to build without the use of any tax money. And I refer to other constructive suggestions which we could and should adopt and would adopt if we really are in earnest about this problem and its solution.

We in America are all wont to do a lot of wishful thinking. We wish for prosperity; we wish for greater exports, less imports; we wish for farm prosperity; we wish for a balanced Budget; we wish for peace, and now we are wishing that an increase in a rearmament program will serve to solve our unemployment problem without additional ill effects or bad results. I am afraid we are due to be disappointed in both aims except temporarily perhaps. Shall we continue on with this eternal wishful thinking and vain hoping or shall we prepare a program?

I referred above to slums and the need to do something about them. Probably no endeavor, if undertaken by local and Federal Governments, could do more for the physical, mental, and moral health of our cities than a real slum-clearance act. Slums are sores on the face of a city, which, when allowed to fester, as we have done, spread their infection far and wide, increasing juvenile delinquency, disease, and crime.

The evil effect of slums has recently been summarized by the United States Municipal News, as follows:

> The juvenile delinquency rate in the slum districts of Philadelphia and Cleveland is three times as high as the rest of the city; it is twice as high in the slum areas of Birmingham and Hartford and 10 times as high in a certain 50-block district in Detroit.

In other words, it is 10 times as hard for a boy or girl, a young man or young woman, to grow up and be a decent, self-respecting, honest, and honorable American citizen in some sections of this country than it is in others. No wonder that those who do come through this fiery trial of environment often do become outstanding geniuses. Hats off to these poor boys and girls.

The slum section of Jacksonville, which covers less than 2 percent of the city's total area, is the source of 32 percent of the city's major crimes and 42 percent of its social crimes.

The pneumonia rate in Detroit's slums is almost three times as high as for the city at large, and the tuberculosis rate is six times as high. These are but a few of the findings which show that our slums are not only a municipal but a social liability which results in crime and destruction of our democratic standards and civilization.

I referred also to the possibility of putting 10,000,000 people back to work by the elimination of foreign competition. As an example of what I mean by this and to show how that number of people could be cared for in 6 months' time without taking one dollar from the Budget, and thus also eliminating the necessity for the W. P. A., I suggest the following imports which compete with our own products and which should be stopped and these groups be put to work: Three million persons to cultivate new corn, beet, and sugarcane land when blackstrap molasses and foreign sugar is barred; 300,000 miners to operate our copper mines; 400,000 for additional pottery and china, carpets, rag and grass rugs; 150,000 fishermen and canners when these imports are stopped; the same number of iron and steel workers; and a like number of persons to raise cattle and meat products now imported, both frozen and canned; 100,000 silver miners if we buy our own silver instead of from South America, Mexico, and China; another hundred thousand shoe workers; and another similar number to produce gunny cloth, gunny sacks, and binder twine; 75,000 textile workers; 200,000 persons in electric-lamp, toy, novelty factories, cement, bricks, manganese, vegetable canning, and furniture; 25,000 additional coal miners—to say nothing of oil and lumber—and, finally, 50,000 distillery and fruit beverage workers.

These people are at this moment on Government relief. By eliminating the foreign imports now coming into this country we could return the numbers listed above to profitable employment. And in addition it would probably put another 3,000,000 to work to supply their wants in retail stores, warehouses, factories, and the whole chain of production and sales which would be started, to take care of increased business.

And then again think what would happen to our unemployment problem if we would attempt to properly house our people who are living in huts and hovels in our crowded city districts. And when you build decent houses in good healthful surroundings for our people you are putting your money into something which will have value for at least 50 years, perhaps longer. How much better this would be than to be throwing our money over the dam in made work and leaf

raking or doles and shovel jobs as we have been doing with so little to show for our billions and billions of expenditures of the taxpayers' hard-earned money. In addition to this feature of a real home-building program is the added one that happy people, self-respecting, living in decent homes are not usually revolutionists. Neither do their offspring grow up to be criminals or human derelicts, as I have already pointed out our slum conditions are now creating in numbers out of proportion to the total population.

America needed a potent fiscal shot in 1933, but now the protesting patient whether employed or unemployed has grown tired of these shots and is asking Congress for a program, a plan, constructive in its inception and practical in its administration, aimed at the solving of our economic torpor not its perpetuation as this W. P. A. appropriation known as House bill No. 83 seeks to do in granting this new $725,000,000 for use up to June 30, 1939.

Paving the Way to Future Jobs

EXTENSION OF REMARKS
OF
HON. JENNINGS RANDOLPH
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES

Friday, January 13, 1939

RADIO ADDRESS BY HON. JENNINGS RANDOLPH, OF WEST VIRGINIA, JANUARY 12, 1939

Mr. RANDOLPH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address delivered by me on Thursday, January 12, 1939:

The road to new jobs cannot be paved in a day. The construction of such a road requires patience, hard work, and skillful craftsmanship. No single unit of this road reaches the whole way to the goal of permanent employment for everyone. Instead it is made up of many units, each unit prepared separately, one at a time, over a period of many years. The completed structure, however, is destined to become the highway to greater economic comfort and security.

We have made progress in the construction of this highway, it is true, yet much remains to be achieved. This evening, I want to bring to you a picture of what has been done, of what is being done, and of what must yet be accomplished. First, let us look at the unemployment problem itself.

The assertion is often made that we face a problem of permanent unemployment in the United States. According to this view, thousands of American citizens who are physically and mentally capable of earning substantial incomes must, through no fault of their own, expect to be forced to live the lives of paupers or near-paupers. I cannot subscribe to such a concept of our future. To me it is unthinkable that any American who is able and willing to provide himself with the necessities and many of the luxuries and conveniences of life through honest work should not be given the opportunity to do so.

PROBLEM IS NATIONAL ONE

The chief obstacles to such opportunities are frequently of a national character. As such, they are beyond individual control. As a member of the House Labor Committee, I have used and shall continue to use every resource at my command to help in overcoming those national economic difficulties which are too great for individual workers to surmount alone. But I am convinced that men and women everywhere should depend upon their own physical and mental resources to surmount those obstacles within the scope of individual achievement. This distinction is necessary if we are to maintain a strong, healthy, and self-reliant people as the citizenry of this country.

I am thinking not only of those who are unemployed today, but I am thinking also of those who may become unemployed tomorrow. To consider the unemployed men and women in this country as a special group constantly out of work is an error. The unemployed population today is not composed entirely of the same men and women that it was last year, or the year before. Since May 1938, over one-half of the new employees assigned to W. P. A. jobs each month, had never taken W. P. A. jobs before. These new workers came from certified relief rolls, which means that they were actually unemployed and genuinely in need of economic relief until they could find private employment again. This is evidence of the changing personnel of the unemployed population.

It is also a mistake to regard the unemployment problem as a recent one. Unemployment existed long before the crash of 1929. The depression merely amplified it to such an extent that public recognition of its existence was inevitable. By no means did public recognition mark the beginning of unemployment. The sweep of the business cycle, displacement of labor by technological changes, seasonal variations in production, shifts in foreign trade, displacement of older workers by younger ones, and other causes, have been going on for many years. The unrecognized problem of unemployment was coexistent with the long-standing causes which account for its presence today.

DIRECT RELIEF WAS NEEDED

When unemployment finally gained national recognition in 1933, it was too late to attack the causes of the trouble in order to meet the emergency of the hour. Direct relief was the immediate need, and that was supplied by the Government. As soon as possible, employable persons were given useful, productive work. Then began the longer and more difficult task of remedying the causes of unemployment or of providing permanent measures for protection against its hazards.

One of the first steps was the establishment of the Social Security Board which provided for old-age pensions and unemployment insurance. Old-age pensions in most States now provide for protection of elderly workers when they are displaced by younger employees. This is a direct attack upon a specific cause of unemployment. Most other attacks have been made on a broader front as protective measures against general unemployment. Such is the unemployment insurance which helps to absorb the shock of losing one's job, regardless of the basic cause.

Another step was the establishment of the wage and hour law. It, too, is an attack on a broad front. Its object is to spread the available work among a greater number of employees and to raise the level of wages to a decent minimum. Indirectly, of course, it represents one type of adjustment to counteract technological changes which have made the 12- and 14-hour day of a century ago quite unnecessary in our times.

However, this is only a beginning. We have hardly started to pave the way to opportunity for everyone to produce and to earn a living for himself and his family. What, then, remains to be done? What steps must we take in the next advance toward this goal?

LABOR-SAVING DEVICES INSTALLED

First, adequate provisions should be made for workers who are displaced by technological changes. Second, a continuous accelerating force should be provided for our economic system so that private enterprise can constantly increase the number of jobs it has to offer. These are only two of the more important steps that should be taken at the earliest possible time. They are direct attacks upon specific causes of unemployment.

On the opening day of the Seventy-sixth Congress I introduced two measures, which, if enacted into law, will represent a long stride in the direction of remedying some of the underlying causes of our unemployment problems. The first of these measures provides for a special study of the technological displacement of labor. It calls for specific recommendations to be made to the Congress upon which sound legislative action may be based.

The time has come when we can no longer neglect the problem of technological displacement of labor. Only a few hours' drive from my home in Elkins, W. Va., a new automatic strip steel mill has just recently been put into operation. The old mill employed 14,000 men. The new mill erected in its place employs only 4,000 men. Here are 10,000 skilled and semiskilled men who are out of work today through no fault of their own. Must they be compelled to rely solely upon W. P. A. jobs for a livelihood? Must these independent, self-supporting citizens of our great Nation be forced to join the relief rolls for a subsistence?

Glass factories equipped with automatic machinery have displaced thousands of workers in the glass industry within recent years. These highly skilled, well-paid craftsmen were accustomed to a high standard of living. Is social justice satisfied by providing them with a mere subsistence, and even that subsistence of a temporary and uncertain character?

COAL MINERS ARE DISPLACED

In the coal mines throughout the Nation, the loading machine and other labor-saving machinery has displaced thousands of miners. Any machinery which lightens the burden of man's labor and helps him to produce more with less effort is always a welcome one. But must the workers displaced by such machinery be forced to pay the cost of this industrial progress?

It seems to me that a method can be found, if we really try, whereby some of the economic benefits due to such changes can be shared immediately with the workers affected. I have no preconceived plan of my own, but I feel sure, and I believe everyone will agree that definite steps should be taken to study this problem, to sift the evidence, and finally to arrive at a plan which may be recommended to Congress for action.

The second measure is the scientific research bill which I first introduced in the Seventy-fourth Congress and again in the Seventy-fifth, and which I reintroduced last week. It is one of the most important steps in making possible a continued increase in the number of jobs available in private enterprise. If industry is to provide a continually increasing number of jobs, one of the first requisites is stabilized business conditions. This is based upon adequate regulation of the supply and demand for capital, either by limiting the supply or by increasing the demand, or both.

In a recent copyrighted article, John Howard Payne pointed out that "The failure of capital outlets to absorb the entire supply of savings results in an unbalanced condition between the supply of investment funds and the demand for them. This is the major unbalanced condition that must be corrected in the economic system in order to preserve any semblance of stability."

He went on to say that if the goods and services produced in the United States in a given year have an exchange value of $80,000,000,000, then the income created must also be $80,000,000,000. No more. No less. But if for any reason a portion of this income, say, $10,000,000,000, is prevented from being exchanged promptly for goods and services produced, or their equivalent, business may expect a set-back.

For example, when $80,000,000,000 worth of goods is produced and only $70,000,000,000 of income is available at the market to buy these goods, loud cries will arise about the scarcity of money, overproduction, underconsumption, unbalanced conditions, and hard times. Meanwhile production will slow down, employment will decrease, prices will fall, and business confidence will give way to genuine fear.

CAPITAL OUTLETS MUST BE OPEN

Obviously, adequate capital outlets must be kept open to prevent the recurrence of such conditions. In his outline of the five principal outlets for capital, Mr. Payne emphasized two of them, namely, Government security issues to finance Public Works programs and private security issues to finance new industrial developments. These two may be used alternatively or in combination to bolster up the demand for capital when it falls below the level of the supply. In this way the No. 1 balance in the economic system may be kept in a state of approximate equilibrium.

I am convinced that a constant accelerating force in the form of adequate investment opportunities must be applied to the wheels of our economic system. The accelerating force of Government borrowing and spending should not be removed until a substitute has been placed in the hands of private enterprise. The initial impetus given by a year or two of heavy Government spending conveys no assurance business will be able to carry on after the accelerating force of that spending has been exhausted or withdrawn. That substitute must be in the form of private investment opportunities sufficiently great to absorb the supply of available capital. Therefore, the paramount need today is the adoption of a long-range program to bring about a continuous succession of new industrial developments and the attending investment opportunities.

The early stages in the development of new industries is very largely a mystery to those unfamiliar with actual scientific research. History reveals that fundamental science is the fountainhead from which practically all the great industries of modern times have sprung. Therefore common sense dictates that the starting point of a program to increase private-investment opportunities should begin with a stimulation of research in fundamental science.

RESEARCH PROGRAM IS NEEDED

The scientific research bill which I am sponsoring is the result of long study and the considered judgment of leading thinkers throughout the Nation. If passed this bill will provide the foundation for an intensive research program from which new industrial and commercial developments may spring. As these developments appear, new and profitable outlets for capital will be provided, as well as new and better jobs for thousands of unemployed workers. Consequently private investment may ultimately be substituted for Government borrowing as the chief element in the demand for capital. Business will then be able to carry on under its own power as it receives constant stimulation from the flow of new opportunities for private investment.

These two measures which I have discussed this evening represent the next immediate steps I believe should be taken to pave the way for future jobs and better business conditions. We cannot expect the highway to employment opportunities to be built without effort on the part of individuals as well as business and government. We must apply ourselves constantly, each one to his own part of the task, until we achieve our goal.

Henry Wadsworth Longfellow, in his famous Psalm of Life, said:

"Let us then be up and doing,
With a heart for any fate;
Still achieving, still pursuing,
Learn to labor and to wait."

Allotment of Cotton Acreage Under the Farm Act

EXTENSION OF REMARKS

OF

HON. JACK NICHOLS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 13, 1939

Mr. NICHOLS. Mr. Speaker, last fall I held a series of meetings with cotton farmers in my district to discuss the Farm Act, and I found a uniform sentiment for a change in the handling of the program that I believe would be easy to bring about and one which would do much to ease present friction.

That is, to give the county committees the authority to reallocate cotton acreage given to farmers, when the farmers indicate that they do not intend to plant it. Suppose that a county has a 50,000 total cotton acreage allowed by the State committee. In our section generally at least 10,000 acres would not be planted because certain farmers did not want to plant any cotton at all or not the total amount allotted to them.

If the county committee had authority to dispose of this 10,000 acres by increasing the allotment of other farmers, or to permit certain farmers, formerly cotton growers who were on farms without a "cotton history" to grow some cotton, this committee could erase a large proportion of the complaints at present heard because of the rigid acreage control.

I intend to bring this matter before the House Committee on Agriculture and also the officials of the Department of Agriculture and request that county committees be given this authority. However, it is necessary that prompt action be taken, for farmers are already making their crop plans for this year and should have information now as to the number of acres of cotton they can plant.

The Problem

EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 13, 1939

STATEMENT BY HON. VINCENT F. HARRINGTON, OF IOWA

Mr. HARRINGTON. Mr. Speaker, the problem of organized society is how to bring enough money into circulation each year to enable the people to buy the wealth they can produce in order that all may live on an American standard, provide for the needs of government, and something for savings account as a foundation for security and growth.

There are just three ways to bring money into circulation, viz:

First. By the production and sale of the raw materials—products of the ground.

Second. By direct issue as provided by the Constitution.

Third. By taxation or by some form of credit device.

The second method merely provides an instrument for the convenience of society.

The third method merely represents the act of levying upon savings or the pledging of wealth which has not yet been created.

Neither the second nor the third method actually creates any new wealth from which society and government may draw sustenance.

PRODUCTION AND PRICE

The process of creating wealth starts with the production of raw materials—products of the ground. Manufacturing, transportation, merchandising, and other functions of business and capital represent only services which could not be performed at all if the raw materials were not first produced.

The amount of real wealth brought into existence is measured by the number of units of raw materials produced.

The amount of goods and services such units of new wealth will buy is measured by the price per unit received by the producer of such new wealth.

Therefore, number of units of raw materials produced, times prices received, equals the new wealth income created during each production cycle or year.

Example: 1,000 bushels of wheat selling for 50 cents per bushel brings into circulation $500.

One thousand bushels of wheat selling for $1 per bushel brings into circulation $1,000.

It is the bushel of wheat, ton of coal, pound of copper, and so forth, that the producer of new wealth puts into circulation. When he spends the dollars received for his product he places the equivalent amount of purchasing power in the hands of the next man, who in turn passes it to the next, and so forth.

The units of raw materials—new wealth—are transformed by industry into other forms of wealth and become permanent assets of society.

That is not true of the dollar of issue or the credit dollar.

Thus the dollar brought into circulation by the production and sale of raw materials—new wealth—is the only dollar which represents real wealth.

Therefore all national income is based on the amount and value of the new wealth produced.

And the sale of the annual production of new wealth must bring into circulation enough money so that when turned over in the channels of business it will provide a national income sufficient to operate the Nation—society—as a solvent business institution.

NEW WEALTH INCOME AND NATIONAL INCOME

Since agricultural income represents roughly seven-tenths of all new wealth income and largely gages the industrial demand for minerals, lumber, and other raw materials, the relationship of agricultural income to national income becomes the governing factor in our economy.

The relationship of agricultural income to factory pay rolls—the best index to the state of industry—and national income is, for all practical purposes, 1–1–7.

Meaning that each $1 of gross agricultural income yields $1 of factory pay rolls and $7 of national income. Example:

	Gross farm income	Approximate factory pay rolls (ratio 1 to 7)	National income (ratio 1 to 7)
1928	$11,700,000,000	$11,700,000,000	$82,000,000,000
1932	5,330,000,000	5,500,000,000	37,000,000,000
Deficit	6,370,000,000	6,200,000,000	45,000,000,000

Production of all grains, corn, wheat, oats, rye, barley, flax:

	Bushels
1928	5,633,000,000
1932	5,253,000,000

Production of principal meats, beef, pork, mutton, veal:

	Pounds
1928	17,007,000,000
1932	16,800,000,000

Thus production of grains, meats, and so forth, in 1928 and 1932 reflects slight difference in number of units, but approximately 50-percent decline in dollar yield.

With more population in 1932 than in 1928 and slightly less production in 1932 than 1928, had the law of supply and demand operated according to orthodox economy the farmer should have received a higher price in 1932 than in 1928, since there was no important carry-over of grain and meat stocks from preceding years.

We produced the necessary number of units of new wealth in 1932, but failed to measure properly their value in terms of dollars which could be exchanged for goods and services.

CONSEQUENCES OF FAILING TO STABILIZE PRICES

Failure to stabilize farm new wealth prices at the level which existed in 1936, when parity, or equal exchange value, prevailed for agriculture, industry, and labor, has cost this Nation in 8½ years—January 1, 1930, to July 1, 1938, inclusive—approximately $233,000,000,000 of national income which the people might have had, as shown by the following table:

Year	Gross income from farm production (million dollars)	Deficiency from 1926 level, 1930–37 (million dollars)	Labor income (million dollars)	Deficiency from 1926 level, 1930–37 (million dollars)	National income, gross (million dollars)	Deficiency from 1926 level, 1930–37 (million dollars)
1921 [1]	8,927		[2] 8,300			
1922	9,944		[2] 9,000			
1923	11,041		[2] 11,000			
1924	11,337		[2] 10,100			
1925	11,968		[2] 11,000			
1926	11,480		[2] 11,400		80,360	
1927	11,616		[2] 11,200		81,312	
1928	11,741		[2] 11,300		82,187	
1929	11,941		[2] 11,700		83,587	
1930	9,454	2,026	[2] 9,600	2,026	66,178	14,182
1931	6,986	4,512	[2] 7,000	4,512	48,512	31,554
1932	5,331	6,149	[2] 5,200	6,149	37,317	43,043
1933	6,256	5,224	[2] 5,500	5,224	43,792	36,568
1934 [3]	7,000	4,480	[3] 6,800	4,480	49,000	31,360
1935 [3]	8,100	3,380	[3] 7,600	3,380	56,700	23,660
1936 [3]	8,600	2,880	[3] 8,800	2,880	60,200	20,160
1937 [3]	9,000	2,480	[3] 9,000	2,480	63,000	17,360
1938 [4]	3,500	2,240	[3] 3,400	2,300	24,500	15,680
Total		33,371		33,431		233,597

[1] 1921–1933, Agricultural Yearbook, 1935.
[2] Approximate.
[3] Estimated.
[4] To July 1, 1938, estimated.

Ratio figure showing average relationship of farm income to national income is 1 to 4.

Relationship of farm income to labor income equal for all practical purposes. (Farm and labor income varied less than a billion dollars over a 17-year period.)

In order that we may have some idea of just what this loss of $233,000,000,000 in national income amounts to, I will break it down into concrete form:

It would have paid all the farm mortgages	$9,000,000,000
It would have paid all the public debt	54,000,000,000
It would have built a million miles of paved roads at $30,0000 per mile	30,000,000,000
It would have replaced 5,000,000 condemned homes at $4,000 each	20,000,000,000
It would have purchased all the farm land, livestock and farm buildings in the United States	57,000,000,000
It would have purchased a new $1,000 auto for every laborer in the United States	40,000,000,000
Then there would be enough left over to give every farmer $1,000 cash for operating expenses	6,000,000,000
And enough more to pay off the railroad debt	17,000,000,000

WHY AGRICULTURAL COMMODITY PRICES HAVE SUNK TO PRESENT LOW LEVELS

Agricultural prices have declined to present low levels because of deficiencies inherent in the current Pope-McGill Act, viz:

First. Failure to employ commodity loans to maintain prices at a sufficiently high level. Sliding-scale loan system, gaged to size of crop, automatically limits such loans to 52 percent of parity in years of normal yield.

Second. Failure adequately to provide sufficient storage as insurance against domestic need in event of drought, war, or other form of emergency.

Third. Failure to specifically provide method for disposal of any excess supplies beyond current use and normal reserve needs.

Fourth. Failure to distinguish between domestic price and world price for those portions of crops used or stored for domestic purposes and those portions to be sold in export or diverted to nonfood and nonfabric purposes.

Fifth. Failure to render tariffs on agricultural products adequate or effective.

Sixth. Possibility that act is unconstitutional.

Seventh. Dependence upon production control rather than control of surpluses occurring in excess of domestic needs.

Eighth. Diversion of land from certain major basic crops to other major basic crops has created condition of unbalance in relationship between crops.

Ninth. Contemplates legalistic adjustments which Nature does not recognize.

Tenth. Contemplates price structure that is variable and at no time mathematically geared to farm-debt structure set up on basis of 1926 land values and earning power.

President Roosevelt in his recent message to Congress said that the national income should be brought up to $80,000,000,000 per year. It should be in order to support the present public debt and tax structure, yield an American standard of life for our people, and leave something for a savings account. On that basis, agricultural income must be brought up $12,000,000,000 per year, which is entirely possible without resort to subsidies or conflict with any principle of constitutional law.

KIND OF LEGISLATION NECESSARY TO STABILIZE BOTH AGRICULTURAL AND NATIONAL INCOMES

Legislation that will effectively regulate and stabilize farm commodity prices and therefore agricultural and national incomes and keep industry employed necessarily must be based on the following points, viz:

First. A system of prices geared to a definite index figure, logically that of 1926 when a parity relationship existed between farm products and the products of industry and labor making up the general commodity index. Prices thus geared would rise and fall as the factors involved in the general commodity index changed.

Second. The parity price thus established to apply to all farm commodities sold for food and fabric purposes in the domestic market; the open or world price to apply to stocks in excess of domestic use and reserve needs.

Third. No surplus to be declared until there has been placed in storage farm commodities up to 35 percent of a normal year's yield of the major basic crops.

Fourth. Creation of a governmental agency to act for society—for whose benefit foodstuffs and fabrics materials are produced—in handling the disposal of excess stocks, either in the world market or by subsidy to industries for use for nonfood and nonfabric purposes, such as power alcohol, road materials, plastics, and so forth.

Fifth. Importations of competitive and substitute materials should be required to pay an admission or clearance fee—tantamount to tariff—equal to the difference between the actual landed cost of such imports and domestic parity income price of products which they would displace.

Since it would be economically unwise to increase tariffs on certain raw materials to comparable levels with those applying to some industries, downward adjustments should be made in the case of some industries to afford tariff equality between industrial goods and raw materials. Too many tariffs represent the evil effects of group pressure, as, for instance, steel on which the tariff advanced from $8.14 per ton in 1932 to $14.47 per ton in 1937.

Sixth. Conservation effort should be concentrated in areas of greatest need, eroded districts and areas in need of reforestation, conversion to grass, and so forth, such shifts in land use to be subsidized during period of transition.

Seventh. The full strength of government should be employed in research and to encourage research and to develop and assist and even subsidize new industries which will utilize farm products for nonfood and nonfabric purposes and utilize crops which well could displace excessive acreages of basic crops of which there are periodical surpluses.

INDICATED REMEDIAL LEGISLATION

The Gillette-Harrington farm bill, if enacted, would yield to agriculture an annual income of approximately $12,000,000,000 per year and make possible a national income of approximately $84,000,000,000 per year. It meets every legalistic requirement listed on page 7. It is undoubtedly constitutional. It consolidates all governmental agricultural credit operations in one department, divorcing them from the purely physical aspects which properly are the concern of the Department of Agriculture. It will restore value to the $100,000,000 which American farmers have invested in the securities of the Farm Credit Administration and its subagencies. It will not interfere with any conservation program now in operation or contemplated. It will put agriculture on a sound business basis for the first time in history and supply an unshakable foundation for factory pay rolls and national income.

The Gillette-Harrington power alcohol bill would remit the Federal tax on motor fuel containing 10 percent or more of alcohol made from agricultural products—corn, wheat, barley, rye, artichokes, potatoes, sweetpotatoes, bagasse, and so forth. Such remission would make it possible for the industry to pay farmers 25 cents per bushel more than the 56 cents per bushel at which its supply of corn is bought under contract.

To supply the motors of America with a 10-percent-blend fuel would require a minimum of 800 plants of 10,000-gallons capacity daily, representing an investment of upward of $500,000,000, and which would employ, directly and indirectly, 800,000 to 1,000,000 heads of families. Since alcohol is the base for all synthetics, the potentialities of this infant industry are such that these estimates represent less than 50 percent of the possible indicated development.

New legislation to encourage and protect development of industries based on strategic minerals, manganese, molybdenum, chrome, quicksilver, ilmenite, and so forth, should be enacted to create employment, add to new wealth income, improve the military safety of the United States, and provide opportunities for capital. Manganese alone is capable of developing into a $30,000,000-per-year industry.

Parity prices, parity tariffs, full protection for American labor, land and capital, and utilization of our natural resources, substituting organic for inorganic materials to achieve conservation of irreplaceable elements, should become the paramount policy of government.

Address by Hon. Harry Flood Byrd

EXTENSION OF REMARKS

OF

HON. CARTER GLASS

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, January 16, 1939

ADDRESS BY HON. HARRY FLOOD BYRD, OF VIRGINIA, BEFORE MASSACHUSETTS FEDERATION OF TAXPAYERS' ASSOCIATIONS, AND LETTER TO CHAIRMAN OF FEDERAL RESERVE SYSTEM

Mr. GLASS. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a speech delivered by my colleague [Mr. BYRD] before the Massachusetts Federation of Taxpayers' Associations at Boston, December 10, 1938, and a letter written by my colleague to the Chairman of the Federal Reserve System.

There being no objection, the address and letter were ordered to be printed in the RECORD, as follows:

The sacred responsibility of preserving representative democracy rests upon the shoulders of American citizens, because here it has flowered to the fullest perfection in freedom and in our progress and our development. Preserve it not only for ourselves and Americans who come after us but as an inspiration and encouragement to the depressed peoples in other lands who seek the blessings of the freedom we enjoy here.

Democracy must be made efficient. Democracy must be made effective to meet new conditions and new problems, but this, and all of this, can be accomplished within the framework of our constitutional Government and preserve as a continuing vital force the fundamental principles which are just as valid today as ever before.

What we need most in our country today is a program of education in the operations of government such as this splendid and nonpartisan Federation of Taxpayers is performing in Massachusetts, and then an aroused public sentiment to fortify and improve good legislation and to discard impractical theories, to demand the adoption of sound economic principles that have never been set aside since the beginning of time, and to act, not for the political aggrandizement of any one individual or of any one political party but for the true and for the best interests of all the American people. We want debate, free and unafraid, and let that discussion come from members of both political parties and be conducted utterly regardless of political consequences to those who speak the convictions that exist in their hearts.

For the past several years we have had at Washington much loose talk and loose thinking of a new liberalism which will sweep away the clouds of depression; wave a magic wand of legislative panaceas for our ills; and give a substitute for those time-old virtues of thrift, frugality, self-reliance and industry that have made our country great and given to us a progress, a freedom, a happiness, a contentment never before enjoyed by any great nation. From my own personal observation in the Senate of the United States, a modern liberal is often tested and judged in proportion to how liberal he is willing to be with other people's money. If a Senator acts to safeguard the Public Treasury, to spend the public money judiciously, and only for necessary and useful functions, some proclaimed him a "reactionary," "an economic royalist," and more recently "a copperhead."

Calling names never solved a problem or offered a solution for difficulties. For myself, how I am classified in the public life of America is of little concern to me. I am a Democrat. I have voted my convictions and owe my allegiance to my constituents of Virginia and to my oath as a Senator of the United States.

When the history of this momentous period is written, I believe the true liberals of today will be recorded as those who, like DAVID WALSH, of Massachusetts, and other Senators and Congressmen, fought the packing of the Supreme Court by the Executive, as he and others risked their political lives in defense of the immortal principle that our Government was established in three branches, each independent of the other.

Those of us who act to preserve the financial solvency of our Nation are fighting for true liberalism, because without solvency there can be no liberal government. And so it was when we voted to make illegal the use of relief funds in elections. Certainly there is nothing more unliberal and un-American than to coerce and control the sacred privilege of suffrage in a free country by commands from those who dispense relief to the destitute who are compelled to accept charity from their Government. That this has been and is being done no informed person can deny, and such action by high officials received encouragement in the defeat by one vote in the Senate of the United States of a resolution denouncing this utterly indefensible use of public funds. And again, in supporting the resolution condemning sit-down strikes, a liberal vote was cast, because the principle of the sanctity of private property from mob possession is inherent in every liberal form of government. So the classification is largely a matter of definition. But I can say definitely that good government and liberal government would be vastly promoted if the "brain trusters" from Tugwell to Corcoran would go home and if Congress resumed its constitutional duty for the initiation and consideration and adoption of national legislation.

Today the time has come to analyze, to appraise the good as well as the bad, and to pass judgment on the vast legislation adopted by the National Congress in the past 6 years. Our last election indicates very clearly that the American people intend to do this very thing, and are doing it. In this analysis let us remember that the real test of a law—the real worth of legislation—is in its practical administration and effect upon all the millions of our citizens, and that a principle enacted into law—a just and fair principle—is often defeated by the maladministration of its operation.

With much important legislation enacted in this period, I can heartily agree. I have been in accord with the foreign policies of our Government. I have supported Secretary Hull in his efforts to regain our foreign trade and to repair some of the damage of the Hawley-Smoot tariff bill signed by President Hoover. I have supported adequate national defense and will continue to do so unless national defense is used merely as a means of pump priming and public spending. I favored control of the New York Stock Exchange. I am opposed to monopolies that operate to throttle competition and fix prices. I applaud the remarkably fine work done in the reorganization of the banking system. As a member of a special committee of the Finance Committee to consider a revision of the social-security legislation I will support measures to reform and strengthen and make workable a social-security program within the ability of our citizenship to support. Social security, in one form or another, is here to stay.

In surveying recent legislation, remember that private enterprise is the foundation stone on which our Republic is founded. Private enterprise, and not the Government, must provide employment for our citizens. Private enterprise is the motor that provides the taxes for our Government to operate. If taxes become confiscatory, if governmental regimentation becomes too oppressive, if governmental competition becomes too destructive, then private enterprise can neither pay the taxes nor give employment to the workers. Remember, too, that the character of our individual citizen is our most valuable national possession, and the character of many can and will be injured, if not destroyed, by unrestricted and profligate public relief, as character comes from self-help and industry and not from idleness and thriftlessness. The very immensity of our relief expenditures has made impractical the confinement of relief to those actually in need—an obligation that all of us recognize must be met in the fullest measure—with the result that millions of able-bodied citizens now rely upon the Government for support and have ceased to exert their effort for self-help and to obtain private employment.

A grant to the States by the Federal Government is not a gift. Nothing would curb the extravagance in our Federal Government more than a recognition of this very simple and elementary truth. Actually every grant from the Federal Government in the past 5 years has, in fact, been a mortgage, and a first mortgage, on the property of every citizen in each of the 48 States. In this confederation of States, the United States of America, the parent Government has no money except such as is derived from the States by taxation. It has no security on which to borrow except the property of the citizens of the 48 States, so instead of a grant being a gift, the States are given a mortgage to pay with accrued interest, and the bureaucrats at Washington take a toll for top-heavy administrative cost, which, in some instances, as I have shown on the floor of the Senate, has equaled a full 33 percent of the sum expended.

For 9 years we have spent more than our income. Our deficit for the current fiscal year will be the largest in peacetime history. For recovery and relief we have spent $27,000,000,000 since the depression began. In addition, we have borrowed and loaned $8,000,000,000 more to citizens and corporations, much of which, I predict, will never be repaid to our Government. Our debt in 1932 was $16,000,000,000, with no contingent liabilities. On July 1 next we will owe at least $41,000,000,000 in direct debt and will have a contingent liability, which is not listed on the financial statements of the Government and of which no Government official has made announcement. This liability is just as much an obligation as the reported debt. Thirty Government corporations have been organized with authority to issue bonds, debentures, and notes to the amount of $16,229,325,000. These obligations, when issued, are guaranteed in full for principal and interest by the Government of the United States, but, I repeat, are not included in the debt you find reported in the Treasury statements. With much difficulty, I have ascertained that on June 1, last, bonds, debentures, and notes had been issued by these corporations, over three-fourths having been sold to the public to the amount of $7,940,462,000, so that our actual debt on July 1, next, will approach $50,000,000,000, and may be much more if the maximum authorization to issue $8,000,000,000 more of bonds is exercised by these Government corporations.

In these corporations the Federal Government has purchased and paid for stock to the extent of $1,983,893,000. A case in point of one of the 30 borrowing corporations is the Commodity Credit Corporation with a capital stock of $100,000,000 and over $200,000,000 of notes sold to the public and guaranteed by the Federal Government. This corporation lost in its operations 94 percent of its capital stock and received a Federal appropriation of $94,000,000 to pay this loss. And then to avoid the trouble of reporting future losses to the Congress, obtained on March 8, last, the passage of a law directing the Secretary of the Treasury to pay all losses without the formality of first obtaining an appropriation from Congress, and to automatically include such losses in deficiency appropriation bills.

Some of these vast corporations make detailed reports to Congress and some do not. Many are not accountable to the Comptroller General for control audit, such as the Tennessee Valley Authority, a corporation with over a quarter of a billion of stock and further authority to issue guaranteed bonds.

The recoverable assets, if and when realized, will be vastly disappointing and cannot be relied upon to discharge any substantial part of the indebtedness our Government has incurred. Our situation today, in brief, is this:

We have trebled the public debt in 6 years. This debt is now an average of over $1,000,000,000 for each State, and the interest, before this debt is paid, will in all probability be more than the debt itself. The Federal appropriations in this current year are the largest in peacetime history. Our tax collections for the year ending last July were the largest. Yet in the present fiscal year our deficit will be the largest peacetime deficit. In the ninth consecutive year of great deficits we are farther away—and I say this advisedly—farther away from a balanced Budget than at any time since the depression began.

The Federal Government alone is spending $23,000 every minute of every day and every night, including Sunday; and of this, $11,500 is being added each minute to the public debt.

Coincident with the rise in the Federal debt and increase in Federal taxation have come similar increases in the burdens of the States and localities. The Federal Government has demanded the same prodigality of spending by the other governmental units of our Republic, and the sovereign State of Georgia has only recently been publicly reprimanded because that State was reluctant to amend its constitution to issue State bonds and abandon its wise and frugal policy of pay as you go.

This current year, the fiscal year of 1939, the expenditures of all governments in America—local, State, and National—will be more than $20,000,000,000, or about one-third of the total gross income of this Nation, and this $20,000,000,000 is more than twice the value of all products that come from the soil and under the ground, all the products of the farm, including livestock, the products of the forests, and the products of the mines. How long can a republic exist spending one-third of its gross income and twice the value of the new wealth that comes from the soil? As ominous as are our vast expenditures for recovery and relief, the fact, too, is that by actual Budget figures the regular or ordinary expenses of the Federal Government have increased from $2,700,000,000 in 1934 to $5,700,000,000 in 1939, an increase of more than 100 percent. Some tell us that the millionaires will pay this debt and this spending. The total income of those receiving more than $100,000 last year was $974,000,000. If this income were all confiscated by taxation, it would pay the cost of the Federal Government for less than 30 days and the cost of all governments for less than 15 days. For the balance of the year the expenses would be paid "in the sweat of every man

who labors," and you know who described in 1932 our tax problem with the wisdom and accuracy of those words.

What can be done about this situation? Can we expect any leadership from the present administration for economy and retrenchment? As one who has fought for 5 years for prudent spending at Washington, I say no. As a Democrat I say it with sorrow, as my party is in power, but the Republican Party cannot escape responsibility for its share in the present orgy of spending. Mr. Hoover added the first five billions to the public debt, and a majority of the Republican Members in the Senate have voted for the huge appropriation bills.

Let me suggest a program as a goal to begin a national campaign for retrenchment.

First, thoroughly reorganize the Federal Government for economy, simplification, and efficiency.

With equal emphasis I submit there should be a cancelation of the existing authority of 30 Federal borrowing corporations which now have power to add $8,000,000,000 more to the public debt, and that such corporations, about which so little is known, should function through the Budget, allowing Congress to approve or reject future expenditures. This action would preclude at least a portion of the new enormous public debt now impending. These corporations are our "invisible" governments.

Inescapable in this program is the fact that, exclusive of relief, 30 percent of the total expended by the Government today is for activities new to the Government in the last 5 years—the Greenbelts, the tree belts, and other such dispensable activities. Let these be reduced to the minimum and further great sums can be saved without impairing the necessary functions of government.

Reasonable taxation is one of the best assurances of business prosperity. The essence of our Democracy is the conducting of our Government within the ability of our people to pay.

This program would embrace a thorough, honest purge of relief rolls, eliminating all undeserving, and reducing relief costs by stopping all expenditures in excess of providing for those in need; and this can only be done by requiring localities to bear a definite portion of the burden, thereby directing local interest to reform in the relief program. Elimination of unnecessary relief costs is vital to the preservation of the character of the American people.

This is not all that should be done, but this would be a good start and, at least, a tangible objective. But only the aroused interest of the American taxpayers can accomplish results, and in this war against waste and needless extravagance I ask for the cooperation of a taxpayers' association, such as this great audience here today, in every State and section of our country.

It is a fact that 33 States take from the Federal Government for relief only (exclusive of grants and subsidies) more than they pay into the Federal Treasury. Virginia and Massachusetts are among the 15 States paying more than the relief they draw out.

So long as the economic philosophy of those like Chairman Eccles, of the Federal Reserve Board, dominates the fiscal policies at Washington no leadership from those in high places in Washington to restore a sane Budget policy can be hoped for.

Mr. Eccles believes that Government spending should be regulated not by the needs in the functions of government but for the purpose of promoting prosperity by spending borrowed money. The more you borrow and spend the more prosperous you are; the more taxes you pay the more prosperous you are, says Mr. Eccles. This incredible statement was made by the head of our national banking system in New York last week and indicates to what depths of false reasoning we have sunk in the crackpot legislative ideas of those holding important public positions. "It is perilous," says Mr. Eccles, "to reduce public spending" and to adopt sound principles of financing after a long period of fiscal insanity. I say it is not only perilous if we do not start soon to approach a balanced budget, but it will be disastrous. What about the hardships and distress we will suffer when the pay day comes and our sweat and toil must pay for this reckless waste—not only to repay the principal of the debt but for the interest.

If Federal spending is a prop for prosperity, what will happen when the prop is withdrawn, as some day must be done, because not even the richest nation in the world can continue indefinitely to violate the basic principles of sound finance. We have primed the pump with borrowed money for nearly 9 years. The result has been a tragic failure. Our unemployment today, as just announced by the Government, is over 10,500,000, or 3,000,000 more than a year ago, and not so many less than when the depression began.

Mr. Eccles further said in New York that the recession that began in the fall of 1937 was caused by reduced public spending. The actual records contradict this statement. For the year beginning July 1, 1937, all governments—local, State, and National—spent $18,415,000,000, and for the previous year $17,516,000,000. So we spent more and not less. Mr. Eccles said again that taxes in America were 17½ percent of the national income and 20 percent in England, and cited this as one of the reasons why the business index in England is now 118 percent of the 1929 level and in the United States only 75 percent. He omitted to say that England is on a pay-as-you-go basis, and that while our tax collections this year are 17½ percent of our income, our actual expenditures for all governments totaled 30 percent, or 10 percent more than in England. Following this line of reasoning, then, our prosperity should be greater than England's prosperity, but Mr. Eccles says it is not.

To my way of thinking, Mr. Eccles paid a tribute in this comparison to pay-as-you-go financing. If Great Britain can reduce her public debt per capita, as she has done for the past 5 years, and have a relatively higher prosperity than we have, then a pay-as-you-go plan in this country may bring to us the advantages that Great Britain now apparently enjoys.

Under the pay-as-you-go plan England has reduced her per capita taxation 5 percent as compared to the levies of 1928. Our Federal Government has increased the per capita taxation in the same period by 22 percent and is paying, by taxation, only $1 out of each $2 expended.

At the last session the administration's reorganization bill was defeated because of the vast and un-American powers it conferred upon the Executive. The American people want no government by Executive decrees, but want progress to be achieved and our Government operated by the democratic method of action by Congress and free debate and decisions.

Although hundreds of millions of dollars can be saved by a reorganization for economy and efficiency, the reorganization plan submitted in the last session by the administration carried with it the frank admission that little economy or retrenchment was contemplated. In fact, three new permanent departments were to be established, two with new Cabinet heads, which would have resulted in increasing the cost of government. The abolition of the Comptroller General, the watch-dog of the Treasury, having the power to prohibit illegal expenditures, was provided. It also provided for the abolition of the nonpartisan Civil Service Commission of three and the appointment of one commissioner, removable at the pleasure of the President, and gave to the President control of the 10 quasi-legislative agencies of the Government, such as the Interstate Commerce Commission, Radio Commission, and the Federal Trade Commission.

The President was given the power to conduct the Government of the United States by Executive decree. It even extended the power to alter, amend, or abolish functions of government, all without the approval of Congress. It deprived the Senate of most of its present powers of confirmation of appointments.

It was defeated, and wisely so. But the need for reorganization for economy and simplicity becomes greater every day, and the opportunity for savings becomes more possible. In the last 5 years, 60 new agencies of government have been added. The number of employees at Washington has been doubled. In each State a miniature Federal Government has been set up occupying an office space equivalent to the floor space of an Empire State Building.

The hope for economy and retrenchment lies in an aroused public interest by you, the citizens who must sooner or later pay for these extravagances.

The vast Federal spending is entrenched in every nook and corner of America. Actually 1 out of every 80 men, women, and children in the United States is now on the regular Federal pay roll, as more than one million and a half are regularly employed by the Federal Government in its various activities, not including State and local employees. In addition, there are more than 1,000,000 Federal pensioners, and to this must be added the millions receiving Federal relief and subsidies of one kind or another. To dismantle and reduce this gigantic bureaucracy is a task of overwhelming proportions, but the reward is the preservation of sound government, preventing inflation, and keeping our country secure for our children and those to follow.

Government efficiently and economically operated is our best protection against the undermining of democracy.

National financial preparedness would be the objective of this program of retrenchment. Financial preparedness is the greatest bulwark of national defense, and it is the greatest guaranty for national security.

The letter replies to an open letter written by Chairman Eccles to Senator BYRD under the date of December 22, 1938:

JANUARY 14, 1939.

Hon. MARRINER S. ECCLES,
Chairman, Board of Governors
of the Federal Reserve System,
Washington, D. C.

MY DEAR MR. ECCLES: I have the honor to reply to your public letter to me signed as Chairman of the Federal Reserve System.

Your fiscal program, in substance, has since been adopted by the President of the United States.

THE ISSUE

You say the Budget of the Federal Government cannot be balanced except by "restoration of national income." And this you propose to accomplish by still greater pump-priming. The President says to reduce expenditures now "we would invite disaster," and sets a national income of $80,000,000,000 as an assurance for Budget balancing. We are told that when an $80,000,000,000 national income is secured, the Budget will automatically balance from increased yields from taxation, and that until an $80,000,000,000 income is gained, the Federal Government will continue to borrow and spend and increase the public debt. If not realized under the proposal we must assume the borrowing and spending will continue so long as the solvency of the Government lasts.

What you advocate is a direct repudiation of the Democratic platforms of 1932 and 1936, the economy and Budget-balancing messages, and pledges of the President of the United States, the Secretary of the Treasury, and other official spokesmen, including yourself.

In 1936 the President, in his message to Congress, said:

"We should plan to have a definitely balanced Budget in the third year of the recovery and from that time on to ask a continuing reduction of the national debt."

Only a year ago the Secretary of the Treasury spoke of the support of the administration of a balanced Budget.

You have made the new spending issue clear. I thank you for your frankness.

Before answering the strictures you make on my Boston speech and the rhetorical questions you propound, I want to clear away first the complaint in the very first sentence of your letter.

ATTACKING GOVERNMENT

I quote your exact words:

"In the course of your speech attacking the Government which you delivered in Boston on December 10 * * *."

If I attacked the Government in that speech, I did not know it. I certainly did not intend to attack the Government which I have spent much of my life defending. I did attack certain theories which you propounded and certain policies which you espouse and support. If, indeed, an attack upon your views is an attack upon our Government, then, and then only, am I guilty.

But to tell you the truth I did not know—I did not even suspect that you and the Government were one and the same. I know in Italy an attack upon Mussolini is an attack upon the Government; that in Russia an attack upon Stalin is an attack upon the Government; that in Germany an attack upon Hitler is an attack upon the Government.

But I had not quite come to appreciate your attitude of mind and your point of view. I did not quite know upon what meat Caesar had been dining.

In the early days of this Republic the Federalist Party enacted the alien and sedition laws, making it a crime for any person to "write, print, utter, or publish" certain forbidden writings against "the Government of the United States or either House of Congress or the President of the United States."

Those laws wrecked the Federalist Party and brought Jefferson and the Democratic Party into power.

I am duly sensible of the scorn with which you ridicule my devotion to "those time-old virtues of thrift, frugality, self-reliance, and industry." I do not agree with those who regard thrift as a vice or as a mistake, or who regard spending for spending's sake as the highest virtue and wisdom. I still agree with the philosophy of the late Will Rogers, repeated often, but not often enough, that "we ought not to spend money that we haven't got for things we don't need."

I do not agree, as you may, with William Trufant Foster when he said:

"In the future we must prevent the oversaving and underspending which are the chief causes of the depression."

That is also the doctrine and dogma of that erratic English economist, Dr. J. M. Keynes, who, though a prophet without honor in his own country, seems to have sold his seductive schemes of spending and borrowing to those vested with power and responsibility in this country. England rejected his fantastic fallacies of spending, borrowing, and lending, adopted a rigid policy of retrenchment and economy, reduced her capita tax and balanced her budget, and revived prosperity.

AMERICA AND ENGLAND

As to the recovery of England, according to your own statement in New York on December 1, her national income in 1937 was about "118 percent of the 1929 level." Whereas, according to your statement, our national income during the last 3 years "has been averaging only about 75 percent of the 1929 national income." You then said if the United States enjoyed the same relative prosperity as England, our income would now be $88,000,000,000 instead of $60,000,000,000. I am careful to quote your own words as to the relative prosperity of England and America. In fact, I make the comparison only because you have made it.

England met her depression in a way very different from America. England did not attempt to borrow and spend herself out of this depression. She did not pile deficit upon deficit. She did not swell her relief rolls. She did not harry and frighten business. She did not revive the depression. She revived prosperity.

From 1932 to 1938 the total income of England exceeded her expenditures. England is $400,000,000 to the good. The United States, in the same period, is $20,400,000,000 in the hole.

I ask you why, by your own statement, recovery in England from the world depression has so far outstripped recovery in the United States? It cannot be due to superior population. We outnumber the English 3 to 1. It cannot be due to superior resources. Our resources exceed theirs. I am not willing to believe that England is superior to America.

DEBTS—TAXES

Stripped to the bone, the main issues between you and me relate to taxes and debts. You think the Government can "purchase" prosperity on borrowed money. I think that genuine prosperity must come from the productive industry of the citizens of our Republic.

I realize that in entering the arena with you I come as a mere layman, while you are a noted financial expert. You are not only the present Chairman of the Federal Reserve System but you are a former president of a great company controlling 26 different banks. You are initiated in all the mysteries of high finance.

You ask me:

"Are you aware of studies made by a distinguished group of scholars under the auspices of the Twentieth Century Fund, indicating that the total of all domestic debts, both public and private, is no greater today than in 1929?"

It just happens that I am; and with due deference I will tell you what they said, and what you omitted to quote:

"The committee is convinced that our economic system would be far more healthy if debt financing were used less frequently and that measures should be taken to reduce its extent" (p. 254).

Let me tell you what else the Twentieth Century Fund said, likewise not mentioned in your letter:

"That in the long run no government can continue year after year to incur substantial deficits and to increase its debts steadily if it wishes to maintain its credit."

After invoking the Twentieth Century Fund as a financial authority you propose to continue to do what this authority declares will impair the credit of the Government.

I know, too, that this same Twentieth Century Fund, in its reports, declared that in 1937 the total government debts of all governments in the United States "are the largest that any nation has ever had," and the Twentieth Century Fund Committee said further, "that the Budget should be balanced in 1938, and in 1939 begin substantial debt reduction."

In a series of rhetorical questions you commit yourself to the proposition that it is the total amount of private and public debt that counts. You say that the total amount of public and private indebtedness is no greater today than it was in 1929, and that private debts have decreased as far and as fast as public debts have increased, and that, therefore, there is no occasion for alarm.

I challenge this theory and this philosophy. It is utterly fallacious.

I know how uncertain are all estimates of aggregate indebtedness. But let us accept as true the estimate that public and private indebtedness today is the same as it was in 1929—about $250,000,000,000.

As you say, our public and private indebtedness is as large today as it was in 1929, and yet, as you know, our national income is only sixty billions, whereas for 1929 it was eighty billions. The income out of which these debts must be paid has shrunk twenty billions. The amount to be paid remains the same. The means of paying has shriveled 25 percent. Our burden is the same. Our strength is much less. Is that immaterial?

If our private and public indebtedness had shrunk 25 percent as has our national income shrunk, then the proportion of our burden to our strength would be the same today as it was in 1929. But this may be a matter of no concern to one who, like you, believes that a national debt is a national blessing and that recovery is born of debts and deficits.

I cannot conceal my astonishment at one of your questions. You ask: "Do not the same general economic considerations apply to both private and public debt?"

PUBLIC AND PRIVATE DEBT

I did not suppose that anyone familiar with the science and principles of public finance could give his sanction to such a self-evident absurdity. About the only things they have in common are that they are both promises to pay. These promises originate from different motives and are directed to different objectives. The ends are different and the ways and means of payment are different. As respects a private debt, the person who makes the debt expects and is expected to pay the debt. In respect to a public debt, the Government makes the promise and the people, or the taxpayers, perform the promise.

A private debtor enters into the promise voluntarily, upon his own motion, and for his own interest. The Government creates the public debt, and those who must pay are compelled to pay whether they would have entered into that promise or not. The obligations of a private debt rest upon those who made it and may or may not be secured. A public debt is a universal mortgage. It is a first lien on every acre of land, on every house and home, on every piece of property, on every service that is rendered, on every transaction that is made.

My views upon this subject happen to be sustained by the National Industrial Conference Board, and I quote the following from their recent bulletin on Private and Public Debt in the United States.

"Can public debt be substituted for private debt in our economic system? Those who maintain that there is nothing alarming in the steady rise in the national debt insist that there is essentially no difference between the two. * * *

"The primary function of private long-term debt is to help finance the creation of durable goods. Private long-term debt thus bears a direct relationship to income-producing private wealth, whereas public debt does not."

One of the basic causes of the crash of 1929 still remains perilous in possibilities for another depression. Debt has been one of the main causes of every major depression we have had. How can debts continue to be increased above the 1929 level and avoid evils even more disastrous?

The following table shows our relative debts and taxes:

	1929	1937	1938
Per capita debt (all governments)	$277	$430	$459
Per capita income	$668	$540	$500
Per capita taxes	$80	$95	$103
Taxes as a percetange of national income	*Percent* 12	*Percent* 17.6	*Percent* 20.6

FEDERAL DEBT

Since the depression began our national debt has run up from $16,000,000,000 to $40,000,000,000.

The President says that on July 1, 1940, the debt will be $44,458,000,000.

When we entered the World War our national debt was about $1,000,000,000 and the interest charge was only about $20,000,000 a year. The annual interest charge now is over a billion—more than the total indebtedness prior to the war. It is $300,000,000 more than the total expenses of government in 1916.

The President's Budget shows that in 1940 accumulated spending in excess of income will reach $28,000,000,000. During the depression we added more to the public debt than we spent defeating our enemies in the World War.

Suppose we should become involved in another world war costing as much as the last. Suppose we should blunder into another depression costing as much as this one. Suppose that, by chance or mischance, we should suffer the double calamity of being obliged to finance another war and another depression. We would start, after the Budget just presented is adopted, with $45,000,000,000 of Federal debt, and not one billion, as we did in 1917.

Our public debt—national, State, and local—now averages $450 for every man, woman, and child in the country. The present generation has placed a mortgage on all the people and on the property of all the people in order to prime the pump for the present generation. We are handing down to our children a staggering indebtedness which they did not incur but which they will be required to pay (not heirlooms but chains).

As a layman, I am not willing to lose the principle underlying this discussion in a wilderness of statistics. I know that in support of your theory about debts to promote national prosperity you have the support of the very highest official authority in this country. I, therefore, invoke what I regard as equally high authority in support of my contention that you are wrong when you contend that a public debt is a public blessing.

JEFFERSON AND JACKSON

Thomas Jefferson, who founded the party which for the moment enjoys the benefit of your affiliation, said:

"I am not for increasing, by every device the public debt, on the principle of its being a public blessing.

"I place economy among the first and most important of republican virtues, and public debt as the greatest of the dangers to be feared.

"To preserve our independence, we must not let our rulers load us with perpetual debt. We must make our selection between economy and liberty, or profusion and servitude.

"There does not exist an engine so corruptive of the Government and so demoralizing of the Nation as a public debt.

"As the doctrine is that a public debt is a public blessing, so they think a perpetual one is a perpetual blessing, and therefore wish to make it so large that we can never pay it off.

"We are ruined if we do not overrule the principles that 'the more we owe, the more prosperous we shall be; that a public debt furnishes the means of enterprise; that if ours should be once paid off, we should incur another by any means however extravagant.'"

I shall now reenforce the precepts of Jefferson with the example of Jackson. Jackson, during his administration, extinguished the public debt, the first and last time that was ever done in the history of the Republic.

It was my pleasure to attend the Jackson Day banquet here in Washington a few nights ago. I witnessed the seance and heard the short-wave conversation between Andrew Jackson and the present President. I thought I overheard Old Hickory say that in 1836 he paid off the public debt in toto.

I know that in a letter dated July 4, 1824, Jackson said:

"If a national debt is considered a national blessing, then we, like Great Britain, can get on by borrowing. But as I believe it a national curse, my vow shall be to pay the national debt, to prevent a moneyed aristocracy from growing up around our administration that must bend to its views and ultimately destroy the liberty of our country."

If I may say so without disrespect, I think Andrew Jackson as great a Democrat as you or any other living personage.

INTEREST RATES

You ask: "Is it of no significance that the interest on the public debt amounts to only a little more than 1 percent of our national income?"

You failed to include the interest on local and State debts. The total interest of all public debts is actually nearly 2½ percent, and not 1 percent, of the national income of 1938. But that is not the point. Interest rates are now low because business activity is low. A debt such as the Federal debt will last very many years. Interest rates will fluctuate as the demand for money rises or falls. Quite a proportion of the Federal debt is in short-term securities and must soon be refinanced.

Now, with reference to taxes, you ask: "Have you not overlooked the fact that as national income increases, tax revenues increase, even without a rise in tax rates?" I have not overlooked that fact, but I do not derive as much comfort from that source as you do.

You state with confidence that "national income increased from less than $40,000,000,000 in 1932 to approximately $70,000,000,000 in 1937. Tax receipts of the Federal Government increased from $2,080,000,000 for the fiscal year ending June 30, 1933, to $6,242,000,000 for the fiscal year ending June 30, 1938. The country paid about $4,000,000,000 more in taxes, but it had $30,000,000,000 more of income a year out of which to make these payments."

Certainly you did not intend to say that this increase in tax income came without an increase in tax rates or the imposition of new taxes.

Your 1938 revenue figures include the social-security tax, not existing in 1932, the undivided-profits tax, increase in income-tax rates and changes in the definition of net income, increase in inheritance taxes, new taxes on consumption, such as the 1-cent-per-gallon Federal tax on gasoline, and numerous other new "concealed" taxes, all having been added since 1932.

You must know that an entirely new tax structure exists now as compared to 1932. But let us carry your theory out on your own premise.

In 1932 the Federal taxes, by your own figures, were 5 percent of the national income.

In 1937, with an annual income of $70,000,000,000, the Federal taxation was over 9 percent of the income. The increased taxes required 15 percent of the increased income. But make your comparison with 1932 on the 1938 national income, which fell off a cool $10,000,000,000 in 1 year.

This will show that for the additional $20,000,000,000 income we now have for 1938 as compared to 1932, the increase in Federal taxes equals 17½ percent of the increase in income.

I let these statistics speak for themselves.

You also ask, "Would you have the public believe that the country was better off in 1932 with lower taxes and a lower public debt than it was in 1937 with higher taxes and a higher public debt?"

That is not the point.

As a layman I think the public might well believe that they would be better off with the low taxes and the lower debts of 1932 and the higher national income of 1937.

According to your own statement, the people of England now enjoy that very situation with its undoubtful blessings.

Another word about taxes:

Mr. Roosevelt was right when he said that taxes are paid in the "sweat of every man who labors."

High taxes mean high cost of living. High taxes retard business expansion and prevent the employment of the unemployed.

In some emergency high taxes may for a brief period be necessary and advisable, but high taxes as a permanent diet is another thing. There is a definite limit to the percentage of the Nation's productivity that can be taken for taxes.

An interesting comparison of combined taxation and unemployment follows:

Year	National, State, and local tax percentage of the national income	Unemployed
1929	12	1,864,000
1930	16	4,049,000
1931	18	7,300,000
1932	21	11,400,000
1935	17	10,652,000
1938	20	10,900,000

OUR LAST DEPRESSION

You do not have to go very far back in history to disprove your theory of recovery through deficit spending.

The depression that preceded the 1929 crash was in 1921 and 1922.

The national income fell from $73,000,000,000 in 1920 to $53,000,000,000 in 1921. Severe recession. The Federal expenditures were reduced from $5,000,000,000 in 1921 to $3,000,000,000 in 1922, with a corresponding reduction in taxation. The national income then rose to $60,000,000,000 in 1922, an increase of $7,000,000,000 over the level of 1921.

In 1923 another reduction was made in spending and in taxation. The income rose to $69,000,000,000. A gain of $9,000,000,000 in 1 year on a Federal budget of nearly one-half as compared to 1921, when the recession began.

So here is a definite experience of a severe business recession met and overcome, not by spending more but by spending less, not by borrowing more but by paying debts off, not by taxing more but by taxing less.

NEED PUBLIC DEBTS BE PAID?

To the suggestion that this public debt need not be paid I respond that America has always paid her debts. She did so after the early wars of our Republic. She did so after the Civil War. After the World War nearly one-half of the debt created was paid. We are an honest people. If the Government does not pay in an orderly way its debt the citizen will not pay his debt, and financial chaos will follow.

The payment of $500,000,000 each year, as applied to the direct debt only will take 56 continuous years to pay it down to where it was when the deficit spending began.

I may not be able to read the danger signals with as much accuracy as an expert but as I see it you display a danger signal. You say "since 1937 national income has temporarily contracted due 'to a combination of factors one of which was a too sharp and too rapid reduction amounting to more than $3,000,000,000 in the Government's net contribution to community buying power in 1937 as compared to 1936.'"

This statement accentuates the fundamental danger inherent in our policy.

Have you used iron lungs upon the country so long that they cannot now be dispensed with? You say the reduced Government deficit was a major cause of the recession.

Your statement needs analysis.

I quote from the Federal Budget for the fiscal year ending June 30, 1937:

Expenditures	$8,442,000,000
Revenue	5,292,000,000
Deficit	3,148,000,000

I quote from the Federal Budget for the fiscal year ending June 30, 1938:

Expenditures	$7,626,000,000
Revenue	6,242,000,000
Deficit	1,384,000,000

So it is seen that the net deficit was about $2,000,000,000 less, not $3,000,000,000 less than the previous year.

The Federal expenditures were $700,000,000 less, but let me remind you that this difference is accounted for entirely by the payment of part of the soldiers' bonus in the Budget year of 1937. The soldiers' bonus was vetoed by the President and could have been no part of planned or "timed" deficit spending.

Furthermore, if you take the total of all expenditures, National, State, and local, the increase of 1937 over 1936 was $1,000,000,000. So your contention that the national income was reduced $10,000,000,000 from 1937 to 1938 with reduced spending as the main cause is not sustained.

INFLATION DANGERS

On March 27, 1936, you made a speech at the University of Cincinnati. You then said:

"I agree with most businessmen and bankers that a budgetary deficit if continued will create inflation."

"The reason that a continued budgetary deficit would create inflation beyond the control of the Federal Reserve System is that such a deficit financed by banks would continue to pile up bank deposits."

"We must look to a period of balanced Budgets."

"We must look in the next year or two to a balanced Budget."

"Personally I would like to see it by 1938."

Again, on March 13, 1937, you said, "Only by this process—a balanced Budget—can monetary inflation be prevented."

I do not quote you to embarrass you. In these days it is fashionable for public men to change their minds, and I freely concede to you this right. But what concerns me is that, as a banking expert and head of the Federal Reserve System, you in 1936 and again in 1937 made the definite and unqualified statement that continuous deficits will create inflation beyond the control of the Federal Reserve System; that only a balanced Budget will prevent an uncontrolled monetary inflation.

In your letter to me you say your concern is to "maintain the solvency of the Government and to avoid the evils of inflation."

What has changed your belief in the principle you asserted in 1936 and 1937 that "continued deficits" would produce monetary inflation?

Is not your present policy to continue deficits for an indefinite period or until an $80,000,000,000 income is reached a perilous one? May it not end in the evils of a currency inflation which may have dire consequences? Can you guarantee or even prophesy the year in which we shall have an income of $80,000,000,000? To me it is a peculiar method you advocate to maintain the Government's solvency and to avoid inflation.

You apparently believe the way to maintain the solvency of the Government is to continue indefinitely to increase its debt. You believe the way to avoid the evils of inflation is to embrace inflation as you yourself describe it—"continuous deficit financing through bank credit—this is what is being done—is inflationary."

You ask me: "Do you consider, as your speech implies, that Government debt is evil, whereas private debt is not?"

I never said that all Government debt was evil, or that all private debt was good. Debt in itself is not evil; it depends upon the purpose for which the debt is contracted, the ability to pay, and whether the debt is essential. A productive debt, I have known in private business may be useful and wise; I have seen an oppressive debt force good men into bankruptcy and destroy the happiness of whole families.

I say unhesitatingly that a public debt created to continue to gamble with the discredited theory of pump priming is an evil.

NATURAL RECOVERY FORCES

You ask: "Do you think it was natural forces that produced the recovery after 1933?"

The national income in 1932 was $40,000,000,000, in 1938, $60,000,000,000, a gain of $20,000,000,000 after 6 years of spending.

Our Federal taxes in 1938 are three and one-half billions more than in 1932, and this must be deducted from the gain in national income. During this period the national debt has increased more than twenty-one billions.

Public spending has become firmly entrenched in every nook and corner of America. Government extravagance has become habitual. The Nation faces the danger of greater and larger spending. Haven't we paid pretty heavily for a $20,000,000,000 increase in the national income which you say did not come from "natural forces" and is therefore artificial?

I believe that for every dollar the Government borrows and spends in pump priming, private enterprise is deterred from spending two.

Let me remind you that from March 1933 until July 1933, when our fiscal actions were sound, there occurred the greatest increase of business activity of any same period in the history of our Nation. Many men were put back to work. The Federal Reserve Board index of industrial production stood at 60 in March 1933, 100 in July 1933.

RELIEF SPENDING

You indulge a good deal of fine rhetoric in respect to my statement that many "able-bodied citizens rely upon the Government for support and have ceased to exert their efforts for self-help to obtain private employment." My statement is based on experience, observation, and the testimony of those who are in a position to know.

Here are the figures of those receiving public assistance:

1933	16,800,000
1934	18,200,000
1935	17,200,000
1936	16,600,000
1937	15,600,000
1938	18,300,000

Let me suggest that your church—the Mormon Church, the Latter-Day Saints—has had some experience in connection with relief work and relief workers. The Mormon Church, with its fine example of self-reliance, might shed some light upon the effect which our relief system has had upon the morale of certain classes of those receiving relief. It could tell you how hard a thing it is to help certain people without making them helpless. You are one of the very few who are satisfied with the present administration of relief, as indicated by your letter. Everyone knows that there are worthy citizens on relief. The real injury to the worthy on relief does not come from me in favoring a purge of the unworthy, but from those who have abused the privilege of relief for their own personal, selfish, or political advantage.

I could give you an illustration in my own State of Virginia of a county where four Federal relief administrators were appointed and solicited the citizens to go on relief. The county authorities requested the dismissal of the Federal employees, and assumed all obligations for relief in that county. This particular Virginia county never went on relief. The county cost of providing all necessary relief to those in need was less than the annual salaries of the four Federal supervisors.

A word as to your plan of "properly directed and properly timed Federal expenditures" to stimulate private enterprise:

SPIGOT SPENDING

You appear to think the public appropriations can be turned off and on like a spigot; that when the national income increases you turn the spigot off and when it declines you turn it on. Nothing could be further from the practical facts. These vast sums are spent by gigantic Government bureaus reaching into every nook and corner and manned by politicians of influence. Solomon in all his wisdom could never devise a plan of public spending "directed and timed to stimulate private enterprise" and raise this expenditure up and down in accordance with the national income and at the same time satisfy the 48 States and 4,000 communities. So this "planned economy for timed expenditures" is thoroughly impractical of operation even if otherwise desirable.

Can society lift itself by its bootstraps through continuous spending in excess of income?

In our government of checks and balances, the check on excessive spending comes from the tax-conscious citizen who can see where his tax money goes and criticize its use.

If deficit spending is practiced indefinitely, the taxpayer is not directly conscious of the burdens to be imposed later upon him.

FIVE-POINT PROGRAM

Concerning the five-point program I suggested at Boston as an aid to gradual restoration of the country to fiscal sanity, you say:

"I am convinced that your program is not only a defeatist one, a program of retrogression and not of progression, but it would jeopardize the salvation of democracy."

I confess this program, as limited as it is, is intended to be a gradual approach to a balanced Budget. In that respect it means "retrogression" and not "progression" in debts and taxes. But will it jeopardize the salvation of our democracy?

The program is:

First. Reorganize the Federal Government for simplification, retrenchment, and economy.

Second. Cancel existing authority of 30 Federal borrowing corporations and agencies to borrow an additional eight billions of dollars without further legislation and require these corporations and agencies to function through the Budget, allowing Congress to approve or reject their future expenditures.

Third. Scrutinize the new activities of government now responsible for the expenditure of 30 percent of the total appropriation, exclusive of relief; eliminate the dispensable activities and reduce others to a minimum cost.

Fourth. Have a thoroughly honest purge of relief rolls to stop all expenditures in excess of provision for those in need and through

requirement of the localities to bear a portion of the burden, direct local interest to needed reforms.

Fifth. Conduct the Government within the ability of the people to pay and regard reasonable taxation as one of the best assurances for business prosperity.

What is "sudden or drastic" about it?

Mr. Roosevelt came into power on a much more drastic economy program. Heretofore, when criticism has been made, much has been said of a lack of a constructive plan. Here is a definite program with the ultimate objective of restoring the country to sound principles of finance.

DEFICIT RECOVERY

I want to concentrate now on what I conceive to be the essential point of your doctrine. For you the important thing is not the mere magnitude of the Government expenditure but the excess of the Government's spending over its income; in other words, the magnitude of the deficit.

You explained yourself very clearly when you testified in December 1937 before the House Banking and Currency Committee when you said (p. 120):

"The way to get money into operation is for the Government to spend more than they collect. If you spend more than you collect, you create that budgetary deficit that puts money into operation."

It is the deficit that does the work of bringing about business recovery. Moreover, it is important, from the standpoint of your theory, that the Government borrowing to meet the deficit should not be borrowing from individuals but that it should be from banks, so that new bank credit will be created to increase what you call "purchasing power." What you want is a deficit, financed by expanding bank credit.

I call your attention to two ways of getting such a deficit. One is the method, apparently contemplated by you and those in the Government who think as you do, of the maintenance and even the expansion of the existing fantastically high Government expenditures. But another way, equally effective, would be a curtailment of Government expenditures, accompanied by an equal curtailment of taxes. A complete tax holiday would create even a greater deficit.

With respect to your general doctrine that a deficit will bring about business recovery, I call your attention to the fact that Mr. Hoover did very well in this matter. He had a deficit of $3,153,000,000 in 1932, preceded by a deficit of nearly a billion in 1931.

In your testimony before the Senate Committee on Finance in February of 1933 (hearings, pp. 712–713 and 720) you proposed a total of $3,000,000,000 as gifts to the States and as expenditures on self-liquidating public works as a sufficient contribution from the Government to purchasing power in that great emergency. We have expended that amount over and over again and you insist that continued and still more lavish expenditures are still indispensable to recovery, and their withdrawal will mean disaster.

I want to get business prosperity restored not by financial manipulations on the part of the Government but by restoring confidence on the part of the business community in the fairness of the Government, by eliminating needless frictions and restraints, and by freeing the enterprise of a great people, who want jobs, not charity; work, not taxes.

Nine years of deficits, very largely financed by bank credit, should shake even your confidence in the value of deficits as financial magic in making business prosperity.

I emphatically repudiate your doctrine that debt for its own sake is good, that deficits for their own sake are good, and that an expansion of bank credit for the purpose of financing deficits is good.

I believe that the general flow of purchasing power must come out of production itself, production in one industry giving rise to the demand for goods produced by other industries; that, with the proper proportion among the different kinds of industrial activity, the producers themselves will clear the markets of the goods that other producers create, and that all the financial manipulations of Government deficit spending designed to create additional purchasing power merely mess up and distort the picture.

You profess to favor the capitalistic system, but you seem to forget that the profit motive is to capitalism what the law of gravitation is to the physical universe. Private enterprise is more concerned about the "hope" of profits than the profits of the hour. This must be so, because a factory is not built for this year but for many years. It is the confidence in this "hope" of profits that is impaired by the expectation of the evils of the inevitable day of settlement.

A PERSONAL WORD

In conclusion, may I be permitted a personal word? Since I came to the Senate in 1933 I have consistently fought what I regarded as waste and extravagance in Government expenditures. At no time have I opposed what I believed to be appropriations sufficient and reasonable to provide for the needy and to finance the proper and necessary functions of Government. I mention this only because of the inference often suggested and inferred that if one opposes waste and extravagance he is willing for citizens of America to starve and freeze and suffer, and the country to stagnate because of the lack of adequate Government appropriations.

As you correctly say in your letter, these issues are too vast to be adequately discussed by correspondence.

I attribute to you a full measure of sincerity in the opinions expressed in your letter under reply.

I have earnestly endeavored to answer the inquiries you have propounded to me. I will later discuss these issues more fully on the floor of the Senate.

Very truly yours,

HARRY F. BYRD.

The Natchez Trace

EXTENSION OF REMARKS

OF

HON. KENNETH McKELLAR

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Monday, January 16, 1939

CORRESPONDENCE WITH NATIONAL PARK SERVICE

Mr. McKELLAR. Mr. President, I ask that there be printed in the Appendix of the RECORD certain correspondence with the National Park Service concerning the Natchez Trace Parkway. This correspondence explains itself.

The bill authorizing that service was passed a number of years ago, being introduced by former Senator Hubert D. Stephens, of Mississippi. He was away on his campaign, as I recall, and he asked me to report the bill out of the Committee on Post Offices and Post Roads and have it passed. This I did. The road to be built follows an old Indian trail, running from Natchez, Miss., northeasterwardly to Nashville, Tenn. It is apparent that it runs a longer distance in Mississippi than it does in Tennessee, and it runs a very short distance through the State of Alabama.

An appropriation was given for building this road, and it seems that the first appropriation was allowed entirely to the State of Mississippi. When the appropriation next came up this fact was called to the attention of the parkway authorities, and there was a promise of correction, as shown in Mr. Demaray's testimony hereinafter quoted. It was first claimed that the State of Tennessee was not doing its part, and I herewith present an act of the State of Tennessee. Mr. Demaray then again falsely claimed that he could not get action on the part of the Tennessee authorities. Up to this good hour a parkway in Tennessee has not been designated.

The State of Tennessee is ready at any time to buy the right-of-way whenever it is designated by the National Park Service; but Mr. Demaray and Mr. Cammerer, at the head of the National Park Service, seem determined that no part of the road shall be put in Tennessee. In my judgment, they are deliberately delaying in every possible way, and Mr. Demaray has testified to misstatements in committee as to what his Department is doing about this road. I want the Senate to have the facts, and the accompanying papers show the facts. The letter of the highway commissioner of the State of Tennessee under date of January 4, 1939, shows that the Tennessee authorities "are eager and willing to obtain the rights-of-way at the earliest possible time"; but the rights-of-way has not been designated by the National Park Service, and Tennessee cannot proceed further until the National Park Service acts.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

An act to authorize the State of Tennessee to acquire the necessary rights-of-way for the construction of a highway by the United States Government to be known as the Natchez Trace extending from Nashville, Tenn., in a southwesterly direction to the Alabama-Tennessee line

SECTION 1. *Be it enacted by the General Assembly of the State of Tennessee,* That the State of Tennessee, acting through its commissioner of highways and public works, with the approval of the Governor, shall be and is hereby authorized to acquire by gift, purchase, or condemnation under the laws of eminent domain as said laws now or may hereafter exist, a right-of-way extending from Nashville in a southwesterly direction to the Alabama-Tennessee State line, to be used by the United States Government for the purpose of constructing thereon a highway to be known as the Natchez Trace, which highway will, when completed, connect Nashville, Tenn., and Natchez, Miss. The State is authorized to acquire in the manner aforesaid all necessary parkways and rights-of-way for the highway construction and for the parkways as proposed by the United States Government, which may be determined upon by the commissioner of highways and public works, with the approval of the Governor, representing the State of Tennessee, and by the proper representatives of the United States Government, the width and extent of the rights-of-way and parkways to be acquired to be in compliance with

the requirements of the United States Department of Interior, National Park Service. Payment for said property so authorized to be acquired shall be made out of general highway funds of the State.

SECTION 2. *Be it further enacted*, That this act shall take effect from and after its passage, the public welfare requiring it.

JUNE 30, 1937.

Hon. P. M. ESTES,
Life & Casualty Insurance Co., Nashville, Tenn.

DEAR PAT: Your letter of June 28 has been received about the Natchez Trace matter.

This bill was introduced in the Senate by former Senator Stephens. He was away on his campaign, and I got it through the Senate. I offered an amendment to the Interior appropriations bill providing for $2,700,000 to be expended ratably among the three States. All the money so far spent has been spent in Mississippi. The head of the National Park Service last year agreed to spend the funds ratably in Tennessee, Mississippi, and Alabama. He went back on his word, so this year I not only got an increase of $2,700,000 in the appropriation, but I had the language added that it was to be spent ratably. In other words, Tennessee is to get her share according to mileage. This is not being left to the National Park Service, which was guilty of the grossest kind of favoritism to Mississippi.

I hope the rights-of-way will be acquired immediately so that there will be no further excuse on the part of the Service.

With kind regards,

Very sincerely yours,

KENNETH MCKELLAR.

DECEMBER 20, 1938.

Mr. A. E. DEMARAY,
National Park Service,
Washington, D. C.

DEAR SIR: Your letter of December 19 about the status of the Natchez Trace Parkway project in Tennessee, received and noted.

In March 1938, on page 299, you testified as follows:

"Senator MCKELLAR. I want to know how many miles of the Natchez Trace Parkway you have built in Tennessee?

"Mr. DEMARAY. Not any in Tennessee.

"Senator MCKELLAR. The Department has been promising to do it every year for a number of years and I just wanted to know.

"Senator NYE. Why did you not have General Washington come out there? The Park Service has undertaken to build it in other parts and in other States and they are paying no attention whatever to Tennessee.

"Senator HAYDEN. Have you a contract at all?

"Mr. DEMARAY. No, sir; the surveys are now being completed from the Meriwether Lewis National Monument southward toward the Alabama State line and I believe by June (referring to June 1938) we will be able to advertise the first contract for construction in Tennessee. We are moving just as fast as humanly possible to move on that job." (Hearings, Interior Department, appropriation bill for 1939, p. 299.)

In June 1937, a year before, you testified as follows:

"Senator MCKELLAR. I want to know how much engineering or surveying has been done in Tennessee and how much in Alabama.

"Mr. DEMARAY. There has not been any done in Tennessee, Senator.

"Senator MCKELLAR. None at all?

"Mr. DEMARAY. Yes, sir.

"Senator MCKELLAR. A year ago, I think it was, you or Mr. Cammerer faithfully promised me that the engineering would be begun in Tennessee right away, and now you tell me there has not been anything done.

"Mr. DEMARAY. Well, the funds that were allotted there, Senator, were allotted for Mississippi, and we made a recommendation to the——

"Senator MCKELLAR. I took the matter up with you, the records show, on the question of Tennessee, and you promised to do the work ratably in the three States, and now you tell me all the work has been done in Mississippi. I do not have anything in the world against Mississippi, but I think we ought to have our relative share of this work. This road extends from Nashville, Tenn., to Natchez, Miss., and it is exceedingly unfair that one State should get all of the surveys and improvements and the other two States not get any." (Hearings, Interior Department appropriation bill, 1938, pp. 199–200.)

In previous hearings the following took place:

"Senator MCKELLAR. Was any part of this fund of $1,500,000 to be allotted to the Tennessee section?

"Mr. DEMARAY. Yes, sir.

"Senator MCKELLAR (reading). 'Yes, sir; we are going to expend moneys on surveys in Tennessee.'

"Now, a year afterward you come in and state that there has been no money spent in Tennessee. I do not think it is necessary to ask the question any more, and I will not do it." (Hearings, Interior Department appropriation bill, 1938, p. 201.)

Again—

"Senator MCKELLAR. This time we are not going to take any chances. We are going to direct you to do it by law and force you to do it.

"Mr. DEMARAY. We said we would do this, and we would have been glad to do it" (p. 201).

And again—

"Senator MCKELLAR. After you had made a specific promise here in your testimony, and it has been turned down, why, as a matter of common courtesy, did you not notify me as being unable to perform what you had promised to do? I am talking to you, Mr. Demaray.

"Mr. DEMARAY. Well, I had gotten orders, and so I was carrying them out, sir.

"Senator MCKELLAR. After you had made a statement to the Senate committee in the hearing under oath, or presumably under oath, especially to the Senator that was asking you the question—and you say you made a recommendation and the President had turned it down—and you allowed a year to pass without saying one word to the Senator who asked you the question, and without putting yourself right; that is, if you thought it was necessary to put yourself right before the committee. What is your answer to it?

"Mr. DEMARAY. I have to say that is correct, sir.

"Senator MCKELLAR. All right. In any appropriations this time we are going to tell you what to do about them, and if you cannot carry out the law, we will take other steps about it.

"Mr. DEMARAY. We will always carry out the law.

"Senator MCKELLAR. I think you have treated me very discourteously and very improperly." (Interior Department appropriation hearings, 1938, p. 203.)

In the 1937 appropriation bill the law provides:

"*Provided*, That $1,500,000 and any other sums received from other sources for said Natchez Trace Parkway shall be allotted and expended ratably between the States of Mississippi, Alabama, and Tennessee, according to mileage of said parkway in each respective State."

In the 1938 appropriation bill the law provides as follows:

"*Provided*, That $1,500,000, and any other sums received from other sources for said Natchez Trace Parkway, shall be allotted and expended ratably between the States of Mississippi, Alabama, and Tennessee, according to mileage of said parkway in each respective State, and said allotments shall be used for no other purpose."

You and Mr. Cammerer have disregarded both of these acts. You stated in your testimony that the work would be begun last June. In your statement over the phone to me you stated that no work had been begun to this date.

In your letter of the 19th you say: "As I told you over the telephone, no construction has been started in Tennessee to date."

You further say in your letter that it is estimated that this project will cost approximately $——, "preparing grades, bridges, and drainage structures, and this will use a major portion of the funds allocated to Tennessee," all of which is meaningless because you are doing nothing in Tennessee of any moment and have not done anything in Tennessee after two acts of Congress have specifically directed that this money be used and spent in Tennessee ratably.

I wish you would come prepared to show where every dollar of the money heretofore spent on Natchez Trace has been spent, how much you have on hand today, how much you have actually spent in Tennessee, and all such further facts as may pertain especially to these last two propositions.

In my opinion, you and your chief, Mr. Cammerer, have violated the law and ought to be dismissed from the service of the United States.

Yours truly,

KENNETH MCKELLAR.

DEPARTMENT OF THE INTERIOR,
NATIONAL PARK SERVICE,
Washington, January 3, 1939.

Hon. KENNETH MCKELLAR,
United States Senate.

MY DEAR SENATOR MCKELLAR: I have received your letter of December 20 and regret that you take exception to the manner in which the National Park Service has prosecuted the Natchez Trace Parkway activities in Tennessee. It is hoped, however, that a recital of the facts will show that we have acted in good faith and in accordance with the provisions of the law.

As you know, the Interior Department Appropriation Act for the fiscal year ending June 30, 1938, was the first legislation setting up funds for construction in Tennessee. The President approved the act on August 9, 1937. In October 1937 representatives of the Service and the Bureau of Public Roads began field investigations and surveys of the parkway in the general vicinity of Meriwether Lewis National Monument. A route was flagged between Meriwether Lewis National Monument and United States Highway No. 64, which avoided the mining development near Napier and came within 3 miles of Natural Bridge. Your files should contain Service letters to you of February 9, 19, and 25, and March 24, all relating to the studies and survey activities on this section of the parkway.

During April 1938 further studies and conferences with property owners developed the fact that a location closer to the old trace would be possible. In order to allow sufficient time for additional studies of this possibility, the Bureau of Public Roads survey party was withdrawn from the Meriwether Lewis area and surveys were started on section 1–J from Collinwood south past the Alabama State line. This change was made in order to begin construction in Tennessee and Alabama at about the same time.

Topographic surveys of section 1–J were completed during November 1938, and right-of-way maps showing the parkway land

requirements were sent to the Tennessee Department of Highways and Public Works on December 3, 1938. Contract plans will be ready for advertisement when the parkway lands are deeded and accepted by the United States.

In accordance with the Interior Department Appropriation Act, 1939, a statement has been prepared showing expenditures and obligations against the parkway appropriation. The attached copy indicates that $16,894.36 have been expended by the Bureau of Public Roads for plan and survey activities in Tennessee up to November 30, 1938. The grading, draining, and surfacing of Section 1–J will obligate approximately $532,000 as soon as rights-of-way are made available. Construction activities will depend entirely on the speed with which the State acquires and deeds the parkway land to the United States.

In March 1938 I testified that surveys were being completed south of Meriwether Lewis National Monument, as noted above; however, in April the survey party was moved to Section 1–J. Survey activities have been prosecuted continuously in Tennessee since October 1937 soon after the first regular appropriation expendable in that State was made available.

With regard to previous appropriations, the Emergency Construction Act of June 19, 1934, provided funds with which the old Trace was studied. A preliminary location for the parkway was found between Nashville, Tenn., and Natchez, Miss., during 1934 and 1935. The Emergency Relief Act of 1935–37 provided funds which were limited to surveys and construction between Natchez and Tupelo, Miss. As I testified on June 22, 1937, before your committee, the Department recommended that the funds be made available for work in Tennessee as well as Mississippi. A copy of the Department's letter of February 13, 1936, to the President is attached for your information.

You are assured that we desire to meet your wishes in every way, but I must point out again that, before we can begin construction of the parkway in Tennessee, it will be necessary for the State to provide the parkway lands. I may say that acquisition difficulties by the State of Mississippi have delayed construction in that State and that probably the Alabama State Legislature will have to enact legislation to permit acquisition of parkway lands in that State. There have been innumerable problems for the States, the Bureau of Public Roads, and this Service to overcome in this great undertaking. I feel that each agency has cooperated splendidly and that a great many of our problems are behind us and that we can move forward more expeditiously in the future.

Sincerely yours,

A. E. DEMARAY,
Associate Director.

THE SECRETARY OF THE INTERIOR,
WASHINGTON, *February 13, 1936.*

The PRESIDENT,
The White House.

MY DEAR MR. PRESIDENT: Reference is made to your letter of November 20, 1935, addressed to the Secretary of the Treasury, requesting the transfer of $1,500,000 to this Department for the surveys and construction of the Natchez Trace Parkway.

In order to permit the application of a portion of the funds to surveys and construction of the Natchez Trace Parkway in Tennessee, it is respectfully requested that the wording of the schedule of projects attached to your letter be amended to read as follows:

Location	Character of work	NEC No.	Allotment	Official project No.
Mississippi and Tennessee.	Preliminary survey of approximately 150 miles of the Natchez Trace Parkway, including taking topography and plotting same, preliminary design, and paper location, between Natchez, Miss., and Nashville, Tenn., paralleling generally the old Natchez Trace	331	$150,000	O. P. 5–36.
Do	Grading, drainage structures, totaling approximately 40 miles of the Natchez Trace Parkway between Natchez, Miss., and Nashville, Tenn. The preservation and development of the historic Natchez Trace; the preservation, reconstruction, marking and development of historic sites in connection with the Natchez Trace, between Natchez, Miss., and Nashville, Tenn., paralleling generally the old Natchez Trace	332	1,350,000	O. P. 5–37.
	Total		1,500,000	

Construction on the Natchez Trace Parkway in Tennessee will be contingent necessarily on that State's ability to transfer adequate rights-of-way to the Federal Government. Negotiations with the State of Tennessee regarding this qualification have been instituted.

Sincerely yours,

(Sgd.) CHARLES WEST,
Under Secretary of the Interior.

Approved:
President.

Statement of funds available and the expenditures incurred against the appropriation for the Blue Ridge and Natchez Trace Parkways as of Nov. 30, 1938

Area	Funds available	Expenditures							Unexpended balance	Unliquidated obligations	Unobligated balance
		Construction	Engineering and landscaping	Plans and surveys	Technical supervision	Maintenance and operation	Equipment	Total			
Natchez Trace Parkway:											
Alabama	$220,907.30			$2,460.78	$333.07			$2,793.85	$218,113.45	$44,648.40	$173,465.05
Mississippi	2,055,226.82	$18,318.82	$87,654.63	63,321.91	21,712.85	$6,197.29	$361.91	197,567.41	1,857,659.41	564,788.67	(a) 1,292,870.74
Tennessee	723,865.88			16,894.36				16,894.36	706,971.52	109,553.79	(b) 597,417.73
Total Natchez Trace Parkway	3,000,000.00	18,318.82	87,654.63	82,677.05	22,045.92	6,197.29	361.91	217,255.62	2,782,744.38	718,990.86	2,063,753.52
Blue Ridge Parkway	9,909,000.00	1,306,041.51	139,860.68	124,851.82	74,271.82	19,297.56	633.24	1,664,956.63	8,244,043.37	2,886,383.05	(c) 5,357,660.32
Washington office, salaries	90,000.00							56,571.38	33,428.62	29,729.33	3,699.29
Maintenance and operation of passenger-carrying vehicles	1,000.00							378.21	621.79	621.79	
Grand total	13,000,000.00	1,324,360.33	227,515.31	207,528.87	96,317.74	25,494.85	995.15	1,939,161.84	11,060,838.16	3,635,725.03	7,425,113.13

Schedule of contemplated obligations not included in above tabulation.
(a) Contract for grading and surfacing, $315,000, awarded 1939.
(b) Contract for grading and surfacing, $532,000, will be awarded as soon as rights-of-way are made available.
(c) Contracts totaling $2,430,000 will be awarded early in 1939.

UNITED STATES DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, December 17, 1935.

Memorandum for Director Cammerer.

I am enclosing advice of allocation No. 339 for an allotment of $1,500,000 from the Emergency Relief Appropriation of 1935 for preliminary survey and construction of part of the Natchez Trace Parkway.

E. K. BURLEW,
Administrative Assistant and Budget Officer.

THE WHITE HOUSE,
Washington, November 20, 1935.

MY DEAR MR. SECRETARY: By virtue of the authority vested in me under the Emergency Relief Appropriation Act of 1935, approved April 8, 1935, it is requested that the following funds be transferred from the appropriation made in said act to the Department of the Interior, National Park Service, for the purposes indicated below:

Amount: $1,500,000.

Purpose: For the construction of national parkways in accordance with the attached schedule of projects. Subject to the application of title III of the Treasury and Post Office Appropriation Act, fiscal year 1934, to the acquisition of articles, materials, and supplies for use in carrying out such projects. (O. P. No. 5—36 and 5—37.)

Sincerely yours,

FRANKLIN D. ROOSEVELT.

The Honorable the SECRETARY OF THE TREASURY.

Location	Character of work	NEC No.	Allotment	Official project No.
Mississippi	Preliminary survey of approximately 150 miles of the Natchez Trace Parkway, including taking topography and plotting same, preliminary design, and paper location, between Natchez and Tupelo, paralleling generally the old Natchez Trace.	331	$150,000	O. P. 5-36.
Do	Grading, drainage structures, totaling approximately 40 miles of the Natchez Trace Parkway between Natchez and Tupelo, Miss.; the preservation and development of the historic Natchez Trace; the preservation, reconstruction, marking, and development of historic sites in connection with the Natchez Trace, between Natchez and Tupelo, paralleling generally the old Natchez Trace.	332	1,350,000	O. P. 5-37.
	Total		1,500,000	

JANUARY 5, 1939.

Hon. A. E. DEMARAY,
National Park Service, Department of the Interior,
Washington, D. C.

DEAR MR. DEMARAY: Your letter of January 3 has been received with the enclosures.

The law commanded you and your Department to divide these funds ratably in accordance with mileage among the States of Mississippi, Alabama, and Tennessee.

Your letter suggests you have flagged some routes and have made studies and some surveys but have done nothing else in Tennessee. In the meantime you are spending the money in Mississipppi. Flagging, studies, and surveys are all right, but I want this part of the road in Tennessee built.

Yours very truly,

KENNETH MCKELLAR.

DEPARTMENT OF THE INTERIOR, NATIONAL PARK SERVICE,
Washington, January 12, 1939.

Hon. KENNETH MCKELLAR,
United States Senate.

MY DEAR SENATOR MCKELLAR: I have your letter of January 5 and have to advise you that the Natchez Trace Parkway construction funds for Tennessee are being held intact in the Treasury of the United States and have not been, and cannot be, expended in either Mississippi or Alabama.

I am advised that a State of Tennessee survey party began property line surveys on December 9 under the direction of State Senior Resident Engineer W. J. Bible, with headquarters at Waynesboro, for project 1-J.

You may wish to write the Governor about expediting the acquisition of the properties involved and their donation to the United States.

Sincerely yours,

A. E. DEMARAY, *Associate Director.*

JANUARY 13, 1939.

Mr. A. E. DEMARAY,
National Park Service,
Washington, D. C.

DEAR MR. DEMARAY: Your letter of Jauary 12 has been received.

I am going to insert a full statement concerning this case in the CONGRESSIONAL RECORD, and you may note therefrom the letter I have received from Mr. M. O. Allen, Commissioner of Highways of the State of Tennessee, which refutes what you say about the matter. You and Mr. Cammerer should carry out the law or resign.

Very sincerely yours,

——— ———.

STATE OF TENNESSEE,
DEPARTMENT OF HIGHWAYS AND PUBLIC WORKS,
Nashville, January 4, 1939.

Hon. KENNETH MCKELLAR,
United States Senator, Memphis, Tenn.

MY DEAR SENATOR MCKELLAR: Your letter of December 28, 1938, was received on my return to the office January 2 after the Christmas holidays; also the letter from Mr. E. K. Burlew, First Assistant Secretary of the Department of Interior, which you enclosed with your letter.

While Mr. Burlew does not so state in his letter, one might conclude therefrom that the cause for any delay which may have been experienced was caused by the lack of cooperation from our department. For this reason, I have taken the liberty to copy from our files a considerable part of the correspondence between the various departments of the Federal Government and the Tennessee Highway Department regarding the Natchez Trace Parkway.

I believe that from reading the enclosed file you will become familiar with what has been done in trying to get this project started, and will agree that our department has cooperated in every instance in furnishing any information, etc., requested and that we were eager and willing to begin the procurement of rights-of-way at the earliest possible time.

I am returning Mr. Burlew's letter for your file. If there is any other information this department can furnish you we shall be very glad to do so.

Very truly yours,

M. O. ALLEN, *Commissioner.*

UNITED STATES DEPARTMENT OF THE INTERIOR,
Washington, December 21, 1938.

Hon. KENNETH MCKELLAR,
United States Senate, Washington, D. C.

MY DEAR SENATOR MCKELLAR: Your letter of December 20 has been received. I have read the one you wrote to Mr. Demaray on the same date, copy of which you sent me.

I am sure there must be some misunderstanding, as the Bureau of Public Roads has completed its surveys for a stretch of road in Tennessee 13.28 miles in length, and these surveys were furnished to the State Highway Commission of Tennessee on December 3. Before construction can commence, the State of Tennessee must dedicate the right-of-way to the Government. The Bureau of Public Roads is now awaiting this dedication.

Regardless of the past, I do not believe that the National Park Service can be accused of negligence since July 1, 1938, inasmuch as that Bureau promptly requested the Bureau of Public Roads to make its surveys and since they have been completed, nothing more can be done until the State provides the right-of-way. I understand that the Bureau of Public Roads suffered some delay through inability to secure personnel promptly for the work.

If you could have the State highway commission expedite the dedication of the right-of-way and turn it over to the Federal Government, I can assure you that there will be no delay in the commencement of construction.

Sincerely yours,

E. K. BURLEW,
First Assistant Secretary.

UNITED STATES DEPARTMENT OF THE INTERIOR,
NATIONAL PARK SERVICE, JACKSON FIELD OFFICE,
1013 TOWER BUILDING, P. O. BOX 1267,
Jackson, Miss., June 4, 1937.

Hon. M. O. ALLEN,
Commissioner, Department of Highways and Public Works,
Nashville, Tenn.

DEAR MR. ALLEN: I understand that the general assembly during its recent session passed a bill authorizing the acquisition of parkway lands out of State highway funds. If the Governor has signed this bill, I should greatly appreciate having about four copies for transmission to the Washington office and for our files here in Jackson.

We should also like to know if you consider that the State is in a position to begin early acquisition of the parkway lands. As you can readily see, a considerable amount of further study must be given to our present tentative lines in Tennessee before we could give you the boundaries of the desired rights-of-way. It will also be necessary for us to secure the authorization of the Washington office before detailed surveys could be started in Tennessee. It is our understanding that no funds are at present available for such work in your State and that none could be made available until after July 1.

I sincerely hope that Tennessee will be in a position to take early action on this project.

Sincerely yours,

(Signed) MALCOLM GARDNER,
Land Representative.

JUNE 9, 1937.

Hon. MALCOLM GARDNER,
Land Representative, National Park Service,
1013 Tower Building, Jackson, Miss.

DEAR MR. GARDNER: This will acknowledge receipt of your letter of June 4, in which you discuss the matter of the Natchez Trace Parkway from Nashville to the Alabama State line.

We are very much interested in this project and desire to proceed as early as possible with the acquiring of the rights-of-way. The recent legislature authorized the Governor and commissioner of highways to purchase rights-of-way for this purpose. We are mailing you herein a copy of the bill authorizing such acquisition of land. We will be in a position immediately after July 1 to begin the purchase of the rights-of-way.

Very truly yours,

M. O. ALLEN, *Commissioner.*

JACKSON, MISS., *September 17, 1937.*

Mr. M. O. ALLEN,
Commissioner, Department of Highways and Public Works,
Nashville, Tenn.

DEAR MR. ALLEN: This office has just been notified that the Bureau of Public Roads has advised the Park Service that surveys in Tennessee and Alabama will probably be started within 6 weeks. Lack of automotive equipment has prevented extended survey

work, and the survey parties have necessarily been held close together in order to provide the needed transportation.

A locating engineer left here for Tennessee Monday morning, September 13, to do the preliminary field reconnaissance in preparation for the survey parties.

No actual acquisition of parkway lands should be undertaken, however, until surveys are completed and right-of-way maps sent to the State showing needed lands for construction sections of 8- to 12-mile lengths.

We shall let you know as soon as survey parties begin work in Tennessee. Please feel free to call on this office if we can be of any assistance.

Sincerely yours,

MALCOM GARDNER,
Representative in Charge, Natchez Trace Parkway Project.

SECRETARY OF THE INTERIOR,
Washington, October 8, 1937.

Hon. GORDON BROWNING,
Governor of Tennessee, Nashville, Tenn.

MY DEAR GOVERNOR BROWNING: In accordance with recently approved legislation for the Natchez Trace Parkway, funds totaling approximately $264,000 have been made available for construction in Tennessee. A locating engineer is already at work between Meriwether Lewis National Monument, near Hohenwald, and United States route No. 64. It is planned to have survey parties on this section within the next 6 weeks. Some 2 or 3 months will be required, however, for these parties to complete their detailed topographical surveys before right-of-way maps can be prepared and given to the State.

Please be assured that every effort will be made to expedite this work so that construction on the Natchez Trace Parkway in Tennessee can be started as early as possible.

Sincerely yours,

(Signed) HAROLD L. ICKES,
Secretary of the Interior.

OCTOBER 14, 1937.

Mr. MALCOLM GARDNER,
1013 Tower Building, P. O. Box 1267,
Jackson, Miss.

DEAR MR. GARDNER: This will acknowledge receipt of your letter of September 17. I hope you will pardon the delay in answering, but * * * etc.

It was very gratifying to learn of the sending of engineers into Tennessee for the purpose of locating the Natchez Trace Parkway. We are ready to proceed with the purchase of these rights-of-way as soon as a definite route is located.

I shall be glad to hear from you from time to time in regard to this matter, in order that we may be able to keep "pace" with the project.

Very truly yours,

(Signed) M. O. ALLEN,
Commissioner.

1013 TOWER BUILDING,
Jackson, Miss., October 19, 1937.

Mr. M. O. ALLEN,
Commissioner, Department of Highways and Public Works,
Nashville, Tenn.

DEAR MR. ALLEN: Reference is made to your letter of October 14, concerning the Natchez Trace Parkway in Tennessee.

I was in Nashville on October 13 and talked over the problems with Mr. O. E. Martin, of your office. The locating engineer of the Bureau of Public Roads has been in Tennessee for several weeks studying the section south of Meriwether Lewis National Monument. Resident Landscape Architect E. S. Zimmer is planning to be in Tennessee this week, and after a tentative route has been decided upon it will be flagged. The Bureau of Public Roads survey party will be able to begin work on that section of the line about December 1.

I am gratified to hear that your Department is ready to proceed with the purchase of the rights-of-way. We should like to have in this office a statement from you as to the status of the funds available for right-of-way purchase.

The next time I am in Nashville I shall call on you. In the meantime, if there are any questions, please feel free to write this office.

Sincerely yours,

RANDLE B. TRUETT,
Representative in Charge, Natchez Trace Parkway.

OCTOBER 25, 1937.

Mr. RANDLE B. TRUETT,
Representative in Charge, Natchez Trace Parkway Project,
Jackson, Miss.

DEAR MR. TRUETT: This will acknowledge receipt of your letter of October 19th. I am very much pleased to learn that progress is being made on the location of Natchez Trace in Tennessee.

You ask what the status of the funds is for the purchase of rights-of-way. At the regular session of the seventieth session of the Tennessee Legislature, the State highway department was authorized to acquire the rights-of-way as needed for the Natchez Trace, to be paid for out of the general highway fund. I am sure I am safe in saying that we have sufficient funds available at all times for the purchase of these rights-of-way.

Very truly yours,

(Signed) M. O. ALLEN, *Commissioner.*

DEPARTMENT OF THE INTERIOR,
NATIONAL PARK SERVICE,
Jackson, Miss., December 1, 1937.

Hon. M. O. ALLEN,
Commissioner, Department of Highways and Public Works,
Nashville, Tenn.

DEAR MR. ALLEN: Enclosed herewith is a copy of the recently revised "Requirements and procedure to govern the acquisition of land for national parkways," which should be inserted in your copy of the parkway regulations.

It will probably be after the middle of December before Mr. Truett can get to Nashville, but he expects to see you at that time and discuss several problems relative to the Natchez Trace Parkway project in Tennessee.

Sincerely yours,

THOMAS L. HEFFERNAN,
Acting Representative in Charge,
Natchez Trace Parkway Project.

Enclosure 989793.

DECEMBER 16, 1937.

Mr. THOMAS L. HEFFERNAN,
Acting Representative in Charge, Natchez Trace Parkway Project, 1013 Tower Building, P. O. Box 1267, Jackson, Miss.

DEAR MR. HEFFERNAN: This will acknowledge receipt of your letter of December 1; also Bulletin No. 9219, in regard to acquiring land for national parkways.

We are very anxious to get some work started on this parkway, and as soon as you have definitely determined the location of this parkway we are ready to proceed with the purchase of the rights-of-way.

Very truly yours,

(Signed) M. O. ALLEN,
Commissioner.

mca-f
cc: Mr. O. L. Peeler.

APRIL 26, 1938.

Mr. C. R. SIMMERS,
Right-of-Way Engineer, National Park Service,
Washington, D. C.:

When can I expect prints for right-of-way survey Natchez Trace?

R. J. LOVE, *Division Engineer.*

UNITED STATES DEPARTMENT OF THE INTERIOR,
NATIONAL PARK SERVICE,
Washington, D. C., April 26, 1938.

Mr. R. J. LOVE,
Division Engineer, State Highway Department,
Nashville, Tenn.

DEAR MR. LOVE: Your telegram inquiring as to when you may expect prints for right-of-way survey for Natchez Trace Parkway is just received, a copy of which I am forwarding to Mr. Randle B. Truett, representative in charge at Jackson, Miss., for reply.

Sincerely yours,

(Signed) C. K. SIMMERS,
Right-of-Way Engineer.

APRIL 26, 1938.

Mr. RANDLE B. TRUETT,
Acting Representative in Charge, Natchez Trace Parkway,
1006 Tower Building, Jackson, Miss.

DEAR MR. TRUETT: Enclosed is a copy of a telegram received today from R. J. Love, division engineer, Tennessee Highway Department, Nashville. Will you please answer Mr. Love's inquiry?

Sincerely yours,

(Signed) C. K. SIMMERS,
Right-of-Way Engineer.

(Comment: No reply.)

MAY 26, 1938.

Mr. RANDLE B. TRUETT,
Acting Representative in Charge, Natchez Trace Parkway,
1006 Tower Bldg., Jackson, Miss.

DEAR SIR: Some weeks ago Mr. C. R. Simmons, right-of-way engineer for the Park Service, was in the office, discussing the possibility of placing a field party on the Natchez Trace on that section immediately south of the Meriwether Lewis Monument in Lewis County, Tenn.; however, Mr. Simmons was unable to state definitely the time at which we might receive official orders to proceed.

For your information, I might state that we have a field party organized for this work, ready to be transferred from their present duties to the Natchez Trace as soon as official notice comes through, and I will be glad to hear from you at your convenience regarding the possibility of Tennessee's activity in this construction in the near future.

Very truly yours,

(Signed) E. M. TURNER,
State Highway Engineer.

DEPARTMENT OF THE INTERIOR,
NATIONAL PARK SERVICE,
Washington, June 22, 1938.

Mr. M. O. ALLEN,
Commissioner, Tennessee Department of Highways and Public Works, Nashville, Tenn.

DEAR MR. ALLEN: On October 8, 1937, the Secretary of the Interior wrote Governor Browning concerning the construction proposed for the Natchez Trace Parkway in Tennessee under funds appropriated for the fiscal year 1938. The Secretary stated that location work had been started between Meriwether Lewis National Monument and U. S. route No. 64.

It has been necessary to make a revision in the location of the above-mentioned section and work has been temporarily halted thereon. At the present time the location party is completing the location of project 1–J, which extends south from Collinwood to the Alabama State line. It is planned to allocate the construction funds available for Tennessee under the 1938 and 1939 fiscal year appropriations for the Natchez Trace Parkway toward the construction of project 1–J.

Right-of-way maps will be prepared and forwarded to you as soon as the topography has been taken and the location work is completed.

Sincerely yours,

A. E. DEMARAY, *Acting Director.*

DEPARTMENT OF THE INTERIOR,
NATIONAL PARK SERVICE,
Jackson, Miss., November 23, 1938.

Hon. M. O. ALLEN,
Commissioner, Department of Highways and Public Works, Nashville, Tenn.

DEAR MR. ALLEN: Our Washington office has instructed us to transmit directly to you advance development plans for project 1–J of the Natchez Trace Parkway, as soon as these plans are completed, the plans being subject, of course, to final approval by the Director of the National Park Service. The sending of advance plans to you is in accordance with the suggestion of Division Engineer R. J. Love during a conference in Tennessee last week between representatives of the highway department and of this office.

Resident Landscape Architect Zimmer anticipates completion of the plans with all right-of-way boundaries indicated thereon by Saturday, November 26, in which case we can have the plans in your office Monday, November 28. We expect to send you a telegram Saturday morning telling you the exact date plans will be in Nashville.

We are also advised that Right-of-Way Engineer C. K. Simmers of the Washington office can report to Nashville to spend a few days in the field with your survey party or parties in order that our departmental requirements for surveys and land maps may be clearly understood. This would seem important in view of the fact that Mississippi had to run resurveys of its first two projects because of requirements overlooked on the first survey. A copy of Parkways 1937, a revised manual of parkway requirements and instructions, is attached hereto for your information.

Please inform us by telegraph when your survey work could start and with whom Mr. Simmers should get in touch on his arrival in Nashville. On receipt of this information we shall immediately advise our Washington office the date that Mr. Simmers should be in Nashville.

Sincerely yours,

MALCOLM GARDNER,
Acting Superintendent.

DEPARTMENT OF THE INTERIOR,
NATIONAL PARK SERVICE,
Washington, November 26, 1938.

Mr. M. O. ALLEN,
Commissioner, Department of Highways and Public Works, Nashville, Tenn.

(Attention Mr. R. J. Love.)

MY DEAR MR. ALLEN: This service has received word from the acting superintendent at Jackson, Miss., that the State is anxious to begin land surveys on section 1–J of the Natchez Trace Parkway in Tennessee, extending northwardly from the Alabama-Tennessee State line.

Mr. C. K. Simmers, right-of-way engineer of this Service, has been instructed to proceed to Tennessee at the time the State begins the land surveys. It is understood that advance prints of the development maps showing the necessary parkway land have been sent from Jackson, Miss., to Nashville, Tenn., direct. Please advice this office when the land-survey party is organized and the point from which the party is working in order that Mr. Simmers may proceed direct to the survey party. It is thought that the requirements of this Service concerning the survey and mapping of parkway land will be better understood if Mr. Simmers arranges to spend 4 or 5 days with the party at the beginning of the surveys.

Sincerely yours,

G. A. MOSKEY,
Chief Counsel.

NOVEMBER 28, 1938.

MALCOLM GARDNER,
1013 Tower Building, Jackson, Miss.:

Quite sure survey work can start soon. Have Mr. Simmers contact Love and Peeler.

M. O. ALLEN.

NOVEMBER 28, 1938.

M. O. ALLEN,
Commissioner, Tennessee Department of Highways:
(Attention R. J. Love.)

Re tel. 28. Suggest your wiring Row Engineer C. K. Simmers direct, care National Park Service, Washington, anticipated date State will begin Natchez Trace surveys.

MALCOLM GARDNER,
Natchez Trace Parkway.

NOVEMBER 28, 1938.

C. K. SIMMERS,
National Park Service, Washington, D. C.:

Accordance Malcolm Gardner's request, Natchez Trace surveys to begin December 5, under jurisdiction R. J. Love, Nashville.

M. O. ALLEN.

DEPARTMENT OF THE INTERIOR,
NATIONAL PARK SERVICE,
WASHINGTON, *November 30, 1938.*

Mr. R. J. LOVE,
Division Engineer,
Department of Highways and Public Works,
Nashville, Tenn.

DEAR MR. LOVE: Mr. M. O. Allen wired this office that he will expect to begin the land survey on section 1-J of the Natchez Trace Parkway in Tennessee on December 5. Because of a previous engagement I will be unable to be in Nashville on that day. However, I will arrange to be there on December 7, arriving on the train from Chattanooga at 1: 10 p. m.

Sincerely yours,

(Signed) C. K. SIMMERS,
Right-of-Way Engineer.

COMMENT

Mr. Simmers arrived on schedule, had a very pleasant conference with Mr. R. J. Love, and set out the requirements in regard to acquirement of rights-of-way.

We had already designated Mr. H. W. Stegall to act in the capacity of contact man in securing the rights-of-way and he has been in the field actively engaged in this work since December 5, 1938.

Sharecroppers of Southeast Missouri

EXTENSION OF REMARKS
OF
HON. HARRY S. TRUMAN
OF MISSOURI
IN THE SENATE OF THE UNITED STATES
Monday, January 16, 1939

RESOLUTION OF LANDOWNERS OF SOUTHEAST MISSOURI

Mr. TRUMAN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a resolution passed by landowners of southeast Missouri with reference to the so-called sharecroppers who are now on the roads there, together with two telegrams on the same subject.

There being no objection, the resolution and telegrams were ordered to be printed in the RECORD, as follows:

Whereas there exists at this time in New Madrid County and other cotton-raising counties of southeast Missouri a condition in which a large number of persons have moved from their homes to the rights-of-way of several roadways in these various counties; and

Whereas the metropolitan press and other individuals are responsible for attempting to create the impression that such conditions are a result of evictions ordered by the landowners and landlords of said section of the State of Missouri, or to other causes for the responsibility of which the landowners and landlords are all the cause, we, the undersigned representatives of the landowners and landlords of southeast Missouri, do hereby declare that these conditions have not been caused by any responsibility of the landowners and landlords of southeast Missouri: And be it therefore

Resolved, That the landowners and landlords of the southeast Missouri respectfully request that a thorough and complete investigation be made of the conditions now existing in the cotton counties of southeast Missouri, and that a hearing be held at a place which

is convenient for the inhabitants of all these counties where it will be possible for the representatives of all the people involved in this matter to be present and be heard; it is further

Resolved, That this body, representing the landowners and landlords of southeast Missouri, respectfully request our United States Senators and Congressmen and the Governor of our State to use all means within their power to bring about a fair and impartial investigation of these matters, in order that the true facts may be known, and in that connection it is respectfully requested that this hearing be conducted by representatives of the Federal Bureau of Investigation, if it is possible for such to be done, in cooperation with a referee assigned for the purpose of hearing these matters by the proper Senate committee, and a thorough report be made to the proper authorities.

It is further resolved that it is our belief that the present conditions exist not because of evictions of any sharecroppers or tenants, but due to the fact that a great percentage of the people who are now complaining have done so at the instigation of certain agitators who claim to be representatives of the United States Government and are telling the people that it is only necessary for them to move out on the highway and the Federal Government will come along and give them 40 acres of ground with the proper tools and teams to cultivate it.

It is further resolved that our information leads us to believe that fully 90 percent of those people who are now camping on the highways are nonresidents of the State of Missouri, or those who have not lived here longer than 5 or 6 months at the most, having come to this section from other States in order to pick cotton for which it is known that southeast Missouri pays a higher price than other parts of the South, and that this excess labor are not the sharecroppers of southeast Missouri.

It is further resolved that it is our information that the great majority of the people now on the said highways are there as a result of their own voluntary act, a great many having moved there from towns, and that there are very few sharecroppers moving.

It is further resolved that this committee requests a thorough investigation of the activities of one Hans H. Baasch, who is the authority in charge of the Resettlement Administration in New Madrid County, at LaForge, Mo., and one of his aides, a colored Baptist preacher by the name of Owen H. Whitfield, because the said Whitfield has been going about southeast Missouri collecting dollars from the poor people of these communities and telling them that if they would move out on the highways the Government would give them 40 acres of ground and the tools to cultivate it, and that the said Hans H. Baasch is reliably reported to have made various communistic remarks leading to this trouble, and that one of said remarks was "it will not be long before all the ground in New Madrid County will be owned by the Government and given to the poor people when divided into 40-acre tracts."

Be it further resolved that this committee representing the landowners and landlords of southeast Missouri requests that this investigation be commenced immediately and that the activities of the persons responsible for the conditions now existing in these counties be reported to the proper authorities in Washington for whatever action is deemed necessary and advisable.

Be it further resolved that copies of this resolution be immediately forwarded to the Governor of Missouri, both the United States Senators of Missouri, the Congressman representing this district, the Dies senatorial committee, the Honorable JOHN NANCE GARNER, and the Honorable Henry A. Wallace.

I hereby certify that the foregoing is a true and correct copy of the resolution which was unanimously adopted at this meeting the 12th day of January 1939 at the courthouse in New Madrid County, Mo.

J. V. CONRAN, *Chairman.*

Attest:

O. T. Miles, secretary; Fred M. Copeland; O H. Acom; Claude Stillman; E. V. Jewett; Roy Dillard; Chas. B. Baker; O. P. Tilghmon; J. V. Conran; W. C. Thompson; S. S. Thompson; O. T. Miles; P. M. Barton; John L. Girvin; S. L. Hunter; T. H. Streeter; A. R. Wrather; A. T. Earls; J. K. Robbins; Paul Crouthers; Jno. P. Jones; O. R. Rhodes; Elon Proffer; H. G. Cathey; Geo. R. Ellis, Jr.; A. F. Stanley.

POPLAR BLUFF, Mo.

O. H. WHITFIELD,
LaForge, Mo.:

Conditions of your tenant farmers has been called to my attention and we sympathize with them and offer assistance by turning over to you for their use for 1 year 2,600 acres south of Neelyville, Mo., where you have colored schools and churches. This tract of land will take care of 300 to 400 families; will give you immediate possession and cooperate with the Negroes in every way possible. The land is in the Negro district. We also have several thousand acres that we will help your white tenants move their families on. We are owners of this land. No one needs to starve in America or camp on the highways. Just contact the right source; opportunity is knocking on your door. The land we offer will grow cotton, corn, and all varieties of crops. Wire me collect if you are interested. If so, you can bring them along and have them locate on this land.

GREAT NORTHERN LAND COMPANY,
By R. H. PURVIS, *General Manager.*

POPLAR BLUFF, Mo.

OWEN H. WHITFIELD,
LaForge, Mo.:

We are extending a far-reaching effort to cooperate with the colored farmers. There are more than 100 colored farmers in this district, which is the Horville unit. The land offered you in telegram sent today by R. H. Purvis, general manager of the Great Northern Land Co., of this city, adjoins the land recently settled by colored farmers who are members of our organization. Mr. Purvis is cooperating in every way with us. Advise me if you will meet me with your people in Neelyville.

THOMAS M. GILLESPIE,
Director, National Federation of Colored Farmers, Inc.

American Farm Bureau Federation

EXTENSION OF REMARKS

OF

HON. JOHN H. BANKHEAD, 2D

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Monday, January 16, 1939

LETTER FROM AMERICAN FARM BUREAU FEDERATION

Mr. BANKHEAD. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a letter addressed to the President of the United States and the Members of the Seventy-sixth Congress by the American Farm Bureau Federation, through its executive committee.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN FARM BUREAU FEDERATION,
WASHINGTON, D. C., *January 10, 1939.*

To the President of the United States and Members of the Seventy-sixth Congress:

Pursuant to resolutions adopted by the house of voting delegates at the Twentieth Annual Meeting of the American Farm Bureau Federation, the board of directors of the American Farm Bureau Federation herewith calls to the attention of the President of the United States and the Members of the Seventy-sixth Congress the following matters, which are considered by the organization to be of outstanding importance to the Nation:

1. In these critical times, when lack of economic balance between groups of our people prevents normal exchange of goods and services, which in turn results in a continuing unemployment problem, we reiterate our conviction that the full power of the Federal Government must be mobilized in an effort to restore the economic balance which is necessary to enable us as a nation to regain normal volume of production and normal national income. We must put to work our billions of unemployed dollars and our millions of unemployed people.

We recognize the fact that our National Budget cannot be constructively balanced until we have attained economic balance between groups and until national income has been substantially increased. Therefore we recommend:

(a) That the Federal Government provide adequate funds to help restore agriculture, our basic industry, to parity position.

(b) That the Federal Government continue to provide employment for those who cannot secure employment in private industry.

We insist, however, that hours and wages of relief labor be modified so that private employment will be more attractive than relief employment, that every effort be made to return relief workers to normal employment at the earliest possible date, and that every effort be made to reduce overhead costs in the administration of relief.

We insist further that Federal works projects be limited to such constructive projects as can fairly be expected to increase national income and wealth, or to add to the productive efficiency of our national economy. We believe further that the Federal Government should insist on a full day's effective work for each day's wages paid out.

We are convinced that the Federal Government must continue to supply the bulk of relief funds, for the burden is beyond the present capacity of the local political divisions to handle; and we recognize the continued necessity that the Government provide capital investment funds until such time as private funds are again attracted into productive enterprise.

As a further aid to restoring economic balance, we suggest that both industry and labor refrain from advancing prices and wage rates, but that they seek higher annual income through greater volume of production and continuous employment throughout the year.

We are confident that each and every citizen is willing and eager to bear his just share of the recovery burden in order to preserve the fundamental principles of our historic democracy, provided he is assured that the public money is being expended prudently and efficiently on projects that will broadly benefit the people as a whole. All citizens must shoulder the responsibility of making our democracy work in order to maintain our system of free government.

Again we offer our complete and hearty cooperation to those charged with the responsibility of grappling with this great national problem.

2. The broad principles underlying the Soil Conservation Act and the Agricultural Adjustment Act of 1938 are fundamentally sound. This is no time to give serious consideration to substitutive programs, when the facts indicate that the present program has not yet had a fair trial. These acts should be amended only as experience clearly justifies. For some time to come the adjustment of acreages of basic crops in line with effective demand will be necessary. Commodity loans to support price levels are fully justified. Adequate provision should be made for parity payments to bring agriculture into fair economic balance with industry and labor. The provisions of the Marketing Agreements Act have proved their value beyond question, and their benefits should be extended to additional crops.

3. A joint committee of the Congress should be authorized and commissioned to study and report on at the earliest possible date the monetary systems of the United States and other countries for the purpose of ascertaining the effect of monetary policies on basic commodity price levels, and that based on such a study such joint committee should propose effective methods for achieving greater stability in basic commodity prices. Pending the completion of such a report the Congress should continue the authority of the President to change the gold content of the dollar.

4. Farmers recognize that the railroads constitute an essential transportation agency and believe that private ownership will best assure the highest degree of improved service to the public. The need for action by the present Congress is apparent. Greater freedom of action on the part of railroad management could be granted without relinquishing present safeguards to the public.

5. Changed conditions would appear to clearly warrant the taxation of the income of all Government-issued securities, therefore no more tax-exempt securities should be issued.

6. It appears extremely difficult, if not impossible, for the Administrator of the Wage and Hour Act to make effective by regulation the exemptions to agricultural trades and industries, as clearly contemplated by the Congress. Congress should amend this act to assure to farmers the full benefit and scope of the present exemptions as originally contemplated.

7. Reciprocal-trade agreements which have thus far been negotiated and which do not have the effect of reducing domestic agricultural prices below the parity price level are generally satisfactory to agriculture.

Until such time as curtailed market outlets, which require American farmers to restrict production, are enlarged all foreign-trade policies should be formulated so that the widest possible domestic and export markets may be obtained for all domestic producers at fair price levels. All imported agricultural and livestock products should be required to meet domestic standards.

8. The natural resources of soil, water, range, forests, and wildlife are basic to the welfare of agriculture and to the Nation. The future protection and wise use of these resources must be assured. Such a program of conservation should be of a national scope and should be correlated with other conservation programs. A cooperative farm-forestry program would appear to meet the problem in many areas of our country. Most land, wildlife, and forestry conservation must be carried out in cooperation with the people who live on the land.

9. The fertilizer program of the Tennessee Valley Authority, the Rural Electrification Administration, and the farm-to-market roads program should continue to be supported with adequate funds.

10. The United States Department of Agriculture, the land-grant colleges, the agricultural experiment stations, the Extension Service, the Vocational Education Service, and the regional agricultural research laboratories should have adequate appropriations for carrying on their work in the service of agriculture.

11. Since the Nation as a whole can prosper only to the extent that equalized educational opportunities are made available to all citizens, the Federal Government should provide aid to grade and secondary schools on the basis of educational need.

Since it is further apparent that preventable disease and lack of proper medical care and hospitalization in some areas cause great economic loss and human suffering, the Federal Government should reasonably extend its public-health program with respect to maternal and child health, rural hospitals, public-health services, and medical care for those unable to provide such care for themselves.

Respectfully submitted.

AMERICAN FARM BUREAU FEDERATION.

By its executive committee:

EDWARD A. O'NEAL, *President.*
EARL C. SMITH, *Vice President.*
GEORGE M. PUTNAM.
J. F. PORTER.
H. J. KING.
O. O. WOLF.

The New Congress

EXTENSION OF REMARKS

OF

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, January 16, 1939

RADIO ADDRESS BY FRED BRENCKMAN, WASHINGTON, D. C., DECEMBER 17, 1938

Mr. BYRD. Mr. President, I ask unanimous consent to insert in the Appendix of the CONGRESSIONAL RECORD a radio speech made by Mr. Fred Brenckman, the Washington representative of the National Grange. This speech relates to vital and important matters affecting the country, and especially the farmers. The National Grange is a very influential and useful farm organization.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

With only a little more than 2 weeks remaining before the Seventy-sixth Congress is scheduled to convene on January 3, the eyes of the Nation are again focused upon Washington. The people of the country are particularly anxious to know what the attitude of the incoming Congress will be with reference to agriculture, industry, and business, together with the many other vital and complicated problems with which the Nation is confronted.

I believe there is justification for saying that the rank and file of the people would welcome and applaud any sign or indication that the new Congress will be more disposed than its three immediate predecessors to perform the duties with which it is vested under the Constitution, without any undue interference or coercion from the executive department of the Government. While it is necessary and right that Congress should cooperate with the Executive in carrying out any program calculated to promote the common welfare, a spirit of subservience and subordination on the part of our lawmakers is entirely at variance with the American concept of government.

Every Member of Congress who conscientiously performs the duties devolving upon him is fully entitled to all the salary he gets. But why should we pay a man $10,000 a year and give him the franking privilege, together with office space and $5,000 for clerical hire, besides printing his speeches in the CONGRESSIONAL RECORD, if he is to play the part of a mere automaton and do no thinking on his own account whatsoever? God gave each and every one of us a brain and He expects us to use it.

As the Bible aptly puts it, "In a multitude of counselors there is safety." The magnitude and variety of the questions that are clamoring for solution calls for the collective wisdom of our best minds, and it is to be hoped that Congress will recognize this fact and govern itself accordingly.

THE LUMP-SUM APPROPRIATION EVIL

If Congress is fully to regain its former prestige and independence, it must put a stop to the practice of making lump-sum appropriations, to be expended at the discretion of the Executive. Thinking people throughout the country recognize this plan of disbursing public moneys as an unmitigated evil. It compels Members of Congress to go, hat in hand, to the Executive Department to plead for an equitable allotment of funds for their respective States or districts; it makes a grab-bag of the Treasury; it leads to extravagance, demoralizes the people, and it menaces the right of free elections. In a recent address delivered in New York, Senator JAMES F. BYRNES, of South Carolina, faithfully portrayed existing conditions when he declared:

"Today the Congress collects from the people in taxes billions of dollars and gives that money to department heads to be spent at their discretion. Local officials then demand the assistance of Senators and Congressmen in getting back from the department heads for local improvements some of their money. The efficiency of the Senator or Congressman is determined by the amount of money he gets back. The more money a Representative secures from the departments, the greater is his obligation to vote for additional appropriations which will be asked by the departments."

Continuing, Mr. BYRNES said:

"The businessman and the educator will make splendid speeches about balancing the Budget. Immediately afterward one will write his Senator asking aid in securing funds for a Federal building, while the other prayerfully pleads for a college stadium."

On every hand the excuse is offered, "We might as well get ours while the getting is good, because the money is going to be spent anyhow."

Henry Clay was fond of saying that Congress was supreme, because it held the sword and the purse.

But when Congress made a lump-sum appropriation of $3,300,000,000 in 1933 to meet the emergency which then existed, it set a precedent that has done more than all the other things put together to destroy its own independence.

A search of the official records of the Government discloses the fact that from 1789 to 1933 the total blank-check appropriations of Congress amounted to only $1,687,000,000. The bulk of this went to Woodrow Wilson at the time of the World War. Since 1933 Congress has given the Executive almost $16,000,000,000 to be spent at his discretion. The power represented by these enormous appropriations has proved too much for the administration of one individual. It has resulted in waste and many ill-considered ventures.

THE GROWING MENACE OF DEBT

It has likewise resulted in swelling the proportions of the public debt to a size that would have been considered inconceivable 10 years ago. By the end of the present fiscal year our national debt will reach $41,000,000,000. This is not taking into account the contingent liabilities of some 30 Government corporations and agencies that have been authorized to issue bonds, notes, and debentures, with the Government guaranteeing both principal and interest.

Often there is jubilation when an allotment of Federal funds is made to some project or community. But in view of the fact that this is borrowed money that must be repaid through future taxation, the people should not regard it as a grant. In reality it is a first mortgage on every farm and every home in the land. One of the foremost duties of the new Congress is to take positive steps toward balancing the Budget and putting an end to this orgy of waste, extravagance, and debt.

Congress should work out its own formula for the distribution of relief, and the administration of these funds, which are secured by taxing all the people or by mortgaging their credit, should be placed on a nonpartisan basis. It must be agreed by every right-thinking person that it is wrong to play politics with human misery and to ask the people to barter their votes for bread.

The new Congress should shun and resist any attempts that may be made by our Federal bureaucracy to further encroach upon the rights of the States and to curtail unnecessarily the liberties of the individual citizen. The tendency of the Federal Government to arrogate all power to itself has gone to extremes that are incompatible with the American principle of home rule in local affairs. All this has been done in the name of liberalism and progressivism.

In former times, when kings ruled by "divine right," it was the function of liberalism to curb or hold in check the powers of the king or monarch, and it should be clearly kept in mind that the more power the Federal Government takes unto itself, the less there is left to the States and society as a whole.

The Grange believes that we will get the best results if each unit of government—National, State, and local—will stay within its proper sphere, each faithfully and efficiently performing the functions devolving upon it, and with none encroaching upon the rights and prerogatives of the rest.

THE AGRICULTURAL SITUATION

In surveying the agricultural situation Congress will be brought face to face with the fact that the farmers' cash income for this year, including benefit payments, has fallen to $7,625,000,000, which is a billion dollars less than the figure for the previous year. It is also two and one-half billions less than the average for the 5-year period from 1925 to 1929, both inclusive. In considering ways and means of improving farm conditions the Grange is of the opinion that the most helpful thing the Government could do would be to pursue a policy calculated to restore employment in private industry.

Notwithstanding that the Government has spent approximately $27,000,000,000 for relief and pump-priming projects during the past 9 years, not to mention the additional billions spent by the States, there are still about 11,000,000 unemployed people in the United States. They and their dependents, numbering tens of millions, have very little purchasing power, excepting that which is furnished by the Government itself. This is the principal reason for the low prices of farm commodities that now prevail.

In 1929 our national income was $81,000,000,000. The estimate for this year is placed at sixty billions. This means that the purchasing power of the people is 25 percent less than it was in 1929, while our population has increased nearly 9,000,000 during the interval. How could farm prices be expected to be satisfactory under such conditions?

There is an interdependence between industry and agriculture that is fundamental and inescapable. Just as the industrial worker is the best customer of the farmer, so the farmer is the best customer of the man engaged in industry. Neither can prosper while the other languishes. They both go up or they both go down together.

As every intelligent student of agricultural conditions is aware, there is no single solution to the farm problem. It cannot be solved by political magic, nor by the use of any one of the numerous panaceas that have been offered.

THE AMERICAN MARKET

The Grange regards it as a prime requisite in restoring agricultural prosperity to give the American market to the American farmer to the limit of his capacity to supply it.

We want all the foreign trade we can get under proper conditions, but we are persuaded that there is no advantage in exchanging competing commodities, nor in entering into any trade agreements that would be injurious to domestic agricultural interests.

We know that trade is a matter of give and take, but it should be remembered that the United States today has the biggest free list of any country in the world. Last year 57 percent of our imports entered the country free of duty. Under such conditions, it would seem that with the exercise of proper diligence and ingenuity it should be possible for us to find an export market for some of our surpluses among the nations whose products have been given entrance to the markets of the United States without the payment of any tariff duties.

Furthermore, the grange advocates that all trade treaties, for such they are, should not be allowed to become effective until they have been ratified by the United States Senate, according to the provisions of the Constitution. All the treaties we have made in this connection were subject to parliamentary ratification on the part of the countries with which we dealt. As an American I should not like to believe that the United States Senate could not be trusted to perform a duty which the parliaments of other nations have shown themselves capable of accomplishing.

Above all things, the Grange wants every American farmer to be secure in the possession of his birthright. It wants every farmer to be the boss of his own farm and the captain of his own soul.

Flood-Control Program in Vermont

EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, January 16, 1939

ARTICLE BY DOROTHY THOMPSON IN WASHINGTON POST, JANUARY 16, 1939

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article by that distinguished American journalist Dorothy Thompson, entitled "Green Mountain Holiday," which appeared in today's Washington Post. Miss Thompson, in speaking of Vermont, has voiced the patriotic sentiments of independent-minded citizens of every State in the Union. Pennsylvanians have an equal stake with the courageous citizens of Vermont in the maintenance of local rights. We may not speak as eloquently as Dorothy Thompson, but we feel the same way.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, January 16, 1939]

ON THE RECORD

(By Dorothy Thompson)

GREEN MOUNTAIN HOLIDAY

Before Secretary Woodring goes ahead with that dam that the Federal Government contemplates building at Union Village, Vt., he had better go and see Knickerbocker Holiday. Drom Broeck, the young man in that play, called himself the first American. He had a serious psychological disturbance. He couldn't bear to take orders.

His lineal descendants are not very numerous in Manhattan any more. But they have overrun Vermont. Practically the whole population of the State consists of Drom Broecks.

They are as polite, courteous, and gentle-spoken a people as you will find anywhere. But it is a mistake to try to coerce them. Because, if you do, you will find some extremely ornery creatures.

Vermonters are not accustomed to taking orders, individually or collectively. One reason for that is that more Vermonters work for themselves than do the inhabitants of most States. They are farmers and 90 percent of them own their own farms. If their daughters go out to work in the households of others, they go as "help" not as servants. You can easier persuade a neighbor to "help you out" than you can hire him.

They are extremely knowledgable about their local politics and problems. This is a State where the town meeting still is a living, functioning institution.

They are accustomed to debating and discussing every sort of problem affecting their lives and pocketbooks, not only in Montpelier but in the Town Hall in Barnard, population 200 souls.

They know all about the fight over flood control between the State and the Federal Government; they know the precise history of the interstate flood-control pact drawn up and ratified in 1937 between the Commonwealth of Massachusetts and the States of Connecticut, New Hampshire, and Vermont.

They know that this compact was made in strict conformity to the act of Congress that authorized it and in closest cooperation with the War Department—which was the only branch of the Federal Government concerned in the matter under the terms of

the act—and they know that although the compact was favorably reported by committees of both Houses of Congress, its passage was blocked by Executive interference.

And they are very, very sore about it. Not the Governor. He is sore, too. But Vermonters. All Vermonters.

The people of this State believe that the rights in the streams and valleys of Vermont belong to them; that if the Federal Government is going to take some of them it has got to consult them first, and that even then it can only have them according to the terms of a written contract between the Federal Government and the State.

They are willing to discuss things with the Federal Government; they aren't saying they won't cooperate. On the contrary, they are saying that they will. But they believe that they are a party to the terms. And they want it put in writing.

And the reason they want it put in writing is because they don't want the precedent established that the Federal Government has any claim, without specific contract, to a single acre of land—except, of course, in time of national emergency.

They want to have something to say about where dams should go and what lands should be flooded.

They believe that what they say in Gaysville, or East Craftsbury, or Newfane, will be listened to with far more interest in Montpelier than it will be in Washington.

They have an enormous and quite fierce Vermont patriotism. They care, for instance, intensely how the State looks. Nobody has been able to sell Vermonters the idea that it is good for business, and therefore for the country as a whole and for Vermont in particular to clutter up the waysides with billboards. They won't have 'em, because they don't like their looks.

And they want to consider how flood-control reservoirs are going to fit into the landscape. The reservoirs, when depleted, are a horrid, scummy, ugly sight, and the Vermonter with both a trading and an esthetic sense believes that Vermont's beauty is an asset, bringing in prestige and tourists' dollars.

That doesn't mean that they don't want flood control. They certainly do. But they want something to say about how and where.

They also want to think about their taxes before they flood lands, and about the land itself.

There isn't so much good valley land in Vermont that you are casual about it.

They think the Federal Government is extremely casual about a lot of things. They haven't forgotten yet that way back 5 years ago some of the boys from the Rural Resettlement Administration declared Vermont to be 52 percent uninhabitable and suggested the citizenry ought to be evacuated off the hill farms.

I live on one of them, and I'd like to see the Federal Government try it.

The answer of Vermonters was, "Well, it's inhabited, ain't it?" And some of them pointed out that it had been inhabited for 150 years, sometimes by members of the same family, and that the American Who's Who is pretty liberally sprinkled with some of those names.

And I regret to say that one heard the remark, "If they don't like it here, let 'em go back where they came from."

A lot of Vermonters have got queer ideas about things that constitute a "good standard of life." They'll patch up a piece of furniture until it is more new wood than old, and contribute a dollar to keep up the Burlington Symphony Orchestra in a city of 30,000 souls.

They'll stick to a farm because they like the view.

They'll spend money for paint, but they don't think you have to eat meat every day.

They are, in short, an ornery people who have a deeply ingrained and, I fear, ineradicable habit of independence.

The truth is they are spoiled. They believe in self-government. They even believe it is their right. And they believe it begins at home.

"Now, about that dam business. Don't misunderstand. We want to be reasonable. You treat us reasonably and we'll treat you reasonably—but whose State is this, anyhow?"

The Republican Victory in Wisconsin

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, January 16, 1939

ADDRESS BY HON. ALEXANDER WILEY, OF WISCONSIN, AT NEW YORK, JANUARY 14, 1939

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the RECORD a speech on the subject of the Republican victory in the State of Wisconsin delivered by me before the National Republican Women's Club at the Hotel Astor, New York City, January 14, 1939.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

Madam Chairman, distinguished guests, and members of the National Republican Women's Club, I consider it a great privilege to visit with you women. Why? First, because you are the mothers and sisters and sweethearts of men. Behind every great man is the ennobling influence of some woman who carves out history using man as the sculptor.

Secondly, because you own 60 percent or more of the property of this country. You know the problems and the cares of the folks who carry the tax load.

Thirdly, you are thinkers. You use the greatest invention of all, the mind that the Master Inventor gave you. With it you see that first things come first, and that real values are things of the mind. You know that after all, they are the only treasures that will cross the river of death.

Ladies, I believe that I owe my invitation here today not merely to the fact that I am a Republican Senator but that I am a Republican Senator from Wisconsin. Since coming East the first of this month, I have been brought to realize that my eastern brothers and sisters in the Republican Party do not quite know what to make of a Republican "anything" from Wisconsin.

If you would permit, I should like to give you a little background concerning Wisconsin politics for several reasons. Wisconsin has been the home of the La Follettes—father and sons—who started out in the ranks of the Republican Party but left it to head their own party; and, secondly, Wisconsin politics for the last 6 years demonstrate how a Republican Party which had been beaten to its knees in 1932 could in 6 years, and in the face of the La Follettes and the New Deal, fight its way back to victory.

In 1936 I was convinced that the blundering and inconsistent attempts of the New Deal to strengthen our industrial democracy constituted a very real threat to that very democracy which the New Deal professedly sought to preserve. In 1938 I was even more firmly convinced, and I entered politics again as a Republican candidate for the United States Senate. The fact that I am here today evidences the success of that campaign.

Between 1936 and the campaign of 1938 our Progressive friends in Wisconsin forsook the President and the New Deal and launched the so-called Party of Our Times, the National Progressives of America. The important thing in the 1938 election in Wisconsin was not that the candidates of this new party were defeated in the State of its birth, but that the people of the State of Wisconsin, opposed to the policies of the New Deal, turned not to the National Progressive Party but to the Republican Party to voice the position of the people of Wisconsin.

After every basic change in political philosophy we have the advent of third parties. The primary reason is that the leaders of the third-party movement, either because of conviction or because of political expediency, believe that the two major parties cannot adapt themselves to the changed political picture. That is the situation today. I believe that without exception every third-party movement today is based upon the declared principle that neither the Democratic nor the Republican Party can carry through a sustained liberal program. Some of the third-party platforms are anything but liberal. When analyzed they reveal themselves as truly reactionary, because they demand in return for a "promise of economic security" the concentration of power, both political and economic, in one man or one group of men. Many of their ideas are dressed up, old outmoded dreams of Marx. We need not go abroad for our political wisdom. America is the cradle of liberty. Here is the minted wisdom of liberty and democracy.

And wherein lies the revolution in political thought today? This revolution did not come about in 1932. The seeds of the revolt were there, but even the Democratic Party did not realize it. Do you recall the Democratic platform of 1932? "We will reduce taxes. We will reduce overhead. We will reduce the operating expenses of the Government. We will cut down the tremendous bureaucracy springing up in Washington. We will take government out of business. We will provide jobs for the unemployed," etc. Those were the promises of 1932, and there is not a one which has not been many times broken.

This disregard for campaign promises would have brought defeat to the Democratic Party in 1936 had it not been that in the intervening years the vast majority of the people had come to look upon the Government as the means of obtaining certain material objectives, and the New Deal as epitomized by the President had convinced the majority of people that it, and it alone, was striving to attain these objectives.

What made necessary this recognition by the Government of its economic responsibility? Simply this: We Americans have long had a political democracy, based upon the great freedoms of speech, assembly, and press. We have justly been proud of that political democracy. We have not always been aware of the simple fact that that political democracy could not continue to survive unless we also erected as its counterpart an industrial democracy. A political democracy and an industrial democracy are mutually dependent institutions; one cannot survive without the other.

The problems of industrial democracy in America were not politically critical until American industrial progress was slowed down by the depression in 1932. With the breakdown of our economic system in 1932 we were brought face to face with the

realization that grave defects had crept into our industrial order (or that it was insufficient for the new day) and that our Federal Government has an economic responsibility as well as a political responsibility. Recognition of this responsibility by President Roosevelt is commendable. Unfortunately, the last 6 years have demonstrated that the policies of the New Deal are leading us away from, rather than toward, the objectives of an industrial democracy.

Let us recognize that the great American march toward these objectives has been halted. Our problem is to make clear to all our people what these objectives of industrial democracy are and effectuate these objectives in our national economy. Our immediate problem—unless we are Communists or Fascists—is to show how the march to these objectives can be resumed within the framework of our political democracy.

What are these objectives of industrial democracy? They are higher incomes for the underprivileged third of our Nation, security in our jobs, and security in our old age; greater production; an encouraged industry; a reinvigorated farmer class; and, in general, more of the good things of life for all our people. If the attainment of these objectives of an industrial democracy is necessary for the continuance of the American way of life, then to every person in public office is thrown a challenge—a challenge to find the way and show the way in which the march toward these objectives may be resumed.

Our economic society is built upon three fundamental processes: The process of production, the process of distribution, and the process of consumption. It is important to realize that these economic processes of production, distribution, and consumption are a necessary part of any kind of economic society, whether it be capitalism or fascism or communism.

We all know that the American process of production is the most efficient the world has ever known. It is capable of providing the American people with a higher standard of living than that of any other people. Under the American system individual firms and corporations compete against one another for the services of labor, capital, and natural resources. These services are used for the production of goods. When individual firms compete with one another for these services we know that the services rendered by labor and capital are used in the most efficient manner possible. Inefficient use of these services by a firm is eliminated by the bankruptcy of the firm. So long as decent competition exists labor and capital work together to produce maximum results.

The process of distribution has reference to the method used to distribute the remuneration to those involved in the process of production. In a society without money, capital, management, and labor would each take a share of the goods which they collectively produced. Since money is our medium of exchange, the goods produced are sold for money and that money is divided up between capital, management, and labor. In an economic system where competition has not been destroyed there is a direct relationship between a worker's income and his ability and effort. Such was the dream of the founders of our country, that every man had equality of opportunity and could go as far as his talents and his willingness to work could carry him. So long as competition exists, this dream can become a reality.

The process of consumption in an industrial democracy is essentially the same in principle as the process of voting in our political democracy. When the sum total of votes for all kinds of goods is added up, the manufacturers know what the choices of the public are. In the process of consumption, dollars do the work of the ballot in our political democracy.

It is obvious that by 1932 the process of consumption had broken down because the inherent democracy of the system was destroyed. Millions of our people had few or no dollars with which to buy. Put more directly—a few people had incomes which gave them millions of votes in the consumer market, while many others had no incomes and hence no votes in the consumer market.

This loss of votes in the consumer market constituted a real threat to our political democracy, for a free people can be regimented only under the stress of an emergency, and that emergency may be war or hard times. And when a people are compelled to regiment themselves to meet the grim necessity of finding enough to eat, they are likely to turn to any self-proclaimed messiah who promises to show them the way back to the more abundant life.

Those of us interested in working out the problem within the framework of our American system—and I believe President Roosevelt when he says he wants to preserve the American system—must find out how Government can act to restore the essential democracy of the consumption process by raising low incomes and lowering the highest incomes.

This is not a question of partisanship. The task confronts both Republicans and Democrats, not as party members but as Americans.

However, the voters choose a party to carry on the program.

I am confident that the Republican Party of 1938 is rising to the challenge of our present problems and is building slowly and surely a sound, constructive program which the people of this country will ask the Republican Party to put into operation. To me there are certain fundamental steps that must be taken.

The first step is to encourage business expansion and business spending so that those now struggling along on the subsistence wage of W. P. A. and direct relief can be reemployed in private business at a decent wage. All labor will profit by a pick-up in business through steadier employment and higher wages. However, no businessman is going to increase the output of his factory or tie up thousands of dollars in the expansion of his plant when he has every reason to expect that a vacillating governmental policy will wipe out every reason for increasing his spending. The primary need is for a consistent governmental program so that business can count on a consistent, constructive, long-range governmental policy.

A second step can be taken by eliminating the necessity of those in economic distress making necessitous bargains. An efficient trade-union is an essential instrument for the solution of this problem. While I accept the principle of the Wagner Act as being fundamentally sound, I cannot overlook the fact that it can be further improved.

Thirdly, the farmers' problem must have special attention so that the farmers will at least get the cost of production out of what they produce.

It is important to bear in mind that in our attempt to create more income for the underprivileged we do not destroy incomes for all. The power of government to redistribute income is a power that must be wielded carefully and with precision. There is no need to repeat the destructive corporate surplus tax which crippled the innocent business corporation. Nor is size alone a criterion, as Mr. Berle pointed out. Large corporations are essential to the production of many of our products. In those instances they do not destroy competition; they make competition more effective.

Our next step is to maintain and improve the efficiency of our process of production by maintaining and improving the spirit of competition. The competitive system is very largely an automatic system. The system works according to certain economic laws. But if the spirit of competition is destroyed, our democratic process of production is destroyed by the same action; and the result is governmental planning. It then becomes the function of a board of experts in Washington to decide whether the American people want this or that kind of automobile, whether they want one kind of houses or another, and so on. In addition, these so-called experts will decide not only what we want as they see fit, but they will also tell us what factories may produce the goods they decide on. Rather than receiving orders from the people as to what should be produced, our business will get its orders from Washington.

This is not a democratic process. This is "big government" gone riot.

To me such a system is identical with fascism. It destroys the freedom of the individual in a free society. It sets up a system whereby we must all become mere human cattle treading an economic treadmill. This is not preserving liberty; this is surrender.

If we are to prevent the establishment of such an autocratic society, we must not only eliminate those forces and institutions which today destroy the spirit of competition in our economy but we must fire our souls with a lofty purpose to see that an enlightened public opinion comes into being that will develop governmental machinery which will serve and not rule the people; which will enforce the law and protect liberty.

One of these institutions is the unnatural and uneconomic monopoly. Such a monopoly has its own economic empire. It does not compete against other firms for the services of labor and capital. It can keep the prices up and lay off thousands of men, who must go unemployed because a few men do not want to break the market price. It destroys competition. Such a monopoly must be removed by intelligently framed corporation laws in the spirit of our antitrust acts.

Another step must be taken. In the last 6 years a host of barriers has developed which destroy the free trade among the United States of America. When free trade among the States is destroyed, our American economic system is destroyed.

There is here no suggested specific legislation, but there is a line of conduct, which, if followed, would, I believe, lift this industrial machine of ours out of its economic bog.

This is a victory luncheon, and I know there is not a Republican officeholder in the land who would not be a willing witness to the wonderful support and assistance given him by the Republican women's organizations throughout the Nation. Yes, this is truly a victory luncheon as we compare 1936 with 1938, but I conceive it to be a victory luncheon in another sense. This, to me, heralds the fact that the Republican Party is alive to the national, to the economic, social, and humanitarian responsibilities which a modern political party must carry. Our party is drawing to it wondrous sources of intellectual power—youth, clean and strong; men and women who want to serve this Nation with no thought of personal gain—and this party also recognizes that there is a final source of knowledge and power to which we can and must turn if we are to meet the great "calls of this day." I refer to Him who gave us life, who through the great Americans of the past brought forth on this continent the American ideas of liberty, of freedom of speech, press, and worship, etc., and taught us the American way to preserve these great freedoms. At Thermopylae 2,000 years ago on bended knee 10,000 Greeks swore to preserve and transmit to their children the freedom of Greece, unmarred and unsullied.

Before us, coming from Europe and Asia, are a million resurrected false ideas and concepts of government seeking opportunity for trial on this continent.

Thank God America is becoming increasingly aware of this enemy. We are not downhearted. We accept the challenge these errors present. We will not succumb to force or false political and economic thinking.

On bended knee, with faith in the God of right, we too swear we will transmit to the America of tomorrow the freedoms of our America unmarred and unsullied.

Address by Hon. Joseph F. Guffey

EXTENSION OF REMARKS
OF
HON. JOSEPH F. GUFFEY
OF PENNSYLVANIA
IN THE SENATE OF THE UNITED STATES
Monday, January 16, 1939

RADIO ADDRESS BY HON. JOSEPH F. GUFFEY, OF PENNSYLVANIA, ON OCTOBER 6, 1938

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered by me on October 6, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My fellow Pennsylvanians, it is vitally important that every citizen of Pennsylvania know who is behind the Republican candidates who are today going up and down our State clamoring for the destruction of Roosevelt liberalism, the summary court-martialing of the New Deal, and the burning of the security measures enacted by Governor Earle and a Democratic legislature at Harrisburg.

Republican machine bosses in Pennsylvania traditionally select candidates who are "regular" and "right," candidates who will do as they are told. This year is no exception, as those independent Republicans who cast their lot with Gifford Pinchot can well testify. We must look to the bosses, not to the candidates, if we are to know what to expect from the Republican leadership in Pennsylvania.

In more than 40 years of battling for liberal democracy in Pennsylvania I have seen bosses come and bosses go. I have watched them rise and I have watched them fall—autocrats such as Penrose, Quay, and Vare, and more recently Grundy and the Mellons. Those party leaders made alliances with the railroads, the utilities, the big manufacturers, and bankers. In return for their services in breaking strikes, in granting tax exemptions, in extending favors and immunities to great corporations at the expense of the people they received generous campaign contributions.

Yet, evil as was this partnership of big business and the G. O. P., it was still an alliance with legitimate business.

In all the years that I have fought against the Republican misrule, it never entered my mind that the day would come when I would be obliged to attack the leadership of the Republican Party in Pennsylvania on the ground that it was allied with organized crime, that it was controlled by an associate of underworld figures, that it was degenerating into an instrument for the protection of gambling.

Yet that is the situation now facing the Commonwealth of Pennsylvania. The once great Republican Party today has sunk to the blackest of all depths, to the deepest pit of moral degradation, under the leadership of a man who is the kingpin of illegal pool-room gambling from coast to coast, a man who brings to the Republican Party the methods, the tactics, and the morality of the underworld.

That man is Moses L. Annenberg.

"Moe" Annenberg has a Nation-wide monopoly on race-track wire service. His income from this source alone is conservatively estimated in excess of $6,000,000 a year.

With his vast income, and with his newspaper, the Philadelphia Inquirer, which he bought for $15,000,000 cold cash, it was an easy matter for "Moe" Annenberg to seize control of the Republican organization from its aging and shattered leaders, who were demoralized by defeat after defeat at the hands of New Deal candidates. He took the Grand Old Party by default.

It was "Moe" Annenberg, and no one else, who hand-picked Arthur James as a candidate for Governor.

As early as last January, 10 months ago, the Harrisburg Telegraph, a Republican political organ, stated flatly that if James were nominated it would be "a manifestation of the power of M. L. Annenberg, millionaire publisher of the Philadelphia Inquirer, several magazines, and the New York Morning Telegraph, a horse-racing publication."

Events proved the Harrisburg Telegraph was right. Annenberg picked the Republican candidate for Governor. Annenberg nominated him. Annenberg controls him, and his running mates as well.

With brazenness characteristic of the underworld and typical of underworld contempt for the sanctity of democratic processes, this man who has seized control of the Republican Party organization is now campaigning for State-wide political dictatorship.

Even now his corrupting influence upon our public life, and his contempt for the people's highest tribunals, have become public scandals.

His candidate for Governor was taken from the Superior Court of this Commonwealth, and under "Moe" Annenberg's direction that jurist already has so forgotten his professional responsibilities that he has brazenly refused to resign from the bench while campaigning for political office—in fact, is giving curbstone political opinions as a candidate on matters yet to come before him as a judge.

As if that were not enough, Annenberg has now publicly shamed and humiliated the Supreme Court of Pennsylvania to such an extent that the court itself has ordered an investigation, and the State senate has passed a resolution to the same effect, in order to protect the integrity of that tribunal. "Moe" Annenberg, at a time when he was known to be on terms of open intimacy with at least one member of the supreme court, published in advance the decision of that court on the constitutionality of the grand jury bills. Such a publication, 10 hours before the decisions were handed down, demonstrated a brazen contempt for the dignity of the highest court in the Commonwealth.

Many think of Annenberg as a newspaper publisher, but his publishing is incidental to his traffic in gambling information, and his newspaper is nothing more or less than an instrument of political power to protect his far-flung illegal enterprise.

When I speak of Annenberg's illegal enterprise I am not saying anything more than Annenberg himself has said about it. In 1934 Annenberg's partner in the General News Bureau brought suit in Chicago for a division of the profits. Annenberg successfully pleaded that he was engaged in an illegal business, and hence the court could not step in to compel a split of the loot. Thus he openly admitted, in a formal court pleading, that his tipster service was an illegal racket.

If anyone believes Annenberg's purpose is not to use his newspaper and his political power to protect his racket, he has only to review Annenberg's record in Miami, Fla.

The bitter rivalry of two gambling services there resulted in two gang murders. When outraged city authorities closed down all bookmaking Annenberg bought a newspaper to "protect" his customers from the ban.

By the most ruthless methods Annenberg finally gained political control of Miami and put his own friends in office. When that was done his newspaper had accomplished its purpose. He had no further use for it and sold it. In his final editorial he announced that he was proud to leave the city in "safe" hands.

Within 2 months of this editorial farewell his hand-picked mayor and two other city officials were indicted on charge of soliciting a $250,000 bribe for a sell-out of the people's interests to the local electric light and power company.

Annenberg's Nation-wide race-track monopoly, operating under various names, has been named in presentment after presentment of the special Bok grand jury now sitting in Philadelphia. How far its operations extend throughout Pennsylvania only Annenberg himself could tell. How far it would extend if Annenberg were to become the political boss of Pennsylvania can better be left to the imagination.

"Moe" Annenberg has the unenviable distinction of having been one of the first persons in America to introduce gangster methods into legitimate business.

As a Chicago newspaper circulation promoter, first for Hearst and later for the Chicago Tribune, he and his associates assembled gangs of thugs and gunmen to promote newspaper sales by terrorizing newsboys. In the open street warfare that ensued it is estimated that 27 persons were killed and many more wounded. "Moe" Annenberg himself on one occasion played a prominent part in a street gun battle in Chicago's downtoon Loop.

After the circulation wars ended the Annenberg gangsters turned to other activities, so that this earliest venture marked the beginning of gang warfare and racketeering.

Having helped to inaugurate Chicago's reign of lawlessness, "Moe" Annenberg moved into larger fields.

He became an important executive in the Hearst organization, speculated in real estate, controlled a seat on the New York Stock Exchange, published magazines and racing newspapers, developed his race-track wire service.

With one exception, when he was indicted by a Federal jury in Baltimore for sending obscene literature through the mails, he has pursued his way unmolested by the courts. In fact, he has always made it a point to be friendly with the courts, even to the point of selecting judges exclusively as his personal candidates for public office.

Today this man who derives his chief income from what he admitted himself is an illegal business has a Republican judge of the Pennsylvania Superior Court as his candidate for Governor and a judge of the supreme court as his boon companion and frequent dinner guest at his Philadelphia hotel.

Ironically enough, this man whose business makes possible one of the greatest illegal rackets in the country not only assumes the cloak of respectability but also hobnobs on terms of greatest intimacy with Republican judges whose political interests he is in a position to advance.

This is the man who owns the Republican machine—lock, stock, and barrel.

This is the man who daily sings a hymn of hate against the liberal policies of the New Deal.

This is the man who has openly boasted that after he has seized political control of Pennsylvania he will dominate the Republican National Convention in 1940, and thus name the next President of the United States.

Flood-Control Dams

EXTENSION OF REMARKS
OF
HON. ERNEST W. GIBSON
OF VERMONT
IN THE SENATE OF THE UNITED STATES
Monday, January 16, 1939

EDITORIALS FROM NEW YORK TIMES OF JANUARY 15, 1939, AND NEW YORK HERALD TRIBUNE OF RECENT DATE

Mr. GIBSON. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial appearing in the Sunday issue of the New York Times and an editorial appearing in the New York Herald Tribune of recent date, both relating to the flood-control issue insofar as it affects New England.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From New York Times of January 15, 1939]

VERMONT VERSUS ALL COMERS

In Europe such an action as was taken on Thursday by Governor Aiken, of Vermont, and his legislature would have what might be called repercussions. For Vermont not only decided to petition Congress to ratify an existing contract for the Union Village Dam and to amend an act "under which the Federal Government claims the right to take our lands and waters without our consent." It also proposed to move to "the defense of our sovereign rights."

The issue at Union Village and in the larger matter of the control of the Connecticut and Merrimac Rivers is apparently not to be met in this case by the national administration, in view of the position the New England States have taken. Meanwhile we have the picturesque spectacle of the State of Vermont feeling its sovereign oats. It is not only a legal question that was raised. A profound sentiment found expression. Vermont is not an administrative subdivision. It is a State.

Vermonters have always felt that way. Between the beginning of the Revolutionary War and their entrance into the Union they enjoyed some 15 years of independence. Once in, they were stout Unionists, as their soldiers showed at Gettysburg and on other battlefields. But they have always been conscious of their statehood, as indeed, anyone who crosses Lake Champlain, the Connecticut River, or the northern boundary of Massachusetts is also likely to be. Their very barns are not like other people's barns. Drop an exiled native blindfolded under the shadow of Mansfield and he would know by the feel, by some sixth sense, where he was. Sentimentally, Vermont is more nearly a nation than is many a principality ringed round with customs officers.

Green Mountain folk are patriotic—certainly. They will die for the Federal Government on request. What they won't do is let Washington put anything over on them. This attitude is not mentioned here by way of condemnation or of praise. It is simply a fact. Sometimes State pride obstructs a desirable national program. Sometimes it protects us against the too swift rush of reform or the black devices of reaction. Just now Vermont annoys the hundred percent New Dealers. It will not annoy the same persons so much if a reactionary administration in Washington ever attempts to suppress local or personal liberties. If this ever happens, Vermont will, one expects, be heard from in what the politicians aptly call "no uncertain terms."

[From the New York Herald Tribune]

NOT BY A DAM SITE

Something like 16 months has passed since Governor Aiken of Vermont first stepped forth into the national limelight with his championship of State sovereignty against the threats to it embodied in the New Deal program for flood control. Much has happened since then to bring the issue to a head, so we now find him no longer talking but ready with the sinews of war to take the fight to the enemy. And we have an idea that before he is through the enemy will know it has been in a real fight, perhaps the most fateful of its experience.

For both this farmer-Governor himself and his cause are charged with a moral fervor which seems not unlikely to line the country on their side, as in the case of the opposition to the President's Court-packing and reorganization schemes. Just as in those two instances, the record of the administration has been that of a devious attempt to alter, through Executive encroachment, the balance of powers fundamental to our system of government. Meanwhile last year's elections have come along to give courage to all who would stand in the way of New Deal arrogance, and especially to Vermont and her Governor, almost alone in their support of the ancient faith in 1936.

One remembers that after the passage of the Omnibus Flood Control Act of 2 years ago the four New England States victimized by the disastrous floods in the Connecticut and Merrimac Valleys entered into compacts under the terms of this act to tame these rivers. They prorated among themselves the cost of the reservoir and dam sites, the Federal Government to foot the bill for construction, and reserved to themselves "all benefits and advantages of water conservation, power storage or power development that may exist." Their treaties had the blessing of the War Department, but they failed of congressional ratification because the President objected to the clause quoted. Months of fairly bitter controversy followed, during which both sides stood firm, whereupon the President caused to be introduced into Congress and finally succeeded in having enacted a resolution authorizing the Secretary of War to walk into any State which refused to give up title to flood-control reservoir sites or to their development for power purposes and acquire the lands, easements, and rights desired.

It appears that Vermont, and specifically a minor project on a tributary of the Connecticut in a community of 50 inhabitants, has been picked for the first test of this proposed usurpation. Somehow the obscurity of the setting among poor Vermont villagers enhances the dramatic value of the principle at stake. Here is an attack on the type of local autonomy which is of the very essence of the American democracy. We shall be much mistaken if not only New England but the country generally does not rise in support of Governor Aiken.

The Constitution

EXTENSION OF REMARKS
OF
HON. WILLIAM E. BORAH
OF IDAHO
IN THE SENATE OF THE UNITED STATES
Monday, January 16, 1939

RADIO ADDRESS BY WADE H. ELLIS, OCTOBER 25, 1938

Mr. BORAH. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address on The Constitution of the United States, delivered by Mr. Wade H. Ellis under the auspices of the Daughters of the American Revolution.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My fellow citizens, I can think of no greater honor than to speak over the air on the Constitution of the United States under the auspices of the Daughters of the American Revolution. This organization, like a number of similar ones in America today, is doing a splendid work in stimulating popular respect for our form of government.

The Constitution of the United States owes its real origin to Magna Carta, the immortal conception of English liberty, signed and sealed by King John on June 15, 1215. The sacred spot known as Runnymede, where this great instrument was approved, is now a national park, situated on the banks of the Thames between London and Windsor, and fronted by noble monuments. It was from Magna Carta that the American people drew the immutable doctrines of habeas corpus, trial by jury, and due process of law.

The early settlers at Jamestown in 1607 looked forward to the adoption of a constitutional form of government protecting the rich and the poor, the high and the low, and particularly the individual citizen in all the rights of liberty and property; and the Pilgrims of the *Mayflower*, as early as November 21, 1620, before they left their boat, adopted what may really be called the first Constitution of the United States. Many years later the Virginia Bill of Rights, written by George Mason, of Gunston Hall, only a short distance from the city of Washington, became a real inspiration for the American Constitution adopted at Philadelphia on September 17, 1787. This great charter of freedom, which Gladstone pronounced "the most wonderful work ever struck off at a given time by the brain and purpose of man," and which Daniel Webster declared he would use every faculty in his power to prevent from being nullified or impaired, is the most sacred document in America today, and I hope will continue to be for all future ages. The "given time" referred to by Gladstone is, curiously enough, the shortest period in which any supreme law of government was ever written in the history of the world. The Constitutional Convention actually accomplished its task in 85 working days, and for all time to come it is the duty of every American citizen, whether native born or naturalized, to support and defend this splendid heritage.

The Constitutional Convention was presided over by George Washington, and among many other leaders of that day who took part in the construction of this sacred instrument were James Madison, Alexander Hamilton, Benjamin Franklin, Roger Sherman, Charles Pinckney, Gouverneur Morris, Rufus King, and others of deathless fame. It has often been said that George Washington took little part in the deliberations of the Convention, but one of the out-

standing episodes of that day was that at a critical moment when it seemed that all the work might come to naught General Washington stood at his place and exclaimed with solemn emotion: "Let us raise a standard to which the wise and honest can repair. The event is in the hands of God."

The main body of the Constitution creates the three vital agencies of government and defines their powers—the legislative, the executive, and the judicial. The terms used are the clearest of which the English language is capable, and no intelligent individual, whether lawyer or layman, from John Marshall, the greatest interpreter of the Constitution in the history of the country, to the humblest citizen in the land, could fail to understand them.

There have been 21 amendments to the Constitution and the proposed twenty-second, concerning child labor, is still pending. Of these amendments, the first 10 were in effect a part of the original instrument and constitute the great Bill of Rights of the American people. They were devised to meet objections to the adoption of the Constitution. They concern chiefly the rights of petition for redress of grievances, religious liberty, freedom of speech and the press, security against searches and seizures, trial by jury, and other inalienable needs of a self-respecting nation. The most important of the other amendments are those abolishing slavery, granting to Congress the power to tax incomes, providing for the election of Senators by direct vote of the people instead of by the legislatures of the States, granting woman suffrage, and fixing the terms of office of the President and Vice President and of the Senators and Representatives so as to make them more immediately answerable to the popular verdict of the people. If we count the first 10 amendments as a part of the original Constitution and omit the 2 amendments establishing and repealing prohibition, which nullify themselves, there have really been but 9 amendments to the Constitution of the United States in 151 years. This is a remarkable tribute to the temper and sagacity of the American people, buttressed and supported by the framers, who, by requiring that no amendment could be adopted without the vote of two-thirds of both Houses of Congress and three-fourths of the States, made it necessary that we should ponder thoughtfully before making any change in our form of government.

I have given you, my friends, a brief summary of the adoption and contents of the Constitution of the United States. My advice to every man and woman who is listening in today is to read from the beginning to the end, this great charter of our liberties, with all its splendid guaranties and all its checks and balances. This will make you prouder of your country and surer of your birthright.

In these days when there are, according to the very latest news, so many spies and conspirators spreading the dark doctrines of fascism, communism, and every other "ism" except patriotism, we need to teach all the people, without regard to race, color, or religion, that they are absolutely equal under the law, entitled to the protection of the Constitution of the United States, and that the highest duty of every individual in the land is to live an honest and law-abiding life and to use all his or her talents and industry to attain an honorable place in the world. Of course, the number of these spies and conspirators has no doubt been exaggerated, but in my judgment our first duty is to deport the aliens among them back to the lands where they obtained their pernicious theories, and any American citizens among them plotting violence should be prosecuted and sent to jail.

The most dangerous doctrine that can be taught is that the world owes every man a living. This is only half true. The world does owe every man a living, but he must work in order to collect the debt; and nothing can so destroy self-respect and all those qualities which make for peace and progress as to teach mankind that we are entitled to all the needs and luxuries of life without doing anything to deserve them. There would never have been any great invention, or any great poem or picture, or anything of usefulness or of beauty, if it had not been for the personal industry and ambition of some free, self-respecting man or woman who was not content to live a life of idleness and dependence upon others but who desired to give his or her talents to the betterment of world conditions.

The one thing most important of all to keep in mind is that it is not the duty of the Government to support the people, but the duty of the people to support the Government. Uncle Sam is not a Santa Claus. He is an umpire—the great umpire of the game of life, ready to suppress injustice and monopoly, disorder, and crime, and to see that every individual in the country gets a square deal.

I am one of those who believe that the Constitution of the United States will never be destroyed, and I want to point out one significant and encouraging fact in this connection. There is not today a single community in the United States where any man could be elected to any office on a platform advocating a change in our form of government.

At this moment when many other countries of the world are in the throes of war or revolution, or governed by cruel autocracies which suppress all liberty of speech or occupation or religion, a prime obligation is to so strengthen the Army and Navy of the United States that we may defend our country against any aggression. We ourselves will never be the aggressor in any direction, for there is not an inch of foreign territory that we want to annex.

In my judgment present doubts and difficulties will adjust themselves, and better times are coming than we have witnessed in many years. There is already positive proof of a revival in business and employment, which should encourage the farmers, the merchants, the industrialists, and the workingman. We must not get the blues any more than the "reds." What we need most of all is faith in our institutions and the courage to maintain them. Faith and courage. We live in the land of the free. Let us make it the home of the brave.

I thank you.

The Quest for Responsibility

EXTENSION OF REMARKS

OF

HON. ROBERT M. LA FOLLETTE, JR.

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, January 16, 1939

ADDRESS BY CLARENCE A. DYKSTRA, PRESIDENT OF THE UNIVERSITY OF WISCONSIN, COLUMBUS, OHIO, DECEMBER 28, 1938

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have printed in the RECORD an address by Clarence A. Dykstra, president of the University of Wisconsin, delivered before the American Political Science Association at its thirty-fourth annual meeting, at Columbus, Ohio, December 28, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

One hundred years ago, in Belfast, James Bryce was born. Fifty years later, he gave to the world, and to the United States in particular, his classic commentary on the American Commonwealth. This great book interpreted Americans to themselves, and thousands for the first time began to understand the meaning of our political system in the light of our history and its practices. Among other problems, he gave significant attention to that which we are to discuss tonight: What are we to do in a popular government such as ours to get, keep, and perfect a system of responsible action congenial to our traditions, our structure, and our continental and Federal setting?

Within 20 years after the publication of his book, the author was living in Washington as the Ambassador from England to the United States. He was interested in the American Political Science Association from its inception and became its fourth president. He also continued his study of political institutions, and particularly of democratic processes, while he carried on his diplomatic duties. Upon his retirement from the Ambassadorship, speaking to the Academy of Political Science, Lord Bryce said: "I do not think that any greater service can be conferred upon the world by learned men who are trying to find solutions for all the problems that press upon us than by * * * devoting themselves * * * to a scientific investigation of government, economics, administration, and what is called social science in general. You are here—in America—* * * confronted by a number of problems probably more difficult and intricate than any country has ever had to face. * * * No greater service can be rendered toward the solution of these problems than by the cultivation of patient and impartial thought. * * * The need—for thought—was never greater than now because we are apt to be carried away by popular passion. It is not merely the political problems to which I refer. I speak also of economic problems which are becoming increasingly important with the immense increase of wealth, the development of communication and transportation, and the growth of closer relations which exist between all parts of the world. I have likewise in mind what we call social questions. * * * In all that immense field there is need of the closest study of social schemes and theories and of the methods of social reform that ought to be adopted."

These words were spoken more than 25 years ago. They are as vibrant and full of meaning for us today as they were then. It may well be that we find a still fuller meaning and a still deeper challenge in his brief and summary sentence which follows his discussion on the need for action: "The difficulty is to know how to do it."

We live today in a world which is still seeking a way of responsible action, and the difficulties involved have multiplied increasingly in the last quarter century. The turn of the wheel has brought us to a series of experiments in group or collective responsibility throughout the world. We find ourselves and the world in a confusion which we do not seem to resolve—a fog which we cannot penetrate. We do not even find the time to try the Bryce formula, "the cultivation of patient and impartial thought." And yet it was never more necessary. On every hand are the witch doctors with their panaceas. On every rock sits a siren trying to take our minds captive. We ride wave upon wave of popular passion, each more threatening than the last. Classes, groups, and special pleaders clash with each other in their efforts

to control the common agents of collective action. Everywhere immediacy is in the saddle; we yield to the desires or needs of the moment. The future has no appeal, nor do we care for its promise. Today must fulfill our demands though the heavens fall. The result is that we are living recklessly and irresponsibly the world over.

We moderns attack no new problem when we set out again on the quest for responsibility. We merely use new terms for old ideas. Hundreds of generations have tried to reconcile liberty and law, authority and freedom. These same problems are posed on the oldest Egyptian tablets. Recall also that requirement in an old Greek city that whosoever desired to propose a new law should come into the place of assembly with a rope about his neck. Responsibility, you see. Justinian declared that the affairs which concern all should be decided by all.

Such illustrations may be found throughout the pages of history. Calvin and Arminius posed the problem in theological language, using the terms "sovereignty of God" and "free will." Plantagenets, Tudors, and Stuarts all grappled with the implications of the responsible crown, and with the difficulties of getting taxes without debate in Parliament. Magna Carta, the Declaration of Right, ship money, the Instrument of Government of Cromwell's day, habeas corpus, the Bill of Rights—these are all tokens of a long English struggle for responsibility in government. Jefferson and a multitude of his contemporaries on both sides of the ocean were merely carrying forward a time-worn struggle to put monarchs into some setting of responsibility. Even the devices of annual elections and of a set term for parliaments are products of the long search. Lacking only was the language or idiom of responsibility. Practice aimed at the idea, however difficult it proved to arrive at the condition.

Instrumentally, these pioneers were concerned with denying, proscribing or circumscribing the exercise of powers from which they had suffered or feared that they might suffer. They struggled to contrive forms by which powers granted would be impotent for harm, and they ran into the problem of making them at the same time efficacious for good. Their inventions were not invariably successful. Americans, fascinated by Montesquieu's misunderstanding of English polity, contrived checks and balances. But there is little evidence that the constitutional fathers had much real faith in the device. In a very real sense, those English in America in the late eighteenth century were resurrecting the philosophies and some of the formulas developed in the seventeenth century by the English in England.

We must not forget either that there were minds in England before 1640 which thought of Parliament as "the grand representative of the republic." And when the Long Parliament assumed to govern and finally put Charles' head on the chopping block it did so professing to represent "the good people of England." Even the Rump Parliament claimed to represent these same good people. Within a decade there appeared two phenomena rather new: (1) The execution of policies directly by the policy-making representative body or by its committees, and (2) the appointment of executive and judicial agents by Parliament, on the very morrow of the royal rejection of the proposal that Parliament exercise a veto on the King's choice of ministers. Perhaps experience had taught that impeachments and attainders were slow and long-drawn-out remedies. Here is the germ of the principle that power and responsibility go together. We find it again under the Articles of Confederation, drafted during our Revolution, even though power was confided grudgingly and sparingly. The delegations sitting in the Congress of the Confederation were emissaries under instructions and subject to recall within their yearly terms. The device was imperfect, as experience showed, but the idea was to get responsible and responsive representatives.

The attempt to get responsibility by negation of power failed during those days which Fiske called "the critical period." Thoughtful men learned there and then that negations cannot be adapted successfully to fields in which government must act on occasion, but in which arbitrary, needless, or ill-advised action may be highly injurious. The trouble with post factum responsibility of detached agents by way of impeachment or removal, or even by nonreelection after the expiration of an arbitrary term, is that the mischief cannot be fended against before it happens. It may even be that responsiveness is at times an enemy of responsibility. Responsiveness may become a mockery in a maelstrom when confusion of opinion reaches an extreme or when the power of public opinion is captured temporarily by a mountebank. The concept of responsibility, like that of fundamental law, is a rock underlying the history of freedom. Neither is a weather vane which swings to every wind on a single pivot. Each admits of every change in form and policy which is chosen pursuant to reason and to full consideration, but not to gusts of passion.

Here and there in the debates on the Constitution we find the framers struggling with the idea inherent in the words "responsible" and "responsibility." The idea was not dissected, however, apparently on the assumption that it was something as familiar as it was requisite and did not need examination. Had they probed it, they might have been astonished to discover how little they articulated it with the structure, which, by the way, they settled by compromise. Franklin's idea of a responsible single-house legislature had to yield to the compromise between the large and small States. In the debate on the Executive, Rutledge and Wilson felt that "a single man" would feel the greatest responsibility, and Sherman argued for his selection by the legislature. Randolph asked for an Executive of three "to support its independence," apparently of the legislature which was to appoint. Mr. Dickinson wanted the Executive removable by the Legislature, but Gerry feared that appointment by the legislature would lessen his independence. Wilson continued to press for a single Executive. Said he, "In order to control the legislature, you must divide it; in order to control the Executive, you must unite it." Hamilton insisted upon an Executive chosen for life, for then he would have no "motive for forgetting his fidelity." He indicated in his plan that life meant "during good behavior," and then he proposed that such an Executive should have the sole appointment of the heads of departments without provision for the consent of the Senate. On July 17 action was taken by the Convention unanimously that the Executive should be chosen by the legislature and not elected by the people. Further debate on the question of eligibility for more than one term, and Paterson's later suggestion for a college of electors, developed a new solution for the election of the President. Implicit throughout this debate is the fear that the Executive may not be independent enough of the legislature and the desire to make him responsible to the people only in a post factum sense as by impeachment or nonreelection. As late as August 24 delegates voted down the proposition for electors and in favor of legislative choice, and so it was not until 10 days before the signing that choice by electors was finally agreed to—the device that really pleased no one. And since they anticipated few electoral majorities, they provided that the failure of electors to elect should reduce its votes to nominations with the eventual election in the House of Representatives.

This running debate on the setting up of the Presidency explains in some part how the members of the Convention struggled within the confines of a check and balance complex (shall we call it) to find some nonparliamentary way of imparting a character of responsibility to the Executive. The argument for the independent Executive finally prevailed, however, and the method of choice was frankly a compromise. Thus were set up admittedly independent and separate functionaries in the field of legislation and the execution of law. Because of this decision we have vacillated throughout our Presidential history between those we have chosen to call constitutional Presidents and those who have tried from time to time to exercise congressional leadership. We have also differentiated between the functions of a President as party leader and as Chief Executive. We have likewise been confused in our use of the terms "executive" and "chief administrator." Insofar as we have discovered that in modern government there are management problems of great magnitude, we have been made aware of the fact that we have not as yet determined the place that the Presidency occupies in the American system or just what powers it is safe to allow a President to exercise. We are still in quest of responsibility in its many aspects. And meanwhile the tasks of government continually become more complicated and burdensome.

In this day of governmental action and State intervention, it may be worth our while to pause the while to examine and reexamine the challenge of this problem of responsibility in its several aspects. There is a simple way of beginning, and it cuts right through all of the talking and writing of 2,000 years. If we assume, to begin with, that responsible government is desirable, and we must, we should inquire: For what and to whom shall it be responsible? We should know further who actually will be shouldered with responsibility and whether responsibility can be achieved by structural devices. We must discover also whether there are other realities involved that must be considerd when such questions are raised.

It seems obvious that government eventually will be responsible for such undertakings as those who control it declare to be in the general interest and for the general welfare. There is little possibility of doing what so many have tried to do—classify and pigeonhole so-called governmental functions, setting them down as more or less hard and fast judgments eternally applicable. Such attempts have merely added to the confusion of thought which is everywhere prevalent. Doubtless we can all agree that there are some functions necessary to government, functions which if not performed leave us without government. There are some also which cannot be performed by government. Even the English statesman who declared that Parliament has power to do anything did reserve one little matter—the power to make a man of a woman. The attempt to enumerate functions between these extremes, whether in universal terms or as related to a particular time or place, invites contradiction and disagreement from every quarter of the compass. In a very real sense, therefore, each student of the problem and each practicing statesman or politician makes his own list. This is the reality which we need to face when we approach other aspects of the problem of responsibility. Not to do so is to hide our heads in the sand. There are no boundaries which are beyond dispute between the extremes. There is no agreement within the mean. Particular governments at particular times and under particular circumstances discover particular things which must not be left undone if there is to be a government and an orderly society. Again these same governments find that certain things cannot be done if revolution is to be avoided. Evidently this is no place for "the dialectic," self-styled statesmen to the contrary notwithstanding.

Moreover it is to be noted that the problem is not entirely within the control of any existing government, or of peoples, or even of dictators. What governments can do at all, or what they can do without injury, or even what they can do better than some other organization or individual, or permit to be left undone, or do badly, depends often upon the state of the arts, upon the processes of mechanization and of organization, and on natural resources

which are available. One has merely to revert for a moment to the current world problems of the nations known as "the haves and have-nots" to illustrate this difficulty.

There is the further difficulty, of course, which we face when we grapple with what we call "the will of the people" and its decision in the field of function. Some act of will, whether of the people or of a dictator, must answer the question for a particular government. Just what this is gets us into the question of how government can become the instrument which faithfully reflects the concurrence of individual wills in preponderant numbers. In a very real sense, therefore, this problem of function as it bears on responsibility has a relation to structure, to public opinion and its possibility of expression, to popular leadership, to general intelligence, and to the current economic scene. How to create a system of responsibility which is continuing and controlling, and at the same time in a public interest which is determinable and enduring rather than transient, is a challenge that faces popular government everywhere. It cannot be met by a theorist's attempt at classification. If a categorical answer be required, there can be but one—time and circumstance will give us the answer. The fact we must reckon with is that governments must do, if they can, what is demanded of them by those who control them. In this determination certain things have weight; the inevitable, the impossible, the state of the arts, the nonhuman resources, the will and genius of the people, and its leadership.

The whole problem becomes even more complex when under a popular government we venture into the field of control. Insofar as government is a device for doing certain things, it cannot be responsible to itself alone. As an organization of human beings, as a personnel, if you will, it should have within itself certain characteristics of responsible action. But the whole history and import of the struggle for self-government assumes that constituted governments are responsible to those who create them. In this sense, responsibility runs to the people, or the quality of popular government is impaired.

It is the reciprocal of popular control. If the governing agent becomes the tool of some individual—a dictator, political or economic, an interested class or domestic faction, or a foreign master—we no longer have the substance out of which popular government is conceived, and we have made a mockery of responsibility. In modern times, this control finds its mechanism in the voting process, as yet a crude instrument of popular action. For our electorates are asked to resolve complex situations about which they have a minimum of information, for the most part inaccurately reported to them. They are subjected to disturbing appeals to irrelevant or traditional emotional attachments. They are not presented with simple choices which are clear to them. Moreover, they may be forced into choices by economic imperatives, or even by the appeal to fear. Besides, there are multitudes of conflicting interests which must yield to compromise, to adjustment, and to integration. The genius of self-government is indeed a hard taskmaster.

Because of the many difficulties involved in self-government, there are many who, in despair, seem willing, at least at times, to give up the struggle for the democratic way. It is only when we contemplate the possible alternatives to an ultimate control by the people themselves, operating as voters in whatever way they can, that we reassure ourselves of the validity of popular sovereignty. Lincoln was doubtless right when he said that all of the people cannot be fooled all of the time. Dictators, of course, always claim to act for the people, or in their interest, but none professes to act in a relation of responsibility to the people. They are responsible either to themselves alone or to some class or person not identifiable as the people. This, it seems to me, is the essence of irresponsibility. The history of freedom warns us to beware of those who pretend to act in behalf of the people. It supports the declaration of Justinian that affairs which concern all should be decided by all. No doctrine is a safe one for the modern world that does not accept as inevitable that government, whatever its form, whatever the scope of its functions, must be genuinely responsible to the people as a whole.

Insofar as it is true that the more or less amorphous public is not prepared for self-government, we in this country must find our greatest challenge and our inescapable responsibility. It is in point here to ask ourselves as educators what we are doing to implant in our people from the kindergarten up the requisite qualities for self-government. Here would appear to be our never-to-be-satisfied obligation. We have had 100 years of public education in this country. In just what degree has this been a public education, save that the public has paid the bills? Do we develop the public person or the private individual? That there is a difference no one will deny. Nor can it be gainsaid that the education of a private person in certain ways may easily result in the development of the nonpublic person. We give lip service at all times to the doctrine of education for citizenship. Just how effective has this service been in the making of intelligent participators in our public processes? We dare not make great claims to success in this field. The time has come to face this problem realistically. Democracy and its perpetuation may all too soon prove to be an American obligation. To what extent do we contribute to increase the number of those who can at once think for themselves, and see the reasons of those who differ? Who can assess matters in their true proportions and so arrive at common agreements on aspects of major pith, sacrificing perhaps their honest differences about minors and nonessentials? The fathers of 1787 did that. To what extent are our citizens able to differ with conviction and yet compose differences and live in peace and order? To what extent is it possible for a minority among us to accept the decisions of a majority, without submission or surrender to an autocrat? We can never be perfect in this regard. We cannot long keep responsibility in our governments unless we maintain an unremitting campaign for its preservation and extension. All of the agencies of education and communication will be required for this service—schools, the radio, the screen, and the press. We who teach government and the social sciences should summon them to our aid. For we must develop a people to whom it is possible for a government to render responsibility. Here is perhaps our greatest obligation as political scientists.

We have a tradition in the United States that what we want is to attain that ideal expressed by the philosopher as "a government of law rather than a government of men." To this we revert when we lose patience with the personnel which operates our governing mechanism. And yet, since the processes of government are not automatic, we must put men in charge and hold them responsible for carrying out the popular will. We come, then, to the generalization that "representatives of the people's own choosing" will carry the active burden of responsibility. It is difficult to believe that modern peoples, with the current mechanisms of intercommunication at their command, will be satisfied to give up for long periods the habit of choosing representatives to act for them except as they use the more direct methods of initiative and referendum. At the moment many cross currents in world opinion and practice might seem to invalidate such a generalization. But all whirlwinds blow themselves out. Therefore no short-time philosophy or short-time procedure can be considered as anything but variants temporarily in control. Long experience in many places teaches us to hold fast to this principle of representation and to take such chances as are necessary with the device of popular choice. It teaches us further that responsibility has little relation, if any, to the quantitative approach to the election problem. The short ballot and the pointing up of policies to be voted for and against are the important items in popular voting.

There are those who teach that responsibility in government is, in some degree at least, bound up with or perhaps nullified by form or system. Woodrow Wilson believed sincerely—certainly through most of his life—that the way to some measure of governmental responsibility for the United States was to add to article I, section 6, four words, "other than a Cabinet," thus making the section read: "No Senator or Representative shall * * * be appointed to any civil other than a Cabinet office," etc. This addition would give Members of the Congress the right to hold Cabinet positions. Such a device, he thought, would break with our tradition and give us a parliamentary or cabinet government and, he assumed, "responsibility." Said he in 1884: "The only hope of wrecking the present clumsy misrule of Congress lies in the establishment of a responsible cabinet government." This was Wilson's formula for bringing the executive and the legislature closer together and escaping the sterility which he saw as the result of breaking through the check-and-balance system. He wanted some link, some bond of connection, between these two great branches of government to neutralize their antagonisms and harmonize their interests. He asked that the executive agents of government should stand at the ear of the legislature with respectful suggestions of the needs of the administration, and that the legislature give heed meanwhile, requiring of them obedience and diligence in the execution of its designs. He argued that changes in our form of government involved in his proposal are surely worth making, and in the most forthright fashion demanded the institution of the English cabinet form for the United States. However, there seems to be no evidence that after he left the classroom Wilson still urged this formula to attain responsibility. On the contrary, he stressed the need for Presidential leadership rather than a system which eventually would have made the President a figurehead. In his critical analysis of Wilson's point of view, D. F. Houston, for 8 years a member of the Cabinet, concluded that Wilson's solution was too academic and overlooked the life of the Government and the temper of our people. It is an interesting and penetrating comment on the implications of responsibility.

The Cabinet suggestion is but one of those proposed by those who seek further responsibility at Washington. Some would limit the Presidential term to 6 years, some call for the item veto, some would give Congress further powers, and some would take power from the President. All of these enthusiasts fail to see that they are expending a good deal of energy on more or less barren devices which at best could no more than neutralize or counteract some of the consequences of the check-and-balance system. The contrivance that cures one defect in such a structure is almost certain to give it another of equal virulence.

This faith in form or structure is as old as ancient Greek philosophy and as persistent as our American belief that checks and balances will produce responsibility. Forms, however, are no more than the ways which have been developed in diverse places for doing the things that want doing. And doubtless there are always more ways than one of doing these things.

There must be certain realities behind governmental forms which touch upon our problem and which are the determining factors that need to be illuminated in any such discussion as this. These relate to the character of peoples, their experiences and experiments, their capacity for self-control and understanding, their education, and their status as civilized human beings. Long ago Boutmy, the French publicist, uttered a warning to his countrymen which is still challenging to us all. Said he, "Constitutional mechanism has no value and efficiency in itself, independent of the

moral and social forces which support it or put it in motion." On this subject Bryce said, "To anyone familiar with the practical working of free governments, it is a standing wonder that they work at all. What keeps a free government going is the good sense and patriotism of the people, or of the guiding class, embodied in usages and traditions which it is hard to describe, but which find, in moments of difficulty, remedies for the inevitable faults of the system."

Of course, the fundamental reality behind any system of responsibility is the capacity of a people for self-government and their competency as individuals. We were fortunate that this capacity appeared early in American history. Any summing up of our American advantages would seem to indicate that no nation ever embarked on its career with happier auguries for the success of responsible popular government. Here was an excellent racial inheritance. Natural resources were abundant for an ample existence. Here was security from external danger such as threatened the peoples of Europe. All of the conditions for a peaceful and prosperous political life were present. There was neither prince nor pauper. There was a passion for liberty and a spirit of self-reliance. The environment made for a belief in equality and equal rights, and these, in turn, for an acceptance of the idea of popular sovereignty. Put together, however, all these bred a suspicion of remote control and an attachment to local self-government and local responsibility. It is not to be wondered at, therefore, that difficulties appeared when the attempt was made to transfer some responsibility and power to the new plane of national organization. Evidence of this is found all through the debates of the Convention of 1787. Even so, the problem of the organization of a national life and a governmental symbol to represent it seemed to many to be solved by the adoption of the Constitution.

But the possession of a favorable character does not of itself guarantee that a people will devote its first attention to the development of responsible systems of government. In the conquest of a continent other problems appeared that seemed to most Americans more immediate and important than the perfecting of a national system of responsibility. To them these problems seemed preponderantly those for which the individual himself had to be responsible, and, insofar as they were social and political—well, there was the local government. The fact that our system was federal, and the legally separatist position of the States within the federal system, confirmed the opinion that public functions which transcended in scope local government boundaries were in the keeping of a geographical political entity—the sovereign state. National problems took on a sectional aspect at most, certainly until the Civil War. This was a country dedicated in spirit to individual enterprise, and, so far as government was concerned, to a wide variety of State and local experimentation and responsibility. Our history, our environment, and our State systems of constitutions and laws worked against the idea of national unity and a national government.

We must not fail to understand, therefore, that the Federal character of our enterprise was an experiment full of real difficulty for a people who were scattered far and wide in a continental area of diverse geographic and economic sections. We should remember also that this same Federal principle which was such a necessary part of the experimental establishment of 1787 did survive, and doubtless was the indispensable condition for the continuance of our representative political society as a single national state. Without such a device the United States could not have happened or persisted. But we need to realize that the impediments to an achievement of a responsible national government have been magnified and multiplied because of it. No unitary state ever faced such complications.

The achievement of responsibility in any society postulates a natural and harmonious flow of forces and ideas. Here we had conflict and its political consequences. Neither did we have in our Federal Union at any time, nor is there yet, an accepted or agreed-upon division of the field of power as between general authority and the local units autonomous within their spheres. Ideally such a division should so far as possible reflect fundamental principles operative in the society. Let it be ill-adjusted, or the subject of quarrels among parties without understanding or devotion to principle, and much more than the current public service will suffer. For in that situation the short-sighted will attempt for their fancied advantage to alter the Constitution to their own ends by seducing words out of their meanings, by distorting sense, and overreaching principle, and by subterfuge and blandishments. Whatever the temporary outcome of such a course, the political integrity of the people suffers and the substance of responsibility is dissipated.

We have had just such difficulties in the United States, and we are still at sea as to a proper division of powers. Our twilight zone is still a broad band of half light and shadow.

It would be a tempting undertaking to suggest at this point what might be done with our system by way of redividing or redistributing powers to the national advantage. Our literature is full of suggestions for such an enterprise, many of which have merit. A study of the current scene by as competent a body of men as made up the Convention that drafted the Constitution would doubtless result in suggestions for change which might seem as revolutionary as did the instrument of 1787. Suffice it to say in this connection that we are in dire need of adopting an orderly habit of ascertaining and altering the dividing line in conformity with genuine changes of situation and with the pace of general opinion. It is at once the task and condition of responsibility to keep that line corrected. Not to do so may mean in time an altering of the political map, and even perhaps some new secession problems. In any event, it seems clear that if there is to be responsibility within the structure of a Federal system there will have to come some generally accepted agreement in principle concerning the dividing line which separates local from national authority. Studies under way in the field of our duplicating and overlapping tax systems indicate that we are making a gesture toward the study of this problem. Even more fundamental would be an inquiry into the problems of commerce and the police power.

Some changes and accommodations will come inevitably and in some cases unconsciously, perhaps, by muddling through. They cannot be made overrapidly, for it is a major premise in any discussion of governmental forms and procedures that any national or local pattern for organizing a political society must be related intimately to, and grounded in, the history and habits of that society. Political institutions do not readily survive transplanting into uncongenial soil nor thrive under hothouse conditions. They must, so to speak, grow in the wild—they must, insofar as possible, be indigeous or of long adaptation. For the purposes of this discussion it is sufficient to suggest that we must find our own answer—an American answer—to the problem of so organizing our political society that we will be able to determine without revolution or violence what services it wishes to undertake through public agencies and how these can best be administered. It is a difficult business. Montaigne pointed this out long ago when he declared that nothing is more dangerous than to touch a political order once it is established. "For," he said, "who knows whether the next will be better?" It was his conservative opinion that we should not disturb settled political processes which are the result of custom and tradition on the strength of private opinions which express all too generally only moods, humors, or even prejudices.

And yet no more important problem faces us in America, or other peoples in distant places. It is a universal problem, as the history of the last 30 years the world over proves beyond question. It is a quest for a proper and stable division of labor in the area called by political scientists "politics and administration." The problem was not invented and has not been solved by our most recent political innovators—Nazis, Fascists, or Communists. They did not even state it. They found it completely unsolved and profited because of the failure of their predecessors to attack it successfully. It would seem to us who believe in the democratic process that these new parties which have taken over in the European scene have actually contributed nothing in the democratic sense and have succeeded only in establishing a new type of governmental tyranny. One thing they have done for us, however: They have challenged us to find a solution within the orbit of the representative system. They have announced with reverberating and thundering finality that democracy cannot find the answer. Democracy is through, they say, and, as Spengler puts it, "The day of Caesars has arrived." Let us remember for our consolation that time and time again throughout history that day has arrived and miserably ended.

Of course, there are millions of Americans who believe sincerely and completely (1) that there is no problem of responsibility in Government haunting us and (2) that if there is, we must not do very much about it. Time and chance will work us out of any difficulty if only we give them opportunity. These millions will not recognize the fact that we are a profoundly different people, with very different environmental challenges, from those early builders of experimental political institutions in a vast wilderness of far-flung frontiers and unrestricted economic opportunities. Responsibility remains for them a completely individualistic conception. For the student of political theory, however, there is comfort in the fact that of recent years some political leaders have recognized that there is a problem and that it is worth doing something about, viz, the accommodation of political institutions to a changing environment.

The World War interrupted programs that promised recognition of the need for institutional changes to fit a different America. Moreover, it turned our attention outward and stifled rather than stimulated any immediate recurrence to the problem of recasting our domestic polity. The idealism which had been aroused during the war dissolved as we became a creditor nation and as a hollow prosperity urged us to beat the cymbals to celebrate a new economic era which had no use for an analysis of internal political problems. Secretary Hoover's study of unemployment stood idly on the shelves. Then came the crash of 1929 and the years of the early thirties. Millions of minds were shocked into some recognition of the fact that we are an interdependent political society in need of instruments of public action which move swiftly and effectively on a national scale when the occasion demands.

We have just experienced an era of Government action new for its swiftness and comprehensiveness in American history. We developed new governmental authorities with an almost complete disregard of all principles of design or of responsibility. Because of this experience and its disappointments in so many directions many have come to see that our governmental establishment does require some accommodation. We now can understand why certain men who met in convention in Philadelphia in 1787 to draft a constitution were interested in establishing a government adequately powered and equipped to deal with national problems. We realize, too, that our assumption that that work was done for all time is quite erroneous. The fathers did the best they could for their day and age, but they could not foresee all of the problems

which would face their successors in a rapidly changing world. They, however, gave us formulae of great daring and great possibilities which we have ignored and have been unwilling to utilize. The set of our minds and our absorption with other concerns have brought it about that we have used our mechanical proficiency and ingenuity in meeting other than public problems—and often, perhaps, even to find ways to defeat any attempts to bring about an experiment in solution.

Tradition in the United States has insisted on a comparatively colorless public service. Occasionally, as in 1933, we have broken with that tradition. But the agencies of public opinion, whether the party or the press, have frowned upon and even scorned any attempt on the part of those who tried seriously to adapt the forms and functions of government to new conditions and needs. Experiment and modification have been discountenanced as such and not upon any appraisal of resulting evils and benefits. There has been that fear and suspicion of strong and able public leadership, no matter in what place or office, no matter how hedged in responsibility or how consecrated or disinterested. Always we have retired behind that delusively comfortable rampart known as the check-and-balance principle, behind which responsibility has been dissipated and disintegrated. Power was always to be checked or nullified rather than controlled and made to serve.

Under the conditions surrounding us in this modern interdependent world this situation cannot continue if democratic institutions are to survive. Politicians—and there are many more good ones than we are willing to admit—and civil servants or administrators, as the case may be, must find that division of labor which allows each group to function to the best advantage of the whole people. The proper controls to keep each group in its place must be established if we are to have the necessary equilibrium for a government which functions rather than marks time. And there seems to be no place in the modern world for a government that merely marks time. Recent experience the globe over has proved this beyond question. There must be deliberation to whatever extent is needed for making decisions in the light rather than by guess, and then, without loss of precious time, action must ensue. Opportunity there must be for the voter, without compulsion or pressure, to replace the ins with the outs. But once the general will is freely and emphatically expressed, action should ensue or cease according to that will. From the point of view of the student of popular government, sound administration waits today upon the establishment of the principle and fact of responsibility. This is true for all levels of government—National, State, and local—within the orbits of their competency and jurisdiction. To no inconsiderable extent satisfactory service waits upon agreement on these divisions of authority. It is most immediately imperative on the national level, because our most baffling problems have become national in scope.

The proper relation of Congress and the Presidency call for accommodation even more insistently than ever before. In a simpler time (1897) Woodrow Wilson declared in an address to the Virginia Bar Association: "If you would have the present error of our system in a word, it is this—that Congress is the motive power in the Government, and yet it has in it nowhere any representative of the Nation as a whole. Our Executive is national * * * and yet it has no originative voice in domestic national policy." To those who will reply immediately that Wilson's analysis has not been true for our recent history, it is only necessary to say that for a brief period during an emergency of fearful proportions we did have Presidential legislative leadership in certain directions. It is also true that at no time in American history has that leadership been under such general fire as in the last 2 years. Moreover, never before has it been so clear that the office of the Chief Executive needed strengthening in its administrative or managerial aspects. In the recent "management bill" controversy we had the interesting spectacle of a Congress which refused to take responsibility in at least one small field and at the same time would not let the President have it.

This incident is but illustrative of the difficulties that there are in any attempt to uncover a responsible agency which can act for the people under modern conditions. In recent years, Congress and our legislative bodies have become less and less competent to plan and take the leadership for intelligent and comprehensive programs in the public interest. This is not because these bodies are less intelligent or less devoted than they used to be, but because the problems confronting the Nation are so much more complicated and baffling. Somewhere the experience of those who know best the natural and human situations that need accommodation must be brought into play if we are to have balanced programs of action; and these individuals or groups are unlikely to be in legislative bodies. They are accessible, however, and should be at the call of those who are responsible for the development of public programs. Probably the best that any legislative body can do is to debate the general merits of comprehensive programs and then declare for or against them. To emasculate them or bog them down with individual opinions crystallized into amendments, to make major changes or to call for an alternative emphasis, will distort the balance which is required if we are to attain realized responsibility. The presentation of public programs, indicating objectives, policies, and priorities, is the essence not of dictatorship but of responsible leadership. It is both political and administrative, and it straddles both the legislative and executive departments of any government. The British, of course, meet this problem through the use of a legislative committee chosen to be the executive. We in America have no such agency, doubtless because we have as yet no general recognition of the fact that there is such a function which needs to be implemented. We have isolated bits of equipment in secretariats and advisory boards, rudimentary budget bureaus, and baffled planning commissions or committees. Even the most ambitious of these, the National Resources Committee, is as yet for the most part merely tolerated by Congress. Jealousy is rife in a capitol where cooperative undertaking is imperative. Any leadership that emerges, whether Presidential or legislative, is quickly eroded and dismantled, even though no alternative to such leadership is presented. This is the constant and inevitable consequence of a structure which sets up a division of the indivisible. This is also one of the reasons for the repeated failure of our parties to present to the voters a simplified choice of alternative policies which can be registered in a simple vote. The Gallup polls do better than that.

We succeed under our system, then, in producing at elections a spectacle in which Americans must vote their resentments for their parties, equivocate on issues, and adopt the mere strategy of adding together the opposing interests to gain places of power without responsibility. This scheme of things merely parallels the typical American process of rolling together the demands of district representatives into one barrel for a lump vote—a little for everybody rather than something worth while for all. We have no clear-cut and responsible way, apparently, of pooling executive, administrative, and legislative experience for national action. Hence forces too often are set in motion, as in pension or mortgage legislation, which grow with the years into the possibility of national bankruptcy.

We are thus faced with a very real dilemma. We can equip our Government to meet the manifold tasks which we force upon it, and thus develop responsibility, or take the position that no matter how urgent or necessary public action may seem to be, we dare not allow the Government to undertake the responsibility. If we are going to trust government, then there are certain possible courses for us to take.

We can increase the discretionary power of the Executive—a kind of return to the Tudor theory, in which the strong executive served as a national instrument of balance and control over contending interests. This would leave the Legislature a mere discussion agency and the recruiting ground for public leadership. This, it should be noted, was the popular solution in post-war Europe, when parliaments and parties refused to accept responsibility for formulating and defending policies. The American people are just now in reaction against such an idea, and inevitably will be so long as our irresponsible establishment remains unchanged.

We might have the President and his Cabinet deliberately seek closer relations with the legislature by frequent informal caucus discussions and create a continuing round-the-year joint legislative policy cabinet. If such a device could be formalized into the fabric of interdepartmental relationships to give it constancy and stability, it might point the way, at least, down the trail of responsibility. Something like this may be developing in certain of our States which have set up legislative or executive councils.

Some still favor the proposals of Woodrow Wilson made 50 years ago. Eventually, under such a change, the Presidency might take on the character of the French Presidency or the English Kingship without its trappings. But there is an opposite possibility, and as we consider what is going on under our eyes in France and England, and with our long tradition to be overcome, this seems an unpromising immediate solution.

In despair we might dismantle the functions of government to such a point that public duties would be few and unimportant and thus relatively easy and simple to administer. Such a program is no real program but under modern conditions is an approach to anarchy.

Some even propose to hand back our problems to the States for solution. It seems that in so doing we would produce 48 headaches instead of 1 and would not solve the original problem. Moreover, the States have problems of responsibility within their own jurisdiction which remain highly perplexing.

Facing some of the implications here set forth, the President's Committee on Management was organized to study the administrative and managerial aspects of the Presidential office. It undertook the task of finding and suggesting instruments which would aid the President in exercising his administrative powers, at least, and by the same token, his administrative responsibility to the people.

Before the President's message to Congress, which recommended that the committee's suggestions be made law, could have any real consideration by Congress, however, both houses were involved in the bitterest debate of 20 years—that on the President's Supreme Court proposal. All of the fury aroused by that debate made sane discussion of the reorganization report almost impossible. The legislation drafted as a follow-up to the report was almost immediately dubbed "the dictator bill." The fact that the President wanted it was all that his enemies needed to know. From that moment on both he and his propositions were under bombardment. Moreover, on at least one of these suggestions—the post- and pre-audit devices—the experts immediately differed. One group of political scientists (the committee) came to quite different conclusions from those economists and political scientists representing the Brookings Institution. The debate on the President's measures went far afield particularly in the House. By and large most of it was not illuminating except to show that Members of the

Congress were unwilling or unable to discuss the place or possibility of responsibility in government.

The great misfortune in this controversy does not lie so much in the fact that Congress and the President did not get together in 1937, as in the fact that the real issues were not made clear to the public either in the debates and hearings, in fireside chats, or in the press. Had the proponents of the bill been able to advance the various suggested changes within the frame of a responsible government, they might have brought forth almost irresistible arguments for most of them, and they might have discovered how the others could have been modified so as to draw less fire. In the actual situation, however, the arguments for change did not take account of the whole problem which the National Government faces. Perhaps it was impossible to do so. The opponents were in a no less happy situation. By all their lights they believed they were justified in their course; but they were fighting in an unreal light. As the lines were drawn, the debate was of little profit to the public because too little attention was given by the Congress to the place or possibility of responsibility, and particularly administrative responsibility, in government. It was called a Presidential plot and that was enough to damn it. Debate often turned on parts of the report which were not recognized in the bill. Moreover, as it turned out, a constitutional question involving the veto and the two-thirds vote was raised in connection with the President's authority to give an Executive order as one of supreme importance.

It would have been difficult to get farther away from the real problems of administrative organization. Yet there was the issue as large as life to each side. On the heels of the President's Supreme Court proposals and in a scheme of government with no seat of final responsibility, the bill touched off a footless strife which, when once started, made impossible a discussion of pertinent problems. Moreover, the President's forthright statement that he had "no inclination to be a dictator," though a natural retort in the heat of a political battle, did not help in bringing back the debate into the realm of a discussion on responsibility. The whole struggle emphasizes once more a fact which students of government have pointed out repeatedly, that our Congress has an attitude toward executive machinery which is quite unique. It insists upon elaborate legislative restriction on the Executive through the mechanisms of statutory controls, and thus gives the President an alibi at all times for poor administration. It would be a more powerful influence for responsible government, and would represent the people better, if we had a tradition that the task of Congress is to bend its energies much more exclusively to a clear formulation of public policy and a vigorous and controlling scrutiny of administrative results. It is a short-sighted policy that fears the exercise of any executive discretion, for the final result of such an attitude on the part of the legislature has too often meant the downfall of popular assemblies through the coercion of events. With all of the experience of recent years before our eyes, it is time to recognize, in our fear of dictatorships, that events themselves have a way of becoming the most real dictators of all.

Now that the happenings of the last decade have focused the attention of the American people upon national problems and the handicaps under which the National Government labors in planning and coordinating its measures to meet them, it may be possible to bring into the open some intelligent discussion of the whole problem of responsibility within our democratic system. We are engaged on many fronts just now in defending democracy against attacks from within and propaganda against it from without. It is entirely possible that the democratic idea is fighting for its life in this generation and, because of certain economic determinants, against great odds. Other peoples have forsaken the democratic mode upon the theory that it was failing to meet the crisis as a responsible agency of the people should.

Let us face this challenge squarely and ask ourselves whether here in the United States under modern and ominously complex conditions we can develop a de facto responsible Government to act for the American people, as a representative and effective instrument of their will. It is time for thoughtful men to give attention to our situation. Without question there must be certain and continuing responsibility located in our Government at Washington. It should be clear, for instance, that the President needs a better staff organization and the advantage of the best administrative techniques. It is clear also that Congress has to act within the limitations imposed upon it by its size and the local character of its membership. It is certain that there must be developed at Washington some provision for a kind of career service which in a very real sense straddles both the legislative and the executive departments. Our check-and-balance system assumes that the Executive is responsible directly to the people. Somehow in times of great stress the Nation as a whole does exert itself and it tries to determine public policy by giving unusual attention to the election of a President. For a time while the President retains his popularity there seems to be realized responsibility.

But Congress, too, is directly responsible to the people, and it wishes to be on the ground floor also. Before long the meshing of legislative and executive experience and responsibility which should be the result of a party election seem to fail and the gears begin to clash. Programs, variously initiated, often excellently conceived, do not have a decent trial or become reasonably effective for they are not administered by those who are experienced in governmental organization and procedure and existing facilities and personnel for such administration are not called in. In other words, the career service and the loyalties which it represents are not drawn upon in planning as well as in executing policies. The responsibility which theoretically we thought we had provided for does not work out as we supposed it would under the traditional American system.

In any program for the development of a more responsible Government, it would appear that the President will have to take leadership. Perhaps under present conditions and traditions we somehow expect it even though we do not provide for it. With an adequate Budget Bureau staff set up on a career basis, and with a real Cabinet of the general planning and coordinating type—which, of course, he can have if he wants to appoint it—and with rather permanent under secretaries as a part of the civil service it will be possible to develop carefully prepared national programs which the people need and want and which will have some chance of success if soundly administered. Given a proper staff organization if the President could have an experienced coordinator and general manager as a deputy administrative president, perhaps as a Cabinet officer without portfolio, he would be still better armed. If, further, this deputy by tradition could become a nonpolitical and nonpartisan agent, we would be on the way toward the development of administration as an art in the National Government. The American world of business and industry has done this as have many local governments in many States.

Many years ago, David F. Houston, who occupied two Cabinet posts with Woodrow Wilson, made some such suggestion in these words: "It is a question in my mind whether the President can long continue to be the formal head of the Government, the chief of his party, and the leader of Congress. It may be a task too great for any human being to stand up under; Congress will resent his attempt to lead it. He must at least have the Presidency better organized. He should have as his first aide one of the ablest men in the country and under him three or four men of exceptional ability; one to see that the problems affecting a number of Departments are dealt with promptly and in the right fashion; one to establish the necessary contacts with Congress and the public, including the press, and the other to supervise the executive offices. The President should ask Congress to authorize him to do this and to give him money enough to pay a respectable salary to each of them." Why should the Congress or the American people fear such a development? Under such a set-up Congress would have the opportunity to become a real reviewing agency of responsible administrative operation. It could give proper attention to well-planned programs of public action. In so doing it would inevitably develop political leadership on the basis of national needs and policies. In that case it need not fear or suspect administrative discretion and action for it would review and criticize rather than try to check it. Moreover, it has the purse strings.

Among other things we need just now is a widespread understanding of the fact that under our traditional check-and-balance system and with the shifting that is going on in the field we call the division of powers in our Federal system, it is extremely difficult to the point of being impossible to get and keep any national responsible leadership in a legislature chosen as is ours. Only through such an understanding can we ever work out some alternative for a parliamentary system which will give us what the English seem to have. That we need more responsible governments, national and local, few thoughtful men will deny. The fathers doubtless believed that they were inaugurating a system of national responsibility within a limited sphere. Our trouble is that the orbit of our national life has been extended enormously and our minds are still imprisoned by attitudes which were sound in the days of a simpler economy. We must get a new look at the whole problem of responsibility as it is affected by the development of the field of function, of democratic control under actual conditions as we find them, of structure as it hampers action when action is necessary, and in the light of the present attack upon democracy itself. To allow the drifting process to have its way in the kind of world in which we live is highly dangerous. To allow suspicion and the clash of economic or political interests to prevent our Government from making the necessary accommodations to meet modern situations is to risk too much. We owe it to the future as well as to ourselves to give as genuine attention to our national political problems as did the men of 1787.

The debates of 1787 indicate that the fathers deliberately turned their backs upon what might have become the parliamentary system, fearing to establish an all-powerful legislature. They established instead a Congress and an independent Executive each presumably representative of the whole people. Congress, however, fails to be a representative national body or a responsibly functioning institution. So far as the electorate can see, the Presidential office seems to be the one national responsible position immediately related to the whole electorate. The core of that responsibility centers in those functions of the President which have to do with political leadership and his relations with Congress. These need development and implementation so that the President and Congress become a government in the technical sense. Meanwhile the President's administrative functions might well devolve in much larger measure upon some more permanent administrative establishment which will provide the basis for long-time planning and the balancing of programs as well as the day-to-day operation of the National Government. In this way we would bring our national career service into a closer relationship with both the President and the Congress and have a real reviewing agency of

administrative acts particularly in connection with the debates on the Budget.

Responsibility in modern times and in a democracy must include the power to act for the people when action is necessary. To distrust or fear the grant of power is to deny validity to the whole process of modern government and to encourage anarchy. It must be remembered that more than ever before liberty is coupled with efficient government exercising power in behalf of the people. The people themselves can make this power responsible only through governmental action which represents their will. To distrust a controlled and responsible government means that we leave the use of power in hands which are not responsible to ourselves. This is not the way to freedom but to a new kind of serfdom in our world as now organized. A responsible governmental establishment is more necessary today than at any time in human history for much more is at stake than ever before. A paramount question which the world faces is whether responsibility can be achieved and maintained through the Democratic process. Our country can furnish the best proving ground for such a test. We have ample physical resources and therefore no imperialist designs, we have discovered that many races and nationalities can live happily side by side, we have a system of public education that provides wide opportunity even into the realm of higher and professional instruction, we still have faith in elections and in the electorate, and we have an almost universal use of the most effective devices for intercommunication. Moreover we still suspect military establishments. We are thus in position to achieve responsibility and maintain democracy if we can set up goals to which we can give a common allegiance. If we can do this our loyalties will suffer no strain and the tendencies toward disintegration need not appear.

The dictators have taught us at least two things: That there are no guaranties worth while in the modern alternative to democracy and that people are willing to make great sacrifices—yes; even their immediate freedom—for announced desirable economic and social goals though their attainment may take many years. Meanwhile dictators, too, use what appear to be the methods and trappings of democracy in order to pose as popular choices. And they cultivate patience in the multitude even while they whip up passions of various kinds to cover up their own failures to perform in the arena of domestic polity.

There can be no question that democracy today is being asked to take a responsibility for which originally it was unadapted. The concrete institutional goals for which our early democracy crusaded had to do with personal freedoms and guarantees against governmental interference. It assumed that responsibility for the general welfare could run to the people themselves without much common political action through governmental mechanisms. Today the general welfare and even those individual rights to life and the pursuit of happiness depend in a much greater degree on cooperative efforts through the only agency which is common to all the people, their political establishment.

To perpetuate democracy and responsible Government we are faced with certain imperatives.

First. We must discover and proclaim a social and economic program which will provide for Americans the essence of economic security and the personal freedoms which were inherent in our earlier system of democratic opportunity and as we supposed guaranteed by a responsible constitutional government. Political democracy must have its base in economic democracy today as it did 100 years ago or it will disintegrate. Here is an integrating principle which should furnish a concrete goal for which a whole people can make common sacrifices.

Second. We must accept the principle that the common agent of the popular will—the people's government—will be forced to undertake as public functions what the common need requires. The state of the arts, the distribution of natural resources, the organization of our economic life, work opportunities, and the accepted standards of living all will play a part in the determination of what this common need is.

Third. We must make a conscious and continuous attempt to adapt the structure of our Government to the changing environment in which political institutions work. No governmental forms are sacred. They are subject to the same laws of adaptation as are other structures, organic or institutional. If simple checks and balances fail, let us discover accommodations which may allow them to succeed.

Fourth. We must recognize that, in spite of theoretical divisions of the field of governmental power, many of the problems facing our people have become national in their scope and they must be met in some large part by a national attack. No amount of rationalizing or reasoning from precedent will change this fact.

Fifth. We must promote an understanding of the democratic method and its implications. Self-government is impossible without a responsible citizenship. Any people which is uninformed, ignorant, short-sighted, inattentive to ideas or events, which has no capacity for independent decision, which has no defense against emotional contagion, which is fickle and gullible, is not prepared for the hard task of self-government. It lacks the stuff from which responsibility can spring. This the fathers recognized, and they determined that Americans at least should be armed for self-government through education. Today we are still even more dependent on the educational process. And it needs to be much more persuasive throughout our whole population.

Sixth. Most important of all, in its final implications we are faced with the youth problem and its relation to responsible democratic institutions. For how shall youth glory in a democratic process which fails, at least for the time, to open their door of opportunity? Youth the world over for generations fought the democratic fight. Just now youth everywhere listens to and in many places has followed the siren song of the dictator and the power state. Youth wants work, wants a home and family, wants to be heard in popular assemblies, wants a decent standard of living, and wants those freedoms which are understood to be an American heritage. But youth now waits after leaving school an average of 2 years before finding a job, which on the average is, after all, but temporary. Youth dares not establish a home or undertake family obligations until there is some semblance of secure employment. Youth faces the fact that the modal age of criminals in this country is 19 and that our crime bill is computed as $13,000,000,000 a year. Everywhere the growing dependence on force as an instrument of economic and political advantage is in evidence. And so youth asks what the democratic method is doing in any responsible way to work out answers for his problem or to help him find his own. In some very real sense, then, our enduring quest for responsibility continues as a challenge to youth in each new generation. It goes on and on from age to age showing its various facets, its changing aspects, its new and sometimes disturbing imperatives. Youth needs to believe in the democratic way if democracy is to be maintained.

To those, then, who maintain the faith, to those who still believe in representative government, I suggest that the American people are at this moment in dire need of a social goal to which they can aspire with confidence, a governmental structure which can meet the strains and stresses now and in the future to be put upon public agencies, and a citizenship which can be trusted to act responsibly in the premises. The quest for responsibility is a process of education, long, hard, and continuing. Men have followed this quest through the ages. It is our peculiar American obligation to carry on, with hope and confidence, so that our heritage may descend, strengthened and buttressed, to our children and our children's children.

Jackson Day Address

EXTENSION OF REMARKS
OF
HON. M. M. LOGAN
OF KENTUCKY
IN THE SENATE OF THE UNITED STATES
Monday, January 16, 1939

ADDRESS BY HON. GOLDEN W. BELL AT JACKSON DAY DINNER, SIOUX FALLS, S. DAK., JANUARY 7, 1939

Mr. LOGAN. Mr. President, I ask unanimous consent to have included in the Appendix of the RECORD a speech delivered by the Assistant Solicitor General of the United States, Hon. Golden W. Bell, at the Jackson Day dinner at Sioux Falls, S. Dak., on January 7, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, ladies, and gentlemen, it is exhilarating to find myself in this "land of the Dakotahs" at the falls of the Sioux River where in 1856 or 1857 your intrepid agricultural pioneers first attempted a permanent settlement. I have read that it was abandoned some 6 years later because of fear of the Sioux Indians after the Minnesota outbreak, but this beautiful city belies the historian and demonstrates that the people of this, the "Sunshine State," understand as little about quitting what once they begin as did Andrew Jackson. That is a diversion likewise completely unknown to our present Great White Father at Washington. Happily the G. O. P. Co. long ago acquired a permanent monopoly on the art of doing nothing, and we do not question the efficiency with which the officers and directors of that company have continued to carry on that business since Woodrow Wilson.

It was with elation that I began my journey to the West where my life began and for the greater part has been lived. Indeed, I can lay some claim to South Dakota as an ancestral home, since once it was a part of the Territory of Wisconsin, where my mother was born, where my father, brought in infancy from Ireland as Fremont was penetrating to Devils Lake, grew to manhood before treking across the Plains to the land's end in the year Dakota became a Territory. I am deeply appreciative of your warm hospitality and it is a privilege to speak to so large and loyal a group of Democrats gathered to pay honor to the memory of one magnificent warrior statesman who symbolized the spirit and temper of the free American people of his time, Andrew Jackson; and to render richly deserved tribute and gratitude to another, who in our generation so cheerfully, so valiantly, so relentlessly battles that we of this day may not forfeit through our own apathy, through the schemes of frustrated leaders of discredited domestic parties, or

through the arrogant arms of foreign autocrats our dearly bought, immeasurably precious, precariously held, heritage of freedom—Franklin D. Roosevelt.

How boundless the horizons of those frontier days in this domain, how apparently limitless the lands for settlement. Boundaries of territories were described expensively—reminiscent of the cavalierly sweep of the grant by the English Crown to the lords proprietors in 1663 of the Province of Carolina, a little more than a century later to cradle Andrew Jackson: Bounded on the north by the Province of Virginia, on the south by the Spanish possessions, and extending from the Atlantic Ocean westwardly to the South Seas. Lewis and Clark, in 1804, a year after what is now South Dakota came under United States ownership through the mighty Thomas Jefferson's Louisiana Purchase, passed up the Missouri on their way to the Rocky Mountains, when Andrew Jackson was about to leave the Supreme Court of Tennessee, where he had sat since resigning as United States Senator. In 1810 Lord Selkirk built a fort at the present location of Pembina, supposing it to be part of his purchase from the Hudson Bay Co. Two years after Old Hickory fought the battle of New Orleans, Framboise built a fort near where now stands your present capital. Six years before the first steamboat ascended the Missouri to that site, Andrew Jackson received in the campaign of 1824 the largest number of popular votes cast for President of the United States, though lack of an absolute majority in the Electoral College resulted in the choosing of Adams in the House of Representatives.

Thomas Jefferson, having entrusted to this other giant the philosophy of democratic government to be translated into action, died in 1826. By 1828 the frontiers in the East had expanded beyond the Alleghenies and a generation matured under new social and economic conditions in that new West recognized Jackson as a man of the people, one after their own hearts, and elected him President. Small wonder that they reelected him in 1832; the thousands who had fled from the hard labor conditions in the East, seeking new homes in the West, knew the straightforward fighter of Tennessee as one of their breed, and his outspoken defense of the underdog won him as friends throughout the land those deprived of justice and opportunity. Here was one whom they understood, who understood them, who thought and fought for them—why should they not return to office the first real President of the people.

Was it ominous, perhaps, of things to come that then, while he was battling the powerful Biddle Bank, the American Fur Co., owner of the steamboat that voyaged to the site of Pierre where it built a fort in 1832, had monopolized the Missouri River fur trade—a natural resource of that region that, however inconceivable at that time, was to be exhausted by 1856? Was there a stir of alarm along the banks of that great river at the money powers as a growing peril to democracy? Had rumors perturbed the ears of the hardy frontier folk of ever-increasing fears of political leaders toward the sunrise that a privileged industrial and commercial class had arisen to rob them of their free life, to turn them into economic dependents on the leavings of the prosperity of others? Did they comprehend that the mighty blows their great Commander in Chief was dealing against the great bank, State nullification and foreign powers were to preserve to them, the free American people, their right and opportunity to participate in their own Government? I am confident they did; and that as the colossal and beloved champion of their destinies, his party strong, perfectly organized, his titantic task finished, surrendered to—perhaps welcomed as a friend—the only conqueror he ever knew, they took new courage in their mourning.

Beyond their imaginings they were to have need of fortitude, for the years to come were portentous of disaster, sometimes to be worked by the elements, sometimes by men, and always tragically enough, when the people were leaderless. They were to learn that the West, vast as were its territories, did have limits, that always "The old order changeth, yielding place to new," that they must adjust themselves to ever-changing conditions of life, fight new invisible foes, and not indulge vainly in nostalgic yearnings for the return of the old frontiers.

Not even Jackson's spirit could bridge the gap of years to Abraham Lincoln, and the fire of democracy that had been burning for 30 years flickered and almost died, to be fanned to life by Lincoln, in fact both in thought and purpose a Democrat, who as a youth had caught inspiration from Andrew Jackson. But the days of the Civil War were too congested, Lincoln's life too tragically brief; and so, with him, the revived light of democracy went out until in 1885 another uprising of the people resulted in Grover Cleveland. In the interim the Republican Party grew as the tool of the special interests, the servant of monopoly. After Cleveland there stretched another time arid of liberalism until the appearance of Theodore Roosevelt to whom the trend of his party and its leaders became so odious that 4 years after he left Washington he led the revolt that brought forth Woodrow Wilson. He lifted once more the beacon to light the ways of average men; but after him began the uncaptained rout to the greatest economic catastrophe in the history of this Nation. I prefer to characterize those dire years in the words of Kipling:

"Yea, though we sinned—and our rulers went from righteousness
Deep in all dishonor though we stained our garment's hem
O, be ye not dismayed.
Though we stumbled and we strayed,
We were led by evil counselors—
The Lord shall deal with them."

Before undertaking all too inadequate comment on the stupendous accomplishments of Franklin D. Roosevelt, let me turn the clock back for a few moments and look to what was happening to the people of your State over the long years after Jackson.

Although the brothers Verendrye, who in 1743 had wandered from Manitoba into the Black Hills looking for the "western ocean" were disappointed because they didn't find it, the men of Custer's expedition experienced no such emotion when a century and a quarter later they there discovered gold. Such a rush of gold hunters followed that by spring of the year in which your present apparently inexhaustible Homestake Lode was located, the town of Custer had become overnight a city of 6,000. Three years later began what is called the great Dakota boom that took you to separate statehood, to continue until 1889, the year that Grover Cleveland's first term expired. During that time something like 42,000,000 acres, almost half the area of South Dakota, were homesteaded. The population increased from less than a hundred thousand in 1880 to over 260,000 in 1885, almost 330,000 by 1890, and the 60 miles of railroad of 1878 were expanded more than twentyfold.

Then two afflictions were visited upon you, the Republican Party and drought; I know that this distinguished and unbiased gathering will agree that of the two the former was decidedly the greater. Immigration came to a standstill, there was widespread destitution, and many homesteaders left the State. That depression the Republicans willed to Cleveland, just as they made Franklin D. Roosevelt the heir of the mess which they so successfully brewed when last they were in office. It was too much to expect Cleveland to complete the job of restitution of the ruin he had inherited, even in two terms, particularly as it was accentuated by constantly recurring droughts. He made great progress, however, and in 1896 increasingly satisfactory conditions prevailed, so that what the Republicans received back a year later was not the sick State growing worse they had left on the Democratic doorstep but a convalescent on the way to recovery.

The patient thus revived and restored under Cleveland continued to improve notwithstanding Republican administrations—but it is to be borne in mind that for a part of that time in Theodore Roosevelt the patient was under the care of a physician not so reactionary, whose prescriptions were more modern than those usually kept in the G. O. P. drug store. I sometimes think that the stock of that institution is limited to anesthetics and narcotics that have the effect not of curing, but only of producing temporarily imaginary improvement. Anyway, when that Roosevelt would serve no more as his party wished, there happened what might have been expected from the old medicine—the patient under Taft suffered again the complications of real Republicanitis.

Again the Grand Old Party's doctors were fired and Woodrow Wilson was called in. Unfortunately he was succeeded again by the school of doctors that practiced in an outworn age who raised the patient's blood pressure so high there was such an explosion that again the Democratic physicians were summoned to call him back to life.

A year after the present administration took office the droughts of the preceding years culminated in an exceptional crop failure and since that time lack of rain along with too many grasshoppers have made it difficult to make the headway with the inherited muddle that otherwise would have been accomplished. They have been difficult years indeed for you, but the administration did not bring them about, although there are those that prefer to fix upon it the blame for all evil. That human quality of never taking blame to one's self and fixing it on others accounts, I think, very largely for the temporary reverses in your recent election. Don't feel too badly about that; my State of California threw out a Republican Governor and elected a fine, forward-looking Democrat in his place—and look what happened in your neighboring States of North Dakota and Wisconsin.

Now the Democratic Party does not pretend to bring rain to all places at all times that it is needed—though you will remember that our President frequently helps even the weather. But when we can't make rain we don't sit down as does the elephant and let human beings take their course in the consequent destitution to their ruin. As he took hold of the banking crisis when he first came into power, so when the great drought of 1934 struck you, Franklin D. Roosevelt, man of action, like Jackson, acted, and acted fast. He promptly threw into the breach all the means at his disposal and he has not stopped. He has been holding the Federal Government in the breach in your economic life ever since.

I understand that you in this part of the State have not been as hard hit as those in other parts of it—but all of you have taken it on the chin. Drought, dust storms, insect pests, all of them together, however, have not been able to defeat you. When you were groggy through ruined crops you didn't go down; when that blow was followed by low prices when crops were better you were still there. That is always the dilemma of the rancher; if crops are good, prices are low; if prices are good, there are no crops. Here is what Andrew Jackson, according to a biographer, had to say about a dilemma: "Jackson was not in the least afraid of a dilemma. He was ready at any time to meet a dilemma more than half way and spit in its face." Of course, the kind of pounding you people have been enduring hasn't been easy to stand. It isn't only the shock of the blows as they come one after another over what seems an endless time, it is the cumulative effect, your reserves give out. Then others, your families, are involved, and you fight harder than ever because you feel the wall at your back weakening. Not for a moment do I mean to indicate that you

have been taking the punishment without hitting back. That's the kind of fighter the President loves. And you can continue to bank on it that he will see that the wall of your reserves doesn't go down and will go the limit in helping you to win the war. One of Old Hickory's retainers was asked whether he thought when his master died he would go to heaven. He scratched his head and after some thought replied, "Well, sah, if he done make up his mind to git there, ain't nobody is goin' to stop him."

No more is anybody or anything going to stop F. D. R. when he has made up his mind, and you can rest assured that he has unalterably resolved to see you through the battle to the economic freedom which was your heritage, for which you are fighting so hard. He knows that if you had been weaklings you wouldn't be here to be helped; that the same dogged determination that kept your ancestors here when the Indians didn't think they should stay will make it impossible for you to lose. That is the spirit of the old West and it hasn't changed a bit; the only difference is that then they fought physical Indians and you now fight the more elusive and intangible enemy of economic coercion. You need different weapons against that foe and the President is going to continue to see that you get them and the ammunition you require to use them. He loves to help those that help themselves, and it is a trait of westerners that they don't like to have things done for them; they like to do for themselves. All they need are the weapons with which to do it.

Perhaps you remember that when Andrew Jackson said in South Carolina nullification days that he was going to hang the first man violating the law to the first tree he could find, it was said, "When Jackson begins to talk about hanging, they can begin to look for the rope." Franklin D. Roosevelt knows that you are set on hanging "Old Man Adversity," that you have found the place to string him up, and you can count on him for the rope.

In contrast to what this administration has been doing to help you and with what, let me assure you, it will continue to do, look at what the Grand Old Party didn't do in the crises of the past. I am perfectly willing to concede that that party has made promises; indeed, that it will keep on making them until even its voice is gone. It is the greatest promiser, I warn you, in all history, and it is also the greatest breacher of promises. It was too much for Theodore Roosevelt and he left the party. Your late Governor Norbeck, nationally known and recognized as an agricultural leader, couldn't stay on the G. O. P. reservation, so he openly endorsed Franklin D. Roosevelt in 1936. Both Theodore Roosevelt and Governor Norbeck were progressive men of the West who loved its wide-open spaces, its hearty ways, its hospitable people, their iron will to freedom; both know that as a matter of physics neither planets nor men, oddly enough, can go in two opposite directions at the same time; that's why they couldn't go along with a party that promised one thing while at the same time it did another.

When I left Washington the ringing message of the President to the Congress was in my ears and his words have continued to follow me as I have come West. Since he has so well, so inspiringly, spoken there is little left for me to say, and in a few moments we shall be privileged to have his voice reach us here. His recent utterances have given rise to a perfect bedlam of howling from the Republicans and they are beating their war drums in desperate abandon. They are in a frenzy at the idea of national spending. As I came through Chicago I read an editorial in one of the city's newspapers in which the suggestions of the President for protecting our homes from foreign aggression were laid to the necessity of doing something abroad to distract attention from what he is doing at home—actually placing him along with Hitler, Mussolini, and the Japanese Emperor as a dictator.

Now, on the first count, if there is any logic prohibiting the benefit of national funds to you because they are acquired largely from the taxes collected from the great industrialists of the East, whose automobiles, whose farm machinery, and whose innumerable other products you buy, so contributing to those industrialists their generous profits on which they pay their taxes, I don't know what it is. I don't understand why industrialists should be considered entitled to subsidies, why the merchant marine should be entitled to subsidies, but the farmer entitled to nothing. What would happen to the industrialists, where would be their profits, where would be the taxes collected from them by the National Government, if the farmers were to shut up shop and not buy their goods? And, on the second count, I deeply deplore that any American newspaper, that any group of citizens who call themselves Americans, that even one American citizen, though I freely concede them the right of free speech, should place our President in the category of all or any one of the foreign dictators—it's so silly and so cheap.

The Republicans underrate your intelligence, but let them not forget that your State is famous for the excellence of its educational conditions—then perhaps they will talk sense. I understand that even now they are promising the farmers cost of production, high prices, and unrestricted planting. That is ideal—and you know just as well as I do that it just isn't good sense. Until, as we are doing, we rebuild our lost world market for wheat, I, for one, am glad that we don't have to accept world prices for it—just about half as much as we are guaranteed by the administration and better still it is a case of heads I win, tails I win, because if world prices go up we get the benefit of them. As to your corn, I will bet that the only people in the State who are disgruntled are those that didn't sign up with the Government; and that those who did are patting themselves on their backs while they keep their own corn sealed and buy that of the nonsigners to feed their hogs.

I am not going to attempt to go into the details of the administration of the farm program; I am just pointing out to you that to me it seems founded on good horse sense. I believe that the great majority of your wheat raisers and your corn producers are going along under it—as I should expect people to play ball together, the name of whose State is "Dakota," signifying "ally." You remember the old story in McGuffy's reader about the father who gave to his sons the bundle of sticks to break—it was only when the sticks were separated that it was possible. So as long as you continue to proceed as a unit you are safe, and neither man nor weather can break you. I predict that next year better things are ahead in wheat and corn; and I only hope that the great amount of livestock that you will produce won't run away with you.

As a nation we are impervious likewise to destruction so long—but only so long—as we go forward together, all citizens allied, all groups of citizens allied, all States allied—as "Dakotas." When you become intolerant of my race, be it black or white, or of my religion, whatever it may be, or of my freedom to vote as I please, or of my right to speak as I think by word of mouth or through the press, then there yawns before us such an abyss as I shudder to contemplate. Let us beware of any who may attempt to persuade us in the slightest to the contrary. Let us repel as we would repel a rattlesnake any proposed substitution of doctrine from abroad for our democratic system, our equal way of living.

So long as we are permitted to continue let us continue as a nation of good will and peace, but let us not be blind:

"The earth is full of anger,
The seas are dark with wrath."

Let us therefore rearm by air, by sea, and by land that we on this hemisphere may not be assailed in our sleep as some have been; resolved that as we do not desire to take away from any other one foot that does not belong to us, so no other shall take away one foot that does belong to us.

Let us not forget those stupendous stone faces—Andrew Jackson's massive among them—so imperturbably, so endlessly looking out from the Back Hills over the Nation, established and kept free by those whose images they are, serenely confident that their great successor in the White House in this generation will preserve from enemies within and without what they builded; let the colossal likenesses of those titans ever watching over their sublime handiwork and the people they loved so well inspire us, in the solemn words of that other friend whose sculptured countenance towers in that mighty company, to "highly resolve that those dead shall not have died in vain."

New York State Constitutional Convention

EXTENSION OF REMARKS
OF
HON. JAMES M. MEAD
OF NEW YORK
IN THE SENATE OF THE UNITED STATES
Monday, January 16, 1939

REMARKS OF THE PRESIDENT DELIVERED OVER THE RADIO FROM THE OVAL ROOM OF THE WHITE HOUSE, SEPTEMBER 17, 1938

Mr. MEAD. Mr. President, I ask permission to have inserted in the CONGRESSIONAL RECORD the remarks of the President delivered from the White House on the occasion of the Constitutional Convention in New York State, September 17, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is with deep personal disappointment that I find the affairs of the world such that I cannot be with my neighbors in Poughkeepsie today.

That my great-great-grandfather, Isaac Roosevelt, sat in the little old courthouse here 150 years ago and cast his vote with the slim majority in favor of ratification of the Federal Constitution is a family tradition of which I am proud.

There are two words in the English language which in the heat of political controversy are often forgotten or abused—the words "faith" and "confidence." It is well for us to remember that a very large minority of the inhabitants of the Thirteen Original States were opposed to the adoption of the Constitution. They had witnessed the complete failure of government under the Articles of Confederation—yet they were opposed to a real union because they believed those leaders who viewed with alarm any effort to think and act in national terms instead of State and local terms.

And, believe me, the viewers with alarm, the patrons of ghosts and hobgoblins in those days had little to learn from the professional fear mongers of 1938.

I wish that all of you might read the dusty newspapers and pamphlets and handbills of 1788. Feelings ran high. Vituperation and invective were the rule. The State of New York would cease to exist and its people would be squeezed to death between the cold-blooded Yankees of New England on the one side and the passionate aristocracy of the South on the other—if you believed one type of publicity. The people of the State of New York would be ruined by interstate tariffs and as a weak independent nation would be reconquered by George III, if you read the publicity of the other party.

Washington, Adams, Hamilton, and Clinton were labeled traitors and dictators.

In the midst of these diatribes this Constitutional Convention in Poughkeepsie was faced with the problem of saying "yes" or "no." Then, as now, there were men and women afraid of the future—distrustful of their own ability to meet changed conditions; shortsighted in their dog-in-the-manger conception of local and national needs. They were afraid of democracy; afraid of the trend toward unity; afraid of 13 States becoming one nation.

As the weeks went on and an insufficient number of States had approved the Constitution to put it into effect, its opponents at this Convention, realizing more and more that the very existence of that paper organization known as the United States of America was at stake, and that public opinion was swinging against them, narrowed their opposition to the fact that the Constitution contained no Bill of Rights.

They held a slim majority against ratification, but at that moment a small group of delegates, in which I am glad to say Dutchess County was well represented, came forward with an appeal to the "faith and confidence" of the Convention. They agreed that a permanent Constitution for the United States should contain a bill of rights, and they proposed ratification by the State of New York "in full faith and confidence" that a bill of rights would be promptly submitted to the several States by the first Congress to meet under the Constitution.

You and I know today that it was this proposal which won final adherence by a small margin; and more than that—that this proposal of "full faith and confidence" was in fact carried out by the Congress of the United States when it assembled.

I do not know that it is necessary to elaborate on this parable or text. It is perhaps sufficient for me to say that when in almost every generation between 1788 and 1938 the American people have been faced with similar decisions, they have in the long run expressed their "full faith and confidence" in the integrity and safety of the national concept.

It required great patience between 1783 and 1788 to bring home the realization that 13 separate Colonies, become 13 separate States, could not survive as 13 separate nationalities. Leadership toward the thought of a united nation had to be patient and was. Perseverance of leadership combined with patience has always won.

Once ratified, the Constitution presented the outline of a form of government. To become a workable instrument of government its words needed men in every succeeding generation to administer it as great as the men who wrote it.

And the greatest of them have been the men who have sought to make the Constitution workable in the face of the new problems and conditions that have faced the Nation from year to year.

Yes; the greatest of them have been those who have not said, "It will not work; it cannot be done; it must be changed; but, rather, those who have applied to the Constitution of the United States the spirit of "full faith and confidence" which has come down to us from the Convention which met here in the summer of 1788.

Jackson Day Address

EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Monday, January 16, 1939

ADDRESS BY HON. DAVID I. WALSH, OF MASSACHUSETTS, AT BOSTON, MASS., JANUARY, 7, 1939

Mr. MALONEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by the senior Senator from Massachusetts [Mr. WALSH], at the Jackson Day dinner in Boston, on January 7.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

We meet tonight as Democrats for the first time since the elections of November 8, at which time, we must admit, the Democratic Party fell short of the endorsements given it by the electorate in the three previous national elections. The result is by no means an occasion for discouragement. It does suggest a study of the election returns, and therein to find, if possible, the reasons for the attitude the electorate has expressed.

It is inconceivable in a democracy like ours, with the complexities of problems confronting the Government at this time, that we could expect to retain indefinitely the mountainous majorities given our party in 1936. Inherent fear on the part of Americans of overwhelming one-sided party control, their belief in checks and balances, and the general opinion that democratic institutions function best when a substantial minority functions to restrain the excesses of the majority, these reasons alone and of themselves would be sufficient to bring about the recession of last November. In my opinion, the majority of the American people still believe in the objectives of the present national administration and have no present intention to register general disapproval of its achievements.

A study of the election returns will indicate scarcely any objection to the many measures of reform; at most they indicate a possible restlessness toward the speed with which recovery has been attained. This is natural and we accept and welcome the peoples' right to impress upon our party their anxiety to have normal prosperity restored as soon as possible.

The election returns do indicate that the Democratic reverses were due either to local conditions which is clearly the situation in States like Connecticut, or dissatisfaction with the local and Federal bureaus administering certain reform and relief measures which, though generally approved, have, however, in execution sometimes been attended with bureaucratic injustices and public irritation.

The election returns, therefore, serve notice upon our party to correct and modify some overreaching methods of administration and possibly some modification of certain remedial laws. There is no indication anywhere of a general repudiation of President Roosevelt's program. As a matter of fact, Republican candidates, where successful, have generally approved of his objectives. Republican attacks are not toward the administration's principles but the methods of administration.

In accepting the mandate of the people, let us proceed to polish and perfect the long record of reforms we have made which, of necessity, had to be done in haste, and which in operation would inevitably show defects and possible injustices. Our party must now prove that it is capable of performing this task, and we should do it with as much harmony and cohesion as is possible without asking any Democrat to surrender his individual and intellectual integrity upon some particular phases of legislation or administration.

If we have the constructive ability to recognize that we may have made some mistakes in administration and method—any other attitude would indicate a claim to be superhuman—we may, emphasizing and consolidating the gains made, go forward with renewed vigor and confidence to future victories.

The post-World War depression, commencing here in 1929, focused direct attention upon the social and economic conditions under which the people had been living. Changes were demanded. The people were aroused and angered at the inequities and inequalities which, with Government sanction, were allowed to exist under the old order. Changes were demanded. In Russia the people turned to communism for the solution; in Italy and Germany to dictatorships. In America President Roosevelt and the Democratic Party were made the instruments of reform. We accepted the challenge to use our inherited democratic institutions to assure the people that they were capable of eliminating old wrongs and abuses; that they were capable of gratifying the aspirations of the people for a better world to live in. Three prior administrations of the Government sat motionless and indifferent to what was taking place in the social and economic order since the World War.

The program was twofold—reform and recovery. We insisted that the time had come to uproot old evils, to correct the errors of the past, to lay the foundations for a more equitable distribution of what we call social justice. That job has been well done. We have restored to the individual citizen the consciousness that his Government is more interested in the conservation of human beings than the conservation of natural resources—more interested in the preservation of human rights of the masses than the special rights of powerful organizations, represented by organized industry and selfish capitalists.

To those whose concept of government was a policeman, whose principal task was to protect property from direct and illegal assault, opposition to social reforms was to be expected. Our administration has demonstrated the real democratic concept of public service, which is that the Government's responsibility to the people transcended the proposition of mere protection of life and property; that a government of the people must be vitally concerned with the social aims of mankind; that the individual must be protected against exploitation of his labor, of his savings, of his home, against destitution for him and his family in his old age and in financial depressions for which he was not responsible.

Since 1932 we have moved rapidly and effectively to perform this service to our fellow men.

"Let justice be done" became our policy. Thus began that long record of wise legislation, the objectives of which no one seriously challenges today—reactionaries may, but not Republican candidates seeking votes. The regulation of the stock exchange; the safeguarding of the people's savings by rigid bank regulation and insuring of bank deposits; the protection of the worker against sweatshop wages; securing for the employee his inalienable right of collective bargaining; a reasonable living wage to unorganized

workers; more jobs for the unemployed through Government edict lowering sharply the weekly working hours; generous Government loans that private banks rejected to industries in financial difficulties; industry freed from sweatshop competitors; decent living homes for people of meager incomes; sectional advantage in industry abolished by uniform hours of employment and uniform minimum wages in all parts of the country; to the aged, the orphaned, the crippled, and the blind a guaranty against pauperism through social-security legislation; unemployed youths, millions of them, trained in C. C. C. camps and through agencies of the National Youth Administration; food, clothing, shelter, and employment to the needy. These achievements mark a new era in our political and national life. Where is there a voice raised to repeal any single one of these reforms?

But this is but a partial summary of what the Democratic administration has endeavored to do to end economic abuses and to help the American people overcome the difficulties and trials of a social order that had brought discontent and uncertainty.

What is the alternative offered by those who object? Apparently nothing except criticism. They cherish the vain hope that in some miraculous way the admitted social and economic abuses will correct themselves and that economic conditions will improve.

Other skeptics say we have moved too fast. Must a government wait for the crisis in dealing with human suffering and economic injustice? Crises move fast. Look to Europe. Speed in such times as these ought to be in the lowest category of political sins. In emergencies our national defenses are speeded up to the limit. Why not speed up in dealing with the destructive weapons that cause suffering, despair, and injustice to human beings during economic disasters?

Again, they assert it is not democratic objectives but the execution of them that is wrong. "Let us do it and we will do it better" seems to be the new cry. Previously, they cried out in alarm, "Look what they are doing!" What we really did was to help tremendously to save a nation of 130,000,000 from the national transition—that we still see in a world of radical change.

Let us not delude ourselves with thinking that sound political and economic reforms alone can by themselves bring permanent success to our party. Sound political and economic reforms are, of course, indispensable to even deserve success—just as economic fallacies will surely destroy a political organization.

But recovery reforms cannot function effectively or command success unless they are attended by an understanding of the eternal values of integrity, truth, and honor. Without these standards, just as indispensable to success in politics as in personal affairs, confidence and trust upon the part of the electorate will be wanting.

We must cease taking for granted that because we believe our philosophy of government is the best, therefore our political organization is the best. We must prove it. While we point with pride to our commendable objectives, we must cease contemplating with unconcern our failures. We must stop using the privileges of membership or leadership in the Democratic Party for purely personal, selfish, and gain-seeking ends. In and out of office, every Democratic leader should take pride in the opportunity that is his of being associated in a great political movement whose greatest joy, far from being selfish, is the betterment of one's fellowmen. As individuals with responsibilities of leadership, we must prove that the Democratic Party has the capacity, the ideals, the moral courage, and determination not only to justify itself in the eyes of those in our own party who look to us for direction but in due time to convince those who question or doubt our sincerity and integrity that they are wrong. To fail in our personal responsibility as leaders is to deny our deep concern with those conditions about us of life that relate to opportunity to work, food for the needy, security in old age, and like social-justice problems which move every truly human heart, and which must always be the unfaltering concern of the Democratic Party. The struggle for social justice to which our party has and must continue to dedicate itself cannot be won by words or promises or party pledges but by crusaders.

"A time like this demands
Strong minds, great hearts, true faith, and ready hands;
Men whom the lust of office does not kill;
Men whom the spoils of office cannot buy."

May I take this occasion to make another suggestion. The public is not moving backward. It has little patience with those who would retard or destroy the progress that the individual citizen has achieved, step by step, for himself as a result of the fierce political struggles of bygone days. Certain policies of government, he rightly assumes, are secure and permanent and he will turn with wrath upon those leaders and that party which retard the forward movements of today for economic justice by undermining the ground already held. The individual citizen takes it for granted, as he should, that the protection of life and property are assured; that the merit system in a democracy like ours means equality of opportunity for himself and his children in government employment; that the means of communication, of transportation, and all utilities are strictly regulated in his interest; that money appropriated for welfare relief will be efficiently and impartially administered, and that in its administration the only test is one's need, not class nor party. In a word, the private citizen assumes as primary to his freedom that his public servants are men and women of integrity, capable and conscious of the great trusteeship bestowed upon them. To fail him in these essentials he rightly considers not only a betrayal of trust but the undermining of his faith in democracy.

In conclusion let me suggest a message from this Jackson Day gathering of Massachusetts Democrats to our national leader. I have never sympathized with the popular notion that worthy servants of the people should expect only criticism during life. At death, and then only, we pour out our real, true, unbiased estimate of man's service to his fellowmen. I close by saying now what I believe every American, however sharply he may differ in his political opinions, can in future years say of Franklin D. Roosevelt and which we voice in unison tonight.

Carlyle said that in Dante "10 silent centuries found a voice." In Franklin D. Roosevelt, millions of distressed and discontented people have found a voice—a voice that thrills, a voice that touches, a voice that pleads for the underfed and unsheltered—a voice that brought light and life to those who have no alternative in life other than ceaseless toil or dark destitution.

Tribute to Senator Wheeler

REMARKS
OF
HON. GEORGE W. NORRIS
OF NEBRASKA
IN THE SENATE OF THE UNITED STATES
Monday, January 16, 1939

EDITORIAL IN BROTHERHOOD OF LOCOMOTIVE FIREMEN AND ENGINEMEN'S MAGAZINE, JANUARY 1939

Mr. NORRIS. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial appearing in the Brotherhood of Locomotive Firemen and Enginemen's Magazine for January 1939 on the public services of the senior Senator from Montana [Mr. WHEELER].

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Enginemen's Magazine of January 1939]

KNOW YOUR FRIENDS IN CONGRESS

Senator BURTON K. WHEELER, State of Montana, was born in Hudson, Mass., February 27, 1882. He was educated in the public schools and graduated from the Hudson High School in 1900.

Leaving Massachusetts, the place of his birth and the home of his people for over 150 years, he went to Michigan where he entered and worked his way through the University of Michigan, graduating with a law degree.

His next move was to Montana, where he was admitted to the bar of that State in 1905, and started the practice of law in the same year at Butte. Independence of thought and action marked his career; in him workers found counsel upon whom they could depend in their action against the omnipotent copper interests.

He was elected to the State house of representatives in 1911 and served until 1913. His liberalism, new to Montana, identified Senator WHEELER when as a youthful leader he led a brilliant fight in the Montana House of Representatives to elect his future colleague, the now deceased Senator Tom Walsh.

Upon recommendation of Senator WALSH, he was appointed United States district attorney by former President Woodrow Wilson in 1913. After 5 years of exceptional service, largely because of his pronounced views against war, he resigned from that position.

Elected to the United States Senate in 1922, at a time when liberalism was not so popular, and progressives in the United States Senate were scarce, Senator WHEELER joined what few there were. He was reelected to the United States Senate in 1928 and 1934.

Senator WHEELER has served on the Interstate Commerce Committee of the Senate for the past 16 years, and for many years has been chairman of that committee.

The various studies and investigations conducted by Senator WHEELER in past years relating to the railroad industry and its financial practices, enabled him as a witness to present real facts to the emergency board during their recent hearings on the proposed 15-percent wage reduction for all railroad employees.

In the course of his testimony before the emergency board he gave facts that proved a wage cut was unnecessary and unwarranted. He brought out facts which were convincing and of utmost importance, and paved the way for a victory in favor of the railroad employees.

Senator WHEELER's many investigations have led to amazing revelations. He has shown great courage during his public career, and the vigor and intelligence displayed during his many activities since becoming a United States Senator have made of him a national figure.

He has always fought for the enactment of legislation designed to improve conditions for the common people. He introduced in the

Senate resolutions which led to investigation of the conditions under which coal miners in the North and textile workers in the South were compelled to labor. These two investigations had a tremendous influence on public opinion.

His consistent liberalism and his unwavering progressive views led the greatest of modern liberals, "Old Bob" La Follette, to tender him an invitation to be his running mate in the 1924 Presidential campaign.

Though defeated in the election that year, though indicted and tried on palpably false charges, though compelled to pay for his progressive views, Senator WHEELER continued his fight for liberal legislation on all fronts.

Back in 1932 Senator WHEELER was found "beating the bush" for Franklin D. Roosevelt. He was the first Member of Congress openly to pledge his support to the President. Senator WHEELER's friendship for the President did not deter either his liberalism or his characteristic independence.

Profound and exhaustive studies now being conducted under his able leadership by the subcommittee of the Senate Committee on Interstate Commerce, and the knowledge derived through this intensive investigation of railroad finance, unquestionably will result in legislation during the coming session of Congress that will aid materially in the rehabilitation of the railroad industry.

Senator WHEELER is an outstanding example of real patriotic leadership in America. He has always fought for progressive legislation in the interest of all the people, and has kept clear from the dictates of the few who would rule through corrupt legislation of their own making.

Men of such character and ability are a godsend to the country, and in him, along with other great progressives in Washington, lies the hope that the Nation may be led to a greater prosperity than has ever been realized in its history, and eventually, to a lasting peace and understanding amongst ourselves and with the rest of the world.

The people of Montana may well feel proud of their senior Senator in Washington.

Murphy Aided the Sit-Down Strikers—Did Nothing to Stop Riots in the State's Capital

EXTENSION OF REMARKS
OF
HON. CLARE E. HOFFMAN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, January 16, 1939

Mr. HOFFMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to insert a letter written by Frank Murphy while Governor of Michigan, which shows his misconception, to say the least, of the situation which prevailed at Flint, Mich., during the sit-down strikes which occurred there during the early part of 1937.

The Governor in this letter warns "against the propaganda and misrepresentation of those who resent my refusal to turn the guns of Government troops against workers seeking to assert rights guaranteed to them by the law of the land."

In the first place, the sit-down strikes which occurred at Flint were not, in their inception, brought about by the workers in the plants. The C. I. O., with the aid of outside wrecking crews, brought about those strikes, the seizure of those plants. By force and intimidation they compelled local workers to join their organization. They were not asserting constitutional rights. They were violating the constitutional rights of the local Flint workers, in that they drove them by force from their jobs. They were not striking because of working conditions, hours, or wages, but to secure the privilege of forcing all employees to join the C. I. O.

The Governor of Michigan, Frank Murphy, protected those lawless wrecking crews, and by his policy aided them in their violent attacks.

No one asked him to turn the guns of Government troops against workers. He was asked to take a firm stand, to make an unequivocal declaration, that those invaders from other States and those few residents of Flint, who, in violation of constitutional rights, had seized property and were depriving workingmen of their right to work, would not be permitted to continue in their unlawful activities. This Murphy refused to do.

He says he was against mob violence. He has since said that he was against the sit-down strikes. But on last Friday, when before the Senate committee, although he had been asked to state when and where he had warned the strikers to get out of the plants, he failed to cite a single instance, except that he said that on the night before the strikes were settled, which would be February 9, he wrote a letter which he read to Lewis and a copy of which was directed to Homer Martin, who was in charge of the strikes, but which was never delivered, in which he told the strikers in substance that they would have to vacate the plants.

If Murphy was sincere, why did he not openly, through the public press, call upon the strikers shortly after they had seized possession of these plants to vacate them? Why did he wait for more than 40 days to make known his desires, and then do it secretly?

In this letter the Governor further said:

I do not propose to deny workmen their fundamental rights on the thin excuse that their efforts to do so constitute "mob violence."

What workingmen were being denied fundamental rights? What fundamental rights were denied to any man, except those men who wanted to work? What fundamental rights were denied to any of the sit-down strikers? The Governor cannot point to one. Read his letter to Mr. Carson, and Carson's reply.

The Governor's letter follows:

STATE OF MICHIGAN,
EXECUTIVE OFFICE, LANSING,
October 21, 1937.

Mr. ROBERT N. CARSON,
1920 Grand Avenue, Davenport, Iowa.

MY DEAR MR. CARSON: Your message of October 8 has been brought to my attention and I regret to know that you believe me guilty of partiality to the "C. I. O. and mob violence."

In view of your apparent assurance, it will probably avail little to say that the statement is not the truth. I would, however, like to leave with you a word of warning against the propaganda and misrepresentation of those who resent my refusal to turn the guns of Government troops against workers seeking to assert rights guaranteed to them by the law of the land. I am as much opposed to mob violence as are you or any of the hysterical few who last winter demanded that blood be shed, but I do not propose to deny workmen their fundamental rights on the thin excuse that their efforts to do so constitute "mob violence."

Peace will not come to industry through the use of force—whether it be by the Government, by labor, or by the employer. It can be achieved only if we insist on settling our disagreements reasonably and sanely as intelligent men should.

Sincerely,

FRANK MURPHY.

Mr. Carson's reply reads in this manner; it is a complete answer to the hypocrisy of Governor Murphy:

1920 GRAND AVENUE,
Davenport, Iowa, October 26, 1937.

Hon. FRANK MURPHY,
Governor, Lansing, Mich.

MY DEAR MR. MURPHY: In reply to my post card of October 8, I am in receipt of your letter of October 21, postmarked the 24th.

Let me here and now inform you there were no persons, and certainly not the writer, demanding blood be shed in Michigan or in any other strike area. Those demanding that law and order prevail (and your oath of office required you to comply with the law) represent the type of citizens who are not only an asset to any community but to our American form of government.

As a representative of the people you can show no partiality to C. I. O., or to any other group, when they ignore the law, and this situation certainly existed in Michigan as well as in other sections of the country. The sit-down strikes are unlawful and you should know this.

The C. I. O. and their Communist following are now "coming to their milk" because public opinion everywhere would no longer tolerate their mob violence and racketeering methods, interruption of the United States mails, etc. This organization in your State defied the law in many localities, however, elsewhere were finally subdued.

You refer to the hysterical few who last winter demanded that blood be shed to preserve law and order. There was nothing then or now hysterical in the demand for law enforcement. Mob violence and defiance of the law are hysterical.

The writer has lived for over three score years, during which time he has carried a union card and has been an industrial executive. You state peace will not come to industry through the use of force. When industry uses unlawful methods as did the C. I. O. then force is compulsory to protect society and property and you certainly as a State executive must realize this by now, if not previously.

Very truly yours,

ROBERT N. CARSON.

It is more than passing strange that the Governor, when Friday before the Senate committee, said nothing about the labor holiday at Lansing That there may be a little more

light thrown on that subject I will include herein an editorial taken from the Grand Rapids (Mich.) Herald of June 9, 1937:

WHOSE GOVERNOR?

"No injustice will be done to you in Michigan while your Governor can prevent it."

Thus spoke Frank Murphy to the mob which ruled Lansing all day Monday. "Your Governor" he said. Not the Governor of the State of Michigan and all its 5,000,000 people. Just "your Governor," the Governor of the mob which set aside all government, seized the State's capital, ruled by force while the recognized authorities of the law sat supinely by to watch anarchy reign in Michigan.

When Murphy took his oath of office last January 1, did he swear to abide by the Constitution and laws of all Michigan or by the unwritten laws set up on the spur of the moment by a mob? Whose Governor was inaugurated last January 1? Was it a Governor of a whole State or a Governor merely of law violators whom he has encouraged almost from the day he took office?

And he said to this same mob, "I am sorry you have been having trouble." Who had been having trouble? It was the law-abiding men and women of Lansing, the businessmen who were not permitted to conduct their regular affairs. It was the city officials and the State officials and the county officials and the courts who had been having trouble. Was Murphy "sorry" for them? Apparently not. He was "sorry" for the mob whose Governor he boasted to be.

What led to the trouble?

First, strikers, in violation of the law, picketed a concern with whom they were having a dispute.

Second, these same strikers violated the law and the orders of the court by refusing to cease picketing when ordered to do so.

Third, the court having no other recourse, ordered the arrest of eight of these law violators. It was as much the duty of the court to order their arrest and as much the duty of the officials to make the arrests as if these eight had been guilty of stealing automobiles, picking pockets, or in any other manner violating the law. So for the third time the strikers violated the law by seizing the government of the Capital City.

And what did Murphy say further, still addressing those whose Governor he professes to be?

"It is not necessary for you to use tactics as unreasonable as some people in authority have used against you."

Then, according to your Governor, it was unreasonable for the courts to order that the law be obeyed. It was unreasonable for the court to seek to enforce its orders. It was unreasonable for the law-enforcing officers to make the arrests ordered by the court.

And what has been the result of it all The Capital of Michigan was in the hands of a mob for 1 whole day. All law and all order and all government ceased. Your Governor ordered the release of men properly under arrest. Your Governor consulted with the rulers of the mob rather than with the law-abiding citizens and in the end forced the courts, the law-enforcing officers, government itself, to recede and yield to the demand of the mob.

Whose Governor was it who was inaugurated last January 1? Your Governor, the Governor of the mob. Not the Governor of Michigan.

Our National Defenses

EXTENSION OF REMARKS

OF

HON. JOSEPH B. SHANNON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, January 16, 1939

RADIO ADDRESS OF HON. JOSEPH B. SHANNON, OF MISSOURI, AT KANSAS CITY, MO., NOVEMBER 17, 1938

Mr. SHANNON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address delivered by me on November 17, 1938, at Kansas City, Mo., under the auspices of the Citizens' League:

I am asked today to answer the question, "Should our national defenses be strengthened?" I assume that I have been called upon to answer that question as a Member of Congress and a representative of the American people. In that capacity I answer without hesitation, "Yes." Not only should every avenue of defense be strengthened from a mechanical standpoint, but every loophole of unnecessary involvement in foreign wars should be guarded against.

In the early days of our Government the famous patriotic sentiment was expressed, "Millions for defense, but not a cent for tribute." The tribute then in the public mind was a financial subservience to foreign military aggression of powers preying upon our commerce. I reecho this challenge with one qualification, "Millions for defense, but not one American boy's life for tribute on foreign soil."

I am willing to go the limit in protecting our shores and our Nation from invasion. I am not willing to contribute one American life to defend the concerns of any European or Asiatic nation.

I realize the gravity of the duty that is confronting this Nation today from the encroachments of murderous nations abroad, mad with lust for power, crazed with a frenzy of destruction to gain their ends, fanatically engaged in killing women and children and noncombatants with a beastly cruelty and a disregard of human instincts unknown even to the savages of jungle days. In that sort of warfare, in that sort of dinosaur destruction of the weaker peoples, in that sort of savage program of conquest, America has no place.

All Americans should thank the Creator who in His wisdom placed the United States in this hemisphere, with its shores washed by two great oceans, in a position to keep itself forever a refuge for the enjoyment of freedom from tyrannical rulers, from war-mad powers, a spot of earth where humanity can enjoy the blessings of peace, freedom, and the pursuit of happiness.

Europe was once referred to by Thomas Jefferson in his own day as a continent of devouring nations. "The cannibals of Europe," he said, "are again eating each other." Russia and Turkey were at war then, and almost every nation over there was involved in war. They were crude in their methods, with little regard for the victims. But, at that, their wars were conducted on more humane principles than those of today. Soldiers fought against soldiers. But today the bombing planes hurl death and destruction on peaceful homes, on children in the streets, on women carrying babies at the breast, on peaceful unarmed citizens. The strains of the cannibals are still abroad in the countries of Europe and the "Frankensteins" of war are abroad in the land, crushing underfoot their innocent victims. With that sort of warfare, America has no part. We founded our country to escape tyranny; it grew up and was fostered in the ways of peace; its culture and its genius were opposed to all the ideals of conquest in which Europe was nurtured. So let Europe and Asia run mad as it will, America must stand aloof.

Of course we should follow the dictates of wisdom. When wild animals are hovering near and threatening our shores, we should be prepared to defend ourselves. We must realize that no dictates of humanity, or reason or common charity will afford us any protection against the war lords of Europe. The lust for conquest, when it is sated abroad, when its blood hunger finds over there no fresh fields to ravage, may well be turned in our direction, and we must not blind ourselves to the idea that we can remain secure. We must protect ourselves.

I am in favor of every safeguard against foreign invasion. Congress should vote billions if necessary to prevent any foreign intruder from ever setting a belligerent foot on American soil or possessions. The bombers have no mercy. Our cities, our homes, our women, and children must be given every protection. We cannot delude ourselves with a false security. The navies of the air know no limits of land or ocean; they are the monster hit-and-run savages of the air, and it would be insanity on the part of our Nation not to take steps to guard against every threatened danger. We must face power with power. We must be ready to defend ourselves in every way.

But there is one phase of this question which I would be derelict in my duty as a representative of the people if I did not call to your attention. The United States must not merely be prepared to defend itself against foreign enemies; it must be on guard against the foes within. There are agents and parasites of that Old World with us today. There is a subtle diplomacy, so-called, that slyly and sometimes with an insidious eloquence urges a gospel of alliances with foreign powers. It is an insidious gospel. It must be guarded against as vigilantly as we shall guard our shores with mechanical defenses.

We are a democracy. We must maintain our ideals. "Millions"—yes, billions—"for defense" if necessary, but not one lead quarter, to put it in vernacular, for America to pull the chestnuts out of the fire for any foreign power. We want no entangling alliances to save the investments of a Morgan, or any money lord with holdings outside of America. Let us remember always the warning of our founding fathers—"no entangling alliances"—and let us hope the day will never come to America when American boys will lie beneath the white crosses of a foreign battlefield.

Cuban Reciprocal-Trade Agreement

EXTENSION OF REMARKS

OF

HON. PAT CANNON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 16, 1939

STATEMENT OF HON. PAT CANNON OF FLORIDA, JANUARY 4, 1939

Mr. CANNON of Florida. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following

statement made by me before the Committee for Reciprocity Information on January 4, 1939:

Mr. Chairman and members of this honorable Committee, my purpose in submitting this statement is to supplement briefly the various briefs now on file before your honorable committee and to call your attention particularly to the problems of that part of the State of Florida lying along and adjacent to the southeastern coast of Florida, which includes a large portion of the fertile glades area as well as the fertile coastal section running from the Indian River area through the Florida keys, comprising my district.

In describing the effect of the Cuban reciprocal-trade agreement as respects the above area, I feel it only fair to consider the benefits, if any, as well as the more obvious detrimental effects which have arisen as a consequential result of the operation of the trade agreement now in effect and under discussion. I am advised that several years ago and prior to the operation of the present arrangement farmers in my district were protected because of the tariff then in effect; but that more recently that tariff on Cuban agricultural products has been lowered, so much so in fact until the farmers in the above-described area who I represent, have found it most impractical to compete with Cuban farms and farmers where vegetables and foodstuffs are raised virtually with peon labor, thereby causing Florida farmers to compete in their own markets; that is, the markets of the United States, with Cuban farmers, which seems to me a deplorable situation.

I am definitely of the opinion that this treaty or any similar treaty stimulates trade and creates good will among peoples of the world; but I am nevertheless thoroughly convinced that Florida, and particularly the Fourth Congressional District of Florida, has been called upon in the past and is now being called upon, to carry this whole burden and detriment. It is true that by indirection, Florida, as a sister State in these United States, receives and definitely enjoys a general benefit from any arrangement involving the several States looking toward good will and trade stimulation. It is, however, just as true that Florida stands in a peculiar position in that we are blessed with climate conducive to the raising of crops into maturity at a time when such and similar crops elsewhere are not ready for consumption. That being true, we stand as an institution as a State, ready and willing to bear our share of the detriment connected with any arrangement kindred to the one which I discuss. But, because of our territorial limitations and more particularly because of our virtual isolation from the central and eastern markets of the United States, we find that the present tariff arrangement discourages farming and renders the utility of our fertile farm lands of no avail; that, despite the vast amount of money already invested in Florida farming and farm lands.

As to the benefits derived from the arrangement under discussion insofar as Floridians are concerned, I am frank to say after a fair and comprehensive study, I find nothing tangible in this respect and while I do not attempt to speak for this country as a whole, and I am indeed mindful of the rights that other States may have and of the arguments which representatives of other States may have, I do feel that since my territory as above stated is found in a most peculiar situation, that we are entitled to at least the consideration I have outlined briefly. We feel that since our territory is quite limited and since our lands are indeed so useful, we therefore are entitled to unbridled marketability of our products in home markets. Not for one moment do I underestimate the good will that Florida generally has enjoyed and the United States as a whole, as the result of this Cuban arrangement. I find, however, that this single benefit is far outweighed by the extreme detriment which we in the Fourth District of Florida have suffered and shall continue to suffer just so long as we labor under the burden in question.

I deem it quite unnecessary at this time to burden this honorable Committee with facts and figures already available to you, but I think it indeed important to determine whether or not the resources of this country—that is, the finance of this country—is used to exploit Cuba and its farming, thereby defeating the very effect of the so-called reciprocal-trade agreement. If it be true, therefore, as I am advised, that Cuban labor still suffers a low wage scale, if it be true that funds from the United States are used in Cuban farming for the sole and express purpose of enjoying the advantages of producing foodstuffs at a minimum wage, then, therefore, this agreement is most vicious and nefarious.

The figures released by the Department of State reflect unquestionably, I am advised, that the balance of trade with Cuba has been steadily increased and that this balance of trade in favor of Cuba is much greater now than prior to the trade agreement in question.

The Committee has already received an abundance of evidence of the detrimental effect that this agreement has had upon Florida agricultural products. I do not attempt to speak for the Nation as a whole, but insofar as the Fourth Congressional District of Florida is concerned, there has been very little reciprocity in the reciprocal-trade agreement with Cuba.

In keeping with this discussion, I think it quite proper to call this honorable Committee's attention to the deplorable situation in which Florida finds itself as respects her great sugar-production and cane-raising facilities. I am advised that the State of Florida consumes much more sugar than she is permitted to produce under the Sugar Control Act; that at the time of the creation of the said Sugar Control Act, Louisiana and Florida and their territories were embraced as one insofar as the administration of the act itself is concerned and that the reason that Florida is bridled in her efforts and throttled to a minimum in that respect is because at the time of inception of the act our sugar industry and cane raising was in its infancy. Therefore, being a new industry, our production was far beneath that of Louisiana, a State long known for that agricultural endeavor. Therefore, one may plainly see that we as Floridians are hindered in our agricultural expansion in this connection, and we are of the opinion that surely we should be permitted to produce at least the amount of sugar which we consume ourselves.

It is my express hope that this honorable Committee may see fit, in its wisdom, to consider seriously the report of the United States Department of Agriculture released by the Bureau of Agricultural Economics, treating of the Florida winter-vegetables industry and the trade agreement with Cuba, to the end that Florida, in its peculiar and unique situation, may be given the full expression that we desire for the reasons above mentioned and the reasons embodied in the document referred to, and for the additional reasons that we in Florida are called upon to entertain not only the people of the United States annually but the people of the world, and that were it not for the existence of our State and the prosperity that we may be permitted to enjoy, he who would rest and play would be called upon to give vent to that expression in foreign lands, thereby denying us, as American citizens, the visitation of those who seek a climate like ours. Then, again, we are unique in that we have 3 scant months of productivity in Florida, whereas most of our sister States enjoy a year-round prosperity in their various endeavors.

Business, Government, and the Rights of the Individual

EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Monday, January 16, 1939

ARTICLE BY HON. JOSEPH C. O'MAHONEY, OF WYOMING, IN INVESTOR AMERICA, JANUARY 1939

Mr. MALONEY. Mr. President, I ask unanimous consent to have included in the Appendix of the RECORD an article by the senior Senator from Wyoming [Mr. O'MAHONEY] published in Investor America for January 1939 on the subject of Business, Government, and the Rights of the Individual.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Investor America of January 1939]

BUSINESS, GOVERNMENT, AND THE RIGHTS OF THE INDIVIDUAL

(By JOSEPH C. O'MAHONEY, United States Senator from Wyoming)

The whole world is seeking security. Peoples and nations, sensing the inability of the individual to stabilize his economic existence in the face of forces which seem not to be understood, are seeking a solution of their troubles through government.

This is the explanation of the strange development of our times, that within 20 years after the war which was fought to make the world safe for democracy every vestige of democracy has been abolished in three of the principal nations of Europe, and the democratic foundations of even France and England seem almost to be endangered.

It seems to me that the play of economic forces in our own land cannot be understood unless we first clearly see what has transpired in Europe to bring about the current rise of dictatorships. Fifteen years ago no one would have dreamed of predicting that the day was almost at hand when the doctrines of individual freedom would be overthrown in favor of the doctrines of arbitrary force. The regimes which dominate Russia, Germany, and Italy are frankly founded upon force and the denial of every principle to which our country and our people have been and are now dedicated.

The American concept of government is that of a social order in which the merit and ability of the individual shall be free to develop without fear of repression by any artificial group, faction, or individual, and that the Government shall be the spokesman not of any part of the people but of the whole people. Americans still adhere to the doctrine of the Declaration of Independence that the just powers of government are "derived from the consent of the governed."

To my mind, one of the most encouraging signs of the times is the fact that it is coming to be more clearly understood by all elements of our population that this fundamental principle of Americanism is under attack and that if democracy is to survive in the world, it must be justified in America. In other words, it is for Americans to make democracy work, and since all governments and all societies are established for the primary purpose of enabling the masses of men to support themselves, it becomes clear that the

principles of democracy must be made to work in the economic system.

Because I believe this to be necessary, I am wholly in sympathy with any movement upon the part of investors, for example, to make sure that they shall not be subjected to arbitrary controls by Government or from any other source. If one were to attempt to explain the economic and political history of the United States during the last 50 years in less than 50 words, I think it could properly be said that our people have been guided by two principal objectives:

First, they were determined that business and government should not be dominated by accumulated wealth. Second, they were determined that business and government should not be dominated by concentrated political power.

It was to carry out the first objective that Congress enacted the Sherman antitrust law in 1890, and it is because the people believe that this law tends to keep business free and independent and out of the hands of government that there never has been any serious proposal to repeal it. On the other hand, it is because many of the people believe that government regulation of business has the effect of turning the control of enterprise and initiative over to the discretion of political appointees that there has been so much opposition to the extension of the so-called regulatory laws.

It seems to me now that there is gradually emerging a comprehension upon the part of most of our people that no particular element of society can be intrusted with so much power as to make it possible for that element to dominate the rest. That is why we find a growing tendency for agriculture and industry, for worker and business executive, for consumer and investor to find the common ground upon which all may stand in defense of the fundamental need of all individuals to protect, foster, and encourage free private enterprise in the United States.

If I understand the present situation correctly, the people of the United States, having for 9 years endured a wholly unnatural condition under which millions of men and tens of millions of dollars are unemployed, are now seeking the way whereby, through the cooperation of all groups, they may cure this economic disease. The desire for exploitation by one group at the expense of the others seems to be passing.

Labor wants steady employment in private business at good wages with an opportunity to improve through saving.

The consumer wants a high quality of goods and commodities at a fair price furnished in a convenient manner.

The investor wants the safety of his principal with a steady, even though small, return and an opportunity for new investment.

Into the category of new investment would naturally flow the savings of labor and of the consumer. If this condition could be brought about, we should have industrial peace and without question we should have prosperity. Obviously, no one of these three groups may make progress at the expense of either of the others.

To bring about this desirable cooperation, it is essential in the first place that there should be a common understanding of the reasons why it has been so difficult for this cooperation to develop.

The tendency to expand Government "control of business," as it is called, has kept pace with the development of the corporation. There was no demand for the exercise of Federal power over business until business grew to such proportions that local government was no longer able to cope with it. There never was a time in the history of the United States when it was not recognized that Congress had the power to regulate commerce among the States. Indeed, one of the primary reasons for the formation of the Union was the desire of the businessmen of 1787 to have a more stable Central Government in order that business conditions in the Thirteen Original Colonies might be better regulated. The Constitution of the United States was ratified chiefly through the concentrated efforts of the businessmen of that period.

Regulation, it is true, was always kept at a minimum; but when, after the Civil War, the corporation began to assume greater and greater importance in the field of industry and commerce, and business outgrew its former local boundaries, the people gradually began to turn to Washington for a greater and greater degree of regulation. It was because the railroads had grown so great in importance and in extent that the States were no longer able properly to regulate them in the public interest that the Interstate Commerce Act was passed in 1887.

Following that act have come others giving to the Central Government broader and broader powers of regulation.

The problem is always to define the line between that which is necessary and proper and that which is dangerous. Few will dispute the propriety of Federal regulation of the railroads. Few will deny that the development of aviation brought a new problem of necessary Federal regulation. In the domain of communication, also, there arose a new need for Government supervision. Naturally, however, with such expansion of enterprise came the question of the degree of regulation which should be exercised. My own thought has always been that the rule which would fix this degree of regulation was best stated by Thomas Jefferson in his oft-quoted doctrine, "That government is best which governs least."

This is the principle which allows the maximum development of the individual and in turn offers the best prospect of social improvement. Every step which the human race has won in the steady advance of civilization has been as the result of the contribution of some individual. It is of the utmost importance, therefore, to maintain the freedom of the individual at all times from any restrictive power, by whomever or whatever exercised.

We are sometimes, however, slow to comprehend that an individual may be as helpless in the hands of an economic organization as in the hands of a political organization. It was the fear of aggression by economic organizations which brought about the passage of the Sherman antitrust law. Continued expansion of economic units in power and wealth inevitably brings about a comparable expansion in the powers of government. He who seeks the explanation of the modern dictatorship will find that economic concentration was the primary cause.

We fail to realize that the modern corporation is sometimes more powerful than the State. When thousands of stockholders contribute their capital, frequently in small amounts, to a central management, they place in the hands of that management a powerful economic instrument which affects not only the interest of the investor, but also the interest of the worker, the interest of the consumer, and the interest of the entire public. When a corporation is owned by thousands or tens of thousands of stockholders, as many of them are, it loses its private character altogether and is just as much a public institution as a city. Indeed, both of them are corporations created by law, have no existence without the law, and affect the lives of great segments of the population. Into this category fall scores of business corporations, the great bulk of the stock of which is owned by individuals who hold 100 shares or less. One may take as an example the Standard Oil Co. of New Jersey. According to figures made available by the American Federation of Investors, Inc., it has 120,630 stockholders of whom 96,106 own 99 shares or less. This company, with a total of 120,000 stockholders, has almost 50,000 employees. It conducts a far-flung business which is carried on around the world. It is a private corporation only in the sense that it does not exercise any governmental powers.

Such an organization, brought into existence only by the grant of some government, is very different from a natural person. Kings and constitutions, governments and corporations, are the creatures of man. Man is the creature only of divine Providence.

We may safely contend that man should be completely free, but we shall be endangering his freedom if we clothe the creature corporation with the privileges which he possesses.

Gradually there is emerging a clear concept upon the part of modern business management that it occupies the position of a trustee toward all the factors of society which are affected by its operations. It has always been a fundamental principle of government that, in the words of Grover Cleveland, "Public office is a public trust." The union of these two ideals, and only such union, will bring about substantial and lasting prosperity. This is the cooperation which at one and the same time can liberate the people of America from arbitrary financial control and arbitrary political control.

W. P. A. Appropriation

EXTENSION OF REMARKS

OF

HON. CLIFTON A. WOODRUM

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 13, 1939

Mr. WOODRUM of Virginia. Mr. Speaker, the House has completed consideration of the joint resolution appropriating funds for the Works Progress Administration for the remainder of this fiscal year. The President's estimate, as sent by the Budget, was $875,000,000. The House of Representatives, in my judgment, very wisely reduced this amount by $150,000,000 or to $725,000,000, and continued in operation the so-called Woodrum amendment, which requires the funds to be spread over the entire period provided in the appropriation. In addition to reducing the amount, Congress made the following provisions relative to relief:

First. Inserted a provision barring aliens from participating in relief.

Second. Inserted a provision preventing the payment of salaries to W. P. A. workers or officials who attempt to influence another politically.

Third. Required the Works Progress Administration to eliminate wage differentials of more than 25 percent. The evidence showed that in some Southern States common labor was paid as little as 18 cents an hour while in some of the Western and Northern States the same type of labor, doing the same kind of work, was paid as high as a dollar and ten cents per hour. This inequality is therefore eliminated.

Fourth. Inserted a provision preventing the establishment of hosiery mills in competition with private industry.

Fifth. Inserted a provision preventing the placing under civil service the administrative personnel of W. P. A., numbering more than 30,000.

Sixth. Removed a restriction or policy under which W. P. A. was dismissing from its rolls aged persons and widows with dependent children.

Seventh. Defeated a proposal to prevent a reduction in the theater, writers and artists projects, which had been accused by the Committee Investigating Un-American Activities as being communistic.

I feel very much gratified that, after a somewhat stormy session, the House followed the suggestion of the committee and made these reductions and changes in the bill. It is a hopeful sign. The fund appropriated, if properly administered, will provide a sufficient amount to take care of the real needy cases, but at the same time should be an encouraging sign to business and industry and to the taxpayers of America that the legislative branch of the Government has resumed its prerogatives and that it may be depended upon to scrutinize most carefully all requests for appropriations. The reduction should also cause the relief rolls to be purged, which is badly needed.

The vote on a motion to increase the amount from $725,000,000 to $875,000,000 was as follows: For the increase, 137; opposed to the increase, 226. The vote on the final passage of the resolution was as follows: For its passage, 397; against the passage, 16.

It is interesting to note that just when the Senate is about ready to start consideration of the joint resolution just passed by the House, the unemployment committee of the Senate, presided over by Senator BYRNES, of South Carolina, has filed its report, which not only is a most interesting and informative review of the whole relief picture but which makes some very constructive suggestions on the subject.

The Byrnes committee's report proposes:

First. A coordinated system of relief, based primarily on extended and improved unemployment insurance benefits, on increased aid for the aged, the blind, and dependent children, and on a consolidated public-work program, handled by a department of public works.

Merged in the department of public works would be the Works Progress Administration, the Public Works Administration, the Civilian Conservation Corps, and the National Youth Administration.

Second. A formula for allocation to the States of Federal funds for public works, based on (a) the population of the States, and (b) the number of unemployed in each State.

Third. Stringent provisions to prevent use of relief funds for political purposes, including the Hatch amendment, defeated at the last session of Congress.

Fourth. Payment of benefits under the existing contributory old-age insurance system shall begin in 1940, instead of 1942 as now provided by law.

It is doubtful that these suggestions will be considered in connection with the present deficiency item, but certainly they form the basis for a comprehensive study when we are ready to consider the 1940 relief program. The time is at hand when Congress should go into this matter very carefully and endeavor to reach some conclusions on a permanent fundamental policy which will meet our obligations to those in need and yet be consistent with our financial ability.

Activities of W. P. A. Workers During Flood Emergency in Connecticut

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EXTENSION OF REMARKS

OF

HON. J. JOSEPH SMITH

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, January 16, 1939

RADIO ADDRESS BY HON. FRANCIS T. MALONEY, OF CONNECTICUT, NOVEMBER 3, 1938

Mr. SMITH of Connecticut. Mr. Speaker, under leave to extend my remarks I include the following extracts from a radio address delivered by Senator FRANCIS T. MALONEY, of Connecticut, over station WTIC and other stations on November 3, 1938.

The portion of the extract which I ask to be published relates to the high quality of men engaged on the W. P. A. programs, and makes a reference to their accomplishments under the very trying conditions following the hurricane in my State.

May I now call your attention to another incident of this campaign period that was distressing to me, as I am certain it was distressing to thousands of other people in the State of Connecticut. It was not seriously harmful to anyone, but seemed to me an outstanding example of the careless comment of those so bitterly opposed to the efforts, purposes, and accomplishments of President Roosevelt. It was a statement made by a man who has reassumed leadership of the Republican Party, and was made the outstanding spokesman of the Republican candidates in the Connecticut campaign, Mr. Herbert Hoover, the same Mr. Hoover whose vision was pitifully blurred in 1930 and 1931 and 1932. It was a statement made by the same Mr. Hoover who was so dazzled by the blazing grandeur of 1928 that he was officially almost sightless during the clouded era which came upon America and the American people in 1929.

The day following Mr. Hoover's Hartford speech, which consisted principally of ridicule and caustic condemnation, and nothing more constructive than a suggestion that the Congress and the Nation "take the next 2 years to stop, look, and listen," Mr. Hoover held a press conference in Hartford. He was interviewed by a group of newspapermen; and it appears that he answered their questions freely and frankly. The conversation and interview finally came to the serious subject of the devastating hurricane and flood that had swept over Connecticut less than a month before.

I want to quote to you from a newspaper story appearing the following day in the Hartford Courant. I quote: "A suggestion from a newspaperman that most of the digging out is being done by W. P. A. workers was challenged by the former President, who said he did not imagine 2 percent of the work is being done by W. P. A., but rather done by people who live on the spot." That is the end of the quotation.

Is that statement not a gleaming example of the breadth of imagination of the former Republican President? Doesn't it portray in an almost perfect word picture a reminder of his viewpoint and vision and imagination during the period of his early political bewilderment, when he imagined that prosperity was just around the corner, and that the proper governmental policy was to stop and look and listen?

The statement was distressing to me because I had been familiar with the rescue and rehabilitation efforts of tireless W. P. A. workers during the terrorizing hours of the flood, and immediately in the wake of the destructive hurricane. Sharing honors with the American Red Cross but assuming about all of the danger, and later a great share of the drudgery, W. P. A. workers sweated through the day and night to fortify Hartford and other places against damage and danger, and to protect large industries of Hartford against tremendous financial loss, and their employees against lost employment.

In spite of the dangers of broken wires and fallen trees, forgetful of the hazard of an over-swollen river, willingly neglectful of their own health and comfort, this army of the W. P. A., many of them men who had held a seemingly secure position, and some of them high places, up until the Hoover administration, remained away from their own families during hours that were their own, because they were aware that immediate action was imperative, and that delay meant destruction.

Their activities were not confined to Hartford and one neighborhood. They penetrated many danger zones, and despite the reported isolation of Norwich they reached there with food and medical supplies; all in spite of a risk to their own well-being, and at the expense of worry to those within their own homes.

We of Connecticut who felt the hurricane, and observed the losses of friends and neighbors, have a feeling of appreciation and owe a debt of gratitude to the W. P. A., and to all of those other agencies that worked with them, in the terrific and stunning storm. And once more we are regretful that Mr. Hoover is not gifted with a more liberal outlook and a greater imagination.

The W. P. A. may have been but 2 percent efficient and effective in the imagination of Mr. Hoover, a man who is endowed with many splendid and outstanding characteristics, and good intentions; but his opinion in this matter will fail to find sympathetic acquiescence among the management, the stockholders, and the employees on the side of the Hartford dikes made safe by the sweating self-sacrifice of men employed in the ranks of the W. P. A.

It is partially at the expense of these willing and able men that certain well-intentioned but temporarily thoughtless people demand an immediate balancing of the Budget. What matter the needs of their children and the needs of the business firms and professional men, dependent in part upon their continued employment? What matter the social values maintained by keeping them at work? What matter the billions of dollars in material values created in the way of parks, playgrounds, roads, and schools, and other governmental structures too numerous to mention now? What matter that the jobs have kept local tax rates from climbing to unbearable heights? What matter that the work they do will save the taxpayers of every city and village in

the land from heavy and otherwise unavoidable expenditure for many, many years to come?

I approve the loans to railroads and financial institutions under the administration of Mr. Hoover, and I haven't a doubt in the world of the nobility of his intentions and purposes. I do wish, however, as do millions of other Americans, that he had a sufficiently expanded imagination to include within his range of view and action the other 98 percent of the Americans, along with the unintentionally but especially favored 2 percent.

Election of Presidential Electors

EXTENSION OF REMARKS

OF

HON. HATTON W. SUMNERS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 16, 1939

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to have printed in the RECORD a very brief statement with reference to the necessity of changing the date for the election of Presidential electors.

It would not be too strong a statement to say that under conditions which now obtain a President of the United States could be elected by fraud and nothing could be done about it through any procedure with which we are familiar. That is a statement that ought to startle us, but I have been making it now for 6 years, ever since the "lame duck" amendment was passed, and nobody has yet paid any attention to it. This condition arises out of the fact that whereas prior to the passage of the "lame duck" amendment, we inaugurated the President on the 4th of March we now inaugurate on the 20th of January, a month and a half earlier, without any corresponding change, any change at all in the election date. Prior to the "lame duck" amendment there was not too much time between the time when the electors were elected and the time they met to cast their votes, to determine questions of fraud in the election. But when we moved the time for the inauguration of the President from the 4th of March back to the 20th of January, and left the other end of the arrangement, the election date, as it had been when we were inaugurating the President the 4th of March, we created an impossible situation. We cut down the intervening time in which the question of fraud could be discovered and something done about it, by about 54 days, leaving, as I remember it, only 41 days, on the average, between the time when the electors are elected and the time they meet to cast their votes.

There is not a single State in the Union that can gear up its judicial machinery fast enough to try the issue of fraud in a Presidential election in 41 days. The Houses of Congress might act; I have not examined as to their power; but even if they possess it, its exercise would be dangerous for many obvious reasons.

Having shortened the intervening time, as I have indicated, I see nothing that can be done about it, short of a constitutional amendment, except to move back the time when the election of the electors is to be held. The necessity to do that was fixed when the "lame duck" amendment was adopted, moving up the inauguration of the President and Vice President from March to January.

I drew the bill which changed the method of bringing up the returns from the old method of bringing them up by messenger to the existing method of bringing those returns up by registered mail. It was more or less an experiment. Well, I can hardly say that, but there were some experimental features about it.

I was very careful in drawing that bill fully to protect the record of the determination of the electors. I believe that law can be redrafted preserving the safeguards, and we can gain about a week by revamping that bill. That would give about 48 days. Then if we would move back the time of the general election from the first Tuesday in November to the first Tuesday in October that would give us 30 days more. It would give us time to have a fair chance perhaps to determine the issue of fraud. We do not have any now. We cannot afford to leave ourselves exposed to the impossibility of trying that issue by ordinary judicial procedure.

I have introduced a bill to correct this condition each Congress since the passage of the "lame duck" amendment. I have endeavored to call the attention of my colleagues and the country to the gravity of the situation. I am simply repeating what I have been doing for the last 6 years. The matter does not come within the jurisdiction of the Committee on the Judiciary. It is a matter within the jurisdiction of the Committee on the Election of President and Vice President, a committee that does not frequently meet. What I am saying is not in criticism of that committee in particular. I am not bragging on what it has done about it, however. Now, when we can do this thing in a deliberate way, we ought to do it; and we ought to do it very quickly, because a serious situation might develop. Possibly some other method could be worked out, but it is certain it is not going to work itself out. It requires no great imagination to visualize what might develop in a close election when feeling was running high with a belief that wholesale fraud had been perpetrated in one or more pivotal States with no possibility of a final judicial determination prior to the time for the inauguration of the President and Vice President. I do not go so far as to say that nothing could be done about it, but I do say that nothing could be done in a way calculated to preserve either confidence or harmony. That is a mighty serious condition, especially when we consider what may be in front of us.

The Egregious Gentile Called to Account

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Thursday, January 12, 1939

EDITORIAL BY GROVER HALL IN MONTGOMERY ADVERTISER

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial by Mr. Grover Hall, published in the Montgomery Advertiser of Sunday, December 4, 1938.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE EGREGIOUS GENTILE CALLED TO ACCOUNT—CLINICAL NOTES ON HIS LACK OF GALLANTRY AND SPORTSMANSHIP, HIS BAD MENTAL HABITS, HIS TACTLESSNESS, HIS LACK OF IMAGINATION, HIS POOR DISCERNMENT, HIS FAULTS AS CITIZEN AND NEIGHBOR, HIS GULLIBILITY AND AROGANCE

(By Grover C. Hall, Editor, the Montgomery Advertiser)

This article will not be taken, I trust, as a defense of the Jew, he that has been defended in a million and one articles and books. Fortunately he does not stand in need of defense. But I can think of one hundred reasons why his gentile brother, usually ignored by critics, invites and deserves arraignment before the bar of his own conscience.

The Jew has spent his life as a race under a microscope designed and held by the gentile. His blemishes stand out in bas relief on a canvas made by the same gentile neighbor. His virtues are in the picture to be sure, but they stand obscurely in the background. The effect of the portrait is that of a vast, libelous caricature made by a thick-fingered, unimaginative artist. The Jew has been either too charitable or too circumspect to retaliate in kind. He holds no microscope over the gentile to paint a character study of the most incredibly irresponsible of all the despots.

The earth swarms with men who think they are experts on the Jew. Nobody attempts a critical estimate of the gentile as a gentile. Nobody audits his balance sheet. Nobody invites him to give an account of his long and unbroken stewardship as the undisputed master of the human race. The gentile has more power and has held it longer than any other vested interest in history. He has escaped critical questioning and comment longer than any other.

I, for one, marvel at this escape of the gentile from accountability and justice. I marvel that his meanness, his pettiness, his arrogance, his snobbishness, his ill manners, his ungallantry, his poor sportsmanship, his bogus humanitarianism, his sheer blindness to

extend my remarks I include the following extracts from a [illegible] work they do will save the taxpayers of every city and village in

his own higher interests, have not been brought more sharply under notice. It would surely do the gentile good to have his character plumbed in his peculiar relation to the Jew, however satisfactory his character may seem to be in other relationships. If the gentile could but bring himself to face his own microscope, held in his steady, ruthless hand, the experience might indeed save him from the possible disaster which his demeanor invites.

Surely a citizen may claim the right to protest against the folly if not the vice of those who may injure him by thoughtlessly encouraging, in various ways, both subtle and gross, the ever-present rogues and fools in society to violate the ideals that fixed the pattern of this federation of neighborhood democracies, the republic of the oceans.

We think we do no harm to ourselves and our common institutions when in individual social relations we patronize the Jew. We think we are shrewd, discerning fellows when in contemplating a citizen and neighbor who happens to be a Jew we think of him and discuss him first as a Jew and then as whatever else he may be. We attribute virtues to him as a class that are characteristic only of individuals; we attribute vices and frailties to him as a class that any man of sense should know are peculiar only to individuals, whether Jews or non-Jews.

Thus we hound the Jew while imagining ourselves to be his friends—meaning by "we" those of us that comprise the majority of Americans and would not consciously injure the Jew. Our great transgression is that we do not measure our demeanor to make it conform to our responsibility. We forget that the fools who form our mobs may be influenced profoundly by the manners and prejudiced deportment of people of their own kind above them in the scale of life. Every ill-considered act or word of the influential gentile is food and drink to the passions of the lower order of man, who once inflamed to madness by bitter fortune, having nothing of his own to lose, acts to destroy the things that are dear to others. Grave anxieties in this connection are warranted, as we shall presently see, if we will but take a long enough view of the story of man's inhumanity to man, even in our own most-favored country. If this be true, let us, then, fix the responsibility.

Experience and personal observation over a period of years have taught me the only lesson that my faculties, being what they are, could receive, that often we have reason to deplore the thing that makes one a gentile and does not at the same time make him an adequate humanitarian, an adequate neighbor, and an adequate citizen.

Now, I personally do not mind being a gentile and I have no disposition to low rate the status of the gentile. There is a distinct advantage now as ever in the past in being one. We gentiles are now, and have been throughout history, in the majority, the great majority—so much so, indeed, that the gentile has since the bright dawning constituted the greatest single vested interest known to time and space.

Our political and social position is more secure. We make more money than the Jews. We control the earth and we know nothing of the bitterness that flavors the acrid cup of a helpless minority group. Indeed, we as gentiles have been so long in possession of the earth, so long in undisputed power politically, economically, and spiritually that we have never had any opportunity to know whether in facing an invincible oppressor of our kind we would be brave. If there were only 15,000,000 of us today as against 1,985,000,000 Jews in the world, how would our wits and instincts stand the test if our dignity as a group should be affronted?

We gentiles suffer mostly in this world from our own folly, not from the sins of others, for all our occasional unsporting readiness here and there in our invulnerable empire to attribute some of our misfortunes, great and small, to those who, while birthing a God, never followed him. Whenever gentiles in difficulties make the Jew their scapegoat they seem infantile.

We gentiles sit on top of the world and rule it. I as a gentile know that if I wish I can lie, steal, murder, get drunk, burn a house, loot a government, or commit any other of the known indecencies, and that while I may be duly punished for my offense, I, instead of my kind, will be put on trial. In no circumstances would I hear the taunting phrase, "Gentile! Catch him!"

And so I do not mind being a gentile. It is profitable, it is pleasant, it is safe. There is nobody to oppress me or offend me for being one. Notwithstanding that I'd rather be a martyr than anything else except a millionaire, I like the all-Aryan rug that warms such a lowly bug as I on damp, chilly days. I am a gentile and nothing on Yahweh's earth can alter that fact. That fact means security for me in every storm that does not ruthlessly strike down all peoples, regardless of race or creed.

In fine, we gentiles will be the last to succumb in any circumstances. I am sitting pretty, primarily because of the accident of birth and geography, but also because of the obtuseness if not the dullness, the smugness, and the arrogance, if not the sheer ungallantry of my compeers in Aryanism.

Naturally, the violent, brutal anti-Semite is revolting to me, even as he is probably revolting in ordinary circumstances to 90 percent of my fellow American Aryans—but I am not at this point thinking of the Vulturebund. I am thinking rather of the type of American who while he says and no doubt believes he would fight to protect the Jew's civil rights, nevertheless is an awkward, lumbering fellow in his relation to the Jew. He may be free of conscious malice, nevertheless he fails either to cultivate or feel the need of genuine talent for living the day-by-day life of the good neighbor to all who are worthy of neighborliness. He is not sensitive, not intuitively understanding and gracious. He is outwardly kind to Jews, but only because of the practical discipline of memory, plus a sense of expediency. He is tolerant only because of political axioms he has heard and likes to taste and roll in his mouth when he has an audience. He is often patronizingly tolerant, his good will is a synthetic product, not a delicate flowering of the human spirit.

And so at the moment I am not thinking of the more vicious and aggressive anti-Semite who outrages the majority of gentiles in this free American atmosphere, but of Aryans who merely pain and sadden me. I have in mind rather the ox and the ass of Aryanism, particularly many, but not all, of the some-of-my-best-friends-are-Jews boys and girls. Of the vicious fanatic more anon.

Now, of course, there are many unpleasant Jews—but they pain and grieve the men and women of good sense and good instincts who are of their kind. Even so, it seems to me that there is a higher proportion of Nordic gentiles who habitually jar the sensibilities of well-disposed people. There is a higher proportion of Nordics whose principles are not lofty, whose manners are crude, whose good taste is low, whose pride is a kind of juvenile vanity rather than the mark of innate dignity of character; in other words, they are just chimpanzees with clothes on. These are rendered the more ignoble because they are conscious of their overwhelming strength so long as blood, geography, and tradition give them sanctuary.

In Nazi Germany I should probably be accounted eligible for all the current benefits of citizenship. My line must have been purged soon after the panic in the Garden of Eden. I am Anglo-Saxon-Pict-Celt-Welsh, out of an interminable line of deep-water Baptists. In my boyhood I broke furrows, planted crops, and went to school in a rural Alabama county. It was 9 miles from my home to the nearest railroad. My forbears on both sides "Lindberghed" in a lumbering leisurely manner across the Atlantic, the biggest ocean then known to them; and some of them later became involved in the American Revolution. I am assured that my body cells have been exposed to disease and other misfortunes in every war that has been fought by our country except the Indian riots before Paul Revere buckled on his saddle. All of my boyhood associates and acquaintances were gentiles and Protestants and, with the exception of the blackamoors around about, all of them were Nordics. At the time I left home in 1905 my county had never been the home of a football player, a Harvard graduate, or a Roman Catholic. Only three or four Jewish families resided in it. One Jewish merchant at the county seat was rather celebrated for his readiness at physical combat. In his day he licked a good many men who affronted him. He was game, and that is a virtue that even a Nordic bounder can respect.

In due time I became what is euphemistically known as a substantial citizen, otherwise the editor of a daily newspaper. I achieved a satisfactory place in life. I married; I reproduced. When my family became ill we called doctors. Sometimes these doctors were Jews, sometimes Nordic Aryans. I had Jewish neighbors along with Catholic and Protestant neighbors, but that was after—or maybe it was how—I came to know that Jews were people like other people, a part of the warp and woof of the same country that had nurtured my ancestors and me, and not bearded patriarchs and merciless Shylocks. Indeed, as a youth I had scarcely been conscious of the contemporaneous existence of Jews—they were not a part of my little world. I was neither for nor against them. If the Jew was a cunning menace to my world or a marked man to be tolerated only with suspicion, the fact had not lodged in the consciousness of the boy who at 19 arrived in the chief city of his State of the deep South to seek employment as a printer. In need of a boarding house, I found shelter in the home of a pleasant, rather pretty, old Jewish lady, who spoke broken English. I remained in her home for only a week, but I left it with a vivid impression of the charm of that small circle that lingers in my memory today. The old lady mothered me in about the same way that my own mother would have cared for any strange youth under her roof. From all I could see, despite their lowly, obscure state, these people were living this life as wholesomely and pleasantly as any Aryans in like circumstances that I knew. In this my first intimate personal contact with the children of Israel, I, a Nordic, Christian country boy could discern no characteristic quality in them except their speech to differentiate them significantly from other people of their rank and importance. I have often since compared them in my mind to the modest diffident, self-effacing Aryan bounders who in my part of America are as commonplace as short-leaf pines, dogfennels, and leaking roofs. * * * I have often recalled how far removed from the status of "rich Jews" my friends were.

My second intimate contact with a Jew was at a boarding house in another town. He was a huge, absurdly fat man, an improvident tailor, a student of books and the perfect village atheist, the first I had ever encountered. He was too poor to buy all the books he wanted, but his love of learning impressed me, his boldness as a thinker was not lost upon me.

As responsibilities grew, my contacts with Jews multiplied. I came to know Jewish teachers in our public schools, Jewish physicians, Jewish workingmen and workingwomen.

I came early to see that there was no fundamental difference between Jews and gentiles as such.

The difference always was between individuals, always between human beings.

Now, I would not be regarded by cosmopolitans as a sophisticated person, since I am untraveled, having spent all of my life in a

State that once was ruled by Ku Kluxers. But either I was born tolerant or I learned tolerance and acquired rather broad human sympathies after I came face to face with the basic realities of this life—at all events I came early in my days to like minorities and to distrust majorities with regard to all questions involving delicate human relationships and prejudice.

Certainly I have learned by simple observation of my fellows that a "sorry white man" is a sorry white man, whether he be Semitic or Nordic gentile. Blatant, obnoxious human beings run true to a more or less fixed pattern everywhere at all times.

But if a "sorry white man," or a blatant, obnoxious white man happens to be a Jew, gentiles, my brother gentiles, I must sorrowfully report, are prone to notice first that he is a Jew and last that he is an objectionable human being.

If he be a gentile it is remarked only that he is an objectionable human being.

It is never noticed that he is a gentile.

Take annoying idiosyncrasies of personality in the cruder sort of man or woman. There are Nordic gentiles who use a table napkin for a kerchief on cold days, who eat peas with a knife, who violate all the rules that polite people value. Sometimes they are rude and offensive in their personal relations. Sometimes their conduct is revolting, esthetically and morally—they rob, they swindle, lie, and abuse whatever power they may have over others. But those whom they offend never think to say: "Gentiles! * * *."

Let a frustrated Jewish thinker turn Communist and we instantly hear it said by uncritical gullible gentiles, "Communism is a characteristic Jewish doctrine." But in the same country it is the "international Jewish banker," often an economic tory, by all accounts, who has the mark of Cain upon him. It would appear from current literature here and in Germany that the Jew is at once the evil genius of communism and the designing, sinister pillar of capitalism—at once the money-hating Marxist and the money-lending Shylock. Numerous writers have pointed out that there is something wrong with this familiar picture, a picture that is made all the more grotesque when it is remembered that no American Jew has ever acquired a personal fortune comparable to that of Rockefeller, a Harriman, a Schwab, a Sage, a Du Pont, or a Ford. Barney Baruch, he of an old-line South Carolinian family, and the Strausses of an old-line, genteel Georgia family, have probably come nearest among American Jews to acquiring riches on such a scale. Mr. Baruch and the Strausses are and have been "liberals," neither dangerous radicals nor wicked Tories. The alien-born Otto Kahn was a multimillionaire Jewish banker—and an international banker at that—but he was harmless socially and politically. He was merely obsessed with a desire to lead all Americans, Jews and gentiles, into noble music halls, where their souls would be cleansed and refreshed.

The Rosenwald Foundation is no menace to anybody; it is, on the contrary, the hope chest of millions of underprivileged Negro children.

Rabbi Stephen S. Wise is, to be sure, a pulpit rebel, but no more so than John Haynes Holmes, the expansive Nordic prophet, and but little if any more so than Harry Emerson Fosdick, the Nordic Baptist pastor of John D. Rockefeller, Jr.

Again disavowing any intention of special pleading for Jews, it is only proper to say that, despite studied discrimination against them and contrary to the prejudiced impression of the more shallow-minded purged Nordics, Jews have had a distinguished military record in recent American history—a record which, in truth it must be owned, is slightly better than that of Aryan Nordics. The record shows that a smaller percentage of Jews than others have landed in jail. I say nothing of the admitted cultural eminence of Jews.

Now, why this appalling deficiency in human juices by which 1,985,000,000 mortals regard the frailties and virtues of 15,000,000 mortals as characteristic of their racial group? It is assumed of the 1,985,000,000 gentiles that they have no uniquely characteristic frailties and virtues, but are just run-of-the-mine folks, some of whom are good, some bad, some gifted, some stupid, some healthy and strong, some weak, some prosperous, some poor, some backward, some advanced.

The Jew does naught to make this heterogenous mass of 1,985,000,000 people seek to attain solidarity but the 1,985,000,000 have by their ungallantry, their unsportingness, their lack of sensitiveness and insight, compelled 15,000,000 to seek solidarity in sheer self-protection. This makes for introspection among Jews, it tends to bottle up in them the rich juices of the ages, thus depriving all mankind of the full measure of its inheritance in genius and grace.

It seems that in the relatively friendly social political atmosphere of our country Jews already have shown a tendency to lose their identity and their race consciousness in exact ratio to their personal happiness as citizens and neighbors.

Here where prejudice is ordinarily passive and obscure our instinctive readiness to utter the proper noun "Jew" instead of the common noun "man" nevertheless is a blemish of personality to be deplored, a blemish which should be a reminder of an ever-present malady that once the tone of our social system is lowered may become virulent.

To be sure, the historical circumstances (not nature) which made the Jew a tradesman and a financier have had their subtle influence in distorting the picture of this minority as put on canvas by an unchallenged, untroubled, arrogant, unfeeling majority.

The tragedy of it! Our American children romp together, go to school together, unconscious of any issue between them, as classes. One day a veil descends noiselessly between them. Those who yesterday were just children unaware of the great heritage now are grown, and so are Jews and gentiles, with the exception of a minority in each group.

The Jewish parent sooner or later must face this searching, stabbing question from his child or her child, "Why am I different?"

When that question is raised and answered, that moment the insidious seeds of cynicism are planted in the mind of that child, citizen of the republic, heir to this federation of neighborhood democracies.

The child may be of high birth and gentle rearing, it may even have genius to contribute to the common treasure chest of the race—but one day it must hear from the lips of mother or father that it is in some obscure way "different" * * *.

Gentiles did that!

Now, if in time of common travail for our people such, for example, as we have lately experienced a bestial demagogue should find it in his heart to stir the passions of the foolish and dispossessed against the children of Israel, how could my son and my nephews and my nieces look into the anguished faces of their Jewish comrades next door, as they stiffened their backs to resist the surge of passion rising against the children of a small race that has given civilization so much of its flavor?

Be the explanation of this gentile obtuseness what it may, it is but another contributory factor in the insidious malnutrition of the groping human spirit, a disorder that has handicapped mankind since the beginning of experience and contemplation. Now, if the Nordic gentile's reputation for acuteness, good manners, and chivalry were all that is at stake in his awkward blundering, his insensate assertion of self-righteousness at the cost of happiness in others might be dismissed with a shrug.

Unluckily, however, this is a practical world, in which all our virtues derive from practical need, all our vices consist of disloyalty to practical values. If virtues had no practical value, they would not be virtues; if vices did no practical harm, they would not deserve the stigma attached to them.

If Henry Ford's anti-Semitic aberration had befallen him after October 1929 instead of in the golden age that was the Harding-Coolidge era, when even the poor man's dough was relatively thick and sweet, we might have had a pogrom somewhere in these United States. Impossible? Don't be ridiculous! An American mob is as violent, as cruel, and as blindly unreasoning as the mob of any other country. We have only to stir its passions to the bottom. We mobbed Tories and looted them in the days of the Revolution. We mobbed Copperheads in the North in the sixties; we mobbed Unionists in the South. There were southerners who given the chance would have dismembered Abraham Lincoln. There were northerners who would have hung Jeff Davis to a sour apple tree. Coxey's army would have slaughtered J. P. Morgan. In the black nineties there were Populist fanatics in Kansas, Nebraska, Georgia, and Alabama who at a hint from Tom Watson would have welcomed an opportunity to lynch Grover Cleveland, William McKinley, and Mark Hanna in a row. In the delirium of World War fever even the calmest of us looked with suspicion upon any citizen bearing a Teutonic name and we shrieked ominously at all dissenters against war. Ku Kluxism cut a long and tortuous trail of perfidy and stupidity in the twenties. Luckily for the Jews Ku Kluxism's hate was directed primarily at Roman Catholics, who felt the full force of the stuffed hoods, but Jews, Negroes, and "foreigners" did not by any means escape. At another time, under other conditions, Jews might easily be the chief object of the American mob's hatred. But for the mob's anti-Papal obsession in the early twenties, and but for the people's sense of economic security and well-being, Henry Ford's incredible blunder might have led to physical, economic, and political persecution of Jews unparalleled in the history of American fanaticism.

Had this calamitous depression begun in 1920 I shudder to think what ghastly consequences to our people might have accompanied a crusade of so powerful and popular a man as Henry Ford was at that time. That the amiable, well-meaning Mr. Ford himself would have been appalled and sickened at excesses, physical or political, does not lessen the probability of excesses. In that event the Republic would have been maimed for life. No other helpless minority could ever again have expected peace, security, and the right to pursue happiness.

The American Jew today is fortunate that no Nordic scalawag and demagogue, with the wit and boldness to release a pestilence, has risen to identify in the minds of the dispossessed and the despairing the Jew and the devil as one and the same.

The common sense and patriotism of the majority of the American people would no doubt be equal in the end to repressing such a mob, but not until after irreparable harm had been done. We have to remember that in the twenties a relatively mild form of Ku Kluxism swept like a plague through every State in this Republic.

Put the American mob in rags and feed it on the crumbs that fall from the table of the man who still has an income, convince it that Israel's hosts are at its gate, and it will pick up its flaming torch and march. The war that this mob fought in the early twenties with the Holy Roman Empire would fade into historical insignificance. For man, I regret to report, loves bread more than he loves God.

Chasms between groups in a democracy require more emergency bridges than the citizens of that democracy can afford to build,

more than they are technically capable of building, however affluent, however resourceful they may believe themselves to be. The measure of a democracy's greatness and beauty is in the chasms it has closed by uniting sections of the good earth.

The hardened categories into which social, racial, and religious and political prejudices have forced the peoples of most of the older countries are matters entirely familiar to us. We have been taught to regard them as storm signals.

But if we have been taught the grim lesson, we have not yet learned it well enough. We have learned its rudiments and memorized all the catch phrases, to be sure, but we are plainly deficient in the advanced courses. We seem slow to learn that we gentiles as the indomitable majority are short-sighted and unimaginative. We think we've done enough when we cite the Jew's acknowledged civil rights as evidence of the scope of our democracy. We think we have met our opportunities and obligations if now and then we compliment the Jew for his loving kindness and generous philanthropies. We are willing enough to exploit him everywhere as a valued economic convenience and to salaam before him politically in communities where he is strong. It does not seem to occur to us that we owe it to the thing inside ourselves that makes us proud to do better than that, and so set a wholesome example to the natural haters and potential firebrands that we should know infest every community.

If we are to coax the Jew out of his acquired but inevitable group consciousness and natural sensitiveness, and if we are at the same time to sink the fuel that feeds the leaping flames of passion and prejudice and at last burn down the lovely pillars of civilization, we shall have to purge ourselves.

That striding Colossus, known as the Nordic gentile, must be born again. He must hit the sawdust trail singing, Just As I Am Without One Plea, lest on some dark tomorrow his tongue cleave to his mouth as he stands aghast at the wreckage of precious things all about him.

Construction of Superhighways in Pennsylvania

EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Tuesday, January 17, 1939

EDITORIAL FROM WASHINGTON HERALD OF JANUARY 15, 1939

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a news article from the Washington Herald of January 15, 1939, concerning the construction of superhighways. This article tells of the activities of the Pennsylvania Turnpike Commission, of which Mr. Walter A. Jones is chairman. The P. W. A. has made a grant of $26,100,000 for this work, and the Reconstruction Finance Corporation has loaned $35,000,000. This will be a toll highway. Government engineers are in charge of the project. Mr. Jones informs me that employment may be provided for from 20,000 to 25,000 men, with activities in areas where unemployed coal miners and factory workers will have an opportunity to rehabilitate themselves.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Herald of January 15, 1939]

SUPERROADS PLAN VISIONS RECOVERY—EXPERT WOULD APPLY PENNSYLVANIA THEORY TO CURE NATION'S ILLS

Unemployment virtually ended * * * factories, mines, and mills once more operating at capacity * * * a brighter outlook for labor.

This picture could become a reality—without additional Government spending—if the Nation undertook a vast program of construction of superhighways crisscrossing the country, believes Walter A. Jones, industrialist of Pittsburgh and Washington.

NOT IDLE THEORY

This is not just an idle theory with Mr. Jones. As chairman of the Pennsylvania Turnpike Commission he is at present engaged in making it come true in Pennsylvania, where he is directing construction of a superhighway, 162 miles long, which will connect the State Capitol with the Pittsburgh industrial center.

The new all-weather highway will follow the old roadbed and tunnels of the abandoned South Penn Railroad, which was started as a competitive line with the Pennsylvania Railroad in the 1880's. The project was dropped after an expenditure of $10,000,000.

Mr. Jones' proposal, based on practical experience gained in financing and supervising the huge Pennsylvania project, is simply to apply on a national scale the principles already employed in Pennsylvania.

EMPLOYS 25,000

Construction of this 4-lane divided express route will employ some 25,000 men for a period of 2 years. Hundreds of workers, all employed by private contractors, already are at work on about 30 miles of the highway. Unestimated thousands will be engaged indirectly in furnishing materials and supplies.

"The P. W. A. has estimated that for every man employed on the Pennsylvania project an average of three and one-half men will be employed indirectly," Mr. Jones said. "This means that approximately 112,000 men will be gainfully employed both directly and indirectly in building this highway."

Construction work already has brought mild booms to small towns scattered along the right-of-way. Carlisle, Shippensburg, Somerset, and other communities have been benefited by corps of engineers since district headquarters were established, over a year ago. And now construction gangs have poured into the mountains; and hotels, restaurants, and other businesses are doing a rush business.

NO COST TO STATE

All these jobs and pay rolls are being provided without any cost to the State. Tolls to be collected from users of the highway will be applied to amortization of bonds issued for the cost of building the road. The turnpike commission created by the 1937 legislature to construct, finance, and operate the toll highway borrowed $35,000,000 from the Reconstruction Finance Corporation and obtained an outright grant of $26,000,000 from the Public Works Administration. Bonds paying 3¾ percent interest will be issued to the R. F. C. as security for its loan.

The R. F. C. sold the first issue of $10,000,000 to a New York banking house which has since redistributed the securities to the public. The first block was oversubscribed by $6,000,000.

SOLVE EMPLOYMENT

"Pennsylvania points the way to a practical solution of the Nation's unemployment problem," Mr. Jones said.

"Construction of a national network of superhighways on terms similar to those worked out between our turnpike commission and the R. F. C. and P. W. A. would employ literally millions of men without strain on the Federal Treasury or on the various States.

"Since the Government would actually be lending only its credit, the national debt would not be increased, and since the needed workmen would be hired by private contractors, the W. P. A. and the relief system would be unnecessary.

"I propose creation of a Federal authority with power to cooperate with the various States in financing and constructing a carefully planned system of superhighways to serve the Nation and to put people to work.

FINANCES AND TOLLS

"I propose that this work be financed by the sale of Government-guaranteed bonds, to be amortized over a period of years by tolls low enough to attract the volume of traffic required.

"Several proposals for construction of national highways to relieve unemployment will be introduced in this session of Congress. It is my hope that a system similar to the one I propose will be the one adopted to reduce Government spending and employ private capital.

"This is important not only to meet our pressing immediate problems, but also because there is a direct relation between our national prosperity and the extension of our transportation system."

Mr. Jones roughly estimated that one transcontinental highway, built on a scale comparable to the Pennsylvania Turnpike, would employ nearly 500,000 men directly, and about a million and three-quarters more indirectly. The effect on unemployment by construction of three east-west and three north-south express highways would obviously be multiplied.

MANY BENEFITS

"The boon to employment, both directly involved in construction of the highways and indirectly through the manufacture of materials and equipment, is a strong economic argument in favor of this proposal," Mr. Jones said. "In no sense could this be considered a job of 'made work,' for far-reaching benefits of employment will naturally accrue.

"We have in addition the incentive to industry in the form of this great new market. Turning loose $61,000,000 into the stream of Pennsylvania's economic life will have the same effect as dropping a huge stone into a pool. Its waves will stimulate our entire economic structure.

"There is no question that new business many times over the original expenditure of $61,000,000 will result from the Pennsylvania undertaking. Business will flow all the way from the wages and payments for supplies right on down the line to the butcher, the grocer, the clothing maker, the landlord, and even the tax collector."

MILITARY GAINS

Tremendous military advantages will be gained by a network of superhighways, Mr. Jones pointed out. And foreseeing this important bearing on the Nation's defense program, Mr. Jones already is studying the feasibility of extending the Pennsylvania route, upon its completion in June 1940, an additional 112 miles to the Navy Yard in Philadelphia. This would completely connect the east and west boundaries of the State.

Maj. Gen. E. C. Shannon, commanding the Pennsylvania National Guard, describing difficulties encountered in transporting food and supplies across Pennsylvania during the World War days, said:

"All east-west highway routes through Pennsylvania carried trucks and truck-trains of food, supplies, and war materials from our Midwestern cities to the coast for shipment overseas. All-weather road surfaces were few, and none too good to carry the heavy traffic, particularly during the winter months, and it was only by the untiring and patriotic effort on the part of State highway officials from the highest to the lowest, through long days and nights, that these caravans got through at all."

ABOVE FLOOD LEVELS

Similar demands arise in times of peace as well as in war, General Shannon also pointed out, citing the disastrous floods of 1936, when most of the main highways in Pennsylvania were under water. The Pennsylvania superhighway will be above flood levels for its entire distance.

More safety at greater speed will be possible on the new superhighway in Pennsylvania. Two lanes of travel each for opposing traffic will be separated by a planted strip, eliminating the danger of head-on collisions. Clover-leaf intersections will prevent a cross-flow of traffic. Eight tunnels will obviate the dangerous climbs over the Allegheny Mountains.

Mr. Jones pointed out the climbs involved in a trip over the present routes represent a total vertical height of 13,880 feet. On the new route this total will be only 3,940 feet, a reduction of nearly 10,000 feet.

GRADES REDUCED

The present maximum grades of 9½ percent will be cut to 3 percent and this obviously will greatly curtail the dangers of skidding and other accidents in sleet and snow. Curves will be limited to 6° with a radius of 995 feet.

With higher and safer speed enabled, Mr. Jones estimated that motorists will save at least 2 hours by using the new route between Harrisburg and Pittsburgh. Truckers will average a saving in time equivalent to one round trip weekly.

Tolls to be collected will range from $1.50 for passenger cars to $8 for trucks using the entire road one way, with a reduction for round trips.

"The financing of the Pennsylvania project was made possible by the vision of President Roosevelt and the cooperation of Secretary of the Interior Ickes and Chairman Jesse Jones, of the R. F. C., all of whom believe in its necessity," Mr. Jones said.

Direct Buying at Private Stockyards

EXTENSION OF REMARKS
OF
HON. ARTHUR CAPPER
OF KANSAS
IN THE SENATE OF THE UNITED STATES
Tuesday, January 17, 1939

LETTER FROM D. M. HILDEBRAND

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a letter from D. M. Hildebrand, of Seward, Nebr., president of the United States Live Stock Association, to the editor of the Omaha World-Herald, calling attention again to the destructive market effects of direct buying at private stockyards not subject to Federal regulation, as are the public markets.

I desire to call attention particularly to the following statements in Mr. Hildebrand's letter:

During the first 10 months of 1938 the average actual cost to the packers per 100 pounds of hogs was 21.2 percent less than for the same period in 1937, despite the fact that total imports of hog products were 32.7 percent less during this period; and exports of hog products, exclusive of lard, increased 58.8 percent, while lard exports increased 76.1 percent.

Mr. Hildebrand also states that increases in hog buying at the public markets have been very slight compared to purchases at private yards.

I express the hope that this session of Congress will enact legislation to bring these private yards under regulation, as the public markets are, for the protection of the hog raisers of the United States.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DECEMBER 31, 1938.

EDITOR WORLD-HERALD,
Omaha, Nebr.

DEAR SIR: A member of our association has directed my attention to an item which appeared in your column, As the Public Pulse Beats, Tuesday, November 22, 1938, over the signature of Mr. Wesley Hardenberg, department of public relations and trade, Institute of American Meat Packers.

Mr. Hardenberg, apparently speaking for the Institute of American Meat Packers, endeavored to justify recent downward trends in hog prices, pointing out that Department of Agriculture quotations were about 13 percent lower than those of a year ago. He contended that hog prices follow the trend of wholesale meat prices, which had also declined, according to his statement, due to greatly reduced consumer buying power and because of a steady increase in the number of hogs marketed.

While Department of Agriculture statistics do show an increase of 14½ percent in the total number of hogs slaughtered under Federal inspection during the first 10 months of 1938 as compared to the same period in 1937, it should be noted that for the first 10 months of 1938 the average actual cost to packers for 100 pounds of hogs purchased was 21.2 percent less than for the same period in 1937, despite the fact that carcass dressing yields were better in 1938 by about one-half of 1 percent.

Prices of slaughter hogs are based on public market quotations, so that consideration should also be given the fact that during October 1938 packers, according to Department of Agriculture figures, materially increased the volume of their direct purchases of hogs in the country ahead of public price-determining markets, increasing in parallel degree the extent of price control which could be exerted through direct buying operations.

In other words, the total increase in the number of hogs purchased by packers during October 1938 over the same month in 1937 was out of all proportion to the comparatively small increase in the number of hogs purchased at public markets during that month. The figures show that federally inspected slaughter of hogs for October 1938 increased over October 1937 by 593,000 head, while the increase of purchases of hogs at public markets as between the same months amounted to only 126,000 head.

Mr. Hardenberg refers to greatly reduced buying power, but the December issue of the Agricultural Situation, published by the Department of Agriculture, shows only a 7-point decline in national income index numbers for October 1937 as compared to October 1938. Moreover, Mr. Hardenberg fails to mention the fact that total imports of pork products for the first 10 months of 1938 were 32.7 percent less than for the same period in 1937, while at the same time total exports of pork products, exclusive of lard, increased 58.8 percent, with lard exports alone showing an increase of 76.1 percent.

Since packers have consistently refused to grant the Secretary of Agriculture right of access to their records showing prices received for their meat and animal products, livestock growers and feeders have no alternative but to accept, at face value, Mr. Hardenberg's statement, unsupported by official statistics, that 75 percent of the wholesale meat dollar is paid the livestock producer for his meat animals.

Nevertheless, hog producers will continue to question that they are receiving their fair share of the consumer's meat dollar, so long as they know that in 1916 the processing and distribution margin between the average price of hogs at Chicago and the United States average price of pork chops amounted to 13.1 cents per pound, and that in 1937 the margin had been widened to 26.3 cents per pound, or just double the average margin for 1916.

Hog producers should, insofar as possible, be given all the facts.

Yours very truly,

D. M. HILDEBRAND,
President, United States Live Stock Association.

Inaugural Address

EXTENSION OF REMARKS
OF
HON. GEORGE M. GRANT
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, January 18, 1939

INAUGURAL ADDRESS OF HON. FRANK M. DIXON, GOVERNOR OF ALABAMA, MONTGOMERY, ALA., JANUARY 16, 1939

Mr. GRANT of Alabama. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following inaugural address of Hon. Frank M. Dixon, Governor of Alabama, delivered at Montgomery, Ala., on January 16:

To me as I stand facing this great throng of my friends on this my inaugural day there comes, more definitely than any other, the realization of a tremendous responsibility. The satisfaction of a long and hard fight won, of course, is there. But

I find that satisfaction secondary, unimportant, as compared to that other feeling. For as your Governor, I follow a long line of able men, representative of the best there is in our people, and the heritage left to me is one of duty done.

My obligations are to all of our people, not to any class or group or creed. To none more than to any other is this inaugural due. The rich and the poor, employer and employee, those who live on our farms and the dwellers in our cities, all can come with the assurance that there shall be no preference or favoritism shown, and the doors of the Governor's office will swing as wide open to the humble toiler as to those who sit in the seats of the mighty. For even had there been any other thought in the mind of anyone, any thought of any obligation owed to this or that group for political help, that thought must disappear in the face of the overwhelming vote by which our people, from every walk of life, chose me as their Governor.

The problems which face us are many and varied.

In the operation of our State none of us wants to go backward. None of us wants our schools to be closed, our roads to remain unpaved, our welfare work to cease, our essential governmental services to our people to falter for lack of funds. All of us are willing to pay, and pay until it hurts, for a modern State and all that that term means to a people. For we are proud of this great State of ours, proud of its heritage, proud of the banners our people have carried in peace and in war, and we want it always to face the rising sun.

ENLIGHTENED, KINDLY, TOLERANT

We want always for the world to think of us as enlightened people, sensitive, kindly, and tolerant; to think of our State as one in which humanitarian principles are placed first in the category of things, in which there is a deep-seated recognition that we who live today are trustees of an inheritance given to us by our fathers, temporarily ours, to be passed by us unsullied to our sons and daughters. We want our State to be known as one giving to its citizens all that we can of those governmental services essential in the modern relationship of a forward-looking State to its people. This we are in large measure doing today.

But our people are paying heavily out of their meager resources for these services. They have the right to demand that their hard-earned money shall be carefully spent, that their Government be efficiently run, that for each dollar spent there shall be a dollar's return in benefits to them. The load of taxation, whatever form that load may take, whether income, license, sales, or any other taxes, rests in the last analysis on the shoulders of the poor, and in a State with low per capita wealth, by the very nature of things, the obligation to conserve the resources of the people is rendered more binding, the trust more sacred. The resources available must be wisely, efficiently used. It shall be my aim to see that this is done. To that end I shall propose certain changes in governmental forms, a modernization of our machinery, not with the idea of change alone, not with the purpose or effect of uprooting the good things of the past, but with intent to recognize the growing burden of taxation and to render the utmost of return for the taxes asked and received.

Our problem is not only State-wide. Since 1865 there have been burdens unfairly placed upon the Southern States. The discrimination of the tariff is well known, with its failure to protect our products of farm and factory. We have been taxed for many years to pay the pensions of the soldiers who defeated us. The system of freight-rate discrimination, which has received the able attention of our retiring Governor, was installed and has operated to prevent the economic expansion and prosperity of our region. Now we face the operation of a wages and hours bill which, if it be unfairly administered, can destroy our industries. All who have studied the problem of the welfare of our people recognize a primary necessity of bringing industry to our State, thereby achieving a better-balanced economy, increasing our taxable wealth, lessening our tax load, increasing the income of the citizens of our State. Prevention of the coming of industry to Alabama, possibly under the present law, presents a danger comparable to reconstruction, a danger of which we must always be keenly aware.

EYES ON WASHINGTON

It is necessary, if we are to prosper, not only to attend to our local affairs but to keep our eyes firmly fixed on Washington.

Where can we be effective? Only in the National Democratic Convention. Once the party has chosen its nominee, we in Alabama must follow its lead. How can we be effective in the convention? Only by acting in combination and in concert with other Southern States. Divided we fall, as divided we fell when the two-thirds rule was abolished. A united stand would have prevented that disaster. But what is done is done. By a united stand we can in the days to come be heard in the councils of the Nation, and only in that way can we remove those economic barriers to the prosperity of our people. And I am speaking of what will be in 1940; of the future, not of the past; of the quick, not of the dead, and I am drawing lessons from the past solely to chart our course in the days to come.

Much work has already been done toward bringing about a concert of action by Southern States in defense of the South. We must prevent any division. We must commit ourselves to no candidate in advance, since then we would be powerless to help in the fight. And if in this we stand in the way of any man ambitious for his own advancement, then he must yield to the common good. For the future of the people of Alabama is of infinitely more importance than that of any man.

A great and good man stood in this place in 1861, in this fine old southern city, and took his oath of office as leader of the Confederacy. Our people, yours and mine, followed him through years of struggle and sacrifice, through a bitter and hopeless war. In him there came to be personified the hopes of a great people. That lost, and we, their children, are still paying the bill for this defeat.

ALL THAT WE ASK

Today we have no thought of anything save playing our part, loyally, within the structure of these United States. We represent a generation blooded in the fields of France in the armies of our country. All that we ask, all that we demand, is that there be a cessation of unfair attacks upon us—that we be allowed to live and to prosper in the degree allotted to us by a beneficent Providence, without the artificial barriers placed in our way by partisan politics or sectional interests.

Why should I interest myself in this and consider it of sufficient importance to record in this address? As your Governor I can do much to help in bringing our own house in order. But if I can be of help in removing these discriminations against us which have kept our people poor these many years, I will be contributing to a cause even more effective for our ultimate prosperity than can come from any administration of the affairs of our State. Remove the load we unfairly carry and I will guarantee prosperity to Alabama.

Alabama is going forward. God has been good to us. He has blessed us with these great rivers, with an abundant rainfall, with fertile lands, with a long growing season, with a great mineral wealth, with homogenous people, with the tools out of which can be forged every element of a worth-while life.

Industry seeks to come. We welcome it, since it will give us the balanced agriculture and industry with which our wealth will increase. Industry now here seeks to prosper; it shall be given every fair encouragement. Our rural schools for the first time in our history are running their full 7-month terms without further debt; we will increase that term. Our wildlife and valuable timber resources will be conserved. Insofar as we are able we will increase our help to the unfortunate. The road-building program will continue. All of those varied activities of our Government which mean services to our people will continue, strengthened. The planned development of our State, materially as well as spiritually, will go on, to the end that this wonderful heritage temporarily entrusted to us shall be accounted for tenfold to our children.

In the administration of the affairs of a State there can be no meeting of minds and agreements on all points. Men and women are human with minds of their own, with hopes and ambitions and convictions the result of the thought and environment of a lifetime. In all that I do or try to do there will be the purpose to serve our people—from you, my friends and neighbors, I ask an objective point of view. Where we disagree let it be in friendliness; where we agree let us unite with redoubled vigor, gird up our loins, and follow with singleness of purpose the straight road into the future, making the good of our people the pillar of cloud by day and of fire by night to guide us out of the wilderness into happiness and peace.

The Proposed Puget Sound, Grays Harbor, Willapa Harbor, and Columbia River Canal

REMARKS

OF

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 18, 1939

ARTICLE PREPARED BY THE PACIFIC NORTHWEST WATERWAYS ASSOCIATION

Mr. SMITH of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert an article prepared by the Pacific Northwest Waterways Association describing the merits of the proposed canal connecting Puget Sound, Grays Harbor, Willapa Harbor, and the Columbia River.

The article is as follows:

A DIGEST OF FACTS CONCERNING THE PROPOSED CANALS CONNECTING PUGET SOUND, GRAYS HARBOR, WILLAPA HARBOR, AND THE COLUMBIA RIVER—A PROJECT OF VITAL IMPORTANCE IN THE INTEREST OF COMMERCE, INDUSTRY, AND NATIONAL DEFENSE

FOREWORD

(By Rear Admiral Luther E. Gregory, C. E. C., U. S. Navy (retired))

The proposal to connect Puget Sound with the Columbia River by ship canal is not a new idea. This was first proposed by Jefferson Davis, while Secretary of War, about 1856. It was suggested as a military measure, as well as an aid to commerce.

From time to time the proposal has been revived, only to be pushed aside, as the magnitude seemed to be too great as compared with the needs of commerce. Until this year no real study has been made of the project. Some calamity was required to bring it to the fore. That has come in the form of serious unemployment and therefore extreme losses in the industry of the southwest part of the State of Washington.

That action was necessary is indicated by the passage of the canal act by the 1933 session of the legislature of the State. A commission was appointed to study the economic feasibility of these canals. It submitted a favorable report on June 7, 1933. The Governor of the State, the Honorable Clarence D. Martin, approved this report July 6, 1933. It has at the present time, therefore, the status of an approved project to be constructed as soon as the financial arrangements can be made.

This waterway is a necessity if Washington is to regain her prestige as the principal source of timber and timber products for the United States. Other resources will continue to be locked up until a cheaper method of transportation is provided than is now available.

Read the important message conveyed in this article and give it serious thought.

LOCATION AND ROUTE OF THE WATERWAY

There are three sections, as follows:

Puget Sound to Grays Harbor Canal: Leaving Puget Sound at Olympia by way of Budd Inlet, thence by way of Percival Creek through Black Lake, Black River Valley to the junction of Black River and the Chehalis River, thence down the Chehalis River Valley into Grays Harbor. Length about 50 miles.

Grays Harbor to Willapa Harbor: Leaving the channel of Grays Harbor at South Bay, passing in a general southerly direction close to the foot of the bluffs, and on the westerly side thereof, for a distance of about 9 miles, entering Willapa Harbor on the northerly side of the Tokeland Peninsula.

Willapa Harbor to Columbia River: Leaving Willapa Harbor near Bakers Slough, thence in a general southerly direction along the easterly edge of the bogland and close to the foot of the bluffs for about 5 miles, thence in a general southeasterly direction, entering tide water at the northerly end of Bakers Bay.

The routes and locations were surveyed and determined by the Canal Commission of the State of Washington.

SIZE OF CANALS

The commission recommends the construction of a lock canal from Puget Sound at Olympia to Grays Harbor with locks of not less than 60 feet by 600 feet; a depth of 14 feet over upper miter sills, and having a total lift of approximately 90 feet above mean sea level; minimum bottom width of canal section to be not less than 90 feet for light-draft seagoing ships and capable of future enlargement as tonnage develops.

The Grays Harbor to Willapa Harbor and to the Columbia River Canals are recommended on a sea-level basis, with a minimum bottom width of 120 feet for light-draft seagoing ships drawing 13 feet in salt water and capable of future development as tonnage increases.

FAVORED BY UNITED STATES ARMY ENGINEERS

The Corps of Engineers for rivers and harbors in their report to Congress recommending 1,600 projects, totaling an estimated cost of $8,000,000,000, have included this canal project as meritorious.

COST OF CANAL

Careful calculations of various factors to be considered, with full allowance for the requirements of the act creating the canal commission, which declared its purpose to provide the greatest amount of individual employment, results in an estimate of $33,921,638 as the cost of the entire project.

ESTIMATED REVENUE

Studies made by the canal commission indicate a present and prospective annual revenue from tolls for the two coastal canals of $464,000 with a reasonable forecast of increased tolls to $682,000 within a period of 10 years. For the Puget Sound to Grays Harbor Canal the immediate prospective toll would be $1,585,000 with a reasonable increase to $2,560,000 within 10 years.

METHODS OF FINANCING PROJECT

By terms of the legislative act creating the canal commission the waterways cannot be paid for from State funds.

It is the purpose of the sponsors of the canal project to have it adopted as a Federal project and paid for by direct Federal grants of money. It is the policy of the Federal Government to assume the entire cost of waterways as development work necessary for national welfare and defense. All waterways are now owned, operated, and maintained by the Federal Government.

Revenues to be derived from tolls (as mentioned above) should in time pay the entire cost of the waterway project. These revenues will accrue to the National Government, as it is the purpose of the association to have the Federal Government take over the entire project from start to finish.

The law of the State forbids any tax levy. There can be no cost to the taxpayers of the State for this construction program; yet the benefits to be derived will be theirs directly.

BASIC PURPOSE OF THE WATERWAY

To connect the inland waterways of Puget Sound and northern waters of Alaska to the inland waterways of the Columbia and Snake Rivers. The present barrier to inland waterway communication from the Snake River to Juneau is the natural obstacle the canals would remove, creating the greatest inland waterway in the world.

BENEFITS ASSURED BY THE PROJECT

Construction of the waterway as outlined will provide at once the greatest amount of diversified employment, especially for skilled craftsmen, offered by any project now before the Federal Government, excepting possibly the Tennessee Valley operation.

There will be about 60 miles of extended and correlated workings, exclusive of dredging, which will offer a job for every type of workman.

A brief outline of the tasks provided would be about as follows:

Concrete locks would employ about 2,000 concrete workers, laborers, carpenters, steel workers, hoist and pump engineers, and allied craftsmen.

Spillway construction, mostly concrete masonry, would employ an equal number of the same type of workers.

Excavation would employ large numbers of ordinary labor and men who live by the various types of water-front activity—tugboat and launch men, riggers, loggers, swampers, pipe handlers, firemen, ship carpenters, and deck hands.

Simultaneously several thousand men would be employed in clearing rights-of-way, building temporary roads, crossings, and relocating logging roads, and preparing piling and cribbing of many kinds. The formation of canal berm and the subgrading for roadways along the canal would employ many teams and tractors. The bridges to be erected constitute a major operation, employing at least another 2,000 men. A vast amount of hand labor would be used in the riprapping and protective work on the canal banks. Supplementary road building would utilize the labor of many hundreds of men.

In addition, as many more men would be indirectly employed in industries supplying steel and concrete, lumber and machinery, and other materials and equipment needed in the canal project, it is not exaggerating to say some 20,000 men would be given work, directly and indirectly, during the period of construction.

Northwest farmers would benefit directly by the project, for requirements of foodstuffs for the multitude of persons working on the project would stimulate the demand for eggs, butter, meats, flour, and produce. Clothing supplies, medical and personal needs of the workers would also be supplied by Northwest firms in large amounts.

Supervision and direction of all these workers would absorb large numbers of technically trained persons now unemployed.

It is evident that unemployment continues to be a menace to society's welfare. This project is so located near to centers of population that many men could work on it and still be home part of the time, their homes undisturbed, and their families intact. Simple camp accommodations will be sufficient for men at work. This project is needed to relieve unemployment; the country needs the completed canal to join two great waterways. The money paid out in wages will go into circulation rapidly, stimulating trade and industry in the Northwest.

PROTECTION FOR LIGHT-DRAFT VESSELS

There are about 30,000 craft of various classifications registered at ports along the Northwest waters—Puget Sound, Grays Harbor, Willapa Harbor, and the Columbia River.

There are more than 10,000 fishing vessels, many tugs and barges, light-draft cargo vessels, and thousands of pleasure craft which will use the waterways for business and pleasure. In time of bad weather the fishing fleets will find a safe passage through the canals.

NAVAL AND MILITARY USES

The naval forces at the Puget Sound base are at present limited to the Straits of Juan de Fuca for ingress and egress. The proposed waterway would permit more than half the commissioned vessels of the Navy to enter and depart by the canal, declares Rear Admiral Gregory, who also says that the two lower canals would accommodate three-fourths of the registered ships of the Navy with the tide at mean sea level.

Plans are completed for a submarine base located on the Columbia River. The sea-level canals would allow the submarines to operate from that base through either Grays Harbor, Willapa Harbor, and Puget Sound, in addition to the Columbia River entrance, and come to the relief or support of any naval unit engaged in battle at the straits. Vessels moving from Puget Sound would have three other exits into the ocean if the canals were constructed. The navy yard at Bremerton is becoming a principal base for construction of cruisers, destroyers, and such craft, and for fleet repairs. The proposed waterways would enhance its value to the Nation.

One of the largest military bases on the west coast, Fort Lewis, is being developed as a principal center of military concentration. The safe and rapid transport and transfer of heavy ordnance and munitions between defensive points along the coast is now impeded by highway bridges of light capacity and highways which are inadequate.

The Boeing airplane factory at Seattle, one of the largest such plants in the country, produces large numbers of fighting ships for the Government. This industry deserves the extra protection a canal would give.

At Dupont is situated one of the largest powder plants in the country, and Hogum Bay, near Olympia, is a storage plant of the Giant Powder Co. These industries will provide huge war supplies in case of conflict, supplies which can best be moved by

water transportation. With the canal completed, transportation would be facilitated.

The cost of one battleship would build the canal, and in the time of national danger the existence of the new waterway might easily be worth a fleet of battleships in its strategic value.

COMMERCIAL ADVANTAGES OF THE WATERWAY

Effect on tariffs and transportation was developed before Colonel Sturdevant, United States district engineer, when it was shown that for a 20-mile haul by rail the cost per thousand feet of logs is from $2.50 to $3, depending on weight. The same haul by water would be from 30 to 75 cents. Comparative tariffs on general freight would show similar contrasts. With an annual package and merchandise movement of 450,000 to 500,000 tons flowing between Columbia River and Puget Sound points, the readjustment of tariffs would result in a big saving to shippers.

Prospective traffic through the waterway will be greatly increased as the opportunities of water shipment increase. Vast undeveloped natural resources of adjacent regions will be developable with cheap water transportation available. Known deposits of manganese, iron ore, and phosphates in the Olympic Peninsula, coal regions all along western Washington, logging, lumbering, fishing, and similar activities now existing will all respond to a cheapening of transportation when the waterway is completed.

It is proper to assume that limestone, coal, fuel, ores of all kinds, fish and fishing vessels, sand, gravel, and cement, pulpwood, pulp, and paper, logs in rafts and on barges, sulphur, phosphates, and acids, pleasure craft, tugs, scows, and mixed-cargo vessels will use the new waterway as an inside passage in preference to the outside route. For many products present high transportation rates prevent development and exploitation.

Grain transportation from the interior to the coast by way of the Snake and Columbia Rivers, along the new waterway to Columbia River and Puget Sound ports, will be increased as the waterways are improved. The records show 3½ million tons of grain moved from the inland basin territory of Oregon, Washington, and Idaho to the coast in the 10-year period just closed. In the opposite direction would move a continuous flow of coal and other fuel, seacoast products and commodities, and imported goods to Oregon, Washington, Idaho, and Montana at greatly adjusted and cheaper transportation rates.

Canadian Government subsidized carriers are helping to build a great port at Vancouver, B. C., through cheapening transportation of grain and other products from the interior to the coast. Anything that can be done to remove obstacles to transportation and commerce between United States cities will iron out inequalities between cities and sections and will bring growth and prosperity to west-coast cities of the United States.

The use of any improvements for navigation in the Columbia Basin will be denied full value until the obstructions between the Columbia and Puget Sound are overcome. With the proposed canals built, and not before, will the waterway from the inland empire to Alaska function as a whole.

Improvements on the Columbia are going forward, through construction of the Bonneville and Grand Coulee Dams. The proposed canals are the connecting link between the Columbia and Puget Sound, necessary for the movement by water transportation of products from the inland empire to Northwest cities.

Log and timber movements will be facilitated. Logging is increasing in cost, due to limited and controlled logging roads. In addition to merchantable timber there are vast stands of pulpwood timber around Grays Harbor and Willapa Harbor, with pulp mills operating to both the north and south. The canal would make interchange of logs and pulpwood easy and cheap. Logs from this area could move to Puget Sound and Columbia points cheaply, without the danger of towing by sea or costly rail shipment. The canals will provide the needed safe and cheap means of transportation of these raw products to mills.

Coal and iron deposits would be developed with the waterway furnishing cheap transportation. The only hard-coal deposits in the Northwest which compare with eastern anthracite are found easterly of Bellingham. The gas coals of Washington are being used all along the coast. The coking coals produce the highest percent of coke per ton of coal for any State in the Union. If these fuels are to be made available, along with high-grade soft coal of the Bellingham and Seattle territories, cheap transportation must be provided. The proposed waterway is the answer to this need.

Industrial development will follow the construction of the canal. The Bonneville and Grand Coulee power dams will furnish an abundance of electrical energy at low rates for industrial uses. Raw materials in abundance are to be found in the area reached by the waterway. Where cheap transportation and raw materials abound and cheap power is available, industry develops. It is no dream to say that in the immediate future, with the canal connecting Alaska and the Inland Empire, the development of multiple industries in this area will be certain.

THE CHALLENGE OF TODAY

No more opportune time for construction of this waterway could be found. The Nation is spending billions to provide work for unemployed, to wipe out hardship and privation, and to prevent starvation.

There is no question of the economic need, no question of the vital part the waterway would play in Pacific Northwest development. Capable engineers have found the project feasible. As a work-making project it is unequaled in the Northwest, for actual construction would be started in a few weeks and thousands could be given jobs almost at once.

The progressive development of the Northwest demands the canal. Industrial centers now established, and other certain to spring up in the territory when the waterway is completed, will furnish work for thousands, markets for vast quantities of products, and bring renewed life to west-coast activities.

The canal can and will be built if sufficient enthusiasm is raised in State and National circles to overcome the inertia that hampers every great project. Action in Congress is the prime need to bring the canal into being. Congressmen and Senators are sensitive to public demands. A concerted demand for the canal made upon the congressional representatives of this State by all canal supporters cannot but have its effect.

The clarion call of opportunity is sounding, calling men to action. The future of the Pacific Northwest sways in the balance. With the waterway removing natural barriers to free and easy movement of trade, there must come more prosperous days. The objective is worthy the steel of fighting men—the spirit of the pioneer stirs in answer. The Northwest wants and will have this connecting link in its great inland waterways.

Harry L. Hopkins

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 18, 1939

ARTICLE BY HEYWOOD BROUN IN WASHINGTON DAILY NEWS

Mr. VOORHIS of California. Mr. Speaker, under leave to extend my remarks, I am pleased to include what seems to me a most timely comment by Columnist Heywood Broun concerning the recent appointment by the President of Mr. Harry Hopkins to the position of Secretary of Commerce. It is one of the fairest and most intelligent comments concerning Mr. Hopkins that I have seen.

[Washington Daily News]

IT SEEMS TO ME

(By Heywood Broun)

It is my hope that Harry Hopkins will increasingly become better known to the American public, now that he has been made a member of President Roosevelt's Cabinet. It seems to me that Mr. Hopkins is one of the most useful and able young men who have come into governmental leadership in some time.

Curiously enough his capacities are not widely known. Hopkins is far from being a recluse. He is and will continue to be good newspaper copy. But this very fact has tended to obscure the salient factors in his mental and emotional equipment. For instance, a good many columns have been written about the fact that Harry Hopkins likes to go to race tracks and make a mild and timid wager in an effort to knock down the favorite. I have written two or three of those light essays myself. My intention was friendly, because I have an enormous admiration for Hopkins.

But, in collaboration with other columnists, I realize now that this sort of stuff has been somewhat punishing. The picture of Harry Hopkins, the regular guy, has thrown a shadow across the more important picture of a zealous liberal who is a tireless worker. Not by any stretch of the imagination could Hopkins be called a radical. He is not dedicated to revolutionary changes in the political and economic structure of America. I assume that there may be opposition to his appointment on the ground that he is one of the Washington wild men.

As a matter of fact, this particular group has no existence save in the mind of conservative and highly imaginative newspaper commentators. Nor is there any support at all for the rumor that Harry Hopkins has done a persuasive and subtle job in leading Franklin D. Roosevelt to the left.

The story has gone the rounds that Harry is allied with Thomas Corcoran and Benjamin Cohen in an effort to change the Democratic Party overnight into a Socialist regime. Nothing could be more silly. Roosevelt, right or wrong, has run his own show from the beginning. He has listened to many counselors and heeded the advice of a few, but on the whole the major trends and decisions of the New Deal have been in line with his own thought and policy.

Indeed, I would venture the guess that Franklin D. Roosevelt has been on all important issues slightly more radical than any of his advisers, with the possible exception of Eleanor Roosevelt. The Nation has been told by now that the President takes scrambled eggs instead of "grilled millionaire" for breakfast. The tasty side dish which the Chief Executive eschews will not be placed on the

platter of Harry Hopkins, now that he has become the Secretary of Commerce. Businessmen will not be bitten by the new member of the Cabinet.

It is my notion that Harry Hopkins is not going to truckle to anybody, but he is a good listener and an understanding person. He is sincere and forthright. Among public speakers I would rank him high, because he speaks with deep feeling and utter simplicity. He will carry no lugs with him into the Cabinet. Harry is a reformer. The tag "social service worker" still clings to him, but he is one of the least ministerial persons against whom this phrase has been ever flung.

His devotion to American democracy is complete and uncompromised by any reservations. To sum it all up, a strong, able, and progressive person comes into the President's official family. Those who don't appreciate Hopkins yet will learn to do so rapidly.

It has always been my feeling that newspapermen are keen in being able to differentiate between the regulars and the phonies in public life. I know that Hopkins is universally respected by the Washington correspondents. And, speaking as a New York newspaperman, I am delighted that the Cabinet gets a recruit who knows a story when he sees one and will come out freely and candidly on any issue which is brought before him.

And so, saving the cost of stamps or telegraph tolls, I'd like to say to Secretary Hopkins, "Merry Christmas, Harry!"

Southern Problems

EXTENSION OF REMARKS

OF

HON. STEPHEN PACE

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 18, 1939

RECOMMENDATIONS OF GROUP OF CITIZENS FROM SEVERAL SOUTHERN STATES

Mr. PACE. Mr. Speaker, last week there was a meeting in Atlanta, Ga., of a group of interested citizens of the South from several different Southern States, including representatives of capital, labor, the press, and other interests.

I invite the attention of every Member of Congress to their recommendations and trust the same will receive sympathetic consideration, as follows:

As a group of southerners representing varied interests and areas, we have studied the report to the President of the United States by the National Emergency Council concerning the South. Whatever our reactions may be, we must accept that report, drawn by southerners, as an essentially true diagnosis of economic conditions in this area. Our effort in this meeting has been to try to determine some of the steps that may be taken by both Federal and State Governments looking toward a remedy.

All of us feel that since our conditions are products of a long-existent economy, remedial action will require a relatively long period of time. Consequently, we have approved the projection of a council of southern regional development, which we hope will become an active, well-staffed, well-financed agency coordinating the work that is being done by a number of agencies already in existence in the South. The council will devote itself to long-range planning for the South.

But there are immediate objectives which should be sought—objectives which lie within the spheres of Federal and State action. In addressing the Federal Government the South is not in the position of a mendicant; she asks nothing to which she is not entitled; she asks nothing which is not for the ultimate national good. But so much of her economy is the result of national policy that the remedy must largely lie in the national treatment of fundamentals which underlie her economy.

AMERICAN TARIFF POLICY ASSAILED

Failure to adopt a national policy looking toward reconstruction of the Southern States and the rehabilitation of almost half her population after the War between the States fastened upon her the one-crop system, the share-cropper system, and the credit "furnishing" system, all of which have proved, for three generations, an unmitigated evil, producing agricultural insecurity, low wages, and poverty and all their attendant evils, such as illiteracy, physical deterioration, and economic waste.

The policy of the National Government in levying tariffs has inevitably meant that the industrial sections of the country drained off the capital and reserves of the agricultural sections. Only twice prior to the reciprocal agreement efforts of Secretary Hull have tariffs been lowered; whether the cotton farmer got 5 cents a pound or 25 cents a pound for his cotton he bought his goods in a protected domestic market and paid for them with the proceeds of sales in an unprotected world market.

BECOMES FEEDER OF RAW PRODUCTS

The policy of the National Government in permitting the development of the regionalized freight-rate structure meant inevitably that the South could not become much more than a feeder of raw products to the manufacturing areas. Because of freight differentials approved by the Interstate Commerce Commission we are unable to build an industrial economy comparable in any respect to the favored areas of the country, although we possess, according to the National Emergency Council, more natural resources than any other region. We must continue to ship our raw products out, have them manufactured elsewhere, buy them back as finished products, and pay the freight bills both ways.

These things are all directly instrumental in national policy. The harvest of these policies and of our own shortcomings may be found in the eroded lands of the South; in the dispossessed tenantry; in a people who have too high a percentage of pellagra, malaria, hookworm, and other such diseases; in homes, more than half of which are below decent living standards; in inadequate grade schools and no adequate provision for institutions of higher learning; in the lowest percentage of home and land ownership in the country, and in the lowest per capita incomes in the country. It is perfectly true that the South has failed to legislate adequately in economic fields, but it is also true that the Nation's treatment of the South has been that generally accorded colonial possessions. The South does not ask a preferred status; what it asks is equality of opportunity within the Union. There are things which we must do through our own initiative and our own legislatures, but there are measures which we have a perfect right to ask the Federal Government to continue and others which should be initiated to repair the ravages of national policy and to achieve the ends of democracy. We herewith set some of them down:

RURAL HOUSING IN SOUTH URGED

1. The southern agricultural situation is not the product of immediate depression; it requires a program of long-term revision rather than temporary relief. We therefore urge continued expansion of the rehabilitation work of the Farm Security Administration to place farmers in the lowest income group on the agricultural ladder, and to provide the authorized appropriations for the Bankhead-Jones Farm Tenant Act to offer further opportunities to farmers of more advanced qualifications. Basic to the success of both of these efforts is a general program of soil restoration, which should include land purchase for forestation, for resettlement, and other uses.

While recognizing the importance of the continuance of our urban housing program, we wish to emphasize the urgent needs of rural housing in the South. Rural rehousing should be separated from urban, with equivalent appropriations provided. We recommend relating the agricultural rehousing effort to the farm-planning activities connected with the agricultural programs.

ADEQUATE PRICE STRUCTURE VITAL

We recognize that the success of both the rehabilitation and of the tenant purchase programs depends on the maintenance of an adequate agricultural price structure.

2. The problem of public health is acute in the South. Malaria alone affects 2,000,000 southern people annually, causing an economic loss estimated at $500,000,000 a year and a reduction by one-third of the industrial output of the region. Hookworm, pellagra, syphilis, and tuberculosis alone take a heavy toll, all closely associated with a low standard of living.

Considering that the tremendous financial loss caused by disease justifies the expenditure of money for widespread preventive work and medical care, we endorse the program of the National Health Conference in its provisions for Federal cooperation with States and counties to extend medical and public-health activities, and we believe that special consideration should be given to rural areas high in medical needs but low in financial resources.

EQUAL CHANCES FOR EDUCATION

3. Following the plan adopted by several States in appropriating funds to provide more nearly equal educational opportunities for the children in their several counties, we recommend that the Federal Government make appropriations that will make possible the equalization of educational opportunities in the several States of the Union. The principles governing the appropriation of these funds should be equitable distribution between the races and democratic distribution among the States according to the economic ability of the States and the number of children per adult population, with State control over administration and curriculum.

A few facts will demonstrate the need for this action. In 1930 the farm people of the United States received 9 percent of the Nation's income and supported 31 percent of the Nation's children.

The average wealth per school child in the United States is $10,200, while the average wealth per school child for the Southern States is $4,000. The average annual income per school child in the United States is $2,171, whereas in the Southern States it is $872.

SOUTH PAYS HIGHER PROPORTION

Despite the fact that the Southern States pay a higher proportionate part of their incomes for education than the Nation as a whole, the average annual expenditure per pupil in daily attendance in the South is $25.11 as against $74.30 for the United States as a whole. Southeastern farm people with approximately 4,250,000 children received 2 percent of the national income, while northeastern nonfarm people with approximately 8,500,000 children received 42 percent of the national income. While these facts illustrate

the educational condition of the South, it should be remembered that this situation constitutes a national problem. An economic social and cultural lag in any part of the country is an economic social and cultural menace to all parts of the country.

Forty percent of the young people 10 to 20 years old on farms in 1920 were in cities in 1930, and 60 percent of this net migration was from southern rural areas. The equality of the education in these rural areas is therefore a matter of vital concern to the industries, the cities, and the people of the whole country.

FEDERAL GOVERNMENT ONLY CAN HELP

The Federal Government is the only agency which can redress this economic and educational imbalance between the metropolitan areas of the greatest concentration of wealth and rural areas of the greatest concentration of children in relation to adult population. Since all sections, all resources, and all the people combine to produce the wealth concentrated in the great centers, and since all the people as consumers help pay the taxes on this wealth, it is just that a small part of the income from this wealth should go back to the States whence it came, as Federal aid to education, for it is in the poorest States that is found the largest proportion of children whose equality and quality of education will determine the future of democracy in America.

4. We believe in the rights of labor as guaranteed by the legislative and administrative program of the Federal Government in recent years, and we favor the continued application of the fundamental principles on which the program is based. We believe that the fair treatment of labor, which includes adequate wage standards and the principle of collective bargaining, are essential to the economic health of the South. We believe that the Government in awarding its contracts should take cognizance of whether the bidder has observed national labor legislation in good faith.

FREIGHT RATES UNEQUAL TARIFF

5. The South has a vital interest in the promotion of economic opportunity throughout the United States and in the freest possible flow of commerce among all sections and regions of the country. The freight rate differentials imposed upon the South constitute a tariff against southern goods as discriminatory as the tariff against the goods of a foreign nation.

Since it is the constitutional responsibility of the Congress to remove all arbitrary barriers and restraints which impede interstate commerce, we favor the passage at the session of the Congress of a bill to amend the Interstate Commerce Act for the purpose of equalizing rates by eliminating any undue or unreasonable preference or advantage to any region, territory, subregion, or subterritory which has the effect of hindering the development of other regions. This measure would benefit the consumers of the entire Nation and is absolutely essential to a balanced economy for the South.

State of the Nation

EXTENSION OF REMARKS

OF

HON. RAYMOND S. SPRINGER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 18, 1939

Mr. SPRINGER. Mr. Speaker, in making some observations respecting the "state of the Nation" we find the subject of such discussion to be a very weighty one and the various problems now confronting the people to be veiled in doubt and filled with complex solutions. However, in discussing a very small part of those gigantic problems we must approach them in the light of the present, the age in which we live, and not in the spirit of antiquity, and certainly not in the spirit of the unknown and far-distant future.

The discussion of some of the very important doctrines of this day causes us to look to precedents already established and to analyze the suggested plans in the view of the cause and effect of those "already tried" policies. Therefore it is enlightening to search the record and from that source obtain the present state of our Nation and to ascertain, if possible, where we are and whither we are going.

We have experienced almost 6 years of the "Passion Play" under the New Deal, and the people have reached the point of questioning the things that "are" and they speculate much about the things that "are to be"; the disturbed and confused people really wonder what is next, they wonder what the next tax will be, and they ponder much over the question of their ability to pay it, so great has become the burden upon them.

We vividly recall the accusation of the President, when he said of Mr. Hoover and his administration:

I accuse the present administration of being the greatest spending administration in peace times in our history * * * it is an administration that has piled bureau on bureau, commission on commission * * * bureaus and bureaucrats, commissions and commissioners, have been retained at the expense of the taxpayers.

Yet this administration, under the guiding hand of the President, has so far exceeded the spending of the Hoover administration that the old comparison of the mountain and the mole hill reasonably fits the conditions. And the same comparison reaches the appointment of bureaus and commissions, and the recognition of bureaucrats and commissioners.

Then we heard, again, that same magnetic voice of the President, when he said:

I shall approach the problem of carrying out the plain precept of our party, which is to reduce the cost of current Federal Government operations by 25 percent.

The result following that attractive promise has been the greatest orgy of spending this Nation has ever known. We have witnessed spending of every kind under every guise and pretense. The very foundation of our country is trembling under the weight of the national debt, and the heritage of posterity is encumbered by debt and mortgage of staggering proportions, and the shocking attempt to continue such spending program is ever apparent. Therefore, the people do fear—and they have just cause to fear—their country is at stake.

We quite well recall that on another occasion we heard the voice of the President when he said:

The only thing we have to fear is fear itself.

Not many years ago two bullies of a small town met and decided to determine the supremacy between the two; the fight started, and finally one knocked the other down, jumped upon him, and pummeled him severely—broke his nose, cut his face, split his ear, and almost killed him. Whereupon the fellow who was so completely victorious shouted to his half-dead opponent, saying, "Now tell me you are not afraid of me."

The people of this country have been knocked out by the extravagant waste and spending of this administration. We are standing at the brink of the precipice of national destruction. We are engulfed by debt, by attractive promises, many of which are unfulfilled, by engendered class hatred, and a distorted citizenry. We are afraid, and that fear is not exploited by imagination—it is real fear. The people fear the Nation will not survive if this wild orgy of Federal spending continues.

Let us as a people buckle on the armor of patriotism. Let us join in the crusade for the preservation of American institutions and ideals. Let us build for the children of today who will become the leaders of tomorrow, and continue the fight for sound and economical government, all to the end that our Nation may in the future reflect more gloriously than ever before the ideal cherished that there may be a greater America tomorrow and that the children of the ages may greet their heritage with confidence and with joy.

Development of the White River

EXTENSION OF REMARKS

OF

HON. CLYDE T. ELLIS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 18, 1939

LETTER TO UNITED STATES ARMY ENGINEERS

Mr. ELLIS. Mr. Speaker, the New Deal has brought to many sections of the country vast major developments that will contribute for all time to the happiness and prosperity

of those people—but not to Arkansas. Arkansas, hardened to discrimination since the Civil War, has stood by, even in an administration more friendly to the South than others of recent years, and has watched without murmur the gigantic long-range development of the Tennessee Valley on her east. She watches today the construction barely across the line on her west of two great flood-control hydroelectric and navigation projects in the Grand and Red Rivers. All these mean lessened flood losses, lower freight rates, cheap electricity, attractive recreational centers, and new industries—to other people but not to mine.

On January 10, 1939, at Harrison, Ark., there was held by the United States Army engineers, under the direction of Lt. Col. Stanley L. Scott, a hearing on the White River to determine, among other things, whether the people favor its development, whether flood-control navigation power dams could be justified, and whether there is an available market for the potential power. One thousand and fifty people, including city, county, State, and Federal officials from all sections of the White River Basin attended. All were anxious for the anticipated construction. None were opposed. Much valuable data was placed in the record.

Mr. Thomas Fitzhugh, chairman of the State utilities commission, hit one of the keys when he stated:

Arkansas now depends on outside resources for electrical power with a half billion kilowatt-hours imported annually.

Furthermore, he said:

Seven thousand miles of lines have just been constructed by rural cooperatives to serve 22,000 farm homes and before a dam could be constructed 50,000 additional farms will be ready for electricity in Arkansas.

And Dr. Blalock of the commission stated:

Our demand for power is growing at the rate of 60,000,000 kilowatt-hours a year.

The demand in Missouri is equally pressing.

Dr. George C. Branner, State geologist, stated:

The development of Arkansas' abundant mineral resources depends upon the production of a cheap power. The processing of bauxite alone would consume 42,152,000 kilowatt-hours a year.

Under leave granted by unanimous consent of the House I include in the RECORD a statement which I submitted by mail at the hearing of the engineers:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., January 7, 1939.

Lt. Col. S. L. SCOTT,
United States District Engineer,
Hotel Seville, Harrison, Ark.

DEAR COLONEL SCOTT: I regret my inability to be present at the hearing you are holding on January 10 at Harrison to obtain the views of local interests on the advisability of constructing reservoirs in the White River Basin for flood control, power, and other water uses. My interest in seeing a suitable development of this river basin undertaken as soon as possible arises from an exhaustive study of the proposed development over a period of several years, my intimate personal knowledge of the area affected, my firm belief in the material advantages that will accrue to the people of this region, and a full realization of the flood-control and other benefits that will be felt by communities many miles distant from the White River Basin.

FLOOD CONTROL

The White River rises in the Ozark Mountains of northwest Arkansas, flows north into Missouri, and then southeast through Missouri and Arkansas, a total distance of 690 miles before entering the Mississippi River just above the mouth of the Arkansas. It drains a total of 28,000 square miles, or more than two-thirds the amount of the area drained by the celebrated Tennessee River. Seven thousand square miles of this area is in the alluvial valley and constitute the finest farm lands in the world, except for the ever-present flood hazards.

The average annual rainfall in the basin is nearly 4 feet; the average fall of the river above the lowlands is 4 feet to the mile, but in the lowlands it is barely more than one-third of a foot per mile, with the result that the floodwaters frequently come down with tremendous volume and speed and cover the entire alluvial valley, with the loss always running far into the millions of dollars.

At the height of the 1927 flood the White River discharged 440,000 cubic feet of water per second into the Mississippi, and for the period from April 23 to May 5 of that year its discharge averaged over 300,000 cubic feet per second. During the 16 highest floods of the past 50 years the White River has contributed flows that synchronized with the Mississippi floods, ranging from 50,000 cubic feet per second to 440,000 cubic feet per second, and averaged about 160,000 cubic feet per second for those floods. When the levees fail to hold, as is frequently the case, these floodwaters never reach the Mississippi at the mouth of the White but flow behind the levees and inundate vast regions of still other fertile lands. Furthermore, the floods contribute to the disaster all the way down the Mississippi from the mouth of the White to New Orleans, inundating vast other regions in Mississippi, Arkansas, and Louisiana.

During the record flood of 1927 approximately one-fifth of the floodwaters of the Mississippi below the mouth of the White were contributed by the White River.

Effective flood control by these reservoirs would enhance the value of farms thus protected by several million dollars.

I believe that sizeable reservoirs can be constructed in the upper basin of this river at a cost well justified by the benefits that may reasonably be expected. Factors tending to reduce their cost over similar ones being constructed and planned in other sections of the country include: Excellent power sites, good foundations, no highway nor railway relocation, no towns to be moved, and no expensive lands to be acquired in the reservoir areas—for the proposed power sites are all in the mountains.

POWER

More than two billion kilowatt-hours of electricity can be developed annually on the White River and its tributaries without interfering with a systematized program of flood control. At the current rate of electricity in the White River Basin this power would sell for more than $100,000,000 annually.

A cheap power is seriously needed in this region. As reflected by the reports of the Federal Power Commission, the power rate in Arkansas is the third highest in the Nation—only the States of Louisiana and New Hampshire having higher rates. This may be due partly to the fact that, as reflected by the figures of the State utilities commission, more than one-half of the power used in Arkansas annually is imported.

It is my firm belief that with a power rate similar to that now enjoyed in the T. V. A. region the power consumption of this area would double in 12 months. Our rate now is from three to five times higher than in the Tennessee Valley. For instance, 25 kilowatt-hours a month under the T. V. A. retail rates cost 75 cents, while the Arkansas Power & Light Co., which operates in this territory, charges us for 25 kilowatt-hours the sum of $2.50.

Many of our municipalities are now producing their own power because of the exorbitant rates. My town of Bentonville, with a population of 2,500, is one of these. The city of Conway, with a population of 5,000, is another. All of these cities stand ready and anxious to avail themselves of a cheap power from the White River. More than 8,000,000 people live within easy power range of these proposed dams on the Northfork, the Buffalo, and at Wild Cat Shoals, and Table Rock. This area includes several larger cities that likewise are anxious to avail themselves of cheap power from the White. Kansas City, with a population of 500,000, is one of these.

Rural electrification lines are being constructed throughout the region. These cooperatives will use many millions of kilowatt-hours annually, and all are anxious for the low rate. This power can be produced as a byproduct of flood control at around 3 mills per kilowatt-hour.

We have vast mineral deposits in the White River Basin and within power range—lead, zinc, silica, sulphur, phosphate, manganese, iron, commercial clays, coal, limestone, marble, bauxite, and many others, most of which are practically untapped due to the high power rate and high freight rates in this region. With a cheap rate untold millions of kilowatt-hours of this power would be utilized almost immediately in the development of these minerals. A silica plant at Rogers, Ark., for instance, has been forced, because of high prevailing rates, to install equipment recently to generate its own power. Even so, local production costs several times the amount that power could be produced for on the White.

The rougher regions of the Ozarks are covered with hardwoods, the development of which depends largely upon cheap power. The average year-round flow on the several tributaries of the White insure adequate storage for power purposes. Markets for all the power that can be produced on the White River now exist within easy power radius. The sale of power will help repay the cost of the reservoirs and thus reduce the output for flood control, navigation, and recreational benefits.

Furthermore, in line with the recent suggestion of the President of the United States, it is well to observe that this construction would aid materially in overcoming a possible shortage of power in the event of war.

NAVIGATION

The White River can be made navigable as far north as Forsythe, Mo., without interfering with the development of flood control and power. It is already navigable the year around to Newport, Ark., and part of the year to Batesville—thanks to Government locks already constructed. A regulated river flow will aid materially in navigation below the dams.

Many small industries are ready now to avail themselves of water transportation. Batesville, Ark., for instance, is noted for its production of marble and limestone, both of which lend themselves to river transportation. Freight rates in this area are 20 to 70 percent higher than outside the South, and a water rate into this fertile region would aid materially in its development.

RECREATION

The Ozarks and surrounding region have long been recognized as a recreational center, but the construction of vast reservoirs outside of this territory in recent years has diverted the tourists elsewhere. Construction of these reservoirs will not only restore the

tourist trade but will go far toward developing the wonderful recreational advantages.

The White and its tributaries above the alluvial plain are noted for their clear water and splendid fishing. These are benefits which we well may take into consideration in attempting to arrive at the value of this vast improvement.

PUBLIC WORKS

It is well to observe also that there is a vast need for the labor that will be provided in this region by this construction, there having been no major development whatever in this territory during the whole period of New Deal construction.

CONCLUSION

I am convinced that the benefits to be derived from the construction of these dams would many times exceed the cost. I would appreciate it if you would place this letter in the record of your hearing as a brief summary of the reasons prompting me to place my wholehearted support behind the efforts of the people of the White River Basin to obtain prompt recognition of their request for this great development.

Yours sincerely,

CLYDE T. ELLIS,
Member of Congress, Third District, Arkansas.

Spirit of the Seventy-sixth Congress

EXTENSION OF REMARKS
OF
HON. GERALD W. LANDIS
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, January 18, 1939

Mr. LANDIS. Mr. Speaker, everyone must realize that work relief must exist until we can transfer these people into private industry.

I have received many discouraging letters from the State of Indiana complaining about politics in W. P. A. Many other Congressmen have received complaints from their States.

Before passing the appropriation bill in the House, it was decided to earmark the bill in order to eliminate the abuses in the W. P. A.

Two of the best amendments that passed the House, in my estimation, were:

[1] *Provided further,* That no money herein appropriated shall be used to pay the compensation of any supervisor, foreman, or other official who attempts to influence the political opinions of workers under his direction or supervision.

[2] *Provided,* That no requirement of eligibility for employment under such Emergency Relief Appropriation Act of 1938, as amended, shall be effective which prohibits the employment of persons 65 years of age or over or women with dependent children.

Good amendments that failed to pass the House, in my estimation, were:

[1] *Provided further,* That all employees under the Works Progress Administration shall hereafer be paid weekly.

[2] *Provided further,* That no part of the money herein appropriated shall be expended for the employment of persons not in need of relief.

I voted for the amount asked for by the President because I knew at first hand the condition of the needy in my district. This failing, I next voted for the $725,000,000 appropriation, and it is my sincere hope that this fund will be so administered that not a single man, woman, or child needing relief in our district, State, and Nation will be slighted.

The Rearmament Program and the Budget

EXTENSION OF REMARKS
OF
HON. HAROLD KNUTSON
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, January 18, 1939

RADIO ADDRESS BY HON. OSCAR YOUNGDAHL, OF MINNESOTA, JANUARY 16, 1939

Mr. KNUTSON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address delivered by Hon. OSCAR YOUNGDAHL, of Minnesota, on January 16, 1939:

Ladies and gentlemen of the radio audience, I have been asked to talk to you a few minutes tonight on that part of President Roosevelt's message to the Congress dealing with national defense and on his second message to the Congress dealing specifically with the rearmament program and Budget.

At the very outset of my remarks, may I state that I yield to no man in my insistence that America must have adequate national defense. But America's armament must be adequate for the defense of America, not armaments for the policing of nations 2,000 miles away nor the enforcing of sanctions and boycotts across the seas.

No sooner had the President whipped the country into a frenzy of war hysteria with his message to the Congress than the American people witnessed the beginning of subtle efforts of the administration to keep alive that hysteria.

Ambassadors Kennedy and Bullitt were called in behind closed doors to tell a select few of the situation in Europe and how it menaces America.

If that situation is a menace to the peace and security of America, then these Ambassadors, paid to represent the American people, owe their information to the American people; not to a select group behind locked doors.

If war is imminent in Europe and the possibility of our being drawn into it is strong, then these men owe their advice and counsel to the public.

Why did they give their testimony behind locked doors?

All this secrecy and undercover testimony only served to whip up further frenzy, to write more scare headlines in favor of the President's huge rearmament program.

I doubt that America has ever been freer from danger of attack than today. The totalitarian nations which the President referred to in his address have their hands full at home. They are occupied and will be occupied for many years with their own affairs and haven't the slightest idea of making war upon us or disturbing Latin America.

Right now we have the most powerful Navy we have ever had, and with improvements and additions already authorized it will be 50 percent larger than the Japanese Navy and three times the size of the German Navy.

We are already spending a billion dollars annually for defense—a sum never before equaled in any year of peace.

Our land and air forces today are stronger than ever before during peacetime.

In the last 5 years we have spent $2,000,000,000 on improving and maintaining the Army.

In just a few years our annual expenditure for air defense has doubled.

Mr. Roosevelt's program proposes to start from an already unprecedented expenditure for armaments.

The 552 millions asked for by the President in his special defense budget is only part of the program. The smallest part—if you please.

The President is asking the Congress to appropriate a total of $1,661,558,000 to build up his so-called defense program.

I say to you that is not armament for defense. That is armament for war.

Still, I have no idea that the President intends to wage a war of aggression.

For 6 long years America has watched the executive branch of our Government, aided and abetted by a rubber-stamp Congress, throw billions of dollars around as one would throw peanuts to the squirrels.

They have watched billions and more billions poured into a well to prime a pump that never gave out any water.

They have seen 6 years of spending and spending and always more spending.

And today not only business and industry but the home owner, the small taxpayer, the farmer, and the small merchant is fighting to save his home or his business from the tax collector.

Yet despite a Budget that grows increasingly out of balance, despite a national debt that has already reached undreamed of heights, despite an already staggering tax burden that neither we nor our children can ever pay off, the President wants to continue his mad orgy of spending.

Six years of spending, and 10,000,000 are still unemployed; business is still handicapped and hamstrung at every turn. Six years of spending, and we are still in the depths of the depression.

Nevertheless, the President would keep on spending, pushing us deeper into debt, piling up our tax bills, and postponing the day when America can once more return to work with all her energies and resources because the depression has been left behind.

I believe the President has seized upon American patriotism, upon America's love of democracy, if you please, upon which to build a smoke screen of war hysteria and armament spending to cover up the failures of the administration to provide employment, to hasten recovery, or to add to the prosperity and security of the American people.

Nothing to my mind so completely demonstrated the failure of the New Deal and its policies as the fact that the President in his message to the Congress had no more white rabbits in his top hat; no cotton up his sleeve waiting to be plowed under; no wheat fields hidden under a handkerchief ready to be whisked off the market at the firing of a pistol; no recommendations for new W. P. A.'s with which to play politics.

All the New Deal millions and all the New Deal billions had not put the humpty-dumpty of business revival together again, so Mr. Roosevelt turned his spending program to national defense.

Along with the President's enormous defense-spending program goes his program for industrial mobilization.

Ever since 1932 there has been, and there still is being carried out, a very definite centralization of power in the Chief Executive.

Rights and prerogatives of Congress have been appropriated to the Chief Executive.

Rights and duties of States to provide and care for their own relief problems have been centralized in bureaucracies under the direction of the Chief Executive.

Even the right of the judicial branch of Government has been challenged and its decisions questioned—yes, even its right to exist as a separate and distinct branch of Government attacked.

The President, in public addresses, has demanded that the three branches of Government—executive, legislative, and judicial—should pull together like three plow horses. But such was never the intention of the democratic form of government. The three branches of Government were set up for the express purpose of acting as balance and check, each upon the other. Destroy that and you have destroyed democratic government.

Since 1932 we have witnessed the greatest regimentation of individuals that America has ever seen. True, beside the regimentation practices of the dictators of Europe it is seemingly slight, but to liberty-loving America it is a warning of what might come.

Under the industrial mobilization plan of the present administration the declaration of war, or a state of war, would create overnight a Chief Executive with all the power to regiment industry that any dictator of Europe holds today.

I am absolutely opposed to the granting of any further powers to the Chief Executive. I am absolutely opposed and will fight to the end any further attempts to centralize government in the hands of the Chief Executive or any other one man or small group of men.

Be it for regular peacetime administration of our Government or for wartime emergency, I am opposed to any further centralization of power.

Even under the disguise of patriotic national defense, such a program must be closely scrutinized.

But with all his demands for defense, for great armies and navies and flying forces, the President fails to say one word about defense against the enemies within our ranks.

Billions for defense against an imaginary enemy 2,000 miles away or against the radio's conception of an invasion from Mars but not one penny for defense against those enemies who are sapping at the very blood stream of America with their propaganda and their insidious infiltration into the very Government itself.

With all the billions asked for a defense against some foreign invader, why not a few thousand to drag out into the open the efforts of communism, fascism, nazi-ism, and all the other foreign "isms" that are a far more real and immediate danger to the democratic form of government in this country than all the imaginary threats of foreign powers.

There is before this Congress a bill appropriating $150,000 to continue the investigations of the so-called Dies committee. But the President's defense program, all-embracing as it is, with its cost of a billion and a half dollars, fails to provide one penny for a defense against these known and very real enemies not only of America but all that America loves and holds dear.

Mr. Roosevelt's newly appointed Attorney General lost no time in announcing that he proposed to launch an investigation into the same subjects being covered by the Dies committee.

The administration would welcome such an investigation by the Attorney General's office. Such an investigation would cover only subjects determined by the administration. Evidence presented in such an investigation would be such as the administration desired. And above all, evidence made public and given to the American people, would be only such evidence as the Attorney General's office and the administration choose to be made public. The administration has no appetite for further investigation by the Dies committee.

Let's strip this smoke screen of hysteria and secrecy from the defense program.

If America is in danger of being embroiled in a world conflict, let's bring that evidence out into the open.

If totalitarian government contemplates a war of aggression against America or Latin America, let's give America the evidence.

Let America unite in putting an end to these waves of war hysteria and propaganda. Let's keep our feet on the ground and refuse to be led into any extravagant spending scheme, just for the sake of spending. Public opinion, and public opinion alone can stop this spending. America's demand, made known to Congress, can stop such extravagance.

If America needs bigger and better air forces to equip her for defense, let's build them. But let the building be for defense not for war.

If calm and deliberate study, upon advice from the chiefs of the Army and Navy, not without their knowledge, show the need of improved land-sea forces, then let's improve them.

But also if investigations show, as they have shown, enemies within our own ranks, enjoying the privileges and the rights of American residence while they attempt to tear down our democracy, then just as surely let's get rid of them.

Let's build for defense. Defense of America from any enemy of any hue or any brand.

Let's have adequate national defense of the right kind.

Let's have adequate national defense to protect America and the American way.

Thank you.

Dedication of Pennsylvania Farm Show Arena

EXTENSION OF REMARKS

OF

HON. J. BUELL SNYDER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 18, 1939

RADIO ADDRESS BY HON. J. BUELL SNYDER, OF PENNSYLVANIA, AT HARRISBURG, PA., JANUARY 16, 1939

Mr. SNYDER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address delivered by me at the dedication of the Pennsylvania Farm Show Arena, Harrisburg, Pa., Monday evening, January 16, 1939. This arena is the largest building the United States has dedicated to agricultural pursuits—larger than Madison Square Garden in New York. Last year 405,000 people attended the farm show during the third week in January and it is expected that this week will bring together more than half a million Pennsylvanians to participate in the largest farm show in the United States:

Mr. Chairman, distinguished guests, ladies, and gentlemen, it is, indeed, an honor and a privilege to participate in the program dedicating to agricultural pursuits this magnificent building.

A state or a nation is prosperous only in proportion to the prosperity of those who till the soil. The great American Commoner said, "Burn down your cities and they will spring up as if by magic. But destroy your farms and grass will grow on your city streets."

My fellow Pennsylvanians, the erection of this stately edifice is sufficient proof that grass will not grow on the city streets in Pennsylvania because this building is concrete evidence of the fact that the farmers of Pennsylvania are going to build better farms for the generations yet to come, and thus make Pennsylvania a better place in which to live.

I think it is only fitting at the outset that we pay tribute to all those who in any way contributed of their services in making the erection of this building possible. To the Governor of the Commonwealth, George H. Earle, and his cabinet; to the farm units that really supported the idea; to the State legislature, and especially to the genial and efficient, hard-working secretary of agriculture, J. Hansell French; to these the people of Pennsylvania owe a deep debt of gratitude.

For some reason most people find it hard to realize that Pennsylvania is one of the Nation's great farm States. That is true, not only throughout the country but even among many of us right here at home.

Probably the great richness of the State's other resources—our coal and our oil, our steel mills to the west, our great centers of general manufacturing and commerce in the east—is the reason why Pennsylvania's farm industry has been overshadowed.

Four or five years ago I got together the important statistics on our State's agriculture and had the material inserted in the CONGRESSIONAL RECORD. A colleague from Kansas later stopped me in the hall to express his amazement. He said he never had realized that Pennsylvania was one of the leaders in agriculture and had a diversity of farming enterprises that far exceeded those of Kansas. The picture has not changed since then. A few days ago the United States Department of Agriculture issued figures of farm income for the first 11 months of 1938. The income for Pennsylvania was almost as big as that for Kansas—$219,000,000, as compared with $229,000,000.

Fortunately, the importance of Pennsylvania agriculture is better known than it used to be. We might take a minute or two to review some of the facts on Pennsylvania's place in the national farm picture. Most of this information is based on official figures for the year 1937.

Take wheat, one of this country's great crops. We here are far removed from what is spoken of as the Wheat Belt. Wheat is grown in 40 States, and Pennsylvania ranks thirteenth, with a 1937 production of twenty-three and one-half million bushels. It is one of the important wheat States of the country.

All of the 48 States grow corn. In 1937 Pennsylvania ranked twelfth, with a production of nearly 63,000,000 bushels. As for some of the other grains, our State was tenth in oats, eighth in rye, and second in buckwheat.

Pennsylvania also is well removed from what generally is regarded as the Tobacco Belt, yet of the 19 States which grow tobacco, Pennsylvania ranks eighth, with nearly 29,000,000 pounds. In the same year—1937—our State was fourth in commercial production of apples, and fifth in potatoes with a production of more than 25,000,000 bushels.

Potatoes, of course, are another of the country's important cash crops, and in potatoes the production figures don't tell the whole story of Pennsylvania's ranking. Maine is famous as a potato State, and it is true that while Pennsylvania farmers were producing about 25,000,000 bushels of potatoes, their neighbors from Down East were raising 48,000,000 bushels, but our farm price for potatoes that year averaged about twice the Maine price, so that the value of our potato crop, which was around $15,000,000, was half a million dollars larger than the farm value of the Maine crop.

Pennsylvania farmers are active along practically all lines. In 1936 Pennsylvania was ninth in the number of dairy cows, with 870,000 on farms, and ranked sixth in milk production, with over four and one-half billion pounds. In other words, the quality of Pennsylvania dairy herds is well above the national average.

During 1937 Pennsylvania farmers received nearly $260,000,000 through the sale of principal farm products and Government payments. Those payments, incidentally, amounted to less than two and one-half million dollars of the total. Compared with the farm incomes of the other States that year, Pennsylvania ranked thirteenth, not a bad showing for a State which many people think of as chiefly industrial, especially when we remember that many of the States that were below us in farm income were in what we think of as the real Farm Belt.

We must maintain our position as a great farm State, and go ahead and improve the situation of the thousands of families who make farming their way of life.

The farmers in Pennsylvania have made a fine record through hard work and through the use of the best farming practices. Sound crop rotations were used here almost from the beginning, in contrast to the wasteful methods which have been followed in many other regions. As a result, Pennsylvania agriculture is on a firm basis today; and the soil, although far too much has washed away, is better preserved than the farm-land soil of many other States.

These accomplishments have been made through industry and through a progressive attitude. I don't believe there is a farmer here who is using exactly the same kind of equipment today that he used 20 years ago, or even 10. In this age of rapid change farmers need the same progressive attitude in working with each other that they need in cultivating their fields.

As an example of the new, cooperative spirit, we do not need to look further than this very building which we have come to dedicate—the largest farm show building in the United States, a building to be used by all farmers for the general benefit of the State's agriculture. I know that I am speaking for everyone here in saying that this farm show building is a source of pride to every Pennsylvanian.

I believe that this building is important not only for itself, but as a symbol of a growing desire and willingness of farmers to work together for their common good and for the welfare of the whole Nation.

Today, as we look around us at tangible proof of State cooperation with Pennsylvania farmers, I want to discuss with you some of the aspects of Federal cooperation and its part in the development of agriculture in our State.

Federal cooperation, of course, has been going on for a long time, so long that we are apt to take many of the older phases for granted. Through land-grant colleges and other agencies, the United States Department of Agriculture for generations has worked with Pennsylvania farmers to work out better farming methods, to develop better strains of plants and livestock, and to study and prevent plant and animal diseases.

Later the Bureau of Agricultural Economics and other agencies began to supply valuable information on farmers' crops and markets. These new services were the answers to a new need for help in marketing, which farmers or local groups of farmers were not able to supply for themselves. Then the Extension Service began its cooperative work along nearly every line of farming and farm life. This also filled a new need. In the meantime, the older services continued for American farmers still needed to know more about the science of production, and no one group, not even a State-wide group, had enough resources to do all of the job alone.

In recent years a whole new group of services has been added. Roughly we might call them the action agencies in contrast to the older research and teaching agencies. They include the Agricultural Adjustment Administration, the Soil Conservation Service, and the Farm Security Administration. Each of these agencies, and the other new ones too, were answers to new needs which had been developing for years but which many people had not noticed until the years following the war.

Agriculture became more and more unbalanced as we lost many of our foreign markets, yet kept on growing as much as we had in the past. Great surpluses piled up and farm prices went down. Interest rates did not go down though, and neither did the prices of most of the things farmers had to buy. More and more families lost their farms through foreclosure. Many of those who held out were able to buy fewer and fewer of the things they needed. For several years this serious depression seemed to affect only farmers, but by 1932 the whole Nation was in the grip of a depression, and one of the principal causes was the fact that so few farmers had the money to buy manufactured goods. At the same time tenancy increased, and families with the natural ability to take care of themselves were knocked so flat that they were not able to make a fresh start without assistance. Also, erosion by wind and water each year carried away more and more good farm soil. Accelerated erosion, resulting from clearing of forests and tilling of land, had, of course, been a problem ever since cultivation began, but the rate of loss increased as low prices forced farmers to put more and more land in cash crops and deprived them of money they needed to care for their land.

Now, some of you may ask what all that had to do with Pennsylvania. With our balanced agriculture and large amount of pasture land, we have taken better care of our soil than many other States; we are not a one-crop region with great acreages of surplus corn, cotton, or wheat, and tenancy here never has been the problem that it is farther south. But if we look back to the early 1930's, I believe we can remember that most of us felt the effect of low incomes to an uncomfortable degree and that many of our farmers also shared in the need for security and soil conservation. In regard to prices, it was only natural that our wheat and corn and dairy farmers felt the effects of large surpluses in other areas, even though we ourselves were not responsible for the major part of those surpluses.

Beginning in 1933, through the new services of the Department of Agriculture, began the job of helping farmers bring a new balance to agriculture and to put farm land in order. I am glad to report that as your Representative in Congress I have had some part in making the new tools which farmers acting together need just as much as individual farmers need the most up-to-date farm equipment.

In so doing I have directly served the interests of the Commonwealth of Pennsylvania as well as of the American people as a whole. The world we live in has become so complex, and events move so fast, that it is practically impossible for one man, or one State, to go his own way and work out his own salvation. By this I don't mean at all that hard work and skill and character aren't needed to bring success in farming just as in any other job. They always have counted the most and always will. But this present task of ours—that of bringing equality to agriculture, so that agriculture and capital and labor can go ahead to make our country a better place to live in—is such a large one that it requires the best efforts not only of individuals but of people working together in county, State, and National groups. In Pennsylvania, as in other States, Federal funds, and the technical assistance of Department of Agriculture agencies, can't do the whole job by any means. They are just one contribution to a piece of work that will take all the ingenuity and cooperation and patience that we are capable of. With constant application of effort we may be able to make the many adjustments that we need if we are to pass on to our children a soil as rich as that handed down to us and to assure farmers of a fair share of the national income.

Federal cooperation is by no means the only factor; it is an important factor. In every case the Federal Government works with the State agencies and does not step in to do any independent job. Under the direction of Secretary Henry A. Wallace, the ablest Secretary that ever filled this office, the Department of Agriculture has continued and improved all of the older services and has developed the new ones of which we have been speaking.

Suppose we take a brief glance at the extent and nature of Federal cooperation with Pennsylvania agriculture in recent years. In terms of money, expenditures of the Department of Agriculture for work in Pennsylvania during the 5 years from 1934 through 1938 totaled about $106,000,000. The amount of the annual expenditures ranged from about $10,500,000 in 1934 to more than $29,000,000 in 1938.

Suppose we take 1938 as an example. That was the year Federal expenditures totaled about $29,000,000. Over eighteen million of that total represented Federal-aid grants for road construction and maintenance in Pennsylvania, including elimination of grade crossings. Now, highways that link them with their markets are important to farmers, and since the beginning the Department of Agriculture has administered the granting of Federal aid to States. But since roads are increasingly important to all of our State's population, and since the other activities of the Department of Agriculture affect farmers more exclusively, suppose we concentrate on the uses to which the rest of the money—amounting to about $10,500,000—was put.

More than $600,000 represented Extension Service expenditures in cooperation with the Pennsylvania State College. About one hundred and ninety thousand was used for payments to the Pennsylvania Agriculture Experiment Station. More than $800,000 was used in valuable work of the Bureau of Animal Industry; the greater part going toward elimination of tuberculosis and Bang's disease in cattle and in experiments in controlling diseases of cattle.

The work of the Forest Service, including reforestation, improvement of forests, and fire prevention, represented approximately $133,000 of the total expenditure. The activities of the Soil Conservation Service, including research in erosion control, demonstration projects, and watershed and conservation surveys represented well over $700,000. Expenditures of the Triple A, in administering the agricultural conservation program in Pennsylvania, amounted to $3,700,000. The work of the Farm Security Administration, so ably managed by our own Carson F. Mertz, in making rehabilitation loans and grants and otherwise aiding farm families in distressed circumstances, accounted for over a million dollars.

These projects, and the others, represented the Federal Government's contribution to Pennsylvania agriculture. The projects were carried on in cooperation with State and local groups, and in nearly every instance were administered by local people.

I wish I had time to talk with you about the details of this work. I believe I will at least take time to say just a little about what is being done by two of the newer agencies—the Soil Conservation Service and the Triple A.

THE TRIPLE-A PROGRAM IN PENNSYLVANIA

The agricultural conservation program, administered nationally by the Triple A and locally by State, county, and community agricultural conservation committees, aims at helping farmers improve and conserve their soil and at helping them bring better balance into the supply of cash crops. I know that most of you are familiar with how that program works—by voluntary cooperation with individual farmers who are making a living from their land. The national program, as adapted by the State committee to fit particular needs in Pennsylvania, offers a schedule of soil-building practices, such as use of lime on hay and pasture land, new seedings of grasses and legumes, planting of forest trees, and the like. Payments sufficient to cover part of the cost of using the practices are offered to farmers who carry them out properly. Payments also are offered for staying within acreage allotments of certain soil-depleting cash crops, such as tobacco and potatoes. The purpose of this part of the program is to stabilize acreage, and the payments represent the possible sacrifice involved in foregoing surplus acreage of cash crops. Each farmer who participates can choose the soil-building practices which he particularly wants to carry out on his farm.

This program began in 1936, but the results already can be seen—better hay and pastures and fewer slopes exposed to the washing which results when too steep land is in clean-tilled crops. It is an encouraging sign to see the use which already is being made of this newest tool for improving farm land and farm income—to watch thousands of Pennsylvania farmers taking hold of the program and actually making it work on the land. Of course, like other of the new aspects of the national farm program, I cannot claim, and do not wish to claim, that it has been 100 percent perfect. The new tools still are crude. Some are about 90 percent effective, some perhaps only about 50 percent efficient. But something real was undertaken at a time when new action was necessary, and under intelligent national leadership that work is becoming more and more effective.

In 1937, for instance, which is the last year for which figures are complete, about 56,000 Pennsylvania farmers took part in the Triple A program. Among other things accomplished with the aid of the program, they applied half a million tons of lime to their hay land and pasture, and over 55,000 tons of superphosphate. They established new seedings of legumes on half a million acres, and did other basic work to put their farm lands in better order.

The Triple A conservation program has been developed to apply to all active farm land. It is not primarily concerned with the specific problem of checking soil erosion. That latter job is the work of the Soil Conservation Service. Here is a brief survey of what that Service is doing.

THE SOIL CONSERVATION SERVICE IN PENNSYLVANIA

Activities of the soil-conservation service in Pennsylvania include the conduct of five watershed demonstration projects, the supervision of seven C. C. C. camps assigned to soil-conservation activity, the preparation of run-off and water-flow retardation surveys to provide basic flood-control information, the conduct of research, the operation of a nursery for the propagation of erosion-resistant vegetation, and the purchase and development of submarginal lands.

Demonstrations

Demonstration projects of the service include all or parts of the following watersheds: (1) Crooked Creek in Indiana and Armstrong Counties; (2) the West Branch of Octoraro Creek in Lancaster County; (3) Little Antietam Creek in Franklin County; (4) Beaver Run in Westmoreland County; and (5) the Sacony-Kistler area in Berks and Lehigh Counties.

The seven C. C. C. camps operating under service supervision are located in Jefferson, Westmoreland, Franklin, Clarion, Indiana, York, and Lancaster Counties.

Altogether, approximately 1,500 Pennsylvania farmers whose holdings and operations extend over more than 160,000 acres are cooperating with the Service in demonstrating modern soil- and water-conservation measures in the watershed projects and areas adjacent to C. C. C. camps. As provided for in cooperative agreements between these farmers and the Service, some 20,000 acres are now being tilled on the contour as a means of retarding surface water run-off and controlling soil erosion. Some 15,000 acres have been strip-cropped and soil-conserving rotations established on almost 60,000 acres. Approximately 15,000,000 trees have been planted as a means of safeguarding 14,000 acres of steep, rough, or broken land from erosion. Other activities include the control of hundreds of active gullies, the retirement of more than 14,000 acres of cultivated land to uses less conducive to erosion, and the treatment of approximately 25,000 acres of pasture.

Soil-conservation districts

The most encouraging aspect of the demonstration program is shown by the manner in which Pennsylvania farmers have begun to organize for positive action in the field of soil and water conservation.

Under authority of a State soil-conservation district law enacted in 1937, farmers in four large watersheds have voted in favor of forming local districts for the purpose of conducting cooperative attacks on soil erosion and other evils which arise from the use of land.

Such districts, organized on a purely democratic basis involving the use of petition and referendum, reflect a definite concern on the part of farmers themselves and also reflect their willingness to take active part in cooperative programs of soil defense. The way in which farmers have registered their approval of this type of action is significant.

In Clarion County, farmers voted 399 to 14 in favor of forming the Clarion soil-conservation district covering approximately 385,000 acres. In Lancaster County, the vote was 238 to 97 in favor of a 294,000-acre district. In Indiana and Cambria Counties, only 53 out of the 258 farmers voting, opposed formation of the 200,000-acre Blacklick Creek soil-conservation district. All the above districts have received certificates of organization from the Secretary of State and will undoubtedly receive technical and other assistance from the Soil Conservation Service.

Another large district in York County is in the final stage of organization at the present time. Farmers have voted overwhelmingly in favor of its creation. Local supervisors will soon be selected. Farmers in Jefferson County are now preparing to vote on a proposed soil-conservation district there.

Research

At State College, the Service in cooperation with the Pennsylvania Agricultural College, is conducting widespread investigations into various aspects of the soil-erosion problem and developing practical control measures adapted to particular conditions of the State and region. The Service is also conducting intensive studies into the economic aspects of soil conservation in search of those techniques which offer the greatest degree of physical protection and at the same time provide adequately for economic needs. This type of research assures the economic practicability of erosion-control programs and at the same time provides basic information regarding the value of soil conservation as a means of insuring agricultural stability.

Nursery activities

To supply adequate planting materials for use in watershed project areas and C. C. C. camp areas, the Service operates a nursery in Carter County with headquarters at Milesburg. Nursery activities include tree-stock production, the quantity collection of grass, tree, and shrub seed, and the assembly and observation of all types of plants, both native and exotic, which might have superior merit for erosion control.

Survey activities

In Pennsylvania, as in other States, all field activities of the Service are preceded by a thorough examination of the physical factors which might influence the success or failure of field programs. In the watershed and C. C. C. camp demonstration areas complete surveys of areas are made prior to the start of active operations. Subsequently detailed surveys setting forth the kinds of soil, topography, drainage features, erosion conditions, current land use, and other physical factors are prepared for each cooperating farm.

In addition to surveys of this type the Service in cooperation with the Bureau of Agricultural Economics and the Forest Service, with offices in Somerset, is making a thorough examination of the large Youghiogheny watershed in southwestern Pennsylvania to determine what part upstream waterflow retardation and soil-erosion prevention can be expected to play in minimizing downstream flood crests. Information obtained through this and other similar surveys will be used as the basis for making flood-control recommendations. Such survey data will also be made available to State and local groups engaged in flood-control activities. Preliminary surveys relating directly to the problem of flood control in Pennsylvania are also under way on parts of the Susquehanna and Allegheny watersheds. A similar survey will be started soon on the Codorus Creek watershed in York County.

Purchase and development of submarginal land

Over considerable areas in Pennsylvania the use of submarginal land for certain types of agriculture constitutes a hazard to adjacent good land, increases the burden of public responsibility, gives rise to high costs of local government, tends to lower living standards, increases flood dangers, and often leads to the ultimate ruin of areas that could be retained as community and State assets through proper land use.

To correct this maladjustment the Soil Conservation Service, in cooperation with other Federal and State agencies, is directing a coordinated land utilization program involving the purchase and development of submarginal land areas. Two projects of this kind, one involving parts of Bradford, Tioga, Perry, and Franklin Counties, and the other involving parts of Huntington and Bedford Counties, are now under way in Pennsylvania. For the most part, the submarginal tracts purchased are being restored to forest cover.

In talking about the uses which are being made of Agriculture Department funds in Pennsylvania, we have been talking in terms of the figures for the 1938 fiscal year—that is, the year which closed last June 30. For the most part, the break-down of funds in the 1939 year would be about the same, except for possible new activities. I want to mention at least two new phases of the work which have taken shape recently. One is Federal crop insurance for wheat, which will begin with the 1939 crop. The other is the regional

laboratory which is to be built in the Philadelphia area. It is one of the four experimental centers provided for in the Agricultural Adjustment Act of 1938 for the benefit of farmers in all parts of the country. The laboratory in Philadelphia is to be the research center for the Northeast.

Conditions Affecting Producers of Oils and Fats

EXTENSION OF REMARKS
OF
HON. SAM HOBBS
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, January 18, 1939

Mr. HOBBS. Mr. Speaker, at this time I wish to ask the attention of my colleagues in the House, particularly those representing the districts in which cotton, corn, peanuts, swine, and cattle are important crops, to the present serious condition of the producers of the oils and fats from these sources. This is an important branch of agriculture, and it is in critical condition due to low prices. The figures show that a larger part of our population is engaged in the production of oils and fats than in any other industry.

The prices of cottonseed and cottonseed oil concern every farmer in the district I have the honor to represent and in practically every district in the Cotton Belt. These prices are so low and remain so low that grave concern has become prevalent among the producers and the businessmen who look to cottonseed for their early fall business.

Yesterday an outstanding businessman of the South told me that, because of conditions which are within the reach of corrective measures, the farmers of the South received at least $15 a ton less for their cottonseed last fall than it should have brought.

This, I am sure, is a fact. It has cut down the volume of business in every city, town, and village in the Cotton States. The money from cottonseed is the lifeblood of early fall business in the cotton country; $15 a ton taken out of the cotton farmer's income means no shoes, no new clothes, a lower living standard—in many cases no normal business, much unemployment, and deprivation.

There are 231,176 cotton growers in Alabama, for instance. Each one of these should have received practically twice what he did get for his cottonseed. Conditions in this industry are responsible. I am talking about conditions, not about individuals.

Oilseeds, vegetable oils, animal oils, and fats are not surplus crops in this country. They are among our most important farm products, and there are not enough of them produced to supply our domestic requirements, either for food or for industrial uses. We imported over 2,000,000,000 pounds of fats and oils in the last year of record. If we had great surpluses of these products, this would be a different story.

Our Government is doing something about the problem of surpluses.

But these oil crops are not surplus crops. Yet the prices paid for them leave the producers in distress—worse off this winter than should be permitted to continue. This distressed price is not limited to cottonseed and cotton oil. It extends to other fats and oils all along the line.

We use in factory production of oils products for food and for industry, in the United States every year from four and one-half to five billion pounds of these products. In 1937 the exact figures were 4,964,000,000 pounds. This does not include butter nor the oils used in liquid form as salad or cooking oils which have not been processed after the first production. This is a very large, a Nation-wide, industry.

But, note this carefully, of this enormous usage we produce in the United States everything included, only from three to three and a half billion pounds of oils used in the factories. The census report of factory consumption in 1937 shows the use of 1,686,000,000 pounds of foreign oils. In that year we imported much more than that quantity.

With this shortage in domestic production, in view of all our land, labor, and capital available to produce them, I assert without reservation, first, that we have been neglecting important agricultural opportunities; and, second, that our policy is wrong when we permit, as we now do, the volume of imports to so depress our domestic markets that our cotton farmers can be paid for their cottonseed a price which is at least $15 a ton less than a fair price for that cottonseed. This meant this season $15 a ton on one average crop of probably 500,000 tons of cottonseed in Alabama alone, or $7,500,000.

You may ask why this figure of $15 a ton is set as the measure of this loss. I do not know how my informant figured it, but he is one who knows. However, I can check it from some official figures. In 1934 the average price of cottonseed in Alabama was $34 a ton. I feel sure that this last season it was not over $19 a ton. Oil made from the 1934 crop averaged about 10 cents a pound. Oil today is down around 6 cents a pound. In other years the discrepancy is even greater.

A major cause of this present situation is clearly excessive competitive imports. And cottonseed is only one of many domestic products which are suffering.

While we were using 1,686,000,000 pounds of foreign oils in 1937—I quote 1937 figures because they are the last full year available—we were importing 1,755,000,000 pounds of manufactured oils and in addition 816,000,000 pounds of oil-bearing seeds, not including flaxseed, which alone totaled over one and one-half billion pounds. We imported over a billion pounds that were not needed and not used.

This has resulted in large stocks of cheap imports. These large imports—which might have been prevented—these cheap prices of imports which are within our control through action that can be taken in this Congress, seem to be the real cause of this price depression in all domestic oils and fats. Alabama's loss of $7,000,000 within the last 4 months is only one of the drops in this bucket.

I hope to discuss this matter in more detail in the near future and from time to time. I do not think we should sit here and do nothing while our cotton and peanut growers and the cattle and swine farmers of this country suffer from 6-cent cottonseed oil, 5-cent tallow, and 6-cent lard. The problem is not a surplus problem. It is a problem of turning our markets over to imports which rob our farmers of their birthright—fair prices and reasonable prosperity.

John Nance Garner

EXTENSION OF REMARKS
OF
HON. MILTON H. WEST
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, January 18, 1939

ADDRESS BY HON. ROY MILLER, OF CORPUS CHRISTI, TEXAS, DELIVERED AT DETROIT, TEXAS, DECEMBER 6, 1938

Mr. WEST. Mr. Speaker, it is my proud privilege to serve a district which for many years was represented in the Congress by a great Texan and a great American, who is now Vice President of the United States. I regard it as no overstatement of the facts to say that no living American has to his credit a finer or more enviable record of distinguished, constructive, and truly patriotic public service than JOHN NANCE GARNER.

In order that Members of the Congress and the American people as well may have an opportunity to know more about this great American, his typically American background, his interesting career, his plain, simple, practical political philosophy, with permission of the House I include in my remarks an address delivered recently at the Vice President's birthplace in Red River County, Tex., by Hon. Roy Miller, of

Corpus Christi, a lifelong personal friend of Mr. GARNER and a well-known Democratic leader of our State.

The address is as follows:

Mr. Chairman and friends, I am deeply sensible of the great honor conferred upon me by your invitation to participate in this remarkable and unusual assembly. JOHN NANCE GARNER, the Vice President of the United States, in whose honor we are here, has been my intimate and personal friend for more than a quarter of a century. I first met him when I was a youthful newspaper editor and he a fledgling Member of Congress. A mutual interest, the progress and development of a vast but sparsely populated area which he represented in the Congress of the United States, brought us together in an intimate relationship which through all the years has been to me a priceless possession. I have watched him grow from a young, green Congressman, humorously dubbed the Chaparral Statesman, into the full stature of one of America's greatest statesmen of all time.

It is therefore not only a personal pleasure but a deeply appreciated privilige to be permitted to join with his friends and neighbors of earlier years in paying to him this tribute of respect, admiration, and affection.

There is much that can and doubtless will be said about JOHN GARNER before this meeting adjourns and its purpose appropriately proclaimed in written resolution. At the outset, however, it should be made entirely clear, and with all possible emphasis so that the world may know, that JOHN GARNER is not now and never will be an active candidate for the Presidency of the United States. I assume to make this statement because I think I know the thoughts and motives which actuate him at this very moment. He seeks neither position, place, power, nor influence. He desires only to be of service to his country, to his party, and to his fellow man. His motives and his objectives are solely and purely patriotic. Knowing him as I do, however, I have every confidence that he, as long as he lives, will never fail or refuse to accept any call to duty which may come to him from his party or his country.

No man who would become an active candidate for the Presidency of the United States, in my opinion, would be worthy of it. It is the most exalted office in all the world. While men with all propriety may seek positions of minor trust, the office of President of the United States, the greatest, richest, and most powerful Nation in all the world, should seek the man.

It is, therefore, entirely fitting and proper and within our rights as American citizens that we who know him well and have such admiration for and confidence in his superlative talents, should here today direct the attention of our fellow citizens to the outstanding qualifications of this great American for the high place of President of the United States. In doing so, we utter no word of criticism or disparagement of any other man. We offer no complaint concerning the public acts or official record of anyone. We do, however, plant our feet firmly upon Democratic and American tradition in respect to terms of service. We believe devoutly that the future safety of the Republic depends upon our adherence to the old landmarks in precept as well as in tradition. Therefore, recognizing the responsibility resting upon the great Democratic Party to select one who in 1940 shall carry forward to greater triumphs the victorious banner of a militant democracy, we say proudly to the American democracy and to the country that in our humble judgment JOHN NANCE GARNER is the best qualified American to succeed Franklin D. Roosevelt as the President of the United States.

Time does not permit a complete cataloging of the many virtues and qualifications of our candidate. His long record of public service speaks for itself. For nearly 40 years he has devoted his unusual talents almost exclusively to the service of his community, his State, and his Nation. From county judge of Uvalde County as a young man in his early twenties, through a two-term period of conspicuous service in our State legislature, through 30 years as a Member of the Congress, including the Speakership of that body, through more than 6 years as Vice President of the United States, JOHN GARNER'S record of public service is without blot or stain, a matchless record seldom equaled and never surpassed in the annals of American history.

What are the essential and basic attributes of the splendid character of this remarkable man? If I should be asked to appraise them I would place first on the list his passionate patriotism for America. In all of my intimate associations with him for more than a quarter of a century, I have never known JOHN GARNER to perform a public act or cast a vote which he did not think was in the interest of the American people. Doubtless you will recall the intimate relationship which existed for so many years between JOHN GARNER and the late Nick Longworth, onetime Republican leader and Speaker of the House of Representatives. From the standpoint of background, environment, social tastes, and political philosophy there was little in common between these remarkable men, and yet they were both great patriots and that was the tie that bound them in intimate friendship. On one occasion, after he and I had been visiting with Mr. GARNER for some time, Nick Longworth expressed to me his feelings about his friend "Jack," as he called him. He said, "As you know, about 90 percent of the business of Congress is nonpartisan and nonpolitical. Of course, occasionally we have to create a political diversion for home consumption, but when it comes to a question involving the welfare of the American people there is no man living whose judgment I would rather accept than that of JOHN GARNER."

This, of course, is high praise, but coming from a great leader of another great political party, it represents and typifies the high regard in which JOHN GARNER, because of his passionate devotion to the public weal, has always been held by his colleagues in Congress, regardless of party, for more than 30 years.

Next on the list I would place honesty among JOHN GARNER'S outstanding characteristics. And it is not just the ordinary kind of honesty. It is the rugged, spontaneous type. Many times have I been present in his office when individuals or committees, advocating or sponsoring this cause or that, would call on him to ask his support. While other Members might follow the easy course by promising "careful consideration" or remain noncommittal, not so with JOHN GARNER. He always states his views frankly and openly and no one ever called on him for an expression of his opinion and left without knowing exactly where he stood. And he says "no" just as easily as, and possibly more forcefully than, he says "yes." He does it courageously, fearlessly, and without regard to political or personal consequences.

There are many other things about JOHN GARNER'S remarkable make-up which might be cataloged. He is, of course, loyal first, last, and all the time; loyal to his convictions, loyal to his party, loyal to his friends, and loyal to his country. Loyalty, indeed, with him is but a synonym for patriotism, and his patriotism is in no sense partisan. I do not know that he has ever been called upon to choose between party and country, but if that time should ever come the country may rest assured that it will take precedence over any party or political consideration.

One, if not the most remarkable, of Mr. GARNER'S remarkable talents is his quick and keen insight into public questions and public problems. Probably no man in America knows more about his Government than does he. His long years of service as a member of the Ways and Means Committee has made him a master of revenue, tariff, and taxation. His gift of leadership is innate and natural. He is probably the most expert parliamentarian that ever served in either branch of the Congress. A fast thinker and a hard hitter, he has had few equals and no superiors in debate on the floor of Congress.

The only question which has ever been raised concerning JOHN GARNER'S qualifications to fill the high office of the President of the United States has been in the matter of his age. Well, he did celebrate the sixty-ninth anniversary of his birth only a few days ago. And yet he possesses all of the mental and physical vigor of men 20 or more years his junior. Everyone knows that age is not a question of years but purely a personal matter. Today JOHN GARNER is at the peak of his mental and physical vitality and, unless all signs fail, will continue to be an active factor in the life of America for many years to come.

Sometimes I think the time has definitely arrived in America when important positions of trust and responsibility should be placed exclusively in the hands of the elders. There is no substitute, either in public or private life, for experience, and experience, of course, comes only with years. As a matter of fact, the only thing that is old about JOHN GARNER is some of his political philosophy. He still believes in the old-fashioned virtues of economy, thrift, and self-reliance. In other words, he believes in the old-fashioned, fundamental principles of democracy, and no man in America, in both his public and private life, exemplifies those principles to such a degree as does this great man. While achieving high place politically, he has made substantial success of his private life, and it is his proud boast that he owes no human being a thin dime. He believes in the pay-as-you-go system, and what a blessing it would be if that system could be applied to America today.

Lest I be misunderstood, let me say here, with all of the emphasis I can command, that JOHN GARNER is no reactionary in his political philosophy. Indeed, he is not even a conservative, if the term should be applied with the meaning with which it was clothed in years gone by. JOHN GARNER is a liberal and a great liberal. He was a liberal Democrat practicing liberalism many years before some of the most vocal present-day sponsors of liberalism were even born. But there is no tinge or taint of radicalism in the liberalism of JOHN GARNER. His liberalism is that which would guarantee to every American citizen the right and opportunity to work out his or her salvation with the least possible interference upon the part of the Government. Therefore, he believes in all necessary legislation and regulation to protect the weak against the strong, the poor against the rich, the owner of property against those who would destroy the ownership of property; in short, equality of opportunity for every American citizen. He believes in Democracy and prefers to be known as a Democrat in the old-fashioned interpretation of the term without qualification, prefix or suffix.

JOHN GARNER is the man of the hour. In his vivid personality, in his wide experience, in his broad knowledge, in his rugged honesty, in his fearless courage, in his human simplicity, in his abiding love of country, he combines all of the qualities and qualifications which the times demand for the high office of the President of the United States.

In such an atmosphere as this, I think we find the real soul and personality of America. From such humble surroundings as these, typified by the lowly log cabins where JOHN GARNER and his sainted mother were born, have come the truly great in America's glorious history. They knew, as he knows, what America is, what America stands for and how and why our American system of government was conceived. They knew, as he knows, what it means to toil and strive and work. They knew, as he knows, that there is no substitute for self-reliance and individual initiative, and that any system of government which takes from the individual these fundamental tenets of liberty cannot long endure as a democracy of freemen. They knew, as he knows, that for men to be free they must be guaranteed only freedom of opportunity to work out their own

destinies, and that the highest purpose and duty of government in a democracy is to assure to every citizen an equal chance with his neighbor. This is the essence of JOHN GARNER'S political philosophy.

I have no patience with those who would seek to analyze the percentage of one's Americanism. It is not a divisible thing. It is not something that can be broken up into parts and appraised in its constituent elements. Either one is an American or he is not. Nevertheless, I cannot help but feel that there never was a time in the history of our beloved country when the need for the leadership of those whose Americanism is beyond all peradventure of doubt was so essentially and vitally necessary to the preservation of America and American institutions.

Here in Red River County, where JOHN GARNER'S widowed grandmother with her six fatherless children came from Tennessee almost a hundred years ago, built yonder log cabin and joined the ranks of valiant pioneers who blazed a trail for civilization and laid deep and broad the firm foundations of Imperial Texas, may we find indeed the soil from which true Americanism is generated and born. Here in this community, plain, homelike, typically American, is the birthplace of a great American who, in my humble opinion, has been marked by the hand of destiny to become the President of the greatest, richest, and most powerful nation of all time, the United States of America.

Existing Conditions in the United States

EXTENSION OF REMARKS

OF

HON. J. WILL TAYLOR

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 18, 1939

VERSES BY A. D. ALBRIGHT, OF KNOXVILLE, TENN.

Mr. TAYLOR of Tennessee. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following stanzas of blank verse composed by a very distinguished constituent of mine, Hon. A. D. Albright, of Knoxville, Tenn.:

TO THE CONGRESS OF THE UNITED STATES

What is this spirit that pervades our land,
This creeping, paralyzing chant of hate?
What is this cankered growth that takes command,
And feeds upon the vitals of the State?

Whence came this strange ferment of teaching
That Freedom lives and thrives tho man be slave?
Who are the prophets of this poisoned preaching
That Liberty shall die, and dying, save?

Where is the breeding-place of this damned weevil,
This spawn that reeks with tyranny and shame?
Who propagates this devastating evil,
Impinged on all that has an honored name?

All but the simple-minded know the answers:
A mongrel breed, a mercenary horde,
Has spread the virus of these hellish cancers,
Conceived and cultured by an alien lord.

But, once again, how comes this lethal stupor
That dulls and nullifies our people's sense?
They heed not sign, nor shout of flying trooper;
They see no foe, hence need of no defense.

Could these things be if those whom we confided
With seats of power were true to Faith's demands?
For ships on stormy seas may yet be guided,
Whose rudders feel the grip of loyal hands.

There is an antidote to this infection,
Soon, soon too late, too late to be applied;
Ye men who know, with power to make injection,
What worth your wit if Freedom shall have died?

Relief Appropriation

EXTENSION OF REMARKS

OF

HON. PAT CANNON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 18, 1939

Mr. CANNON of Florida. Mr. Speaker, I feel at this point that I must say something regarding relief generally, despite the fact that I am a new Member of this honorable body. I particularly come from a district in south Florida where W. P. A. relief is indispensable. That, in all probability, is a position which any Member of this House might be forced to take for the reason that W. P. A., in my opinion, has been a lifesaver of upwards of 3,000,000 of people in this country. I think it well to remind this honorable body that in my district we have no smokestacks to speak of, in that our industries are quite limited. The district being a haven blessed with climate and facilities for those of our citizenry who would rest and play, and who, in the absence of Florida facilities, might be called upon to vacation in Cuba or some other foreign country. Therefore, it may well be said that the people whom I represent serve as hosts to the peoples of the world. The season during which we enjoy prosperity is a comparatively short one, being only approximately 90 days during the winter months. Being situated as we are we have found by experience that many people visit with us and become permanent residents who are incapacitated physically to survive in other parts of our great country. Consequently, the unfortunate ones among those people become relief subjects, either because of their physical infirmity or because our district is not industrial enough and large enough to absorb such cases. I am, indeed, happy our country affords a place like Florida in order that the persons referred to may enjoy life to its fullest extent. It is true that the W. P. A. facilities do little directly to assist the class of persons referred to, but it is nevertheless true that it and similar relief measures have made this country relief conscious, without which no man can presume what our status would be. As most other Members of this House, I subscribe to the theories and recognize the necessity and the utility of the W. P. A. and other forms of relief in the interest of mankind generally.

Much has been said today to discredit the W. P. A., those having it in charge, and its administration generally, to which I cannot fully subscribe. I am not in accord with references made to the effect that the W. P. A. organization is vicious in that it is a political football used by the Democratic Party to further its own cause. My experience, as a Democratic Member of this House, is that I do not know whether or not any member of the whole W. P. A. organization or any of the recipients thereunder voted for me. Insofar as I know, no W. P. A. recipient or executive stands charged with having regimented votes for any Democratic candidate in the primaries or in the general elections. I do not know nor has it been told me that any recipient or executive has contributed to any political party or candidate, nor do I know of any exactions having been requested. If the recipients and executives supported me, I am indeed proud. If they did not, nevertheless I am interested in the relief program and I do not feel that those who voted against me should be penalized because of my election. It is my opinion that I represent all of the people of my district, regardless of how any of them may have voted; and I believe that is the opinion of the Democrats generally in Florida. Relief to my district is indispensable at this time, and that is of paramount importance, subservient to nothing. Representatives in Congress may come and go. We in Florida have always been blessed with good and active Members and there is no reason why we should not so continue. I am not as interested in personnel as I am interested in the welfare of the constituency.

A few amendments to the committee report have been offered here today which, in my opinion, are most vicious. Particularly do I refer to those amendments that, had they been passed, would have struck at the constitutional rights of executives and recipients of the W. P. A. in that they would not have permitted those persons to have been active for any candidate or political party. The passage of the amendment to which I refer would have not permitted anyone connected with the W. P. A. to have mentioned any candidate or political party to his coworkers, however lowly or dignified may have been his station. I am firmly of the belief that most of those on relief are just as good citizens as our great country affords, and I likewise believe that they should not be denied

any right that our Constitution affords them simply because they find themselves in a most precarious position. I hope that in the near future the relief program now in effect will render our people back to normal citizenry. In the meantime it is my sincere conviction that we are not to scar society and human beings generally by discriminating against those who have met with adversity. There are those possibly on relief who would not work if the opportunity presented itself. In behalf of those people I do not speak, but I am vitally interested in those who have families and dependents to support, who have always worked at every opportunity. No plan could be so big and so perfect that would not embrace in it certain of our undesirable citizenry. Therefore, I do not indict W. P. A. nor any other relief program because we find such citizens receiving its benefits. A good deed is done, in my opinion, when most of the people on relief actually deserve it. Again, just so long as funds are distributed throughout this country and put back into trade channels, just that long we are looking toward normal prosperity. In my opinion it makes very little difference what one does to earn money under the W. P. A. since it is more important that the money be sent into the districts for circulation. It is much better, of course, that the recipients under the W. P. A. be engaged in some constructive community building program, but that, I assure you, is secondary, since the purpose of the program itself is to supply a buying power long since lost, the enjoyment of which is almost forgotten.

Now, I would like to say a word regarding rumors that all of us have possibly heard as respects the W. P. A. organization. I have had numerous conferences with W. P. A. workers who have called at my office on many occasions, some of whom have had grievances. They dreamed that they had been wronged; that they had been discriminated against; that they had been treated unfairly. And, although I am not given to dissension nor have I an open ear to those who criticize destructively, I do defend the people to whom I now refer on the theory that it is my opinion that when one, through adversity, arrives at a point where he must receive alms and be an object of charity, so to speak, his pride has been scarred and society, generally speaking, has been injured, both of which forces renders one a bit irrational. Those forces, together with his economic status, prey on his mind, and with all the sincerity of his heart he believes that something should be done to further relieve him. Also, there enters into this proposition the general dissatisfaction of man, and were it not so our Nation would have long since crumbled, particularly if each of us were satisfied to go along following a staid course without any hope or desire for betterment.

Returning to our immediate problem, we are to vote today on how much money, if any, will be appropriated to carry on the W. P. A. relief program. Our great President, in his opening day speech, told this Congress that the country needed $875,000,000 to carry on its W. P. A. activity. The committee having the measure in charge reported a joint resolution in the amount of $725,000,000 in lieu thereof, thereby reducing the President's request in the amount of $150,000,000. A very distinguished Member of this body introduced an amendment to the joint resolution, which amendment and the committee resolution were debated ably by both sides. I supported the amendment, which was an attempt to appropriate the $875,000,000 that the President asked for for this program. I supported it because the President of the United States and his advisers instituted this program and it is their brain child.

I am thoroughly convinced that the President and those having this program in charge are in a better position to know the financial need of the program itself than anyone else. There is not one man connected with the W. P. A. now or who has been connected with it in the past in whom I do not have implicit confidence. Therefore, in the interest of the people of this country, I voted for the amendment. I saw no basic reason why the $725,000,000 amount was reported, particularly since none was advanced. Therefore, the report was, in my opinion, arbitrary. I voted for the amendment which carried the $875,000,000 in preference to the reported appropriation bill in the amount of $725,000,000. Unfortunately, the President's amount and the amendment supporting it was lost. I then was called on to do the next best thing and supported the relief bill in the amount of $725,000,000, but I desire to go on record here and now as being favorable to voting for an additional amount in the future if, as, and when the same is needed to carry on this great program.

In closing, I would have it recorded that I will vote favorably on any relief program more far-reaching and useful to the American citizenry generally if, as, and when one is produced by the critics of the W. P. A.

I am, indeed, thankful to you, Mr. Speaker and Members of this House, for your indulgence.

Jackson Day Address

EXTENSION OF REMARKS

OF

HON. ANDREW J. MAY

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 18, 1939

ADDRESS BY VINCENT M. MILES AT JACKSON DAY DINNER, LOUISVILLE, KY., JANUARY 7, 1939

Mr. MAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Vincent M. Miles, Solicitor of the United States Post Office Department, at the Jackson Day dinner at Louisville, Ky., on January 7:

It is delightful to be talking to Democrats on Jackson Day. More, perhaps, than anybody in our history, Old Hickory typifies the party of the people.

Some of our bright newspaper feature writers have once or twice said that they hoped the future would bring forth a Democratic speaker who would fail to drag in the name of Jefferson and Jackson. While these remarks create a smile, they demonstrate a levity toward the search and fight throughout the ages for the highest type of government.

I am not here to give you a lesson in American history, but at the outset we must recall certain obvious reasons for honoring the memory of Andrew Jackson and turning back to the early days of our Republic.

However true or untrue may be the assertion of the Declaration of Independence that "all men are created equal," or that of George Mason's Bill of Rights that "all men are by nature equally free and independent" as to the individual man, it is certainly true that nations are not by nature free. Nor have they been created equally free and independent. Freedom has been in the history of mankind the result of generations of growth, of development, of training, and of heroic struggle.

Nor is it the form of their government which determines the political condition of a people as to whether they possess the priceless boon of civil liberty. A government which is in form that of an absolute numerical majority—in name and frame a pure democracy—may be and in the recent experience of mankind has been a grinding despotism.

It is the substance, not the form; the fact, not the theory, which determines the real character of the political institutions of a country.

It is well that citizens and patriots should never forget the aphorism of John C. Calhoun. That great thinker in his Dissertation on Government, which Mr. Gladstone pronounced to be the ablest discussion of that subject which had come from the mind of man, declares "That which corrupts and debases the community politically must also corrupt and debase it morally."

From the earliest ages this study of government has enlisted the attention of the master minds of the human race. Moses, Solon, Plato, Aristotle, Socrates, and Cicero among the ancients and after them philosophers and statesmen in all ages have devoted to it their profoundest thought. But it was left to the men of our own race on this continent during the past 180 years to discover the true principles upon which good government rests. Thomas Jefferson was one of the leaders in the formulation of the principles and after a slight loosening of those principles Andrew Jackson was called upon by the people of our democracy to restore them to their original form and so call them to the attention of the electorate that we would have a known pattern to guide us.

In the century since Old Hickory the voters have called to the Presidency four men who were thoroughly imbued with this set of principles. They are Abraham Lincoln, Theodore Roosevelt, Woodrow Wilson, and our present great leader, Franklin D. Roosevelt.

Whenever any man takes the lead in a government devoted to the welfare of the average man and woman instead of those who have a personal and selfish interest in government there is at first an acute and bitter situation when epithets and charges of all kind fly thick and fast.

When Jackson went after the Biddle Bank dictatorship, his countrymen were warned that he was aiming at the destruction of American enterprise and was bent on getting such power over American capital as to make him a dictator. He met the storm gaily and won for us the present banking system that has worked for us a century until his great present-day successor had to give it a holiday to clean its linen.

Back a hundred years ago, Jackson was described as an anarchist, a mad man from the uncultured West. His enemies did not say that he had no mind and was run by brain trusters and New Dealers, but they did say that he had no mind and was run by a kitchen cabinet and that the charming Peggy Eaton used to sit on his lap and tell him what to do to the people.

It was not long, however, until his fellow countrymen were erecting monuments to his memory and the policies he reestablished were recognized as the principles of our Government.

Both President Jackson and President Roosevelt have many common traits, which make these times great in which to live and face the situation. It was Mr. Longfellow's idea, as I recall it, that "when the great clock of destiny strikes Now" everyone should sit up and take notice.

Our trouble has been that the leaders of the Republican Party have tried to regulate their affairs by the hourglass that was performing "when Homer smote his blooming lyre."

In the economic and social anarchy which was the legacy left by the Republicans to the Democrats in 1933, finance and industry were among the very first to be given attention. But for the bold and swift action of President Roosevelt and Congress in support of the banking system, the whole complicated financial set-up would have crumbled into ruins and billions of dollars in savings would have suffered enormous depreciation or disappeared altogether.

The whole course of the administrations of President Roosevelt has been in line with the democracy of Jackson and the principles of the party. Every step, every proposal, has been in the direction of curbing fraud, of preventing exploitation, of assisting the unfortunate, of abolishing injustices, and of spreading the blessings and benefits of this fruitful country more equitably among all its citizens.

Nowadays, many of our people are prone to forget the terrific task that confronted our great President when he took office 6 years ago, so they do not appreciate the courage and brilliancy with which he assumed and carried that burden. Nobody contends that every phase of the New Deal has been perfect. It is easy to view from our present position of comparative comfort where this item or that of the vast program could have been done in some other way, but when the disaster was at its height our country demanded results and could not wait for development of perfect processes. The only fair way of estimating the New Deal is to balance the state of affairs 6 years ago with today.

For example, the big industries then were dismayed because profits had vanished and complete ruin threatened. Today their concern relates to whether profits will be larger next year than they were this year. Six years ago those same industries were wondering if anything could be saved out of the apparent wreck.

Today they are fretting over how much of their surplus profits they should be permitted to put in a reserve and how much should be disbursed in dividends. Then the banks were beleaguered by crowds seeking to get their deposits out before the banks closed their doors. Now the same people who made up these crowds are wondering how they can best invest the savings they have accumulated and which, by the way, total $52,000,000,000 in bank deposits.

I do not mean to say that the present-day problems are not acute and important. Of course they are. Every businessman, big or little, is right to feel concerned about everything that affects his prosperity. It is his job to cultivate his markets, extend his plant as opportunity offers, and get his money to work. It is his attention to the problems of industry and commerce that has made America great, that has resulted in the marvelous development of our economic system that has made us the wonder and envy of the world.

It is an evidence of how far we have progressed on the road to prosperity that our business people are taking up these questions instead of wondering if there would be any business at all, as they were doing a few years ago.

Let me impress upon you that the triumph of the past few years has been a triumph for the Democratic Party. The political organization to which we belong was able to meet the challenge of a new day and a changing social order because it kept pace with the times and because it had not sold its soul to a single powerful economic group. The party was free to work for the best interests of the Nation as a whole, and every worth-while measure adopted during the past few years was enacted into law bearing the stamp of democracy upon its face.

It is ironic to recall the stubborn resistance raised in Congress by the opposition party to the adoption of constructive reforms. And it is not only ironic but amusing to witness the efforts of this same opposition party to claim a share of credit for the adoption of the measures that were so bitterly opposed by its own leaders. We are told that the Republican Party has at last seen the light, that under the pressure of public opinion, the G. O. P. has decided to abandon its blind opposition to progress in favor of a more enlightened attitude toward modern problems.

The conversion is welcome even if it comes a bit late. A conversion born of expediency instead of conviction seldom endures, and judging by recent happenings within the party itself, perhaps those who felt that the Republican Party had mended its ways were a bit premature. In any event, I think it is fair to say that President Roosevelt has had more to do with shaping the present-day modification of the viewpoint of the Grand Old Party than any of its so-called leaders. The party has decided to embrace his philosophy of government at least in part, not because it likes to, but because to do otherwise would condemn it to quick and final oblivion.

The most convincing testimony to the worth of what the Chief Executive is trying to accomplish is this belated and grudging acceptance coming from the ranks of the opposition. They know President Roosevelt is right and they have finally arrived at the sensible conclusion that to continue fighting everything he proposes for the welfare of the country will result in nothing more than political suicide. Hoping to avert that unwelcome calamity, they have decided to ride on the President's coat-tails. Who ever dreamed a few years ago that the conservative leaders of the Republican Party would be trying to outdo the Democrats in providing security for the aged and infirm? Who ever imagined that these very Republicans who denounced the social-security plan as a menace to American institutions would be entering gingerly into an alliance with Dr. Townsend, ostensibly to help the old folks, but in reality to catch votes?

In the comparatively calm and peaceful atmosphere of other years, it was a simple matter to outline the basic creed of the Republican Party. Under the firm grip of a reactionary inner council, the party was committed to the fundamental doctrine that its major purpose was to protect and promote the financial interest of those who owned and controlled the national wealth. It was a practical application of Alexander Hamilton's theory that if the wealthy and well-born prospered, then a measure of prosperity was bound to trickle down to those below. I wonder what Quay, and Hanna, and Penrose would think if they could be here today to witness a grandson of the reactionary and austere Senator Henry Cabot Lodge publicly embracing the heretical doctrines of Dr. Townsend.

We hear Senator VANDENBERG warning his fellow workers in solemn tones that the party must return to the ways of the past, and then we hear the equally impressive voice of Senator MCNARY telling his colleagues that the party must heed the lessons of the present or else perish.

The split in the ranks of the Republican Party is so deep and the implications so ludicrous that a temptation naturally exists to discuss it only in terms of banter and ridicule.

But this situation does not relieve us of our duty to continue to keep alive the principles of our party. I want to thank you all for coming out tonight. After my efforts you may feel entitled to a 90-percent refund, but we also gathered tonight to help our national committee. We have duties to perform before the next general election. The Democratic Party has substantial majorities in both Houses of Congress. The business of government is a continuing process and the task of safeguarding the country against future economic storms and rooting out social maladjustments must go forward in all its vigor. President Roosevelt has defined a goal, and he has persisted on the course for 6 long years now, despite the constant obstruction of those who look to the past rather than the future. We must see to it that his hands are upheld in the great battle to preserve and extend the boundaries of human rights.

So let us look at the next election. You will recall I said a moment ago that after Old Hickory's death the people built monuments to him. It begins to look as if our present great leader need not wait so long to be acclaimed. It may be because of the radio and present means of communication they may become informed much sooner of the value of public service, but, regardless of the cause, there are signs that his Jacksonian qualities are being more and more clearly recognized. The bitterness in 1933 and 1934 grew out of the demands for the right of the worker to a fair wage and collective bargaining; for straight and open dealing in business and banking; for the recognition of the responsibility of the Federal Government in the social field. These things have now become so well established within the last 2 years that the converts are increasing daily and but few irreconcilables are left.

Of course, we may expect continued opposition to the policies recommended by President Roosevelt. A great many people sincerely dislike the idea of making government an instrument of human progress while a great many more dislike change simply because it is change. Yet the significant fact is that most of the social reforms of the past 6 years are now looked upon as integral parts of the American system. Their worth is now recognized so generally that even if a reactionary administration came into power—a very unlikely possibility—there would be no attempt to undo the basic acts written onto the statute books by the Roosevelt administration.

For example, the die-hards shook their heads in disapproval a few years ago when the Social Security Act was under consideration in Congress. They said it was a step toward socialism; they denounced it as an intolerable burden on industry and a menace to the continuance of free institutions. Today, in the light of experience, a move has been started to revise the social-security measure in the belief that it can be improved in many essential respects. The Republican leadership is anxious to take a hand in the revision, but there is no suggestion that the plan has proved a

failure and should be repealed. On the contrary, it is almost universally agreed that in future years the social-security program should prove to be a tremendous factor in stabilizing the national economy, in addition to providing old-age security for millions of worthy citizens.

The same may be said of many other Roosevelt reforms. The original passage of the Securities and Exchange Act was bitterly contested. The claim was made that it would stifle free enterprise and halt the flow of capital into new industries. But time has worked on the side of those who believed that it would be little short of a national calamity to permit without restriction or regulation the continued issuance of stocks and bonds and the formation of giant financial combines. Those unsophisticated souls who believed that the era of frenzied finance was washed away finally and forever in the great speculative orgy which ended in 1929 must have had a rude awakening if they read the daily newspapers during the year just ended. We know what the Securities and Exchange Commission has been able to accomplish in rooting out fraud and brazen dishonesty in the handling of other people's money; it would take a hardy soul, indeed, to venture a guess on how many crooked schemes of like nature failed to see the light of day because their would-be promoters were afraid to take the risk.

The sweatshop has disappeared and now the fight is centered on the question of the character of the wage and hour law we shall have and the proposed changes in the National Labor Relations Act and not on the question of whether we should have either of them at all or not.

I was particularly impressed at the temper of the resolutions adopted at last fall's annual meeting of the National Association of Manufacturers, an organization previously controlled by those who believed that the highest form of patriotism was to pass a resolution condemning the President of the United States and all his works. He was supposed to be a kind of Lucifer against whom perpetual warfare had to be waged. The resolutions adopted by the Manufacturers' Association last year recognized the spirit of the times and plainly stated that it was the duty of industry to cooperate with Government in the work of stabilizing employment and helping to raise the standards of living. The association also recognized the fact that labor has a right to bargain collectively through the representative of its own choosing. Instead of condemning everything undertaken by the Roosevelt administration to promote the common good, the manufacturers took the sensible viewpoint that a solution for the complex and difficult problems confronting the Nation must be accomplished by a policy of mutual understanding and good will. This refreshing spirit of cooperation is in line with the attitude taken by Mr. Myron Taylor, Mr. Gerard Swope, and other enlightened leaders of industry, who have been striving since the beginning to find a satisfactory meeting ground for business and industry. You may feel assured that the Roosevelt administration is ready to do its share in promoting understanding and in encouraging the adoption of those measures that will advance the prosperity of business.

So we realize that by following the principles upon which the Government has lasted as a democratic republic we are progressing under a great leader. Jefferson and Jackson demonstrated in the beginning what these fine principles of government meant by putting them in operation.

Tonight we are privileged to hear the voice of a great captain who has followed so magnificently along the course of free government marked out by his illustrious predecessors.

Undaunted and unafraid, President Franklin D. Roosevelt has planted the standard of human rights above the ramparts and he has kept it flying in the breeze against the constant assaults of strong and resourceful enemies. He has kept the faith and, as good soldiers in a great cause, it is our duty to keep faith with him.

Additional Facts About So-called Tenant and Sharecropper Uprising in Southeast Missouri

EXTENSION OF REMARKS

OF

HON. ORVILLE ZIMMERMAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 18, 1939

Mr. ZIMMERMAN. Mr. Speaker, on last Monday Senator TRUMAN, of Missouri, placed in the RECORD a resolution adopted by the landowners of southeast Missouri at New Madrid, Mo., on January 12, 1939, relative to the so-called tenant and sharecropper uprising in that section. A reading of this resolution will disclose that the reported exodus of tenants and sharecroppers from the farms of southeast Missouri to the highways, as depicted by the metropolitan press of the country, is not supported by the facts; that the camps erected along the highways were composed in the main by nonresidents who had come to this section to pick cotton and who resided in towns and villages, and that a relatively small number of the occupants of these road camps were bona fide sharecroppers or tenants; and further, that the landowners are not responsible for this much-publicized demonstration.

Mr. Speaker, in order that the Congress and the country may further know the facts about the highly colored and distorted stories which have been published about our section of Missouri and its people, I am placing in the RECORD the following resolution which was adopted by the farmers of Mississippi County, Mo., at Charleston on January 12, 1939, and mailed to me:

Whereas there are now known to be 99 families on Highway 60, Mississippi County; and

Whereas it has been reported in the press that these people have been forced to move by their landlords; and

Whereas the condition of these people has been investigated and the following facts determined: That the people now on the highways fall in the following classes—56 sharecroppers, 1 leaseholder, 32 day laborers, 4 W. P. A. workers, and 6 moved out of town; that 25 percent of these sharecroppers had contracts with landlords and farmers to be retained on the farm in 1939; that 1 had legal notice to vacate and 5 with letters asking them to move; that 87 moved, giving no reason for vacating; that all refused to tell why they moved to the highway and who instructed them to do so; that it was clearly determined that a great majority of the landlords had nothing to do with their moving from the farms and nothing to do with their moving to the highway; and

Whereas the farmers of Mississippi County in joint meeting held at the county courthouse in Charleston on January 12, 1939, determined there are approximately 4,200 tenant farmers and sharecroppers in Mississippi County; and

Whereas the number now on the highways is less than 3 percent of the total tenants and sharecroppers of the county; and

Whereas that is less than the normal moving from farm to farm each year; and

Whereas it is definitely known that numbers of these people had farms rented and crop contracts for 1939 and part of the land prepared for crops: Therefore be it

Resolved, That this movement to the highways of this county is the result of unscrupulous and scheming agitators who have been deceiving the Negro tenants and sharecroppers by making them believe that they were going to be given property and money by the Government and that they will not have to work; and be it also

Resolved, That it would be to the best interests of Mississippi County that Government relief and charitable agencies refrain from encouraging this movement by giving aid and assistance for the reason that landowners and farmers are in a position to take care of them in 1939 by giving them crops and labor; and be it further

Resolved, That it is the opinion of this body assembled that the statements made that the landowners and farmers of Mississippi County are dispossessing their sharecroppers for the purpose of receiving all the Government crop payments are absolutely false and made for the purpose of deceiving the press and public; and be it further

Resolved, That landowners and farmers of this county will welcome any investigation of the facts pertaining to this situation and will cooperate with any properly authorized investigating agency to determine such facts; and be it further

Resolved, That copies of this resolution be forwarded to Hon. Bennett Champ Clark, Hon. Harry S. Truman, Hon. Orville Zimmerman, Hon. J. C. McDowell, Hon. Dan O'Bryan, Hon. Henry A. Wallace, and Gov. Lloyd C. Stark.

E. A. STORY,
Chairman, Resolutions Committee.
REECE B. GILLOOLY,
Secretary, Resolutions Committee.

Mr. Speaker, under the laws of Missouri a landlord is required to give notice to a tenant if he is to be moved the following year. For years it has been the universal practice among landlords and farmers to give the tenants notice to quit at the end of the year, even to tenants who have been on the land for as long as 10 or 20 years. All understand this practice and there has never been any disturbance in our section because of this action by farmers and landlords, since as a rule only undesirable tenants are ever asked to move. With a few exceptions, as will be found everywhere, the farmers and landlords of southeast Missouri have always been solicitous of the welfare of the families living on their lands, and a healthy, cooperative relationship has always existed between these groups. As shown by the above resolution, there was less moving this year—and many changes are always made with the beginning of each year—than usual.

Mr. Speaker, we all know that a community and its people can be libeled by overzealous reporters who are looking for good stories for their papers. I know personally the high character and integrity of the men who adopted the above resolutions, and I ask the Congress and the public to consider their statements before passing judgment upon our section of Missouri and its people.

Broad Revision of Patent Laws Seen Probable

EXTENSION OF REMARKS
OF
HON. WALTER G. ANDREWS
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, January 18, 1939

ARTICLE BY BARTON A. BEAN, JR., OF BUFFALO, N. Y.

Mr. ANDREWS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Barton A. Bean, Jr., of Buffalo, N. Y.:

BROAD REVISION OF PATENT LAWS SEEN PROBABLE—CHILDREN WILL STICK THEIR FINGERS INTO THE BLADES OF ELECTRIC FANS AND OLDER CHILDREN WILL THROW MONKEY WRENCHES INTO THE ROTORS OF GENERATORS BECAUSE THEIR EYES CANNOT SEE THAT THOSE PARTS ARE IN MOTION

(By Barton A. Bean, Jr.)

It is understood that the National Economic Committee is considering recommending to the Congress a sweeping revision of the hundred-year-old patent laws. This seems to be based upon the conception that anything that is a hundred years old must be archaic and should be changed. It is the same spirit that moves unthinking people to cut down rtately elms or monuments of that age and substitute spindling saplings that may or may not survive. It is confusion of thought that anything a hundred years old cannot be modern. Even the most casual investigator can think of at least 10 laws (generally known as Commandments) that are as vital and alive today as they were at their promulgation several thousand years ago.

When one gets down to the nub of the carefully prepared and guided hearings of the National Economic Committee in Washington one is faced with the fact that the only thing that is said against the patent laws or the administration of them is that in the case of the glass-container industry one company may have achieved a monopoly that has gone perhaps beyond the original intent of the patent laws and statutes.

Our patent laws and statutes have been responsible for the growth in this country of the greatest industrial civilization in recorded history. They have been responsible for the development of machines and processes which have enabled our workmen to earn in 1 hour in usable commodities and goods what it takes workmen in other parts of the world, for example, in Russia, up to 26½ hours to earn.

According to some reporters, the only thing that the hearings have developed so far is that one concern in one industry has been able to combine patents in contravention of our antitrust laws so as to utilize not the patents themselves but the combination of patents in restraint of trade. As we understand it, the Department of Justice, which is directing this inquiry, admits that there is probably power under the antitrust acts to restrain such combinations.

Any informed person knows that there have been no substantial prosecutions under the antitrust acts in set-ups involving combinations of patents for the past decade. It looks as though the admission is that they have plenty of snowballs to throw at these persons or combinations to defeat them, but that they want snowballs with stones in them before they start the battle. With plenty of remedies already available to the informed or observing, one is forced to think of the experience of the sick child, whose parents, unable to find a duly qualified physician, finally called in the town veterinary, who, unable to diagnose the trouble, finally said, "Well, if I could just throw her into 'fits,' I can cure fits." Now we, who have some idea of what our patent system has done for this country, do not want it thrown into fits.

Can the presentation, so far, justify any tampering with basic patent law when the fault, if any, is, by admission of the parties concerned, laid at the very door of the Department of Justice for its lack of prosecution under the laws that we have? It would seem to anyone other than a child, who would have no sense of fear in approaching the seeming stationary blades of a rapidly rotated electric fan, or an older child, who would see no motion at all in the rotor of a busily humming generator, that it would not do to disturb on such slight evidence the patent system that has produced the benefits for all of us that Thomas Edison contributed; the benefits of the telephone, the telegraph, and flying machine, and the benefits of plastics and the hundred and one things in the chemical fields, because some one concern in the glass container field may be violating the antitrust acts in an illegal extension of a proper monopoly. The fault, if any, is not in the monopoly granted by patents, but in the extension of that monopoly by acts of the party concerned, and certain of the antitrust laws are directed against that very thing.

Fortunately we have had a liberal patent policy in this country and that patent policy has resulted in the creation of millions of inventions. We would be foolish and silly to adopt any laws or procedure that would stifle the bringing forward of these inventions. One can always find malcontents with a system; a certain proportion of those who fail are always ready and willing to say that they would not have failed had it not been for greater opportunity on the part of those who are successful, but we know that that is not sound judgment. We know that those who have failed would have failed no matter what the rules of the game were, and in our opinion it is a striking tribute to the whole patent system and endeavor when only one combination of patents can be pointed to as being charged with having a deleterious or wrongful effect upon our economic system. Is there any other field of endeavor in this country, or in the world, where after careful consideration and analysis only one isolated case can be pointed to as constituting an injustice under the rules and regulations there pertaining?

Our patent system is sound. It has stood the test of time, and any pointing of the finger to it with a comment that it has stood the test of a hundred years does not impute any weakness to it, but, in fact, imputes strength and integrity to it.

Our patent system rests and has been administered very fairly on one basic principle or precept, and that is, if an inventor will disclose his invention to the public, he will be rewarded with a monopoly for a limited period of time. We who have the best opportunity to observe these things know that this system works to benefit all of us; that we could not have had the industrial development that we have without it; that we would not have the thousand-and-one creature comforts and advantages that we have in this age without that system. Those who have traveled in foreign countries know how far behind us those countries are in so many of the mechanical advantages of our present civilization, and we know that the holding out of the monopoly to the individual inventor is the thing that makes and has made him rush in to invent, develop, and disclose, and that nothing else will suffice. We know that certain established industries, which are enjoying, perhaps, the ease that comes with accomplishment, would rather envision a system wherein the individual inventor would not be rewarded, because they have a practical monopoly in their hands by means of their large manufacture and control of distributing outlets, so that it is practically impossible for any newcomer to break in upon them. We also know that when that satisfaction with their then position becomes solidified it impedes forward progress and action; that the concerns so intrenched have the feeling that they have reached the ultimate in technical performance. This has happened before in the history of our inventive development, but always individuals have come along under our existing patent laws and upset the "aplomb" of these prophets of perfection. Continued advancement along scientific and technical lines do not exhaust the resources of science, but in fact only broaden and widen the frontiers along which the men in science and industry may explore and develop. Every step that is taken in development opens new avenues for further development, and it is essential that no impediment be placed upon the footsteps of the men proceeding along these paths.

It is an acknowledged fact that our country has outstripped every other country in the world in its mechanical and scientific development and in the translation of that development into better living for each and every citizen in this country. No one can quarrel with that. Why, then, hastily and without due forethought, embark upon some course that might restrict or impede that development, due to what is stated as one abuse in a system that has contributed so much to our progress and comfort?

The America I Want

EXTENSION OF REMARKS
OF
HON. FRANCIS H. CASE
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, January 18, 1939

ADDRESS BY HON. KARL MUNDT, OF SOUTH DAKOTA, DELIVERED IN NEW YORK CITY, JANUARY 14, 1939

Mr. CASE of South Dakota. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. KARL MUNDT, of South Dakota, delivered at the annual luncheon of the Women's National Republican Club, New York City, January 14, 1939:

Madam Chairman, fellow Republicans, it is a double pleasure for me to have the opportunity of addressing the ladies of the Women's National Republican Club in this room today. In the first place, it is always pleasureable for a speaker to address a company including so many beautiful ladies, and this pleasure becomes a veritable riot of delight when he realizes that he is speaking to that select group of femininity represented by Republican womanhood.

And to make my happiness complete today—I am here at your invitation to speak at a Republican victory dinner following one of the most remarkable political come-backs ever staged by our party and at a time when such a return to the fundamental doctrines of American life was the only alternative to a complete loss of the governmental ideals and political philosophy which have made America the lodestar of people the world over who are interested in the maintenance of the rights of self-government.

In the 20 years since the conclusion of the so-called war for democracy, the world has written more rapid history and made more astounding changes in the technique of government than in any like period in recorded time. The restoration to national sanity in government following the international insanity of war has been exceedingly slow and its path is marked by the crushed hopes of people in every land who had hoped for improved conditions following the conflict, but who have lived to see liberty slipping further from the grasps and to see ante-bellum tyrannies replaced by a post-bellum despotism which beggars all comparisons.

During this time America, unhappily, has not been immune from the dementia of the times although the innate soundness of our people and the record of our unequaled success in self-government have thus far happily resisted any total break-down of liberty and self-rule in this great country.

But even our American democracy has lost much of its vigor and has hearkened too attentively to the siren call of those urging the doctrines of un-American "isms" as substitutes for orderly self-government in this country. For the first time since our early history we find men high in American political life preaching the Tory tenets of centralized control and evidencing by precept and by preachment that they have lost faith in the ability of common people to govern themselves and to correct their weaknesses through the simon-pure operation of self-government.

Masquerading under the misnomers of "liberals" or "progressives" or "moderns"—most of them can be grouped under the heading of the collective noun "new dealers"—these Tories of today are as sincerely and as significantly opposed to the idea of letting the people govern themselves as were the Tories of old, who felt that King George, of England, should exert such a strong centralized control for the good of the people that even the colonials living in the peripheral empire called the American Colonies should not be trusted to manage their own affairs.

While the language of these new Tories has changed, and while they have become artists of illusion in the game of conscripting all the attractive political terms for their own usage, their technique is as ancient as Nero's and their handbook of practical application reads about the same. The formula is as obvious as it is antique; it simply calls for the concentration of all power in the central government and the focusing of such power in the hands of one man or one branch of government as rapidly as raids upon the traditional institutions and policies of government will permit.

TRUMPED-UP DANGERS FROM ABROAD

The fact that these drives for power are made in the name of justice for labor, or equality for the farmers, or recognition for the common man is no more novel than the newest New Deal technique of sugar-coating them in the name of a strong national defense or as protection against trumped-up dangers from abroad, and they should prove no more disarming to us than if they were couched in the language of the more direct and less subtle French King who simply said, "The state—it is I" and let it go at that.

NEW DEAL BECOMES NEW DEMENTIA

And the further fact that our chief apostle for taking power from the people and giving it to the politicians does so persistently in the name of liberalism does not alter the fact whether that philosophy is expounded in a message to Congress or a Jackson Day dinner, both of which have become so patently political in nature that only the occasion for the speech tells us which is which; the content of both talks follows the same general outline by which the New Deal, originally proposed to help the common man, has become the new dementia, now operating to transfer the political heritage of the common man to a select coterie of Governors who promise him much but first demand full payment by forcing him to give up rights and liberties which have always protected him in the past.

And unless history is to be inverted entirely, this concentration of power in the hands of politicians and the break-down of traditional rights of self-rule is a far cry from liberalism; it is, in fact, reaction of the first water and escapes being dubbed conservatism only because it is so much more reactionary than traditional conservatism that the term simply does not apply.

The evidence of fireside chats and Presidential proclamations, by testimony of Executive messages and attempted legislation, by proof of projected plans and past performances, I think we can now define the basic philosophy of the New Deal, and then, after having defined it, we should be in a better position to subscribe to its tenets or to reject them.

NEW DEAL DEFINED IN FIVE WORDS

I believe that in five words I can describe the basic objectives of the New Deal, and I do not think we have to attribute insincerity to those in control in doing so, although to be honest with myself—and I would not speak in any other language—I must say that I do have to attribute a doubt to their logic and their wisdom.

In five words, I believe the New Deal believes in unrestricted Government authority over business. I think it is honest in that belief. I think it has lost confidence in business. I think it has lost confidence in the people. But that unrestricted Government control over business crops out in so many places on the highway that it seems to me we must recognize the direction in which we are traveling. And it has been done in the name of liberalism. It has been done in the name of progress. Those who oppose it are asked this question: "Do you want to go back?" And they pick out some ugly date in 1932 or some melancholy morning in November of 1929 and say: "Do you want to go back to that?"

My theme is The America I Want, and with this theme in mind I am going to answer that question this noon; and as far as I am concerned, the answer is, "Yes; I want to go back. I want to go back to sound American principles of government." I want to go back in the same sense that a driver in a car who is lost on a detour wants to go back to the highway, so he can make progress once again. I want to go back like an invalid, without money, who wants to regain his health so he can get a job and have money once again. I want to go back like an explorer who has lost his way and has become bewildered and disturbed and wants to go back for a new start once more.

DIFFERENCE BETWEEN GOING BACK AND STAYING BACK

There is a vast difference, my friends, between going back and staying back. I want to go back for a new start the American way, which will let America forge ahead in the future as we have always forged ahead in the past.

WHAT A LIBERAL IS NOT

Well, am I a reactionary? Is this young fellow from the Dust Bowl a Tory or a conservative? I deny the allegation. What is a liberal? Let us try and define and figure out if we can first of all what is a liberal. Whether or not any White House spokesman, whether or not any paid propagandist says otherwise, history teaches us what a liberal is and what a reactionary is, and we can turn back to the pages of history and find written there so plainly and so clearly that all who dare to read can easily know the fact as to what it is to be a liberal.

A liberal, first of all, is not a fellow who believes in spending generously the public's money to build a partisan political machine for himself. That is not a liberal. A liberal is not a man who would liberate a worker from his steady job or tax his employer out of existence. That is not a liberal. A liberal is not a man who says to the farmers in my State, for instance: "We would import an abundance of farm products to liberate you from doing your chores because it makes farming so unprofitable that you cannot make money on the farm."

I say, in simple honesty, in my conception, the New Deal does not have a single semblance of genuine liberal governmental philosophy, and that the Government in its activities today is as devoid of liberalism as a Scotchman in a crap game.

WHAT IS A LIBERAL?

What does liberalism mean? True liberalism is a language which we all can understand, in a language that nobody can deny, means to believe in placing more and more of the powers of self-government in the hands of the common people. I know a lot of liberal Republicans. I know a lot of liberal Democrats. There is nothing partisan about that. One of the greatest and one of the earliest of American liberals was Thomas Jefferson, who believed in the particular philosophy of government that the people should be their own rulers. That is what liberalism means in the science of self-government.

Liberalism means to protect the common people from the dangers of monopoly, whether that monopoly be a commercial or a political monopoly. To be a liberal means to want to protect the people from tyranny. To be liberal means to want to protect the rights of the common individuals as contrasted with the profits of the politicians. And thus the liberal believes in government by the consent of the governed and does not believe in government through coercion by the government. That is the fundamental difference.

APPLYING THE TEST OF THE RECORD

Looking at it, then, taken from that standpoint, is the New Deal liberal? Are those who criticize us as Tories and reactionaries right when they do so? Let us consider a few of the major New Deal measures, not on the basis of whether they are good or not but on the basis of whether they are liberal or reactionary, because I propose to show that the New Deal today is the most reactionary government that ever existed in Washington. That is a strong statement. Let me give you argument in its behalf.

Take the N. R. A. Was it a liberal activity? The N. R. A. would take from the people the right to run their business, and insofar as it gathered together control and gave us centralized authority in one man in Washington it was reactionary, because the reactionary governments of the world have always been the one-man governments of Europe and Asia. As we study the history of despotism and of tyranny we study one-man control, and should we revert to control by a man, or a department, that is by all that is good and holy, reactionary, and you cannot say that those who oppose it are Tories.

The Supreme Court packing attempt was a second illustration of mistrusting the common people, doubting their ability or their willingness to amend the Constitution to achieve a certain goal.

So by centralized power the Supreme Court would have been packed, history would have been changed, and liberalism would have taken a long step backward.

Then came the reorganization bill, which once again manifests a distrust in the common people's representatives in Washington, doubting their willingness or ability to reorganize the Government sufficiently, and stating it must be done by a centralized department. Once again that reverts back to reactionary teachings of history. The antiliberals have always held that power should be placed in the hands of one man or one official family or an oligarchy.

On the basis, then, of the first three major experiments there is no evidence of progressivism, no evidence of liberality, no evidence of placing more powers in the hands of the common people.

Then came the Hatch amendment. Do you remember the Hatch amendment, when the relief bill was passed?

Senator HATCH, a good Democratic Senator from the Southwest, proposed an amendment which would have stated that it be a felony for any relief official, big or small, to use his position as a dispenser of relief to influence, to browbeat, or bribe the vote of the poor hungry fellow who needs relief. I wonder if there is a person listening today who dares to say that that was not a good American amendment? I wonder if there is a man in official Washington who dares to engage in debate with a tongue-tied mummy in a museum on the theory that it is not good Americanism to say: "You shall not permit the fellow in control of public funds to influence the man with starving babies in his home and tell him how he is to vote before he is given a chance to feed his little family."

You know the Hatch amendment, which would have been a second emancipation proclamation, which would have been a declaration of independence for those on relief in America, by a roll-call vote on the orders of the Chief was defeated, and I say to you in common Midwestern candor, that that roll-call vote was the most disgraceful vote ever taken in the United States Senate. And that can never be called liberalism.

The purge is next. Certainly the purge was not a manifestation of liberality. The purge said to the people of several different States, "You are not quite smart enough; you are not quite keen enough to select the representatives which you should have. You should take this man, or that man, or the other." That is another indication, I believe, which we can encompass in a bit of proof to show the New Deal, good or bad, is reactionary. I am not condemning it this noon. I am just insisting that those who attempt to fool Americans by calling such actions liberal or progressive have not studied the first pages of history; that is what I am trying to show, and leaving all conclusions as to the merit of the New Deal up to you.

Talk about wanting to go back. The New Deal wants to go back. It wants to go back beyond the American Constitution. It wants to go back into the darkness before the dawn of constitutional government. It wants to go back into the days of the Louises of France with one man in control. It wants to go back to the theories of Napoleon Bonaparte, when the general and his council determined what was good for the people. It wants to go back to the ideals of Julius Caesar, when just a few of the chosen decided what was good for the masses. It wants to go back to the Pharaohs of Egypt, when the common people had none of the rights and privileges which we accept as everyday functions of American citizenship today.

THE REPUBLICAN COROLLARY

We hear much these days about the need for putting human rights above property rights. I believe in that formula, and I am sure that you believe in it; I think Republicans, Jeffersonian Democrats, and new dealers all sincerely subscribe to that noble objective. But there is a corollary to that formula of which not so much is heard, and today the Republican Party is fighting for the inclusion of that corollary in our governmental attitudes.

I mean simply this: To the New Deal call to place human rights above property rights, the Republican Party answers with a hearty affirmative, but we stand alone as a party today calling for that equally important safeguard in a liberal democracy which also places human rights above political privileges. It is against this growing menace of political privilege, this antiliberal drift toward an aristocracy of bureaucrats, that the Republican Party lifts its voice today as the sole hope of those actually believing in true liberal government.

THE AMERICA I WANT

In the America I want, I want the type of liberalism that Thomas Jefferson and Abraham Lincoln preached and practiced. In the America I want, I want the common people to have rights and privileges and opportunities. I want the fellows on relief to have the same rights and privileges as the fellows who, by the accident of fate, have the fancy salaried jobs of distributing relief to those who need it most.

In the America I want, I want the kind of America my father had and his father before him. In the America I want, I want a Government playing the game according to the rules. I want a Government based on constitutional practice, based on American tradition, which skyrocketed this country from a few lone colonies to the leadership of the world, and once having attained that leadership foolishly begins to discard the things which made it great. In short, in the America I want, I want a busy, thrifty, hustling, friendly Government providing a fair chance for a free people in the American way.

No Arbitrary Rule on Longevity

EXTENSION OF REMARKS
OF
HON. FRANCIS D. CULKIN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, January 16, 1939

ADDRESS BY HON. FRANCIS D. CULKIN AT A DINNER OF THE BAR OF THE FIFTH JUDICIAL DISTRICT OF NEW YORK STATE AT SYRACUSE, N. Y., OCTOBER 29, 1938, IN HONOR OF HON. EDWARD NORTH SMITH AND HON. CLAYTON I. MILLER, JUSTICES OF THE SUPREME COURT OF THE STATE OF NEW YORK

Mr. CULKIN. Mr. Speaker, pursuant to the permission of the House, I append hereto remarks made by me at a dinner in honor of the Honorable Edward North Smith and the Honorable Clayton I. Miller, justices of the supreme court, the occasion being their impending retirement from the bench by reason of the age limit. The remarks are as follows:

Judge Smith, Judge Miller, and members of the bar and bench, the invitation to address you tonight, coming from Mr. Ray Shinaman, of your committee, was hedged about with certain conditions. Mr. Shinaman emphasized the fact that I was expected to sound a note of good cheer on behalf of the bar of the fifth judicial district. I am strongly in sympathy with the desires of the committee in this respect, for I believe that the whole atmosphere here tonight should be joyful and no element of melancholy or regret should darken our proceedings.

I know that I voice the sentiments of the bar when I say that this occasion is one of congratulation that our beloved and honored guests, Judge Smith and Judge Miller, have arrived at the statutory age of retirement unimpaired in mind and body and in the future will merely enjoy a larger leisure. During that leisure I predict that new tasks will not be shirked by our distinguished guests, but will be eagerly sought after and jealously prosecuted.

Is it so appalling to reach the Biblical age of threescore and ten? Not at all when, as I have stated, men like our distinguished guests come into this age with understanding and wisdom garnered through the years. For such men 80 or even 90 is an easy goal.

I have examined the roll of octogenarians. It carries the names of men of outstanding genius and achievement. You have all heard the story of Cato, the censor, and how at the age of 80, after having been stone deaf through life, he learned to play that most difficult of instruments, the violin.

Then there is the great Justinian, who successfully ruled the Roman Empire for half a century. Gibbons tells us that after the age of 70 he completed the compilation of what are known as the Justinian Pandects, which some lawyers constantly consult to this day. In that day, when the span of life was but 40 years, Justinian reached the age of 83.

Von Humboldt, the great scientist, our own John Adams, Titian, and a host of other celebrities lived far beyond the age of 90. The list of those who lived beyond 80 contains an extraordinary number of names of geniuses and statesmen. This list includes Plato, Herbert Spencer, Thomas Jefferson, John Wesley, James Madison, John Quincy Adams, Bismarck, Gladstone, Joseph Choate, and Elihu Root. If you scan the biographies of these men, you will be struck by their continued versatility and great mental activity down to their last hour.

Then there was the case of Count DeLesseps, who built the Suez Canal and started the Panama Canal. At 88 he married a buxom Creole, who bore him eight children, including two sets of twins. This, of course, was a physical achievement which is generally not the characteristic of the intellectual types.

As an example to the younger members of the bar, I now cite the case of Adam in Shakespeare's As You Like It. Adam wished to follow the fortunes of his young master, who was, as I recall, driven into the forest by a cruel uncle. Orlando told Adam he feared he could not withstand the perils of the journey. Adam, who was then over threescore and ten, pleaded that he was hale and hearty, because in his youth he "never had applied hot rebellious liquors to his blood."

THE UNITED STATES SUPREME COURT JUDGES

In the recent attempt to increase the numbers of the Supreme Court Bench, and thus control its decisions, the question of age played a most prominent part in the discussion. Take a look at the Court. Hughes today is 76. Not long since I saw him walk down Pennsylvania Avenue in Washington. He takes a 32-inch step, swings his shoulders with as much vigor as a man of 50, and his mind is more powerful than ever.

It was Hughes at 75 who drove back and defeated the bright young men of the "brain truster" school, Corcoran, Cohen, and company, and outgeneraled that master politician, the distinguished occupant of the White House.

Consider Judge Brandeis, now 82 years of age. Every faculty is intact, and he brings to bear on constitutional problems all the genius of his mighty intellect.

Consider Judge Van Devanter, now 80 years of age. After leaving the Supreme Court Bench he was detailed by the Supreme Court last spring to a trial term in New York City. It was a difficult trial, with modern attorneys of the first magnitude on both sides endeavoring to woo the jury by their arts and digressions. Judge Van Devanter gave the defendants a fair trial, free from collateral discussions. His charge was a model of clarity. He took the verdict late at night, and then took the subway home. No limousines or taxis for him.

So I say, that while man has fixed an arbitrary age of retirement, Dame Nature does nothing so absurd. She has no fixed rule of longevity. I cite the careers of these illustrious men to make it clear to you that the age of 70 is but the beginning of a larger wisdom.

As I look at Judges Miller and Smith tonight I can see nothing of the lean and slippered pantaloon in their make-up. They are as fully panoplied in mind and intellect as when they went on the bench many years ago. Their splendid mentalities are at once a tribute to hard work and correct living. We here tonight give tribute to these long years of service magnificently given to the people of the State and the fifth judicial district.

SERVICE TO CONSTITUTIONAL GOVERNMENT

The greatest achievement of our distinguished guests is that they have, during their long years on the bench, advanced and consolidated the gains for constitutional government in America. It is indisputable that if you take away the law and its impartial administration, all government will fall in confusion. Under such conditions an ancient writer says that "every man will become a law unto himself which must produce many enormities. Lust will become law, envy will become law; covetousness and ambition will become laws, and popular government will cease to exist."

The continuation of free institutions in America must depend upon the continuance of an upright and independent judiciary. A fearless judiciary, of which our guests are outstanding examples, is, indeed, the main bulwark of the liberties of the people.

You, sirs, during this outstanding period of service, have upheld the best traditions of the American bench. You have done this whether the matters concerned involved human liberty or the economic dispensation.

The outstanding feature of your public service is that during the years that have passed you have so ordered justice and law that human liberty, popular rights, and free government have been stimulated and advanced.

Why is it the plagues of fascism and communism gain no ground in America? The answer is simple: We have in our courts judges, of whom you gentlemen are typical, who administer justice irrespective of whether the litigant is rich or poor, strong or weak.

Sirs, you leave the bench secure in the affections of the bar and the people of this judicial district. You are the beneficiaries of long years of distinguished service, arduous work, careful living, and high thinking. You are yet young in spirit, and, more than that, captains of your own souls. The bar and bench say "Hail" but not "Farewell."

In the name of the bench, bar, and people of the State I ask that divine Providence grant you many, many years of happiness, good health, and continued accomplishment.

Defense Policy of the United States

EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Tuesday, January 17, 1939

EDITORIALS FROM KANSAS CITY STAR

Mr. CLARK of Missouri. Mr. President, I ask unanimous consent that there be printed in the Appendix of the RECORD several short editorials, really constituting one editorial, from the Kansas City Star, on the subject of our defense policy.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Kansas City Star of December 28, 1938]

I. WHAT POLICY FOR DEFENSE?

The President is expected to make his recommendations for strengthening the national defense in a special message to Congress to be delivered early next month. No state paper, we believe, has been more anxiously awaited since Mr. Roosevelt revealed his plans for dealing with the economic crisis at the beginning of his first term. None may have graver implications for the future of the Nation.

The specific recommendations, it is said, will be preceded by a general reference in the President's annual message to Congress concerning the threat that recently has arisen to the safety of the United States and its neighbors in the Western Hemisphere from developments elsewhere in the world. But the American people, we suspect, need little education on that score.

It is perfectly apparent that the last few years have seen a progressive worsening of political relations in Europe and Asia. Japan and China have now been at war intermittently since 1931. The 2-year-old Spanish civil war is being prevented from spreading only with the greatest difficulty. At least twice in the last year the European democracies and Fascist dictatorships have been on the brink of war, and peace has been preserved at a cost that has left the two principal democracies, in the words of a British observer, "down at the heel and shivering."

A new spirit is abroad in the world, compounded of a cynical disregard for treaty obligations, a ruthless determination to employ all the resources of the state to further imperial ambitions, and a growing confidence that other nations are either too cowardly or too decadent ever to resist those ambitions at the risk of war. That spirit is already at work in South America. For the first time in more than a century the Monroe Doctrine is being seriously challenged. In these circumstances a new situation has been created for the United States, demanding a careful reconsideration not simply of our armament program but of the basic objectives of our foreign policy as well.

That much is clear. It is also clear that without a definite understanding as to what our foreign policy is to be, it will be impossible to reach an intelligent decision as to the requirements of our national defense.

Every American, with the negligible exception of a few sincere pacifists, may be assumed to want his country adequately defended. More than that, every such American expects his Government to make provision for its defense. A heavy responsibility rests with the President. He is, under the Constitution, Commander in Chief of all the armed forces of the United States. The general staffs of the Army and Navy are available to him for technical advice, but in the final analysis it is up to him to determine on the recommendations of policy that shall be submitted to Congress.

Mr. Roosevelt next month will undoubtedly urge the National Legislature to increase the country's Military and Naval Establishments. It is generally agreed that he should; that he would be derelict in his duty if he did not propose stronger defensive measures in the face of recent international disturbances. Preparations that would have been entirely sufficient a few years ago are obviously inadequate today. Armaments are largely relative. To meet the possibility of a more powerful attack you must have a stronger defense. That is common sense.

There has, however, been considerable controversy over the size of the program the President should advocate, and here it becomes manifest that what is needed first of all is a reexamination of our foreign policy along these lines.

1. Preparations devised to defend the territory of the United States and its insular possessions are one thing.

2. If we intend to protect the whole Western Hemisphere, we shall need still other forces.

3. And, finally, if we are to take an effective part in world politics, so that countries as remote as Germany, Italy, and Japan will be compelled to respect our wishes, we must plan our preparations on yet another scale.

Many informed and intensely patriotic persons fear that Mr. Roosevelt is going to request an altogether extravagant program, that he means to go far beyond the necessities of national or even hemispherical defense to seek an army and navy capable of allowing the American Government to play power politics in any part of the world, and that once in possession of such a force, there would be constant danger of plunging the country into war.

They are persuaded that in grandiose schemes of this kind the real needs of territorial defense may be overlooked and the country may find itself in the end less well protected than by a more modest and better balanced program. Others see a prospect that defense will become a political football, used to distract public attention from other pressing questions of the day. War hysteria, they contend, is invaluable for that purpose.

Such speculation, however, must be beside the point until the President makes known his conception of the objectives of our foreign policy. Not until these are thoroughly understood, discussed, and agreed upon, will it be possible to form a reasonable judgment on his proposals for defense. Both Congress and the American people have the right to know what he thinks our foreign policy should be.

[From the Kansas City Star of December 29, 1938]

2. WHAT POLICY FOR DEFENSE?

THE THREE COURSES OPEN

So far the administration has failed to take the country into its confidence as to which of the three major policies for defense it proposes to adopt as a basis for armament. Yet it is perfectly evident that we must know what we are arming for, if we are to arm intelligently. The three possible policies are these:

1. Defense of continental United States, including Hawaii and the Canal Zone.

2. Defense of the two Americas, as essential to the long-run defense of the United States.

3. A world police policy backed by sufficient power to make a great democratic bloc, including France and the British Empire, with such military strength that no restless nation or combination of nations would dare start a war.

These three policies must be constantly borne in mind in considering any armament program proposed to Congress. Undoubtedly most Americans thoroughly disapprove of the governments and policies of the important dictatorships of the Soviet Union, Germany, Italy, and Japan. But just as undoubtedly most Americans at present, at least, are thoroughly opposed to going overseas to take a hand in any European or Asiatic struggle.

Certainly the American people believe in adequate continental defense—policy No. 1. Conceivably they might become hospitable to the idea of upholding the Monroe Doctrine by force, if necessary, and assuming the obligation of protecting both American continents—policy No. 2. But just now they would violently and almost unanimously turn thumbs down on arming for world police duty—policy No. 3. Possibly they might finally be convinced that they were wrong. But there is no question as to their present deep-seated opposition to any course looking toward a foreign war.

Each of these three policies may be defended as policies of national defense. But the people should be taken into the administration's confidence. The President may believe sincerely that the only adequate national defense lies in policy No. 3. But the people must pay the bills. They have a right to know what is back of any rearmament plan that is offered. There should be no attempt in Washington, at the White House or in Congress, to make the people believe they are being asked to provide a program for immediate continental defense when the armaments asked for are on a scale for use for policing the world.

The difference in cost of armaments for these three policies would be very great. The country is in much better shape to meet a war emergency than it was in 1917. Even with its present equipment and the equipment that could be fairly readily obtained, it could defend continental United States, Hawaii, and the Canal Zone. To be absolutely safe perhaps $500,000,000 more might be required. If such an amount were granted it ought to be spent on carefully prepared plans which presumably are already in the hands of the War and Navy Departments, to build up a properly balanced Army and Navy and to accumulate stocks of essential metals that are not produced at home.

The spectacular thing, which might be expected to attract Congress, would be to center on airplanes and battleships. But the military and naval experts know that many less spectacular things are required to make a really balanced and efficient army and navy.

For policy No. 2, the defense of both Americas, there is an obvious reason. For more than a century the United States has assumed that its safety would be menaced by any further European encroachments in the New World. Today German air bases in Brazil would threaten the Panama Canal and thus the security of the United States. To uphold policy No. 2 would require a different and a more expensive program than would be required for policy No. 1. Yet it might be necessary.

The emphasis here would be on the Navy as the first line of defense, with an expanded air force, and extensive airfields and air equipment in Latin America. It would be no use to send airplanes to Brazil if there were no place for them to land, and no adequate machine shops to take care of repairs.

Finally, an armed force strong enough in combination with France and England to restrain the aggressive dictatorships, would require far greater preparations and vastly greater expense than either of the other programs. The Star does not attempt to say offhand that policy No. 3 should go into the discard without consideration. It does say that the arguments against it seem convincing to most Americans and that the armament program required for it should not be adopted under the disguise of a program intended merely for continental defense. These considerations apply especially to the proposals coming out of Washington for an extravagant air fleet, out of proportion to the balanced requirements of the Nation's military forces, no matter which of the three policies here outlined should be finally adopted.

[From the Kansas City Star of December 30, 1938]

3. WHAT POLICY FOR DEFENSE?

THE AIR SERVICE

No part of the discussion of national-defense problems is more controversial, or even more spectacular, than that pertaining to the air arm. Here is where wild-eyed enthusiasm, extravagant claims, Wellsian predictions, and popular misconceptions combine to make every man an "expert." By the merest gestures vast fleets of fighting airplanes are created and manned, giant bombers fly to distant objectives under mysterious radio control, and horrible destruction rains from the clouds. Almost every development in military aviation carries with it an awesome inference of death and suffering for civilian populations.

No wonder a morbid wit remarked that in the next war "the boys in the trenches would be knitting sweaters for the folks back home."

Air defense is too serious a matter nowadays to remain in the realm of absurdity; nor should it receive the lofty dismissal of those who maintain that America is still safely distant from all threats of force. The problem is so closely attached to all other phases of our military policy that it should receive thoughtful and balanced consideration.

Planes and bombs alone do not win wars. China and Spain have demonstrated that. But they are exceedingly potent weapons in a bluffing contest, especially against nations inferior in air strength. Undoubtedly this factor in itself is responsible for the sudden surge of air-mindedness in the United States.

But there is no reason to be hysterical about it. Before engaging on so great a program as would build 10,000 airplanes, for instance, and train 20,000 pilots, certain definite facts ought to be ascertained. If the Government undertakes such a program on a mass-production basis, it is likely to have the effect of seriously dislocating the commercial aviation industry by turning plants and their mechanics entirely over to military manufacture. It is questionable, provided the planes could be produced in the short period suggested, whether training facilities would be available.

But beyond all this there is the more important consideration: Just what do we need and why do we need it?

The answer to this can be determined only by a decision as to the broad purposes of governmental policy on national defense. If that policy is to defend only the continental United States, including Hawaii and the Canal Zone, the role of military and naval aviation should be fitted to that particular plan. Some of our best military authorities believe that we have a fairly adequate continental defense at this time. It is out of balance, however, in some regards. Certain deficiencies should be made good in order to round out an army of 480,000 men which is regarded as necessary for this purpose. It is estimated that a half billion dollars will be required for new rifles, antitank and antiaircraft guns, for stocks of needed metals, such as tungsten, manganese, and tin, for powder and ammunition reserves, and for tools for airplane production.

Thus it would appear that a strictly home-defense policy places greater stress on plans for airplane production than on production itself. It is more important to be ready to build the latest models, with all the necessary tools available and plant expansion plans already prepared, than it is to have a large number of planes which would become obsolete in 2 or 3 years. Only a few years ago France had the finest air force in the world, but the planes were kept in their hangars too long. When the crisis of last September came, the great French air force was not much better than a pile of junk.

More airplanes will be needed, of course, even for a continental defense plan. Estimates of the number required vary from 1,000 to 3,000. Newer types should be provided for National Guard and Reserve units and a proper proportion of all categories—pursuit, attack, bombing, and observation—should be the objective.

On the other hand, if our policy is determined to include defense of all the Americas from foreign aggression, giving direct military power to the Monroe Doctrine, the problem of air armament becomes greatly enlarged. For one thing, air operations in Central and South America would call for a careful arrangement of bases. Commercial air lines would have to be encouraged and aided in obtaining fields and other facilities which could be turned to military uses when an emergency arose. Naval responsibility would be greater in such a case, which undoubtedly would mean that several additional airplane carriers would be called for. It is easy to see that another half billion dollars could be spent for the naval expansion necessary, and not even include any additional battleships, which are considerably more expensive than carriers.

The Army could not be left out of consideration in the defense of all the Americas. Regardless of what overseas expeditions might be attempted, military aviation naturally would be expected to reinforce the naval effort. This would call for a larger force of far-cruising bombers—and bombers cost from $250,000 up.

Thus, to insure a broad enough protection for North and South America, the cost will jump far beyond anything contemplated for a purely home defense. Congress may agree that it is necessary, but it should be certain that added billions will not be spent unwisely under any pressure from propaganda groups and selfish interests.

For that matter, it is possible that a defense plan evolved to protect all the Americas would also be extensive enough to give the United States a stronger voice in world affairs generally; Berlin, Rome, and Toyko undoubtedly would listen then.

It is absurd to consider some of the proposals heard nowadays—that we should have 15,000 or 20,000 airplanes and be ready to "take on" anybody. This may appeal to some persons as some schemes do to "Amos 'n' Andy": "It sure sounds good."

But is it?

[The Kansas City Star of December 31, 1938]

4. WHAT POLICY FOR DEFENSE?

WHAT THE ARMY NEEDS

Two major perils threaten the decision that Congress must soon make on the subject of national defense. One is that the country may be hurried into a program, without any clear idea of the needs it is expected to meet. The other is that even after these needs are determined in the light of an agreed foreign policy, the program may be drafted for spectacular appeal, thereby leaving our preparations dangerously deficient in certain routine but vital respects.

The necessity for deciding what foreign policy we propose to pursue already has been discussed in this editorial series. National defense, as has been pointed out, is an elastic term. It may mean merely the ability to resist an invasion of our territory or insular possessions. It may be expanded to cover arming to protect the whole Western Hemisphere against outside attack, on the ground that a European or Asiatic power, once established anywhere in the Americas, would create a new and substantial menace to our security. Or the term may even be interpreted to include the military and naval force required for policing the world, as constituting in the end the cheapest form of national insurance.

All three of these policies, it has been said, are arguable. But since each presupposes a different level of armament, it would be as foolish to adopt a defense program without knowing what we are to defend, as it would be to buy an overcoat in ignorance of whether it was intended to protect the wearer against a summer shower or the rigors of subzero weather.

It would be equally absurd for Congress to enact a program that might provide superfluous strength in a few categories and yet leave the country vulnerable through the neglect of other essential equipment or organization.

The recent suggestion, said to have administration approval, that the Army's air establishment be increased by 10,000 planes, well illustrates this particular peril. Military experts consider such an addition excessive for the national needs, at least under any policy short of one that would seek to maintain an American peace in every part of the world. But that is not the only difficulty with the suggestion.

It is agreed, generally, that the Army will have to have more planes, whatever defense policy is decided upon. Yet, according to the experts, there are other things that are even more urgently needed by the Army. At the top of their priority list stands the accumulation of reserves of various materials that the United States either does not produce or produces in altogether inadequate quantities.

Among these are manganese, antimony, tungsten, tin, iodine, rubber, and wool. All of them are practically indispensable for the protection of our own territory, let alone any more extended defense. All of them can be stored in preparation for a war when our foreign sources of supply might be seriously disrupted or temporarily shut off. But at present this elementary precaution has not been taken.

What good would another 10,000 airplanes be if a combination of enemies should succeed in crippling our land defenses by depriving us of essential war materials? Nevertheless, millions of dollars have been spent in buying up the world's output of silver to support an artificial price for the benefit of the silver-mining interests of the United States, creating an immense reserve of this useless metal, while no funds have been available for accumulating a similar reserve of other materials upon which the Nation's very existence may some day depend.

The primary goal of all thoughtful military men is to seek means by which the mere manpower of armies—their bulk or mass, as it were—may be reduced. The World War developed a tendency toward unwieldiness in all units, from companies to regiments and divisions. But now there is a striving for greater fire power. This is to be gained by cutting down the number of men in a unit and then giving the remaining personnel such efficient weapons that no loss of fire power will result. This means guns that will fire more rapidly and more accurately, mechanization and motorization to enable quick concentration at the critical points in combat, and, of course, a modernization of the auxiliaries that enable an army to live in the field.

The Army desperately needs much of this more modern equipment. A beginning has been made in furnishing it with the new and vastly more efficient semiautomatic rifle, but, as the phrase goes, only a beginning. The manufacture of rifles and of antiaircraft guns must be accelerated. The situation is still worse with respect to antitank guns. The Ordnance Department has designed such a weapon but so far the Army has none. It is short, too, of searchlights, radio equipment, and gas masks. At the end of the current fiscal year its motorization program will be only two-thirds completed.

Technical experts, again, rank several of these requirements ahead of additional airplanes. But somehow they are not dramatic. They do not readily capture public interest and for that reason there is a grave danger they may be slighted by the politicians who will finally pass on the defense program.

It is of the first importance, therefore, that both the public and the politicians be brought to understand that valuable as military aviation has become it has not done away with the need for a balanced defense. It would be a fatal mistake for the United States to risk its safety upon the possession of the largest air fleet in the world. Much greater protection, the experts say, is to be had from a somewhat smaller air force, working in conjunction with a slightly larger Regular Army and National Guard, than we now possess, equipped with a sufficiency of the latest weapons.

Specifically, it is suggested that the Regular Army, National Guard, and Enlisted Reserve be raised to a total enlisted strength of about 480,000 men, and that approximately a half billion dollars be appropriated for new equipment and the accumulation of necessary reserves. So far as the Army is concerned this would provide the basis for a virtually impregnable defense of the United States and its possessions. Its secret is the effective coordination of all factors in the right proportion. Like the strength of a chain, the defensive power of a nation must be gaged by its weakest link.

[From the Kansas City Star of January 2, 1939]

5. WHAT POLICY FOR DEFENSE?

A RATIONAL NAVY PROGRAM

The immense importance of creating a balanced land and air force, instead of emphasizing a few types of armaments and largely neglecting other essential measures, has been dealt with in a previous editorial. The same principle applies equally to any plan that may be adopted for bolstering our sea defenses by the Congress that meets tomorrow.

The particular danger in connection with the Army is that Congress, perhaps under administration guidance, will make an extravagant provision for new airplanes, which are a popular fashion of the moment, but fail to arrange for correcting vital deficiencies in other equipment and material reserves. Where the Navy is concerned, the temptation is to consider its needs almost exclusively in terms of battleships.

The battleship undoubtedly is a major unit in any fleet. In the large-scale naval engagements of the past the superior range and number of the guns such a ship could mount and the thickness of its protective armor have constituted an invaluable asset. The development recently of the power of air attack has produced some controversy over the continuance of its value, but the weight of authoritative opinion seems to be that the bomber has not yet destroyed the usefulness of the battleship.

On the other hand, the so-called capital ship remains only one unit of a well-balanced fleet. For maximum efficiency such a fleet must also possess fast scouting cruisers, aircraft carriers, submarines, destroyers, and various auxiliary vessels necessary for its maintenance at sea. No naval expert would propose to have a fleet consist entirely of battleships. Yet, according to the experts, while the current naval program probably will meet all immediate requirements in this category, we are weak in submarines and destroyers. We need more aircraft carriers and auxiliaries. The Marine Corps, they say, should be strengthened, the merchant marine developed, and our shipbuilding facilities improved.

Along with these deficiencies goes a shortage of torpedo supplies. How all such factors interlock may be seen by recalling Great Britain's recent experience. At the time of the attempt to halt Italy's seizure of Ethiopia the British Atlantic fleet was concentrated in the Mediterranean. It was overwhelmingly stronger than the whole Italian Navy. But the British preparations had been so lax in previous years that the fleet had on board ammunition enough for less than half an hour's firing. It was helpless. This one deficiency paralyzed all Great Britain's expensive battleships.

Balance, then, is as necessary for the Navy as for the Army. A great deal of money already is being spent on our sea armaments. The latest construction program, authorized by Congress in 1938, will entail the expenditure of more than $1,000,000,000 over from 6 to 8 years. The Navy is our first line of defense, whether that is deemed to cover only United States territory or the whole Western Hemisphere. (In recent years the Navy's plans are believed to have assumed the duty of upholding the Monroe Doctrine.)

The consensus appears to be that what is needed now for the Navy is chiefly a continuation of the present expansion program, with special emphasis on rounding out the fleet to achieve full fighting strength. This policy, the naval experts believe, would serve our defense needs, unless we decide to police the world. In that case, according to the Chief of Naval Operations, the country would require three times the force contemplated by the present program. The cost would be staggering.

There has been some talk of the desirability of doubling the current size of the Navy in order to create independent fleets in both oceans capable of withstanding simultaneous attack from two or more enemies. Most authorities oppose this scheme. They declare that the possibility of such an attack is too remote to justify the expense (estimated at $3,000,000,000) and that so long as the Panama Canal is adequately protected, the main fleet can be shifted back and forth readily enough to meet any probable crisis.

In discussing the needs of the Army, Navy, and air force, one subject constantly recurs. It is supply. If war comes, the Nation must be ready to expand all branches of the defense and to keep them furnished with effective equipment. Under modern conditions this will involve a conversion of our industrial plants generally from peacetime operations to production for military purposes. In Germany the change already seems to have been made in connection with the Nazi rearmament program. Such regimentation is not feasible in a democracy like ours. But it is possible to make certain preparations in advance.

Thus, a survey has been started to determine what factories are best equipped to produce various war supplies. About 10,000 establishments, it is reported, have been investigated and assigned their wartime duty to manufacture some 7,300 items. But much remains to be done. There are important items so specialized as to be outside the capacity of our normal productive resources, such as bomb sights, gas-mask canisters, demolition bombs, and fuses. These call for "educational" orders, allowing factories to experiment, buy proper machinery, and develop special skill among their employees.

Further, there is the need of providing the machine tools, jigs, dies, and such, required for getting into speedy production. Instead of building a large and costly fleet of airplanes that will become obsolete within 2 or 3 years, we should be equipped with the tools for their manufacture. These tools would gradually become obsolete and have to be scrapped and renewed. That would cost something, but it would cost far less than scrapping obsolete airplanes.

Finally, there is the necessity already mentioned of assembling reserves of essential raw materials like manganese, tungsten, and rubber that otherwise would have to be imported in time of war. All this is unspectacular work. But in an emergency it would be of inestimable value.

[From the Kansas City Star of January 3, 1939]

6. WHAT POLICY FOR DEFENSE?

A BALANCED PROGRAM NEEDED

The question of what constitutes a rational armament program for the United States has been discussed in some detail in a series of

editorials in the Star. Here we sum up the situation in the light of available facts.

1. The United States has the immense defense that no European nation has, of the great ocean barriers. We need not become hysterical. There is plenty of time to plan our defense program on a rational basis in accordance with competent Army and Navy advice.

2. It is essential first to determine the purpose for which we are arming. If we expect merely to defend our own shores, a certain program of armament expansion is required. If we expect to go overseas and take an active hand in European affairs on the theory that such a policy is needed for our defense, then another and far more costly program is necessary. Three major defense policies are open to us:

The defense of continental United States, including Hawaii, the Canal Zone, and the Caribbean area.

The defense of both American continents in accordance with the Monroe Doctrine, which is based on the assumption that our national safety would be imperiled if European nations or Japan were allowed to get military bases in any of the Latin-American countries.

A virtual alliance with the European democracies to restrain the aggressive dictatorships, on the ground that if Britain and France were crushed the United States would not be safe.

3. For the first policy of continental defense the United States already is fairly well prepared. It is not nearly in the position in which it was caught in 1916–17 when it had no air equipment and had not even decided on the type of rifle to be used. A moderate rearmament program to round out our defense, costing perhaps $500,000,000, would be sufficient. We would need certain additions to the Navy beyond those now planned, in order to have a balanced fleet. We would need to expand somewhat the Army organization and provide necessary equipment. Some additional airplanes would be required and an expansion of ground and training facilities. Of prime importance would be the equipment of factories with the necessary machine tools to enable them to get into production rapidly, and the accumulation of essential materials that we do not produce.

4. For the defense of the Monroe Doctrine some modification and expansion of this program would be needed. Commercial aviation companies would have to be helped to get more landing fields and equipment in Latin America. The air force would have to be expanded to meet the situation. If the Panama Canal is adequately defended there would be no need of the extravagant proposals to double the Navy in order to provide one fleet for the Atlantic and another for the Pacific.

5. To arm on a world basis in accordance with policy No. 3 would involve enormous expense, and would be contrary to what overwhelming public sentiment believes should be done.

6. In conclusion: We repeat the whole situation should be considered on a reasonable basis, without hysteria. Especially should Congress be on its guard not to stray off to provide spectacular arms like a huge airplane fleet and more battleships, when all the competent authorities agree that a balanced program for Army and Navy is required.

There would be general agreement on the need of providing adequately for continental defense in the way already outlined.

The Star believes the defense of the Monroe Doctrine is necessary for national safety, and that the continental defense program, which is needed in any event, should be expanded to meet the requirements of protecting the Western Hemisphere from European or Asiatic aggression.

The third program of arming to take an active hand in overseas politics The Star believes is unwarranted, extravagant, and against the judgment of the American people. It recognizes the possibility, however, that if there should be a world war, the United States might again become involved against its present will. But it also believes that an intelligent armament program to meet the needs of continental and American defense would be ample. If the emergency should arise this program could rapidly be expanded to meet any contingency.

In this situation it repeats what it has said before, that there should be no subterfuge, no disguising of our real purpose in rearming; and that by no means should Congress get into an extravagant program of rearming on a world basis on the pretext that it is merely providing for necessary continental defense.

Jewish War Veterans

EXTENSION OF REMARKS

OF

HON. JAMES E. MURRAY

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Thursday, January 19 (legislative day of Tuesday, January 17), 1939

ADDRESS OF HON. JAMES E. MURRAY, OF MONTANA, JANUARY 17, 1939

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address which I delivered at a meeting of the Washington Post of the Jewish War Veterans, at Washington, D. C., January 17, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am grateful for the opportunity of addressing the Washington Post of the Jewish War Veterans and their ladies in this magnificent building of the Jewish Community Center, which no doubt mirrors the spirit and activities of the Jewish community of the Nation's Capital.

I speak to you tonight as an American who cherishes the American way of life. I speak also as a Catholic, loyal to my own faith but respecting the faith of other men worshiping God in their own way. As an American and as a Christian, I am filled with a deep sense of horror by the reign of rancor and bitterness which of late has been writing a bloody page in the history of our time.

The lot of the Jews in Europe has indeed become a most unhappy and tragic one. Pilloried by ruthless dictators who have descended to a degree of oppression and brutality never before reached, and the end is not yet in sight. Only God knows when and how good will among men will again be restored. I am old-fashioned enough, however, to continue to believe in the fatherhood of God and the brotherhood of man. I have an abiding faith that justice will come again, and I am proud tonight to join with my fellow citizens in holding aloft the torch of tolerance and mercy to light the way of oppressed and tortured millions to a better day.

I decry the unwarranted acts of brutality and humiliation being heaped upon a defenseless people by the demigods now in control of some sections of Europe. As a Christian, I am ashamed to repeat the record of outrages perpetrated on the Jews of Europe, bereft, as they are, of all means of defense. If these so-called leaders who are propelling Europe toward the brink of war had any faith in God or any belief in justice or humility, the world would have been spared the crimes of concentration camps, clubbings, murders, purges, and exiles.

I have no desire on this occasion to repeat the platitudes of many of my fellow Christians, who, in speaking before Jewish audiences, sometimes refer to Jews as the "chosen people," and I do not come here tonight to merely tell you that "some of my best friends are Jews." I like always to think of my Jewish fellow citizens as being no better and no worse than others. In my State of Montana we make no distinctions. Out there we are all just Americans.

You have, of course, your share of saints and sinners, and there are those among your people, as there are among all races and all peoples, who have enriched life by their contributions in the various fields of art, of science, and of commerce. I think the Jews in this country have played their part nobly and well, and have done much to shed luster on the term "American." If I were a Jew, I would say with Shakespeare: "I am a Jew. Hath not a Jew eyes? Hath not a Jew hands, organs, dimensions, senses, affections, passions?"

Of course, the Jews have the weaknesses as well as the virtues common to other peoples of the human race. They are entitled only to the same measure of sympathy and justice we of other races hope to have accorded to ourselves. Their sins should neither be exaggerated nor their virtues ignored. On the whole, they measure up with the rest of us. I, for one, am unwilling to admit that any single race excels all others.

I would be both ungracious and unjust if I did not acknowledge the peculiarly Jewish contributions to our civilization. The Jewish people gave to the world the conception of one God—monotheism. Who can be unmindful of the eternal beauty of the Psalms of David, the social implications of the teachings of the prophets of Israel, or who can forget the lamentations of Jeremiah, or the vision of Isaiah? Jesus Christ, the Saviour, who gave us the Christian faith, was born of your people.

But today a strange and peculiar doctrine has been set in motion to plague your hapless race. I refer to the doctrine of alleged racial purity, or Aryanism. If I could speak to Hitler or to Mussolini, I would tell them what Disraeli told his fellow members of the English Parliament when taunted with being a Jew. "That is all very well," said he, "but when your ancestors were chasing each other around trees with stone axes, mine were writing the Talmud."

As an American and a supporter of our American principles of liberty and justice I resent this attempt to slander a whole race. Most nations engaging in acts of oppression and injustice undertake to justify their conduct upon some high principle. Of course, you can't very well rob a man and at the same time admit that he is a gentleman and your equal, or that he is possessed of any merit whatever. You must first assert and declare him unfit to enjoy either liberty or property in order to justify the spoilation. In Germany, if Hitler was completely sincere, would he, in addition to depriving the Jews of their civic rights, also rob them of their property? I am sure that history will record his oppression and spoilation of the Jews as the basest page in German history.

We, you, all of us are privileged to be citizens of this great American democracy. To my way of thinking, the greatness of America is not to be measured solely by her material resources, for which, of course, we are all truly grateful. We should, and must, make wise use of our abundant natural resources, to the end that every American citizen may be the beneficiary of Nature's bounty. But the greatness of our country, in the end, will be measured only by its spiritual resources; by its adherence to humanitarian principles.

It is by no mere chance that this country has no minority problem. To our shores have come men and women of various religious faiths and from many old-world countries. Here Protestant, Catholic, and Jew, English, Irish, German, French, Scotch, Russian, Dutch, Swede, to mention but a few, have learned to live, work, worship God, and rear their families under a philosophy of "equal rights for all and special privileges for none." Ours is a government based upon law and not upon the caprice or whim of a dictator or a privileged few.

The rights of our citizens should not and do not depend on mere sufferance or tolerance. Of course, we must be personally tolerant, but to each citizen, under our system, must be accorded and guaranteed the full and equal protection of the law of the land, based upon right and justice. So long as this conception of government endures the rights of no man will be in jeopardy, regardless of race or religion.

An old word has lately been resurrected from the past—the word "refugee." This is a grim and impelling word. It is unthinkable that human beings—men, women, and children—in this period of civilization can be made refugees; cargoes of human lives to be dumped at the first port of call. These people are not refugees; they have a right to stay in the countries of their origin, where in many cases they have lived for generations and where they have become attached to native traditions. This problem of the rights of minorities, which we thought had been settled for all time, must finally be solved if there is to be any stability or security in the world. The settlement of this problem must be based on right and justice. Otherwise man has lost his dignity and forfeited his right to be called civilized.

It is not necessary that every man and woman must look alike, think alike, act alike, worship alike, or vote alike. The imperishable glory of our Constitution is that within the framework of that immortal document each group, each religion, each institution can and does make a vital contribution to what has come to be known as the American tradition.

Let me say here and now that I am not afraid of the vulnerability of American institutions. They have their foundations, not in the swamps of intolerance, bigotry, or hatred, but in the firm bedrock of the soil of a free people who, from Lexington to the Marne, paid for them with their blood. I have no fear of fascism, nazism, communism, or any other "ism" in America. A free people will never be wooed and won to any false "ism," but a free people must be eternally vigilant.

There are many counts in the indictment drawn by the enemies of the Jewish people too baseless to defend or to enumerate, but I do wish to mention tonight only two because they are so often used by your enemies—and may I say here that your enemies are the foes of all mankind. We have learned to know that an attack upon one people is an attack upon all people; a slander against one religion is a slander against all religions; an assault against freedom in one country is an assault against freedom everywhere.

The two charges to which I refer are that the Jew is unpatriotic and that he is communistic. Both these charges would be too ridiculous to merit discussion if it were not for the fact that many misguided and envious persons accept them and frequently further the slander by repetition.

I dislike to burden you tonight with statistics. However, let us examine briefly what part the American Jews played in the late World War. The United States in that struggle mobilized approximately 4,355,000 men, or 4.3 percent of the population. Of those mobilized, approximately 250,000 were of the Jewish faith, or 4.5 percent of the Jewish population. In other words, the Jew was no more and no less patriotic, measured by the numbers mobilized. A more interesting figure is this: Of the total number of men mobilized, there were 1,491,000 in the Infantry, or 26.6 of the total mobilized, whereas the Jews in the Infantry numbered 84,973, or 48 percent of the Jews mobilized. Is any more eloquent argument needed in support of the patriotism or devotion of the Jewish citizen?

And here is what General Pershing, the Chief of the American Expeditionary Forces, had to say:

"When the time came to serve their country in arms, no class of people served with more patriotism or with higher motives than the young Jews who volunteered or were drafted and who went overseas with our other young Americans. I well remember, in my inspections of New York divisions, seeing so many patriotic, well-disciplined, well-behaved young Jewish soldiers, whose commanders spoke of them in the highest terms."

I have read that in Germany 100,000 Jews were mobilized, or 17 percent of the total Jewish population, of which 12,000 were killed in battle. I could keep on giving you the statistics of Jewish service in every army of every power in the World War; I could also relate scores of acts of individual bravery, heroism, and sacrifice, but it is unnecessary.

The cry that the Jew is communistic is even more preposterous than the one that he is unpatriotic. The myth is being spread also that Bolshevism is of Jewish origin. I presume this is because of the fact that Karl Marx was of Jewish extraction, or perhaps the Jew may sometimes appear too eager to assist in a program of ameliorating the condition of those who are undernourished, poorly housed, or ill-clad. Obviously, that is not communism; that is just plain justice and sound Americanism. The basic philosophy of Judaism, as I understand it, is wholly inconsistent with communism. It is certainly unlikely that a people engaged in industry, in commerce, in the professions, promoting the works of charity and mercy, would at the same time deliberately undertake to destroy their government and ruin themselves.

In this country, with rare exceptions, those Jews who have attained political prominence have done so either as Republicans or Democrats and not as enemies of democracy. In Russia only 2 of the 55 leaders are Jews; namely, Kaganovich and Litvinoff. In our own country, Governors Lehman and Horner are certainly not Communists; nor are Justice Brandeis or Justice Frankfurter or the distinguished Secretary of the Treasury, Henry Morgenthau. Nor was the late Justice Cardozo a Communist. Scores of Jews have risen in this country to positions of prominence and renown, not as Communists, but as patriotic men and women wedded to our American institutions—men and women who have supported in the highest degree the principles of charity, of freedom, and of justice. I am confident of the fact that the Jewish war veterans of America, of whom there are tens of thousands, are loyal, patriotic American soldiers, willing to fight again, if necessary, to keep this country free from communism or any other subversive movement.

Consequently we must conclude that those who deliberately vilify the Jews as Communists do so despite the clear record of the case. They use the argument merely as a red herring to camouflage their true motives, which must be grounded in stupidity, hatred, and religious bias—things that can have no rhyme or reason or place in America.

I can well sympathize with those among you who cherish the ideals of Zionism and desire to build a Jewish national homeland in Palestine under the Balfour declaration. I can understand the longing of those who are persecuted to return to their historic home, there to dwell in peace on their own soil. I am sure that the peculiar genius of the Jewish people would create a state based upon justice and equality. If that could be achieved, and I see no reason why it cannot, it is possible that out of Palestine might again come some contribution which would enrich life everywhere. Certainly if Palestine is not the solution of the Jewish problem, it may at least make a substantial contribution to that solution.

The restlessness prevailing in Europe—economic, political, and social—has lately spread to our land. We cannot help this as boundary lines and oceans have been swept away by the speed of modern communication. There are gullible persons who, for personal gain and with shameless disregard of human rights, will profess to believe that these alien doctrines are cure-alls for the ills that beset us. The minds of men—even some well-intentioned ones—are often confused and misled. Let us pray, therefore, that the American people will awaken to the dangers which confront them, and stand steadfastly for justice and equality toward all races and all peoples within our gates. There is only one answer I can give to those who doubt our way of doing things: Let us have greater doses of Americanism. If we have an abiding confidence in democracy and liberty, the ship of state will never flounder but will weather all the storms that may gather about us.

By liberty I do not mean license; by liberty I mean the Bill of Rights as set forth in the first 10 amendments to the Constitution. By liberty I mean a free press, the right of every man to speak his mind without fear or favor. By liberty I mean the right of every man to select his mode of worship without jeopardy. By liberty I mean the right of every man to be safe in his person without being haunted by fears of secret police. By liberty I mean the right of every man to protest and to have an impartial trial without fear of recriminations. These precious human rights, wrested in a long and bloody struggle against tyrants lasting over a thousand years, are guaranteed in this country by that great charter of human rights, the Constitution. By democracy I mean a form of government under which every man has a voice in the selection of its servants. By democracy I mean the right of every man to be secure in his property by which he has come honestly. By democracy I mean the right of every man to share equally in economic opportunities.

But we have now learned that liberty and democracy are luxuries in a complex and changing world. We are told in some quarters that it is an expensive form of political mechanism. The citizen must pay a price in a democracy. The citizen must share alike all responsibilities, all burdens, all costs. And, what is more important, the citizen must be willing and ready to defend his Government with his life if need be.

"Eternal vigilance is the price of liberty." A free people must therefore be alert to resist any inroads upon its fundamental tenets. We must be on guard, and in its incipient stages repulse the efforts of those who would impose upon us other political and economic doctrines of thought and action. America has been tested in the crucible of fire, and it emerges today as one of the few remaining democracies.

I say with pride, but not the pride of the chauvinist, that ours is the best form of government designed by man. It offers the most effective basis for the development of our civilization and the improvement of our social and cultural conditions. It has reserved the power of government in the people, where it properly belongs. A free people must have free institutions. Our courts stand as a bulwark against usurpation of power either by the legislative or executive arms of the Government. As long as we have the writ of habeas corpus, trial by jury, and an independent judiciary, so long we shall be free men.

You have no doubt observed that in the totalitarian states there is no independent system of courts. The courts in those states are merely the tools of the dictators and instrumentalities of effectively eliminating all opposition. The ideals of justice are placed by your rabbis as above the ideals of peace. And justice can only prevail through an unshackled and courageous judicial order.

In this hour of darkness Jews should not despair. You are an ancient people. You have survived all your oppressors and traducers of the past. The names of your enemies are but memories. Your present oppressors will meet the same fate as those of other periods. You will live, if you choose, as free and courageous men under the banner of democracy, ready to defend this freedom with life if necessary.

In your fight against racial and religious bias, in your fight against malice and ignorance and hatred I pledge you my heart and hand as an American and as a Christian.

National Rally of Young Democratic Clubs

EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Thursday, January 19 (legislative day of Tuesday, January 17), 1939

ADDRESS BY HON. CLAUDE PEPPER, OF FLORIDA, AT SEATTLE, WASH., JULY 16, 1938

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent to have printed in the RECORD a speech delivered by the distinguished Senator from Florida [Mr. PEPPER] at the national rally of young Democratic clubs in Seattle, Wash., on July 16, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a good omen for the future of the Democratic Party and for the hereafter of America that this national convention of Young Democrats has assembled in this great city of the great West.

Here are represented together in a common cause two of the most vital forces of this Nation—the Nation's West and the Nation's youth. It is only natural that the two should find a fellowship and a friendship which come easily, for both have much in common—enterprise, energy, courage, freshness of point of view, open-mindedness, willingness to meet and face new conditions.

It is also but natural that the occasion of the assembly should be to forward the cause of democracy, for these very qualities which so clearly characterize youth and the West are the very essence of the spirit of the Democratic Party.

The countless brave men and braver women of the West conquered a new world and made it by their enterprise and genius to blossom as the rose. Every young generation also has to conquer a new world. This young generation which is represented here today has already thrown its skirmish line far forward and soon the main army will begin to occupy the greatest destiny seen of all time.

Our forefathers, out of the deep wells of their great courage, launched their energies upon two colossal tasks in the beginning of our country. First, they set out for the physical conquest of this heart of a continent; second, they determined that their Government should be adapted to the needs and the aspirations of this country.

With their persistent sacrifice and herculean efforts they carved out of a wilderness a veritable jewel of wealth and beauty. No less unique and distinctive was the Government which they built here. In the crucible of their experiences through one and three-quarters centuries, over the fires of their own idealism and imagination, they refined all the known past about men's governments into something essentially new and unparalleled for this throbbing new Nation. It has been the genius of that Government whenever it has harkened back to the sentiments of its origin to continue to adapt itself to the new problems of each age; for well has it understood that "each age is a dream that is dying or one that is coming to birth."

It is now three and a third centuries since Jamestown, and we are no longer without experience and maturity. Long ago every nook and cranny of this gigantic country we put under foot and unchallenged dominion. We subjugated the savages and the beasts of the forests. We yoked the fields and the plows for our abundant nourishment and comfort. We bade rough, uneven Nature bow its head to our energy and enterprise as we flung highways and railways into every remote sector of mountain and plain. We bridled the timeless rivers which from their illimitable past had scorned restraint and made them turn the wheels of industry and bear upon their broad backs a nation's commerce. Even the towering mountain peaks which through their ageless lives not even to the soaring eagle had bowed their proud heads now we sail above in such comfort and security that they, like the little sands upon the seashore, bear witness to our mastery over all the eye surveys.

Our 3,000 miles of shore line embrace the oceans and the Gulf. Between the two great oceans lie 3,000 miles more of the very heart of a continent, incomparably rich, pregnant with almost every variety of resource, kissed by an equable climate, inhabited by 130,000,000 of people speaking essentially the same language, living under the same law, bound inextricably together by the consciousness of a common destiny, and possessing a physical and mental vigor and a spiritual refinement not approximated by any people on the earth. Our annual income is from seventy to eighty billion dollars, our total wealth in excess of $300,000,000,000. We live in a state of comfort; we are nourished, housed, and clad. Our means of communication and transportation are above any other people in the world. Search all history, scan all the wide world and you will find nothing like this Nation anywhere. Surely, one might surmise, here man has comes to his destiny dreamed of through the ages.

But this is America's front yard. But we also have a back yard. For example, 200 of our greatest corporations in 1932 owned nearly one-fourth of the whole Nation's wealth and about one-half of the nonbanking corporate wealth of the country. In 1935 about one-tenth of the reporting corporation earned about one-half of all the net corporate income in the Nation in the same year. In 1935–36 about 47 percent of the American families and individuals living alone made less than $1,000 a year, and in 1937 4 percent of all reporting estates transmitted by inheritance represented one-third of all the wealth transmitted by inheritance during that period. Nearly one-third of America's farmers make annually less than $500 each and nearly two-thirds of our farmers earn every year less than $1,000 each, almost one-half of the farm population of our Nation is tenantry and the number is steadily increasing. We have so permitted our soil to be dissipated that now more than 50,000,000 of acres are eroded into uselessness. "One-third of our Nation is ill-fed, ill-housed, and ill-clothed." We have a million more illiterates than college graduates. In spite of our annual crime bill being $15,000,000,000 we still have one murder committed every 40 minutes.

In fact, more than a quarter of a century ago, Woodrow Wilson with his clear eye saw that all had not been well with our national life. In his first inaugural, speaking sentiments true then and truer now, he said: "Our life contains every great thing, and contains it in rich abundance. But the evil has come with the good, and much fine gold has been corroded. With riches has come inexcusable waste. We have squandered a great deal of what we might have used, and have not stopped to conserve the exceeding bounty of nature, without which our genius for enterprise would have been worthless and impotent, scorning to be careful, shamelessly prodigal, as well as admirably efficient.

"We have been proud of our industrial achievements, but we have not hitherto stopped and thought fully enough to count the human costs, the cost of lives snuffed out, of energies overtaxed and broken, the fearful physical and spiritual cost to the men and women upon whom the dead weight and burden of it all has fallen pitilessly the years through. The groans and agony of it all has not yet reached our ears, the solemn, moving undertone of our life, coming up out of the mines and factories and out of every home where the struggle had its intimate and familiar seat. With the great Government went many deep secret things which we too long delayed to look into and scrutinize with candid, fearless eyes. The great Government we love has too often been made use of for private and selfish purposes, and those who used it had forgotten the people.

"At last a vision has been vouchsafed us of our life as a whole. We see the bad with the good, the debased and decadent with the sound and vital. With this vision we approach new affairs. Our duty is to cleanse, to reconsider, to restore, to correct the evil without impairing the good, to purify and humanize every process of our common life without weakening or sentimentalizing it. There has been something crude and heartless and unfeeling in our haste to succeed and be great. Our thought has been 'let every man look out for himself, let every generation look out for itself,' while we reared giant machinery which made it impossible that any but those who stood at the levers of control should have a chance to look out for themselves. We had not forgotten our morale. We remembered well enough that we had set up a policy which was meant to serve the humblest as well as the most powerful, with an eye single to the standards of justice and fair play, and remembered it with pride. But we were very heedless and in a hurry to be great.

"We have come now to the sober second thought. The scales of heedlessness have fallen from our eyes. We have made up our minds to square every process of our national life again with the standards which we so proudly set up at the beginning and have always carried in our hearts. Our work is a work of restoration."

The work of restoration begun by the Democratic Party in 1912 is again resumed and well under way by the Democratic Party in the same spirit which actuated Woodrow Wilson. Under our incomparable President, Franklin Delano Roosevelt, the spiritual heir of Woodrow Wilson, as was Elisha of Elijah, we are trying to restore to the American people their fundamental liberties and their basic rights, that is to say:

First. The right to make a living as laborer, farmer, merchant, teacher, professional man—anything that is serviceable and honorable.

Second. The right to enjoy something more than just a living—I mean to say, to have a decent home, to have health, some of the things modern science has made commonplace, education for one's children, some leisure, some recreation.

Third. The right to a government which in its heart wants to be fair to every one of its citizens and who will see to it that every one of its citizens is fair to every one of his fellow citizen—

We are making progress. America has stirred from her moral lethargy, and her ancient virtues speak again. But there is one way by which that restoration, the fundamental progress of the Nation, can and will continue. And that is by the Government of the United States continuing to be a truly liberal government—a government which has a genuine moral fervor in its determination to better the lot of the men, women, and children who are its citizens—a government which, like modern "medicine," has the good sense to adopt its prescriptions to the changing demands of the times.

The end of government is the welfare of the people. The means of reaching those ends change; the ends never.

In Jefferson's day the welfare of the people demanded the suppression of the Barbary pirates, the purchase of Louisiana, and the acquisition of an additional 100,000,000 acres of land from the Indians.

In Jackson's day the public welfare demanded that the Government protect the Nation against the strangling influences of a centralized and viciously manipulated money power.

In Cleveland's day the general welfare required that the giant railroads which held the destiny of this great West in their hands be restrained from exploitation and favoritism and made to perform fair and efficient public service.

In Wilson's day the promotion of the general welfare dictated the reformation of the banking structure, the strengthening of the antitrust laws, the curbing of private business abuses by the creation of the Federal Trade Commission, aid to the public health, a reawakening of the conscience of America to a thousand injustices and shortcomings in our economic and social order.

In Roosevelt's day the national interest makes it the plain duty of the Government to take up in dead earnest the work of national restoration begun by Woodrow Wilson and long neglected. The whole Nation, if not the whole world, knows what we are doing to make the Government of the United States the willing and intelligent servant of the American people—to lift up men's heads and hearts, to restore their pride and self-confidence, to give them a hand as they try to find their way through the complex and difficult life of this day; to give men and women the kind of security their forefathers came to America and, later, to the great West, to find.

The only hope for a liberal Government in this Nation is the Democratic Party. The whole political history of the country leaves no doubt of that fact. True, there is another political party which now is claiming to have undergone a change of heart (these disciples of Hamilton even are trying to steal our patron saint Jefferson) but the people know, of course, that this is just another example of the age-old story—the hand of Esau but the voice of Jacob.

And, conversely, I want to say solemnly and earnestly as one who is proud of a Democratic tradition which goes back as far as anyone in the Nation—that the only hope of the Democratic Party to be a dominant national party, to have the opportunity and the privilege of carrying on in the people's name the people's government, is for the Democratic Party to stand steadfast, day in and day out, as the truly liberal party of this country.

The people have now become articulate. They have found out by bitter experience what happens to them when their lives and their destinies are under the dominion of a government the chief concern of which is for a class and not the whole people, and the chief characteristics of which are favoritism and cowardice. They are determined that they will no longer be the pawns in the game; they will be the players.

Any party which in its heart keeps faith with them, which does not trifle with their confidence or its solemn obligation to govern, they will stand by with almost Pythian loyalty, but woe unto the unfaithful. They will spew them out of their mouths.

The hope of the Democratic Party and the hope of liberalism today lies in the West, the South, and the laboring man, the small-business man, and the small farmer of the North. This is the most important fact in the politics of the United States today.

We of the West and the South do not harbor ill will against anyone or any section and we would urge our unity only to preserve such self-interest as is to the good of the whole country. Yet we are natural allies and both of us have the common experience of having been sorely neglected until this administration came into power.

We have in common the problem of how to get a fair share of a nation's income for our agriculture; of how to break down a system of discriminatory freight rates which are throttling our efforts to establish industry which Nature has made our birthright; of how to obtain sufficient capital for our natural development and to free ourselves from the shackles of absentee proprietorship; the problems of conservation and restoration of our natural resources of forest and soil; the problem of flood control, irrigation, the development of our potential resources of water power, and the fair distribution of the blessings of modern science. Above all, we have the essential problem of keeping ever uppermost in our national policy human welfare, human health, human hope, human happiness beyond everything else.

And these things which we of the West and the South have in common we share with our brethren of the North who are the people of the North. They are asking in principle the same things we are seeking—a fair place in the abundant sun of our national life, fair wages, fair working conditions, fair security for their jobs and their old age, fair access to the avenues of opportunity, fair hope for their children to be able to find a place where they too may work, play, live honorably, and die peacefully.

If you will allow me to do so, I should like to come to you friends of the West not only as a representative of a great State but as an ambassador of good will from your good neighbor—the South. We of that South need your friendship; we extend to you our friendship in return. We need your help in our struggles; we know the Herculean battle you are winning, and we want to be helpful to you. We need your sympathetic understanding of those problems which are peculiar to us; we pledge you that we will judge you neither harshly nor hastily in any case.

Let me tell you fellow young Democrats, how very proud I am to be able to be one of this great assembly. I congratulate every one of you upon being here and upon the high purpose which brought you here. I congratulate you upon the decision which I know you have made—that the Young Democratic Club movement of America is not a training school for ward politicians, but is a great national forum where young men and women who are able and unafraid, who have in their hearts ideals and in their souls dreams, may give new vitality to our age-old aspirations for a better life.

The young men who went out to war in 1917 carried the heavy burden of a nation's honor and a nation's objectives. A responsibility no less solemn for a nation's future rests upon us young men and women of this day. As Woodrow Wilson said in 1912, let us say in 1938: "The Nation has been deeply stirred, stirred by a solemn passion; stirred by the knowledge of wrong, of ideals lost, of government too often debauched and made an instrument of evil. The feelings with which we face this new age of right and opportunity sweep across our heartstrings like some air out of God's own presence, where justice and mercy are reconciled and the judge and the brother are one. We know our task to be no mere task of politics but a task which shall search us through and through, whether we be able to understand our time and the need of our people, whether we be indeed their spokesmen and their interpreters, whether we have the pure heart to comprehend and the rectified will to choose our high course of action."

The young men and women of 1917 did not fail. The Nation knows that its future is glorious and secure in the hands of its young men and women of 1938.

Our Waterways and Our National Defense

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Thursday, January 19 (legislative day of Tuesday, January 17), 1939

ADDRESS BY HON. LISTER HILL, OF ALABAMA, NOVEMBER 21, 1938

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the RECORD an address which I prepared for delivery at the annual meeting of the Mississippi Valley Association on the 21st of last November, on the subject Our Waterways and Our National Defense.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President, delegates, and members of the Mississippi Valley Association, I sincerely appreciate the opportunity which your invitation gives me to attend this year's annual meeting of your association.

Your association's very able executive secretary, Mr. Lochlan Mackay, suggested that I discuss Our Waterways and Our National Defense. In the light of present world events, no more appropriate and pertinent subject could be discussed at this annual meeting of your association.

With the twentieth anniversary of the armistice just passed, the world enters a new cycle. Twenty years ago the World War, which cost 33 nations $186,000,000,000 and the lives of 10,000,000 men, ended with Germany's defeat. Today Germany arises from defeat and appears on the way toward the mastery of central and southeastern Europe.

A gigantic world armament race is on. We have the strange paradox that we can hope for "peace in our time" only by increased armaments. The New York Times in a recent editorial entitled "Twenty Years After" says:

"It is a fact both fantastic and deeply discouraging that on this the twentieth anniversary of the end of the World War sane men living under a democratic government in the safest of all nations should be called upon to recommend a further increase of American armaments. Yet that action is plainly forced upon us by the circumstances of the world in which we live. So long as offensive armaments are piling up in the hands of nations whose purposes there is reason to distrust, the ordinary rules of prudence and of common sense require that we be prepared. There is no present alternative but to make certain that our Navy is adequate to the defense of our coast line and our outlying possessions; that our

Army, while moderate in size, is brought thoroughly up to the minute in the matter of modern mechanical equipment; above all else, that our defensive forces be greatly strengthened in the air."

We read in London dispatches that Great Britain will add another $400,000,000 to her budget estimate of $600,000,000 and spend a billion dollars for aircraft next year, and that five or six thousand planes have been ordered.

In modern warfare the national security of a nation is not manpower but machine power. Modern warfare has become mechanized, and those countries like China and Ethiopia, without adequate war machines are helpless to defend themselves against the perfected and destructive war machines of Japan and Italy.

Mr. Churchill in recent London press dispatches is credited with saying that England must gain the supremacy of the air. It was not the sword of Damocles that hung over the heads of Chamberlain and Daladier at Munich, but it was the supremacy of the air armaments of Germany and Italy, as compared with the air forces of England and France.

Because of the recent changes in the balance of power in Europe and the Far East we have not only national-defense problems but economic and national trade problems as well. To solve these problems do we not owe it to ourselves to inquire whether among our rich natural resources we may have any upon which we may draw indefinitely and without exhaustion for our national defense and for our social and general welfare?

Even casual survey of our natural resources shows that our rivers can be used as a perpetual contribtuion to our national security and our industrial growth.

Waterway improvement today means locks and dams, and where dams are built power may be developed—all of us are familiar with that simple fact—but do we realize what this power along our waterways can do for national defense? Let us review the facts briefly.

As we survey the dramatic history of iron and steel since the first iron works of colonial days, established in 1643, nearly 300 years ago at Saugus, Mass., and soberly think of the many wonderful steel alloys that have brought a revolution in the steel industry in the last 25 years, when we marvel at the dramatic evolution and industrial history of aluminum and magnesium, and their alloys, and when we contemplate the amazing triumphs of the chemical and electrochemical industries I confidently declare to the Mississippi Valley Association that the power resources of our rivers are most important for our national security and for our social and general welfare.

Steel is not what it was 50 years ago; it now lasts twice as long as it did then, because of the scientific and technical developments in almost numberless steel alloys—stainless steels and rustless steels. Let me emphasize that all these alloy steels are produced in electric furnaces requiring cheap power.

While I do not forget that Disraeli once said, "There are statistics and statistics, and then there are liars," yet there are statistical facts about the steel industry that not only inspire us but that give us the proud assurance that in the steel industry we lead the world. The investment in the steel industry of our country amounts to nearly $5,000,000,000, and that industry spent over $9,000,000, in research in 1936 and provides a livelihood for nearly 600,000 employees. The industry expended nearly $200,000,000 in 1936 for new construction and equipment, and a very substantial part of this expenditure was made for building electric furnaces for the production of alloy steels. We find the range of alloy steel manufacturing running from coffee pots and surgical instruments to the Zephyr stainless steel streamlined trains of the Burlington Railroad.

In the field of alloy-steel production the latest announcement is that alloy tin plate will be produced, and it is claimed that this will prove a revolution in the tin-plate industry.

The evolution of the aluminum industry, now 50 years old, is fascinating. Unknown 50 years ago, aluminum has come to be fourth among all the commercial metals in point of world production when measured by volume. We find the amazing and varied range of aluminum manufacturing running from coffeepots to airplanes and the streamlined aluminum trains of the Union Pacific Railroad.

In transportation by rail, highway, water, and air there has been a revolution in the use of alloy steels, aluminum, and magnesium and their alloys.

Fifty years ago aluminum was worth $8 a pound, compared with 20 cents a pound today. It is claimed that in the aluminum industry there are 200,000 employees engaged at this time in making aluminum cooking utensils, and that 400,000,000 pieces of aluminumware are in use in the Nation's kitchens.

One of the largest uses of aluminum is in the aviation industry, and in our plans for increased air defense we should keep clearly in mind that three-fourths of the weight of a modern airplane is said to be aluminum.

In the wonder world of the chemical industry the latest interesting announcement is that the Du Pont Co. will build a $7,000,000 plant in New Jersey for spinning synthetic yarn from "nylon" that will be as "strong as steel." The basic raw materials required for producing these synthetic yarns are coal, air, and water. It is claimed that the production of these synthetic yarns will relieve us from further heavy importation of Japanese silk.

I would forfeit any hope of your indulgence or claim upon your patience if I undertook to give you the statistics of the vast electrochemical industries in our country; I cannot refrain, however, from reminding you that at Niagara Falls alone there have been produced more than 100 electrochemical and allied products, with plant investment of more than $100,000,000. The products have a sales value running from $75,000,000 to $100,000,000 annually.

The contribution of the water power at Niagara Falls and the electrochemical plants it serves in winning the World War are well known. This should not be forgotten but should be most especially remembered at the present time. When war comes to a great Nation like ours, it is the power supply and not the manpower which limits military strength. Power must be had for machines, munitions, and explosives, and manpower alone stands helpless without them.

Our weakness in this respect during the World War was emphasized by Grosvenor B. Clarkson, late Director of the United States Council of National Defense, in his admirable book entitled "Industrial America in the World War," in which he says:

"The shortage of electrical power in some of the congested centers, such as Pittsburgh, Buffalo, Niagara Falls, Philadelphia, Akron, Ohio, New Jersey, and a number of places in the South and elsewhere, became alarming in the fall of 1917 and the winter of 1917–18, and it became necessary to apply the priority principle very strictly, rationing and even withdrawing all power from some nonwar industries."

It is our congested centers which face power shortages in time of war. Knowing this, we should profit by our experience and locate our peacetime military plants near our large sources of electrical power. Each such military plant becomes a nucleus for an independent source of war supplies, safely removed from great cities which are the natural targets of the enemy.

Let us see where the power and the raw materials for producing our military essentials are to be found; for wherever they are most abundant, there our national-defense plants should be located. In none of the river valleys of our country can there be found a great power supply together with such a variety and abundance of the necessary raw materials for national defense as is found in and near the Tennessee Valley.

Consider aluminum: In the Tennessee Valley we find that the water power necessary for aluminum production is abundant and can be economically developed. In 1935 I inserted in the CONGRESSIONAL RECORD, in the course of my remarks in the House of Representatives on the Tennessee Valley Authority amendments, the figures on the total horsepower installation of the Aluminum Co. of America in the United States and Canada. These figures showed that the grand total hydroelectric power installations owned by the Aluminum Co. of America amount to an ultimate development of 2,721,955 horsepower, and a present development of 1,566,955 horsepower. Since my research of these facts in 1935 I find that my figures are too conservative.

On the Little Tennessee River alone we find the Aluminum Co. of America has installed at three power dams 342,000 horsepower. I am unable to give you the exact figures as to the capacity of these plants, but in the year 1937 the Alcoa aluminum plant required approximately 1,000,000,000 kilowatt-hours for its operation.

In addition to the developments of power by the Aluminum Co. of America, there are other water powers on the Little Tennessee and tributaries that invite development. Reports indicate that on the Little Tennessee and its tributaries there are perhaps five additional undeveloped sites, including the great Fontana Dam site, and that the annual kilowatt-hour capacity of these sites, added to present developments on the Little Tennessee, will amount to not less than 2,000,000,000 kilowatt-hours annually. Thus you will see that the capacity of the Alcoa Aluminum plant can be doubled when the available water powers of the Little Tennessee and its tributaries are developed.

One of the most important dams proposed by the Tennessee Valley Authority is the Fontana Dam on the Little Tennessee River. This dam is to be about 450 feet high and will create a great storage lake. It will improve the flow of the Little Tennessee and the Tennessee Rivers and add appreciably to the navigable depth of the Mississippi River below Cairo. It will justify a probable hydroelectric installation of 200,000 horsepower.

In the production of virgin aluminum, the Aluminum Co. of America has a complete monopoly. If the Government owned the power on the Little Tennessee and its tributaries, the Government could control and regulate, in part at least, the aluminum monopoly. I contend that the Government should build the Fontana Dam and own it, and that negotiations with the Aluminum Co. for its holdings at the Fontana Dam and in its reservoir area should be resumed as early as possible. I further favor and shall insist that the Government build all of the dams on the Little Tennessee River and its tributaries, own and control them, and by this ownership, in part at least, control and regulate the aluminum monopoly.

Dr. A. E. Morgan testified before the Tennessee Valley Authority Investigating Committee at Knoxville that the breaking off of negotiations between the Tennessee Valley Authority and the Aluminum Co. of America with reference to the Fontana Dam would probably cost the Government from $15,000,000 to $25,000,000. While I have respect for the former Chairman of the Tennessee Valley Authority, he obviously is mistaken when he stated that the Government would lose a trading point with the Aluminum Co. of America that would cost $15,000,000 to $25,000,000. The reason is plain.

The Aluminum Co. of America cannot build the Fontana Dam without a license from the Federal Power Commission, and hence, fortunately, the Government controls the building of the Fontana

Dam. I hold that the Government has the immediate responsibility of building it for national defense. With the expansion of the aviation industry, and with the need of additional aluminum for our increased air defense, negotiations with the Aluminum Co. should be resumed and concluded as promptly as possible, the dam site should be tested by borings during the coming year, and appropriations should be made by Congress not later than 1940 to start the building of this dam by the Government as a necessary air defense project.

If you wish a definite example of a river's contribution to our national preparedness for air defense, I cite you to the Norris Dam on the Clinch River. The power plant at this dam is furnishing power to the Aluminum Co. of America, making possible the increased capacity of the Alcoa aluminum plant, and causing the building at Mobile, Ala., of a large plant by the Aluminum Co. for treating imported bauxite ores to produce alumina to be supplied to the Alcoa aluminum plant in the electrolytic production of virgin aluminum.

It will not escape you that these increased plant capacities have given increased employment to labor. Our greatest and most difficult problem is unemployment, and when the water power on the Tennessee River can serve additional industrial plants, either for national defense or peace purposes, it will give additional employment to labor.

Recently the Federal Power Commission has issued a most informative and illuminating report on the subject of power requirements in the electrochemical and electrometallurgical and allied industries. In this report the Power Commission gives the consumption of electric energy per year in kilowatt-hours at the present time, and estimates for future requirements, for the production of aluminum, copper, electrolytic zinc, magnesium, and other electrometallurgical and electrochemical products—all needed in national defense. The total past requirements for the entire list of products given by the Commission amounts to over 13,000,000,000 kilowatt-hours annually, and at the end of 5 more years there will probably be needed over 17,000,000,000 kilowatt-hours annually.

The most reliable, efficient, and economical power for serving the electrochemical and electrometallurgical industries for national defense in time of war, and for industrial uses in time of peace, is the water power of our rivers. Our mineral resources constantly diminish with use—even our iron ores will become exhausted in time, but hydroelectric power is truly inexhaustible—it is wasted only when it remains undeveloped.

We find that there are those who are both sincere and well-meaning who contend that the water power on the Tennessee River and its tributaries should not be sold to electrochemical and electrometallurgical companies, and that to do so will deprive the public of its power yardstick.

In the first place, I hold that power for national defense should have preference over all other uses of power on the Tennessee River; and second, very happily, there is ample power on the Tennessee River which can be developed for serving both national defense needs and the Tennessee Valley Authority yardstick consumption without depriving either.

The Tennessee Valley Authority reports that there will be an installation of nearly 2,000,000 kilowatts at all of the dams proposed by the Authority in its unified system when all the installations in the system are completed. This total installation, when completed, will be four times as much as the hydroelectric power installations of the Alabama power and Tennessee Electric Power Cos. at all of their power dams on the Coosa River and the Tennessee River and their tributaries.

Let us admit for the purposes of this discussion—I do not admit it as a matter of fact—that when the total installation of about 2,000,000 kilowatts in the Tennessee Valley Authority unified system are completed there will be a shortage of power for yardstick consumption if a substantial part of the 2,000,000 kilowatts is used for national defense electrochemical and electrometallurgical plants.

I have already pointed out that when all the available power on the Little Tennessee and its tributaries is developed, there will be sufficient power to double the present capacity of the Alcoa aluminum plant. The capacity of power sites on the French Broad and Holston Rivers and their tributaries is alone far in excess of any probable demand of both yardstick power and industrial power. The United States engineers, in their final report on the survey of the Tennessee River and its tributaries, located and designated 52 proposed power projects and 20 proposed reservoir projects on the French Broad and Holston Rivers and their tributaries.

I cannot give you the kilowatt capacity of each of these power and reservoir projects on the French Broad and Holston, but on the Big Pigeon, a tributary of the French Broad, the Carolina Power Co. has a completed project at Waterville with an installation of 100,000 kilowatts, and the United States engineers located and named six proposed projects on the Big Pigeon below Waterville. It is conservative, I think, to say that the total power available for development on the French Broad and Holston Rivers and their tributaries will be in excess of 1,500,000 kilowatts.

I refrain from taxing your patience to the breaking point by attempting to state the possible power capacity at the many power sites reported by the United States engineers on the tributaries of the Tennessee River below the junction of the French Broad and Holston.

It has been suggested that the power being developed and proposed on the Tennessee and its tributaries at the present time by the Tennessee Valley Authority can find a market in Cincinnati, Louisville, and other Ohio Valley cities, and also in the Atlanta power area. I am unalterably opposed to this suggestion.

If the power developed, as proposed by the Tennessee Valley Authority in its unified system, is sold to cities situated like Cincinnati, Louisville, and Atlanta, and if it should prove that this power is needed in time of war, when mass power is absolutely necessary for mass production, we will find ourselves building steam plants because the power on the Tennessee River will not be available.

It is contrary to reason and economy to propose to ship "white coal" from the Tennessee River white coal mines when the "white coal" mines on the Cumberland River are idle and going to waste.

United States engineers report that there are possible developments of power on the Cumberland River with a total installed capacity of 1,000,000 kilowatts. The Cumberland River deserves and is entitled to the power market that is available in Cincinnati, Louisville, and other Ohio Valley cities, because the power sites on the Cumberland are 100 to 150 miles nearer to these cities than are the power sites on the Tennessee.

Likewise, in the report of the Alabama-Coosa, the district engineer makes a very significant statement, to wit:

"The division engineer finds that in either case the revenue may be expected from the sale of power at current rates to provide for the amortization of the costs of the dams and reservoirs, with large favorable balance, if and when the power market expands sufficiently to absorb this additional power."

The United States engineers, in their report on the survey of the Cumberland River, state that when the power market may be sufficient to absorb the power the most economical, efficient, and desirable plan for the navigation improvement of the Cumberland River is by high dams and locks.

So we find that the quickest way to improve the navigation of the Alabama, Coosa, and Cumberland Rivers is to develop their power. This is true of many other navigable streams throughout the Mississippi Valley and elsewhere. Power development not only creates a commercially feasible navigation improvement but brings the industries from which originate new freight movement by waterway, rail, and highway.

Keenly interested as I am in the improvement of the Alabama-Coosa Rivers by building joint navigation-power dams, I shall always oppose the transmission of power from power sites on the Tennessee River to Atlanta, when that city is nearly 150 miles nearer to the power sites on the Coosa River and its tributary, the Etowah River.

I disagree with the policy of the Tennessee Valley Authority in transmitting power from Muscle Shoals and Pickwick Landing power stations to Arkansas for the reason that the Arkansas power market ought to support and sustain the building of power-navigation dams and reservoir dams on the Arkansas River and its tributaries, especially the White River in the State of Arkansas.

To transmit power from the Tennessee River to Ohio Valley cities, to Arkansas, and to Atlanta is an unjust discrimination against the Cumberland, the White, and Coosa Rivers, and denies them their legitimate market needed to support the efforts of Senators and Members of Congress urging that the Cumberland, White, and Coosa Rivers be improved in the same way that the Tennessee River has been improved.

In our plans for the national security of the country in emergencies and for the expansion of our industries for increased labor employment and the Nation's prosperity in times of peace there are lessons that we should diligently learn from Germany's rise from her knees since Versailles to her present position as one of the world's great powers. Germany has synchronized armament and industry. When Germany needs materials not found within her borders for armaments or industry Germany's industrial scientists seek them, and find them.

Mr. Kettering, the industrial scientist in charge of research for General Motors, made what I think was an unfortunate statement when he said, at a dinner given by the president of General Motors in New York last week, "When people ask me what we are going to do when the supply of oil runs out I haven't the slightest idea, but we are going to do something long before it runs out." Compare this statement of Mr. Kettering's with what the industrial scientists of Germany have done in the hydrogenation of coal for producing motor fuel to protect Germany against the necessity of oil importations and safeguard her against the day when the supply of petroleum in the world fails.

More pertinent still to our air-defense armament plans is what Germany has done in producing magnesium for building airplanes, thus freeing Germany from depending upon aluminum alone for airplane building. Germany produces magnesium because she has to import her bauxite for the manufacture of aluminum.

Major Al Williams writes of Germany in one of his articles on air war: "I saw sheets of magnesium being molded and stamped by automatic machines, as cowling for the engines. Magnesium is brittle, hard to handle. My American aircraft manufacturer friend commented that we in America had not learned to handle magnesium sheeting as yet. I saw sheets of magnesium being stretched over forms where a one-time operation completed an intricately shaped covering for an airplane."

These two German examples I give you are merely symbols of others that challenge our study. How long, I ask, will our deposits of bauxite last for producing aluminum? We should know how long our bauxite deposits will last, but we do not know, and I regret to tell you that the Power Commission, in its report to which I have referred, states that the extent of our bauxite deposit is not known.

We must synchronize the Government's armament plans with our country's industrial plans, and to do this we must have cooperation.

The aviation industry is in its infancy, and the industry has now become a matter of national concern. No longer should it be left to the Aluminum Co. of America, the sole producer of aluminum in this country, and the Dow Chemical Co., the sole producer of magnesium, to say how much and where aluminum and magnesium shall be produced. It should not be left to the steel industry alone to say where the alloy steel plants in this country shall be located. The Government must have a voice in choosing locations to protect the national security of the country.

It cannot be left alone to the corporations mining zinc and copper in east Tennessee to say that zinc and copper concentrates shall continue to be shipped from east Tennessee to the zinc and copper electrolytic plants 1,000 miles away. The zinc and copper companies should link themselves with the Government's armament plans, and build the zinc and copper electrolytic plants in east Tennessee, where economic common sense, and the country's security, dictate they should be built. The instances of zinc and copper are merely examples of numerous other cases of plant locations which manufacture products necessary in the Government's armament plans.

I do not know what the industrial corporations of our country consider they owe to the Nation, but I believe that we will agree, that the great manufacturing corporations of our country owe their complete cooperation to protect this country against the galling humiliation which France and England suffered at Munich. Indeed, I believe that they owe more than mere cooperation. I believe, for example, that the Aluminum Company of America and all other electrometallurgical and electrochemical companies which are furnished power by the Tennessee Valley Authority should in time of war operate without profit all plants served by Government power.

I believe the Tennessee Valley Authority should insist that in every contract with every individual corporation manufacturing products necessary in time of war there shall be a provision in the contracts that all such plants served with Government power shall be operated in time of war without profit.

The power companies of our country have failed to recognize their just obligation to society—to the public. They have failed to aid the Government in national security in not promoting and encouraging the electrometallurgical and electrochemical industries of our country. I particularly refer to the Alabama Power Co. and the Tennessee Electric Power Co., which not only have not encouraged these electrochemical and electrometallurgical industries, but on the contrary have fought the companies which proposed to the Federal Government the establishment of these industries at Muscle Shoals.

These power companies failed to give the rural consumer the same electric lighting service as the urban consumer enjoyed. Due to the brave, prophetic, and unconquerable Senator GEORGE W. NORRIS, more than anyone else, hundreds and hundreds of farm homes now enjoy plentiful and cheap electric power with all its benefits and its blessings.

I would not attempt on this occasion to eulogize Senator NORRIS, but I do wish to say how much I admire, respect, and esteem him, and I pray that Heaven may keep and save him for his own and his country's sake.

I consider the Tennessee River a natural national defense river. Each of the several dams on the Tennessee River constitutes a unit of national defense. When we are called on to mobilize industry for national defense, we must mobilize mass power service. The late World War proved the accuracy of this statement.

A canal should be cut connecting the Tennessee River with the waters of Alabama linking the Tennessee with the great coal and iron fields of Alabama and the port of Mobile.

In preparing our air defense we find that our aircraft plants, and engine plants, are almost without a single exception located in danger zones, and long ago our Army War College declared that all our larger manufacturing plants serving military purposes should be established and maintained in safety zones.

I hold that the American aircraft industry should form the American Air Defense Corporation, in which should be included not only the manufacturers of aircraft and accessories but the producers and fabricators of light metals and other essential aircraft materials.

This corporation, with the aid of the Government, should build a great plant at Muscle Shoals for the mass production of aircraft. This plant should be made an important center of aeronautical research and a training station for pilots, mechanics and other expert personnel. These men should not only be trained to fly but should be given a thorough knowledge of the construction details of the various types of aircraft.

The corporation should organize a light-metals laboratory to develop methods for producing aluminum, magnesium, and other light metals at lower cost. It should work out these methods through experimental plants and make the results available to the industry.

An overruling Providence that controls the destiny of the United States and all nations and peoples seems to have given us the great resources of the rivers of our country to safeguard our national security, and to promote our social and industrial welfare. Our country is not only fortunate—it is truly blessed—in that the people have in Franklin D. Roosevelt a statesman who has had the dauntless courage and the creative genius to construct in our rivers dams built by the people, for the people, and to forever belong to the people. President Roosevelt has taught the people of this country that our rivers are not just rivers—they are the people's treasures.

When we consider the facts which have been disclosed about our rivers in the last 6 years let us be grateful that President Roosevelt has saved the Nation from the reproach that would have been only a little short of the willful destruction of the country's richest and most enduring treasures.

Among our river treasures, the Tennessee is a jewel which we should make America's Gibraltar in peace, and America's bulwark of national security in war. Let us highly resolve that the treasures of wealth in our rivers shall "hold our attention and our enthusiasm steadily, now and in the years to come, as we strive to show in our life as a nation what liberty and the inspiration of an emancipated spirit may do for man, and for society, for individuals, for States, and for mankind."

Jackson Day Dinner

EXTENSION OF REMARKS

OF

HON. WILLIAM H. SMATHERS

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES

Thursday, January 19 (legislative day of Tuesday, January 17), 1939

ADDRESS BY HON. JAMES W. MORRIS, ASSISTANT UNITED STATES ATTORNEY GENERAL, PORTLAND, MAINE, JANUARY 7, 1939

Mr. SMATHERS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a speech delivered by the Honorable James W. Morris, Assistant United States Attorney General, at Portland, Maine, on January 7, 1939, his subject being Effective Democratic Government.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am very happy to be with you this evening. Your magnificent and wonderful State is an attraction to all the country. No one can know as I do the beauty of your lake regions, the majesty of your Katahdin, and your marvelous coast without sharing the pride which you have in your great State. No one can have the dear friends as I have in your State without knowing what fine and genuine people you have in Maine. I repeat it is a very great pleasure to be the one to speak for the national committee, as I do for the moment, in expressing to you its sincere appreciation for the splendid work the Democrats of Maine have done and are doing for our party. We confidently hope that in 1940 Maine will "point the way" in the right direction—another great national victory for Democracy. The Democratic Party has a right on its record and a duty to the rest of the country to ask for the support of Maine.

It was a great Republican who, in immortal words, best stated the American concept of our National Government. He called it a "Government of the people, by the people, for the people." He could see, as he did, the great objectives of our Government as well as its form, because he was a great American. I take it that we all agree that America is the product of no one man, of no one class, of no one generation, of no one political party, but that it is the product of all. I do firmly believe, however, that the Democratic Party more than any other single influence has done battle for those ideals of American government which have best furthered the welfare of the American people. It is only to the extent that it does do so that it has any claim to greatness, and when it does not do so it not only should not have the confidence and support of the American people, but we can be very sure that it will not.

It was Washington and the other framers of the Constitution who struggled with and accomplished the monumental task of constructing a "government of the people." The weak association of the original 13 State governments under the Articles of Confederation had proved pitifully impotent in dealing with matters of national concern. Theirs was the mighty task of building a government that would function—one that had power to deal directly and adequately with those matters of public interest with which the State governments were not competent to deal. One cannot study the proceedings of that great Constitutional Convention without being strikingly impressed that, with few exceptions, the framers, while

recognizing that the source of governmental power derived from the people governed, did not feel that the need for emphasis lay so much on democracy to make the government work as it did on checks and balances to keep the representatives of one section or group of States from doing harm to others. Even so, it is perfectly clear that they did the task at hand so well that within the framework of that Constitution the spirit of America, directed by the great leadership we have had at critical times, has brought to reality not only a government "of the people" but one which gives full meaning to Lincoln's prophetic words.

We have met here tonight to do honor to that stalwart leader of democracy whose election as President a century ago gave actuality to ours being a government "by the people." Until then candidates had been chosen in congressional caucus and their election usually determined in the House of Representatives. That was the way Andrew Jackson lost in 1824, but 4 years later the story was very different. The masses of the people had been almost in arms against hard times. They were convinced that Old Hickory had been defeated by political manipulation. They felt that to have him in the White House would be such a victory for them that the forces which had controlled the Government and which had made for inequality of wealth and burdens, would be put to rout by the rugged old hero of the Battle of New Orleans. Popular demonstrations took place all over the land and enthusiasm for this idol of the plain people reached a pitch which never before had been known. When he was elected by an overwhelming majority their jubilation was almost frenzied. At last the country was to be governed by the people, not by an influential few.

It is hard for us today to appreciate fully the very strong and sincere differences of view then existing as to the nature of the National Government. That it was a Government formed "by the people" and not "by the States," answerable "to the people" and not "to the States," was severely challenged in Jackson's time. Old Hickory had no misgivings and not much sympathy for anyone who did have. Great figures of that day battled over the issue as to whether or not a State could nullify the acts of the National Government. Webster and Hayne rivaled the orators of ancient Rome and Greece; Calhoun and Clay used strategem. Old Hickory, with a directness and simplicity that was characteristic, gave his famous toast, "Our Union, it must be preserved," and sent a message that nullifiers could talk, write resolutions, and print threats to their hearts' content, "but if one drop of blood is shed there in defense of the laws of the United States, I will hang the first man of them I can get my hands on to the first tree I can find." It was Benton who said to Hayne, following that message: "I tell you, Hayne, when Jackson begins to talk about hanging, they can begin to look for the ropes." Nullification did not again arise while Jackson was the leader of the Nation. Unhappily, however, the question was not answered with complete finality until that terrible conflict of brother against brother ended at Appomattox—a decision, costly as it was, which forever determined that the Union will be perserved.

Jackson did many courageous things. His determined and forthright action brought settlement from France of the delayed claims of America for acts of French spoliation. He secured the opening of the ports of the British West Indies to our trade. He favored internal improvements which contributed to the national welfare and defense, but stoutly opposed those at national expense which had only local effect. He stood for aid and protection to American industry by means of the tariff, believing, as he did, that it would benefit the whole by securing a market for agriculture.

It was, however, in that great struggle which he had with the Bank of the United States that the indomitable spirit of Jackson and his unbeatable determination to make this a Government "by the people," instead of by any other influence, was at its best. The bank which had been chartered by the Congress was controlled by 25 directors, only 5 of whom were appointed by the President of the United States, the remainder by private stockholders. Nicholas Biddle was its president, and with its 27 branches and agencies, it ruled the commerce, the industry and the agriculture of the Nation. It is true that it had given to the country the most satisfactory currency system it had so far had. It was, however, equally true that it was an institution very frankly concentrating control of the financial affairs of the people in the hands of a few men. By expanding or contracting credits, it could make money plentiful or scarce, business brisk or dull. There were those then, as there are today, who sincerely and conscientiously held to the belief that such is the best way. Jackson did not share that belief. As Marquis James, in his biography of Jackson, says:

"He felt that the financial structure of the country should be so reshaped as to diminish what he considered to be unwholesome power over the masses by an isolated coterie of almost unreachable and almost unteachable men."

The story of that fight is a stirring one. Every move made by Jackson was met with a counter move by the bank. Jackson intimated that he would not approve a renewal of the charter. The bank then made loans where lending would bring supporters to the bank. The bank called loans where pressure of that kind would intimidate opposition. A general depression with its severe hardship set in. Memorials poured in upon the President. Delegation after delegation called upon him to change his course. His implacable reply was, "Go to Nicholas Biddle." Feeling ran high. A meeting in Pennsylvania gave it as their opinion that, "if Andrew Jackson is sustained in his reckless usurpation, this country will cease to be a republic." On the other hand, another meeting in Pennsylvania declared the "United States Bank to be corrupt and corrupting." Biddle became contemptuous of the pleas made to him to alter his course. The relief of business was to him not good strategy. "The bank has taken its final course," he said, "and it will not be frightened nor cajoled from its duty by any small driveling about relief to the country." He refused a loan of $300,000 to the State of Pennsylvania, whereupon the upper house of the legislature of that State resolved that the bank ought not to be rechartered by Congress. Within 48 hours the Governor of New York recommended a stock issue by the State of four or five million dollars to be loaned to State banks to ease the stringency. The legislature authorized $6,000,000. And then Biddle blundered. He stated that he would have eased the plight of New York except for the action of Pennsylvania. It was a fatal admission. The country now knew that Jackson was right in his position that the financial needs of commerce, industry, and agriculture were at the mercy of capricious control. Within a few weeks in the Congress, the Senate tabled a resolution to extend the charter of the bank, and the House of Representatives adopted a resolution that the bank ought not to be rechartered, and that the public deposits which had been withdrawn by Jackson should not be restored. The fight was finished. His best piece of work as President—so Jackson himself put it—had been done. He had proved, as it had never been proved before, that this was to be a government "by the people." There is a touch of whimsicality about this picturesque character as he humorously expressed his only regrets in leaving the Presidency to be that he had been unable to shoot Henry Clay or to hang John C. Calhoun.

He understood the people, and they knew it. That is why they loved him so and believed in him. As Daniel Webster said, "What he did, he did with all his might." It is not surprising that, when asked by someone whether or not he thought Andrew Jackson would go to heaven when he died, his old colored servant, Alfred, replied, "If General Jackson takes it into his head to go to heaven, whose gwine to keep him out?"

A hundred years have passed. Another great crisis called for the leadership of another great man. Providence has been good to America in giving to it leadership of the kind it requires in critical times: A George Washington when we needed a government "of the people"; an Andrew Jackson when it had to be established that it was a government "by the people"; an Abraham Lincoln when the unity of that government was at stake; and a Franklin Roosevelt—when our national life had almost come to a stop—to prove that our Government can and must be "for the people."

And a government "for the people" is one which does not simply pay lip service to that phrase. It is one which uses its mighty powers to its fullest extent to deal with those problems of the people with which they individually cannot deal. Surely there never was a time when there was a greater need for that kind of government than when Franklin Roosevelt was called upon by the American people to make democracy work. We have no right to forget that then we were in truth on the brink of disaster. Business—industrial and financial—in a desperate situation, had almost ceased to function. A very large part of our economic machinery had actually collapsed. We were in the middle of a great national tragedy. With food, clothing, and shelter in abundance, there was an appalling Nation-wide want of those things. Although in the richest country in the world, people of every economic status had fear for the future. They were in despair at not being able to cope with the forces that were crushing them in mind, body, and estate. One-third of our people, constituting the agricultural part of our population, lacked the means with which to buy the products of industry. A large part of that one-third of our people engaged in industry lacked the means with which to buy the products of agriculture. The remaining one-third of our people dependent on these two great factors in our national life necessarily shared the same tragic hardships. The American people were completely "fed up" with the "do-nothingism" which had rendered their Government impotent to aid them when they were being crushed by forces with which only their Government could deal. In short, they wanted "a government for the people," and when they turned to the Democratic Party, under the leadership of Franklin Roosevelt, that is exactly what they got.

With a courage and vigor that was superb, with a leadership that was not short of providential, it was demonstrated that a government "for the people" could coordinate, unite, and articulate their efforts to save themselves from a ruin they could not otherwise be saved from.

After all, what is government for if not to do that which the general welfare of its people requires and which they cannot do themselves? Had not the National Government in the past undertaken to aid certain classes of the people where it was thought such aid was needed and would prove of benefit to the country as a whole? Had not so-called infant industry been nurtured with a tariff which all consumers had to pay? Had not the transcontinental railroads been built with Government aid, because otherwise they could not be constructed and the country would be without such transportation facilities? Did not the National Government aid the merchant marine and aviation so that these services could exist? In short, does not the preamble to the Constitution of the United States explicitly show that our National

Government was established to promote the general welfare? And, most important, Franklin Roosevelt knew how our Government, when we entered the World War, had dropped its easy-going, self-satisfied, and detail-worshipping habits and had swung into lusty hard-hitting action.

If a government, when it had to, could build an Army of 4,000,000 men, transport half that number across an ocean, and there have it do the kind of battle it did;

If a government, when it had to, could produce ships, and ships, and ships where there were none;

If a government, when it had to, could bring about huge increases in agricultural and industrial products for war needs;

If a government, when it had to, could do all of those things and many, many more in time to win a war that was being lost;

Then why should a government not be the effective agency of the people to deal—

With a Nation-wide relief problem,

With appalling unemployment,

With an insufficient purchasing power, and

The consequent decline of national income?

Why should it not be able to deal with the byproducts of those things such, for example, as bank failures, destitution of the aged and unemployed, and many, many other critical problems which do not know State boundaries but which uncontrolled make mockery of our constitutional right to life, liberty, and pursuit of happiness? Why, in short, should our Government not be able to be of the same high measure of service in time of peace as it had been in time of war?

There were many who felt sure that it could not, and, but for the courageous and determined leadership of Franklin Roosevelt, and the fine spirit of the American people, they were right. There is not one single thing easy about such a task. In the first place, there is not the popular enthusiasm and the willingness to subordinate personal interests for the general good, which are such powerful factors in time of war. But even more important is the absolute necessity of using only such methods and measures as will neither do injustice nor trench upon the substantial personal rights and liberties which all true Americans hold more precious than life. The object is to build up the industrial, commercial, and agricultural life of the Nation. Therefore nothing can or should be done which would destroy private initiative or otherwise seriously injure the economic machinery which is being mended. No; it is a terribly difficult task.

There were some also who, very strangely in the light of their later criticisms, proclaimed that what this country needed was a dictator. They had seen first one and then another foreign country turn to dictatorships from the democratic forms of government, which, in their cases, were weak and had proved inadequate to the needs of their people. Those who advocated this did not have the faith that Americans can make democracy work.

But America can, and under the leadership of Franklin Roosevelt, America has.

First, there was restored a purchasing power to more than 30,000,000 of our farm population which had lacked the means with which to purchase the products of American industry. Industry, thus stimulated, began to reabsorb a substantial part of the unemployed who had suffered idleness and privation because people could not buy what they made. The national income, instead of continuing its tragic decline, has arisen from thirty-nine and one-half billion dollars in 1932 to over $60,000,000,000 in 1938, and the present rate of increase is such that for the coming year it will surely be substantially greater. But of far more importance, in the long run, than this rehabilitation of our material resources was the restoration of the morale of the country—the spirit that makes America. Measures which have made for the security of the life savings deposited in banks; measures aimed at that soul-killing fear of want in old age and unemployment; provision for the care of those underprivileged who could not otherwise be cared for; relief to those who could not subsist but for such relief—but finest of all, relief in a way that did not break down the self-respect and hope of those being relieved; provision for the youth approaching an unemployed manhood, when organized crime was at its most hideous height, to give them healthful, clean, man-making service, close to Nature, where healthy hopes would reflect themselves in the America of tomorrow; and many, many more measures to obtain for the people of this country a fuller measure of security and protection against dishonest and unfair dealings. In short, practical, not theoretical, steps toward making America a better place in which to live.

No one, I suppose, will claim for these measures a perfection. America is grateful, I think, that action was not paralyzed with talk in a futile effort to obtain perfection.

The great outstanding fact, I think, is that since the depth of the depression our National Government in the hands of a Democratic administration, and under the guidance of Franklin Roosevelt, has been and is now a powerful, active force, doing battle day in and day out for the economic and social welfare of the whole people.

The task is not yet done, but I feel very sure that the American people have a confidence that it will be done, and that they will look to the Democratic Party and its leader for its accomplishment, rather than to those who have stigmatized these magnificent efforts as governmental interference. It is not interference when the east-and-west stream of traffic at a street intersection is held up alternately with the north-and-south traffic, so that both in good order can proceed. It is not interference to help those economically distressed, so that they will be assets and not liabilities to the Nation.

Can anyone honestly and candidly deny that the American people have made great strides in the past 6 years under the Democratic administration and its great humanitarian leader? Can anyone honestly and candidly deny that America today is stronger in its economic and social life than it ever before has been? Can anyone honestly and candidly deny that in a world troubled with threatening forces not to be so prepared would invite catastrophic tragedy? Our country has suffered agonizing trials, but our country, led by a Democratic President, has proved equal to them, and America, with the enlightened interest of her whole citizenship at heart, is unafraid to meet the future.

The American people want no dictators or foreign "isms," and they will have none, but they do want, and they now have, an American Government thoroughly adequate to their needs. In short, they want their Government as Abraham Lincoln said it should be, and as the Democratic Party under the leadership of President Franklin Roosevelt has made it, a government for the people.

Inaugural Address

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 19, 1939

ADDRESS OF GOV. ARTHUR H. JAMES AT HARRISBURG, PA., JANUARY 17, 1939

Mr. VAN ZANDT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by Hon. Arthur H. James at his inauguration as Governor of Pennsylvania at Harrisburg, Pa., January 17, 1939:

Seventy days ago the people of this Commonwealth wrote a second Declaration of Independence. This declaration in effect was a statement of principles; not new ones, but a reaffirmation of faith in those unfailing guideposts along the lanes of human rights and constitutional government.

On November 8 last you voted for the principles of honesty, thrift, and integrity in government; for reawakened initiative; for common sense in the relations of your Government with industry, labor, agriculture, and all the other groups which make up our population.

You voted to restore the ship of state to control by the people, and to set sail on a course charted by the compass of constitutional democracy and two-party government.

JOINT RESPONSIBILITY

Your election called me from the hills of Plymouth to become your servant, charged with leading in an enterprise in which we have joint responsibilities. That enterprise is making Pennsylvania a self-supporting State in which her one-time prosperity may flourish anew.

You imposed upon me a solemn trust to do my utmost to see that your wishes be carried out.

A few minutes ago I took the oath of office and now address you as your Governor. I desire that my first act as executive head of Pennsylvania be to reaffirm all the pledges which I have made to the men and women of this State, as well as those contained in the Republican platform, and to promise you that I will spare no effort in attempting to return Pennsylvania to her proper place in the sun.

COMPLEX PROBLEMS

The problems facing our State are large and complex. They are far more than one man, unaided, could hope to solve. I have no magic wand, no rabbit in a hat, no Aladdin's lamp.

But I do have faith in the courage and enterprise of the people of Pennsylvania, in their intelligence and spirit of cooperation, and I bring to the office of Governor a full measure of my own courage and energy.

In the tasks before our State I want to help—and I want also to be helped. I will need, and I now call for, the aid and support and encouragement and patience and cooperation of all the men and women of this State, of whatever race, creed, party, or color, that together we may do for Pennsylvania the things which need to be done.

Especially do I call for cooperation by those who are in business and commerce—who, whether in a large way or a small, are employers. It is through the instrumentality of business and industry that Pennsylvania can hope to free herself from the distressing twin burdens of taxation and human misery which are presented by widespread unemployment.

EMPHASIS ON EMPLOYMENT

Previous administrations have placed emphasis upon unemployment. Today I should like to place the emphasis upon employ-

ment. I hope to see employment grow steadily until every idle man who wants a job can have one. To accomplish that we need the aid and confidence and forbearance of businessmen throughout the State.

The administration is going to try to help industry, and in return, industry must try to help the State.

In line with campaign promises, I propose the organization of a new branch of State government, a department of commerce, which will strive to halt the flight of industry from Pennsylvania and which likewise will endeavor to bring back to our State industries which already have left.

Specifically, this new department will be empowered to do the following: First, provide means whereby the advantages of Pennsylvania as an industrial State may be pointed out to those seeking sites for their industries; second, provide an opportunity for public hearings for complaints of adverse industrial conditions in the State; and third, provide a means whereby specific recommendations may emanate for the remedy or improvement of conditions affecting the expansion of business and industry.

CORRECTING OBSTACLES

By placing under this department a sufficient number of functions at present miscast elsewhere in the State administration, its operation should be made possible without additional cost to the taxpayer, while efficiency will be improved by coordinating all State activities in the three lines specified.

One of the principal tasks of this new department will be to investigate and correct punitive legislation directed against industry, whether overtaxation or otherwise. I have every confidence that the legislature will subject to thorough and sympathetic scrutiny all suggestions originating from this body or elsewhere looking to the remedying of improper obstacles in the path of industrial revival.

Pennsylvania has reawakened to the fact, already known to both labor and industry, that in this age of keen competition a customer for the State's mining, industrial, or agricultural products is hard to get, and once lost is doubly hard to get back.

The great market which we must revive and reopen is our own home market. We can make no better contribution to the national welfare than by restoring the full buying power of our 10,000,000 people.

That can be accomplished; it will and must be done. Many things will contribute to accomplishing it. The most important, of course, is large-scale reemployment at adequate wages. Another is by means of anything which encourages both the production and the consumption of Pennsylvania-made goods. We want no trade fences, no economic barriers, around our State, but, most decidedly, we want to help those who help us.

ENCOURAGING INDUSTRY

By means of this new organization Pennsylvania will be able to advertise Pennsylvania's advantages throughout the world, and at the same time will be able to offer to industry a new and friendly relationship—a new measure of sympathetic encouragement.

What Pennsylvania needs is a new kind of pump priming. She needs a private pump-priming program for prosperity in Pennsylvania—and I believe that the new department of commerce can promote exactly that. The pump which needs priming in this State is the pump of confidence. The springs of hate and fear and discouragement have been flowing freely, and their bitter waters have left a bad taste in everyone's mouth.

We need now to build for the future with hope and faith and courage. We need to bring private money out of hiding and put it to work. We want more pump priming by private capital and individual initiative, and less of it by public moneys and partisan greed.

Overspending and overtaxation have dried up the wells from which the waters of industrial life should flow. If the many experiments which have been tried upon us in recent years have no other value, they at least have demonstrated that neither man nor state can get rich by spending all he owns or can borrow. In the words of the famous Pennsylvanian whose birthday this is—as Benjamin Franklin wrote in his Poor Richard's almanac, "He who goes a-borrowing goes a-sorrowing."

EVIL PHILOSOPHY

Overspending is only another name for an evil philosophy of government which is as old as civilization, and which never has been known to work successfully—the theory of inflation. It remained for the New Deal philosophy to redress inflation and to rename it pump priming.

By means of constitutional principles first set down on Pennsylvania soil more than a century and a half ago, Pennsylvania and the United States grew great together. Issues and crises were taken in their stride. But in the midst of the world-wide economic depression of a few years ago our people suffered from a still more distressing depression—a spiritual depression—which led them to harken to the voice of the charmer and to abandon the one beacon which had always guided Pennsylvania aright, the guiding principles of constitutional American government.

Driven by fear and hopelessness and self-pity, which were fostered and nurtured for political advancements, Pennsylvania has spent years of time and millions of dollars in hysterical experimentations which have accomplished but few of the benefits promised by their promoters, and instead have mortgaged our future, weakened the control of the people over their own government, and threatened us with chaos.

DETRIMENTAL EXPERIMENTS

We know now how unwise most of this conduct was. Instead of striving so hard to attain blessings which we had not, we would have been wiser to count the many blessings we had, the loss of which has been so seriously threatened by certain governmental policies and experiments.

One of the theme songs heard during this period was a hymn of hate against industry, sung into the ears of the men and women of this State until they were beguiled into forgetting that when we burn down the house of industry, we are burning down the house in which all of Pennsylvania lives.

Last November Pennsylvania voted for a more sane and helpful relationship between business and the State government. She voted for encouragement of job-giving industries and for an end to punitive taxation, overregulation, and other sprags in the wheels of industry.

But the men and women of this State accepted at its full face value an implied promise from industry and business and commerce—a promise that operators of business would do their share in helping find employment for the State's idle. Industry must contribute to, as well as benefit from, the resumption of normal activity in Pennsylvania.

Let there be no misunderstanding on another point: Business in Pennsylvania must not attempt to escape proper responsibility to its employees, proper methods, and proper working conditions; it must not try to dodge reasonable taxation.

Certain acts which have been passed in recent years, covering the relations between employers and employees, will have to be amended, but this is not because fault is to be found with the purposes of these laws nor with the protections they attempt to offer. Instead, the reason these laws must be changed is that as they now stand they not only are not workable but are so burdensome that they prevent the attainment of the very objectives for which they were enacted.

WARNS ALL OVERLORDS

I do not propose to weaken proper regulation of business, either by ignoring the enforcement of just and sound laws nor by placing my signature on legislation which in my judgment would weaken such proper regulation.

We will have no return to rule by overlords of industry during my administration.

But neither will we have rule by overlords of labor. The men and women of Pennsylvania have voiced in no uncertain terms their conviction that political bosses have no place in labor unions.

We have seen too many of the evils caused by the activities of politically inspired, power-seeking labor leaders—especially when their greedy enterprises are backed and subsidized with public money. Labor spokesmen of this type do not speak for the working men and women of the State but only for themselves and for the selfish cliques and purposes which they openly or secretly represent.

FAILURE TO COOPERATE

For too long labor and industry have suffered and in the end both have registered net losses from failure to cooperate with each other. The vote cast by the men and women of Pennsylvania last fall was an appeal for labor and industry to clasp hands in cooperation and to refrain from controversy at least until normal employment is reestablished.

The tyranny of either group can be tolerated no longer in Pennsylvania—and it is unmistakably to the advantage of those who make up these groups that they be led to work in harmony with each other, with the State government standing by as the impartial friend of both.

With cooperation of this type, Pennsylvania can take her present problems in her stride. Difficulties and hardships are nothing new to Pennsylvania. She grew great overcoming hardships. She kept her hand on the plow and her feet on the ground when all of her area except one small corner was rugged wilderness.

More than once she has seen part of her territory held by armed invaders, and has rallied to drive them out—courageous, steadfast, and serenely sure of her own power. Pennsylvania has taken disaster, loss, reversal, and crisis in her stride before; she can do it again.

LIVING UP TO NAME

More than that, again and again, when the Nation's fate has trembled in the balance, it has been Pennsylvania which turned the scales. She was a leader from the first—not for mere geographic reasons has she always been called the Keystone State.

The human resources of courage and hope and fortitude are still within our boundaries, just as are the mineral and other natural resources; our mines are still full of coal, our streams full of water, our valleys and hills still teem with productivity and fertile lands.

It is squarely up to the leaders of industry, of labor, of commerce, and of agriculture to band themselves into an army of progress. This is nothing new; our fathers before us did it, and so can we.

We have all the materials at our fingertips—mills and mines and factories; cities and hamlets and farmlands; a great sea port and a great lake port and a splendid network of rail and highway communication between. We do not even lack the funds with which to begin, for idle money is filling almost every bank in the State.

"Ill fares the land, to hastening ills a prey,
Where wealth accumulates, and men decay."

SCANNING THE HORIZON

As I take my seat in the conning tower of the Pennsylvania ship of state, and scan the horizon with anxious eyes, I am beginning to see the reefs and storm clouds around which we must steer.

Repeatedly during my campaign I said that no man could tell in advance what we would find when we entered the Governor's office, and never have I felt more forcefully the truth of that statement than right now.

The first job which the new administration faces is to take inventory, to determine what the financial condition of the State actually is. We must diagnose before we prescribe. The results of this inventory will be made public as soon as they are available, which probably will be within a few days.

We know already that there is a large deficit in sight before the end of the biennium, and that the State government has been led into a scale of living far from warranted by any income now in sight. We shall have to wait, however, for a detailed accounting before it can be determined just what is necessary for us to do to live within our means.

REPORTING ON STEWARDSHIP

At this time I want to make it clear that we propose to make a continuing rendition of stewardship during my term in office, so that the voters and taxpayers of Pennsylvania may know at all times the fiscal condition of their State.

This is your problem as well as mine. It is one in which are needed your suggestions, your cooperation, your loyalty, and your patience quite as much as are needed the determination of the executive and legislative branches of government to prepare and enact a program of solution. For your information about your government, I shall maintain an open-door policy in every office from that of the Governor down.

Part of the picture which must be clarified is the extent to which Pennsylvania is being called upon to carry the national burden. We must determine how much money is being taken out of Pennsylvania for the national coffers, and whether this State is getting its fair and proper return.

Much has been said about governmental spending, and Pennsylvania last summer and fall saw methods which raised grave doubts of the propriety and impartiality of the Federal disbursements. But the question of Federal taxation is quite as important to Pennsylvania. It may be that at the seat of Pennsylvania's financial problems lie national taxation policies which fall too heavily upon industrial States such as ours.

PROPER SHARE OF COSTS

Pennsylvania wants to pay her proper share of the national costs. She is more than willing, even anxious, to extend her helping hand to any other communities which may have more distress and suffering than Pennsylvania has. But in the present crisis, in which we have fallen far behind most other States in employment, in which we ourselves may be in grave need of help, it would be manifestly unfair for this State to be expected to pay a disproportionately large share of national costs without an equally large ratio of return.

At the proper time I shall submit to Washington Pennsylvania's requests for further P. W. A., W. P. A., and similar grants. There is no reason to expect anything but a favorable response to these requests, since it is my intention to do my full share in seeing that such moneys are expended for precisely the purpose for which they were raised—honestly expended for worth-while projects that will furnish employment to men and women who otherwise would have to be supported by relief.

It is to be hoped that Congress will see the wisdom of putting control of the W. P. A. back into the States and removing it completely from political domination.

We recognize the relief problem as one of the most pressing confronting us, and it shall receive our constant attention to the end that justice may be done to all concerned.

The vote of Pennsylvania last fall was an edict that politics must be banished from direct relief and from made-work relief as well. We have promised to divorce relief from politics, and I am glad to take the opportunity afforded by this address to carry out that pledge.

I have requested your new attorney general, as his first official act, to draw up a bill reenacting the antimacing laws which were secretly repealed 2 years ago. That new bill I now hold in my hand, and do hereby formally submit it to the legislature, with my earnest recommendation for its speedy enactment.

This bill makes it a penal offense for anyone to demand money for political purposes from any person who receives money from the State—whether a State employee, a person on relief or made-work pay rolls, a recipient of pensions, or anyone doing business with the State.

GETTING MONEY'S WORTH

That bill, once passed and enforced, will go a long way toward stamping out the political relief racket. Relief will come out of politics and politics will come out of relief. We will cure most of the relief ills by pulling out the teeth of politics.

It is common knowledge that a large share of the relief funds in this State have been diverted to political purposes. A survey will be needed to determine how much saving can be effected by confining relief expenditures to relief purposes, and I shall instruct the new secretary of public assistance to take such steps as are necessary to make such a survey and report its findings at the earliest possible moment.

In this connection, however, I want to repeat my pledge and that of the Republican Party, that every person in Pennsylvania who needs relief will get it; there is no though of curtailing relief to the unfortunate.

It is even more to the advantage of those dependent upon relief than to those who pay the bills that Pennsylvania get its money's worth out of these expenditures; to the end that waste, straw bosses, and political misuse of the funds be eliminated.

We must see to it that political drones improperly placed upon the relief rolls are ousted, and at the same time we must put on the relief rolls any unfortunates who were taken off or kept off for political reasons.

Relief must be humanized; it must be prompt and adequate, honestly and fairly administered; and it must come out of politics.

During the campaign repeatedly I pledged myself to restore the tripart form of government divided by the constitution into executive, legislative, and judiciary.

WON'T INTERFERE

I reiterate my pledge of not permitting the executive hand to interfere with the functions of either of the other two branches. I ask and shall accord full cooperation with those branches to the end that the best interests of the whole people may be served.

For the past few years we have seen executive interference and domination of the legislative and judicial branches carried to a point which put us on the brink of disaster. That practice here and now comes to an end, so far as Pennsylvania is concerned.

The objectives ahead of Pennsylvania are well known, and the voice of the people, as expressed in last fall's election, was unmistakable. I pledge my full cooperation with the legislature in working for those objectives. I am fully convinced that your senators and representatives will likewise strive to steer your government toward those goals.

I can pledge also the cooperation of that extension of executive authority, the new cabinet. The personnel of this body I submit to you as evidence of my good faith when I said during the campaign that I have no interest in the creation or furtherance of a political machine.

Those whom I have named are competent, experienced, and qualified for their duties. They have been chosen because of their character and ability, and because of their interest in seeing that the responsibilities of these departments are fully and properly met.

They are especially well qualified to do their full share in the huge task of running the State administration through the wringer—of helping to squeeze out waste and duplication and graft. This is the largest immediate task before us.

LEGISLATIVE SKIPS

Time will not permit me to review all of the problems lying before the new administration, nor to discuss in detail the program and pledges to which this administration is committed. The subjects which I have mentioned today I have taken up more from the point of view of policy than of new laws.

I have called for little in the way of new legislation, I do that advisedly, because I feel that Pennsylvania has hastily skipped too many legislative grades in recent years, I wish us to proceed slowly, to know in each case exactly where we are going before we plunge ahead.

My failure to mention in this address such problems as those of milk control, home rule, highways, coal, the liquor traffic, or other special issues is not intended to minimize their importance nor to indicate any intention not to carry out all the pledges contained in my own campaign speeches or in the Republican Party platform.

BETTERMENT AS GOAL

These problems will all receive attention, and my pledges will not be forgotten. I hereby reaffirm these pledges, and promise that steps will be taken to carry them out just as rapidly as is possible.

These pledges were not the fruit of mere political love; they were part of a sound and considered program which grew out of a sincere and honest purpose to work for the betterment of our State and the happiness of our people.

As I said earlier, I take office today not only as the chief executive, but also as the servant of 10,000,000 people. I want you to know that I take office with pride, with humility, and with a deep determination to do everything within my power to assist Pennsylvania as she marches forward through new frontiers toward the happiness and prosperity she so richly deserves.

RIGHTS AND LIBERTIES

What I have said before I say again—that today I feel responsibility to only two masters, my own conscience and the voice of the men and women of Pennsylvania.

That does not mean that I will blindly follow popular whims merely because they are popular; I have no such intention. What I do will be those things which in my heart and mind I believe to be for the best interests of the people in our State.

If there be times when my course of action displeases some, may you be so generous as to believe that I am doing my best as I see it. Far more than even the greatest prosperity for Pennsylvania do I desire that the human rights and liberties of our people be protected and maintained.

To quote Benjamin Franklin once more:

"They that can give up essential liberty to obtain a little temporary safety deserve neither liberty nor safety."

He wrote that of Pennsylvania and of Pennsylvanians, and never was more truly expressed the undying determination of the Keystone State to hew to the line of human rights.

I am deeply appreciative of the great honor you have bestowed upon me, but I am not unmindful of the fact that you have placed in me your confidence and your hope, and I in return will keep burning brightly the light that has been Pennsylvania for two centuries and more.

SPIRIT OF MERCY

My sincerest wish is so to govern Pennsylvania that I may complete my term of office with the approval of my own conscience, backed with an inner conviction that, whether success or failure crowns my efforts, I can still truthfully tell myself that I tried honestly and faithfully and diligently to do those things which I believed to be for the best interests of the whole people.

The spirit that shall guide my every act as Governor of this great Commonwealth was voiced more than 2,000 years ago by the prophet Micah: "To do justly, and to love mercy, and to walk humbly with thy God."

Florida Ship Canal

EXTENSION OF REMARKS

OF

HON. MATTHEW M. NEELY

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, January 19 (legislative day of Tuesday, January 17), 1939

EDITORIAL FROM WASHINGTON HERALD

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the RECORD an able editorial in yesterday morning's Washington Herald entitled "Florida Ship Canal."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Washington Herald]

FLORIDA SHIP CANAL

The kind of national-defense project which shows its value on its face, and what is more, can pay for itself, is the proposed Florida ship canal, the President yesterday asked the House Committee on Rivers and Harbors to resubmit to Congress.

Andrew Jackson was the first President to suggest this short cut for ships across the Florida Peninsula. Calvin Coolidge ordered a survey in 1927. Herbert Hoover approved another in 1932.

In 1935 President Roosevelt allotted $5,400,000 of W. P. A. funds for the initial digging to join the St. Johns River, emptying into the Atlantic Ocean at Jacksonville, with the Withlacoochee River letting out into the Gulf of Mexico.

This got into politics and had to be stopped. In 1937, after exhaustive surveys, the Chief of Army Engineers, Maj. Gen. Edward M. Markham, brought out a report recommending immediate construction of the canal as a sound project in the public interest.

The House Rivers and Harbors Committee drafted out a bill, based on the engineers' report, asking authority for construction at a cost of $197,000,000, to be recovered by tolls. It called the canal "a major element of national defense" and gave detailed evidence of extraordinary savings to commercial shipping lines, which would be able to escape the dangerous passage around the Florida Keys and save on fuel bills, also.

One look at the map argues more than a thousand words the value such a canal would be to the battle fleet this spring when it begins maneuvers in the Caribbean Sea. For one thing, it would provide a sheltered route from the Panama Canal to the Atlantic Ocean without risk of mines and submarines among the islands to the south.

The Florida ship canal, we firmly believe, can pay its way just as the Panama Canal has done. There is no coherent opposition to it. All the experts are for it. The quicker it is completed the better.

Investigation of the Silver Program

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Thursday, January 19 (legislative day of Tuesday, January 17), 1939

EXCERPTS FROM LETTERS

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD excerpts from letters received by me with reference to Senate Joint Resolution No. 1, providing for the appointment of a special joint committee to investigate the silver program, and for other purposes.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

From a prominent Harvard University professor:

I am obligated to you for sending me your program for a joint resolution on the Government silver policy, and need hardly tell you that I am in hearty sympathy with the move. I have never been able to see an iota of justification for what we have done, and hope that you and those with you will succeed in undoing the bad business.

From a Butler, Pa., law firm:

We want to strongly urge that your committee support the resolution for investigation of the silver policy of our country.

We are strong of the opinion that paying out so much of our money to foreign countries for premiums on silver is unfair to our people when it benefits such a small group in our own country.

From a Rutgers University professor's letter to the senior Senator from New York:

You are doubtless familiar with Senator TOWNSEND's Senate Joint Resolution 1, calling for a reappraisal of the whole silver-purchase policy. I do not know a single special student in the whole field of monetary economics who is in favor of the continuance of our present silver policy, and I am hopeful, therefore, that even though your interests have been so successfully centered along other lines of social achievements you will find it possible to do what you can to help get the resolution through.

From a Washington lawyer:

Would you be so kind as to refer me to the justification for the present policy of the Government on the purchase of silver?

There have been so many unprecedented things done since the depression began that the silver-purchase program act didn't seem to be much stronger than some other things, but as time has passed it apparently has been so futile and costly that I would really like very much to know the supposed facts in its favor which were relied upon in the first instance and whether experience has since substantiated or discredited them.

From a Colorado economist:

Thank you for sending me a copy of Senate Joint Resolution 1, which I am very glad to have for my library of material on silver, and with the purpose of which I am in hearty sympathy. I hope that you are successful in having the silver policy reconsidered.

From a banker in Boston, Mass.:

I heartily approve of the above resolution introduced by Senator TOWNSEND to provide for investigation of the silver program by a joint committee of the Senate and the House.

From the executives of a Wisconsin business:

We wish to congratulate you and ourselves in that Senate Joint Resolution No. 1, as introduced by Senator JOHN G. TOWNSEND, JR., is to have your attention, and think the provision for a committee to take this matter up in an impartial way is certainly a step in the right direction.

I never could see the real purpose and advantage behind this silver-purchase bill, and believe that as the errors in financial policy are taken up and corrected, the business of the country will have a good deal more courage than they have had in expanding their business and taking up the slack in employment.

We wish to appreciate your efforts in the behalf of all citizens who wish to preserve our country and to get back to a normal prosperity.

From an executive of a Connecticut musical instrument firm:

I want to register my approval of your resolution introducing the investigations of silver program, and I trust the bill will have hearty support.

From an Illinois clothing manufacturer:

I am taking the liberty of writing you in reference to the Senate Joint Resolution No. 1 introduced by Senator JOHN G. TOWNSEND, JR., of Delaware, providing for a joint committee of 10 Members, 5 from the Senate and 5 from the House, "to investigate the silver program, and for other purposes."

I believe it is now widely recognized that the silver problem is one that should have early attention and that the purposes of the silver program have not been fulfilled, and are really a menace to our national financial set-up. I think it wise that the proposed committee should make an investigation at an early date.

From a New York lawyer:

I have been interested to read of the resolution introduced by you (S. J. Res. 1) providing for the appointment of a committee to investigate the Government's silver-purchasing program.

There can be no reasonable objection to a fair investigation of what the Government has been doing in this matter, which will result in a full disclosure of the facts and a better understanding of the situation both by Congress and by the country at large. This question is now as spectacular as some others which have been and are being made the subject of investigation; but it is undoubtedly of great importance to the country and you are to be congratulated for introducing the resolution. I sincerely hope that it will receive sufficient support to assure its passage.

From a banker in Peoria, Ill.:

I am happy to learn that you have introduced Senate Joint Resolution No. 1, providing for a joint committee of the Senate and the House to investigate the silver program, and for other purposes.

I sincerely trust that your resolution may be adopted and that a competent committee be appointed to investigate this exceedingly important subject.

From an internationally known professor of economics and finance:

I am delighted to know that you have introduced into the Senate a resolution to investigate the silver policies of the Government.

From a letter from New York:

Referring to Senate Joint Resolution No. 1, introduced by you, I strongly recommend this resolution be adopted.

From a Milwaukee investment concern:

It has come to my attention that you have introduced a resolution providing for a joint committee of members of the Senate Banking and Currency Committee and the House of Representatives to investigate the silver program, and for other purposes.

It seems to me that the present silver-purchase program is so indefensible that it is high time that the squandering of public funds on the purchase of foreign silver be stopped.

It seems to me that every person with whom I have talked regarding this program is opposed to it, and I would like to commend you upon your patriotic policy in introducing this resolution, which I hope will result in putting an end to the present indefensible silver program.

From a resident in Chicago, Ill.:

Your resolution for a silver-program investigation was a grand idea of yours. It is just swell, and it is just what the country needs. Press it hard. You will discover many strange things, doubtless.

From a resident in Chicago, Ill.:

I hope the Silver Act will be repealed, then demand that these silver people who have enjoyed the unhallowed high prices that they be forced to disgorge that extra 21 cents an ounce. They can get only 43 cents on the open market, so why not get that 21 cents back on the millions of silver that they sold the Government? Whatever you do to wreck this malodorous act I am for it and I am for you. You are making a good name for yourself.

I know a man can only do one thing at a time but you get after Congress and press it hard to strip the President of all those unnecessary powers which Congress so unwisely allowed him to take. There were really no emergencies and the time is now past. So take them back. Congress should never surrender any one of their rights, prerogatives, or powers which the Constitution has placed in their hands. Be a champion for the people and the people will never forget you.

Politics in Relief

EXTENSION OF REMARKS

OF

HON. ROBERT RAMSPECK

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 19, 1939

EDITORIAL FROM CHRISTIAN SCIENCE MONITOR

Mr. RAMSPECK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial which appeared in the Christian Science Monitor of January 16:

[From Christian Science Monitor of January 16, 1939]

ELIMINATING POLITICS?

Much has been said about politics in relief. A look at the record will show that most of it has been there because Congress left it there. Congress had a chance to make W. P. A. a civil-service organization from the start but chose, instead, to do nothing about it, which meant making it subject to congressional patronage pulls. Congress could have attached the Hatch amendment to the W. P. A. appropriation last year if it wished then to forbid political activity by relief employees, but it did not.

The easy and popular thing is to blame President Roosevelt and Harry Hopkins—and they have let too much go under their noses—but a good deal of the politics has been played since the appointment of State W. P. A. administrators was made subject to confirmation by the Senate, which meant they must be acceptable to influential Senators.

Now the House of Representatives has given a sharp slap to the administration by cutting the amount of the deficiency appropriation from $875,000,000 to $725,000,000.

In doing this it has also written in clauses forbidding payment to any W. P. A. supervisor who attempts to influence the vote of persons on the work rolls, but it specifically nullified the one most significant and far-reaching move that has been made in any quarter to take politics out of relief. This was the Executive order of President Roosevelt last June to bring all W. P. A. administrative positions under the classified civil service.

At first the explanation was made that to give these employees civil-service standing might interfere with reorganizations that Congress on further study might wish to make. But, as Luther C. Steward, president of the National Federation of Federal Employees, points out, this does not in any sense make such positions permanent; Congress can at any time eliminate them, singly or wholesale, by withholding appropriations.

The objection also was made that this was a blanketing in of political appointees, but that is the only way substantial extensions of the merit system have been obtained. The House has placed something of an interdiction on political activities by relief personnel and the Senate may go further, as Senator CARL A. HATCH now proposes, by making it a felony for any person to offer work relief or other benefits or threaten to take them away as a bid for political support.

But something more even than this is in order now. To continue the political selection of relief administrative personnel and at the same time enjoin these people from political activity is to put them under a pressure to evade the very laws that are being written. If provision for work relief is to be made in a permanent bureau or department, as the report of Senator JAMES F. BYRNE's Special Committee on Unemployment now recommends, that agency should certainly be under civil-service regulations not only as to prohibition of political activity but also as to merit-system selection of new personnel so as to remove any political job obligations.

As respects an effort to bring expenditures into some relationship with revenues the cut in the relief appropration signifies a wholesome determination. Some kind of denunciation of politics in relief was overdue. But if Congress is in earnest about removing the influences of congressional patronage, its members must be willing as a test of good faith to put relief administrative officials under the classified civil service. Otherwise the action now taken is more important as a political and financial gesture than as evidence of a desire to take politics out of relief.

Deep Thinking

EXTENSION OF REMARKS

OF

HON. EDITH NOURSE ROGERS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 19, 1939

ARTICLE BY WESTBROOK PEGLER

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following article by Westbrook Pegler, which appeared in the Washington Post on Friday last:

[From the Washington Post]

FAIR ENOUGH

(By Westbrook Pegler)

DEEP THINKING

I have given deep study to many books, papers, and speeches by leading economists of the New Deal on the gradual reflation of quantitative reserves to combine deficit financing and collective bargaining with the liquidation of human rights. The corollary seems to be the social conscription of agriculture.

Mr. Eccles, Mr. Thurman Arnold, Mr. Leon Henderson, and, at times, Father Coughlin and Dr. Townsend have seemed to me to be in agreement on this radical proposal.

If I interpret them aright—and I sometimes doubt that I fully understand them, in some particulars—this position marks a dangerous departure from the traditional capitalistic concept of

social and industrial transition. Property rights inevitably abdicate to political commitments of imponderable force which everywhere conflict with tax relief and liberty of conscience.

Mr. Eccles, be it said, appears to favor the middle way, while Mr. Arnold's position seems to me to place him a little to the left of totalitarian wage levelism in the subnormal areas of intellectual orientation. That is my understanding.

So much for that, and I may say that I find myself in partial agreement up to the point where this theory defies the fundamental standpoint of economic tyranny in the intermittent cycles of politico-corporate finance. I have to dissent there, holding that the experience of the last half century provides ample proof and warning that a simplified control of constitutional alinements is no guaranty of nonproductive bimetallism. There is no proved formula in all economic knowledge for the absolute implementation of compulsory expansion and social competition.

The contrary, I insist, is just cockeyed. It simply doesn't make sense, and no cockeyed janissary can make it make sense.

Schultz of Vienna wrote, more than 200 years ago: "By creating wealth, the state revives the indispensable factor of fiduciary expediency which is coexistive with the judicial acceptance of private enterprise at an annual living wage."

That is as true today as it was then.

Every attempt to violate this elementary absolute of simple economics has proved a profound deterioration in the Federal Reserve, where there is always a wise tendency to discount industrial feudalism if accompanied by democratic guaranties and a fair volume of electoral resources. None but a visionary theorist will argue against the demonstrated realities of a field of abstract solecism conditioned by the fiduciary habits of human dignity.

Atheism, therefore, need be vitiated only by the simple pressure of international usury, as shown by the bloody ignominies of countless economic adventurers from Robespierre in the Middle Ages to Giuseppe Avanti, whose economic heresies wrecked the Milanese nobility in the famine of 1790. Whenever any considerable number of the people are caught between greedy dualism and the remorseless limitations of supply and demand you must have social and economic chauvinism, with all the terrors that that dread phrase implies. The master-and-slave equation in commodity consumption cannot be revoked by esoteric appeal to corporate enhancement or resort to artificial repudiation. One need only refer to the disastrous exploit of Bjornstrom, the economic edema who plunged Sweden into a maelstrom of amorphous baiting in the futile repercussions of the 27 years' war, for a complete answer to that which I understand to be Father Coughlin's remedy for existing inequalities.

As to Mr. Henderson's contention, if I comprehend his warning, it need only be remarked that the underlying view is not essential to an accurate conviction in advance of imperative reforms. To attempt any complete hypothesis of currency values in this apparent paradox, to gamble commodities against the furtive and, I think, fallacious parallel of sound money, is a vicious acceptance of international manipulation and the forerunner of a proletarian oligarchy.

The fatal delusion of raucous altruism controls the vexed problem of religious principle, while so-called experts argue and future events mock the struggle for an equitable flow of purchasing debentures.

That way lies chaos.

Appropriation for Work Relief

EXTENSION OF REMARKS

OF

HON. WADE H. KITCHENS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, January 13, 1939

Mr. KITCHENS. Mr. Speaker, the joint resolution before us seeks an appropriation of $725,000,000 for Works Progress Administration to be used in relief work to June 30 this year. There are some who seek to increase the amount and others to reduce it. The committee having this matter in charge, and having had open hearings on the resolution, has determined that the amount set out in the joint resolution is sufficient. I shall accept the action of the committee reporting out the joint resolution and will vote for certain restricting amendments.

We are told that there are anywhere from ten to twelve million people unemployed in the United States. Congress has been appropriating billions each year to care for three or three and a half million. It thus appears that we are aiding directly about one out of every four of the unemployed. This situation is bound to create friction, dissatisfaction, and anything but contentment. I suppose it is considered better to aid, protect, and save one man, and let the other three go their way.

I am very much dissatisfied with the manner in which these work-relief funds have been used in certain localities. It is inconceivable to me that, after Congress appropriates all the money available, and some not available, for the relief of the unemployed and needy, some of these people were given more than a dollar per hour, while others were given as little as 18 cents per hour. The man drawing $1 per hour is not on relief. He is being given money that should be distributed among others, and, so far as I am concerned, and in the name of the people I represent, I denounce such unfairness and discrimination, since three out of four receive no relief whatever and are unable to obtain employment. There is evidence that in the administration of this work-relief money as high as $3.03 per hour has been paid certain people in the name of relief and relief assistance. This outrages my sense of justice and fairness. It is inconceivable to me, where only one out of four can be given any assistance whatever, that as much as $3 per hour could be paid to anyone, anywhere, in the name of relief work.

The unrestricted right in this joint resolution, as in former ones, to pay such an exorbitant amount for so-called work relief to anyone, anywhere, must be prevented. I shall vote to amend this resolution so as to avoid any such discriminations in the future. No such authority was contemplated in the relief acts heretofore. Certainly there was no intent or idea in the minds of Congressmen that as much as $3 per hour, or even as much as $1 per hour, would be given to anyone, anywhere, on relief for made work, when there were three others needy and anxious to get work at even 30 to 50 cents per hour, but who received no work and no relief.

The last Congress passed a wage and hour bill which limited hours and fixed a minimum wage applicable all over the United States. Yet, some of those in authority having to do with work relief in United States violated the principle of that bill by the most glaring and uncalled for discriminations, and I shall vote to correct that injustice by an amendment to the resolution.

There is considerable agitation over the United States to let down the immigration bars and permit aliens to enter because of most terrible conditions in other countries. For one, I am unwilling to let down those bars. On the contrary, I am willing to return to the countries from which they came every alien in this country who has not manifested a desire, and has taken no action, to become a citizen of United States. Having that opinion I cannot bring myself to agree to take money from the pockets of the American people to pay relief to such aliens. We have our own problems to solve and our own people must come first. Those aliens today add nothing to the welfare of America as I see it. So, aliens should be excluded by an amendment to the resolution.

For a good many years some of our industrialists have been bringing aliens to America for the purpose of exploiting and using them in industry at the expense of American-born citizens. I am opposed to that. We are suffering from it today and will continue to suffer so long as it is permitted. This does not mean I have no sympathy for aliens in distress, but I prefer to help brother Americans who are needy and unable to obtain jobs, and they come first in every vote I shall cast in this Congress. Therefore, I shall vote for the amendment to be proposed to this joint resolution to pay no relief to any alien so long as any American citizen is needy, has no job, and gets no relief.

I understand that under the present policy of the Works Progress Administration many people—aged people, widows, and children—have been and are being dismissed from the rolls. I can see no justification for this. These widows, dependent children, and aged people, I feel, should come first among all the people who are to be given relief. These helpless people deserve first attention regardless of every other consideration, and I shall vote to prevent the dismissal of such people from the rolls of the Works Progress Administration. In fact, I had rather vote for no bill at all than to see them removed from the rolls, and when I think of some receiving

from $1 to $3 per hour in the name of relief, I blush at the thought of such dismissals.

Mr. Speaker, our relief problem is too loose. We have too many agencies dealing in relief. I appreciate the difficulties in the administration of these enormous sums. I appreciate the urgency and the emergency and that here and there inequalities, injustices, and discriminations will occur because we are human. I appreciate that conditions differ in the localities. I am pleased, however, that no corruption has been shown to exist in the administration of these billions of dollars.

I do not like the word "relief" for the man who works for his pay. That word should be eliminated. It carries a stigma and creates a bad psychological effect. I feel that all of these agencies should be combined, and useful works and permanent structures should be built with the funds.

I have stated on a former occasion, Mr. Speaker, that we are merely scratching the surface so far as permanently relieving distress and permanent employment in this country is concerned. This condition is due to the periodic destruction of our medium of exchange. So long as three-fourths or four-fifths or more of our medium of exchange can be destroyed in a few months, as happens under our present monetary system, we will continue to have great distress and unemployment in America. These enormous appropriations by the Congress of borrowed money have been necessary to fill the vacuum of our destroyed medium of exchange. I am one still hoping that we shall be able to devise some scheme whereby our medium of exchange will be adequate and stable at all times. When this is done, and not before, the people of America will not need relief in this manner.

The St. Lawrence Seaway—It Will Give the United States 3,576 Miles of Additional Seaboard, and Make Us Impervious to Attack from Overseas

EXTENSION OF REMARKS

OF

HON. FRANCIS D. CULKIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 19, 1939

Mr. CULKIN. Mr. Speaker, the St. Lawrence seaway and power development is to my mind the most important power and navigational project that is before the country. It does four things:

First. It provides for the construction of a 27-foot waterway from the sea to all ports on the Great Lakes, increasing our coast line 3,576 miles.

Second. It cheapens the transportation of overseas goods and affords needed relief to the lake States and the Mississippi Valley area, both of which were marooned in the interior of the continent by the construction of the Panama Canal.

Third. It provides for a cheap and rational power development which will reduce the price of electricity to 40,000,000 domestic consumers without doing violence to existing investment.

Fourth. It is a substantial and needed contribution to the factor of national defense.

The first three of these issues have been amply and fully discussed in the House in the past by the proponents of this worthy measure. The factor of national defense has never been stressed. Today I desire to discuss the contribution the St. Lawrence seaway will make to that cause.

DEMOCRACY IN PERIL

Recent world events have greatly strengthened the demand for the Great Lakes-St. Lawrence navigation and power project. Happenings in Europe and Asia, the growing understanding between the totalitarian nations in their uniting against the democracies, the territorial and colonial demands of the totalitarian nations, and the disintegration of eastern Europe frontiers, emphasize the necessity for closer understanding and better defense cooperation between the world's great democracies.

Whether we like to hear it or not, the truth is that an air fleet could start from either Europe or Asia, cross either the Atlantic or the Pacific, bomb either Canadian or American cities, and return without landing to their original bases. This is the result of progress made in aeronautical science. Historic barricades of salt water and ice no longer protect the people of the North American continent.

So it is that the sharing of the North American Continent by two peoples who speak the same language, makes its defense a joint undertaking. Serving the ideals of democracy, we of the United States draw near to those who have an equal eagerness for the preservation of the same ideals. And they, likewise, draw near to us in the common cause of self-preservation.

Assuming the destruction of the Panama Canal by enemy forces, and the blockading of American ports by an enemy fleet of super proportions, the St. Lawrence seaway would afford an ingress and egress to the interior of America through a territory, which, while in part foreign, has been consistently friendly for more than 125 years. The completion of the seaway, almost finished by the Divine Architect, insures a permanent entry and exit from the Great Lakes to the Seven Seas. No matter what may come in the way of dictatorships, no matter what their powers and strength may be, the completion of this project, giving us as it does 3,576 miles of additional seaboard in the interior of the continent, makes all other schemes of national defense pale in comparison.

I repeat that this great undertaking, needed for continental as well as national defense, offers the United States and Canada a new, secure, and landlocked coast line, every foot of which is potentially defensible and provides a safe haven for airplane bases, submarines, destroyers, and other war craft. It further provides opportunity, if need be, of building vessels of all types within the security of the Lakes basin.

THE LESSON OF THE WORLD WAR

Had the St. Lawrence seaway been finished and open for seagoing vessels during the World War, supplies for the Allies could have moved much more rapidly than they did, possibly obviating the necessity of the United States entering that conflict. We know that the duration of the war would have been shortened and thousands of lives spared.

In this connection Julius S. Barnes, of Duluth, testifying before the Committee on Foreign Relations of the Senate in February 1933, stated:

> During the World War, as head of the Grain Corporation and invested with the duty and responsibility of the movements of cereals and cereal products for export to Allies and neutrals, I had occasion to join in the creation of certain bodies of control, port committees, railroad and transportation committees. I saw later the great blockade which manifestly jeopardized the allied cause. I saw the blockade of our Lake ports, which we tried to control that and did, I think, manifestly alleviate that situation of inadequate transportation in time of war. There is something I do not think we ought to forget, because if the St. Lawrence seaway had been open during the war it would have made the allied base of supply very much more secure than was possible under our congested ports and rail conditions.

Mr. Barnes is one of the outstanding citizens of America on the proposition of grain transportation and supply. He is a brilliant and patriotic American and his words are entitled to weight on this question.

It is a fact, and I repeat it, that had the Great Lakes-St. Lawrence seaway been finished and open for seagoing vessels during the World War, supplies for the Allies could have moved to Europe much more rapidly than they did. If the St. Lawrence had been open, it is entirely possible that it would have obviated the necessity of the United States entering that conflict. We are sure that the war would have been shorter and a great many lives would have been saved.

Presidents Harding, Coolidge, Hoover, and Roosevelt, looking at the St. Lawrence seaway from the national viewpoint, have been wholeheartedly for this development. Not more than a month ago former President Hoover, in a speech given at a civic reception in Toronto, said that the St. Lawrence seaway was close to his heart.

Mr. Hoover, who never had any illusions about the work a dollar should do, continued:

The whole thing has been disappointing. I came to Toronto quite a few years ago to negotiate a treaty with Canada over the St. Lawrence, and at that time we thought things would go ahead. It's so obvious an improvement to the North American Continent. Anything that cheapens the cost of transportation is at once a benefit to everybody. Most of the obstruction is coming from some of the American lake cities.

On the occasion in question Mr. Hoover also stated that the subject was nonpolitical and that he agreed with the present administration in Washington that the building of the seaway would be a great thing for both countries.

PRESIDENT ROOSEVELT'S VIEWS

Pursuant to the permission of the House, I append hereto a White House release of December 9, 1938, on the present status of the St. Lawrence. This includes a statement made to the President by the advocates of the seaway and his reply thereto. It brings the issue down to date. The statement follows:

The following statement was given the President today by Fred J. Freestone, president; John C. Beukema, chairman, executive committee; William George Bruce, vice president; and R. F. Malia, secretary of the National Seaway Council:

"The National Seaway Council, in session in Washington, wishes to convey to you its sincere appreciation of the efforts you are making to assure the undertaking of the Great Lakes-St. Lawrence seaway and power project. We feel that the proposed treaty which the Department of State submitted for the consideration of the Dominion Government last May provides a basis for ultimate agreement between two neighbor peoples, granting full consideration for the vital interests of both nations.

"It seems to us that at this moment in the world's history when nations appear so prone to consider only possible cooperation for the destructive purposes of war the joint undertaking by the Canadian and United States Governments of this project should prove an inspiring example of the cooperation of these Governments in an attempt to build a constructive enterprise. It would serve to amplify or continue the joint effort to increase the wealth of both peoples so successfully initiated through the reciprocal trade treaties.

"By its opening of a great industrial area of the United States to foreign and intercoastal trade it will prevent the drying up of important inland industries in the Great Lakes region, attract new industries there, and thus serve as a tonic for new and extensive employment. It will also confer incalculable benefits to the grain States of the Middle West, and generally stimulate the future growth and development of the entire continent.

"We are convinced that an undertaking so comprehensive in its conception, embodying the combined stimulus to economic growth involved in cheaper navigation and abundance of low-cost power, is bound to generate a new optimism which will bring hope to the hearts of millions now facing the future with a sense of uncertainty.

"We recognize the tremendous odds which you have faced in your splendid effort to secure the initiation of this project. The opposition has been marshaled by special interests seeking to preserve their opportunity to exploit the needs of the people for their own profit. Although representing only a small minority of the population, they control almost unlimited resources and influence on both sides of the border.

"We assure you, Mr. President, of our wholehearted cooperation in the continued endeavor to overcome such obstructive tactics which are delaying the restoration of prosperity in the country."

The President, speaking informally, replied as follows:

"I have always appreciated the support of the National Seaway Council in my efforts to assure the early undertaking of the Great Lakes-St. Lawrence project. History shows that it has been the grand persistence of such organizations as yours which has ultimately enabled the country's leaders to overcome selfish opposition to great undertakings.

"For many years it has been my sincere conviction that the St. Lawrence project would prove second to none in its direct contribution to the economic welfare of millions of people on both sides of the border. It has seemed to me a logical continuance of the cooperation between two peoples which has afforded an almost unique example of the possibility of achieving peace among nations.

"In my message of January 10, 1934, requesting consideration of the earlier treaty, I expressed the belief that fears the St. Lawrence project would work to the disadvantage of other transportation agencies were groundless. I am more than ever convinced of that fact today. In the vast system of interdependence of which we are all parts selfishness works inevitably to the disadvantage of any group seeking to preserve its special position by blocking the opportunity of others to enjoy the full use of Nature's resources.

"The economic story of this continent is an extraordinary record of the extent to which stimulus to economic growth in one region reacts to the benefit of all. Any area which has grown in economic importance becomes a greater market for the products of other regions. More products are exchanged and all transportation agencies participate in the growing prosperity.

"The two Nations, Canada and the United States, share a great water resource which is today only partially used. Removal of the barriers to its full use for navigation will release millions of horsepower of cheap hydroelectric energy in sections in which the rapidly growing market for power will soon overtake present sources of supply. Failure to take advantage of this cheap power will not only tend to cramp industrial development but will force the substitution of more costly power, with the resulting burden on consumers of electricity. In an age so dependent upon transportation and power serious consequences will follow failure to anticipate future requirements.

"In view of the importance of these considerations, I am hopeful of an early agreement between the Canadian Government and our own."

The treaty proposed by Secretary of State Hull, which I incorporated in the RECORD of June 3, 1938, page 10757, is now being considered by the Canadian Government, and the friends of the St. Lawrence project, who are all sound Americans and legion in number, are hopeful of early agreement by Canada and ratification by the United States Senate.

In the interests of a greater America, favorable action by both countries is a consummation devoutedly to be wished for.

Are They to Starve or Not?

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 19, 1939

Mr. GEYER of California. Mr. Speaker, such a grave problem faces this Congress today that even in the face of traditions and customs existing in this House of Representatives I, as a newly elected Member of this body, would not be serving the best interests of those who saw fit to send me here unless I expressed the prevailing opinion among them in regard to the subject now under discussion.

When our Constitution was created, the basic idea fostered by its framers was the equality of all men in this great Nation. By equality among men they meant not only political and social equality but economic equality as well. In other words, every man was entitled to maintain his own political and social beliefs without interference from those who governed him. But more important than this; every citizen was entitled to have a job at a decent living wage in order that he might provide the necessities of life for himself and his family. Due to a great diversity of circumstances, including wars, panics, and depressions, this right has been challenged many times before, and today we find it again challenged here on the floor of the House of Representatives.

Let us consider the development of this country since the formulation of our Constitution in a historical sense. Soon after the beginning of the nineteenth century the effects of the industrial revolution in Europe began to manifest themselves in this country, with a consequent development of our economic resources. Large centers of population arose around factory sites along the Atlantic seaboard. After a while the demand for labor reached a saturation point, and those who found themselves temporarily out of work turned westward. It was this class who served as pioneers and helped to settle the then existing backwoods. During the rest of the century there was a steady migration of people anxious to find new places in which to start life over. This was a healthy condition for the country as a whole, because it tended toward development of natural and economic resources in all parts of this great Nation. But the machine which had been the

original force behind this great developing method had become more powerful and efficient with each year. Gradually machines began to displace manpower, and there was a lessening in the demand for labor. Unemployment became the rule rather than the exception. Then the great depression came 9 years ago, and the numbers of men out of work grew so great that unemployment, for the first time in our history, was a national rather than a local problem.

The administration in power at the time this depression began sought in vain to effect remedial measures. Their efforts were futile, because unemployment was considered a local problem, and rather than attempt some national program, the Republicans were content to let the local agencies do the job. When the present administration came to power, they took the situation into hand immediately. Our great President knew that the local communities and States were practically bankrupt from carrying the relief load. They had doled out money and had received nothing in return. The New Deal decided to set up a national system of works programs, which curtailed unemployment and gave men and women constructive things to do. Today, there are landmarks all over the country which stand as evidence of the worth of this program. But in a larger sense, the greatest objective realized, has been the saving of the morale of millions of citizens. This statement is made with authority because California was one of the greatest relief problems in the United States. In my own district in many sections, a greater percentage of the people are dependent on some form of relief, and they are as good citizens as those who are lucky enough to have private jobs.

As my historical analysis has shown, business has improved production, distribution, and marketing methods. But business has failed to solve the plight of those forced from their jobs because of these improvements. Although every year more people are losing their jobs because of improved business methods, this very group has failed to offer a solution to the problem. Someone must provide for them. Business is not doing it. Local charitable organizations are unequal to the task. Cities and States have gone practically bankrupt attempting to help out. Therefore, the national administration has found it necessary to step in to prevent chaos and to keep alive the American spirit among those less fortunate than ourselves. I say this, knowing the thoughts of the average man and the feeling among those in my own district, because those who work on these works programs are anxious to earn their living on private projects. I would be the last to deny this right to them.

I therefore feel it my duty, in justice to those whom I represent, to make a plea for careful consideration of this bill before a final vote is taken. There are issues involved which are far more important than the amount of money necessary to keep on with this works program. Today we are deciding whether or not some people are going to have food and shelter during the next few months or whether they are to be left to the vague uncertainties which will befall them if we fail in our duty to them. What those uncertainties will be time alone can tell, but it will do no harm to describe a few possibilities. The probability of many people being in want has already been touched upon, but we cannot underestimate the dire consequences of those unfortunate enough to depend upon the action we take today.

Furthermore, what are we to do in regard to the leisure time of these people if they have no jobs to fill? Those of you who cry out the loudest about the danger of the various "isms" to our national political structure consider for just one moment how much greater is the danger when one has plenty of time to listen and read the literature of discontented group. Are they not fit subjects for those who thrive on the opportunity of influencing downhearted people on the futility of existence in this country? This chance of this becoming a reality is enough in itself to make us realize that no amount of money is too great when danger to our governmental foundation is at stake. For, as our First Lady has said:

Whenever democracy fills the needs of the people one need have no fear of "isms."

What are we going to do about our duty, then, I ask the Members assembled here today? This bill in its present form represents a figure $150,000,000 less than the President has set as a minimum for carrying us through to June. Our great leader has been entirely too modest when we consider the testimony of representative leaders and groups before the committee hearings. The Workers' Alliance has set a figure of $1,050,000,000 as necessary for relief. The C. I. O. has requested that Congress appropriate $1,000,000,000. The American Council of Mayors finds that $925,000,000 is the lowest amount possible to get by on. Yet from the $875,000,000 figure set by the President this body is considering a cut of $150,000,000.

If we are to allow the amount which the bill states as adequate, we know that it can mean only deprivation for almost a million people, with a consequent loss in purchasing power which will curtail rather than help the brightening economic picture. If we fail to heed the warning of our great leader, it is only fair that a test vote be made on the various estimates, at least that of the President, so the public may know in yeas and nays just how each one of us stands in regard to this vital issue. It is only fair that those who sent us here to Washington to perform a task know how well that task is being performed. If we confine our vote to only that amount reported by the committee, those who elected us will never know how we feel individually on the various estimates discussed during the past few days.

For my part, I wish to face the issue squarely and do not hesitate to make known my stand on the various estimates, for I will not condone starvation, misery, and suffering on the part of anyone if it be in my power to prevent. I therefore shall vote first for the Workers' Alliance request of $1,050,000,000; but if that fails, I shall favor the $1,000,000,000 which the C. I. O. has endorsed; that failing, I shall vote for the American Council of Mayors' estimate of $925,000,000; if that is unsuccessful, I shall support the President's proposal of $875,000,000; and lastly, the lesser amount which the committee recommends, which is the least we can do for our people.

I rest assured that I have done my duty, because I have considered many things in reaching my decisions. I have listened to the pleas of those who sent me here to perform a job. I have listened to the words of our great President. Anxious as I am to balance the "dollars and cents" Budget, I am still more anxious to balance the human budget.

Let every man consider as his vote is cast that the lives of human beings are in the balance.

Urging That the Gates of Palestine Be Kept Open for Jewish Refugees

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EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 18, 1939

ADDRESS BY HON. HAMILTON FISH AT MECCA TEMPLE, NEW YORK, NOVEMBER 2, 1938

Mr. FISH. Mr. Speaker, under leave granted me to extend my remarks in the CONGRESSIONAL RECORD, I include the following speech I made at a mass meeting for the preservation of the Palestine mandate, held at Mecca Temple, in New York, on November 2, 1938:

I come here tonight not as a Republican or Democrat but as an American who loathes and abhors bigotry, intolerance, injustice, and persecution everywhere in the world.

I am glad, as the coauthor of the Zionist resolution that passed the Congress in 1922 urging a homeland for the Jewish people in Palestine, to join you in your demands that the refugees from Germany, Austria, and central Europe be permitted to enter Palestine.

The Congress has officially approved the policy enunciated in the Balfour resolution and the promises and pledges given to the Jewish people of all nations during the World War. We are asking the British Government to fulfill its promises and carry out its obligations. I am unwilling to believe that the British Government will by any lack of action on its part permit the Balfour resolution to become another "scrap of paper." I refuse to even consider the possibility of such a perfidious action.

Americans of Jewish origin have a right to use every influence in their power in urging our Government to persuade the British mandate authorities to keep open the gates of Palestine as a haven for the persecuted and terror-stricken Jews of central Europe. The plight of thousands of Jews fleeing from oppression and racial and religious hatred is a stark human tragedy, the worst and blackest example of man's inhumanity to man. Even the birds of the air and the wild beasts have their places of refuge, but persecuted Jews will have none if Palestine is closed to them. That ancient land of milk and honey, given by Jehovah to Abraham and his people, must be maintained as a homeland for the Jews, and we Americans propose to exert our influence openly to uphold this policy that Congress has approved.

The Jews have already shown that they can turn that land, despoiled by the Turks for centuries, into a new garden spot of foodstuffs, fruit, and fertility by their energy and labor. Vast sums of money have flowed from America, England, and other countries to buy and develop lands in Palestine for Jewish colonists on the assurances contained in the Balfour resolution.

The Arabs have vast territories for their people, much of which is undeveloped. They are one race that is not cramped for land, and they have benefited by the sale of their lands and the influx of money from America which has provided them with employment.

I urge people of Jewish origin in America to protest and continue to protest to the President and the State Department in behalf of their coreligionists in central Europe on the basis of justice, humanity, and pledges given. This is primarily your fight, although all Americans who hate injustice, persecution, and inhumanity will support you.

My advice to you is to be steadfast, continue to press the fight to the end, and if you are united you cannot fail. At all times remember you are Americans, and that the American flag is the flag of tolerance, not bigotry, class or racial hatred; of freedom, not compulsion or dictatorship; of a free ballot under free institutions, and not a government by the bullet and persecution.

We are familiar with the situation in Germany, where the Jewish people have been outlawed and declassed, but in Germany there were only 600,000 Jews in a population of over 60,000,000. The inhuman and brutal treatment of the Jews in Germany, Austria, and Rumania has shocked the American people. They are opposed to all forms of racial and religious persecution as being detrimental to humanity, justice, and world peace.

I believe the oppression and persecution of the Jews in central Europe is "so enormous as to impart to them an international character, in redress of which all countries, governments, and creeds are alike interested." These are the identical words used by my grandfather in 1872, when, as Secretary of State in President Grant's administration, he protested the outrages and intolerance practiced against the Jews by the Rumanian Government at that time.

The Jews in America have served our country loyally in time of peace as well as in war. No one has the right to impugn their patriotism or love of America. No group owes more to our country, and none should be more willing to make greater sacrifices to uphold and defend our free institutions and representative and constitutional government, under which they have found security, peace, and prosperity as in no other nation in the world.

With large parts of Central Europe aflame with violent anti-Semitism, I am proud of the fact that I introduced the Zionist resolution, which has already helped to provide a refuge for 400,000 persecuted Jews.

Large sections of Palestine have been restored and rehabilitated by these Jewish immigrants, from Dan to Beersheba. I hope and pray that the British Government will permit several hundred thousand of the exiled German, Austrian, and Rumanian Jews to find a place of refuge and a home in Palestine, that ancient land of their fathers.

A Critical Analysis of the Destructive and Creative Forces of Modern History

EXTENSION OF REMARKS

OF

HON. WILLIAM I. SIROVICH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 19, 1939

SPEECH OF HON. WILLIAM I. SIROVICH, OF NEW YORK, IN THE HOUSE OF REPRESENTATIVES, JANUARY 18, 1937

Mr. SIROVICH. Mr. Speaker, in view of the fact that I have received hundreds of requests for the speech I delivered in the House on January 18, 1937, entitled "A Critical Analysis of the Destructive and Creative Forces of Modern History," I have been given unanimous consent to have it printed in the RECORD, as follows:

The SPEAKER. Under the previous order of the House, the gentleman from New York [Mr. SIROVICH] is recognized for 1 hour.

Mr. SIROVICH. Mr. Speaker, for the hour that has been allotted to me to address the House I intend to analyze the destructive and creative forces of modern world history and shall endeavor to show the relationship between communism, nazi-ism, and New Deal democracy.

Mr. Speaker, only modern man has problems. The medieval man had no problems at all. Everything—his religion, his science, his economy, his art—was given to him by the church, the supreme authority of life. This happy idyll came to an end as a result of the break-down of medieval universalism, with its ideal of one church, one language, and one state, and was replaced by individualism, through the Reformation in the north and the Renaissance in the south. Then the real drama of modern man began. Man's age-old conviction that the earth is the center of the world was destroyed. Copernicus showed him that the earth and not the sun is moving. Columbus showed him that the earth has no edge or end. With the destruction of man's century-old cosmological and planetary views, man's old beliefs and convictions concerning himself, nature, destiny, and his position in life slowly underwent radical changes and burdened him with new problems. His new cognitions and convictions fired him to new ambitions. When his old cosmological views were shattered, his religious beliefs and intellectual superstitions were also shaken to their very foundations. In discovering new worlds he discovered himself, religiously in the Reformation and intellectually and artistically in the Renaissance. The Reformation led to a new alinement of social and political forces, to the creation of the united German nation as a result of the translation of the Bible, and to the founding of the British Empire as a result of England's emancipation from Rome and its tremendous sea victories over the Spanish Armada.

In the south, however, the discovery of man resulted in the creation of a new art, new philosophy, and new science and notably to a new mathematics which is the beginning of the technological age. Our entire industrial civilization would not be possible without the new mathematics. In the north the rediscovery of man through the Reformation led to a great religious crisis, which was terminated only upon the end of the Thirty Years' War in 1648, in the course of which Germany was nearly destroyed. It was only after that bloody war that the schism within Christianity developed into a new and permanent order, Catholicism on one side and Protestantism on the other. But no sooner was the religious issue settled than the political struggle against the growing despotism of the monarchy began on the European Continent. As a matter of fact, the French Revolution, with its doctrine of the right of the people to resist the despot, had its beginning in the last decade of the seventeenth century. It took almost 100 years for this theory to become the common possession of the masses, and it took all the stupidity of political absolutism to arouse the masses to resistance and rebellion. It can be said without fear of contradiction that to a certain extent the French Revolution, with its program of the political emancipation of man, was only the aftermath of the Reformation, with its doctrine of the religious emancipation of man. In the world in which man is religiously emancipated he also wants to be politically free. Thus the political crisis in the western world epitomized by the French Revolution, was only a logical aftermath of the Reformation, which had spent itself by the middle of the seventeenth century. From that time on western man became politically busy. It took him a hundred years to prepare himself for the political struggle. In 1789 the French Revolution broke out, and by the middle of the nineteenth century the energies which generated from it were exhausted. By 1850 the French Revolution was only a matter of the past. But no sooner had the political struggle come to an end than the economic struggle began.

In 1848, the year of storm and stress, which witnessed the last tremor of the French Revolution, Karl Marx published his Communist Manifesto, which, however, at the time of its publication made but little impression. A few years later Karl Marx published his Critique of Political Economy, which he described in a letter to La Salle, as a prelude to his work, Das Kapital. It was not before the eighties of the nineteenth century that the doctrine of Karl Marx became the driving force in political life on the European Continent.

From afar it may seem that Karl Marx in demanding economic equality for all men is, as a historical phenomenon, a logical consequence of Luther and Danton. Martin Luther demanded religious equality, Danton political equality, and Karl Marx economic equality. This, however, is only an optical illusion, for Martin Luther demanded not only religious equality but religious freedom as well. Danton, as the central figure of the French Revolution, demanded not only political equality but also political freedom, freedom from a static order; but Karl Marx abhors freedom. He emphasizes equality to the exclusion of freedom because to him the driving force in history is economics. Karl Marx's man is not a thinking, singing, painting, or in general a creative man, but is primarily an economic hungry man, always in quest of food. Marx's economic interpretation of history, which is the foundation upon which socialism and communism have developed, and upon which Marx's great reputation has been founded, is based upon the philosophical contemplation that the workingman has always been

exploited economically and that the final goal of history is economically satisfied masses because man's preoccupation in life is food.

As against this economic materialistic conception of history of Karl Marx, with the masses alone being visible on the stage, there is the individualistic conception of history of Thomas Carlyle and Friedrich Nietzsche. Just as to Karl Marx the economically satisfied masses are the objective of the historical process, so to Thomas Carlyle the great creative personality, the great man is the goal of history. Marx says that the masses make history; Thomas Carlyle contends that the personality makes history. How political history is made Carlyle showed in his biography of Frederick the Great. How international history is made he portrayed in his individualistic history of the French Revolution. It was made by personalities, not by the masses. How cultural history is made is shown in his Life of Goethe. But while Thomas Carlyle, the disciplined and refined Scottishman, was satisfied with the thesis that the personality makes history, Friedrich Nietzsche, the ruthless and eccentric German, insisted that the personality is history and that the masses are only a means of an end—to bring forth the great personality. Consequently Nietzsche maintained that the great personality has a right to use the masses as he pleases, for the masses are only the fertilizers of history. Just as Karl Marx is inspired by the masses, so is Friedrich Nietzsche inspired by the overpowering personality. His regard for the great personality is not limited to the conqueror, to the great ruler, or to the great artist, but also to the great revolutionist, to the great moralist. Hence Nietzsche's admiration for the Bible as a book of great heroes and overtowering personalities.

It is interesting to observe that these two contradicting philosophies of history, the individualistic of Carlyle and Nietzsche and the collectivistic of Karl Marx, drew their inspirations from two self-contradicting philosophies of nature. The individualistic conception of history took its cue from Darwin, with his doctrine of the survival of the fittest. Carlyle's development of personality anticipated Darwin's biological evolution of man. Nietzsche has applied this theory of Darwin to the historical process in the evolution of personality. The doctrine of the survival of the fittest is a biological doctrine; consequently, both Carlyle and Nietzsche took their inspiration from biological nature, of which the jungle is the highest form. In the jungle the overpowering animal personality alone rules, the strongest reigns supreme. But Karl Marx calls his philosophy of history materialistic, not only because of his conviction that material things alone move men to action but because he drew his inspiration, not from biological nature, but from inanimate nature, from the world of dead matter, which is governed by the law of cause and effect only.

Marx's philosophy of history was greatly influenced by that of the German philosopher Hegel. Change, says Hegel, is the form in which an unchanging absolute, which he calls "logos," reveals itself. Every true manifestation of the logos discloses itself in three stages. First, there is the creative idea or thesis, which being in a constant state of flux, leads irresistibly to the formation of its opposite idea, which Hegel calls the "antithesis." The thesis and antithesis battle with one another, and out of their conflict a new and higher truth emerges which he calls the synthesis. This synthesis, in turn, again becomes a thesis, giving rise to its counterpart, the antithesis, with which it battles to form a new and still higher idea, the new synthesis. This process continues to function unendingly, leading always to an ever higher and more developed synthesis. This philosophic conflict is known as the triadic rhythm.

Marx borrowed Hegel's triadic rhythm, but applied it in a restricted sense to materialism, and evolved what he calls his "dialectic materialism." Lenin called "dialectic materialism" the living soul of Marxism, "its fundamental theoretical root." Marx contended that labor is the thesis, capital the antithesis, and the classless society is the synthesis. But here the triadic rhythm ends, and it can be seen, therefore, that Marx's application of Hegel's formula has produced only a limited triadic rhythm. Although Karl Marx was a left Hegelian, he was much more anchored philosophically in the French materialism of the eighteenth century of Diderot and Lamettrie, who contended that man was a machine, than in German idealistic philosophy of the nineteenth century.

According to Karl Marx, the development of a system of production, based upon the notion of private property, divided society into classes and brought the state into being. The state is, therefore, a class organization organized for the protection of the interests of the possessing group against the nonpossessing classes. It stands for the protection of private property, and the power to continue to exploit the masses.

Karl Marx contends, however, that the overthrow of the exploiting class, the abolition of private property, the disappearance of class distinctions, and the establishment of a classless society will abolish the need for the state, and will make it entirely superfluous. The state will not be needed for exploitation, since this will be done away with. Neither will the state be needed to carry out economic functions, since these will be performed far more efficiently by economic organizations. Nor will the state be needed to exercise police functions, since private property and class inequality, the causes of crime, will no longer exist. The state will then wither away and a stateless, classless society will be born. Marx nowhere describes the new society which is to replace the old. He declares that each revolution will produce its own laws and systems.

Marx was one of the first men of the nineteenth century to raise the question of the historical destinies of man, and he answered it in his own way. The historical destinies of man are to make possible the economically satisfied masses. This satisfaction can be brought about only by collectivizing production and the distribution of goods and by taking out the private profit of all business. The intellectual reaction to Marx was Thomas Carlyle, and later Friedrich Nietzsche, just as the political reaction to Lenin was, first, Mussolini and later Hitler and Stalin. These speculations regarding man's historical destinies have fired the imagination of other notable contemporaries and have brought forth a number of other interesting philosophical interpretations of history which contradict both Karl Marx and his antagonists, Carlyle and Nietzsche. The great Russian writer, Leo Tolstoi, disgusted with Marxian materialism and Nietzschean sensuousness, proclaimed the doctrine of the pure and pious soul as the goal of history. To purify the soul and to become holy, man has to abandon both pleasure and the search for wealth. He must try to overcome his senses, and attain peace of mind and serenity.

This relapse into a mild Buddhism found its reaction in Freud, who proclaimed aloud that man is not primarily a food seeker, as is claimed by Karl Marx, or a holiness seeker, as maintained by Tolstoi, but that man is primarily a sensuous being, whose actions are motivated by sex and not by hunger or holiness. Man must satisfy his sexual urges—that is his first and last motive in all his actions. Wagner's doctrine of the primacy of force epitomized by the mythological deities, and Bergson's doctrine of the instincts and urges, are only corollaries of the personality doctrines of Carlyle and Nietzsche.

The primacy of hunger, power of personality, pure sex and antisex of holiness are the great motives of the modern philosophy of history, but none has made such a powerful appeal to the masses as that of Karl Marx, who today is the most disputed, the most discussed, and most contested figure in modern history. Today the modern world is divided into two groups—the Marxists and anti-Marxists. The anti-Marxists again are also divided into two camps—the Fascists and anti-Fascists. For the rise of fascism, Marx alone is responsible. The rise and development of this powerful force in contemporary history is solely due to the false prophecy of Karl Marx that the modern economic process will lead to the elimination of the middle classes and to the formation of two classes only—the working and the capitalist class. The working class will be the overwhelming majority and the capitalist class a negligible minority. It stands to reason, says Marx, that the vast majority will not permit the small minority to exploit it, and in the course of a revolution will take the power away from it and introduce, through the dictatorship of the proletariat, the Communist order of things. But what has really happened is this: The middle class, instead of decreasing in numbers as Karl Marx predicted, grew numerically stronger from decade to decade. Today it can challenge both capital and labor.

This middle class today, and not the small capitalist group, is disputing the position of communism in the world and is fighting communism. The middle class is more avaricious than the big capitalists. Its horizon is small and its perspective narrow. It is more afraid of losing what it has than is big capital. Besides, the class of the very rich is not of recent date. It has traditions and perspectives and it takes a calm view of things. The middle class is only 100 years old, a new arrival, which is very jealous of its possessions, and it is easily frightened by rebellion. From its point of view communism is coequal with compulsory proletarization. The fear of communism on the part of the middle classes is the source of strength of all Fascist movements. It is more anti-Communist; it is more terrorized by communism than the upper classes. Switzerland and Yugoslavia, the two European middle-class nations, have not recognized Russia yet, and Holland, the middle-class nation, is more frightened by communism than rich England and France.

To fight it successfully and to form an iron wall against any further expansion of communism, fascism has adopted all the methods of the Inquisition—concentration camps, dictatorships, torture chambers, spying systems, and the deification of the State. Since communism has created for the workers a devil in the form of capitalists, the Fascists have created for their own adherents an imaginary bogey in the form of communism. Both know that their followers have to have a great object of hate and both give them that object. Both dictatorships need these bogeys to maintain themselves in power.

The division of western humanity into Communist and Fascist places the liberals in a tragic position. The liberals, too, belong to the middle classes. They represent the older and more rooted element of the middle classes—people who are not easily frightened and who take a calmer view of things. These liberals understand the limitations and the shortcomings of communism. They understand that it is a one-sided proposition and that it will never become a tenet of all humanity. They wait for the day when communism in Russia will undergo liberal changes and will adjust itself more to western conditions. These liberals are anti-Communist, but they are also anti-Fascist. They believe in democracy and reject fascism and communism as incompatible with true liberalism. They see in both fascism and communism medieval forms of economics and politics. In the Middle Ages life was regulated by authoritarian and totalitarian powers. The individual was deprived of all freedom. In the Fascist and Communist states human life is mechanized and human beings reduced to the position of machines, without freedom to think or to speak their own mind. Just as democracy rejects both fascism and communism, so both reject democracy as incompatible with their own doctrines. However, their fight with both sinister forces is just a sideshow. The main show is a life and death struggle between fascism and communism, and the success and failure of fascism depends upon the success and failure of communism.

Fascism is a reaction to communism, and the historical experience of the last 20 years bears out this thesis. Mussolini was the answer

to Lenin and Hitler the response to Stalin. Marxism in its present form is an intellectual proposition. To the present day the representatives of communism claim that they represent the scientific point of view and that their economic doctrines are based on science only, while the economic doctrines of their Fascist antagonists are based on superstition, traditionalism, mysticism, or ignorance. As a matter of fact, Engels, the collaborator of Karl Marx, claims that Marx was the first scientific economist of modern times. Whether we think that Marx's claims to science have a basis in reality or not, the fact that they are being made proves that Marxism is consciously, at least, a rationalist phenomenon. The Fascists, however, admit that they are opposed to rationalism, to intellectualism, and to pure science, and are guided by emotions. It is possible to argue with reason, even if it be beclouded, as is the case with every dogmatic. The place to argue this proposition is not the schoolroom, but the legislative hall, where laws are enacted for the nation and where every legislator seeks a wider orientation and real intellectual enlightenment on the laws for which he will be called upon to vote.

Mr. Speaker, let me therefore briefly recapitulate some of the fundamental concepts in the trends of contemporary history that I have thus far stated in my address.

The attempt to liberate man economically following upon the attempt to emancipate man religiously by the Reformation and politically by the French Revolution has culminated in a struggle whose outcome may spell the end of western civilization unless liberal America, headed by President Roosevelt, succeeds in preserving for man the great spiritual heritage of the Reformation and the Renaissance. The present struggle is economic in character and is fought today by two contending groups, the Communists and the Fascists. The one group, swearing by Karl Marx, is materialistic and tries to reduce the entire cultural process to an economic process. Karl Marx has invented a man, the homo economicus, the hungry man, who as an isolated type is a pure myth, for this homo economicus does not exist in reality. Man is not only a hungry man but is also a thinking man, a feeling man, a playing man, an ambitious man, a spiritual man. The color white is composed of its spectroscopic colors—violet, blue, green, indigo, yellow, orange, and red. So, likewise, man consists of all his attributes and not of one of them. Just as communism has created a myth, the hungry man, to establish its rule, so has fascism created another myth, the instinctive man, who is thirsty for power to establish his domination. The instinctive man of the Fascist is no more a reality than is the economic man of the Marxists, for man is not only hungry for power but also for beauty and truth. The fight between the Communists and the Fascists is really a fight about the one or the other attribute of man and not about man in general. In the course of this struggle man is being disfigured, for he is being turned into a beast, either a devouring or a domineering beast. It took humanity thousands of years to establish the truth of the spiritual personality of man and of man's totality of personality. The prophets of Israel, Socrates, Plato, Jesus, the Reformation, the Renaissance, Kant, have all taught one great truth, the spiritual personality and spiritual character of man. They all established the truth that man is a citizen of two worlds, the sensuous and supersensuous, and that man has therefore double functions to perform and double duties to fulfill, morally and spiritually. But in the fight of the Communists and the Fascists for the domination of man the latter is reduced to a caricature of real humanity, he is deprived of his spiritual personality, and is presented either as a machine, as is the case with Marxian philosophy, which drew its inspiration from French materialism of the eighteenth century, or as a beast, as is the case with Nazis. The great teacher of nazism, Spengler, says: "Man is a beast, and the beast must be curbed, and only the totalitarian state can curb him." The materialistic economists say that man is a machine and has to be driven like a machine, and only the dictatorial state can drive him.

The New Deal, on the other hand, as formulated by President Roosevelt, clings tenaciously to the eternal truth that man is a spiritual being and that he is a being of many attributes and, like the color white, cannot be divided into component parts without destroying him. The real philosophy of the New Deal is an effort to preserve the totality of man's personality in the midst of so many attempts to destroy it. The New Deal is a Biblical proposition and President Roosevelt is a Biblical character, because both insist upon the spiritual character of man, who must never be a means to an end but always an end in himself. Consequently, he must never be exploited, oppressed, or humiliated. He can never be either a machine or a beast of burden, but must always be treated like a human being, with respect and dignity. The legislation of the New Deal has this object in view: To preserve the dignity of man, so that he be in a position to give the best that is in him to his fellow man. [Applause.] This necessitates the curbing of rugged individualism, which has degenerated into ragged individualism, and bringing about a just distribution of wealth without however destroying the basis of our civilization. The totality of human personality, which is the combination of all of man's urges and instincts, stands for evolution and not for revolution, but whoever identifies man with any one of his instincts, such as hunger, sex, holiness, personality, or the will to power, which is a disintegrated part of the totality of human personality, must stand for revolution, for bloodshed, and for cruelty, and must destroy the image of God in man. The struggle, therefore, between these three contending forces—communism, fascism, and the New Deal—simmers down to a struggle for either the totality or the partiality of the human personality. Either man is identical with all of his attributes or he is identical with any of his many attributes; in short, he is either man or beast. On the basis of the totality of man's personality, humanity has established a culture and a civilization. To preserve it and to guard it is the primary motive and ultimate task of the New Deal. To destroy that culture and civilization and to introduce instead regulated jungle, either in the form of fascism or communism, is the primary motive and ultimate task of either communism or fascism.

To us who believe in the ultimate victory of man's highest ideals there can be no doubt that President Roosevelt will emerge victor from this world historic struggle. [Applause.]

Mr. Speaker, let me therefore attempt to dissect the five fundamental principles underlying Marxian socialism, as conceived by Karl Marx in his tremendous work Das Kapital and his Communist Manifesto, which have been translated into every civilized language of the world, and which are the foundation upon which the superstructure of communism and socialism have been evolved. The first, the Economic Interpretation of History:

"In every historic epoch," reads the preface to the Communist Manifesto, "the prevailing mode of economic production and exchange, and the social organization necessarily following from it, is the basis upon which is built up, and from which alone can be explained, the political and intellectual history of that epoch."

What is my answer to Karl Marx's economic interpretation of history? Mr. Speaker, whoever is familiar with the Marxist theory will admit that it stands and falls with his economic and materialistic conception of history. Karl Marx contends that the all-driving power in history is economics, the hungry man, or the "homo economicus."

We admit that man is hungry, but we know that he is thirsty, too, thirsty not only for water but for knowledge, for beauty, for inspiration, and that he is ever ready to sacrifice himself for quenching of this thirst, as he is ready to do all kinds of things to satisfy his hunger.

The difference between us and Karl Marx is that we are not denying that man is hungry, but we challenge the assertion that he is driven by hunger only. The hungry man of Karl Marx is a myth. He has never existed and never will exist. Since Marx insists that man's reality is hunger only, it goes without saying that the history of the world should be a history of economic struggles only.

Neither Marx himself nor any of his followers have ever even attempted to explain the first 300 years of Christian history in terms of Marxist history. When tens of thousands of pious men and women adopted Christianity, in spite of the dangers and perils to which they would be subjected, did they do it for economic reasons? Or is it not true that adopting Christianity meant sacrificing everything, not only their properties but also their liberties and their very lives? Of course, you all know the history of early Christianity, with its martyrdom and tragedies. You all know the history of revolutions and the tragic fate of revolutionary leaders. Did the thousands and tens of thousands of Russian revolutionists who in adopting the cause of revolution sacrifice their stations in life, their liberties, their privileges, do it only to gain material wealth? Again I say no. Is not the heroism and self-sacrificing idealism of the Russian revolutionary leaders, and even of the masses of the Russian revolution, a living denial of the Marxist interpretation of history? Who can explain the Huguenot movement in Marxist terms? Who can explain the history of the victims of the Spanish Inquisition in Marxist terms? Here was a group of well-to-do people, deeply rooted in the soil, with the tradition of thousands of years, that preferred exile and torture of body and mind to peace of mind and material happiness only because it would not yield to the purely abstract principle of religious conversion. This history of all nonconformist movements in the world is the very contradiction of the Marxist interpretation of history. Today, 140 years after the French Revolution, we know from its greatest historians, Lavisse, Hanataux, and Jaures, that, while famine was one of the incentives of the revolution, it was not its main motive power. Its main motive was the will to power of a rising middle class and the attempt to take away the power from the other classes. Nobody denies that economics was one of the motives of the French Revolution, but no historian today admits that it was the prime and only motive. To Karl Marx, however, it was the only motive.

The greatest and most convincing proof against Marxism is Marx himself. Marxism was not created by the hungry masses about which he speaks, but by a powerful, bitter, and rebellious personality called Karl Marx, who was not a workingman himself, but the son of a middle-class lawyer. There were many shades of socialism before Marx, but Marxism was produced by a personality called Karl Marx, and this personality produced a doctrine pronouncing the death sentence against all personality. Marxism, if honestly applied, spells the death of all personality. When you say absolute economic equality you deny personality. You cannot have both personality and equality. Of all the philosophies of history created during the nineteenth century, Marxism alone has survived, because it is first a tenet of great personality; second, because it has a great deal of truth in it; third, because it has a greater appeal to the masses of the people than any other conception of history, for it appeals to the belly and not to the mind; and fourth, because of its one-sidedness, giving it the character of religion. If Karl Marx had come along with the proposition that economics is one of the most important factors of history, everyone would have applauded him, and he would be only one of the many philosophers of history. But, since he said economics is the only factor in history, the hungry part of humanity applauded him and the satisfied part of humanity cursed him. Marx knew perfectly well that the masses are only guided by slogans and not by subtle intellectual analysis and considerations.

He knew that only one idea powerfully expressed would hit and impress the masses, and he proved to be right. By assuming that the materialistic conception of history was his innermost conviction of the way the historical process moves he visualized not only a tensionless state and society which is a sort of a sociological nirvana, but he dug the deepest grave for the personality, which is the only source of all creativeness. The creative mind deals with formulas, terms, notions, and ideas, which are manifestations of the intellectual analytical mind. Therefore, in the realm of the mind, you cannot have intellectual equality. Since the creative mind develops wealth, you cannot have economic equality. Equality is not to be found in nature at all. It must be superimposed by force upon man.

Karl Marx's conception of economic equality cannot be translated into a reality without dictatorship, concentration camps, civil war, and the abolition of the rights of man. If religious equality, as Torquemada understood it, was not possible without an inquisition, economic equality, as Karl Marx proposed it as the consequence of his conception of historic materialism, is not possible even with five inquisitions. Economic equality presumes not only economic straitjacketing of the individual but also intellectual imprisonment.

Mr. Speaker, such are the consequences of the materialistic conception of history. It is unrealistic and false in its presumptions and it is tragic in its consequences. Marx's dictum that not the mind makes man's life but that economic conditions make man's mind, is the greatest violation of the truth ever committed by man, for the fact is, that all economic progress and also social and political progress, are the products of man's creative mind. Up to the machine age humanity was divided into two classes—the feudal and the peasant class—with the masses of the people being very poor. The middle class was created by the machine civilization. The life of the modern workingman is surely not the life of a pauper. This economic improvement all along the line is due to the machine, and the machine was created by man's mind. It presumes mathematics and physics, mechanics and chemistry. A new engineering principle leading to the creation of the automobile industry, a principle born in man's creative mind, has proved to be a source of wealth and employment to millions of people. The discovery of the Hertzian waves by the late Professor Hertz, a Jewish physicist in Germany, led to the establishment of the radio industry, giving employment to hundreds of thousands of people and a source of wealth to those who know best how to handle it. The same holds good of many other purely abstract principles invented by man's creative mind, whose translation into reality revolutionized our entire economic life. Thus it is not economic life that shapes man's consciousness, but it is man's consciousness that shapes man's life even economically.

Mr. Speaker, "homo sapiens" means thinking man, living man, enterprising man, playful man, searching man, and consequently human history cannot be only economic history, determined by materialistic factors alone. Man is the only animal who is never satisfied; he never has enough. Man's rise to power was brought about by his will to more; and while this will to more, if given full sway, must lead to jungle rule, it cannot be entirely curbed, even economically. This psychological law governing man—the variety of man's desires and aspirations and the inability to satisfy any of his desires completely—reduces Marx's interpretation of history to a dogma, to an article of creed or belief. Belief and creed are not philosophy. Marx's conception of history, therefore, is dogmatic or theological, but not philosophical.

It has been established again and again that Marx was, in his general philosophical views, a follower of eighteenth century materialism, and that his so-called materialistic philosophy of history, far from being a byproduct or a development of the philosophy of Hegel, which was purely logical, is only a continuation of his general materialistic philosophy. Since no materialistic philosopher has ever demonstrated how dead matter can transform itself into a mind or consciousness, materialism as a philosophy is considered today a mere superstition. It is the most unsatisfactory of all answers to the puzzles of life. While no materialistic philosopher has ever demonstrated the possibility of deducing mind from matter, all great philosophers have demonstrated that all human reality is the product of the human mind. Man alone is the tool-making creature, because he has a mind to create tools with. This tool-making ability created for him his economic problems. Only man has economic problems—animals have no economic problems, because they have no creative consciousness.

All material human reality as well as all spiritual human reality is born of the mind and not of dead matter. With the help of the principles of mathematics, which are born in our mind, and with the help of the principles of theoretical physics, which are born in our mind, we create means of transportation, machines, and, in short, our civilization. A new principle of mathematics or engineering which is born in man's mind may revolutionize the entire economic fabric. If human economics is a continuation of the human mind, the mind comes first and matter or material comes second. The materialistic conception of history is, therefore, subjectively and objectively false; it is plain superstition and a gross form of mysticism.

The second basic contention of Karl Marx is his philosophy of "the class struggle":

"The history of all hitherto existing society," begins the Manifesto, "is the history of class struggles. Freeman and slave, patrician and plebeian, lord and serf, guildmaster and journeyman, in a word, oppressor and oppressed, stood in constant opposition to one another, carried on an uninterrupted fight, now hidden, now open, a fight that each time ended either in a revolutionary reconstitution of society at large or in the common ruin of the contesting classes."

What is my reply to this principle of the "class struggle"? To Karl Marx the content of the world historic process is a struggle between economic classes, between the master and the slave in ancient times, between the feudal lord and the serf or retainer in the Middle Ages, and between the capitalists and workingmen of modern times. Class to him means primarily an economic class.

There is a twofold objection to this theory: First, the content of history is not always an economic class struggle; and, second, the classes are not always economic classes. As a matter of fact, the class is not a historical category but a psychological category, developed not only by historical forces from without but by psychological forces from within, and that the struggle of the classes is not always determined by economic factors. There is, first, the struggle of the sexes; second, the struggle of ideas; third, the struggle of religion; and fourth, the struggle for political power motivated by the will to rule or by the will to get more. There is a class of lettered and a class of illiterate people; the one hates the other. There is a class of gifted and a class of nongifted people; the one hates the other. There is a class of ambitious and a class of sullen people; the one hates the other—and the greatest struggles of history were not only fought out by economic groups, the poor against the rich, but by different religions. The Crusades were religious wars. The Thirty Years War was a religious war. The Seven Years War was a war of Protestant Prussia against Catholic Austria. Most civil wars originate in difference in ideals as well as difference of interests. Even the civil war in Spain is as much a war of ideas as a war of interests.

Since the class is at least as much a psychological as an economic category, and as a psychological category will always be in existence, the proposal of a classless society is bereft of all realism. In Communist Russia today there are as many classes as in any other capitalist country. The official who gets a salary of 3,000 rubles a month has no more in common with the laborer, who draws only a salary of 200 rubles a month, than has the capitalist in the capitalist country in common with the laborer whom he employs.

The third basic contention of Karl Marx is his principle of surplus value. The fundamental doctrine of Marx's economic system and the central theme of Das Kapital is known as the theory of surplus value.

According to Marx, the exchange or market value of a commodity depends upon the amount and degree of labor necessary to produce it. He defines a commodity as a "mass of congealed labor-time." Labor is therefore the source of all value. It is likewise the measure of value, as "commodities in which quantities of labor are embodied or which can be produced in the same time have the same value."

What is the philosophy underlying surplus value? According to Marx, the exchange or market value of a commodity depends upon the amount or degree of labor necessary to produce that article or commodity. By labor Marx means, not that of an individual, but socially necessary labor time that is required to produce a commodity under formal conditions. It includes the labor of highly paid managers as well as that of poorly paid operators.

But the laborer does not receive the full product of his toil, only barely enough to maintain himself and continue to produce. Of course, this theory of surplus value is not Marx's creation. He accepted the theory of wages formulated by the classical economists of modern times. According to this theory, the laborer can get only the mere sustenance under the existing conditions. A contemporary of Karl Marx, Ferdinan La Salle, called this wage theory "the iron wage law." The fact cannot be denied that under the old deal labor was shamefully exploited. In the western democratic countries, however, the worker has not only political but also personal freedom, which is denied to him, however, in dictatorial lands. There not only strikes are forbidden but no worker may leave his job or his abode without the consent of the government. In all Fascist countries the worker is practically a state slave, compelled to take the wage given him by the state and forbidden to express dissatisfaction with his lot. No privilege of which he is the recipient, such as unemployment insurance, socialized medicine, recreation and vacation privileges, can compensate him for his loss of freedom.

In any free democracy it is obviously wrong and unjust that a small group of men organized in a corporation, whose destinies they control, should take all the surplus values created by labor, and be permitted to accumulate infinite wealth, which it later uses or misuses to strengthen its own position economically, politically, and socially. The solution to the problem of surplus value is not the Utopia of absolute economic equality as visualized by Karl Marx, because such equality cannot be brought about without inquisitions, torture chambers, and dictatorships. Our old economic conceptions that labor is entitled to wages only are remnants of a feudalistic age. To solve the problems of surplus value, labor should be entitled, not only to decent wages but also to a fair share of the profits.

The surplus-value theory of Karl Marx to the effect that all wealth has its source in labor is only partly true, for wealth has also its source in human inventiveness, in the human creative genius whose economic value cannot be fixed at all—in human skill

and demands for goods, which are often developed by purely spiritual factors. It is not true that the market value of a commodity always depends upon the amount and degree of labor necessary to produce it. It also depends upon other factors, such as demand for that commodity, the risk connected with producing it, the inventiveness and skill necessary to create it—in short, it depends upon a number of external and internal conditions over which labor has no control at all and whose value cannot be fixed.

Labor is one of the principal sources of value, but not the only source. It is true that the workingman constructs the machine, but who is going to evaluate the work of the inventive engineer who invented the machine, and who can evaluate the mathematical and physical principles upon which the machine is built? To say that labor is the only source of wealth is to place a negative economic evaluation upon man's creative genius. It is true, however, that labor to a great extent is the source of modern wealth. But the answer to the problem arising from this phenomenon is not old Marxism but the New Deal, which subjects accumulated wealth to a process of attrition and aspires to the establishment of an economic balance, giving the poor more and the rich less. It seems to me that there is more realism and more objective truth in the New Deal than in Karl Marx and all his interpreters combined. The law of surplus value, therefore, is as little valid as the theory of the class struggle or the economic process of history. The class struggle today throughout the world is the conflict between capitalism and communism. Classical capitalism is the exploitation of labor by capital. Classical communism is the exploitation of capital by labor. The New Deal democracy synthesizes these two opposing forces, by regulating capital and cooperating with labor, to bring the greatest good to the greatest number, so that labor may receive a fairer share of the distribution of the wealth that it creates without crippling or destroying invested capital. [Applause.]

The fourth important concept of Karl Marx is his tremendous argument pleading for the "inevitability of socialism." What does Karl Marx say about this subject? He says:

"Capitalism produces, above all, its own gravediggers. Centralization of industry and of labor is, according to Marx, the inevitable tendency of the modern system of production; more and more will the capitalists combine and wealth will be consequently in fewer and fewer hands. As with capital, so with labor. The factory tends to centralize many laborers of different trades and localities and to reduce them to a common wage level. Their lot will steadily grow worse, till finally they are reduced to a state of semipauperism."

The theory of increasing misery advanced by Marx is based upon his belief that the workingmen, because of their low wages, have no purchasing or consuming power and are unable to buy the enormous quantities of goods produced by machinery.

What is my answer to this economic contention of Karl Marx? According to Karl Marx, the Socialist state or the classless state is predetermined by the entire economic process and its arrival is inevitable. This inevitability of socialism Marx deduces from the increasing misery of the masses. According to his calculations, the capitalistic order of things, leading to monopolies and trusts, will destroy the middle classes and in the end there will be only two classes—the workingmen, who form the majority, and a small capitalist class. The majority will seize power, overcome the capitalist class, and introduce a Socialist order. But the economic development of the last 75 years shows that the middle class, far from decreasing in numbers, is constantly increasing in numbers and is constantly gathering strength. Today it is so powerful that in many countries it is the ruling class. It can be the ruling class in every country if it chooses to cooperate either with the workingmen or with the capitalists.

Modern legislation in every civilized state tends to limit the power of accumulated capital and to strengthen the middle class. The middle classes are by inclination both anti-Fascist and anti-Communist. They are democratically inclined. The inevitability of socialism is a false prophecy based on entirely false calculations. The very fact that communism faces everywhere capitalistic fascism as its enemy, and that both forms of dictatorship are being fought by the democratic middle classes everywhere, demonstrates clearly the falsity of Karl Marx's theory of the destruction of the middle classes and the inevitability of socialism.

Finally we come to the fifth contention of Karl Marx, which is the principle of "internationalism." Karl Marx states: "The proletarians have nothing to lose but their chains; they have a whole world to win." "Workingmen of all countries, unite!"

My answer to the subject of "internationalism" is:

For the last 500 years western history was a history of nations and nationalism. The highest development of western nationalism coincides with the development of our industrial civilization and with the spiritual deepening of the cultures of the major nations. "Nationalism," in the best meaning of the term, is as much a part of white man's reality as is religion, art, literature, and science. The cosmopolitan idea of the French Revolution was nationalistic in its motive. For the French cosmopolites said to the non-French people, "You adopt spiritual France as your fatherland and you will be saved." Today, when Hitler, Mussolini, and Stalin shape the destinies of 275,000,000 people in the west and Gandhi and Nehru do the same in the east, nationalism is a greater reality than it was 120 years ago. Hitler and Mussolini, the aggressors, and Gandhi and Nehru, the resisters, are equally nationalistic-minded. They are primarily interested in the welfare of their own people, to which there cannot possibly be any objection. What one must object to is the methods they use, and not to the nationalistic principle they represent.

If it is true that the principle of nationalism and the nationalistic consciousness of people are part of man's psychological reality, then Karl Marx's internationalism, culminating in the idea that the proletarians have no country, but an accidental birthplace, is a perversion of western man's reality. While it may be conceded that some unscrupulous people use patriotism as a refuge and hide-out for their corrupt activities, to most people the love for the native country is as genuine as their love for their family. It makes no difference whether the bearer of this love is a workingman, a businessman, or a manufacturer, an artist, or a scientist. To workingmen their native place is as much their country, the land of their ancestors, the land they love, as to any other stratum of society. The internationalism of Karl Marx is nothing but the revival of a medieval idea of the church. The internationalistic representatives of the medieval church thundered against the love of the native soil in the same way as have Karl Marx and his followers for the last 75 years. The medieval church fought with the same energy, determination, and violence against the rising nationalism and for internationalism. Even long after the victory of modern nationalism was achieved through the Reformation and the Renaissance, the representatives of the medieval church continued their fight against nationalism. The activity of the Jesuit order for the first 200 years of its existence was primarily directed against nationalism. The political ideal of the medieval church state was the one and indivisible world state, headed by the Pontiff. The political ideal of Marxism is the one indivisible economic state. Both state ideals are universalistic; that is to say, they do not permit any borderlines and any limitations lest the personality arise. Goethe, the biographer of St. Ignatius Loyola, says that it was the ideal of the founder of the order to denationalize all nations. The medieval church was as much opposed to individualistic nationalism as Marxian communism is opposed to nationalism as far as theory is concerned. In reality, however, the Catholics are as patriotically inclined as all other groups of the population. The main struggle of Stalin in Russia today is the battle for Russian nationalism as against the internationalism of spitfire Trotzky, who is pursuing his principle of permanent world revolution as advocated by Karl Marx.

The internationalism of Karl Marx is a violation of all human reality, because our love for our country is actually born with us and cannot be destroyed in normal people. Soon after the German declaration of war against France the first thing the German Social Democratic Party, a purely Marxian organization, did was to vote for the imperial war budget, and many German Social Democrats, to prove their superpatriotism, joined the army voluntarily and asked to be sent to the firing line.

The French, the English, the Italian, and Austrian Socialists did the same. This and similar historical experiences show that the workingman is as much concerned with the welfare of his nation in times of national crisis as are the other strata of the population, and that they do not place their class interest above their national interest. The contention of Karl Marx, that the workingmen had nothing to lose but their chains, is just a militant figure of speech. Would the American workingman permit the invasion of cheap labor? Does Communist Russia permit the invasion of Chinese coolies, who would compete with Russian labor? Would the German Republic permit Polish and Russian laborers to invade the country to compete with German labor? There are justified struggles going on within the ranks of labor itself. Skilled labor is in constant struggle against unskilled labor. Technically developed labor is in constant struggle against intruders who are not technologically trained and experienced. There is just as much an aristocracy of labor as there is an aristocracy within any stratum of the population.

Marx's slogan, "Workingmen of all countries, unite," is based on the stated assumption that the workingman of one country has more in common with the workingman of another country than he has with the different classes of his own country. The workingman is as much rooted in the life and traditions of his nation as is the member of any other class. The workingman is swayed by the same emotions as other people, is as much attached to his native soil as are other people and is carried away by the same patriotic feelings as the rest of the population. To say that the workingman of one nation has more in common with the workingman of another nation, implying that he places his economic interests above his other interests, spiritual, religious, patriotic, is libeling the workingman. As a matter of fact there is more community of interests between the mercantile class of different nations than there is between the laboring class of different nations. Business is business, and many a merchant during the war has been guilty of trading with the enemy. Today the French sell war material to the Germans, the English to the Italians, and vice versa, though knowing that this material will some day be used against them. It seems to me that the two most patriotic classes in the Nation are the farmers and the workingman. [Applause.]

It is thus evident that the principal philosophical and psychological theories of Marxism, the economic interpretation of history, the class struggle, the inevitability of socialism and internationalism, are from the point of view of reality, pure fiction. They are illusions of a fanatical mind, and they have no basis in reality.

Mr. Speaker, for almost an hour I have discussed the historical, social, political, economic, and philosophic conceptions of socialism, communism, and fascism. What is the antidote to these economic philosophies that have challenged the democracies the world over?

Mr. Speaker, after centuries of rich intellectual experience, ancient Greece, as represented by one of its great philosophers, Aristotle, came to the conclusion that in matters of the state the golden middle way is the only solution to all political woes and problems of man. As between the leftist tendencies, culminating in collectivism and resulting in the obliteration of personality and in the dictatorship of the proletariat, and the extreme rightist expressing themselves in rugged individualism and resulting in the economic and political exploitation and enslavement of labor, there is the golden middle way of the New Deal. The solution it offers to the economic, social, and political problems of men of our generation is a synthesis of the two driving forces; each of which is anxious to dominate man entirely—individualism and collectivism. The pendulum swings fast and furiously from one extreme to the other. To have discovered its rhythm somewhere in the middle of the way is the immortal deed of Franklin Delano Roosevelt. It is comparable to the triadic rhythm discovered by the great philosopher, Hegel.

The New Deal as an economic and social solution to our problems is not a purely abstract principle. Born out of dire experience, born of the necessities and problems of life, it is more applicable to life than all the theories of the millennium advanced by economists, sociologists, historians, statesmen, and philosophers. The New Deal is primarily concerned with regularizing and improving upon three spheres of man's life—the home, the factory, and man's relationship to Nature. Millions of American homes in the village are denied the facilities and the comforts of the home in the city.

The oil lamp is still the rule in the village home and cooking is a laborious process for the farmer's wife, because unlike the worker's wife in the city, who uses either gas or electricity in the kitchen, she has to rely on wood to prepare meals for the family. To furnish power to a farmer is to make his home life more tolerable and give the farmer's wife a minimum of comforts to which she, too, is entitled.

The improvement of the home of the worker in the city is also one of the main objectives of the New Deal. It proposes to lighten the burden of the two frail members of the home—the child and the aged. The New Deal is committed to the abolition of child labor, to give the young ones a chance to develop physically, morally, and intellectually. It is committed to old-age pensions, so that the old father and old mother need not be a burden to the children and suffer want in the last years of their life. It is my candid opinion that these measures, supplemented with unemployment insurance for the worker, security of protection for investments of our people, maternity legislation, child welfare, workingmen's compensation, care of youth through Civilian Conservation Corps, and the protection of the blind, crippled, and paralyzed, all, measures adopted by the New Deal, will greatly strengthen the American home and make it more than ever the very basis of our civilization. The inscription of "God bless our home" on the walls of the dwellings of our citizenry will be the epitaph to Franklin D. Roosevelt's struggle to maintain the home, with slums abolished throughout the United States. [Applause.]

Mr. Speaker, the New Deal is not only concerned with offering the members of the home a minimum of worry and a maximum of happiness, but it is also greatly interested in the well-being of the man in the factory, mine, or shop, and to that end, it proposes to enact laws guaranteeing the worker a minimum wage, that is to say, a saving wage, and maximum hours, as well as unemployment insurance. The New Deal contends that man must never be a means to an end, but must always be an end in himself. He must not be enslaved, oppressed, and exploited. If he has to sell his labor to his fellowmen, the least he can expect out of this sale is a sufficient income to give him economic security, to take care of his needs and to enable him to provide for those who are dependent on him—otherwise the labor that he sells is not human labor, but machine labor, or beast of burden labor. But man is not a machine nor a beast of burden, but a spiritual being, for he has responsibilities and problems which neither the machine nor the beast of burden has. All men have to work for a living, but no man should slave for a living, and the maximum-hour principle, stressed by the New Deal as one of the solutions to the problems of mechanized labor, will prevent the enslavement of man. Men will work a given number of hours in the mine, shop, or factory and the balance of his time he will use for his human needs—for the betterment of his domestic life—for the betterment of his social and intellectual life. The maximum-hour law will humanize labor by enabling the workingman to participate in all the joys and pleasures of life.

In the Communist state, labor has certain privileges, especially educational and recreational, but the obligation and duties of labor are so terrific that these privileges amount to very little. It is denied all freedom, the right to strike, the right to free movement, even the right to change jobs; in matters of pay it must take what is given to it. It is the aim of the Communist state to exploit labor as much as possible, and it does this very effectively by reducing the workingman to a working machine. In the Fascist states labor has all the obligations and duties of the Communist state, but none of its privileges. From the point of view of employer-employee relations, labor is absolutely enslaved in the Communist state as well as in the Fascist state.

The New Deal offers labor a new magna carta. By curbing rugged individualism through collective bargaining, and compelling it to do justice to labor, it transforms labor machines into free workingmen and thus raises the dignity of labor. Labor should not be autocratic and arbitrary in its demands. It should not endeavor to exploit and destroy honest capital. Only by meting out justice to labor and capital will the social unrest disappear and our present economic order be saved. That capital does not see it and does not express its gratitude to Franklin D. Roosevelt, the creator of the New Deal, is one of the greatest paradoxes of our time.

Mr. Speaker, the third link in the chain of the New Deal is man's relationship to nature. To the extent that nature is a source of joy to man, it has been so far, the property of the few, of the classes, and not of the many, of the masses. The classes can afford the luxury of travel, the luxury of everything the eyes take delight in, new scenery and new sights. Through a reorganized merchant marine and the use of the automobile the American workers will be enabled to travel during their vacation time, to enjoy fresh air, to see new scenes, and to enrich their life with new experiences. Summer camps for poor children to continue their education in the country is the next move in the onward march of developing the youth of our country, our future citizens.

Mr. Speaker, it is a great privilege, indeed, for me to address myself to you sitting in the middle of the House listening to my remarks. I can well remember many years ago when you asked me to speak for the Sheppard-Bankhead bill that would make it possible for the Government of the United States to appropriate money to take care of the maternal welfare of those of our mothers throughout the Nation who were dying with puerperal sepsis because they were confined by some unclean person working on the farm. No doctor, midwife, or nurse was there to take care of them and provide for their physical comfort. Hundreds of thousands of mothers of that type have died upon the altar of childbirth. It is such humane legislation as you have sponsored, as typified by the Sheppard-Bankhead bill, that is now incorporated in the social-security bill, that is taking care of thousands of innocent mothers by having trained doctors, midwives, and nurses look after them in their hour of anguish and labor pain they undergo in bringing a child into the world.

While speaking for the preservation of the home and bringing justice to the working people of our country, let us not forget the sacrifices that have been made by our colleagues on the floor of this House, who have died in the performance of their duties. They battled for the preservation of the home and for the day when labor can secure a better distribution of the wealth it creates. Let us not forget the tragic death of our beloved humanitarian colleague, who has made the eternal pilgrimage from whence no traveler ever returns, Bill Connery. He will live in the memory of those who love him as an exponent of everything that is sweet and beautiful in ennobling labor and giving of his today that the laboring man may have his tomorrow.

Thus while Marxism promises a dictatorship of the proletariat which in fact has proved to be a source of oppression and enslavement of labor and while fascism promises the disappearance of social unrest by equally enslaving labor, and while both at the same time destroy capitalism, the one totally and the other partially, the New Deal, taking the middle of the road, opens new vistas to labor, guaranteeing a secure and dignified existence, and at the same time leaving our present capitalistic order intact, thus avoiding revolution and bloodshed.

The Bible gave man the new deal for the first time in the world's history. Then the Reformation and the Renaissance gave man a new deal for the second time, because the postulates of the first new deal were forgotten. Now, man is receiving a new deal for the third time, because the postulates of the second new deal were forgotten. It is for that reason that the personality of Franklin Delano Roosevelt is only comparable to that of the great figures of the Bible or to the great figures of the Reformation and the Renaissance. May God bless our great President, Franklin D. Roosevelt, and give him strength and good health to realize all the ideals of the New Deal. May he put into realization the spiritual message of our forbears, when they gave us as our shibboleth and slogan the inspired words, "E pluribus unum." Out of many people let us have one united group of American citizens, all enjoying a totality of personality that will bring happinness into the hearts of our American people, and contentment in the home, hearth, and fireside of every American. [Applause.]

Mr. MCSWEENEY. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to ask a question of the gentleman from New York [Mr. SIROVICH].

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MCSWEENEY. Mr. Speaker, I believe that when the culture of a nation dies, the nation dies. I think it is well for us in this great legislative body, where we have material things before us continually, to be elevated and entranced, as I have been by this marvelous and brilliant speech of the gentleman from New York.

May I ask the gentleman his thought with regard to the freedom of the press in this country as compared with the treatment of the press in communistic and Fascist countries?

Mr. SIROVICH. In the Fascist countries of Europe there is no freedom of the press. There is no freedom for the press of foreign countries to pillory, to excoriate, to denounce, to tell falsehoods, or even to tell the truth about public officials. The editors would be sent to jail and concentration camps for casting aspersions upon rulers or dictators and their papers suppressed.

As an evidence of what our great institution of democracy is doing, behold our President, Franklin D. Roosevelt, when he goes to the Gridiron Club. Here in the presence of the most eminent and distinguished men who run the press of the Nation the President good naturedly sits mute while he allows in panorama to march across the proscenium of time all of his actions, his conduct, and his deeds. The newspapermen roast the President across the gridiron for 2 hours. They lampoon him, ridicule him, laugh at him, pillory him, and he even greatly enjoys these blessings. We Members of Congress are often deeply wounded by unfair criticism, unjust and uncalled-for aspersions, unwarranted and cruel deductions, but in spite of it all there is not a Member of Congress who would vote to destroy the freedom of our press. The freedom of newspapers, magazines, periodicals, and publications to publish news uncensored, unrestricted, and untrammeled must live on to guard and perpetuate our democratic republican institutions. [Applause.]

[Here the gavel fell.]

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, I have listened with intense interest to the very able and instructive address of our distinguished colleague from New York. He has been endowed with splendid talents of retentive genius, historical knowledge, marvelous memory, and clarity of utterance, and he has brought them to us again today. I believe that the highest traditions of the House live again in the speech delivered this afternoon by our colleague. I compliment him with every sincerity of my heart. [Applause.]

Mr. MOSER of Pennsylvania. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. SIROVICH] may proceed for 2 additional minutes in order that I may ask him a question.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MOSER of Pennsylvania. Will the gentleman from New York tell us the difference between an organism and a mechanism?

Mr. SIROVICH. Mr. Speaker, when a child comes into the world, whether it be an embryo or a fetus, it comes in as an organism. It comes in intact; every part that Nature has given it is there. No part is added to it from the outside. Its motive power comes from within.

A machine or mechanism, on the other hand, must be made piecemeal, from part to part, and when the parts are all put together, its motive power or the force that motivates its movement must come from without.

Therefore, no human being should be made a slave or servant of a machine, but every human organism ought to be treated with dignity, with graciousness, with humanity. An organism is created by divine Spirit. A machine is only made by human hand. Man should therefore be master of the machine, and not its servant. [Applause.]

Jackson Day Address

EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Friday, January 20 (legislative day of Tuesday, January 17), 1939

ADDRESS BY HON. CLAUDE PEPPER, OF FLORIDA, AT JACKSON DAY DINNER, SPRINGFIELD, MO., JANUARY 7, 1939

Mr. CLARK of Missouri. Mr. President, I ask unanimous consent that there be inserted in the Appendix of the RECORD an address delivered by the junior Senator from Florida [Mr. PEPPER] at Springfield, Mo., on January 7, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is fitting indeed that in this day when democracy is being challenged the world over, we should pay this tribute to the man who, more than anyone else, has made this the world's greatest democracy.

Andrew Jackson was as typical of America as were the giant mountains and the towering trees of the frontier to which he was born. He came from the heart of America, for he was of the people, and spoke for the people in a way as distinctive as was his own rare courage. The noble philosophy and the refined principles which Thomas Jefferson conceived and announced, Andrew Jackson wrote into the bone and sinew of the Nation. The aspirations which Jefferson declared, Jackson made real. The sentiments of liberty and brotherhood which Thomas Jefferson dreamed, Andrew Jackson lived and made others live under the scorpionlike lashes of his compelling power.

Truly did Andrew Jackson speak the people's language, breathe their hopes with the humblest of them, share their vicissitudes of orphanage and poverty, possess their virtues and vices, and in his tumultuous breast feel the surge of all the emotions of tenderness, anger, happiness, and love, which characterized their human hearts. The honest and sympathetic heart of Andrew Jackson rebelled against special privilege, against monopoly, against economic as well as political tyranny. He crushed the national bank because he felt it a sinister effort to subjugate the great masses of the American people to the interest of the financial class. He threatened war even, upon a State, because in this challenge to the integrity of the Union, he saw a danger to the peace, the welfare and the happiness of the great masses of our far-flung Nation.

Jackson was a Democrat by nature, because he believed in and appreciated the dignity of his fellow man. He left as a legacy to his name and nation, the Democratic Party, which ever since his day has been characteristically a militant party. The Democratic Party has always fought for something, for whatever it deemed to be for the best interest of the American people as a whole. It has always fought against the excessive accumulation of power in the hands of a few people. It has always fought against abuses of power, against special privilege, against dishonesty in Government, against the use of Government and its power to further the stand of a special group at the expense of the many. The events of the last 5 years have shown that the Democratic Party still is characteristic of Andrew Jackson. No period of our history shows more the living vitality of Jacksonian Democracy than does that period.

Conditions which are well known to every man, woman, and child had become unwholesome in America. A few people were a preferred class. The economic system was operated by and for the benefit of too small a number of people. The currency, the fiscal structure, the credit of the country were primarily employed to buttress their power, the few who knew how to gain access to such reservoirs, and denied to those who had little to commend them save the stern necessities of their need. Our whole national policy was based upon that sinister and selfish Hamiltonian philosophy that the best way to help the masses of the people was to help the few at the top. Neither the citizens at home, nor the neighbors here and abroad, felt that the heart that had beat in Washington, that conditions in the National Capital, reflected those ancient virtues and that noble and unselfish spirit which moved our ancestors to their struggles and their sacrifices. The element of moral fervor had disappeared from American political life. How changed was the whole picture by the resurgence of the Democratic Party.

In 1932 we see that party, in words which Jackson himself might have written, thundering against monopoly, against unfair trade practices which threatened the independence of labor, the small producer, and the distributor; against financial interests fleecing the American people of their savings, by the sale of securities issued both at home and abroad; against excessive charges by utility companies; against a vicious banking system, which violated the confidence and jeopardized the savings of the American public; against an iniquitous tariff law which gave undue and abused privilege to a class at the expense of the whole people. And equally clearly, candidly, and courageously did that platform covenant with the American people that it would use the power of the people's government to give a greater, actual, practical security to America's citizens; those citizens struggling with the superior forces throttling their agriculture; those citizens struggling with the dominating forces of economic maladjustment which had thrown them out of employment and closed to them avenues of economic opportunity; to those citizens who aspired to a greater liberty of leisure gained by the reduction of excessive hours of labor; the kind of security that could be provided to the individual citizen only by unemployment and old-age insurance.

After 4 years of administration of the people's government in times as trying as any in this country's whole history, the Democratic Party again in 1936 declared to the American people its fundamental faith and its conviction of the duties of this Government in these times. For in that platform, that party said:

"We hold this truth to be self-evident—that Government in a modern civilization has certain inescapable obligations to its citizens, among which are:

"1. Protection of the family and home.

"2. Establishment of a democracy of opportunity for all the people.

"3. Aid to those overtaken by disaster."

Here was clearly expressed a new declaration of independence—the faith of the people's party; that the people's government was concerned not merely with the technical, but with the larger liberty and the effective freedom of the American citizen. For, obviously, if the American family might enjoy its traditional freedom around the sacred hearthstone of the American home, it was not enough that the Government should not itself trespass upon that liberty; the Government must see to it that neither the kidnaper, the marauder, nor any man who would take away that liberty by any kind of injustice—physical, moral, or economic—shall be permitted so to do. What higher form of freedom; what better state of liberty could the citizen be afforded than that afforded under a true democracy of opportunity for all the people?

The creed of Andrew Jackson's party became an earnest effort so to conduct the government of this country that 130,000,000 people with a tradition of individualism might inhabit a contiguous land, rich and fertile of resource amid the complexities of modern civilization, so that all should have enough, none should have too much; all should have justice, none should have preference; each should be stimulated to do his best, none should be permitted to do his worst; conflicts should be reduced to a minimum; and the end of government should be the utilitarian philosophy of honestly trying to bring about the greatest good for the greatest number with unfairness toward none.

For 5 years now the Democratic party has striven to realize that aspiration with an earnestness not surpassed in the annals of history. We challenge any period of history to show such a profound influence upon the progress of a people as that administration has shown for the last 5 years. We see agriculture, for the first time, sharing with industry the Government's earnest efforts for aid; we see the purchasing power of the farmers raised by billions of dollars, and a great effort made to give the wage earner the country over not only the recognition of the Biblical principle "that the laborer is worthy of his hire" but the power to consume the products of the farm; we see Federal regulations of security issues and stock exchange for the protection of the investor and the honest trader; we see a purging of certain features of the Nation's public utilities—an agency that regulates the Nation's network of communications systems, and assures not only an orderly development and protection of these important agencies from the viewpoint of the investors but likewise gives an assurance that the marvels of the radio shall not be selfishly employed to undermine the morals of the American home; we see a rejuvenated Maritime Commission building a merchant marine to do honor to the American flag and to give greater security to the American people; we see an insistence upon the consciousness in the Federal courts that they, too, have a responsibility for a nation's progress, and in the Nation a determination that not even the judiciary is above a legitimate concern for the public welfare; we see prohibitions against price discrimination between buyers of commodities of like grade and quality so as to injure or destroy the weak competitor; we see further reforms in the banking structure added upon the noble base of banking reform laid by Woodrow Wilson and Carter Glass; we see something that had been considered as impractical as a child's dream becoming an actuality—insurance of small bank deposits so as to secure and to stimulate a nation's thrift; we see an enlargement of the Nation's enjoyment of mechanical and electrical devices—electric power going into the rural districts to entertain and to comfort the occupants of the lonely farm home; we see great power reservoirs harnessed and made subservient to a nation's needs; we see the deserts irrigated, floods brought into greater and greater control, the forests protected, and a nation's dwindling timber resources being restored; we see a wasting soil preserved against erosion, and hundreds of thousands of families living upon soil too poor to produce a livelihood removed to lands of more fertile character; we see a nation's credit protecting the American home against mortgage foreclosure; we see, for the first time, the strong hand of Federal power building homes, and at the same time sacred hearthstones for the comfort and the peace and the patriotism of American families; we see a program of social security by which the crippled child has its little limbs straightened, the blind is assured at least a pittance for comfort, the old man and the old woman heavy with the hard years of life saved from the poorhouse or an untimely grave; we see the employed man or woman, with the help of the Government, laying by in store a reserve for the day of unemployment, and an insurance policy for the time when the head of the household lies still in death; we see employment for the jobless; we see public works of a useful character from one end of the Nation to the other; we see literature, art, and music stimulated by an interested and appreciating Government; we see the heart of the Nation lifted; the dull countenance of a dejected people illuminated with hope; the weak eyes of the despairing revived with determination; the heart of a great nation beating confidently and patriotically in united resolve that we shall continue our march forward.

The President has said that this generation has a rendezvous with destiny. We know that probably the historic role of this democracy in the years yet ahead of us may be the brightest star in the firmament of this age, or it may be a burnt-out and dark mass whence once emanated brilliant light. Whether we like it or not, the world looks to us for an example. Demoralized, defeated, disillusioned people the world over look to us for hope. They look to us for courage to keep on fighting for those things that seem now forever beyond their grasp. We must keep alive freedom, liberty, the principles of brotherhood, but to do this we must find some answer to these sinister forces which are almost beyond the reach of even a nation's power, and threaten to rob men and women who are trying to carry on this fight for freedom—even of the means of a bare subsistence.

In an earlier day when chaos seemed to engulf the Old World, our forefathers with their intrepid will, set out to, and established, their civilization and their aspirations upon another. America again must lead the way to new worlds; to new worlds of thought, to new worlds of understanding, to new worlds of adjustment, to new worlds of harmony, to new worlds of unity. And when this generation, as I prophesy, shall have met its rendezvous with Death, they who have gone ahead of us who carried the torchlights of their difficult generations, will know that their fine blood has not lost its vitality, and that we are worthy of their tradition.

Jefferson Memorial

EXTENSION OF REMARKS

OF

HON. ELBERT D. THOMAS

OF UTAH

IN THE SENATE OF THE UNITED STATES

Friday, January 20 (legislative day of Tuesday, January 17), 1939

REMARKS OF THE PRESIDENT BROADCAST AT THE GROUND BREAKING FOR THE THOMAS JEFFERSON MEMORIAL IN WASHINGTON ON DECEMBER 15, 1938.

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to have printed in the RECORD the remarks of the President on the occasion of the ground breaking for the Jefferson Memorial in Washington, December 15, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Nearly a hundred years ago the Congress of the United States, in response to a general public demand, undertook to provide a memorial in the National Capital to the first President of the United States, George Washington. There followed many years of controversy both as to the type of memorial and as to its location. The Washington Monument emerged as the result of congressional action.

Half a century ago, again in response to public demand, the Congress began the consideration of a monument to the memory of Abraham Lincoln, the preserver of the Union. Years went by and a distinguished committee, following the broad objectives of the original plan for the development of the National Capital, recommended the creation of two broad axes in the general form of a cross—one axis from the Capitol, through the Mall, past the Washington Monument, to the river bank; the other axis from the White House, past the Washington Monument Grounds, to another point near the river.

In line with this well-considered plan the Congress erected the Lincoln Memorial at the end of the longer axis, and it was then the clear intention both of the Congress and of the many planning committees and commissions who studied the subject to complete the other axis by the erection of a public monument at the fourth corner of the cross.

For far more than 50 years Thomas Jefferson, the third President of the United States, has been recognized by our citizens not only for the outstanding part which he took in the drafting of the Declaration of Independence itself, not only for his authorship of the Virginia statute for religious freedom, but also for the services he rendered in establishing the practical operation of the American Government as a democracy and not an autocracy.

For very many years it has seemed appropriate that, with Washington and Lincoln, his services should be held in memory by the erection of a monument of equal dignity. We are breaking ground today for such a memorial. The Congress of the United States, through a distinguished Commission, has, after long consideration, chosen this site and made the first appropriations for the erection of the Thomas Jefferson Memorial.

In the days to come the millions of American citizens who each year visit the National Capital will have a sense of gratitude that at last an adequate permanent national memorial to Thomas Jefferson has been placed at this beautiful spot because, as the joint resolution of the Congress says, "The American people feel a deep debt of gratitude to Thomas Jefferson" and "honor the services rendered by him."

Mobilization for Human Needs

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Friday, January 20 (legislative day of Tuesday, January 17), 1939

ADDRESS OF THE PRESIDENT BROADCAST FROM THE WHITE HOUSE IN BEHALF OF THE 1938 MOBILIZATION FOR HUMAN NEEDS, OCTOBER 14, 1938

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD the address of the President,

broadcast from the White House on behalf of the 1938 mobilization for human needs, on October 14, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In troubled days when the nerves of men and women have been strained almost to the breaking point we have been in danger of losing sight of one very important fact—the all-pervading human kindness of men and women. This human kindness cannot be created artifically out of speeches and appeals—it is part of life itself.

In accordance with this thought, I am not this year making a speech or an appeal in behalf of the 1938 mobilization for human needs, but I am calling your attention to the past and present generosity of the people of America. That generosity never has failed and please God it never will fail. In full faith and confidence, therefore, I present to you the news that local community chest drives will shortly be undertaken in all parts of the country.

There are some persons who say that the need for voluntary private agencies has decreased. They say that the Government—Federal, State, and local—has moved in and taken over part of the jurisdiction of the private agencies. Such persons talk as if the scope of voluntary action and of mutual aid had been limited, or even eliminated.

Private community effort is not contradictory in principle of government effort, whether local, State, or National. All of these are needed to make up the partnership upon which our Nation is founded. The scope of voluntary action cannot be limited, because the very desire to help the less fortunate is a basic and spontaneous human urge that knows no boundary lines. It is an urge that advances civilization. I like to think it is a national characteristic.

Let me give you an example of successful working-together. One section of our country, New England, has recently been devastated by hurricane and tidal wave. Hundreds of lives were lost and millions of dollars worth of property were destroyed. This was indeed a tragedy. But there was one consolation in this New England tragedy. Hardly had the hurricane subsided when all the forces of Government, assisting and cooperating with private agencies, were rushed to the aid of the injured, the sick, and the homeless. How many lives were saved because of these efforts no one can say. The extent to which human suffering was alleviated is beyond all estimate. And we can say that no effort was spared to aid the victims of this disaster.

The rehabilitation work is still going on. The Red Cross, the W. P. A., the C. C. C., the N. Y. A., the Army engineers, and other Federal agencies are working with the local agencies, both private and public, to rehabilitate those stricken areas and to assist those who are in need. Certainly, there has been no conflict between Government and private agencies—there has been more than enough work for both. And there is more than enough work for both in our national effort to lift up the lower one-third of our Nation to a standard of living which will conform with decency and comfort and self-respect.

It is true that our Government has assumed increased responsibilities for social welfare. We are giving work to more than 3,000,000 men and women, unemployed through no fault of their own, on our W. P. A. program. Through our social-security program we are aiding the States in caring for the aged, for widows and children, and for the blind. We are providing new opportunities for more than a half million boys and girls through our C. C. C. and N. Y. A. programs; and in many other ways the Federal Government, in cooperation with the State and local governments, is aiding our underprivileged citizens.

But you may well ask if the need for community action is as great as before now that your Government has provided a national program of social security. I would answer that the need is just as great as before, because Government help was intended and is intended to improve the old conditions, and if local help and private help decrease today we will nullify the improvement and return to just where we were before. Very definitely we need the effort of the pioneer agencies, the local voluntary agencies, because it is expended on concrete problems which must be met if our whole program is to go forward with the coordination that is its basic aim.

Community leaders have met the challenge of changing conditions. They are not looking backward with resentment against the Government. They have welcomed the acts of their Government as a liberation of their efforts, as an opportunity to move forward on the front of social progress.

It is these men and women whom I salute. They are the shock troops of the social conscience. I call upon the American people to fall in behind such leadership and to widen the social horizon. I am thoroughly convinced that no matter how much the Government does the private agencies of America still have much to do before any of us can rest on our oars or on our laurels. I am thoroughly convinced that the American people want to participate on a voluntary and individual basis in the endeavor to make this country the best possible place in which to live. I feel confident that this year's community chest drive will be successful, as it has been successful in the past and as it will continue to be successful for long years to come.

American Legion National Convention

EXTENSION OF REMARKS

OF

HON. TOM CONNALLY

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Friday, January 20 (legislative day of Tuesday, January 17), 1939

ADDRESS BY HON. DAVID I. WALSH, OF MASSACHUSETTS, AT LOS ANGELES, CALIF., SEPTEMBER 19, 1938

Mr. CONNALLY. Mr. President, the senior Senator from Massachusetts [Mr. WALSH] addressed the national convention of the American Legion at Los Angeles, Calif., on September 19, 1938, on which occasion he delivered a very able and instructive address. I ask unanimous consent that it may be published in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is indeed a great privilege, and I am duly appreciative of the honor that you accord me, of addressing the members of the American Legion assembled in annual national convention.

I salute all assembled here—you who represent at this convention those millions of patriotic men and women who have witnessed and experienced the indescribable horrors of war in the defense of our country and democracy.

I salute your able, energetic, and popular national commander, Mr. Doherty, a respected and outstanding citizen of my own State of Massachusetts, and one whom I have long held in high esteem and with warm personal regard.

At the outset, I need hardly remind you of my deep interest in legislative matters affecting the veterans—an interest that has continued unabated since the commencement of my service in the Senate in 1919, when I inaugurated the investigation of deplorable conditions in veterans' hospitals, which culminated in the present excellent hospital facilities, and moved to enact the first of the presumptive clauses into veteran legislation.

I will continue, as in the past, to exhibit that concern for veterans and their dependents, disabled or otherwise, who may seek governmental assistance. Your members may be assured that the Congress will be appreciative always of receiving suggestions and recommendations from this organization for legislative action beneficial to your comrades.

You have come from all parts of our great Nation to transact the routine business of this historic organization, and what is more important to the welfare of our beloved country you have gathered here to renew and rekindle the blessed associations of your sacrifices in the greatest military adventure since the dawn of history.

You have come to pledge anew your fealty and devotion to the exalted cause of your country for which you offered on the altar of imperishable patriotism everything that humankind holds dear—your unremitting service, your youthful hopes and ambitions, your precious blood, and where necessary, your very lives.

No man in whose veins flows the warm love for our great and dear America could fail, in the presence of this great concourse of patriots and saviors, to feel a deep inspiration from the sacred memories this occasion evokes in our hearts—the stirring days of 1917 and 1918, the bugle call to arms, 10,000,000 willing men marching to martial strains, surging fearlessly to combat in a thousand fields and forests of France—struggle, sacrifice, slaughter, death, and, at last, victory.

What tragedy, yet what glory did those wartime scenes encompass. Through travail and death to victory. That is the unerasable record stamped upon the sands of time—to live forever as imperishable testimony of the glorious ideals of America, fought for and died for by you and your comrades. And for what? All for the salvation of our American institutions, the preservation of our self-government, and the maintenance of our best traditions. All these sacrifices meant so much to you who consecrated everything you had to your country's cause, in order that (as we were told at the time) "democracy here and throughout the world might live."

Those words, "that democracy might live," is almost an irony as we survey the world about us. Nearly 20 years have passed since that eventful Armistice Day in 1918, when the peoples of the allied nations riotously celebrated with unabated joy the end of the World War. Regardless of what officials may have thought on that day, there is no doubt that the people believed that they had fought and won a war to end all wars. What a disillusionment has followed. Who can assert today who were the victors or who were the victims of that war? We do know your sacrifices were nonproductive of peace or progress. We have not even the consolation of feeling that the dead who lie in unmarked graves, the millions maimed and slain, the blind and the halt commanded to a

life of suffering, was an actual contribution to the preservation of world peace or the protection of freedom for the human family. We only know the names of the victors and the vanquished. But who can proclaim any enduring truths and principles won for the welfare of humanity?

Today at home and abroad we behold the very negation of the ideals of democracy. In some of our former allied countries and their adversaries of 1917 democracy has been cast into scorn and contempt. Force and tyranny have replaced moral suasion and individual freedom as the most modern instruments of government. Coercive dictatorships, suppressing most of the principles we have cherished, in some cases contrived by tyrants more ruthless than Nero, more merciless than the primitive savage, are the order of today. In those beleaguered countries the rights of free men for which you fought and your comrades died to preserve have been shamelessly cast into the discard. The individual is effaced, his conscience and his soul stagnated, while the corporate state of the superman holds imperial sway by means of the mailed fist, carnage, and murder.

Insolent aggressors in control of millions of enslaved subjects, who recognize the law of neither God nor man, are planning and pursuing policies in complete disregard of the lessons of the World War. They have forced nations and people everywhere, crushed by staggering taxation, seeking and praying for peace, to maintain heavy armaments to build and maintain huge engines of war in self-defense. In the midst of a darkness and despair that hangs over the world, with human beings crying out everywhere for peace, I plead with this powerful and patriotic organization to accept the challenge to preserve peace and order here in our own America and to continue ceaseless devotion to the claims of justice.

On this memorable occasion, with fitting solicitude for you in a desire for brevity, I propose to discuss with you some of my views on three subjects of current and critical importance: Neutrality, national defense, and radicalism.

NEUTRALITY

We are told by some who profess altruistic theories of international cooperation that America cannot fail to avoid entanglement in the next war unless we join with other nations of the world in efforts to prevent it. Some of these sincere advocates to pacificism and internationalism are urging upon us, even now, a policy of intrusion in the muddled and menacing affairs of Europe and the Orient in order, as they assert, to preserve peace and promote justice. With these views I cannot agree. Instead, I urge a policy of unquestioned and affirmative neutrality.

We must strain every effort, employ every means of vigilance, exhaust every alternative short of mischievous meddling to prevent another world conflict. But, even more important, we must protect our country from becoming entangled in the mesh of international rivalry and conspiracy which inevitably leads to war.

Our primary duty in this regard is not to other nations who urge impressive claims on our friendship, not to the property holders who dominate our own great munition industries, not to our financial interests who may have foreign commitments, not to any of the groups of our Nation who have gainful economic enterprises abroad which they primarily seek to protect. Our first solemn duty is to the millions of young men, standing in the same position as you brave citizens stood in 1917, upon whom all the heavy burdens, the sacrifices of war would fall—to their mothers, their wives, their families, and to those dear to them. The problems of youth of America are complicated and serious enough as it is, problems growing out of our own economic troubles, without our Nation involving them in the frightful events of another organized international cataclysm.

There is no doubt in my mind—and I am sure all who are mindful of the World War will agree—that the American people will never tolerate an involvement in any war to settle European troubles, to salvage the foreign holdings of our own "follow-the-flag" dollar diplomats and capitalistic groups. "With malice toward no nation in the world but with charity and justice to all," we must courageously and tenaciously cling to the Washingtonian policy of minding our own business, tending to our own affairs, and letting all other nations do likewise.

As a nation, we have no preordained mandate to police the rest of the world. To meddle with the explosive rivalries of Europe—rivalries, jealousies, animosities, and enmities which antedate our own origin as a free independent government—is to invite disaster.

American neutrality must be real and genuine, fearlessly asserted, and meticulously enforced if we are to avoid international bad will and possible complications likely to lead to war. The policy, "Avoid entangling alliances," can be transgressed by indirection and implication as well as by express language.

Our own experience has proved how dangerous it is to carry on trade and commerce with belligerents in time of war. An offer to trade on equal terms with all the nations engaged in war is not equal treatment, in fact, inasmuch as circumstances will very likely permit one of the belligerents to obtain supplies from us while the other is cut off. We then become, perhaps unintentionally, the ally of one and invite the enmity of the other. This is precisely what happened after the outbreak of the World War in 1914 and prior to our entry into the war.

In my opinion, the only course that will actually assure our peace, if we are to remain truly neutral, in fact, is to suspend all trade and commerce with all the belligerents in time of war. Such a course may occasion some economic loss, but it will be unmistakable evidence of our neutrality.

The present Neutrality Act, in my judgment, requires substantial amendment if it is to serve its intended purpose. It is dangerous to leave the imposition of embargoes to the discretionary judgment of Government officials, however highly placed, however great our confidence in their judgment, however good their intentions. This policy permits, in a sense, a variable and changing attitude by our Government instead of a positive, inflexible, fixed position requiring complete detachment.

NATIONAL DEFENSE

The realities of today in the world at large admit of only one construction, namely, that strong and adequate national defense, coupled with absolute neutrality, is the best and perhaps the only assurance of peace. The war to end all wars has been followed by every nation outdoing every known effort to prepare for war on land and sea and in the air.

The most striking lesson of the present war spirit in the world is that weakness encourages aggression. We must proceed upon the belief, amply supported by the record of history, that a nation is seldom attacked if its weapons of defense are so strong that attack is foredoomed to fail.

We are committed to a policy—and we must militantly defend it—of strong national defense. The naval-expansion bill which was enacted with overwhelming approval at the last session of Congress must provide not merely a "blueprint navy." But the policy enunciated by the Congress must be translated into the actual building up of the naval strength declared therein to be our needs.

We must not be content until we have an American Navy of such size that it may single-handed be a match at sea against any foreign power or combination of powers, a navy of such sufficient size and mobility as to afford adequate protection to both the Atlantic and Pacific seaboard under any conceivable set of circumstances. This means a large navy in every category—fighting ships, auxiliaries, aircraft, naval bases, and all else. It entails large expenditures of money. But under the conditions prevailing in the world today it is the only safe course open to us.

It cannot be emphasized too often that we are not proposing to enter into a competitive armament race with the other naval powers. The size and character and extent of our naval strength should be determined solely by what we conceive to be our own needs for our own national defense in the light of all the circumstances. One of the circumstances, of course, is the size and character of the naval armament built and maintained by other countries.

We cannot emphasize too often that we are wholeheartedly in favor of disarmament as an avenue of peace, provided the disarmament is mutual and universal. Personally, I have supported every disarmament conference and every effort to secure disarmament treaties. The American people know that every war veteran can be counted on to support every move looking to the avoidance of another war for the United States unless we be attacked; and to support every move calculated to the preservation of peace. This is not only the course of true patriotism but one of the imperishable purposes that has penetrated, never to be eradicated, the very souls of you veterans who have experienced the social, political, and economic evils of war.

Such a policy does not mean we are too proud to fight. Though shunning war as we would a poisonous reptile, we must be prepared to defend and protect our shores, our people, our property, and our homes against invasion or foreign aggression. We must let the other nations of the world know with positiveness and finality that although we love and cherish peace, and will strive mightily to achieve it, yet we are ready at all times to ward off and destroy any enemy who attempts to wage war against us.

COMMUNISM

War from without is not the only danger that America is facing today. We have enemies within our gates, enemies that are challenging our basic ideals secretly and stealthily, striving in devious ways to undermine them, and whose ultimate aim is to overthrow our system of organized economic and social activity. The democratic constitutional government that has flourished here for more than 150 years they would replace with a proletarian dictatorship.

Some may deride those who recognize this danger to American institutions as unduly disturbed by sporadic outbursts of radical agitators. But discerning American patriots can no longer afford to ignore the widespread campaign of radical ideas in our country today. No strata of our social and economic structure is free from the encroachment of extremely radical thought and action which have as their major objectives a new political and economic system in America.

The American Legion, whose members have never failed to be interested in the public affairs of the Nation, received a shocking illustration of the activities of these radicals at a national convention of educators recently held in the city of New York. At this meeting of educators and teachers gathered from the entire country, a paper was presented which cast aspersions (not, I am sure, with the approval of all the members) upon your organization. In substance, you were branded as Fascists and reactionaries, your leadership as unattuned to modern social needs, your membership as moribund and unenlightened—all this because you have opposed dangerous radicalism.

That you will continue to oppose subversive doctrines with all the zeal, with all the force, with all the great influence at your command the American people may be assured. Your service, your sacrifice for our Nation in time of war are contributions that the American people can never forget, and you are not going to fail them now by battling less bravely than in 1917 to preserve their freedom—civil, religious, and political.

Veterans, the record of your service is immortal, ineffaceable. It will live gloriously forever. But your service in peace is not yet finished. You must gird yourselves now against the subtle enemies within our gates. We seek not to suppress the right of any man or woman to think and speak freely. That is their God-given right as American citizens. But we must exert our utmost influence in thought, speech, and action against the apostles of foreign philosophies, alien to American ideals, who would, if they had their way, topple our most precious institutions about us and erect on the ruins the superstructure of destructive authoritarian government.

Guarding the destinies of America against the perils that threaten to entangle it from abroad and the sinister enemies that would undermine it at home is more than ever a cause to which you may well dedicate yourselves. As was once said of the great first President of the United States, let it with deserving reality be said of you, the American Legion, by the grateful appreciative citizens of America:

"First in war, first in peace, and first in the hearts of his countrymen."

Veterans, as in 1917, the command is "Forward"—forward, not for world democracy but for peace and democracy at home here in America.

Institute of Public Affairs

EXTENSION OF REMARKS

OF

HON. THEODORE F. GREEN

OF RHODE ISLAND

IN THE SENATE OF THE UNITED STATES

Friday, January 20 (legislative day of Tuesday, January 17), 1939

ADDRESS BY HON. CLAUDE PEPPER, OF FLORIDA, AT THE INSTITUTE OF PUBLIC AFFAIRS, CHARLOTTESVILLE, VA., JULY 4, 1938

Mr. GREEN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by the distinguished Senator from Florida [Mr. PEPPER] at the Institute of Public Affairs, Charlottesville, Va., on July 4, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Emerson has said that an institution is but the lengthened shadow of one man. How appropriate is that declaration to the scene here today, when we realize that this teaching and learning institution providing this forum for the exchange of ideas in the best tradition of intellectual freedom is but the lengthened shadow of the spirit and the hand of Thomas Jefferson. It is fitting, indeed, that this university, which for more than a century has taught men and women how to live better, how to develop their talents, to elevate their standards of life, to improve their quality of being, should still be concerned about how other men and women may live yet better than we, and how we, even, may with the advantage of man's increasing knowledge and experience and God's ever-enduring bounty, live still better tomorrow than we live today. This many-sided, almost universal, genius—Thomas Jefferson—may be said to have had one passion in his life—a passion for liberty. And liberty to Jefferson meant freedom, freedom from the restraints which are neither natural to the state of man, nor just.

The Virginia statute of religious liberty bears testimony to the fervor with which he fought against the shackles of the conscience imposed by intolerance, bigotry, or unrighteous authority. This flower of both an old and a new civilization here in this hallowed soil, amidst these age-old spreading trees, and among these touchingly mellow traditions, is immortal evidence of his will to destroy the bonds of the mind and to dispel the dark shadows of lack of understanding. His fingers wrote with burning words his passion against those political restraints which narrowed the horizons of life, liberty, and the pursuit of happiness. He laid his eloquent curse upon any form of government which should become destructive of those high ends. Indeed, he imposed upon a free people the solemn duty to alter or abolish a form of government destructive of those aspirations, and to lay their government on such principles and organize its powers in such form "as to them should seem most likely to exact their safety and happiness."

He was not appeased when a nation had achieved its liberty. His spirit wrought itself into an assured liberty for the citizen against the tyranny even of his own Government, his own brethren, so that into the Bill of Rights were impressed in indelible permanence those liberties and that freedom which were deemed to be inalienable to the American people.

No man in our history has so broadened the horizon of conscience, of the mind, and of the person's liberty as has Thomas Jefferson. Upon these concepts, and to perpetuate them, he built a national consciousness of their necessity and fathered a national determination for their survival.

The Democratic Party, thus conceived, is the offspring of these Jeffersonian concepts of liberty and freedom. Throughout all its long history, its varied and changing career, has that party held steadfast to these sentiments of its origin. Its voice has not always been strong enough to arrest the Nation's attention, its purposes and its methods have not always been unconfused, its faith has not always had the same fervor, but at no time have not both its voice and its hand been of the same person. It has not recanted, ever.

Jefferson knew tyranny at first hand. He knew the tendency to oppression not only in foreign governments but in local governments, in majorities even at home; and he knew that nothing save rigid impenetrable immunity could cloak the individual against the contraction of the individual's political freedom. He knew that men are ambitious and governments which men dominate take their ambitious passions from those who give the empty form vigorous reality of substance. He knew that moral restraint was not enough to safeguard those who loved liberty against overreaching governmental power. And so he was known to be jealous of every narrowing of individual freedom by additional government authority.

It might even be said that he knew that government was not an unmixed blessing. In its very nature and of its very necessity it exacted at best a great deal of one's cherished freedom, and the strength of every tendency, well he knew, was more and more to collapse the corridors of freedom in which men lived. And so, in giving expression to the much used and wrongly termed phrase "that government is best which governs least," he deplored the necessity for every additional contraction of the boundaries of personal liberty.

It is interesting, however, to observe the misunderstanding of these principles which is current in some modern political speech. For many who are the disciples of a system which has conceived and would perpetuate upon the American people a slavery far more real than the tyranny of George III, call upon this same Jefferson as their prophet, and their authority to continue their dominion. This Jeffersonian philosophy of liberty and freedom they would reduce to a box with one side; and to hear them speak one would think that Jefferson neither appreciated nor opposed any oppression save that from England or from the Government of the United States; that his whole life's struggle was one of total unconcern for the fate of men, women, and children from economic forces more exacting in their tyranny than were ever the wildest ravings or the most oppressive decrees of a mad George.

To appreciate the emphasis in Jefferson's attitude one must recall the economic and social order of which Thomas Jefferson was a part. It is not easy for us, citizens of an empire with more than 130,000,000 people inhabiting so large a share of a continent, besides islands beyond the seas, to appreciate that in 1776 Jefferson wrote a Declaration of Independence for a population of about 3,000,000, scattered over a territory 1,500 miles in length, narrower than 500 miles in width. Fish in plentitude filled the streams and the seas, while game enlivened the primeval forests.

The fallow ground invited man's effort for his food and produce of his heart's desire. Illimitable acres stretched before his eye. In his inaugural address Jefferson spoke of our country as having "room enough for our descendants to the thousandths and thousandths generation." Man's home beckoned from the virgin woods. A commercial system was still but the means of a society's service and, while it invited the enterprise of those who understood its signs, did not dominate a people's life or circumscribe their destiny.

There was plenty of work for all. The relations between employer and employee were still intimate. The factory system had not come to chain men to their machines and condemn families to shabby cells in darkened areas of a free country. There was no great industrial prince who held the power of food, clothes, shelter, education, health, and happiness of a million fellow human beings. Monopolies had not devoured a nation's forces of production and related the price of a country's essentials not to cost, but to what producers could exact. There were no masters of the elements of exchange, who possessed a despot's power to guide the ebb and flow of a nation's fortune.

The essentials of life, at least, were available to every man and woman by the exercise of reasonable enterprise and reasonable effort. And in that civilization, and in that social order, so long as nature did not withdraw its bounty, there was no serious threat to the liberty of living, save from those artificial restraints which might be imposed either by or in the name of authority.

The reason, therefore, that Thomas Jefferson so unrelentingly set his force against those artificial curbs upon natural liberty, which he and his fellow citizens enjoyed, was because he loved that natural kind of freedom, and he wanted it ever to be the habit and the inheritance of man to be free in that grand way that nature, here, upon this bountiful continent, made him free under a free and democratic government.

Jefferson's administration, therefore, concerned itself with what were essentially political problems, including international complications. In fact, upon his retirement the Assembly of Virginia passed a vote of thanks to Jefferson for the services he had rendered the country, naming among them the decline in the number of public officials, the reduction of the national debt, the peaceful acquisition from the Indians of 100,000,000 acres of land for settlement, and doubling of the size of the national domain by the purchase of Louisiana, the lesson taught the Barbary pirates, and the inviolate preservation of freedom of speech and of the press.

It will be noted, however, that there were two economic aspects of Jefferson's acquiring new land. The first was to open up new

areas to acquisition and development for those who, for one reason or another, were forever marching toward the frontier; and the second was to provide unobstructed navigation of the Nation's greatest stream and forever to secure to his countrymen freedom of access to this great commerce-bearing waterway.

It will not be overlooked, either, that Jefferson took this decisive step for his country's peace and his country's prosperity in the face of the gravest doubt as to his constitutional authority so to do; if in fact he were not actually convinced that in making the acquisition, he exceeded his authority. Jefferson, therefore, is certainly no authority for the view that the Nation's Government may not, when faced with a great national emergency involving the safety and the well-being of its people, resort even to the very verge of its constitutional power.

In his first message to the Congress Jefferson also made it clear that he was not averse even to direct governmental aid to business, if in the public interest and under the circumstances in the opinion of the Congress such aid should be required. For while he stated his belief that "agriculture, manufacture, commerce, and navigation, the four pillars of our prosperity, are the most thriving when left most free to individual enterprise," yet he added, "Protection from casual embarrassment, however, may sometimes be seasonably interposed." "If in the course of your observation or inquiry they should appear to need any aid within the limits of our constitutional powers, your sense of their importance is a sufficient assurance they will occupy your attention. We cannot, indeed, but all feel an anxious felicitude for the difficulties under which our carrying trade will soon be placed. How far it can be relieved, otherwise than by time, is a subject of important consideration."

Certainly Jefferson was not beyond using administratively the Federal financial power to weaken the force of the Federalist money interests by building up counteracting Republican financial agencies in what he regarded as the public interest. For Beard tells us that "knowing full well how deeply dyed with federalism the United States Bank and its branches were, Jefferson and his advisers deliberately adopted a policy of manipulating the Government funds in such way as to build up local Republican money machines in order to resist the force of the Federalists interest and provide competitors that would give the Republicans the power in the economic world, which they so earnestly desired." And, continued Beard, "That this was a conscious policy of Jefferson's administration, there can be no doubt." (Economic Origins of Jeffersonian Democracy, by Beard, 1927, p. 446.)

To make the matter beyond doubt, in reply to a communication concerning the bank at Providence, R. I., which was a notorious Federalist stronghold, Jefferson said: "As to the patronage of the Republic Bank at Providence, I am decidedly in favor of making all the banks Republican, by sharing the deposits among them in proportion to the dispositions they show; if the law now forbids it, we should not permit another session of Congress to pass without amending it. It is material to the safety of republicanism to detach the mercantile interest from its enemies and incorporate them into the body of its friends." (Economic Origins of Jeffersonian Democracy, by Beard, 1927, pp. 447, 448.)

Moreover, Jefferson clearly foresaw the day when the employment saturation point should be reached even in agriculture and there should arise the necessity of the Government's guiding the surplus of labor, that is to say, the unemployed, into some useful and profitable employment.

When, in the summer of 1785, John Jay wrote him asking whether it would be useful to us to carry on all our own production, or none, he replied: "Were we perfectly free to decide this question, I should reason as follows: We have now lands enough to employ an infinite number of people in their cultivation. Cultivators of the earth are the most valuable citizens. They are the most vigorous, the most independent, the most virtuous, they are tied to their country, and wedded to its liberty and interests, by the most lasting bonds. As long, therefore, as they can find employment in this line I would not convert them into mariners, artisans, or anything else. But our citizens will find employment in this line until their numbers, and of course their production, become too great for the demand, both internal and foreign. This is not the case as yet, and probably will not be for a considerable time. As soon as it is the surplus of hands must be turned to something else." (Economic Origins of Jeffersonian Democracy, by Beard, 1927, pp. 425, 426.)

Everyone knows, of course, that Jefferson's passion for liberty would no more compromise with economic despotism than with political despotism. Writing to an Italian friend in 1796 in passionate remonstrance against an economic tyranny fast engulfing the cherished independence of his fellow citizens, he said: "In short, we are likely to preserve the liberty we have obtained only by unremitting labors and perils. But we shall preserve it; and our mass of weight and wealth on the good side is so great as to leave no danger that force will ever be attempted against us. We have only to awake and snap the Lilliputian cords with which they have been entangling us during the first sleep which succeeded our labors." (Economic Origins of Jeffersonian Democracy, by Beard, 1927, p. 431.)

It must be satisfying to the spirit of Jefferson to catch his own passionate note of remonstrance against conditions similar to those which he protested against in these words of the Democratic platform of 1932: "The only hope for improving present conditions, restoring employment, affording permanent relief to the people, and bringing the Nation back to the sound position of domestic happiness, and of financial, industrial, agricultural, and commercial leadership in the world, lies in a drastic change in economic governmental policy."

In the same spirit of Jefferson, Jefferson's party then set forth to the American people a platform which for clarity, candor, and courage is without a parallel in American history. In unequivocal words this virile party of Jefferson's expressed its determination and its covenant to restore to the American citizen as fully and completely as modern conditions would permit the kind of liberty and freedom which Jefferson gave him in his day.

In words which Jefferson himself might have written, that platform thundered against monopoly, an unfair-trade practice which threatened the independence of labor, the small producer, and the distributor; against financial interests fleecing the American people of their savings by the sale of securities issued both at home and abroad; against excessive charges by utility companies; against a vicious banking system, which violated the confidence and jeopardized the savings of the American public; against an iniquitous tariff law, which gave undue and abused privilege to a class at the expense of the whole people. And equally clearly, candidly, and courageously did that platform covenant with the American people that it would use the power of the people's Government to give a greater, actual, practical security to America's citizens—those citizens struggling with the superior forces throttling their agriculture; those citizens struggling with the dominating forces of economic maladjustment which had thrown them out of employment and closed to them an avenue of economic opportunity; to those citizens who aspired to a greater liberty of leisure gained by the reduction of excessive hours of labor; the kind of security that could be provided to the individual citizen only by unemployment and old-age insurance. Likewise in the same spirit did that platform pledge the Democratic Party to the restoration of the citizen's private liberty, curtailed by the eighteenth amendment, and reiterate again democracy's fundamental doctrine of liberty—"equal rights to all; special privileges to none."

After 4 years of administration of the people's Government in times as trying as any in this country's whole history, the Democratic Party again in 1936 declared to the American people its fundamental faith and its conviction of the duties of this Government in these times. For in that platform that party said:

"We hold this truth to be self-evident—that Government in a modern civilization has certain inescapable obligations to its citizens, among which are:

"(1) Protection of the family and the home.

"(2) Establishment of a democracy of opportunity for all the people.

"(3) Aid to those overtaken by disaster."

Here was clearly expressed a new Declaration of Independence—the faith of the people's party, that the people's Government was concerned not merely with the technical, but with the larger liberty and the effective freedom of the American citizen. For obviously, if the American family might enjoy its traditional freedom around the sacred hearthstone of the American home, it was not enough that the Government should not itself trespass upon that liberty; the Government must see to it that neither the kidnaper, the marauder, nor any man who would take away that liberty by any kind of injustice, physical, moral, or economic, shall be permitted so to do. What higher form of freedom, what better state of liberty could the citizen be afforded than that afforded under a true democracy of opportunity for all the people! Who more than Thomas Jefferson would have appreciated such a declaration of policy, and such a covenant of faith!

Surely there is nothing inconsistent with the noblest conception of liberty for a party to assume an obligation to aid those overtaken by disaster. You may be sure that the American people are not easily fooled. Well do they know what liberty is their inheritance, what freedom they have the right to enjoy. So when the American people have given to these declarations of party objectives approval never paralleled in American history, you may also be sure that these concepts of individual liberty are in high accord with those which are deeply imbedded in American hearts.

The cyclonic forces which threatened to engulf the American people and the American social and economic order in March 1933 began to form when Alexander Hamilton and his associates wrote their political concept into the fabric of American political life. The economic despotism which some private enterprise wielded, the financial tyranny which the masters of the Nation's finance exercised at the end of 1932, the shameless abdication by the American Government of its duty to prevent these aggressions and to preserve the traditional liberties of the individual American citizen prior to 1933, all had their origin in the views of the Hamiltonians that the form of this Government should be a kind of fascism—ruled by the industrial and financial interests—and that the Government, when it did not especially contribute to and enhance the power of these ruling State corporations, should at least assure them the protection of the rule of the jungle, that "He may take who has the power, and he may keep who can."

Against a state of affairs provoked by these conditions and accentuated by the closing of the American frontier more than one-third of a century before, a state of affairs which for the first time drove the dark shadows of threatened revolution across the folds of the American flag, an otherwise peaceful nation in 1932 rose in righteous wrath.

It demanded that the money changers be driven out of the temples of finance, that business abuses be stopped, and at least a semblance of the moral law be applied to what ambitious and powerful men could do under the guise of business. It demanded that democracy reassert itself and the people regain some control,

at least, over their economic and political destinies. It demanded that the economic structure of the United States be built from the bottom up, and not from the top down. It demanded that the currency of this Nation be put to its legitimate purpose of serving the business needs of an industrious people.

It demanded that the rewards of business enterprise be fairly distributed and that the burden of toil be lightened upon the back of labor. It demanded that the true principles of democracy be applied to the industrial order as well as to the political order. It demanded that our untold resources be applied to the alleviation of human suffering, to better homes, better food, better clothes, and better recreation for all the American people, and not just a few. It demanded the preservation for the American citizen of the greatest of American liberties—the right to work and the privilege of being succored in old age, at least to a peaceful death.

It demanded that the marvels of modern science, the genius of current invention and discovery, be made the workhorse for a more abundant life for all the men, women, and children of America. It demanded that the door of economic opportunity, which had been jammed shut for decades by an avaricious monopoly, be opened again. It demanded that the Government of the United States be moved from Wall Street to Washington, where the peoples' Constitution put it. It demanded a revival of true American earnestness and zeal, the resurrection of age-old American ideals and dreams, when the United States was conspicuous for its spiritual wars. It demanded an America that had the spirit of the forefathers in its own crusading breast.

No government can honorably abdicate the duty to govern. To a degree never before known to our history the American Government is now the willing and intelligent servant of the American people. That Government knows that so great is the inequality in the distribution of its Nation's wealth that 200 of our greatest corporations in 1932 owned nearly one-fourth of the whole wealth and about one-half of the nonbanking corporate wealth of the country; that one-tenth of 1 percent of all the reporting corporations in the Nation in 1935 earned 50 percent of the net income earned in that year by all the reporting corporations; that in 1935–36 some 47 percent of the American families and individuals living alone earned less than $1,000 a year; and that 33 percent of the property passed by inheritance according to the returns of 1937 was found in only 4 percent of all the reporting estates; that nearly one-third of the American farmers make annually less than $500 each, and nearly two-thirds of America's farmers make annually less than $1,000 each; that 42 percent of the total farm population of the United States is tenantry, and the number of tenants between 1930 and 1935 increased almost one-quarter of a million; that we have so squandered our soil resources that already 50,000,000 acres of our lands are eroded into uselessness; that one-third of the Nation is ill fed, ill clothed, ill housed; that the Nation has more illiterates by a million than college graduates; that one-quarter of a million citizens are lost to the country every year by preventable disease, although the annual crime bill for the country is estimated at $15,000,000,000, one murder is still committed every 40 minutes.

That Government, just as Jefferson knew when faced with the national emergency of the Spanish closing the mouth of the Mississippi River, knows that it is confronted with a possible breaking up of the American social and economic order; it knows that it is faced with the herculean task of promoting the general welfare and at the same time preserving the individual right of the American citizen to life, liberty, and the pursuit of happiness, each in his own way, as much as may possibly be. That Government knows that in the new catalog of crime there is antisocial homicide, when manipulation of economic forces starves a child.

That Government appreciates that there can be such an offense as larceny of a nation's resources, and embezzlement by a class of a nation's inheritance. That Government is well aware of both the danger and the difficulty of ordering a nation's agriculture so that the farmer may make for himself and his family a decent livelihood and preserve an indispensable independence.

Well does that Government know the Scylla of cutthroat competition and the Charybdis of destructive monopoly. You may be sure that that Government struggles every day with the problem—with finding an honest answer to the challenging query—of how 130,000,000 of people may peacefully and contiguously occupy so great and rich a land so that all shall have enough, none shall have too much; each shall be stimulated to do his best; none shall be permitted to do his worst; legitimate enterprise shall be stimulated; abuses contrary to the public interest curbed; learning and the arts advanced; misery and suffering eliminated as lies within the power of science; the broad horizon of the Nation further extended, and every resource of the Government employed to preserve not only the safety but the dignity of a child.

They who dare to take the lever of responsible authority in times so demanding will need, if they are to win and keep a nation's liberty, the great qualities of courage above all and, as well, the power to endure with resignation the bitterness of temporary defeat. As Laski tells us: "They will require the self-control that gives rein to the heart only as it is guided by the mind. They will need philosophy as well as faith, daring not less than patience. It is the glory of freedom that it brings these qualities to those who serve it with fidelity. Before now, it has transformed a prison into an altar. Before now it has brought the light of unconquerable hope into places that seemed utterly dark. We who fight the battle of freedom can maintain at least one certainty. We know that alone among the ends men seek it has the genius, where the need of its service is imperative, to give the quality of heroes to the common men who answer its call."

Cottonseed Producers of Alabama

EXTENSION OF REMARKS

OF

HON. SAM HOBBS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 20, 1939

Mr. HOBBS. Mr. Speaker, day before yesterday, I brought to the attention of the House, the plight of the cottonseed producers of Alabama who have been compelled to sell their 1938 crop at prices which represent a $7,000,000 loss. In all the cotton States the loss is upwards of $75,000,000. A little later, I propose to discuss how the same condition which caused this loss has affected the producers of all other kinds of fats and of oils and oil bearing materials in all parts of the United States.

This is a situation that must not be permitted to continue, not even for another year. The greatest farm problem is marketing. The greatest problem of farm security—the security for the largest group of people in any single industry in the United States—is increased farm income, fair prices, parity, first call on their home markets.

Foreign fats and oils, at prices fairly indicated by the today's quotation of Sumatra palm oil at 2.9 cents a pound, and Philippine coconut oil, almost as cheap, and imported in 1938 to the enormous quantity of 600,000,000 pounds, are the reason for this condition of loss in this great sector of our agriculture.

The prices of these products and of the oils and fats which they produce are very much below what they should be. Farmers producing competitive products are in distress.

From the major premise I now proceed to answer some of the questions which have arisen.

First. Are these fats and oils products really of great importance?

Answer. Yes. Taken all together they constitute one of the largest items of farm wealth. In this list is the following array of production:

	Pounds
Butter, largest average annual crop	2,200,000,000
Lard (inspected plants)	1,250,000,000
Lard (farm production estimated)	250,000,000
Cottonseed oil	1,500,000,000
Peanut oil	75,000,000
Tallow and grease	800,000,000
Soybean oil	225,000,000
Linseed oil (from domestic production)	27,750,000

To this enormous total should be added as a domestic resource, though not agricultural, fish and marine-animal oil to the average of about 300,000,000 pounds a year, or a total of 6,630,750,000 pounds.

The farm value is very hard to estimate. The value of the crude oils and fats range from 3 cents a pound for certain fish oils up to 25 to 30 cents a pound for the fat in butter. Eliminating the value of butter entirely—which amounts to an average of $550,000,000 a year—a fair guess at the other items will give a total of over $300,000,000 a year.

The present low prices will reduce this figure by at least 30 percent. At 1926 prices the value would have been above $400,000,000; at the 1935 prices nearly the same figure.

I am talking about what the farmers should be receiving. The claim that these products are mere byproducts does not affect the fact that they are part of the crops the farmers sell.

One other question is frequently asked; it is this:

Second. Since we do not import very much lard, butter, or cottonseed oil, why is it claimed that these products are injured by what is called large foreign imports?

As to cottonseed oil, the imports have been large during the last 2 years, and may increase. However, the answer, in general, is based on both practical business facts and technical investigation.

The oils that are imported—most of them are just as competitive as imports of lard, butter, or cottonseed oil would

be, for they are interchangeable. The United States Tariff Commission has reported after a long investigation, and its reports and other authoritative statements show how nearly complete is this interchangeability.

The commercial facts are of record in the annual reports of the Census Bureau on "factory consumption of oils and fats."

For example, let us quote briefly from the census figures as to the oils used in the manufacture of shortening, and in the manufacture of soap. These are the largest items in domestic consumption.

In shortening, until recently made very largely of cottonseed oil, in 1937 there was substituted for cottonseed oil twelve and one-half million pounds of coconut oil, all imported; 91,000,000 pounds of soybean oil, more than half of which was imported; 5,000,000 pounds of rapeseed oil—thirty and one-half million pounds in 1936—one hundred and twenty-three and one-half million pounds of palm oil, all imported; 29,000,000 pounds of sesame oil, all imported; and, in 1936, 11,000,000 pounds of Russian sunflower seed oil. The action of Congress in 1936 in placing taxes on rapeseed oil and sunflower oil has ended that competition.

The use of foreign oil in soap is far more amazing. Until we took over the Philippines, soap in the United States was made chiefly of tallow, and the lower grades of other domestic fats, including the lower grades of cottonseed oil and cottonseed foots. Today imported fats have monopolized this market.

Here are a few figures. In 1937 the soap industry used in place of domestic fats, 252,000,000 pounds of coconut oil, 111,500,000 pounds of palm kernel oil, 141,000,000 pounds of palm oil, and 190,000,000 pounds of fish and marine-animal oils. At least one-half of the fish and marine-animal oils was imported. Only inedible tallow of our domestic fats retains a place in the soap industry.

The chemists have evolved the cheapest formulas which will do the job for their respective employers. These cheap foreign products are used to form the cheapest possible combinations of raw materials and the products of American farmers are forced down to a competitive price or else are not purchased at all.

A spokesman for these American farmers who produce these fats and oils says that they are "the forgotten items of American political and business economics."

As pointed out already, the loss this season of over $75,000,000 sustained by the producers of cottonseed, is but one aspect of the national picture presented by the low prices prevailing in the fats and oils industries. The whole picture is fearful. The tragic total of our national loss is a cruel burden, a part of which is borne by every producer in this whole country.

By giving proper attention to this pressing problem and applying the needed remedies, we can surely increase substantially farm income and buying power.

This Business of Government Today

EXTENSION OF REMARKS

OF

HON. WILLIAM H. SMATHERS

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES

Friday, January 20 (legislative day of Tuesday, January 17), 1939

ADDRESS BY HON. ELBERT D. THOMAS, OF UTAH, AT WASHINGTON, D. C., JANUARY 19, 1939

Mr. SMATHERS. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an address delivered by the junior Senator from Utah [Mr. THOMAS] before the Council of State Governments, at the Mayflower Hotel in Washington, D. C., on January 19, 1939, in responding to the general subject of discussion, This Business of Government Today.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The American contribution to political theory is our Federal system. Making that theory work is America's contribution to the art of government. The objective of all American government, both State and National, is to promote the individual liberty. Either in political theory or in the art of government there is no definition for liberty. In a sense, though, it is all in the field of human endeavor which the individual possesses unmolested in his activities, in his thought, in his prayers, and in his speech, not proscribed by the basic law of the States or the Union.

The founding fathers thought they saw in government what an ancient Greek thought he observed in the functioning of the Roman Government and what a French writer in the eighteenth century thought he saw in the functioning of the British Government and what Blackstone thought he saw as he lectured on his own government and the law that made it secure. The founding fathers, the ancient Greek, Polibius, Montesquieu, and Blackstone were all poor observers. Not one of them was scientific in his observations, and therefore the deductions drawn became premises which writers and thinkers accepted. The founding fathers, accepting in the fullest the theory that liberty might be secured and maintained by a division of powers under a system of checks, produced a governmental system which revels in the idea of conflict. The outstanding characteristic is that it is constantly against itself. Thus, we assume that the individual's liberty is preserved, his property rights secured, by a government which can constantly be checked on the theory that it is one of law and not of men.

Actually, when we make progress, when we make more secure liberty, when we do our best in a governmental way, it is not while we are in conflict, but it is as it has always been when we are in cooperation and seek by mutual aid to advance.

How, then, is our liberty preserved to us? Of course, when an individual has a right taken away from him by his government and that right is restored as a result of litigation, we have liberty maintained as a result of conflict. But the real reason the American citizen enjoys liberty is because he has many loyalties instead of one and those loyalties respected by all actually are not in conflict but contribute cooperatively toward the development of liberty for all. The Bill of Rights itself is merely a guaranty to the individual of a complex life. Since the adoption of the fourteenth amendment we have had a dual citizenship. Since the adoption of the first amendment man has been guaranteed complexity in thought, in worship, in the written word, and in speech. Wherein the Constitution guarantees him the right to free assembly and free association, it merely multiplies his complex activities.

The genius, then, of American government today is a recognition by all that it is perfectly possible to have many loyalties and those loyalties themselves to be never in conflict with the general objectives of the state or its governments. This probably is such a commonplace deduction that it is hard to understand. Think of your friends. You no longer are suspicious of them because they have different occupations than yours, because they belong to a different political party, because they are affiliated with a different church, because they enjoy activities in a different lodge, because they have a different type of credit at the banks. All of these aspects of our life are reflections of the American fundamental objective of liberty to the individual. Contrast this, if you will, with the aim of the single-willed states to bring about simplicity in the citizen and a single loyalty.

Now, in the relations between the States and the Nation, it is this complexity that I would stress, complexity in cooperation, mutual aid, good neighborliness. Utah's ability to work out its problem with the Nation depends more upon a spirit of complete understanding of objectives than upon some basic law either in the Constitution or asserted to be law by the judges in deciding a contest between New York, say, and the Nation. States' rights versus centralized control is not a static principle; it itself is a principle which must be modified by time, place, and circumstance. It is when we lose sight of government as a growing, living entity and bind our actions and our thoughts by some absolute in law that we mar rather than insure the attainment of liberty.

The theory of our governmental processes is ideal. We have a Federal fundamental law which can be changed only by action of the people's representatives in the separate States and in order that that law may not by interpretation become an expression of yesterday or the will of the dead we have a Supreme Court to expound that law and keep it up to date. Your rights, the Federal Government's rights, the States' rights are all protected by this review of the courts. If, though, a court in passing judgment or in making an explanation of that judgment pronounces an explanation which becomes a rule of law not based upon fact or truth, then the people's objectives are definitely put in jeopardy. This has happened once or twice in our history. Sometimes it has taken the loss of many lives to overcome a false rule. Sometimes it has taken a loss of many rights to correct a false rule.

I do not say this in criticism of the healthful process of judicial review. It is not the Court's fault; it is not the judges' fault; it is the fault of a system which must of necessity put the last word somewhere. When the last word errs, the whole structure is affected.

In the evolution of our Federal system, both in theory and in practice, we definitely are developing toward the place wherein, in spite of the fact that more people are living in more compact places, liberty to the individual is on the upgrade, rather than in process of restraint. This holds actually; it definitely holds philosophically. And if liberty is being attained by more persons all the time, it is primarily so because we have learned to recognize complexity and have called it good. We have learned how to cooperate rather than to fight.

The American Federal system, so simple in its analysis that we can say it rests upon the simple principle that those things which are of purely local concern shall be administered locally and those which are of national concern shall be administered nationally, has in it an element possible of expansion even greater than its remarkable growth of the last 160 years. In fact, this system gives us a way not only to greater American growth but also to cooperation among the world's nations and peoples. Thus this American contribution to the science of politics and the art of government may become the key to the fulfillment of that long-sought desire of nations for the better world.

Jackson Day Address

EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Friday, January 20 (legislative day of Tuesday, January 17), 1939

ADDRESS BY HON. AUGUSTUS LONERGAN, FORMER SENATOR FROM CONNECTICUT, AT NEW HAVEN, CONN., JANUARY 7, 1939

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by former Senator Lonergan, of Connecticut, at the Jackson Day dinner held at New Haven, Conn., on January 7, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, today is the day set aside for observance of the one hundred and twenty-fourth anniversary of the victory of Andrew Jackson and his fighting frontiersmen over the redcoats at New Orleans.

Although it is the general impression throughout the land that our Jackson Day dinners are primarily to celebrate that victory, and although some people are mistaken in their belief that it is a celebration in observance of the birthday of Jackson, it is more correct to say that it is a day when we renew our enthusiasm and support for the principles for which Andrew Jackson fought.

During the past 100 years Jackson Day has stood not for a great military victory but for the forces of embattled Democracy. Democrats get together on Jackson Day in a joyous battling spirit. I am glad to be here tonight, as I was last year, to speak to my own people of Connecticut at this banquet and to a larger invisible radio audience over the State.

Although we have gained inspiration and determination at each of our Jackson Day dinners, particularly during the past few years, I think that the dinner this year is of utmost importance to all Democrats, and to the Nation.

Last year, and the year before, when we met on this anniversary, we were in the midst of a great crusade to eliminate injustice in this country and establish a greater measure of economic and social benefits for the average man. This crusade was in full swing, led by a President who has demonstrated that same courage and determination for reform that Jackson did in his day. Our dinners during those years served but to add enthusiasm and to give impetus to our work in pushing that crusade forward.

Andrew Jackson was a fighter. As an Army officer he learned to fight and to command fighters. There is a story of the time when he led his army for days without sufficient rations to feed them. Becoming weak and weary, some of his men threatened to turn back. With almost all of his men too hungry to resist the temptation to leave and go back, but knowing that his victory was almost in sight, Jackson calmly walked to the rear of his lines to the only road that led back from the wilderness where they were. There he took a stick and drew a line across the road. He looked at his men and said: "The first three men to turn back and cross that line will be shot dead." Not a man moved, and so great was their respect and admiration for this demonstration of leadership and courage they went ahead without hesitation.

I hope that our Jackson Day dinners tonight throughout the land will mark the time after which there will be no retreat from the fight of the Democratic Party to lift to a new level the economic and social welfare of all the people of this great Nation.

Our determined leader, President Roosevelt, has time and again called us to the fight and kept us there. In a great many respects his career has resembled that of Jackson, even to the point of political strategy in remaining silent for long periods of controversy over national issues—and then speaking out firmly. He has often been criticized for not announcing at the outset his views on various subjects of vital importance to the Nation. But in those cases he has preferred to wait until the public had formed a guiding opinion, which served to give more publicity to the problem by keeping the newspapers guessing, and to awaken widespread public interest. This was not at all unlike Jackson during the great nullification fight, when both sides sought to learn his attitude. He remained silent for a long time, and then on the occasion of a banquet, when called upon to give a toast in the presence of various factions, he arose and firmly proposed a toast to "Our Federal Union, it must be preserved." Dramatically he had declared his position at a time when it was most effective in holding the Nation together.

And I feel that the spirit of Andrew Jackson is at this banquet tonight proposing to us a toast: Our crusade for economic and social progress, it must go on.

Those who heard President Roosevelt's address at the opening of Congress were impressed by his definite statement and restatement of objectives, and by his determined pronouncement on our national-defense policy. To my mind it was one of the best speeches he has ever made. It was more important than usual, because it related not alone to our problems at home, with which we have been dealing primarily these past few years, but also to our position in the international sphere as a democracy. For in these days of world-wide depressions, wars, and disturbance of all kinds, if we are to preserve our democratic principles at home we must protect ourselves from un-American influences arising beyond our own borders as well as from within. In this respect, our crusades of today face more obstacles and complex situations than in Jackson's time. But fortunately, at least, we do not need Jackson's military ability and prowess in these days to press back our frontiers by armies and physical strength. These frontiers are now established, and our battle lines are laid in economic and political warfare which, we can thank God, has enabled us to accomplish reforms without the bloodshed of war.

In the days of Thomas Jefferson, or Andrew Jackson, or Woodrow Wilson, who were our three truly great Democratic crusaders before President Roosevelt, they faced definite and difficult problems, but they did not confront the rapid changes in these problems that we do today. Scientific progress has brought to us things like the submarine, the airplane, the radio, and so many other instruments of progress or destruction that we no sooner set our course for a certain objective than we are forced to change it slightly. This has made it necessary to establish ideals as our goals, and then try to approach these ideals as nearly as possible through pursuit of objectives that are stabilized as nearly as it is possible to do so under modern conditions.

Those who may have doubted the course of the Democratic Party during the past few years should understand by now that, like one who operates a sailboat, it has been necessary for the leader of our party to do some "tacking" back and forth to keep in favorable winds. But he has never lost sight of our ideals and neither has he lost the determination to come as close to them as possible during his term of office.

Then, like Andrew Jackson, he will turn over the crusade to his successor. He and the Democratic Party cannot expect to accomplish all that we have set out to do within our span of life. Great economic and social reforms will go on forever, and our hope rests in maintaining a party that will courageously pursue them, and in finding young men and women who will take up the fight and carry it forward with the same ability as Jefferson, Jackson, Wilson, and President Roosevelt.

In the hope of inspiring the young people of our Nation to join and continue enthusiastically in this social and economic war long after the present major battles have been won, let us look just a little more fully into Andrew Jackson's life and character.

Andrew Jackson fought the Indians and pressed back the frontier of Tennessee and Kentucky, but this was not his greatest distinction. He won an outstanding victory over the British at New Orleans, but this was not his greatest distinction. He served as a judge of the supreme court of his State, but this was not his greatest distinction. As a major general of the United States Army he served as a military governor of Florida, but this was not his greatest distinction. He was a Member of the House of Representatives and twice a United States Senator from his own State of Tennessee, but neither of these was his greatest distinction. He was one of the main forces that led to the annexation of Texas, but this was not his greatest distinction. He was a forthright citizen of his time, a delegate to the constitutional convention of Tennessee, on all occasions a leader of men, a fighter of duels, an aggressive—some thought even a turbulent—frontiersman, in days when men were outstanding in proportion to their adventuresome spirit and reckless courage, yet none of these was his greatest distinction.

He became President of the United States, serving in that office for 8 critical years, but that was not his greatest distinction.

The most distinguished deed of his career was his mortal engagement with the concentrated wealth of the America of his day, which resulted in his triumphant victory over the Bank of the United States.

The fight with the bank in his day was not unlike the fight of today against special privilege and monopoly and greed. It was an economic fight, which, after all, is at the basis of all political

warfare. Many of us have acquired the habit of thinking that the real struggle of man has been along political lines, but a little reflection will bring the conviction that political instrumentalities have been but a means to an end. There can be no political freedom where economic freedom is lacking.

The right to vote is a precious right, indeed; it is worth all that it cost our forefathers, and it must be defended against those who would invade it; but, after all, the mere right to vote is of little substance to a man who is jobless and cold and hungry.

Jackson knew all this. He knew also that to the degree that the wealth and economic powers of the country became concentrated in fewer hands, with the many having less of the necessities and opportunities of life, the more important the ballot box became in the national economy. The great mass of the people who had the vote did not know how to use it effectively for their own economic welfare. They needed leadership, and Jackson furnished leadership.

When Jackson became President of the United States, the Bank of the United States had come to be the symbol of concentrated wealth. Actually it was more than a symbol. The bank was economic America—kind and beneficent to its friends, condescendingly generous to its servitors, but harsh, cruel, and exacting to those with whom it did not have to curry favor.

The Bank of the United States had come to occupy the same position between the people and the final sovereign power that the feudal system had occupied during the Middle Ages. Our ancestors in England and on the continent of Europe had toppled that feudal system into its own moats when its oppressions could no longer be endured; but here in free America, so gradually as to be almost imperceptible, a more stifling and more sinister system had grown up, which, unless it were checked, would more inevitably oppress and exploit the underprivileged than the feudal barons of old had oppressed and exploited the serfs as they sweated their way into the earth to produce wealth and power and glory for their masters.

There may have been other men of his generation who saw this issue as Jackson perceived it, who discerned that the substance of the liberties for which Washington had fought, and of which Jefferson was the architect, were gradually being lost to us, even though their shadows remained.

But no one except Jackson had either the courage to join the issue with the concentrated wealth, as represented by the Bank of the United States, or that quality of leadership which might encourage the hope that victory would rest upon his banner.

No one but a Jackson, who had towered above other men in those turbulent, soul-testing days on the Tennessee frontier, and who had thrown back the British at New Orleans, would have dared to do what he so confidently undertook to do as President of the United States and as the accredited leader of the people of the United States.

The fight finally came to a head when the Bank of the United States asked to be rechartered, with the economic royalists on one side and the people on the other. The struggle was long and furious, and nothing was left undone to destroy Jackson and his followers. The foundations of the Nation were actually tottering, and there was a declaration that Jackson was destroying America. Many of Jackson's friends deserted until there was great uncertainty what would happen when the issue finally came to a vote in Congress.

Ill in bed as a result of this fight, his body too frail for his great heart, Jackson said one day to the Vice President of the United States who had called to see him, "The bank, Mr. Van Buren, is trying to kill me, but I will kill it."

And kill it he did.

He killed it with his grim determination, with the sword of his unconquerable spirit. And, in killing it, he put at least a temporary stop to the forward march of the concentrated wealth of America to greater riches, to greater aggrandizement, to greater monopolistic power.

He had won a great battle; but the war goes on, and the same economic forces are here to make battle. The Democratic Party is the army of America's common people who are fighting for the general welfare, and President Roosevelt is our leader.

Jackson was not only a hard and uncompromising fighter, but also a patriotic, warm-hearted humanitarian. In his farewell address as President he said: "I thank God that my life has been spent in a land of liberty, and that He has given me a heart to love my country with the affection of a son."

It is said that on one of his journeys an admirer unrolled a length of red carpet so that Jackson might walk like royalty from his coach to the inn. He did as was expected of him, but showed his dislike by saying with quiet emphasis, "The soil of the United States is good enough for me."

Jackson's most absorbing love was love of country.

Next to that was his love of his wife; and then his love for youth, whether in the helplessness of infancy, or the strength that makes young soldiers, or the bloom and sudden beauty of mating time.

He was President of the country when the Nation was young, and, leading young America, he remained to the last breath the friend of youth. And he had confidence that the youth of America will carry on in the great fight which he undertook.

Youth will take up the fight, but they should be aware of certain dangers lest they be misled. America is the hope of the world. We must carry on under the Constitution and our economic system. This is necessarily a government of and by political parties. The Declaration of Independence is the cornerstone on which the Democratic Party was founded. We must never, for the sake of victory, form an alliance with any group seeking to change the order of things in America. Patriotic citizens should oppose such attempts by any political party. There is no room in this country for the reactionary or the radical. We must carry on along lines that are constructive and progressive.

In conclusion I want to thank you and the Democratic Party for your loyalty and friendship throughout the years. My interest in public affairs will continue.

Senator Byrd's Letter to Mr. Eccles

EXTENSION OF REMARKS

OF

HON. M. M. LOGAN

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Friday, January 20 (legislative day of Tuesday, January 17), 1939

LETTER FROM ROBERT L. OWEN

Mr. LOGAN. Mr. President, a few days ago there was placed in the RECORD a letter written by the Senator from Virginia [Mr. BYRD] to Mr. Eccles, Chairman of the Federal Reserve Board. I have a letter relating to that letter from former Senator Robert L. Owen, of Oklahoma, and I ask unanimous consent that his letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ROBERT L. OWEN, COUNSELOR AT LAW,
2400 SIXTEENTH STREET,
Washington, D. C., January 18, 1939.

Re: Senator BYRD's letter to Mr. Eccles.

Hon. M. M. LOGAN,
United States Senate, Washington, D. C.

MY DEAR SENATOR LOGAN: I was impressed with the very able letter of Senator BYRD in his reply to the public criticism of BYRD's Boston speech by Chairman Eccles. Senator BYRD, with justice, vigorously protests against the systematic prolongation of emergency appropriation and spending as a means of restoring our national income through national production and employment. It seems apparent that Senator BYRD relies upon private business restoring employment and national production and income by restoration of business confidence.

The attempt to restore public confidence by the processes employed since 1929 has failed.

Why it has failed I fully explained in my testimony before the Banking and Currency Committee on H. R. 7230 last March (p. 65).

Until you correctly diagnose the cause of depression you have no adequate basis for discovering the remedy.

The cause of the depression of 1929–32 was a contraction of $21,000,000,000 in loans to business people by the banks and a corresponding decrease in 1932 of the volume of money in the form of potential and actual demand bank deposits of $21,000,000,000. In 1929 the demand bank deposits were $24,000,000,000 actual and a potential of $10,000,000,000 in the form of time deposits convertible into demand bank deposits—and they were converted into demand deposits. At the bottom of this depression not only had the money supply in the form of demand deposits, actual and potential, been reduced $20,000,000,000, but of the $14,000,000,000 of demand deposits remaining, $5,000,000,000 were hoarded and taken out of actual circulation leaving $9,000,000,000 with a normal function of 50 times per annum and creating a volume of check money equal to $450,000,000,000 for the year 1932 and only $430,000,000,000 for the year 1933. This contraction of our money supply in the form of demand deposits through contraction of the volume and the hoarding of what remained prevented a restoration of employment, production, and national income. This was the case in 1936 even after the Government had increased the volume of demand bank deposits through Government borrowing. The Government's borrowing from the banks created additional demand deposits but they were absorbed through corporate and individual profits and interest collected on bonds and debts. These values were concentrated in our great financial centers where our great corporations had their central offices. The money was extracted from the consumer class through profits and interest and concentrated in the financial centers.

In 1934 the Federal Deposit Insurance Corporation found $6,000,000,000 of hoarded demand deposits.

In 1938 the total of the checks debited was $530,000,000,000, which represents less than $11,000,000,000 at a turn-over of 50 times per annum, the normal predepression velocity of money actually employed in business.

In 1938 the total of demand deposits, excluding Government deposits, interbank deposits, was thus demonstrated to have been hoarded to the extent of over 50 percent. The statisticians who smear together demand deposits having zero velocity with demand

deposits having 50 times per annum velocity confuse correct diagnosis in that manner. It is not $22,000,000,000 having a velocity of 25 times per annum; it is less than $11,000,000,000 having a normal velocity of 50 times per annum and approximately $11,000,000,000 plus having zero velocity, the money having been cornered through fear or through hope of finding a better opportunity of investment through a further collapse in property prices.

The remedy proposed by Marriner Eccles is obviously unsound and justifies Senator BYRD's attack.

The remedy apparently contemplated by Senator BYRD of businessmen working themselves out of depression has been very disappointing.

But your remedy, Senator, would give confidence to business and restore to activity the hoarded money—the $11,000,000,000 of frozen, congealed, inactive, demand deposits.

Your remedy, instead of expanding the public debt, would contract it by the purchase through the Federal Reserve banks of Government bonds, State, city, or county bonds, or other sound bankable assets. This would stop the interest on the volume bought, conveying the interest to the Federal Reserve banks for Government use. It would stop the amortization costs of such bonds, and it would at the same time expand the demand bank deposits automatically under control to the extent necessary to restore business confidence, thus restoring to circulation the hoarded demand deposits. In this manner the evil which caused the depression would be removed, to wit, the contraction of the money supply necessary to exchange maximum products and services of the people.

It would thus not only restore our national production to $80,000,000,000 but could easily, with the manpower and available machinery in the country, expand our national production to $130,000,000,000, as found by Loeb's "chart of plenty." With the income of the Government, corporations, and individuals thus increased; with the Government debt absorbed in the process; with a billion dollars cut off of the Government's annual cost of interest; with the cutting down of expenditures for public relief the Budget could be balanced, business confidence restored, and taxes could be cut half in two. These figures are not exaggerated.

The President has been misled by the advice he has received from Mr. Eccles. It is not necessary to impugn Mr. Eccles' integrity of mind. His subconscious thoughts as a banker control his conclusions because his premises are false. He thinks that the bankers should create the money of the country by loans and contract it by contracting loans. But this system has been demonstrated to have been the cause of our booms and depressions. The bankers expand too much when full of hope and contract too much when full of fear. It needs the power of the Government to prevent undue expansion, which means inflation, and to prevent indefensible contraction based on fear or on the hopes of profit through bear raiding and other processes known to financial art.

In Senator BYRD's letter to Marriner Eccles he gives a most powerful support to your views as to the remedy, and incidentally he fully justifies the argument which I submitted to the Committee on Banking and Currency of the House of last March, above referred to.

Yours respectfully,

ROBERT L. OWEN.

Appropriations for W. P. A.

EXTENSION OF REMARKS

OF

HON. WILLIAM H. SMATHERS

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES

Friday, January 20 (legislative day of Tuesday, January 17), 1939

EDITORIAL FROM ATLANTIC CITY DAILY PRESS-UNION

Mr. SMATHERS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial published in the Atlantic City Daily Press-Union, an independent Republican newspaper in my home town of Atlantic City, under the caption "Don't Slug W. P. A."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Atlantic City Daily Press-Union, January 19, 1939]

DON'T SLUG W. P. A.

For years nearly everybody agreed when some wiseacre remarked what a Heaven-sent thing it would be if the United States Army could manage W. P. A. That would take politics out of it all right. Well, today we have a West Pointer at the head of it, Col. F. C. Harrington, and he's said to be one of the Army's most experienced and efficient men. He tells Congress he must have the eight hundred and seventy-five millions that the President urged them to appropriate, not the seven hundred and twenty-five millions that they are about to grudgingly provide. He is reported to have warned Congress against restricting the political activities of W. P. A. workers, since this might be interpreted as a violation of civil rights.

This kind of advice will not set well with reactionaries who have swelled with pride since the last election and are all for showing the country how they will charge the windmills with lances of bombast and emasculate the spending program in the interests of dear old economy. But to the rest of the Nation it is apt to have the familiar ring of a trained Army officer's unemotional and unprejudiced advice. Throwing from 600,000 to a million men out of work will not be the wise thing to do, even in the supposed interest of party advantage or personal pride of opinion. And legislating that a recipient of relief shall take no part in politics—in other words, shall not exercise personal freedom—can also have dangerous reactions.

Religious Intolerance Through the Ages

EXTENSION OF REMARKS

OF

HON. WILLIAM I. SIROVICH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 12, 1939

SPEECH OF HON. WILLIAM I. SIROVICH, OF NEW YORK, IN THE HOUSE OF REPRESENTATIVES, MAY 10, 1937

Mr. SIROVICH. Mr. Speaker, because of countless requests which I have received asking for copies of the speech I delivered on the floor of the House of Representatives on May 10, 1937, on Religious Intolerance Through the Ages, the House has granted me unanimous consent to reprint that speech in the RECORD:

The SPEAKER. Under special order the gentleman from New York [Mr. SIROVICH] is recognized for 1 hour.

Mr. SIROVICH. Mr. Speaker, ladies and gentlemen of the House, man's mind is influenced and shaped by two potent forces: Heredity, which depicts the influence of the seed and blood, and environment, which typifies the contribution of the soil and Nature. Heredity represents the transmission of the physical and psychical characteristics of parents to their offspring. The influences of environment are both physical and spiritual in Nature. The mountaineer is known for his rugged individualism, his stubbornness, his abruptness of style and language, his epigrammatic sentences, his stiffneckedness, his subjective attitude in seeing only his own side, and the quick, jerky rhythmic sway of his shoulders in dance movement. The man of the plain is identified by his tendencies toward uniformity, talkativeness, repetitiousness, equality, the sententiousness of his phrases and writings—Lenin wrote 41 volumes—the love of the smooth rhythmic sway of the dream waltz, and the tendency for collectivism. The island nation, as exemplified by England and Japan, is powerful and ambitious and strives toward empire. The forest man, as typified by the Germans, inclines toward the lyrical and musical but the influence of the forest jungle is shown in his severity and political brutality. Man who lives on the peninsula shores of great bodies of water, always gazing at the sea, has a wide vision, and is also more creative than the man of the inland province. As a matter of fact, all great civilizations were established along the shores of great bodies of water, and we accordingly speak of a Mediterranean civilization, an Atlantic civilization, and now the coming Pacific civilization. We know that the man of the desert has a different mentality from the jungle man. The difference of mentality expresses itself in their different types of religion. We know that the two principal redemptive religions that grew out of the Hindu jungle, Brahmanism and Buddhism, with their doctrine of pessimism, resignation, and the identity of life and sin, are but the intellectualized agonies of the devitalized and suffering human being, baked by the scorching sun. These victims of a cruel nature cannot see in life anything else but suffering, agony, and pain. Out of this vision of suffering grew their religious feelings, and accordingly their relationship to the forces of eternity was shaped by these very factors—suffering and pain. To them life appeared as a valley of tears, as one long uninterrupted agony, from which man can free himself only by death. But we also know that all those religions whose attitude to life is affirmative have grown out of a more favorable natural condition, a temperate climate, fertile soil, blue skies, and a beautiful panorama.

The desert mentality is totally different from that of the jungle, and its effect upon man's mind is one of the most potent forces in history. If redemptive religiosity, calling upon man to turn away from life, to diminish his desires, and thus be redeemed from sin through salvation, has grown out of the jungle, legalistic religiosity attempting to regulate man's life by the medium of the law has grown out of the desert. The Ten Commandments are a

prototype of all legalistic religiosity and are a typical product of desert mentality. The desert has developed not one but three types of mind, and this variety of mentality has impressed itself powerfully upon western man and has been instrumental in definitely shaping his spiritual destinies.

Three men grew out of the desert—the Babylonian, the Arab, and the Jew—and all three have developed a different mentality as a result of their diversified attitude to the vast sand expanses of western Asia. Out of these three different attitudes to the desert there developed three dissimilar world concepts and three divergent messages to man. The ancient Babylonians, a poetically gifted people, loving the azure blue of the skies, would lie at night in the desert and watch the skies. They looked heavenward and beheld the stars in their motion. In doing so they created an astronomy and an astrology. They developed a cosmic outlook on and a fatalistic attitude to life. They recognized in the motion of the heavenly bodies not only eternal, unchangeable, and immutable laws of nature, which must be valid for every sphere in nature, including the life of man, but through astrology they also came to believe that man is dependent upon the stars; that he is a helpless creature and must submit to fate. The Babylonians, who were wide awake intellectually and capable of cultural creativeness, were at the same time cruel and bloodthirsty. The words "pity" and "compassion" were not to be found in their dictionary. If man is governed not only by immutable and eternal laws but is also in addition dependent on the stars, then he is just a slave of nature, and human life is meaningless. The life of the individual man is only an erratic mood of destiny. What is man when compared with heavenly bodies, and what does his life signify, if he is totally dependent upon the stars for his happiness and welfare? Men who think in cosmic terms do not think in human terms; it is either one or the other. From the point of view of the cosmos, man is just an atom, and his position in nature amounts to no more than to a particle of erring matter. Whether man fares well or not, whether he is happy or unhappy, makes but little difference. It is for these reasons that all cosmocentricism is the grave of ethics, because it denies man by belittling his importance. Hence the ancient Babylonian, though intellectually advanced, remained a bloodthirsty person, because only the cosmos nature was his guide.

The Arab walked through the desert and looked neither heavenward nor earthward but straight in the air. Time stood still in Arabia for thousands of years. The Arab Bedouin lives today exactly as he lived 5,000 years ago. He is still a son of the desert. He is still admired for his erect, majestic walk, moving along in measured gaze. The Arab Bedouin had to maintain a bodily balance not to lose the basket of provisions on his head. The Arab Bedouin, therefore, always had to look straight ahead and saw neither the stars above nor the sand below, but the coming and going of the eternal cycle; sunrise and sunset, day and night, light and darkness, and occasional sandstorms, turning the bluish desert air yellow. Beholding only the eternal cycle, he developed a cyclical attitude to the desert and, almost like the Babylonian, decided to submit to the forces of fate and nature. He became cosmocentric and submissive and evolved the Islam or Mohammedan faith, whose meaning is submission or resignation.

What is the cosmocentric theory of life? This philosophic doctrine worships Nature first; man comes afterward, because man is only an insignificant part of Nature, just like any other animal. The right of Nature precedes the right of man, property being dead, and Nature its symbol. Therefore Nature or property rights precede human rights.

Nature can be divided into four component parts. First, inanimate Nature, or our Mother Earth, which is usually called dead nature. In the bowels of Mother Earth are found gold, silver, copper, platinum, iron, coal, oil, and the countless materials that constitute the mineral and natural resources which represent the wealth of the material world, or property rights. The second part of Nature represents the flower, plant, and vegetation life. It is often referred to as poetic nature. The third part of Nature is typified by the birds of multicolored and variegated plumage that fly through the air and space singing their melodies and harmonies. This third part of Nature has been heralded far and wide in song, prose, and poetry as lyric and idyllic nature. The fourth part of Nature is referred to as animal, or jungle, nature. Here the strong and powerful animals eat and destroy the weak. In this realm of Nature might and instinctive brute force rule. Here authority is represented by the claw, fang, and tooth. Let the weak beware. The strong are the self-anointed, self-appointed rulers and dictators of jungle nature. Laissez faire is the order of the day. Nature's law never changes, never yields, never compromises. In Nature there is no pity, no sympathy, no compassion. Its laws are fixed, eternal, and immutable. Such is the doctrine and philosophy of cosmocentricism.

If you project the law and order of jungle nature upon the earth, and surround this state with artificial boundaries, you create the modern Fascist state, either to the right or to the left. Here, too, might makes right. Force rules. Authority supersedes and takes the place of the majority. Deified Nature becomes the deified dictator. The dictator takes all the freedom and liberty unto himself and gives a small modicum of these rights to his subjects. So we behold the law and order of the jungle transferred to the modern state in which the dictator, like the powerful animal of the jungle, reigns supreme.

When the Jew walked through the desert he looked neither heavenward like the Babylonian, nor straight ahead like the Arab, but downward, earthward, because he was always sad, or sunk in thought. The sad, or the thinking, person always looks downward. In the Old Testament the Jew is often called upon to lift his eyes, to look heavenward, because he was always used to looking earthward. Thus, looking downward, he discovered neither the laws governing the stars in their motions, like the Babylonian, nor the eternal cycle, in the fabric of nature like the Arab—but observed himself. He discovered man. Seeing nothing in the desert except the infinite sand expanses, he could discover nothing to lean upon, either plant or animal, and fell back on his own resources. It dawned upon him that man, and man alone, is the center of all things, that man is the source of all wisdom, knowledge, culture, and civilization, and not nature; that man is the goal of everything in life and must not be exploited or oppressed; that human rights precede nature or property rights, and that man is equal before God, the state, and the law. Then and there was proclaimed the doctrine of religious, political, and juridic democracy.

Out of these considerations, the anthropocentric world picture of the ancient Jew was born. In the desert, the Jew could only hear the wailing noise that accompanied the sandstorm. Seeing nothing he could only hear. The Jewish religion is therefore an ear religion. The Bible expresses it clearly in the eternal cry of the Jews, "Hear, O Israel, the Lord thy God. The Lord is One."

Biblical religiosity, in contradistinction to Buddhistic, Brahmanic, or Islamic religiosity, distinguishes itself primarily by its anthropocentric world picture; that is to say, by the all-important position man and not nature occupies in the scheme of things and the care and attention one loving God gives man. It is for this reason that Biblical religiosity has captivated the imagination of the white man, the most creative and the most able of all men.

It is generally assumed that the contribution of the Bible to religion is the doctrine of one God; in short, monotheism. That is not the case. The idea of one God was formulated in ancient China, Egypt, and Greece independently of the Bible, but only the God of the Bible has an intimate relation to man and is the God of man. The one-god conception of ancient China, Egypt, and Greece was purely cosmological. Their god was only the engineer or architect of nature without any attitude to man, because their idea of one god was the result of certain cosmological speculations. Aristotle, too, has clearly formulated the idea of one god. But the god of Aristotle is only the god of nature and not the god of man. The Aristotelic god represents the peak of Greek nature speculation. This becomes evident when one considers the religious philosophical development in Greece from Thales to Aristotle. Thales, the father of Greek philosophy, started out with the principle of water as the origin and nature of the world. Then came Anaximenes, and stated that everything is derived from air. Pythagoras established fire as a principle of the world. Then came Democritos with the idea of the atom, and so all along the line up to Aristotle, who explained the origin of the world as a creation of God. But his god was the architect of nature, who retired from his creation and no longer participates in the affairs of the world. He is the prime mover who has taken a long vacation. Similar cosmological ideas sprang up in many other cultural centers of oriental antiquity, Egypt, China, and India. However, what good does this cosmological principle do man, and what significance has it for his destinies, since God is indifferent to man? The God of the Bible, on the other hand, who is also the Creator of the world, is primarily the God of man. He has created nature as well as man, but is disinterested in nature and is keenly interested in man. The first chapters of the Bible are devoted to a story of creation; with the exception of water, God created everything—in evolutionary stages—in six periods. These basic cosmological principles—that water is a source of all life, and that the world was created in evolutionary stages, happens to be not only the first word of the Bible but also the last word of science. But soon after everything was created, minerals, plants, beasts, and man, God abandons dumb nature and dedicates Himself exclusively to the care and service of man. Therein consists the originality of Biblical monotheism. Here is a god, who is not only the architect of nature but is also the father, judge, guide, and teacher of man. This type of monotheism makes man the very center of the world and the focal point in the scheme of things. Christianity has often been described as a daughter religion of Judaism. It is so, because in Christianity the anthropocentric world picture is still more outspoken and sharper formulated than in Judaism. The Old Testament opens with a story of creation, with a story of nature, but the New Testament opens with the story and destiny of one man, who begins as the Son of Man and ends as the Son of God. In the final analysis the Old and the New Testament share the same principle, and they are animated with the same ideal—the ideal of the dignity and holiness of man, who by virtue of his spirituality, is capable of attaining the most dazzling spiritual heights.

Not only have Judaism and Christianity been hewn from the same rock but they have also shared similar destinies. It is not quite a blind chance that when Christianity wound its way westward Judaism followed it. Ever since Christianity has the west as its center, Judaism, too, has the Occident as its center of gravity. In the last 1,800 years Christianity as well as Judaism are western phenomena, although they both spring from the east. Just as oriental Christianity has always been a negligible quantity, so has oriental Judaism been a negligible factor, for both are deeply anchored in the west and identical with the Occident. That, too, is not an accident. The west is distinguished from the east by its individualism in contradistinction to oriental universalism.

Both Biblical religions have experienced the same difficulties, encountered the same enemies, met with the same obstacles, and were threatened by the same hostile forces—paganism, dualism, naturalism, and materialism—because both represent the one and the same basic idea, the anthropocentric world picture, a type of religiosity in which God is devoted to man, and man stands in the center of things and demands respect for his personality and a right to freedom in return for his willingness to be righteous and do good.

As against this anthropocentric world picture of Judaism and Christianity there stands out in bold relief the cosmocentric world picture of Brahmanism and Buddhism, and the purely theocentric world view of the Islam. In these religions man appears as an insignificant creature—a marionette on the chessboard of life. He is not the crown of creation, and is but an insignificant part of nature, subject to its laws exclusively, and unable to account for the position he occupies in nature. Man as a part of nature only is just an animal like all other great animals and aspires to an order of life whose arch type is the jungle and the tyranny, the despotic rule, the satrapy in which the masses of the people have no rights at all. All political, social, and economic despotism has its origin in a purely naturalistic world view, and this world view is the counterpart to the world picture of Biblical religiosity with its doctrine of the freedom, dignity, and spirituality of men.

From time immemorial these two world concepts—the anthropocentric, representing human rights, has battled against cosmocentric, or property rights views. These two opposing groups have engaged in a life-and-death struggle for supremacy. The ancient Hebraic anthropocentric and one God world picture was so forceful and so unique that none of the spiritual powers that be could ignore it or leave it in peace. The doctrine of one God was a menace to polytheism. The doctrine of the free man as the crown of creation was a menace to the entire political, economic, and social fabric of the time, and particularly to the institution of slavery. The ethical doctrines of the prophets were a challenge and a menace to every type of political despotism and tyranny. To all of the contemporary powers the Hebraic world picture must have appeared a provocation pure and simple, and each and every one of them was determined to make an end to it and destroy ancient Judea. Assur made the first attempt; then came the Babylonians and Alexander the Great. They actually destroyed the land of the Jewish people. When it was rebuilt with the help of Cyrus the Great and slowly but surely regained its strength until it stood out as a respect-commanding commonwealth, not only the local enemies also but the great powers of the time, each in succession, attacked it with the object of destroying it.

From Alexander the Great to Antiochus Epiphanes to Titus and Vespasian ancient Judea witnessed conqueror after conqueror, until it was finally subjugated by Caesaric Hadrian after long and bloody struggles. When news reached the Eternal City of the complete destruction of ancient Judea the Roman rabble was overjoyed, and gathering in the streets of Rome it shouted itself hoarse crying, "Jerusalem is lost." The temple was destroyed. Every home in Jerusalem was burned. A quarter of a million Jews were taken as prisoners to Rome and marched under the Triumphal Arch. The Israelites were scattered to all parts of the world. From that time on the Israelite has been known as the "Wandering Jew." When Caesaric Rome annihilated ancient Judea it was sure that it had accomplished two things: That it had killed Judaism as a spiritual force and that it had also destroyed the Jewish people representing that force. But this calculation was wrong. Only the political sovereignty of the Jewish people was destroyed. Spiritual Judea continued to remain a force in world's history. The Jewish people as a people, and not as individuals, survived, too. When ancient Rome was fighting ferociously to subjugate Judea and destroy it there appeared the figure called Jesus, whose teachings and doctrines, principles and ideas, growing out of the Jewish conception of a spirituality of man, his holiness and his dignity, contributed in the end to the destruction of Caesarism. Not only maddened Caesaric Rome but also all other forces of obscurantism realized, at an early period, that these new spiritual energies emanating from the Son of Galilee were as threatening and dangerous to their very existence as was Judaism. Just as Jesus attracted the lonely and the meek, the peaceful and the just, and the pious to follow Him, so His doctrines invited the enmities of the mighty and the wicked. Caesaric Rome fought against rising Christianity with the same ferocity as it did against its historical background, Judaism. There was Roman logic to this anti-Christian madness. If the spirit of Judaism with its doctrine of the dignity and holiness of man challenged Caesaric Rome, the doctrine of Jesus did it more so. In crucifying Jesus the Roman authorities of the day thought they killed His teachings, just as they thought they destroyed Judea by destroying the temple. In both cases they erred. Just as Jesus survived His crucifixion, so did Judaism survive the destruction of Judea. No despot has ever discovered an instrument by which to kill ideas. To destroy principles, ideals, and justice, all mankind must be annihilated. [Applause.]

Like all great world historic events, the blossoming out of the anthropocentric world picture, on the soil of small people, surrounded by peoples dedicated to the cosmocentric world view, called forth hostility and anger. If the ancient Hebrew was right, that man is more than a part of nature, that he is a spiritual being and must be treated as such, then the social and political systems of that time, based on the idea that man is only a part of Nature like any animal, must have considered the Jew as a rebel and revolutionary, as one who disturbs the calm and tranquillity of traffic and may become a menace to the neighbors. If we were able to retrace the historical process in Palestine from 1000 B. C. to 40 B. C. as simply as we do dissolve the historical process of the last 500 years into its component parts, it could easily be established that the constant onslaughts against ancient Judea by the great powers of that time were not only due to strategic, political, and economic reasons but also to cultural motives. The Assyrian, Babylonian, Persian, Greek, and Roman considered ancient Judea a hotbed of revolutionary ideas and decided to subjugate and destroy it. The struggle against ancient Judea was as much a war against Judaism as a war against the Jews. Every invader and every conqueror of Judea was out to destroy not only the body but also the spirit of that people. They all desecrated the temple and finally destroyed it, for they looked upon the temple as the center of Hebraic spirituality. If the ancient Hebrew had been a conquering race, or, at least, a missionarising people, they would have gone out and preached their gospel to other peoples. However, they have never been a conquering race, but a pastoral people, dedicated to peace, and an idyllic state of peace, among men. This captivating peace vision is also a direct consequence of the anthropocentric world picture, culminating in the doctrine of one God. It requires two to make war, but God is only one, and therefore always peace unto Himself. But man is admonished to make the attributes of God his guide in life. If God is the very embodiment of peace, man should be peaceful, too. The pacifist inclinations of the ancient Jews had also a historical background. The ancient Hebrews were a fusion of two nations—the Amorites and Hittites. The Amorites were a pastoral people and the Hittites a hunting, conquering race. They were the Romans of the east of their time. But Destiny willed it that the Jew become heir to the Amorite and not to the Hittite. When he grew to full nationhood he displayed all the qualities of the Amorites—pastoral peacefulness, a love for the idyllic, and lyrical softness instead of epic vigor. It never dawned upon him to propagandize his truth or to impose it upon others. The God of the Old Testament wishes to be recognized by man's reason and appeals to man's reason and not to man's emotions. The greatest religious vision of Isaiah is that the land will be full of knowledge of God, but not of belief or faith in God. Ancient Hebraic monotheism rests entirely upon intellectualist ground, and for this reason alone it could not be propagandized. Only emotional tendencies spread like wildfire. Abstract ideas make headway, but very slowly. For these two reasons—the pastoral character of the ancient Hebrews, plus the intellectualistic nature of ancient Hebraic monotheism—the world picture of the ancient Jew was confined to his Creator, while the two antithetic tendencies in the east and in the west, universalism and individualism, grew rapidly outside the land of their origin. At no time has any representative of Judaism ever made an attempt to convert strangers to his belief and to his ideas. Of all the great historic religions in the world, Judaism alone is lacking in imperialistic impetus and missionarising was always strange to its mind. It has never been endowed with the will to move, and this absence of ambition spelled destiny to Judaism. Instead of growing horizontally like all other great historic religions, it grew vertically, in depth. It has never been diluted as a result of expansion. By virtue of its inner concentration it has always appeared mysterious to the outsider and invited attacks. Because Judaism is not a missionarising religion, the Jew remained a minority, and he is still here to write the minority report.

Between the years 500 and 40 B. C. the two outstanding cultural forces in the east and in the west have undergone great changes and have grown to full maturity. In the east, Buddhism emerged from its Brahmanic background to become very rapidly a great imperialistic force in the realm of the spirit. In the west, ancient Greece shone in all its glory, wresting from its genius immortal works of art, with man as its center; unforgettable philosophical ideas and great works of literature, also with man as their theme. While ancient Greece developed into an inexhaustible source of cultural inspiration, Rome grew from a small commonwealth to an empire, with world domination as its goal. In the course of but a few hundred years, western individualism, both in its political and its spiritual aspects, became the all-dominating force in the life of occidental man. Bursting with energy and expansive power, it reached out on other continents with the clear objective of subjugating them. Palestine being the gateway to three continents, all three forces—Buddhism, Hellenism, and Caesarism—tried to establish themselves first in that little country which, in spite of its small size, is in fact a shrunken continent. It has all the attributes of a continent—mountains and vales, Dead Sea, desert, and seashores, and a variety of climates, as can only be found in the continent. In the third century, Buddhistic missionaries from the east reached Palestine. A little later emissaries of Hellenic culture reached the Holy Land, only to be followed still later by the representatives of Caesar. In the century preceding the appearance of Jesus, Palestine was the greatest cultural melting pot of antiquity. Every great cultural power in the east or west was trying to make converts from Palestine and to make the country a base of further operations in the east. While eastern universalism in its Buddhistic manifestations strikes westward, western individualism in the shape of Hellenism and Caesarism strives eastward. Both attempt to extend their rules as far east as Persia and India. To be successful, they must control Palestine. To attain this goal they must first subjugate the Jew both culturally and politically. But in spite of their relentless efforts, they made very little headway. Judaism had become a concentrated force, tree plantlike, rooted in the soil of Palestine, and could not be destroyed. It could not even be diluted. The Buddhist missionaries succeeded in influencing a few thousand people, and so did the emissaries or representatives of Rome and Greece. Around 50 B. C.

one could hear in the streets of Jerusalem some Jews speaking Greek and some Latin, but the masses of the people spoke Hebrew. The descent of Buddhism upon Palestine resulted in the formation of the sect of the Essenes, who, in their negative attitude to life, in their rejection of all earthly forces, in their resignation, and in their pessimism, represented the Buddhistic mood. The representatives of Rabbinic Judaism were engaged in warding off attacks from the Hellenistic or Greek element, and the entire commonwealth was engaged in a fight with Rome. This terrible tension, brought about by the meeting of Buddhism, Hellenism, and Romanism, made a spiritual explosion an absolute necessity. This explosion came with the appearance of Jesus and the rise of Christianity, which is the synthesis of four distinct forces—ancient Hebraic anthropocentricism, with its discovery of man; eastern universalism, with its emphasis upon the whole; Greek intellectual mysticism, with its vision upon the logos or reason; and Roman imperialism, which found its expression in the fast-conquering church.

This synthesis, giving birth to Christianity, is the greatest single event in all of man's history. Christianity is the greatest peacemaking force, for in its bosom dwell harmoniously the four contradictory and antagonistic elements, eastern universalism, western individualism in its two forms—Romanism and Hellenism—and ancient Hebraic ethical idealism, flowing from the anthropocentric world concept of the ancient Jews. Its all-cementing force, however, is a typical Palestinian and typical Hebraic element—the doctrine of the spirituality, dignity, freedom, and holiness of man. Christianity is the only religion in which a man becomes the central figure of all piety and of all saintliness, who, because of these qualities, can suspend the laws of nature and perform miracles. Representing the totality of the great cultural motives of its time, including that of ancient Rome, with its will to expand, Christianity not only captivated man's mind and heart to the extent that it made him capable of martyrdom but it also gained such force and momentum as to seriously threaten Caesaric Rome, which it conquered in the end. The amazing victories of the Islam were victories of the sword, but the conquests of Christianity were the conquests of Christian saints and martyrs, and the victories of Christian spirituality over paganic barbarism. The success of Christianity was also due to the fact that it was not totalitarian, or authoritarian like the Islam, having exhorted man to give to Caesar what is to Caesar and to God what is to God—that is to say, not to permit the state to interfere with the spiritual and intellectual interests of man or to impose itself upon man, as does the modern totalitarian and authoritarian state. Christianity gave man both peace and freedom and held out the promise of true salvation for him. But upon its amazing march of victory it encountered two hostile forces. What were they?

First, the cruel and antagonistic forces who lived in Persia and were the great sun worshipers of their day. They believed in the duality of nature—light and darkness—as the twin forces that ruled the destinies of nature. Their great prophet was Zoroaster, who was the Moses of his time. Long after his death the most distinguished disciple of his was the very militant leader Mani, and his followers were called Manichaeians.

Manichaeism is a cosmocentric world picture explaining the world as a constant struggle between light and darkness. Ahura Mazda is the symbol of the sun and Ahriman is the figure of Satan and darkness. Mani lived from 215 to 275 A. D. Mani also came under the influence of Brahminism, Buddhism, and Gnosticism. Mani's three principal theories are, first, cosmic dualism—light and darkness; second, the identity of physics and ethics—meaning that everything is physics or nature and that ethics, which is man's relation to his fellow man, is governed by physical nature only; that is, that might is right; and third, the doctrine that man, far from being the crown of God's creation, is actually the creation of the prince of darkness, Satan. This theory of man leads to social pessimism. The threefold doctrine of Mani, brought him into conflict with Christianity and Judaism alike, and his disciples declared war against both. Manichaeism as a religious movement made rapid strides in the fourth and fifth centuries and conquered for itself such a powerful position in the city of Rome and in the Provinces of the Roman Empire, especially in northern Africa, that the political and spiritual powers in Rome decided to curb it. In the end it was outlawed in Rome, having been declared a capital offense, punishable by death, to practice Manichaeism. In the course of the anti-Manichaean orientation St. Augustine himself, who had been a Manichaean leader, deserted Manichaeism and adopted Christianity. In doing so he saved the day for the church and the synagogue, for he soon became the most effective and influential leader in the anti-Manichean movement. In Rome the Manichaeans submerged and discontinued their fight against the church and the synagogue, but they soon reappeared in eastern Rome, in Byzantium, which is today modern Turkey, and developed there great strength until suppressed by victorious Christianity. Around the tenth century they appeared on the Balkan Peninsula, first in Bulgaria and then in Servia under the name of Bogomiles, fighting the church and the synagogue.

From there they migrated westward and reached Italy, France, and Germany, disguised under different names, but always fighting Christianity and Judaism. Since the Catholic Church watched them closely, they concentrated their war against Judaism only and continued to attack the Old Testament, hoping that by destroying the influence of the Old Testament they would also undermine the position of the New Testament. This explains why Jew hatred in Europe was unknown during the first thousand years after Christ. Only with the penetration of the Manichaean, anti-Christian sects in Europe, does Jew hatred manifest itself in the wake of these sinister influences. Not a Christian but an anti-Christian force, like the Neo-Manichaean sects, has planted Jew hatred in the Old World. Those who are familiar with European sect history know that in two countries, Germany and old Russia, have the various Manchaean sects established themselves firmly, and it is no sheer coincidence that just in Germany within the last 5 years has Jew hatred become supreme. In Soviet Russia it is now being destroyed by the might of the state, but in Germany, where Manichaeism in different forms is again flourishing, Jew hatred, Bible hatred, and Protestant and Catholic Church hatred are the very basis of governmental policy. Throughout all Germany today there is turmoil in all the churches as trials of Catholic priests for "treason" continue, as the anti-Jewish campaign goes on without end, and as the Protestant Church elections are postponed because once harmonious congregations are hopelessly split by the drive for pagan "unification." The pagan idolatrous sects in Nazi Germany today, all anti-Christian, antisemetic and cosmocentric, are direct or indirect continuations of Manichaean forces which had penetrated into German life in the course of centuries and which were never subjugated. In the course of its struggle with both, Manichaeism in the East, Caesarism in the West, Christianity itself became permeated with a spirit foreign to its very essence.

In the long struggle between Christianity and Manichaeism the latter was defeated but not entirely destroyed. For many centuries Manichaeism in many forms continued the fight against victorious Christianity. Neo-Manichaeism sects in all parts of the West have continued a guerilla warfare against the teachings of Christ, the Bogomiles, the Neo-Bogomiles, the Catharists, the Albaganses, and numerous other sects have constantly sabotaged the Catholic and Protestant Church and have also waged war against the synagogue. During the Middle Ages Jew hatred came from those quarters and not from the church. The Popes have always defended and protected the Jew, but the Manichaean sects within the Christian world have always attacked them. To the extent that Christianity has retained its purity and its true piety, it has never had any difficulties in its relation with the mother religion. But when Rome was destroyed, and Caesar was dead, and the church remained the only authority of western humanity, struggling for consolidation and organization, the church assumed the functions of the state and held both temporal and political power. Out of this double power grew the medieval totalitarian state in which there was no longer any room for any religious minority. The medieval church became not only the source of all power but also of all wisdom and imposed itself upon man's mind in the same way as does the modern Fascist state.

Man's creative intelligence was delimited by the church, and the latter decreed what is scientifically true or untrue. Holding steadfastly to the cosmology of the Old Testament, the medieval church fought Copernicus, punished Gallileo, and burned Bruno at the stake. In the medieval church the Roman element with its Caesaristic tendencies prevail, but Christianity, after destroying Caesarism, was not going to be overwhelmed by it again, and after many centuries of struggle it found its way back to its source—the Bible. If the Reformation means anything at all, it means the rediscovery of Christianity and the overthrowal of the medieval fascism. Martin Luther laid down the principle that the civil government has nothing to do with faith and conscience:

"Heresy is a spiritual thing," he said, "which cannot hew with any iron, burn with any fire, drown with any water; the word of God alone is there to do it."

The consequence of that principle spelled the doom of medieval fascism. Individual man was spiritually emancipated, and with this spiritual emancipation, which is a postulate of Bibical anthropocentricism, the foundation was laid for the emancipation of all religious minorities, including the Jewish minority. It is surely no blind coincidence that the rediscovery of man and Christianty corresponds with the discovery of the New World, in which man was destined to establish the greatest and most powerful democracy on God's earth. Nor is it mere chance that while medieval despotic and inquisitorial Spain expelled the Jew in 1492 the New World established by the forces of biblicism accepted him and enabled him to participate in the development of a new civilization and to reestablish his own life on the basis of his own religious traditions. Not only in America, but anywhere where the forces of biblicism arise, the synagogue is permitted to breathe freely and to consolidate its energies. It was the Biblicist, Cromwell, who opened the gates of England to the Jews. The same holds true of Biblical-minded Holland. Inquisitorial, despotic, and anti-Biblical Spain expelled them, but Biblical Holland received them with open arms. Jewry's gift to Holland was Spinoza, one of the great philosophers of all times, whom Holland claims as its greatest son, and who, together with the Biblical-minded Rembrandt, has made little Holland a major cultural power in Europe.

Wherever the influence of the Bible becomes a potent force in life, as in the Anglo-Saxon countries, man's rise to dignity, freedom, and spirituality is rapid. This rise to power on the part of the individual is attended by the rise of power of the nation. It is no blind coincidence that the English Empire began to rise in the heyday of Biblical influence. The freeing of man from the shackles of medievalism has loosened the imprisoned intellectual, political, and economic energies to which there is scarcely any analogy in occidental history. Medieval man was sterile culturally and economically, because he was enslaved physically and spiritually. But when the anthropocentric forces stormed in upon him and freed him from

his shackles, three events took place: The liberation of the individual, the rapid development of the nation in every field of human endeavor, and a fertilization of man's mind, leaping to the great discoveries in science and to the great creations in art, philosophy, and literature.

It is fascinating to observe how these spiritual forces slowly but surely demolish the medieval ghetto and finally free the Jew entirely and enable him to participate on the basis of equality in the great works of civilization and culture. The small Jewish groups in all these countries, guided by the spirit of true Bibical religiosity, have not remained ungrateful for justice meted out to them. In his young days, Benjamin Disraeli, an English Jew, dreamed of India as the jewel in the crown of the British Empire, and in his older days Disraeli actually made India a part of the British Empire. Disraeli, or Lord Beaconsfield, is Anglo-Jewry's answer to Cromwell, who admitted the Jews to England. For the little freedom Imperial Germany had granted the Jew in the fatherland the latter gave it an Einstein, who, because of his Biblical religiosity, refused to sign the manifesto of Germany's scholars in 1914, in which they justified Germany's war against Europe. For the justice meted out by America to the Jew, he has given America a Brandeis and a Cardozo, the very embodiment of the ideal of justice. The fructification of the genius of the Bible everywhere has proved to be the source of cultural creativeness to gentile and Jew alike. In the Slavic countries where the Bible was not permitted to become a source of spiritual influence neither the Slavic gentile nor the Jew have accomplished much in the field of civilization and culture. The non-Bibical Slavic countries have not produced one great philosopher, not one great plastic artist, and only a few great scientists. For all the science and all the arts emanate from but two sources, from the Renaissance and the Reformation. The Slavic peoples had neither a share in the Reformation nor in the Renaissance.

For hundreds of years men in Anglo-Saxon countries, guided by the creative genius of the Bible, have been engaged in establishing a civilization and a culture on the basis of freedom for and justice to all. With thorough Anglo-Saxon common sense, they concluded that if God is the Creator of all men, all men must be equal before God, and if they are equal before God they must also be equal before the law and must have an equal share in the political order.

It is my contention that Anglo-Saxon democracy is the work of that type of man in history known as the Christian gentleman, that this democracy which is not limited to any economic, religious, or racial group, is not the revived memory of ancient Greek democracy, but is the consequence of Biblical religiosity, whose genius alone made Anglo-Saxondom the most important power in the world economically, politically, and culturally. Since the King James version of the Bible appeared the Anglo-Saxon peoples went from strength to strength. If the Protestants in Germany still continue to cling to the faith of their fathers, in the face of bitter Nazi persecution, it is also because they know that the influence of the Bible is equally a source of strength to the fatherland, not only spiritually but also politically. For was it not Martin Luther's German version of the Bible that was instrumental in creating a united German language and thus a united German peoples? The German Protestants know very well that the greatest literary work of Germany, Goethe's Faust, would not have been possible without the influence of the Bible. Do they not know that just as Milton in England has poetized in Biblical terms so has Klopstock in Germany? Do they not see what has happened to Germany the moment the anti-Biblical Nazi force arose and declared war on the Bible. Do not they see that 4 years of warfare against the Bible in Germany has spelled more havoc to the fatherland culturally, politically, and economically than the 4 years of World War?

Today we hear the voices of the ancient Manichaeans when we listen to General Ludendorff, the former field lord of the German Army and Hitler's most intimate collaborator, commenting on Christianity:

"Christianity," the Teutonic general exclaimed, "must be destroyed in Germany because it is a foreign religion, which falsifies our inheritance, slays our racial qualities, steals the unity from our people, and renders them defenseless."

That is exactly what the adherents of Mani, the third-century anti-Christian lawgiver, said about Christianity, and undertook to destroy it. Exactly like the Manichaeans of old, who concentrated their wrath against the Catholic Church and the synagogue, Ludendorff declares war against them:

"I ask myself," he said recently, "how it is possible for the Jewish people and the Roman Catholic Church to shatter the unity of the German people in the struggle which the latter waged for its existence during the World War?"

It is worth while to point out that Ludendorff, like the Manichaeans of old, is an outspoken naturalist and materialist, taking nature as his guide and vehemently denying the prevalence of spiritual forces in life. The Manichaeans of old represented an uncompromising naturalism. In their system there is no difference between physics and ethics, and the result is—might is right. Ludendorff and his neopagan friends keep on repeating—physics and ethics are identical. There is only nature, and in nature, where jungle rule prevails, the will of the powerful reigns supreme. Might makes right. But since the Bible exhorts man to reject the theory of might is right and teaches him to consider right as might, the Bible and its influence upon German life must be destroyed.

In one more respect does Ludendorff repeat an adage of the Manichaeans. They taught that man is not the crown of creation but the product of the prince of darkness, Satan. Hence their social pessimism. Ludendorff, too, rejects the doctrine that man is the crown of creation. Man, he says, is only a part of nature and no more. If nature is bad, man is bad, too, and he has to be treated like a part of nature only. In nature a state of perpetual war exists, the strong animal destroys the weak, and hence all pacifism must be considered a degeneration. War is the only permanent thing in life.

It is a blind coincidence that after Martin Luther the German universities began to flourish and became the greatest centers of learning in the world, and that after Hitler came to power the same German universities became Nazi propaganda schools and ceased to be centers of learning and scholarship. The World War has not ruined the German universities, but Hitler's war against the Bible, culminating in the persecution of Jews, Protestants, and Catholics, and in expelling the great scientists, teachers, and scholars from the universities and burning great works of distinguished scholars has destroyed ancient seats of German learning. As long as the Bible was a force in German life, there was even in Prussia a minimum of freedom, but now that the Bible has been eliminated from German life there is a maximum of industrial slavery, not only in Prussia but in all the other German States. But why do the Nazis wage such a cruel war against both Biblical religions—Christianity and Judaism? Because the Bible tells man to consider himself free and equal, to consider himself a spiritual being, to consider himself an end in himself, and not a means to an end, that he should not be exploited, and to accept spirituality as his guidance in life. But nazi-ism, with its doctrine of soil and blood, with its doctrine of naturalism and cosmocentricism, denies man his freedom and his dignity; and, therefore, the Bible is a menace to the Nazi regime.

Few of us realize that the forces of cosmocentricism, now in control of Germany, and which are now storming in on the western world are in many respects a resurrection of Manichaeism of old. Just as Manichaeism in the fourth and fifth centuries was the greatest threat to the church and the synagogue, so is nazi-ism today. Just as Manichaeism has displayed the utmost cruelty to Jew and Christian alike, so does modern nazi-ism. Just as Manichaeism represented naturalism and cosmocentricism, so is nazi-ism cosmocentric and naturalistic. Just as Manichaeism believed in the duality of Nature, light and darkness, as the twin forces that ruled the destinies of Nature, so modern nazi-ism preaches the duality of races, the Aryan race representative of light and the non-Aryan, as the figure of Satan, the devil, and darkness. The Nazis were born of brutality and conceived in cruelty. They have resolved to destroy all the forces of the spirit, and are imitating Manichaeism of old. The Nazis have resolved to carry their sinister gospel to all parts of the world and to impose themselves upon every nation, including our own. In the seventeenth century Italy produced a great painter, Giovanni Biscaino, who was born in 1632 and died 25 years later from the plague. He portrayed in a most masterly and brilliant picture, The March of the Terrorists, as they destroyed the temple, burning, pillaging, and murdering human beings, young and old, without mercy, pity, or compassion. The chief bloodthirsty assassin in that extraordinary costly Italian painting of 300 years ago looks exactly like Nazi Hitler. Every Nazi in this country, as well as abroad, is just as much a sworn enemy of Christianity, as he is a sworn enemy of Judaism, because both are hewn from the same rock, and both strive to attain the same end—the spirituality, dignity, freedom, and honor of man, as against the despotism and cruelty of an omnipotent and omniscient state which, being an extension of the jungle, is cruel and bloodthirsty, and is neither a respecter of man nor of God. The two Biblical religions—Christianity and Judaism—after a long, checkered, and glorious history face again the old enemy—the Manichaean, disguised as the modern Nazi of today.

If St. Augustine, who saved Christianity and Judaism from Manichaeism, will again present himself, this St. Augustine will be the Anglo-Saxon peoples and other races that think in such terms. Only they can make the world safe for Christianity as they can make it safe for democracy.

The entire western world, and a good part of the east, is now overwhelmed with that sinister and destructive force known as fascism, which is only an emanation and manifestation of the cosmocentric world picture. It has entrenched itself in many countries, and is now fighting for its existence in Spain. Should it succeed in forcing itself upon humanity, the future of man can only be described as a second dark Middle Ages. A dark age in which the sun of reason sets and gives way to the forces of darkness, ignorance, emotionalism, jungle rule, and the doctrine of might as right. When you observe closely the picture of the present world historic process, you behold a number of fierce looking, sinister figures, goose stepping, with extended hands and clenched fists, and determined to run over and destroy everything in their path. These figures are the dictators of present-day Europe. Hitler today typifies a sadistic, fanatical paranoiac; bloodthirsty, cruel, avaricious, filling concentration camps and torture chambers with hundreds of thousands of men and women fighting for liberty, for racial tolerance, for freedom of the mind and press, for the emancipation of the soul to worship God in conformity with their inherited traditions, and beheading men and women for demanding social justice for oppressed labor. Hitler is the modern Torquemada using cruel scientific instruments of torture to crush the body and soul of the liberty-loving Germans, crying aloud to the world to save them from their Nero.

It is noteworthy that Hitler's fraternity brother in fascism, Benito Mussolini, has not seen fit as yet to perpetrate all the

excesses of power which have been so ruthlessly practiced by his brown-shirted colleague. To the present time, at least, Mussolini has not sought openly to replace Christianity. In point of fact, he is the first politician of modern Italy who has made peace with the church. In addition, it should be carried in mind that Mussolini is only a Prime Minister, though an absolute one, while Hitler is an unqualified combination of Kaiser and King, Prime Minister and Pope, who demands of his unhappy subjects their last full measure of loyalty, temporal, secular, intellectual, political, and ecclesiastical.

But high and above both these personalities stands the lofty, smiling, dignified figure of Franklin Delano Roosevelt, who, like the prophets of old, calls upon man to be good, just, and merciful. He calls upon man to have regard for his fellow man and not to exploit him, not to oppress him, and to consider him an end in himself, and not a means to an end. To many the outcome of this gigantic struggle between the forces of neo-Manichaeism and Anglo-Saxon idealism, and Biblicism, still seems to be in doubt. But to us who believe in the high destiny of man and in the final victory of the forces of the spirit over the forces of brutality the outcome cannot be in doubt. If humanity is to survive this crisis—and it will survive it—this will be a Roosevelt and not a Hitler world, a Biblical and not a materialistic, naturalistic world, an anthropocentric and not a cosmocentric world. For it is impossible to assume that man, who has bled for freedom, for dignity, and for creativeness all these centuries and accomplished so much during these centuries, should suddenly revert to barbarism and destroy his own creations which he wrested from his genius. Neo-Manichaeism in its Fascist-Nazi disguise is only an ugly mood of history, and it will vanish as fast as it came. Nazi Manichaeism will disappear, provided the Anglo-Saxon peoples and those who are with them in this struggle gird their loins and are prepared for this fateful struggle with the forces of malice and infamy.

The twentieth century has witnessed the reincarnation and resurrection of the spirit of Mani and his ancient Manichaeans in the person of the modern, autocratic, pagan Fuehrer, Adolf Hitler, and his Nazi disciples. Throughout Germany today the sadistic Adolf Hitler is a new Messiah of neopaganism. In the Nazi aims, objects, and world outlook "Heil Hitler" is only the latest edition of Mani and his ancient Manichaeans.

Hitler, like ancient Mani, shares one outstanding aspiration—to reduce man from his status as the center of culture and the crown of creation to an insignificant atom, whose right to existence depends entirely upon his value to the ruling dictator crowned with autocratic power.

To Hitler, like Mani of old, the cry of suffering humanity means nothing. Mankind has no inherent rights, nor stands for personal dignity, or should be respected as a human being. With Hitler's cosmocentric outlook upon life it is perfectly logical that modern Nazi-ism, the resurrected and reincarnated mummy of ancient Manichaeism, should wage a relentless war upon Christianity and Biblicism, because these groups proudly proclaim anthropocentricism or love of man as their ideal and are prepared to battle for the principle that man is a spiritual being whose welfare, salvation, and dignity are the primary purposes of life.

But just as Mani's war upon Christianity finally ended in complete disaster to himself, he being drawn and quartered and his followers scattered to the winds, so must Hitler's attack upon Christianity and the Bible bring down upon himself and his neopagan Nazi followers the universal condemnation of an outraged public opinion throughout the civilized world. Christianity must crush the Nazi paganism of Hitler, just as it destroyed the ancient paganism of Mani. America especially is spiritually prepared for this encounter. We are a people grounded in the Bible. In its spirit the most noble document of modern humanity, our Declaration of Independence, was written, and its symbols are to be found not only on the seal of the United States Government but also on the seals of the great American universities. To preserve this spirit that made America great and that conquered for all the Anglo-Saxon peoples their position in history seems to me to be the foremost task of Anglo-Saxondom today. Because we swear by the Bible we are uncompromising antagonists of all those forces whose object is to destroy the spirit of the Bible, so that beastliness instead of godliness may rule the world.

Because we swear by the Bible we are determined to continue the bitter struggle against religious bigotry, racial hatreds, oppression of minorities, and the exploitation of man to the very end. Only by continuing the struggle for religious freedom, justice, and liberty will we make the predictions of our own American prophets—Washington, Franklin, Jefferson, Lincoln, Wilson, and Roosevelt—come true. [Applause.]

Anthropocentricism and cosmocentricism are therefore the two great vantage points from which human life can be viewed and whose struggle for supremacy constitutes the spiritual drama of man. These two forces may be compared to two railroad tracks running in parallel lines. The one track, cosmocentricism, with its catastrophic implications for man that might is right, the perpetuation of the jungle conflict, fatalism, pessimism, the impossibility of creating true human values to give man's life meaning and significance, all leads in the end to perdition. This is best demonstrated by the fate of all the civilizations and empires based upon cosmocentricism.

The other track, anthropocentricism, leading to true spirituality, to idealistic ethics, to a high conception of man, to optimism, and to spiritual creativeness, leads to a state of blessedness, happiness, and paradise, for it is concerned with man, his liberties, his dignity, and keeps man in a high state spiritually. Anthropocentricism as a world historic force and as the most potent agency in the spiritual life of man is almost 3,000 years old. It is indestructible and imperishable because it represents man's true reality and must last throughout the ages.

Throughout the years that have rolled by, Biblicism and Christianity have been the gulf stream in the ocean of spirit, spreading liberty and freedom and carrying spiritual warmth and divine blessing to those desirous of being baptized in its spirit and being responsible for the discovery and ennobling of mankind through the emancipation of man and nations. Let us, in the name of God, continue this spiritual struggle until all the world will be made safe for Christianity, Biblicism, and democracy. [Applause.]

Mr. BEAM. Mr. Speaker, will the gentleman yield?

Mr. SIROVICH. Yes; I yield to my friend from Illinois.

Mr. BEAM. I have listened with a great deal of interest to the scholarly remarks of the learned and distinguished gentleman from New York. Can the gentleman give the House any information as to the date of the inception of culture in Germany, when it started, when it began?

Mr. SIROVICH. Mr. Speaker, German culture began within a generation after Martin Luther had translated the Holy Bible into the German language in September 1522. Prior to the Reformation, Germany, which was a part of the Holy Roman Empire, had about 30 groups of people in various parts of Germany who spoke different dialects and could not understand each other. Voltaire in referring to the Holy Roman Empire contended that it was neither holy, nor Roman, nor an empire. Prior to the Protestant Reformation, which began in Germany in the sixteenth century, all intellectual theses and books were written in Latin. The agricultural element, the humble worker, and toiler in Germany was unacquainted with the classical languages of antiquity, in which cultural works were expressed and therefore was illiterate so far as art, science, culture, and civilization are concerned. It was in the eighteenth century that Gottlieb Friedrich Klopstock (1724–1803), the gifted, brilliant, poetic genius wrote his great lyrical poetry entitled "Der Messias," which was founded upon the Biblical concept of a physical Messiah, who brings peace, happiness, concord, and tranquillity to the people of the world. The poetic genius of Klopstock in Germany is comparable to the superb and magnificent contributions of John Milton who wrote his Paradise Lost and Paradise Regained, which are also grounded in Biblicism. After the death of Klopstock, Germany gave to the world one of the greatest exponents of cultural nationalism. His name was Herder. He was the first pioneer and crusader for German nationalism. He was opposed to imperialism. He believed that Germany should not be exploited by any other foreign nation, but should have the privilege of developing its liberty and freedom amongst its own nationals, which could only be accomplished through developing a culture that was German in spirit. Contemporary with Herder's battle for cultural nationalism in Germany was Lord Bolingbroke, who fought for aristocratic nationalism in England, while Rousseau in his "social contract" fought courageously and heroically for democratic nationalism in France, contending that all governments derive their just consent from the governed and denouncing the divine right of kings to rule over a sovereign people.

The sublime and outstanding intellectual genius of German culture was Johann Wolfgang von Goethe. He symbolizes to my mind the most gigantic brain of eighteenth century German learning. His great work Faust, which will live throughout the ages, is founded upon the Biblical character Job. He shows the trials, tribulations, and sufferings to which Job was heir. The Bible was, therefore, the source of Goethe's inspiration.

Contemporaneous with Goethe was the profound, learned scholar Schiller. So barren and sterile was Germany in material which could inspire an author to write, that Schiller had to find his inspiration in characters that lived outside Germany. We, therefore, behold Schiller writing about Don Carlos in Spain, William Tell in Switzerland, Joan of Arc in France, and Mary, Queen of Scots, in England.

The polished and distinguished German novelist Lessing, a product of eighteenth century Germany, had to go to the Holy Land, Jerusalem, to find inspiration for his great character Nathan the Wise, whose idealism and character are an expression of the life of the great Jew, Moses Mendelsohn, the dear and devoted friend of Lessing.

Emanuel Kant symbolizes to me the most oceanic mind of German philosophy, but Kant's father and grandfather were born in Scotland. The great German writers vilified and abused Kant's outstanding contribution to the knowledge of the world, the Critic of Pure Reason. Kant is considered an alien in Germany. Strange as it might seem, Goethe, Schiller, Lessing, Hegel, Schopenhauer, Nietzsche, and Karl Marx have worshipped the philosophical writings of the little Jew from Amsterdam, Benedictus Spinoza.

When Martin Luther first translated the Holy Bible in 1522 into the German language and helped to make Germany conscious of its nationalism, he helped to perfect the development of the great German universities. Throughout the world men and women flocked to German universities like Heidelberg and Bonn in order to develop themselves intellectually. German universities in the seventeenth, eighteenth, and nineteenth centuries were the great outstanding cultural centers of the world. There intellectual freedom prevailed. Science, art, culture, civilization responded to the freedom that came from enlightened minds trying to subjugate the forces of Nature and serve the will of man. [Applause.] Within the last 4 years a fanatical demagogue has taken possession of that great nation, Germany. He has destroyed intellectual freedom

and liberty of the mind. As a paranoiac, with fixed, firm delusions of grandeur and exaltation, he has enslaved a liberty-loving German people through brutality and force. Through him and his disciples he has pillaged and plundered the libraries of Germany and burned the great works of scholars, scientists, and professors of learning and culture in order that his paganistic cult of nature worship may prevail.

Throughout the world German savants, scholars, and men of learning are seeking opportunities for appointment to teach in foreign universities. What happened to Spain during and after the period of the Spanish Inquisition will happen in Germany. Where intellectuality is enslaved and might, force, and jungle rule prevail, that nation must succumb intellectually and culturally. To develop, a nation must battle for intellectual freedom. That is the foundation upon which the superstructure of civilization must evolve. [Applause.]

Mr. DUNN. Will the gentleman yield?

Mr. SIROVICH. I yield to the gentleman from Pennsylvania.

Mr. DUNN. The gentleman spoke about Christianity and cited as an example Mussolini preserving Christianity. That depends upon the interpretation the gentleman puts on Christianity. What is his interpretation of Christianity?

Mr. SIROVICH. As I explained to my colleagues, Christianity first and foremost stands for human rights; for the love of man for his fellow man, which is ethics; for the respect of the human mind for a supersensuous living God who is interested in man and man alone and not in Nature, which is religion; for morality; to love thy neighbor as thyself. To my mind, Christianity should represent the greatest peacemaking force in the world and preach the gospel of the doctrine of spirituality, dignity, freedom, and happiness of man. Christianity never stood for totalitarian governments that exploit human beings and consider them insignificant parts of nature. Christianity has given to mankind, wherever it has been permitted to develop, peace and freedom and has always held out to suffering man the promise of their redemption and salvation. That is my conception of Christianity. [Applause.]

Mr. DUNN. Will the gentleman yield further?

Mr. SIROVICH. I yield to the gentleman.

Mr. DUNN. This is quite a long discussion. The gentleman's definition of Christianity is a fine definition. Does the gentleman think that Christ thought it right for a powerful man to prey upon his brother who might be weaker? Is it not a fact that today practically every Christian nation in the world is doing that very thing? Of course, they call themselves Christians.

Mr. SIROVICH. In response to the question of my distinguished friend from Pennsylvania, may I call to his attention that when Jesus stood before the Pharisees in the temple and was being interrogated as to his views upon life, that moment, in my humble opinion, was one of the most dramatic moments in the world's history. Literally speaking, Jesus was " put on the spot" regarding the paying of tribute to Caesar. Without a moment's hesitation the Saviour replied, "Render unto Caesar the things which are Caesar's and unto God the things that are God's." In that extraordinary answer Christ once and for all declared that no ruler, king, potentate, or dictator should ever have the right to enslave the mind, the soul, or the spirit which belong to God, and to God alone, but so far as the political powers of the ruler is concerned man should have the right to obey the laws of a nation until they are changed by the sovereign right of the people. That statement of the Saviour typifies to my mind the attitude of the church and Christ to rulers throughout the world. [Applause.]

Mr. LUCKEY of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. SIROVICH. I yield.

Mr. LUCKEY of Nebraska. I have listened with great interest to the scholarly dissertation of the gentleman from New York and would like to ask this question: Would Hitlerism have been possible in Germany if it had not been for the injustice of the Treaty of Versailles?

Mr. SIROVICH. The Treaty of Versailles, in my humble opinion, was an infamous treaty imposed upon the defeated German race. It did not correspond with the philosophic dictates and expositions of the greatest philosophical President this country has ever had, Woodrow Wilson. To bring the frightful World War, with all of its horrors and tragedies to an end, Woodrow Wilson proposed and enunciated 14 points on the basis of which he hoped the German people would submit to end the war and stop the awful carnage, the pillaging, plundering, and destruction known as modern war. President Wilson, in his most gracious and affable manner, told the German nation that he was not at war with the German people but that our country, with all of its resources and manpower, had determined to check the autocratic despotism of kaiserism. As an evidence of the sincerity of the German people to the President's declaration, the German people laid down their arms, Armistice Day was celebrated throughout the world, symbolizing the cessation of hostilities.

A short time thereafter the most cruel, vicious, and unjust Treaty of Versailles was signed. It enslaved countless millions of innocent Germans and unborn Germans as industrial and economic slaves who would be compelled for generations to work in the quarries of industry and commerce to pay off the colossal and stupendous reparations and indemnities which victorious nations of the World War had imposed upon them.

When the German people could no longer carry this load and pleaded with the victorious nations of the World War to lighten their burden, our so-called statesmen of the world lost their greatest opportunity. Then and there the fanatical demagogue Hitler and Hitlerism came to the fore. Like Moses of old he promised to take the German people from the land of depression and helplessness and lead them to the promised land of social, political, and economical success. He has destroyed the freedom of the press, freedom of speech, freedom of assembly, and freedom of worship to millions of Germans and other citizens of that great nation. He has built concentration camps and torture chambers and has utilized every agency and instrumentality to break the will and spirit of millions of German citizens, all tragic victims of the accident of religious births. Throughout Germany the armament factories are working day and night preparing arms, and ammunition of war, that foreshadow the most dreadful carnage yet known to human history. Mr. Speaker, the time has come, the hour has now arrived, when this great Republic, liberty-loving as it is, in conjunction with the great constitutional parliamentary democracies as England and France, must call a halt to this modern tyrant. Mr. Speaker, I appeal to the great liberty-loving German nationals and representatives of German culture and civilization to rise in their might and break the shackles that have enslaved them during the last 4 years and destroy Hitler and Hitlerism the same as St. Augustine destroyed their ancient prototype, Mani and his Manichaeians, and thus liberate themselves from the Nero and Torquemada that has submerged their culture and civilization to the level of the dark Middle Ages of a thousand years ago. [Applause.]

Mr. Speaker, may I take this opportunity to thank the Members of the House for their patience in listening to my address for over an hour. [Applause.]

Gen. Robert E. Lee

EXTENSION OF REMARKS

OF

HON. JOHN J. SPARKMAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 20, 1939

ADDRESS BY HON. LUTHER PATRICK, OF ALABAMA

Mr. SPARKMAN. Mr. Speaker, under leave to extend my remarks I include the following address delivered by my colleague, LUTHER PATRICK, of Alabama, on yesterday as the principal speaker at the exercises held before Robert E. Lee's statue in Statuary Hall under the auspices of the United Daughters of the Confederacy for the District of Columbia:

Of course, it is no particular effort for any southerner to make a speech on the name of Lee. My grandparents—father's side, mother's side—fought for the Confederacy; even a great-grandfather was wounded fighting under the great leadership of Robert E. Lee. Mothers still love to name newly born sons Lee, often still adding the Robert. And yet I shall not lend my part of this lovely hour to reciting The Sword of Lee or The Conquered Banner, beautiful thoughts and grand niches that they occupy in literature.

When I was a little chap in school it was often my privilege, and ever a great delight, to arise and extol the valor and virtues of our great southern general and hero. How mother kissed and pressed me to her side and how the pupils joined in the theme shall always remain a memory to be cherished and enjoyed. I know now that I never gave anything new before my mother and schoolmates. There is no doubt that my every word and thought had been the speech of many before my day, but a child who cannot give a pretty fair account of who Robert E. Lee was and what he did in this life would have a poor chance of getting out of any present grade in his southern school work.

General Lee does stand out nobly in America's galaxy of generals. Many a general is at his greatest on the battlefield and in the officer's tent, but his personal life is not so great. Lee was and is recognized by historians all over this earth as one of the all-time great military men of genius.

English, French, and Italian historians place him in the immediate company of Alexander, Hannibal, Napoleon, Caesar, in his world rank as a military genius; and this takes no thought of his general character, noble purposes, and gracious contributions to civil life and educational development of his day. His shadow grows longer and his form finer with the passing of years and as the sunlight of more fully seen historical facts are given to develop them. We know at this date that we may exclude every hour and every achievement of his outstanding military history and still safely nominate him as one of America's all-time great.

But may we develop safely and without being thought any less "southern" another theme today? We shall only touch upon it briefly. We know the conquered banner was bathed in heroes' blood, that of valorous and valiant men fighting for what they felt was right, fighting with all their hearts. We know the sword of Lee flashed naught but glory and honor, and our hearts shall forever swell with pride as we review the records they show as the moving finger writes and has written; but withal the banner is a conquered

one and Lee's glorious sword did come to its sad moment of surrender. Of course, we shall always tread lightly about the graves of those dead, shall cherish the fearless charge that followed the rebel yell into the very cannon's mouth, shall bring richest oils, aloes, and myrrh to the shrine of Lee's last resting place, shall sing songs and write poems to the sword of Lee and to the conquered banner, shall encase their smallest momento in embroidery and sweetened with perfumes, but also shall let it rest there. There they belong. Their own glory is enough, rich in an abundance of kisses and tears.

A conquered banner, it matters not how pure and unsullied, is not a challenge of the highest inspiration to the achievement of the awakening dream of youth. It does not lend life to early castles in the air. No sword ever flashed more brightly than the clear steel blade of Gen. Robert E. Lee, but our hopeful and cherished youth know of a World War that has passed in historic review between them and the War between the States, a war in which their fathers fought by the side of the grandsons of those who died under the leadership of Meade and Grant and Hooker, and it does not light the bright fires of their hopes to forever refer them to the sword that was forced to surrender.

This exquisite statue of our great and beloved general is not merely a monument upon which to lay a wreath and to drop a tear but is a stone, one of the mighty stones, upon which we are building our Nation. Thus while we pay the highest tribute to the sterling and peerless leader, Lee, and point with swelling pride to his achievements, to his character, and to his devotion to his cause, still we do this while remembering to point the onmarching youth of our beloved Southland to the greatest gift this earth has to offer to the children of men—citizenship in the United States of America—a flag that has never been conquered, Old Glory, the banner Betsy made, our flag—and to a swift and shining sword that has not and must never know surrender—the sword of freedom!

I thank you.

Reciprocal-Trade Agreement With Cuba

EXTENSION OF REMARKS

OF

HON. SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Friday, January 20, 1939

REMARKS OF CERTAIN MEMBERS OF THE GOVERNMENT OF PUERTO RICO

Mr. IGLESIAS. Mr. Speaker, on January 13 the representatives of the government of Puerto Rico and I appeared before the Committee for Reciprocity Information on trade agreement with Cuba to defend the interests of Puerto Rico, and on leave of the House I am inserting here my own remarks and those of other representatives of the island:

STATEMENT OF HON. SANTIAGO IGLESIAS, RESIDENT COMMISSIONER OF PUERTO RICO

Commissioner IGLESIAS. Mr. Chairman and members of the Committee, I have no statement in writing. I am just going to explain my point of view directly to you. The Governor of Puerto Rico has expressed a sincere and accurate statement regarding the conditions and situation of the island. What he said is true. Puerto Rico has a great density of population, over 1,800,000 people in 3,400 square miles. That is to say 500 people per square mile. The area of Puerto Rico is made to sustain such a crowd of people there.

Sugar production in the principal industry of the island. Two-thirds of the people of Puerto Rico are engaged in agriculture. Thousands of workers are unemployed at this time. Unemployment is very serious and it is the greatest problem that we have to confront in the island.

This proposal of reducing the tariff with Cuba is certainly a threat; it causes a terrible apprehension that another economic catastrophe may obtain in the future. The workers on the island depend more than anything for their employment, and the business in general, on what sugar can give to them.

It is very extraordinary, very exceptional, that with the island of Puerto Rico being one of the most important markets of the United States, buying $65,470,000 worth against $49,615,000 of Cuba, that we are going to protect Cuba against the interests of Puerto Rico.

The reason seems to be that by giving that concession to Cuba we will increase the benefit of the importations that Cuba can have from the United States.

In the reduction of the tariff from Cuba they have received already in the past years the sum of almost $180,000,000 in benefits, while Puerto Rico could not receive such benefits, and it is affirmed that they are going to receive $2,000,000 more each year if that reduction will be granted.

For each dollar of sales of Puerto Rico to the United States the island has purchased 83 cents worth of American products, as compared with 52 cents worth of purchases made by Cuba directly. So Puerto Rico, as an American country, has contributed to the market of the United States more than Cuba has done, regardless of that fact that there have been benefits constantly given to that ccuntry.

At this moment I have no desire to attack Cuba, which is only natural. We are practically the same kind of people in general, but I want to affirm this: That all those millions of dollars that are given to the treasury of Cuba, or the producers in Cuba, do not go directly to the masses of the workers of Cuba. They have not received any benefits, but in Puerto Rico anything that is being given directly to better conditions over there, the workingmen receive a part of that benefit.

The decree of the President of Cuba some months ago has put the wages of the workers of Cuba engaged in agricultural pursuits, especially in sugar, on a basis of 80 cents a day and up. There is no control over the hours of labor there in the sugarcane fields. There is no organization—there cannot be an organization for the workers over there for years and years. They get from Haiti and other West Indian countries of English extraction cheap labor—cheaper than they have over there. So the benefits are accrued by those who make the business, but not by the workers themselves.

When we talk about Puerto Rico we are talking about the greatest majority of the workers over there; we are talking about the benefit to them, to protect them; and I come here just to express to you, in my poor English expression, that anything that is being done to give preference to the foreign countries is against the interest of Puerto Rico, and, as Senator PEPPER has established here, to the States of the Union and Hawaii, too. All the materials for that industry are being bought over here, not in a foreign country. We are not going to Europe; we are not going to any country but the United States; and when you study this question seriously and profoundly you will see what is going to be the tremendous handicap that Puerto Rico is going to have in view of these concessions to other countries.

I am not going to enter into a discussion of the facts concerning the sugar industry per acre, because there are people here that understand the situation much better, who know what is going to be the crisis that may come in view of the proposal that is before your committee.

The same thing occurs with the tobacco industry of Puerto Rico. They cannot compete with the tobacco of Cuba, and anything that is being given to Cuba is against the interests of the tobacco producers in Puerto Rico.

The same thing may be said in regard to pineapples. Any concession given in regard to pineapples in Cuba would be against the interests of Puerto Rican producers, as well as the Hawaiian producers and other State producers.

The same thing has happened with coconuts. In giving to England the benefit of reducing their tariff on coconut importations to the United States it has made the producers of coconuts in Puerto Rico suffer.

It is indeed a very complicated situation, this matter of the so-called reciprocity and change of tariffs. The interest of the United States should lie in protecting their property, that is Puerto Rico, Hawaii, and the other islands. The other countries can produce tremendously cheaper. The workers in many of those countries cannot organize themselves to defend their economic conditions and to improve their situations. The United States has given them the right to organize, and has guaranteed them the right to protect themselves. Puerto Rico has had that privilege, especially since Governor Winship has been there.

So, Mr. Chairman and members of the Committee, I think that I will conclude by saying that I will endorse very sincerely not only what the Governor has said but what the other members of the government of Puerto Rico and the private businesses have to say, and I know that they will do it much better than I can. The people of Puerto Rico have been very generously treated, of course. Since the occupation by America over there we have made wonderful progress. We believe that we are a part of the United States, and anything that may be done over here to protect the people of the United States would be protecting the people of Puerto Rico. I thank you.

Chairman GRADY. Thank you, sir.

STATEMENT OF HON. F. A. LOPEZ DOMINGUEZ, COMMISSIONER OF AGRICULTURE AND COMMERCE OF PUERTO RICO

Commissioner DOMINGUEZ. Mr. Chairman and gentlemen, I appear here in behalf of the government of Puerto Rico. That means in behalf of the whole island of Puerto Rico and of all the interests concerned, without expressing any special interest in any manner or any special commercial activities of the island, but only to present the question from the point of view of the welfare of the people of Puerto Rico as a whole.

The Department of Agriculture of Puerto Rico is charged with the responsibility of looking after the welfare and the development of agriculture and the commerce of the island of Puerto Rico. Anything that affects those things is, of course, of vital concern to the Commissioner of Agriculture of Puerto Rico.

In this specific instance the issues that are going to be presented here are not only of vital importance, they are a matter of life and death for the people of Puerto Rico. I am going to try to show this very briefly, and I will just get over the direct, concise statements in a few chosen fields, because I know you do not want any long discussion of any sort or any unnecessary detailed information.

Puerto Rico is an agricultural country and must depend for its income chiefly on the exportation of agricultural products. The chief lines of export have been sugar, molasses, products of the needlework industry, tobacco, fruits, fresh and prepared or preserved, coffee, and, for the last 3 years, rum.

Due to restrictions in production, in accordance with congressional legislation and administrative measures, and to concessions made to foreign countries introducing into the American market the same products as Puerto Rico sells here, the total value of these exports has declined during the fiscal year ending in June 1938, in accordance with the table herewith attached. It may be seen from this table that the total value of exports has dropped down to $82,077,000, as compared to the total value of $114,954,000 for the year immediately preceding. This is lower than our total exports for the depression years, except 1932 when the great storm swept the island and destroyed property of approximately a total value of $80,000,000. This means that the balance of trade for the year 1937–38 has been against Puerto Rico by a total sum of $11,237,605. It may be seen from this table also that the sugar and molasses exports have been reduced from $72,601,000 to $51,361,000; that the needlework industry dropped in value from $20,811,000 to $11,612,000. This industry is now at a standstill, it is on the verge of disappearance on account of the wages and hours law. The tobacco exports have diminished from $10,115,000 to $8,484,000. The tobacco industry is also menaced now by the Wages and Hours Act. Coffee, which at one time within the last 20 years produced as much as $7,000,000, and which last year netted an income of $1,170,000, has dropped down during this year to $111,000.

Rum is a new industry that is just beginning to develop and the estimates are that during this calendar year it declined 20 percent in volume. Also, the needlework industry is at present at a complete standstill and the tobacco industry is menaced with disappearance on account of the application of the Wages and Hours Act. It may be seen that the fruit industry is declining, as will be shown later, having dropped from a total of $2,451,000 last year to $1,760,000 for this year. This was an industry that produced in the past about $8,000,000. It is down now to $1,000,000 and will be less.

The estimates for the calendar year of 1938 show that there will be a drop of $12,500,000 in purchases and of about $21,000,000 in sales, so that the value of our total exports for the ensuing year 1938–39 are bound to be lower than for this year. Now, this is a tremendous situation. This means that all our lines of exports, for one reason or another, which I do not want to tire you now with explanations of, but chiefly on account of restrictions through legislation and through administrative determinations, but in a great measure on account of concessions to foreign countries that produce the same thing that we produce at cheaper rates, all our lines of export have been practically annihilated up to this moment. Now we are facing the situation where, after tremendous effort to put over a more sound economic basis by diversifying this production, we are pushed back again because of Cuba, and we are facing 1939 where we will have to feed the people of Puerto Rico and we will have to supply them the necessary services in health, school, and other things, and we are facing the job of keeping up the standards of our industry, and an industry which has been reduced down to $51,000,000 from $70,000,000.

Chairman GRADY. Commissioner, I think you ought to show wherein these proposed concessions will harm Puerto Rico and not address yourself to the general problem of Puerto Rico, which is not what we have before us here today.

Commissioner DOMINGUEZ. I understand, Mr. Chairman, but I have made this expression as a background to show the tremendous importance that it will have in affecting the life of the people of Puerto Rico. I wanted to show that we are going to be dependent entirely on sugar, and anything that menaces the income from sugar would menace the life of the people of Puerto Rico.

I wanted to say that anything that reduces our income is going to be vital for us, because we are buying here about $100,000,000 worth, which represents the extreme limit of our needs, and if that is reduced to about half, then it means that our standards of living will have to go all the way down. I am going to leave that without saying a few things I have here, Mr. Chairman, to comply with your instructions.

Commissioner DOMINGUEZ. Yes, sir. The fact that Puerto Rico has imported in the past over $100,000,000 worth of goods, that only last year our purchases amounted to $98,859,969, shows that, in order to keep our present standards of living we ought to be able to buy goods and commodities amounting in value to not less than $100,000,000. The fact is that, in order to maintain a proper standard of living in Puerto Rico, much more than this amount should be expended for imported goods. Reducing the income of the island to slightly over one-half of the requirements of the population not only means a great lowering in the standards of living but is bound to create a very difficult social problem, mainly by an extensive increase in unemployment.

As regards point one, the theory of the trade agreements is that they create a greater purchasing power in foreign countries that will result in increased exports from the United States to them. The cigar manufacturers have been and are promoting this reduction because, in accordance with their views, they need to obtain Cuban tobacco at lower prices so that they may continue to use it in class A cigars. This means, then, that the manufacturers are planning on taking advantage of this reduction in tariff to obtain their product at lower prices. If this is so, then the concession is not going to favor the Cuban farmer. The only purpose it will accomplish then would be to deprive the United States Treasury of income to be given to the cigar manufacturers. The only way in which this measure would favor the Cuban farmer, then, would be by creating a greater demand for Cuban tobacco in this country. This means displacement of Pennsylvania and Puerto Rican cigar filler tobacco in the American market.

As regards point 2, the Cuban farmer is receiving now a price of from 55 cents to $1, and an average of 70 cents per pound for tobacco, which is raised at much lower costs than in Pennsylvania and Puerto Rico. Pennsylvania and Puerto Rico tobacco command a price of 42 to 45 cents per pound of stripping tobacco, which in Puerto Rico means a price of about 12 to 16 cents to the farmer. This hardly covers his total cost of production. The reduction in the tariff that has been requested would, then, give an added advantage to a foreign product which is selling in our own market at twice the price of our own product and putting our farmers at a further disadvantage in any efforts that they might make in the future to secure a more reasonable price than they are now getting for their tobacco.

Puerto Rico has been making efforts to improve the price on her tobacco by asking spontaneously for restrictions in production. Only this year, the allotment made to Puerto Rico under the Agricultural Adjustment Act was for 42,000 acres. The Puerto Rican farmers requested that this allotment be lowered to 30,000 acres in the hope of getting better prices. The value of the tobacco crops of Puerto Rico has diminished from $10,115,000 last year to $8,484,000 this year, and the discouragement among tobacco growers has been so great, on account of so many obstacles and restrictions and unfair prices, that I do not think there will be even 20,000 acres planted for the coming year. So one other line of export is gradually and surely going out of existence.

Pineapples: The pineapple trade agreement with Cuba has been only a source of disappointment and heavy losses to the Puerto Rican fruit growers. In the year 1935, 1 year after the trade agreement with Cuba on pineapples was signed, the shipments of fresh pineapples from Cuba to the United States were 52.7 percent of the total, and the shipments of Puerto Rico, 38.2 percent of the total. In 1936 the proportionate amount of Cuban pineapples increased to 55.4 percent and in 1937 to 64.6 percent, with corresponding decreases in the proportionate amount of fresh pineapples from Puerto Rico to 34.2 percent in 1936 and 28.3 percent in 1937. Not only has the proportionate amount of Puerto Rican fresh pineapples sold in continental United States been diminishing as a result of this agreement, but also the prices have been going down. In 1935 the price per crate for Puerto Rican fresh pineapples in the New York market was $2,66; in 1936, $2.47; and in 1937, $2.24. The agreement has wrought, then, a great injury to the pineapple industry of Puerto Rico. Not only this, but the only part of the agreement that would make some compensation to the Puerto Rican farmers has been utterly disregarded by the Cuban interests. I refer to the part of the agreement which required the Cuban Government to enable American growers to obtain pineapple slips in Cuba. The two attempts made by Puerto Rico pineapple growers to obtain slips in Cuba in 1936 and in 1938 met with such obstacles and opposition, encouraged by officials of the Cuban Government, that it was impossible to secure them. A report of the representatives of the Puerto Rican pineapple growers, who went to Cuba to purchase this material, is appended for detailed information. In our estimation, this has been a breach of contract which justifies an annulment of the agreement.

TESTIMONY OF WILLIAM CATTRON RIGBY, WASHINGTON, D. C.

Mr. RIGBY. I am legal counsel for the government of Puerto Rico. I have but a few words to say. The Governor has covered the things generally, and the witnesses for the different interests will be here.

Puerto Rico is somewhat in the same situation, in a way, that Mr. Brewster said Maine is. Puerto Rico is in the same situation as to the tropical products as Maine is to the products of Canada. It is a relatively small part of the United States, but its products are almost entirely similar to those of Cuba and the other countries, and apparently there is, because of that situation, a very natural tendency to use those products as those of a comparatively small part of the country in trading purposes, and that might be justified from the standpoint of the commerce of the whole country if it were not for the fact that Puerto Rico is in itself such an excellent market for the mainland, and particularly for its food products and its textiles, and giving up the things that support Puerto Rico and that support Puerto Rican industry is necessarily cutting right directly into the mainland's market.

Now, it is little hard to understand, perhaps, why it is that the Island of Puerto Rico, with only a million and a half of cultivable acres, farming land, can buy $90,000,000 worth of the mainland's products from the United States, which makes actually more than $60 an acre for every cultivable acre of Puerto Rico that they buy here, but the reason is explained in the situation there. You have that very dense population. You could not feed that population on simply the ordinary foodstuffs that they could raise there, with 1,800,000 people on 1,500,000 acres of land. What they have to do is to raise things of high per-acre value and trade them off for the foodstuffs. For example, they can raise on an acre of land devoted to sugar enough sugar to buy 10 or 11 acres worth, or the produce of 10 or 11 acres of rice in Louisiana, and so they buy about half of all the rice that goes out from the mainland. So with corn and the other things, and that is why Puerto Rico, with that relatively small acreage, is such a tremendously heavy purchaser of mainland goods, and is valuable for that purpose.

Now, I just want to add another word, if I may. The last paragraph of this press release that was sent out states, "Due consideration will, however, be given to all representations which may be made to the Committee for Reciprocity Information regarding any provisions of the agreement with respect to which the interested persons may feel that adjustments are necessary." That applies directly to the point of the welfare of the pineapple and the vegetable industries of Puerto Rico. We do want to ask that in any bargaining with Cuba there be taken into consideration and requested from Cuba, or insisted upon, a change in those things in the Cuban trade agreement that so directly hurts the interests of Puerto Rico. The agreement of 1934 cuts in half the tariff on the pineapples and has well nigh destroyed the pineapple industry of Puerto Rico, which is an industry that does not compete with the mainland at all, and particularly because they have failed to carry out the agreement to allow the purchase freely of slips so you could "smoke" the pineapples in Puerto Rico, to force their early ripening for marketing, because without the early marketing they cannot compete with the reduced tariffs, and yet they have not been able to get the pineapple slips for renewed propagation, because obstructions have been put in their way, and without the opportunity to purchase these slips, they cannot "smoke" their pineapples, because the smoking largely destroys the tender slips and thus prevents new propagation.

In the same way the reductions of the tariffs on vegetables have seriously hampered and injured the Puerto Rican vegetable industry.

Investigation of W. P. A. Activities

EXTENSION OF REMARKS
OF
HON. EDWIN M. SCHAEFER
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Friday, January 20, 1939

EDITORIAL FROM BELLEVILLE (ILL.) NEWS-DEMOCRAT OF DECEMBER 29, 1938

Mr. SCHAEFER of Illinois. Mr. Speaker, authorized to do so by the unanimous consent of the membership of the House, I am privileged to hand to the Public Printer for inclusion in the CONGRESSIONAL RECORD the text of a most interesting and thought-provoking editorial written by the Honorable Robert L. Kern, publisher of the Belleville (Ill.) News-Democrat, and which appeared in that publication on December 29, 1938.

Mr. Kern, a son of the late Honorable Fred J. Kern, of Belleville, who served in this House with distinction many years ago, is an editor of great influence in Illinois and with a wide knowledge of political affairs. The News-Democrat, likewise, is a journal of high influence and one which may rightfully be classified among the leading liberal daily newspapers, not only in the Midwest, but in the entire Nation.

This editorial from the experienced pen of Mr. Kern is timely indeed, in view of the constant demands on the part of some for investigation of the Works Progress Administration.

PUBLICIZE GOOD POINTS

Through this distinguished editor from my home city let me offer this food for thought and let me urge those who call upon Congress to authorize this investigation to include in whatever resolution they may present a suggestion, yea, a compulsory provision, that the good points of the W. P. A. be given just as much publicity as I am certain will be given to the bad points.

If we search for the truth, let us have all of it. Even though those who seek an investigation of W. P. A. and P. W. A. activities, may not like it, let them have the good, which they ignore, with the bad, which they seek.

I am starting my fourth term in this House. Never before have I taxed the budget of the Public Printer by offering anything for publication in the CONGRESSIONAL RECORD. But the thought developed by Mr. Kern is so logical and so pertinent to matters now before Congress that I feel I am justified to diverge from my usual course to place herein what I consider to be a very important message to the House membership.

Mr. Kern's splendid editorial follows in full:

[From Belleville (Ill.) News-Democrat of December 29, 1938]

INVESTIGATING THE W. P. A. AND P. W. A. ACTIVITIES—FAIR-MINDED AND IMPARTIAL INQUIRY THAT ENTERS INTO ALL PHASES, GOOD AS WELL AS BAD, WILL HAVE ACCLAIM OF ALL HONEST AND PATRIOTIC AMERICAN CITIZENS

That a resolution will be introduced early in the next Congress to investigate W. P. A. activities over the past 5 years is a foregone conclusion.

That Congress will authorize and appropriate for such an investigation is highly probable.

That the investigators will discover considerable in peculations and petty graft is inevitable.

The great diversity in the make-up of human nature being as it is, it is inconceivable that such vast sums of money could have been handled and distributed by so many different people without a degree of scandal and corruption entering the picture.

PROGRAM A PARTY RESPONSIBILITY

The W. P. A. is a Democratic administration issue, so the party must necessarily shoulder the blame for every evil that it has fostered.

But the Democratic administration is also entitled to all of the credit for the good that has been accomplished by the W. P. A.

By all means let us have a congressional investigation of the W. P. A., but let it be a fair and unbiased one.

For every case of petty graft exposed let there be cited in a parallel column the honest disbursements.

For every instance of coercive voting uncovered, let there be listed the names of those who voted the Democratic ticket in gratitude for the food and shelter that only the W. P. A. afforded.

For every dollar found to have been diverted into private pockets illegally let them put down the thousand dollars distributed fairly.

And for every W. P. A. official found guilty of wrongdoing let them laud the other 999 who performed their allotted tasks thoroughly, conscientiously, and honorably.

INDUSTRY FAILED WORKERS

Let the investigation show that the P. W. A. and W. P. A. of this Democratic administration has provided subsistence and shelter for millions of American men and women which private industry could not or would not give.

And against the total of several billions of dollars of Federal expenditures through these two branches of government, let them also list the astonishing totals reached by the end of 1937 of 11,106 new public buildings, repairs, and additions to 31,173 others, 43,870 miles of new roads, 146,901 miles of old roads improved, 19,272 new bridges and 13,166 old bridges made safe for traffic.

And the total will also include 3,300 water-storage dams and 15,855 other dams for the prevention of soil erosion.

Include also the large total of new city streets and sidewalks, parks and recreation grounds prepared for public enjoyment, and countless other items of civic improvement far too numerous to mention.

BILLIONS INVESTED IN HUMANITY

The permanency of millions of these W. P. A. and P. W. A. dollars are visible to the eye.

What is not so easily discerned are the billions that have been invested in humanity.

A fair-minded, impartial fact-finding investigation of the Works Progress Administration will be acclaimed by all honest and patriotic Americans of every political faith.

But one of those long-nosed, snooping, evil-hunting committees, interested only in scandal mongering, will earn nothing but the disgust it will deserve.

The Wage and Hour Law

EXTENSION OF REMARKS
OF
HON. SAM HOBBS
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Friday, January 20, 1939

Mr. HOBBS. Mr. Speaker, our beloved Uncle Sam, who has of late years become known as Santa Claus, used a new sleigh last month to deliver large presents of grief to some of his 130,000,000 children in the United States. This new sleigh was the wage and hour bill.

Under its malevolent functioning this is what happened to a business in Alabama which for years before this new sleigh was put into operation functioned with perfect satisfaction to its employees and with profit to the owners:

In December 1937—before the wage-hour offensive—the average wage for the month was $53.19. In December 1938,

it was $51.65. Production decreased 27.4 percent, costs increased 46.67 percent. Average sales price increased 7 percent. The December profit of $3,000 plus of 1937 had been transmuted into a $4,000 loss for the same month of 1938.

This is a true story which could be multiplied many times. It is one of Uncle Sam's Christmas presents to some of the finest men under the Flag, who happen to own this business. Insolvency instead of solvency, loss instead of profit, both to the employees and the employers.

This story is of a firm which has complied with the law both in letter and in spirit. It hoped against hope that it could survive under the wage-hour law. It is not the story of the hundreds of businesses which did not have enough capital to enable them to experiment—they are closed.

This simple statement of facts will bring joy to those who designed this piece of legislation, for this is evidence that it is having the desired result—to kill industry in the South.

Both employer and employee will suffer in the South. Few, if any, employees will be benefited in the other regions of our Nation. But the industrial "big shots" of those other regions will profit, so "On with the dance, let joy be unconfined!"

W. P. A. Appropriation

EXTENSION OF REMARKS
OF
HON. JAMES A. SHANLEY
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Friday, January 20, 1939

Mr. SHANLEY. Mr. Speaker, in all my experience I have never received telegrams from so many disinterested organizations who are anxious to obtain real and adequate relief. Every one of these organizations is absolutely for the President's proposal and so am I. I have read every page of the 221 of the hearings. I have read the report. I have studied the bill. I have listened to the debate in the committee and if I needed anything else to convince me of the urgency and of the real substantial need of the President's proposal I would go to page 50 of the hearings where Colonel Harrington, whose ability and whose sincerity has never been questioned, pointed out that even today there are 750,000 certified eligible relief applicants who have not and cannot be placed.

Let us assume, for example, that a real purge, as Republicans and some of our Democratic friends maintain, of the relief rolls will dismiss 500,000. Let us maintain that this is true and 1 out of every 6 of the eligibles is really ineligible. Even with that ratio there would still be just as many and more eligibles for relief as is warranted by the President's proposal. You and I know that the charge that there are over 500,000 ineligibles who could be purged is fantastic, ducks the issue, and seeks to draw up a smoke screen. It is my humble opinion, from study and analysis and personal investigation, that no such numbers are illegally entitled to relief.

Mr. Speaker, under unanimous consent, I am using my privilege to insert three typical important telegrams which have been sent to me.

From New Haven:

Please vote against reduction of W. P. A. appropriation.
NEW HAVEN FEDERATION OF MUSICIANS,
ARTHUR J. EHEHALT, *Secretary.*

Earnestly urge you support President's proposal of eight hundred and seventy-five million for W. P. A. New Haven has no money on hand or in 1939 budget to meet increased relief costs that committee proposal of seven hundred and twenty-five millions will compel if adopted.

JOHN W. MURPHY,
Mayor of New Haven.

I have added also a copy of the resolution of the State Senate of Connecticut. It is interesting to know that the liberal vote in the State senate was for the President's proposal while the Republican-controlled lower house voted tooth and nail in opposing the resolution.

Resolved by the Senate of the State of Connecticut, That President Roosevelt's proposal to the United States Congress, recommending a W. P. A. deficiency appropriation in the amount of $875,000,000 be, and the same is hereby, wholeheartedly endorsed by the Senate of the General Assembly of Connecticut, and that the clerk of the senate be instructed to inform the Connecticut delegation to Congress of such action and urge them to vote for said appropriation.

The Responsibility of Congress

EXTENSION OF REMARKS
OF
HON. J. THORKELSON
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Friday, January 20, 1939

Mr. THORKELSON. Mr. Speaker, I have received many resolutions asking for personal and public aid from the Federal Government. Several of them are practically ultimatums for $1,000,000,000 or more for relief. Many of such resolutions concern requests for work, regulation of hours, length of working time, and compensation. A few of them ask to have some employees fired and others appointed in their places. There are resolutions for W. P. A. employees to be tried by tribunals in their own organization; to introduce and support legislation to regulate and limit working time and other related conditions for employees in public industries; resolutions to propose and favor constant spending of money for the promotion of Utopian living conditions; resolutions to appose retroactive taxation, and against amendments to the N. L. R. Act; resolutions to recognize and make relief organizations permanent under civil-service status.

I have resolutions to stop war, to police the world, to help warring nations, and to employ and support religious groups. I have also resolutions which protest farm regulation and planning by the Government. As a matter of fact, I have received hundreds of resolutions, and would like to mention every one of them, but there are simply too many.

I do not look upon such public interest and reaction lightly, for there are definite causes for such mass protests. It is said where there is smoke there is fire, and I believe it is well for Congress to remember that our Nation is smouldering. Some day it may break into a destructive fire of public upheaval.

Someone is responsible, and it is not the people. It is not industry, commerce, business, labor, agriculture, professional, or any other earning group. It is not President Roosevelt, ex-President Hoover, or any other President, for no legislative power is delegated to the Chief Executive. Responsibility cannot be placed on Departments, or upon subdivisions thereof, and it cannot be blamed on a particular administration.

The blame for all must be placed on the majority in Congress which has supported unconstitutional legislation; upon those who have denied and disparaged the rights retained by the people; upon those who have treated lightly their oath of obligation to preserve, to protect, and defend the Constitution of the United States. The people themselves are also to blame for not having elected to office men who embrace the Constitution as the greatest instrument ever drafted for the protection of the people.

I am not interested in the enactment of laws. We have too many. I am, however, interested in the people who have labored and helped to create and build the wonderful structure we live in. For 2 years I shall use every effort to warn the people to protect themselves and their rights by sending men to Congress who will adhere to and support the Constitution instead of destroying it by enactment of unsound and unconstitutional laws.

We, the Members of Congress, should bear in mind that Congress represents all the people in all the States—that

when laws are enacted to help one group, they hurt another. If laws are enacted to punish one group of the people, it is a pain in the neck to all the people. We must stand together or hang singly. When the people's rights are restricted or removed by laws, one by one, when the last is removed, Congress has, by such legislation and confiscation of rights, transformed our Government into a legal despotism. I want every man, woman, and child to understand this, and never forget it.

It is now in order for someone to introduce a resolution that Congress resume its rightful position to the people, as provided for in the Constitution. That would be the manly and the proper thing to do, instead of passing the buck and blaming someone else for our own mistakes.

Congress cannot evade responsibility by general accusations because the people are too intelligent, and they are doing their own thinking. If I am right, and I believe I am, let us begin now to get business going in a businesslike manner so that our idle people may be gainfully employed. We cannot increase consuming power by Federal spendings. It just does not work—never has and never will. All business must either be run by the people or by the Government. There is no middle road. To expect business to operate and to furnish money to the Government so it in return may use such money to foster or enter into competition with its own benefactor—business—can only end in idleness, poverty, suffering, and revolution. Yes; revolution against professors, dreamers, crystal gazers, and horoscope entrepreneurs. The people are ill from technicalitis, graphitis, and statisticitis. The people are sick of laws, restrictions, and regulations, and, Mr. Speaker, I am in accord and in sympathy with them.

The people should now take the law into their own hands by insisting that all departments in the Federal Government adhere to the Constitution; that all laws enacted in conflict with the Constitution be repealed, one by one, so that the people's rights may be restored. That will start the wheels of industry going, furnish employment, increase consumption, build property, and return the American smile to our people.

War Hysteria and National Defense

EXTENSION OF REMARKS

OF

HON. HAROLD KNUTSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 20, 1939

RADIO ADDRESS OF HON. HAMILTON FISH, OF NEW YORK, JANUARY 19, 1939

Mr. KNUTSON. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following radio address of Hon. HAMILTON FISH, of New York, delivered over the Mutual Broadcasting System, Thursday, January 19, 1939:

What I intend to say this evening may not be approved or appreciated by New Deal war mongers, hysterical internationalists, war profiteers, superpatriots, and Communists, who are all hell-bent on arming the United States to the teeth for the purpose of acting as a policeman for the entire world.

The contention that this country of ours is in danger of foreign attack is sheer political bunk. It aims to deceive the people into supporting a huge armament program in the guise of national defense, which in reality is nothing but a smoke screen to obscure the depression and economic failures of the New Deal.

President Roosevelt rants against foreign dictatorships and nations where there is no freedom of speech, religion, or business, but never mentions Soviet Russia, the founder and creator of this autocratic and ruthless type of government.

I submit that we should devote our energies to solving our own problems and to making America a better and more prosperous country to live in, instead of worrying about the forms of government in Russia, Germany, Italy, and Japan.

I am willing to vote for every dollar that is necessary for adequate national defense, but not one dollar for aggression or for political purposes or pump priming.

I feel strongly that in the midst of a depression, with 12,000,000 unemployed, it is not sound policy or logical to cut down relief for our destitute on the one hand and spend billions for superarmaments and destructive purposes on the other. If we have billions to spend it should be spent for the benefit and welfare of our own people in promoting their health and well-being, and to help the one-third of our population who, according to President Roosevelt, are ill-housed, ill-clothed, and ill-fed.

Billions are needed for a proper and adequate low-cost housing program and to do away with slums. More billions are needed for parks, playgrounds, and hospitals. Large sums are urgently needed to help eradicate such maladies as cancer, tuberculosis, and contagious diseases that are ravaging our people.

The American people cannot have their cake and eat it too. We cannot spend billions on destructive purposes and have billions to spend for constructive and useful purposes. The people must decide whether they want to follow the sound advice of Thomas Jefferson or the pump-priming schemes of President Roosevelt, all tied up in a red, white, and blue ribbon. Let a Republican quote the sound advice of Thomas Jefferson, one of the keenest minds to ever occupy the White House, and what he said applies precisely to the present world situation:

"I have ever deemed it fundamental for the United States never to take an active part in the quarrels of Europe. Their political interests are entirely distinct from ours. Their mutual jealousies, their balance of power, their complicated alliances, their forms and principles of government, are all foreign to us. They are nations of eternal war. All their energies are expended in the destruction of labor, property, and lives of their people. On our part, never had a people so favorable a chance of trying the opposite system, of peace and fraternity with mankind, and the direction of all our means and faculties to the purposes of improvement instead of destruction."

I particularly desire to emphasize Jefferson's wisdom in advising our people to spend their energy and money for the purposes of improvement instead of destruction and for peace and fraternity with mankind.

Although I happen to be the ranking Republican member of the Committee on Foreign Affairs and a veteran of the World War, I speak tonight in neither capacity, but as an American citizen who is sincerely alarmed at the extent of the war propaganda and hysteria being spread throughout our country by the administration.

The American people are actually being led to believe that they are in danger of attack by foreign nations.

They are being led to believe that foreign nations plan to invade South America.

They are being led to believe that we are as defenseless as Ethiopia and China, and about to be invaded.

They are being led to believe that in spite of annual expenditures of a billion dollars for national defense our Navy is powerless to defend our shores.

They are being led to believe that the defense of our democracy requires our participation in collective security, economic sanctions, military alliances, and war commitments.

They are being led to believe that we must again make the world safe for democracy with American blood and treasure.

They are being led to believe that we must aline ourselves in a united front with the Communists against Japan, Germany, and Italy.

They are being led to believe that armament spending offers a way out of the New Deal depression; and, finally, they are being coaxed into believing that the President should have a blank check to determine the aggressor nation and take over the war-making powers of the Congress.

This would mean fighting dictatorships throughout the world by creating a one man supergovernment and making the President the most powerful dictator of them all. I believe that the Congress should take back some of the emergency powers granted to the President and restore representative government in foreign affairs as well as in internal affairs.

Who is the leader in laying down this barrage of war propaganda and hysteria in America? Why is it being spread broadcast among peace-loving American people? What is its purpose and main objectives?

The American people have a right to know who is beating the war drums and arousing their passions, hatreds, and fears. President Roosevelt more than a year ago, at Chicago, delivered a provocative and inflammatory speech designed to alarm our citizens. The Chicago speech inferred that we were on the verge of war and called for American intervention in the quarrels and eternal wars of Europe and Asia. This speech was the opening gun in the administration's propaganda barrage to destroy our traditional American policy of neutrality, nonintervention, and peace for one of collective security, sanctions, and war.

Since that time scarcely a week has passed but what some Cabinet official or administration spokesman has filled the air with swashbuckling speeches, denouncing foreign nations and inciting our own people to hatred and talk and thoughts of war.

The lead given by the President and high New Deal officials has been quickly followed by the hysterical internationalists, Communists, and war profiteers. This constant war propaganda, like the dripping of water on a stone, has worn thin the will of the American people to keep out of foreign conflicts. I confess, deeply as I regret it, that war hysteria pervades the land, as shown by the actual belief of many people in New Jersey that it was being invaded by warriors from Mars. This is the direct result of the propaganda let loose by the war mongers of the New Deal.

I challenge President Roosevelt to tell the American people what nation, or nations, has the faintest idea or capacity to attack or invade the United States. President Roosevelt knows very well that no nation dreams of committing economic, financial, military, or naval suicide by attacking us. All of the dictatorial nations are heavily engaged in their own back yards, and will have all they can do to work out their own salvation at home. Why, then, this dangerous and un-American attempt to involve us in foreign disputes and other people's wars?

The truth is that President Roosevelt is at heart the greatest internationalist and interventionist that ever occupied the White House. He has consistently opposed the enactment of any neutraltiy legislation by the Congress, and has, with equal consistency, demanded that Congress turn over to him the war power of selecting the aggressor nation. If this demand had been granted I believe we would have been involved in a war by now. If the Congress accedes to the same demand, reiterated in the President's annual message, to determine the aggressor nation, we will inevitably be at war by 1940.

History is filled with instances of autocrats and dictators forcing their governments and people into war to cover up discontent and economic failures at home. It is to be fervently hoped that history will not be allowed by our people to repeat itself in America. The only real check is the sound common sense of the American people and their determination not to become involved in the war plagues of other continents.

I am unable to understand the motives of those Americans who insist that we meddle in foreign quarrels and become entangled in European or Asiatic wars. The hysteria has reached such a tempo of fury in the United States that Congress may be asked to provide submarines for western dust bowls, battleships for the Great Lakes, howitzers to protect every mile of the Mexican border, and antiaircraft guns to defend the Mississippi River. The people have the jitters, and instead of allaying the fear of war it is encouraged and fuel added to the fire by high officials of the Government.

The President asks for 8,500 airplanes. Against whom are they to be used? What nation can attack us from the air? No airplane has been invented that can fly from Germany, Italy, or Japan to bomb American cities and get back to their base.

I challenge President Roosevelt to tell the American people if he has any secret information about the possibility of foreign airplanes being able to bomb American cities.

It is the duty of the President to put an end to such hysterical propaganda instead of encouraging it by requesting Congress for over a quarter of a billion dollars to build a total of 6,000 airplanes for the Army alone.

I favor our having a sufficient quantity of the fastest, strongest, and best airplanes, and an efficient research bureau to keep up with the most modern inventions and improvements. However, I see no reason for providing for any additional planes. The 5,300 already authorized for the Army and Navy are more than enough to defend our shores and cities. My voice may be only a voice crying in the wilderness against the greatest propaganda machine ever known in America. It may be and probably is unpopular, in the midst of the wave of hysteria that has swept the country, to plead only for adequate national defense and against a super Navy, a naval base at Guam, and a super air force that can only be used for aggression and war instead of defense and peace.

It may be that Germany has 10,000 planes, but she is surrounded by enemy countries, not an hour's flight from Berlin. Ours, thank God, is a peculiar situation, guarded by extensive oceans that have not yet been conquered by airplane developments. A modern pursuit plane lasts only 5 years, and a bomber for from 6 to 7 years. I urge the building of the newest types of military and naval planes, but I am unable to see the need for additional planes beyond those already authorized. Against whom are they to be used? I do not know, unless perhaps it be the recently invigorated Republican Party.

That part of the President's program for research, industrial preparedness, and for mobile antiaircraft guns, artillery, and fast tanks should be supported by all loyal American citizens, regardless of party affiliations. That part of the program that deals with huge naval increases and doubling the air force must be squeezed through a public wringer to get at the motives and facts.

As Al Smith says, let's look at the record. I submit that we have the most powerful Navy we ever had—three times as large as Germany's, twice as large as Italy's, and 50 percent larger than Japan's. Even if we sunk our Navy, these totalitarian states have not sufficient airplane carriers to bring over more than 400 planes altogether, against the 5,300 we have already authorized. Italy has no airplane carriers, Germany has two, and Japan six. Each carrier can only transport between 40 and 50 planes. Still the American people have been made jittery by inspired propaganda that we are in danger from European and Asiatic air attacks. What fools we mortals be!

The President knows that no enemy bombers can fly 6,000 miles to bomb New York City and return. It is the duty of the President to stop this kind of humbug on our people, instead of beating the war drums.

It is this type of New Deal brainstorm propaganda that creates fear in the hearts of the American people and makes them feel that foreign airplanes might wipe us out overnight. Its only purpose is to develop a state of public alarm under cover of which Congress will grant huge sums to provide for 8,500 airplanes and still greater sums for other destructive purposes.

I have definitely made up my mind that I will not vote to declare war unless we are attacked or the American Continent is invaded. I shall vote every dollar needed to defend our own territory and to maintain the Monroe Doctrine.

Now is the time to reaffirm our faith in our traditional policy of neutrality, nonintervention, and peace.

In conclusion, I urge the radio audience to insist, in view of the proposed huge armament program for destruction and intervention, to write to their Representatives in Congress to support the proposed constitutional amendment, House Joint Resolution 94, I have introduced, giving the American people the sole power by a national referendum to determine whether their sons shall be conscripted to serve in our armed forces outside of the Western Hemisphere. This in no way interferes with our program for national defense.

I do, however, believe that the men and women of America who are opposed to sending their sons to die on foreign battlefields should have the right and power to voice their views in a national referendum.

I am convinced that this is a proper issue to submit to the people in a free country through a free ballot, and that it would tend to preserve and promote peace and keep us out of foreign wars.

Nonpartisan Cost-of-Production Bill

EXTENSION OF REMARKS

OF

HON. WILLIAM LEMKE

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 20, 1939

Mr. LEMKE. Mr. Speaker, I am talking to you today not only in the interest of the farmer and the laborer but in the interest of the professional and business man as well, I am not talking to you as a Republican or as a Democrat but rather as a citizen of the United States—a Member of Congress who is more interested in the success and welfare of 130,000,000 men, women, and children, in all the people of this Nation, than in a few bureaucrats in the Department of Agriculture or in any other department here in Washington.

I am sure that in the minds of a majority of the Members of Congress, regardless of political affiliation, the welfare of this Nation comes first. This is more clearly demonstrated when we realize that a nonpolitical revolt has taken place in Congress against the further deception and betrayal of agriculture. Eighteen Members of the Senate and eight of the House, realizing that the Secretary of Agriculture's farm program has been a "flop," introduced a nonpartisan cost-of-production farm bill.

These Members know that during the last 6 years of farm regimentation—of the insane policy of destruction and curtailment of agricultural wealth—about one farmer out of every five lost his farm by mortgage foreclosure, tax, or judgment sale. The price of that erroneous policy comes too high. You cannot become an $80,000,000,000 nation by curtailing and destroying the agricultural wealth of a $60,000,000,000 nation. We cannot attain the "abundant life" through the erroneous philosophy of scarcity. No nation has ever become great by destroying its wealth. Our Nation became great because it increased its wealth, because it produced an abundance for all.

Congress knows that when the Department of Agriculture and the Farm Credit Administration tell you that the farm indebtedness has been decreased by over $2,000,000,000 that that is only half the truth. This decrease in farm indebtedness has been brought about—largely—by mortgage foreclosure, tax and judgment sales. It has been brought about by evicting innocent men, women, and children from their homes and crowding them into the already overcrowded towns and cities to swell the ranks of the unemployed. We know that in these foreclosure proceedings the Federal land banks have been and are some of the worst offenders. We feel that this destruction of American farm homes must cease.

These Members of Congress know that the farmer who still owns his farm is deeper in debt than he was in 1932. They know that the prices for farm commodities last fall were as low as they were in 1932, considering the difference in the

purchasing power of the farmers' dollar. They know that millions are still idle, still hungry, and in want in the midst of plenty because they have no buying power.

They know and you know that the farmer can no more continue in business and sell his commodities for less than it costs him to produce them, than you, as a merchant, can stay in business and sell for less than you buy. Everybody seems to know that except the Department of Agriculture. If we want the farmer to continue to feed the Nation we must have the decency to pay him cost of production. No honest man or woman expects to eat, drink, or wear that which the farmer produces for less than cost of production.

This new nonpartisan cost of production farm bill defines agricultural products as "poultry, livestock, and any farm product of the soil, and any product or byproduct thereof, in an unmanufactured state," which entered interstate or foreign commerce in quantities having a value in excess of $10,000,000 during the preceding marketing year.

It provides that:

The Secretary of Agriculture shall ascertain and determine for each year the average cost of production to the farmers of each such agricultural product. Such average cost of production shall be determined after public hearings, participated in by the representatives of farmers' organizations, and all items of cost, including all taxes and other overhead charges, shall be estimated and included in accordance with the formula and method commonly used in the manufacturing industry.

The Secretary of Agriculture shall consider the average individual farm as a business unit, and shall, among other things, include compensation to farm operators for management and for labor for themselves and their families and hired help, equal to the compensation paid for like time and services in industry, together with adequate allowances for maintenance and depreciation of soil, improvements, buildings, farm machinery, implements, tools and equipment, stock-breeding and work animals.

He shall also determine the fair and reasonable property investment value, not necessarily the market value, devoted to the production of such agricultural products, using the official census data so far as possible, and calculate a capital return, equal to the average interest rate on farm indebtedness, upon the investment value thus determined. The Secretary shall determine prior to the beginning of each marketing year for each agricultural product an average-cost-of-production price which shall be equal to the average cost of production of such product as determined under this section.

Under the provisions of this bill the dealers in interstate commerce are licensed by the Secretary of Agriculture. They are required to pay to the producers the average cost of production price for that part of such products consumed within the United States. The Secretary of Agriculture is required to dispose of the surplus at the world price or he may keep it as warehouse reserves. For the surplus, the farmer will receive the world price, less cost of marketing and administration. For the warehouse reserves he will receive the cost of production price.

In order to protect domestic labor and industry, the bill provides further:

The Secretary may sell at or above the world price warehouse reserves and export quantities and percentage of any agricultural product to any processor or manufacturer for processing or manufacturing into finished or semifinished and manufactured or semimanufactured product, but he shall first require a sufficient bond from such processors or manufacturers to the effect that such finished or semifinished or manufactured or semimanufactured product or any byproduct thereof will not be sold or disposed of directly or indirectly for domestic consumption. Such finished or semifinished or manufactured or semimanufactured product, together with any byproduct, shall be exported to foreign markets unless the Secretary upon investigation finds that there no longer is an exportable surplus and that some or all of such products or byproducts are needed for domestic consumption.

It also provides further:

If the quantity and percentage estimated for domestic consumption should be insufficient by reason of flood, drought, pestilence, or other calamity, or for any other reason, to supply the demand for domestic consumption, the Secretary of Agriculture is authorized to supply such shortage out of the warehouse reserve or export quantities and percentages, at the cost-of-production price, plus storage and expenses.

It provides:

Any agricultural product, now owned or hereafter coming into the possession of the Government of the United States, or any department or agency thereof, shall be conclusively deemed to be warehouse reserves or exportable surpluses, and shall be disposed of only in accordance with the provisions of this act providing for the disposal of warehouse reserves and export quantities and percentages.

The bill protects the home market by prohibiting the importation of competing farm products at a price less than our domestic price level. The farmer will be given the American market:

In order to carry out the purposes of this act, the Secretary of Agriculture is hereby directed that whenever he finds, upon investigation, that the world price, computed in United States currency, of any foreign agricultural product or substitute, in its manufactured or unmanufactured state, is below the cost of production price of any competing domestic agricultural product, in its manufactured or unmanufactured state, to notify the Secretary of the Treasury thereof. It shall thereupon become the duty of the Secretary of the Treasury to levy and collect upon such foreign competing agricultural product or substitute on its manufactured or unmanufactured state, when imported from any foreign country into the United States or any of its possessions, a duty equal to the difference between the world price and the cost-of-production price of such product, plus 10 percent of such cost-of-production price.

This bill does not repeal or affect the soil conservation, the adjustment of freight rates, the new use and markets for farm commodities, the Surplus Commodity Corporation, loans on agricultural commodities, the retention of 30 percent of tariff revenues, or crop-insurance provisions of the 1938 Farm Act.

There is nothing new in this bill. It makes use of the same Federal power to help agriculture that has been used to help industry. The Interstate Commerce Act fixes the rates for the transportation of commodities in interstate and foreign commerce. The Packers and Stockyards Act regulates commission and yardage charges and fixes the price per bushel or ton on corn and hay charged farmers for feed for their stock while awaiting sale. The Commodity and Exchange Act regulates interstate and foreign commerce in the commodity markets of the Nation. It regulates the amount of commissions charged for the sale of grain. The Supreme Court has held all these acts constitutional.

This bill will not cost the Federal Government one penny. When it becomes a law there will be no further need for subsidies to the farmer. There will be no further need of the 27 varieties of Federal agencies now riding on the farmers' back. There will be no further need for an army of Federal employees to regulate the daily lives of the farmers. It will take at least 3,000,000 off the W. P. A. pay rolls because they will find useful employment. Prosperity and security for agriculture means prosperity for labor and business as well. When this bill becomes a law the Government will no longer have to bail out the farmer—the farmer will bail out the Government.

This bill will not materially increase the cost of living. The Department of Agriculture has shown that the farmer receives only 20 percent of the dollar that the consumer pays. The leech and the parasite, who still think that the farmer can or will feed him below the cost of production, will now be smoked out. He will have to come out in the open and be counted. This bill, together with the Frazier-Lemke refinance bill, is a complete solution of the agricultural problem and, also, largely, of the unemployment problem.

We imported from foreign nations $8,373,652,981 of agricultural products, substitutes, and manufactured products thereof in the last 6 years. That is the foreign valuation. The domestic valuation would be over $16,750,000,000. That is what the consumers paid. That is what our own people should have received instead of foreigners.

This would have been sufficient to have handed to every head of our 6,000,000 farm families a check for $2,790. That money would have done billions of dollars' worth of business in our own country. It would have kept the idle employed. It would have given buying power to the Nation—that is what the cost-of-production bill will do.

It is now up to the farmers and business and professional men throughout the Nation to get busy and let Congress know they, too, welcome this kind of intelligent legislation. It is up to the farmers to see that their farm leaders back

this legislation. The intelligent people must get together and solve the agricultural and unemployment problems or this Nation will collapse. It cannot continue to permit the destruction of homes—to hand out sandwiches because it is already $40,000,000,000 in the red.

Cooperation Between the State Commissions and the Federal Communications Commission

EXTENSION OF REMARKS

OF

HON. JOSH LEE

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Thursday, January 19 (legislative day of Tuesday, January 17), 1939

ADDRESS BY HON. PAUL A. WALKER AT NEW ORLEANS, LA., NOVEMBER 16, 1938

Mr. LEE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by Hon. Paul A. Walker, Federal Communications Commissioner, delivered at the Fiftieth Annual Convention of the National Association of Railroad and Utilities Commissioners, New Orleans, La., on November 16, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Cooperation, though one of the first subjects considered by this association, is still, in my opinion, the most vital of all. The Federal Government came into being through cooperation among the Thirteen Colonies, when they constituted themselves the Union of the Thirteen Original States, or the United States of America.

The National Association of Railroad and Utilities Commissioners had its inception in an effort at cooperation. Early in the year 1889, almost 50 years ago, Judge Thomas M. Cooley, then Chairman of the Interstate Commerce Commission, called together the railroad commissioners of the several States, with the idea of getting them to work together with the Interstate Commerce Commission for the better regulation of the railroads. Thirty States then had railroad commissioners or commissions. Twenty-one States and the Territory of New Mexico responded to the call. This association was organized at that conference, and has been a vital and necessary factor in all progress toward railroad or utility regulation from that day to this.

Then, regulation was largely a new and untried experiment. Today, it is an accepted part of our governmental administration. The most important question now is how best to achieve regulation which can be really effective and which can bring to the public the greatest measure of benefit, while at the same time doing justice to the utilities regulated. When we start, then, with the premise that regulation is now an accepted tenet of our system of government, and that the best, the wisest, and the most effective system of regulation is desired by all, the conclusion logically follows that a harmonious and effective working together of all agencies of government concerned in this regulation is a necessary factor of success.

Our Constitution provided for a Federal Government and defined its powers. It is a central agency with such powers as were delegated to it by that instrument. There were reserved to the States all powers which were not expressly delegated to the Federal Government and which do not arise by necessary implication to enable it to exercise fully those powers expressly delegated. In the Constitutional Convention there was great contrariety of opinion as to where the line should be drawn between State rights and Federal sovereignty. This issue nearly wrecked the convention. The conflict has continued through the intervening years as the courts have been called upon to reveal the Constitution by judicial interpretation. In the regulation of the utilities engaged in both intrastate and interstate commerce this long conflict can be terminated by cooperation between the Federal and State regulatory commissions. This was practically demonstrated through the case of Houston & Texas Railway against United States (*Houston, East & West Texas Railway Co.* v. *United States*, 234 U. S. 342), wherein the Supreme Court of the United States sustained the right of the Interstate Commerce Commission to remove discrimination on the part of the State of Texas against commerce from Louisiana, and by the whole line of similar and related decisions commonly known as the Shreveport cases.

Following these decisions, the Interstate Commerce Commissioners were not slow in beginning negotiations with the State commissions looking to cooperative handling of cases involving mutual jurisdictions of Federal and State Governments. Actual recognition of this situation by Federal statute did not occur, however, until the Transportation Act of 1920, amending the Interstate Commerce Act, provided that the Interstate Commerce Commission should be empowered to utilize facilities and agencies of the State commissions in determining interstate issues.

Congress having thus once recognized, by statutory enactment, the necessity for Federal and State cooperation, it was only natural and logical that in the creation of other commissions empowered to regulate interstate affairs the cooperative principle should be made applicable by legal enactment. In amending the Federal Power Commission Act and broadening its jurisdiction, statutory provision was made for cooperation between that Commission and the various State commissions. (Act of August 26, 1935, ch. 687, 49 Stat. 847.)

In 1934, when Congress created a new commission to regulate communications and transferred to it the duties theretofore exercised in connection therewith by the Federal Radio Commission, the Interstate Commerce Commission, the Department of Commerce, and the Post Office Department, it was only logical that there should be embodied in the Communications Act specific and definite provisions for cooperation between the new Federal Commission and the several State commissions. Sections 410 (a) and (b) of the Communications Act of 1934 (June 19, 1934, ch. 652, sec. 609, 48 Stat. 1105) give the broadest authorization for cooperation between Federal and State commissions found in any regulatory act of Congress to that date, concluding with this proviso: "The Commission is authorized in the administration of this act to avail itself of such cooperation, services, records, and facilities as may be afforded by any State commission."

This is as it should be. Just as commerce is not all interstate, so communication is not all between persons of different States. But the interrelationship between State and interstate communications is so vital that complete regulation cannot be had by either the State commissions or the Federal Commission acting independently each of the other. Together, there exists complete jurisdiction over regulation of communications. The act itself recognizes that no system of interstate regulation can cover the whole field, and that certain vital matters of regulation necessarily are left under the control of the States. The act likewise recognizes that no State, or even group of States working together, can regulate successfully all matters incident to complete control of wire communications of telephone and telegraph companies.

New conditions present new issues and responsibilities. When the Transportation Act of 1920 came into being, our national existence was dependent largely upon the railroads. Transportation still is a vital factor in our national welfare and security, and cooperation between State and Nation in regulation thereof is of major importance, but other agencies of human welfare now have crowded themselves into the problem as matters of primary consequence. Recent days have brought before us with a force most startling the possible truth that communication now is a greater and more potent factor than transportation in both national and international affairs.

The incidents leading up to the signing of the four-power agreement of Munich on September 30, 1938, and other recent events, have demonstrated the extreme importance of communications, not only in national but also in world affairs, involving, as they may, the life or death of nations, of governmental systems, and even of our modern civilization.

A world war is averted, and the world knows instantly when, and where, and how. A hurricane whips the New England coast, and while the storm is at its height material and financial relief gets under way.

So realistic are the word pictures flashed across the country by our modern communications that individuals and whole communities are thrown into consternation and panic by a war that never happened, and never could happen—the child of a clever imagination put in words by a clever dramatist, as occurred a few days ago. Most of us would have said prior to this unbelievable incident that it could not happen. (The War of the Worlds, dramatized by Orson Welles, October 30, 1938.)

In 1930, at a convention in San Francisco, messages were sent from the convention hall to most of the continents, and replies received within 30 minutes, and by prearranged traffic set-up a message was flashed around the world within 6 minutes. This was then a stupendous achievement in communications. But 3 weeks ago, ushering in the Nation's observance of Navy Day, an American admiral in New York was in constant two-way communication for 30 minutes with commanders of different rank on American ships on the seven seas, including Asiatic waters; on a naval air dreadnaught 10,000 feet above San Diego, Calif.; and in a submarine (and outside the submarine in an escapement demonstration) 100 feet below the surface of the sea at New London, Conn.; and any citizen who cared to tune in heard it all at his own fireside.

These incidents serve to indicate the crucial factor communication has become in our national existence.

It is this development, miraculous to the technically uninformed, that your Federal Communications Commission is charged with the responsibility of regulating for the purpose of the national defense and safety of life and property, and in the public interest.

The close relationship of wire communication to broadcasting, through the transmission of broadcast programs from one end of the country to the other, the possible transmission of television programs from city to city through the development of the coaxial cable, and the other interrelated services of wire and radio communications, bring definitely to the fore the keen interest of

all regulatory authorities in all communications. The tremendous development and improvement in wire communications further indicate the necessity of active interest of State and Federal authorities in a cooperative handling of the regulatory problems arising therewith.

At the 1934 convention the Chairman of the Federal Power Commission, now the Chairman of the Federal Communications Commission (Hon. Frank R. McNinch), expressed the present spirit of cooperation in these words:

"* * * The magnitude and complexity of the task that lies immediately before your commissions and the Federal Commission is so great and challenging that there is real need for close cooperation for the most complete and perfect unity and harmony that is possible, if together we are to meet and fully discharge the obligation we owe to the public and measure up to its expectations and demands, namely, that through the joint efforts of the State organizations and Federal organization the public utilities may be thoroughly regulated and the public interest completely protected."

I am most happy to give definite assurance that the Communications Commission is today adhering to the principles of cooperation so well enunciated by earlier leaders of the cooperative movement.

From the date of its organization, the Federal Communications Commission has attempted to cooperate with the State commissions on all matters of communications regulation where mutual interest and issues were involved. You will recall that, as a representative from the State Corporation Commission of Oklahoma, I was honored with the chairmanship of the first regularly designated "cooperative committee" of this association and was privileged to serve in that position until I became a member of the Federal Communications Commission. At the very beginning of its administration, the Federal Commission was confronted with problems demanding and necessitating the most hearty and thorough cooperation with the State commissions, and constantly since then we have been in touch with the State commissions' representatives on matters demanding mutual action by the respective Federal and State jurisdictions.

I shall attempt to point out, as briefly as practicable, some of the more important specific instances of cooperation between the Federal Communications Commission and the State commissions. Subsequent to the defeat of the Couzens bill of the Seventy-first Congress, attempting more adequate regulation of interstate wire communications, the State commissions came to the realization that interstate regulation was imperative, for the reason that so many vital factors could be reached only through a Federal agency. Hence, the States, both individually and through this association, gave active assistance during the Seventy-third Congress to the bills which formed the basis of the Communications Act of 1934. Various sections of the act, particularly its provisions looking to cooperation between State and Federal authorities, and its reservations to the States, reflect specifically the work of representatives of this association.

The most important practical instance of cooperation between State and Federal authorities came very soon after the organization of the Federal Communications Commission on July 11, 1934. Within a few weeks subsequent thereto, the Telephone Division of the Communications Commission extended an invitation to all the State commissions, and particularly through this association, to cooperate with it in the promulgation of telephone accounting rules and regulations. This invitation was promptly accepted, and a committee therefor (the State commissioners who sat through these proceedings included the Honorable Milo R. Maltbie, chairman, Public Service Commission of New York, and the Honorable Andrew McDonald, chairman, Public Service Commission of Wisconsin, and president of the National Association of Railroad and Utilities Commissioners. Other State commissioners were consulted from time to time. Most helpful cooperation was secured through a group of State commissions' accounting experts, including the association's committee on statistics and accounts), composed of several State commission representatives appearing for the association, and representatives of the State of New York, began active cooperation with representatives of the Federal Communications Commission. Commissioners of these various States sat in conferences day after day with the members of the Telephone Division of the Communications Commission, and thereafter also in conferences when the telephone companies expressed their views on the proposed accounting rules and regulations. The National Association went on record at Nashville, in 1935, in favor of adoption of these rules and regulations by the several State commissions. Thus, the accounting rules so promulgated represented unanimity of opinion and action.

This made what we regarded as a distinct advancement in regulation, calling for the furnishing of original cost data by telephone companies, a requirement vigorously resisted by the Bell System companies and others, and by certain telephone trade organizations. This opposition was carried beyond the Commission hearings and into the courts, where determined effort was made to enjoin the enactment of original cost accounting on the ground that it was both arbitrary and oppressive and not within the jurisdiction of the Federal Commission.

When the application of the telephone companies to restrain the Federal Commission from enforcing its accounting order (Order No. 7–C, issued June 19, 1935, to become effective January 1, 1936) was filed in the statutory Federal court for the southern district of New York, the legal representatives of the States and the Nation joined in defending the order. The general solicitor and the assistant general solicitor of this association and the legal representatives of the Public Service Commission of New York appeared with the representatives of the Attorney General's Department and of the Communications Commission. The Federal court, in a unanimous opinion by Judge Manton (*American Telephone & Telegraph Co. et al.* v. *United States et al.*, 14 F. Supp. 121), sustained in all important particulars the accounting order of the Federal Communications Commission.

The same spirit of active cooperation prevailed throughout the appeal taken to the Supreme Court of the United States by the telephone companies, where the general solicitor and the assistant general solicitor for this association joined with the representatives of the Attorney General's Department and of the Federal Communications Commission in briefs and argument in support of the Commission's rules and regulations. Again, that Court, through an opinion delivered by Mr. Justice Cardozo (Id., 299 U. S. 232), unanimously sustained, in all important particulars, the rules and regulations of the Federal Communications Commission.

In the decision of the lower court appears this important observation, indicative of the power and spirit of cooperation and the effect of unity of actions: "47 State public-utility bodies acquiesce in the proposed requirements." Thus, through unanimously cooperative efforts of every State having a regulatory commission and the Federal Communications Commission, unity in accounting rules and requirements was effected and the basis laid for an actual, rather than a fictitious, valuation of telephone properties for ratemaking and taxation purposes. The principles concerned were far more important than any mere accounting rules. They involved the rights of the several commissions to require data from the utilities fundamental and vital to regulation. This decision of the Supreme Court of the United States, sustaining the Federal Communications Commission in its accounting rules and regulations, provided a precedent for other commissions, State and Federal, to prescribe similar regulations for other utilities, including transportation, power, and natural gas. This victory was so vital to the cause of regulation that we can all take pride in crediting cooperation with one of the great accomplishments in its history.

The second major case before the Federal Communications Commission wherein active cooperation was practiced was the application of the carriers to increase telegraph rates. Following the practice of the carriers before the Interstate Commerce Commission, the telegraph companies, in December 1937, filed a petition with the Federal Communications Commission for a general percentage advance in interstate domestic rates and charges for telegraph messages. These applications involved, indirectly, of course, intrastate charges, because it was obvious that any change in the level of interstate rates must be met by corresponding change of intrastate rates, to prevent unjust discrimination.

Soon after the filing of these applications with the Federal Communications Commission, inquiry was made on behalf of the States, through this association, as to a cooperative handling of the proceedings. Our Commission promptly invited the cooperation of the State commissions, and they appointed a committee of five commissioners (the committee of five commissioners was composed of the Honorable John S. Boyer, of the Public Service Commission of Missouri, chairman; the Honorable Dennis J. Driscoll, chairman of the Public Utility Commission of Pennsylvania; the Honorable Leo H. Leary, of the Department of Public Utilities of Massachusetts; the Honorable Paul H. Todd, of the Public Utilities Commission of Michigan; and the Honorable Harry Holden, president of the Public Utilities Commission of Idaho), who sat with us at the hearings, during oral argument, and in conferences. The general solicitor of this association participated at these hearings, assisting in developing the facts, and by oral argument and brief. The Communications Commission availed itself of the advice and suggestions of these State commissioners in the proper disposition of the proceedings, and they concurred in the views expressed by the Commission in its decision wherein the advances requested by the telegraph companies were denied. (See Petitions of Domestic Telegraph Carriers for Authority to Increase Rates and Charges, Docket No. 4995, decided April 26, 1938.)

Thus, in the two proceedings before the Federal Communications Commission involving mutual problems of regulation, the State and the Federal Commissions have worked together in complete harmony, and the effect of this cooperation has been unanimity in decision and in final results of litigation.

Another field of cooperation has been in the telephone investigation. The new Federal Communications Commission received from Congress, the duty, among others, of regulating rates and practices of telephone companies, and direction to make certain investigations. The 1934 convention of this association went on record as pledging cooperative aid in all practicable ways in making the investigation of the telephone companies. (See Forty-sixth Annual Convention Report, p. 386.) The Seventy-fourth Congress thereafter increased the investigatory powers and duties of the Federal Communications Commission in authorizing and directing an investigation of the American Telephone & Telegraph Co. and its subsidiaries and all other telephone companies (Public Res. 8, 74th Cong. (49 Stat. 43), effective March 15, 1935).

The Federal Communications Commission immediately called upon the several State commissions for assistance in the selection of personnel to make the investigation. Where practicable, State commissions made available personnel from their staffs or from those subject to call. Thus, we drew heavily upon the State commissions for the accounting, engineering, and legal staffs of our

investigation. Many of the States were not in a position to release personnel because of shortage of help in their own organizations, but there was manifest among all the States the spirit of cooperation and the desire to assist in pointing out competent and available personnel for employment by our Commission. It was a matter of regret that, because of the long and continued work on the telephone investigation, it was impracticable to have State commissioners sit in the hearings and conferences on matters under investigation. I am sure the results would have justified the formation of a committee of State commissioners to work with the Federal Commission on the investigation and sit constantly at the hearings, but time and financial limitations made this infeasible. The cooperation given by the State commissions was deeply appreciated by our Commission.

The Federal Commission, on its part, attempted to carry through this spirit and purpose of cooperation by regularly making available to each commission copies of reports compiled and introduced from time to time in the investigation for the use of the State authorities. During the last year of the investigation reports particularly pertinent to State commission activities were furnished the State commissions through the rate and research group (headed by Carl I. Wheat, rate counsel) of the telephone investigation. That the information gathered and furnished to the States by the Federal Commission was put to practical use is illustrated by actions taken by the several State commissions. The aggravating hand-set charge, now, fortunately, on its way into oblivion, is a concrete example. I could recite other instances brought to me by State commission representatives in various investigations and rate cases.

In addition to these concrete examples of cooperative aid to the State commissions through the furnishing of information, I could cite instances of personnel borrowed from the Federal Commission's investigational staff and of advice given to State commission staffs through exchange of personal visits.

I can only hope that the plan of joint conferences between the Federal and the State commissions may be further followed and that through such conferences practicable solutions of current regulatory problems may be effected without the necessity of costly and long-drawn-out litigation. Cooperation during the telephone investigation was most helpful. Greater and more thorough cooperation, had this been practicable, would have been most advantageous to everyone concerned.

I call your attention now to matters of continuing cooperation aside from those heretofore recited. To be effective and worth while, accounting rules and regulations require constant supervision and examination on the part of the regulatory authorities, to see that they are being complied with. To do this requires a larger personnel than has heretofore been available either to the Federal or to the State commissions. Concrete results in effecting the regulatory benefits to the public will assure better financial support to bring about the needed personnel. I cannot hope here to point out the many instances before our accounting department where cooperation with the State commissions is imperative. Various classes of accounts and of accounting practice, not yet made effective, but requiring uniformity of action and of procedure thereafter, on the part of both Federal and State commission authorities, are, as you know, now under consideration. Nor shall I attempt to detail negotiations and cooperative efforts under way dealing with uniform interpretations of accounting rules and uniform periodic reportings for telephone and other companies or with the pension system accounting. I call your particular attention to the imperative necessity of some immediate consistent action in connection with the problem of depreciation as practiced in the telephone industry and especially as affecting the depreciation reserves carried by the Bell System companies.

There are two other important and vital matters necessitating cooperation. One is the question of what constitutes exchange rates, that is, whether, for example, a telephone company, by the mere publishing of so-called exchange area rates, may thereby evade both State and interstate jurisdiction. The other problem is designated as one of separation, that is, the determination of where the division between State and interstate jurisdiction on toll calls begins. Such a separation is essential before any final solution of exchange and toll rates can be brought about.

Vitalizing a provision in the Communications Act for liberal State cooperation, the association now has before it for consideration at this meeting a suggested plan, approved both by the executive committee of this association and by the Federal Communications Commission. Plans in themselves are important only as indicating the machinery available. As I have so often quoted from a former member of the Interstate Commerce Commission, Hon. E. I. Lewis, "Cooperation is of the spirit and not of the letter." I believe that both the State commissions and the Federal Communications Commission are sufficiently imbued with the spirit of cooperation to make it a successfully working factor in bringing about effective regulation on communications matters within the jurisdiction of the respective commissions. Speaking further of the machinery of cooperation, I trust that the day is not far distant when sufficient funds can be available to carry on cooperation as intended by Congress and as hoped for by the commissions concerned.

The problem of continuing cooperation sometimes presents serious phases. It involves oftentimes an exchange of personnel and the releasing of persons sorely needed in present assignments. Yet we have tried to accommodate ourselves to what appeared the greater need of all. Only recently we released one of our engineers to complete a 3-month task for one of the State commissions. From time to time engineers and accountants from our staff have assisted State commissions in important matters. Numerous requests we have been unable to comply with because of lack of personnel and funds. The Commission now has before it the troublesome problem of pensions, already mentioned, which is being handled in a cooperative way.

At the outset of the telephone investigation (see proposed report on the telephone investigation (pursuant to Public Res. No. 8, 74th Cong.), pp. 418–419, 709. United States Government Printing Office, 1938) the problem of the use of telephone wires and facilities in so-called sporting news dissemination, particularly in race-track gambling at points distant from the track, was before the Commission. The problem is a serious one, and its solution involves much more than the mere promotion of law observance. A short time ago the Federal Commission was called upon by the State of Pennsylvania for active cooperation in an acute situation involving this problem. To determine whether communications facilities shall be denied to an applicant to all appearances in regular course of business; and if so, under what conditions, may involve basic principles of government and of individual rights; yet the problem must be faced and a solution found. The Pennsylvania commission, following its recent race-track gambling investigation, issued orders directed to three telephone companies (*Penna. P. U. C. v. Bell Telephone Co. of Penna.; Same v. Keystone Telephone Co.; Same v. Penna. Telephone Corp.;* issued October 26, 1938), in one of which the commission said:

"It is apparent that Federal action will be necessary if the real purpose of this order is to be effectuated. The longer and stronger arm of the Federal Government is therefore summoned by us to the aid of Pennsylvania in this effort for proper regulation of the facilities of interstate communications in the interest of the public. * * *"

The Pennsylvania commission is undoubtedly right in calling upon all the appropriate Federal agencies for cooperation and assistance. It may develop that the matter is not one which can be adequately dealt with under present laws. If so, Congress and the States must provide the necessary authority by appropriate legislation.

We could continue to recount past accomplishments and to detail current problems, but it is to the future that our cooperative efforts should be directed and with reference to which my appeal lies. I think that each of us, regardless of his particular relation to regulation, may now feel that the season for reaping something of the harvest sown through past years is here. Through legal enactments now in effect, Federal and State, the authority necessary to substantial success in utility regulation exists. However, effective administration as well as authority must be had if desired results are to be secured.

Of this, however, I am confident, that if this meeting of commissioners, of whatever jurisdiction, shall witness a rededication of talent and effort for regulation effective in all fields and fair to all interests involved, we shall from now on achieve a new and definitely greater measure of success.

To be worth while, cooperation must reflect itself in something tangible. The spirit must be translated into deeds. A mere willingness to cooperate or work together, though a necessary predicate to cooperation, is not enough. The situation which called the Federal Communications Commission into being was realization by the States that they could not, either singly or jointly, effectively regulate the communications utilities. The demonstrated futility of attempts at such regulation, due to interstate operations, brought congressional support from State commissions for interstate regulation. It is my hope that our Federal Commission shall be able to function in the practical manner intended; not that we should take over functions of the State authorities, but rather that we should, by our assistance, make the State commissions able to function as it was intended that they should, as completely effective regulatory agencies. This must necessarily imply a mutual concept of the theory of regulation. If we are agreed that the primary function of a utility or public-service commission is the protection of the public, that is, to see that every right of utility patrons is fully sought out and protected, as to both services and charges, while at the same time doing justice to the utilities themselves, then we have a basis which both justifies regulation by commissions and guarantees the success of cooperation.

I shall not dwell further upon the duties of the States. Speaking for worth-while cooperation by the Federal Communications Commission, I vision the day when our Commission will be sufficiently manned and financed that we can make available at your request both information and personnel assistance. Today the great central organization of the Bell Telephone System, for example, has experts available on call for any one of its subsidiaries, the result being that the remotest Bell Co. has the resources of this powerful group subject to its call; whereas the local authority, or State commission, being left to itself, is without resources or facilities adequate either to effect regulation or to protect the public. In the proposed report (Proposed Report on the Telephone Investigation, pp. 697, 713, 755, 757, 771) on the telephone investigation I have indicated an effective Federal working organization wherein are coordinated all classes of able personnel needed, functioning effectively to accomplish adequate public regulation. Such an organization, properly supported,

as it would be if it had the enthusiastic and active backing of the several State commissions, would be an effective agency of real cooperation and would make possible Nation-wide effective regulation by State and Federal authorities of all the utilities under our mutual jurisdiction.

Agriculture in the South

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Thursday, January 19 (legislative day of Tuesday, January 17), 1939

ADDRESS BY DONALD COMER, OF BIRMINGHAM, ALA.

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the RECORD an address by Mr. Donald Comer, president of the Avondale Mills, Birmingham, Ala., before the annual meeting of the American Farm Bureau Federation on December 12, last.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I was honored when your president, Mr. Edward A. O'Neal, invited me to be on this program. Mr. O'Neal is an Alabamian and is a personal friend of long standing. Also, Mr. Howard Gray, the head of your association in Alabama, is a personal friend. My only hope, naturally, is that I can add something really worth while to this meeting and so not disappoint either you or these two good friends of mine.

I am going to list my speech into three parts. The first part will deal with the things that we can do in the South to help ourselves. In this category I was asked by your president to particularly mention the need for continuing improvement in our cottonseed.

One of the great men of the South has just died—I refer to Mr. David R. Coker, of Hartsville, S. C. He has devoted a large part of his life to the breeding of many kinds of seed, but he has specialized on cottonseed. The good results of this effort will be found all over the South, but in his own native State the continuing crops there of better staple cotton is outstanding, and is evidence of work done along this line and largely because of the continued emphasis of the need for this by Mr. Coker. I am very happy for this opportunity to make this public recognition of the life work of my friend Mr. Coker.

I have studied the records of the cotton crops of the last decade, both as to its grade and staple, and I am quite sure that everyone here will agree with me that it is well within the realm of possibility for us to increase the average length of our cotton crop one-eighth inch in staple and to increase its quality at least one grade. These two improvements could easily give an added value to the crop of $5 a bale.

The Bureau of Agricultural Economics, in their August 31 release, said: Of the 18,237,100 bales of the 1937 cotton crop, 44.3 percent was white Middling and better and 33.6 percent was inch or longer. So 55.7 percent was under Middling and 66.4 percent was under inch. The same authority quotes the penalty for the next grade down 49 points, or $2.45 per bale, and for the next staple down 62 points or $3.10 per bale. Penalties of $5.55 per bale for over 60 percent of the crop, even if it were only one grade and one staple down. Of course, it averaged much lower.

I realize that already tremendous progress has been made along this line and that there is continuing progress being made. The urge for this is coming from many sources, our agricultural colleges, of course, taking the lead. As processors of cotton, cotton spinners are having a part. Mr. Coker has given credit to prizes offered by South Carolina cotton manufacturers for the best 5 acres of cotton. In Alabama, cotton spinners, in cooperation with Auburn, have inaugurated such a program, offering rewards, through 4–H clubs for the best acre of inch-staple cotton. It is interesting to know that in one of our counties a young 14-year-old girl, Gladys Woodruff, won first prize.

Increased and new uses for cotton is a very lively question before all of us today. A group meeting in Memphis November 21, and headed by Mr. Oscar Johnston, calling cotton the Nation's foremost economic problem, has launched a South-wide campaign to this end. They propose to raise a generous fund based on an assessment of 2 cents per bale for carrying on this campaign. The Cotton Textile Institute now for a good many years have been devoting many thousands of dollars annually for the promotion of new and increased uses of cotton. This has been financed partially by the mills contributing 1 cent per bale for each bale that they spin, and the fund has amounted to as much as $100,000 a year.

The need for increased work along this general line was recognized in the last Congress and we are soon to have a research laboratory located in the Cotton Belt and financed with a million dollars a year by the Federal Government. I naturally hope that this laboratory will be located at Auburn, but wherever it is located it holds out a very distinct promise for the cotton industry. It would be wonderful if at the very beginning of this search we could all agree on two programs, namely, that we could cover our cotton in cotton bagging and that we would ask the Post Office Department to tie up our mail with cotton string instead of with jute. Jute as a raw product comes into our country without tariff and continually displaces cotton as covering, as container, and as string, and just for one reason—it is grown in India where farm people work for 8 and 12 cents per day. I will speak about this more generally later.

I realize the difficulty of a common program sufficiently broad for everyone to get behind it. I believe that the most fundamental difficulty down here at the moment is the lack of a fair amount of industry. If our farmer friends can have a proper appreciation of what this means, I am quite sure we can have cooperative effort toward its accomplishment.

I lived in Birmingham during the 10 years that Dr. George R. Stuart was pastor of the First Methodist Church. He told us that in his experience with people he had never been able to get everybody to do the same thing excepting in two instances; he could get everybody to stand up, and he could get everybody to sit down. He also told us that a certain member of his church complained to him that the people were not friendly, that no one spoke to him. His answer was, "When you go to church next Sunday, I suggest if you shake hands with the person next to you, he will shake hands with you." I think that behind this philosophy there is an answer to many of our problems today, but I am not here to try to claim any final answers.

To all those studying the subject I feel sure that you can learn much from the annual international edition of your local paper here, the Cotton Trade Journal. President Roosevelt on election eve night at Hyde Park said: "The modern interdependent industrial and agricultural society is like a large factory. Each member of the organization has his own job to perform on the assembly line, but if the conveyor belt breaks or gets tangled up, no one in the factory, no matter how hard he tries, can do his own particular job. Each of us—farmer, businessman, or worker—suffers when anything goes wrong with the conveyor belt. If our democracy is to survive it must give the average man reasonable assurance that the belts will be kept moving."

What our problems are has been repeated over and over again by many people. I am going to quote from some of these later on. Right here, though, I should like to claim for our section tremendous progress since the Civil War, regardless of our handicaps and regardless of obstacles and obstructions. I am not going to try to outline or detail this evidence of progress. You cannot look anywhere without seeing it. The South is going to continue to make progress in spite of obstacles. This is not going to stop us, however, from calling attention to unfair treatment and injustices and to suggest their elimination.

The Department of Agriculture in Washington, together with the help of our Congressmen, have worked out a farm program. We have recently voted to continue this program and as a farmer in south Alabama I voted with the majority. Some of my reasons for this position might be different from the reasons of someone else.

At Enterprise, Ala., there is a monument erected by citizens of that town in the main city square to the boll weevil. The boll weevil destroyed so much of their cotton (for which he did not pay them) that they, through desperation, had to look for other crops and they began to plant peanuts and raise hogs and the results were so satisfactory that they expressed their appreciation with a monument to the boll weevil for having come.

Now comes the Federal Government and asks us to curtail our cotton and pays us for it and thereby gives us the opportunity to find other crops and I am sure we will discover that they will be just as helpful to us as the Enterprise farmers found peanuts and hogs were helpful to them. My only suggestion to our cotton farmers in the Southeast is that they take advantage as fast as they can of this legislation, helping to improve its administration wherever possible. Surely the loan policy should give way to a free market supported by benefits.

In the North and West I recently read accounts of prizes that had been won by farm boys and girls. One girl won a prize for having put up in the course of a certain length of time 4,000 cans and jars of vegetables, fruits, and meats, and another 14-year-old girl of Aledo, Ill., Irene Brown, had raised the prize steer and was paid $3,785 for him, and as a matter of interest, it was bought by an industrial company—the Firestone Tire & Rubber Co., of Akron, Ohio.

In the South where just a few years ago prizes were being offered for the purpose of stimulating the best result in cotton, today we find prizes also for the best corn, the best pig, and for the best steer.

The dairy countries of Europe, because they were dairy countries, now have their farm lands richer today than they were a thousand years ago when they first put them under fence. For a hundred years the South has been pursuing a farm policy that has left our land and our people the poorest in our country. Everywhere we see tendencies away from this. Legume and cover crops for both winter and summer, the growing of cattle and hogs and dairy products is increasing. These programs are having the support of our farm leaders all over the South. As we change more and more of our land from cotton to pastures, food and

dairy products, we are still going to find that we have not solved the problem until we have nearby customers.

A recent study in Georgia showed that from 1920 to 1930 between three and four hundred thousand young people left Georgia and went to other States. Georgia estimated that for the education and care of this many young people to maturity had cost the State a billion dollars, and, yet, just as they reached the point where they could turn their talent to production and benefit for Georgia, they found that broader and better opportunities seemed to lie in the North. This has all got to be changed. It is changing.

Dr. H. A. Morgan, of T. V. A., several years ago made a wonderful speech on the subject of Decentralization of Industry. He compared two counties in Tennessee—Lowden and Hancock; Hancock purely agricultural, Lowden with agriculture and industry fairly well balanced. He showed that in Lowden the assessed valuation per child of school age was nearly double that of Hancock. He showed that the amount spent per child of school age was three times as much in Lowden, that the schools were opened 50 percent more days, that the teachers' salaries were nearly double that of Hancock, and that the tax rate per $100 was less in Lowden than in Hancock. Dr. Morgan compared Mississippi and Ohio. Mississippi, with no industry, with farming practically the only occupation, producing agricultural products to the value of a billion dollars, whereas Ohio, the smaller State, with 63 percent of its population in incorporated towns and cities, had a farm income of over $3,000,000,000. Mississippi was raising cotton for export and Ohio was raising diversified food products for her industrial population. Dr. Morgan asks, "Do you see what industry does for agriculture?"

In the South we are not asking industry to pick up lock, stock, and barrel and move down here, but we are suggesting that, where the advantages justify it, that industry be encouraged to come, and we are suggesting that all national manufacturers whose plants are in the North consider the establishment in the South of branch plants at least to take care of some of the needs of their southern customers.

We have two and one-half million farmers in the South. Wouldn't they and the whole country be better off if they could buy their trace chains from some southern plant, a branch plant if you please, of the Pittsburgh plant?

There has been some criticism of the fact that localities in the South have offered some inducement for such moves—have offered tax exemptions. I don't care to argue the point to a conclusion, but all of the industry in the East and North was established behind a tariff wall, which means that all of our people were taxed with a tariff tax in order that they might become established.

It seems to me in comparison with this a very small thing in some instances for the local communities down here to say that we altogether, and only we are willing to burden ourselves by carrying your tax while you come and get established with us. I have said always that in the South we want no industry that comes here for the purpose of exploiting any situation. As much as we desire to have a mixture of industry and agriculture, we would prefer to fight our battle along agricultural lines and take our industrial development more slowly.

In our home market, cotton has a hard fight with domestic competing fibers. We all recognize this and all we ask is that there be no favorites. In 1911 the United States produced 500,000 pounds of rayon, with a world total of 18,500,000. In 1937 the United States produced 342,000,000, with a world total of 1,800,000,000, with Japan well in the lead and making it so cheaply that they require local spinners to use 25-percent rayon with cotton for all fabric for home use.

In 1916 kraft paper was produced in this country to the equivalent of 684,000 B/C. In 1936 this had increased to 3,904,000,000 pounds, or the equivalent of 7,800,000 B/C.

Paper and rayon are fair and natural substitutes for cotton in many places, but certainly we must be alert and active in the interest of cotton.

How will nearby industry help the southern situation? The Bureau of Agricultural Economics of the United States Department of Agriculture on April 15, 1938, listed the farm wage rates of the several States as of April 1. The lowest rates were in the following order:

South Carolina	$0.80
Georgia	.85
Alabama	.90
Mississippi	.95
Louisiana	1.00

This for one day's work without board. Twenty cents per day was deducted if board was supplied. These wages reflect the old system. Since it was this farm wage at home or an industrial wage away from home, it is only natural that our farm boys and girls continue to go North. I think all industry is just as bad as all agriculture. I think that in the South farm boys and girls should have a chance for an industrial job without having to leave home. I think that as these 90-cent-per-day workers are given a chance for jobs in industry for $2.50 and up, that this will be that many more dollars in their hands to spend first for truck from the nearby farmer, and then for the finer things that come from the North.

The minimum in the South today for the textile worker is 30 cents per hour for 8 hours, with an average of nearer 40 cents. Multiply this by 300,000 southern textile workers and you can easily see how much increased purchasing power has resulted in this one industry.

You have only to look around in your home or on your person, or on the shelves of any store, to realize that the stuff we spend our money for in the South largely comes from without the South. If the North loses an industrial worker to the South, it results in the changing of a southern farmer to a textile worker and out of this move the North as a whole profits more than does the South. Yet we find an active opposition from the populous industrial North to every effort we are making to develop industry in this predominantly agricultural section.

Secretary Hull is constantly reminding us that trade is not a one-way traffic. Since the war between the States, the South has been buying things from the North with dollars that came from our exported cotton. The North has all the manufacturing industry in this country, the South can't become industrialized without some of this industry moving from the North to the South. The North became industrialized behind a tariff wall against the older European industrial countries. The South can't erect any such barriers against the industrial North, they don't want to, but they do say that since the North expect to continue to sell us automobiles, electric refrigerators, radios, watches and clocks, cutlery, luxury and semiluxury articles, they must take pay for these things in a large way in things that we can make in the South. The same argument that Secretary Hull uses of swapping things in a trade between nations holds just as true in a trade between the States. We like to grow cotton in the South, we want to keep on growing it, we want to keep growing some for the export markets, but the North must look less and less for cotton dollars in payment for the things that they sell us and they must realize that they must more and more take their pay in things from the South. As I said before, all sections of this country will be better off because of this.

President Roosevelt on July 4 last year, addressing the descendants of old Hudson Valley families, reminded them that a hundred years before Governor Clinton was asking for public money with which to build the Erie Canal in order to float the farm produce of the West more cheaply to New York. President Roosevelt said that his forbears, together with the other valley farmers, opposed the program, feeling that they would lose their markets to the down-river urban dwellers to the cheaper farm produce of the West. But he said that over the opposition of our forebears, the canal was dug and that as a result the descendants of the Hudson Valley farmers are still there and prospering and the West has developed and, our urban neighbors had the benefit of the cheaper western products.

The South doesn't want a Government canal dug to the urban centers of the North; but they do want barriers in the way of discriminatory freight rates removed, and, as that does us good, it will be just that many more dollars in our pockets to buy more of the high-priced luxury and semiluxuary goods from the North and to help us to assume our full responsibility, social and economic, in this Nation of sister States. For a hundred years the South has had to pay for the things it bought from the North with dollars—dollars which came to us from our exported raw products. This has worked a hardship on our land and our people. That procedure will not continue.

It is stopping right now. Fair trade must be by barter; if we are to continue to buy things from the North, they must in a large measure take their pay with things from the South. We won't have international trade on any other basis, and certainly the trade between the States must be on that basis, too.

The two great stumbling blocks today to expansion of industrial growth in the South are, first, the distance from the more populous markets of the North and, second, the South has to pay higher rates per mile for moving its stuff than the North has to pay per mile for moving their stuff. I prefer not to let this fact rest on my statement alone, and so I am quoting you what some other people have recently said.

First, though, let me say that the textile interests of the South filed their protest in this matter of discriminatory freight rates before the Interstate Commerce Commission and the northern railroads, in opposing our efforts, filed the following statement: "In many instances such commodities, sought to be marketed within official territory, come into direct competition with the commodities produced in that territory. Official lines, therefore, are in duty bound to protect the geographical or other natural advantages possessed by shippers or producers on their lines, and as a matter of justice and equity they may not be required to join in such low bases of interterritorial rates as to nullify or neutralize those natural advantages."

The Interstate Commerce Commission decided against us, but a minority report was filed by three of their members in which they said, "We repeat, therefore, that if rate equality on cotton piece goods is not justified on this record, it is not likely that sufficient evidence can be adduced to move the Commission to prescribe rate equality for any other commodity."

Since the southern Governors have taken up this whole question before the Interstate Commerce Commission and hearings in that case have just been completed at Buffalo, N. Y. The opposition was led by northern Governors, with Governor Lehman of New York at the head. I hope the philosophy of Governor Clinton will prevail.

Governor-elect Frank Dixon, of Alabama, was recently in Washington in conference with the President and he said, "The President is convinced that the present discrimination in fixing freight rates must be and will be corrected."

The National Emergency Council in their recent report on the South said, "The South has been forced for generations to sell its agricultural products in an unprotected world market, and to buy its manufactured goods at prices supported by high tariffs. The

South, in fact, has been caught in a vise that has kept it from moving along with the main stream of American economic life. On the one hand, the freight rates have hampered its industry; on the other hand, our high tariff has subsidized industry in other sections of the country at the expense of the South. Penalized for being rural, and handicapped in its efforts to industrialize, the economic life of the South has been squeezed to a point where the purchasing power of the southern people does not provide an adequate market for its own industries nor an attractive market for those of the rest of the country.

"Moreover, by curtailing imports, the tariff has reduced the ability of foreign countries to buy American cotton and other agricultural exports. America's trade restrictions, without sufficient expansion of our domestic markets for southern products, have hurt the South more than any other region."

The Honorable Harry Hopkins, W. P. A. Director, several weeks ago in a Memphis national broadcast hook-up said, "Crushed by the Civil War and the incredibly vicious period of reconstruction, what you have done and are doing in the face of economic and political handicaps which have prevailed since the War between the States constitutes a saga of human accomplishment of which you can forever be proud. * * * Later the freight rate structure was planned to clinch the industrial supremacy of the North and the East. It still stands and today's rate differentials penalize both southern railroads and southern shippers. Northern manufacturers have a rate advantage of about 30 percent over southern manufacturers who want to ship the same products into the rich and populous North and East. The tariff puts a double handicap on the South. It makes it difficult for foreign shippers to send goods here in exchange for our export crops of cotton and tobacco. At the same time, it increases the prices of manufactured products which the South must buy."

The Honorable Alf Landon, head of the Republican Party, has recently in Little Rock, Ark., said: "It is evident that the Republican Party after fighting a war to keep the South in the Union, unhappily for the Nation, has ever since pursued a tragic policy, the effect of which has been to keep the South out of the Union." Ex-Governor Theodore Christianson, of Minnesota, recently in Alabama, is quoted as saying: "The South has been discriminated against in that matter and suffered freight rate injustice. Freight rates should not be geographical, but should be based solely on the cost of rendering the service performed."

The Honorable David Lilienthal, T. V. A. director, in an address at the University of Alabama, was quoted as saying that money that had come into the South from its exported cotton and which was spent for things made in the North had been the basis of the tremendous industrial and transportation wealth of that section. He also said that the prices obtained for the South's exported cotton had been so low that it had left an impoverished people and an impoverished land. Colliers on April 30 said: "The Constitution says they can't do it, but the States are erecting trade barriers against each other."

If the South is an economic problem and if there is to be a discussion of conditions in the South, it seems that we should deal in causes as well as results. If the South has been the Cinderella of the Nation since the War between the States, is there any wonder that today we find in the South the lowest expenditure per school pupil, the lowest paid school teachers, the greatest percentage of illiteracy, is it any wonder that we find the lowest farm income, the lowest textile money income, the lowest percentage of income taxpayers, the lowest per capita wealth, obtainable anywhere.

We sometime overlook in thinking about our problems down here the tremendous value of our cottonseed oil. I have before me a chart which shows that in 1937 we produced 4,000,000 barrels of 400 pounds each of cottonseed oil and that we imported 517,000 barrels. This same chart indicates that we imported about 3,000,000 barrels of other oils, including coconut, palm kernel, peanut, olive, sesame, obassu, tea seed, rape seed, and sunflower. We produced domestically 126,000 barrels of peanut oil and 285,000 barrels of soybean oil.

I have before me a list of 1937 imports gotten out by the Bureau of Foreign and Domestic Commerce. It lists the imports of cottonseed oil as 194,000,000 pounds and of soybean oil as 109,000,000 pounds. I will not attempt to list the others. These imported oils are directly competitive with our own cottonseed, peanut, and soybean oils.

A few years ago in the interest of our domestic oils Congress put duties on imported oils including whale oil. These imported oils come through our ports, of course, and go largely to the Middle West for processing into salad dressings, cooking fats, and soaps.

Cincinnati is a very large processing center and I wish to discuss freight rates on these imported oils from the ports to Cincinnati in comparison with freight rates on our domestic oils to Cincinnati. There is a case now pending before the I. C. C. filed by southern cottonseed crushers against railroads serving this industry. The complaint is that from New Orleans, La., to Cincinnati, 828 miles, the rate on imported oil is 28 cents per hundredweight, whereas the domestic oil takes a rate of 56 cents—just double. In other words, imported cottonseed oils from Brazil and the Orient moving through New Orleans, passing over exactly the same railroad, between exactly the same points, New Orleans and Cincinnati, enjoy a rate of 28 cents, whereas the same kind of oil produced in this country, going over the same railroad, between the same points, New Orleans and Cincinnati, pays 56 cents.

From Houston, Tex., to Cincinnati, 1,054 miles, the rate on imported oil is 31 cents; on domestic oil, 65 cents. The southern railroads claim they had to put these rates on imported oils in order to compete with rates put on by northern railroads from the Atlantic ports to Cincinnati. The rate from Baltimore to Cincinnati, 572 miles, on imported oils is 31 cents. The rate from New York and Boston to Cincinnati, 741 miles and 892 miles, respectively, is 34 cents. The rate on whale oil from Boston to Cincinnati is 33 cents. From Montgomery, Ala., to Cincinnati, Ohio, 578 miles, the rate on domestic oils is 46 cents.

This case was heard before Examiner John McChord and in this record the following statement was made: "In 1934 foreign vegetable oils came to United States—741,000,000 pounds. In 1936 this had grown to 1,279,000,000 pounds and with further increases in 1937."

The low prices prevailing for our cottonseed and cottonseed oil indicate that the present duties are not fairly protective, and further than that it indicates that railroad rates in favor of imported stuff and against the domestic product has to an appreciable extent nullified the protective tariff.

The examiner himself in this case says: "It is believed from the evidence in the case that the maintenance of the low import rates on vegetable oils described in the complaint and the product out of which it is made is a distinct economic menace to complainants, as well as the farmers of America who are engaged in cultivating and producing cottonseed, cottonseed oil, and other vegetable oils from the product of the farm."

To the credit of the southern railroads, an official of the L. & N. Railroad, testifying in behalf of all southern carriers, expressed themselves as finding no objection to the proposition to establish the imported and domestic oil rates on a parity and to the credit of Examiner McChord he has found that the procedures complained of are unduly prejudicial to and unjustly discriminatory against complainants and all other producers of domestic cottonseed and other oil-bearing products and the oil manufactured therefrom, and he has recommended parity rates.

This report has been on file with I. C. C. now for some months. The abuse has been in effect for a long time and continues.

Just as the textile industry, processors of cotton undertook the fight against a discrimination against a southern farm product, here we also find the processors of cottonseed leading the fight against unfair freight rates imposed upon another southern farm product. I could go further and mention discriminatory freight rates on stoves, on the stone we dig out of the ground in Alabama and Georgia, shoes we are trying to manufacture in Tennessee and Georgia, and all the rest, but the case quoted serves the purpose.

I want to talk about injustices to this cottonseed product in another way. Oleomargarine is a healthful product. It would naturally substitute for butter, but it also has a field of its own. Wisconsin put a prohibitive tax on oleomargarine and because of the insistence of the dairy interests of the North, today every manufacturer, wholesaler, and retailer has to pay a special license tax of $400, $200, and $6, respectively, in order to handle oleomargarine. Troublesome reports of sales have to be made out. You would almost think it was a narcotic, and if the manufacturer puts yellow coloring in it he has to pay an extra 10 cents per pound tax, and so the distributor gives a little package of coloring with each package of oleomargarine so that the customers who cannot afford to buy butter can do their own coloring. There is no similar tax on white butter containing the same coloring materials. This license tax is outrageous and should come off.

With an internal tax against our oleomargarine, with a high tariff tax against imports of foreign butter and cheese, with India jute on the free list, Congressman Boileau, of Wisconsin, tried to inject into the present farm bill a prohibition against the use of our land which is taken out of cotton for the raising of eggs, chickens, milk, butter, or cheese, beef or pork for sale, even within our own section.

Louisiana is one Southern State that has consistently believed in tariff protection. They have asked and secured tariff protection on their sugar so it is not out of place for me here to discuss the tariff question.

Cotton that grows from Texas to Virginia is the only important farm product that has no protection. Senator BANKHEAD recently said: "I am not in favor of forcing southerners to compete with the starvation income of peons and coolies of other countries." I am quoting below some statements and facts in support of a fair protection for our home market for cotton as against its worst competitor—jute.

The Commissioners of Agriculture for Southern States are on record and have passed resolutions favoring urging an adequate tariff on jute and jute products. I will refer you to the procedure they took when they were asking for a fair tariff in protection for their butterfats and other edible fats. They did not ask for protection for their cotton oils and fats only, they asked for a tariff on whale oil, sunflower, rapeseed, perilla, sesame, palm and coconut oils, and "an import tax on all oils and fats directly or indirectly competitive with all oils and fats grown or produced on American farms—such tax to be at a level which will permit domestic producers to market their complete output in the domestic market at prices which will cover fair domestic cost of production."

The American Farm Bureau Federation at your eighteenth convention in Pasadena, Calif., last December passed the following resolution: "During such periods of time as curtailed market outlets force American farmers to restrict the production of farm products more than is necessary to be consistent with good farm practices, including the maintenance of a high degree of soil fertility, we

urge that Federal laws and regulations restrict the importation from foreign countries of farm products to such points as is necessary to maintain the widest possible market for domestic farm products at fair price levels."

Since 1933 our cotton crops have been curtailed and our Government has had continually to protect the price by loans and other methods, and during this time Senator RUSSELL, of Georgia, says that imports of jute increased from 517,000,000 pounds in 1933 to 716,000,000 pounds in 1935. He showed that as cotton goes up in this country, importation of this low-wage product also increases. The New York Journal of Commerce on March 24, 1937, in speaking of the jute industry in India quoted from their own statement: "The position now is that all units of the industry will continue to expand and increase their output so as to take advantage of the demand which is still on the upgrade."

The Atlantic Constitution on June 1, 1936, said: "Substitution of cotton for jute in the manufacture of many products would be 'new use' * * * cotton could displace jute completely from every use in this country with a resulting better manufactured product that would be more satisfactory to the public."

The Alabama Journal of August 27 said: "Jute offers perhaps the most conspicuous example of tariff favoritism with which the South has to contend. Jute is a good place for the South's Representatives in Congress to begin to make their fight in order to get a square deal for a million and a half bales of cotton per year."

Mr. Louis J. Taber, master of National Grange, said: "On such matters as the tariff and kindred problems, the farmer has not received justice. Agriculture is entitled to the American market for all farm commodities that can be efficiently produced in this country. We have too large a free list. We must not only have additional tariff protection but we must prevent unfair treatment of the farmer in reciprocity treaties and international trade."

And in May of last year Mr. Lynn R. Edminster, Chief Economic Analyst with the Department of State, was in Birmingham, addressing the chamber of commerce, and he said: "The unvarnished truth concerning this whole agricultural import matter is that the bulk of agricultural products which can be produced in this country at less than a prohibitive cost have long since been barred out of our markets by high tariffs." And again, "No one, so far as I know, seriously proposed that it should be otherwise."

And I will quote Senator BORAH again, who said on August 29, 1936:

"The farmers' prosperity depends upon the maintenance of his exclusive right to the American market. Put the tariff up, even if it amounts to an embargo, in order to give the American farmer, up to the limit of his production, our home market; then the farmer will be prosperous, and not until then."

Congressman FULMER, of South Carolina, in his net-weight bill, gave the following figures dealing with our importation of jute and jute products: 1892, 260,000,000 pounds, 1900, 400,000,000 pounds; 1910, 600,000,000 pounds; and now over a billion pounds.

In recent figures compiled by Stein Hall & Co., September 20, 1937, they made the following comparison regarding production of India jute and shipment of burlap to the United States: 1935–36—acres, 2,181,000; crops in bales, 8,150,000; 1936–37—acres, 2,822,000; crops in bales, 10,725,000. Shipments of burlap alone to United States of America, 1935–36, 906,000,000; 1936–37, 1,150,000,000.

The cotton that grows from Virginia to Texas is the only major farm crop in this country that is not protected by tariff. Senator RUSSELL, of Georgia, last year made an attempt to correct this situation; he was opposed by a Senator from New York because his dairy farmers sacked their feed in burlap bags. Burlap bags are cheaper than cotton bags, because it is made out of India jute grown by people paid 8, 10, and 12 cents a day. The New York dairy farms have a tariff of 7 cents a pound on their cheese and 14 cents a pound on their butter.

A Senator from Idaho objected to Senator RUSSELL's jute tariff bill because his farmers sacked their potatoes in burlap bags, and yet there is a tariff on potatoes and there is a tariff of 1 cent a pound on sugar to protect the wages and profits of sugar-beet growers of Idaho, and southern cotton farmers pay 1 cent a pound more for their sugar, and yet Idaho doesn't want to use cotton bags because they can get burlap bags cheaper, only for one reason—because they come from India, where people work for 8, 10, and 12 cents a day.

A Senator from Washington objected to this tariff bill because he has never seen his grain in cotton bags. If cotton was fairly protected from India jute so that Washington farmers could get a cotton bag as cheaply as a burlap bag, Washington farmers would use cotton bags.

They have a tariff on the Pacific coast, there is a tariff protecting their salmon, their lumber, their apples, their wheat, their wines and their citrus fruits and the southern cotton farmers are customers for all of this stuff.

Southern farmers like to grow cotton, he has been growing it for generations, he is willing to even grow cotton and buy some of his foods, but if he is to keep his farm lands in cotton, then the food farmers of the North most certainly sack their food and feed in cotton.

The Post Office Department every year buys several hundred thousand pounds of string for tying up United States mail. They ask for bids for both cotton and jute, and they buy the jute for just one reason; it is cheaper.

In the Democratic platform adopted at Philadelphia there is this plank, "We shall continue, as in the past, to give adequate protection to our farmers and manufacturers against unfair competition and the dumping on our shores of commodities and goods produced by cheap labor and subsidized by foreign governments."

In the Georgia-Alabama edition of the Progressive Farmer Ruralist, June 15–30, 1932, under the heading Jute—an Enemy of Cotton, Mr. C. A. Cobb, recently director of the southern division of A. A. A. said: "All fibers are competitive."

When the farmers of California, Arizona, and New Mexico decided to begin growing long staple cotton a few years ago the first thing they did was to go to Congress and ask and get a 7-cents-a-pound tariff against Egyptian cotton. The equivalent of 2,000,000 bales of our cotton is coming to this country every year in jute and jute products. We are not asking, as Senator BORAH suggested, an embargo against this, but we believe a fair tariff would stop well over half of it and this would open up an American market for over 1,000,000 bales of American cotton and bring into our Treasury a tariff revenue from whatever jute that continued to come in.

There is a tariff on wheat, on corn, oats, cattle; a tariff on butter, cheese, potatoes, and a tariff on every farm product except the cotton that grows from Texas to Virginia.

Our Government is spending millions of dollars in an effort to establish parity income for our cotton farmers and yet every effort to increase the price of cotton opens our doors that much wider for increased quantities of this jute. Like an umbrella, the higher the prices for our cotton the higher the umbrella over this farm-grown pauper-labor product.

Southern farm interests appreciate every helpful effort from our National Government, but we feel the need of coordinated effort. We have the greatest respect for the reciprocal trade treaty program sponsored by Secretary Hull; and we've said before if the time ever comes or if it's here now when a southern man can hope to be President of the United States, Mr. Hull is our 1940 candidate. In the January 15th Saturday Evening Post, in an article about Mr. Hull, Marquis James says that the Secretary's method is to say to a country, "We will lower our duty on such and such items which you have and we need if you will lower them on such and such items which we have and you need." We are for this 100 percent. We even recognize the necessity of some departures. Our textile mission to Japan last year in friendly cooperation established an arrangement for quota imports of cotton goods from that country, although we have idle spindles and unemployed textile workers and we don't need a yard or a pound of their cotton goods. We think that Senator CAPPER overstated the case when he said that "the American farmers are being sold down the river." Mr. James says that these treaties have greatly increased our export trade in manufactured articles, such as automobiles, farm machinery, oil, refrigerators, sewing machines, etc., and that specific injuries to agricultural producers are more than recompensed by the general gains—the "greatest good to the greatest number" theory. This is what the tariff-protected industries have been telling our exporting farmers for 100 years. They buy our machines, tend them with their cheaper labor, and then want to sell us the product. They have adopted our machine and methods but not our standards.

Secretary Wallace continues to tell us that we lost our exports for cotton since 1933 because of lack of dollar exchange in the hands of foreigners. Secretary Hull tells us that foreign customers found dollar exchange to buy increasing quantities of the manufactured articles listed above.

Secretary Hull negotiated a trade treaty with the British Empire. We had hoped that he would put a quota on jute products not over 65 percent of the average imports for the years 1931 to 1935, inclusive. We need their rubber and their tin and they need our cotton. Let's remove every trade barrier for their free interchange.

In a recent hearing in Washington for the purpose of establishing a quota limit on jute three governmental departments appeared in opposition, the State, Agricultural, and Labor Departments, from whom cotton farmers and textile workers have every right to expect all possible help—from the Labor Department protection for textile workers' jobs; from the Department of Agriculture protection for cotton's home market; and from the Department of State true reciprocity—swapping only what each nation has in overabundance that the other needs. Cotton fighting for its life against paper and rayon—home products——and then in addition this unfair fight against jute.

In a senatorial debate in Congress on April 15, Senator BANKHEAD, of Alabama, made the following statement. This statement of the Senator came during the debate on an appropriation for the Veterans' Administration of $547,917,500. The appropriation carried the provision that no part of this appropriation should be expended for the purchase of oleomargarine or butter substitute for food. Senator GEORGE, of Georgia, suggested an amendment that no part be used for the purchase of oleomargarine unless at the request of the veteran or on the prescription of a doctor, but even this proposal was defeated.

Senator BANKHEAD said: "A few days ago there was proposed a tariff on jute, a commodity raised in India, the pauper labor there displacing over 2,000,000 bales of cotton in the American market. Where did the Senator and the other Senators from the dairy States stand when the question of a cent or two upon a bag here and there for potatoes or something else was before us? * * * The Senator asks about a tariff on cottonseed oil. Unhappily the southern cotton farmers have not received protection against the importation of cottonseed oil similar to the protection the wheat growers, the barley growers, and the oat growers in the West have

received. They have not received protection on raw cotton; they have not received protection on manufactured cotton. Our country has been flooded with importations of cheap Japanese cotton goods during the past few years. Southern cotton producers have had no sort of protection, while the agricultural interests and the producers in every other part of the United States have demanded the American market for the American farmers * * *. Since I have been in the Senate I have seen the western farmers and the southern farmers marching together in a common interest, standing by each other, helping each other so far as they were asking for the right thing. But, Mr. President, unhappily I do not see any opening in the clouds that have been hanging over us since the days of the Civil War, so long as any sort of sacrifice is involved. It is very fine if we can all sit back in peace and complacency and say, 'Yes; we are standing together. It will not cost us anything. We have what we need. Now we will go along with you fellows unless it costs us something. Then we will separate.' * * * I have no purpose to injure the dairymen; there are too many good ones all over America; but, Mr. President, we do not have to injure any group of people in order to make possible the use of food such as this, which can be used healthfully by millions of American people who can get none or not enough of high-priced butter."

I should like to refer again to the three points I wanted to bring to your attention in this paper.

First. The things which we can do for ourselves—better cottonseed, more intelligent use of our land, and the encouragement toward and support of local industry.

Second. The necessity for the removal of freight-rate barriers and injustices.

Third. The removal of the internal tariff against cottonseed oil, and equal tariff protection for this product. Cotton fiber and cotton goods need the help of all who are interested in helping the South, and in helping the South helping the Nation.

Municipally Owned Power System in Tacoma, Wash.

EXTENSION OF REMARKS

OF

HON. HOMER T. BONE

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Monday, January 23 (legislative day of Tuesday, January 17), 1939

ARTICLE FROM TACOMA SUNDAY LEDGER OF JANUARY 1, 1939

Mr. BONE. Mr. President, I think it may be of more than passing interest to the people of the country to know something of the progress being made by my own city of Tacoma, Wash., in the field of public ownership of power. Tacoma is a city which for years has enjoyed the cheapest electric light and power rates in the country. Therefore I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an article on the Tacoma municipally owned power system which appeared in the issue of the Tacoma Sunday Ledger of January 1, 1939.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Tacoma Sunday Ledger of January 1, 1939]

TURN ON YOUR LIGHTS! CHEAPEST IN U. S. A. HERE—NEW LOWER RATES OF TACOMA MUNICIPAL LIGHT DEPARTMENT IN EFFECT TODAY—STATISTICIAN TELLS HOW INEXPENSIVE POWER IS

Tacoma's light and power rate for domestic consumption, already lowest in the world, becomes still lower, effective today.

Under the new rate Tacoma users will pay per month 4½ cents for the first 20 kilowatt-hours, 1 cent per kilowatt-hour for the next 400, and one-half cent for all additional. The reduction will represent a saving of about 11 percent in average monthly bills, according to Commissioner Ira S. Davisson, who announced the new rate schedule recently. He also has expressed the belief that a further reduction will be possible in 1940. The reduced rates have been made possible by the favorable financial condition of the city light department and the fact that the department's bond redemption schedule has been eased considerably in recent months.

To bring home to Tacomans the lowness of their light and power rates, the News Tribune asked Vivan Jones, rate engineer and statistician for the city light department, to reduce some typical light and power uses in the average Tacoma home to an actual cost basis.

EASTERN PAPERS PLEASE COPY

For instance, consider that basement light which is so apt to be left burning. Discovered after an hour's unnecessary illumination, what has it cost? Approximately one-seventeenth of 1 cent, according to Mr. Jones. That is, assuming it is the usual 60-watt globe and figuring the rate at 1 cent per kilowatt-hour which will apply (beginning January 1) after the first 20 hours of consumption. In other words, a 60-watt light, whether it be in the basement or on the back porch, can be burned nearly 17 hours for 1 cent. You can leave the porch light on all night and every night for a month at a total cost of about 18 cents.

An electric clock will consume 1½ kilowatt-hours of current in a month, at a cost of 1½ cents. Likewise, an electric fan can be operated 20 hours for 1 cent. Invasions from Mars via radio come a little higher, Mr. Jones figuring the average set consumes about 8 kilowatt-hours of current a month, or 8 cents worth.

Electric irons are estimated to consume 4 cents worth of current per month in the average home. And turning from heat to cold, to emphasize electricity's range of uses, the average refrigerator uses from 20 to 40 hours of current a month at a cost of that many cents.

ELECTRIC RANGE $1.30 A MONTH

The kitchen range begins to run into real money, the cost of preparing some 90 meals being figured at $1.25 to $1.30. Mr. Jones fails to state whether this includes any baked beans. Sewing-machine operation is practically a gift from the light department for the estimate of an average month's operating power is a lone kilowatt-hour, or 1 cent.

Two relatively expensive items of home electricity cost are water heaters and oil furnaces, the former estimated at $1.88 to $2.63 a month and the latter at 25 to 62½ cents a month. But, on the other hand, if you have hesitated to install an electric dishwasher for fear it will require too much current, hesitate no longer. Mr. Jones assures us that such a machine will wash the dishes three times a day for a month and add less than 3 cents to the month's bill.

The next time you are in doubt whether to leave the porch light burning you might as well leave it on. The neighbors will appreciate the added illumination and the only ones who will object will be the young lady of the house and her escort when they finally get back from the dance.

Foreign Relations

EXTENSION OF REMARKS

OF

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Monday, January 23 (legislative day of Tuesday, January 17), 1939

ADDRESS BY HON. ALFRED M. LANDON AT TOPEKA, KANS., JANUARY 21, 1939

Mr. CAPPER. Mr. President, I desire to call the attention of the Senate to a speech by Hon. Alf M. Landon, of Kansas, on the subject of foreign relations, delivered Saturday night, January 21, before the Kansas Press Association at Topeka, Kans.

Governor Landon was a member of the United States delegation to the Eighth Conference of American States at Lima, Peru. In this connection I wish to express my appreciation of the excellent work accompliished at Lima by Secretary of State Cordell Hull and his associates; also my pride as a Kansan in the share that Governor Landon took in the proceedings.

I believe that the views expressed by Governor Landon in his Topeka speech are worthy of the careful attention of the Senate.

I ask unanimous consent to have Governor Landon's address printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

We Americans are citizens first and Republicans or Democrats afterward. That is our view to a reasonable degree on questions of internal importance. Fortunately, it is true to an even greater degree when the country is confronted by difficult foreign problems. I take such a view in discussing very dangerous international questions confronting us.

Troublous world conditions 2 years ago convinced me that a solid American front was vitally important then—that it would become even more important in the future. As a nation our position is so much stronger if we all stand together, regardless of politics, when outside pressure or outside interference threatens. So I pledged our President my support in the delicate and difficult foreign problems that would confront his administration.

At the time of the *Panay* incident a year ago I renewed that pledge. That was again my view when I accepted service as a member of the United States delegation to the Eighth Conference of American States at Lima. It is more evident every day that we are dealing on this hemisphere with the equivalent of what has occurred in Europe.

Democracy suffered a serious blow at Munich. Representative government sustained a loss of prestige. The result of the Lima conference was the statement in broad principles of the unity essential among the American governments in order to rebuild that prestige. But the ultimate success of what was accomplished at Lima rests upon the specific application of these principles.

Most of the members of the Lima conference delegation were interested in learning first-hand to what extent Nazi, Communist, or Fascist nations had actually penetrated the economic and political life of our neighbors of Central and South America.

It didn't take long to find out that totalitarian propoganda had had its effect. Rumors and reports about the extent and vigor of those efforts have not been overemphasized. A fascinating and dangerous maze of propaganda and intrigue has been directed against us and against our democratic ideals in those republics.

For example, American news agencies are now putting up a hard fight for existence. German and Italian news services are offered to the newspapers of South America at practically no cost to the users. The major costs are defrayed by the Nazi and Fascist Governments of Europe. These services are almost as good as the American from a news standpoint. And they afford the sponsors an excellent opportunity to put over their propaganda. Radio facilities are being employed in the same way, and for the same purposes.

But even despite such effective and dangerous means, the success of totalitarian propaganda is being exaggerated by many writers. Despite the inroads of this propaganda the general run of feeling in the nations to the south of us is friendly to the United States. In all frankness, however, there is a disposition there to blame us for what does or doesn't happen. And today the foreign dictators are doing their utmost to stimulate this feeling. On the other hand, our lack of effort to understand the country from the Rio Grande to the Strait of Magellan is amazing and tragic. Our schools should be placing more emphasis on our relations with the people to the south of us.

I am afraid that in the past much of the effort toward such an understanding has been made by our sister American republics rather than by us. There are instances of serious indiscretions on the part of our people. Some were prompted by good motives, some were not. We have meddled in matters that primarily were not our business and have steered clear of other matters which vitally concerned us.

Our conception of South and Central American dictators is one source of misunderstanding. To most of us a dictator is a dictator. Some of our sister American republics, it is true, do not enjoy our ideas of representative governments. But neither do they have the kind of dictatorship that prevails in the totalitarian countries. Not a single one of those American nations has made state slaves out of its citizens in the same sense as has Russia, Germany, or Italy.

The conference at Lima was a splendid example of how democracy works. It laid the basis for a better understanding among the 21 American nations which took part. This closer relationship is vitally important to the security of the republican form of government on this hemisphere.

And it did not consist merely in the formal signing of the declaration of Lima. Equally important were the personal contacts from which developed a fuller and more sympathetic appreciation of each others' problems.

A group in America is most vocal in the praise of communistic experiments and in condemnation of the Nazi and Fascist forms. We hear much from them about the dictatorial forms of governments to the south of us. We've heard relatively little about the Communist Government of Mexico.

When the large haciendas were first broken up in Mexico, most Americans felt it was a just and wise policy. An enduring civilization can only be built on the ownership of the land by the man who works it. But that was not the ultimate result. The land was not returned to the individual. It was made communal. The peonage was simply transferred from the haciendas to the government. And a worthwhile social project has been sidetracked.

The result has been most unsatisfactory—unsatisfactory both from the standpoint of production on the land and from the standpoint of remuneration to the men and women who work it. The proof of that statement lies in this astonishing fact: Mexico is on an import basis for basic agricultural products.

The most important results of the Lima conference were to strengthen the United States in its international relationships; to cement stronger ties among the nations in the two Americas; to strengthen representative governments in the struggle with the totalitarian powers.

There is an intense struggle—almost one of death grips—between all democracy and the totalitarian countries. This clash may never come to open military violence, but it is just as bitter and just as real, nonetheless. It is an economic war, based on new methods of economic penetration. These new methods are just as dangerous to representative government as new war machines. Jobs and opportunity for millions of free men are at stake. And, in this struggle it is important that we face reality.

The totalitarian powers of which I speak are making some temporary inroads. In the first place, these powers are absolutely unscrupulous. Humanity means nothing to them.

It boils down to this: We in the democracies are competing as an aggregation of free individuals; the totalitarian countries are competing as an aggregation of state slaves. We are working less and playing more—they are working more and playing less. To us liberty is all important and world competition is incidental; to them liberty means nothing and their success in world trade is a matter of life or death. So long as this goes on we are confronted with a new kind of competition that we cannot safely ignore.

Hence, until the totalitarian powers crack up under the economic strain there is no hiding the fact that the democratic powers are receiving no quarter in this conflict being thrust upon them.

But in facing our realities we cannot count on such a crack-up in a few months or even a few years. Some of our best economists predicted 7 years ago that Japan could not stand her financial strain for 2 years. They said 20 years ago that Russia couldn't last. They predicted that Italy couldn't hold out. They said, too, that Germany couldn't last. But to all outward appearances they're still going strong.

In taking stock of realities, I want to make it plain that I am not a believer in the ultimate triumph of the brutality of communism and nazi-ism. But, in considering this great struggle between these theories of government, we must take into account the cold-blooded brutality by which these two "isms" operate. In business and in politics it is always a serious mistake to underestimate the other fellow. In dealings between governments such a mistake has been fatal to a nation. That is particularly true when two theories of government are involved. Therefore, I feel it is essential to national preservation that we do not underestimate the totalitarian powers.

The greatest threat to us today is from within. It comes at a time when the republican form of government is being attacked all over the world from without.

Upon this internal discord the Nazis, Fascists, and Communists are basing their hopes and forming their plans. And these bloody "isms" see alike in their fight upon representative government. They aim to take advantage of every mistake we make. Mortal enemies though they are, they have one thing in common: They despise and hate all democracy. Their leaders believe that, after all, there are just two theories of government, and these two cannot exist indefinitely alongside of one another. On the one hand is representative government. It stands for freedom of the people. On the other hand are the totalitarian forms. All stand for a complete enslaving of their populations. So democracy is the common enemy.

Totalitarian powers do not want democracy to work—they cannot afford to have it work. Therefore, the technique of thousands of agitators the world over, and especially in America, is to not give it a chance to work. No opportunity is overlooked for proving that democracy is decadent, therefore will not and cannot function.

The Communists, for instance, do not want labor disputes peaceably settled. They do not want to see the democratic countries enjoying prosperity. Lenin has said the greatest enemy of communism is contentment.

Fortunately for communism, there is a school of thought in America that calls everyone who fights against the evils of our economic and political life a Communist. At the other extreme there is another school that calls everyone failing to line up with its particular methods of change and reform a reactionary.

The air is filled with the shrill cries of both. Both play the game as all the totalitarian powers would wish them to play it. Those tactics tend to inflame one group or class against another. The real Communists do everything they can to fan this flame into disunity. All the while they predict the fall of capitalism and democracy.

The President has urged solidarity. He has pointed out the importance of a solid front in all our foreign relations. In that I heartily agree with him. I think I have proven that I intend to go along with the President as far as I can whenever my doing so will help make unity possible. Everyone recognizes that no reasonable man would support any Chief Executive blindly in either foreign or domestic policies.

However, his plea for solidarity must not only be made to the American people at large. It must be made in particular to members of his own administration. The use of class hatred as a political weapon must stop. At least class hatred cannot be used if we are to pull together in meeting either difficult foreign situations or domestic problems.

The President is preparing to meet military aggression. He pleads for unity in meeting it. Every true American is with him 100 percent in any program of adequate preparedness. I believe,

however, there is a legitimate question about what constitutes reasonable preparedness. And the country is entitled to know more about it, especially in view of the now all to apparent administration's trial balloons on national defense which preceded the President's message. Trial balloons have their place in our domestic political life. They have no place in dealing with such highly inflammable subjects as foreign affairs and national defense. If the Chief Executive had made his advance publicity on national defense consistent with the program he actually proposed to Congress, he would have avoided an unfortunate situation both at home and abroad.

If there is another world war it is going to be waged by totalitarian nationals against nations believing primarily as we do. Our ideas and views stand in the way of totalitarian ambitions. If we are to protect ourselves against the ravages of such a war, whether we are directly involved in the line of fire or not, we must make our democracy impregnable.

Obviously we must strengthen our armed forces to whatever level may be necessary for defense. I am sure we are willing to spend millions in carrying out an orderly and intelligent plan of military defense. But I am equally sure we are not willing to spend millions on a helter-skelter program, whipped up to satisfy the hysteria of the moment. Above all, we are not willing to spend one cent for a defense that is merely another name for Government pump priming.

Right now we are confronted by another fight—a fight that is real, involving all representative forms of government throughout the world. It is the economic war which is now being waged against all democracy by the totalitarian powers. That means we must be prepared to defend ourselves in that war. However, the same basic preparation against economic warfare will be equally important against any military threat.

A sound fiscal policy is prerequisite to preparation for military or naval defense. It is prerequisite, as well, to preparation for economic conflict. In any war, modern or ancient, the country with the soundest finances and the greatest natural resources possessed an undeniable advantage.

In today's modern warfare financial reserves are just as important as military reserves. It is just as important to national defense to be on a sound financial basis as it is to be on a sound military and naval basis. Our Government cannot continue, hoping for the future breaks financially, any more than it dares to gamble on the lack of necessity for military defense. Any government, head over heels in debt, is in a bad position to defend itself.

We have had an unbalanced Budget for so long the people are being lulled into a false sense of security. They are becoming so accustomed to the present policies of deferred payment spending, some even think these policies of placing a debt on every piece of property and every man's wages can be continued year after year without endangering our economic structure. The deficit spending by the national administration if continued will be the means of destroying all the good and all the progress that has been accomplished in generations. It is a temptation to the totalitarian powers to mistake our sleazy government housekeeping for real weakness. We must start now, cutting down wasteful expenditures, and, if necessary, raise new taxes to bring expenses and income closer together. This is the biggest and most important reality for the American people to face.

In previous messages the President has always expressed the hope that the Budget would be balanced the following year. In his last Budget message he even abandons that hope. If this continues, I want to venture one prediction: No matter how badly off you may feel you are today, there is not a man, woman, or child in the United States who won't be worse off if immediate efforts are not made to bring that Budget into balance.

It is just as vital to national safety to strengthen a nation's economic and financial system as it is to strengthen its military system. To do one without the other is to neglect the fundamentals of national defense. Our President sees the necessity for adequate naval and military defense. But even after 6 years of failure to restore employment and prosperity he has failed to see the vital need for sound Government finances. This is tragic indeed for our country.

Our greatest immediate danger is not from military attack. Our greatest immediate dangers are from the economic invasion of the world by the totalitarian powers, from class hatred and name calling growing into disunity at home, and from reckless spending to ruin, leading to mounting debts and deficits. The present state of world affairs, instead of being a justification for continued deficits, is a mandate for a balanced Budget.

If we are to meet these dangers, we must present a solid front, not only abroad but at home. We must work together in overcoming our own great domestic difficulties. Unemployment, ruinous farm prices, demoralized business, continue to be our first questions to be answered. Most certainly these questions must not be sidetracked for the new program of national defense. We must bring about a balance between government income and expenditures. These things we must do if we are to hold the bulwark for democracy.

If democracy meets with defeat, it will not be because of its inherent defects. It will be because the democratic nations have not been vigorous and fearless in their leadership. It will be because America has refused to face reality.

Gold—A Business Restorative

EXTENSION OF REMARKS

OF

HON. H. STYLES BRIDGES

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Monday, January 23 (legislative day of Tuesday, January 17), 1939

EDITORIAL FROM BALTIMORE SUN OF JANUARY 18, 1939

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Baltimore Sun of January 18, 1939, entitled "Gold—A Business Restorative."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun of January 18, 1939]

GOLD—A BUSINESS RESTORATIVE

President Roosevelt rode into office in 1933 on a wave of fear set in motion by 3 years of severe business depression. That fear reached its climax shortly after the inauguration, when all banks were closed, markets were paralyzed, and business, except public utilities and the trades serving immediate consumption, was virtually at a standstill. The first two steps of the Roosevelt administration were taken promptly and with assurance: The banks were reopened and the gold standard for the currency was abandoned.

Reopening the banks did much to soothe nerves, to restore confidence, and to make possible the resumption of business. The wisdom of going off gold at that time is more debatable so far as the immediate effects were concerned. Certainly, the sequence of repudiation and the abrogation of contracts to pay in gold or the equivalent amount of currency, as upheld by the Supreme Court, was a blow to confidence.

Another and far more severe blow was administered in January 1934, when the Thomas amendment to the 1933 Farm Relief Act invested the President with authority to reduce at will the gold content of the dollar by as much as 50 percent of the old standard of $20.67 an ounce. The act was passed in the hope that it would prove more effective as a means of inflating commodity prices than had been the experiments of the preceding few months in purchase by the Government of gold at an arbitrary price in dollars, fixed daily.

Acting under authority given to him under the Gold Reserve Act of 1934 President Roosevelt cut the gold value of the dollar by approximately 40 percent, raising the price of gold to $35 an ounce. The act also gave to the President authority which he has not exercised, to issue up to $3,000,000,000 in greenbacks. Both currency devaluation and the greenback issue were authorized as the principal means needed to restore the commodity price level to that prevailing in 1926. Cutting the dollar's value was of a nature entirely different from the early banking and currency measures, which were taken with the idea of quieting fears of a complete monetary and business collapse.

It was hoped by the administration that devaluation of the dollar would increase our foreign trade, encourage a revival of business enterprise, restore real-estate values by relieving debtors of a portion of their obligations, stimulate a broad rise in prices, and so quicken the business pace. As a price restorative, tinkering with the dollar has failed. The Bureau of Labor Statistics index of wholesale commodity prices, on a paper-dollar basis, stands at 77 percent of the 1926 average against about 60 percent at the bottom of the 1932 depression. That is a rebound of even smaller extent than might have been expected from natural recuperative forces.

As a business stimulus the floating dollar and the constant menace of a further cut in its gold value clearly have done more harm than good. The undervalued dollar was principally responsible for the shipment to this country, with a terrifically deflationary effect upon world commodity prices and upon world trade, of approximately $10,000,000,000 in gold.

The Federal deficits each year, involving "pump priming" outlays and covered by the creation of bank credit, have combined with the increased supply of monetary gold to build up an enormous pile of potential inflationary material. It has not been used. It has made no appeal to speculative imagination or business enterprise; it has only diminished confidence, which is the substance of prosperity. Business could improve rapidly at the present price levels and resolve the problems of unemployment and Government Budget deficits if fear of the future could be downed.

That fear centers upon the floating dollar. The way to stop it is to restore the mooring lines to gold. Restoration of the old price of $20.67 an ounce would be too deflationary to be politically practicable, but there is no reason why legal stabilization of the dollar at the present price of $35 an ounce, repeal of authority in

the President to cut the gold content (which expires on June 30) and of the greenback issue clause could not be accomplished to the great good of all concerned.

The Treasury owns almost fifteen billions in gold, and the currency circulation is less than seven billions. With a restatement of currency and credit policy along sound lines, there would be no incentive to hoard gold; but on the contrary, the President and the Congress would have to work within the limits of protection of the gold dollar. Balancing the Budget, economy in government, would then become matter-of-fact necessity and not matters of political expediency.

National Representation for the District

EXTENSION OF REMARKS

OF

HON. GERALD P. NYE

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Monday, January 23 (legislative day of Tuesday, January 17), 1939

ADDRESS BY HON. ARTHUR CAPPER, OF KANSAS, DELIVERED AT NATIONAL MEETING OF GENERAL FEDERATION OF WOMEN'S CLUBS, WASHINGTON, D. C., JANUARY 19, 1939

Mr. NYE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address entitled "A Plea for National Representation for the District of Columbia," delivered by the senior Senator from Kansas [Mr. CAPPER] before a recent meeting of the General Federation of Women's Clubs at Washington, D. C.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is both an honor and a privilege to appear today before this board of directors of the General Federation of Women's Clubs of the United States and discuss briefly pending legislation for the righting of a great wrong affecting a community of over a half-million of our fellow Americans. As you maintain your national headquarters in this great National Capital, I am sure that your contacts with the people of Washington must have convinced you, as I am convinced, that no finer or more intelligent Americans are to be found anywhere. Your own fine District of Columbia Federation of Women's Clubs is a good sample of the type of American citizens one finds here.

Here at the very heart of our Nation are more than a half-million as good Americans as are to be found any place under the Stars and Stripes. They are intelligent, public spirited, loyal, and patriotic and are always to be found meeting all of the obligations of American citizens, both in war and in peace. In measuring up to these obligations of citizenship they are excelled by no other American citizen, but when it comes to their possession and exercise of vital and fundamental political rights, they are rated in the same class as the criminal and the lunatic.

These people, being subject to all laws enacted by Congress, are as vitally affected by, and interested in, all national legislation as are the citizens of the States, yet they are deprived of the right to participate through duly elected representatives in the enactment of those laws. They are required to pay heavily in taxes for the support of the Nation, yet are denied representation in the Legislature which determines the kind and the amount of these taxes, and how the resulting revenues shall be spent. They are required in time of war to bear arms in the service of their country, to fight and possibly to die, yet they have no voice whatever in determining whether there shall be war, or at the conclusion of the war, as to the terms of peace. They are ruled over locally by administrative and judicial officers appointed by the President of the United States, but are denied participation in the selection of that President. They are also required to pay in taxes for the support of the National Capital whatever the Congress, in which they are not represented, requires of them, and have no voice whatever in deciding for what this money shall be spent.

Were these people of the District of Columbia satisfied to rest content in this deprivation of their natural-born rights, they would be unworthy of the name "American." They realize fully that they suffer a great injustice through inaction of their fellow Americans in the States. They know that in fact and in truth they are really the subjects rather than the equals of the other citizens of their country. They know that the only possible relief from their anomalous situation is to be found through an amendment to the Constitution of the United States, which will give Congress the power to correct this defect in our fundamental laws.

The framers of the Constitution unintentionally, I am convinced, omitted to fix the political status of the future residents of the 10 miles square, constituting the seat of government, and unintentionally failed to give Congress the power, analogous to that which it possesses in relation to the admission of territories to statehood, of granting representation in Congress and the electoral college to the people of the District. Under existing conditions, the Congress is a National, State, and local legislature of the District of Columbia, but there are no representatives in the legislature from these people who are thus governed without their consent, and in consequence can exercise only that right of doubtful value guaranteed by the Constitution "peaceably to assemble, and to petition the Government for a redress of grievances." Right here let me say as a matter of practical politics, however, voteless petitioners carry little, if any, weight. You women who worked for woman suffrage need not be reminded of that.

Throughout my 20 years' service in the United States Senate I have been a member of the Committee on the District of Columbia and have become well acquainted with many of the residents and familiar with their governmental problems. They have always had my sympathy in their humiliating deprivation of these vital and fundamental rights, rights that every American citizen is entitled to.

I have tried, and am continuing to try, to do more than just sympathize with them, and for a number of years have introduced in the Senate a joint resolution proposing an amendment to the Constitution of the United States, which will remove the obstacles which now prevent these good fellow Americans from participating in the government of their country. This amendment, supported by the Citizens' Joint Committee on National Representation, which is a truly representative body of the organized citizenry of the District, has just been introduced again in the Senate by me, and also in the House of Representatives, and has been referred to the Committee on the Judiciary of the two Houses.

The amendment will empower Congress, by appropriate legislation, to grant to the residents of the District the right of voting representation in the Senate and House of Representatives and among the electors for President and Vice President. It would also give the District residents the right to sue and be sued in the courts of the United States on an equal footing with the citizens of the States. This right, now denied to District citizens, is open even to aliens in the States.

The proposed amendment would not make a State of the District of Columbia and would not deprive Congress of an atom of its constitutional legislative control of the National Capital. It does not detract from the power of Congress but clothes it with a new power, to be exercised whenever the Congress, in its wisdom, shall decide that these voteless and unrepresented Washingtonians are fit to enjoy and exercise these rights and powers which are now denied them.

Several hearings have been held before the Senate Committee on the District of Columbia on this proposal, and in 1922 the committee made a favorable report to the Senate. This report was reaffirmed without further hearing in a later Congress. Since that time the joint resolution proposing the amendment has been, in each Congress, referred to the Committee on the Judiciary for consideration. So far this committee has never held a hearing on the resolution, but I am hopeful the committee will grant a hearing during this session of Congress.

The summary contained in the favorable report of the Senate committee in 1922, which I have just mentioned, gives such a clear statement of the case that I want to read it to you that you may get that committee's conception of the purpose, the scope, and the advantages which will accrue from this proposed addition to our Constitution:

"Summarizing, we find and report:

"The proposed constitutional amendment does not reduce the power of Congress in respect to the Capital, but adds a new power; it does not propose the admission of the District into the Union as a sovereign State; it does not propose the destruction of the '10 miles square' provision of the Constitution; it does not lessen in the smallest degree the control by the Nation through Congress of what remains of the '10 miles square'; it does not disturb in any way the financial relation of Nation and Capital; it is not based upon either the abolition or retention of the half-and-half law; it does not propose or involve changes in the municipal government of the District.

"It plans to bestow upon the 437,000 (now about 627,000) Americans of the District a distinctive, basic right of the American citizen—in a government of the people, by the people, for the people—in a government which roots its justice in consent of the governed—in a representative government which inseparably couples taxation and arms bearing as a soldier with representation.

"This distinctive American privilege decorates the American with a badge of honor and arms him with power. Its lack slurs the Washingtonian as unfit and defective and slurs the Nation as in this respect un-American and impotent.

"What the amendment proposes is equitable in itself and compulsory in accordance with American principles and traditions.

"It gives to residents of the District rights and privileges which, under our scheme of government, belong to all who pay national taxes and fight as national soldiers.

"It gives to residents of the District a self-protecting power in the national councils which is denied to the resident of no other community in all of the mainland and contiguous United States from Maine to Texas and from New York to California.

"In the matter of access to the Federal courts it raises District residents from a lower plane than that of aliens to the status of citizens of a State.

"National representation of the District will remove from the Nation the shame of impotency.

"It will proclaim to the world that the great Republic is as devoted to the principles of representative government and as capable of enforcing them as other republics with capitals in nation-controlled districts, like Mexico, Brazil, and Argentina. These nations have not found themselves impotent to give full national representation to the people of their capitals.

"It will proclaim to the world that the people of Washington are as fit to participate in national representative government as the people of Rio de Janeiro, Buenos Aires, and Mexico City. Washington will cease to be the only capital in all the world whose people, slurred as tainted or defective, are unworthy to enjoy the same national representation as that enjoyed by all other cities of the Nation.

"Washington will cease to be the only American community—numerous, intelligent, prosperous, public-spirited, and patriotic—in all the expanse of continental and contiguous United States whose fitness to exercise national privileges as well as to bear national burdens is denied.

"National representation will clothe the Washingtonian with a vital American privilege to which he is undeniably in equity entitled, will cleanse him of the stigma and stain of un-Americanism, and curing his political impotency will arm him with a certain power.

"It will relieve the Nation of the shame of un-Americanism at its heart and of impotency to cure this evil.

"It will inflict no injury or hardship upon either Nation or Capital to counteract these benefits."

The thought may occur to some that the small area of the District of Columbia would not entitle it to participate through its duly elected representatives in the councils of the Nation. But really it is the people and not the extent of territory which are capable and deserving of participation. According to the last Census Bureau estimate, the population of the District of Columbia as of July 1, 1937, is given as 627,000, and it is estimated that of this number over 400,000 are of voting age. The population of the District, according to the last official census (1930), was 486,869, which outnumbered the Americans residing in each of eight of the States—New Hampshire, Idaho, Arizona, New Mexico, Vermont, Delaware, Wyoming, and Nevada. At that time the population of Montana and of Utah exceeded very slightly the population of the District.

The population of voting age of the District in 1930 was 341,465, and exceeded that of each of 10 of the States. Some people throughout the country labor under the impression that most of the people residing in the District of Columbia vote back in the States, but this is by no means true, for a careful calculation of the number who possess and exercise the voting right in the States indicates that after all of these and unnaturalized foreigners are deducted, the resulting District of Columbia potential voters who can vote nowhere else would approximate that of New Hampshire and Utah and would exceed that of Arizona, Idaho, New Mexico, Vermont, Delaware, Wyoming, and Nevada.

On numerous occasions when I have been discussing in my own State and in other States the proposal to give the District national representation, I have been asked the question, "Why were these rights ever taken away from the people of the District?" The fact of the matter is, District residents never did enjoy the right to vote for Representatives in Congress or for President. It was something never taken away from them, because they never had it. They did, for more than 70 years, possess the right to vote for municipal officers in the several municipalities which simultaneously existed within the District. You must remember that when the seat of government was established here in 1800 there existed two incorporated towns, the city of Alexandria on the Virginia side of the Potomac, chartered by the Virginia Legislature; and the city of Georgetown, incorporated by the Legislature of Maryland.

In 1802 Congress incorporated the city of Washington and in addition set up a county government for the outlying area beyond the corporate limits of Alexandria, called Alexandria County; and another county government which included all of the territory beyond the corporate limits of Washington and Georgetown, called Washington County. These five local governmental units, in which the citizens had voting participation, continued until 1846, when the city of Alexandria and Alexandria County were ceded back to the State of Virginia. The three remaining self-governing units continued their separate existence until they were in 1871 consolidated into the so-called territorial government which covered the entire District as it exists today. This was the first time that a single local government covered the entire District of Columbia.

The plan of the Territorial government contracted, rather than expanded, the voting participation of the citizens. Under it the people were permitted to vote only for the 22 members of the lower branch of the legislature and for a voteless Delegate in the House of Representatives. The Governor, the council of 11 members which was the higher branch of the legislature, the Board of Public Works, and the Board of Health were all appointed by the President and confirmed by the Senate. This Territorial government was abolished in 1874, being succeeded by a temporary commission form, which was continued until 1878, when, with certain modifications, it was made permanent and is substantially the same as it is today. Three Commissioners appointed by the President are in charge of the affairs of the city.

From this brief sketch of the history of the government of the District of Columbia you can readily see that the District residents never possessed what is proposed to give them under the pending proposed amendment; that is, recognition as natural Americans, entitled to voting representation in the Congress and in the Electoral College. The chief difficulty with the present local government and with its predecessors, clear back to the time when the seat of the government was established here, in a large measure, has been due to the lack of the American plan of responsible representation of the people governed in the body which possessed the real power over them. I am inclined to the opinion that no worth-while and satisfying improvement in the local government of the District of Columbia is attainable until the District residents are accorded their natural right of representative participation in the Congress, which possesses and will continue to exercise over them the power of exclusive legislation in all cases whatsoever.

The prevalence of these political disabilities in the District of Columbia are not generally understood throughout the Nation. The impression just mentioned, that most residents of the District have a vote in the States, is only one of a number of prevailing erroneous ideas. Another is that the National Capital is a sort of tax-free paradise, supported entirely on the bounty of the Federal Government without obligation on the part of the local residents. This is entirely erroneous, for the fact of the matter is that the District pays annually in national taxes (internal revenue) an amount greater than that paid by each of more than one-half of the States.

Its annual payment in national taxes for national purposes is greater than the amount collected from nine States combined. In addition to the payment of national taxes just mentioned, District residents pay in local taxation for the support and upbuilding of the National Capital nearly 90 percent, while the Federal Government, which is the largest local industry, and the owner of extensive tax-free real estate, pays only a little over 10 percent.

I am glad to say that the people of the District of Columbia support this proposed amendment overwhelmingly. They have continued to knock at the doors of Congress annually for many years. Last spring they held an unofficial referendum in which there were cast over 95,000 ballots and of these 87,092 favored national representation, and only 6,832 voted against the proposal. To me this is convincing evidence that the people here, organized and unorganized, desire this legislation.

In conclusion, I wish to compliment the General Federation of Women's Clubs on having submitted this question to your constituent clubs for study. This, I understand, you did at the instance of your voteless and unrepresented sisters of the District of Columbia Federation. You are to be commended for laying the foundation for later intelligent, affirmative action. I believe that the General Federation of Women's Clubs and its affiliates throughout the country would do well to take an active interest in and support this proposed amendment with the weight of your organized and individual influence.

In the long fight for woman suffrage the women of the District of Columbia were always in the forefront of the battle. All the while they knew that when victory should crown their efforts they alone of all the women of the country would still be without a vote, unless, and until, another amendment was added to the Constitution, which would enfranchise them and the men also. The women did a good job in putting over the nineteenth amendment, but I feel that their work remains incomplete, and will so continue until the residents of the District, of both sexes, are given the franchise and voting representation in their government.

You know from your experience in working for legislation that the most potent force for obtaining action by the Congress is through the interest manifested in a proposal by the folks back home. Members of the Senate and of the House of Representatives always show a particular interest in the views of the folks whose votes sent them to Washington. There is no secret about this, for it is something well known to all of us and it is right that it should be so, for these men and women in Congress are only the representatives of the people who elected them.

I am impressed that this proposed amendment is far more important to the entire Nation than would appear upon a superficial examination of the subject. Here and now, at a time when orderly representative government is being challenged in many parts of the world, it is a dangerous, deadly, bad example to maintain at the heart of this great democratic Republic a complete despotism. What right have we to hurl denunciations and epithets at dictatorships and totalitarian states in other parts of the world when an almost perfect example of such irresponsible form of government is maintained by our National Government in our own National Capital? To my mind the time is long overdue for correcting so un-American a condition of government as exists here in the District of Columbia. If democracy is right and proper for the government of our States and of our Nation, it is right and proper that the same system be established and maintained in the Capital, and there should be no delay in removing this dangerous political cancer from the heart of the body politic.

Armament Program and Foreign Relations

EXTENSION OF REMARKS
OF
HON. H. STYLES BRIDGES
OF NEW HAMPSHIRE
IN THE SENATE OF THE UNITED STATES

Monday, January 23 (legislative day of Tuesday, January 17), 1939

RADIO ADDRESS BY HON. ROBERT A. TAFT, OF OHIO, JANUARY 22, 1939

Mr. BRIDGES. Mr. President, I ask unanimous consent to have inserted in the RECORD an address delivered over the radio last evening by the very able junior Senator from Ohio [Mr. TAFT], on the American Forum of the Air, on the subject of our armament program and foreign relations.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

On January 4 the President of the United States devoted his annual message to Congress to an appeal for increased armament. He pictured a world about to be enveloped in the flames of war, and he pictured the United States as surrounded by deadly armaments and threats of new aggression. He appealed for increased appropriations for adequate defense. His message was followed several days later by a program calling for approximately $525,000,000, of which only $200,000,000 is to be spent in the fiscal year which ends July 1, 1940.

There can be no difference of opinion among Americans on the principle of providing for this country a completely adequate defense against attack by foreign nations. The amount proposed for expenditure over the next 2 years does not seem to be excessive, although there may be differences of opinion on the exact number of military airplanes which it is necessary or desirable to construct at one time. It should be remembered, however, that the appropriation for Army and Navy has increased from $520,000,000 in 1934 to $1,100,000,000 in the regular Budget for 1940, even before we add the additional $200,000,000 requested for 1940. The committees of Congress will examine carefully the details of the national-defense program and will provide sufficient funds to give us the most modern and adequate defense; and there will be no partisanship involved in that examination.

But the message of the President suggests that he favors a foreign policy very different from mere defense of the United States, and one which in the end would require much greater armament. A year ago in Chicago he declared his belief that we should "quarantine the aggressor nations." Now he says, "The defense of religion, of democracy, and of good faith among nations is all the same fight. To save one, we must now make up our minds to save all." It is somewhat difficult to see how we can save democracy and good faith among nations by any policy of mere defense of the United States. The President says that we cannot safely be indifferent to international lawlessness anywhere in the world, and cannot let pass, without effective protest, acts of aggression against sister nations. It is true that he admits that the American people are not yet willing to go to war in other parts of the world, but he says, "There are many methods short of war, but stronger and more effective than mere words, of bringing home to aggressor governments the aggregate sentiments of our own people." He declares against neutrality legislation and implies that he favors the repeal of the neutrality law. All this cannot mean anything except that the President wishes power granted to him by Congress to favor one nation or another in any dispute that arises and to employ economic sanctions or embargoes against a nation that he does not like, at the same time that he assists those that he does like.

The President's views are apparently reflected by the Senator from Nevada who has preceded me this evening, and who is chairman of the Foreign Relations Committee of the Senate. On December 22, 1938, after declaring that the people of the United States do not like the Government of Japan, and do not like the Government of Germany, but saying nothing about their feelings toward the Government of Russia, Senator PITTMAN said, "The people of the United States have the right and power to enforce morality and justice in accordance with the peace treaties with us, and they will. Our Government does not have to use military force, and will not unless necessary." The necessary implication is that he would employ not only economic sanctions, but military force if necessary, to enforce morality and justice throughout the world. On January 10 Senator PITTMAN advocated an embargo on all war materials to Japan, while permitting such materials to go to China.

In my opinion, such a policy leads inevitably to foreign war. It is contrary to the traditional policy of the United States from the days of George Washington. The position of this country has always been that it would remain neutral in any foreign war, no matter how much its sympathies might be on one side, as long as its own rights or those of its citizens were not infringed upon. This is a policy which was emphatically reaffirmed by the American people in 1920, when it was proposed that we join the League of Nations.

There is much to be said in theory in favor of a general agreement for collective security, by which a number of nations, sufficiently strong to dominate the world, undertake to prevent aggression, even though their collective action leads to war. There is a reasonable chance that such a policy might succeed. Our people, however, refused in 1920 to adopt it, and the efforts made under the League of Nations, without our cooperation, have now completely broken down. But the policy of the President and Senator PITTMAN under present conditions is not the policy of a League of Nations; it is completely original. No one has ever suggested before that a single nation should range over the world, like a knight errant, protecting democracy and ideals of good faith, and tilting, like Don Quixote, against the windmills of fascism. The unsoundness and danger of such a course was eloquently set forth by Senator BORAH over a national radio forum on March 28, 1938.

Of course, such a policy is not only vain, but almost inevitably leads to war. If we enforce an effective embargo against Japan, driving its people to starvation, as Senator PITTMAN suggests, it would be only natural for Japan to attack the Philippines, and our whole standing and prestige would become involved in an Asiatic war. If the Spanish embargo is lifted and an American ship carrying munitions is sunk by an Italian cruiser as it approaches Barcelona, it is hard to see how we could avoid a controversy with Italy, which might flame into a general war. We apparently are asked to line up with England and France, and probably Communist Russia, without even knowing what their policies may be, or whether they will back up the stand that we may take.

It is proposed that we repeal the embargo against Government Spain. But this embargo is not only an embargo against Government Spain but against both Government Spain and the Franco insurgents. There is no partiality in our position. It happens that Franco is supplied by Italy and Germany, and the only reason why Government Spain is hampered is that England and France are enforcing to some extent an embargo against Government Spain. Yet we are asked, in defense of democracy, to do the very thing the great democracies of Europe, on the very doorstep of Spain, and infinitely more concerned than we, are apparently unwilling to do themselves.

I have received this week over 25,000 letters and telegrams regarding the lifting of the Spanish embargo. It is physically impossible for me to reply to all of these communications. Several weeks ago I took a definite position against lifting the Spanish embargo, because I feel the policy declared 2 years ago is impartial and more likely to keep us out of war than any different policy which we might adopt at this time.

Congress was wise in passing the neutrality bill, which prohibits the shipment of arms, ammunition, and implements of war to belligerent states. I believe the President should long ago have found a state of war to exist between China and Japan, which he had full power to do, so that munitions might not be shipped either to Japan or China. The neutrality law intends that we shall not manufacture munitions for foreign wars. It provides, further, that in case of war, nations must come to this country and pay for all articles other than munitions to be shipped abroad before they are shipped. Its purpose is to reduce the chances of our becoming involved, and I believe it will assist greatly the accomplishment of that purpose. It is in accord in spirit with the whole policy of American neutrality for 150 years.

But now it is suggested that the whole world is different. It is said that distances are so short we cannot possibly avoid being involved in a general war. I don't believe it. I think if we are sufficiently determined not to become involved, we can stay out. We learned our lesson in 1917. We learned that modern war defeats its own purposes. A war to preserve democracy resulted in the destruction of more democracies than it preserved. We may go in on the side of France and England because they are democracies and find before we are through that they are Communist or Fascist.

Not only that, a war, whether to preserve democracy or otherwise, would almost certainly destroy democracy in the United States. We have moved far toward totalitarian government already. The additional powers sought by the President in case of war, the nationalization of all industry and all capital and all labor, already proposed in bills before Congress, would create a Socialist dictatorship which it would be impossible to dissolve when the war ended.

The United States is in a fortunate position, a selfishly fortunate position, if you please. In Europe races are so mingled that no one can draw boundaries without leaving minorities which are a perpetual source of friction. In the end a war seems unfortunately probable—a war likely to destroy in a few short years the civilization which Europe has taken centuries to build. In that war the United States need not and shall not be involved. We have an isolated location, and it is still isolated in spite of all the improvements in air transportation. The best military authorities say that we can defend ourselves, and the Caribbean Sea south of us, if we maintain an adequate navy and an attendant air force. During any war we can be self-sufficient. This very position makes it less likely that any nation would wish to attack us.

There is a general illusion that we see in Germany and Italy forces which threaten to overwhelm England and France, and

march on to attack the United States. But this is surely an imaginary fear at the present time. There is no reason to believe that Germany and Italy could defeat England and France in any protracted war. It is hard to see what they would gain even after a successful war by an attack on the United States. Certainly the physical strength of our position would make any nations hesitate, no matter how strong they might be. The picture presented this evening by Senator PITTMAN simply will not bear the analysis of calm examination.

It is natural that the sympathy of our people should be strongly aroused when they see what is going on under the totalitarian governments. Perhaps the President should tell them what we think of them, especially as the day seems to have passed when nations go to war because others call them unpleasant names. But the great majority of the people are determined that those sympathies do not lead us into overt acts of embargo, blockade, or economic sanctions.

Considering the attitude which the President has taken, it seems essential that Congress shall strengthen the neutrality bill rather than repeal it. It seems essential that the President shall not have discretion to take sides in foreign wars, or impose sanctions against those nations which he might find to be aggressor nations. It seems wise not to repeal the Johnson Act, as is now being suggested, and to maintain a policy of lending as little money as possible abroad, for foreign loans today are certainly made precarious by the possibility of war and likely to stimulate temporarily a production of exportable goods which cannot be sustained. Congress is the body upon which is conferred by the Constitution power to declare war. It should not permit the Executive to go so far toward war, without consulting Congress, that Congress and the people no longer have the power to prevent war.

I do not say that some special situation may not arise in the future under which it may seem desirable to go to war as the first step in an effective defense. But if such a situation ever arises it should be undertaken deliberately, after a thorough public discussion by the people and by Congress as the representatives chosen by the people.

Many justifiable criticisms can be made of the Neutrality Act, and of any special type of neutrality. But the horrors of modern war are so great, its futility is so evident, its effect on democracy itself so destructive, that almost any alternative is more to be desired. The people of the United States are overwhelmingly in favor of keeping out of other people's affairs, no matter what their individual sympathies may be for or against those people. They will not support armaments required to carry out any such policy as that suggested in the President's message and supported by Senator PITTMAN.

Scrap Iron

EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Monday, January 23 (legislative day of Tuesday, January 17), 1939

EDITORIAL FROM THE WASHINGTON SUNDAY STAR OF JANUARY 22, 1939

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial appearing in yesterday's Sunday Star of Washington, D. C., under the headline "Scrap Iron."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Sunday Star, Washington, D. C., January 22, 1939]

SCRAP IRON

Exports of scrap iron from the United States increased from 227,500 long tons in 1932 to 4,095,000 in 1937. Japan alone increased her purchases here during that period from 164,500 to 1,091,000 tons. American "scrap" has been one of Japan's most important and indispensable raw materials for the production of munitions of war for use against China. Britain's vast rearmament program also led to a tremendous jump in her scrap-iron orders. They rose from less than 1,000 tons 7 years ago to 845,000 tons in 1937. Italy took 6,700 tons in 1932 and 381,400, 2 years ago. We used to sell Germany only 100 tons. The Nazis in 1937 bought 88,000.

So Uncle Sam is the world's great purveyor of one of the basic rawstuffs from which death-dealing implements of war are fabricated.

Senator SCHWELLENBACH, Democrat, of Washington, who is frequently an exponent of administration policy, proposes legislation to regulate exports of scrap metals in order to conserve national supplies vital to this country in wartime. His projected bill is not only sound doctrine from that standpoint but it seems inconsistent that we should be furnishing certain potential enemies of the United States with the basic material for weapons that may some day be turned against these shores and our own citizens.

Mr. Roosevelt observed in his recent message to Congress that there are available to this country "methods short of war" for commanding respect for our rights and for the ideals which we cherish. Chief among the economic weapons which the United States possesses is its matchless wealth in natural products and in their byproducts. Scrap iron, as the export figures prove, is not the least considerable of these weapons.

Preaching peace with one gesture and, with another, openhandedly selling scrap iron to nations feverishly arming for war savors of a moral paradox.

Secretary Hull last summer, by a mere request, persuaded the overwhelming majority of our aircraft industry to quit selling planes and bombs to countries that condone the bombing of civilian populations. Perhaps if the State Department were to make kindred representations to dealers in scrap iron, it might obviate the necessity of legislation such as Senator SCHWELLENBACH advocates. If it did not have that effect, there would be even a stronger case for an embargo law.

The Schwellenbach bill is in line with the efforts now being made by a highly representative committee of citizens, called the American Committee for Nonparticipation in Japanese Aggression, of which former Secretary of State Henry L. Stimson is honorary chairman. It was Mr. Stimson, who, early in the China war in a notable public statement, sought to arouse the American people to the inconsistency of sympathizing with China while continuing to supply Japan with the sinews of war. In the latest statement of the committee headed by Colonel Stimson it is asserted that "Japanese shrapnel hurtling through the air to kill or maim, is made from scrap iron gathered and shipped by American junk dealers."

Silver Purchases

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Monday, January 23 (legislative day of Tuesday, January 17), 1939

EXCERPTS FROM ADDITIONAL LETTERS CONCERNING SENATE JOINT RESOLUTION 1, FOR SUSPENSION OF SILVER PURCHASES PENDING INQUIRY BY CONGRESS

Mr. TOWNSEND. Mr. President, on Thursday last, at my request, there were printed in the Appendix of the RECORD excerpts from letters received by me with reference to Senate Joint Resolution No. 1, providing for the appointment of a special joint committee to investigate the silver program, and for other purposes. I now present excerpts from additional letters concerning the same matter, and ask that they also be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

From the chairman of a Chicago firm of printers:

I am interested in the resolution which provides for a general committee of 10 members to investigate the silver program, and for other purposes. I am interested because I feel that the silver program is an absolute waste of the taxpayers' money and is an out-and-out subsidy to the silver miners.

In these days when taxes are mounting to astronomical figures, it seems to me an absolute crime that we should spend money to buy silver at all and especially to buy it at higher than the market. I would appreciate your help in having all silver legislation repealed.

From the president of an Omaha, Nebr., creamery company:

As I understand Senate Joint Resolution No. —, introduced by Senator JOHN G. TOWNSEND, JR., of Delaware, it calls for a joint committee to investigate the silver-purchase program.

The published records of the amount of silver purchased by the Government and the amount of which is of foreign origin, surely warrants such an investigation and remedial action.

I agree with a good many others with whom I have talked that it is time that this Government stopped purchasing, at fictitious prices, the silver, not only of the United States, but also a great deal of the rest of the world. We sincerely hope that this Congress will see that this practice is discontinued.

This Government has surely spent money enough for the benefit of the few individuals who produce silver.

From a Rockford, Ill., banker:

I am heartily in agreement with your proposed silver program. Surely this country has played the part of the good Samaritan long enough to other nations who have been selling us silver in large quantities, very much to the detriment of ourselves.

From a resident of Greensburg, Pa.:

I have recently seen a copy of Senate Joint Resolution No. 1, introduced by Senator TOWNSEND, of Delaware, providing for the investigation of the silver program.

It has seemed to me that the American purchases of silver in recent years have benefited principally the Mexican and Japanese Governments, and I therefore believe that a fair and complete investigation of the whole silver program is very desirable.

I therefore respectfully urge your support for that resolution.

From a Cleveland, Ohio, insurance executive:

I understand that Senate Joint Resolution No. 1, introduced by you, is right to the point, and along the lines which many of us have been hopefully awaiting for some time.

There is no question in my mind but that it would be wise to complete such investigation as proposed. I do hope that vigorous effort will be made to follow the nature and intent of this resolution providing for the suspension of all purchases of foreign silver until the recommendations made by the joint committee are available.

From a Dallas (Tex.) economist:

I have written letters to the Honorable ROBERT F. WAGNER and the Honorable CARTER GLASS, urging the early adoption of your resolution to investigate the silver policies of the United States Government. I am enclosing copies of these letters for your information.

I sincerely hope that your resolution will be adopted, for I see no reason to have our Government continue the payment of an outright bonus to the silver interests of the United States.

From a Passaic (N. J.) manufacturer:

I agree that it is wise to provide for an investigation such as you propose in Senate Joint Resolution No. 1.

From a Detroit (Mich.) businessman:

I am writing you in regard to Senate Joint Resolution No. 1, which you introduced, providing for a joint committee to investigate the silver program and other purposes.

It seems to me that it is highly important that such a joint committee be authorized for the purpose of developing:

(1) A sound currency system.
(2) Some method of compromising the war debts.
(3) A return to the gold standard.
(4) The reestablishment of world trade.

While this committee may not be able to handle all of these matters, there are many subjects which they will discuss and which would be tending toward the accomplishment of the above aims.

Your consideration of these points, as well as your continued and energetic support of this joint resolution, therefore is being urged.

From a Pittsburg, Pa., law firm:

I am writing you in support of Senate Joint Resolution No. 1, introduced by you, providing for a joint committee of 10 members to investigate the silver program and for other purposes. The resolution provides also for the suspension of all purchases of foreign silver pending the submission of recommendations by the joint committee. It is difficult to find a sound argument against a proposal that is intended to provide Congress with facts that should be in its possession if it is to give intelligent consideration to the questions of continuing, revising, or abandoning our present silver policy.

I believe that this action is most important for the safety of the financial structure of our country and the good of the overwhelming majority of its citizens and am looking forward to its adoption.

From a joint letter from seven Bostonians:

We are strongly in favor of the passage of Senate Joint Resolution No. 1, introduced by you, providing for the investigation of the silver program and for other purposes.

From a Newark, N. J., resident:

I wish to put myself on record as being heartily in favor of Senate Joint Resolution No. 1, which you have introduced, since I feel that it is very necessary to eliminate the purchase of silver. It has not accomplished its purpose, and has only resulted in greater difficulties in certain silver countries—such as China—and has certainly not been of any particular advantage to us in Mexico.

From a Boston, Mass., businessman:

I am heartily in favor of the Senate Joint Resolution No. 1, introduced by you, and hope it will be passed in order to do away with the vicious, unfair, and uneconomical silver purchase law now in operation.

Foreign Policy of United States

EXTENSION OF REMARKS

OF

HON. ERNEST LUNDEEN

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Monday, January 23 (legislative day of Tuesday, January 17), 1939

EDITORIAL FROM LIBERTY OF JANUARY 28, 1939

Mr. LUNDEEN. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a portion of the January 28, 1939, editorial in Liberty magazine.

It seems to me it is about time someone should speak up in the press and on the public platform against the foreign policy now being pursued by our State Department and many of our administration officials. We must solve our own problems, and if we bend our minds to that we shall have no time left for roving the world. One world-roving expedition ought to be enough. The terrible and awful results of that monumental folly now haunt every legislative chamber and every executive and judicial chamber throughout our land.

There being no objection, the portion of the editorial referred to was ordered to be printed in the RECORD, as follows:

[From Liberty of January 28, 1939]

SHALL WE BE FORCED INTO WAR BY RECKLESS OFFICIALS?

We will have to admit that we have harrowing problems of our own, and we should attend to our own business and leave the affairs of other nations strictly alone. But what can we do to stop the harebrained officials of this country from bull baiting other nations?

Some of our officials are not unlike Hitler in their colossal self-esteem. They doubtless have an idea that they could efficiently manage the entire world, notwithstanding convincing evidence that they have made a ghastly failure of managing this Government.

Now, we are far away from the war-making nations, and until the last few months we have studiously refrained from mixing in their mad preparations for war. And why should we try to compel any nation, through taunting criticism or through moral suasion—especially Germany—to adhere to our particular creed?

* * * * * * * *

* * * We have a perfect right to express our opinions as publicly as we may desire—as private citizens—but the officials of this country have no right to express sarcastic and offensive personal opinions of other nations. They are not speaking for themselves. Whatever they say is an official utterance. It becomes the voice of the people of this country, and it is accepted abroad as the attitude of our National Government. And even offensive remarks by the officials of other nations are no excuse for a similar offense by our officials.

We certainly want to keep out of war. We do not want to fight Germany or any other country because of its failure to follow our governmental ideals. We are facing grave governmental emergencies. God knows they are serious enough to take the entire time and attention of our officials—and then some.

We have no reason to be proud of our national status at this time. We have more people on relief than the combined total of all the European nations, and the dictators of the totalitarian nations only laugh at us when they make comparisons. And they have good reason.

However, the people of this country are determined to pull out of our trouble in spite of the powerful official handicap we are facing—and we hope it will be soon. We have had entirely too much encouragement of class hatred by the officials of the present administration. They seem to enjoy setting group against group, labor against capital.

And now we have the attack on the German nation by Secretary Ickes.

* * * * * * *

He has seriously offended every well-balanced American who wants to keep out of war.

We have many fine citizens of German origin in this country. * * * Our officials are certainly going outside of their domain when they represent this Government in provocative criticisms of Germany's national affairs.

We hear much about "face saving" in Washington. It has been rumored that the mountain of debt the present administration has incurred will certainly bring the wreckage that comes with national bankruptcy. But it has been maintained that a war will save the face of the present administration, and if our country is to be plunged into a bloody conflict for such a reason, our national affairs are in the hands of malicious, heartless politicians.

The calamity we may fear through bankruptcy is indeed a disastrous possibility. But to think that thousands, perhaps millions, of our young men may lose their lives to save the face of the New Deal represents what might fairly be termed a helluva situation.

BERNARR MACFADDEN.

Relief

EXTENSION OF REMARKS

OF

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, January 23 (legislative day of Tuesday, January 17), 1939

ARTICLE BY DR. GEORGE GALLUP

Mr. HOLT. Mr. President, I ask unanimous consent to have inserted in the RECORD an article by Dr. George Gallup entitled "Nation's Voters Back Drive to Take Politics Out of Relief," published in the Washington Post of yesterday.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NATION'S VOTERS BACK DRIVE TO TAKE POLITICS OUT OF RELIEF—BOTH PARTIES LAUD CONGRESS CAMPAIGN—MAJORITY FAVORS CIVIL SERVICE FOR ALL W. P. A. OFFICIALS—WOULD PROHIBIT ALL PERSONS ON RELIEF FROM CONTRIBUTING TO POLITICAL CAMPAIGN

(By Dr. George Gallup, director, American Institute of Public Opinion)

NEW YORK, January 22.—The determined drive in Congress to take politics out of relief—a drive which began the very first day of the session—is overwhelmingly approved by the Nation's voters, the majority of whom have never been wholly satisfied with the administration of relief under the New Deal.

Those facts are revealed in a series of more than 15 public opinion surveys on the relief question conducted in recent months by the American Institute of Public Opinion. The latest soundings, as well as earlier surveys, indicate a widespread desire for changes in the technique of relief administration, a belief in strong laws and policies to stamp politics out of relief, and a conviction that relief must be looked upon as a permanent Government problem. The campaign in Congress for reform of the relief administration finds the public in a most receptive mood.

The testimony of Harry Hopkins, the reports of the Sheppard and Byrnes committees on relief abuses, and the revival of the Hatch amendment have all focused attention on the relief issue in recent weeks. Actually, however, public dissatisfaction with relief methods dates back for many months. Almost a year ago an institute survey found that a large majority of voters—about 8 in every 10—had become convinced that politics colored the handling of relief in their communities. There was a virtually unanimous vote that such abuses should be eliminated.

In the course of testing opinion on the relief issue, the institute collected the public's views on many specific plans for eliminating politics from the W. P. A. Its latest study, just completed, measured sentiment on a number of the proposals made by the Sheppard committee which investigated abuses in the last election. Other surveys have covered the principles of the Hatch amendment reintroduced at this session, as well as other aspects of the problem.

SEVERAL PLANS FAVORED BY PUBLIC IN SURVEY

From all these studies a composite picture of public sentiment can be drawn about as follows:

1. A large majority of voters believe that all relief officials should be put under civil service as a means of eliminating politics and favoritism in appointments. This vote is a reflection of widespread public faith, often noted in institute surveys, in the civil-service system as opposed to the spoils system.

2. Nearly 9 in every 10 voters favor a drastic law against allowing anybody to influence the vote of persons on relief either through coercion or promise of reward. The Hatch amendment, which failed to pass in the last session, sought to accomplish this reform.

3. By a vote of more than 7 to 3, the public believes that neither persons on relief nor relief officials should be allowed to contribute money to a political campaign—two of the recommendations of the Sheppard committee. The voters also support, 6 to 4, the committee's proposal that all Federal employees be prohibited from contributing money to campaigns.

4. A large majority of voters (73 percent) feel that relief would be better administered by a bipartisan board than by a single administrator, as at present. This plan, sponsored by Senator BAILEY, of North Carolina, is favored by voters chiefly because they think that control by a bipartisan board will help to eliminate graft and political preference. Even Democratic voters approve the plan.

One fact emphasized by the survey results in that attitudes on the relief question cut across party lines. The pattern is not one where the rank and file of Democrats think one way and the Republicans another. Instead the surveys find that both camps are equally anxious to see politics and graft purged from relief.

For example, large majorities of both Democrats and Republicans think it should be considered a crime for a relief official to try to influence the vote of persons on relief. Bringing relief officials under civil service is favored by more than 70 percent of both Republicans and Democrats, who also agree that reliefers should not contribute money to political campaigns, and that relief funds should be administered by a bipartisan board.

Thus there is every indication that New Deal Senators and Congressmen who advocate reforms in relief are carrying out the wishes of their own party members in addition to forestalling criticism from their Republican foes.

RELIEF A PERMANENT GOVERNMENT RESPONSIBILITY, VOTERS SAY

In the early days of the New Deal there was much debate as to whether it was the Government's responsibility to take care of needy persons out of work. Recent Institute studies show that this principle is now a definite part of the social philosophy of our times. Approximately 70 percent of voters declare that the Government should take responsibility for the jobless. About the same number think that the relief problem is no temporary phenomenon, but that relief appropriations will have to continue permanently.

The majority also feel, however, that the Government is doing enough for the unemployed. When the Institute asked voters recently "Do you think that people on relief in your community are getting as much as they should?" a majority of 71 percent said "yes." And other surveys indicate that the dominant pull of public opinion at the moment is more in the direction of reducing relief appropriations than in the direction of raising them.

WHAT THE PUBLIC THINKS

Following is a summary of institute surveys touching various aspects of the politics-in-relief issue:

1. Would you favor a law prohibiting any person on relief from contributing money to a political campaign? Yes, 78 percent; no, 22 percent.

Would you favor a law prohibiting any relief official from contributing money to a political campaign? Yes, 70 percent; no, 30 percent.

2. Should employees of the Federal Government be prohibited from contributing money to political campaigns? Yes, 62 percent; no, 38 percent.

3. Would you favor a law making it a crime for a relief official to attempt to influence the vote of persons on relief? (Survey taken May 1938.) Yes, 86 percent; no, 14 percent.

4. Do you think officials in charge of relief should be under civil service? (Survey taken November 1938.) Yes, 75 percent; no, 25 percent.

5. How large a part does politics play in giving relief in your community—none, a little, or quite a bit? (Survey taken May 1938.) None, 16 percent; a little, 31 percent; quite a bit, 53 percent.

The Wright Airplane

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, January 23 (legislative day of Tuesday, January 17), 1939

EDITORIAL FROM THE MIAMI HERALD

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have published in the Appendix of the RECORD an editorial from the Miami Herald of January 6, 1939, in regard to the first airplane to fly successfully in America, driven mechanically, carrying a weight more than that of a man, which occurred at Kitty Hawk, N. C.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Miami (Fla.) Herald of January 6, 1939]

BEHIND THE FRONT PAGE

(By Ellis Hollums)

The battle to "right the wrong" done Orville and Wilbur Wright by the Smithsonian Institution is still going on, and, in connection with the all-American air races in Miami this week, Mrs. Fred J. Bartlett, widow of North Carolina's governor of the National Aeronautic Association, reminds us that the first heavier-than-air machine to really fly still rests in a British museum at South Kensington, London.

The late Mr. Bartlett devoted many years of his life campaigning for the idea that the historic relic belongs in America. Orville Wright (Wilbur died many years ago) is steadfast in refusing to allow the Wright brothers' first plane to be brought back to this country until the Smithsonian Institution removes the Samuel Langley plane out of the museum. The institution has continued to give credit to Langley instead of the Wrights for having flown the first plane. Of course, the public generally concedes the credit to the Wrights, but Orville is unwilling to yield his contention until the Smithsonian also concedes.

The movement to have the recognition granted gained considerable headway in North Carolina under Mr. Bartlett's direction, and his widow is carrying on the fight, now that he is no longer here to maintain it. Senator ROBERT R. ("Our Bob") REYNOLDS, of North Carolina, has a bill pending in Congress to appropriate $50,000 to be used in bringing "the bird back to its nest" at Kitty Hawk, N. C.

The Wright plane was successfully flown over the sand dunes at Kitty Hawk in December 1903. The queer-looking contraption left the ground and made sustained flights varying from 12 to 59 seconds. They had established the principle, and out of their work grew the present-day airplane. When the Smithsonian gave credit to Dr. Langley of being first with the heavier-than-air ship the Wrights naturally were indignant. When the British museum invited them to send their ship over they did so, but made a proviso that they could repossess it at their pleasure. So it is not impossible to get it back, and the Carolinians want to set up a place for it at Kitty Hawk.

The Red River Dam

EXTENSION OF REMARKS
OF
HON. WILBURN CARTWRIGHT
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES

Monday, January 23, 1939

Mr. CARTWRIGHT. Mr. Speaker, Governor Phillips, of Oklahoma, has strongly condemned the action of Congress in authorizing construction of the $54,000,000 Red River Dam between Durant, Okla., and Denison, Tex., and had a personal representative in Washington last week to present his opposition. He makes it appear that I, as Representative of the Third District, and other Members of the Oklahoma delegation in Congress have been blind to the interests of Oklahoma and working for the benefit of Texas, Louisiana, and Arkansas.

I am very much interested in the construction of this dam for the benefit of my State and district and have worked on it for years, in cooperation with Congressman SAM RAYBURN, of Texas, and with the support of the Oklahoma delegation in Congress.

GOVERNOR NOT FULLY INFORMED

I have a great deal of respect for my old friend Governor Phillips, but I believe he has been misinformed on this, the greatest Federal project that has ever come to Oklahoma.

In his first message to the Oklahoma Legislature, among other things, he said the construction of the dam:

> Will completely inundate many miles of important State highways, railroads, etc. * * * It will take permanently from the tax rolls of the school districts, counties, and cities in southern and southeastern Oklahoma a large part of the most valuable agricultural land * * * It amounts to the proposed destruction of land, streams, and natural resources without our consent * * * It was designed for the almost exclusive benefit of the States of Texas, Louisiana, and Arkansas * * * Neither the views, concerns, objections, nor advice of the sovereign State of Oklahoma have ever been invited or heard by either branch of Congress or by any committee thereof * * * It constitutes the most shocking disregard of State rights that has yet occurred * * * It aims at the destruction of the Union.

He says the object is to divert the waters of Red River into Trinity River for the benefit of Texas, and that such a dam will not prevent but will cause floods. He advocates building 56 smaller dams with the same amount of money.

It is evident that the Governor has not been fully informed about the Red River project, or he would not have made such statements.

Of course, the United States will make adequate provision for relocation and rebuilding of highways and railroads, and construction of bridges and viaducts over lakeside necks.

WILL INCREASE LAND VALUES

Land which it is necessary to acquire will be purchased and the owners paid a fair price in cash. Much of it is heavily mortgaged. Many thousands of acres of first bottom land along the river where it has always been hazardous to attempt to grow crops on account of floods will be safe when no floods occur on Red River as a result of the dam, and the value of this land will be increased by millions of dollars.

Other land along the shore line of the great lake to be created will have a largely increased value for purposes of local taxation and otherwise.

Oklahoma's water rights are amply protected by an express provision written into the act authorizing the dam. No such provision was made applying to any other State.

GREAT RECREATION CENTER

While Texas, Arkansas, and Louisiana will share in the flood-control benefits, Oklahoma will get the advantages of a great recreational center and the benefits of the cheap electric power to be generated, making possible establishment of new industries to provide new tax values and employment for our people, as well as substantial savings on electric bills even with extended uses of electricity.

POWER OF CONDEMNATION

There is no question about the United States having the power to construct dams across navigable streams and their tributaries. The States have delegated such powers to the Congress. The consent of the State is not necessary. The question has been passed upon by the Supreme Court and decided in an opinion by Mr. Justice Brandeis.

STATE CONSENT NOT NECESSARY

If such a new doctrine of States' rights as Governor Phillips advocated were put into practice the Federal Government could not construct a post-office building in any State if someone in high official position in the State, such as the Governor, objected. If such a doctrine had been in effect it might have been impossible for the United States to have built the Veterans' Hospital at Muskogee, or the $1,000,000 Indian Hospital at Talihina. We could not do anything to control floods or harness water power in Oklahoma or any other State if some opposing influence could sway the Governor or one branch of the State legislature. If it had been necessary to have such a form of "unanimous consent" none of the Tennessee Valley dams could have been built.

STATE OFFICIALS HEARD

The statement that Oklahoma was not represented at the hearings last year is incorrect. Several outstanding citizens of Oklahoma, officially representing the State government, presented their views to the Flood Control Committee. Among them were Dr. Henry G. Bennett, president of the Oklahoma Planning and Resources Board; Walter Archibald, of Durant, a member of that board; and F. L. Vaughn, director of the Water Resources Board of Oklahoma. The record of the hearings show that they approved and recommended the Denison Dam project, with certain reservations, which were met by committee amendments. Members of Congress from Oklahoma all gave careful consideration to the project, and most of them appeared before the committee in support of it. Personally I feel that Oklahoma has been recognized and well represented.

The rumor that waters impounded by the Denison-Durant Dam might be diverted into the Trinity River is fantastic. I think the cities of Dallas and Fort Worth would be the first to oppose such a proposal.

OTHER PROJECTS ENDANGERED

As for causing floods, the reserve storage for floodwaters, above the permanent power pool, will be more than ample to take care of the largest flood on record. The double-purpose dam, providing for flood control and electric power, has proven to be the most economical and practical, and if Oklahoma objects to this type of dam and the biggest and most important project, it is most likely that our State will lose other all-Federal projects which have been authorized for Oklahoma, as the "tail would go with the hide." Other States are unanimous in their cry for this money to be spent with them.

DESTROYS OWN ARGUMENT

Governor Phillips opposes the Red River Dam because it will cover up good land. The 56 smaller dams he proposes would certainly cover up more land than the 1 big dam. He destroys his own argument. And the smaller dams would be too small for practical use in generating cheap electricity for the common people.

PROVIDES MUCH EMPLOYMENT

I consider the Red River dam a very constructive and progressive proposition. It should be remembered that there are no more frontiers to conquer; that we can no longer say, "Go West, young man, and grow up with the country"—settle on 160 acres of virgin land. We must let down our buckets where we are, develop the country we have, control and utilize our waters and protect and rebuild our soils in the public interest, at the same time providing work for our unemployed on beneficial investments. Unemployment is Oklahoma's greatest problem, and this project will provide much-needed jobs for three or four thousand workers for 4 or 5 years, all the cost to be paid by the Federal Government.

RURAL ELECTRIFICATION

I am particularly interested in opportunities for rural electrification which this project will make possible for many Oklahoma and Texas farm families. Last summer I was in Europe and found that almost all the rural communities in continental Europe are electrified. I want the people of Oklahoma to have the advantages of cheap electricity in their homes, and for industrial use.

ISSUE IN CAMPAIGN

This Red River Dam was an issue in my campaign last year, and my opponents tried to make capital of my support of it without declaring their own position. I said then, and I repeat now:

"I am not the kind of a candidate who is for the dam below the dam, against the dam above the dam, and who doesn't give a dam away from the dam. I am for the dam."

Increase in Our Agricultural Exports Due to Reciprocal Trade Agreements

EXTENSION OF REMARKS

OF

HON. FRANK H. BUCK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 13, 1939

Mr. BUCK. Mr. Speaker, the Seventy-sixth Congress has now been in existence some 10 days. During the portion of that time that it has been in session we have already been forced to listen to the old war cries of political die-hards. One of their pet hates has been and still is the Reciprocal Trade Act of 1934 and the reciprocal-trade agreements made pursuant to the authority of that act. Since the last session of Congress two new outstanding agreements have been entered into, that with the United Kingdom and its colonies, and the revised agreement with Canada. General approval has been given both of these agreements by American editorial opinion. By the second week of December 1938, the agreements having been signed on November 17, a tabulation of this editorial opinion showed that out of 492 publications polled, 318 expressed favorable opinions, 80 unfavorable, and 94 neutral.

Despite this general approval, which is echoed by popular opinion itself, an attempt is being made deliberately to convince the farmers of the Nation that agricultural products have suffered materially at the hands of the United States negotiators. Not all of the political opponents of this administration are participating in this attempt to humbug the farmer. One who has seen the light clearly is the Republican nominee for Vice President in the last campaign, Hon. Frank Knox, of Chicago, who just the other day, addressing a gathering of his Republican colleagues in South Dakota, went even further than this administration has gone and stated unequivocally that his party should give up advocating the present system of tariffs. But the Republican leaders in the House sing another tune.

The fact is that the trade agreements have been drawn up so as to prevent imports of commodities competitive with domestic farm products from disturbing home markets. Quotas, in most cases, have been attached to the few concessions made. On the other hand, our agriculture has gained enormous benefits through concessions made us by the trade-agreement countries on imports of our farm products into their countries. For instance, farmers in my own State of California benefit by 221 reductions of duty on exportable farm products contained in these agreements, an average of over 12 reductions per country, in addition to binding of duties or free entry on many other agricultural products. In our case these reductions occur on such diverse exportable farm products as asparagus, apples, beans, barley, oranges, onions, sardines, and prepared milk. Farmers in other States benefit by other reductions.

At a later date I hope to be able to comment on the results of the new agreements with the United Kingdom and Canada, but they have not been in effect long enough as yet for anyone to speak intelligently of their ultimate effect. Today I desire to consider what has been the effect on our farm exports generally under the 16 other trade agreements which have been entered into since the passage of the Reciprocal Trade Agreements Act.

One must remember that trade data for the past 4 years has been distorted by fluctuations in industrial activity and by drought and other climatic factors in the agricultural sections. In spite of these, available data on our foreign trade in agricultural products indicate that the agreements have substantially benefited American farmers. The increase in American agricultural exports to those countries with which we had trade agreements in effect in 1937 has been much greater and speedier than that in similar exports to other countries. The table below, published in December 1938 by the Bureau of Agricultural Economics, United States Department of Agriculture, shows the course of our trade with trade-agreement countries, comparing it to that of our trade with other countries. This table covers agreements with the 16 countries which were in effect by August 1937. Most of these were also in effect during 1936. The four agreements concluded during 1938 are not considered in the table since none of them appreciably affected data for that period. However, these agreements, especially that with the United Kingdom, are expected to greatly increase the extent to which farmers will benefit from the trade-agreements program.

United States foreign trade with trade-agreement countries[1] and with other countries

	Year ended June 30—				
	1935–36	1936–37	1937–38[2]	Increase (+) or decrease (−) 1937–38 over 1935–36	
	Million dollars	*Million dollars*	*Million dollars*	*Million dollars*	*Percent*
United States (domestic) exports:					
Of all commodities:					
To the 16 countries	805	1,034	1,236	+431	+54
To all other countries	1,570	1,757	2,123	+553	+35
Of farm products:					
To the 16 countries	186	207	288	+102	+55
To all other countries	580	525	600	+20	+3
United States imports (for consumption):					
Of all commodities:					
From the 16 countries	934	1,194	970	+36	+4
From all other countries	1,274	1,698	1,361	+87	+7
Of agricultural commodities:					
From the 16 countries	468	600	454	−14	−3
From all other countries	674	937	701	+27	+4

[1] Belgium; Brazil; Canada; Colombia; Costa Rica; Cuba; El Salvador; Finland; France, including her colonies, dependencies, and protectorates other than Morocco; Guatemala; Honduras; Haiti, Kingdom of the Netherlands; Nicaragua; Sweden; and Switzerland.

[2] Preliminary.

Farm products exported from the United States to the 16 countries rose by $102,000,000, or 55 percent, from the fiscal year 1935–36, when only three of the agreements were in effect throughout the year, to the fiscal year 1937–38. Notice that farm exports to all other countries rose by only $20,000,000, or 3 percent, for the same period.

Our largest farm export is cotton, which has not suffered greatly from foreign trade barriers, and which, therefore, has not been directly benefited by trade agreements to any large amount. Since this is the case, however, figures for farm exports other than cotton are more than usually significant. These I present in the following table, also prepared by the Bureau of Agricultural Economics, United States Department of Agriculture:

United States domestic exports of farm products other than cotton and cotton linters to trade-agreement countries and other countries

	Year ended June 30—				
	1935–36	1936–37	1937–38[1]	Increase (+) or decrease (−) 1937–38 over 1935–36	
	Million dollars	*Million dollars*	*Million dollars*	*Million dollars*	*Percent*
To the 16 countries	98	110	204	+106	+108
To all other countries	269	239	372	+103	+38

[1] Preliminary.

The table indicates that the percentage of increase for exports to trade-agreement countries has been 108 percent, while that to all other countries amounts to 38 percent for the fiscal year 1937–38, as compared with the fiscal year 1935–36.

Let us analyze the farm export situation a little further. In doing so we must bear in mind that two of the greatest droughts in our history held down farm exports, while at the same time they increased competitive imports from 1935 to 1937. Similarly, extremely plentiful harvests in 1937 and 1938 have had the reverse effect on our trade. Secondly, let us bear in mind that the short crops were marketed during years of exceptionally good demand, so that the shortage of exportable supplies and the need for imports was even greater than would otherwise have been the case. Conversely, the bumper crops were faced with low industrial production and an inactive market, so that exportable surpluses mounted rapidly and imports fell off. It is necessary, therefore, to analyze the situation beyond the figures presented in the tables above. This further analysis seems to support the favorable conclusions indicated by the general figures.

Of the $106,000,000 increase in exports of farm products other than cotton to the 16 trade-agreement countries, as shown in the second table above, $45,000,000, an increase of 141 percent, the largest part, was recorded for exports to Canada. Practically all of this increase occurred in items on which Canadian duties were reduced by the terms of the trade agreement. Moreover, expansion in the quantity of our exports to Canada of some leading commodities on which Canadian duties were reduced was proportionately much greater than the expansion of our exports of these same farm commodities to the rest of the world. Not only were drought-affected commodities, such as wheat and oats, expanded but other leading items, such as grapefruit and fresh apples.

I cite these facts particularly and consider them significant, because Canada's economy is quite similar to our own. Her cycle of business activity has been comparable to our own. To some extent at least her farm production suffered from the same droughts that we experienced. Consequently our farm trade with Canada ought to be distorted somewhat less by this factor and by the factor of business activity than that with other countries.

The next largest part of the $106,000,000 increase in exports of farm products, other than cotton, occurred with the Netherlands, which rose by $28,000,000, an increase of 224 percent. Here also the increase took place in items upon which the Netherlands' duties were reduced by the terms of the trade agreement. The third largest increase occurred in exports to Belgium, which rose by $19,000,000, or an increase of 208 percent. Some of the trade-agreement countries do not show equally favorable results—five of them, in fact; but four of these five—Colombia, Haiti, Honduras, and Nicaragua—are predominantly agricultural countries where farm products could not figure prominently in the trade agreements. In the case of France, the fifth, failure of French economic activity to recover substantially in the last few years from its own depression has restricted imports under the agreement quite materially.

Such import statistics as are available from the trade-agreement countries themselves from 1934 to 1937 confirm the above analysis. Such statistics are available for the 11 most important of the 14 countries with which trade agreements were in effect in 1936. In 10 of these 11 countries the United States proportion of total imports has risen since the conclusion of the trade agreements. The only exception is Brazil, where large sales by Germany had, until 1938, increased its share in the Brazilian market and reduced the shares of other countries, including the United States.

The truth is that agriculture of every type in the United States is suffering either directly or indirectly from world conditions. The California prune grower has had his export markets to Germany and Italy, previously his largest buyers, almost completely destroyed, and no trade agreement is responsible for this. The cotton grower has been affected by the increase in cotton plantings in other sections of the world, and so on down the line. World agriculture is suffering from almost every possible ailment. There are countries which are trying to raise enough wheat to be self-sufficient, and using land on which wheat never should be raised and which ought to be used for other purposes. Germany, and perhaps some other countries, are using substitute products on a grand scale. Even the world's eating habits are changing. A machine tender probably eats a third less than would his ancestor who used a pick and shovel. Trade agreements are not responsible for these shifts in occupations or in tastes for food. If we are producing more farm products at home than our mechanized Nation will consume, and if it is costing us more to produce some of these products because our soils are wearing out and require fertilization, the trade agreement, with its reopening of old export markets and the development of new export markets for farm products is the sound and sane solution. Foreign markets can be had by this means without sacrifice of our domestic economy.

Neutrality

EXTENSION OF REMARKS

OF

HON. GERALD P. NYE

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Monday, January 23 (legislative day of Tuesday, January 17), 1939

ARTICLE BY DR. CHARLES A. BEARD

Mr. NYE. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Neutrality: Shall We Have Revision?" by Dr. Charles A. Beard, published in The New Republic for January 18, 1939.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEUTRALITY: SHALL WE HAVE REVISION?—THE PRESIDENT'S POLICY—AND THE PEOPLE'S

(By Charles A. Beard)

Forces are being lined up for a terrific battle over the revision of the neutrality legislation at the coming session of Congress. It

is well known that advocates of collective security, largely drawn from the old League of Nations groups, are preparing to press for changes in the law that will give the President the power to discriminate among belligerents and to use the material resources of the country to implement whatever foreign policy he may choose to adopt in that connection. This will include the authority to perform unneutral acts when war begins; that is, to enter the war on the side he favors, first, by using hostile measures against the designated enemy and then, when retaliations come, by accepting the challenge of arms. To put the case in another way, it will in effect transfer the power to declare war from Congress to the President.

The real issue is, therefore, Shall Congress surrender to the President its constitutional power to declare war?

Before considering this issue, it is appropriate to come into the clear in the matter of neutrality.

It is widely assumed that neutrality means that we maintain complete impartiality or equality in the treatment of belligerents, while remaining at peace and abstaining from acts of violence directed against the one or the other of the contending parties. This is an entirely false conception of neutrality as a fact. No policy of neutrality can result in an equal treatment of belligerents, for the treatment they receive under strict neutrality will depend upon the posture of their affairs and the nature of the conflict.

For example, in case of a European war, any policy of neutrality that allows any sea-borne trade to continue will favor the European powers that command the seas.

The essence of neutrality is not equal treatment of belligerents in fact. The essence of neutrality is abstention from war, abstention from hostile acts by the Government and abstention from changing the policies of the Government for the benefit of one belligerent or the other, after the war has begun.

Hence if Congress confers upon the President the power to alter commercial or other policies of the United States for the benefit of the one belligerent or the other after war begins, it will confer upon him the power to perform unneutral acts, that is, hostile acts, easily leading to war.

The latest revision of the neutrality acts already confers upon the President this power in certain respects. This revision was effected under the pressure of the collective-security advocates, with the aid of President Roosevelt and the State Department. It permits the President, after a war has begun abroad, to add articles and commodities to the primary list of contraband goods (munitions) which cannot be carried on American ships. In other words, the present law permits the President to alter the rules of the game for the benefit of the one belligerent or the other after war has started, that is, to perform unneutral acts, hostile acts.

What the advocates of collective security now demand of Congress is a more fundamental alteration. They are proposing to give the President full authority to use the economic power of the United States against any belligerent that he may designate as soon as war has started or at any time after it has started. Such a law should be called "An act for allowing the President of the United States to enter any war that begins abroad."

This is the issue and it should be argued on its merits as such.

Personally I am opposed to any legislation of this character.

Advocates of such legislation have called opponents bitter names. They have said that we are immoral, foolish, short-sighted, and stupid. One distinguished advocate has said that we are like Cain who murders his brother and then asks whether he is his brother's keeper. I do not propose here to answer in such terms, for the matter of American foreign policy does not seem so simple to me as black and white. There are fine-spirited and honorable men and women in America who sincerely believe that the last war was really "a war for democracy" and that, if the United States would join the League of Nations or underwrite Great Britain and France, peace could be maintained for the United States and throughout the world.

In fact, some of them put all the blame for the troubles of the world on the American people. "We fought and ran away," says Mr. George Norlin. "We left the League of Nations, the child begotten of American aspirations, a foundling upon the doorstep of Europe; we crawled into our own skins * * * and so we made the world safe, not for democracy, but for gangsterism."

In my opinion this is a simplification of the World War and world history that will not bear the test of fact and is unjust to the American people.

Many American people who were in favor of the war at the outset and applauded President Wilson's "war aims" began to have doubts about his "war for democracy" long before it ended. The Sedition Act of 1918 settled it for many American citizens. For others the dream was exploded by the sight of the Versailles Treaty and the conduct of the Allied and Associated Powers after the war was over, especially the invasion of Russia. It seems to me fair to say that Great Britain and France "ran away" and left the American people in the lurch; at least this is as fair as the charge that the American people "ran away" or betrayed their ideals.

But apart from all such recriminations, the situation is what it is now. Do the American people want to put into the hands of any President the advance power to underwrite Great Britain and France secretly and to decide what shall be done in case of another war in Europe? Public opinion polls all indicate they do not.

Does the situation in Europe indicate that this should be done in the interest either of national security or peace?

Who actually knows what the situation in Europe really is? Reports since the Munich affair show that the plans, purposes, and large designs of Great Britain and France at the time were unknown to the public or were at all events very obscure. Already we have had several "explanations" of the reasons for abandoning Czechoslovakia and surrendering the enormous military advantage of her superb defense lines.

We are told that it was all a fixed-up game, that the Governments of Great Britain and France made the war scare for the purpose of justifying their coming to terms with Hitler.

We are told that Great Britain and France were not ready in a military sense to call Hitler's bluff, that Great Britain's rearmament program has been badly carried out, that British munitioneers have made millions in profit without delivering the goods.

We are told that Great Britain and France found the Little Entente unwilling or unready to fight.

We are told that the British Tories and French Tories want to work with Hitler in the business of liquidating Soviet Russia, and this is as plausible as any of the many explanations offered.

What are Great Britain and France really up to? We do not know any more about that than we did in 1914 about all the backstairs negotiations and designs which preceded the World War or in 1915 about the secret treaties.

Yet we are to "collect" with them now, in advance, assure them that we will underwrite them before the game of war starts, or at least will authorize the President to do it. In the light of the last 300 years of European history this seems to me to be no way to conduct the foreign policy of the United States.

If we are to collect with Great Britain and France, we should do it openly and on specific terms. Wilson made no advance terms in 1917 and see what we received at Versailles. To agree to cooperate on exact terms is one thing. To give to the President the power to make a secret underwriting at his pleasure is something entirely different. It is shutting our eyes and leaving our fate in the hands of the President and the State Department.

With all due respect for the President and the State Department, the American people seem to have decided that they do not want to make this surrender, and in my judgment they are absolutely right. If the surrender is made by modifications of the Neutrality Act through the use of weasel words, then the verdict of the people who will have to pay, suffer, and die will be flouted by the Congress of the United States. It seems preposterous to charge the President with seeking a dictatorship because he wants a reorganization of the Federal administration and then turn around and make him a real dictator in a far more important matter—the power to maneuver the country into a position from which war is the only escape.

On these grounds I hope that opponents of the collective-security group will rally in full force against its efforts to rewrite the Neutrality Act in the direction of establishing executive supremacy. I hope also that they will urge Congress to strike out of the act the discretionary powers already conferred upon the President, namely, the power to widen the list of proscribed commodities that are not to be carried on American ships.

This does not mean that the United States will be or should be indifferent to everything that Germany, Italy, and Japan do. It means no unconditional surrender to them. The United States would still be free to negotiate treaties. Congress would still be free to declare war on the three troublemakers. The President would still be free to lay his views before the country with reference to policies to be pursued.

A tighter neutrality law would merely limit the President's power to do what Woodrow Wilson did in 1914, 1915, 1916, and 1917 behind closed doors. It would force a definition of issues if there is to be a war, an open definition convincing to the country and Congress.

If the official directors of our foreign policy would quit preaching sermons to the world—sermons which they have had to eat again and again—if they would keep their powder dry, if they would turn solemn and inscrutable faces to the three world troublemakers and let them guess, then the country would be less confused and the way would be prepared for the support of necessary decisions when and if decisions become necessary. But with all the sermonizing, preaching, lecturing, and sentimentalizing, with the air full of rhetorical smoke, it would be dangerous for Congress to surrender its power over war to the Executive department, no matter who is President.

There is the issue. It is nothing less fateful than that.

Preparedness for Defense

EXTENSION OF REMARKS

OF

HON. KEY PITTMAN

OF NEVADA

IN THE SENATE OF THE UNITED STATES

Tuesday, January 24 (legislative day of Tuesday, January 17), 1939

RADIO ADDRESSES BY HON. KEY PITTMAN, OF NEVADA, AND HON. ROBERT A. TAFT, OF OHIO, JANUARY 22, 1939

Mr. PITTMAN. Mr. President, on Sunday night last the distinguished Senator from Ohio [Mr. TAFT] and I had the

privilege of speaking over the Forum of the Air with regard to the question of preparedness for defense. By reason of a previous appointment, I was unable to remain to hear the address of the Senator from Ohio, but I am sure that it was an able address, and I am sure also that all Senators desire to read it, as I should like to have an opportunity of doing. So I ask unanimous consent that the address delivered by me and the address delivered by the Senator from Ohio following my address be published in the Appendix of the RECORD.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

RADIO ADDRESS BY HON. KEY PITTMAN, OF NEVADA, BEFORE THE AMERICAN FORUM OF THE AIR, JANUARY 22, 1939

The subject for discussion tonight before The American Forum of the Air is Preparedness for Defense. There is no more vital question that confronts our Government and its citizens today. The magnitude and details of defense and the manner in which our military instruments shall be used are military problems which obviously should be determined by our military experts. Although I served upon the Naval Affairs Committee from 1913 until 1922 and on the Foreign Relations Committee since 1916, I fully realize that such experience does not constitute me an expert even in naval affairs and that such knowledge as I may have then obtained has become obsolete in the rapidly changing conditions of warfare. I have, however, been in a position during the last 23 years to keep in touch with changing world conditions. It is these conditions that, in my opinion, require extraordinary preparations for defense, which I will discuss as frankly as I may tonight.

And let me state in the beginning that I do not speak as an officer of the United States Government, as chairman of the Committee on Foreign Relations of the United States Senate, or with authority from any officer of our Government. I speak my own personal beliefs and opinions. I take entire responsibility for what I may say.

It was evident to every informed person from the experience derived in the World War and the circumstances leading up to it that nothing could prevent a repetition at some time of a similar war, probably even more widespread, dreadful, and destructive in its effects, unless the governments of the world solemnly bound themselves together with the irrevocable intent to settle international controversies that might lead to war, through arbitration, adjudication, or other peaceful means.

Immediately after the World War the League of Nations was created and its covenant adopted to accomplish the settlement of international controversies through peaceful methods and, insofar as possible, to enforce just peace. It had adequate support by several strong governments and the power to enforce obedience to the mandates of the Covenant without resort to war.

Then came the treaty outlawing war as an instrumentality of governments, commonly known as the Kellogg-Briand Treaty; and the Washington treaties of 1922, including the Nine Power Pact with regard to China. No stronger treaties, either bilateral or multilateral, could have been conceived or executed. Christian and humane people throughout the world looked upon these accomplishments with gratitude and abiding faith.

What has been the result of these treaties, the consummation of the statesmanship of the world? They have utterly failed to accomplish their purposes.

In 1931 Japan upon a framed excuse invaded Manchuria, then a part of China. China under the terms of the Covenant of the League of Nations carried the controversy to the League. Japan appeared on her own behalf. The case was tried. The League of Nations by unanimous vote, with the exception of Japan, held that Japan was guilty of violating the Covenant of the League of Nations and adjudged that Japan should immediately withdraw her military forces from Manchuria. An independent international commission, upon which the United States had a member, investigated in Manchuria and reported its findings and conclusions. These findings and conclusions unequivocally held that there existed no legitimate excuse for the invasion of Manchuria by Japan, and that there was no excuse for Japan to continue military operations in Manchuria. The Secretary of State of the United States on behalf of our Government protested to the Japanese Government that the invasion of Manchuria was a violation of the Nine Power Pact to which China, Japan, and the United States were parties together with other governments. Unfortunately, all the other governments parties to the Nine Power Pact made no protest to Japan. Japan defied all the great governments members of the League of Nations, the United States, and the opinion of the civilized world, and continued the war until Manchuria was conquered. It became a puppet government under the domination of Japan. And Japan has continued her conquest of China in violation of the Nine Power Pact, in violation of the rights of American citizens, and in disregard of the laws of justice and humanity.

Mussolini disregarded the warnings of the League of Nations and invaded Ethiopia. The League of Nations found Mussolini guilty of violating the Covenant of the League of Nations. Mussolini challenged the decision and continued the conquest. Nothing was done. The League surrendered and Ethiopia was conquered.

Hitler then defied the League of Nations, feverishly built up his army, his air force, and his navy, advanced to and fortified the Rhine, invaded Austria, destroyed its sovereignty and made it a part of Germany. And then came the Sudeten incident and the surrender of Munich.

Is there any intelligent, informed man or woman in the United States who does not realize that the sanctity of peace treaties has been destroyed? Is there any intelligent, informed person that can show any good reason today for placing any reliance in a peace treaty?

Helpless, trusting China, relying upon the Nine Power Treaty, made no preparation for defense. Witness her pitiful situation today. Ethiopa relied upon the justice and the power of the League of Nations. It made no preparation for defense. Witness the humiliating position of Ethiopia today. Austria relied upon the League of Nations and made insufficient preparations for defense. Austria is no more. Czechoslovakia, created by the dominating governments of the League of Nations, and by the League promised protection—Czechoslovakia, whose independence was not only guaranteed by the League of Nations but by an alliance between France, Russia, Poland, Rumania, and Yugoslavia, has been cut to pieces and its bleeding remains dominated by Hitler.

And if peoples cannot place reliance for security in peace treaties, what other alternative is there save preparation for defense with force? There are those in our own country who declare that the building up of strong armaments in this country will lead us into foreign wars. This can never happen so long as our Government maintains its fundamental principles of foreign policy—of nonalliance, nonintervention, and noninterference in the domestic affairs of other countries. What good reason has anyone to believe that this policy will be abandoned? This policy has been pronounced by the President of the United States. This policy has been adopted by the overwhelming majority of the Congresses of the United States. This policy is believed in and sustained by the overwhelming majority of the people of our country.

Are we distrustful of ourselves? Are we so intimidated by the fear of fighting that we are willing to submit our country to the danger of conquest rather than to provide our soldiers and our people with modern arms and instruments of defense? Do we not know that fear of fighting for liberty has always ended in loss of liberty? Was the suffering and death of our Revolutionary forefathers a mistake?

It is insinuated by a Member of the United States Senate that the United States is responsible for the wild race between the powerful governments of the world for superiority in armaments. What an unkind, unpatriotic, and untrue charge. In 1921 our Government called a great peace conference to be held in Washington. This conference was participated in by all of the powerful military governments. At that conference treaties were adopted for the limitation of naval armaments and the maintenance of the status quo of fortifications of insular possessions in the far western Pacific. Recognizing that the conquest or domination of China by any outside government would probably result in widespread war, the conference adopted the Nine Power Treaty, each adherent solemnly pledging itself for all time to respect the political and territorial integrity of China. They all promised, in addition, not to take advantage of any disturbance in China as an excuse for the violation of such treaty.

The United States, in its intense desire for peace, made many vital sacrifices to secure the ratification of those treaties. It made far more sacrifices than did any other government. Time and again since those treaties were adopted the United States has endeavored to obtain the further limitation of naval armaments. These efforts failed.

When the Naval Armaments Limitation Treaty, adopted at Washington in 1922, expired, Japan refused to extend its life, and the armament race was madly renewed and is now proceeding to the limits of the capacity of Japan, Germany, Italy, France, and Great Britain. Apparently Great Britain and France were a little too trustful and a little too slow in starting.

There can be no other excuse for the surrender of Munich.

The United States also has fallen way behind the leaders in this armament race. Particularly is this true with regard to air forces and air and naval bases. It is argued, however, that our country is in no danger. Those who make this argument are thinking only of the present, or at most of the near future. The German-controlled press issued the same propaganda. A leading Berlin paper recently asked, "Who in the world is thinking of attacking America suddenly?" Their answer is, of course, "No one, suddenly." But the question that the responsible, informed representatives of our citizens must be thinking about is, "Who in the world is thinking of attacking America, not suddenly, but in 2, 4, or 6 years from now?" The trend of events should be a sufficient answer to impel the President and Congress to start preparations for successful defense. Let us remember that we are competently advised, even if we have not already learned from experience, that it requires several years to make the necessary preparations to successfully meet attacks by powerful countries, and that there is greater necessity for expeditious preparation on the part of the United States who may have to singly and alone defend our broad domain against the attacks of powerful, allied governments. And we expect to defend ourselves without alliance with any other country.

The contention that airplanes soon become obsolete and that it is a useless extravagance to build them until they are needed for war is thoughtless. At the beginning of our entrance into the World War a great body of executives, inventors, and mechanical experts consumed 18 months in an endeavor to design a perfect airplane engine, during which time we constructed no airplanes and our war aviators over there were compelled to use any old foreign plane that was turned over to them. The fatalities in these worn-out planes were tragic. We cannot delay the building of airplanes until the perfect plane is developed. Unless organizations

are created and maintained to construct the present imperfect planes, then perfect planes will never be constructed. Unless a sufficient number of planes are always available for teaching the art of flying, then we will not have sufficient trained aviators in time of need. God forbid that we should ever be compelled to place our untrained boys in battle planes to fight against the expert aviators of military powers.

"But why all this preparation for war, when there is no possible danger of war being brought to our shores?" is earnestly asked by sincere, peace-loving men and women. They believe that such an event is impossible. I believe that it is possible. I must be governed in my actions by my own information, knowledge, and beliefs. I doubt if there was a statesman or historian in the world who 8 years ago imagined the present astounding and threatening conditions could possibly develop in half a century. Then there seemed to exist throughout the world a stronger desire, determination, and organization for peace than at any time in history. Substantially all governments had entered into bilateral and multilateral treaties for the settlement of controversies by arbitration, adjudication, or other peaceful means. The League of Nations was apparently well organized, respected, and strongly supported. In fact, it appeared to have the power to enforce just peace. Great Britain and France, the two great European democracies, were the dominating forces in Europe. Today every peace treaty has been torn up as a scrap of paper. The League of Nations is lying helpless upon its deathbed. Great Britain and France no longer maintain the balance of power in Europe. Great Britain and France, through the fear of the airplanes of Hitler, witnessed Hitler's invasion, subjugation, and annexation of Austria without protest; ignored France's promises of protection to Czechoslovakia and abandoned her to the domination of Hitler; withdrew France's promises of protection to Czechoslovakia, Poland, Rumania, and Yugoslavia.

Today Hungary is in an alliance with Germany, Italy, and Japan against communism. That alliance by another name would be called an offensive and defensive alliance. What can any of the small democracies of eastern Europe do except, under present conditions, to yield to the demands of Hitler? As the power of these governments decreases, the power of Hitler increases. And when this domination is consummated, will his hunger for power and his fanatical zeal to establish his ideology of government throughout the world be satiated? Every act of this great genius leads to the conclusion that his ambition and his zeal will never be satisfied. Next may come under his domination the less strong democratic powers in western Europe. Why not? He certainly desires them; in fact, he requires them, if my conjecture as to his program be true. What is to prevent him from accomplishing his desires? Then the Ukraine. Maybe he will await the results of the war in China. Of course, it is possible that a combination of governments may develop or other unforeseen events happen that may stop the advance of the dictatorship governments. I hope so, but we cannot take chances.

The military clique in Japan has for years had the ambition and the fixed policy to dominate all of eastern Asia and the islands in the western Pacific. That clique is now, and since 1930 has been, in complete control of the Government of Japan. This control has been obtained and maintained with military force. The consummation of the plan, however, has been obstructed. China is still fighting. Japan is still fighting stubbornly, but with tremendous loss and suffering and without victory in sight. Probably there will be no attack on Russia unless and until Japan's armies or a major portion of them can be withdrawn safely from China. Complete subjugation of China might easily mean the conquest of Russia or large portions of her territory. Mussolini apparently will have to await the conquests of Hitler before all of his ambitions can be supported. Then he will be aided in his aspirations and plans relative to the Mediterranean area.

Spies and propagandists are crawling through the jungles and the alleys of the cities and through the army posts of South America, cunningly injecting their revolutionary poison into every weak or ambitious person. Do not such possibilities present a situation where it is possible for the dictator governments to control Europe and Asia and to generate revolutions and war in South America? Our interest is only directly concerned with our own territory and the independence of our neighbors, the South and Central American republics. I assert that possible danger to our country demands that our Government and every peace-loving, humane, and patriotic citizen will resist with every legal means short of war the advance of these dictatorial governments toward our country and our neighbors and that if such advance is not stopped that then we be prepared to repulse them with armed force.

RADIO ADDRESS BY HON. ROBERT A. TAFT, OF OHIO, JANUARY 22, 1939

On January 4 the President of the United States devoted his annual message to Congress to an appeal for increased armament. He pictured a world about to be enveloped in the flames of war, and he pictured the United States as surrounded by deadly armaments and threats of new aggression. He appealed for increased appropriations for adequate defense. His message was followed several days later by a program calling for approximately $525,000,000, of which only $200,000,000 is to be spent in the fiscal year which ends July 1, 1940.

There can be no difference of opinion among Americans on the principle of providing for this country a completely adequate defense against attack by foreign nations. The amount proposed for expenditure over the next 2 years does not seem to be excessive, although there may be differences of opinion on the exact number of military airplanes which it is necessary or desirable to construct at one time. It should be remembered, however, that the appropriation for Army and Navy has increased from $520,000,000 in 1934 to $1,100,000,000 in the regular Budget for 1940, even before we add the additional $200,000,000 requested for 1940. The committees of Congress will examine carefully the details of the national-defense program and will provide sufficient funds to give us the most modern and adequate defense; and there will be no partisanship involved in that examination.

But the message of the President suggests that he favors a foreign policy very different from mere defense of the United States, and one which in the end would require much greater armament. A year ago in Chicago he declared his belief that we should "quarantine the aggressor nations." Now he says, "The defense of religion, of democracy, and of good faith among nations is all the same fight. To save one, we must now make up our minds to save all." It is somewhat difficult to see how we can save democracy and good faith among nations by any policy of mere defense of the United States. The President says that we cannot safely be indifferent to international lawlessness anywhere in the world, and cannot let pass, without effective protest, acts of aggression against sister nations. It is true that he admits that the American people are not yet willing to go to war in other parts of the world, but he says, "There are many methods short of war, but stronger and more effective than mere words, of bringing home to aggressor governments the aggregate sentiments of our own people." He declares against neutrality legislation and implies that he favors the repeal of the neutrality law. All this cannot mean anything except that the President wishes power granted to him by Congress to favor one nation or another in any dispute that arises and to employ economic sanctions or embargoes against a nation that he does not like, at the same time that he assists those that he does like.

The President's views are apparently reflected by the Senator from Nevada who has preceded me this evening, and who is chairman of the Foreign Relations Committee of the Senate. On December 22, 1938, after declaring that the people of the United States do not like the Government of Japan, and do not like the Government of Germany, but saying nothing about their feelings toward the Government of Russia, Senator PITTMAN said, "The people of the United States have the right and power to enforce morality and justice in accordance with the peace treaties with us, and they will. Our Government does not have to use military force, and will not unless necessary." The necessary implication is that he would emply not only economic sanctions, but military force if necessary, to enforce morality and justice throughout the world. On January 10 Senator PITTMAN advocated an embargo on all war materials to Japan, while permitting such materials to go to China.

In my opinion, such a policy leads inevitably to foreign war. It is contrary to the traditional policy of the United States from the days of George Washington. The position of this country has always been that it would remain neutral in any foreign war, no matter how much its sympathies might be on one side, as long as its own rights or those of its citizens were not infringed upon. This is a policy which was emphatically reaffirmed by the American people in 1920, when it was proposed that we join the League of Nations.

There is much to be said in theory in favor of a general agreement for collective security, by which a number of nations, sufficiently strong to dominate the world, undertake to prevent aggression, even though their collective action leads to war. There is a reasonable chance that such a policy might succeed. Our people, however, refused in 1920 to adopt it, and the efforts made under the League of Nations, without our cooperation, have now completely broken down. But the policy of the President and Senator PITTMAN under present conditions is not the policy of a League of Nations; it is completely original. No one has ever suggested before that a single nation should range over the world, like a knight errant, protecting democracy and ideals of good faith, and tilting, like Don Quixote, against the windmills of fascism. The unsoundness and danger of such a course was eloquently set forth by Senator BORAH over a national radio forum on March 28, 1938.

Of course, such a policy is not only vain, but almost inevitably leads to war. If we enforce an effective embargo against Japan, driving its people to starvation, as Senator PITTMAN suggests, it would be only natural for Japan to attack the Philippines, and our whole standing and prestige would become involved in an Asiatic war. If the Spanish embargo is lifted and an American ship carrying munitions is sunk by an Italian cruiser as it approaches Barcelona, it is hard to see how we could avoid a controversy with Italy, which might flame into a general war. We apparently are asked to line up with England and France, and probably Communist Russia, without even knowing what their policies may be, or whether they will back up the stand that we may take.

It is proposed that we repeal the embargo against Government Spain. But this embargo is not only an embargo against Government Spain but against both Government Spain and the Franco insurgents. There is no partiality in our position. It happens that Franco is supplied by Italy and Germany, and the only reason why Government Spain is hampered is that England and France are enforcing to some extent an embargo against Government Spain. Yet we are asked, in defense of democracy, to do the very thing the great democracies of Europe, on the very doorstep of Spain, and infinitely more concerned than we, are apparently unwilling to do themselves.

I have received this week over 25,000 letters and telegrams regarding the lifting of the Spanish embargo. It is physically impossible for me to reply to all of these communications. Several weeks ago I took a definite position against lifting the Spanish embargo, because I feel the policy declared 2 years ago is impartial and more likely to keep us out of war than any different policy which we might adopt at this time.

Congress was wise in passing the neutrality bill, which prohibits the shipment of arms, ammunition, and implements of war to belligerent states. I believe the President should long ago have found a state of war to exist between China and Japan, which he had full power to do, so that munitions might not be shipped either to Japan or China. The neutrality law intends that we shall not manufacture munitions for foreign wars. It provides, further, that in case of war, nations must come to this country and pay for all articles other than munitions to be shipped abroad before they are shipped. Its purpose is to reduce the chances of our becoming involved, and I believe it will assist greatly the accomplishment of that purpose. It is in accord in spirit with the whole policy of American neutrality for 150 years.

But now it is suggested that the whole world is different. It is said that distances are so short we cannot possibly avoid being involved in a general war. I don't believe it. I think if we are sufficiently determined not to become involved, we can stay out. We learned our lesson in 1917. We learned that modern war defeats its own purposes. A war to preserve democracy resulted in the destruction of more democracies than it preserved. We may go in on the side of France and England because they are democracies and find before we are through that they are Communist or Fascist.

Not only that, a war, whether to preserve democracy or otherwise, would almost certainly destroy democracy in the United States. We have moved far toward totalitarian government already. The additional powers sought by the President in case of war, the nationalization of all industry and all capital and all labor, already proposed in bills before Congress, would create a Socialist dictatorship which it would be impossible to dissolve when the war ended.

The United States is in a fortunate position, a selfishly fortunate position, if you please. In Europe races are so mingled that no one can draw boundaries without leaving minorities which are a perpetual source of friction. In the end a war seems unfortunately probable—a war likely to destroy in a few short years the civilization which Europe has taken centuries to build. In that war the United States need not and shall not be involved. We have an isolated location, and it is still isolated in spite of all the improvements in air transportation. The best military authorities say that we can defend ourselves, and the Caribbean Sea south of us, if we maintain an adequate navy and an attendant air force. During any war we can be self-sufficient. This very position makes it less likely that any nation would wish to attack us.

There is a general illusion that we see in Germany and Italy forces which threaten to overwhelm England and France and march on to attack the United States. But this is surely an imaginary fear at the present time. There is no reason to believe that Germany and Italy could defeat England and France in any protracted war. It is hard to see what they would gain even after a successful war by an attack on the United States. Certainly the physical strength of our position would make any nations hesitate, no matter how strong they might be. The picture presented this evening by Senator PITTMAN simply will not bear the analysis of calm examination.

It is natural that the sympathy of our people should be strongly aroused when they see what is going on under the totalitarian governments. Perhaps the President should tell them what we think of them, especially as the day seems to have passed when nations go to war because others call them unpleasant names. But the great majority of the people are determined that those sympathies do not lead us into overt acts of embargo, blockade, or economic sanctions.

Considering the attitude which the President has taken, it seems essential that Congress shall strengthen the neutrality bill rather than repeal it. It seems essential that the President shall not have discretion to take sides in foreign wars, or impose sanctions against those nations which he might find to be aggressor nations. It seems wise not to repeal the Johnson Act, as is now being suggested, and to maintain a policy of lending as little money as possible abroad, for foreign loans today are certainly made precarious by the possibility of war and likely to stimulate temporarily a production of exportable goods which cannot be sustained. Congress is the body upon which is conferred by the Constitution power to declare war. It should not permit the Executive to go so far toward war, without consulting Congress, that Congress and the people no longer have the power to prevent war.

I do not say that some special situation may not arise in the future under which it may seem desirable to go to war as the first step in an effective defense. But if such a situation ever arises it should be undertaken deliberately, after a thorough public discussion by the people and by Congress as the representatives chosen by the people.

Many justifiable criticisms can be made of the Neutrality Act, and of any special type of neutrality. But the horrors of modern war are so great, its futility is so evident, its effect on democracy itself so destructive, that almost any alternative is more to be desired. The people of the United States are overwhelmingly in favor of keeping out of other people's affairs, no matter what their individual sympathies may be for or against those people. They will not support armaments required to carry out any such policy as that suggested in the President's message and supported by Senator PITTMAN.

Foreign Relations

EXTENSION OF REMARKS
OF
HON. ROBERT R. REYNOLDS
OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, January 24 (legislative day of Tuesday, January 17), 1939

RADIO ADDRESS BY HON. ROBERT R. REYNOLDS, OF NORTH CAROLINA

Mr. REYNOLDS. Mr. President, today at the Carlton Hotel was held the annual meeting of the Coalition of the Patriotic Societies representing about 123 patriotic American societies. At today's meeting I delivered an address and was afforded the use of a Nation-wide hook-up on the National Broadcasting Co. The title of my address was "Uncle Sam Should Keep His Nose Out of the Internal Affairs of Other Nations." I ask unanimous consent that that address be printed in its complete form in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen of the radio audience, President Roosevelt has repeatedly stated that he hates war.

We all hate war.

You hate war and I hate war. The American people are unquestionably against the United States participating in another world war, or any war.

The question before us today is how to stay out of war. I am very happy indeed to be provided the opportunity of asserting that the best and only means by which we may successfully avert war and stay out of war is to keep our skirts clear of any foreign entanglements and participate in no foreign embroilments

In other words, the best way for us to insure ourselves against becoming again involved in another world war is to keep our nose out of other nations' business.

The illustrious Father of his Country, George Washington, expressed this idea in the form of one of the greatest questions ever asked the Nation: "Why leave our own to stand on foreign ground?" That really is the best advice that I can give to you, the American people.

I am happy to be able to advise you that in my opinion the great majority of the American people know that I am right when I say that it is none of our business what sort of governments the peoples of Germany, Italy, Russia, Japan, or the peoples of any other nations of the world choose for themselves. What right have we to tell the German people, or any peoples, under what sort of government they should live? What right have we to criticize the people of Italy for the sort of government they choose to live under? Or what right have we to demand that this or that country have the sort of government that we would choose for them. Why that holier-than-thou attitude which would superimpose our governmental dress on the nations of the world?

We are all against war because we recognize that our brief participation in the World War, which lasted from April 6, 1917, to November 11, 1918, has to date cost the American taxpayers more than $69,000,000,000, and before we will have finished liquidating the debts incurred as a result of that brief participation in the World War the American taxpayers will have paid out more than $100,000,000,000.

We went into the World War with the idea of saving Christianity and democracy. Have we accomplished either?

We went into the World War with the idea of ending all wars. Have we been successful?

We went into the World War with the idea of saving Great Britain and France and her allies from annihilation at the hands of the Central Powers. We went into the World War believing at the time that if we did lend a helping hand to those nations that were on the brink of defeat that they, Great Britain and France particularly, would be grateful for our aid. Have they shown any appreciation? Appreciation, my friends, is pretty much limited to anticipation of favors.

At the close of the World War the United States had under arms and in uniform more than 4,400,000 men, established at tremendous expenditure of energy and money. At the end of that war the Allies were indebted to Uncle Sam to the extent of about $22,000,000,000. Uncle Sam, being the big-hearted man that we have always found him to be, forthwith cut that indebtedness in half and virtually gave to the Allies $11,000,000,000. Of the $11,000,000,000 remaining they have never liquidated the interest, much less the principal, and perhaps never will. Nor have they, the Allies, in the slightest degree evidenced any appreciation of our having saved their hides. Gratitude is no virtue among nations.

We know that the World War, which we had hoped would end all wars, has not been successful in ending war. Within the past 3

years more than 3,000,000 combatants and noncombatants, innocent children, defenseless women, and frail old men have been slaughtered in Spain, Ethiopia, and China. In addition thereto, we know that the persecution of the minorities in Russia alone has brought about the death, the murder of anywhere from four to seven million Ukrainians in that portion of the Soviet Union lying east of Poland and north of Odessa, on the Black Sea. As for saving Christianity, we know that the churches in Russia have been closed, that religious ceremonies are forbidden, that thousands of priests and followers of the gospel have been brutally murdered; that in Mexico, our sister Republic to the south of us beyond the banks of the Rio Grande, communism likewise has run rampant, that priests have been murdered, that nuns have been attacked, and that the places of worship have been closed. Turning to the peninsula of Europe, in Spain we find that the same religious persecution, the same destruction of churches, the same murder of priests, and the same attack upon nuns has taken place as likewise transpired in both Russia and Mexico.

I am against war.

You are against war.

The 130,000,000 people of America do not want war.

I repeat that the best way for us to stay out of war is to keep our nose out of other nation's business.

I condemn, I do not condone, I view with horror the persecution of the minorities which the press reports is being carried on in Germany. My heart is in sympathy with the minorities of any country upon which persecution is being practiced. I look with horror upon the slaughters in Spain, where more than 1,000,000 people have been killed since the outbreak of the revolution there in July of 1936.

I am appalled and horrified when I bring myself into realization of the fact that almost 2,000,000 people, Chinese and Japanese, have been killed during the present undeclared war in Asia, and I am particularly sorry for the women and the children and the aged.

But my first thoughts are for the American people and my first sympathies are with the American people. Yes, my sympathies, my deepest sympathies are with the persecuted minorities of Germany, and the persecuted minorities of other countries, but I am not willing to have the United States go to war over the minorities of any country of the world.

We must reflect upon this. You must decide.

If the minorities in Germany are being persecuted and I have no doubt but what they are being persecuted, that is not sufficient cause for the United States to break off its diplomatic relations or to go to war, because those constituting the minorities in Germany are not American citizens. So if they are not American citizens then why should we imperil the safety of the 130,000,000 people of the United States of America by incurring the enmity of the 80,000,000 people of Germany and crystallizing their hatred of us?

Say what you please, there is a radical distinction between the peoples of Germany and the Government of Germany.

I ask what have the people of Germany done to the people of the United States that should warrant resentment, and after all, what has the Government of Germany done to warrant our severing diplomatic relations with them?

It must be admitted that we have virtually severed diplomatic relations with Germany on account of their treatment of minorities and on that account alone.

Now, if we are going to be consistent we must of necessity sever relations with Mexico.

As a matter of fact, there is more reason why we should sever our diplomatic relations with Mexico than there was for our severing diplomatic relations with Germany. Below the Rio Grande there reside 20,000,000 of our neighbors, constituting the population of Mexico, and there anarchy rules.

It is a government of anarchy. They fly the red and black flag of revolution. The workers international is a hymn of hate against all foreigners, including Americans.

They teach hatred in their schools. They broadcast it. They print it in their press. Fact of the matter is neither private property nor individual investment is safe. Human life is worthless. There they are purging the country of all foreign capital by assassinations and by wholesale confiscations. They have closed their churches, murdered priests, assassinated nuns, confiscated farm lands belonging to Americans, and stolen oil wells dug by American capital. When the Mexicans confiscated the oil fields belonging to Britain, John Bull immediately severed diplomatic relations with them. When the Mexicans confiscated oil lands belonging to Uncle Sam we closed our eyes to these confiscations, murders, and assassinations. If we are to be consistent, it follows that we should sever diplomatic relations with Mexico, Spain, Japan, Russia, and Italy, as well as with Germany. Why? Because in Spain the churches have been closed and murder is everywhere. In Asia the Japanese are carrying on an unholy conquest and murdering millions; in Italy the minorities are being persecuted, and they are the same racial minorities that are being persecuted in Germany, while in addition thereto the Italians in their unholy conquest of Ethiopia murdered hundreds of thousands of defenseless Abyssinians, and last but not least—there is Russia.

Russia owes the American Government, according to my recollection, around $600,000,000. They have closed the churches, murdered priests, assaulted nuns. They are sending propagandists to this country to destroy our form of government. They murdered millions in the Ukraine in 1933 and 1934. If diplomatic relations are to be severed with any country, it should be with Mexico and Russia, and if diplomatic relations are to be severed with Germany they should certainly be severed with Italy, because Italy is persecuting the same racial minorities as are being persecuted in Germany.

So let's be consistent, but above all, let's stay out of war.

My friends, the spirit of hate is sweeping the world. Let us not become enmeshed in this spirit of hate. Why should we be taught to hate our fellow man? What Christian doctrine can induce hate? Does it not usually arise from ignorance?

I wish to say again that in order to stay out of war we must keep our nose out of other nations' businesses.

Let's attend to our own business.

Let's put our own house in order before we tell other nations of the world that theirs need dusting.

Let us abandon the attempt to clothe other peoples with our political dress and habiliments, for democracy was tailor-made for the American people.

Let us abandon attempting to pass Sunday blue laws policing the political morals of the governments of the world.

Let us stop criticizing the political habits of the 2,000,000,000 people of the world until we have at least had time to wash behind our own ears.

What we should do is to open our eyes and put our ears to the ground and ascertain the changes which are taking place so rapidly over the face of the earth.

Germany is making tremendous headway economically by way of trade penetrations throughout the world, and particularly in the Balkans. She has made strides across the Atlantic in her penetrations of Latin-American countries, notably in Brazil, Guatemala, and Salvador.

We must meet the world problems with which we are confronted today, particularly as relates to world trade. It won't do us any good to hate, particularly as it relates to trade. It won't do us any good to hate Germany, who is making such prenomenal progress in her trade penetrations, nor will it do us any good to hate any other country that is making efforts to outstride us in this direction. What we must do is to ascertain the best manner and means by which we can outstride and outdo commercially Germany and those nations that are providing us with the greatest competition in world trade.

Instead of meddling with the internal affairs of other nations, I think from now on we should attend to our own business, keep to our own "knitting," and attempt to provide employment for the ten to twelve million God-fearing men and women who are walking the streets ill-fed, ill-clothed, and ill-sheltered.

Recently it was reported by an international committee that 70 percent of the world's unemployment is to be found here in our own United States.

My friends, tomorrow, with all its great promises and poor performances, would not hold one-half the heartaches for these, our unemployed and indigent, if you, the American people, with your profound sympathy and understanding, start the the slogan "Our people and our country first."

The Government and Banking

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Tuesday, January 24 (legislative day of Tuesday, January 17), 1939

ADDRESS BY MARRINER S. ECCLES, DECEMBER 1, 1938

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address on the Government and Banking, delivered by Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System, before the New York Chapter of the American Institute of Banking in New York City, December 1, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

We are accustomed to hearing so much criticism of our economic and political system that we sometimes forget what has been accomplished under it. Yet no other form of human association and endeavor has produced the benefits to all classes of people that have resulted from this system of representative government and of private enterprise under which individual initiative, in the creation of new inventions and the production of new material comforts and all of the countless things that go to make life

better, has flourished as it cannot flourish under any form of regimentation or dictatorship.

As one of its beneficiaries, no one is more desirous than I am of preserving the system that has made possible this country's amazing development and progress, nowhere more evident than in this great city of millions of people. If we are to preserve this system and encourage it to reach still greater heights of human advancement and accomplishment, it is essential that all who are in places of responsibility in banking, business, labor, agriculture, and government understand the nature of a capitalistic democracy, in which the dominant incentive to individual initiative is a profit motive.

The three main factors necessary for the creation of real wealth are manpower, natural resources, and capital, of all of which we have a greater abundance than we have yet learned how to utilize fully and continuously. How may these elements be combined most efficiently and effectively to produce a steadily rising standard of living for all of us under our system? It seems to me to be evident that, first of all, every possible opportunity must be provided for individual initiative—for capital to find profitable outlet in the production of a maximum of goods and services and for labor to have continuous, profitable employment. Neither capital nor labor can be expected to function otherwise, and when they fail to produce the Nation suffers irreparable loss. That is the kind of waste which we can least afford. The opportunity, therefore, to realize a fair return is of first importance. For capital this must make allowance for investment and risk taking. For labor it means, in the broadest sense, the ability to purchase the goods and services which the economy is capable of producing. For the farmer it means that he must receive a return upon his services and investment reasonably commensurate with what capital, industry, and labor receive.

To my way of thinking, the role of the Government, which is not animated by the profit motive, should be that of a coordinator, to adjust and adjudicate conflicting interests so that they will not result in injury to the public. The Government must be impartial. It must be representative of all of the diverse elements of the country and not be moved by favoritism toward special interests. In striving to prevent or to correct abuses, or to remedy maladjustments that inevitably develop under the free competitive interplay of economic forces, it must not resort to punitive or coercive methods. Such methods destroy confidence in the Government's impartiality and tend to paralyze the initiative vital to private enterprise.

While the practical application of these general principles to the complex problems of today is far from simple, the principles do not change, though the problems do. So far as I am concerned, I am not willing to abandon the principles; but I am conscious of the necessity for constantly adapting and improving the mechanisms for dealing with changing conditions domestically and internationally.

I think that most of us, as never before, are concerned about the future—about the future of capitalistic democracy. We hear it said that democracy is challenged by dictatorships; that it is on trial today; that it fails to meet fundamental needs for a maximum production and distribution of goods and services, as is evidenced by the millions of men and women, citizens and voters, who lack an opportunity for profitable private employment and are supported by public or private charity or by made work. For nearly 10 years, it is true, our own country has been unable to maintain a national income anywhere near up to the high levels of which it is capable. Yet I am sure that all of us here believe that only under a democratic capitalistic system can we ultimately secure the greatest degree of well-being and human happiness for all of our people.

We can and we will meet that challenge, successfully, by making our system function so that every able-bodied citizen who is willing to work will be able to find profitable employment in private enterprise upon which our system depends. When I consider past achievements, the contributions made by American initiative and enterprise to the economic and industrial development of the country, I feel that there can be no justification for discouragement, if we all will quit calling names, if we will generate more thought and less heat, and set ourselves to the task of understanding the nature of the economy in which we live.

What we seem to lack is sufficient understanding of the nature of the capitalistic democracy under which we desire to live. We cannot have a system of laissez faire, even if we would, if by that we mean that the Government should be passive, letting nature take its course and doing nothing to moderate the destructive extremes of ruinous inflations and self-accelerating deflations. It may be that such extremes are self-correcting, but if so, in our complex economy today, it would be at a cost that I do not believe the people of a democracy would tolerate. We must not have a completely controlled economy. That would be regimentation, not capitalistic democracy.

What, to my mind, we can and should have is the fullest possible encouragement to private enterprise upon which our system essentially depends. Private enterprise, business, industry, agriculture, have always, even in the depth of depression, provided employment and income for the overwhelming majority of our people. At best, Government, through relief, made work, or otherwise, can hope to provide for only a relatively small proportion of the total. Certainly we cannot substitute government for private enterprise and still have our system.

It follows, therefore, that the basic objective of national policy should be the maximum encouragement to private enterprise so that it may furnish the greatest possible employment and the greatest possible production and distribution of goods and services. To this end, it is essential that Government shall not, as a general principle, discourage, displace, or undertake to compete with private enterprise. Having given the fullest encouragement and opportunity to private enterprise, then it seems to me that the Government has a responsibility in a democracy to provide for those for whom private enterprise has failed or is unable to provide.

That this is a collective responsibility, that private enterprise cannot be expected to assume it, and that the Government alone is able to assume it, seem to me to be inescapable conclusions. I shall not undertake here to go into the question of how the Government should discharge that responsibility, but I want to emphasize the importance, as I see it, of a clearer recognition of the fact that in a democracy business and industry cannot sensibly object to having the Government provide for those for whom private enterprise does not make provisions, if Government has first given private enterprise every reasonable opportunity for profitable operation and for giving employment.

Beyond the fact that, as I view it, no other course is possible in a democracy from the standpoint of political, social, or humanitarian considerations, I am convinced that there are sound economic reasons which should appeal to bankers, industrialists, and businessmen generally, why the Government should maintain a volume of expenditure necessary to sustain consumer buying power. We know only too well from experience of the variability of employment, and hence of buying power. Our objective is the highest possible degree of sustained employment, and I cannot regard as either novel or revolutionary the theory that as private employment diminishes, from whatever cause, the Government can in part compensate for it by increasing expenditure.

It seems to me that our banking and business leaders who are concerned about the preservation of our institutions, who do not want regimentation or dictatorship, may well consider the possibilities of and lend support to Government policy designed to offset economic extremes and to stabilize economic progress. I feel that, functionally, the Government through monetary and fiscal policy, through taxation, through Budget and other policy, can do much to make economic progress smoother and steadier, with the main objective always of a maximum of employment in private enterprise. I realize that many of the older generation who were brought up under other economic conditions and other rules, which may have sufficed for those times, are reluctant or unwilling to accept the idea that Government should assume such broad responsibilities.

The bankers of the present day, I am convinced, cannot in their own interest fail to face the alternatives presented by radically changed and rapidly changing conditions today. They must recognize the nature of the banking function in relation to the economy as a whole. The primary purpose of the banking system is not simply to provide a safe place for people to deposit their money. That is a secondary consideration. The broader purpose of the banking system is to play a vital part in the process of production and distribution of goods and services. This part consists of creating and maintaining an adequate supply of money; that is, of bank deposits, which we use for money in most of our transactions. It is commonly believed that a bank, in making loans or investments, merely loans or invests its deposits. This is largely true of an individual bank, but the banking system as a whole creates money by its lending and investment operations. Conversely, when loans and investments decrease, deposits—that is, money—decreases correspondingly. Because of this function of creating money, the banking system as a whole plays a role of the greatest importance in the functioning of a debtor-creditor economy.

You are well aware of how, after 1929, the supply of bank money diminished rapidly as deflation proceeded. As loans were collected and investments were liquidated, the supply of money correspondingly diminished. This process continued until 40 percent of our volume of bank money had been extinguished, and at the same time the turn-over or velocity of the supply diminished. You are well aware of the accompanying disturbances; of the enforced sale of inventories; of constantly reduced prices; of the stoppage of all capital expansion; of the steadily shrinking or vanished market for practically all securities. Even 3-percent Government bonds sold down as low as 83 at a time when the national debt was half of what it is now.

The solvency of innumerable banks was destroyed. Currency was hoarded on an unprecedented scale. Nearly one-third of our able-bodied workers were forced into the great army of unemployed. The solvency of our insurance companies was impaired, and confidence in the dollar, both at home and abroad, declined. The incomes of our investing classes were destroyed or greatly reduced. These processes, instead of bringing about confidence and liquidity, undermined both to a point where the entire banking system collapsed and precipitated the bank holiday.

This situation, let me point out in passing, brought about high interest rates, which some of my banking friends feel are essential to our well-being. What caused the high interest rates at that time? It was because the supply of money was rapidly diminishing and the opportunity to make good loans became more and more limited. This condition did not protect the savings of our people. It largely destroyed the income of debtors, individual and corporate,

thus bringing about innumerable defaults and making it impossible to pay any return on countless bonds, mortgages, and other investments representing our savings.

We learned that deflation is as disastrous as inflation. Loans and investments which were perfectly good during the period of full employment when the national income was high became temporarily bad when the national income fell from $80,000,000,000 to $40,000,000,000 a year. We had the high interest rates, but that did not protect our savings or protect the depositor. We also discovered that although tax rates were lower then than they are now, the tax burden then was far heavier in relation to our ability to pay. The Government made desperate but unsuccessful efforts to balance the Budget and did nothing to "destroy confidence," but there was no confidence.

I do not wish to censure the individual bankers for what they did, for they could do nothing else if they wanted to keep their banks open. What was required, however, was collective action on a scale which only the Government could undertake. You are familiar with the various actions taken to meet the emergency situation.

If the Federal Reserve System could have loaned them as it can now on any sound asset, or mortgages, bonds, collateral loans and other bank assets, the pressure could have been greatly relieved. But the Reserve banks were restricted to lending on a narrow range of technically liquid paper. As a basis for help, this was soon exhausted, and the banks were then forced to dump their other assets on a distressed market which was made worse by the unloading. It ought to be clear from this experience that the individual bank cannot provide its own liquidity, nor can technical rules provide it, except by restricting the banks to superliquid commercial paper and Government bills, the supply of which is so limited and the yield so low that the banks could not survive if their earning assets were confined to such paper.

Testifying in connection with the Banking Act of 1935, I undertook to point out the dilemma that faced the banks. I said then that, "If they go into the longer-term lending business they run the risk of depreciation and of inability to realize quickly upon their assets in case of need. If they do not go into this business, they cannot find an outlet for their funds. Their earnings will suffer and the justification for their existence diminishes."

It seemed to me then, as it does now, that the dilemma has to be solved by allowing the banking system to adapt its credit policies to current requirements of the community, particularly in making longer-term amortized loans. I was gratified to note the recent report of the Reserve City Bankers' Association on this important subject. With this general purpose in mind, I had advocated in the Banking Act of 1935 a clear recognition of the principle that liquidity should be provided collectively, not by individual banks confining themselves to superliquid commercial paper, but by the Reserve banks being in a position to lend on all sound assets. Thus the emphasis would be taken off the variable yardstick of fluctuating market values and put where it belongs on true worth, measured over a longer period and by broader experience. At a time when the normal security and money markets are demoralized, the Reserve System is the only means whereby liquidity can be provided, because it can convert sound but temporarily unmarketable assets into money.

One problem which concerns you as individual bankers is the relative scarcity of opportunities to make loans or investments outside of the field of Government and municipal securities. You are naturally concerned because of the bank-earnings picture, and I quite understand and sympathize with your viewpoint. We must realize, first of all, that banks today are living in a very different period from that of the twenties. Then they had the opportunity to loan their funds readily on a profitable basis. At that time the call-money market was absorbing something like $4,000,000,000 to $5,000,000,000 of bank funds at a profitable rate of return, and these loans were looked upon as very liquid and sound. During that period we were not surfeited with billions of dollars of foreign funds also seeking an outlet in our market. At that time banks were permitted to underwrite securities and they had security affiliates. In other words, the banks then had a very much broader field for outlet of their funds than is the case today.

More than ever today the banking system should be permitted to adapt its lending policies to current borrowing needs of the community. It should not be hamstrung by archaic rules and regulations, and, as I have indicated, much has been done to remove restrictions so far as bank examination and investment policy is concerned, and through the Reserve System, under the Banking Act of 1935 and its regulation A. The effect of these steps has been to broaden the lending field of the Reserve System to provide liquidity in case of need, so that the banks need not be restricted to superliquid loans.

If the banks do not meet present credit needs, they will not be able to survive; the public is likely to demand and Congress to enact legislation setting up Government agencies that will meet the needs. And that, in turn, apart from the competition, puts added burdens upon the Government. So far as I am concerned, I want to see those burdens lightened by releasing private energies and so far as possible by utilizing existing private instrumentalities essential to the economic system.

It is not realistic, it seems to me, for us to complain because interest rates are low. We must learn to recognize the close interrelationship of all of the factors in the picture and realize that the solution of the individual bank's problem lies, as it does with industry, not in distributing a small amount of its product at a high rate, but in expanding the market so that the returns, even at low rates, will exceed what would be earned by the marketing of a restricted high-priced product. Similarly, as to taxation, our views are likely to be somewhat narrow. What we are interested in, as I see it, is not so much tax rates by themselves. What we really are concerned about is how much we have left over after we pay the taxes.

We would do well to ponder the fact that taxation in the United States—that is, all taxation, national and local combined—for the past 3 years has averaged around 17½ percent of the national income, whereas in Great Britain all taxation has averaged around 20 percent in the same period. But here is the difference: Our national income during this period has been averaging only about 75 percent of the 1929 national income, whereas in Great Britain the national income has averaged around 110 percent of the 1929 level, and last year was about 118 percent of the 1929 level.

In other words, while the tax rate is higher in Great Britain, it is applied on a relatively much higher national income, so that what is left over after paying the higher tax rates is comparatively larger. To put it another way, if we assume that our national income averaged $88,000,000,000, which would be a comparable percentage with Great Britain, and that our tax ratio were 20 percent, as it is in Great Britain—or higher than our tax ratio is now—we would be collecting nearly $18,000,000,000 a year in taxes, which would be between seven and eight billions more than we are collecting now. This, of course, would more than take care of all deficits and leave a substantial surplus. Even after paying this higher tax rate, we would have $70,000,000,000 of national income left over, whereas before paying any taxes, our national income has averaged roughly $60,000,000,000 in the 3 years referred to, or approximately $50,000,000,000 net after paying the taxes. This, you will note, is $20,000,000,000 less than would be the case if we paid the higher taxes of $18,000,000,000, but paid them out of a high national income of $88,000,000,000.

Does this not demonstrate that a high tax rate does not necessarily impoverish a nation, and that the real point is not the rate but how much is left after paying taxes? And, above all, does it not indicate why our major objective must be to reach a maximum of production and employment which are synonymous with an increased national income? That, as I see it, is the one sure way and the only way in which we can achieve the balanced budgets which we all wish to achieve. Does it not indicate, also, that to attempt to cut down expenditure, whether private or public, before we have reached a national income reflecting reasonably full use of our manpower and productive facilities, would be a very shortsighted repetition of a mistake which has been made before?

It seems to me that all of us, and particularly those of you who now occupy or will in due course occupy positions of responsibility in the banking world, must look at these fundamental problems from a far broader standpoint than has been typical of most of us in the past. Speaking as one who spent 20 years as a banker before coming to Washington, I feel that the bankers should realize clearly the part that the banking system as a whole plays in creating and maintaining conditions conducive to production and full employment—the ultimate end and aim justifying the existence of our economic system, and that we should lend support to policies designed to call forth a maximum of production and therefore of employment under the incentive of the profit motive—the mainspring of our system. We must learn to distinguish clearly between measures that encourage and those that discourage private activity, private investment, and risk-taking, for manifestly only as private activity thrives can the Government's burden of caring for those in economic distress be reduced. We have much to learn, but we can approach sympathetically the problems of so shaping monetary, fiscal, and taxing policies as to create a climate in which private enterprise may have full play to enrich human existence even beyond the great contributions it has been able to make in the past. These problems are essentially economic and not political.

No central banking policy, nothing that the banking system of itself can do, can provide an adequate productive use of created funds. It is, therefore, necessary for us to recognize that outside the banking field itself there are heavy responsibilities upon any government in a democracy to adapt other policies to the revival and maintenance of private activity at the highest possible level. It is clear from past experience that when national income begins to decline rapidly, when unemployment begins to develop on a large scale, from whatever cause, no government in a democracy has any choice except to try to arrest the cumulative deflationary forces. We cannot expect private capital to employ people when they cannot be profitably employed because there is no demand for their products. We cannot expect private capital to expand facilities and thus give employment when excess capacity is developing as it is bound to do as deflation sets in.

Positive action by the Government is essential at such a time to increase consumer buying power and to provide the employment that otherwise would not be provided. To this end, the Government, through its borrowing power, must temporarily take over and put into action the otherwise idle funds of investors, and when, as happened after 1929, there is a vast shrinkage in the volume of bank money, it must create new money by the sale of securities to the banking system and put this newly created money to productive use.

When deflation has been arrested, we must adapt policy to sustaining an orderly recovery, avoiding the pitfalls recently experienced as a result of excessive inventory accumulation and excessive extension of consumer credit in relation to net income, of inadequate capital expenditures in such basic industries as railroads, housing, and utilities, and of wrong timing of public with private exepnditure in 1936 and the Government's too sharp withdrawal of funds from the spending stream in 1937. We must better understand the bad effects of unbalanced price conditions, whether resulting from ill-advised price, wage-and-hour policies by labor and industry, or from other causes, such as a failure to sustain agricultural income. We must recognize that taxation policy should be closely integrated with monetary and fiscal policy—that taxation is not a separate matter concerned only with the raising of revenue, but that the type, the timing, and effect of taxation upon the stimulation of private enterprise or upon restraint if a speculative boom threatens must be considered. In the past we have applied taxation policy with perverse effects upon the economy, by trying to increase or at least failing to decrease taxation in depression when the burden becomes insupportable, and by reducing taxes in boom times when we should retain or increase taxes as a means of needed restraint.

We need to recognize that the principle of a flexible Budget is a necessary safeguard of private capitalism, and we must learn to use it as one instrumentality for moderating economic extremes of inflation or deflation. Once the principle is understood—though I recognize that this is a very complex problem—it may be that tax policy will prove a useful aid not only as a stabilizing influence but as a mechanism for timing and directing a flow of funds in the economy as a whole, so that tendencies toward accumulation of idle funds may be offset, or conversely, when there is need for more capital accumulation, it can be stimulated. In other words, it seems to me that we may well consider the influence that tax policy may have in contributing to a well-balanced relationship between consumer buying power on the one hand and savings and investment on the other hand. Such a balanced relationship is essential if we are to maintain reasonably full employment which, in turn, is a necessary condition not only for the protection of existing values of loans, investments, and other forms of capital, but also to provide further opportunities for profitable investment of new savings.

I have only touched upon some of these larger questions, which I know to be complex and controversial but which seem to me to be inseparably interrelated. I have sought to suggest a general approach which I feel the bankers, especially the younger men in the profession, might well consider if they clearly recognize the public responsibility that rests upon the banking system. Once that responsibility is recognized, it seems to me that they should be willing to adapt banking policy and banking machinery, including the present badly coordinated banking structure, to present-day national needs. They should be willing to approach sympathetically questions of Government policy, closely related to banking policy and directed to the same ultimate goal of giving the fullest possible expression to and thus preserving a capitalistic democracy.

Capitalistic democracy has more than justified itself in the past. There is no reason, except our own failure to understand the nature of our economy, why it cannot achieve even greater results in the future.

Status of Puerto Rico

EXTENSION OF REMARKS

OF

HON. WARREN R. AUSTIN

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Tuesday, January 24 (legislative day of Tuesday, January 17), 1939

STATEMENT BY HON. EDWARD R. BURKE, OF NEBRASKA

Mr. AUSTIN. Mr. President, I ask unanimous consent to have printed in the RECORD a most enlightening news interview with the junior Senator from Nebraska [Mr. BURKE]. It concerns the status of Puerto Rico under our present economic program, and has appeared in numerous newspapers of the country.

There being no objection, the interview was ordered to be printed in the Appendix, as follows:

The relationship of the Territory of Puerto Rico to the United States is probably subject to more misunderstanding on the part of the people and the Congress than any of our insular problems. We are favored with an island whose population is composed of over 1,800,000 American citizens, who are subject to the labor and social reform laws of the Federal Government. Their citizenship status differs in no way from the residents of any State in the Union, and their daily lives are governed by the same laws and under the protection of the same Constitution.

Following the War with Spain Puerto Rico chose to become a part of the United States, and since that time she has developed her social and economic structure as an integral part of the social and business life of the United States. She has developed those industries best suited to her soil and climate, with the understanding that her products were to be entered into trade on the continent. She has been entirely dependent upon continental farmers and factories for her food supplies and for virtually all other necessities for a comfortable standard of living in exchange for her products. Though Puerto Rico is subject to the general laws just as if she were a State of the Union, the Territory must pay the same minimum industrial wages paid on the continent. She sends her delegates to the same Presidential conventions. Ninety percent of her purchases are made from United States farms and factories. She is subject to the same shipping rates and coastal laws. Her men are in the same army and navy, and she fights for and under the same flag. In the matter of population, area, and national resources she stands well up among the States of the Union.

Despite these facts there still exists in the United States a mistaken idea that in some way Puerto Rico should be considered as a foreign nation, while in fact she faces the same competition from foreign nations as do the States of the Union.

A good example of our failure to treat with the problems of Puerto Rice in the true light of the Territory's relationship to the United States may be had from a brief analysis of our trade arrangements with Cuba. Cuba, being a foreign nation, is, of course, not subject to the minimum-wage and other social-reform laws of the United States. But she has been granted trade concessions far beyond those granted to the American citizens of Puerto Rico who are subject to such laws. Although sugar is the lifeblood of Puerto Rico, we permit them to sell here only 815,810 tons of sugar, or a per capita quota of 0.453 tons. Cuba, on the other hand, is permitted to sell to American citizens a total of 1,954,350 tons annually, a per capita sales which is 0.035 tons above Puerto Rico. In other words, each American citizen of Puerto Rico is allowed to sell less sugar than the foreigners of Cuba. In view of the fact that our laws seek a standard of wages and living for Puerto Rico which equals that of the continent, such treatment would seem far from equitable.

Our trade agreements with Cuba increased that nation's favorable balance of trade with the United States by about $71,000,000 during the 4 years following the beginning of our trade-agreement program. Much of this has been taken from Puerto Rico, as evidenced by the fact that the trade balance of the island actually decreased during this period by over $33,000,000.

By our overgenerous comparative treatment of Cuba we have seriously damaged the pineapple industry of Puerto Rico. We injured her coconut industry in favor of West Indies possessions of Britain. Now we threaten the destruction of her rum, sugar, and tobacco industries. In general, we are creating a situation whereby we may very justly be accused of overlooking or neglecting the welfare of 1,800,000 Americans.

Puerto Rico buys $65,000,000 annually from American farmers. The island has never attempted to develop a foodstuffs industry because she rightly assumed that, as an integral part of the Union, she would be able to enter her best-adapted products in the free course of American trade in exchange for our products. If we are prohibiting the island from taking its righteous place in our national economy, we should reverse our policies.

We have been spending millions of dollars in an effort to pull Puerto Rico up by her own bootstraps. The effort has been far from successful. Only by internal prosperity can she become economically sound, and it is much wiser to give her the opportunity to develop her own industries with the full protection accorded a State of the Union than to subject our island citizens to the humiliation and necessity of relief.

Plans for Defense

EXTENSION OF REMARKS

OF

HON. GERALD P. NYE

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, January 24 (legislative day of Tuesday, January 17), 1939

LETTER FROM MAJ. GEN. WILLIAM C. RIVERS IN THE NEW YORK TIMES OF JANUARY 15, 1939

Mr. NYE. Mr. President, the New York Times of Sunday, January 15, 1939, carried a letter written by Maj. Gen.

William C. Rivers on the subject of Plans for Defense. I ask that the letter be printed in the Appendix of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the New York Times of January 15, 1939]

PLANS FOR DEFENSE—A REMEDY IS SUGGESTED FOR COSTLY DUPLICATION

To the EDITOR OF THE NEW YORK TIMES:

Your editorial Bases for the Navy comments on the report of the naval board which has been studying the subject of naval air, submarine, destroyer, and mine bases in accordance with a provision in the special Naval-Increase Act of the last Congress directing that such a survey be made.

You state: "The principal recommendations urge the establishment of air and submarine bases in Guam and of an air base at Wake Island. Both these islands lie in the western Pacific, far beyond Hawaii and not far from Japan, the Philippines, and the troubles of the Orient. It is evident, therefore, that these proposals raise large questions of foreign policy."

Your editorial of May 9, 1938, commented favorably on the recommendation for the first two of the proposed new naval air stations—at Kodiak Island, in the Aleutians, and at Midway Island. You explained that these two bases are for defensive purposes—to aid the defense of the west coast of the United States. That editorial concludes: "In all, this bill seems to serve definite notice of our intention to strengthen and consolidate our position in the eastern Pacific. There is no mention of bases in the western Pacific—and rightly so. For the establishment of strong naval or air bases within easy cruising or flying radius of the main islands of Japan—as, for instance, at Guam—would serve no good purpose and would not be consistent with the present foreign policy of our Government."

ADMIRAL LEAHY'S OPINION

This new report of the naval board considers 41 bases in all—in the Atlantic, the Caribbean, and the Pacific. The board recommends improvements in a number of existing bases and suggests the building of many new bases. Nine new bases in the Pacific are recommended, in addition to our great base at Hawaii—2,300 miles west of San Francisco. These include the proposed bases at Kodiak Island and on Midway. The seven other Pacific new bases would be at Guam and on Wake Island and on the small islands running down to Samoa. Only Guam and Wake are west of the 180° meridian line.

Several things come to mind with reference to this plan for a tremendous addition to our fortifications in the Pacific Ocean. First are Admiral Leahy's statements to the Naval Committees last winter. Our principal authority on naval matters said that the Navy would be "seriously inadequate to the task of sending a naval force to the Philippines," even after the increases in the fleet are completed.

Again, "I doubt if we could undertake such an expedition with three times the increase." Also, "the defensive line of the American Navy at the present time reaches from the Aleutian Islands to the Hawaiian Islands, to Samoa, and to the Canal."

COSTLY UNDERTAKING

Next is the great cost of fortifying such a number of bases—the forts, heavy guns, artillery soldiers of our Army to man the guns, and so on. Third is the threat to Japan. Our placing a base at Guam on the flank of Japan would be a strategic threat to Japan. If Japan were to set up a base on the flank of our territory, say, in the Gulf of Lower California, it would be a threat to the United States.

Then there is the inaccessibility of Guam. Guam is nearly 4,000 miles west of Hawaii. The long sea route is a hazardous one; it is flanked by numerous mandated islands of Japan. Of course, Guam, as well as Manila, can be easily bombarded by airplanes from several Japanese bases. It is farfetched to designate Guam, or Manila, as a base—6,200 miles and 7,500 miles, respectively, from the west coast of the United States. The customary strategic designation would be to call a fortification at either of these ports simply a salient—an exposed and indefensible salient.

You remark that the Navy and the Army should take care that their bases are not duplicated. The Army searches for an air base in Alaska, in the northeast and the southeast of our country; so does the Navy. Each service establishes at Washington a medical plant—two of the world's greatest hospital plants within 3 miles of each other. They operate two great air fields at Washington—separated by a wire fence. The immense training fields for aviation of the Navy stretch across the country from coast to coast. These are paralleled by perhaps even larger training fields for Army aviation.

NEW CABINET JOB

Who is to minimize or put an end to this? Who is to coordinate the three armed services? Who is to study plans such as this one for bases over far-flung seas—before the plans are sent to the Congress? Who is to inspect the relative progress of the Army and the Navy? Practically always the civilian heads of the Navy and the Army become partisans. Elihu Root frequently said that as the Secretary of War he considered himself the attorney for the Army. Who is to be a nonpartisan attorney for the national defense?

The remedy for much of the duplication is fairly simple. To have one Cabinet minister of defense—one fairly able and moderately experienced man. Every other important nation has such a defense minister. He would soon arrange that in each House of Congress there would be one national-defense committee. Now there are two in each House.

However, the New York Times opposes such a useful reform. There was little or no support for the recommendation of the Federal Aviation Commission of 1935—that Congress provide for a thorough study and investigation of the subject of the best organization of the defense forces.

WILLIAM C. RIVERS,
Major General, U. S. A. (retired).

New York, January 12, 1939.

Farm Legislation Before Congress—Article by A. W. Ricker

EXTENSION OF REMARKS
OF
HON. JAMES E. MURRAY
OF MONTANA
IN THE SENATE OF THE UNITED STATES

Tuesday, January 24 (legislative day of Tuesday, January 17), 1939

ARTICLE BY A. W. RICKER IN MINNESOTA LEADER, OF ST. PAUL, MINN., JANUARY 21, 1939

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD a very able article written by A. W. Ricker, editor Farmers' Union Herald, and published in the Minnesota Leader, of St. Paul, Minn., January 21, 1939, entitled "What Will Congress Do for the Farmer?"

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT WILL THIS CONGRESS DO FOR THE FARMER?—FIRST OF A SERIES OF ARTICLES ON FARM LEGISLATION BEFORE CONGRESS—THE LEADER WOULD LIKE COMMENT AND SUGGESTIONS ON THE MATERIAL OF THE SERIES

(By A. W. Ricker, editor, Farmers' Union Herald)

The 1939 Congress will not agree on any long-term agricultural program.

Two reasons move us to make the prediction.

First, there are as many differences of opinions and lack of opinions among Congressmen and Senators about the farm problem as there are among farmers themselves.

Second, Republicans and Democrats are now laying the basis for the 1940 Presidential campaign, and practically everything done in Congress will be done, not from the standpoint of what is good for the people, but of what will get votes for the Republican or Democratic Parties. And in both parties there are two factions, a right and a left wing, and these two interparty factions are more opposed to each other than are the Democratic and Republican Parties themselves.

One of the factions, or "blocs," composed of 16 Senators, including the two from Minnesota, and a number of Congressmen, has introduced into the Congress a farm-commodity price-fixing bill.

PRICE-FIXING BILL

We have not seen the bill, but we have heard enough about such a program to know what it is. It is proposed to fix a price by law on that part of the principal farm commodities which are consumed in the United States. Dealers in farm products would be licensed and subject to a fine if they pay less than the fixed price on that portion of the product to be consumed in the United States. The bill, we assume, provides a formula for figuring cost of production. We assume this because all the other price-fixing bills have provided a formula. The formula considers the farm a factory and the farmer a manager. As manager, the farmer is to be allowed a salary and all members of the family who work are to be allowed wages. An accounting system is set up allowing for depreciation of machinery, interest on investment, etc. The result of all this as applied to a 10-year average production of farm commodities gives a cost-of-production index. And since to arrive at the average cost of production requires that the poor farmer be averaged with the good, and the poor land averaged with the good, the price index which results from such an average is pretty high. It would bring the price of butter up to around 60 cents per pound, pork about $16 per hundred, corn

around a dollar per bushel, etc. These, be it remembered, are prices at the central market and do not represent the prices which consumers would pay at the retail stores. This makes a very attractive program for farmers, and one need not wonder that it has great appeal.

FARMER-WORKER INCOMES

During the late political campaign in Minnesota we distributed thousands of copies of a farm pamphlet in which it was shown that here in the United States the farmer's share of what the consumer pays for a dollar's worth of bread is 12 cents. The farmer's share of the beef dollar is 40 cents, of the pork dollar 40 cents, and the veal dollar 44 cents. It will be found that the market price paid to the farmer for other products, and what the consumer pays for these commodities will show the same relative disparity.

We do not have figures at hand to show how much of the consumer's dollar a wage worker gets for producing the things which farmers buy. The figures, however, when arrived at would show the same disparity.

Moving the price index upward, both of wages and of farm products, without interfering with the profits of disribution will not solve either the farm problem or the labor problem.

As proof of the foregoing the following figures are cited, taken from a recent survey made by Cornell University: "Farm prices of foods are now 99 percent of pre-war, costs of distribution are 178 percent of pre-war, and retail prices of foods at the stores 140 percent of pre-war." The city consumer eats food not at the 99 percent received by the farmer but the 140 percent demanded at the stores.

Cooperation must be used to remove the exploitation and the high cost of distribution before the problem may be solved. And in the end the problem will be solved only when workers and farmers solve it together.

But there are many wage workers who think their economic problem may be solved by higher wages alone, and there are perhaps as many farmers proportionately who think the farm problem is merely one of price levels.

Workers who think of the problem only in terms of wages, and farmers of prices, both ask Congress for price fixing by law.

If both groups were successful in putting themselves on price-level stilts, the relationship between the two would not be changed. It would take more wage money to buy a pound of pork chops and it would also take more money to buy an hour of wages. In between the two groups of producers are the financiers, distributors, and speculators whose rate of profit would rise with the prices of wages and commodities.

BEYOND THE A. A. A.

The late Republican platform makers here in Minnesota contented themselves with merely declaring that the farmer ought to have cost of production plus a profit. This, we assume, is a little better than the average cost of production.

Politicians are getting themselves in pretty hot water, however, by making promises which they cannot and, in a lot of cases, have no intention of trying to fulfill.

The New Deal farm program has not achieved its goal set by the Adjustment Act passed by Congress in 1933, and that is the reason for agricultural pressure on Congressmen to do something other than what has been done.

The goal of the Triple A was prices of farm products raised to a parity purchasing power with those of labor and industry, and this has not been achieved.

We should study, however, two outstanding things with respect to the alleged failure of the New Deal farm program. First, the Supreme Court annulled the essential elements of the original Adjustment Act in 1934. Second, the reactionary judges of 1934 would, in the opinion of the writer, have annulled a price-fixing act also.

Under the original Adjustment Act we had a domestic-allotment program for wheat, which was working well. We had price-making marketing agreements for tobacco and other products which worked. We had a corn-hog program which did not work to the satisfaction of hog growers.

After the court decision came we substituted a soil-conservation program, which is capable of vast benefit to agriculture, as soon as it can be divorced from price-making or price-affecting devices.

We would like to dwell at this point long enough to catalog the beneficial things which have been done for agriculture by the New Deal, and likewise discuss the mistakes and failures, but in the limits of this article we cannot do so.

We of the Farmers Union here in the Northwest have directed our legislative work toward such emergency measures as getting Government relief for drought-stricken farmers, reducing interest rates, scaling down debts, securing crop insurance for wheat, which we hope to extend to other crops; securing Government aid and protection to co-ops, and things of a like nature. We are trying to help our farmers by such governmental aids to live and stay on the farms until we can build a cooperative system which will safeguard both workers and farmers and make both secure and reasonably comfortable.

In this respect we are following the footsteps of the farmers and workers of Norway, Sweden, Denmark, and Finland. The farmers in these countries get from 30 to 60 percent more of the consumer's dollar than do the farmers of the United States. In Denmark the farmers own their own meat-packing plants, as well as creameries for the manufacture of butter. In the cities the workers own the stores. In Sweden the co-ops own factories, and by such ownership have broken the power of the trusts. We do not believe that we can solve the farm problem by legal price fixing such as that proposed by the 16 Senators. If such a law were placed on the statute books, we doubt if it would stay there long, because it would raise prices to consumers to a point where the consumers would rebel.

The Current Agricultural Problems

EXTENSION OF REMARKS

OF

HON. JOSH LEE

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Tuesday, January 24 (legislative day of Tuesday, January 17), 1939

STATEMENT BY EXECUTIVE COMMITTEE OF THE NATIONAL GRANGE, JANUARY 22, 1939

Mr. LEE. Mr. President, on January 22, 1939, the executive committee of the National Grange issued a statement on current agricultural problems, which I ask unanimous consent to have printed in the Appendix of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

1. The Nation is confronted with two major issues—falling farm prices and continued unemployment. Any program that brings to agriculture a larger share of the Nation's income and makes farming profitable will go a long way to correct the problems of unemployment.

2. To bring this about, we ask for amendments and simplification of the Farm Act. The American market must be given to the American farmer so far as he is able to supply it.

3. We ask for adequate appropriations for our experiment stations, to enable the States to launch immediately a new program of research in the effort to find new uses for farm products and for the introduction of new crops to take the place of some of the acreage now devoted to the production of surplus commodities.

4. Honest branding of foods and fibers will help agriculture and the consumer as well. For example, 600,000,000 pounds of shoddy and wool substitutes have been used in the manufacture of clothing and fabrics during the past 6 years. Wool labeling legislation should be passed at this session of Congress.

5. Special emphasis should be placed on new uses for cotton, and every effort made to assist the growers of this staple, who are in great financial distress.

6. We favor the continuance of marketing agreements as an aid in the orderly distribution of farm products.

7. We ask for the continuation of the helpful policies of the Farm Credit Administration and favor the lowest interest rates on farm loans consistent with a sound lending policy.

8. We favor a sound long-time policy of land utilization, providing for the retirement of submarginal land, reforestation, and the protection of water and wildlife resources, together with soil conservation and the prevention of erosion.

9. Our goal should be the preservation and prosperity of the family-sized farm. Corporation and chain farming should not be encouraged by the Government. A limit of $5,000 should be placed on benefit payments going to individual farmers or corporations.

10. We favor continued private ownership and operation of the railroads and advocate the taking of proper steps by Congress for the rehabilitation of the roads. We do not favor the imposition of uniform regulations on all modes of transportation and are opposed to the repeal of the long-and-short-haul clause of the Transportation Act. No unnecessary restrictions should be placed on water transportation.

11. The Government should pursue a policy calculated to restore employment in private industry, thereby increasing the purchasing power of the consumer. There must be team play between agriculture, industry, and business to make the country permanently prosperous.

(The statement was signed by L. J. Taber, of Columbus, Ohio, master of the National Grange, and by the following members of the executive committee: Fred J. Freestone, New York; E. A. Eckert, Illinois; and Ray W. Gill, Oregon.)

An Economic Program for American Democracy

EXTENSION OF REMARKS

OF

HON. THEODORE F. GREEN

OF RHODE ISLAND

IN THE SENATE OF THE UNITED STATES

Tuesday, January 24 (legislative day of Tuesday, January 17), 1939

EXCERPTS FROM AN ECONOMIC PROGRAM FOR AMERICAN DEMOCRACY

Mr. GREEN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD excerpts from An Economic Program for American Democracy.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

I. THE CRISIS OF THE AMERICAN ECONOMY

The economic development of America may be divided into two periods. The first, beginning when the earliest colonists set foot on our shores, was the period of economic expansion. It came to a dramatic close with the collapse of 1929. The second period has so far been one of economic stagnation.

By economic expansion we mean an increase in the aggregate national output of goods and services. This aggregate, measured in terms of money, is called the national income, and to its formation individuals, associations of individuals, and governments all contribute. Throughout the nineteenth and early twentieth centuries the national income grew. There were, to be sure, periodic setbacks; but each successive trough was higher than the preceding trough, each successive peak higher than the preceding peak. From a total of a few score million dollars in the late eighteenth century the national income grew to the vast total of $83,000,000,000 in 1929, an expansion unrivaled in the history of the world. Why?

Basically, the reason is simple and well known. The American people had a continent to settle and build up. Great cities were constructed, industries sprang up where none existed before, railroads and highways spanned the continent. The national income of each year included a substantial addition to the basic plant and equipment of the Nation. The purchasing power distributed in this vast constructive adventure furnished an ever-growing demand for articles of consumption. Rapid increase of population, resulting from an excess of births over deaths as well as from a steady stream of immigration, supplied the necessary labor force and constituted a seemingly ever-expanding market for the products of industry. Quantities of manufactured goods were imported from the older industrial countries of Europe, partly in exchange for the products of American agriculture, partly for promises to pay in the future. Waves of great fortunes showed by their origins the dominant economic activity of successive generations of American businessmen: First shipping and trade; then urban real estate; then railroads, finance, and the exploitation of natural resources; then industry and finance; and, finally, public utilities and finance—each in turn gave rise to a new crop of American millionaires.

During all this period Government played the role of fairy godmother to the American businessman. The rich national domain was parceled out with the generous hand of an indulgent parent—franchises, rights-of-way, patents, and other valuable privileges were to be had for the asking. Only occasionally did the Government see fit to call a halt to excesses or intervene in the interests of the common man. And the American people, with few exceptions, held their peace, took the bad along with the good, and found the system satisfactory. Why? Because it worked. For all its waste, inequities, and injustices this system did increase the national income, not only absolutely but also per capita; it built up a continent and established the richest country on the face of the earth. For these things the American people were grateful and they displayed their gratitude with unlimited tolerance and generosity.

From a world viewpoint the settlement and industrialization of the North American continent was the most spectacular achievement of western capitalism. It was, however, by no means the only such achievement. Everywhere the frontiers of civilization and trade were pushed outward. The manufactured goods of the European nations flooded the newly opened overseas markets; this was followed closely by machine technique hand in hand with the capital necessary to make it effective. In this way Africa, South America, Asia, and Australia were all brought within the ambit of capitalism, while on the European continent itself industrialism steadily spread into areas where formerly the modes of a simple agricultural economy had prevailed. Thus the economic systems of the whole world were geared to expansion, and their healthy functioning depended upon the continuation of the basic conditions of expansion—the availability of new lands and new markets. From this it follows that our analysis, while directed specifically to the development of the United States, applies, so far as broad principles are concerned, to the development of the entire capitalist world.

It must not be supposed that the changes which underlay the reversal of trend from 1929 to the present time came about suddenly and without forewarning. From small beginnings around the turn of the century they cumulated, snowball-like, until by the end of the twenties they had altered the whole structure of our economy.

Two facts stand out as basic directives of the new course. The first, generally known as the disappearance of the frontier, spelled the end of expansion into new and unsettled territory. The second, a decline in the rate of population growth, served notice on American business that neither the labor force at its disposal nor the market for its products was indefinitely elastic. Taken together, these two facts could lead to only one conclusion, the extensive period of American economic development was coming to a close; henceforth development would have to be increasingly intensive in its character. The disappearance of the American frontier, morever, presaged the end of world expansion into new areas. The fact of arriving at the limits of expansion was no less significant for the industrial nations of Europe than for the lands in which the event occurred.

The full implications of this great change were hidden from the view of contemporaries and are beginning only now to impress themselves upon observers of the economic scene. The field for intensive development was still immense. Our population was moving into cities which had to be built up and provided with essential public utilities; the automobile, bringing in its wake a vast demand for more and better highways, was the direct cause of a whole new set of social habits, and with them of new needs. Businessmen and governments extending past trends into the future, continued to make large outlays for the years ahead. In so doing they drew resources into the orbit of production and distributed enough purchasing power to provide the American people with a slowly rising standard of living in the present.

Then came the World War and its aftermath. For a decade and a half America became the provisioner of half the world. The promises to pay which had been made during the nineteenth century were brought back with goods and services; the trend reversed itself, and America accepted a mass of promises to pay with scarcely a thought as to how they could be met by the impoverished countries of Europe and South America. Agriculture boomed for a time, and then, following the cessation of the extraordinary wartime demand, slumped off never to recover. Industry continued to prosper throughout the twenties. The demand for housing and buildings of all kinds burst through the barriers which had held it back during the war years, and America experienced its greatest building boom. The national income continued to climb, reaching, as already pointed out, an all-time high of $83,000,000,000 in 1929.

Housing and automobiles were the backbone of the prosperity of the twenties. Houses were built to fill the gap occasioned by a still growing population and the cessation of construction during the war. Automobiles, along with a mass of subsidiary and complementary products, were produced for a predominantly new demand. In other words, the greater part of the houses and automobiles built during the twenties constituted a net addition to the Nation's total stock of those commodities, and only a relatively small part went to replace houses and automobiles which had worn out. When, during the closing years of the decade, the new demand became saturated, the replacement demand, though gradually increasing, was not nearly sufficient to maintain those industries on the scale to which they had been expanded. The backbone of the prosperity was broken; the great industries which had been primarily responsible for it ceased to distribute enough purchasing power, and quickly the whole economic structure collapsed.

What chance is there that these or other industries will resume the upward trend sufficiently to lift the whole national income onto a higher plane? The rate of growth of population has slowed down to a snail's pace by now; cities have almost ceased expanding; the resumption of foreign lending on a large scale is out of the question; no new industries capable of leading the way are in sight. The country needs rebuilding, to be sure. But business can see no profit in tearing down what already exists no matter how inadequate it may be. Business operates for a demand it sees in the offing, not for a demand which its own activity can alone create. The failure to build for the future means a failure to distribute purchasing power in the present.

We reach the conclusion that the expansion of the nineteenth and early twentieth centuries was based on building for the future, which carried with it an adequate demand for consumable goods and services in the present. Building for the future was good business in an expanding economic universe with a rapidly growing population. When the limits of expansion had been reached, when the rate of population growth slowed down, building for the future became an increasingly hazardous adventure. Its volume contracted and with it the ability to buy in the present. Expansion fed upon itself in the past; contraction feeds upon itself in the present. These are the basic changes which underlie the reversal of trend from 1929 to the present.

The severity of the great depression of 1929–33 was due to the fact that upon a basic change in trend there was superimposed a violent cyclical downswing. The national income fell in 1932 to half its 1929 magnitude, and it might well have sunk even lower had not the Federal Government, driven on by unparalleled distress among the people, embarked upon a spending program which put a bottom to the vicious spiral of deflation. Government spend-

ing initiated a recovery movement which carried through to 1937. But less than a year after the Government began to withdraw from its active role of distributor of purchasing power the economic system went into another tailspin, unmatched in steepness even by the collapse of 1929. At the peak of the recovery movement in 1937 national income was still 15 percent below the 1929 level, while the number of unemployed—approximately 10,000,000—was perhaps three times the number unemployed in 1929. Had the national income grown between 1929 and 1937 at the same average annual rate as it grew between 1920 and 1929, it would have been nearly 40 percent larger in 1937 than in 1929. Instead it was 15 percent smaller. If any demonstration were needed that a basic change has come over the structure of the American economy, surely this is conclusive proof.

II. THE EXPERIENCE OF THE LAST 5 YEARS

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One of the lessons of the past 5 years has been the striking demonstration of the efficacy of public spending in promoting national well-being. Viewed merely in terms of the direct objects of expenditure—the provision of relief and temporary jobs to the unemployed, benefit payments to farmers, the development of useful public projects, and the restoration of the Nation's financial structure to solvency—the Federal Government's program of increased expenditures has been of inestimable social benefit. But these direct gains, important though they were, were less significant than the secondary effects of deficit spending in producing a marked expansion of general industrial activity and private employment. On the basis of a careful study of Government receipts and disbursements, it has been computed that the net expenditures of the Federal Government tending directly to expand the Nation's income averaged $3,000,000,000 a year from the middle of 1933 to the middle of 1936, as compared with an annual average of only one and three-tenths billion dollars in the preceding 3½ years. By the latter part of 1936 the national income had reached a level equivalent to about $70,000,000,000 per annum as compared with $41,000,000,000 in 1932–33, both the physical output of mines and factories and the average prices received by farmers for their produce had more than doubled, and some 8,000,000 more workers were employed in private jobs than at the depth of the depression.

The decisive importance of public spending for national well-being has been further underscored by the events of the past year, when an abrupt curtailment of net Federal expenditures was followed by a severe contraction of economic activity. The net contribution of the Federal Government to the Nation's income was sharply reduced in the latter part of 1936 and early 1937, and for the year 1937 as a whole there was no significant net excess of expenditures over receipts. The consequences of this sudden curtailment were not immediately reflected in the Nation's economic life, but in the late summer of 1937 there began the sharpest decline on record in industrial activity and employment.

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It is frequently said that public spending in some fashion prevented "natural" recovery by impeding the resumption of private investment. This assertion is precisely the opposite of the truth. In fact, public spending generated the forces which led, in 1935, 1936, and early 1937, to marked growth in private capital outlays. * * *

* * * Capital expenditures by manufacturing and mining concerns to replace and expand their plant and equipment, after averaging three and one-tenth billion dollars a year in the 3 prosperity years before 1929, had been curtailed by 1932–33 to the level of eight or nine hundred million dollars a year, little more than one-fourth the predepression level. Under the impetus of a rising consumer demand for the products of industry, such expenditures rose to one and four-tenths billion dollars in 1934, one and seven-tenths billion dollars in 1935, two and three-tenths billion dollars in 1936, and three and two-tenths billion in 1937. In addition, capital outlays in agriculture, for farm improvements and machinery, were as large in 1937 as in 1928 or 1929. In other words, the rate at which private capital expenditures were being undertaken in 1937 compared favorably in three important fields—manufacturing, mining, and agriculture—with that of the late 1920's, the high point of the American post-war prosperity.

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If the volume of private capital outlays in several important industrial fields was as large in 1937 as is here described it may well be asked why the recovery movement did not sustain itself after the Federal Government's net contribution to community expenditure had been curtailed. * * *

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* * * In several important fields, notably the railroads, the public utilities, and residential construction, capital outlays had shown only a sluggish revival during the recovery years, and it is necessary to examine the obstacles to further expansion in these areas.

With respect to the railroads, it had already become apparent in the 1920's that this was a declining industry. Automobiles and busses were encroaching upon passenger traffic, while trucks and pipe lines were diverting freight business. Although much railroad rolling stock is worn out or obsolete, and its replacement by new equipment would enable the railroads to handle more economically the traffic which remains, the inflated financial structure of the roads—a legacy of generations of predatory manipulation of railroad finances—made it impossible, under conditions of a long-term declining tendency in traffic volumes, to obtain funds through the flotation of securities. The inflated capitalization and banker control of the railroads presented in 1937, and still presents, a major obstacle to substantial investment in this field.

Although the electric power industry, unlike the railroads, still appears to be relatively well situated from the standpoint of possibilities for long-term growth, its phase of youthful, spontaneous expansion came to an end in the decade of the twenties, and further vigorous growth in this industry must depend in the future much more largely upon wise public policy. Despite the frequent statements of public-utility company executives that great expansion programs would immediately be undertaken if the holding-company legislation were repealed and Government competition in this field allowed to lapse, it appears that the generating and distributing capacity of power companies in 1937 was adequate, except in a few scattered localities, to provide all the power which the public could afford to consume at prevailing rates for electricity. During the present decade the previous rapid growth in electric power consumption has been checked; the rate of depreciation of capital equipment in the utility industry is slow, and much of the existing equipment is relatively new. These facts, rather than Government policy, explain why capital outlays by the electric power industry in 1937 were only a little more than half as large as in the late twenties.

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In the field of residential construction, also, there were serious obstacles in 1937 to a further revival of private investment activity despite the existence of enormous long-term potentialities for expansion. The living conditions of the urban poor are appallingly bad, and the provision of decent homes for this important group of our population ought to furnish a large field for capital expenditures for many years. City slums are no new feature of American life, however; the private building industry has never been able to make slum clearance a profitable enterprise, and this field is likely to remain untouched by private initiative. In other words, this great social need cannot be translated into effective demand without extensive governmental assistance, and activity in this field was confined in 1937 to a few Government-sponsored projects.

The traditional domain of the private building industry—the construction of new homes for the medium- and upper-income groups—was held back in 1937 by several serious obstacles. Although the average rate of residential construction during the thirties has been little more than one-quarter of the average rate during the twenties, there has been no evidence in most of our cities and towns of a serious shortage of housing accommodations for the middle- and upper-income groups. The declining rate of population growth, combined with the postponement of marriages during the depression and the movement of population from cities to rural areas, serve to explain the absence of large unsatisfied demands. In addition to this basic limiting factor, building costs were relatively high, interest rates charged by mortgage lenders were excessive, and the organization of the construction industry along local handicraft lines was unfavorable to the development of efficient and economical methods.

During the past year Government action has made some headway in removing the obstacles to a revival of house building. Sums have been appropriated for slum clearance; interest charges by mortgage lenders participating in the mortgage-insurance system have been reduced; and, through recent Government-sponsored housing projects, substantial strides have been taken in the direction of extending economical mass-production methods to home construction. The spotlight of publicity has been focused on the high level of building costs and costs have as a result been perceptibly reduced. Because of the active steps taken by the Government during the past year the impediments to a revival of construction activity have been diminished, and the outlook for this industry is more favorable than it was in 1937.

We may conclude that the opportunities for profitable investment in factories and mines had been rather fully exploited by the spring of 1937, and that there were serious obstacles to expansion in the other major sectors of private investment activity. Under these conditions the abrupt curtailment of net Federal expenditures in the second half of 1936 and 1937 was bound to produce a sharp contraction in income, employment, and output. This was especially the case since State and local authorities were no longer making capital expenditures for roads, schools, and other public construction projects at anything like the rate which had prevailed in the twenties. For a time speculative building up of inventories by business concerns and heavy installment buying by consumers served to delay the impact of reduced net Federal expenditures, but only to intensify the sharpness of the blow later on. In the summer of 1937 the cumulative contraction of the Nation's economic life set in, and the subsequent reduction in industrial employment and output was even sharper than after the 1929 collapse.

We have seen that public expenditures during the years 1933 to 1936 did produce a cumulative expansion of American economic activity and did generate a relatively large increase in capital expenditures in important industrial fields, notably manufacturing, mining, and agriculture. But owing to deep-seated historical causes having nothing to do with the spending program itself,

private investment in other fields did not have sufficient potentialities for expansion, and did not respond vigorously enough to fill the gap left by the sudden curtailment of Government spending in late 1936 and 1937. Consequently a violent contraction of national income was inevitable. This contraction did not indicate a lack of effectiveness of the 1933–36 spending program, but rather demonstrated the indispensability of continued public spending under present-day conditions.

The implications of this experience for Government policy should be plain. The Government must assume responsibility for maintaining the national income at a sufficiently high level to assure full and effective utilization of our human and material resources if needless hardship and suffering are to be averted and a decent standard of life for the common man attained. The notion that public spending can safely be resorted to only as a temporary, emergency device must be abandoned. A program must be developed which recognizes the necessity for permanent public investment. The outlines of a program adapted to present-day requirements are set forth in the next section.

III. A Program for the Future

(A) THE IMMEDIATE PROBLEM

The immediate problem facing America is to raise the national income to a level at which all of our resources will be employed; the long-run problem is to keep it there. Not much need be said about the immediate program. The foregoing survey of New Deal experience indicates clearly enough the direction in which the solution is to be found. The Government's contribution to incomes raised the national income from $40,000,000,000 in 1933 to $70,000,000,000 in 1936. A new spending program, provided it is undertaken on a large enough scale, will unquestionably have the same effect again.

The instruments for carrying it out are, moreover, ready to hand. First and most important is the Works Progress Administration (W. P. A.). * * *

The current recovery program should be financed—just as the 1933–36 one was—through borrowing. Banks, insurance companies, and wealthy individuals have large cash reserves for which they can find no attractive investment outlets. In putting this money to work through its recovery program the Government will be performing a vital economic function. No one will be the loser; rather, everyone will gain thereby. The very institutions and individuals from whom the money is borrowed will find their incomes increasing with the general increase in the national income. As to the Government's own finances, the increase in tax revenue will be far more than enough to meet the interest on the additional debt. From 1932 to 1937, $15,500,000,000 was added to the gross public debt. The annual income of the Nation increased by $30,000,000,000 in the same period. As against an increase of only $258,000,000 in the annual debt charge, tax revenues went up $4,400,000,000 per year. This was clearly a borrowing program that paid for itself handsomely.

(B) THE PERMANENT PROGRAM

* * * The national income can be looked at in two ways: according to the way it is spent and according to the way it is earned. On the spending side the Nation uses only part of its income for consumption purchases. The rest is saved; that is, it is withheld from consumption and either allowed to accumulate in a bank or is invested in securities, an insurance policy, or a personal business. On the earning side, the national income is received in part by those engaged in the production of goods for current consumption; in part, by people engaged in building durable capital structures. Wages, salaries, rents, interest, and profits paid out in the construction of houses, roads, railroads, public-utility plants, and the like fall in this category. So long as corporations and individuals who have the power to spend money on capital goods decide to pay out at least as much as the whole country is simultaneously deciding to save no serious difficulty develops. But this balance is precarious. There is no necessary equivalence between the two sets of decisions. On the whole, the country's saving is inflexible—both because of the unequal distribution of income and the prevalence of saving through institutions. This means that an unfavorable change in the investment outlook causes little shifting from saving to spending on consumption.

Investment demand, on the other hand, is highly variable. Even in the period of its great expansion the American economy was subject to periodic set-backs because of temporary choking of investment outlets. Today the country is faced with a long-run change in trend. Private enterprise, even at its best, is unable to absorb the whole of the savings the country tends to pile up. In the absence of supporting measures by the Government, the result is a collapse of economic activity and a decline in the national income to poverty levels.

The danger of such a decline can be attacked from two sides. On one side, redistribution of income from the saving to the spending sections of the community will reduce the country's saving and increase its consumption. On the other, new fields for the investment of savings can be developed. A careful consideration of the country's needs leads us to advocate an attack on the problem from both sides at once.

First, as to consumption. There can be no doubt that the lower-income families in the country need more money to spend on ordinary articles of consumption. According to an estimate of the Brookings Institution, even in 1929 about 70 percent of the families in the United States had incomes of less than $2,500. Twenty-one percent were below the $1,000 line. Clearly there was plenty of room even in that prosperous year for increased consumption on the part of the mass of the people. Had the then-existing Government been looking for ways to maintain full employment of the country's resources, there was plenty of opportunity for expansion in meeting the consumption needs of the mass of the people. There was no need to search for new and strange fields for investment.

On the other hand, it would not be good public policy at this stage in our national development to rely entirely on increasing consumption directly through redistribution of income as a means of sustaining stable prosperity. Most important of the considerations against such a policy is the fact that there are vast fields in which investment, particularly public investment, is needed. In some fields, notably the provision of low-cost housing, public investment is a necessary adjunct of a consumption-increasing policy. Since private enterprise has been unsuccessful in the provision of new housing for the lower-income families, public agencies must themselves undertake extensive housing construction if the dwelling standards of these families are to be raised. Large public investment in building schools and hospitals will similarly be necessary if the country is to provide itself with more adequate education and health services. Other investment fields—highway building, conservation of natural resources, flood control, city planning, etc.—though less directly related to consumption, are just as important to the increasing well-being of the Nation.

* * * * * * *

4. Financing the investment program

The long-range public-investment program should be financed chiefly through borrowing. This will, of course, mean a steadily increasing total of public debt. To many people—perhaps to most people—the prospect is terrifying. The public debt, they say, cannot continue to increase forever. The Government will never be able to pay it back. The burden of taxation will eventually become intolerable. These and other apprehensions are the result in part of confusion—in part of hostility to the extension of conscious social action in the economic sphere.

Much of the widespread confusion on the subject of debt arises from an understandable tendency on the part of the average person to reason from his own personal experience. The wage earner, the salaried worker, and the farmer know that, so far as they are concerned, debt usually means trouble. They certainly cannot go on increasing the amount of their debts indefinitely. They may be called on to repay all or a part of what they owe, and they must be prepared for this contingency. They know, too, that any increase in their debts inevitably means the deduction of an additional slice from their income to meet interest payments. No wonder they consider debt something to be avoided and look with alarm at the continued increase in the debt of the whole Nation.

Few people are accustomed to thinking in terms of the economy as a whole—much less in terms of the economy as an expanding organism. They could scarcely be expected, therefore, to realize that what applies to personal debt does not in the least apply to the business and public debt of the entire Nation. The fault lies not with them but rather with the economists and publicists who have failed in their responsibility for educating the public on so important a matter.

If we look at the whole Nation as a going concern, we see that its internal debts, business and governmental, are merely another aspect of its assets. Debt in the broad sense is the obverse of investment. This fact, taken for granted in business accounting, is entirely ignored in our present method of Federal budgeting. An expanding economy not only can, but must, continually increase the total volume of debt outstanding. The long-term debts of business and governmental agencies in the United States increased from $38,000,0000,000 in 1913–14 to $126,000,000,000 in 1929. From 1921 to 1929 the increase was from $75,000,000,000 to $126,000,000,000. This growth in debt was an inevitable accompaniment of the large volume of corporate and public investment that characterized that period. In the period of recovery since 1932 attention has been concentrated on the increase in the debt of the Federal Government. For purposes of comparison with earlier years, however, it is necessary to look at the country's entire debt. State and local governments, public utilities, railroads, and other business corporations should be included along with the Federal Government. From 1932 to 1937, while the Federal debt was increasing by $15,500,000,000, the State and local governments actually reduced their debt slightly, and the net increase in total corporate debt was probably not more than $1,000,000,000. Taking $16,000,000,000 as a rough estimate of the increase in debt from 1932 through 1937, we get an annual average increase of $3,200,000,000. This must be compared with the annual average increase of over $6,000,000,000 in the prosperous decade of the twenties. Clearly the total debt, corporate and public, has not increased by an excessive amount since 1932 if the experience of former years is taken as a basis of comparison.

* * * The expansion of debt at a rate sufficient to absorb the Nation's savings is both sound and necessary. This rate could be excessive only in the sense that the rate of savings itself was excessive. Thus, what we should worry about is not the increase in the debt but the increase in savings beyond the amount that can be absorbed by investment.

* * * The payment of interest on the public debt does not in itself constitute a deduction from the Nation's income. What the Government raises in taxes to meet debt charges it pays out again in interest to the holders of its bonds. The extent to which a burden is involved depends on who holds the bonds. This point is of importance in considering the extent to which the debt will impose a burden on future generations. The same generation that pays the taxes inevitably receives the interest payments. It is thus up to each generation to determine by the way it apportions its taxes how much of a real burden interest payments on the public debt shall be.

* * * No one complained during the nineteenth century that the mounting total of interest payments due from this country to English and other foreign creditors was impoverishing the Nation. Quite the contrary, they looked with equanimity on the steadily growing debt, since they realized that it provided the essential means with which the productive equipment of the country was being built up. * * *

Government credit: It is important to realize that a threat to Government credit is a political, not an economic, issue. Under modern conditions a large part of the investable funds of the country are in the hands of a few large financial institutions—banks, trust companies, and insurance companies. The men who control these institutions have it in their power, if they disapprove of a government's program, to refuse to buy its bonds and hence "weaken its credit." With the large excess bank reserves and surplus funds seeking investment, which characterize our present-day economy, such a refusal could only be considered political in its implications. Should such an eventuality arise, which it may be hoped is unlikely, the Government would be forced to take measures to protect the community by extending the already recognized principle of public control over the financial system. The Federal Reserve banks would provide a first line of defense. But selling bonds to the Reserve banks would not be a satisfactory permanent solution. If the commercial banks should continue to refuse their cooperation, the public would clearly be justified in assuming control of the entire banking system.

* * * Until our resources are fully employed there can be no danger of general inflation. For when they are idle, additions to money expenditure mean additional men hired and additional goods produced.

* * * * * * *

IV. CONCLUSION

* * * Here in America we can save our free democratic institutions only by using them to expand our national income. For private enterprise, left to its own devices, is no longer capable of achieving anything approaching full employment of our human and material resources. This the experience of the last decade has taught us. No one is to blame for this state of affairs; its explanation lies in the structural changes in the economies of the capitalist world which we have already analyzed. Those businessmen who profess to see the origin of our difficulties in uncertainty and fear of what the future will bring forth are simply mistaking symptom for cause. They lack confidence in the future because the future holds insufficient promise of profitable investment and expanded markets. The policies of government which businessmen are wont to hold responsible for their lack of confidence in the future arise in part from a desire to preserve to business its paying customers, in part from a realization of the necessity for eliminating serious abuses from our commercial and fiscal practices, and in part from an insistent demand on the part of the people that labor be given the same opportunity for self-organization that business has long enjoyed. Surely measures as wise as these would not prevent businessmen from providing for the requirements of an expanding economy, nor would their abrogation induce investment in the face of a contracting trend. President Roosevelt was entirely justified, we believe, when he recently stated that "the problem of bringing idle men and idle money together will not be solved by abandoning the forward steps we have taken to adjust the burdens of taxation more fairly and to attain social justice and security."

* * * The malady of industry is the loss of customers and profits, which only Government intervention can restore to it, for the fate of business, like that of farmers and workers, is bound up with the trend of the national income. And it is clear by now that an outlay on investment and consumption adequate to raise the national income to higher and higher levels can be brought about only by a conscious social endeavor.

The need for immediate action to achieve this end cannot be overemphasized, for the danger exists that businessmen, obsessed with a devil theory of government, will attempt to use their economic power to suppress democracy and place in its stead a dictatorship supposedly dedicated to the fulfillment of their desires. Should they succeed, it would then be too late to correct a grievous error, for, like the sorcerer who could no longer control the forces of the nether world which he had called up by his spell, business would be overwhelmed by its own creature. Such a dictatorship would revive economic activity, but it would be actively devoted increasingly to producing weapons of death and destruction, which must sooner or later be used to plunge the country into a holocaust of slaughter and bloodshed.

Third Presidential Term

EXTENSION OF REMARKS
OF
HON. JOSEPH F. GUFFEY
OF PENNSYLVANIA
IN THE SENATE OF THE UNITED STATES

Tuesday, January 24 (legislative day of Tuesday, January 17), 1939

ARTICLE BY J. J. PERLING

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article by J. J. Perling entitled "The Third Term Legend."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE THIRD TERM LEGEND—MUSTY FILES OF FADING LETTERS IN THE HANDWRITING OF WASHINGTON, JEFFERSON, AND OTHER PATRIOTS WHO ESTABLISHED THE REPUBLIC—THEIR PRIVATE THOUGHTS EXPRESSED TO TRUSTING FRIENDS—EXPLODE A POPULAR "TRADITION"

(By J. J. Perling)

Whatever may be the personal preference of Franklin Delano Roosevelt, there is increasing probability that a surge of popular sentiment will force his nomination in 1940. And it is equally probable that to forestall his nomination and to prevent his election political enemies, alike in his own party and in the Republican camp, will lessen their attacks on his policies which won the support of the masses and, instead, seek his defeat with warnings against "third-term Caesars," which kept Republican nominations from Ulysses Grant and Theodore Roosevelt. We will hear much about the "American tradition," which restricts a President to two terms: we will be told with tiresome frequency that George Washington and the founding fathers opposed a third term as dangerous to the Nation's liberties. Like many "facts" memorized in our credulous schooldays, we have come to regard as truth these misstatements; yet, in the fading handwriting of George Washington and Thomas Jefferson and those who framed the Constitution, we find ample proof that those who founded the Republic actually considered it essential to the welfare of the Nation that Presidents should, by the vote of their countrymen, be permitted to serve more than two terms.

Despite the oft-quoted Farewell Address, it is certain that it was the counsel of the Father of his Country which kept from the Constitution any restriction of the people's right to reelect the same man to the Presidency as often as they wished. Even though not generally known, it is certain that Thomas Jefferson was ready to run for a third term if it were necessary to keep reactionaries from succeeding him. Certain it is, too, that the hand of Gouverneur Morris, which drafted the Constitution, also penned the letter which urged Washington to serve a third term.

In the Convention which framed the Constitution in 1787 there were many viewpoints on every phase of the Government which a new United States would require to remedy the weaknesses of the supplanted Confederation. It was an unprecedented experiment in democracy; and, as the New York delegate Yates recorded in his secret journal, James Madison boldly proclaimed: "The government we mean to erect is intended to last for ages." Regarding a Chief Executive there were frequent and prolonged debates, both as to the mode of his selection and as to the length of tenure. Some delegates argued that the people themselves were not qualified to select a Chief Executive, and there were persistent efforts to entrust the choice to the National Legislature or to the Governors of the States. Those who championed popular government insisted that unless the people themselves elected their President, his eligibility should be restricted to a single term. This was parliamentary maneuvering which resulted in defeating the plan to let Congress appoint the head of the Federal Government. Thereafter, those who toiled most to assure the establishment of an enduring, stable Republic were averse to limit the continuance in office of any President whom the people wished. James Madison's record of the daily deliberations in the Convention reflects this conviction of patriots like Rufus King, who "did not like the ineligibility. He thought there was great force in the remark of Mr. Sherman, that he who has proved himself most fit for office ought not to be excluded by the Constitution from holding it. He was much disposed to think that in such cases the people at large would choose wisely." And Gouverneur Morris summarized the kind of President those founding fathers hoped would always head the Nation: "It is necessary, then, that the Chief Magistrate should be the guardian of the people, even of the lower classes, against legislative tyranny, against the great and the wealthy, who, in the course of things, will necessarily compose the legislative body."

Having determined the method of choosing a Chief Magistrate, there were still divergent opinions concerning the length of his term of office. That sage philosopher Benjamin Franklin counseled shorter terms, because he regarded the Presidency as "a state of servitude" and believed that a faithful Executive should be relieved of the burdens of the office and "be promoted to civil life." The Presidential term was finally fixed at 4 years; but the framers of the basic law imposed no restriction upon the number of terms a President might serve. Thus, there was left to the people themselves the right to determine at the ballot box how many terms a President should hold office. The dominating opinion of the Constitutional Convention was cogently expressed by Alexander Hamilton in the Federalist; pleading for the ratification of the Constitution, he argued that any limitation on the reelection of Presidents "would be depriving the community of the experience gained by the Chief Magistrate in the exercise of his office." We know that John Jay sent a copy of this discourse to George Washington; Jay's accompanying letter is still extant.

Washington, as presiding officer, made no public comment; but, after the Constitution had been framed, declared himself opposed to any restriction on the terms any President could serve. Writing to Lafayette in 1788, he said: "There are other points in which opinions would be likely to vary as, for instance, on the ineligibility of the same person for President, after he should have served a certain course of years. I confess I differ as to the necessity or expediency in that appointment. * * * I can see no propriety in precluding ourselves from the services of any man who on some great emergency shall be deemed universally most capable of serving the public."

But, exclaims the reader, did not Washington say that it was more consistent with our form of government to "rotate" the Presidency? Yes; he did—a decade later. It was a last desperate afterthought to justify his own retirement. For many weary months Washington had sought to convince his Cabinet and his closest friends that his return to private life was warranted by his advanced years, his impaired hearing, and his fancied inability to cope with international problems. He was tired of public life in New York, then the National Capital, 4 days' journey from his beloved Mount Vernon. No one can read his letters and fail to sense how deeply this great patriot longed for the peace of his Virginia estate, permanent reunion with his family, and surcease from the continued slanders of his political enemies. Though now Washington's memory is revered and his patriotism acclaimed, in his own day there was vituperation of his character, aspersion of his motives, belittlement of his ability. After 3 years of his first term he had enough of the Presidency, and was determined to refuse even a second term. Thomas Jefferson has left us a detailed record of his conversations with Washington during the closing months of 1792, and remarks that the Father of his Country would discuss other subjects "merely to have an indirect opportunity of telling me he meant to retire." As early as May of that year, Washington asked James Madison to outline a "farewell address" for him. "Turn your thoughts to a valedictory address from me to the public," he wrote; and, apprehensive that his countrymen would not regard personal factors alone sufficient to justify retirement after a single term, he suggested that Madison include in the proposed declaration references not only to his impaired health and merited respite from long public service but also that "the spirit of the Government may render a rotation in the elective offices of it more congenial with their ideas of liberty and safety." Washington's own draft was corrected by Madison, Hamilton, and others; each deleted words and sentences which they deemed either unnecessary or susceptible of misinterpretation; each inserted new phraseology. Thus, Washington's final Farewell Address was written, in part at least, before his first term had expired; and those who quote it as the first President's injunction against a third term overlook entirely the personal factors which, from his very inauguration, prompted Washington to seek retirement.

Clearly, those who labored with Washington to establish the Republic did not attribute his retirement to any dominating belief that a President's service should be restricted to two terms. Of this we have proof, penned by the very hand which had drafted the Constitution. When George Washington died at Mount Vernon there was found among his letters one which, several days previously, had been received from Gouverneur Morris, with whom the first President had long corresponded and whom he always addressed as "an affectionate friend." These two patriots had sat together in the Constitutional Convention; and it is mainly to Gouverneur Morris that we owe the clear diction of the adopted Constitution. In his letter he calls upon Washington to accept a third term. Anticipating that, Washington, now still more loath to reenter political life, might reply that in his Farewell Address he had eliminated himself as a candidate for another term, Gouverneur Morris wrote: "But you may say that you stand indirectly pledged to private life. Surely, Sir, you neither gave, nor meant to give such a pledge, to the extent of possible contingencies." What were the "contingencies" which, in the opinion of this founding father, required that Washington serve a third term? The danger that there might be elected another man without Washington's high ideals and without Washington's experience. There would be no more reason, Gouverneur Morris writes, for Washington to refuse a third Presidential term when the Nation needed him than to have refused a new commission to command the Army, and this Washington had accepted although he had previously resigned his commission after 8 years' service. Knowing that Washington's main aversion to a third term was his keen desire to enjoy life at Mount Vernon, Gouverneur Morris suggests that the capital was no longer in New York but in the new Federal City on the banks of the Potomac, and thus Washington could serve a third term and still be near his Virginia home. Now his letter did not reflect merely his own view; Gouverneur Morris was spokesman for other great Americans without whom there would have been no United States; John Jay, Rufus King, Alexander Hamilton, James Otis, and other "founding fathers." What George Washington would have replied, we do not know; the letter reached him on December 12, and the Nation's greatest man died 3 days later. But we do know what he had written to Lafayette, and we do know that, after retiring as head of the American Armies, he again accepted their leadership when danger threatened the Republic.

And what did Jefferson think? Yes; Jefferson favored "rotating" the Presidential office—but not when a defender of the people's liberties occupied the Chief Magistrate's chair, not when there was danger that a reactionary would succeed him. "Rotation in office"—in congressional halls as well as in the Presidential chair—was a cardinal tenet of Jefferson's political philosophy. "To prevent every danger which might arise to American freedom by continuing too long in office" he fought also to limit the length of service of Members of the Continental Congress, and to prevent the reelection of those who had served longer than 2 years. How many Senators or Representatives today would espouse this Jeffersonian doctrine that it was unwise and undemocratic for a Member of Congress to serve longer than a 2-year term?

What Jefferson feared, in the absence of limiting the term of the President, was expressed in a letter to Washington dated May 2, 1788, before the election of the first President: "The perpetual reeligibility of the President I fear will make the office for life first, and then hereditary." Jefferson was then in France, and hereditary monarchs alarmed him not merely because of his belief that those governed should select their rulers, but also because of the mediocrity of European rulers. "There is not a crowned head in Europe," he wrote, "whose talents or merit would entitle him to be elected a vestryman by the people of any parish in America." When the American people elected an able Executive, George Washington, Thomas Jefferson wanted him to serve for life so the Republic would thrive in the face of European dangers.

Thus, theoretically, Jefferson favored limitation of Presidential office holding, but stern reality—the need of a strong man in whom the people had confidence—led him to change his mind. In a letter to his friend Francis Hopkinson, even before Washington took his oath as first President, the author of the Declaration of Independence wrote: "Since this thing (the reeligibility of a President even for a third term) is established, I would wish it not to be altered during the life of our great leader whose executive talents are superior to those I believe of any man in the world." And, to other friends, he repeated his fear lest the Constitution be changed to restrict the length of service of Washington—the paramount reason to continue Washington in office being the need of his superior executive talents. It is very intriguing to imagine what Jefferson would say now regarding Franklin Roosevelt when there is a growing belief that his continuance in office is essential to ward off the dangers of fascism. Since the European democracies surrendered at Munich and Hitler sneered that only in the totalitarian states could the heads of government talk in the name of the people, it has become clear that only Franklin Roosevelt now has the popular support that can challenge the boasts of dictators, that he, preeminent among American public men, has the experience and the resourcefulness to cope with the far-flung machinations of the varicolored shirt movements, and that he alone commands the prestige to which the world, and our American neighbors particularly, will give heed.

More than that, after Thomas Jefferson had been elected for a second term, he himself would not have hesitated to have become a candidate for a third term to save the Republic from those whom he considered the Fascists of his own time. That he made clear in a letter to John Taylor in 1805; the author of the Declaration of Independence planned to retire at the end of 8 years, but he declared, "There is, however, but one circumstance which could engage my acquiescence in another election; to wit, such a division about a successor as might bring in a monarchist." Were there any risk that his retirement from the Presidency would endanger the democratic principles for which he fought, Thomas Jefferson eagerly would have sought a third term.

Thus reads the record: Certainly there is nothing to warrant the assertion that Washington, or Jefferson, or the leading founding fathers were unalterably opposed to a third term. How, then, arose this prevalent idea that a third term was "un-American"? It was conjured up by shrewd political strategists who could find no other means of obstructing candidates with great popularity. The use of altruistic shibboleths to effect designs not so lofty was evidenced in the recent cry "self-determination for minorities" with which Hitler sought to justify the rape of a small democracy. When ambitious men were seeking to win for themselves a nomination or an election which, by overwhelming popular support, was likely to fall to another, they created slogans calculated to arouse the fears of liberty-loving Americans: "Save the unwritten law," "Uphold the American tradition," "Don't give him what Washington refused."

Obviously the question of a third term arises only when a President serves so well that a second term was already accorded him by the voters of the Nation, and they still want him to continue as their Chief Executive. But even a second term is a distinction granted to but very few of the men who have occupied the President's chair. In the hundred and fifty years since the founding of

the Republic, 32 men have served as President of the United States; only 11 of them have been elected twice to that high office—Washington, Jefferson, Madison, Monroe, Jackson, Lincoln, Grant, Cleveland, McKinley, Wilson, and Franklin Roosevelt. Two others have served for more than a single term; being Vice President, the death of the elected President elevated them to the Chief Magistracy—Theodore Roosevelt and Calvin Coolidge. The assassination of William McKinley within 6 months after his second inauguration left almost a full term for Theodore Roosevelt to serve, followed by his own election which kept him in the Presidency 4 years more. Similarly, when Warren Harding died suddenly, Calvin Coolidge finished the unexpired term and continued President for an additional 4-year term through his own election.

In the first half century from the beginning of the United States to the Civil War only five Presidents completed two elected terms: Washington and Jefferson had no desire to endure a longer period of the unbridled malice of political scandalmongers; Madison and Monroe had little expectation of winning third terms because of the party strife which marked the closing years of their administrations. As regards Andrew Jackson, however, his hold on the masses would probably have swept him into office a third time, even though his choice by the people, as in a previous election, might have been defeated by the manipulation of the electoral votes in the House of Representatives. To prevent a recurrence of such circumvention of the popular will by the lower House of Congress, Jackson repeatedly proposed a constitutional amendment to change the prevailing election method, and with it he advocated the restriction of the Presidency to two terms. In fact, after his own second election, his message to Congress urged that a President's "eligibility should be limited to one term of either 4 or 8 years." But, even though he followed Washington's example of closing his administration with a farewell address, Jackson voiced no warnings in it against third terms; for his own retirement he gave as a reason that "the time has now come when advanced age and a broken frame warn me to retire from public life."

After Jackson, for 40 years, came Presidents who could not solve the Nation's problems; these were elected for single terms. Then the people found Abraham Lincoln; him they elected a second time, but an assassin's bullet cut short a term hardly begun. How much happier would have been all America—particularly the Southland—if the great emancipator had completed his second term. Would he have accepted a third term to finish humane reconstruction and to heal the Nation's wounds? That we can only speculate; no "tradition"—not even Supreme Court pronouncements of constitutional prohibitions—swerved Abraham Lincoln from the paramount task of saving the Union.

Abraham Lincoln indulged in no denunciation or renunciation of a third term; but his successor, Andrew Johnson, who had not the least prospect of even a second term, urged upon Congress a constitutional amendment to limit a President to a single 6-year term and Supreme Court judges to 12-year terms. The Journals of Congress reveal an interesting sidelight on these two men who together were Members of the House of Representatives in 1846: Andrew Johnson introduced a resolution to rotate Federal officers, limiting their services to 8 years; but Abraham Lincoln, who expressed himself eloquently on other subjects, sat silent.

It was almost a hundred years after the inauguration of the first President before scheming politicians raised the third term as an issue to defeat the nomination of a popular President whose reelection at the polls was almost certain. Ulysses S. Grant was ending his second term in 1875 and despite the many blunders and delinquencies of his administration, he still enjoyed a tremendous popularity among the people, which would probably have continued him in office for another 4 years. But his political enemies willed otherwise, and in their frantic search for a means to alienate the people's affection for their Civil War idol they created a new slogan: "The American tradition against a third term." Controlling State conventions, they began early to pass resolutions calling upon Grant "not to violate the example set by the founding fathers." With unprecedented speed and without a single moment's discussion, the dominated House of Representatives, on December 15, 1875, forced through a similar resolution. Grant observed what every schoolboy already knew, that there was no constitutional prohibition against a third term, and that "until such an amendment is adopted the people cannot be restricted in their choice." To the president of the Pennsylvania Republican State convention Grant wrote: "It may happen in the future history of the country that to change an Executive because he has been 8 years in office will prove unfortunate if not disastrous." However, he disclaimed any desire for a third term. As Thomas Jefferson before him and Grover Cleveland later, Grant was not convinced that there was any compelling contingency to make imperative 4 years more of public service. Said he: "I would not accept a nomination if it were tendered, unless it should come under such circumstances as to make it an imperative duty—circumstances not likely to arise." The Republican nomination went to Rutherford Hayes, whose election has been questioned ever since. The political bosses were jubilant; they had succeeded in preventing the people themselves from deciding at the ballot box whether or not they wanted Grant to serve a third term.

This, in brief, is the history of Presidential terms. Unacquainted with the private correspondence of the founders of the Republic, indifferent writers have embellished their chronicles with the legend that our early Presidents regarded as undemocratic service beyond two terms. This legend, distorted by calculating politicians and glorified as a tradition, has been revived and propagandized whenever the people themselves appeared likely to choose again a President who had already served more than a single term. We have already seen how superficial is this interpretation of our early history: the legend is controverted conclusively by the yellowed pages of letters penned by Washington, Jefferson, and others among the founding fathers.

What's the Matter With New England?

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 19, 1939

Mr. LUDLOW. Mr. Speaker, until the last few days, I never dreamed that a fallacious economic idea could take root in the soil of New England. I always had supposed that a fallacious economic idea would be an exotic weed in that country of sound traditions and sound principles and, that, if some wild wind from the wild west should blow such an idea over to our New England friends, it would be anathema to them and would find no lodgment in their sane and well-established order.

I had always been led to believe that, if the remainder of our country should become specked and worm-eaten with fantastic economic heresies and fly-by-night panaceas, there—in conservative old New England—would always be found the sound and solid core of America. Whenever any disbeliever has traduced New England in my presence and has intimated that she might not be quite as sound as she seemed, I have resented the implication and have responded in the words of her idolized son, Daniel Webster: "There she stands; behold her, and judge for yourselves!"

I was not prepared, therefore, for a sudden drop in my confidence in New England's conservatism which took place when a group from New England swooped down upon our subcommittee on deficiency appropriations a few days ago and advocated a proposal which, according to my way of thinking, makes Sockless Jerry Simpson, of Kansas, look like a neophyte and poses Gen. Jacob S. Coxey in the unenviable role of a piker.

This story has to do with timber—logs, if you please. Everybody has a real heart feeling for the victims of the New England hurricane. Everybody would like to help them and no one would deny to them the largest measure of relief a generous and sympathetic Government can bestow without doing injustice to the distressed taxpayers of the country who have to bear the enormous weight of the relief burden. The able spokesmen of New England wangled out of tough Jesse Jones—how they managed to do it I do not know—an agreement to make Reconstruction Finance Corporation loans through the Disaster Loan Corporation, amounting to 80 percent of the value of timber blown down by the hurricane and held in private holdings. Then they tried again and were lucky in getting another 10 percent, or 90 percent in all. This was a contribution of almost unimaginable liberality to the relief of the hurricane victims. Still dissatisfied, the New England delegation then appeared before our subcommittee and pleaded for an appropriation to make up the remaining 10 percent, so that benevolent Uncle Sam would "loan" to every farmer and private landowner 100 percent of the value of his blown-down timber. Under the proposed arrangement the so-called "loan" would really be a purchase, as the Government would take title and hold the bag while it undertakes to find a market for these vast timber accumulations.

It was a field day for eloquence and a poor day for logic. To my mind it was a most memorable hearing, for it showed how far we have wandered from the safe, high road of soundness and reason into the labyrinths where all thought is centered on the notion of letting the Federal Government do everything and pay for everything.

After listening to the splendid speeches that were delivered, one would almost have concluded that Uncle Sam not only is a very heartless cheapskate for not wanting to loan 100 percent on these privately owned logs but that the owners, in addition to the 100-percent loan they are asking, are entitled to a bonus for bringing the matter to his attention, thus permitting him to do the right thing.

As the speeches proceeded I could visualize a representative of the United States Government going to the owner of a log and saying:

"This is an extra nice log. It is worth $100. The Government, in order to help you, will lend you $90 in cash on it."

And I could hear the owner as he replies under the spell of the modern philosophy:

"Don't be picayunish. I expect you to lend me $100 on it."

This is new and strange doctrine. On the farm where I grew up, in the backwoods of Indiana, there had been long before my birth a hurricane of such fierceness and intensity that it almost made over the landscape and left a tangled mass of fallen trees and intertwined debris. I can see my father now, in hickory shirt and overalls laboring with that tangled mass. Steeled as he was in the theory of local responsibility and initiative, I think his democratic soul would have rebelled if it had been suggested to him that he was entitled to a check from Washington to pay 100 percent for all of his fallen trees. Such suggestions were never heard in those days.

What does it all come down to? It comes down to just this: If persons who suffered in the New England hurricane are entitled to be reimbursed in whole from the United States Treasury, then every other person who suffers from any act of God, now or at any time in the future, is entitled to similar reimbursement; and if this is a just procedure for the present and the future, it would have been a just procedure for the past clear back to the beginning of the Republic. It follows that if this rule is to be adopted for the present, it should in justice be made universal for the future. It also follows that recompense should be made in the form of an adjustment check to every person whose ancestors suffered from an act of God, and if the amounts due and unpaid would inflict too heavy a strain on the Treasury, those descendants should at least be given credit on their taxes.

Years ago a distinguished Kansas editor wrote an editorial that echoed around the world entitled "What's the Matter With Kansas?" The burden of his argument was that Kansans were short on raising staple crops and long on raising Hades. If I would not run the risk of being accused of facetiousness I would advise him that the time has come when he should write another editorial apologizing to his people and suggesting that the conservative capital of America should be moved from Boston to Topeka. I am afraid—awfully afraid—that New England, where we have always expected to find our paladins of soundness and conservativism is raising too much heresy, and what can we expect of the remainder of the country when staid old New England gets that way?

New England papers please copy.

Democracy Rises Above the Fog

EXTENSION OF REMARKS

OF

HON. J. HAMILTON LEWIS

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Wednesday, January 25 (legislative day of Tuesday, January 17), 1939

RADIO ADDRESS BY JOSEPH B. KEENAN

Mr. LEWIS. Mr. President, I present for the RECORD an address delivered by Hon. Joseph B. Keenan, the distinguished Assistant to the Attorney General of the United States, touching affairs of government. The address is entitled "Democracy Rises Above the Fog." I ask that it be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am happy and proud to inaugurate this new democratic forum. We could not have chosen a better way than this for the self-education and self-discipline that our party needs if it is to remain young enough and vigorous enough to continue to lead the American people. We could not have chosen a better time than this to hold our forum, for in meeting this afternoon we reaffirm our belief in the necessity in any healthy society for free discussion.

We reaffirm this belief at a time when democracy in other parts of the world is in retreat before the forces of fear and intolerance. We reaffirm it at a time when, if the farmer looks up from his field or the worker from his machine, he sees a dark sky growing darker.

Not only is democracy in peril, but nations are already locked in armed struggle; the future no man can foretell.

At this time we have one all-important task; it is to close ranks. Our task is to make democracy continue to work.

It was very fitting that the President's thoughts in his annual message should go back to Lincoln. For, like him, we now begin to see that what American democracy means above all other things is personal liberty.

Over three-quarters of a century ago Abraham Lincoln, standing upon the battlefield of Gettysburg, epitomized it all in language destined to live forever, in those simple lines, great because of their very simplicity, when he said: "This Nation was conceived in liberty * * *."

The Americans of Lincoln's day, both North and South, were engaged in a great struggle testing whether such a nation "so conceived and so dedicated could long endure."

Today we are engaged in a similar struggle, again testing whether such a Nation so conceived and so dedicated can continue to endure. Testing whether or not the economy, political and social, built upon the concepts that all men are born free and equal, that there is an inherent dignity in human personality, and that life, liberty, and pursuit of happiness are something infinitely more than ringing word and phrase can continue to survive.

Democratic government has been receding step by step all over the world. I do not believe I am blindly partisan in saying that the United States is the last stronghold of that fighting faith of equal rights of all.

It will not long be so unless we are ready to put new meaning in an old phrase—what our forefathers called eternal vigilance. To live up to it today we must be much more flexible than were our ancestors, for time now shows a greater impatience with us than it ever did to them. The industrial revolution has made the hands on our clocks move with the swiftness of a well-geared six-cylinder engine. The radio, the press, and the airplane have been ruthless erasers of the calm, slow flow of months into years. Today we talk in minutes. When someone acts 3,000 miles away we feel the effect upon us within the hour. Gone forever are the days when Andrew Jackson could win the Battle of New Orleans against the British 3 months after the peace treaty to end the war had been signed.

We must get used to a whole new tempo of thinking, to a much faster pace of acting.

Our political system of democracy has, ever since the Revolution when we won it as our birthright, gone hand in hand with an easy-going and slow-moving economic system. There was much to go around, so much cream to be scooped off the top of our natural resources and virgin markets that we didn't have to think very closely about things and we didn't have to act very quickly after we had thought about them. We always had a green light. There was no fast rushing traffic and, therefore, we could cross the street at any time in leisure.

Now things simply rush upon us. No one has time to think twice about crossing the street. We must learn to get safely over in the short time allowed.

The confusion, the fog in which America has been feeling its way for the past 10 years, is, I believe, mostly because we have been trying to accustom ourselves to this new tempo. I think we have been partly successful. The human race can get used to anything if it relies on its instinct to hang on in the clinches and if it uses its courage to experiment boldly.

In the last 6 years we have had a courageous President who has somehow taught us to keep our feet in the modern rush, who has somehow convinced us that we cannot afford to be afraid of what is happening around us. We have learned to use new tools that so far have been adequate to handle the stress and the strain of the machine age. But we must go farther.

I would like this afternoon to develop in my own way what I think was the most modern note in the President's message to the Congress on the state of the Union. That was the relation of Government investment to private business. As the President pointed out, we have now learned enough from experience and we have solved enough of our immediate problems so that we can now go ahead and tackle our big problem—the full employment of our labor and capital to produce the greatest possible volume of goods and an ever-rising national income.

Last night I was reading at home a little book; you can almost call it a pamphlet. The name of it is An Economic Program for

American Democracy. It was written, not by New Dealers but by seven economists who are teaching at Harvard, our oldest university. This small dollar book I found refreshing. I don't agree by a long shot with everything it says, but it tells us where we have been better than most other things I've read the past few years, and where we ought to go if we want to keep out of trouble. It talks about the way to get this ever-rising national income.

As I read this book I thought back again to my worries about my own children as millions of fathers today must be worrying about theirs. We cannot let an entire generation of our youth be idle even if we wished. America must profit from the example of tired old Europe. For youth abroad has not been content to be idle. It is the backbone, the driving force, of fascism abroad. Youth in Europe has been converted into a storm trooper. And American youth will not stay idle. As a matter of fact, Americans by tradition have always found idleness most distasteful. Tired and weary European people may be content to live on the dole, but, whether it be our Puritan conscience or not, our people are always driven to work whether they need it financially or not. The desire to work is almost the first principle of Americanism.

We must bring work to young America, but that task is indeed a hard one. Everyone knows that the average youth must look for a job. He cannot be expected to make it himself. We are inhibited by the rules of democracy, which are the rules by which we play the game. As the President pointed out, dictators bring capital and manpower together by force, and by using main force are at least temporarily successful at it. They have shown that it is possible for governments to do many things which orthodox economists claimed was not possible without a complete break-down of the economic system. They have in their way—and we must not forget that it is not our way—solved, at least for the moment, the problems of idle men and idle capital. Since we cannot play their game we must let the minds of the Nation be bold in finding democratic methods of achieving the same results permanently and within the framework of our system of free private enterprise.

In seeking for those ways, private business leaders and government alike, all over the democratic world, have over the past 10 years experimented with one economic theory or another.

We cannot afford to waste our capital, our labor, and our youth. We lose far more by not giving our men jobs than by any civilized method we take to give them jobs. And if we do reach our goal of finding useful jobs for all our unemployed and then manage to raise the national income to, say, $80,000,000,000, the well-being from that increase in national income will more than pay for anything it costs us.

The fact of our experience and the experience of other countries is that when the Government has been building bridges and sewers and hospitals and schools and roads and power plants and improving forests and rivers and land, private business has flourished and made profits and jobs. And when government has ceased to do these things, the initiative of private enterprise dries up.

It is the blunt truth that in our mature economic system private money will not take risks unless public investment, through government, goes ahead to take the first risks. Private business cannot make profits if we attempt to balance the Budget at our present level of national income.

More and more, a new generation of businessmen see that the conditions under which business can be done at a profit today are as different from the conditions under which business could be done at a profit in 1928 as conditions then were different from those of 1828.

Some of the men who have reached the top of big business are about ready to retire and don't feel they need to bother to learn anything new.

There is a layer of men right under them, the men who have worked up the ladder with their eyes on the top until they are just on the trembling verge of reaching the thrones—and the emoluments—when the others retire. Those feel they can't afford to do anything that would jeopardize their succession to the throne by expressing opinions that the present heads wouldn't like. So if they do learn anything new they are reluctant to voice their views, much less put them into execution.

"Then"—as someone has described this hierarchy—"under them is a layer of fellows from 55 up and down—the 55 bracket. They know they're going to be in business a long while yet—under new conditions—and they're terribly anxious to make the transition to new conditions as soon as they can. Those are the people for whom Government effort at the present time is preserving our system of private profits. And those are the fellows to whom Government must look for help in its efforts to save that system. All you Government fellows can do is hold the line until this 55 bracket is strong enough to challenge the men ahead of them. But I do hope they'll get up their courage soon."

More and more as we have let our minds be bold we have realized that profits for businessmen in this country, with all that implies for the employment of the rest of the population, has always depended upon Government investment, invisible or otherwise. Little by little it has dawned on us that we always had something like the W. P. A. and the P. W. A. in this country—some investment of public funds that speeded up private enterprise. At one stage the Government transferred to private persons part of the public domain worth far more than we have invested in Government funds in the last 6 years. And at another time we paid for orders to American producers for goods to be shipped abroad by making huge foreign loans which we were never able to recover.

Now for the first time that stimulant to private profit has become conscious. We now see it. We are now certain that the one most necessary factor in creating employment is a bold program of Government investment in the things the people of the United States need if they are to be as strong and able as they can be.

Such a program, far from endangering our system, is the one single thing that will preserve it. That way lies profits for businessmen, employment for all who are employable, and a rising national income which will not only meet the cost of the program but provide a rising standard of private living and private opportunity for all our people.

But if we are going to solve this problem of idle men and idle capital without abandoning our democracy, each one of us must be ready to make the concessions necessary for its democratic solution. We must begin to understand that paying taxes when we have income from which to pay them and risking capital when we have capital to risk are small costs to pay for the privilege of living in a free country.

Scorn if you will our own W. P. A. workers, but they are doing infinitely more useful and productive work than the military squadrons and storm troops into which the dictators regiment their unemployed.

Strong dictators may spend less for education and social services than democratic governments, but they do not remit those savings to the taxpayer. They require more and more taxes for their military establishments. And when they can no longer raise the tax rates they resort to forced loans and capital levies.

Businessmen who worry about the size of their taxes when this administration makes public investments ought to remember two things: One, before the present Democratic administration was making these investments there were no profits at all to be taxed; and, two, the amount the American businessman has for himself after taxes—the amount he can do with as he pleases—is greater than any other businessman in the world.

Undistributed profits do not have to be taxed by the dictators, because undistributed profits, if there are any, have to be invested as the dictators direct. Jurisdictional strikes and labor factionalism do not worry dictators, because what is the free labor market of a democracy becomes the conscripted labor corps of the dictator.

Farm prices and the income of the farm tenant are not worries of dictators because the produce and the labor of the farm alike are commandeered.

The dictators do not worry whether or not business has confidence. It does not matter. For, under dictatorship, business is no freer than labor and agriculture. High finance may help the dictator seize power, but once the coup d'état is accomplished, the dictator becomes the piper and calls the tune. The dictator no longer needs the help of high finance at election time, for there are no elections.

The American people want no dictatorship. They cherish their democracy.

But they must have more than intelligence to preserve their way of life. They must have the will and the courage to act on that intelligence.

For no St. Michael with a flaming sword is going to guard this Garden of Eden for us. We must depend upon ourselves and upon our mutual trust that each of us will hold his sector of the front.

Modern businessmen must come through and assert their leadership of modern business. Government cannot hold their sector of the front forever.

Labor must stop fighting with itself in order that it may be able to hold its sector of the front.

And people in politics and government must do their part, too.

There is a tendency around the time of a national election to think too little about government and too much about politics.

And everywhere among those who think too much about politics you hear it whispered that the ideal candidates for both parties in 1940 should be "stuffed shirts," who would antagonize as few people as possible.

No reactionary or still-stander, even if presented by that deceptive description "middle of the roader" can satisfy either the immediate demands or the ultimate aspirations of the American people.

There may have been times in our history when it made little difference to the people whether we had a "stuffed shirt" at the White House—times when it would have made little difference if there had been no one at the White House.

But our times are not and will not be such times.

In the light of the speed at which we are now rushing by events, to have a stuffed shirt dummying at the controls of the mighty mechanism of the United States Government would be like putting a baby in the cab of a mountain locomotive. It would be an unspeakable tragedy, an unspeakable betrayal of the American people by those who maneuvered it, and a betrayal which I am willing to prophesy would be thoroughly avenged by the American people when they discovered how and by whom they had been maneuvered into it. Nothing could be more dangerous to the preservation of our democracy.

As a contemporary historian has pointed out with some wonderment, six out of our first seven Presidents were men of outstanding ability. Only four out of the next 22 could fit that description. That is an appalling record. At one time in our history we could afford that luxury. Today we have to scrape hard enough for the necessities of life without bothering about luxuries. We cannot afford a weak Executive any more than can a private business. We must always remember that the best protection of our Constitution against dictatorship is not a weak constitutional Executive but a strong constitutional Executive. The lesson of Europe is our red flag of warning. All dictatorships in the world

today have come because of weak constitutional leadership. Dictators do not grow to power from within constitutional government, but strike swiftly from the outside when constitutional government has become too weak to resist. That is our twentieth century lesson No. 1.

You have heard in the past few months the frightful word "purge," and it has perhaps sent a chill of fear along your spine, because of the stories that you have read about foreign countries.

But let us not frighten ourselves with words.

Our American political vocabulary is full of horrible sounding words—candidates are cut, knifed, steamrollered, and maltreated generally, all on paper, however, and without shedding their blood. But the American people did not believe that the President was a dictator and that he was having your representatives tortured and murdered and their bodies buried in quicklime in the dungeons of the secret police. When a word like "purge" is imported from abroad, to apply it to our democratic methods of action, don't forget that the word is only a deceptive figure of speech.

But since this deceptive figure of speech has come into our political life, I will accept it and use it here and now. In this time when America suffers from the effects of depression, and when on top of that we are disturbed by the dangerous aspects of world affairs, we need well to purge ourselves of all that makes us weak.

Let us purge ourselves of superstitious reverence for words without meaning. Let us not bow down idolatrously before the name of liberty while we carelessly destroy the substance of liberty for our fellow citizens.

Let us not blindly worship the word economy, while we waste the soil and forests and mineral riches that ought to be carefully saved for our children, and while we waste the skill and health and courage of our people in idleness and want. Rather let us look to the true wealth of our country, the vast and beautiful land that our fathers won for us to be an estate for their descendants forever.

Let us, finally, purge ourselves, in this time of trial, of that false patriotism that is well called the last refuge of a scoundrel. Let us rather enlarge our understanding of patriotism. For true patriotism is more than a far-off willingness to fight in a war that we hope will never come, or dying by proxy by sending someone else to war. True patriotism is also an everyday willingness to give our time and money to the service of our country. Not because a dictator will punish us if we fail to obey, but because the protection and advance of democratic liberty are our joy and our happiness, we give ourselves to America as free men and as the sovereign owners of this great Nation.

We the people of the United States are a free people, holding in our sovereign power, under God, the decisions of our own path. We shall keep that sovereignty, and shall keep the mastery of our own fate, if we shall first rule ourselves in the interest of all. Let us not carelessly leave the destiny of our country to others. Let us each one, as best he may know how, play his own part. Let us build on this continent a nation that will shine as a light in the dark world—a beacon of hope to all who in the shadow of fear long for the dawn of liberty, security, and peace.

Government Spending

EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Wednesday, January 25 (legislative day of Tuesday, January 17), 1939

RADIO ADDRESS BY MARRINER S. ECCLES AND LETTER TO HON. HARRY FLOOD BYRD, OF VIRGINIA

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered by Marriner S. Eccles on January 23, 1939, on the subject of Government Spending. I also ask to have printed a letter written by Mr. Eccles to the junior Senator from Virginia [Mr. BYRD]. I may say that I have submitted the address and letter to the Senator from Virginia and he has assured me that he has no objection to their introduction in the RECORD.

There being no objection, the address and letter were ordered to be printed in the RECORD, as follows:

A week ago tonight Senator BYRD, of Virginia, spoke over this station on Government Spending. I am grateful to the National Radio Forum, conducted under the auspices of the Washington Evening Star, for this opportunity to speak to you on the same general subject.

What I say represents my own viewpoint as it is now and as it has been consistently for more than 8 years. I do not speak for the Board of Governors or for the Federal Reserve System. I speak merely as one who has had more than 20 years of practical experience in banking as well as in various business and agricultural enterprises, and who happens to occupy a public office concerned with banking, fiscal, and monetary problems. These are economic problems and I have always approached them from an economic rather than from a political standpoint. In fact, I cannot approach these questions from any other standpoint for I have never taken an active part in politics and I have never sought a public office.

The greatest of all domestic problems before this country today is to find steady jobs in private enterprise for all of our unemployed who are able and willing to work.

The fundamental issue between Senator BYRD and myself is whether the Government can and should contribute to bringing about an increase in private employment by borrowing idle money, and lending and spending it, at a time like the present when there are millions of people who cannot find jobs in private industry, when there is an abundance of natural resources, unused productive facilities of all kinds, and billions of savings and of bank credit waiting to be used.

In the limited time at my disposal tonight, I cannot deal with all of the misconceptions of my position under which Senator BYRD evidently labored in his recent statements on this subject. This I expect to do by letter at an early date. The issue between the Senator and myself is not personal, and I ascribe to him, as he does to me, the fullest degree of sincerity.

At the outset I want to clear away some of the more glaring misconceptions of my views. I do not believe in Government spending at any time for spending's sake. I do believe in Government deficit spending in depression periods as a supplement and stimulant to private spending, using only the manpower, materials, and money that otherwise would be idle, and using them only in a way that avoids competition with private enterprise. I believe that inefficiency and waste should be eliminated. Government should get the maximum of value for the money it spends, recognizing the size and inherent difficulties of the unemployment and relief problem—the objective always being a maximum of private employment. I abhor politics and favoritism in any phase of Government expenditures. I am as anxious as anyone to see the Federal Budget balanced. In my judgment this cannot be accomplished until the national income is higher than it will be this year. I do not believe it can be done at this time either by reducing Government expenditures or by increasing Federal taxes, particularly those that bear most heavily upon consumption. I believe that the only way the Budget can be brought into balance is through increased Federal revenue from an increased national income.

I am just as much against inflation as I am against deflation. However, we do not want to stay in a perpetual deflation because of fear of inflation. Inflation can and should be prevented, and this can be done by giving adequate powers to the Treasury and the Federal Reserve System. I do not see how it would be possible to have a dangerous general inflation so long as we have a large amount of idle men and unused resources. Long before inflation could develop we would have a volume of business activity that would increase the national income to a point where the Budget could easily be balanced. I do not believe, and I have never said, that the Federal debt should continue to grow indefinitely and no part of it ever paid. I do believe that it cannot safely be reduced except when national income is high and when private debt is expanding. Reduction of Government debt at such a time would tend to counteract any trend toward inflation that might develop, just as expansion of the Government debt during depression tends to offset deflationary developments.

I realize that Government spending is not a cure-all or a remedy for all of our problems or for special conditions that may be retarding private employment and investment. Everything should be done to bring about a prompt solution of these problems. In the meantime I can see no practical alternative except to sustain purchasing power through public employment until private employment substantially increases.

The viewpoint which I have outlined relative to the need for Government spending is strongly opposed by Senator BYRD, by most of the press, and by many of the bankers and large business interests of the country today. Most of them still demand, as they did at the bottom of the depression in 1932, that Government expenditures be cut and that the Federal Budget be brought into balance in order to reestablish confidence. Only in this way, they believe, will jobs be provided in private enterprise.

I quite understand why so many of our bankers and businessmen have this viewpoint, for I did also until about 1929. I knew from experience that private investments had led the way out of past depressions without Government spending.

In the face of fundamental changes that have come over our economy—changes that I think many of our businessmen and bankers either have not fully perceived or fully appraised—I can no longer bring myself to believe that the Nation can risk stopping its support to the unemployed in the hope or expectation that, upon doing so, private enterprise will move forward on any scale sufficient to give them jobs.

To discuss these fundamental changes adequately would take more time than I have on the air. I can only remind you that we are no longer a nation with rapidly expanding markets at home

and abroad, as we were through most of our history. We are no longer pushing our frontiers westward and opening up vast new territories to settlement. We no longer have great incoming tides of immigration. The day has passed when millions can follow Horace Greeley's advice and go west when they fail to find employment or opportunity in the populous eastern centers. The era of railroad expansion has come to an end.

We no longer have expanding foreign markets. We are now a creditor and not a debtor Nation, as we were before the war. We are no longer willing to lend billions of dollars abroad, as we did in the twenties, to enable foreigners to absorb American products.

The rapid growth of the automobile and related industries, which were important factors in the expansion of the twenties, has been greatly slowed down. There are not immediately visible vast markets awaiting production by existing industry. Nor does new invention and new industry, which I should especially like to see encouraged and stimulated, hold out prospects for enough investment and employment to absorb great numbers of the unemployed at this time.

If I felt that the Government were risking a dangerous inflation, or that it could not afford the expenditures because of the size of the national debt, I would not advocate a continuance of the present stimulus—on the basis of a deficit. I do not share these fears. I do not agree with those who believe, as Senator BYRD does, that the Government is like an individual in its fiscal affairs and, therefore, should not spend more than its income but should always balance its Budget and keep out of debt.

I do not scorn the old precepts of thrift and frugality, as the Senator has said. One of the most familiar of these time-honored sayings is, "Neither a borrower nor a lender be." Admirable as these maxims are for the individual, they cannot be applied realistically to business or to the Nation. If there were no borrowing or lending in the business world, there would be no business except by the primitive methods of barter. Borrowing and lending means creating debt. We have never had a period of prosperity without an expansion of debt. Conversely, we have never had a period of deflation without a contraction of debt.

I would like to see more equities and fewer debt forms in our economy, but it operates now very largely by the process of debts being created and extinguished. To recognize that debt expands with prosperity, which we all favor, does not mean that one is in favor of debt but only that under our system we cannot have the prosperity which we all want without the debts which we all dislike.

It is beyond dispute, I think, that as debt contracts or expands, business activity rises and falls, and that national income increases or decreases in relatively greater volume. Thus, from 1929 to 1933 total debts, both public and private, contracted by 14 percent. Yet at the same time national income fell by more than 50 percent. As a result the private-debt structure, even though contracted, was so large in relation to the diminished national income that debts became insupportable. Hence our entire financial structure collapsed and general economic paralysis resulted.

Had the Government been like an individual, nothing could have been done to help the situation. We ultimately found that only the Government, under such conditions as existed, was able by its lending and spending to stop the tide of deflation and bring about the upturn that we have since had, though it is still far short of the goal of full recovery. However, acting on the advice of the business and financial leaders of the country, the Government did attempt to act like an individual from 1930 until the end of 1933 on the theory that the Government could not afford to do otherwise, and that, in order to maintain confidence and keep money sound, it must balance the Budget. Most of you haven't forgotten the results.

Of course, the Government could not balance its Budget, because the incomes and profits of the taxpayers continued to fall or to disappear. Therefore, the Government's revenues fell faster than it was possible to reduce expenses. Consequently, it had a total deficit of more than $7,000,000,000 for the calendar years of 1931, 1932, and 1933 while it was pursuing the policy advocated by those who believe as Senator BYRD does. And, mind you, all this happened during the period when everything was being done that business leaders thought would encourage business, even to the extent of setting up the R. F. C. to provide money to support the private financial structure. At the same time the same business and financial leaders, some of whom were the beneficiaries of Government lending, contended that the Government's credit was such that it could not afford to come to the financial assistance of millions of unemployed through creation of beneficial public work in the absence of private work.

The deficits incurred in 1931, 1932, and 1933 cannot be considered as being of what Senator BYRD chooses to call the pump-priming variety, because they resulted largely from decreased Federal revenues rather than from increased Government expenditures. During this period we had no increase in the national income. In fact during this period the sum of the annual losses in the national income, compared with the 1929 level, amounted to $120,000,000,000. This staggering loss, to which Senator BYRD makes no reference, resulted from our failure to utilize our idle human and material resources. This is the kind of waste that the Nation can ill afford. We had no increase in the national income until a comprehensive lending and spending program was launched, beginning in 1934, giving aid to farmers and home owners and creating jobs through relief and public works.

Let us now consider the years 1934–37, inclusive. In this period the Government made cash loans and expenditures, including the soldiers' bonus, of $11,000,000,000 more than it collected, including pay-roll taxes. This largely resulted from a deliberate policy of stimulating recovery in private activity. During this period the national income rose from approximately $40,000,000,000 in 1933 to about $70,000,000,000 in 1937. The combined increases in the national income for these 4 years, as compared with 1933, aggregated $70,000,000,000, or more than six times the Government's cash deficit of $11,000,000,000 for the same period.

And then what happened? During the year 1937 the Government contributed about $3,000,000,000 less to the buying power of the public than it did in the year 1936, so that its cash receipts were only about $400,000,000 less than it spent. This too-rapid withdrawal of the Government's stimulus was accompanied by other important factors, including sharply increased construction costs, large-scale speculative inventory buying, a too-rapid expansion of short-term installment credit, serious conflicts between capital and labor, and a widening spread between agricultural and industrial prices. The result was another period of rapid deflation in the fall of 1937, which continued until the present spending program of the Government was begun last summer. The national income has been rising steadily ever since that time.

In the light of this record of the last 9 years—a record which Senator BYRD denounces as one of "fiscal insanity"—does it seem reasonable to believe that, as the Senator said in his letter to me—and I quote—"For every dollar the Government borrows and spends in pump priming, private enterprise is deterred from spending two"? If Senator BYRD really believes this, he should be exerting all of his influence in fighting for an immediate, instead of a gradual, balancing of the Budget, in order to reduce Government expenditures by at least $3,000,000,000. Such a reduction, according to his unequivocal statement, would bring about an expansion in spending by private enterprise of $6,000,000,000 a year. I am convinced that the exact opposite is true. Accordingly, I believe that the country can well afford to have the Government continue its stimulus to consumption and thus to business at this juncture.

We might have had about the same results with less Government spending had some of it been directed into other channels or had it been better timed, or if private activity had not felt that there were deterrents due to Government policy; but of one thing I am certain—whatever the deterrents have been, Government spending has not been one of them.

As to the burden of the Government debt on our children and our children's children, which also disturbs the Senator, if they reduce the national debt it will probably be because their national income justifies the reduction, and it will be no more of a burden on them than was the reduction of nine billions of the war debt during the twenties. In fact, we could have paid off much more of the war debt if we had not had three major income-tax reductions which helped to encourage stock-market speculation and the making of uncollectible foreign loans.

Why not worry also about the burden of all of the private debts on our children and their children, because these debts will also be passed along to future generations who will have to pay the cost of servicing or paying these debts just as in the case of the Government debt. We should know that all debts, both public and private, are passed along from one generation to the next, just as all assets, both public and private, are handed down from one generation to the next. It may be that Senator BYRD would be less worried if there were no debts, but in that case there would be no banks, insurance companies, or other financial institutions.

The Senator has warned you that the total debt of all public bodies in the United States now amounts to $430 for every man, woman, and child; that it is a mortgage on you and your property, and that your children and grandchildren will have to pay off this mortgage. But he failed to tell you who owns the mortgage. You, of course, know that it is owned by all of the people and amounts to an average of exactly $430 owed to every man, woman, and child. In other words, all of the people are borrowing through their public bodies from all of the people.

The whole problem of internal debt, public and private, must be considered in relationship to the total real wealth of the Nation. Our total debts are great or small, depending upon total national income. The British public debt a century ago was equal to $4,000,000,000. At the present time it is $40,000,000,000, or 10 times greater. Their debt has grown, but the income of the British people has grown much faster than the debt. While doubtless it would be better for them if they had less public debt, it cannot be said that the debt has either bankrupted or impoverished the British nation, because their standard of living has increased during this entire period.

Now, make no mistake, I am not advocating ever-increasing debt, but I am merely pointing out that we should see the problem of debt in its true perspective. I do not think that alarmist talk about it is calculated to help recovery or to induce private capital to go to work.

As to the argument that the British achieved recovery by balancing their budget, it would be well for those who cite this to remember that while our national income was falling 50 percent their Government never permitted theirs to fall more than 10 percent, and that British rates of taxation, if applied to the United States, would very likely balance our Budget. Their balanced budget is not due to the fact that they spend proportionately less than we do, but because their income and inheritance taxes are relatively much higher.

Individuals and corporations may become bankrupt, but no nation having the human and material resources of the United States need impoverish itself by borrowing from itself. The only way that

we can impoverish ourselves is by failing to utilize our idle manpower, resources, productive facilities, and money in the production of real wealth.

I have been talking so far about the economic aspects of the problem of government fiscal policy. In conclusion, I would like to say a word about the human or fundamental aspect of this problem.

We did not hesitate to have the Government borrow billions of dollars to protect this country against a foreign enemy during the World War. In 1 year alone we created a deficit of $13,000,000,000, as much as the entire cash deficit of the Government during the past 5 years. We are again proposing to spend billions for preparedness. Yet at the same time many are quibbling about $150,000,000 necessary to help protect our human resources.

The same Government credit that can be used to protect human lives in time of war against the encroachment of a foreign enemy can also be used in times of peace to protect these human lives against demoralization and despair. There is no more limitation upon a government's ability to fight a depression than there is to fight a war. Both depend upon our human and material resources, brains, and courage—and upon nothing else.

The danger for the future of democracy comes from within as well as from without. The leadership of this country, both in government and in business, must realize that if the American liberal tradition is to be preserved, then for the millions of our citizens the right to work must also be preserved.

DECEMBER 22, 1938.

HON. HARRY F. BYRD,
United States Senate, Washington, D. C.

MY DEAR SENATOR: In the course of your speech attacking the Government which you delivered in Boston on December 10, you so grossly misrepresented my own views that I feel compelled to address this letter to you in order to keep the record straight. You professed to quote from my speech before the New York Chapter of the American Institute of Banking on December 1, but it would appear from your misquotations that you had not done me the justice of reading my speech before you assailed it.

I cannot leave uncorrected the impression conveyed by your speech that I am an advocate of reckless, wasteful, ever-increasing spending by the Government. As a banker and businessman for more than 20 years before I came to Washington, I have a vital interest in the maintenance of our economic system and of our democratic institutions. I am quite as concerned as you are to maintain the solvency of the Government and to avoid the evils of inflation. However, I am equally in favor of avoiding the evils of deflation. I think I may be forgiven for feeling some impatience when a responsible public official like yourself so misconstrues my viewpoint as to make it appear that my advocacy of properly directed and properly timed Federal expenditures, for the primary purpose of stimulating private enterprise, is based on any other principle or purpose than to aid in bringing about the greatest possible degree of sustained employment and production of real wealth by private activity and enterprise, which, in turn, is the surest safeguard of our democracy as it is of the solvency of our Government. Only in this way, by restoration of national income, can we reach and maintain the balanced Budget which I am as desirous as you are of achieving. You have every right to disagree as to the efficacy of fiscal, monetary, and other policy in effecting stimulation in depression or retardation in a period of unsound expansion. I, of course, reserve the right to present the other side of the case. But I am convinced that it deserves consideration on its merits, without rancor or misrepresentation.

It is evident from the program you presented in your Boston address that you and I have a fundamentally different conception of the responsibility of government and of the functioning of the economic system. Your program makes only five specific recommendations, all calling for immediate and drastic curtailment of Government expenditures.

You appear to believe that a large part of the Government's expenditure is "waste." You are fearful about the Government's credit and alarmed about the "burden" put upon the country by the public debt. There is not space within a letter adequately to discuss these matters, but in view of your program and since you saw fit to make a personal attack upon me, I feel that it is in order to raise a number of questions with respect to each of the foregoing considerations.

As to the "burden" of debt: The pertinent facts are the volume of total debt in the country, the interest on that debt, and the income out of which interest may be paid. You failed to mention any of these pertinent facts. Are you aware of studies made by a distinguished group of scholars, under the auspices of the Twentieth Century Fund, indicating that the total of all domestic debts, both public and private, is no greater today than it was in 1929? That being so, does it not give a one-sided and alarming picture of the country's debt situation to concentrate attention solely upon the increase in the public debt without regard to the contraction of private debt, and without regard to the increase in population and in the material wealth of the country since 1929? Is it of no significance that, owing to the decline in the rate of interest, the total of interest payments today is far less than in 1929? Is it of no significance that, while the burden of interest payments has been lessened, national income, out of which debts are serviced, increased since the low point of 1932 until in 1937 it was $30,000,000,000 more than in 1932? Is it of no significance that the interest on the Federal debt amounts to only a little more than 1 percent of our national income? Finally, is it of no significance that as a nation we owe our debts to ourselves and not to a foreign country?

As to your concern about the burden of taxation, have you not overlooked the fact that as national income increases, tax revenues increase, even without a rise in tax rates? National income increased from less than $40,000,000,000 in 1932 to approximately $70,000,000,000 in 1937. Tax receipts of the Federal Government increased from $2,080,000,000 for the fiscal year ending June 30, 1933, to $6,242,000,000 for the fiscal year ending June 30, 1938. The country paid about $4,000,000,000 more in taxes, but it had $30,000,000,000 more of income a year out of which to make these payments. Would you have the public believe that the country was better off in 1932 with lower taxes and a lower public debt than it was in 1937 with higher taxes and a higher public debt?

Since 1937, national income has temporarily contracted, due to a combination of factors, one of which was a too-sharp and too-rapid reduction, amounting to more than $3,000,000,000, in the Government's net contribution to community buying power in 1937 as compared with 1936. The Government's net contribution to purchasing power is the amount that the Government expends over and above the amount it collects. On this basis, the Government not only drastically withdrew its stimulus to consumption in 1937, but contrary to your apparent belief, actually had a balanced cash Budget and a cash surplus of about $100,000,000 for the period from June 30, 1937, to March 30, 1938.

So much for the debt "burden." Turning to the question of what is to be entered upon the credit side of the ledger as an offset to the increase of the public debt, you evidently contend that nothing is to be entered; that the Government's expenditures, for which the debt was incurred, represented "waste."

Is it "waste," as you seem to think, to have the Government borrow and put to use otherwise idle funds of individuals and corporations? Is it "waste" to have the Government, by borrowing from the commercial banks, replenish the supply of bank deposits which contracted by one-third because of debt liquidation during the deflation, and put this newly created money to work providing employment and thus utilizing manpower and productive facilities that otherwise would have remained idle? Is it "waste" for the Government to expend these newly created and these otherwise idle funds for roads, slum clearance, bridges, schoolhouses, hospitals, and a host of other useful and necessary things that are needed by the community but are not supplied by private enterprise? Are these additions to our national wealth, additions resulting from public expenditures that are based upon increase of public debt, more "wasteful" than the expenditures in the late twenties, based upon private debt, whereby billions of dollars were diverted to uncollectible foreign loans and to build at inflated prices huge skyscrapers, office buildings, and apartment houses, many of which never have been sufficiently occupied to maintain the investment?

Do you think it was "natural forces" that produced the recovery after 1933? Do you think that the restoration of the national income from less than $40,000,000,000 to approximately $70,000,000,000 came about in spite of and not as a result of Government expenditures? If so, why was it that for more than 3 years after 1929, when we did not have the legislation or expenditures to which you so strenuously object, there was no recovery, but instead a continuing deflation until the Government intervened on a comprehensive scale, replenished bank deposits, and put these funds, together with stagnant funds held by individuals and corporations, to work? This, of course, increased the public debt after private debt had rapidly contracted. Doubtless had the Government been adequately prepared it could have spent money more efficiently and more productively. Yet, in the light of all of the foregoing considerations, how can it justly be said that the Government's expenditures were "waste"? What to my mind is the real and irreparable waste, which the Nation can least afford, is that which results from failure to use our human and material resources productively.

As to the Government's credit: Why do you suppose it was that in 1932, when the Government's debt was about half of what it is now, 3-percent Government bonds sold down as low as 83? If the Government's credit is as precarious as you told your Boston audience, why is it that 2½-percent Government bonds today are selling at a premium of more than 102? How does it happen that since 1933 foreign capital has steadily flowed into the country from abroad if the credit of the country is in jeopardy, as you contend?

Early in your speech you extolled "those time-old virtues of thrift, frugality, self-reliance, and industry." Somewhat later, however, you expressed alarm at the increase in debt of the last 5 years. I am at a loss to understand how you reconcile these two ideas. Certainly if it is good for people to save, i. e., practice the virtues of thrift and frugality, it must also be good that someone should borrow money and put it to productive uses. Private enterprise has in the years since the depression began been in no position to employ profitably anywhere near the total of the country's savings, because there was not sufficient buying power in the hands of the public to purchase the output of existing facilities of production.

In connection with the question of debt, you also make the curious statement that some day the whole amount must be repaid. Such a statement reflects a misunderstanding of the fundamental nature of our capitalist economy. Debts and obligations of various kinds are but the other side of investment, and if we ever tried to liquidate the whole amount of them, or even any substantial fraction, we would precipitate a crisis so severe that general economic paralysis would result. When there is contraction of total debt, private and public, we have deflation. We have never had prosperous conditions without an accompanying expansion of debt, either private or public, or both.

Do you think, as your speech seemed to indicate, that in a democracy the government has no responsibility for creating debt in order to give employment at times when private indebtedness is

contracting and private enterprise is unable to do so? Do you consider, as your speech implies, that Government debt is evil, whereas private debt is not? One would gather from your attitude that if a private contractor, for example, borrows money to build houses you would commend him for "raising capital for private enterprise," whereas if a Government housing authority borrows money for the same purpose you would denounce it for "incurring debt."

Do not the same general economic considerations apply to both private and public debt? Is it not true that the creation of too much debt relative to the creation of real wealth is inflationary and, therefore, bad, whether that debt be created by public or private activity, or both? Can it be said that the creation of debt, either public or private, that utilizes productively otherwise unused human and material resources, that creates real wealth, that adds both to existing real wealth and to national income, is an evil? Is not the exact opposite true?

While you say that everyone in need should be provided for, I find this statement hard to reconcile with your broadside attack on the organization that has carried most of the task of seeing to it that those in need are kept from want and starvation. You assert that "millions of able-bodied citizens rely upon the Government for support and have ceased to exert their efforts for self-help to obtain private employment." So far as I know, there is not the slightest evidence to support such a sweeping assertion. Any honest American citizen must resent the insult this implies to millions of self-respecting men and women.

You stated that you are concerned about "the character of the individual citizen" and "the dignity and the rights of the individual." So am I. I believe, however, that the most basic right of all is the right to live and next to that, the right to work. I do not think empty stomachs build character, nor do I think the substitution of idleness and a dole for useful work relief will improve either the dignity or the character of the people affected. We cannot expect to preserve our free institutions in this country if we condemn a substantial proportion of our people to prolonged idleness on a bare subsistence level of existence. Further than the right to eat and the right to a position, I think the individual, whether rich or poor, has a right to a decent place to live. I think he has a right to security in old age and to protection against temporary unemployment. I think he has a right to adequate medical attention and to equal educational opportunities with the rest of his countrymen. The Government expenditures which you condemn have in large part been the means of translating these basic rights into realities. Anyone who is genuinely sincere in his concern about the rights, the dignity, and the character of the individual citizen, far from seeking to tear down what has already been done, will want to have a hand in expanding and improving this work for the future.

There are many other questions which it seems to me your address and your attitude leave unanswered. I do not profess to know all the answers to the many complex and difficult economic problems confronting the Nation, but I am convinced that if your program of sudden, drastic retrenchment were followed, we would witness another sharp reversal and renewed deflation. And I, for one, am not prepared to believe that this Nation is doomed to stagnation, to a low level of national income, to a wholly unsatisfactory standard of living instead of the high standards, the achievement of which depends only upon our correct understanding of the operations of our economic system. I am convinced that your program is not only a defeatist one, a program of retrogression and not of progress, but that it would jeopardize the salvation of our democracy which I know you are as sincerely desirous of preserving as I am.

We disagree fundamentally and completely on how best to accomplish that end, but of one other thing I am also persuaded, that we will not find the answers by indulgence in name calling such as marred your Boston address. We will find the answers by recognizing clearly what the problems are, by understanding how our economy functions, and by working out practical solutions in an atmosphere of calm reason instead of intemperate denunciation.

Very truly yours,

(Signed) M. S. ECCLES, *Chairman.*

Community Federation of Boston

EXTENSION OF REMARKS

OF

HON. HENRY CABOT LODGE, JR.

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Wednesday, January 25 (legislative day of Tuesday, January 17), 1939

ADDRESS BY HON. DAVID I. WALSH BEFORE COMMUNITY FEDERATION OF BOSTON, JANUARY 23, 1939

Mr. LODGE. Mr. President, I ask unanimous consent that there may be printed in the RECORD the very eloquent address delivered by my colleague the senior Senator from Massachusetts [Mr. WALSH] in Boston last Monday night at a meeting of the Community Federation of Boston.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

We have assembled tonight to salute and felicitate the charity-minded volunteer workers who are now to begin the task of soliciting funds for the maintenance and support of the private charitable agencies which will carry on during the year 1939. What an ennobling spirit is visible here. An entire community has turned aside from the daily struggles of self-interest, forgetting all social and class differences, imbued with the spirit of philanthropic service, to plan and work together for the welfare of its afflicted.

The importance of this great humanitarian objective is obvious to all. The mere enumeration of the list of private charitable and philanthropic services to humanity that we are seeking to aid cannot fail to stir our most generous impulses and arouse us to tireless endeavor.

One hundred and fifty private agencies, serving over 300,000 people in 46 cities and towns of greater Boston, including all the large hospitals, services in the interest of children and the family, public-health nursing, aid to the handicapped and those in charitable institutions—indeed, for all private activities dedicated to the service of humanity—are embraced in this program.

The first thought that naturally arises is, Why do not the many governmental relief agencies take care of these urgent and compelling social needs? Why must our citizens of city and State be called upon to augment the finances provided by taxation for what is primarily a governmental responsibility? That much Federal, State, and local financial aid is available to certain needy persons because of age and physical disability is evident; nevertheless, very much indeed remains to be done each year through private effort. We are not in any manner in conflict with the regular designated welfare activities performed by the local, State, and the Federal Governments. They are indispensable. They have a wide and important field of usefulness, but they are not everything. There must be a combination of private as well as public giving. The coordination of both is indispensable. We must have both.

There is something more than public relief implicit in the very character of this campaign to raise funds. It symbolizes the recognition by the communities of greater Boston of an obligation that goes deeper than the mere granting of relief according to the cold and impersonal measure of the scientific yardstick. It encompasses not only the willingness to provide for the weak and the afflicted, but, what is far more commendable, it announces our strong determination to dispense in accordance with need that charity and that benevolence which springs from the noblest impulse implanted in the human breast because it prompts warm and sympathetic care and attention for those unfortunate of our neighbors who live in our midst and whom we are intent upon helping in some manner different from the benefactions of formal, official philanthropy.

The Federal and State social-service worker must continue, but it is unthinkable that the work of the home-visiting nurse and doctor, the Sisters of Charity, the Salvation Army, and innumerable other private and religious welfare agencies should be crippled in their ministrations to the millions of underprivileged throughout the Nation to whom they bring aid and comfort. Public funds do not and cannot reach these agencies. They rely upon private giving. Be it said with pride that in the past the necessary money has been given gladly and generously by hundreds of thousands of philanthropic citizens of every walk and station of life. Through the funds realized by these Nation-wide community chests, millions of persons have been restored to health, encouraged to renewed interest in life, and rehabilitated to positions where they are once again able to provide for themselves and their families.

I wish to dwell for a moment very briefly upon the patriotic side of the community drive service. That we are responding to one of the cardinal principles of every religion is self-evident. But, in my opinion, in undertaking this great work we are fundamentally sustaining and preserving the integrity of our democratic form of government.

Authoritarian governments are jealous of private institutions of every character, just as jealous of private instrumentalities of benevolence as they are of religious agencies and in fact of all organizations functioning within the state that are not operated by the state itself. One of the dictators of Europe has proclaimed this principle: "There must be nothing within the state that is not part of the state." Tyranny and private philanthropy are irreconcilable. It is, therefore, decidedly in the interest of democracy that we should foster and encourage institutions of private benevolence in the same sense that we should exercise eternal vigilance in the preservation of the inalienable rights guaranteed by the Constitution.

With no intent to discredit the fine services rendered by governmental relief agencies—and they are many—I think we all feel that the less politically administered relief for the afflicted classes of our needy, the better. The Government must continue to do its share, especially in times like these, for those in want through no fault of their own, but we will never agree, while the spirit of service, civic pride, and patriotism throbs in the American heart, to a surrender of our private charitable and religious institutions to the demands of the authoritarian state.

This meeting tonight, this great outpouring of generous-minded men and women, proves unmistakably that Massachusetts citizens

are determined to assist those, who, for one reason or another, often for reasons beyond their control, are unable to care for themselves in times of adversity, illness, or need. The agencies furnishing this service, wherever located, stand as mute testimonials of the generosity of our people and shine as beacon lights of hope and cheer to millions of our fellow citizens. Even during the lean years of the present decade, our citizens have responded with generous contributions in support of the community program. This meeting means that we are determined to continue the accomplishments of the past and to extend militant support for all our useful and necessary agencies of private philanthropy.

We are proud of our greater Boston record and of Massachusetts, which has always given generously to the needy. The aid that once was given casually and haphazardly and without organization has now grown by leaps and bounds through unity of action and careful planning for the care of those who are beneficiaries.

This great and representative meeting is a real mobilization. It is a mobilization of citizens, not in preparation for war, but in preparation for the ever-present conflict against disease, misery, poverty, and destitution. Think of what this meeting means for benefactors and beneficiaries alike. What a message of cheer and hope goes forth from this hall tonight to the thousands of underprivileged and needy, hopefully looking to this community fund for relief and succor.

Does it not also bring closer together the citizens of our greater city? We organize in trade and in industrial effort, but there is an activity which brings us closer spiritually. "Be a good neighbor" is fittingly suggested as our slogan. Let me add that the good neighbor is not the one who lives only for himself and his family, but is one who by standing up resolutely for his own takes a friendly, helpful, unselfish interest in the welfare of others. He cooperates with his neighbors and takes an active part in every generous movement for the commonweal.

That fine citizen Charles Francis Adams, who through these many years has been an inspiration to all of us in his work for humanity, is here. The ministers of all religions, who know better than any of us the sorrows, the sufferings, the needs of the poor, as well as the unrecorded but inestimable services to humanity of these private charitable agencies, are here, too, to invoke divine blessing on our work. The Governor of the Commonwealth, the mayor of Boston, are here. These men are good neighbors. Everyone in this great auditorium is a good neighbor. Let us spread the good-neighbor idea, constantly extending our ranks in number and influence—in giving and helping.

Our appeal is to the souls of men. What a personal privilege and opportunity it is to have a humble part in this labor of brotherly love! Our appeal to our fellow citizens is not merely for statistical charity, but for the expression of a noble sentiment, a sentiment that is regulated, guided, and directed by the spiritual in human nature, a sentiment that is influenced by the highest religious concept in our nature. That sentiment is charity as distinguished from mere relief. Charity embraces not merely giving but giving through motives of love.

Tonight we appeal to all who have means, the means which have been given them by the Creator, not for luxury or waste or selfishness or greed but for the welfare of others as well as of themselves, to cooperate with these private charitable agencies which have organized to aid their fellow citizens who lack the means to give shelter and food to the poor, medical assistance and hospital care to the unfortunate, rest places and homes for the aged and the homeless. In brief, our appeal is to men and women whose hearts are warm, whose love of their less fortunate fellow beings is aglow.

May I add there is special need this year for us to redouble our zeal and enlarge our efforts?

We want, above all things, good will. We want with that the willingness to work, to serve under whatever direction may be necessary, to work as energetic, warm-hearted crusaders, never forgetting that our gospel is the gospel of hope, of love, of charity, and our objective is to bring cheer and help to the lowly, the unfortunate, and the suffering.

Let me add we must have a real sense of the needs of the poor and underprivileged among whom we move in everyday life, to catch the spirit of this campaign. We must enter into this work with real enthusiasm and with a consciousness that the faith in the good works of our fellow citizens is alive and not dead. If we do this the results will be abundant and eloquent.

And lastly, our reward. The gratitude of those who have naught else to give but gratitude, the benediction of the aged, the prayers of the orphaned, and the silent approving voice of our own conscience. At the end of this campaign, which can and will be successful, we can share the spirit that prompted Holy Job to cry out:

"The ear that heard me blessed me, and the eye that saw me gave witness to me; because I have delivered to the poor man that cried out; and the fatherless that had no helper. The blessing of him that was ready to perish came upon me, and I comforted the heart of the widow. I was an eye to the blind, and a foot to the lame. I was the father of the poor." (Job xxix.)

National Defense

EXTENSION OF REMARKS

OF

HON. ERNEST LUNDEEN

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Wednesday, January 25 (legislative day of Tuesday, January 17), 1939

RADIO ADDRESS BY HON. GERALD P. NYE, OF NORTH DAKOTA, TUESDAY, JANUARY 24, 1939

Mr. LUNDEEN. Mr. President, I ask unanimous consent to have printed in the Appendix an address on the subject of National Defense, delivered over the radio by the Senator from North Dakota [Mr. NYE] on Tuesday, January 24, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

National defense has never been a partisan issue. But there are features about the present and pending defense program which seem to be inviting and winning a very definite division. This division might find the Republican Party accepting the challenge which is presented by these certain features. The challenge is not one which might involve the party in anything resembling a jeopardizing of American security against possible foreign foes. It is in no degree a challenge that would take the party into mere quibbling over what is our exact need in the way of national defense. The challenge, rather, is one inviting the Republican Party to insist upon getting a dollar's worth of defense for the dollar spent for defense and of guarding against an easy drift into other people's wars.

It is not for me to here speak for the Republican Party. I could not venture such speaking even though I saw the party's national-defense policy more clearly defined than it now is. But as an individual member of the party I see very definite tendencies today which are more sharply defining the issues and differences growing out of the administration's national-defense program. I see members of the party weighing the proposition and asking if by chance the defense program is not instead a work program or pump-priming program. I observe others privately, and some publicly, inquiring if the President's program might possibly be in furtherance of understandings with other nations. And I see the Republican Party, as such, in the House of Representatives moving very definitely into a determined position which finds it wanting to make certain that the rearmament program projected by the administration shall be directed exclusively to the defense and security of this Nation rather than toward dangerous intervention in the international frictions and discords of other peoples. More than that, I see, as all readers of recent weeks must see, that the party and its spokesmen are fast reaching the conclusion that there can be no intelligent policy of national defense without a knowledge of what is our foreign policy. That can mean but one thing, namely, that we may hope for a declaration of foreign policy by our Government; a declaration subject at once to the approval or disapproval of the people and their representatives.

There are those who insist that we have no foreign policy. There are some of us so mean as to put two and two together at times and make the result read four when we insist that our foreign steps in given instances would indicate that our foreign policy was shaped and dictated by the British Foreign Office. Whatever may be the facts, the truth remains that the United States is today without a declared or defined foreign policy. Our foreign policy today is what the President may permit it to be. Our policy tomorrow may be contrary to that of today, but again it is what the President permits it to be. One day the policy seems to be such as requires no great additional outlay in the way of preparation for war. The next day the policy is definitely calling for such an outlay in the way of war preparedness as would multiply the present Budget plan by a hundred or a thousand.

The absence of a policy, or dependence upon a policy to be shaped by other nations, or a helter-skelter policy of foreign relations creates for our Nation a most dangerous, say nothing of uncertain, issue of defense. It is a situation that ought to be corrected. There is only one corrective—the careful defining of a foreign policy to be brought out into the open. That such may be an early accomplishment is a hope, a hope born largely out of the very positive interest the Republican Party is showing in the question at the present time.

There is rare departure by Americans from the common desire that our country be adequately prepared to defend itself and its

institutions. I should count myself derelict in my duty if I found myself ready to jeopardize American security against attack by refusing the machines, equipment, supplies, and men necessary to repulse any possible attack upon us. But I am equally derelict in my duty if I become party to a rearmament cause that entertains large prospect of inviting war and that is sponsored by man-made hysteria which can but lead my country under a greater load of debt and into greater economic difficulty.

It has been my rather studied observation that we can contemplate an annual stirring up of feelings of insecurity. This stirring quite invariably precedes the advent of the annual supply bills of our Army and Navy. A very thorough study of the question during recent years has established beyond any question the fact that there are some forces that stand to profit in a large way from larger armament outlays. It is another observation by more than myself that armament races are not as a rule followed by peace. There isn't much comfort in the knowledge that we are now being urged to be a leading factor in the greatest armament race of all time—and we the Nation upon this earth least needing to fear attack against or upon us.

Under the existing and pending plans the Congress is being asked to approve a program in the name of national defense that calls for an outlay of somewhere between one and one-half and two billion dollars. Compare this with our 1914 Budget in the name of defense and it will be noted that we are now being urged to spend for that cause easily six or eight times as much as was true before we went forth to end war. Note, if you please, the week by week background built by those leaders who shape our foreign policy from day to day, those leaders who recommend now what shall be spent for defense—recommendations, incidentally, alleged by authorities to be afforded over the heads of our military experts in both Army and Navy.

For months and months these leaders concurred in that Senate leadership which wanted to take profit out of war and write a strong policy which some want to call neutrality but which more properly should be titled "A policy to help this Nation keep away from another experience of helping others to win wars only to be denied the chance to win the things we thought the winning of the war would bring." Leadership has spoken often and eloquently of determination to mind our own business, keep out of other people's wars, and fight our way out of the domestic economic wreckage the last war gave us. Along last summer there came a rather abrupt change of front on the part of this same leadership. Suddenly we found ourselves being urged to get hot under the collar about other people's wars. When the American gunboat *Panay* was bombed and sunk in an Asiatic war zone, fans were busy striving to drive hates to flames, only to be followed by American discovery that the *Panay* was pursuing the policy of protecting American shipping interests bent upon getting profit out of other people's wars. Then out from almost nowhere came the President's Chicago bridge-dedication speech crying for permission to erect quarantine signs around the island of Japan. Then came the urge to give the President a big stick for use against those he might choose to hold at fault. Step by step came one cause after another which was utilized to demonstrate need for less attention to our domestic difficulties and failures and more attention to dangers from abroad. Causes thus utilized and forced in December reached proportions which found the country on needles and pins and seriously questioning ability of America to save herself from foreign foes ready to pounce upon us. One would have been inclined at moments to believe that Italy, Germany, and Japan had suddenly mastered their neighbors in Europe and Asia and were now turning all their military strength, multiplied by 10, upon our east and west coasts and upon South America at one and the same instant. Fortunate, indeed, was the fact that the broadcast artists who, dramatizing an imaginary attack from Mars, frightened thousands of American listeners into basements, operated at a time divorced from that hour of hysteria.

Go back over these months and observe the effort expended and the direction assumed by the present administration. Hark to the appeals for change in our existing "stay out of war" laws, changes which would let the President pick the aggressor nations and operate against them, as though such a step would be short of war itself. Such a policy would only have Congress abandoning whatever power it has left in the matter of taking the Nation to war or keeping it out. Hark to the appeals for sanctions and a united front by democracy; listen to the appeals to prejudices that we all entertain. Run over these months just passed and observe what led up to the wild national-defense plans which responsible officials were calling for, to be suddenly modified, as in the President's message to Congress, when it was found that the hysteria was losing its force and that there was determination in Congress to avoid anything resembling a stampede into the wildest kind of arming.

Surely, world progress in armament, threatening men in leadership in some nations, and a world filled with large uncertainty is definitely dictating some additional preparation for war on our part. But what kind of preparation shall it be? The kind that has us perfecting our defenses against attack? Or the kind that is going to have us looking for trouble and preparing for it, however far from home we may encounter that trouble? That is the question Congress must answer in its present encounter with the defense program.

If it is a national defense against attack we want, let us have what the calmer experts may declare to be our needs, and I don't mean alone experts who feel that their recommendations to Congress must be in keeping with the executive budgetary plans and program.

Is it strictly a national defense that we are being asked to afford now? If it is, what are we to make of this constant official agitation for larger powers to be granted the President for use in dealing internationally; what about the larger club wanted by the President? If it is only national defense we are being asked for, why must we be asked to supply more of this, that, and the other thing than are possessed by those against whom we feel we must afford a defense—those who must come tremendous distances from their bases of operation? If it is only defense against attack that is involved in the present defense project, what are we to make of the wish to start operations looking to fortification of Guam? If this is but to afford larger preparation to defend the Philippines, then let me ask: How soon must we fortify still more islands to defend Guam?

Let's have an adequate national defense by all means, one that none dare even test. But let us at one and the same time make certain that we are not launching upon an unending program calling for expenditures that would be as crushing upon us as they must be crushing upon any nation or nations that ever undertake a preparation having any chance of success in an attack upon the United States or any part of North or South America. And let's not forget that we've a sizable war to win right here at home, the war against suffering and need that exists in a land of plenty, and, however unpleasant it may be to do so, acknowledge that we have thus far rather miserably failed to win that war. It will be our best policy to win that war at least before we adopt as ours the causes making for trouble in other lands. Who will cite one cause abroad that invites a step by America that might ultimately cost the life of one American son?

Libel and Slander in Radio

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 18, 1939

STATEMENT BY HON. EMANUEL CELLER, OF NEW YORK

Mr. CELLER. Mr. Speaker, under leave granted me to extend my remarks in the CONGRESSIONAL RECORD, I include the following release which I issued in connection with my introduction of a bill amending the Judicial Code in relation to the civil liability of radio broadcasters concerning suits in defamation:

A publisher of a newspaper usually has uppermost control of his own company, and can easily protect himself against libel. He has the direct supervision of his writers, and can blue-pencil anything. The editors of his paper can accept or reject the work of the reporter. The publisher, therefore, should be held responsible for libelous and slanderous statements in his paper. His responsibility should be of the most onerous character for he wields a sword that can mow down ruthlessly or destroy a reputation at will. A written word that is poisoned with libel spreads rapidly. Anyone controlling such dynamite must exercise the greatest vigilance and be held to strict accountability. A publisher can easily protect himself against libel by care and vigilance.

The broadcaster, on the other hand, in many instances, cannot exercise such vigilance. He cannot control that which is spoken over his station. Be he ever so alert, the speaker may often get in, edgewise, damaging utterances. He cannot stand guard as effectively as a publisher or editor of a paper or magazine or pamphlet.

Furthermore, it is often impossible to prevent orators over the radio from uttering slanderous statements. A "mike" may be set up at a political meeting, or in a banquet hall. The owner of a station may have asked for a copy of the script, and the request may have been refused. The importance of a speaker or the occasion may make the speech of real value and consequence. The owner can exercise no power or control over the speaker. The owners of radio sets are anxious to get the words of the particular speaker on particular occasions. Someone is slandered. Is it fair to hold the owner of the radio station responsible for these

slanderous utterances when he had no opportunity to stop or prevent them?

Speakers, and particularly officials of public life, resent censorship. They are loathe to present in advance copies of their orations, and when they do so they are reluctant to accept the suggested changes. They have pride in authorship. They rebel against the revision of the text.

We should not compel the broadcaster to censor save to prevent readily ascertainable libel and/or slander. He should, of course, exercise some initiative and be fairly vigilant, but behind that vigilance there should not be the stalking specter of a suit for defamation. That fear should be removed and he (the broadcaster) should not be liable, except where he is absolutely and directly responsible for the utterance of the orators or failed to exercise due and reasonable vigilance to prevent the damage. It might be argued that because a broadcaster can call for the script of the radio talk he should be held responsible for the statements made over his station. In refutation, it should be remembered that writers and orators and officials are very loathe to submit scripts in advance, much less allow scripts to be doctored.

Moreover, whenever a station picks up the broadcast of a foreign distant station and cannot anticipate the speaker's statements, then the broadcaster is without any opportunity whatsoever to censor any libel or slander contained therein. Of course, he can "pull the switch" and cut off the speech. But that is a step which a broadcaster is obviously very hesitant to take and, in any event, a step which would be of very little aid because it is a remedy that can be exercised only after the "words are out" and the damage done; a remedy that only can prevent continued damage.

A speaker of great prominence makes a statement and 30 or 40 stations carry it. The name of the orator or official is sufficient to enlist tremendous interest on the part of the radio fans. He advertently or inadvertently makes a statement derogatory or, from a legislative standpoint, slanderous and libelous. Should these thirty-odd broadcasting stations be held liable? They have no control of the speaker, were unaware beforehand of his utterances, and were perfectly innocent of any wrongdoing. It is unfair and unjust, therefore, to hold them in any sense liable for the defamation.

A most unusual case showing the need for relief was brought recently by an attorney in New York. His name was pronounced exactly as one of the names used in a fictitious firm name of lawyers on a burlesque program. Two comedians over the radio imitated and burlesqued the activities of a small-town and picayune law office. The name of the fictitious firm was Beagle, Shyster & Beagle. The meaning of the word "shyster" is obvious. The word "beagle" is the name of a well-known type of hunting hound whose habits of chasing hares very likely is symbolic of "ambulance chasing." Complaints were received from two sources, one from a professor of a well-known law school whose name was spelled "B-i-e-g-e-l" but which was pronounced the same as "Beagle," and the other from an attorney in New York by the name of Beegle but whose name was also pronounced as "Beagle." A letter of apology was sent to the professor and he was satisfied. The attorney, however, commenced suit in the Federal court in New York for injury to his reputation.

I could cite more cases to show the dreadful disadvantage under which broadcasters work and the great need for remedial legislation.

It can well be seen that the radio industry can find little comfort as regards the present laws governing libel and slander. The newspaper rule of absolute liability is the general standard adopted, and if it is to be considered as the controlling precedent there is little relief in sight insofar as the courts are concerned. What is needed, therefore, is remedial legislation which recognizes the differences in the nature of newspaper publishing and broadcasting.

To that end I am offering a bill amending the Judicial Code in relation to the civil liability of radio broadcasters concerning suits in defamation. When this measure is taken up in committee for study and discussion I shall endeavor to have it so amended that the provisions thereof shall supersede all State law and practice on the subject in question.

I speak of libel and slander in my bill because both may be involved, since in many instances the address is submitted in writing in advance to the broadcasting station or released to the newspapers. Courts have considered the release libelous even if not actually published.

My bill is herewith set forth in full:

"*Be it enacted, etc.*, That the Judicial Code is amended by adding after section 274d the following new section:

" 'SEC. 274e. That the owner, lessee, licensee, or operator of a radio broadcasting station, and the agents or employees of any such owner, lessee, licensee, or operator, shall not be liable for any damages for any libelous and/or slanderous and/or defamatory statement published or uttered in or as a part of a radio broadcast by one other than such owner, lessee, licensee, or operator, or agent or employee thereof, if such owner, lessee, licensee, operator, agent, or employee shall prove the exercise of due care to prevent the publication or utterance of such statement or statements in such broadcast.'

"SEC. 2. Section 274e, added to the Judicial Code by this act, shall not be applicable to or affect any cause of action existing at the time this act becomes effective."

Human Rights or Property Rights—Their Perpetual Struggle for Supremacy

EXTENSION OF REMARKS

OF

HON. WILLIAM I. SIROVICH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 23, 1939

SPEECH OF HON. WILLIAM I. SIROVICH, OF NEW YORK, IN THE HOUSE OF REPRESENTATIVES, MARCH 15, 1937

Mr. SIROVICH. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following speech delivered by me on the floor of the House of Representatives on March 15, 1937:

The SPEAKER. Under special order the gentleman from New York [Mr. SIROVICH] is recognized for 1 hour.

Mr. SIROVICH. Mr. Speaker, ladies and gentlemen of the House, man is governed by three basic instincts; first, that of self-preservation or the will to live; second, self-perpetuation or the will to love; and, third, self-expansion or the will to possess more. The third instinct, which is the will to more, is characteristic of man only. Animals, not being conscious of the future, and satisfied with what they have for the moment, are possessed of the first two instincts, but have no will to more. Only man wants more than he needs.

The world of man has been made possible by the threefold extension of his personality; first, by his physical or biological extension, which resulted in the establishment of civilization; second, by the expansion of his mind, which resulted in the establishment of culture; and, third, by the expansion of his will which created for him his social, economic, and political fabric. The basic difference between man and animal is that the former has the ability to create tools, while the latter has not. Animals do not make tools. Man's tool-making ability is a compensation for his natural weakness. He is the weakest of all higher animals, not only as far as his senses, but as far as his limbs are concerned. The bull moose has a greater audibility and the eagle a greater visibility than man. The reindeer and the ostrich can outrun him just as fish can outswim him. Finally, man is earthbound because of the lack of wings, and is helpless in the struggle with higher animals because of his weak hands. However, by his tool-making skill and by his ability to create implements, instruments, and apparatus he cannot only overcome the higher animal, but he can perform functions for which nature has not equipped him.

Through the development of transportation he extended his legs. Through the perfection of radio and telephone he has extended his ears. Through the invention of the microscope and telescope he has extended his vision. Through the development of shipping he can outswim any fish, and through the creation of aviation he has, so to speak, grafted wings upon himself, and can outfly any bird. In short, through the extension of all the five senses—hearing, seeing, feeling, tasting, and smelling—he has been enabled to outgrow his actual physique and matters of nature. The extension of the five senses, through the perfection of tools, machinery, and equipment, has resulted in the creation of civilization. To retain his impressions of nature he created art; to prolong his memory he invented writing and printing; to find his way in nature he created principles of mathematics and science. Culture is thus an extension of the mind, as civilization is an extension of the body. The expansion of his will, to the will to possess more, which is one of the sources of his economic creativeness, is a double-edged sword in the struggle for his existence. This uncurbed expansion of the will, the will to possess more, resulting in the vast accumulation of wealth by individuals, is the cause of all wars, rebellions, revolutions, and other economic upheavals. The will to possess more is thus one of the sources of man's brutality and cruelty, and is more powerful and more unyielding than the will to life, or the will to perpetuate one's self, because this will to more draws from two sources—the physical and the spiritual.

The will to more draws from man's vision, from his consciousness of the future, from his gift for abstractions, as well as from his physicial will. Hence the phenomenon that rich men who lose their fortune, or part of their fortune, commit suicide, although they are still very far from the poorhouse. To preserve his wealth man would transgress all boundaries of law and decency, and resort to means which are degrading and debasing. It is for this reason that all forces of the spirit have united to curb the will to more. Religion, politics, ethics, law, and the state are vying with one another to limit the sphere of that will. For the sake of its own existence the state must curb the will to more of the individual or of a group of individuals. The law by delimiting this

sphere of the right of the individual is already curbing the will to possess more. All postulates of social justice arise out of a vehement negative attitude to the will to more. All true ethics teaches man not to exploit his fellow men, and tries to impose limitations upon his will to more. The basic religious document of civilized humanity, the Decalogue, is dedicated to the delimiting and curbing of the will to more. Without these forces trying to bend and control the will to more, the life of man would differ but little from that of the jungle, and man would reduce his fellow men to a beast of burden or to a part of nature.

In the jungle the rule of unregulated freedom prevails. Animals can roam as they please and move about unhindered. It is the perfect order of laissez faire. The result is that the mighty devour the weak, and its order of life is might makes right. Instinctive brute force rules. This jungle rule when applied to human society manifests itself in two forms: First, in the unregulated freedom of the laissez faire, an order in which the economically powerful may devour the economically weak; or, second, when the king of the jungle has imposed his will upon the other creatures and made himself dictator, thus regulating the rule of force. This regulated rule of force of the jungle when applied to organized society is fascism—either right or left fascism. In the Fascist state, like in the jungle, when the lion or the tiger asserts his will, the dictator imposes his will upon his fellow men without regard to their desire, wishes, ideas, or welfare. If jungle chaos is laissez faire, jungle order in the state is dictatorship.

There could possibly be no objection to either the laissez faire order of things, or to dictatorship, if man were only a part of nature and nothing more, like the tiger, lion, or any other ferocious animal. But man is more than a part of nature; he stands on the threshold of two worlds—the physical and the spiritual. He is a citizen of both and governed by both. Such is not only the dictum of all true religions and philosophy, particularly of Biblical religion, in which man appears as the crown of creation and is God's main care and concern, but it is the dictum of our own experience of our own recognition. If man were only a part of nature, he would be as unproductive as the animal. Animals have no mathematics, have no science, have no religion, have no law, have no ethics, because they are not spiritual beings. These creations of the spirit could only emanate from spiritual beings, consequently man cannot be said to be just a part of nature and entitled to the same rule as the jungle. The law by which he lives must be a human law and not a jungle law.

No other spiritual force in history has dedicated itself to a greater and more bitter struggle against the will to more, than the two Biblical religions, Judaism and Christianity. These two religions are anthropocentric in character, visualizing man as a center of all things and as a most important phenomenon in the universe. In these two religions man appears as the crown of creation, as the object of God's interest and care. God is not interested in oxen or sheep, in tigers or leopards; he is interested in man exclusively, because man alone has the spark of the divine Spirit. God, the source of all goodness, wants man to be good, and His greatest message to man is: To be good, to be just, to be righteous to his fellow men. This anthropocentric world concept spells human rights. All other religions of antiquity have been cosmocentric or naturalistic in one form or another, and have either belittled the importance of man, as was the case in Brahmanism or Buddhism. Or they have taken an indifferent attitude to him, as was the case with the religions of classical antiquity. The negative attitude to man in the East has resulted in the caste system culminating in the establishment of untouchability, which is only an application of the jungle rule that might makes right. The indifferent attitude to man in the West has resulted in slavery. If man is not the most important phenomenon in the cosmos and is only a part of nature, he must be subject to nature's rule exclusively, and nature's rule is jungle rule in one form or another. This cosmocentric world picture spells property rights. Both untouchability and slavery are forms of jungle rule. What a depraving force slavery is we all know. It was only recently abolished in this country. But what untouchability signifies, as a system of cruelty to man, you may guess from the fact that the untouchable is not permitted to drink water from the spring, but must drink it from the sewer. The spiritual father of fascism in the Western World, Friedrich Nietzsche, in singing the praise of his superman, tacitly approves the law governing the untouchables. The rule of might makes right is a direct result of the cosmocentric world picture with its universalism, pessimism, defeatism, and fatalism. In cosmocentric philosophy there is no hope for man as a spiritual being. Man is just a part of nature's fabric, and must be governed not only by its laws but also by its rules and whims. The cosmocentric theory of life says nature first and man afterward, because he is only an insignificant part of nature. The right of nature precedes the right of man. Property being dead, nature precedes human rights.

Nature is composed of four parts: Inanimate nature, which is dead nature, our Mother Earth. In its bowels it contains gold, silver, platinum, copper, iron, oil, coal, etc. It represents our natural resources. It stands for material wealth, property rights. Second, vegetation, plant and flower nature, which is poetic nature. Third, the birds that fly in the air, their melodious and mellifluous songs pealing from their throats, which is idyllic and lyric nature; and, fourth, jungle nature, which is animal nature. Here the strong eat the weak. Might is right. Instinctive brute force rules. The classical order is laissez faire—leave everything alone.

It was against these sinister forces and doctrines of man's position in jungle nature that Biblical religiosity, with its lofty anthropocentric world-concept, arose in rebellion and proclaimed the doctrine of the holiness and the dignity of man, of his spirituality, and of his special position in the cosmos. It proclaimed the doctrine that man as a spiritual being can never be a means to an end, but only an end in himself, and must not be exploited or oppressed. Thus, it preached the gospel that human rights precede property rights. It proclaimed the doctrine that all men are equal before God, because He created them all. He is their common Father and Judge. It proclaimed the doctrine that man is equal before the law and before the state, just as he is equal before God. It was out of this religious democracy that political and juridic democracy grew. The equality of all men before God, before the law, and before the state, and the right of all men to life, liberty, and to the pursuit of happiness is not compatible with either social, political, or economic oppression. [Applause.]

The two Biblical religions make man so important that in the Old Testament—Exodus, 32—Moses causes God to change His will and decree, and in the New Testament the Son of Man, Jesus, becomes the Son of God. The New Testament, far from being a denial of the Old, only magnifies and intensifies the doctrine of the Old Testament with respect to man. Whatever the theological difference of both religions, they agree upon the basic doctrine—that man, being the most important phenomenon in the universe, is not a part of nature only, and that his mission on earth is to walk the path of truth, righteousness, and justice, and thus make the attributes of God his guide in life.

The Son of Man, who became the Son of God, is the Redeemer, the Messiah, the harbinger of hope, and the Great Comforter. He is opposed by the figure of Caesar. Caesar spells despotism, cruelty, cheapening of human life, human degradation, and the reducing of man as a means to an end. It is surely no coincidence that Christianity arose at the time when Roman Caesarism was running wild, transforming the world of man into a valley of tears, attempting to perpetuate misery and suffering, and making human life almost meaningless. There is no more dramatic meeting in all the world's history than that of Pilate and Jesus. In that fateful meeting, where the Saviour said to Pilate, "Give unto Caesar that which belongs to Caesar, and give unto God that which belongs to God," the struggle of anthropocentricism, or human rights, challenged cosmocentricism, or property rights. Caesarism and Messianism faced each other and announced their determination to oppose one another for all future days until a day after eternity. Pilate, speaking for Roman Caesar, represented materialism, brute force, totalitarianism, dictatorship, and property rights. Jesus, speaking for the Spirit, represented goodness, justice, liberty, freedom, and human rights. This struggle between Caesarism and Messianism is now going on the world over. [Applause.]

If Biblical religiosity, dedicated to a life-and-death struggle against the will to possess more, has partly failed in its mission, it is primarily due to the medieval church, which, instead of continuing to fight Caesarism and all that it stood for, has made peace with him, and also to the fact that medieval Christianity has made peace with the diluted Hellenism and succumbed to the spirit of ancient Rome long after physical Rome was destroyed. As a result of these developments, the medieval church, instead of fighting the will to possess more, became itself the very embodiment of that will, for it attempted to hold both powers, spiritual and temporal. To do so, it had to ally itself with sinister forces, to make all sorts of political deals, which, as a rule, are not compatible with true religion. But, after centuries of medieval darkness, western humanity found its way back to the original sources of religion and culture through the Reformation and the Renaissance.

With the rediscovery of the Bible, through the Reformation and its translation into German and English, and through the rediscovery of Socrates and Plato by the Renaissance, man was rediscovered. In the Dark Ages man—individual man—meant nothing. He had no rights, he had no claims, he had no dignity, nor any aspirations, ideals, or visions. For almost 1,000 years, from the destruction of Rome up to the Reformation and the Renaissance, man vanished completely from the picture. He reappears again with these two great world historic movements. Jacob Burckhardt, the great historian of the Italian Renaissance, states that its greatest deed was the rediscovery of man, as a spiritual being, and as a world unto himself. This rediscovery resulted in the new plastic art that was dedicated to man exclusively. The great Dante appeared with his powerful Divine Comedy, Petrarch, Boccaccio, and the magnificent sculptors and painters of the Renaissance, Leonardo Da Vinci, Michelangelo, Raphael. They painted human figures in contradistinction to the artists of the Orient, who had produced still nature. In the Orient, where human life is cheap and valueless, there is no art with man as a center. But the art of the Renaissance is exclusively human, because man occupies the center of the stage. The Protestant Reformation, too, has rediscovered man. Martin Luther is the first great religious figure in the Germanic world who is concerned with man and who is worried about the individual and the individual soul. This is also true of Melanchthon, Zwingli, Erasmus, Kant, Goethe, Beethoven. This era of enlightenment brought forth such great intellectual geniuses as Galileo, Copernicus, Kepler, Newton, Leibnitz, and Spinoza, who thought in terms of mathematical formulas and developed the sciences of mathematics, physics, algebra, geometry, that paved the way for the development

and perfection of the machine age by fertilizing the soil of invention, a century later. In England the beginning of the Reformation actually coincides with the Magna Carta, the first primitive document to deal with the rights of man. And at the height of the Reformation in England the famous English poor law was enacted, providing for the economic relief of those in distress and need. Western history since the Reformation and the Renaissance is a history of one uninterrupted struggle, of all forces of the spirit against the will to more. It is a history of the social, political, and economic emancipation of man. At times this process was interrupted by certain reactions, but still it went on, after overcoming these reactions—often in a more lively tempo.

Humanism is the name of the great cultural movement given by history to the anthropocentric tendencies which developed in the western world since the Reformation and the Renaissance. With the rise of humanism there developed new tendencies in jurisprudence, economics, and politics, and culminated later in the phenomenon called enlightenment, which dominated the entire eighteenth century. But man as a source of all certainty, of all intellectual authority, and as a source of everything in philosophy, science, and other branches of culture was established in the French Renaissance by the brilliant philosopher Descartes, who has summed up the greatest philosophic truth of all times: "I think, hence I am," thereby making human thought the source of all positive knowledge. There is a direct development from Descartes to the enlightenment movement of the eighteenth century with his gospel of the rights of man. All the trends, currents, and ideas of that movement have had but one objective and one goal, to emancipate man from the shackles of political, economical, social, juridical, and ecclesiastical despotism. The real significance against the struggle of so-called Popery in England was a rebellion against ancient Rome expressing itself in despotism, autocracy, and political absolutism, and its will to possess more, with which the medieval church was permeated.

Most modern historians agree that one of the main causes of the French Revolution was the prevalence of ancient Roman law in France, with its attending cruelties, brutalities, and barbarism. The powerful attempts made to emancipate man, socially, economically, and politically, led to the actual dissolution of legitimism—the king's rule by the grace of God. Under legitimism, the country was considered the personal estate of the king, and not the property of the nation. The king was identical with the state and not the nation. Louis XIV expressed it in the formula "L'etat c'est moi"—"I am the state," Republicanism as a form of government, and its corollary, democracy, and all that goes with it, are the direct results of the humanistic movement, in the last few hundred years.

The political emancipation of man stimulated by such eminent anthropocentric scholars who loved their fellow man, as Montesquieu, who fought for parliamentary constitutional government in France, Rousseau, who in his great book, the Social Contract, destroyed the principles upon which the divine right of kings existed, and battled for the sovereign right of the people to choose their representatives, and Voltaire who pilloried and excoriated the cosmocentricism of the church instead of battling for human rights, later followed by the great American patriots and pioneers who fought for human rights, as Thomas Jefferson, Thomas Payne, Benjamin Franklin, James Madison, and George Washington. These men brought about the French and American revolutions, which overthrew feudalism and legitimism, and cleared the way for republican and democratic government, thereby necessitating an economic reorientation which found its expression in many new schools of economic thought in France, England, Germany, and America. They finally culminated in the one or the other forms of socialism. All these new schools of economic thought stressed economic democracy versus plutocracy, and man's rights versus property rights. If living man and not dead nature is the center of things in life, the conclusion is inescapable, that human rights must precede property rights; in short, that living man has more rights than dead nature. [Applause.]

When feudalism and legitimism were destroyed by the mighty revolutions at the end of the eighteenth century and agricultural slavery was abolished, the western world was about to experience the economic ideal of the Bible, "every man shall dwell in his own vineyard," for the enslaving feudal law was no more. But no sooner was feudalism overthrown and agricultural slavery ended, than the machine age began and introduced industrial slavery. By the time feudalism as a primary economic force was destroyed, the villager was so impoverished that the city, with its industrial opportunities, looked to him like the promised land, and he soon exchanged it for the factory. The landed gentry was unable to halt this process because it could not answer the challenge of the new rising economic force, called capitalism, which ultimately developed into industrial plutocracy. The factory offered a full year's work, while the farm only offered 6 months' employment. For this reason the factory in the city attracted the farmer with a magnetic force and within a short time the entire landscape underwent a radical change. Innumerable villages were deserted and the city slum was born. This process is best described in Oliver Goldsmith's famous poem, The Deserted Village—"Ill fares the land, to hastening ills the prey, where wealth accumulates and men decay." In the city the farmer found, not the promised land, but the unexpected slum. Escaping starvation and misery in the village, he found slavery and squalor in the city. How this new slavery affected the life of the people, the life of the masses, can clearly be seen from the child-labor bill introduced in the English Parliament in 1815 by Robert Owen.

The bill prohibited the employment of children under 10 in textile factories and permitted no more than 10½ hours of work for anyone under the age of 18. The bill was considered revolutionary. The then master of the political destinies in England, Robert Peel, who was himself a manufacturer, caused it to be postponed because it was not compatible with his own interests. In 1818 it was reintroduced and passed the House of Commons but was defeated by the Lords. One year later the bill finally passed through both Houses of Parliament. However, it was so modified, crippled, and emasculated that it became meaningless. It applied only to cotton, and not to textiles. It allowed 12 hours of work, and the age limit of a child was fixed in the bill as 9 and not 10. After the age of 9 a child could work in the factory 15 to 18 hours a day.

It was this shameful exploitation of labor by capital and the reducing of man to a machine, making human beings slaves of the machine, that stimulated and called forth the powerful socialistic and communistic movements in the first half of the nineteenth century.

The enslavement of man in the preindustrial era was carried out in the name of the despot, who was supposed to rule by the grace of God. The industrial enslavement through the nineteenth century was carried out in the name of that infamous economic and political dogma, laissez faire, a principle invented in pre-Revolutionary days, when the despotic and corrupt government under Louis XV held sway. The middle class hated that government and resented their interference in any sphere of life. The representatives of that middle class pleaded with that government to leave them alone. "Laissez faire", they cried—"Leave us alone!" With the ushering in of the industrial era, this almost forgotten principle was reintroduced by the captains of industry to enable them to exploit the masses shamelessly. Their slogan, too, was a minimum of government—"Laissez faire", they demanded; "Leave us alone." In this cry they were reinforced by the Manchester school of political philosophy, and such men as Adam Smith, Jeremy Bentham, David Ricardo, Thomas Robert Malthus, and John Stuart Mills, who fought for the philosophy of the economic jungle, the principle of laissez faire—"leave business alone." They established the theory that the government was there only to prevent crime and had no right to interfere in any other sphere of the activities of the citizens, especially not in the economic and social sphere. So dogmatic became that principle that when the Public Health Act was introduced in the English Parliament in 1848 and, in spite of strong opposition, was passed as a result of the activities of the commission revealing most appalling unsanitary conditions in most of the big English cities, the Economists, a periodical which represented a view of the followers of the laissez faire principle, also opposed it on the ground that it was an interference of government with business. The prevalence of the laissez faire principle for many decades made the development of industrial monopolies and economic imperialism possible and led to a complete enslavement of the masses, with its attending phenomena—poverty, ignorance, slums breeding disease, and crime. It is not blind chance that the debasement and degradation of man by industrial lords coincides with the rise of cosmocentricism, materialism, and naturalism, culminating in the sanctification of property rights, throughout the last half of the nineteenth century. The anthropocentric world picture was again replaced by a cosmocentric world concept, with the usual result, that property rights were stressed and the representatives of human rights were decried as radicals and revolutionaries.

Just as man disappeared from view throughout a thousand years of the dark Middle Ages, so he has disappeared from view, since industrialism reached its highest peak, in the development of the great industrial and financial combines.

The combines, monopolies, trusts, and corporations are doing to man today what feudalism did to him in the Middle Ages—exploiting him by reducing him as a means to an end only, commercializing him as a tool of the machine. In Russia if a human being kills his fellow man the maximum penalty he receives is 10 years, but if a human being destroys a machine he is shot. Thus the machine has become king, representing property rights, while the human being has become the machine's economic slave.

With this debasement of man goes the degradation of science. It is today the servant of industry, just as philosophy was the handmaid of theology in the Middle Ages. Pure science is no longer an ideal worth the efforts of man's life, but it is only valuable to the extent that it serves the purpose of industry, which in turn serves primarily the purpose of a select few at the expense of many. The moment the great physicist or chemist appears, he is captured by the interests and made to serve the purposes of science only as applied to industry. If these processes will continue much longer, modern science will go the way of Greek philosophy in the beginning of the Middle Ages. Just as medieval theology used Aristole to prove its dogmas and doctrines, so an Einstein or Michelson may be used one day by capitalistic industry to prove its social and economic contentions. This will to possess more, as it expresses itself today in the transactions of capitalistic industry, has created a one-sided value of life. And what is this value? More money, more wealth, more power, more influence—more, more, more; always the will to possess more. [Applause.]

Everything becomes subordinate to these primary aspirations, to which there is neither logic nor justice. Modern astronomers

speak of an expanding universe. Whether the universe is expanding or not cannot be proved scientifically; it is still a hypothesis; but that the will to possess more in the form of corporations, trusts, and combines is constantly expanding to the advantage of the few and to the detriment of many. The corporation or the juridic person, as the courts have defined the corporation, has enabled a few to expand the will to possess more to dazzling depth and amazing heights. This juridic person called "corporation" has rights and duties of its own which are not the rights and duties of the original members thereof. Consequently the corporation is only a magnified will to possess more; but, on the other hand, it is not endowed with the qualities of the subject of the simple will to possess more. The corporation has no human sympathies, no compassion, no mercy, and no ethical consciousness and no conscience. It is an economic Frankenstein driven by the one powerful instinctive force—to acquire more, to grab more, and to get hold of more. And the process of this expansion is comparable to the hot lava of a volcano, that destroys everything in its wake. The corporation is not an invention of religion or ethics; it is not an emanation of the anthropocentric world picture of Christianity, but of the cosmocentric world concept of ancient Rome.

The term in ancient Roman law corresponding to the modern corporation is collegium, universita, or corpus. As a rule, it is called collegium. This collegium remained in existence, although all its original members were changed. Like the modern corporation, it was governed by its own bylaws, and, like the modern corporation, there was in the Roman collegium a complete separation in law, between the right of that collegium as a body and those of its individual members. It is interesting to observe that the Roman conception of the corporation was kept alive mainly by the ecclesiastical bodies, organic parts of the medieval church, which was overwhelmed with the spirit of ancient Rome, whose laws were inspired by the motive of might makes right. The original Roman terms for corporation, collegium, or universitas, having been adopted later by religious, ecclesiastical, scholastic, and charitable groups and societies, the English lawyers during the time of the Renaissance and the Reformation upon coming in contact with societies and groups of the above-mentioned nature, adopted the original Roman name corpus, for corporation. The origin of the corporation of England coincides with England's rise to an economic power during the reign of Queen Elizabeth.

The corporation is a magnified will to possess more and the most powerful instrumentality in the accumulation of wealth in the hands of few. Its interests are represented by lawyers who learn to think and do things only in terms of corporations. In the cause of their activities the corporation lawyer looks at the world around him only from the vantage point of the corporation and its interests. In days gone by, when the economic forces in America determined political processes, the political powers would express their gratitude for the services rendered to them by corporations, by appointing corporation lawyers to the Supreme Court, which, according to the Constitution, was to have appellate jurisdiction only, with such exceptions and under such regulations as Congress shall make. As a result of this development we see a court with appellate jurisdiction usurp the power of the legislative and executive branches of the Government. The people elect legislators to make laws and a President to administer these laws, but then comes the Supreme Court, whose members are only Presidential appointees, and void all that was voted for by the people. The result is that America, instead of being a democracy, ruled by a majority of the people, has slowly been turned into a nomocracy; that is to say, a system of government ruled by a rigid and almost immutable law, in whose shaping the people have no part and in whose development the people have no influence. The ancient Greek term "nomas" signifies the static, rigid, and almost immutable law, in contradistinction to thesis, which was the dynamic and living law, subject to change and development and independent of vested interests. Nomocracy, or the rule of rigid law, is the end of all democracy. For in the nomocratic system of government not the will of the majority is the source of law but dead legal formalism, developed by vested interests of the corporations and their lawyers, in shaping the destinies of the country and its people. Nomocracy in ancient as in modern times is the emanation of cosmocentricism, naturalism, and similar sinister philosophies, which are rather medieval in character.

Ancient man thought in mythological and theological terms. Man of the Middle Ages thought in mathematical terms—Descartes, Spinoza, Kepler. Eighteenth century man thought in critical terms—Kant's Critiques of Pure and Practical Reason—and modern man thinks in sociological terms. The Supreme Court jurisprudence is archaic, because it is theological, formalistic, static and the impression it gives is, that law is not here to serve man, but that man is to serve the law, to bow before the dead legal formula

All law is either dynamic or static, either nomos or thesis, either dead or living law, either legal theology or ethics reduced to the juridic formula. The law of the majority of the Supreme Court as it expressed itself in its recent anti New Deal decisions is static and not dynamic, dead and not living law, is legal theology and not jurisprudence, permeated with the spirit of ethics. In those decisions the majority of the Supreme Court take the position of the church of the Middle Ages, whose representatives said "the church is like the rock in the ocean." The waters come and go but the church stands forever. Man comes and goes but the church is eternal, and therefore the church is there not to serve man, but man is there to serve the church. The majority decision of the Supreme Court in its anti New Deal decisions says the legal formula is eternal, and the law is not here to serve man, but man is here to serve the law. No matter what happens in life, the judicial formula stands and life must adjust itself to the legal formula.

It is against this medieval tendency expressing itself in cosmocentricism, property rights, naturalism, and the debasement of man, that the great spiritual forces of our time have risen in rebellion, with the object of restoring to man his dignity, his rights and his position in life—that of an end in himself. Destiny willed it that these spiritual forces to restore to man his rights shall originate in America. This great American civilization of ours must be considered a synthesis of Asia and Europe. Asia is the mother of all religions, Europe the father of science and philosophy, and America the child of both. "And the child shall lead them" was already predicted by the mighty prophet Isaiah. That prophecy of the Bible is now being fulfilled.

In the course of its history, America has experienced three great crises, which shocked it to its very foundation, the first crisis bringing to the fore the fateful problem, "Shall America be free, or a dependency of a foreign nation?" This crisis was overcome by the heroic deeds and leadership of George Washington. Seventy-two years later the second crisis arose, "Shall slavery continue or not?" It was solved by Lincoln. He, like Abraham of old, sacrificed not his son but himself on the altar of human freedom. Seventy-two years still later, in 1933, a third crisis shook America to its very foundation. Then another great leader arose, Franklin Delano Roosevelt, to give man a New Deal, and to free him from the shackles of plutocracy, combines, monopolies, and trusts and give him a minimum of economic security. Franklin Delano Roosevelt is, indeed, a great Biblical figure, for what is it he said and demanded that wasn't preached and proposed by the prophets of old: Micah, Amos, Isaiah, Jeremiah, Hosea, and Jesus? Is it not the same message to man, social justice, economic justice, to lessen man's worries and to give him peace of mind at all times, whether employed or out of work? What is old-age pensions, unemployment insurance, minimum wages, maximum hours, collective bargaining, abolition of child labor, and security for farmers, if not Biblical ideas? [Applause.]

To carry out this program, it is necessary that the sovereignty of the people, permeated by cosmocentric decisions of the majority of the Supreme Court, be restored to the people. Democratic government is impossible when a body, not elected by and not responsible to the people, can nullify the will of the people, its representatives, and its Chief Magistrate. I say, that to turn the Supreme Court into what the Constitution meant it to be is not a mere governmental reform but is a great world historic deed. For it will open new avenues of progress and will help to make human rights supreme. While the shadows of the Middle Ages are now darkening Europe, a progressive democratic America must be a source of inspiration and courage to all those elements in the Old World, who exhausted themselves in warding off the onslaughts of all sinister forces against humanism. The courageous attempt of President Roosevelt to weaken the citadel erected to protect property rights as against human rights—that is to say, to reduce the Supreme Court to what the Constitution meant it to be—is in reality a continuation of the process begun by the Reformation and the Renaissance. [Applause.] European fascism to the right and to the left has interrupted this process. Franklin Delano Roosevelt, disregarding these sinister forces, has picked up the historical thread and is continuing the great spiritual movement known as humanism. He is the only statesman of our time who, by his New Deal policies culminating in the reform of the cosmocentric attitude of the majority of the Supreme Court, is trying to restore to man his rights, without bloodshed, without a display of brute force, and without deviating one inch from the course of the American historical process. [Applause.]

To sum it up, throughout the ages we see two opposing antagonistic forces in perpetual struggle for supremacy; anthropocentricism versus cosmocentricism; idealism versus naturalism; ethical law versus jungle law; regulated freedom versus regulated force; autocracy in all its forms versus democracy; and human rights versus property rights. In the course of this struggle between these two gigantic forces empires were destroyed, civilizations perished, and nations ground into dust. We now face this tragic issue, and we must face it courageously and manfully. We have got to ally ourselves either with the forces of medievalism, reaction, and darkness or stand squarely for humanism, progress, and enlightenment. I, for one who is conscious of his duties as a representative of the people, choose to ally myself with the leader of the Nation, Franklin Delano Roosevelt [applause], who stands for human rights, for progress, and for justice. I stand loyally behind him, because justice should not and cannot be compromised. The issue is property rights or human rights. Does might make right or right make might? You either stand for regulated force or regulated liberty. We cannot bargain with human rights, as we cannot bargain with our conscience. [Applause.]

Nothing is more symbolic of modern corporation cosmocentricism than the Laocoon, the great artistic masterpiece of ancient Greece in the Louvre in Paris, showing the figure of a father and two sons being crushed to death by a great python snake. As the snake entwines the bodies of the father and the two sons, you can behold the pain, agony, and suffering undergone by these three human beings as life is crushed out of them. The modern cosmocentric corporation is comparable to the python snake, in the Laocoon. The masses of our people are being exploited, bled white, and crushed

by the corporation, as the father and the two sons of the Laocoon group are being crushed by the python snake. The modern cosmocentric corporation is economically, socially, and politically a sinister force whose background is a cosmocentric, naturalistic world picture in which human rights are subordinated to property rights. It is against this sinister force, which deprives man of his birthright by enslaving him economically, socially, and politically, that the twentieth century must rebel in order to bring freedom and happiness into the homes of the American people.

If we continue to struggle, to battle, and to legislate for human rights, in order to enable our citizens under the guiding leadership of that great Biblical, patriarchial, and patriotic character, Franklin Delano Roosevelt, to put into fruition the realization and ideals embodied in human rights for which he is battling, we will be enabled to bring about in our Republic the brotherhood of man and the fatherhood of God, and thus continue to dedicate and consecrate our Nation upon the altar of true constitutional democracy that it may live on throughout the ages. [Applause.]

Mr. SACKS. Mr. Speaker, will the gentleman yield?

Mr. SIROVICH. I yield to the gentleman from Pennsylvania.

Mr. SACKS. Does the gentleman know whether there was ever a physician on the Supreme Court?

Mr. SIROVICH. In the present Congress of the United States we have two or three physicians. I have the honor to be one of them. I desire to call to the attention of my distinguished colleague from Pennsylvania [Mr. SACKS] that in the little town of Barberville, Ky., over 100 years ago, was born to humble parents a son, whose name was Samuel F. Miller. He studied medicine for 1 year and practiced it for 20. He was a great humanitarian. He administered to the sick, needy, and destitute without compensation, and gave of his today that others might have their tomorrow. He then moved to Iowa. There he studied law during his spare time, and was admitted to the bar. In the great conflict of the Civil War, which was waged for human rights to abolish slavery, a vacancy occurred in the Supreme Court of the United States. The beloved, amiable, humane President, Abraham Lincoln, in 1862 selected this distinguished physician, learned in medicine and acquainted with the law, as Associate Justice of the Supreme Court of the United States. In many of his decisions he contended that the Constitution of the United States must be interpreted as a live, dynamic document that should not act as a strait jacket to imprison the anthropocentric rights that human beings were clamoring for. I sincerely hope when the time comes for President Franklin Delano Roosevelt to appoint additional Justices to the Supreme Court of the United States that, like his great predecessor Abraham Lincoln, he, too, might find some worthy physician or surgeon learned in the law and appoint him to the Supreme Court, that he, too, may interpret the law from an anthropocentric viewpoint, extending liberty, justice, and humanity to those who are living for a better day to arrive in this great Republic of ours.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. SIROVICH. I yield.

Mr. ROBSION of Kentucky. Permit me to thank the gentleman for his very gracious reference, and I was happy to have the opportunity to hear this eloquent and learned speech by my distinguished friend from New York.

Mr. SIROVICH. May I state to the distinguished son of Kentucky [Mr. ROBSION] that I have always entertained the greatest respect and admiration for his human qualities, for his gracious disposition, and for the amiable way in which he has always battled for human rights. In stature he is at least 6 feet and 3 inches, and in personality and appearance the distinguished Representative of Kentucky [Mr. ROBSION] has always appeared to me another Abraham Lincoln. I know the people of his district have the same affection for him that we Members of the House who know him have.

Mr. ROBSION of Kentucky. If the gentleman from New York will yield further, I am reminded that when I first became a candidate for Congress a friend of mine said, "You remind me of Abraham Lincoln." I stretched up about 6 inches, but he said, "You need not stretch up; you are just as homely as Abraham Lincoln, but you never did have the sense and never will have the sense of Lincoln." [Laughter.]

May I say that Samuel F. Miller was a physician and surgeon until he was nearly 40 years of age, when he took up the practice of law. He and Silas Woodson, who later became one of the great Governors of Missouri, were partners in the practice of law in my little home town of Barbourville, Ky. Their law office, a little one-story frame building, still stands. Over the door is written "Attorneys at law, Silas Woodson and Samuel F. Miller." May I say further that Chief Justice Taft said of Samuel Miller that next to John Marshall he was the greatest influence on American jurisprudence.

Mr. SIROVICH. Apropos of the remarks of the distinguished gentleman from Kentucky as to the humane virtues and qualifications of Dr. Miller, I am reminded that all great events have responded to the mystic number 3. The ancient Brahmans had three gods, Brahma, Vishnu, and Shivu. The Hebrew patriarchs were Abraham, Isaac, and Jacob. The Egyptian deities were Osiris, Isis, and Horus. Christianity has Father, Son, and Holy Ghost. Masonry has King Solomon; Hiram, King of Tyre; and Hiram Abif. And Kentucky has produced three great men that I love, Abraham Lincoln, Dr. Samuel F. Miller, and the genial gentleman from Kentucky [Mr. ROBSION]. [Applause.]

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. SIROVICH. I yield.

Mr. MASON. I have been very much interested and instructed by the gentleman's scholarly address. I believe every Member of the Congress places human rights above property rights, although some of us cannot see how you can separate them, and I believe every Member of the Congress wants to solve the social problems that we have in this day and age, but our problem is to determine which of these two solutions is the better—the packing of the Supreme Court or amending our Constitution to see to it that it will enable us to solve the problems that confront us The gentleman's scholarly address arrived at the conclusion that we should, and we must, solve these problems, but it did not convince me that the one solution that has been proposed is the true solution. Personally, I feel the only solution is the solution that was laid down by the men who drew up this Constitution, and that is the solution of amending it by and through and of the people. [Applause.]

Mr. SIROVICH. Let me answer the distinguished gentleman's question as a humble physician and Member of Congress and not as a lawyer. He has stated that every Member of Congress places human rights above property rights. If that economic philosophy were carried into realization through legislative enactment, and be approved by a majority of the Supreme Court of the United States, there would be no necessity for increasing the present number of Justices of the Supreme Court of the United States. Let me digress for a moment to state to the Members of this House that there are various ways in which the Supreme Court of the United States could be curbed, so far as interpreting the Constitution, by the Congress of the United States. At the time the Constitution was formed by 54 members of the Constitutional Convention a plan was formulated, which is now in the Constitution, which gives Congress the right by a two-thirds vote of its House and Senate to override a Presidential veto. James Madison, who was one of the authors of the Constitution of the United States and contributed greatly to its perfection and development, as a delegate to this Constitutional Convention, formulated the idea that Congress should have the right, by a two-thirds vote of the House and Senate, to override the judicial interpretations of the Supreme Court. This formula was known as the Madison plan.

However, several delegates to this Constitutional Convention called to the attention of James Madison the fact that Congress was not in session all the year around, and since a decision of the Supreme Court might be handed down after the adjournment of Congress it would necessitate Members of Congress returning to Washington to override a judicial decision. It might take 3 or 4 months for the Members of Congress to come, from Maine and Georgia, as modes of transportation were slow and cumbersome. On accoun of this situation James Madison abandoned this plan as impracticable.

However, the Constitution provides many ways in which Congress can change the Supreme Court of the United States. First and foremost, I desire to state to my distinguished colleague from Illinois that five or six times in the history of our Republic the Congress of the United States has numerically enlarged the membership of the Supreme Court. This is within the framework of the Constitution, and no one has ever challenged the constitutional right of Congress to increase or diminish the number of Justices of the Supreme Court of the United States. [Applause.]

Jefferson, Jackson, Lincoln, and Grant increased the number of Justices of the Supreme Court during their administrations, ranging from 5 to 10 and back to 9, as we have it today. In the United States at the present time we have 10 circuit courts and we are supposed to have one Justice of the Supreme Court of the United States preside over each circuit. Nine cannot fill the job for 10, because these 10 were present during the administrations of Grant and Lincoln.

Now, can anyone challenge the right of the Congress of the United States to increase the number of Supreme Court Justices? Six precedents for that right exist today. It is thoroughly constitutional. It is an aspersion upon the intelligence of any man to say that that right, which has been established by the Constitution, should be characterized as "packing the Court." If the Congress of the United States shall authorize our great President, Franklin Delano Roosevelt, to increase the number of Justices upon the Supreme Court, it will enable the President to dilute the cosmocentric, naturalistic, materialistic property rights decisions that have been repeatedly handed down by a majority of the members of the Supreme Court of the United States invalidating human rights. [Applause.]

Throughout the length and breadth of our country tons of propaganda through newspapers, magazines, periodicals, and publications, as well as the radio, are being disseminated to misinform, to misinterpret, to prejudice, and poison public opinion against the ideals for which the great President of the United States is battling. Human rights must be the master of property rights.

I now come to the question that my distinguished colleague from Illinois has propounded, in which he suggests that we should proceed to change these conditions that he is opposed to by the process of amending the Constitution of the United States. Let me call to his attention that the Constitution states that we have the right to amend the Constitution for any purpose through a two-thirds vote of the House and Senate, and then to be approved by three-fourths of the States of the Union. This constitutional provision enables 12 States, representing 5 percent of the voting population of our Nation, to overcome the will of 95 percent of its

people. However, amendments to the Constitution may be effected through conventions held in the 48 States of the Union or through the legislatures of their respective States adopting the amendment, which then becomes a part of the organic law of the Nation.

I, for one, thoroughly agree completely with the President of the United States that in this great emergency of our Nation, in which one-third of our Republic, 40,000,000 people, are living in hunger, in misery, in poverty, in penury, and in want; one-third ill-fed, ill-clad, and ill-nourished, and ill-housed in a land of plenty, something must be done to guarantee economic security to the homeless, to the helpless, and to those who are looking to the Democratic Party of our Nation through a vote of confidence of 46 States out of 48, that they approve the political philosophy and the economic interpretations of the President of the United States to make our country the greatest and most glorious in the world. The time for decisive action has now arrived. It has taken 16 years to amend the Constitution of the United States to put through the income-tax provision, after one of the Justices of the Supreme Court turned a judicial somersault overnight whereby the Court voted 5 to 4 to declare the income tax unconstitutional. Here in this great Congress of the United States there are sitting many of my colleagues, who 13 years ago voted in favor of submitting a child-labor amendment, which would emancipate the children of our Republic under 16 years of age from working in the mills, in the mines, in the looms, and in the factories. This amendment, passed by Congress 13 years ago, has not been approved as yet by 36 States of the Union. Thirteen years have elapsed. I am ashamed of the conduct of many legislative representatives in the Assembly of New York State, both Republicans and Democrats, who have voted against the privilege of emancipating the flower of our Nation, the American children, from being the economic slaves of industry. [Applause.]

Mr. Speaker, ladies and gentlemen of the House, to me the issue is clear-cut. If we are to preserve this great Republic for which millions of men and women have sacrificed their lives in times of war and peace that our institutions should be preserved; if the blood that hallows the battlefields of our Nation, North and South, East and West, as well as abroad, shall not have been spilled in vain, the time is now propitious and the moment has arrived when America shall proclaim to the world that democracy must live, that the cry of suffering humanity must be heard, and the only way that it can rightfully be answered is by appointing, in conformity with the Constitution of the United States, legally and lawfully, men of learning and patriotism who will have the courage to proclaim the economic philosophy that human rights must be conserved and preserved so that this Republic may go on and endure forever and thus make the world safe for democracy. [Applause.]

[Here the gavel fell.]

Mr. WOODRUFF. Mr. Speaker, I have also been intrigued by the splendid oration of the gentleman from New York [Mr. SMOVICH]. I have been instructed, I have received this afternoon information about history that I overlooked in my high-school and college days. As I say, I have been intrigued, I have been pleased with a great part of the splendid oration just concluded.

Liberalism

EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Thursday, January 26 (legislative day of Tuesday, January 17), 1939

ARTICLE BY HON. JAMES J. DAVIS, OF PENNSYLVANIA

Mr. GIBSON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article by the distinguished senior Senator from Pennsylvania [Mr. DAVIS] entitled "The True Liberal," published in the Weekly News of West End, Pittsburgh, January 19, 1939. This is a message in keeping with the true tradition of forward-looking republicanism.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Weekly News of West End, Pittsburgh, Pa., January 19, 1939]

THE TRUE LIBERAL

(By Senator James J. Davis)

Liberalism has fallen into ill repute in America because it has become a hiding place for radicals, extremists, and those who have more faith in violence than in good will. The true liberal does not speak the language of class conflict or hatred. He does not ask for special privilege for business, for labor, for agriculture, for the unemployed, or for any one group whose partisan claims might bring disaster to less-favored or unorganized citizens. This country belongs to all the people rather than to any special group. The true liberal seeks the welfare of all. The truly liberal Republican speaks for all American citizens, each of whom has an equal claim on the Government for the maintenance of his individual rights under the Constitution.

When any party permits itself to become the special interest organization of any one group, whether it be of business, labor, or agriculture, it ceases to be a national party. America does not want a party which speaks for business alone. America does not want a party which speaks for agriculture alone. America does not want a party which speaks for labor alone. When any national party puts itself forward to speak for one great group as over against another great group, it has gone off-balance and will soon feel the condemnation of the public as a whole directed against it. The most obvious characteristic of the present administration is its lack of national vision. It has been playing both ends against the middle so long as to be guilty of the very worst sort of group conflict. It has sought to set labor against business, agriculture against the city dweller, the public monopoly against the private corporation, the Government bond against the private investment, and those who have not against every citizen who has a single dollar invested in real property. Any government, such as this Government, which has shown itself to be antibusiness, anticourt, antiprivate investment, and antiprivate organization, is certain to be disbarred finally in the court of American public opinion. Such a government might be able to carry on in some parts of Europe or Asia, but never permanently in free America. Liberal Republicans simply will not stand for it.

The liberal Republican puts his confidence in the proven realities of experience. He follows the principles of Jefferson and Lincoln. Thomas Jefferson wrote the Declaration of Independence with the landmarks of political tyranny in the Old World steadfastly before his eyes. Abraham Lincoln signed the Emancipation Proclamation in an age when human servitude was a terrible reality beyond all question. Both Jefferson and Lincoln spoke of conditions which directly confronted them. They were not dealing with the past or with the future primarily, but with the pressing realities of the times in which they lived. Today the liberal Republican follows their high examples. He speaks for great hosts of Americans who see our country sacrificed to false gods and are determined to tear down the pagan altars which have been recently set up in free America. We face cruel realities as did Jefferson and Lincoln. We face a crisis even as they did. The liberties of the American people are being dishonored and debased. We know it. As liberal Republicans we are determined to restore the ideals of Jefferson and of Lincoln and to return to the justice and liberty for which they gave their lives.

The liberal Republican stands for jobs and employment first. This administration has put everything else first. Under the N. R. A. it put Government monopolies first. Under the A. A. A. it has put crop reduction and less work for farmers and farm labor first. Under the T. V. A. it has put the Government's visionary idea of electric energy first and crippled private business, which holds the greatest hope of large-scale private spending and employment. Under the N. L. R. B. it has put its one-sided interpretation of labor organization first and has refused the stability of justice necessary to industrial progress. Under the W. P. A. it has put the perpetuation of its own partisan power first and has degraded and debased those who have been forced to receive its aid. This administration has put court-packing, governmental reorganization, and its personal party purges above the Nation's need for new jobs and employment opportunities. This is so clearly an assertion of fact that no informed person can deny it. The liberal Republican stands first for jobs and employment opportunities which governmental certainty and business stability alone can give.

The liberal Republican stands for public spending as a stimulus to private enterprise and not as a permanent cure-all. This administration has attempted to make increased public spending as permanent as its own tenure of office. Those in authority know that their power will last only so long as they spend their way to political command. Hence every year sees an increase of public spending and an increase of the national debt. There are no indications of retrenchment by Congress and approved by the taxpayers.

The most effective method of perpetuating the type of patriotism that is more powerful than battleships, or a million bombing planes, is to make certain basic principles of American freedom stand untouched. The patriotism of the American people must never waver, and we will always be a united, cohesive citizenry, as long as our individual liberties are left intact. These principles represent human rights American citizens will always be eager to defend, even though it may cost them their lives.

To make certain the patriotism of the American people is a flame that burns with equal brilliance in times of peace, as well as in war, our defense objectives must also include a national policy that promotes respect for those who have worn the uniforms of our military forces in the past.

Each new generation must be educated to the realization that our country has always been victorious on the battlefield because of the loyalty of its citizens. The young men of today, who may be our soldiers of tomorrow, must understand that our Government will always be grateful to those who have served on the

firing line in time of war. Adequate compensation, hospitalization and pension benefits, decent jobs and economic security for veterans and their dependents will demonstrate this appreciation in a manner that will encourage the loyalty of future generations. Neglect of the veteran and his problems is certain to breed suspicion and distrust in the minds of these young men who may be called to volunteer their services in another emergency.

The money we spend for veteran welfare may appear to be a considerable item on the Federal Budget, although it is only an insignificant proportion to the amount we spend for guns and ammunition. But if we undermine the patriotism of our soldiers of tomorrow by neglecting the veterans of yesterday, the billions we pour out for national defense will bring nothing but disunion and disaster; so spoke our commander in chief of the Veterans of Foreign Wars of the United States.

The National Defense

EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Thursday, January 26 (legislative day of Tuesday, January 17), 1939

ARTICLE BY COL. FREDERICK PALMER

Mr. CLARK of Missouri. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD an article by Col. Frederick Palmer, who is one of the leading military authorities in the United States, on the subject of national defense.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES WELL GUARDED—EXPERT SAYS AMERICA IS SAFE FROM ATTACK BY ANY GROUP OF POWERS—SECURITY IN OUR FLEET—NAVIES OF JAPAN, ITALY, AND GERMANY ARE BUILT TO DEFEND HOME WATERS—OUR NAVAL LINE FAR OUT—AND OUR HARBORS HAVE DEFENSE GUNS THAT NO BATTLESHIP MAY APPROACH

NEW YORK, January 22.—All the soil under the American flag and that of our neighbors is safe from attack by any power or combination of powers within sight today. In businesslike realism let us see why this is so.

Since we are between two great oceans, with two coasts to defend, we should consider the threat of the rising power of Japan just as matter of factly as any threat from the Atlantic side. Should we fortify Guam our Navy has an outpost 4,000 miles from San Francisco, and any worry about what Japan can do to us in case of war is further diminished, while Japan begins to wonder what we may do to her.

Until the Munich agreement and reported Nazi and Fascist activities in Central and South America, the potential enemy we had in mind was Japan. Our battle fleet, our first line of defense, long had been concentrated on the Pacific side.

A STRONGER NAVY

Built and building, the strength of our Navy is about 3 to 2 against Japan. That is, so far as we positively know.

No European power ever has been able to conceal the laying down of a major ship from rival intelligence services. The Japanese can, thanks to their racial physiognomy. No observer, not born with slant eyes, can get within 10 miles of Sasebo, Japan's great naval base on its landlocked island sea. Surveillance sharpens as a foreigner approaches a shipyard. Every workman is pledged to secrecy.

We employ no spies. But other nations still are uncertain whether Japan actually is building two 40,000-ton or 45,000-ton battleships, larger than any we are building. Be the report true or a bluff, we would avoid any risk by keeping pace.

If the need should come—and for that we build—our fleet will not meet the Japanese in battle off the Pacific coast. Our line of naval defense is drawn far out at sea, from Samoa to the Aleutian Islands, which extend from the mainland of Alaska toward Siberia. Midway is our key Gibraltar outpost of Hawaii, with its heavily fortified Army, Navy, and plane bases.

DISTANCE A GREAT FACTOR

The 3-to-2 ratio is not to be considered on the flat basis of $3 to $2, 3 tons of steel to 2, or 3 men of equal skill to 2. As well might we consider that, of two prize fighters of about equal power, one who had fought five hard rounds and was winded should be pitted against the other who was fresh.

That is the weakness of a navy far from its bases against a navy close to its bases. The loss of power in ratio to distance has increased with the increase in the size of fleets and their complicated requirements on the sea, under the sea, and in the air.

Our own fleet at sea, ready for battle, as it always is, comprises about 150 ships, including all auxiliaries. Where 3 to 2 applies to two navies equidistant from their bases, it may become 3 to 1 for a navy close to its bases against a navy far from its bases.

Any fleet at war is dependent upon its supplies. In the final test, it cannot steam without oil. Its planes cannot fly without gas. The farther it is from its bases, the farther it has to send, under exposure to attack, any crippled ships for repairs, and the longer line of communications it has to guard against raids by planes, cruisers, and destroyers.

BUILT FOR ACTION FAR OUT

Our fleet has a long steaming radius. It is built for action far out at sea as the soundest means of defense on the vast expanse of the Pacific. The Japanese Fleet, built for the defense of home waters, as the German and Italian Navies are, has a shorter steaming radius.

With our policy strictly that of defense, then, in case of war the Japanese Fleet would have to steam 3,000 miles before it reached our naval-defense line.

Fully protected by the defense guns of Hawaii, we should have the advantage of choosing the battleground. It takes no war college strategist to see that we should welcome the Japanese fleet steaming past Hawaii and then cut its communications and strike it in the rear.

In case the Japanese Fleet set as its goal not our Pacific coast but the Panama Canal, it would have to go still farther, with a still longer line of communications, on an absolutely suicidal mission.

The Panama Canal is our lifeline for the movement of our fleet from coast to coast. Its imperative security from any danger of damage includes not only naval defense, but garrison, heavy gun and anti-aircraft-gun defenses, which we have been steadily strengthening. And more than that. There must be utter care against sabotage or anyone's reaching the locks with a charge of explosive.

THE FASCIST AXIS

Now, let us accept the alarmist eventuality of an attack on us by a combination of the Rome-Berlin axis and Japan. I have heard talk even of an invasion on both our east and west coasts at once. The imagination of a second-grade fiction writer can picture a Japanese general shaking hands with a German and an Italian general in the Mississippi Valley, a swath of devastation behind their conquering armies.

But, first, they would have to get their armies across the sea, which we found to be quite a little job in 1917–18. The nearest German or Italian bases to us are 3,000 miles away, and the nearest Japanese more than 4,000. Before the Fascist powers could establish nearer bases they would have to overcome not only the British and French Navies but our own, which, with our bases at our back, is equal to the combined Japanese, German, and Italian Navies.

Grant that Japan, all its strength occupied in China, and Germany and Italy, fully occupied in Europe, had cleared the way and had armies to spare and the ships to transport them across the Atlantic and Pacific Oceans.

Their transports must have harbor protection. All our harbors, east and west, have coast-defense guns which no battleship, let alone a transport, may approach. All on our east coast are nature's own gift for mine fields.

CHANGED SINCE 1917

Our submarines would not all be destroyed. Where we had not a dozen up-to-date planes in 1917, we now have 3,600. We should establish both a submarine and plane danger zone for enemy transports.

The three enemy powers would have to bring their planes on aircraft carriers, and the most they could bring on their carriers, built and building, would be 500. Aside from all their guns, ammunition, and food supplies, they would have to bring, in the colossal tonnage required, many regiments of antiaircraft guns as protection from our planes.

Where in 1917 our total of Army Regulars and National Guard was 244,000, it now is 496,000. We should have at least 6 months of home preparation before the seas were cleared. The three powers would have to start with at least a million men.

In 6 months we should have 2,000,000 men trained to arms; in a year, 5,000,000. How many could the three powers maintain so far from home? In the summer of 1918, our War Department concluded that 3,000,000 were all we could maintain in France.

All our mind energy, our resources and industrial production would be bent on one objective, while over our railroads and motor highways would speed supplies and reinforcements to any given point of danger.

In the present outlook, it is a fantastic possibility that any enemy could effect a landing in force or a bombing raid upon our own soil or that of our neighbors. The army and navy staffs of the world know that this is so. Why, then, the rush for large increase in arming? That is our military secret in time of peace, which, it now seems, may be safely revealed.

American Peace and How To Obtain It

EXTENSION OF REMARKS
OF
HON. ERNEST LUNDEEN
OF MINNESOTA
IN THE SENATE OF THE UNITED STATES

Thursday, January 26 (legislative day of Tuesday, January 17), 1939

ADDRESS BY HON. EDWIN C. JOHNSON, OF COLORADO, JANUARY 26, 1939

Mr. LUNDEEN. Mr. President, I ask unanimous consent to have printed in the RECORD an able address delivered by the junior Senator from Colorado [Mr. JOHNSON], former Governor of that great State, before the Fourteenth Women's Patriotic Conference on National Defense, January 26, 1939, in Washington, D. C. Without fear or favor he deals in a masterly manner with our foreign policy. The problems of Europe, Asia, and Africa are seen in the clear light of a statesman of courageous independence, and his clarion voice calls us back to our own firesides and our own people. It is the address of a great American, who sounds that noble sentiment, America first.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A GRAVE RESPONSIBILITY

A grave responsibility rests upon you who are privileged to be delegates to this Women's Patriotic Conference on National Defense. You will go out from this educational conference not as mere individuals returning to your pleasant homes, reporting an enjoyable time in the Capital City, but you will go forth a well-informed group of enthusiastic emissaries qualified to advocate sound public policies and able to intelligently teach and preach the lofty ideals of patriotism and peace and thus make a further splendid contribution to a better understanding and conception on the part of the American public of the status of the security of your America.

One accustomed to such gatherings as this notable conference can sense deep, soul-stirring emotions in this assembly of patriots. Just to look into your serious and determined countenances gives one a renewed assurance of the straight thinking of American women and causes one to instinctively feel that no matter how difficult may be the problem, American women shall not fail.

PEACE THE OBJECTIVE

Perhaps I had better say at this point that I take it for granted that you agree with me that adequate national defense at its best is only a means to an end and is not an end in itself, and that the real end which we seek is peace. I have not the slightest interest in national defense other than its insurance features against war. I most sincerely hope that every delegate to this convention agrees with me that peace is the real objective and that an adequate national defense is the best-known method for securing it.

PREPAREDNESS

We have heard ministers of the gospel, following in the footsteps of the Prince of Peace, with the spirit of brotherly love in their hearts and the Golden Rule draped about their shoulders, earnestly preach preparedness from their holy pulpits. We have listened to astute and learned diplomats in secret sessions in hushed tones frankly discuss the likelihood of world wars that day by day are developing just around the corner and have heard them plead eloquently with tears in their voices for American preparedness.

We have sat at the feet of Army and Navy experts and listened to them pessimistically view with alarm the strength of the potential enemy and the wretchedness and weakness of our own Military Establishments and have heard them warn us again and again of the necessity for preparedness. We have read every line that we could find published in the daily press concerning international maneuvering, repeating the grave dangers of imminent war and pointing out the absolute necessity for preparedness.

NATIONAL DEFENSE NOW POPULAR

Today American military security for our land and adequate national defense are very popular and represent the very latest model and style in the new attire of public opinion. Everyone believes in these things now, but this fine group of courageous women can well remember that year after year in your conferences here and in your meetings at home you have fought this fight almost alone, and that you were backed only by the veterans' patriotic organizations. It must indeed be very gratifying to you who have carried the torch of national defense sentiment to see the long period of hard, thankless, unappreciated service that you have rendered in behalf of your country bearing fruit now.

You have accomplished much but the victory is not yet complete. There is still work to do. The fight for peace must go on. The whole situation in all of its phases must be studied diligently and that study must be followed by suitable action, but first we must thoroughly understand all phases of this confused and involved problem.

WISHFUL THINKING

It is indeed the hour for impassionate, thoughtful meditation and a time for the exercise of good common sense. After all the evidences that we have before us of disconcerting circumstances shall we fail to awaken to our dangers and stubbornly refuse to permit ourselves to take the ordinary precautions of the prudent and the wise. Is it possible that we are a victim of wishful thinking, believing that because we want peace and tranquillity therefore there will be peace and tranquillity? Such a dangerous illusion would indeed need to be consigned forthwith to the same scrap heap set apart for obsolete armaments. Every city needs an up-to-date fire department and an efficient police department and every nation needs to protect herself against potential enemies wherever they may be. We would laugh at a city if they suddenly developed a fire phobia and instead of acquiring fire-fighting apparatus they began running around in circles too excited to do anything other than pull their hair, wring their hands, and wail and weep in a loud voice. The United States of America must seek to avoid so foolish a predicament. We ought to strive for peace with cool heads and kindly, God-fearing hearts; and if we are diligent and reasonably prudent we will find that honorable peace for which we seek.

INTERNATIONAL SITUATION

Perhaps a brief, sketchy review of the international situation will be in order. Much of what I have to say on that subject has been repeated in every talk made here, but so pertinent a matter to the cause in which we are interested will bear repetition. I shall strive to give you some new angles and new slants upon the general subject of American peace as affected by the international situation.

It is common knowledge that this is a period of great unrest among the nations of the earth. Solemn and sacred treaties between the powers are nothing more than scraps of paper. The powerful European democracies and the powerful European dictatorships no longer make any pretense of even acknowledging the debt for money borrowed that they owe America. Alliances that once were binding to the death are quickly broken today for the sake of political expediency. Find out where a nation's advantages for the moment lie, and you will know upon whose side she is ready to fight. Principles and ideals seem to have disappeared from the earth. Yesterday Italy allied with France fought Germany; today Italy allied with Germany is ready to fight France. Yesterday Japan and Russia were allies, today they are ready to fly at each other's throats.

FRANKENSTEIN OF ARMAMENTS

According to the statisticians, the seven leading nations in the world spent $15,000,000,000 for armaments in 1938, which is five times as much as these same nations spent annually for that purpose just 5 short years ago. Little wonder that the world is now accurately described by keen observers as an armed camp. Small wonder that economists pessimistically predict that every one of these seven powers because of these gigantic expenditures is headed for certain bankruptcy. No wonder that scientists with long faces paint a dark picture of certain destruction of civilization by this Frankenstein of armaments that is being created so deliberately. We need not be surprised that noted sociologists are desperately discouraged since they realize that eventually labor must out of misery and deprivations foot this awful armament bill. It should, however, be pointed out that in this futile, wicked armament extravaganza America has reluctantly followed and never led and now stands next to the foot of the class of great powers in armament expenditures; little Italy alone ranking below us.

NATIONS FORCED INTO THEIR OWN BOUNDARIES

Tariff barriers that have been erected by all nations, the many injustices in the Treaty of Versailles, the inequalities in the distribution of the world supply of gold, and the world-wide armament race have brought about a rapid and definite trend toward nationalism throughout the world. Add to that trend the political ambitions of men, the pride of races, and the demand for security by the masses, and you have the sources of the spirit of aggression that is sweeping the earth. These direct causes have forced nations into a program of seeking self-containment and have compelled them for the sake of self-preservation to accept voluntarily or otherwise a national economy based upon self-containment. When a great people are forced to live within their own boundaries by circumstances over which they have no control and when there is not a self-sufficiency of physical necessities within those prescribed boundaries, such peoples have but one remedy, and that is the extension of their boundaries until they do provide within their own country those physical necessities.

PEACEABLE APPEASEMENTS

Germany covets the Ukraine and the fertile valley of the Danube; Italy, an African empire and political control of Spain; and Japan, the exploitation of the backward, conglomerate so-called nation of China. They covet these lands for the natural resources that will enable them to round out their respective economies. England and France, who, because of the production of their colonies, have an

excellent supply of natural resources, are not hard to satisfy if they be permitted to hang onto the colonies and territory which they already possess. They will offer little resistance to the totalitarian governments even though they heartily disapprove of the methods of such governments so long as their own boundaries are not molested or disturbed. "Peaceable appeasement" is their foreign policy, and that means in plain, understandable English that they will close their eyes while Germany, Italy, and Japan extend their respective boundaries. The so-called sell-out of Czechoslovakia at Munich told a lurid story, because we first learned at Munich that Germany has the cities of London and Paris at the mercy of her flying armada of countless, relentless bombers that make no pretense of hesitating to destroy helpless noncombatants. Hitler will spare these cities only so long as England and France give him a free hand in his march to a self-contained Germany, and proud England and sulking France without adequate air defense have no other alternative than to accept Hitler's terms. Hitler needs oil and wheat and both are almost within his grasp, perhaps, without the firing of a single shot. Russia, China, Africa, and Spain will have to look after themselves. England and France, to save their own cities from destruction, have abandoned these countries to the aggressors.

POWER AND DOMINATION

When we contemplate the overnight acquisition and miraculous development by Hitler and Mussolini of the modern implement of war, the airship, we should find a most valuable lesson. Today experts estimate that Hitler alone can drive from the skies in a few short months' time every unit of aircraft operated by the combined powers of France and England. Such a rapid development of power and domination is unsurpassed in all history.

INDUSTRIAL COMPETITION

When Germany once fixes her new boundaries and has an inexhaustible supply of natural resources assured, she will undoubtedly give America real competition for world supremacy in the industrial arts and sciences. It is my prediction that this period of boundary adjustments is to be followed by the most intense industrial competition the world has ever known and that nations able to reach the goal of self-containment will make internal progress in living conditions far beyond our poor imaginations to believe.

HATE AND PILLAGE

The civilized world has been shocked, grieved, and outraged at the persecution of religious and racial minorities in central Europe, but the matter definitely cannot be either adjusted or assisted in its solution by a declaration of war. America, however, should assume a very definite world leadership in finding the solution to these uncivilized outbursts of hate and pillage. This is a matter that by its very nature should lend itself to adjustment at the conference table. There is plenty of room some place on this old planet for every human being, regardless of his race, his religion, or his color.

WESTERN HEMISPHERE HAS DICTATORS

Deeply devoted to democracy as we are as the chosen way of life for ourselves, we should not be ready to declare war on a nation simply because they have chosen to live under a dictator. Democracy can neither be promoted nor spread by the sword by outsiders. It must spring from the heart of the individual citizen within a country. America cannot consistently go too far in condemning dictatorships, because she is pledged to protect dictatorships in the Western Hemisphere by both the Monroe Doctrine and her very prudent policy of being a good neighbor, and it cannot be denied that there are many dictatorships in the Western Hemisphere, although none of them can be called aggressor nations. The recent conference at Lima was an excellent start in developing friendship and trade in South America and unmistakably marked further progress in the commercial and industrial development of the Western Hemisphere.

OPTIMISM

Everything in the world picture, however, does not spell gloom. Nature has separated us from the aggressors of Asia by 5,000 miles of friendly Pacific, and has removed us from the aggressors of Europe by 3,000 miles of the stormy Atlantic. Political circumstance has given to us as our neighbor on the north the finest, peace-loving people inhabiting this good earth, and we stand about as much danger from attack from the neighbors on the south as does a Rocky Mountain lion stand in danger of being set upon by a couple dozen harmless little chipmunks. Our situation, political and natural, is indeed a most happy one.

NO WAR IN SIGHT

Think of Switzerland, located in the midst of aggressors, with aggressors to the north of her and aggressors to the south of her, and no appreciable military defenses. Think of Sweden, with her great supplies of iron ore—the greatest supplies in the world of a resource that should make every aggressor's mouth drip with greed and envy—and no military establishments. Think of little Denmark, with her fertile fields and her strategic location to control the North Sea, and no pretense of military protection. None of these thrifty little nations seems to be in the slightest bit of danger. They have learned the wisdom of minding their own business and of going ahead sawing their own wood. If we were in their shoes with our inspired fear complex, and our busybody attitude, we would die of fright. The unvarnished truth of the matter is that there is no likelihood of an American war in the next 20 years unless we ourselves start one or permit clever foreign diplomats to maneuver us into one just to pull their own chestnuts out of the fire.

DO NOT WASTE BORROWED MONEY

But does that mean that we should complacently fold our hands, serenely satisfied with our own importance and our own imagined security, however well founded it may be, oblivious to world-wide developments and events? Most certainly it does not! It does mean, however, that there is no immediate emergency in national preparedness facing us that should cause us to rush in pell-mell, slinging borrowed money to the right and to the left and to the greedy profit-plus munition makers, nor does it justify raiding the Public Treasury and establishing "pork barrel" projects in obscure places in the sacred name of national defense. We are not rushed for time. No one is about to commence shooting at us. Adequate armament and peace security should be reduced to an exact mathematical science and approached intelligently with fixed determination, but without either fear, hysteria, or the beating of drums.

PLANNING FOR DEFENSE

Blueprints of our defense needs can be carefully and painstakingly prepared and developed by our splendidly educated and equipped Army and Navy engineers and experts. Comprehensive and adequate plans for efficient and practicable industrial mobilization should be evolved now for the potential mass production of munitions and implements of war by our industrial giants, to be paid for on a fair and patriotic basis with unconscionable profits deleted. A healthy domestic economy should be adopted by our country that does not contemplate piling crushing debts upon posterity. When these basic and first things are done first we can be made ready for whatever future destiny is to be our fortune.

Peace for the United States

EXTENSION OF REMARKS

OF

HON. GERALD P. NYE

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Thursday, January 26 (legislative day of Tuesday, January 17), 1939

ADDRESS BY HON. HENRY CABOT LODGE, JR., OF MASSACHUSETTS

Mr. NYE. Mr. President, last evening the junior Senator from Massachusetts [Mr. LODGE], addressing the Fourteenth Women's Patriotic Conference on National Defense, devoted himself in a way which interested me in no small measure to the subject of a determination to keep out of other people's wars. I ask unanimous consent that the address may be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mme. Chairman, Mr. Secretary, fellow Members of Congress, officials of veterans' organizations, and members of the Women's Patriotic Conference on National Defense, it is a privilege at any time to have the opportunity to address an organization like yours which is so consistently devoted to the inculcation of patriotism, both in fair weather and in foul. It is, however, a particular inspiration to be the speaker before you this year when so many dangers are threatening the world and when the problem of war and peace is overshadowing every other concern. As one who is too young to have been a veteran and who regards himself as the beneficiary of their sacrifice, I feel myself especially honored. As an organization which is interested in peace and which believes in acting before the emergency is upon us, you, of course, know that while the issue of war and peace depends in the last analysis on the mental attitude of the individual citizen, that there are steps which government can and should take to avert war. Let us consider some of these steps.

First. We can legitimately expect, for instance, the executive branch of our Government to show common sense in the day-to-day conduct of foreign policy. This is something which legislation cannot guarantee but which counts for more than many laws.

Second. Among the laws which would be helpful would be an act which would enable us to prosecute a future war with a minimum of waste, both in life and in public money. We already have the National Defense Act of 1920 which sets forth our military organization in time of war. Congress should endeavor to draft laws as soon as possible which will set a ceiling on prices so that profiteering as nearly as possible be eliminated. In the event that the tragedy of war should again smite us, Congress should set up a

rigid tax schedule which will as nearly as possible make any future war a pay-as-you-go and not a bond-supported war. This tax schedule should square with the very correct idea that "war is hell." The fact that such a law existed ahead of the emergency should be widely advertised, and the knowledge that we were ready strategically, economically, and fiscally for war would be a powerful deterrent to the domestic waver of the bloody shirt and to the militarist abroad.

Third. Consideration might also well be given to the effect of foreign trade on the preservation of peace. Of course, no one suggests complete elimination of foreign trade, just as no one suggests complete elimination of tariff barriers. The question is in what direction are we going to move. If we are single-minded about peace, must we not move in the direction of national self-sufficiency? I know that to the classical economist the notion of self-contained nations is abhorrent, and that from the standpoint of everyday business, it is a two-sided question. I submit, however, that if we are wholehearted about peace that this is the direction in which we should move.

Fourth. Inasmuch as public opinion will have the final say, regardless of what you and I may decide here tonight, it is vitally important that public opinion be enlightened. We cannot have an enlightened public opinion without widespread public knowledge of the facts which have a bearing on war. This means publicity. For instance, the facts on foreign holdings of American property and reports of foreign transactions should be widely available. There are literally billions of dollars of foreign investments in the United States. They cannot stay neutral if their owners do not. I believe that we should know these facts.

Fifth. An even more striking example of our ignorance of the fundamentals of war and peace is the refusal of those in authority to tell us about the use to which the $2,000,000,000 stabilization fund is being put. We understand that this money is used in operations in foreign exchange. If the United States Government is influencing the currencies of foreign lands, I believe the American people should know about it. It is hard to imagine a more direct way of interfering with the lives and happiness and general well-being of other peoples. The power possessed by our Government through this stabilization fund is a great power—no less so than the better-known methods of foreign policy. Here, too, we should know the facts.

I have tried to indicate a few helpful steps for the Government to take which would promote the cause of peace. I now come to what is perhaps the most important of them all, the national defense. Your organization is no last-minute convert to the value of a national defense. When others were either indifferent or actually hostile, you were affirming the need of having an Army and Navy which, on the one hand, was in direct relation to the life and the treasure to be protected, and on the other, was developed with due regard to possible threats from abroad.

You have had to explode many fallacies. You have had to listen to the argument that a large Army and Navy would get us into war, in spite of the fact that we have had a war in this country on an average of once every 30 years, and that never were we involved in war because our Army and Navy were too big. Rather, in some case, was it because our Army and Navy were so small that foreign nations felt that they could molest us with impunity. With an Army that ranked seventeenth among the armies of the world, and with a Navy that was far from being the equal of the strongest, there has never been real danger that our national defense establishment would cause any fear or apprehension in the minds of reasonable nations.

You have seen the attempt to achieve disarmament by example, with the United States setting the example. You have noted the various disarmament conferences held in Washington, Geneva, and London, at which no agreement at all was ever reached regarding land or air armament, and at which a treaty regrading naval armament was formulated which finally petered out. It is good to see that so many that were against us then are with us now.

Let us always remember that when Jack Dempsey was champion of the world, nobody ever hit him on the jaw. Let us remember the words of Colonel House, that if we had had an adequate Army and Navy, at the time of the World War, we might have become the arbiter of the outcome without the loss of a single life.

Clearly the threat to American peace is as great as it has been at any time since the armistice. The crisis in which the world now finds itself makes me appreciate the wisdom of your organization, which, I believe, years ago advocated a regular and gradual increment and development program which would have saved us much, both in money and in anxiety, had we had the foresight to adopt it. I say, therefore, let us build up the Army. Let us build up the Navy. Let us make sure that we have an adequate air force in both branches of the service. Let us be industrially prepared. Let us be equally sure in our own minds about the object of this defense establishment. Let us emphasize that word "defense." When I cast my vote for increased appropriations for the national defense, I shall do so on the assumption that that money will go to the defense of American citizens and their homes. I do not have in mind the construction of an expeditionary force. If there is any intention on the part of those in authority to have an expeditionary force, let them say so.

I favor national defense today, just as I have for 15 years, because I regard it as an effective agency for peace. I have so described it to you tonight. If there is a thought in anyone's mind that it is not to be used in that way, let that thought be made clear to the American people. I say to you this evening that we are indeed concerned by the many terrible things going on in the world of which we strongly and wholeheartedly disapprove, but I also say to you—and I cannot emphasize it too much—we want peace.

We are therefore agreed on a strong development of the national defense. But my speech would be incomplete and your thought and mine on this subject would be unfinished, if we were not clear in our own minds as to the kind of foreign policy of which it shall be the tool. To put a loaded pistol into the hands of a calm, moderate, and experienced person is one thing. To give that same pistol to someone who is hysterical and excitable is quite another thing.

In considering American foreign policy we note two possible extremes to which it can go. Most of you remember that soon after the war there were those who believed that the United States could best remain at peace by joining with foreign nations in punishing any nation which went to war. This theory of starting a war to stop a war manifested itself in the desire for American membership in the League of Nations and its Court. As one who believes that this was a most dangerous proposal, however sincerely sponsored, I am happy to think that it is no longer before the American people.

The other direction which foreign policy can take is that of minding our own business. Instead of trying to guarantee peace for all the world at once we make a gradual approach. We strive to maintain peace for the United States, believing that if we do maintain peace for the United States, we are doing our share toward maintaining peace for the world. This is the ideal which we have tried to follow with varying degrees of success since the World War. It is the ideal of George Washington. It is the ideal which the sight of the flag kindles in me.

Of late we have all been shocked by the policies which have been pursued by certain totalitarian states. We have been angered by the organized racial intolerance which has been started and which is still burning like a prairie fire. Citizens of a country which is based on the cornerstone of racial tolerance and which owes its success and its greatness to the fact that it recognizes character and ability, regardless of whence it may spring, we are not only angered by the racial intolerance which we see abroad, but we are aghast at its utter stupidity and colossal wastefulness.

Moreover, who is not moved by the attacks which have recently been made on religion? We are told that in some totalitarian countries unemployment relief, social security, and other governmental functions are conducted more efficiently than they are here. I do not know whether this is true, but even if it were true, I contend that no material service that the government could render its citizens could ever begin to repay the damage which a government does to its citizens when it destroys religion. The sorrows and the blows of life, which all of us must expect, would be beyond human endurance if it were not for religion, and a government that seeks to destroy religion commits its people to an awful living death.

We can agree on the absolute need for religion. If we can agree upon that, it is natural and proper for our Government to protest when anyone seeks to attack or destroy it. Our Government has very properly protested to the outrages of the past year. Let me, however, ask this question: Justifiable and imperative as are the current protests, is it too much to say that the outrages which are now being perpetrated might never have been started had we shown our interest in freedom of religion when it was first attacked and attempts were first made to undermine it?

I refer to the first and chief antagonist of religion, Soviet Russia, which is pledged to the utter destruction of religion. We know that in that country churches were closed up, priests were executed, religious schools were prohibited, and exercises of religion were forbidden to citizens under the penalty of severe punishment. This, however, apparently did not interest the United States at all. In fact, we were so indifferent to this antireligious campaign and the persecution that followed it that we actually recognized the Government of Soviet Russia and, I believe, extended American dollar credits to them.

I refer, for example, to Mexico, where churches were closed, bishops, priests, and nuns were expelled from the country, and every attempt was made to destroy the religious instincts of the Mexicans Yet we continued to praise Mexico, and in the midst of all these persecutions, official spokesmen of the United States paid high tribute to the Government of that country.

There are other countries where atrocities have been committed for some time, which apparently have not bothered the official conscience at all. We have protested the recent actions which have taken place in Germany and countries under the influence of her school of thought. We are right in so doing. I ask, though, with all the sincerity I possess, why was this very commendable stand of the United States not taken before?

In conclusion, I again thank you for the privilege of being here, pledge myself again to the patriotic aims which summon you together. In bidding you good night, let me say as clearly as I can, with no room left for misunderstanding, that I believe that the American people have a wholehearted devotion to religion and to peace. They want their Government to be steadfast and consistent in befriending freedom of religion and unswerving in its pursuit of peace.

Silver Purchase Repeal

EXTENSION OF REMARKS
OF
HON. LEO E. ALLEN
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, January 26, 1939

STATEMENT BY HON. JOHN G. TOWNSEND, JR., OF DELAWARE

Mr. ALLEN of Illinois. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement in response to inquiries of correspondents regarding "silver purchase repeal," by Senator JOHN TOWNSEND, of Delaware.

In response to numerous inquiries from correspondents and others regarding the effect of his bill (S. 785) to repeal the Silver Purchase Act of 1934 and for other purposes, Senator JOHN G. TOWNSEND has issued the following statement listing the chief questions asked him and his replies thereto:

Question. Have not the purchases of foreign silver under the American program been reduced to a mere nominal amount?

Answer. No. During the last quarter of 1938 the United States imported $72,000,000 worth of silver, as compared with $40,000,000 worth in the corresponding quarter of 1937.

Question. Did not the Government cease buying Mexican silver following Mexico's increase in tariffs on imports of American goods and the seizure of American property early last year?

Answer. No. The Treasury today has no agreement to buy Mexican silver from the Mexican Government or the Bank of Mexico, but it still buys newly mined Mexican silver just as it buys other foreign silver. Mexico benefits from our silver program today just as much as it did before it seized American property.

Question. Would not your proposal to sell silver now held in the Treasury require the withdrawal of silver now held as backing for silver certificates, and thus leave outstanding millions of dollars of unbacked silver certificates which would then be like greenbacks or other fiduciary or fiat money?

Answer. No. There are two reasons why my bill (S. 785) would not do that:

(I) The Treasury now holds over 1,000,000,000 ounces of silver bullion idle and out of actual monetary use, against which no certificates have been issued or put into circulation. This silver could be sold or otherwise used without affecting in any way the amount of silver certificates outstanding.

(II) According to my bill (S. 785), if it ever becomes possible to sell bullion at that time held as backing for silver certificates, an equivalent amount of certificates calculated at the then "monetary value" of silver will be withdrawn. Silver currency, even silver coin, is all fiduciary money in this country today.

Question. Does not your proposal to deprive the President of his power to revalue the silver dollar impair his corresponding power to revalue gold as set forth in the Gold Reserve Act of 1934?

Answer. No. The gold power is completely separate from the silver power.

Question. Will not the cessation of silver purchases prevent this country from ever attaining a ratio of one part silver to three parts gold in the monetary reserves, the stated objective of the Silver Purchase Act, and if so is not such effect of your bill undesirable?

Answer. My bill is intended to have precisely that effect, and there is strong support for the opinion that the 1-to-3 ratio mentioned is meaningless and undesirable, especially since no other government in the world pursues a silver policy such as this country's present one. There is no reason why the United States should finance the demonetization of silver abroad.

Question. Would not cessation of silver imports tend to reduce American exports of goods, and, if so, would that tendency not be harmful to this country?

Answer. Some reduction would undoubtedly occur, although the promised boom to our merchandise exports as a result of this country's silver program has failed to materialize.

Reduction of such United States exports of goods as are now dependent on our silver purchases is, indeed, the chief object of my bill, because the exportation of goods is the exportation of American wealth. We do not export goods just for fun, or to make jobs, any more than people take jobs for the sport of working. Nationally as well as individually we should work, we should manufacture, and we should export goods with the object of getting in return something valuable, consumable, and enjoyable. For Americans as a nation to work hard and produce cotton, wheat, motorcars, and other manufactures, or even just services, and to send or render those commodities, manufactures, and services to foreigners in exchange for a perfectly useless metal to be buried in the ground at West Point is a criminal waste and should be stopped by Congress immediately.

The process of silver buying now going on involves a huge national loss week after week, which is no less real because we as individuals may not have been conscious of it, or because it doesn't seem to come out of our personal pocketbook. The Commerce Department's balance-of-payments statistics will be ample proof of this loss, and already far more than $1,000,000,000 (a thousand million dollars) has been the benefit taken from the American people by those who have sold silver to the Treasury. Apart from this, those who have sold silver to others on a market and at a price artificially held up by the American silver policy have profited enormously.

Question. Apart from China and Mexico, have other foreign countries profited as a result of our silver policy?

Answer. Every silver producing and selling country has profited, including Germany, which has been demonetizing silver; Italy, which called in silver coins to help finance the Ethiopian conquest; Japan; Canada; Russia; Peru; Ecuador; Australia; Spain; etc., and the London bullion market. And it must be remembered that while China and Mexico have received enormous "gifts" from this Nation through its silver policy, the latter caused severe financial crises in China and Mexico, and unfavorable repercussions in many other countries, in 1934 and 1935. The official protests which were sent to this Government are a matter of public record, as is the critical and sarcastic editorial comment on our silver program from many parts of the world, even from the very beneficiaries of our indefensibly wasteful program.

Hon. Homer Cummings

EXTENSION OF REMARKS
OF
HON. JAMES A. SHANLEY
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Thursday, January 26, 1939

ARTICLE BY MAX SPELKE, OF STAMFORD, CONN.

Mr. SHANLEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article by Max Spelke, special assistant to the Attorney General:

JUSTICE

(By Max Spelke, of Stamford)

In the first 4 days of the Roosevelt administration, back in March 1933, it was my good fortune to be with Homer Cummings and to watch him assume the great responsibilities of Attorney General of the United States in an emergency appointment due to the death of Senator Walsh. Mr. and Mrs. Cummings had been preparing to leave their Greenwich home and their hearts were set upon the Philippines, where the President had asked him to assume the post of Governor General. Suddenly he was drafted for Attorney General and immediately there were presented to him problems of great moment arising out of the crisis in which the country found itself. Washington was a hubbub of excitement. The banks of the country were closed and from everywhere leaders in industry and finance converged on Washington with petitions for immediate action to prevent a total collapse of our institutions.

Sunday, March 5, was an historic day in the White House and Attorney General Cummings remained in conference with the President from early morning until nearly midnight, joined frequently by others who were outstanding in and out of Government. During that time he rendered his opinion to the President setting forth the powers arising from the banking emergency. People were deeply disturbed and many emotionally upset and worried, but throughout it all I can well remember the calmness, optimism, and good humor of Homer Cummings. As chief counsel for the Government he was a pillar of strength and his judgment was unerring on how to handle the grave situation.

In addition to the general problems of the administration, Mr. Cummings had to concern himself with the proper functioning of the Department of Justice with a personnel of 9,000 people distributed throughout every part of the country and in our territorial possessions, and covering the whole gamut of the law from detection to incarceration in the enforcement field and from customs to constitutional cases in the civil side. He had to take over from an outgoing administration without any preparation and with pressure from every source for patronage considerations.

A Connecticut Yankee became the head of the largest law office in the world with a job to do and a firm determination to see the job through. No amount of pressure could sway him from his purpose to retain certain key men in Justice, such as John Edgar Hoover as Director of the Federal Bureau of Investigation and Sanford Bates as Director of the Federal Bureau of Prisons. Out of a total budget of about $40,000,000, these two agencies expended about one-third of the total and in numbers they represented together close to one-third of the entire personnel of Justice, although the Federal Bureau of Investigation at that time was a

much smaller unit than now. These were top places in Justice but Homer Cummings had spent a lifetime in law enforcement and in the study of prison problems and he felt very deeply that political considerations must not enter into these fields. Not the least of his achievements is that he succeeded so admirably in building up these two agencies into outstanding positions in their respective spheres. Mr. Cummings sought and obtained greater funds and larger personnel for his G-men and he established Alcatraz as a maximum-security minimum-privilege institution to round out the prison work.

Other key men in Justice from the outgoing administration were retained too because of their specialized ability and knowledge of the work—they were "carcer" men. This required firmness, courage, and a deep knowledge of human nature, qualities that we all know Mr. Cummings possesses in large measure. In spite of these considerations his popularity with Congress and with leaders in political life grew because it was soon sensed that nothing was going to shake him loose from his sincere convictions

Early in his term he called together in Washington leading figures in law enforcement for the Attorney General's conference on crime out of the deliberations of which came the series of new crime laws extending the jurisdiction of the Federal Government in order to cope with crimes such as kidnaping, the robbery of national banks, and the transportation of stolen property from one State to another. These new crime laws strengthened the law enforcement agencies and gave the G-men of the country an opportunity to do the great job that has won universal acclaim. Connecticut people have watched with particular interest the successful conduct of law enforcement directly supervised by Norwalk's able Brien McMahon, Assistant Attorney General in charge of the Criminal Division.

There is hardly the space here to enumerate the achievements of justice under Attorney General Cummings; volumes could be written on that score and the record has been testified to by Mr. Justice Roberts at the farewell dinner to Mr. Cummings held in Washington only a few days ago and by Frank Hogan, president of the American Bar Association, toastmaster at the dinner, and by Cordell Hull, Secretary of State, a dinner speaker who referred to Homer Cummings as "one of the outstanding men of his generation."

This unusual man did an unprecedented thing when he went before the Supreme Court of the United States and personally argued the famous gold-clause cases. No Attorney General had ever before assumed such a task but it was considered vital to the country that a favorable decision should be obtained from the Supreme Court and by a memorable 5 to 4 decision rendered by Mr. Justice Hughes the administration was upheld in its monetary policy. On one other occasion, Mr. Cummings found it necessary to appear in court in person on behalf of the Government when he went before the District Court of the District of Columbia to argue against the granting of an injunction in the holding-company cases and here, too, the Attorney General won out on his contention. A contrary result would have led to a chaotic situation with respect to pending litigation by the Government in various courts from Maine to California. At one time the Government had to contend with nearly 2,000 injunction suits that had been obtained in the lower courts restraining the Government in its activities and if this situation had continued much longer there would have been a paralysis of the functions of the Government.

His last official act bears out Mrs. Cummings' description of him when she said, "He is the most civilized man I know." I refer to his last official opinion given to the Secretary of State ruling that a man convicted in present-day Germany should not be barred from entering this country because of "moral turpitude." Mr. Cummings held that an applicant for a visa was not guilty of "moral turpitude" for stating in the application that he possessed only 1,500 reichmarks and being later convicted of making false statements in an effort to remove 30,000 reichmarks, an amount much larger than he would be permitted to take out of Germany. Mr. Cummings took into consideration the "present-day situation" in Germany and said, "I do not think that the case should be divorced from the realities of the world or that opinions rendered heretofore in this country dealing with the moral qualities of crimes of which persons had been convicted by foreign tribunals in tranquil times should be followed in the letter to conclusions antagonistic to the spirit of our immgration law and foreign to the intent of the Congress in passing it." He asserted that concepts of law in Germany were alien to those of this country and said that the members of the Jewish race in Germany were under the severest kind of persecution.

Again I quote from his opinion: "I cannot bring myself to believe that in determining any moral or political attributes of that crime the courts of this country would close their eyes to those factors. Indeed, it would appear that the acts here under consideration were performed under a compulsion as great as it was unjust. The alternatives open to the alien were to remain in Germany and be reduced to a state of penury and serfdom or to seek another life in another land. * * * It was a form of duress which in good conscience we would not be justified in ignoring. I do not believe that the term 'moral turpitude,' as it is generally understood, can properly be ascribed to the conduct of this alien. I advise that you would be warranted in granting him a visa."

And then it was my good fortune again to be present when Mr. Cummings left the Department of Justice and officially turned over to his successor the great responsibilities of the high office of Attorney General of the United States. He put his hand affectionately on the younger man's shoulder and bade him hail and farewell. It was on New Year's Day and before a small gathering of justice officials. The inevitable newsreel men were present and the new Attorney General in his quiet and soft-spoken manner assumed his new duties with a tribute to the work of his predecessor. One felt instinctively in meeting former Gov. Frank Murphy, now Attorney General, that underneath his quiet exterior there was a firmness and a determination possessed to a high degree only by modest men.

At the farewell dinner to Mr. Cummings the new Attorney General was presented to the distinguished audience made up of leading figures in official and business life and was greeted with generous enthusiasm. I looked in on Attorney General Murphy's first press conference held the next day. Leading newspapermen were present, including such Nutmeggers as Heywood Broun, Quentin Reynolds, and Leigh Danenberg, Bridgeport publisher; all were eager to greet Attorney General Murphy and all came away feeling that here was a fine character and a deeply spiritual man. In Connecticut Attorney General Murphy has many close friends, especially in the Stamford-Greenwich area where he visits frequently in our hills country and where he will spend part of the coming summer months, just as he has in the past. He has worshiped frequently at St. Mary's Roman Catholic Church in Stamford during past summers and many look forward to his vacation days in this area.

At this press conference before he was confirmed as Attorney General, he stated that he had written a letter to the Senate Judiciary Committee requesting that he be permitted to explain to the committee his part in the Michigan sit-down strikes, and with customary frankness he appeared before the committee and made a fine impression with his straightforward explanation of those events. The committee unanimously recommended his confirmation by the Senate and he has been confirmed by an overwhelming vote. Attorney General Murphy stated in his press conference that he expected to be an advocate as well as an administrator and that he hoped to go into the courts on behalf of the Government when the situation warranted. His abilities as an administrator have been amply demonstrated as Governor General of the Philippines where he did a marvelous job and again more recently as Governor of Michigan. His abilities as a lawyer have long been demonstrated when as district attorney he prosecuted important cases and later presided as a judge on the bench. Curiously enough, he and Supreme Court Justice Frankfurter, whose names went to the Senate at the same time, both started out in public life as assistant United States attorneys.

It is said of the new Attorney General that he reads daily from the Bible given to him by his mother when he was a lad in a log-cabin home where he was born. I cannot help but feel in talking with the new Attorney General that he has paused over and adopted for his very own that expression from the Prophet, "And what doth the Lord require of thee, but to do justly, and to love mercy, and to walk humbly with thy God."

We Should Provide for a Permanent Civilian Conservation Corps

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 26, 1939

LETTER TO COL. ROBERT FECHNER, DIRECTOR, CIVILIAN CONSERVATION CORPS

Mr. RANDOLPH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter written by me recently to the Director of the Civilian Conservation Corps:

JANUARY 21, 1939.

Col. ROBERT FECHNER,
Director, Civilian Conservation Corps,
Washington, D. C.

MY DEAR ROBERT: It is gratifying to me to know of your recommendation, made in a letter to Vice President GARNER and Speaker BANKHEAD, to the effect that it is your feeling the Civilian Conservation Corps should be put on a permanent basis and the administrative personnel placed under civil service.

I want to strongly support the position which you have taken in this matter. I have long felt that the splendid work being done by your organization makes it worthy of permanency. On every occasion where it was appropriate and timely I have urged that this be done.

I have visited many of these camps and always my admiration has been increased for the program which is so successfully being carried forward under your leadership. This is the type of work which it seems to me can effectively be carried forward under Government guidance and control. The conservation program, from the material side, means that through Civilian Conservation Corps activities we are building a better land in this Nation. On

the human side the program has certainly gone far toward building better men.

I believe the investment made in the Civilian Conservation Corps has been a wise one. It is my considered opinion that it should be carried on. I shall cooperate enthusiastically in support of the permanent establishment of this worth-while agency.

With personal good wishes, I am,

Sincerely yours,

JENNINGS RANDOLPH.

P. S.—As a member of the House Labor Committee, I shall cooperate in every way to secure the passage of the legislation which has been introduced to bring this about.

Agriculture

EXTENSION OF REMARKS

OF

HON. FRANK CARLSON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 26, 1939

ADDRESS BY HON. FRANK CARLSON, OF KANSAS, OCTOBER 26, 1938

Mr. CARLSON. Mr. Speaker, under unanimous consent of the House, I am inserting today in the RECORD a speech I delivered before the annual convention of the Farmers' National Equity Union at St. Francis, Kans., on October 26, 1938. The farmers at that time were suffering seriously because of low farm prices and a greatly reduced agricultural purchasing power, and these conditions still exist. Therefore, Mr. Speaker, I feel that these remarks are pertinent to the situation as it is today.

Mr. Chairman, delegates, and friends, I deeply appreciate your kind invitation to address this annual meeting of the National Farmers Equity Union. Your organization has grown to be one of the outstanding farm organizations in the United States. Your 100-percent cooperative program is the basis of a prosperous and permanent agriculture. Agriculture is America's basic industry and the only indispensable vocation of man. Men must till the soil if we are to have food and clothing for the Nation. A quotation from Thomas Jefferson reads:

"Let the farmer forevermore be honored in his calling, for they that labor in the earth are the chosen people of God."

It is interesting to note that history does not record an instance where any nation suffered economically, financially, or socially so long as those engaged in agriculture were prosperous and happy. The purchasing power of the farmer determines the degree of our national prosperity, or in the words of Gifford Pinchot, "As the farmer prospereth so prospereth the Nation."

This Nation today is suffering because of the low purchasing power of agriculture. It effects the manufacturer, the merchant, the banker, the physician, and the laborer. I think this can best be illustrated by a short story.

One evening a farmer was studying the returns he had just received from a shipment of cattle which had been consigned to the central market. As he studied these returns he soon discovered that the cattle had brought $12 less per head than the note at the bank. He was greatly worried, and after going to bed could not sleep. He stood it as long as he could and finally determined he must get up and call his banker. He called the banker out of bed after midnight and informed him that he regretted very much to disturb him, but he had just received his cattle returns and they lacked $12 per head of taking care of the note. The farmer said, "It worries me so I can't sleep." The banker replied, "Mr. Farmer, you go back to bed. I'll sit up the rest of the night."

It must be remembered that every dollar paid to the farmer for his products gets back into the channels of trade, and when society decrees this shall be a mere pittance of the national income, it follows naturally that the farmer can spend only what he receives. The farmers of our Nation do not ask for special favors, but they are interested in one thing, and that is the securing of parity income, parity prices, or cost of production for the things produced on the farm that they must sell in the public market. Records show that our country has never been on a solid or prosperous basis unless agriculture was prosperous.

FARMERS' SHARE OF NATIONAL INCOME

In 1850 agriculture's total share of the national income was 33.6 percent. This declined steadily until in 1932 agriculture was receiving but 7.5 percent of the national income. This change was caused, no doubt, largely by a shift of our population from the farm to the city during this period, but it shows the inequality of the farm income with the nonfarm income. Not only did agriculture's total share of the national income decline from 1850 to 1932 but the per capita farm income in relation to the national total income also declined from a high point of 67 percent in 1860 to 30 percent in 1932.

In 1936 our national income was $63,799,000,000, out of which agriculture received 9.4 percent, or approximately $6,000,000,000. In 1937 it was estimated that the agricultural income, including benefit payments, was less than $10,000,000,000 out of a national income of approximately $70,000,000,000. Present indications are that the income this year will be more than $1,000,000,000 less than last year. I know you will agree with me that it is impossible to have a sound recovery when the farmer and agriculture, representing about 30 percent of the population, actually receive less than 10 percent of the national income. Is it any wonder that individual farmers are moving from the farms to the cities in order to get the benefit of our great national relief programs?

This agricultural situation is so serious that I am reminded of the following story:

A farmer was driving by a State hospital, and he turned his car off the side of the road under the shade of a tree to tinker with the motor. One of the inmates of the institution walked out to the fence and asked the farmer where he lived. "About 2 miles down the road," he replied. "And what's your business?" asked the inmate, to which the farmer replied that he lived on and operated a farm. The inmate then asked the farmer if he had ever been crazy, and he said "No." The inmate looked at the farmer and said, "Well, it beats being a farmer."

AN EVER-PRESENT FARM PROBLEM

Our farm problem did not come with the depression. Even during the years which we have designated as years of prosperity it was here in an aggravated form. Had our farm troubles begun with the depression we might well hope that when we got back to the favorable condition of 1929 that they would disappear. The truth is they were present then and will continue to be with us. In fact, I ask when has there been prosperity on the farm during recent years, except in times of war or in case of crop failures on a large scale in other countries. The farm question has its roots in conditions other than those superimposed by a general depression. The farmer has produced and assumed that the American people could buy his products. The farmer has not overproduced measured by the needs of the people. He has gone further and produced sufficient to make comfortable all of the people of the land and in so doing has discharged his obligation to society and the country. Unfortunately our national income was so distributed that 80,000,000 people must confine their purchasing to the necessities of life and 50,000,000 must be satisfied with far less. Here is where the difficulty arose. This economic crisis in the life of the farm has not only revealed the tragedy of the farm but the tragedy of the Nation. When one realizes that we have approximately three-fourths of the gold of the world in this country and yet have 13,000,000 people unemployed and that there is dire need and distress in practically every section of the country, one must admit there is something wrong with our economic system. With anything like an equitable distribution of our national income the farmers of the Nation would be in a position to start the wheels of industry and relieve this condition by purchasing needed supplies. Every farm is in need of new improvements, paint, fences, etc., and could and would start the wheels of industry by their purchases. Their purchasing power depends upon a market.

THE AMERICAN FARMER IS ENTITLED TO THE AMERICAN MARKET

The question then arises, Where is this market? Some economists maintain that we must find our markets in Europe or in the Old World. It is my contention that the American farmers' market is the home market; in fact, he is entitled to the American market. Every effort should be made to enlarge our foreign market, but present indications are that there is going to be a smaller and smaller demand for our agricultural products in foreign countries. We know it has been the policy of all nations since the World War to increase their agricultural output. Backward countries with fertile soil and an abundance of cheap labor are supplying and building up production to such an extent that it not only reduces the demand for American products but is actually invading our American market. It seems to me that the only market for the American farmer is here in the United States. The market is here in the homes of millions of our common people and will be found as soon as we restore purchasing power to these people. Therefore, it seems to me that the farm purchasing problem is the most profound problem in our world social structure. It matters not how many billions we pour out in the form of emergency relief, if the 30,000,000 people engaged in agriculture, representing six and one-half million homes, are unable to buy even the bare necessities of life. Therefore, our first step to secure national prosperity should be to insure the American farmer his own market at a fair price.

FARM TENANCY

The alarming rate at which farm tenancy is increasing in the United States is of grave concern to every citizen. From the very foundation of the Nation 150 years ago the ideal held out for American agriculture has been that of farm operators who should own the land on which they live. It is not enough to say that the depression or economic condition of the country has resulted in a great increase of farm tenancy. A thorough analysis of statistics on the subject will show that the 20-year period from 1880 to 1900, when the United States was literally giving away hundreds of millions of acres of land, the number of farm tenants actually increased by 1,000,000 and in the 35 years from 1900 to 1935 a further increase of only 800,000 was registered.

In the year 1880 it was found that we had 4,008,907 farms in the United States. Nearly 74.4 percent were operated by their owners, or only 25.6 percent were operated by tenants. Today over 50 percent of the farm population of the United States is listed as tenants, according to figures submitted by the United States Department of Agriculture. Every year for the past 10 years the number of new tenants has been about 40,000. Fifty years ago 1 out of every 4 farmers was a tenant. Today 2 out of every 5 are tenants, and on some of our best farm lands 7 out of every 10 are tenants. Many tenants change farms every 2 or 3 years and apparently 1 out of 3 change farms every year. At the same time, the number of owners of family-size farms has been rapidly declining.

No country can feel secure when 40,000 farmers become tenants annually. In addition to this large group of new tenant farmers, we have a big army of tenants who have simply farmed themselves poor and almost helpless on submarginal lands. Those of us who read history know that Denmark had a farm problem 60 years ago similar to the one we are now passing through. The condition in that country became desperate, and the nation set up a new program of cooperative financing and marketing for agriculture.

The Denmark system has operated successfully for more than 50 years. Denmark is one of the finest agricultural countries in the world. Here farmers practically run the country on a cooperative basis. During the recent world-wide depression their buying power has been affected some because of the economic condition of England, which is her principal buyer, but otherwise her prosperity has been sustained. Our tenant problem is a serious one, and we must solve it or at least make a serious attempt. This Nation cannot afford to stand by and twiddle her fingers while relief rolls are mounting and while thousands of tenant farmers are eeking out a mere hand-to-mouth existence. This Nation has embarked in a small way on a farm-tenancy program, but this must be greatly enlarged and materially changed if we are to care for the increasing number of farm tenants. Ownership is the best answer America can give to communism. Radicalism, like a diseased germ, can thrive only on misery, but bring it out into the sunshine and happiness and it dies. We cannot build a great Nation on a shifting population of tenants any more than we can build a great building on a foundation of sand. Men, to be good citizens, must be rooted to the soil, and, therefore, the home owner is the best citizen in time of peace. He makes the best soldier in time of war. He has more to live for and, if need be, more to die for. If we want to keep the system of private property in the United States, we must make it possible for more of our people to own property. With such a high percentage of our people who own no property, it is mighty easy for the radicals to persuade them to join the ranks of the destructionists. There are too many who feel they have nothing to lose in an upheavel and might stand to gain in the shuffle. A hundred percent cooperative program would go a long way toward solving this problem.

Concededly, the real problem of agriculture today is to devise some plan which enables the producer to make at least a normal profit without sacrificing his personal liberties or initiative.

FARM CHEMURGY

The most significant and encouraging sign for new agricultural markets is the phenominal growth of the farm chemurgic movement which is based on the philosophy of creating new wealth and new opportunity. Since the farm is a primary source of America's raw material science has a wonderful opportunity to provide new materials and uses for farm products. With the development of farm chemurgy a profitable employment will be secured for idle acres and employment for idle hands will follow. This new agency is meeting the demand for new and expanded markets for our farmers who are constantly facing overproduction. The National Farm Chemurgic Council, Inc., is nonpolitical and nonpartisan, and is conducting an active program based on the cooperation of the farmer, manufacturer, and scientist. In its brief history the chemurgic movement has attracted Nation-wide interest. It is estimated $150,000,000 have been invested in chemurgic industries resulting from public and private research, and all providing new purposes and new markets for farm products.

At present farm products from 40,000,000 acres are being used by chemurgic manufacturers and it is believed that within 10 years, through further research and applied science, that 50,000,000 additional acres will be required to meet the demand of these industries. For many years agriculture had a program of "making two blades of grass grow where only one grew before." The new program must be to find new uses for agricultural products. Great strides have been made in the manufacture of power alcohol. This is a field in which surplus crops could be utilized and it is estimated that the entire surplus could be used in this industry. Methods must be found whereby the price per gallon of power alcohol can be manufactured and be in line with other motor fuels. The dairy industry has developed some interesting new markets and has promise of giving still more in the future. In recent years large quantities of skim milk are being dried and manufactured into powder form.

One product which has become an important commodity in the last few years and which holds much promise in the future is the soybean. The acreage of soybeans in the United States has increased from 2,000,000 acres in 1924 to 5,000,000 acres in 1937. Actual production has increased even faster, rising from 5 to 40 million bushels in the corresponding period. This bean is now used for meal, oil, green beans, and dried beans. At the present time there are 35 mills used for crushing soybeans into oil and oil meal. This oil may be used for glycerine, enamel, varnish, paint, waterproofing, linoleums, soap, rubber substitutes, lubrication, and for human consumption.

Another crop for which new uses have been secured for great value to the growers is the sweetpotato. The sweetpotato today is the source of a new starch which is useful and is being used for laundry work, gumming for postage stamps, envelopes, and labels. Raisin seeds used to be quite a nuisance. Now an oil is made from them and sprayed on the seeded raisins to keep them fresh and soft until eaten. The small seed of a tomato was formerly a waste product of the catsup industry. Today the seeds are crushed and the oil contents used in food and for making fine soaps.

PARITY PRICE CONCEPT

The parity price concept for agriculture, as embodied in existing legislation, recognizes the fact that we must have a free exchange of goods and services on a basis that will mean a fair price to the farmer and furnish him an income basis if we are to have and maintain prosperity. Everyone must agree that our Nation cannot survive if we are to maintain a high price level for industry, a high wage level for labor, and at the same time insist that the farmers sell their products at a world market level. This Nation must work out a farm program that will give the farmers equality in purchasing power with labor and industry. Therefore, I have arrived at the following conclusions regarding the need of a permanent and prosperous agriculture.

CONCLUSIONS

1. Give the American farmer equality of opportunity and a chance to obtain a fair share of the national income.
2. Permit no legislation to be enacted which will result in either immediate or eventual regimentation of the American farmer.
3. Restore the American market to the American farmer.
4. Continue a soil-conservation program to help the farmer improve his land and diversify his crops.
5. Protect the family-size farm by giving greater benefit payments to the small farm on the same principal which provides exemptions and lower-rate taxes for small incomes.
6. Foster cooperation among farmers and farm organizations as a means of solving their problems. Cooperation, to be successful, must be based upon a solid business principle and absolute control by the farmers themselves.
7. The conservation of our national water resources, the preservation of peace and the encouragement and protection of home ownership.

Government Credit Agencies—Bonds and Interest Rates

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 26, 1939

Mr. VOORHIS of California. Mr. Speaker, the lower the rate of interest goes the more likely will it become that investment will be made in productive enterprise instead of in the purchase of bonds, mortgages, or other certificates of indebtedness. There are two reasons for this. The first is that, since interest is low, the margin of investor's preference for buying an interest in enterprise instead of buying the right to collect someone's debt to him will increase. The second reason is that the lower the rate of interest, the better chance there is that the enterprise can show a profit from his business.

Now, in recent years two groups of people have been in great distress in the United States because of their debt burdens and consequent foreclosures of their properties—either actual or threatened. These are the farmers and the home owners. In the case of both groups the Government has set up great agencies to try to help them out—the Farm Credit Administration for agriculture and the Home Owners' Loan Corporation for home owners. The rate of interest charged farmers on Land Bank Commissioner loans and the rate charged home owners on loans made to them has not been based merely on the costs of administration plus a margin to cover losses, but has been based upon those factors plus the rate of interest which the Federal Farm Mortgage Corporation and the Home Owners' Loan Corporation were paying on their outstanding bonds as well. If these agencies

had had no outstanding bonds, obviously their rates of interest to their borrowers could have been much lower, fewer home owners would have lost their homes, and more farmers would be in the black today. Let us explore this idea.

The fact is that Government credit agencies assumed burdens that private finance would not or could not assume; and that while the Government was doing this it, as a matter of fact, paid the banking system a handsome gratuity in the form of interest on bonds which the banks "bought" with credit created for the purpose. Take the Home Owners' Loan Corporation, for example. It was brought into existence partly to save the homes of distressed owners from foreclosure; but certainly another function of H. O. L. C. was to take off the hands of the banks of the country great numbers of mortgages that were in many cases not likely to be collected. I do not object to that. It was a good thing to do. But I do contend that had H. O. L. C. not charged so high an interest rate to its home-owning borrowers, some of the homes that it has had to foreclose might have been saved to the owners. And, more especially, I point out that at least one reason why H. O. L. C. charged as high a rate of interest as it did was because it had to cover the interest on its own bonds.

Here is what happened: The banks, exercising their power to create deposit credits, made loans of those credits to home owners secured by mortgages. After the crash of 1929 it became apparent that many of those loans would not be repaid. So the H. O. L. C. stepped in and took over those shaky mortgages. In exchange for them it gave the banks Government bonds. Those Government bonds were as good as gold; they were tax-exempt; and on top of that they bore interest. In other words, the banks originally made loans—not cash loans, but extensions of credit manufactured simply by book entries in the banks' books. Many of those loans turned out to be shaky. So the banks erased their book entries, turned their risky mortgages over to the H. O. L. C., and in exchange got the equivalent of hard cash plus interest.

To be more exact, H. O. L. C. issued bonds and sold them to the banks for deposits in favor of H. O. L. C. on the banks' books. Generally speaking, in other words, the banks created the checkbook money with which to buy the bonds. Then H. O. L. C. drew checks on its accounts with these banks in favor of other banks, or maybe the same ones, and purchased from them the mortgages.

You may be perfectly sure the banks that first loaned money on those mortgages sold no bonds in order to raise funds to make the loans. They created the demand deposits and loaned the deposits to the mortgagors. This is the way our present monetary system works. This great Nation depends for its supply of money on the creation of deposits by 15,000 commercial and investment banks.

The Constitution vested the money-creating power in the Congress of the United States. Yet, to protect a private special prerogative, the right to create credit, the Government gave, first, $3,000,000,000 in bonds to the banks for credit on their books and then paid them the same $3,000,000,000 back again for the mortgages. Interest on the bonds continued and to meet it the home owners' interest had to be kept relatively high, and because of that and other reasons foreclosures ensued and people were put out of their homes.

The same story is true of all the credit agencies of the Government. However well secured their loans may be, however vast the potential reserves evidently present in the taxing power of government, nevertheless, each of these credit agencies first exchanges its bonds with the banks for their privately created checkbook money before it loans money on however good security or for however urgent a purpose.

It would be well to consider the free gifts which these credit agencies have given to the financial interests of the Nation before criticizing them for sustaining losses occasionally in their attempt to relieve agricultural and business distress.

Day by day bank credit, which is the money of America, is created by private investment bankers to finance the purchase of great aggregations of the fixed capital assets of the Nation or to buy in the national debt, or, indeed, to make possible the operations of a Philip Musica. Then why in heaven's name is it not all right for credit to be created on a far broader and firmer base by public agencies of government in order to protect the public welfare?

I ask no special privileges for the Government of my country. All I do ask is the same privileges for that Government, as it attempts to act in the public interest, as are claimed for private interests as they act for themselves.

Then, indeed, farmers, home owners, small-business men, builders, and a host of others could obtain credit at so low a rate of interest that they could pay their debts more easily and keep their homes and farms and businesses running far more satisfactorily.

Puerto Rico's Activities

EXTENSION OF REMARKS

OF

HON. SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Monday, Jañuary 16, 1939

Mr. IGLESIAS. Mr. Speaker, permit me to refer to some of the activities of the great bulk of the population of Puerto Rico. Our little island of Puerto Rico is spending a considerable amount of money to expand its tourist business. During the last few years we have entertained a greatly increased number of visitors attracted by the island's moderate year-round climate, its delightful tropical scenery, and historic forts and monuments. This influx of visitors would be an unqualified blessing to our little Caribbean territory were it not for the fact that too many of our guests are writers, bent upon grasping in several days or a few weeks an understanding of our complex political, economic, and social problems.

Puerto Rico, of course, has no grudge against writers in general. We welcome talented visitors who can tell the world about Puerto Rico and its people. But to interpret Puerto Rico properly to the reading public requires a rather careful understanding of the fundamentals of sociology, political science, economics, and psychology. Unfortunately for Puerto Rico, too many of the writers who visit us have no more than the ordinary 4-year college education, and I suspect that some few of them found it necessary to discontinue their formal schooling at about the sixth grade.

As a one-time editor of three newspapers I naturally am disposed to feel kindly toward journalists, magazine writers, and even columnists. But I am beginning to waver in my loyalty as there accumulates in my files a growing mass of inaccurate, misleading, and, sometimes, vicious comments about our charming but struggling island. All that keeps me from complete despair is the knowledge that the inaccuracies and exaggerations are not intentional—at least the great majority are not.

Right now, as I am setting down my opinions, there probably is another misguided writer somewhere finishing up a sensational article. If this author runs true to form he will tell his readers that "Puerto Rico now faces the worst economic crisis in its history"; "that the plight of the underprivileged and exploited Puerto Rican laborer is far worse after 40 years under the American flag than it ever was under the Spanish rule." The writer is almost certain to state, with no consideration for the tremendous social progress which Puerto Rico has made, that the people live there in abject poverty, and he will be aghast at the shortage of sanitary facilities. Continuing, he is very likely to comment on the high rate of illiteracy and to deplore the fact that only about half the children attend school.

After talking with a few of our "ilustrados," our misguided intellectuals who can see no good in the island because of their own lack of success, our writer will charge that civil liberties are being suppressed right and left, and will review all instances of occasional disorder and violence on the island,

giving the gloomy impression that neither life nor property are safe in Puerto Rico. In short, if he follows precedent, he will attribute to Puerto Rico all the social, economic, and political disorders known to the world. Some commentators have even reported that fascism and communism exist in Puerto Rico, which is absolutely untrue.

I will admit that it is extremely difficult, if not impossible, for even the most able writer to survey conditions in Puerto Rico in 2 or 3 weeks' time and come out with any sort of a sensible or accurate summary of our present status. Indeed, the Brookings Institution, one of our best-known research organizations, maintained a staff of experts on the island for many months and still did not feel that it had found the answer to all our problems, so it is no wonder that an individual writer may make many mistakes if he tries to delve into too many aspects of Puerto Rican affairs in a fortnight's time.

As the island's official representative in the United States Congress, these misleading and unfair statements annoy me greatly. The more accurate and unbiased comments, which sometimes crowd their way into print, unfortunately do not completely offset the more sensational but misleading picture which has been placed before the public to the discredit of the island.

I think I am qualified to speak about Puerto Rico, inasmuch as I was a grown man there at the time of the American occupation in 1898 and have lived there ever since, except for the 6 years I have spent in Washington as the island's Resident Commissioner. Having been in public life all that time as a leader of labor and a member of the insular legislature, I have been close to Puerto Rico's problems and have gained an understanding of the situation there.

Puerto Rico does have its problems, serious problems; there is no doubt about that. The status of the island now is by no means satisfactory, but, on the other hand, it is by no means as critical or hopeless as many writers picture it. Their chief error lies in their lack of standards by which to judge what they see and hear. Compared to some of your fine mainland cities—alongside the Gold Coast in Chicago or Westchester in New York State—Puerto Rico does make a rather sad showing, physically and socially, but compared with the slums of New York and conditions we hear about among tenant farmers in the South, Puerto Rico has not much to be ashamed of, although too many of the writers do not think about that.

To judge Puerto Rico fairly it is essential that present-day conditions be compared, first, with the conditions which prevailed in the past; and, second, with present-day conditions in other nearby tropical areas. On these bases our island can hold its head pretty high, as I shall try to establish.

First of all, we must consider the background of the island, for only in that way can we judge its progress, which, after all, has a strong bearing on its future. Remember that Puerto Rico spent 4 centuries—400 years—as a colony of Spain and was largely neglected during all that time. Spain, like any other world power of that era, was interested in colonies as sources of wealth. Peru and Mexico were just that. They furnished gold and silver and various needed commodities. Puerto Rico, on the other hand, was not even self-supporting. It had no precious metals and no other resources than its soil; consequently the Spanish Government paid slight attention to the island and did little to develop it, either agriculturally or industrially. As a result, living standards were wretched, there was very little capital, literacy was low, and education was the privilege of few. In comparison with its Caribbean and Latin-American neighbors at that time, Puerto Rico was backward and underdeveloped.

As soon as the island became a part of the United States in 1898, and particularly since the Puerto Rican people became citizens of the United States, great progress has been made along many conceivable lines.

Take labor conditions, for example. Some of the writers now claim that the present-day laborer's plight in agriculture and in certain industries is miserable. That may be true, but we have to look below the surface. It is true that many of the laboring class in the country live in crudely built homes with a minimum of furniture and conveniences; that they are destitute. It is true that the dollar wages today are much lower than we would like to see them, but they are about three times as high as in 1898, and are increasing steadily with the help of the labor organizations there. In addition, we have in Puerto Rico, and strictly enforce, a child-labor law, a model workman's compensation law, and an 8-hour day both in the mills and in the fields. Collective bargaining has been practiced between labor and capital for some years and works successfully, and we now have the Federal Wage and Hour Act. Our strikes are settled more quickly and peacefully than before, often with the aid of arbitration.

It is absurd for any writer to say that labor in Puerto Rico is oppressed. I wish to flatly contradict that charge. Our laborers and others in the island enjoy freedom of speech, and of the press, trial by jury, freedom of religious belief, and all the other privileges of American citizenship. We do not vote in national elections, but we have a true democracy in which we elect our own legislature and many other public officials.

Wages are comparatively low, as I have mentioned, but in other ways the laboring class is enjoying conditions which are far better than under the old Spanish rule. Some of our workers receive free homes from their employers, together with lands on which to grow food to supplement their incomes. Free medical and hospital services are available in certain instances. We have no Utopia, that is true, but there is no oppression.

Actually labor conditions in Puerto Rico are superior in certain respects to those prevailing in some poorer sections of the 48 States, and have improved greatly since the American occupation. I can speak on this subject with some knowledge, because I was one of the first labor-union organizers. Indeed, I was put in jail just before the Spanish-American War broke out, sentenced for daring to propose that laborers be given the right to strike and to bargain collectively. I was in jail when General Miles and his troops landed on the island and was released and became an interpreter of the American ideals. Today those rights for which we had to fight and to suffer are enjoyed by every laboring man in Puerto Rico.

Next, let us consider the matter of malnutrition which most of the writers emphasize. No one is starving in Puerto Rico, and plain and modest as the average laborer's diet may be, it is superior to what he enjoyed in 1900 and earlier. We know that because there is more food consumed per person on the island than there was 40 years ago. Local food production has increased at about the same rate as the population in that period of years, according to official Census Bureau figures, but purchases of food from the outside—almost entirely from the farmers in continental United States—have increased sixfold while the population has merely doubled.

Not only is there more food to eat, but the average diet is better balanced than it formerly was. Puerto Rico buys and consumes each year much more of the important nontropical foods, such as meat, lard, wheat flour, butter, and milk, than any of the neighboring tropical countries. The average diet, to be sure, is not what it might be; there are many cases of malnutrition in our island, just as there are in some sections of the States, but there has been much improvement in the average diet and there will continue to be. The Puerto Rican people can purchase the additional foods only because they have a higher buying power than the people of various other countries in that vicinity.

Many of the writers who attempt to solve Puerto Rico's problems seize on the well-exploited idea that we would be better off if we stopped growing sugar and tobacco for sale outside the island and use all the lands to grow foods for local consumption. That sounds fine to anyone who does not know Puerto Rico, but it just cannot be done in such a way. In the first place, some of the foods we now buy from the States cannot be produced successfully in Puerto Rico. It is

impossible to raise wheat there and get anything approaching a satisfactory yield, and we now consume 425,000 barrels of wheat flour each year. Rice yields are far too low even on our best lands, and the same is true of various other crops. Indeed, the limited wages paid to labor in the sugar industry, which is our principal crop and main source of income, will buy more than twice as much food as could be grown on all the sugar lands.

In addition, some of our outstanding scientists—and we have many of them—have determined that, if we discontinued growing sugar and tobacco except to fill local needs and use all the useful agricultural lands on the island to grow food, we could produce only enough to feed the present population very poorly on a minimum diet, far below what the average person wants today in Puerto Rico.

There is a shortage of household possessions in many homes. The average workingman's dwelling is plainly and sometimes meagerly furnished, but as buying power has increased, that condition has improved. We have bought from the States in the last 10 years more than 20,000 refrigerators, 20,000 enameled lavatories, 124,000 metal beds, 15,000 mattresses, 4,000,000 chairs, and millions of other everyday articles which add to the comfort of the people. We could use considerably more of these necessities, but the point is that we already have a great many, far more than we used to possess.

The picture as to education also has been greatly distorted. Against the charges that literacy is low and many of the children cannot attend school, I will make the unqualified statement that Puerto Rico has made more progress in public-school education in the last 38 years than any country ever has made in a similar period of time. That statement can be proved statistically.

For example, when Puerto Rico first became a part of the United States, there was only one building on the island which had been built to serve as a Government school; today there are more than 2,000 school buildings, many of them made from concrete and fine enough to do credit to any rural community in the States. In 1898 fewer than 23,000 children were in school, the total budget for education was only $130,000, and the investment in school property was negligible. At the present time, however, we have more than $12,000,000 invested in school buildings and equipment, more than 265,000 children attend school, and the insular and municipal governments spend in excess of $6,000,000 annually on public education.

Present-day expenditures for schools exceed the insular government's total expenditures back in 1898. Then the government spent only about $3,500,000 for all purposes, and much of that sum went for the upkeep of the army and the church. Speaking in general terms, we have expanded our educational program about tenfold in the 38 years, and the quality of the instruction has kept pace with the growth in facilities and enrollments.

Our record in combating illiteracy is equally commendable if one keeps the past in mind when evaluating the situation. In 1898 only 20.4 percent of the people 10 years old and over in Puerto Rico could read and write, but at present approximately 67 percent, or two-thirds, of the people classify as literate. The showing is less favorable than in any of the States, but represents an improvement of more than 300 percent. Moreover, if I may say so without appearing to reflect on other countries, Puerto Rico has a higher percentage of its population in school, a higher rate of literacy, and spends more per pupil on education than any of its Caribbean neighbors for which figures are available.

If our writers could take the time to seek out these figures, they would be less likely to throw up their hands when they learn that only about half the island's children can attend school. That situation exists because the facilities have not yet been expanded sufficiently to accommodate the remainder. It seems fair to assume, however, that the progress so far is a good guaranty that continued improvement will be effected in the future. After all, we have done pretty well in the short space of less than 40 years.

Our writing friends have been specially lax in their discussion of our sanitary facilities. Many of the homes are, to be sure, completely lacking in what we may call indoor plumbing. At the end of the Spanish regime, however, conditions were deplorable. There was just one city with a sewage system, only eight communities were equipped with water systems, and not one had any facilities for water purification. Now 38 cities have modern methods of sewage disposal, 68 have public water systems, and many have means for purifying the water. Steady progress has been made and is certain to continue in the future.

Our death rate has ben reduced more than one-third in the last 38 years, making the island a healthier place to live. And, believe it or not, we even have been criticized for that accomplishment. The reduction in the death rate, without a corresponding change in the rate of births, has contributed to the increase in population, with the result that we are adding about 35,000 or more new people each year to an already overcrowded little island. Some of the individuals who write about us state that we should have left the death rate alone and thus have prevented the population growth. That, however, is not the American way of life, and not the Puerto Rican way. We intend to continue our progressive improvements in sanitation and to find some other means for dealing with the population problem.

One very common charge is to the effect that the small farmers and landowners are being driven out and that the land is being concentrated into a few hands. That is easily answered by official figures. There were in Puerto Rico in 1935, according to official census figures, 52,790 individual farms; in 1920 there were 41,708 farms. The number of independent sugarcane growers in 1929 was 4,719; according to recent Government figures there were more than 12,000 cane growers in 1935. Actually, then, the number of small farmers seems to be increasing rather than diminishing.

Turning to a different field, what about law and order? I find that many of my acquaintances in the States believe Puerto Rico to be a hot-headed and unruly island. They have been misled by the ample reports of a few unfortunate incidents occurring in recent years. I am well informed on this subject, because I was a principal in one of the events.

A misguided fanatic fired several shots at me while I was campaigning for my second term in Congress in the fall of 1936, and inflicted a flesh wound in my arm. Our chief of police was shot down in 1935, and a regrettable incident resulting in some loss of life occurred in the spring of 1937 when armed radicals attempted to hold a forbidden parade at Ponce. It all sounds bad to be sure, but those are not everyday occurrences.

Actually, Puerto Rico is law-abiding and peaceful on the whole. We never have a kidnaping; there has been only one pay-roll robbery in recent years; and gangsters are unknown. There is a normal amount of petty crime, and we have a small group of radicals who want to upset the state of affairs, but those are insignificant factors in the over-all situation.

This brings us to the subject of independence, about which a great deal has been written and many misunderstandings exist. Because a small group of so-called Nationalists have been able to attract a great deal of attention, the outside world has assumed that they represent the general sentiment of Puerto Ricans. That group numbers fewer than 5,000, however, out of 1,300,000 people, and in no sense reflects the views of the island. A vast majority of the people value their American citizenship highly and hope to become even closer to the United States in the future.

I cannot tell you exactly how many of the people in Puerto Rico would choose independence if the idea were put up to a vote, nor can anyone else quote an accurate figure. I do know, though, that the leaders of the independence movement themselves do not claim that more than 20 percent of the people would vote for separation from the United States, and my own estimate places the figure well below that.

The last of the misleading pictures so often placed before the public is the statement that Puerto Rico is a burden to

the United States, that the Federal Government has poured millions of dollars into the island. Now, let us look at the facts. The United States has been generous with our island, especially during the last few years, but this is another relative matter. Actually reliable Government figures show that during the last 5 years Puerto Rico has had less Government assistance per capita than any of the 48 States, and that it has not participated at all in several of the most important relief funds. Indeed, some of the States have had four and five times as much financial assistance from the Government as Puerto Rico has received on a per capita basis.

As for Puerto Rico being a burden to the Union, the farmers in the States hardly can agree with that charge. For Puerto Rico is the largest single buyer of American-grown rice, buying more than all foreign countries together. It is the second best customer for meat products and the third largest buyer of lard. It ranks second as a customer of potato and fruit growers, and second as a buyer of wheat flour and both tobacco and cotton manufactures. The island buys more dried beans and peas from farmers in the States than are sold to all foreign countries combined. It is one of the 12 largest customers of the United States for all goods combined, spending $20,000,000 last year for goods produced or manufactured here. No; we are hardly a burden.

In addition, officials of the United States Navy Department have just stated that they consider Puerto Rico to be of the most strategic importance in national defense, and plans are under way for establishing there a large naval base to aid in the protection both of our own Atlantic seaboard and of Central and South America. Puerto Rico also is destined to play a highly important part in the success of the "good neighbor" policy, because of its strategic location between the big neighbor to the north and the smaller neighbors to the south.

The selection of Emilio del Toro Cuevas, chief justice of the Supreme Court of Puerto Rico, as 1 of 12 United States delegates to the Inter-American Congress at Lima, and the recent proposal to study the possibilities of utilizing the University of Puerto Rico for the promotion of cultural relationships between the Americas are indicative of the contribution Puerto Rico can make in the success of the "good neighbor" policy.

Puerto Rico has serious problems, as I have mentioned previously, and is handicapped in various ways. But one of our severest handicaps is the poorly informed writers who magnify our difficulties, distort our current status, and completely overlook our tremendous progress. I am hopeful, however, that we can remove that handicap, and the others as well, through the exercise of patience and typical Puerto Rican resourcefulness.

After Roosevelt—What?

EXTENSION OF REMARKS

OF

HON. CHARLES A. HALLECK

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 26, 1939

ARTICLE BY HON. BRUCE BARTON, OF NEW YORK

Mr. HALLECK. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following article written by Hon. BRUCE BARTON, which appeared in Collier's magazine under date of January 21, 1939:

[From Collier's of January 21, 1939]

AFTER ROOSEVELT—WHAT?

(By Congressman BRUCE BARTON)

Said a prominent Democratic leader 2 weeks before the election: "There's something going on—underneath. I don't understand it, and I don't like it. I have been all over the Central States. When you ask people how they intend to vote they change the subject. They are not talking, but they have quietly made up their minds to do something."

What was going on underneath was the silent protest of several million Americans. Farmers, who are just naturally opposed to being bossed even when prices are high, will have none of it when prices crumble. Small-business men and middle-class folks feel hampered and insecure. Young people, tramping wearily from door to door and finding no door open, are properly rebellious. Mr. Hopkins has assumed that the unemployed could be kept permanently manageable, but even they grow weary of the dole. People in each of these groups made up their minds to express their dissatisfaction in the typical American way, i. e., by throwing a brick through the front window of the administration in power. The Republican Party was the handiest brick.

This is the meaning of the election. Many millions of voters, annoyed at the New Deal, are in the political market for something different. What have we Republicans to offer?

Well, first of all, we are fully conscious that this is the twentieth century, not the nineteenth. The population of the United States in the last century increased fifteenfold. The richest continent in the world poured its treasures into the hands of the world's freest and most energetic people. Wealth grew by leaps and bounds; every new industry found the ranks of its potential customers swelling by the addition of new millions. The major problem was one of production—how to build the railroads and factories fast enough to keep pace with the demand. Even so recently as 25 years ago, when I became actively associated with the sales problems of industry, we could count on an additional million mouths to feed and backs to clothe each year—10,000,000 additional customers every 10 years. Sales were plotted and plant extensions planned on that sound assumption.

Now, with startling suddenness, this picture has changed. The stoppage of immigration and the precipitate decline in the birth rate have halted our population growth. In the kindergartens and the first five grades of the Nation's schools there are today 7.8 percent fewer children than there were 10 years ago. In 1949 there will begin to be fewer children in the first year of high school, and in 1960 there will be fewer brides and grooms. At this point the curve, instead of shooting upward as in the nineteenth century, will begin to turn down.

The task of the nineteenth century was to build for the demands of additional young customers, but today's task is to raise the consuming capacity of older customers. The political party that is equipped to render service in the future must begin by recognizing honestly (1) that the masses of the American people have been thoroughly convinced that they should and can have a better life, and (2) that the process of giving it to them must proceed without the impetus of a rapidly expanding population. Anyone who talks about the "good old days" marks himself as politically incompetent. There can be good days, but never good old days, because the good old conditions are gone.

The immediate obligation of the Republicans is twofold. We have first of all a negative duty. As the minority we constitute what the English delightfully term "His Majesty's loyal opposition." It is our constitutional function to compel the majority to defend its proposals before the bar of public opinion, to make sure that all measures are fully debated, all relevant facts developed, all weaknesses revealed. Our field of operations extends to the administrative as well as legislative aspects of the New Deal, and here a very big job of examination and revaluation needs to be done. The piling of agency on agency, and bureau on bureau, has resulted in forty billions of debt, 11,000,000 unemployed, and a condition approaching administrative chaos.

Democracy will never be saved by bureaucracy. If it is saved at all, the people must save it. Therefore, the party that attacks bureaucracy and seeks to throw the responsibility for self-government back upon the people is fighting for democracy.

HOW NEW IS THE NEW DEAL?

Years ago the historian Buckle pointed out that more progress has been made in the democracies of Europe by repealing bad laws than by passing new ones. The time has come to review the mass of New Deal legislation, preserve the good, and modify or repeal the rest. Both parties are agreed on adequate relief, collective bargaining, the regulation of exchanges, social security, and low-priced housing; these, in principle, have ceased to be matters of political controversy.

But beyond this common ground lies a broad area of rash experiment that is condemned by the whole record of human history. Here it may be truthfully said that little in the New Deal is really new. Its farm program is only an expensive variation of the coffee control that nearly bankrupted Brazil, and the rubber control that failed in England. Its centralized and regimented relief operations, with the unholy effort to influence elections, are as old as the decline of Rome, when emperors sought by "bread and circuses" to keep the masses in line. Its much vaunted discovery that "oversaving" and "underconsumption" are the cause of depressions goes back to de Sismondi, an Italian writer of the early nineteenth century, whose ideas were later appropriated and expounded by the German Socialists. Public works at the cost of deficits and crushing taxes were the chief feature of King Solomon's reign, whose kingdom broke into pieces as soon as he was dead.

Since 1929 the country has been in and out of the throes of the second post-war depression, corresponding to the depression of the 1830's after the Napoleonic Wars, and the panic of 1873 after the

Civil War. Always these second and severer depressions have been characterized by a flock of wild ideas. Every Member of Congress today receives some of these notions in almost every mail.

There is a simple yardstick with which to measure all these panaceas. One has only to ask, "Does the proposal offer an easy solution of an old problem? Does it promise to fix things up without effort or sacrifice on the part of anybody?" If so, it is no good. All the easy solutions have been thought of a million times, and tried repeatedly in periods of depression. One of the best and wisest of my friends used to say, "When I am dead, write this on my tombstone, 'Here lies a man who lived for 50 years and learned only one truth—there is no substitute for work.'" The Republican Party must have the courage to reaffirm this old-fashioned faith. The people may not be quite ready for it, but they will be presently. Having tried all the short cuts and found them ineffective, their common sense will welcome the idea that the way for us all to have more is to produce more, that not money wages but real wages are important, and that only a united effort on the part of industry, labor, agriculture, and government can create an income of eighty-five or ninety billions such as we had in 1928, when there was practically full employment. We Republicans admit that the distribution of the national income was faulty at that time; there was too much money at the top and not enough down below. We favor a fairer distribution, but we favor first and foremost a policy that will create something to distribute.

Space is limited. Let me try to be brief and specific.

Taxation: When Congress met in special session on November 15, 1937, the country was already in the first stages of a depression. The administration, which had boasted that "we planned it that way," sought to laugh off the seriousness of the situation by the feeble expedient of applying the softer word "recession." The Republicans realistically faced the facts. On the first day of the session we met in caucus and committed ourselves to work for the immediate repeal or modification of the capital gains and undistributed-profits taxes. A joint resolution could have passed both houses in 24 hours. It would have liberated vast amounts of "chance taking" capital on which the heavy industries, and hence the prosperity of the Nation, depend. As a courageous move for the reassurance of all industry it would have saved many jobs. The administration fought the proposal with all the power at its command. When, months later, Congress took the bit in its teeth and passed the tax bill, it was too late. The depression had become acute. Men and women who lost their jobs last winter or this spring can lay their troubles at the door of the White House. The Republicans fought to save those jobs.

WHEN TAXES REALLY DESTROY

The United States has no intelligent system of taxation. More than 175,000 separate taxing bodies are empowered to bedevil industry, agriculture, and the worker. The medium-sized business with which I am associated has offices in 6 States; it must file 97 different tax returns—local, State, Federal, and social security. In England it would file one. Here is a tremendous field for simplification and economy. The New Deal has no tax policy except to hunt out every working dollar and slap a penalty on it; there is no appreciation of the sad fact that every dollar collected in taxes is a deduction from the people's purchasing power and hence a brake on production. The only move toward a new philosophy of taxation has been made by a Republican, Senator VANDENBERG, whose resolution for the investigation of so-called "incentive taxation" brought about the appointment of a special Senate committee now in session. The idea is to discover whether the power to tax, which has been properly termed the "power to destroy," can be turned about and made the power to encourage; whether incentive may be extended by lightening the tax burden on productive dollars and increasing it on the unproductive.

Social security: The present law tossed aside the experience of other countries and the advice of experts by dismissing the "pay as you go" policy and providing for a so-called "reserve" of billions. The reserve is not a reserve at all but an out-and-out fraud. The hundreds of millions of extra tax money collected annually is not being accumulated to meet future payments but is being poured out in the T. V. A., or the effort to reelect Senator BARKLEY, or wherever and however the administration may decide. The unnecessarily heavy burden of the pay-roll taxes acts to diminish employment. The law should be revised and the "pay as you go" principle adopted.

Relief: A statesmanlike document presented to the Congress in the last session was the minority report of the Republican House Members on the administration's measure coupling pump priming and relief. Had the recommendations of the Republicans been adopted, the country would have been spared the scandal of relief funds being used to influence elections; the administration of relief would have been decentralized and made nonpartisan; those who deserve help would have been more adequately cared for, and the tax burden decidedly reduced.

The Wagner Labor Relations Act: Designed to guarantee the right of collective bargaining and improve the condition of labor, this act has been followed by an epidemic of strikes and bitter controversies. It is a one-way law. It sets up a board that is complainant, prosecutor, jury, and judge. Before it the employer has no rights, and from its decisions, either as to fact or law, there is no appeal. It was enacted under the mistaken notion that has pervaded so much of our recent legislation that what is good for business is bad for labor and agriculture, and that what is bad for business is good for labor and agriculture.

With the purposes of the act we Republicans are in accord, but it is no secret that the President and Senator WAGNER both are well aware of the defects operating to defeat its purposes. Their hands are tied because the New Deal is politically and financially in debt to the C. I. O. The Republican Party seeks to advance the interests of American labor and promote employment by the wise amendment of this law.

The railroads: The Republican Party would proceed promptly to the reorganization, recapitalization, and coordination of the railroads. The objective must be not higher but lower rates. Prosperity consists of volume of business multiplied by velocity. Make the movement of people and goods swift and inexpensive and you have taken a long step toward full employment, cheaper housing, and the solution of the farm problem.

Government competition with business: Government should never seek to do with taxpayers' money what private citizens can do better and more economically with their own. The acceptance of this principle will mean radical revision of many New Deal policies; we may consider the utilities as just one example. Here is an industry that should begin immediately the expenditure of not less than $3,000,000,000 for modernization and expansion. It is spending practically nothing. Why? Because you, gentle reader, are afraid to put a nickel of your savings into utility stock. We are accustomed to speak carelessly of "capital" and "capitalists." You, with your $100 of savings, are a capitalist, and the total of the savings of millions of people like you constitutes "capital." You want to invest your savings where they will be reasonably safe. You do not want to put your $100 into an electric plant if tomorrow Mr. Ickes can point a revolver at the head of the management and say: "Either sell your plant to the city for 50 cents on the dollar or we will use public money to build a competing plant and put you out of business." This utility deadlock could be cleared up in 48 hours, with full protection of the public interest. The Republican Party would clear it up and in doing so create tens of thousands of jobs.

The farmer: The one best part of the Agricultural Act of 1937 was the section authorizing several million dollars for research in new uses for agricultural products. This provision, strongly urged and supported by the Republicans, has excited only mild interest in the Department of Agriculture, where the thinking is in terms of restriction, cash bonuses, and votes, not of research and new markets.

The present farm problem is a self-evident failure. Each new session of Congress is asked for increased appropriations, yet the surpluses mount, the prices tumble. A sound program will provide for research for soil conservation, for the storage of surpluses, and for low-priced transportation. It will abolish bureaucratic control, encourage low-priced producers to produce to capacity, and help the farmer who cannot produce efficiently to establish himself in some other form of useful activity. Abundance at low prices is the only sound program for the farmer or the industrialist.

Other issues are omitted for the present because of the limitations of space. I wish to conclude with something that seems to me far more important than any specific legislative proposal, a discussion of the spirit in which the Republican Party would approach the whole problem of re-creating the American vision of the future.

A moment ago it was remarked that little in the New Deal is new. But something has happened in the past 50 years to produce greater changes in human life than in the several thousand years before. That something is modern business, with its fairy stepchild, organized scientific research. In 1893 there was a world's fair in the city of Chicago, and 40 years later, in 1933, there was another. The estimate has been made that half of the people who attended the second Chicago fair were supported by industries that did not even exist at the time of the first.

There was no industrial laboratory for scientific research in America at the time of the first world's fair; today there are more than 1,600 such laboratories, and industry is expending $800,000 a business day to find new products and ways of improving present products and producing them more cheaply. Obviously these laboratories and the business organization that has established and now sustains them are the first and most important shock troops in the battle against poverty, ill-health, unemployment, and insecurity. Has any member of the New Deal ever visited one of these laboratories? Has any Washington official ever tried to find out what opportunities for increasing employment and adding to the general well-being are envisioned in the research work now going on? If a man from Mars were to descend upon us and discover the telephone, the automobile, the radio, and a hundred other modern marvels, each one the author of millions of jobs, he would ask: "What has produced these miracles?" And when he was told that they are the products of industry, his natural comment would be: "This thing you call industry must be indeed a wonderful enricher of life. Certainly you should cherish it, and seek to understand it, and encourage it in every way to go forward and produce more wealth for everyone."

DIAGNOSIS AFTER OPERATION

After 6 years of new bureaus, new taxes, new restrictions, and the monotonous repetition of the threat, "If business does not, Government will," someone in Washington conceived the idea that it might be a good idea to find out what business really is and how it operates. The result was the appearance of Mr. Charles F. Kettering, and others of his kind, before the Anti-Monopoly Committee. Mr. Kettering is head of the research laboratories of General

Motors. As the inventor of the electric self-starter, which made the automobile a universal servant and so helped to create millions of jobs, Mr. Kettering gave testimony that, according to the newspaper reports, astonished Senator O'MAHONEY and his associates. They were taken into a world of new ideas and future possibilities that they did not even know existed.

Why did the New Deal wait 6 years to discover men like Kettering? Why, after 6 years of surgical operations on business, does it at long last decide to put away the knife and try to make a diagnosis? How many jobs would have been saved if the diagnosis had been attempted 6 years ago, before the slashing started?

The Republican Party is the party of business (little "b" not big "B") and makes no apologies for that fact. It understands and knows how to promote cooperation. It knows too how sensitive and easily destroyed is that elusive but all-important element called confidence. A single careless remark from the White House to the effect that copper prices are too high is sufficient to set in motion the vicious spiral of deflation. An incendiary speech by Harold Ickes or Robert Jackson is enough to cause thousands of plans for expansion to be laid on the shelf. And taxes piled on taxes eat up the money that used to finance new ventures which, whether they succeeded or failed, were the source of new employment.

Industry is a living body, highly integrated, with nerves extending to every part. Cripple a limb, and the whole body limps; prick even a finger, and the pain is felt throughout. The Republican Party recognizes that there are still business maladies to be cured. But we would proceed cautiously, quietly, with one thing at a time.

America has submitted to 6 years of special emphasis on the inferiority complex. It has been told that its institutions are broken down, that it has no health, no hope. Today there is beginning to sweep over the country a homesickness for the simpler ways and quieter days. In this development, as is usually the case, the shift in popular sentiment is ahead of the perception of the politicians. While the New Dealers are still stirring new crusades, and promising more experiments, the people are beginning to hunger for cooperation instead of strife, for a chance to work and save something again, for peace and a generous dose of quiet. If this yearning increases it spells the New Deal's finish. The New Deal is the child of excitement, rash experiment, fanatical zeal, and sound and fury. When these pass, it passes.

Lifting ourselves by our economic bootstraps is no good. A high wage rate, if offset by high prices, is not progress. Abundance is achieved through mass production, and this means that those who can produce most cheaply, whether in the factory or on the farm, must be encouraged to do more. We merely defeat the whole program if we try by penalties to slow down the efficient producer in order to preserve the inefficient or to reward anyone for what he does not produce. These are simple fundamental principles, and on them the Republican Party would proceed.

But some of us hold that America's economic problems are at bottom spiritual; that what the country needs most of all is not more economic measures but a fresh and hopeful philosophy. What would happen if our leadership should encourage us to try to see how much we can give to the United States? What are the potentialities of America if a spirit of mutual confidence and cooperation can be substituted for class consciousness and organized greed? A people who have conquered a continent in a brief century and a half and turned it into the most powerful nation on earth can solve its problems of distribution and move forward to a life of comfort, security, and good will.

Some months ago a report came out of Washington to the effect that about one-third of the families in the United States have an annual income of $471. Did that seem to you a cause for discouragement? I interpreted it as the greatest challenge and opportunity ever offered in American industry. Suppose by making things better and cheaper we can give to $471 the purchasing power of $800, what a tremendous additional market that will open! Suppose that by cooperation between agriculture, industry, labor, and government we can lift the $800 to $1,200 or $2,500, how much more and better food will be consumed, how many factories will be called upon to step up their production, how quickly the railroad problem will disappear. This, not the dole, is the way to solve the problem of the "one-third who are ill-fed, ill-clothed, ill-housed." This is the program for a country that must have increased production without the stimulus of increasing population.

GOOD NEWS FOR VOTERS

We need more Ketterings in Washington and fewer Ickes and Hopkinses; more men of faith and practical wisdom, and a clean-out of the theorists and the defeatists. We need a leadership that will cry aloud: "The period of abuse, extravagance, and restriction is over." At least 10 years of quiet are needed to give administration a chance to catch up with legislation. In that period we are all going to work, we are all going to save, we are all going to be willing to put forth a little extra effort in order that the country can be made safer for our children and grandchildren. We are going to enlist in a 10 years' war, not against a foreign foe but against poverty, poor housing, worn-out industrial equipment, outmoded products that ought to be cheaper and better.

Already this spirit of noblesse oblige is beginning to be evident. Therein lay one of the most heartening things in the past campaign. In State after State a higher type of citizen entered the race for office; men and women never before in politics turned their backs on comfortable lives and substantial incomes to contend for the opportunity of public service. When you see a Saltonstall, a Vanderbilt, a Barbour, a Taft, and others of their kind ringing doorbells and canvassing the voters, it is good news. It means that those who owe most to America are recognizing their responsibility, that the spirit of sacrifice is at work, and is starting where it should start—at the top.

The Transportation Situation

EXTENSION OF REMARKS

OF

HON. BURTON K. WHEELER

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Wednesday, January 25 (legislative day of Tuesday, January 17), 1939

ADDRESS BY D. B. ROBERTSON AT FOURTH ANNUAL ECONOMIC CONFERENCE, WINTER PARK, FLA., JANUARY 26, 1939

Mr. WHEELER. Mr. President, I ask unanimous consent that the very able and illuminating address on the transportation situation, to be delivered by D. B. Robertson, president, Brotherhood of Locomotive Firemen and Enginemen, at the Fourth Annual Economic Conference, Rollins College, Winter Park, Fla., January 26, 1939, be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a privilege for me to appear in the environment of this beautifully located college, which President Hamilton Holt referred to as "an adventure in common-sense education."

Transportation appears to be an appropriate subject to discuss in these surroundings, for it was this function of our economic life which brought Florida into the Union. I am told that in 1885, when this fine institution was founded within this lovely lake district of the Ponce de Leon land, there were but 119 white families and 12 Negro families, 2 general stores, a town hall, a public school, the Rogers House, which is now the Virginia Inn, and the Congregational Church. In 1885 the last frontier of America was this fair State. As a former trustee of Rollins, Joshua C. Chase stated at your fiftieth anniversary celebration in 1935, "at that time, 1885, the peninsula of Florida was just beginning to emerge from the wilderness. Florida was really a poor State—its wealth per capita was lower at that time than any other State in the Union. Its resources were hardly in the commencement of their development—no automotive vehicles, no telephones, no radios, no electric lights or electric refrigerators or electric fans. There was no railroad operating between Jacksonville and Sanford. All freight and passengers from the North came by boat from Jacksonville to Sanford to connect with a narrow gage railroad that operated one train daily, each way, between Sanford and Tampa. The train was 1 hour and 5 minutes between Sanford and Winter Park."

Today, because of transportation and the genius of its people, Florida has become one of the great resort empires of the world—the land of flowers. Instead of a population of less than 350,000 in 1885, today Florida is a State with a population in excess of 1,500,000 people. Instead of less than 500 in its population, Winter Park has evolved into a permanent population of over 4,000. Your excellent "suburb" Orlando, with its 50,000 population—another evidence of tremendous growth which reflects the attractiveness of your community to the people of the country—permits us to examine one of the many results of efficient transportation.

You have asked me to discuss the transportation situation. I presume a reason for your courteous invitation relates to my membership on a Committee of Six composed equally of railroad presidents and railroad labor executives, which recently made its report to the President of the United States. At the time the President made this appointment, the carrier managements and labor were in the midst of the closing weeks of a severe controversy which, until it was satisfactorily concluded, delayed the beginning of our task.

We followed the initiative of our great President with assurances from him that he would support our findings. Thus, the job was a serious one. He appealed to us to endeavor to find an answer to this vexing question, as practical men actually engaged in American transportation.

Although the President appointed this Committee in the latter part of September, we did not get into a "huddle over the muddle" until early November. Thus, the Committee, amply provided with excellent technical assistants, had less than 2 months to produce a report with recommendations designed to meet the problem to which the President had committed us. However, with the public

interest primarily in mind, the Committee intensified its activity. We gave our continuous and concentrated consideration to an earnest examination of the problem.

We found that each member was an "individualist." The debates were strenuous and lengthy. To bring forth recommendations, covering such a vast economic problem, required unselfish detachment in our deliberations. This great national transportation problem, which had accumulated over the years—intricate and complicated—has no defined national transportation policy attached to it. Rail, highway, water, air, and pipe-line transport had woven an entangled and vast web of competitive lines, covering almost every section of the Nation. These traffic lines, we found, resulted in serious wasteful competition between the various forms of transport. The capacity of all these means of conveyance was much greater, taken together, than traffic requirements.

So far as the railroads are concerned, they not only suffered from low traffic volume, but also from depressed freight rates affecting a substantial portion of their traffic. We found public regulation complex and unequal. The forms of transport, other than by rail, had enjoyed for years an amazing governmental favoritism. We found that while the railroads were paying 9 cents out of their revenue dollar for taxes, the highway regulated carriers were paying but 4½ cents, and water transportation but 2 cents out of each revenue dollar. Moreover, it was costing railroads for the maintenance and capital charges of their highway, an additional 25 cents out of each revenue dollar, while the other forms of transport received their rights of way without cost. In other words, railroads had a disadvantage amounting to 29½ cents per revenue dollar against their highway competitors. Regulation, taxation, and subsidies were found surprisingly unequal. After a full examination of the wide range of data and surveys placed before the Committee, we resolved that the only possible opportunity to approach a solution was by adopting a policy of "a fair field for all and special favors for none of the various modes of transportation."

We found from the facts, also, that it was necessary to create effective machinery so that this policy could be placed in operation. Therefore, our recommendations were largely premised on the policy and its execution. The straightening out of the transportation muddle is required to bring about a sound, substantial, and sustained revival of business activity. Every phase of our economic and social life is dependent on the harmonious arrangement of these arteries of commerce. The public is entitled to the best service that transportation can provide. The public is entitled to the lowest rates, consistent with the development and maintenance of transportation on a scale sufficient for the needs of commerce and the national defense. No form of transportation should have preferred treatment from Government over and against another form. There should be equality in governmental regulation, imposition, and subsidization.

Unless there is developed a national transportation system, relating to all forms of transport on a coequal basis, there is bound to be an unbalanced economic situation. Thus, we recommended that there be a definite national transportation policy, so that the Nation's transportation system would be amply competent to fully meet the needs of commerce, of the Postal Service, and of the national defense; and that "there should be no further delay in the adoption of a definite national transportation policy, which will provide for fair and impartial regulation of all modes of transport; that such regulation should be so administered as to preserve the inherent advantages of each mode, promote safe, economical, and efficient service and foster sound economic conditions; encourage fair wages, equitable working conditions, established through collective bargaining, and prevent unfair and destructive competition.

In order to improve the machinery for handling this policy we proposed that the Interstate Commerce Commission be given the responsibility for the administration of all regulatory provisions relating to rates, service, valuation, and accounting, covering all forms of transport, together with powers of investigation limited to its jurisdiction.

We found in the present regulatory scheme of transportation that a variety of governmental agencies were involved in unrelated regulation. To continue such a heterogeneous scheme is absurd. Fourteen different regulatory agencies govern the regulation of five different forms of transportation within our national system.

We examined the eight general heads under which the Interstate Commerce Commission now directs its numerous regulatory and administrative functions pertaining to railroads. These related to the Commission's control over rates; over various services respecting the supply, use, movement, distribution, and interchange of equipment, etc.; its control over accounting; its duty to ascertain and report on and keep itself informed of the value of all property owned and used for common-carrier purposes; its control over all construction of new lines and all extensions or abandonments of existing lines, including the power to require extensions of lines in proper cases or the construction of necessary facilities for interchange of traffic between railroads or between railroads and water carriers and to compel the joint use of terminals; its control over railroad finance, concerning the issuance of securities, acquisition of control by one railroad of another or by a railroad of a water carrier or motor carrier, the consolidation of two or more railroads, mergers, leases, interlocking directorates, etc.; the Commission's general power to institute investigations on its own motion into any matters coming within its jurisdiction in order to enforce the act or of making recommendations to Congress with respect thereto; also its miscellaneous duties pertaining to the enforcement of carrier compliance with numerous statutes relating to hours of service, health, comfort, and safety of employees, as well as various other matters.

In addition to these controls over railroads, we examined the Commission's powers relating to regulation of highway transportation. We found that so far as concerns common carriers by motor vehicle, it is almost as comprehensive in scope as that I have described as applicable to the railroads, but by no means so intensive or restrictive.

The Commission's regulation of pipe-line transportation covers only matters of rates, accounting, and valuation.

The Commission's regulation of waterway transportation has little uniformity of application, but Government administration of this kind of transportation is widely scattered amongst different agencies. However, should a railroad own or control a water carrier, the Commission then has full and exclusive control over the matters of rates, accounting, valuation, and the issuance of securities. Hence, we recommended that there be a full equality of regulation over all forms of transportation uniform and similar in character and scope; that this regulation be concentrated into two agencies of Government (the Interstate Commerce Commission and a transportation board); that the jurisdiction of the Interstate Commerce Commission cover rates, services, valuation, and accounting; that its powers with respect to investigation be limited to matters properly falling within its jurisdiction covering all forms of transportation; that the Commission be required by statute to administer, uniformly and impartially, the regulatory provisions relating to all modes of transport, so as to prevent it from dividing or departmentalizing itself along other than strictly functional lines. It was also proposed the Commission retain jurisdiction over the administration of statutes relating to safety, hours of service, etc.

The members of the transportation board would be appointed in the same way and with qualifications and tenure of office similar to those of the Interstate Commerce Commission. This transportation board, it was proposed, should be specifically "charged with the duty of investigating and reporting to the Congress (a) concerning the relative economy and fitness of rail carriers, water carriers, and motor carriers, for transportation service, or any class thereof, with the view of determining the service for which each is especially fitted or unfitted and for which its use should accordingly be encouraged or discouraged in the interest of avoiding wasteful and destructive competition, and (b) concerning the extent to which the three modes of transportation are supported, directly or indirectly, by the use of Government funds, together with its recommendations as to legislation dealing with either of these subjects which it deems necessary or desirable. This should be a continuing duty, but the board should be required to make its first report on both subjects within 1 year from the date of its creation."

The Committee was of the opinion that "equality of regulation can only come through the regulation of like functions of all agencies of transportation by the same regulatory authority." We felt that inefficiency would result if any one regulatory body were burdened with work beyond its capacity. Hence, we recommended that, after the investigation is completed and the report filed, the new board "should be vested with full jurisdiction for the administration, as to all modes of transportation, of all provisions of the regulatory statutes that relate to 'facilities' and 'finance.'" And, as I have already described, that the Board be fully and exclusively responsible "for the discharge of all functions of a research and promotional nature relating primarily to any mode of transportation wherever the responsibility for the discharge of any such function may now be lodged," within the structure of the Federal Government.

We recommended that the rate-making rule, section 15a of the Interstate Commerce Act, be repealed and a new rate-making rule substituted which would apply to all forms of transportation "to the effect that it shall be the duty of the Commission to exercise its authority over rates, so far as is consistent with its duty to protect the public against the exaction of unreasonable and unjustly discriminatory rates, in such way as to permit the establishment, by each mode of transportation, of rates which, as a whole, will be adequate, under honest, efficient, and economical management: (a) To sustain a national transportation system sufficient at all times to meet the needs of commerce, of the Postal Service, and of the national defense; (b) to establish and maintain credit so that capital essential to provide the needed facilities and service may be attracted to the transportation industry; and (c) to afford fair treatment to those having their money invested in the property held for and used in the service of transportation." This proposal did not change the Commission's power to allow "reasonable latitude to modify or adjust any particular rate which it may find to be unreasonable or unjustly discriminatory and to prescribe different rates for different sections of the country." We did not propose any limitation of "the power of the Commission to prescribe maximum and minimum rates or to suspend new rates."

The Committee proposed the repeal of the long-and-short-haul provisions of section 4 of the Interstate Commerce Act. A bill covering this matter has been before Congress for a number of years. Under the present section 4 the railroads are "prohibited from charging lower rates to or from a given point than apply to or from directly intermediate points without first securing specific authority from the Interstate Commerce Commission." This rule has been a serious obstacle particularly to transcontinental railroads in successfully competing with other forms of transportation.

The Committee proposed that there be "a fair and reasonable system of tolls for commercial use of certain inland waters, the

elimination of the Inland Waterways Corporation and the disposal of its properties."

The Committee also proposed that the railroads be relieved by legislation, both National and State, of certain unjust tax burdens and that the Government bear the expense of eliminating grade crossings.

We recommend the adoption of a policy by Government that whenever "in connection with the improvement of navigable waters or the carrying out of flood-control or similar projects, a railroad is required to alter or reconstruct bridges or other facilities, it be reimbursed by the Government for all costs in execess of any direct benefit accruing to it."

We also suggested the repeal of the reduced-rates provisions under the so-called land-grant statutes.

We also proposed the "establishment of a single court vested with exclusive jurisdiction over matters connectd with railroad reorganizations, and composed of judges selected with special reference to their experience in and qualifications for this highly specialized service—the Federal courts to retain jurisdiction over all matters not connected with reorganization. The Interstate Commerce Commission to be relieved of all responsibility in railroad reorganization."

The Committee suggested the "repeal of provisions of the act which make the Commission responsible for the prescription of a general plan for consolidation of railroads, thereby restoring to the carriers all initiative, but requiring approval by the transportation board of any proposed consolidation. Such approval to be granted or withheld in accordance with the considerations set forth in our report, including protection of the public interest and a fair and equitable arrangement to protect the interests of employees affected."

Lastly, the Committee proposed that there be "legislation enlarging the powers of the Reconstruction Finance Corporation to purchase or guarantee obligations of and to make loans to railroads, or to receivers or trustees thereof, and modifying the requirements with respect to the approval by the Interstate Commerce Commission of any such purchase, guaranty, or loan."

If I had time I should be pleased to go more fully into certain of these matters that I have rather hurriedly sketched. It is sufficient for me to reiterate that the task of the Committee was one of huge proportions. We could not attempt to dispose of all problems of transportation. Our approach was more in the light of endeavoring to remove some of the major causes of our transportation difficulties and to be constructively helpful in creating a greater degree of stability in the transportation field.

The aspects of the transportation problem, which I have covered with you today, impress me as sufficient to give you some food for thought in your consideration of it. The problem cannot by any means be solved overnight. There are too many confusing and opposing angles that have contributed toward the present chaotic situation. But I confidently believe that with the support of the President the Committee's recommendations will have the effect, if favorably considered by Congress, of molding our various forms of transport into an adequate national transportation system; one that will meet the full needs of commerce, of our postal service, and of our national defense.

Farm Buying Power

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Friday, January 27 (legislative day of Tuesday, January 17), 1939

ADDRESS BY JOHN NAPIER DYER AT VINCENNES, IND.

Mr. MINTON. Mr. President, I ask unanimous consent that an address recently delivered by John Napier Dyer, a prominent farmer and distinguished citizen of Indiana, before the Rotary Club at Vincennes, Ind., may be published in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Today the spotlight of public attention is focused on the economic conditions in agriculture. No one doubts that the return of prosperity to the United States is dependent upon the restoration of buying power to the American farmer.

Every manufacturer, every seller of goods, must take a personal and vital interest in improving the condition of agriculture, for by far the largest potential buying group in this country is the rural population. Forty-four percent of the people in the United States are dependent directly or indirectly upon the farm.

How can the economic condition of the farmer be improved? No matter what differences of opinion may exist as to the methods of bringing quick relief to agriculture, there is unanimous agreement that enduring agricultural prosperity is dependent upon the employment from food and textile resources to feed and clothe the millions of our population who are ill-clothed and lack a full necessary diet, and the maintenance of a price structure for agriculture, away from the vagaries of the speculative system which causes the American farmer to be at the mercy of a speculative set-up with world-wide ramifications. In the staple agricultural commodities price changes of 10 percent are the usual annual fluctuations, and in many instances there is variation of as much as 300 percent in 1 year. The gamblers thrive upon the very thing which brings disaster to the farmer.

Thirty-cent corn, 8-cent cotton, and 55-cent wheat spells ruin for producers of these crops. Also it dooms the great manufacturing industries of the country to idleness and inactivity. It is the principal cause for labor unemployment, with attendant misery and want for the workingman and his family.

Farm buying power results from the American profit system applied to agriculture, which gives the farmer a profit from the operation of his business.

Equality for agriculture is the fair and equitable distribution of the national income, without which there can be no farm buying power.

In our country, where one-third of the people (40,000,000) are ill-fed, ill-clothed, and ill-housed, there can be no such thing as a surplus of the commodities which provide food, clothing, and shelter for the people.

In a land filled with "milk and honey," it does seem lacking in just plain, ordinary, common sense to open our doors for the foreign farmer to overload our markets with more "milk and honey" than we can consume and thereby create unwieldy domestic surpluses to depress the prices which our farmers must sell their products for.

The American manufacturer is protected by a tariff from the inroads of cheap foreign competition. The American market is reserved for the American manufacturer.

American labor is protected from the inroads of cheap foreign labor by an exclusion act which gives to American labor the American market.

The American farmer is entitled to and should, by every element of fair play, have the American market reserved for him. Imports of competitive agricultural commodities should be excluded from our markets. The annual importation of approximately $1,000,000,000 worth of directly competitive foreign farm products is a serious menace to American agriculture and destroys American farm buying power—which in turn closes American factories and creates vast unemployment for American labor. Necessary imports of foreign food and textile products and their substitutes should pay a liberal entrance fee for the privilege of supplying our markets. Prosperity is a tripod supported by three legs—agriculture, industry, and labor—wholly interdependent, without any one of which there can be no economic stability.

Agriculture produces original wealth from the soil—85 percent of all our original wealth is produced by American farmers.

Industry buys the products of agriculture and processes them, thereby creating farm buying power which consumes the products of industry and makes possible the employment of labor. Likewise, in turn, labor consumes the products of both farm and factory, and thereby speeds the process of consumption. Thus is created the cycle of prosperity. Farm to factory to labor to farm to factory in a never-ending, continuous operation, which in the final analysis spells p-r-o-s-p-e-r-i-t-y.

To remove any one of the three legs of prosperity's tripod throws the cycle out of adjustment and destroys the economic structure of the Nation.

Agriculture, as has been sufficiently well demonstrated in the past 18 years, is the keystone of the cycle and is the primary factor which must start the wheels of industry through its ability to create wealth and to insure buying power. Therefore agriculture must be provided with buying power and a price for its products, above the cost of production, is the first step in the evolution of prosperity. Eight-cent cotton, 30-cent corn, 55-cent wheat is not buying power.

Buying power is created out of a price comparable to the price of the things which the farmer will buy out of the proceeds derived from the sale of wheat, corn, and cotton.

A comparable price is then the thing which must be provided for agriculture.

In the good and prosperous years 1905 to 1914 there was a parity relationship in the price of agricultural commodities to the price of industrial commodities. Therefore to recreate farm buying power it is necessary to return to the same price relationships which then existed. This cannot be accomplished by any economic legerdemain nor by the hocus pocus of supply and demand.

In the field of public utilities, to safeguard the interests of capital and consumer, commissions establish equitable prices for service and commodity.

In industry prices are stabilized by agreements. The price of steel rails has not varied in the past 10 years. The retail selling price of automobiles seldom, if ever, varies throughout a season.

Silver: The price is fixed by statute and edict, in the interest of American silver producers and for the benefit of the whole world.

Gold: Thirty-five dollars an ounce is the fixed price in the interest of a stabilized currency and to safeguard the monetary interests of those whose business is money.

What greater public utility is there than food and clothing?

What justification can there be for the depression of the prices of those great agricultural commodities below production cost in our United States?

The prices of gold and silver, public utilities, steel, and automobiles are not created by speculation. Prices are fixed by edict or by the industry itself.

Why not adjust the prices for wheat, corn, and cotton to a figure comparable to the prices of industrial commodities according to the Government price index. Six million farmers cannot do this for themselves. Government is the agency of these 6,000,000 people, and it is the duty and responsibility of government to stabilize business, create prosperity, and do that which will do those things.

An immediate adjustment of prices for wheat, corn, and cotton is the direct road to economic recovery.

Reasonable production control by farmers themselves; elimination of all gratuities to farmers. Protection for the consumer against unreasonable prices at retail, and an assured minimum price for the crop to the producer. The exportable surplus, if any, to be sold in world markets at world competitive prices; the loss, if any, to be paid out of revenues from the tariff on all protected industries.

This means new steady jobs for 10,000,000 unemployed, a quick recovery of railroad earnings, a boom expansion for industry, a revival of home building, the employment of excess capital reserves, the feeding, clothing, and housing of 40,000,000 Americans out of the horn of plenty from the proceeds of the production of 6,000,000 American farmers.

Put agriculture to work at a profit to create the prosperity which Government spending has not, cannot, and will not alone create.

A farmer buying power of $18,000,000,000 will do the trick quick and make the return of a national income of $80,000,000,000 sure and certain.

Aviation and National Defense

EXTENSION OF REMARKS

OF

HON. ERNEST LUNDEEN

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Friday, January 27 (legislative day of Tuesday, January 17), 1939

EDITORIAL FROM COLLIER'S OF JANUARY 28, 1939

Mr. LUNDEEN. Mr. President, I ask unanimous consent to have printed in the RECORD a short editorial from Collier's Weekly of January 28, 1939, on the subject of aviation and our national defense.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Collier's of January 28, 1939]

ASK THE MEN WHO KNOW

Members of the administration have been steaming up national-defense talk for months. But among the last persons whose advice has been sought have been Gen. Malin Craig and Rear Admiral William D. Leahy. General Craig is only the Chief of Staff of the Army; Admiral Leahy is nothing but the Chief of Naval Operations.

We suppose the traditional distrust of experts is back of the snooting of these officers—plus the obvious hope of the Corcoran-Hopkins-Williams big hearts to let us in for a lot of new public works and boondoggling expenditures, on the strictly phony pretext that these things build up the country and therefore are a part of national defense.

But, really, it does seem that military and naval professionals ought to have some sort of hearing. They must know a little something—wouldn't you think?—about national defense.

THE RAMPARTS WE WATCH

We spread out here a digest of the best current expert opinion on what we really need for adequate national defense in today's dictator-ridden and grabby world. It's lifted mainly from Maj. George Fielding Eliot's brilliant book, The Ramparts We Watch:

AIRPLANES

We don't need and shouldn't build the 10,000 planes the administration gives out that it wants. The proper figure is about 3,000. As Major Eliot says: "It will provide a striking force of about 1,000 planes under a single command, and capable of rapid concentration on either coast (for which additional bases must be made available). This can do all that can be done against raiding aircraft from ships. The force is markedly superior to the greatest number of carrier-borne and catapulted aircraft possessed by any naval power or conceivable combination of powers. Its losses can be made up much more rapidly by our very extensive airplane industry than can the losses of any attacking force. As to dealing with a serious attempt at invasion, the latter factor will be of great importance and will give us a superiority which will increase proportionately with the passage of time."

No other nation or combination of nations that we may have to fight can ship enough planes close enough to our shores by airplane carriers to launch conquering air attacks on us. Planes don't conquer, anyhow. They only harass—though very severely sometimes, as in the cases of Madrid and Barcelona.

SOLDIERS

We don't need one, two, three, or four million men under arms, European or Asiatic style. For various special services we do need a standing Army of some 230,000 officers and men (present strength, 165,000), plus a National Guard of about the same size, both services thoroughly trained and highly mechanized.

NATIONAL-DEFENSE LAWS

We don't need the elaborate legislation that is now partly enacted and partly ready to shoot through Congress the moment war arrives, and that is all designed to slap a military dictatorship on every man, woman, and child of us. We don't need these laws—that is, unless we are preparing for another foreign war. The politicians tell us—and we believe the vast majority of us hope—that we are arming solely to defend ourselves and maybe Central or South America.

NAVY

Here, again, if we're arming purely for defense, is where we should put most of our defense money. The battle wagons (35,000 tons each, or bigger, if other nations insist) and the auxiliaries that fan outward from them in battle formation are our best defense. With enough fighting ships we can keep this defensive war on the sea, far away from our open cities and exposed farmhouses; can cut enemy sea communications, sink enemy aircraft carriers, checkmate enemy designs on our sea communications or raw-material sources.

All this is mere military expert advice. It doesn't come from such authorities as inland Congressmen, magazine editors, or editorial writers, or other armchair tacticians, inventors, airplane makers, "liberals" who want us to keep Russia safe from Hitler, politicians panting for pork, band-wagon climbers, professional jingoes, or professional pacifists.

You might clip this Collier's editorial and slip it into the mail for your Congressman or favorite Senator, in case either of them hasn't heard that we actually do have military and naval experts in this country. It's just conceivable that their advice may be worth something.

National Defense

EXTENSION OF REMARKS

OF

HON. KEY PITTMAN

OF NEVADA

IN THE SENATE OF THE UNITED STATES

Friday, January 27 (legislative day of Tuesday, January 17), 1939

ADDRESS BY STEPHEN F. CHADWICK, NATIONAL COMMANDER OF THE AMERICAN LEGION, JANUARY 24, 1939

Mr. PITTMAN. Mr. President, I have in my hand a very learned and patriotic address by Mr. Stephen F. Chadwick, national commander of the American Legion, delivered before the Fourteenth Women's Patriotic Conference on National Defense at the Mayflower Hotel, Washington, D. C., on January 24, 1939. This speech was also broadcast over the United States.

I listened to this address with deep interest and great pleasure, and I ask unanimous consent that it be published in the Appendix of the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

We are here tonight as the citizens of a great free republic, meeting under the auspices of the women's patriotic organizations concerned with the problems of our national defense, we are free to discuss those problems frankly. Many peoples of the world enjoy no such privilege.

My subject is Americanism. The defense of America and Americanism is the object of our national defense.

The Dies committee has recently given us a well-stated definition of Americanism. They have said: "Americanism is the recognition of the truth that the inherent and the fundamental rights of men are derived from God and not from governments, societies, dictators, kings, or majorities. This basic principle of Americanism is expressed in the Declaration of Independence, where our immortal forefathers said that 'all men are created equal, and they are endowed by their Creator with certain inalienable rights, chief among which are life, liberty, and the pursuit of happiness.'

"Americanism recognizes the existence of a God and the all-important fact that the fundamental rights of man are derived from

God and not from any other source. Among these inalienable rights which are the gifts of man from his Creator are freedom of worship, freedom of speech, freedom of press, freedom of assembly, freedom to work in such occupation as the experience, strength, and qualifications of a man may enable him to secure and hold; freedom to enjoy the fruits of his work, which means the protection of property rights; the right to pursue his happiness with the necessary implication that he does not harm or injure others in the pursuit of this happiness."

The congressional committee said the essence of Americanism is "class, religious, and racial tolerance, and that it should be emphasized in the strongest language possible that the maintenance of these three forms of tolerance is essential to the preservation of Americanism. They constitute the three great pillars upon which our constitutional Republic rests, and if any one of these pillars is destroyed, the whole structure of the American system of government will crumble to earth."

For the protection and preservation of our God-given rights, the committee points out that the Constitution contemplated an independent Congress, an untrammeled judiciary, and a fair and impartial executive; operating under a system of checks and balances. They tell us that "there is involved in Americanism the protection of an unorganized majority from an organized minority as well as the protection of a helpless minority from an inconsiderate and thoughtless majority;" that "the characteristics which distinguish our Republic from the dictatorships of the world is not majority rule, but the treatment of minorities. Dictatorships muster huge majorities at the polls through intimidation and high-powered government propaganda, but these majorities are used for ruthless tyranny over minorities. The majority rule of the American form of Government is distinguished by its recognition of certain rights of minorities which majorities cannot alienate."

Ours is the first Government in the history of the world which declared the rights of men to be God-given, and yet our rights were not accomplished by mere declaration. Every right which as citizens we enjoy, every concept which goes into our definition of Americanism was won for us by the sacrifices of men in arms and by the expenditure of enormous treasure.

The expressions of our rights in the Declaration of Independence came from men who had drunk deep at the wells of human understanding; men who with the history of the ages in their minds, wrote as men inspired. Our Declaration of Independence and our Constitution designed to express and protect men in their rights are as fundamental and as immortal as the day they were written. It is the defense of the rights of men and of the form of Government, designed for their protection, and of the fine civilization which we as a free people have developed, that you are concerned with this evening.

My subject concerns something deeper than men and material; something greater than the naval and military establishments; something more fundamental than finance, for underlying the defense etsablishments of a free people, there must be a morale, an acceptance on the part of the people that those things which the defense establishment seeks to defend are worth the sacrifice, if need be, of those things which our forefathers gave to their accomplishments—the sacrifice of lives and fortunes, supported by the pledge of a sacred honor.

When our first great President addressed the country, after the Revolutionary War, he said: "To be prepared for war is one of the most effectual means of preserving peace. A free people ought not only to be armed but disciplined, to which end a uniform and well-digested plan is requisite." By "discipline" George Washington did not mean regimented. He meant disciplined mentally to the responsibility which forever rests before free people, a reasoned appreciation of their responsibility to preserve and perpetuate the things that make them free—a "discipline" which today cries out for understanding.

Let us appreciate our present situation. Men charged with the conduct of our international correspondence have styled the actions of the rulers of some of the nations as those of brigands, ruling individuals and classes, who in their avaricious ambitions know no international boundaries, or rights of minorities; recognize no religious freedom or tolerance, and who, preceeding by methods of undeclared war, march with barbarous tread wherever unbridled ambition can find a defenseless people to exploit. While these forces are at large on the face of earth, we as a free people for the protection of our Americanism, lest their eyes be turned on us, must be prepared to meet them. We must never suffer their aggression to ripen into invasion of our country. We must through an adequate defense establishment give fiber and tone to the voice of those who speak for us in international affairs, not for the purposes of war, but to the end that the voice of America for the peace of the world will be respected.

If free government fails in America, if we ever become so weak and spineless that we will not protect it, then the thought of men with God-given rights is lost, and the world would again be plunged in a dark age and our children, having no respect for those of us who permitted the situation to arise, would find themselves as defenseless people have been throughout the ages—enslaved, regimented, driven by individual dictators, ruling casts, or classes.

The external defense of America must first be built in the hearts and minds of the American people. The reasons for the defense of the Nation, the preservation of those liberties which are the occasion of our being joined together in national life, should be so taught to the people of our country that there is developed in them a pride of citizenship, an appreciation of its worth, a love of country for which they are willing to pay the cost of defense, and are, if need be, willing to offer their lives to preserve.

There is involved in our Americanism a hope for other peoples of earth—a hope that they might enjoy the life, the liberties, and the happiness which as a people we enjoy. It is disappointing after the attempts which we have made by example and reasoned persuasion that the world is in the condition which we now find it, for we have encouraged the association of nations as peaceful members of an international family. We have aided in the establishment of a recognized international law and courts to propound it. We have offered, as we will always offer, to sit in disarmament conference. We have signed, and will ever be ready to sign, treaties outlawing war, but all about us we see the present apparent failure of this course. We have today no other way to secure the safety of our liberties save to accept the advice of those who have made the defense of the country their life's work. The Legion will follow today, as during the World War we followed the advice and orders of our naval and military authorities. We counsel you good women to do the same, for therein lies our security from without.

There are those who do not want to follow the advice of men who have made the defense of this Republic their life's work; who want to change the wisdom of the founding fathers who gave it to our representatives to declare war, if war as the final arbiter became necessary. They want to take that power away from our chosen representatives, and, unless our land be actually invaded, they want to hold town meetings, a popular referendum to determine whether or not we should defend ourselves. To you, citizens of this great Republic, I tell you that in these days of undeclared war no course could be more suicidal.

Our defense must be sufficiently flexible and we must have such confidence in our chosen representatives that we can entrust to them at all times the right to meet aggression before it ripens into invasion. We should choose representatives worthy of such confidence. If some of our public representatives of today are not worthy of our trust, then let us impress into the public service representatives in whom we have confidence, but let us not abandon the lessons of history and destroy the valuable elements of security which exist in the flexibility found in our representative system of government.

The men of the World War opposed the so-called Ludlow amendment in the last session of Congress, and we will again oppose it. We seek, as we have always sought, only a means of living peaceably in the family of nations, but until others, out of respect for our example, see fit to live peaceably with us we cannot prostrate curselves before their aggrandizement.

I would not feel that I had delivered the full message which this occasion requires if I did not speak the mind of the ex-service men with reference to the defense of our Nation from within.

Again, the underlying support of that defense is in the morale of our people. Ours is a design of government for the protection of all, and when we move to the protection of all we know no minority groups.

Every religious group among the citizens of our country, every individual citizen, every man and every group of men is acknowledged a free conscience and a free voice, but not a voice so free as to transcend the liberties and welfare of all. The thing which protects this freedom of conscience and this freedom of speech, and with it freedom of action, of movement, and of opportunity, is the great overlying Government of the United States of America, under a Constitution which has weathered the storms and vicissitudes of more than a hundred and fifty years.

When will we all recognize and appreciate this fact? When will we have a militant spirit to defend our Americanism from those of the left and those of the right? When will we have the good sense to appreciate that democracy is a thing apart both from communism and from the totalitarian philosophies expressed in fascism and nazi-ism?

If the American people out of the rich educational advantages which are given them will only appreciate what Americanism is and what America is, they will silence once and for all in this country both the advocates of communism and the advocates of the other totalitarian philosophies.

We who want to pursue the American course and settle our problems in the American way are in the vast majority in this Nation of ours. I have been through the length and breadth of it. I know something of the temper of the people. This is not what some of the hirelings of alien philosophies would have us believe, the battleground between communism and fascism, nor are the American people going to let it become such.

The unsocial of the left, who want to overthrow our Government by force and violence, and the unsocial of the right, who want dominion over men through individual power, have no place in the American scheme of things.

Your National Defense Conference would not be complete unless you gave some thought to the problems of our internal defense. We who were your soldiers and sailors in the World War encountered some little sabotage on the part of paid hirelings of foreign governments. We see today those same agencies at work, not alone thinking in terms of sabotage of material, munitions, ships, aircraft, and the like, but daily sabotaging the thing which must at all times underlie the defense of our Nation and our liberties, the morale of our people; seeking to subvert the minds of youth; capitalizing upon our problems of economic distress; preaching their doctrines of despair to accomplish either the one or the other of two purposes, the so-called dictatorship of the proletariat, which means the enslavement of a substantial number of people, or counseling the

philosophy of an individual dictatorship and regimentation, which means the substantial enslavement of all.

This problem is a real problem. Recent disclosures made public through the instrumentality of the congressional committee investigating un-American activities in this country should set every loyal American citizen to thinking. The committee has only scratched the surface of a diseased condition, which, if suffered to continue, will destroy this Nation as effectively from within as it might be destroyed by foreign powers from without.

It is time that we gird our loins for this battle. Its ultimate conclusion will be determined in the intelligence and reason of our people. They must appreciate that everyone who loves liberty, everyone who seeks the right to worship his God according to the dictates of his conscience, everyone who seeks freedom of opportunity for his children, must be an American first, putting Americanism above those things which he has only by virtue of his American citizenship.

As those of us who followed the colors of the Nation in the World War can truthfully say, we did not move into that experience inquiring as to the religious thought of our comrades. We did not inquire into the racial strain. We felt and we still feel that we went forth as Americans to protect those God-given human values which had been developed in this Nation of ours and under our free system of government. We were, and we are today, Americans first.

We cannot be gentiles first and Americans second; we cannot be Jews first and Americans second; we cannot be Catholics first and Americans second; we cannot be Protestants first and Americans second; we cannot be labor or industry first and Americans second; we cannot be blacks or whites or reds or yellows or browns first and be Americans second. Americanism should imply minding our own business and leaving to other peoples of the world the accomplishment of their own destiny—our greatest service can be rendered by demonstrating here at home the practicability of democracy and affording the example of a people living in peace.

"For peace is not mere absence of war, but a virtue that arises from strength of spirit."

The protection of each and every religious and racial group, the freedom of each and every man to work and aspire and live in peace in this country exists in our Americanism. When, oh when, will the American people appreciate this fact?

Dr. Edmund A. Babler State Memorial Park

EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Saturday, January 28 (legislative day of Tuesday, January 17), 1939

ADDRESS BY HON. HAROLD L. ICKES, SECRETARY OF THE INTERIOR

Mr. CLARK of Missouri. Mr. President, located within a few miles of the city of St. Louis, Mr. Jacob Babler, of that city, gave to the State of Missouri over 1,600 acres of land which is now the Dr. Edmund A. Babler State Memorial Park. Dr. Babler was one of the leading physicians and surgeons of St. Louis. A bronze statue of Dr. Babler was unveiled Monday afternoon, October 1, 1938. The Secretary of the Interior, Hon. Harold L. Ickes, was present, and in the evening Mr. Ickes delivered an address entitled "Our expanding State and National Parks." This address was made at a banquet honoring the dedication of the park, sponsored by the St. Louis Chamber of Commerce, and was broadcasted over a network of the Mutual Broadcasting System.

Dr. Edmund A. Babler was born at Appleton City, Mo., on October 11, 1874. He died in St. Louis, Mo., February 9, 1930.

He graduated from the medical school of Washington University of St. Louis, Mo. After 2 years' extensive travel, visiting hospitals and clinics all over the country, he took up the practice of surgery at St. Louis, where his work soon attracted national and international recognition. He was one of the most widely known surgeons in the United States.

In addition to his practice in surgery he was well known for his writings, and his advice was greatly sought by surgeons all over the country.

Dr. Babler was well known for his interest in charity. He was a bachelor at the time of his death, never having been married.

I ask permission to have Mr. Ickes' address printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

There is a strong element of personal pleasure in coming to St. Louis to help dedicate the Dr. Edmund A. Babler Memorial State Park. The invitation came to me through one of the most devoted public servants our country has in Washington, Representative JOHN J. COCHRAN, of Missouri. Congressman COCHRAN blends, to a degree which I wish were universal, the interests of his home city and State with the larger interests of the United States. And, knowing his well-deserved reputation as a watchdog of the Federal Treasury, I want to say, as a Federal official entrusted with the expenditure of rather large funds, that I know of no higher compliment than to receive from time to time indications of confidence and good will from this St. Louis Member of Congress.

But I do not look upon the invitation to speak on this occasion as personal. I look upon it as a recognition on the part of those who arranged this program of the new and important partnership that has developed between the State and Federal Governments in the creation and administration of a Nation-wide system of State parks.

In this partnership the Federal Government may perhaps be called the senior partner from the initiative it has taken and the breadth of its activities, but in other respects it is a junior partner, and its hope is to become a silent partner. The National Parks Service of the Department of the Interior helps to establish State parks and helps to plan their administration, but it does so with the expectation that they will become part of a well-planned, well-managed park system wholly under the control of State governments.

This broad program came into being with the administration of President Roosevelt. As far back as 1921 the Director of the National Park Service, the late Stephen T. Mather, called the first national conference on State parks in the State of Iowa. Beginning in 1933, the emergency activities of the National Government produced a double opportunity to promote State parks. On the one hand the resettlement program brought into public ownership a vast, scattered acreage of submarginal lands—forests, swamps, plains, hills—where men had tried to make a living on soil that was not suited to agriculture. At the same time the Federal Government became engaged in vast work programs to combat unemployment. It had C. C. C. camps, transient camps, C. W. A. workers, and later the W. P. A.

Here were two problems—what to do with this land and what to do with this labor. The States and cities began to settle these problems themselves. They saw tracts of Federal land which seemed desirable for recreation grounds. So they asked for them and got them. They asked for the labor to develop them, and the labor was furnished.

But this was a haphazard affair, and many difficulties arose. The National Park Service was in charge of the C. C. C. camps and other work groups in the State parks, and requests came pouring in from the States not only for labor in parks already located but for advice about locations and methods of development. The National Park Service quickly found that the greatest need of all was for Statewide studies of park resources and park needs. So an act of Congress was passed authorizing cooperative studies in any State that asked for cooperation.

This law permitted us to go only where we were invited, and the Department of the Interior strengthened this provision of the law by giving the State a majority on each State planning board, with all plans to be approved by the State and Federal members separately.

How many States do you suppose accepted the offer of Federal cooperation? Just 48. Every State in the Union, and in all but three States the work is actively under way.

The impetus thus given to State-park development may be judged from the fact that State-park acreage has increased 70 percent since the National Park Service joined hands with the States in 1933, and this is only a beginning.

However, this does not tell the whole story. Go into any State where there has been a notable State-park development, and you will find some man, or some group of men, with the vision and public spirit to assume leadership in the creation of the park system. This leadership may come from an intelligent and active governor or mayor, from a well-organized State conservation body, or from a public-spirited press.

Beyond this, and rarest of all, is a leadership which carries fruition within itself, as when a public-spirited citizen gives his own property, his own land, his own money to establish parks for the benefit of the people. I say that this kind of leadership carries fruition within itself. The fruit is in the seed. Let the desire to perform such a service be planted within a man's heart, and if he has the means with which to do it, it is done.

That is the story of the creation of this park that we are dedicating today, the Dr. Edmund A. Baber Memorial State Park, and that is the chief reason why it gave me such pleasure to accept the invitation which came to me to speak at the dedication.

The people of St. Louis and of the surrounding territory do not yet appreciate this gift which Jacob L. Babler has made to perpetuate and honor the memory of his brother. You may think you appreciate it, but you do not. You will appreciate it only when you have come to use this park, year after year, and watch the enjoyment of its use by others. You will appreciate it when it becomes a part of your existence, as Forest Park has become, or the Ozark

Mountains, for those who have the means and the leisure to visit them.

I have been told that when Jacob Babler first offered these 1,600 acres of beautiful hills and woods to the public there was some hesitation on the part of the State or the city of St. Louis—I believe it was the city that received the first offer—some hesitation about accepting it. In fact, I have been told that it was not accepted because the public authorities were unwilling, or felt unable, to finance its support.

I am not offering or implying any criticism of that action; I am citing it only in connection with the course followed by the man who made the offer. You know what the average man would have done. He would have stuck the deed back into his pocket and said, "Well, if they don't want the park, they can go to."

And what did Mr. Babler do? He gave this 1,600 acres to the State, and along with it he gave $1,500,000 as a perpetual endowment for its upkeep.

I never heard a million five hundred thousand dollars talk louder or better than that.

Jacob L. Babler gave this park to the public, together with the generous endowment to maintain it, in affectionate remembrance of a brother who had given part of himself every day for 30 years to the people of St. Louis. If you could add these gifts together, and give them a money value, which you can't do, I think that you would find that the endowment fund for this memorial park is not $1,500,000, but $3,000,000.

As I have reflected upon the name of this park, I came to see more clearly what this gift meant to Jacob L. Babler over and above his desire to contribute to the happiness of the people and to perpetuate the memory of a well-loved brother. In the prefix in the title which associates the name of the park with the medical profession, I could perceive the honorable pride which comes from a sense of high merit, of high achievement, in a kinsman. That, to my mind, mounts higher than family attachment.

I hope that the establishment of this Missouri park will mark the beginning of a new period of progress for your State park system, which is already notable as a result of the setting aside of so many of your big Ozark springs. Missouri is fortunate in having many places of beauty which are either indestructible or in no danger of destruction. You have not done very well, however, in saving scenic resources that were coveted by commercial interests. Years ago this State should have set aside the Elephant Rocks, which have now been hammered to pieces. Your virgin forests of hardwood in the Ozarks have nearly all been cut, but I was glad to learn that you had put a State park around your Big Oak tree, down at Charleston. It is a pleasure to know that national forests are being established in Missouri with emphasis on reforestation and the saving of your Ozark rivers.

If you could bring together the natural beauties scattered through the Ozarks, the big springs and the beautiful limestone caverns and the remarkable granite shut-ins where the rivers carve their way through old rock-bottomed mountains—if you could bring these all into one compact area, and have the Current or the Meramec River running through it, you would have the material for one of the finest national parks to be found in the United States. But since these objects of natural beauty are scattered over the State, you have the opportunity for a system of State parks which would be unrivaled in our country, if you would but reach out and put them under State ownership.

As distinguished from State parks, national parks are usually established to serve several purposes. Most commonly they are set aside to maintain in permanent public ownership land areas of exceptional beauty and grandeur, scenery that exalts the spirit, mountains, glaciers, canyons, and the forests about them, with the birds and animals that are native—and to make them available forever for the enjoyment of the people.

In the Federal-State survey of parks, counts have been made of visitors in park areas of all kinds now established. It was found that there are only two things that will pull people to a park more than 50 miles away—a good swimming beach, and beautiful scenery. Of course, you may say that there is good scenery at a swimming beach. But that is no reason for making a national park of a swimming beach, unless there is some other reason for it.

However, if you combine a beautiful strip of ocean front with an area rich in wildlife, especially if that wildlife is threatened with extermination, then you have the materials for a national park. This is why an effort has been made, year after year for the past 10 years, to establish the Everglades National Park in southern Florida. Unfortunately the State of Florida seems to be lamentably indifferent to this fine objective of the Federal Government. If Florida were alert to the opportunity that it has it would cooperate in the establishment of this park before law-breaking poachers—and I am told that many of these poachers are visitors from the North—have shot and killed all the egrets and herons and cranes and ibises and eagles which in the past have made the Everglades a paradise of tropic wildlife.

I said that there was no reason why an ocean swimming beach should be made a national park, unless it were combined with some other valuable feature. Let me modify that statement. When we look up and down the ocean fronts of America, we find that everywhere they are passing behind the fences of private ownership. The people can no longer get to the ocean.

When we have reached the point that a Nation of 125,000,000 people cannot set foot upon the thousands of miles of beaches that border the Atlantic and Pacific Oceans, except by the permission of those who monopolize the ocean front, then I say that it is the prerogative and the duty of the Federal and State Governments to step in and acquire, not a swimming beach here and there, but solid blocks of ocean front hundreds of miles in length. Call this ocean front a national park, or a national seashore, or a State park, or anything you please—I say that the people have a right to a fair share of it.

Down at Cape Hatteras, the Federal Government and the State of North Carolina, acting together, are setting up a national seashore 125 miles long, and I am happy to say that it looks as if a great part of this will be donated by its owners. The Cape Hatteras national seashore should be duplicated in many places on the Atlantic, the Pacific, and the Gulf of Mexico.

Until comparatively recently, the impression prevailed in the United States that the only place for a national park was in the far West. There was not a national park east of the Rocky Mountains, except two little areas which merely bore the name of parks. And, because there were no eastern parks, people assumed that there should be none; that nothing could be found in the East of national park caliber.

Finally, however, a start was made toward establishing national parks in the East. We now have the Great Smoky Mountains National Park in North Carolina and Tennessee, which last year was visited by nearly 700,000 people. We have the Acadia National Park on an island close to the Maine coast, and the Shenandoah National Park in Virginia. Two more are being added, Isle Royale National Park, a wilderness area in Lake Superior which is a sanctuary for moose and other wild animals, and Mammoth Cave National park caliber.

These are recognized, all of them, to be worthy additions to our national-park system, and they would have been recognized far earlier had it not been for the obstacle of private ownership. How was this obstacle overcome? By the united exertions of Nation, States, and individuals. Among individuals the generosity and public spirit of one man, John D. Rockefeller, Jr., stands out.

The Rockefellers have established many institutions for public service. They have endowed educational, medical, and philanthropic foundations with hundreds of millions of dollars—sums which, if we lived in a secure world, would make those institutions as enduring as the ground we walk on. But we do not live in that kind of a world. We do not know, from one decade to the next, what will be left of all the chattels and the symbols of chattels in our human society. The gifts which should survive the longest, of the manifold benefactions of the Rockefeller family, are the living forests in the Great Smoky Mountains National Park, in Acadia, and in Yosemite, which John D. Rockefeller, Jr., has presented to the Nation, along with other rich natural gifts. I may say also in passing that there has been a tender by Mr. Rockefeller of a large and needed addition to the Grand Teton National Park of several thousand acres, a gift the acceptance of which has been blocked by near-sighted local interests. I have said that the forests, not the mountains beneath them, should survive the longest, because the living forests, if not destroyed by man, will outlast the rocks through which they sink their roots. And when these forests are put into national parks they are not destroyed by man.

Out on the western slopes of the Sierra Nevada Mountains in California there is a forest which, by our human standards, seems eternal, not through a cycle of change but in the life of the very trees now standing. This is the gigantic forest of Sequoias, the oldest living things on earth.

Because the sequoias are found nowhere on earth except on one little strip of land on a mountainside, because they are the oldest and largest and most majestic of all living things, and because the wood is very poor for lumber, several of the finest of the sequoia groves have been made into national parks and are thus sure of preservation. Others, however, fell into private ownership years ago, and they have either been destroyed or face destruction. One of the largest sequoia groves in existence was cut down a number of years ago. Trees 20 feet and more in diameter shattered to pieces when they fell, and after they were down the owner dynamited them and made the splinters into stakes for grapevines.

The largest sequoia grove now standing—some authorities, at any rate, say it is the largest—is in private ownership. It is called the Redwood Mountain grove, just outside of Sequoia National Park, in California. A few days ago I looked at two photographs taken in this grove. One showed a sequoia 30 feet in diameter, with seven or eight people, looking like pygmies, standing in front of it; a tree so big that if it were cut down you would have to take 11 yard-long paces to measure the thickness of the stump. The other picture showed a California Indian stolidly splitting fence posts out of a fallen giant. At the time the picture was taken he had cut perhaps 2,000 fence posts out of that one tree and had reached the point where it was only 12 feet thick.

Now, here is what is going to happen: Either the Redwood Mountain sequoia grove will be made a national park within the next 2 years or the whole magnificent grove will be cut down for fence posts and grapevine stakes.

Perhaps you are thinking, how can the owners do such a thing? How can they be so unfeeling, so heartless, as to destroy trees thousands of years old, the biggest living things on earth, to make fence posts? It happens that questions like these fail to hit the mark in this instance. In all the years that the present owners have held this grove they have never cut a living tree. The fence posts are being cut from fallen timber. But the revenue from this down timber has not been enough to pay taxes and the taxes are in default. I think that people who will hold property worth several hundred thousand dollars, refusing to cut a tree upon it until they face the prospect of losing it at a tax sale, are pretty good citizens. These people have been asked whether they would sell this sequoia grove to the Nation. Their answer is "yes." I have no doubt, in the circumstances, that it would be easy to agree upon a price.

If Redwood Mountain is to be saved from destruction there must either be an appropriation of money by Congress or somewhere in the private citizenship of this country one or more men must step forward and make the saving of this forest their contribution to their fellow men. It is unfortunate, from my point of view, that it has been the general policy of the Congress not to appropriate for the purchase of lands for parks. I hope that these trees may be saved, but many tragedies have been enacted in this country despite similar hopes in the past. It may be that somebody will come forward, as a few men have come forward in the past, and save this grove for the Nation. I can think of few greater honors than to have one's name carved on stone that will last a thousand years as the savior of trees that will live a thousand years and still be young.

I have spoken of the spread of our national park system from the western mountains to the Atlantic, but still the thought remains in the minds of many that the midcontinent has nothing worth while to offer. To correct this notion, Congress 3 years ago passed a law establishing a national park upon the boundary between the United States and Mexico, a park which might include 1,500,000 acres. This park will come into being when lands suitable and adequate for it shall be donated to the United States. This is the proposed Big Bend National Park, bordering the Rio Grande. Large areas in it are owned by the State of Texas. It contains several State parks. The State is willing to donate the lands that it possesses. Unfortunately, additional lands which must be had to make this a national park are in private ownership and we are in the slow process of acquiring them by donation.

This Big Bend National Park, when it is finally established, will center in the Chisos Mountains, which form what our scientists call a biological island of forested high country surrounded by arid plains and deserts. I wonder how many people in the Middle West, or even in the Southwest, know that in Texas there are mountains 8,000 feet high? How many know that one can stand on the rim of a canyon and look almost straight down 5,400 feet into the Rio Grande? If this national park becomes a reality, we will stop the ruinous erosion now going on due to overgrazing by sheep and goats that are trying to live where cattle and horses starved. We will turn the mountainsides and the badlands and the grassless plains back to the antelope and the deer and the bears, the panthers, and foxes that lived and thrived there before the white man brought what he calls civilization. It is a wilderness now, a poverty-stricken wilderness, but Nature will restore its richness if given a chance.

But I am talking ahead of my turn. The land has not yet been acquired. A year or two ago the Legislature of Texas appropriated $750,000 to buy land in this park area, but the Governor vetoed the bill. A praiseworthy effort has been made to raise the necessary money by popular subscription, but so far sufficient funds are lacking. In this instance, as in others, private individuals must come forward, unless the Governor relents, for no Federal funds can be used for land acquisition. I have faith that this park will come into being. Generous private citizens helped to establish the Great Smokies and the Shenandoah National Parks. Generous private citizens bought a sugar-pine forest to add to Yosemite, donated large areas to build up Acadia, purchased additional lands for Grand Teton, and gave Muir Woods to the Nation.

The national park system of the United States is far from being completed. We need a great national park in Alaska for the special purpose of preserving the Alaska brown bear. These gigantic animals which you know so well in your St. Louis Zoo, the mightiest mammals on the American continent, are headed straight for extermination unless our Government sets aside a sanctuary suitable for their habitat and large enough for their maintenance.

Some people in Alaska dislike these bears because they eat salmon without using can openers. The fox farmers do not like them because they kill foxes. So they call the bears predators. You know our habit. Whenever a wild animal does the same things that we do, we call it a predator or vermin and proceed to kill it off. So in Alaska they are killing off the brown bears just as they are killing off the American eagle. I do not blame any particular fox farmer for killing any particular bear, but surely, in a vast wilderness like Alaska, which is larger than all the States that border on the Mississippi River, with a total population smaller than that of the city of Davenport, Iowa, surely in such a vast and almost empty wilderness, a wilderness publicly owned, we can set aside an area big enough to preserve the Alaska brown bear from extermination. If we cannot, you had better pray that the bears in the St. Louis Zoo live to a ripe old age, because there won't be any more. Civilized man, with emphasis, please, on "civilized," is exterminating everything as big as a rabbit. There are even men who call themselves sportsmen who would go so far as to ravage breeding grounds upon which sportsmen of the future will have to depend for a supply of game.

I have singled out these four possible national parks—the Everglades, Redwood Mountain, Big Bend, and the Alaska bear sanctuary—because they are scattered from the southern tip of the Atlantic coast to the northern reaches of the Pacific, and also because every one of them represents a race against time, in order to prevent destruction of the object it is desirable to save—destruction of wildlife in the Everglades by poachers, destruction of the Big Bend country by overgrazing and erosion, destruction of the sequoias by lumbering, destruction of the Alaska grizzly by wanton shooting.

But beyond all this, I have cited these four projects because they typify a new approach that we must make to national parks. If we are to save great national scenic assets and the wildlife now threatened with destruction, we must save them from ourselves, from our civilization, from our carelessness, from our callousness. How can this be done? By putting conservation ahead of commercialism in appropriate instances, and by recognizing that a dollar spent to save such national resources as these is a dollar well spent, because it is a dollar that will return to us a hundredfold.

We need to go forward in the United States with our national-park program, as we are going forward with this new State-park policy, with our eyes open to larger objectives and our minds hospitable to a new sense of values. The spirit underlying such a program is the spirit that gave the State of Missouri this park which I have come to help dedicate, the Dr. Edmund A. Babler Memorial State Park. Inspired by this generous gift, may you as a State and we as a Nation go forward in harmonious understanding and helpful cooperation to develop, in the spirit that actuated Jacob L. Babler in making this generous gift, a national- and State-park system that will serve all the American people for all time to come.

Training for Aviation Defense

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Saturday, January 28 (legislative day of Tuesday, January 17), 1939

RADIO ADDRESS BY COL. J. E. MYERS, UNITED STATES ARMY, RETIRED, JANUARY 17, 1939

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered at St. Petersburg, Fla., on January 17, 1939, by Col. J. E. Myers, United States Army, retired, on the subject of aviation training for national defense.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Friends of national defense, when our great President tells us in no uncertain terms "that probability of attack is mightily decreased by the assurance of an ever-ready defense" we must leave nothing undone that may serve to give us a superiority on land, sea, and air.

War in the making was suddenly stopped on October 1, 1938, due to certain information disclosed concerning air forces abroad, and when nations hesitate to plunge into a war because of the knowledge of the awful destruction accomplished from the air, it is time for any right-thinking American to realize and accept that today we are unprepared to meet our national defense air problems.

Such bold statements may yet shock us into the realization that our homes and loved ones may be in immediate peril in spite of those great protective natural Chinese walls—the Atlantic and Pacific Oceans—behind which we have sat serenely by to watch the sinister power of dictators gather more and more force.

Since large air forces cannot be equipped with trained pilots on short notice, I am sure that every thoughtful person will concede that it is of vital importance to create a state of air-mindedness among the young people of our Nation—a state of mind or cooperative spirit in all undertakings concerning our national air defense.

For this reason we have formed a National Aviation Defense Association which will not only encourage the youth of the Nation in all matters pertaining to aviation but will celebrate a day in honor of all our air heroes and more particularly to the fathers of flight, Wilbur and Orville Wright.

To this end a bill will be submitted to Congress providing for an aviation day August 19 (Dr. Orville Wright's birthday) of each year, and requesting the President to order the naval and military units throughout the United States to assist civic bodies in appropriate celebrations of that day.

How well we may picture the joy and enthusiasm of our school students in the parades and contests to be held in honor of our heroes.

The association desires to promote and to coordinate aviation education in the primary and grade schools in our land. We intend to give the youth of our country the opportunity to become great masters of the air and to give the Douglas Corrigans of the future real and lasting opportunities which they never dreamed of receiving before.

Past history of the World War will give undisputable evidence that great armies of brave patriotic citizen soldiers can be raised and trained in the short period of 3 months' time. How different this is with the question of providing modern equipment and arms to these men who go forth to protect our homes and honor of our country.

We should never forget the old days of 1898, when our troops were sent to Santiago, Cuba, provided with only smoke-producing powder, which made them an easy target for the Spanish soldiers, who were equipped with the latest smokeless small-arms ammunition. Are we to repeat this story of unpreparedness? Who can measure the loss of life and treasure or the sorrow produced in many a family by such short-sighted policy and economy as practiced in those days?

Many of us remember a real lesson from the pitiful picture of the Wright brothers, who were finally forced to appeal to France for sufficient funds with which to build their airplanes. Even today their first plane, which was destined to create a revolution in modern warfare and a monument to war prevention, now rests on foreign soil.

Nearly a year ago the American people were informed through the House and Senate Naval Affairs hearings that there would be no limit to the size of future airplanes and that plans had already been drawn for a ship that could travel 3,000 miles on a nonstop flight at the rate of 385 miles per hour carrying a useful load of 32 tons of high explosive shells.

Mr. Hughes, after his round-the-world trip, startled all of Washington with his declaration that airplanes the size of the Queen Mary, capable of carrying freight across the ocean, could be expected in the near future.

It has been contended that airplanes can be shot down by antiaircraft guns at an altitude of 15,000 feet, but to counter such claims a new invention has made it possible to project great blankets of smoke both vertically and horizontally from an altitude of 25,000 feet or more over the enemy's fleet or over massed troops in the field. It would, therefore, be practically impossible to bring down airplanes, which could not be seen through these screens of smoke.

Assuming, for example, that we are to be attacked by an enemy fleet 1,000 miles off our shore, advance squadrons of our planes carrying smoke-producing bombs would proceed to fly out to checkerboard this fleet with both vertical and horizontal smoke screens, from which their ships must most surely emerge and one by one be subject to attack from our bombing planes and submarine boats, unaided by any real support of concentrated fire from their sister ships.

In this connection I might add a significant incident which was witnessed by one of the national directors of the Aviation Defense Association. He tells of a demonstration of Italian bombing squadrons which made three round trips from its base in one day over the entire British fleet as it withdrew from the Mediterranean Sea.

To the association a proposal will be made to endorse the advancement of our air seacoast defense and to sponsor any measures for the construction of great underground or protected naval and military air bases every 500 miles of coast line in the Americas and to encourage the building of huge international nonstop intercommunicating superdefense highways between these strategic points.

Through the construction of these great bases and highways of communication we will be able to establish a dead line 1,000 miles off our shores through which no hostile ship can possibly pass without being subjected to deadly air and submarine attacks. Thus our Navy will be left free to travel and fight if necessary, upon the high seas while their people at home can rest in that peace and security which can only be established by such measure of preparedness.

In the work of creating this barrier of defense for the Western Hemisphere we must not overlook our neighbors to the north and to the south. They have been invited to cooperate and join with us for the protection of all American people from the restless hordes of Europe and from the alarming signs of the coming Asiatic races.

This is no time for hysterical cries of alarm but rather for a calm consideration for the needs of the Nation for our national defense. But in view of the situation abroad it is imperative that each and every one of us look with concern to our own peace and safety. This is affected not only by the probability of being drawn into the great world war but also by a condition at home of possible internal disorder.

Such a condition of internal disorder in the Americas can be met in part by providing constructive self-liquidating work for unemployed persons. This may be accomplished by combining our railroad systems with great nonstop superhighways, the construction of which will provide proper communication between our naval and military bases and will insure employment for everyone for many years to come.

Back of an aviation day on August 18 of each year are the American Legion and the Veterans of Foreign Wars of the District of Columbia, the American War Mothers, and other national organizations, and I am proud to say that we have also the young men of St. Petersburg, the Jaycee Club, who, armed with the enthusiasm of youth, are determined to make this day a day of success, which it so richly deserves.

The directors of the association are well known to all of you here in St. Petersburg. Time will permit me to give only a few of the prominent men who are supporting this movement. Among them are Lt. Gen. R. L. Bullard, Maj. Gen. Amos A. Fries, and E. B. Winans, United States Army, retired; Bernarr Macfadden, publisher; Gov. Fred P. Cone; Col. James A. Moss, director general, United States Flag Association; C. G. Taylor, president, Taylor Air Craft Corporation; Edward A. Spence; Dr. L. M. Gable; F. R. Francke; R. E. Grabel, national organizer of this city; and the Honorable Maurice H. Thacher, national legal adviser.

To your city of sunshine, happiness, and pleasure comes this honor of being the first to organize an aviation day association, under the direction of the Jaycee Club, of St. Petersburg. To your State comes the honor of being the first State to start the aviation day association under the honorary chairmanship of your Governor.

And, in conclusion, I ask that each one of you lend your support to this purely patriotic noncommercial association in order that the Nation may rest secure in the knowledge that each State organization is working to give every possible assistance to our naval and military authorities for the cooperation needed to bring into existence a state of preparedness so vital to our peace and safety.

The Dies Committee

EXTENSION OF REMARKS

OF

HON. KENT E. KELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 26, 1939

RADIO ADDRESS BY HON. KENT E. KELLER, OF ILLINOIS, ON JANUARY 20, 1939

Mr. KELLER. Mr. Speaker, I feel compelled to call the attention of the Members of this House to the hearings before what is almost universally known as the Dies committee. Three volumes of these hearings are already off the press, and a fourth one, the last, is expected soon. These hearings are for the special use of the Members of this House and are to be had from the committee for the asking. They should all be obtained by every Member and should be studied carefully, including the fourth volume, before any action should even be contemplated, either by the members of the Committee on Rules or by the Members of this House.

A casual reading of these hearings will show that very many of the Nation's outstanding educators, thinkers, philanthropists, divines, and statesmen are classed therein as Communists or fomenters and abettors of communism.

It is an astonishing fact, but a fact, nevertheless, that the names of most of the forward-looking men and women of the past 25 years are printed under this classification as Communists or encouragers or abettors of communism. Not only are the great and the good now living thus smeared in this Government print, under the seal of this House, but the memories of the great dead are not sacred against these infamous attacks.

I am preparing a partial list of these to be submitted to this House and to the country at large. As a suggestion of what this list will contain, it is only necessary here to say that it includes the name of Jane Addams, one of the unselfish, sainted women of America, who gave her whole life to the service of humanity, now dead these many years. In this list is the name of Helen Keller, whose life and achievements have for many years been an inspiration to the handicapped children of the world. It contains the name of one of the colleagues of the members of the Dies committee who voted his confidence in these men in supporting the resolution which created that committee, Herbert Bigelow, one of the able outstanding courageous men of America, upon whose revered head these hearings heap the ignominy of "Communist sympathizer."

There are hundreds of innocent men and women whom these hearings accuse—not a few only, but literally hundreds, who had no notice of any such accusation and who have had no opportunity of facing their accusers and demanding proof of their crimes or being permitted to defend their characters. These accusations are wholesale, and never a single person has been notified of the accusation, nor a single one been given the opportunity of defending his good name, though every one whose name is printed in these hearings will be proscribed if these infamies are permitted to go by unchallenged, if the wronged citizens are subjected to such un-American abuse. What is going to be the reaction of these American citizens to these charges when they learn they are classed as Communists or Communist abettors and sympathizers? And what excuse can this House give if it votes to extend the time of the Dies committee without first studying with great care these mass accusations? Because it must be clear to anyone that if this House votes to extend the time of the Dies committee, by that vote it approves the statements made in these hearings and makes them permanent in the records of the American Government.

I am told there is already an understanding among a majority of the members of the Committee on Rules to rush

through this new resolution extending the life of the Dies committee, even though the hearings are not yet printed and no study of the hearings has been made. I am loath to believe any such rumor because that alone would be contrary to the customs of this House, or of any and all other legislative bodies.

There is no need for speed in the consideration of this resolution.

If a new committee were appointed, the rules and customs of this House would not justify its going into action during this vitally important session of Congress.

But more important than all this, the House could not justify the assassination of the characters of hundreds of American citizens as the record now stands, without first hearing all before condemning any.

Let all who are on these lists of the proscribed be notified of the accusations against them. Then let them be heard by the Committee on Rules or an independent committee to be appointed for that purpose. When all the evidence of guilt has been presented and the evidence in defense has been considered, let Mr. DIES retract his charges against all who are found innocent and then blazon the names of the guilty to the skies. Such a hearing of the accused alone can justify any action by this House to further put within the hands of this committee the power to smear American citizens by irresponsible pronouncement.

I therefore appeal to the Members of this House to get a full understanding of the tragic importance of these hearings in considering any extension of the life of a committee which has in the name of this body accused so many and tried none.

We cannot justify any action until this whole matter of guilt or innocence has been threshed out and finally decided.

It is perfectly evident that the House does not know what the committee has done in regard to the character assassinations and smearings in which it has engaged. I am sure that if the House can be informed on this subject the action on the resolution will be an entirely different one from what it will be if the matter is permitted to be rushed through.

I, therefore, make this suggestion that you use your acquaintance with the members of the Rules Committee and with your congressional friends to prevent any action by the Rules Committee until the last volume of the hearings is printed and sufficient time given to study the whole 3,000 pages before any report shall be made. Providing for the extension of the life of the Dies committee will be accepted as an expression of the belief of the House in the truth of these statements. It, therefore, occurs to me that every action ought to be taken to prevent any consideration of the extension of the Dies committee until the testimony is all printed and carefully studied. Furthermore, I suggest that each man who has been smeared should demand of the Rules Committee the right to appear before that committee and face Mr. DIES who is also a member of the Rules Committee, and demand proof of his allegations or an official retraction and thoroughgoing public apology.

I am writing to 50 men and possibly a hundred along this same line. If it strikes you as it does me, it will be unnecessary for me to suggest that you wire the chairman of the Rules Committee, Hon. ADOLPH J. SABATH, and Miss Mary Thompson, clerk of the Committee on Rules, and demand these two things: The delay here suggested and the right to appear and face Mr. DIES in a public hearing.

I am submitting for the RECORD as a part of my remarks a radio address which I delivered over a national hook-up over WOL, Washington City, Friday evening, January 20, 1939, as follows:

SCHOOL FOR SLANDER

The American people very properly always want to know the facts about everything that interests them or that may affect them.

I think this is especially true at the present time concerning what is known as the Dies committee.

The so-called Dies committee was authorized by House Resolution 282 "for the purpose of conducting an investigation" into the facts of un-American activities in the United States.

It was not for the purpose of going out and attacking either the institutions or the personnel of the American Government.

The Dies committee heard more than 100 witnesses, filled four thick volumes with testimony printed at Government expense, and has filed a report with the House of Representatives.

In this report, Chairman MARTIN DIES declares that he has looked upon his work and finds it fearless and free from partisanship. On the basis of past performance he now asks the House of Representatives to continue his committee for 2 years and to appropriate $150,000 for its work.

On the basis of past performance, I am forced to disagree with Mr. DIES and to charge that the real purpose of his committee, as conducted by him, was not to uncover facts relating to foreign influences, but to engage in partisan politics.

The history of congressional investigations is a long and, for the most part, honorable one. Past congressional investigating committees have been distinguished for the scrupulousness with which they sought and handled the evidence which came before them.

They first attempted to lay basic ground work of knowledge on the general subject which they were to study. When they were well grounded in basic facts they set about to accomplish their field work. They were careful to secure from reliable sources such basic documents as bank records, books of account, correspondence, etc. They questioned all possible witnesses to establish a basis for corroborating particular facts and examined the credibility of witnesses before bringing them to the stand. It has been the standard practice of congressional committees to invite or subpena to their hearings all persons whose names or activities might be attacked or mentioned adversely by the other witnesses and give them the opportunity to defend themselves. It has been the standard practice to put not one witness, unsupported by documents or previous study, on the stand, but as many as may be found necessary. These are the practices which have been followed in practically all investigations which had respect for fact and veracity.

But there has been an exception, and that a most notorious one. That exception has degraded the high prestige of congressional investigation. It has violated all the canons of common sense, all the rules of congressional decency, and all the examples set by previous congressional committees. This exception is the committee headed by Hon. MARTIN DIES, of Texas. Under his direction it has evolved a technique of investigation peculiarly its own.

Witnesses were summoned without regard to their credibility or allowed to testify at their own request and at their own expense without examination into the motives that animated them.

Not the slightest attempt was made either in the field or after these witnesses arrived in Washington to examine any documents, books of account, or correspondence, or to obtain any corroborating information as to their reliability.

A few feeble gestures in this direction were made during the last days of the hearings, but by that time the record was full of a type of "evidence" for which Mr. DIES has been apologizing ever since. Mr. DIES claims that his evidence would be admitted by any court in the land. I agree with Mr. DIES that courts would accept the evidence presented before his committee. They would accept it, however, not to establish the facts testified to but to reveal the mental state and the disreputable character of the witnesses themselves.

Practically all of the evidence was hearsay. It came not from people who are participating in un-American activities, or those who knew the facts directly, but from people telling about other people and what they thought or had heard it whispered that these other people did, said, or believed. Not one of the principals actually engaged in un-American activities was brought before the Dies committee to be confronted with documentary evidence and to admit or disclaim guilt. No reputable officer of any organization alleged to be found engaging in un-American activities investigated by Mr. DIES was called by him to testify. The documents offered were not those secured and examined by the committee and identified by responsible persons. They were whatever books and papers witnesses happened to bring with them. The record is absolutely barren of any examination of books of accounts or records of any organization concerned.

Congressman DIES has made much of the fact that he was limited as to funds and failed to get cooperation from administrative agencies of the Government. He has used this argument to excuse his committee for setting an all-time record for what President Roosevelt characterized as "unfair and un-American" methods of procedure.

In choosing its chief investigator it was not lack of funds but lack of even the most elementary regard for the public interest that led the committee to select Edward F. Sullivan for the job. Any inquiry into Mr. Sullivan's past would have revealed its unsavory character and established the total unfitness of Sullivan to serve as anything but the object of investigation himself by a committee authorized to look into un-American activities. Government agencies, of whose uncooperative spirit Mr. DIES has complained, would have been glad to tell him the facts about Sullivan.

Sullivan was at one time on the pay roll of the Railway Audit & Inspection Co., a notorious antilabor detective agency. Just what Mr. DIES' ace investigator did in the line of labor espionage is not known. But the un-American activities of the Railway Audit & Inspection Co. in fomenting labor disputes for its own profit and interfering with the rights of workers are matters of public record. Mr. Sullivan's part in these activities might well have been a matter of interest to the Dies committee.

Affidavits in the possession of Labor's Non-Partisan League establish that Sullivan had long been busy in labor affairs. Sometimes he was trying to bribe labor representatives to make false statements about their union or union officials. On at least one occa-

sion he offered to make a cash sale to labor representatives of information damaging to the employer representative with whom they were negotiating. With apparent impartiality, Eddie Sullivan would sell to either employers or workers if the bid was high enough.

Sullivan did not confine his work to the labor field but also took a flier in politics. Like the Dies committee which hired him he played anti-Roosevelt politics, and played them in the name of Americanism. During the 1936 Presidential campaign the malodorous James True and Associates came into considerable prominence. Operating under the Rome-Berlin-Tokyo-Dies slogan of "save America from the Jewish Communists," this subversive outfit conducted a campaign of slander against the President of the United States. The associates in James True and Associates were none other than Chief Investigator Sullivan. Typical of the kind of un-American propaganda spread by True and Sullivan is the following quotation from their bulletin, Industrial Control Reports, of August 1, 1936:

"Previous to Communist outbreaks in Europe, the Governments of Germany, Hungary, Spain, France, and England became infested with a preponderance of Jews, just as our Government has become infested under the reign of Roosevelt. This also follows the scheme of the protocols of Zion and is another fact that must be faced."

Sullivan, as chief investigator, naturally did not see fit to call James True as a witness before the Dies committee, nor to investigate his own anti-Semitic and anti-Roosevelt past.

The report of the Dies committee stresses the importance of racial and religious tolerance to the American way of life. Yet it put in charge of its investigation a man who had instigated prejudice not only against American Jews but had carried on anti-Catholic propaganda as well.

Mr. Sullivan's past was a secret only from the committee that employed him. It was so well known to labor and progressive groups and to the newspapermen who covered the Dies hearings that in due time it caught up with him. A storm of protest demanding that the Dies committee investigate its own investigator finally broke. Weeks later, the committee let Mr. Sullivan go—"for reasons of economy" as Mr. DIES was at pains to explain. The committee has never offered the public any apology or explanation for the character of its "ace sleuth" nor for its failure to investigate his past record before or after hiring him.

So remarkable an "investigator" naturally turned up some remarkable witnesses. And naturally he showed a great reticence to inquire into their records and credibility. Sullivan was as ready to accept witnesses on their own recommendations as the Dies commitee had been to accept him.

Mr. DIES has repeatedly insisted that he didn't believe everything he heard. But he has never disclaimed the testimony of particular witnesses, nor made available to the public the facts that bring their credibility into question. He has never explained to the public, nor to the Congress, that Alvin Halpern, a witness brought to Washington by Investigator Sullivan, has a police record in Massachusetts, and was sentenced for larceny in a District of Columbia court on the same day he told all to the Dies committee.

The committee had printed at public expense hundreds of pages of "testimony" by one Walter Steele. Did the committee base its report, or any part of its report, on Steele's testimony? Mr. DIES has not told us. But the report itself would seem to indicate that the committee put some credence at least in Steele's smear of every organization in the United States, from the Catholic Association for International Peace to the Junior Red Cross. Excepted only were the 114 organizations Steele himself claimed to represent. And these included the American Vigilante Federation, the Associated Farmers, and the American Indian Federation. The Associated Farmers, untouched by DIES, are now under investigation by another congressional committee which has startling evidence of their un-American activities. The American Indian Federation is a racket which preys on poverty-stricken Indians, extorting $1 from them on the promise that they will each receive $3,000 in return from the Federal Government.

Mrs. Alice Lee Jemison, another spokeswoman for the American Indian Federation, smeared the Department of the Interior and the officials of the Indian Service before the Dies committee. Later she appeared before the Senate Judiciary Committee to protest the appointment of Felix Frankfurter to the Supreme Court.

Finally, the American Vigilante Association, which Steele also represented, and to which he presumably gave a clean bill of health, has been roundly denounced by the late Speaker of the House, the Honorable Henry T. Rainey.

The Dies committee did not question Mr. Steele about his questionable sponsors, nor did it embarrass him by asking about his own activities. Steele is editor of a scurrilous, un-American magazine, the National Republic. This magazine and Walter Steele himself are tied up with the anti-Semitic and un-American Silver Shirts. But this also was a matter of no interest to the Dies committee. It would take all the time and money that the Dies committee had at its disposal to expose the shady histories of its star witnesses.

It heard with interest the story told by William Gernsey, who, by his own confession, worked as a labor spy in the employ of the Corporations Auxiliaries, a private espionage agency.

It heard Jacob Spolansky, who perjured himself before the committee when he testified under oath that he had never been a labor spy; this in spite of the fact that the records of the General Motors Corporation show that they paid him $480 for labor espionage; this in spite of the fact that Spolansky also did labor espionage for the National Metal Trades Association and for the Chrysler Corporation.

It heard C. Nelson Sparks, one time mayor of Akron, and respectfully addressed him as "Mayor Sparks." But it did not ask him about his work as coorganizer with Pearl Berghoff, of the notorious Akron Law and Order League; nor did it remind him that the strong-arm methods in which he engaged with "Stinkfoot" McVeagh and "Chowderhead" Cohen, legendary figures in America's strikebreaking history, elicited a sharp rebuke from the press and the chamber of commerce of his own city.

Perhaps some of the witnesses to whom the Dies committee gave its critical attention belong in the category of Edwin Banta, whose flights of imagination can be explained on the ground that he has been an inmate of the Bellevue psychopathic ward. To this class belongs Albert Littock, who was expelled from the Farmer-Labor Party of Minnesota as a mental case.

But most of the witnesses were not so crazy that they didn't know that they had been called in to do a political job.

Mark Gehan, who brought Kittock on from Minnesota, was well aware of the election that could be influenced by testimony before the Dies committee. He and his brother were both active in the campaign of the Republican candidate for Governor in Minnesota. Gehan met DIES in Detroit and showed him the cooperation Federal agencies are charged with withholding. Gehan saved DIES a lot of trouble by getting six blank subpenas, dashing home to round up witnesses to smear Governor Benson and the Farmer-Labor Party, and hauling them back to Washington to testify. By Gehan's own admission, there would have been more than the six anti-Benson witnesses who finally appeared, except for the fact that DIES had improvidently run out of subpenas.

Harper Knowles is perhaps the most vicious example of the committee's political skulduggery during the election campaign. For some time prior to 1936 Knowles was head of the California American Legion's committee on subversive activities. His misconduct in this capacity was so notorious that the State convention of the Legion held in Hollywood in 1936 repudiated Knowles. Without authorization from the Legion and entirely on his own hook, Knowles then set up what he called a "radical research department." He told the Dies committee that he spoke for the California Legion's "radical research committee," of which he was chairman, and that the voluminous brief he had prepared was submitted on behalf of the American Legion, Department of California. The Legion promptly denied both Knowles and his brief. But Mr. DIES did not take out the statement of Knowles or announce the Legion's repudiation of his story. Knowles' closest associate is Col. Henry R. Sanborn, professional vigilante and leader of the ax-handle brigade in the Salinas lettuce strike of 1936. Knowles has been the secretary of the Associated Farmers for some time. In September he took leave of absence from this position, probably to prepare for the Dies hearings.

What is the Associated Farmers? The La Follettee committee has just completed its investigation of this organization, which is probably the most dangerously un-American cabal to flourish on American soil. It is financed by big industrialists, the railroad and utility magnates, and the corporation "farmers." It has a 100 percent anti-New Deal program.

If the La Follette committee holds hearings on the Associated Farmers and makes the full story public, we shall have a startling exposure of what un-American activities really mean and of the sources from which the overthrow of democracy is threatened.

Why did DIES shield the Associated Farmers and use their secretary as a star witness? The reason was purely political. The Republican candidate for the Senate in California, Phillip Bancroft, has long been active in the Associated Farmers. He withdrew from the position of vice president of the Associated Farmers in order to run for the Senate. Knowles' purpose in offering his services to the Dies committee (at his own expense) and DIES' purpose in giving him the opportunity to testify were the same. Knowles appeared before the committee in order to smear Sheridan Downey, Bancroft's Democratic opponent in the election, and the Democratic candidate, Governor Olson.

The Knowles-Bancroft-Associated Farmers-Dies plot was defeated by an aroused electorate in California. The Democratic candidates were elected and the Associated Farmers suffered, their candidates and their program were repudiated. But this victory for the New Deal and its progressive supporters should not blind us to the dangers inherent in what Chairman DIES is pleased to call his "unbiased and nonpartisan" method of conducting an "investigation."

In Michigan the job against former Governor Murphy, now United States Attorney General, was done by the perjurer Spolansky, by Ralph Knox, an expelled member of the auto worker's union, and by Paul V. Gadola, among others. Gadola is the Republican judge whose writs ordering the evacuation of the two strike-bound Fisher Body plants in February 1937 the sheriff refused to execute.

Speaking of the need for national unity, the President, in his opening address to the Seventy-sixth Congress, said:

"Even a nation well armed and well organized from a strictly military standpoint may, after a period of time, meet defeat if it is unnerved by self-distrust, endangered by class prejudice, by dissensions between capital and labor, by false economy, and by other unsolved problems at home."

In the name of Americanism and of racial, religious, and class tolerance, the Dies committee has fomented mutual distrust among all sections of the American people. The very character of the witnesses to whom it gave a forum is evidence of that fact. The testimony to which it listened without rebuke is rife with prejudice and incitement to prejudice. The committee's report expressly calls for an investigation of the National Labor Relations Board, presumably along the lines which have characterized the committee's antics in the past. Such an investigation would permit the Board's enemies to air their views as "facts." It would allow lawbreaking employers to make a case against the Board before a congressional committe, ignoring the fact that courts where rules of evidence and the practices of American jurisprudence prevail have in most instances decided the case already, and in favor of the Labor Board.

Ex parte proceedings against Cabinet officers, the President's wife, elected officials, and the representatives and organizations of labor do not make for tolerance nor for national unity. They sow distrust of government, of progressives by other progressives, feed the unfortunate division in the ranks of labor, and undermine by discrediting the democratic process itself.

The introduction of racial and religious prejudice into a national election campaign is no service to party or national unity. Anti-Semitic propaganda was rife in New York, California, and Minnesota during the fall campaign. Yet the Dies committee, far from investigating the sources of this propaganda, piled fuel on the flames. It accepted with complacent approval attacks on the Nonsectarian Anti-Nazi League and the American League for Peace and Democracy, joining in the cry that those who protest against Nazi instigated anti-Semitism and anti-Catholicism do so only to camouflage their own Communist aims.

One member of the committee subscribed to this view openly when he backed up his charge that the distinguished Nobel prize winner, Thomas Mann, is a Communist. Newspaper reporters, indignant at the charge, reminded the committee member that Thomas Mann is known and respected throughout the world for his service to the cause of democracy. But the committee member gave the answer of Hitler and of all the Dies committee witnesses. He said: "Thomas Mann is against Hitler, isn't he?" So are the overwhelming majority of the American people against Hitler. Does that make them Communists? Does that make them subject to investigation for un-Americanism?

The Dies committee's pro forma jibes against the openly Fascist German-American Bund may fool some people, but it doesn't fool the bund's leader Fritz Kuhn. Kuhn and the bund have gone on record requesting that the House appropriate more funds for the Dies committee. What are we to think of a committee to investigate un-American acivities which receives the endorsement of the very groups it was delegated to eradicate?

The committee has other friends and supporters besides the German-American Bund. Many of them were present at the banquet given on December 8 by the New York Economic Council to honor MARTIN DIES. They included representatives of the Hearst and Morgan interests, of the big utility trusts, of the Republican Party, and of the Tory Democrats—along with six representatives of the bund itself. And, for good measure, one Henry W. Fletcher was there, though perhaps he left at home the medal he received from Mussolini for services rendered to Italian fascism.

Why do agents of foreign dictatorships and American friends of fascism and nazi-ism join in paying tribute to MARTIN DIES and in trying to prolong the life of his committee? Because they know that the Dies committee directs its attack agains one "ism" and one "ism" only. That is the progressivism of the New Deal.

If you believe that progress is un-American, if you believe that the New Deal is un-American, then you belong with those who subscribe to the work of the Dies committee. But if you are one of those millions who support the foreign and domestic policies of the present administration in Washington, then you had better stop MARTIN DIES before he stops the march of progress.

You can take it from no less an authority than MARTIN DIES, himself, that this is true.

In every radio speech he makes—and he makes a great many—he blasts away at the "campaign of propaganda" which is going to get us into another world war. And by that campaign of propaganda he means nothing more or less than the foreign policy of the Roosevelt administration. Ask MARTIN DIES where he stands on the question of rearmament in the face of aggressions by Fascist nations abroad. Ask him where he stands on the question of a positive peace policy as outlined in the President's message to Congress. Ask him how he stands on the question of constructing a united democracy on firm foundations of social and economic security. Ask him, and in his answers you will find the answer to why aggressor nations abroad applaud his works.

You don't have to ask MARTIN DIES how he feels about the domestic program of the New Deal. There is plenty of evidence already to show why anti new dealers from both parties support the Dies committee. It served their purposes well in the November elections. It serves them well today and will continue to serve them on every issue coming before the Seventy-sixth Congress. Already, in the first few weeks of this session, the Dies committee has been used by those who want to cut the relief appropriation and throw 4,000,000 people out into the snow and cold of the next few months. You will hear about the Dies committee during debate on expanding the social-security program, on revoking the Wagner Act by amendment.

DIES is already echoing the cry of "dictatorship" which has been raised at every forward step taken by any administration in American history. DIES has only been shadow-boxing with foreign "isms." His real blows are reserved for an "ism" that is home grown and deeply rooted in the soil and the hearts of America. His real blows strike at the progressivism of the New Deal, and thereby at the welfare of the American people themselves.

And he says as much. In his radio speech of December 17, DIES said:

"It is futile and inconsistent for a man to oppose communism, nazi-ism, and fascism if at the same time he advocates paternalistic governments, which seeks to regiment the people under a system of planned economy."

And again:

"The activities of the Communists, the Nazis, and the Fascists are bad enough, but worse than these activities is the advocacy by many politicians in our country of the very principle upon which all of these totalitarian governments are based."

Unemployment is the most ominous question that has ever faced the industrial world. To solve this question of unemployment is the job of the New Deal.

We cannot solve that great problem in the presence of prejudices and dissension. It will require the clearest possible cooperative thought in view of all the facts involved.

The question of unemployment has awaited solution for many generations. Palliatives have been, and are now, plentiful, but actual solution has not even been attempted. For more than a century and a half vast numbers of men, women, and children have starved through recurrent depressions, suffering untold and untellable hardships, in the very presence of the ever-increasing fortunes which their labor had made.

Civilization has formulated extensive national policies to prevent the starvation that results from enforced idleness. But no attempt has ever been made to prevent enforced idleness itself. That is the task before us. We cannot shirk it without turning coward. We cannot desert it without turning traitor. Necessity demands and duty compels that we face courageously and solve intelligently the question of unemployment.

Any minor thing that tends to take our attention from the central question involved is the most subversive thing that we have to deal with at the present time, and whether or not it is literally true, it seems to me that Mr. DIES' whole activity has tended to discredit and discourage the various organizations that have built up and provided, or intended to provide, for the welfare of man.

The era of scarcity ended and the era of plenty began at the same time the Declaration of Independence was written. America, therefore, was born with the passing of necessary poverty. It came into existence as a government at the very time that labor-saving machinery was ushered upon the stage of mankind. It grew up in the midst of the hum of the wheels of industry. It has no binding tradition back of the age of iron and the age of steam. The American Revolution and the industrial revolution were born together—twins of the eighteenth century. One came to give and finally has given political equality. The other came to give and must give economic equality. One has made political democracy safe for the world. The other must and will give industrial democracy to that same world. Political democracy born of political revolution, industrial democracy born of industrial revolution—one was the answer to oppression and the other must become the answer to poverty. Neither can exist permanently without the other.

We cannot go back, for there is nothing to go back to except panic and poverty, unemployment and rags. We are going forward whether we want to or not. It is purely a question of how fast we are going to move and how little we are going to stumble on the way.

Men are marching toward the sunrise; if we be still, we can feel the earth tremble under their tread; if we listen, we can hear the trumpets call; if we look, we can see the banners flying; if we open our hearts to the music of the moving mass, we shall be conscious that we, too, are soldiers in that march, shouting, singing, keeping step with the throbbing drumbeats of humanity.

Aviation Day

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Saturday, January 28 (legislative day of Tuesday, January 17), 1939

ARTICLE FROM THE ST. PETERSBURG (FLA.) INDEPENDENT

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Inde-

pendent of St. Petersburg, Fla., of the issue of January 12, 1939, in regard to setting aside a day each year to be known as Aviation Day in honor of our air heroes and particularly Wilbur and Orville Wright.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the St. Petersburg (Fla.) Independent of January 12, 1939]

AVIATION GROUP WILL URGE DAY OF OBSERVANCE—LOCAL MEN CONNECTED WITH MOVE TO SECURE BILL SETTING AVIATION DAY

The Aviation Defense Association will place a bill before Congress to create August 19 of each year Aviation Day, in honor of our air heroes and particularly Wilbur and Orville Wright, the "fathers of flight," it was announced today.

Among the honorary members of the national directors are Maj. Gens. R. L. Bullard and E. B. Winans, United States Army, retired; Bernarr Macfadden; Gov. F. P. Cone, Florida; Robert Kloeppel; Col. James A. Moss, United States Army, retired, the president general of the United States Flag Association; F. R. Francke, lieutenant commander, Naval Reserve; Col. L. M. Gable, Medical Reserve, United States Army; C. G. Taylor, president of the Taylor Aircraft Corporation; Harry Playford, director of Southern Air Lines; and Edward A. Spence, all on the national advisory committee for aeronautics, of the Aviation Defense Association.

It has been proposed that Col. J. E. Meyers, United States Army, retired, national secretary, prepare a national Aviation Day program, in cocperation with the civilian and Army and Navy and other service units of aviation, which will coordinate all the State associations in a celebration of the day.

The programs will include parades, airplane exhibits of school children, air circuses and races, model airplane contests, etc.

W. F. Kirchhaine, chairman of the St. Petersburg Jaycee aviation committee, sponsors of Aviation Day, has designated Robert Stewart to contact the State Jaycee clubs in connection with aviation. He will be assisted by R. E. Grabel, national organizer, who has charge of the organization work throughout the country.

The members of the national association are of the opinion that aviation is of great importance to our national defense and that superiority in the air is vital to our peace and safety.

Denison-Durant Dam on Red River

EXTENSION OF REMARKS

OF

HON. JOSH LEE

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Saturday, January 28 (legislative day of Tuesday, January 17), 1939

EDITORIAL FROM OKLAHOMA CITY TIMES

Mr. LEE. Mr. President, yesterday I obtained leave to have printed in the RECORD a portion of an editorial from the Oklahoma City Times regarding the sources of material of the Governor's speech concerning the construction of the Denison Dam. There is a supplemental and additional comment on the same subject by the same author. In justice to the author and to the newspaper, I feel that I should also ask permission to have the additional matter printed in the Appendix of the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From the Oklahoma City Times of January 24, 1939]

THE TINY TIMES

Evidently I was wrong the other day when I said the basic material in Governor Phillips' argument against the Denison Dam came from O. G. & E.'s research department. Governor Phillips said I was wrong; that Bill Coe had worked it up. Mr. Davis, of the O. G. & E., said I was mistaken; that neither Coe nor anyone from Phillips' office had used their stuff, although they would have been glad to be of service. I must be getting old. In the middle of a sandwich I asked an O. G. & E. man about the background of Phillips' argument the night after the message was given the legislature. I understood him to say that they had turned their studies over to the Governor. Just goes to show, a fellow shouldn't depend too much on his ears when his mouth is full of hamburger.

Foreign Trade Policies and the Cotton Planter

EXTENSION OF REMARKS

OF

HON. THOMAS S. McMILLAN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 30, 1939

ADDRESS BY FRANCIS B. SAYRE, JANUARY 27, 1939

Mr. THOMAS S. McMILLAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Francis B. Sayre, Assistant Secretary of State, at the annual banquet of the Agricultural Society of South Carolina, at Charleston, S. C., January 27, 1939:

It is indeed an honor to be invited to address a group so rich in history and achievement as the Agricultural Society of South Carolina. Organized over a century and a half ago by makers of American history, it has itself helped to make history. Its first President, Thomas Heyward, was a delegate to the Continental Congress, a signer of the Declaration of Independence, an officer during the Revolutionary War, and a circuit judge of South Carolina. Its first vice president, Thomas Pinckney, was Governor of South Carolina, United States Minister to Great Britain and to Spain, and a Member of the Federal Congress. Each owned extensive plantations and devoted much of his attention to agriculture.

The committee elected in the organization meeting was made up of the most prominent young progressives of their day—men who later threw themselves wholeheartedly into the building of the youthful nation and whose names became outstanding—William Drayton, associate justice of the State supreme court, judge of the admiralty court, and first judge of the United States district court in South Carolina; John Matthews, delegate to the Continental Congress and second State Governor of South Carolina; the famous John Rutledge, delegate to both the Continental Congress and the Federal Constitutional Convention, Governor of South Carolina, chief justice of South Carolina and later of the United States Supreme Court, who has been described as "the most gifted and devoted leader of the ruling group of eighteenth century South Carolina"; Charles Pinckney, officer in the Revolutionary War and aide to General Washington, also a delegate to the Federal Constitutional Convention, United States Minister to France, and Federalist candidate for President of the United States in 1804 and 1808; Ralph Izard, another delegate to the Continental Congress, United States Senator from South Carolina, a member of one of the State's oldest and most distinguished families; Edward Rutledge, signer of the Declaration of Independence, delegate to the Continental Congress and Governor of South Carolina; Thomas Bee, delegate to the Continental Congress and judge of the United States district court; Aaron Locock, member of the South Carolina Provincial Congress; and Isaac Harleston, officer during the Revolutionary War, also a member of the South Carolina Provincial Congress and senator in the South Carolina Legislature. Was ever there a more distinguished roster of South Carolina's bravest and her best?

A society of men such as these could not remain of merely local importance. Two years after it was founded we hear of it from the lips of Thomas Jefferson, then Minister to France. Jefferson, always scintillating and myriad-minded, discovered that the French preferred to import rice from Italy rather than from the United States, and while on a trip to Italy in the spring of 1787 he found that Italian rice was different from that grown in the United States. With characteristic energy he therefore decided to procure some of the Italian seed and send it to the United States. Where could he send it to better advantage than to the newly formed Agricultural Society of South Carolina?

Upon his return to France he wrote on May 4, 1787, from Marseilles to John Jay, then Secretary for Foreign Affairs:

"It is a difference in the species of grain, of which the government of Turin is so sensible, that, as I was informed, they prohibit the exportation of rough rice on pain of death. I have taken measures however for obtaining a quantity of it which I think will not fail & I bought on the spot a small parcel which I have with me. As further details on this subject to Congress would be misplaced, I propose on my return to Paris to communicate them & send the rice to the society at Charlestown for promoting agriculture, supposing that they will be best able to try the experiment of cultivating the rice of this quality."

When he reached Paris, Jefferson wrote on July 14, 1787, directly to Edward Rutledge, of the South Carolina Society:

"They informed me," runs his letter, "that its exportation in the husk was prohibited; so I could only bring off as much as my coat and surtout pockets would hold. I took measures with a muletier to run a couple of sacks across the Apennines to Genoa, but have not great dependence on its success. The little therefore which

I brought myself must be relied on for fear we should get no more and because also it is genuine from Vercelli where the best is made of all the Sardinian Lombardy, the whole of which is considered as producing a better rice than the Milanese. This is assigned as the reason of the strict prohibition."

On July 30, 1787, Jefferson wrote to William Drayton, another member of the South Carolina Society, sending him three packages of the precious Italian seed, one by way of London, a second "with this letter, and I shall send another parcel by some other conveyance, to prevent the danger of miscarriage. Any one of them arriving safe, may serve to put in seed, should the society think it an object."

What came of it I do not know. But the veil is lifted far enough to show the part which this society was already taking in the building of our country.

The South was then, as the South is now, of outstanding importance to our national prosperity. The founders of this society came clearly to realize, as is evident from their lives, that the problems of the South are the problems of our Nation. The problems of rice, of tobacco, and particularly of cotton, are not merely regional problems. They are national problems—of vital concern to industry, to agriculture, to labor, and to business generally, throughout the entire country.

The crux of the agricultural problem today is how to secure for our farmers a reasonable return for the surplus crops which cannot be sold within the United States. Less than half of the cotton which the South produces can be marketed within the United States. In 1929 we sold abroad more than half of our cotton crop, two-fifths of our leaf tobacco, and a third of our rice crop. Strong foreign markets are essential to the South. If our surplus cotton and tobacco and rice cannot be sold abroad, these surpluses are thrown back onto glutted home markets, where they force down farm prices and work widespread havoc. At the same time, if American industrial producers lose foreign markets, our city workers are stripped of the purchasing power necessary to buy the products of southern farms.

The problem of the agricultural South obviously cannot be solved by increased tariffs for staple agricultural commodities, because farmers must sell their staples in world markets. Increased tariffs are like a double-barreled gun aimed at farmers; they mean increased prices for many of the things which farmers have to buy, and they also mean reduced foreign and domestic purchasing power for the products which farmers have to sell.

What farmers must have are markets for their surplus products; they cannot rest content with any permanent program short of this.

There is no more practical way to increase both foreign and domestic markets than by reducing and eliminating the barriers and obstacles which today are hindering and diverting into uneconomic channels the flow of international trade. Once nations are free to buy and sell in the most advantageous markets, the wheels of industry and production, which have long stood idle, begin to turn again, each nation's economic organism takes on new life, and purchasing power with renewed economic activity will again be built up to a point where nations will be able to buy the American farm and industrial products which they want and need. This is the very heart of the American trade-agreements program. And surely for the agricultural South this is the way forward if it is to maintain its economic strength and health.

In three practical ways the trade-agreements program benefits the Southern farmer. In the first place it builds up and strengthens foreign markets for his surpluses, both by reducing or eliminating the trade barriers which bar access to those markets and by building up foreign purchasing power.

We have now concluded 20 trade agreements with 19 countries. Hundreds of concessions of value to American agriculture have been obtained. As measured by 1929 figures, nearly a third of our entire agricultural exports to those countries with which the first 18 trade agreements were signed received improved treatment of one kind or another. Approximately another third received guaranties that the existing duties would not be increased or the existing treatment be made more onerous. In the nineteenth agreement, that with the United Kingdom, concessions, including bindings, were obtained for about five-sixths of our total agricultural exports to the United Kingdom, the outstanding foreign market for American farm products. These concessions cover farm exports valued in 1936 at $226,000,000.

Cotton growers benefit in a less direct but equally substantial way. Most foreign nations need and want cotton and few trade barriers have been erected to exclude it. It is not trade barriers designed to bar its importation so much as the lack of foreign purchasing power which has caused export markets for American cotton to shrink.

The world could easily double its cotton consumption, for cotton supplies a fundamental human want. As is true of most commodities, cotton consumption does not remain static. If we can build up through increased trade foreign purchasing power and dollar exchange, America will be able to sell more cotton.

Furthermore, as everyone knows, the prosperity of the American cotton farmer is intimately connected with general world prosperity. If there is severe depression throughout the world, the slackening in the demand for raw cotton is quickly reflected in falling prices. That was the situation a few years ago when cotton fell to about 5 cents a pound. It has been estimated that a 10-point rise or fall in the average world index of industrial production normally tends to cause a rise or fall of about 2 cents a pound in the price of American cotton.

In the second place, the program is of very practical benefit to agriculture through building up increased domestic markets and increased domestic purchasing power. If we can sell abroad, for instance, more automobiles, automobile factory workers in the United States can and will buy more cotton goods and butter and meat than they otherwise could. Moreover, automobile factories will be buying iron and other raw materials from every section of the country; and this, in turn, will mean increased pay rolls and increased purchasing power in every place from which they buy. Workmen in these places will, in turn, buy goods coming from still other sections of the country. Each sale of surplus products abroad thus sets in motion an unending sequence of economic transactions within the country, the total effect of which is to increase purchasing power beyond the volume represented by the original sale, and increased purchasing power is what makes prosperity. Trade increases employment, creates profits, and raises the general level of well-being. Increased exports build up greatly increased domestic markets.

In the third place, the trade-agreements program offers to farmers a practical means for increasing what economists call their real income; that is, the amount of goods which their income will buy. The farmer's real income may be increased either through his receiving more dollars with which to buy the goods he wants or through a reduction in the cost of the goods he wants. In either way he gets more goods. Through reducing the costs of the things he needs by reducing the excessive and economically unjustifiable tariff rates of the Hawley-Smoot tariff in such a way as to avoid injury to domestic producers, the farmer's real income can be increased without injury to other groups, and this is being done with every new trade agreement that is made.

How deeply the farm groups were hurt, in the opinion of Secretary Wallace, by the Hawley-Smoot tariff is best described in his own words:

"The bill," he said, "actually proved to be the most outrageous instance of selling agriculture down the river to the traditional beneficiaries of tariff privilege. Once again, as in 1922, agriculture had been traded out of its shirt in a game of logrolling * * *. Monopolists and others already well fortified by tariff advantages established themselves even more impregnably within the citadel of protection."

By means of the trade-agreements program many of the excesses and unjustifiable extremes of the Hawley-Smoot Tariff Act, which have been working to the deep injury of our farm groups and, indeed, of the Nation as a whole, are gradually being smoothed away and adjusted to the benefit of all.

The importance to agriculture of all three of these practical benefits was emphasized afresh with the signing of the British and Canadian trade agreements on November 17, 1938.

Our commerce with the United Kingdom and its colonies and with Canada constitutes, roughly, about a third of our total foreign trade. The United Kingdom buys more goods from us than does any other country. American farmers have a particularly vital stake in English markets, for England needs cotton and must have more foodstuffs than she can herself produce. Approximately a third of our total agricultural exports are sold in the United Kingdom. Our sales of farm products to British buyers in 1929 amounted to some $445,000,000; in 1937 they were only $261,000,000. The potentialities of this rich and extensive market are obvious.

After the United Kingdom, Canada buys more goods from the United States than does any other country. It is much the largest source of our imports. The total trade between the United States and Canada is greater than between any other two countries in the world.

Taken together, the concessions embodied in the agreements with the United Kingdom and Canada cover more than 3,000 tariff items. Our total exports to and imports from the areas concerned amounted in 1937 to over $2,000,000,000. Of this total, nearly 70 percent, or approximately $1,400,000,000 worth of trade, is covered by the concessions given and received in the agreements. The British and Canadian trade agreements alone include concessions on American farm products affecting more than a quarter of a billion dollars worth of farm exports.

There has recently been a tendency in some quarters to look at foreign trade through very dark spectacles. Particularly after the signing of the Munich agreement last September some felt that we must accept as permanent the loss of foreign markets and the increasing regimentation of international trade.

Defeatism never accomplishes anything. It is the way to disaster. It is not the American way.

As a matter of fact, by far the greater part of world trade today is carried on by countries whose policies are not based on bilateralistic balancing and trade discrimination, but, rather on equality of treatment and unregimented trade.

Nations which are wise will adopt commercial policies which foster and promote international trade and thus further human welfare. Policies which hamper and restrict the flow of international trade are bound to work to the nation's own economic injury and in time to be themselves overthrown.

Here lies the elemental strength of the American trade-agreements program. Its two fundamental objectives are, first, to reduce and eliminate the barriers and impediments which are tending to strangle international trade; and second, to eliminate trade discriminations which today are tending to divert trade into uneconomic and less profitable channels and which are robbing international traders of the stability and certainty necessary to carry on their business.

Because of recent international developments we need not fold up our tents. If we are sufficiently resolute and intelligent to adhere to our liberal policies and to avoid being drawn into contrary practices for the sake of temporary or partisan gains, all the cards are on our side. We can win and hold strong foreign markets if only we keep true to our principles. The effective reply to the defeatist attitude regarding our foreign trade, which appeared in some quarters after the Munich settlement, is the Anglo-American trade agreement.

For many years unhappily the South has suffered under a system of mounting tariff barriers whereby southern cotton growers and southern farmers were forced to sell their goods in world markets while buying their necessities in a highly protected one. What the South needs is increased foreign markets and reduced tariffs. Upon these her entire economic existence depends. If there is one feature of present American policy which more than all others the South should aggressively fight to strengthen and safeguard, it is the trade-agreements program.

United States Favorable Trade Balance Shown by Official Figures for 1938 to be $1,133,567,000

EXTENSION OF REMARKS
OF
HON. JOHN J. COCHRAN
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Monday, January 30, 1939

Mr. COCHRAN. Mr. Speaker, from time to time we hear from our Republican friends concerning the reciprocal treaties or trade agreements. The policy of the Roosevelt administration, they charge, is detrimental to the interests of the American producer as well as to labor. Some of those on the Republican side would, if they could, go back to the old Smoot-Hawley law, which in my opinion brought about the depression.

Mr. Speaker, the best answer to the arguments of those who assail the reciprocal treaties are the figures furnished by the Department of Commerce, which show exports, including reexports, general imports, and balance in trade. The statistics are now available for the calendar year 1938, and, under leave to print, I include the figures in my remarks. They follow.

Merchandise trade, by months

EXPORTS, INCLUDING REEXPORTS, GENERAL IMPORTS, AND BALANCE OF TRADE

Exports and imports	December—		12 months ending December—		Decrease
	1937	1938	1937	1938	
	1,000 dollars	*1,000 dollars*	*1,000 dollars*	*1,000 dollars*	*1,000 dollars*
Exports	323,403	268,756	3,349,167	3,094,095	255,072
Imports	208,833	171,474	3,083,668	1,960,528	1,123,140
Excess of exports	114,570	97,282	265,499	1,133,567	

Month or period	1933	1934	1935	1936	1937	1938
EXPORTS INCLUDING REEXPORTS	*1,000 dollars*	*1,000 dollars*	*1,000 dollars*	*1,000 dollars*	*1,000 dollars*	*1,000 dollars*
January	120,589	172,220	176,223	198,564	222,665	289,063
February	101,513	162,752	163,007	182,024	233,125	261,928
March	108,015	190,938	185,026	195,113	256,566	275,302
April	105,217	179,427	164,151	192,795	268,945	274,467
May	114,203	160,197	165,459	200,772	289,922	257,297
June	119,790	170,519	170,244	185,693	285,341	232,723
July	144,109	161,672	173,230	180,390	268,184	227,527
August	131,473	171,984	172,126	178,975	277,031	230,797
September	160,119	191,313	198,803	220,539	296,579	246,329
October	193,069	206,413	221,206	264,949	332,710	277,696
November	184,256	194,712	269,838	226,364	314,697	252,239
December	192,638	170,654	223,439	229,800	323,403	268,756
12 months ending December	1,674,994	2,132,800	2,282,874	2,455,978	3,349,167	3,094,095
GENERAL IMPORTS						
January	96,006	135,706	166,832	187,482	240,444	170,689
February	83,748	132,753	152,491	192,774	277,709	162,955
March	94,860	158,195	177,356	198,701	307,474	173,360
April	88,412	146,523	170,500	202,779	286,837	159,827

Merchandise trade, by months—Continued

Month or period	1933	1934	1935	1936	1937	1938
GENERAL IMPORTS—continued.	*1,000 dollars*	*1,000 dollars*	*1,000 dollars*	*1,000 dollars*	*1,000 dollars*	*1,000 dollars*
May	106,869	154,647	170,533	191,697	284,735	148,248
June	122,197	136,109	156,754	191,077	286,224	145,869
July	142,980	127,229	176,631	195,056	265,214	140,818
August	154,918	119,513	169,030	193,073	245,668	165,516
September	146,643	131,658	161,647	215,701	233,142	167,595
October	150,867	129,635	189,357	212,692	224,299	177,998
November	128,541	150,919	169,385	196,400	223,090	176,180
December	133,518	132,258	186,968	245,161	208,833	171,474
12 months ending December	1,449,559	1,655,055	2,047,485	2,422,592	3,083,668	1,960,528

Balancing the books what do we find? I take the figures, official, from the Commerce Department. Our favorable trade balance for 1938 was the highest since 1921. In 1938 we received from foreign countries in dollars and cents $1,133,567,000 more for our merchandise than we paid foreign countries for theirs.

Of agricultural products exported only cotton showed a decrease, while all others increased. Look up the figures for dairy products, also meats and you find an increase in exports. The citrus fruit industry had a record year in exports.

Mr. Speaker, in this report you find the answer to the charge that reciprocal treaties are destroying our foreign trade.

Neutrality and Armament

EXTENSION OF REMARKS
OF
HON. CARL HINSHAW
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, January 30, 1939

Mr. HINSHAW. Mr. Speaker, as there is so much to do about the question of neutrality and armament, I feel that in order to make clearer the issues involved a statement may be helpful, even though relatively brief and very incomplete.

In dealing with questions of neutrality and armament we are in the domain of peace and war, and by the Constitution of the United States the power to declare war is lodged not in the President but in the Congress.

In the first place, it must be understood that under international law a neutral government is not permitted to perform any unneutral act whatsoever. A neutral government which during the course of any foreign conflict changes its attitude in any respect toward either or any belligerent thereby commits an unneutral act. By changing its attitude—for example, by embargoing the shipment of, say, oil or cotton, to either or both belligerents—such a change of attitude naturally hampers the operations of one belligerent more than the other and therefore would be considered an unneutral act by the belligerent aggrieved.

Consequently, should the President of the United States or the State Department make any declaration whatsoever toward changing existing embargoes placed under the Neutrality Act of 1935, as amended, or even make any statement such as the one recently made by our Secretary of State, urging those who deal in materials of war to refrain from shipment of airplanes to Japan, the executive department of the Government may be considered as having committed an unneutral act on behalf of the whole Government.

Such an unneutral act is a direct invitation to war, and under international law as it has existed for a score of centuries, the foreign nation aggrieved thereby has every right to so consider it.

To those who write to Congressmen urging for and against lifting the Spanish embargo, or to place restrictions upon the shipment of arms and the granting of credits to Japan, let me state that if the Congress or the President, under the authority granted him in the Neutrality Act, make any move whatsoever, as above described, they are committing an unneutral

act and thereby jeopardizing the position of neutrality of the United States of America.

It is therefore incumbent upon those people who make these demands that they first consider whether or not they wish the United States to commit such an unneutral act and whether or not they are willing to accept the potential consequences.

At this point may I pause to remark that the internationalists and pro-league of nationites, for their respective purposes, are evidently at the bottom of the present propaganda and agitation to knock the United States off its neutral base. These programs are indeed subtle, in that they strike a deep note of sympathy in the hearts of the American people for the victims of aggression. But let us not ourselves be unwittingly inveigled into war by our sympathy for the victims of international brigandry.

Let us remember that the events which led us into the World War have a striking resemblance to the present propaganda, and let us remember also that it is not our business to pull the chestnuts out of the fire for any other nation in the world.

Let me quote to you from the statement of a recognized authority on international law, made before the Senate Committee on Foreign Relations in 1936. The following statement refers to the World War:

> We became involved in war directly as the result of our undertaking to guarantee the safety of belligerent merchantmen and our taking the position that armed belligerent merchantmen were to be considered peaceful vessels.
> * * * I cannot forget the fact that the little kingdom of the Netherlands, small in territory and in population, but governed by a loyal queen, under the advice of patriotic and capable men, put armed merchantmen on the same footing and under the same restrictions as men-of-war, in accordance with the law that had immemorially prevailed * * *.

The matter referred to is the sinking, among others, of the British ship, the *Lusitania*, which as is well known was an armed merchantmen, having 6-inch guns fore and aft to repel submarines. This ship was sunk by a German submarine. The commander of the submarine regarded it as an armed merchantman under international law, and, therefore, a belligerent vessel—while our credulous Government, seemingly in a state of subservience to the British viewpoint, regarded it as a peaceful vessel and undertook to protest the loss of lives of American nationals and the loss of American cargo on that ship.

It was our protest that these merchantmen were peaceful vessels, even though armed to repel attack, and our adherence to the position that the attack of such foreign vessels when carrying our nationals or American cargo was an act of war against us by Germany, that led us directly into a declaration of war.

It is easily seen, therefore, that at this point to lift the Spanish embargo, thereby placing one side of the Spanish conflict in a superior position, would be considered by the other side and its allies, Germany, Italy, and Japan, as a direct violation of neutrality, which, in my belief, was probably violated when the embargo was first placed.

In reference to the Japanese invasion of China, while a state of war has not been declared, any action taken at this time to place an embargo upon the shipment of munitions, or to restrain credits, could be considered by the Japanese Government as an unneutral act, thereby placing the United States on the skids toward the bloody pit of war.

If the people of the United States wish to engage in a war with Japan, this is one of the best ways to start it; and those who would urge us to go to the aid of China thereby must consider well the consequences.

Let us not forget that, in spite of our sympathy for the victims of Japanese aggression, there are other nations and many internationalists who would like to see us take the brunt of war against Japan, for they would benefit thereby very greatly. I anticipate that we would end up holding the sack, as we have done before.

It is my present belief that the mounting hullabaloo for vastly increasing our national defense at this time and the sudden propaganda of sympathy for the Chinese people is a smoke screen behind which may be operating these internationalists and foreign interests, each with a different objective but with the same object, namely, involving us in a war with Japan.

Let us not forget that this aggression by Japan against China has been going on for quite a few years, but it is only recently that the hullabaloo has been raised. Let us remember also that religious and racial groups in other countries than Germany have been persecuted, and even massacred, but our Government did not protest. On the contrary, we have amicably recognized the Governments of Soviet Russia and Socialist Mexico. We have even congratulated them on occasion.

The internationalists, with headquarters in Geneva and Moscow, would have us "preserve democracy" and fight the opponents of their particular brand of collectivism. We got sucked into war with that slogan once before. The international commercial interests wish to preserve their position in China and drive the advancing Japanese commercial interests out. I do not at this point believe that either of these objectives is worth one drop of the blood of our American young manhood.

Therefore, in spite of my own great sympathy for the victims of aggression, until and unless the American people as a whole demonstrate a desire for war with Japan, as the Representative of the Eleventh Congressional District of California I shall hesitate before taking any action that might involve the United States in committing an unneutral act as above described.

In conclusion, let me say that recent Congresses and the executive department of our Government have apparently allowed us to slip into a most precarious position. Propagandists are endeavoring to grease the bloody skids. Let us pause and contemplate before we go any further.

The Farm Problem

EXTENSION OF REMARKS

OF

HON. CLIFFORD R. HOPE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 30, 1939

ADDRESS OF FRANK KNOX AT PIERRE, S. DAK., JANUARY 12, 1939

Mr. HOPE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Hon. Frank Knox, publisher of the Chicago Daily News, at Pierre, S. Dak., on Thursday, January 12, 1939:

As a result of the recent election the Republican Party must seriously address itself to the task of developing a positive, affirmative program. Such a program would not be given an official character until the Republican National Convention convenes in the summer of 1940, but it must be developed before that event through public discussion and debate. Under our system this is the only method by which a party program can be made to express the prevailing sentiment of the party membership. It is part of the function of those charged with party leadership to start public discussion in and out of Congress, out of which will come party policy. What I am about to say this evening is deliberately provocative. I am perfectly aware that some positions I will assume will be challenged. I am not only complacent over this prospect but I am affirmatively glad that it is so. Only through the free debate of free men can sound policy be established.

One of the acute economic problems which Republican leadership must face is the problem of prosperity on the farm. The need for facing this problem and trying to solve it is obvious. After 6 years of experimentation by the New Deal, the condition of the American farmer is worse, measured in terms of dollars and cents, than it was before these experiments were begun. If we are to be fair in the matter, we must include the last 2 years of the previous Republican administration, which also attempted its own experiments in the agricultural field. They were as unfortunate in their results as were the 6 years of New Deal experimentation.

The plain objective of all efforts to help the farmer is to bring parity in purchasing power to the farm dollar. Upon this, all are

agreed. There are two possible ways in which to attain this objective. One lies in increasing, by artificial means, the prices to be paid by the consuming public for farm products, and thus increase the farmer's purchasing power. This was attempted, under Republican auspices, through the operation of the Farm Board which bought and removed from the market a considerable proportion of the year's crop of wheat, trying to keep up the price paid the farmer for wheat actually sold. This is one form of price fixing by artificial means. It failed. And it failed at a cost to the United States Treasury of more than a half billion dollars.

Then the New Deal tried its hand at artificial price fixing. It was obvious that if any artificially fixed price was to be maintained for the benefit of the farmer a reduced output was imperative. This meant a surrender by the farmer of his control of his own farm.

The whole series, therefore, of attempted regimentation of agriculture was logical, if you start with the premise that artificial price fixing is a permanent cure for farm troubles. The results of these experiments have proved, however, that the New Deal program of artificially increased prices, buttressed by a regimented agriculture, was unsound. It failed because no economic ill was ever permanently cured by artificial interference with the operation of economic law. The law of supply and demand is as inescapable in the matter of farm prices as it is in every other portion of the entire economic world.

The failure of the whole New Deal plan to revive a sick agriculture by price fixing can be reduced to a simple dollars-and-cents basis. The total cash income to American farmers in the years 1927 and 1928 for all farm produce sold was, in round figures, $10,000,000,000. The total cash receipts, including all subsidies from the Federal Government, of the American farmer in 1937 and 1938 were seven and one-half billion dollars, in round figures. Therefore the New Deal experiment with price fixing as a means of restoring parity in purchasing power to the farmer left the American farmer two and one-half billion dollars worse off than he was before these trials were made. No successful attempt was ever made anywhere at any time by anybody to permanently fix prices. It can be done, possibly by a people who commit their destinies entirely to a socialized state, in which all property is owned by the government and everybody works for the government, but even this has never been proved. Russia is now engaged in just such an experiment, but the present state of the Russian farmer provides no incentive to the American farmer to adopt such a philosophy.

If parity in purchasing power of the farmer's dollar cannot be brought about by artificially increasing the purchasing power of his dollar—and the experience of the past 8 years abundantly proves that—then the only way left for attainment of our objective is to lower the cost of the things which the farmer must buy. If we cannot increase his income, can we increase his purchasing power by lowered prices of the things he must buy to satisfy his necessities and to provide him with the comforts of living?

This offers a fruitful field for study. Almost every article of necessity or comfort, for which the farmer's income is expended, is the product of domestic manufacturing. Are there any artificialities existing in the manner in which the prices are fixed for the things which the farmer must buy? Experience has proved, as I have pointed out, that artificial price fixing for the products of the farm does not constitute a permanent cure of the farmer's difficulties. If we are to be both logical and fair in our approach, we must likewise admit that artificial price fixing of the commodities which the farmer must buy is equally bad and equally unsound.

If we are realistic in our survey of the price range of the products which the farmer must buy, we must at once admit the presence of two artificial factors which help to determine the prices of manufactured commodities. One of these is to be found in the practice of secret price fixing which has been very widely practiced by numerous trade associations, especially since the experience of 1933 and 1934 with the N. R. A. We had, it is true, illegal and secret price fixing before the N. R. A. but never on such a scale as that which has persisted since the demise of the "blue eagle." The usefulness of the trade associations as a means of combating what was called destructive competition was never properly appreciated by businessmen until the N. R. A. opened up its possibilities to them. A Supreme Court decision terminated the open practice of price fixing, but it by no means terminated its secret practice. That continues, on an unbelievably broad scale, right up to the present moment.

Thus one of the artificial methods of maintaining a high price level for the commodities which the farmer must buy can only be destroyed by amendment of an intelligent sort of the law which governs and is designed to prevent conspiracies in restraint of trade and a thoroughgoing, impartial enforcement of the law after it has been amended. Therefore one of the subjects which the Republican Party, in my judgment, should thoroughly explore, and upon which it must take a firm and positive position, lies in the prevention of genuine competition through secret price fixing.

Along with a drastic revision of our antitrust laws and their rigorous enforcement there should, and must, go a campaign of education designed to lay bare the exact effect of a secret price-fixing policy on business itself. We as a people are determined to remain living under a private enterprise, a profit-and-loss system, of political economy. In such a system competition is of supreme importance. It is no exaggeration to say that the private enterprise system cannot continue if the element of competition is destroyed. Sooner or later the private enterprise system in which the principle of competition is atrophied destroys itself by its very excesses. To permit illegal secret price fixing to continue is to surely and certainly invite state socialism with government ownership, government operation, and government control of everybody and everything. Competition must be preserved or our whole system of private enterprise is out of the window and in the ash can.

The second of the two artificial expedients which raises the price of everything the farmer must buy, and consequently destroys all efforts at establishing parity in purchasing power of the farmer's dollar by lowering prices, is the permitting of excessively high tariffs. I am going to talk very frankly about the tariff because I believe it is one of the major subjects upon which the Republican Party must drastically change its traditional position.

Let us begin this discussion by pointing out that reducing excessive tariff rates does two things: First, it lowers the prices of the products and commodities which the farmer must buy; and second, it raises the price of the things the farmer has to sell by restoring the foreign market he formerly enjoyed. To sell American farm products abroad we must buy some of what our foreign customers have to sell. You cannot always sell and never buy in foreign trade.

Next, let us explode the theory that one of the ways to help the farmer is to raise the tariff on farm products. The major products of American agriculture are wheat, corn, cotton, tobacco, and lard. Practically all of these products are produced by American farmers in excess of our domestic needs. Whenever this is true, the price of that commodity is fixed by world market conditions and cannot be controlled, except artificially, in this country. To attempt to help the farmer by promising him higher and higher tariffs on his products is naught but a red herring drawn across the trail to divert him from attack on the excessively high tariff rates on domestic manufactures. It is time that the farmer recognizes this for what it is. It is nothing less than an effort to keep him satisfied to pay tariff-created, monopoly prices, for everything he buys, and to continue to sell what he does produce at world prices. The only time a tariff on domestic farm products can be of the slightest use to the American farmer is during a season of unusual drought, or crop shortage from some other causes, and then it is always at the expense of the American consumer.

If the proposal to achieve parity in purchasing power for the farmer's dollar is to be arrived at by lowering the prices of the things the farmer must buy, the idea of putting higher and higher tariffs on farm products must be abandoned. Plain logic can lead to no other conclusion.

Let us ask ourselves what are the factors that enter into the cost of production of manufactured commodities. First of all, there is the cost of capital. Then the cost of labor. Next, the cost of raw materials, and following after these: Skill in labor, efficiency of management, and the factor of easy and cheap transportation.

When the American Nation was young, it was almost exclusively an agricultural community. Almost all manufactured products came from abroad. In the effort to create a domestic industry, protection from outside competition was essential and imperative. Infant industry needed the chance to establish itself and the protective tariff was the answer. At that time we lacked in almost every one of the essentials I listed, which enter into manufacturing activities. We had meager capital. Labor was unskilled. Management undeveloped. Sources of raw material undisclosed, and transportation only of the crudest sort. Through the operation of the protective tariff, American industry flourished and grew to maturity. Not only are we now the greatest industrial Nation in the world, with an output greater than any other half dozen nations combined, but aided by a protective tariff, we have built up a standard of wage for the workers and a standard of living for those employed by industry greatly superior to that enjoyed by workers anywhere else.

Let us now recheck the reasons for an excessively high protective tariff now. We have more capital than any other industrial nation. Indeed, we have the greatest liquid reserve of capital assets right now in our entire national history. Interest rates here are lower than ever before, or than anywhere else. We no longer need protection against cheap foreign capital.

We have within our boundaries greater and better resources in raw materials than any other industrial nation and have developed the most efficient and economical ways of extracting this wealth from the ground. We no longer need excessively high tariffs because of the costs of raw materials.

The lack of skilled labor was one of the original reasons for high tariffs. Today, beyond comparison, we have the most skilled labor in the world, plus mass-production methods which have tremendously lowered unit costs.

Our businessmen have become skilled industrial managers. American management of industrial concerns is a model for the rest of the world.

As for transportation, we have an excess of facilities equipped with the most modern means of transportation. Supplementing our railroads we have the greatest system of highways. We have the system of the Great Lakes and many of our great rivers. We have access through our ports to two great oceans. We can no longer plead lack of transportation as an excuse for high tariffs.

This inventory leaves but one single factor—the factor of labor. Here we cannot compete because we do not chose to compete in labor cost. No one wants to reduce the American standard of wages to the meager levels of Europe or Asia. There remains, then, one reason for an American tariff and that is the difference in labor costs here at home and abroad. We no longer need aid because of lack of capital, raw materials, skill in labor technique of management, or facilities for transportation. If we are, then, sincerely intent on giving back to the farmer his just and equitable right to a dollar of equal purchasing power with that of the urban

dweller, we must forthwith abandon the present system of excessively high tariffs and go back to a moderate tariff on domestic manufactures only sufficient to protect American wage standards and nothing else.

I know that the enunciation of this proposal as a sound remedy for ailing American agriculture will bring down on my head an avalanche of criticism. I am utterly indifferent to that. If we are to cure the present farm problem permanently we have got to attempt that cure along thoroughly sound economic lines. The past 8 years have demonstrated beyond a shadow of doubt that the farm problem cannot be cured by artificially raising prices of farm products. Alternatively, if we are to provide parity in purchasing power for the farmer's dollar, it then must come through a reduced price for the things which the farmer must buy. We must, if we are logical, turn from an economy of scarcity such as that pursued by the New Deal to an economy of abundance, with the lowest possible price for domestic manufacturers that is consonant with reasonable profits and the maintenance of American wage standards. The farmer will unquestionably agree to a tariff high enough to protect the American workingman's wages. He knows his most important market for his produce is his domestic market, and his own interest demands that that domestic market shall continue to have a high purchasing power. Prosperity on the American farms can only be supported and maintained while there is and continues to be prosperity in American industry and good wages paid American workers.

Let me illustrate exactly what I mean by briefly outlining the history of one industry in this country—the automobile industry. It is one of the most highly competitive industries we have. It requires no high protective tariff either to develop it or maintain it. Its development has been characterized by brilliant management, and its success has been made possible by the skill of American labor. Operating without the benefit of high tariffs and under grilling competitive conditions, the cost of automobiles in the last 10 years has been almost cut in half, and the wages paid the American workingmen employed in the production of automobiles has constantly increased, until they constitute as a whole one of the best paid class of workers in the country.

Here we have exemplified perfectly the principle of low-cost production under competitive conditions which has spelled prosperity for the industry itself, high wages for the workers, and constantly lowered cost to the farmer and to the consumer. Incidentally, as illustrating its innate health, this highly competitive industry is one of the first to revive following the depths of the depression—indeed, it is at this moment leading American industry out of the slough of despond. No better example could be cited, of the soundness of a political philosophy based upon competition, reduced costs through improvements and refinements of manufacture, without any artificial aid of any sort from the Government.

The outcry for some form of farm subsidy had its origin in the recognition by the farmer, as a class, that he had to sell his product in a competitive market and had to spend his income in an artificially high-priced market for the commodities he used. He said, with righteous wrath, "If many of the prices of the things I must purchase are maintained by an indirect subsidy from the Government"—which is exactly what an excessively high tariff is—"then I, too, must have a subsidy from the Government." The farmer knows—none better—that American agriculture cannot be permanently supported by gratuities paid out of the Federal Treasury, but he has become tired of continuing to be the victim of an artificially fixed-price system. His demand for Government subsidy was granted. For 6 years he has been the beneficiary of subsidies. It has, in many instances, saved him from acute distress, but after 6 years of experience with it, he finds his total income, measured in dollars and cents, including the subsidies, is 25 percent less than it was 10 years ago. He knows now that Government subsidies and gratuities are not the answer. What he is going to demand, and in ever-increasing volume, is that the artificial subsidies of which he has been the victim in the past, should also be discontinued as unsound.

As Earl Smith, one of the great leaders of the farm industry in Illinois, has already said: "If American business and American labor will relinquish the use of artificial instrumentalities and permit the restoration of free competition, organized American agriculture will no longer request the support and cooperation of the Federal Government." I believe, in this statement, Mr. Smith represents the overwhelming sentiment of the American farmer.

Again, for the sake of clearness, let me repeat: It has been proved that neither a high tariff on farm products nor a subsidy nor any other form of gratuity from the Federal Government will cure a sick agriculture. It has also been proved that two things are responsible for the monopolistic prices charged for the commodities which the farmer must buy.

The first of these artificial means is found in secret price fixing in defiance of law, and the second in excessively high tariffs which give to domestic manufacture a practical monopoly of the American market. This monopolization of the domestic market is possible because under excessively high tariff rates competition from abroad, when prices get too high, is eliminated. It is these two injustices which must be corrected if we are to return to sound thinking in dealing with agriculture.

Because I have stressed these measures for bringing about parity in purchasing power for the farmer, I would not have you think that their adoption would constitute a complete cure. Of course, there is no one thing that will bring a cure. The whole question of farm credit touches farm prosperity intimately, but this problem holds within it no insurmountable difficulties.

The farmer has an even greater interest in the question of transportation. The price that the farmer receives for a bushel of wheat grown on a South Dakota farm is materially affected by the cost of transporting that bushel of wheat to the seaboard, and the whole question of transportation, which touches the prosperity not only of the farmer but of the cities as well, awaits statesmanlike solution. The farmer has a deep interest in that problem, and a part of his prosperity in the future will flow from sound treatment of this transportation problem.

A part of the farm problem will be solved by lowered taxes. In efficient and economical administration of government lies a large part of the cure of hard times. High taxes have always meant and always will mean hard times, and, correspondingly, low taxes have always helped and always will help all classes toward prosperity. The farmer's interest in the practice of rigid economy in Government—National, State, and local—is the same interest as that of the city dweller. The wild spending orgy of the past few years will take its ultimate toll from the farmer no less than the city dweller. The recent election disclosed an unmistakable trend away from radical thinking and radical measures and back to sound thinking and sane measures—measures that experience has taught in the past are right and just.

In this return to straight thinking, let us think straightly on the farm problem, because it lies at the very root of all national prosperity. It is for the express enunciation of what seems to me straight thinking that I have come to you tonight. I don't expect your complete agreement with what I have said. In much that I have proposed you may sharply disagree; but if I have made even a small fraction of my American fellow citizens begin to think realistically, the effort has been richly worth while.

Importation of United States Flags

EXTENSION OF REMARKS

OF

HON. JAMES F. O'CONNOR

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 30, 1939

RESOLUTION OF THE MONTANA LEGISLATURE

Mr. O'CONNOR. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution of the Montana Legislature:

Senate Joint Memorial 1

Resolution memorializing the Congress of the United States for the passage of legislation prohibiting the importation of foreign-manufactured United States flags and other national insignia sufficiently to protect their manufacture in the United States

To the honorable Senate and House of Representatives of the United States in Congress assembled:

Whereas the United States flags and other national insignia are being manufactured and imported from foreign countries; and

Whereas this practice is detrimental to our manufacturers of these flags and national insignia and contrary to the theory of our national Americanism: Now, therefore, be it

Resolved by the Senate of the State of Montana (the house of representatives concurring), That we do hereby petition the Congress of the United States of America for the passage of legislation prohibiting the importation of foreign-manufactured United States flags and other national insignia; be it further

Resolved, That a copy of this memorial be transmitted by the secretary of State of Montana to the Senate and House of Representatives of the Congress of the United States and to the Senators and Representatives in Congress from the State of Montana, and that they and each of them be requested to use all honorable means within their power to bring about such legislation.

Sugar Production in Florida

EXTENSION OF REMARKS

OF

HON. PAT CANNON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 30, 1939

Mr. CANNON of Florida. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following telegrams in regard to sugar production in Florida:

BELLEGLADE, FLA., *January 22, 1939.*

Hon. PATRICK CANNON,
Washington, D. C.:

Low temperatures in this region have again ruined our vegetable crops. Sugarcane planting has not been affected. If we had had one-half of our land in sugarcane, we would be in much better financial shape today. Please change laws so that the small farmer can put at least one-half of our land in sugarcane and be self-supporting and self-respecting American citizens supplying the needs of fellow Americans.

J. H. Chamblee, Geo. E. Tedder, J. Floyd McFarlin, Rube Vann, I. Raymond Shensky, C. M. Larrick, Ralph Stallion, C. A. Revel, J. S. Scoggin, H. Boree, A. P. Walters, T. A. Lee, John W. Harris, C. W. Crosby, H. N. Armstrong, W. H. Webb, R. Y. Creech, D. C. DeHaven, S. B. Gurkin, E. K. Watson, D. J. Pattee, A. O. Walker, I. Corbett, H. B. Walker, W. I. Bowen, S. E. Campbell, I. C. Campbell, O. S. Jackson, H. C. Willits, W. R. Hooker, Ralph E. Freeman, Floyd E. Chapman, J. W. Mosely, H. R. Layfield, Frank Morris, Jay Morris, L. D. Bessant, Rawls Bros., H. G. Weeks, Ross Winnie, W. C. Lord, I. L. Price, Jr., W. E. McDonnell, Raoul and Haney, Sam Fleming, O. W. McWhorter, William J. Buck, O. M. Moore, Ruth S. Wedgeworth, N. T. Taylor, B. Y. Free, E. W. Ely, G. W. Cowan, C. Green, V. A. Boots, R. K. Harris, Luther Jones, L. Weiman, G. W. Hamilton, L. Betzner, A. A. Kirchman, Frank Kruze, Albert Kruze, E. T. Morris, Bart Bass, B. B. Boland, Bruce Morris, Hugh J. Brattley, L. T. Burkett, H. C. Warthen, Abe Dunn, Paul Tomis, H. B. Beck, B. C. Parker, W. P. Hill, M. E. Irby, G. J. Barstow, Lloyd Brown, H. C. Tillery, Clarence Evans, T. S. Tabbit, George Williams, Geo. P. Painall, J. I. Freedlund, A. J. Sullivan, Arthur Wells, A. E. Kirchman, C. M. Green, G. J. Bender, B. L. Hayman, J. O. Darden, W. B. Weeks, G. H. Rawls, H. R. Collins, B. Jenkins, W. M. Pierce, Fritz Stein, Joe Cherry, Max Morris, J. N. Morris, John Harris, Merl Thompson, D. Alexander, Frank L. Franz.

PAHOKEE, FLA., *January 22, 1939.*

Congressman PATRICK CANNON,
Washington, D. C.:

Low temperatures in this region have again ruined our vegetable crops. Sugarcane planting has not been affected. If we had had one-half of our land in sugarcane, we would be in much better financial shape today. Please change laws so that the small farmer can put at least one-half of his land in sugarcane and be self-supporting and self-respecting American citizens supplying the needs of fellow Americans.

H. Gold, A. Dobrow, R. M. Young, L. Gold, A. Padgett, R. A. Ball, J. E. Rogers, W. A. Humphries, Thomas L. Elliott, E. O. Murphy, J. B. Elliott, J. C. Berry, H. Woods, B. Elliott, P. R. Hendricks, W. A. Clifton, J. L. Crosby, J. R. Rice, W. G. Smith, L. W. Armstrong, Geo. McLarty, H. L. Spear, P. J. Anderson, Carmen Salvatore, T. M. Dechman, C. A. Bailey, J. A. Dulaney, L. L. Stucky, E. G. Kilpatrick, Jr., J. W. Barrett.

PAHOKEE, FLA., *January 24, 1939.*

Hon. PAT. CANNON,
Washington, D. C.:

Lake Okeechobee, Everglade section, is again suffering 90 percent loss through severe cold we had last Friday and Saturday, which makes it very hard on our farmers as fall crop brought no price; winter crop killed by frost. Won't you be good enough to do everything possible to help the United Sugar Corporation to increase their quota that would make possible for small farmers to divide their farming between sugarcane and vegetables that would give them chance to make a decent living, as sugarcane was not hurt at all during this severe cold? Kindly acknowledge this wire in behalf of the farmers and myself. With kindest regards.

H. GOLD, *Prince Theater*

Statement on Communism

EXTENSION OF REMARKS

OF

HON. LYLE H. BOREN

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 30, 1939

Mr. BOREN. Mr. Speaker, communism has already become a serious problem in America. The Communist strategy is to "bore from within." Up to this time there has not been any noticeable Communist activities in the great State of Oklahoma. As a citizen of Oklahoma, believing strongly in the American system of government, I am determined to do what I can to prevent communism from gaining a foothold in my State.

Recently the Workers' Alliance of America has begun organizing efforts in the State. They now have organized one or two units in the Fourth Congressional District, which I represent.

The citizens of Oklahoma believe in Americanism and, I am certain, do not wish to aid or tolerate the development of any "ism" contrary to Americanism. The organizers of the Workers' Alliance have come to Oklahoma in the form of an opportunist movement, taking advantage of citizens in the district desperate in the conditions of unemployment. They justify the collection of their dues with false claims of their ability to influence legislation in the National Congress and to influence the employment of people on W. P. A., and so forth.

One of the first attempts to organize the Workers' Alliance in Oklahoma was at Claremore, where an organizer sent from some eastern State came to Claremore with Robert Wood, the head of the Communist Party in Oklahoma, and they together attempted to set up a unit of this Communist organization. This, of course, was a failure, because the presence of Robert Wood made the identity of the organization as a Communist group too evident. These organizers then went to Seminole County, which is my home, and have started organizations there.

I doubt if there are any Communists in the Fourth Congressional District, and those who have joined the Workers' Alliance have been misled by the false claims of this organization and, I am sure, do not know of the Communist background of the organization, and I feel that when those members learn of the ulterior motives of the program which they have been led to support that they will be the first to help put an end to these Communist activities in our State. We have a pioneer type of citizenship in Oklahoma, who are stalwart in their philosophy of democracy and who will not participate in subversive movements when the identity of such movements are made known to them.

Therefore, Mr. Speaker, I have written the following letter to the State director of the Works Progress Administration in Oklahoma and have written similar letters to the W. P. A. directors in my part of the State and to the National Director of the W. P. A.:

JANUARY 27, 1938.

Mr. RON STEPHENS,
Administrator, Works Progress Administration,
Oklahoma City, Okla.

DEAR MR. STEPHENS: It has come to my attention that many W. P. A. workers are being led into joining the Workers' Alliance, a communistic organization. I feel very strongly that no one should be continued in a supervisory capacity who is a member of this organization, since it is fundamentally dedicated to the program of destruction of the American system of government.

The Workers' Alliance is a communistic organization, and I respectfully request that no supervisor of W. P. A. who is a member of the Workers' Alliance be employed anywhere in the Fourth Congressional District of Oklahoma.

If there is any nonrelief employee in the Fourth District who is a member of the Workers' Alliance, I respectfully request his removal.

Sincerely yours,

LYLE H. BOREN.

I want to point out that in this letter I have made no reference to the relief client, but have made the request that no people be carried on the nonrelief pay roll who are participating in organizing the Communist movement. The action I have taken in writing this letter is in keeping with the spirit of the amendment which I presented to the deficiency appropriation bill for W. P. A., and which this House adopted, restricting expenditure of W. P. A. funds to American citizens, thus cutting off all W. P. A. rolls the Communists and Nazis, who are organizing for the destruction of the American Government while on the Federal pay roll.

I believe these foreigners ought to be cut off the W. P. A. throughout the Nation and in Oklahoma we do not want any foreigners coming into our State in an attempt to dictate our policies and develop organized support for their Communist movements.

I have also written to every member of the Workers Alliance in the Fourth District, who has written to me on their stationery and as a member of that organization, a letter in the spirit of the foregoing remarks, an example of such letter I also place in the RECORD at this point:

DEAR SIR: You have written to me as an official of the Workers Alliance and I deeply regret to see good people in Oklahoma being led by propaganda into joining this communistic organization. I realize that a great many good citizens who are not members of the Communist Party are led to join such organizations as the Workers Alliance without fully realizing the ulterior motives of the organizers and their connection with the Communist Party.

The founders and organizers of the Workers Alliance are Communists. Their purpose in extending the organization is to expand the reach of communism.

I am not a Communist. I believe in the American system of government. While I do not condemn the honest American who is misguided into joining the Workers Alliance, I do condemn the Workers Alliance. I am against every Communist organization. I hope and trust that the good citizens in the Fourth District of Oklahoma will not be led into promoting the Communist Party and that the Workers Alliance will soon cease to exist in the great State of Oklahoma.

Under separate cover I have sent you copy of the CONGRESSIONAL RECORD showing the record of the vote you referred to, but I send this to you as an individual and not as an official of the Workers Alliance.

Sincerely yours,

LYLE E. BOREN.

I also want to call attention to page 48 of the book called "The People's Front," which was written by Earl Browder, general secretary of the Communist Party of the United States, and a member of the presidium of the Third International of Moscow:

It was the Communists who raised the slogan of national unification, fought for it consistently, and finally brought about the merger of all into the Workers Alliance. * * *

The Workers' Alliance is not a legitimate labor organization and has been refused affiliation by both the American Federation of Labor and the C. I. O. It was organized by Herbert Benjamin, a leader in the Communist Party, and David Lasser, president of the so-called United Front.

W. P. A. Appropriation

EXTENSION OF REMARKS

OF

HON. JAMES F. O'CONNOR

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 30, 1939

Mr. O'CONNOR. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following memorial of the House of Representatives of Montana:

Memorial to the Congress of the United States of America protesting the reduction of the $875,000,000 asked by President Franklin D. Roosevelt for Works Progress Administration purposes to $725,000,000

To the honorable Senate and the House of Representatives of the United States in Congress assembled:

Whereas the House of Representatives of the United States has cut the appropriation for Works Progress Administration purposes to $725,000,000 from $875,000,000, the amount requested by President Franklin D. Roosevelt; and

Whereas such a reduction would cause great distress and serious conditions in Montana due to increased unemployment in private industry: Now, therefore, be it

Resolved that the Twenty-sixth Legislative Assembly of the State of Montana (the senate and house concurring), Does hereby protest the reduction of the appropriation for Works Progress Administration purposes and respectfully petition and request the Congress of the United States to restore to the sum of $875,000,000 the appropriation for said Works Progress Administration purposes as requested by President Franklin D. Roosevelt; and be it further

Resolved, That copies of this memorial be transmitted by the secretary of state of the State of Montana to the Honorable Franklin D. Roosevelt, President of the United States, the Honorable B. K. WHEELER and the Honorable JAMES E. MURRAY, United States Senators, and to the Honorable JAMES F. O'CONNOR and the Honorable J. THORKELSON, United States Representative of the State of Montana.

Transfer of Area Headquarters of Soil Conservation Service at Spartanburg, S. C.

EXTENSION OF REMARKS

OF

HON. JOSEPH R. BRYSON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 30, 1939

Mr. BRYSON. Mr. Speaker, the one thing which has impressed me most during my first days in the Congress is the vastness of this Federal Government of ours. From the discussions which have taken place on the floor I have caught a glimpse of the many and divers agencies of the Federal Government that the Congress has established and that the Congress sustains by the periodic appropriation from the Federal Treasury of moneys to meet their cost of operation.

I repeat that this multiplicity of governmental agencies has astounded me. While I do recognize the need for many of such agencies, and do not wish to depreciate the fact that in many instances they serve a definite and worthy purpose, I feel it appropriate and fitting to propound the question: Are the policies of these agencies getting beyond the control of Congress? This question suggests itself to me in view of an amazing spectacle recently called to my attention.

About 10 days ago there appeared in a North Carolina newspaper an announcement to the effect that area headquarters for the Soil Conservation Service located in Spartanburg, S. C., a city in my own congressional district, had been ordered by the Department of Agriculture to be transferred to Atlanta, Ga., which is about 200 miles west of Spartanburg. If an adequate explanation for this move had been offered by the Department of Agriculture, or if justification for their action were apparent, I would be out of order in directing the attention of the Congress to the staggering blow administered this city of my congressional district; but the fact of the matter is that the move smacks of the most arbitrary and dictatorial procedure I have ever witnessed.

Let me tell you gentlemen what has happened. Spartanburg is a city of some 30,000 inhabitants, geographically situated in the center of the great Piedmont area. And by virtue of its geographical situation and ability to accommodate the needs of the soil-conservation program it was originally designated as the first area headquarters of the Soil Conservation Service in the United States. For several years now the Soil Conservation Service has directed its operations for the southeastern section from Spartanburg.

But without the filing of a formal report, mind you; without the presentation of any facts or statistical data—with nothing more, if you will, than the tardy submission of a reluctantly rendered explanation carefully and cautiously woven into a mass of vague and indefinite generalities—it was ordered by officials in the Department of Agriculture that 250 members of the Soil Conservation Service in Spartanburg be transferred to Atlanta, Ga. And for what purpose were they to be transferred? We are told that these 250 employees were being transferred to Atlanta in order to bring them into closer contact with approximately 50 members of certain other agencies of the Department of Agriculture located in Atlanta.

Gentlemen, I submit that the act of transferring an organization of over 250 members to organizations totaling less than 100 members is nothing more, pure and simple, than a case of allowing the "tail to wag the dog." Should the wisdom of this "tail wag the dog" realinement be conceded? I think not. It remains for the Department of Agriculture to definitely point out where Atlanta is more suitable in this instance than Spartanburg. The relative suitability of the two cities should be determined on the basis of a comparative study of the geographical situation, housing facilities, transportation facilities, and other considerations incident to the operation of the several farm programs involved in this re-

grouping. But, I repeat, this move has been ordered and still the Department of Agriculture has offered no factual or statistical findings in the matter. They have simply arbitrarily stated to the Spantanburg office, "Get going." Pardon my phraseology, but the treatment accorded Spartanburg amounts to just that.

Neither should it be forgotten that in order to accommodate the personnel of the Soil Conservation Service the city of Spartanburg constructed a number of new homes and apartment houses, expanded business operations, and otherwise enlarged its facilities for supplying necessary goods and services. Here was the case of a small community striving to its utmost to offer ever possible cooperation with Federal Government in the establishment of headquarters for one of its agencies.

Try to visualize now what is going to happen to this fine city which made investments with the understanding that it was to be area headquarters for the Soil Conservation Service. Who is going to occupy those vacant homes, what patrons are going to fill those vacant shops, what returns are going to protect the investments of those civic-minded businessmen who built homes to care for the personnel of the Soil Conservation Service? What will there be to avert a financial calamity in this mistreated city?

This, gentlemen, is how far-reaching the action of a few officials in the agencies of our Federal Government can be. A small group of administrative officials can hand down a death sentence and then turn deaf ears to our pleas.

Is there anything democratic in this sort of procedure? Certainly not. My analysis is accurate; this move has not yet been justified or supported by facts. Should we witness such moves without raising a word of protest? Certainly not. My recommendation is timely and pertinent; we should penetrate to the depths of these matters and expose every example of undemocratic procedure. That is what I have done here today, called your attention to a glaring example of a piece of arbitrary and high-handed procedure. I thank you, Mr. Speaker and the Members of this House, for your kind indulgence.

The Task Ahead in National Flood Control

EXTENSION OF REMARKS

OF

HON. WILLIAM M. WHITTINGTON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, January 30, 1939

ADDRESS OF HON. WILLIAM M. WHITTINGTON, OF MISSISSIPPI, BEFORE THE OHIO VALLEY CONSERVATION AND FLOOD CONTROL CONGRESS, HUNTINGTON, W. VA.

Mr. WHITTINGTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered on Friday, January 27, 1939, at the meeting of the Ohio Valley Conservation and Flood Control Congress, Huntington, W. Va.:

Four successive floods in as many years crystalized public sentiment for national flood control. The Flood Control Act of June 28, 1938, commonly called the Whittington Act, is the most far-reaching and most comprehensive flood-control legislation ever passed by this or any other country.

NATIONAL FLOOD CONTROL

The act of June 22, 1936, known as the Copeland Act, was a step in the right direction; it was an excellent beginning, but it did not meet the general demand. It did establish a policy. Flood-control works, including levees and river walls for downstream protection and reservoirs for upstream control were placed under the Corps of Engineers of the United States Army. Water retardation, soil conservation, and reforestation were placed under the Department of Agriculture. Downstream works were supplemented by upstream improvements.

The act of August 28, 1937, primarily provided for emergency projects in the lower Ohio Valley, following the flood of that year. The act of 1938 reaffirms the national policy declared in the act of 1936. No new agencies have been established, but existing agencies, familiar with the problems involved, that have devoted years to studies and investigations, as well as to the construction of works, are utilized in the policy declared in the act of 1938, as they were in the act of 1936.

There is a definite plan for each of the great drainage basins of the country. The projects authorized will fit into that plan. The act contains only authorizations to initiate the plans by the construction of the works named. Funds cannot be diverted from one drainage basin to another; they must be spent where they are authorized or they cannot be spent at all.

Authorizations are made for local protective improvements, especially along the Ohio River and for reservoirs along the headwaters of the principal drainage basins of the country. It is contemplated that priority projects will have first consideration.

The Department of War and the Department of Agriculture have cooperated; their work has been coordinated; there has been no conflict.

Under the act of 1936 some 44 reservoirs were authorized. About six are under construction. It has been evident for some time that unless the Federal Government assumed the costs of construction of reservoirs, reservoirs along headwaters would not be constructed. Under the terms of the act of 1938 the local interests provide rights-of-way for levees and river walls, but the Federal Government pays the entire costs of reservoirs for flood control. Only the reservoirs, in the order of their priority, approved by the Chief of Engineers, will be constructed.

TITLE OF RESERVOIRS

There has been criticism of the provision in the act of 1938 for the costs of reservoirs at national expense and for the title to reservoirs in the Federal Government. It has been stated that the United States proposes to invade the States in order to provide for flood-control works. It has been urged that the power of condemnation conferred upon the Federal Government with respect to reservoirs be repealed.

A moment's reflection will show that the contention is unsound and without merit. Under the guise of so-called States' rights, the flood-control program in New England is being delayed.

There is nothing new or novel about the power of eminent domain in the Federal Government. Eminent domain and consent are incompatible. The power to exercise eminent domain conditioned upon consent of the local interests would be without effect. Condemnation implies that consent is unnecessary. All governments, as a part of their inherent sovereignty, exercise the right of eminent domain. The United States, the States, the counties, the municipalities, and other legal subdivisions have the power of eminent domain.

Under the Federal Constitution and under Federal statutes, lands and properties in the several States may be acquired by the Federal Government with the consent of the States. There is thus provision for purchase and for the exercise of jurisdiction by the Federal Government over the property purchased, but for more than 60 years there have been statutes that have authorized condemnation of property for public purposes without the consent of the States. The policy of the Federal Government is to cooperate with the States to obtain title by negotiation and by purchase, but the inherent power of condemnation is in the Government; it is necessary; there may be interests that are selfish—that demand more than just compensation for property required for public purposes. The United States has had the power to condemn for river and harbor improvements for 60 years; it has had the power to condemn for flood-control improvements since 1917. The consent of the States or local interests is not necessary.

Generally, Federal agencies for Federal purposes have been given the power of eminent domain without the consent of the States. Some 35 reservoirs are being constructed, and about 80 have already been constructed, for reclamation in the West under the power of eminent domain conferred upon the Federal Government in the Reclamation Act. The dams and reservoirs in the Tennessee Valley, the Boulder Dam, the Parker Dam, the Bonneville Dam, the Grand Coulee Dam, the Fort Peck Dam, and the navigation dams along the Ohio have all been constructed under the power of condemnation without the consent of the States in which the properties are located. The power has been conferred; the policy has been to negotiate. It is not the policy now of the Corps of Engineers to go into any State and build reservoirs unless the States desire the improvements for reservoirs; however, the power is imperative if the reservoir policy is to obtain in the United States. Human nature is very much the same. States will not willingly consent to the construction of reservoirs for the benefits of States farther down the river; neither will counties agree to the building of reservoirs if they are for the benefit of counties below. Protective works in one State for the benefit of other States would be hampered, if not destroyed, if there were no power of eminent domain in the Federal Government. The power of condemnation is essential to the national policy of flood control.

ERRORS

It is often loosely asserted that billions of dollars have been expended by the Federal Government in the construction of levees along the Mississippi River, and heretofore it has been proclaimed from the housetops that the levees have failed. The fact is that in all of the 150 years of its history the Federal Government has expended for flood-control works along the lower Mississippi River, including the expenditures under the act of 1928, approximately

$300,000,000. In addition it has expended substantially $100,000,000 to improve navigation.

During the same period the Federal Government has expended for navigation along the Ohio, the Allegheny, and the Monongahela Rivers substantially $240,000,000, while expenditures for navigation along the Cumberland, the Tennessee, the Muskingum, the Kentucky, and other tributaries of the Ohio River approximate $80,000,000. Along the Illinois, the upper Mississippi, and the Missouri Rivers the Federal Government has expended, including obligations incurred, approximately $200,000,000 to promote navigation. Personally, I favored all of these great internal improvements. The policy of our Government should be to give consideration to all sections of our country. Rivers and harbors along the Lakes, the Gulf, and the oceans have been wisely improved. Federal expenditures should be generally distributed.

The Ohio and Mississippi Rivers have been improved for navigation since 1824, but prior to 1917 flood control along the lower Mississippi River was incidental to navigation, and prior to 1937 the Federal Government had constructed substantially no flood-control works along the Ohio River.

NATIONAL PROBLEM

In 1917 and again in 1923 Congress authorized appropriations for flood control as well as navigation along the lower Mississippi River, but the flood of 1927, the greatest in modern times until then, resulted in the passage of the Flood Control Act of 1928, which declared that flood control along the lower Mississippi River was a national problem.

The 1935 floods in New England, New York, and Pennsylvania; the 1936 floods in the upper Ohio Valley and the 1937 floods in the lower Ohio Valley, the highest in the history of the valley; the 1937 flood in the lower Mississippi River from Cairo to the mouth of the Arkansas, the highest of record, and the Los Angeles floods of 1938 focused public attention upon flood control along the major rivers of the United States as a national problem.

DIFFICULTY

The act of 1938 was not passed without difficulty; in fact, it was passed over almost insurmountable obstacles. Powerful and influential statesmen with their widespread organizations opposed the act but the friends of flood control insisted that a sound policy be adopted and they demanded that all investigations, planning, and works be constructed by the Corps of Engineers of the United States Army; they maintained that there had been enough planning; they asserted that there had been enough study, that the time for action had arrived.

The bill finally passed the House with but four votes against it. It was the day that many of us had long sought and mourned because we had found it not. It represented the realization of the dreams and plans of years. The bill was originally and almost unanimously passed by the House substantially as it was drafted and reported by the chairman of the Committee on Flood Control. More universal support was accorded to the bill than ever accorded any previous flood-control bill.

The opposition in the Senate was determined; a filibuster was threatened. The friends of flood control rallied to the support of the bill, and the bill as finally passed in the Senate contained substantially the same authorizations as were in the bill when it passed the House.

The first section of the act of 1938 reaffirms the sound policy first proclaimed in the act of 1936, and emphasized in the emergency act of 1937. The plans will be made and the work will be done by the most capable flood-control engineers in the world—the Corps of Engineers of the United States Army

COOPERATION

The act of 1938, as well as the acts of 1936 and 1937, are the result of the cooperation of the friends of flood control in the principal drainage basins of the United States. As is the case with practically all legislation, compromises were made, but they were no compromises of principle. Those who demanded protection in their areas accorded comparable protection to those in other areas. We recognized that flood control hereafter must be national. All main drainage basins are entitled to protection. Without cooperation of the advocates of flood control in the Ohio Valley, as well as in the other principal valleys of the United States, the act of 1938 would have been impossible.

FLOODS

Floods are not new. They are the oldest and most powerful of natural forces. There is just as much rain, there is just as much stream flow, and there are just as many floods today as there were thousands of years ago.

Man has been harassed by floods in all ages. The story of the flood that overwhelmed the entire world is one of the oldest stories in the records of man. The most widely known story of hungry waters in all literature is Noah's flood. The flood legend goes back into the Indian lore of this country. Perhaps the earliest story of floods, according to the historian Bancroft, is told by the Papago Indians of Arizona. Montezuma was the hero of the legend. Many of the Indian legends parallel the story of Noah's ark.

There are records of historic floods in Europe and Asia in modern times. Holland in Europe and China in Asia have suffered devastating floods.

There were floods along the Ohio River when Columbus discovered America, when Yorktown fell, and there were great floods in 1936 and 1937.

There were great floods along the Mississippi River when De Soto was buried in its bosom in 1543. There have been great floods along all principal rivers of the country.

The first civilized man to observe the Mississippi River saw it at its worst. There was no civilization then; there were no farms to be devastated or cities to be destroyed. Hernando De Soto was thrilled at the beauty of the Father of Waters, but he was unafraid.

Floods are not new, but the losses multiply with succeeding years. The public now knows the loss of life and the staggering havoc wrought by recent floods. The story of death and destruction has appealed to Congress as it has appealed to the country.

DUST STORMS

Dust storms are not of recent origin. Geologists tell us that the soil of the Eastern Central States from a few inches to several feet in depth is simply the accumulation of the dust storms of the past.

But civilizations have perished because lands were abused. It is said that the Sahara Desert in the long ago was inhabited and cultivated, but the misuse and abuse of its lands converted that broad expanse into a desert of sand.

SOIL EROSION

Soil erosion has been going on for ages. The lower Mississippi Valley was formed by the erosion of the soil. The Gulf of Mexico in prehistoric times extended to the city of Cairo, Ill., at the mouth of the Ohio River. As the result of erosions, the lower Mississippi Valley was formed, and the mouths of the Mississippi River are still being extended out into the Gulf of Mexico at the rate of a mile in every 21 years.

However, our lands are being needlessly eroded, and our forests are being ruthlessly destroyed. The clearing of forests, digging of ditches, as well as the plowing of grasses and the cutting of trees, have contributed to increased flood heights. In the early days damages from floods were not so large as they are now. The ravages have increased because of the development along the rivers. The damages during the past 100 years will fade into insignificance when compared with the damages that will occur in the next 100 years in our valleys, with their increased population and industrial development, unless they are protected.

The Ohio Basin, from the earliest days of the Republic, was regarded as a great empire; its forests, its fertile fields, and its unlimited mineral resources afford opportunities for great development. The industries along the Ohio River and its tributaries surpass those of any other section in this or any other country. This development must not be retarded. Protection should and must be given to the valley.

The money spent for protection against the ravages of floods is relatively small. Larger funds have been spent for highways and railways. None of these improvements has resulted in as large revenue to the people of the United States and to the Federal Government as has accrued by reason of flood-control works.

NO SINGLE ANSWER

There is no single answer to the problem of flood control. Soil erosion should be prevented; soil conservation should be practiced; waters should be stored; forests should be preserved; grasses should be grown; cities should be planned, and electric power should be generated. All possible solutions must be explored and utilized. Levees and flood walls are essential; reservoirs are imperative; projects involve levees, channel improvements, and reservoirs. Such a project obtains in the Miami conservancy district in Ohio.

VISIONARY SCHEMES

Many visionary schemes for flood control have been proposed. They all have one thing in common—they show that the authors utterly fail to comprehend the real problem of flood control. They have, for instance, no conception of the problem along the Ohio and Mississippi Rivers. In 1937 at the crest of the great flood at Cairo, 1,900,000 cubic feet per second went by along the Ohio. During the 50 days the river was above flood stage there were 80,000,000 acre-feet of water in excess of the below flow flood of the river. This amount staggers the imagination. If poured into an inland depression with an average depth of 20 feet, it would make a pool two-thirds the area of Lake Erie. Boulder Dam would have been filled three times over, and there would have been an excess that would have covered the District of Columbia, with an area of 70 square miles, 156 feet deep.

FLOOD-CONTROL IMPROVEMENTS MOST SATISFACTORY PUBLIC WORKS

The leeves in the lower Mississippi Valley contain more than 600,000,000 cubic yards of earth; they are the greatest marks ever made on the face of the earth by man; they are longer and higher than the Great Wall of China; they contain twice the yardage of the Panama Canal.

I am an advocate of public improvements. I favor public works that are beneficial. We are still battling with the problem of unemployment. I believe that one of the best ways to solve the problem is to provide for sound and permanent public works. I know of no more satisfactory works than flood-control improvements. The public knows the enormous loss of life and property wrought by recent floods, and the country is sold on flood protection.

FLOOD-CONTROL ACTS PASSED UNDER THE ADMINISTRATION OF FRANKLIN D. ROOSEVELT

The first national flood-control act was passed under the administration of President Franklin D. Roosevelt. No President has been more sympathetic with better land uses and with improved land management. It would be most unfortunate if the gains of flood control during the present administration were sacrificed by any program that would hinder and delay, if not prevent, flood-control works.

THE CORPS OF ENGINEERS

The Corps of Engineers have been utilized by the President in relief and emergency projects. Their reports and their recommendations have been followed by the Mississippi Valley Committee and by the National Resources Committee in reports submitted by them. The difficulty with too much planning is that much of it is theory. The Corps of Engineers, however, are practical; they have had experience. I believe that flood-control work—river and harbor work—should remain under the supervision of the Corps of Engineers, and that the Corps of Engineers should remain under the direction of the War Department and the War Department alone, subject to the approval of the President of the United States.

I believe this statement to be self-evident. The people have thought the matter through. They have reached a conclusion. That conclusion has been embodied in the Flood Control Act of 1938, which provides that the costs of reservoirs for flood control shall be borne by the Federal Government and that the Army engineers shall do the work.

A POLICY AND A PROGRAM

The problem has been attacked on all fronts. Flood walls and river walls are authorized for priority works. Reservoirs on the headwaters are authorized to detain the waters at their source. Where power can be developed, provision is made for such power. The act of 1938 provides for a policy and a program.

THE IMMEDIATE TASK

But authorizations are not enough; they must be followed by appropriations. Formulation of plans must be followed by the execution of projects. It is more important than ever for the spokesmen for flood control in all parts of the country to be on guard. The work along rivers and harbors is never completed. Floods will continue to come and bars will continue to form. The interests of the principal drainage basins of the Nation must be kept constantly before Congress and the country. Flood-control authorizations are not self-executing. Money must be appropriated. The Chief of Engineers and the Corps of Engineers are entitled to the support and cooperation of the beneficiaries of the projects. There remains much work for organizations promoting flood control to do.

The projects have been adopted; they have been authorized. There must be no turning back. We have assembled here to discuss our problems in a spirit of helpfulness and cooperation. It is time for united effort. Appropriations for flood control on the Ohio and the other principal rivers of the United States are more imperative than ever before. Every effort should be exerted to secure the largest possible appropriations under the authorizations contained in the acts of 1936 and 1938. These acts contemplated 5- and 6-year programs. A minimum of $125,000,000 for flood control under the two acts of 1936 and the act of 1938 is necessary.

The policy of national flood control, as well as the policies of national forestry and conservation, have just been begun; they cannot be maintained, nor can they be advanced without successful leadership. The advocates of flood control will make a monumental mistake if they do not capitalize existing public sentiment in demanding adequate appropriations for the construction of authorized projects.

United effort is essential; cooperative organizations are helpful; but, after all, adequate appropriations are the responsibility of the Senators and Representatives from the States that are protected by flood-control works.

The immediate task ahead for the next fiscal year and for the years that immediately follow is the maximum authorized appropriation. The hour has struck for the building of flood-control works in all of the principal basins of our common country.

The Nation-Wide Forest Survey

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 30, 1939

Mr. RANDOLPH. Mr. Speaker, I have introduced today an amendment to section 9 of the act of May 22, 1928. This act authorizes a Nation-wide forest survey. Unlike the other sections of the act, section 9 continues after 1938 a restrictive financial limitation. The purpose of this amendment is to remove this restriction, place this section on the same basis as the other sections, and thereby make possible the efficient and expeditious completion of the forest survey.

Although this act was passed 10 years ago and work started soon thereafter, our total forest land is by no means covered by this inventory of timber resources. It is an enormous undertaking, because forests cover one-third of the continental United States. This forest survey, which studies all forest land, both public and private, is progressing too slowly because it is inadequately financed. The need for the information is urgent because it is basic to forest policies and programs—regionally and nationally.

TOO MUCH GUESSWORK

After more than 300 years of settlement this country is still forced to rely on estimates or guesses about a national resource which keeps numerous industries going and paying wages which support five to six million people. In addition, woodlands help support two and one-half million farm families.

Forest lands supply game with food and shelter and millions of people with opportunity for recreation. Forests conserve water and help prevent floods and erosion.

Forests are one of our most important renewable natural resources. They must be managed, not mined. This resource must be perpetuated and made secure for the people.

To set up policies and programs to do this requires authentic information, such as the Forest Survey is obtaining on the extent, location, and condition of forest land and the timber on it; the present and potential growth; the rate of depletion; the present and prospective requirements of the country for forest products.

I am told by the Forest Service that when the survey was begun it was estimated as a 12- to 15-year job, at a cost of 0.6 cent per acre. It is taking longer and costing a fraction more than 1 cent per acre largely because of meeting the heavy demand for its findings and the necessity of broadening the scope of the work to keep pace with national planning.

Only one-half the total forest area, mainly in the Northwest, Lake States, and South, has been covered by field work. The equally time-consuming and more difficult office analysis for this area is about one-half completed.

EMERGENCY FUNDS USED

Much of this progress was accomplished with emergency funds, no longer available and not again in prospect. The maximum annual appropriation of $250,000 per annum under the present act is only enough to analyze the information for the 280,000,000 acres studied, keep up with requests for information, and inventory five to ten million acres per year. The survey is just about stagnated in the middle of the job. Meantime, requests pour in from a host of Federal, State, and private agencies for results of the survey, even though incomplete and, of course, utterly lacking for one-half the forest area nationally, including West Virginia, the Northeast, central Rocky Mountain, and California regions. Moreover, the completion of the survey is essential to the execution of whatever program of forest conservation the Congress may formulate as a result of its own studies.

I want the forest survey to reach my State, West Virginia, this year or next and to sweep on and cover the rest of the Nation quickly. Under the limitations of the present act, this is impracticable; instead many years will elapse. But if this amendment is enacted, adequate appropriations would be possible so that the survey could be completed nationally in the next few years.

Relief

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 30, 1939

RADIO ADDRESS BY HON. JERRY VOORHIS, OF CALIFORNIA, JANUARY 26, 1939

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks I wish to insert an address given by

Hon. JERRY VOORHIS, of California, over the Columbia Broadcasting System Thursday, January 26, 1939, at 5 p. m. Representative VOORHIS' topic was Relief.

Through the ages men have sought three things—peace, bread, and freedom of the spirit. Only democracy has ever or will ever be able to give them all three, which is the main reason democracy is worth preserving and making sacrifices for.

America's destiny in this hour of the world's history is to give a demonstration to the world of the fact that a great people can in time of difficulty be greater still and can make their democracy work even when the odds are against them.

Now, if tomorrow we were to start using our vision, understanding, and courage, and if, as is certainly possible, we thus brought about once again a full employment for our people, full consuming power and full use of our capacity to produce, no one would worry any longer about whether or not we were going to make a go of our democracy.

The greatest enemies of democracy in America today are unemployment and unnecessary poverty in a Nation where there might be enough for all. Remove these enemies, change these conditions, and those who advocate an un-American dictatorship instead of our constitutional democracy would have to hold their meetings in a telephone booth. Let unemployment go unheeded, let defenseless poverty continue, and you get, inevitably, a degree of growth of un-American movements at both extremes, and you are likely to get, instead of necessary careful, judicious, and effective investigation of such movements and their causes, the sort of irresponsible, politically motivated displays which the Dies committee has given us, and which I am afraid do more to stir up trouble than to allay it, for the reason that they are altogether likely to destroy the faith and confidence in one another, without which democracy is indeed in danger.

Our main job, then, must be to protect to the very limit of our ability the livelihood and opportunity to work of the poor people of this Nation.

I am perfectly frank to say that I think there are other and maybe better ways of doing this than by W. P. A. If I had my way, the first thing I would do would be to pass a bill setting up a monetary authority as an agent of Congress, to keep the volume of actively circulating money and demand bank deposits in line with our power to produce wealth. I would cease selling bonds for credit on bankers books and I would use directly the credit of this great Nation to furnish low-interest loans to farmers, small-business men, and those who would build homes. I would recognize the folly of our present method of letting private financial corporations create the money of America in the form of bank credit, and I would pay out in pensions to our older citizens, year by year, sufficient of our Nation's credit to maintain a stable buying power for our dollar, and to allow an expanding consuming power to support a continuously expanding production. These and other measures I would take if I could make up the mind of Congress.

But until these other measures are actually taken we must use the direct, immediate method of simply putting to work on useful public projects those whom industry at any time will not or cannot employ.

These are the reasons why I believe so strongly that attacks upon the providing of work for the unemployed and attempts to economize at the expense of their opportunity to work are in reality attacks upon the first line of defense of our democratic American life itself. These are the reasons why I believe those who vote to cut the current W. P. A. appropriation, and thus throw hundreds of thousands of people onto local relief rolls in the pious hope that business will put them back to work, have not only got the cart before the horse, are not only tragically penny-wise and pound-foolish, but are striking at the weakest point in the armor of America's democracy—namely at the poverty and helplessness of about a fifth of our Nation's people.

The difference between $875,000,000 for W. P. A. which the President suggested and $725,000,000 which the House finally passed may well be the difference between a continuance of our business recovery on the one hand and another recession such as we suffered in 1937 just after Congress got through economizing at the expense of the unemployed on the other. And I would point out that if we, by resolutely maintaining the buying power of the people, can achieve anything like a revival of full production in this country, it would take us just about 2 hours to produce goods and services valued at $150,000,000. I believe every policy we pursue should be one calculated to bring about full production and full consumption by the people of this country. Everything else is really secondary to that aim.

I am frank to say I do not believe a Government works program can bring about that result all by itself. But certainly recovery and full production cannot possibly be advanced by cutting off the buying power of a million families in a few short months, nor will such shortcomings as W. P. A. may have to be corrected in this manner.

In simple human terms let's see what these two proposals mean—the $875,000,000 suggested by the President and the $725,000,000 passed by the House.

The President's proposal itself is based on a reduction between now and July 1 in W. P. A. employment of 300,000, in addition to the reduction of 100,000 since December. Furthermore, even in December when W. P. A. was employing 3,100,000, it was only giving work to about one out of four of the unemployed.

Colonel Harrington, W. P. A. Administrator, told the Senate Appropriations Committee, and I quote him.

"I want to make it perfectly clear that this estimated increase of 1,500,000 workers in private industry will be drawn from the entire group of the 11,500,000 unemployed and that at best W. P. A. workers cannot expect to get more than their proportionate share of these jobs. In December the 3,100,000 persons working on W. P. A. jobs represented 27 percent of an estimated 11,500,000 unemployed at that time. If W. P. A. workers obtain 27 percent of the 1,500,000 jobs, this would mean a reduction of about 400,000 in W. P. A. employment between December 1938 and June 1939."

In other words, the $875,000,000 figure has been carefully arrived at and is itself based on the probably optimistic calculation that 1,500,000 new jobs will open up in private industry between now and July 1, and that W. P. A. workers will get their share of these jobs.

Now, how about $725,000,000? Here's what it means in one sentence. It means that between now and July 1 over 1,000,000 heads of families will have to be laid off from W. P. A. and denied the meager wages they now receive. And if, as has been suggested in the so-called freeze-in amendment, employment is kept at the 3,000,000 mark through the winter months, then in order to make the money last to July 1, no less than 1,625,000 workers must be laid off in the 3 months of April, May, and June. This is unthinkable to anyone with any humanity or compassion in his heart. And I hope sincerely that the United States Senate will at least restore the $875,000,000 and undo the injustice which the House has done so recently.

Not one bit of substantial factual evidence have I been able to discover in support of this proposed cut. Where, then, does the suggestion for it come? I am convinced that it has its roots in a desire on the part of certain forces to gain political advantage over the man who has suggested the $875,000,000. Not all who vote for the cut will have that motive—many will be totally sincere—but political roots of the thing are there just the same.

Strident criticism has been heaped upon the Government works program in recent weeks, some of it justified, most of it, from my observation, not justified. To understand that criticism it is important to remember that if the idea of Federal responsibility for putting the unemployed to work can be discredited, then perhaps the first effective step against the President's grip on American public opinion will have been taken. To further understand that criticism it is important to remember that where there has been politics in W. P. A., 90 percent of it was put there either by local political machines or because some of the very Congressmen and Senators who now so roundly denounce W. P. A. demanded that it be put there in order to help them win elections. Congress could and should have removed W. P. A. from political influences long ago.

But it will not be the politicians who will be punished if W. P. A. is cut at this time. It is the man who depends for support of his family on the $55 a month he receives from W. P. A.

Who is this man, this typical W. P. A. worker? I can only describe him as I have known him face to face in my very own district in California. He has come to my office over and over, not to ask direct relief, not to ask something for nothing, but because he wants more efficient work, because he wants a harder job; yes; because he wants better pay, and I think he should have it. This man has gray about his temples. He is about 48 or 50 years of age, and everyone knows how nearly impossible it is for a man of that age to get a job in private industry today. He simply cannot do it. This typical worker is a man with a family. He has three children, the oldest of whom is just getting through high school. He either has a mortgage on his home or he pays rent and has a hard time to meet his rent payments. He is not a Communist, or a Nazi, or a Fascist. He is just a plain, earnest, desperately hard-pressed American citizen.

There has been plenty of destructive criticism of the Government work program. I am going to offer here some constructive criticism. I think there has been too much of the relief idea and not enough of the work idea in W. P. A. I think the standard of wages and the standard of work required have both been low. And so I have introduced a bill similar to bills I have introduced in both the last two sessions of the Congress, which will not only correct these things but give us what we should have had 2 years ago, a permanent machinery for dealing in an orderly manner with this problem of public-works employment.

This bill will create a new division of public works in the Department of the Interior, which will supplant the W. P. A. and P. W. A. and provide for an impartial board of review on all proposed public-works projects.

The bill is an attempt to embody the proposals and conclusions presented to President Roosevelt by the National Resources Committee in its report on a planned public works program in December 1936.

Now that we have had the experience of the past 6 years it is time that we establish a permanent agency within a regular executive branch of the Government to be responsible for the promotion and development of worth-while and needed public works projects—the development of which will not only conserve our natural resources and improve our country but will also provide needed and useful employment for the qualified and deserving citizens of this Nation who are unable to find work in private industry and whose names are duly registered on the active files of the United States Employment Service.

Under this bill, not a relief agency, but the United States Employment Service will be responsible for the actual placement of qualified people on jobs in the new program and for their prompt transfer to private industry as opportunities arise.

The interests of labor are protected by maximum hour and minimum wage provisions. Annual earnings are protected by a pro-

vision that work shall be arranged so as to give an average employment of at least 36 hours per week on the program.

As I have said I do not believe public works can possibly constitute a full or final answer to America's economic problem, but the course of development of the Nation, the inevitable continuance of a certain amount of unemployment, and the great need for certain types of work that cannot be done by private industry, make such a program necessary.

Let us be fair, just, and honest. Let us realize that the cause of unemployment is not to be found in the personalities of the unemployed themselves, but in our failure thus far to adequately adjust our national economic life to the machine age. It is important as I see it, to improve on W. P. A.; but while we are doing so and until we have another answer to the problem, let us be sure that we do justice to every element of our population—especially those who need it most.

Importation of Farm Products

EXTENSION OF REMARKS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 26, 1939

Mr. GEARHART. Mr. Speaker, just about a century ago, when the Congress was debating proposals for homestead laws, the fear was expressed that the opening of the Mississippi Valley to free settlement would bring disaster to the farmers of the older settled areas of the East as a consequence of the greatly increased production of competitive agricultural products which, it was believed, was certain to follow the adoption of such a legislative policy.

Fifty years after the passage of the Homestead Act of 1862, President Theodore Roosevelt evaluated the fruits of our national homestead experiment in urging upon the Congress the adoption of a national reclamation policy. He declared:

> The reclamation and settlement of the arid lands (of the West) will enrich every portion of the country just as the settlement of the Mississippi and Ohio Valleys brought prosperity to the Atlantic States.

He stressed his conviction that the products of the irrigated areas would be absorbed largely in the neighborhoods where they were produced, and that the concentration of population and the creation of wealth made possible by reason of the reclaiming of the West would greatly broaden the home markets and business opportunities of those whose enterprises and industrial plants were headquartered in the East.

THIRTY YEARS OF ACCOMPLISHMENT FULFILL PROPHECY

More than 30 years have elapsed since the first land was brought into cultivation under the Reclamation Act of 1902 and any fair appraisal of the results of the operations of the policy will demonstrate that the prophecy of Theodore Roosevelt has been fulfilled.

But a hasty examination of the facts discloses that the products of the reclamation areas have not contributed to the difficulties and vexations of the farmers of other sections of the country by enlarging substantially the quantity of those major corps in respect to which the United States in recent years has developed an increasingly embarrassing exportable surplus. On the other hand, reclamation has been a most important factor in the expansion and stabilization of the market in the West for the industrial and food products of the Midwest, the East, and the South.

THREADBARE ARGUMENTS REPEATED

Yet, at every session of the Congress, and it may be anticipated that the current session of the National Legislature will be no exception, the charge is bandied about that the Federal reclamation program has aggravated the distressing condition in which the American farmer finds himself. Notwithstanding the utter absurdity of these so-often exploded arguments, these decade-old questions are still heard: Why bring in new acres when burdensome surpluses are already vexing our farmers to the point of distraction? Why add to the producing lands of our country when we are already producing more than our people can absorb?

Of course, Mr. Speaker, the inference which these prophets of impending disaster urge upon our credulity is that reclamation has in some way contributed to the overproduction with which we have of late been heavily burdened. In the light of demonstrable facts, nothing could be further from the truth.

IMPORTS DISPLACE AMERICAN FARM PRODUCTS

An analysis of the data compiled by the Raw Materials National Council of Sioux City, Iowa—data which I now, in accordance with the permission of the membership of the House heretofore unanimously given, hand to the Public Printer for inclusion in the CONGRESSIONAL RECORD as a part of my remarks of today—reveals that responsibility for the unfortunate situation in which the American farmer now finds himself rests not on the shoulders of the reclamationists but upon the shoulders of those who are charged with the duty of guarding our tariff walls.

But a hasty glance at the import figures for 1935, 1936, and 1937, as compiled by this most efficient business agency, lays bare these startling facts and irresistible conclusions:

First. In 1935 more than 73,000,000 acres of American farm land were displaced by importations of foreign-produced agricultural products. In 1936 the acreage displaced increased to 75,000,000 and by 1937 to more than 87,000,000 acres.

Second. The smallest acreage displacement in any one of the years which I have just mentioned is more than 20 times the area irrigated within Federal reclamation and Indian irrigated projects plus all of the acres provided with supplemental water by Federal irrigation works.

Third. The American value in United States dollars of the farm crops displaced by imported foreign-grown agricultural commodities ranged from $2,656,000,000 in 1935 to $3,410,000,000 in 1937.

Fourth. The cumulative value of all of the crops produced upon Federal reclamation irrigated lands since the inception of the reclamation program in 1902 is almost a billion dollars less than the American value of the highly competitive, foreign-grown, and imported agricultural commodities for the year of 1937 alone.

COMPARISONS ARE ILLUMINATIVE

For a detailed illustration let us examine the figures in respect to the importation of the particular crops in the production of which surpluses are customarily developed to the reoccurring embarrassment of the American farmer. These crops include corn, wheat, cotton, and tobacco. Since tobacco is not produced on irrigated lands only passing consideration need be given to that commodity as it cannot be said to figure in the old, familiar charges that have been so frequently hurled at reclamation.

COMPARE DISPLACEMENT WITH RECLAMATION PROJECT LAND

In 1935 the American acres which might have been planted to wheat, corn, and cotton but which were displaced by imports of the identical commodities totaled 10,368,280 acres. In 1936 the acre displacement increased to 12,652,600 acres, and in 1937 receded slightly to 11,094,000, still a colossal high.

As a contrast to these stupendous totals, it is interesting to compare the area on Federal reclamation projects which was actually devoted to these same commodities during the same years—379,208 acres in 1935, 408,351 acres in 1936, and 449,989 in 1937.

In the light of these figures it is not surprising that in a recent bulletin of the Agricultural Adjustment Administration of the Department of Agriculture entitled "The Facts on Irrigated Land," the author should feel constrained to point out how utterly "insignificant" from the competitive standpoint are the products of the Federal reclamation areas.

IMPORTS FAR EXCEED PROJECT PRODUCTION

As a further evidence of the competitive insignificance of the products of federally irrigated and reclaimed lands, it is further pointed out in the bulletin to which I have just referred that in 1936—

> The Federal enterprises' wheat crop represented less than seven-tenths of 1 percent; that of cotton 1⅓ percent; and that of corn considerably less than one-tenth of 1 percent of the United States production.

Further examination of the record discloses that the wheat produced on lands the cultivation of which Federal reclamation has made possible totaled 4,374,534 bushels in 1936.

During the same year 64,000,000 bushels of wheat were imported from abroad. For the 1935–37 period the importations of wheat averaged more than 10 times the production of the same commodity on reclamation projects.

In 1936 the importations of corn amounted to 31,471,000 bushels. The corn that was that year grown on federally irrigated reclamation lands totaled 1,730,000 bushels. To further emphasize these contrasting figures, permit me to point out that the corn imported that year was almost 20 times greater than that which was produced upon the reclamation project lands of the United States.

While the equivalent volume of cotton imports is not immediately available, the value in American dollars displaced by cotton importations averaged 27 times that of the staple produced on reclamation projects in the 3 years to which I have referred.

SURPLUS CROP AREA ON PROJECTS DECREASING

Careful study of trends in planting disclose a decided decrease in the average of Federal reclamation project lands planted to corn, wheat, and cotton during the last 10 years. In respect to corn, the records disclose that the average number of acres devoted to this crop during the years 1935–37 was 15 percent less than the average number of acres planted to corn during the comparable period in the previous decade.

Comparisons of the average acreage planted to cotton and wheat during this same period confirm this tendency.

Thus while there has been an increase in the total acreage irrigated under the Federal reclamation program, the area devoted to the major crops of which the United States has an exportable surplus has been decreasing. Farmers on project lands soon find it is too expensive to buy water and to irrigate land for the production of grains in large quantities and, observation reveals, they soon turn their attention to the production of the specialty crops to which their lands will lend themselves.

RECLAMATION PRODUCTS FED TO LIVESTOCK

Approximately 50 percent of the products of reclamation lands are fed to livestock within the project areas and the food crops are principally consumed locally or nearby. The specialty crops find their way eastward to supply the market demands of the eastern trade when the farmers of the nonirrigated areas, because of seasonal considerations, find themselves unable to supply the needs of the great consuming centers of the midwestern and Atlantic seaboard States.

The relatively small quantity of cotton produced in the southern tier of reclamation States is quite inadequate to meet the demands of the region where it is grown. Because of this deficiency, cotton, in manufactured form, must be supplied to the great Southwest from the textile plants of the South and East.

Instead of contributing to a surplus of corn, wheat, or cotton, the development of the West, which reclamation has energized and stabilized, has provided an extensive and ever-expanding market for these commodities as well as for their varied byproducts.

MARKET FOR CORN AND PORK PRODUCTS OF MIDWEST

A survey of the reports of the Department of Commerce and Department of Agriculture makes it clear that the 11 Mountain and Pacific States of the reclamation area do not produce corn, live hogs, and pork products sufficient for the requirements of their own increasing population. From these reports it has been conservatively estimated that the purchases of these commodities by the people of these 11 Western States for the years of 1926–36 annually averaged approximately $120,000,000, nearly all of which found its way into the pockets of the farmers of the Mississippi Valley or into the coffers of midwestern packing concerns and transcontinental transportationists.

The West is likewise an important buyer of hard wheat, flour, and processed cereals, which are produced principally in the Central and Northwestern States.

In the cities and towns and on the irrigated farms of the reclamation regions dwell some 900,000 persons whose purchasing power enlarges the western market for the varied manufactured products of the Midwest, the East, and the South. They broaden the home market for these American-made goods, just as Theodore Roosevelt predicted 38 years ago would be the result of a national reclamation program.

IMPORTS, DISPLACEMENT, FACTS, FIGURES

A careful study of the facts and figures presented in the statistical table of the Raw Materials National Council, to which I have already referred, will yield astonishing information, Mr. Speaker. When the colossal importation figures are considered in the light of displaced American acres, as well as the American value of the highly competitive agricultural commodities thus displaced, we are appalled by that which our lack of vigilance in the preservation of the American market for the American farmer has brought down upon us.

How much longer will we be content to permit the highly competitive, surplus-augmenting, foreign-grown agricultural products which are now being dumped on our American shores, imported from across the seas, to be used as an argument against the widespread American demand for new irrigated lands upon which our homeless American farm families may be settled and become self-sustaining?

A VEXING PROBLEM—DUST BOWL MIGRATION

Under Secretary of Agriculture M. L. Wilson, in a letter which bears the date of March 14, 1938, reported that of the 58,400 farm families which have migrated to the West from the Great Plains area in search of new homes only 3,000 have been able to find lands upon which they could settle. The remainder are still moving around seeking a haphazard day-to-day existence at such employment as chance affords. Many are on relief. All are suffering because of the want of wholesome food, sufficient clothing, adequate medical attention, or decent homes in which to live.

These people are not mendicants, beggars. They are not the authors of the unfortunate situation in which they now find themselves. They are the victims of a cruel prank of nature's god—dust.

Dust has driven them from the homes of their ancestors where pioneering forebears established themselves almost a century ago. Dust has made of them wanderers. But dust has not destroyed them. Cruel as fate has been to them, with a courage and resoluteness that brooks not thought of defeat, they trek westward just as their grandparents did, seeking, seeking, seeking—homes.

No, Mr. Speaker, these people are not beggars. They are not lazy vagabonds but proud Americans of the oldest American stock. They ask not for charity. They abhor the very thought of it. All they ask is opportunity. And that opportunity, Mr. Speaker, is within our giving or withholding.

The answer to this problem is to be found within the four corners of the reclamation law, the law that was written upon the statute books of the United States under the inspiration and leadership of President Theodore Roosevelt 35 years ago.

The reclamation law. Homes. The words are synonymous. Can any country better serve its people than to aid them in the finding and acquiring of homes? That this country can do—and should do—under the terms of the reclamation law. Remember, Mr. Speaker, all that the wandering homeless are asking is an opportunity. Can we afford to withhold it?

THE PROBLEM MUST BE FACED

Fifty-five thousand four hundred families without homes. No, not merely that number of families, Mr. Speaker, but 20,000 additional families, so Secretary Wilson advises us, must soon be leaving their Great Plains farms to wander in the West as have the others, seeking, seeking, ever seeking homes.

And at the present rate that Federal irrigated lands are being made available, only 13,000 families can be settled in the next 5 years. When the present reclamation program is completed only 30,000 additional families can be cared for, leaving 32,400 Great Plains families for whom no new lands can be made available.

Mr. Speaker, the work of reclamation in the arid and semiarid West must go on. Considerations of sound public policy suggest it. The welfare of the people requires it. The amelioration of human misery demands it. The very safety of our country compels it.

Foreign crops displace American farm products

[Cold figures on the effect imports of foreign agricultural and allied products have upon the American agricultural picture. The figures are for 1935, 1936, 1937, from a compilation by the Research Division of the Raw Materials National Council]

Commodity	Unit	1935				1936				1937			
		1935	Foreign values (dollars)	United States displacement (dollars)	United States acres to produce	1936	Foreign values (dollars)	United States displacement (dollars)	United States acres to produce	1937	Foreign values (dollars)	United States displacement (dollars)	United States acres to produce
Corn imports	M bushels	43,242	20,288,097	60,864,291	1,840,000	31,471	16,082,000	48,246,000	1,326,000	86,337	56,184,000	168,552,000	3,680,000
Wheat imports	M bushels	38,865	19,432,500	58,297,500	4,528,280	64,000	19,139,000	57,417,000	7,626,600	26,000	17,806,000	53,418,000	3,003,000
Cotton and cotton manufactures and hemp, imported			137,000,000	411,000,000	4,000,000		126,000,000	378,000,000	3,600,000		148,703,000	446,109,000	4,321,000
Tobacco imported			29,000,000	87,000,000	1,500,000		31,200,000	93,600,000	1,600,000		37,000,000	111,000,000	1,844,000
Oats imports	M bushels	10,107	2,010,700	6,032,210	403,000	149	54,000	162,000	5,940	58	35,000	105,000	2,300
Barley malt imports	M bushels	320,623	3,206,230	9,606,230	306,000	301,767	7,162,000	21,486,000	335,000	371,243	11,313,000	33,939,000	412,000
Barley imports	M bushels	4,839	1,451,700	4,355,100	247,000	8,144	6,887,000	20,661,000	490,000	10,384	9,554,000	28,692,000	617,000
Rye imports	M bushels	9,643	4,751,012	12,354,453	943,000	3,889	2,447,000	7,341,000	337,270	207	181,000	543,000	20,200
Sugar imports	M pounds	5,908,295	127,080,000	366,240,000	1,900,000	5,936,000	157,930,000	473,790,000	1,909,000	6,892,000	166,248,000	498,744,000	2,063,000
Cattle imports	No	365,000	8,863,370	26,590,110	1,825,000	399,113	10,708,000	32,124,000	2,028,000	494,945	16,302,000	48,906,000	2,534,000
Meat imports	M pounds	115,000	7,782,405	23,347,215	1,150,000	64,411	18,076,000	54,228,000	640,000	105,921	30,666,000	91,998,000	1,050,000
Canned meats	M pounds	76,653	5,365,710	16,097,130	1,226,000	87,919	8,439,000	25,317,000	1,390,000	88,087	9,172,000	27,516,000	1,419,000
Animal fats	M pounds	18,895	1,133,700	3,401,100	180,000	46,320	3,547,000	10,641,000	460,000	47,328	2,867,000	8,601,000	470,000
Tallow imports	M pounds	245,851	4,897,029	14,691,060	1,458,110	68,936	3,558,000	10,674,000	457,700	3,851	206,000	618,000	17,780
Butter imports	M pounds	22,675	3,576,942	10,730,826	432,000	9,874	2,016,000	6,048,000	176,700	11,111	2,509,000	7,527,000	216,000
Milk, condensed and dried [1]	M pounds	22,674	1,133,700	3,341,100	227,000	22,674	1,133,000	3,399,000	227,000	22,674	1,133,000	3,399,000	227,000
Cheese imports	M pounds	60,000	10,309,358	30,928,074	800,000	59,849	12,717,000	38,151,000	800,000	60,630	12,809,000	38,427,000	800,000
Eggs, dried	M pounds	8,000	2,896,466	8,689,398	136,000	8,000	2,896,000	8,698,000	136,000	8,000	2,896,000	8,688,000	136,000
Hides and skins, imports	M pounds	303,475	45,576,877	136,728,631	3,034,750	310,480	54,768,000	164,304,000	3,104,800	312,035	71,058,000	213,174,000	3,124,800
Wool and mohair	M pounds	202,732	29,924,827	89,774,000	15,000,000	257,725	53,264,000	159,792,000	18,750,000	326,035	96,405,000	289,215,000	24,279,000
Wool manufactures			21,738,000	65,184,000	10,000,000		20,014,000	60,042,000	9,054,000		22,688,000	68,064,000	10,476,100
Oil cake, cottonseed meal, imports	M pounds	195,000	1,750,000	5,250,000	2,179,342	195,000	5,250,000	15,750,000	2,179,000	195,000	195,000	585,000	2,179,000
Flaxseed imports	M pounds	985,000	15,623,121	46,869,363	3,127,790	921,900	17,653,000	52,959,000	2,934,600	1,680,000	35,207,000	105,621,000	5,334,000
Molasses imports—edible, inedible	M gallons	247,806	24,512,000	73,536,000	600,000	252,686	13,597,000	40,791,000	606,000	312,331	17,459,000	52,377,000	757,000
Whisky imports	M gallons	7,062	26,498,697	79,495,890	44,150	15,153	13,868,000	41,604,000	94,600	16,188	62,242,000	186,726,000	1,009,100
Wines imported	M gallons	2,771	8,731,000	26,943,000	26,000	3,636	11,465,000	34,395,000	34,600	3,817	10,432,000	31,296,000	39,000
Tapioca and sago imports (starch substitute)	M pounds	228,743	2,287,430	6,862,290	288,000	310,465	6,228,000	18,684,000	391,660	471,640	9,067,000	27,201,000	594,000
Hay imports	M tons	67,171	671,710	2,015,130	67,000	15,000	150,000	450,000	15,000	146,149	1,461,000	4,383,000	146,000
Shoes and gloves, imports	M		33,898,881	101,696,643	1,500,000		37,517,000	112,551,000	1,823,000		44,994,000	134,982,000	2,000,000
Vegetables, fruits (fresh and canned), imports			50,000,000	150,000,000	1,500,000		48,000,000	144,000,000	1,440,000		52,000,000	156,000,000	1,560,000
Vegetable oils (substitutes for lards, butter, vegetable oils, animal fats)	M pounds	1,929,448	100,000,000	300,000,000	12,059,050	1,736,000	91,000,000	273,000,000	10,789,100	1,826,450	94,000,000	282,000,000	11,432,000
*Fish imported			27,500,000	82,000,000		371,206	30,356,000	91,068,000		364,669	33,911,000	101,733,000	
*Petroleum imported [2]	M barrels	50,000	36,043,716	118,131,148	21,000,000	58,000	39,700,000	119,100,000	24,360,000	60,000	42,800,000	128,400,000	25,200,000
*Wood pulp imported (free)			208,000,000	268,000,000	8,000,000	2,278	218,000,000	654,000,000	8,384,000	2,395	268,000,000	804,000,000	10,307,000
Chemicals imported			68,000,000	206,000,000	1,000,000		67,000,000	201,000,000	985,000		94,000,000	282,000,000	1,382,000
*Steel and iron			38,124,000	114,372,000			35,000,000	105,000,000			35,000,000	105,000,000	
*Metals imports			146,295,250	438,882,750			157,000,000	471,000,000			220,000,000	660,000,000	
*Coal and clay products, imports (including chinaware)			38,807,000	116,424,000			35,000,000	105,000,000			35,000,000	105,000,000	
*Toys and miscellaneous			41,000,000	123,000,000			30,000,000	90,000,000			30,000,000	90,000,000	
Total foreign value			1,346,430,429				1,414,821,000				1,801,513,000		
United States displacement				3,917,120,642				4,244,463,000				5,404,539,000	
United States acres required to produce					102,461,118				108,490,570				122,741,280
*Less the above nonagricultural products which total			533,769,966	1,260,800,898	29,000,000		545,056,000	1,635,168,000	32,744,000		664,711,000	1,994,133,000	35,507,000
Total agricultural displacements			812,660,463	2,656,319,744	73,461,118		869,765,000	2,209,295,000	75,746,570		1,136,802,000	3,410,406,000	87,234,280

[1] 1935 used as the average.

[2] Displacement of acreage by crude petroleum imports figured on the basis of power alcohol required to replace such imports.

NOTE.—When processed, transported, and sold in the retail market, the domestic raw materials that would be produced, if it were not for the products imported, would represent still greater value than the figure shown in the fourth columns above. Producing, processing, and transporting such goods made from domestic materials would provide jobs for every available worker in America.

lamation has in some way contributed to the overproduction | tion has made possible totaled 4,374,534 bushels in 1936.

Inaugural Address of Culbert L. Olson, Governor of California

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 20, 1939

ADDRESS DELIVERED BY GOV. CULBERT L. OLSON TO THE CALIFORNIA SENATE AND ASSEMBLY IN JOINT SESSION JANUARY 2, 1939

Mr. VOORHIS of California. Mr. Speaker, under leave to extend my remarks, I am honored to include the inaugural address of Hon. Culbert L. Olson, newly elected Governor of California.

Governor Olson is the first Democrat to be chosen chief executive of California in 44 years, and his election is the more significant in view of the fact that he campaigned on what was perhaps the most truly progressive platform presented to the people by any gubernatorial candidate in the election of November last. Governor Olson's remarks on his program for dealing with unemployment and for protecting the interest of the people in the natural resources of their State are, I think, particularly timely and challenging.

The address is as follows:

Members of the legislature and my fellow citizens of California, it is an honor to be chosen the people's representative in any position of public service. It is a trust, the violation of which through word or deed, according to my concept, is a form of treason. How deeply I sense the honor of being elected by the people of California as their chief executive can be known only to me. Mere words could not express it. Words would fail me if I tried to utter them on this solemn occasion of taking my oath of office.

I approach my responsibilities with humility. I intend that faithfulness to the trust imposed in me shall ever mark my administration. It is my sincere desire that the record of this administration's accomplishments, with due allowance for honest mistakes, will in time convince the people of the sense of duty that weighs upon my heart and conscience.

I wish to assure every citizen that I enter the high office of Governor of our great State free of all prejudices, even against those who most bitterly, and sometimes unfairly, opposed my election. I respect honest differences of philosophy and viewpoint on public policies. Marked differences in partisan opinion, for the most part, arise out of differences in understanding our common problems and the methods necessary to meet them through government. These are but the natural and healthy attributes of a functioning democracy.

Every person in California, regardless of party, color, creed, or station in life, must know that not only am I without prejudice but I regard it as my sacred duty under the oath I have taken today to protect every person's civil liberties and equality before the law with every power at my command. These are precious rights. The founders of our Republic and the preservers of the Union made supreme sacrifices for these rights. They are the very cornerstone of our democracy.

As we witness destruction of democracy elsewhere in the world, accompanied by denial of civil liberties and inhuman persecutions, under the rule of despots and dictators, so extreme as to shock the moral sense of mankind, it seems appropriate that we Californians, on this occasion, should announce to the world that despotism shall not take root in our State; that the preservation of our American civil liberties and democratic institutions shall be the first duty and firm determination of our Government.

America has built enormously productive facilities for manufacturing. Our scientists, engineers, and technicians have literally recreated the world in which we live. It is now well known that we have both the capacity and the ability to produce abundantly for all. But these advances, wonderful as they are, have brought along their own new and extremely difficult problems. We are a long, long way from the goal of social justice. We have yet failed to solve the question of distribution that attends our newly developed productive skills and capacities. This failure has plunged us into hard times and depression—the longest and most persistent in modern times.

But with all of our seeming failure; with all our difficulties and economic maladjustments; despite the puzzling paradox of unemployment and poverty in the midst of potential plenty, every right-thinking citizen, native or foreign born, regards his American citizenship as his most precious possession. He knows that it is a part of the sovereign power of the people to guide their own destinies.

Confronted by economic and social crisis, are we going to move forward toward the destiny of true democracy, or slide backward toward the abyss of regimented dictatorship?

In the final analysis, this depends upon the intelligence with which the people exercise their franchise, upon the wisdom and integrity of their leadership, and upon the courage with which we face our problems.

Until all the electorate shall have the benefit of a free education to aid them in the expression of their citizenship, it may be expected that in the future, as in the past, a large proportion may be confused and guided away from their purpose to go forward for their collective welfare by deliberately false or selfish propaganda, superficial considerations, or provincial circumstances. Such impediments may delay, but they must not be permitted to defeat the ultimate successful working of American democracy.

The seriousness of today's crisis in our economy brings home to the people in every walk of life the realization of their dependence upon each other and gives impetus to social progress. New social concepts are born through pain and distress brought upon the people by great industrial depressions such as we have been suffering. Every individual is forced to realize that he is a social being, not an independent self-sufficient entity.

This has given us a national administration with a social viewpoint, with a new deal program of government service to the immediate needs of a people left in despair by the total failure of the sterile policies of the old order that are wholly dependent for industrial activity upon the promotions, exploitations, and aggrandizement of large-scale private enterprise.

Independent businessmen who find themselves bankrupt after years of constructive effort begin to wonder whether the profit, or capitalistic system, is doomed to final and complete failure. But they look with distrust and misgiving upon any radical change to a new order in our industrial life. The American people are slow to make drastic changes. They feel their way, and they are feeling their way under President Roosevelt's progressive administration and courageous effort to reform our economic system, by providing measures for the protection of labor, direct aid to the farmer, to industry, to home owners, low-cost housing, social security, work relief, and other social welfare programs. Whether all such progressive activities are wholly or partially successful, either as temporary expedients or as permanent programs, they have saved and are saving the present economy from utter collapse. They point the way forward—toward the achievement of the aspiration of the people for an economy that will afford general employment, abundant production, equitable distribution, social security, and old-age retirement, which our country, with its ample resources, great facilities, and the genius of its people, is capable of providing.

Progress toward that goal is the purpose of all true liberals and of the liberal movement within the party to which I belong.

The results of recent elections in certain of our States are interpreted by a few as indicating a set-back to these liberal and progressive policies. By more impartial observers, they are attributed to local factors unrelated to any issue as between liberalism and reaction.

However those incidents may be interpreted, it is certain that the American people cannot go backward, if our democracy is to endure. They must go forward with further measures calculated to improve their general welfare and eliminate every form of special privilege or class control in our economic system.

The people of California emphatically declared in our recent election that this State shall go forward, not only in support of the New Deal measures of the National Government under President Roosevelt, but also with State measures having the same objectives.

The people approve the sound, sensible, and thoroughly progressive platform of principles and policies upon which my associates and I were elected. They have given a mandate to you and to me to translate those principles into law and sound government procedure as promptly and effectively as it is possible to do.

There should be little room for doubt in our minds as to the kind of government the people of California demand. The issues were clear and the decision rendered at the polls was so conclusive as to leave each of us no false or shadowy concept as to the road we are to follow. There is none among us who can doubt that the people have voted for a government that shall honestly place human values before material values; that they want a government that will do the human thing in a sound and workable way, unswerved by pressure from any self-seeking group or special interest.

With that mandate I approach my duties as chief executive, confidently relying upon your fullest cooperation. The people expect such cooperation from you and I shall rely upon your willingness to cooperate—your willing assistance in performing that mandate. I am certain that you, as well as I, deem it a solemn duty to respond to the will of the people. Good faith, unselfish, nonpartisan cooperation between the legislative and executive branches of our Government is expected of us. We must not fail in our duty.

All of us, of all parties—employers, employees, the professions, the unemployed, the youth, the aged, and the helpless—are primarily concerned in the achievement of a common goal, a higher and more equitable standard of living, a higher and more cultured standard of thinking, the replacement of prejudice with reason, the eradication of the causes for class consciousness and group antagonisms, and a citizenship motivated by a sense of social and civic responsibility.

The people of California want employment, a decent standard of living, education, opportunities for youth, social security, old-age retirement, protection against pauperism and starvation. Activities

in private industry and individual enterprise must be guided by these social objectives if our present economy is to survive.

Owners of capital and means of production and distribution must realize their responsibility to society—not to radically engage in human exploitation, but to conservatively engage in management for human advancement. They must be satisfied with stability and permanency of investments for strictly conservative and safe returns. Our policies in the field of industrial relations will be to aid in establishing this sound basis for industrial activity.

With assurance guaranteed by our constitution that no confiscatory purpose will be found in any of our acts as representatives of the people, who are sworn to uphold their constitution, honest business has nothing to fear from this administration. But any and all efforts, in the name of business, to defeat the general welfare, to obtain special or selfish privileges, will be vigorously opposed. Any effort to extend a corrupting tentacle into any department of our State government will be pilloried and those responsible for it will be found and punished to the full extent of the power given the executive branch.

This administration will function both on behalf of the economically submerged part of our population, whose poverty presents the greatest challenge to the success of democracy and the preservation of the present economy, and on behalf of California's industries, employers and employees, and all citizens dependent for their well-being upon the healthy normal growth of the economic life of California.

Let me assure all businessmen and business organizations that in their transactions with the State they need neither political pull nor political lobbyists in order to obtain a fair hearing and a fair and a square deal under the law. Legitimate business concerned only in honest, intelligent enactment, and honest and efficient administration of law, may only injure its own cause before the people and with this administration by employing professional political lobbyists to represent it in its dealings with the State.

We need—we must have—a larger production and use of consumer goods in California. Increased business and the steady employment of all our employable citizens upon a decent American standard of living is necessary to that accomplishment.

We must reduce the burden of taxes which private industry and those employed in it are now required to bear in order to support in pauperism those for whom employment cannot be found.

That part of the Federal Government's work-relief spending allotted to our State, generous though it is, finds employment for only about one-fifth of the unemployed employable residents of California, and the discontinuance of even this inadequate relief work is threatened.

New avenues of employment must be created by California's industries or by the State, or by both. To this end business, labor, and Government must cooperate with a new sense of their individual and collective responsibilities. We must work hand in hand for the general welfare.

We know, of course, that the problems and responsibilities of California industry in recent years have been multiplied in number and complexity as State and National incomes have decreased and general unemployment has been met only by doles, debt, and increased taxes.

Instead of idly theorizing on causes, we must face conditions and meet them with common sense and practical action. Unemployment and poverty is assuredly a condition which need not prevail in bountiful California.

I am not speaking of the unemployment of that negligible few who are drones in society, unwilling to work. Society owes them no obligation. We are concerned with honest American citizens, looking for a place in our economic structure, willing to work; unwilling to accept or unwillingly accepting charity from government or private sources; all eager for an opportunity to engage in useful service and to live a life which expresses a natural personal pride and a natural aspiration for self-support. If we were facing impossible physical conditions; if we were not blessed with ample natural resources and productive power, our problem would indeed be distressing. Poverty might then be unavoidable, even to the most industrious. But our unbounded natural resources, our great productive power—human and mechanical—challenge our intelligence to find the methods for general employment, for ample production and distribution of the things of life, for the needs and comforts of every deserving person, for educational advancement, and a cultural development to a higher, a more sensible, a more reasonable, a more enlightened and worth-while civilization.

It is of supreme importance that we take action—action on the part of the government in cooperation with private industry—to provide general employment, industrial activity, and increased production and consumption by our own population of the various and sufficient commodities which our rich natural resources, plant facilities, and manpower amply afford.

Your government's part in this action should supplement, stabilize, stimulate, and increase the growth of private industry rather than injure it. Honest cooperation is all that is needed for peaceful progress toward general prosperity.

A detailed study of the requirements of our various State agencies and institutions in preparation of the budget for the next biennium, soon to be presented to the legislature, shows that we have inherited from previous administrations a deficit which will amount to a total of about $45,000,000 by June 30, 1939, the end of the current biennium. California is and has been in the red during the past two administrations. I do not refer to this for the purpose of placing blame on those previous administrations for an unbalanced budget, but to call attention to the serious financial problem we are facing, as will be more fully explained when our essential budget requirements are presented to the legislature.

Our efforts have been and will be to eliminate all unnecessary costs, to abolish overlapping and duplicating agencies of government, and to practice every reasonable and practical economy without crippling or eliminating necessary State services.

With all possible economy a heavy tax burden during the next biennium cannot be avoided.

The distressing problem of mounting taxes is, of course, directly linked with the problem of unemployment and relief.

We face the continued necessity of meeting nearly $100,000,000 per biennium, to pay small cash doles to those now on State relief, without furnishing any relief to some 275,000 eligible applicants who, with their families, cannot now find a place on our relief rolls. Only a definite policy of tax relief through self-help employment can relieve the taxpayers of the State from this staggering and increasing burden.

In order that we may discontinue as soon as possible the maintenance of employable people in idleness, I submit to the intelligence of the legislators, to the intelligence of the taxpayers, to the intelligence of the industrialists and businessmen of the State, to the intelligence of the unemployed themselves, that we should substitute for the present policy of paying niggardly cash doles for unemployment relief, a new policy of placing the unemployed at productive work to support themselves.

In the field of private industry, the right of organized labor to honest collective bargaining must be protected; minimum wages must be established and vigorously enforced to maintain a decent American standard of living; vocational training must be extended, and the doors of employment and of opportunity for advancement, through useful and meritorious service, must be opened to the eager, splendid youth of our State. Youth's social-minded ideals, developed while in training for lifetime service, must not be shattered upon their entrance to adult life by a selfish, cold, unwelcome world.

California's elderly citizens have taken the lead in bringing the general public to the realization of the plight of those who, having served their best years in American industry, must be left to spend their declining days in poverty and misery, unless social-security programs provide for their retirement in health and comfort.

Such programs have been started, with provisions for partial aid to the support of those in need who have reached the age of 65 years. California has more than matched the small amount ($15 per month) provided for such eligibles by the Federal Government to make a total of $35 per month. This amount, however inadequate, is more liberal than that paid by any other State. A total of thirty-two and one-half million dollars per annum is now required of the State and the counties to meet this pension; yet the amount of the pension is too low and the age limit too high. For our State to meet the amount required to provide this inadequate pension for those of its citizens who find themselves in need of pensions at the age of 60 years would require approximately forty-eight and a quarter million dollars per annum.

Old-age pensions must be furnished by those who are producing and by the machinery of production.

Public support of the old or the young can only be furnished by taxation in one form or another.

When other States fail to provide aid for their aged equal to ours, it may naturally be expected that their citizens approaching the eligible age will seek residence here. This places a disproportionate share of the tax for this worthy social purpose upon our State. For the purpose of uniformity, it is necessary that old-age pensions in their entirety be financed by the Federal Government. We shall continue to urge an adequate Federal old-age security program.

Meantime we shall favor State aid for pensions to the aged to the limit that State finances will permit. That limit, however, because of the tax necessary for present unemployment relief, may for a time at least be very nearly reached. But as our tax burden is linked with unemployment, so is it linked with the need for old-age pensions. More liberal old-age pensions may be anticipated when the unemployed are placed at productive work for their own support and the heavy tax burden for unemployment relief is thus reduced.

That great and important part of our State's population—the farmers who are compelled to market their products at a price below the cost of production, have patiently carried on their struggle, but with just discontent over this unnecessary condition. In recent years the California farmer has bravely faced the impact of overwhelming economic forces. He has stood by while his export markets have rapidly dwindled. He has suffered the shock of innumerable technological developments, in both industry and agriculture. He has been affected by the same powerful and unrelenting swings in price and supply which have wrought havoc in the lives of our city people as well.

The courageous endeavors of the farmers of California in meeting their problems shall receive every deserving service within the power of this administration to render. Assistance on the part of the State shall be to develop markets and marketing methods which will bring the products of the soil to the consumer with the least possible toll to intermediary agencies; to protect the farmer's income against demoralizing competitive trade practices; to find an outlet for those surplus products of the farm for which a market has not heretofore been found.

If minimum prices for our farm and dairy products are safeguarded against selfish, unfair trade combines in the retail distributive field, and if the spread of profit between producer and consumer is placed on an equitable basis a greater consumer demand

is certain to result. Low-cost distribution, which means the elimination of excessive and exorbitant profits to the nonproducing element in our economic system, is a matter which demands a new spirit of cooperation and active governmental service. It shall be the business of this State administration to see to it that unjustified distributive profits shall not be exacted at the expense of either the producer or the consumer. In this we shall seek and expect the cooperation of those engaged in legitimate distributive services to insure a fair and reasonable return to all concerned.

We shall work hand in hand with the national administration in aiding our farmers in flood control; in the prevention of waste by erosion; in afforestation and reforestation; in rural resettlement; in providing decent, healthy living conditions for agricultural labor; in obtaining money and credit at minimum interest rates; and in securing water and power through Government owned and operated utilities at the lowest possible cost.

I have long been committed to the proposition that where a service is or becomes necessary to the daily life or existence of all the people and is in effect a monopoly it should be owned and operated by the people through their own government. In this field of public utilities I see no justification for pyramiding private corporations owning or controlling the natural resources of the State and exacting tolls and profit, often exorbitant, out of a business which should be no more than a nonprofit service to the general public for its health, comfort, and welfare. The people can and should use their democracy and their government for their own well-being. In accordance with this principle, this administration will in all possible directions further public ownership and operation of public utilities.

There is a marked analogy in the circumstances of the present change of administration in the government of California and that which occurred over 25 years ago.

In 1910 the entire State government was under the almost complete domination and control of the principal public utility of the State and its affiliated interests. The people then drove this control from power. Since then privately owned public-utility interests and powerful oil and gas producing and distributing interests have again moved in and have been exercising control of legislation and administration to such an extent that the natural resources of water, power, oil, and gas have been exploited primarily for the enrichment of such interests. These resources have not been protected and their exploitation has not been regulated in the interest of the people.

With the aid of a subsidized daily press, and cleverly designed and costly publicity methods, they have from time to time influenced the people to vote against their own interests, through false and misleading propaganda.

As recent as the last November election will be found an illustration of this misguidance of the people by such false propaganda, resulting in their voting against ratification of the Garrison revenue bond bill passed by the legislature in 1937, which would have enabled communities to finance the acquisition or building of their power plants or other public utilities by the issuance and sale of revenue bonds. A thoroughly organized campaign, financed from moneys received from the people for public-utility services, was carried on, which falsely told the voters that under this measure their homes and farms would be subjected to the lien of such revenue bonds. No agency of the common people was organized or had the necessary finances to meet this false propaganda. The past State administration failed to speak out in favor of the people's interests and against the perniciously false propaganda of the private-utility corporations. It remained to some of us in the legislature who supported this measure, and to a few other understanding citizens, to reach as many voters as we could with the truth.

Similar false propaganda defeated Senate bill 579, for the protection of the people's interests in tideland oil and gas deposits at Huntington Beach. With the misleading slogan of "Save the beaches," applied to a segment of the beach already ruined by oil wells, voters were misguided on that issue.

It shall be the policy of this administration to conserve and protect our great natural resources and control their exploitation in the common interest. The use of these resources and their products is essential to the lives of all of the people of the State, and must be obtained at the lowest possible cost to the people.

The construction of the great Shasta Dam of the Central Valleys project was instituted as a Federal Government project. The Federal Government looks to this State and to its subdivisions to be prepared to receive the benefits of this project, not only in the equitable distribution of its water, but in the utilization of its hydroelectric power, through public agencies. Unless public agencies are prepared with distributive facilities to receive such power upon the completion of this great project, a monopolistic Power Trust would be the only entity ready to contract with the Federal Government for the distribution of this power, with the result that the people of this and future generations would be forced to pay unnecessary and exorbitant tolls.

It shall be the purpose of this administration to promote the means for public ownership and operation of plants and distributive facilities for the distribution of this electric power to the people at cost.

During the next 12 months millions of men, women, and children will come as welcome visitors to our great Golden Gate International Exposition, which opens on Treasure Island in San Francisco Bay next month.

Symbolic as it is of the modern achievements of a progressive people, this Golden Gate International Exposition means for us something greater than a material display of the pride of human accomplishment. It is a fitting monument to the integrity and character of the people of this Commonwealth. And it must signalize for all of us the permanent virtues of a united faith in the future destiny of California.

Fervently do we hope that the spirit of true friendship so magnificently exemplified by this exposition of modern progress will engender in each of us, as public servants, a noble appreciation of the everlasting value of unselfish devotion to the cause of honest, liberal, constructive, humane government.

For the successful accomplishment of the task confronting us we shall call forth the best in each of us in a spirit of genuine devotion and supreme fidelity to the oath of office we take as we enter the service of our State.

Our hopes for progress are high; our desire for unity of action and accomplishment through a conscientious application of our respective talents and energies, is a grave concern of all alike. Surely, in each there is a full measure of loyalty and patriotism which will find expression during the months to come in advancing the welfare of the people of California.

Preelection battles are behind us. Let them remain behind us. Let us now approach our duties and our problems without bias or selfish purpose.

Memorable indeed should be this new year upon which we are embarking with courageous purpose to meet and solve our common problems.

With solemn recognition of my sacred duty to the people of California, I enter upon the Governorship deeply conscious of the great work which lies before us in the interests of social and economic progress through liberal government.

Protection for Domestic Producers of Oil-Bearing Materials

EXTENSION OF REMARKS

OF

HON. SAM HOBBS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 30, 1939

Mr. HOBBS. Mr. Speaker, on two previous occasions I have called attention to the heavy losses of farmer producers and of first processors of the vegetable and animal oils and fats in the United States because of the low prices which are caused by competition of cheap imported fats and oils. Facts which have been brought to my attention show that it is not only the imports of oils but the imports of the oil seeds themselves which increase this competition and this loss.

Not only are oil prices ruinously low but the prices of the oil meals, the byproducts of the oils, are so low that the oil producers are forced to reduce what they can pay to the farmers.

The importation of oil seeds in 1937 amounted to figures as astonishingly large as the imports of oils previously referred to. The total seed imports were about 1,135,000 tons, not including 73,000 tons of castor beans, whose product is used only for fertilizer purposes. The imports for all of 1938 are not reported yet, but will no doubt be equally large.

These oil seeds produce on an average at least 1,500 pounds of oil meal per ton of seed. This oil meal is used for feeding and in fertilizer in direct competition with cottonseed meal, soybean meal, linseed meal, tankage, and fish scrap, and meal produced in the United States; also with the high-protein feeds produced directly on American farms. They are literally dumped into this market where, generally speaking, they are not needed, and their quantity, approximately 1,700,000,000 pounds, is so great that they, like the oils in their own field, practically control the prices of the feed and fertilizer proteins in the domestic market.

If our domestic prices are to regain a level at which the producers of oil-bearing materials can make a profit, create employment, and buying power, they must be protected in some way from both foreign oils and foreign oil seeds. If the hundreds of business enterprises which produce these oils in the cotton-oil mills, the soybean-oil mills, the corn-oil mills, and the rendering and tallow plants and fish-oil factories all

over the United States are to remain in business, the prices of these products must be brought back to parity.

It has been brought to my attention that some people believe that should anything be done to limit or tax these imports it would hurt our foreign markets, especially for our cotton and our tobacco.

Everyone understands that people in one country cannot buy goods from another country unless in some way they are able to sell their own goods and secure the necessary money or exchange. This, however, does not need to be direct or bilateral trade. It may be what the experts call "triangular."

However, even as to direct or bilateral trade, very little harm can come to cotton, tobacco, or wheat exporters in the United States by limiting our purchases or by taxing our import trade in oils and oil-bearing materials.

Here is the reason:

These oils and oil materials are produced in areas and countries that already have, without including these products, an overwhelming balance of trade against the United States.

They sell, exclusive of fats, oils, and oil seeds, a far greater volume to the United States than we sell, or have any reasonable expectation of selling, to them.

We buy most largely from the Philippine Islands. The records show that in every year, with perhaps a single exception, since Manila was taken by Admiral Dewey, we have purchased so much more in dollar values from the exporters in the Philippines than we have exported to that country that if all coconut oil and copra is omitted the trade with us would still be a matter of great profit to the Filipinos.

Our next largest supplier is the Dutch East Indies, where we buy most of the palm oil. There the situation is almost the same. They sell very much more to the United States in dollar value than we sell to them. So also is the case with the countries in equatorial Africa, where we buy palm and palm-kernel oils. It is the same with the British colonies in the South Seas, where we secure copra, coconut oil, and various oil seeds.

Experts have made a careful study of this and are convinced that there is no material danger to our export trade in cotton, tobacco, or wheat, our great export crops, in proper and sound steps which this Government might take to limit our imports of fats, oils, and oil-bearing materials.

Over against any possible limitation of exports there is to be weighed the large increase in domestic purchasing ability if $75,000,000 more a year can be paid cotton farmers for cottonseed and a corresponding amount to swine growers and to soybean growers for their product.

The home market is the best market. We must not neglect any reasonable opportunity to bring equity, profits, and prosperity to our own producers. They will take care of the markets if they have the money with which to do it.

The Red River Dam

EXTENSION OF REMARKS
OF
HON. WILBURN CARTWRIGHT
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Monday, January 30, 1939

Mr. CARTWRIGHT. Mr. Speaker, there is lots of interest in the fight which the Governors of Vermont and Oklahoma are making against the Federal Government over construction of dams in their respective States. The joke of the year is that Vermont, one of the two States—Maine and Vermont—that went against the present administration in 1936, would make her fight on States' rights. Now comes Oklahoma in the name of States' rights, and so forth, condemning the action of the Federal Government in spending $54,000,000 to construct a dam on Red River between Durant, Okla., and Denison, Tex.

A very clever poem describing the situation in Oklahoma has been written and sent to me by one of my constituents who lives in the vicinity of the Red River Dam. I ask permission to have this poem printed in the RECORD.

As a matter of explanation, this poet refers to Gov. Leon C. (Red) Phillips as "Red" and to Hon. Don Welch, the speaker of the house, as "Don."

DURANT, OKLA., *January 24, 1939.*

Congressman WILBURN CARTWRIGHT,
Washington, D. C.

DEAR MR. CARTWRIGHT: This is the copy of a little poem I submitted to the Durant Daily Democrat as of this date:

ON THE DAMMING OF THE RED

Red and Don have gone stampedin'.
Folks are doin' lots of readin',
And the paper boys are earnin' extra dough.
Red's Phillipics, and Donald's capers,
Fill most all the daily papers;
Even then the things we read we do not know.

Progress has a way of makin'
Lots of first-class bellyachin'—
Folks are fearful of some big catastrophe!
But from what we have been hearin'
Of this dam, the ones now fearin'
Its results are Don and Red and O. G. E.

Red and Don have one big "reason"
(But it seems quite out of season)
Why this Rayburn-Cartwright dam should be no go,
And the "reason" they are urgin'
Is the danger of submergin'
Railroads that have been abandoned long ago.

It seems sort o' queer and funny
To refuse a lot o' money
For southeastern Oklahoma when it's broke.
But one reason Red is givin'
Is he hopes to make a livin'
Of his 20 acres—O Lawd, what a joke!

Uncle Sam, investing billions,
Gives us four and fifty millions
For a flood-control and cheaper-power lake.
But our Governor is refusin',
And the figures he is usin'
Seem to be of some big power company's make.

Build that dam! And let each county
Have its bonus and its bounty
For each parcel of the land the lake will touch.
Otherwise there is no tellin'
When we'll have a chance of sellin'
Any land—to anyone—for half as much.

Sincerely,

C. N. CLICK.

The Curse of Opium

EXTENSION OF REMARKS
OF
HON. WILLIAM I. SIROVICH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, January 30, 1939

Mr. SIROVICH. Mr. Speaker, under leave granted me to extend my remarks in the RECORD I include the following speech which I delivered in the House of Representatives on March 7, 1930, on the Curse of Opium:

The SPEAKER pro tempore. The gentleman from New York [Mr. SIROVICH], under the order heretofore made, is recognized for 60 minutes.

Mr. SIROVICH. Mr. Speaker, ladies and gentlemen of the House, here is a poppy. It is about the size of an egg. When you shake it you hear a noise due to the seeds contained in it. The poppy contains two kinds of seed, one black and the other white.

The color of the seeds gives the name to the poppy. It is either a black poppy or a white poppy. The white poppy is annual. It rises 2 or 3 feet in height and sometimes even to 5 or 6 feet in favorable situations. In India it blooms in the month of February. In Europe and the United States no earlier than June, July, or August.

When you cut your finger, blood exudes. Within 5 minutes it coagulates. When you cut into the unripe capsule of the poppy, just before it is a year old, it, too, bleeds. But its blood is represented by a white, milky exudation. This milky exudation takes 24 hours to coagulate. After that time this coagulated product is scraped off the capsule of the poppy, and it is called opium, from the Greek word "opion," which means juice. This is known as crude opium.

It is in the capsule that the juice most abounds and the virtues of the plant chiefly reside. The seeds contained within the poppy are destitute of narcotic properties. From ancient down to modern times they have been employed in the preparation of various dainties, such as bread, cakes, and rolls.

The seeds abound with a bland oil commercially called poppyseed oil, which may be extracted by expression. This oil resembles olive oil, for which it has been used as a substitute in every part of the civilized world.

At the present time the poppy is cultivated very extensively in India, China, Persia, Egypt, and in Asiatic Turkey for its opium and in certain portions of Europe chiefly for its seeds.

Here is the cacao leaf. It grows mainly in South America, principally in Peru, and in Java, owned by Holland.

In human society man reproduces himself. His progeny are remembered as his offspring. Some of his descendants become famous while others become infamous. So with opium. This famous drug has 18 descendants. In chemistry we call them derivatives or alkaloids. Who are some of these distinguished children that opium has given to the world? Its oldest son is called morphine. Next come codein, narcein, papaverine, and pantopon, used in childbirth as twilight sleep. The rest have been relegated to the background of obscurity.

In 1817 an eminent German chemist, Saturner, extracted morphine from opium and preached the modern doctrine that the narcotic powers of opium resided in morphine, and so named this drug after the famous god of sleep, Morpheus. The chief descendant of morphine as its derivative is heroin, the grandson of opium. The only son of cocoa is cocaine, medically known as its alkaloid.

From time immemorial, through ancient, medieval, and modern times, opium has been used for five purpcses: First, to relieve every form of pain that human flesh is heir to. Second, to induce sleep for insomnia caused by inconceivable mental, physical, and functional conditions. Third, to check metabolic disturbances caused by inflammation and irritation that can take place in any part of the human body. Fourth, to counteract excessive secretions in the various cells of the body that give rise to serious disturbances, such as diarrhea, pleurisy, and peritonitis. Fifth, for systematic purposes to build up the physical and mental constitution of exhausted and worn-out human bodies.

In all parts of the world opium has been habitually employed by many with a view to its exhilarating and anodyne influence. This is particularly the case among the Mohammedans, who find in this narcotic drug the most pleasant substitute for alcoholic drinks, which are interdicted by their religion. In India, Persia, China, and Turkey it is consumed in immense quantities, and many nations of the east smoke opium as those of the west smoke tobacco.

The use of opium as a medicine can be clearly traced back to Diagos, who was nearly contemporary with Hippocrates, the founder of ancient medicine.

What is the physiological action of opium and its derivatives upon the human body and the human mind? There are four varieties of symptoms: First, subjective; second, objective; third, mental; and fourth, moral.

The subjective symptoms are the symptoms that the patient feels and complains of most. What are they? Generally speaking, opium is a stimulant narcotic. Taken by a healthy person in moderate doses, it increases the force, fullness, and frequency of the pulse, augments the temperature of the skin, invigorates the muscular system, quickens the senses, animates the spirits, and gives new energy to the intellectual faculties.

This operation, while it is extended to all parts of the system, is directed with peculiar force to the brain, the functions of which it excites, and sometimes even goads on to intoxication and delirium.

In a short time this excitation subsides. A bodily calmness and a delightful placidity of mind succeed. The individual, insensible to painful impressions, forgetting all source of care and anxiety, submits himself to a current of undefined and unconnected but pleasing fancies and is conscious of no other feeling than that of a quiet and peculiar enjoyment.

At the end of half an hour or an hour from the administration of the narcotic all consciousness is lost in sleep. The soporific effect, after having continued for 8 or 10 hours, goes off and is often succeeded by more or less nausea, headaches, tremors, and other symptoms of diminished or irregular nervous action, which soon yield to the recuperative energies of the system, and unless the dose is frequently repeated and the powers of nature worn out by overexcitement no injurious consequences will ultimately result.

Such is the obvious operation of opium when moderately taken, as experienced by the patient.

What are the objective symptoms as observed by the outsider looking upon one who uses the drug? His physical condition is below par. His features are expressionless. They indicate a lack of mental activity. They have the hatchet face with sunken cheeks and lusterless eyes. The color of the skin varies from a waxen pallor to a bluish appearance. The fingernails become brittle and chip off. The teeth soften and suffer continuous destruction. The dentine crumbles away. Gradual loss of weight increases monthly. An actual repugnance for meat is ever present while the drug is being used. The addicts become excessive cigarette smokers.

Blood pressure is uniformly high in morphine addiction and is often below normal in heroin cases. Yawning every few seconds. Tremor is very excessive, and the expression haggard. Excessive muscular weakness, and finally utter collapse. The mortality among drug addicts is largely from those cases which often follow too rapid reduction or total deprivation. So much for the objective symptoms.

What are the mental symptoms? Persons who were, prior to the addiction of this habit, honorable and upright lose their fine sense of honor and degenerate into conscienceless prevaricators of the truth. In medicine we term them pathological liars. In the lexicon of the addict there is no such word as truth. He lies and lies in order to get possession of the drug. He will cry, plead, implore, beg, and beseech to obtain the drug.

Deception and distortion of the truth and facts go hand in hand with the drug addict. His daily life is a veritable hell on earth through fear that the source of supply may be cut off. Gradually the mind drags down, and the drug addict becomes a derelict and driftwood upon the ocean of life, deserted by his friends, scorned by his relatives, and outlawed by society. [Applause.]

What are the moral symptoms? He is unable to differentiate between right and wrong, but uniformly does the wrong thing at the right time. He does not sustain his former moral level, but becomes careless in language and behavior, neglectful of family life and of personal appearance, and finally loses all sense of dignity, and becomes a moral as well as a mental and physical degenerate.

Under these conditions, crimes of every conceivable nature are committed to obtain the drug. On this point the addict becomes imbued with the courage of desperation, whereas usually drug addicts are cowards.

Addicts are clannish to a degree. They become reformers, crusaders, and, just like the enthusiasts in religion, in politics, and in prohibition, they fanatically preach the gospel of their drugs, and so each addict surreptitiously carries propaganda to the people he comes in contact with in speaking of the wonders and the glories of what opium and its derivatives will do to the one who takes them.

Days and dates become confused and memory plays some pitiful tricks with these unfortunate men and women. To the female, in order to secure the drug, moral obligations are cast aside. Men and women alike are cowards and have no stamina or fortitude to come back. Such is the terrible tragedy of this drug when used for purposes never intended by nature. [Applause.]

The normal healthy person, having a sound mind in a healthy body, is uninfluenced by these drugs. Transient periods of physical imperfections are relieved and the drug is forgotten.

But what types of people use this drug? Personally I consider them psychopathic constitutional inferior types. Neurotics, dyspeptics, neurasthenics, high morons, low morons, hysterics; men and women who have been deprived by nature of certain inherent qualities that necessarily must go with the sound mind and the healthy body. These people bear the same relationship to normal human beings that the thorns and the thistles and the weeds bear to nature. They cannot stand pain or suffering. They are victims of hereditary, environmental, or acquired disorders that opiates only relieve. That is why they become slaves to these drugs.

These men and women should never be arrested and placed in prison. [Applause.] They are suffering from an infectious, contagious, and communicable disease that can infest all people who come into intimate contact with them. In our own country there are at least a million addicts who are using this drug to bolster their physical and mental shortcomings.

What is the treatment of drug addiction? For the last generation various drugs were used that were supposedly specific for the cure of this unfortunate malady. However, the most eminent authorities today in the Nation and in the world are agreed that there is no alternative treatment that will enable a drug addict to be cured. The most humane form of treatment is that of giving progressively diminishing doses of morphine. Two to three weeks should be allowed for this reduction treatment. The advantages of this method are the absence or great diminution of severe suffering and its safety as regards collapse and danger to life.

In my study of the treatment of drug addiction no substances have so far been found that may be called specific cures for drug addiction. The utilization of depressants on the brain and nervous system are ineffective and not practical as a substitute for opium derivatives and should be disregarded by everyone who treats drug addicts.

The most important consideration following elimination of the use of opium and its derivatives, cocaine and its alkaloids, is the rehabilitation treatment, which consists in putting the drug addict upon the farm close to nature, encouraged by sympathetic attendants, who will help him climb the ladder of life once again and return to society as a useful member; in other words, to end his being a continued expense and even a menace to society, and make him a self-supporting, productive citizen. To secure such a result it must be assured that the addict has learned a trade or line of work through which he may be self-supporting; that a position be found for him when he is prepared; that his progress for a number of years be supervised and checked up through some form of parole; and finally that he be brought to a state of mind whereby he becomes cooperative and honestly desires to be permanently free of his habit.

To help the treatment of drug addiction we must get Government cooperation, and through conventions the civilized nations of the world must get together and find a treatment that will permanently cure and eradicate the drug evil throughout the world. [Applause.]

If there ever was humane legislation that is necessary at the present time it is cooperation from every State of the Union, through its legislatures, that will help to rigidly enforce the evils of drug addiction. We have one enforcement agent for the narcotic law for every 600,000 citizens of the United States. We have 236 men who are asked to enforce the narcotic laws amongst 130,000,000 people in the United States. The total amount of money spent for

enforcement because of drug addiction in this Nation is the sum of $1,267,600.

How much better would it be to appropriate sufficient money for the Narcotic Division under the able and capable Commissioner Anslinger to give him and his experienced staff all the aid that is necessary to wipe out and abolish the professional narcotic racketeer and chronic opium smokers in order to emancipate our psychopathic constitutionally inferior citizens from the slavery of opium and to rigidly enforce and wipe out the morphine evil from our Nation. [Applause.]

Three tons of opium and its derivatives are necessary to look after the medical and the scientific requirements of the whole world. One ton of opium and its derivatives is all that is needed to look after all the people of North America and South America for medicinal and scientific purposes. And still almost 200 tons were smuggled into the United States during the last year, 85 percent of which comes through the harbor of the city of New York.

From that port it is distributed to the large dealers who sell and ship only to trusted dealers in other cities, who in turn distribute to the smaller peddlers.

In the United States there are only 4 factories manufacturing derivative narcotic drugs, while in 5 countries of Europe, such as England, France, Germany, Holland, and Switzerland, there are 50 factories that are turning out opium and its derivative drugs to dope and drug the innocent peoples of the world. An ounce of morphine sells in Europe for 50 cents. By the time it is smuggled into our country it sells for $150 an ounce. What tremendous profit is made by these unscrupulous vendors who live upon the shame, the degradation, and weaknesses of the men and women of our country. [Applause.]

Under the able supervision of former United States District Attorney Charles H. Tuttle and his chief assistants, George Mintzer and Mr. Blake, 98 percent of the cases tried of those who peddled and sold these drugs were convicted and sentenced to prison for long terms. On June 30, 1929, of some 10,000 Federal penitentiary prisoners, the number convicted under the Federal Drug Act was 2,731, the greatest number convicted of felony under one act of Congress.

The consumption per capita of opium and its derivatives is 2 grains in England, 3 in Germany, 8 in France, and 8 in the United States.

Switzerland, with a population of 4,000,000 people, manufactured 23 tons of morphine and heroin last year. It manufactured 2 pounds of heroin for its own people and manufactured 2 tons of heroin to be sent into France every year.

Why do people become drug addicts? To my mind, they become addicted to drugs because they cannot keep battling along in the struggle for existence in this cruel world of reality, so they run away and flee into a new world, called the imaginative world, there to live in peace, in harmony, and tranquillity, and realize every aim and sentiment and ambition that they know in this world.

In running away from the world of reality to the imaginative world they have to cross four bridges, which lead them from the world of struggle into the world of fancy. These four bridges are called the opium bridge, the cocaine bridge, the heroin bridge, and the morphine bridge.

When they have completed their existence in this transient world of fantasy they return unfortunately back across four different bridges: First, the bridge of sighs; second, the bridge of humiliation; third, the bridge of degradation; and fourth, the bridge of sorrow. Back to the world of reality where the struggle for a fresh dosage of opiates begins.

When the Koran forbade its followers all forms of alcoholic beverages and indulgences, the Mohammedans found in opium a welcome substitute. Today the same deadly substitution is taking place, not in Islam, not amongst the Mohammedans, but here in the United States of America, where many chronic inebriates have turned to the use of narcotics.

Of all the substitutes for strong drink, none so quickly and so thoroughly destroy the body, stupefy the mind, and stultify the moral nature as opium and its derivatives, which debauches and undermines the moral fiber and destroys the economic efficiency of its victims, until the addict becomes more a devil than a man.

Various reputable authorities of this subject throughout the country estimate its devotees from 1,000,000 to 2,000,000. The United States is using 35 times as much morphine as is required for the legitimate medical purposes. Most of these drugs come in through smuggling.

Immediately after prohibition went into effect 850,000 pounds of crude opium, enough to produce 35 tons of morphine, were imported into the United States. One ton is enough to supply the medicinal needs of North and South America.

The combined population of Germany, France, and Italy is 160,000,000. The United States has a population of 130,000,000. Yet we imported 10 times more crude opium than these three countries put together.

For over a century China, bound and helpless in the clutches of the opium habit, made spasmodic but futile attempts to break her chains and free her helpless people from an evil which destroyed their physical stamina, weakened their mental fiber, and ruined their economic efficiency. Edicts and severe penalties against the importation, sale, and use of opium seemed to have had little effect. The importation increased from 200 chests of opium in 1729 to 4,000 in 1790 and to 70,000 in 1858.

The opium came from India, and the increase in importation corresponds with the British occupation of India and the monopoly of the East India Co. The Emperor Young Chen, who ruled China between the years 1750 and 1780, placed an embargo upon the importation of the poppy from India because it was destroying the mental and physical fiber of the Chinese people, who were being exploited and commercialized by the British for the benefit of the East India Co. After his death, England compelled China to lift this embargo, so that from the year 1790 the importation of the poppy increased from 4,000 cases to almost 70,000 cases in 1839. As England would listen to no appeals or protests, the Emperor of China finally ordered some 20,000 chests stored on ships near Canton to be destroyed.

This was in 1839 and the cause of the first so-called opium war, which resulted in defeat and loss for China. England took the island of Hong Kong and $21,000,000 indemnity, of which $6,000,000 went to the British merchants as payment for the destroyed opium. In addition, five Chinese ports became treaty ports—open doors for trade in general and opium in particular. Fifteen years later came the second opium war waged by Great Britain, which opened up five more trade ports and exacted a second indemity of $3,000,000 from China.

These wars must be regarded as unjust and immoral because they originated in a desire to force upon a helpless people a traffic lucrative to Great Britain.

Mr. Speaker, ladies and gentlemen, listen to what that distinguished Premier of Great Britain said about the opium wars waged by England against innocent and defenseless China. Regarding this war, Gladstone said:

"A war more unjust in its origin, a war more calculated to cover Great Britain with permanent disgrace, I do not know and have not read of. The British flag is hoisted to protect an infamous traffic; and if it was never hoisted, except as it is now hoisted on the coast of China, we should recoil from its sight with horror."

Such were the sentiments of England's foremost Premier, Gladstone.

Thus, with the opium trade forced upon her, China, about 1860, decided to share in the profits which so evidently made opium a worth-while trade and began to grow the poppy herself. This was a turning point in the national life of China. She gave up the struggle to free her people from a degrading habit and relinquished whole Provinces to the growth of opium instead of wheat and other necessities of life.

In 1906, when 60,000,000 of the Chinese people had become drug addicts, the last great campaign against poppy growing and for the total eradication of the opium habit was begun, the cooperation of Great Britain was sought to restrict importation from India, as lacking this restriction nothing could be accomplished. A 10-year agreement was made in 1907 by which Great Britain promised to restrict the importation of Indian opium into China 10 percent for each year of the 10 years, provided China curtailed the growth of the poppy in the same ratio. The unexpected and almost incredible happened. China conducted the fight with vigor, offenders were very severely punished, and by 1917 China proved to the world that she was practically free from the native-grown drug. [Applause.]

There are few instances in history where such a sweeping reform was carried through so rapidly and so thoroughly. Foreign importation also virtually ceased. China, however, is not free from the opium curse, though the China market is closed to the drug, because China has no control over the territorial holdings of European powers. Opium may be bought freely in all foreign concessions. In Shanghai and Hong Kong, for instance, by crossing an imaginary line from the native to the foreign controlled city, the Chinese may buy as much opium as they wish.

The revenues to the British Government for 1 year were nearly $32,000,000 net from this "monopoly." Turkey and Persia, next to India, are the two greatest opium-producing countries in the world. Since the war both of these countries are to a great extent under British control, which gives England almost absolute control of the world's opium—owners of a true monopoly of opium.

As we study the statistics of these and other countries of the Far East and realize that the use of habit-forming drugs is constantly increasing, in most if not all cases protected and fostered by alien governments for treasury revenue, the menace of this monstrous evil not to the Far East alone but to the entire civilized world becomes a melancholy certainty.

Only two countries of the Far East are free from the government-encouraged traffic. One, Japan, the only oriental nation never dominated by a European power, has no opium shops and protects its people from the dangers of opium by strict laws. The other is our own subject colony of the Philippines, which is protected as carefully as United States law can do it. [Applause.] The fact seems to be that the British Government is responsible for the large quantities of opium flooding the world today. The cultivation of the poppy is fostered by the Government, manufactured into opium in the Government factory and into morphine by British firms in London and Edinburgh, and sent out into the world through trade channels, illegal and otherwise.

Attempts have been made from time to time to curb this growing evil. In 1909 President Roosevelt called an international opium commission, attended by the United States because of our interest in the Philippines, assembled at Shanghai. At that meeting, under the leadership of the delegates from this country, the question was studied for the first time in the history of the world from the viewpoint of every country represented and suggestions offered for its ultimate solution to emancipate the drug slaves of the world. [Applause.]

Following the close of the meeting the United States suggested that a conference be held at The Hague, composed of delegates having full official power to provide a way to end the habit-forming drug traffic. The first Hague conference met on December 1, 1911, called by that genial, lovable, and gracious former President, William Howard Taft. [Applause.]

After 3 months' discussion the conflicting interests of the nations assembled were brought into conformity and a convention was designed to wipe out the evil features of the drug traffic. This International Opium Convention, as it was called, was signed by the representatives of the 12 powers which had formulated it January 23, 1912, but was not to be ratified by the contracting parties until it had received the signatures of the other nations of the world.

In 1913 a second conference was called, at which 34 nations were represented, and all except Great Britain and Germany agreed to sign it at once. In June 1914 a third conference took place at The Hague, where the representatives of all the powers of the world except Turkey and Serbia solemnly agreed to put the International Opium Convention into effect December 31, 1914.

The convention laid down new principles of international commercial law for the stopping of any obnoxious commodity in international commerce. Each government, including our own, has remodeled its legislation somewhat to conform to the convention requirements. Dr. Hamilton Wright, in 1915, said that our Government had made most drastic changes. But still the production, sale, and use of the drugs goes merrily on and the world seems indifferent. We try to protect our own citizens, and yet allow enough morphine and opium to be shipped from Seattle in 5 months to give a dose to each of the 400,000,000 men, women, and children of China.

Japan protects its own people by careful laws, but allows smuggling, which debases and demoralizes millions of Chinese, to go on under governmental protection. Great Britain protects and fosters a traffic which sent in 1916 from English factories 16 tons of morphia to the helpless people of the Far East.

Now the evil is at our very door, nay, more, has entered our door, threatening the welfare of our young men and women by the thousands. The number of drug addicts in New York City alone has been estimated at from 10,000 to 100,000.

The Harrison Narcotic Act, a Federal law enforced by the Internal Revenue Department, has attempted to "regulate" this condition by providing that every pound of opium or its derivatives that comes into this country legitimately must be accounted for, and its distribution, both wholesale and retail, accurately recorded. Drug stores can sell narcotic drugs only on a physician's order or prescription; the prescriptions are kept on file and the amount sold must tally with the amount called for, as well as with the amount obtained from the wholesaler.

Prescriptions are written in triplicate—one for the physician himself, one for the druggist, and one for the health department. If he prescribes for a drug addict, his prescriptions must show a daily diminution of the dosage. These records are to be open for inspection at any time. Violations on the part of the physicians, or druggists, or wholesale houses, may be easily detected. At one time it was thought that physicians were often responsible for the drug habit, but this has not been proved. The total number of doctors, dentists, veterinary surgeons, and pharmacists who are registered to use opium and its derivatives amounted last year to 349,000. Of this number, only 149 were arrested and convicted for violation of the Harrison Narcotic Act, less than one one-hundredth of 1 percent. Today drug addiction is due mainly to two causes: One, overproduction; and the other, due to smuggling of narcotics, mainly manufactured in England, France, and Switzerland, and from there to all nations of the world.

Great Britain has established an opium monopoly, which encourages poppy growing even to the extent of lending money without interest to those who are willing to cultivate the plant, and then once a month sells it to the highest bidders, who find a market how and where they can, so that England today has unofficial agents throughout the world drugging poor and unsuspecting victims.

So I make the unqualified charge upon the floor of this House that England, one of the greatest civilized nations of the world, a nation for whose integrity, scholarship, and humanitarianism I entertain the highest possible esteem and regard, that this wonderful nation today has an almost exclusive monopoly in the growth of the poppy seed, which grows mainly in India, found in Persia, Asiatic Turkey, which England influences, and Egypt, which she controls. The growth and production of the poppy is absolutely in the hands of the British Government. Through these possessions under the direct ownership and supervision of Great Britain, the crude poppy is sent chiefly to pharmaceutical laboratories in England and Scotland, where most of the opium and its derivatives are sent to all parts of the world to drug innocent and unsuspecting citizens throughout the world.

To my mind one of the greatest authorities in the world on the subject of drug addiction and the narcotic evil, was our former distinguished chairman, now deceased, of the Committee on Foreign Affairs, Hon. Stephen G. Porter. [Applause.] A few years ago the American Medical Association, the County Medical Society, the American College of Surgeons, the Academy of Medicine, the Medical Alliance, and the Eastern Medical Society, that number in their membership almost 200,000 doctors of our Nation, were arrayed against the Porter bill. It was my good fortune to go into conference with Mr. Porter in conjunction with the representatives of the American Medical Association and other medical societies. Through his genial and sympathetic cooperation, we managed to iron out the misunderstanding of his bill in relation to the doctors of our country. The bill as amended met with the cordial approval of the leading medical societies of our Nation and was passed unanimously. I want to pay the tribute of my respect by placing the wreath of my affection about his head and the tribute of my love and regard at his feet, and say no finer man ever graced the Halls of Congress than the distinguished gentleman who had the honor to be the chairman of the great Committee on Foreign Affairs of the House of Representatives. [Applause.]

As the chairman of the Foreign Affairs Committee, Mr. Porter served our Nation loyally, faithfully, conscientiously, and intelligently. As the representative of our Government at the Geneva conference he, to my mind, symbolized the ideal representative amongst all the nations of the world when he fought heroically and courageously once and for all to blot out and eradicate the great evil of drug addiction.

First and foremost, Mr. Porter urged the absolute necessity of limiting the production of the poppy in all poppy-growing countries of Asia. Second, he fought a valient battle and courageously represented the best traditions of our country when he contended that next to limitation of the growth of the poppy is to limit the manufacture of opium and its derivatives and the cocoa and its alkaloids, only to meet the medical and scientific demands of the world. [Applause.]

When some of the foreign nations, like England, France, and Switzerland, refused to meet him honorably on the plane of justice, like Pinckney, who said to the Algerian pirates, "Millions for defense, but not one cent for tribute," he carried the banner of the Government and the Congress of the United States high and aloft and retired as representative of our Government from that conference rather than compromise a principle that would emancipate the slaves of drugs and bring peace and contentment to the homes of millions. [Applause.] There again our Nation and history will applaud his conduct. One day a grateful people will erect a monument to commemorate his devoted service to his fellow man in leading the moral forces of the world against the curse of opium.

You cannot compromise a principle. You cannot have one law of opium for the nations of the east and another law of opium for the nations of the west. Drug addiction is universal. It is everywhere. That is why we demand an international convention to be called, preferably by President Roosevelt, in the city of Washington in 1940, and invite all the representatives of the world to be present and under the fearless, able, and courageous leadership of Congress [applause] representing the ideals and traditions of our people, and the honest people of the world who want to be cured of this terrible tragedy.

We can then focus the public opinion and the attention of the world upon England, France, and Switzerland, the nations that are manufacturing and elaborating and developing more morphine than has ever been made in the history of the world, and that is drugging innocent people who are being offered upon the shrine of Mammon and the altar of opium and its derivatives. [Applause.]

Mr. Speaker, ladies and gentlemen of the House, the time for commercializing the lifeblood and flesh of human beings should be relegated to the age of barbarism. [Applause.] In this twentieth century of civilization, when disarmament conferences ought to be held to benefit mankind, the time has come when the United States, as the greatest civilized nation of the world, should call a halt to a monopoly which one nation enjoys in poppy growing while two other nations are drugging the world for monetary gains. [Applause.]

In the name of humanity, in the name of decency and righteousness, let us say to any nations of the world who exploit the weaknesses of human beings through drug addiction that just as we sank battleships to make the world safe from war, so the time has come when we must destroy at least three-fourths of all the pharmaceutical drug houses operated throughout the five nations that manufacture opium and its derivatives and only allow to remain half a dozen of these institutions, owned, operated, and controlled internationally, where every nation is allotted a laboratory, to see that only that amount of opium and its derivatives are manufactured that are necessary to look after the medical and scientific needs of the civilized world. [Applause.]

That is why I am pleading for an international board composed of representatives of all manufacturing nations to rigidly control, under governmental supervision, the production and manufacture of opium and its derivatives. [Applause.] The control should be so careful and exact that every particle of the drug could be traced back by steps to the state-controlled factory. No laboratories should be allowed to any country whose antinarcotic laws do not guarantee the proper use of the drug. The magnificent and fertile lands of India, Persia, Asiatic Turkey, and Egypt should grow and flourish with wheat and other natural productions of nature to feed the emaciated, hungry, starving millions of unfortunate citizens of the poppy-crazed people of the east. [Applause.] As their drugged minds will clear up and the organs of their bodies vibrate with renewed human energy and enthusiasm, their economic development will be enhanced, and, having a healthy mind in a sound body, will bring national prosperity to lands that were formerly filled with penury, hunger, and want. [Applause.]

Let the United States lead in the vanguard of those who are willing to give of their today that others may have their tomorrow. Let our country that has always stood for idealism and for progress continue to battle against the drug capitalists who have made the world unsafe for humanity to live in. Then when we have accomplished our purpose, and have wheatfields growing upon the trail of

the poppy, and have freed the world from pharmaceutical laboratories that would destroy the moral, mental, and physical fabric of unfortunate men and women, the curse of the east will have been removed and the menace of the civilization and progress of the west will no longer exist. Then only will we be enabled to fulfill the great immortal golden sentiment of the Saviour, "Do not do unto others that which you do not want others to do unto you." And the great commandment to "love thy neighbor as thyself" will be a reality instead of a dream and an abstraction. [Applause.]

Mr. Speaker, ladies, and gentlemen, I have brought here before you a collection or an exhibition of opium and its derivatives to show you what is going on in this the twentieth century of so-called civilization.

Here [indicating] is a Holy Bible placed in a hotel by the Gideons. When it was opened it contained in its center morphine and cocaine outfits and the hypodermic needles.

Here [indicating] are more books. This one is called "The Outlook." I hope that after my speech the future outlook will be better than the past has been. Here are morphine, cocaine, opium, and heroin contained in its center, where pages have been removed and cut out.

Here, ladies and gentlemen, is a box of candy containing opium, morphine, cocaine, and heroin and coated with chocolate. Here are caramels containing opium, morphine, cocaine, and heroin, colored with chocolate and other dyes. Here is soap and in the center of it is opium, morphine, cocaine, and heroin. Nobody in the world would suspect it.

Here is a piece of paper that has been "doped" with morphine. It was sent to a prisoner in one of our prisons. It is a piece of paper with a letter written on it and before it was sent to the prisoner it was put into a glass of water that had been saturated with morphine. In medicine when you take morphine and put it in water where it can no longer dissolve we call that a saturated solution. This paper was dipped in this solution for 1 day and then allowed to dry. A message was written on it to the convict. Daily he would dissolve pieces of this paper in water, which would supply him with morphine. In medicine this solution contains the largest percentage of morphine. It is called "Magendies solution."

Here is the case of a woman who is supposed to have sent the picture of her son to her friend in prison. Here is the beautiful picture, but in the back of it, ladies and gentlemen, there is enough morphine and cocaine to keep him going for at least 3 months.

Here are shoes where the heel is filled with opium, morphine, cocaine, and heroin. Look at these magazines and other papers of every conceivable nature filled with opiates. Here are trousers sent to a prison and on the buttons there is opium and morphine which can be taken off and smoked.

Behold these dresses and other wearing apparel that are loaded with opiates and its derivatives that are smuggled into our country. These various things contain thousands of dollars' worth of opium, and when you put this on [indicating] and put your coat over it how can you detect it?

Here is morphine concealed in the panels of a wall and here is a scale hidden in the panels which measures it at the same time. The most difficult thing in the world is to detect smuggled opium and its derivatives.

Yet the per capita utilization of drugs in the United States is no greater than that of Europe. They have as many addicts in England as we have in the United States, but we have the finest laws upon the statute books of our country, better than those of any civilized nation of the world. [Applause.]

Here are so-called cigarettes, but when you open them they are nothing but opium and morphine. Here are the various smoking preparations. This, Mr. Speaker, ladies, and gentlemen, represents the smoking opium. Whenever you smoke the opium the smoke that goes through here [indicating], just like the dirt that may collect inside a chimney, contains from 9 to 11 percent morphine. So this is scraped off and this [indicating] is the product. It is called yen shee, the byproduct of smoking opium, taken from the inside of the smoking opium pipe, containing 10 or 11 percent of morphine.

To show you what you can do with rehabilitation if you are kind and generous to these men we have in the penitentiary, here is a piece of work [indicating] that was done by one of the drug addicts who was put in prison.

It is not right for any nation of the earth to put a drug addict in prison. A man or woman who suffers from drug addiction suffers from a disease. The moment you take this drug addict and put him in a prison you are contaminating him with criminal influence and criminal tendency. The drug addict by nature is a coward and the only thing that stimulates his mentality is heroin or morphine, which encourages him to go out and under its influence to commit any crime in the world.

It is not the underworld alone that utilizes opium and its derivatives. It is found in the upper strata just the same as it is found in the lower strata, and so, when we are legislating and calling an international convention to do justice and righteousness to those who have fallen by the wayside as unfortunate victims of life, we are trying to do something that will better the civilization of our day.

And so, Mr. Speaker, ladies and gentlemen of the House, without any further ado I will be glad to answer any questions any gentleman desires to ask. [Applause.]

Mr. WILLIAMSON. A little while ago the gentleman alluded to these factories that produced these drugs. Is it possible to manufacture opium by an ordinary individual, or does it have to go through a certain process?

Mr. SIROVICH. If the gentleman had been present when I began he would have his answer. I explained everything from the beginning.

Mr. WILLIAMSON. I was not present.

Mr. SIROVICH. For the gentleman's benefit I will say that here is a poppy as it grows. If you break the poppy it has seeds in it, white and black. If it has white seeds it is the white poppy, and if it has black seeds it is the black poppy. They have no narcotic properties whatever. They are only used for cakes, pies, bread, and so forth; but if you cut into the capsule, like when you cut your finger, it exudes a coagulated material, a milk-white substance, which takes 24 hours to coagulate. That is crude opium. The crude opium is sent to the factories, and these factories cost anywhere from $1,000,000 to $10,000,000 to construct, and they turn the crude opium into morphine and its derivatives.

Mr. WILLIAMSON. Then it could not be prepared by any ordinary individual?

Mr. SIROVICH. No; it is not like alcohol that can be manufactured in a cheap still, but it takes a factory costing from one to ten million dollars to manufacture crude opium into morphine or heroin. That is why it would be best to internationalize the drug factories of the world in order to produce what is necessary for scientific and medicinal purposes.

Mr. EDWARDS. Will the gentleman yield?

Mr. SIROVICH. Certainly.

Mr. EDWARDS. We are very much interested in the gentleman's able address and hope it will do much good. What does the gentleman propose to cure or prevent new addicts?

Mr. SIROVICH. I will tell you what to do. If the West wants a good education on the drug traffic, let it go to Japan and see what Japan is doing. Japan owns Korea and Manchuria, and they have a population of 14,000,000. When Japan took possession they found 5,000 drug addicts. What did Japan do? It took over the poppies and its derivatives, and if you were a drug addict you had to register under the Japanese Government. Then they gave you the necessary opium and morphine cheaper than you could get it when it was smuggled in, and so it killed the smugglers. They do not allow any new addicts to be formed, and they reckon that in 10 to 30 years, when the present drug addicts will have died, there will be no more as far as Japan is concerned.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. SIROVICH. Yes.

Mr. LAGUARDIA. In reply to the gentleman from Georgia, I want to say that we have authorized the construction of two narcotic farm hospitals, where addicts will be treated as such.

Mr. EDWARDS. They will not go into operation until 1932.

Mr. LAGUARDIA. And in the meantime they are sent to Atlanta.

Mr. SIROVICH. And in that way they are making them worse.

Mr. PORTER rose.

Mr. SIROVICH. If there is any man in the world that I would like to yield to, it is the gentleman from Pennsylvania. We ought to give him a demonstration because the gentleman has done more to exterminate drug addiction for the benefit of humanity and for our citizens than any man in the Nation. [Applause, Members rising.]

Mr. PORTER. Mr. Speaker, I am, indeed, grateful to the gentleman from New York for his heartening words of commendation. I rose to inform the House that 2 years ago we passed the narcotic-farm bill. It authorized the construction and maintenance of narcotic farms, taking the Federal wards from the Federal institutions and placing them in institutions where they could receive scientific treatment. The drug addicts are not as a rule criminals, but usually the victims of misfortune.

My purpose in rising is this: It must be remembered that we are pioneers in this field. There is no institution like it in the world. We have had to move cautiously, but I am happy to state that we are making rapid progress. I am hopeful that one of the institutions will be completed within the next 2 years, and I know that it will be a happy day for this House and a happy day for all of us when we can take the 2,000 unfortunate addicts who are now in our penitentiaries and transfer them to institutions where they will receive proper care. There is no distinction between a drug addict and a lunatic or an idiot or a weak-minded person. They should all be confined for their own protection and also for the protection of society; if it is possible to cure them, so much the better. Whether there is a cure for drug addiction no one knows. The truth of the matter is that we have never really tried to find one; but when these narcotic farms are in operation we can give the matter a very thorough test.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. SIROVICH. Yes.

Mr. SCHAFER of Wisconsin. Does the gentleman find that the use of drugs has increased in leaps and bounds under prohibition?

Mr. SIROVICH. The gentleman from Wisconsin wants to know if drug addiction has increased since prohibition went into effect. Many of these drug addicts were accustomed to using the stimulation that came from alcohol. Alcohol stimulation would transform these unfortunate people from the world of reality into the world of dreams. Since they have been deprived of alcohol, and being afraid that the industrial alcohol, which contains poisons, is likely to poison them, they have gone away from alcohol and have utilized drugs in many instances to accomplish the same purpose.

Mr. ABERNETHY. Mr. Speaker, will the gentleman yield?

Mr. SIROVICH. Yes.

Mr. ABERNETHY. I am very much interested in the statement of the gentleman that the medical profession is coming to an agreement with Mr. PORTER on his bill. There has been some opposition from various sources, I understand.

Mr. SIROVICH. I would like to correct that for the benefit of the House. I received protests from the American College of Surgeons, from the American Medical Association, from the Academy of Medicine, from the County Medical Society, and other medical societies stating their opposition to certain features of Mr. PORTER's bill, but how can anyone oppose the gentleman from Pennsylvania [Mr. PORTER], when he is always willing to sit down as a gentleman should and iron out the wrinkles? We got together yesterday and we stand united for the Porter bill. [Applause.]

Mr. UNDERHILL. Mr. Speaker, will the gentleman yield?

Mr. SIROVICH. Yes.

Mr. UNDERHILL. In addition to taking over the various factories in other countries by international agreement, does the gentleman's resolution provide some measure for the prevention of the establishment of new factories?

Mr. SIROVICH. Yes; it provides for that, too; and it further provides that after the international tribunal shall meet and each nation shall put together the amount of money necessary to purchase all of these pharmaceutical factories manufacturing dope, that they shall then determine the medical and scientific needs of the world in respect to these narcotics, and then tear down every pharmaceutical laboratory throughout the world and leave only behind enough to look after the medicinal and scientific needs of the world, providing it leaves one in each country to look after their people in time of peace or in time of war.

Mr. QUIN. Mr. Speaker, will the gentleman yield?

Mr. SIROVICH. Yes.

Mr. QUIN. I understand that there is no cure for these drug addicts?

Mr. SIROVICH. I did not say that. I said most of them cannot be cured. They are cured for a period of 3 months or a year or 2 years, but there is always a relapse. There are periods of exacerbation and intermission, and while they make new resolutions and new promises, yet as the years go on and months go by these peculiar psychopathic constitutionally inferior types find themselves under an impelling influence which compels them to go back, just as the alcohol addict goes back to a spree.

Mr. QUIN. But there is a temporary cure?

Mr. SIROVICH. There is.

Mr. PERKINS. Mr. Speaker, will the gentleman yield?

Mr. SIROVICH. Yes.

Mr. PERKINS. Can the gentleman inform the House as to the relationship between the increase of these drug addicts in England, France, and Switzerland, as compared with the United States?

Mr. SIROVICH. As I stated before, I think we have as many addicts in our country as England has. I think France, although it has a smaller population, has more addicts, and Italy, by the way, has more addicts than the United States. However, while many Members of the House talk against the dictatorial powers of Mussolini, the House should be informed that it was Mussolini's representative, I think his name was Cavatzani, who was the one man next to Mr. Porter who had the courage to stand up in that League of Nations' conference and tell England and France and Switzerland that they were drugging the people of the world, and that Italy is ready to support and cooperate with the United States and the other 47 nations of the civilized world to forever abolish the drug slave from the arena of modern society and civilization. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Government Spending

EXTENSION OF REMARKS

OF

HON. VITO MARCANTONIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 30, 1939

RADIO ADDRESS BY HON. MARRINER S. ECCLES, CHAIRMAN OF THE BOARD OF GOVERNORS, FEDERAL RESERVE SYSTEM

Mr. MARCANTONIO. Mr. Speaker, under the leave to extend my remarks in the RECORD I include a radio address by Marriner S. Eccles under the auspices of the National Radio Forum conducted by the Washington Evening Star, broadcast over the National Broadcasting Co. network Monday, January 23, 1939, as follows:

A week ago tonight Senator BYRD, of Virginia, spoke over this station on Government spending. I am grateful to the National Radio Forum, conducted under the auspices of the Washington Evening Star, for this opportunity to speak to you on the same general subject.

What I say represents my own viewpoint as it is now and as it has been consistently for more than 8 years. I do not speak for the Board of Governors or for the Federal Reserve System. I speak merely as one who has had more than 20 years of practical experience in banking as well as in various business and agricultural enterprises, and who happens to occupy a public office concerned with banking, fiscal, and monetary problems. These are economic problems, and I have always approached them from an economic rather than from a political standpoint. In fact, I cannot approach these questions from any other standpoint, for I have never taken an active part in politics and I have never sought a public office.

The greatest of all domestic problems before this country today is to find steady jobs in private enterprise for all of our unemployed who are able and willing to work.

The fundamental issue between Senator BYRD and myself is whether the Government can and should contribute to bringing about an increase in private employment by borrowing idle money, and lending and spending it, at a time like the present, when there are millions of people who cannot find jobs in private industry, when there is an abundance of natural resources, unused productive facilities of all kinds, and billions of savings and of bank credit waiting to be used.

In the limited time at my disposal tonight I cannot deal with all of the misconceptions of my position under which Senator BYRD evidently labored in his recent statements on this subject. This I expect to do by letter at an early date. The issue between the Senator and myself is not personal, and I ascribe to him, as he does to me, the fullest degree of sincerity.

At the outset I want to clear away some of the more glaring misconceptions of my views. I do not believe in Government spending at any time for spending's sake. I do believe in Government deficit spending in depression periods as a supplement and stimulant to private spending, using only the manpower, materials, and money that otherwise would be idle, and using them only in a way that avoids competition with private enterprise. I believe that inefficiency and waste should be eliminated. Government should get the maximum of value for the money it spends, recognizing the size and inherent difficulties of the unemployment and relief problem—the objective always being a maximum of private employment. I abhor politics and favoritism in any phase of government expenditures. I am as anxious as anyone to see the Federal Budget balanced. In my judgment, this cannot be accomplished until the national income is higher than it will be this year. I do not believe it can be done at this time, either by reducing Government expenditures or by increasing Federal taxes, particularly those that bear most heavily upon consumption. I believe that the only way the Budget can be brought into balance is through increased Federal revenue from an increased national income.

I am just as much against inflation as I am against deflation. However, we do not want to stay in a perpetual deflation because of fear of inflation. Inflation can and should be prevented, and this can be done by giving adequate powers to the Treasury and the Federal Reserve System. I do not see how it would be possible to have a dangerous general inflation so long as we have a large amount of idle men and unused resources. Long before inflation could develop, we would have a volume of business activity that would increase the national income to a point where the Budget could easily be balanced. I do not believe, and I have never said, that the Federal debt should continue to grow indefinitely and no part of it ever paid. I do believe that it cannot safely be reduced except when national income is high and when private debt is expanding. Reduction of Government debt at such a time would tend to counteract any trend toward inflation that might develop, just as expansion of the Government debt during depression tends to offset deflationary developments.

I realize that Government spending is not a cure-all or a remedy for all of our problems or for special conditions that may be retarding private employment and investment. Everything should be done to bring about a prompt solution of these problems. In the meantime, I can see no practical alternative except to sustain purchasing power through public employment until private employment substantially increases.

The viewpoint which I have outlined relative to the need for Government spending is strongly opposed by Senator BYRD, by most of the press, and by many of the bankers and large business interests of the country today. Most of them still demand, as they did at the bottom of the depression in 1932, that Government expenditures be cut and that the Federal Budget be brought into balance in order to reestablish confidence. Only in this way, they believe, will jobs be provided in private enterprise.

I quite understand why so many of our bankers and businessmen have this viewpoint, for I did also until about 1929. I knew from experience that private investment had led the way out of past depressions without Government spending.

In the face of fundamental changes that have come over our economy—changes that I think many of our businessmen and bankers either have not fully perceived or fully appraised—I can no longer bring myself to believe that the Nation can risk stopping its support to the unemployed in the hope or expectation that upon doing so private enterprise will move forward on any scale sufficient to give them jobs.

To discuss these fundamental changes adequately would take more time than I have on the air. I can only remind you that we are no longer a nation with rapidly expanding markets at home and abroad, as we were through most of our history. We are no longer pushing our frontiers westward and opening up vast new territories to settlement. We no longer have great incoming tides of immigration. The day has passed when millions can follow

Horace Greeley's advice and go West when they fail to find employment or opportunity in the populous eastern centers. The era of railroad expansion has come to an end.

We no longer have expanding foreign markets. We are now a creditor and not a debtor nation, as we were before the war. We are no longer willing to lend billions of dollars abroad, as we did in the twenties, to enable foreigners to absorb American products.

The rapid growth of the automobile and related industries, which were important factors in the expansion of the twenties, has been greatly slowed down. There are not immediately visible vast markets awaiting production by existing industry. Nor does new invention and new industry, which I should especially like to see encouraged and stimulated, hold out prospects for enough investment and employment to absorb great numbers of the unemployed at this time.

If I felt that the Government was risking a dangerous inflation, or that it could not afford the expenditures, because of the size of the national debt, I would not advocate a continuance of the present stimulus—on the basis of a deficit. I do not share these fears. I do not agree with those who believe, as Senator BYRD does, that the Government is like an individual in its fiscal affairs and, therefore, should not spend more than its income, but should always balance its Budget and keep out of debt.

I do not scorn the old precepts of thrift and frugality, as the Senator has said. One of the most familiar of these time-honored sayings is: "Neither a borrower nor a lender be." Admirable as these maxims are for the individual, they cannot be applied realistically to business or to the Nation. If there were no borrowing or lending in the business world, there would be no business except by the primitive methods of barter. Borrowing and lending means creating debt. We have never had a period of prosperity without an expansion of debt. Conversely, we have never had a period of deflation without a contraction of debt.

I would like to see more equities and fewer debt forms in our economy, but it operates now very largely by the process of debts being created and extinguished. To recognize that debt expands with prosperity, which we all favor, does not mean that one is in favor of debt, but only that under our system we cannot have the prosperity which we all want without the debts which we all dislike.

It is beyond dispute, I think, that as debt contracts or expands, business activity rises and falls and that national income increases or decreases in relatively greater volume. Thus, from 1929 to 1933, total debts, both public and private, contracted by 14 percent. Yet at the same time national income fell by more than 50 percent. As a result, the private debt structure, even though contracted, was so large in relation to the diminished national income that debts became insupportable. Hence, our entire financial structure collapsed and general economic paralysis resulted.

Had the Government been like an individual, nothing could have been done to help the situation. We ultimately found that only the Government, under such conditions as existed, was able by its lending and spending to stop the tide of deflation and bring about the upturn that we have since had, though it is still far short of the goal of full recovery. However, acting on the advice of the business and financial leaders of the country, the Government did attempt to act like an individual from 1930 until the end of 1933 on the theory that the Government could not afford to do otherwise, and that in order to maintain confidence and keep money sound, it must balance the Budget. Most of you haven't forgotten the results.

Of course, the Government could not balance its Budget because the incomes and profits of the taxpayers continued to fall or to disappear. Therefore the Government's revenue fell faster than it was possible to reduce expenses. Consequently, it had a total deficit of more than $7,000,000,000 for the calendar years of 1931, 1932, and 1933, while it was pursuing the policy advocated by those who believe as Senator BYRD does. And, mind you, all this happened during the period when everything was being done that business leaders thought would encourage business, even to the extent of setting up the R. F. C. to provide money to support the private financial structure. At the same time, the same business and financial leaders, some of whom were the beneficiaries of Government lending, contended that the Government's credit was such that it could not afford to come to the financial assistance of millions of unemployed through creation of beneficial public work in the absence of private work.

The deficits incurred in 1931, 1932, and 1933 cannot be considered as being of what Senator BYRD chooses to call the "pump priming" variety, because they resulted largely from decreased Federal revenues rather than from increased Government expenditures. During this period we had no increase in the national income. In fact, during this period the sum of the annual losses in the national income, compared with the 1929 level, amounted to $120,000,000,000. This staggering loss, to which Senator BYRD makes no reference, resulted from our failure to utilize our idle human and material resources. This is the kind of waste that the Nation can ill afford. We had no increase in the national income until a comprehensive lending and spending program was launched, beginning in 1934, giving aid to farmers and home owners and creating jobs through relief and public works.

Let us now consider the years 1934 to 1937, inclusive. In this period the Government made cash loans and expenditures, including the soldiers' bonus, of $11,000,000,000 more than it collected, including pay-roll taxes. This largely resulted from a deliberate policy of stimulating recovery in private activity. During this period the national income rose from approximately $40,000,000,000 in 1933 to about $70,000,000,000 in 1937. The combined increases in the national income for these 4 years as compared with 1933 aggregated $70,000,000,000, or more than six times the Government's cash deficit of $11,000,000,000 for the same period.

And then what happened? During the year 1937 the Government contributed about $3,000,000,000 less to the buying power of the public than it did in the year 1936, so that its cash receipts were only about $400,000,000 less than it spent. This too rapid withdrawal of the Government's stimulus was accompanied by other important factors, including sharply increased construction costs, large-scale speculative inventory buying, a too rapid expansion of short-term installment credit, serious conflicts between capital and labor, and a widening spread between agricultural and industrial prices. The result was another period of rapid deflation in the fall of 1937, which continued until the present spending program of the Government was begun last summer. The national income has been rising steadily ever since that time.

In the light of this record of the last 9 years—a record which Senator BYRD denounces as one of "fiscal insanity"—does it seem reasonable to believe that, as the Senator said in his letter to me—and I quote:

"For every dollar the Government borrows and spends in pump priming, private enterprise is deterred from spending two?"

If Senator BYRD really believes this he should be exerting all of his influence in fighting for an immediate, instead of a gradual, balancing of the Budget in order to reduce Government expenditures by at least $3,000,000,000. Such a reduction, according to his unequivocal statement, would bring about an expansion in spending by private enterprise of $6,000,000,000 a year. I am convinced that the exact opposite is true. Accordingly, I believe that the country can well afford to have the Government continue its stimulus to consumption and thus to business at this juncture.

We might have had about the same results with less Government spending had some of it been directed into other channels or had it been better timed, or if private activity had not felt that there were deterrents due to Government policy; but of one thing I am certain—whatever the deterrents have been, Government spending has not been one of them.

As to the burden of the Government debt on our children and our children's children, which also disturbs the Senator, if they reduce the national debt it will probably be because their national income justifies the reduction, and it will be no more of a burden on them than was the reduction of nine billions of the war debt during the 1920's. In fact, we could have paid off much more of the war debt if we had not had three major income-tax reductions, which helped to encourage stock-market speculation and the making of uncollectable foreign loans.

Why not worry also about the burden of all of the private debts on our children and their children, because these debts will also be passed along to future generations who will have to pay the cost of servicing or paying these debts just as in the case of the Government debt. We should know that all debts, both public and private, are passed along from one generation to the next, just as all assets, both public and private, are handed down from one generation to the next. It may be that Senator BYRD would be less worried if there were no debts, but in that case there would be no banks, insurance companies, or other financial institutions.

The Senator has warned you that the total debt of all public bodies in the United States now amounts to $430 for every man, woman, and child; that it is a mortgage on you and your property; and that your children and grandchildren will have to pay off this mortgage. But he failed to tell you who owns the mortgage. You of course know that it is owned by all of the people and amounts to an average of exactly $430 owed to every man, woman, and child. In other words, all of the people are borrowing through their public bodies from all of the people.

The whole problem of internal debt, public and private, must be considered in relationship to the total real wealth of the Nation. Our total debts are great or small, depending upon total national income. The British public debt a century ago was equal to $4,000,000,000. At the present time it is $40,000,000,000, or 10 times greater. Their debt has grown, but the income of the British people has grown much faster than the debt. While doubtless it would be better for them if they had less public debt, it cannot be said that the debt has either bankrupted or impoverished the British nation, because their standard of living has increased during this entire period.

Now, make no mistake, I am not advocating ever-increasing debt, but I am merely pointing out that we should see the problem of debt in its true perspective. I do not think that alarmist talk about it is calculated to help recovery or to induce private capital to go to work.

As to the argument that the British achieved recovery by balancing their budget, it would be well for those who cite this to remember that while our national income was falling 50 percent, their Government never permitted theirs to fall more than 10 percent, and that British rates of taxation, if applied to the United States, would very likely balance our Budget. Their balanced budget is not due to the fact that they spend proportionately less than we do but because their income and inheritance taxes are relatively much higher.

Individuals and corporations may become bankrupt, but no nation, having the human and material resources of the United States, need impoverish itself by borrowing from itself. The only way that we can impoverish ourselves is by failing to utilize our idle man power, resources, productive facilities, and money in the production of real wealth.

I have been talking so far about the economic aspects of the problem of Government fiscal policy. In conclusion, I would like to say a word about the human or fundamental aspect of this problem.

We did not hesitate to have the Government borrow billions of dollars to protect this country against a foreign enemy during the World War. In one year alone we created a deficit of $13,000,000,000, as much as the entire cash deficit of the Government during the past 5 years. We are again proposing to spend billions for preparedness. Yet at the same time, many are quibbling about $150,000,000 necessary to help protect our human resources.

The same Government credit that can be used to protect human lives in time of war against the encroachment of a foreign enemy can also be used in times of peace to protect these human lives against demoralization and despair. There is no more limitation upon a government's ability to fight a depression than there is to fight a war. Both depend upon our human and material resources, brains, and courage—and upon nothing else.

The danger for the future of democracy comes from within as well as from without. The leadership of this country, both in Government and in business, must realize that if the American liberal tradition is to be preserved, then, for the millions of our citizens, the right to work must also be preserved.

The Power Trust Versus the T. V. A.—A New Declaration of Independence

EXTENSION OF REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 31, 1939

OPINION OF JUSTICE ROBERTS, OF THE SUPREME COURT OF THE UNITED STATES

Mr. RANKIN. Mr. Speaker, on yesterday the Supreme Court of the United States gave the American people a new Declaration of Independence when it dismissed the suit of the Power Trust against the Tennessee Valley Authority and denied to that gigantic monopoly the right to exercise the functions of a supergovernment.

For years the utilities, through their unholy combinations of wealth and power, have arrogated to themselves the right to levy overcharges without restraint—exacting tribute from everyone who turns an electric switch—in that respect exercising the taxing power that rightfully belongs only to a government or a State, levying taxes in the form of overcharges that invariably amount to more than 100 percent of the value of the electricity consumed.

This great monopoly sprawls like a huge octopus over the United States, reaching its tentacles into every home, every factory, and every business establishment, sucking the economic lifeblood from the consumers of electric lights and power. It has been ruthless, insatiable, and implacable. It has influenced Governors, corrupted legislators, subsidized the press, and intimidated courts. It has overrun and disregarded the rights of the States in its mad scramble for wealth and power, then turned like a whining supplicant and pleaded States' rights as a defense against the righteous attempts of the Federal Government to protect the consumers of electric lights and power from its ruthless depredations.

During the last 5 years millions of dollars have been wasted by this outfit in its attempts to destroy the T. V. A. and to prevent the use of its yardstick for the proper measurement of electric light and power rates. The consumers of electric energy in this country were being held in financial bondage. They were paying an annual overcharge for electric light and power of from $1,000,000,000 to $1,500,000,000 a year.

This gigantic octopus is today sapping from the American people in overcharges for electric energy more than a billion dollars a year. Of course they were willing to spend millions of dollars to prevent the Supreme Court of the United States from driving them from their assumed position of power as a supergovernment that exercises such powers of taxation.

For the last few weeks this outfit has been defying the Government of the United States and trying to make cats'-paws of the Governors of Vermont and Oklahoma, by using them to try to prevent this administration from putting into effect the salutary provisions of the Flood Control Act of 1938, for fear that it would bring a measure of justice to the electric consumers in the various States and free them from the bondage in which they are now held.

This ruthless monopoly is not only exacting this enormous tribute, but it is preventing the use of those electrical appliances that lighten the burdens of farm life, lift from the shoulders of the housewife the load of drudgery under which she has struggled through the centuries, and make farm life, as well as town and city life, more pleasant, and more attractive.

As I said in my statement before the T. V. A. Investigating Committee, which appeared in the CONGRESSIONAL RECORD of January 12, the Tennessee Valley Authority is the most profitable investment the American people have made since the Louisiana Purchase. The very force of its yardstick has compelled a reduction in light and power rates to the ultimate consumers throughout this country that amounts to $556,000,000 a year, and if justice is done to everyone who turns an electric switch, there will be an additional reduction of more than $1,000,000,000 a year.

These reductions alone would pay off the national debt in 20 years, to say nothing of the great blessings that would come to the people of the country in the increased used of electricity and the employment of additional electrical appliances.

So I say, Mr. Speaker, that the decision of the Supreme Court on yesterday, speaking through Justice Roberts, gave to us a new Declaration of Independence. It inspires us with renewed hope that we may now move forward into a new day when every human being in America will enjoy the blessings of cheap electricity, that we may look forward to an electrified America.

Under permission granted me, I here insert the opinion of Justice Roberts in this epoch-making case of the Power Trust against the T. V. A., which is politely referred to as the Tennessee Electric Power Co. et al. against the Tennessee Valley Authority et al.

The matter referred to follows:

Supreme Court of the United States. No. 27. October term, 1938.

The Tennessee Electric Power Co. et al., appellants, *v.* Tennessee Valley Authority et al. On appeal from the United States District Court for the Eastern District of Tennessee

[January 30, 1939]

Mr. Justice Roberts delivered the opinion of the Court.

The Tennessee Valley Authority Act[1] erects a corporation, an instrumentality of the United States, to develop by a series of dams on the Tennessee River and its tributaries a system of navigation and flood control and to sell the power created by the dams. Eighteen corporations which generate and distribute electricity in Tennessee, Kentucky, Mississippi, Alabama, Georgia, West Virginia, Virginia, North Carolina, and South Carolina, and one which transmits electricity in Tennessee and Alabama, filed a bill in equity, in the chancery court of Knox County, Tenn., against the Authority and its three executive officers and directors. The prayers were that the defendants be restrained from generating electricity out of water power created, or to be created, pursuant to the act and the Authority's plan of construction and operation; from transmitting, distributing, supplying, or selling electricity so generated, or to be generated, in competition with any of the complainants; from constructing or financing the construction of steam or hydroelectric generating stations, transmission lines, or means of distribution which will duplicate or compete with any of their services; from regulating their retail rates through any contract, scheme, or device; and from substituting Federal regulation for State regulation of local rates for electric service, more especially by incorporating in contracts for the sale of electricity terms fixing retail rates. The defendants removed the cause to the United States District Court for Eastern Tennessee and there answered the bill. As required by the act of August 24, 1937,[2] a court of three judges was convened which, after a trial, dismissed the bill.[3]

[1] Act of May 18, 1933, 48 Stat. 58, as amended by act of Aug. 31, 1935, 49 Stat. 1075; 16 U. S. C., sec. 831, et seq.

[2] 50 Stat. 751, 752, 28 U. S. C., sec. 380a.

[3] 21 F. Supp. 947.

Fourteen of the complainants are here as appellants.[4] They contend that water power cannot constitutionally be created in conformity to the terms of the Tennessee Valley Authority Act, and the United States will, therefore, acquire no title to it, because it will not be produced as an incident of the exercise of the Federal power to improve navigation and control floods in the navigable waters of the Nation. They affirm that the statutory plan is a plain attempt, in the guise of exerting granted powers, to exercise a power not granted to the United States, namely, the generation and sale of electric energy; that the execution of the plan contravenes the fifth, ninth, and tenth amendments of the Constitution, since the sale of electricity on the scale proposed will deprive the appellants of their property without due process of law, will result in Federal regulation of the internal affairs of the States, and will deprive the people of the States of their guaranteed liberty to earn a livelihood and to acquire and use property subject only to State regulation. The appellees contest these contentions. For reasons about to be stated we do not consider or decide the issues thus mooted.

The Authority's acts, which the appellants claim give rise to a cause of action, comprise (1) the sale of electric energy at wholesale to municipalities empowered by State law to maintain and operate their own distribution systems; (2) the sale of such energy at wholesale to membership corporations organized under State law to purchase and distribute electricity to their members without profit; (3) the sale of firm and secondary power at wholesale to industrial plants.

The appellants are incorporated for the purpose and with the authority to conduct business as public utilities. Several do so only within the States of their incorporation; those chartered elsewhere have qualified as foreign corporations under the laws of the States in which they manufacture, transmit, or distribute electricity. Most of them have local franchises, licenses, or easements granted by municipalities or governmental subdivisions, but it is admitted that none of these franchises confers an exclusive privilege.

While the Authority has not built or authorized any transmission line, has not sold or authorized the sale of electricity, or contracted for, or authorized any contract for, the sale of electricity by others, in territory served by nine of the appellants, it has done some or all of these things in areas served or susceptible of service by five of the companies; and it plans to enter in the same way the territory of other appellants. It is clear, therefore, that its acts have resulted and will result in the establishment of municipal and cooperative distribution systems competing with those of some or all the appellants in territory which they now serve, or reasonably expect to serve by extension of their existing systems, and in direct competition with the appellants' enterprises through the sale of power to industries in areas now served by them or which they can serve by expansion of their facilities. The appellants assert that this competition will inflict substantial damage upon them. The appellees admit that such damage will result, but contend that it is not the basis of a cause of action since it is damnum absque injuria—a damage not consequent upon the violation of any right recognized by law.

The appellants invoke the doctrine that one threatened with direct and special injury by the act of an agent of the Government which, but for statutory authority for its performance, would be a violation of his legal rights, may challenge the validity of the statute in a suit against the agent.[5] The principle is without application unless the right invaded is a legal right, one of property, one arising out of contract, one protected against tortious invasion, or one founded on a statute which confers a privilege.[6]

The appellants urge that the Tennessee Valley Authority, by competing with them in the sale of electric energy, is destroying their property and rights without warrant, since the claimed authorization of its transactions is an unconstitutional statute. The pith of the complaint is the Authority's competition. But the appellants realize that competition between natural persons is lawful. They seek to stigmatize the Authority's present and proposed competition as "illegal" by reliance on their franchises which they say are property protected from injury or destruction by competition. They classify the franchises in question as of two sorts—those involved in the State's grant of incorporation or of domestication and those arising from the grant by the State or its subdivisions of the privilege to use and occupy public property and public places for the service of the public.

The charters of the companies which operate in the States of their incorporation give them legal existence and power to function as public utilities. The like existence and powers of those chartered in other States have been recognized by the laws of the States in which they do business permitting the domestication of foreign corporations. The appellants say that the franchise to be a public utility corporation and to function as such, with incidental powers, is a species of property which is directly taken or injured by the Authority's competition. They further urge that, though nonexclusive, the local franchises or easements, which grant them the privilege to serve within given municipal subdivisions, and to occupy streets and public places, are also property which the Authority is destroying by its competition. Since what is being done is justified by reference to the Tennessee Valley Authority Act, they say they have standing to challenge its constitutionality.

The vice of the position is that neither their charters nor their local franchises involve the grant of a monopoly or render competition illegal. The franchise to exist as a corporation, and to function as a public utility, in the absence of a specific charter contract on the subject, creates no right to be free of competition,[7] and affords the corporation no legal cause of complaint by reason of the State's subsequently authorizing another to enter and operate in the same field.[8] The local franchises, while having elements of property, confer no contractual or property right to be free of competition either from individuals, other public utility corporations, or the State or municipality granting the franchise.[9] The grantor may preclude itself by contract from initiating or permitting such competition,[10] but no such contractual obligation is here asserted.

The appellants further argue that even if invasion of their franchise rights does not give them standing, they may, by suit, challenge the constitutionality of the statutory grant of power the exercise of which results in competition. This is but to say that if the commodity used by a competitor was not lawfully obtained by it the corporation with which it competes may render it liable in damages or enjoin it from further competition because of the illegal derivation of that which it sells. If the thesis were sound, appellants could enjoin a competing corporation or agency on the ground that its injurious competition is ultra vires, that there is a defect in the grant of powers to it, or that the means of competition were acquired by some violation of the Constitution. The contention is foreclosed by prior decisions that the damage consequent on competition, otherwise lawful, is in such circumstances damnum absque injuria, and will not support a cause of action or a right to sue.[11]

Certain provisions of State statutes regulating public utilities are claimed to confer on the appellants the right to be free of competition. Each of the States in which any of them operates, save Mississippi,[12] has established a commission to supervise and regulate public utilities. While the statutes[13] differ in their provisions, all but that of Virginia require a public utility to obtain a certificate of convenience and necessity as a condition of doing business. The appellants commenced business in the various States prior to the adoption of the requirement of such certificates and, so far as appears, they have none covering their entire operations. They have, however, obtained certificates for extensions made since the passage of the statutes; and they claim that, in any event, these laws afford them protection from the Authority's competition since any utility now seeking to serve in their territory must obtain a certificate, and hence they have standing to maintain this suit against the Authority which has none. The position cannot be maintained. Whether competition between utilities shall be prohibited, regulated, or forbidden is a matter of State policy. That policy is subject to alteration at the will of the legislature.[14] The declaration of a specific policy creates no vested right to its maintenance in utilities then engaged in the business or thereafter embarking in it.

Moreover, the States in which the Authority is now functioning have declared their policy in respect of its activities. Alabama has enacted that Federal agencies, instrumentalities, or corporations shall not be under the jurisdiction of its public service commission;[15] that municipalities and improvement authorities may own and operate electric generating and distributing systems and

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[4] Georgia Power Co. was enjoined from maintaining the action. See *Georgia Power Co.* v. *Tennessee Valley Authority* (17 F. Supp. 769; 89 F. (2d) 218, 302 U. S. 692). Four other complainants have since been permitted to withdraw from the litigation without prejudice to its prosecution by the remaining appellants.

[5] *Philadelphia Co.* v. *Stimson* (223 U. S. 605, 619); *Stafford* v. *Wallace* (258 U. S. 495, 512); *Massachusetts* v. *Mellon* (262 U. S. 447, 488). The same rule applies to suits against State officers: *Osborn* v. *The Bank* (9 Wheat. 738, 857, 859); *Terrace* v. *Thompson* (263 U. S. 197, 214); *Sterling* v. *Constantin* (287 U. S. 378, 393).

[6] *In re Ayers* (123 U. S. 443); *Walla Walla* v. *Walla Walla Water Co.* (172 U. S. 1); *American School of Magnetic Healing* v. *McAnnulty* (187 U. S. 94); *Ex parte Young* (209 U. S. 123); *Scully* v. *Bird* (209 U. S. 481); *Philadelphia Co.* v. *Stimson, supra; Lane* v. *Watts* (234 U. S. 525); *Truax* v. *Raich* (239 U. S. 33); *Lipke* v. *Lederer* (259 U. S. 557).

[7] See *Charles River Bridge* v. *Warren Bridge* (11 Pet. 420, 548); *Turnpike Co.* v. *The State* (3 Wall. 210, 213); *Hamilton Gas Light Co.* v. *Hamilton City* (146 U. S. 258, 268); *Pearsall* v. *Great Northern Railway* (161 U. S. 646, 664).

[8] Compare *Lehigh Water Co.* v. *Easton* (121 U. S. 388).

[9] *Joplin* v. *Southwest Missouri Light Co.* (191 U. S. 150); *Helena Water Works Co.* v. *Helena* (195 U. S. 383, 393); *Madera Water Works* v. *Madera* (228 U. S. 454); *Green* v. *Frazier* (253 U. S. 233); *Puget Sound Power & Light Co.* v. *Seattle* (291 U. S. 619, 624).

[10] *Walla Walla* v. *Walla Walla Water Co., supra; Superior Water L. & P. Co.* v. *Superior* (263 U. S. 125).

[11] *Railroad Co.* v. *Ellerman* (105 U. S. 166, 173); *Alabama Power Co.* v. *Ickes* (302 U. S. 464, 479–483), and cases cited; *Greenwood County* v. *Duke Power Co.* (81 F. (2d) 986, 997); *Duke Power Co.* v. *Greenwood County* (91 F. (2d) 665, 676; affirmed 302 U. S. 485).

[12] In Mississippi there is no State commission, but municipalities are given the authority to regulate utilities within their territorial limits. Mississippi Code (1930) secs. 2400–1, 2414.

[13] Alabama Code (1928) sec. 9795; Carroll's Kentucky Statutes (1936) sec. 3952–25; North Carolina Code (1935) sec. 1037 (d); Williams' Tennessee Code (1934) secs. 5502–3; South Carolina Code (1934 Supp.) sec. 8555–2 (23); Virginia Code (1936) secs. 3693–3774 k; West Virginia Code (1937) sec. 2562 (1).

[14] Compare *Wheeling & B. Bridge Co.* v. *Wheeling Bridge Co.* (138 U. S. 287, 292); *Williams* v. *Wingo* (177 U. S. 601, 604).

[15] Alabama Acts, regular session, 1935, No. 1.

may contract with a Federal agency such as the Authority for the purchase of energy, and stipulate as to the use of the energy, including rates of resale; [16] that nonprofit membership corporations may be formed for the distribution among their members of electricity with like power to contract with the Authority for the required energy.[17] Tennessee has amended section 5448 of its code, which defines public utilities, so as to exclude Federal corporations such as the Authority from the jurisdiction of the State utilities commission,[18] has authorized municipalities to own and operate electric generating transmission and distribution systems and to contract for power with the Authority on terms deemed appropriate, including the fixing of resale prices; [19] has authorized the formation of nonprofit membership electric corporations with like powers to contract.[20] Kentucky has authorized municipalities to establish and maintain light, heat, and power plants; [21] and has provided for the organization of nonprofit cooperative electric corporations which may contract with the Authority for purchase of energy and stipulate as to resale prices.[22] Mississippi, which has no State law for regulation of utilities, has empowered municipal and county governments to establish and maintain electric distribution systems which may buy power from the Authority and contract as to resale prices; [23] has created a rural electrical authority and authorized the formation of power districts and nonprofit competitives, all competent to purchase energy from the Authority and distribute it and to contract with the Authority as to resale rates to consumers.[24] The Authority's action in these States is consonant with State law, but, as has been shown, if the fact were otherwise, the appellants would have no standing to restrain its continuance.

As the Authority has not acted in any way in North Carolina, South Carolina, Virginia, or West Virginia, the appellants' contention that its proposed entry into some or all of them confers a right to sue for an injunction against injury thereby threatened has even less support.[25]

The appellants may not raise any question of discrimination forbidden by the fourteenth amendment involved in State exemption of the Authority from commission regulation. For this reason *Frost* v. *The Corporation Commission* (278 U. S. 515), on which they rely, is inapplicable. Manifestly there can be no challenge of the validity of State action in this suit.

A distinct ground upon which standing to maintain the suit is said to rest is that the acts of the Authority cannot be upheld without permitting Federal regulation of purely local matters reserved to the States or the people by the tenth amendment and sanctioning destruction of the liberty said to be guaranteed by the ninth amendment to the people of the States to acquire property and employ it in a lawful business. The proposition can mean only that since the Authority sells electricity at rates lower than those heretofore maintained by the appellants such sale is an indirect regulation of appellants' rates. But the competition of a privately owned company authorized by the State to enter the territory served by one of the appellants would, in the same sense, constitute a regulation of rates. The contention amounts to saying that competition by an individual or a State corporation is not regulation but competition by a Federal agency is. In contracting with municipalities and nonprofit corporations the Authority has stipulated respecting the price at which the energy supplied shall be resold by its vendees. That is said to be a regulation of the appellants' business. But it is nothing more than an incident of competition; it is but a method of seeking and assuring a market for the power which the Authority has for sale, and a lawful means to that end.[26] The sale of Government property in competition with others is not a violation of the tenth amendment. As we have seen there is no objection to the Authority's operations by the States, and, if this were not so, the appellants, absent the States or their officers, have no standing in this suit to raise any question under the amendment.[27] These considerations also answer the argument that the appellants have a cause of action for alleged infractions of the ninth amendment.

Finally, it is asserted that the right to maintain this suit is sustained by certain allegations of concerted action by the officials of the Authority and the Public Works Administrator. The bill alleges that having adopted an unlawful plan, the defendants have cooperated, and threaten to continue to cooperate in its execution, with Harold L. Ickes, as Administrator of the Federal Administration of Public Works, in a systematic campaign to coerce and intimidate the complainants into selling their existing systems in municipalities or territory in which the Authority desires to seize the market for electricity; that in order to make this coercion effective, Ickes has, in cooperation with, or on request of, the Authority, announced loans and grants of Federal funds to municipalities; that the Authority and Ickes have cooperated, and continue to do so, to force municipalities to purchase the Authority's power under threats that, unless they do, proposed loans and grants for municipal systems will not be made. The bill states that though Ickes "confederated and acted with the defendants in some of its illegal acts and is, therefore, a proper party, he is not a necessary party and is not joined as a defendant because he is beyond the jurisdiction of the court." There is a prayer that the defendants be restrained from confederating and acting in concert with Ickes for the described ends.

The district court finds that the Authority has not indulged in coercion, duress, fraud, or misrepresentation in procuring contracts with municipalities, cooperatives, or other purchasers of power; has not acted with any malicious or malevolent motive; and has not conspired with municipalities or other purchasers of power. The record justifies these findings. It is claimed, however, that they are inconclusive, since the court erroneously excluded much proffered evidence tending to sustain the charge. An examination of the record discloses that certain of the evidence offered was properly excluded, and that in other instances the rejection of that offered constituted, at most, harmless error.

Error is assigned to the trial court's refusal to permit the taking of the deposition of the Public Works Administrator. In view of the prior opportunity which the claimants had to take this deposition, the lateness of the application, and other factors, permission to take the deposition was a matter within the court's discretion and it does not appear that the discretion was abused.

The remaining assignments of error directed to the exclusion of evidence of cooperation between the two Federal agencies go to the rejection of evidence consisting largely of correspondence between them and press releases or announcements by officers of one or the other. The record contains all but a few of these rejected documents, those omitted apparently not being thought of importance. Scrutiny of them compels the conclusion that if the rejected evidence had been admitted, the trial court's holding that a conspiracy had not been proved should not be overruled.

The only findings on this subject requested by the appellants were to the effect that the Public Works Administration has cooperated with and assisted the Tennessee Valley Authority in the furtherance of the latter's power program and that the former has made contracts and allotments for loans and grants to 23 municipalities in the States of Alabama, Mississippi, and Tennessee, amounting to about $14,000,000, for the purpose of constructing municipal systems to distribute the Authority's power in competition with the appellants; that the applications for loan and grant in some instances specify that the municipal system will duplicate a privately owned system; in others that a large business will be done by the municipal plants because of the low promotional rates of the Authority; that some of the applications state they were filed to take advantage of the low rates offered by the Authority and that with few exceptions they state that the electricity to be distributed in the city will be purchased from the Authority. A further requested finding is that the applications of certain Alabama cities recite that they have secured written contracts from practically all consumers; that these contracts refer to lower rates to be secured, provided the rates charged by the city shall be thus prescribed by the Authority for resale at retail. The Court refused to make the requested findings and error is assigned to this refusal. It is apparent that if the Court had made the findings no conclusion of confederation or conspiracy, with malicious intent to harm the appellants or to destroy their business, would thereby have been required.

Cooperation by two Federal officials, one acting under a statute whereby funds are provided for the erection of municipal plants and the other under a statute authorizing the production of electricity and its sale to such plants, in competition with the appellants, does not spell conspiracy to injure their business. As the court below held, such cooperation does not involve unlawful concert, plan, or design, or cooperation to commit an unlawful act or to commit acts otherwise lawful with the intent to violate a statute.

In no aspect of the case have the appellants standing to maintain the suit and the bill was properly dismissed.

The decree is affirmed.

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[16] Alabama Acts, regular session, 1935, No. 155.

[17] Alabama Acts, regular session, 1935, No. 45.

[18] Tennessee Public Acts, 1935, ch. 42, p. 98.

[19] Tennessee Public Acts, 1935, ch. 32, p. 28; Tennessee Public Acts, 1935, ch. 37, p. 78.

[20] Tennessee Public Acts, 1937, ch. 231, p. 882.

[21] Carroll's Kentucky Statutes (1936), secs. 3480 d–1 to 3480 d–22.

[22] Kentucky Acts, fourth extraordinary session, 1936–37, ch. 6, p. 25.

[23] Mississippi Laws, 1936, ch. 185, p. 354; ch. 271, p. 531.

[24] Mississippi Laws, 1936, ch. 183, p. 334; ch. 187, p. 370; ch. 184, p. 342.

[25] In fact several of the States in question have statutes which would to some extent, and in some circumstances, permit the purchase and use of power created by the Authority. In all of them municipalities may establish and operate their own distribution systems: North Carolina Code (1935) sec. 2807; South Carolina Code (1932) secs. 7278–7280, 8262; Virginia Code (1936) sec. 3031; West Virginia Code (1937) secs. 494, 591 (86). North Carolina and Virginia have statutes permitting the formation of cooperatives which may buy power from the Authority under contracts fixing resale rates: Public Laws of North Carolina, 1935, ch. 291, p. 312; Virginia Code (1936) ch. 159A. South Carolina has created a State Rural Electrification Authority with power to buy electricity from any Federal agency: South Carolina Code (1936 supplement) secs. 6010–2ff.

[26] *Oregon & Calif. R. R.* v. *United States* (238 U. S. 393); *United States* v. *Gratiot* (26 Fed. Cas. 12, 13–14); affirmed, 14 Pet. 526.

[27] Compare *Georgia Power Co.* v. *Tennessee Valley Authority* (14 F. Supp. 673, 676).

The National Defense

EXTENSION OF REMARKS
OF
HON. ALBERT J. ENGEL
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 31, 1939

RADIO ADDRESS BY HON. JAMES E. VAN ZANDT, OF PENNSYLVANIA, JANUARY 30, 1939

Mr. ENGEL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. JAMES E. VAN ZANDT, of Pennsylvania, delivered over the radio on January 30, 1939:

Good evening, ladies and gentlemen, no true patriot opposes an adequate national defense at any time and certainly not at this time when the Old World is moving swiftly toward a major war. Partisanship on the question of national defense is even more reprehensible than pacifism.

Unless our national defense is equal to any test, it is a fraud on the taxpayers and a delusion of false security, and we might as well disband the Army and scuttle the Navy as worse than a useless expense. There may be honest differences of opinion on what constitutes an adequate national defense, but the question never should become a political football.

Since taking a modest part in the World War, I have made hundreds of speeches in favor of the national defense. The question of "how big is adequate," I always left to the experts to answer. I am willing to abide by their judgment now. But the national-defense question no longer is as simple as that.

The President, in his recent message to Congress, raised questions that go far beyond the adequacy of armaments with which to defend our shores from invasion, to protect our possessions overseas, to command respect for our flag on the seven seas, and to insure the safety of our nationals in foreign lands.

The President broadened the scope of our interests we must defend so as to include not only the Western Hemisphere, but the abstract ideals of religion, democracy, and international good faith among nations. Nor did he confine the defense of those ideals to the United States or even to the Western Hemisphere.

There can be no question about our determination to defend our shores from invasion, to protect our possessions, continental and insular. Surely, if we do that successfully we shall save our own religion, our own democracy, and our own good faith in international affairs. But national defense does not by any stretch of the imagination, contemplate the defense of religion, democracy, and international good faith the world over.

There can be no question about our determination to keep the Western Hemisphere free from European or Asiatic invasion or political domination. So we may well put our national defense on a basis of hemisphere defense. But how much further must we go? How much further does the President intend to go? That's what I want to know. That's what Congress ought to know. That's what the people are entitled to know.

Let's examine world affairs to ascertain, if we may, from whence comes this threat to our security or the security of any nation in this hemisphere, which the President professes to see. Let's find out why we should spend upward of $2,000,000,000 in the next fiscal year on our national defense. And let's remember that every cent of that huge sum must be raised by deficit financing.

Germany and Italy, of course, are the bad boys of Europe. They constitute the phantom menace which was born at Munich. But surely, neither we nor any nation in this hemisphere need fear an attack from Germany or Italy, or the two combined, in the near future. Hitler is committed to the east, Mussolini to the Mediterranean. Neither of these dictators has any gold, any credit, any navies capable of waging an overseas war. Japan is too much engaged in trying to swallow the Chinese dragon to bother about attacking any nation on this side of the Pacific. Stalin is busy watching Germany on one side and Japan on the other.

It is conceivable that any one of these powers, or a combination of the dictator nations, might become a real menace when they have completed the bloody jobs that now absorb all their time and money. Certainly wisdom dictates adequate preparedness for such an eventuality. But why has this phantom menace been thrust upon us so suddenly?

In view of the numerous gestures of friendship toward us being made by England and France at this time, no one supposes the threat comes from the only two great democracies in Europe. The leaders in England and France are making every effort to snuggle up to us. England and France are sorely beset by the dictators. There is no question about their desire to again use our men, money, and munitions if they are forced to fight Germany or Italy, or both. Otherwise, why is the British King and Queen paying a visit to the President and Mrs. Roosevelt in the spring? Suggestions have appeared from London that the royal couple will invite the President to pay a return call. It is further suggested that while in London the President might well cross the channel and visit France.

Thus, when you add up the international situation today, there is no possible enemy for the United States to fight in the near future unless we leave home to do it. There is no nation on earth which might invade our shores today. The only way we are likely to become involved in war is to get in somebody else's war. We can only get in somebody else's war through diplomatic blundering.

Therefore, I may well echo the cry, "Whom are we going to fight?" And, what is more important, I should like to ask, "Are we arming to fight some other nation's battle?" That's what we all want to know. That's what Congress ought to know. That's what the people are entitled to know.

Can it be that almost without knowing it we are drifting into war? Is it possible that England and France are trying to maneuver us into the same position in which we found ourselves in 1917, when we sent 2,000,000 boys to Europe to make the world safe for democracy?

A little more than 2 years ago the President declared a strict neutrality and noninvolvement policy was the best means of preserving our peace. He warned us to watch the day-to-day decisions which lead to war. This is what he said:

"At this late date, with the wisdom which is so easy after the event, we find it possible to trace the tragic series of small decisions which led Europe into the Great War in 1914 and eventually engulfed us and other nations. We can keep out of war if those who watch and decide make certain that the small decisions of each day do not lead toward war and if, at the same time, they possess the courage to say 'No' to those who selfishly or unwisely would let us go to war."

That was sound advice then and it is even sounder today. The President might profit by rereading his own speech.

We already have had several recent incidents which do not make for good will, to say the least. In disregard of the explicit terms of the neutrality act, which the President recently questioned as a measure of justice, he already has invoked against Japan his doctrine of quarantining aggressor nations. Is there any reason to believe he would not extend that policy to Germany and Italy if either one or both launched an undeclared war? The administration is not only helping France to secure military planes in this country, but there is a great furore over the French military mission learning some of our military secrets. Then there is the row with Japan over the fortification of Guam, which our naval experts insist is necessary as a defense measure. Will the day-to-day decisions, such as these, eventually lead us to war?

But whatever this new menace may be, whatever threats there may be to our religion, our democracy, and international good faith, or those of our neighbors in this hemisphere, the President has advised us there is no occasion for hysteria. In that event, there is no occasion for undue haste. Meanwhile, we not only should take steps to meet this menace if and when it appears but we should establish a progressive policy of national defense which will insure the security of this Nation so long as it has defenders.

What I am proposing is simply this: In view of the President's solemn warning, we should do a thorough job of surveying our national defense resources before Congress takes any action. We should develop a long-range policy that has sufficient flexibility to meet any changes that developments might require. In doing that, I have suggested the establishment of a joint congressional committee, composed of members of all committees which have any legislative responsibility in the matter. And inasmuch as national defense and foreign policy go hand in hand, and the President has set a precedent by bringing two of our leading ambassadors into the picture, I suggest that all available material bearing on the subject of the national defense should be laid before Congress.

Nor should we stop there. Inasmuch as our foreign policy seems to be the crux of our defense policy, I have suggested that Congress might save time by asking the man who makes it—the President of the United States. It is suggested that the President could insure easy sailing for his defense program by inviting the members of subcommittees of the House and Senate Foreign Affairs Committees down to the White House and disclosing his foreign policy which demands added armaments. Once this menace is revealed, Congress will vote any funds necessary for defense.

It may be true that even experts can't make an exact blue print for national defense. It may be even more difficult to define our foreign policy in a changing world. What might seem safe and sound today might be insecure and dangerous tomorrow. But Congress and the country certainly are entitled to a clarification of the situation before action is taken on the present defense program.

America still is carrying the greatest share of the financial burden of the World War. It will not be wiped out for many generations. Our Budget has been in the red for 10 years and our national debt is mounting to almost $40,000,000,000. The whole world is bankrupt as it totters under the unreasonable burden of armaments. I would be dishonest if I did not oppose with all my strength the expenditure of every penny over and above the amount required for adequate national security. By thoroughly revamping our national-defense policy now we can have maximum security at a minimum cost.

But let's guard against diplomatic blundering. Let's guard against the little day-to-day decisions that eventually lead to war. We do not want to pull the chestnuts out of the fire again for England or France or any other nation. Let's keep out of this

European mess. Let's concentrate on the solution of our own problems. Let's open up this whole question of the national defense and its related foreign policy. Let's get the answers. That's what I want to know. That's what Congress ought to know. That's what the American people are entitled to know.

A Government by Law—Not by Men

EXTENSION OF REMARKS
OF
HON. CLARE E. HOFFMAN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, January 31, 1939

ADDRESS BY HON. CLARE E. HOFFMAN, OF MICHIGAN, JANUARY 20, 1939

Mr. HOFFMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert herein a talk given by me on Friday, January 20, 1939, before the District National Defense Committee of the Daughters of the American Revolution at the Mayflower Hotel in Washington:

Books and tradition inform us, if the viewpoint in certain present high official circles be accepted, that your forefathers were guilty of most atrocious conduct; were little better than savages.

Judged by the standard now used by the administration, not only were the founders of this republic cruel, uncharitable, and bloodthirsty, but they had an utterly wrong conception of the principles which should guide a people.

Those of whom you are so proud, whose memory you love to honor, solemnly declared it to be self-evident that all men are created equal; that they are endowed by their Creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness.

They further held that, to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed and, if my history is read aright, they believe that law enacted by the people's representatives, as interpreted by the courts, was the supreme authority; that no man, however wise, charitable, or religious should either suspend or abrogate the law of the land; that all should yield obedience to it.

A king whose history, they declared, indicated the establishment of an absolute tyranny over the colonies; who had denied his assent to laws most wholesome and necessary for the public good; who had forbidden his governors to pass laws of immediate and pressing importance, or who had, when such laws were passed, suspended their operation; who had denied to the representatives of the people their right to legislate; who had obstructed the administration of justice; who had made judges dependent upon his will; who had created a multitude of new offices; who had in many cases deprived the citizen of the benefit of trial by jury; who had excited domestic insurrections among them—they firmly resolved should rule them no longer.

"Appealing to the Supreme Judge of the world for the rectitude of" their intentions, they did, in the name and by the authority of the good people of the colonies, solemnly publish and declare that these united colonies are, and of a right ought to be, free and independent States.

Through 8 long years, through summer's withering heat and winter's deadening cold, ragged, without shelter, hungry, barefooted, feet sometimes frozen and bleeding, they marched, suffering, many to their graves, in order that they and those who came after might live in a land where every man, were he so minded, were he industrious, thrifty, and ambitious, might be free from poverty, from oppression; be governed by law rather than by the will of an individual.

For 8 long years they endured hardships of which we now have but the slightest conception. Bodily pain and mental distress were with them almost continuously. They bled and they shed blood. They were maimed and they maimed. Many were killed and they killed and they won through to victory, establishing here a government which is the crowning glory of the world's civilization.

Victorious, they declared:

"We, the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America."

Measured and weighed by the yardstick and the scales used in selecting the head of the Department of Justice, your forefathers are found wanting in the Christianlike spirit which should govern our relations with our fellow men, for they shed the blood of those who had denied them equality before the law, who sought to deprive them of their property, of their liberty.

During the past 2 years, for the first time in the history of our country, mob violence, riots, armed insurrection, and open defiance of the law by large groups have been officially condoned, permitted to pass without challenge, by high officials in State and Nation.

A few of the outstanding and undisputed facts which point unmistakably to the ascendancy of a group whose acts tend to destroy our liberty, to deprive us of our freedom, it may be well to consider and, having considered, determine upon a course of action which will defeat their purpose.

If this Nation is to endure, the truth must be known, disloyalty to our Constitution must be exposed, and those who would substitute their will for the principles which govern us be made known.

In all this land of ours there is no organization more earnestly desirous, no better equipped, to aid in the preservation of the Union than the Daughters of the American Revolution.

Events which are of historical importance do not just happen. And behind this sudden, open, widespread defiance of law and order there is a cause, which is neither obscure nor concealed.

It was the Communist candidate for President, Earl Browder, who boldly announced:

"We industrial unionists are going to take over the factories some day."

On the 30th day of December 1936, flying the flag of a labor movement, the Communists made good their threat by seizing the factories of General Motors in Flint, Mich.

That this seizure was not a bona fide labor strike is made evident when we recall that not even 10 percent of the workers wanted to strike and that, during the early days of that strike, Governor Murphy, of Michigan, who was in a position to know, made the statement that:

"There is a general picture of high wages, good conditions, security, and recognition which is one of the best in the country.

"Wages here are highest of any place in the country or the world."

Nor are we lacking in evidence that it was the Communists who instigated, carried on, and made effective this insurrection. A weekly magazine with a national circulation quoted Governor Murphy as saying that President Roosevelt told him that "If communism breaks in America, it will be in the Detroit area, where it will first manifest itself."

We have the same Governor of Michigan, while these strikes were in progress, saying, "Communism is not coming. It is here."

We hear him, after the strikes were over, declaring:

"Communists deliberately created disorders in the Lansing labor holiday, the Consumers Power Co. strike, and in some phases of the sit-downs."

Over and beyond and above this, we know that active in the negotiations, in the incitements to violence by the use of a sound truck, in the direction of the activities of those occupying the factories were the Reuther boys, Bob Travis, and a host of other well-known Communists, who are always present when there is violence and bloodshed. The leaders were Communists. The methods used were those followed by the Communists.

The incitement of these unlawful activities, the violence, the defiance of law, the bloodshed can be rightfully charged to the Communists, but upon the doorstep of this administration rests the responsibility for their continuance. About that there is no mistake.

Not only did the newspapers of that day carry accurate information as to what was happening, but Governor Murphy has told us that the President was aware of the situation. Of the President he said:

"He is watching Michigan every hour in connection with the strike situation.

"He often calls morning, noon, and night to express his interest and great concern and to give his advice."

After the agreement entered into between the C. I. O. and General Motors on the 11th day of February 1937, the President warmly congratulated the Governor upon his handling of the negotiations.

Again, when the Dies committee so faithfully and so accurately exposed the communistic activities of those who brought about this terrible situation in Michigan the President of the United States criticized that committee and again lauded Murphy for his conduct.

A most amazing thing has happened in this Capital of the Nation within the week. We have seen a man who had taken an oath to support the Constitution of the United States, the constitution of his State, and faithfully to execute its laws, and who had failed to protect the citizens of his State in their constitutional rights hailed as a great humanitarian and rewarded by being made a member of the President's official family.

The Senate of the United States has confirmed that appointment.

Again it may be well that we weigh what happened as would our forefathers; as do the people who live upon and wrest their living from the land; who value liberty more highly than they do official commendation; who are convinced that this old Constitution of ours, while it may have originated in the "horse and buggy" days, is still the safest conveyance toward our journey's end.

It is quite apparent that during the sit-down strikes Michigan's Governor, the President of the United States, and more recently, the Senate, viewed the whole controversy as one existing between the C. I. O. and General Motors. No assumption could be more unsound.

The true issue was not whether there should be sole recognition of the C. I. O. as a collective-bargaining agent, whether John L. Lewis or General Motors should rule. The controversy affected every citizen. It was a question of whether law and order should prevail; whether there should be a government under the law or whether the will of an individual should be supreme.

It is of comparatively little importance that these strikes were settled, if they were settled, to the satisfaction of the C. I. O. and General Motors.

As Senator BAILEY so well put it the other day in the Senate, the issue was one of law enforcement. The question which confronted Governor Murphy, which confronted the President of the United States, was whether or no, in the State of Michigan at that time, the mob should rule. The Governor and the President decided that it should, and, apparently as a reward for his assistance to Lewis, for Murphy has never demonstrated any outstanding legal ability, he was appointed head of the Department of Justice.

Lest we forget, as apparently the Senate of the United States forgot the other day, what happened, let a brief statement be made.

On the 30th of December 1936 there came into the State of Michigan from beyond her borders men armed with deadly weapons, who made no pretense to legal authority; who by force and violence seized and held possession of, until the 11th day of February following, great factories employing thousands of men.

These armed invaders imprisoned within the factories workers and citizens of the State of Michigan. They drove other workers from their usual places of employment and by force prevented their return to that toil which supplied their wives and their children with the necessities of life.

They deprived individuals of their property without due process of law. They deprived workingmen of their liberty without the shadow of a legal excuse. Many of the men who did these things were not even employed in the motor industry in Michigan. Not 10 percent of those who labored in the factories in the motor industry in Flint wanted to go on strike, wanted the factories closed.

It is admitted that these armed invaders blockaded the streets of Flint; that they held up traffic on Federal highways; that they compelled travelers to stop and disclose the nature of their business and the place of their destination.

The Governor of Michigan, appearing before a Senate committee the other day, did not deny that these acts were committed. He admitted that they were illegal. He admitted that he did not enforce the law, that he did not protect the citizens in their property rights, in their personal rights. He admitted that citizens—not one or two, but thousands—were deprived, not for a day but for more than a month, of their personal liberty, of their right to earn a livelihood.

His excuse for his failure to faithfully execute the laws—and he did fail and about that there is no dispute—is that he desired to preserve law and order, that he wanted to prevent bloodshed.

Assuming that he did desire to prevent bloodshed, his statement that he sought to preserve law and order is the rankest hypocrisy.

Is law and order preserved and maintained when armed men without authority can seize and hold private property? Is law and order maintained when men by the hundreds—yes, by the thouands—are, by armed men, driven from the places where they lawfully have a right to be? Did the Governor maintain law and order when he permitted these men day after day, from the 30th day of December down to and including the 10th day of February—a period of 39 days—to by force hold possession of this private property, keep some men who were in the factories in those factories, and keep others, who had a right to be in and at work, on the outside?

What would the Governor say had men gone to his office in the State capitol at Lansing, thrown him out, or taken possession when he was out, and denied him permission to enter when he sought to return? Would he have said that law and order was being maintained?

These invaders seized these factories and, when the police force of Flint, when the citizens, indignant and outraged to such an extent that they, like your Revolutionary forefathers, prepared to arm themselves and expel the intruder, the Governor called in the National Guard, he says now, to prevent bloodshed, to maintain order. But note—with the invader secure in his fortified factory.

We are now told by the Governor—and this for the first time—that on the 8th day of February he wrote a letter addressed to John L. Lewis and to Homer Martin, telling them in substance that the strikes were illegal and that the law must be obeyed, the orders of the court upheld.

He tells us now that the letter was never sent to Martin, but he says that he read it to John L. Lewis on the morning of the 9th, and thereafter the invaders moved out.

The truth of the matter is—and about this there is no dispute—that throughout this controversy General Motors stood ready to negotiate with the leaders of the strike, and the leaders on the ground in this movement—that is to say, the Reuther boys, Bob Travis, and Frankensteen, were well-known Communists—as soon as those who were holding the plants moved out.

The truth of the matter is that the Governor called out the National Guard of the State of Michigan, 4,000 strong, and he used the State police to prevent the law-enforcing officers of Flint and the citizens of that community from expelling those who had invaded their factories and their city.

The Governor used the armed force of the State not to defend and to protect the honest citizens who wanted to work but to protect and defend the violators of the law.

There is no question but that, in this controversy, the forces of Lewis and his communistic allies moved out of the factories in Flint, not because the Governor told them the strike was illegal, not because they were advised by him that the orders of the court would be enforced, but they moved out because citizens were being sworn in as reserve officers, and the Governor knew—he came to realize—that, notwithstanding his threat to use the National Guard and the State police to preserve law and order, as he put it—which, being interpreted, means to prevent any attempt to remove by force those who were occupying the factories—the citizens of Flint were firm in their determination that they would submit no longer to the foreign invader.

The strikers knew on the 30th day of December, and so did the Governor, that the sit-down strike was illegal. The strikers knew, and so did the Governor, on the first day, the second, the third, the fourth, the fifth, the sixth, and so on, down through every day in January, that the sit-down strike was illegal, and that they were violating the laws of the State of Michigan—that they were depriving men and women of their property and of their personal liberty.

In all that long period of stress and of tumult not once, so far as the public press discloses, did the Governor of Michigan ever say publicly, through the press or otherwise, to the leaders of the strike or to the strikers that they must evacuate the plants at Flint.

Now, almost 2 years after the end of that particular strike, he comes forward and poses as one who upheld and enforced the law.

He delayed, he temporized, until the spirit of the revolutionary fathers, living in the hearts and souls of the law-abiding citizens of Flint, let it be known that no longer would they submit to the foreign invader. Then, yielding to the inevitable, he tells us he wrote a letter which he never sent, which he never made public.

The Governor's failure to declare in the beginning that law and order would prevail in Michigan, that the rights of the citizen would be protected; the silence of the President of the United States, whose duty it was to speak, as did Grover Cleveland in another day and age, in behalf of law and order, gave encouragement to the lawless throughout the land and a wave of sit-down strikes swept from one end of the country to the other.

The Governor of Michigan and the President of the United States, by approval of the Governor's conduct, did not prevent bloodshed. It might well be said that their temporizing, their encouragement, brought about bloodshed.

The sit-down strikers walked out of the Flint factories on the 12th day of February 1937. They had demonstrated their ability to hold possession of factories, to deprive citizens of their liberty.

Their acts of lawlessness, of violence, and of bloodshed had been condoned by a Governor of a great State and by the President of the United States. Encouraged, they tried the same tactics in the State of Illinois, and on the 30th day of May 1937 another group led by Communists marched on the plants of the Republic Steel Co. Ten men were killed and many others injured.

From coast to coast this wave of rebellion, this civil strife, swept our land. Workers were kidnaped; factories were seized and held to ransom; United States highways were blocked; interstate commerce was prevented; airplanes carrying food to besieged workers were shot down; mobs led by Communists defied local, State, and the National Government; they were the first to successfully twist the beard and slap the face of Uncle Sam by interferring with United States mail.

The C. I. O. and the Communists knew their friends.

William Weinstone, secretary of the Michigan district of the Communist Party, it was who said:

"Of first-rate importance among the reasons for the victory must be considered the attitude of the Government. By 'the Government' I mean in this case the attitude of the Governor of the State of Michigan and of President Roosevelt."

Oh, it is a sorry story; it is a disgraceful tale.

If the Governor of a State can suspend the operation of the law for a week, for a month, then logically he can suspend it indefinitely.

On the question of law enforcement, whether a mob shall rule or whether its right to defy the law shall be challenged, even though there be bloodshed, there can be but one answer.

Your forefathers wrote the correct answer by their 8 long years of struggle, and we, if we would preserve our Union, must follow their decision.

Federal Tax on Retail Stores

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 31, 1939

RADIO ADDRESS BY HON. WRIGHT PATMAN, OF TEXAS, JANUARY 24, 1939

Mr. PATMAN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address delivered by me over the radio on January 24, 1939:

Good evening, ladies and gentlemen, tonight I invite your attention to a matter of Federal legislation of interest to each of you. I wish to discuss briefly the major points of the Federal chain-store tax bill which is House bill No. 1. During the last congressional session this exact bill was known as House bill No. 9464.

Later on in this talk I shall explain the objects and purposes of this bill.

RADIO AND NEWSPAPERS

Thomas Jefferson once said: "If the people get the truth, the country is safe." But there are only two ways of getting the truth to the greatest number of people at the same time. These are the newspaper and the radio. In theory, at least, all newspaper columns and radio channels should be open to full discussions of major questions.

In this connection I wish to pay tribute to the radio companies for their fairness in granting time on the air to speakers on both sides of many problems and major questions. And I wish to thank the Columbia Broadcasting System for affording me this opportunity to address you, American citizens, on this important bill.

THIS NOT ONLY MAJOR PROBLEM

I do not concede that the Federal chain-store tax bill is the only major problem before Congress today. But it dovetails into other major problems, on which I am working, and it has a great bearing on them. I refer to adequate security for the aged, parity income for farmers, discriminatory freight rates, a fair monetary system, uncontrolled and uninfluenced by those who are selfishly interested.

REPRESENTATIVES CARRY OUT THE WILL OF PEOPLE

The American people are honest, fair, and intelligent. If they have the benefit of correct information on both sides of a public question, the majority of them will agree on what should be done, and by direct communication compel their lawmaking representatives to carry out their will.

Public sentiment controls this country to such an extent that I do not know of a Member of Congress who is not eager to carry out the wishes of a majority of his constituents.

For it is on Capitol Hill that the battle begins. The proponents of each side of a major problem try to convince individual Members of Congress that that side is right and that all the people approve that side. Scores of sponsoring methods are employed. Many of them are tricky, deceitful, and fraudulent. And in this case, opponents of the Federal chain-store tax bill have swamped Members of Congress with letters and telegrams against the bill.

MODERN LOBBY

Do any of you recall the power lobby? Well, the power lobby was amateurish compared to this modern, streamlined, absentee-ownership lobby. It is backed by tens of millions of dollars. It is spending huge sums of money each month in the effort to influence Members of Congress.

Money can hire brains and this lobby, having plenty of money, has obtained the best brains and the services of the most influential people money can buy. Today Washington is flooded with all kinds of "legislative consultants" * * * and others, who claim to know how to get things printed in the newspapers and how, through artful methods, to influence the Members of Congress. These lobbyists profess vast personal influence and I might add that with my introduction of the Federal chain-store tax bill, many lobbyist-slaves of the money masters have enjoyed steady employment.

Here is another illustration of chain-store pressure methods:

Away from Wahington, and throughout the interior of our land, the interstate chains have compelled store managers to deliver sets of eight form letters to customers. They try to persuade customers, through the use of incorrect data, to write letters to Congressmen, urging them to oppose the Federal chain-store tax bill.

These letters are written on stationery supplied gratis by the interstate chains. When written they are turned in, unsealed, to local chain-store offices. After examination by chain officials, the letters are sealed, stamped, and mailed to Washington.

I admit that this is attention-getting propaganda. But I believe that the average Member of Congress gives more serious consideration to one uninspired letter from a good mother or father, with the vision to see local opportunities and local privileges slipping away from their children and into the hands of a few rich money masters of Wall Street, than he gives to a hundred chain inspired letters.

PEOPLE SHOULD LET THEIR WISHES BE KNOWN

The people of this country who believe in a competitive system, equality of opportunity, the preservation of local communities, and who are opposed to concentration of wealth—these are the people who should let their wishes be known to their Congressmen. Otherwise these chain inspired letters and similar chain propaganda will have much weight.

It is my contention that when the people get the truth about the Federal chain-store tax bill and express themselves to their Congressmen the bill will pass Congress by an overwhelming majority and will be signed by the President of the United States.

More than 100 Members of Congress in the House of Representatives have already informed constituents that they will vote for this bill.

OBJECT OF H. R. 1

The object of H. R. 1 is to restrict interstate chain stores to the boundaries of one State, or to a smaller area than some of them now cover.

The question is asked: "If that is the object, why not leave out the tax provision and offer a bill that says an interstate chain cannot operate in more than one State?"

My answer is that such a proposal, if enacted, would probably be held unconstitutional. Whereas, if we use the taxing power of Congress to reach the same objective, there will be no doubt of the constitutionality of the law, when enacted.

Why did Congress place a 10-percent tax on State bank currency after the War between the States? Was it for the purpose of raising revenue? No. It was to save our currency system, although many State banks suffered from it.

Why did Congress place a tax on the ownership and transfer of machine guns? Was it in order to raise revenue? Not at all. It was for a better law enforcement against criminals. Congress did not have the power to require registration of such guns or their transfer, but it did have the power to place a tax on such ownership or transfer, and if the tax is not paid, a criminal law is automatically violated.

Thus, it is not at all unusual for Congress to use its taxing power in passing a constitutional law to carry out a worthy objective.

RESTRICT CHAINS TO SMALLER AREA

Briefly, H. R. 1 proposes the levy of a Federal tax on interstate retail chain stores, according to the number of stores owned by one company. The first nine stores will be tax exempt. On a large number of stores in one State the tax will be very small. But after 2 years the tax will make it unprofitable for one concern to operate a large number of stores in more than one State. Local chains will not be seriously affected.

It is now unlawful for a bank to own a branch in another State. It should also be unlawful for chain-store systems to overflow from one State into another.

Local people cannot always operate a railroad, a telephone company, an investment firm, a manufacturing plant, or even a wholesale house. But, if permitted, they can and will operate a local bank and local retail stores.

WILL NOT DESTROY ONE CHAIN COMPANY

Enactment of the Federal chain-store tax bill will not destroy one chain company, but it will crack down and curb the greed of 15 or 20 interstate, absentee-owned chain concerns. Today there are about 1,500 chain-store companies in the United States. The average chain has 35 stores. Such a chain will pay so small a sum under this law that the owners will have no cause to complain.

OPPOSITION COMING FROM THE 1 PERCENT OF CHAIN COMPANIES

Opposition to this bill is coming from the 1 percent of chain-store companies that are seeking complete control of our national retail distribution. They seek the help of the other 99 percent, but will destroy these if the law is not passed.

Consumers, workers, and farmers will be helped by the passage of this bill. But there are two groups of people who claim the bill will react harmfully—those who hog the Nation's most valuable privileges and those who are honest but have not thought this thing through.

I strongly urge our impartial citizens to give this question thorough consideration, because I warn them that it affects their economic welfare. The question of saving a few cents now, even if true, fades into insignificance when compared with the economic disadvantages of unemployment. Monopoly, concentration of money and credit, and the destruction of local communities.

You fathers and your sons can be local businessmen if local business can survive. You can never be chain-store magnates or make more than clerical wages working for absentee-owned chains.

When the interstate chain stores began business they claimed that wholesalers would be eliminated.

NO DISTRIBUTIVE EXPENSE SAVED BY LARGE CHAINS

They predicted more money to producers and savings to consumers by taking several hundred thousand traveling men off the road. It was a beautiful theory, but it failed. The big chains organized their own wholesale houses, thus failing to cut out the wholesale item. And they caused enough traveling men to lose their jobs as to seriously affect employment because many of these were forced on relief rolls.

Doubtless they claim this caused a saving in dollars and cents. But if so, where did the savings go? The producer did not get any. The consumer has not paid less because the spread between producer and consumer is greater under interstate chain domination than under the old competitive system.

Government figures prove this statement and your own experience will tell you so. Ask your wife about this.

So the move that threw thousands of people into unemployment also poured millions of dollars into the pockets of heartless Wall Streeters and gave added millions to a few ambitious but charming American girls who took the money to foreign lands for their count husbands and no-account husbands to spend abroad.

EFFECT OF OWNERSHIP BY FEW LARGE CHAINS

It is admitted that if interstate chains get control of retail distribution they will destroy local merchants, including the smaller chains. They will destroy local print shops, local insurance agencies, local newspapers, and smaller manufacturers.

When that day arrives—and it will come if something is not done to prevent it—what chance will our fine young men and women of the future have to engage in business? What will it do to your own son or daughter? What effect will it have on the good men and women who are over 45 or 50 years of age and cannot obtain employment in private industry?

MONOPOLY

We must crush monopoly or monopoly will crush us. Why, one company today alone does 10 percent of the total food business in the retail field!

If 10 Wall Street concerns were doing the same volume of retail food business as this one concern, all the retail food business in America would be done by these 10 concerns.

Do not be misled by the claims of money masters that there is no danger of monopoly. They want you to remain indifferent. They are trying to put you to sleep. But they will find that is not so easy to do.

You cannot overlook this startling fact that 24 banks (13 of which are in New York City) own one-third of the banking resources of the Nation. In other words, one-third of the banking resources of the 16,000 banks throughout the United States is owned by these 24 banks—the directors of which are also directors of large business concerns of the Nation.

FEW MEN, CONTROLLING FEW BANKS, CONTROL CORPORATE WEALTH OF NATION

In this way the few men who control a few banks also control the corporate wealth and much individual wealth of the country. There are direct interlocking relationships between these few Wall Street banks and the concerns that are now getting stranglehold control of our national retail distribution.

The people should free themselves now from the clutches of such concentrated greed. They should recover their valuable privileges and opportunities. They should preserve their local communities and thereby encourage the sound growth of the home, church, and school—three great institutions upon which all civilization is built.

Thank you for the courtesy of your attention.

Cost-of-Production Bill for Farmers

EXTENSION OF REMARKS

OF

HON. SAM C. MASSINGALE

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 31, 1939

Mr. MASSINGALE. Mr. Speaker and Members of the House, herewith is presented a concurrent resolution adopted by both houses of the State Legislature of Oklahoma, memorializing Congress to pass what is known as the cost-of-production bill for farmers. I have introduced in this session H. R. 2371, which it is believed meets the demand of the Oklahoma Legislature in this particular respect. Not only have I introduced the bill but about a dozen other Members of the House have introduced an identical bill. In the United States Senate 18 Senators have joined in an identical bill.

H. R. 2371 is the bill agreed upon by a number of Members of the House and Senate to try to meet the demands of the farming population of the country for a change in farm legislation. Briefly, the only part of the bill that will cause the expenditure of any money is that part which carries forward the commodity loan feature, soil-conservation benefit payments, and crop insurance. This and the similar bills introduced at this session repeal all provisions for crop control. It obviates the necessity and expense of an army of Federal employees in an effort to regulate the management of farms. It has no provision for the curtailment or the reduction or destruction of farm products and will be found to be, I believe, practically in agreement with the wishes of the farmers of the United States.

Under this bill the Secretary is obliged to ascertain and determine for each year the average cost of producing farm products which enter into interstate commerce to the extent of $10,000,000 per year. He takes into account the 5-year average production and average yield to make this determination, and the same formula is applied to the farmer and his business in making this estimate as is applied by business and industry in making their estimates and fixing their cost charges. It provides for the payment to the farmer of the cost of production price for the farm commodities covered, for the estimated domestic consumption of such commodities, and for the handling of the surplus farm products without any expense to the Government of the United States—the farmer to receive for whatever surplus percentage he may have, the world price, less the cost of handling such surplus in the markets of the world. It provides for an orderly method of getting rid of these surpluses without dumping them on the market, and it protects the American farmer against competing farm commodities that are raised abroad and shipped into this country by authorizing an increase in tariff rates on such commodities.

If this bill is enacted into law there will be no more plowing up, plowing under, or destruction of farm products. It gives to the farmer the equivalent of a tariff just as the manufacturer has enjoyed for 150 years. Its only purpose is to be fair to the American farmer and enable him to deal with Americans on an American basis for his farm products. If it is fair for the manufacturer to be guaranteed an American market for his products domestically consumed, it is also fair to the farmer to have the same privilege. It will enable the farmer to live on the farm and have some security. There is little security on the farm now. As a rule, the farmers are not able to make a living. The present farm law, it is believed, is more largely responsible for the economic condition of the farmer than any other legislation. The present law makes it possible to herd the small farmer into groups of peons and shuffle them off to the W. P. A. if they can get on there, to work for a mere pittance and to give them the belief that the farm is an unworthy place for a man of any ambition to live, and at the same time, the present law acts to subsidize and further enrich large farmers and corporations.

The concurrent resolution above referred to is as follows:

Whereas the price of cotton is below the cost of production; and

Whereas wheat and corn and other grain crops are an absolute necessity for food and feed in times of peace and in times of war, and the price of the same is below the cost of production; and

Whereas the price of meats, foods, and feeds produced by the farmer is unreasonably low; and

Whereas the farmers who produce the same are compelled to do so at a loss instead of a profit; and

Whereas such prices prevailing tend to demoralize the farmers and business and render it impossible for the sections of the country depending upon agriculture for its prosperity, to progress; and

Whereas the United States is essentially an agricultural nation; and

Whereas the present plight of agriculture is a terrible handicap to our democratic institutions and a hindrance to our educational system and an invitation leading toward dictatorship which this country does not embrace: Now, therefore, be it

Resolved by the House of Representatives of the State of Oklahoma in the seventeenth legislature assembled (the senate concurring therein), That the Congress of the United States be, and the same is hereby memorialized to enact speedily the resolution known as the Domestic Allotment Act, guaranteeing to farmers and producers the cost of production for all that portion of their crops and products consumed in the United States of America; be it further

Resolved, That copy of this resolution be, by the chief clerk of the house of representatives, mailed to each member of the Oklahoma delegation in Congress.

The A. A. A. Wheat Program

EXTENSION OF REMARKS

OF

HON. JAMES E. MURRAY

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Thursday, January 26 (legislative day of Tuesday, January 17), 1939

ADDRESS BY MILBURN L. WILSON AT THE JACKSON DAY DINNER, GREAT FALLS, MONT., JANUARY 7, 1939

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very able address by Under Secretary of Agriculture Milburn L. Wilson, delivered at the Jackson Day dinner, Great Falls, Mont., January 7, 1939. This address is an exceptionally clear exposition of the operations of the A. A. A. wheat program.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

[From the Great Falls Tribune, January 6, 1939]

WHEAT PROGRAM HAS BEEN ACCEPTED, SAYS WILSON—SEEDING OF WINTER CROP WAY UNDER LAST YEAR—UNDER SECRETARY OF AGRICULTURE, SPEAKING AT JACKSON DAY BANQUET HERE, ASSERTS FARMERS TAKE REALISTIC ATTITUDE TO WORLD SITUATION

The text of the address made at the Jackson Day dinner here Saturday night by Under Secretary of Agriculture Milburn L. Wilson, and attended by Democratic Party leaders from all over Montana, follows:

"We are met here tonight to reexamine the spirit and help unify the purpose of the Democratic Party in Montana and in the Nation. In Washington, D. C., and in each of the other 47 States other groups of party workers have met. Along with us, they have listened to the Jackson Day address of the President of the United States and the national leader of our party, Franklin D. Roosevelt. Through him we have rededicated ourselves to the task of helping maintain an America that lives by the ideals of the great Democrat of the earlier West, Andrew Jackson.

"PROUD TO MEET IN FELLOWSHIP

"Like other members of the party who have been honored and trusted by appointment to public office I am proud to meet in fellowship with the wheelhorses of the party in my home State. You are the people who work day in and day out to keep up the party organization. You make personal sacrifices for the cause. Before and since the day of Andrew Jackson, the party workers in the towns, the counties, and the States have made it possible for the principles that the party puts forward to become effective in governmental action. Your party leaders and your fellow citizens owe you thanks for doing what is often a thankless task though it is a task essential to the maintenance of the American way of life. Only so long as we have political parties contending freely for public acceptance of their programs will we have a democracy; to have political parties we must have political party workers.

"This fact was well understood by Andrew Jackson. Through many stages of party and public responsibility he rose to the highest office of the land. Jackson was left entirely on his own resources as a boy, educated himself, struck out for the West, was merchant, tailor, dealer in land, farmer, attorney general for his district, and served in the Tennessee Constitutional Convention. In all these things Jackson has counterparts among the Montana men whom I came to know and to respect 30 years ago when I first came to the State. These were the men who had come in here after the gold rush, developed the business and agriculture, helped organize the labor of the Territory, served in the Montana Constitutional Convention.

"Jackson, the first westerner, like the later westerners, was a man who got things done. He never hesitated in making decisions or accepting responsibility. His biographers pepper their pages with instances of his hair-trigger action. For example: Jackson was holding court when a heavily armed, drunken badman started a row and defied the sheriff to arrest him. 'This court is adjourned for 10 minutes,' said Judge Jackson, drawing a pistol. Well, within the 10 minutes the court was reconvened, and the order in the room was perfect.

"MODERN ANDREW JACKSON

"For energy and decisiveness, for comprehension of the needs of the common man, for the will and the ability to lead public action that will meet these needs, Franklin D. Roosevelt has been rightly called the twentieth-century Jackson. He has championed the cause of the men and women who have their own way to make. The farm families, the working families, the families of the men who operate the small business establishments have had his first concern. Under his leadership there has been steady, unremitting effort to put into effect national policies that will assure some security to the men and women who work with hand and brain and to their children.

"It is hardly necessary at this occasion to review the accomplishments of this administration, or to comment at length upon the problems resting before the present session of Congress. I regard the message of the President to the Congress on the state of the Union delivered on Wednesday of this week as one of the most outstanding and one of the most typical of the Roosevelt state papers. All of you read the message. Many of you heard it on the radio. You will recall he started out by saying, 'Storms from abroad directly challenge three institutions indispensable to America now as always. First is religion. It is the source of the other two—democracy and international good faith.' He contrasted with great clarity the authoritarian systems of government with the democratic systems of government and said that in this turbulent world trouble may lie ahead.

"He stated that he would send to the Congress in the near future a special message making recommendations for certain essentials for defense in this new world situation. 'A strong and united nation,' said the President, 'may be destroyed if it is unprepared against sudden attack,' and, further, with great wisdom did he say, 'Our Nation's program of social and economic reform is therefore a part of defense as basic as armaments themselves.' He pointed out that 'the first duty of all statesmanship today is to bring capital and manpower together, such that we can use our men and natural resources to make ours a Nation with an $80,000,000,000 income, rather than a Nation with a $60,000,000,000 income, as it is today.' He pointed out a number of specific ways that the new tools which this democratic administration has developed in the last 6 years must be sharpened, such as the 'perfecting of our farm program to protect farmers' income and consumers' purchasing power from alternate risks of crop gluts and crop shortages—standards of honesty in our financial markets, broader coverage of social security, coordination in the railroad and transportation field, new techniques to develop wider markets for electric power, improving the tax relationships, the perfecting of labor organization and a universal ungrudging attitude of employers toward the labor movement, until there is a minimum of interruption of production and unemployment because of disputes, and acceptance by labor of the truth that the welfare of labor depends upon increased balanced output of goods.' He pointed out our continual responsibility to the unemployed until an $80,000,000,000 national income can absorb them in private employment. We, as Democrats, are gratified at the well nigh universally favorable comments upon this message by all groups within the Democratic Party and by those liberal Republicans who do not put party above national welfare and national progress.

"WORKING FOR FARMERS

"I have been most closely associated with the efforts of this administration on behalf of the farm people, and I can assure you that these efforts have been rtrong and continuous.

"Stop for a moment and recall the condition of Montana agriculture 6 years ago tonight. The producers of the export crops were economically paralyzed by the crippling blows struck at world trade by Republican administrations in the 1920's. In the early 1920's, when the farm depression started, agriculture had called for help. The Republican Party's only answer was to increase tariffs and shut out imports of foreign goods which might have been used to buy our wheat and other farm products.

"Again, after the crash of 1929, when farmers were in desperate need of assistance, the Republican administration tried to fool the farmer with the hollow slogan, 'The American market for the American farmer.' They raised tariffs again and shut out still more of the goods which foreign nations might have exchanged for farm products. In both instances they took the occasion of a tariff revision ostensibly in the interests of the farmers to boost duties on industrial products. They destroyed more of the foreign market for farm products and, at the same time, increased the cost of articles which farmers buy. By 1932 the value of agricultural exports had fallen to the lowest level in 42 years. Some of this loss has been regained. The value of farm exports for the last fiscal year, ending June 30, 1938, had increased $300,000,000, or 50 percent, over the 1932–33 season. In the meantime farm income doubled over 1932.

"MONTANA WHEAT AND PROSPERITY

"Let's be more specific and talk about wheat. When you consider Montana prosperity, you have to think of wheat along with livestock, diversified crops, and the products of the mines and forests. Directly or indirectly, the welfare of wheat producers affects the welfare of all Montanans.

"Montana wheat farmers aren't as well off as they should be. Conditions have been hard. But where would Montana farmers be without the A. A. A. programs and where would Montana towns be?

"Remember that the wheat program begun by farmers and the A. A. A. in 1933 got a violent set-back in 1936 and that only now are wheat farmers once more able to have a real wheat plan.

"The present situation of wheat farmers has been gathering ever since 1936 when the 6-to-3 decision of the Supreme Court deprived wheat producers of effective means of working together—the means they had in the first A. A. A. program. The first A. A. A. wheat plan looks simple now, but in 1933 it seemed a complex pioneering effort. It was a lifesaver for the farmers and for the people who depend upon farmers for a living.

"The year 1933 was significant to wheat growers for another reason. In 1933 the United States also pioneered in the international wheat agreement. While this international agreement did not produce all the results hoped for then, the effort is being revived this year with prospects for some ultimate accomplishment. I shall have a little more to say about that later on.

"Republican enemies of the farm program often give much of the credit for reduction of the wheat surpluses to the weather and not to the A. A. A. and fail to point out the crop-insurance value that the A. A. A. payments had during the first drought years. We all know the payments were lifesavers. Where would Montana farmers and small towns have been in 1934 without the A. A. A. program?

"ACT NOT IN EFFECT IN 1938

"The 1936 Supreme Court decision left wheat farmers open to all the dangers of unlimited wheat production. In 1936 it seemed certain that the wheat surplus would recur with good weather and that prices would fall. These things have come to pass. They came to pass in 1938, not on account of any failure of the new farm act but because the new Farm Act of 1938—which I am glad to say was supported in Congress by the votes of all Members of the Montana delegation—had not had a chance to be effective for wheat. Let me repeat this point: The present farm program was not in effect for wheat in 1938. Most of the 1938 crop was in the ground long before the act was passed. For a demonstration of how the new act is taking hold for wheat, look at the seedings of winter wheat for harvest in 1939. Already winter-wheat farmers have reduced their seedings from a year ago by more than 10,000,000 acres. This is a sharper reduction than has ever been made by winter-wheat farmers in any single year previously. It indicates that wheat farmers, when they have the facts and when there is available an effective program, will cooperate in that program. The

winter-wheat farmers have shown what they can do. Now it is up to the spring-wheat farmers.

"The 10,000,000-acre cut in winter wheat indicates that the American wheat farmer is taking a realistic attitude toward the world situation as it is.

"In 1936 Secretary Wallace sent Chester Davis to Europe to find out what the United States could do about the problem of increased tariffs, quotas, and all the various restrictions on our export agricultural surplus trade which have characterized the extreme nationalism of the post-war years. Mr. Davis called on ministers of trade and agriculture in the principal importing countries of Europe to see just what chance there was for American farmers, including wheat farmers, to regain at least part of the markets they had lost. Chester Davis came back to the United States in the spring of 1936 with a pessimistic report. He found little to justify hope by American farmers that they could regain and hold their former export markets. The fears of Chester Davis in 1936 have been confirmed by subsequent experience. It is true that a year ago the United States exported 100,000,000 bushels of wheat because of a very favorable combination of circumstances, but this year we are having to take extraordinary measures to hold our share of the world wheat business.

"Last summer Secretary Wallace asked me to see again a number of the people visited by Mr. Davis in 1936. I came back to the United States and was forced to make about the same report that Chester Davis made in 1936. In every country in Europe where there is a square foot of land suitable for wheat you will find wheat growing upon it or farmers trying to grow wheat.

"GREATEST WHEAT CROP

"This past summer when I was abroad I attended an unofficial meeting of the international wheat committee. The committee met before the 1938 wheat harvest, which turned out to be the greatest in the world's history.

"Even then, however, the international committee saw trouble ahead for wheat farmers. Their thought seemed to be that there had to be international cooperation before there could be sound improvement of the world wheat situation, and they doubted that this international cooperation could come about right away. I came back to the United States and told Secretary Wallace that as far as I could find out every major wheat exporting country but ours was prepared to take governmental action to obtain a larger share of the world wheat market than they could expect without government action. That is why the United States today has had to take governmental measures to hold its fair share of the world wheat market. Secretary Wallace is hopeful—and I share his hope—that this 'fight-it-out period' is only temporary and that it is preliminary to an international ever-normal granary for wheat.

"SIGNIFICANT FACTS

"But whether temporary or not, the implication is the same. That implication is that the days of unlimited wheat production and unlimited wheat export from the United States are gone, and that wheat farmers must work out for themselves some program that they can live with and prosper under year after year. These are simple facts facing wheat farmers. They are facts of utmost significance to Montana. It is not a question of whether we like it or not, but what we are going to do about it. I believe the winter-wheat farmers have taken these hard facts into consideration in planting 10,000,000 less acres than they planted last year.

"The wheat farmers of the United States don't believe in scarcity. They believe in plenty. They believe with Secretary Wallace and Chester Davis that we should have an abundant ever-normal granary for wheat. But when the granary is full and running over, there is little use in production that cannot be moved into consumption. I don't see any alternative to some form of surplus control on the part of American wheat farmers, and I don't believe that the American wheat farmer sees any alternative either.

"The new A. A. A. wheat program is just about the best deal the American farmer has had in a good many years. You can look the world over and you won't find any country offering its wheat farmers as good a deal as the American wheat farmer is getting in the A. A. A. program.

"First of all, this program faces the situation we have in the world today. I have told you about the export situation. The market just isn't in sight there. I have told you about the ever-normal granary. This program is reasonable. It is realistic.

"The program conserves the soil. It recognizes that our soil is our heritage and that we must conserve it.

"This program, with crop insurance, guarantees a farmer some crop to sell every year, regadless of loss from weather.

"This program means some income to producers regardless of crop losses. With wheat to sell, and with conservation and parity payments, the Montana farmer can look forward this year to between 75 and 85 cents a bushel as a minimum on his production on his allotted acres. He can count on payments of around 27 cents a bushel on his normal yield even if his crop is a total failure.

"CONCRETE EXAMPLE

"Let us look at what this means in concrete terms for the farmers of Montana. Take, as an example, a farmer with an acreage allotment for 1938 of 100 acres and a normal yield of 10 bushels an acre or a total of 1,000 bushels. What does the 1939 A. A. A. program mean to this farmer?

"First of all, he can insure himself against crop failure through Federal crop insurance. He can be sure of having 750 bushels of wheat to sell next fall, no matter what happens to his crop after he seeds.

"Not only is he sure of at least three-fourths of his average production in actual wheat, but he is guaranteed, as a cooperator, substantial cash payments on his normal production for his cooperation in seeding within his acreage allotment. On that 1,000 bushels normal yield he will earn payments of $270.

"Suppose that the pressure of world surplus is still bearing down on wheat farmers next fall. He can borrow between 50 and 55 cents a bushel, and he still holds title to his wheat. On a thousand bushels this would be a cash return of between $500 and $550. With his payments, this totals about $800. He gets this for his cooperation in putting about 25 surplus acres to soil-conserving uses.

"In other words, this cooperating Montana farmer can be sure of at least 80 cents a bushel. He is apt to get more.

"Compare this with the fellow who stays out of the program and plants more than his allotment.

"He takes a chance on crop failure without insurance.

"He misses out on that $270 in payments, and he takes his chance of getting an income based on a price of 50 cents a bushel or less. Suppose he plants 25 more acres. At a price of 50 cents he would have $125 more as compared with around $300 for the man in the program.

"The main thing that wheat farmers are interested in is a guarantee of fair returns. The present act employs several measures to defend the returns of wheat farmers. As I have shown, these include production adjustment, the wheat loan, crop insurance, and the opportunity to use marketing quotas in certain circumstances, if two-thirds of the wheat farmers approve.

"This is a program that American farmers can build upon and use year after year. It lacks one important element. That is the element of a sure and simple method of financing. A tariff-equivalent tax something like the old processing tax has been advocated by this administration as a source of revenue for the program. With such a source of funds, farmers will be assured a decent income, regardless of wheat price.

"If funds from this or some other source were available year after year for parity payments, wheat growers would not be as dependent as they are now on the 60-cent wheat loan. With a wheat loan above the market, exports are likely to be restricted unless the loan is offset by an export subsidy. A system of supplementing growers' income with payments financed out of special taxes is almost certain to be more satisfactory in the long run than a system of pegging prices through loans that are above the market.

"Since 1933, $42,000,000 has been paid to Montana agriculture producers through the Federal agricultural program.

"'FARMERS' TARIFF'

"It used to be said that the old processing tax was the 'farmers' tariff.' Farmers were aware that when they were growing more wheat than could be consumed in this country, the 42-cent tariff on wheat was of no use whatever to them. The same is true today. What the wheat producers need is the kind of tariff protection that really protects, and the processing tax will do it.

"This program which I have just outlined to you gives a basis for the Montana wheat grower this year to look forward to a minimum of 75 or 80 cents a bushel on his allotted acreage, is positively making the tariff effective, and on the domestically consumed portion of the crop it is dollars-and-cents equality for agriculture. Yet this is the program which in the campaign last fall was vigorously attacked by the Republicans right and left and by others who were either ignorant or grossly misinformed as to the details of the program. As a matter of fact, among us Democrats, I may say that this program has the endorsement of the major farm organizations made up as they are of working farmers, regardless of parties or politics. This program has largely been worked out in a democratic way by the farm organizations, and it has been implemented and put into action by a great Secretary of Agriculture, by a friendly Democratic Congress, and by a President who has had a deeper, more fundamental interest in agriculture than any President since Abraham Lincoln. This program, bearing the endorsement of the farm organizations, was developed largely by the farmers themselves and, implemented by our party, is the program which was condemned in the campaign last fall as regimentation, as Government dictatorship, as 'selling the farmers down the river,' as betraying the American farmer, and so forth. It was called all sorts of names. Most of the charges that were made against it were positively dishonest and not within the rules of fair political combat. Since a great many farmers in the Corn Belt and in the Wheat Belt have been traditionally Republican since the Civil War, the Republican strategy has been to criticize, to make misstatements, to play on old prejudices, and to divide the farmers into warring factions among themselves, and to faintly suggest the possibilities of such unworkable procedures as a price-fixing and the two-price system. I believe that the kind of strategy which won the Republicans some Members of Congress in this recent election will react upon them. The facts are the Republicans have never had a farm program. They were responsible for the veto of the McNary-Haugen bill when it would have worked, and they have not now nor did they in the recent campaign propose any definite, concrete farm proposal. Mark my word—they are not going to offer any proposal in this coming session of Congress nor in the next session of Congress. They can't, because of the great conflict of interest between the eastern high-tariff monopolistic Republicans and the western Republicans of the type of William Allen White, of Kansas.

"TRADE AGREEMENTS

"I have dwelt at length upon the A. A. A. wheat program as an example of the New Deal's interest in agriculture.

"Another specific phase of what is being done by the Federal Government for agriculture is the trade-agreements program. In that connection, I want to mention especially the trade agreement with Great Britain, and to point out that in this agreement the previous 6-cent preference which Canadian and other Empire-grown wheat received on British markets has been removed. This is potentially of large benefit to United States wheat producers because it means that when conditions are normal the wheat of the United States can compete on the same basis as that from the Dominion and does not have to compete against the 6-cent preferential.

"So we have in the wheat program of this administration the basis for enabling the farm families of Montana in the areas that are fitted for wheat production to stay there and farm. That is the objective of all of the new farm programs which have been sponsored by the farm people, furthered by President Roosevelt and Henry Wallace, and enacted by the Democratic majority in Congress. These programs look to a stable agriculture in all parts of the country. I need not remind you of the financial help that has been given to bring this about. The aid given in financing and refinancing mortgages and annual production credit and cooperative credit by the Farm Credit Administration has enabled many a Montana farm family to stay on the land, supporting itself, and buying in the stores of Montana merchants. Many other families who had exhausted all the usual sources of credit based upon security have been financed through periods of distress that were no fault of their own and saved as self-sufficing citizens of Montana by the rehabilitation loans of the Farm Security Administration.

"REHABILITATION LOAN

"To bring the importance of these things home to those of you who don't live on the land, let me give you the history of a family in one of our Montana counties. The family, consisting of man and wife in early middle age and three children, was about to lose its farm in 1934, and all machinery and livestock through foreclosure of mortgages or forfeiture under sales contracts. The members of that family were about to be sent out from the farm the man's father had homesteaded—and sent out stripped even of the capital goods to make a new start. They were about to disappear from the market as customers for anything but the necessities of life bought from a relief allowance.

"They made application to the Farm Security Administration for assistance. They got it. The county farm debt adjustment committee brought the man and his creditors together and adjusted his debts until they were at the point where he could carry and pay them. Then the Farm Security supervisors sat down with the man and his wife and worked out a farm-and-home plan. The plan required more livestock and machinery. To carry it through and to pay off the adjusted debts, a loan was made. So this man was financed through his difficulties, and there the family has stayed, producing and trading in the community. Since July 1935, 5,900 farm rehabilitation loans amounting to $5,700,000 have been made in Montana.

"CONSERVE AND USE WATER

"Financing is not the only problem of agricultural stability and security. In our part of the continent agriculture and all the rest of our economy depend upon the conservation and wise use of water. As in the other phases of agricultural development, this administration has given special attention to the water problems of Montana. The resources, small and large, are being developed in a rational way through a variety of Federal programs. Along with water development has gone grass development. With the help of Federal programs of the Roosevelt administration, the people of Montana have made a great deal of progress in consolidating their agricultural resources together, into a foundation for a stable agriculture which means a stable general economy for the State.

"We realize, of course, that in the areas irrigated by the waters impounded by extensive structures and thus with a high capital charge against the land we must have a crop of high value in order to meet the charges. Thus, sugar beets have played and will continue to play an important part in the agriculture of Montana. But our agricultural stability must be worked out in ways consistent with maintaining stability in the agriculture of other parts of the Nation. The sugar problem centers about two facts—on the continent we don't produce as much sugar as we consume; and our island territories and possessions and the rich island of Cuba just offshore supply part of our sugar requirements. You in this audience who are familiar with the sugar industry will remember that world forces in 1934 drove the price to a point that caused universal distress in the industry. The result was the Sugar Act of 1934—an act sought by farmers. Under it and its successor, the Sugar Act of 1937, the sugar producers have had advantages that compare favorably with those enjoyed by any other group of producers affected by the farm programs. They have run their acreage to the maximum allowed under the act of 1937. Now comes dissatisfaction among those who would like to put new acreage into sugar. It is impossible under the present act. The term of the act expires in 1940 and a new act will then be considered. There will be a conflict among the interests of our island dependencies and territories, the interests of the cane and beet growers, the refiners and the processors, and the interests of the hog, wheat, and rice producers in the United States who are able to sell more of their products to Cuba as this country buys more of Cuba's sugar. As Montanans, we hope, and I hope, that in the revision of the terms of the act that is to take place there will be room for expansion of the Montana sugar-beet industry. As Americans, we want to see justice done as nearly as may be to all the interests involved.

"That is the aim of our party throughout the range of action taken in behalf of social betterment during the crowded 6 years of the Roosevelt administration. We have seen established a system of social security with insurance against the hazards of unemployment and old age. The latter problem, one of the most pressing before our society today, has been intensified by the fact that many who in late middle age lost all their resources in the Hoover depression now face want in their old age after a lifetime of toil and thrift. The Democratic Party is committed to develop the system of social security to the maximum extent possible in order to help citizens cope with this distressing problem.

"COLLECTIVE BARGAINING

"We have seen established the principle of collective bargaining between employees and employers. The leaders of Montana labor whom I see here in this audience can speak eloquently of what a boon this has been to the progress of the labor movement.

"In short, we have seen on many fronts action to improve and stabilize the condition of labor, of industry, and of agriculture. The way is being cleared for cooperation among the people in all three great divisions of our economy. Montana Democrats have played a leading part in the State and Federal governmental work of these stirring years. In our statehouse carrying on the affairs of a commonwealth effectively and efficiently we are proud to have a Democratic Governor. Our solidly Democratic delegation in the first three Congresses of the Roosevelt administration has on the whole been steadfastly for the program of the great liberal movement that was fathered by the Democratic Party of the 1930's under the leadership of President Roosevelt.

"To the executive branch of the Federal Government, the Montana democracy has contributed the services of one of the most acute minds and effective administrative talents that has served agriculture. From 1924 on, Chester Davis was in the thick of the fight for justice to agriculture. In the early days of the A. A. A. he bore an incredibly heavy load, starting the commodity programs, carrying them through the drouth years, directing the way to the conservation programs after the 1936 Supreme Court decision. Along with Secretary Wallace, Chester Davis will live in history as leader among the small group of determined men whose thought forged out the farm program and whose management made it work. In his present work, as a member of the Board of Governors of the Federal Reserve System, the influence of Chester Davis is essentially the democratic influence of a man whose interest primarily is in the farmer and the small home owners who make up the bulk of our citizens both in Montana and in the Nation as a whole.

"INSPIRED BY WALSH

"Also in the executive branch is a Montanan who has brought good common sense to bear upon one of the important problems of Government today—selecting and training Government employees. As chairman of the Civil Service Commission, Harry Mitchell has performed services that will have lasting effect.

"These men and this group of Democratic leaders assembled here have been inspired in their public work by the example and the memory of our own great champion of democracy—Senator T. J. Walsh. Now that we can look back upon his career from the vantage point of the years, we see the judgment forming that he was one of the great men of the United States for a span of more than 3 decades—from 1912 to his untimely death in 1933. I have been told by men who were in the inner councils of the Wilson administration that Woodrow Wilson held Senator Walsh's abilities and integrity in the very highest esteem.

"Walsh's liberalism was strictly in the Jacksonian tradition. It sprang from the experience of facing handicaps in youth, overcoming them by sheer ability and tenacity, and rising to the top in his profession. Through this experience he acquired an insight into a sympathy with the problems of the individual that shaped his liberal individual and political philosophy. He left a tradition and an influence that will not be forgotten in Montana.

"I hope that soon, as the people of Montana realize the national significance of Senator Walsh's career and personality, this living generation will perpetuate his memory. I venture to say it will not be long before we will be entering our subscriptions to a fund for a statue of Senator Walsh or some other appropriate memorial.

"TWO-PARTY SYSTEM

"Democracy in this country must be carried on by the two-party system. There must be vigorous combats between the two parties. There must be definite programs offered by the two parties. Now, the Republican Party, as we all know, grew step by step in the last 50 years into a party of special privilege and developed a conservative let-alone point of view. Many great changes during this period were taking place within our country and within the world. Machines were substituting for man labor. The free land was disappearing. The power of wealth was concentrating in New York City. The Republican leaders seemed to be either unconscious of the effect of these changes on the great mass of farmers, of working people, and of ordinary citizens. On the other hand, the revolt of Theodore Roosevelt in 1912 showed that a liberal element within that party was dissatisfied with this backward-looking national leadership. Woodrow Wilson gave a great impetus to the true Jeffersonian principles of democracy and drew the allegiance of the growing independent vote in this country, but the great rebirth of democracy, in my judgment, came about with the election in 1932 and the leadership of Franklin D. Roosevelt. These great

changes are bringing about a rebirth of democracy within the United States. The battle is on—and I believe a finer and more democratic civilization lies ahead, but it is to be gained only at the price of struggle and political warfare. The strategy of our opposition is to divide and to stir up strife and to offer no program. If we are to reach the goals outlined by Woodrow Wilson, we must remember that a house divided against itself cannot stand—we must have unity within our ranks, we must formulate our program through the democratic processes, and we must not allow personalities to disrupt or divide us.

"Harmony and unity are needed in our national life as well as in the States in these days of troubled world conditions. The rise of dictatorships has presented a threat to democracy that no nation respecting personal liberty can ignore. The effort to extend the influence of dictatorships to this hemisphere cannot be disregarded. In these difficult times we can be thankful for the firm hand and the sane foreign policy of President Roosevelt. The strongest voice in the world today for the maintenance of popular government and democratic institutions is the voice of Franklin D. Roosevelt. On this Jackson Day we may well be grateful that under his leadership we have kept the flag of the United States honored and respected in a world torn by strife and discord. We may well be grateful that under his leadership we have contributed to world peace, saved democracy here in America."

The Hitler Speech

EXTENSION OF REMARKS

OF

HON. KENNETH McKELLAR

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Wednesday, February 1, 1939

ARTICLE BY DOROTHY THOMPSON

Mr. McKELLAR. Mr. President, I read Herr Hitler's address in a newspaper. I have before me an article written by Miss Dorothy Thompson, as it appears in this morning's Washington Post, entitled "The Hitler Speech." I think Miss Thompson's analysis of Herr Hitler's speech is one of the finest analyses I have ever read. I believe Senators will want to have Miss Thompson's article where they can readily refer to it. Therefore, I ask unanimous consent that Miss Thompson's article be printed in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of February 1, 1939]

ON THE RECORD

(By Dorothy Thompson)

THE HITLER SPEECH

Whenever Hitler moderates his voice and delivers a speech in a tone to which civilized ears are accustomed, the world breathes a sigh of relief and is inclined to praise him.

Thus Mr. Chamberlain finds that the Monday speech was not one calculated to throw the world into war, and Senator KEY PITTMAN suggests that if Hitler's future actions are as tolerant as his Reichstag speech there will be no fear of any immediate war.

As a matter of fact, Hitler never delivered a more ominous speech or one more cunningly calculated to befuddle his opponents and create dissension in democracies.

The speech boils down to a declaration of intention to reapportion the distribution of the world's weath among nations. He declared his complete solidarity with Italy, and, in effect, handed Mussolini a blank check.

He announced a more intensive trade and propaganda war on the democracies.

He appealed to the masses of the world to unite in a common front against their universal enemy, the Jews, whom he managed at one and the same time to associate with international finance, capitalism, and with bolshevism.

And his argument was that any attempt to halt the inevitable expansion of Germany, Italy, and Japan, which he clearly associated ideologically with fascism and national socialism, might precipitate a war, and that in that case the defenders would be the aggressors and bear the burden of the war guilt!

Hitler's intention is to put anybody who opposes the extension of fascism and the aggrandizement of the Fascist nations in the position of being a warmongerer. He, therefore, plays upon the overwhelming desire for peace of civilized people and exploits one of the noblest yearnings of mankind for the uses of a completely militarized social order.

Hitler's whole program follows a pattern. He is now pursuing on a world scale exactly the political technique with which he conquered Germany.

Recognizing that there is an aggressive instinct in man, he seeks to deflect that instinct in a direction where it will do him no possible harm.

Just as inside Germany he managed to persuade the German people that the source of all their troubles was the 1 percent of the Jewish population, so he seeks to convince Great Britain, for instance, or France, that they are not endangered by 10,000 German airplanes, by the 19 airports, and the 5 submarine bases that the Germans have built in Nationalist Spain, but that their real enemies are within their own gates and are Jewish.

He deflects attention from himself, from Mussolini, and from the great aggressive military machine of Japan, to the 15,000,000 people of many nationalities scattered throughout the earth, picturing them as part of some gigantic plot whose aim is world bolshevism.

And with this technique he hopes to create civil strife in the democracies, to confuse issues, to awaken distrust, and thus to weaken the nations at whose expense he intends to profit.

The mind of Adolf Hitler is a peculiar thing. It would be psychologically interesting to know whether he really believes what he says and is himself a victim of huge obsessions, or whether the fantastic distortions of history and of facts which he voices are coldly and cunningly devised for a precise effect. His speech on Monday contained some patent, but mostly irrelevant, truths and some gigantic lies.

This column certainly would not quarrel with his ironic description of the Versailles policy toward Germany—with the idiocy of fighting a war for trade and then exacting huge reparations which could only be paid by an artificial acceleration of German exports. But the Versailles policy is all water under bridges and has no pertinence to the present state of affairs. When Hitler comes to more recent history his descriptions are breath taking in their monstrous misrepresentation.

One need only take his description of the conquest of Austria, which he presents as an act of self-determination. He describes Chancellor Schuschnigg's plebescite as the "destruction of the legal basis of the national right of self-determination" of Austrian Germans.

He makes no reference to his own plebiscite, conducted in Austria under an army of occupation, by which he destroyed the legal existence of Austria.

Defending the right of self-determination, he makes no reference to the million Czechs who have been forced under German rule in the last few months by a military coup d'etat.

His description of German trade policies, as compared with those of states "with an international capitalistic outlook," is way afoul of the facts. He accuses these capitalistic states of juggling their currencies, making no reference to the fact that there are at present at least 11 different forms of reichsmark with 11 different values, all of them arbitrarily fixed.

All through the speech there is evidence of the paranoiac persecution mania under which Hitler, as the apotheosis of Germany, continually suffers. Whatever ills Germany endures are exclusively the fault of the rest of the world.

No act of consideration or kindness or even of reason has ever been shown for Germany since 1914.

He refers to the German children who died of hunger and undernourishment at the close of the war. He makes no reference to the fact that American Quakers, and others, using the voluntary gifts of hundreds of thousands of humanitarian Americans, fed a million German children in the very period to which he refers.

He scoffs at the democracies' solicitude for persecuted Jews, deriding us for not immediately moving to our own shores several hundred thousand German-speaking German citizens.

He makes no mention of the fact that Mr. George Rublee is in Berlin at this moment trying to negotiate some way in which the people of the democracies at considerable cost to themselves can save these human lives.

Nor does he mention the fact that the same American Quakers who once fed German children are feeding destitute Jewish German citizens inside Germany at this moment.

While claiming that he does not want to intervene in any way in American affairs, he suggests that it is our business radically to reform our immigration laws in order to relieve him of a self-made problem, and if we do not do so, we are inhumanitarian.

He denounces bolshevism. But—and this is very significant—he does not say a word about Russia. One can only gather from his speech that the Bolshevik countries today are the democracies and that communism and democracy are one and the same thing.

At the same time he attacks bourgeois society, and his speech presages the establishment of complete military communism in Germany. He announces that trade, industry, and finance will be even more closely concentrated than they are at present under the German state, and that the Reichsbank is to be transformed into a purely German bank of issue.

"If need be we will place all the production resources of our new national Socialist community at the disposal of its leaders" can only mean the complete socialization of all the means of production.

His statements regarding the treatment of religion are not true. His categorical remark that "national socialism has neither interfered with the doctrinal teaching nor with the creed of any

denomination" is not in agreement with the expressed convictions of the Pope nor with the confessional synod of the Evangelical Church, nor with a most remarkable document issued by the chaplains of the German Army some months ago.

There is a very serious doctrinal conflict between national socialism and Christianity on the racial question, on marriage, and on the teaching of youth.

Again he completely distorts the reasons for the S. A. purge of 1934.

He asserts that Captain Roehm and other Nazi Party leaders were shot because they were found guilty of pederasty and sexual offenses against children. Captain Roehm was a notorious pederast. He was a notorious pederast when Mr. Hitler made him head of the S. A. and the organizer of German youth.

If Hitler did not know that, then he was the most unknowledgeable person in Germany.

Roehm was shot for political reasons. And it is for political and religious reasons that out of 18,000 Protestant pastors 1,300 have been under prison or police arrest since 1934, and that more than 8,000 Catholic religious leaders have been smeared with charges of immorality, although even in Nazi courts only 49 have ever been convicted.

It is not true that Germany refrains from any intervention in American affairs.

German agents have organized groups in the United States and the Nazi Party is sending masses of anti-Semitic propaganda into this country aimed at stirring up internal dissension.

Nazi Germany maintains offices for the purpose of persuading German-Americans that their first loyalty is to Germany and not to this country.

The answer to Hitler's charges of gigantic Jewish propaganda is in the morning papers. The New York Times devotes two full pages to the official German translation of the text of Hitler's speech. The Herald Tribune devotes an entire page to it. One of the two great radio networks of this country carried Hitler's speech in its entirety. Do the German newspapers carry uncensored texts of President Roosevelt's speeches? Do the German radio stations transmit them to the German people, uncensored, over the air?

They do not.

It is noteworthy that the speech makes no reference whatsoever to the recently concluded nonaggression agreement with the French, while giving free hand to Mussolini.

One can only conclude that if Mussolini moves against Tunisia Hitler will give him aid, either by harassing Britain or, in the manner of Italian and German intervention in Spain, will agree to nonintervention while sending arms and technical assistants to Mussolini.

Beware of the Greeks bearing gifts. Beware of Adolf Hitler preaching peace.

Marketing of Agricultural Commodities

EXTENSION OF REMARKS

OF

HON. JAMES E. MURRAY

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Wednesday, February 1, 1939

LETTER FROM OSCAR B. HORSFORD, OF WOLF POINT, MONT.

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a letter from Mr. Oscar B. Horsford, a dirt farmer of Montana, who discusses the farm problem.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WOLF POINT, MONT., *January 25, 1939.*

Senator ELLISON D. SMITH,
Chairman, Agriculture Committee of the Senate,
Washington, D. C.

DEAR SENATOR: I have read and tried to analyze the cost-of-production bill, known as S. 570. I am very much opposed to certain things in the bill. Under the provisions of this bill I would be compelled to dispose of a certain percent of my crop at the world's price less all handling charges, transportation, etc., provided there was a surplus. And it seems very likely that we will continue to have a surplus problem to deal with. The thing that I want to get over to your committee is this: Give me a marketing quota and let me receive the cost-of-production or parity fair exchange value, or whatever one wishes to call it for that percent of my average total production. That part that is surplus I would like to keep on my farm, in the case of wheat, for the lean years that are sure to come. I would like to have the opportunity to fill my grain bins up in the good-crop years; then when drought, storms, hoppers and other insects come I would have my carry-over or surplus to sell here in our home market at a fair-exchange price.

I am not at all interested in raising farm crops and having them dumped in foreign markets below cost of production. I am strongly opposed to any policy of that kind. That kind of policy does not tie in with the Agricultural Soil Conservation Act. Unless we can get the fair-exchange value for our products in the foreign markets we would be wise to conserve our soil, save the wear and tear on our machinery, labor, etc., raise that amount that can be consumed here in our home markets, keep the surplus on our farms for the lean years.

I certainly would like to plead with you and your committee to change the bill so that we would not be compelled to deliver the surplus, as we would have to under the provisions of Senate bill 570. Beginning on page 4, line 22, and ending on page 5, line 6, is the stinger in this bill. If you will analyze this, you will see that I would receive on delivery cost of production only on such percentage of each delivery of such agricultural products as is estimated for domestic consumption. I certainly would like to have the privilege of keeping the percentage of surplus on my farm. I certainly do not want to deplete my soil, wear out my machinery, and labor to raise produce for foreign markets below cost. It looks like we should be more intelligent than to do a thing that looks so foolish.

I am not so keen about this acreage control but I do think that so far as wheat is concerned that if we had marketing bushelage quotas and then established the cost of production or fair exchange value, parity price, for that amount consumed in our domestic markets it would be a far better program than anything we have had yet.

I have farmed here in Montana for 30 years. I know that we have certain hazards here in the Northwest that other areas are not subjected to. We must build up our reserves in the good years. The wise farmer or rancher builds up his feed reserves in favorable years. We must do that in the case of wheat. Here in Montana we raise the high protein type of wheat. Over a period of years there has never been a surplus of this type of wheat. It will mean only one thing if we are not allowed to hold this wheat when there is a surplus. That is, when those lean years come then the farmer has nothing to sell and then he becomes the object of relief, seed loans, doles, etc. We are all sick and tired of such. We would like to be able to pay our debts and live like real American citizens are entitled to live.

The two-price system is all wrong unless the minimum price of either is the fair exchange value. It just doesn't fit in with our soil-conserving program.

I take this means of conveying to the Agricultural Committee of the Senate my views, and I know that I am speaking the sentiments of a large majority of farmers in Montana. Thanking you, I am

Yours truly,

OSCAR B. HORSFORD.

Silver Purchases

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Wednesday, February 1, 1939

STATEMENT BY HON. JOHN G. TOWNSEND, JR., OF DELAWARE

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by myself on the subject of the silver-purchase program.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FURTHER EVIDENCE OF PUBLIC DESIRE FOR REPEAL OF THE SILVER PROGRAM

On January 19 and 23 the daily CONGRESSIONAL RECORD carried numerous excerpts from letters which, unsolicited, have been written in support of Senate Joint Resolution No. 1, to investigate the silver program, and the Townsend bill (S. 785) to repeal the Silver Purchase Act and cease acquisition of silver.

Numerous additional letters from many parts of the country have since been received including support for the Townsend bill from the western silver-producing district and from Democratic circles.

Herewith are given some brief excerpts from some of the additional letters.

From a resident of a silver-producing State, Superior, Ariz.:

"This whole 'gold-silver folly' of Government has lost Arizona money * * *. Silver blew up in smoke in a world panic in 1936 after our fool Treasury had bought over $650,000,000 of foreign silver and the foreign world had mobilized 4,000,000,000 ounces—about $2,500,000,000 worth to swamp them with * * *.

"Mr. TOWNSEND's bill to wind up this colossal folly should pass."

From another letter from the same correspondent:

"We are here a silver-mining district in part but we approve your silver bill."

From a Tampa, Fla., lawyer:

"I cut this out of the [New York] Sun. It is a daisy."

The clipping referred to is an editorial published on January 19, 1939, reading as follows:

"In a resolution bristling with 52 whereases, Senator TOWNSEND, of Delaware, calls for the appointment of a special joint committee to investigate the silver problem. In one whereas or another the Senator exposes nearly every folly of the silver crowd, but it is the twenty-second which will wound the most deeply. The twenty-second whereas reads:

" 'Whereas the Department of Labor statistics show that the normal importance of silver compares with that of grape jelly, lemons, wire nails, packers' prime tallow, or anhydrous ammonia.'

"If comparisons were ever odious, these must be odius to advocates of such a folly as the Silver Purchase Act. Their only effective retort would be to introduce a bill providing that Uncle Sam should buy at a fixed price every jar of grape jelly put up in the United States. That would establish their disinterestedness."

From a New York Democrat:

"Nonpolitical voters who can see straight fervently wish you success on your silver bill. I voted for Roosevelt twice and still think the Silver Purchase Act a disgustingly stupid way of wasting money with no net good."

From a Chicago printer and lithographer:

"I have read with great interest your reply to inquiries concerning the silver-purchase repeal. I think your position is 100 percent correct in every particular, and I want to congratulate you upon its definiteness."

From a letter from San Antonio, Tex.:

"Senate Joint Resolution No. 1 heads the list numerically and is in every way as important as its position indicates. Evidence of my humble approval consists of letters to my State's Senators and to Senators WAGNER and GLASS, all of which are intended to endorse your proposal."

From a Glens Falls, N. Y., insurance company official:

"I hope that this resolution may be passed and that we may cease the unwarranted purchase of foreign silver. I don't believe that the present act is a proper one and feel that a very careful study should be made of the situation, which can be done by this joint committee."

From an Ansonia, Conn., resident:

"I wish to register my opposition to the continuance of the Silver Purchase Act, even if it is continued for the purchase of domestic silver only. It is perfect nonsense, and the sooner it is stopped the better.

"This is my opinion, although I am interested in copper and silver mining stocks, foreign and domestic."

From a Massachusetts mining engineer:

"As a mining engineer I am more or less familiar with the economics of silver and have been very much shocked at Mr. Roosevelt's entire silver policy over the last several years. I believe that this whole matter should be investigated according to Senator TOWNSEND's proposal, and hope that it will be possible for you to provide for a thorough and nonpartisan investigation of this whole subject, which is nothing less, in my opinion, than a national disgrace.

"Now that Mexico has stolen our oil wells and threatened our mines and other industries, it is particularly nauseating that we should continue to purchase Mexican silver. It can only be regarded as a direct encouragement of communistic activities of Mexico by Mr. Roosevelt."

From a resident of Clearwater Beach, Fla.:

"I should like to express my hearty approval of your vitally important Senate Joint Resolution No. 1, re silver, etc. It is a constructive measure that would undoubtedly receive universal support, aside from the small minority interested in silver, if the public once understood the situation. I earnestly hope your resolution will be adopted."

From a Chicago steel company:

"We are decidedly of the opinion that this silver program is not at all for the best interests of the country and ought to be substantially changed, and we hope you will lend your influence to this end."

From an Upper Montclair, N. J., resident:

"I wish to heartily endorse Senate Joint Resolution No. 1, providing for a committee from the Senate and House to investigate the silver program.

"Of all the idiotic wastes of American taxpayers' hard-earned dollars, the present silver-purchase program undoubtedly stands at the top. It certainly deserves top rating amongst the present so-called economic and political panaceas, as over 80 percent of the silver is purchased from abroad, and the amount purchased in this country can only possibly benefit a handful of individuals.

"Congress and the country should certainly have the facts which such an investigation could produce, so that intelligent consideration can be given to the much-needed questions of revising or abandoning our present silver-purchase policy."

From a Boston, Mass., physician:

"For a long time I have been horrified at the expenditure of the Government for the purchase of silver. It looks on the outside worse than the Teapot Dome. I am very glad, therefore, to hear that you have proposed a resolution providing for a joint committee to 'investigate the silver program, and for other purposes,' and that your resolution provides for the suspension of all purchases of foreign silver pending the submission of recommendations by the joint committee. I have written to my Senators asking them to use their influence in favor of your resolution."

From a Cleveland, Ohio, economist:

"The enclosed are copies of letters sent to Senators WAGNER and GLASS in support of your resolution to investigate the silver program.

"You are doing an important public service in promoting this study of a dangerous situation. Thoughtful citizens will be grateful."

From a Yale University economics professor:

"While economists differ with respect to many phases of our monetary problem, I do not know of a single one who agrees that our recent silver policy is sound and in the public interest."

From a Rochester, N. Y., professor:

"The early cessation of the silver purchases is highly desirable, and I hope that this resolution and legislation providing for the repeal of the Silver Purchase Act of 1934 will receive favorable action by the Senate Banking and Currency Committee."

From a New York businessman:

"I notice that you advocate the stopping of the Government's policy of buying foreign silver, so as to stop sending good money or good merchandise abroad for the benefit of foreign nations and to the detriment of American citizens.

"I fully agree with you; ever since that crazy silver buying program was started I have said that it was just one more evidence of the complete ignorance of the administration concerning international monetary affairs and their effect on commodity values such as cotton, and wheat, and similar products with an international market, and prices fixed by an international market, allowing, of course, for artificial restrictions affecting supply and demand."

From an eminent Chicago economist:

"As a student of money and banking, I wish to congratulate you on the resolution with regard to silver purchases which you have introduced in the Senate on January 4, 1939. The foolishness and futility of our silver policy since 1933 are well pointed out in your resolution; they call for complete and immediate repeal of the Silver Purchase Act."

From a letter from Niagara Falls, N. Y.:

"It appears absolutely sound to me to provide Congress with the facts that should be in its possession if it is to give intelligent consideration to the question of continuing, revising, or abandoning our present silver policy. This policy appears to be economically unsound and has been repeatedly condemned by impartial economists, and I, therefore, wish to commend the passage of the resolution."

From a Chicago businessman:

"This letter is to inform you that I am aware of your resolution which provides for a joint committee of 10 members, 5 from the Senate and 5 from the House, to investigate the silver program, and for other purposes.

"As I am very much in favor of the enactment of this resolution and the action which it will make possible, I have addressed letters to the Senators from Illinois, as well as to Senator WAGNER and Senator CARTER GLASS.

"You have support of thinking citizens everywhere in this intelligent action."

From a letter from Bryn Mawr, Pa.:

"I urge upon you the importance of adopting Joint Resolution No. 1, introduced by you, 'to investigate the silver program, and for other purposes,' and to suspend all purchases of foreign silver until the joint committee reports. It is a public scandal the way the resources of this country have been wasted in purchase of millions of dollars' worth of silver to the disadvantage of this country and also of other countries."

From a Bethlehem, Pa., oil products company:

"I am intensely opposed, and always have been, to the present silver program of the present administration. In fact, I do not believe that 10 percent of the people of the United States outside of those directly benefiting are in favor of this program, excluding unreasoning partisans, pro and con.

"I hope common sense will pervade the Members of Congress and that they will repeal this most unfortunate law."

From a Philadelphia manufacturer of floor coverings:

"We greatly appreciate the initiative and leadership which you are giving to this most important move."

From a well-known mining engineer:

"I appreciate very much your sending me a copy of your joint resolution on the silver situation, and I sincerely hope that it will be adopted and that your investigation may soon get under way.

"The preamble to your resolution is very comprehensive and everything in it is sound and factual and shows how utterly indefensible is our whole silver policy, and I sincerely trust that you may be successful in having it corrected."

From a Detroit lawyer:

"I am enclosing a copy of a letter that I have written to Senators CARTER GLASS, ROBERT F. WAGNER, PRENTISS M. BROWN, and ARTHUR H. VANDENBERG urging them to support Senate Joint Resolution No. 1 introduced by you.

"I have always been at a complete loss to understand why the United States Government should pay artificially high prices for silver domestically produced, to say nothing of foreign silver. There must be many who share my opinions and certainly the least that could be done would be to have an impartial investigation and report on the entire matter."

From a Dubuque, Iowa, insurance company:

"We are informed that Senate Joint Resolution No. 1 has been introduced for the purpose of appointing a joint committee to investigate the silver-purchase program.

"We believe that our Government should not be dissipating its credit for the purpose of maintaining a world-wide silver market, and therefore should enact legislation to bring that policy to an end. Naturally the first step is to have the matter investigated by our Congressmen, and we trust that you will further that purpose by appropriate legislation."

From a letter from New Haven, Conn.:

"It is very gratifying that a proposal has been made to investigate the silver question, and I hope you will pass your resolution to a successful conclusion.

"My hearty congratulations."

From a Chattanooga, Tenn., university professor:

"I want to congratulate you upon your introduction of a resolution to investigate the silver policy of the Government, which I think is a matter of the utmost importance, and I am sending you copies of letters which I have written to Hon. ROBERT F. WAGNER and Hon. CARTER GLASS."

From a Montclair, N. J., resident:

"Permit me to urge your support of all legislation proposed in the present Congress for curbing the purchase of silver by the United States Treasury.

"It seems to me the entire silver-purchase program which has been in effect under the Roosevelt administration is primarily a subsidy to the silver-mining interests, completely unjustified, and a very burdensome load on our national finances.

"I hope you agree with this point of view and that you will exert yourself in every way possible accordingly."

A Dallas, Tex., broker states that the silver policy is not a party question. His letter reads:

"May I congratulate you on having brought before the Senate your joint resolution providing for the appointment of a joint committee to investigate the whole silver program of the Government and for suspension of purchases of foreign silver until such committee has reported on the matter?

"In my judgment, the silver-purchase policy of the Government for some years has been mad if not vicious, and I hope sincerely that your joint resolution will be adopted.

"As I see it, the silver policy is not a party question, and an impartial study of it should be supported regardless of one's party affiliation."

One of my constituents writes:

"I congratulate you on the introduction of the bill curbing further silver purchases by the Government."

From Florida comes the following support:

"Please find enclosed copies of letters I am sending under current date to Senators WAGNER and GLASS urging their support of your resolution to investigate the silver policies of the Government.

"I would respectfully urge upon you the necessity of supporting your resolution with all the determination and cooperation you can command, feeling assured that you will have in this the unanimous support of all who have given the subject any thought."

From Rye, N. Y., a plea to stop the silver waste:

"This is to express my appreciation of the action you have taken in introducing a bill to revoke the President's authority to revalue silver and to continue purchases of that metal.

"For years I have felt that the Silver Purchase Act was wrong. It did not accomplish the result which it was said was the purpose of the bill. Furthermore, and especially what I object to, is the perfectly foolish idea of the Government buying silver that it did not want at a higher price than the market largely for the benefit of certain States which are producing silver.

"I hope you will be successful in having the bill passed to stop this waste of the taxpayer's money."

From California a letter reading:

"In view of the fallacies and dangers of our present silver manipulations, may I ask that you give your support to Senate Resolution No. 1."

From Ottawa, Ill., an interesting communication in which the writer calculates that our silver stock, loaded in 10-ton trucks, would stretch 161.8 miles.

"I am gratified to note you have introduced in the Senate a bill to stop the purchase of silver by the Federal Treasury. Such a course will constitute a major operation, but it is essential to the well-being of the Nation. These silver purchases are a dangerous brain tumor which must be removed sooner or later. When the Treasury stops buying silver it will be worth no more than tin, but the longer we continue the present policy the greater will be the disaster when it comes.

"Silver is no longer sought after by the rich and well-to-do as tableware and cutlery. It has been almost entirely displaced for these purposes by porcelain, glass, stainless steel, and other metals and alloys. About the only special use we now have for silver is to make nitrate of silver for use in photography and the making of films. Silver is largely a byproduct of other mining operations, and we can produce enough for current needs in this way without subsidizing its production.

"I suppose the figure you give as to the amount of silver the Government now has on its hands is based on the troy ounce, which is about one-tenth heavier than the avoirdupois ounce. After reducing the 2,524,000,000 ounces to tons avoirdupois, loading it onto trucks, 10 tons to a truck, and stringing it along on the hard road 100 feet apart, it would reach a distance of 161.8 miles. Some silver, is it not?

"Perhaps the present administration might make use of some of this silver in the construction of its 'low cost' houses. Such houses would be fire and lightning proof, and, if made heavy enough, would be as near cyclone, earthquake, and bomb proof as we could expect to have."

Neutrality

EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Wednesday, February 1, 1939

RADIO ADDRESS BY HON. DAVID I. WALSH, OF MASSACHUSETTS, DECEMBER 22, 1938

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by me on the occasion of the inauguration of the New England Town Meeting of the Air Forum, December 22, 1938, on the subject of Neutrality.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In the few moments allotted me I can do no more than set forth a few basic principles touching upon the able discussion you have heard this evening concerning the subject of American neutrality.

First, I do not believe that we should undertake to intervene in political disputes raging in other parts of the world. There is no duty, moral or legal, which imposes upon our Nation responsibility for policing international areas or gratuitously attempting to settle international disputes. The American people have learned from bitter experience, both in actual warfare abroad and from the heroic efforts our Nation has made from time to time since the World War to preserve peace, that we can expect nothing but loss of life, money, and prestige from interfering with the situation developing out of the rivalries and animosities which continually plague the nations of Europe and now extend to the Orient. In my opinion, our national welfare demands and our people insist that in international relations we follow the wise Washingtonian admonition to avoid entangling associations abroad—in brief, to mind our own business.

Secondly, our neutrality must be wholehearted, clearly expressed, and emphatic. I mean by this that we should serve notice by law on foreigners and citizens alike that we in America consider the preservation of peace paramount to the economic interests of "follow the flag" diplomats representing American corporate business engaged in exploiting resources or markets in foreign countries.

Thirdly, our neutrality laws should permit of no discretion in the Executive or any other official to commit this Nation to any policy or course of action favorable or unfavorable to any belligerent. Neither should a sound neutrality law enable the Executive to refuse to recognize the existence of an actual state of war between nations. Such a law should specify in detail and with exactitude the precise duty of this Government in time of war to remain strictly neutral and declare illegal the absurd distinctions between de jure and de facto warfare which have crept into some recent interpretations of international law. Neutrality must be mandatory and not permissive.

Fourthly, Congress should enact a provision suspending all trade and commerce with belligerents at the inception and during the continuance of hostilities. Some who have "cash and carry" commerce with belligerents enabling any nation at war to purchase, pay for, and carry away at their own risk munitions, materials, and supplies may deem this rule harsh in operation and harmful to American business. But such a provision would not only serve to shorten the duration of war but would prevent the development of enmity and bad feelings that inevitably arise out of the permissive policy. Supplying munitions and implements of war to one of the belligerents and refusing them to another because of the impossibility of delivery resulting from effective blockade led directly to our involvement in the World War. Profits from trade with warring nations cannot justify the ever-present danger they entail of involvement in war. Our primary concern at all times must be the lives and welfare of our youth. The prevention by every human means of any repetition of the sorrows and sacrifices of war transcends questions of dollars and profits for munition makers and war profiteers.

Fifthly, in view of the disturbed conditions, wars, threatened wars, and dissensions among nations which exist today and which may very conceivably break out tomorrow into another international slaughter, it is my studied conviction that we should accompany this policy of strict neutrality with an equally decisive

program of self-defense. Such a program should not be beyond our needs, not tied to any "pump priming" relief proposals, neither hysterical nor exaggerated. It should be broad, comprehensive, and sweeping, sufficient to meet any and all contingencies likely to arise from the threatening international scene.

Side by side with strict and unwavering neutrality our safety demands that we should provide what I believe to be a powerful insurance against war, namely, an adequate national defense, a strong and efficient Navy, a sizable Army, and a modernized air force, coordinate with plans for the effective mobilization of our industrial capacities for wartime production at short notice. Ample reserve forces of trained, skilled men for military service also should be ready and prepared whenever occasion arises. These measures of neutrality and self-defense that I have briefly outlined will command the respect of the world and the confidence of our own people. Therein lie the best chances for realizing our cherished hopes for peace.

(During the question period following the broadcast of formal speeches, Senator WALSH answered the following questions:)

Q. If you refuse aid to Loyalist Spain and China, would you have refused Polish and French aid to the American revolutionists?—A. We welcomed the assistance of the French and the Poles in our fight for freedom 150 years ago, and have been ever grateful for their aid. They responded to the dictates of their sympathy without jeopardizing their own national safety. But under present-day world conditions, if we follow the dictates of sympathy and lend aid, we risk taking our own country into war. I am opposed to so doing under any circumstances.

Q. Do you favor the recent $25,000,000 loan to China?—A. I am not in favor of any loans or financial commitments to any belligerent, de jure or de facto. Such loans did much to involve us in the World War. Our course in the present conflict by Japan upon China should be the enforcement of our present Neutrality Act and the suspension of trade with both sides.

Q. Would not trade boycotts of belligerents by all nations be helpful?—A. If all nations would boycott contraband goods, of course, there could be no war of any impressive duration. We should set that example and boycott the imperialistic nations of Europe and the Orient who are waging war. However, that is a different proposition from an economic boycott by concerted action and international agreement.

Q. Does not our foreign trade indicate the material importance to us in these days of depression of preserving peace throughout the world?—A. Meddling with the affairs of belligerent foreign nations to preserve trade is an untenable policy. All the trade in the world is not worth our people suffering a repetition of the horrors and human losses of the World War.

Q. In your speech, Senator WALSH, do you not completely ignore our world trade and the obligation reposing in us to preserve justice throughout the world?—A. This contention, I must frankly say, to be nothing more nor less than calling for a program of international meddling. If we are to enter into every dispute to enforce our ideas of justice, I can conceive of no surer way to involve us in hatreds and animosities of Europe—continual wrangles and conflicts abroad that will disturb domestic tranquillity and prevent solution of urgent problems at home. There is no obligation upon us to preserve justice throughout the world.

Q. Will not our involvement in the next war arise from the unwarranted murder of American citizens legally carrying on business in foreign countries?—A. I do not believe so. The American people feel that our citizens should keep out of the theaters of war or suffer the consequences. We certainly owe no duty to citizens who plunge knowingly into the very center of hostilities, and most emphatically we will not go to war as reprisal for injury or death befalling them because they have deliberately placed themselves in jeopardy. American citizens abroad on business are not exempted from the reasonable requirements of due care which are normally imposed upon them when they are at home.

Q. Do you favor repeal of the trade embargo enacted by Congress against the Spanish Loyalists?—A. I do not. To advocate repeal of an embargo intended to keep us from entanglement in the Spanish war, with its ramifications interwoven with European rivalry and diplomatic intrigue, is inconsistent with the very policy of strict neutrality for which I am contending.

Q. Will not the balancing of forces in the world today between the democratc countries and the totalitarian states, especially in regard to their impingement on the Spanish war, be bound to involve us in war?—A. If war comes to the Western Hemisphere, it will be a war waged on us, not one we will precipitate. Let us be prepared with adequate national defenses if it comes. Meanwhile, neither fascism, communism, the Berlin-Rome axis, the Munich Pact, nor any other European question should lead us into any alliance with any other nation or group of nations. We permitted economic interests, foreign propaganda, and asserted ideals, which we now know, on the part of some of our allies, to have been insincere, to lead us into one great war. Our most urgent cause today is the cause of the American people—to protect our shores, our democratic form of government, and the domestic welfare of our citizens.

Q. Will not victory for the Insurgents in Spain be less favorable to our interests than victory for the Loyalists?—A. Our course with reference to Spain should not be dictated by consideration upon which side our own interest may be said to lie. The point of the matter is we must not take sides, directly or indirectly, in foreign wars, civil or international. Of course, this attitude does not bar us from declaring our revulsion and protest against barbarous persecution of races and religion and the horrors and brutalities which have accompanied the waging of the Spanish civil war.

National Grange

EXTENSION OF REMARKS

OF

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Wednesday, February 1, 1939

LEGISLATIVE PROGRAM OF THE NATIONAL GRANGE

Mr. CAPPER. Mr. President, I desire to call attention to the legislative program of the National Grange approved at the seventy-second annual convention of the organization, at Portland, Oreg., November 16–24, 1938.

The Grange is one of our great national farm organizations. It has performed valuable services to agriculture and to the Nation. The Grange legislative program is the thoughtful expression of hundreds of thousands of the farmers of the United States. This program is entitled to the earnest consideration of the Congress.

I desire particularly to call attention to the Grange position that whatever control of production and marketing there is should be voluntarily exercised by farmers themselves. I also call attention to the Grange's contention that the national farm program should be built upon and around the family-sized farm, with the objective of bringing to agriculture its fair share of the national income. The Grange holds that the Senate should regain and retain the power to pass on reciprocal-trade agreements before they become effective.

I will not attempt to cover the program, which speaks for itself, but I earnestly urge Senators to study it carefully. I ask unanimous consent that the National Grange legislative program be printed in the Appendix to the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

1. LONG-TIME FARM POLICY

In the building of a long-time farm program, we must not lose sight of the fundamental American principles of self-help, equality of opportunity, and independence of thought and action. Agriculture asks for fair treatment rather than special privilege. It seeks economic justice rather than subsidy. The Grange declares for a program in legislation and administration that will establish and maintain prices for agricultural products that will provide for reasonable profits, as determined by farm costs.

We favor adherence to the following principles:

(a) Proper steps should be taken to increase the farmer's share of the national income, giving agriculture equality with other groups.

(b) The program should be built on a basis of voluntary cooperation rather than a Government strait jacket. It should provide for continuing farmer control. The Grange is vigorously opposed to the regimentation of American agriculture.

(c) Our goal should be the preservation and prosperity of the family-sized farm. Corporation farming should not be encouraged by the Government.

(d) We urge continued support of farmer-owned and farmer-controlled marketing associations.

(e) We favor a sound long-time policy of land utilization, providing for the retirement of submarginal land, reforestation, and the protection of water and wildlife resources, together with soil conservation and the prevention of erosion.

(f) The program must be sufficiently flexible to protect the interests of all sections and give proper assistance to producers of surplus and export crops.

(g) In no case should competitive imports be permitted to deprive our farmers of the home market.

(h) We favor the continuance of the Commodity Credit Corporation and of the Federal Surplus Commodities Corporation.

(i) We approve of the steps being taken for the erection of regional research laboratories in the effort to find new uses for farm products, and we advocate adequate appropriations in this connection.

(j) Crop insurance should be continued and expanded as experience warrants.

(k) The Government should pursue a policy calculated to restore employment in private industry, thereby increasing the purchasing power of the consumer and improving farm prices. As a step in this direction, we favor such amendments to the National Labor Relations Act as may be needed to make it fair and workable.

2. RECIPROCAL-TRADE AGREEMENTS

On the whole the reciprocal agreements negotiated by the Government have not resulted in any increase of farm exports but have added to the volume of agricultural imports. If the Reciprocal Tariff Act is to remain in force, trade agreements should be ratified by the United States Senate before becoming effective and should not contain the unconditional most-favored-nation clause, under which policy we gain concessions from one nation while making concessions to all other nations producing and exporting any given commodity.

3. TARIFF POLICY

The long-established tariff policy of the National Grange may be summarized as follows:

(a) So long as the American protective policy is maintained we favor such rates on imports as will assure the domestic market to the American farmer to the extent that he is able to supply it.

(b) Since it is well understood that producers of surplus crops receive no direct tariff benefits, equality and justice demand that import duties on commodities which the farmers must buy should be fixed at fair and reasonable levels.

(c) As a measure of equality under our tariff system, we advocate that all revenues accruing from duties on agricultural imports be set aside to promote the exportation, removal, or diversion of farm surpluses.

(d) We affirm that it is contrary to sound public policy to impose tariffs for the protection of such resources as cannot be renewed when they are once exhausted.

(e) In no case should tariff rates be granted that breed monopoly, enriching the few at the expense of the many, and which encourage inefficiency rather than efficiency in American industry.

(f) We reaffirm the established policy of the Grange in demanding "tariff for all or tariff for none."

4. CONTROL OF MONOPOLY

It is manifest that the blessings of political liberty cannot be fully enjoyed under a system which permits monopolies and monopolistic practices to rob the people of the fruits of their toil. We approve of the hearings and investigations now being made by the Temporary National Economic Committee and trust that its findings may serve as the basis for legislation that will be fair to agriculture, industry, and business.

5. FORESTRY AND CONSERVATION

We recommend that adoption of a comprehensive Federal program relating to forestry and conservation, and embracing:

(a) Encouragement and assistance to private owners in the extension of farm forestry and in the adoption of practices for sustained timber production.

(b) Giving more adequate protection from fire to both public and private forest and range lands, with greater emphasis on the control of insect pests, diseases, and the prevention of floods and erosion.

(c) Providing for more adequate development and maintenance of national forest recreational facilities and wildlife resources.

(d) Providing for public acquisition of forests and other lands not suitable for private ownership, with adequate reimbursement to counties in lieu of taxes during a readjustment of the tax program.

6. RURAL CREDITS

We favor legislation placing the supervision of the Farm Credit Administration under a bipartisan board, with terms so staggered as to assure a continuity of policy and to avoid the possibility of using this agency to promote partisan ends.

Since many of the earlier borrowers of the Federal land banks secured their loans at a time when interest rates were much higher than at present, and since the bonds issued by the banks in this connection have been refunded at lower interest rates, we favor correspondingly lower rates for this class of borrowers as soon as conditions warrant.

Farm interest rates should be maintained at the lowest possible level consistent with a sound loaning policy.

The power of the Federal Farm Mortgage Corporation to make loans, which expires on February 1, 1940, should be extended for a period of 5 years.

7. TAXATION

It cannot be too strongly emphasized that enormous bond issues and the consequent increase in the national debt, which has attained menacing proportions, mean the same thing as deferred taxation. There must be a limit to "investing" borrowed money that future generations will have to repay. The Federal Budget should be balanced at the earliest practicable date, primarily by reducing expenditures. As a first step, Congress should refuse to make any further lump-sum appropriations to be expended at the discretion of the Executive.

We oppose a general sales tax, because it is a tax upon the necessities of the people and ignores the principle of ability to pay.

We favor an amendment to the Constitution forbidding the issuance of tax-exempt bonds.

State and local officeholders and Federal judges should be made subject to the Federal income tax.

The back-breaking taxes now levied by the Federal Government constitute a growing threat to the sovereignty of the States, drying up the sources of revenue upon which they must depend to finance their activities.

8. POLITICS IN RELIEF

Congress should devise its own formula for the distribution of relief, and all necessary precautions should be taken to divorce the administration of these funds from politics.

9. FARM TENANCY

The Grange favors continued efforts for the development of a sound program for the relief of farm tenancy. In attacking this problem, proper emphasis should be placed upon correction of conditions which annually cause many thousands of home owners to slip into the tenant class.

10. MONETARY STABILIZATION

The Grange stands for an honest dollar; a dollar that will be fair to debtor and creditor alike. Congress should give a mandate to the Board of Governors of the Federal Reserve System to manage the currency in such a way as to restore the average price level obtaining between 1921 and 1929, and then stabilize the purchasing power of the dollar at that point.

Congress should also exercise its constitutional right to coin money and regulate the value thereof.

11. CENTRALIZATION OF GOVERNMENT

The Grange reaffirms its stand against overcentralization of government, which violates the wholesome American principle of home rule in local affairs. It is fatal to the cause of good government, besides adding enormously to the tax burden, to destroy the local sense of responsibility which causes the average citizen to scrutinize public expenditures.

We are opposed to any constitutional changes that would abridge the rights of the States to control their own affairs within proper limits, or that would impair the legitimate rights of the people in matters relating to local self-government.

12. THE FEDERAL CONSTITUTION

The Grange believes that the best brand of liberalism in existence is that which is contained in the Constitution of the United States, with its Bill of Rights. The experience of 150 years proves the excellence and soundness of our fundamental law. We are firmly convinced that the checks and balances contained in the Constitution as between the legislative, executive, and judicial departments must be maintained. The right of the Supreme Court to pass upon the constitutionality of acts of Congress must be preserved. The right of free speech, free press, and of public assemblage must be kept inviolate.

13. RAILROADS

We favor continued private ownership and operation of the railroads, and we advocate the taking of proper steps by Congress for the rehabilitation of the roads.

We do not favor the imposition of uniform regulations on all modes of transportation. Such a move would be illogical and not in harmony with the spirit of progress.

We are opposed to the repeal of the long-and-short-haul clause of the Transportation Act, which provides that the railroads shall not charge more for a shorter haul than for a longer one over the same line and in the same direction.

14. MOTOR TRANSPORTATION

We approve of the appropriations made by the Federal Government for highway construction and advocate a larger proportion of such funds for the improvement of farm-to-market roads.

The interest and safety of the public require enforcement of proper restrictions regarding the size, weight, and speed of all motor vehicles moving over the public highways. Such regulations should be uniform as between the several States, and there should be reciprocity between the States, based upon such uniformity.

The power to regulate is a police power lodged with the States. As a basis for regulation we commend to all the States adoption of the Uniform Code for the Regulation of Traffic, approved by the American Association of State Highway Officials and the United States Bureau of Public Roads.

Every special tax collected for highway improvement should be conserved for that purpose alone. No diversion of such funds should be allowed.

No taxation or regulation of motor vehicles should be permitted which has for its purpose any increase in cost or restriction of use in order to equalize competition between motor transportation and other forms of transportation.

More than one-fourth of the motortrucks of the country are found on our farms. We want no unnecessary interference with nor regulation of privately owned and operated motortrucks.

We favor the completion of the international highway connecting the United States proper with Alaska.

15. INLAND WATERWAYS

Since the Federal Government, over a period of many years, has expended large sums of money for the development and improvement of our inland waterways, the Grange is opposed to the adoption of any policy which would destroy the value of this wise investment. Our water-borne commerce should not be hindered or restricted by unnecessary regulation and interference on the part of the Government, since no question of monopoly is involved.

We favor ratification of the treaty calling for the completion of the St. Lawrence Seaway, and the development of hydroelectric power contemplated in this project.

We likewise favor the construction of the Umatilla project for the benefit of the people of the Pacific Northwest.

16. RURAL ELECTRIFICATION

We heartily approve of the efforts of the Government to promote the cause of rural electrification through the agency of the R. E. A., which we consider one of the soundest steps taken by the Government in recent years to improve the condition of country life.

In the making of loans the present policy of giving preference to public power districts and nonprofit cooperative associations should be continued. We endorse the policy of the R. E. A. in placing the responsibility for the construction and operation of projects on the cooperatives themselves.

17. AGRICULTURAL EDUCATION

We approve of proper appropriations for the endowment of land-grant colleges and for the further development of extension work in agriculture and in home economics, together with adequate funds for the support of State experiment stations. We likewise approve of the expanded program for vocational education and for boys' and girls' club work.

We believe that extension workers should be paid entirely from public funds, leaving them free to serve the people without favoritism or discrimination. In no case should any farm organization be allowed to graft itself upon the Extension Service nor dominate it to serve its own ends.

18. WAGE-HOUR LAW

Since the Administrator of the wage-hour law has ruled that the exemption granted to agriculture in areas of production shall be limited to plants employing not more than seven men, largely nullifying the intent of Congress, we advocate clarifying amendments to the act so as to make it workable and giving farmers the protection to which they are entitled.

19. RECLAMATION

We strongly protest against bringing any more land under cultivation by irrigation and reclamation at Government expense, so long as the surplus problem presents one of the chief difficulties with which agriculture is confronted.

20. GOVERNMENTAL REORGANIZATION

We favor the reorganization of the various agencies of the Federal Government in the interest of simplicity, efficiency, and economy. But we are not in accord with many of the details of the plan contained in the report of the Brownlow Committee, which would place in the hands of the Executive vital functions of Government that should be kept in the control of Congress.

In any regrouping that may be made, agencies dealing with land use, soil conservation, growing of foliage, wildlife, and timber crops should remain in the Department of Agriculture.

21. HONEST MERCHANDIZING

We favor legislation for truth in fabrics, both for the benefit of agriculture and the protection of the consumer. Labeling of shoes to indicate the material used in their manufacture should likewise be required.

22. ARGENTINE SANITARY PACT

Since American agriculture in the past has suffered heavy losses from the foot-and-mouth disease, brought in from other countries, we are opposed to the ratification of the pending convention or treaty with the Argentine. Approval of this pact would open our markets to imports of animal products from zones or areas in the Argentine that are supposed to be free from the foot-and-mouth disease, although it is prevalent in other parts of the country.

23. IMITATION DAIRY PRODUCTS

It is of vital interest to the dairy industry as well as the consuming public that all legislation for the control and regulation of manufacturers of and dealers in imitation dairy products should remain in full force and effect.

We approve of the action of Congress in placing an excise tax on certain oils imported from abroad and used in this country in the making of butter substitutes and for many industrial purposes. We advocate the extension of this tax to all imported oils that come into competition with the products of the American farm.

24. IMPORTED STARCHES

Since nearly half a billion pounds of Asiatic starches, produced by coolie labor, entered this country duty-free during a single recent year, we favor adequate excise taxes on such products, which compete with domestically produced starch made from corn, potatoes, and rice.

25. PACKERS AND STOCKYARDS ACT

We advocate the amendment of the Packers and Stockyards Act to provide for the more effective regulation by the Department of Agriculture of the marketing of livestock. Direct buying by the packers, merely in an effort to evade the law and depress prices, should not be tolerated. Packers should likewise be prevented from engaging in large-scale feeding projects, either directly or through financial interest.

26. PREDATORY ANIMALS

We favor legislation providing for joint appropriations by the Federal Government, together with States and counties, for the eradication of predatory animals in sections where such animals are a serious menace to agriculture.

We also advocate more vigorous measures for control and the eradication of insect pests.

27. STOLEN LIVESTOCK

The Grange favors the early enactment of legislation making it a Federal offense to transport in interstate commerce livestock and poultry known to have been stolen.

28. COMBATING LIQUOR TRAFFIC

We recommend that Granges throughout the land join with other organizations in a campaign of education, calling attention to the evil effects of strong drink and emphasizing the truth that decency and sobriety are virtues that bring their own reward. The sale of fortified wine, which is a deadly intoxicant, should not be permitted.

29. LOTTERIES AND GAMBLING

We ask for the strict enforcement of the law against lotteries, whether foreign or domestic, and oppose gambling in all its forms.

30. PRICE MAINTENANCE

The Grange urges the prompt repeal of the Federal statute to legalize resale price maintenance contracts.

31. REGISTRATION OF ALIENS

Since there are about 7,000,000 aliens in the United States who have manifested no intention of becoming naturalized, and since it is estimated that not less than 500,000 of these came to our shores illegally, with many burdening the relief rolls, the Grange advocates legislation calling for the registration of all immigrants, with the payment of a proper fee. Those who refuse to become naturalized within a reasonable length of time, together with those who have entered the country illegally, should be deported.

32. UN-AMERICAN ACTIVITIES

We favor the continuance of the congressional committee investigating un-American activities, with an adequate appropriation to defray its expenses.

33. STATEHOOD FOR HAWAII

The Grange reaffirms its opposition to the proposal for granting statehood to the Territory of Hawaii.

34. TRADING IN FUTURES

The Grange is opposed to gambling in the necessities of life and advocates the vigorous enforcement of the Commodity Exchange Act of 1936.

35. WOOL TRADE INVESTIGATION

We favor the continuance of the Senate special committee investigating practices and conditions in connection with the wool trade.

36. NOXIOUS WEED CONTROL

We favor cooperation between the States and the Federal Government in a vigorous campaign for the control and eradication of noxious weeds.

37. WORLD PEACE

We earnestly advocate that the Government of the United States exert every effort to promote peace and good will among nations. While favoring adequate national defense, we believe in a sound neutrality policy that will save America from becoming entangled in foreign wars of greed, hatred, and aggression, and which are no direct concern to us.

We reaffirm our position in favor of taking the profits out of war. In the event of future armed conflict, wealth as well as manpower should be conscripted.

The manufacture of armaments and munitions for national defense should be taken over by the Government in time of war.

Wage-Hour Law

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Wednesday, February 1, 1939

EDITORIAL FROM INDIANAPOLIS TIMES OF JANUARY 25, 1939

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial from the Indianapolis Times of January 25, 1939, entitled "A Real Wage-Hour Case."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Indianapolis Times of January 25, 1939]

A REAL WAGE-HOUR CASE

The largest pecan-shelling company in the country said it couldn't afford to pay its shellers the minimum wage of 25 cents an hour. It asked permission to hire 2,500 to 3,000 "learners" over a 3-month period at 15 cents an hour.

An examiner of the Labor Department's Wage-Hour Division conducted an investigation and hearing. He found: (1) That, far from being impoverished, this company cleared $500,000 profit in a recent 2-year period; (2) that its shellers, working on a contract piece-rate basis, had been earning from $2.50 to $3.50 per week, "under shocking living and working conditions," and had been required to depend upon public and private charity "to bridge the gap between their slender earnings and starvation"; (3) that the "learners" it intended to employ at the cut rate were these same experienced workers, and, though machinery was to be installed, the sheller's work would be essentially the same; and (4) that an experienced hand sheller can attain maximum efficiency in a mechanized plant in a week or less.

So the examiner recommended, in vigorous language, that the company be denied permission to pay less than the 25-cents-per-hour minimum.

In this case we see the wage-hour law accomplishing in a real way the real purpose for which it was enacted. The exploited Mexican men, women, and children who shell pecans in San Antonio are, because of the workings of this law, to be given an opportunity to earn a wage that will meet at least their minimum requirements of living.

Freedom of the Press

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1939

RADIO ADDRESS BY HON. HAROLD L. ICKES, JANUARY 12, 1939

Mr. PATMAN. Mr. Speaker, permission having been granted, I am inserting herewith a copy of an address delivered by Hon. Harold L. Ickes, Secretary of the Interior, in his discussion of Voluntary Servitude on the Town Hall of the Air program over the network of the National Broadcasting Co., from New York City, January 12, 1939, as follows:

Have we a free press in the United States? It is as free as it wishes to be. So far as Government control is concerned, the American press is free. No Federal law, no State law, interferes with it. As a matter of fact, the American Government annually pays an enormous subsidy to the press in the form of less-than-cost postage rates. This subsidy in 1936 amounted to some $90,000,000.

Yet while the American press is free so far as the Government is concerned, it is nevertheless far from free. In 1924 William Randolph Hearst admitted that the influence of the press was declining "because so many newspapers are owned or influenced by reactionary interests and predatory corporations, and are used selfishly, to promote the welfare of those reactionary interests, rather than the welfare of the public."

And the late Arthur Brisbane said: "Newspaper success today means great wealth, and the rich man * * * 99 times out of 100, lets his money think for him. There are men owning newspapers in this country who could not be bribed by any amount of money outside of their own pockets. But the money in their pockets edits their editorial columns every day."

There are several great newspapers in the United States for which I have a profound admiration, but even they are not wholly free. Their vast financial investment, running high into the millions, binds them closely to the business world from which they draw their sustenance. Freedom is impossible, even for a publisher with a sense of civic responsibility or an editor with noble ideals, when the counting office holds the whip hand.

The nearest approach to a free press in the United States will be found in the small-town newspaper which does not owe money at the bank. The freest editor I know is William Allen White, of the Emporia (Kans.) Gazette. If he were speaking with me tonight, it would not be a debate, because both of us would be on the same side. William Allen White knows that the press is not free. He has said so.

I am glad that I am to discuss this question with Mr. Frank E. Gannett, owner of a chain of 19 newspapers and 3 radio stations. At first I was sorry that Col. Robert R. McCormick, of the Chicago Tribune, had, characteristically, refused to share the platform with me. It is understandable why the Morning Colonel of Chicago should be reluctant to defend his publication against the frequently made charge that it is the lowest form of newspaper life.

Mr. Gannett ranks above the average among American publishers. Therefore, if it can be shown that freedom of the press does not exist for the Gannett newspapers, any conclusions drawn from that fact may fairly be applied to the American press generally.

What are the chief accusations which the American people make against the American press?

First, that it has financial affiliations, or is subject to financial pressures, which limit its freedom. Metropolitan newspapers in particular are part of the financial oligarchy that is trying to rule America.

Second, that it is subject to the influence of advertisers, causing omission, distortion, or improper slanting of news, and affecting its editorial opinions.

Third, that it is unfair to certain groups of citizens, especially workingmen, whose interests conflict with those of the newspaper or its financial backers or its advertisers.

In the few minutes at my disposal I cannot begin to cover the subject, even in relation to the Gannett newspapers. On another occasion I hope that I will have sufficient time to present the great mass of material that I have.

First, let us consider secret financial entanglements and outside controls. The Federal Trade Commission has reported the amazing story of a propaganda fund, amounting to $25,000,000 a year, by means of which the power interests had filled the newspapers of the country with articles and editorials hostile to Government ownership of public utilities and opposing public development of water power. Incidentally, the man who was in charge of the distribution of this propaganda money was Merlin H. Aylesworth, now the publisher of the New York World-Telegram.

The Federal Trade Commission also disclosed that the power companies were buying concealed financial control of newspapers all over the country, or were making secret loans large enough to bring the publisher under the thumb of the powerful utility interests.

I shall cite one item. In April 1929 the Federal Trade Commission found that the International Paper & Power Co., a half-billion-dollar corporation which derives from 65 to 75 percent of its revenues from the sale of power, owned all of the preferred stock and 30 percent of the common stock of the Knickerbocker Press and the Albany Evening News, as well as a sizable share of the Ithaca (N. Y.) Journal-News. These papers were, and still are, Gannett properties. Following this disclosure, Mr. Gannett hastened to refinance.

I ask you, during the time that this Paper & Power Co. had a very large interest in the Gannett newspapers, was Mr. Gannett free? Was he free to discuss any question affecting the wood-pulp or the water-power industry on its merits? Did he tell his readers, when he wrote editorials against Government ownership of power, that he was in hock to the power interests? If Mr. Gannett had not regarded this as a questionable connection, why was he in such a hurry to refinance after the Government disclosure?

It may be claimed that Mr. Gannett simply has a peculiar modesty about disclosing his financial backers. The same trait was to show itself later when he was asked to tell who were showering money upon his National Committee to Uphold Constitutional Government.

Now for the second item in the indictment brought by the people against the American press, that it is subject to the influence of advertisers, or rather of advertising, since this influence is usually impersonal.

This is a fact so well known that it hardly needs discussion. If you should go to a working newspaperman and say to him, "Newspapers are not influenced by advertising, are they?" he would be likely to reply, "Where have you been since you learned to read?"

I wish that I had time to place before you even a small fraction of the evidence that exists of the control of the press—not by the direct demands of advertisers—but the indirect control that does not have to be put in words. I ask each person listening to me: Did you ever read a story in a newspaper about an elevator accident in a department store that was written and displayed on the basis of its news value? Of course not, and you have never read anything in a newspaper about the low wages of retail clerks, except in 10-cent stores which do not advertise.

The suppression and distortion of news for fear of losing advertising is one of the gravest crimes against our democracy.

It is not easy to put your finger upon violation of the principles of a free press by the methods commonly employed—suppression and distortion of news, playing it down, burying it back of the want ads, or use of misleading headlines. Occasionally, however, outside control comes out into the open. This happened in the unscrupulous campaign of the patent-medicine interests and the manufacturers of poisonous cosmetics to prevent the passage of the amended Pure Food and Drug Act. When this bill was introduced in Congress in 1933, the advertising agencies of the country sent out orders to newspaper publishers to get busy and kill the proposed legislation. And the newspapers vied with each other to see which could show the most devotion to the makers of impure drugs and poisonous cosmetics.

I wonder if Mr. Gannett will tell you of the part he played at that time? Early in the campaign he published a full-page announcement that his newspapers had placed a speaker against the bill on the program of the New York State Federation of Women's Clubs. Why did he do this? It was good business. Never fear, that full-page statement undoubtedly was mailed to every big advertising agency and every big cosmetic and drug advertiser in the country. And Mr. Gannett, I repeat, ranks above the average among American publishers.

Now for the third charge against the American press—that it abuses its freedom by discriminating against groups of citizens not powerful enough to defend their rights. A few days ago I received a letter from a resident of Rochester, N. Y. It told how, during a bakery strike in 1937, the Gannett papers refused to state the case of the striking bakers. Finally the union decided to run a paid ad.

This was flatly refused by the Gannett management. Yet just before this, during the auto workers' strike in Detroit, both Gannett papers in Rochester ran full-page ads giving the General Motors' version of that strike.

This is how the American press uses the freedom which is guaranteed to it by the Constitution, and which the taxpayers subsidize to the tune of $90,000,000 a year. General Motors may state its case. Union bakers may not. But if you should ask the publishers of American newspapers whether distortion or suppression occurs, or whether headlines reflect bias, with honorable exceptions, they would answer, "Oh, no; no, indeed."

On the subject of the rejection of advertising by newspapers, I should like to mention the case of George Seldes' recent book, Lords of the Press, a well-documented indictment of certain newspaper publishers and their practices, a book, by the way, that all should read. The New York Herald Tribune refused an advertisement of this book and most other newspapers refused to review it. Another indictment of our plutocracy met with a similar fate. I quote from a letter from William A. Greene, of the New York Herald Tribune, to William Gowen, of the Hudson Advertising Co., of New York City. Mr. Greene said: "The censorship department of the Herald Tribune has decided that they will take no more advertising copy on the book America's 60 Families."

Gannett himself criticized President Roosevelt for his assertion: "I have always been firmly persuaded that our newspapers cannot be edited in the interests of the general public from the counting room." Yet in the same statement in which he criticized the President, Gannett admitted that—I quote—"a generation ago, when newspapers were weak financially and living from hand to mouth, all sorts of subsidies were accepted to keep the paper going." This is a significant admission. I wonder whether Mr. Gannett can distinguish between an outright subsidy and domination by advertisers?

Recently Mr. Gannett sent a questionnaire to the editors of all daily newspapers in the United States asking them 11 questions about freedom of the press. The answers were intended to confound me tonight. I thank Mr. Gannett for his happy thought. Some of the editors sent their replies to me instead of to Mr. Gannett, incidentally asking me to keep their names secret, so great is their fear of the big interests whom Mr. Gannett is known to represent.

From lack of time, I am going to read to you how only one of these editors answered Mr. Gannett's questionnaire, so that you may draw a distinction between an honest and civic-spirited journalist and the timeservers. I have no doubt that Mr. Gannett will announce the pious, self-serving replies that he must have received from other members of his packed jury.

Question 1. Do you feel that news handling on your paper is influenced by business office ideas?

Answer. "Positively yes. Otherwise we would go out of business."

Question 2. Is the editorial policy of your paper dictated by business considerations?

Answer. "Certainly."

Question 5. Does your paper attempt to handle political news thoroughly and regardless of your editorial policy?

Answer. "No. We dare not."

Question 6. Are headlines slanted toward editorial policy of your paper?

Answer. "Yes; where business interests are involved."

Question 7. Do you think newspapers are better or worse than when you first began newspaper work?

Answer. "They are worse journalistically."

Question 8. Do advertisers influence your editorial policy or news policy?

Answer. "In almost all instances."

Question 9. Do you suppress news of any kind because of outside pressure?

Answer. "Frequently we are forced to suppress editorials and news."

Question 10. With your experience do you feel that our newspapers' first considerations are to the public welfare?

Answer. "No; their first consideration is income."

Question 11. Do you think we have a free press in America?

Answer. "Collectively, no. A few papers are free, especially if free of debt. Metropolitan newspapers serve their financial masters."

Let me call attention to a remarkable fact about Mr. Gannett's questionnaire. In all his 11 questions there was not one on whether freedom of the press had been denied or restricted by the Government. You would naturally suppose that to be the matter of interest, especially if you recall how the American Newspaper Publishers Association raved about freedom of the press when the Government undertook to stop the exploitation of child labor and to protect the right of reporters to bargain collectively for a civilized standard of wages and hours. Yet Mr. Gannett asked not one question about the attitude of government toward freedom of the press. Why? Is it because he knows, as Mr. Chester H. Rowell, one of the outstanding editors of America, has expressed it, that "if there is any danger to the freedom of the American press, that danger is internal."

Against repeated and continuous violation of the freedom of the press by the publishers the Government can do nothing. The Supreme Court has upheld the right of newspaper editorial workers to organize for collective bargaining, but do the newspapers tell the American people how they are defying that Supreme Court decision today? Did you read recently in the newspapers how employees of William Randolph Hearst broke the heads of reporters and editors in the greatest newspaper strike that ever occurred in the city of Chicago? There isn't one person in a hundred in the United States who even knows that such a strike is going on.

I do wish to emphasize that it is not my intention to bring an indictment against the press as a whole, but I charge, and the record will bear me out, that while as to Government regulation and control the press of America is free, it is not, because of its own financial and economic tie-ups, what it should be—a free servant of a free democracy.

The lack of a free press in America is the most serious threat confronting our democratic government and our social order. It appears to be up to the publishers, through Mr. Gannett, to tell us how to free our press from the shackles that they and the financial power of private interests have put upon it.

A Permanent P. W. A.

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1939

Mr. RANDOLPH. Mr. Speaker, in the first Public Works Act is found the phrase "the construction of projects to serve the interests of the general public," and in practically all of the P. W. A. acts occurs the phrase, "to increase employment by providing for useful public-works projects."

This has been the story of the Public Works Administration for the past 6 years. It has fostered and helped finance the greatest construction program in history, adding $2,500,000,000 to the visible wealth of the Nation. It has been responsible for the emloyment of hundreds of thousands of men at construction sites. It has originated huge orders for materials, creating employment for additional hundreds of thousands of men in the heavy-goods industries. The spending of their pay rolls has aided the consumers' goods industries.

P. W. A. DOING GOOD

I am of the firm belief that any agency that contributes such widespread benefit to the Nation, as has P. W. A., should be made a permanent part of the Federal Government. That such a place in our Federal structure should be made for a permanent P. W. A. is recognized on all sides. I quote part of an editorial which appeared in the Washington Sunday Star of January 1, 1939:

It was with evident satisfaction and justifiable pride that Administrator Ickes reported to President Roosevelt that the latest public works program, involving expenditure of more than one billion and a half dollars, has been completely transformed into contracts within the dead line which was passed last night. The consummation of such a task in 6 months is an administrative achievement that would have been regarded as almost impossible a few years ago. It is proof that Mr. Ickes has built up an organization that has treated Government spending as an exact science, and to the taxpayer this is important, because it means increased efficiency and reduced waste.

Completion of the 1938 phase of P. W. A. activities naturally revives speculation as to the future of this outstanding New Deal recovery agency. Already there has been agitation in some congressional quarters for a permanent P. W. A., and it has been rumored that Mr. Roosevelt is inclined to support such a proposal. The movement for continuing the Public Works Administration as an integral part of the Federal machine contrasts sharply with the rising demand for reform if not abolishment of the radically different spending agency, the Works Progress Administration.

Public works projects * * * have long been recognized as legitimate governmental measures in times of economic depression. Having had them before this administration, it is logical to believe the country will find them useful in the future. Since emergency public works have become so firmly established in the Federal realm, it might not be a bad idea to keep permanently in the departmental set-up the nucleus, at least, of such an experienced, smoothly functioning organization as Administrator Ickes had developed after many difficulties. Its talents could be used to good advantage in several fields when times are prosperous, and, like the military services, it would be prepared to swing into action at a moment's notice when emergencies arise. The proposal surely merits serious consideration.

COOPERATES WITH CITIES

The Public Works Administration is known, by its projects, in 3,069 out of the 3,071 counties in the country. It has

made itself felt in nearly every phase of our national economic life. By encouraging towns, cities, counties, and States to make long-desired local improvements with the aid of P. W. A. loans and grants, the educational, health, sanitation, social, and transportation improvements have been stepped up 10 years. For example—the total capital outlay for schools in 1926 was $400,000,000. In 1932 it had dropped to $200,000,000 and had further decreased in 1933 to $100,000,000. From 1934 through 1938, P. W. A. school construction alone amounted to $1,130,000,000, or an average of $225,000,000 per year, and the communities have borne the major share of the construction of over 7,000 school and college buildings as well as additions and improvements. But there is yet much to be done in bringing the housing standards for the Nation's school population to a proper degree of efficiency.

Almost equally important has been P. W. A.'s share of water-works construction during the past 5 years. It has been estimated that about one-fifth of the population living in 2,086 communities, large and small from coast to coast, will enjoy the benefits of $261,500,000 worth of new or improved water systems made possible through P. W. A. Approximately 70 percent of the water system projects have been completed and are in operation and the balance, including the 1938 allotments will be substantially completed within the next 12 months. Although several are in large metropolitan centers with costs running into millions, P. W. A. estimates that the average cost of the 2,086 projects is $125,356 and the population of the average community served is under 10,000.

I could go on indefinitely pointing out the merits of the Public Works Administration through its aid to sewer systems and sewage disposal plants; hospital and institutional construction; flood-control and harbor-improvement work; highway and bridge building; the erection of civic improvement including city halls and courthouses, community buildings, and recreational centers. This is all so evident. The Public Works Administration has demonstrated, beyond all question of a doubt, its efficiency. Its record in putting into operation the huge 1938 program from the receipt of over 12,000 applications to the getting under construction, in a period less than 6 months, over 8,000 Federal and non-Federal projects is nothing short of a miracle. And its effects were demonstrated in the upward swing of the employment curve and in the production of steel, cement, brick and tile, plumbing, lumber, fabricated steel and iron products, paints, electrical machinery, tools, trucks, furniture, paving materials, petroleum products, and hundreds of other items making up the business backbone of the Nation. All of this has been done with a streamlined, closely knit organization.

CONGRESS SEES NEED

The desirability of establishing a permanent policy for public works and a permanent bureau or department of government to carry out this policy has been recognized in the Congress. The Senate recently received the report of the Special Committee to Investigate Unemployment and Relief, headed by Senator BYRNES. This report had, as a fundamental thesis, the necessity of establishing a permanent program of public works for the Federal Government. The committee pointed out after thorough study of the situation that there should be no competition within the Government regarding works programs, but that a well-defined policy covering the type of work done by P. W. A. should be adopted. This committee recognized the value of permanent public works.

The Senate recently took another step in this direction when it adopted the Mead resolution calling upon P. W. A. to report on the number of applications it has pending before it. Study of these applications will show that the country wants public works in quantity and that such a continued program could best be administered by a permanent organization.

BALANCE SHEET SHOWN

P. W. A. should, I repeat, be retained and made a part of the permanent machine of Government. As further evidence of the broad scope of the P. W. A. program, I submit P. W. A.'s "balance sheet" for the 5 years ending December 31, 1938. It follows:

What P. W. A. has done—as of Dec. 31, 1938

[NIRA, ERA'35, ERA'35 supplemental, FDA'36, PWAE'37, and PWAA'38 programs (exclusive of Federal Housing projects)]

P. W. A. has allotted funds for public works in 3,069 of the Nation's 3,071 counties for:	
15,925 Federal projects under NIRA costing	$1,567,014,445
1,887 Federal projects under PWAA'38 costing	199,999,207
3,735 non-Federal projects under NIRA costing	1,310,741,058
3,804 non-Federal projects under ERA'35 and supplemental costing	792,878,629
1,768 non-Federal projects under FDA'36 costing	393,486,801
1,191 non-Federal projects under PWAE'37 costing	261,127,197
6,211 non-Federal projects under PWAA'38 costing	1,426,768,351
34,521 projects costing	5,952,015,688
Projects completed or under construction:	
25,840 projects completed costing	3,464,515,332
8,365 projects under construction costing	2,420,289,058

Contracts have been awarded[1] on cost:

	Percent of total	
Federal projects under NIRA	99.9	1,565,014,445
Federal projects under PWAA'38	98.3	196,699,207
Non-Federal projects under NIRA	99.8	1,308,081,858
Non-Federal projects under ERA'35 and supplemental	99.9	792,358,629
Non-Federal projects under FDA'36	99.9	393,323,165
Non-Federal projects under PWAE'37	99.8	260,539,697
Non-Federal projects under PWAA'38	98.7	1,407,619,668
Total	99.5	5,923,636,669

There has been spent on P. W. A. projects:	
For wages	1,250,022,062
For materials	2,304,207,335
Other expenditures	612,510,811
Total	4,166,740,208

Man-hours of employment provided by expenditures:

	Total man-hours provided to date
1. At site of construction	1,675,944,308
2. Production of raw materials, transportation, and fabrication (ratio of hours of employment shown in item 2 to those shown in item 1 is 2½ to 1 as established by studies by the Bureau of Labor Statistics, Department of Labor)	4,189,860,770
3. Supplying demands for consumers' goods and services	3,351,888,618
Total	9,217,693,694

[1] Includes force account.

Production of Fats and Oils in the United States

EXTENSION OF REMARKS

OF

HON. SAM HOBBS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1939

Mr. HOBBS. Mr. Speaker, please allow me to revert to the discussion of factors which retard and depress the production of essential fats and oils in the United States. On three previous occasions I have shown how the farmers producing cottonseed have been denied a fair price for their product by reason of imports of very cheap oils, fats, and oil seeds. The loss so caused has contributed greatly to the economic depression still afflicting the 13 southern cotton-growing States.

Now, I wish to present the facts which prove that another great farm product—the soybean—has been similarly affected by the same causes. Millions of farmers, north, south, east, and west, who could engage in soybean production

have been unwilling to do so because profit has been impossible in this unfairly competitive market. The very same influences which have kept the prices of cottonseed too low have operated to keep the prices of soybeans at similar levels. This has prevented what at one time seemed to be a strong and substantial future for the soybean industry in the United States.

The soybean is a comparative newcomer in American agriculture. It is a crop which holds out great promise both agriculturally and industrially. Its range of cultivation is such that agronomists say that it can be successfully grown in large areas of cotton States, as a crop to replace cotton, and also in most of the cooler regions of the North, from the Atlantic to the Pacific. Brought to us from China, it has been hailed here, as it is known to be in that older country, as one of the most valuable agricultural products known to man.

But the experts' report on soybeans in the United States shows that it has had a difficult experience in our agriculture. Only since 1930 has its production passed the 10,000,000-bushel mark, and only in the past 4 years has this advanced to the 20,000,000-bushel mark, although commercial cropping dates back to World War days. Of this production approximately nine to fourteen million bushels are used on farms for seed or feed, so as an oil producer—as a supplement to bring up our national production for oil and fat sufficiency—soybeans have very evidently been suffering from some substantial handicap or difficulty.

That difficulty lies entirely in the unfair competition against soybean oil by foreign oils and fats. When this competition is removed—as I believe it should be—there is every reason for belief that this crop will come forward and increase in volume of production until it can give farmers a profitable crop for millions of acres of land now unprofitably used.

The oil from soybeans is the most nearly universal oil of any vegetable production. For that reason it is subject to the greatest volume and variety of competition.

The publications of the Census Bureau show that of 194,000,000 pounds of domestic soybean oil produced in 1937, there was used in various products the total of 178,500,000 pounds, divided between compounds, vegetable shortening, oleomargarine, salad dressings, soap, and paint. Not less than 10,000,000 pounds was used in any one use, and as much as 90,000,000 pounds was used in lard compounds and shortenings, and 31,000,000 pounds in oleomargarine. In other words, although soya oil can be used as a drying oil for paints and varnishes, it is capable of use in the very best of edible products, and at the same time millions of pounds are used in soap manufacture and miscellaneous other industrial uses. For this reason every kind of imported oil competes with soybean oil. It is subjected to the heaviest competition of any domestic oil.

This competition starts in with palm oil, now selling at our coast down to 2.75 cents a pound, and runs through the whole gamut of cheap coconut oil, cheap palm kernel oil, babassu oil from Brazil found on the free list, Japanese fish oil, and many other minor oils all of which are being offered in our markets at prices so low as to cause domestic fisheries and all other competitors grave losses. All these products beat down the prices of domestic oil, particularly of soybean oil.

The oppressive character of this competition is clearly shown by its effect on soybean production, and on the manufacture of soybean oil and the prices of this oil in the United States in the past 6 or 8 years. Real growth in bean and oil production was first in evidence in 1931, caused by the good prices in 1929 and 1930. Cheap prices of imports in 1932 and 1933 forced domestic prices down until 1934. Production of soybean oil declined until the end of 1933.

In 1934 temporary help was secured by the imposition of the import excise taxes on numerous oils. Production and prices of soya oil advanced through 1935–36 season. New and much more severe foreign competition then began, and the production and prices of soyas dropped severely for the 1936–37 season.

The 1937–38 season was neither large nor satisfactory, although final figures are not available. Losses have been large, though not as great as in the cottonseed industry. However, without the help of proper control of all competing imports, the situation today and for the future in the soybean industry is far from bright.

Farmers of North and South, plagued by surplus crops, are looking for a substitute to occupy their fields and make them some small profit. Here is the greatest possible substitute, soybeans, whose oil can be used by American industry to the amount of a billion pounds a year. Yet the farmers and the processors are unable to move successfully in this direction because of 2.75 palm-oil imports, and babassu oil at 5½ cents a pound and other cheap imports. Soybean oil today is selling below 5 cents a pound and this is one reason for the low price of cottonseed oil. All this is due to the cheap imports, neither needed nor used, which continue to reach this market in quantities averaging thousands of tons a day.

The Life and Character of Robert Edward Lee

EXTENSION OF REMARKS

OF

HON. GEORGE M. GRANT

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1939

ADDRESS BY MRS. L. M. BASHINSKY, JANUARY 19, 1939

Mr. GRANT of Alabama. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following address on the life and character of Robert Edward Lee delivered by Mrs. L. M. Bashinsky, past president general of the United Daughters of the Confederacy, at the State Teachers College in Troy, Ala., on January 19, 1939:

In a retrospective study of mankind we will find that there have been many men who thought themselves great; not an inconsiderable number whom others thought great; but few, indeed, who were really and truly great.

It is a false standard of greatness to measure it solely by successful achievement. What we deem great achievements are not infrequently the mere result of fortuitous circumstances unattended by any of the higher and nobler elements of personal effort and self-sacrifice. True greatness never depends upon circumstances or environment; never waits upon opportunity; never becomes a suppliant at the feet of Fortune.

Greatness is the very essence of immortality, and will reflect itself through shadow as well as through sunshine, through adversity and prosperity, through failure as well as success. In truth, 1 great character is worth more to the world than 10,000 great achievements. Its reach is from horizon to horizon; its power and influence sweep away the sordid aims of life, lift us above a selfish world, and fill our hearts with the music and harmony of the spheres. We are assembled today to pay tribute to such a character—Robert Edward Lee.

On January 19, 1807, 132 years ago, a great soul beamed like a morning star upon a troubled and troubious world. During this century of lofty endeavor, marvelous progress, and prodigal achievement, no greater single moral force has arisen to inspire the lives of men than the life and character of Robert Edward Lee.

Today the hearts of thousands throughout the American Republic are lifted in a sacrament of remembrance as they bring their tributes of gratitude to the memory of Robert E. Lee—soldier, statesman, scholar, saint—symbol of all that gave sweetness and strength to the civilization of the Old South. A deathless spirit, hovering over this Republic—at once a benediction and a battle cry, calling the descendants of the great past to the building of a greater future.

It is not alone a regional reverence that bows before the shrine of General Lee's spirit today. Neither his beloved Virginia nor the South to which he gave the full measure of a magnificent consecration can monopolize his memory. He belongs to the Nation.

General Lee was the offspring of patriots. The blood of his heart and the spirit of his life was that of a patriot. His ancestors, both paternal and maternal, were thoroughly imbued with the spirit and genius of our institutions and were largely instrumental in freeing this people from British despotism and forming this Government into "a perfect Union of the States." He was the son of "Light Horse Harry" Lee and a nephew, on his mother's side, of Richard Henry Lee, who introduced into the Continental Congress that resolution which started liberty's torch to burning and led finally to

the Declaration of Independence. He married the great granddaughter of Martha Washington. Thus by birth he was a child of the Republic and the heir of civil liberty. His love for the Union was cemented by marriage and all the influences and environments of his life, but strengthened the chords which drew his heart and mind away from thoughts and acts of oppression and bound him more closely to the ideal dream of this ideal Republic, the absolute independence of the Government, the sovereign rights of the States, and the personal liberty of the people.

He was born at a period when the Republic in its infancy was struggling to maintain its life and integrity and to obtain the mastery over all forms of governmental usurpation and political vassalage. His early life was spent near the eastern shores of Virginia amid scenes of political turmoil and warlike activity. The martial spirit of those days quickened his interest and determined the course of his future life. As a result we find him at the age of 18 a student at the Military Academy at West Point equipping himself for the stupendous life work which awaited him. He graduated second in a class of 47 after pursuing his 4 years' course without a demerit or a single lapse in duty.

Full panoplied as a soldier and man, he now entered upon a career that was to crown his life with glory and bring immortality to his name. After a few years' faithful labor in the engineering department of the Army he was, for the first time, confronted with the actual realities of warfare upon the outbreak of the Mexican War, and his name was for the first time conspicuously written in history at the siege of Vera Cruz. His bravery and masterly conception and execution of military science was so pronounced during the campaigns of this war, that his commander, General Scott, declared him to be "the greatest military genius in America." He was wounded upon the field of Chapultepec but the flow of his blood seemed only to strengthen his dauntless spirit and unyielding purpose and he stood by his commander and valiantly did his duty until he fell exhausted from the loss of blood.

After the close of the Mexican War, he served as superintendent of the National Military Academy, West Point, for 3 years, 1852–55, one of the coveted posts of the Army. It was a notable appointment, at a younger age than most men receive it, opening to him the broad road to advancement. His diffidence and modesty in accepting this position is extremely characteristic. "I learn with much regret that the Secretary of War has assigned me to that duty, because I fear I cannot realize his expectations in the management of an institution requiring more skill and more experience than I command." Under his direction the discipline of the Academy was made more efficient, a spacious riding hall constructed. He had a kind of passion for building, improving, and strengthening. Colonel Chesney, after a week spent at West Point, stated that the efficiency of the courses of study and discipline were never more remarkable than during the 3 years of Lee's administration as superintendent. This period is also to be remembered for a portrait of Lee by R. S. Weil, professor of drawing and painting.

Next, we see him in his saddle in the far West, where for 4 years he carried on an active and dangerous warfare with the hostile Indians.

Unwittingly, and acting in line of duty, Colonel Lee struck the blow which probably hastened the sounding of the tocsin of war in 1861 when in 1859 he was detailed to command the body of militia which routed John Brown from his stronghold at Harpers Ferry.

This briefly portrays the most important incidents in the life and career of General Lee prior to the act of secession. I have outlined them for two purposes:

First, to show that birth, education, marriage, personal interest and inclination, official and military affiliation, and promise all bound him closely to the Union and lured him away from the southern side of the controversy; and then to show in all of its fullness the marvelous character and transcendent qualities of the man, when he relinquished fortune, spurned fame, sacrificed all, and immolated himself for a principle. The position of commanding general of the Union Army was proffered to him, and every inducement and allurement that could be extended a selfish and ambitious man was offered him by the North, but he cast his destinies with the South. The South's cause needs no stronger justification than the mere fact that Robert E. Lee led her forces and went down in physical defeat only to rise as the hero of an immortal moral victory and become the uncrowned king of free men. This decision of Lee, made under the circumstances it was, is to my mind one of the sublimest acts ever recorded of man.

The life and character of Robert E. Lee stand out against the world like some great mountain promontory. No shifting thought or varying sentiment can obscure its grandeur; no cloud of adverse criticism can dim its luster. No honorable man has ever criticized the conduct of General Lee or impugned his motives; no intelligent man will ever deny to him a place high up among the foremost in the temple of fame. His rank as a soldier is fixed and secure, and he cannot be dislodged from the highest pinnacle of martial fame by any warrior of any time.

Lord Wolsely, the great English general, pronounced him "the greatest of American generals." Theodore Roosevelt declared him to be "the greatest captain the English-speaking people had produced." General Scott declared him to be "the greatest military genius in America," and the statements of Generals Pillow and Shields gave confirmation to these expressions. We believe it could be said, without violating truth, the greatest of all generals. "He was a Caesar without his ambition; a Frederick without his tyranny; a Napoleon without his selfishness; a Washington without his reward." He was as obedient to authority as a servant and as royal in authority as a king. He possessed in a rare degree that combination of qualities which alone makes great leadership—the detachment of the judge and the attachment or devotion of the crusader.

Unlike so many who have been accorded fame, it was no single act of his that marked him for preeminence, but his worth was reflected in every impulse of his heart and every act of his life, all covering and crystallizing with confluent splendor to shine in one lustrous whole. In the firmament of life, he moved in an orbit all his own, the course of which has never been paralleled. His life was an epic; his memory an inspiration; his name immortal.

Any contemplation of his life and character must, of necessity, be dual, because the elements of the soldier are so interwoven and blended with the qualities of the man that we cannot separate the soldier from the man, nor the man from the soldier. Assuming command of soldiers undisciplined and untutored in the tactics of war, he soon converted disorganized efforts into concerted purpose and brought stability of system out of chaotic confusion. He infused into the hearts of his soldiers the same indomitable spirit and patriotic enthusiasm that dominated his life and purposes. He inspired confidence, impelled respect, and was the object of a soldierly devotion, the like of which was never seen before. What was there in the heart of this man that so drew to him the hearts of all other men? It was character. Character formed, character lived, character impressed, character transfigured in beauty, and transcendent in power. No man has ever lived whose life and conduct so deeply moved the hearts of his people. His name, inscribed upon the tablet of fame and brightly shining above the immortals, stands as the incarnation of right against might; stands as the dauntless and undaunted champion of the oppressed against the oppressor.

His masterful comprehension of the motives which actuated men made him the peerless leader he was. Then, too, he possessed almost to the degree of intuition that rare quality of making the right decision at the right time. This quality was manifested at Appomattox, when Lee forever sheathed his sword, and confided the cause so dear to his heart and the hearts of his people to a higher power and holier arbitrament than the sword. Knowing that he could resist longer, yet knowing too that longer resistance would be but to sacrifice the lives of those he loved, he chose at that unhappy but propitious moment, to yield to the overwhelming physical force, end the harrowing conflict, and stop the dreadful carnage of battle. Lee at Appomattox was a more inspiring picture than master hand has ever placed upon painter's canvas; his conduct a more heroic poem than was ever penned in song. The great storm of martial fury had at last shattered his ideals. The hopes and aspirations of his life had been swept away. A less courageous spirit would have sunk overcome with despair. Yet, steadfast and true, he emerged from it all with the light of heaven in his eyes, and a halo of glory about his head, and without bitterness and without rancor, he turned his thoughts and bent his energies to the rehabilitation of the South, the promotion of the welfare of his people, and the education of the youth of his country. In all history there is not a more sublime picture than that of Lee and his followers reorganizing their shattered ranks in the Valley of Defeat, and with faces turned toward another goal, marching forward to grander victories in peace than arms could ever hold. He felt that he had led his people to defeat in war, and if possible, he must lead them to victory in peace.

He was always in the prow of the boat with the spray of the future dashing against his face. When the conflict was ended, none was more careful to avoid doing anything that would tend to keep alive the memory of that tragic dissension; none more eager to do everything possible to clear away the debris of war. With the old order shattered and the new order waiting to be fashioned, none pleaded more earnestly than he that passion be allayed, that prejudice be dissipated, and reason restored that the Nation might focus its energies on the problems of the future. An Englishman of noble birth offered him a home with a splendid estate in England, a home fitting to his birth and station in life, but he declined the generous offer saying, "I am deeply grateful, but I cannot desert my native State in her hour of adversity, I must abide her misfortunes and share her fate."

He was great even in little things. He ennobled the trivial duties of life, and gave a charm to commonplace realities. What were the distinctive features of his greatness? There were two: His love of God and his love of man. He was a religious mind and a Christian heart, and no greatness can equal that which is inspired of Christ and reflected from the cross. But what more than all things else distinguished the nature of the man? Was it the strength of his military genius? Was it the equipoise of his strong mentality? I do not believe it was either of these. Great as they were, the quality which shone supreme in the man and marked him for preeminence, was the strength of his great soul, as expressed in his genuine humility, his fidelity to duty, his paramount sense of right, his utter abhorrence of all forms of injustice and oppression. Correct himself in thought and act, in his presence vice recoiled, evil withered, and virtue and truth bloomed radiant and fair. The purity of his life and the magnanimity of his character gave effulgence to his martial deeds and public service and made his,

"One of the few, the immortal names,
That were not born to die."

Today the soldier, the statesman, the scholar, the man beyond compare, is but a memory, but his knightly figure sits enthroned, and holds its everlasting sway within the hearts of all who love the great, the good, the noble, and the sublime.

May the contemplation of his character be ever an inspiration to us. May we emulate his virtues, try to grow into the likeness of his character, take him as our ideal, remembering that ideals to men are like stars to the sailor. We may never reach them, but if setting our eyes steadfastly upon them and following where they lead, we will be carried into the haven of our loftiest conceptions. We could commend to you and to all others, this, the greatest lesson of his life, that greatness is only goodness, and to be truly great, one must needs be truly good.

It is a beautiful part of nature that the sunshine of today is not limited in its beneficent effects to the day itself. For all time to come, the world will be better because the sun shone today. So a good life is never lost, but in its results, is eternal. Being dead, Lee yet speaks. Judging from his life and example, what would be his message to us today? Listen and heed. Let your ideals be fixed upon the glory and righteousness of your country; let its institutions be reverenced and cherished; be unwavering in your allegiance to its flag and eager to protect it from enemies from within and enemies from without. This do, not only in remembrance of your fathers whose courage was manifest alike in peace and in war, but as a pledge of your loyalty and devotion to the Stars and Stripes, and to our great Republic.

Title to Submerged Shore Property

EXTENSION OF REMARKS

OF

HON. MATTHEW J. MERRITT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1939

LETTER FROM THE COMMISSIONER OF PARKS OF THE CITY OF NEW YORK

Mr. MERRITT. Mr. Speaker, under leave to extend my remarks in the RECORD, I desire to incorporate in my remarks a letter which I have received from the commissioner of parks of the city of New York, Robert Moses, setting forth his views in opposition to Senate Joint Resolution 24, introduced by Senator NYE. The letter is as follows:

THE CITY OF NEW YORK, DEPARTMENT OF PARKS,
New York City, January 31, 1939.

Hon. MATTHEW J. MERRITT,
House of Representatives Office Building, Washington, D. C.

DEAR SIR: My attention has been called to S. J. Res. 24, introduced by Senator NYE, and which was referred to the Committee on Public Lands and Surveys.

This resolution recites:

"Whereas all such submerged lands below said low-water mark and within such 3-mile limit lying along the coast of the United States are asserted to be the property of the United States."

I am informed by distinguished counsel that there is no basis for such assertion of title or property right in the United States, especially with respect to any lands under water along the coast of New York State, and that the courts would not uphold such an assertion.

The trouble is that if such an assertion is made by the Federal Government, it throws a cloud on the titles of the State, its municipalities, and its citizens. Any businessman will agree that no private citizen would spend money to improve shore property for business or other purposes, and no lending institution would advance money for such improvements if the Federal Government claimed ownership of such lands. The mere threat of pending litigation would be enough to paralyze prospective improvements on lands adjoining or near the tidal waters of the State. It might take years before a final decision is arrived at which would clean up this question and, in the meantime, irreparable damage would be done.

The city of New York, under grants from the State, has tremendous investments in dock properties and in parks and playgrounds, which depend for their usefulness on the ownership by the city of the lands under water. Under my jurisdiction, much-needed improvements are being made every day on such lands. Our program for use of these properties for recreational purposes is seriously jeopardized by this extraordinary assertion by the Government that it, instead of the city, is the owner of the adjacent lands under water.

The State also has acquired large tracts of land adjoining tidal waters for the Long Island State Park Commission, of which I am the president, and has transferred jurisdiction of the lands under water adjoining such upland to the said commission to be improved for recreational purposes. While the more enlightened people must know that this claim of the Government can never be upheld, the mischief that is caused by such a claim by encouraging the opponents of this progressive program is incalculable.

I understand that last year there was a like resolution introduced which, because of opposition, was finally whittled down to apply only to oil deposits in lands under water in California. This really does not help us because if the Government can claim oil deposits, it can claim any other deposits, and its claim must stand or fall on the ownership of the land itself, and if this is good in one State, it is good in all States.

I trust that you will do all in your power to prevent this vicious claim from being indorsed by Congress.

Very truly yours,

ROBERT MOSES, *Commissioner.*

William McKinley

EXTENSION OF REMARKS

OF

HON. HARRY N. ROUTZOHN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1939

ADDRESS BY HON. HARRY N. ROUTZOHN, OF OHIO, JANUARY 30, 1939

Mr. ROUTZOHN. Mr. Speaker, under unanimous consent granted me to extend my own remarks in the RECORD, I include an address I delivered at the McKinley Day banquet held at Dayton, Ohio, on Monday evening of this week, January 30, as follows:

In the 150 years of its history the people of our Nation have experienced three major crises. Out of the travail of the first there came forth a Lincoln. The second produced a McKinley.

Within a fortnight a grateful people will mark the date of Lincoln's birth, and the thoughtful will ponder well his precepts and example. It is eminently fitting that we tonight mark the birthday of McKinley and endeavor to glean from his life that which may enlighten and guide us through the present crisis.

William McKinley, the boy who was born 96 years ago yesterday in the little town of Niles, in eastern Ohio, and who was to become the twentieth President of the United States, was of wholesome, sturdy, middle-class working folks. There was Scotch, Irish, and English blood in his veins and the brawn of generations of hard work in his muscles. His people had been engaged in the business of getting iron ore out of the ground and extracting from it that metal which serves the sturdiest purposes of all the materials that come from the earth.

The house in which he was born was part residence and part store, for his people were neither rich nor poor. They were of that predominant middle class that has always been the backbone of the Nation. He was the seventh of nine children in the family. In the village of Niles he got plenty of that contact with his fellow beings that brings understanding of human beings and their problems and fitted him to be a great President for a great and prosperous people.

William McKinley went to the public schools of the village of Niles and to a Methodist-Presbyterian seminary in the village of Poland, to which the family later moved. During his eighteenth year he taught a country school for $25 a month, itself a classroom in democracy, and walked 5 miles morning and night that he might do so, working in his spare time at the village store. School teaching is admittedly an effective training in leadership. Much walking in the open is good for the health. Young McKinley had grown lusty and handsome. And the geniality and grace of the man had already asserted itself.

Then came the Civil War. The young school teacher immediately volunteered, entered the Army as a private. Four years he spent in the Army, participating in many active campaigns and desperate battles, and emerging at 22 as a major. What a build-up he was getting for the big things ahead! His commanding officer, Rutherford B. Hayes, who preceded McKinley to the Presidency, said of him: "The night was never too dark; the weather was never too cold; there was no sleet, or storm, or hail, or snow, or rain that was in the way of his prompt and efficient performance of every duty."

The young soldier studied law, practiced law, battled his way, step by step, through the mazes of politics that led to Congress, the Governorship of Ohio, the Presidency.

As a Congressman he was one of those men who conscientiously attend to all the duties which devolve upon them. He never neglected committee meetings or House sessions. He was known as a working Member among his colleagues in Washington, and among his people at home as a Representative who looked with scrupulous care after the varied wants of his constituents.

As Governor of the great State of Ohio he gave an administration unsurpassed for efficiency and integrity in office, thereby proving in advance his fitness to become the Chief Executive of the Nation.

As President he led the people out of the abyss of depression into the glorious sunshine of an unexampled prosperity and established the United States of America as a world power, foremost among the nations of earth.

It was in McKinley's first term that a very illustrative incident took place that stands out as marking an era in the development of the Nation. The Congress gave a demonstration in money spending that shocked the Nation. Congresses, please remember, are elected for 2 years. This Congress, in a 2-year period, made unprecedented appropriations. During the 2 years of its life it did a thing that has never been done before. It appropriated a billion dollars. It was proclaimed abroad as the billion-dollar Congress. It was the first billion-dollar Congress the Nation had ever known. The Nation was shocked at the profligacy of it. It clamored long and loud in denunciation. James B. Reed, of Maine, then Speaker of the House of Representatives, answered the clamor with an epithet, a single sentence, that went far toward quieting the criticism. Reed's answer was, "This is a billion-dollar country." It was a billion-dollar country, not in deficits but in yearly acquisition of wealth.

That was 40 years ago. The population of the Nation was a little more than half what it is now. It was prosperous and happy and well governed. It was spending $500,000,000 a year, $7 per person, which it regarded as far too much.

Now four decades have passed. A new spirit is abroad in the land. A new type of leader is in the White House. We are spending $10,000,000,000 a year, 20 times as much as we did in McKinley's time. We are spending each year $77 for each man, woman, and child. That is just 11 times as much per capita as we were spending in McKinley's time.

Perhaps the fact that, at the earlier date, we had as President of the United States a man of the people who had fought his way up through the tedious business of earning his way and at the latter date the same post is occupied by a pampered son of wealth with an irresponsible mania for pouring money into every rat hole that presents itself has something to do with the difference in the rate of spending.

The first inaugural address of President McKinley, read today, sounds as though it had been written to meet the situation that now exists. He says:

"The responsibilities of the high trust to which I have been called are augmented by the prevailing business conditions, entailing idleness upon willing labor and loss to useful enterprise. The country is suffering from industrial disturbances from which speedy relief must be had * * *. Economy is demanded in every branch of the Government at all times, but especially in periods like the present depression in business and distress among the people."

The idea of spending the Nation out of a slump had then not been born.

"The severest economy must be observed in public expenditures and extravagance stopped wherever it is found and prevented wherever in the future it may be developed. * * * The Government should not be permitted to run behind or increase its debts in times like the present. * * * A surplus in the Treasury created by loans is not a permanent or safe reliance." This is still President McKinley speaking in 1897. "The best way for a government to maintain its credit is to pay as it goes."

These, however, were the horse and buggy days. They were the days when it was considered moral to be a prosperous businessman. They were the days when the farmer was a free man and got along quite well, thank you, without surrendering his freedom of action to the dictates of brain-trusters who sought to make him dance like a mere marionette on the end of a string manipulated from Washington.

It is interesting to glance at the problems that were worrying President McKinley when he sent his message to Congress at the close of the year 1897. We had outstanding at that time an interest-bearing debt of $847,000,000, compared with the $40,000,000,000 of today, and he was worried about it. Hawaii was wanting to join the Union. The Five Civilized Tribes of Indian Territory were clamoring for self-government. There was yellow fever in several southern cities and we should make an effort to prevent its further invasion of the United States and to find out what caused it. A "noble treasure house of knowledge," a congressional library, had been proposed. Trouble with Spain over Cuba was in the offing.

In 1898 a war was fought, Cuba, Puerto Rico, the Philippines, Hawaii, came under the American wing, 30 forest reservations were created. The continuance of the gold standard—another "horse and buggy" idea—kept worrying the President. At all costs it must be maintained, he said.

The last year of President McKinley's life was one of great and abounding prosperity in the United States, one of fulfillment, of satisfaction. It abounded in the sort of things he liked, for his idea of the position of the Presidency was one of administration, one of keeping the ship of state on an even course, of allowing a great Nation to ripen as might a field of wheat and come into the abundance of its harvest. For him there was none of that seething for intellectual adventure, for novelty, for change, for experimentation. His ears were not open to that world of dilettanti who have panaceas to present. That a nation of people should become guinea pigs upon which vague and half-baked ideas might be tried out on the mere chance that some of them might work was for him an idea too fantastic for serious consideration. That the proven policies of a century and a quarter that had made the Nation great should be abandoned, not at the demand of the majority of people but upon the whim of an individual, to him would have been no less than madness.

McKinley would have measured a debt of $40,000,000,000 instead of facing with indifference its ever-increasing accumulation. He would have done the sort of thing we may do today—lay that sum alongside the value of a group of the States of the Union to see how big it is. He would have gone to Government figures for the basis of a comparison as we may go. The Government's statistical abstract today says that the total value of Texas, if we should start at the Rio Grande, is $9,400,000,000. We might sacrifice that toward payment of the debt. Then we might throw in Oklahoma which is worth $3,600,000,000. That makes $13,000,000,000. Arkansas and Louisiana together are worth $5,000,000,000; Mississippi and Alabama another $5,000,000,000. That makes $23,000,000,000. Tennessee, Georgia, North Carolina and South Carolina are worth an additional $15,000,000,000. That brings the figure up to $38,000,000,000. Now throw in Florida, which completes the sweep of everything below the Kentucky line between Mexico and Virginia, one-third of the United States, which is required to make up the value of the debt we have piled up. And the prospect ahead is for massing an added debt of $5,000,000,000 a year. Virginia will go into the hopper next year and West Virginia the next, and so on.

The valuation of the State of Ohio is given at $13,500,000,000. In the 8 years of his administration, President Roosevelt will have created as his own deficit an amount more than twice the value of the entire State of Ohio. What would McKinley have thought of this madness?

When President McKinley made the last speech of his life at the Pan American Exposition at Buffalo, on the very eve of being shot by a radical of the type seeking today to remold our governmental machinery, he demonstrated the soundness of his philosophy, the sanity of the views that had pulled him out of a depression instead of bringing on a relapse, and made such a success of his administration. Much of his speech is strangely appropriate to the situation that exists in the United States today.

"Expositions," he said, "are the timekeepers of progress. They record the world's advancement. Business life, whether among ourselves or other people, is ever a sharp struggle for success. It will be none the less so in the future. Without competition we would be clinging to the clumsy and antiquated processes of farming and manufacture and the methods of business of long ago and the twentieth century would be no further advanced than the eighteenth.

"My fellow citizens, trade statistics indicate that this country is in a state of unexampled prosperity. The figures are almost appalling. They show that we are utilizing our fields and forests and mines and that we are furnishing profitable employment to millions of workingmen throughout the United States, bringing comfort and happiness to their homes and making it possible to lay by savings for old age and disability. That all the people are participating in this great prosperity is seen in every American community and shown by the enormous and unprecedented deposits in savings banks."

This was the final report to his people of the martyred President whose life we here commemorate. It was a final and vivid flash at the results of the sort of government the Nation was receiving in what have been so contemptuously termed "horse-and-buggy days."

Suppose that by some miracle President McKinley were to be returned to the White House today in the capacity of Chief Executive and were compelled to make a report on conditions as he found them. How strikingly different that report would be from the one I have just read to you. In all truth and candor, he would be compelled to say something like the following:

"My fellow citizens, the latest authentic statistics show definitely that never before in history were conditions generally as bad in the United States as they are today. Not only have we a debt of almost $40,000,000,000, which eventually must be met, but we are planning new expenditures, which of necessity must come in the main from industry, that will make the tax burden heavier than ever.

"This is a rich country, and if the state of the public mind were normal, I might paint for you an optimistic picture of the future. Unfortunately, in recent years this country has been controlled by a school of thought that has preached that prosperity lies in piling up debts endlessly, in beating business to its knees at every opportunity, in discouraging friendly relations between employers and employees, in leading the people to believe that the taxpaying public can go on indefinitely assuming an overwhelming burden of debt. The result is that businessmen of the country from the largest industrial leaders to the owners of the smallest stores who must be depended upon to produce the larger portion of the taxes are discouraged and disheartened.

"Only a complete right about face in Government policies will prevent utter ruin. If we Government officials will give evidence of a desire to return to sanity and solvency, then capital will take courage and eventually we may get back on our feet."

In William McKinley's day, reciprocal-trade treaties were known as "free trade" and "tariff for revenue only"—the names of that monster which has never failed to impoverish the Nation and its people. He advocated reciprocity—practiced it, but not to the detriment of the American manufacturer, laborer, businessman, or farmer. Others might change, others might doubt, others might modify their views, but he stood firm for a protective tariff.

I need but quote his words to prove the fallacy of all arguments made today in favor of Uncle Sam playing Santa Claus to the rest of the world at the expense and to the detriment of his own kith and kin. "We demand," he said, "That the imposition of duties on foreign imports shall be made, not 'for revenue only,' but that

in raising the requisite revenues for the Government, such duties shall be levied as to afford security to our diversified industries, and protection to the rights and wages of the laborer; to the end that active and intelligent labor, as well as capital, shall have its just reward, and the laboring man his full share in the national prosperity. Against the so-called economic system of the Democratic Party, which would degrade our labor to the foreign standard, we enter our earnest protest."

Again he said: "What is a lower tariff for?" Well might we ask today, what are the effects of reciprocal-trade treaties? "It is to make it easier for foreign goods to get in the United States, to increase competition from abroad. You cannot buy your goods and make them at home as well. No good farmer thinks of having his neighbor's sons to do his work when he has a half dozen boys at home idle. I do not believe in buying any kind of goods abroad that we can make here when we have a million of unemployed men at home." Continuing, McKinley said: "My competition says protection is a 'foul blot on the fair escutcheon of our country.' If it is, then George Washington, Thomas Jefferson, Alexander Hamilton, and Andrew Jackson put that 'foul blot' upon the fair page of American history; the men who made this Government put this first 'foul blot' upon the statute books of the United States. What has it done? For 32 years we have collected our revenue from this source, and with this revenue have subdued the most gigantic rebellion recorded in human annals. We have paid a greater public debt than was ever paid in the same period by any government in the world. With this revenue we paid more liberal pensions than in any other country. And that is not all. During those 32 years we raised this country from the lowest to the highest ranks in agriculture, and in mining, and in manufactures, of all nations in this wide, wide world."

The other day I stood in a room of the Capitol known as the "President's Room"; so-called because it is there the President repairs when he visits the Congress. The furniture in that room is priceless—an offer of $100,000 was refused for the table alone—not for its intrinsic value but because it was the furniture of Abraham Lincoln. There is one thing else in that room—the bust of William McKinley. No other statue adorns that room. On the walls are painted the portraits of the first cabinet; Thomas Jefferson, Secretary of State; Alexander Hamilton, Secretary of the Treasury; E. Randolph, Attorney General; S. Osgood, Postmaster General; and Henry Knox, Secretary of War. The furniture and the statue memorialize Lincoln and McKinley. To lead us out of the present crisis, may God grant that the next President is one imbued with the spirit and wisdom and courage of those two great statesmen, Abraham Lincoln and William McKinley.

Decisions of the National Labor Relations Board

EXTENSION OF REMARKS

OF

HON. HERMAN P. EBERHARTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1939

LETTER OF HON. HERMAN P. EBERHARTER, OF PENNSYLVANIA, TO DONALD WAKEFIELD SMITH, AND HIS REPLY

Mr. EBERHARTER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter to Donald Wakefield Smith, member of the National Labor Relations Board, and his reply:

HOUSE OF REPRESENTATIVES,
Washington, D. C., January 28, 1939.

Mr. DONALD WAKEFIELD SMITH,
Member, National Labor Relations Board,
Washington, D. C.

MY DEAR MR. SMITH: The controversy which has arisen over your reappointment by the President to the National Labor Relations Board has engaged my interest, and I have been endeavoring to obtain as accurate information as is available.

For some time commentators have stated that your decisions have shown favor to the position of the C. I. O. in cases where that organization was making contentions as to the proposed bargaining unit in opposition to those presented simultaneously by the A. F. of L. I must confess these comments have seemed to me to be couched in general terms, rather vague, and without confirming data.

In an article in the February issue of Fortune magazine by the president of the American Federation of Labor reference is made to the decision of the Board in the Allis-Chalmers case, and then appears the following statement:

"Since the Allis-Chalmers case Board Member Edwin Smith has won over Board Member Donald Wakefield Smith to his point of view. The two Smiths constitute a majority of the Board. In many cases the Board has committed itself almost unreservedly to a policy of promoting industrial unionism at the expense of existing craft unions."

I am interested in knowing whether the above quotation is an accurate statement of fact. The record of your concurrences and dissents on Board decisions is a public one. Without in any sense wishing to challenge your judgment in arriving at these decisions, I think it a matter of importance to the public that your record in this respect be made known.

Will you be good enough to have compiled for me a record of your concurrences and dissents on all cases decided by the Board in which you took part since the Allis-Chalmers case; and also, if you feel that you can do so with propriety, comment particularly on the decisions to which Mr. Green had reference in his Fortune magazine article.

I hope you will not feel I am asking too much of you, as I can assure you that this request is made in order that I may satisfy my own mind on the subject.

With kind regards, I am

Sincerely yours.

HERMAN P. EBERHARTER.

NATIONAL LABOR RELATIONS BOARD,
Washington, D. C., January 31, 1939.

Hon. HERMAN P. EBERHARTER,
House of Representatives, Washington, D. C.

MY DEAR MR. EBERHARTER: Reference is made to your communication of January 28 wherein you requested that I supply you with a statement regarding my record of concurrences and dissents in Board decisions since the Allis-Chalmers case.

At the outset, for the purposes of sensible discussion, I think it ought to be made clear that the Allis-Chalmers case marks no breaking point in my approach to the problem of an appropriate unit, and that what I have decided before is perfectly consistent with what I have decided since that case, as will be pointed out later. It is apparent from your inquiry that you also desire that I briefly discuss my decisions regarding other cases which have been made the subject of some criticism. Although I do not believe that one serving in a quasi-judicial capacity should ordinarily explain his decisions, nevertheless, I agree with you that it is a matter of importance to the public that my record in this respect be made known.

In dealing with the subject of labor relations and the enforcement of the provisions of the National Labor Relations Act, the Board has been faced with a very complex and highly controversial issue. However, the Board has believed that Congress intended that the act should function realistically rather than as a mere declaration of policy. The Board would be violating a public trust if it did not strictly enforce the act and endeavor to effectuate the policies therein set forth. The criticism directed against the Board is primarily the result of factional differences within the ranks of labor, which differences were not apparent, nor were they even contemplated, at the time the law was enacted. Because of the express mandate of the statute and the very nature of the problems with which the Board has had to deal, it was inevitable that the Board could not satisfy all parties concerned with its decisions and activities. The public, upon whose behalf the act is administered, has the right to be vitally concerned with the record of those who administer it. There has been some criticism of my record, which criticism, I am convinced, cannot be supported by the actual facts. My record is a public one and can, indeed, be affirmatively shown.

I have conscientiously endeavored to administer the law as enacted by the Congress with an impartial attitude, and have always borne in mind the maintenance of the objectives and fundamental purposes of the act, which protects the right of employees to freely organize and to bargain collectively through representatives of their own choosing. Aside from the question of whether an individual or group of individuals should have only a political conception of the duties of a quasi-judicial officer of a Government agency, the best test to be applied is an impartial examination of the record. I stand on my record as a member of the Board during the past 2½ years. Such record will conclusively establish that the criticism to which you have referred is wholly unjustified and unsupported. Let us look at the record.

The major part of the criticism has been directed toward my treatment of the question of the appropriate units. Briefly, the problem is this: Two rival unions may claim a majority of, and exclusive bargaining rights for, employees in a particular plant. Under the National Labor Relations Act it is the Board's duty to resolve these conflicting claims by investigating and holding a hearing so that it may determine which of the unions does have the majority. The claims of the unions, however, may conflict on the question of which employees ought to be counted in the determination of whether a majority exists.

Thus, union X may assert that all employees in a plant should be counted, and that it has a majority of them, and so should be exclusive agent for all. On the other hand, union Y may contend that only a certain group of employees should be counted, perhaps the machinists, or the firemen, or the pattern makers, and that it represents a majority of this smaller group and should be its exclusive agent. Union Y may claim to have members in only the smaller group while union X may claim to have a majority of both groups combined.

It is the determination of which employees are to be counted that constitutes the problem of the appropriate unit. Unrest and dissatisfaction may exist in the plant until the issue is resolved.

Neither the employer nor the rival unions themselves can determine the issue. That it must be determined by some third party was recognized by the president of the American Federation of Labor when he stated in support of the passage of the National Labor Relations Act (hearings before Senate Subcommittee on Education and Labor, p. 119, 1935):

"The attempt to bargain with a number of groups not only destroys stability but it makes possible the control of the employer over the organization of his employees. * * * If the employees and the employer are not able to agree as to what constitutes the bargaining unit, I believe that the National Labor Relations Board should decide what the bargaining unit shall be."

And that no rigid rule can be created to fit all situations involving this complex issue was also recognized at the same hearings (p. 203) by another representative of the American Federation of Labor, when he contended that there must be inserted in the act the provision that the Board decide what unit was appropriate for purposes of collective bargaining "in each case."

In 1935, before any factional differences in the labor movement had occurred, the Board set certain benchmarks to determine whether a craft unit or an industrial unit was appropriate. It heard evidence to discover whether the workers themselves wished the craft unit, whether their special skill, or pay, or location in the plant set them apart, whether the workers as a group had a history of negotiation undertaken as a unit.

Despite labor's factional differences the Board continued to use the same benchmarks for determining whether a group of employees had craft identity. But occasionally the evidence presented no clear picture on whether a craft or an industrial unit was appropriate. In such a situation the Board adopted a method of determination known as the Globe Doctrine.

The Globe doctrine was first applied in August 1937 in the Globe Machine & Stamping Co. case (3 N. L. R. B. 294). That case involved an automobile-parts factory which employed about 650 workers. The C. I. O., who filed the petition, contended that all the employees constitued a single unit. The American Federation of Labor claimed that those employees engaged in polishing constituted one separate unit; those engaged in punch pressing, another separate unit; and the remaining production employees, a third unit. There was evidence that some degree of skill was necessary both for polishing and punch pressing. Evidence on the wishes of the men involved was contradictory. Likewise, the heat of simultaneous organizing campaigns had left uncertain the claim of each union that the alleged appropriate units had a past history of bargaining. Thus, the evidence showed that either the separate craft units or the single industrial unit was feasible. Accordingly, the Board held:

"In such a case, where the considerations are so evenly balanced, the determining factor is the desire of the men themselves."

The Board ordered three separate elections: One among the production employees, one among the polishers, and one among the punch pressers. If a majority of each of the latter groups voted to be included in the single industrial unit, the Board stated in advance it would make its decision on the basis of that choice. If, however, a majority in each of the craft groups voted against the industrial unit, the Board would fix the craft unit as appropriate.

This doctrine applies a method of local option which, leaving the choice of the appropriate unit to the workers themselves, has been followed in every case similar to the Globe case.

In November 1937, however, in the Allis-Chalmers case (4 N. L. R. B. 159), Board Member Edwin S. Smith first dissented to the application of the Globe doctrine on the theory that the industrial unit was the more appropriate for purposes of collective bargaining. This dissenting view of Mr. Edwin S. Smith did not prevail. The Globe doctrine, permitting the employees of the smaller group to determine for themselves to which unit they wish to belong, was held applicable by the opinion of the majority composed of Chairman J. Warren Madden and myself.

Since the Globe decision itself, the Globe doctrine has been held by the Board to be applicable in many cases in which the A. F. of L. claim for a craft unit was opposed by the C. I. O. claim for an industrial unit. In some of these, no special election was necessary and the A. F. of L. craft union was forthwith given exclusive bargaining rights, since the employees in the craft had already evinced a clear desire for a separate craft unit. In other cases, no separate election was held because the employees had already shown their desire to be included in the industrial unit. In every case where the evidence showed that craft lines were at all apparent, the desires of the men in the craft were held by the Board to be determinative.

Since the Allis-Chalmers case, Board Member Edwin S. Smith has dissented 11 times to the application of the Globe doctrine. In every one of these 11 cases, Chairman Madden and I together formed the majority applying the doctrine. In not one single case did I dissent against the application of that doctrine or against the finding of a craft unit as appropriate. In every case in which the Board rejected a claim for a craft unit, it did so unanimously. Although I have always determined every case upon my own judgment as to the proper finding which should be made consistent with the record, the contention that Mr. Edwin S. Smith and I formed a new majority of the Board at any time following the Allis-Chalmers case is not supported by a single decision on the question concerning the appropriate unit.

Some comment has been made concerning my position in two decisions involving the appropriate unit. In the Serrick case (8 N. L. R. B. No. 66), the primary issue was whether the employer had committed unfair labor practices, the effect of which was to discourage membership in the C. I. O. and encourage membership in the A. F. of L. The Board was unanimous in holding that the employer had so violated the act. The C. I. O., at whose expense the unfair labor practices had been committed, claimed an industrial unit to be appropriate, the A. F. of L. claimed a craft unit. The unanimous opinion found that the C. I. O. union and the A. F. of L. union admitted to membership and endeavored to organize all of the workers, except those in one craft, which were not in issue, and then such opinion stated:

"While ordinarily we have regarded as controlling the free choice of a majority of the employees in a well-defined craft as to the form of organization they desire, in the present case, the respondent's conduct in influencing such choice precludes the application of this doctrine in the determination of the appropriate unit or units."

Chairman Madden concurred in the decision and in all of the opinion except as to the language used in two sentences contained therein, stating that such language was not necessary for the decision of the case and holding that no opinion should, therefore, be expressed. In any event, Chairman Madden agreed that the Globe doctrine was inapplicable. It is as to the inclusion of this language in the decision that some criticism has been directed against me. However, this was a unique case and the only one of its kind with which the Board has ever been confronted. Comment has been made that the language used in the two sentences mentioned should be considered as a criterion that I have departed from the principle of applying the Globe doctrine in the determination of the appropriate unit question in subsequent cases. I again refer you to the record which conclusively establishes that since the Serrick case the Globe doctrine has been applied in seven cases, in every one of which Chairman Madden and I have concurred. Mr. Edwin S. Smith dissented in four of these cases.

The second decision was the recently issued supplemental decision in the Finch case (10 N. L. R. B., No. 78). In the original case (7 N. L. R. B. 1), the C. I. O. requested an industrial unit and the A. F. of L. contended that two crafts, one composed of firemen, one of five carpenters, should be separate appropriate units. The Chairman joined me in holding the Globe doctrine was applicable in determining the desires of the employees in the two crafts. Mr. Edwin S. Smith dissented. At the time of the election, however, only one carpenter was employed. That carpenter voted for the craft union. In the supplemental decision the American Federation of Labor union was declared to be the exclusive agent for the firemen and the application of the Globe doctrine to the case was reaffirmed. I held, however, in accordance with our prior decisions, that the act did not contemplate collective bargaining for a single individual. I said:

"The principle of collective bargaining presupposes that there is more than one person eligible to bargain and the act does not empower the Board to certify where one employee is involved."

From this the Chairman dissented, holding that although the act did not contemplate collective bargaining for a single individual, nevertheless, a single member of a craft had the right to indicate whether he desired to be a part of an industrial unit. My holding was in no way a recession from the democratic doctrine of the Globe case.

It is to be noted that both the Serrick and the Finch cases were confined to unique situations. It will be further noted that I have on no occasion ever dissented from the application of the Globe doctrine and that I have consistently followed the principle that the wishes of the men on the form by which they are to bargain collectively are of paramount importance. In so doing I believe that I have followed the intent of Congress as expressed by a statement made by the President of the American Federation of Labor when urging passage of the act (hearings before House Subcommittee on Labor, 74th Cong., 1935, p. 199):

"All we have ever asked is that the workers be accorded the opportunity to determine that question (collective bargaining agency) for themselves. If they want to select the American Federation of Labor union, they have a perfect right to do so, but if they want to select another union, an independent union, they shall have the right to do that. We have no quarrel with them if they make that decision. But why not accord them the right to determine the question for themselves?"

Some comment has been made regarding the unanimous decision of the Board in the case involving the Pacific Coast Longshoremen (7 N. L. R. B. 1002). This case in no way involved the craft unit question but concerned only the extent of an industrial unit. It was determined, for the most part, by the substantial history of collective bargaining on the same basis when the Longshoremen of the Pacific coast were represented by the International Longshoremen Association, affiliated with the American Federation of Labor.

Finally, there is a fourth case, the only case of any kind in which I have dissented. That dissent appears in the Simplex Wire & Cable Co. order (7 N. L. R. B. 568). Prior to that decision, an "independent" union had been found by the Board to have been company-dominated on charges filed by the American Federation of Labor. Thereafter, a petition was filed by the A. F. of L., and an election was held. The election resulted in a defeat for the A. F. of L., the only union on the ballot. The A. F. of L. protested the election, alleging that the employer, through the former officers of the company union had campaigned against the American Federation of Labor, had intimidated the employees to vote against the A. F. of L., and requested that the election be set aside. Although no hearing was held, a majority of the Board decided that the evidence of company favoritism was insufficient. I dissented, arguing that the evidence was sufficient to warrant a hearing to determine whether or not there had been any direct or indirect employer interference.

In my entire record that is my only dissenting opinion. Certainly this lone dissent could not be considered prejudicial to the A. F. of L.

Aside from this case, my holdings have been the holdings of the Board, and I do not believe that the Board's record in any way gives weight to the criticism that it has favored either the craft or the industrial form of organization, but rather it has preserved the intent of Congress to determine the appropriateness of the bargaining unit with reference to all the circumstances, especially including the democratic choice of the employees, who are those most directly affected. Furthermore, it might here be added that it has been the practice of the Board in instances where there are two contesting labor organizations to provide a space on the ballot to permit the workers to vote whether they do not desire to be represented by either of the contesting organizations; and, of course, if the "neither" vote is in the majority, no union is certified as the collective-bargaining agent.

Contrary to the popular belief, the issue between the A. F. of L. and the C. I. O. is not a clearly drawn one between craft and industrial unionism. A review of the cases shows that either through its petitions or through its contentions after intervention the American Federation of Labor has requested or agreed to industrial units in approximately twice as many cases as it has requested or agreed to craft units. In several cases in which there was a conflict between the A. F. of L. and the C. I. O. the issue was not craft versus industrial units but simply the scope of the industrial unit. In not a few instances the A. F. of L. requested a more inclusive industrial unit than the C. I. O. In some cases A. F. of L. unions, which have traditionally contended for craft units, requested that highly skilled groups be included in the industrial unit, although the C. I. O. was opposed. In one case an A. F. of L. affiliate followed its customary claim by requesting an employer unit, while its rival demanded a craft unit. The A. F. of L. affiliate in that case rested its claim "upon the contention that the industrial form of organization affords all employees greater economic strength and better protection than separate craft organizations."

An overall tabulation will demonstrate that the Board has by no means favored one organization over another on the question of the appropriate unit. From the beginning of the Board's work, to the present, there have been a total of 171 cases in which both the A. F. of L. and the C. I. O. have participated and in which there has been a question concerning the appropriate unit.

In a total of 24 of these 171 cases, both organizations agreed on the general outline of the unit, whether craft or industrial, and disagreed only concerning the inclusion or exclusion of minor groups or a few particular individuals. In 79 of these 171 cases, there has been complete agreement between the rival organizations on the question of what constituted the appropriate unit.

In only 68 cases was there a disagreement between the two unions which went to the essence of the question concerning the appropriate unit. Of these 68 cases, in which there was substantial disagreement, the Board adopted the contentions of the A. F. of L. in 32 cases. It adopted the contentions of the C. I. O. in 28 cases. It adopted in part, and rejected in part, the contentions of both unions in seven cases. In the final case, no decision was necessary.

As I have already pointed out, not all of these cases in which there was substantial disagreement involved the question of the craft versus industrial unit. In only 13 cases were the A. F. of L. requests that the craft unit be held applicable wholly rejected by the Board. In four other cases, some craft units requested were found appropriate, while some were not. In many of these cases in which the craft request was rejected, the employees in the claimed craft unit indicated no desire to be in a separate unit and were not members of the A. F. of L. Thus, in one of these cases, the A. F. of L. claimed that five warehousemen constituted a craft unit separate from the other employees in the plant. Yet every one of these five men were members of the C. I. O. In another case, two truck drivers were claimed by the A. F. of L. to constitute a separate craft unit, although one of the two was a member of the C. I. O., and although the A. F. of L. itself had executed a plant-wide contract with the company, which included these two truck drivers. In still another case of this group, although three A. F. of L. unions claimed as appropriate three separate craft units, those unions did not appear at the hearing, nor did the record show that the A. F. of L. had any members in the alleged craft.

These three cases are not extreme examples of those comparatively few in which the Board has rejected A. F. of L. requests for craft units. This group of cases rejecting the craft unit do not, I am certain, indicate a hostility to craft unionism, but rather a respect for the desires of the employees themselves and for a common-sense application of the statute with regard to the determination of the unit question.

Those impartial commentators who have studied the Board's decisions fully support what I believe to be the inescapable conclusion that there has been no hostility to craft units. In summarizing the treatment of labor law by the various law reviews in the country, the International Juridical Association Bulletin (vol. VII, No. 6, at p. 69) said:

"There is complete agreement that the American Federation of Labor is definitely not being discriminated against by the Board in the selection of bargaining units."

An author in the Cornell Law Quarterly (vol. 23, p. 412) stated that by the Board's decisions—

"The craft method is assured of more than a fair deal. * * * If the craft union is active enough to retain the loyalty of its members, it is given the assurance of continued existence under the act."

Finally critics accuse the Board of bias against one organization and in favor of another because the contracts of one of the organizations have been occasionally set aside.

Before the National Electric Products case (3 N. L. R. B. 475), the first in which an A. F. of L. contract was set aside, the Board had invalidated contracts in three cases on the ground that the contracting union had been illegally favored and assisted by the employer and that the execution of the contract itself was an unfair labor practice. Each one of these three cases was instituted by charges filed by the A. F. of L. Since the National Electric Products case 15 illegal contracts were set aside on charges filed by the American Federation of Labor.

The Board could not in good conscience, or good sense, adopt a different rule when it was faced with illegal contracts which happened to be executed by an employer and a nationally affiliated local. In every one of these cases, the Board decision invalidating the contract was unanimous. These decisions are believed to be consistent with the intent of Congress in view of the proviso of section 8 (3) of the act, which declares that a closed-shop contract is valid only if the contracting union has not been assisted by any action defined in the act as an unfair labor practice and only if such union represents a majority of the employees in the appropriate collective-bargaining unit covered by the contract when made. The evidence in these cases showed that the employer had favored the contracting union through unfair labor practices or that the contracting union did not represent a majority of the employees within the appropriate unit covered by the agreement when made.

Every one of the cases in which the A. F. of L. and the C. I. O. were concerned, with one exception, involved a closed-shop contract. For the Board to have shut its eyes to the facts shown by the record and to have permitted these contracts to remain in effect would have been to do violence to the express mandate of the act. To have done so would have been to disregard the intent of those who drew the act, intent expressed by the president of the American Federation of Labor at the hearings before the House Committee on Labor in March 1935, page 198:

"Employers must keep hands off, completely, so far as labor organizations are concerned. * * * I hold that the employers of labor have no right, morally or legally, to interfere in any way with the exercise of the right of the workers to join a union of their own choosing."

And further expressed at the hearings in 1934 by Dr. Paul Brissenden, eminent economist of Columbia University, who stated (p. 216):

"Genuine collective bargaining between an employer and a self-chosen representative of his employees * * * may be frustrated by the employer's negotiation of a smart bargain with a local of a national trade-union, as well as by a similar sort of bargain with a company union. * * * The tendency of employers to enter into collective bargaining agreements with company unions * * * or company dominated local of a national union, even those affiliated with the American Federation of Labor, in order to avoid dealing with the self-chosen representatives of their own employees, should be forestalled."

In this connection it is interesting to note that in two cases the A. F. of L. itself stipulated and agreed that its contracts could be set aside by the Board after charges had been filed by the C. I. O. Further, in one case the Board invalidated a contract with the C. I. O. on charges filed by the A. F. of L. (Mine "B" Coal Co., 8 N. L. R. B. No. 142); and a complaint based upon A. F. of L. charges was recently served in which the issue is the legality of a closed-shop contract with the C. I. O. which the A. F. of L. alleges to have been company-favored. Thus it is clear that both the A. F. of L. and the C. I. O. have sought the protection and the remedies which the act affords and which the Board has developed in the decisions which I have mentioned. Where an illegal contract is entered into, the Board has no alternative other than to restore the status quo by obliterating that contract. That not only the employer, who was guilty of the illegality, but the other contracting party, the union, must lose the benefits of the contract is unavoidable. But though the employer must indefinitely cease and desist, the union has always been left free to rid itself of the perhaps unasked-for and unwanted assistance of the employer and thereafter by establishing a majority without the interference of the employer bargain for the employees.

I believe that much has been said concerning these issues that arises from emotion or from failure to examine the record. Mr. Herbert Harris, an eminent members of the facult of Yale University, has recently written a book entitled "American Labor." He has studied the record of the Board, and he has concluded (p. 396):

"The Board has disposed of some 16,770 cases (affecting an estimated 3,981,052 employees) with an even-tempered honesty and reasonableness that recommend themselves to its detractors and render it one of the most valuable public agencies in American society."

And in April 1938 a noted lawyer, one with perhaps more experience in arguing before the Board than any other, stated to a congressional committee (hearing on H. R. 9745, p. 93):

"We are not asking for a change of personnel. We think that they are pretty fine gentlemen and perfectly honest, and trying to do a good job, and having a difficult job to perform which has been made more difficult by rival jurisdictions. * * * This is not an attack upon the Board's personnel or their honesty or their faithfulness. They have a hard job. If I were on that Board I would probably function the same way they do."

The gentleman who so testified was Joseph A. Padway, general counsel of the American Federation of Labor.

I rest firm in the conviction that all those who fairly and impartially examine the Board's record, and my record, will find therein an irrefutable answer to the charges that have been made.

Very sincerely,

DONALD WAKEFIELD SMITH.

Development of the Clarks Fork of the Columbia River

EXTENSION OF REMARKS

OF

HON. COMPTON I. WHITE

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1939

Mr. WHITE of Idaho. Mr. Speaker, I read with great interest the speech given by the Honorable JOSEPH J. MANSFIELD, and thinking that I may have been too casual in my reading, I have also studied Judge MANSFIELD'S speech most carefully. It is an excellent presentation, and I realize, of course, that in the limited time allowed it was impossible for him to cover in detail, or even touch upon, all the great stream systems of our country which need attention. Inasmuch as the one to which I refer in particular now, however, involves a basin of more than 25,000 square miles, I believe it essential to set forth before this group the importance of developing the great Clark Fork Basin, in the Pacific Northwest.

The river in question empties into the Columbia near the Canadian border in the State of Washington, where it is known as the Pend Oreille, and extending upstream for several hundred miles. It embraces that area in the panhandle of Idaho that is drained by the Priest River and Lake Pend Oreille, crossing into Montana. It includes the drainage basins of such rivers as the Bitter Root, Flathead, and Blackfoot. While the navigation on this river system may not be great, as compared with navigation on our rivers in the Middle West, it has been, and is, an important factor in the movement of our great Northwestern product—timber. Great rafts of fine timber such as is found nowhere more abundantly than in the Pacific Northwest, are constantly moved from forest to mill by means of these streams.

There are other factors, however, affecting the development of our water resources, where the present situation is not satisfactory, and I intend to touch on several of these points. The first is on the question of power. Nothing has brought the question of a prospective power shortage in this country to the attention of the people so greatly as the study made in consideration of our requirements for national defense. Apparently our people do not realize the fact that there was an acute power shortage during the last great emergency in 1918, nor do they realize that industry, if restored to its normal rate of production, would undoubtedly absorb, or very nearly so, all the power than can be produced in our Nation today. Any sudden improvement in our economic position will undoubtedly result in the growth of new industries and the production of new goods that will overwhelm us with their power requirements. If we add to these considerations the fact that an additional 50 percent might be, and probably would be, required in case of a national emergency, we arrive at a point where it is self-evident that an immediate increase in available power should be sought. The development of this power cannot be solved overnight. The construction of large dams, together with the design and construction of the machinery needed to develop power, or even the construction of plants other than hydroelectric, require a matter of years.

In the consideration of the Clark Fork Basin development, it should immediately occur to anyone familiar with that territory that therein lies one of the greatest potential power developments in the United States today. Within the area there are only seven water-power plants today with a capacity of 360 kilowatts or greater. If we realize that above Flathead Lake alone there are 13 sites with a total head of more than 1,000 feet available, we must recognize what tremendous potential power lies dormant. On the Flathead River and its tributaries there are in excess of 30 possible sites, and there are in addition at least 5 excellent sites below Flathead Lake.

One of these on the Clark Fork River at Cabinet Gorge and the other site on the Pend O'Reille River at Z Canyon which would permit a very considerable power development an installed capacity of 130,000 kilowatts being considered for Cabinet Gorge alone. The Z Canyon site is capable of producing in excess of 250,000 kilowatts. Not only will this power find a use in connection with industries in the Northwest, but increased mining activities in that section will require considerable amounts. In addtion to power, the question of irrigation is becoming increasingly important, due to the great influx of population from the Dust Bowl area. Irrigation pumping permitted by the use of power developed at these sites could immediately be utilized in connection with the Rathdrum Prairie irrigation project, which will improve some 40,000 acres immediately northwest of Coeur d'Alene, Idaho.

In discussing these various factors in the development of our water resources it is not possible to divorce any one of the factors from all of the others considered, and, conversely, it is necessary in getting a complete picture to consider all factors and not exclude any one; therefore, the beneficial effects of such development as I have referred to must also be extended into the flood-control field. The availability, in the reservoirs created behind the various power dams referred to, of considerable areas for the storage of floodwaters, and also the fact that a more or less constant regulated flow in the various tributaries can be maintained due to such storage are very important factors in considering the improvement of this basin.

The major part of the Clark Fork Basin lies in western Montana, and that part of the basin is known to students of geology as Lake Missoula. During the glacial period a block or barrier of some type was formed in the mountains on the Idaho-Montana border, resulting in the submergence of the entire upper part of the basin of probably some 20,000 square miles under a head of water approximately 1,000 feet deep. The result has been the formation of bottom lands that, under proper treatment, would be extremely productive. The area as a whole might be termed semiarid, the rainfall, except in the mountainous parts, seldom exceeding 30 inches per year. With the construction of the dams referred to and the very important one in western Montana known as the Hungry Horse Dam, improved regulation on the various tributaries can be established to a point where adequate water will be available for irrigation during the dry periods of the year and at the same time the effects of destructive floods will be eliminated during the period of the year when there is heavy rainfall.

The Army engineers have already submitted a preliminary report, as requested by Congress, setting forth in some detail all of these major factors and their interrelation to each other. Considering the time and funds available, this report stands as evidence of their sound judgment, and in order to bring realization of the development of this territory into being, it is hoped that the comprehensive survey already authorized may be prosecuted with such reasonable funds as may be necessary with a view to reporting to the Congress at an early date the exact work to be undertaken.

In these days of uncertainty, it is comforting that in the development of one of our great resources—water—a body as soundly organized and functioning as smoothly as the Army engineers can be depended upon. I am sure Judge MANSFIELD, in his statement concerning the development of our harbors and our rivers for navigation and other purposes, has sensed the opinion of this entire body, and I appreciate the opportunity that has been afforded me, not only to endorse his opinion, but also to stress the importance of the Clark Fork Basin development.

Dedication of New Federal Building at Towson, Md.

EXTENSION OF REMARKS

OF

HON. WILLIAM P. COLE, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, January 30, 1939

ADDRESSES BY HON. T. SCOTT OFFUTT, LOUIS A. SIMON, ERNEST GREEN, AND SMITH W. PURDUM

Mr. COLE of Maryland. Mr. Speaker, on October 28, 1938, a new Federal building, housing the Post Office, War and Agricultural Departments activities, was dedicated in Towson, Baltimore County, Md. The architectural and engineering accomplishments displayed in this building present such a compliment to our Government officials responsible therefor that I have asked to incorporate in the RECORD the addresses delivered at the dedicatory exercises which describe the history associated with this post office and description of the architecture displayed in the new building.

Aside from the brief statements which Senator RADCLIFFE and I made at the dedicatory exercises, I insert herein, under previous unanimous consent granted by the House, the remarks of the Honorable T. Scott Offutt, chief judge of the third judicial circuit of Maryland, who presided at the exercises; Mr. Louis A. Simon, Supervising Architect of the Procurement Division of the Treasury Department; address by Postmaster Ernest Green, of Baltimore, Md.; and address by the Honorable Smith W. Purdum, Fourth Assistant Postmaster General, as follows:

ADDRESS BY HON. T. SCOTT OFFUTT, CHIEF JUDGE OF THE THIRD JUDICIAL CIRCUIT OF MARYLAND, AT THE DEDICATION OF THE NEW FEDERAL BUILDING, TOWSON, MD., OCTOBER 28, 1938

As part of a general program, the Federal Government has adopted the policy of owning its post-office buildings. In pursuance of that policy and also to aid the general purpose of Congress and the Executive to promote recovery by stimulating building activity, each congressional district has so far as possible been allotted one new post-office building a year. In selecting cities and towns for these improvements receipts of the office is an important factor.

Heretofore the post office in Towson has been tossed from pillar to post, first in one place and then in another, inadequately housed, inconveniently located, and cramped for space. In recent years the population of the town has increased rapidly, the congestion of traffic on its business streets, including that part of Chesapeake Avenue on which the post office was last located, has made the use of those streets by pedestrians extremely hazardous, and the need for a more commodious and safer plant had become imperative.

Recognizing the urgence of these needs, the Honorable WILLIAM P. COLE, representing this congressional district in the Federal Congress, approached the committee of the Procurement Division in Washington, which is the agency of the Federal Government, acting under the Treasury Department, in charge of purchases and architecture for Government work, and suggested the location of post-office buildings in the metropolitan belt of Baltimore County. After an investigation, Mr. Purdum, Fourth Assistant Postmaster General, and Admiral Peoples, the committee approved the plan and Mr. Simon, chief architect of the Division, took a keen personal interest in designing a building, which would not only harmonize with the more permanent structures in and about the courthouse square, but which would combine with that harmony utility, space, convenience, and safety.

The result is this splendid structure which is not only an evidence of Mr. Simon's distinguished talents and artistic sense but also of the energy and vision of Congressman COLE and the helpful cooperation of the committee.

A pleasing feature of it all is that the building is all Maryland. Campbell & Sons furnished the stone for the exterior from the Texas quarries, the Cardiff quarries, the interior marble from Cardiff in Harford County, and Mr. John Ruff, of Randallstown, is the contractor. As a branch of the Baltimore City post office, all its employees are in the civil service under Postmaster Green.

We are so accustomed to the mail box, to sending and receiving mail, to the postman and the R. F. D. carrier that we take them as a matter of course, and, unless some piece of mail goes astray, think little more of them and pay little more attention to them than to the trees about us or the people we pass in the street in a strange city.

And yet the postal service is one of the greatest marvels of the modern world. Perhaps no other service equals it in drama and romance. It exhibits the highest possible attainment of the human race in organization. It uses for its purposes the land, the sea, and the air, steam, electricity, gasoline, the horse, and man.

It is superior to time and space. It handles daily with rarely an error millions of pieces of mail and carries them to every part of the inhabited globe. Its empire extends from the frozen wastes of the polar seas to the burning sands of equatorial deserts.

In all seasons, in all weather, over mountains, through forest and jungle, in town and country, its carriers go ceaselessly by, wherever men dwell, bringing and taking the millions of messages of hope and friendship and consolation, which soften the pain of separation, and as well other millions of messages which mean life and progress to industry and commerce.

Its mission and its service is a vital factor in all our lives. It is appropriate that its work be done in surroundings worthy of its dignity and its mission.

A real public service has been given, therefore, in furnishing this branch of that great Service this appropriate housing.

ADDRESS BY LOUIS A. SIMON, SUPERVISING ARCHITECT, PROCUREMENT DIVISION, TREASURY DEPARTMENT, AT THE DEDICATION OF THE NEW FEDERAL BUILDING, TOWSON, MD., OCTOBER 28, 1938

As this newly completed building goes into operation for postal and other Federal services, it brings to mind the great changes that have occurred in the matter of Federal-owned buildings from the time many years ago when not more than a score of such buildings represented the number in which the business of the United States Government outside the District of Columbia was carried on; whereas at the present time there are some 3,000 Federal-owned buildings scattered from New York to California and from Maine to Florida.

It is perhaps unnecessary to state that, in the designing of post-office buildings, the first care is to insure a practical arrangement of the floor plans to meet all requirements for postal operations and at the same time to be convenient for the use of the patrons of the office, the general public. With these elements fixed, the further progress on the design enters the realm of aesthetics, and while the architectural expression of a building is governed by principles which in a broad sense are unchangeable under the same conditions, there is, in the application of these principles, still a wide field for differences of opinion about which any group of architects could sit down and argue at great length. However that may be, there would be no difference of opinion that the architectural expression of any building must take into account its surroundings; and when that building is for the United States Government the architectural and historical conditions of the community in which it is built are factors of primary importance. And further, a Government building must express permanence and a dignity worthy of the national ensign that flies from the staff head year after year, in sunshine and shadow.

It was not strange, therefore, that when the design for the new post-office building at Towson was before the Department, the architectural character of the interesting old courthouse should have had a controlling influence in the design of the new post-office building. As a matter of fact, that is just what it did. And without any attempt whatever to slavishly copy the details of the older building, it is felt that the new building does harmonize and take its place with the larger and older one that the citizens of Towson have lived with for so long a time.

In the designing of a public building for any community there exists a situation something like that which obtains when a play is given in a theater; that is, the actors always play better when they feel a response from the audience. In the case of the Towson post-office building the interest displayed in it by the Member of Congress whose home is here, by the people of Towson, and by the Fourth Assistant Postmaster General, gave added incentive to the men of the Supervising Architect's office to design a building that would be a credit to the Government and to the community.

The results stand where all men may see, dedicated to the use of the citizens of Towson in their contacts with their Government for many years to come.

ADDRESS BY ERNEST GREEN, POSTMASTER OF BALTIMORE, MD., AT THE DEDICATION OF THE NEW FEDERAL BUILDING, TOWSON, MD., OCTOBER 28, 1938

Mr. Chairman, distinguished guests, fellow employees, ladies and gentlemen, it is a pleasure and a privilege to participate in the exercises which mark the dedication of this new home of the Towson branch of the Baltimore post office and other governmental activities.

This building which we are dedicating to the postal and other needs of the residents of this community is a monument to the spirit, the enterprise, and the civic character of the men and women of Towson, among whom I have many friends as the result of my service connection with the Baltimore post office over a period of 44 years. This building symbolizes the determination of the Post Office Department to give this community an ever larger and an ever better postal service. You may gaze upon it with satisfaction and with pride. In character and in dignity, in plan and in purpose it ranks with similar Federal buildings elsewhere, and is the first of several buildings to be constructed as stations and branches of the Baltimore post office. Its immediate purpose is, of course, one of service along definite lines, but it typifies as well the relationship which exists between the people of this community and their Federal Government. It links them to their National Capital and reminds them of their national duties and their national responsibilities.

The construction of this building was, in a large measure, brought about by the untiring efforts of your distinguished fellow citizen, the Honorable WILLIAM P. COLE, JR., and in which he had hearty cooperation of the Senators from Maryland and the officials of the Post Office and Treasury Departments.

Meandering through the lore and history of this locality, we find that the community known as Towsontown was by ballot made the county seat of Baltimore County on February 13, 1854, and that its name was changed to Towson on May 27, 1880. The early history of the Postal Service and of the individual post offices comes to us through a more or less hazy mist, largely perhaps because of the fact that there is no record of postal receipts prior to the adoption of postage stamps, authorized in 1840 but not actually placed in use until 1847. Scarff, however, in his famous history of Baltimore, tells us that in 1814 a mail coach left Gadsby's Inn in Baltimore daily at 3 a. m. for York, Harrisburg, and other points north. As Towson was even during this early period a recognized community, there is no doubt that mail facilities were given it by this coach. Thus began that postal service which now reaches every resident of this community.

The post office at Towsontown was established on May 6, 1837, with Benjamin N. Payne as its first postmaster. He was succeeded by George H. Cathcart on December 31, 1846. Benjamin N. Payne entered upon a second term on April 9, 1849, to be succeeded by Lewis Vogel on March 7, 1854. Nelson Cooper, his successor, became postmaster on May 31, 1860, and was succeeded by James Sheridan on April 12, 1865. Nelson Cooper entered upon a second term on August 3, 1866, and was succeeded by Charles A. Conner on June 15, 1869. Adam DeBaugh became postmaster on February 18, 1870, and was succeeded by Mrs. Sarah Feast on March 2, 1877. Mrs. Feast was succeeded by Samuel J. Robinson, who became postmaster on July 21, 1888, and who served in that capacity until the Towson post office became a branch of the Baltimore post office on September 15, 1894. It was at this time that carrier delivery service was established. The first superintendent of the Towson branch was John W. Lee. The present superintendent, Mr. Walter W. Hoopes, was appointed on October 10, 1916. The names are among the landmarks and turning point which trace the course of that progress and that development which have culminated in the great activity which we call the Towson branch of the Baltimore post office, and which forms an important link in the greatest business institution in the world.

Under Postmaster DeBaugh, who was appointed by President Grant in 1870, the Towson post office was located in a store on the York Road above Chesapeake Avenue, where it was also conducted by Mrs. Sarah Feast during her term of office. At that time there were no scheduled hours during which the office was to be open for business. On Saturday nights it was kept open late for the convenience of those patrons who lived at a distance—Brooklandville and such other points. It was then that these folks would come to the post office to get their mail, to meet their friends, and to gossip about the topics of the day.

In 1888 the post office was located on the northwest corner of the York Road and Chesapeake Avenue. When the Towson post office became a branch of the Baltimore post office it was located on the west side of Pennsylvania Avenue in a small room about 15 by 25 feet. On October 1, 1927, it was moved to the Chesapeake Avenue site, where it remained until its removal to the present building. The change from that small room on Pennsylvania Avenue to this imposing building emphasizes, first, the growth in the postal needs of this community and, next, the never-ending determination of the Post Office Department to march on in tempo with these needs.

The rapid development of Towson, its increased business activities and the prospective location of Goucher College within the radius of its postal activity more and more made it clear that larger and more adequate quarters were a pressing need. The result is the building which we are dedicating today and which, it is assumed, will take care of the postal needs of Towson for many years to come.

This building, which is of a semicolonial type and which is constructed of steel and Beaver Dam marble, is especially designed for post-office purposes on the first floor. The second floor is equipped with offices for other governmental activities. It stands on a lot of 13,000 square feet which is owned by the Government, and there are 11,300 square feet of floor space. The lobby is trimmed with Cardiff, Md., green marble and is accessible through ample vestibule space. There is a driveway for vehicles in the rear of the building. The lock-box equipment is of the key type and the exposed surfaces are of aluminum.

The annual receipts of the Towson branch is approximately $90,000. Annually it handles 5,000 pieces of registered mail, 10,000 pieces of insured mail, 1,500 collect-on-delivery parcels, and 140,000 pieces of ordinary mail. It is manned by a superintendent and 14 employees and serves a population of approximately 7,500 persons.

I wish to express my appreciation to those who participated in the exercises today. You have assisted in the dedication of a permanent monument to the Government for which your fathers and mothers worked, prayed, and sacrificed. Let us give the same devotion and loyalty to our Government to the end it may better contribute to the welfare of all our people and thus remain the home of the free and the brave.

As postmaster of Baltimore I accept this building from the distinguished representative of the Post Office Department, the Honorable Smith W. Purdum, and in doing so to express the hope that it may contribute ever more to the comfort, the convenience, and the prosperity of the people of the Towson postal district.

ADDRESS OF SMITH W. PURDUM, FOURTH ASSISTANT POSTMASTER GENERAL, AT THE DEDICATION OF THE NEW FEDERAL BUILDING, TOWSON, MD., OCTEBER 28, 1938

Congressman Cole, Judge Offutt, Senator Radcliffe, and fellow citizens, it is an honor and a real pleasure to be here today to join with the citizens of Towson and Baltimore County in the dedication of your new Federal building and to share your pride and gratification upon the completion of this deserved and long-awaited public improvement in your good city.

At the outset, I wish to thank Congressman COLE most sincerely for the kind invitation which he extended to me to be in Towson today and participate in these dedicatory exercises.

No one can visit this section of Maryland without a feeling of reverence for its institutions and its traditions, and without paying tribute to those hardy colonists who first settled here long ago, carving communities of homes out of an uncharted wilderness. The attributes of industry, courage, patriotism, and sturdy independence which they possessed and which they bequeathed to their descendants have contributed materially to the building of a great State and a great Nation.

These men in the early times helped to lay the foundation of the great Nation under which we live today and under which we are privileged to enjoy "life, liberty, and the pursuit of happiness."

This building is erected in accordance with authorization contained in the act of Congress approved June 22, 1936.

The dedication of a new Federal building is a noteworthy occasion. It is an important event to the citizens of your splendid city, county, and our State, and to our Nation. It is representative of our great Republic, for our people, regardless of creed, condition in life, or party affiliation, gather together and give testimony by their presence and voice to their fidelity, loyalty, and love for our National Government and its institutions. It indicates that within our hearts we feel an appreciation that we are marching on and on rightly and properly, carrying on the work which was planned so well by our forefathers in the years ago.

In dedicating this building, it is proper that credit be given to the public-buildings branch of the Procurement Division of the Treasury Department which supervised the preparation of the plans and the construction of the building, and especially to Hon. Louis A. Simon, Supervising Architect of the Treasury Department, who is with us here today. Mr. Simon is one of the outstanding men in his profession; he has given much of his time in developing the plans for this building, and its very splendid architecture is, in my opinion, due to his efforts; and I congratulate you, Mr. Simon, and join with many in expressing appreciation of your splendid work. Credit is also due to the general contractor, the John K. Ruff Co., of Baltimore, Md., and to the Government's construction engineer, Mr. Arthur M. Burtt. However, I would like to invite attention to the fact that without the hands of labor this building would not have come into being, and this applies not only to the stonemasons, bricklayers, steel workers, carpenters, and mechanics and artisans of every character who participated in the actual construction but as well to the lumbermen in the forest who felled the trees, to the miners, to the men in the stone quarries, and to the workers in the mills and factories who produced and fashioned the materials necessary in making possible this imposing edifice. You see before you the results achieved by the hands of labor. In dedicating this building, let us pay sincere tribute to all those whose physical efforts have contributed to its actual construction.

Towson has long deserved a Federal building, and credit is due to all who carried on the efforts to obtain it. Particular credit is due to your able Congressman and fellow citizen, Hon. WILLIAM P. COLE, JR., who has led the fight for this structure through the years.

At the time of the adoption of the Constitution and the establishment of our present form of government in the United States in 1789 there were only 75 post offices in existence; 13 of these were in the State of Maryland, at the following points: Annapolis, Baltimore, Bladensburg, Charlestown, Chester Mills, Chestertown, Easton, Elkton, Georgetown, Georgetown Cross Roads, Harford, Havre de Grace, and Warwick.

The records of the Department indicate that the post office at Towson was established on May 6, 1837, under the name of Towsontown. Mr. Benjamin N. Payne was the first postmaster for this office, and he was succeeded by the following: George H. Cathcart, December 31, 1846; Benjamin N. Payne, April 9, 1849; Lewis Vogel, March 7, 1854; Nelson Cooper, May 31, 1861; James Sheridan, April 12, 1865; Nelson Cooper, August 3, 1866; Charles A. Conner, June 15, 1869; Adam DeBaugh, February 18, 1870; Sarah Feast, March 2, 1877 (the name of this office was changed to Towson on May 27, 1880); Sarah Feast, May 27, 1880; Samuel J. Robinson, July 21, 1888; John W. Lee, July 22, 1892.

Under a special act of Congress, approved June 9, 1896, Towson was made a branch of the post office at Baltimore.

For the past 5 years Congress has made annual authorizations for public-building construction throughout the country, and in accordance with this authority funds have been allotted for projects in over 1,800 individual communities in every State, Territory, and island possession of our country. These authorizations, totaling $315,000,000, are not only providing enlarged and improved facili-

ties for the conduct of Federal business by all Government agencies, including the Post Office, United States courts, Internal Revenue Service, Customs Service, Department of Agriculture, and others, and effecting substantial reductions in rental expenditures by Federal agencies, but these Federal building projects have been of material assistance in the relief of unemployment in the building trades and allied industries. Over 1,100 projects have been completed or are now under contract, representing an expenditure of over $180,000,000, and it is estimated that this construction has provided more than 200,000,000 man-hours of labor either directly on the job or indirectly in the mills, the mines, the forests, etc.

In setting up our form of government, provision was made for three separate branches—the executive, the legislative, and the judicial. The Post Office Department in serving all the people of our country is one of the supporting columns of the executive branch of the National Government. It is, therefore, important that we who are employed in the Post Office Department put forth our best efforts at all times to see that the people are given prompt, courteous, and efficient service, and that waste and extravagance be not permitted.

The post office service is yours. There is scarcely a home in the entire country that the service does not reach. It carries the joys as well as the sorrows of the world. It reaches into the ambitious hopes of human beings everywhere. We are proud of the record and achievements of the Post Office Department; and we trust that this new building in Towson will be of benefit to all of you in improved efficiency in service. This building is for use by all the people regardless of condition in life, race, creed, or party affiliation.

The building itself is only a structure of brick, stone, and wood, but when it is occupied by loyal and courteous public servants, when it is the medium through which you receive your letters and transact your postal business, it will be more than a material object. It will pulsate with the life of the Nation. The service performed within its walls will give this building a heart and a soul.

It is entirely fitting at this time to refer to the postal employees of the State of Maryland, forming one of the finest groups of public servants anywhere in our land. It is likewise fitting that we mention Mr. Ernest Green, postmaster of Baltimore, who has been in the Postal Service over 44 years and who has risen from the ranks to the position which he now holds. I also make reference to Mr. Walter W. Hoopes, superintendent of Towson branch, and the employees who work under his supervision and who render you courteous and efficient postal service from day to day.

It has been my good fortune to serve in the postal establishment for many years, and I am particularly grateful for the opportunity that has been afforded me to participate in the administration of the Postal Service under the businesslike and humane leadership of Postmaster General James A. Farley. The administration of the Postal Service under Mr. Farley has represented a period of continued advancement.

As part of the executive branch of the Federal Government the Post Office Department can operate only under duly approved laws and within the limits of the appropriations set up by the Congress elected by the people of the country.

We in the Post Office Department bear in mind at all times that we are the servants of the people and that it is our duty to carry out the mandates of the Congress, who directly represent the people, to the very best of our ability.

It is very splendid that Senator RADCLIFFE has joined us here for these exercises. I understand that Senator TYDINGS is unable to be here owing to engagements made sometime ago.

Down through the years the State of Maryland has been ably represented in the Congress of the United States. This is particularly true of your fellow townsman who is the Representative from this district and whose presence honors this occasion today, who has through five sessions of Congress ably represented this district in the House of Representatives and whose service in that representative body has been characterized by sound judgment, straight thinking, and a most sincere interest in the welfare of the people of his district, of our State, and of our Nation. In my contacts with him I have always found him to be fair-minded, forward thinking, and serving no selfish interests. I am happy, indeed, to pay this tribute to a splendid son of our State of Maryland, your Congressman and my friend, Hon. WILLIAM P. COLE, Jr.

My friends and fellow Marylanders, the American people are builders, building for home, culture, security, right, and justice to all.

As Americans we are not forgetful of our traditions, and neither are we forgetful of those great figures in our history who did so much to found and build so as to perpetuate our great Nation. This very spot upon which we stand today has known the tread of men and women who dedicated themselves to the building of a new nation. Some of them made the supreme sacrifice for this cause. It is our duty to carry on the work which was so nobly begun and to inculcate in our children a love and respect for America and its institutions, to the end that this country may continue to be a nation that will be universally respected and looked up to by the entire world.

We are, indeed, fortunate in being able to carry on these efforts today under the leadership and guidance of a great American and a great builder, our President, Hon. Franklin Delano Roosevelt.

Chairman Dies Vs. Founding Fathers

EXTENSION OF REMARKS
OF
HON. LEE E. GEYER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 1, 1939

ARTICLE FROM THE AMERICAN TEACHER OF DECEMBER 1938

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks I wish to insert an article from the American Teacher magazine for December 1938 entitled "Chairman DIES vs. Founding Fathers," as follows:

[From the American Teacher of December 1938]

CHAIRMAN DIES VS. FOUNDING FATHERS

WASHINGTON, D. C.—George Washington, Thomas Jefferson, and other "founding fathers" were questioned today by the Dies committee which is investigating un-American and radical activities. The appearance of America's revolutionary heroes created a sensation such as Washington, D. C., has seldom experienced, as it was not thought that a subpena could reach to the other world.

General Washington received a great ovation as he mounted the witness stand in the Capital named after him. Chairman DIES broke two gavels before he could restore order and focus the attention on himself.

Washington was subjected to only the briefest questioning, Mr. DIES asking him if it was true that in negotiating a treaty with Tripoli in his second administration he had assured the Mohammedans that "the Government of the United States is not in any sense founded on the Christian religion."

"That is true," said the general. He also pleaded guilty to the charge that at Valley Forge he had ordered the public reading of Tom Paine's Crisis, as he thought it a good book for pepping up the ragged and undernourished soldiers.

The sensational witness of the day was Thomas Jefferson, who described himself as the third President of the United States and author of the Bill of Rights of the Constitution. He was questioned by Chairman DIES, as follows:

"Is it true, Mr. Jefferson, that you have openly advocated the desirability of revolution?

"Mr. JEFFERSON. I have, sir, and on numerous occasions.

"Mr. DIES. And this was after our Revolution, after 1783?

"Mr. JEFFERSON. Yes.

"Mr. DIES. You were not of Mr. Coolidge's opinion that we had had our Revolution, and that one was enough?"

Laughter broke out in the courtroom when Jefferson asked who Mr. Coolidge was, and on being told, asked if Mr. Coolidge had ever had a revolution. A man in the audience yelled, "Boston police strike!" and was forcibly ejected by attendants.

Mr. Jefferson thereupon assured the chairman that he was emphatically on record as being in favor of a more or less permanent revolution.

"Mr. DIES. Do you recognize the following words as yours, Mr. Jefferson? 'The spirit of resistance to government is so valuable on certain occasions that I wish it to be always kept alive. It will often be exercised when wrong but better so than not to be exercised at all. I like a little rebellion now and then. It is like a storm in the atmosphere.' Are those your words?

"Mr. JEFFERSON. They are. But there is a better passage, if you will permit——

"Mr. DIES. Excuse me, I'm coming to that. Here is a long paragraph in which you incite the people to the spirit of resistance. 'Let them take arms. The tree of liberty must be refreshed from time to time with the blood of tyrants. It is its natural manure.' You are an agitator, Mr. Jefferson.

"Mr. JEFFERSON. I was an agitator, Mr. DIES.

"Mr. DIES. You still are. You may be dead, but these words are still available. They are in the books, in the libraries, accessible to the school children whose tender minds are susceptible to plausible appeals to revolt. That is why we subpenaed you and General Washington and Mr. Madison and the others, because tradition is powerful, and dangerous words and deeds in the past have a way of echoing in the present. It is men like you, Mr. Jefferson, that give the 'reds' aid and comfort. This committee asks you to recant and to make a statement to it and to the press that you have taken a saner view, so as to undo some of the harm you have done.

"Mr. JEFFERSON. Tut, Mr. DIES; let us get on to another passage.

"Mr. DIES. You are a Bolshevik, Mr. Jefferson. Not even a Communist would dare use such language today. How did you get away with it?

"Mr. JEFFERSON. The Bill of Rights which I wrote and put through was still fresh in those days, and there were no Dies committees.

"Mr. DIES. Do not insult the committee, Mr. Jefferson. We are here on a sacred errand, to preserve fundamental American institutions.

"Mr. JEFFERSON. Those are institutions which I helped build, and I am as skeptical of this committee's motives as I am of its abilities in this matter of protection.

"Mr. DIES. This is the twentieth century, not the eighteenth, Mr. Jefferson. Permit us to solve our own problems in our own way. Evidently you lived in bloodier days than ours, as shown by this passage of yours: 'The late rebellion in Massachusetts has given more alarm than I think it should have done. Calculate that one rebellion in 13 States in the course of 11 years is but one for each State in a century and a half. No country should be so long without one.'

"Mr. JEFFERSON. Policemen and company thugs did not shoot down citizens in my day, Mr. Congressman.

"Mr. DIES. Nevertheless, your principles are those of sheer bolshevism.

"Mr. JEFFERSON. They used to be accounted the principles of pure Americanism, as enunciated by the founder of your party, Mr. DIES.

"Mr. DIES. And who is that?

"Mr. JEFFERSON. I, Thomas Jefferson. [Laughter.] May I say, taking advantage of a ghost's privilege to dodge contempt of Congress, that meeting you makes me rather regret having effected the Louisiana Purchase, since it led to the acquisition of Texas, the great State you represent in such a small way. [More laughter.]

"Mr. DIES. You may leave the stand.

"Mr. JEFFERSON (going). You forgot that I also said, 'God forbid we should ever be 20 years without a rebellion.'"

When order was restored in the committee room Mr. DIES called to the stand James Madison, another former President of the United States and one of the framers of the Constitution. Mr. Madison testified that he entertained views concerning economic determinism which were substantially in accord with those expressed by one Karl Marx.

A number of witnesses, among them Alexander Hamilton and Patrick Henry, were called to prove that among the patriot forefathers there were several who held that the Constitution was a very imperfect document.

A rumor which caused considerable stir and anticipation in the committee room was that Benjamin Franklin, John and Samuel Adams, James Monroe, Thomas Paine, Gouverneur Morris, and John Marshall would be put on the stand to establish their attitudes toward wine, women, and song, on the ground that lax moral standards are closely associated with political and social radicalism. But although these heroes were present as if ready to testify, they were not called.

Tomorrow the committee will question Andrew Jackson and Abraham Lincoln. It is understood that the examination of the martyred ex-President will take in the following territory:

1. Charges that he was a "dictator" during the Civil War.
2. Public statement made by him to the effect that labor is prior to and independent of capital, a statement tending to incite class hatred.
3. Letter he is alleged to have written and allowed to be made public just before his assassination, in which he accused the big business interests of conspiracy to undermine "democracy" and destroy the "Republic."
4. Public statement credited to him that people had a right to change their form of government by force, if necessary.

Veteran observers here and sources close to Chairman DIES, who for obvious reasons cannot be quoted, say that an attempt will be made to discredit the founder of the Republican Party as a "red."

Inaugural Address

EXTENSION OF REMARKS

OF

HON. B. J. MONKIEWICZ

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, January 30, 1939

INAUGURAL ADDRESS OF HON. RAYMOND E. BALDWIN, GOVERNOR OF CONNECTICUT, JANUARY 4, 1939

Mr. MONKIEWICZ. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following inaugural address by Hon. Raymond E. Baldwin, Governor of Connecticut, at Hartford, Conn., January 4, 1939:

GOVERNOR'S MESSAGE

Mr. President, Mr. Speaker, and members of the general assembly, 300 years ago representatives from Windsor, Wethersfield, and Hartford met in this part of Connecticut and in the candlelit twilight of a midwinter afternoon completed the Fundamental Orders. Thus they founded a republic upon a written constitution, the first in America, and fixed for all time the principle that the people were, and by Divine right ought to be, the source of all power and authority in government. That is democracy indeed. Knowing that happiness lies in freedom and that freedom is best preserved in democracy, other towns joined the Connecticut Republic, and it grew. Throughout the years since that time people have come over the sea, seeking and finding that ideal of free institutions which the original settlers desired and conceived. Today, in a world of doubt and fear, the people of Connecticut hold fast to our Republic and cherish our rich traditions of freedom. To us for a time they have entrusted them for safekeeping and further fulfillment. In an age of despotism across the sea, it is for us to prove that in America and in Connecticut democracy still fulfills the ideals of those who have struggled for it throughout long years. Let us here resolve that no lust for personal gain or political power shall keep us from serving the welfare of all the people. In the same spirit with those who first established this Republic and with those who have served it faithfully down the years, let us, each one, take up the work there is to do in the days that lie just ahead.

In the face of world-wide challenge to democracy, we believe that free government can best be preserved by a separation of its three great functions and a recognition that such a separation preserves that balance which is essential to individual freedom. You are the members of the legislative branch of the government. While your functions are different, they are equally as important as those of the executive or judicial departments. While we must work together, you can expect that the Governor will recognize and respect your separate function and power and that he will not trespass upon them. On the other hand, the Governor will expect that you will in turn recognize his separate function and power and that you will not deliberately trespass upon them. It is the duty of the executive department of the government not only to administer the laws of the State but to lay before the general assembly problems which require legislation for their solution. It is his duty to make recommendation for legislation generally and to advise you as to his opinion concerning the form which it shall take. The acceptance or rejection of his recommendation or the amendment to it is your function and, being your function alone, is likewise your responsibility. Differences of opinion are bound to arise. In Connecticut and in America each man and woman is entitled to entertain and express an opinion openly, freely, and independently. The floor of the general assembly is the place for open, frank, and public debate, involving not only issues among yourselves as members of the legislative branch of the government, but differences perhaps with the executive department as well. If we all seek to serve the public good as we, before Almighty God, have sworn to do, then our differences of opinion can involve no question of private ambition or personal gain and can only be concerned with how best to meet the public need and solve the public problem.

The story of Connecticut is a story of constant change. Those who lived here before us were for the most part farmers. With the westward expansion of our country many migrated to fields where stones were fewer and smaller and the hills were not so steep. With expanding production and the advent of the machine age Connecticut turned to manufacturing, and now we are not only an agricultural but also an industrial State. We have within our borders the most intelligent, the most skilled workmen in America. Connecticut Yankee ingenuity is a household word. For the past few years, in company with her sister States in the Federal Union, Connecticut has suffered from an economic depression. The most pressing problem has been and still is unemployment—jobs for those who are willing and can do good work. The theory has been announced that we can expect the day when the Government sees to it that one-third of the population, which is at present insufficiently clothed and fed, shall have a decent standard of living. Connecticut has been through depressions, but its citizens have never before and are unwilling now to accept the doctrine that one-third of our people must become permanently wards of the Government. This theory is contrary to Connecticut thrift and ambition. In time of economic stress it is the duty of Government to care for its citizens, to help them, not to become permanent wards of the Government, but to get back to jobs in private business and industry.

The citizens of this State may well make this inquiry: If one-third of the population is at present insufficiently clothed, housed, and fed, is it the duty of the Government or is it the duty of private business and enterprise to fulfill that need? If this be true, there is still room in America for an expanding and increasing production not only to meet the needs of this third but to improve still further the lot of all.

There have been many vociferous prophets of calamity since Jeremiah. Whenever mankind has been unable to adapt himself readily to new forces produced by his own mind and hand some have said that human progress had reached its zenith, and that the existing economy must be stabilized and fixed for all time. Many are preaching that same doctrine today.

America and Connecticut experienced a depression in 1873, and for several years thereafter they struggled with the problem then pressing. There were people then who made the same claim that is being made now, and urged a stabilizing of the existing economy. If they had succeeded in permanently impressing their principles and plan upon the American public and industry the telephone would have been a mere plaything, radio and motion pictures would have been unknown, mechanical refrigeration, modern sanitation in our homes and cities would not have come. The automobile, the airplane, and the modern streamlined train would

have passed us by. We would be meeting this afternoon in light shed by gas jets and coal-oil lamps. When a national economy is stabilized progress is stifled.

We must direct our thought and energy toward improving opportunity to go ahead, to increase and expand our production. In a totalitarian state expanding and increased production is attempted by governmental edict directed at the workmen, the farmers, the scientists, the organizers, the inventors. They are ordered to carry out a government plan. In a democracy progress is accomplished by holding out to the workingman, to the farmer, to the scientist, to the inventor, to the organizer, to all, an opportunity to improve his lot in life, to acquire better things for his family and himself with the promise that when he justly attains them he will be protected in the enjoyment of them. It is the function of government to keep that opportunity within the reach of everyone and to guard it against selfishness and greed. This is the American way of life. The people of Connecticut want to go forward along this way. It is our job to do all that we can to stay on this road, by protecting the fair against the unfair, the honest against the dishonest, the unselfish weak against the selfish strong.

There is no easy road to recovery. There is no scheme that will bring it next week. Recovery depends upon the revival of business confidence and there can be no revival when businessmen, large and small, are badgered and harassed by government. We who hold public office devote our time, energy, and thought to the government of the State, while our fellow men in the private walks of life devote their time and energy and thought to the development of private enterprise. We must work with them to make government and private enterprise go hand in hand. Government must in all things be a friendly, helpful, cooperating force and not an officious, meddlesome policeman. We will need the help of men and women who know the problems of business and agriculture in Connecticut. Government must invite them in and work with them for recovery. By inspiring confidence we can increase and expand our production and create the jobs which bring recovery.

No government can provide permanent employment for all or even a large part of its citizens unless it steps out of the role of democracy and, entering the field of private enterprise in direct conflict with its own citizens, becomes autocratic. In competition with its own citizens government becomes a monopoly which business cannot hope to cope with, because government is bound by laws of its own making and, pursuing the course of monopoly, would eventually stifle private business altogether. In a conflict between government and business class hatred and intolerance are rampant. We must awaken in all of our citizens a new sense of their responsibility toward the country. We need jobs for the unemployed. The citizens of the country must be encouraged to furnish those jobs. They will be encouraged when the Government pursues a program of adherence to constitutional principles, of economy, of friendly cooperation and thus demonstrates beyond doubt that there will continue to be in Connecticut and in America freedom of opportunity to increase and expand production without competition from government and the imposition of ever-increasing taxes and unreasonable regulations.

Connecticut industry suffers because of conditions that exist generally throughout America. It suffers also for lack of protection against foreign goods produced with cheap labor. The watch and clock industry of Bristol offers but one example. Connecticut industry suffers also because seemingly more favorable conditions for some of our oldest industries, such as textiles, have been created elsewhere. Wherein the remedy is Nation-wide in scope our delegation in Congress must protect Connecticut and preserve her equality with the other States. This we know they will do. There is opportunity for us working together here in the general assembly to help Connecticut industry and Connecticut agriculture. We can encourage the industries which we now have to remain and new ones to come here and find a friendly soil for honest effort. We can best encourage business in Connecticut by demonstrating that in the operation of our State government and, indeed, in the operation of our city and town governments, honesty, efficiency, and economy prevail. We must balance our budget and all of the departments of the State must live within that balanced budget.

There is a mortgage on the State, a bond issue, for $25,000,000. The proceeds from these bonds were used to pay off a deficit accumulated during the last 8 years in the amount of $12,172,564.41. The sum of $12,827,435.59 remaining is being devoted to expanding and improving our humane institutions, a proper and needful program, the complete fulfillment of which lies yet ahead. This bonded indebtedness will have to be paid at the rate of $1,250,000 each year. In addition thereto, interest must be paid thereon, decreasing, of course, in amount as the years go by, but in this next biennium at the rate of $396,625 in the first year and $368,750 in the second year. In addition thereto the enlargement and expansion of our humane institutions, nearly doubling in size the plants which the State heretofore has had, will, of course, nearly double the cost of maintenance and operation. The additional cost is estimated by the budget division to be $872,736.45 and $1,792,139.87, respectively, in each year of the next biennium. These obligations as well as others, which will be dealt with more fully in the budget message, are fixed and cannot be avoided. We should remember this principle, however. The tax dollar must be more carefully spent than any other dollar. It is the dollar which the workingman, the businessman, all of us, earn, but which we cannot spend for our wives or our children. It is the dollar which business cannot have to divide fairly between the jobholder and the stockholder. The State spends it for us. The citizen has a right to expect and to demand that it be carefully and honestly spent.

A program of economy will for the time being seem hard to follow. We must always remember this: An increase in the services furnished by the State in developing whatever program you may name is dependent entirely upon the ability of the citizen to pay the taxes necessary to support the State in carrying out such a program. Therefore, unless the citizen is able to pay the increased taxes required (and he will be both able and willing if fairly dealt with), we cannot place any expansion of the present services of the State upon that firm foundation necessary to successful fulfillment. It may become necessary to curtail some of the present services if we are to open and maintain our new humane institutions and pay the interest upon and retire the principal of our mortgage without levying additional taxes. Work upon the budget thus far reveals fixed charges and commitments in the way of grants impossible to reduce without legislative action. The revenue going into the general fund is estimated to be lower than during the last biennium. Two million five hundred thousand dollars in bond retirement, $765,375 interest, and $2,664,877.32 cost of operating and maintaining a greatly enlarged system of humane institutions, all entirely new items of expense which the State has not heretofore had to pay, must come out of the general fund. We begin this administration with lower estimated revenues and an increase of six millions in the cost of government. Any increase in the services now performed by the State must carry with it the necessary appropriation and provide for the necessary taxing or financing to meet that appropriation. The people's representatives must decide whether we will balance our budget, pay our bills, and thus encourage business, or whether we will go along spending and adding new taxes.

Unemployment, jobs, recovery present our most pressing problem. We can do our full share toward a solution if we demonstrate to the people of this State that our State government can and will be run efficiently and economically, that our budget will be balanced, and that our appropriations will not be exceeded. Expansion of government service imposes additional costs, which require additional laws. Prostrate business and industry cannot afford to pay the taxes necessary to meet such increased cost nor can men and women working for reduced salaries and wages and on part time pay the taxes to meet these increased costs either. We can stimulate private enterprise by stopping the ever-increasing cost of government, by keeping those costs within a limit that the taxpayer can afford and by making definite provision for the payment of our bills.

LABOR

The great majority of the people in this State labor for small salaries and for wages. When they are working full time and receive fair pay they create a market. The worker is not only a producer, he is also a consumer. The businessmen, the manufacturers in this State should realize, and many of them do realize, that they not only owe a duty to the stockholders in their companies but to the jobholders as well. We can be proud of our legislation in Connecticut protecting the working man and woman, but we have by no means reached the limit of fair progress. All too often in the past some employers have been unwilling to meet the men who work for them half way. As a result there has been a lack of cooperation which is essential to progress. A belligerent attitude on the part of the employer has been met with a corresponding belligerent attitude on the part of the employee. Capitalists, large and small, as stockholders have a right to organize and pool their interests. Labor has an equal right to organize and bargain collectively through representatives of its own choosing. We will protect and guard the rights of both. We urge cooperation and mutual regard. No government should champion the one as against the other. We can improve our laws with respect to sweatshops and child labor and protect women and children as to hours of work and working conditions.

Legislation should be provided giving to labor a fair anti-injunction bill. The day of unreasonable, unrestricted use of injunctions in labor disputes is gone forever. Fair dealing requires the protection of the employer against plant confiscation and wanton sabotage. Most all of our industries are owned by many small stockholders whose investment represents a saving made at great sacrifice. Property rights are a part of human rights, for most all of the people in Connecticut own property of one kind or another. The Workmen's Compensation Act has, on the whole, been very beneficial. It has been amended and changed from time to time to meet new conditions. The depreciated value of the dollar and the present high cost of living make an increase in the maximum limits payable desirable and necessary at this time. The expansion of the act as to compensable injuries and diseases has produced a problem which was originally unforeseen. Some industries are unwilling to employ men who have reached the age of 45 years or more, because such men are thought to be more susceptible to injury than younger men. Such a practice tends to substitute inexperience for experience and works an injustice in a State where many workingmen who have spent a large part of their lives developing specialized skill and experience find themselves unemployable. A comprehensive, thorough study of this problem is recommended, with action in the present session of the general assembly. Our laws with respect to contracts let by the State for public works of various kinds should be so amended that labor costs are at a decent and uniform standard for all bidders, so that all bidders may enter the contest on equal terms. Legislation to protect labor and materialmen from the fraud of irresponsible contractors needs further strengthening. Our board of mediation and

arbitration has done good work. With added powers, it would function even more effectively to settle and thus prevent labor disputes. Friendly relationship between labor and capital will encourage business to come to Connecticut. With labor and capital in honest, energetic partnership, Connecticut will forge ahead.

AGRICULTURE

We have from time to time added new boards and commissions to our State government. For the most part these boards and commissions have grown up in helter-skelter fashion. You should direct your attention to coordinating the boards and commissions concerning agriculture. These could and should be combined in a single department to foster a unified program and to avoid duplication of effort and consequent added expense. It is, therefore, recommended that the commissions on agriculture, on domestic animals, on dairy and food, and on milk regulation be combined under a board of agriculture.

A regional market should be established in a section of the State best calculated to meet the needs of the farmers. Many of our tobacco farmers will not again undertake tobacco growing. Their lands and farming knowledge may be turned profitably to the growing of fruits and vegetables and a regional market would be a great assistance to them.

THE MERIT SYSTEM

The spoils system is an undesirable and unnecessary byproduct of our political life. Public-spirited citizens demand the recognition of merit in the selection of public servants and a merit system has been put into operation in our State government and in the government of some of our cities. It may prove wise to enact an amendment to the State constitution providing for the principle of appointment of public servants on the basis of merit. Such an amendment would firmly establish the merit principle and would furnish the foundation upon which to build extensions and improvements. The lack of such an amendment does not prevent immediate extension and improvement of the present law. The law should be amended clearly defining those acts which constitute a violation of the law. The section relating to penalties needs strengthening. Abuse in the matter of provisional appointments has been claimed. The selection of any one of the three applicants holding the highest ratings has also been criticized.

There has been a suggestion in some quarters that a civil-service commission be substituted for the present personnel advisory committee. These matters should receive your careful consideration. Workable, effective merit systems should be established in our larger cities and uniform legislation be enacted to that end. It would be well to have a uniform act to meet the needs for civil service in some of our smaller towns and communities. In a republic it is essential that the policy-making officials respond directly to the electorate or to those who appointed them, who are themselves directly elected by the people. It is sometimes difficult to draw the line of distinction between an appointive policy-making official and a purely administrative one. The former must be subject to the political change which belongs to a representative system of government. There is good reason why even some policy-making officials should refrain from political activity while holding public office, although not themselves appointees under the merit system. Commissioners and deputy commissioners are not appointed under the merit system. They are policy-making officials, and for that reason should not be subject to the act. Their subordinates in the departments, however, are for the most part subject to the act. Commissioners and deputy commissioners as political appointees can inject political activity into their departments. Legislation preventing a commissioner or deputy commissioner from political activity while holding office would greatly strengthen the merit system.

Appropriate legislation should be enacted disqualifying any member of the general assembly during his term of office for an appointment in any administrative or judicial office in the State. An array of senators and representatives as judges and administrative appointees after a legislative session is not imposing before the people of the State.

THE COURTS

Speedy impartial judgments in criminal and civil matters are prerequisite to justice. The lengthy investigations and trials of the past year have placed a tremendous burden upon the judges of our higher courts. The ordinary vicissitudes of health often withdraw one or more of our judges from performing active duty during the busiest part of the court year. The number of judges in the superior court should be increased.

During the month of December, in consultation with the Governor, a commission was appointed for the specific purpose of submitting a report for proposed legislation reforming our minor court system. This commission is composed of outstanding judges and lawyers representing each branch of judicial service in the State as well as the bar itself. There is an insistent demand from the people for a reorganization of our minor court system to speed up justice and to avoid abuses concerning which the people have long complained. The commission has been working diligently and expects to submit a bill soon.

Following the adjournment of the last general assembly the Governor made appointments to judgeships in several of the minor courts which, under the law, will expire on the fourth Wednesday following the opening of this general assembly. It is recommended that you adopt legislation extending those interim appointments until July 1, 1939. This will avoid any delay in carrying out other legislative programs of vast importance to the State. We must not devote valuable time at the opening of the general assembly to consider appointments to judicial posts which, upon the adoption of minor court reform, may be greatly altered or abolished.

Juvenile courts should be provided for the entire State. These courts should spend their entire time adjusting the difficult problems of youth with the aid of properly qualified officers. The judges ought to have necessary authority over the parents of juveniles and be enabled to compel proper care and supervision or a substitution of guardianship.

Our probation system has woefully failed. It has never been extended to cover the entire State and many of the probation officers appointed have been unqualified. An adequate probation service must be provided. The personnel should be trained and experienced. Such officials cannot be the subject of political patronage. They are part of the judicial system of the State. All judicial officers, from the highest to the lowest, should at all times be far removed from the will or caprice of politicians.

POLITICS IN RELIEF

The manner in which Federal relief is administered is subject to the final control of the Federal Government. All relief should be administered by an impartial, nonpartisan board. Such a board was set up in 1933 but since abandoned. With the attention now being focused upon politics in relief nationally, we should be enabled to take politics out of relief in Connecticut.

EDUCATION

Time was when few children received any schooling and when the number who obtained any higher education than that offered by the common school of the day was very small indeed. We have made great progress in public education and, fortunately so, because an educated, intelligent citizenry is essential to the success of our Republic. Succeeding generations have brought new problems and added expense in education, as in everything. We want to get the full worth of our tax money.

The four teachers colleges are graduating more young women qualified to teach school than we can find places for. These teachers colleges must be considered as State institutions rather than as local institutions and we must look at the problem as a State, and not as a local, problem. Local pride should yield to the welfare of all of the people.

Our State college has been doing excellent work. It is overcrowded. Many have applied for admission who must be denied admission because they are not qualified to meet the requirements for a State college. You should consider the desirability of retaining two of our teachers colleges for teachers college work and using the others to meet the demand for further and different youth training.

Our highly specialized industries require a continuous supply of skilled artisans. Many of our boys and girls are going to high school and finding that these schools do not offer what these boys and girls need. We could use our high schools partly for prevocational training and then transfer these boys and girls into a school devoted exclusively to vocational training. Under the present law any city or town can build a trade school and require that it be equipped and manned with a teaching staff without regard for any definite preconceived and unified plan. We can work for a better coordination between our high schools and trade schools and thus fill a need now not adequately met and at the same time give a better training. We need men and women of strong character to furnish the backbone of our industries. The dignity of good work skillfully done in the factory is equal to the dignity of good work in the professions, in business, anywhere.

Recently, some of our big industries have asked our State college to furnish, at the expense of these industries and not at the expense of the State, special training for selected men in their employ. This idea is a valuable one and should be developed. It opens the door of opportunity to men working in factories who, having displayed their energy and talent, can thus obtain the added specialized training which may alone be necessary to make them valuable administrative officers in their respective industries.

AMENDMENT OF ELECTION LAWS

Our election laws need a general overhauling. They have grown up piecemeal as the number of voters has increased. A clarification of many of them is essential to the conduct of fair elections. They need strengthening with specific regard to eliminating from the lists those people who have either removed from Connecticut or have died. Every voter has the right to have his vote count and not rendered worthless by technicality or fraud.

MOTOR VEHICLES

The law providing for the periodic inspection of motor vehicles should be repealed. Its effectiveness in reducing the number of automobile accidents by reason of defective vehicles or otherwise has not been demonstrated. It does not warrant the additional expense placed upon the motor-vehicle owner to maintain it. Motor-vehicle fees and gasoline taxes have been expended in improving our State highways and large sums have been devoted in the past to straightening out curves and building cut-offs. These are desirable improvements and have been made in the interest of the safety and convenience of the motor-vehicle owner and operator. The safety of the motor-vehicle operator and to a great extent his convenience could also be served by providing additional highway patrol by increasing the number of State policemen available for this duty to protect the motorist who wants to obey and who does obey the law against him who will not obey the law. Where main highways pass through rural districts many busy intersections are dangerous at night because of poor visibility. The time has come to seriously consider highway

lighting in the interest of safety. Some of the funds heretofore used for straightening curves and reducing grades could very well be devoted to highway patrol and highway lighting. It is urged that you continue the highway safety commission.

AUDITING OF MUNICIPAL ACCOUNTS

A uniform system of periodic auditing and accounting of public moneys in counties, cities, and towns should be established. Periodic auditing either by a town auditor or by public accountants should have some clearing house in a State department. The State collects large sums that are expended in the cities, towns, and counties for local purposes, and it is entitled to know the operation and status of local public finances. It is not recommended that a separate department be created. The work could be done under the direction of the finance commissioner. The auditing should be done by reputable public accountants at the expense of the town. A uniform system of periodic auditing and accounting would be helpful to local officials, the very great majority of whom try hard to do a good job. The reports of those audits should be easily accessible to the public.

LAND PURCHASES MADE BY THE STATE

For the protection of the department head charged with the purchase of land or rights in land as well as for the protection of the taxpayer, it is advisable for you to consider enacting legislation providing that in no case where land is purchased for the State above a fixed minimum value, shall the purchase become final or the consideration be paid to the seller until a judge of the superior court sitting in the county where the land is located, has reviewed the transaction and has entered a judgment for the amount to be paid. Such a procedure would not interfere with open and fair dealing, but it would protect the seller and the State and would go a long way toward avoiding excessive or unfair prices in the purchases of lands or rights in land for the State.

BUILDING PROGRAM

The next biennium will see the substantial completion of the program for increasing and enlarging our humane institutions. These institutions will be practically doubled in size and capacity. The cost of the maintenance and operation will be greatly increased and has already been estimated by the budget division and the commissioner of finance to be approximately $872,736.45 for 1939–40 and $1,792,139.87 for 1940–41. While these institutions have been sorely needed, their maintenance and operation places an increased burden upon the taxpayers of the State. We must direct all our energy and thought to the efficient and economical administration and operation of these vastly enlarged facilities.

It is the intention of the Governor at an early date to submit to you a special message dealing exclusively with the present status of the building program and the building fund, with recommendations concerning both.

WELFARE

The welfare department, in accordance with the report of an examination made under the direction of the Governor, is working to better coordinate the separate branches of the department to promote efficiency and to reduce expense. There is much room for improvement in the administration of welfare work. This is not due to the inefficiency of the department, but it has come about because of the rapid expansion of the services rendered by that department in the past few years. We would be happy indeed to see the county home reduced merely to temporary home until those unfortunate children who require the help of the State could have places in private families found for those suitable to be so placed and the others given proper care in other institutions. Welfare work can best be done with the counties, cities, and towns as the units of organization. Such work, however, requires the right kind of personnel. We need the man or woman who has a view of the object desired, a plan to obtain it, and a fair regard for the taxpayer who must meet the bill. The county, city, and town can be used even more effectively and economically as a subdivision for the administration of relief than it is now being used. Local administration of a unified program under a reasonable amount of State supervision with qualified personnel is the end desired.

Old-age pension payments should be based upon reasonable need. A permanent fund in the nature of a reserve should be established placing funds for old-age pensions beyond the possibility of use for the general expenses of the State. We must be prepared to meet in a reasonable way the increasing demands for old-age assistance lest we be swept off our feet in some future campaign by a plan which requires the payment of sums beyond the range of the taxpayers' purse. No system of old-age pensions is good that will not last. No system will last that is not sound. No system is sound that is not fair to both the aged and the taxpayer.

We should strive to make a substantial beginning with our jail farm program.

Insistent and pressing demands will be made upon you during the next few weeks for an extension of our welfare program. It is right to bear in mind that the State owes a duty toward its unfortunates. No worthy person should go unclothed or unfed or be denied shelter. Proper, loving care must be given to children. We all desire an extension and improvement of our welfare program in every direction toward those who need help. We all want to extend opportunity to the underprivileged. We must realize that any service performed by the Government must be paid for out of taxes. In this present time of economic distress and widespread unemployment and part-time employment we should ask ourselves how we can best place our program for social welfare upon a firm and sure foundation. Can we increase and expand our services and facilities further without considering business and employment? Or should we first consider business and employment, work to get them on a sound and firm foundation, knowing that business improvement and full-time employment will take care of much of our welfare needs?

Just good times, not necessarily prosperity, but just good times, agriculturally, commercially, industrially must be our immediate goal. These obtained, all of our people (and we must remember that all of them, at least a very great majority of them, are taxpayers) will demand and will willingly pay the taxes to supply those things which may next be needed.

RECREATIONAL FACILITIES AND CONSERVATION

The hurricane last fall wrought havoc with our State parks on the seashore. The cost of restoring them has been estimated at $400,000. A W. P. A. project has been asked for, but to date little or nothing has been done. We should anticipate the possibility that the State will be required to restore these parks at great expense. They must be restored so that they can be used during the spring and summer seasons. The primary problem is one of rehabilitation but we must have in mind also the possibility of extending these facilities whenever opportunity offers. When funds are available the completion of the State's holdings at Sherwood Island would be desirable.

The storm did great damage in our State forests. Millions of feet of good lumber now lie on the ground. Plans are being formulated to salvage this timber and make it available for use in the various departments of the State. This will require some financing and proper provision must be made for it.

The storm has created a great fire hazard, particularly in the eastern part of the State. The State forester is building fire lanes so that a forest fire, if started, can be confined within some limit. It is hoped that some Federal funds can be made available. The State may be required to expend as much as $100,000 guarding citizens and their lands against fire. It is most desirable to extend our State forests. Here again, however, with limited means at our disposal the primary problem is rehabilitation and protection with the hope that funds can be later made available for extending our State forests. In many places additional lands can be purchased at reasonable prices which will not only extend our present holdings but help landowners who have not the means to clean up their properties after the storm.

There is widespread dissatisfaction among the hunters and fishermen. These men and women pay a substantial fee and are entitled to have full value for their money. Our woods, fields and streams are not far removed from large centers of population, and consequently natural propagation presents a problem which requires careful study by an adequate program of research. We must release more game and fish to supplement the natural supply. We should be sure that the game and fish which we release can adapt themselves to natural conditions. We could advantageously spend less money for administrative overhead and more money for game and fish. The cooperation of all of those who love the cut-of-doors is needed in an unselfish effort to improve hunting and fishing.

WATERS AND FLOODS

The waters of our State constitute our most valuable resource. We must have a definite, comprehensive policy for conservation of water and protection against floods. The administration of the existing statutes concerning waters which is now distributed among several different agencies, should, for efficiency and economy, be placed under a single agency. The powers of that agency should be enlarged concerning dams, control over streams and allocation of waters. There is no continuing State agency which has authority to deal with flood-control measures. Such an agency should be established or such power given to the State Water Commission at the earliest date possible. Immediate action is necessary to develop and carry forward, with the cooperation of the Federal Government and with Federal funds, a program for flood control, not only in the Connecticut and Farmington valleys, but in the valleys of the Shetucket, Yantic, and Thames, and the Housatonic as well.

ALCOHOLIC BEVERAGES

From its very beginning the Liquor Control Act has been subject to criticism and from time to time changes have been made. This is natural because we have attempted to deal with an old subject in a new way. You can settle the question as to the difference between a tavern and a restaurant and what constitutes a meal by providing for a single license at a single fee for both. We cannot legislate morality with fine legal distinctions. The present law places a tremendous burden upon the Liquor Control Board. It puts the restaurant keeper who tries to live within its provisions and who pays a large license fee, in direct competition with the tavern owner who pays a small fee to sell beer but who can easily and often does violate the law and sell everything.

PUBLICITY COMMISSION

A publicity commission was created in the 1937 session of the general assembly. Although this commission is a very recent one, it has nevertheless done very good work. Provisions should be made for expanding its facilities, so that it might be enabled to attract new industries to Connecticut. There are large numbers of skillful workmen in Connecticut. Many factory buildings are idle, and there are splendid sites available to build new modern

buildings. The publicity commission could expand its work with the interests of no particular locality in mind but with the idea of improving the State as a whole.

HIGHWAYS

Our highways have been improved until we now all boast about a highway system second to none anywhere. We would do well, however, to consider our present and future policy. Should our main trunk lines be designed and constructed to get the out-of-State citizens through Connecticut as fast as possible or should they be designed and constructed to enable our own citizens to get about conveniently and pleasantly? Should they be paid for entirely out of taxes collected primarily, in fact, almost exclusively, from Connecticut citizens or should we ask the user who desires the greater convenience furnished by the short cut of a more direct route to help pay the bill? Before the railroad came into general use each man furnished his own transportation and paid toll for the privilege of driving over a highway constructed by a turnpike company. The expansion and use of railroads and electric-car lines put transportation almost exclusively into the hands of public-utility companies. Today most every family has an automobile, and man is again furnishing his own private transportation. We have embarked upon the construction of costly parkways the use of which has been denied to commercial vehicles. Should a toll be charged for the privilege of using such a parkway?

New England has been more generous than her sister States in not exacting toll. No one grumbles over the small toll fee charged for the use of bridges and highways which increase the convenience and pleasure of the journey so long as there is available a substitute route that can be used free. There is urgent need of another bridge between Hartford and East Hartford. The major problem here will be one of finance. This need and the method of meeting it should have your careful attention and a solution at this session of the general assembly.

RELIEF FOR CITIES AND TOWNS DAMAGED IN THE HURRICANE

Some of our cities and towns sustained very serious damage in the recent severe storm. Public buildings were destroyed, public works flooded and washed out, great numbers of private properties so damaged and ruined that their value on the grand list will be greatly reduced. These cities and towns will need assistance, whether by extension of borrowing limits, by State guaranty of bonds to secure favorable interest rates, or by direct financial assistance from the State or otherwise, will depend upon each specific case.

REFUNDING MUNICIPAL INDEBTEDNESS

With legislative authority some of our cities and towns might be enabled to refund outstanding bonded indebtedness and thus take advantage of the lower interest rates which now prevail.

MILITARY

A reorganization of our military establishment is required for greater economy and efficiency.

LEGISLATIVE COUNCIL

I commend for your careful consideration the report of the legislative council. It contains recommendations with which the general assembly or the Governor, or both, may disagree in principle and detail. It is, however, a comprehensive, valuable report. Some of its recommendations are contained in this message. Others not herein mentioned you may want to consider and adopt. The legislative council offers it work for your help and guidance.

LOBBYING

During the days of your work here men and women will appear before committees to which you have been assigned and will talk with you personally concerning pending legislative matters. It is right and proper that they should do so. Some of them will receive compensation for their services and such practice is legitimate. It is recommended that you all read section 4D of the Cumulative Supplement to the General Statutes of 1937 concerning legislative appearances or lobbying. Fair legislative process requires a strict adherence to the terms of that statute. The day of the paid professional, political lobbyist belongs to yesteryear.

REORGANIZATION OF COMMITTEES IN THE GENERAL ASSEMBLY

Many of the committees in the present organization of the general assembly are outmoded and useless. There could be a combination of the functions of other committees. The number of committees could be reduced, their activities combined so that there would be no duplication and so that every member of the general assembly would be on one committee only and that committee would be an important committee and have important work to do. Where members serve on more than one committee it is necessary that they slight the work of one in order to perform that of another. A reduction in the number of committees and a new method of assigning bills to committees would, it seems, greatly facilitate our work by reducing duplication of effort to a minimum. It would be well to do this at once unless it soon appears that disagreement about the numbers of the committees and their particular functions will delay us all in getting down to business. It is a matter which we should all consider and be prepared to take some definite action on before adjournment so that if not in this general assembly then in the next one, the advantages of such reorganization plan may be put into use.

Time has not permitted the recital of all of the problems that face us, nor a detailed explanation of those that are mentioned in this message. The work laid down before us in the house of representatives, the senate and the Governor's office requires our diligent effort, our patient, thoughtful care, our due respect for the opinions of others, a love for the State of Connecticut and an abiding faith in our institutions. It used to be the tradition years ago that the sessions of the general assembly should adjourn and its members should go home to their farms and their private business when one could stick a cane into the ground, for then the frost was gone and the springtime task of the farmers ready for their hand. The people of the State will appreciate our efforts the more if we can again observe that old tradition.

Equity for Labor

EXTENSION OF REMARKS

OF

HON. FRED A. HARTLEY, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1939

ADDRESS BY ALBERT W. HAWKS TO THE CONGRESS OF AMERICAN INDUSTRY

Mr. HARTLEY. Mr. Speaker, under leave to extend my remarks in the RECORD I am including the address of the Honorable Albert W. Hawkes to the Congress of American Industry on the subject Equity for Labor and Capital.

Mr. Hawkes, whom I have known for many years is one of the Nation's outstanding industrial leaders. He has the unique faculty of understanding the problems of labor and capital equally well from a standpoint of labor as of management.

I urge that each of my colleagues study this speech for I believe it to be one of the most outstanding addresses on this subject that I have ever read.

The address is as follows:

EQUITY FOR LABOR AND CAPITAL

I have chosen for my subject Equity for Labor and Capital. I purposely put labor before capital, as it is very easily proved that capital or property is the fruit of labor. It might be properly called the "stored up" or "canned" fruit of labor—something that is available for use at times when required to build jobs and keep the human endeavors for life and progress going.

The brand of "canned" capital fruit, known as "surplus" in corporations, is something that makes available "fruit out of season," when the trees of industry are not producing profits. Labor comes first, the same as the tree comes before the fruit—in fact, the tree is responsible for the fruit.

Before I get into my subject I wish to state that I am a believer in our American form of representative Government—the Constitution of the United States, with its included powers of amendment by certain prescribed processes—and in the free enterprise system of economics, which has made this country the greatest place on earth to live. Nothing that I say herein should be construed by anyone as not squaring with sound economics and our American system and way of living.

I believe that the usefulness and happiness of human beings in this country is in the inverse ratio to the amount of paternalism that is shown to people physically able to work and earn a living. The aged, the sick, and the incapacitated are recognized by all right-thinking people as being our charge, and I do not believe this country will ever deny that the fit and capable are their brother's keeper. But I believe in the last analysis the people of this country will resent part of the fit taking care of another part of the fit through any system invoked by any agency along the lines of paternalism.

I am not going to deal with wages or hours, working conditions, wage incentives, bonuses, group, life, and health insurance, vacations with pay, or even some of the fine plans of forward-thinking companies which have devised or are endeavoring to devise plans that give the workers a participation in profits after the payment to the stockholders of a reasonably sound dividend. Those things will be taken care of by other speakers.

A DOUBLE PROBLEM

It has been said that labor is the No. 1 problem of industry and business. I might be permitted to make an amendment to this statement by saying that labor and capital combined are the No. 1 problem in industry and business, because, after all, industry is made up of two distinct factors—namely, labor, on the one hand, and capital and management, on the other. Labor, under our economic system, can do little in establishing a business or making jobs for itself without capital. Capital can do little in establishing a business and making returns for itself without labor. Therefore, labor and capital must find a way to

cooperate wholeheartedly and sincerely to produce satisfactory benefits.

Every man and woman of legal working age in this country is a potential laborer. Some labor with their hands; some with their brains; and some a combination of brains and body.

Many men in industry say they never had any real labor problems. They mean they never had labor problems which they were unable to solve through a fair and honest discussion.

I recall the story concerning a United States Supreme Court Justice, who had just celebrated his fiftieth wedding anniversary. He met a Senator and Congressman just after the celebration, and one of them said: "Good afternoon, Judge. You are certainly looking fine." And the Justice replied: "I am feeling fine, gentlemen. This is my fiftieth wedding anniversary, and we have just had a few very dear friends to luncheon with us. I am a most fortunate man, because my wife and I have lived together 50 years in complete harmony, without a cross word." The Senator then said: "Judge, it is wonderful for you to be able to say that. I wish I could." Whereupon the Congressman interposed and said: "Go ahead, Senator. Why don't you? The Judge said it."

Now, the Justice did not mean by his remark there never had been any differences of opinion or problems, because problems and differences of opinion come to all people in every human relationship in life. The Justice meant that he and his wife had established a relationship based on faith, confidence, and equity, and when problems and differences of opinion arose they were promptly settled and not permitted to grow into a breach.

If labor and capital could deal on the same basis as the Justice and his wife, there would be no need of laws attempting to control their actions. Such laws usually breed class hatred and bitterness, and class hatred and bitterness have never successfully solved a single important problem in the history of the world.

THE RULE OF EQUITY

Common law in itself is crystallized common sense, resulting from the experience of the majority of human beings from time immemorial. The administration of common law is sometimes bounded by hard and fast rules; and statutory law is still less flexible. Equity is more flexible—it is the soul and spirit of righteousness. Equity has been described as "The spirit and the habit of fairness, justice, and right dealing, which should regulate the intercourse of men with men." Justinian, the great Roman Emperor, described equity, "To live honestly, to harm nobody, to render every man his just due." Perhaps the best definition of all is in the words of the Man of Galilee, "Whatsoever ye would that men should do to you, do ye even so to them."

Equity must come from within labor and capital—it must be born, it cannot be legislated. It is born of right-thinking and a good conscience. Equity, the child of these two, should serve as the keystone of cooperative efforts of labor and capital—thereby bringing happiness and satisfaction to those invoking its aid.

Equity must rule human acts so far as humanly possible in this world. This means many new decrees of equity (public opinion) will appear as humanity develops. For instance, humanity has yet to decree that a woman doing a given piece of work as well as a man, should get the same pay Sex should not determine the rate of pay.

The important thing in the procedure of equity is that humanity cannot absorb great changes too rapidly without damaging many of the good things it has accomplished.

Hence, the "tempo" of each change is quite as important as the change itself—as related to the successful system we have produced.

MAKING THINGS WORK

The paramount problem confronting capital, management, and labor today is the same as has confronted human beings through all recorded history—namely, to make things work and to give every man his "just due." The signers of the Declaration of Independence and the makers of the Constitution of the United States had this in view when they summarized in the Declaration of Independence the inalienable rights of men as "life, liberty, and the pursuit of happiness." They then endeavored to so frame the Constitution as to carry this announced principle into effect.

If this great principle of equity is abandoned, human relationships—small or great—fall to pieces, with the result that misery and suffering and chaos are brought not only to those who destroyed this great principle, but to all who live within the boundaries where the destruction takes place.

The world has been looking at the United States of America for more than 150 years, watching the experiment of the American system of representative government. Undoubtedly there have been many who have wished it failure. Many nations have been born and have perished. Dictators have risen and fallen and risen again—but our great country has successfully gone on with its progress in making things work, because the American people have tried to hold fast to the cardinal principle of equity upon which our country is founded, and I believe the great majority of American citizens are interested in giving every man his "just due."

The genius of America has always been to make things work. The steam engine, telegraph, telephone, automobile, radio, airplane, and a thousand other important developments, have been brought into existence for the benefit, comfort, and happiness of mankind.

It is our responsibility now to make things work in human relationship. Just as the engineer is called upon to find out why the engine or machine will not work when it ceases to operate and then to reappraise stresses and strains, considering the particular nature of the work the machine is called upon to do—so we at this time are called upon to make human relationship work satisfactorily.

Labor and capital and management should carefully examine the delicate and intangible thing that holds them together and makes them work, because we are living in a new world era where changes require constant examination and reexamination of those human relationships.

This is our job today—the job of labor and capital and management, as engineers of the human industrial machine of America. Capital cannot function successfully without labor, and labor cannot function successfully without capital. Hence the indispensable cooperation between the two.

WHAT IS A MAN'S JUST DUE?

The first thing management should do is to ascertain as far as humanly possible, What is the "just due" of each grade of manpower employed in an industry? This is a difficult job and all human minds could never be expected to reach precisely the same conclusion. However, if the great majority of men charged with directing the affairs of industry, business, and agriculture will seek earnestly and in the proper spirit for the truth of what is every man's "just due"—I feel that we can develop sufficient patience and tolerance to enable us to proceed in a cooperative way on a basis of mutuality while we are moving steadily in the direction of the objective—namely, equity for labor and capital.

We all have a very heavy responsibility resting upon us right at this period of our lives—and history will record whether we are equal to the task. We must realize that the price of failure will be disaster to all of us and our country. But I say we shall not fail, because I have absolute confidence in the desire of the great majority of those in the industrial and business arena to solve this problem as promptly as possible in a way that is satisfactory to the great mass of the American people. We must and will solve this problem the same as we have solved other problems in the past—the American way, for the common good of all.

No man in this country can successfully act in disregard of public opinion. After all, public opinion creates governments and the form of governments, and it changes them at will when it is sufficiently crystallized.

THE CHARACTER OF LABOR

As I consider the many representatives of capital and management whom I know, and the many laboring men whom I also know, I am sure that a cross section of all human beings is pretty much the same. There is just about as much selfishness in one quarter as another. There is just about as much good in one quarter as another. There is just about as much love of country and our form of living in one quarter as another.

I believe the intelligent workingman who has been taught the story of this country and our enterprise system is strongly in favor of it, and that he recognizes the fact that in every country where the system of free enterprise has been destroyed the rights of "life, liberty, and the pursuit of happiness" have been endangered or taken away. If we can proceed on the basis that the laboring man is just as good a citizen as the capitalist, or those engaged in management—and I believe he is—we will make tremendous progress. After all, the court of equity in this case of cooperation between capital, management, and labor is nothing else than the great American people, who, after hearing the case, form public opinion, which is the decree of equity. Public opinion, with the power of the American public back of it, can and will enforce its decrees upon any group of people.

THE IMPORTANCE OF LABOR

"He who comes into equity must do so with clean hands"—which means to me that neither capital and management, on the one hand, nor labor, on the other, can expect to get into equity unless its hands are clean. Then, when capital and management and labor find themselves before the court of equity, they must follow another cardinal rule, which is that "He who asks equity must do equity."

I believe a small portion of labor and a small portion of capital have been wrong most of the time. But I also believe most of labor and most of capital have endeavored to cooperate most of the time. There is no reason why most of labor and most of capital should not cooperate all the time, if they understand each other thoroughly and completely and each knows that the other is thinking straight, playing the game on the square, and only wants equity—its "just due."

That labor is a dignified and honorable calling will not be disputed by any fair-thinking person. Our great President, Abraham Lincoln, accepted honorary membership in the Workingmen's Association of New York on March 21, 1864, and stated to the committee:

"The honorary membership in your association, as generously tendered, is gratefully accepted."

Then this great man of humility, with malice toward none and charity for all, gave labor a rating of honor and dignity in his speech to them, partly as follows:

"Labor is prior to, and independent of, capital. Capital is only the fruit of labor, and could never have existed if labor had not first existed. * * * Capital has its rights, which are as worthy of protection as any other rights. Nor is it denied that there is, and probably always will be, a relation between capital and labor, producing mutual benefits. * * * Again, as has already been said, there is not, of necessity, any such thing as the free hired laborer being fixed to that condition for life. Many independent men everywhere in these States, a few years back in their

lives, were hired laborers. The prudent penniless beginner in the world labors for wages for a while, saves his surplus with which to buy tools or land for himself, then labors on his own account another while, and at length hires another new beginner to help him. This is the just and generous and prosperous system which opens the way to all—gives hope to all, and consequent energy and progress, and improvement of condition to all. No men living are more worthy to be trusted than those who toil up from poverty—none less inclined to take or touch aught which they have not honestly earned. * * * The strongest bond of human sympathy, outside of the family relation, should be one uniting all working people. * * * Nor should this lead to a war upon property or the owners of property."

And still quoting Lincoln in the same speech to labor:

"Property is the fruit of labor; property is desirable; is a positive good in the world. That some should be rich shows that others may become rich, and hence is just encouragement to industry and enterprise. Let not him who is houseless pull down the house of another, but let him work diligently and build one for himself, thus by example assuring that his own shall be safe from violence when built."

CAPITAL AND MANAGEMENT

Now, so much in commendation of labor; and we can turn to a little commendation of capital and management, because, after all, there are thousands of men called captains of industry who by their life's work have demonstrated their love of their fellow men and a square deal in their behalf. We must remember that our American justice is presumed to rest on the theory that it is better that a hundred guilty men should escape than that one innocent man should be punished.

So why should all of labor or all of capital be punished for the sins of a few?

Man can only be custodian of funds. He can only eat so much a day and sleep in a single place at one time, and all of those who have accumulated wealth through our free-enterprise system have found that the very plan of life—brief as it is—makes them custodians of funds in an involuntary trusteeship or stewardship. Hundreds of them have spent a large part of their lifetimes trying to make comfortable jobs that give a satisfactory living standard to the men working for them or for the company they represent.

The Rockefeller interests have spent hundreds of millions of dollars in creating jobs for and to benefit mankind through research and other fields. Endicott Johnson have created thousands of good jobs and used their money wisely for the benefit of the people. George Eastman and many others gave a substantial part of their wealth to the benefit of mankind. B. Altman, right in this city of New York, gave his store to those who helped him build his business.

I could go on with hundreds of others who have done likewise—but there are so many known cases it seems unnecessary to cite them to prove my conviction that most successful men recognize they can only be custodians of funds in the interest of others.

If this be true, as I believe the records prove, then both sides have much to be said in their favor and little to be said against them. Jobs must either come from the use of private capital or from the use of public funds—and from what I know of the history of the world, I have no hesitation in saying I would rather see funds to create jobs handled by private individuals who created the funds, than by politicians who frequently use funds for a short period of time without the responsibility of having created those funds themselves. The individual who created the funds lives with the job he is doing until he gets his "final summons." The politician frequently has a short tenure of office and regardless of his sincerity, does not have that continuing responsibility.

A MUTUALITY OF INTEREST

This means to me that the important problem lying in front of both sides of industry is adopting a policy that is founded upon true mutuality and then working to create the patience and tolerance that are necessary to find the truth and solve the problem on the basis of equity for all. The interested parties in this discussion are so interwoven in their relationship that their objectives must be the same, if either or both are to be satisfied with the results achieved.

I believe capital and management have been wrong many times in assuming that labor in the past has been happy, when it was dissatisfied. This reminds me of a little story of a Negro circuit preacher who was just closing his year with the congregation. He liked his pulpit and his comfortable little home, and the only way he could remain there another year as the pastor of the church was by having the congregation vote that they wished to keep him. So on the last Sunday of the year he said:

"Brethren and sisters, dis am the last Sabbath in the year, and I must move on unless you vote that you wants me as your pa'son for another year. All those in favor of me remaining for another year, please raise their right hand."

Not a hand went up.

"All right, brethren and sisters, all those in favor of me remaining another year will signify by saying 'Aye.'"

Not an "Aye" was heard. Whereupon the parson said:

"Thank you all, very much, brethren and sisters. I's your pa'son for another year, because silence gives consent."

SOME RECOMMENDATIONS FOR MANAGEMENT

I believe a great many of the troubles of the past have come through the assumption that "silence gives consent." Therefore, I recommend that every manufacturer who is interested in the continuance of our enterprise system and our form of government make it his business in the future to do the following things:

1. Regardless of fine wages, working hours, and other conditions—wherever the size of the company permits, see that at least once a year all the employees of the company have a chance to look at you or some of the upper officers to see that you do not have horns. In large companies, I recommend the heads of the subsidiaries or plant divisions carry this policy into effect.

In our company we feel this contact—meeting the men face to face and showing them we are human beings—is one of the important contributing factors to the fine understanding between the management and the employees. This is illustrated by comments individually made by workingmen in one of our plants following a meeting at which several of the officers of our company attended. Here are some of those comments:

J. H. said: "Enjoyed the talk and can see that he (Mr. Hawkes) is as interested in the workingman as in the rich man. Every man I spoke to enjoyed the talk and the party. These men came to us as perfect strangers and in no time at all we saw they were just one of us."

T. H. said: "I was afraid to meet Mr. Hawkes and the other officials. I thought Mr. Hawkes was very tall and fat. After I saw them I enjoyed being around them. They are just regular men like you and me."

E. M. said: "I figured he would come down, say his speech, hello, and get the hell out. Sure surprised me."

J. R. said: "Would like to have his salary (referring to Mr. Hawkes), but not his job. Guys like him work too hard."

These remarks show that the men had a fine, friendly feeling toward the management after a personal visit and enjoyable little party.

2. If your company policies do not square with the progress of human relationship in this country, then square them as far as is possible, based on sound economics, and make it your business to see that your men understand them.

3. Don't mislead your employees by bidding for popularity through doing the unusual or economically unsound thing which cannot last and which damages not only the company that tries it but all industry—because human beings still relate and compare what happens to their neighbors with what happens to them.

4. Be sure that no superintendent, foreman, subforeman, or supervisor attempts to be sharp or shrewd in dealing with the manpower of the company.

5. Be certain that no man between you and the men down the line, breaks the chain because he misunderstands the company's policy or fails to carry through the instructions of management.

6. The definition of a corporation in the past has been, "An invisible, intangible being, existing only in contemplation of law, without heart and without soul." We must prove that a corporation can have the equivalent of a heart and soul and that the representatives employed to direct its affairs serve as an agency of human beings—if it is to remain a useful agency for the conduct of business.

7. Have your men in the plant understand that the laborer of today is the potential capitalist of tomorrow. That his interests of tomorrow may be identical with others of today, and his acts of today should be so measured that he will be willing to have similar acts from others tomorrow.

One of the most interesting experiences the management of our company has had was when we raised wages at a crucial time, the men—of their own volition—sent a committee to the superintendent to inquire if the company could afford to raise wages, in view of competition, low prices, and lesser volume of business.

Think of this interest in the welfare of the company of which they were a part.

WHERE INDUSTRY CAN SERVE

Industrial management should support the fine movements for the dissemination of correct information regarding our free enterprise system to the youth of America. The junior achievement movement, I believe, justifies our support. The plan back of the institute for industrial progress was most excellent. The general educational plans of intelligent, far-sighted business managements in training and educating superintendents, foremen, and the men in their plants all contribute a great deal toward this end.

The fine women of this country can play a most important part in backing up industry and business if they (the women) are convinced industry and business are operating along fair and sound lines. Most of those who know about the businesses in which their husbands are engaged believe in the fairness of those particular institutions, whereas not knowing about other businesses, they frequently are in doubt about them, and being in doubt, are not good sponsors for them.

This avenue, I believe, offers one of the most valuable and hopeful opportunities available to us to bring the truth home to a very large percentage of the population. Women train the minds of youth, and youth of today will be our industry and business of tomorrow.

To keep the Government from stepping into business further than necessary or desired, men must be able to do things by themselves as well as or better than the Government can do those things for them. If men can do the job and labor and capital will cooperate, understand, and respect each other, their combined power will keep government where its founders deemed it could serve its people best. And further, their combined strength will remove from the statute books any bad laws that have been put there and will keep from enactment further bad laws that are incubated in the minds of politicians.

POINTS TO REMEMBER

Remember—next to wages labor is interested in regular work on a permanent job. Management should endeavor to work out such a

system to accomplish this, but that system must square with sound economics or it will fail.

Remember—giving labor its "just due" in wages and working conditions will increase labor's determination to work rather than to be satisfied with relief or relief work.

Remember—workingmen standing with the management will resent the acts of any outside agency or laws that injure business, because they will understand such things injure their interests also. When such understanding arrives bad laws will be promptly corrected or repealed.

Remember—your men should thoroughly understand your company policies, principles, and objectives—don't leave anything to "silence."

Remember—the local community should understand your company principles, policies, and objectives, and, understanding them, should vote the company "a good citizen."

Remember—faith, confidence, and mutual respect must be in the picture with good practices. Faith begets faith and confidence begets confidence. Both lead to mutual respect.

Remember—sharp practice anywhere along the line helps destroy faith, confidence, and equity.

Remember—the public is equity's court and public opinion is equity's decree.

Remember—labor and capital make industry, and with either one removed there is no industry.

Remember—government only derives its just power from the consent of the governed, and, after all, it is nothing but a creature of the people unless it gets out of hand and through force becomes the master of the people.

SIGHT BEING RESTORED

Two verses from the Bible are at this time worthy of consideration by both labor and capital—quoting from St. Luke's, chapter 6:

"And why beholdest thou the mote that is in thy brother's eye, but perceivest not the beam that is in thine own eye?"

And then again this great question:

"Can the blind lead the blind? Shall they not both fall into the ditch?"

My answer is—the blind on both sides are coming into sight and have already begun to read the decrees of equity on the wall of public opinion. Hence, each with sight and patience can help both to keep out of the ditch. The National Association of Manufacturers and other vital organizations are helping tremendously to restore this sight, and labor and capital are showing daily evidence of their appreciation of the necessity of choosing good leaders who believe in law and order.

"He who comes into equity, must do so with clean hands," and "he who asks equity, must do equity." If understanding cooperation is accomplished between labor and capital, I predict both labor and capital will appreciate that no one-sided law can long bring benefits to the side it favors, because that is not equity.

If the President of the United States believes that the great majority of labor is understanding and trying to do equity, and that the great majority of the captains of industry are cooperating and trying to do equity, then I believe a definite and direct word from him to this effect would be most helpful to the country right now.

In closing let me urge that, in true Christmas spirit, we all join in fervently expressing the hope that the days to come will justify man's faith in his fellow being. That his intelligence, industry, and goodness of heart will prevail over the destructive forces that have threatened his civilization. That he will come to the realization that but one heart beats for all, and that mutual love, respect, and understanding will make "life, liberty, and the pursuit of happiness" a glowing reality.

Constructive Thinking of Young America

EXTENSION OF REMARKS

OF

HON. EDWIN C. JOHNSON

OF COLORADO

IN THE SENATE OF THE UNITED STATES

Wednesday, February 1, 1939

CORRESPONDENCE WITH MISS BARBARA DUELL, OF HAMILTON, N. Y.

Mr. JOHNSON of Colorado. Mr. President, as a splendid illustration of the constructive thinking of young America in this year 1939, I ask unanimous consent to have printed in the Appendix of the RECORD my correspondence with Miss Barbara Duell, of Hamilton, N. Y.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

LITTLE WASHINGTON,
HAMILTON CENTRAL SCHOOL,
Hamilton, N. Y., January 27, 1939.

Mr. EDWIN C. JOHNSON,
The Carroll Arms, Washington, D. C.

MY DEAR MR. JOHNSON: The sixth grade of Hamilton Central School is organized as Little Washington. We have a Mr. and Mrs. Roosevelt, a Mr. and Mrs. GARNER, 9 Cabinet officers, and 22 Senators. We are glad to say that we do not need a Secretary of War, since we are a very peaceful community. We also have a Smithsonian Institution, a Congressional Library, and Botanical Garden.

I trust that you will be pleased to know that I chose to be EDWIN C. JOHNSON, from Colorado, and I am trying to be as good a Senator from Little Washington as I am sure you are for your State and county.

You would make me very happy if you would write me a short note enclosing some tiny souvenir for our Smithsonian Institution, if it is only a pencil which you use. I am also keeping a scrapbook of all the pictures and news items that I can find about you and I would appreciate an autographed picture if you could spare one.

Our organization is teaching us good citizenship habits, and by making our own laws and taking charge of all disciplinary problems we are becoming responsible citizens, not only of Little Washington but of our own community as well.

I realize that you are a very busy man, but I am going to hope to hear from you soon.

Respectfully,

BARBARA DUELL.
(EDWIN C. JOHNSON.)

UNITED STATES SENATE,
January 30, 1939.

Miss BARBARA DUELL
(Senator EDWIN C. JOHNSON),
Little Washington, Hamilton Central School, Hamilton, N. Y.

DEAR SENATOR: Nothing in many days has pleased me quite so much as your lovely letter of January 27. To say that I am very proud of the honor that you have conferred upon me is definitely very much of an understatement. To have a bright little American, whom you have never had the pleasure of meeting, adopt you as her character to impersonate is very flattering indeed. It places a heavy responsibility upon me, though, because from now on I must neither disappoint nor embarrass my little shadow up in New York. Dear Barbara, you may not believe it, but you are going to be a tower of strength to me from this day forth.

I must commend your class for the splendid thing which they are doing. Nothing is quite so important in America as to have the future citizens of this great Nation understand exactly how their Government functions. You and I should love our country more than any other thing after our Deity. When we think of the hungry little fellows who have no chance to go to school in other more unfortunate lands we should in deep humility and gratitude thank God for George Washington and the other patriots who gave to us the United States of America with all of its freedom and opportunities for living clean, wholesome lives. Senator, it is up to you and me to keep America in the right path, so that the boys and girls who will soon take our places may have the same grand privilege of living in the free country that we enjoy.

You must have a very interesting school and a good, sensible, practical teacher and your class in good citizenship must be absolutely fascinating. You are not only learning about good citizenship and its advantages but you are living good citizenship, which is a thousand times better. The way to learn how to do things is to do them.

I am mailing you under separate cover a little token from my office for your Smithsonian Institution.

Sincerely,

EDWIN C. JOHNSON.

P. S.—Senator La Follette, Sr., once said, "I look upon the United States Senate as a great university wherein I am enrolled as a student." I feel the same way about it, so you see I am attending school also.—E. C. J.

Bas-Relief in Honor of Senator Glass

EXTENSION OF REMARKS

OF

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, February 1, 1939

ADDRESS OF HON. HENRY B. STEAGALL, OF ALABAMA, DECEMBER 23, 1938

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Representative STEAGALL, of Alabama, on the occasion of the unveiling of a

bas-relief honoring my distinguished colleague [Mr. GLASS] in the Federal Reserve Building, December 23, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Twenty-five years ago yesterday the chairman of the Banking and Currency Committee of the House of Representatives, in presenting the conference report on the Glass-Owen bill, expressed the view that the measure embodied legislation which had been sorely needed for many years. The passage of the Federal Reserve Act did not represent any hasty or immature judgment.

The necessity for currency reform had been recognized by advance thinkers throughout the Nation. The country had become accustomed to periodic money panics, resulting in disastrous disturbance to agriculture, industry, and commerce, and special congressional committees had made repeated studies in search of a remedy. During these unfortunate periods the people found themselves without the supply of credit and currency indispensable to the normal flow of trade and commerce. At such times it even became necessary to resort to barter and the issuance of scrip with which to meet the requirements of business. An illustration of which I have personal knowledge is to be found in the case of many banks in small communities that were unable to secure payment in currency of their deposits in the large banks in financial centers. Under these conditions, the large banking interests were in control of the Nation's supply of credit and currency, virtually holding the power of life and death over every other business interest in the Nation. The situation demanded fundamental reform and the passage of the Federal Reserve Act was the answer of statesmen to that demand.

The party then in power had declared that banks existed for the accommodation of the public and not for the control of business, and the Congress proceeded to make that principle a living reality.

Happily for the Nation, the people had summoned to the office of Chief Executive a man with a vision unclouded by selfish interest and with an unwavering devotion to the public weal. The task was so stupendous that it presented a challenge to the leadership of the President and required leadership in Congress possessing the same lofty patriotism, superb courage, and consummate skill.

At that time a modest, unobtrusive, self-styled "country editor from Virginia" was chairman of the Committee on Banking and Currency of the House of Representatives and leader in the House in all matters of legislation touching banking and currency. During his years of service in the House he had quietly and studiously acquired vast stores of information useful to his committee in meeting the problems confronting it. It is no exaggeration to say that deeper or more painstaking study was never given to any measure than was given to the Federal Reserve Act by the chairman of the House Banking and Currency Committee. Of course he was ably supported by his associates, but his was the responsibility, his the task of piloting the legislation through his committee and to final passage in the House. This was accomplished. The historian of the future, looking back over the period encompassed by the passage of this act, will be amazed not only at the wealth of information brought to bear at all critical stages but at the consummate ability with which the chairman of the Banking and Currency Committee of the House met the onslaughts of opponents, both within and without the Halls of Congress.

It is doubtful that any great measure ever encountered more stubborn and relentless opposition than was arrayed against this proposal, both in the Congress and in the big-business circles of the country. A horde of powerful lobbyists such as seldom seen gathered in Washington, filling the air with dire predictions of confusion and chaos to follow the passage of the act.

The chairman of the Banking and Currency Committee of the House, now the beloved Senator from Virginia, with the consummate courage that has characterized his entire career, undaunted and undisturbed by the clamor of the hour, pursued the even tenor of his way until he achieved the goal that ushered in the dawn of a new day of freedom for the legitimate business interests of the Nation. No measure was ever presented to the House of Representatives by any chairman of a committee with a more comprehensive grasp of the measure in hand and of all pertinent information that could be desired by the House. The masterly manner of presentation has never been surpassed in the history of the House. Objections were met with devastating facts or reason. Opponents became supporters, and the final vote was a triumph of a leadership seldom equaled in the House.

The Federal Reserve System afforded a supply of currency and credit adequate to the growing demands of the country. The volume of industrial production increased by 30 percent in 2 years following the inauguration of the System, with corresponding improvement in agriculture and expansion in trade and commerce During the same period the national income increased approximately $15,000,000,000. The System supplied facilities for financing the Government during the period of the World War. The volume of Government securities handled through the Reserve banks during that period amounted to approximately $50,000,000,000. The System enabled us to finance the Great War and to hasten its conclusion. It is today the greatest instrumentality of the Government for meeting the problems of the present. Strange as it may seem, if at any time after the System had been tested by experience a proposal had been offered to repeal the law, it would have encountered even more strenuous opposition and from the same sources that opposed the original measure and indulged such dire predictions of disaster to follow its enactment.

The part played by the illustrious Senator from Virginia in connection with the establishment of the Federal Reserve System made him the choice of the President for Secretary of the Treasury, in which capacity he rendered most able and conspicuous service. This does not by any means complete the story of his career. Senator GLASS, as chairman of the Committee on Banking and Currency of the House of Representatives, gave profound study to the subject of farm credits, and the Federal Farm Loan Act was sponsored by him and passed under his leadership.

Since the passage of the Federal Reserve Act he has been its constant defender and protector, and as Senator has sponsored and supported new legislation to strengthen the system and to enlarge its service to the public—always in conformity with the original purposes of the act. Senator GLASS saw the evils and dangers attending the orgy of speculation during the period preceding the great depression and under his constructive leadership legislation was enacted that terminated many of the evil practices which obtained and brought about the desired improvement since recognized. He is the accepted authority in the Senate in matters of legislation relating to banking and currency. His activities cover a wide range and have left deep and lasting imprint on the Nation's financial structure. His lofty patriotism, great learning, and superb courage have endeared him to all his associates, as well as to the people of the entire Nation.

A great Roman said that he would rather posterity would ask why he had not held public office than to inquire why he had. The historians in the years to come will wonder why Senator GLASS was not made the nominee of his party and elevated to the Presidency of the United States following the Wilson regime. His name will have a place in history such as coveted by the great Roman.

We know not how long this building or this tablet will survive the vicissitudes of time, but the name and fame of CARTER GLASS, of Virginia, will endure to enrich the annals of the Republic.

Senator GLASS, we unveil this tablet placed here as a testimonial to your distinguished public service and as an expression of esteem and admiration of those who know and love you.

The National Health Bill

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, February 2 (legislative day of Wednesday, February 1), 1939

RADIO ADDRESS BY HON. ROBERT F. WAGNER, OF NEW YORK, JANUARY 30, 1939

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by my colleague [Mr. WAGNER] during the National Radio Forum on the subject of The National Health Bill.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My friends, tonight, in hundreds of halls throughout the land, the American people are celebrating the fifty-seventh birthday of President Roosevelt. The occasion represents much more than a birthday tribute to the beloved leader of a great democracy. Underlying the pomp and the merrymaking is a profoundly serious purpose. New cases of infantile paralysis arise each year in about 7,000 American households, leaving in their wake ruined hopes, twisted bodies, and twisted lives. Since 1934 the President's birthday has been devoted to fostering a Nation-wide movement to control and stamp out this scourge of mankind.

This humanitarian movement reflects the growing national sentiment for better coordination of our efforts in promoting the health security of the entire population.

Year in and year out, in good times and in bad, sickness takes a staggering toll. On the average day, 5,000,000 persons are disabled by illness. Sickness is responsible for the loss of over a billion dollars a year in workers' wages. Sickness had incapacitated at least one out of every three persons now dependent upon public relief or private charity.

The United States has already made tremendous strides in the advancement of national health and standards of medical care. But while we boast of the world's finest resources of medical knowledge, equipment, and personnel, we are still sadly deficient in bringing those resources within the reach of all who need them.

While many hospital rooms stand vacant in the private hospitals of large cities there is an over-all deficiency of 360,000 hospital beds, especially in smaller cities and rural counties. While many

practitioners wait in vain for patients, over a quarter of a million mothers do not have the care of a physician at childbirth. In some areas infant mortality is as high today as it was 20 years ago. The general death rate among the poor of our large cities is the same as the national death rate 50 years ago. The situation is summed up in the statement that low-income families spend a higher proportion of their incomes for medical care, yet receive far less medical service than families more favorably situated.

These deficiencies are all the more shocking because they could be largely eliminated by the application of techniques and knowledge already available. At least one out of every two mothers who die in childbirth, for example, could be saved if properly cared for.

Environment, education, geographical distribution of population and of medical facilities, all play their part. But the core of the problem is the inability of those in need of medical care to purchase it at a price within their means to pay. The 40,000,000 persons in the lowest third of our population who need medical care most are least able to pay for it, and consequently receive it least of all. An even greater proportion of the population, higher in the economic scale, could budget against the average cost of medical care, but cannot meet the unpredictable and calamitous costs of serious illness in individual instances.

Unstinted praise is due the members of the medical profession for their superb altruism and spirit of service, often at great personal sacrifice. In all fairness we cannot continue to saddle upon them a burden that should be borne by society at large.

The day has long since past when Government's responsibility for the health of the population ceased with sanitation, quarantine, and asylums for the insane. The expanding health activities of Federal, State, and local authority is an index of the increasing emphasis of medical science upon preventive measures, as well as the awakened social consciousness of our people as a whole. Today medical care is tax supported to the tune of a half billion dollars a year. This is one-sixth of the national health bill paid from all sources. Eighty percent of the total continues to be paid by the patients themselves. Even as a cold business proposition, bearing in mind the extent of preventable losses and the public drain of dependency, little additional outlay would be needed to make available to all groups of the population a minimum of adequate medical care. We will be repaid many times over in renewed national vigor and human contentment.

What we require above all is to give impetus and direction to the sum total of our present expenditures and efforts, public and private. A carefully considered national health program has just been transmitted for the consideration of Congress in a special message by the President. I am now drafting legislation to make this broad-gaged plan a national reality.

The program would proceed simultaneously on several well-defined fronts. It authorizes Federal grants to the States for various public-health services, for maternity and child care, for the construction and maintenance of needed hospitals and health centers, and for general programs of medical service. In addition, workers who become temporarily or permanently disabled through illness would be insured against loss of wages.

This program presents the minimum essentials for bringing the blessings of modern medical science to every man, woman, and child in America. It was not framed in haste, but only after exhaustive studies and investigations. It is not intended to be made effective in haste, but only after careful building over a period of 10 years.

Under no circumstances will the Federal Government go into the business of furnishing medical care or interfere with the States in the licensing of medical or other practitioners. State plans would be established only after consultation with the medical professions, who would also be fully represented on advisory councils. In short, the bill would forge technical and financial sinews to help the States, and through them the professions, to bear more effectively the burden which they have so long carried alone.

The initial costs of the program have been kept within the limits of our immediate resources. I am exploring every possibility of providing temporary as well as permanent disability benefits without increasing the pay-roll taxes already authorized by the Social Security Act. As for the grants-in-aid to the States, authorizations in the first year will not exceed $90,000,000 in the aggregate. This sum, gradually increasing over the years, will be made available on the basis of matching formulae, which take into account the special health needs and financial resources of the several States. Federal aid will thus improve the general level of health work throughout the country and at the same time reduce the wide variations which now exist.

It is imperative that a beginning, however modest, be made now. States considering plans of medical care should have clear indication of the help and cooperation contemplated to be tendered by the Federal Government.

Again and again I have been asked: "Do you propose a plan of compulsory health insurance?" To my mind, the projection of this question to the forefront of discussion emphasizes controversial issues to the exclusion of matters on which there is universal agreement. Millions of consumers of medical services want compulsory health insurance; the medical profession, on the other hand, is divided as to the wisdom of compulsory features. But there is substantial agreement among all groups and all classes on every other aspect of the program, including provisions for public health, maternity and child care, disability insurance, and medical care for the needy.

The question of compulsory health insurance arises only in connection with State plans of general medical care. The answer is simple and clear: The bill will not impose a Federal strait jacket upon the development of State plans. Subject to necessary basic standards, each State will be at liberty to set up a plan of its own choosing and geared to the needs of its own people. The plan may be supported by contributions from beneficiaries or by general taxation, or both. It may be limited to some phases of medical care or be more inclusive. It may cover only the relief population or include other groups higher in the economic scale.

The States will be free, however, to establish compulsory health insurance if they choose to do so. It is important that this election be left open to them.

Health insurance is entirely compatible with American concepts. Old-age insurance and unemployment insurance are familiar analogies. And in the history of our own country, there are ample precedents for health insurance itself.

The very first step taken by the Federal Government in the field of health was to create in effect a compulsory health insurance system for seamen in the American merchant marine. Established in 1798 and administered through the Marine Hospital Service, this plan of medical care was supported for three-quarters of a century by regular monthly deductions from the wages of seamen.

A better and more widely known American precedent is workmen's compensation, the first type of social security adopted in this country for industrial workers at large. This is essentially a form of health insurance, now largely compulsory in almost every State in the Union. Every one of our workmen's compensation laws provides for medical care, as well as cash benefits, for workers injured in the course of their employment. Medical benefits are given in over 97 percent of all compensation cases, and cash benefits in only 3 percent. The prompt provision of medical care enables injured workers to return to their jobs, thus carrying out the basic preventive purpose of social insurance.

Insurance against industrial accidents operates throughout the country to the advantage of industry and worker alike, and with the complete endorsement and approval of our medical profession. There seems no reason why similar systematic safeguards should not be established against a risk nine times as great.

In recent months voluntary plans for the prepayment of medical bills have been widely discussed. All these plans in effect recognize two things: First, that insurance principles are applicable to the costs of medical care; and, second, that the systematic organization of plans for that purpose involves no impairment of the personal relationship between physician and patient.

These voluntary plans are undoubtedly steps in the right direction. But experience both here and abroad shows that voluntary plans will not reach a sufficient proportion of the people in need of insurance protection. None of the many nations of the world adopting compulsory health insurance has ever abandoned it in favor of a voluntary scheme. On the contrary, most of those that began with voluntary plans later found it necessary to substitute compulsory insurance.

Experience under the British health-insurance system offers an instructive lesson. The Honorable David Lloyd George, who in 1911 pressed that measure to enactment in the British Parliament, has recently declared:

"In the quarter of a century which has elapsed since it became law this once-abused scheme has become one of the most popular elements in our administrative system. The Nation would as soon think of abandoning it as it would of abolishing the post office. * * * It has become the keystone of our social structure for the maintenance and improvement of the Nation's health."

The British Medical Association has taken the lead in advocating the extension and improvement of the health insurance law. Only 10 months ago the association reiterated a detailed national plan which, in their own words, "would ensure for all who need it every kind of treatment available for the cure of the sick and prevention of disease and would utilize for this purpose every class of medical practitioner."

The National Health Conference held in Washington last year disclosed overwhelming sentiment for an American health program no less broad. I am confident that with the advice and active cooperation of the medical profession the States will work out programs of medical care suited to the requirements of our own people and safeguarding the best interests of all concerned. We can help them to make a substantial beginning by enacting a national health bill such as I propose. That step we ought to take for the benefit of the happiness and the economic security of our own and future generations.

Inquiry on Mexican Affairs

EXTENSION OF REMARKS

OF

HON. MARTIN J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 2, 1939

Mr. MARTIN J. KENNEDY. Mr. Speaker, on Wednesday, February 1, 1939, I introduced in the House, Resolution 78,

which proposes an inquiry into our relations with the Mexican Government, and I am anxious that every Member of the House read the complete text of my resolution, which follows:

Resolved, That the Secretary of State is hereby instructed to furnish the House of Representatives, within 15 days from receipt thereof, answers to the following questions:

Is it true that the Mexican Government bartered oil from American and British properties expropriated for German, Italian, and Japanese products, and is increasing such barter arrangements?

Exclusive of oil, have not American investments in Mexico been eliminated, or decreased enormously in value, since 1929, and has not this process been vastly accelerated since President Cardenas took office?

Have reported loss of American investments in many fields led to reductions in United States-Mexican trade?

Is it true that the Mexican Government has just appointed a Minister to Berlin after the post has been vacant since 1937; that Japanese Government fisheries experts have served as honorary commissioners of the Mexican Bureau of Fisheries recently and Mexican youths are being sent to Japan for free fisheries educations; further, that Japanese engineers constructed the Jalapa (Mexico) Vera Cruz highway, and that Japanese have Mexican officials fishing concessions on the west coast?

What has the State Department done to obtain adequate compensation for American holders of bonds in the Mexican national railroads expropriated in 1937?

Does the State Department have any evidence that Germany, Italy, and Japan had an agreement to absorb Mexican oil, including that now being shipped to the German and Italian navies, before expropriation of American and British properties? Did not such shipments start almost immediately after expropriation?

Is it true that Mexican real wages have fallen in the past 2 years?

Did the Ambassador inform the State Department beforehand that the railroads and oil properties would be expropriated or was that as Mr. Josephus Daniels was publicly quoted as saying later "a bolt from the blue"?

Has the State Department a full record of the American Ambassador's speeches and public remarks in the period prior to and after the recent major expropriations, and does it endorse these?

What was the complete text of all speeches made by the American Ambassador to Mexico on the subject of expropriation, and also the complete text of all his reports to the Secretary of State on this subject and on the subject of Mexico's relations with Germany, Italy, and Japan, as well as reports from other sources on the same subjects?

Is it satisfied that the American Ambassador in Mexico City is now taking steps to protect the remaining American investments in Mexico on a fair basis?

Did the State Department, as publicly reported, agree to the expropriation of any American-owned property in Mexico after the recent United States-Mexican agreement to adjudicate land claims was signed, and was any such property expropriated?

The 1940 Outlook

EXTENSION OF REMARKS
OF
HON. CHARLES W. TOBEY
OF NEW HAMPSHIRE
IN THE SENATE OF THE UNITED STATES

Thursday, Fcbruary 2 (legislative day of Wednesday, February 1), 1939

ARTICLE BY HON. CHARLES A. PLUMLEY, OF VERMONT

Mr. TOBEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article appearing in the United States News of January 30, 1939, by Representative CHARLES A. PLUMLEY, on the subject of The 1940 Outlook.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the United States News, January 30, 1939]

REPRESENTATIVE CHARLES A. PLUMLEY, OF VERMONT, MEMBER, HOUSE COMMITTEES ON APPROPRIATIONS AND WORLD WAR VETERANS' LEGISLATION, FORMER PRESIDENT, NORWICH UNIVERSITY, ANSWERS

I am just leaving for Vermont, and I can only take time, hurriedly, to comply with your request. I realize I ought to have plenty of time to consider carefully, any answer I might make. However, I have some definite notions and ideas, and, such as they may be, you are welcome to them.

We have, and under our form of government will continue to have, a two-party system. Under such a system of government for 130,000,000 people living under varied and different geographic and economic conditions, there will always be minorities of dissenters—left-wingers, right-wingers, et al.—within the ranks of each of the major parties. Of necessity, it must be so.

THE 1940 OUTLOOK

There is today, nevertheless, far greater unanimity among those calling themselves Republicans than among those who vote the Democratic ticket, and this will be disclosed most forcibly in the next, the 1940, campaign in the impending contest for the nomination for the Presidency.

Now, the truth is that the alleged dissensions in the Republican Party have been deliberately and grossly overemphasized and magnified for purely partisan propaganda purposes by paid publicity servants of the present administration. They are only surface deep, and the body politic is not affected by the superinduced political eczema and consequent localized irritation of a few individuals.

This is fully evidenced by the vote on November 8. The people are perfectly competent to judge as between the voice of Jacob and the hand of Esau.

NO BASIC DIVISIONS

It is true that many men of many minds have different and divergent ideas and theories with respect to how such objectives as restoration of public confidence in our institutions and an opportunity for private business to take up the slack in unemployment may best and most rapidly be reached and accomplished. There are, however, no fundamental differences either as to the basic principles for which the party stands or as to its general policy.

The policy of the Republican Party will not be determined, as some would seem to think it may be, by any "policy committee," nor by the Republican National Committee, as such. It is relatively unimportant, so far as the people of the United States are concerned, who constitutes the Republican National Committee; the real policy of the Republican Party will take positive and definite shape in the form of constructive action to be taken by those persons whom the people themselves have elected to represent them in the Congress and at the capitols of the several States.

Someone has said it is time to develop a national program for economic recovery—an American platform—which shall confine the Government to its proper functions under the Constitution and insure preservation of the American system of free private enterprise.

The one who said it fails to realize the fact that such a plan, and absolutely such a program, the Republican Party, through its representatives in Congress, has over and over again outlined in detail by its insistence on the balancing of the Budget the revision or repeal of legislation such as the capital gains and undistributed-profits tax, the establishment of just relations between labor and capital, insisting upon constitutional guaranties of the rights of person and property, the right of the worker to work, of the owner to possession of his property, and of every man to enjoy in peace the fruit of his labor; by its opposition to the New Deal's policy of competition with private enterprise and private savings; by favoring competitive system as against either private or governmental monopoly.

FOR LOCAL SELF-RULE

One has only to examine the record to find that the Republican Party, as it is represented in Congress, is living in the present and has stood, and still stands, for State and local control, home rule, and local self-government; for a reduction of the number and amount of those Federal, State, and local taxes which are responsible for the notorious spread, for instance, between the prices paid farmers and the prices paid by consumers for their products.

We Republican Members of Congress have insisted that food, clothing, and shelter should be provided adequately, but that it should be done economically by the removal of petty partisan politics from the relief program and in an effort to encourage the revival of individual self-reliance and the return to self-dependence.

The Republican Party has been a party of opposition because of its minority position and opposition to all the un-American, unconstitutional theories with which it has been confronted. It has insisted, and it continues to insist, upon economic and efficient local, State, and Federal governmental administration, the elimination and avoidance of duplication in public service, and the protection of the taxpayer.

The Republican Party was born because of a principle, and has lived and grown because of vital governmental principles and policies, for which it has stood and for which it now stands; too sound to be permanently overthrown, too deep and underlying to be effaced.

Industrial Alcohol Users

EXTENSION OF REMARKS
OF
HON. JAMES M. MEAD
OF NEW YORK
IN THE SENATE OF THE UNITED STATES

Thursday, February 2 (legislative day of Wednesday, February 1), 1939

ADDRESS BY CAPT. JAMES P. McGOVERN AT THE CHEMISTS' CLUB, NEW YORK CITY, JANUARY 24, 1939

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Capt.

James P. McGovern, of Washington, D. C., General Counsel of The Industrial Alcohol Institute, Inc., at the Chemists' Club, New York City, on January 24, 1939, on the subject of a proposed Council of Industrial Alcohol Users.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, the organization of a Council of Industrial Alcohol Users having been suggested by me, it is fitting and proper that I should review the reasons and motives which prompted the proposal. Needless to say, the idea of bringing together another tribe to join the pilgrimage through the wilderness in search of the promised land was not a sudden impulse, but was based on careful consideration of recent events and the reluctant conviction that an association of the kind indicated is essential to the preservation, if not advancement, of the objectives already attained. There is no cause for panic, and the present call to the chemical industry is not an S O S. While there is much in the record of accomplishment that is reassuring, it must be apparent to all that the decentralization of liquor control under the twenty-first amendment as construed by the Supreme Court has imposed many new and additional burdens on users of alcohol which are ominous and foreboding.

We may start out with the premise that the alcohol with which we are concerned is a commodity essential to the industrial life of the Nation. Addressing the United States Senate January 16, 1939, on the subject of The Nineteenth Anniversary of the Eighteenth Amendment—of which he was the author—Senator MORRIS SHEPPARD, of Texas, said:

"Alcohol as an ingredient in manufacture has a vital place in the industrial life of the Nation; its value in this regard is increasing constantly. We are dependent upon it now for great advances in our industrial progress, and we will become constantly more dependent upon it as we develop the chemical industries that are founded in part upon its use."

In a volume published by the United States Treasury Department on June 30, 1932, entitled "The Uses of Alcohol as an Essential Chemical in the Arts, Sciences, and Industries," the subject was introduced by the following question and answer:

"Why is the manufacture of alcohol classified by the United States Government as a key industry in time of war? Because, with water and sulphuric acid, it is one of the three absolutely indispensable compounds entering into the manufacture of almost all essential products."

In that connection it may be interesting to recall the following excerpt from an article written by Hon. John G. Capers, United States Commissioner of Internal Revenue, entitled "How Europe has Developed Industrial Alcohol," which appeared in Harper's Weekly (edited by George Harvey), October 3, 1908, over 30 years ago and approximately 6 years prior to the outbreak of the World War. That official, accompanied by Chief Chemist Crampton, of the Bureau, had visited Europe during the summer of 1908 for the purpose of investigating and reporting upon the experiences of foreign countries with respect to the production, distribution, and use of industrial alcohol. Commissioner Capers said:

"* * * It would be difficult to find an individual in any walk of life who does not make personal use of not only one, but of many manufactured articles into which alcohol * * * enters to a considerable extent.

"Germany has made the most conspicuous progress of any nation in the direction of the use of denatured alcohol as a source of heat, light, and power. This prominence is partly due to national pride and interest in the movement, partly to the bonus of 5 or 6 cents a gallon the German Government pays as a bounty on the denatured alcohol, partly to favorable economical conditions, alcohol being relatively cheap and petroleum products relatively dear, but mainly to governmental organization and effort in promoting the domestic use of the product. The German Emperor takes a personal interest in the industry, and there are frequent exhibitions of apparatus, machinery, etc., and appeals to individual effort are made in many ways, both by the Government and by cooperative enterprises.

"We cannot hope to attain the full development or success in the production of denatured alcohol which is peculiar to Germany, and for several reasons. In the first place denatured alcohol is a matter of nearly as much concern to the Empire as its Army or Navy. In fact, the older Emperor inaugurated the industry for the primary purpose of having a source of light, heat, and power within the German Empire independent of the petroleum products, of which Germany has none. The wise old Emperor, realizing that some day his Empire might be forced, in time of war, to be self-dependent and resourceful within its own borders, determined to be independent of petroleum products, all of which were and still are shipped into Germany from other countries, and an elaborate paternal system was inaugurated to insure, as the government's alternate safety source of light, heat, and power, the alcohol which could be produced from the German potato, now so carefully cultivated for that purpose, as it has been for nearly 40 years."

As representatives of various industries requiring the use of industrial alcohol, ethyl as well as denatured, in their business, it is needless for me to emphasize the chaos which would ensue if its use were curtailed or denied. Appreciating in full degree the many complications responsible for the general depression in all branches of business, I am not, at the moment, primarily interested in the economic questions involved, although I do feel that if alcohol, as such, could be regarded more as a necessity and less as a luxury, a decided improvement in the industries dependent upon such commodity would certainly follow. The present problems relating to alcohol to which I would direct your attention are political and, unfortunately, moral.

What is this commodity which arouses our interest and concern? The term "industrial alcohol" unquestionably relates to alcohol used for "industrial" purposes, as distinguished from beverage purposes. As defined by statute (act of October 28, 1919, title III, sec. 1), "the term 'alcohol' means that substance known as ethyl alcohol, hydrated oxide of ethyl, or spirit of wine, from whatever source or whatever processes produced." It clearly alludes to a definite chemical substance, and it is this "substance" which is the subject of the internal-revenue tax imposed on "distilled spirits" and to which the tax attaches "as soon as it is in existence as such, whether it be subsequently separated as pure or impure spirit, or be immediately, or at any subsequent time, transferred into any other substance, either in the process of original production or by any subsequent process" (sec. 3248, R. S.; 26 U. S. C. A. 1150–c). The percentage of this "substance" in all classes of distilled spirits, otherwise known as "proof," determines the amount of tax due. The purity, quality, and strength of alcohol itself is based on "proof." Absolute, pure, chemical alcohol is 200 proof. It is a long step between 100-percent or 200-proof alcohol to the one-half of 1 percent or 1-proof alcohol which fixed the intoxicating character of beverages during the prohibition era. Spirits "bottled in bond" are required to be bottled under Government supervision at 100 proof or containing 50 percent of this "substance," alcohol. Liquors containing alcohol may be alcoholic but they are not alcohol. It is most important that this distinction be kept in mind, for in many sections the propaganda aimed against whisky, gin, rum, and other spiritous beverage liquors is directed against alcohol on the misguided theory that all liquors are alcohol and that "alcohol" is the general term applied to all liquors. Such tactics are unwarranted and unfair and a council of industrial alcohol users can do much to counteract and stop the abuse. Alcohol, as such, is never behind the wheel of an automobile; it is, however, in its radiator antifreeze solution and should be in its motor.

The identity of alcohol to be used industrially is established and jealously guarded by the supervision and control exercised by the Federal Government over its production and distribution. That the Government is not primarily interested in the tax on such alcohol but in the promotion of its industrial use is forcibly indicated by the policy of denaturation. Of the 196,878,568 proof gallons withdrawn during the fiscal year ending June 30, 1938, 164,263,210 gallons were withdrawn free of tax for denaturation and 1,849,899 for hospital and scientific use. This alcohol is in fact and practice produced and withdrawn from Government custody at 190 proof, whereas under the law it may be withdrawn at not less than 160 proof. The law, however, recognizes that such alcohol may be fit for use as an intoxicating beverage for, when denatured, it is required to be rendered "unfit for use as an intoxicating beverage" (title III, sec. 10).

While alcohol has generally been included in the statutory definitions of liquor, it is believed that this was done to gain control of its uses and to prevent its abuses. Concededly it is most improbable, if not impossible, to consume 190 proof or even 160 proof alcohol as a beverage; it would burn the mouth of an ordinary human being long before it passed the esophagus. One can sympathize with the chemist whose devotion to his art will permit him to look upon alcohol only as a chemical but who nevertheless enjoys his toddy. There can be no hope of destroying the dual character of alcohol by legislative fiat. We must, therefore, concentrate our attention on its uses for industrial purposes, and who are better qualified to do this than those directly affected—the industrial alcohol users themselves?

It will have been noted that of the quantity of alcohol withdrawn during the previous year (196,878,568 proof gallons), by far the greater proportion (164,263,210 gallons) was for denaturation, completely and specially. The policy of denaturation was established for the sole purpose of relieving alcohol from the heavy tax which at that time (1906) was $1.10 per proof gallon (act of August 27, 1894), now $2.25 per proof gallon (Revenue Act of 1938). Under the original Denatured Alcohol Act of June 7, 1906, alcohol was permitted to be withdrawn free of tax "for use in the arts and industries, and for fuel, light, and power." The use of the alcohol so denatured was not confined to fuel, light, and power, but was extended to all "the arts and industries." There was, however, no direction that such use should be "promoted," as contained in the present act (title III, sec. 13). The alcohol was required to be denatured with methyl alcohol or other denaturing materials, or admixture of the same, suitable to the use for which the alcohol was withdrawn and which destroyed its character as a beverage and rendered it "unfit for liquid medicinal purposes" (act of June 7, 1906, sec. 1). Under the present act, the alcohol is required to be denatured "by the admixture of such denaturing materials as shall render the alcohol, or any compound in which it is authorized to be used, unfit for use as an intoxicating beverage" (title III, sec. 10). The restriction in the original act that the alcohol be rendered "unfit for liquid medicinal purposes" does not appear in the present act, title III. It should also be noted that, under the original act, the denaturing materials were to be "suitable to the use for which the alcohol was withdrawn," whereas under the present act (title III, sec. 10), the denaturing materials are such "as shall render the alcohol, or any compound in which it is authorized to be used, unfit for use as an intoxicating beverage." If, therefore, "any compound" can be thus rendered unfit by the addition of "denaturing materials" to the alcohol used, it would appear that tax-free alcohol when so denatured is, under the statute, authorized. Under the original act the denaturing materials were to render the

alcohol unfit, while under the present act the denaturing materials are to make the alcohol or the ultimate compounds or finished products unfit. The denaturation of alcohol is an important privilege incidental to the promotion of the use of the alcohol itself. Alcohol denatured continues to be alcohol. Although rendered "unfit for use as an intoxicating beverage," it is made fit for industrial purposes. Such status is recognized by the Liquor Law Repeal and Enforcement Act, approved August 27, 1935, which provides (sec. 4) that any person who shall produce, withdraw, sell, transport, or use denatured alcohol, or articles containing denatured alcohol, in violation of laws or regulations, becomes subject to all provisions of law relating to alcohol that is not denatured, including those requiring payment of tax, and the person violating such laws or regulations is required to pay such tax.

The payment of the tax on alcohol causes no chemical, mechanical, pathological, or physiological changes in the alcohol. It is not required to be withdrawn free of tax as a condition precedent to its industrial use. Who will dare say that the use of alcohol in the manufacture of medicinal, pharmaceutical, or antiseptic products and in flavoring extracts, sirups, and food products is not an industrial use? Such industries are among the most important industries in the country and it is unfortunate that the use of tax-free alcohol, so denatured as to make such products unfit, is not recognized and allowed, especially as such products are acknowledged to be unfit for beverage purposes. When prohibition was in effect, permits to use tax-paid alcohol were, by regulation, required to be issued under title II of the National Prohibition Act relating to "prohibition of intoxicating beverages," instead of title III relating to "industrial alcohol." This procedure was unnecessary and unjustified, for permits could have been prescribed by regulations issued under title III and tax-paid alcohol accorded the protection and recognition contemplated thereby. Had this been done, the status of tax-paid "industrial alcohol" would be in a much stronger position today.

The Federal Alcohol Administration Act, approved August 29, 1935 (amended May 15, 1937), relates to distilled spirits "for nonindustrial use" and the definition of such "distilled spirits" includes ethyl alcohol, hydrated oxide of ethyl, spirits of wine, and all dilutions and mixtures thereof (sec. 17–a–6). Under regulations No. 2, issued by the Administrator, the following uses of "distilled spirits" (alcohol) are regarded as "industrial," viz: (1) Uses of tax-free alcohol by any governmental agency, State or Federal, or any scientific university or college of learning, or by any laboratory exclusively in scientific research, or by any hospital or sanatorium. (Under the Liquor Tax Administration Act of June 26, 1936, the right to withdraw alcohol tax free was extended to include its use by any clinic operated for charity and not for profit, including use in compounding bona fide medicines for treatment of patients outside of such clinics, and not for sale); (2) use of alcohol which has been lawfully denatured or otherwise rendered unfit for beverage use; (3) use of distilled spirits (alcohol) in the manufacture of (a) medicine, pharmaceutical or antiseptic products, including prescriptions compounded by retail druggists; (b) toilet products; (c) flavoring extracts, sirups, or food products; or (d) scientific, chemical, mechanical, or industrial products, provided such products are unfit for beverage use. The fact that such regulations recognize the above uses (in some of which tax-paid alcohol is used) as "industrial" is significant and persuasive. Such regulations, however, regard the use of distilled spirits (alcohol) in the manufacture, rectifying, or blending of alcoholic beverages, and as a medicine, as "nonindustrial."

Under section 13 of title III, the Commissioner of Internal Revenue is required to issue regulations "to place the nonbeverage alcohol industry and other industries using such alcohol as a chemical raw material or for other lawful purpose upon the highest possible plane of scientific and commercial efficiency consistent with the interests of the Government, and which shall insure an ample supply of such alcohol and promote its use in scientific research and the development of fuels, dyes, and other lawful products." The manufacture and sale of intoxicating liquors "for beverage purposes" is no longer prohibited and liquors are now lawful products. I am not reluctant to admit that the use of alcohol in the manufacture of intoxicating liquors can properly be regarded as an industrial use, although such use in rectification, blending, etc., is considered "nonindustrial" under the regulations issued pursuant to the Federal Alcohol Administration Act.

At the risk of exhausting your patience with observations which may be considered elementary, the status and uses of alcohol have been reviewed in detail to emphasize the nature of our obligations. Under the twenty-first amendment the problems of liquor control have been shifted from the central Government at Washington to the respective States. The problems accordingly have become and will continue to be more extensive, diversified, sectional, and local.

The extent of the powers now possessed by the States under the twenty-first amendment, as very recently construed by the Supreme Court in *Indianapolis Brewing Co., Inc.*, v. *The Liquor Control Commission of the State of Michigan et al.* and *Joseph S. Finch & Co. et al.* v. *Roy McKittrick, Attorney General of the State of Missouri, et al.*, decided January 3, 1939, includes the "right to prohibit or regulate the importation of intoxicating liquor" into the States and the exercise by the States of such right is not limited by the commerce clause or the equal-protection clause of the Federal Constitution, even where such right is exercised by one State in retaliation against a sister State, as contended in the Indianapolis Brewing Co. case. The exercise of unlimited police powers internally, together with the additional power, recently acquired, of regulating or stopping the interstate commerce in liquors, is enough to give us serious concern and apprehension. "It can't happen here" must not be the philosophy to guide our deliberations. The twenty-first amendment has returned the problem of liquor control to the folks back home, and the folks back home, who are users of industrial alcohol, must be prepared to carry on in the communities in which their business is conducted. This will, as heretofore, require a vigilant lookout for all laws and regulations proposed or adopted by the State and a preparedness to take prompt and concerted action when necessary.

The situation also demands a program of local education to counteract any prejudice and antagonism which may exist or hereafter arise against the uses of alcohol for industrial purposes. If there is to be a break-up or break-down of liquor control because of various systems of enforcement now found necessary, "industrial alcohol" must suffer no collapse or slackening of the cohesion which under Federal control has given it universal distinction. The use of tax-paid alcohol in the manufacture of flavoring extracts or medicines in Maine is as much an industrial use as the use of tax-free denatured alcohol in the manufacture of paints and varnishes in California. There should and must be a strengthening and tightening of the coordination and cooperation of all users of all kinds of industrial alcohol all along the line if its identity and integrity are to be preserved and maintained. A council of industrial alcohol users would afford this medium of united effort. The strong must assist the weak, for all are in the same boat, and the boat must be kept on an even keel through local storms and showers. No occupant should be permitted to rock the boat, and all hands must be employed in holding it to its course. The council should be devoted exclusively to the cause of industrial alcohol and in no sense attempt to intrude upon or usurp the functions of those splendid and distinguished associations with which users are already affiliated and which have rendered such valuable services in the past. The task is to coordinate their services to be utilized and applied in each State and local community where industrial alcohol is affected, for the recognition and protection of a privilege common to all—the use of alcohol for industrial purposes.

I have stated that aside from the economic questions the problems involving industrial alcohol are political and moral. There is still another—a patriotic problem. If the power to control interstate commerce was essential to the organization and functioning of the Federal Government, which no one can deny, I am apprehensive of the effects, economic, political, moral, and patriotic, of divesting the Government of such power as to intoxicating liquors. If it develops to have been a mistake, how interesting it would be if industrial alcohol could be the example of the advantages claimed for Federal control! In any event, the arteries of commerce must be kept open for the distribution of alcohol if the industrial heart of the Nation is to continue to beat. Industrial alcohol must not be affected with arteriosclerosis.

When Sam Adams, of Boston, sent out his call for the organization of committees of correspondence in 1772, which perhaps contributed more than anything else to the rallying of patriots throughout the Colonies against aggressions imposed by England in taxes and regulations of commerce, he concluded his summons in language that might be applicable to the situation which confronts us today:

"Let us converse together upon this most interesting subject and open our minds freely to each other. Let it be the topic of conversation in every social club. Let every town assemble. * * * The country claims our active aid. Then let us roam, and where we find a spark of public virtue blow it into flame."

In conclusion, I wish to put at rest any thought or suspicion of a selfish motive behind the suggestion of this council. It is possible that, in view of any reputation I may have acquired as a scrappy Irishman on the battlefields of Washington, an impression may have arisen that I might be seeking greater and wider fields to conquer. Such, definitely, is not the case. I have devoted 38 years of my life to the cause of industrial alcohol, and if those efforts have contributed to the recognition it has unquestionably obtained, there has been reward enough. In some respects, I claim it as my baby, a startling admission from an old bachelor. However, it is all dressed up and has many places to go. Although it has reached maturity and must now venture forth in new lands, I am resigned to entrust its care to the guidance of its devotees.

Proposed New Federal Seed Law

EXTENSION OF REMARKS

OF

HON. HARRY B. COFFEE

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 31, 1939

Mr. COFFEE of Nebraska. Mr. Speaker, I have just introduced H. R. 3366, a bill to regulate interstate and foreign commerce in seeds; to require labeling and to prevent misrepresentation of seeds in interstate commerce; to require

certain standards with respect to certain imported seeds; to curb the spread of noxious weed seeds and for other purposes. H. R. 3366 is a comprehensive revision of the three previous measures on this subject—H. R. 8288, H. R. 9846, and H. R. 10816—which I introduced during the last Congress. The objective has been to reach a satisfactory, enforceable substitute for the present ineffective Federal seed law, that would protect our agriculture and the legitimate seed dealers against the flood of falsely branded and misrepresented seeds sold in interstate commerce.

Knowing the intricacies of the seed industry and its importance to the Nation, I requested the cooperation in the development of this bill of the United States Department of Agriculture, the Legislative Counsel, the seed trade, farm organizations, State seed analysts, State commissioners of agriculture, and all others interested. With the assurance that full hearings would be requested to revise, if necessary, any of the provisions to obtain a sound and workable seed law that could be enforced, splendid cooperation has been received from all of those interested in the preparation of this measure.

Following the introduction of the first bill, Chairman JONES of the House Committee on Agriculture appointed a subcommittee to hold hearings. After the hearings numerous conferences and deliberations on the complex relationships of seed distribution and the possibilities of constructive Federal seed legislation were exhaustively reviewed. Recognizing the fact that an effective law must have the full support of the vast majority of the people concerned, I have made every effort to bring all groups into agreement compatible with the objective of securing sound legislation. The first seed bill I introduced, H. R. 8288, included the principles of truth in advertising and branding and required that statements accompany seed shipments in interstate commerce giving the origin, adaptability, purity, and germination of certain seeds. It gave greater power covering the control of the importation of field seeds in general and prohibited the introduction of certain noxious weed seeds, and further strengthened the hands of the Federal Government in the control in interstate commerce of noxious weed seeds by supporting the seed laws of the States in regard to noxious weed seed prohibitions.

The bill applied only to field seeds and its introduction was followed by a request from the American Seed Trade Association and the United States Department of Agriculture that the law be made applicable to vegetable seeds also. The present seed law does not control in any way imports and interstate commerce in vegetable seed distribution. I, therefore, requested the Secretary of Agriculture to call together representatives of the seed industry, farmers' organizations, and others interested to make suggestions pertaining to the improvement of the bill as introduced and for the inclusion of provisions relating to vegetable seeds. The Secretary of Agriculture appointed a Seed Policy Committee to devote the necessary time to this service. As a result of these conferences, I introduced H. R. 9846 on March 14, 1938, revising H. R. 8288.

When this bill was made available and studied by all interested parties, it was found that sufficient agreement had not been secured on all provisions, among others the vegetable seed clauses of the bill. Hence I again requested and secured the assistance of the Seed Policy Committee appointed by the Secretary of Agriculture to assist in preparing the highly technical features of this bill by continuing discussions with the various interested groups. Following a series of conferences, H. R. 10816 was introduced on June 6, 1938. The reception of this bill indicated that marked strides had been made in the development of a practical measure. However, there were some major objections raised to some of the provisions which indicated further conferences were necessary to arrive at a proper solution.

With the concurrence of Chairman JONES, of the House Committee on Agriculture, I again requested the Secretary of Agriculture to enlist the aid of his seed-policy committee in ironing out these complex and technical provisions in an effort to reach a harmonious solution to the objections raised. As a result of this request representatives of the seed trade, farmers' organizations, State commissioners of agriculture, State seed analysts, and others interested met together and discussed means of meeting these variations in opinion and of arriving at a satisfactory basis for a sound and practical law. I received a full report of the suggestions offered at these discussions and conferences. As a result of these efforts I now present H. R. 3366, a revision of H. R. 10816, which I introduced in the last Congress. I am confident that this measure, if enacted into law, will fulfill a serious need for adequate seed legislation. The present Federal seed law is inadequate and unenforceable. This fact is recognized by all who are familiar with the subject.

A sound seed law has the backing of the best elements of the American seed trade and the farmers of this country. At the recent annual meeting of the American Farm Bureau Federation in New Orleans the following resolution was passed:

> There has not been a single successful prosecution under the existing Federal laws for the misbranding, adulteration, or false advertising of seeds because of insufficient provisions of law.
>
> We urge enactment at the next session of Congress of effective legislation that will require adequate standards and information with respect to the origin, adaptability, purity, and germination of seeds, and the percentage and variety of noxious weed seeds, so as to assure adequate protection to farmers against misbranding, adulteration, or false advertising of seeds.

I am in full accord with this resolution of the American Farm Bureau Federation and trust that the Seventy-sixth Congress will enact H. R. 3366 into law, with such modification as the Committee on Agriculture may deem necessary after further hearings, in order to give to American agriculture and the sound and progressive elements of the American seed trade the protection needed.

Why I Am Against Continuing the Dies Committee

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1939

Mr. VOORHIS of California. Mr. Speaker, from time to time it is necessary and proper that investigation be made into activities and organizations existing in the Nation that seek to undermine our constitutional democracy and substitute for it some form of dictatorship. Especially is it important for us to know the extent to which foreign governments are financing movements or organizations in America.

But it is equally important for the people of the Nation to be protected against the destruction of their faith in one another and for investigations of this kind to be conducted in the most careful, dignified, and judicial manner that is possible.

It is very important that we should know, factually, of the tactics of groups which may not wish this Nation well. The best defense against "boring from within" is knowledge; and certainly it is worth knowing, as the Dies committee has brought out, though not for the first time, that there are organizations which, acting under the orders of a foreign dictator, propose, when a crisis comes, to fight to impose their kind of government on this Nation. Evidence to that effect concerning Nazi activities has been brought out by the committee, in addition to evidence regarding Communist activities upon which the greater emphasis has been placed. Personally, I believe that there should be no secret political organizations in the Nation, but that the business of every recognized political party or group in the country should be required to be an open book for all to read. If this were done, we would need fewer investigations.

I have read the report of the Dies committee and the hearings. There is important information contained therein, but, unfortunately, there is also a great lot of so-called

evidence which is pure hearsay, and some which is absolutely false. The reason I cannot vote to continue this committee and why I therefore hope another committee can carry on this important work instead of the present one is because I do not believe the Dies committee has been careful, nor always fair, and because it has certainly disregarded completely certain fundamental rules of evidence. The most important result of its work so far seems to me to have been the creation of a great confusion in the public mind whereby all sorts of progressives and liberals have been lumped together with Communists.

As I see it, the work of an investigation of this kind is so important and evidently so filled with deep and bitter feeling that every effort should be made not to stir up hatred or suspicion unnecessarily and not to permit the character of any innocent person to be called in question The reputation of people for patriotism and love of country are at stake and frequently, in highly emotional matters of this kind, even a false accusation may condemn a person particularly if the committee fails to make available every reasonable opportunity for the accused person to make reply. Frequently, when the most serious charges have been made before this committee there has been, as the hearings will show, no real effort to get the witness to substantiate his statement or show by what right he made it.

Charges and testimony before such a committee are not primarily intended for newspaper copy, but should be carefully sifted by the committee in charge to the end that injustice be not done to anyone. This so far as I can discover has not been the practice of this committee.

No matter what your views may be—whether or not you agree with any of these people—makes no difference. If you are anxious to keep liberty in this country, if you really want to preserve democracy as you say you do, you cannot put your stamp of approval on failing to accord an American citizen his most elemental right to be heard in his own defense. If I voted to continue this committee I would feel that I was putting my stamp of approval on that very thing. Either there will be fairness and justice for all, either everyone will be considered innocent until proven guilty, or else in the course of time no one will enjoy such rights and our liberty and democracy will be no more.

The task of building this democracy in America was a slow and painful one. It cost the earnest struggle of great men, the patient forbearance of great groups of men. That democracy can be destroyed far more easily than it was built. It can be destroyed in three ways: First, by the subversive activities of groups devoted to other and diametrically opposite forms of government; second, by too long a continuance of unnecessary poverty and industrial stagnation; and, third, by the destruction of the spirit that alone enables democracy to live. What is that spirit? It is the spirit of tolerance, the spirit that distinguishes between treason and disloyalty on the one hand, and legitimate concern over the welfare of the people on the other; the spirit that requires that every person accused be allowed a full and fair opportunity of self-defense, the spirit that grants that many people of many different kinds can disagree with one another on many points and still be loyal to the same flag.

If, by an attempt to expose subversive activities—a worthy thing to do, and necessary—we turn loose forces which destroy the very spirit and substance of democracy, then we have gained nothing.

Therefore, I cannot vote to continue this committee, although I stand ready to vote an investigation of un-American activities by a new committee to be appointed by the Speaker or chosen in some proper way.

On the eve of the recent election all of the major Democratic candidates for political office in California were accused before the Dies committee of either being Communists or near-Communists. True, they denied these false charges as best they could, but the damage had been done. The press continued to carry such comments as this:

> It is true that the Democratic candidates have denied these charges, but they nevertheless stand accused before the Dies committee of communism.

And the case against them was thereby supposed to be closed. The chairman of the Democratic Party in California, as fine and patriotic a citizen as breathes American air, was accused of being a member of the Communist Party, yet he was elected unanimously to his position by the Democratic convention in California.

Such men as Bishop Francis J. McConnell, of the Methodist Church, Prof. Paul H. Douglas, Stuart Chase, and other of the most able and devoted people in all America have been dealt with before this committee in such manner as to call their very patriotism in question. Such things are so serious that a congressional committee should never allow them to pass unless they are certain of the credentials of the person peddling such testimony, and unless they do everything in their power to prevent false testimony from going unchallenged. I cannot find that the committee has been at all careful about these things.

And as an example of the sort of testimony to which I am objecting we have the charges that James Roosevelt did not make a proper amount of contribution to the church. Religious liberty, and presumably liberty in the matter of religious contributions are part of the fundamental structure of American life and it is hard to understand what this testimony has to do with un-American activities.

WHAT I WOULD DO INSTEAD OF CONTINUING THE DIES COMMITTEE

It is a mistake to assume that we must either continue the Dies committee or have no investigation of un-American activities at all.

Already at least one resolution to set up a new committee to carry on such an investigation is before the House. It has occurred to me that the Judiciary Committee might well be constituted to do the job. In any case, it is, I think, a certainty that should the Dies committee not be continued another will be set up in its place, and certainly I will vote for it.

But more important to me is that, instead of waiting for another 2 years of careless investigating to be done, we should take action now on the basis of what we already know. To this end I have introduced two bills. One will require the registry and the licensing by the President and Secretary of War of all civilian military organizations except such as have been authorized by act of Congress or by one of the States. The bill defines a civilian military organization as any group which meets together for the purpose of drilling or engaging in any military or semimilitary activities, or which exists for the purpose of denying or attempting to deny constitutional liberties to any other group by force or violence. Such a bill would bring out into the light of day every organization of a sort which we really need to fear. In effect the bill says, "Carry on your work of attempting to remake America if you must, but carry it on in an American way, granting to all other people their constitutional rights." The method of the private army or the method of taking advantage of democratic liberties to destroy the freedom of others is barred. With such a bill in effect we could say with all our hearts that the advocacy of any measure by any group is a part of that group's rights so long as they propose to use constitutional means, and these alone to attain their ends, and so long as they abide absolutely by majority rule.

And I have also introduced a bill to provide for deportation of aliens, after a fair hearing, if it is found that they advocate that any American citizen or alien permanently admitted to the United States owes fealty to any other government.

Naturally, I should like to see these bills passed. I should like to see it done quietly and quickly and then I should like to see us turn to the real business at hand—the business of improving the conditions of life for the 99 percent of the American people who will never even know that such laws are in existence because nothing they will ever do will run counter to them.

In the declining years of every civilization there have been scapegoats—groups of people upon whom all the ills of the time were blamed. I need only mention the Christians in imperial Rome, the outcasts of India, the Jews of Germany, "political enemies" in Russia. Are we looking for scapegoats in America today? Will we find them in the migratory laborers of our farms, the unemployed, the members of a particu-

lar religion, or those perhaps who carry their religion to its logical conclusion and seek in a strife-torn world to establish the beginnings of brotherhood? Or will we find our scapegoats by branding as Communists all who question the eternal rightness of anything in the economic status quo and calling down upon their heads the blind wrath of the very people they have sought to help?

God forbid that we should look for scapegoats or fail each one of us to take his just share of the burden and the blame. God forbid that we should do otherwise than build upon the start thus far made a finer America than we have yet beheld.

Meanwhile I believe it is important that we draw a clear distinction between real disloyalty to the United States on the one hand, and divergent views on economic policy upon the other. Disloyalty consists in believing America is fundamentally no good, that some other nation—Russia, Germany, or Italy, for example—is the nation to which one should give fealty and allegiance, and in seeking to overthrow by force and violence the democracy of this Nation. But it is not disloyalty for a man to love his country enough to want with all his heart to see her perfected. It is not disloyalty for him to be dissatisfied with seeing the older citizens of the Nation in want and insecurity or seeing millions of people unprotected from the debilitating ravages of unemployment. It is not disloyalty for him to want to do something about these things.

It is a sign of weakness in our national life when we fight our political battles by accusation instead of by argument.

I am convinced that the cure for all these extreme movements of either right or left in this country is just one cure—the release of the productive energies of our businessmen, our farmers, our workers—I do not think that can be done in this day without Government help. I do not want to believe that particularly, but I can come to no other conclusion on the basis of facts at my command. We can produce abundance if we want to. And until we do, until we quit clinging to an artificial scarcity we are likely to have distress and suffering and consequent fear and unrest.

I am for the maximum amount of freedom for the maximum number of people.

If to preserve the freedom of small-business men it is necessary to interfere with the license of monopolists, I am willing to do that; if to preserve the freedom of the farmers it is necessary to interfere with the license of those who gamble in futures, I am ready to do that; if to preserve the freedom from want of our older people it is necessary to levy taxes, I am for doing that; and if to make our economy function smoothly and at something like full capacity it is necessary for government to take back to itself the right to bring money into circulation and through some appropriate agency to control its volume, then I am for that.

Some 6 years ago there came to the Presidency of the United States a new President with a new spirit and a new hope for the American people. History will inevitably record his administration as one of the periods of greatest progress in the history of our Nation. I say these things without pretending that either he or his followers have been free of human mistakes and blunders. And I say it without reference at the moment to the specific details of what has been done. Suffice it to say that three or four fundamentally right policies have been followed with rare consistency through these years. One is that as a measure of national safety as well as justice, whenever millions of people find themselves without employment, it becomes a proper function of government to put them at useful labor. Another is that the preservation of a democratic structure of society demands that those who must sacrifice much of their freedom by becoming parts of a great industrial mechanism and by dependence for their livelihood upon tools owned by other men shall have the right to regain some of that freedom by organizing together for mutual protection and a place of dignity and responsibility in society.

Another fundamental policy has been that it is a proper function of Government to protect agriculture, the basic industry of man, from destruction. Whether or not one agrees with the methods used—and in some important respects I do not—is at the moment beside the point. The principle remains. Still another fundamental policy has been that where credit could not be obtained from ordinary credit agencies by those who needed it for legitimate purposes, then that credit should be made available by Government agencies. And so on. Mistakes have been made of course. Misunderstanding has arisen. Bitter things, unfortunately have been said. But through it all runs a thread—that American Government still remains, government of the people, by the people, and for the people.

A systematic attempt is now and has been for some time under way to destroy the President, discredit his administration, and defeat in the public mind the validity of the idea that Government does have the right to act constructively in defense of the basic rights of the people. I shall not go over much of it, for this attempt has deep roots and they run underground for long distances and send up shoots in strange places. Fundamental to this whole Rooseveltian philosophy has been the idea that when the people had no buying power, through no fault of their own, then Government should act to give them work and the means of life. Agricultural benefits have been one method, W. P. A. another, C. C. C. another, and Social Security another. I am not at the moment defending in detail any of these methods. I am saying that they have constituted a bulwark for America against suffering far greater even than it has been. I am compelled on the basis of the evidence to conclude that the Dies committee has been, in very important respects, the willing or unwilling tool of this movement to discredit the national administration. For clearly if liberal movements and progressive people as sincere as the conservatives in their devotion to America are by the carelessness—if nothing more—of this committee to be branded as unpatriotic and the tools of communism, then immediately every attempt to protect the poor or the unemployed becomes suspected and the whole philosophy of government represented by liberal democracy is under attack. I think this would be a tragedy—at least as great a tragedy as if the Republican Party and its philosophy came to be regarded as a "front" for Hitler. Instead of continuing the Dies committee let us set up a new committee to carry on this work.

Social Security Act

EXTENSION OF REMARKS

OF

HON. RALPH E. CHURCH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 2, 1939

EDITORIAL FROM THE HOWARD NEWS, CHICAGO, ILL., JANUARY 26, 1939

Mr. CHURCH. Mr. Speaker, the Ways and Means Committee has just begun public hearings on the Social Security Act and possible amendments to it. While I do not know what the committee will ultimately recommend by way of amendatory legislation, there is no question in my mind that much can be done to improve this program.

One of the most objectionable features of the social-security program as now administered is the use of those particular funds to defray the ordinary operating expenses of the Government. It amounts to a fraud on the employees and the employers for the Federal Government to tax them for social-security purposes and then proceed to use the money thus raised for other purposes. For a long time I have protested against this practice.

Under leave to revise and extend my remarks, I call your attention to an editorial which appeared in the Howard News on January 26. The editor and publisher of this newspaper, and several other newspapers in Chicago, is Thomas

F. Myers, Jr. His views are worthy of your special consideration, not only because of the scholarship of Mr. Myers but also because of his known progressive attitude. I might add that he has been a loyal supporter of the administration, and serves with distinction on the park board of Chicago. He writes not as a partisan but with sincere convictions and an unquestionable interest in all our people.

[From the Howard News, Chicago, Ill., January 26, 1939]

PAY-ROLL TAX GIVES NO SECURITY—RETAILER HARD HIT—KILLS PURCHASING POWER

The social security pay-roll tax not only does not offer security but it is a vicious concealed sales tax, with the heaviest burden on those least able to pay.

It cuts the purchasing power of the worker. It brought the second depression and is retarding recovery.

Cutting purchasing power reduces the retailer's volume. Manufacturer's pay-roll tax is passed on to him plus the profit mark-up on the goods he buys. He cannot pass on the social-security tax he pays. So he's caught where the tax prevents his expansion and store improvement. His customers must buy less with the same money. His merchandise inventory goes up on the same goods, with the tax and manufacturing profit added, or he carries less stock. He buys less capital goods. His customers buy less consumer's goods and that many more self-supporting workers are idle.

The social-security tax is called the social-security "reserve swindle" by the eminent financial analyst, John T. Flynn, in Harper's magazine this month.

"An angry howl of disappointment will rumble through the country in January 1942," he says. Then the man or woman who paid this "security" tax will be forced to leave his $100 a month job at 65 to pauperize himself and get $17 a month. He will get the horse laugh from charity pensioners, who can get as much as $30 a month now without ever having done a lick of work or contributing a cent.

The workers will not and do not get it because it's being spent by the Government for everything else except the one who pays. The I O U's from the workers' money and an investing margin of small business are piling up. By 1980, $47,000,000,000 will have been extracted from pay rolls that the worker and business will never get. This is the social-security "reserve swindle."

The worst government policy is that of taxing in the name of one thing and spending for another.

This editorial is not the voice of partisanship or a Republican protest on the Democrat New Deal. We have consistently supported Mr. Roosevelt's policies.

This social-security tax violates the fundamental principles that we believed the New Deal stood for under Mr. Roosevelt's leadership.

Our business suffers from it. The tax would buy us a new press that would give the hard-pressed heavy capital-goods industry a measure of better times and make employment, and because we wish to pay off a mortgage we get another "bang" with the excess-profits tax.

These hardships and dwindling margins seemed a patriotic duty to endure until at last we analyze. They then appear fraudulently applied. Dishonest policies of government.

The Government collected $2,067,000,000 for social security in the first 6 months of 1938 and gave in benefits from it $282,000,000. Of this $1,785,000,000 disappeared for something else. This $1,785,000,000 was withdrawn from the purchasing power of the workers. In the year and a half of the existence of "social security" $130 of purchasing power was withdrawn for each dollar of benefits, states Abraham Epstein in The Nation.

One-quarter of 1 percent tax would pay the benefits until 1940, when one-half of 1 percent would be needed, says Flynn.

This is where relief should start now. Lift the "swindle tax."

Commencement Exercises

EXTENSION OF REMARKS

OF

HON. WILLIAM B. BARRY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 2, 1939

ADDRESS BY HON. WILLIAM F. BRUNNER, FORMER MEMBER OF CONGRESS, JANUARY 25, 1939

Mr. BARRY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address made by former Member of Congress William F. Brunner at the graduation exercises of Public School 44, Queens, Rockaway Beach, N. Y., Wednesday, January 25, 1939:

It has become a rather common, and to my mind somewhat of a boring, practice on the part of speakers at commencement exercises to give assorted advice to those who are either completing lower or higher school courses.

However, it is not the intention of those who speak to graduates to laden their minds with advice and suggestions as to what they should do in order to succeed in life, but rather to explain how they might avoid the mistakes which others have made—not willfully, of course, but because of the lack of general experience.

Therefore, in addressing you on the occasion of your commencement exercises here today I am merely trying to give some hints as to what you might expect in life and how you might cope with the problems which confront you. I am not going to give you advice on what you should do or what you should be, for neither your teachers, parents, or, for that matter, anyone else can design your future for you; all they can do is to guide you for your ultimate career must be of your own making. But no matter what profession or business you choose as a career, your success is entirely contingent upon the persistent effort you make to improve yourself, increase your knowledge, and achieve the highest degree of perfection through practice, study, and the determination to succeed.

As I speak to you boys and girls today my mind is carried back 36 years ago next June, when I graduated from this grand old schoolhouse. There were only two schools in the Rockaways then, this one here and the Far Rockaway Public School, in which was also housed the Far Rockaway High School. We had, if I remember correctly, about 36 in our class, and we were just as pleased as you are to have completed the first lap in the great race of education. I refer to education as a race in a serious vein, because it is only those who put forth their greatest energies to cover the great track of knowledge, to absorb the largest amount of experience and training, and to achieve perfection who come in first.

Yes, boys and girls, education is a race and success is the reward for those who take it seriously and utilize their best efforts to run the full course not rapidly as most races are run but steadily, conscientiously, and with a determination to win regardless of what obstacles may stand in your way, no matter who may be running against you.

In the United States today we enjoy a most liberal system of government under the competent leadership of one of the greatest Presidents in history, Franklin D. Roosevelt. The backbone of this Government is freedom and liberty, equal opportunity for all, regardless of race, creed, or color. As we look at the world we should be proud of our statesmen and their capable leadership, their interest in the protection of their people from social and economic abuses, and the safeguarding of our shores from invasion by unfriendly powers.

If any man has ever been an inspiration to the American student it is our President. Battling against prejudices, certain class legislation, and other conditions affecting the economic life of millions of people who have not been endowed with a surplus of worldly goods, President Roosevelt has given to countless millions today the means of employment, lower working hours, and decent minimum wages. By fighting to wipe out child labor he is trying to give adults with families the right to work at decent wages and give to millions of children like yourselves the right of a fair education so that they might be capable of taking their places in the varied professional and commercial fields.

Cognizant of the fact that education is so essential in a world of keen competition with thousands of students being sent out of colleges each year, each equipped with a training in different fields of endeavor, President Roosevelt has had numerous surveys conducted into measures of providing employment for those who seek it. At the same time our distinguished and beloved chief State executive, Governor Lehman, is also leaving no stone unturned to see that every possible path is paved to give to the boys and girls of this State the maximum in education and every opportunity for employment.

It is easy for people to criticize those statesmen who are working to help those who are not as fortunate as others, but since no one has thus far offered a constructive plan to take care of unemployed and the vast numbers of students graduating from college each year, I believe that both our President and Governor are to be warmly commended for the progressive steps they have taken to provide such employment.

After leaving here today, you will take the next step in higher education which will have a most important bearing on your future careers. Remember boys and girls, we all can't be great doctors, lawyers, or other masters of professional life. It has been a sad practice on the part of so many parents to insist upon specified careers for their children to follow merely because they think they are fitted for such work. And so I say to you parents, let your boys and girls decide for themselves. Guide them to the best of your ability, but let them develop their own vocational inclination. If your boy gives an indication of liking carpentry, steamfitting, or some other trade, let him develop it because I'd rather have a competent craftsman any day than an incompetent professional artist, regardless of what field he or she may be in.

The restricted fields of employment today make it particularly important to have mastered your craft. Discontented men and women driven into fields in which they have never been interested can hardly be expected to be successful. Therefore, I say to you parents to let your children decide their careers, and to you, boys and girls, I say no matter what field you choose, be sure that you make every effort to become not just another member of that particular craft or profession, but a master, whether it be a surgeon or a carpenter, a teacher or an office secretary, an attorney or a policeman.

In conclusion I want to congratulate you and wish you Godspeed and the best of luck.

Amendment of the Farm Act

EXTENSION OF REMARKS
OF
HON. NEWT V. MILLS
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 2, 1939

STATEMENT BY N. C. WILLIAMSON BEFORE THE COTTON CONFERENCE OF THE AMERICAN FARM BUREAU FEDERATION, NEW ORLEANS, LA., DECEMBER 12, 1938

Mr. MILLS of Louisiana. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following excerpts from a statement by N. C. Williamson before the cotton conference of the American Farm Bureau Federation, New Orleans, La., December 12, 1938:

A popular slogan of farm organizations and farm leaders throughout the Nation is "The American market for the American farmer." If the American market is to be preserved for the American farmer, there must be some assurance that the products grown by peasant labor in foreign countries will not be sold in this country in competition with American farmers. Import duties upon such farm products coming into this country seems the only protection for our farmers who produce crops consumed in American markets.

We must keep in mind, however, two simple yet fundamental facts about this agricultural problem when we consider national legislation for its solution.

First, there are two classes of farm commodities grown on American farms for market; those produced in the United States in excess of domestic consumption, a large part of which must be sold in foreign markets if sold at all; and those produced for domestic consumption alone.

Second, that the same plan may not work to the advantage of farmers producing export crops as that applied successfully to farmers producing crops consumed wholly in our home markets.

The major farm crops producing exportable surpluses such as cotton, wheat, tobacco, corn, and rice would naturally be considered as a group coming under the same class and might be treated broadly under the same general legislative program.

While cotton is the outstanding export farm crop produced in America, the cotton farmers cannot, and do not, expect special legislation for their relief that does not apply to farmers producing other export crops. If American agriculture ever receives its proportionate share of the national income, it will be brought about through the combined efforts of a united South and West on the part of farmers, because the major exportable farm crops are produced in these two regions and there should be no conflict of interests between farmers in these areas.

There exists a fundamental national necessity that the South continue to grow cotton not only to supply domestic needs but for foreign markets as well. A little more than one-third of the six and one-fourth million farmers in the Nation are cotton farmers and 35 percent of the entire farm population lives on cotton farms. The number of acres of farm land per capita in the South is smaller than in any other section of the United States, and the income of cotton farmers is the smallest of any group of our American citizens.

During the year 1936 cotton farmers received approximately 10 percent of the national farm income, although 35 percent of the farm population lives on cotton farms. This income was just half that received by practically the same number of dairy farmers in America. The same ratio holds true at the present time.

American cotton farmers no longer produce a major portion of the world's supply of cotton, therefore American cotton no longer controls the price of that commodity. We can no longer curtail cotton production at home in sufficient amounts to raise the price materially without seriously unbalancing our farm program nor without serious financial injury to cotton farmers.

Any policy which maintains a higher domestic price level for our cotton than the world price encourages the use of competing fibers and at the same time gives the producers of cotton in foreign countries a decided advantage over us in foreign markets.

It is obvious that if we maintain our foreign markets for cotton and produce cotton to supply these markets we must sell at competitive prices and also offer a quality of cotton which is as good or better than that produced in other countries.

If we grow cotton in competition with peasant farmers and slave labor in fifty-odd different countries of the world in order to maintain a well-balanced national agricultural program in America, our cotton farmers should be compensated at least partly for the cost of the tariff if they are to receive an income necessary to provide a decent living for themselves and their families.

Alexander Hamilton recognized this fact 150 years ago when he recommended to Congress that the revenues derived from import duties should be used to compensate groups of our citizens who would be penalized as a result of a tariff system.

The cotton producers, buying what they need in protected markets and selling the products of their labor in free world markets, have become poorer and poorer until the South is now classed as the Nation's No. 1 economic problem.

In order that we may have an up-to-date picture of the cotton situation, let me summarize briefly a few facts which we cannot ignore in attempting to work out a sound solution of the cotton problem.

Crop control of cotton has been in effect for 6 years, commencing with the plow-up campaign in 1933.

Acreage reductions during the 6-year period have ranged from 22 percent to 39 percent.

Loans on cotton at or above the market value have been made by the Government in 4 of the 6 years.

As of the end of this fiscal cotton year, the Government will have financed and withdrawn from the market approximately 11,000,000 bales.

The surplus of all growths as of August 31, 1938, was approximately 5,000,000 bales greater than ever before—American, 13,600,000 bales; foreign, 9,700,000 bales.

The average annual production of American growth for the 5-year period ending July 31, 1938, amounted to 12,934,000 bales, as compared to 14,667,000 bales for the 5-year period ending July 31, 1933.

The average annual production of foreign growth for the 5-year period ending in 1938 was 15,826,000 bales, as compared with 10,887,000 bales for the 5-year period ending in 1933.

The average exports of American growth for the 5-year period ended July 31, 1938, amounted to 5,903,000 bales, as compared with 7,750,000 bales for the 5-year period ending in 1933.

World consumption of American growth for the 1937–38 season was 10,930,000 bales, as compared with 14,385,000 bales in the 1932–33 season.

World consumption of foreign-growth cotton during the 1937–38 season amounted to 15,500,000 bales, as compared with 10,266,000 bales during the 1932–33 season.

The world in 1929 produced rayon and other synthetic fibers equivalent to the weight of 925,513 bales of cotton. In 1933 the production was increased to 1,446,056 bales, and in 1937 world production had increased to 3,783,975 bales.

These figures indicate several points to which I should like to call your special attention:

First, since the American cotton farmers no longer produce the larger portion of the world's supply of cotton, we cannot control the world price.

Second, if we sell our cotton in foreign markets we must sell in competition with all the farmers in other nations producing cotton, and at competitive prices.

Third, if price levels in America are maintained by artificial methods above world prices we encourage the use of substitute materials for cotton, increase the price of cotton goods to American consumers, and automatically curtail consumption here in the United States as well as abroad.

Fourth, the rapidly increasing use of rayon and other substitute materials for cotton makes the world less dependent upon cotton from year to year.

Fifth, some plan for disposing of the 11,000,000 bales of cotton under Government loan at the end of this season is essential to a solution of the problem and should be determined upon and announced at the earliest possible date together with a program that will insure us against a repetition of the same trouble.

Secretary Wallace made the statement several years ago that cotton growers must choose between domestic consumption only, at higher price levels, or a continuation of production for export to foreign markets as well as sales to domestic markets at lower price levels.

As I see it, the American cotton growers have no choice as between these two alternatives, because it is obvious that the two and one-fourth million cotton farmers, with their families and other labor constituting 35 percent of the farm population of the Nation, cannot sustain themselves by producing only six or seven million bales of cotton annually. The price of such a small amount of cotton would have to be so high to provide an adequate income to the producers that substitutes for cotton would be used at lower prices and the demand for cotton would be constantly diminishing, making it necessary for our farmers to turn to the production of other crops in order to make a living.

No business can endure following the policy of constantly restricting its operations and cutting down its output while the number of people depending upon its income is constantly increasing.

On the other hand, a policy of sound and conservative expansion, more efficient production at lower cost and aggressive fight for more business at competitive prices has proved successful in practically every line of business enterprise.

Everyone who has given even casual thought to this problem agrees that American farmers cannot produce cotton on a competitive basis with peasant and slave labor of foreign countries and earn an income sufficient to provide them a decent standard of living.

It is, I believe, generally accepted as a fact that cotton farmers are penalized to a greater extent by the tariff system than any

other group of our citizens and that in any equitable farm program cotton growers should receive compensatory tariff payments in order to place them on a parity with other groups of farm people. This principle of parity payments is recognized in the farm bill under which we are now operating, as being fair to all groups of farmers; the idea being to maintain, as nearly as possible, the same relative price level for the major farm crops.

* * * We have learned a lot since 1933 and as practical business people we should profit by these varied experiences in mapping our course for the future.

Among other things, we have learned that Government loans on cotton only to frequently fix the price, resulting in the accumulation of large amounts of cotton by the Government.

We have also learned that cheap cotton does not necessarily mean greater world consumption, because there are so many other factors entering into the ability of would-be consumers to buy cotton at any price.

We have learned, too, that if the price of American cotton is pegged by a loan, or any other device, that our foreign competitors undersell us and consequently take away our foreign markets.

The natural question arises, what are we, as cotton farmers, going to do in order to save our own industry and prevent, at the same time, a policy that will unbalance our American agriculture by turning our cotton farms into dairying, the production of beef cattle, corn and hogs.

With all the facts before us, it seems that a sound plan might be assured by amendments, where necessary, to the present farm bill, covering the following general provisions:

1. That we definitely establish a program covering a period of not less than 5 years so that farmers will know how to plan their operations in advance.

2. Continuation of the soil conservation program with details of payment definitely established for the period so that farmers may receive such payments more promptly than is possible if plans are changed from year to year.

3. Continuation of acreage control along reasonable lines, as suggested by Secretary Wallace many times, with authority given the Secretary to increase the acreage as in his judgment might be justified, because of increased consumption or by decrease of the present large carryover. I believe practically everyone admits that we have reached the limit in decreasing acreage.

4. Cotton price adjustment payments, to the extent of the difference between parity value, or such percentage of parity as may be agreed upon, and the market value at the time of sale. The parity value, or percentage of parity, to be decided upon at the time the program is adopted and subject to change only at the beginning of each crop year.

5. The annual liquidation of 2,000,000 bales for the 5-year period (if 5 years is the period agreed upon) of the Government financed cotton, following the plan adopted by C. C. C. for the liquidation of the 10- and 12-cent loan cotton during the years 1936 and 1937. If a longer period than 5 years is agreed upon, a proportionately smaller amount of the cotton on hand to be marketed annually.

6. Remove discriminatory tax laws, both Federal and State, against the products of our cotton farms and support the policy of trade agreements between America and the other nations of the world, so that cotton and other export crops can be bought by foreign as well as domestic customers who need our surplus stocks.

7. Provide for the sale of cotton on net weight so that farmers may wrap their cotton in cotton wrapping without being penalized by the present wasteful system of gross-weight sales. This would provide a possible outlet for some 150,000 bales of cotton annually.

This plan, if followed, would remove the necessity for any loan on cotton by the Government, because the farmers' income would not be jeopardized in any way whatsoever. The price would seek its own level, possibly at a considerably lower value than at present, and the cotton would move into consumption through the regular channels of trade without any interference whatsoever and the Government would accumulate no more cotton.

Of all those expressing an opinion, whom I consider well informed, none think the price level would be lower than 6 cents per pound.

This naturally raises the question of finances. Members of Congress tell us if agriculture is to receive any more money than is now available we must provide the means of raising additional funds.

There seems to be no limit to the amount Congress is willing to appropriate for relief in its varied and sundry forms, yet we are told money cannot be appropriated which would increase the income of farm people, making relief measures unnecessary.

It is conservatively estimated that it would cost the Government less over a period of 5 years to carry out such a program than the present loan policy with the losses entailed in carrying the large stocks and disposing of the loan cotton.

Notwithstanding the fact that we know it is unfair to further tax cotton in order to provide funds to compensate farmers who produce it, and fully realizing the justice in Mr. Hamilton's recommendation that the revenue derived from import duties be used to compensate those who would be penalized by higher prices of things they buy as a result of the tariff, we will even agree to a processing tax on cotton, provided competing materials are likewise taxed, in order to assure a continuing fund sufficient to properly and adequately assure the farmer's income.

The Trend of Events in Washington

EXTENSION OF REMARKS

OF

HON. E. E. COX

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 2, 1939

COMMUNICATION ADDRESSED TO NEWSPAPERS OF SECOND CONGRESSIONAL DISTRICT OF GEORGIA

Mr. COX. Mr. Speaker, under leave to extend I insert in the RECORD copy of communication of present date addressed to the newspapers in my congressional district, as follows:

Conditions in the Nation and the state of affairs in the world have created a situation in which full cooperation and complete confidence between the Congress and the executive departments of government are of vital importance.

Any impression, in the Congress or out of it, that the legislative branch is working in opposition to the executive department simply to be opposing must be dispelled. Any impression that the executive department of government does not trust the Congress to cooperate in working out the solutions to the problems which face us must be eliminated.

If this Nation is to be piloted through the dangerous shoals of international diplomacy and kept free from those entanglements which may involve us in the armed conflicts among other nations, there must be the fullest confidence on the part of the Chief Executive and his administrators in the good intentions of the Congress to go along with every reasonable, sound policy designed not only to keep us aloof from these foreign quarrels and conflicts but also to build up a national defense adequate for any reasonably conceivable circumstances which may arise in the future.

If we are to solve the grave domestic problems which confront us, equal candor and cooperation are necessary between the Chief Executive and the Congress.

There is no question but that industry in this country has been given a new optimism by the fact that the Congress is demonstrating its intention to fulfill its constitutional functions instead of abdicating these duties and functions in favor of the executive department. There is no reason why the Congress, in thus resuming its full constitutional functions, cannot cooperate to the greatest degree with the executive department and do so with much greater efficiency than heretofore. Neither is there any reason why the executive department, in fulfilling its constitutional functions, must clash with or be opposed by the legislative branch if reason, justice, moderation, and a devotion to the welfare of the Nation motivate both departments.

If old frictions are forgotten and the Congress and the Executive meet on the common ground of the common good of our common country, there can be any amount of disagreement, discussion, and compromise as to particular policies or methods without producing any divisions in the parties or bringing about any stalemates between the two great governmental branches.

There is no reason why the people of this country should be caught up in prejudices or passions, frictions or fights, between the two constitutional departments of the Government. In every case we all should submerge political considerations, personal aggrandizements, or the satisfaction of piques to the one objective of restoring the Nation to safety, security, and prosperity.

There is not the slightest doubt that reasonable differences and divergences of views as to methods of achieving the solution of problems can be resolved if the desire to be reasonable is present at all times in the minds of both the Executive and the legislators.

This attitude must obtain herceforth.

THE DIES COMMITTEE

The congressional select committee investigating un-American activities, commonly referred to as the Dies committee, undoubtedly will be given more funds by the House of Representatives and its operations continued for at least another year.

Regardless of whatever criticism has been made against the latitude the committee has allowed witnesses heretofore, the fact remains that such an avalanche of evidence of un-American activities has come to the committee that it would be unwise to try to end the committee's operations at this time.

There is a very narrow line of demarcation between communism, fascism, and other alien "isms" as political philosophies, and the actual doctrine of sedition which would advocate the overthrow of our Government by force. One might be a Communist or a Fascist within his constitutional rights of free conscience and free speech, because he might seek a change in our form of government by means of the orderly ballot; but when Communists or Fascists become active in an attempt to change our form of government by force of arms instead of by ballots, they have entered upon the

ground of sedition and treason, and therefore are guilty of high crimes against this Government.

Evidence of a convincing nature and great volume has come to the Dies committee that there are working in this country many Communists and Fascists—some of them with access to high places in Government—who are seeking the forcible overthrow of this Republic, not by means of ballots but by force of arms. Clearly, all such are seditionists, and if they are aliens, they should be deported to the countries of their origin. We certainly should no longer harbor them here. If any of our own citizens, whether in high place or low, are participating in any plots or plans forcibly to seize and overthrow this Government, they should be apprehended, exposed, and punished as seditionists.

No harm can come, under a fair inquiry, to any disciples of communism or fascism who are confining their efforts to persuading a majority of the people to vote for a change of governmental form. But it is highly important that all organizations and associations in this country and all individuals as well who are engaged in propagating communistic or fascistic doctrines should be known and the extent of their activities determined.

EFFICIENCY IN RELIEF

There is every probability that the investigations into the use of relief funds for political purposes have not ended. On the contrary, the very fact that we are faced with what probably is a problem that will persist for several years, demands a thorough scrutiny of relief administration from the standpoint of making relief as efficient and economical as possible. The relief rolls should be purged of every individual who does not rightfully belong on them. The strictest economy and efficiency should be invoked in order that the greatest amount of every relief dollar will go for its primary purpose of relieving the unemployed without partisanship or favoritism having any place in the administration of the relief funds.

NEUTRALITY

Recent developments disclosing that there has been some move to build modern military airplanes in this country for sale to France in event of a European war have brought to the fore in the Senate demands for an inquiry into the administration's foreign policy.

Such an inquiry ought not to be conducted in any attitude of hostility to the administration but rather in order to ascertain the facts. Conditions have come about which require that the President give the Congress a frank and clear view of his foreign policy. No one can say with justice that the administration's foreign policy is either wrong or mistaken until the President has advised the Congress just what that foreign policy is. It is to be hoped the Chief Executive will do this, and there is no reason to believe he will not.

Any difference of opinion which might develop between the Congress and the executive department as to foreign policy ought to be frankly discussed and worked out, with the sole object in view of adopting the best possible policy on the part of this Nation to keep us free of foreign conflicts.

Meanwhile, the part of wisdom would indicate that no rash statements be made in the Congress—or even in the press—until a frank discussion of foreign policy has taken place between the proper committees of the Congress and the proper representatives of the executive department.

Lift the Spanish Embargo

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 2, 1939

ADDRESS BY HON. LEE E. GEYER, OF CALIFORNIA, JANUARY 24, 1939

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks, I wish to insert an address given by me at the Masonic Temple in Washington, D. C., on January 24, 1939, as follows:

Coming to Washington as a freshman Member of Congress, I bring you the message that my people in the Seventeenth District of California are united in their desire for peace I have spoken to my colleagues in the House, and I know that from the Pacific coast to the eastern seaboard, from the Canadian border to the Gulf of Mexico, in the Rocky Mountain States, on the prairies and in the cotton patch, there is no war spirit among Americans. War in other parts of the world has intensified the devotion to peace which is traditional with our people. The spread of war has strengthened our determination to keep the United States out of war. Some people think it enough to "keep out of other people's wars." That seems to me too easy. I am concerned primarily with keeping out of a war which, by menacing our sovereignty as a nation and the life of our democratic institutions, may start as "other people's war" but becomes our own war.

In his opening message to the Seventy-sixth Congress, President Roosevelt brought home to us the fact that the desire for peace is no guarantee of its attainment. Reporting on the state of the Nation, the President was obliged to tell us that today the peace of the Nation is menaced. He said only what every literate person who reads the newspapers knows to be the fact:

"All about us rage undeclared wars—military and economic. All about us grow more deadly armaments—military and economic. All about us are threats of new aggression—military and economic."

And he made it clear that we cannot ignore the threat these wars hold to our own peace and national security, except at the cost of surrendering to the war-makers, first the security of our Nation, and in the end peace itself.

"The world has grown so small and weapons of attack so swift," said President Roosevelt, "that no nation can be safe in its will to peace so long as any other single powerful nation refuses to settle its grievances at the council table."

Not one powerful nation, but three—Italy, Germany, Japan—refuse to settle their grievances at the council table. The Rome-Berlin-Tokyo axis is a triple threat to our safety. Yet there are some Americans who still tell us we ought to "mind our own business." Peace is our business. And if we want peace we must make it our business to work for peace.

There is a war in Spain, a war of aggression and invasion. In January 1937, during the early months of the Spanish conflict, many of us thought that what happened in Spain was not our business. And, ironically enough, in the name of "minding our own business" we took sides in Spain. We legislated something we called "neutrality" in something else we called a "civil war." Our "neutrality" permitted us to sell arms and ammunition to Italy and Germany under the pretense that they had no part in the Spanish war. At the same time we refused to sell to the democratically elected Spanish Government. But what we called a "civil war" was not a civil war any more than what we called "neutrality" was truly neutral. The war in Spain was and is a war of foreign invasion, and Italy and Germany, whom we supply with arms, are the invaders.

Far from being neutral in a matter that was none of our business we betrayed our own national interests and conducted our own business very badly.

Spain is one front, an important front, in the undeclared wars that rage all around us. If Franco wins, Spain will become a base for new aggression, military and economic. It will bring the threat of aggression nearer to our shores. If we do not act to save Spain, we shall have lost an important strategic position. We shall have strengthened the powers which threaten military and economic aggression against the United States. And we shall have suffered the equivalent of an important military defeat, all the time pretending that that defeat was "none of our business."

We cannot simply shut our eyes to facts and declare like stubborn children that Spain is none of our business. Whether we like it or not, the war in Spain has become our war. Those who tell us otherwise point to the Atlantic Ocean as the barrier that separates and protects us from Europe. But a Franco victory would mean the conquest of the Atlantic by the Fascist powers and open it as a Fascist-controlled highway to the Western Hemisphere.

The ill-equipped army now so heroically holding the lines before Barcelona is as much our army as was the ragged soldiery at Valley Forge. It is no mere rhetoric to say that Barcelona may rank in American history with Concord, Lexington, and Gettysburg.

Two years ago we did not see this so clearly. But only the willfully blind can fail to see it now. From all sections of the American people come increasing proofs that the lesson of Munich has been learned. Munich showed us how powerful democratic nations, like France and Great Britain, can sign their own death certificates as first-class powers, all the time protesting that they have given up nothing, that they are minding their own business, and that they are serving the interests of peace. Munich showed us that the Great Britain of Neville Chamberlain cannot be trusted to hold the Atlantic for democracy, either England's or our own. Munich, which put Spain on the agenda after Czechoslovakia, pointed the Fascist threat straight at the Western Hemisphere.

Immediately after Munich the President and his close advisers showed that they recognized what Munich meant to us. The aftermath of "peace in our time" was a feverish rearming to whose implications the United States could not remain indifferent.

Following the President, patriots from every class, religious faith, and political party came to realize that Spain had become the first line of the United States defense. It is now no longer a question of taking sides in Spain. It is now only a question of taking sides for or against America. Will you defend our interests as a sovereign nation? Or will you betray those interests to the Fascist aggressors?

We have just had a stirring example of true patriotism transcending narrow party lines. Henry L. Stimson, former Secretary of State under the Republican President Taft, has written the President, urging that the Spanish embargo be lifted. In his fine statement Colonel Stimson declares that his reasons for believing the embargo must be lifted "depend solely on the interest of our own country toward the Spanish conflict and its results."

A lawyer as well as a distinguished statesman, Colonel Stimson is convinced that the President has power to lift the embargo by Executive action. He says:

"The change in the international situation during the past 2 years would justify such action by him. The embargo, which, by the terms of the law authorizing it, was intended as a protection against conditions which would endanger the peace of the United States, is now shown by the events of the past 2 years to be itself a source of danger to that peace."

Many Members of the House and Senate have expressed, privately or publicly, their agreement with Colonel Stimson. The Gallup poll of a few months ago showed 76 percent of the American people in sympathy with the loyalist side in Spain. Large as that majority is, it would have been even larger had the question been more correctly posed. I am convinced that only a fraction of 1 percent of our people would today favor keeping the embargo—if they realized that to do so is to side, not with a Spanish faction but with the Fascist aggressors who menace our own security and peace.

Among my constituents on the west coast the fear of war, which grows daily more acute, turns our eyes toward Japan. And Colonel Stimson's concern has always been primarily with the far-eastern situation. But we in California, no less than Colonel Stimson, remember that Rome and Berlin are in military alliance with Tokyo. We know that the war axis is no stronger than its three component parts, and that to strengthen Italy and Germany by the surrender of Spain is to strengthen Japan as well. That is why we see in a Franco victory a menace to American security on the Pacific as well as on the Atlantic coast. That is why California looks upon the defense of Barcelona as a link in its own defenses.

Millions of Americans want the embargo lifted. Millions of Americans support President Roosevelt's triple program for national defense—armaments, a positive peace policy, and expansion of the New Deal's policies at home. But we must not ignore the organized and vocal minority which opposes all these defense measures—from lifting the embargo to appropriation of adequate relief funds.

Our swiftly moving world has brought some strange new alignments. The jingoes of yesteryear are the new bedfellows of the pacifists. Senator VANDENBERG and Congressman FISH no longer want a big navy. Progressives used to attack these gentlemen as the spokesmen of American imperialism. But now VANDENBERG and FISH have taken up the cudgels against "imperialism" and are asking "who in the world wants to attack the United States?" That professional patriot and monopolist of the yellow peril alarm, Mr. William Randolph Hearst, is no longer afraid of Japan. The Japanese invasion of China seems to have put all his old fears to rest. Today Mr. Hearst can see only one peril—the peril in the White House.

President Taft's former Secretary of State, Colonel Stimson, declares that the embargo must be lifted. But President Taft's son, Senator TAFT, carries his party politics past the water's edge. Speaking over the radio on Sunday night, Senator TAFT called for keeping the embargo. And it is no accident that in the same speech he attacked the administration's whole defense program, revision of the Neutrality Act, and the New Deal's domestic policies.

Joined with the followers of Herbert Hoover, whether they call themselves Republican or Democrat, are the munitions makers and the financial interests of Wall Street. They want to keep the embargo, too. No, the world is not standing on its head, and the munitions makers have not become pacifists. Lifting the embargo is a blow against the war makers and therefore an act of peace. Those who got us into the last war have not changed their spots. They hope to get us into another profit-making war—and that's why they oppose lifting the embargo.

In this company of reactionary politicians and captains of finance we find also Father Coughlin. We must regard his presence here as further proof that Father Coughlin belongs with the German Bund, the Silver Shirts, and other un-Americans whom the Dies committee failed to investigate. Cardinal Mundelein has already repudiated Father Coughlin as a spokesman for the Catholic Church on the question of anti-Semitism. I am sure that he does not speak for the Catholic people on the question of Spain. Catholics are Democrats and loyal Americans. Their interest in peace and democracy coincides with the interests of other Americans. And they have not failed to understand that their personal liberty and freedom of worship will receive no better treatment from Hitler anywhere in the world than they have received from him in Germany, Austria, Czechoslovakia, or the Basque country in Spain.

The battle now raging in Spain may decide the issues of our own security as a nation. Yet we are not called upon to send an expeditionary force into that battle, nor to contribute one drop of American blood. We are called upon merely to take those steps "short of war" to which the President made reference in his opening message. The price asked of us for peace and security is not great. We have powerful moral and economic weapons in our arsenal. We may still buy security and peace by using those weapons, and those weapons only. We may still tip the scales against aggression and war, tip them for democracy, national safety, and peace—by lifting the embargo.

On our side, on the side of peace and national defense, we have the overwhelming majority of the American people, led by our great President. Against us are the enemies of the President and of the people, the traitors to democracy and to the national interests of our country. They are few in number, but organized and powerful. Our job is to beat them by uniting as they are united and working for peace as grimly as they work for war.

I am sure that other speakers this evening will read the paragraph from the President's message which has been so much quoted in the past few weeks. Let me nevertheless read it now:

"At the very least, we can and should avoid any action, or any lack of action, which will encourage, assist, or build up an aggressor. We have learned that when we deliberately try to legislate neutrality, our neutrality laws may operate unevenly and unfairly—may actually give aid to an aggressor and deny it to the victim. The instinct of self-preservation should warn us that we ought not to let that happen any more."

We cannot repeat those words too often. We must keep on repeating them until their meaning sinks in and reaches every man and woman in the United States, every Member of Congress. By the embargo against Spain we now encourage, assist, and build up the aggressors. Lack of action in lifting the embargo now means to continue that suicidal course. The instinct of self-preservation tells us that we must act, and act quickly. It is not too late—only those who do not want us to save ourselves tell us that it is too late today—as they told us it was "too late" last month and a year ago. It is not too late, but we are in a race with time and we cannot delay much longer. Let the lawyers decide how the embargo is to be lifted, whether by congressional or by Executive action. The injustice that was so quickly done can be as quickly undone.

I myself believe that the President has the power to act, and I shall give him all my support if he uses that power. If he does not invoke his executive powers and the question is left up to Congress, then I shall do all I can to work for congressional repeal of the embargo, and I know that many of my colleagues will work with me.

The big job, however, must be done by you and by the American people. Throughout the country the echo of the President's words must sound, gathering volume, until millions of voices are heard in Washington. The instinct of self-preservation will not save us unless that instinct leads to action. Let America call for action with one voice: "Lift the embargo now!"

King Cotton Has His Back to the Wall

EXTENSION OF REMARKS

OF

HON. STEPHEN PACE

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 2, 1939

ADDRESS BY DR. CLAUDIUS T. MURCHISON, PRESIDENT OF THE COTTON TEXTILE INSTITUTE, AT NEW ORLEANS

Mr. PACE. Mr. Speaker, every southerner is deeply concerned over the cotton situation and the future of cotton production and the cotton farmer. Every American should be equally concerned, as the future welfare of millions and millions of our citizens is involved, as is also the future foreign trade of this Nation.

Dr. Claudius T. Murchison, of New York, is president of the Cotton Textile Institute. Possibly his viewpoint is influenced by the interest of textile manufacturers, but he delivered an address before the Cotton Consumption Council in New Orleans a few days ago which at least presents most forcefully some of the important features of our cotton problem today.

I invite your attention to that address, which was as follows:

If the cotton grower is to be saved as a farmer, cotton must first be saved as a commodity. Up until now, acreage restrictions, marketing quotas, Government loans and the payments on benefits to farmers have all been directed toward the farmers' immediate welfare, while the welfare of cotton as an object of commerce and a commodity of consumption has been left to shift for itself. Under this arrangement foreign cotton has prospered mightily, but American cotton has proved wholly unable to care for itself and now faces the prospect of virtual extinction unless there is an early change in Government policy.

Cotton as a material of industry and trade does not need subsidies. It asks nothing more than an equal competitive advantage with foreign growth and with the substitute materials which are striving to displace it, and all too successfully, both at home and abroad. Although the present surplus supply of American cotton is the greatest in all history and constitutes a crushing financial burden on the Government of the United States, it does not have an open road to those who would use it. On the contrary, it is impounded within barriers which prevent its flow into consumption possibly more effectively than our tariff walls prevent the importation of foreign goods into the United States. The disadvantage under which it labors applies with equal force to the domestic market and the foreign market.

CITIES EXPORT LOSSES

Of these self-imposed barriers to American cotton, the most effective from the immediate short run view is the Government loan policy. The amount of the loan per pound of cotton is predicated largely upon the conception of a fair return to the farmer,

which is within itself wholly praiseworthy. But unfortunately, this does not take into account what world consumers are able and willing to pay. The American farmer naturally will not sell his cotton except at a price which is considerably in excess of its loan value. Thus on January 26, the last day for which figures were available for this paper, the average price of ⅞-inch Middling cotton actually sold to the mills was 9.42 cents per pound; 1-inch Middling was selling at 10.07 cents per pound, and 1¼-inch Middling at 16.12 cents per pound. These actual spot prices apply to exporters as well as to domestic mills.

These prices are far higher than the customary differentials between American and foreign cotton. As a result our cotton exports have dropped at an alarming rate. During the first 5 months of the present crop year, August 1 to December 31, which is normally the period of heaviest movement, our total cotton exports were only 1,896,000 bales, as compared to 3,185,000 bales for the similar period of 1937. During the month of December just past we exported only 361,000 bales which was less than one-half the number exported during December 1937.

In contrast to this, other cotton-producing countries during 1938 increased their cotton exports by approximately 10 percent. Thus, while other countries have been growing cotton for actual sale and processing, America has been growing cotton to fill the gigantic maw of a Government loan fund which has already drawn from the National Treasury over $500,000,000 and brought about the accumulation of a virtually inaccessible surplus which is bursting the warehouses of the country at an annual carrying charge of approximately $45,000,000.

FOREIGNERS ENCOURAGED

Our policy not only has solved the surplus problem of other countries, it has also given direct aid and encouragement to the expansion of foreign acreage and to the development of substitute materials. The action of the United States in attempting to regulate cotton production and to establish virtual minimum prices for cotton has no doubt given impetus to the policies of the totalitarian states relative to the development of synthetic fibers.

We are all aware of the tremendous progress of synthetic fiber production as a result of State support in Germany and Italy, but the extent of similar occurrences in Japan is not generally known. Preliminary figures now available indicate that rayon production in Japan in 1938 exceeded 550,000,000 pounds, which is approximately twice the volume of American production. This means that Japan has doubled her rayon capacity within a period of 2 years and is now virtually 100 percent ahead of the second largest world producer. With respect to all these changes, the entire burden of the loss is imposed on American cotton Furthermore, it is a loss of the type which cannot readily be regained, if ever.

Within the American market the situation is almost equally ominous. The advance of cotton substitutes is taking place with amazing swiftness. American cotton consumption declined by almost 20 percent in 1938, but rayon consumption continued to expand and reached in that year a new high record. Epochal discoveries relative to the processing and to the chemical composition of synthetic fibers which have been made during the past few months promises to accelerate rapidly the forward movement of rayon.

Technical improvements in paper manufacture and in the adaptation of paper products to industrial and home uses have resulted in another formidable competitor of cotton. At least 10 percent of American cloth production is at the moment seriously endangered by the competition of paper. This competition is purely on a price basis and at current levels the odds are against cotton to win. Paper wrappings and containers are in the front line of assault, but paper towels, sheets and pillowcases, and table covers are following close behind.

Against these encroachments of synthetic fibers and paper, cotton cannot hold its own except on a competitive price basis. It is clear from the experience of the past year that parity incomes for the cotton farmers must be drawn in less degree from the sales of the cotton itself if the customary volume of cotton production is to be maintained. If cotton is to continue as an important American export commodity, its price must be competitive with that of foreign growths. It is equally apparent that the continuance of normal cotton consumption in the United States requires a price for the raw material which is competitive with synthetic fibers and paper.

URGES NEW USES

The reasoning which I have followed in reaching these conclusions is based on current realities. Any hope for a different conclusion is conditioned upon the appearance of new realities. If left to the winds of chance, these new realities may be long in coming. The values at stake are too great to justify any such waiting. Those whose lives and fortunes are invested in cotton are too numerous and their importance in the national economy is too great to permit a policy of inaction.

We must pursue the double objective of new uses and lower costs. On the scientific side, laboratory research and experimentation must be relentlessly exploited. On the consumption side, we must explore every nook and cranny of industrial and individual want. Such efforts, well organized, well financed, and persistently followed, have an excellent chance to produce startling results both on the side of uses and of cost. Only by this road can we disperse the all-pervading gloom that prevails today. It requires no prophet to see that cotton as a commodity must be saved if there is to be a long-run salvation of the cotton farmer.

Statement of Hon. Harry R. Sheppard, of California, and Statistical Analysis on H. R. 11, Known as the General Welfare Act

EXTENSION OF REMARKS

OF

HON. HARRY R. SHEPPARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 2, 1939

Mr. SHEPPARD. Mr. Speaker and Members of the House, I want to express my appreciation to my fellow Members of the House for their cooperation and courtesy to the proponents of H. R. 11, which I introduced and which is now before the Committee on Ways and Means.

The occasion for the introduction of H. R. 11 was caused by certain facts from which stem many of our current legislative problems today, of which that of a national, uniform old-age pension is paramount.

Proof of its primary importance lies in this fact: That today in the United States there is an estimated total of 12,450,000 senior citizens over the age of 60. By contrast there were 10,385,026 persons over 60 years of age in the United States in April 1930, according to the Bureau of the Census.

We must conclude from these figures that the number over 60 is increasing more rapidly in the total population because of the increased average age of the population.

Cognizant of this fact and adding to it the economic depression years, it is easy to understand the necessity for a national old-age pension.

This increasing total in that age group over 60, which numbers an average increase since 1930 of 248,000 senior citizens a year, is the norm from which the paradoxical and often tragic conditions begin among our aged.

With this rapidly increasing portion of our population faced with economic problems definitely their own and the apparent lack of emphasis placed upon it legislatively, it was imperative that a bill be introduced which would tend to ameliorate this condition.

I introduced, in consequence, H. R. 11, which is a bill known as the improved General Welfare Act, to provide for and promote the general welfare of the United States by supplying to the people a more liberal distribution and increase of purchasing power; enabling certain aged citizens to retire from gainful employment; improving and stabilizing gainful employment for other citizens; stimulating agriculture and industrial production and general business and alleviating unemployment and the hazards of insecurity of old age; to provide a method whereby citizens shall contribute directly or indirectly to the purchase of and receive a retirement annuity; to provide for the necessary revenue to be placed in a general welfare fund to operate a continuing plan therefor; to provide for the appropriation and expenditure of such revenue; to provide penalties for violation of the act, and for other purposes.

For the past 10 years I have been interested in the philosophy that is generally evidenced in H. R. 11. Observation definitely indicated that technological development and a general contraction of credit throughout the entire Nation caused an accumulative pyramiding of unemployment among our citizens within this Nation. As this pyramiding increased the elderly citizens of our Nation were very rapidly placed in a position of economic insecurity.

Further, my observations definitely indicated that out of this group our elderly citizens were apparently being placed in a more hazardous position than the younger generation, if that is possible.

Many of them, as you and I know, lost their lifetime savings by investments in institutions in which they had every right to have confidence and through the lack of regulations governing certain types of financial and investment institutions.

This constantly cumulative condition did of necessity create a definite chaotic condition, not only pertaining to the elderly citizens of the Nation but to the younger generation as well.

I readily appreciate that there are many differences of opinion as to how the condition with which our Nation is confronted originated, but in my opinion, gentlemen, we have reached a stage where it is highly imperative that greater security through purchasing power be given to the citizens of this Nation.

During the Seventy-fifth Congress I secured the services of a clipping bureau and accumulated some 520 public addresses and public releases from outstanding industrialists, economists, and educational leaders, and while 289 of them definitely incorporated in their address the fact that our Nation to have recovery must provide means of greater purchasing power, none of them suggested a method whereby that purchasing power would become operative, and I sincerely feel that in H. R. 11 we have an equitable and consistent proposal of legislation that will to a reasonable degree furnish that purchasing power and at the same time will provide not only feasible economic security to the elderly citizens of 60 years or more but will create an economic condition whereby the younger generation will have greater opportunities of sustaining themselves and enjoying the home life that means so much to our general social welfare.

Our purchasing power in this Nation is, in my opinion, a definite principle upon which sound economic philosophy must be based, and this subject is one that should not be approached without due regard to our laws, our traditions, and our needs and in which cold facts should overbalance politics.

I wish to pay tribute to the President of our Nation for originating and having enacted into law the Social Security Act. I think it was a splendid approach to a situation that essentially needed correction, but, in my opinion, the Social Security Act is not broad enough to cover the general economic welfare of the citizens of our Nation. It is not uniform in either pensions or administration. It has a means test forcing our senior citizens to pauperism, and it has not at this time an equitable tax, but rather one that takes money to be invested in capital goods and wages in industry out of business activity and freezes it in a reserve known as the old-age reserve account.

The principles of H. R. 11, I believe, are in accord with the majority of authorities on social security in the United States and abroad. It provides for a uniform national old-age pension which is administered uniformly. It provides for the elimination of the means test, which today is proving one of the greatest problems in the cost of administration of the Social Security Act. It provides for a ceiling on pensions of $60 monthly for all those over 60 years of age.

It further provides as a means of paying such a pension a gross income tax of 2 percent. These four principles make up in essence H. R. 11.

It is admittedly a complex and cumbersome task to administrate anything as huge as a national social-security law. Consequently, it is pertinent that the greatest care be given to the types and forms of administration. A uniform system of administration would obviously cost considerably less than a system which varied with each State and sometimes with each county in that State.

The elimination of the means test is not only humanitarian and definitely in accord with the American spirit of independence which is our heritage but is economically sound.

At the present time one of the major costs of the administration of the Social Security Act, particularly in State as compared to Federal overheads, is the expense of investigating and recording the humblings of pride and independence of many of our senior citizens. From this aspect alone the means test is untenable. I am informed by competent sociologists that it is such administrative mechanics as the means test which disintegrate character. This problem I know we of the administration have attempted to solve and keep uppermost in our programs for the general welfare since 1932.

Economically elimination of the means test cuts the expense of administration by an estimated 40 percent. The importance of this cannot be overstressed in legislation wherein the two major points for consideration must be, from the lawmakers' viewpoint, the tax involved and the administration at the least cost.

When in addition to this complex problem a national old-age pension which is not uniform is administered, the injustices and inequitabilities of the problem become very apparent. This is why the principle of uniformity as applied to the administration and to the amount of a national old-age pension has been provided in H. R. 11.

It is manifestly unfair for a senior citizen in Mississippi to receive from the State an old-age pension of $4.02 when a senior citizen in New York receives a pension amounting to $21.42 monthly.

The problem here is based on need as well as a reward for past services rendered. Of necessity we are forced to the conclusion that the senior citizen in Mississippi needs $21.42 just as much as the senior citizen of New York. This exemplifies the paramount necessity for enacting a pension which will be nationally uniform.

The introduction of a gross-income tax as a means of income with which to pay a uniform national old-age pension is peculiarly pertinent at this time. The gross income tax, which I will define later in my statement, is admittedly in economic theory a tax not based upon the ability to pay. It is, however, a tax which so broadens the tax base as to materially reduce the total amount of taxes paid by an individual citizen if enacted. There were two reasons for introducing the gross-income tax. It was necessary in order to provide an adequate old-age pension to find a tax that would bring sufficient revenue to the Government to do so. The corollary to this was to find a tax equitable, easy to understand, and which would not place a burden in the form of a concentrated or specialized tax on any one group.

In principle there is possibility that Arthur J. Altmeyer, Chairman of the Social Security Board, agrees with this tax for at the present time the pay-roll tax, which is in essence a gross-income tax, is already in operation under the Social Security Act. However, in its enactment it is to be observed that, though it is a form of gross-income tax, it tends to concentrate and raise the tax base. This is because it applies to one group whereas application of the same principle nationally will lower the tax base.

Interpreting "gross income" as meaning the total gross revenue directly or indirectly received or credited to any person, partnership, firm, association, or corporation or any legal entity whatsoever, I wish to submit the following tables to show the total gross income of the Nation for 1934 and for 1936, which have been furnished me by Mr. Robert R. Nathan, Chief of the Income Section, Division of Economic Research of the Bureau of Foreign and Domestic Commerce, United States Department of Commerce. From these tables we can determine what a 2-percent gross-income tax would approximately produce in revenue:

Gross income, 1934

From security transactions	$47,000,000,000
From sale of tangible goods (including real estate)	118,000,000,000
From sale of intangible goods (telephone services, insurance, professional services, etc.)	21,500,000,000
Government tax receipts	9,500,000,000
Income from wages, salaries, and interest	50,000,000,000
Miscellaneous income	25,000,000,000
Total gross income, 1934	271,000,000,000

Gross income, 1936

From security transactions	$125,000,000,000
From sale of tangible goods (including real estate)	202,000,000,000
From sale of intangible goods (telephone services, insurance, professional services, etc.)	25,000,000,000
Government tax receipts	10,000,000,000
Income from wages, salaries, and interest	62,000,000,000
Total gross income, 1936	449,000,000,000

Assuming that the gross income of our Nation for 1939 will be equal to that of 1936, we then would proceed on the basis

of levying a 2-percent gross-income tax on $449,000,000,000 minus a total represented by the exemptions contained in H. R. 11.

The first exemption in H. R. 11 is that on gross incomes of $100 per month or less.

The National Resources Committee has estimated that 24.69 percent of the aggregate net income of the United States in 1935–36 was paid to families which received less than $1,250 per year.

Since the Department of Commerce reports our aggregate net national income for 1936 as being $62,056,000,000, it is safe to assume that exempting gross incomes of $100 per month or less will mean eliminating approximately $15,265,000,000 from our theoretical taxable total gross income of $449,000,000,000, which leaves a theoretical balance of $433,735,000,000.

Our next exemption is that of gross income to any governmental agency as defined in H. R. 11. Our latest source of information on total tax income is that made available by the Twentieth Century Fund and submitted to me by Herbert E. Gaston, assistant to the Secretary of the United States Treasury, indicates an estimated total of $12,500,000,000, of which $5,500,000,000 was estimated as Federal taxes, $2,700,000,000 as State taxes, and $4,300,000,000 as local taxes. Twelve billion five hundred million dollars therefore must be deducted from our taxable total. Deducting $12,500,000,000 from our total theoretical taxable balance of $433,735,000,000 we now have a taxable balance of approximately $421,235,000,000.

Our next exemption is that to the employer, who would deduct from his taxable gross income all items paid by him to employees in return for services.

The total private pay roll in the United States for 1937 equaled $37,368,000,000, according to N. H. Engle, Acting Director of the Bureau of Foreign and Domestic Commerce, Department of Commerce.

We now subtract this total of $37,368,000,000 from our theoretical taxable balance of $421,235,000,000, which leaves a theoretical taxable balance of $383,867,000,000.

Our next exemption is that to every "person," as defined in H. R. 11, for taxes paid any political subdivision. In other words, every taxpayer would deduct from their taxable gross income any amounts paid out for taxes.

We can for this purpose use the total taxes collected by Federal, State, and local governments in 1937 as estimated by the Twentieth Century Fund and furnished me by Herbert E. Gaston, Assistant to the Secretary of the United States Treasury, which estimate totals $12,500,000,000.

Subtracting the sum of $12,500,000,000 from our theoretical taxable balance of $383,867,000,000, we have then a theoretical taxable balance of $371,367,000,000.

Our next exemption is made to all "persons," as defined in H. R. 11, for interest paid on obligations. In other words, the taxpayer would deduct from his taxable gross income those sums paid out for interest on obligations. To determine the total interest paid on obligations by individuals and corporations, the best source information seems to be the Treasury Department's Statistics of Income, furnished me by Herbert E. Gaston, Assistant to the Secretary of the Treasury. In 1936, according to this source of information, individuals paid $554,900,000 in interest, while during that same year corporations paid $3,080,700,000 in interest. This totals $3,635,600,000 in interest paid out during the year of 1936.

These figures on interest are known to be incomplete because, first, interest paid by individuals not filing income-tax returns is not included; second, interest paid by individuals but included with business deductions is not available; and, third, data from partnership and fiduciary returns are not included.

It is safe to say that we must deduct $4,000,000,000 from our theoretical taxable balance of $371,367,000,000, leaving a theoretical taxable balance of $367,367,000,000.

The other minor exemptions in H. R. 11 are of such a nature that no sound source of information is available on which to base a total to be deducted by reason of these minor exemptions.

It is safe to say that they will not total more than $5,000,000,000, which would leave a theoretical tax balance of $362,367,000,000 on which to determine our income.

A 2-percent gross income tax on $362,367,000,000 would provide revenue totaling $7,247,340,000.

H. R. 11 provides that an annuity shall be paid to every citizen of the United States who has attained the age of 60 who is not engaged in gainful pursuit and who otherwise qualifies as provided for in the bill.

Our 1930 census indicates a total of 10,385,026 persons in the United States 60 years of age or over. The Census Bureau estimate of July 1938 indicates a total of 12,450,000 60 years of age or over.

The number over 60 is increasing more rapidly than the population because of the increased average age of the population.

W. L. Austin, Director of the Bureau of the Census, states that his Bureau estimated a total of 4,106,588 persons 60 years of age or over were having gainful occupation in November 1937.

Assuming that every person 60 years of age or over qualify and apply for the annuity, we must then divide our tax-income of $7,247,340,000 by the total of 12,270,000, which would provide approximately $582 annually, or approximately $48 per month.

It is safe to assume that not more than 10,000,000 persons would qualify, and on this basis our theoretical tax income would produce approximately $724 annually or approximately $60 per month.

H. R. 11 provides for a minimum annuity of $30 per month and a maximum of $60 per month.

I should like to file for the record a table covering the statistics I have submitted:

Gross income, 1936

(a) From security transactions	$125,000,000,000
(a) From sale of tangible goods (including real estate)	202,000,000,000
(a) From sale of intangible goods (telephone service, insurance, professional services, etc.)	25,000,000,000
(a) Government tax receipts	10,000,000,000
(a) Income from wages, salaries, and interest	62,000,000,000
(a) Miscellaneous income	25,000,000,000
(a) Total gross income, 1936	449,000,000,000

Exemptions in H. R. 11

(b) Gross incomes of $100 per month or under	$15,265,000,000
(c) Gross income to Government (1937)	12,500,000,000
(d) Gross-income exemptions to private employers on pay rolls	37,368,000,000
(c) Gross-income exemptions to "persons" on taxes paid	12,500,000,000
(c) Gross-income exemptions to "persons" in interest paid	4,000,000,000
Miscellaneous exemptions	5,000,000,000
Total exemptions	86,633,000,000
(a) Total gross income, 1936	449,000,000,000
Total proposed exemptions in H. R. 11	86,633,000,000
Theoretical taxable balance	362,367,000,000

A 2-percent gross-income tax on $362,367,000,000 will produce in revenue $7,247,340,000.

(e) 1930 census indicates total persons 60 years of age and over	10,385,026
(e) Bureau of Census estimated number of persons 60 years or over July 1938	12,450,000
(e) Bureau of Census estimate in November 1937 of persons 60 years of age and over gainfully employed	4,106,588

Assuming that every person 60 years of age or over would qualify, $7,247,340,000 divided by 12,450,000 equals $582 annually.

Assuming that 10,000,000 persons 60 years or over would qualify, $7,247,340,000 divided by 10,000,000 equals $724 annually.

SOURCE OF INFORMATION

(a) Mr. Robert R. Nathan, Chief of the Income Section, Division of Economic Research of Bureau of Foreign and Domestic Commerce, Department of Commerce.

(b) National Resources Committee.

(c) Herbert E. Gaston, Assistant to the Secretary of the United States Treasury.

(d) N. H. Engle, Acting Director of the Bureau of Foreign and Domestic Commerce, Department of Commerce.

(e) W. L. Austin, Director, Bureau of Census, United States Department of Commerce.

Public Welfare Assistance Payments

EXTENSION OF REMARKS
OF
HON. JOSEPH R. BRYSON
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 2, 1939

Mr. BRYSON. Mr. Speaker, a resolution "memorializing Congress and the President of the United States to appropriate funds for the public welfare assistance payments on the basis of 66⅔ percent by the Federal Government to 33⅓ percent by the State of South Carolina" reached me yesterday afternoon, and I hasten to call the attention of the Congress to the same. The resolution is as follows:

House resolution memorializing Congress and the President of the United States to appropriate funds for the public welfare assistance payments on the basis of 66⅔ percent by the Federal Government to 33⅓ percent by the State of South Carolina

Whereas the total estimated revenue for general purposes in the State of South Carolina amounts to $10,576,533.10; and

Whereas for the year 1939–40 the appropriations recommended by the South Carolina State Budget Commission amount to $10,534,970.29 exclusive of any appropriation whatever for the social security program in South Carolina; and

Whereas if these appropriations recommended by the South Carolina Budget Commission are enacted into law, there will be either no funds for the purpose of granting old-age assistance payments and other payments under the public-welfare program of South Carolina, or there will be a necessity for levying new or additional taxes on the over-burdened taxpayers of South Carolina; and

Whereas the average per-capita income for the State of South Carolina is among the lowest in the United States; and

Whereas it is a well-recognized fact throughout the Nation that the ability of South Carolina to care for its aged needy is far below that of most other States; and

Whereas the National Government has recognized through the enactment of social security legislation the responsibility of the United States to its aged and needy: Now, therefore, be it

Resolved by the House of Representatives of the State of South Carolina, That the President and the Congress of the United States be, and they are hereby, memorialized to provide at this session of the Congress funds for public welfare assistance payments on a basis of 66⅔ percent on the part of the Federal Government to 33⅓ percent to be appropriated for public welfare assistance payments by the State of South Carolina; be it

Resolved further, That copies of this resolution be sent to the President of the United States, the two Senators, and to each Member of Congress from the State of South Carolina.

WASHINGTON, D. C., *February 2, 1939.*

Mr. JAMES E. HUNTER, Jr.,
Clerk of the House, South Carolina General Assembly,
Columbia, S. C.:

I have just received a copy of a resolution, "memoralizing Congress and the President of the United States to appropriate funds for the public welfare assistance payments on the basis of 66⅔ percent by the Federal Government to 33⅓ percent by the State of South Carolina," which was adopted by the South Carolina House of Representatives, January 31, 1939. I shall direct the attention of the Congress to this resolution from the floor of the House today, requesting that the text of this resolution be inserted in the daily CONGRESSIONAL RECORD for careful study and consideration by each Member of the National Congress. Copies of these CONGRESSIONAL RECORDS containing a reprint of the resolution together with my remarks on the subject will be forwarded to you at an early date. I am in complete accord with the recommendations of the South Carolina House of Representatives, and shall do everything within my power to secure enactment of the necessary and desired legislation.

JOSEPH R. BRYSON,
Member of Congress.

The merit of this resolution is readily apparent. The National Government has recognized through the enactment of social-security legislation the responsibility of the United States to its aged and needy. The only remaining question is to what extent should the National Government participate in this program of social security?

The thought suggested by the foregoing is typical of the circumstances confronting the more economically distressed States. It will be observed that under the present program the unfortunate who live in the richer States are receiving much larger benefits from the Federal Government than those who reside in the poorer States. Under this policy many an unfortunate person is being penalized and is given but a pittance due to no fault of his own.

Since we are one Nation and one people, is it not fair to tax the property where it is and provide for the needy where they are? There must be greater uniformity in the distribution of benefits to the needy.

In view of the urgent need for a revision of the "matching" features of the present Social Security Act, I endorse the suggestion contained in the foregoing resolution and hope that this Congress will make more equitable provisions for the unfortunate.

The Civil Aeronautics Act of 1938

EXTENSION OF REMARKS
OF
HON. JENNINGS RANDOLPH
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 2, 1939

ADDRESS BY COL. EDGAR S. GORRELL, JANUARY 17, 1939

Mr. RANDOLPH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by Col. Edgar S. Gorrell, president, Air Transport Association of America, at annual convention, National Aeronautic Association, St. Louis, Mo., January 17, 1939, entitled "The Civil Aeronautics Act of 1938 and Self-Government in Industry":

"* * * Though they may sometimes have a set-back for a time, they will soon rebound and take a fresh start * * *." (Sir James Caird, Prairie Farming in America (1859), 94.)

This observation was made of Americans nearly a century ago by an alien to our shores who was witnessing our efforts to scramble out of one of our recurrent depressions. Our capacity to rebound and start afresh has been the wonder of the world, and our faith in that capacity has been the core of our national business character.

Recently, however, that faith has been shaken, and no longer can observers speak so certainly of our recuperative powers. We have faced a staggering industrial break-down for an entire decade and we find that the rebound and fresh start do not come merely by wishing. Indeed, after herculean efforts, we are today deeply puzzled to know just how a prolonged rebound is accomplished.

Rightly or wrongly, in recent years there has been a growing tendency to accept two principles as fundamental to a rebounding economy. Many persons feel that the application of these principles may lead us back to vigor. The first principle is that to permit absolutely free competition in all cases may invite chaos and immeasurable waste. The second is that government must be the agency for introducing the controls that are necessary to avoid the evils of laissez faire.

The evils to be avoided were abundantly demonstrated during the dark days of the late twenties and early thirties.

Economists of a generation or so ago had assured us of the divinity of laissez faire by almost mathematical demonstrations that among free competitors the submarginal enterprise was unsound and would be eliminated in a natural and inevitable competitive purge. The competitive purge, we are told, would keep our system always in approximate balance and all would be well if only we kept our eyes tightly shut and permitted absolutely free competition to operate our economy.

Despite these assurances, we found to our sorrow that absolutely free competition can too often be a means of swift economic suicide. The relatively strong competitor, when the business curve falls, can cut prices and wages and resort to other means of battle, whereas the relatively weak enterprise may find itself deep in the submarginal class, which means extinction. The logic of the matter is either that the strong will ultimately approach monopoly, or that we will endure colossal waste through the repeated births and deaths of the weaker enterprises. Those forced out of business by inability to survive the onslaughts of more fortunate competitors in depressed times are not necessarily uneconomic enterprises. They are in fact often needed. And the strong competitor will either reach out and occupy their place—which means monopoly—or new interests will enter the field, finally to struggle and die, as did their predecessors, in a vicious cycle of waste that does incalculable harm.

Conscious of the danger in this process of free competition, leaders in industry and government have for some years seen that there must be means for providing controls and curbs which will make the competitive process work in a more orderly manner. As the President recently said, "Competition, of course, like all other good

things, can be carried to excess." (S. Doc. No. 173, 75th Cong., 3d sess., p. 5.)

The ancient prohibitions of the common law against deceptive and dishonest methods of competition are usually not enough to introduce the needed sound order. Nor has it sufficed merely to supplement the common law with certain additional statutory prohibitions. The problems of modern industry are too varied and complex to be dealt with by a general code of morals. Each business has its peculiar problems, changing from day to day, and the requisite controls and curbs must be as varied and as changeable as the problems which make them necessary.

Obviously the Government must play a cardinal role in making provision for a saner economic system. The propriety of governmental concern with affairs of business has, indeed, become so generally recognized that many are tempted to suggest that government may itself provide all the controls and curbs which are needed. However, were government to go so far, we would soon have a dual organization, with government paralleling industry, which would become utterly unwieldy.

It would appear therefore that the role of government must be restricted to the most vital things, and that industry itself must be enabled to shoulder much of the burden of providing the regulation which it needs. How this can best be accomplished for industry generally it is difficult to say. One suspects that there is no ready formula which can be applied to every business. But Congress has recently taken a step designed to meet the needs of one important industry, and this step we may well consider with some care.

In the Civil Aeronautics Act of 1938 Congress provided that the air carriers may reach agreements among themselves, submit them to the Civil Aeronautics Authority, and if the Authority approves an agreement the carriers are freed of any legal impediments, including the antitrust laws, which otherwise would prevent them from carrying out that agreement (secs. 412, 414). Thus Congress has invited the air carriers to take the initiative in attacking the economic ills which may from time to time beset them, and to decide upon and inaugurate such self-regulation as may be best. In this process the role of government is that of overseer or censor; the privilege of freedom from legal inhibitions which otherwise would stand in the way of such cooperative action by the carriers is to be afforded only so long as the Government does not find that this privilege would not be in the public interest.

The nature of this provision and its significance to the air-transport industry is best illuminated by a contrast between it and the N. R. A.

In the report of the committee appointed by the President to study the operation of the N. R. A., it was said:

"N. R. A. was a rather radical experiment in incorporating interested economic groups as agencies of government." (House Doc. No. 158, 75th Cong., 1st sess., p. 186.)

By vesting the air carriers with a qualified privilege of self-government, the Civil Aeronautics Act likewise represents something of an innovation. But Congress took care in this case to avoid certain characteristics of N. R. A. which largely contributed to the difficulties which made the task of successfully administering that statute well nigh insuperable. (Idem, p. 183.)

In the first place, under N. R. A. the aid of Government was offered in the enforcement of the policies of the majority upon the minority of an industry. (Idem, p. 127.) Under the Civil Aeronautics Act a minority cannot be compelled to do the bidding of a majority. There can be no imposition of a code—the law permits agreements only, and each carrier is free to agree or not to agree to any proposal as it sees fit.

In the second place, under N. R. A. a violation of standards contained in a code was punishable by the criminal law. (Idem, p. 9.) Under the Civil Aeronautics Act there is no power granted to the Government to enforce agreements. The carriers may themselves determine how they shall be dealt with if they violate their agreements.

In the third place, under N. R. A. there was "excessive delegation of power" (idem, p. 183) concerning which the President's committee said:

"The result was the making of rules to govern the economic conduct of private individuals by subordinate and irresponsible members of the administrative staff and by code authorities unrestrained by the obligations of public office." (Idem, p. 188.)

Under the Civil Aeronautics Act there is no delegation of power to make and impose rules of conduct. The carriers merely submit their proposals to the Authority for approval.

Of course, it should not be overlooked that the Civil Aeronautics Act vests government with the traditional regulatory powers, notably rate regulation, but there remains a large area where intelligent controls can be applied with advantage to all, and in that area the Congress has adopted a means which is notably free of those features which plagued the administration of N. R. A. The value to be derived through permitting agreements instead of imposing codes was recognized by the President's committee when, in concluding its report on N. R. A., it was said that any future legislation "should be permissive rather than mandatory" and added:

"We also think that the experience of N. R. A. indicates that if such rules (regulating competition) are to be formulated, they should be initiated by the industries—that is, by the men who know most about the problems of the industry and who have to apply them in actual practice." (Idem, p. 192.)

Thus in the Civil Aeronautics Act Congress has applied the lessons of experience. With the best of legislative measures, however, no progress can be made toward meeting the challenge of economic problems unless wise use is made of the opportunity afforded. Government, on the one hand, and industry, on the other, can sabotage the most perfect statute.

The function of the Civil Aeronautics Authority in determining whether to approve or disapprove an intercarrier agreement is of crucial significance. It is clear that if the Authority were to attempt to decide whether an agreement is economically sound or whether some alternative would more effectively accomplish the purpose, much of the value of this machinery will be lost. For to do so the Authority would be compelled to stand in the shoes of management and to reach a decision as though Government were itself operating the air carriers. The peculiar virtue of leaving the formulation of trade practices to the industry affected, rather than attempting, as was done under N. R. A., to vest Government with this function, would be lost if the Authority were to approve an agreement only when it found the agreement to accord with its ideas of what seems sound and economical for the industry.

Government, unless it is actually operating an industry, cannot possibly reach decisions on any such basis. Successfully to apply purely managerial judgment requires an intimate, hour-to-hour experience in the affairs of an industry which no regulatory governmental body can possibly have. The myriad inarticulate judgments of the businessman—the "hunch," if you please—are the essence of the managerial function and are born only of close contact. In the very nature of things, this essence is lacking in government. The fact that it is lacking is one of the primary reasons for private ownership. When government assumes that it can make management's decisions more soundly than management, management becomes the mere servant of government and the sham of nominal private ownership might better be torn away altogether. The freedom to make mistakes is a privilege vital to management. The loss of that freedom would spell the loss of private initiative.

However, there remains to the Authority a role of great importance. It should not approve an agreement which would constitute an oppressive combination against a minority. It should see that agreements do not unreasonably discriminate against localities or classes of traffic. It should stand fast against any effort to overreach the traveling public. It should guard against any attempt to escape the responsibilities of furnishing an improving and expanding transport system suited to the present and future needs of the country. These are appropriate and well-understood objects of governmental concern, in the pursuit of which a governmental agency should be painstaking and persistent.

Upon the carriers there rests a responsibility even greater than that imposed by the statute upon the Authority. They have been given a special privilege, with the expectation that that privilege will be used and used fully. Many are the problems of air transport which are common in their nature and susceptible of cooperative treatment. The good to be gained by this treatment is incalculable. Savings in the elimination of needless duplication of efforts and facilities, the coordination of services in a way to promote the convenience of the public, the conservation of the industry's resources, and, above all, the pooling of experience and of judgment in working out a sane and orderly regime for the industry—these are the objects to which management will devote its efforts.

In a trenchant discussion of the present railroad situation, the Interstate Commerce Commission, in its fifty-second annual report, recently pointed out how the railroads had failed to effectuate many economies that might have been attained through cooperative action. The Commission said (p. 16):

"If the railroads were in the exuberant health of youth and the dominant factors in transportation which they used to be, such opportunities (for cooperative action) might be ignored. But that day has gone, and the choice for the railroads is between continued retrogression and the marshaling of all sources in an endeavor to progress * * *."

May the air carriers weigh well the implications of that statement; may they preserve, instead of waste, the health of youth by using the privilege granted by the Civil Aeronautics Act to promote cooperative endeavor now.

We are all familiar with the complaint that the full application of the antitrust laws enshrouds with uncertainty many attempts at wise cooperative endeavor and thereby deters much that would be good as well as what might be bad. President Wilson recognized the harm that comes from the uncertainty of the antitrust laws and sought a way to improve them.

"Nothing hampers business like uncertainty," he said,

"Nothing daunts or discourages it like the necessity to take chances, to run the risk of falling under the condemnation of the law before it can make sure what the law is" (CONGRESSIONAL RECORD, p. 1963, vol. 51 (January 20, 1914)).

Despite boisterous analogies drawn between the antitrust laws and ineffective laws against dispensing vice or liquor (Arnold, The Folklore of Capitalism (1937), 208–209), we are told that the Sherman Act and its supplementary statutes have made it nearly impossible to carry out any extensive program of stabilizing competitive relationships by cooperative action. For years various courses have been suggested at least to narrow the area of doubt in the application of those laws; some have been tried, and some have been abandoned. (Tippetts & Livermore, Public Control of Business (1932), 680–700; Note, 45 Harvard Law Review 566 (1932).) No one yet seems to have hit upon the means for effecting a desirable reform, for in almost any proposal there are inherent defects which have seemed to many persons to outweigh possible advantages. In any case it seems reasonably clear that, whatever action may sometime be found desirable to suit the antitrust laws

more satisfactorily to the needs of business, ample provision must be made for the peculiar requirements of different industries. As Walton Hamilton recently observed:

"The simple uniformity of the older acts may have to give way to an accommodation of public oversight to the varying needs of different trades." (The Problem of Antitrust Reform, 32 Columbia Law Review 173, 177 (1932).)

This accommodation of public oversight to the needs of air transport is provided for in the Civil Aeronautics Act. Whether the method applied in this case would be appropriate in any other, we can hardly say, and the question is, in any event, academic. The important point for our consideration is that a vital part of this industry, in which we are all so deeply concerned, is offered a way to be relieved of some of the uncertainties and complexities which have created so many baffling issues in other instances.

It is too early for us to predict what the results of this privilege will be. It is, however, altogether possible that it may forestall the future accretion of complicated legislative measures regulating the air-transport industry. Indeed, it may obviate any need for the Authority to exercise some of the powers granted it in the present act. There is never reason for legislative or administrative regulation if problems can be satisfactorily dealt with in some other way. And if the air-transport industry can use its privilege to enter into agreements, and to provide its own enforcement procedures for the maintenance of those agreements, so as to prevent abuses and maladjustments, the task of government will be enormously eased. Whether this will happen depends, of course, upon the willingness of the Authority to give the industry an opportunity to perform the task, and upon the intelligence and foresight of the industry in availing itself of the opportunity.

The test, therefore, is ahead of us. It is a test of statesmanship of a new order in a new field. Upon the outcome of the test rests the future of air transport. If government and the industry fail, the clinging fog of multiplying regulations obscures our course. If they succeed, a clear skyway opens before us.

Handling a Case Under the New Federal Rules

EXTENSION OF REMARKS

OF

HON. ALFRED L. BULWINKLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 30, 1939

ADDRESS BY JUDGE JOHN J. PARKER BEFORE THE VIRGINIA STATE BAR ASSOCIATION, AUGUST 6, 1938

Mr. BULWINKLE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Judge John J. Parker, of Charlotte, N. C., before the Virginia State Bar Association at Hot Springs, Va., August 6, 1938:

Some lawyers who have had little or no practice in the Federal courts are opposed to the new rules of practice because they mistakenly imagine that the old Conformity Act made the State practice in civil cases applicable in those courts. Those of us who are reasonably familiar with Federal practice know that this was not true and that the Conformity Act, instead of producing real conformity, resulted in a hybrid practice full of pitfalls for even a skilled practitioner. The Conformity Act did not touch the practice in equity causes, and the Federal courts followed their own practice in this branch of jurisprudence, a practice different in many respects even from the equity practice of those States in which the distinction between actions at law and suits in equity had not been abolished. In law actions the Conformity Act was held not to apply to the discharge of the separate function of the judge. The result was that whenever the State practitioner came into the Federal courts he was confronted with a mass of technical and unfamiliar rules with which he had to familiarize himself by special study before he could feel assured of his ability to handle his case properly.

The purpose of the act of 1934 was to abolish technicalities in the Federal practice and to provide a practice so simple that any lawyer of ordinary ability could handle a case in the Federal courts without difficulty and without danger to his client's rights. Two fundamental reforms were made the basis of the attempt: First, to abolish the procedural distinction between actions at law and suits in equity; second, to regulate procedure by simple rules of court. The rules adopted by the Supreme Court embodying these reforms should not be considered as a new technical procedure worked out by the Federal courts for the regulation of a peculiar practice. They are the product of the best thought of the American bar and have been devised by lawyers from all sections of the country to give those courts an ideal code of practice adapted to modern conditions. They embody a practice which is better and simpler than anything heretofore achieved either in this country or in England, and which might well be adopted in the interest of expedition and efficiency in all courts, State as well as Federal.

The opposition which has arisen to them in some quarters is due, I think, to the inherent conservatism of the professional mind, a conservatism which in the time of Oliver Cromwell led the lawyers of the temple to oppose the use of the English language instead of "law French" as the language of the court records. One of the remarkable things about the law is that, while the substantive law, which deals with the rights of individuals in the community, has always kept pretty well abreast of the needs of the times, the adjective law, which deals with the practice of lawyers in the courts, has been woefully backward in its development. The reason of this is that the customary procedure seems simple to the good lawyer, for the reason that anything seems simple to the man that understands it, and the good lawyer, therefore, does not realize the necessity of change. The man who is not a good lawyer does not have a sufficient understanding of the subject to propose needed changes, and so nothing is done until popular clamor forces reform. As a result of this attitude we have seen a large part of the proper business of the courts taken over by lay agencies and administrative tribunals, which cannot handle it as well as the courts could if they had a procedure in keeping with modern conditions.

The new rules give the Federal courts such a procedure. It is free of technicalities and so simple that any lawyer of ordinary ability who understands any system of procedure can familiarize himself with it sufficiently in one sitting to handle any ordinary case. For the handling of unusual situations, as to which the lawyer would consult the books in any event, it provides a simple handbook of rules of less than 100 pages, well indexed, in which he can, in a few moments, find the rule applicable. My purpose this morning is to point out the ease with which an ordinary case can be conducted under these rules. I shall not enter into a discussion of technical matters which seldom arise, nor shall I discuss the genesis of the rules or compare them with other forms of practice. Such a discussion would tend to complicate matters and lead to the impression that there is difficulty where no difficulty in fact exists. I wish to point out the broad outlines of the practice and to tell you in simple fashion how, in my opinion, an ordinary case should be conducted under it.

BEGINNING SUIT

The new rules provide for only one form of action to be known as a civil action (2). Such action is commenced by filing a complaint in court (3). The complaint provided by the rules is a very simple matter. No knowledge of the technicalities of pleading is required. It must contain only three things: (a) a statement of the grounds of jurisdiction; (b) a short and plain statement of plaintiff's claim showing that he is entitled to relief; (c) a demand for relief, and this demand may be in the alternative and may ask relief of several different types (7 and 8). Rule 9 further simplifies the matter of pleading by specifically providing that it shall not be necessary to aver the capacity of a party to sue or be sued; that circumstances constituting fraud or mistake shall be stated with particularity; that malice, intent, knowledge, and other conditions of mind may be averred generally; that a general allegation of performance of conditions precedent is sufficient; that it is sufficient to aver that an official document was issued or an official act was done in compliance with law; that in pleading a judgment it is sufficient to aver the judgment without setting forth matter showing jurisdiction to render it; and that items of special damage shall be specifically stated.

All pleadings, including the complaint, must be signed by the party or his attorney. They need not be verified. The signature of the attorney is a certificate that he has read the pleading, that in his opinion there is ground to support it, and that it is not introduced for delay (11).

A pertinent matter for consideration in commencing suit is joinder of causes and parties, and as to joinder of causes the rules specifically provide that any claims against the opposing party may be joined in the complaint and remedies may be asked notwithstanding that under the prior practice one could have been prosecuted only after the other had been prosecuted to a conclusion. Particular provision is made for joining a claim for money and for setting aside a fraudulent conveyance in one action (18). As to joinder of parties, the ordinary rule is that persons having a joint interest in the subject of the controversy shall be joined. When a person who should join as a plaintiff refuses to do so, he may be made a defendant. When persons are not indispensable parties the court in its discretion may proceed without making them parties if its jurisdiction over them as to either service of process or venue can be acquired only by their consent or voluntary appearance or if their joinder would oust the jurisdiction of the court (19a and b). Persons may be joined as parties where right to relief is asserted by or against them jointly or severally or a common question of law or fact is involved (20). Misjoinder is no ground for dismissal (21). The matter is taken care of by liberal rule authorizing consolidation and separation for purposes of trial (42).

When the complaint is filed the summons issues (4). Service must be made by a marshal or deputy marshal or by any person specially appointed by the court (4c). Service is made by delivering copy of the summons and complaint (4d). The rules contain elaborate provisions with respect to service on infants, corporations, persons non compos mentis, etc.

BEGINNING DEFENSE OF SUIT

The defensive pleading is the answer. It must be filed within 20 days after service of the summons and complaint, except in cases against the Government, where 60 days is allowed (12). The time

for filing answer may, however, be enlarged by the court (6b). The answer must be signed by the defendant or his counsel and must state in short and plain terms the defense to each claim asserted and must admit or deny averments of the complaint. Averments not so denied are deemed admitted. Affirmative defenses must be specifically pleaded (8b, c, and d). Rule 8c sets forth the affirmative defenses which it is necessary to plead, as follows: "Accord and satisfaction, arbitration and award, assumption of risk, contributory negligence, discharge in bankruptcy, duress, estoppel, failure of consideration, fraud, illegality, injury by fellow servant, laches, license, payment, release, res judicata, statute of frauds, statute of limitations, waiver, and any other matter constituting an avoidance or affirmative defense."

Demurrers, pleas, and exceptions for insufficiency of pleadings are abolished (7c) and every defense, either of law or fact, must be asserted in the answer, except that six defenses specifically named in rule 12b may be presented by motion. They are: (1) Lack of jurisdiction over the subject matter, (2) lack of jurisdiction over the person, (3) improper venue, (4) insufficiency of process, (5) insufficiency of service of process, (6) failure to state a claim upon which relief can be granted. Before answering, the defendant may move for a bill of particulars, which, when filed, becomes a part of the pleadings (12c).

The next question which the attorney for the defendant must consider is the question of asserting counterclaims in the answer. The rules require that a counterclaim arising out of the same transaction or occurrence must be asserted in the answer (13a). The answer may set up as a counterclaim any claim against the opposite party, although it is not compulsory to set it up if it does not arise out of the transaction or occurrence that is the subject matter of the opposing claim (13b). When a pleader fails to set up a counterclaim through oversight, inadvertence or excusable neglect, he may by leave of court set it up by amendment (13f). There is provision that additional parties may be brought into the action for the granting of complete relief (13h).

An interesting and important provision of the rules which goes beyond most code provisions as to pleading counterclaims is the third party practice prescribed by rule 14. Under this practice a defendant may bring into an action instituted against him a third party who is or may be liable to him or to the plaintiff for all or part of the plaintiff's claim against him. Such a third party must be brought in by summons and complaint and has a right, of course, to file answer.

THE REPLY TO DEFENDANT'S PLEADING

The rules provide that there shall be a complaint and an answer and there shall be a reply if the answer contains a counterclaim denominated as such. I shall not go into detail as to the pleadings where there is a cross action or where the third party practice is followed. In the ordinary case of plaintiff and defendant it is sufficient to remember that a reply is required only when a counterclaim is asserted (7a). The court may, however, order a reply to be filed to an answer (7a); and the practice of ordering a reply would seem to be especially appropriate where affirmative defenses are asserted. Provision is made also that where a counterclaim is asserted in the answer the plaintiff may bring in a third party for the litigation of liability under such counterclaim (14b).

DEMAND OF JURY TRIAL

It is to be remembered that the practice prescribed by the new rules governs actions formerly triable in equity as well as those formerly triable at law. The parties to actions legal in character are entitled to a jury trial as a matter of right. Actions equitable in character are heard before the judge in accordance with the former practice. All confusion under the new rules is avoided by a provision that the right to jury trial is waived unless demanded (38d). It is preserved by demanding trial by jury, which is done by serving a demand in writing on the opposite party at any time after the commencement of the action and not later than 10 days after the service of the last pleading directed to the issue upon which the jury trial is demanded (38b). If one party demands a jury trial on only a part of the issues, any other party within 10 days may demand a jury trial as to the remainder (38c). Where jury trial is not demanded, the issues are tried by the court, except that the court in its discretion may order a trial by a jury of any or all issues (39b). In actions not triable of right by a jury, i. e., in actions which formerly would have been heard in equity, the court may try the case with an advisory jury as under the old practice (39c).

DEPOSITIONS AND DISCOVERY

The subject of preparing for trial by taking depositions or obtaining discovery is covered by rules 26 to 37, inclusive. After jurisdiction has been obtained over any defendant or over property which is the subject of the action, the testimony of any person, whether a party or not, may be taken on leave of court by deposition for the purpose of discovery or for use as evidence in the action, or for both purposes. After answer has been served the depositions may be taken without obtaining leave of court (26a). The witness may be examined with relation to any relevant matter (26b). Protection against abuse is provided by rule 30 b and d, to the effect that the court may, upon motion, make an order that a deposition shall not be taken or that it may be taken only at some designated place other than stated in the notice, or that it may be taken only on written interrogatories, or that certain matters shall not be inquired into, or that the scope of the examination shall be limited to certain matters, etc. The court is also authorized to terminate or limit the examination.

Depositions in the United States may be taken before any officer authorized to administer oaths (28a). Reasonable notice must be given (30a). When depositions are taken in foreign countries they must be taken under letters rogatory or before a consul, vice consul, etc. (28b). Depositions taken under the rules may be used, first, for contradicting or impeaching the testimony of the deponent as a witness; second, where the deposition is that of a party or an officer, etc., of a corporation, partnership, or association, it may be used by an adverse party for any purpose; third, when the witness is dead or is at a greater distance than 100 miles from the place of trial, and in certain other cases specified, it may be used by any party for any purpose. If only part of the deposition is offered by a party, the adverse party may require him to introduce all of it which is relevant to the part introduced, and any party may introduce other parts (26d). Objections as to the admissibility of the testimony may be made when the deposition is offered in evidence (26e). Irregularities in the taking of the deposition or in the return are waived unless objection is seasonably made (32). Depositions of parties or witnesses may be taken by means of written interrogatories (31). The court may order the production of documents or inspection of property (34). It may order the physical or mental examination of persons (35a). The admission of facts and of the genuineness of documents may be demanded and costs and reasonable attorney's fees may be imposed for failure to make such admission (36 and 37). Refusals to answer or to make disclosure after the court order may be punished by attachment for contempt, by striking the pleadings, imposing costs, and by the entry of such other orders as may be just in the premises (37).

OTHER MATTERS IN ADVANCE OF REGULAR TRIAL

The new rules contain a number of very important features for expediting the disposition of cases. One of the most important of these is rule 16, providing for pretrial procedure. Under this rule the court may direct the attorneys for parties to appear for a conference to consider simplification of issues, amendments of pleadings, possibility of obtaining admissions of fact and of documents, limitation of expert witnesses, preliminary references, etc. Upon such conference the court is to make an order reciting the action taken, the amendments allowed, the agreements made, etc., and such order when entered controls the subsequent course of the action unless modified at the trial to prevent manifest injustice (16). Default judgment for failure to answer may be obtained before the clerk where plaintiff's claim is for a sum certain; in other cases before the court (55). Where judgment is taken through mistake, inadvertence, surprise or excusable neglect, it may be set aside on motion made within a reasonable time, but in no case exceeding 6 months after such judgment (60). Summary judgment may be entered where it is made to appear that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law (56). At any time more than 10 days before trial begins, a party defending against a claim may serve upon the adverse party an offer to allow judgment to be taken against him as specified in the offer with costs then accrued. If the adverse party refuses to accept the offer and fails to obtain a more favorable judgment, he does not recover costs (68), but must himself pay them from the time of the offer. Declaratory judgments are provided for under the recent statute and the court may order a speedy hearing of a motion for a declaratory judgment and may advance it on the calendar. Jury trials may be had in an application for declaratory judgments upon demand where the matter is one in which a jury trial could be had as a matter of right (57). Reference to a master is provided for, but it is stated that the reference shall be the exception and not the rule (53b). In actions to be tried by a jury, reference shall be made only when the issues are complicated (53b). The report of the master in jury actions is admissible as evidence, but, in these actions, he does not report the evidence (53e3). In nonjury actions the evidence is reported together with the findings of fact and conclusions of law and is heard by the court upon objections. The court is required to accept the master's findings of fact unless clearly erroneous (53e2).

TRIAL

A number of matters affecting the trial of the case have been settled by the rules and are worth remembering. In the first place, the right of plaintiff to dismiss his case, at any time before verdict, has been modified. The rules provide that the case may be dismissed by a stipulation of all the parties at any time or may be dismissed by the plaintiff at any time before the service of answer; but otherwise it may not be dismissed save upon order of court and upon such terms and conditions as the court deems proper (41). Where plaintiff has previously dismissed in any court an action based on or including the same claim, his notice of dismissal the second time operates as an adjudication on the merits. It is also provided that after the plaintiff has completed his presentation of evidence, the defendant without waiving the right to offer evidence may move for dismissal on the ground that plaintiff has shown no right to relief; and a dismissal under this motion other than a dismissal for lack of jurisdiction or for improper venue operates as an adjudication upon the merits (41b). The court is given the widest sort of discretion in ordering the consolidation of cases involving a common question of law or fact or in ordering separate trials of any claim, cross claim, counter-claim, etc., when deemed to be in the interest of justice or in furtherance of convenience (42).

The court may examine jurors itself or may permit their examination by the parties (47a). One or two persons to serve as alternate jurors may be impaneled at the court's direction (47b). Parties may stipulate that a jury shall consist of less than 12 or that the finding of a stated majority may be taken as the finding of the jury (48). The court may submit special interrogatories to the jury and require a special verdict in the form of an answer to such interrogatories, or it may submit special interrogatories along with submission of the general issue, and in such case the special interrogatories control the answer to the general issue (49).

Testimony is to be taken orally in open court (43a). Unwilling or hostile witnesses may be interrogated by leading questions. Adverse parties or officers, etc., of the corporation which is an adverse party, may be called and interrogated by leading questions and contradicted and impeached. Adverse parties so called may be cross-examined only upon the subject matter of the examination in chief (43b). Formal exceptions to rulings or orders of court are unnecessary, but the objection must show the action which it was desired that the court take or the grounds of the objection (46). Where evidence is excluded the record should show an offer of proof, which the court may require to be made out of the hearing of the jury (43c). A motion for directed verdict at the close of the evidence of an opponent does not waive the right to offer evidence, and such a motion which is not granted is not a waiver of trial by jury even though all the parties to the action have moved for directed verdict. A motion for a directed verdict must state the specific grounds therefor (50a). When a motion for directed verdict made at the close of the evidence is denied, the court is deemed to have submitted the action to the jury subject to a determination of the questions raised by the motion, and within 10 days after verdict the party making such motion may move to set aside the verdict and for judgment as though such motion had been granted (50b).

The rules specifically provide for exceptions to instructions and for the time of charging the jury. Objections to instructions must be entered before the jury retires to consider its verdict, and such objections must state distinctly the matter to which objection is made and the grounds of the objection, but opportunity must be given by the court for the objection to be made out of the hearing of the jury. The instruction to the jury, i. e., the court's charge, must be given after the arguments are completed (51).

Where the court finds the facts the finding shall not be set aside upon appeal unless clearly wrong (52), but subject to this rule an appeal in cases where the findings are made by the judge brings up the facts as well as the law.

PROVISIONAL AND FINAL REMEDIES AND SPECIAL PROCEEDINGS

Arrest, attachment, garnishment, replevin, sequestration, etc., are governed by State law (64). Preliminary injunctions are issued only on notice to adverse parties. Temporary restraining orders issue for not more than 10 days and expire at the end of that time unless renewed. They may be dissolved upon 2 days' notice (65). Execution follows State practice. A judgment creditor, however, may examine any person, including the judgment debtor, either in accordance with the rules relating to deposition and discovery or in accordance with State practice (69).

APPEALS

Appeals to the Supreme Court of the United States follow the old practice with petition for appeal, assignment of errors, order allowing appeal, etc. (72). Appeals to the circuit court of appeals, however, are greatly simplified. The old practice of summons and severance is abolished (74). Appeal is taken merely by filing notice of appeal with the district court. This notice designates the judgment or part thereof appealed from and names the court to which appeal is taken. The clerk gives the notice to the parties, but failure to discharge this duty does not affect the appeal (73 a and b). Bond in the sum of $250 must be given for costs, except in the case of pauper appeals (73c). Supersedeas is allowed where appellant desires a stay pending apeal. In case of money judgment, bond shall be given in an amount sufficient to cover the judgment, interest, costs, and damages, unless the court for good cause shown fixes a different amount. In other cases the supersedeas bond shall be in such sum as shall cover use and detention of property, damages for delay, etc. (73d).

The rules greatly simplify the making of the record on appeal. Appellant simply serves on appellee a designation of the portions of the record to be contained in the record on appeal. Within 10 days thereafter any other party to the appeal may serve and file designation of additional portions (75a). If evidence is to be included which was stenographically reported, appellant shall file two copies of the reporter's transcript (75b). Testimony designated for inclusion in the transcript may be in question and answer form. A party may file with his designation a condensed narrative statement, but any other party may require testimony in question and answer form to be substituted (75c). If the complete record is not designated, appellant must serve with his designation a concise statement of the points relied on (75d). All matters not essential to the decision of the questions presented should be omitted (75e). The parties may stipulate as to the record (75f). And the appeal may be heard on an agreed statement (76). Ordinarily the record need not be approved by the judge, but in case of disagreement the difference is submitted to him (75h). The clerk of the district court transmits the transcript of record to the appellate court under the seal of his court and must send one additional copy with the transcript (75g).

By rule 75L the Supreme Court has given to the circuit court of appeals authority to control the printing of the record on appeal, and as our court already has the power to prescribe the form of briefs in our court, we have recently adopted a rule relating to the printing of the record and to the form and content of briefs, putting these matters together because they have come to be closely related in the practice of hearing appeals. Under our rule it is not necessary to print the record unless the court specifically orders it to be printed, and in the absence of such order the cost of printing the record will not be taxed as costs in the case. The parties, however, are required to print as appendixes to their briefs such parts of the record as they desire the court to read. This, together with the statement of facts contained in their briefs, will ordinarily present the facts of the case with sufficient fullness for the purposes of review in an appellate court. Of course the full transcript in typewritten form will be before the court for its consideration. The rule as adopted by our court is attached hereto.

You will note three important changes with respect to the briefs: (a) It is required that the questions relied on, together with the manner in which they are raised in the record, be stated at the beginning of the brief; (b) that the briefs contain in an appendix or by way of supplemental brief such parts of the record as it is desired that the court read, and that the appellant's brief contain in the appendix or supplemental brief the judgment, decree, or order which it is sought to review together with any opinion or charge of the court; and (c) that except as to appendix or supplemental brief the length of the brief is limited to 50 pages unless an order permitting a longer brief be obtained from the court. It will also be noted that for the first time the cost of printing briefs will be taxed as a part of the cost in the case.

We think that this new rule will accomplish three important purposes. In the first place, it will save a great deal of expense to litigants. In the second place, it will greatly reduce the labors of the court. In the third place, it will bring the minds of counsel to a focus on the important points in their case and will greatly improve the presentation of cases to our court.

Let me say in conclusion that what I have said is but a mere introduction to the study of the rules, but I trust that I have said enough to show you that the practice which they prescribe is simple and easy to understand. My own feeling is that any lawyer who really understands any other system of practice can obtain a good working knowledge of this practice in one afternoon's study. I am in hopes that it will be adopted by every State in the Union and will be the means of eliminating technicalities and delays, which are the chief reproach to our administration of justice.

Compulsory Registration of All Assets of German Corporations in the United States

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 2, 1939

STATEMENT OF HON. EMANUEL CELLER, OF NEW YORK, ISSUED JANUARY 16, 1939

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement issued by me under date of January 16, 1939, upon my introduction of H. R. 2638, a bill for the compulsory registration of all assets of German corporations in the United States:

The time has come when the Reich must be brought to book. President Roosevelt has pointed the remedy when he said there are many methods short of war to bring home to aggressor governments the aggregate sentiments of our people. We have powerful economic weapons with which to strike back at the Reich, particularly so because of her deliberate discrimination against American citizens who may hold German corporate bonds.

More than $1,000,000,000 of American money was invested in German bonds issued by German States, cities, and corporations. Suitably after the Nazis got control, they promulgated a decree whereby the service on virtually all dollar corporate bonds was stopped. Subsequently, arrangements were made to pay only a part of the stipulated rate. And now, nothing has been paid for more than 2 years.

But do the European countries receive the same treatment? No. The subjects of France, Sweden, Norway, and of other European countries have been paid regularly, without interruption, on all German corporate bonds which they may hold.

As to the Reich Government bonds, in contradistinction to the bonds of German corporations, permit me to quote from a statement of the Foreign Bondholders' Protective Council, Inc.:

"* * * the council very much regrets that despite the protests of the United States Government, of the paying agent of the Dawes and Young loans (Messrs. J. P. Morgan & Co.) and of the council, the German Government persists in its discrimination

against American holders of these bonds by making payments for the regular service of the interest on the British, Dutch, and French tranches of the Dawes and Young loans, while paying the American tranche at a reduced rate. The general bond securing these loans states 'all bonds issued by the German Government in respect of the loan shall rank pari passu irrespective of date of place of issue or otherwise.' The central banks of the Allied Governments used their good offices to facilitate the placing of the tranches of these loans in their respective countries. The American tranche was issued at the request of the Governments of Great Britain, France, and Belgium. The council regrets to have to record that when the German Government defaulted on these bonds, the British and French Governments, by either threatened or actual coercive measures, secured arrangements by which the coupons on the tranches of these loans held in those countries were paid in full, without heeding the request of the American fiscal agents to have those Governments which had requested the issuance of these bonds in the United States, live up to the provision in the general bond above quoted which was designed to prevent any discrimination in the service and treatment of the various tranches of the loan."

Discrimination upon discrimination has been practiced upon Americans by the Nazis. Until recently, for example, inheritances due German subjects out of American estates were freely paid. But vice versa, moneys due American subjects out of inheritances in Germany were blocked by Nazi decrees. A courageous judge in the court of common pleas in Philadelphia, Hon. Raymond MacNeille, last month refused to allow moneys from an estate to pass to a Nazi beneficiary. Fearing that other courts would follow the precedent thus set, and realizing that they have more to lose than to gain from such reciprocity of discrimination, the Nazis quailed and are now setting up sufficient foreign exchange to permit the transfer of inheritances from Germany to the United States.

Not so long ago, a very outstanding decision was made by a supreme court jurist of the State of New York, Hon. Alonzo G. McLaughlin. He stated that a holder of a Nazi corporate bond has a perfect right to seize whatever assets the Nazi corporation might have in the United States to pay that bond. Judge McLaughlin pointed out that a German decree of June 1933, which the Nazi company cited as a reason for the nonpayment of the debt in question, could not bind American citizens not subject to Germany's jurisdiction, and that this Nazi decree of June 1933 sought to suspend the payments of debts due Americans. The judge went on to say that every nation should protect its own citizens from injuries resulting from foreign laws prejudicial to its own interests and policies, and that the rights of American holders of German bonds are not controlled by the laws of the Reich.

Judge McLaughlin's decision points the way.

I have this day offered a bill which provides that for the purpose of protecting American citizens who are holders of Nazi corporate securities partially or completely in default, such Nazi corporation must register all its assets in the United States of every nature, name, and description which may be owned by it, directly or indirectly, with agents or agencies to be designated by our State Department, giving an itemized account of such assets as of the day on which the present measure would become law, and also as of June 1, 1933, together with details as to any transfer or disposition thereof, in the intervening period. Likewise, American financial institutions and kindred organizations, as well as agents or agencies directly or indirectly identified with or acting for such Nazi corporation in default, shall register all possible information as to such assets. Failure to comply with the provisions of the act will involve a fine of $1,000, 1 year's imprisonment, or both.

I believe such a bill will be a concrete remedy against the indefensible discrimination against American holders of Nazi corporate dollar bonds. I am of the opinion that at least $150,000,000 can be collected, in this way, by American holders of Nazi dollar bonds by attaching the assets of Nazi corporations. At the present time the whereabouts of such assets are hidden and secret. My bill will force disclosure. Frankly, however, I do not think there will be much need of forceful remedies like attachment. The mere passage of my bill, like the decision of Judge McLaughlin, would soon bring the Nazis to terms.

It is true that other countries are likewise in default on their dollar bonds. But they are not guilty of the discriminatory practices of the Nazis. Many of these foreign countries including Germany repatriated their obligations while defaulting on their American investments. Instead of paying interest, the money would be used to buy up the principal at greatly forced down prices. One nation in particular has been in continuous default but has nevertheless purchased almost six-sevenths of its indebtedness. Another nation owed some $800,000,000, has repatriated one-third of its obligation. It is estimated that 13 countries in default have repatriated 25 percent of their obligations. Refusal to pay the obligation, while at the same time professing inability to pay interest, is a highly indefensible practice and warrants condign criticism.

Logically, I could make my bill apply to all countries in default. That may not be necessary. I first seek out the worst offender of the lot—Germany.

My bill is herewith set forth in full.

H. R. 2638

A bill to require filing by certain persons of data concerning assets of foreign corporations and entities in default of payment of interest and/or principal on its securities held in the United States, and to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes

Be it enacted, etc., That the act entitled "An act to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes," approved June 8, 1938, is amended to read as follows:

"Whereas a decree has been or is about to be promulgated by the German Government providing that American citizens register with designated authorities in the Reich every type of property owned by them in Germany in excess of 5,000 reichmarks; and

"Whereas such decree is designed to enable the German Government eventually to deprive American citizens of such property as they may own in Germany by invoking either one of the numerous German laws already in existence or by creating new legislation to that end; and

"Whereas such decree is further designed to enable the German Government to penalize American citizens for wrongs of which they, in the opinion of the German Government, may become or prove guilty of at a later date; and

"Whereas there are outstanding in the American market with thousands of American investors, institutions as well as individuals, bonds of the German Government, German States, cities, and corporations aggregating about $600,000,000 face or par value; and

"Whereas, through the enactment of legislation under date of June 9, 1933, by the German Government, American investors of virtually all German bonds have received no interest and no amortization whatsoever since January 1, 1937, and only part of the interest due them prior to that date immediately following the advent to power of the National Socialist Government; and

"Whereas the withholding of interest from American investors, individuals, as well as institutions, constitutes a real hardship to such investors, tending also to impair appreciably America's economy; and

"Whereas it is incumbent upon us to avail ourselves for the benefit of American creditors of the Reich, its various political subdivisions, and corporations, of the apparent recognition by the Reich of the principle of reciprocity; and

"Whereas decisions have been handed down by prominent members of the American judiciary to the effect that the laws of Germany cannot bind American citizens who are not subject to Germany's jurisdiction; that the generally received rule for the interpretation of contracts between a German debtor and an American creditor is that these contracts are to be construed and interpreted according to the laws of the State in which they are made; that the lex loci contractus determines the nature, validity, obligation, and legal effect of the contract and gives the rule of construction and interpretation; and that effect will not be given by the courts of a State to foreign laws in derogation of the contracts or prejudicial to the rights of American citizens; and

"Whereas by virtue of decisions handed down and opinions rendered by prominent members of the American judiciary, it was possible for American holders of German bonds in partial or complete default to satisfy their claims against German corporations guilty of such partial or complete default by attachment of assets which such German corporations possessed in the United States; and

"Whereas American holders of bonds of German corporations which possess assets in the United States are unable to collect the interest and principal upon their obligations because of the refusal on the part of German corporations guilty of partial or complete default to divulge for the benefit of American creditors the precise nature and location of such assets as they may have in the United States; and

"Whereas American holders of bonds of German corporations which possess assets in the United States are unable to collect the interest and principal upon their obligations because of the unwillingness or refusal on the part of American agents or agencies or financial institutions acting for or directly or indirectly identified with German corporations guilty of partial or complete default, to divulge for the benefit of American creditors the precise nature and location of assets owned by them for the account of such German corporations; and

"Whereas American holders of German corporate bonds in partial or complete default would be in a position to collect what is rightfully due them if they were in a position to locate assets in the United States belonging to such defaulting German corporations with respect to debts owing to American investors, individuals, as well as institutions: Now, therefore,

"*Be it enacted, etc.*, That the act entitled 'An act to require the registration of certain persons employed by agencies to disseminate propaganda in the United States and for other purposes,' approved June 8, 1938, be amended by adding the following new sections:

"'SEC. 8. For the purpose of protecting, conserving, and advancing the interests of American citizens who are holders of German securities partially or completely in default, German corporations in default on bonds, as to interest or principal, or both, owned by American citizens, shall register all assets located in the United

States as may be owned by them directly or indirectly, and irrespective of the nature, name, or description of such assets, with the Secretary of State or such agent or agencies as the said Secretary of State may designate. The said German corporation shall give an itemized and detailed account of such assets as of the day on which the present measure becomes law and also as of June 1, 1933, together with details as to how the assets, in the intervening period, may have been sold, disposed of, or transferred, and the person or persons to whom such assets may have been thus sold, disposed of, or transferred; that American banks, financial institutions, and kindred organizations, as well as agents or agencies, directly or indirectly connected with or identified with or acting for such German corporations guilty of partial or complete default as to interest or principal, or both, in respect of their dollar obligations, shall also be required to register all their assets, irrespective of their nature, name, or description, owned, held, or possessed directly or indirectly by them for the account or benefit of German corporations which are in such default with respect to obligations held by American investors. Such statement by said American bank, financial institution, and kindred organization, its agent or agencies, shall contain an itemized account of assets as of the day on which the present measure becomes law, and also as of June 1, 1933, together with details as to how the assets have in the intervening period been disposed of or transferred.

" 'SEC. 9. Failure to comply with the provisions herewith set forth shall constitute a misdemeanor punishable by fine of $1,000, or imprisonment for 1 year, or both.

" 'SEC. 10. This act shall take effect on the thirtieth day after the date of its enactment.' "

New Departure in Our Foreign Policy

EXTENSION OF REMARKS
OF
HON. HAMILTON FISH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 2, 1939

ADDRESS BY HON. HERBERT HOOVER, AT CHICAGO, ILL., FEBRUARY 1, 1939

Mr. FISH. Mr. Speaker, under leave granted to extend my remarks, I herewith submit a copy of an address delivered by Hon. Herbert Hoover, at Chicago, Ill., before the Council on Foreign Relations, on Wednesday evening, February 1, 1939. This eloquent and forceful address should be read by those Americans who want to keep our country out of foreign entanglements and wars.

The address is as follows:

I wish to talk on peace. We are deluged with talk of war. Our minds are being prepared to accept war as inevitable. We need to keep our heads.

And I say this as one who in positions of responsibility saw every stage in the development of the last war. And I have seen the bitterness of its failure to bring blessings to mankind.

I have no need to recite the malevolent forces rampant in the world. In 20 nations desperate peoples have surrendered personal liberty for some form of authoritarian government. They are placing their trust in dictatorship clothed in new ideologies of Utopia. Some of them are making war or are aggressively threatening other nations. The world is taut with fear. Five times more men are under arms than before the Great War.

We in America are indignant at the brutalities of these systems and their cruel wrongs to minorities. We are fearful of the penetration of their ideologies. We are alarmed at their military preparations and their aggressiveness.

Their neighboring democracies are consciously or unconsciously flooding us with propaganda that we, too, are in danger, that we will inevitably be drawn in.

QUESTIONS OF LIFE OR DEATH

We have need to strip emotion from these questions as much as we can. They are questions of life or death not only to men but also to nations.

We have need to appraise coolly these dangers. We have need of sober, analytical debate upon the policies of government toward them. We must do so without partisanship.

Amid these agitations President Roosevelt has now announced a new departure in foreign policies.

Beginning with his suggestion of 14 months ago of quarantining dictatorships, he now states: "We have learned that God-fearing democracies * * * cannot forever let pass without effective protests acts of aggression against sister nations. * * * There are many methods short of war, but stronger and more effective than mere words, of bringing home to aggressor governments the aggregate sentiments of our own people."

Mr. Roosevelt has also proposed to the country a huge increase in our already large armament. Under his plans we are on the way to become possibly the largest naval power and certainly the largest air power in the world.

Let me say at once that if our defense requires it every American will willingly bear that burden though it contributes to lower the standard of living of every American and though it plunges us further into debt.

It does mean an increase in our military expenditure from 650 millions of only 6 years ago to 1,400 or 1,500 millions next year.

MUST KNOW FOREIGN POLICIES

But the proper degree of our military preparedness depends, first, upon what our foreign policies are to be; and, second, upon where and from what our dangers come. When these are determined, then the size of our armament is for our Army and Navy experts to say. Without these determinations they can give no competent advice.

Our foreign policies in these major dimensions must be determined by the American people and the Congress, not by the President alone. The citizens can also in some degree appraise our dangers. After all, it is the people who are made poor and who sacrifice their lives and the lives of their sons.

For 130 years before the Great War and since we rejected the League of Nations our foreign policies have been simple and emphatic.

First. To keep out of foreign entanglements and other peoples' wars; not to interfere in the affairs of other nations.

Second. Our armament is for defense, not aggression.

Third. That defense to include the Western Hemisphere by enforcement of the Monroe Doctrine.

Fourth. To protect by force if necessary the lives of Americans who are of necessity abroad, but to depend upon the peaceful processes of negotiation to protect their rights and property.

Fifth. To cooperate in peaceful movements to promote peace and in economic movements to promote world prosperity. And to insist that neither by spirit nor action do we imply either military or economic force for these purposes.

CRITICIZES NEUTRALITY ACT

Sixth. Under the recent neutrality law we presumably prohibit the purchase of arms in the United States by other nations while actually at war, together with some restrictions upon credit and travel. Such purchases are without restrictions until we declare that a war exists. And let me say parenthetically that this arms provision needs immediate revision. In effect it compels us to take sides rather than be neutral.

I believe these are the full dimensions of American policies that have been approved by the American people up to now.

Mr. Roosevelt now proposes to expand these policies. The sum of his proposal is that we make effective protest at acts of aggression against sister nations. He says we must use methods stronger than words and short of war. He asks for armament to back his extensions. As Daniel Webster said in his reply to Hayne, "Let me run the honorable gentleman's doctrine a little into its practical application."

First. The only known effective methods short of war and more than words are that we either support one side with supplies of food, raw materials, finance, and munitions or that we deny these to the other side by embargoes, boycotts, or other economic sanctions.

Second. The aggressions against sister nations that Mr. Roosevelt is discussing are not alone in the Western Hemisphere. They are in reality aggressions across the Atlantic and the Pacific, in Europe and Asia.

Third. This new policy means that we are to determine who are the aggressors in the world.

HARD TO DEFINE AGGRESSOR

The determination of the who and when of aggression sounds easy. It sometimes is easy. But if one examines the history of the world, the distinction between legitimate expansion and wicked aggression becomes confused. The League of Nations, after some years of effort, failed to find even a definition of aggressor. We are to set ourselves up as the oracle of righteousness in age-old quarrels that began before our Nation was born. A large part of the United States was the result of aggression under any definition; likewise parts of the British Empire and France. The world will not remain static, for the pressures of populations, economic life, and defense are not static forces. In any event, it does not seem to be a job that America should undertake. More especially as each case must need be debated in Congress and divided by the emotions of our racial origins.

Fourth. These proposals to use some sort of coercion against nations are, of course, a complete departure from neutrality in other peoples' war. It is the method of coercion, not persuasion. It is in direct violation of Secretary Hull's reaffirmation, on which the ink is but 60 days dry, of an old American policy that "the intervention of any state in the internal and external affairs of another is inadmissible."

Fifth. Such measures are obviously futile unless undertaken in cooperation with other nations. Without joint action supplies of food or oil or cotton or munitions can be obtained elsewhere. And joint action means at least temporary alliances with countries in Europe or Asia.

Sixth. Such policies are provocative of reprisals and must be backed by armament far beyond that required for defense of the

Western Hemisphere. If we are to provoke, we must be prepared to enforce.

Seventh. Economic pressures inevitably run into pressures upon civil populations. Civil populations are mostly women and children. The morals of starvation by force rank no higher than killing from the air.

Eighth. Any nation which sets up such policies and builds an armament of dimensions to back them is sure to arouse fear. This idea of America sitting alone determining who and what in the world shall stop and go would make suspect of the whole world. It is certain that combinations of power will arise against a nation which does that, no matter how good neighborly its words may be.

COERCION IS "PATH TO WAR"

Let me say at once that any form of direct or indirect coercion of nations is force and is the straight path to war itself. No husky nation will stand such pressures without bloody resistance.

Those who think in terms of economic sanctions should also think in terms of war.

It will be said that these measures will preserve peace; that if nations know we will throw our weight into the balance they will not transgress on others. That is world-wide power politics. That is the exact theory of joining in the balance of power throughout the world. That setting has, in the long and tragic history of Europe, inevitably exploded in war.

All this becomes the most momentous change in American policies of peace and war since we entered the great war.

Moreover, the European democracies have accepted it as a complete change of national policy by the United States. If it is not a proposal to change radically our policies, then they are under a misapprehension.

But to determine the issue, let me propose some questions that the American people deserve to have answered.

1. Shall we reverse our traditional policies at this time?
2. Shall we set ourselves up to determine who the aggressor is in the world?
3. Shall we engage in embargoes, boycotts, economic sanctions against aggressor nations?
4. Shall we do this where the Western Hemisphere is not attacked?
5. Shall we provide an armament greater than that necessary to protect the Western Hemisphere from military invasion?
6. Shall we take collective action with other nations to make these more-than-words-and-short-of-war policies effective?
7. Are we to be the policemen of the world?

WANTS "ADVENTURE" CLARIFIED

Certainly it is due to Mr. Roosevelt, to the Congress, and to the American people that we know exactly what all this means. The Congress should have this adventure clarified before we go blindly into great increases in armament.

Before we answer these questions and before we venture into these paths of force and conflict, even short of war, we should realistically examine how serious the so-called imminent dangers are from aggressive nations.

Our dangers are obviously in two forms—the penetration of their ideologies, which would destroy democracies, and their military aggressiveness.

And their military aggressiveness has to be appraised in two aspects. First, the direct dangers to the Western Hemisphere, and, second, our further concern in the dangers to our sister democracies in Europe and Asia.

The first segment of this danger is the ideologies. The penetration of these ideologies, whether it be the communism of Russia, the national socialism of Germany, or the fascism of Italy, is an internal problem for each country where they penetrate. Ideas cannot be cured with battleships or airplanes. I say this, as I do not assume that we intend to attack dictators or extirpate ideologies in their home sources. That would lead the world to worse destruction than the religious wars of the Middle Ages.

WOULD WORK FROM WITHIN

Our job of defense against these un-American ideologies is to eliminate Communist, Socialist, and Fascist ideas and persons from our own institutions. It is to maintain the ideals of free men, which make this unprofitable soil for such alien seed.

I am confident that if the lamp of liberty can be kept alight, these ideologies will yet die of their own falsity. They spring not from moral and spiritual inspirations but from the cupidity of men. In any event no additional appropriations for arms will settle those problems.

The second segment of danger is that of military attack of the dictatorships upon democracies.

And we may first explore the imminent dangers of military attack upon the western democracies, and again we should consider it in the light of realism rather than the irritating words that emanate from world capitals.

Our people must realize that even if there were no dictators present the blunders in the peace treaties, the pressures of population, the impoverishment of peoples will create periodic European crises. That has been the history of Europe since long before America was born.

As terrifying as these crises look in the morning paper, there are more realistic pressures for peaceful adjustments than for war.

POSSIBLE COURSES WEIGHED

Since the Great War land fortifications for defense have increased in power faster than defensive land weapons. The dictatorships know that if they were to attack the western democracies they would probably find their land and sea defenses impregnable. Attack from the air offers hideous destruction, but it also brings sobering reprisals. It stiffens resolution and it does not capture capital cities. It is my belief that the western democracies of Europe can amply defend themselves against military attack.

And in this connection we must not close our eyes to one condition under which the American people, disregarding all other questions, might join in European war. We are a humane people and our humanity can be overstrained by brutality. That was one of the causes of our entry into the last war. For instance, if wholesale attack were made upon women and children by the deliberate destruction of cities from the air, then the indignation of the American people could not be restrained from action.

I do not believe officials of any nation have become so foolish or dare the depth of barbarism of such an undertaking. The indignation in the United States today at such killings in Spain and China, where it is excused as the accident of attempt to demoralize munitions supply, should be warning of the temper which would be raised.

There are other realistic forces which weigh against military attack by the dictatorships on the democracies. Despite various so-called "demands," the dictatorships are in reality mainly interested elsewhere. The face of Germany is turned more east than toward western Europe. The face of Japan is turned west into Asia. The Russians are amply engaged at home. The Italians claim grievances with England and France arising out of the treaties under which they came into the Great War, but these are not impossible of solution.

Beyond all this, every one of the totalitarian states has its own grave internal weakness.

COMMON PEOPLE WANT PEACE

Above all, the common people in no country in Europe want war. They are terrified of it.

Do not think I believe the situation is not dangerous in Europe. Far from it. But it is not so imminent as the speeches abroad might make it appear. And what is not imminent is often preventable.

Obviously, our dangers are much less than those of the overseas democracies. The Western Hemisphere is still protected by a moat of 3,000 miles of ocean on the east and 6,000 miles on the west. No airplane has yet been built that can come one-third the way across the Atlantic and one-fifth of the way across the Pacific with destructive bombs and fly home again. In any event, these dictatorships have nothing to gain by coming 3,000 or 6,000 miles to attack the Western Hemisphere. So long as our defenses are maintained they have everything to lose.

That any of these dictatorships, whether Japan, Germany, Italy, or Russia, or all of them together, have the remotest idea of military attack upon the Western Hemisphere is sheer hysteria.

It will be said that we must be prepared to go across the seas and enforce lawful rights for American trade by military action. I do not agree with that thesis. There always comes a time, with patience, when such ends can be accomplished by the processes of peace.

There are other factors that we need to consider also before we decide to use force beyond protection of the Western Hemisphere. We must not refuse to look at the possible ultimates before we start down these paths.

If we join with force in Europe or Asia, even though it be short of war, we must consider its consequences should it lead to war. For that is the most probable result. The call to join is based upon the preservation of human liberty in the world. Our first purpose is to maintain liberty in America. If civilization based on liberty fails in the United States it is gone from the earth We must safeguard that, not only in our own interest but in the interest of the world.

WAR MEANS REGIMENTATION

Personal liberty and free economic life are not built for modern war. A great war today is a mobilization of the whole people. That means democracy must temporarily surrender to dictatorship, no matter what one may call it, in order that we may bend our full energies to war.

It means that our country must be mobilized into practically a Fascist state. It would be so organized. It went some distance in the last great war, although we did not use that term at the time. It would have gone much further if the war had extended longer.

I speak of this not from hearsay but as one who participated in the economic organization of the great war. I saw the rise of opposition to demobilization of the interests which benefited. But we secured the immediate and courageous demobilization of this economic power over the daily lives of our people because of the backing of a real lover of human liberty—Woodrow Wilson.

Today the lowered vitality of free enterprise, the necessity to subordinate or repudiate our enormous peacetime national debt to make way for finance of a new war, together with the ideas of economic power which impregnate our Government, all drive to the improbability of after-war demobilization of centralized power.

If it were that or the loss of our national independence, it would not be too great a price. But let us at least recognize that a war to save liberty would probably destroy liberty. In my view another great war will make dictatorship universal.

Even if we escaped this result, yet the sacrifice of our sons and the moral and economic destruction are a bitter prospect to contemplate. Surely we learned this from the last war. As we look back over our participation in that war there is still another cup of bitterness. America can make war, but we cannot make permanent

peace in Europe or Asia. The peace after the Great War sowed the dragon's teeth whose growth confronts us today.

And now a word in conclusion. As a Nation we must weigh all these experiences, these forces, and factors as best we can. We may not agree upon the importance to lay upon any one of them. But from the total of them it is my belief that at this time the country should say an emphatic "no" to the questions of clarification which I have proposed above.

THREATS NO WAY TO PEACE

This world can never reach peace by threats and force. If this is to be the blind leadership of men, nothing can save the world from a catastrophe to civilization.

No nation has alone built this civilization. We all live by heritages which have been enriched by every Nation and every century. And to save this civilization there must be a changed attitude of men. Our country, standing apart, can make a contribution of transcendent service in holding aloft the banner of moral relationships.

If we are to hold that banner of morals aloft, the people of America should express unhesitatingly their indignation against wrong and persecution. They should extend aid to the suffering.

We should not be isolationists in promoting peace by the methods of peace. We should not be isolationists in proposals to join in the most healing of all processes of peace—economic cooperation to restore prosperity.

But surely all reason, all history, all our own experience show that wrongs cannot be righted and durable peace cannot be imposed on nations by force, threats, economic pressures, or war. I want America to stand against that principle if it is the last nation under that banner. I want it to stand there because it is the only hope of preserving liberty on this continent.

That is America's greatest service to mankind.

On Dedicating a Church

EXTENSION OF REMARKS
OF
HON. LUTHER PATRICK
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 1, 1939

ADDRESS BY HON. LYLE H. BOREN, OF OKLAHOMA, AT DEDICATION OF POTOMAC HEIGHTS CHURCH, WASHINGTON, D. C., JANUARY 29, 1939

Mr. PATRICK. Mr. Speaker and Members of this Congress, this is my first time to arise in this body to present a church speech, but with these times and exchanges, a few things said in this direction should do no harm. I wish to insert into the RECORD a speech made here in Washington by the Honorable LYLE BOREN, Member of this Congress from Oklahoma. It was not our pleasure to hear the speech, but those who heard it gave such an excellent account that we read it, and found it to be charged and filled with such splendid Americanism we decided to bring it here.

This is a country wherein church and state are two separate and distinct functions. It is my opinion that nothing in our national political life is more fundamental than this. There has been in the political upswing of our country's thought, within the past few years, a trend toward a decided liberalism. This has apparently given rise to a feeling among a number—we hope how few—that this is the signal for hope among groups who are distinctly nonchurch and nonreligious, in this sense. We feel that this should be discouraged at every reasonable opportunity. We have no compromise in this land with communism, nazi-ism, or any form of group thought that tends to detract from, deflect, or darken the light of our religious faith, whatever its nature.

I do not know whether the church dedicated—Potomac Heights Church—is Baptist, Episcopal, or whatever. That is not important, but some of the things of which Mr. BOREN spoke are important.

This is the speech:

Permit me a word of appreciation to the Reverend Randall and you other good people of Potomac Heights for this privilege of participating in the dedication of this fine new church.

"NEW TEMPLES

"I think God loves new temples built to Him
And watches as each stone is laid on stone,
And smiles to see them laid so straight and true,
Lifting the strong wide walls to heaven's blue.
And when the carpenters have done with them,
And each new church stands finished and alone,
When dusk sifts violet shadows through the glass
Of painted windows, I think that God must pass
Between the new dim aisles, and stopping where
The last light falls across His shining hair,
He kneels and holds the first communion there."

—*Lexie Dean Robertson.*

The streets that lead to the door of this church will become the pathway for the footsteps from childhood to age, and may also the footprints of Jesus make these pathways glow. It is my hope that the pathway here will be the open beckoning road to all who in their hearts are moved to turn from prodigality and say, "I will arise and go to my Father."

(The congregation sang I Will Arise and Go to Jesus.)

We cannot know what is foregathered in the God-kept store of time. Though searching be our gaze, we cannot penetrate the future. We do know, however, that the fixed stars remain in the sky; that truth does not die with the dying day. And from this pulpit, the great eloquence of the plain simplicity of the truth will, throughout the many years ahead, plant in our hearts the seeds of soul blossoms that will flower into the duty, the purpose, and the power of life. We have reconstructed here a cornerstone of American life; a cornerstone of American freedom that the seasons cannot crumble, the storms cannot destroy, and the unguessed ages can never harm.

It is well that we consider here what this church means to America (and the converse, what America means to this church). The United States of America alone has offered from its very beginning the secure blessing of religious freedom. It is here only in all the world that throughout our history we have breathed the pure air of religious liberty. The most striking contribution to the science of modern government has been America's complete separation of church and state. The precious treasury of religious liberty is secure in America against the ravages of persecution and at the same time the great philosophy of equality which is the central theme of American Government goes far beyond religious toleration and removes the implication of concession in that word. We have realized that the right to concede religious freedom implies the right to deny it. There is liberty in neither, but America has given the world more than religious toleration; it has given the world religious liberty. All civil power has been separated from religious preference. Man's conscience in America owes allegiance to God alone, and so, we have realized for the first time in the history of man, the ideal of a free church and a free state.

With every privilege there rests a concurrent responsibility and in this responsibility lies the peculiar meaning of the church to America. We are not so far removed from Europe as to be deluded into the false philosophy that "it cannot happen here." There are quicksands that could unbalance and destroy religious liberty in America. Religious liberty, political liberty, and all the other liberties of American life have been dearly bought and should these liberties come in for attack there can be no compromise. Liberty and slavery cannot abide in the same house. As representative government can have no concord with dictatorship, neither can the forces of liberty have any compromise with communism, fascism, or nazi-ism, for civil and religious liberty do not exist under any of these three "isms," which we might well refer to as one "ism" because of their fundamental similarity.

The freedom which conscience demands in the realm of religion inspires the human mind to assert its inalienable rights, and to suffer and endure as in no other cause. So the church then means to America a great fortress against the invasion of any or all forces which threaten to restrain, weaken, or destroy any liberty which belongs to the American philosophy. Just as we must not permit any experimentation involving the separation of church and state, neither must we permit any experimentation involving any of the liberties fundamental to the American system.

This church must mean to America a militant voice against the evasion of any American liberty. As we would stand together tonight to defend this institution against any cataclysmic blow, or against any attempt to destroy this structure by removing a part of it at a time, we must also stand as an army of "minute men" to guard against the destruction of any of the liberties defined in Americanism.

This church stands like a clearing in the jungle, wherein flourishes strong character, happiness, and security; but just as neglect and inattention would permit the jungle to creep in with slow but terrible relentlessness to cover the clearing, so with equal stealth and relentlessness the anti-American forces would destroy the liberty which by the painful and self-sacrificing labor of our ancestors has been made to grow and flourish in all the institutions known to American life. In the church, as everywhere, eternal vigilance is the price of safety. Upon security of the church rests the security of individual liberty and individual character and, in fact, the security of America. And the converse is also true that upon the security of America and Americanism rests the security of truth and justice and, in fact, the security of the church.

This church means to America strong character, a wall against which the blandishness of error fall harmless and ineffectual. This church means to America truth as pure and as true as the temper of a Damascus blade.

Permit me a moment of personal reminiscence to say that I come from a home of strong religious convictions; that throughout my life the church and its teachings have formed an equal part of my preparation with the school and its teachings. As I go about the tasks that are burdened with the great and grave responsibilities of defending the rights and serving the welfare of 400,000 people in a great congressional district I carry in my heart always the constant prayer that a divine guidance will help me to discern the right through all the winding ways of greed, malfeasance, and deceit. The birth of each new day brings me to my knees with a prayer that the day will bring the guidance sought in the sixteenth chapter and the eleventh verse of Psalms, that the Almighty God "will show me the path." I have no shame in confession that on a great number of vexing problems that confront me as a Member of the United States Congress that I find a need for aid beyond the power of man, and that I in humility seek such aid in the recourse of prayer.

I hope that this new church will mean an expression of a new determination for religious strength and religious liberty. I hope that this church will serve as a hospital to heal and to strengthen all who, weak and wayward, follow the footprints of the Master here. I hope that this church will mean to America great strength in the preservation of liberty.

In building this church:

"We have stormed the black bastions of night,
We will tread where our vision has trod,
We have set in the darkness a light,
We will find in the vastness, God."

Let us dedicate this building with the prayer:

"As the angels and archangels bow down to Thee, casting their crowns at Thy feet and crying, 'Holy, thrice Holy, art Thou, Lord God Almighty, so have we come this evening to show our desire to live in accordance with Thy divine will. May this church stand as a monument before Thee of our desire. May we learn here that action is eloquence and that the eyes of the ignorant are more learned than the ears of the wise. May we serve in deed and thought as well as words, and may this institution serve as a fountain for deeds that will stand before the world as evidence of the purpose builded here. Bless, O God, the tie that binds these hearts in Christian fellowship. May this church be a source of unalterable faith. May this church be a fortress for liberty which will grow no less as generations yet unborn rise up to share its blessing. May we dedicate this church for today and tomorrow in the realization that today and tomorrow are one, even as the morning wind and the evening breeze are one, and in this united thought we dedicate this building to the glory of God and the service of America."

On Continuing the Committee on Un-American Activities

EXTENSION OF REMARKS

OF

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 2, 1939

Mr. SABATH. Mr. Speaker, during the last session of the Congress, I was led to believe that the resolution which I supported, and for which I voted, to create a special committee to investigate un-American activities, would result in a fair, impartial, and judicial investigation and study of the problem and all its ramifications. I have always been opposed, and more vigorously so each succeeding year, to any activities that would in any way undermine or injure our great form of democratic government or its institutions. But when I voted to help create this special committee, I did so under the impression that such a committee would conduct itself in a manner not only worthy of this great legislative body, but one worthy of the great Democratic Party, which is in control of this Government through the support of the American people, and in control of the special committee by its majority membership.

Unfortunately, and to my sincere regret, and to the disappointment of thousands of fine American citizens of all parties, the special committee has permitted itself to be used as a sounding board and publicity agency by elements and people in this country who are inveterate enemies, not only of organized labor, but of liberal, progressive government, the President, and all those who support him in his efforts to give this country a New Deal and a "square deal." Such conduct on the part of this committee has done more to encourage "un-American" activities than anything else that I can think of, and many outstanding men in this House have not only been disappointed at the committee's actions, but would be fearful of serving on it lest they be held accountable for the committee's grievious mistakes of procedure and conduct in the past.

The evidence which has been presented to the Rules Committee during the past 3 days of hearings shows beyond any doubt that the investigation of Nazi, Fascist, Silver Shirt, Black Shirt, and other subversive organizations was entirely lost sight of, and that 75 percent of the investigation was a Communist "witch hunt" directed against labor organizations, candidates for public office, and the departments and bureaus of the Federal Government—in fact, any place and any group where there appeared to be anyone who had ever been liberal, progressive, or friendly to our Democratic administration. Of course, here and there, to make things look good, an actual Communist or Communist organization was "investigated," but if you will read the record of the hearings closely as I did, you will find this was few and far between and there was not much space devoted to it.

It was also most unfortunate that certain investigators and witnesses purporting to represent patriotic organizations, took advantage of the committee's hearings to besmirch the names, patriotism, and characters of honest, upright, and loyal American men and women by trying to attach to them the stigma of communism. Although I have been forced to hurriedly peruse the hearings of the committee—and some of them have not yet been printed and available to me, because of the anxiety on the part of others to get this measure reported to and acted on by the House—I found much about the activities of a professional, mud-slinging artist who was employed by the committee as an investigator. This person, Sullivan by name, after he had been permitted to injure the fair names and reputations of many decent people and after he had unloaded his filth and dirt into the record of the hearings, was discharged by the special committee. Apparently, his doubtful past and his record as a labor spy had finally caught up with him or had come to the committee's attention, which record should have been looked into before he was permitted to inflict himself on the Congress.

There were instances of witnesses, Mr. Speaker, like one Walter Steele, who blandly stated he represented 114 patriotic organizations, a list of which he was allowed to insert in the record. Never once was he cross-examined as to how or why he represented these so-called groups, but his bombastic statements were accepted apparently by our trusting special committee. In Mr. Steele's list appears the name of the American Coalition, which he heads, and then the American Vigilant Intelligence Federation, the Junior American Vigilant Intelligence Federation, and the Junior Order, United American Mechanics, of New Jersey. No man of standing will claim that these organizations can be rightfully or truthfully called "patriotic" organizations. If anything, they are organizations which should be investigated themselves as to their Americanism. There may be many similar instances among the 114 organizations Mr. Steele claims to represent. How did he obtain such representation? What compensation does he receive, and what does his representation consist of? These are questions that I cannot find answered in the hearings. Some of these organizations, I am sure, have little knowledge of Mr. Steele and his activities, and many of them, I fear, exist only on paper. I am further informed that this Mr. Steele—and I do not mean to unduly emphasize his name—is the publisher of a certain magazine whose paid circulation appears to be a secret between himself and the Lord, and whose advertising space is conspicuous by its absence from the pages of his publication. Standard Rate and Data, which lists the circulation of magazines, says about this gentleman's "valuable" publication—and I quote:

After three requests, publisher has failed to furnish recent sworn circulation statement in accordance with S. R. D. S. requirements.

I wonder from what source he obtains the money to publish his magazine? And I wonder why the special committee made no effort to find out what kind of "money" backs up his propaganda and "big business" activities?

Within the 427 pages comprising Mr. Steele's statements in the hearings of the special committee, he designates scores of labor organizations and other groups as being communistic. I have in my possession telegrams from countless numbers of these organizations denying his wild and unfounded charges. On pages 385, 386, 387, and 388 of the printed hearings appears a long list of organizations that Mr. Steele maintains are contributors to communistic campaigns. Among them are named such organizations as the Austrian Fighters of Fascism, German Workers of Brooklyn, Brooklyn and City College Alumni, German-American Workers' Club, Minnesota Junior Farmer-Labor Party, the Freiheit Organization, and other organizations which on their face make such charges look ridiculous. If this man Steele had charged these people as contributing to Nazi or Fascist groups there might be some semblance of reason in his remarks and doubts as to his mental soundness would not confuse readers of his long and rambling attempt at self-advertising in the committee record.

But even the above ridiculous statements I would be willing to ignore if Mr. Steele had not gone on with the permission and acquiescence of the special committee, to designate some of the most outstanding men and women in the United States as communistic sympathizers. He charges such men as Federal Judge William H. Holly, Prof. Malcolm Sharp, Rev. Norman Barr, Prof. Percy H. Boynton, Prof. S. P. Breckenridge, Prof. Paul H. Douglas, Rabbi Louis L. Mann, and many other well-known men, active in public life, religious and educational circles in Chicago, as well as scores of others throughout the country, as being members of Communist front organizations. This imputation and this attempt to besmirch such people by innuendo is not only unjustifiable but a sample of the type of conduct by irresponsible persons that the special committee lent itself to and which is condemned by hundreds of thousands of fair-minded Americans of all parties who have protested the continuing of the committee because of the way it has carried on in the past.

I have received thousands of telegrams and letters of protest against the continuation of the committee from every section of the country, and from universities and colleges, labor organizations and unions, teachers, doctors, lawyers, Army officers, civic associations, and public men and women who have been libeled and vilified by the unjustified inclusion of their names in the so-called public hearings of the committee. I have protests from elected officers of cities and States in various parts of the country demanding the right to be heard and to be allowed to face their detractors before the Rules Committee, people who resent the vicious imputation that they are members of or sympathizers with any communistic organizations. I urge the membership of this House to read just a few of these letters and telegrams which have been inserted in the hearings of the Rules Committee and judge for themselves whether or not these people are sincere and if they have not been grossly and unfairly libeled and held up to scorn and defamation by charlatans and character assassins who have used the special committee as an arena to destroy the reputations of American men and women who disagree with their reactionary ideas.

The gentleman from Texas [Mr. DIES], chairman of the Special Committee on Un-American Activities, stated that he had over 100 offers from persons who would contribute up to $5,000 each to continue the work of the committee, and that many persons had sent in checks for smaller contributions. Those who sent in the smaller amounts out of their enthusiasm and patriotism I can understand, because they have believed the reactionary press in its reports of the findings and work of the committee. But of those who offered $5,000 I am suspicious that they had a selfish motive and a good reason for so doing and always favor an investigation that will help to destroy organized labor and wreck, impede, or discredit progressive and liberal government.

I here and now urge the chairman of the special committee to acquaint the House and the country with the names of these bounteous and generous volunteer contributors. He believes in full publicity, and surely we should learn who are these great "paytriots." The hearings give us thousands of names of Americans who are accused of being Communists, some of them right here in the employ of our Federal Government, according to the witnesses who had their expenses paid to testify against candidates for public office just before the elections, when such testimony would do the most harm to their election campaign. Why not list also the names of Mr. Steele's "American Coalition"?

Mr. Speaker, I can well appreciate the difficulties of an investigating committee, so I am pleased that today the chairman of the special committee admitted that mistakes had been made. It was pleasing likewise for me to hear him give his personal assurance to the Rules Committee that he has benefited by his mistakes and that his committee will endeavor to be fair in any future hearings. I also wish to congratulate him upon his statement that, if a sufficient amount of money, $100,000, is given him, the special committee will investigate the Nazi, Fascist, and other subversive organizations and persons responsible for creating and spreading religious bigotry, prejudice, and hatred in our country. I am immensely pleased by this, because all my life I have been a strong believer in that old saying, "Better late than never."

Mr. Speaker, during the hearings before the Rules Committee, the gentleman from Texas complained that he had been hampered, attacked, and harassed in his investigation by members of the executive branch of the Government. It is not my intention to defend any official of our administration. They need no defense of mine, because I think they are all well able to take care of themselves as the past record seems to have indicated. If some have criticized the special committee, they have undoubtedly done so because they believed an injustice was being done to many reputable and honorable people. In their criticism of the conduct of the special committee they seem to have had plenty of company, if the thousands upon thousands of letters and telegrams of protest I have received from almost every State in the Union is any indication. Of course, I have a few letters loud in their praise of the committee's conduct, some I remember being from Republican clubs and chambers of commerce. I trust, however, that the chairman of the special committee in carrying on the hearings in the future will not permit himself to be influenced by the enemies and detractors of our great Democratic Party, of which he is a member and the voters of which have made it possible for him to serve in this great legislative body. He comes from a section of the Nation where real Democratic Party spirit and principle is a personal and precious thing and where I always thought Democrats were able to protect themselves against being used by the enemies of our party for selfish and partisan purposes. Thus I feel that the conduct of the special committee in the future will be such as to not only prevent anyone from criticizing its fairness but also prevent any political groups antagonistic to democratic principles from using the committee to their political advantage.

Mr. Speaker, in conclusion, let me say that I, for one, have been vigorously in favor of exposing and putting an end to all subversive and un-American activities. Notwithstanding certain temporary economic imperfections and problems that face us today, we live in and enjoy the benefits of the greatest country on the face of the earth. I believe in, respect, and honor the traditions of our Nation and am as ready as anyone to give my life for the preservation and protection of its institutions. I know, Mr. Speaker, that many of those who have been assailed and attacked as Communist sympathizers before this special committee have just as great love and respect for our democratic form of government as does the gentleman from Texas. I know that thousands who have been so unfairly charged and assailed are just as loyal and

patriotic as the gentleman from Texas, the gentleman from Georgia, the gentleman from Virginia, or myself. Naturally, these good people have resented not only the libelous and unfair statements against themselves but those made against any President or public men of this great Union of ours.

Under the leave granted me, I am including with my remarks only a few samples of the thousands of letters and telegrams received in protest against the conduct of the Special Committee on Un-American Activities. All of the many thousands of communications are available in the Rules Committee for Members of the House to see and read.

Now, Mr. Speaker, just one more word. In view of statements made by the gentleman from Texas during the course of the hearings before the Rules Committee that a great deal of work remains undone, it was suggested that the membership of the special committee be increased through the naming of from two to four additional members. Personally, I am of the opinion that such increase in membership would be extremely helpful to the committee and expedite its work. Notwithstanding the fact that many of us were willing to use our influence to endeavor to obtain increased membership for the special committee, the gentleman from Texas, for reasons unknown to me, refused to accept such increase. This refusal I regret, and I trust the gentleman from Texas will make known his reasons for not wanting to increase the membership, if not to me, at least to the Members of the House.

For the information of the hundreds who asked for a hearing before the Rules Committee, I regret to state that I was precluded from granting their request by reason of the fact that the rules and precedents of the committee allow for the appearance before it only of Members of the House. It was likewise the decision of a majority of the Rules Committee to strictly adhere to these established rules and precedents on this occasion, as in the past.

FEBRUARY 2, 1939.

Congressman A. J. SABATH,
Chairman Illinois Delegation,
House of Representatives:

We urge you to speak out against bill which would continue the nefarious Dies committee in the debate tomorrow. In the name of American liberty and democracy DIES should be stopped. After reading the transcript of worthless testimony taken by DIES, and reading the publicity releases, we condemn the so-called investigation as a mere political smear campaign, which is both un-American and as much a threat to our democracy as the Nazi Bund, Communist Party, or Silver Shirts Legion. We favor a bona fide investigation of subversive activities within the United States by the Department of Justice, and the publication of a complete and accurate report on this subject. Mr. DIES and his committee would find this task impossible even with a million dollars if their first three volumes are a criteria.

William E. Rodriguez, chairman, Council of United States Veterans, Chicago District, also member Veterans of Foreign Wars; George C. Danfield, secretary and past commander, Union Labor Post, American Legion, and member Veterans of Foreign Wars, 160 North La Salle Street.

BEAUMONT, TEX., *February 1, 1939.*

Representative SABATH,
Chairman, Rules Committee,
House of Representatives, Washington, D. C.:

Oil Workers' International Union, Local No. 229, request that persons accused of communism be permitted to deny accusations.

B. J. STEWART,
President, Local No. 229.

WASHINGTON, *D. C., February 1, 1939.*

Representative SABATH,
House Office Building:

Urge every possible step be taken to delay appropriation for Dies committee to secure full discussion of the appropriation on the floor of the House and, if possible, to abandon the committee entirely. As an American of Colonial descent deeply resent and unalterably oppose un-American activities of this committee.

FRANCES ADAMS, *Peconic, N. Y.*

CONRAD PRESBYTERIAN CHURCH,
Conrad, Mont., January 26, 1939.

Hon. A. J. SABATH,
Chairman, Rules Committee,
House of Representatives, Washington, D. C.

DEAR SIR: Most people out here are nauseated by the way Mr. DIES has handled his House Committee on Un-American Activities. He has not sought to ascertain truth. Instead he has attacked our worthy President, Mr. Roosevelt, and his official family. We respect Mr. Roosevelt; we loathe Mr. DIES and his calumnies.

Your committee will render a service to decency by bringing in a report asking that Mr. DIES' committee be discontinued.

I myself, when Mr. DIES' committee was first created, hoped it would render a service to good government. Instead, it has maliciously attacked Mr. Roosevelt, whose devotion to public welfare makes him our Nation's foremost citizen.

Yours truly,

DANIEL S. MCCORKLE.

ST. LOUIS, MO., *January 31, 1939.*

ADOLPH J. SABATH,
Chairman, Rules Committee,
House of Representatives:

As one who has been falsely accused without being given a chance to refute the statements made against me, I wish to appeal to the Rules Committee to hold public hearings so that all interested persons shall be given an opportunity to be heard on procedure and findings of the Dies committee.

RICHARD BRAZIER,
Business Agent, St. Louis Joint Board,
Amalgamated Clothing Workers of America.

FIRST UNITED BRETHREN CHURCH,
Westerville, Ohio, January 20, 1939.

Hon. ADOLPH J. SABATH,
House Office Building, Washington, D. C.

MY DEAR SIR: I understand there is a resolution before the Rules Committee, of which you are chairman, for continuing the Committee on Un-American Activities. May I respectfully urge that the committee be discontinued. Its methods have been such as to reflect adversely upon congressional investigations. It has indeed been quite un-American itself in its procedure.

Incidentally, one wonders how the committee has been able to carry on so long with so small an appropriation. Would not an investigation of its expenditures be in order? The Government might discover fruitful methods of economy from a cross-examination of Chairman DIES.

Very truly yours,

J. STUART INNEREST.

WHEELING, W. VA., *January 31, 1939.*

A. J. SABATH,
Chairman, House of Representatives Rules Committee:

The 6,000 members of the United Mine Workers of America of the northern Panhandle district of West Virginia join me in requesting that open hearings be held to give all interested people opportunity to be heard on procedure and findings of Dies committee before voting on present pending resolution.

ADOLPH PACIFICO,
District Representative of United Mine Workers of America.

NEW YORK, N. Y., *February 2, 1939.*

ADOLPH J. SABATH,
House Office Building:

Dies committee permitted witnesses to utter false and libelous statements that New Republic was Communist organ. Gave editors no opportunity appear in reply. Feel before House votes on extending committee editors New Republic and other Americans who were shamefully misrepresented should have right be heard.

EDITORS THE NEW REPUBLIC.

PORT NECHES, TEX., *February 1, 1939.*

ADOLPH J. SABATH,
Chairman, Rules Committee,
Washington, D. C.:

I was directed by the membership of local 228, Oil Workers International Union, to request you to permit people who have been charged with communism by witnesses testifying before your committee to be given the opportunity to appear before your committee and clear their names.

F. A. PEVETO,
Secretary, Local 228.

PITTSBURGH, PA., *February 2, 1939.*

Hon. A. J. SABATH,
Member of Congress; Chairman, House Rules Committee:

Ask you oppose continuation Dies committee. With my record of 30 years' service in labor and progressive movement, 18 years elective public service, I ask you to place in record public denial that I am or ever was member of Communist Party or paid C. I. O. organizer. This brutal attempt to smear my public record and that of others justified denial of committees continuation. Refer you to Congressman MATTHEW A. DUNN, who is familiar with my record of service.

RICHARD H. LAWRY,
Former Burgess (Mayor) West Homestead, Pa.

ST. STEPHENS CHURCH,
Houston, Tex., January 26, 1939.

Representative A. J. SABATH,
Chairman of the Rules Committee,
House Office Building, Washington, D. C.

DEAR MR. SABATH: I am writing to urge adverse action on the Dies resolution. I feel a great deal of prejudice and unfairness has been revealed in the committee's action.

Thank you sincerely for your consideration of this letter.

Very sincerely yours,

THOS. W. SUMNERS.

GLENDALE, CALIF., *January 30, 1939.*

Hon. A. J. SABATH,
Chairman, Rules Committee, Washington, D. C.:

I desire to protest further appropriation for the Dies committee. It appears to have fully accomplished its purpose of besmirching the character of outstanding Democratic candidates and the supporters of our President, but the elections are now over. The committee conduct was un-American, undemocratic, and grossly unfair. I personally was falsely accused of being a Communist and have never received any opportunity to refute the baseless charges. It is apparent this charge was made only because I'm the chairman of the Democratic Central Committee of California, which was actively engaged in supporting Senator SHERIDAN DOWNEY, Gov. Culbert Olson, and the other Democratic candidates. My private and public life is an open book; and if your committee so desires, I will welcome the opportunity to personally appear before it without expense to the committee. Please send reply to State capitol, Sacramento, Calif.

JOHN GEE CLARK,
Chairman, Democratic State Central Committee, California.

CHICAGO, ILL., *February 1, 1939.*

Hon. ADOLPH J. SABATH,
Chairman, House Rules Committee,
House of Representatives, Washington, D. C.:

Whereas the last year the infamous Dies committee used Government funds under pretext of investigating un-American activities, and whereas Dies committee has made numerous irresponsible accusations, we demand that House Committee on Rules holds open hearing affording all people accused by Dies committee time and ample opportunity to answer, refute, and give testimony in their own behalf.

Henry Johnson, assistant national director of Packing House Workers' Organizing Committee, Brennan Local 335; Peter Brown, president, and Charles Balskus, financial secretary, Agar Local 336; Kenneth Collins, president, and Clifton Johnson, financial secretary, Wilson Local 337; Louis Karlak, president, and Lillian Shaw, secretary, Hammond Local 338; Bruno Norbut, president, and John Wojciechowski, secretary, Miller and Hart Local 339; Samuel Clemmons, president, and J. E. Edwards, secretary, Swift Local 340; Larry Knutsen, president, Victoria Kramer, secretary, Roberts and Oakes, 341; Jesse Vaughn, president, William Johnson, secretary, Armour Local 347; Al Malachi, president, Elmer T. Thomas, secretary, Livestock Handlers, 567; Ben Brown, president, and Frank Monaghan, secretary, three casing houses, Local 908; Hurie Lee, president, William Chroszy, financial secretary, Biersdorf, 335; Sam Baker, president, Illinois Meat, 762; Henry Short, president, Kate Eiler, secretary.

UNITARIAN SOCIETY OF WELLESLEY HILLS,
Wellesley Hills, Mass., January 19, 1939.

Representative ADOLPH J. SABATH,
Chairman, the Rules Committee,
House Office Building, Washington, D. C.

MY DEAR REPRESENTATIVE SABATH: I am writing you to say that I consider the Dies investigation a disgrace and that I hope that there will be an adverse report on the resolution continuing the House Committee on Un-American Activities.

Respectfully yours,

WAITSTILL H. SHARP, *Minister.*

THE BAPTIST UNIVERSITY PASTORATE
AT THE UNIVERSITY OF WISCONSIN,
Madison, Wis., January 20, 1939.

Representative A. J. SABATH.

DEAR SIR: I would like to urge strongly an adverse report on the Dies resolution. The activities of that committee have done more harm to democracy than the movements they have been investigating. I am amazed at the scandalously loose procedure of the committee as it took all sorts of hearsay reports without checking upon them. I hope very much that the Dies committee will be discontinued.

Sincerely yours,

G. L. COLLINS.

PITTSBURGH, PA., *February 1, 1939.*

Hon. ADOLPH J. SABATH,
Chairman, Committee on Rules, House Office Building:

As all fair-minded citizens must we condemn Dies committee's biased approach in its investigation into un-American activities. Committee's arbitrary and undemocratic methods thus become themselves un-American. We protest closed hearings of Rules Committee on continuation of appropriation without giving fair hearing to those accused by DIES. We urge you to delay action on Dies appropriation until all the committee reports are published.

KATHERINE M. RUTTENBERG,
Executive Secretary, Pittsburgh League of Women Shoppers.

DETROIT, MICH., *February 1, 1939.*

Hon. ADOLPH J. SABATH,
Chairman, House Rules Committee, House of Representatives:

Past hearings conducted by the Dies committee in every respect were vile and scandalous. They disregard every principle of democracy. In the name of Labor's Non-Partisan League of Wayne County 200,000 voters demand that in the future the Dies committee hold open hearings and give those accused an opportunity to appear and submit testimony in their own behalf.

JOHN W. GIBSON,
Secretary and Treasurer, Labor's
Non-Partisan League of Wayne County.

THE COMMUNITY CHURCH,
Ephrata, Wash., January 25, 1939.

Representative A. J. SABATH,
Chairman, Rules Committee,
House Office Building, Washington, D. C.

DEAR SIR: May I strongly urge an adverse report of your committee on the resolution which would continue the House Committee on Un-American Activities, the so-called Dies committee?

I do not recall any congressional committee which has done more to tear down the American concept of fair play than this committee. Its own conduct was most decidedly an "un-American activity." It offered itself as a sounding board for all the disgruntled who wanted to give vent to their animus against the present administration. All in all, it was about the sorriest spectacle that could happen in a democracy.

So, in the interests of decency, fair play, and truth, I hope your committee will recommend that the Dies committee be discharged from further duty.

Very truly yours,

ROBERT B. SHAW, *Pastor.*

JELLICO, TENN., *January 30, 1939.*

Hon. A. J. SABATH,
Chairman, House Rules Committee,
House Office Building, Washington, D. C.:

Following telegram has been sent to Congressman J. WILL TAYLOR. All these local unions are in his congressional district: "Local unions at Newcomb, Oswego, Wooldridge, Morley, Anthras, Habersham, Westbourne, Cotula, Peabody, LaFollette, Sun Mine, Highpoint Mines, Caryville, Redash, Block, Hickey, Turley, Clinchmore, Moore Mines, Fork Mountain, Buffalo, Petros, Windrock, Coal Creek, Briceville, Cameron Mine, Bradens Gap all authorize me long-distance telephone to wire you requesting public hearing be held by Rules Committee before action is taken by your committee in continuing Dies committee. They ask your aid, assistance, and vote in bringing this about."

WM. TURNBLAZER,
President, Union Mine Workers of America, District 19.

WASHINGTON, D. C., *January 20, 1939.*

Congressman ADOLPH J. SABATH,
Chairman, Rules Committee, House Office Building,
Washington, D. C.:

The National Negro Congress was named by the Dies committee as an un-American Communist organization, the evidence on which this charge was based was introduced into the record privately so that we had no opportunity to know that we were being investigated and no opportunity to answer the charges. We have definite proof that the committee has deliberately distorted speeches of our officers and has deliberately published falsehoods of the grossest character against us. We deny that we are in any sense un-American or Communists; we ask that you give us an appointment to furnish documental proof that the Dies committee has deliberately slandered our organization. Please wire reply. We further wish to go on record as opposed to any continuation of this committee, and we will consider its continuation a deliberate attack upon the Negro people to be answered at the polls.

JOHN P. DAVIS,
National Secretary.

THE TULANE UNIVERSITY OF LOUISIANA,
New Orleans, January 23, 1939.

The Honorable A. J. SABATH,
Chairman of the Rules Committee,
House Office Building, Washington, D. C.

DEAR SIR: As the proceedings of the House Committee on Un-American Activities, of which Representative DIES, of Texas, is chairman, have been characterized by lack of intelligent plan, lack of judgment and fairness, and have stirred up ill will throughout the country, accomplishing no constructive results, I wish as a voter to urge that your Rules Committee do not approve Mr. DIES' request for further appropriation.

Very truly yours,

JOHN M. MCBRYDE,
Professor Emeritus.

THE MENNINGER CLINIC,
Topeka, Kans., January 23, 1939.

Representative ADOLPH J. SABATH,
Chairman of the Rules Committee,
House Office Building, Washington, D. C.

DEAR SIR: I wish to voice my hope that your committee will report adversely on the continuation of the work of the Dies committee. It is the most un-American piece of investigation the country has seen for over a decade.

Sincerely,
NORMAN REIDER.

STATE TEACHERS COLLEGE,
Milwaukee, Wis., January 7, 1939.

Hon. ADOLPH J. SABATH,
Chairman, Rules Committee,
House of Representatives Office Building,
Washington, D. C.

MY DEAR MR. SABATH: I am writing to express my very deep opposition for continuing the Dies committee. I have followed the work of this committee rather closely, and I am convinced that its whole procedure tends to spread fear which inevitably results in the suppression of freedom of speech and freedom of thought.

For example, I am a member of the Civil Liberties Union. I know every member in the State of Wisconsin and to my certain knowledge not a single one is a Communist or is friendly to communism. They are all ardent believers in American democracy and enthusiastic defenders of it. The report of the Dies committee in branding the Civil Liberties Union as communistic is a form of name calling that is one of the worst types of suppression, and the suppression of liberals is the first step in the growth of fascism.

I urge the committee to recommend adversely on this resolution.

Very truly yours,
FRANK E. BAKER, *President.*

BROWN MEMORIAL CHURCH,
Baltimore, January 20, 1939.

Representative ARNOLD J. SABATH,
House Office Building, Washington, D. C.

MY DEAR MR. SABATH: Many of my acquaintances feel as I do, that the way in which the investigations of the Committee on Un-American Activities were carried on under the leadership of Representative DIES, were not calculated to give the American people a fair, unprejudiced, and accurate estimate of such activities. If every sincere effort toward social progress for the majority of our citizens is to be labeled radical or communistic by such a committee, then it seems to me we are throwing the power into the hands of reactionary forces in this country, and by that much preparing the way for fascism. I sincerely hope that the bill introduced by Representative DIES for continuing the present House Committee on Un-American Activities will not be passed.

Yours very sincerely,
T. GUTHRIE SPEERS.

HUMBOLDT PARK COMMUNITY METHODIST EPISCOPAL CHURCH,
Chicago, Ill., January 22, 1939.

Hon. A. J. SABATH,
Washington, D. C.

DEAR SIR: May I protest vigorously the work of the Dies committee. I consider it un-American and uncalled for. Please do all you can to have it abolished.

Sincerely,
Rev. W. B. WALTMIRE.

NEW ORLEANS, LA., *January 30, 1939.*

Congressman A. J. SABATH,
Chairman, House Rules Committee,
Congress Building, Washington, D. C.:

Advise delay committee action further appropriation Dies committee until full report published and accused persons have opportunity to defend themselves.

James Feibleman, Marc Anthony, T. S. Behre, Jean Halling, Walter Gaulke, Ida Friend, Julien Bryan, P. N. Biewer, David Herman, Emile Leipziger, J. W. Lovett, David Fichman, Marjorie Dallet, Mrs. H. C. Nixon, Rev. Otto A. Meyer, Frances Bryson, H. T. Kane, Richard Whitten, Robert Morss Lovett, Leona Nelken, Mrs. J. W. Lovett, Dorothy Feibleman.

COLUMBUS, OHIO, *January 30, 1939.*

Congressman SABATH,
Chairman, House Rules Committee:

Oppose further appropriation of funds for Dies committee until full report published and accused persons have opportunity to defend themselves.

EDWARD T. LOMBARDO,
Secretary, Columbus Chapter, National Lawyers Guild.

NEW YORK, N. Y., *January 30, 1939.*

Representative ADOLPH J. SABATH,
Chairman, Rules Committee, House of Representatives:

Undemocratic conduct of Dies committee in past commands Rules Committee hold hearings to permit persons accused before Dies committee to offer contradictory testimony. No such opportunity offered by DIES.

MICHAEL QUILL,
President, Transport Workers Union of America.

THE UNIVERSITY OF KANSAS,
Lawrence, January 7, 1939.

Hon. ADOLPH J. SABATH,
Chairman, Rules Committee,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN SABATH: May I express my opposition to the continuation of the Dies House committee and its alleged investigation of so-called un-American activities, and the hope that your committee will take a like position. The committee has conducted no real investigation, but has, on the contrary, served as a medium for propaganda of the most vicious and misleading sort. A case in point is its condemnation of the American Civil Liberties Union as an instrument of the Communist Party, whatever that may mean. I have had an opportunity of observing the work of the Union from the time of its inception in 1917 (before there was a Communist Party of any importance), and its record amply demonstrates that it has been consistently concerned in the protection of political and religious liberties supposedly guaranteed by the Bill of Rights. One must conclude that the Dies committee is opposed to the unrestricted exercise of such rights, particularly by groups critical of social and economic conditions.

I, for one, would welcome a genuine investigation of Fascist and Communist movements and organizations, along with the conditions responsible therefor; but the Dies committee has shown that it is not capable of such inquiry. If your committee favors an inquiry designed to get at the facts, why not set up a committee qualified by interest and ability to conduct an investigation of this nature?

Yours very truly,
SEBA ELDRIDGE.

ST. JAMES' CHURCH,
Elmhurst, Long Island, N. Y., January 19, 1939.

The Honorable ADOLPH J. SABATH,
Chairman of the Rules Committee,
House Office Building, Washington, D. C.

HONORABLE AND DEAR SIR: As an American citizen and a veteran of the World War, as well as a Christian clergyman, I am keenly interested in the Dies committee. I am convinced, as I earnestly hope you are, that its report indicated that nothing has been accomplished, except to waste in the lowest form of political "shysterism" a deal of the people's money. I sincerely hope your report on the Dies resolution to continue its work(?) will be an emphatic "no."

To grant DIES and his outfit $150,000 of the people's money is not only a complete waste but is serving to stir up a great deal of bitterness throughout our country, based upon pure prejudice and ignorance.

Thank you for giving this matter your careful consideration.

Respectfully yours,
C. LAWSON WILLARD, Jr., *Rector.*

WOMEN'S INTERNATIONAL LEAGUE FOR PEACE AND FREEDOM,
Detroit, January 19, 1939.

A. J. SABATH,
House Office Building, Washington, D. C.

DEAR SIR: Enclosed please find a copy of a letter sent to the President expressing the attitude of our organization toward the activities of the Dies committee.

As chairman of the House Rules Committee it was our thought that this letter might be of some interest to you.

Sincerely yours,
T. W. SCHUMAN,
Chairman, Civil Liberties Committee.

JANUARY 19, 1939.

President FRANKLIN D. ROOSEVELT,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: Inasmuch as the Dies committee did not produce legal evidence concerning the people accused of subversive activities or give the accused full opportunity to refute the very damaging personal charges, the Detroit Branch of the Women's International League for Peace and Freedom wishes to express opposition to any further appropriation for the continuation of the work of the Dies committee under its present leadership. In our State the investigations were obviously used to damage the cause of organized labor and the nonviolent settlement of industrial disputes.

It is our hope that should a new committee be organized that it will fulfill its function under a more just and impartial leadership and that it will investigate nazi-ism and fascism and other subversive elements as was originally the intention of the congressional resolution which authorized the committee.

Sincerely yours,
_____ _____,
Chairman, Civil Liberties Committee.

KEENE, N. H., *January 19, 1939.*

Hon. A. J. SABATH,
House Office Building, Washington, D. C.

DEAR MR. SABATH: Our hope is for an adverse report on the Dies committee resolution and a discontinuance of said committee.

Sincerely yours,
GEORGE LAWRENCE PARKER.

CENTRAL METHODIST EPISCOPAL CHURCH,
Superior, Wis., January 23, 1939.

Hon. A. J. SABATH,
The Rules Committee, House Office Building,
Washington, D. C.

DEAR CONGRESSMAN SABATH: Because of the prejudice, unjudicial conduct, and irresponsibility of the so-called Dies committee, I sincerely hope that your committee will report against its continuance.

Sincerely yours,

J. PIERCE NEWELL.

GUILFORD COLLEGE,
Guilford College, N. C., January 27, 1939.

Hon. ADOLPH J. SABATH,
Chairman, Rules Committee, House Office Building,
Washington, D. C.

MY DEAR CONGRESSMAN: May I urge upon you that you use your influence in the direction of bringing an adverse report on the Dies movement continuing the House Committee on Un-American Activities. The slipshod methods pursued by this committee and the manner in which they attempted to make investigations are so un-American that I believe the committee should not be continued.

Sincerely yours,

A. D. BEITTEL, *Dean.*

THE UNITED CHURCH OF HYDE PARK,
Chicago, January 21, 1939.

Re: Against continuance of Dies committee.

The Honorable ADOLPH J. SABATH,
Chairman of the Rules Committee,
House Office Building, Washington, D. C.

DEAR SIR: I wish to register my opposition, as a public-minded citizen, to the continuance of the Dies committee.

Its investigations thus far have served only to obscure the facts which the committee was named to discover and expose. The real situation concerning possible subversive activities of Communists and Fascists in our midst is hidden behind excessive vituperations directed toward the mildest liberal activities.

Further, the methods employed by this committee indicate a wilful departure from anything like the judicious attitude the American public might expect in a committee from its House of Representatives.

I urge that the request for continuance with increased funds be not granted.

Sincerely,

GEORGE M. GIBSON.

SOUTH ST. PAUL, MINN., *January 22, 1939.*

Hon. A. J. SABATH,
Chairman, Rules Committee, Washington, D. C.

DEAR MR. SABATH: We desire herewith to file a protest against any additional appropriation to be granted the so-called Dies committee. Certainly nothing constructive has come out of this committee. Its work has consisted only of mud slinging against progressive interests in this country whose views didn't exactly coincide with the reactionary views of Mr. DIES.

Respectfully yours,

FARMERS UNION LIVE STOCK COMMISSION,
CHAS. D. EGLEY, *Manager.*

NEW YORK, N. Y., *January 30, 1939.*

Chairman SABATH,
Rules Committee:

In the name of 15,000 fur workers we urge immediate hearings to permit persons accused by the Dies committee to appear and testify.

IRVING POTASH,
Manager, Furriers' Joint Council of New York, 15,000.

TOLEDO, OHIO, *February 2, 1939.*

ADOLPH J. SABATH,
Chairman, Rules Committee, House Office Building:

In the name of Local Union No. 14, United Auto Workers of America, we demand that the Dies committee conduct hearings allowing persons accused of communism to appear and offer testimony contradicting such accusations.

JOS. DITZEL, *President.*

NEW YORK UNIVERSITY,
New York, January 19, 1939.

Hon. ADOLPH J. SABATH,
House Office Building, Washington, D. C.

DEAR MR. SABATH: Permit me to add my voice to the rising protest against the Dies resolution. The work of committee has already furnished an amazing example of the possibility of publicizing lies and half truths, with no adequate opportunity for either refutation or denial. The net result of such activity can only be to intensify class feeling, to no good end. The sooner this kind if irresponsible meddling is stopped the better it will be for the dignity of the United States.

Very truly yours,

H. P. FAIRCHILD.

FIRST UNITARIAN CHURCH,
Alton, Ill., January 24, 1939.

Representative ADOLPH J. SABATH,
Chairman of Rules Committee, House Office Building,
Washington, D. C.

HONORABLE SIR: The manner in which the Dies committee has carried on its investigation is a travesty of unintelligence and political opportunism. It should not be allowed to continue. I call upon you to exert your personal and official influence for its discontinuance.

Sincerely yours,

RANDALL S. HILTON.

THE OHIO STATE UNIVERSITY,
Columbus, January 26, 1939.

Hon. ADOLPH J. SABATH,
Chairman of the Rules Committee,
House Office Building, Washington, D. C.

DEAR SIR: On account of the prejudice, unjudicial conduct, and general irresponsibility of the House Committee on Un-American Activities headed by Representative DIES, of Texas, I would respectfully urge an adverse report on the resolution proposing to continue the activities of the committee.

Very truly yours,

H. G. KENESTRICK,
Associate Professor of Agricultural Education.

NEW YORK, N. Y., *January 30, 1939.*

Hon. ADOLPH J. SABATH,
Chairman, Rules Committee, House of Representatives:

In behalf of the 175,000 members of the United Electrical, Radio, and Machine Workers of America, I respectfully petition your committee to give opportunity to those charged with communism by the Dies committee to appear before the Rules Committee to give testimony repudiating such charges if they so desire. Those who feel they have been attacked unfairly by the Dies committee should be given this opportunity before considering any legislation concerning the future of the Dies committee.

JAMES B. CAREY,
President, United Electrical, Radio, and Machine Workers of America, 1133 Broadway, New York, N. Y.

NEW YORK, N. Y., *January 31, 1939.*

Congressman SABATH:

Urge no decision and no appropriation for Dies committee until full opportunity is given to organization and individuals attacked by such committee.

UNITED OPTICAL WORKERS UNION.

CHURCH OF THE HOLY TRINITY,
Brooklyn, N. Y., January 19, 1939.

Hon. ARNOLD J. SABATH,
House Office Building, Washington, D. C.

DEAR REPRESENTATIVE SABATH: Please permit me to express my hope that the Dies committee will either be abolished or drastically reformed under a new chairman. The present chairman and committee have discredited themselves by their failure to do a real job of critical investigation.

Faithfully yours,

BRADFORD YOUNG, *Associate Minister.*

SOUTHEASTERN MICHIGAN ASSOCIATED TEACHERS CLUBS,
Highland Park, January 30, 1939.

The Honorable A. J. SABATH,
Chairman, Rules Committee, House of Representatives,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN SABATH: We wish you to know that we are strongly opposed to the continuance of the un-American activities of the Dies committee, that we condemn strongly the proposal to make an appropriation for that committee.

Sincerely yours,

JEAN ARMOUR MACKAY, *President.*

HAZARD, KY., *January 31, 1939.*

ADOLPH J. SABATH,
Chairman, Rules Committee, Capitol Building:

The United Mine Workers of America, District 30, State of Kentucky, we request that public hearing be held before final action is taken on report of the Dies committee.

EDGAR REYNOLDS,
International Representative.

NEW HAVEN, CONN., *January 30, 1939.*

ADOLPH J. SABATH,
Chairman, House Rules Committee,
House Office Building, Washington, D. C.:

Urge public hearing on Dies committee before cutting appropriation. Look with disfavor on continuance of this partisan investigation.

Rev. GEORGE BUTLER,
Summerfield Methodist Episcopal Church.

NEWARK, N. J., *January 30, 1939.*

Congressman SABATH,
Rules Committee, Washington, D. C.:
Newark Newspaper Guild protest Dies committee appropriation unless accused may testify.

E. B. BERLINRUT, *Secretary.*

NEW HAVEN, CONN., *January 30, 1939.*

ADOLPH J. SABATH,
Chairman of the House Rules Committee,
House Office Building, Washington, D. C.:
We desire that public hearing be held so that all interested may testify against the procedure of the Dies committee.

THE NEW HAVEN GROUP COUNCIL OF METHODIST YOUTH.

SALT LAKE CITY, UTAH, *January 31, 1939.*

Congressman ADOLPH J. SABATH,
Washington, D. C.:
Please hold public hearings giving all interested people opportunity to be heard on procedure and findings of Dies committee. Sentiment Utah unions numbering 10,000.

E. M. ROYLE, *Secretary.*

The True Facts Regarding the Lumber Tariff and Foreign-Trade Imports—Echoes of the 1938 Campaigns in the State of Washington

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EXTENSION OF REMARKS
OF
HON. MARTIN F. SMITH
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Friday, February 3, 1939

Mr. SMITH of Washington. Mr. Speaker, the 1938 political campaigns in the State of Washington waged against the present incumbents in Congress, including myself, were characterized by vituperation and falsehoods to a degree never before witnessed in the history of the State. In my own case I followed my unbroken policy and practice of conducting a clean canvass, never once mentioned my opponent, and, as usual, confined myself solely to a constructive discussion of issues and principles, and refrained from indulging in personalities. I treated with contempt the falsehoods circulated and published by the opposition.

The population in my district is both industrial and agricultural and consequently the opposition circulated the rankest falsehoods relating to the lumber tariff in an effort to poison the minds of the industrial workers in the cities and towns and circulated falsehoods equally as contemptible in regard to foreign-trade imports of agricultural products in a feverish endeavor to prejudice the farmers in the rural communities. My present purpose is to point out very briefly how brazenly false and absolutely unfounded these statements were and leave it to the citizens of southwest Washington to judge for themselves whether those responsible for their circulation are worthy of belief in the future.

THE LUMBER TARIFF—THE FALSEHOODS

The members of the Washington congressional delegation in both House and Senate were falsely accused of having voted to reduce the tariff on Canadian lumber and of having betrayed and "sold the workers in the lumber industry down the river." In my district my opponent rode around on a lumber carrier used in the sawmills and prominently displayed a placard alleging that my vote had closed the sawmills, which, of course, was as false as it was fantastic and ridiculous. Nevertheless, this falsehood was reiterated in news stories, editorials, handbills, and paid advertisements published and circulated day after day for weeks before the general election. Undoubtedly some good people finally believed the falsehood and were misled by it.

THE LUMBER TARIFF—THE TRUE FACTS

Neither I nor any other member of the congressional delegation from our State ever voted to reduce the tariff on Canadian lumber, and no such legislation ever came before Congress, and no such vote was ever cast. The sawmills and lumber firms of southwest Washington are members of the West Coast Lumbermen's Association, and for years their secretary-manager and legislative representative has been, and still is, Col. W. B. Greeley, former Chief Forester of the United States. In the following letter, written December 12, 1938, Colonel Greeley correctly sets forth the facts regarding my record and that of my colleagues in Congress in regard to the lumber tariff. It speaks for itself and completely disproves once and for all time the contemptible campaign lies relating to this matter.

WEST COAST LUMBERMEN'S ASSOCIATION,
Seattle, Wash., December 12, 1938.

Mr. WILLIAM APPEL,
President, Aberdeen Chamber of Commerce,
Aberdeen, Wash.

DEAR MR. APPEL: I appreciate the opportunity which the Aberdeen chamber afforded me last Wednesday to discuss the British and Canadian trade agreements.

I regret that some newspaper reports of this discussion gave it a political twist derogatory to Congressman MARTIN F. SMITH. I know that the Aberdeen chamber has no part whatsoever in this unexpected angle of the matter, but in fairness to Mr. SMITH I want to say the following:

The Foreign Trade Agreements Act was proposed to Congress in 1934 as a general policy to promote foreign trade. No one knew at that time whether or not it would apply to lumber; and, if it did apply to lumber, it might have been handled in a very beneficial manner to our industry. The Pacific Northwest has long been anxious to recover its former export markets; and this act could have been made an important instrumentality to that end.

The west coast lumber industry has had the effective and loyal support of Mr. SMITH on every occasion when we have been asking for his help. He has voted for renewal of the excise tax on imported lumber on every occasion when the matter has been before Congress. He has supported our efforts to have lumber properly defined for taxing purposes, as in the classification of large timbers and the withdrawal of allowances for planing and milling. He has helped us in every question arising for the clarification and administration of the excise tax; and was particularly helpful in the legislation last year for requiring the marking of imported lumber with country of origin.

The West Coast Lumbermen's Association keeps wholly out of politics. I just want, as a matter of fairness, to point out that Mr. SMITH has been a very loyal and conscientious supporter of the interests of the lumber industry since he entered Congress. I feel it only square that this fact be made known.

Sincerely yours,

W. B. GREELEY, *Secretary-Manager.*

After the original Reciprocal Trade Agreements Act of 1934 had been in effect for 3 years and the matter of its extension or discontinuance came before Congress in 1937, Wilson Compton, secretary and manager, National Lumber Manufacturers' Association, and national legislative representative at Washington, D. C., speaking for the West Coast Lumbermen's Association and the lumber industry of the State of Washington and the Pacific Northwest, stated to the Ways and Means Committee of the United States House of Representatives:

The lumber industry favors the continuance of the Reciprocal Trade Agreements Act. Action to that effect by resolution was taken by the governing board of the National Lumber Manufacturers' Association, representing the entire organized lumber-manufacturing industry.

My efforts in support of the quota on shingles, my bill—which became law—for census of the shingle industry to render the quota effective, and other activities in behalf of the workers and manufacturers in the shingle industry have received frequent endorsement from shingle weavers' unions, and I quote from one of several letters received from the United States Red Cedar Shingle Bureau, Inc.:

At the annual membership meeting of this association, held in Tacoma, February 1, 1938, a resolution was unanimously approved instructing the secretary to write you expressing the gratitude of this association for your faithful services in our behalf in connection with the import limitations on red-cedar shingles.

Furthermore, the present national administration has rendered considerable aid to the lumber industry through the Federal housing legislation which has improved the domestic market for lumber and all forest products. I have also been a staunch supporter of this type of beneficial legislation as shown by the following letters:

NATIONAL RETAIL LUMBER DEALERS ASSOCIATION,
Washington, D. C., August 4, 1937.

Hon. MARTIN F. SMITH,
House of Representatives, Washington, D. C.

DEAR MR. SMITH: Permit me to acknowledge and thank you most cordially for your letter of August 3, asking our opinion on the proposed Wagner-Steagall housing bill.

I am attaching hereto a copy of a letter which has been sent to members of the House Banking and Currency Committee. We are now attempting to arrange a time to appear at the hearing before the House Banking and Currency Committee, so that we may express our thoughts on the matter.

From our experience in the past, with the exception of the Federal Housing Act, the attempts in Federal housing have been a complete failure and an expensive experiment to the Government. They have caused confusion in the building industry and uncertainty in the minds of prospects that we have had for homes. If we must have a slum-clearance bill, it should be strictly a slum-clearance bill, confined through mandatory provisions to the lowest-income group.

I thank you very much for inviting my opinion on this legislation, and I assure you that we will remember the wonderful assistance you gave us at the time the National Housing Act was under consideration, and also your subsequent assistance on all matters pertaining to housing. You have always been in full accord with the views of the building industry, and we want you to know that we appreciate it.

Yours very truly,

SPENCER D. BALDWIN,
Chairman, Legislative Committee.

NATIONAL RETAIL LUMBER DEALERS' ASSOCIATION,
Washington, D. C., June 18, 1934.

MY DEAR CONGRESSMAN SMITH: On behalf of this organization and the Western Retail Lumbermen's Association, we desire to thank you for the excellent and effective work you did in cooperation with these and other national organizations, including the American Federation of Labor, in the early stages and through to the finish to secure the enactment of the National Housing Act.

Your assistance in promoting a congressional delegation to call upon the President of the United States and the manner in which the problems of the building industry and labor were presented was instrumental in securing his active interest. It is significant that on the day you called upon him, March 20, he issued the Executive order to prepare a complete program for legislative action.

Your willingness at all times and the unselfish manner with which you cooperated certainly merits the approval and support of all who are affected by this legislation.

With kindest personal regards and best wishes for your continued success, I remain,

Very sincerely yours,

SPENCER D. BALDWIN, *President.*

FOREIGN-TRADE IMPORTS—THE FALSEHOODS

There was also circulated in my district what purported to be a list of imports of agricultural products, comparing the figures for 1932, the last year of President Hoover, when they were lowest, due to the tremendous loss of our foreign trade resulting from the Hawley-Smoot tariff law, and the figures for 1937, when they were highest due to the drought. However, the most contemptible feature of the circular was the willful and deliberate omission of the figures showing the exports or the products and goods shipped out of this country. Apparently the opposition had such a poor opinion of the intelligence of the farming population that they felt confident that the farmers would never stop to ask or give any thought to what the exports amounted to, which, of course, were essential to show whether we were gaining or losing in our foreign trade. In other words, to serve their purpose, which was to mislead and deceive the citizens, the opposition presented only one side of the picture.

THE TRUTH ABOUT OUR FOREIGN TRADE

We have gradually succeeded in the extremely difficult task from year to year since 1932 in recapturing our lost foreign export trade until, according to the official report for 1938 recently released by the Department of Commerce, our exports of our products to foreign nations exceeded our imports from those nations to the extent of $1,133,567,000, which is the largest favorable trade balance in favor of the farmers and laborers of the United States since 1921. All agricultural products exported showed an increase excepting cotton, and our exports of dairy products and meats increased. The citrus-fruit industry had a record year in exports. This showing is remarkable in view of the fact that we have become a creditor nation and are compelled to a large extent to accept the products and goods of foreign nations in payment and exchange for the surplus which we sell and export to them. Notwithstanding that fact, we have gradually built up the largest favorable trade balance we have had in 17 years. Yet the opposition had the supreme audacity by their one-sided statement to try to make the people believe, and undoubtedly did deceive some of our good people into believing, that we had traded our home market away to foreign nations and that our country was being flooded with foreign products, and that we had a big unfavorable trade balance against us. As we have noted, the exact opposite is true. How much credence should then be given to their campaign statements in the future?

CONCLUSION

I have never as yet in any political campaign in which I have participated intentionally or knowingly made a single false statement of fact nor withheld nor suppressed any fact which the people were entitled to have disclosed. I have steadfastly refused to swerve from my course of adhering strictly to facts derived from official and governmental sources and subject to verification at all times. I consider any other course to be unworthy of a candidate for the high office of Representative in the Congress of the United States. I have too high a regard for the citizens of southwest Washington to ever do otherwise. If the time should ever come when circumstances would appear to dictate any other course I shall cease to appeal to the citizens of southwest Washington for their suffrage.

The Dies Committee

EXTENSION OF REMARKS
OF
HON. FRANCK R. HAVENNER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, February 3, 1939

Mr. HAVENNER. Mr. Speaker, I do not believe that any Member of this House, or any true American anywhere, will oppose a proper investigation by the Congress of un-American activities in the United States. A proper investigation by the Congress presupposes a fair and impartial inquiry, with carefully conducted hearings, scrupulous regard for the constitutional rights of accused persons, and thorough examination into the credibility of witnesses.

Believing that such a fair and impartial investigation of this vitally important subject ought to be conducted, I did not oppose in the Seventy-fifth Congress the creation of the committee now commonly known as the Dies committee.

After watching the proceedings of that committee for a period of 4 months last year, I reached the conclusion that it had betrayed the high purpose for which it was created. Its hearings were conducted without regard for the most elemental rules of fair investigation. Reputable American citizens from all walks of life were subjected to false and vicious accusations of un-American conduct and associations by witnesses of doubtful integrity, without being afforded an opportunity to confront their accusers or even to make subsequent statements in their own behalf. The witnesses who made these wholesale assaults on the reputations of American citizens were permitted to indulge in surmise, hearsay, unsupported opinions, and reckless conclusions, with no attempt to confine their testimony to facts and legal evidence.

The committee has misused the prestige of Congress by employing Nation-wide agencies of publicity, to which it would not otherwise have had access, for the dissemination of false and misleading political propaganda in State elections. This was done repeatedly, and in such an obvious manner that its deliberate purpose was unmistakable.

The committee has apparently made little or no effort to investigate some of the most menacing un-American activities in this country today—activities of organizations and individuals inspired and financed from abroad and deliberately designed to influence our foreign policy and involve this Nation in war.

I would be willing to vote today, as I did last year, for a proper investigation of un-American activities, but the record

of this committee has destroyed the confidence of a large part of the American people in its fairness and impartiality. I suggest that the House submit the report of this committee to the Department of Justice, with instructions that all evidence of un-American activities contained therein be thoroughly investigated, and that if such evidence constitutes violation of existing law it be presented to a grand jury and offenders be vigorously prosecuted. If the evidence should disclose subversive activities not covered by existing law the Department of Justice should be directed to report the facts to Congress for legislative action.

In the meantime, if it be deemed advisable to proceed with a congressional inquiry into un-American and subversive activities which the Dies committee has neglected to investigate, I suggest the appointment of a new committee with definite instructions to carry out this important work in a manner which will command the support of all loyal Americans.

No Comeback With Guffey

EXTENSION OF REMARKS
OF
HON. JOHN McDOWELL
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 2, 1939

EDITORIAL FROM THE PITTSBURGH (PA.) PRESS OF FEBRUARY 2, 1939

Mr. McDOWELL. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following editorial from the Pittsburgh Press of February 1, 1939, containing pertinent and undeniable facts which are of the highest importance to the people of Pennsylvania:

[From the Pittsburgh (Pa.) Press of February 1, 1939]

NO COMEBACK WITH GUFFEY

Pennsylvania Democrats are starting desperate efforts to organize their scattered forces and make a comeback.

On the basis of their early efforts we can give them two valuable tips:

1. So long as they persist in condoning and practicing politics in relief they will meet with overwhelming public opposition.

2. They can never come back under the leadership of Senator JOSEPH F. GUFFEY, who is primarily responsible for their troubles.

Within the last few days the Democrats have been guilty of blundering on both these counts.

A sharply worded telegram which Mayor Scully sent to Senator JAMES J. DAVIS, scolding him for voting in behalf of a reduced W. P. A. appropriation, was, of course, merely a political maneuver. The mayor was playing politics with relief by making a bid for W. P. A. votes.

Incidentally, it will occur to many people that Mr. Scully has plenty to do at city hall without extending his territory. The consent verdict scandal, the dangerous financial situation, and the mayor's differences with council all indicate that he could well devote full time to his own job without trying to run that of a Senator who recently has been overwhelmingly reelected.

Over the week end Democrats held a conference at which Senator GUFFEY appealed to them to bury the hatchet and restore party peace.

It was Senator GUFFEY who first took up the hatchet. His idea of party peace is for the Democrats to accept without question his personal dictation.

Not only outside of the Democratic Party but also within its own ranks opposition to Mr. GUFFEY is tremendous. He tried to turn Pennsylvania over to the C. I. O., and when the party refused to follow him, he split it wide open. He encouraged and contributed to the charges against the Earle administration which led to the "Harrisburg scandal." He openly played politics with W. P. A. His name was signed to appeals for campaign contributions sent to Federal job holders and W. P. A. clients, in violation of Federal law. The situation for which he was chiefly responsible became so bad that a committee of his own colleagues from his own party publicly denounced him in the Senate. It was Senator GUFFEY who delivered the first appeal for a purge of Senators who had opposed the court-packing bill—a purge which later failed dismally.

Because of these and other things, Senator GUFFEY is thoroughly discredited as a party leader, and the first job confronting the Democrats in their effort to regain power is to get rid of his influence.

Un-American Activities

EXTENSION OF REMARKS
OF
HON. LELAND M. FORD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, February 3, 1939

RESOLUTION OF NATIONAL CONVENTION OF UNITED SPANISH WAR VETERANS

Mr. LELAND M. FORD. Mr. Speaker, at this time, when we are considering the Dies committee report, I should like to read a strong resolution adopted by the last national convention of the United Spanish War Veterans, declaring this organization's support of the committee from the House of Representatives on un-American activities, presided over by Congressman MARTIN L. DIES. The resolution is as follows:

Whereas the veterans of the Spanish-American War, the Philippine Insurrection, and the Boxer Rebellion, organized under the banner of the United Spanish War Veterans, are pledged "to carry the same spirit of sacrifice and service exercised in time of war into the less spectacular walks of daily life; to battle increasingly for the right in civil affairs; to prepare for any service which we can render to our country in time of need; to loyalty to our country, reverence for its institutions, obedience to its laws, and respect for its magistrates; to encourage honor and purity in public affairs and to discountenance whatever tends to weaken these sentiments among our people"—

To these principles our organization has ever stood steadfast.

We sounded the call for a substantial and adequate national defense to protect and defend our country against the enemy from without.

We have cried out to our Government and our people against the enemy in our midst.

We have seen the organization of subversive groups on our soil; have listened to their traitorous "isms" tearing at the heart of our form of government; and have had paraded before us the fact that millions of aliens unlawfully in our country are devoted to the teachings of the enemies of democracy; are bleeding the financial resources of American citizens through the relief rolls and made relief jobs; all leading to the destruction of the American way of life, the precious true liberty of the individual citizen, and that pursuit of happiness and prosperity which has placed all American citizens on a standard of living not equaled by any other people in the history of the world.

We are tired of the whines of the destructive radicals that the objections to their nefarious propaganda and acts are "red baiting."

That is the only defense they present, and have, to their efforts to destroy our form of government.

It is not even equal to the usual cry of the criminal when caught in the act of committing his crime—that he is innocent.

We resent the sympathetic protection given these enemies of America by public officials who are prostituting their citizenship and contributing to the prospective destruction of the American home, church, and school by such protection.

That type of public officials prove themselves unworthy of public trust and citizenship in our United States.

We have witnessed the attempts made by some public officials and non-American groups to discredit the splendid work of the congressional committee investigating un-American activities in this country.

Therefore:

1. We demand that this committee be not hampered in any way in its efforts to secure and present to the Nation the truth relative to such attempts to sabotage our form of government.

2. We pledge to Congressman MARTIN DIES, the chairman of that committee, and to those of its members who are honestly trying to carry out the purposes for which the committee was organized, our full support, and urge them to fearlessly and impartially carry on as patriotic citizens would.

3. We continue our demand that Government officials charged with the duty of keeping America free from the cancer of undesirable aliens unlawfully living in our country and on its bounty, securing employment and holding jobs while thousands of our citizens are suffering from unemployment, enforce our laws or be removed from office.

4. We demand the passage of legislation providing for the deportation of all aliens in this country who do not become naturalized after a minimum fixed time of residence here, and also all aliens on W. P. A. or relief rolls.

5. America must not be made the dumping ground for the undesirables of the world.

6. America must ever be the home of a patriotic, industrious, intelligent, and honest people determined to perpetuate and protect our form of government and secure for our posterity a life of peace, happiness, and prosperity beyond that which we have enjoyed.

Roosevelt Aims to Keep Out of War

EXTENSION OF REMARKS
OF
HON. JOHN M. HOUSTON
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Friday, February 3, 1939

ARTICLE BY DAVID LAWRENCE

Mr. HOUSTON. Mr. Speaker, under leave to extend my remarks in the RECORD I include an article by Mr. David Lawrence containing statements which in this period of war hysteria should be well considered by all American citizens:

ROOSEVELT AIMS TO KEEP OUT OF WAR—RIGHT TO SECRECY IN FOREIGN POLICY ESTABLISHED

(By David Lawrence)

Nobody in America is more anxious to avoid war than President Roosevelt. And nobody in the Senate who criticizes the President's recent conversations on military policy wants war, either. Yet if one were to judge by headlines, there is at the moment some sort of crisis involving "secret" talk and action looking toward involvement of the United States in a war on the side of the democracies versus the totalitarian states.

The truth may readily be established by eschewing politics and the usual demagoguery which attends the outcry from Capitol Hill about "gag" meetings and secrecy whenever the Chief Executive assumes that Members of Congress can be trusted to discuss frankly and confidentially with him the delicate questions of foreign policy, which under the Constitution are his to execute. It somehow seems popular to some Members of the United States Senate to oppose anything and everything the President may be trying to do. Maybe Mr. Roosevelt deserves a bit of heckling, because he has been none too careful about treading on the toes of others heretofore, but it is going to redound distinctly to the President's benefit with public opinion if his carping critics think for one moment that they can embarrass the foreign relations of the United States at the expense of a President's prestige.

HAS RIGHT TO SECRECY

From time immemorial the President has had the right to conduct the foreign relations of the United States in secret. This has been recognized by precedent and custom under the Constitution. If a President keeps mum, he is promptly accused of ignoring the members of the Senate Foreign Relations Committee. If he takes a Senate committee into his confidence and asks them to keep confidential what he has said in order not to create misunderstandings abroad which might produce more danger instead of less danger of American involvement in war, he is accused in public interviews of "secrecy" and imposing a "gag."

There isn't a government in the world which conducts its diplomacy in the public square, and there never was a delicate situation in international affairs in which a President was not given a certain leeway by both political parties to steer the Government's course without petty political embarrassments or partisan interference. It will be a sorry day for America when those who "hate Roosevelt" are more interested in doing damage to his personal and political standing with the country than they are in protecting the best interests of the American people.

DEEPLY OPPOSED TO WAR

Mr. Roosevelt, despite the unworthy comments of extremists here and there who accuse him of starting the whole armament controversy to divert attention from domestic failures, is deeply and fundamentally opposed to war. He did not create the situation inside Germany and, so far as is known, he doesn't write the Hitler speeches which have put the whole world on edge. It is because the President is convinced that the policy he has adopted will avoid war for the American people that he is pursuing it, and anybody in Congress who thinks he can underwrite world peace any other way, should be urged to offer his plan now.

For the thesis back of the President's program is that France and Britain are today the bulwarks of democracy. He alone knows from information derived from the best available sources abroad how weak is the position of the European democracies and what Hitler has done to bolster up Fascist groups in England and France, as well as in South America. If France goes Nazi, England will be endangered. If France and England are attacked and lose, what will America's position be? These are the practical questions which push themselves forward for answer whenever the practicalities of the world situation today are realistically surveyed. Mr. Roosevelt thinks it is far better to sell planes and even munitions to France and Britain now, and perhaps prevent a world war, than to be confronted in the next 2 or 3 years with the necessity of making a decision as to what the United States should do when England and France have come under the subjection of the Fascist states and democratic liberty as we have known it stands in immediate peril.

NAZIS WANT DISSENSION

What is the other side of the controversy? It is that Mr. Roosevelt, who has access to secret reports from every foreign capital, doesn't know the situation abroad or is purposely exaggerating it. This is an incredible supposition, which the American people would hardly venture to rely on as a safe reason to sabotage a national defense policy. For if by chance the President were right, the critics would not be held responsible for the failure adequately to protect the American people against ultimate involvement or weakened defenses. Nazi Germany today wants dissension in America. Her press compaign, and especially Hitler's speech this very week, is an adroit attempt to befog the issue and stay the hand of the most powerful nation in the world.

What the critics on Capitol Hill need is more information instead of less. They should be given all the truth in confidence about what is going on inside Germany and Italy, and the long list of insults to the United States, presented through American deplomatic representatives abroad by the Fascist powers in the last 2 years which, if Mr. Roosevelt had really wanted to inflame public opinion, be needed only to have made public. The administration is handling a difficult and delicate situation with forbearance, and what would help most to prevent ultimate war would be a nonpartisan expression of support from the leaders of all groups and factions behind the President of the United States.

Flood Control

EXTENSION OF REMARKS
OF
HON. JAMES P. McGRANERY
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Friday, February 3, 1939

EDITORIAL FROM SPRINGFIELD (MASS.) DAILY NEWS OF JANUARY 17, 1939

Mr. McGRANERY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Springfield Daily News of Springfield, Mass:

[From the Springfield (Mass.) Daily News of January 17, 1939]

FALSE AND SILLY, SAYS CONGRESSMAN CASEY

Congressman JOSEPH E. CASEY, of Clinton, has scored a telling point in his assertion that the problem of flood control, particularly in respect to navigable streams, is essentially a Federal project rather than one for the individual States. While not taking issue with the advocates of States' rights in matters of government within their borders he points out that where streams flow through several States the problem is necessarily one of more general concern. He sees no way in which the Federal program of flood control can be carried out on a basis in which the various States will have full authority.

He criticizes especially the position taken by Governor Aiken, of Vermont, and the concurrence in that position by the other five Republican Governors in New England. He says the flood-control plan was drawn up as a measure of essential justice for New England in giving this section the same rights as were carried by the flood-control systems in the South and West. He knows of no way by which the Federal Government can expend a huge sum of money for flood control on the basis proposed by the Vermont Governor. Criticizing the stand taken by the six Governors, he says:

"They seem to forget that if the consent of every State were made a condition precedent to a flood-control program it would be possible for one State, by withholding its consent, to block flood control on any given river. For example, one State might, by refusing to consent, block a flood-control program efficiently functioning on the Mississippi River. It will be little comfort to the people whose homes and property are floating down the river in some future flood to hear Governor Aiken, of Vermont, shouting, 'Hurrah for States' rights.'

"It would seem to me that if the six Governors believe that the people of their States would rather finance their own flood control along the theories as expounded by the Governor of Vermont, then they are acting well within their rights. This seems to be the only alternative to the flood-control program for this section, if a successful stalemate based on false and silly objections is accomplished by the six New England Governors."

Widespread accord will be found with this position taken by Congressman CASEY by anyone who seeks to find what the public mind is upon the question of States' rights as applied to flood control. It is very apparent that the Federal Government will insist upon control after spending many millions of dollars to safeguard lives and property here.

Extension to Puerto Rico of the Benefits of the Social Security and the Bankhead-Jones Acts

EXTENSION OF REMARKS

OF

HON. SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 2, 1939

MEMORANDA FROM THE COMMISSIONER OF HEALTH AND THE COMMISSIONER OF AGRICULTURE OF PUERTO RICO

Mr. IGLESIAS. Mr. Speaker, the commissioner of health of Puerto Rico has prepared the following memorandum on the extension to Puerto Rico of the benefits of the Social Security Act:

The Social Security Act passed by the Seventy-fourth Congress and approved by the President on August 14, 1935, sets forth the purposes of the act as follows:

To provide for the general welfare by establishing a system of Federal old-age benefits and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes.

In general, these purposes are to be carried out by grants from the Federal Government to the States and Territories for cooperative service. Puerto Rico was not included as one of the governmental units to participate in the program for which this act is the foundation. It is the purpose of this memorandum to call attention to the fact that the Department of Health of Puerto Rico has been doing effective work on some of the problems which are to be attacked by the social-security program; that the present appropriations and standards of work of this department would justify participation in those parts of the program; and that no changes in governmental organization are necessary to make possible the extension of the existing program in any of its phases. The activities in the social-security program for which provision has already been made in the insular department of health are as follows: Public health service, maternal and child-health work, child welfare, including aid to dependent children and aid to the blind.

The department of health consists of two sections—the public-health section, directed by a medical officer who is a specialist in public health; and the public-welfare section, directed by a physician, a specialist in institutional administration.

Among the duties of the public-health section is the direction of local health work, including maternal and child health, through public-health units.

Engaged in these activities are 28 full-time health officers, a specialist in charge of the bureau of maternal and infant hygiene, 14 clinic physicians, 132 public-health nurses paid by the insular government, and 50 additional public-health nurses paid from Federal relief funds. The standards for the employment of personnel are equal to those required by the United States Public Health Service. The methods and the results will compare favorably with those of any similar organization in the continental United States.

The maternal and child-health program includes the supervision of prenatal and postnatal teaching, the supervision of midwives, and the operation of 167 milk stations for teaching the care of infants. These activities are supported by insular funds, local funds, and relief funds. The relief funds devoted to these purposes amount to approximately $240,000 annually, but will not be available after June 30, 1936. The insular funds available for the general public-health activities and the maternal and child-health activities of the public-health section are as follows:

For public-health units	$376,574.75
For bureau of infant hygiene	11,996.75
Fund for milk stations, approximately	12,000.00

These funds do not include local appropriations which are made for public-health units and milk stations.

Among the duties of the public-welfare section of the insular department of health are included the care, education, and vocational training of dependent and of the blind. In this work the section has the assistance of the board of child welfare, which supervises the social investigations of dependent children and aids in finding homes for dependent children who can be cared for outside of institutions. The insular funds assigned to this work in the current budget are as follows:

Division of social service	$8,870.00
Boys' charity school	72,175.70
Girls' charity school	58,099.75
Child-welfare board	2,370.00
Asylum for the blind	28,603.25
Institute for the blind	19,842.50

The Social Security Act provides for aid to a comprehensive Nation-wide public-health program through an annual appropriation of not more than $8,000,000. This appropriation is to be allotted to the several States and Territories by the Surgeon General of the United States Public Health Service. In order to participate in the plan it is understood that State or Territorial organizations must have a health department which provides as a minimum on a full-time basis the services listed below: (a) A qualified full-time State or Territorial health officer; (b) adequate provision for the administrative guidance of local health service; (c) an acceptable vital-statistics service; (d) an acceptable State public-health laboratory service; (e) adequate services for study, promotion, and supervision of maternal and child health; (f) special service for the study, promotion, and guidance of local activities for the control of preventable diseases and for health promotion; (g) services for study, promotion, and supervision of environmental sanitation.

The following are understood to be the conditions required for participation of a local health service through the State or Territorial organization: (1) The public-health services of the city, county, or district should be under the direction of a full-time health officer; (2) the personnel of the city, county, or district health department should include, in addition to the full-time health officer, such medical assistants, public-health nurses, sanitation officers, and clerks as will insure at least a minimum of effective health service commensurate with the population and health problem of the area concerned.

The public-health section of the insular department of health and public-health units under its direction comply with all of these requirements.

The objectives for participation in the general public-health program of the Social Security Act would be—

1. To extend the service of public-health units to the parts of the island which are not now served.

2. To strengthen the services now rendered by the addition of new trained personnel.

3. To provide additional specialized training for existing personnel.

Under title V of the Social Security Act the Secretary of Labor, through the Children's Bureau, is authorized to administer an annual appropriation for grants to the States of $8,150,000. This includes $3,800,000 for maternal and child-birth service and $1,500,000 for child-welfare service. Miss Katherine F. Lenroot, Chief of the Children's Bureau, states the purposes of the maternal and child-health appropriation in the following paragraph:

"The primary purpose of these portions of the act is to extend and strengthen services for mothers and children in rural areas, in areas suffering from severe economic distress, and among groups in special need. These are the people who have been hitherto, for the most part, outside the reach of health and welfare services that have been more generally available in cities."

Miss Lenroot also states that a uniform allotment of $20,000 is to be made to each State, and that this sum is to be supplemented in accordance with the number of births in the State and in accordance with the financial need of the State. The insular Department of Health of Puerto Rico, through its bureau of infant hygiene and its public-health units, is able and ready to extend and improve its maternal and child-health services as intended in this portion of the Social Security Act. The previous work of these dependencies of the department of health meets the standards of the Children's Bureau and it can comply with anticipated future requirements.

With reference to that portion of the social-security program which is related to child welfare, Miss Lenroot has the following to say:

"The appropriation of $1,500,000 for child welfare, to be allotted $10,000 to each State and the remainder on the basis of rural population, is to be available for cooperation with State public-welfare agencies in establishing, extending, and strengthening, especially in predominantly rural areas, public-welfare services for the protection and care of homeless, dependent, and neglected children, and children in danger of becoming delinquent. They are to be used for payment of part of the cost of district, county, or other local child-welfare services in areas predominantly rural, and for developing State services for the encouragement and assistance of adequate methods of community child-welfare organizations in areas predominantly rural and other areas of special need."

Work of this type is already in progress in the public-welfare section of the insular department of health, and without changing the present organization it can be greatly extended. The principal change which would be required would be the addition of field personnel to aid the specialists now in charge of child-welfare work. The expenditure on child welfare, given in detail above, provides ample justification for a Federal allotment of $10,000 for this purpose under the terms of the social-security program.

The Social Security Act also provides for aid to the States and Territories for care of the blind. For many years the insular department of health has done carefully planned work in the treatment and education of the blind. The annual expenditures for this purpose, as shown above, total more than $48,000, but there is much more work which could be done if additional funds could be obtained.

It is not the purpose of this brief memorandum to outline all of the work of the insular department of health. Only those activities have been mentioned which have a definite relationship to the social-security program. It has been shown that the two sections of the insular department of health can provide a sufficient amount

of skilled supervision to administer such additional resources as might be available under the terms of the Social Security Act, and the fact that work of a high quality is being done now is sufficient guaranty of the continuation of high standards if additional resources were available. No one questions the need of Puerto Rico for the type of work covered by the Social Security Act. Even the amounts available to individual services could be extended to many persons who are not reached.

The law is being further studied and considered to extend to Puerto Rico the voluntary clauses extended to the States of the Union embodied in the title IV and others into the law.

AGRICULTURAL EXTENSION

The commissioner of agriculture, Hon. F. A. Lopez Dominguez, has prepared the following memorandum:

In accordance with section 2 of Public Act 407, the following sums of money were authorized to be appropriated for the further development of cooperative agricultural extension work in Puerto Rico: "For the fiscal year beginning after the date of the enactment of this act, $88,000; for the first fiscal year following the first fiscal year for which an appropriation is made in pursuance of the foregoing authorization, the additional sum of $40,000; and for each succeeding fiscal year thereafter an additional sum of $40,000 until the total appropriation authorized by this section shall amount to $408,000 annually, the authorization to continue in that amount for each succeeding fiscal year."

Last year the administration recommended to Congress the $88,000 as specified by Act 407; and Congress, after omitting the entire sum, reinstated $45,000 upon careful examination of the needs for such appropriation. I personally presented the case before the Senate Committee on Appropriations.

When the bill was drafted in 1937 it had the recommendation of the Department of Agriculture and the Department of the Interior, as you may see by a copy of the letter written by Secretary Wallace to Speaker BANKHEAD, which I am enclosing herewith. A letter from Acting Secretary of the Interior at that time accompanied Secretary Wallace's letter to the Speaker recognizing the importance of agricultural extension work in Puerto Rico and expressing their interest. Copy of this letter may be found in the files of your Department.

The reasons for supporting this appropriation are well stated in Secretary Wallace's letter to Hon. WILLIAM B. BANKHEAD, and I shall not discuss these facts again.

The Agricultural Extension Service of this island is doing the type of work which the administration emphasizes in its program by bringing to all rural people, and especially to the small farmers, who comprise 80 percent of our farm population, according to the agricultural census of 1935, the latest information regarding agriculture and home economics and to help them adopt improved methods and practices in production and marketing of crops and livestock, the growing of gardens and other home food supplies; the preservation of food by canning, adequate diets for health, improved sanitation, the development of community activities to promote higher standards of living. Extension work with rural boys and girls teaches the best principles and methods of modern agriculture, cooperation, teamwork, and leadership. All this work brings the true rehabilitation of our farm population for a diversified agriculture and betterment of their social and economic conditions.

The Extension Service not only has the responsibility of their own program, but its director has been appointed consultant for the Puerto Rico Reconstruction Administration in order to establish the same type of program in the resettlement areas by utilizing the extension specialists and field personnel and to coordinate their program. This type of cooperation is well exemplified by the canning project of the Puerto Rico Reconstruction Administration under the Extension Service supervision, in which resettlers were taught how to can, and 153,525 cans and 1,735 jars of food were preserved from March 5, 1935, to November 30, 1938. I am sure that Mr. Miles H. Fairbank will acknowledge the importance of this cooperation. Also the Extension Service is in charge of the program of the Farm Security Administration to promote more secure occupancy of farms and farm homes, and to correct the economic instability resulting from some present forms of farm tenancy. Besides, the entire educational campaign for the Agricultural Adjustment Administration, crop referendums and soil-conservation practices to farmers are under its supervision.

The benefits of this fundamental program cannot be received at present by all our farm people unless the field personnel of the Extension Service is increased. The Extension Service should have an office in each municipality with a county agent, a home-demonstration agent, an assistant county agent, and a clerk; and the funds appropriated by Public Act No. 407 are for this purpose. At present the Extension Service only has 32 county agents and 16 home-demonstration agents to take care of 76 municipalities and an average of 4,000 farms per agent. Consideration must be given to the fact that a large portion of this farm population is found in the interior municipalities of very mountainous topography, where communication facilities are very scarce, having no telephone or mail, and personal contact is the only way of conveying all the information which the Extension Service is responsible for.

Now more than ever before are these funds needed if consideration is given to the economic outlook for 1939. Since the pressure of population has compelled the island to specialize in those commodities which render the highest yield per acre and value, and to depend on the United States to exchange our produce for commodities that cannot be produced economically, we must utilize every inch of our soil in order to feed our population, thus needing an intensive educational campaign in the production, preservation, and marketing of agricultural products for subsistence; and the Extension Service is the one agency to direct, supervise, and to do this work.

I wish also to call your attention to the fact that the States and the Territory of Hawaii are receiving $1,000,000 increase, according to the original Bankhead-Jones Act of 1935, distributed in proportion to their farm population. The funds appropriated by Act 407, extending the benefits of this act to Puerto Rico, does not in any way affect the appropriations of the States or Territory of Hawaii.

I, therefore, in view of the importance of agricultural extension work to Puerto Rico, respectfully request that the matter be brought to the attention of the administration in order to obtain the reinstatement of the $128,000 appropriated by Act No. 407 for the fiscal year 1939–40.

The law to which this memorandum is referring is as follows:

[Public, No. 407, 75th Cong.; ch. 878, 1st sess.]

An act to extend the benefits of section 21 of the Bankhead-Jones Act to Puerto Rico

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the provisions of section 21 of the act entitled "An act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges," approved June 29, 1935, and known as the Bankhead-Jones Act, be, and the same are hereby, extended to Puerto Rico in such amounts as are hereinafter authorized without diminution of the amounts authorized for payment to the States and the Territory of Hawaii, as provided in section 21 of that act.

SEC. 2. To carry into effect the above provisions for extending to Puerto Rico, to the extent herein provided, the benefits of the said Bankhead-Jones Act, the following sums are hereby authorized to be appropriated: For the fiscal year beginning after the date of the enactment of this act, $88,000; for the fiscal year following the first fiscal year for which an appropriation is made in pursuance of the foregoing authorization, the additional sum of $40,000; and for each succeeding fiscal year thereafter an additional sum of $40,000 until the total appropriations authorized by this section shall amount to $408,000 annually, the authorization to continue in that amount for each succeeding fiscal year.

Approved, August 28, 1937.

Promotion of Industrial Peace

EXTENSION OF REMARKS
OF
HON. JERRY VOORHIS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1939

Mr. VOORHIS of California. Mr. Speaker, in view of the fact that a great deal of criticism has been made from time to time of the work of the National Labor Relations Board, it seems to me only fair that the constructive work of the Board likewise be emphasized from time to time. In this connection I am pleased to quote the following excerpt from the information service of the Federal Council of Churches of Christ in America:

PROMOTING INDUSTRIAL PEACE

Reporting on the 37 months' work of the regional board of the National Labor Relations Board which serves the industrial centers in New York, New Jersey, and Connecticut, Mrs. Elinore M. Herrick, director, on December 6 pointed out that the board is now receiving cooperation from employers to an extent which the board had "never dared to hope for 37 months ago."

She said that many employers who a year ago were fighting the law have now accepted the principle of collective bargaining, have renewed their agreements with their employees, and declare they are "getting along swell" under this regime. A number of companies have established classes for their foremen and supervisors to educate them in dealing with labor and to acquaint them with their responsibilities under union agreements. "When management," she said, "recognizes its own responsibilities in this way and seeks to train its own personnel to meet labor organization on a basis of intelligent understanding and mutual good will, we of the Labor Board can honestly feel that the fundamental purpose of the National Labor Relations Act in bringing about industrial peace is being achieved."

The regional board handled 14,065 cases, or 18 percent of all cases filed in the United States. In 7,450 cases, or 53 percent of the total, settlements by agreement were made, covering 1,450,736 workers. In 751 cases involving 240,277 workers the employers complied with the decisions of the board or the intermediate reports of trial examiners. Only 1 in 20 reaches the point of a formal hearing by the board, Mrs. Herrick said.

The regional board handled 1,886 strikes during the 37 months, comprising over 12 percent of the total and involving 320,201 workers. Of these strikes 79 percent were settled amicably. Also, 647 threatened strikes were averted by the board's intervention. Reinstatement of 16,520 workers was obtained following strikes and lockouts and of 2,387 workers in instances of discrimination. The board held 360 elections to determine the employees' choice of representatives.

The Social Security Reserve Swindle

EXTENSION OF REMARKS

OF

HON. GEORGE J. BATES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1939

ARTICLE BY JOHN T. FLYNN IN FEBRUARY ISSUE OF HARPER'S MAGAZINE

Mr. BATES of Massachusetts. Mr. Speaker, at this time, when the entire Nation is thinking about amendments to the Social Security Act and while the whole question is before the Ways and Means Committee, I desire to bring to the attention of the House the following article on the operations of the old-age pension system to date. The article is by Mr. John T. Flynn, a celebrated economist and a widely recognized commentator upon current economic trends. Mr. Flynn calls the existing social-security scheme a bald fraud, and he cites shocking figures to sustain his broad conclusions. The article in question appears in the February issue of Harper's magazine, and is earnestly recommended to the studious attention of all Members who want to see this urgent problem of national solvency attacked at its roots. Our first step must be to eliminate the existing elements of fiction and fraud from the social-security arrangement.

THE SOCIAL SECURITY RESERVE SWINDLE

[By John T. Flynn]

In January 1942 a long, angry howl of disappointment will be heard rumbling throughout the length and breadth of the land. In that month, the first pensions under the Federal contributory old-age insurance system will be paid to the first batch of beneficiaries reaching the retirement age. This is the old-age insurance plan which is supposed to end the tribulations of the aged with dignity and decency.

Their neighbors and fellow townsmen who get benefits of the public-charity description from the States may be getting as much as $30 a month. But under this system of purchased insurance, a man earning a hundred dollars a month will, in 1942, be obliged to give up his job and pauperize himself in order to draw the $17 a month old-age insurance he has bought from the Government. The charity pensioners who get almost twice as much will give him a horse laugh as he sinks back into the dignity and decency of retirement on $17 a month.

The reader will probably be surprised to learn how small these first pensions will be. But he will doubtless surmise at once that this is because the Government is not collecting enough money in premiums to pay more. The guess will be wrong. The reason is a little shocking. The Government is collecting and will continue to collect in pay-roll taxes for a generation enough money to pay benefits many times this sum. But it will not pay adequate pensions—and this is the point I aim at—because all the time it will be spending the old-age insurance premium taxes for other things—paying the ordinary expenses of the Government.

If the reader is a little surprised at this, let me add three very serious statements.

First, the Government will in the years up to 1980 collect in taxes for old-age pensions about $111,000,000,000.

Second, of this 111,000,000,000 some 43 percent, or 47,000,000,000, will never be spent for old-age pensions at all but for every sort of Government expense including, perhaps, building battleships.

And third, the Government will never return this $47,000,000,000 to the Social Security Board.

Behind these facts is one of the weirdest and most fantastic episodes in public finance. Unfortunately all this is cloaked under a collection of seemingly just and prudent arrangements—arrangements which are mere fictions, however, and must be examined narrowly to be seen in their true relations.

II

It is very necessary that we have clearly in mind that under our Social Security Act two sorts of benefits are provided for the aged. The Government set out to establish an old-age retirement system which would provide a decent annuity for workers and for which the workers would pay. It was to be organized as an insurance system but operated by the Government. The members of this system were to be taxed on their wages monthly and when 65 years of age would be entitled to the benefits provided in the act.

But obviously people already past the retirement age could not get such insurance any more than a man who is dead can get life insurance. Therefore to provide some protection for those already arrived at retirement age an entirely separate system was established.

Thus there are two plans. One is called the old-age assistance plan for people already past 65. The other is called the old-age benefit plan for those not yet arrived at retirement age.

The first is entrusted to the States to organize, manage, and support, save that the Federal Government will make grants directly to the States to aid in supporting the plan.

The second is organized and operated by the National Government through the Social Security Board. It is of this latter plan that we propose to speak here. But we shall concern ourselves with only one feature of this plan—the incredible scheme, as chimerical as Dr. Townsend's wildest inventions or California's famous "ham and egg" device for $30 every Thursday—the scheme to create a vast reserve fund of $47,000,000,000.

As the Government was setting up an insurance plan, what was more plausible than to do it as a private company would do it—to create a great reserve fund to insure the financial soundness of the plan? In other words, the Government decided to charge the members at a rate large enough to pay all benefits for many years and also to accumulate in the course of time a reserve fund, called the old-age account, of $47,000,000,000.

The theory is plausible. The Government will "save" for the fund a large sum each year and invest it in Government bonds—the soundest securities in the world. Back of the great plan, therefore, will always be this huge reserve with its constantly accumulating interest.

But there is another reason for the reserve, also touched with the fatal vice of plausibility. This insurance plan is going to cost a great deal of money. It is to be paid for by a tax on the workers and their employers, and these taxes will be sufficient to pay the bills for many years. But there will come a time when the number retiring will be so large that the old-age taxes will be insufficient to pay the benefits. Then the Government will have to supplement the old-age taxes with other taxes. But by that time the reserve fund will have risen to many billions of dollars. It will be invested in Government bonds. The interest on this investment will be sufficient to meet the deficits and thus save the Government from imposing further taxation.

To put this concretely, here is the way it will work. Every employee who is a member of the insurance plan will be taxed 1 percent of his wages and his employer will be taxed 1 percent. The employer must deduct 1 percent from the pay envelope and add 1 percent to it and send it to the Treasury. It will be 1 percent during 1937, 1938, 1939. After that it will increase half a percent every 3 years until it reaches 3 percent for employee and 3 percent for employer, or a total of 6 percent. This tax will be paid on the salaries of 26,000,000 persons and hence will yield enormous sums. The taxes paid will rise with the years. To give some idea of this, the following table gives the sums which will be collected and the benefits which will be paid in the years selected.

Year	Receipts	Benefits
1937	$278,800,000	[1]$1,900,000
1942	873,000,000	52,800,000
1950	1,877,200,000	505,500,000
1960	2,041,200,000	1,379,900,000
1970	2,205,100,000	2,303,500,000
1980	2,295,300,000	3,511,300,000

[1] The benefit payments begin in 1942. Before that only small refunds will be made to beneficiaries who die before benefits are payable.

A glance at this table will show that the receipts will be sufficient to pay the benefits until 1970, when they will fall $100,000,000 short. In 1980 they will be $1,200,000,000 too small. But by 1980 this reserve accumulation will have grown to $47,000,000,000, and the interest on that will be $1,406,000,000 a year, or enough to cover the deficit.

On the face of things, if you are one of those people given to the bad habit of tossing off decisions on grave problems without reflection, you will say nothing could be juster and sounder than this. That's the way it looked to the President. That's the way it still looks to him. But let us take a second look and see what we can see.

III

Now, in order to follow this you must see how the reserve is now working in actual practice. The plan began in 1936, with the 1-percent tax for boss and workers. Up to October 31, 1938, the collections amounted to $910,165,940.84.

Now, what has become of this money? It has gone into the Treasury. As no pensions are payable until 1942, no pensions have been paid—only some refunds on account of death and the

expenses of administration. The balance—some $817,000,000—has been transferred to the reserve, called the old-age account. That is just an account in the Treasury. From there it has been transferred to the general funds of the Treasury. That is, the Treasury "borrowed" it and transferred to the account its own bonds. Having borrowed the money, the Treasury is at liberty to use it as it chooses. It has spent the money on the general expenses of the Government. Thus, as matters stand, the money is gone—spent. The old-age account or reserve has $817,000,000 of Government I O U's and the Government owes the account $817,000,000.

The explanation of this, of course, is that when needed the Government will pay this money back to the old-age account. Meantime, it will pay interest at 3 percent each year. Each year the amount in the reserve will be greater. And each year the Government will pay 3 percent interest on that reserve. All the money will be loaned to the Government. Hence all of it will bear interest at the rate of 3 percent. The Government will collect taxes to pay the interest. But it will promptly borrow the interest just as it borrows the principal. And so by 1980 the Government will have collected in old-age taxes and in interest $111,000,000,000. By that time it will have paid out in benefits $64,000,000,000. There will be forty-seven billion remaining in the reserve. Of course, there will be no money there—but just forty-seven billion of Government paper. But why should anyone worry about this? What could be better than United States Government I O U's? Let us see.

To understand this we have to be clear about the true character of savings. We are in the habit of speaking of savings rather loosely. One may save a thousand dollars. But one's savings do not continue to be a thousand dollars. There is only one way to save a thing, and that is to save it. You save a thousand bushels of wheat by putting it into your bin or into a warehouse. You save a thousand dollars by putting it into a tin box or a bank vault. If you use your thousand dollars to buy a New York City bond or a Santa Fe Railroad bond, your savings are no longer a thousand dollars. They are now in the form of a claim on the city of New York or the Santa Fe Railroad. You no longer have dollars but claims—perfectly good claims, to be sure. But the distinction is important, as you will see. The investment is a claim to interest each year at a fixed rate and to the payment of $1,000 when the bond falls due. If I lend $1,000 in money to the United States Government on a bond, my money is gone; but I have something just as good, perhaps better, because it draws yearly interest of 3 percent, which the money can never do. But I no longer have the thousand dollars. Speaking casually, I may say my savings are $1,000, but what I have is a claim for $1,000 and interest against the United States Government.

The distinction may seem a fine one, but you will see at once the seriousness of it if you will consider that the value of the claim must depend on the person on whom the claim is established.

Consider for a moment the following performance and please do not think it irrelevant. Each week you save $10. You put it in a tin box marked "reserve." In a year you have $520. You wish to put it to work. You lend it to a friend who is in business, who is solvent, and who agrees to pay you 6 percent. He gives you a note which goes into the box. Each year you save $520 plus the interest your debtor pays you. In 10 years you have in the reserve box the promissory notes of your friend covering his borrowings of your savings and the interest, all amounting to nearly $8,000. You may say you have saved $8,000. But what you have will be claims for $8,000 in loans and interest against your debtor.

Now, suppose you handle your savings in the following manner: You put $10 a week in the tin box marked "reserve." In a year it amounts to $520. From time to time you need money. Instead of borrowing from a bank or a friend you decide to borrow it from your reserve. You take out $100 and put in your I O U as a man may do in his petty-cash drawer. You continue faithfully saving the $10 a week for 10 years. You continue at intervals to borrow what you have saved. You put in I O U's and bind yourself to return the money with interest at 6 percent to the box. You are very faithful with your I O U's and your bookkeeping. At the end of 10 years you have in the tin box your own promissory notes to the amount of nearly $8,000. You may say you have saved $8,000. But what you have is $8,000 in claims—upon yourself. If they were claims upon your friend, they would be paid to you out of your friend's earnings. But being claims on yourself they must be paid back out of your earnings. It is not necessary to press this seemingly simple transaction any further. For it is very obvious that you have no savings; that you have nothing. The reserve you have created is a pure fiction. The dollars in your little tin box are phantom dollars.

It is through this seemingly foolish performance that we can now see the fallacy of comparing a government old-age annuity system with a private insurance company and a government reserve with a private insurance-company reserve. Let us apply this test.

The International Insurance Co. puts aside $10,000,000 a year in its reserve. That ten million it invests each year in the bonds of various utilities, railroads, and government bodies. In 10 years it has over $100,000,000 of claims against various corporations and public bodies. It has an annual income of perhaps $4,000,000 in interest.

An insurance company has two sources of revenue—from its policyholders and from its investments. It has claims for premiums on its policyholders which must be paid out of their pockets. It has claims for interest upon the corporations which must come out of their earnings. An investment is a means of adding to your own earnings part of the earnings of another person. It is not a device for merely earmarking part of your own earnings. Therefore each year the International has the revenues collected from its policyholders plus what it collects from the earnings of various corporations against which it has claims. If at any time it should run into difficulties, if policyholders' revenues should decline in hard times, the International could meet its obligations by drawing upon its reserves, by using the interest or by converting the reserves into cash. It could, in short, go to sources of revenue outside its own assets or the resources of its policyholders.

Now, suppose the International put its surplus into a tin box marked "reserve." Then suppose it needed money from time to time and borrowed from its reserve, putting bonds into the tin box. At the end of 10 years it would have in its tin box a hundred million of its own bonds bearing interest. Would this be a reserve? Would the International really have savings of a hundred million? Would it not have in reality merely a tin box full of claims upon itself, which would mean claims upon its policyholders? In other words, instead of having claims upon the earnings of others, it would merely have claims upon its own earnings. And is it not as plain as a pikestaff that it does not have to have a tin box full of I O U's to have claims upon its own earnings? It has those claims anyhow.

Of course, it is not possible to imagine an insurance company engaging in a farce comedy of this sort. If it did, it would be promptly pounced upon by the authorities. Its officers would probably be indicted. Yet this is precisely what the Government is now doing through the Social Security Board and the Treasury.

The Social Security Board is merely a large Government-operated insurance company. But it is also merely a department of the Federal Government. So is the Treasury Department. The acts of both are merely the acts of the Government. When, therefore, the Government puts aside a billion dollars in a year in a box marked "reserved" and then borrows that billion, substituting its promises to pay in the form of bonds, and then pays interest each year on these billions and borrows it, giving bonds in its place, what it will have at the end of 43 years will be a box full of bonds—claims, not upon some outside assets, but upon itself; which, of course, are no claims at all. It has no means of getting the funds or the interest upon the funds save by going to the very people from whom it took these funds in the first place—the policyholders, the workers thus insured, 26,000,000 of them, who constitute the chief part of the population which must bear the taxes. If the Government invested these billions in the bonds of some other government or some private corporations so that it could realize on the investment out of the earnings of some other entity than itself, then it might claim to have a reserve. But, of course, no one would suggest doing this.

In short, there is no reserve. There will be no reserve. The whole thing is a solemn and cruel farce.

IV

One reason assigned for this most singular device is the need for relieving future generations of the burden of supporting all of the heavy load when pensions reach their full dimensions. The idea that we can relieve future generations by taxing this one and spending now the taxes collected and then repaying the loan in the future by taxing future generations is too fantastic for serious discussion.

But it leads to an important fact which we must face. A public old-age insurance plan can be financed on a pay-as-you-go basis and in no other way. We cannot escape it.

The object of an old-age insurance plan is to provide the aged with the necessities of life. These necessities will have to be produced at the time they are distributed. In other words, we shall not save those necessities against the day of need. In any given year those under 65 must produce enough for themselves and also enough for those who are retired and who produce nothing. However, as our method of distributing goods is by means of money, workers under 65 must create in any given period enough money income for themselves and, in addition, the sum needed for the aged.

To put the matter differently, whatever is paid out to the annuitants in any given period will have to be collected out of the workers in that period by means of taxes.

We cannot doubt this if we will look at the way it works out in practice. In the year 1960 the actuaries estimate that the Government will have to pay out $1,379,900,000 in benefits and spend $102,000,000 on administration of the plan—a total of $1,481,900,000. But in that year it will collect $2,041,200,000 from the insured and their employers as premiums. No one will doubt that all this money will be collected in the period in which it is paid out. In other words, 1960 will pay for the 1960 benefits.

But in 1970 it will be different. The benefits will amount to $2,303,500,000 and the expenses $110,300,000, a total of $2,413,800,000. But in that year the collections of premiums will be only $2,205,100,000. And so the Treasury will be $208,000,000 short. And so this $208,000,000 must be raised some other way. Now by 1970 the reserve will have grown to over forty-one billions. The interest on it will amount to over $1,200,000,000. It is this interest which will supply that extra $208,000,000. And because of this our naive President imagines that the people living in 1970 will be relieved of the burden.

But where does he suppose that $1,200,000,000 in interest is to come from? Certainly not out of the people of today. The Government must collect it in taxes out of the people of 1970 and go through the empty comedy of paying it in interest to the reserve which will pay it out to the beneficiaries in annuities.

Since the plan can be operated on a pay-as-you-go system and can, in fact, be operated in no other way, very low rates could be adopted which would enable the Government in each year to meet

all its obligations to the retired and during the next 43 years to collect $47,000,000,000 less than it will for social old-age insurance.

This can be proved. In the present act the old-age tax on employer and employee starts at 2 percent and increases by 1 percent every 3 years.

From 1937 to 1970 the total amount needed to pay all benefits and costs in those years will be $34,237,100,000. In the next column I give a short table based on two tax plans.

One is the tax plan of the President, now embodied in the act. The other is a tax plan which I propose and which is arrived at to produce enough revenue to pay costs and benefits and nothing else. It is a pay-as-you-go plan. Both taxes are levied on employers and employees equally. The first column shows the employer-employee tax rate fixed in the act. The second column shows a proposed tax rate very much lower.

Year	Tax rate in act	Proposed rate
	Percent	*Percent*
1937	2	¼
1940	3	½
1943	4	¾
1946	5	1¼
1949	6	2
1951	6	3
1961	6	5
1970	6	6

This table reveals that up to 1940 the proposed tax would be only one-eighth as big as the tax now in force. Ten years from now the proposed tax would be only one-third as big as the tax in the act. Not until 1970 would the tax be the same under both plans.

And yet the proposed tax would suffice to pay the costs and all the benefits due in all the years from 1937 to 1970.

But it is important to remember that the tax in the act is not the only tax which will be required if the present system continues in force. In the years between 1937 and 1970, by the President's plan, all of the excess taxes will be used to build up a reserve. This reserve will grow in figures (although the fund will be dissipated) by leaps and bounds. By 1942 it will be over $3,600,000,000. By 1950 it will be over fourteen billion. By 1960 it will be nearly thirty billion. By 1970 it will be forty-one billion. And all that time the Government will be called on to pay interest on the reserve. To pay this interest it will have to impose additional taxes. By 1942 it will have to raise taxes for interest of $84,000,000, by 1950 almost half a billion, by 1960 nearly a billion, by 1970 much over one billion. In other words, while, between 1937 and 1970, the employer-employee taxes will be enormously more than will be needed to pay the costs and benefits, additional general taxes will have to be raised to pay the interest on the mythical reserve. So that to get the amount of taxes which will have to be imposed between 1937 and 1970 under the President's plan, you have to add to the employer-employee taxes the general taxes to pay interest on the reserve. On the next page I give the taxes which must be raised by both plans—by my suggested plan and by the President's plan. By my plan only employer-employee taxes must be collected. By the President's plan two taxes must be collected—employer-employee taxes and general taxes to pay interest.

Sum needed to pay costs and benefits, 1937 to 1970	$34,237,100,000
Sum to be collected by proposed low employer-employee tax from 1937 to 1970	35,000,000,000
Sum to be collected under President's plan, 1937 to 1970:	
Employer-employee tax	56,000,000,000
General tax for interest	19,000,000,000
	75,000,000,000

By 1970, under the President's plan, the Government will have levied taxes of $75,000,000,000 to meet a $34,000,000,000 obligation and will have used the balance for all sorts of purposes utterly unconnected with social security. The money will be gone.

Now see what happens from 1970 on. By 1970, as we have seen, the amount needed in the year for benefits and costs will be $2,413,800,000. The old-age employer-employee tax by both plans will by that time be the same, 6 percent. It will yield $2,205,100,000 that year. So the old-age tax by that year will be insufficient to pay the costs and benefits. By that time additional sums will have to be found under both plans. And in each year up to 1980 the amount needed for costs and benefits will increase. By 1980 the need for benefits will be $3,511,000,000 for that year. By that time the yield through the old-age tax by both plans will be the same. By both plans the deficit will be about $1,400,000,000 a year. And so in each year some means will have to be found to collect money to meet this deficit.

What that means may well be left to that generation to determine, since it will know its own problems best. But one thing is certain. Whatever it may be, it will be some form of tax. In other words, in each year from 1970 to 1980 two taxes will have to be imposed by each plan—the old-age employer-employee tax of 6 percent on pay rolls and some additional tax. The table below shows the amounts that will be needed and amounts to be raised by both the employer-employee tax and the additional tax in different years.

[In millions of dollars]

Year	Amount needed	Proposed plan		President's plan	
		Old-age tax	General tax	Old-age tax	General tax
1970	2,413.8	2,205.1	208	2,205.1	1,210.9
1975	2,986.5	2,287.1	700	2,287.1	1,341.8
1980	3,626.1	2,295.3	1,400	2,295.3	1,406.6

In both cases it will be seen that a general tax will be levied in order to meet the deficit. In the proposed plan this tax will be levied in an amount sufficient to meet the deficit. It will be levied for that purpose. It will be paid to the Social Security Board as a subsidy for the old-age pensions. It will be called a subsidy. Everybody will know precisely what it is. In the President's plan embodied in the act the tax will be levied. But it will be called a tax to pay interest on the phantom reserve. When it has been paid in the form of interest, part of it will then be devoted to old-age insurance payments precisely as in the proposed plan. In both cases it will be a tax. In both cases it will be levied for the same ostensible purpose. The difference will be that it will be called by a different name.

But there is another difference. In the proposed plan the tax will be proportioned to the deficit to be met, to the actual purpose for which it is intended. In the President's plan the tax will be gaged in size and rate not by the purpose for which the money is supposed to be intended but in order to meet 3-percent interest on this imaginary reserve. Hence until 1980 it will continue to be enormously greater than it need be. In plain figures, by my plan this supplemental tax will have to equal $7,905,000,000 in those 10 years from 1970 to 1980. That is what it should be under the other plan if the tax were levied to make up the deficit. But as it will be levied to pay interest on the reserve, it will be $13,348,000,000. And, of course, as usual, the excess of five billion will be taken over by the Government for general expenses.

To sum it all up, by the proposed plan the supplemental deficit taxes will not have to begin until around 1970. Under the President's plan they will begin at once—have already begun. By the proposed plan only about $8,000,000,000 in supplemental taxes will have to be collected from now until 1980. By the President's plan these supplemental taxes will amount to $32,000,000,000. By the proposed plan the old-age employer-employee taxes will be very much lower and will yield fifty-seven billion in 43 years. By the President's plan the old-age employer-employee taxes will be heavy and will yield seventy-eight billion in the same length of time.

V

I have said that by 1980 the Government will have collected forty-seven billions which it will never use for old-age pensions and, furthermore, will never repay to the old-age account. The Government of course has no intention of ever repaying this money or any part of it. The whole theory of the reserve is inconsistent with the idea of repayment, even if repayment were possible.

The idea at the bottom of it is that the $47,000,000,000 reserve will be invested in United States bonds at 3-percent interest. And it is this interest which will make up the deficits of the insurance plan after 1970. Therefore this assumes a continuance of the bonds as a Government debt and as a basis for this interest. To repay the bonds would be to end the basis for the interest. Besides, to repay the bonds would be a preposterous performance. Whether the bonds are outstanding or not, whether the reserve plan is continued or not, future generations, beginning in 1970, are going to have to raise by taxes from two hundred to one thousand four hundred million dollars a year to cover the deficit of the old-age tax. The only course for these future generations is to do that. But if in addition they should decide to raise once again by taxation the forty-seven billion in order to go through the motions of repaying the money, not only would the burden be intolerable, but it would be indescribable folly. For, if they did raise the forty-seven billion, what would they do with it? Put it back in cash in the reserve tin box? And then reinvest it some other way? Or distribute it among the aged? And having distributed it among them, the Government would still have to go on raising by taxes the equivalent of the interest each year.

What the future really has to do is to collect each year enough to discharge its annuity obligations in that year. The quicker it forgets about the reserve the better.

VI

This reserve ghost is an offense against the younger workers who are burdened with an excessive levy; against the older workers who will retire in the early years of the plan; against the economic society.

The employee and his boss must pay a 2-percent tax when one-fourth of that would be more than sufficient for some years; in 1950 they must pay 6 percent when 2 percent would pay for what they are getting.

The present plan forces payment of shockingly low retirement benefits to those who will pass the 65-year milestone in the next 20 years. In 1942 the man who has averaged a hundred dollars a month in earnings will be forced to give up his job to draw $17.50 a month, while his indigent neighbor, who has paid nothing,

may be drawing nearly twice as much. To him who retires in 1947 the benefit will be $22.50 a month; to the annuitant who retires in 1952 the benefit will be $27.50 a month, while for the man who quits work in 1957 the pension will be $32.50 a month.

Obviously the Government cannot pay adequate pensions if it insists on "borrowing" most of the old-age taxes and spending them to support the Government. The whole thing is a disguised tax levied upon the lowest income groups under the pretense of old-age pension premiums. No government would dare attempt to support itself out of a pay-roll tax if it honestly proclaimed its purpose. The workers have remained silent because they have been deceived.

Chief victims are the very youngest workers. For 6 percent—the permanent tax aimed at—a private company will guarantee to a young man taking old-age insurance at 20 a retirement annuity at 65 of $58.94 a month. The Government plan will give him only $53.75, with this difference—that under the private plan the annuity will be his of right when he reaches 65, while under the Government plan he may have to sacrifice his job to get the annuity.

The Government plan diffuses its evil effects throughout the economic society. It is a grave mistake to associate taxes with pay rolls. This almost requires employers who wish to cut their taxes to cut their pay rolls for this purpose. Nothing will so swiftly accelerate the shift from hand workers to machines as this exorbitant tax, for the employer's only escape from high social-security taxes will be by replacing the taxable worker by the machine which claims no pension.

And who can doubt that the extraction of over a billion dollars a year in taxes from the pay envelopes of the lowest income groups, not for social insurance, but for Government expenditures (as will be the case in 4 years) will have a most depressive effect upon the already limited purchasing power of the wage-earning groups? Mr. Marriner Eccles, Chairman of the Federal Reserve Board and a Presidential adviser, has expressed the belief that the withdrawal of half a billion in the last year hastened and deepened the recessive movement of this year.

VII

How came this monstrosity into the Social Security Act? It is a depressing story.

In the winter of 1934–35 a group of technical agents of the Cabinet Committee on Economic Security were bringing their labors to an end. The idea of a reserve had arisen somewhere, but every actuarial and financial expert consulted opposed it vehemently. Messrs. O. C. Richter and W. R. Williamson were the actuarial consultants of this group (Mr. Williamson is now actuary of the Social Security Board). They opposed it as "quite beyond the realm of practical possibilities" and "an unsound departure from the principles that should govern social insurance." They are authority for the statement that "representatives of the Treasury and Federal Reserve System who acted as financial advisers to the committee were of the opinion that an old-age pension plan which did not require a reserve would be preferable."

Four eminent actuarial consultants of the Cabinet committee were called. They were Mr. M. A. Linton, president of the Provident Mutual Life Insurance Co.; Prof. A. L. Mowbray, of the University of California; Prof. Henry L. Reitz, of the University of Iowa; and Prof. James W. Glover, of the University of Michigan. Mr. Linton writes me: "The actuarial consultants were unanimously opposed to a large reserve and expressed themselves clearly on the point." Says Dr. Reitz: "It is my recollection that the committee was unanimously against holding reserves on this basis. * * * The members of our committee argued as strongly as they could against this feature of the plan in certain committee meetings of the larger group, including representatives of the Treasury."

Finally the Cabinet committee adopted the advice of these consultants and in their report to the President expressly declared that "the plan we advocate amounts to having each generation pay for the support of the people then living who are old." It warned against large reserves and announced that "to keep the reserves within manageable limits we suggest that the combined rate of employers and employees be 1 percent for the first 5 years (against 2 percent for the first 3 years adopted in the act); 2 percent for the second 5 years; 3 percent the third 5 years; 4 percent the fourth 5 years; and 5 percent thereafter." And upon this report, signed by four members of the Cabinet and Harry Hopkins, the Wagner-Lewis bill was framed.

But at this point a strange thing happened. The President, seeing the report of the committee, expressed apprehension at the fact that in 30 or 40 years general taxes would be required to supplement the old-age pay-roll taxes. He gave the matter a swift, glancing blow of his mind and decided that future generations ought not be burdened. About this time, and perhaps hearing of this, an official of the Treasury Department called upon the President and spun him a whimsical yarn of fairy finance. He pictured how a great reserve might be created; how with this, which would belong to the poor, all the national bonds would be bought; how the interest being paid the rich would now be paid to the poor; how the grave problem of tax-exempt bonds would thus be solved since the debt would be practically extinguished as a possession of the rich; how the old-age system would thus become self-supporting and future generations would be emancipated from the drudgery of providing for their aged; and how, most delightful to contemplate, these immense old-age tax collections and the mounting reserves would become an almost inexhaustible reservoir of funds to meet Government deficits. Here was a miraculous contrivance of heavenly finance. It was a wondrous vision which could survive only upon one condition—a condition easily complied with—that it be not looked at too closely.

About this time the House committee was holding hearings on the bill as introduced by Messrs. WAGNER and LEWIS. The heat was on and the administration managers were jamming it through the committees at the full speed then so easily managed. Except for administration spokesmen, witnesses were allowed only 5 minutes each. Only a few days remained when one morning Secretary Morgenthau, who had signed the report against large reserves, walked into the committee chamber with a message. The Treasury, he declared, wanted the huge reserve—the 47-billion-dollar devise—put into the bill and the rates raised to make that possible. And so with little or no thought about the matter, under the pressure of the Presidential "must," this grotesque fraud was railroaded through the committee. It got little notice. Later the bill was jammed through Congress. Some Members warned against it. The American Association for Social Security, which for years had fought the battle for social security, issued a solemn protest. But Mr. VINSON told the House the President wanted it. And it became a law. It remains in the law despite the fact that it has, so far as I have been able to find, the support of no first- or second-class economist, actuary, or finance expert either here or abroad and despite the fact that old-age insurance systems have existed for many years, even decades, abroad without anything more than small contingent reserves.

VIII

Many criticisms of the Social Security Act have been made. It is probably just to say that to set this system aright it may be necessary to start all over again. But of the other defects in the plan we need not speak. So far as the reserve is concerned the wise course would seem to be fairly obvious.

The idea of a reserve should be taken out of the act altogether. The pay-as-you-go plan should be employed completely and for the very good reason that any other plan is impossible.

The rates should be promptly reduced. The table used on an earlier page of this discussion was offered not as an ideal schedule of rates but merely to illustrate the discrepancy between the present exorbitant rates and rates that would be sufficient to pay the benefits authorized in the present act. The rates should be somewhat higher because the benefits should be higher at least in the early years of the plan. Instead of a 2-percent total tax on employers and employees increasing by 1 percent every 3 years and rising to 6 percent by 1949, the original rates of 1 percent rising by 1 percent every 5 years, attaining to 5 percent by 1957 and 6 percent by 1962 would be sufficient to produce the needed payments up to 1970 and a reserve of perhaps $10,000,000,000 besides. But if the benefits were increased in the earlier years, the reserve would be kept to a low and manageable level.

Of course, some reserve is inescapable—a billion or two or even three or four. But the question would be well worth considering whether investment of such reserves ought not to be limited to the open bond market to prevent a political government from exploiting the reserve as part of the public fiscal policies.

Congress and labor, as well as the employers, will do well to face this problem squarely and honestly in this session. There is going to be no end of pension tinkering. Behind every crackpot scheme of politicians competing for the votes of the aged will be the problem of money—where to get the money. This reserve fund offers a tempting reservoir of money upon which they will cast hungry eyes. Already the housing advocates have made a bid for it. Mr. Roosevelt thinks it looks good for his present spending purposes. The Townsendites will presently lay claim to it. The best thing to do with this monstrous child is to slay it at once and thus frustrate the kidnapers.

Some Aspects of Our Foreign Relations

EXTENSION OF REMARKS

OF

HON. SOL BLOOM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1939

ADDRESS BY HON. SUMNER WELLES, UNDER SECRETARY OF STATE, BEFORE THE ANNUAL MEETING OF THE NEW YORK BAR ASSOCIATION, JANUARY 27, 1939

Mr. BLOOM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address given by the Honorable Sumner Welles before the annual meeting of the New York Bar Association, January 27, 1939:

While I admit to no small measure of trepidation in appearing as a layman before these distinguished members of the bar of the State of New York, I welcome the privilege you have afforded me of speaking to you tonight on some aspects of the foreign policy of your Government. I value particularly the opportunity of addressing you, because you, in the exercise of the profession of the

law, necessarily play so outstanding a part in the molding and crystallizing of public opinion in the United States.

I am satisfied that there is no component part of our national public opinion which is better qualified to think things through for itself and to determine on the strength of that individual analysis where the best interests of the Nation lie, and what course the Government should pursue in its dealings with other nations during this troubled period of world history.

In a democracy such as ours, foreign policy should be determined by the people themselves through their elected agents as provided by the Constitution. It is all important therefore that the American people should be in full possession of the essential facts, and that they should be clearly and accurately informed by the officials of their Government of every aspect of international problems as they arise so that, so far as it may be humanly possible, they may decide coolly and dispassionately for themselves what road they wish their Government to follow—and determine in what manner their own interest may best be served.

It is with that thought uppermost in mind that I speak to you tonight.

For I am convinced that the greatest need of the people of the United States at this moment is to do their own thinking for themselves. So long as they refuse to permit others to do their thinking for them and reach their own conclusions with regard to national policy uninfluenced by the often plausible and insidious arguments advanced by alien interests, I think we can all feel that our national destiny will remain secure. I have profound faith in the ultimate wisdom of our people. They have proven it over a period of more than a century and a half.

We can all of us readily admit that it is no easy task in this age of high-pressure publicity for the average man and woman, necessarily often engrossed with their own personal affairs, readily to sift the wheat from the chaff and to distinguish the sincere and spontaneous expression of belief from the assertion of the paid propagandist.

Such sense of uncertainty as our citizens may have with regard to our country's foreign relations is not unnaturally still further increased by the violence with which extravagant and frequently contradictory opinions are expressed in our newspapers or over the radio. From one source we may be told that because our Government demands that its treaty rights be upheld and that the legitimate interests of its nationals be safeguarded, or because it takes a public stand in behalf of elementary principles of right and justice, the Government is under the control of a group of "world savers" who are quite willing to plunge the United States into war in order to further their own crack-brained theories. By another source we may be told that because our Government pursues a policy of noninvolvement in controversies in which this country is not directly concerned, this policy is the fruit of the devious machinations within the administration of open sympathizers with the Nazi or Fascist form of government. On the one hand the public is admonished that men who sincerely and wholeheartedly are laboring to avert the slaughter of millions of human beings in a new world conflagration are traitors and cowards. On the other hand the people are warned that unless the United States withdraws completely from all contact with other nations and surrounds itself with a policy of impenetrable isolation, it will inevitably be pulling other nations' "chestnuts out of the fire," and consequently must soon plunge to its own doom. One individual tells us that no one knows what the foreign policy of our Government really is. Another proclaims that our foreign policy is rapidly driving our people into war.

Searching analysis and critical review of foreign policy are salutary and desirable in our democracy. Open discussion, complete freedom of speech and of the press are not only, thank God, fundamental rights guaranteed us by our Constitution, but they are essential to our very form of living. In order that they can safely appraise the situation for themselves, the men and women of our country are entitled to know, and must be authoritatively informed, whenever the views they hear over the radio or read in print represent propaganda, whether it be direct or indirect. Particularly at a time like this, I believe that it is in the highest degree essential that further thought be given to the method by which the full origin and background of the views presented to them can be made more readily available to our citizens.

The greatest safeguard to unbiased thinking which the American people today possess lies in the fact that no country on earth is blessed with news services so completely objective, accurate, and impartial as are those which appear in the American press. The fair and thorough manner in which, during the world crisis last September, news was given both in the press and over the radio to the American citizen can always be a source of legitimate pride to this country.

Twenty years ago the nations of the earth met together with the hope that the way might be prepared for the permanent maintenance of peace. A great vision of an enlightened civilization based on a new world order of international justice and fair dealing was frustrated by human limitations and by the shortcomings of some of the statesmen entrusted with the power to bring about its realization. A peace treaty was signed which resulted, and which could have resulted, in no real peace, because it was not based upon the foundations of equity which alone could have transformed an armistice into a lasting peace. But more than that, the treaty itself made possible the revision or elimination of such provisions therein as experience demonstrated were inequitable or unworkable. And yet the opportunities thus offered for the fair adjustment of such provisions were scarcely ever availed of.

Since that day we have seen a progressive and an evermore rapid deterioration in international relationships and in human relationships.

Cruelty by human beings to other human beings of a type which even at the height of the World War would have seemed incredible is now becoming a commonplace.

Before 1914 a government which massacred women and children, or slaughtered civilians in the course of military hostilities, would have been regarded as an outcast among nations. Today such conduct is almost a daily occurrence.

Before 1914 the family of nations traded freely with one another, subject solely to the tariff restrictions which they might individually impose. Today, in great regions of the world, quotas, exchange restrictions, manipulated currencies, tariff embargoes, governmental export subsidies, and all of the paraphernalia of autarchic economics reign supreme. All of the benefits to labor, agriculture, and industry, to national well-being, and to international good will, which are derived from the free flow of export and import trade, have vanished where these economic barriers have been built up. Many parts of the supposedly civilized world will soon have in reality no international trade beyond that which savage tribes possess, namely, barter transactions.

In 1921 the great powers made one realistic and practical approach toward limitation of armaments. Since that time many conferences have been called for a similar purpose. But today the peoples of the earth are paying annually for armaments very nearly six times what they paid before 1914. This crushing burden upon national economies of the translation of productive wealth into nonproductive elements of destruction can only bring as a result either war or the fixing of a standard of living so pitifully low as inevitably to prepare the way for social upheaval and chaos.

Perhaps the greatest achievement of the civilized world in the latter decades of the nineteenth century was the growing reliance of governments upon the sanctity of the pledged word. Treaty promises were kept. Treaty rights were respected. I wish the world of 1939 could believe with the same measure of assurance as did the world of 1899 and 1907 at the time of The Hague conferences that observance of treaty obligations was axiomatic.

I could, of course, continue this relation of the specific ways in which earlier and higher standards of international conduct have lapsed, but no useful purpose would be served thereby. Nor need I, I believe, describe in any detail the situation in which the nations of the world find themselves today. It is apparent to us all. On every hand, outside of the Western Hemisphere, hostilities, military or economic, are either threatened or are in actual progress. And the threat alone, as we all know, often suffices for an aggressor to achieve his ends without resort to open violence.

It is a gravely serious—a deeply disquieting moment in our modern civilization. It is a situation which demands the clearest thinking from us all. And the conditions are such as to make us all, I think, desire to approach the consideration of the part our own country should play without passion, without prejudice, and with no thought save of what the true interests of the American people may be.

The major objective of the foreign policy of this administration is to keep the United States at peace. There are, of course, other highly important objectives, such as the developing and strengthening of our friendly relations with other powers; the improvement of commercial opportunities for American trade abroad; the maintenance of the legitimate interests and treaty rights of American nationals in foreign countries; the reestablishment of the reign of international law to supersede the rule of force; the reduction and elimination of economic barriers to international trade; and the limitation and reduction by international agreement of military and naval armaments. But all these objectives are but supplementary to the fundamental objective so frequently announced by the President and by the Secretary of State, and by other responsible officials of your Government, namely, that the people of the United States be kept at peace and that they be permitted to lead their lives in a peaceful world.

With that fact established as the underlying foundation for every development in the foreign policy which this Government has carried out during the past 6 years, I should like to touch briefly on five major aspects of our foreign policy—the course which we have pursued in each one of these fields, the objectives which we have had in mind, and the salient features of each particular situation as of today.

The five general aspects to which I refer are, first, our relations with the other countries of the Western Hemisphere; second, our policy and our relations in the Far East; third, our policy with respect to certain developments in Europe; fourth, our efforts to enhance the volume of our foreign trade and to stimulate our own recovery, as well as international stability, through the trade-agreement program; and, finally, the problems presented by the neutrality legislation.

I think there will be no difference of opinion when I express my belief that there has been no phase of our foreign policy which has met with such widespread approval and which has been productive of such gratifying and beneficial results as the application by your Government of the good-neighbor policy in its relations with the other American republics. In the place of the suspicions, the bitter rivalries and jealousies of earlier days there exist today between all of the 21 American republics an intimate friendship and understanding and a unanimous agreement not only upon the code which

should govern and determine their relations as between themselves, but also an identification of objectives insofar as their relations with the rest of the world may be concerned.

In support of this assertion I need merely cite these phrases from the Declaration of Principles of Inter-American Solidarity and Cooperation adopted unanimously at the Buenos Aires Conference of 1936, which state, "That the American nations, true to their republican institutions, proclaim their absolute juridical liberty, their unqualified respect for their respective sovereignties, and the existence of a common democracy throughout America; that every act susceptible of disturbing the peace of America affects each and every one of them, and justifies the initiation of the procedure of consultation provided for in the convention for the maintenance, preservation, and reestablishment of peace," and this portion of the Declaration of Lima, adopted unanimously last month at the Eighth Inter-American Conference, which states that the American republics "reaffirm their continental solidarity and their purpose to collaborate in the maintenance of the principles upon which the said solidarity is based. That faithful to the above-mentioned principles and to their absolute sovereignty, they reaffirm their decision to maintain them and to defend them against all foreign intervention or activity that may threaten them. And in case the peace, security, or territorial integrity of any American republic is thus threatened by acts of any nature that may impair them, they proclaim their common concern and their determination to make effective their solidarity, coordinating their respective sovereign wills by means of the procedure of consultation, established by conventions in force and by declarations of the Inter-American Conferences."

Those two continental declarations of purpose and of principle are in my judgment epoch-making in their importance. They mark in all human probability the beginning of a new and an auspicious chapter in the history of the Western Hemisphere.

But the development of healthy inter-American relations is not created primarily by conferences. The conferences are rather the milestones which commemorate periodically the achievement made possible by the daily growth of comprehension and of cooperation between our several independent peoples. It is the day in, day out, effort on the part of the American governments and of the citizens of the various republics to remove difficulties, to negotiate agreements, to resolve misunderstandings, to increase commercial and cultural ties, which makes possible these results.

The good-neighbor policy is not and can never be a unilateral policy undertaken solely by the United States in its dealings with its neighbors. It is a policy which can only persist on a basis of complete and sincere reciprocity. There is much still to be done by all of the 21 republics. Serious issues still remain unsettled, but the will toward the fair solution of these issues exists. I believe that the peoples of every one of the American nations fully recognize the advantage to them, in this present stage of world history, of the fact that they are no longer separated by dissension, suspicion, or antagonism, but that they stand as sovereign equals united by common ideals and common aspirations.

In our relations with the countries of the Far East the policy of this country is in no way different from our foreign policy in general. We have the same objectives there and we apply the same principles as elsewhere. The situation, however, and the problems that arise in our relations in the Far East have their individual peculiarities. Thus, for instance, in their relations with other powers, practically all far eastern countries at one time accorded to the former rights of extraterritorial jurisdiction; also, the far eastern countries agreed to and applied certain restrictions in the making and the administering of their tariffs. In many treaties to which countries of the Far East, especially China, have been parties, treaties, most of which have been bilateral but some of which have been multilateral, there have been special provisions which were formulated and adopted in special reference to special situations and problems.

As the situations in those countries have changed, the United States has, by processes of negotiation and agreement, voluntarily agreed to the alteration or the removal of these special features. It did this in the case of its relations with Japan. It has done this in the case of its relations with Siam. It had gone far with the process of doing this in the case of its relations with China before, in 1931, there developed a conflict between China and Japan one result of which has been to divert the attention of the Chinese Government from such matters to more urgent and vital problems.

Under the aegis of the general principles and rules of international law and of treaty provisions, nationals of the United States have gone to countries of the Far East, have developed trade with the nationals of those countries, have made investments there, and have engaged in a variety of legitimate activities beneficial and profitable both to themselves and to the peoples of the Far East with whom they have carried on these activities. As is well known, many American citizens have gone to China and to other parts of the Far East solely to engage in philanthropic and educational work.

In 1921 the nine powers most interested in the problems of the Far East, including the United States, Japan, and China, met in conference at Washington. After 3 months of full consideration of the various rights and interests and problems involved, treaties were signed and subsequently ratified which provided for the resolution of existing controversies, and the regulation of the situation in the future in such a manner as to diminish existing friction, and to prevent the arising in later years of even more serious issues. These treaties were negotiated in a spirit of give and take. Certainly the United States would not have agreed to certain provisions in those treaties which represented concessions and commitments on its own part without the inclusion of equivalent concessions and similar commitments on the part of the other nations involved.

Among the principles agreed upon in the treaties then concluded was the principle of equality of commercial opportunity in China. This is a principle for which the American people and their Government have contended not only in China but equally in every other portion of the world throughout this country's history; a principle which has been widely, almost universally, accepted throughout the world. It is a principle respect for which, no matter where, makes for amicable relationships and peace. It is a principle disregard for which makes for controversy, irritation, a sense of injustice, and conflict. It is a fixed and fundamental principle of American foreign policy, not only in the Far East, but in all parts of the world as well.

Treaties, like contracts in municipal law, are not subject to amendment or termination simply at the will of one of the individual parties thereto. If principles embodied in treaties and agreements are to have effect, and if law and order are to prevail, treaties must be respected. Neither the American people nor their Government can assent to acts by other countries in disregard of this principle.

In this country's relations in the Far East we are confronted today with a difficult situation and a perplexing problem. One country is endeavoring by armed force to impose its will on a neighboring country. In extenuation of these aspects of its efforts, it has declared that there exists a new situation and that it intends to produce or to bring about the production of a new order. It has to all intents and purposes given notice that it will henceforth be bound by treaty provisions only insofar as it may find it convenient to it to be so bound. It has indicated that it alone will determine what constitutes equality of commercial opportunity in China. It has made it clear that it intends that it alone shall decide whether the historic interests and the treaty rights of American citizens in China are to be observed.

The Government of the United States does not admit that any other country has the right arbitrarily to abrogate the treaty rights of the United States. The principles to which we are committed are the principles of law, order, and justice—for ourselves and for those with whom we have relations. Our policy is to safeguard by appropriate measures, methods, and means the legitimate rights and interests of the people of the United States, including our interest in the objectives and principles which I have just mentioned.

We have informed the Government of Japan, as we have informed in other situations the Government of China, of the position of this Nation, and at the same time we have made it clear that this Government always has been, and is now, disposed to discuss with all of the nations who have a direct interest in the Far East, including the Governments of Japan and China, any proposal based on reason and justice which may be advanced for a modification or an elimination of existing treaty provisions. This Nation, when difficulties arise and conflicts of interest occur, prefers as a means of solution methods of conciliation and negotiation. But that as a people we will continue to stand by our principles and persist in our policies I, for one, am convinced.

There has been, and there continues to be, apparently, in the minds of many of our people, some measure of misapprehension as to the attitude which our Government has adopted with regard to the policies of certain of the governments of modern Europe. It seems to me that with regard to this issue not only are the facts apparent, but that the traditional policy of the United States is well established. The people of the United States and their Government have always maintained, and in practice have made it clear, that they assert the right to protest and to condemn the cruel and inhuman treatment of human beings wherever such brutality occurs. They have likewise made it clear that they possess and will avail themselves of the right to protest, or, if need be, challenge, the foreign policy of any other nation which threatens the peace or security of the United States, or which results in the violation of the treaty rights of the United States or of its nationals. Those traditional tenets of our national policy, however, have never involved the right on the part of this Government to condemn or to assail the form of government under which other peoples may live.

The mere fact that other peoples may have possessed forms of government totally divergent from our own, and by which we ourselves would never agree to be governed, has not meant, during the century and a half of our national existence, that we have not usually maintained cordial and friendly relations with such governments and peoples. It is desirable, I feel, that this issue be clarified. We desire to maintain friendly relations with all peoples, and we do not presume to suggest by what form of government other peoples should be governed, but to the degree that a foreign government persists in policies of inhumanity, or refuses to respect the treaty rights and legitimate interests of this country, or by its national policy threatens our security, friendship, and understanding between the United States and that government must be correspondingly impaired.

The trade-agreements program was undertaken at a moment when the United States and almost every other nation of the world were at the lowest ebb of a profound economic depression.

It was undertaken primarily for the purpose of increasing the volume of our foreign trade. The trade agreements negotiated

thereunder have resulted in the reduction of unemployment and in obtaining for a large number of our people—workmen, as well as those engaged in agriculture and industry—increased security and prosperity. But, more than that, through the operation of the principles of the trade-agreements program, the benefits accruing to our own national economy have simultaneously redounded to the benefit of the national economy of those nations which have cooperated with us. Without the expansion of international trade any general rise in living standards would be impossible.

The reciprocal-trade agreements negotiated under the trade-agreements program upon the basis of the unconditional most-favored-nation principle have eliminated inequitable discriminations as well as unwarranted barriers to commerce between nations. They have arrested the trend toward that economic autarchy which is today responsible for so many of the ills from which the world still suffers.

Without the economic security which the healthy movement of international trade tends to create, and without the political stability which is derived from such security, there can be no permanently peaceful or orderly relations between nations. In short, the basic principles of the trade-agreements program represent in regard to international commerce what the basic principles of our general foreign policy represent in regard to political relations between nations—equality of opportunity and fair dealing.

During these past 5 years 20 trade agreements have been negotiated by the United States. In the years to come I believe that it will be recognized that the persistent and unfaltering policy which this Government is pursuing under the direction of Secretary Hull in carrying on, at times against almost overwhelming odds, the trade-agreements program, will prove to be one of the greatest contributions this country will have ever made to the cause of world recovery and of world peace.

Our existing neutrality legislation, which modified in certain particulars our traditional neutrality policy, was enacted with the intention of minimizing the risk of the United States being involved in difficulties which would tend to draw our country into controversies not of its own making. But, as the President said in his message to the Congress of the other day, "We have learned that when we deliberately try to legislate neutrality our neutrality laws may operate unevenly and unfairly—may actually give aid to an aggressor and deny it to the victim. The instinct of self-preservation should warn us that we ought not to let that happen any more."

The experience of these past years under this new neutrality legislation undoubtedly has given cause for much thought to the members of the executive and legislative branches of our Government. It is my hope that any amended legislation which may be adopted will, insofar as legislation can, safeguard the interests of this Nation and make less likely in the future our involvement in dangers which in past years may have threatened to draw us into conflict, but will, at the same time, eliminate such aspects as those to which the President referred in his recent message.

The international problems which have arisen in the world during these recent years, and increasingly during these past months, are many in number and grave in nature.

But as we look back over the pages of history we can see time and again how the world has been confronted with similar crises, and how by the inherent desire of mankind for peace, and occasionally by the wisdom of the statesmen of the moment, similar crises have been solved, and modern civilization has come through to a period of renewed tranquillity and to a better day.

A short time ago, in reading the pages of a famous British diarist, I came across this passage, which is singularly applicable to the present moment, although it was written 108 years ago. The author commented: "Europe is in a nice mess. The events of a quarter of a century would hardly be food for a week nowadays." A few years later he took, and had reason to take, a far more optimistic point of view. So, I hope, with courage and determination and with the aid of men of good will everywhere, may we.

In the meantime the appropriate officials of your Government, in harmony with the wishes of the people of the United States, must continue to conduct the foreign relations of this country. Conditions change hourly, and each problem must necessarily be determined on its own merits and in the light of immediate circumstances. Consequently there is nothing more impossible, I think, than for the Government to determine inflexibly, in advance, what it will do in a hypothetical contingency at some time in the future. But there are, as I have attempted to point out tonight, certain basic principles underlying the policy of your Government in its effort to assure the peace and security of this Nation and to safeguard its best interests. I believe they may be summarized as follows:

The cardinal elements in the policy of the United States should be to retain at all times complete liberty of action; to maintain her defensive strength always at such a standard as to be able to repel attack from whatever source it might arise, and to be enabled to play her full part in cooperating with the other American republics in keeping the Western Hemisphere free from any form of aggression; to promote and to strengthen political, cultural, and commercial ties with the other democracies of the Western Hemisphere; and, finally, to foster friendly relations with all countries which make friendship possible, and to further at all times and in every practicable manner, through conferences or through cooperation with other nations, the elimination of economic barriers, the limitation and reduction of armaments, and the return by the nations of the world to those standards of good faith and of right and justice which civilized mankind has painstakingly evolved and which experience has shown make for an orderly and for a peaceful world.

National Press Club Begins a New Year Under Brilliant Auspices

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 30, 1939

Mr. LUDLOW. Mr. Speaker, in the presence of a record-breaking throng, the National Press Club began its thirty-first year formally on Saturday evening, January 28, with the installation of the active Washington newspapermen who will direct the destinies of the world's largest and most influential journalistic group for the ensuing year.

Arthur Hachten, who covers the Capitol for International News Service, was inducted as president, along with Richard Wilson, of the Des Moines Register and Tribune, as vice president; Lawrence Stafford, of the Grand Rapids Press, secretary; Charles A. Hamilton, Binghamton Press, treasurer; and Richard L. Harkness, Philadelphia Inquirer, financial secretary; and a new board of governors, which, in addition to the foregoing, comprises Melbourne Christerson, of the Associated Press; Felix Cotten, Washington Post; Morris D. Ervin, Cincinnati Times-Star; Raymond Z. Henle, Paul Block newspapers; Paul R. Leach, Chicago Daily News; Clifford L. Prevost, Detroit Free Press; and Thomas L. Stokes, Scripps-Howard Newspaper Alliance.

Harold Brayman, retiring president of the club, called the assemblage to order. A feature of the entertainment was a reproduction of the National Broadcasting Co.'s "Battle of the Sexes," staged by Alan Kempt, master of ceremonies, of the original air cast, but which included club members and their wives in the question-and-answer competition. The winning male side numbered Phelps H. Adams, of the New York Sun; Albert L. Warner, of the New York Herald Tribune; Erwin D. Canham, of the Christian Science Monitor; Raymond P. Brandt, of the St. Louis Post-Dispatch; Ernest K. Lindley, columnist; and Tom Stokes, of the Scripps-Howard newspapers.

The women's team was composed of Mrs. Frances Parkinson Keyes, writer; Doris Fleeson, New York Daily News; Ruby A. Black, of the news service of the same name; Elizabeth May Craig, correspondent for New England papers; Martha Strayer, Washington Daily News; and Elizabeth Van Wagoner Tufty, correspondent for midwestern newspapers.

The musical program included selections by Mary De Sibour, society night-club vocalist; Sid Cowan; and instrumental selections by the Navy Band under the direction of Lt. Charles Benter.

News of the inauguration was heralded by a special edition of the Washington Herald-Times in collaboration with the Goldfish Bowl, house organ of the National Press Club. This "extra" was made up of humorous contributions by Mark Sullivan, New York Herald Tribune Syndicate; Joseph Alsop and Robert Kintner, columnists for the North American Newspaper Alliance; Jay Franklin, Bell Syndicate columnist; Earl Godwin, president of the White House Correspondents' Association; John Jay Daly, of the Washington Star; Walter Karig, Newark Evening News; Mark Foote, Booth Newspapers; William C. Murphy, Jr., Philadelphia Inquirer; Richard W. Westwood, editor of Nature magazine; Kendall Hoyt, of the Annalist; Merwin H. Browne, Buffalo Evening News; H. J. Whigham, editorial writer for the Patterson newspapers; George Sanford Holmes, writer; Mr. Lindley; George W. Stimpson, of the Houston Post; Frank A. Hall, of the National Catholic Welfare Council

News Service; Representative Stephen Bolles, of Wisconsin, and others. The art work of this notable publication was by H. J. Carlisle, of the Des Moines Register and Tribune; Ralph Patterson, Washington Herald-Times, and Clifford K. Berryman, Washington Star; and editorship by George O. Gillingham, editor of the Goldfish Bowl.

The audience was convulsed when Strickland Gillilan, the noted humorist, garbed in black robe and white wig, took over the function of "Chief Justice" with great dignity and administered the following iron-bound and copper-riveted oath of office to President-elect Hachten:

Do you, Arthur Hachten, of the Irrational News Service, solemnly and deliberately perjure yourself that you will so conduct the affairs of your high and undesirable office as to keep down the alternately smoldering and flaming conflict between the bone-dry he-Carry Nations of the club and those who, after the third quick one, would move the bar into the lounge with Phryne, provide separate self-serving cellarettes for the library and the writing room, refillable hipflasks for the help, and suspend all other club functions what-the-so-ever; will you stop this war in order that, just before each club election, some guy with a gaudily decorated breath will not buttonhole and lead aside the middle-of-the-road take-it-or-leave-it-alone members and whisperingly adjure them by all that is good and alcoholic to cast a vote for Dave Zilch for a place on the board of governors because Dave is irrevocably pledged to provide Polled Angus instead of Doberman Pinscher for the beef stew—said beef stew being the perennial Polish Corridor, Tunisia, Sudetenland, and Mediterranean crises of our menu? The answer, if ever we get to it, is, "Yes and no!"

May I also, Arthur Hachten, whose remaining moments of freedom from care are now mighty few, suborn in you the perjurious pledge to supply off-the-record speakers who will really hint something that IS off the record and not matter that might as well be shouted from the housetops with perfect harmlessness to all concerned and to the always vastly greater number of the totally unconcerned; speakers that might now and then say something that would tempt the crook that always latently lurks in the honest bosom of every good newspaperman to slip out and put 500 words of it on the wire, anyway, just for the hell of it; or, when you do secure speakers whose talk would really be of necessity off the record, said speakers be required to furnish black sheets for the representatives of publications in totalitarian countries? The answer is, "On advice of counsel, I refuse to answer."

Do you, Arthur, aver, with a dead pan, that you will, in all your Machiavellian machinations and sly skulduggery connected with the purely political aspects of this highly paid office—as nominal head of this ballyhoo bund—favor only New Dealers, Republicans, Garner Democrats or the tweedledum-tweedledees which, as we are informed by a well-known Jackson Day orator, are the people who show their complete nonpartisanship by not caring a damn who kicks the New Deal in the shins; and in such outright appointments as fall or may come to fall within your duties and perquisites, appoint men strictly on their merits as Abraham Lincoln did, regardless of party affiliations or predilections or previous condition of turpitude, not favoring your own clique of friends and admirers, which has been the custom in this and other Governments always before and ever since the administration of Honest Abe? The answer is not obligatory.

And now, Arthur Hachten, having heard with painfully suppressed disagreement the rigid requirements set forth in this hand-tooled custom-made oath of office, do you promise faithfully and well to perform such onerous and nefarious duties to the utmost of your ability, natural, acquired, and pretended? The answer is, Arthur—and don't for a minute think I haven't seen that your fingers are firmly crossed—"I do."

Ha, ha, we gotcha, Art! Up to the time you uttered them two fateful words you were a mere member of the club that only your enemies had a right to cuss. Now you are subject to bullyragging ad lib by the entire club membership. You asked for it. There is an endless year ahead, and may the lord of publicity exercise an especially precious and tender brand of mercy on your hunted soul!

Having been thus duly installed in office amid laughter and cheers, Mr. Hachten delivered his inaugural address, which was followed by dancing until a late—or, rather, I would say, an early—hour. In accepting the cares and responsibilities of office the new president spoke, as follows:

Thank you very much for your cordial greeting.

To our outgoing president I want to wish the peace and contentment that goes with satisfaction of having given his best. We all appreciate the good work Mr. Brayman has done for our institution.

I suppose some of you came here tonight to look me over. Well, that goes both ways. I am happy to see all of you.

The National Press Club is a solid organization.

It has succeeded through the years.

It is the greatest press club.

Its 2,000 members are spread over the world.

We have in our membership men of sharply conflicting political and economic views. But we take no part in politics—that is, outside of our club politics. And after our elections we close ranks.

But let it not be said the National Press Club is out of tune with the times. This Nation, probably, has no more fervent advocates of the more abundant life than there are within this club.

Now, in order that no avenue leading to this more abundant life may be overlooked, we have explored all possible proposals suggesting greater benefits in harmony with more bounteous living.

In fact, at the present moment, an extraordinary committee is preparing to confer with fellowmember Jesse Jones, custodian of the pursestrings of the R. F. C.

The purpose is to work out a deal with Mr. Jones whereby our members, unable to pay their bills—bar bills, dues, game-room losses—may be granted loans with a minimum of red tape, with no collateral necessary other than the signed bills, dues notices, and games tally sheets.

Another committee, no doubt, will be appointed to confer with the League of Nations, to provide identification passports for refugee Press Club members, who are temporarily without haven; men who have been driven from their homes and firesides, because of long hours spent within the walls of our sumptuous club quarters.

In this connection arrangements should be made with the C. C. C. to construct temporary dog houses on the roof of this building.

Pipes running from the Passamaquoddy tide-harnessing project will be installed.

And while we are considering accommodations, may I suggest that 67 years from tonight—not counting Sundays—our club will be receiving dividends from the Press Building Corporation.

When that happy day arrives, no membership dues will be required. In fact, we will pay people to join—provide each one a bathtub along with an individual shaving mug.

I notice there are Members of Congress present tonight. Legislators, you will confer a favor upon us if you will insert an amendment in the unemployment compensation law to provide for our worthy brethren, who find our cardroom so attractive that they have been severed from their customary pay rolls.

I am offering these suggestions—not in a boastful way—just to let the four corners of the round earth know that we in the National Press Club have vision.

At the outset I suggested that some of you had come here tonight to look me over. May I now reveal that my favorite color is blue. I like to roller skate and go to the movies.

Naturally, I have given considerable thought to the problems of the Press Club. That matter of silverware disappearing has given me much thought. I believe I have the solution. Let us have all of the silverware fingerprinted. Then no one will dare take it.

Enough of that. Seriously speaking, I am very grateful for this high honor. I shall do my very best to serve you and merit the confidence you have shown in me.

This being an inaugural ceremony, perhaps I should proclaim the keynote of my administration.

Good-fellowship.

Those two words sum up my entire conception of the National Press Club.

Our board of governors—the Supreme Court back here—is with me 100 percent in promoting good-fellowship, and I am equally certain of the other members of our club—for good-fellowship has been the keystone of our organization down through the years.

Pay of W. P. A. Workers

EXTENSION OF REMARKS

OF

HON. MALCOLM C. TARVER

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1939

EDITORIAL FROM THE ROME (GA.) NEWS-TRIBUNE

Mr. TARVER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the News-Tribune of Rome, Ga.:

[From the Rome (Ga.) News-Tribune]

SOUTH MUST LEARN TO FIGHT BACK

The Senate's action in turning down the proposal to establish something approaching equality in the pay of W. P. A. workers in the North and South has a strangely illogical aspect when it is remembered that the Senate joined in the adoption of the wage-hour law under which it was sought to make Southern industry pay on the same basis as Northern industry.

In the adoption of the wage-hour law differences in climate, the cost of living and so forth, as between the South and North, were wholly ignored, but when it comes to W. P. A. pay such differences receive full approval.

It is just another case of politics, based upon the fact that northern votes count and southern votes do not. It influenced action upon both measures. The approval of the wage-hour law pleased northern workers and northern industrialists because it was believed the results would be to cripple southern industry. Approval of differentials in favor of the North, in the matter of W. P. A. pay, was given for the same motives. It enables the northern representatives to say to the northern voters, "Look what we have done for you; we have given you money that was taken away from the South, and now you ought to stand by us."

This difference in treatment, with its hurtful and often destructive discriminations, will end only when the votes of southern men and women are respected as much as the votes of northern men and women—and not before.

There was a time when the South received fair treatment from party leaders because it carried great weight in national conventions, but this time is gone. When the two-thirds rule was overthrown at Baltimore it put the South where it has to take anything that is offered—and plenty is being offered these days. The South will have to learn to fight back or take its unpleasant doses in increasing quantities. This has been made clear.

The Townsend Plan

EXTENSION OF REMARKS

OF

HON. FRANK O. HORTON

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1939

RESOLUTIONS OF THE LEGISLATURE OF THE STATE OF WYOMING

Mr. HORTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolutions adopted by the Legislature of the State of Wyoming:

Senate Joint Memorial 1

Joint memorial memorializing the Congress of the United States of America to consider and act upon proposed Federal legislation related to the Townsend plan

Whereas there is now pending or will be pending in the current session of the Congress of the United States of America proposed legislation embodying essential principles of the so-called Townsend plan, in which thousands of Wyoming citizens are keenly interested: Now, therefore, be it

Resolved by the Senate of the State of Wyoming (the house of representatives concurring), That the Congress aforesaid be, and it is hereby, memorialized to promptly, diligently, and fairly consider and act upon at said session, by its legislative branches as such, and not merely in committee, the proposed legislation aforesaid; and be it further

Resolved, That certified copies hereof be promptly transmitted to the President and Vice President of said United States, the Speaker of the House of Representatives of said Congress, United States Senator JOSEPH C. O'MAHONEY, United States Senator HARRY H. SCHWARTZ, and Representative FRANK O. HORTON.

House Joint Memorial 1

Joint memorial memorializing the Congress of the United States to defeat any legislation provided for the purchase or acceptance as a gift by the United States, or any of its agencies, of privately owned lands in Teton County, Wyo.

Whereas there is now pending in the Congress of the United States legislation providing for the acquiring of certain lands in Teton County, Wyo., and providing for the extension of the Grand Teton National Park by transferring from private ownership to the ownership of the United States large tracts of land in Teton County, Wyo.; and

Whereas the transfer of such privately owned lands to the United States Government would remove said lands from the assessment roll of said Teton County and would exempt the same from taxation; and

Whereas Teton County, Wyo., as now organized has within its borders privately owned property subject to taxation of a value of approximately $2,200,000; and

Whereas if the boundaries of the Grand Teton National Park should be extended as provided in said legislation, Teton County, Wyo., would be unable to continue to function as a county; and

Whereas a large part of the big-game hunting areas of the State of Wyoming lie within the boundaries of the proposed extension, as well as a large part of the game and fish of the State of Wyoming inhabiting the areas involved; and

Whereas such park extension would be detrimental not only to Teton County, Wyo., but as well to the large number of sportsmen who annually pay large sums of money into various trade channels for the privilege of hunting and fishing in the areas involved: Now, therefore, be it

Resolved by the House of Representatives of the State of Wyoming (the senate concurring), That the Congress of the United States be, and it is hereby, memorialized to defeat and reject any legislation which would remove from private ownership any lands now subject to taxation in Teton County, Wyo.; and be it further

Resolved, That certified copies of this memorial be sent to the President of the United States Senate and the Speaker of the House of Representatives, and to United States Senators JOSEPH C. O'MAHONEY and HARRY H. SCHWARTZ, and to Congressman FRANK O. HORTON.

We Should Thoroughly Investigate Un-American Activities

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1939

TELEGRAM FROM FORMER GOVERNOR OF WEST VIRGINIA

Mr. RANDOLPH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following telegram from the former distinguished Governor of West Virginia, the Honorable John J. Cornwell, and my reply thereto:

BALTIMORE, MD., *February 1, 1939.*

Hon. JENNINGS RANDOLPH,
House of Representatives:

Everyone in our State with whom I have discussed the subject thinks the appropriation for the Dies committee was pitifully inadequate especially by comparison with appropriations for other investigations. Further they believe the investigation should be continued and made thorough with fairness to all parties, of course. If the "reds" and their fellow travelers bluff the House into halting the investigation, I hope it will not be with the aid directly or indirectly of any West Virginia Member.

JOHN J. CORNWELL.

FEBRUARY 1, 1939.

Hon. JOHN J. CORNWELL,
General Counsel, Baltimore & Ohio Railroad Co.,
Baltimore, Md.:

Replying your telegram of today, be assured I shall actively support resolution and the appropriation of additional funds that the Dies committee may continue its work. It is my firm opinion that we must not allow the forces of communism, fascism, or any other ism to gain a foothold in this country and undermine our own American principles. As long as it is felt that such dangers may exist, it is our duty as legislators to thoroughly investigate. I pledge my cooperation to see that this is done.

JENNINGS RANDOLPH, M. C.

Reclamation

EXTENSION OF REMARKS

OF

HON. BURTON K. WHEELER

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Monday, February 6, 1939

ADDRESS PREPARED BY JOHN C. PAGE AND DELIVERED BY ROY B. WILLIAMS ON JUNE 23, 1938

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the subject Reclamation Fulfills Its Mission. The address was prepared by Mr. John C. Page, Commissioner of Reclamation, and was delivered at the Western Regional Farm Bureau Conference held at Old Faithful Inn, Yellowstone National Park, on June 23, 1938, by Mr. Roy B. Williams, Assistant Commissioner.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Last week, 36 years ago, a great social improvement and conservation program was launched by the Federal Government.

On June 17, 1902, when President Theodore Roosevelt signed the Federal Reclamation Act, high hopes were held that important and lasting benefits would be derived from the conservation of the arid soils and the scant waters of the West. It was hoped that new opportunities to gain an American standard of living could be made available to large numbers of people who might found homes on the reclaimed land; that the natural handicaps of these big Western States could, in part, be overcome through the construction of soundly planned irrigation works with public funds on a self-liquidating basis, and that through building homes and communities the United States could be made a better and richer country.

Thirty-six years have passed. Let us look at the Federal reclamation program from this vantage point in time and ask ourselves: "Have events justified the expectations of 1902?"

Since the Bureau of Reclamation was organized within the Department of the Interior, 34 irrigation projects have been constructed to serve more than 3,000,000 acres of land which recently were desert.

On the projects which have been put in operation, 900,000 people make their homes and find their livelihood on nearly 50,000 irrigated farms and in 257 towns and cities which serve and are dependent upon them. These people have built communities which support 859 public schools and 996 churches. Their banks at the close of the last year had a total of deposits of more than $225,000,000.

These are normal American communities where men live and work, where they earn and achieve a measure of prosperity. These are the permanent improvements of reclamation. Before analyzing these results and attempting to determine their significance, let us see what the peculiar western conditions were which made this program necessary.

Here lay 700,000,000 of acres which were arid or semiarid or which were mountainous wastes. Most of the slight water supply was received during winter months, and, with the coming of spring, it collected into a few streams and ran off, without benefit to mankind, to the sea. Only through the damming of streams, the storage of spring floods, and their distribution through canals could a little of the land be made productive and be made to support a considerable population.

As the receding frontier drew the American people westward, they came upon the arid and semiarid region, trapped its waters for fur; explored its mountains for metals; and cut into its forests, but they passed rapidly over its deserts. They crossed miles upon miles of arid land, hoping to find fresh fields; they pressed onward until they realized that it was upon the foundatıcn of this desert that the permanent civilization of the West must be built. Then they began the easy stream diversions and irrigated the low-lying valleys and the benches near the big rivers. Gradually the irrigation systems became more complicated. Finally the unregulated flow of the streams became insufficient to the needs of developments relying upon them, and storage works were required.

It was at about this point that the Government adopted its reclamation policy. Summarized, this policy was to invest funds received from the sale of public lands in the Western States in irrigation. These funds were not to be expended as gifts, but were to be placed in a revolving fund into which the settlers upon the lands reclaimed must repay the cost of the construction of their projects. It was a simple and businesslike arrangement and, although the Reclamation Act has been amended, the principle remains unchanged.

Look at a map of the West now. The populous areas, the cities and the farms, are gathered together in spots where irrigation can be practiced, where water can be taken from the rivers or from the ground and applied to the arid land.

Of the 700,000,000 acres in the West 20,000,000 now are irrigated, and this small fraction forms the major support for 12,000,000 of people. Surveys show that some unused water remains available—sufficient in the estimation of the Bureau of Reclamation to irrigate, with projects which now can be considered feasible, an additional 10,000,000 acres. Beyond the boundaries of these projects as yet unbuilt stretch the untracked desert and the short-grass plateaus, and above them rise the peaks of a maze of mountain ranges. Hundreds of millions of acres must forever remain uncultivated.

The growth of the West since the shaking-down process which followed the gold rush to California has been keyed to its irrigation development. This relationship must be retained in the future. The Bureau of Reclamation has played an increasingly important part since 1902 in the widening of the agricultural base for this growing section. For 15 years it has been the principal agency in the field of irrigation construction. It is likely to remain such in the future because the remaining developments generally are large and costly, involving too many complications to attract private finances and being too difficult to be undertaken cooperatively by irrigation districts.

What has been done under the Federal Reclamation Act, then, assumes a greater importance. To date the Bureau of Reclamation has built 138 storage and diversion dams, 20,000 miles of large canals, and has expended $237,000,000 on projects which have gone into operation and are settled. With the expenditure of these funds it has contributed 15 percent of the total of irrigated land in all of the arid and semiarid region.

Let us analyze these figures a little more carefully. The construction of the irrigation systems for these projects has cost less than $263 for each person who has been provided a home, and, moreover, this expenditure is to be repaid. Of the $263 per capita outlay for construction, about $55 already has been repaid, and that represents within 2 percent of all the money that has become due and payable. The provision of homes and new opportunities was the fundamental objective of the Reclamation Act. They have been provided for 900,000 persons, and for each of these people products of a cash value of more than $2,500 have been harvested from lands which recently were useless. In addition, taxable values have been created in the States exceeding $400 for each and every one of the persons living on the Federal reclamation projects—on farms and in the cities and towns which the farms have created.

What does this mean to the public welfare? Here are a few facts: During the severe drought of the Great Plains in 1936 the President's Great Plains Committee found that in counties where adequate irrigation systems had been built and were in operation only 5 percent of the taxes were delinquent, while in many counties adjacent or nearby where there were no irrigated lands tax delinquencies amounted to 95 percent, and this difference resulted despite the fact that the appraised value of irrigated land generally was more than ten times as high as that of dry farming and grazing lands. The support provided by irrigation for established government and institutions in this semiarid region becomes more obvious under such conditions. Irrigation lends a stability without which the very governmental structure of the West, as we know it today, could not exist.

Another bit of evidence: The Repayment Commission, in the chapter devoted to general observations in its recent report, said that its survey of relief conditions on Federal reclamation projects revealed that bona fide farm operators in these areas were forced on relief only in a few areas. These isolated cases, it added, resulted from the fact that the farmer was a new settler who had not had the opportunity to bring his land into production or who had been subjected to a condition over which he had no control. The records of the Bureau of Reclamation show that the average gross return per acre on its projects is more than two and one-half times that received by the farmer the country over. It is realized that the overhead costs of the irrigation farmer are necessarily higher than that of those who do not have to buy and handle their water, but in the light of the observation of the Repayment Commission it can be stated that these projects have brought a measure of prosperity to those who sought the opportunities they offered.

One can pick three States out of the arid region, combine their populations, and find that the total is less than the 900,000 who live on Federal reclamation projects. This comparison becomes even more striking when it is realized that in each of the three States there is one or more Federal reclamation projects supporting a high percentage of that State's people.

The provision of homes and new opportunities, the support of government and institutions, and the stabilization of the economy of a wide area are contributions to the social welfare not only of the project areas, the counties and States in which they lie but of the whole United States.

Remember, too, that the social value of a reclamation project does not depreciate. These projects are permanent improvements which will continue to provide homes, employment, and a decent living for their people.

These values could be deprecated only if by their creation other values elsewhere were destroyed. This is not the case. The national enrichment, social and economic, which has come through the Federal reclamation policy is clear gain.

The agriculture of the irrigated sections of the West complements that of other regions of the country.

Livestock is a major western industry. Half of the feed which supports this industry is produced on the 20,000,000 acres of irrigated land and the other half is obtained from the public ranges, hundreds of millions of acres in extent. These Western States provide the feeder stock for the pens of the midwestern farmer.

General farming and the production of specialty crops, which can be shipped to distant markets for a cash return, occupy the irrigation farmer. The big staple crops, of which other areas produce exportable surpluses, are not grown in appreciable quantities on irrigated land. For example, no tobacco is grown in the West. The Federal reclamation projects do not produce sufficient wheat generally for their own needs. The large western cities, which are the nearest markets for the products of irrigation, buy large quantities of pork and pork products from the Mississippi River Valley. Some cotton is grown, but most of it is of the long-staple variety not produced elsewhere in the United States.

Every project has its specialty crop, and they are of wide variety. They range from citrus fruit to sugar beets. Winter truck is an important crop of these projects. On first thought it might be believed that the production of cherries in Idaho, or lettuce in California, or cantaloups in Colorado, and their shipment throughout the country might provide a source of competition with gardeners and orchardists near the large cities of the East and Middle West. The products of California, Colorado, and Idaho can be sold in Boston, New York, and Chicago, however, only after being freighted from 1,000 to 3,000 miles. To bear the freight charge they must be produced out of season so far as eastern markets are concerned. They cannot compete with locally grown produce in season, and they never attempt to do so.

The growth of the West has not been made at the expense of other sections. It has, on the other hand, reflected the growth of the country. There are insufficient opportunities now in the West to take care of more than a small fraction of those seeking them. Last year 69 farm units were opened for settlement on the Tule Lake division of the Klamath project in the extreme northern section of California. More than 3,000 home seekers applied on the first day for consideration in connection with the assignment of these farms.

At this time there are in the West more than 50,000 farm families which have been driven by drought from their homes in the Great Plains alone. Few of them can hope to find permanent lodgment on farms.

We are now engaged in the greatest construction program in the history of the Bureau of Reclamation. Projects under construction will, upon their completion, add an additional 2,500,000 acres to the watered area of these States. This construction program also will provide supplemental water for about as much more land now irrigated but with insufficient water to produce good crops. We look forward to public betterments to grow from these projects with a confidence based on the experience of the past.

When these projects are completed, opportunities will be provided, according to our estimates, for a total of 825,000 people on 41,600 farms and in cities and towns, as yet unlocated.

Some of the new projects will make settlement opportunities within a year or two, but some will take much longer. There is no possibility that all of the new lands could be thrown open at once even though it might be desirable to do so. On the contrary, they will be made available in steady progression and the last of those to be irrigated by the Grand Coulee Dam may not be ready for 20 years. Such a large and complicated development cannot be completed quickly. If it were possible by some engineering legerdemain to complete overnight the network of canals in order that we might deliver water to each farm in the 1,200,000 acres to be served by Grand Coulee Dam, we would not be able to provide farms for more than three-fifths of the families which are now refugees from the Great Plains drought alone.

One function of the Bureau has been to investigate the water and soil resources of the West and to plan for their development. The program growing out of this work is of long range. No effort has been made to keep the construction abreast of the demand for farm homes. Ultimately any such attempt must fail. As we have seen with respect to the Grand Coulee Dam, the largest unit possible of inclusion in any such program, the development must proceed slowly, while the needs may become quickly urgent. The best that can be done is to provide a sound plan and to spread the opportunities as intelligently and as widely as can be done.

No review of the contributions made by Federal reclamation can be complete without the mention of benefits incidental to the construction or the operation of the projects. Among these are found widespread employment in building the projects and in the manufacture and transportation of materials. Among them also are contributions through the provision of flood control, by the aid of navigation, to the improvement of domestic water supplies for urban areas, through the creation of recreational centers and wildlife refuges, and through the generation of hydroelectric power. I shall dwell for a moment only on the latter, since it has received widespread public attention. But the others should not be overlooked.

From the outset projects built by the Bureau of Reclamation have grown progressively more complicated and complex. This was necessarily so since larger rivers had to be dealt with. Wherever a dam is built, a power head is created. The very scarcity of water in the West makes it a prudent policy to put this resource to multiple uses wherever feasible. It is not always economically feasible to make use of the power head created by an irrigation dam, but in recent years it has proven feasible in an increasing number of instances Wherever this is true, the power plants have been installed.

The first power plant on a reclamation project was built to provide energy needed in the construction of an early dam. When this work was completed the plant was taken over by the settlers on the project who have enlarged it and who are still operating it. Another power plant was constructed to run pumps which were an integral part of the irrigation system of a second project. This plant is still in operation. It also has been enlarged and the water users are producing energy in excess of the pumping requirements. This energy is being sold. Power developments such as these have had a marked influence on the progress of the projects. On the Minidoka project there is scarcely a farmhouse which is not lighted by electricity and scarcely a farm which does not have motors to run its heavy machinery.

Considerably later, when large dams were begun, power generation was considered in the planning of the project and the sale of power was taken into account when the calculations were made of the return of the project costs.

More than a score of power plants are being operated on our projects. Several of them are important, and one of them, that at Boulder Dam, is very large. In connection with five additional projects now being built important power developments are being made. These are at Grand Coulee Dam in Washington, at Shasta Dam on the Central Valley project in California, on the Colorado-Big Thompson project in Colorado, at Seminoe Dam on the Kendrick project in Wyoming, and at the Elephant Butte Dam on the Rio Grande project in New Mexico and Texas.

The output from these plants, like that at Boulder Dam, will be used in industries, in mining and smelting, in the lighting of city homes, and in rural electrification.

We believe that this byproduct of irrigation should be made available for widespread use in order that the benefit derived from the investment of public funds in the projects may be shared by the largest possible number.

Again pose the question: Have the expectations of 1902 with respect to the Federal reclamation program been fulfilled? Has it made new opportunities? Has it created new homes? Has it given the people an American standard of living? Has it improved their lot and has it enriched the Nation?

The answer must be:

Yes; the hopes of 36 years ago have been realized and the promise of further fulfillment still remains.

Foreign Policy of the United States

EXTENSION OF REMARKS

OF

HON. M. M. LOGAN

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Monday, February 6, 1939

ARTICLE BY FREDERIC WILLIAM WILE

Mr. LOGAN. Mr. President, on last Friday Frederic William Wile had an article in the Washington Evening Star which so exactly expresses my views on our controveries over foreign affairs at this time that I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Evening Star, Washington, D. C., February 3, 1939]

WASHINGTON OBSERVATIONS—ROOSEVELT'S PLEDGE OF ECONOMIC AID TO DEMOCRACIES SEEN PREVENTING WAR FOR VISIBLE FUTURE

(By Frederic William Wile)

Incense is not habitually burned in this corner before the New Deal throne. But the impulse is irresistible to say that, in its opinion, Franklin Delano Roosevelt this week took a long stride toward immortality when he proclaimed his readiness to pledge the moral support and economic resources of this country to the European democracies in their struggle for existence against the dictatorships. I venture the long-range prophecy that by such action the President of the United States has prevented a world war for the measurable future. I lived in Germany in 1914. Had Woodrow Wilson been in position in July of that mad summer to let the Kaiser and the Berlin war party know that if they attacked France, Great Britain, and Belgium, Germany sooner or later would have to combat the matchless and inexhaustible resources of America, there is hardly the shadow of a doubt that the Reich's thunderbolts would never have been unloosed. The Germans would have known that victory was impossible against such a combination. They would sullenly have kept the peace. I am just as persuaded that if F. D. R., last September, on the threshold of Munich, could have assured Hitler and Mussolini that the moral influence and material wealth of the United States were back of Chamberlain, Daladier, and Benes, Czechoslovakia would still exist. Instead of bluffing, the dictators would have been bluffed.

Those howls of rage against the President and Americans in general, now welling up from anguished Nazi quarters, are tell-tale evidence to anyone who knows the German mentality that Hitler, Goering, Goebbels, Himmler, and Funk do not misinterpret the history written in Washington this week, when Mr. Roosevelt told the Senate Military Affairs Committee that he is prepared to go to every possible length, short of war, to help the British and French withstand Fascist attack. It is this observer's conviction that the President is not altruistic in thus putting himself on record. Franklin Delano Roosevelt is democratic in his every fiber, but he is, first of all, thoroughly and uncompromisingly American. He is genuinely concerned for the safety of free institutions in those European nations where they still flourish. Primarily his anxieties are associated with the security of human liberties in his own country. Mr. Roosevelt understands, as every American whose thinking extends beyond the 12-mile limit must realize, that the moment Britain and France succumb to the dictators our turn will not be far away.

We don't need to go back further than the World War to visualize the soundness of that theory. Any American military or naval authority worth his salt knows that all which stood between German guns and these shores in 1914–18 was the British fleet. If the Kaiser's armada had been victorious at Jutland instead of being driven to cover, never again to emerge on the high seas, after the gallant battle it gave Jellicoe and Beatty, Germany would have had command of the Atlantic and of the Pacific, too. I do not suggest that William II, Von Tirpitz, and Von Hindenburg could have imposed German subjection upon us at will, but our ability to resist the master of Europe would have been strained to a degree that would have made our World War effort puny by comparison. The probability is that, in expiation of our neutral complicity in the Allies' campaign, the Germans would have insisted on abrogation of the Monroe Doctrine. Their longings for a foothold in Central or South America antedate the Hitler regime by more than a generation. The United States was the inspiration for a hymn of hate in Germany long before we went to war with her in 1917.

Opinions differ, not only in Washington but in other world capitals, as to the "tone" of Hitler's harangue to his marionette Reichstag on January 30. Many authorities, to my own amazement, found it a "conciliatory" utterance. In considering the speech provocative and truculent in the highest degree, I am undoubtedly in a minority. Yet I do not think it reasonably possible to minimize the gravity of the Fuehrer's threat to pursue his own policies in the Western Hemisphere—political, economic, and "cultural"—without American "interference." If there is anybody in the United States who doubts the Reich's purposeful plans in South America, let him consult some of our people recently at Lima. They can a tale unfold which will convince the most skeptical doubting Thomas that Uncle Sam faces the fight of his life to hold his own in Latin America against Fascist penetration.

Let no American run away with the idea that because we hold no former German colonies, either as owners or mandatories, the United States is disinterested in Hitler's proposed "repartition of the riches of the world" among the nations "in proportion to their numbers, their courage, and their worth." The Nazis are not concerned with African deserts or jungles inhabited by savage tribes of backward natives. They hanker for territories in which "the world's riches" and export markets are to be found. They covet the Ukraine in Europe. They crave to get at the vast undeveloped and unexplored natural wealth of Latin America. They need bases for overseas operations for the mighty air fleet they already possess and the powerful navy they are constructing. If Spain or Portugal, under Hitler's "repartition" program, could be bribed or browbeaten, with or without the connivance of the British and French Empires, to part with such pearls as the Canary Islands, the Azores, the Cape Verdes, or Portuguese West Africa, then Germany and Italy (for henceforth those two powers must be bracketed when the requirements of the "have not" people are discussed) would have ideal jumping-off places for air or naval operations in the Western World. They would be nearer to Brazil than we are.

To get back to what Roosevelt's pledge of economic support to the democracies means to the dictatorships, let me quote a passage from Von Hindenburg's memoirs:

"America's brilliant, if pitiless, war industry had entered the service of patriotism and had not failed it. Under the compulsion of military necessity, a ruthless autocracy was at work, and rightly, even in this land at the portals of which the Statue of Liberty flashes its blinding light across the seas. The Americans understood war."

Tolerance in Democracy

EXTENSION OF REMARKS

OF

HON. HARRY S. TRUMAN

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Monday, February 6, 1939

RADIO ADDRESS BY HON. LEWIS B. SCHWELLENBACH, OF WASHINGTON, FEBRUARY 5, 1939

Mr. TRUMAN. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the subject Tolerance and Democracy, delivered over the radio on February 5, 1939, by the distinguished Senator from Washington [Mr. SCHWELLENBACH].

There being no objection, the address was ordered to be printed in the RECORD, as follows:

If war comes to Europe, the United States must have none of it. To be out, to keep out, and to stay out is the consummate wish of every straight-thinking American. Twenty-two years ago we thought we could reform Europe. We gave of our lives, our blood, and resources to that task. We found out that if we really want to reform Europe we must assume the job of permanently policing it. No true American wants us to do that. We helped rid the German people of their Kaiser and they got Hitler. Should we relieve them of him, the chances are that another 20 years would see an even more dangerous leadership. The ultimate, permanent solution of Europe's problems must lie in the hands of the people of Europe themselves.

Naturally, there has resulted here a revulsion of feeling against Germany and dictators in general. We would be ashamed if our senses were so blunted that we were not appalled. We may be proud that the expressions of indignation here were so universal in their origin. Every decent American hopes and prays that every effort will be made to exercise every possible restraining influence to mitigate future excesses and alleviate suffering.

The important question here is, Will we learn a lesson from what has happened in Germany? Will our people realize what happens in a country where hate and intolerance control the hearts and minds of the people? You say it can't happen here. I wish you could have read my mail during this session of Congress.

Every mail brings letters which portray that same hatred and intolerance toward certain races, nationalities, and religions. My fear is that if this feeling goes on unbridled, it will result in the same sadistic hatred which finally brought on the cruelties of Europe's dictator nations.

My hope is that what has happened in Europe may cause our people calmly and dispassionately to appreciate and understand our American democracy.

To find out what a thing is, it is first necessary to eliminate those things that it is not. That is particularly true when one attempts to know about an institution of government. It is so easy to confuse the superstructure with the foundations. Such confusion leads to misunderstanding, which sufficiently multiplied and repeated, leads to dangers to the institution.

There are so many people who view our form of democracy as a mere pattern. To them the pattern itself is the sacred thing. They see our Constitution as a set of rules, established and preserved to maintain a status quo. For myself, I don't think they honor either our Government or our Constitution by this view. Those who wrote our Constitution were not only wise; they were also farseeing. They visioned a nation ever expanding, ever progressing. No patriotic American would accuse them of conceiving a strait jacket upon American advancement or progress. Of course, in making changes we must be slow. Our legislative bodies must be slow. Our courts must be slow. Our people must be slow. However, need for care must not be the excuse for stagnation. There are times when stagnation will much more surely destroy an institution than even a little too rapid change. True progress in government comes from avoiding either of these extremes. I credit our founding fathers with sufficient astuteness to recognize this. They braked down our speed with a written Constitution. They insured against stagnation by making it a living, growing document, which could be used to fit the needs and the problems of the world's most rapidly expanding nation.

Holding this view, I cannot help but become impatient with those who see in every new proposal a threat to our institution of Government. It seems to me that they display but little faith in the fundamental soundness of the institution under which we live.

Then there are many who pay so much more attention to the trappings of government than to government itself. The pomp and ceremony is to them the important thing. Under dictatorship the beating of drums and the fanfare of trumpets are of supreme importance. In democracies they need not be. Every person wants to feel that he is a part of his government. Under a Stalin, a Hitler, or a Mussolini that opportunity is denied him. Under a democracy he has that chance. He can run the whole gamut of participation. We take our governmental activities directly into our own veins. We don't need to take them vicariously.

In order for a democratic community to endure, certain prerequisites are evident.

First. We must protect with our lives those weapons which will enable us to protect the democratic community. Most powerful of these are freedom of speech and freedom of press. Never for a minute may we permit these instrumentalities of democratic process to be impaired or diminished. That applies to those speakers and those papers with whom we disagree as well as those with whom we agree. For myself I would prefer to permit a speaker to tell or a paper to publish a deliberate lie about me than to try to stifle or suppress either one of them.

Second. Equality of opportunity to participate in government enjoyed by every citizen qualified to participate. That opportunity must be free from coercion or fear on the one side and free from impossible promises of reward upon the other.

Third. The minority in a democratic community must recognize the right of the majority to govern, provided that the majority gives equal recognition of its responsibility for fairness and honesty in its treatment of the minority.

In a democracy, the majority must insure to the minority the same degree of justice which it demands for itself. Failing in these obligations the majority becomes merely a mob. When the majority becomes a mob, democracy fades out.

It is the failure to recognize these fundamentals that has mobilized the force of world opinion against Germany and Russia today. We have no right to complain of the form of government which these nations may adopt. That is their business, not ours. But when those governments use their power to blot out the last vestige of decent, fair treatment toward those within their borders who are helpless and unprotected, those governments forfeit their right to recognition in any quarter of the globe.

Fourth. The right of independent opinion must be safeguarded to every person in the community. The opinion of the most humble must be as sacred as the opinion of the most powerful. In Thomas Jefferson's original draft of the Virginia Bill for the Establishment of Religious Freedom, we find these words, "The opinions of men are not the object of civil government or under its control." No one, certainly not I, can improve on that language.

Fifth. A democratic government must be a government of law. A civilized democratic community demands that all classes within it respect its law. If respect for law is to be maintained, the law must reflect the community's sense of justice and not the demands of any class or group. If the law reflects the community's

sense of justice, no class or group may defy or set itself above or beyond the law without bringing upon itself the just resentment of the whole community. Men must accommodate their demands to the demands of others. There must always be a large measure of give and take in the adjustment of human relations. A civilized democracy demands patience and self-restraint from all its citizens.

What word can we use to sum up these requirements. I think the answer to that question is simple. The word is tolerance. Tolerance is the very essence of democracy. When and under what conditions have democracies fallen? History plainly shows that they have fallen when the antithesis of tolerance existed. Hatred, bigotry, indifference, greed, selfishness, and avarice, those are the rocks upon which democratic ships of state have shattered.

Holding these views, do you wonder that I consider that the portion guaranteeing religious liberty is the most important part of our Constitution? It symbolizes to me the very basis of our democratic system. It is the outpost which we must first defend, if we are to protect our institution, democracy. It has been and it will be the first object of attack. Should we ever fail to protect it, the floodwaters of intolerance would engulf us.

Religious liberty played a most important part in our beginnings. The settlers at Plymouth came because of their separation from the Church of England. The Massachusetts Puritans came for the same reason. From them Roger Williams sought for his band an additional degree of freedom and established Providence. An even greater degree of religious liberty was sought and achieved by the Connecticut offshoot of the Massachusetts colony. The third seceding group settled at New Haven. In the meantime Lord Baltimore, a Roman Catholic nobleman, settled Maryland, and there in 1649 the first religious toleration act was placed upon the statute books of any American colony.

So we see the question of religious freedom woven into the very warp and woof of our colonial period. The framework of our Government, most of the liberties we so much cherish, we inherited from our English and Anglo-Saxon forebears. Religious liberty is something of our own creation.

We need not look to Europe for problems to solve. We have plenty here at home. If we are to solve them, we must depend upon the pathway lighted by the softened light of tolerance to lead us to the peace and happiness we deserve. We all must follow that path if democracy is to endure.

The duty of protecting and guarding that pathway lies before everyone who wills that democracy shall endure.

W. P. A.—Paradise for Bosses

EXTENSION OF REMARKS

OF

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, February 6, 1939

RADIO ADDRESS BY HON. RUSH D. HOLT, OF WEST VIRGINIA, JANUARY 28, 1939

Mr. HOLT. Mr. President, I ask unanimous consent to have inserted in the RECORD a speech delivered by me over the radio on January 28, 1939.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

We have under consideration in Congress an appropriation for relief. Something must be done about finding the long overdue solution of the relief problem. There has been too much neglect already. Every year as new appropriations for relief are submitted we are told to hurry and pass the bill in order to provide for the emergency and to make a study of the fund and issues involved later. During the consideration of the present piece of legislation I do not say that the study should be made, but it should be made as soon as possible. Since 1935 to January 1939 there has been spent $9,632,271,227.71, and we are no nearer the solution. We are back at the same place, hoping and waiting for better economic conditions. Hoping and waiting will not provide the solution. Originally the relief set-up was a part of the R. F. C., then the C. W. A., then F. E. R. A., now W. P. A. Changing the alphabetical set-up has not helped. It is hinted now that the W. P. A. will be replaced with another agency with another name and with three more letters of the alphabet applied to its title. We have millions of unemployed. The people are demanding that we do something else than just appropriate money and hope. The way out is to get private business going so that it can reemploy the idle. The average unemployed American wants a job in one of the factories, the mines, the mills, or in the fields, not a place on the relief rolls. If the politicians would spend half of the time in studying the problem and in finding a fundamental solution instead of worrying about getting the right local politician to handle W. P. A., we would be closer to the promised prosperity. Those misusing the relief fund are hiding behind the word "humanitarian." They show a greater interest in the political possibilities of the distribution of relief money than they do in providing the actual needs of the unemployed. Their true interest has been, and is, to get votes to continue themselves and their machines in power.

I heard a Member of the House and a Member of the Senate over this same chain of radio stations at this same time last week and the week before. Their theme was that we should vote for increased relief appropriations; and if we failed to do so, we were going to aggravate the unemployment of the country, impose on the hungry, and commit many other crimes. It is too bad they and the administration spokesmen did not think of this when the money appropriated to feed the hungry was used to attempt a political purge against those Members of Congress who did not take orders. It is impossible to estimate the amount of the last W. P. A. appropriation bill that was used for political purposes. It is impossible to spend public money for political advantage without waste. In 1935 I asked for an overhauling of relief. In 1936 I asked the United States Senate for an investigation of the W. P. A. You may ask, "Why continue to discuss relief?" Eternal vigilance is a necessity to see that we have a correct expenditure of this money. Corrupt influences are at work all the time trying to use the fund for selfish purposes, and if we who want to see honest government do not work to prevent its misuse, we will see a repetition of the things that have gone in the past. Good government requires constant attention. Like every battle in which a true principle is at stake, right will prevail. The people want and demand that relief be cleaned up.

Over this same Columbia radio system I called for a nonpartisan accurate study of relief. In that discussion I advocated a continuing unemployment census. Not later than yesterday, when we were discussing the appropriation bill for W. P. A., we were confronted with the questions, "How many unemployed do we have?" "How much do we need for relief?" The answers were not and could not be definite. Behind the failure to provide for a continuing unemployment census is a political reason. There is too much unemployment. Any statement as to the number of unemployed can be thrown aside as an estimate. These estimates vary by 5,000,000 in some instances. We were supposed to be on the way out of this business depression, and it would be too embarrassing if the number of unemployed would be more than stated in the conservative estimate. It would be far better to have a survey to find out the number of unemployed and keep that information up to date than it would be to have a survey of the number of doors in a building of a midwestern city or to count the number of trees in an Ohio municipality. Many such surveys were made at Government expense. Beginning in 1936 I asked time and time again for legislation to stop politics in the administration of relief. Last year I repeated the demand, but I was advised that it was not the proper time because an election was just around the corner. Let us look at the record. It will not be pleasant to see, but we should face the facts. I shall not give you the stories of my investigations, but give you the story of the Sheppard committee. This was a committee composed of four Democratic Senators and one Republican Senator appointed to investigate senatorial elections.

In looking over these States that had senatorial contests they found out the sordid political story of W. P. A. Here is what was said about the handling of W. P. A. in the State of Kentucky:

"The evidence thus far presented to it convinces the committee that a deplorable condition exists in Kentucky. It is certain that organized efforts have been and are being made to control the vote of those on relief work and that contributions have been sought and obtained from Federal employees in behalf of one of the senatorial candidates."

It adds these words:

"These facts should arouse the conscience of the country. They imperil the right of the people to a free and unpolluted ballot."

What else do we find?

That the registration of W. P. A. employees was checked; that project workers had been approached by foremen to sign papers that they would support a certain candidate; that relief workers were discharged because of political reasons, but their 403's gave other reasons than that of politics. The story is far too long to detail in this radio speech, but instance after instance was shown as to the political use of the relief funds in Kentucky, and, as the committee said: "These facts should arouse the conscience of the country. They imperil the right of the people to a free and unpolluted ballot."

Now, what did the Sheppard committee find in the State of Tennessee? I desire to mention briefly some excerpts from the report, as follows:

"The report of our investigators in Tennessee shows there was a vigorous effort throughout the State to raise campaign funds by contributions from Federal employees * * *" and further says that this effort was directed at "those having relief classifications" with instances showing "intimidation and coercion." It says: "That contributions from Federal employees for the coalition ticket were solicited by attorneys and other persons and from W. P. A. noncertified workers by foremen, timekeepers, and others with the knowledge of ranking W. P. A. officials."

Also, is found this language:

"That Works Progress Administration labor and materials, paid for with funds appropriated by the Congress for emergency relief purposes, namely, farm-to-market roads, have been used in the construction, improvement, and repair of private drives and roadways under circumstances and conditions giving rise to a fair inference that such use may have been suffered and permitted for the purpose of influencing votes and voting in behalf of both sides."

Was this solicitation confined to one section of the State of Tennessee?

The Sheppard committee says:

"The committee has evidence of similar solicitation by W. P. A. workers and private parties in different parts of the State in behalf of both sides."

What was found in the State of Pennsylvania?

"The activities constituted a flagrant violation of ethics and that the conduct was reprehensible."

Let me read part of the findings:

"That W. P. A. workers and employees of the various classes have been maced for political contributions, for the purchase of tickets to political rallies, picnics, and the like, not only by numerous political leaders and political henchmen but by officials and employees of the State highway department, the employees and officials of other lesser political subdivisions of the State."

Listen to this:

"And by officials and employees of the Works Progress Administration." I continue with the report: "That such macing was accomplished and done with full knowledge on the part of high Works Progress Administration officials in the State and under such circumstances and conditions as to lead inevitably to the conclusion that the Administration's officials in the national offices have been and were aware thereof."

The report continues:

"That the business and affairs of the Works Progress Administration in the State of Pennsylvania have been, were, and are so affected by politics and political motives that in numerous instances needy persons entitled to relief and relief work have been deprived thereof for the sole reason that their political beliefs and convictions failed to agree with those in charge of administering the funds made available by Congress for relief and relief work."

Think of that. Needy persons deprived of food, deprived of clothes, deprived of shelter because they exercised their constitutional right to vote as they pleased. I am going to read another excerpt from the Sheppard report, which says:

"Workers and employees of the W. P. A. were imposed upon, intimidated, and coerced in the matter of attending political meetings and functions by and through representation by political leaders." Here was the story of women sewing for hours and hours to have a meager existence being forced to buy tickets for political picnics and that money being spent for the upkeep of a corrupt political machine. I do not have the time to read more. In my State, where the Sheppard committee had no authority to investigate because we had no senatorial election, the political activities of W. P. A. ran true to form in its corruption. In the past I exposed where one W. P. A. official wrote another telling him to separate the Democrats and the Republicans on a list of doctors so that a preference list could be made in treating injured workers. Another letter was sent in which it was stated that the list of employees should be checked so the "right boys could be put on." Political views of the parent do not stop the hunger of a child.

How could one expect politics not to be in the administration of the W. P. A.? It was set up to be a political machine. The Senate of the United States by a large majority of the administration Senators defeated an amendment to punish those who played politics with relief. The prospect for the passage of such legislation is far better today. Let us see what those in charge of W. P. A. said about politics. Harry Hopkins, recently removed to the Department of Commerce to take him out of the line of fire of a W. P. A. investigation and expose, delivered political speeches upholding the President's purge and saying: "There is nothing wrong in supporting the political group that will give you the most." Aubrey Williams, Mr. Hopkins' chief assistant, says:

"We have got to stick together. We have got to keep our friends in power." No politics in relief? That is too ridiculous to repeat. Even the Administrator himself admitted there was politics in W. P. A. Now, let me give you a few figures on the increase of W. P. A. rolls before election. Between April and November of last year, and you will remember that 1938 was an election year, W. P. A. rolls were increased by 812,177 persons. Immediately after the election W. P. A. workers were fired by the thousands. Let us look at 1936. We find 2,482,681 W. P. A. employees. This had declined by November 1937, and remember that 1937 was not an election year, to 1,519,740, or a decrease of 963,000 individuals. Now, look at November 1938, an election year, and we find the rolls back up to 3,216,400, or more than double the number of 1937. I cannot in the time of this broadcast go more into detail but I have broken down these figures and shall be glad to mail them to you.

Relief should be for the needy. Every dollar of the relief fund that goes for political purposes is money taken from the ill-clad and hungry. Every time a brass hat, sitting in the W. P. A. office, gets an increase in his pay check, it means that much less going to the needy. We have heard much about morale in the relief program. The conduct in handling relief has destroyed morale.

The handling of relief has been a paradise for the political bosses, National, State, and local. It gave them an opportunity to keep their machines, small or large, going at the expense of the taxpayer. The relief worker has borne much of the brunt of this handling because it was he who suffered when the ward and district bosses gave money appropriated for the workers to the political job holders.

The corruption and politicalization of relief funds must be stopped. We are winning this fight through public opinion. Right will prevail.

Sale of War Materials to Japan

EXTENSION OF REMARKS

OF

HON. MATTHEW M. NEELY

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, February 6, 1939

EDITORIAL FROM CHARLESTON (W. VA.) GAZETTE OF JANUARY 24, 1939

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Charleston (W. Va.) Gazette entitled "End Our Shame."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Charleston (W. Va.) Gazette of January 24, 1939]

END OUR SHAME

This newspaper has never been jingoistic; it has always contended that one of the greatest blessings this country can possibly enjoy is peace and the friendly regard of other nations. We believe in a policy of live and let live.

Yet after long and reasoned reflection, with no desire to stir up bad feelings, and with sadness we are forced to the conclusion that it is the moral duty of our Government to institute an embargo against Japan insofar as war materials are concerned. We believe this should have been done long ago.

It is apparent now to even a casual reader of the news that the Japanese military ruling clique is bent upon the absorption of China's resources and the destruction of Chinese civilization. No other explanation can account for the systematic campaign of rape, murder, and destruction which has been methodically ordered by the Japanese leaders. "Spontaneous outbursts, spontaneous atrocities" will not account for this campaign. It becomes plain that the Japanese are bent upon the destruction of China's most powerful institution—the home. To that end the utmost in cruelty, barbarism, and wantonness have been employed and will continue to be employed so long as Japan can wage war upon her well-nigh helpless foe.

Do you say it is none of our business?

We agree with you, but, sad to relate, we have made it our business.

To our shame be it said that we are acting as partners with Japan in this systematic mass rape and murder. It is not a pretty confession to make, but it is one that must be made. We stand in the position of helping Japan commit one of the greatest mass atrocities of all time. And it is being perpetrated upon a nation for which we have always professed lasting friendship.

Japan would not be able to wage this war of terror if it did not receive help from the United States of America. We send them enormous amounts of raw materials—such as scrap iron—which they at once forge into engines of death for the Chinese. Our motor cars enable them to outmaneuver the Chinese foot soldiers. We cannot dodge the blame for a large part of the frightfulness that is going on in China. Every shell that screams through the air carries with it an American note. Many of the bullets embedded in Chinese soldiers, children, women, and the aged should bear the mark "made in America." If the outcome is a power-drunk Japan and a ruined China the fault will largely be ours.

An embargo on any materials that could be converted into munitions seems to us to be the only answer. Surely there is enough decency and compassion in this country to back a movement to end our liaison with these murderers and terrorists. Surely this country has had more than enough of a policy which is crucifying a nation of 400,000,000 fellow humans. The only right and decent thing for our Government to do is to stop this cruel and vicious policy—stop backing the rape and murder of a friendly people.

The answer to this—and we say it sadly—is to boycott Japan.

It may take a few dollars out of the pockets of the merchants of death, but at least it will square our national conscience. We have too long delayed the matter.

Let us boycott the sale of war materials to Japan in any way, shape, or form.

Public decency demands that we put an end to our shame.

Modern Air Power

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, February 6, 1939

ADDRESS BY MAJ. GEN. FRANK M. ANDREWS BEFORE THE NATIONAL AERONAUTIC ASSOCIATION, ST. LOUIS, MO., JANUARY 16, 1939

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there may be published in full in the Appendix of the CONGRESSIONAL RECORD a most interesting, inspirational, and informative address delivered by Major General Andrews at St. Louis, Mo., January 16, 1939; and may I say, Mr. President, in conjunction therewith, that the creation of the General Headquarters Air Force in March 1935 was the greatest step forward in military aviation in this country since the World War. Conceived by the Drum board in 1933, and authorized by Congress in response to the urgent recommendations of the board headed by the late Honorable Newton D. Baker in 1934, the General Headquarters Air Force welded together into one tactical fighting unit all of the Army's scattered combat aviation in continental United States. It placed under the command of one man the forces which up to that time had been operating under the nine corps area commanders.

Maj. Gen. Frank M. Andrews was selected by the War Department to organize and build up the air forces of the Nation. Chosen for the task over many seniors because of his outstanding ability as an organizer and administrator, General Andrews assumed a personal leadership of the General Headquarters Air Force, which he has steadfastly maintained throughout his tour of duty as its chief.

This leadership has served as an inspiration to the officers and men of his command. He has transformed a conglomerate mass of uncoordinated units into the finest trained air force in the world today—a corps of fliers whose training during the past 4 years has been such that they now regard poor weather as an aid rather than a hindrance to the performance of military missions.

General Andrews himself has taken the leading part in the development of instrument flying; and his early exploits, which at the time appeared to be miraculous escapes from foolhardy situations, now appear in their true light as necessary pioneer work in a type of flying which has become routine. General Andrews is still regarded as the No. 1 bad-weather pilot of the Air Corps. During his regime as chief of the Army's combat aviation he has, in addition to his arduous administrative duties, found time to pilot his own flagship a total of some 1,500 hours, almost half of which has been at night.

It was not difficult for such a man to set up high objectives for flying training. The example of his personal experience popularized a program of training which in a remarkably short time converted the air force into the effective all-weather unit it is today.

As regard his accomplishments as a leader, the organization, training, and readiness of the General Headquarters Air Force to go into action on a moment's notice are tributes to his wise administration and courageous leadership. On numerous occasions General Andrews has fought for principles which he correctly believed to be vital to the proper development of the Nation's air power. Yet withal he has exhibited a soldierly restraint and dignity which have won the admiration of his contemporaries and the respect of his seniors. As a result, he has been instrumental in obtaining recognition of air force requirements and principles which has led to better airplanes, facilities, and personnel, and a better general understanding of the problems of modern military aviation and the important part it plays in our present plans for national defense.

A graduate of the Military Academy in 1906, General Andrews served first with the Cavalry. He transferred to the Air Corps in 1917, and remained in various executive capacities with the Air Corps until 1934, when he was detailed to the War Department General Staff. It was while he was serving in this capacity as a lieutenant colonel that he was selected to command the newly formed General Headquarters Air Force.

General Andrews has performed such an outstanding job of coordinating our combat units that he has assembled our complete air force on either coast on 24 hours' notice. It is with sincere regret that we learn that soon he will complete his tour of duty as commanding officer of the General Headquarters Air Force.

On the eve of his departure from the General Headquarters Air Force as its commander, I desire that these remarks appear in the CONGRESSIONAL RECORD as a mark of appreciation for this outstanding accomplishment. It is also desired to include in the RECORD his fine exposition of the meaning and value of air power to this country, as contained in his speech before a convention of the National Aeronautic Association in St. Louis on January 15 of this year.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman and members of the National Aeronautic Association, it is a great pleasure to be present today. I want to thank you for the privilege of talking with you on the subject of Modern Air Power. I am also mindful of the fact that an invitation to discuss such a subject before a group of individuals as vitally interested in our national defense as are the members of your organization carries with it a great responsibility, particularly at this time when adequate air power, or the lack of it, plays such an important part in determining the policies of nations. I hope the presentation of my convictions on the subject will prove of some value, but I wish to say, at the outset, that the views I express are my own, and in no sense commit the War Department.

Time does not permit a discussion of all of the elements that go to make up air power, consequently, I intend to confine my remarks mainly to the operating and strategical viewpoints.

Since the phrase "air power" is often loosely used, I believe it would be well to explain its meaning as accepted by most military students. Training regulations of the United States Army gives this definition: The air power of a nation is its capacity to conduct air operations; specifically, the power which a nation is capable of exerting by means of its air forces."

Air power in its present stage of development has accomplished two things. It has thrown the balance of power in war again to the offense and it has provided nations with a new agency to further their national policies, whether such policies be good or evil. Because of its ability to strike rapidly and without warning, against the vital economic and social structures of highly organized countries, it has become a formidable instrumentality in the hands of aggressor nations.

Air power, like land power and sea power, derives its strength from its ability to apply pressure against a nation's moral fiber, to compel submission of that nation's will to the demands of the aggressor.

Before the advent of air power the only military means by which one nation could compel another to respect its policies was through the employment of its army and navy. As we look back into the past we see that warfare on land and sea followed the same general pattern. It mattered not whether armies fought with swords or fire arms, or whether navies fought with sailing vessels or dreadnaughts. Armies invaded and occupied hostile territory in order to compel submission by physical force, if need be, to their country's demands. In carrying out this invasion land forces would first have to overcome the obstacle of the opposing land army and, a battle or series of battles, sometimes lasting for years, would result before this obstacle had been removed. Naval warfare had as its objective the control of the seas—a domination which would permit effective blockade of all enemy seaports, thus preventing aid in the form of troops or materials and food from reaching the enemy from abroad.

During this period of military and naval activity the economic structure of warring nations not only continued to function but often functioned with increasing expansion and acceleration. So long as nations were not absolutely dependent for their existence upon seaborne commerce, their defeat could be accomplished only through the defeat of their armies; for only then could the victorious armies advance, and through occupation or the threat of occupation apply pressure against the political and economic structure. Therefore, we see that the defeat of armies and navies has always been but a means to an end, the end being the application of sufficient pressure to break the defender's will to resist.

Modern air power in future wars makes the picture different. The ability of air forces to operate in three dimensions enables them to move over land and water without regard to obstacles on the earth's surface. Their freedom to select the time and place of attack, to operate during day or night, and to use clouds for concealment, makes adequate defense against air attack on a grand scale a serious problem. Air forces, unlike ground forces, are not forced to wage an exhausting war at a nation's frontiers. The speed at which airplanes travel enables them to cover long distances in a short time. It is these characteristics of air forces that increase the power of the offense in war and make the airplane such a terrible instrument in the hands of unscrupulous governments.

No one knows better than you gentlemen that air power is not a commodity that can be procured in the open market, no matter how much gold and silver may be available. Money will not buy it, desire will not create it. Timely foresight, based upon an intelligent conception of the potentialities of air power and its effect upon the destiny of nations, is the only formula that can assure its development.

The ability of a nation's industry to build airplanes and the existence of superior manpower available for training as pilots, navigators, mechanics, etc., do not make air power. They do constitute potential air power. However, it must be realized that it takes time to build a force of modern military aircraft, and further time to train the men to fly those airplanes and maintain them on the ground.

The existence of potential air power is important if it is utilized to create actual air power before the necessity arises to use it. The most fertile agricultural regions would be of no value to save a people from starvation unless they were sown with crops and those crops harvested before the specter of famine presented itself.

So it is with potential air power. Unless developed before the emergency occurs it will be of little value afterward, not only because of the time factor involved but also because aircraft factories and engine factories are early objectives of a hostile air force.

Because the outstanding characteristics of an air force, the spearhead of air power, are its ability to travel far and fast over land and over water and within the period of a few hours strike at the very vitals of a nation, we must, to be on an even footing with an enemy which possesses such a threat, also possess a like threat. But, I repeat, air power cannot be created after the necessity for its need arises. Like a navy, it takes years to build an air force.

The question naturally arises as to what would constitute for our country an effective air force. A nation's geographic situation has a large bearing on the constitution of its air force. In any land or naval engagement the advantage lies with that force which has the longer-range weapon. This same principle applies to the defense of an area by an air force. The nation which has the air force which can reach the hostile air bases without fear of having its own bases attacked, has a distinctly superior advantage in any conflict. It is the .45-caliber revolver against the baseball bat, and embodies such a threat that war may not be waged. The man with the revolver can secure his demands from the man with the baseball bat without actually firing the gun.

Our geographical location is such that our air force must be so constituted that it carries the revolver. From an air-force standpoint this means equipping our air force with enough airplanes of sufficient range and bomb-carrying capacity to enable them, from available bases, to reach any locality where an enemy might attempt to establish air bases, either land or water.

In any balanced air force there is a large requirement for local defense planes of the fighter type, for Air Service planes for reconnaissance and observation, and for other shorter-range types; yet, to equip our air force entirely with such planes, however numerous, however fast, but which fail to measure up to our range and bomb-load requirements, would be tantamount to selecting for ourselves the baseball bat and giving our possible enemy the revolver. Our basic air force weapon is the bombardment airplane with sufficient range and weight-carrying capacity for our job of continental defense.

Thus far I have spoken only of the requirements for types of aircraft; but there are other important elements of effective air power.

The combat crews to fully man each airplane must be trained and available, and they must have sufficient experience to prepare them thoroughly in their particular specialty. A superior pilot is of little value if his bomber cannot place the bomb on the target, and both will fail unless a competent navigator succeeds in directing the airplane to its objective. Also, without skilled mechanics to keep the airplane and its accessories in perfect condition, it would not long be of combat value. An airplane of a type in production can be built much faster than a crew can be trained to man and maintain it.

But highly trained personnel, even in sufficient quantities and equipped with the proper type and number of airplanes, will not give a nation air power in a given area unless bases are available in that area.

Air forces are similar to navies, insofar as bases are concerned. For example, no matter how essential it might be for this Nation to employ air power in Alaska, it could not be done until adequate air bases in that area had been prepared.

It is evident, therefore, that to have effective air power, a nation must possess not only an air force composed of airplanes capable of accomplishing the task demanded by the nation's particular strategic geographic problem, but also trained and adequate personnel to man the airplanes in the air and to maintain them on the ground, and adequate air bases in potentially critical areas.

The effectiveness of any nation's air power is measured by the extent to which it fulfills these requisites.

I have attempted to explain the meaning of air power. Let us now examine briefly the strategy that governs its employment.

Since the existence of the highly industrialized modern nation is dependent upon the continued functioning of an intricate economic structure, and since that structure is highly sensitive to air attack, it is obvious that air strategy dictates the selection of vital targets within that economic structure as the objectives for such attack.

The Panama Canal constitutes one of the vital links in our system of national defense. Unfortunately it is extremely vulnerable to air attack. Our defenses must be adequate to insure domination of all areas, land or water, from which air attacks might be launched against that vital artery of our communications.

As another example, the important economic structure along our northeastern Atlantic seaboard must be guaranteed against air attack. A study of that area discloses that the destruction of even a limited number of key objectives might result in a paralyzing effect upon the functioning of the entire area, if not of the whole Nation. It would not only materially interfere with our ability to wage a major war, it might make such action impossible. As one more example, 18 power plants supply 75 percent of all the electric power in the entire metropolitan New York area. It would not take a large force of bombardment airplanes to accomplish the destruction of those few plants. Any person who has studied the question of electric power with respect to New York City knows well that without it, that city, as we now know it, would cease to exist.

There are many students of air warfare who contend that a powerful force of bombardment airplanes can, by attacking key points within the social and economic framework of a modern nation, destroy that nation's will to fight and thereby accomplish the object of war. Whether one agrees with that school of thought or not, I personally feel that the potentialities of air warfare are so far-reaching that common sense dictates that a nation design its military forces so as to provide a defense against this new method of waging war.

The highly industrialized nations of our times have created an economic organization that is dependent for its functions upon certain key industries and utilities. Modern nations are as sensitive as a precision instrument. If you damage one vital part of a watch, the whole ceases to function. So it is with the intricate and involved framework which our twentieth century civilization has made necessary.

The nerve centers, the vital organs of this complicated economic organization must be protected from air attack if continued free existence in this world of "might makes right" is to be guaranteed.

That is our problem—that is why America must be strong in the air. That is why this Nation must be prepared to do its part to deny to any enemy the opportunity to establish bases, land or water, anywhere in this hemisphere from which bombardment airplanes may launch attacks. A study of geography will disclose the fact that there exists many land and sea areas which, under certain conditions, could be utilized by a foreign power for air bases.

Today our share of the Army, Navy, and air team for the defense of American territory and American policies is deficient in air strength. We must build up our air forces and create air bases for the establishment of a sphere of air influence around our part of the continent.

The General Headquarters Air Force, the entire Army combat air force in continental United States, numbers today but slightly over 400 fighting planes. In another 6 months, with delivery of planes now on order, this number will be increased to approximately 630. However, sufficient personnel are not now available in the General Headquarters Air Force to man these 630 planes.

We have now as part of our 400 combat planes 12 long-range bombers, familiarly known as "flying fortresses." Some 39 more are on order. Today, as far as we know, they are the best long-range bombers in the world. We should have many more of them.

Our air force must be built around long-range bombers. The ability to reach far from our shores and strike an enemy before he can come within his effective range should constitute the very foundation of our air-defense policy. Once a powerful air force leaves its base, though it may suffer losses, it cannot be stopped by any man-made weapons. Common sense dictates then that we prevent such an enemy force from starting. To do this requires numbers of long-range air force bombers.

Regardless of how much we would like to prevent it, our ocean bulwarks are shrinking rapidly. Aeronautical development will make of the Atlantic Ocean an English Channel. When that time arrives, and the world is on the threshold of that period, the problem of making America impregnable in the air assumes a more serious aspect than that presented today.

America, therefore, has two problems—the one for "today" and the one for "tomorrow." "Today's" problem involves the establishment of a sphere of air influence around the Western Hemisphere. "Tomorrow's" problem—and by "tomorrow" I mean the problem that will confront this Nation before many years have passed—involves security against air attack initiated from bases across the oceans. Our country should be the first to span the oceans both ways, nonstop.

I am afraid there is a tendency in the United States to think that the science of aeronautics has reached its zenith; that airplanes capable of easily crossing the oceans, and returning, nonstop, are figments of a Jules Verne imagination. You gentlemen know that we have hardly scratched the surface in possibilities of large airplane development. The so-called superbombers of today are actually nothing but small prototypes of the airplanes of the near future. It was only a few weeks ago that two bombers of the British Air Force flew nonstop from Egypt to Australia, a distance of 7,160 miles. The big airplane of "tomorrow" is a certainty. Normal progress alone will produce it; but if any country's national policy dictates its necessity development will be greatly accelerated. I believe that any of our large airplane companies would be glad to contract to build a bomber capable of a tactical range of 10,000 miles. If American airplane manufacturers can build such a bomber, it can be done in other countries. What is more, it will be done. In fact, we do not know that it is not already being done.

America must not find itself surprised should such possibilities materialize. We have the brains and the means to keep ourselves abreast, or better yet, ahead of the times; all we need is the vision to realize the necessity for so doing.

We are happy that our national policy is a defensive one. We desire only to protect our freedom and our territory. But a policy of defense does not mean that we should wait until a hostile air force appears over our cities or over the Panama Canal or other important military and civil objectives before we attempt to stop it.

A policy of defense does not mean that we should sit idly by while foreign nations build up powerful air forces with which they may threaten our peace and security. In these days it is apparent that force must be neutralized by force; that threat must be neutralized by the fear of retaliation.

Air attacks recognize no Maginot line or naval blockade. Pursuit and antiaircraft gunfire render an air attack only less effective.

There are only two ways of stopping an air attack. One is to prevent the hostile air force from getting close enough to launch an attack; the other is to stop the aggressor nation from even planning the attack through fear of retaliation.

When nations are in air juxtaposition there is only one certain method of preventing one of those nations from subjecting the other to air attacks or the threat of air attacks. That is by forcing the realization that such attacks would bring about a reprisal of the same or greater magnitude. So long as any nation, with aggressive tendencies, possesses greatly superior air power to other nations it may be able to enforce its demands upon those nations by the mere threat to employ that air power.

That is what appears to have happened at Munich. There, apparently, we saw the threat of superior air power defeat, in diplomacy, the greatest army in Europe, and the greatest navy in the world.

The results of that conference definitely established the fact that air power is one of the three links in the chain of national defense, and clearly illustrated the well known but often overlooked fact that a chain is no stronger than its weakest link. There air power, toppling the diplomatic balance, forcibly demonstrated its potentialities as an instrument of national policy.

The United States today is a fifth- or sixth-rate air power.

On November 15 the New York Times carried the report of a press conference at which President Roosevelt indicated that one of the primary objectives of this country's national-defense program was to make this continent impregnable from the air. He pointed out that the possibility of such an attack was infinitely closer than it had been as recently as 5 years ago, because of the trend of world events and scientific contributions to methods of warfare.

The threat to use military forces is not something new or novel in this world; it has been employed since the dawn of history. The threat of air power, however, is new and will have a more spontaneous effect than either land power or sea power because of the realization that it can make itself felt in a matter of hours after the decision to use it has been made.

In the past armies and navies served as barriers to protect the homeland from the ravages of war. Although an invaded nation suffered, the brunt of the punishment was taken by the military forces and not by the civilian population. And while it is true that war is a destroyer of wealth, it is also a fact that the heavy demands on industry often resulted in a quickened temporary prosperity—a war boom. Powerful industrial concerns grew more powerful. Wealthy business concerns grew wealthier; governments, in relative security behind their armies and navies, were not so hesitant about the possibility of war in their diplomatic maneuverings.

Air power has changed all this. The seat of government will constitute a bombing objective of high priority, and the first blow can be struck within a few hours after the decision to strike has been made. Its effects will be felt immediately by industry. Great industrial concerns instead of becoming more powerful may be entirely destroyed. Stocks will decrease instead of increase in value. From the initial attack, the brunt of punishment and suffering, instead of being borne mainly by the armed forces, will also be experienced by the noncombatants. All of this cannot help but tend to make governments act today with greater caution when confronted with the possibility of war. Those whose air power is second class, will acquiesce with little argument to those who have superior air power. Between great nations, both of whom are capable of powerful air action, there will be a very eager and mutual willingness to find some peaceful solution to conflicting policies.

As we study the development of air power today, and as we project ourselves into the very near future and realize its possibilities it seems to me that there can be little doubt in the minds of any citizen of this country that the United States must lose no time in building up an air force.

As much as all of us would like to find a formula for universal peace, history has proven beyond doubt that the ability to defend one's self has always been the deciding factor in the security and life of a nation.

Air power is imperative for the security of this Nation and its policies. Its possession by this country in adequate degree in our military organization will constitute strong insurance that no hostile army will ever approach either coast for the purpose of landing on our shores, and that no hostile nation will ever establish air bases in this hemisphere. It will provide additional freedom of action to our Navy.

With the passing of each year air power will become more and more vital in the shaping of the policies of nations. For generations the power of the British Navy, with its bases strategically located in all parts of the world, kept the British Empire secure. Today the British fleet can no longer provide that security. England is leaving no stone unturned to build air power the equal of any other nation. Air power has changed the strategy of British defense.

An America powerful in the air would not constitute an aggressive threat to any nation. America desires to live in peace and friendship with all. Its history speaks, as no spoken word can, that America hates war and wants peace. That history, however, should be a warning to all the world that this country, although hating war with all the fervor of a peace-loving people, will never countenance aggression of its soil or its principles.

Our air forces are inadequate. We need air power. In building up our national defenses we are saying in unmistakable language: "Hands off the Western Hemisphere; America is for Americans."

Confiscatory Chain-Store Tax Bill

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1939

RADIO ADDRESS BY HON. EMANUEL CELLER, OF NEW YORK, FEBRUARY 5, 1939

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD I include an address I delivered before the American Forum of the Air, Sunday evening, February 5, 1939, entitled "Confiscatory Chain-Store Tax Bill," as follows:

Ever since the days of Theodore Roosevelt the policy of the Federal Government has been based on the irrefutable truth that in government the interests of all of the people are paramount as against the interests of any selfish minority group. This has been expressed in a long series of laws, State and Federal, enumerating the principles set forth in the Sherman antitrust law and the Clayton Act. In other words, whenever two or more people, be they individuals or corporations, big or little, agree to do anything to raise prices to the American people, that agreement constitutes a criminal conspiracy.

Twenty years ago a very large percentage of all the goods that the American people had to buy—groceries, medicines, notions, shoes, clothing, etc.—reached the average family through a system of distribution in which the distributing costs were exceedingly high, so that in the average retail price the cost of distribution greatly exceeded the cost of production. Nobody did anything wrong, improper, or illegal. The manufacturer or producer sold his goods to the retailer through wholesaler or jobber. Let us say, for example, a bottle of medicine was intended to sell to the public for $1—the manufacturer sold it to the drug jobber for 50 cents, the drug jobber sold it to the retailer for 60 cents, and the retailer sold it to your family or to mine for $1. The jobber had a margin of 16⅔ percent on his selling price, and the retailer had a margin of 40 percent on his selling price. In the grocery field, the grocery wholesaler's margin varied from 10 percent to 30 percent. Whatever part of the cost of the goods was represented in the wholesaler's cost of doing business and profit was passed on to the average citizen by the retailer.

I repeat, nobody did anything wrong. The costs of doing business this way were necessarily high. The wholesaler had to make frequent small deliveries to a multitude of retailers. He had to extend credit to them, and in many cases the credit was not very good. The retailer, in turn, made deliveries and extended credit, and the delivery cost and the unpaid bills had to be averaged into the price at which the goods were sold to you or to me.

At about the time I speak of, chain-store systems began to develop. Advocates of punitive and discriminatory taxes have pictured the chain stores to you as a Wall Street operation or as

something that grew so big that it threatened to become a monopoly. This is far from the truth. Practically every national chain-store organization in the United States and the State and local chains started from humble beginnings—usually a single merchant, who found a better way to serve the public and who was rewarded by a public patronage that made his business big. The change was very simple but dynamic. The chain store bought direct from the manufacturer, eliminating the 10-percent, the 16-percent, or the 30-percent cost of the middleman or wholesaler's operation, and then sold the goods direct to the public. They generally sold for cash, eliminating credit losses, and the customer came to the store and carried the goods home, eliminating delivery costs. The result was that without below-cost selling or loss leaders, chain stores could supply our people with the necessities and luxuries of life at much lower prices. Or, to put it another way, the average family could get a great deal more in food, medicine, shoes, notions, and clothing—a better standard of living—by buying through a chain store. The public wanted more for their money; they were entitled to more for their money; they were willing to pay cash and to carry their purchases, and so in increasing numbers they patronized the chain store.

Now, wholesaler-retailer special interests who are unable to fend for themselves and who are unable to meet chain competition successfully have inaugurated a scheme to put chain stores out of business. They have espoused the Patman bill, which seeks to inflict extortionate and confiscatory taxes upon chain stores so as to make it impossible for them to continue in business.

The bill provides for a steeply pyramiding series of license taxes, graduating from $50 per store for chains of 15 or less stores to $1,000 per store for chains with 500 or more stores, and such taxes per store shall be multiplied by the number of States in which such chain operates.

The author of the bill fails to realize that the power to tax should not be made the power to destroy. To give you an idea of how ridiculous this taxing measure is, let me draw your attention to the following:

In 1937 some 34,000-odd stores of 13 chains operating in 39 States showed gross sales of $1,810,000,000 with a net profit of a little over $43,000,000. The annual chain tax under the Patman bill would total over $793,000,000. To put it another way around, the Kroger chain last year made a net profit of $3,487,000. Its tax, under the bill, would be over $73,000,000, or 25 times its net profit. The Safeway Stores of California made a net profit of $4,157,000. Its tax would be $65,887,000. J. C. Penney Co. made a net profit of $18,712,000, and its tax would be $61,560,000. The Melville Shoe Co. made a net profit of $2,388,000. Its tax would be $17,340,000.

In any event, I am quite sure that the courts would frown upon such a destructive, slaughtering measure.

These same selfish interests organized the great whispering campaign, ascribing to chain stores all the evils of the retail business, whether practiced by themselves or by the chains. They financed with large sums of money propaganda in State and Nation for passage of price-fixing and price-raising bills.

On the far-sounding plea of equalizing the opportunity of the small dealer, legislation was secured which, generally, prohibited the manufacturer from making any better price to the large buyer than he made to the small one, although, generally, this saving was passed on to the public. Under the guise of eliminating "loss leader" sales, they secured legislation which, by legalizing high fixed prices to the consumer enabled the retailer to charge the highest prices, and this in turn enabled the wholesalers to again demand of the retailer unreasonable profit.

Now, these same groups propose to recapture lost business by closing chain stores through confiscatory taxation.

The Patman bill is, frankly, a measure to destroy the national chain-store system. That it would throw a million Americans out of work, at wages and hours the best in their field; that it would destroy 30 percent of the marketing machinery of the American farmer; that it would lower the standard of living of 140,000,000 people; that it would take bread off the workmen's tables and milk out of the mouths of their children; that it would add many hundreds of millions of dollars to the cost of the American people for food, clothing, shoes, and medicine seems of no consequence to these selfish retailers and wholesalers.

They argue that the chains put the little fellows out of business. The facts show that this is not true. On the contrary, more little fellows are in business today than ever before. They fail to indicate that the number of chain stores are diminishing.

They argue the chains sell goods below cost and use "loss leaders" as bait. I can show a thousand evidences in print and show from my own personal experience that these practices are no more the practices of the chain stores than the practices of their competitors. Look around your own neighborhood and see whether this is not so.

They argue that the chain stores hurt the farmers, but the great farm organizations of this country have testified by resolution to the contrary. I refer to the National Grange and the National Cooperative Council and others. The American Farm Bureau Federation in its last convention said, "Such unnecessary taxes and restrictions have a damaging effect by increasing cost of distribution, increasing cost to consumers, reducing total consumption, and limiting production in agriculture as well as in industry, and we oppose all such tax proposals."

Many proponents of the chain store tax bill whisper "under the hand," the chains pay lower wages and work their employees longer hours than their competitors. Only recently the American Federation of Labor, supported by hundreds of local labor unions, at its annual convention in Mr. PATMAN's own home State, passed a resolution opposing the bill. Speaking for 5,000,000 wage earners throughout the country, it declared that the destruction of chain stores "would dislocate upward of 1,000,000 wage earners" and condemned and disapproved "the Patman bill and all forms of taxation which prostitute the taxing power of the Government to a weapon for the destruction of worthy enterprise by business rivals."

I contend that the organized farmers of this country and organized labor in this country are better judges of what benefits them than are the protagonists of the Patman bill.

Even the Texas Newspaper Publishers Association, the Southwide Association of Texas, and the Texas Federation of Labor, all in Mr. PATMAN's own State, have condemned his measure as a menace to the Nation's standard of living.

It is argued the chain stores involve so-called "absentee ownership." Well, if absentee ownership is the vicious thing we are led to believe it is, it should be destroyed in the field of mass production—automobiles, radios, food, et al.—as well as in mass distribution. There might as well be a law making it criminal for anyone to invest money in any business or enterprise which operates outside his city or village. It is argued that "the money you pay your independent stays in your community," the presumption being that all money for purchases in chain stores leaves town.

Go into any independent store. What do you find? Thousands of nationally advertised products made by concerns far removed from the locale of the independent. The products of the American Tobacco Co., the National Biscuit Co., General Foods, Fuller Brush Co., Swift & Co., and thousands of other concerns come from afar.

It is ridiculous to charge that chains draw all the capital from local towns. In fact, chain stores actually start more money in circulation in local towns than would be possible with any other type of retailer. A study by the Harvard Bureau of Business Research shows that when a consumer spends a dollar in an independent grocery store, 81 cents of it leaves the community and 19 cents remains in it; while if the identical merchandise were purchased in a chain store, only 78 cents would leave the community and 22 cents would remain in it. What is far more to the point, 10 cents of it would remain in the consumer's own pocket because of cheaper prices.

The charge that chain stores are the products of the Captain Kidds of Wall Street is as demagogic as it is emotionally false. The vast majority of chain store companies are local enterprises, owned and controlled locally. Most of the rest are owned by stockholders—1,500,000 men and women in every walk of life and every section of the country. A recent survey of 37 of the largest chain store companies revealed that 25 had no bonded indebtedness nor other fixed obligations which would in any way involve them with Wall Street financiers. Of the 352 directors of these companies, only 7 held directorships in Manhattan banks.

I wish Mr. PATMAN would tell me why there is expressly exempted from his bill cooperatives and gas-filling stations which do not handle automobile accessories. Is it possible that chain filling stations are sacrosanct, whereas all other chains are the very embodiments of evil? Why are gas stations without tires, fair; but with tires, foul? Chain filling stations are certainly as guilty of "absentee ownership" as are chain stores. I know one filling station chain, most of whose owners live 3,000 miles removed from the United States. Their stations bear a red and yellow label.

Is the exemption of filling stations due to the fact that much of our gas comes from Texas? Perhaps the workers of the Texas oil fields rebelled because they anticipated a serious disadvantage.

As to the cooperatives, they are certainly, if anything, as guilty or as innocent as the ordinary chains. In fact, the cooperatives have been most active against the operators of independent stores.

Still stranger is the omission of wholesale trade from the bill. Why should so-called independent wholesalers be denied the so-called "beneficent" provisions of the bill? There are numerous chains in the wholesale trade. There is McKesson & Robbins wholesale drug chain, having units in 38 different States and Hawaii; as compared, for example, with the Atlantic & Pacific Tea Co., which is usually cited by the bill's proponents as a chain-store monopoly and which has considerably less than 10 percent of the entire retail food trade in the United States. This particular wholesale chain drug company has a sales volume amounting to more than 30 percent of the entire wholesale drug trade. According to the logic or the illogic of our adversaries, if a 10-percent share of the food trade constitutes an evil monopoly, then certainly a 30-percent share of the drug trade must be three times as bad.

Since Mr. PATMAN first introduced this bill there has developed a very decided change in public opinion concerning chain stores. In the Fortune survey or poll appearing in the current issue of that magazine the following statement, in part, appears:

"Now the pattern has changed and a plurality directs that chain stores be let alone and allowed to make what profits they can. Hardly any want them put out of business, which has been precisely the purpose of the "popular" legislation, recent or pending. The sands have suddenly shifted from under the feet of the Honorable WRIGHT PATMAN and there may be several factors to account for it. One may be a general nostalgia for 'normalcy' and for returning to a policy of letting business go its way rejoicing. Another may result from the actual closing of thousands of chain stores during the past few years and the dislocation of the buying habits of their price-conscious customers. And a third reason for the change may be the effect of publicity, which the chains have been employing in self-defense. To such a campaign was credited the conversion of an

adverse majority in California in time to defeat by referendum an anti-chain-store tax bill that seemed on the point of adoption."

The United States Department of Agriculture points to the unquestioned improved efficiency and reduced cost of getting goods from the grower to the consumer because of mass distribution made possible because of the chains.

The Twentieth Century Fund, probably the outstanding impartial tax fact-finding agency in the country, has made a 2-year study of the problem and recommended that "all special taxes on chain stores be immediately repealed," because "they tend to raise the cost of living for the large number of people with small incomes who depend upon efficient merchandising to get the most for their money."

But most significant was the conclusion reached by the Federal Trade Commission in regard to chain-store taxation after a 6-year study of the chain store which cost the taxpayers more than $1,000,000. At the end of their exhaustive, painstaking job, in which they examined every conceivable scrap of evidence, the Commission said:

"To tax out of existence the advantages of chain stores over competitors is to tax out of existence the advantages which the consuming public has found in patronizing them, with a consequent addition to the cost of living for that section of the public. So, on the whole, the number of people adversely affected by such a tax would constitute a very substantial percentage in comparison with the number adversely affected by present conditions."

Unemployment Compensation Payments

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1939

EXCHANGE OF LETTERS BETWEEN HON. JOHN W. McCORMACK, OF MASSACHUSETTS, AND HON. A. J. ALTMEYER, CHAIRMAN OF THE SOCIAL SECURITY BOARD

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following letter to A. J. Altmeyer, Chairman of the Social Security Board, and his reply:

JANUARY 16, 1939.

A. J. ALTMEYER,
Chairman, Social Security Board,
Washington, D. C.

MY DEAR MR. ALTMEYER: I noticed recently a news item in various newspapers of the inaugural message of Governor Barrows, of the State of Maine, relating to the delay in the payment of unemployment compensation in that State, and from reading the news item it appeared to place the blame upon the Federal Government. It was difficult for me to understand why the Federal Government should be involved in any such delay. To be sure that Governor Barrows was quoted correctly, I wrote for a copy of his message, which I have received. In his message to the Maine Legislature, January 5, 1939, he stated in part:

"In my opinion, there should be less dictation by the Federal Government and more control by the State. Several changes could be made in regulations that should promote speed and efficiency. The unemployed have been compelled to wait an unreasonable period for the benefit checks and too much time is required for compiling records."

If there is no action on the part of the Federal Government, through the Social Security Board, which caused or contributed to this situation in the State of Maine, it seems to me that such statements should be refuted and challenged. Statements of that kind, particularly coming from an official source, carry weight with the general public unless challenged if incorrect.

I am calling this matter to your attention. Will you kindly advise me if the charges made by Governor Barrows are correct, his statements clearly placing the blame for any delay upon the shoulders of the Federal Government?

Sincerely yours,

JOHN W. McCORMACK.

SOCIAL SECURITY BOARD,
Washington, D. C., February 3, 1939.

Hon. JOHN W. McCORMACK,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN McCORMACK: This is in reply to your letter of January 16, in which you quote from the inaugural address of Governor Barrows, of Maine, as follows: "In my opinion, there should be less dictation by the Federal Government and more control by the State. Several changes could be made in regulations that should promote speed and efficiency. The unemployed have been compelled to wait an unreasonable period for the benefit checks and too much time is required for compiling records."

Any implication or interpretation of this statement to the effect that the Federal Government was responsible for any lack of efficiency or delay in the payment of unemployment compensation by the Maine Unemployment Compensation Commission would be incorrect. Under the Social Security Act the responsibility for administering State unemployment-compensation laws resides with the State agencies. The Social Security Board is charged with the responsibility of granting funds necessary for proper administration and has fully complied with such duty. The Maine Unemployment Compensation Commission has always had adequate funds to carry on its duty of paying claims promptly, and no difficulties of Federal-State relations have arisen which have not been readily adjusted to the complete satisfaction of the Maine agency.

As regards the actual operations of the Maine Unemployment Compensation Commission, the facts are that this commission is now operating on a current basis and has apparently been operating on that basis since late last spring, according to the statistical reports submitted by the Maine agency. On May 14 there was a backlog of initial determination work of 5,731 claims, and as of December 24, 1938, this number was only 216. Some slight increases occurred in certain weeks during the summer due to peaks in the number of claims filed. These figures are given as illustrations that the usual backlog of initial determinations to be made has been a week's processing or less for some time. On December 31, 1938, there were 7,166 compensable claims filed for which checks had not yet been written. This would seem to indicate that the current delay in check writing as of December 31 amounted to not more than 3 or 4 days. Also, we notice that through December 24, 127,135 original claims had been filed, 583,584 checks written for a total sum of approximately $4,537,000.

Apparently, delays which now occur rather than being the general rule would be isolated cases or unusual cases which for some special reason or another require more time for handling. The Maine commission seems to have diligently endeavored to expedite benefit payments and to have undertaken many measures toward that objective consistent with good administrative control.

If Governor Barrows had in mind the situation with respect to the early part of 1938, it must be observed that nearly every State agency underestimated its claim load and the number of checks to be issued to claimants. This, coupled with the fact that the program was new and the personnel relatively untrained, would make delays in some States in the first quarter of 1938. However, in Maine such delays were probably not more than would be expected under a newly established program operated by newly appointed personnel. The Social Security Board has endeavored to preserve cordial State relations with the States and the State agencies. To this end an attempt has been made to apply the rule of reason with reference to standards necessitated by the Federal Social Security Act. The Board has always been ready to give technical advice to State unemployment compensation agencies. Such advice has frequently been requested by the Maine commission. It was eagerly sought during early days of benefit payments, and more recently it has been requested with reference to filing problems and with reference to revision of forms and benefit procedures in the interest of expediting the processing of claims and the payment of benefits.

I trust the foregoing statement will clear up any misunderstanding that may exist. Your kindness and interest in this matter are greatly appreciated.

Sincerely yours,

A. J. ALTMEYER, *Chairman.*

Investigation of Un-American Activities

EXTENSION OF REMARKS

OF

HON. RICHARD M. SIMPSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1939

Mr. SIMPSON. Mr. Speaker, $80,000,000 for a battleship, $250,000 for a bomber, $100,000 for a big gun. Congress willingly provides all the money necessary to construct them, subject only to receiving proof of their necessity for our national defense.

We know that our form of government insures most in freedom for the individual. To preserve it we know no limits. Our military and naval forces will take care that our borders will not be crossed by invading military or naval powers.

But, Mr. Speaker, this is not sufficient. When all the world is at peace, when there is no threat of war, the enemy coming as a guest has crossed our borders, beyond the watchful eye of our national defenses. Stored temporarily in his

mind are those Old World teachings, Old World ideas so contrary to Americanism.

Once obtaining the privileges of our boasted freedom this guest unloads his mind—he violates the confidence America placed in him and tries to undermine the very system of government, by whose grace he enjoys the freedom of speech he violates.

He preys upon and with others of his kind, and they upon our neighbors and our children endeavoring to make them dissatisfied with Americanism. He would have them join him in bringing about a change in our form of government, substituting some untried theoretical "ism," or worse yet, an "ism" imported from present-day European powers for Americanism.

We have no checks upon him; we do not know how many of his kind there are here. We do not know what he has accomplished nor what his complete plans are.

We do know that he infiltrates our public offices; he reaches high places.

We should know, we must know. We now have an opportunity of investigating him and his activities through a committee of this House.

Comparatively a small amount of money is needed to continue the investigation; only $100,000 is asked, a small fraction of the cost of one battleship.

Certainly everyone in Congress will vote to continue this investigation, giving by a unanimous vote definite and conclusive word to alien agitators in the United States a warning that their "isms" have no place in Congress or this country.

Domestic Fats and Oils Conference

EXTENSION OF REMARKS

OF

HON. SAM HOBBS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1939

STATEMENT PREPARED BY THE DOMESTIC FATS AND OILS CONFERENCE

Mr. HOBBS. Mr. Speaker, under the authority granted, I extend my remarks by inserting a statement prepared by the Domestic Fats and Oils Conference at the conclusion of its sessions here Saturday, as follows:

Delegates representing farm and factory producers of more than one-half of all domestic fats and oils ended a 2-day meeting here Saturday evening, at which a national organization was completed.

Directors, representing commodity groups, are as follows:

Soybean producers, G. G. McIlroy, Irwin, Ohio; butter producers, A. M. Loomis, Washington, D. C.; cottonseed-oil producers, T. J. Kidd, Birmingham, Ala., and J. I. Morgan, Farmville, N. C.; soybean-oil producers, J. F. Johnson, St. Louis, Mo.; corn-oil producers, J. B. Newman, Washington, D. C.; tallow and grease producers, Roger E. Morse, Boston, Mass.; fish-oil producers, W. S. Snow, Alexandria, Va.; southern commissioners of agriculture, Harry D. Wilson, Baton Rouge, La., and C. C. Hanson, Memphis, Tenn.

The officers elected were: President, J. F. Johnson, St. Louis, Mo.; first vice president, T. J. Kidd, Birmingham, Ala.; treasurer, Roger E. Morse, Boston, Mass.; secretary and assistant treasurer, F. B. Wise, Washington, D. C.; Washington representative, A. M. Loomis, Washington, D. C.

Additional vice presidents are to be elected. Letters and telegrams pledging support were received from representatives of the American National Live Stock Association, the American Cotton Cooperative Association, the National Livestock Marketing Association, and the United States Livestock Association.

President J. F. Johnson, before leaving for his home in St. Louis, issued the following statement on behalf of the conference:

"The individuals and organizations which have associated themselves in this conference have two practical objectives.

"One is the immediate objective of relieving those engaged in the production of oil-bearing raw materials from the present ruinous low prices of their products. I refer to the farmer producers of cottonseed, soybeans, dairy products, and beef and swine. The prices now, and for months past, are much below cost of production and help must be secured.

"These prices are ruinous because the values of oil- and fat-bearing materials are limited by the prices secured for the oils and fats.

"The oils prices are at present levels not because of any overproduction—we do not produce enough fats and oils for our domestic needs—but because of the volume of imports of competing oils and facts, bought here at prices which are ruining all domestic producers. We think this can and must be remedied.

"The other objective is to create conditions in this industry which will lead to increased domestic production which will make it unnecessary for the citizens and industries of the United States to go outside their own country for the 2,000,000,000 pounds or more of these oils and fats which are now demoralizing the domestic prices.

"This is not alone an economic objective. It is a national-defense necessity. We do not now supply our military, naval, aviation, and munitions needs. Yet we have land, facilities, labor, and knowledge with which to do so. The American producers relieved from the incubus of below cost-of-production prices, can within conservative prices and conditions, supply the deficiency.

"Let me also emphasize that in working toward these two objectives, namely, fair price and national safety, we need and ask no subsidies or gifts. Our program will ask for nothing other than proper limitation and control of competing imports."

The conference program was under discussion most of the day Saturday. Legislation will be proposed to deal with the large imports and low prices at which they are offered in the United States. No statement is made at this time as to details of the proposal, awaiting, it is stated, final drafting and submission to all member groups.

Attention was called by one member of the conference to the figures released Friday by the Census Bureau showing decline in consumption of domestic oils and fats in the last quarter of 1938, while consumption of foreign fats and oils sharply increased. Some of these Census Bureau figures are as follows:

Consumption of coconut oil (imported) increased 30 percent.

Consumption of palm oil (imported) increased 25 percent.

Consumption of palm-kernel oil (imported) increased 25 percent.

The platform of the Domestic Fats and Oils Conference adopted at a previous meeting at Memphis, Tenn., reads as follows:

"1. It is the purpose of this group to protect and further the production of domestic fats and oils until such production reaches our domestic requirements.

"2. We advocate the principle of excise and import taxes on foreign fats, oils, and oil-bearing materials.

"3. We advocate an adjustment of excise-tax rates on oil-bearing materials to make them compensatory with the rates on corresponding and competing oils, taking into account the costs of production in the United States.

"4. We oppose any attempt to lower the present 3-cent processing tax on coconut oil made from Philippine products."

Un-American Activities

EXTENSION OF REMARKS

OF

HON. LEON SACKS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1939

Mr. SACKS. Mr. Speaker, it seems to me that in this age and period of civilization we are becoming more and more concerned with those problems, social and economic, which tend to create a philosophy of government ascribed to by the democracies and once referred to by a great American President and patriotic leader as "A government of the people, by the people, and for the people." To my mind the blood that was shed by those brave patriots in order to establish this form of government is worthy of the greatest sacrifice that the human race ever made for its progress and advancement, and as I stand on the floor of the House, cognizant of the fact that I live in the greatest democracy in the world, I cannot help but think of the wisdom of past Americans who voted to keep it as an international example of government, promulgated and conducted by the people.

I am unalterably opposed to any form of government which would take as its basic principle the control of every phase of life within its borders as a governmental duty. I am strenuously opposed to communism, fascism, and nazi-ism. The only philosophy of government in which I am interested is the one we enjoy in this country—that of the American democracy.

I am heartily in favor of an investigation of un-American activities, which includes, in my mind, an investigation of every phase of political philosophy known to the world today as communism, fascism, and nazi-ism.

Let it be distinctly understood that this great country of ours and its governmental policies signify to me the only social order by which we can exist as a free and independent people. The devious methods employed by the Communists, in my opinion, should be excluded from our philosophy of life and government. The same holds true of the dictatorship of nazi-ism and fascism. I will vote for any investigation made against these types of government and will vote for any legislation that would forever drive from our shores those aliens who propagate and advance these theories.

It seems to me that if aliens in this country desire to benefit from our vast and great resources they should adhere to the American way of government, to wit, democracy. I would urge that every organization in this country have as one of its basic principles of existence the preservation and the allegiance to the American type of government, our form of government—democracy.

Therefore I want to make clear my stand when I say I am opposed to these "isms." I will vote for any legislation to curb them and prevent their spread in this country. However, I want to be fair and judicious, and I feel that an investigation conducted by a committee which negligently and carelessly allows itself to be used as a vehicle of character assassination ought not to be given the dignity and power of this great legislative body. I feel that the Dies committee, laudable of purpose as it is, and for which purposes I would fight to support any legislation and investigation, injudiciously and carelessly allowed witnesses to slander and malign great Americans without giving them an opportunity to appear in defense of their patriotism.

Permit me to reiterate that I stand for freedom of religion, freedom of worship, and freedom of speech, and I believe that any "isms" denying these rights should be ferreted out and exposed to the public gaze, as should their alien advocators within our shores.

At the same time, I do not believe in trial without defense. I believe in the American way of judicial procedure, which is to give every man and woman an opportunity to an honest defense, whether before a jury of 12 men and women, or before a jury of the American public.

For that reason, I am casting this vote as a protest against the methods used by the Dies committee in its investigation, and not as a protest against the basic principles upon which the committee was founded—which, as previously stated, I would vote for at any time, either in the shape of legislation or for an investigation.

The vote I cast today, therefore, is merely a protest vote in order to remind the committee that they must continue their investigation in the American way and in a judicial manner. I know that there is overwhelming sentiment, including my own, for this investigation, and I hope my feeble protest to the method used in the past by this committee, and which the chairman of the committee admitted on the floor of the House when he said, "We might have made mistakes," will be a beacon light in its future investigation so that they may continue their work in the American way and in a judicial manner.

The Spanish-American War

EXTENSION OF REMARKS

OF

HON. J. HAMILTON LEWIS

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Monday, February 6, 1939

ADDRESS BY A. F. W. SIEBEL, SEPTEMBER 17, 1936, AT MEETING OF EVANSTON CAMP 57, DEPARTMENT OF ILLINOIS, UNITED SPANISH WAR VETERANS

Mr. LEWIS. Mr. President, I tender an address delivered by Mr. A. F. W. Siebel, past judge advocate general, U. S. W. V. As it presents a brief résumé of the history of the Spanish-American War, it will be of interest to those who served in that war as well as to others. I ask that the address may be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The U. S. W. V., or United Spanish War Veterans, was born of men with a background of warfare that was unique in the history of nations. It arose from the ruins of wrecked humanity in an army that suffered more from the derilections of our own Governmen than from the firearms of the enemies. Men untrained, unequipped, and uncared for were sent against a trained foe who had not the courage to fight American men, who, by their dauntless energy, swept everything before them. A war humanity saw coming slowly but surely by reason of the tyranny of an absolute monarchy over helpless subjects in a neighboring island.

For centuries preceding our War with Spain, that tyrannical monarchy had misgoverned her colonial possession so severely that her subjects there were a pitiful, starved, helpless lot, and those in Cuba were dependent upon the charity of our people. Around Habana alone Clara Barton and her several agents fed 300,000 starving people. Several times the Cuban people made unsuccessful attempts to throw off the Spanish yoke but failed, and their punishment was most severe. One Spanish general, Martinez Campos, in answer to an order to enforce the demands of his Government, reported in 1878 as follows: "There are but two alternatives—one is to grant these people their just rights and the other is extermination, and I refuse to be the instrument of the latter." He was relieved and the inhuman punishment continued.

A state of rebellion existed in Cuba for some time prior to 1896, and President William McKinley said in his message of 1897 with reference to Cuba:

"The existing conditions cannot but fill this Government and the American people with the gravest apprehension. There is no desire on the part of our people to profit by the misfortune of Spain. We have only the desire to see the Cubans prosperous and contented, enjoying that measure of self-control which is the inalienable right of man, protected in their right to reap the benefits of the exhaustless treasures of their country.

"The cruel policy of concentration was initiated February 16, 1896. The production districts controlled by the Spanish armies were depopulated. The agricultural inhabitants were herded in and about the garrison towns, their lands laid waste, and their dwellings destroyed. This policy the late Cabinet of Spain justified as a necessary measure of war and as a means of cutting off supplies from the insurgents. It has utterly failed as a war measure. It was not civilized warfare. It was extermination."

And thus they starved the innocent children, women, and old men and reduced the manpower to ineffectual resistance. But perpetual resistance was the determination of the Cuban people.

We have mostly forgotten the conditions of Cuba, for misery is soon forgotten. The intervention of the United States was preceded by personal investigations of men of the highest integrity. The great Senator Thurston, of Nebraska, accepted an invitation of a New York newspaper to go to Cuba, investigate, and report. The Senator went, taking along his wife, who died there before their return. Upon his return he spoke in the Senate, in part as follows:

"I am here by the command of silent lips to speak once and for all upon the Cuban situation. I trust that no one has expected anything sensational from me. God forbid that the bitterness of a personal loss should induce me to color in the slightest degree that statement that I feel it my duty to make. I have no purpose to stir the public passion to any action not necessary and imperative to meet the duties and necessities of American responsibility, Christian humanity, and national honor. I would shirk this duty if I could, but I dare not. I cannot satisfy my conscience except by speaking, and speaking now. * * *

"Under the inhuman policy of General Weyler, not less than 400,000 self-supporting, simple, peaceable, defenseless country people were driven from their homes in the agricultural portions of the Spanish provinces to the cities and imprisoned upon the barren waste outside the residence portions of these cities and within the lines of entrenchments established a little way beyond. Their humble homes were burned, their fields laid waste, their implements of husbandry destroyed, their livestock and food supplies for the most part confiscated. * * * They were thus placed in hopeless imprisonment without food or shelter. * * * They were left there with nothing to depend upon except the scanty charity of the inhabitants of the cities and with slow starvation their inevitable fate. * * * Upwards of 210,000 of these people have already perished. The Government of Spain has never contributed one dollar to house, shelter, feed, or provide medical attention for these, its own citizens. Such a spectacle exceeds the scenes of the Inferno as painted by Dante. There has been no amelioration of the situation except through the charity of the people of the United States. * * * Spain cannot put an end to the existing condition. She cannot conquer the insurgents. She cannot reestablish her sovereignity over any considerable portion of the interior of the island and the revolutionists * * * cannot drive the Spanish Army from the fortified seacoast towns. * * * I never saw, and, please God, I may never again see, so deplorable a sight as the reconcentradoz in the suburbs of Matanzas. I can never forget in my dying day the hopeless anguish in their despairing eyes. Huddled about their little bark huts, they raised no voice of appeal to us for alms as we went amongst them. * * * The reconcentradoz—men, women, and children—starved, silent, famishing with hunger. Their only appeal comes from their

sad eyes, through which one looks as through an open window into their agonizing souls. * * * In Matanzas * * * there were 3,600 deaths in 3 months. In 1 day * * * 15 persons died in the public square in front of the executive mansion. * * * The ability of the people of Matanzas to aid is practically exhausted. * * * These people have no homes to return to. Their only hope is to remain where they are, to live as long as they can on an insufficient charity, and then die.

"The Government of Spain has not and will not appropriate one dollar to save these people. They are now being attended and nursed and administered to by the charity of the United States. Think of the spectacle * * * and yet there are those who still say it is right for us to send food, but we must keep hands off. I say that the time has come when muskets ought to go with the food.

"We asked the Governor if he knew of any relief for these people except through the charity of the United States. He did not. * * * I shall refer to these horrible things no further. They are there. God pity me; I have seen them—they will remain in my mind forever; and this is almost the twentieth century. Christ died 1,900 years ago, and Spain is a Christian nation. She has set up more crosses in more lands, beneath more skies, and under them has butchered more people than all the other nations of the earth combined."

That is the description of the conditions we faced as given by a great man.

Our consular representative pointed out the advantages to flow from the visit of national ships to the Cuban waters, in accustoming the people to the presence of our flag in the fulfillment of the mission of protection to American interests, even though no immediate need therefor might exist.

Accordingly, on the 24th day of January 1898, with the consent and approval of the Spanish Minister, the U. S. battleship *Maine* was sent to Habana Harbor, arriving there on January 25, and anchored at buoy No. 4 in 6 fathoms of water. A valiant crew she had—men who volunteered to serve at the outposts of our Nation and watch the horizon of the sea so that those nestling in the bosom of this hemisphere might sleep in peace and safety. They served where the billows surged back and forth, ever ready to respond to the wrath of the elements and to the call of duty; and there on that fateful night, February 15, 1898, they dreamed of the firesides back home, where America tenderly nurtured her future guardians. The god of dreams reigned supreme on board until Spanish treachery rent the ship asunder and sent 266 human souls to eternity. Fate decreed that sacrifice to the god of war that he, through his wrath, might restore 12,000,000 souls to their natural state of freedom and human existence.

On April 9, 1898, Congress adopted a resolution that the people of the island of Cuba are and of right ought to be free, demanding that the Spanish Government relinquish its authority and government in the island, and directed the President to call into actual service of the United States the militia of the several States to such an extent as might be necessary to carry the resolutions into effect. Spain deemed this a declaration of war and treated it as such. President McKinley called for volunteers and the American youth sprang from hill and vale, and, with a resolute determination to strike the tyrant's shackles from the limbs of oppressed humanity on this continent, kept step with the music of the flag until its spotless furls waved triumphantly from the ramparts of ancient castles, silently receiving the edicts of America's invincibility.

The motives that actuated our people in embarking upon a war for humanity were expressed in the proclamation of Gen. Nelson A. Miles to the people of Puerto Rico in language more eloquent than I could compose, as follows:

HEADQUARTERS OF THE ARMY OF THE UNITED STATES,
Ponce, P. R., July 28, 1898.

To the Inhabitants of Porto Rico:

In the prosecution of the war against the Kingdom of Spain by the people of the United States, in the cause of liberty, justice, and humanity, its military forces have come to occupy the island of Porto Rico. They come bearing the banner of freedom, inspired by a noble purpose to seek the enemies of our country and yours, and to destroy and capture all who are in armed resistance. They bring you the fostering arm of a nation of free people, whose greatest power is in its justice and humanity to all those living within its fold. Hence the first effect of this occupation will be the immediate release from your former political relations, and, it is hoped, a cheerful acceptance of the Government of the United States.

The chief object of the American military forces will be to overthrow the armed authority of Spain and to give to the people of your beautiful island the largest measure of liberty consistent with this military occupation. We have not come to make war upon the people of a country that for centuries has been oppressed, but, on the contrary, to bring protection, not only to yourselves but to your property, to promote your prosperity, and bestow upon you the immunities and blessings of the liberal institutions of our Government. It is not our purpose to interfere with any existing laws and customs that are wholesome and beneficial to your people, so long as they conform to the rules of military administration of law and justice.

This is not a war of devastation, but one to give to all within the control of its military and naval forces the advantages and blessings of enlightened civilization.

NELSON A. MILES,
Major General, Commanding the United States Army.

Mighty men came forth into the scenes of activities that have not received the credit due them. Beside that great soldier, Gen. Nelson A. Miles, we find the dashing cavalry leader, Gen. James A. Wilson, Gen. Joseph Wheeler, Gen. H. W. Lawton, Gen. Leonard Wood, General Chaffee, Gen. Arthur MacArthur, Gen. Elwell S. Otis, Gen. Fred Funston, Gen. Charles King, Gen. Lloyd Wheaton, Gen. John R. Brooke, Gen. Fitzhugh Lee, General Shafter, and others. And there were men of the sea with dauntless courage and ability whose names shine with splendor from the dome of our national history—Admiral George Dewey, Admiral Winfield Schley, Admiral Sampson, Admiral Richard Hobson, Capt. R. Evans, Captain Sigbee, Captain Philip, and many others. The leadership of those men inspired us on in the performance of our duties and the dash and vigor of Dewey's men at Manila characterized every engagement, whether on land or on sea.

Our Navy emerged from an unknown quantity to a powerful fighting unit. Never was a fleet of battleships crowned with such complete victory as ours at Manila and Santiago Harbor. They fought their battles as gentlemen of the sea and after the victors took the victims, Admiral Cervera reported to his Government as follows: (referring to our Navy): "They were chivalrous and courteous; they clothed the naked, giving them everything they needed; they suppressed their shouts of joy in order not to increase the suffering of the defeated; and all vied in making our captivity as easy as possible."

After the naval battle at Santiago Admiral Schley's report to Sampson says:

"I have never in my life served with a braver, better, or worthier crew than that of the *Brooklyn*. During the combat, lasting from 9:35 a. m. until 1:15 p. m., much of the time under fire, they never flagged for a moment, and were apparently undisturbed by the storm of projectiles passing ahead, astern, and over the ship. The result of the engagement was the destruction of the Spanish squadron and the capture of the admirals and some thirteen to fifteen hundred prisoners, with the loss of 600 men estimated by Admiral Cervera.

"The casualties on board the *Brooklyn* were: Chief Yeoman G. H. Ellis, killed; Fireman J. Burns, severely wounded.

"The marks and scars show that the ship was struck about 25 times, and she bears in all 41 scars as the result of her participation in the great victory of your force on July 3, 1898. The speed-cone halyards were shot away, and nearly all the signal halyards. The ensign at the main was so shattered that in hauling it down at the close of the action it fell in pieces."

Admiral Cervera also said after the conflict:

"There could be no doubt as to the outcome, but I should never have believed that our ships would be destroyed so rapidly."

After the destruction of his fleet, Cervera jumped into the water, followed by his son and two seamen. He was picked up and placed aboard the U. S. S. *Gloucester*. This vessel had several hundred insurgents on board, several of them wounded. The rebels said to him if he would go with them they would assist him. He refused, saying, "We have surrendered to the Americans." The proud old Spanish man of the sea maintained the traditions of his fighting sphere.

But they say that the War with Spain was a picnic and that no particular hardships were endured. Were they? Let's read the record.

It started with the blowing of 266 human beings into eternity. Human beings that considered life worth living, even as you and I. Then President McKinley called for volunteers and 300,000 American youths sprang to arms, realizing that they would be sent to southern climates laden with malaria and yellow-fever germs where Spanish battleships and land troops were watching for an opportunity to send them to their graves.

Our men had no training and no equipment with which to protect themselves. In some instances they were drilled with sticks and in others antiquated single-shot, black-powder Springfield rifles, in the subsequent use of which they exposed their location as an admirable target for the enemy. The Spaniards did take advantage of this with death-dealing instruments of warfare that were up to date, and if their degree of patriotism to fight for their country with first-class equipment had been one-half as ardent as ours was with antiquated equipment, your Republic might have sustained some severe losses. Let's read the record of Admiral Dewey:

On April 6 Dewey purchased the English steamship *Nanshan* and her cargo of over 3,000 tons of Cardiff coal and engaged the services of her crew. Three days later he purchased for $90,000 the Manila-Hong Kong steamship *Zafiro* and her provisions in full and placed aboard of her all his spare ammunition. The crews of the squadron were already putting the dull, dark, drab war paint on their vessels when, on April 24, Dewey received the following dispatch from Washington:

"War has commenced between the United States and Spain. Proceed at once to Philippine Islands. Commence operations at once, particularly against the Spanish fleet. You must capture or destroy. Use utmost endeavors."

To read the report of the Battle of Manilla by Admiral Dewey sounds like a fairy tale. May I relate some of the preparations he made and a part of his report.

As early as January 27, the Chief of the Bureau of Navigation ordered Commodore Dewey, then at Yokohama, Japan, to retain until further orders the crew of the squadron whose terms of enlistment had expired, and on the day of the blowing up of the *Maine* the Assistant Secretary of the Navy sent him the following telegram despatch:

"Order the squadron, except the *Monacacy*, to Hong Kong. Keep full of coal. In the event of a declaration of war with Spain, your duty will be to see that the Spanish squadron does not leave the Asiatic coast, and then offensive operations in Philippine Islands. Keep *Olympic* until further orders."

Dewey lost no time and reports:

"MANILA, May 1.—The squadron arrived at Manila at daybreak this morning. Immediately engaged enemy and destroyed *Reina Cristina, Castilla, Don Antonio de Ulloa, Don Juan, de Anstra, Isla de Luzon, Isla de Cuba, General Lezo, Marquez del Duero, El Correo, Velasco*, 10 capital ships and a transport. I shall destroy Cavite arsenal dispensatory. The squadron is uninjured. Few men slightly wounded. I request the Department will send immediately from San Francisco fast steamer with ammunition."

On May 4 Dewey took possession of Cavite and destroyed its fortification and cut the cables to the mainland. He reports further:

"I was unable to obtain complete accounts of the enemy's killed and wounded, but their loss was very heavy. The *Reina Cristina* alone had 150 killed, including the captain, and 90 wounded.

"The damage done to the squadron under my command was inconsiderable. There were none killed, and only seven men in the squadron very slightly wounded. Several of the vessels were struck and even penetrated, but the damage was of the slightest, and the squadron was in as good condition as before the battle."

On the 3d and 4th of May Dewey took possession of the island arsenals, effected safe landing, was in complete control, and the Spanish squadron was no more. A busy 4 days for our comrades.

When Schley engaged the Spanish fleet in a running fight until he plugged them one by one until scores of first-class battleships were either sunk or captured, it was not a game of pleasant pastime but a superhuman effort that wrecked men in a supreme sacrifice. It was death to one side or the other.

The trip of the battleship *Oregon* from the Pacific around the horn of South America to Cuba to engage in battle was no frolic.

The charge at El Caney and San Juan Hill and trench life around the swamps of Santiago was no picnic.

The forced marches through the hills of Puerto Rico in uniforms fit only for the icy northland and the complete victory in all engagements was no game of pleasantries.

Seven hundred and seventy-eight engagements were successfully fought under the torrid heat of the Philippine sun, and that required real men.

Listen to the tale of Company C of the Ninth United States Infantry. After assisting in quelling the Boxer uprising it remained for duty in China for a year, later guarding Aguinaldo as a prisoner of war, and then was sent into the mountains to subdue the savages who were burning towns and murdering civilians. They passed through a trackless jungle cleft by immense mountain gorges, fording deep and rapid streams, through dense forests of the mountains, where enemy spring traps and pitfalls with sharp pointed stakes at the bottom cunningly covered with earth and leaves awaited the unwary as instruments of torture and death. They arrived at Balangiga with 78 men and were there brutally slaughtered by treacherous natives, leaving only 25 men alive.

And there were sacrifices in many places as tragic as all of these.

The most inexcusable crime was the absence of food, medical supplies, and sanitary measures for the preservation of health. Embalmed beef that permanently impaired the health, fever for which no medical aid was available, and a Medical Corps that was a sham and disgrace.

Sanitation and care of men was unknown or unheeded. After we captured Santiago, the whole army of invasion would have been wiped out in 2 more weeks by fever if the War Department had not finally yielded to the almost insubordinate demands of the officers that the force be taken away while any of the soldiers were still able to walk. We recall distinctly the death transports which brought back the fever-stricken troops. A little more resistance at Washington that the men remain uselessly in the malarial districts and none of them would have returned.

An inexperienced nation, unprepared in equipment, organization, and knowledge, tried to fight a war and punished its soldiers much more severely than the enemy injured them.

Significant figures of the Spanish War are these:

Killed in action, and died of wounds	1,704
Died of disease	8,933
Total deaths	10,637

You will, therefore, see that approximately five times as many men were taken by disease, than were killed in action, with no figures at hand to indicate how many died of disease after they returned home.

This is an indictment of men assigned to guard the health of our troops, men who long ago were convicted at the bar of public opinion, and whose punishment was fixed at eternal shame.

The Spanish War, taking Regulars as volunteers, which they were, was 100 percent volunteers. The Civil War had 62 percent volunteers, and the World War 36 percent. It lasted from April 9, 1898, to July 2, 1902, with an average length of service per man of 14 months. The men engaged in our various wars were:

The Revolution	309,791
War of 1812	576,622
Mexican War	112,230
Civil War	2,778,304
Spanish War and Philippine Insurrection	459,474
World War	5,019,874

Americans in foreign service:

Civil War		Navy only
Spanish-American War	percent	61
World War	do	46

Ours was an army composed entirely of volunteers, the most patriotic and worst-treated army ever assembled by the American Republic. No American troops were ever so completely deprived of what the Government could well afford to provide for them, but disgracefully permitted to drift into the coffers of private grafters who enriched themselves at our expense.

The achievements of our Army, notwithstanding the embarrassments of its limited equipment and transportation and the scandal of its corrupt food supply, were successful to a marked and unprecedented degree. The campaign was aggressive from start to finish. Not a single reverse or disaster occurred. Not a single soldier, gun, color, nor an inch of ground was captured by the enemy. Twelve million people were liberated from despotism and our victorious Nation became a world power. The war cost us $1,200,000,000 and we received in return property worth $8,000,000,000. No war was ever so profitable to us in dollars, but none was ever conducted so inefficiently in the care of men's health.

In that conflict we plucked victory from the mouths of Morro Castle; dashed the Spanish Navy to the bottom of the sea; swept away all resistance of the Philippines; planted Old Glory on the mountain peaks of Puerto Rico; and gave liberty to a worthy people struggling against tyranny. The celerity and completeness of our work was the marvel of the nations of the world.

The youth of the South fought beside the youth of the North, and for the first time we destroyed every vestige of sectionalism and healed the wounds of the Civil War. The past was forgotten and by reason of that war we became a united people. No East, no West, no North, no South; one great, grand country, magnificent in motives, invincible in power.

We came, we saw, we conquered. And then we returned from whence we came and our grand columns of volunteers faded away among the civilians at home like mist before the sun and as active soldiers we were no more. And what was it all for? What inspired us to answer the call of President McKinley? All for the glory of a government we believe in, a government founded by soldiers, preserved by soldiers, and glorified by soldiers. A Government welded together by the wisdom of the ages. A government that safeguards our liberties but only so long as men are willing to fight for its preservation. No one wants war, particularly the men that must carry the burden of the conflict, but there is no security unless man gives it, and ingratitude will eventually receive a deaf ear.

The soldier volunteers with faith in the Government that it will care for him when afflictions come. He enlists with a feeling that if his services deprive him of earning capacity his Government will make good. And woe to the government that neglects its duty to the man that made it. When men feel that governments have not kept faith, then governments will perish.

With unrest and insecurity prevailing, men of wealth are apprehensive of the future. And well may they be so, for avaricious and uncontrolled mobs are but samples of hordes that would overrun the world if it were not for the fidelity of the men that gave and give them security. Such men should realize that if the heroes of yesterday are to be the paupers of today, volunteering for war service will cease, and conscripting men will be dangerous. Present civilization has not and will not abolish war. The impractical dreamer may talk of orderly tribunals and learned referees; we may sing in our schools the gentle praises of the quiet life; we may strike from our books the last note of every martial anthem, but until race distinction disappears and the judgment of all men come to the same conclusions wars will come and wars will go. Men may prophesy and women may pray, but universal peace will come here to abide only when the innocent dreams of childhood are the accepted charts to guide the destinies of men.

The U. S. W. V. was organized to keep alive the spirit of comradeship planted within our breasts while rendering common service under one flag. Four hundred and fifty-eight thousand men were engaged in a short but decisive conflict. Of those, but 179,069 men remain. They are passing on at the rate of 6,000 comrades a year. One hundred and six thousand four hundred and ninety-four of these belong to the U. S. W. V., with 5,615 of them in Illinois, with their monthly meetings and continual exhortations to the youth of our land for patriotic devotion to the Government we fought for. A government that may not be perfect, but is the best that has yet been devised by the mind of man. A government whose edict we obeyed by going forth to fight your battles and gave you victory from wherever we went. A government that must not be overthrown but must be perfected by a process prescribed. If we deviate from the process, the substance will fail. The United Spanish War Veterans stand for strict adherence to law and honesty in public affairs. We engage in no marches to the Capital and want no Treasury raids, but we insist upon teaching those that gather riches unto themselves while soldiers and sailors fight their battles, that those possessions are secure to the owners thereof only so long as men are willing to fight for them, and we further insist that men who made and saved our Government be given adequate compensation for those services, whether in the form of pensions or whatever it may be designated. We tarry here only a few more years, but while we're here we intend to carry along the lines our forefathers planned.

A Giant Conspiracy Against the Consumer

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, February 6, 1939

RADIO ADDRESS BY HON. EMANUEL CELLER, OF NEW YORK, ON FEBRUARY 4, 1939

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD I include a radio address delivered by me over radio station WABC, at New York City, and the Columbia network, Saturday evening, February 4, 1939, at 10:45 to 11 o'clock, eastern standard time:

From time to time during the past few years I have raised my voice in speeches over the radio and on the floor of Congress to sound a warning against legislation that penalizes the consumer—making him pay more.

This type of legislation has masqueraded under high-sounding names and has been loudly proclaimed to be designed for very laudable purposes. But when the false whiskers were stripped away and the disguising make-up removed, there stood revealed in each case the same old greedy purpose of legislating profits into the pockets of certain types of middlemen. And, of course, there is usually only one place that these extra profits can come from, and that is out of the pockets of the consumers—you and me and the millions of others who have to spend most of what we make merely to feed and clothe and house ourselves and our families, educate our children, and provide for our old age.

When as ranking member of the Judiciary Committee of the House I attacked certain hidden features of the Robinson-Patman bill back in 1936; when I denounced as price-fixing and price-raising measures the misnamed Fair Trade Acts enacted by unsuspecting State legislators and later made effective in interstate commerce by the Federal Miller-Tydings Act of 1937; and when last year and today I denounce the Patman anti-chain-store bill, proposing to tax the chain stores out of existence, I have always had in mind those millions of consumers who are being forced to pay more.

Fortunately, the efforts of myself and others were successful in eliminating some of the worst features from the Robinson-Patman bill as it was presented in its original form. And I predict here and now that the Miller-Tydings Act will not long remain upon the statute books—at least, not in its present form. Even the Attorney General's recent report clearly indicates this. The Patman anti-chain-store bill not only lost many of its supporters in the last congressional election but the people are rapidly awakening to this particular threat to their pocketbooks and are letting Members of Congress know in no uncertain terms that they will not stand for the placing of special punitive tax burdens on chain stores for the mere purpose of giving some other special group of distributors a chance to extract higher prices and profits from the consumer's pocketbook.

As I have said, only a few of us in Congress saw the ugly claws of selfishness and greed concealed under the fine wrappings of high-sounding words and phrases such for instance, as "prevention of price discrimination," "fair trade," "equality of opportunity," "help the little man," and similar emotional expressions designed to deceive legislators and catch votes. We in Congress saw the terrific pressure that was brought to bear upon us by highly organized minorities, particularly by the National Association of Retail Druggists, organized in every congressional district of the United States, who did not merely ask but demanded that Congressmen do their bidding—the most amazing case of ruthless lobbying by a small minority that I have ever seen during my 17 years in Congress.

But it took a great national business scandal—the notorious McKesson-Robbins case—to bring out fully the picture of the huge plot and conspiracy against the consumer's pocketbook, which I will now try to describe.

First you must realize that the present McKesson-Robbins Co., which Mr. Coster-Musica put together, includes some 64 large wholesale drug and liquor distributing houses scattered over all parts of the United States. These wholesale houses sell very largely to independent retail druggists, since the chain drug stores that buy in large volume go direct to the manufacturer and get their goods at less cost because they can save some of the expense when dealing in this way. One step in the distributing process, namely, the wholesaler, is largely removed.

Mr. Coster-Musica dominated the National Wholesale Druggists' Association not only because of his large ownership of wholesale drug houses over the United States but also because of his willingness to spend money on legislative matters. Incidentally, the vice president of McKesson-Robbins was president of the National Wholesale Druggists' Association; so Mr Coster-Musica said to his associates, in effect, "Let us get a law enacted that will freeze the wholesaler into the distribution picture, so that he can never be destroyed, by preventing the manufacturer from giving the large retailer, whether chain or independent, as much of a discount as the manufacturer is now giving him."

This scheme, if successful, would, of course, tend to force all goods to flow through the wholesaler rather than directly to the retailer or consumer. The wholesale druggists found the United States Wholesale Grocers' Association just as selfish. So they joined forces in this attempt and widened the conspiracy against the consumer.

Then they espoused the so-called anti-price-discrimination bill. There were certain parts of this Robinson-Patman bill that were excellent in purpose. There were certain bad practices in the relations between manufacturers and distributors that needed to be cleared up. Mr. PATMAN is to be commended for his efforts to eradicate these evils. No one that I know of opposed the parts of the Robinson-Patman bill which covered unfair discrimination in prices as between purchasers. All the propaganda and ballyhoo was directed at these bad practices that needed to be corrected. But when I and others, in Congress and outside of Congress, endeavored to show that the real purpose of the bill in the minds of its druggist and grocer backers, and as admitted in one paragraph of the report of the Senate Judiciary Committee, was to prevent economies of mass distribution from being passed on to the consumer, thereby favoring the wholesaler and small independent dealer, and "framing" the consumer, we were branded as enemies of the small dealer.

Of course the wholesalers kept in the background. The "front" was put up by the retail druggists and a few retail grocers. These retailers were told—and I quote directly from Mr. PATMAN's statement on the floor of the House on March 9, 1936—"If the Robinson-Patman bill is enacted into law, all merchants will receive the same prices from the manufacturer that the chain stores now receive." With that prize dangled before the small inefficient dealer, it is no wonder that they went to work on their Congressmen in most vigorous fashion.

It was an amazing thing to see the small-store keepers being used as cat's-paws to pull the chestnuts out of the fire for the big wholesalers like the McKesson-Robbins Co.

While we succeeded in getting some very important changes in the language and interpretation of the Robinson-Patman bill, the consumer is still penalized by this legislation.

The next step in this Nation-wide plot of certain wholesalers to legislate themselves into an unfair, uneconomic, and artificially advantaged position consisted of the so-called fair-trade acts railroaded through most of the State legislatures without public hearings and under such gross misrepresentations that few legislators and practically no consumers knew what was going on. This legislation was also largely stage managed by Mr. Coster-Musica, and large sums of McKesson-Robbins were spent in lobbying these bills through the State legislatures. In Connecticut a grand-jury report last May showed that Coster-Musica and some retail druggists spent many thousands of dollars in improper efforts to influence legislation. Some of those who were indicted in this connection in Connecticut later pled guilty. While Connecticut is the only State in which such outrageous conduct has been officially brought to light, there were a number of other States in which extraordinary methods were employed to get the so-called fair-trade bills through the legislatures, and which may soon be exposed.

What were the National Wholesale Druggists' Association and the National Association of Retail Druggists trying to gain from these State and Federal price-fixing laws? Here again they practiced outrageous deception. Members of the State legislatures and voters were grossly and deliberately misled. They were told that these were not price-fixing bills; that all they, the druggists, wanted was the right to set minimum or "floor" prices to prevent "loss-leader" selling—sales below cost. But now that these laws are on the statute books what do we find? We find that instead of being mere "floor" or "minimum" prices, these fixed prices are the actual profitable selling prices in 90 to 95 percent of the cases. It has become a guaranteed profit-fixing scheme. We find also that instead of being used for the protection of the manufacturers, as was represented, the druggists' associations, both wholesalers and retailers, have turned the law around and are coercing and intimidating the manufacturers into fixing higher profits for the distributors. The majority of manufacturers never did want this legislation, which was represented as being passed for their benefit. This is just another illustration of the deception practiced by those backing this bill for their own selfish ends.

But remember this, Mr. and Mrs. Consumer, the wholesale and the retail druggists simply can't get bigger margins of profit unless they charge you higher prices. Again you get it in the neck.

Now we come to the third step in this gigantic conspiracy, namely, the Patman antichain store bill—a bill frankly designed to burden chain stores so heavily with punitive taxes that the larger chains will be completely destroyed and the others terribly crippled.

I have high regard for my colleague, Mr. PATMAN, the distinguished gentleman from Texas. I admire his perseverance, but I fear he is enthusiastically misguided.

Since you are now beginning to see the broad outlines and purposes of this wholesaler-retailer plot, I give you three guesses as to what forces are actively behind this Patman anti-chain-store bill. Your guess is right. Most of the same pressure groups that forced the passage of the Robinson-Patman bill and the price-

fixing bills. The National Association of Retail Druggists, backed and supported by the wholesale druggists and the wholesale grocers, are today using the very same high-powered tactics they used in lobbying through the other bills. Every Congressman in his home district is waited upon by a delegation of druggists and importuned to support the Patman bill. If he refuses, he either is or will be threatened—if the druggists run true to the form they used in lobbying for the Robinson-Patman and the Miller-Tydings bills.

You, Mr. and Mrs. Consumer, do not need anyone to explain to you what it will mean in dollars and cents—in your everyday costs of living—should these plotters be successful in this third step of their giant conspiracy as they have already been partly successful in the other two steps.

If the chain stores are either forced out of business or so loaded with special punitive taxes as to be compelled to raise their prices to about the level of the inefficient independent retailer, you know what that will mean to you in the way of increased living costs. Mr. Donald Richberg said in a speech recently that it would be equivalent to something like a 10 percent cut in wages.

It should be noted here that the efficient independent merchants are not asking for this legislation. Thousands of them—particularly grocers—have banded together and adopted chain-store methods and are doing very nicely. They do not ask for any legislative handicap over their competitors. It is the wholesalers who find themselves pressed and in some cases crowded out of the picture, and their services performed at less cost by other and more modern methods. It is they and the small inefficient independent druggists and grocers who have failed to keep up with modern progress who want the Patman chain-store tax bill enacted into law.

How long, I wonder, is Congress going to allow itself to be led around by the nose by a little group of some 20,000 retail druggists and a few hundred wholesale druggists? They are the arch conspirators. They, together with a few scattered grocers' groups who support this legislation, make up less than 5 percent of the retailers of this country. They represent far less than one-tenth of 1 percent of the population of this country. Isn't it about time that the consumers, who represent 100 percent of the population, wake up and come a little closer to exercising their true weight in this situation?

Fortunately that is just what they are doing. During the past year a tremendous change has taken place in consumer activity in these matters. Three great national farm organizations—the American Farm Bureau Federation, the National Grange, and the National Cooperatives Council—also the American Federation of Labor, many national women's organizations, the American Newspaper Publishers Association, the National Association of Real Estate Boards, and scores of other powerful groups, have all gone on record as vigorously denouncing legislation of this type.

If consumers' groups will keep up this display of intelligent interest and will let their State and Federal legislators know what they think about these laws and proposed laws, I can promise you not only that no more legislation of this type will get on the statute books, but that existing State and National laws will be critically scrutinized and either repealed or revised so as to serve the consumers' interest instead of penalizing them. At least this conspiracy against the consumer will have been scotched.

Coster Musica, with all his criminal activities and his spectacular exit from this life, may have done the consumer a service. Perhaps it required some dramatic exposé of this kind to warn the consumer of the dangers involved in these insidious legislative trends.

Now that you have had the veil drawn back and have had a good look at the three-phase conspiracy aimed at your pocketbooks, I trust that you will make your views known to your Congressmen and your State legislators.

The Federal Chain-Store Tax Bill Should Become a Law at This Session of Congress

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1939

RADIO ADDRESS BY HON. WRIGHT PATMAN, OF TEXAS, FEBRUARY 5, 1939

Mr. PATMAN. Mr. Speaker, permission having been granted February 2, 1939, I am inserting herewith a copy of an address delivered by me February 5, 1939, at the Department of Interior auditorium, and also broadcast over WOL, Mutual Broadcasting System, American Forum of the Air, on the subject of H. R. 1, the Federal chain store tax bill, as follows:

Ladies and gentlemen, Should H. R. 1, a bill providing for a Federal tax on retail stores, be enacted into law? This is the question under discussion.

The importance of such a law does not lie so much in the actual collection of revenue as it does in the method of correcting a bad economic system.

TAX APPROACH NO NEW PRECEDENT

For many years both major parties, Republicans and Democrats alike, have used the taxing power of Congress to reach a worthy objective when an otherwise direct approach to the problem was held doubtful as to constitutionality.

WILL NOT DESTROY ANY CHAIN COMPANY

If this bill is passed, it will not destroy chain-store companies, but it will regulate the selfishness and prevent much of the greed of the few money masters who operate them. There are now approximately 1,500 chain-store companies in the United States. The average chain has 35 stores, yet the tax under this bill will be so small that such an average chain will have no reason to object to its payment.

OBJECTIONS FROM 1 PERCENT

Objections to this proposal come from the 1 percent of chain-store company heads who operate principally from Wall Street and who seek absolute control over the retail distribution of this Nation. Such demonstrated greed should be restricted by law in order that many other people of this country may also have an opportunity.

NO BENEFIT TO PEOPLE DESTROYED

No benefit claimed for the people through the chain-store system will be destroyed by the passage of this bill, which will seriously affect only 1 percent of the chain-store companies and will not affect voluntaries and cooperatives that are individually owned.

WILL 10-PERCENT SAVING COMPENSATE FOR DISADVANTAGES?

Representatives of chain-store systems say that the people save about 10 percent on their purchases through the great multiple-store networks. I concede such a saving is possible while the chains are busy destroying independent merchants in any locality. But when they eventually get control the prices always go up again. If the consumers get this saving, they will continue to get it if this bill passes, since it will only seriously affect about 1 percent of the chain-store companies.

Is a 10-percent saving, if obtained, sufficient to compensate the people for their losses through a chain-store system operating principally from one city? The losses through such a system are putting millions of people out of work, draining net profits from local communities, and pouring them into a few banks in one city, thereby putting control of the wealth of the Nation into the hands of a very few men. These losses are also creating a monopoly for the benefit of the few; destroying local communities, which include homes, churches, and schools; destroying the competitive system that has helped to build this country. These losses are creating a Fascist state.

BILL MUST BE IN PUBLIC INTEREST

Passage of this bill cannot be justified in order to assist the competitors of chains. The people themselves must be convinced that this bill is definitely in the public interest; otherwise it should not be passed.

WHAT ABOUT CONSUMER?

"What about the consumer?" is the first question that is usually asked. Who is the consumer? He is a customer of the retailer. He is anxious to buy for a fair price. It is not in the consumer's interest to be a party to any system that will force prices so low that the purchasing power of the farmer, or the pay of the wage earner, suffers destruction. For if they are destroyed, they, too, will become the unhappy victims of an uneconomic system. We must have good prices and good wages.

FARMER TO BE CONSIDERED

The people who live in the cities realize now, more than ever before, that they "are their brother's keeper"; that they must "let live" as well as "live"; and that if the farmer works for starvation wages, he cannot buy what is produced by the people who live in the cities. Therefore, the city consumer is harmed—not helped—through such a system. The consumer is entitled to a fair price and should not want to become party to any scheme that robs the farmer of a fair opportunity to make a living.

OPPORTUNITIES FOR YOUNG AND OLD TO BE CONSIDERED

In addition, many consumers have sons and daughters who are preparing themselves for careers in business. What chance will these young people have if a few men control the privileges and opportunities of our Nation?

The consumer is also thinking about the time when he will become 35 or 40 years of age. He wonders what will happen to him if he should lose his job? He could not obtain employment from one of the large chain store concerns because he would be too old. Should the opportunity of going into business for himself, to earn a livelihood, be foreclosed to him in order to give a few people such great advantages? I say emphatically "No."

So, if the consumer is forced to pay a few cents a day extra in patronizing independent businessmen, it only represents a good insurance premium toward granting equality of opportunity to his children when they step out into life's battles, and an opportunity for himself if misfortune should overtake him at a time in life when he will not be employable in private industry.

WATCHMAN FOR PEOPLE

A Member of Congress is supposed to be a watchman for the people. If he sees danger approaching the public, it is his duty to warn, even though it would be much more pleasant and profitable for him to remain quiet.

It is my belief that the concentration of wealth and power through the 1 percent of the chain-store systems of this country is a very great evil, and I believe it my duty to call the people's attention to this problem in the hope that the people will correct it. We must view it not from the standpoint of today so much as 5 years or 10 years from now. We must all take definite steps to make this country a better place in which to live in the future. Government must protect the weak against the strong as its first duty.

Every business cannot be conducted by local people or people within one State, but we are safe in saying that there are certain types of business that local people will conduct if they are given the opportunity to do so. I refer to banking and retail distribution.

NO INTERSTATE CHAIN BANKING

Today banking is so safeguarded from chain monopoly that it is a violation of the law for one bank to own a branch in another State. Our bill, if passed, will adopt the same policy for retail stores.

FARMERS WELFARE INVOLVED

How will the farmer be affected by this bill?

The large chains have framed up on the farmer and practically ruined him. Recently the largest chain in America carried the following advertisement all over the Nation. I quote:

"We have got food prices pinned down to startingly low levels and are holding them down. We will keep them down—way down—every day in the week."

That statement means that the producers of dairy products, poultry, eggs, tomatoes, potatoes, and all fruits and vegetables will continue to receive below the price of production in order that this concern might control prices and get a firmer monopolistic grip upon the throats of the American people.

Mr. City Consumer, I plead with you to study this question. It goes back much farther than saving a few cents on farm products. Farmers work hard. They are entitled to a fair price and a sufficient income to enjoy the American standard of living, which they are not getting.

These big monopolistic concerns are destroying farm prices, placing farm families upon starvation, depriving farm children of an opportunity in life. And doing all this in your name and claiming that, as chains, they are a great benefit to you, the city consumers.

Time and time again the Federal Trade Commission has reported, in effect, that the 1 percent of the chain store companies (seriously affected by this bill) are operating against the interest of the farmer.

MIDDLEMEN WERE TO BE ELIMINATED

When the interstate chain-store system started operation, the claim was made that producers would enjoy greater profits; that consumers would benefit through increased savings; that definite economy would result through elimination of wholesalers and by taking traveling men off the road.

What happened? Why, the chain managements immediately set up their own wholesale houses and saved not one penny on distributive expense. They caused hundreds of thousands of traveling men to be taken off the road and thus seriously affected our unemployment problem. At the same time they have not saved the consumer one extra penny and have not given the producer one extra penny.

The United States Government figures disclose that the spread between the producer and consumer is much greater under interstate chain-store domination than under the old competitive system.

So, the move that threw thousands of people directly into unemployment, also poured millions of dollars into the pockets of a few Wall Streeters. It also gave added millions to a few ambitious American girls, who took the money to foreign lands for their count husbands and no-account husbands to spend abroad.

CERTAIN INSURANCE COMPANIES AND INTERSTATE CHAINS

Obviously a long discussion is impossible. But in the brief time remaining, I desire to invite your attention to the following: I am informed that executives of certain large life-insurance companies, seeking a place in which to invest their funds, and representatives of certain large chain-store systems anxious to control retail distribution (and willing to pay high rent in certain localities) have been conferring.

ALL TOWNS OF 1,000 OR MORE TO GET CHAIN BUILDINGS

It is contemplated that the insurance companies will construct buildings in towns and cities, down to 1,000 people, and rent to the chains for operations. Each building, to be constructed, will be sufficiently large to accommodate the chain companies necessary to do the retail business of that particular town. Then if an effort is made to curb the greed of these absentee owners, it will be pointed out that the insurance money of widows and orphans is tied up in these buildings.

Suppose they get by with this contemplated plan? What will happen to community life in America? There will be no local bank, no local lawyer, no local insurance agent, no local print shop or newspaper, and certainly no local druggist or grocer.

What will be the economic consequence of such a condition? We will have a nation of clerks and no one sufficiently able to support community life. Will we have more opportunities for all, or will we let a few men in Wall Street own, control and dominate these privileges?

Would you, the consumer, rather buy from a New York concern, in order that you may save a few cents a week, or would you encourage local business in your own community which might eventually be in the hands of your son or yourself?

NET PROFITS SHOULD REMAIN IN COMMUNITY

Net profits are the foundation stones upon which your community is built. If net profits remain, they go into your local bank and become a reserve that may be expanded to accommodate local credit needs. If net profits leave your town they go to buy automobiles in some other place; they build churches and schools in some other place or they swell the wallets of people who do not need more money.

The farmer's gross income has drastically decreased during the rapid expansion of the interstate chain-store system. I say to you that interstate chains are either a good thing to be encouraged or a bad thing to be curbed.

THINK IT OVER

The best way to judge this problem is to consider what would happen if interstate chains had monopolistic control of all retail distribution in this country. In other words, if one building, of sufficient size to accommodate the retail needs of a town of from 1,000 to 5,000 people, should be constructed in such towns, what would happen to them? Would these towns grow and be prosperous or would they decline and be destroyed? Think it over.

INDEPENDENT MERCHANTS BEING PUT OUT UNFAIRLY

In determining the amount of business that is being taken over by the vast network of interstate chains, do not consider the whole United States, as that is not a fair illustration.

Consider only those areas where chains operate and consider the volume of business done by them in these areas. Do not resort to the dodge of including lines of business in which chains are not engaged and the small establishments in areas where chains do not operate.

IF PEOPLE WANT THIS LAW IT WILL BE PASSED

Remember this bill is in favor of you, your children, your home, your community, your State, and your Nation.

This bill—the Federal chain-store tax bill—will become a law only by the will of the citizens of the United States.

The unmistakable voice of the people will be heard by Members of Congress who are always alert to the desires of constituents.

Write to your Congressman and let him know how you feel about this community preservation proposal. Those of you who wish more detailed information regarding H. R. 1 may obtain it by addressing your request to my office—Congressman Wright Patman, Washington, D. C.

Thank you very much and good evening.

P. W. A. Writes a New Chapter

EXTENSION OF REMARKS

OF

HON. SAM RAYBURN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1939

RADIO ADDRESS BY HON. HAROLD L. ICKES FEBRUARY 6, 1939

Mr. RAYBURN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address entitled "P. W. A. Writes a New Chapter," by Federal Public Works Administrator Harold L. Ickes, delivered on Monday, February 6, 1939, from Washington, D. C.:

Seven months ago I reported to the Nation that P. W. A. was on a timetable; that it was facing a task on a schedule that would test its mettle to the utmost. You will remember that when the new P. W. A. program was authorized by Congress, the business cycle had taken another downward swing. Industrial activity was falling off. Unemployment was rising. It was necessary that a quick remedy be applied and the Nation again turned to the Public Works Administration.

P. W. A. met the emergency of 1938. Alert to the task ahead of it and fully conscious of the heavy responsibility involved, the Public Works Administration went to work. Today, P. W. A. is on time. Its undertakings are 100 percent under construction. Employment at the site of construction and in the mills and factories supplying materials is rising. The program is exerting its expected regenerative effect on the Nation's economy.

Seven months ago I discussed the difficult assignment given to P. W. A. Congress, trying a new experiment, had written in the law specific time limitations in the form of three dead lines which P. W. A. had to meet. These were: (1) That no application could be accepted after September 30, 1938; (2) that all projects receiving P. W. A. funds must be under construction by January 1, 1939; and (3) that the entire program had to be completed substantially by July 1, 1940. To make this program possible, Congress authorized a fund of $965,000,000, which, under the P. W. A.

system, was enough to finance more than $1,500,000,000 worth of projects.

The Nation was quick to respond. Cities, States, and other public bodies poured their applications into P. W. A. for needed physical improvements. By September 30 our offices were swamped with 12,814 requests for projects. Obviously, this was far in excess of what we could undertake with the funds available.

Approval of projects was started immediately upon the signing of the bill. But after the flood of applications ceased, we still had the immense job of getting under construction the projects we had approved. One difficulty derived from the fact that Congress had decreed the inception of a gigantic construction program at exactly the time of year when the construction industry normally tapers off for winter. But despite this handicap, by January 1 we had achieved our goal. I was able to report to President Roosevelt that we had put more than $1,500,000,000 worth of substantial construction under way in 143 working days. Within 6 months we had actually started construction on nearly 8,000 projects.

It is a simple thing for me to tell you that within 143 days we had started work on 8,000 projects, yet it is difficult in a few words to give an adequate idea of the immensity of the task. In every part of the land, towns, cities, and public bodies assembled plans, let contracts, and started work on a myriad of projects. The sounds of steamshovel and pneumatic hammer resounded everywhere. The construction of the ancient pyramids, fabulous as they were, was a small undertaking in comparison to what went on in our own country between last July and December.

To create a composite picture instead of giving you cold figures, let us imagine the building of a gigantic P. W. A. city capable of rendering service to many millions of people. Let us imagine that this was the job assigned to P. W. A. This meant starting work on a municipality of 2,798 schools and other educational buildings and 154 electric power plants.

It meant the construction of a city to be serviced by 481 sewage systems and 304 disposal plants. This composite city to be built by P. W. A. would have 642 water systems and 166 bridges and viaducts. We would have to build 28 municipal auditoriums and armories, 235 hospitals and allied institutions, and 480 complete waterworks. The administration of our city would require the construction of 293 courthouses and city halls, and all would have to be built within a mandatory dead line.

Within 6 months P. W. A. sorted over the Nation's applications for public improvements and put its stamp of approval on 8,000 projects, gave the "go ahead" signal, and saw to it that all 8,000 got into actual construction.

The preponderance of requests was for substantial projects of lasting social value. America wanted municipal improvements in the following order: Schools, water systems, sewer systems, hospitals and institutions, colleges and universities, courthouses, roads, and bridges.

All of these projects played a part in putting men and money back to productive work. As a result of this burst of economic energy strong regenerative influences were let loose in American industry. More than a billion dollars worth of orders for basic commodities were quickly placed with business houses and manufacturing concerns. These involved such items as $280,000,000 for iron and steel products and $75,000,000 for lumber and millwork. The stimulus that these purchases gave to industry quickly showed its effect. The Federal Reserve Board index of industrial production advanced from 77 in June, when the Public Works Administration Act was passed, to 97 in October and 100 in November. Simultaneously with the making of P. W. A. allotments the steel index rose from 28 percent of capacity on June 28 to 62½ percent on November 15.

The Public Works Administration does not claim credit for all of this step-up in American industrial activity. However, I know that P. W. A. played its part in helping to push up these indices. The general effect of our program was to encourage other lines of business and persuade them also to place orders. Moreover, a job on a P. W. A. project or a job in a factory supplying materials for the P. W. A. program made it possible for a workingman to pay his grocery bill and his doctor's bill. Because workers were able to do this, some grocery men and some doctors were enabled to buy automobiles. Because some grocers and doctors did buy automobiles, the motor companies bought steel and the steel companies hired men.

Wages for hundreds of thousands of men and women in normal American private industry were made possible because of the P. W. A. program. These wages went to purchase food, clothing, shelters, medical care, entertainment, and other products and services that agriculture, industry, and trade place on the market. These purchases, in their turn, made possible other purchases and moved other goods, thereby creating a mighty economic force that was able to turn the economic tide. The millions of dollars thus turned into channels of business created a demand for goods. All of this affected our national income, sending it upward to higher levels to improve our economy.

Through the P. W. A. program the Government thus has increased the production of goods and services and thereby has improved the earning power of our people. Through quickening the production and turn-over of both heavy and consumer goods we have aided in starting our national income back toward the $80,000,000,000 mark, where it should be. By encouraging and creating private employment P. W. A. is playing an active part in making this an $80,000,000,000 income country.

In another way P. W. A. activity pumped new energy into our economic mechanism. Private money which had been lying idle was called to work. Under the P. W. A. system, private capital and private credit were drawn into the economic current in the financing of construction before Federal funds actually were paid out by the Treasury. A report made to me early in January showed that, although P. W. A. had paid out only about $100,000,000 in cash advances, approximately $1,500,000,000 worth of work was already under way. This was due to the fact that applicants had put up their own funds to get the projects started, in addition to which contractors, eager to get to work, had employed their own money and their own lines of credit.

There is some misconception about this point which it is worth while to clear up. When P. W. A. makes an allotment to a municipality for a non-Federal public-works project, it starts a private credit system in motion. This is because the making of the allotment is immediately followed by the execution of a contract between the municipality and the Federal Government which obligates a specific amount for a specific project. In turn a credit is set up at the Federal Treasury for the municipality. Bids are then called for, and a construction contract is let on the strength of this credit.

The contractor receiving the contract purchases or rents equipment, places material orders, and hires his men on the basis of his regular line of credit or his own resources. As his bills become due for materials or pay rolls, the contractor meets them by paying out cash that he has saved or borrowed. Afterward he sends a bill to the municipality, which pays its share of the project cost, amounting to 55 percent. The city usually raises its money by selling bonds to private purchasers, thus drawing in private funds over a wide sector.

Up to this point little Federal money has left the Treasury. Contracts have been signed, the project started, men put to work, and materials and equipment bought, nearly all with private capital. It is only after the work is well under way that the municipality calls upon the Federal Government to advance most of its contribution. The final payment is never made until the entire job has been finished and accepted by the P. W. A. engineer at the project.

During the last 6 months of 1938 the Nation was given an opportunity to see a clinical demonstration of an economic theory. This was that by properly "timing" a public-works program it would be possible quickly to stimulate industry. The soundness of this theory was demonstrated by a thorough test. When Congress authorized the new program, it so happened that P. W. A. had a substantial backlog of approved projects which were ready to go.

When the authorization came to begin a new program 1,800 of these reserve projects were released in 3 days, thus putting $450,000,000 worth of construction work on the market. Meanwhile we were taking in new applications and examining them. There was no lost time and no lost motion. Construction was begun, new applications were received and new projects approved in a continuous process which sent pulsation after pulsation through the economic arteries of the Nation. This was the first opportunity that this country has ever had to "time" public works. And this was possible because we had a going P. W. A. organization and a reservoir of examined and approved projects ready to be released over the spillway.

One of the essential elements of a properly timed program of public works is the ability to move quickly, to take fast, positive action. When I reported to President Roosevelt at the end of the year that P. W. A. had successfully met the first two of the three dead lines established by the Congress, I was able to give him some evidence of the swift pace at which P. W. A. had moved. I told him, for instance, that P. W. A. had released for heavy construction an average of more than $11,000,000 worth of work daily. During the first 4 months following the passage of the 1938 act P. W. A. approved projects at the rate of 2,000 per month.

I cite these facts to impress upon you that experience has taught us how a public-works program can be speeded up; how it can be made a flexible instrument capable of control in the public interest. We have come through our period of trial and error, and have learned to manage and direct a program to accomplish a predetermined result. We no longer have to experiment; we have learned how to operate this instrument of recovery when we have the instrument. But we should not have to stop to forge it again when a new need arises.

It seems to me that the Nation should now consider whether it wants to rely on sporadic efforts, as in the past, or whether it should profit by experience and establish the kind of a machine that will always be ready for action. I have urged this on former occasions and I urge it now. A permanent public-works organization would not mean the setting up of another great bureaucracy. A small permanent organization, in the nature of a general staff, with authority to accept and examine applications for useful projects is all that would be necessary. Such a staff could maintain a reservoir of desirable public works to be launched when Congress said the word. The result would be that when a downward economic trend threatened the Federal Government could take quick, effective measures to halt the downward curve and bend it upward before economic harm were done.

How much more worth while this would be than to lapse into the inertia of the past, when we have let the doom of economic disaster go rolling swiftly downhill and strike the bottom with a crash before doing anything about it. How much more intelligent it would be to take considered action in advance and thus be prepared to head off disaster before it has had a chance to gather

unpredictable momentum. Our experience with the P. W. A. program of 1938 shows that the ounce of prevention actually can be applied, provided that preparation is made in advance and that an organization, schooled and disciplined in its work, is at hand ready for the job. This Nation is alert to the need of military preparedness. But experience has proved that we also need economic preparedness.

Such a proposal is no partisan attempt to continue the policies of one particular administration.

Former President Hoover, while he shied away from actually putting a program into effect, repeatedly advocated the establishment of a public-works agency within the Federal Government. It was his idea that such an agency could coordinate and draw together the construction work of the various Federal departments and utilize such work to alleviate unemployment.

However, Mr. Hoover apparently lacked faith in his works, because, when others brought out legislation to put the public-works theory into action, he began to find reasons why such programs could not be carried out. In a statement he issued in 1932, in opposition to the public-works program advocated by Speaker GARNER, Mr. Hoover asserted that the erection of public buildings would produce only a limited amount of employment and that, he was informed, not 20 percent of it "could be brought to construction within a year." Yet, within the last 6 months of P. W. A. has brought more than $1,500,000,000 worth of work to construction.

We owe it to our people to protect them as much as possible from the strains and stresses of an economic system which throughout our history periodically has hurtled off the track. A program of "timed" or "balanced" public works with a small but competent staff in charge would act like a gyroscope to keep our economy on a more level line. Looking back over the years, we can see that our growth has been a sort of "off again, on again, home again, Finnegan" sort of economic progress. Isn't it about time for us to consider establishing a mechanism to prevent economic wrecks instead of being content to gather up the pieces afterward?

That such a conviction is beginning to be borne in upon the American people was shown by the recent report of the special committee appointed by the Senate to investigate unemployment and relief, headed by Senator BYRNES. This committee, after long and careful study, recommended that relief and public-works programs should be handled on a permanent basis and follow definite policies instead of by temporary authorizations hastily designed to meet some immediate situation.

With regard to public works, the report made several interesting recommendations which long ago were anticipated by P. W. A. and put into effect. For instance, the committee recommended that a definite formula be devised under which States and the Federal Government would share responsibility for works programs. The Public Works Administration has had such a formula in effect throughout its existence. Under the P. W. A. plan, the Federal Government contributes 45 percent of the cost of public works and the sponsoring municipality contributes 55 percent—a policy that has met with wide approval from our cities. The Byrnes committee report also says that there should be no competition between the various works programs of the Government. Long ago, P. W. A. defined the field in which it would work. The P. W. A. field of operations is that of heavy construction in which it has operated entirely through private industry.

Further evidence of the interest of the American people in a public-works program was shown by the recent action of the Senate in calling for the list of public-works projects pending before P. W. A. That list, which is now before Congress, shows that today there are some 5,807 applications for projects on file with the Public Works Administration, providing for a $1,775,000,000 program. It would seem that America certainly wants public works.

The Byrnes committee report puts forward as a fundamental principle the establishment of a permanent organization to handle the public works and relief problems. I have long advocated the establishment of a permanent public-works organization, equipped to meet emergencies as they arise. It has long been my conviction that, if the Federal Government is to deal at all with the problem of stimulating or reviving business and industry, it must do it on the basis of some permanent and well though out plan. Since 1933 we have had a number of P. W. A. programs. But each authorization by Congress was to meet an immediate situation. None contemplated the establishment of a permanent agency. Instead, these various programs were successively and independently authorized to lift up the business index after it had fallen. Yet, despite disconnected P. W. A. programs, the over-all effect has been to build up experience and improve methods for handling works programs. A purely fortuitous continuity of effort produced the fine results that we are experiencing under our 1938 program.

It was a tough job that President Roosevelt handed me in 1933 when he made me Public Works Administrator. There was no organization, no procedure, no policy, and no precedent. We were able to carry on only because we took courage from the President's unfailing support. That the country accepted P. W. A. then on faith and accepts it now on performance did not lighten the burden as we pioneered an unexplored land. It is my hope that no future President and no future Public Works Administrator will ever have to undertake such a task in such circumstances.

Now is the time to prepare against some future day of depression.

Now is the time to hold fast to and to perfect the machine that it has been proved will work effectively.

The Public Works Administration has met every test for 6 years. The American people have acclaimed that they are overwhelmingly in favor of useful public works of the type that P. W. A. has helped the country to build.

We must either move forward or retreat. Your Federal Public Works Administrator does not believe in retreating when the cause is both good and just.

The Faith of America

EXTENSION OF REMARKS

OF

HON. A. LEONARD ALLEN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1939

ADDRESS BY HON. A. LEONARD ALLEN, OF LOUISIANA, ON FEBRUARY 4, 1939, BEFORE THE LAMBSKIN CLUB OF WASHINGTON

Mr. ALLEN of Louisiana. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered February 4, 1939, before the Lambskin Club of Washington at the Masonic Temple on the occasion of the celebration of the twenty-fifth anniversary of the club:

I appreciate very much your kind invitation to appear here and address you on this occasion of the celebration of the twenty-fifth anniversary of the Lambskin Masonic Club of Washington. I fully appreciate the fact that I am addressing an assembly of well-informed men. I shall probably not be able to bring to you any new thought, but I shall be contented in the few moments that I shall take if I can cause all of us to think together on some very important questions.

If I were to choose a subject for my remarks tonight, I would call it the Faith of America. We all do know, gentlemen, that one's environment in life plays a tremendous part in his ideas, ideals, philosophies, and actions in life. In order that you may the better understand and appreciate my remarks, permit me to say to you that I hail from the deep South. I am a hillbilly and I come to you with the philosophy of a hillbilly. Perhaps some of you know what a hillbilly is. I am not ashamed to say that I was born and reared in a log cabin, was brought up by parents who still clung to the faith of their fathers, and I am very happy to tell you that I have tried not to depart from it.

FAITH IN THE SOUTH

In the deep South we still have tens of thousands of homes where the heritage of faith—faith in God, faith in our Government, faith in our institutions, faith in our fellow man—is still the guiding principle. There are many other things that we do not have in the great Southland, but I can say with pardonable pride that I do not believe there is any other place in all the world that can boast of a greater degree of faith than my beloved Southland.

PHILOSOPHY OF OUR FATHERS

One hundred and fifty years ago our forefathers settled this great country of ours and founded here this Government that all of us honor and love. It was faith, and the desire to exercise that faith according to the dictates of their own consciences, that brought the hardy pioneers of Europe to this Western Hemisphere. Our forefathers came with definite ideas and philosophies. There was no quibbling, no vacillation, no doubting concerning the great issues of life in their hearts and minds. The poet has well said in his immortal lines:

"What sought they thus afar?
The wealth of seas, the spoils of war?
They sought a Faith's pure shrine."

They were willing, for the sake of those principles, to say goodbye to homes and loved ones and start out across uncharted seas and face the rigors, privations, and dangers of a new land. They brought with them certain concepts which have been handed down to us as our glorious heritage. They believed, my friends, in the philosophy, the teaching, of the fatherhood of God. They came here to establish liberty of thought, conscience, and action. There was no thought of atheism, nor agnosticism. It is little wonder, therefore, that we find these men and women making faith the chief pillar of this Government. They did not hesitate to proclaim to the world their belief in Jehovah of Hosts. Yea, they let the world know that this Government not only subscribed to that principle, but sought to perpetuate that faith that had driven them to the primeval forests of this hemisphere. They even engraved upon their money that they issued, the very coin in your pocket, "In God We Trust." The founding fathers decreed that the Congress should be opened with prayer.

Not only that, my friends, but these founders here established churches, schools, fraternal, and civic organizations. One needs

but to go a short distance to find the footprints of men whose names are immortal in this country. Just a short distance down the historic Potomac we find the home of the great George Washington, by whom this city was established, and for whom it was named. Just across the river we may go into the church to which this founder was not ashamed to repair on Sunday morning, and worship the God of all the earth. As I go over this country, I see numerous churches, old and worn, some of them having been used for 100 years or more, all of them eloquent evidence of the consecration of our forefathers to lofty ideals and eternal truths. This beautiful city is filled with monuments, but the greatest of them all is that little parchment, old and faded, a monument to a great faith in a young democracy—the Constitution of the United States.

WORTHY SONS

And as I come to you tonight, gentlemen, I am reminded that I am addressing men, many of whom were reared in this historic community, many perhaps who are worthy sons of these noble ancestors; I am addressing men who have exemplified that faith in their lives, men who hold to an ideal, men who are honored members of a great and noble fraternity, a fraternal organization founded on the Book of Books, hoary with age, shrouded in antiquity; men who, in this cloistered hall, have been taught the lessons of faith, hope, confidence, and mutual assistance. This noble organization certainly had its beginning in the dim dawn of history; its mission is as boundless as humanity, its service wherever there is need.

A NEW DAY

But, gentlemen, whether we like it or not, times have changed. We are told that we are living in the day of the automobile, the radio, the airplane. This new day has brought unquestionably many good things, but it has brought some elements that are destructive. Since the World War this old world has undergone a great transformation. The change has taken place not only in Europe, but even in America. The disintegrating forces are at work, make no mistake about that.

As the tiny insect can eat away the pillar of a great building, so certain unholy influences can destroy an empire. The presence and work of enemies within our gates cannot be questioned. Everyone who reads at all knows that the poison is here. Every newspaper is filled with stories of the teaching and work of the enemies of Americanism. We are told today that we have far more Communists in this country than they had in Russia when they killed the Czar in 1917. We are told that Communists have grown from about 5,000 to more than 3,000,000 in a short period of 7 years. We are informed that there are hundreds of thousands of active Communist workers, that there are even thousands of paid workers, and hundreds of publications and dozens of camps teaching and preaching communism. Unquestionably much of this is going on. Let me say here, gentlemen, parenthetically, that we in America cannot control and should not seek to control the internal affairs of foreign countries. We do not agree with some of them in dealing with their own citizens, but it is a problem over which we have no control. Neither do I think we should undertake to police the world. In the end we will get no thanks for it. I believe we should see after America. That is all the job we need. I want the United States to have an Army and Navy adequate for that purpose, but I do not want to get our fingers scorched in Europe. But, my friends, when the overflow comes from Europe, bringing certain ideologies that we consider inimicable and dangerous to the people, the happiness, and the life of this great American Nation, it is your obligation and my obligation to speak out. That communism is atheistic and antireligious is well known to all. There is no question, gentlemen, but what we are living in an age of materialism. People all over the world, in my humble opinion, are forgetting the finer things of life. Our children in universities and colleges, and even in high schools, sometimes, are being taught by teachers who have an utter contempt for the Bible, for the church, for faith. There is no question but what there is a very studied attempt to leave out of American life today the finer attributes of life and substitute therefor rank materialism. We cannot lay all this upon communism and other un-American philosophies, but there is no question but what these elements are being infiltrated into our schools, our churches, and even our very homes. Some teachers in our higher institutions are bold enough to argue against Holy Writ in their classes. We all do know that the young mind is plastic. It is susceptible to every impression. These influences are teaching our children, right around our feet, so to speak, things contrary to what we want them taught. Likewise, nazi-ism and fascism, although probably not as antireligious as communism, nevertheless seek to muzzle the free speech of the human will and undertake to put the human conscience in a strait jacket.

FACING FACTS

Time was, gentlemen, when every man and woman had a profound respect for the Lord's day. Time was when no one would dare be caught out desecrating that day. Public opinion was such that the day was universally observed. But, my friends, I am sorry to say that this new day that has come upon us has brought all of these unsavory influences. I am not a pessimist. I do not want to be a pessimist. I much prefer to look upon the bright side of life. A sunshiny day is always more beautiful than a cloudy day, and yet blind is the man indeed who cannot see certain conditions existing about us. I cannot see anything to be gained by sticking our heads into the sand and saying they don't exist. What has become of the old-fashioned love and regard for the holiest of all days? What has become of the purity of the home that made divorce almost impossible? What has become of the sanctity of obligations existing between man and man? I remember the day, and so do you, when a man's word was really his bond, when his obligations did not even need to be put into writing. Yes, my friends; I regretfully say that there is no question but what the whole world and even our beloved America is losing its faith. We are losing our grip upon ourselves. We are losing our hold upon eternal truths. We no longer have the confidence in our institutions that we once had.

WHERE GOES AMERICA?

My friends, where are we headed in America? What is the destiny of those who are to come after us? What abiding principles have they embraced? What philosophies of life underlie their thinking? What will be their faith, their hope? What will be the position of the church in the future? Will America, my friends, surrender her faith? Will America surrender Christianity? There is no question but what paganism today is spreading over a large part of Europe. Russia, with more than 160,000,000 people, has outlawed the Sabbath, has outlawed the Bible, has torn down the most of her churches, and is undertaking to destroy every vestige of faith that once dwelt in that great empire. The pulpit and the open forum have been muzzled in a great portion of Europe. Shall we revert to the Dark Ages? Has this civilization served its end? Will this civilization destroy itself? Will America, my friends, give up her idea of God? If so, what then? We are prone to say that Christianity has brought the light of civilization to this world. We believe that it has. In America we like to boast of our great civilization, but I want to say to you, my friends, tonight, that if Saul of Tarsus had been permitted to go east, as he wanted to, the Asiatics probably today would be sending missionaries to this country instead of our sending missionaries to them. Yes, my friends; our boasted civilization came through the light that was started in this old world 2,000 years ago by the Man of Galilee. Shall we now renounce that source of light? Will America, my friends, surrender the ideal of the future life? A great portion of the world has. Will America shut up her Bibles, close her churches, and kill the faith that has brought us on this road for 150 years?

A PERILOUS DAY

My friends, no one can deny that we are living in a perilous day. No one can deny that forces have been shaped and are being shaped and are being fostered today that, if carried to their full fruition, will destroy faith, confidence, love, and perhaps civilization itself. Where shall we go? To what power shall we turn? Shall we depend upon our manpower? Manpower alone cannot save us. China had more of that than any other nation. Shall we depend upon diplomacy? Witness what has happened throughout the world during the last 20 years regardless of all the effort of diplomacy. What has happened to the League of Nations? What has happened to the various other international meetings? What permanent results came out of them? Shall we, gentlemen, depend upon philosophy? upon education? upon culture? The Greeks had all the philosophy. Certain European nations have claimed in the past to have a corner on the culture. Shall we turn to the teachings and philosophies of the Scribes and the Pharisees? Shall we turn even to our present-day leaders and rulers? My friends, the peace conferences have failed often, diplomacy has broken down many times. Unrest is prevalent everywhere, the flames of hate are fanned, the god of war is fattened, unholy victory is glorified, the God of love is pushed out. Too often we find strife, greed, and avarice prevailing in all walks of life.

RETURN TO FAITH

My friends, you learned in the beginning of my discourse that I was old-fashioned. Yes, I am old-fashioned. I am as old-fashioned as faith, as old-fashioned as confidence, love, and peace. Our modern age may have brought many good things, but there is no substitute for faith. There is nothing that can supplant and fill the place of confidence, love, peace, and hope in the human breast. These virtues that actuated and guided sturdy men 150 years ago, and enabled them to plant here this great Christian civilization, if properly watered and nurtured and permitted to come forth again, will save our land from this chaotic condition. We have spent billions and there is still great need. We fought to end wars, and there is more war than ever. We plan for peace, and there is no peace. I am wondering in this hurly-burly age—in this age of broken confidence, broken faith—what is the best way out. I am not alone, gentlemen, in believing what I am going to say. I am not as old, perhaps, as some of you; but my head is white, and it grew white getting some of the experiences in life; and out of my experience gained from the time as a barefoot boy I worked in the cottonfields, as student, as teacher, lawyer, and now as national legislator, it is my firm conviction that America and all the world needs most of all a great spiritual awakening, a return of faith.

A few weeks ago the United States News, published here in Washington, wrote me and asked me to give my opinion on "how America can heal its frictions and its class wars." I gave the following answer, which it carried in its issue of December 27:

"More nationalism, less internationalism.
"More Americanism, less un-Americanism.
"More love, less hate.
"More religion, less atheism.
"More understanding between capital and labor, less greed.
"More regard for the rights of all.
"More regard for the sanctity of laws and private and public obligations.
"More decentralization in wealth, government, and power.
"More of the faith in man and God which existed in the 'horse and buggy' days."

Two thousand years ago a little group of men had followed a teacher for nearly 3 years. The populace, having eaten the bread which He miraculously supplied, and having learned that He came to set up the great spiritual kingdom instead of a temporal kingdom, began to turn away. A little group of His personally selected followers were left standing with Him, and the Teacher turned and said to them, "Will ye also go away?" An old fisherman, assuming the position of spokesman for the 12, said to him, "Lord, to whom shall we go? Thou hast the words of eternal life." That little band had reached its extremity.

My friends, in this day of chaos, of broken faith between men and nations, has man not about reached his extremity? I call upon America to return to the faith of our fathers. Certainly our wisdom has failed, certainly the best-laid schemes and plans of men have gone astray. Hate and greed are in the ascendancy. Is this idealistic? Is this old-fashioned? No more so than God. Is it practical? My friends, having tried almost every other plan to save this country and to help this country, I am wondering if the American people will have the wisdom now to go back to their first love, restore faith, confidence, and try God's plan. Let us invite the Prince of Peace to our council tables. May the faith of America bloom again.

"Lord God of Hosts,
Be with us yet,
Lest we forget,
Lest we forget."

The President's War Program

EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1939

RADIO ADDRESS BY HON. HAMILTON FISH, OF NEW YORK, FEBRUARY 2, 1939

Mr. FISH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio speech over the Intercity Broadcasting Co.'s network, delivered under the auspices of the National Council for Prevention of War, on Thursday evening, February 2, 1939:

What is all this growing mystery and secrecy that surrounds the New Deal foreign policy? What are the New Dealers up to? Are they seeking to change the foreign policies laid down by George Washington and approved by Jefferson and all other American Presidents until recently? My answer is, "Yes; emphatically yes," in spite of the denials from New Deal sources.

President Roosevelt was reported yesterday as stating that France had become the new American frontier, or words to that effect. This highly inflammatory and unfortunate remark, loaded with international dynamite, detonated a veritable barrage of caustic Italian and German replies, including an equally foolish assertion that the Panama Canal was their new frontier. What else can we expect as a result of the provocative statement of the President?

Tonight I have merely time to jot down a number of definite accusations or charges and to submit a few direct challenges to the President. I shall from time to time on the radio and in speeches in Congress take up and discuss in detail each one of these charges and challenges.

I accuse President Roosevelt of trying to scrap our traditional American foreign policy of neutrality, nonintervention, and peace, as he has other American traditions, and involve us in foreign entanglements, collective security, military alliances, and war commitments.

I accuse President Roosevelt of being both an internationalist and an interventionist.

I accuse President Roosevelt of repeatedly urging that we quarantine Europe and Asia and act as a policeman for the entire world with American blood and treasure.

I accuse President Roosevelt of asking the Congress to surrender its constitutional power to declare war and delegate to him the power to determine the aggressor nation, an unfriendly and unneutral act that leads directly to war.

I accuse President Roosevelt of entering secretly into a quasi-military alliance with France, the war partner of Soviet Russia, and permitting her officers to inspect our newest Army airplanes.

I accuse President Roosevelt of urging the use of the island of Guam as a submarine and air base, which amounts to an open act of provocation and aggression against Japan.

I accuse President Roosevelt of conducting our foreign affairs on a basis of hatred, abuse, and threats.

I accuse President Roosevelt of being largely responsible for the present wave of war hysteria and fear and dread of war in the United States.

I accuse President Roosevelt of having no plan or program to offset the economic failure of the New Deal and to restore confidence, recovery, and employment of labor, except to spend billions of dollars for purposes of destruction and armaments.

I challenge President Roosevelt to specify what nation, or nations, has the faintest idea or capacity of invading the United States or even South America.

I challenge President Roosevelt to allay the fear of American citizens that our cities will be bombed by explaining that no airplane has yet been invented that can cross the ocean and bomb any of our cities.

I challenge President Roosevelt to reassure the American people by telling them that the three totalitarian states—Germany, Italy, and Japan—have only 8 airplane carriers altogether, and that each carrier can only transport 50 planes, or a total of 400.

I challenge President Roosevelt to tell the American people that we will have within a few months 4,000 of the best airplanes in the world with the best pilots.

I challenge President Roosevelt to tell the so-called poor, defenseless American people that they are the proud possessors of the greatest Navy they have ever had, three times the size of that of Germany, twice that of Italy, and 50 percent larger than Japan's.

I challenge President Roosevelt to tell the American people that the reason that Japan is receiving arms, ammunition, and materials of war from America is due to the fact that he refuses to enforce the Neutrality Act, passed by practically a unanimous vote of the Congress. It makes no difference whether the law is good, bad, or indifferent; it is the law of our country and should be enforced or repealed.

After reading in the newspapers a few days ago that three ships were loading with scrap iron at Los Angeles for shipment to Japan, I introduced a bill prohibiting the sale and shipment of scrap iron to both Japan and China. The administration has winked at this noxious practice for the past 2 years and has done nothing about it. The New Deal can prove its good faith in this instance by supporting my bill to stop further shipments of scrap iron to be used for military purposes.

I want to take this opportunity to present my reasons for opposing the establishment of an airplane and naval base at Guam. This little island in the western Pacific is only 1,300 miles from Tokio and the largest industrial cities of Japan. It is well within bombing range for airplanes and for submarine attacks along the Japanese coasts. In view of the fact that we are voluntarily giving up the Philippines, it is preposterous to establish an air and submarine base near by Japan, like an arrow aimed at her heart and very lifeblood.

What is sauce for the goose is sauce for the gander. What would the American people say if Japan established a submarine and air base within 1,300 miles of Los Angeles, San Francisco, and the Panama Canal? It would be immediately regarded as a provocative and hostile act and virtually a cause of war. At the least it would create a spirit of suspicion, hatred, and hostility that would be bound to eventuate in war.

I am a firm believer in a strong and powerful national defense, but want it primarily for defense of our own shores and the Monroe Doctrine and not for acts of aggression 5,000 miles away, where we possess no territories. We have a great naval and air base at Hawaii, and there is no sound reason to go beyond that outpost of American defense or a direct north and south line from the Aleutian Islands, off Alaska, through Hawaii to the Samoan Islands.

I have always favored a powerful navy for national defense, but my suspicions of last year are beginning to be proven—that the proposed supernavy and super air force are not for defense but for aggression and to quarantine the world. If the establishing of a naval and air base at Guam is a part of the New Deal policy to act as a world policeman, the American people are entitled to the facts.

In reference to this proposed change in our American foreign policy, I desire to read a letter from a missionary in China, who expresses himself clearly and does not mince words:

APRIL 5, 1938.

As a Harvard classmate, may I send along just a word to say how completely I am in accord with things you have been saying lately about the Government's tremendous naval expansion bill. How anybody can imagine that it will promote either peace or security, I fail to see. On the contrary, it is an inexcusable policy, will lead us eventually into a war far across the world, in which the youth of America will be called upon to die in order that the bankers, the oil magnates, the steel tycoons, and automobile bigwigs may continue to peddle their wares in China. More power to you as you strive to keep us from becoming involved in a "defensive" war 6,000 miles from our own shores.

With every good wish, I am,

Yours faithfully,

REV. EDMUND L. SOUDER,
American Church Mission, Ichang, China.

I take this opportunity to read a statement signed by minority members of the Committee on Foreign Affairs of the House of Representatives this afternoon, which is self-explanatory:

"We, minority members of the Committee on Foreign Affairs of the House of Representatives, deplore and protest the unneutral actions and secret methods employed by the President of the United States, which would not have been known to the American people except through the accidental injury of a French flying officer in an American Army test plane.

"We have no objection to the sale of airplanes produced in this country to any nation with which we have diplomatic relations, but we insist that such secret and unneutral acts entangle us in foreign conflicts and endangers the peace of America.

"We urge the President to present all the facts openly to the American people and to uphold our traditional foreign policy of neutrality, nonintervention, and peace.

"The American people, irrespective of party, are opposed to being committed to any war program through secret diplomacy.

"Hamilton Fish, of New York; Charles A. Eaton, of New Jersey; Edith Nourse Rogers, of Massachusetts; Bruce Barton, of New York; Robert B. Chiperfield, of Illinois; Robert J. Corbett, of Pennsylvania; John M. Vorys, of Ohio; Foster Stearns, of New Hampshire; Andrew C. Schiffler, of West Virginia."

In conclusion, I urge the radio audience to insist, in view of the proposed huge armament program for destruction and intervention, to write to their Representatives in Congress to support the proposed constitutional amendment, House Joint Resolution No. 94, I have introduced, giving the American people the sole power by a national referendum to determine whether their sons shall be conscripted to serve in our armed forces outside of the Western Hemisphere. This in no way interferes with our program for national defense.

I do, however, believe that the men and women of America who are opposed to sending their sons to die on foreign battlefields should have the right and power to voice their views in a national referendum.

I am convinced that this is a proper issue to submit to the people in a free country through a free ballot, and that it would tend to preserve and promote peace and keep us out of foreign wars.

The American people have made up their minds on one thing, and that is that they propose to keep this country out of all foreign wars. If the President or anyone else tries to get us into a foreign war it is our duty to see to it that he does not succeed. I believe we can keep out if the Congress and the people insist on it. The only way we will get into a foreign war is by letting this war hysteria spread to such an extent that it gets out of bounds.

Where does it come from? It comes from our enemies within. It comes from the Communists, who would like to see us go to war with Germany and with Japan for the benefit of Soviet Russia. It comes from the British propagandists, who would like us to preserve the British Empire. It comes from internationalists and those who believe in collective security, and the League of Nations. It comes from the interventionists who would have us scrap our policy of neutrality and adopt one of collective security, sanctions, and war commitments.

As far as I am concerned, as a member of the Committee on Foreign Affairs, I propose to do everything I can by my voice and vote on that committee to keep the United States out of all foreign wars.

The Day of Liquidation Is Near

EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1939

Mr. THORKELSON. Mr. Speaker, in my line of work we diagnose the patient's illness and, after having determined the cause, we prescribe treatments. Ordinarily we give a prognosis, stating expectancy, but we place the patient under treatment. If the prognosis is grave and treatment of no benefit, we estimate a reasonable period in which the relatives may expect termination of the illness. Estimating the time of death is difficult because treatment instituted to prolong life influences the time of demise. This plan would be employed by a reasonably good doctor, and it is a plan that we may use in determining national ills, and one that we may use here.

Our Nation is suffering from a serious illness; that is, morbid industry, collapse of business, and death of constitutional rights. What is the cause of all this? Greed for money and power; indifference to States' and people's rights; politics and political ambitions, and indifference of public officials to their obligation to adhere to the Constitution. In this they are not alone to blame, because banking and large business have failed in their responsibilities to the workingman.

The greatest power of all is control of money, and this has been recognized from time immemorial. There are certain people who spend their lives making money in order to wield power. Such people are not helpful to anyone but their own clique, so the selfishness and greed of them is largely responsible for the present social unrest.

While this condition is generally known and cannot be denied, it is no reason for destroying private ownership, as we are now doing; for in such course lies poverty and strife.

It is not my intention to propose a panacea for all trouble, yet I believe it is a good idea to talk things over. I do not believe it is just that special-privileged groups with interlocking directorial powers should alone benefit from the millions which accumulate in the larger banks. To have free use of such money is an advantage which those in smaller cities and communities do not enjoy. This concentration of money in the large cities drains currency from farming districts and small industrial towns and retards development. The moving-picture industry is a vivid example of what access to credit and money can do, and also what one person may do for an industry when properly connected.

The point I wish to make is that concentration of money in the large cities is hurtful to general development and instrumental in producing idleness. These unemployed must be cared for, and no one realizes that better than I. Small business actually employs more people than large industry. I therefore believe it is only just and fair that some provision be made for the worker when he is forced to retire. It is unjust to expect a man, after he has worked for 35 years or more, raised and educated a family, and provided for their general care, to be forced when he is old to rely upon the support of a charitable institution or upon assistance from his children. For our workingmen to become charitable objects, living in county institutions, is an indictment of business; and for the parents to be compelled to rely for support upon their children is an injustice to the young people who are beginning life. It places them in a position where they cannot accumulate or enjoy reasonable comforts that a family should expect in a nation as prosperous as ours. The only equitable plan is a retirement pension in which the employer and the employee share equally, the remainder of such fund to be made up by a transaction or sales tax. The name of such plan does not matter, but it is certain that the Social Security and Unemployment Compensation Acts are inadequate, too costly in administration, and they fall short of the purpose they are supposed to serve.

CONGRESS IS THE DOCTOR

Congress is elected by the people to regulate affairs of the Government, not to run business, but to watch and help industry, commerce, labor, agriculture, and all other earning groups. I shall call this business. Congress adhered to that plan reasonably well for 125 years, during which period our Nation became great and prosperous. During that period Congress acted nearly within its constitutional limitations. Business was left free to operate without excessive taxation and regulation. That was only proper, because everyone, I am sure, will agree when I say that the owner of a large industry is much more capable of running his own business than the usual majority in the Federal Government. Such owner at least has his own money invested and should be allowed to use such capital for the general welfare of the people by keeping them employed. He might also expect enough profit on his investment to remain in—and expand—his business for his own and for the welfare of the Nation. He may also expect to operate free from the Federal meddling, prosecution, and persecution. It is not an unreasonable expectation, because he, with many others, elected Congress to help, not only himself, but all business; but certainly not to break and destroy the Nation's industrial structure.

CONGRESS HAS FAILED THE PEOPLE

Congress has gradually become a legislative body with little understanding of business but with a large capacity for legislation. This has been particularly true during the last 6 years.

The New Deal is set to make Congress a handmaid to various Federal departments and bureaus. It has enacted legislation wherein congressional power to act is left in the hands of extra governmental departments and bureaus, or

under executive control. This is not only unconstitutional but it makes a rubber stamp out of Congress, for Congress is still responsible to the people for the security of the Nation and for the welfare of our children. Yet nearly all regulation is left in the hands of officials who are not responsible to the people and in reality not to Congress itself.

This wonder crew, employed in various departments and bureaus, is in reality doing the work that Congress ought to do. They do not understand the operation of sound business, for if they did, private business would claim them. They are instead filled with queer ideas, as impractical and unsound as they are themselves. They declare a profit on paper and create prosperity on the other page, but, as Solomon said when he beheld his 700 wives, "All is vanity." The 700 and more ideas do not work and do not make money; it requires actual knowledge of business and sound business sense to bring about such a desirable state.

Is it any wonder that our business people are tired and sick of Federal silliness and folly? It seems to me that there is some insidious and malignant menace directing Federal departmental and bureaucratic operation, which is intent upon the destruction or dissolution of our Nation. I believe it is better for Congress to retrieve its constitutional functions, take charge, and direct our Nation in a sensible and patriotic manner for the general welfare of all.

I cannot fail but to appeal to all patriotic citizens to actively express themselves and demand that their rights and liberties be safeguarded by Congress before it is too late. We are hypnotized by communistic and un-American propaganda. The people have been duped by condescending fellowship and menial supplication, to give support to a strange and destructive agency organized to take control of our Government.

In order not to be misunderstood, or rather, to make myself clear, I shall refer to incidents of general interest, not only to a few persons but to the whole Nation; that is, if we expect to remain a democratic nation.

WHERE DO WE GO FROM HERE?

The following article appeared in a Washington paper of January 30, 1939:

The Supreme Court today dismissed the suit of a group of privately owned power companies challenging constitutionality of the basic Tennessee Valley Authority program.

The tribunal dismissed the challenge on technical grounds, ruling that the private companies have no legal standing to maintain a suit because they are unable to prove illegal competition and damages.

The article concludes with—quoting Justice Roberts—

The contention amounts to saying that competition by an individual or a State corporation is not regulation, but competition by a Federal agency is.

LET US USE REASON

The Federal Government has no constitutional power to engage in competition with business. Such activity on the part of the Federal Government is unconstitutional and an invasion of States' and other people's rights.

The fact that a State has engaged in business does not establish the right of the State to remain in competition with its own citizens, and it is not a precedent the Supreme Court should follow or even use as a criterion for its own opinion. Such unconstitutional activity on the part of the States should be corrected when complaint is filed. That is one of the duties of the Supreme Court, to which it has obligated itself; that is, to uphold the Constitution.

When the State itself invades the people's rights, the Supreme Court should decide in favor of the people and not in favor of the State, as was done in the case of Power Utilities against Tennessee Valley Authority. Previous decisions of inferior courts do not prove the rights of the State except when the State is right. And such decisions by inferior courts should not be used by the higher tribunals for technical evasion of issues. One error does not justify another.

It follows, therefore, when basic issues are involved and constitutionality is in question, opinions rendered should be supported by the Constitution and not upon the opinions of anyone else. The Constitution of the United States is the foundation upon which all laws must rely for legal life and validity. It is a matter of understanding it as it is and as it was given to us. The Constitution gives body and meaning to all laws, and getting back to it is the duty of Congress.

President Thomas Jefferson, in his first inaugural address, wisely advocated—

The support of the State governments in all their rights as the most competent administration for our domestic concerns and the surest bulwarks against antirepublican tendencies, the preservation of our peace at home, and safety abroad.

This clearly shows the opinion of a great Democrat and a great President, who recognized, first, the right of the States; and, second, the right of the people to operate their businesses within the States.

The Constitution cannot be changed by Congress, by the Executive, or by the Supreme Court. It can only be changed by the people, as set forth in article V, and I sincerely hope that it will remain as it is.

I contend, therefore, that it is unfortunate that a private business was waved aside by the Supreme Court as having no constitutional grounds to object to its own destruction. For the Court to say that constitutionality was not the question is a technical evasion to avoid the issue that no fair-minded citizen should forgive or forget.

The T. V. A. is not only unconstitutional, but it is a well-organized attempt to set a precedent that will establish Federal ownership of all industry, commerce, and business. This decision shuts the door to freedom and public rights. It paves the road for a dictator and opens wide the door to State ownership or communism. If Congress and the people allow this decision to stand there is no industry in the United States that cannot be taken over by the Federal Government whenever it chooses to do so. That is, of course, if constitutionality rests upon the opinion of the Supreme Court or upon past acts of Congress.

It is well to bear in mind that a dam is not an aid to navigation. On the contrary, it is an obstruction to navigation unless a system of locks are incorporated in such dam. It is not actually a flood-control project unless it is kept partly empty to absorb the first shock of floodwaters. The dams were constructed under the pretense that they would be an aid to navigation, but they are in reality power projects, and part of a well-organized plan toward Federal ownership.

I am here as a representative of the people, and as such I can only stand in defense of my people. In order that we may have a clearer understanding of the Government's attitude and interpretation of the constitutional law, I respectfully request the Supreme Court or Congress to show where in the Constitution powers are delegated to Congress to enact, and for the Supreme Court to uphold, the Gold Reserve Act, the T. V. A., socialized medicine, and private corporations, created by special acts of Congress, or by Executive order under the laws of the District of Columbia, Delaware, Tennessee, Maryland, and so forth, and for regimentation of agriculture, and destruction of crops and cattle; for Congress to delegate power to the State Department or anyone else to negotiate trade pacts at the expense and destruction of our farm and mine production; for the Social Security and Unemployment Act or Acts; for turning over to the President and the Secretary of the Treasury $2,000,000,000 in gold, and for incorporating in the act, that "Under the exclusive control of the Secretary of the Treasury, with the approval of the President, whose decisions shall be final and not be subject to review by any officer of the United States" (Gold Reserve Act of 1934).

WHAT POWER HAS CONGRESS?

The Constitution bestows upon Congress the power of all legislation and also the power of regulation. I shall now quote from article I, section 8. This section is plain and clear. Congress has the power "to tax," to "collect such tax, duty, imposts, or excises," to "pay debts and provide for the common defense and general welfare of the United States," which means for the general welfare of all people equally. The question is how shall it be done. The answer is by economy in Federal administration. Operation or small overhead reduces all cost of production, it opens markets, increases sales, provides more employment, greater prosperity, and full consumption.

We cannot attain prosperity by borrowing or by the distribution of money to increase buying power and greater consumption. It does not work that way. We must instead reduce overhead, so that our $60,000,000,000 income will show a profit, and as business adjusts itself and regains markets for its products, our Nation will again climb to an $80,000,000,000 Nation. The point I wish to make is: That Congress is responsible for legislation and it must also supervise regulation so no injustice will be committed with congressional sanction. If Congress can enact legislation, it must by the same token understand it; so it follows, all legislation enacted should be constitutional, or else Congress does not perform its duty. Now, which is it?

Congress also has the power to abolish bureaus, investigate and reject appointments, repeal any act, remove judges, and even remove the President; and these are only a part of the total congressional powers. Now, then, as I see it—inasmuch as Congress must bear the brunt of all mistakes, no matter who commits such errors, and as it is held responsible by the people for legislation and regulation of the Government—the sensible thing to do is to accept this responsibility and act within the constitutionally delegated powers. If this is not done, that is, responsibility courageously accepted, Congress invites public contempt in nonperformance of its delegated duties.

Additional Appropriations for, and Continuance of, the Public Works Administration

EXTENSION OF REMARKS

OF

HON. PIUS L. SCHWERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1939

Mr. SCHWERT. Mr. Speaker, since 1933, when the first allotments were made for construction of public-works projects, under the P. W. A. program, sufficient experience has been accumulated to determine whether Federal participation in the construction of local public-works projects is practical and feasible.

Certain aspects of such a plan were necessarily experimental in the beginning. To begin with, it was open to question, whether or not a Federal department could aid in the construction of such projects efficiently. I think that it has been pretty clearly shown that this could be done. The organization, which has been functioning under the direction of the Public Works Administrator, has had presented to it almost every conceivable form of public improvement. Naturally, these improvements fell into certain classifications, such as schools, hospitals, waterworks, sewage systems, toll traffic facilities, and similar undertakings.

Owing to the fact that no organization has ever had presented to it, in an equal space of time, so many projects in the various classifications it has been possible to set up standards by which all projects could be judged. There were, of course, varied problems, and while no two projects were exactly alike there were broad general rules which could be applied for the testing of projects in each classification. As a result of this the municipalities and political subdivisions, which have taken advantage of the various public-works programs, have been given the advantage of a very much broader experience and knowledge concerning the type of project which they contemplated building. This has resulted in the construction of very much better facilities than would, as a general rule, have been provided by the sponsors of the projects had they been left to their own devices.

A survey of projects already completed indicates quite conclusively that in almost every case the completed project is a lasting credit to the community where it has been built. One result of building these projects has been the increase in the intrinsic value of the community, which will most certainly be reflected over a period in better real-estate values throughout the area.

It would seem apparent, therefore, that there is a real and continuing necessity for a permanent organization within the Federal Government to use effectively the experience which has been accumulated during the public-works programs which have been or are being carried to completion. The necessity for such an organization within the Federal Government is very clearly evident from the fact that every program of the Public Works Administration has generated applications for assistance in the construction and financing of projects far in excess of the funds available.

This shows beyond any question of doubt that there exists throughout the country a real need for the construction of necessary and desirable facilities and that the ready cooperation of local governments can be depended upon. Therefore, the necessity exists for a permanent Government department to handle such construction programs, and it would seem unfortunate, indeed, if there were to be a too sudden lapse in the functioning of such programs. The result would be a let-down in the flow of business created by previous efforts. This let-down would be felt in architectural and engineering circles, in legal and municipal finance circles, by the contractors and the labor they employ, by steel mills, the lumber industry, and every industry which contributes materials and supplies that are used in an extensive building program.

Another class that has been greatly benefited by these programs is that great and rather inarticulate body known as "white collar" workers who find employment in industries stimulated by construction activities.

In view of the fact that there is now on file with the Public Works Administration a vast number of projects whose sponsors, in good faith, spent time, effort, and money to design and prepare for construction, it would seem most logical to take prompt steps for the establishment of a permanent organization which could study these plans and develop them further. It could, as well, turn its attention to aiding in the preparation of more projects for construction. It would then be ever ready to put into actual construction thousands of projects, with the resultant benefits to our national economy. We have come a long way on this road. It would be foolish to turn back now.

With the permission of the House, I am including in my remarks a list of the projects pending before the Public Works Administration in Erie County, N. Y., which might be eligible for allotment if additional appropriations were provided for a new P. W. A. program:

Location	Type of project	Loan	Grant	Total	Total estimated project costs
Springville	School		$165,600	$165,600	$368,000
Getzville	do		249,300	249,300	554,000
North Tonawanda	Disposal plant		354,144	354,144	786,988
Orchard Park	Waterworks		71,765	71,765	159,478
Hamburg	Water mains		38,779	38,779	86,176
Cheektowaga	School addition		27,954	27,954	62,120
Evans	School		26,730	26,730	59,400
Buffalo	School No. 18		267,531	267,531	594,514
Lackawanna	Municipal building.		56,250	56,250	125,000
Kenmore	Combination sewers.		157,500	157,500	350,000
Grand Island	Paving		58,500	58,500	130,000
Lackawanna	High school		697,631	697,631	1,550,293
Hamburg	Retaining wall		9,000	9,000	20,000
Cheektowaga	Incinerator		46,151	46,151	102,558
Buffalo	Drains		1,125,000	1,125,000	2,500,000
Do	School No. 40	$349,000	285,546	634,546	634,546
West Seneca	School		93,951	93,951	208,779
Holland	Waterworks improvement.		1,170	1,170	2,600
Buffalo	Civic building	312,000	255,272	567,272	567,272
Do	School	813,000	665,182	1,478,182	1,478,182
Do	City hospital	338,000	276,545	614,545	614,545
Tonawanda	Swimming pool	49,000	40,090	89,090	89,090
Buffalo	Library	33,000	27,000	60,000	60,000
Bowmansville	Waterworks		8,140	8,140	18,088
Evans	Water mains		11,614	11,614	25,810
Blasdell	School		135,000	135,000	300,000
Total		1,894,000	5,151,345	7,045,345	11,447,439

Investigation of Un-American Activities

EXTENSION OF REMARKS

OF

HON. WILLIAM H. WHEAT

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1939

Mr. WHEAT. Mr. Speaker, under a general leave granted to the Members of the House to extend their remarks in the debate on a resolution to expand and continue the investigation of un-American activities by the Dies committee, I desire to submit to the House some observations which I believe pertinent to the subject.

Being a new Member of this House, I trust my colleagues will indulge me for a short time while I respectfully submit these observations.

The Dies committee and its operations have been the subject of much approbation on the one hand and a good deal of criticism on the other. There may be some ground for criticism of some of the aspects of the investigations carried on by the committee, but in my humble opinion there can be no grounds for criticism of the purposes of the investigation and the efforts of the Dies committee to uncover the extent and the purposes of alien "isms" being propagated in this country among our people.

I think much of the criticism of the Dies committee has arisen from a lack of definition of purpose and a misunderstanding of the objectives sought by this investigation.

I speak in an effort to clarify the purposes of the committee's operations and the objectives of its investigation and thereby eliminate the misunderstandings which I believe exist, which, in turn, have given rise to some very bitter criticisms of the committee's activities.

The question may be fairly asked that if the committee or any Members of this Congress believe that the communistic or fascistic ideas of government are so wrong as to constitute a crime, why have not Earl Browder, an openly avowed Communist, and his associates, also openly avowed Communists, not been arrested, tried, and imprisoned for their views and activities?

It is also a fair question to ask why, if communism and fascism as political beliefs and expressions are criminal, have not the openly communistic daily and weekly newspapers been suppressed and their editors and publishers convicted and imprisoned?

Why have not the openly avowed leaders of the fascistic and the Nazi groups in this country been arrested and convicted and imprisoned?

The point I am raising is whether or not a communistic belief and activity is a crime under the Constitution and the laws, and whether or not fascism or nazi-ism or any other "ism" as a political belief is a crime under the Constitution and the laws.

The Supreme Court has held, I believe, in at least one case, that the right of an individual to advocate a change of government from our present form, including the abolition of the Supreme Court itself, exists under the Constitution and is not a violation of the law.

I understand that the rights of free speech and free press, and the freedom of religious and political beliefs under the Constitution, give any citizen the right peacefully to advocate a change of our form of government, even though he may advocate the adoption of a dictatorial form of government such as the fascistic government of Italy, the nazi government of Germany, or the communistic government of Russia.

I also understand that under the Constitution and the laws when two or more persons conspire to change our form of government not by the peaceful methods of the ballot box but by the seizure of the Government by force of arms or by the interference by force with the due processes of government, they have crossed the line of sedition and have become guilty of high crimes and misdemeanors, for which aliens must be deported and citizens must be apprehended and, if found guilty, imprisoned or fined, or both.

It is just here that I believe the misunderstanding has arisen with regard to the operations and objectives of the Dies committee.

That there are groups—how large and influential we do not yet know—working in the United States to bring about the overthrow of our form of government and the adoption of a totalitarian form of government is well established. That these groups are extensive and are busily at work propagating their political beliefs among the people is also well established. Some of these groups advocate a communistic form of totalitarian government such as exists in Russia. Some of them advocate a totalitarian form of government such as exists in Italy and Germany.

If the activities of these various groups and their "fronts"—which mean various societies and organizations being used to mask their real activities—are advocating and working for a change of our constitutional free republic into a totalitarian form of government, it is vitally important that the activities of these groups be brought into the open, made public, and carefully scrutinized, in order that those who desire to continue our constitutional republic as our form of government may have due notice of these activities and may move to oppose them. No individual in this House or out of it could fairly oppose that view.

These various groups ought not to object to having their activities made public in order that the whole country may know what they are seeking to achieve and how they are seeking to achieve it. But the Dies committee has uncovered, I understand, a vast amount of evidence which needs to be further investigated, indicating that some of these groups are not stopping at the point of merely trying to persuade a majority of the people peacefully to vote to overturn our present form of government and adopt some form of totalitarianism. It is said, I think on the authority of some members of the Dies committee itself, that the committee does have evidence that activities are being carried on for the purpose of producing such interference with the orderly processes of government and the orderly conduct of industry and business as to discourage our people to the point where they will be ready to embrace some other form of government than the one we have.

If that is true, sedition is being committed; the perpetrators ought to be apprehended; those who are aliens ought to be promptly deported; and those who are citizens ought to be brought to trial.

A learned trial judge, in defining a seditionist, has this to say:

> * * * To say, then, that a person is a dangerous, able, and seditious agitator is to charge him with being a disturber of public tranquillity and guilty of acts by writings, speeches, and otherwise tending to the breach of the public order, all of which is inimical to good society and the highest and best interests of the people. Such acts and conduct even in this free country must make the person therewith charged an object of public distrust, reproof, and contumely * * * (181 Pacific, 373; 257 Federal, 378; 64 Northwestern, 921).

Now, Mr. Speaker, if and when two or more persons go beyond even the line of breaching the public order or disturbing the public tranquility and plot to produce a condition in which they may by force of arms seize the machinery of government, overthrow it and forcibly install some form of dictatorship, then those persons are guilty of a crime which falls within the category of sedition, if not treason, and they ought to be apprehended and appropriately dealt with.

I understand it to be the purpose and objective of the Dies committee to pursue investigations into just such circumstances and actions to determine whether or not there are persons and groups who are, by writings, speeches, and otherwise, disturbing the public tranquility, breaching public order and setting up a condition which would lead to the further step of seizure of our governmental machinery by force of arms.

If there is any Member of this House who believes that such activities ought not to be investigated and exposed, let him rise in his place in this Chamber and say so.

With world affairs in such a chaotic condition, and with a determined effort being made within our own country by various groups to propagandize in the interests of some totalitarian form of government now being practiced in other parts of the world, it seems to me that it is not only the duty of every Member of the Congress, but a privilege as well, to raise his voice against any continuance of this sort of activity in America.

From what I understand, the Dies committee, it seems to me, has uncovered a real desire on the part of certain factions in this country, not only to seize control of but to overthrow our Government.

We who believe in the Constitution of the United States and in a free republic as the best form of government do not think there is a place in this country for those aliens who disagree with the principles laid down in the Constitution.

If they disagree with our constitutional form of government, they may do that under the protection of the very Constitution itself, but let that disagreement be open and above board in order that those of us who are devoted to the Constitution and our free government may combat it in the open.

My understanding of the term "un-American activities," which it is the duty of the Dies committee to investigate, is this:

It is not an un-American activity for some to disagree with others as to our form of government. It is not an un-American activity for those who disagree with constitutional government to say so openly. It is not un-American for them to advocate a peaceful change of government. But it is un-American for anybody to endeavor to so interfere with the orderly processes of government, to secretly conspire and act to interfere with the orderly processes of industry and commerce in order to produce such poverty, insecurity, and dissatisfaction with the existing government as to enable them to persuade a majority of the voters to overthrow the government by ballot or to enable them by force of arms to seize the instrumentalities of government and subdue the people by force of bullets.

I come from an agricultural district consisting of eight counties, with a population of about 300,000 people, in the heart of the Corn Belt of Illinois. In my district are located three large universities and many medium-sized and small businesses. I can assure this House that the people of my district are patriotic Americans first and partisans afterward. They do not believe in any tampering with or the destruction of any of the protective provisions of our Constitution.

When our forefathers came to this country they did so to get away from the tyrannies of the Old World, the very tyrannies that are now being practiced in Russia under communism, in Germany under nazi-ism, and in Italy under fascism. I have nothing to say about what form of government the people of Russia or of Germany or of Italy shall choose for themselves. But I do say that our forefathers sought in the Constitution to keep forever from this land of ours those tyrannies which drove them from their homes in the Old World. They set up the Constitution and our form of government for that end. They spilled their blood on many a battlefield in order to establish this free Government which we enjoy today.

We have successfully operated under the Constitution for 150 years. It is the belief of the people of my district, and it is my belief, that we should continue to operate under our Constitution. They believe, and I believe, that it is our duty to pass on to posterity the heritage of freedom which our forefathers shed their blood to pass on to us. We believe in the preservation of America and American institutions for Americans. Mr. Speaker, I assure you that I considered it not only a duty but a privilege as well to cast my vote in favor of the continuance of the Dies committee.

Foreign Relations

EXTENSION OF REMARKS
OF
HON. CARL T. CURTIS
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 7, 1939

RESOLUTION ADOPTED BY MINDEN POST, NO. 94, AMERICAN LEGION, DEPARTMENT OF NEBRASKA, FEBRUARY 2, 1939

Mr. CURTIS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a resolution passed by the American Legion at Minden, Nebr. I am informed that this was a large Legion meeting and that, in the opinion of the resolutions committee, the following resolution expresses the opinion of a majority of the people of my congressional district:

Be it resolved by Minden Post, No. 94, of the American Legion, Department of Nebraska, That we are opposed to any armament or preparation for any war except what may be reasonably necessary for defense, and that we are opposed to any interference by our Government in any controversy between foreign nations, and that we are opposed to any public statement being made by any official of our Government which might involve us in any foreign entanglements.

We remember well the course of events in 1916 and 1917 which resulted in getting us into that World War. We think we see much similarity in the present situation. There are several million of us who participated in that war in the military service. The resulting benefits to humanity from our participation in that war are far from satisfactory and we do not want our country to engage in another such war. Millions for defense is all right, but not a cent for interference in the squabbles of other nations. Be it further

Resolved, That we intend to hold our Congress and the officials of our Government strictly accountable for any action they may take or any public utterance they may make which may involve our country in a quarrel between other nations or which may result in war except a defensive war.

(The above resolutions adopted by unanimous vote by Minden Post, No. 94, of the American Legion, Department of Nebraska, at its regular meeting February 2, 1939.)

Dr. H. S. ANDREWS,
A. I. PETERSEN,
JAY H. BRACKEN,
Resolutions Committee.

Venereal-Disease Control

EXTENSION OF REMARKS
OF
HON. JOHN M. HOUSTON
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 7, 1939

REMARKS OF DR. THOMAS PARRAN AT THE TWENTY-SIXTH ANNUAL MEETING OF THE AMERICAN SOCIAL HYGIENE ASSOCIATION, WASHINGTON, D. C., FEBRUARY 1, 1939

Mr. HOUSTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech by Dr. Thomas Parran, Surgeon General of the United States Public Health Service, who a few days ago received from the American Social Hygiene Association the William Freeman Snow award in recognition of his leadership of the campaign against syphilis and venereal diseases:

Mr. Chairman, Mrs. Roosevelt, and friends, it is with profound gratitude that I accept this award. May I express my deep appreciation to the committee on awards for the great honor which has been bestowed upon me. My sincere thanks to you, Mr. Chairman. It means much to me to have this gift from your hand.

Some 13 years ago I enrolled as a pupil of William Freeman Snow in the elementary principles of venereal-disease control.

During these years he has been the patient teacher, the wise counselor, always eager to help his pupils in their efforts to solve the scientific and social aspects of this problem. In one sense, therefore, this award comes to me as a certificate of progress. For in Dr. Snow's school we work as we learn. As we gain a little proficiency we are put to practice it for the good of mankind. Perhaps this occasion symbolizes the commission laid upon all of us to work harder and fight more intelligently for the good cause from this day forward. In the first few skirmishes since we have all begun to fight together, the spirochete has been on the losing side, but we are dealing with a resourceful opponent, an opponent which for centuries has spread and multiplied throughout the civilized world. It does not retreat except for cause. It is immovable in the face of earnest conversation and wishful thinking.

The control of any disease involves three stages: First comes the patient efforts of scientific investigators in the laboratory, at the bedside, and in the field to learn the nature of the disease, its mode of spread, and the best methods of prevention and treatment. It is necessary that we perfect our tools for use against any disease before there is hope of controlling it. For three decades we have had the basic knowledge necessary to control syphilis, but public ignorance of the problem prevented in this country any effective action against it. In the face of this discouragement, however, doctors and health officers have continued patiently to measure the size of the problem, to test and appraise the effectiveness of their tools. Their value has been demonstrated. In the Scandinavian countries, particularly, syphilis has been made a rare disease. As a result, it has been possible in recent years to speak confidently of what can be accomplished by putting science to work in the control of syphilis.

Not until the past year or two have we been able to develop comparable tools against gonococcus infections. Through the use of sulfanilamide, however, it is now evident that a large proportion of cases can be cured promptly, which means that we can attack this infection also with assurance of success.

The second stage necessary for the control of any disease is education of the public concerning it. In this the American Social Hygiene Association long has played a prominent part. The people are at last convinced that syphilis and gonococcus infections are dangerous to life and health, a danger which we need not endure. Citizens are eager for facts. The public has demanded that health agencies and the medical profession put their knowledge to work. As a result there has followed promptly the third stage, that of action.

The first action on a national scale for the control of the venereal diseases was taken last year when Congress passed the La Follette-Bulwinkle Act. This act provides for cooperation of the Public Health Service with the States and localities to attack these diseases simultaneously on 48 State fronts and in a thousand communities with an increasing scale of governmental support. The States are doing their part. More than $5,000,000 of State and local moneys have been made available as a result of this Federal action.

Three years ago 16 States had full-time venereal-disease control officers; today there are 29. Thirty-seven State health departments were furnishing antisyphilitic drugs for poor patients then; all except Utah are doing it today; 14 States furnish such drugs for all patients. For the first time all State health departments furnish free serologic tests for syphilis and examinations for gonorrhea. Forty-four States now provide case-finding service. The reporting of disease has improved phenomenally, a very significant indication, I think, of the increased confidence of the private physician in the methods and purposes of the public-control program. Doctors, nurses, and social workers are being trained for the task according to the best-known scientific methods.

In addition, 10 States now have laws requiring premarital physical examinations, including laboratory tests, which will minimize the spread of syphilis to the next generation.

In order to take care of the large increase in the number of new patients seeking treatment, the number of clinics has risen from one clinic for each 130,000 persons to one for each 80,000 persons in the general population. This is not enough, and the service is not yet good enough. I repeat, as a Nation we have just started to fight syphilis. The main job is ahead of us, but the movement is forward and the trend is up.

But action by governments is not enough to deal with a problem such as this, which affects the whole people. Increasingly there is needed a strong national voluntary agency through which citizen interest can make itself felt. We are fortunate in having such an agency in the American Social Hygiene Association and its national antisyphilis committee which was organized last year. Working actively on this program also we have had great citizens' groups, such as the General Federation of Women's Clubs, the American Legion, and the United States Junior Chamber of Commerce. Interested citizens everywhere have contributed their time and effort. Your presence here today, Mrs. Roosevelt, will be a great encouragement to such citizens in their efforts to improve the health conditions of their own communities.

I have referred to the fact that the American people now consider syphilis to be a serious epidemic disease, which it always is; not the punishment for sin, which it frequently is not. Our public-health attack upon it, therefore, has been primarily an epidemiological and a chemical attack. This is the first job of a health officer. However, we are not only health officers but citizens, and as such we should lend our efforts to remove those conditions which promote the spread of the venereal diseases. In whatever measure we are successful in this objective, there will accrue spiritual benefits even more important to us and to our families than the absence of infectious disease.

It is for this reason, Dr. Farrand, that although I believe governmental leadership to be essential in a united and successful attack upon the venereal diseases, the prime factor today, as it has always been, is the work of your organization in enlisting the citizen's army which must bear the brunt of this and every other effort of civilized men and women to lift us by our boot straps. No matter how excellent the drugs to fight syphilis or how able the doctors, no matter how competent and considerate the clinical service, nothing important will occur unless we as a people understand our need for such service, unless we are willing to use it intelligently and faithfully, and unless we make the clear-cut choice to spend tax money for the prevention of misery due to syphilis and gonorrhea rather than bear the larger costs of care for the stricken.

The awareness of this situation to be seen at every hand, I firmly believe, is the cumulative result of your 20 years of effort since the World War, Dr. Snow, and ladies and gentlemen of the American Social Hygiene Association. What I have done has been merely to execute that part of the whole plan which was given me as my personal responsibility. The task is not finished. It has not become easier. But, thanks to Senator LA FOLLETTE and Congressman BULWINKLE, who were leaders of the good fight in the Seventy-fifth Congress, we can say confidently that the task is at last possible. And to you, Mrs. Roosevelt, who symbolize the great-hearted women who are leaving this Nation happier and more wholesome than our generation found it, in behalf of this oganization, I promise that the task will be done. If human effort can achieve it, our children shall be free of this burden which it is in our power to lift.

Recent Progress Against Syphilis and Gonorrhea and Its Relation to the National Defense

EXTENSION OF REMARKS

OF

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1939

ADDRESS BY DR. R. A. VONDERLEHR

Mr. HOUSTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a speech by Dr. R. A. Vonderlehr, Assistant Surgeon General, United States Public Health Service.

Public policy demands that adequate treatment be abundantly available to every man, woman, or child who suffers from syphilis and that every infected person be given the opportunity to continue those treatments until cured, regardless of economic or social status.

Public-health authorities must insist upon treatment in order to protect the other members of the public, and if legislative support for proper control work languishes it is a failure of legislative education.

Dr. Vonderlehr's speech is as follows:

There has always been a close relationship between the health of the civilian population and the physical condition of the fighting forces of a nation. This connection has been closer with syphilis and gonorrhea than with most other diseases, and despite the control efforts of official and voluntary agencies, the former diseases remain a major health problem. But the trend seems to indicate that success is ahead.

Twenty-five years ago the directors of the newly formed American Social Hygiene Association selected a health officer to head that organization. Time has demonstrated the wisdom of that selection. Under his administration the association has undertaken first things first. Fighting syphilis, fighting gonorrhea, are among its foremost objectives.

The relationship of this voluntary organization to the campaign was established early. The need for governmental action in the public-health aspects of social hygiene work was appreciated by the forward-looking organizers of the association 4 years before the movement was given official national recognition. And even then this recognition did not come until a war demonstrated the vast prevalence of syphilis and gonorrhea in America's manpower.

Before 1914, public opinion regarding the venereal diseases conspired to hide syphilis, neglect treatment, and spread syphilis. Since then a sense of public responsibility has been gradually evolved which demands that we find syphilis, treat syphilis, and prevent syphilis.

In the control program during recent years emphasis has been placed upon the most practical public-health principles. This course has been pursued because the frailty of human nature

appears to make it more practical to attain an important end through emphasis on physical rather than moral measures. Yet health officers, with all other public-spirited citizens, realize the need for the application of both the physical and the moral principles of social hygiene in order to develop the finest type of human being in future generations.

PROGRESS IN RECENT YEARS

The headway which has been made in the application of new and intensified public-health principles during the past 2 or 3 years has been most encouraging. This progress has been so extensive that I shall summarize only a portion of it.

The use of serologic surveys to determine the prevalence of syphilis has given valuable information. The Public Health Service has recently completed a study of serologic blood tests performed on 78,000 college students, which has established a rate of approximately two per thousand syphilitic individuals for this group. Industry, particularly the railroads, has also employed routine serologic tests in the selection of new employees and, to a lesser extent, as a part of the routine examination of old employees. Limited reports indicate that the prevalence rate for syphilis in industrial employees ranges from 4 to 6 percent. While there is some evidence that the rate in industry may be inaccurate because of the influence of selective factors, these surveys nevertheless emphasize the need for effective control of syphilis in industry.

Blood testing of large population groups has been undertaken in several communities, and the people have cooperated enthusiastically in each instance. In Chicago, for example, a straw ballot among a large group of people indicated that 90 percent were willing to submit to a serologic test for syphilis.

The distribution of antisyphilitic drugs by State health departments has increased from 1,400,000 doses in 1935 to 2,800,000 doses in 1938. The total sales of arsenical drugs in the United States increased from 4,300,000 doses in 1935 to 6,700,000 doses in 1937.

Although sulfanilamide is used for the treatment of several infections other than gonorrhea, the amount of this drug which is sold is of some interest. More than 267,000 pounds of sulfanilamide was sold in the United States during 1937, while the 1936 sales were negligible. Figures for the calendar year 1938 are not yet available.

During the fiscal year 1936 the number of venereal-disease clinics reporting to State health departments was 713; during 1938 the number of these clinics had increased to 1,254. In the first 4 months of the 1938–39 fiscal year the total number of these clinics was 1,415, or almost double the number in 1936. All States except South Dakota, Utah, and Wyoming reported at the beginning of the present fiscal year that they either maintained or cooperated in the maintenance of clinics for the treatment of venereal diseases.

The number of new admissions to, as well as the total number of treatments given in, clinics maintained by or in cooperation with State health departments, has increased steadily year by year. During the fiscal year 1937 over 149,000 new patients were admitted to venereal-disease clinics, and a total of approximately 3,800,000 treatments were reported as having been administered. In the fiscal year 1938 the number of new clinic patients increased to over 197,000, and the number of treatments to approximately 5,200,000.

In the period from 1927 to 1937 the number of serologic tests performed in State laboratories tripled. The fiscal year 1938 marked a further increase of 37 percent in the number of serologic tests over the 1937 total.

There has been a great dearth in the personnel available for service in the campaign to control syphilis and gonorrhea. In order to meet this demand the Public Health Service, in cooperation with several State health departments, has aided in the organization of postgraduate training courses in venereal disease control. This postgraduate training, financed to a considerable extent with funds available under the provisions of the Venereal Disease Control Act and title VI of the Social Security Act, has been located in nine centers. The courses are offered to health officers, physicians, public health nurses, and medical social workers who are employed by or cooperating with health departments in the control of the venereal diseases. Both theoretical training and practical demonstration of methods and technics are made available.

Nineteen State departments of health have made some form of provision for approval or licensing of laboratories for the performance of serologic tests for syphilis. In view of the recent findings of the Committee on Evaluation of Serologic Tests for Syphilis, indicating that a few laboratories are not doing efficient serologic work, and because of the importance of these tests in the campaign against syphilis, it is believed that special emphasis should be placed upon this aspect of venereal disease control administrative practice during the next year or two. The excellence of the present-day serologic tests for syphilis when they are properly performed permits no excuse for the few laboratories whose work is not up to standard.

All these services have been badly needed for many years. They are needed for humanitarian reasons. They, and even more expanded services, will be required to control syphilis.

SYPHILIS AND MANPOWER

There is no better example of the need for intelligent, prolonged national action than the crippling effects of syphilis on our manpower.

The United States is planning a concerted drive to bring national defense up to a standard which will insure the future of our Government against all conceivable odds. In doing so we must not forget the need for an armed force free from syphilis. We should have learned that lesson well during the World War. Let us review conditions in the male population of military age.

Study of the men drafted in the last war revealed that syphilis was diagnosed by clinical methods alone without the aid of laboratory tests in 19,114 of 2,500,000 men. Only the obvious cases were accounted for since routine serologic tests were not done.

An estimate of the number of men of military age infected with syphilis in the present population has been made from data assembled in recent surveys (1936–37) in the United States. This study shows that 324,000 of the Nation's 20,000,000 men between the ages of 20 to 39 years, inclusive, would be found so infected. The significance of this estimate is evident when we recall that of our men only 260,783 were killed or injured in action during the entire World War. Thus, casualties due to syphilis at the present time, in this age group, would exceed considerably our total battle casualties during the entire period of the last war.

And this is not the complete story of syphilis as a military problem. An additional 67,000 of the 18,000,000 white men in the age group 20 to 39 years, and an additional 43,000 of the 2,000,000 Negro men in the same age group, would acquire syphilis each year. True, prophylactic measures under rigid military control are relatively effective. But the militia must be selected from the civilian man power, and this selection from the total male population available would require several years. With 324,000 syphilitic men at the beginning of hostilities and 100,000 more each additional year, syphilis would, indeed, assume a major problem.

The cost—local, State, and Federal—of treating these 324,000 syphilitic men now in peace time would be $15,000,000 the first year, and each year thereafter the bill would diminish. The Technical Committee on Medical Care stated in its report to the National Health Conference last summer that $50,000,000 a year would be necessary to bring syphilis and gonorrhea under control in the entire population. In this connection the people of the country have some pertinent decisions to make about the public health.

We, as a nation, have agreed that we must have a strong national defense. We have unhesitatingly authorized the purchase of flying fortresses at a cost of $285,000 each and the construction of battleships at a cost of $70,000,000 each.

Armaments are essential to national defense. Alone they do not prepare us for war. Much depends upon the physical fitness of the men who man them.

Is it not a waste of money and of men to spend millions on the treatment of syphilitic soldiers as we did during and shortly after the World War and provide inadequately for the civilian control of syphilis beforehand?

Should not adequate provisions be made for civilian syphilis control not alone for humanitarian reasons but as an essential in the national defense program?

The public-health stage is set. A successful war against syphilis is assured. Now is the time to act.

Workers Demand the Right To Bargain Collectively Through Representatives of Their Own Choosing

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1939

Mr. HOFFMAN. Mr. Speaker, how much longer will this Congress delay the amendment of the Wagner law?

Practically every Member of the House realizes that the act has not brought industrial peace. Complaints against its operation are widespread. Almost daily protests are being received from workingmen, complaining because the right of collective bargaining is taken from them and their organization and placed by the Board in the hands of organizations which do not represent the workers, which are not for collective bargaining purposes the choice of the employees.

As an illustration let me read this protest from Laureldale, Pa.:

ROSEDALE EMPLOYEES ASSOCIATION,
Laureldale, Pa., January 13, 1939.

Re National Labor Relations Board.
Hon. CLARE HOFFMAN,
House of Representatives, Washington, D. C.

DEAR SIR: I am president of Rosedale Employees Association, a Pennsylvania nonprofit corporation formed for the purpose of collective bargaining, and having a membership of about 1,500 of an approximate total of 2,800 employees of Rosedale Knitting Co., Laureldale, Berks County, Pa.

On or about June 8, 1937, we filed a petition with the National Labor Relations Board requesting an investigation and certification

of the association as the exclusive bargaining agency for all workers of Rosedale Knitting Co. The Board never held a hearing in the matter, and after repeated efforts to induce it to do so we withdrew the petition on or about November 23, 1938, after almost a year and a half of inaction by the Board.

Immediately after withdrawing the above petition we filed a new petition under section 9 (c) of the N. L. R. A., setting forth that we represented a majority of the employees of Rosedale Knitting Co. and requesting the Board to investigate the situation, and either to certify us as the exclusive bargaining agency or to hold an election to determine what organization, if any, represented a majority of the employees. The only other labor organization interested in the matter is the American Federation of Hosiery Workers, a C. I. O. affiliate, having about 500 of the Rosedale employees as members.

It would appear that if we were affiliated with the C. I. O., or possibly even with the A. F. of L., we would have had our certification or election long ago. Since we are an independent union, however, it seems that we are refused a certification or a vote for that reason. If the N. L. R. A. is to be administered on a basis of majority rule only if that majority happens to belong to one of the two largest national unions, something is radically wrong with the act.

We are now faced with the proposition that the only way to secure recognition of what we consider our rights would be to go on strike, an alternative which we were under the impression the N. L. R. A. was intended to obviate, and one which would work a great hardship upon us.

In the meantime Rosedale Knitting Co. has entered into a contract with the American Federation of Hosiery Workers, which directly, in our opinion, violates the N. L. R. A., and we charge the Board with being fully aware of this fact. Using this contract as an excuse and a justification, Rosedale Knitting Co. is now bringing open pressure to bear upon employees to join the federation and is operating a quasi-closed shop. The result of this is, of course, a violation of the act, in that the company is, by "discrimination in regard to hire or tenure of employment or any term or condition of employment," encouraging membership in the federation and discouraging membership in the association, when in fact and law the federation has never been certified as the exclusive bargaining agency. We charge that the Board is also fully aware of this condition.

The only reason the Board has given our attorney for its refusal to act is that many of our members joined our union in 1933–35. This is like saying that we must reaffirm our allegiance at regular intervals or else become obsolete, or, like Representatives, "rejoin" the House every 2 years.

Believe it or not, so far are we from being a company-dominated union that Rosedale Knitting Co., by its apparently illegal conspiracy with the federation, might aptly be called a union-dominated company—something unique in labor-employer annals.

Inasmuch as indications point to a congressional investigation and possible revision of the N. L. R. A. and its administration we wish to bring to your attention with all the force at our command the above situation. We would like you to do whatever you can to see that we are secure in our rights under the N. L. R. A. and that this and similar discrimination by the Board against independent labor organizations are stopped.

Yours respectfully,

EDWARD W. HECK, *President.*

Amendments to the Wagner law have been proposed. There is no longer reason why we should delay giving them consideration.

Industrial peace will be hastened if we so amend this law as to accomplish the purpose for which it was enacted; if we so amend it as to secure to employees the rights which the seventh section of the act declares they shall have, but which have in practice been denied them.

Investigation of Un-American Activities

EXTENSION OF REMARKS

OF

HON. JOSEPH A. McARDLE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1939

Mr. McARDLE. Mr. Speaker, in casting my vote in favor of continuation of the Special Committee on Un-American Activities I have in mind the need to explore the methods and examine the extent of alien and domestic forces engaged in propagating political doctrines foreign and hostile to our native democracy.

I have little fear for the eventual survival of our present form of government. I have faith in the sturdy American love for freedom and the fierce American determination to protect liberty at whatever cost.

Yet in a world confused and befuddled by wide break-down of the accepted order of things, I recognize the existence in a small minority of a state of mind fertile to the hysterical promises of messiahs of many political doctrines. I believe this is the time to air the extent to which foreign panaceas are being used to woo Americans into the toils of strange doctrines as this totalitarian state or that seeks to draw us from our natural orbit into a strange alliance with race hatred, atheism, paganism, and bloody persecution.

But there is a danger from within of which I am not unmindful in casting this vote. That danger is that we should embrace the methods of inquisition, slander, and prejudgment adopted abroad and engage in an orgy of witch burning instead of a calm, an open-minded, and a fair American inquiry.

The chairman of the committee on the floor of the House has just admitted to mistakes in past procedure. As a new Member of this body, it is not mine to judge. But the gentleman from Texas has given us his word that those mistakes will be rectified.

It is inconceivable to me that any committee composed of Members of this House will stoop during the future course of this inquiry to prostitute its high position by un-American methods of investigation.

I vote for a continuation of the investigation that the cancerous propaganda of social destruction spread by moral gangsters representing foreign dictators may be bared to the understanding of the American public.

I hope and trust and pray that the committee in which I today place such confidence will pursue its task in an objective, inquiring manner, giving fair play to all, giving every rational person a chance to be heard, protecting the innocent and the weak, and protecting the committee against those who would use the committee as a sounding board to vent their spleen and malignity on honest Americans just because they hold social and political beliefs different from their own.

Disqualification of Federal Judges

EXTENSION OF REMARKS

OF

HON. CLARENCE E. HANCOCK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1939

Mr. HANCOCK. Mr. Speaker, I wish to call the attention of the House to a bill I have just introduced in an effort to strengthen and improve the law with reference to the disqualification of Federal judges having interests or relationships which are likely to bias or prejudice their judgment in cases coming before them. It is far from a perfect bill, but it deals with a subject that needs legislation.

A week ago the whole country was shocked and scandalized by the publication of a letter written by Hon. Thomas E. Dewey, district attorney of New York County, to our distinguished chairman of the Judiciary Committee, giving factual data regarding certain transactions of Senior Judge Martin T. Manton of the Second United States Circuit Court of Appeals. Six specific transactions are described in the letter, and if the statements are true there are strong grounds for suspecting, at least, that an honored member of a high Federal court has been guilty over a period of years of the grossest corruption in office.

Most of the gentlemen here read Mr. Dewey's letter, and I will not attempt to review it, but let me briefly summarize two of the transactions that are described to indicate the seriousness of the charges.

The first charge grows out of the case of the Schick Dry Shaver, Inc., against Dictograph Products Corporation, Inc., involving the basic patent for electric shaving devices. It was tried in district court and decided in favor of the Shick company. An appeal was taken to the Second Circuit Court of Appeals, of which Judge Manton was the senior member. The case was reversed and decision rendered for the Dicto-

graph company by a divided court, Judge Manton being one of those who voted for reversal.

Between the date the appeal was taken and the time the decision was handed down the man principally interested in the Dictograph company, through the agency of a man named Spector, gave or loaned Judge Manton, or corporations owned or controlled by him, sums aggregating $52,000, and after the decision supplied the judge or his corporations with an additional $25,000.

Incidentally, Spector was convicted for contempt for destroying records that had been subpenaed and which were thought to contain evidence pertinent to the transaction, and a man named Bracken was presented to the court by the grand jury for punishment for contempt of court for refusal to produce records relevant to the New York district attorney's investigation of Judge Manton's office.

Let me mention one other matter brought out by Mr. Dewey. A man named McGrath was made a trustee of the Prudence Co., Inc., in a reorganization proceeding brought under 77B of the Bankruptcy Act. He had been recommended by Judge Manton to the district judge who made the appointment as a man worthy of receiving such an appointment. From time to time McGrath received fees and allowances, and when they amounted to $32,000 he turned over $12,000 to Judge Manton.

These facts and the others set forth in his letter were brought to light after a year's careful investigation into Judge Manton's affairs by Mr. Dewey and members of his staff. In so doing he has performed a duty which a less painstaking, alert, and fearless prosecuting attorney might not have undertaken.

I do not mean to pass judgment on the charges that have been made. Judge Manton may, as he states, have a complete and satisfactory explanation of all of them, and I sincerely hope he has. The implications are so grave, however, that nothing but a thorough sifting of the facts will satisfy the public now. There can be no doubt that the controversy in which Judge Manton is the central figure, if not vigorously pursued to a final conclusion, will cast reflection on the courts and weaken public confidence in the courts and the administration of justice. That must not be allowed to occur. It is to be hoped, if not expected, that the Federal Department of Justice and the office of the district attorney of New York County will cooperate in an effort to find the truth in the Manton case and see that justice is done rather than go their separate ways in a spirit of suspicion and rivalry.

During this past week I have heard a number of people dismiss the charges against Judge Manton by the flippant remark, "Dewey is ambitious." Let me say in reply that if it is sinful to be ambitious this House contains many very wicked men.

The Attorney General issued an interesting statement when Mr. Dewey's letter became public. He said that on the previous Wednesday, 5 days before, he went to New York and discussed with the judge the desirability of his resignation and received the judge's assurance that he would resign. He also said:

> Upon taking office on January 2, on the basis of information available in the Department of Justice, the Attorney General took under his personal direction the immediate consideration of the charges against Judge Manton. The Attorney General is convinced that the resignation of the judge will facilitate the thorough investigation of charges against the jurist and protect the administration of justice by keeping the courts completely above suspicion.

This statement raised a number of questions in my mind.

If the information revealed by Mr. Dewey and the press was available in the Department of Justice, how long had it been there?

If the Attorney General knew the facts on January 2, and took the Manton matter under his personal direction, why did he wait until January 25 to ask the judge to resign?

If an investigation was under way in his office and he was convinced that the resignation of the judge would facilitate the investigation of charges, why did he wait until January 30, after the publication of Mr. Dewey's letter, to announce the resignation?

Why did his predecessor in office fail to take any action on the "available information"?

If he did not have the evidence, but merely rumor and hearsay, why did he suddenly demand the judge's resignation?

If Mr. Dewey and the press had not disclosed some of the facts, would the whole matter have been hushed up and the judge allowed to sit on the bench indefinitely and resign at his convenience?

But another and more important question occurred to me, as it must have to many of you. I wanted to know what protection the law gives to litigants against having to submit to the jurisdiction of biased or prejudiced judges in Federal courts. I have not had time to make any but a cursory examination of the law, but I find that litigants have almost no protection at all. There are the bribery sections of the Criminal Code and a provision—section 373, title 28—making it a crime for a Federal judge to practice law, but the only disqualification section I find is section 24 of title 28 of the United States Code. It is quite brief; let me read it to you.

> When it appears that the judge of any district court is in any way concerned in interest in any suit pending therein, or has been of counsel or is a material witness for either party, or is so related to or connected with either party as to render it improper, in his opinion, for him to sit on the trial, it shall be his duty, on application by either party, to cause the fact to be entered on the records of the court; and also an order that an authenticated copy thereof shall be forthwith certified to the senior circuit judge for said circuit then present in the circuit; and thereupon such proceedings shall be had as are provided in sections 17 and 18 of this title.

This action is applicable to district judges only, and it gives them complete and final discretion to determine whether it is proper for them to sit in trials in which they are personally interested.

In my bill I have attempted to take that discretion away and lay down positive rules with penalties for disobedience. I doubt whether there is a State in the Union with so weak a law on the disqualification of prejudiced judges. I have looked at several of them. The bill contains most of the provisions of section 15 of the judiciary law of New York State, some of the existing Federal law, a little from the Canons of Judicial Ethics adopted by the American Bar Association in 1924, and a few ideas of my own. I have no pride of authorship, and I know that no public bill introduced by a Member on this side of the aisle is allowed to pass under the present regime. It is my hope—fatuous, perhaps—that lawyers here and elsewhere will be stimulated to study this subject and that we may without too much delay enact legislation to correct what I believe to be a serious defect in Federal law.

Men concerned with good government have recognized from the earliest times that independent, impartial, and incorruptible courts are essential to good government.

> Thou shalt not wrest judgment; thou shalt not respect persons, neither take a gift; for a gift doth blind the eyes of the wise and pervert the words of the righteous (Deuteronomy 16: 19).

The American Bar Association adopted Canons of Judicial Ethics in 1924 "as a proper guide and reminder for judges, and as indicating what the people have a right to expect from them." Among the 34 canons I find the following:

> He—the judge—should not incur obligation, pecuniary or otherwise, which will in any way interfere, or appear to interfere, with his devotion to the expeditious and proper administration of his duties.
>
> He should not enter into any business relation which in the normal course of events reasonably to be expected might bring his personal interest into conflict with the impartial performance of his official duties.
>
> It is desirable that he should so far as reasonably possible refrain from all relations which would normally tend to arouse the suspicion that such relations warp or bias his judgment, or prevent his impartial attitude of mind in the administration of his official duties.
>
> He should not accept any presents or favors from litigants or from lawyers practicing before him or from others whose interests are likely to be submitted to him for judgment.

The chairman of the committee which framed and recommended those canons was ex-President, ex-Chief Justice William Howard Taft.

The President of the United States when he was Governor of New York went to great lengths in 1931 in saying—

It is repugnant to our sense of the proper administration of justice that judges should be permitted to engage in business during their term of office. This principle admits of no doubt and should be applied throughout the State.

We know that practically all of the judiciary, Federal and State, is composed of men of the highest standards of rectitude, private and official, that they jealously guard the good name of the court and are keenly aware of their duty and great responsibility to retain the respect and confidence of the people by administering the law fairly and impartially. For their protection and the protection of litigants there should be a law on the Federal statute books definitely prescribing the grounds for the disqualification of judges in certain cases and imposing punishment for violating such a statute.

To my mind there is no crime more despicable than a betrayal of public trust.

Amlie Should be Confirmed

EXTENSION OF REMARKS
OF
HON. JOHN M. COFFEE
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 7, 1939

EDITORIAL FROM THE GAZETTE AND DAILY, OF YORK, PA.

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my own remarks in the RECORD, I include herein an editorial appearing in the February 2, 1939, issue of the Gazette and Daily, of York, Pa., entitled "Amlie Should be Confirmed." Because of my warm friendship for Tom Amlie, I desire to take this means of expressing hearty approbation of Tom Amlie's integrity, ability, character, and qualifications. To me it is absurd that anyone should question Mr. Amlie's sound patriotism, his devotion to American institutions, his thorough scholarship, his grounding in economics.

If we have reached the point, Mr. Speaker, that we cannot advise and consent to the appointment of a scholar of national reputation because he may espouse ideas differing with ours, then, indeed, one may entertain fear for the future of America.

I may add that the liberals, who comprise the majority of the voters in my congressional district, thoroughly approve of the appointment of Tom Amlie to the Interstate Commerce Commission, and that in panegyrizing Tom Amlie I sincerely believe I am representing truly the majority sentiment of my own people.

The editorial is as follows:

[From the Gazette and Daily of York, Pa.]

AMLIE SHOULD BE CONFIRMED

Last week the President appointed Thomas R. Amlie to fill a vacancy on the Interstate Commerce Commission. The appointment was greeted with howls of Tory rage. The reactionaries in the Senate immediately began marshaling their forces to block his confirmation.

From the editorial rash that has broken out in the newspapers of the country, and especially among the top flight slanderers of the New Deal, it would seem that the word has gone out ordering Amlie's appointment killed by the press. The editorializing about the matter is so similar in structure that one could easily be led to believe that those who are condemning Amlie's appointment are writing from the same outline.

The tirade against Amlie is made up of the three stock arguments that have become too familiar with us in recent years: (1) Roosevelt makes a gesture of contempt for his opponents; (2) the confidence of business is being destroyed; and (3) communism.

One would think that persons of any imagination at all would long ago have discarded these shop-worn frauds. But again and again they are dragged out to discredit any Roosevelt move.

Let us consider the facts in the matter of Amlie's appointment.

There are 11 members of the Interstate Commerce Commission. Six of these at present are Democrats. Five are Republicans. The term of one Republican has expired. Roosevelt, in naming a successor, chose Amlie who is neither a Republican nor a Democrat. He is a member of the Progressive Party in Wisconsin, which until lately was the dominant political party in that State.

As a Representative in Congress, Amlie stood on a par with Maury Maverick in ability and in his representation of the people of the whole country. He was independent. He was incorruptible. He was sincere. He was one of the most energetic Members of Congress. And he was a member of the group of young Congressmen known as "Young Turks" and hailed throughout the country for their constructive liberalism.

In the recent elections Amlie was defeated in his try for a Senate seat.

Hugh Johnson doesn't call Amlie an outright Communist, but he fears he might be. Of course, anything more liberal than a cyanosed dead eagle is anathema to Johnson since he cast off the robes of liberalism which he wore with such ill grace. So Johnson shudders in his iron pants for fear that Roosevelt, by his recent appointments, is trying to erect an imitation Bolshevist Party on the ruins of the Democratic Party.

Mark Sullivan inadvertently pays Amlie a compliment rarely received by any man. He argues that Amlie, as one of the 11 Interstate Commerce Commissioners, would exercise such an influence that his appointment is likely to scare business into dismay.

Think of it! Business, the great moving force of this country, in Sullivan's own opinion, being chased to the tall timbers by one lone Interstate Commerce Commissioner! Business running away from profits for fear that a former Congressman, who declared the people of his district elected him and therefore he would serve them, might say "Boo!"

And then Sullivan reveals a type of thinking that is all too common in this country. He implies that an Interstate Commerce Commissioner should be the servant of business.

It is high time that the Johnsons and the Sullivans were told that the United States is more than just business. It is the whole body politic. Any appointment to any governmental agency should be predicated upon service to the country, not service to some predatory interest.

If Amlie were some hack lawyer, totally undistinguished for anything but obscurity; if Tom Amlie were just a run of the mine political spoilsman, if he were some obscure ordinary businessman, not one of his present detractors would raise his voice against him.

What these calumniators fear, however, is not that Amlie will be a nonentity on the Commission. Your average American citizen cannot name three of the present Commissioners. They fear that Tom Amlie will bring to the Interstate Commerce Commission the same integrity and the same concern for the general welfare that characterized his career as a Congressman.

They have not produced a single valid argument as to his unfitness for the office. All they can say of him is that he will not play their game. And because of that, and because they will use any stick to whip Roosevelt, they will try to destroy him.

On his record in Congress alone, Tom Amlie deserves to be confirmed.

The Present Job of Government and Private Capital in Our Democracy

EXTENSION OF REMARKS
OF
HON. CLARENCE CANNON
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 7, 1939

Mr. CANNON of Missouri. Mr. Speaker, the Department of Agriculture has just released statistical summaries of Government and private debt, which are of particular interest at this time. The data includes summaries covering approximately two decades, beginning in 1920.

In the 1920's, as we went from depression to prosperity, private investment increased by five to six billion dollars a year. Private investment is, of course, essentially the same as private debt. Widespread private investment, or debt, does not differ greatly from national debt except that often it is not paid back. The increase in private investment, or debt, gave use more production and more jobs and therefore more consumer purchasing power.

Since 1930 private investment has been far below normal and the Federal Government has had to step into the breach. In a capitalistic society like ours capital for investment must be supplied or the wheels stop turning. Either individuals must supply it or the Government must supply it, or both.

Since 1930 Federal indebtedness has been increasing at an average of about $2,500,000,000 a year. This is less than half of the annual increase in private indebtedness during the 1920's, and together with debts of Government agencies has hardly been sufficient to offset the shrinkage in private debts.

A substantial part of the increased Federal debt has gone to replace a $15,000,000,000 shrinkage in private long-term debts since 1930. Another part has gone to offset a $20,000,000,000 shrinkage in bank loans. Add together the present private debts and the Federal debt and you have a total today somewhat less than in 1930. See table 1.

While the Government since 1930 has added less per year to the national debt than did private enterprise in the 1920's, each dollar of Government debt produced more results in terms of increase in national income than did a dollar of private debt or investment in the 1920's. See table 2.

The real question about Government debt is now how we are going to carry it, because with lower interest rates and a smaller private debt the carrying charges on both Government and private debt in 1938 were 14 percent less than in 1930. See tables 3, 4, and 5. These interest payments took a somewhat smaller share of the national income than in 1930 and a much smaller share than in 1932. The real question is how the Federal Government may most effectively invest and spend for productive and social purposes until such time as private capital can carry its fair share of the social load, now increased because of the entirely different world outside of the United States and by the persistent unemployment problem within. Unemployment is the source of many of our internal difficulties.

Another question with regard to Government investment or debts is what the Nation gets for those expenditures. How do the tangible and social assets of Government compare with the net Government debt? One attempt to evaluate Federal and other Government assets—buildings, roads, and so forth—shows assets of over $70,000,000,000 at the end of 1938 and a net debt of $51,000,000,000. See table 6.

We must do some deep thinking immediately on the proper balance between Government and private investments and upon new productive opportunities for surplus farmers and displaced city people. The creation of these opportunities is now the great test and task of our democratic form of government, and its most effective performance at present is the right combination of both private and public investment in productive effort and socially desirable services.

TABLE 1.—*Government debts, private long-term debts, and bank loans and discounts, United States, 1921–38*

[Millions of dollars]

	U. S. Government, June 30 [1]	Federal agencies, June 30 [2]	State and local, June 30 [3]	Total Government	Private long-term, Dec. 31 [4]	Loans and discounts, all active banks, June 30 [5]	Total private long-term and bank loans	Grand total, Government and private
1921	23,737	450	8,476	32,663	48,682	28,776	77,458	110,121
1922	22,711	730	9,893	33,334	51,200	27,759	78,959	112,293
1923	22,008	1,062	10,598	33,668	55,234	30,287	85,521	119,189
1924	20,982	1,231	11,633	33,846	60,156	31,348	91,504	125,350
1925	20,211	1,506	12,830	34,547	64,895	33,757	98,652	133,199
1926	19,384	1,659	13,664	34,707	69,861	36,051	105,912	140,619
1927	18,251	1,789	14,735	34,775	75,156	37,314	112,470	147,245
1928	17,318	1,866	15,699	34,883	80,121	39,592	119,713	154,596
1929	16,639	1,867	16,760	35,266	83,224	41,433	124,657	159,922
1930	15,922	1,871	17,985	35,778	84,500	40,510	125,010	160,788
1931	16,520	1,885	19,060	37,465	83,131	35,211	118,342	155,807
1932	19,161	2,130	19,330	40,621	80,192	28,090	108,282	148,903
1933	22,158	3,279	19,517	44,954	75,594	22,388	97,982	142,936

[1] Interest-bearing debt of the U. S. Government, p. 410, 1937 Report of the Secretary of the Treasury, except that data for 1938 were taken from U. S. Department of the Treasury.

[2] Total amount of outstanding securities wholly or partially exempt from Federal income taxes of the (1) Federal Farm Loan System, (2) Federal Home Loan System, and (3) the Reconstruction Finance Corporation as reported on p. 466 of the Annual Report of the Secretary of the Treasury for 1937, except that data for 1938 from U. S. Department of the Treasury and include debt of the newly created agencies, Commodity Credit Corporation and Federal National Mortgage Association.

[3] Includes both long- and short-term issues. Annual Report of the Secretary of the Treasury for year ended June 30, 1937, p. 466, except that data for 1938 are from U. S. Department of the Treasury.

[4] Total private long-term debt in the United States; 1922, 1930, and 1934–37, inclusive, are Department of Commerce estimates, "Long-term debts in the United States," 1937, and Survey of Current Business, January 1939; estimates for 1921 from "Private long-term debt in United States," National Industrial Conference Board. All other years prior to 1938 based on National Industrial Conference Board data (same source) with adjustments by Agricultural Adjustment Administration to bring into agreement with the Department of Commerce series. 1938 is preliminary Agricultural Adjustment Administration estimate.

[5] Loans and discounts all active banks, Comptroller of Currency reports (1938 is preliminary).

Source: Agricultural Adjustment Administration, Division of Program Planning, Agricultural Industrial Relations Section.

TABLE 1.—*Government debts, private long-term debts, and bank loans and discounts, United States, 1921–38*—Continued

[Millions of dollars]

	U. S. Government, June 30	Federal agencies, June 30	State and local, June 30	Total Government	Private long-term, Dec. 31	Loans and discounts, all active banks, June 30	Total private long-term and bank loans	Grand total, Government and private
1934	26,480	6,735	18,823	52,038	74,300	21,431	95,731	147,769
1935	27,645	10,177	18,972	56,794	72,831	20,419	93,250	150,044
1936	32,756	11,066	19,212	63,034	71,459	20,839	92,298	155,332
1937	35,803	10,547	19,152	65,502	70,335	22,698	93,033	158,535
1938	36,576	7,989	19,170	63,735	70,000	21,380	91,380	155,115

TABLE 2.—*Increases in national income produced and in long-term debts, United States, 1921–27 and 1932–38*

RATIO OF CUMULATIVE INCREASE IN INCOME TO INCREASE IN LONG-TERM DEBT, 4.14 TO 1

	National income [1]	Increase over base year	Long-term debt			
			Federal (including agencies)	State and local [2]	Private	Total
	Billion dollars	*Billion dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*
1921	52.6	0	24,187	8,476	48,682	81,345
1922	61.7	9.1	23,441	9,893	51,200	84,534
1923	69.8	17.2	23,070	10,598	55,234	88,902
1924	69.6	17.0	22,213	11,633	60,156	94,002
1925	77.1	24.5	21,717	12,830	64,895	99,442
1926	78.5	25.9	21,043	13,664	69,861	104,568
1927	77.2	24.6	20,040	14,735	75,156	109,931
Cumulative total		118.3				
1921–27 increase			[3] 4,147	6,259	26,474	28,586

RATIO OF CUMULATIVE INCREASE IN INCOME TO INCREASE IN LONG-TERM DEBT, 7.81 TO 1

1932	40.0	0	21,291	19,330	80,192	120,813
1933	42.3	2.3	25,437	19,517	75,594	120,548
1934	50.1	10.1	33,215	18,823	74,300	126,338
1935	55.2	15.2	37,822	18,972	72,831	129,625
1936	63.5	23.5	43,822	19,212	71,459	134,493
1937	69.8	29.8	46,350	19,152	70,335	135,837
1938	60.0	20.0	44,565	19,170	70,000	133,735
Cumulative total		100.9				
1932–38 increase			23,274	[3] 160	[3] 10,192	12,922

[1] 1921–27, National Industrial Conference Board; 1932–37, Department of Commerce; 1938, Agricultural Adjustment Administration estimates.

[2] Includes both long- and short-term issues.

[3] Decrease.

Agricultural Adjustment Administration, Division of Program Planning, Agricultural Industrial Relations Section.

TABLE 3.—*Government debt and interest charges, United States, 1921–38*

[Millions of dollars]

	Federal			State and local			Total Government		
	Debt [1]	Interest [2]	Rate of interest [3]	Debt [4]	Interest	Rate of interest	Debt	Interest	Rate of interest
			Percent			*Percent*			*Percent*
1921	23,737	1,030	4.339	8,476	380	4.48	32,213	1,410	4.38
1922	22,711	963	4.240	9,893	452	[5] 4.57	32,604	1,415	4.34
1923	22,008	927	4.214	10,598	484	4.57	32,606	1,411	4.33
1924	20,982	877	4.180	11,633	532	4.57	32,615	1,409	4.32
1925	20,211	830	4.105	12,830	585	4.56	33,041	1,415	4.28
1926	19,384	793	4.093	13,664	623	4.56	33,048	1,416	4.28
1927	18,251	723	3.960	14,735	672	4.56	32,986	1,395	4.23
1928	17,318	671	3.877	15,699	716	4.56	33,017	1,387	4.20
1929	16,639	657	3.946	16,760	763	4.55	33,399	1,420	4.25
1930	15,922	606	3.807	17,985	818	[5] 4.55	33,907	1,424	4.20
1931	16,520	589	3.566	19,060	863	4.53	35,580	1,452	4.08
1932	19,161	672	3.505	19,330	874	4.52	38,491	1,546	4.02
1933	22,158	742	3.350	19,517	878	4.50	41,675	1,620	3.89
1934	26,480	842	3.181	18,823	844	[5] 4.48	45,303	1,686	3.72
1935	27,645	751	2.716	18,972	833	[5] 4.39	46,617	1,584	3.40
1936	32,756	838	2.559	19,212	818	[5] 4.26	51,968	1,656	3.19
1937	35,803	924	2.582	19,152	797	[5] 4.16	54,955	1,721	3.13
1938	36,576	947	2.589	19,170	797	(4.16)	55,746	1,744	3.13

[1] Interest-bearing debt (June 30) interest on which is exempt from Federal income tax, 1937 Annual Report of the Secretary of the Treasury, p. 410, except 1938 is from U. S. Department of the Treasury.

[2] Amount payable at June 30 interest rate, 1937 Annual Report of the Secretary of the Treasury, pp. 352 and 442, except 1938 is from U. S. Department of the Treasury.

[3] June 30 rate, 1937 Annual Report of the Secretary of the Treasury, pp. 352 and 442, except 1938 is from U. S. Department of the Treasury.

[4] Debt of State and local governments (on or about June 30), interest on which is exempt from Federal income tax, 1937 Annual Report of the Secretary of the Treasury, p. 466, except 1938 is from U. S. Department of the Treasury.

[5] Department of Commerce debt studies (other years interpolated) see p. 178, Long-term Debts in United States, for 1922 and 1930, and January 1939 Survey of Current Business for 1934–37, inclusive.

TABLE 4.—*Private long-term and Government debt and interest charges, United States, 1921–38*

[Millions of dollars]

	Private [1]—			Government—			Total Government and private long-term—	
	Long-term debt	Interest	Rate of interest	Debt [2]	Interest	Rate of interest	Debt	Interest
			Percent			*Percent*		
1921	48,682	2,770	5.68	32,213	1,410	4.38	80,895	4,180
1922	51,200	2,976	5.81	32,604	1,415	4.34	83,804	4,391
1923	55,234	3,187	5.77	32,606	1,411	4.33	87,840	4,598
1924	60,156	3,471	5.77	32,615	1,409	4.32	92,771	4,880
1925	64,895	3,725	5.74	33,041	1,415	4.28	97,936	5,140
1926	69,861	4,017	5.75	33,048	1,416	4.28	102,909	5,433
1927	75,156	4,329	5.76	32,986	1,395	4.23	108,142	5,724
1928	80,121	4,623	5.77	33,017	1,387	4.20	113,138	6,010
1929	83,224	4,802	5.77	33,399	1,420	4.25	116,623	6,222
1930	84,500	4,882	5.78	33,907	1,424	4.20	118,407	6,306
1931	83,131	4,805	5.78	35,580	1,452	4.08	118,711	6,257
1932	80,192	4,603	5.74	38,491	1,546	4.02	118,683	6,149
1933	75,594	4,324	5.72	41,675	1,620	3.89	117,269	5,944
1934	74,300	4,185	5.63	45,303	1,686	3.72	119,603	5,871
1935	72,831	3,987	5.47	46,617	1,584	3.40	119,448	5,571
1936	71,459	3,838	5.37	51,968	1,656	3.19	123,427	5,494
1937	70,335	3,713	5.28	54,955	1,721	3.13	125,290	5,434
1938	70,000	3,675	5.25	55,746	1,744	3.13	125,746	5,419

[1] Data in all columns for the years 1922, 1930, and 1934–37, inclusive, are Department of Commerce estimates (as of Dec. 31). Data for other years based on estimates contained in "Long-term debts in the United States," 1937 and Survey of Current Business, January 1939; the estimate for 1921 was taken from "Private long-term debt in United States," National Industrial Conference Board. The National Industrial Conference Board debt estimates in million dollars are: 1922, 50,694; 1930, 85,774; and 1934, 76,757.

[2] Debt of Federal and of State and local governments, interest on which is exempt from Federal income taxes, 1937 Annual Report of the Secretary of the Treasury (p. 466). For details concerning interest charges and rates see table III (Government debt and interest charges, United States, 1921–38).

Source: Agricultural Adjustment Administration, Division of Program Planning, Agricultural Industrial Relations Section.

TABLE 5.—*Interest on specified debts related to national income, United States, 1921–38*

Year	Interest charges on private long-term and Government debt [1]	National income paid out [2]	Interest charges as percent of national income
			Percent
1921	$4,180,000,000	$53,644,000,000	7.79
1922	4,391,000,000	57,037,000,000	7.70
1923	4,598,000,000	64,501,000,000	7.13
1924	4,880,000,000	68,160,000,000	7.16
1925	5,140,000,000	72,580,000,000	7.08
1926	5,433,000,000	74,795,000,000	7.26
1927	5,724,000,000	75,685,000,000	7.56
1928	6,010,000,000	77,359,000,000	7.77
1929	6,222,000,000	79,704,000,000	7.81
1930	6,306,000,000	73,542,000,000	8.57
1931	6,257,000,000	61,609,000,000	10.16
1932	6,149,000,000	48,644,000,000	12.64
1933	5,944,000,000	46,089,000,000	12.90
1934	5,871,000,000	53,172,000,000	11.04
1935	5,571,000,000	57,564,000,000	9.68
1936	5,494,000,000	64,809,000,000	8.48
1937	5,434,000,000	71,013,000,000	7.65
1938 (preliminary)	5,419,000,000	66,000,000,000	8.21
1939 (estimated)	5,483,000,000	71,000,000,000	7.72

[1] See table 4.

[2] Agricultural Adjustment Administration series. Based on Department of Commerce and King's estimates of nonagricultural income plus Agricultural Adjustment Administration estimates of agriculture's contribution to the national income.

Source: Agricultural Adjustment Administration, Division of Program Planning, Agricultural Industrial Relations Section.

TABLE 6.—*Tangible assets and net debt of all branches of Government*

Year	Tangible assets, Dec. 31	Net debt, June 30
1915		$5,700,000,000
1916		6,100,000,000
1917		7,300,000,000
1918	$31,900,000,000	16,400,000,000
1919	32,900,000,000	30,300,000,000
1920	34,100,000,000	30,600,000,000
1921	35,300,000,000	30,800,000,000
1922	37,000,000,000	31,300,000,000
1923	38,500,000,000	31,100,000,000
1924	40,300,000,000	31,000,000,000
1925	42,400,000,000	31,400,000,000
1926	44,300,000,000	31,200,000,000
1927	46,500,000,000	31,000,000,000
1928	48,900,000,000	30,900,000,000
1929	51,200,000,000	31,100,000,000
1930	53,600,000,000	31,400,000,000
1931	55,600,000,000	33,200,000,000

TABLE 6.—*Tangible assets and net debt of all branches of Government*—Continued

Year	Tangible assets, Dec. 31	Net debt, June 30
1932	$57,000,000,000	$37,000,000,000
1933	58,400,000,000	39,700,000,000
1934	60,400,000,000	41,600,000,000
1935	62,400,000,000	43,700,000,000
1936	65,500,000,000	48,000,000,000
1937	68,400,000,000	50,900,000,000
1938	[1] 71,000,000,000	50,800,000,000

[1] 1938 estimate of tangible assets by Agricultural Adjustment Administration based on trend of previous years.

Source: Central Statistical Board.

Proposal for Naval Holiday and Arms Conference

EXTENSION OF REMARKS
OF
HON. LOUIS LUDLOW
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1939

Mr. LUDLOW. Mr. Speaker, as a citizen and as a Representative of citizens who are greatly concerned over existing trends, I should like to see our Government take the lead in trying to secure an arrangement by agreement among the powers of the earth for a naval holiday and a conference on limitation of armaments. It seems to me that in this direction lies our opportunity for a supreme service to mankind.

By unanimous consent I present for the consideration of the Congress and the country a letter I have written to Secretary of State Hull, as follows:

FEBRUARY 6, 1939.

Hon. CORDELL HULL,
Secretary of State, Washington, D. C.

DEAR MR. SECRETARY: I am moved to write this letter not only because you are our leading official in the field of foreign relations but because of the friendship that has existed between us, long antedating your career in the service of the Nation, subsequently strengthened by our association in the House of Representatives and continuing until this hour. It is needless for me to reiterate my admiration of you or to accord to you the high place you hold in the universal esteem of our people as a good citizen and a high-minded, conscientious, capable official.

I am further moved to write this letter to you because of the hope held out and the assurance given in point No. 3 of our President's four-point program of foreign policy, enunciated by him at his press conference on February 3 when he said:

"We are in complete sympathy with any and every effort made to reduce or limit armaments."

I am writing to suggest that the time has come when the United States should undertake the role which we alone among all the nations of the earth are capable of performing with any assurance of success—the role of peacemaker.

I would respectfully suggest that the United States Government should proceed without delay to sound out the powers on two fundamental propositions: (1) An agreement on a naval holiday which would suspend naval construction until January 1, 1941; and (2) a proposal that all nations send delegates to a conference to discuss limitation of arms, to be held in this Capital City some time during the coming summer or fall.

I believe as firmly as I ever believed anything in my life that now is our opportunity to act along these lines, for if we delay action there is a prospect that we may find ourselves just another belligerent in an awful world war, with our opportunity to serve as peacemaker gone forever.

Some may say that with the war psychology pervading the earth, now is a queer time to be proposing intervention for peace, but my reply to that is that now is exactly the right time, before the nations come to grips in a cataclysmic world warfare that might be avoided by a little forehanded discussion around a table. Dictators and warmongers would not like such a proposal coming from America, but it would be hailed with joy and satisfaction by 99 percent of all the peoples all around the globe, for the people who have to do the dying and suffering and to bear the burdens and griefs of war are unspeakably weary of war. By espousing a naval holiday and an arms conference America would instantly win the respect and love of the masses in every land. In dictator countries the masses might not be able immediately to make their approval articulate, but even there a great sentiment would be built up for peace. Nor do I believe that such a straight-from-the-shoulder peace move by America would be foredoomed to failure. I believe it would be successful. As you so well know, Japan, through her official spokesman, her Foreign Minis-

ter, already has stated that she will welcome an opportunity to send delegates to such a conference. European dictators may demur, but I believe they would fall in line when they feel the pressure of the common people of their countries. As for the European democracies, I believe they would welcome such a move by America.

Such a movement coming from Washington would not indicate a soft or weak attitude on our part but would show that, armed in the cause of righteousness, we have the strength and the vision and the determination to assume a role that no other nation is capable of performing nearly as well as we are—the role of peacemaker to relieve the world of the fears and tension that now engulf it.

Let it be known that America stands for conserving and building up human values rather than for tearing them down. A great commander once drove away the animosities and lifted the burdens from the hearts of millions of people by saying, "Let us have peace," and by assuring the poverty-stricken men of the Southland that they need not surrender their horses, as they would need them for the spring plowing. How relieved humanity would be at this juncture if there were someone in authority to take the lead in checking the war tide, so that we in America might have peace and freedom from agitation; so that we might turn to the problems of economic and moral rehabilitation that so much need our attention and so that the peoples of all other countries everywhere, insofar as their local conditions and surroundings will permit, may be vouchsafed the same blessings. May I conclude with some words by Neville Chamberlain? I quote from his speech to the Foreign Press Association as reported in the London Times of December 14, 1938, when, in discussing how happiness comes to nations, he said:

"Something depends upon our material condition, upon our ability to command a standard of comfort which each sets for himself. But even more are we dependent for our happiness upon our mental condition, upon our freedom from apprehension, upon the possession of that peace of mind without which no material comforts can bring satisfaction. It is the absence of that peace of mind which today weighs upon the world and in its turn, by destroying confidence, prevents us from reaping the material advantages to which human progress, in mastering the forces of nature, should entitle us. And I would conclude by appealing through you to all the nations you represent to realize that our aim should be the happiness of all our peoples, and that that happiness can be attained if we are willing to lay aside suspicion and prejudice, to cease looking for points of difference, and to search instead for points of agreement."

These are the words of a wise statesman, and I do not know of any greater service America could render to the world than to implement his philosphy with the means of action, so that around a conference table the representatives of the nations may cease looking for "points of difference" and may search for "points of agreement."

I realize that in the present psychology of the world there can be no disarmament that is not mutual, and that with other nations arming to the teeth America must build up its defenses, nor do I have any criticism of those in charge of our foreign relations, because I believe that we are all striving for the same objective—peace on earth—though perhaps with different ideas and different plans as to how that objective can be reached, but I do hope that you will give serious consideration to this proposal of a naval holiday and an arms-limitation conference, because I sincerely believe it offers the way to break the war psychology and to enable America to render the greatest service it possibly could render to the world.

Very truly yours,

LOUIS LUDLOW.

Fortune Magazine Speaks on National Labor Relations Board

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1939

Mr. VOORHIS of California. Mr. Speaker, there has for some time been a considerable amount of critical comment in the press and elsewhere regarding the work of the National Labor Relations Board. In view of the many barbs which have been thrown at the Board, I was extremely interested in an article which appeared a few months ago in a magazine which has an established reputation for impartiality and detached, scientific observation. The publication I refer to is entitled "Fortune," and the article describing the accomplishments of the National Labor Relations Board appeared in the issue for October 8, 1938, on page 56, under the title "The G—— D—— Labor Board."

According to this article, some 16,200 cases involving about 3,900,000 employees were brought to the Board by workers and labor organizations between October 1935—when the first N. L. R. B. hearing was held—and July 1, 1938. Of these cases more than three-quarters were officially closed during that period. Of this number, about 16 percent were dismissed by the Board or its regional directors, approximately 25 percent were withdrawn, and an additional 54 percent were settled by mutual agreement. I was pleased to read that only some 5 percent of all the charges filed required a formal hearing before a trial examiner.

That single fact seems to me to be of tremendous significance. It is unanswerable evidence of the fact that the Board has been doing splendid work in conciliating and arbitrating differences between employers and workers. We all know that a policy of conciliation and arbitration represents the only sound basis for permanent harmonious relations between employers and workers. Precisely such a policy has been followed consistently by the Board, as the figures from Fortune show, and I simply wished, Mr. Speaker, to take a brief moment to point out that important fact to this House.

Inasmuch as the members of the Board have so often been represented as terrible ogres about to pounce on all businessmen in the country, it seems interesting that Fortune magazine described Mr. J. Warren Madden, Chairman of the Board, as—

A tired, soft-spoken, 48-year-old dean from Pittsburgh, named Joseph Warren Madden. He came to Washington with a sound, legal background (he personally argued the Jones & Laughlin test case before the Supreme Court), a genuinely judicial temperament, few if any New Deal connections, and faith in the essential fairness and honesty of both industry and labor, a faith that had survived his successful chairmanship of the three-man arbitration board that settled the Pittsburgh street-car dispute in 1934.

Agricultural Relief

EXTENSION OF REMARKS

OF

HON. JAMES F. O'CONNOR

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1939

RESOLUTION OF THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA

Mr. O'CONNOR. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution recently adopted by the House of Representatives of the State of Montana:

House Resolution 1

A resolution commending Members of the Congress of the United States for introducing a bill designed to guarantee to farmers the cost of production

Whereas 18 Senators and 6 Representatives have introduced in the Congress of the United States a bill designed to guarantee cost of production to farmers; and

Whereas it is the sense of this house that such legislation is essential if the economic status of agriculture be raised to a parity with other industry: Now, therefore, be it

Resolved, That the House of Representatives of the Twenty-sixth Montana Legislative Assembly do hereby commend said Members of Congress for their action in introducing this legislation, and that the clerk of this house be, and is hereby directed to convey to each of said national legislators this expression of commendation.

W. P. A.

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1939

RADIO ADDRESS BY HON. CLARENCE CANNON, OF MISSOURI, JANUARY 14, 1939

Mr. COCHRAN. Mr. Speaker, in view of the message of the President today, with reference to the Works Progress

Administration, I include, under leave to extend my remarks in the RECORD, the following address delivered over the radio by my colleague, Hon. CLARENCE CANNON, on Saturday, January 14:

Some time ago a prominent citizen insisted jocularly that if W. P. A. was discontinued the unemployed would have to go to work. He was loudly applauded, but just about that time his son came home from college, and his son-in-law lost his job, and suddenly our friend changed his tune and began to say "something ought to be done," and finally was insisting that "the Government ought to see that men had an opportunity to work." He wrote his Congressman asking if the boys couldn't get a foremanship in W. P. A. or be appointed to something in Washington, and finally got one of them a local State appointment and put the other out on a farm he was able to buy at depression prices. Today with the boys off his hands and business again on the upgrade, he is talking about the public debt, and the malingerers on W. P. A., and asking "how are we ever going to pay the bill?" Apparently circumstances alter cases and the point of view depends largely on whose ox is gored—which brings us down to the fundamentals of the proposition.

The right to labor is inalienable. It is a right. And the opportunity to labor, to earn the daily bread by the sweat of the brow is the greatest blessing vouchsafed by a benign providence. Interference with that opportunity is always artificial. Panics and depressions are man-made. And being man-made they must be man-remedied. The W. P. A. is the most successful plan yet devised for remedying the situation—of providing work—and of keeping body and soul together until economic readjustment again permits private industry to take up the burden where it left off. The W. P. A. is something new in business and government—an experiment—and conducted on such a vast scale as to have no counterpart in history. Depressions have recurred periodically in all lands, but nowhere from ancient Egypt down through medieval Europe to the modern continental nations of either hemisphere have such astronomical sums been spent on so inclusive and comprehensive a scale for such a purpose.

Of course, an expenditure of such unprecedented amounts—in so broad a field without blueprints or formulas from the past, is inevitably attended by complaint and criticism—and no doubt there is ample occasion for both. "Men given work who do not deserve it"—"men denied work who should have it"—political exploitation—waste—favoritism—and all the gamut of charges which inevitably accompany public expenditures, whether by village, State, or Nation. In my home Congressional District militant delegations of Democrats call, write, telegraph—protesting against the prostitution of W. P. A. by Republican foremen for political purposes. My files are full of vigorous protests by militant Republicans against the use, by Democratic foremen, of W. P. A. positions to control the election of constables and school directors, not to mention Senators and Presidents. And all of them are more or less justified. For in the enlistment of personnel in a huge organization extending across the continent you cannot change every Democrat and every Republican to a cloistered, nonpartisan eunuch "in the twinkling of an eye" or in any other space of time. They are still Democrats. They are still Republicans. They still have their personal prejudices and their local interests to serve with too often the proverbial provincial incompetence. And no amount of announcement of precept or policy from Washington can neutralize or control them. In every Red Cross drive, and every community chest campaign—in every church and fraternal program for local relief we are confronted by precisely these same problems. "Those receive who do not need." And "those who deserve are neglected." And political support in church or lodge or school election is solicited on the strength of largess so distributed. But it is a testimonial to American efficiency and American integrity, and should be a matter of gratification to every American citizen, that in the distribution of billions of dollars through W. P. A. from the back rooms of that dingy yellow brick building on a side street in Washington—from which the W. P. A. was administered—not a dime of the billions that flowed like an avalanche through its doors, ever stuck to the hands of the Administrator or the efficient staff that occupied the building with him. That record is one of the brightest chapters in American history, one in which every citizen of the Republic may take pride regardless of political affiliation.

And among all the welter of attempted political maneuvering by local ward heelers of all parties, one conclusive and irrefutable record stands out like the headlight on a locomotive in the dark of the moon. That is the election in Michigan. In the interest of President Roosevelt and Administrator Hopkins, the election in Michigan took precedence over the election in any other State. It was the only State—outside of his own State of New York—in which President Roosevelt went on the air to specifically urge the election of his personal candidates. Certainly if the weight and prestige of the W. P. A. was to be used in any State it would be used in Michigan. What actually was the course of W. P. A. in the Michigan campaign? In the September before the election W. P. A. expenditures in Michigan reached $14,251,125.45. In October—just when the campaign was hottest and sentiment was crystallizing—expenditures were reduced to $11,243,614.37. And in November—the month of the election—expenditures were further dropped to $9,489,342.44. Again on September 3, 1938, W. P. A. was employing in Michigan 202,296 men—potential voters. On September 17 the number had been reduced to 197,943—on October 1, to 181,176—October 15, to 172,424—October 29, to 165,264 and by the day of election, November 8, the number had dropped from 202,296 to 159,139. If W. P. A. was being used for political purposes anywhere in the United States, it would have been used in Michigan. Additional men would have been employed—larger sums would have been expended. But during the heat of the campaign—when the issue hung in the balance—steadily through September and October the number of men was decreased and the amount of money expended was reduced. There could be no more striking or convincing evidence of the nonpartisan integrity of the high command in charge of this stupendous army of voters—and the fabulous sums of money being daily expended in every community in the Nation.

W. P. A. is honest. It is nonpartisan. And, most important of all, it is effective. It has served the purpose for which it was created. All over the country today families have been rehabilitated, saved from suffering, and tided over an abyss the depth of which can only be surmised. And along with this invaluable service the Nation has been enriched with public improvement, streets, highways, bridges, farm-to-market roads, schools, libraries, community buildings, water systems, and numerous other municipal, State, and National projects which never could have been secured in any other way and which will serve to enrich and bless the life of communities throughout the Nation through all the years to come.

Those who are now complaining of the cost had nothing to say when we were taking even larger sums from the Public Treasury to lend to European nations for their rehabilitation after the war—billions which never have been and never will be paid. I leave it for the American people to say which has been better invested, the money sent to Europe or the money spent for W. P. A.

Of course, W. P. A. was created to serve an emergency. It is temporary. And we look forward to the day, in the near future, when rapidly improving economic conditions, accelerated business, and private industry will again take over the job. In the meantime, let every man in his own particular field work and sacrifice, and cooperate to that end. For in work and sacrifice and in cooperation lies the hope and destiny of individuals and of nations.

Hon. Thomas R. Amlie

EXTENSION OF REMARKS
OF
HON. LEE E. GEYER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1939

STATEMENT BY HENRY OHL, JR., PRESIDENT OF THE WISCONSIN STATE FEDERATION OF LABOR

Mr. GEYER of California. Mr. Speaker, in connection with the consideration by the Senate of the nomination of Hon. Thomas R. Amlie as a member of the Interstate Commerce Commission, it seems to me pertinent to have printed in the RECORD the following statement on Mr. Amlie recently given out by Henry Ohl, Jr., of Milwaukee, Wis., president of the Wisconsin State Federation of Labor, at the Hamilton Hotel, here in Washington.

Mr. Ohl said:

The attack on Thomas R. Amlie, which inspired a resolution in the Wisconsin Legislature can hardly be understood by people on the outside until they become informed as to the unsocial caliber of the majority of that body.

The resolution issued from the Wisconsin statehouse will be better understood when the legislature gets down to work on the vicious antilabor and unsocial legislation already introduced.

Reactionaries and illiberals it appears have combined for united action against labor's most rational demands.

The resolution condemnatory of Amlie is one of the first acts of the Wisconsin Legislature which indicates what may be expected from that body.

Labor in Wisconsin generally was pleased with the President's nomination of Thomas Amlie for the Interstate Commerce Commission post.

The wild charges of communism made against Amlie are refuted by the Communists' own attacks on Amlie from time to time. Those of us who know Amlie best consider him a clear, rational thinker, and a consistent cooperator swerving neither extremely to the right nor so far to the left as to leave good reasoning behind.

The interest of Wisconsin labor is not so much in the position for which Amlie has been nominated as it is in keeping faith with a man who has served and has been loyal to the people as a whole.

Thomas A. Edison

EXTENSION OF REMARKS
OF
HON. ALBERT L. VREELAND
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 8, 1939

Mr. VREELAND. Mr. Speaker, as we go about our daily tasks we sometimes are inclined to let the accomplishments of our fellow man go by without thought, and we soon forget that the very articles we are using in our daily life and have grown accustomed to were not in existence so many years ago. Were it not for inventive geniuses, we would still be struggling along through life with the candle, the horse and buggy, with no radio, no telephone, or many other conveniences. Yet they have become so much a part of our daily life and become a part of our very existence that we forget their origin. It is perhaps true that were it not that we have national holidays in memory of the great men of this country we would forget even characters of the import of Washington and Lincoln. But again most of our national heroes and those we remember by holidays were great in civic or military affairs, and we pay little heed or attention to the great works of men and pioneers in industry and inventive geniuses who have given us so many of the conveniences of life.

Saturday will mark the birthday of a man proclaimed universally as this country's greatest inventor, Thomas Alva Edison. He is responsible for some of the basic process that later developed into industries, conveniences, and commodities that we now accept in our daily life as a necessity.

Mr. Edison's life had not been one of ease and comfort, nor had it been one of the result of higher education. He was not afforded this privilege. Mr. Edison's parents, while by no means paupers, were not above the comfortably fixed middle class, and being of a wandering nature and quick to move to new territory Mr. Edison, Sr., never remained in one locality for any great length of time, which interrupted the education and training of the many children in the Edison family. Thomas Edison, as a child, was not well, being of sickly physique. Because of this his mother, a fine, well-educated lady, took it upon herself to educate young Edison. While still a young boy he showed his business ability in opening a newspaper route on the various trains in and around the town wherein he lived. Young Edison, even though not too strong physically or too well, was still a typical boy and had many an experience of the average mischievous child, which sometimes caused his mother considerable anxiety.

He was born February 11, 1847, in Milan, Ohio, and moved with his family to many cities in the Middle West and Canada. At an early age he became interested in telegraphy, which was then in its infancy, and it was not long before he became an expert operator and, like all of those engaged in that occupation at that time, he became a wanderer and drifted from one section of the country to another, taking a job as telegraph dispatcher on the railroads.

While following this occupation his inventive mind began to function and he saw many difficulties arising with the crude telegraph equipment in vogue in that day. It was not long before young Edison began to experiment with improvements to the telegraph systems, both receiving and sending. Even then he was working under difficulties, bearing in mind that it had not been many years after his birth that he became practically totally deaf through an accident.

But, in spite of this physical handicap, he continued his work with the telegraph and his first patented invention was in 1868, when he was 21 years old, and was known as an electrical vote recorder. Subsequently, in rapid succession, he invented many new products, perhaps the best known of which to us is the first practical incandescent lamp known at that time as a "hairpin burning in a bottle." This invention was created at Menlo Park, N. J., where Mr. Edison had established a small laboratory for experimental purposes and where now stands a large masonry column at the top of which a dome in the shape of an incandescent lamp burns continuously in memory and recognition of this great man who brought to us the electric light.

Because his inventions, evolved to benefit and bring profit to millions of people all over the world and particularly to this country, are today the foundation upon which we shall continue to advance and progress; and because the businesses which he founded during his lifetime are still prospering and carrying on his work, it is only proper and fitting that appropriate recognition be given this country's benefactor and world-famous genius. Setting aside the anniversary of the birth of this great American, February 11, each year as a national holiday would be a deserved tribute.

The benefits we all derive today and will continue to derive in the future are beyond human calculation. In Edison's accomplishments the world has not only a foundation upon which to build industrial and social progress but every living soul for innumerable years to come will profit spiritually from happier human relationships and happier living conditions.

The name of Thomas Alva Edison rightly belongs on the list of America's greatest men. His memory should be fittingly perpetuated so that our citizens and the peoples of the world will never be allowed to forget the greatness of this genius whose achievements better their lives. No other American ever contributed more to our present civilization and the stimulation of industrial progress. Even so, Thomas Alva Edison's laboratories are carrying on his great work, founded on Edison's principle of first recognizing a need and then inventing a solution.

During his lifetime Edison received some 1,150 patents. Among his best accomplishments, besides the first practical incandescent lamp, are the first commercially practical generator and the first practical system of electric-power transmission and distribution—a group of basic inventions with which, in 1882, with the opening of the first commercial generating plant, he ushered in the age of electricity.

Other accomplishments include the multiplex telegraph; the motion-picture camera; the phonograph; the alkaline storage battery; the microphone transmitter, which played an important part in the development of the telephone and also in the art of radio broadcasting; and the Edison-effect lamp, which was the first thermionic tube and basis of our present radio "tubes."

It has been estimated that at the time of Edison's death in 1931 the industries arising directly from his inventions represented an investment of more than $25,000,000,000 and were directly providing 2,000,000 jobs to our people of this country. This was a larger number of persons than were employed during the same year by all the railroads, automobile, and steel industries combined; or, considering the total of 18,000,000 persons gainfully employed in all the manufacturing, mechanical, and communication industries, 1 out of every 9 owed his employment directly to Thomas Alva Edison.

Similar benefits exist today and will continue to exist as the foundations he made for advancement and expansion of industry have built upon them new and great industries which would not be possible were it not for this genius and humanitarian whose chief pleasure was to provide additional means to others securing happiness, comfort, and prosperity.

It was Thomas Alva Edison who brought about stimulation of the basic industry of mining. Through his inventions, markets for coal, copper, lead, nickel, silver, and zinc were increased. For instance, about one-third of the silver production today goes into the making of motion-picture film, an industry to which Edison gave birth. Something like half of today's copper output goes into wire, cable, and other uses in the electrical industry, which Edison brought into being.

I could cite statistics indefinitely and still not give a full measure of the enrichment Edison has brought to everyone's life. Few people associate this inventive genius with our present-day conveniences, such as vacuum cleaners, automobiles, refrigerators, and similar home appliances. And yet

without the basic principles perfected by Edison, we might not have these things today. In fact, as I have previously remarked, the extent of the daily benefits we derive from this great American's inventive prowess are beyond calculation.

As pointed out previously, Thomas Edison worked not so much in the field of pure science as in the application of known scientific fact. In the estimation of those men who were closely associated with Mr. Edison and who are now carrying on in companies which he founded, the organized methods by which he accomplished his great work are more valuable to society than the inventions themselves. The men carrying on today say that these methods of organized research will continue to bring forth new inventions in ever-increasing quantity and usefulness long after those originated by this great American, whom we should honor, may have grown obsolete. Following his example, American industries now have extensive research organizations and laboratories which are of paramount importance to our country, but which before Edison's time were unheard of. Such research organizations patterned after the one established at Menlo Park by Mr. Edison over 60 years ago represent a living force for continued progress in the arts and sciences that are servicing mankind today. In setting such forces in motion, Edison has made his greatest contribution to civilization.

But besides Edison being a great contributor to the progress, welfare, and happiness of mankind, this country had in him a patriot whose work during the great World War is alone worthy of perpetuating his memory through the declaration of a national holiday on the anniversary of his birth. Not only was his work of immediate national importance in this crisis but out of it have come industrial benefits which exist to this day. The Great War brought shortages of important chemicals, chief among them carbolic acid, benzol, and so forth. Edison was equal to the situation and established in an exceedingly short time plants to manufacture these chemicals and others used in American industries. The products of these plants saved the day for many manufacturers in the United States.

And there are other evidences of his interest in our country and the citizens of the United States. About 1923 Edison made a study of economic conditions, and in 1924 presented to the Secretary of the Treasury a proposed amendment to the Federal Reserve Banking System. It is interesting to note that many other points outlined by Mr. Edison some 15 years ago have actually been applied in the United States through governmental endeavor to stabilize economic conditions.

On October 18, 1931, this great inventive genius died and took with him one of the greatest productive minds in history. However, he has left behind him a group of men who have worked with him through the years and whom he has trained to carry on the production started by him and to continue his research and the tradition of this great man.

Because he is truly a great American and one of the greatest contributors to our civilization of today and recognized as such universally, and also because he died a resident of the Eleventh Congressional District of New Jersey, I have introduced, in the Congress of the United States, House Joint Resolution No. 91, requesting the President to proclaim February 11 of each and every year as Thomas Alva Edison Day and to urge all public institutions to have appropriate exercises and the people of the United States to display the national colors.

I fully realize, however, that with the pressure of national business it will be impossible to have the resolution reported by February 11 of this year. However, in spite of the short time within which I could act, I have written to the Governors of the several States respectfully urging that they, as Governors, make a similar declaration for their State, and I have been greatly impressed with the many favorable responses received to date.

I respectfully urge the Congress of the United States and the Committee on the Judiciary to report this measure and act favorably upon it so that February 11 of 1940 may be nationally proclaimed as Edison Day.

French Trade Agreement Costs American Lace Workers $3,500,000 in Wages Annually

EXTENSION OF REMARKS

OF

HON. HARRY SANDAGER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 8, 1939

PRESS RELEASE OF AMERICAN LACE MANUFACTURERS OF JANUARY 24, 1939

Mr. SANDAGER. Mr. Speaker and Members of the House, I desire to call the attention of the House to another evidence of the failure of the reciprocal-trade agreements not only to fail to substantially increase American exports but also to the injury which the agreements are doing to American labor.

The specific instance I deal with today is the lace industry of the United States, which is a relatively important industry in my home State, Rhode Island. There has been an estimated loss of $3,500,000 annually in wages to the American lace workers due to the fact that French imports are increasing at a terrific rate.

I also desire to call attention to the wage differential of our workers and those of France, which shows that in many instances the French lace workers receive less than 25 percent of the amount paid to American employees. Because the administration is well supplied with statisticians, experts, publicists, and propagandists, who, at a minute's notice, are ready to bombard the Congress and the country with data to justify these trade agreements and to attempt to show the great resultant benefits, it is only fair that the other side of the question be heard, namely, that in many instances the agreements have not only done irreparable harm to American industries but have failed to provide the promised increase in American foreign trade. This is strikingly evident in the case of the American lace industry, and for that reason I desire to place in the RECORD the press release of January 24, 1939, of the American lace manufacturers, as follows:

FACTS OF THE TRADE AGREEMENT WITH FRANCE AND ITS RELATION TO AMERICAN LACE WORKERS

1. Shrewd Yankee trading: On October 12, 1934 (4 months after passage of our Trade Agreements Act), the French press reported that their Government was preparing to raise tariff barriers.

On October 17, 1934, the French Minister of Commerce confirmed this newspaper report. French tariff experts explained that these increases had a double purpose and were to be intentionally high both for protection and for bargaining purposes. (New York Times, October 13 and 18, 1934.)

On October 18, 1934, in the New York Times appeared an article captioned "Hull Hits Nations Padding Tariffs." Intimating that he would not negotiate a reciprocal tariff treaty with a country taking such action, he said: "It should be obvious that no bargaining program based upon a sincere effort for an all-around reduction of trade barriers can succeed on the face of such practices. Failure to agree, under those circumstances, is certainly not an improbability."

Other officials made it clear that Mr. Hull's remarks applied to France.

On November 29, 1934, the French act raising tariff duties was signed by Premier Flandin.

On June 15, 1936, a reciprocal-trade agreement with France became effective, despite Mr. Hull's utterances, under which United States duties were reduced on laces among many other items.

2. Currency depreciation: On the effective date of the agreement (June 15, 1936) the French franc was valued at $0.0658; on October 15, 1936 (4 months later), at $0.0466; on May 15, 1938, at $0.0279; on January 21, 1939, at $0.0264.

Article XI of the agreement makes provisions for abrogation or modification of the agreement "in event * * * of a wide variation in the exchange rates." Our Government has taken no action, despite this wide variation.

Furthermore, the first paragraph of the preamble to the French agreement states that because there is stability in fact between the currencies, the agreement has been concluded. Since the World War the French franc has displayed great instability.

3. Importation of laces: Comparing importations of laces for the 12-month period immediately preceding the effective date of the French agreement (June 1, 1935, to May 31, 1936) with the last 12-

month period for which figures are available (November 1, 1937, to October 31, 1938), we find the following:

Importations of so-called silk laces increased 1,734 percent. From June 1, 1935, to May 31, 1936, 12,360 pounds were imported. From November 1, 1937, to October 31, 1938, 226,696 pounds were imported.

Importations of silk veilings increased 1,217 percent. From June 1, 1935, to May 31, 1936, 8,223 pounds were imported. From November 1, 1937, to October 31, 1938, 108,354 pounds were imported.

The third item of lace, duties of which were reduced under the French agreement, was cotton laces made on specific machines. These items were not segregated in Government records prior to June 15, 1936. Those daily associated in the lace industry have very conservatively estimated the increase in importations of these articles to be at least 800 percent.

By comparing the index of industrial activity in the United States for the two periods, compared above, it will be noted that importations of laces increased tremendously, in sharp contrast to all American industrial activity, which suffered a severe decline.

4. Employment in American lace mills: During the latter part of October 1938, 26 American lace mills reported unemployment at 66 percent and increasing. As a number of employees are relatively "fixed employees," the production could conservatively be expressed as 70 percent below normal.

5. Activity in French lace mills: The demand for laces for the American market from the French lace-making centers, Calais, Caudry, and Lyons, is so great that orders are accepted only for from 3 to 4 months for delivery. (American deliveries, 1 to 2 weeks.)

The American consul at Calais has reported that 85 percent of the production of laces in that French city are being shipped to the United States.

6. Exportations to France of important farm products: The State Department advised that industrial tariff rates were reduced so as to increase exports of the products of the farm. The following are important farm exports to France. Due to the drought of 1936 there were practically no exports of either wheat or corn during that year.

		For 8 months to Aug. 31—	
		1936	1938
Raw cotton	bales	280, 838	199, 014
Leaf tobacco	pounds	19, 507, 784	19, 143, 536
Canned asparagus	do	2, 869, 375	560, 147
Canned pineapple	do	1, 427, 438	575, 951
Canned pears	do	148, 465	125, 216
Canned peaches	do	148, 460	345, 879
Fresh pears	do	8, 297, 100	5, 657, 620
Fresh apples	boxes	821, 000	1, 213, 821
Fresh oranges	do	309, 000	321, 055
Dried pears	pounds	1, 353, 202	1, 272, 433
Dried apples	do	3, 987, 121	3, 176, 046
Dried raisins	do	2, 775, 117	4, 202, 402
Dried apricots	do	8, 314, 261	8, 864, 480

7. Losses in wages to American lace workers: Loss in wages to American lace workers due to the French agreement are running at the rate of approximately $3,500,000 annually.

8. Prices of French laces: Despite the tremendous depreciation of the French franc, prices in francs of French laces have not advanced proportionately. Dollar prices of French laces are one-half of those existing on the effective date of the agreement. (A preponderance of evidence is available.)

9. Comparative prices of French and American laces: Exactly comparable French laces are being landed in the United States at one-half (and less than) the prices at which these goods can be offered by American lace manufacturers.

It may be interesting to note that the value of an importation of French laces imported in August 1938 cost $1.27 per pound, while the cost of cotton yarn alone (of which this article was made) to the American lace manufacturers is $1.35 per pound without labor. American labor involved in the making of this type of lace is approximately 150 percent of the yarn cost.

10. *Comparative wages of lace workers in France and the United States*

Workers	United States	France
Brass bobbin winder	$21.20	$5.40
Spoolers	15.20	4.05
Warpers	30.00	5.94
Bobbin pressers	23.50	5.40
Menders	20.00	3.68
Sample girls	20.00	3.95
Card punchers	30.00	7.23
Machinist	35.00	9.20
Dyers (formula)	50.00	11.18
Twist hands (weavers)	55.00	18.00

11. All of the above figures and percentages of importations and exportations have been obtained from the records of the Department of Commerce. Unemployment percentage of American lace mills, wage data, and all other statements above can be very readily authenticated.

12. The above statements have been condensed for ready reference and may be readily augmented in more detail.

Annual Installation of the B'nai B'rith

EXTENSION OF REMARKS
OF
HON. LEON SACKS
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 8, 1939

RADIO ADDRESS BY HON. JAMES M. MEAD, OF NEW YORK, FEBRUARY 6, 1939

Mr. SACKS. Mr. Speaker, I ask unanimous consent to extend in the RECORD a radio address made by Senator JAMES M. MEAD, of New York, at the annual installation banquet of the B'nai B'rith on February 6, 1939, as follows:

I am happy, indeed, to join with you on this splendid occasion—the annual installation of the B'nai B'rith—Sons of the Covenant—whose watchword, "Benevolence, bortherly love, and harmony," is so very much in accord with the finest principles of our American democracy.

As we reecho those words—benevolence, brotherly love, and harmony—we cannot but view with saddened hearts and burdened minds the tragic events in those benighted countries across the seas where the fundamental truths of God and man are being challenged, flouted, and cast to the winds by dispensers of prejudice and of discord. There we have beggared and broken men, women, and children—the innocent victims of an inhumanity, the depredations of which sadden the hearts of peace-loving, tolerant, democratic people everywhere.

It is typical Americanism to oppose oppression and persecution wherever it may exist. We consider it good citizenship and it is an American virtue that rises far above racial and religious differences. It is democracy in action.

We believe in democracy. We believe in defending the right of a man to follow the dictates of his religious and political conscience. We subscribe to a philosophy which permits and encourages freedom of personal and public independence in thought and action. We believe the oppressed minorities are entitled to these rights.

Representative government was founded here to secure and to preserve the personal prerogatives and individual opportunities lacking in other parts of the world—freedom of speech, of religious liberty, of self-government, of political and social equality. These were the pillars upon which a new nation rested—the tenets of a new civilization which was destined to prosper and to succeed at a time when other governments would bow to the inroads of violent and radical philosophies.

In Europe all of these self-same principles were enjoyed by its people following their emulation of America's example. But today it is Europe's misfortune that democratic government has yielded to a cruel form of absolutism.

Today there is leadership in other countries which appears alien to our fundamental convictions. There are ambitious men today who apparently seek to ignore the experiences of the past, men who throw into the discard those sacred principles of liberty and independence, for which successive generations have so valiantly fought.

Military dictatorships, enticed by temporary advantage and temporal power, have attempted to embitter one race against another, one faith against another. They would deny to those who disagree with them those privileges which, as children of one God, all mankind should of right possess.

Under our happier political circumstances it is not only discouraging but almost beyond our comprehension that in some nations of the world today people are told what to think and how to act. The last vestige of human liberty has been removed; * * * only the cold steel of a military machine and the deadening narcotic influence forced upon them through propaganda of an oppressive, soulless rule, quiets the unrest and the dissatisfaction of the masses.

Here you rejoice in the lofty principles of your order, and here we all feel safe and secure under the protecting arm of our democracy, but people in other lands are less fortified against oppression. There bigotry beclouds the mind of leadership. There group is set against group. There doubts are instilled as to the worth of democracy. There religion is being defiled, culture is being stifled, the higher aspiration of man is being crushed to earth. Current events in Europe involve not only the unfortunate victims who have been caught in the whirlwind of racial bigotry and hatred, they involve every citizen throughout the world who subscribes to freedom, equality, and tolerance. With this in mind, we must take heed lest these antidemocratic philosophies scatter their seed in our own peaceful and happy land; lest here, too, the poison of oppression and bigotry threaten our national well-being.

What steps, therefore, should we take to insure the preservation of our democratic institutions? What should be our plan of action in this battle of force against freedom? What challenge may we issue to those who would destroy those liberties which we cherish so deeply? How best may we join in an endeavor to secure the fullest quota of freedom and justice within our borders? How should we emphasize the necessity for all our citizens to eliminate

hatred of creed against creed, race against race, and to look upon one another not as enemies but as brothers?

The answer, my friends, is threefold: First, we must rededicate ourselves to the Bill of Rights and reconsecrate ourselves to those basic principles of freedom and justice contained in that immortal document. In these days, when in so many parts of the world the fundamental ideals of democracy are being challenged, we must resolve ourselves to a sustaining moral support of our heritage of freedom of speech, of the press, of worship, and of assembly—the sacred rights guaranteed to all Americans by our Constitution.

All of us, regardless of racial ancestry and of differences in religious worship, must stand shoulder to shoulder in a united aim for the elimination of racial and religious prejudice. We must defend the principle of equal justice for both the big and small, for both the weak and strong.

If such is our faith, it follows that we must not assume the role of a complacent, self-satisfied citizen lulled into the inertia of slumbering half-interest. We dare not leave the arena of human rights to the demagogue, thinking him to be a harmless nuisance. Not if our eyes, ears, and mind are alert to the grim realities of today; not if we remember that democracy is not saved by laws alone but by those who will speak for it, live for it, and, if need be, defend it.

Simply to guarantee and to insure these fundamental liberties by law is not in itself sufficient. Therefore, our second resolve should be to strive to provide for men the actual enjoyment of these liberties. "To be a free citizen," that eminent American liberal, Justice Brandeis, says, "one needs a job, a minimum standard of living, a little saving, a little insurance. These are essential to the security of a free citizen." Ours must be a determination, therefore, to look after and to care for that group of our citizens who, through no fault of their own, are without proper food, clothing, and shelter.

All of us who love our Nation may well join forces to carry to fruition the recommendations of our President who, in May 1937, issued a call to the country, drawing attention to that group of our fellow citizens who, because of the vicissitudes of fate, are ill-nourished, ill-clad, and ill-housed. In his message to the Congress of the United States the President said: "As we move resolutely to extend the frontiers of social progress we must be guided by practical reason and not by barren formulas. We must ever bear in mind that our objective is to improve and not to impair the standard of living of those who are now undernourished, poorly clad, and ill-housed. We know that overwork and underpay do not increase the national income when a large portion of our workers remain unemployed. Reasonable and flexible use of the long-established right of Government to set and to change working hours can, I hope, decrease unemployment in those groups in which unemployment today principally exists. Our problem is to work out in practice those labor standards which will permit the maximum but prudent employment of our human resources, to bring within the reach of the average man and woman a maximum of goods and of services conducive to the fulfillment of the promise of American life."

Thus, if our democracy is to continue as the supreme hope and example for a world that has gone politically berserk, we must leave no stone unturned until this "fulfillment of the promise of American life" becomes an absolute reality.

In the third place we must be ever alert to combat sinister influences which may come to our shores from abroad. Those who would come here to undermine our democracy must be unwelcome. Those who would abuse our hospitality and who would violate democratic morality must not be permitted to flourish under our benevolence. To those who would scoff at our institutions of self-government and who would ridicule our political philosophy, which upholds tolerance and which extends a friendly hand to the oppressed everywhere, it would be well to remind them of our history; to recall that Protestants, Catholics, and Jews came to our shores searching for freedom, opportunity, and the liberties we all now enjoy.

Let those who scoff remember that one of the basic reasons for the greatness of our country is that from the beginning of the United States this Nation has always been a haven of refuge for those who have been forced to flee from religious and political persecution and oppression.

We must say to our subversive critics that "If my Government means anything to me it means that its philosophy is broad enough to protect every man in his right of political opinion; every man in his liberty of speech; and every man in his freedom of religious worship."

We must insist that if our democracy is to work, then the springs of liberty must not be polluted with the poison of hate; or drugged with the spirit of intolerance.

We may proudly declare that here in America we oppose regimentation; we respect our democratic heritage; we despise the abrogation of freedom of speech, press, and religion; and we reject prejudice and persecution as panaceas to be fed to hungry and desperate men.

We might repeat the burning words of Justice Brandeis, who said: "Those who won our independence believed that the final end of the state was to make men free. They valued liberty both as an end and as a means. They believed liberty to be the secret of happiness, courage to be the secret of liberty." How fitting and proper that this sentiment should be uttered by a fellow American who stems from your great race. It is the glory of your race that before other people upon the earth, you caught a vision of swords beaten into plowshares, of spears beaten into pruning hooks. Not by arms and fighting and war forever would Utopia be gained—but by benevolence, brotherly love, and harmony. It is the miracle of your race that you have met the assault of the fire and sword of persecution, not by striking back, not by warring in the name of God and country, but by suffering and sacrifice. Thus, in this spirit, your race has survived the worst its enemies could offer.

You have resisted swords for centuries. Continue, I urge you, in this courageous fashion. In so doing, you will contribute to that stern and lofty standard of personal and public morality which guarantees to each and every man his rights, and which insists in return upon the full performance by each man of his duties, both to his neighbor, and to the great Nation whose flag must symbolize in the future, as it has in the past, the highest hopes of all mankind.

The President and the Works Progress Administration

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 8, 1939

Mr. BENDER. Mr. Speaker, President Roosevelt continues to throw dust in the eyes of the American people in the face of three very recent investigations of W. P. A. in New York, New Mexico, and Ohio. He insists that widespread suffering will result from the action of Congress in voting a cut of $150,000,000 in W. P. A. for the period ending June 30. If the chiselers are eliminated from W. P. A. rolls, if graft and political shysters are dropped, the money Congress appropriated will be more than ample.

A partial investigation of the eligibility of W. P. A. workers in Cleveland, made by Relief Commissioner Frank G. Jones, has resulted in the firing of over 11 percent on the rolls in my home city as chiselers. I am sure that similar investigations made elsewhere will confirm the Cleveland survey.

Whenever any branch of our National Government begins to walk around with a halo firmly affixed to its brow, it is time to bring out the screw drivers. And when one of our biggest money spenders shouts loudly across the conference table that every dime it touches is subject to the utmost care and the most rigid scrutiny, it is time to get hold of the dictionary and check up on our terms.

Every businessman who is willing to talk confidentially will admit that there are isolated—and sometimes frequent—examples of graft and corruption in every line of commercial activity. Rumor has it that this unfortunate condition occasionally straddles across the boundaries of private enterprise and actually invades governmental business as well. But one of Uncle Sam's biggest propositions in recent years has been insisting repeatedly and with no little heat that it is a simon-pure, lily-white, nonpolitical, holier-than-thou affair.

To hear them tell it, W. P. A. is the fragrance of spring. There is no taint of impurity within it; Harry Hopkins was wont to assert in the days before he repented and became Secretary of Commerce in Mr. Roosevelt's cozy Cabinet.

Alack and alas, the myth has been seriously damaged by the recently reported conclusions of a New York Federal grand jury. Returning several indictments against Works Progress Administration contractors and others, the jury charged a "general laxity in the administration of public works" and urged a broad investigation of W. P. A. frauds throughout the State of New York. So seriously did the members of the panel view the matter that they sent copies of their official presentment to United States Attorney General Frank Murphy as well as to the United States attorney for the district. They recommended that the inquiry into W. P. A. activities be conducted "under the jurisdiction of one prosecutor."

Using carefully guarded language the grand jury declared, "The isolated examples of law breaking which we found do not constitute a general indictment of W. P. A. They do, however, indicate the presence of that common factor in all

public affairs—graft and the condonation of graft." Among the specific charges of highly odorous conduct were accusations that W. P. A. officials had submitted false claims to the United States Treasury Department, that "witnesses frequently disclosed facts which merited scrutiny," and that "the pursuit of these facts gave indications of separate frauds and at times shocking official ignorance."

That contracts occasionally were let through gentlemen known to the trade as "contacts" would probably sear the soul of Mr. Hopkins, but such was the finding of the grand jurors. "Testimony before this grand jury," they insisted, "forcefully called its attention to many instances of supplies sold to the Government through the agency of 'contacts'; many instances of equipment rental maneuvered by payment of gratuities; many instances where certification of vouchers depend upon the whim of a 'fixed' employee. These are some of the matters whose cumulative effects indicate a general laxity in the administration of public works.

"The administration of public works is a grave responsibility when we consider the vast amount of money invested in the creation of work and the absorption of millions of idle man-hours."

Translated into simple language, it is obvious that the findings of the grand jury are ample evidence that something is rotten in the State of New York's W. P. A. It has become equally obvious that something is decidedly rotten in the State of New Mexico's W. P. A. And now Cleveland finds 11 percent of those on W. P. A. to be chiselers. Propagandists of the New Deal variety tell us needy people will suffer as the result of Congress' recent action. Cleveland's answer is, Clean house and no needy person will suffer. These are the only three places where an investigation has been made. So far W. P. A. is batting three strikes out of three pitches.

Mr. Roosevelt's statement is an insult to the intelligence of the American people. Congress will vote sufficient funds for the relief of the needy but not one cent for chiselers, grafters, and political papsuckers.

Federal Home Loan Bank Board

EXTENSION OF REMARKS

OF

HON. JOSEPH W. BYRNS, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 8, 1939

Mr. BYRNS. Mr. Speaker, under permission heretofore given to revise and extend my remarks, I wish to state that I propose to vote for amendments to a portion of the independent offices bill with reference to the Federal Home Loan Bank Board and its subsidiary, the Home Owners' Loan Corporation. This Home Loan Bank Board, which seeks in the bill as introduced, on page 56, at lines 14 and the following, to obtain $2,500 for traveling expenses at meetings concerned with the work of the Board, and on page 58, at lines 4 and the following, seeks to obtain $5,000 additional for the same purpose for the Home Owners' Loan Corporation, is in this respect, as in so many others, going entirely too far with the taxpayers' money. The hearings on the bill show that the Federal Housing Authority received $2,000 for this purpose, the P. W. A. $1,000, and the Maritime Commission $2,000; and I, for one, see no reason why this Board should receive any more or as much as these Commissions before mentioned. This is the same Board which gave $40,000 of the people's money, which was appropriated to relieve distress on the part of home owners, to a socialized medicine group in the District of Columbia. This is the same Board whose general manager, Charles A. Jones, illegally used a good amount of the people's money in a direct attempt to lobby against a bill pending before the House. This is the same Board whose general counsel, Horace Russell, resigned under fire after it had been shown that he illegally used the Government frank in an effort to solicit business for a former employee of the Home Owners' Loan Corporation. At this time this same Board had much to say regarding the necessity of having a general counsel, and particularly Mr. Russell; but although that resignation occurred about a year ago, this position has not yet been filled. This is the same Board who procrastinates at every turn in the road, and which has left the position as regional counsel at Memphis, Tenn., vacant for several months. This is the same Board which left the position of State manager in Tennessee vacant for several months. This is the same Board which shows an utter contempt for Members of Congress. This is the same Board that employs what is known in football as a "blocking back" in the person of Mr. John W. Childress to keep the Board members from being annoyed by visits and letters from Members of Congress. This is the same Board which maintains at Memphis, Tenn., a regional manager who spends his time issuing economy memorandums about how many times an employee must turn the crank on a pencil sharpener when sharpening a pencil. This is the same Board that does not approve of its employees answering letters from Members of Congress, and requires them to reduce to writing for the Board's information the substance of any conversation had with Members of Congress. This is the same Board which ostentatiously announced that the position of assistant general manager had been abolished and then proceeded to hide practically all of the former incumbents of that position on the pay roll under other titles but at the same salary. This same Board comes now before the Congress for an increase in appropriations. This is the same Board which refused to make a high-salaried employee in Tennessee pay his debts. This is the same Board which has made a record which in many respects, like a dead mackerel in the moonlight, will "stink and shine and shine and stink" to high heaven. For the above reasons, and because the people are insisting on economy, I do not feel that I can vote for an increase for this same Board.

Investigation of Un-American Activities

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1939

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks, I wish to insert my views on the continuation of the Dies committee's investigation into un-American activities.

The chairman of the so-called Committee to Investigate Un-American Activities has repeatedly asked the public and Members of this House to refrain from judging the work of his committee on the basis of the printed record of its hearings. This is a rather unusual request. But then the Dies committee is a rather unusual committee. The gentleman from Texas has protested that even he did not believe everything his witnesses told him. Methinks the gentleman doth protest too much. At any rate, he has never defined the precise limits of his credulity.

Members of this House have been so unkind as to make references to the preposterous charges leveled against distinguished American citizens by the Dies committee witnesses. The gentleman from Texas, apparently embarrassed to find that his colleagues actually read the record of hearings held by a committee responsible to them, has sought to embarrass them in turn by asking if they have read the committee's report. He implies that the hearings themselves may perhaps sound like the proceedings of a lunacy commission, the report on the contrary makes sense.

The gentleman from Texas has admitted that some of his witnesses were "screw balls." Which witnesses? That question is not answered in the report. Others have charged that some witnesses were criminals with recorded police histories, labor spies, politicians with a preelection ax to grind, and other unsavory characters. The gentleman from Texas has never separated the goats from the sheep among his witnesses. On the evidence of that same report, to which he directs our attention, I am forced to believe that he considers them all honorable and reliable experts.

I have not the time to question the gentleman about all of the witnesses who appeared before him, nor to ask how much credence he placed in their testimony. But there is one witness from my own State about whom I know a good deal. I would like to ask the gentleman from Texas [Mr. DIES] if he put any stock in the tall tales told by Mr. Harper Knowles? Mr. Knowles, I admit, made an impressive witness. He came to Washington at his own expense, and the gentleman from Texas may have been loathe to look a gift horse in the mouth. Mr. Knowles came supported by legal counsel, and his attorney, Ray Nimmo, backed up all of Knowles' assertions. Knowles and Nimmo together were a formidable team. But, though they initiated a choral procedure unique in congressional history, they did not depend on the spoken word alone. Knowles and Nimmo brought with them to Washington fat bound volumes of fantasy which they presented to each member of the committee. These remarkable documents added weight to the weighty remarks of client and lawyer. Together with the verbal testimony of Knowles and Nimmo, they are printed in the record.

I submit to the House that the true story of the vaudeville team of Knowles and Nimmo is not contained in their testimony, written or spoken, nor in the printed record, nor yet in the committee report. It is a story well known to the people of my district. Parts of it have crept into the magazines and newspapers of the East. It can scarcely be a secret from Chairman DIES, for it is familiar to his "ace" investigator, Eddie Sullivan.

The record of the hearings contains 400 pages of Knowles and Nimmo, purporting to be the views of the American Legion. The report gives every evidence that the committee swallowed the whole Knowles-Nimmo fabrication without a single grain of salt. The report, in part, says:

> From the information before the committee, we feel convinced that a thorough investigation of the west coast will show that the Communists have enjoyed greater success there than in any other section of the country; that they have seized many important positions in the labor movement and are directing many labor and political activities.

I challenge the gentleman from Texas to state whether the words "information before the committee" refer in whole or in part to the testimony of Harper Knowles. I challenge him to state why, if they do not so refer, he does not come out and say so. What other "information" has the committee got on the California situation? Why has it withheld that information from the people of California and from this House? Why has it printed the bulk of Knowles' testimony if it did not believe in its validity? And are the sources of any other information the committee has in its possession as polluted as the source of the information it got from Harper Knowles?

HE CALLS ALL ELECTED DEMOCRATS IN CALIFORNIA COMMUNISTS

Here I may state in passing that he would have you believe that my presence in this House is itself "proof" that the Communists have "enjoyed great success" in California, and also that out in California the people have been duped into believing that my colleagues on this side of the aisle and the new Senator from my State, Mr. SHERIDAN DOWNEY, and Governor Olson and Lieutenant Governor Patterson are all Democrats. But, of course, we are very simple people, easily tricked by Comrade Stalin and his henchmen. Mr. Knowles knows much better. On the eve of our election last November he did his best to enlighten the California electorate. He told the Dies committee, and through its loudspeaker the people of California, that if the Democrats won Moscow would rule. Mr. DOWNEY and Governor Olson, I believe, are merely fellow travelers. But Lieutenant Governor Patterson is put down in the Dies committee record as a card-holding Communist Party member. And so is Mr. John Clark, who masqueraded as Democratic campaign manager. If the gentleman from Texas believed what Harper Knowles told him, he is fully justified in concluding that the Communists have made great strides in California. If he does not believe it, he owes a duty to that party in which I believe he is himself still a card-holding member to clear up the doubts he has helped create.

The gentleman from Texas says of his report that—

> None of our findings are predicated upon (exaggerated) testimony or upon opinions or hearsay.

There is evidence in this report that in one instance at least its findings are predicated on understatement, specifically on Mr. Harper Knowles' understatement. Mr. Knowles wound up his extensive harangue on the "red" menace with a couple of sentences dismissing Nazi and Fascist activities on the west coast as relatively unimportant. The committee's report, in the section dealing with the west coast, says:

> Not only are the Communists active here, but to a lesser extent, the same is true of the Nazis.

At least this conclusion is not based on hearsay. It is based rather on total and willful deafness to the facts. Nazi spies have been arrested on the west coast for overt acts violating Federal statutes. Nazi instigated spread of anti-Semitic and subversive propaganda inciting to violence has resulted in arrests and preferment of charges. Mr. Knowles and Chairman DIES, who had such keen ears for hearsay rumors of what the "red" Democrats were plotting, heard nothing of all this.

The reason for Mr. Knowles' minimizing the Nazi menace on the west coast is not hard to find. Limited as it was as to funds, even the Dies committee might have found it, if it had cared to look around.

Mr. Knowles himself is American blood brother to the Nazi menace.

THE FACTS ABOUT HARPER KNOWLES

Let me tell you the story of Harper Knowles, a story you will not find in either the record nor the report of the Dies committee.

Until a short time before he appeared in Washington as a supposedly disinterested witness before the Dies committee, Harper Knowles was secretary of the Associated Farmers.

Mr. Knowles is not a farmer, nor is the Associated Farmers a farm organization. In view of what is now known of other witnesses and the groups they represented, we need not be surprised to find that the Associated Farmers is engaged in un-American activities, and that Mr. Knowles' own experiences did, indeed, qualify him as an expert on that subject.

ASSOCIATED FARMERS IN POLITICS

But Mr. Knowles' personal experiences with Associated Farmers did not, of course, enter into the story he told the Dies committee. He did not tell them that Associated Farmers is financed and controlled by the traditional enemies of California's independent farmers—by the big railroad and utility interests, by the banks and mortgage holders, and by the monopolistic processors of farm produce. Nor did he tell the Dies committee that Associated Farmers is in politics. About the time that Knowles resigned in order to conduct the Republican campaign from the temporary headquarters of the Dies committee, one of the vice presidents of the organization also took a leave of absence. This was Phillip Bancroft, Republican opponent of Senator SHERIDAN DOWNEY. Needless to say, Candidate Bancroft had the full support of the organization he had served as vice president.

Associated Farmers was playing local as well as national politics in November. It helped to originate and pushed the iniquitous "labor initiative and referendum No. 1" which would have destroyed all west coast trade-unions and wiped out the constitutional rights of labor. The American Federation of Labor, no less than the C. I. O., is entitled to full credit for the defeat of this measure. A united labor movement gathered the support of the majority of middle-class people and farmers in a magnificent defense of American

democracy. Initiative No. 1 was defeated, and so was the Associated Farmers' candidate for the Senate, Phillip Bancroft.

Since the Associated Farmers was organized there has been no strike in California in which it did not play an important—and bloody—part. Strikebreaking and vigilante terrorism have been its un-American weapons. In view of Chairman DIES' frequently expressed abhorrence of violence and class hatred, it is interesting that he never looked into the violence of the Associated Farmers nor listed it among his promoters of class hatred.

COLONEL SANBORN

One of the leaders and organizers of the Associated Farmers' ax-handle brigade in the Salinas lettuce strike was Col. Henry Sanborn. Sanborn is an old pal of Harper Knowles. They have worked together at labor espionage and strikebreaking in the past. Sanborn and Knowles are well known in my part of the country as fomenters of labor disputes, out of which they then made a cash profit. And the gentleman from Texas, who collaborated so obligingly with Harper Knowles in the happily unsuccessful effort to influence the California elections, is no stranger to Knowles' ex-partner, Colonel Sanborn. Sanborn is said to have been the Dies committee's first choice for the job of chief investigator of un-Americanism. It was only when even the gentleman from Texas was convinced that Sanborn's notoriety was so widespread that even the Dies committee could not hope to hide it, that Eddie Sullivan got the job. Eddie Sullivan's record has been exposed to this House by my esteemed and courageous colleague, the gentleman from Illinois [Mr. KELLER]. No more need be said of Colonel Sanborn than that his record is blacker than the black record of Eddie Sullivan.

Acting for the Associated Farmers and their senatorial candidate, Bancroft, Harper Knowles won hands down in the Dies committee hearing room and in the reactionary California newspapers. He lost at the polls.

He returned from Washington to California, and at first claimed to be working for the Dies committee. But a congressional committee less gullible than the Dies committee had business with Harper Knowles, and he found it expedient to sever his connections, if any, with Washington. Under an assumed name he rented a house in Palo Alto. I draw no inferences from this choice of a safe place in which to locate. But it may be that Knowles felt Palo Alto was all of California that Herbert Hoover had managed to save from the November revolution, and therefore a good place to settle. However that may be, his stay in that de luxe Hooverville was brief. Congressional investigators, armed with subpenas, were hot on his trail. By the time they reached Palo Alto Knowles had flown the coop. His whereabouts are not now known. It is reported that he has grown a beard, perhaps to placate the "reds" who now rule California.

This is the man who dared to impugn the Americanism of the highest officials of my State, and by implication the Americanism of the majority who elected them to office. This is the man whose testimony is included in proceedings of which the Dies committee has the effrontery to say:

It must be emphasized that this committee is nonpartisan. It has not been deterred by partisan or political consideration from the fearless performance of its duty and functions. The committee has felt that it is its sworn duty and solemn obligation to the people of this country to focus the spotlight of publicity upon every individual and organization engaged in subversive activities regardless of politics or partisanship.

CALIFORNIANS ARE REAL AMERICANS

Mr. Speaker, I do not need to tell you what the people of my State think of the Dies committee. They spoke for themselves in the November elections. They showed that they do not regard attacks on the rights of labor as evidences of Americanism. They showed that they do not believe that those who wanted the 22-year-old injustice to Tom Mooney righted are Communists. They freed Tom Mooney and vindicated justice in America. The people of my State gave an American answer to those who tried to defeat the Democratic candidates with the Nazi cries of "Jew" and "Communist." We registered our veto of any more funds for the Dies committee when we elected the Democratic slate in California. I come here with a mandate from my people: Stop the un-American Dies committee. I am only a newcomer in this House. But I shall do my utmost to carry out that mandate. And I call upon all who cherish the principles on which this Government is founded, on all my colleagues regardless of party, to put an end to a committee which has brought disgrace upon this House.

FAVORS A REAL INVESTIGATION

In conclusion let me say, Mr. Speaker, that I favor an investigation into un-American activities. But I want a real investigation. I do not want a committee that has been guilty of character assassination to do the job. A committee that has done everything in its power to smear everyone and every organization that is honestly trying to find a solution to the social and economic ills that beset our bountiful land.

I want a committee that will inquire into the causes of un-Americanism. I believe that such a committee that went about the job honestly would find that the seeds of disloyalty thrive best in a people that are denied the rights that all American citizens should have. This committee would find, I believe, that to cure the disease we must strike at the cause. The solution would be a good job for all at decent wages, and a pension for our aged that is their just desert. Then when this had been done we would have put a purchasing power into the hands of the people that would make our population happy and contented, and foreign "isms" would be no more. Mr. Speaker, I cannot vote to continue the Dies committee.

The Townsend Plan

EXTENSION OF REMARKS

OF

HON. JAMES C. OLIVER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 8, 1939

STATEMENT OF HON. JAMES C. OLIVER, OF MAINE, BEFORE THE COMMITTEE ON WAYS AND MEANS, FEBRUARY 7, 1939, ON H. R. 2 AND H. R. 11

Mr. OLIVER. Mr. Speaker, under permission granted to me by unanimous consent of the House, I am extending my remarks by incorporating at this point a statement made by me yesterday before the Committee on Ways and Means. This statement indicates my viewpoint with respect to the broad general philosophy of the Townsend plan and the great need of this country for legislation of this type. I consider this to be one of the most important issues before the Members of the Seventy-sixth Congress. The statement is as follows:

Mr. Chairman, my remarks here this morning shall be addressed to both H. R. 11, introduced by Congressman SHEPPARD, and H. R. 2, introduced by Congressman HENDRICKS.

Some members of this committee may believe this position on my part to be somewhat inconsistent. But I do not and for these reasons:

1. Both bills are entitled "the General Welfare Act."
2. Both bills provide for an old-age pension to be wholly financed and wholly administered by the Federal Government.
3. Both bills provide for a retirement age of 60.
4. Both bills provide for the removal from gainful occupation of all beneficiaries under the acts, as a condition precedent to the payment of the pensions.
5. Both bills are predicated on the repeal of titles I, II, and VIII of the present Social Security Act.
6. Both bills are fundamentally based on the idea that purchasing power distributed monthly to qualified annuitants in mass volume will stimulate the complete utilization of our mass production plant structure.
7. Both bills are designed to create much needed work opportunities in private enterprise for our citizens under the age of 60.

Therefore, although there are differences in the two bills in connection (1) with the tax medium to be levied; (2) with the top limit of pensions to be paid; and (3) with other details of more minor importance, I certainly believe that the broad general

philosophy behind the two bills is basically the same, and a person is not necessarily precluded on the basis of reason or logic from his support of the best details of both.

Now, Mr. Chairman, in the first place let me state for the record that I believe the members of this committee took a long step forward of social and economic importance when they secured the passage of the Social Security Act. Even though many of the objectives which many of us believe are essential have not and cannot be reached under the existing law, nevertheless this country has been made pension conscious during these past few years by the discussions which have resulted from the passage of this act.

In the second place, Mr. Chairman, let me add that I fully appreciate the fact that the able members of this committee are completely aware of the gravity of the economic problem which faces this Nation as well as the deplorable insecurity which confronts millions of worthy citizens of 60 years of age and over. The crisis created by persistent unemployment, by the menace of continued Budget deficits, by the freezing into continued inactivity of large industrial and agricultural areas needs no amplification nor lengthy discussion before you, gentlemen.

It is my sincere opinion that the membership of this committee stands today in a position of economic importance never before equaled in the history of our great country. I say this advisedly. For in your hands rests the decision as to whether or not this Nation will recognize the practical, the sound, the reasonable, and the effective medium of underwriting the capitalistic system under a democratic process in America, offered to us in the form of old-age-pension payments which might be better classified as social dividends.

We, as legislators, need not shrink from the idea that the profit system which we all desire to preserve under the democratic process needs to be underwritten. This has always been the case under our debt-credit financial and banking system. During our history as a Nation we have had ample evidence that this is true. Our economic structure has always been underwritten either through personal or public debt or a combination of both. When the debt structure during a cycle of employment has been expanded to a point where fixed charges and maturities could not be met through payments from the productive stream, then we have experienced a period of collapse and all debt which could not be met at these times became necessarily a subsidy to those who had to default whether it was an individual, a corporation, a public agency, or a foreign government which did the borrowing.

During the World War, through the medium of debt creation, the citizens of America underwrote with their labor, their capital, their productive machine, the military and in many instances the nonmilitary activities of our allies. We all know that during this period this country had no unemployment problem; we had no troublesome and bitter labor-relations problems; we had no public consciousness of unbearable tax burdens. On the other hand, we had a scarcity of labor, a wonderful experience of labor independence, a period during which tax burdens were met with no difficulty. Again during the peacetime era of 1922–28 we were underwriting with our debt-creating machinery South America and European nations, such as Germany, with shipments of steel, copper, cement, and other materials, as well as with our labor. During this period of subsidies we again experienced reasonable prosperity in America, even though it was at the expense of giving away our real wealth to foreigners. It is true that domestically we further stimulated and underwrote our economic structure with time-payment plans for our domestic production. As long as we could continue with this debt-creating stimulus we employed our citizens, we utilized our plant structure, and we met our tax burdens. We had no problem of insecurity.

It is quite apparent to me that in this Nation of ours full employment and decent security through proper living standards must rest entirely upon the underwriting of the consumption of large amounts of goods, but the labor involved in production should consist wholly of our own citizens and not the masses of foreigners for whom we have labored and produced in the past.

You, gentlemen, may consider this discussion to be far afield in these hearings on amendments to the Social Security Act. To me it is pertinent, because I believe that we can use the payment of social dividends to large masses of our people for the same purpose, namely, to underwrite the complete utilization of our existing plant structure and for the orderly expansion of our potential plant structure. Surely mass production must be matched with mass consumption. How can this be accomplished with a Social Security Act based solely on need? Obviously it cannot.

We do not lack illustrations or examples in other governments of this method of underwriting mass consumption through the medium of pension payments. Great Britain, according to my understanding, frankly uses old-age pension payments and other distributions of social dividends as a vehicle whereby a reasonable portion of the national earnings may be distributed to those who are in an insecure economic condition. The British spread the tax load over the whole economic order and by the immediate payments of the revenues collected establish a floor under which purchasing power cannot drop. It is my understanding that this has worked. On the other hand, Hitler rose to power partly, at least, on the issue of the unsuccessful and burdensome pay-roll taxes which had been in effect in Germany since the days of Bismarck. Pay-roll taxes are a stimulus to acute technological development. Pay-roll taxes as the sole basis of taxation for social security, in my opinion, are unwise. An accumulation of old-age insurance reserve is unwise and unnecessary for a government. The principle of compulsory thrift and contributory insurance payments can be established on a pay-as-you-go basis. Under a pay-as-you-go system on a blanket coverage basis of old-age pensions, each tax payment made by each individual in this Nation naturally becomes his compulsory thrift contribution for his annuity after retirement age.

Consequently, gentlemen, it appears to me that the broad general issue before this committee is not any particular bill, but rather is the question of whether or not you will change the basic philosophy of contributory and actuarial old-age insurance under a national law to that of a social philosophy under which a distribution equitably of social dividends for the purpose of stimulating and underwriting our economic machine may be established.

In my opinion, the members of this committee as the leaders of this Congress stand at a most vital crossroad in the history of our Nation. Today we have a plant structure capable of producing from 120 to 135 billions of dollars in national income annually, based on the 1929 price level. Accepting the 120-billion-dollar figure and accepting the liberal figure of 60 billion dollars as the average national income produced for the past 10 years, inclusive of 1939, then it is obvious that the lack of an intelligent solution to our problem of involuntary unemployment has cost us 600 billions of dollars during the past decade. Therefore, when we discuss the cost of this program as outlined in H. R. 11 and H. R. 2 we should ever keep in mind the tremendous cost of passively accepting our present condition of unemployment and insecurity.

In a consideration of this problem not one of you would deny that this Nation is easily capable of producing enough goods and services to supply all of our unemployables including those over 60 years of age with the equivalent of a $60 or $100 a month standard of living. No one doubts that the cooperative collective action and full-time work on the part of the sons and daughters of America would provide the materials necessary to place the fathers and mothers of America on this standard of living. It is only when we bring into the picture the dollar phase or the money representation of these goods and services that the apparently insurmountable barriers are raised. If the brains, intelligence, and intellect of America has proved itself capable of producing real wealth in plenteous abundance and it has—then why do we find it so difficult to devise the medium whereby the financial or the dollar vehicle may be provided to distribute these evidences of material and real wealth on a full capacity basis to our consumers. This to my mind is the essence of the question confronting the committee. I do not admit that this Congress lacks the necessary intelligence or the necessary courage to meet, face, and conquer the existing crisis.

Therefore, Mr. Chairman, the issue is not the organizational difficulties and squabbles of the Townsend organization versus the General Welfare Federation. It is not the question of whether $30, $60, $100, $200 per month is the proper amount for distribution. It is not the question of whether Hawaii-Indiana or any other division of government has reached the millennium in tax efficiency. It is not the question of whether or not the economists and experts of the Social Security Board or any other board recommend or disapprove H. R. 11 or H. R. 2. But it is rather a question of whether or not we have the necessary intelligence to place able and willing citizens back to work on productive enterprise and to make such a result possible through the adoption of the necessary and proper legislation. In this regard let me quote from Thomas Woodlock whose column appears in the Wall Street Journal on January 30. Mr. Woodlock in his discussion presents the issue "Now the immediate problem facing a modern community such as ours is to minimize unemployment." And then he continues as follows, "The more that one ponders these matters the more one tends to the same conclusion to which reference was made here a few days ago, namely, that man (as Prof. Edwin Conklin reminded us in 1916) has not yet acquired that degree of mental power necessary to understand and to master the complex thing that he has somehow managed to create, and that he is much in the position of Frankenstein facing his monster. Or is it, perhaps, less the intellectual power than it is the will that is lacking, and the spirit to move that will, the spirit of 'charity' in the widest sense of the word?"

Hitler has found the answer through a totalitarian government and the establishment of labor battalions. We must find the answer under our democratic process and, in my opinion, through the medium of Congress. That is the primary reason why I am interested in legislation of this type.

During the past 9 years we have tried to meet the problem through the debt cushion of R. F. C., first established under Republican administration. Then in succession we have subsidized our economic machine with deficit financing through F. E. R. A., E. R. A., C. W. A., W. P. A., P. W. A., R. A., F. S. A., A. A. A., N. R. A., and other governmental loan and relief agencies. But we have been underwriting with public funds the group which should have been employed in the productive activities of our economic structure. I have attempted to show that the capitalistic system has always had a debt-credit stimulus, but if private credit will not or cannot take up the slack, then Government or public action becomes necessary, but this should be done through the medium of our unemployables who cannot be economically or privately employed because of their age, physical disability, or in the cases of widows with dependent children because of their family responsibilities. Therefore it seems to me that these bills should be broadened to include all unemployables in those additional classifications. We are already doing this in a small measure through the present Social Security Act with

reference to aid for dependent children and the needy blind. This coverage should be extended and increased in amount wholly from a Federal standpoint. Dollars distributed to these consumers would make necessary immediately a tremendous upswing in industrial and agricultural production. The national income, both gross and net, would increase to a point where the balance of goods and services remaining after the distribution of those necessary to provide for our unemployables, would be materially larger than the total ever before available for distribution to the employed employables. In other words, our present labor supply, together with modern mass production methods, would effect the results which we all desire. Such a demand for goods and services must be stimulated if we are to establish a compensatory factor or element for our technological Frankenstein.

This is the conception of pension underwriting which the members of this committee must visualize if the existing crisis which has confronted and is confronting this country is to be met. I have confidence that you will give this viewpoint serious consideration.

Such consideration will, I am certain, lead you to revamp the existing law so that the following results will be effected:

1. A reduction of the retirement age from 65 to 60. This age bracket between 60 and 65 today comprises a large segment of the forgotten men and women of America. I know that you gentlemen fully appreciate the crisis confronting these citizens today who find it possible neither to earn a living nor to secure any degree of security.

2. Eliminate the old-age insurance philosophy which requires direct contributory payments into a reserve on an actuarial basis and which today necessarily discriminates against large numbers of our people including (a) the unemployed, (b) those who cannot be covered because of administrative difficulties, and (c) those who are well advanced in years so that old-age assistance beneficiaries receive in many cases more than those who have made direct contributions during their few remaining working years will receive.

3. An increase of monthly payments sufficiently large to those over 60 to put back to work at private production all under 60 who are willing and able to work.

4. An elimination of the State dollar-matching formula now in effect under old-age assistance which discriminates against the citizens of the so-called poorer States.

5. An elimination of the tremendous overhead incident to the recording and accounting of old-age insurance accounts for some 42,000,000 employees of America.

In closing, Mr. Chairman, permit me to complete the record insofar as my views of financing this program are concerned. I have two choices.

1. My first recommendation to make possible financially this mass consumption of our mass production would be to overhaul completely our existing monetary system based on debt, to the end that an orderly expansion of our medium of exchange, either currency or credit money, could be effected through the distribution of dollars to our unemployables. Of course, this would naturally call for a tax program limiting personal-use incomes.

2. My next choice would be a gross income-tax levy such as is outlined in H. R. 11, with any further safeguards that you gentlemen who are familiar with tax problems might feel necessary.

It must be obvious that a further expansion of our credit-debit banking system is not possible unless and until the Nation experiences a drastic deflation of existing debt. The only alternative is a cash-and-carry or pay-as-you-go underwriting of consumption on a scale generous enough to provide that decent standard of security for our unemployables which will necessitate a full employment of our employables. We cannot borrow ourselves into prosperity nor can we through deficit financing accomplish full employment on a permanent basis, but we can work ourselves into this condition if we will only provide the underwriting mechanism for the expansion. Perhaps bills similar to H. R. 11 and H. R. 2 are not the complete answer but in my opinion they afford the proper approach. I hope, Mr. Chairman, in your consideration of proposed amendments to the existing social-security law that you will study the possibilities of H. R. 11 and H. R. 2 along these lines.

The United States Coast Guard

EXTENSION OF REMARKS

OF

HON. THOMAS R. BALL

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 8, 1939

EDITORIAL FROM THE HARTFORD (CONN.) COURANT OF FEBRUARY 6, 1939

Mr. BALL. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following editorial on the splendid service rendered by the United States Coast Guard:

[From the Hartford (Conn.) Courant of February 6, 1939]

"SEMPER PARATUS"

Only an occasional paragraph or so in the papers reminds the landsman of the existence of the United States Coast Guard, but to those who live on the sea or by it the comforting presence of the Coast Guard is never out of mind. A child is ill on one of the islands off the shore. To whom but the Coast Guard shall the parents turn for help? A trawler on the banks snaps her shaft. A few minutes after her call for help is received a cutter is on the way with assistance. A small boat is unreported at nightfall with a storm brewing; the Coast Guard patrol boats will comb the Sound for her. Shortly after the Imperial Airways flying boat, the *Cavalier*, called for help a Coast Guard amphibian was on the way to search for her; the pilot was already in the first stages of pneumonia, but he answered the call. Semper paratus—ever prepared—is the Coast Guard's motto, and it lives up to it magnificently.

Probably no other Government service performs such diverse tasks. It polices yacht regattas and boat races and rides herd on the seal fisheries. It conducts the International Ice Patrol in the North Atlantic, and its planes warn the sponging fleet off the Florida Keys of approaching hurricanes. It operates the life-saving stations along the coast and on the Great Lakes, and it watches over the health of the Samoans. When a dead whale drifts on the beach on Cape Cod the Coast Guard drags it off again. Its next assignment may be to dynamite a derelict 200 miles offshore or to intercept a suspected rum runner.

Seldom praised, and seamen being a notoriously complaining breed, frequently and usually unjustly blamed, the Coast Guard well earns its none too generous appropriation.

Attitude of the West Virginia Public Service Commission Toward the Rural Electrification Administration

EXTENSION OF REMARKS

OF

HON. CLIFTON A. WOODRUM

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 8, 1939

LETTERS FROM PUBLIC SERVICE COMMISSION OF WEST VIRGINIA AND RURAL ELECTRIFICATION ADMINISTRATION

Mr. WOODRUM of Virginia. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letters:

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA,
Charleston, February 6, 1939.

Hon. CLIFTON A. WOODRUM,
Chairman, Committee on Independent Offices,
House Office Building, Washington, D. C.

DEAR MR. WOODRUM: Under the heading "Congressmen Told P. S. C.'s Unfriendliness Toward R. E. A.," a local afternoon newspaper carries an Associated Press story from Washington quoting Mr. John M. Carmody, Administrator of the Rural Electrification Administration, as having declared before the House committee on R. E. A.'s request for an appropriation of $2,700,000 for the next fiscal year, that the Public Service Commission of West Virginia, particularly its chairman, "was not friendly to the R. E. A.," and had not done very much for its enterprises in this State.

We wish to take exception to the statements imputed to Mr. Carmody in order to correct the record and to show that the contrary is the fact, and that difficulties which rural electric cooperatives may have encountered in this State have been largely caused by Mr. Carmody.

In view of our information that hearings of your committee have been closed and its report filed, we understand that it is now impossible for us to correct the committee record by appearing before it, but we feel that the members of your committee, the public at large, and the citizens of West Virginia are entitled to know the truth. We, therefore, wish to submit the following information disclosing the actions of this commission respecting R. E. A. projects as shown by the public records of this commission:

The first R. E. A. project in West Virginia was that of the Barbour County Power Co., a rural electric cooperative. It made application to this commission on July 20, 1936, upon the advice of a member of the R. E. A.'s legal staff in Washington, as testified by the president of the cooperative (case No. 2464), for a certificate of public convenience and necessity under section 11, article 2 of the public-service commission law of this State (W. Va Code, ch. 24), for authority to construct a project of some 80 miles. The matter was immediately set for hearing at the courthouse of Barbour County, and the electric utility in the area,

the Monongahela West Penn Public Service Co., was required by the commission not to make any extensions to its system in that neighborhood pending disposition of the application. A hearing was held on July 29, and the evidence then adduced discloses that the applicant was clearly entitled to the certificate for which it prayed. The proceeding was continued. However, by letter dated August 17, 1936, the applicant, by its president, and the Monongahela West Penn Public Service Co., by its counsel, requested the commission to dismiss the case. This was accordingly done by order entered on August 27, 1936.

The next proceeding involved the Harrison Rural Electrification Association, Inc., a cooperative in Harrison County. It was organized in March 1937 and incorporated in June of that year. A loan was secured from the R. E. A. Construction work was commenced in August. The commission indicated to representatives of the R. E. A. and also to counsel and other representatives of the cooperative that, in its opinion, the cooperative was subject to the public-service commission law of the State, which required it to obtain a certificate of public convenience and necessity from the commission before the construction of its plant. All three members of the commission went to Washington and conferred with Administrator Carmody, Chief Counsel Nicholson, and others of the R. E. A. staff on November 7, 1937, in a sincere endeavor to reach an understanding with them for the observance of the State law by this and similar enterprises financed by the R. E. A. Finally an application was made by this cooperative to the commission for a certificate of public convenience and necessity (case No. 2570). The Monongahela West Penn Public Service Co., the electric utility operating throughout the territory involved, appeared as protestant in the case, and the United States, by the R. E. A., intervened on behalf of the applicant. Extensive hearings were held. By order entered on May 21, 1938, the commission found as a matter of law that the cooperative was a utility subject to the jurisdiction of the commission and must secure a certificate of public convenience and necessity from it, and further found as a matter of fact that the cooperative was entitled to a certificate of public convenience and necessity to construct a transmission and distribution system.

The next proceeding involved the Craig-Botetourt Electric Cooperative (case No. 2625) in Monroe County. Its application was filed on August 26, 1938, and the hearing was held on September 9, 1938. The commission announced at the conclusion of the hearing that a certificate would be granted and that it might proceed immediately with the construction of its lines. An appropriate order was entered accordingly.

The last R. E. A. project to come before the commission was that of the Hardy County Light & Power Association, Inc. (case No. 2628). Early in February 1937 Mr. S. L. Dodd, the county agricultural agent of Hardy County, and others interested in the project, communicated with the commission relative to steps to be taken for the purpose of developing the cooperative. They were advised that the State law required a certificate of public convenience and necessity to be secured from this commission. Similar advice was given to Mr. Zinder, of the R. E. A., early in May of that year, and to the counsel for the cooperative. Nevertheless, the cooperative, after procuring an R. E. A. loan, proceeded with the construction of its lines without applying for the requisite certificate. The commission, therefore, found it necessary to institute suit in the circuit court of Hardy County to require the cooperative to desist from construction of its lines unless and until it obtained a certificate. The supreme court of the State required the circuit court to issue a temporary injunction. Finally, on September 9, 1938, the Hardy County Light & Power Association, Inc., applied for a certificate. Hearings were held in the courthouse of that county at which the Potomac Light & Power Co. protested the application. An order was entered by the commission on November 9, 1938, granting the applicant a certificate as prayed for, except as to that part of the territory then being served by the Potomac Light & Power Co.

Chairman Preston did not concur in the granting of certificates in the Harrison and in the Hardy cases for the reasons clearly stated in his dissent in the former and his memorandum in the latter cases.

The foregoing constitute the only instances of R. E. A. projects in this State. The fact that others have not been undertaken obviously bespeaks the fact that they were not considered practical or feasible by the R. E. A. and the local inhabitants, and the inference may be drawn therefrom that generally speaking, the needs for electric service in this State where practical and feasible have been fairly well met. There are small sections which still need electric development, and the commission is constantly working to fill this need as rapidly as possible. The public record refutes Mr. Carmody's statements and inferences. If Mr. Carmody expected this commission to be friendly to or favor his utilities, we can understand his reasons for feeling somewhat chagrined when he found it to be unprejudiced, civil, and fair. The Public Service Commission of West Virginia would be untrue to its trust should it favor any utility.

In the instant matters our chief concern was to secure electric service to rural inhabitants at the earliest possible date and at the lowest possible cost. It has tried to do its duty as it sees it, under the law of this sovereign State. The delay in getting the electric service to rural inhabitants in Harrison and Hardy Counties was caused by Mr. Carmody's ignoring the statutory requirements and defying the law of this State in refusing to apply for the required certificate until forced to do so after more than a year's time. Otherwise, the people in these sections would have enjoyed electric service either from the cooperatives or from other utilities at least a year sooner than they did.

Respectfully yours,

JOHN J. D. PRESTON,
C. E. NETHKEN,
ALEXANDER M. MCLORD,
Commissioners, Public Service Commission of West Virginia.

RURAL ELECTRIFICATION ADMINISTRATION,
2000 MASSACHUSETTS AVENUE,
Washington, February 8, 1938.

The Honorable CLIFTON A. WOODRUM,
House of Representatives, Washington, D. C.

MY DEAR MR. CONGRESSMAN: Administrator Carmody is out of the city, attending a series of annual meetings of R. E. A. projects in the Middle West. I reached him by telephone and communicated the contents of the letter from the Public Service Commission of West Virginia which you so kindly sent him. I told him it was your intention to insert this letter in the CONGRESSIONAL RECORD and that you had offered to include any reply he cared to make.

Mr. Carmody said there were a great many things which could be pointed out in reply to Messrs. Preston, Nethkin, and Mahood. Our files contain much material on the experiences of R. E. A. borrowers in West Virginia, including many sworn affidavits. Mr. Nicholson, our general counsel, who is also very familiar with developments in West Virginia, is likewise out of the city.

Under these circumstances Mr. Carmody directed me to ask leave to quote from the record of the hearing on the independent offices bill before the Subcommittee on Appropriations. The passage which gave rise to the letter from the West Virginia commission reads as follows:

"Mr. JOHNSON of West Virginia. Mr. Carmody, take that map of West Virginia. Here is a map of Kentucky and a map of Pennsylvania and of Maryland and of Ohio and Virginia, all of them bordering on West Virginia. How does it happen that those States have so many projects and there are none, or practically none, in West Virginia?

"Mr. CARMODY. Well, I think, on the whole, West Virginia is not regarded as an agricultural State. That is one thing. It is very mountainous and beautiful in the summer, but its chief industry is mining, as I recall it. That has something to do with it.

"The other element is the desire on the part of the people for electrification. I would say that if the people in West Virginia were as anxious to get rural electrification on these terms as they are in Ohio and Kentucky and the other bordering States they would have found a way to do it even if that meant getting some of their State officials to change their attitude on the power question.

"In Kentucky I think we ought to say that the Farm Bureau, represented there by Ben Kilgore, has been much more aggressive in organizing rural electrification projects than anybody has been in the State of West Virginia.

"Mr. JOHNSON. The Shenandoah Valley is in West Virginia.

"Mr. CARMODY. Yes. Some parts of that valley are served by private power companies. The Potomac Electric Co. comes down there. They have not only been unfriendly to any R. E. A. enterprises, they have been hostile. We have a kind of standstill agreement with the companies now to try to work out the fate of two projects that the private companies tried to snuff out in your State

"Mr. JOHNSON. In West Virginia?

"Mr. CARMODY. In West Virginia—in Harrison County and in Hardy County.

"Mr. JOHNSON. Have you trouble also up and down the Ohio River?

"Mr. CARMODY. Somewhat similar to the project over there. Here is another thing over there. The commission for a time was not friendly to the R. E. A.

"Mr. JOHNSON. What do you mean by the 'commission'?

"Mr. CARMODY. The public service commission, particularly its chairman.

"Mr. JOHNSON. You mean the State public service commission?

"Mr. CARMODY. Yes; the State public service commission.

"Mr. JOHNSON. Who is he?

"Mr. CARMODY. I think the chairman is Mr. Preston. When I look back over the history of the two or three rural electrification projects that got started in West Virginia and read the record of their struggle before the commission and the courts I am amazed that they could survive at all in such unfriendly atmosphere.

"Mr. JOHNSON. The commission, then, has not done very much for them.

"Mr. CARMODY. No; it has not."

Mr. Carmody said he is prepared to stand on the record.

Sincerely yours,

MARGARET R. MCKIM,
Secretary to John M. Carmody, Administrator.

Extension of the Navajo Indian Reservation

EXTENSION OF REMARKS
OF
HON. JOHN J. DEMPSEY
OF NEW MEXICO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 8, 1939

MEMORIAL OF THE LEGISLATURE OF NEW MEXICO

Mr. DEMPSEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following joint memorial adopted by the Legislature of the State of New Mexico:

House Joint Memorial 1

A joint memorial of the State of New Mexico and the Fourteenth Legislature thereof to the President and the Congress of the United States of America, pertaining to any proposed extension in the State of New Mexico of the Navajo Indian Reservation

Be it resolved by the Legislature of the State of New Mexico, That whereas the further extension of the Navajo Indian Reservation within the boundaries of the State of New Mexico, and the purchase or condemnation of lands for that purpose by the United States Government within the State of New Mexico would result in permanent and irreparable injury to the people of the State of New Mexico, and to the State for the following reasons, to wit:

(1) The ownership of such land by the United States of America would seriously injure the State of New Mexico in its revenues by removing such lands from the tax rolls of the State.

(2) Ownership of such lands by the United States of America would at once remove from the tax rolls of San Juan County $389,304 and will result in the impoverishment of San Juan County in the State of New Mexico, to such an extent as will greatly hamper it, in functioning as a component part of the government of the State of New Mexico, and will greatly hamper the State officials and county officers of said San Juan County in the administration of the civil and criminal laws of the State.

(3) The oil and other mineral resources of the State are proposed to be placed within such Indian reservation, has been, and is being developed, sufficiently to determine the existence of such minerals in the area, and is at present, far from a state of full development, and offers a present and future potential revenue to the State of New Mexico from this source. The entire school system of the State to a very large extent depends upon oil and mineral revenue and any action which would deprive the State of the oil and mineral resources of the area, would reduce the efficiency of the State school system to that extent, and would deprive the County of San Juan, a governmental agency of the State, of considerable revenue, reasonably to be expected from the future development of mineral resources of the area.

(4) Since for more than one-half a century the cattlemen and sheepmen of northwestern New Mexico have used this area for a winter range for their cattle and sheep, when, on account of the severe winter and deep snows prevalent in other areas of the State, it has been impossible for those engaged in this industry to pursue the same without the advantage of the grazing afforded by the area contemplated as an addition to the Navajo Indian Reservation, and such addition would therefore injure and destroy to a very large extent the cattle and sheep industries of the northwestern area of the State, to the permanent injury of the industries and to the State, in the matter of its revenues, and especially to the County of San Juan and the business interests of the county largely supported from this source.

(5) The agricultural and irrigation districts of the county of San Juan and adjoining sections in Sandoval County, McKinley County, and Valencia County would be permanently injured in that a large portion of the agricultural products of the irrigated districts is feed for cattle and sheep and other livestock, which market furnished by livestock on the proposed extension area would be wholly destroyed, resulting in the impoverishment of many of our citizens.

(6) The future economic welfare of the Navajo Indians upon the reservation and the whites in San Juan County, Sandoval County, McKinley County, and Valencia County, depends to a very large extent upon irrigation projects and the future development thereof, which would add several hundred thousand acres of farm land, both on and off the present reservation, the development of which unhampered by a change of the boundary of the reservation would enable both the Indians and whites to attain greater prosperity and a better standard of living, and materially add to the future revenues of the counties hereinbefore mentioned and the State of New Mexico: Now, therefore, be it

Resolved, That the President of the United States of America and the Congress of the United States of America be, and the same are, very respectfully memorialized and petitioned in the name of the State of New Mexico and of the Fourteenth Legislature thereof, to prevent the passage of any measure which would extend the boundaries of the Navajo Indian Reservation within the boundaries of the State of New Mexico; and be it

Resolved further, That a certified copy hereof under the great seal of the State of New Mexico be forwarded to his Excellency, the Right Honorable Franklin D. Roosevelt, President of the United States of America; and be it

Resolved further, That a copy hereof certified under the great seal of the State of New Mexico be forwarded to the Right Honorable JOHN NANCE GARNER, Vice President of the United States of America for presentation through the proper channels, to the Senate of the United States; and be it further

Resolved, That a certified copy of this resolution, under the great seal of the State of New Mexico, be forwarded to the Honorable Speaker of the House of Representatives of the United States of America for presentation through the proper channels to the House of Representatives of the United States of America; and be it further

Resolved, That a certified copy of this resolution under the great seal of the State of New Mexico be forwarded to the Honorable CARL A. HATCH, United States Senator from New Mexico, and to the Honorable DENNIS CHAVEZ, United States Senator from New Mexico, and to the Honorable JOHN J. DEMPSEY, Member of the House of Representatives from the State of New Mexico.

Report Condemns Compulsory Pay Deductions In Veterans' Administration

EXTENSION OF REMARKS
OF
HON. PAUL W. SHAFER
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 8, 1939

REPORT OF HON. ALBERT J. ENGEL, OF MICHIGAN, ON CONDITIONS AT THE VETERANS' FACILITY AT CAMP CUSTER, MICH.

Mr. SHAFER of Michigan. Mr. Speaker, in support of H. R. 2402, a bill which would correct certain unfair working conditions in the Veterans' Administration, I herewith present a report of an investigation into conditions existing in the veterans' facility at Camp Custer, Mich., in my congressional district.

This investigation was made by my colleague, the Honorable ALBERT J. ENGEL, of Michigan, a member of the World War Veterans' Legislation Committee. I accompanied Mr. ENGEL on his tour of inspection of the Camp Custer facility and am, therefore, in a position to corroborate every statement made in his report.

I believe Mr. ENGEL's findings should be brought to the attention of every Member of this Congress so that each may have the information it contains. I therefore request the entire report, which is in the form of a letter to the Honorable JOHN RANKIN, chairman of the World War Veterans' Legislation Committee, be included in these remarks.

The report follows:

FEBRUARY 4, 1939.

Hon. JOHN RANKIN,
Chairman, World War Veterans' Legislation Committee,
House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: In accordance with your instructions, I visited the veterans' facility at Camp Custer, Mich., on December 8, 1938, and beg leave to make the following report:

1. Description: The Veterans' Administration facility at Camp Custer, Mich., is a veterans' hospital for mental and nervous cases.

2. Capacity: The official capacity of the hospital is 1,070. On December 8, 1938 (the date of inspection), there were 21 on the waiting list, 8 of whom had been notified to report.

Two new buildings are under construction at the present time with W. P. A. funds which will provide for 166 and 358 beds, respectively, within a year. The total capacity of the facility, including the 2 new buildings, will be 1,534. This will be adequate for present and immediate future needs.

While equipment is generally good, there are numerous beds which have been in use since the beginning of the hospital, in 1924, and should be replaced.

3. Ration and per capita cost: The average cost of the ration of the hospital is 45.4 cents per day. The ration includes the cost of preparing the food, overhead, etc. Guests and employees pay for

meals. The total per capita cost, including ration, clothing, housing, overhead, and salaries, and all other costs, except capital investment, from November 1, 1937, to October 31, 1938, was $1.67. Out-patient cost was $1.94 per patient including transportation.

4. (a) Nurses: Nurses work 5 days a week 7½ hours, and 1 day a week for 5 hours; holidays, 6½ hours a day. Each nurse works 1 month in 6 on night duty, with 1½ days off a week. Night nurses work 12 hours a night, or 66 hours a week. Nurses work on an average of 47½ hours a week. All nurses are under civil service.

(b) Attendants: Day attendants work on an average of 55 hours a week, while night attendants work on an average of 66 hours a week. The average for the year is 52.5 hours per week. These attendants are not under civil service, but expect to be on February 1.

5. Pay: Hospital attendants' pay ranges from $1,020 a year to $1,612 a year for head attendant. The majority are in the $1,020-per-year class. These attendants are compelled to live, as a rule, at the hospital, and the Veterans' Administration deducts $396 a year from their salaries for quarters, subsistence, and laundry, leaving the employee a net amount of $52 per month actual cash with which to support a family. After February 1, under the civil-service laws, there will be another deduction of 3½ percent, or approximately $3 a month, for retirement, leaving the attendant $49 per month.

I have a list of the attendants, showing the number of dependents, and wish to give the following illustration of a typical case:

Salary	$1,020.00
Quarters, subsistence, and laundry	396.00
Retirement deduction under civil service	35.70
Total deduction	431.70
Balance	588.30
Net pay per month	49.02

Dependents to support: Wife, four children—16, 14, 12, and 7 years of age, respectively.

There are numerous other employees receiving from $1,020 up to $1,260 per year with from one to six or seven dependents each. In one instance a messenger is receiving $1,200 per year with a $450 deduction, which will be increased to approximately $490 after the 1st of February, leaving him $710 a year or $60 per month with which to support himself, a wife, and six children.

I was amazed to learn that the Government is charging these employees with and deducting from their salaries $22.50 per month for a ration that costs the Government (in 1938) an average of 45.4 cents a day, or $13.62 per month. When employees take 30 days' leave, the Government deducts the $22.50 for the 30 days in addition to quarters and laundry, although the employee was absent and did not actually eat the food.

The Government makes the following profit from each of these employees a year:

Subsistence charged against the employee, 12 months, at $22.50 a month	$270.00
Cost of ration, 335 days in the year, at 45.4 cents a day	152.90
Profit on each employee	117.10

While these employees are charged with quarters, subsistence, and laundry for themselves, they actually have to pay the same house rent, light, heat, and fuel for their families as though they lived at home. They also have to buy food, clothing, medical care, etc., for the family—all out of $49 a month.

Congress, on the recommendation of the President, passed a minimum-wage and maximum-hour law. This law will ultimately require industry to pay a minimum wage of 40 cents an hour and will limit the hours of employment to 40 hours a week. These attendants, working for the United States Government, work as long as 66 hours a week with a year-around average of 52.5 hours a week, and receive as low as 37 cents an hour pay, out of which the Government takes $396 a year for quarters, subsistence, and laundry, and will take, after February 1, $36 a year for retirement pay. This little employee who is charged with this amount is paying the Government, according to these figures, $117.10 a year profit. There are 44 attendants with from 1 to 7 dependents in this class.

There are 52 attendants with an equal number of dependents receiving from $1,080 a year to $1,260 a year with $396 Q. S. L. deduction, plus a deduction of 3½ percent retirement pay after February 1. There are a total of 137 in this lower-paid employee class, each of whom contribute $117 to the Government each year in profit. The total profit the United States Government makes on these 137 low-paid employees amounts to $16,029 a year for Camp Custer alone. Multiply this by the number of hospitals or employees, and we find the United States Government, through the Veterans' Administration, is doing a land-office business with enormous profits upon which there is no income or other tax levied.

As a member of the Appropriations Committee of the House of Representatives, I watched Congress dish out $21,000,000,000 in various ways during the past 2 years. During the same 2 years I have seen that same Government take $32,000 in profits out of these low-paid employees at Camp Custer, who are trying to support from one to seven dependents on as low as $49 a month. I understand that this condition prevails in practically every similar institution in the United States, and that the total amount the Government takes out of these low-paid employees runs into thousands of dollars.

No employee should be charged more for ration, subsistence, or quarters than the actual cost. Married employees should not be compelled to live at the hospital unless absolutely necessary, and then they should be given additional compensation to enable them to live and support their family decently.

I was rather anxious to have Dr. H. G. Clarke, the superintendent, take me personally through the institution, which he did. We visited practically every ward. The fact that the patients knew Dr. Clarke and that Dr. Clarke knew the patients and their condition evidenced the fact that he had been making his inspection trips through the hospital frequently. Dr. Clarke has a personal knowledge of every detail in this institution and knows personally both patients and employees. Basing my opinion on the inspection of the hospital which I made, I think Dr. Clarke is doing a splendid job and is getting results.

Sincerely yours,

ALBERT J. ENGEL.

President Roosevelt Supports Federal . . .

EXTENSION OF REMARKS

OF

HON. ELBERT D. THOMAS

OF UTAH

IN THE SENATE OF THE UNITED STATES

Thursday, February 9, 1939

ADDRESS BY THE PRESIDENT OF THE UNITED STATES BEFORE THE NATIONAL EDUCATION ASSOCIATION

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by the President of the United States before the National Education Association on June 30, 1938, at New York City.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Dr. Woodruff, members of the National Education Association, I am glad to come here today to this great meeting, and I am especially happy that, I think for the first time in my life, I was introduced by my wife.

If you have followed the arguments of financial experts over the last few years, you have guessed that they have as many theories of keeping books as there are ends to serve. They do not always agree on the definition of capital, and they even disagree on what is an asset and what is a liability. That is true both in private business and in government.

But whatever differences bookkeepers and financiers may have over the rules of their professions, no man or woman of common sense can forget, or allow government to forget, what are the true and ultimate assets and liabilities of a nation.

The only real capital of a nation is its natural resources and its human beings. So long as we take care of and make the most of both of them, we shall survive as a strong nation, a successful nation, and a progressive nation—whether or not the bookkeepers say other kinds of budgets are from time to time out of balance.

This capital structure—natural resources and human beings—has to be maintained at all times. The plant has to be kept up and new capital put in year by year to meet increasing needs. If we skimp on that capital, if we exhaust our natural resources and weaken the capacity of our human beings, then we shall go the way of all weak nations.

Before we can think straight as a nation we have to consider, in addition to the old kind, a new kind of government balance sheet—a long-range sheet which shows survival values for our population and for our democratic way of living, balanced against what we have paid for them. Judged by that test, which is history's test, I venture to say that the long-range Budget of the present administration of our Government has been in the black and not in the red.

For many years I, like you, have been a pedagogue—of course, many people who are not strong on spelling will get that word mixed up with demagogue—striving to inculcate in the youth of America a greater knowledge of and interest in the problems which, with such force, strike the whole world in the face today.

In these recent years we have taught the prudent husbandry of our national estate—our rivers, our soil, our forests, our phosphates, our oils, our minerals, and our wildlife.

Along these lines we have made mighty strides—come further than in all the years before in knowledge of how to grapple with the problems of maintaining the estate that our forefathers handed down to us.

With the dissemination of this knowledge, we have taken action. Few men begrudge what that action has cost, because it has been based on operations physically large and spectacular, dramatic, easy to see.

I am thankful that I live in an age of building, for it is far easier to dramatize to yourself the importance of the object if you

see it while it is coming up, than if you come along later and see it only in its completed stage.

And so we are fortunate today in seeing the New York World's Fair of 1939 in the construction stage. This glimpse will make it mean more to us when we come back and see it completed next year.

The other half of the preservation of our national capital is likewise a problem of husbandry—the conserving of health, energy, skill, and morale of our population, and especially of that part of our population which will be the America of tomorrow.

This also is a problem of the fullest use, the fullest development of precious resources of ability, human ability, which cannot be stored and will be lost if they remain unused. No nation can meet this changing world unless its people, individually and collectively, grow in ability to understand and handle the new knowledge as applied to increasingly intricate human relationships.

And that is why the teachers of America are the ultimate guardians of the human capital of America, the assets which must be made to pay social dividends if democracy is to survive.

We have believed, we have believed wholeheartedly, in investing the money of all the people on the education of the people. That conviction, backed by taxes and backed by dollars, is no accident, for it is the logical application of our faith in democracy.

Man's present-day control of the affairs of nature is the very direct result of investment in education. And the democratization of education has made it possible for outstanding ability, which would otherwise be completely lost, to make its outstanding contribution to the commonweal.

We cannot afford to overlook any source of human raw material. Genius—genius flowers in most unexpected places; "it is the impetus of the undistinguished host that hurls forth a Diomed or a Hector."

No government can create the human touch, the self-sacrifice which the individual teacher gives to the process of education. But what government can do is to provide financial support and to protect from interference the freedom to learn.

No one wants the Federal Government to subsidize education any more than is absolutely necessary. It has been, and, I take it, it will continue to be, the traditional policy of the United States to leave the actual management of schools and their curriculums to State and local control.

But we know that in many places local government unfortunately cannot adequately finance either the freedom or the facilities to learn. And there the Federal Government can properly supplement local resources.

Here is where the whole problem of education ties in definitely with the natural resources of the country and the economic picture of the individual community or State.

We all know that the best schools are, in most cases, located in those communities which can afford to spend the most money on them, the most money for adequate teachers' salaries, for modern buildings, and for modern equipment of all kinds. We know, too, that the weakest educational link in the system lies in those communities which have the lowest taxable values, therefore the smallest per capita tax receipts, and therefore the lowest teachers' salaries, and the most inadequate buildings and equipment.

We do not blame these latter communities. They want better educational facilities, but simply have not enough money to pay the cost.

There is probably a wider divergence today in the standard of education between the richest communities and the poorest communities than there was 100 years ago; and it is, therefore, our immediate task to seek to close that gap—not to close it in any way by decreasing the facilities of the richer communities, but by extending aid to those less fortunate.

We all know that if we do not close this gap it will continue to widen, for the best brains in the poorer communities will either have no chance to develop or will migrate to those places where their ability will stand a better chance.

To continue that parallel between natural and human resources it is well to remember that our poorest communities exist where the land is most greatly eroded, where farming does not pay, where industries have moved out, where flood and drought have done their work, where transportation facilities are of the poorest, and where cheap electricity is unavailable for the home.

All of this leads me to ask you not to demand that the Federal Government provide financial assistance to all communities. Our aid for many reasons, financial and otherwise, must be confined to lifting the level at the bottom rather than to giving assistance at the top.

Today we cannot do both, and we must, therefore, confine ourselves to the greater need.

In line with this policy, the Federal Government during the past 5 years has given relatively more assistance to the poorer communities than to the rich.

We have done it through direct relief and through work relief, through the Resettlement Administration and the farm-security program, the National Youth Administration, and through the rehabilitation of flooded, or stranded, or dust-blown areas. We have provided schoolhouses, colleges, libraries, educational equipment, and sanitation in every State in the Union, and I include "sanitation" because it has always seemed to me that good health and good education must go hand in hand.

We have placed many millions of dollars in the field of adult education through the Works Progress Administration, and, here again, most of the money has been expended in the poorer communities of the land.

I have spoken of the twin interlocking assets of national and human resources and of the need of developing them hand in hand. But with this goes the equally important and equally difficult problem of keeping education intellectually free. Freedom to learn is the first necessity of guaranteeing that man himself shall be self-reliant enough to be free.

Such things did not need as much emphasis a generation ago; but when the clock of civilization can be turned back by burning libraries, by exiling scientists, artists, musicians, writers, and teachers, by dispersing universities, and by censoring news and literature and art, an added burden is placed upon those countries where the torch of free thought and free learning still burns bright.

If the fires of freedom and civil liberties burn low in other lands, they must be made brighter in our own.

If in other lands the press and books and literature of all kinds are censored, we must redouble our efforts here to keep them free.

If in other lands the eternal truths of the past are threatened by intolerance, we must provide a safe place here for their perpetuation.

Yes, there may be times when men and women in the turmoil of change lose touch with the civilized gains of centuries of education; but the gains of education are never really lost. Books may be burned and cities sacked, but truth, like the yearning for freedom, lives in the hearts of humble men and women.

The ultimate victory, the ultimate victory of tomorrow, is with democracy, and through democracy with education, for no people can be kept eternally ignorant or eternally enslaved.

Interstate Operation of Motor Vehicles

EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Thursday, February 9, 1939

RADIO ADDRESS BY HON. HARRY S. TRUMAN, OF MISSOURI, TUESDAY, FEBRUARY 7, 1939

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address delivered by the junior Senator from Missouri [Mr. TRUMAN] on February 7, 1939, relative to Senate bill 25, prohibiting the operation of motor vehicles in interstate commerce by unlicensed operators.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen of the radio audience, the United States Senate yesterday passed the bill, S. 25, unanimously, which I introduced to prohibit the operation of motor vehicles in interstate commerce by unlicensed drivers.

This bill calls for the passage by the several States of uniform laws governing the issuance of drivers' licenses. It does not set up any new Federal enforcement bureau nor create a Federal license law. It does authorize the Attorney General to make regulations for its enforcement by local authorities. It requires a driver who crosses the State lines to have a driver's license issued only after the driver has demonstrated his ability and his right to operate a motor vehicle. His ability to drive is proven by his passing a physical examination, meeting with the age requirement, and providing suitable identification. The purpose of this bill is to cooperate with those States which require safe driving and to encourage those States which have not yet enacted strict legislation governing drivers, to do so.

The necessity of some standard system of licensing automobile drivers throughout the country is all too apparent. Each year thousands of people are killed and hundreds of thousands are seriously injured; and of course the number of less serious accidents which are not reported is even greater. It is estimated to be well over a million accidents each year, over and above the ones on record.

Fatalities and injuries resulting from highway accidents in 1936 were greater than ever before. Over 36,000 persons were either killed or fatally injured; 105,000 individuals were permanently disabled and 1,150,000 more were temporarily incapacitated. The direct economic loss from these accidents attained the staggering sum of $1,580,000,000. This continued destruction of life and property must be stopped. The enactment of this bill, S. 25, will in a large measure assure the abatement of this tremendous loss.

In the last 15 years, more people have been killed by automobiles than were killed in all the wars we ever fought, from the Revolution to and including the World War.

S. 25 provides in section 1 that no person may operate a motor vehicle in interstate commerce unless that person has in his immediate possession a valid license issued under the laws of a State that conform to certain standards prescribed by section 2 of this bill.

Section 2 provides that no license issued under the laws of any State will legally permit the operation of motor vehicles in interstate commerce unless that State law requires—

(a) That the licensee must first pass an examination which includes a test of the applicant's vision (with or without spectacles), of his ability to understand various highway signs, and an actual demonstration of his ability to exercise ordinary and reasonable control in the operation of a motor vehicle.

(b) That such license must be renewed at least once in each 3-year period.

(c) That possession of a canceled, revoked, suspended, fictitious, or fraudulently altered license is unlawful, as would be the transfer from one person to another of a license.

(d) That such license may not be issued to persons under 16 years of age.

(e) That such license describe the person to whom it was issued.

(f) That the license may be revoked or suspended by proper authorities.

Section 3 provides that any person operating a motor vehicle shall display his license upon the demand of any law-enforcement officer, but no person shall be convicted for a failure to so display his license if he produces in court a license issued to him and valid at the time of such alleged failure.

Section 4 states that any person who violates any provision of this act shall, upon conviction thereof, be fined not more than $300.

Section 5 of the act defines the terminology used in the act, explaining the meaning of the words "license," "State," and "interstate commerce" and "foreign commerce." It is definitely stated that the District of Columbia is covered by the term "State," as used in the act.

This section also provides that the provisions of the act shall not apply to any person while operating a motor vehicle in the service of the Army, Navy, or Marine Corps of the United States.

Section 6 provides that the act shall take effect 4 years after the date of its enactment.

By means of this simple instrument, we believe that the needless slaughter of American citizens can be greatly reduced and that the highways of our Nation can be made safer for the use of our people for business and for pleasure.

When I announced in December 1936 that I proposed to introduce such a measure as this, the press of the entire Nation acclaimed it in their columns. Traffic experts, highway-department officials of most States, and other people who have an active interest in the regulation of motor vehicles are in harmony with this action. They heartily endorse such legislation as an effective means of reducing motor accidents.

By licensing drivers it is believed that it would be possible, first, to eliminate those drivers obviously unfit for the privilege of operating a motor vehicle or to keep the would-be drivers from the road until they are properly qualified; second, through the suspension or revocation of the license, to restrain the indifferent or reckless driver from driving for a period of time, or to permanently prevent him from driving in extreme cases, involving gross negligence, recklessness, or incapacity.

Many of the States now require that operators of motor vehicles obtain a license, but a good many of these license laws are solely for revenue. Only 21 States require an actual demonstration of ability to drive before granting a license, and here are some interesting figures. The records show that 10 of the States having driver-license laws are in the lowest bracket of deaths resulting from highway accidents. It is likewise significant that while 10 of these 21 States are in the lowest bracket for percentage of deaths, for gasoline consumed, the remaining 11 States are in the next lowest bracket. Those States which have no licensing laws, and those that require a license but no examination, were in the highest brackets of deaths by accidents.

We have witnessed almost unbelievable progress in recent years in street and highway construction. Highways are being improved and danger spots are being eliminated all over the country, and although the work is far from completed, experts agree that the general condition of streets and highways is not an important factor in traffic accidents.

Outstanding improvements have also been made in the construction of automobiles within recent years. We have motor vehicles whose mechanism is of a standard which makes for safety. Advances in braking, body construction, steering apparatus, and other features of the automobile have contributed to safe driving. Improved tires, nonglare headlights, and shatter-proof glass have added to driving safety. And with all these marvelous innovations automobiles are within the reach of nearly every American family. The American automobile is a great bargain, and motor travel has become an integral part of our national life. Yet it is this easy means of transportation that is our greatest hazard to life, limb, and property.

So it is that when the frequency and severity of traffic accidents continue to mount, in spite of the advances and accomplishments in perfecting the automobile and improving the highways, it becomes necessary to focus our attention upon the human element—the driver.

The research department of the Kansas Legislative Council has recently issued a report entitled "Safety Regulation for Motor Vehicles." In this publication it is stated that—

"The driver is the most important element in our traffic-accident situation. Authorities state that approximately two out of every three automobile accidents involve mistakes by the driver.

"Some drivers cause accidents because they suffer actual defects in mind or body. They may have defective vision, they may not be strong enough to control the vehicle they operate, or their minds may not react to a particular situation with sufficient rapidity.

"Some drivers have accidents because they do not know how to drive. This group is greater in number than those suffering from mental or physical defects. This class of drivers is capable but they have simply failed to learn the proper methods of making turns, backing, and signaling. They do not observe stop signs or traffic signals and have no sense of their obligation toward pedestrians or other highway users."

There was recently published a report on scientific investigation of driving skill under the direction of Dr. Harry R. DeSilva of the bureau of street traffic research at Harvard University. This report states:

"Obviously some important factor is being neglected; and on scanning the statistics of the causes of highway accidents, the conclusion is inescapable that it is the inability of the driver—his failure to anticipate dangerous situations and to handle the car skillfully—that is the underlying cause of the great majority of accidents. As the National Safety Council maintains: 'The driver is the most important element in our traffic-accident situation. Some drivers have accidents because they are actually defective in mind or body. A much greater number have accidents because they do not know how to drive.' "

The control of the driver, then, is what S. 25 sets out to accomplish. It provides a pattern by which those States which now allow any person who can get behind the wheel of a car to drive it can draw up their regulations to govern automobile drivers, but it does not in any way infringe on the rights of any State to control its own vehicular traffic. It merely sets a standard, based on the laws of States which have successful driver-control departments, for those States which have not yet enacted this vitally needed legislation.

S. 25 has twice unanimously passed the Senate. It has not yet been passed by the House, although a companion bill has been introduced at that end of the Capitol. Since the provisions of this act will not take effect until 4 years from the date of its passage, it is a matter of great importance that it be enacted into law as soon as possible.

We were all shocked by the news of the death of a Capitol page by a hit-and-run driver here in the District of Columbia a few days ago. Two days later another child was run down here by a hit-and-run driver and severely injured. This heedless killing and maiming must be stopped, and the sooner all of the States adopt uniform regulations governing the licensing of automobile drivers, the sooner the situation will be gotten under control. I know that the American people want such legislation, and I hope that S. 25 will be enacted into law at this session of the Congress.

Government Control of Business

EXTENSION OF REMARKS

OF

HON. WILLIAM H. KING

OF UTAH

IN THE SENATE OF THE UNITED STATES

Thursday, February 9, 1939

ADDRESS BY HON. MILLARD E. TYDINGS, OF MARYLAND, FEBRUARY 2, 1939

Mr. KING. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address on the subject How Far Should Government Control Business, delivered by the senior Senator from Maryland [Mr. TYDINGS] before the Economic Club of New York on February 2, 1939. The address deals with an important question of great interest to the American people.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, in addressing myself to your question, to wit, How far should government control business? it is important, as they say in medical parlance, that I first isolate the word "control," analyze it carefully, and present a point of view based upon the varying definitions of that word, in order to avoid misunderstanding.

What does the word "control" mean? The dictionary gives it many shaded meanings, for it says "to control" means "to exercise restraining or directing influence over; to dominate; regulate; hence, to hold from action; to curb, subject, overpower."

Insofar as the word "control" means "to dominate, to hold from action, to subject or overpower" business, my answer to your question can be definite and immediate.

Government has no constitutional power, as I see it, to do these things to business; and, again, even if it had the power, it would be unwise to do them as a matter of national policy.

If our form of government has the power to control to the extent of dominating, withholding from action, subjecting or overpowering the everyday business of the Nation, then, in sum, we have a charter of state socialism unlimited, and not a charter of human liberty and of free enterprise, or a government of limited powers.

Let us examine for a moment the genesis of the Government of the United States of America. Ours was conceived as a government which would be the very antithesis of dominating, holding from action, subjecting, or overpowering either the individual in his person or the individual in his effects, which means nothing more nor less than the individual's business.

This Nation was conceived to dignify and exalt individual man. It came into being because 150 years ago there was no political equality among men. It was created to cure that condition.

The rulers, for the most part, then existing on thrones and in parliaments, held office by divine right. Political democracy did not exist. Men in the mass were inarticulate. They were the servants of their rulers, and hence of the state, and were so treated. It was a government of men and not of laws. Man at that time occupied a position above that of domestic animals, yet below that of those who ruled him.

With the termination of the Revolutionary War the old longing of mankind for a new concept of his status came into being with the formulation of our National American Government. The motivating purpose of that concept was to make the individual supreme, to give him a government of laws and not of men, to give him a government in which he was the master and not the servant of the government.

Man in the mass thus reached a new station along the highway of his destiny. He stood forth free. He was in reality his own government. He was the creature alone of Almighty God. He was the vassal of no other man.

Government, he said, in the constitution which created it, could do nothing which interfered with the security of his person, with the security of his home, with the security of his family, or with the security of his effects—that is, of his business.

Lest there should be any mistake about this new state of man, the first 10 amendments to the Constitution, man's Bill of Rights, were immediately adopted to expressly put this matter beyond the realm of speculation.

The Government was to be one of limited powers, but in order that there be no mistake about that, the Constitution provided that "the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively or to the people."

That still is the Constitution of the United States of America in 1939. These things have not been changed by the people who have lived under this form of government for 150 years. There is no provision in this Constitution, express or implied, which rightfully allows the Federal Government to dominate, to hold from action, to subject, or overpower the business of the Nation. And where attempts are made to exercise such powers, whether the courts uphold or reject these attempts, they are clearly at variance with the expressed purpose of our national charter to exalt the individual, and therefore prohibited by the charter of our Government itself.

However, within the last few decades, because transportation, communication, and information have all traveled with lightning-like speed; because society, once scattered in this Nation into sections, has been brought into a composite state; because transactions which once were purely local are now national in many cases, we are told we must reexamine the ancient foundations to see whether or not they are suitable to modern conditions and events.

This metamorphosis having taken place, there are those who say that government has not kept abreast of this march of progress, that the time has now come to scrap the old philosophy and end 150 years of American tradition, of the American system, of the American way, by having Government control the various ramifications of our business life.

These people contend that the old tenets of individual exaltation and free enterprise, if you please, are outmoded, archaic, and valueless, and, ergo, that if government only will exercise control and domination over business, there will be more prosperity, more of the abundant life, and more happiness for us all.

These are the men who, without any amendment of the Constitution whatever, seek to change its philosophy by indirection. They unhesitatingly, by precept and proposed legislation, attempt to have the Constitution embrace this right of government to dominate, subject, and overpower the business of the Nation. They do not take the trouble to amend the Constitution. If the courts say they cannot do what they propose, they attack the courts. In effect, they use every artifice of amending the Constitution except the way provided in it for an amendment to it.

They are, in truth, dissatisfied with the American system and with the American way. Their concept is that this is not a government of limited powers, but rather that there is no limit on the National Government's power whatsoever.

In pursuit of this philosophy they attempt to tell the farmer what he can plant and what he cannot plant; to tell the businessman whom he can hire and whom he cannot hire; what he can sell and what he cannot sell; when he can dig coal and when he cannot dig coal; and what price he shall charge for the products of his labor. These are not the measures of democracy.

These men, in effect, always claim they are doing this to save the American system and the American form of government—when, as I see it, really stripped of the camouflage, they are the vanguard of State socialism on the Russian model, or else are the vanguard of State socialism by the more gradual processes now in force in Germany and Italy.

They are neither Republicans nor Democrats. They do not wear the clothing of democracy, and their correct uniforms should be either red, brown, or black shirts, if they were truly ingenuous.

They preach democracy and free enterprise, while they set in force the machinery to destroy it, stating it is necessary to partly destroy it in order to save the remainder.

In one breath they abuse the governments of Russia or Germany or Italy, heaping their dislike upon these governmental systems of business control, and in the next breath they advocate the measures which will imitate them.

They are the enemies of the American system, of the American way, the saboteurs of American tradition, the termites of American democracy—in action, they are the real disciples of the Hitler, Stalin, and Mussolini form of government.

In their advocacy of economic policies, they embrace the identical systems which they in generalities frequently condemn. They proclaim that the American system of government under which we live, and which has brought us to the highest standards of living in all history, is a great failure, and must be discarded for systems that have proved over and over again to be a sure means of ruin.

They are the disciples of the new day that is dawning—or, as I see it, the new night that is falling—that is as old as Augustus in Rome, Louis XIV in France, and the N. R. A. and A. A. A. of the recent past.

They profess to believe in democracy, while pursuing none of its philosophy. The privileges of democracy they seem not to value; and what they would attack, were their administrative orders and decrees to emanate from another source, they can see no evils in if they emanate from themselves.

In short, "I have little fear," say they, "in driving my car at 100 miles an hour, if I am driving, but I would not want to ride in a car going that fast if anyone else were driving."

They are not concerned about the effect upon the car or of its direction, or the accidents and dangers along the roadway. Whether or not they take the ride is determined solely by "who shall drive?" rather than by the wisdom of the ride. They proclaim any change as progress.

These are the men who would dominate, withhold from action, and overpower what we might call the everyday business, the free enterprise, of the Nation. Control with them does not mean to regulate, as we used to use that word, but means to dominate. This was exhibited beyond argument by the operation of the N. R. A. in the field of business and the A. A. A. in the field of agriculture, as well as in other measures. Regulate is a poor synonym for control in their private dictionary.

But you are talking generalities, you say. My reply is, "No"; I am not talking generalities to even a small extent as compared to those who talk in support of the public control of private business.

But to meet your charge of generalities, let me present a few facts taken from history. Millions of people in America think that the N. R. A. was new, that nothing like it had ever been tried before by any nation, that it was a great forward step in human experience. How sad. It would be possible to dig up dozens of N. R. A.'s out of the pages of history and parade them and their consequences before you in proof of the general statements I have made. May I use just one example from history to illustrate my point?

Let us go back over 200 years to the time of Louis XIV, in France. Let us take down from the archives the four big dusty volumes and there on the 2,200 pages—think of it—read the regulations promulgated by the King, stating the conditions under which the textile industry could manufacture its products and how the employees therein must conform to the King's decrees.

For example, it was provided that textile fabrics made in the city of Dijon were to be put in reeds 1¾ ells wide, the warp to contain 1,408 threads. Now, in Samur, textiles were to have 1,376 threads, while in Chatillon none were permitted to be manufactured save those that had 1,216 threads.

Of course, you know that these regulations for textile manufactures—in 1934 called "codes"—were written by the then existing manufacturers themselves, under supervision of the King, just as they were frequently written in the days of the Blue Eagle. They were written 200 years ago by those who, having their machinery already set up, found the might of the King's regulations a handy device with which to forestall the competition of enterprising innovators and competitors. The Government threw the entire weight of its authority behind the established interests and in cases made death the penalty for the violation of these regulations.

The system had many years of trial. The Government spared no effort to enforce the regulations to the letter. The more the

regulations were violated, the more new regulations were multiplied. Thousands of lawsuits were docketed. An orgy of smuggling and bootlegging prevailed in the outlawed products, which, in spite of the King's regulations, had a very wide popular support in France.

As these violations occurred, the Government did not stop to temporize. It clearly said on every occasion and in every court that it meant business and that these regulations would be enforced to the limit.

Of course, all students of history know that these drastic measures of economic regulation cost the lives of some 16,000 French people, partly through executions, partly through armed affrays. Think of it. And this 16,000 figure does not reckon at all the certainly much larger number of Frenchmen who were convicted and sent to the galleys or punished in other ways.

It is recorded that on a single occasion in the city of Valence 77 were sentenced to be hanged, 58 were to be broken on the wheel, 631 were sent to the galleys, and none were pardoned. And the crime they had committed was that they preferred to make textiles, not as the Government wanted them made, but as the workers and inventors themselves wanted to produce them for public consumption. However, none of these punishments stopped the violation of the law. The greater the number punished, the greater the number of new violators. But in spite of this failure in France 200 years ago it was sure to work in the United States of America in 1934, we were told.

It is curious that even in a country like ours, where the overwhelming majority of the people are against State socialism and where the Socialists have never been able to poll a very large vote, that many groups support more or less actively, or regard with indifference, measures similar to the N. R. A. and the A. A. A., which added one by one arrive inevitably at the goal of State socialism.

In other words, people are opposed to State socialism as a whole but accept with complaisance the rapidly multiplying steps which lead directly to it.

Thus we have in America people who favor Government ownership of power companies but who are opposed to Government ownership of farms or Government domination of business generally. Without forming a clear-cut idea of the functions of government, they stand both in the camp favoring Government operation and in the camp opposed to it, at one and the same time. They tell you they are not Socialists and that they do not like the German, Russian, or Italian system, but they have no objection to arriving at that goal by inference if it is gradual. They are like members of recent legislative bodies who used to proclaim their faith in national prohibition on the floor and satisfy their appetites for John Barleycorn off the floor during the prohibition era.

Free enterprise on the one hand and State socialism on the other will not long survive together in the same country. One is sure to perish. We must make our choice. To put it differently: We must choose between voluntary cooperation on the one hand and compulsory operation on the other.

Still another way of looking at it: Do we want a highly organized body of officeholders attempting to run the private business of the Nation, or men who have spent their lives running the businesses of the Nation continuing to do it, under the condition where government only makes the rules, and leaves business to its own resources?

May I lift a paragraph I once read from the essays of a great writer, which might be apropos here? He said, "There is nothing more dangerous than hampering the power of the human intellect, nothing more dangerous than any legislation that puts a limit to the daring on the enterprise of men. In the ancient days the sailors dared not go out of sight of land, the wanderings of their ships following the coast line." The daring of Columbus, however, gave humans a new heaven on earth.

Any kind of governmental regulation which keeps our business navigators within sight of the shore hurts America and every man who works within it. The need is for more business Columbuses and less business land sailors.

All contact of government with business should be patterned with two general objectives in view; on the one hand, to protect the individual against the greed and cunning of others, and, on the other hand, to prevent interfering with the fullest development of human ingenuity and power. Between these two gateways lies the only real field for constructive government control, or, as I prefer to say, regulation of business.

We must not forget that often government is as vicious in its ruthlessness as are the objects against which it directs its regulations. Again let me resort to history. Congress passed the undistributed-profits tax under its taxing authority. Every informed person in America knows that in that case government used its taxing power not for the purpose of raising revenue, for which purpose it was given that power, but so it might in effect become a member of the board of directors of every corporation in the land and thus force each board to adopt policies of management which the real directors as a whole did not think it wise to adopt.

Thus under the guise of taxation government sought not to prevent acts which were wrong in themselves, but sought to assume administrative and management rights belonging entirely to those who owned the property. This action was not the action of regulation; it was the action of control in its dominating, overpowering, synonymous sense.

Again let us reflect on human nature in recent events. Our Government is one of three branches—the executive, legislative, and judicial. Each is an independent branch, beyond the control of the other two. Yet have you not seen the executive branch try to dominate, subject, and overpower another independent branch, the Supreme Court? Have you not seen the executive branch in recent elections try to dominate, subject, and overpower State elections wherein Senators were to be chosen for the legislative branch?

Consider what would be the state of your Government if the Court fight and the senatorial purge had been successful. Then you would have had executive control of both the Supreme Court and the Congress and three independent branches of the Government would no longer exist.

Next, consider the attempt to dominate the business of the country by the N. R. A. and the farms of the country by the A. A. A., as well as other recent acts.

When you are asked, therefore, to fix the degree of control that Government may have over business don't lose sight of these lessons from recent history, for they are as indicative of trends as was the illustration I presented from the reign of Louis XIV.

One may make a beautiful case for theoretical control, but in practice control is at variance with the theory presented to obtain it.

Remember, too, what we mean by business. Business is agriculture, mining, electric light, power and gas, manufacturing, construction, transportation, communication, trade, finance, services, etc. Only from these sources does government get the revenue upon which it exists. Only from these sources do the 50,000,000 normally employed obtain work and their daily bread. Business is not only the president and vice president of a particular concern, or its board of directors; business is also the thousands of people employed in that concern.

Under this very administration the United States Department of Commerce has issued two volumes entitled "National Income in the United States from 1929 to 1936, Inclusive." These volumes analyze what proportion of the business income dollar goes to labor and salaries. An average of 82 cents out of every manufacturing income dollar went to wages and salaries. An average of 81 cents out of every mining and quarrying income dollar went to wages and salaries. An average of 70 cents out of every transportation income dollar went to wages and salaries, and an average of 66 cents out of the income dollar of all types of business combined in this country went to salaries and wages.

Truly business is the lifeblood of this Republic. Therefore, when you begin to control business you begin to control the employment of the 50,000,000 people who work in business and who between them make up the entire national income of the United States.

When an automobile is manufactured in Detroit, cotton must first leave the plantation in Georgia, lumber the forest in Oregon, fish must leave the ocean at Cape Cod, coal the mines of Pennsylvania, cattle the plains of Kansas, and rubber must come from far-off Java and Sumatra.

Too often the workingman in a plant sees only his own labor in the fashioning of an article. He does not take into account all the labor outside of the plant that goes into the production, transportation, and processing of the component parts of his finished product.

It is my belief that if every workingman, every businessman, and every Member of Congress would read the two volumes to which I have referred there would be an entirely new conception of national income in this Nation, for all would realize how much is at stake in the survival of the system of free enterprises and of free institutions.

Of course, government has a proper field which it may enter in the regulation of business. There are, first, its own functions, its taxing policy, its tariff policy, its interstate-commerce policy, its policy in fixing the value of money, all of which directly and indirectly affect the business life of the Nation.

These policies, however, should be employed for the purposes of government only and not for the purposes of business management per se.

Again, government should regulate, as differentiated from control, the business of the Nation. It should outlaw dishonest practices. It should set up uniform standards of weights and measures and quality. It should declare what is not healthful. It should make rules for human conduct and fix penalties for transgression. It should regulate business so as to insure honest competition and to insure the continuance of competitive business. It is not necessary for it to enter business to accomplish any of these aims.

Government is there to define clearly the rules of the game and then let business have a free hand in the pursuit of free enterprise.

Government has no right to enter business of any kind except those which are clearly a part of government itself, like the Government Printing Office, Government hospitals for its soldiers and sailors, navy yards to build and repair purely Government property, dams to control the waters of its rivers and streams.

It was not conceived as a competitor to private business, either in the manufacture of women's dresses, of automobiles, moving pictures, electric light bulbs, or condensed milk. Government is there to govern and regulate and not to operate. It is there to regulate business and not to dominate, overpower, or subject it.

When government, in violation of the wisdom of sticking to its milder function of regulation, wherein it but defines the rules of the game of free enterprise and commences to dominate and overpower or to enter and operate some one business, inevitably that precedent will be used to permit it to embark in every business. And why not? If it is proper for government to be in one business, it will be argued that it is equally proper for it to be in another business.

The failure to comprehend that the workingman, the wage earner, the general public, the man in the street have more at

stake than anybody else in the continuance of free enterprise of this Nation and in the revival of business by allowing it to continue as a free enterprise is to drift farther and farther down the road on which we are now traveling, leading to conditions which threaten the home and fireside of every citizen, his job—whatever it may be—his income, and the free institutions of his country.

The present state of affairs should lead to a realization that business in every form should be encouraged, not discouraged; helped, not hindered; supported, not attacked; for in a revival of business—and it can only come by free enterprise and confidence in the right to free enterprise—there is work for the unemployed, a better market and better prices for the farmer, a decrease of the governmental burden of taxation, and a normal way of American life.

May I close by restating your question: How far should government control business?

My answer is, it should not control it at all. Control is too brutal a word, and in its accepted meaning, too brutal a remedy for the evils that may exist in free enterprise.

Well, then—how far should government regulate business? That cannot be answered in a sentence. Just as the airplane of today has outmoded the transportation of yesterday, so old regulations will from time to time be outmoded and new ones be made necessary. The degree of regulation cannot be fixed on any definite and permanent basis.

The task of government today is still what it was in the day of Aristotle—that is, to find the just medium, to avoid excess, to strive for the ideal for the common good.

Or, as Aristotle himself said of government, "not too much, not too little."

Generally in this restless world in which we live, there is more to be feared from too much control than too little, and hence I have devoted myself primarily to that fear in my answer.

I believe recent history supports my point of view. In bringing these answers to the question you have presented, I have done so in the hope that I might make some slight contribution here to the future of America, with the sole desire to make that future, insofar as I may influence it, as glorious and great as is its past. For truly its past is the greatest of them all, and its future will be only as great as we make it.

Cost of the World War to the United States

EXTENSION OF REMARKS

OF

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, February 9, 1939

STATEMENT OF HON. RUSH D. HOLT, OF WEST VIRGINIA

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement prepared by me on the subject of the cost of the World War to the United States.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Before we become too much involved in foreign entanglements, let us check the cost of the last World War. It is impossible to figure the cost of the conflict to include economic dislocation thereafter or even include the loss during the war, but the World Almanac prints an interesting summary of the estimated cost. It follows:

"WORLD WAR'S MONEY COST TO UNITED STATES GOVERNMENT

"The estimated money cost of the World War to the United States Government to June 30, 1934, was $41,765,000,000, as shown by the annual report of the Secretary of the Treasury for the fiscal year ending June 30, 1934.

"The Treasury has not made any further revision in the estimated money cost of the World War since that date.

"Necessarily, some of the figures included in these estimates represented approximations, since no cost records relating to the World War were maintained.

"The difference between the estimated money cost of the World War for the fiscal years 1917 to 1921, shown as $26,361,096,001.09 in the Annual Report of the Secretary of the Treasury, 1930, and in the revised amount of $25,729,000,000, shown in his 1934 report, represents an adjustment made during the period June 30, 1930, to June 30, 1934, in connection with the obligations acquired by the United States from foreign governments. During this period collections on accounts of foreign obligations amounted to approximately $322,000,000.

"In calculating the estimated money cost of the World War as of June 30, 1930 ($37,873,908,499), the obligations of foreign governments held by the United States were shown with a book value on the basis of the present value of the obligations as of that date. This present value increases from year to year and the balance of the adjustment referred to above represents an estimated increase in the present value of such obligations from June 30, 1930, to June 30, 1934.

"In computing the estimated money cost of the World War the Treasury has not attempted in recent years to adjust the estimated cost for the period from 1917 to 1921 to reflect other receipts representing the return of funds originally treated as war-cost expenditures, such as the receipts on account of the realization of assets of war emergency corporations and agencies.

"Between June 30, 1917, and June 30, 1921, the Government's net cost of certain World War activities (expenditures less receipts) was:

"European food relief, $94,942,645; vocational rehabilitation, $135,739,203; United States Housing Corporation, $28,695,182; United States Shipping Board, $3,072,526,532; United States Grain Corporation, $25,000,000; Bureau of War Risk Insurance, $504,773,249; expenses of loans (Treasury), $74,769,610; collecting war revenue tax, $69,617,965; hospital facilities and service, $73,109,957.

"Pay of the Army, $2,819,195,164; Army maintenance services, transportation, etc., $6,873,420,115; other War Department expenses, $88,737,159; Army Medical Service, $316,653,620; Signal Service, $965,008,551 (including $519,099,187 increase in aviation); Army ordnance supplies, ammunition, etc., $575,321,328.

"Armament of fortifications, $3,203,479,956; manufacture of arms, armored motor cars, etc., $469,919,700; all other ordnance expenses, $189,377,285; Army engineering costs, bridges, depots, etc., $633,271,952. The total War Department expenditures on account of the conflict was $14,849,593,666.

"The total war expenses of the Navy Department were $3,401,342,952 (aviation, $185,301,332; training stations, recruiting, etc., $95,514,380; ammunition, etc., $502,692,026; yards and docks, $212,751,628; fuel and transportation, $133,872,964; pay of the Navy, $613,134,005; provisions, $205,314,070; supply account fund, $143,276,476; construction and repair, $144,014,058; steam engineering, $134,095,304; United States Marine Corps, $165,049,397; new war vessels, $731,900,271).

"Increase of compensation of civilian employees, $147,416,619.

"Interest on war debt (1918–21), $2,746,640,992."

Far more important than cost in money are the casualties. The World Almanac shows the following:

"American Army battle casualties in World War.

"Killed in action, 37,568; died of wounds received in action, 12,942; wounded, not mortally, 182,674; total, 233,184.

"Battle casualties of the United States Navy and the United States Marine Corps are not included in the figures.

"Includes troops in Northern Russia and at sea.

"The casualties not included in the above table were: Died of disease, 62,670; died of accident, 4,503; drowned, 727; suicide, 965; murder or homicide, 318; executed, 35; other causes, 228; total, 69,446. Measles killed, 2,370; poison gas, 1,399.

"Marine Corps casualties were: Killed in action, 1,450; died of wounds, 1,007; died of disease, 304; accidentally killed, 28; died of other causes, 18; total, 2,807. Wounded, 7,714; total casualties, 10,521.

"United States Navy losses at sea in World War: Killed in action, 30 officers and 326 men; died of wounds, 6 officers and 52 men; lost at sea, 41 officers and 416 men; total, 77 officers and 794 men."

Add to that the terrible suffering. Add to that the wrecked bodies of our soldiers. Add to that the misery and pain. Those things cannot be reduced to figures but these facts are important to know:

The Veterans' Administration shows 45,320 World War veterans receiving hospital care and 15,057 veterans domiciled in homes on December 31, 1938. General Hines stated that there were 27,000 mental cases under treatment by the Veterans' Administration and that he expected this to be raised to 44,000 by 1949.

The World War was called a war to save democracy. Again, we hear the call to "police" the world to protect democracy.

Relief Appropriations

EXTENSION OF REMARKS

OF

HON. JAMES E. MURRAY

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Thursday, February 9, 1939

RADIO ADDRESSES BY HON. JAMES E. MURRAY, OF MONTANA, AND DAVID LASSER, JANUARY 29, 1939

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a discussion of the deficiency relief appropriation measure by David Lasser and myself over the Columbia Broadcasting System, Sunday, January 29, 1939.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

ADDRESS OF DAVID LASSER

On behalf of the Workers' Alliance of America I should like to express our appreciation to the Columbia Broadcasting System for making this time available to us.

On Friday, January 27, the United States Senate by a vote of 47 to 46 rejected the plea of the President for a deficiency appropriation for relief of $875,000,000. By that 1-vote margin it slashed the fund to $725,000,000. Yesterday, Saturday, January 28, in hundreds of cities, towns, and villages more than 500,000 men and women poured out into the streets in protest parades against the Congress' blow to their welfare. Unemployed and employed workers, small-business men, farmers, city, county, and even State officials joined in the public declaration that the action of the Congress was against the best interests of the Nation.

In the brief time I have before I introduce our speaker, I should like to point out the viewpoint of the organized unemployed and W. P. A. workers on the congressional action.

You all know how the President, after weighing the facts before him, after consulting with his experts in the field of relief, came to the conclusion that $875,000,000 was necessary to carry on W. P. A. until June 30, to provide useful work to the destitute unemployed, to increase purchasing power, to, in short, help restore recovery.

You remember how the House of Representatives by a majority vote cut this fund by $150,000,000. You may remember, too, that this cut was made possible only through parliamentary maneuvers which permitted the Congressmen—your Congressmen—to do this without their vote being recorded.

By the time the bill reached the Senate Appropriations Committee an avalanche of protest from the four corners of this Nation swept into Congress. The House action was vehemently protested and an overwhelming demand was made of the Senate that they restore the $150,000,000 requested by the President of the United States.

Day after day letters, telegrams, postcards piled up mountain high in congressional offices as the American people, aroused at the threat to their welfare, at the attack upon the recovery movement itself, made their indignation known to their elected representatives.

But the Senate did not heed their cry. Senator MURRAY will tell you himself how his own body responded to the almost united cry from the people for not one cent less than $875,000,000.

The struggle, however, is not over. The whole bill must now go to the House for conference, with the possibility that even this meager concession to the needs of the people will be wiped out and the original House provision for a straight fund of $725,000,000 restored to the measure.

If this original House provision for a straight fund of $725,000,000 remains, then W. P. A. must drop 200,000 workers every month starting February 1, until more than 1,100,000 have been eliminated from the program by June. If the President gets such a measure on his desk, he will be faced with the problem of either signing a bill which is impossible of administration or of vetoing the bill and sending it back to Congress for reconsideration.

If the Senate provision is maintained, a peculiar and dangerous situation will occur. The President must keep the rolls up during February and March. By April 1, he will be in a position of not knowing whether he will get more money, and, if so, how much. He cannot therefore schedule employment after April 1, for if he doesn't get any more money he will be forced to drop in April, May, and June 600,000 workers per month to make the money last.

Therefore, the President is clearly under the obligation if this Senate provision is retained, to come back to Congress on March 1 and make his request for additional funds. March 1 is only 30 days away, and in one short month we will have to go through this whole struggle again.

Isn't it harsh and cruel to keep these needy families in fear and terror for months to come awaiting the executioner's axe that may fall anywhere, cutting of their jobs, their only means of existence?

I personally believe that the politics played by the isolated few local W. P. A. officials as charged by the Sheppard committee, was small potatoes to the enormous political burlesque enacted on the floor of the House 2 weeks ago and on the Senate floor Friday.

And now I want to present to the radio audience a gentleman and statesman who is always found speaking and voting on the side of the underprivileged. His unbiased mind, his talents are ceaselessly employed to see that the interests of the majority of Americans are protected. I take great pleasure in presenting the Honorable JAMES E. MURRAY, United States Senator from Montana.

ADDRESS OF HON. JAMES E. MURRAY, OF MONTANA

I, too, wish to express my thanks to the Columbia Broadcasting System for this time made available to the Workers' Alliance and myself. I will try to be brief.

We have just finished in the Senate a struggle over the work-relief appropriation which has attracted Nation-wide interest. If the issue involved had been confined to the simple question of the amount necessary to carry the work-relief program as outlined in the bill, there could be absolutely no excuse or justification for the reduction of the amount requested by the President. The $875,000,000 sought by the administration to carry through the work-relief program for the period involved was the absolute minimum sum required to do the job without a cruel and arbitrary reduction of the relief rolls.

Today we have 11,000,000 Americans out of work. For practical reasons, the Government has been able to furnish employment to only 3,000,000. In addition to furnishing jobs, it has also been a program of recovery. It has been protecting small merchants, professional and business men from failure and bankruptcy throughout the country. The wages of these W. P. A. workers have been filtering into the cash registers of shopkeepers, being used to pay for food and clothes, rent bills, medical bills, and other items necessary for subsistence. Large sums were also being spent for building materials—cement, steel, lumber, and other items—thus stimulating manufacturing, transportation, and industry in general.

To reduce the appropriation to $725,000,000 would obviously affect this recovery program. It would mean that thousands of unfortunate workers would be lopped off the W. P. A. rolls commencing immediately. The leaders of the so-called economy bloc realized, therefore, that they were defeated on that straight issue and some plan or scheme had to be devised to escape it. To avoid that vital issue and the political consequences that would follow, a clause was inserted purporting to prevent a reduction of the W. P. A. rolls of more than 150,000 workers during February and March, and also authorizing the President to come before the Congress again and demand more money should an emergency arise before the end of the fiscal year. This, of course, was a very adroit legislative move and made possible the defeat of the President's proposal for the larger appropriation.

But it now appears to be a foregone conclusion that the President will be compelled, under that clause, to request Congress for a further sum. In fact, unless business conditions rapidly improve and reemployment expands, even the original estimate of $875,000,000 will not be sufficient. The issue therefore has not been decided, but merely evaded. The United Press, in reporting the proceedings on the bill, indicated that it was a "sham battle." The opposition simply side-stepped the issue and avoided certain defeat of the reduced appropriation.

I think it is most unfortunate that these disputes over relief occur. They create widespread dissension and ill will. They tend to create a class cleavage that ought to be avoided. The great mass of unemployed feel that they are being indicted as constituting an unworthy and unwholesome burden on the Nation. There is nothing accomplished by such an ill-advised course. On the contrary, much damage is done.

I, and all those who voted in the Senate Friday for the President's proposal, have always been for rational and sensible economy. No Member of the Senate wants to see waste or extravagance. All the provisions of the bill seeking to prevent dishonesty, waste, or extravagance were carried without a single dissenting vote. With our knowledge of conditions in the country, however, we felt that the President in requesting $875,000,000 for the next 5 months was reasonable and conscientious in his demands. His action was based upon the advice of experts and statisticians who worked out the very minimum requirements of the program.

Many of us felt that the President was overoptimistic about the possible decrease in need. He was prepared to have the rolls reduced 300,000 by June on the expectation that the upturn in industry would not only continue but would, indeed, expand. He based his request on the assumption that 1,500,000 workers would be reemployed in private industry in the next 5 months. I consider that extremely optimistic. I think we will surely find that the President will be forced to come back to Congress within the next month or two and request more money. This is poor practice. It creates a constant state of uncertainty, dissatisfaction, and complaint, and nothing is saved in the end. I think it is poor practice to keep a huge program such as W. P. A. going on a month-to-month basis and furnishing ground for constant political bickering and contention. It is wasteful, and certainly inefficient. In my judgment, the Senate action will prove to be poor economy.

In my own State of Montana only a few days ago one of our largest mines closed down, throwing a thousand men out of work. Smelting operations have also been cut, and general business conditions are unsatisfactory. Other curtailments in mining are occurring in various sections of the country. In the State of Utah the Kennecott Copper Co. has cut 10 percent. In view of the still unsettled condition of business and industry at the moment, it seems to me that the Senate, by its action, threw a cold chill on our American economy.

This unemployment situation presents the Nation's greatest problem. No threat of foreign armies can constitute half the danger to our country as the battalions of unemployed and hungry men at home.

It is all very well to say that we must balance the Budget. Of course, it is our patriotic duty to lay plans as early as possible to pay off the debts incurred by the Government during this dangerous period of economic distress and social upheaval. It is my view, however, that we cannot abruptly or drastically curtail this program of relief for the unemployed until private industry shows a reasonable capacity to relieve the situation. The program was undertaken to salvage our capitalistic system at a time when it was in a chaotic condition. It was intended to sustain the people during the period of adjustment. Indirectly, it was intended to preserve our democratic system. It has had universal approval from the Nation's economists and industrial leaders, and it has carried the country through the most dangerous period in its entire history.

The solution of these conditions depends on the utmost harmony and cooperation among the various groups that make up our economic system. Let us hope that we may accomplish a reasonable and proper adjustment of this relief problem in the Congress during the next few months, and thus avoid bitter controversy and dissension at a time when the country is going forward to better and more happy and prosperous conditions.

In closing I wish to compliment this organization for its constructive work on behalf of the unemployed and in bringing to the attention of the Congress the need and plight of the unfortunate and destitute millions of men and women in this country who have been suffering as a result of economic conditions. I consider it the essence of democracy that the unemployed should have the right to collectively express their situation and their needs.

Findings of National Temperance and Prohibition Council

EXTENSION OF REMARKS
OF
HON. MORRIS SHEPPARD
OF TEXAS
IN THE SENATE OF THE UNITED STATES
Thursday, February 9, 1939

STATEMENT OF NATIONAL TEMPERANCE AND PROHIBITION COUNCIL

Mr. SHEPPARD. Mr. President, I ask unanimous consent to place in the RECORD the findings of the National Temperance and Prohibition Council.

There being no objection, the findings were ordered to be printed in the RECORD, as follows:

The American people will not long continue to tolerate the present intolerable liquor conditions. The great increase of drinking and drunkenness among both the adults and the youth of our land, the frightful toll of human life taken by street and highway accidents due to drinking drivers and pedestrians, the great increase in crime due directly and indirectly to the liquor traffic, the sucking of the lifeblood of legitimate business from the veins of industry and commerce, the prolonged delay in business recovery in which the liquor traffic is undoubtedly one of the major factors, the general break-down of moral standards and behavior brought by the liquor traffic—these things, one and all, with many others that might be named, make imperative the extermination of the traffic, and, at the same time, furnish the incentive and appeal for such extermination. That the American people will arise in their strength and destroy this traffic and redeem their honor from the shame and disgrace which it now bears, we do not for one moment doubt.

We appeal to the churches and pastors, to all denominational agencies, especially publishing houses and boards, to inaugurate and prosecute a most intensive and vigorous campaign of scientific and factual education concerning the evils and destructiveness of beverage alcohol.

We remind the citizens of the several States that nearly every State in the Union has statutes requiring the scientific teaching of the effects of alcohol in the public schools. We appeal to the citizens of the several States to see that these statutes are observed and that this teaching is carried forward in a regular, systematic, and efficient way. American youth are not naturally nor generally depraved. We have perhaps never had a finer generation of young people than we have at the present day. These young people must be saved from the scourge of alcohol, and one of the surest and best ways to save them and protect them is to give them the truth about alcohol. The public school ought to be, and is, one of the best and most authoritative agencies for the impartation of this truth, if it is wisely and honestly dedicated to this worthy objective.

One of the most vicious and inexcusable phases of the present liquor situation is the persistent and high-powered and conscienceless advertising campaign of the liquor traffic, particularly the interstate advertisements of beer, wine, and whisky, in magazines and newspapers, and the interstate advertisements of beer over the radio. The Federal Government has full power and authority to prohibit and suppress all interstate advertisements, whether by press or radio. We appeal to the Federal authorities to exercise this power and we pledge ourselves to give hearty support to any and all legislation introduced in Congress for the accomplishment of this purpose. Likewise, the States have full power to prohibit and suppress all intrastate advertisements of liquor in all forms. We appeal to the citizens of the several States to see that appropriate legislation is introduced in and enacted by the several State legislatures for the accomplishment of this end. All such State legislation will have the approval and support of the National Temperance and Prohibition Council.

We remind the American people that the powers embodied in the second section of the twenty-first amendment have hitherto been slightly understood and little appreciated by the friends of sobriety throughout the Nation. A careful study of this amendment reveals that the liquor traffic can be utterly exterminated if the several States can be induced to exercise their inherent police power, and if the Federal Government can be induced to face and meet the obligations and responsibilities entailed upon it by the delegated power of the second provision of this amendment. Under this amendment the Federal Government is charged with the responsibility of protecting each State against the importation of liquor in violation of any State law passed in the exercise of the powers and prerogatives of that State for the curtailment or abolishment of the whole nefarious liquor business.

In the spirit of love and devotion to our Government, our homes, our liberties, and all that is sacred and dear in life, and in love and devotion to our God and Saviour, we call upon all patriotic, right-thinking, liberty-loving citizens of the United States of America to join with us in sleepless vigil and in unremitting toil that our people may be saved from the doom and damnation of humanity's greatest foe.

Public Contracts in Pennsylvania

EXTENSION OF REMARKS
OF
HON. JOSEPH F. GUFFEY
OF PENNSYLVANIA
IN THE SENATE OF THE UNITED STATES
Thursday, February 9, 1939

ADDRESS BY HON. HAROLD L. ICKES ON NOVEMBER 4, 1938

Mr. GUFFEY. Mr. President, I ask unanimous consent that there be printed in the RECORD an address delivered by Hon. Harold L. Ickes, Secretary of the Interior, in Philadelphia, on November 4, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I do not come to Pennsylvania as an invader from Washington. I am a native of Pennsylvania, born on a farm in Blair County. And I am here tonight by special invitation of the Republican Party of Pennsylvania given me by Judge James, the Republican candidate for Governor.

His invitation asked me "to come to Pennsylvania before the November election and let us (you) know what has been going on in the general State authority."

I will tell him what I know about that.

But I like to do thorough jobs. So while I am here I will discuss the past and the future—as well as the present—of public contracts in Pennsylvania.

Judge James in his telegram seems suspicious because of the fact that, as Federal Public Works Administrator, I have insisted on the readvertising of certain contracts let in Pennsylvania and have conducted investigations of conditions in Pennsylvania. That isn't any particular reflection on Pennsylvania. Those cautions are my official and personal protective routine in all parts of the country in my administration of the public money committed to my care.

In his telegram Judge James was good enough to commend my "personal reputation for honorable conduct in office." That reputation is based in large measure upon the system of check-ups set up by the P. W. A. under my administration and upon the readiness of P. W. A. to make vigorous, unbiased, unpolitical investigations where charges of graft or favoritism are brought and, in most instances, without waiting for them to be brought.

I have always been investigating—continuously investigating—the general State authority of Pennsylvania, just as I am continuously investigating other agencies in other States. The sum total of my investigations does not disclose a perfect situation. There has been chiseling; architects and others recommended by contractors have been employed; these architects apparently have tried to favor the contractors who favored them. There has been carelessness, if not impropriety, with respect to certain change orders, the effect of which would be to add to the profit of the contractors. But these attempts at cheap corner cutting have been caught before it cost the Federal taxpayer a nickel. I can honestly say that everything we have found so far is of a minor character. I have discovered nothing like a Republican Teapot Dome in P. W. A. contracts in this or any other State, or anything remotely approaching it. What cheap corner cutting has been tried is chicken feed compared with the capitol construction scandal at Harrisburg, the Broad Street subway, or City Hall scandals in Philadelphia. These, like Teapot Dome, were Republican scandals.

Now, talking about Harrisburg and Philadelphia scandals of the past isn't just pulling out a red herring. It is an indispensable background to an understanding of present conditions. After all, we are talking about Pennsylvania with the Pennsylvania tradition of political corruption in public contracts. Pennsylvania contractors have learned their trade against the long, lurid

background of Cameron, Quay, and the Vares. The habits, the normal expectancies, indeed, the very routines of the business induced by that tradition, cannot be ended in a day even by the most scrupulously careful and honest administration, State or Federal. Not even a Pennsylvania Dutch housewife could scrub a sewer spotless overnight. I have no illusions about leopards changing spots, but I can assure you that so far as the P. W. A. in Pennsylvania is concerned, spots are temporarily out of style.

But unless you want the fashion to change back, you ought not to return Judge James' party to power. For if Judge James and his ticket are elected next week the future of Pennsylvania belongs to "Moe" Annenberg. On this point I intend to speak bluntly: I feel competent to protect Federal money against the corner-cutting amateurs I have so far met here. But it would put a terrible burden on the Federal Government, both as to men and dollars, to keep tab on Federal funds against the kind of operators who would foregather under the sponsorship of "Moe" Annenberg.

I have no desire to pry into or expose anybody's semipublic life. But we have long recognized that when a man runs for public office, or becomes deeply involved in politics, many things that he has done or is doing become a matter of public concern. The people are entitled to know not only the records of candidates for public office but the records of the men who sponsor them and stand behind them. The people of Pennsylvania are therefore entitled to know the record of Mr. "Moe" Annenberg, because he is today a dominant figure in the Republican politics of Pennsylvania.

I know something of that gentleman. It was in my adopted city of Chicago that he learned his present trade and helped the city to acquire a reputation that it has been trying to live down ever since.

I come here to tell Pennsylvanians what I know about "Moe" Annenberg, curse of two cities, because the prospect of turning the public contracts of Pennsylvania and the whole law enforcement machinery of this State over to a man of the record of "Moe" Annenberg is the most alarming thing that has ever threatened my native State.

For "Moe" comes from the world and from the lawless tradition commonly associated with Al Capone.

In the 1920's a rising wave of lawlessness began to sweep the United States. For the first time in the history of any land crime became big business. This movement, which reached it logical climax in the wave of kidnapings that finally aroused effective public resistance to it, had its center in Chicago. The rise of Chicago gangsterism and racketeering may be traced back to the bitter struggle for circulation between certain Chicago newspapers shortly before the World War.

The career of "Moe" Annenberg and the social history of organized crime in the United States meet at a point in time—1911—and a point in space—the office of William Randolph Hearst's Chicago newspapers, of which his brother was circulation manager.

What I am about to tell you is chiefly a matter of court record—the pleadings of Annenberg's own lawyers.

Annenberg assembled a gang of plug-uglies, including Dion O'Bannion, later a Chicago gang leader himself. Annenberg hired out the gang to Hearst to "sell" the Chicago Hearst papers. The "salesmanship" consisted of sweeping competing papers off the newsstands and pulling drivers from the seats of circulation trucks. Newsboys were beaten up for refusing to take more papers than they could sell. A trolley car was shot up by these newspaper "salesmen." During this prelude to Capone, several men were killed. The reign of physical terror instituted by these advocates of "freedom of the press" did not end until Chicago was ridden and ruled by racketeers. The hiring of "Moe" Annenberg by Hearst was the beginning of the subsequent flood of lawlessness that almost engulfed law enforcement in the United States.

How did Annenberg get away with it? By a simple cynicism which is most instructive to those who are impressed by Bertie McCormick's fears about the freedom of the press.

Annenberg then had and always since has been careful to have a newspaper tie-up. That is, he has always been careful to have such a relationship with a newspaper that it will give good publicity to his friends, bad publicity to his enemies. And most people in political life are so deadly afraid of the kind of publicity they may get that they will not lift a finger against the friends of those who control newspaper publicity.

As a friend of newspapers, and so able to control publicity, Annenberg had political protection, which, in turn, meant immunity from the law. A newspaper-political tie-up—this was the Annenberg formula for Chicago in 1911. This is the Annenberg formula for Pennsylvania in 1938.

With Annenberg's "salesmanship," the Hearst enterprise prospered, thus setting for America an unhappy example of crime that did pay.

Bertie McCormick's Chicago Tribune soon got the idea. Bertie is a direct person. He did not bother finding a man who could match Annenberg. He got Annenberg himself. More freedom of the press; more respect for law. Bertie has always been devoted to both.

"Moe's" older brother was employed on contract by Hearst as circulation manager of the Chicago American. For $20,000 a year McCormick induced him to break the contract. The Annenberg brothers and their men began to prey upon Hearst circulation workers as they had earlier preyed upon McCormick's. Hearst sued for violation of his agreement. Hearst lost. Why?

Because the courts held, as Annenberg's lawyers urged, that Hearst's contract with Annenberg was invalid because it was an agreement to commit unlawful acts.

Later "Moe" parted company with his brother and Bertie McCormick. The bloody newspaper-circulation war broke out anew in Chicago. Annenberg men were overpowering the Hearst thugs under O'Bannion. Hearst bought "insurance." He hired "Moe" Annenberg as circulation manager of all the Hearst papers on the theory that his brother would soften his methods. Hearst was right. The brothers kept the peace, relatively speaking. But the evil they had done lived after their "reform." By the time O'Bannion was shot dead in 1925 the Chicago gang wars were shocking the world.

"Moe" was branching out in other fields, too. Together with other veterans of the newspaper-circulation wars, he organized a service to give information about horse races to bookmakers who took race-track bets. You do not need to be told that no one can carry on an illegal business without the protection of the police

In this business he really got rich quick. Not even the great radio industry grew faster than "Moe's" business. In 1924 his operations were confined to Milwaukee and Chicago. Today his network covers the bookmaking establishments of the whole country. He has one of the largest personal incomes in the world. In my own city of Chicago alone in recent years there have never been less than 400 establishments taking the Annenberg services and there have frequently been as many as 700.

How does a man get a monopoly of an underworld business? Not by following Benjamin Franklin's precepts of thrift and industry. "Moe" did it sometimes with lawyers—and sometimes with gangsters.

In the early 1930's "Moe" and his crowd had 50 percent of the stock of General News Bureau, Inc., a horse-racing information service centering in Chicago. John J. Lynch, Chicago gambler, represented the group holding the other 50 percent of the stock of General News Bureau, but "Moe" managed to get control of the business. His associates charged that "Moe" let the printing contracts for the bureau to a firm which, in turn, paid "Moe," personally, over $1,200,000 in 5 years. Lynch demanded an accounting.

Annenberg beat Lynch in court. How? By denying that the funds were the bureau's funds? No. His lawyers pulled the illegal business stuff. They claimed that the bureau's business was illegal and that, therefore, the courts could not interfere between partners in it.

Here is what Annenberg's own lawyers, who happened to be also the Chicago Tribune's lawyers, said about the source of the fortune that Annenberg is now using in his attempt to control Pennsylvania:

"1. It appears on the face of the bill of complaint that the subject matter of the lawsuit is a division of the profits made by supplying gamblers and handbook operators with certain essentials which are necessary in the conduct of said gambling or handbook business.

"2. Equity will not take jurisdiction or order an accounting between participants in an illegal business, nor will equity aid and abet anyone engaged in an illegal business to obtain from others his fair share of the profits resulting from said illegal business (*John J. Lynch* v. *General News Bureau*)."

And "Moe" Annenberg's lawyer, in his argument to sustain this position, said:

"The General News Bureau is aiding and abetting an illegal enterprise. They (Lynch, etc.) come in here and ask the court to lend a hand to a division of profits in an illegal and unconscionable transaction."

Annenberg's lawyer then told the court the edifying story of the English judge who in 1725 had established a precedent by refusing to aid one highwayman in his attempt to make another highwayman divide the loot. Driving his point home, "Moe" Annenberg's lawyer said:

"There they wanted a division of spoils by robbers. Here they want a division of spoils by gamblers."

After hearing all the evidence, the court decided that "Moe" Annenberg was right in his contention that "Moe" Annenberg's business was so far outside the law that the courts could not handle a dispute between persons engaged in it. The Supreme Court of Illinois upheld this decision.

But an underworld fight doesn't stop with the courts and the lawyers. "Moe" Annenberg's fight to oust Jack Lynch and to win for himself a monopoly of the horse-race-information business went forward on another front where there were no legal niceties to protect either Annenberg or Lynch. In its issue of December 21, 1934, Hearst's Chicago American gave its readers an account of the Annenberg-Lynch feud. It said:

"Chicago's biggest gambling war—a colossal struggle for millions of dollars—will be fought with guns, unless a compromise is quickly made.

"Gangsters, gang weapons, and gang methods will decide the struggle between John J. (Jack) Lynch, veteran Chicago gambling boss, and 'Moe' L. Annenberg, national-racing-paper owner, for control of the vast system that disseminates racing news to the thousands of Chicago handbooks.

"Battle lines for the war have been drawn, the Chicago American has learned. Commander for Lynch and his General News Bureau is Dan Serritella, State senator and Republican first ward committeeman, and long friend of Al Capone.

"Leader for those supporting Annenberg and his Nation-wide News Service is Ralph O'Hara, quick-triggered organizer of the Chicago Motion Picture Operators' Union.

"Serritella has enlisted the support of Frank ('The Forcer') Nitti, who won his title enforcing the gangland of Capone.

"Also backing Lynch is Marty Guilfoyle, veteran chieftain from the Northwest Side."

Now that "Moe" Annenberg stands high with the "respectable" Republican Party in Pennsylvania, he has developed a fondness for suing people for libel who quote from his record. Cameron, Quay, and the Vares had more intestinal fortitude. But then their records were comparatively sweet smelling. However, it is notable that when the quotation above was published 4 years ago, "Moe" Annenberg did not sue the Chicago American for libel. Out in Chicago "Moe" hasn't much of a reputation to damage. Out in Chicago, "Moe" would not venture to try to control the Republican Party. Badly off as it is, badly as it needs his money, it knows that his kiss is death.

The same article in the Chicago American contained a passage of particular interest to Pennsylvanians at this particular time. It said:

"Now, the man in the street might wonder why the 'powers that be' who control politicians, policemen, and even judges, don't take a firm stand and force peace. The plainer answer is they can't.

"For both factions in the bookmaker's news squabble have been doing business with the politicians, the policemen, and judges for a long time. They have 'paid for this' and they have 'paid for that.'"

The significant point was the helplessness of the whole enforcement machinery of Chicago before the corrupting influence of a big business which was also an illegal business. A little bookie in a cigar store can bribe the cop on the beat. But a big shot whose network ties together the whole bookmaking business of the United States can't be bothered putting individual patrolmen under obligation to him. A man whose enterprises are of the size and kind of "Moe" L. Annenberg's is naturally tempted to seek control of courts, including high courts, legislatures, mayors, chiefs of police, and Governors—as now in Pennsylvania. He would want to impress law-enforcement officials by proving that he can elect judges or defeat judges; that he can have them appointed or not appointed. You Pennsylvanians have already seen the lengths to which this man will go when his paper twice boasted that it knew in advance what the Supreme Court of Pennsylvania would decide.

Three days after Annenberg's attempt to drive Lynch out of the bookmaking game, the Chicago American's prediction of a gang war was borne out by the murder of George Downs, an Annenberg lieutenant operating in Miami, Fla. Then and later, Miami was a focal point of Annenberg activity. His interest there reached the point where it became worth what it would cost to control the local government of Miami. This now Republican leader of Pennsylvania then took over the Democratic organization of Dade County, Fla., and elected his ticket. Again he used the familiar Annenberg formula—the racing interest, the newspaper tie-up guaranteeing immunity, the political organization. He bought the Miami Tribune.

The result, for a while, was what Annenberg wanted—an open town for the Annenberg racing interests—a closed town for Annenberg's rivals. With this achievement his march toward monopoly in his own unsavory business was almost completed.

There is one other episode in Annenberg's pre-Philadelphia career that is so disgusting that I hesitate to touch upon it. But the people of Pennsylvania ought to know about it for their own protection. On November 17, 1932, M. L. Annenberg was among those indicted by a grand jury in the United States District Court of Baltimore for sending obscene matter through the mails. The obscene matter in question was a weekly magazine called the Baltimore Brevities, a successor to the Philadelphia Briefs, which was driven out of this city. Needless to say, Annenberg did not suffer for his part in the publication of the Baltimore Brevities. Several of his employees on the Brevities took the rap of sentences in Federal prison. But not our "Moe." The case against him was nol-prossed. The district judge, William C. Coleman, described the Baltimore Brevities as the "most degrading and corrupting character of literature which could be circulated to the public."

The indictment of "Moe" and his partners in the Baltimore Brevities case had an interesting sequel. After the indictments were nol-prossed, "Moe's" associates—you guessed it—sued him. In summing up the evidence of this case, Chancelor Josiah O. Wolcott, of Wilmington, Del., said: "It is charged by Bannon and Murray that Annenberg tried to get rid of them as associates; that he sought to buy their stock; that they refused to sell and that he thereupon threatened to so manage the business that it would cease to be attractive to them and that then he would get their stock at his own terms." Judge Wolcott refused to appoint a receiver because Annenberg successfully argued that his enterprise was still prosperous. And this in spite of the malodorous Baltimore Brevities case.

Such was the background of the man who in August 1936 bought for $15,000,000 cash the Philadelphia Inquirer. Since he has been here you Pennsylvanians have had a better opportunity than I to judge him and a better opportunity to know his effect upon this city and State. Gambling and the police corruption which inevitably follows organized gambling, were on the wane here after the grand-jury investigation which began in August 1928. But within the past 2 years it has revived to the point where Jerome H. Louchheim, one of the chief contributors to Judge James' campaign and one of the biggest contractors in the State, took the witness stand in a Philadelphia court the other day and flatly testified that he had asked the mayor of Philadelphia for police protection for a gambling establishment.

Many of "Moe's" old associates died by gangster bullets. Many of "Moe's" old associates are in various penitentiaries. But "Moe" Annenberg himself is bidding for the domination of a State and the national domination of a political party.

Judge James was "Moe" Annenberg's candidate months before the Republican primary last spring, and it was Annenberg's power and influence, Annenberg's paper and Annenberg's money that were instrumental in persuading other Republican leaders to take Judge James.

Judge James has informed me by telegram that it is he and not "Moe" Annenberg who is running for Governor of Pennsylvania. Tush, tush, Judge James—that's only a technicality. Of course, you are the candidate. But the point is—whose candidate are you? There are some accusations so dreadful that you have no choice but to put yourself beyond suspicion or accept the accusation. To be called "Moe" Annenberg's political stooge is that kind of an accusation.

If you wanted to prove the red-headed independence of which you boast; if you wanted to protect decent Pennsylvania families from the fear of a repetition here in Pennsylvania of the gang wars of Chicago, you would long ago have appeased the consciences and put to rest the fears of those typical Pennsylvanians whom I have always remembered as sober, God-fearing people who are content to earn an honest dollar, by repudiating Annenberg.

Even at this late date I call upon you. Tell the people of Pennsylvania—do you or do you not accept the support of "Moe" Annenberg and all that that support implies?

As a candidate you are already under enough suspicion in being supported by the millions of the reactionary Joseph N. Pew. You cannot stand the stench of Annenberg on top of the gold of Pew. See yourself as others see you, Judge. Stand down wind—and just whiff. Pew-Annenberg. Or if you like it better, Annenberg-Pew.

Humanitarianism

EXTENSION OF REMARKS

OF

HON. MORRIS SHEPPARD

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Thursday, February 9, 1939

ADDRESS BY ROLLAND BRADLEY AT ST. LOUIS, MO., OCTOBER 19, 1938

Mr. SHEPPARD. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Hon. Rolland Bradley, honorary vice president of the American Humane Association and president of the Texas Humane Federation, before the sixty-second national convention of the American Humane Association held at St. Louis, Mo., on October 19, 1938. The subject of the address is "Humanitarianism Under New Methods and Purposes."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The humane movement in the United States should find one of its most effective vehicles in the State federation. It is very true that the authority of the Federal Government has constantly expanded, especially since the War between the States; but even today the great responsibility of administering the law and bringing our jurisprudence in line with modern conditions through legislation rests upon the States. For example, practically all of the administration of estates is carried on under that control, and the land-tax and title system is still exclusively within what is known as States' rights. In fact, the doctrine of States' rights is a fundamental part of American jurisprudence, although in the last few years, especially both Democrats and Republicans have been accused of exploding whatever was left of that theory.

It might be appropriate on this occasion, in emphasizing the value of State federations for the humane movement, to appreciate whatever real value there is in the southern doctrine of States' rights. The phrase sounds old to the ears of all of us; but many of our most used phrases, such as the brotherhood of man, convey concepts upon which the very hope of civilization rests. Let me quote from a current northern authority: "Insofar as the emphasis upon States' rights proceeds from a sincere concern to keep locally effective, a sense of informed civic responsibility, a vital aim is being envisaged." (Ordway Tead, The Case for Democracy, New York, 1938, p. 78.) You may be interested to know that this doctrine, so laughed at by some during the days of the American Revolution and compared with a rope of sand, is a refuge for one of the two cardinal principles of free government. In addition to the necessary authority of sovereignty, there is the tradition of liberty that is championed wherever we

find intelligent people. The civil rights safeguarded in our Federal Constitution are also fostered by the principles of local self-government.

History demonstrates that the ideas of authority always tend to centralize political power. This tendency has become a fad with several European nations and already is a problem that must be faced by modern political science. We can well serve in the defense of our free institutions, including possibly the humane movement, by appreciating the tradition of liberty and by strengthening all of the ties that uphold that tradition. We should be slow to ignore the wisdom of the past. We, in fact all of our people, even those who live in the North, have a great lesson to learn from the southern statesmen who championed the idea of local self-government in various forms. With some of them it was undoubtedly an expediency to foster the individual political career; but with others it was almost a matter of religion. I have in mind the great advocate, John Randolph, of Roanoke, than whom no man ever more loyally defended States' rights and the strict construction of our Federal Constitution. He is the patron saint of these commendable teachings. He even resisted acts by President Thomas Jefferson when he found that these acts were contrary to the letter of the Constitution. He paid a serious penalty for his idealism, but Randolph, of Roanoke, in that idealism lighted a torch that America must never allow to be extinguished. His doctrines should be fostered again in our generation. Yet those traditions are today formidable enough so that the humane movement in America must do most of its work under the jurisdiction of 48 States, sovereign within certain fields.

One of our objectives on this occasion might best be served by chronicling the events that resulted in the organization of the Texas Humane Federation. These facts may serve as an illustration of methods for organizing your respective States, at least those not yet organized. The State federation was accepted as the key to the problem of protecting the humane movement in the Lone Star State for several reasons. In the first place the political authority is the logical agency to whom we must look for the enforcement of humane standards. As the local State occupies a dominant place in American jurisprudence (something we demonstrated in our introduction), it was natural that we should turn to the State for protection. The Federal Government has never been in position to do much in this field. For instance, the only places in our country where the Federal law may be invoked to prevent bull fighting are the District of Columbia and probably a few other areas, the titles to which are in the Government of the United States. Naturally this does not take in very much territory within the 48 States. In former years the local humane society was of dominant importance for several reasons. Not only were our people not drawn together so closely as at present by modern means of transportation and communication, but also the humane problem was relatively much more acute in the cities than at present. I have in mind the fact that machine industry has supplanted beasts of burden more completely in our cities than in rural sections. Formerly, the horse and buggy was the common sight on any street. But we are constantly being reminded that the horse-and-buggy days are over. Later this afternoon I want to state a great challenge to the humane movement brought about by these changing times. At this point let me mention that, with modern conditions of life, especially because of present means of transportation and communication, the people of each State, as well as over the country at large, have been drawn together into one community.

These historical and scientific forces lead us to realize the need for the Texas Humane Federation. In addition to this, at your own convention held in Houston, Tex., 2 years ago, it was admitted by an individual who had served as president of a former Texas State humane society, that a new movement under a new organization was needed in that part of America. At that time there was no functioning State organization, and nothing such as "* * * a State Bureau of Child and Animal Protection * * *" provided for in title 74 of the Revised Civil Statutes of Texas. The title had become dead letter although the Bureau is supposed to be composed of 21 members, each of whom should be a director "* * * of the Texas State Humane Society * * *" (Ibid. art. 4597).

After consulting with officials of the American Humane Association while they were in Houston, I prepared a charter for the Texas Humane Federation, which was approved by the Secretary of State at Austin, Tex., under date of October 12, 1936. The next step was to make the federation a reality through organization. One of the principal factors in this connection was the success of the first convention, which was held in Waco, Tex., on January 19, 1937. We were fortunate in securing the presence, influence, and invaluable assistance of the field secretary of the American Humane Association. Mr. Craven already had assisted in many ways. For instance, he had helped in securing for us copies of the bylaws of State organizations in other parts of the country, which were found invaluable in drafting the bylaws that I prepared for the convention.

Forty-two individuals from nine cities scattered over Texas assembled for the first session of the convention at 10 o'clock in the morning. Mr. Craven acted as temporary chairman and read the charter and proposed bylaws. After their adoption, the election of a board of directors concluded the work for the morning. Following luncheon by the group and the election of officers by the board of directors, the convention reassembled at 2 o'clock in the afternoon. The day's work was concluded by a general discussion of humane problems with particular opportunity for full statements and questions from all delegates present. It will be noticed that the convention completed its work in 1 day.

One of the immediate problems confronting the Federation was to secure a strengthening of the law against bullfighting, for there was effort being made to introduce that spectacle into the United States. Because Texas adjoins Mexico, and with the Pan-American Exposition in Dallas that followed the Texas Centennial Exposition in 1936, it was seen that every safeguard should be taken against staging a bullfight in Texas at that time. So a bill was introduced in the house of representatives that added the offense of bullfighting to the list for which private citizens may secure injunctions. The measure passed in the house without much trouble, but the senate neglected the bill until the Texas Humane Federation, aided by the Houston Society for the Prevention of Cruelty to Animals, the Waco Humane Society, and certain individuals, communicated with State senators and was successful in getting the measure favorably acted upon by the senate. On May 12, 1937, the Houston S. P. C. A. wired the Senator from Harris County, Tex., and soon thereafter the bill was ready for the Governor's signature. In order to be sure the measure was subject to no further neglect, and to prevent any possible veto of the bill, as president of the Texas Humane Federation, I wrote the Governor on May 18, 1937, called his attention to the bill, and asked that he "* * * let me know if any doubt arises. * * *" It might be added that the legislative program of the Texas Humane Federation for 1937 was supported by my radio talk on April 9, 1937, over a network that covered Texas and stations in adjoining States. The occasion was the announcing of "Humane Sunday," and the week beginning then under sponsorship of the American Humane Association. Proclamations of "Humane Sunday" and "Be Kind to Animals Week" were issued by the Governor of Texas on March 12, 1937, and also by the mayors of various cities including Houston. Public matters are given better attention by organized sponsorship; and the proclamations, radio talk, and convention, all had their influence in securing favorable action by the State legislature.

The work of the State federation need not be confined to the boundaries of the particular State and the organization offers a great and effective force in assisting the humane movement everywhere. Particularly it can be helpful in supporting projects of the American Humane Association. I have in mind the letter sent out by Sydney H. Coleman, president of the American Humane Association, under date of March 19, 1937. On that occasion he asked for help in defeating certain inhumane legislation in Cuba, and he closed the communication by stating, "Your help will be of great aid and encouragement with the bando de piedad of Cuba." Letters were written in this connection by me to the President of Cuba and to the President of the Senate of that Republic.

Let us bring out one further project that the federation is making possible in Texas. Wildlife, especially in its migratory forms, is becoming more and more a concern of the Federal Government, but the State has the unique problem of requiring proper standards of humane trapping. During the first year of the history of the Texas Humane Federation we were fortunate in securing the interest of the Honorable Phillip L. Sanders in advocating laws that would require humane trapping in Texas. I had long known of his interest in wildlife. Having served with him in the House of Representatives of the State of Texas, there was little difficulty in securing his interest and in putting him in contact with the proper representatives of the American Humane Association. His influence in this regard may well be measured by the fact that he was chairman of the committee on appropriations in the house of representatives. This position is second to none below speakership. We are expecting real achievement through this vice president of the Texas Humane Federation, for Mr. Sanders was elected to that position for his district.

This brings us to the project of completely organizing the State of Texas. It was decided that a vice president should be elected by the board of directors for each of the 31 districts into which the vast State of Texas was divided. This was quite an undertaking, especially because we were anxious to secure competent leadership, which means everything to the humane movement. In this connection I would refer you to the paper on the Animal Protection Society by Richard C. Craven, presented at the Conference of Humane Workers at Amrita Island, Mass., last year. He emphasizes the necessity of securing individuals interested in the work, capable of influencing others and mixing with them, and possessing other needed qualities. The Texas Humane Federation was fortunate in this connection, for it enlisted the assistance of Congressmen, judges, university authorities, and other outstanding citizens as vice presidents. These officers are of especial value in organizing city or county humane societies. The problem of securing the 31 officials in Texas has not yet been completed. At present we have 26 vice presidents with promise of securing proper individuals to fill some of the 5 remaining vacancies before the end of the year.

The experience in 1937 indicated a need for change in organization. This was necessary particularly because of the large area covered by Texas. It was found advisable to reduce the board of directors from 15 to 7 in order to secure a quorum without delay. Furthermore, the minimum dues were reduced to $1 in order to encourage a larger interest as well as needed funds. These changes were effected at the second annual convention of the Texas Humane Federation held in Port Arthur, Tex., on January 22, 1938. In selecting the convention city for that year the board of directors had decided on Port Arthur because the convention would encourage the Port Arthur Humane Society, which had been organized on

November 28, 1937. In fact, the assistance of the Port Arthur Chamber of Commerce and influential citizens, including humanitarians, was enlisted in organizing the local society as well as planning for the convention. On one Sunday afternoon, i. e., November 28, 1937, I went to Port Arthur with several other State humane officials to meet with the local group. Representatives from Beaumont, located about 20 miles north of Port Arthur, were present and were influenced to secure the affiliation of the Beaumont Humane Society with the Texas Humane Federation. So on that day two new affiliations were obtained. In addition to these, affiliations during 1937 had been secured from the Houston S. P. C. A., the Waco Humane Society, the Texarkana Humane Society, and the Foundation for Crippled Children, of Marlin, Tex. In 1938 to these were added the Travis Humane Society, of Austin, Tex., and a number of individual memberships.

In Port Arthur the convention reelected all of its State officers. It might be of interest to mention the order of business, which is very essential to the proper functioning of any convention. The first meeting took place at 10 a. m., and after the invocation and report on delegates, the convention adopted a definite program. Following the reading of minutes by the general secretary and the report of the president, Mrs. Violet S. Greenhill, chief of the division of child welfare of the board of control of the State of Texas, addressed the convention. Following this the directors were elected for 1938, and after adjournment luncheon was served at the hotel in which the convention was held. The mayor of the city of Port Arthur made his address of welcome at this luncheon. At 2 o'clock the convention reassembled to hear the report of the board of directors, who had met during the noon hour. After the report of the treasurer was heard, representatives from each society addressed the meeting, and there was general discussion of humane problems. Again the convention required only 1 day.

The Texas Humane Federation has been functioning almost 2 years now without much in the way of finances. There are no salaries. In fact, I believe that these federations will do better on this basis as a general rule. Interest in the organization should be the controlling incentive. However, it would be a mistake if the work in Texas were not financed by the membership. To allow one or two individuals to pay all expenses would mean to place the federation in their hands. I think that a happy solution of the problem was reached in reducing the minimum dues to $1, for on this basis the federation has been able to pay all its bills. These, fortunately, include only such minor expenses as printing, stamps, and similar items.

In considering the use that can be made of a State federation, it may be of interest to mention some of the things proposed by the field secretary of the American Humane Association in March of this year. He recommended that Texas should secure a restatement of the statutes "* * * for the welfare and protection of animals * * *." He also recommended that incorporated humane societies be empowered to enforce humane laws. He suggested a State licensing system for dogs, to be made enforceable by local authorities, and advised municipal contracts with incorporated societies. Some of these proposals raise interesting constitutional questions, for Texas is very conservative on the issue of delegation of powers. However, I should add that Mr. Craven has done much good in Texas and is well qualified to speak on the humane needs of our State.

Let me mention the work of the Red Star Animal Relief in Texas. On April 19, 1938, the southern regional director of that department of the American Humane Association asked the president of the Texas Humane Federation to serve as State director of Texas for the American Red Star Animal Relief. The appointment was made on June 14, 1938. Local field agents were later appointed in Houston, Beaumont, and Waco, Tex.

It has been something of a problem in Texas to determine whether the emphasis should be placed on the work of organizing the State or in securing humane legislation. There is need for both of these projects in every State of the Union, and it is my opinion that the two responsibilities go hand in hand. A strong organization makes possible the enactment of new humane legislation; and when the humane requirements of a State are advocated by interested local societies and individuals, we have a definite cause to which we can call others in building a State federation. The duration of any institution depends on its usefulness, and that law applies to the humane movement and to humane societies as well as to other institutions. I repeat: Organizing your State and advocating an ambitious humane program are responsibilities that should go forward hand in hand.

This brings us to a position where we must see clearly the challenge now facing a greater humane movement. Let me delay no longer in presenting our major purpose here today. An illustration will show how the changing times are causing us to think through again the objectives of humanitarianism to see what purposes it can and must legitimately serve. For all of us realize that the humane movement today has had its field of activity seriously jeopardized by what has been called the machine age. A few years ago when I was talking with a district judge in Galveston, Tex., about the local humane societies, he became reminiscent. It seemed he had not heard the phrase "humane society" in a great many years, and he referred to the last generation or so as the era when these socities were flourishing. He took the position that in those days there was a real need for such a society in order to prevent cruelty to animals. But now that the machine has taken place of the animal, he wondered what the humane movement was doing in 1936.

Let me offer added proof concerning neglect of and ignorance about the humane movement. In securing vice presidents for the Texas Humane Federation, I received acceptances that demonstrated a complete lack of realization for many years that there has been a humane movement in America. One man wrote: "* * * but would like to be informed as to the duties I would be expected to perform." A second informed me, "* * * you will have to give me some instructions as to what you want me to do." Another asked: "Just what are the duties * * *?" While a fourth friend inquired about his, "* * * duties, responsibilities, etc." There were intelligent leaders with deep interest in the higher values.

We do not wonder what the humane society is doing. But it might be well for us, through new federations and otherwise, to adopt a program commensurate with the great purposes of the humane movement. When beasts of burden were more commonly employed and often forced to serve their masters and owners with galled shoulders, there were many cases of cruelty to animals that kept the humane societies busy. This properly kept them before the public in serving a major duty of society.

There is much good work that the humane societies can do in building pounds for dogs and cats, by securing the most humane methods of disposing of the surplus of small domestic animals, and in training the children to higher humane ideals. Of course, there are still many cases of neglect of the larger animals in both city and country. But I am sure all of us will agree this latter problem has been met in part by the use of machinery that is taking the place of the labor formerly required of beasts of burden. It is really humane to eliminate such labor, but this very process makes it necessary for us to look about for new problems of preventing cruelty. Some of you probably saw Charles Chaplin in one of his more recent pictures in which he showed great cruelty in modern machine industry. Will any of us challenge the statement that the speed-up system practiced in Mr. Chaplin's picture is inhumane? This is one of the humane problems, whether we can attempt to meet it or not as organization, that is facing our generation. It is a more serious humane problem than anything that we had in the long ago, for it relates to cruelty to human beings. We should resist all cruelty in loyalty to true humanitarianism. A slogan of the American Humane Association reads, "A federation of societies and individuals for the prevention of cruelty, especially cruelty to children and animals." I would urge that in our day the last phrase be omitted to widen our interest.

It may be that the humane movement has reached the crossroads, a place where it must become the champion of humane practices that it has heretofore neglected for very definite reasons. We realize that in undertaking to meet social problems we find a conflict of economic interests. This conflict often involves some of the highest values that we have and some of the strongest supporters of the humane movement. Whatever policy we may adopt during this era of change, let us weigh the liabilities on both sides. A movement that does not serve its cause loyally is on the road to decay. If we are not true to the ideals of humanitarianism, the humane movement is bound to suffer.

We cannot ignore the great issues of humanity, especially in our generation, when so much is as stake. An indication of what is at stake was evidenced in the paper by Mr. W. A. Swallow, assistant secretary of the American Humane Association, recently read before a convention of the Societies for the Prevention of Cruelty to Children and Animals in New York State. It is commendable for the humane movement to further education of young people in proper channels by the abolishment of toy guns, toy pistols, etc. That was the subject of Mr. Swallow's paper. I think that he is right when he says that "* * * I personally would like to see every humane society in the country declare itself, not only in favor of this program but ready to take an active part in it." He states further that "Federal legislation might effect complete disarmament in the course of time, but how much more quickly and satisfactorily we could accomplish our end by directing the juvenile mind into other channels than war and soldiery * * *." His conclusion may be correct, but probably we are not able to wait on this matter for the education of the children. The present generation will have to settle in the next few years the issue of war for the next generation. Mr. Swallow naturally could not predict the present condition in Europe, and these later developments are part of the basis for my statement. It occurs to me that the humane movement is vitally interested in seeing that children are not taught to glorify warfare, but I believe it should also be concerned in promoting the interests of peace. Nowhere is cruelty more in evidence than in modern warfare, and every institution in America is concerned with the prevention of this curse. Surely here is an issue that will call forth the best in the humane movement.

Let me emphasize the grave issue of international peace. You will be interested to know that the Honorable MORRIS SHEPPARD, United States Senator from Texas, has introduced the following resolution in the Senate of the United States:

"Whereas recent expressions from the administration here in Washington and by constituted authorities of certain other nations make it appropriate at this time to bend every effort to avoid another general war during the present generation because such a conflict would be so deadly and such a burden for all nations that eminent authorities agree modern civilization in its present form could not survive such a catastrophe for even a few years; and

"Whereas the United States of America has long pursued the policy of contributing to the furtherance of peaceful relations

between various nations through its activities in the establishment of The Hague Tribunal, the furthering of the success of the Washington conference called in this city in 1921, in its participation in the London conference in 1930, and in addition to other attempts, its action in the First General Conference for the Limitation of Armaments held in Geneva in 1932; and

"Whereas the Secretary of State should be commended for his efforts through Geneva recently in advocating a reduction of armaments on the part of the great powers as a part of the program for peace advocated by the present administration, which said reduction in armaments will not only promote the mutual safety of all nations, but also will avoid further vast expenditures of tax money for armaments by the governments of peoples already poverty-stricken and tax-ridden; and

"Whereas the experience of the World War as expressed at Versailles soon thereafter demonstrates that peace is also endangered most seriously by the inadequate restriction and control of the manufacture and sale of munitions of war, which matter was properly investigated by the Special Committee on Investigation of the Munitions Industry, authorized by the Senate; and

"Whereas it is to the interest of the safety of society and the avoidance of another world war in the near future that the program of the administration for peace mentioned above should include the problem of restriction of the manufacture and sale of munitions of war: Now, therefore, be it

"Resolved by the Senate (the House of Representatives concurring), That the Secretary of State be, and hereby is, respectfully urged to include in his commendable program for peace the matter of a mutual restriction and control of the manufacture and sale of munitions of war; and be it further

"Resolved, That the Secretary of State be, and hereby is, further respectfully requested to secure treaties with all the great powers under which there will be effected, among other needed provisions, a reduction in all phases of armaments and all types of armed forces and a concerted restriction on the manufacture and sale of munitions of war, so that this industry will be strictly regulated in the interest of preserving peace." (CONGRESSIONAL RECORD, 75th Cong., 3d sess., p. 11502.)

The document that I have just read to you may sound too ideal for the world in which we are living today, with Japan marching through China in defiance of humanity, with Spain the battlefield of various conflicting forces deriving their support from the whole civilized world, with all Europe ready to burst into flames overnight, and with a record of broken treaties and an abandoned League of Nations. The cold facts make it not only an ideal but also a necessity that civilization develop some humane way in which nations may live together in cooperation. It is essential that the promise of international peace be supported by western civilization.

The nations who advocate communism or the totalitarian state are on the aggressive. Democracy can meet the challenge only by aggressively promoting its higher and more humane program of international peace and other ideals, such as those of the humane movement. All our great institutions must work together to push forward these high and noble purposes. This cooperation, of great value in driving forward national aspiration, is lacking in the democracies. But in other nations undeserved success is being achieved by such forced cooperation for another order of civilization.

For instance, a few weeks ago I received a booklet from the Italian National Fascist Organization for the Protection of Animals. The Italian humane movement is controlled and dominated by the Italian Government, and the author of the publication is titled "The Commissioner for Italian Organization for the Protection of Animals." Humanitarianism in the corporative state is forced to use its high (shall I say sacred?) values as propaganda for fascism. Local Italian humane societies were forced to become allied with the Fascist Party on penalty of confiscation of their property (Guisseppe Orlando, Protection of Animals in Italy, Rome, 1938, pp. 19–20). In Italy the humane movement has been absorbed and dominated by fascism from the national capital to "provincial capital and * * * municipal district" (ibid., pp. 20–21). Should not the American humane movement state the case of true humanitarianism while it may?

Our institutions have a great weakness in this regard. On most of the vital issues of life it is hard to secure the help of organizations that, in order to survive, are required to avoid commitments on projects even when there is a moral issue involved. This is because they are dependent on private contributions for their support, and the private sources of income wield a terrific influence on the institutions that they maintain. How easy it is for us to say that a certain question must not be considered because there will be differences of opinion among us. This is wise counsel on many issues; but, when the issue goes to the very heart of the movement that should offer sponsorship, it is the institution's loss if support is not forthcoming. This is especially true in our day when such grave problems must be faced. I submit the issue before us is one the humane movement cannot neglect without loss of the opportunity to secure influence and achievement concerning which these remarks are directed.

On the issue of war there is no basis for our saying we are not concerned; for warfare commands, especially in our day and time, every resource of the nations involved. Every man, woman, and child is drawn into the influence of the power of government in its struggle for survival and victory; and therefore it is the concern of every institution of the land that sound policies be pursued. It is the legitimate concern of the humane movement for this reason and also because of the cruelty that is involved. Furthermore, the challenge to make peace permanent is the greatest challenge to the leadership of democracy and humanitarianism alike. We can avoid the pitfall of the extreme view which calls for peace at any price and can also help to place a proper curb on militarism. In fact, this sane position that embraces both preparedness and also the problem of promoting peace is the only method by which we may expect to make peace permanent. And if you will bear this position in mind, I do not believe there need be grounds for controversy among humanitarians on this question.

Now let me mention immediate reasons for our aid in preserving peace. Before the First General Conference for the Reduction and Limitations of Armaments was held in Geneva in 1932, under the auspices of the League of Nations, the records show that a violation of good faith was being committed by the Allied and Associated Powers. The promise in the peace of Versailles had been to the effect that this conference would reduce downward and place limitations on military and naval forces. However, some of the diplomats beforehand agreed among themselves that they would not include organized reserves but would limit their treaties to regular armies. Yet it is common knowledge that the chief military power of all modern nations rests in their reserves. However, the excuse was offered that some nations, such as France, have universal military training while America has reserves organized as the National Guard and otherwise. It was assumed that because of the difference in systems, in one of which classes of men enlisted by age came from the manhood of the Nation generally and in another system men volunteered and served for a number of years, it would be impossible to bring about a mutual reduction in these armed forces. However, we find demands made by certain European powers that in some other nations the classes of male citizens for definite years be no longer enlisted. This is proposed as a means of curbing national military strength. Evidently it would be no impossible mathematical problem to bring about a mutual reduction in organized reserves. It was after all fundamentally a moral and a humane problem. To leave this opportunity untouched in 1932 was to make that great conference, at least great in its original promise, a failure before it met.

Let me give an illustration of one other factor that helped to make that conference a dismal failure in a world that knew that success was vital to the welfare of every nation. A suit was brought sometime after the conference was held in which the plaintiff asked for a large fee that he claimed he had earned in serving steel manufacturers at the conference. His duty had been to prevent the curbing of the building of great navies, for his client desired to manufacture steel to be used in warships for those navies. This matter might never have become common knowledge had the client paid the fee without suit. After the conference in 1932 had become a failure, the world turned to the question of whether or not Germany should be allowed to rearm. The real issue should have been a reduction of armaments. But a vested interest blocked human progress in the field of morals.

With some of these matters in mind, as a member of the Texas House of Representatives, I introduced the following resolution:

"Whereas the highest purpose of America in participating in the World War was the establishment of permanent peaceful international relations by steps toward a better observance of international law, in part through reductions in the armaments in the various nations; and

"Whereas in compliance with said purpose the Washington Conference was held in 1921, and the London Naval Conference was held in 1930, both of which said conferences labored for mutual limitations on naval forces, and in compliance therewith in 1932 the first opportunity since 1914 for limitation on both military and naval forces will present itself at the first general conference for the reduction and limitation of armaments, in which said last-mentioned conference the United States will participate; and

"Whereas responsible statesmen agree that civilization cannot now survive another general war, that the poverty-stricken and tax-ridden peoples require an abandonment of competition in armaments and limitation on armed forces, and that without such limitation another general war will be inevitable within a few years; and

"Whereas there is danger that trained reserves will be omitted in whatever treaty may be submitted by said last-mentioned conference in limiting the armed forces of the various nations that will participate in said last-mentioned conference, although the major military strength of every modern nation is made up of its trained reserves; and

"Whereas it would be impossible for the contemplated treaty to weaken the present military strength of the United States; and

"Whereas the people of Texas and the people everywhere are vitally concerned in the success of said conference: Now, therefore, be it

"Resolved, That it is the earnest desire of the House of Representatives of the State of Texas, as the representatives of the people of this State, that the Senate of the United States do everything in its power to contribute to the success of said last-mentioned conference, and that, if possible, the Senate of the United States require that trained reserves be included in the armed forces of the nations participating in said last-mentioned conference as said armed forces may be limited under the contemplated treaty; and be it further

"Resolved, That a copy of this resolution be sent to the Honorable MORRIS SHEPPARD, senior United States Senator from Texas, for his presentation to the Senate of the United States" (Journal of the

House of Representatives for the second called session of the Forty-second Legislature of the State of Texas, p. 320).

Theretofore the following letter had been written:

SEPTEMBER 14, 1931.

Hon. ROLLAND BRADLEY,
House of Representatives, Austin, Tex.

MY DEAR MR. BRADLEY: I am pleased to have your letter of September 9, with resolution enclosed. I am in thorough sympathy with the resolution and will be glad to do everything I can in its behalf. It will be entirely agreeable to me for you to have the resolution contain a provision for its presentation by me to the Senate.

Trusting you have entirely recovered by this time, and are now engaged in your duties at Austin, I am,

Yours very truly,

MORRIS SHEPPARD.

P. S.—To be sure to reach you, I am sending a copy of this letter to you at San Antonio (ibid., 380).

The project was endorsed by the Texas Conference of the Methodist Episcopal Church, South, in 1935, at Henderson, Tex. It was also endorsed the same year by the Department Convention of the American Legion in Dallas, Tex., and in Beaumont, Tex., the next year. Later it became the subject of a request by the Texas Democratic State Convention addressed to the Senators and Congressmen from that State serving in 1936 and thereafter. I mention these matters in order that you may see the efforts that are required in order to promote any humane project. I do not want to go into detail of conferences with officials of conventions, hearings before committees, and preparatory action by their subordinate bodies. Yet these efforts must be made not only to make our institutions live and serve humanity but also as a means of a coordinated rejuvenation of our institutions. This includes the humane societies if they are to live, and State humane federations if they are to become established, and if they both thereafter are to flourish. Cooperation from all interested institutions should be sought for legislative projects.

In bringing to a close this consideration of the humane movement's proposed responsibility in strengthening world peace, let me mention that very often we must guard against being arbitrary in the request that we make for public action. A sound judgment on these matters generally makes the compromise harmless. In other words, we must undertake to meet the legitimate request for change in our program without endangering the vital thing that must be done. Just before Senator SHEPPARD introduced his resolution, he wrote me that he would submit my draft in a modified form, in which he proposed to omit reference to Organized Reserves and the claim there was neglect of this problem at the First General Conference for the Reduction and Limitation of Armaments. In regard to a reference to the manufacture and sale of munitions of war, he proposed to omit the clause that described present conditions as a "menace to society" and the suggestion that the industry be controlled and administered by public authorities. I do not mention these points to criticize the Senator, for I know from personal experience in Austin that he found it wise to smooth off the corners in order to avoid unnecessary objection to his project. The resolution still requests that our Secretary of State complete his program by asking for concerted restriction on the manufacture and sale of munitions of war. It still goes further in asking that treaties be secured, which would grow out of an international conference, under the provisions of which we would secure a mutual reduction of armaments and concerted restriction on the manufacture and sale of munitions of war.

In conclusion, the proposal for a greater humane movement is symbolic of the need in regard to many of the movements that give life to our institutions. We need coordinated action instead of a specialized sterility that is stultifying our very civilization. The change will be only that of coming abreast of our modern problems. Those problems (so far as the humane movement is concerned) must always center in the moral issue where cruelty is involved. We must combat cruelty in its every form. It will require great courage to support such an ambitious program, but herein lies the hope of humanitarianism in our generation.

The Dies Committee

EXTENSION OF REMARKS

OF

HON. JOSEPH B. SHANNON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1939

Mr. SHANNON. Mr. Speaker, I wish to offer an explanation of why I voted "no" on the question of continuing the investigation of un-American activities under the leadership of the gentleman from Texas [Mr. DIES].

First, I do not believe that the resolution authorizing the investigation originated in good faith. Second, I do not believe that the investigation was conducted fairly and impartially by the members who recently made a report to the House.

Going briefly into the history of the events leading up to the appointment of the Dies committee, the sentiment for an investigation was created by the untiring work of Representative SAMUEL DICKSTEIN, who is now serving his ninth consecutive term in this body. It was he who produced the evidence, through speeches made in Congress, indicating the necessity for an investigation of un-American activities. The object Mr. DICKSTEIN had in mind in seeking such an investigation was specific and vital. It was to investigate and uproot the agencies of a powerful existing and aggressive foreign government actively operating in this country in a manner subversive to our national interests.

Many Members of Congress felt that an investigating committee of this kind should not be headed by a foreign-born citizen. Hence the matter dragged until a new resolution authorizing an investigation was introduced by MARTIN DIES. The Rules Committee then came to life and certain of its members made an aggressive fight for the adoption of the resolution. By reason of his having authored the resolution that was adopted, DIES, under the usual custom, was appointed chairman of the committee.

From the standpoint of racial background, the appointment of DIES in lieu of DICKSTEIN was nip and tuck, for while Mr. DICKSTEIN is of foreign birth, having come to this country, however, when only 3 years of age, Mr. DIES is very closely related by blood ties to Mr. Hitler's country.

Of course, it is only reasonable and natural that blood ties such as these should exist. Investigations by the American Congress should not, however, be tinged with foreign sympathies. If Mr. DICKSTEIN was considered unsuited for the chairmanship of the committee because of his foreign birth, surely Mr. DIES was and is unsuited because of his strong racial feelings induced by the common bond of blood.

"HOG WILD" ON COMMUNISM

The procedure followed by the Dies committee in its investigations was un-American in principle. It bore a striking resemblance to the camouflage tactics of the Nazi movement in Germany.

Hitler seeks to camouflage the objectives of the Nazi movement by stressing, first, anti-Semiticism; and, second, anti-communism, while in truth and in fact the hand of nazi-ism is raised against all believers in God.

The Dies committee, on the other hand, seeks to camouflage its racial prejudices and antilabor feelings by going "hog wild" on the subject of communism.

Many citizens of my district, from all walks of life, have written me complaining about the conduct of the Dies committee, its handling of witnesses, and the statements which it caused to be issued.

A very eminent jurist of my community, Judge Brown Harris, wrote asking, "Has the Dies committee no knowledge whatever as to decent judicial procedure?"

At first I was inclined to answer him by saying, "Yes; certain members of the committee have some knowledge concerning rules of evidence and proper procedure, at least as gathered in what are commonly known as the kangaroo courts." But after reading some of the hearings before the committee, I concluded that even such an admission would be too charitable. I do not believe there is a kangaroo court in any jail of our larger cities that would be as unfair and as high-handed in its methods as was this committee in conducting its investigation.

I have found in my experience that the enemies of the common people always have names for the friends of the poor and the oppressed. I have seen men denounced as subversive Socialists because they were agitating for factory inspection, the 8-hour day, a living wage, and other enlightened legislation.

Today it is the friends of labor who are branded. They are called Communists, and the Dies pack is yelping on their trail.

DIES BREAKS LABOR-BILL CAUCUS

MARTIN DIES has an antilabor record unexcelled by any Member of this House. It smells to high heaven. And the

between various nations through its activities in the establishment of The Hague Tribunal, the furthering of the success of the Washington conference called in this city in 1921, in its participation in the London conference in 1930, and in addition to other attempts, its action in the First General Conference for the Limitation of Armaments held in Geneva in 1932; and

"Whereas the Secretary of State should be commended for his efforts through Geneva recently in advocating a reduction of armaments on the part of the great powers as a part of the program for peace advocated by the present administration, which said reduction in armaments will not only promote the mutual safety of all nations, but also will avoid further vast expenditures of tax money for armaments by the governments of peoples already poverty-stricken and tax-ridden; and

"Whereas the experience of the World War as expressed at Versailles soon thereafter demonstrates that peace is also endangered most seriously by the inadequate restriction and control of the manufacture and sale of munitions of war, which matter was properly investigated by the Special Committee on Investigation of the Munitions Industry, authorized by the Senate; and

"Whereas it is to the interest of the safety of society and the avoidance of another world war in the near future that the program of the administration for peace mentioned above should include the problem of restriction of the manufacture and sale of munitions of war: Now, therefore, be it

"*Resolved by the Senate (the House of Representatives concurring)*, That the Secretary of State be, and hereby is, respectfully urged to include in his commendable program for peace the matter of a mutual restriction and control of the manufacture and sale of munitions of war; and be it further

"*Resolved*, That the Secretary of State be, and hereby is, further respectfully requested to secure treaties with all the great powers under which there will be effected, among other needed provisions, a reduction in all phases of armaments and all types of armed forces and a concerted restriction on the manufacture and sale of munitions of war, so that this industry will be strictly regulated in the interest of preserving peace." (CONGRESSIONAL RECORD, 75th Cong., 3d sess., p. 11502.)

The document that I have just read to you may sound too ideal for the world in which we are living today, with Japan marching through China in defiance of humanity, with Spain the battlefield of various conflicting forces deriving their support from the whole civilized world, with all Europe ready to burst into flames overnight, and with a record of broken treaties and an abandoned League of Nations. The cold facts make it not only an ideal but also a necessity that civilization develop some humane way in which nations may live together in cooperation. It is essential that the promise of international peace be supported by western civilization.

The nations who advocate communism or the totalitarian state are on the aggressive. Democracy can meet the challenge only by aggressively promoting its higher and more humane program of international peace and other ideals, such as those of the humane movement. All our great institutions must work together to push forward these high and noble purposes. This cooperation, of great value in driving forward national aspiration, is lacking in the democracies. But in other nations undeserved success is being achieved by such forced cooperation for another order of civilization.

For instance, a few weeks ago I received a booklet from the Italian National Fascist Organization for the Protection of Animals. The Italian humane movement is controlled and dominated by the Italian Government, and the author of the publication is titled "The Commissioner for Italian Organization for the Protection of Animals." Humanitarianism in the corporative state is forced to use its high (shall I say sacred?) values as propaganda for fascism. Local Italian humane societies were forced to become allied with the Fascist Party on penalty of confiscation of their property (Guisseppe Orlando, Protection of Animals in Italy, Rome, 1938, pp. 19–20). In Italy the humane movement has been absorbed and dominated by fascism from the national capital to "provincial capital and * * * municipal district" (ibid., pp. 20–21). Should not the American humane movement state the case of true humanitarianism while it may?

Our institutions have a great weakness in this regard. On most of the vital issues of life it is hard to secure the help of organizations that, in order to survive, are required to avoid commitments on projects even when there is a moral issue involved. This is because they are dependent on private contributions for their support, and the private sources of income wield a terrific influence on the institutions that they maintain. How easy it is for us to say that a certain question must not be considered because there will be differences of opinion among us. This is wise counsel on many issues; but, when the issue goes to the very heart of the movement that should offer sponsorship, it is the institution's loss if support is not forthcoming. This is especially true in our day when such grave problems must be faced. I submit the issue before us is one the humane movement cannot neglect without loss of the opportunity to secure influence and achievement concerning which these remarks are directed.

On the issue of war there is no basis for our saying we are not concerned; for warfare commands, especially in our day and time, every resource of the nations involved. Every man, woman, and child is drawn into the influence of the power of government in its struggle for survival and victory; and therefore it is the concern of every institution of the land that sound policies be pursued. It is the legitimate concern of the humane movement for this reason and also because of the cruelty that is involved. Furthermore, the challenge to make peace permanent is the greatest challenge to the leadership of democracy and humanitarianism alike. We can avoid the pitfall of the extreme view which calls for peace at any price and can also help to place a proper curb on militarism. In fact, this sane position that embraces both preparedness and also the problem of promoting peace is the only method by which we may expect to make peace permanent. And if you will bear this position in mind, I do not believe there need be grounds for controversy among humanitarians on this question.

Now let me mention immediate reasons for our aid in preserving peace. Before the First General Conference for the Reduction and Limitations of Armaments was held in Geneva in 1932, under the auspices of the League of Nations, the records show that a violation of good faith was being committed by the Allied and Associated Powers. The promise in the peace of Versailles had been to the effect that this conference would reduce downward and place limitations on military and naval forces. However, some of the diplomats beforehand agreed among themselves that they would not include organized reserves but would limit their treaties to regular armies. Yet it is common knowledge that the chief military power of all modern nations rests in their reserves. However, the excuse was offered that some nations, such as France, have universal military training while America has reserves organized as the National Guard and otherwise. It was assumed that because of the difference in systems, in one of which classes of men enlisted by age came from the manhood of the Nation generally and in another system men volunteered and served for a number of years, it would be impossible to bring about a mutual reduction in these armed forces. However, we find demands made by certain European powers that in some other nations the classes of male citizens for definite years be no longer enlisted. This is proposed as a means of curbing national military strength. Evidently it would be no impossible mathematical problem to bring about a mutual reduction in organized reserves. It was after all fundamentally a moral and a humane problem. To leave this opportunity untouched in 1932 was to make that great conference, at least great in its original promise, a failure before it met.

Let me give an illustration of one other factor that helped to make that conference a dismal failure in a world that knew that success was vital to the welfare of every nation. A suit was brought sometime after the conference was held in which the plaintiff asked for a large fee that he claimed he had earned in serving steel manufacturers at the conference. His duty had been to prevent the curbing of the building of great navies, for his client desired to manufacture steel to be used in warships for those navies. This matter might never have become common knowledge had the client paid the fee without suit. After the conference in 1932 had become a failure, the world turned to the question of whether or not Germany should be allowed to rearm. The real issue should have been a reduction of armaments. But a vested interest blocked human progress in the field of morals.

With some of these matters in mind, as a member of the Texas House of Representatives, I introduced the following resolution:

"Whereas the highest purpose of America in participating in the World War was the establishment of permanent peaceful international relations by steps toward a better observance of international law, in part through reductions in the armaments in the various nations; and

"Whereas in compliance with said purpose the Washington Conference was held in 1921, and the London Naval Conference was held in 1930, both of which said conferences labored for mutual limitations on naval forces, and in compliance therewith in 1932 the first opportunity since 1914 for limitation on both military and naval forces will present itself at the first general conference for the reduction and limitation of armaments, in which said last-mentioned conference the United States will participate; and

"Whereas responsible statesmen agree that civilization cannot now survive another general war, that the poverty-stricken and tax-ridden peoples require an abandonment of competition in armaments and limitation on armed forces, and that without such limitation another general war will be inevitable within a few years; and

"Whereas there is danger that trained reserves will be omitted in whatever treaty may be submitted by said last-mentioned conference in limiting the armed forces of the various nations that will participate in said last-mentioned conference, although the major military strength of every modern nation is made up of its trained reserves; and

"Whereas it would be impossible for the contemplated treaty to weaken the present military strength of the United States; and

"Whereas the people of Texas and the people everywhere are vitally concerned in the success of said conference: Now, therefore, be it

"*Resolved*, That it is the earnest desire of the House of Representatives of the State of Texas, as the representatives of the people of this State, that the Senate of the United States do everything in its power to contribute to the success of said last-mentioned conference, and that, if possible, the Senate of the United States require that trained reserves be included in the armed forces of the nations participating in said last-mentioned conference as said armed forces may be limited under the contemplated treaty; and be it further

"*Resolved*, That a copy of this resolution be sent to the Honorable MORRIS SHEPPARD, senior United States Senator from Texas, for his presentation to the Senate of the United States" (Journal of the

House of Representatives for the second called session of the Forty-second Legislature of the State of Texas, p. 320).

Theretofore the following letter had been written:

SEPTEMBER 14, 1931.

Hon. ROLLAND BRADLEY,
House of Representatives, Austin, Tex.

MY DEAR MR. BRADLEY: I am pleased to have your letter of September 9, with resolution enclosed. I am in thorough sympathy with the resolution and will be glad to do everything I can in its behalf. It will be entirely agreeable to me for you to have the resolution contain a provision for its presentation by me to the Senate.

Trusting you have entirely recovered by this time, and are now engaged in your duties at Austin, I am,

Yours very truly,

MORRIS SHEPPARD.

P. S.—To be sure to reach you, I am sending a copy of this letter to you at San Antonio (ibid., 380).

The project was endorsed by the Texas Conference of the Methodist Episcopal Church, South, in 1935, at Henderson, Tex. It was also endorsed the same year by the Department Convention of the American Legion in Dallas, Tex., and in Beaumont, Tex., the next year. Later it became the subject of a request by the Texas Democratic State Convention addressed to the Senators and Congressmen from that State serving in 1936 and thereafter. I mention these matters in order that you may see the efforts that are required in order to promote any humane project. I do not want to go into detail of conferences with officials of conventions, hearings before committees, and preparatory action by their subordinate bodies. Yet these efforts must be made not only to make our institutions live and serve humanity but also as a means of a coordinated rejuvenation of our institutions. This includes the humane societies if they are to live, and State humane federations if they are to become established, and if they both thereafter are to flourish. Cooperation from all interested institutions should be sought for legislative projects.

In bringing to a close this consideration of the humane movement's proposed responsibility in strengthening world peace, let me mention that very often we must guard against being arbitrary in the request that we make for public action. A sound judgment on these matters generally makes the compromise harmless. In other words, we must undertake to meet the legitimate request for change in our program without endangering the vital thing that must be done. Just before Senator SHEPPARD introduced his resolution, he wrote me that he would submit my draft in a modified form, in which he proposed to omit reference to Organized Reserves and the claim there was neglect of this problem at the First General Conference for the Reduction and Limitation of Armaments. In regard to a reference to the manufacture and sale of munitions of war, he proposed to omit the clause that described present conditions as a "menace to society" and the suggestion that the industry be controlled and administered by 'public authorities. I do not mention these points to criticize the Senator, for I know from personal experience in Austin that he found it wise to smooth off the corners in order to avoid unnecessary objection to his project. The resolution still requests that our Secretary of State complete his program by asking for concerted restriction on the manufacture and sale of munitions of war. It still goes further in asking that treaties be secured, which would grow out of an international conference, under the provisions of which we would secure a mutual reduction of armaments and concerted restriction on the manufacture and sale of munitions of war.

In conclusion, the proposal for a greater humane movement is symbolic of the need in regard to many of the movements that give life to our institutions. We need coordinated action instead of a specialized sterility that is stultifying our very civilization. The change will be only that of coming abreast of our modern problems. Those problems (so far as the humane movement is concerned) must always center in the moral issue where cruelty is involved. We must combat cruelty in its every form. It will require great courage to support such an ambitious program, but herein lies the hope of humanitarianism in our generation.

The Dies Committee

EXTENSION OF REMARKS

OF

HON. JOSEPH B. SHANNON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1939

Mr. SHANNON. Mr. Speaker, I wish to offer an explanation of why I voted "no" on the question of continuing the investigation of un-American activities under the leadership of the gentleman from Texas [Mr. DIES].

First, I do not believe that the resolution authorizing the investigation originated in good faith. Second, I do not believe that the investigation was conducted fairly and impartially by the members who recently made a report to the House.

Going briefly into the history of the events leading up to the appointment of the Dies committee, the sentiment for an investigation was created by the untiring work of Representative SAMUEL DICKSTEIN, who is now serving his ninth consecutive term in this body. It was he who produced the evidence, through speeches made in Congress, indicating the necessity for an investigation of un-American activities. The object Mr. DICKSTEIN had in mind in seeking such an investigation was specific and vital. It was to investigate and uproot the agencies of a powerful existing and aggressive foreign government actively operating in this country in a manner subversive to our national interests.

Many Members of Congress felt that an investigating committee of this kind should not be headed by a foreign-born citizen. Hence the matter dragged until a new resolution authorizing an investigation was introduced by MARTIN DIES. The Rules Committee then came to life and certain of its members made an aggressive fight for the adoption of the resolution. By reason of his having authored the resolution that was adopted, DIES, under the usual custom, was appointed chairman of the committee.

From the standpoint of racial background, the appointment of DIES in lieu of DICKSTEIN was nip and tuck, for while Mr. DICKSTEIN is of foreign birth, having come to this country, however, when only 3 years of age, Mr. DIES is very closely related by blood ties to Mr. Hitler's country.

Of course, it is only reasonable and natural that blood ties such as these should exist. Investigations by the American Congress should not, however, be tinged with foreign sympathies. If Mr. DICKSTEIN was considered unsuited for the chairmanship of the committee because of his foreign birth, surely Mr. DIES was and is unsuited because of his strong racial feelings induced by the common bond of blood.

"HOG WILD" ON COMMUNISM

The procedure followed by the Dies committee in its investigations was un-American in principle. It bore a striking resemblance to the camouflage tactics of the Nazi movement in Germany.

Hitler seeks to camouflage the objectives of the Nazi movement by stressing, first, anti-Semiticism; and, second, anti-communism, while in truth and in fact the hand of nazi-ism is raised against all believers in God.

The Dies committee, on the other hand, seeks to camouflage its racial prejudices and antilabor feelings by going "hog wild" on the subject of communism.

Many citizens of my district, from all walks of life, have written me complaining about the conduct of the Dies committee, its handling of witnesses, and the statements which it caused to be issued.

A very eminent jurist of my community, Judge Brown Harris, wrote asking, "Has the Dies committee no knowledge whatever as to decent judicial procedure?"

At first I was inclined to answer him by saying, "Yes; certain members of the committee have some knowledge concerning rules of evidence and proper procedure, at least as gathered in what are commonly known as the kangaroo courts." But after reading some of the hearings before the committee, I concluded that even such an admission would be too charitable. I do not believe there is a kangaroo court in any jail of our larger cities that would be as unfair and as high-handed in its methods as was this committee in conducting its investigation.

I have found in my experience that the enemies of the common people always have names for the friends of the poor and the oppressed. I have seen men denounced as subversive Socialists because they were agitating for factory inspection, the 8-hour day, a living wage, and other enlightened legislation.

Today it is the friends of labor who are branded. They are called Communists, and the Dies pack is yelping on their trail.

DIES BREAKS LABOR-BILL CAUCUS

MARTIN DIES has an antilabor record unexcelled by any Member of this House. It smells to high heaven. And the

effrontery of a man with such a record asking respectable labor leaders to appear before him for a quizzing! His votes and activities in connection with the Fair Labor Standards Act, during the Seventy-fifth Congress, typify his antagonism toward progressive labor legislation.

There was a call for a Democratic Party caucus on the labor bill, to meet on August 19, 1937. When it met four or five members were lacking in order to have a quorum. In the cloakrooms and corridors adjoining the caucus room were some 25 or 30 Democratic Members of Congress who refused to enter the room. By their refusal the caucus was broken. Had there been a quorum without these members, they would then, of course, have entered and thrown their weight against committing the party to support a constructive labor bill.

The leader of this group of "corridor slackers" was MARTIN DIES. But for him, the Democratic Party would have gone on record in favor of the labor bill. There never was a goat herder who herded his goats more faithfully than Martin herded his congressional friends on that occasion and, by keeping them out of the assembly room, he prevented the presence of a quorum. To the group of Democrats assembled Speaker BANKHEAD, Leader RAYBURN, and Whip BOLAND gave assurance that at the next session a wage and hour bill would be brought forward.

It had been the intention of those who issued the call for that caucus to make the wage and hour bill a Democratic measure and to pass it before the adjournment of the first session of the Seventy-fifth Congress. But under the circumstances, thanks to Mr. DIES, Congress adjourned 2 days later without taking action on the bill.

FIGHTS WAGE-HOUR ACT AT EVERY STEP

Three months later Congress met in special session. One of the "extraordinary occasions" set forth by the President in his message to Congress of November 15, 1937, as requiring the Congress of the United States to convene in extra session, was the "need for immediate congressional action if we are to maintain wage income * * *." In response to that urgent plea Mr. DIES got in immediate action to block any wage and hour legislation.

On December 13, 1937, a vote was taken in the House on a motion to discharge the Rules Committee so that the Fair Labor Standards Act might be considered. Mr. DIES voted "nay" on that motion.

On December 17, 1937, Mr. DIES voted "yea" on a motion to recommit the Labor Act. It was this motion that killed the measure in the House for the special session.

Then, on May 6, 1938, in the third session of the Seventy-fifth Congress, a petition was laid on the Speaker's desk to discharge the Committee on Rules from further consideration of a resolution to make a special order for the bill to establish fair labor standards in employments. That petition was signed by 218 Members. Mr. DIES, however, was not one of the signers.

On May 23, 1938, on a motion to discharge the Rules Committee from further consideration of the rule to make the labor bill a special order of business, Mr. DIES voted "nay."

The following day, May 24, Mr. DIES voted to recommit the Labor Act to the Labor Committee, which would have killed the bill for the third session of the Seventy-fifth Congress. Fortunately, however, the motion was defeated.

Throughout the debate on the measure, Mr. DIES was constantly on his feet proposing amendments which, in the words of the sponsors of the legislation, were intended to emasculate the bill. While Mrs. NORTON, Mr. WOOD, Mr. WELCH, and other friends of labor were speaking of the "ruined lives of American children," of the plight of "12,000,000 workers who live in conditions under which you would not permit your pet dog to live," of people "who have suffered almost beyond endurance"; on that day, just before the vote was taken, MARTIN DIES was calling the act "miserable humbuggery."

In a last desperate effort to prevent the passage of a bill providing for decent wages for American workers, Mr. DIES voted, on May 24, 1938, against the Fair Labor Standards Act.

Just as Mr. DIES has consistently voted against enlightened labor legislation, his committee has consistently sought to discredit all militant labor organizations.

DIES DEFEATS MANY DEMOCRATS

There is another side to this DIES investigation which presented itself to me by reason of my own observations. I attended some of the hearings of the committee here in Washington, and found the committee engaging in a bit of buffoonery. In the first stage of the investigation the press, also, seemed to view the hearings in their true light, and the newspapers were replete with stories ridiculing the committee and calling attention to the absurd lengths to which it was going in an attempt to justify its existence. This criticism and ridicule on the part of the press continued for quite a while; then, suddenly, both the committee and the press changed; the committee took on the aspect of a first-aid agency in the movement to elect Republicans to office, and from that moment forward Mr. DIES had the press with him.

In political graveyards scattered through the United States can be found many valiant Democrats who were candidates in the 1938 elections. They were privates in the party ranks, seeking places of trust from their fellow citizens. These graveyards contain the political remains not only of former Members of Congress but of hundreds and hundreds of State and county officials who fell victims to the unjust stories emanating from the Dies committee on the eve of the fall elections. Other political parties, such as the Progressives and Farmer-Laborites, likewise suffered, as they, too, had supported liberal legislation sponsored by the Democratic administration. They went down to defeat, innocent sacrifices to the lowest form of political treachery. Whether this treachery was the outgrowth of cunning or stupidity, or both, the results remain the same.

Two members of the Dies committee, Mr. HEALEY and Mr. DEMPSEY, wired the chairman some 2 or 3 weeks before the 1938 elections to let the investigations go over until after the elections, but DIES refused. In fact, he selected this crucial time to bring forth the witnesses from Michigan who ruthlessly destroyed the Democratic ticket in that State.

I have been told also that the Republican candidate for Governor in the last election in Massachusetts in a single speech quoted 16 times from the sayings of MARTIN DIES, all to the injury of the Democratic Party.

EIGHTY-THREE OF EIGHTY-NINE REPUBLICANS OPPOSE LABOR

Today there is great joy in the haunts of the predatory interests because MARTIN DIES has been authorized to continue his so-called un-American investigation. Among the group so widely cheering the reincarnation of this committee, we find the Members who actively opposed the Fair Labor Standards Act in the Seventy-fifth Congress, as well as those who led the movement a few days ago to reduce the appropriation for the poor devils who are trying to get through the winter on the W. P. A.

The cooing that brought about this political miscegenation first took place when the combined interests defeated the wage and hour bill in the special session of the Seventy-fifth Congress by voting to recommit. The vote on that occasion illustrates just who was who. Mr. DIES was actively in charge of the forces hostile to all efforts to correct conditions adversely affecting wages and hours. He had almost unbelievable aid from the Republican Party. Of the 90 Republicans then in the House, 83 voted as DIES voted, while but 6 voted with the liberals.

Let it be said to the glory of the seven Progressive Members and the five Farmer-Labor Members of that body, they voted 100 percent for the bill.

A remarkable coincidence of the vote that day was that of the seven Members who later comprised the Dies committee, six voted to recommit the bill, and only one, Mr. HEALEY, of Massachusetts, voted with the liberals. However, in the next session, of the seven all voted for it save two, DIES and STARNES.

We may be sure the investigations of the Dies committee will continue to be inimical to the interests of labor.

PRESIDENT'S PASSPORT TO PEOPLE'S LOVE

The wage and hour law typifies what is in the heart of President Roosevelt, and will be his passport to the love and affection of future generations. I have said, and I here repeat at this most appropriate moment, that in every law and every proposal for the assistance of mankind coming from the head of this administration I find some humanitarian motive—some provision for equalizing opportunities in this country; some plan for taking care of the unemployed; some measures designed to take the children out of the death-dealing factories; some relief afforded to the farmer; some protection designed for the small-business man; some effort to increase the earning power of laborers and to provide them higher standards of living.

Just a word to the Republicans in closing. Beware lest the Dies torpedo which proved so useful to you in the 1938 campaign turn out to be a boomerang and hoist you by your own petard in 1940.

Results Under Reciprocal Trade Agreements Program

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Thursday, February 9, 1939

STATEMENT BY DEPARTMENT OF COMMERCE ISSUED FEBRUARY 8, 1939

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement prepared by the Department of Commerce, and issued under date of February 8, 1939, on the subject, "Nineteen Thirty-eight Results Under the Reciprocal Trade Agreements Program."

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

During the year 1938 United States exports to both the group of 17 countries with which reciprocal-trade agreements had been concluded, and to the group of nonagreement countries, decreased, the rate of decline being slightly smaller to the agreement group than to the nonagreement group, according to an analysis of official trade returns of the past 12 months just completed by the Department of Commerce at Washington. Taking an annual average for the past 2 years, however, exports to agreement countries have shown a much greater rate of increase over the preagreement period 1934–35 than average exports to the nonagreement group.

The value of total imports into the United States during 1938 declined sharply from the relatively high level of the preceding year, with a lesser rate of decline from the agreement group than from the nonagreement country group. During the 2-year period 1937–38 the increase in imports from the agreement country group over the 2-year preagreement period was less than the average increase in exports to those countries.

RELATIVE CHANGE IN EXPORTS

While United States exports experienced a moderate decline in 1938 from the level of 1937, the exports from this country have been suffering smaller declines than those from most other countries. Exports from this country remained at high levels in 1938 because of the continued demand abroad for American aircraft, machinery, and metal manufactures, and because of the large surpluses of wheat, corn, fruit, tobacco, and other agricultural commodities, some of which were again available for export from this country. The demand for American machinery and metal manufactures has continued strong, due in a considerable measure to the heavy requirements of the rearmament programs of several European countries which have prevented those normally large exporting countries from supplying both export and domestic demands.

In 1938 there was a net decline of 6.8 percent compared to 1937 in the value of exports to the 17 agreement countries (not including the United Kingdom, with which an agreement became effective only on January 1, 1939), while the decline in exports to all other countries during the same period averaged 8.1 percent. In contrast to the general trend, exports to the Netherlands (including overseas territories), Switzerland, Czechoslovakia, Honduras, Colombia, and Costa Rica, of the agreement group, were greater in 1938 than in 1937.

That exports to the nonagreement group as a whole during the same period did not show a greater decline was due largely to the continued high level of exports to the United Kingdom and to increases in exports to Norway, the Union of Soviet Socialist Republics, and some other countries. Exports to the United Kingdom accounted, roughly, for one-third of the exports to the nonagreement group. Although United States exports of cotton to the United Kingdom declined in 1938, total exports to that country were well maintained for the year because of increased shipments of petroleum products, wheat, tobacco, and other agricultural products. Exports as a whole to the Union of Soviet Socialist Republics experienced a large gain in 1938 over the previous year, mainly because of the substantial gain in exports of machinery, particularly metal-working machinery.

The comparison of exports during the 2-year agreement period which closed on December 31, 1938, with the 2-year preagreement period of 1934–35 shows a definitely greater average rate of increase in exports from the United States to the group of agreement countries than to the nonagreement countries as a whole. Exports to the agreement group in the 2-year period, 1937–38, were greater in value by 61.2 percent than the average for the preagreement period, 1934–35, while exports to all other countries increased by an average of only 37.9 percent in value.

During the past few years there have been several powerful forces other than trade agreements which have served to increase and then to maintain American foreign trade above the levels that previously prevailed. However, it seems significant that, in comparison with the 2 preagreement years, 1934–35, during the past 2 years our exports have experienced a much greater rate of increase to trade-agreement countries which have reduced or stabilized their tariffs or other trade barriers on distinctive American products than our exports to the nonagreement group.

RELATIVE CHANGE IN IMPORTS

As previously indicated, imports into the United States during 1938 experienced a marked decline in comparison with 1937. This decline in imports is generally attributed to the recession in business and to the large domestic supply of agricultural products, which, in contrast to the previous year, was more than ample for this country's needs. While most categories of imports declined in 1938, the decline was particularly severe in imports of certain raw materials, notably, rubber, tin, wool, hides, and skins, and certain farm products such as grain, fodder, and oil seeds. Beginning in the latter months of 1937, the demand for certain imported raw materials lessened considerably with the decline in industrial activity in this country and, in the case of some products, prices decreased markedly. Also, beginning in the latter months of 1937, the domestic supply of certain agricultural products became substantial enough to eliminate the necessity for large-scale importations of these products. It so happens that imports of the raw materials and agricultural products in question had been obtainable mainly in nonagreement countries. Consequently, the percentage of decline in the value of imports in 1938 was greater for nonagreement countries as a whole than for the agreement group.

In 1938 there was a decline of 28.9 percent over 1937 in imports into the United States from the agreement country group, whereas imports during the same period of comparison from the nonagreement countries declined by 41.6 percent. In the broader comparison between the 2-year period 1937–38 and the preagreement period 1934–35, the increase in imports into the United States from agreement countries averaged 35.2 percent, while imports from the nonagreement group increased 37.0 percent. That imports from nonagreement countries during the 2-year period increased at a greater rate than imports from agreement countries, whereas a contrary tendency would normally have been expected, is due to the heavy imports of raw materials and agricultural products mainly from nonagreement countries during 1937, to which attention has already been called. In 1938 this abnormal tendency was reversed and imports from agreement countries showed a smaller rate of decline in imports than from nonagreement countries.

COMPARATIVE CHANGES IN EXPORTS AND IMPORTS

United States exports during 1938 to the agreement countries as a whole decreased about $86,000,000 from the levels of 1937, while the year's decrease in imports into the United States from the same countries was about $362,000,000.

Taking a broader view, a comparison of the past 2 years with the preagreement years of 1934 and 1935 shows an increase in exports to the agreement country group averaging about $465,000,000 annually, and an increase in imports from the same countries averaging approximately $280,000,000 annually.

PROGRESS OF PROGRAM—RECENT AGREEMENTS CONCLUDED—NEGOTIATIONS ANNOUNCED

With the conclusion of the trade agreement between the United States and the United Kingdom in November 1938, the reciprocal trade-agreements program assumed greater proportions as a trade-enlarging influence. At the same time a second agreement with Canada was signed, superseding the first agreement concluded at the end of 1935, and an agreement was concluded in the latter part of 1938 with Ecuador. The 19 countries with which reciprocal trade agreements are now in operation, together with their colonies, account for approximately 60 percent of the total foreign trade of the United States.

The trade agreement between the United States and the United Kingdom, which became effective January 1, 1939, covers not only the trade between these two countries, the largest trading countries in the world, but also the trade of the United States with Newfoundland and the non-self-governing British colonies. The importance of this agreement may be judged by the fact that the trade of the United States with the United Kingdom and the other areas covered by the agreement constitutes nearly one-fifth of our trade with the world as a whole. The United Kingdom is generally the largest market for our exports and ranks among the three leading countries as a source of our imports. Our trade with some of the more than 50 British colonies to which the agreement relates is also large.

The second agreement with Canada, which became effective January 1, 1939, considerably enlarged the undertakings by each Government, since the experience of both countries under the first agreement had been considered to have been highly satisfactory. In recent years Canada has closely followed the United Kingdom as the best customer for our exports, taking about one-seventh of the total. Canada is much the largest source of imports into the United States.

The agreement with Ecuador will enable the United States to retain its already favorable trade position in that country, as well as provide new opportunities for expansion.

During 1938 announcements were made of the intention to negotiate agreements with Turkey and Venezuela, and a limited, supplemental agreement with Cuba.

TABLE 1.—*United States trade with agreement countries and with countries announced for negotiation*

[Values in millions of dollars]

Item	Exports (1938)		Imports (1938)	
	Value	Percent of total	Value	Percent of total
Total United States trade all countries	3,094.1	100.0	1,960.5	100.0
Countries with trade agreements concluded [1]	1,784.7	57.7	1,181.2	60.2
Additional countries announced for negotiations	65.5	2.1	39.0	2.0
Turkey	13.2		19.0	
Venezuela	52.3		20.0	
Total, countries with agreements concluded or announced for negotiations	1,850.2	59.8	1,220.2	62.2

[1] Includes agreement with Ecuador which became effective Oct. 23, 1938. Also, the new agreement with Canada, and the agreement with the United Kingdom (including Newfoundland and non-self-governing British colonies), both of which became effective Jan. 1, 1939.

(Commerce Reports carries a section each week devoted to an up-to-date list of all countries with which trade agreements have been concluded by the United States together with the official texts of any current announcements as to new countries with which negotiations have been announced, and details as to dates and directions for presentation of views to the Committee for Reciprocity Information.)

TABLE 2.—*United States foreign trade with trade-agreement countries and with all others, 1938 compared with 1937, and 1937–38 compared with 1934–35*

[Values in millions of dollars]

	Comparison of 1938 with 1937				Comparison of 1937–38 with 1934–35			
	1937 value	1938 value	Change		1934 and 1935 average value	1937 and 1938 average value	Change	
			Value	Percent			Value	Percent
United States exports, including reexports:								
Total, all trade-agreement countries [1]	1,267.9	1,181.8	−86.1	−6.8	759.8	1,224.8	+465.0	+61.2
Total, all nonagreement countries	2,081.2	1,912.3	−168.9	−8.1	1,448.0	1,996.8	+548.8	+37.9
Total, all countries	3,349.2	3,094.1	−255.1	−7.6	2,207.8	3,221.6	+1,013.8	+45.9
United States general imports:								
Total, all trade-agreement countries [1]	1,254.7	892.5	−362.2	−28.9	793.9	1,073.6	+279.7	+35.2
Total, all nonagreement countries	1,829.0	1,068.0	−761.0	−41.6	1,057.4	1,448.5	+391.1	+37.0
Total, all countries	3,083.7	1,960.5	−1,123.2	−36.4	1,851.3	2,522.1	+670.8	+36.2

[1] Including the 17 countries (and colonies) with which agreements were in operation during the greater part of the last 12 months. Only 1 of the agreements was in operation throughout 1935, 6 throughout 1936, 12 by the middle of 1936, 15 by the middle of 1937, and 18 by the end of 1938. The last (with Ecuador) only came into force on Oct. 23, 1938 and is therefore not yet included in the above calculations as an agreement country. The new agreement with Canada, and the agreement with the United Kingdom (including Newfoundland and non-self-governing British colonies), which became effective Jan. 1, 1939, bring the number of agreement countries up to 19.

GENERAL NOTE.—Percentage changes have been calculated upon fuller figures in thousands.
Source: Latest records of Division of Foreign Trade Statistics, Bureau of Foreign and Domestic Commerce.

The Cause of Negro Migration From the South—The Effect and the Remedy

EXTENSION OF REMARKS

OF

HON. ARTHUR W. MITCHELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 9, 1939

CORRESPONDENCE WITH DR. KELLY MILLER, FORMER DEAN OF HOWARD UNIVERSITY

Mr. MITCHELL. Mr. Speaker, at this time when there is a great deal of unemployment throughout the country and the Negro, who has been the backbone of agriculture in the South, is rapidly leaving the South to the detriment of both the permanent welfare of the Negro and the permanent welfare of the South, I think it is fitting that this Congress should make a special study of conditions in the South, and in the country at large, for the purpose of determining why the unrest and, if possible, work out the proper solution.

I am presenting herewith a letter on this subject which I have just received from Dr. Kelly Miller, former dean of Howard University, and my reply. These letters taken together give a rather dramatic picture of the Negro in the South, and might be used somewhat as a basis to begin a study of this problem.

HOWARD UNIVERSITY,
Washington, D. C., January 25, 1939.

THE FARM THE NEGRO'S BEST HOPE

Congressman ARTHUR W. MITCHELL,
Room 1215, New House Office Building,
United States Capital, Washington, D. C.

MY DEAR MR. CONGRESSMAN: I recall with great interest and pleasure our conversation the other day in which you expressed your lively interest and anxious concern about the industrial and economic status of the Negro in the United States. As the only Member of Congress belonging to this group, you by force of circumstances, have a superconstituency of 12,000,000 who represent a racial minority which labors under a heavy industrial and economic handicap. Both the rural and urban contingents of the race face a gloomy prospect; but under all prevailing circumstances and conditions the farm appears to be the most feasible way out.

The Negro was brought into this country over 300 years ago to assist in the rough and heavy work of the farm, which at that time constituted the chief occupation of the entire population. The industrial revolution, through invention and discovery, shifted the burden of production from human hands to machinery. Manufactury trade and transportation soon engaged the chief energies of the white workmen, leaving the bulk of the Negroes on the farm as a 10-fingered worker. His chief energies were engaged in cotton culture.

The invention of the cotton gin in 1792 made the production of cotton exceedingly profitable. As long as cotton remained king, there was an unlimited demand for Negro hand labor. But with the collapse of cotton the Negro's place in the industrial world became seriously affected. We should also bear in mind that the Negro's function in this industry is limited to the culture of cotton in the seed. When he hauls the seed cotton to the gin his function ends. At this point the white workman takes it from his

hands and separates the seed from the lint, weaves the fiber into fabric, makes the fabric into wearing apparel, and distributes it to the wearer. The Negro's part in the cotton industry, however, is primary and indispensable.

Broadly speaking, the Negro is engaged in agriculture and domestic service, which require a maximum of handwork and a minimum of machinery. These pursuits are less profitable than manufacture and mechanical processes, trade, and transportation, in which machinery chiefly figures. Even where he is engaged in mechanized pursuits which demand shorter hours and higher wages, he constitutes, in the main, a marginal worker demanding less skill and lower pay. Under the pressure of competition, even in agriculture and domestic service, the Negro is being pushed down to the bottom or pressed out at the side, and therefore is becoming less and less indispensable. The Pullman service represents the only pursuit in the entire list of occupations in which the Negro, by virtue of his civility, is regarded as all but absolutely indispensable.

Race prejudice as severely restricts the Negro's industrial opportunities in the North as it does his political and civil rights in the South. Booker T. Washington used to say that the Negro could earn a dollar in the South but could not spend it. On the other hand, he could spend a dollar in the North but could not earn it. The problem now is how he can earn a dollar North or South. The white man's lying in wait for his dollar before he earns it.

Notwithstanding the dispersing of the race throughout the North and West, the bulk still clings to the cotton States along the Atlantic coast and the Gulf of Mexico. This stubborn persistency of the Negro population clearly indicates that his future even as his beginning will be bound up in the cotton culture.

You, Mr. Congressman, were brought up on a farm in Alabama and sat at the feet of Booker T. Washington, the only commanding race statesman which the race has produced after 75 years of freedom. As a race statesman, you do well to perpetuate and carry forward the doctrine of this great teacher, who urged his race to seek their future on the farm rather than to be beguiled by the glitter and glamor of city life. A Negro family rooted and grounded in the agricultural life of Alabama has a much more promising prospect than if transferred to the sidewalks of New York. One shudders to predict the future of a Negro child brought up in a seven-story flat of a Harlem tenement house.

The invasion of the boll weevil and the coming of the World War threatened to shift the Negro population from the farm to the cities, both of the North and of the South. But the hegira was short lived after the boll weevil had ceased to threaten the production of cotton and the soldiers had returned to their places in the mechanized industries of the cities, the Negro looked around, and, like Othello, found his city occupation gone.

The depression for the last 10 years has emphasized the Negro's plight in the industrial and economic world. There seems to be an irreducible minimum of 10,000,000 unemployed. A disproportionate number of these falls within the Negro race. The Negro has been the chief victim of the depression and the chief beneficiary of the New Deal, which has kept him from utter starvation, especially in the cities. But the cities, North and South, have now as many Negroes as they can hold in solution without a dangerous precipitation. He must have a greater faith in the future than I can command, who can foresee any way out for the city contingent of the Negro race. It is unthinkable that they should continue forever, or for long, to live on charity and relief.

After all has been said and done, the farm holds out to the Negro not only his best chance but his only chance in face of prevailing conditions. The rural and urban contingents of the Negro race are now divided in the approximate ratio of 2 to 1. Neither of these can be increased at the expense of the other. No one in his senses will advise the city Negro to return to the farm, whose present output is adequate to the demands at home and abroad. The city Negro, with his sophisticated notion and fastidious standards of living and his disdain for downright hard work, would be of no value to the farm should he return. The chief stress of emphasis of the farm program should be to retain those already there and stop the cityward tide of fatuous migration.

The Negro is sufficiently well acquainted with the cotton industry that he can operate it under his proprietorship. Any ordinary Negro family can take 40 acres and a mule and extract a livelihood from the soil. Even the cotton picker, if perfected, cannot dispense with Negro labor. Although the Negro has never been successful in the cultivation of grain, grasses, fruit, cattle, poultry, and table vegetables, it now becomes necessary to diversify his crops in face of the collapse of cotton.

Farm ownership has greatly fallen off among Negroes during the past few decades because of agricultural depression. But farm tenancy has correspondingly increased. The cash tenant and even the sharecropper represent a stage in advance of the farm hand, for it constitutes the first step toward proprietorship. The fact that the Negro and the white farm tenant and sharecropper are partners in distress guarantees the Negro better treatment than would befall his lot if he alone filled the quota of this category.

The New Deal is calculated to relate the Negro to the best opportunities of farm life under auspices of the Federal and State Governments. The traditional policy of the South, due to unhappy memories of reconstruction, has tended to divorce the Negro from participation in government function. The governmental instrument with which the ordinary Negro is best acquainted is the policeman's club. But the public schools constitute the one redeeming exception. But now the New Deal is at great pains to acquaint him with the beneficent aim and purpose of government, national and local, and most especially in agriculture. It sets up a trained staff of county agents and local supervisors to drainage of soil, diversity and rotation of crops, care of livestock, and marketing produce.

As far as practicable, the farm policy of the Government operates without discrimination on account of race or color. Such discrimination as may creep in here and there, by reason of local custom and tradition, are promptly correctable when properly brought to the attention of headquarters in Washington.

The Bankhead Act has made it possible for the tenant farmer to secure a loan on his farm on easy terms of payment. The Rehabilitation Act enables him to borrow money to improve his farm home. A subsistence fund will enable him to purchase the necessary seed and equipment to start and stock his farm.

It is necessary to acquaint the Negro farmer with these provisions intended for his welfare. He has been so accustomed to being left out of all Government consideration that he has become intimidated and dares not ask for provision to which he is fairly entitled.

It does seem to me, Mr. Congressman, that the best advice which can be given to the Negro today is to reemphasize the advice of Booker T. Washington to plant their feet in the soil and let down their buckets where they are.

KELLY MILLER.

HOUSE OF REPRESENTATIVES,
Washington, D. C., February 7, 1939.

Dr. KELLY MILLER,
Howard University, Washington, D. C.

MY DEAR DR. MILLER: I have read your letter of January 25, in which you discuss "The Farm, The Negro's Best Hope" with great interest. All that you say on this subject interests me greatly. I have watched with great alarm the large numbers of colored people from the Southern States rushing from the rural district and crowding into the cities, both in the South and in the North. I, having lived in the South the greater portion of my life, and having been directly connected with rural life, know the great evil that attends this migration. And while I know the great problem, the migration of these people from the rural South to the congested city, I have not been unmindful of the cause.

Many of these people have left the South with great reluctance, but there were conditions in the South over which they had no control which made their abode in that section not only uncomfortable but unsafe. Many of them, under the leadership of educators and ministers, sought to follow the instructions of Dr. Booker T. Washington ("let down your buckets where you are") referred to in your letter, but to them the risk of life became so hazardous and so great they, like the oppressed of other nations of the world, sought safety and comfort and the the best possible opportunity to live and support themselves and their families by leaving their homes and going to other sections where they thought these things could be had.

You are familiar with the fact that the settlers of New England and other parts of our country crossed the Atlantic Ocean at the peril of their lives and set themselves up in this country in the fifteenth and sixteenth centuries because they wanted to escape injustice in their own lands, and wanted what is so often referred to in our Nation, freedom of speech and the right to live their lives without being unduly oppressed by those in power and authority. I am convinced that oppression, injustice, and the unsafety of life have always caused the oppressed to take refuge in some other part of the country, or some other country, where they thought they could live a safe, better, and fuller life. This, to my mind, is exactly why the Negro has left the South in such large numbers.

The more than 6,000 lynchings which have taken place in the South during the past 50 years, the disfranchisement of Negroes in the Southern States, the injustice suffered by Negroes in the courts of the South, and the unfair and inequitable distribution of educational opportunities, along with the despicable sharecropper system, have tended to drive the Negro from the farm. All of this has been said in no effort to deny or dispute anything set up in your letter. I merely feel that the cause for this rush by the Negro to the city should not be overlooked.

It is my opinion that the white South is gradually changing its attitude toward the Negro in the rural district. I know that this attitude must change or the Negro will continue to leave that section. His leaving is not solving the problem. It is rather aggravating it. I think if lynching in the South was stopped, if the Negro was given justice in the courts, and if he was permitted to sit on the juries of the South (which the Supreme Court of this country says he has a right to do), if he was given equal educational opportunity with the white children of the South, the almost wholesale migration of the Negro to the city would cease, because the South is developing a good road system, rural electrification is being extended to the South, thus making it possible for those living in the rural sections to have and enjoy many of the comforts and necessities afforded those living in the city and in other parts of the country.

I have recently made a rather careful survey of conditions in the South for my own information and satisfaction. I spent 7 weeks motoring leisurely through Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Texas, and Oklahoma. I saw white and colored people in all of these States. I saw them in all walks of life. I held conferences with governors of States, mayors of cities, editors of newspapers, college presidents, principals of high schools, teachers of rural schools, bishops, pastors of large city churches, and pastors of

small rural churches. I talked with workers on the farm, workers in the cotton mills, workers on the turpentine plantations, men in the sugarcane and cotton fields, and with people in all walks of life. It is my opinion now, as always, that the South, with its temperate seasons and agricultural possibilities, offers the Negro his greatest opportunity, but he, in order to enjoy the opportunity offered, must have the protection and the recognition already referred to.

From my careful observations made during this trip through the South, and observations that I have made over a period of years, I am confident that there is a growing tendency among the whites of the South to be more considerate of the Negro's rights in that section of the country. But there is still a tremendous amount of work to be done in the way of securing for the Negro those rights, the protection of life, liberty, and property, and the pursuit of happiness, guaranteed by the Constitution of the United States to citizens of the United States.

I agree with you, Dr. Miller, that the Negro's destiny in this country could be far more easily worked out in the South if those in charge of government in the South once made up their minds and determined to be fair and just to the Negro citizens. It is my opinion and observation that nowhere in the United States of America has the Negro been given equality before the law and equality in the economic affairs of the Nation. There is entirely too much stress (wrongly and foolishly so) put upon the statement that this is a white man's country. The first permanent white settlement in America was made at Jamestown, Va., in 1607, under the leadership of Capt. John Smith. Twelve years later the first permanent Negro settlement was made at Jamestown, Va., when a Dutch trading vessel came to that shore, brought and sold 20 Negro slaves. The white man preceded the Negro, insofar as the settlement of this country is concerned, by only 12 years. There is grave question in my mind now as to whether or not the white settlement at Jamestown would have been permanent had it not been reinforced and strongly backed up by the first permanent Negro settlement at the same place.

There are still designing and ill-informed white men here and there who argue that the Negro should be driven from America and transplanted elsewhere. I doubt if there are 50 Negroes in America who came from Africa. The descendants of the Negro, who settled at Jamestown, Va., in 1619 are as much American citizens as are the descendants of white men who preceded him by 12 years. The Negro has done his part to make this country what it is. He has shed his blood in common with white men to make this country free. He marched and fought with George Washington, Andrew Jackson, and practically all other great military generals, for the protection and welfare of this country. The soil has been enriched with his blood wherever American blood has been shed, whether in this country or in foreign lands.

All the Negro has asked in the past, and all he asks now, is to be treated like other American citizens and to be given the same right and privilege to make an honest living in the only country he knows and loves as a home. I believe that this administration is making serious and commendable effort to secure for the Negro his economic and citizenship rights in this country. I am conscious of the fact it will be a long, hard struggle. There is much to overcome. It requires patience, courage, and genuine statesmanship to handle the problem of the Negro in this country, and particularly in the South, with fairness and justice to all; but this must be done before the problem can be settled.

During my visit through the South I was much impressed by the resettlement projects I visited; one particularly in the State of Texas, where scores of families of Negroes are being aided by the Government in securing farm land, comfortable houses to live in, and proper stock, etc., with which to farm. This is being done under the supervision of trained agriculturists. Those engaged on these resettlement projects were the happiest and most contented people I met during my entire visit through the South. I believe that the Government should make a careful study of what has already been accomplished, and that special effort should be put forth to work out the problem of the Negro in the South through this movement.

I believe, once the Negro feels that his life is safe in the South, that he will be given the same consideration in the courts as is given all people, that he will be given the same economic opportunity to work and make an honest living, the same chance to exercise his citizenship rights at the polls, in the selection of those who govern the Southern States and the Nation, the same opportunity in the schools of the South to prepare himself for the duties and responsibilities of citizenship, the problem will in a large measure be solved, and the country will begin to prosper. On the other hand, I believe until this is done the South will continue to lag behind all the other sections of the country, and justly so.

You, of course, know the high regard in which I hold the late Dr. Booker T. Washington. I knew him most intimately, having served as office boy for him and having kept in close touch with him until he passed away. I believe that he made the largest single contribution toward the real solution of this problem. I believe now the work which he carried on so heroically and successfully must be carried on through the years to come, if the problem is to be solved. What I have set forth in this letter is exactly what Dr. Washington worked for during his day. I am working now, along with many others, trying to carry out the program which he worked out.

I think we should feel encouraged by what has been accomplished, but we should double our effort in this day when the economic affairs of the Nation are being reshaped. Not only must we urge upon the white man to be fair and just to the Negro, we must urge upon the Negro to be thoughtful, patient, industrious, and determined to make the largest possible contribution toward his own advancement, regardless of the handicaps which he is called upon to face.

I have noted, particularly in my contact with men in Congress, and with the large number of people I met on my recent trip through the South, that much of the bitterness between the races is passing away, and there is at present rather determined effort on the part of the younger generation, particularly white, to deal with the problem of the race in the South with more fairness and justice than that of the earlier days of the Negro's freedom in the country. I believe that with this broader understanding and tolerant approach on the part of the young of both races, we will get somewhere in our effort to change the South and make of it the New South that Henry W. Grady so eloquently spoke of and wrote about.

The program of Booker T. Washington is undoubtedly the program which should be followed. You can depend upon me to do all in my power to help in this struggle for human rights and proper race adjustment.

ARTHUR W. MITCHELL.

It is my purpose to bring before the House and the various committees of this House, in the form of bills and speeches, such facts as I think this body should know, with the hope of bringing about some further action on the part of this Government to render the proper aid, and to give the proper recognition to a group of its citizens who have always been loyal in every sense of the word.

Fiscal Policy

EXTENSION OF REMARKS

OF

HON. JOSIAH W. BAILEY

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, February 9, 1939

ARTICLE BY GEN. HUGH S. JOHNSON

Mr. BAILEY. Mr. President, I ask unanimous consent to have printed in the RECORD a brief statement by Gen. Hugh S. Johnson.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ONE MAN'S OPINION

(By Hugh S. Johnson)

NEW YORK CITY.—Oliver Cromwell beseeched his "brethren in the bowels of the Lord to consider that they might be wrong." In matters of opinion, Oliver was certainly no "sissy-britches." Yet he admitted the possibility of error. Not so do the tax-spend-elect school of alleged thought and the disciples of unlimited debts and deficits. Neither Mr. Eccles nor the President himself seems to have the slightest doubt that the way to get an $80,000,000,000 income for the Nation is to keep on spending more than eight billions a year—or about double what we receive in revenue—and that when we have the $80,000,000,000 income we will get so much more in taxes that we can balance the Budget at the present rate of spending. If that is right, we can go on forever with all this wasteful extravagance and a tax burden on rich and poor alike running now at least 20 percent of all they can produce or earn.

No such fiscal policy has ever yet succeeded. On the contrary, debts and deficits, if continued long enough, have never failed to destroy the value of a country's money, boost prices too high for the poor to live, and eventually wreck its whole economy. High taxes have never before worked to activate business or improve the lot of labor. On the contrary, they have always been, as the President once said, a burden on production to be paid only out of production in "the sweat of every man who labors." Yet this invariable record does not make Mr. Eccles or the President pause in the attempt to put their theory into operation as the fixed policy of this country.

The argument for it is no more persuasive than the history of it. Mr. Eccles made that argument with candor and completeness in his letter attacking Senator BYRD's Boston speech. The Senator replied. I know how easy it is to be convinced by an argument expressing your own opinion, but I still believe that if ever a fallacy was taken apart, exposed, and demolished, that was done to Mr. Eccles' argument by the reply of Senator BYRD. It should be

printed as a primer for everyone who takes an interest in this most vital of all our national problems.

It isn't the point of this piece to continue that argument. It was begun in this place years ago. I want to go back to Cromwell's caution and ask these brethren in the bowels of the Lord to consider what might happen if they are wrong.

Not even they would deny that this policy is an experiment in the sense that it was never done before. It is a try-out of a theory. But suppose the experiment fails. It will have cost perhaps as much as sixty billions, which is more than the World War cost us. But that is a trifle compared with the fact that failure can only be registered by a runaway price inflation—a smashing of the value of money until it will take hundreds of dollars to buy a breakfast and the purchasing power of wages of labor will be reduced to next to nothing. This will be only a transition stage to complete collapse and the destruction of value of every savings account and insurance policy in this country. Could our political system and form of government stand that?

I don't know. But I know that the terrible cost and awful risk in this theoretical and highly improbable experimentation is the most reckless, audacious, and impertinent trifling with the welfare of a trusting people and the existence of a great Nation in the annals of human history. It is amateur gamblers shooting craps with destiny for the peace, prosperity, and happiness of 130,000,000 people. Brethren, in the bowels of the Lord, consider that ye may be wrong.

Free Education—At Expense of Hard-Pressed Taxpayers Who Earned Theirs

EXTENSION OF REMARKS

OF

HON. AUGUST H. ANDRESEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1939

EDITORIAL FROM THE STEELE COUNTY PHOTO NEWS, OF OWATONNA, MINN., FEBRUARY 9, 1939

Mr. AUGUST H. ANDRESEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herewith a very timely and forcible editorial written by Mr. Hugh H. Soper, editor of the Steele County Photo News, of Owatonna, Minn., entitled, "Free Education—At Expense of Hard-Pressed Taxpayers Who Earned Theirs." The editorial is as follows:

[From Steele County Photo News of Owatonna, Minn., February 9, 1939]

FREE EDUCATION—AT EXPENSE OF HARD PRESSED TAXPAYERS WHO EARNED THEIRS

Aubrey Williams, National Youth Administration head, wants a few more millions or billions—it doesn't matter which to him—to provide free education. It is heartbreaking to be young and eager for the knowledge that would point the way only to find that education is for those who, by some happy accident of birth or circumstance, have the money to buy it.

Mr. Williams, for whom he and others in high place have great regard as a mighty smart man, seems to have been deprived of a little of his own education for the reason he points out—or others. At any rate, he seems totally uninformed of the fact that thousands and thousands of American men and women were once boys and girls who earned their own education. Some of them were among our greatest leaders—Lincoln, among others. In fact, it seems that the earning of an education is the greatest part of that education and acquiring one because it is given—whether by the Government or by one's parents—is actually a great handicap to mental growth and ability.

Many of those who have secured their education through their own efforts are still close enough to that state to be still paying for portions of it. And yet Mr. Williams would tax them to issue free education to a lot of youngsters not proud, ambitious, or energetic enough to make their own way without making already overburdened taxpayers pay for it. The trouble with the Nation today is that it has too many Aubrey Williamses and too many who are his followers in the belief that all human benefits should be issued without being earned.

It would be fine if things could be so managed. But they cannot and someone has to pay for them. These youngsters will find, if they insist on free education, college and on up through life, that there will be no employers to give them jobs when they have gotten to the point where they are ready for them. Those potential employers will long since have been taxed out of existence. And having been taught by Mr. Williams and his ilk that one should not be expected to make his own way, they will not be fitted to establish their own means of earning a livelihood.

Public Salary Tax Bill

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 9, 1939

Mr. VAN ZANDT. Mr. Speaker, on the surface this proposed tax might appear to be a picayunish thing, since administration leaders concede the total revenue yield would be less than $16,000,000 a year. That may be a staggering sum to the ordinary mortal but it is a mere trifle to the Roosevelt administration. The free spenders of the taxpayers' money have become accustomed to shelling out billions of dollars a year—yes, billions of dollars more than the Federal income. That brand of Government financing and spending already has placed a public debt burden of almost $40,000,000,000 upon the Nation—a debt which future generations must pay.

The real danger in this new tax proposal does not appear on the surface. The real danger lies in the cleverly camouflaged motives behind it. That danger is the direct thrust at the very heart of the Constitution.

For the moment we will pass over the injustices and the inequities which would be imposed upon the States by such a tax policy. This proposal is a part of the New Deal program to encroach upon State sovereignty and home rule. That would lead to the ultimate destruction of the States if we yield now and allow this administration to get a foot in the door. With this measure as an opening wedge it would end with an all-powerful Federal bureaucracy at Washington and the once sovereign States as weak as impotent puppets.

This proposal is all the more dangerous because of its innocent appearance. Yet, it is another sly subterfuge on the part of the New Deal to circumvent the Constitution. It is at one with the President's unsuccessful effort to pack the Supreme Court. Two years ago, the President sought to scrap the Constitution and cripple the judiciary by a distortion of law, logic, and fact. Now, he is trying to add vast powers to the Federal Government without consulting the people. If any change is made in our Constitution, it must be done by the will of the people. And the only way that can be obtained is to submit a constitutional amendment to them. Since I am in favor of the people having the kind of government they desire, I would support the submission of a constitutional amendment to the people and abide by their decision.

Aside from the unconstitutional aspects of this measure, I am opposed to the imposition of any more taxes upon the great working class which is already overburdened. This proposal would lead inevitably to the taxing of State and municipal bonds. That, in turn, would force the working class to dig down in their pockets to pay increased taxes. That burden would fall heavily upon small real-estate owners.

This proposal would work a great hardship on Pennsylvania more than other States because Pennsylvania has no State income-tax law and therefore could not tax the incomes of Federal officials living within that State.

There is nothing personal in my opposition to this new tax proposal. It would not affect my income tax in any way. Since all income derived from the Federal Government already is subject to Federal income taxes, I pay at the same rate, and on the same scale, as every other citizen of this country.

Puerto Rico Sets Example for Latin American Labor

EXTENSION OF REMARKS

OF

HON. SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 9, 1939

Mr. IGLESIAS. Mr. Speaker, Puerto Rico seems destined to become a cultural meeting place for the Americas, a role for which it is ideally suited because of its location midway between North and South America and because it still retains the Spanish language and Latin American traditions to a considerable extent, at the same time being a territory of the United States, in which many of the institutions and ideals of this country have been adopted.

The Interdepartmental Committee for the Improvement of Cultural Relations, in a report issued by its chairman, Mr. Sumner Welles, Under Secretary of State, recommended Puerto Rico for this important function in the promotion of the good-neighbor policy and stressed the contributions which Puerto Rico could extend along cultural and agricultural lines. But in addition our island can accomplish fully as much toward improving the welfare of the laboring classes in the Central and South American Republics.

Not many people in the United States, and few of my colleagues in Congress, realize the tremendous strides which labor has made in Puerto Rico during the 40 years our territory has been under the American flag. This may sound strange, in view of the frequent attention which has been called to our unemployment problem, but even though more than one-third of our workers are without employment, labor as a whole is in a far better position in Puerto Rico, from many standpoints, than in any of the neighboring Latin American countries.

Perhaps the best proof of labor's attainments in Puerto Rico is shown by the extent to which our labor party is represented in the island's government. The insular treasurer is a member of our party. Another member of the Governor's executive committee, the commissioner of labor, is a representative of the workingman's party. Several members of the supreme court of Puerto Rico are warm friends of labor. In the Puerto Rican legislature 9 of the 19 senators and 15 of the 35 representatives come from the ranks of labor, and I, Resident Commissioner of Puerto Rico in the United States Congress, have the honor to be president of the labor party.

The prominent part which labor plays in the administration of the island's affairs cannot fail to impress representatives of the various Latin American countries who already visit us in large numbers to study our various institutions, and who will be coming more frequently when the program for improvement of cultural relations gets under way. And they will be further impressed by the democratic privileges which labor enjoys in Puerto Rico and by the progressive legislation which the island has adopted in favor of the working man.

Forty years ago, when the American troops under Gen. Nelson H. Miles first landed in Puerto Rico, I, a leader of organized labor, was in jail for having advocated privileges which today are enjoyed by every Puerto Rican and every other American citizen—the rights to strike and to bargain collectively. Since my ideas were somewhat ahead of the times, I again was imprisoned a few years later, but was released following an investigation by President Theodore Roosevelt and the American Federation of Labor, which established forever the right of the workers in Puerto Rico to organize for the betterment of their conditions.

Today we enjoy every one of the privileges of democracy. Freedom of speech exists just as truly in Puerto Rico as in any State of the Nation. Our people enjoy to the fullest extent freedom of the press, freedom of public assembly, and freedom of worship. These privileges, of course, are taken for granted by the people of the United States, but remember that Puerto Rico is a Latin-American island, with a 400-year background of Spanish tradition, temperament and ideals. It is my belief that when hundreds of visitors from Central and South American republics observe the principles of true democracy working so smoothly and effectively among a people almost identical with their own, they will realize that labor in their own countries can and should enjoy the same privileges.

As for labor legislation, continental labor leaders have been surprised to learn that Puerto Rico has stepped out ahead of many of the 48 States. For one thing we have a child-labor law, which is strictly enforced. Our great sugar industry, which accounts directly or indirectly for two-thirds of the jobs in Puerto Rico, employs no children except perhaps on a few of the small privately owned sugar farms, and only a handful of women. Puerto Rico also has a workmen's compensation law which is held up as a model for many of the States and is unique in that it covers agricultural workers as well as factory employees.

Wages in our leading industries are now determined through collective bargaining, a modern, intelligent process which has brought about substantial increases for many thousands of our workers in the last few years. Our labor disputes, for the most part, are settled quickly and peacefully, with the aid of mediation and arbitration, when necessary. Even the protracted 5-week shipping strike of January 1938 was conducted throughout with an almost unprecedented lack of violence and disorder.

Faced, because of our dense population and growing unemployment, with the necessity for spreading the work among a maximum number of employees, Puerto Rico several years ago adopted an 8-hour day, which again applies to agricultural labor as well as to every industrial occupation. Our island, in fact, is the only sugar-producing area in the world with a compulsory 8-hour day.

It may be necessary, in view of restrictions placed on our major industries, to further reduce the length of the working day. One step in that direction already has been taken by placing Puerto Rico under the terms of the Federal Wage and Hour Act. Although certain of our industries, based on the processing of agricultural products, may be exempted from the terms of this legislation and Congress may see fit to change the provisions of the act with respect to Puerto Rico because of the peculiar conditions there, the Fair Labor Standards legislation undoubtedly will intensify unemployment. Thus, we shall be forced to exercise still greater ingenuity to find some means of livelihood for the individuals who may become unemployed in our needlework industry and other smaller businesses.

Wages in Puerto Rico have been relatively low compared to mainland standards and yet are considerably higher than they were in 1898 when the island first became a part of the United States, and substantially higher than in most of the other tropical areas of Latin America. Our party has worked unceasingly for a higher wage structure and will continue to do so, bearing in mind that too drastic increases in a short period of time might handicap our program instead of furthering it.

The visiting students and other observers from the good neighbor countries also will find that Puerto Rico has provided its laboring classes with an educational system and a public-health program which are not equalled elsewhere in the tropical world. They will be impressed by the low rate of illiteracy, the percentage of illiteracy among our working people having been cut almost in half during the last 40 years.

Living standards among our laboring people also will be found higher than in most other tropical places. Though the workers' homes for the most part are simple and often crude, the people collectively enjoy far more of the every-day necessities of life than the residents of neighboring countries. Electric lights, for example, are found in homes in all corners of the island, and many families now have radios.

These advantages are the result of the friendly aid of the Federal Government and of the resourcefulness of our own people. Since becoming a part of the economic life of the United States, our food supply has been increased greatly, so that the typical worker enjoys a more ample and more nutritious diet than he formerly did. We are able to buy more than 500,000,000 pounds of nontropical foods each year from the farms of the United States mainland and nearly $4,000,000 worth of clothing, together with $6,000,000 worth of building materials, in 1 year's time. Shoes are worn more generally in Puerto Rico than in other neighboring countries, the island's people buying nearly 3,000,000 pairs from our mainland manufacturers each year, more than the United States sells to all foreign countries combined.

The University of Puerto Rico, our School of Tropical Medicine, and our many civic and social organizations modeled on those existing in continental United States will accomplish much toward the development and improvement of cultural relations between the Americas. Moreover, the widespread use of mainland goods in Puerto Rico will thoroughly acquaint our Latin-American visitors with the products of mainland farmers and factories, thus helping to stimulate inter-American trade.

More than half the food supply of Puerto Rico, all of our clothing, all of our machinery, and most of our manufactured goods come from the States. Nearly 95 percent of everything Puerto Rico buys from the outside is purchased from businessmen in the States. Thus, in effect, we present a great permanent exhibition of American goods such as can be found nowhere else in Latin America.

In addition, our Latin-American neighbors will find a peaceful, orderly, and loyal community such as cannot always be observed in our part of the world. We have occasional disorder, to be sure, as does every city and State on the mainland, and some of our citizens are not in accord with the policies of the United States Government, which is equally true of many of their fellow American citizens within the 48 States. But the Puerto Rican people as a whole love the American flag and all that it stands for and look forward eagerly to the day when their relationship with the United States will be still closer than at the present time.

Contact with our American institutions and manufactures unquestionably will help greatly to cement relations between the United States and its good neighbors. A better understanding of American democracy and of the traditions and habits of the countries involved is certain to result when their peoples mingle on our progressive island. By adding to those desirable developments an impressive picture of Puerto Rican labor enjoying privileges almost unknown in some neighboring countries, Puerto Rico will have made a notable contribution both to the United States and to the laboring classes in Latin America.

Tax Measure Would Nullify State Rights—Congress Must Defend State Sovereignty by Submission of an Amendment to the People for Their Decision

EXTENSION OF REMARKS

OF

HON. IVOR D. FENTON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 9, 1939

Mr. FENTON. Mr. Speaker, under leave to extend my remarks, I wish to insert my further views on the Public Salary Tax Act (H. R. 3590), because I believe it is more important as a constitutional consideration than as a revenue measure.

Federal taxing authorities are taking the position that the Federal Government can tax States and municipalities without their consent.

The Federal Government, in raising the issue of taxing State and local employees' salaries, should do it in established ways, namely, congressional action on a proposal to amend the Constitution. Our people would not oppose taxation of salaries by the Federal Government and the States reciprocally if such taxation will build instead of destroy.

Administration leaders declare it is purely a matter of principle involved in the Public Salary Tax Act, because the tax will yield less than $16,000,000 annually.

We must defend State sovereignty or States' rights. There must be a balance of power between the States and the Federal Government.

This act is in my sincere judgment simply a trail blazer leading to a tax on State and municipal bonds and other securities by the Federal Government. There can be no grounds for belief that the Federal gain in tax revenue would be of such amount as to justify the penalties that such a program might inevitably inflict upon the States. Small income and small business would pay the bill.

There should be no radical change in our public financing without full consideration through the process of the submission of a constitutional amendment. The people of the States will thereby participate in authorizing and sanctioning a change which will be of great importance to them. The people of a sovereign State do not want such changes forced upon them as now proposed by the Treasury. This problem should be approached in an orderly and dignified manner.

I feel definitely that the Federal Government, if it wants to tax State and local employees' salaries, should so do in the well-established ways, namely, congressional action on a proposal to amend the Constitution.

I will go on record as favoring the prompt submission of an amendment to the people for their decision.

Taxation of State and Municipal Employees

EXTENSION OF REMARKS

OF

HON. FRANK C. OSMERS, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 9, 1939

Mr. OSMERS. Mr. Speaker, imposition of an income tax on State and municipal employees in a State like New Jersey will most assuredly mean additional taxation for all the people of that State.

New Jersey has no State income tax and wants none. But if the Federal Government imposes a tax on its State and municipal employees most certainly the State is going to take advantage of the opportunity offered by House bill 3590 to levy an income tax against Federal employees by taxing the income of all its residents.

The bill immediately raises the question of States' rights, and the right of the Federal Government to tax the employees and functions of the State, a right specifically prohibited by many decisions of the Supreme Court. It brings into immediate conflict the sovereignty of the States and the rights of the Federal Government. This bill would open the door to the absorption of the functions and the privileges of the States and local governments by the Federal Government. That, and not the comparatively insignificant revenues to be derived from the bill, is the motive behind its introduction.

There is more than a doubt of the constitutionality of the measure. When the income-tax amendment was passed there was no intent to tax the employees and functions of the States. No decision has ever implied that power to the Federal Government. If this form of taxation is to be imposed, it must be by constitutional amendment, not by congressional enactment. By the same token, we are depriving all State and local employees of their constitutional rights.

I am in agreement with the fairness of the taxation of public salaries. There is no clear reason why they should be exempt from the tax exacted from private income. The objective is right. The method is wrong.

American Liberty Threatened

EXTENSION OF REMARKS
OF
HON. RAYMOND S. SPRINGER
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 9, 1939

Mr. SPRINGER. Mr. Speaker, we have observed from experience that our Nation cannot obtain any reasonable recovery or adequate prosperity by continuing to resort to a monumental program of spending, nor by adopting and adhering to policies of more centralized Government control, which degenerate into dictatorial forms of government. This plan and idea of government constitutes a myth, of which the average citizen realizes so little except as the same personally affects him or his business.

Again, we find when our people consent to mobilization by our Government under the apprehension that the same is essential either for peace or war, they yield much of their individual liberty for a fancied and suggested security. Not many years hence the American people will either individually decide for themselves the major problems or they will have those things determined for them by force of circumstances, and that major problem will be whether their system of free enterprise is to be continued and preserved or whether the same will be suppressed and supplanted by a centralized management of their lives and of their works.

Coupled with that plan of anticipated security there is proposed the plan to control prices of various commodities in our country. We must remember that the inevitable outcome of price control is that saving is made compulsory, labor becomes the subject of an order and consumption is the subject of command. Such control would not only imply but would make complete the monopoly of capital, production, employment, and consumption and that would mean the absolute and complete domination of the people's activities in both life and thought.

Since freedom and liberty have been subjected in large part to centralized control, the demonstrated result is that enterprise of every kind has been demoralized and there has been exhibited to the people an orgy of spending, hitherto unknown, which has hurled our country into an unprecedented debt! By reason of this condition, which is the creature of the New Deal, the capital and the savings of our people seek a hiding place instead of an entrance into productive enterprises and employment.

We will remember that any prosperity is wholly unsound if it is artificially based upon the constant increase of our national debt. Any recovery of business and industry which is purchased with borrowed money is resting upon quicksand. The restoration of public confidence and a well-balanced Budget must replace the unsound theory of pump priming and annual Government deficits if we are to enjoy prosperity in the future. The present course, which is blindly followed by the adherents of the New Deal, will mean disaster.

For a long time I have wondered if our country has not been drawing on reserves which have been built up through production and thrift of former years. The years when our farmers were constantly working and saving, and when our laborers were employed at productive employment and were laying aside a portion of their earnings for the rainy day, have made possible the surplus upon which the people have been drawing; that surplus is now exhausted, or nearly exhausted; the national debt is very near the fixed limit; the people are struggling to live and to pay their fixed charges and obligations, their taxes and their debts; yet no word of encouragement is offered by the national administration, now in power, to business or to industry which will, even in a small degree, stimulate their activities; and no word of encouragement has been offered to the people which will create confidence in them for their government. The radical policies promoted by the New Deal have been miserable failures; each one of them has been highly expensive and wasteful; the people's money has been frittered away with a reckless abandon; the plans of the New Deal have not been geared to any productive outline, and we find "they grind no corn" and "they bake no bread"; a politically planned economy means that all are plans and there is no economy in it. The entire economy of our country has been inflated by Government expenditures, and our people are being made to live desperately on the future without being conscious of that fact. It was under these unwise plans and uneconomic policies the depression has been continued, and by those same tokens it is now being augmented and continued into the future.

When incomes and profits, no matter how small the same may be, are fully protected from Government waste and extravagance then there will be a restoration of public confidence sufficient for business and enterprise to attract capital and be helpful to labor; with the restoration of confidence on the part of our people in our Government, the relief rolls will largely diminish and labor will again be employed at productive employment. But now, under the present plan, with confidence largely destroyed in our Government, business has been unable to attract capital and it has been of little help to labor. The result has been that the people have suffered and they are still suffering.

Therefore, we have the W. P. A. and the P. W. A. and various relief agencies with us. It is appalling for the people to read the press and to scan the CONGRESSIONAL RECORD of recent date, and to witness the statements made in the Senate respecting the confirmation of Harry Hopkins, quite recently appointed to be Secretary of Commerce, and who was the former administrative head of W. P. A.; these discussions show that politics were injected into that relief agency—an agency created to relieve misery; the people of this Nation know full well that politics have been played in the W. P. A. and the P. W. A. and every relief agency from the very outset of relief to this very hour by the New Deal; that politics should be injected into matters of relief is a most disgraceful thing; the people do not like it; those on relief do not countenance it; by reason of that unholy practice the freedom and the liberty of those on relief have been diminished to the extent that the independent right of franchise has been taken away from them.

Those men and women on relief are good American citizens; they are our neighbors; they have been unfortunate, that is all. Their condition has come upon them by reason of necessity, not by choice. The men and women, and the party, who dare to play politics with unfortunate people, when misery stalks in their homes, and to tamper with their freedom as American citizens at the ballot box, have committed a grave offense, one which should not be countenanced by the people of any nation. We must remember that every American who is able to work wants a job. They will never be satisfied without jobs. They want a job at a substantial and a saving wage; they do not want a mere pittance of a dole, and they certainly do not want to be the recipients of a political dole. Our Americanism rises to the point of condemnation when we think of the white-collared bosses and the political manipulators now drawing large sums from relief funds, who are not entitled to any relief whatsoever. This ruthless waste and spending of relief funds for political purposes must stop. Relief funds must be used for relief, and for relief only.

Our abundant life depends very largely upon productive work to obtain it. Years of experience has taught us that lesson. Any plan to the contrary is entirely unworkable.

Concluding, may I suggest that one way out of the present impasse is to relieve the burden as much as possible and to encourage business and industry to increase production, even with a smaller profit, but with some margin of profit to the producer. This will aid in taking up the slack and in relieving the relief rolls from the lengthening list now upon them. Production is the source of all wealth. When production is curtailed then labor suffers. If we are to create and maintain even a moderate degree of prosperity, we must do the things which will cause the wheels of business and industry to turn and produce the greatest possible output of useful goods and commodities of the highest quality and at the lowest possible price and with the greatest possible return to labor; this will permit capital to work; we will then enjoy prosperity. Any plan of scarcity in production is economic suicide; scarcity will never enhance prosperity in any degree.

May I therefore urge that liberty and free individualism stimulate self-confidence and ingenuity? These have never resulted from reliance upon State or National control of enterprise. As the powers of the State or Nation are increased, the freedom of the individual is decreased until the semblance of enslavement supplants liberty; the creative opportunity of the individual is entirely denied by that process, and the depressed condition of our Nation continues.

Taxation of Public Officers and Employees

EXTENSION OF REMARKS

OF

HON. CLARENCE E. HANCOCK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 9, 1939

Mr. HANCOCK. Mr. Speaker, everyone considering this bill or the general subject of governmental tax immunity is compelled to go back to the case of McCulloch against Maryland, which has been quoted and cited thousands of times. The case involved the validity of a Maryland tax on the notes issued by a national bank, chartered under Federal law and doing business in Maryland. It was a discriminatory tax and a destructive one. The tax was held to be invalid in a famous opinion written by John Marshall in 1819.

It was Marshall's great task and his great contribution to our struggling young Republic to strengthen and solidify the power and authority of the Central Government and to prevent the nullification of Federal laws or the destruction of Federal instrumentalities by State laws. He approached the question entirely from the Federal standpoint, and apparently the immunity of States from Federal taxation was not in his mind. His conclusion was based on no specific clause of the Constitution but on the implication of the supremacy of the Central Government arising from the declaration in the Constitution that the Constitution and the laws made in pursuance thereof shall be the supreme law of the land.

He took that occasion to write a lengthy treatise on the powers of the Central Government, in the course of which he wrote his famous aphorism, "The power to tax is the power to destroy."

Commenting on this phrase, the late Justice Holmes said:

> The power to tax is not the power to destroy while this Court sits * * *. The question of interference with government, I repeat, is one of reasonableness and degree.

No one would contend that a license to carry a gun implies the right to commit murder.

It was not until the renowned case of Collector against Day in 1870 that the tax immunity between the Federal Government and the States was held to be reciprocal.

The case of Pollack against Farmers' Loan and Trust Co., decided in 1895, held that a tax on income is invalid if derived from a source that is not taxable and that therefore an income tax on the interest on State and municipal bonds could not be sustained. That finding meant in effect that a tax on income is a tax on the source of the income, and a direct tax, which under the Constitution as it then existed had to be apportioned among the States in accordance with population. It led to the agitation for the sixteenth amendment. At the same time, public sentiment was growing in favor of shifting the tax burden onto those best able to pay, through the means of a graduated tax. The amendment was passed in 1916, and you know the wording:

> The Congress shall have the power to levy and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.

The general public, the legislatures of the various States, and the Members of Congress who submitted the resolution to the States believed for the most part that the phrase "from whatever source derived" meant what it means in common everyday parlance. Among those holding this view was Governor, now Chief Justice, Charles E. Hughes, of New York. He opposed the resolution because in his opinion it subjected the income from State and municipal bonds to the tax. Thus the people themselves are on record in favor of the principle of the bill.

The Supreme Court held, however, in 1916, that the amendment merely removed the necessity of apportioning the income tax among the States and that it did not extend the power of Congress to tax income which prior to the ratification of the amendment it had no power to tax.

In later decisions, so far as I know, that doctrine has not been directly attacked, although the Court has steadily receded from the rule of absolute immunity to one of degree and reasonableness. The question of tax immunity has come before the Highest Court repeatedly, and the test now seems to be nearly this: Does the tax in fact burden, hinder, or destroy any governmental function or instrumentality? In other words, can the man trying to escape the tax show that his own personal tax immunity is necessary to the continued existence of the State? Of course, any tax is a burden on the individual who has to pay it, but the question for us to decide is whether the tax is a burden on government itself.

The latest case on the subject, at least the latest one I have seen, is Helvering against Gerhardt. The latter attempted to escape the Federal income tax on the ground that he was an employee of the New York Port Authority, therefore a State employee performing a governmental function and exempt from the tax. His salary was held taxable, and, although his case is distinguishable from that of a mayor or a Governor and other officials because of the nature of his employment, the decision gives a great deal of encouragement to those who believe as I do that a nondiscriminatory tax on all public officials' salaries would be sustained.

I think it is regrettable that under the Court's decision in 1916 the sixteenth amendment does not extend the taxing power of Congress to income not previously taxable. But in my own mind I can draw a clear distinction between the taxability of income from public securities and salaries of public officials.

It seems to me that a tax on public securities would place a serious burden on Government—Federal, State, and municipal. It would greatly reduce the market for such securities, increase the interest rates that would have to be paid, and therefore increase the tax burden, and in some instances might destroy the borrowing capacity of municipalities altogether. It would have a direct and immediate effect on fiscal policies. But that question is not before us in this bill and we are not required to pass on it. We can reserve decision.

It is being argued that this bill is merely a forerunner to legislation permitting the Federal Government to tax schools, parks, and playgrounds, as well as State and municipal securities. That I do not admit. So long as we have an independent Supreme Court and a Congress that is something more than a chorus of "yes" men, or either one, destructive proposals cannot become law. And if the time comes when the Court and the Congress become mere rubber stamps, our form of government as we have known it cannot long survive.

We must meet issues as they come up and decide them with such collective wisdom as we possess. The question presented by this bill, as I see it, is whether the taxing of public officeholders' salaries will in any material way interfere or hinder good government.

If we are realistic, I think we will decide in the negative and pass the bill. I cannot see that it is a party question at all, and I hope it will not be regarded as such. Although I often have some difficulty in coming to a conclusion on pending legislation, I have no doubt in my mind regarding the merits of this bill.

No Member of Congress is going to resign, nor any other public official anywhere, because of the passage of this bill. There will be just as many, and as good candidates for public jobs as there are now, and they will probably be the same men. Their efficiency will not be impaired, and this Government—any government—will not be crippled.

Some concern has been expressed for the public officials having small salaries. The vast majority of them will not be affected at all in my State, and that is all I know about. The New York statute exempts $2,500 of the income of married men and heads of families from the income tax and $1,000 in the case of others, as does the Federal income tax. But bear this in mind: This is not a discriminatory tax. Public employees will pay no greater tax than their neighbors in private employment with the same incomes.

In New York State a Member of Congress whose entire income is his salary and who has an exemption of $2,500 escapes a State income tax of $365. That is a hidden bonus to such a man which was not contemplated when the State income-tax law was passed or when Congressmen's salaries were fixed. Our constituents cannot see any just reason why the tax on our salaries should be different than the tax on theirs, and neither can I.

It seems to me that the basis of all the reasoning in the tax immunity cases is the law of self-preservation. If you will be realistic and face the actualities, I think you will come to the conclusion that this bill offers no threat to government, Federal, State, or municipal.

Equalizing the Burden of Taxation

EXTENSION OF REMARKS
OF
HON. LOUIS LUDLOW
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 9, 1939

Mr. LUDLOW. Mr. Speaker, I am willingly giving my support to legislation to allow the Federal Government to levy income tax on State officials and, contrariwise, to allow the States to tax Federal officials, because I believe with all my heart in the great Jeffersonian principle of "equal rights to all and special privileges to none." It is in the public interest that laws which levy the heavy burden of taxation should apply equitably and without discrimination. I should have to bear the same load of taxation that others in similar circumstances have to bear and vice versa, and there should be no discrimination between citizens in laying these burdens.

On January 3, the day the present Congress opened, I introduced the following bill:

Be it enacted, etc., That compensation derived from personal services rendered any State, or political subdivision thereof, or agency or instrumentality of any one or more States or political subdivisions, whether or not arising out of the exercise of an essential governmental function, shall be subject to the Federal income tax applicable to the period for which received.

SEC. 2. Consent is hereby given to each State and taxing authority thereof to subject to income taxation, at the same rate and subject to the same provisions of law as other compensation is taxed, compensation derived from personal services rendered the United States, the District of Columbia, or any Territory or possession thereof, or any agency or instrumentality of the United States, the District of Columbia, or any Territory or possession, if the person subject to such taxation is otherwise subject to the taxing jurisdiction of such State or taxing authority.

I would not support any measure, however strongly I might believe in its justice and merit, if I were convinced it was unconstitutional, as I have too much reverence for the Constitution to want to override it in any instance. However, before I introduced my bill I obtained opinions from the Department of Justice and the Treasury Department in regard to the constitutionality of the measure, and as my contribution to the discussion of this important matter I present to the House and the country the views of these two Departments, the one dealing with the administration of the law and the other with taxation. These letters follow:

DEPARTMENT OF JUSTICE,
Washington, D. C., November 29, 1938.

Hon. LOUIS LUDLOW,
Member of Congress, Washington, D. C.

MY DEAR CONGRESSMAN LUDLOW: This will acknowledge receipt of your letter under date of November 22, 1938, inquiring as to the power of the Congress to impose an income tax upon the salaries of State officials and employees.

In reply to your inquiry there is being forwarded under separate cover a copy of a study recently made by this Department entitled "Taxation of Government Bondholders and Employees; the Immunity Rule and the Sixteenth Amendment." You will observe that the conclusion reached by this study is that the Congress has the power under the present trend of decisions, wholly independent of the interpretation to be given the sixteenth amendment, to tax the net income arising from the compensation paid State officers and employees. In addition, in view of the material gathered in this study, it appears that the sixteenth amendment, under a proper interpretation thereof, grants the power to enact such legislation.

For the Attorney General.
Respectfully,

JAS. W. MORRIS,
Assistant Attorney General.

TREASURY DEPARTMENT,
Washington, November 30, 1938.

The Honorable LOUIS LUDLOW,
House of Representatives.

DEAR MR. LUDLOW: I am writing to reply to your letter of November 29, addressed to Secretary Morgenthau, in which you ask what obstacle there is now in the way of extending the Federal income tax so as to make it applicable to State and county officials and employees.

Both Secretary Morgenthau and several of his predecessors have favored the elimination of these exemptions. Consideration has been given to the desirability of a constitutional amendment, but in view of recent decisions of the Supreme Court it is believed that a constitutional amendment is not necessary but that on the contrary an amendment to the revenue act specifically subjecting these incomes to taxation would be sufficient.

The Attorney General has rendered an opinion on this subject, which because of the wide interest of the question, was issued in printed form. It is probable that you could obtain a copy from the Department of Justice.

I am enclosing mimeographed copies of addresses on the subject by officers of the Treasury Department.

Yours very truly,

HERBERT E. GASTON,
Assistant to the Secretary.

Aviation Legislation in the Seventy-fifth Congress

EXTENSION OF REMARKS
OF
HON. JAMES A. SHANLEY
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 8, 1939

Mr. SHANLEY. Mr. Speaker, in a world where the chaotic cataclysm of international relations grows daily more terrifying, aviators as a class seem to escape the poisonous venom of these outrageous backgrounds. The camaraderie of aviators, their well-known absence of jealousy, and the spirit that brings them together regardless of race, creed, or factions is a redeeming feature of today's hectic hours. From their deeds, their intrepidity, and their glamorous way of living may come the quickening realization of the real brotherhood

of man. Historically the sublime example of those heroic men and women of the Middle Ages who made up the Crusades did more to bring better feeling and wider knowledge and acquaintance than any prior effort other than the universality of the Christian church itself. Modern air progress is a worthy successor.

May the 28th, 1937, to be exact, in speaking of the President's signature of the bill to make that day National Aviation Day, I ventured to say that "The newspaper of a future tomorrow morning printed on this side of the Atlantic may be read in the evening of that same tomorrow." Just the opposite has happened, for in a news dispatch the other day a paper printed the night before in London was within reach of our own breakfast arm the next day. That was the innovation of the pickaback British seaplane. But the pace is fast, and the humorous headline of a New York paper that "United States virtually cut off from Europe for a day" tells the speed.

The British, German, French now are vying in their efforts to catch world headlines to top the Achillean prodigiousness of Hughes and Corrigan. Our answer is Pan-American's 6,000-horsepower 74-passenger superclipper which will ride through the air lanes to Lisbon via the Azores. That is Pan-American Airway's pioneer in transoceanic air facilities—the concern which packs more wealthy men in its adventurous ranks than any similar enterprise. In that huge endeavor is Juan Terry Trippe.

Where wealthy Hughes devoted himself to scientific pursuits, Trippe, of an American tercentenary family of Maryland, gathered around him in his Morgan-fostered enterprise Cornelius Vanderbilt, Percy Rockefeller, and William Vanderbilt. From that group came United States air mail route No. 1 (New York to Boston) in 1926. Then to Florida, to the Caribbean, South American, the Far East, the Pacific, Alaska, and now to Lisbon. Their deeds opened American eyes to the absolute necessity of our possession or repossession of the Wake, Jarvis, Howland, and neighboring South Pacific islands—the stepping stones of the Pacific—the heritage of New England whaling captains and their gift to a twentieth century American youth on the wings of the air.

In the air the race belongs to the swift, for the essence of progress and success in the sky is daily marked by record-breaking performances in the annihilation of time. The innovation of traversing hitherto unchartered air lanes is giving place to those winged mercuries of the air above who cut down time. Records and safety supersede discovery.

Yet behind every breath-taking eclipse of time there must be the ever-present success in specialization in air mechanics. Constant tests, experiments, and free play of aeronautical imagination must come into the picture. Thus, behind every front-page achievement there are the unsung motor mechanics in cabin and pits and aeronautical engineers working in laboratories. My own State of Connecticut has had a proud part in the sensational triumphs of aeronautical engineering.

Legislation in the last Congress has recognized this to the fullest. Those of us who have the aviation industry close to our hearts and thoughts never cease to struggle to make our people aware of the titanic world struggle that is going on for world trade and world air supremacy. Every nation is seemingly intent on furnishing to the world the highest, most notable spectacles in aerial achievement. The highly scientific round-the-world flight of Howard Hughes and his crew should not cloud our realization as to what other nations did and may do next to steal our thunder.

It was no mean emblazonment on the records of mankind's progress in the air in 1937 for the Union of Soviet Socialist Republics to startle the universe with its accomplishment on that spectacular pioneering air transport of 4 Russian airplanes, with 42 scientists, radio technicians, and weather observers to the North Pole. They landed these ships on unprepared ice fields in the center of the bleak, dangerous Arctic Ocean.

Speed, the cry of the hour, in the air has its fullest counterpart in the animal kingdom during the aeons of time that have elapsed. Those animals who have survived the geologic ages have not only been strong, powerful denizens of the deep, but they were streamlined for speed, too. Scientists tell us they came first from the land where speed is the unalterable law of success except for slow-moving, hide-protected gargantuans.

From the rivers first came the fish, the reptiles, and other mammals. In their process of adaptation they became cigar-shaped with shorter necks, longer tails, their limbs became paddles or fins. From these natural developments man has learned much and from these "patterns of success," as J. H. Bradley calls them, air mechanics have profited.

Now all know our overpowering desire to cultivate South American friendship and trade, both embodied in the administration's good-neighbor policy. Let us take an example—Bolivia. There is no other country in the world, with the possible exception of Tibet, which has its trade impeded by more geographical obstacles than Bolivia.

When you get to the plateau your average height is 13,000 feet then you have two principal ranges of the Andean Cordillera, varying in altitude from 20,000 to 24,000 feet. But there is no seaport and the cost of constructing railways is prohibitive. Air seems the only salvation. Bolivia beckons as a challenge and a most perfect example of furthering the good-neighbor policy.

Let us skip from our own hemisphere to that of Continental Europe. In another field the lion and the lamb get together—France and German aviation cartels actually pool their resources to solidify their hoped-for success across the South Atlantic.

What is the act to aid us? It is the act which created the Civil Aeronautics Authority to promote the development and safety as well as to foster the necessary regulation of civil aeronautics all with the underlying thought of dual success in the modern international struggle of world air trade ways and possible military success.

It is the fullest attempt to bring order out of impending chaos that has ever greeted a new industry. It proposes to augment and intensify under favorable auspices the science and art of flight, which is termed "aeronautics." It seeks to place America as the primate in world commerce and postal service and national defense. It will stress safety and progress under sound economic conditions, but through it all will run the skein of reasonable charges, the absence of unjust discrimination, unfair preferences, or that kiss of death—destructive competitive practice. Yet it recognizes the dire need of competition.

It establishes the first bill of rights for the air—the solemn pronouncement "that there is hereby recognized and declared to exist in behalf of any citizen of the United States public right of freedom of transit in air commerce through the navigable air space of the United States."

The Civil Aeronautics Authority has five members appointed by the President by and with the consent of the Senate and there is in the Authority an Administrator appointed by the President by and with the advice and consent of the Senate. That Authority will cooperate with those great pioneers of air navigation—the State agencies, whose work has been of tremendous significance.

The preservation of areas for the establishment of civil airways, landing areas, and other air-navigation properties become the especial care of this set-up.

It is only a beginning but no infant industry has ever been blessed with such a comprehensive study as this act necessitates.

In the appropriations for the Military Establishment embodied in Public Law No. 590 we find an all-embracing item termed "Office of the Chief of Air Corps, $242,560." In the detailed study of the Air Corps we find the most illuminating discussion of the effort of the Army to keep pace with foreign competition. They need that sum.

In Public Law No. 787 there is an authorization of $2,000,000 for the development of rotary wing and other aircraft of which $600,000 must be taken and exclusively used in the

placement of contracts for the construction of improved and experimental types of the rotary wing and other aircraft by private industry. It is significant that these must be built by private industry.

Even in the personnel we have increased the enlistment allotment in the Air Corps. That is accomplished by Public Law No. 588. The increment now becomes 21,500 instead of 16,000.

Again in the field of experiment we resort to the Post Office, pioneer aids in air navigation. Under Public Law No. 486 the Postmaster General is authorized to provide for and supervise experimental services in connection with the transportation of mail by air, including the transportation of mail by autogiro aircraft shuttle service between outlying airports and central city areas. The Postmaster General must report back to us in the next Congress.

In addition, under Public Law No. 420 there is a further extension of air-mail service permitted.

The usual services of the Weather Bureau include aerology and constant observation of atmospheric phenomena. There is an item of $270,000 for the replacement of aircraft for the Coast Guard in the Treasury Department Public Law No. 453.

In the Navy we have given for an additional amount for navigational, photographic, aerological radio, all in the aeronautics branch, $2,000,000, plus another $3,000,000 under the Navy Expansion Act.

Aircraft carriers are increased to a tonnage of 20,000 tons, plus three large and seven small seaplane tenders and $3,000,000 for the construction of a rigid airship of American design and American construction. In Public Law No. 493 under the general Navy appropriations we find the most detailed assistance to their Bureau of Aeronautics of over $45,000.

These are outstanding efforts of the Seventy-fifth Congress to aid in maintaining our record in the air. Events of the past few weeks involving the sale of ships to foreign powers clearly indicate that that supremacy is admitted. Let us keep it there, and let us make it known by means of a national holiday as we did 2 years ago. We cannot expect a permanent holiday at present, but we can expect to honor the industry and the profession when the year permits.

Civil Aeronautics Act of 1938

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 9, 1939

ADDRESS BY COL. EDGAR S. GORRELL, OCTOBER 15, 1938

Mr. RANDOLPH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by Col. Edgar S. Gorrell, president of the Air Transport Association of America, at the Eighth Annual Convention of the National Association of State Aviation Officials, at Omaha, Nebr., October 15, 1938:

Democracy stumbles and muddles. It is too slow for the man on horseback.

But now and then it takes a great stride forward to catch up with the times. Those strides confound its critics.

During the last session of Congress our democracy took one of those strides when it adopted the Civil Aeronautics Act.

To us in aeronautics that act means much. But it may prove of even deeper significance to the Nation at large. For it represents the first attempt by Congress to meet and master a fateful problem of modern democratic government.

Mr. Justice Stone has stated that the most striking recent change in our legal structure has been the rise of a system of administrative law. For a half century the Federal and State Governments have been adopting isolated measures which vest in administrative agencies combined legislative, judicial, and executive functions. This union of functions would no doubt have shocked the Constitution makers. But the insistent demands of civilized life in a machine age have spoken louder than voices from the grave. The sharp impact of the facts of life has shaped to new lines our ancient theory of the separation of powers.

While these new lines of constitutional doctrine have by no means destroyed, or even impaired, the liberty which it is the design of separated powers to secure, they have permitted the appearance of certain tendencies which, if pursued, might become dangerous. Notable is the tendency to make the same person both prosecutor and judge. Notable also is the tendency so to burden the judicial officers of an administrative agency with duties of an executive nature that the efficiency of those officers is threatened.

The fear that these tendencies would develop has led many eminent gentlemen vigorously to oppose the creation of administrative agencies of government. This opposition has, at times, verged upon hysterics. There are those who have insisted that we return to the conceptions of a simple society and transfer to the courts the judicial functions now vested in administrative bodies.

Such reaction would plunge us into hopeless confusion. Imagine if you can where aeronautics would be 20 years hence if there were no speedy administrative instruments for determining disputes and securing compliance with law. Under such circumstances aeronautics would be grounded in twisted wreckage.

The suggestions of extreme reaction should not, however, obscure the grievances which they represent. Let us examine those grievances more closely.

The tendency to make the same agency both prosecutor and judge quite properly evokes protest. Where the legislature simply creates an administrative agency charged with the regulation of an industry or of certain practices, without making provision for the separation of judicial and prosecuting functions, it is easy for the two to become blended. Administrative bodies have made notable efforts to avoid this union and the courts have elaborated rules of procedure designed to the same end. But even the familiar device, adopted by some agencies, of proceeding by an examiner's hearing, with proposed findings and argument on exceptions thereto, has not altogether avoided the difficulty. Too often we find that the same persons in an agency institute a case, prepare it for presentation, and then act as advisors to the administrative tribunal when it is finally decided. Where this occurs it requires a profoundly judicial temperament to advise without preconception.

The tendency to saddle executive duties upon administrative officers also presents a serious problem. This tendency springs not so much from the necessities of our machine age as from our Anglo-Saxon propensity to deal with problems one at a time as they arise. Upon only a few occasions in our history have we sought to anticipate problems by the laying down of general rules. Most of the time we eschew general rules, simply pouncing upon individual questions and dealing with them with no particular relation to other issues or to broad implications for the future.

As Dean Landis, of the Harvard Law School, recently said:

"The administrative agency came into being not as a single, comprehensive, philosophical conception but by a process of empirical growth. These agencies have always sprung from a concern over things rather than over doctrine."

This has resulted in the creation of a maze of agencies with the most bewilderingly different kinds of powers. An agency once created is vested first with one power and then with another until through the years the process of accretion produces a veritable potpourri of governmental functions, the administration of which would challenge the ingenuity of a Pooh-Bah.

The dangers of this development are patent. Chief among them is the fact that the officer charged with the task of determining rights and obligations between man and man and between man and society may likewise be burdened with so much administrative detail that he finds it impossible to maintain the atmosphere of detachment which is indispensable to judicial action. Equally serious is the danger that the agency will be forced to divide its duties among its members, with the possibility of creating the confusion which comes from the right hand's ignorance of the left hand's behavior. Finally there is the very real fact that human beings have limited capacities, and dissipation of their energies is a fatal blow at the quality of their labor.

I have referred to tendencies, and I want to be understood as meaning nothing more. I do not join those who protest that our governmental agencies have broken down or have been transformed into instruments of tyranny. I mean only that we have reached a point where dangers lurk if we continue blindly to bestow variant powers upon administrative bodies. I mean only that the warning signs are out, and our democracy will do well to heed them.

There is an additional factor which complicates the problem of government through administrative bodies and which makes it of particular importance that we take stock of our governmental methods.

Hitherto, when we have approached questions of governmental regulation, we have thought largely in terms of protecting the public from abuse of economic power in private hands. Until very recent years we have thought of government almost altogether as a policeman whose duty was done when it had swung its club upon the skulls of malefactors.

For example, the Interstate Commerce Act of 1887 was conceived in the belief that the power of the railroads required bridling in order to safeguard the interests of shippers. The need for gov-

ernment to take a hand in conserving and planning the development of our railroad resources found no clear expression in legislation until 1920, and then only modestly.

It is true that in certain restricted channels—such as lighthouse building and road building and the provision of a postal system—government has gone beyond the policeman's role to an important extent. But generally speaking, government's relation to industry has been regarded as that of the policeman on the beat.

That government should accept as a portion of its regular responsibility the function of assisting industry, and even assuming leadership, in the solution of industry's economic problems, would have seemed preposterous a few years ago. Thus when we created a Department of Commerce we felt that government had done its part when it was provided that the Department should "* * * foster, promote, and develop the foreign and domestic commerce, the mining, manufacturing, shipping, and fishery industries, and the transportation facilities of the United States * * *" (32 Stat. 826; 5 U. S. C. 596).

However, we are now aware that such a broad statement does not come to grips with the economic ills besetting many of our industries today. It is necessary for government to deal more specifically with economic diseases, the symptoms of which are idle plants rather than exploitation of the public.

To some extent government has already begun to respond to this need. The N. I. R. A. and the Bituminous Coal Act have given us examples of this response. But, particularly in the N. I. R. A., the emphasis was largely upon the so-called chiseler or cutthroat. This is important, but even with no chiseling there would still be basic and challenging problems which call for the cooperation and aid of the Government.

To illustrate, I quote from the recent report to the President, submitted by the Chairman of the Interstate Commerce Commission, upon the critical condition of the railroads:

"In recent years there has been a great and radical change in transportation conditions brought about principally by the rapid development of new forms of transportation, not all of which are subject to the (Interstate Commerce) Commission's jurisdiction. The railroads have lost much of their former dominance. Competition has become a continually increasing and often a profoundly disturbing factor. The present 'transportation problem' is very largely the product of that competition, combined with depression. It has created need for readjustments between and within the different branches of the transportation industry, for consideration of present tendencies and their probable results, for the avoidance of uneconomic and wasteful practices, for the survey and possible amendment of governmental policies, and in general for the determination, creation, and protection of the conditions most favorable to the development of a transportation system which will best serve the public interest. Much of this is planning and promotional work as distinguished from regulation.

"In view of the multitude of conflicting interests among those engaged in transportation, we believe that it is necessary for the Government to take the lead in this planning and promotional work. Probably the need has long existed, but it has been vastly intensified by the recent great change in conditions" (H. Doc. No. 583, 75th Cong., 1st sess., at p. 34).

The transportation problem is not the only one upon which government will probably advance in our lifetime with a new set of tools and with purposes differing vitally from those which have motivated the more traditional type of regulation. If, when government assumes these new functions, it simply vests new powers in the administrative agency as we have known it, our governmental machinery will approach a break-down. As I have said, there is already a tendency to bestow all sorts of varied functions upon the administrative agency which impair its efficiency as a judicial body, a tendency which even now calls for reappraisal of our machinery of government. If we further complicate the situation by plunging administrative bodies, as presently organized, into a new realm of planning and promotion we will have taken a fatal step.

The report to the President to which I have just referred had this to say of the ability of the Interstate Commerce Commission to handle the new governmental activity which was recommended:

"The Commission, however, is not suited to the purpose. It was constituted for an essentially different purpose. Its methods and organization were designed for regulatory work requiring quasi judicial procedure. We believe that planning and promotion are separate and distinct from regulation, can be separately pursued without interference, and require unlike procedures and methods" (ibid.).

To sum up, there is a problem developing respecting administrative machinery which has three aspects:

1. There is a tendency unduly to blend the function of judge and prosecutor.

2. There is a tendency to weigh down the members of administrative commissions with varied duties of an executive nature.

3. We are on the threshold of a new departure in governmental activity which the traditional judicial type of administrative body is not suited to handle.

The importance of meeting this problem is manifest. Chief Justice Hughes recently commented upon the function of the regulatory commission, stating that the spirit which should animate its action "must be the spirit of the just judge," and that it will succeed only to the extent that it performs its work "with the recognized responsibility which attaches to judges and with the impartiality and independence which is associated with the judicial office." (Address before American Law Institute, May 12, 1938, as reported in New York Times of May 13, 1938.)

For the judicial—or, more properly, the quasi-judicial—officers of administrative agencies to be able to discharge their functions in this spirit, they must be able to act as judges and should not be compelled to become likewise the prosecuting attorney, the chief of police, the supreme economic council, and the governmental jack-of-all-trades.

At the outset I said that the significance of the Civil Aeronautics Act was not confined to aeronautics. The reason is that in that act Congress has explicitly recognized, almost for the first time, and has sought to deal with, in a preliminary way, these problems of administrative government.

In adopting legislation for civil aeronautics, Congress faced a situation almost without parallel.

In the first place, the industry embraces not only commercial carriers but almost all other civil flyers. In the second place, the industry covers not only domestic commerce but also commerce with foreign countries in aircraft under both our flag and the flags of other nations. In the third place, the problems of the industry involve matters both of economics and of safety, intimately interrelated and of equal importance. In the fourth place, the industry, despite its present relatively modest size, is of peculiar significance to basic national interests in both our peacetime and wartime life.

Finally, and this is of first importance, the need for legislation springs not at all from a need to protect the public from exploitation, but, rather, from the need to assure to the industry itself opportunity for vigorous growth. The familiar reasons for regulation of other industries in the past, notably the need to assure that the public be protected from exorbitant rates and discriminatory practices, would not in this case have prompted a solitary vote in Congress.

The task of Congress in framing the Civil Aeronautics Act was, then to deal with a subject matter the scope and variety of which cannot be matched in the case of any other industry, with ends in view altogether different from the ends with which regulations has normally been concerned. Obviously Congress would have invited trouble had it simply provided for an independent commission equipped with a number of powers to deal with the civil aeronautics industry. Planning, promoting, regulating, experimenting, studying, policing—a cluster of powers to secure the accomplishment of all that was necessary—would have presented a new record of confusion.

Happily, Congress took steps to avoid this impasse.

The steps are four in number.

(1) The first will be disclosed in sections 201 (b) and 301 to 307 of the act. These sections provide that, in addition to an independent authority, there shall be an administrator, responsible directly to the President, whose duty it will be to undertake the promoting of civil aeronautics, to provide for the establishment and maintenance of airways and landing fields whereby air commerce can operate, and to engage in development work. These duties are not suited either to judicial officers or to a board, but should properly be discharged by one man in a position to work closely and without embarrassment with other executive agencies. The particular allocation of functions to the administrator may or may not be sufficiently exhaustive, but the recognition by Congress that these matters of an executive nature ought to be handled by an executive officer is a far-reaching and important precedent.

(2) The second step taken by Congress is disclosed in section 303 of the act. This section provides that the Authority may assign to the Administrator powers and duties other than those specifically vested in him by the act. In the statement of the House managers on the conference report it was said that under this section the Authority could assign to the Administrator "the executive duties which are incidental to the exercise of the quasi-legislative and quasi-judicial powers" conferred upon the Authority (H. Rept. No. 2635, 75th Cong., 3d sess., at p. 67). The Authority will thus be able to make use of the Administrator so as to relieve its members of much administrative detail, and to promote coordination in the extraordinarily varied work of the agency. Likewise it may be that, through appropriate use of the Administrator, the Authority will be able to avoid the undue union of judge and prosecutor. The opportunity offered by this device is as happy as it is unusual, and it may well be that through its wise use the Authority will be able once and for all to answer the polemics that have so frequently been directed at our administrative machinery.

(3) The third step taken by Congress is to provide, in title VII, for a safety board charged with the duty of investigating accidents and making recommendations for improved safety measures. Through this board the Authority will be able to secure criticism of its own work in a forthright manner which would be otherwise impossible. At the same time the Authority will be free of the responsibility—which should not belong to it—of investigating accidents and engaging in the studies incidental to the safety board's work. The board, on the other hand, is not permitted under the law to exercise any of the regulatory or promotional functions, so that it will not be placed in the untenable position of passing judgment upon its own work. It will stand apart, to examine coldly and dispassionately, without embarrassment, fear or favor, the results of the work of other people. In the Safety Board the Congress has established a truly academic agency, but it is academic with an intensely practical purpose: To discover what is wrong, and to suggest how the Authority and the Administrator can right wrongs. Thus Congress has recognized the virtue

of providing a regularly established medium for self-criticism in government and has at the same time avoided the danger of imposing upon an administrative body essentially contradictory functions.

(4) Finally, by sections 412 and 414 of the act, Congress has established the means of simplifying the Authority's task both in the immediate and distant future. In these sections it is provided that when agreements between carriers are approved by the Authority the execution of those agreements will be free of the antitrust laws. By this conditional exemption from the antitrust laws the industry is given a chance to govern itself, to eliminate abuses, to conserve its resources, and to forestall the necessity of further governmental regulation. The Authority, on its part, is to see that no oppressive or unreasonably discriminatory agreements are permitted. If the industry and the Authority make wise use of the privileges thus bestowed by Congress, we may have found a way to escape the growing danger of bureaucracy which each year threatens more seriously the success of our administrative machinery.

These features of the new Civil Aeronautics Act help to explain the unusual fact that the industry welcomed adoption of the legislation. The industry saw in the act promise of the advantages of sane and orderly democratic government with the opportunity of avoiding many of the dangers which hitherto have been thought inevitable incidents of so-called governmental interference. With a clear indication by Congress that it expects of the new agency a fresh approach to the difficult problems of administration which I have tried to describe, the industry feels that it is justified in anticipating with some confidence a regime of efficiency, dispatch, and impartiality which will prove a model.

The importance to the industry that its hopes be realized is obvious enough. In aeronautics expenses are enormous, and they must always be so because of the necessity for taking every possible measure to assure safety. If to the costs of day-to-day business there were to be added the incalculable expense caused by governmental red tape and delays and hasty judgments, the industry would face a dark future. If it were to prove necessary for every carrier to have constantly on hand lawyers and representatives to dog the footsteps of the Authority in order to see that things are done, if it were to prove necessary to spend hours of time in filling out forms and in seeking permits and approvals and authorizations, if it were to prove necessary constantly to revise practices and methods and to reeducate personnel in order to conform to multiplying regulations, then, indeed, this industry would have misplaced its confidence. But there is no reason to believe that any such fate is in store for us. For Congress has provided ample means for securing an administrative machinery which will rival the vaunted efficiency of private business.

In thus declaring my faith that democratic government can and will operate well and efficiently, I do not mean to leave the impression that I expect government to perform industry's own job. "Public regulation," the Interstate Commerce Commission recently said, "is necessarily an interference with management, but it is not management * * *." (Fifty-first Annual Report of the Interstate Commerce Commission, at p. 9.) A thorough appreciation of the implications of that statement is the only guarantee we have of maintaining a system of free enterprise.

My lawyer friends tell me that when a court passes upon the validity of the regulations or orders of an administrative body it ordinarily asks this question: Did that body have any reasonable basis for taking the action? In other words, the court does not substitute its judgment for that of the administrative body. It will interfere only if there is no possible justification for the administrative action, no matter what might be the court's own views of what it would have done had it been taking the action in the first instance.

An administrative body bears a relation to private management which, in a very real sense, is similar to the relation between a court and the administrative body. It is an administrative court, passing upon the validity of the decisions made by management in attempting to comply with the statutory duties laid down by Congress. And it should not penalize management, or interfere with its decisions, unless it finds that the decisions which management has made cannot be upheld by any reasonable view of the facts—even though hindsight may disclose those decisions to have been unwise and even though the administrative body may feel that it would have acted differently had it been standing in management's place.

In short, just as a healthy self-restraint must be exercised by courts in passing upon the validity of administrative action if our system of administrative law is to work at all, so administrative bodies must exercise self-restraint in passing upon the propriety of the conduct of management if our system of free enterprise and individual initiative is to be preserved. "Public regulation * * * is not management * * *." Upon diligent adherence to this principle rests hope of working out the problems of industry in a day when governmental participation in the affairs of business is necessarily increasing.

Therefore when I say that we may anticipate a new era of governmental activity and leadership, marked not only by regulation but also by a greater degree of planning and promotional work, and that the pressing problem of our democracy is to provide administrative machinery which will operate fairly and efficiently in a businesslike way, I do not mean that I expect our democratic state to do the work of industry. There remains for industry, so long as our system endures, its own task to be done by it and it alone—and the prerogative of performing that job should be as jealously guarded as the Bill of Rights.

Through the administrative agency Government provides the medium for a partnership with industry in the one enterprise which commands the unswerving devotion of all of us—the public service. Each partner has his own appointed function. In the Civil Aeronautics Act the Congress has made a new effort to facilitate the operation of that partnership by making it possible for government to keep abreast of the new duties and burdens of the modern era with a more efficient machinery. The Civil Aeronautics Authority, we may be sure, will put that machinery into operation in the spirit which motivated Congress. We may be equally sure that the other partner, the civil aeronautics industry, will rise to the occasion. In the successful administration of this act, and in the growth and development of this industry, we shall not fail.

Undesirable Aliens

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, February 13, 1939

RADIO ADDRESS BY HON. ROBERT R. REYNOLDS, OF NORTH CAROLINA, FEBRUARY 1, 1939

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there may be published in the Appendix of the RECORD an address delivered by me on February 1, 1939, entitled "Undesirable Aliens," which address was broadcast by the National Broadcasting Co. over the red network.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, I wish to thank the National Broadcasting Co. for its courtesy in providing me with this opportunity to talk with you concerning undesirable aliens in America.

In view of the chaotic conditions existing throughout the world, and in particular view of the fact that the world itself is today arming, makes it necessary for America to consider now a program for adequate national defense.

In considering the subject of national defense we must of necessity consider the question of undesirable aliens. We no doubt will appropriate millions upon millions of dollars for the purpose of building up our Army and Navy and air forces to defend ourselves against a foreign attack. In case of an invasion from without, our Army observers can locate the position of the attacking enemy; but what about the enemies who will be attacking from within?

There are several million aliens in the United States. By that I mean foreigners who have come to America legally and remained here illegally, or foreigners who have come here illegally and have no legal right to remain here. How many of these aliens are here we do not know, because we have never made a check-up of them, and, as a matter of fact, we never will know exactly how many aliens there are here until there has been enacted a law making it mandatory for the registration and fingerprinting of all aliens.

In case we should become engaged in a defensive war, we would have within our midst several million potential enemies and spies in the form of these millions of aliens now here. The presence of these millions of potential spies and alien enemies within our gates during a war would, indeed, be equally as dangerous and destructive, if not more so, than attacks by the enemy from without, because the enemy from without could be observed and located by aviators, while these alien enemies within could not be located.

So, in order that we may ascertain the number, the whereabouts of the several million aliens in the United States, I have introduced in Congress a bill which would bring about the mandatory registration and fingerprinting of every alien here; and only by this means of registration and fingerprinting can we definitely ascertain the number of aliens in our country, and only by that means can we ascertain their respective locations, all of which is necessary for the safety of the American people, and particularly in relation to national defense, a subject in which the American people are thoroughly interested at the present time.

We keep no check upon aliens in this country, which is a most deplorable state of affairs. Every other civilized nation upon the face of the earth maintains a very close check-up of foreigners. However, I am happy to learn that the American people are interested in the passage of such a law as I have proposed, which favorable interest has been evidenced through a recent poll conducted by Dr. George Gallup, which showed that 84 percent are favorable to the enactment of such legislation.

Let us strengthen our national-defense program by the passage of this bill which I have introduced in the Senate, and which my colleague, the Honorable JOE STARNES, of Alabama, introduced in

the House, requiring registration and fingerprinting of aliens. You can aid us by advising your congressional representative as to your support of this legislation, and at the same time may I ask that you advise me, Senator ROBERT R. REYNOLDS, Washington, D. C., by letter of your support, as I would be greatly encouraged to personally know that the American people are behind me in my endeavor to bring about the enactment of this legislation designed for the benefit of the American people.

A paramount issue in the United States today is jobs. The 1939 session of Congress, which is the Seventy-sixth Congress, I hope will determine the question as to whether or not American jobs belong to Americans or aliens. There are today in the United States 12,000,000 unemployed, unfortunately, men and women who are walking the streets in search of employment. I think that these unemployed Americans should be provided jobs before any foreigners, refugees from any country, or additional aliens are permitted to enter the United States.

Immigration is a foreign invasion. Those coming to this country from foreign shores immediately seek employment, and it is a well-known fact that many Americans are thrown out of their jobs and positions to make room for refugees and others from foreign lands. This is not fair. It should not be countenanced. Americans should be given first consideration when there is employment to be provided. To the end that our 12,000,000 unemployed may be cared for before those from foreign shores are considered, I have introduced a bill in the Congress of the United States which would stop all immigration to the United States for a period in duration of 10 years or for such time as every employable person of our 12,000,000 unemployed has been provided with work. Why should we permit thousands upon thousands to enter the United States annually for the purpose of usurping jobs held by American citizens when we are now burdened with 12,000,000 unemployed?

No other country in the world will permit an alien to take the job of one of its citizens, and there is absolutely no reason why Americans should look after the interests of and provide for foreigners and refugees before providing for its own American citizens and unfortunates who are out of employment.

More "isms" are to be found in this country than any other political section of the entire hemisphere. We have nazi-ism, fascism, and communism, all of which are dangerous and all of which are boring from within. However, in this connection, astute and eel-like propagandists are directing and focusing the attention of the American people on nazi-ism and fascism for the purpose of creating a smoke screen for the benefit of communism, while the Communists are making tremendous headway throughout the length and breadth of the United States in their vicious and relentless endeavor to create class hatred in America, to bring about a revolution, and to establish the Stalin brand of destructive communism in this section of the Western Hemisphere.

The battleground between the Nazis and Fascists, on the one hand, and the Communists, on the other, is to be found right here in democratic America. Those proponents of nazi-ism, fascism, and communism have aroused so much interest and feeling in the United States that large groups of Americans are taking sides, and in so doing they are being divided among themselves and thusly real Americanism is being imperiled. These "isms" have been brought to our shores by undesirables from many corners of the globe, and the time has arrived when we must think only in terms of Americanism. The time has arrived when we should concentrate our thoughts first upon the citizens of America. Our slogan should be: "Our citizens, our country first."

After all, the question is, Shall we continue to harbor alien criminals, immigrants illegally entered, and also keep our gates open to unlimited unselected numbers while our roll of unemployed reaches 12,000,000? Shall we strengthen and enforce our immigration laws or shall we allow these laws to gather the dust of disrespect? Shall we feed our families, our American families, or foreign neighbors first? Those are a few of the questions I seek to have answered. What is American citizenship worth unless it gives first rights to Americans to fill the jobs with American industry and business? We cannot give away our jobs to foreigners and at the same time provide jobs for our unemployed. We haven't jobs enough for both. I might state at this juncture that if no further importation of foreign labor is permitted from this time on we will still be unable to give employment to every workman now here or who will be born here for the next quarter of a century. No other nation upon the face of the earth permits citizens of the United States or of any other country to enter their country and take jobs and enjoy relief belonging to their nationals, regardless of what the excuse for migrating might be.

I am distressed and unhappy to say that only America, our America, fails to protect its jobs and relief from foreign usurpation.

There are more noncitizens, aliens, employed in one Midwestern American city in one American industry than the total number of Americans employed in all the other countries of the world. Refugees are coming to our shores by the shipload and are being rushed into employment with as little delay as possible. They are coming under quotas. They are coming under the permits of temporary visits, the number of which has no legal limits. These temporary permits are extended time after time for the benefit of aliens who hold American jobs, and I am against this continued temporary extension.

More refugees have settled in the United States in the last year than the number who permanently settled during that period in the rest of the whole world. Refugees are at work everywhere in America and every time a job is filled by one of them an American is thrown out of work.

The press reports more influx of professional men and women than ever before from Europe—doctors, dentists, nurses—who are here to practice their respective professions. That means more competition for our professional men and women. That means less practice and less remuneration for our American professional men and women.

We should protest against continuing to make America the dumping ground for the surplus labor and the political agitators of the world. We should expel the undesirable aliens. We should deport the alien criminals. We should rid our country of those radical undesirable aliens who are preaching false doctrines and who are advocating the overthrow of our Government.

We should now adopt the slogan, "Our citizens, our country first."

Freedom of Science

EXTENSION OF REMARKS

OF

HON. ELBERT D. THOMAS

OF UTAH

IN THE SENATE OF THE UNITED STATES

Monday, February 13, 1939

ADDRESS BY HON. LEWIS B. SCHWELLENBACH AT THE UNIVERSITY OF PENNSYLVANIA, FEBRUARY 12, 1939

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by the junior Senator from Washington [Mr. SCHWELLENBACH] before the University of Pennsylvania on Sunday, February 12, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Three hundred years ago science waged a desperate battle for its freedom. An Italian astronomer, Galileo, studied the stars in their heavenly courses. A burning issue arose over his right to tell what he saw. Many feared that if he told what he saw he would undermine religious faith. Galileo was himself a deeply religious man. He was so deeply religious that he had faith that religion had nothing to fear from the truth. He recognized, as all civilized men have come to recognize, that truth has nothing to fear from truth. That is why the freedom of science is the very basis of civilized progress. For it is the freedom of men of learning in the pursuit of knowledge to think and to declare the truth as it is given them to see it.

Since the days of Galileo until very recently this has been generally cherished throughout the western world. The martyrs in the struggle for freedom of science seemed to belong to an age of "old, uphappy far-off things, and battles long ago." The most cruel fate up to the present that had befallen the modern man of science was indifference or ridicule. By and large, he was permitted to go his way in peace. Society accepted gratefully, if sometimes belatedly, his contributions to the advancement of living.

But today in many parts of the world the scientist would count himself blessed if he were simply looked on with indifference. In some countries the scientist has become the bond slave of the ruling political party. He has been forced to lend the cloak of science to what is in fact stark brutality. There are many who could not remain in their scientific posts if they would, this because of the accident of their birth. There are many others who could remain if they chose to do so. They, however, have preferred exile and poverty in the cause of truth to personal well-being in the cause of deception. These scientists stood firm against intrigue, entreaty, and threats. They refused to lend the name and prestige of scientific authority to myths and pseudo-scientific propaganda. They chose rather to be homeless wanderers than to forsake the only aspiration that made life for them worth living—the aspiration for knowledge.

Some of these men of science we have welcomed to our own shores. We are receiving from them the priceless gifts of their genius. In laboratories, in hospitals, and in classrooms they are adding to our knowledge and well-being. To all of these modern martyrs, those who have found refuge and those who have not, we should bare our heads in the profoundest admiration and respect.

In our own country the man of science enjoys a liberty as great as at any time in the past. The spirit of intolerance, of bigotry, of brutality has not penetrated to the scientific laboratory. There are several reasons, I think, why we have preserved our scientific freedom. One is that as a people we have too strong a sense of humor to allow ourselves to be deluded by intolerance posing as a new gospel of science. Consider, for example, the racial theory now current in certain lands abroad, which is expounded in the following way in a recognized foreign textbook:

"We can advance the assertion at the base of all racial science; there is no concept of 'human being' man in contradistinction

to animals separated by any physical or mental trait; the only existing differentiation is between Nordic man, on the one hand, and animals as a whole, including all non-Nordic human beings, or subman, who are transitional forms of development."

We may not all be familiar with the scientific answers to this line of nonsense. However, we have enough humor, speaking of animals, to see the wolf of intolerance in the sheepskin of science, and to dismiss the whole thing with a laugh.

This meeting is held on Lincoln's birthday in the city of the birth of American freedom. The choice of time and place is propitious. More dramatically at least than any other man in history, President Lincoln demonstrated his belief in freedom and liberty. It is interesting that he should have had a dramatic part in our history. He was not a dramatic man. He was simple. He had a profoundly deep understanding of what American political democracy really meant.

Let me read you just a short excerpt from some remarks he made at Edwardsville, Ill., September 13, 1858:

"What constitutes the bulwark of our own liberty and independence? It is not our frowning battlements, our bristling seacoasts, our Army and our Navy. These are not our reliance against tyranny. All of these may be turned against us without making us weaker for the struggle. Our reliance is in the love of liberty which God has planted in us. Our defense is in the spirit which prizes liberty as the heritage of all men, in all lands everywhere. Destroy this spirit and you have planted the seeds of despotism at your own doors. Familiarize yourselves with the chains of bondage and you prepare your own limbs to wear them. Accustomed to trample on the rights of others you have lost the genius of your own independence and become the fit subjects of the first cunning tyrant who rises among you."

Last December more than 1,200 leading American scientists demonstrated that they did not propose to familiarize themselves with the chains of bondage when they said:

"We firmly believe that in the present historical epoch democracy alone can preserve intellectual freedom. Any attack upon freedom of thought in one sphere, even as nonpolitical a sphere as theoretical physics, is in effect an attack on democracy itself. When men like James Franck, Albert Einstein, or Thomas Mann may no longer continue their work, whether the reason is race, creed, or belief, all mankind suffers the loss. They must be defended in their right to speak the truth as they understand it. If we American scientists wish to avoid a similar fate, if we wish to see the world continue to progress and prosper, we must bend our efforts to that end now."

So long as that spirit remains indomitable science will assure its own freedom. So long as scientists are ready to refuse to yield to corruption or intimidation the future of science is safe. No country can afford in the long run to throw overboard the talents of its best minds. A country that is forced to get along with a second-rate science condemns itself in the modern world as being a second-rate country. That is an inexorable truth that we in America understand.

Freedom of science in the full sense can thrive only if economic and political democracy thrives. That is why I was glad to accept the invitation to this meeting which has as its purpose the protection of freedom of science in America.

But men of science must know that the perpetuation of their freedom depends upon the perpetuation of the political freedom of all our people. They cannot and they must not rest the future of this freedom they so much cherish upon the smug satisfaction that they are safe in the cloistered confines of a scientific laboratory. They cannot brush aside their responsibilities of citizenship with the curt rejoinder that government is not an exact science and that responsibility for its operation rests in the hands of politicians who are so unscientific.

I will be the first to admit that government is not an exact science. That is particularly true of a democratic one. But it is a process of trial and error. This, after all, is the ultimate in the procedure of the most careful scientist. We do not have opportunity to work under conditions favorable to accuracy which can compare with those of even the most meager laboratory. I will admit that since governments are political they must be operated by what are usually contemptuously referred to as politicians. We make mistakes. I do not attempt to defend them. I only say that we do try so much harder than people generally understand.

And in these troublous times we need the help and the understanding of those to whom has been given the opportunity of scientific training.

Political freedom has been much more difficult of achievement than freedom of learning. Indeed, it has been a much longer and harder struggle for the common man to achieve political freedom than for the scholar or scientist to acquire freedom to pursue knowledge whither the quest for truth led him. The common man, I believe, has always desired political freedom for himself. He has, however, been slow to learn that his own freedom ultimately depends upon the equal freedom of all, even those whose views of government he may, upon occasion, dislike and even profoundly detest. It was only after centuries of struggle that the common man realized that political democracy was possible only if the right of all men—without regard to wealth, race, or religion—to express their political opinions freely and publicly, was scrupulously safeguarded. Freedom of thought is the very cornerstone of a democratic society.

In Thomas Jefferson's original draft of the Virginia bill for the establishment of religious freedom we find these words: "The opinions of men are not the object of civil government or under its control." No one, certainly not I, can improve on that language.

We must have an atmosphere of free expression if we are to have the benefit of fearless political discussion. This is the surest guaranty of orderly change and the surest protection against the forces of disorder. Nothing is so dangerous as the belief that any part of our political society should be beyond criticism. No one generation's judgment as to the essentials of good government can be unerring. As the inquiring mind of Galileo made it possible for man to preserve his religious faith on an earth that moves, so political criticism today may point the only way of preserving tomorrow our democratic faith. The earth does move, and it is the spirit of free inquiry, whether in science or in politics, which enables man to adjust himself to its movements.

We must scrupulously maintain freedom of discussion if we are to develop our responsibilities as a people by choosing rationally the path we wish to follow. That is why freedom of thought and freedom of speech, with the resulting duty of making up our minds honestly and courageously, is at the very heart of the faith in democracy necessary to protect the pursuit of knowledge.

This faith in freedom of expression requires constant devotion. Perhaps more so today than ever before in modern times. All about us, and all too close at hand, we see the forces of intolerance at work—forces intolerant of democracy, of science, and even of religion. We have seen them in all too many shapes and forms. They preach a doctrine which is the antithesis of that spirit of tolerance which is so essential to the perpetuation of our institution—democracy. Fear, hatred, distrust, and bigotry—these are the tenets of their faith.

We must realize the grave danger to civilization that lurks behind these forces. They must be dealt with resolutely if the freedom and dignity of the common man is to be preserved. They must also be dealt with resolutely if the freedom and dignity of the scholar and scientist is to be preserved.

That resolute determination must carry with it an understanding of three basic principles of democratic machinery:

First, it must give to every citizen equality of opportunity to participate in government which is free from coercion or fear on the one side and free from impossible promises of reward upon the other.

Second, the minority in a democratic community must recognize the right of the majority to govern. At the same time, the majority must insure to the minority the same degree of justice which it demands for itself. Failing in this obligation, the majority becomes merely a mob. When the majority becomes a mob democracy fades out.

Third, a democratic government must be a government of law. A civilized democratic community demands that all classes within it respect its law. If respect for law is to be maintained the law must reflect the community sense of justice and not the demands of any class or group. If the law reflects the community sense of justice, no class or group may defy or set itself above or beyond the law without bringing upon itself the just resentment of the whole community. A civilized democracy demands patience and self-restraint from all its citizens.

These three, more or less mechanical requirements of democratic machinery, may all be summed up with the simple word tolerance. It is the very essence of democracy. If we are to preserve democracy here we must safeguard and protect the future pathway of our national life, lighted by the softened light of tolerance. Men of science are trained to be patient. Men of science are trained to give full faith and credit to the opinions of those with whom they disagree. The very training of men of science should make them more tolerant than the average citizen even of an American democracy. As one engaged with the problems of government I welcome you to this fight to preserve and protect freedom and liberty not merely for scientists but for all men in an enlightened America.

Federal-State Income Taxes

EXTENSION OF REMARKS

OF

HON. JOHN A. MARTIN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 9, 1939

Mr. MARTIN of Colorado. Mr. Speaker, yesterday was a historic day in the House of Representatives. It witnessed what was called a revolution; perhaps I had better say another revolution. The pillars crumbled, or rather they crumbled again. The sacred and much-battered document got another dent in it.

After the smoke of battle cleared away, the House, by a vote of 269 to 103, passed a bill to enable the Federal Government to tax the incomes of State and local officers and employees and to enable the States to tax the incomes of Federal officers and employees. It shows how lightly the House of Representatives may treat the Constitution on occasion. Needless to say, I was on the majority roll.

The chief objection to the legislation was that it was unconstitutional and therefore should not be passed. The gentleman from Massachusetts, Mr. McCORMACK, handling the bill on the floor, pointed out in answer that a former distinguished President had vetoed an act of Congress on the ground that it was unconstitutional; that Congress had passed it over his veto; and that the Supreme Court had sustained it. The former distinguished President was William H. Taft, afterward Chief Justice of the United States.

Laying such a weighty instance aside, the view that appealed to me was that if the objective of legislation seemed desirable and its constitutionality was a matter of controversy, the legislation ought to be enacted and the question of its constitutionality left to the Court.

As the gentlemen argued vigorously the unconstitutionality of the legislation and urged submission of another income-tax constitutional amendment instead, the impression grew on me that what these gentlemen feared, and indeed were almost certain of, was that the Court would hold the legislation constitutional. The constitutional amendment route would indefinitely defer the evil day. Indeed, like the child labor amendment, it might never arrive.

Laying aside the legal question, an argument that had some weight with me as establishing the justice of the legislation was that it was not fair for a State, county, city, or district official holding a desirable office and paid out of the taxpayers' money to escape a Federal income tax, while a lawyer, doctor, merchant, truck driver, locomotive engineer, farmer, or any other citizen earning the same amount of income already has to pay a Federal tax on it. That was a hard one to overcome, and, frankly, I did not attempt it.

According to the opponents of the legislation, the school teacher was the horrible example of the injustice this legislation would work. Very often the widow and orphan is the horrible example, especially when the legislation proposes to tax large corporations or do something else to them. But the school teacher had his or her inning on the tax bill. It carried the flattering implication that they got pay checks big enough to tax after the exemptions had been deducted—$2,500 for a married teacher and $1,000 for a single one and the other exemptions allowed by law. I do not recall that it was specifically pointed out wherein a school teacher's pay differs in its relation to taxation from the pay of other groups who are paid out of taxes, but it made a good talking point against the bill.

One reason I was glad of the opportunity to vote for the bill is that its enactment and application may serve to clear up in some degree the Nation-wide impression that Federal officers and employees, and especially Congressmen, do not have to pay income taxes. Mr. BOEHNE, of Indiana, and other Members adverted in debate to this erroneous impression, even mentioning the fact that many editors persist in publishing such statements. The speakers were decidedly of the opinions that such editors were in error. In my opinion, an editor who would publish such a statement is either a fool or a liar. Apparently the gentlemen who mentioned the matter in debate took the more charitable view that they were in error—that they did not know any better. I have a much higher estimate of their intelligence, so I think the other term applies to them.

I may add that if a Federal employee, even a Congressman, acted under the impression that he was not subject to Federal income taxes he would promptly get his impression corrected by the Internal Revenue Bureau, plus interest on his delinquencies. While it may be impossible to clear up the national impression heretofore prevailing that Federal employees, and especially Congressmen, are now exempt from Federal income taxes, this legislation may serve to some extent to create the satisfying impression that the law has finally caught up with them.

Taxation of Public Officers and Employees

EXTENSION OF REMARKS
OF
HON. ALBERT G. RUTHERFORD
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 9, 1939

Mr. RUTHERFORD. Mr. Speaker, I am opposed to the legislation as set forth in H. R. 3590, known as the Public Salary Act. At the outset of these remarks I want to state as clearly and as emphatically as I possibly can for the edification of a great many people in this country, including many editors, that every Congressman and every Federal employee whose salary is sufficient to come within the terms of the Federal income-tax law pays a Federal income tax. I pay an income tax on my salary as Congressman; and my State, Pennsylvania, having no income tax, the provisions of this bill under present conditions will not affect me one way or another. This bill provides for a Federal income tax on the salaries and wages of all State, county, city, borough, township, school district officials, and employees. It includes every person who receives wages or salary from such municipalities or municipal subdivisions for services rendered thereto. Of course, at the present time all such persons would not be subject to a tax if the bill were passed, but under the powers conferred in this bill there is nothing to prevent the Federal Government finally getting everybody.

As I stated before, Pennsylvania has no State income tax. Some 2 years ago the people of my State voted down a constitutional amendment providing for a State income tax. For that reason I am not going to approve of legislation which will compel Pennsylvania, in order to take advantage of this act, to pass an income-tax law which would tax me and thousands of other Pennsylvanians. I know at times we who pay Federal income taxes feel irked to think that someone whom we know, who is drawing as large a salary from the State as we get, does not pay an income tax. However, I am not going to cut off my nose to spite my face. I am not going to vote to compel myself and thousands of others in my State to pay another income tax simply to catch some State, county, borough, or school-district employee who at the present may be tax free. The proponents of this bill say that it is reciprocal. That it gives to the States the right to tax Federal employees residing in the State for the privilege of allowing the Federal Government to tax State employees. That sounds fine, but it is all one sided and strictly in favor of the Federal Government. In Pennsylvania the number of State, county, city, borough, and school-district employees probably outnumber the Federal employees residing in the State 5 to 1, so that under the provisions of this bill the Federal Government would receive tremendous benefits and the State government very little. We in Pennsylvania are paying out to the Federal Government tremendous sums of money for the benefit of the rest of the country, and this bill simply is another tax measure designed to make Pennsylvania contribute more. It is time for this administration to stop spending and spending and taxing and taxing. For 6 long years it has been following this policy and we still have over 12,000,000 unemployed and have increased our indebtedness over $20,000,000,000. I am not going to vote to further burden my constituents with taxes, even though by so doing some may get by without paying an income tax.

However, the real reason for my opposition to this bill is that I believe it to be unconstitutional. The administration is trying to do by statute what should be done by a constitutional amendment. It is the old New Deal trick.

This is simply another slick move on the part of the administration to change our form of government without letting the people of the country pass upon the change. As in the case of the original Guffey coal bill, which the President asked Congress to pass notwithstanding its doubtful constitutionality, so in the present bill he asks Congress to do the same thing. The President again asks every Member of Congress to stultify himself, disregard his oath of office, and vote to pass this bill even though the Member believes the bill to be unconstitutional. Again the old New Deal trick of deliberately passing unconstitutional laws and putting them up to the Supreme Court for decision and then, when the Court decides against the administration, to inflame the people against the courts. This is not the orderly procedure. Again I say if the President and his brain trusters want to change our form of government let them come out honestly with whatever proposition they have and submit it to the people of the country and let us have a full and free debate on the various propositions submitted. Then if after a careful consideration of the subject the people of the several States want to give away some of their rights to the Federal Government, all well and good, but the administration should not attempt to steal the rights of a sovereign State without giving all the people the right to decide. The law of the land stands today where it has stood since the case McCulloch against Maryland, which was decided away back in 1819. In the case of Collector against Day, which was decided in 1871, the Supreme Court held that Congress could not impose a tax on the salary of a judicial officer of a State. The law as stated in this case has never been overruled. The President and his advisers are of the opinion that the case of Helvering against Gerhardt, lately decided by the Supreme Court, has overruled the case of Collector against Day, but the United States Circuit Court of Appeals for the Seventh Circuit, as late as the 12th of January 1939, plainly stated that the law as laid down in the case of Collector against Day was still the law of the land. The principle of law decided in that case has been cited and approved by the Supreme Court in many cases. In Collector against Day the Court stated, in part, as follows:

> If the means and instrumentalities employed by that Government to carry into operation the powers granted to it are, necessarily and for the sake of self-preservation, exempt from taxation by the States, why are not those of the States depending upon their reserved powers, for like reasons, equally exempt from Federal taxation? Their unimpaired existence in the one case is as essential as in the other. It is admitted that there is no express provision in the Constitution that prohibits the General Government from taxing the means and instrumentalities of the States, nor is there any prohibiting the States from taxing the means and instrumentalities of the Government. In both cases the exemption rests upon necessary implication and is upheld by the great law of self-preservation, as any government whose means employed in conducting its operations, if subject to the control of another and distinct government, can exist only at the mercy of that government. Of what avail are these means if another power can tax them at discretion?

Counties, cities, boroughs, townships, and school districts are subdivisions of the State. The several officers of the various subdivisions are therefore, in fact, officers and agents of the State. They are the instrumentalities of the State to carry into operation the powers of the State, and when the Federal Government attempts, as it does in the present bill, to tax the salaries of the various municipal officers, it is attempting to tax the means and instrumentalities of the State, which the case of Collector against Day says cannot be done. The proponents of this bill continue to harp on the sixteenth amendment to the Constitution, which contains the words "from whatever source derived" as authority for the passage of this bill. That amendment was declared in force by the Secretary of State on January 25, 1913. The Supreme Court during the last 26 years have had many tax cases before it in which it could have upset the doctrine laid down in the case of Collector against Day, but it has never done so to date, and until it does I feel bound by the decision therein laid down.

In order to bring pressure upon the Members of Congress the administration has again relied upon its old system of class hatred. It has tried to stir up those who pay a Federal income tax against those who hold State positions and are therefore exempt. It is the old New Deal scheme of arraying neighbor against neighbor and friend against friend in order to put over something of doubtful constitutionality. The people of my district are lovers and supporters of the Constitution of the United States. They believe that if the Constitution is to be changed that it should be changed in an orderly manner, to wit, by constitutional amendment. While to many it may seem an injustice that their neighbors do not pay an income tax the same as they do, yet I am of the firm conviction that they would not sell the rights of the great sovereign State of Pennsylvania for such money consideration. I was elected in 1936 on an anti New Deal platform. During the sessions of the Seventy-fifth Congress I voted against every New Deal attempt to change our Constitution by the indirect method. During the campaign of 1938 I stated that I would continue to oppose all New Deal attempts to change our Constitution in this session of Congress by indirect methods. The people of my district evidently approved of my stand because I was elected by the biggest majority ever given a candidate for Congress in my district. On January 3 I stood with uplifted hand and swore to support and protect the Constitution of the United States. That being the situation and being clearly of the opinion under the decisions of the Supreme Court this bill is unconstitutional I will not stultify myself nor will I go against my sworn oath and vote for this bill even though it may be the popular thing to do at this time. My convictions and political creed are the same as they were in the Seventy-fifth Congress. I disapproved of the advice given by the President to Congress in a former Congress to vote for a bill whether it was constitutional or not. I disapproved of his attempt to pack the Supreme Court. I disapproved of his attempt to centralize all Government power in the Executive as was provided in his reorganization bill. I now disapprove of his attempt to curtail the legal rights of my sovereign State, Pennsylvania, by an act of Congress when I believe that it can only be done by a constitutional amendment.

The National Debt

EXTENSION OF REMARKS

OF

HON. PETER G. GERRY

OF RHODE ISLAND

IN THE SENATE OF THE UNITED STATES

Monday, February 13, 1939

EDITORIAL FROM COLLIER'S

Mr. GERRY. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an editorial published in a recent issue of Collier's.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Collier's]

THE ANSWER IS YES, MR. ECCLES

Marriner S. Eccles, chairman of the Board of the Federal Reserve System, recently wrote a long and fire-fringed letter to Senator HARRY BYRD (D., Va.) in defense of Federal Government borrowing and spending for business recovery, a policy in which Senator BYRD has often urged caution.

Mr. Eccles eventually worked up to this snorting climax in his remarks to the gentleman from Virginia: "Finally, is it of no significance that as a nation we owe our debts to ourselves and not to a foreign country?"

The answer, Mr. Eccles, is, "Yes." It is of no significance, or of practically none, that we owe these debts to ourselves and not to a foreign country.

Somebody ought to put that down in black and white, and explain why, and a lot of Americans ought to paste it in their

hats or their scrapbooks for ready reference—which, of course, is what we're hoping a lot of Americans are going to do after reading this editorial.

In the first place, there is no magic about owing debts—this kind of debts—to ourselves. That doesn't make them any the less debts. We shall have to liquidate them some day. Up to now, only three ways of liquidating them have been thought of by anybody. Those three ways are taxation, inflation, or repudiation.

It is hard to say which of the three will be the most disagreeable, or the least. The main point to bear in mind, though, is that we can't escape those debts we have been rolling up in the hope of priming the pump for a long, steady flow of good business.

In the second place, it is not accurate to say flatly that "we owe these debts to ourselves." To be made accurate that statement needs to be qualified. And the qualification is so drastic as to change the whole picture which that "poof-poof" phrase about owing the debts to ourselves flashes into your mind.

The truth is that all of us owe these debts to a few of us.

To finance the deficits (cumulated to more than $21,000,000,000 in the last 9 years), the Government has borrowed. That means the Government has issued bonds. On those bonds it must pay interest to the bondholders. To get the money to pay this interest, it taxes the people—all the people, directly or indirectly. You help pay whether you know it or not.

The "owe it to ourselves" thinkers argue that the money is (1) taken from the people by taxes, and (2) returned to the people in bond interest payments, and that, therefore, no real economic jolt has been dealt out anywhere.

As a matter of fact, the people do not get all the money back in bond interest, or anywhere near all of it.

Here is the why of that: If the bulk of these bonds were taken by mutual savings banks and insurance companies, the money borrowed through those bonds would, indeed, be owed to large numbers of us, because large numbers of us own the savings banks and insurance companies by virtue of owning savings-bank deposits and insurance policies. But those bonds are in fact taken, most of them, by the commercial banks—and the commercial-bank stockholders among us are few and far between.

The commercial banks were holding $19,000,000,000 of this paper last September—latest figure available at this writing. Nobody but these banks' few stockholders collects the interest payments on the bonds held by these banks—interest payments which have been taxed out of all of us, directly and indirectly. So, as regards financing the deficits by stuffing the commercial banks with bonds, the Government is merely funneling widespread tax payments into a small number of pockets.

As the debt grows, more and more money has to be taxed out of all of us to service the debt. The economic consequences are many and serious.

But perhaps the most dangerous feature of the whole business is this persistent endeavor, by Mr. Eccles and persons who think as he does, to talk Americans out of worrying about the national debt. If they succeed, they will change us over from a nation of solvent-minded people to a nation of dead-beat-minded-and-proud-of-it people.

The national debt is something to worry about. The piling up of much of it seems to have been unavoidable, but even so it is damnably hard luck that it had to be piled up. It is going to have to be worked off somehow, sometime—and we mean worked off. It does cost us plenty in taxes now. It does ride like an "old man of the sea" on the back of our still staggering and weaving national economy.

These are facts, unless the arithmetic book has been repealed. All the happy thoughts and happier prattlings of the "owe it to ourselves" skull busters cannot soften those facts or conjure them away.

One thing we do owe though. That is a rich, ripe baritone Bronx cheer, and we owe it to the "owe it to ourselves" crowd every time they try to heap those horsefeathers over our intelligence.

Lincoln at Gettysburg

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Monday, February 13, 1939

ARTICLE BY EMANUEL HERTZ IN THE NEW YORK TIMES MAGAZINE OF NOVEMBER 20, 1938

Mr. WAGNER. Mr. President, I ask unanimous consent to have inserted in the Appendix a brilliant and instructive essay entitled "At Gettysburg 75 Years Ago," written by Emanuel Hertz, outstanding authority on Abraham Lincoln. The article appeared in the New York Times Magazine on November 20, 1938.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times Magazine of November 20, 1938.]

AT GETTYSBURG 75 YEARS AGO—THE STORY OF LINCOLN'S IMMORTAL ADDRESS, WHICH ECHOES AND REECHOES IN THE BATTLE FOR FREEDOM

(By Emanuel Hertz)

Lincoln's Gettysburg speech has been quoted and repeated so many thousands of times and has become so much a part of our language that it is hard to realize that there ever was a time when it was not to be found in the school readers or among the world's supreme orations. But it was new once. Seventy-five years ago yesterday the words were spoken for the first time, at the dedication of the first 17 acres of the Gettysburg battlefield. Seventy-five years ago today the country had not yet discovered that something perhaps more important even than a battle had happened at Gettysburg.

The battle was a little more than 4 months back. At first Gettysburg's problem had been to get the dead decently buried—not monumentally interred. The plan for giving them due honor was stimulated by Gov. Andrew G. Curtin, of Pennsylvania, and much credit for carrying it out went to David Wills, who was Lincoln's host at Gettysburg. The project grew until the 18 Northern States whose soldiers had fallen in the battle were brought into cooperation. Hence the program of dedication, joined in by representatives of the State and Federal Governments.

Edward Everett, the designated "orator of the day," was as good a choice as could have been made. He had been a teacher, a Congressman, a Senator, briefly a Secretary of State under Fillmore. An opponent of slavery, he had been conciliatory toward the South. In 1860 he had run for second place on the Constitutional Union ticket, on which John Bell, of Tennessee, was the Presidential candidate. Subsequently he had lent his very considerable oratorical gifts to the Union cause. The Gettysburg speech was to be the supreme effort of a man now approaching 70 years of age, and destined to die before Lee's surrender.

We have eye-witness and ear-witness accounts of the ceremonies at which Everett was to be the main dish on the bill of fare and the President a perfunctory afterthought. The accounts do not agree as to details, but they build up a picture. We have some touching anecdotes of Lincoln's kindness and humility. Who would want to forget the story of an old couple who drove over from Ephrata to hear the speeches? Their names were Jacob and Lydia. Under the unseasonably hot sun and the press of the crowd Lydia fainted. A voice from the platform gave orders and she was gently lifted up and placed in the chair on the platform which has been reserved for Mr. Lincoln. We know that this happened, because we can see Lydia in some of the contemporary photographs. We have it on good authority that she grew embarrassed at her sudden prominence and wished to get down and that the President replied: "No, madam; you stay right where you are. It was hard enough to pull you out of there, and we couldn't stick you back into that crowd again."

We have many other stories which round out the picture of the day and help make it real. They seem to show that though the crowd went to Gettysburg with the usual curiosity to see a President it went expecting to get its oratory from Everett. Only a few understood that Everett's 2-hour flight would indeed not be "long remembered," but that Lincoln's few words were immortal. Lincoln himself was not sure that his speech would "scour."

Most of those who were present as Lincoln stood up to speak must have thought that he would be brief and casual. Some of them were so sure of this that they did not realize how far from casual he had been. The legend of a speech hastily jotted down on the back of an envelope during a railroad journey has persisted even to this day. Some still like to think that the Gettysburg Address just happened. We who study the record know better. Lincoln did not depend on the inspiration of the moment. He gave to this brief speech one of the supreme efforts of his life.

Let us consider briefly the circumstances under which the President spoke. Gettysburg, as we now know, was a turning point of the Civil War. With the fall of Vicksburg on July 4, 1863, this battle doomed the Confederacy. But this Lincoln could not know. The future was uncertain on November 19, 1863 The southern armies were still intact. Large sections of the northern population were sick of the war. There had been draft riots in New York City, treasonable movements elsewhere. Nearly a year later Lincoln was still uncertain that he had enough voters behind him to reelect him.

So the Gettysburg Address could not be a perfunctory thanksgiving for a general victory already won. It was not yet sure that democracy would not "perish from earth." Lincoln spoke with the deep fervor of a man in the midst of battle, knowing that much treasure and many lives—perhaps his own—must be sacrificed before his words could be made good. Could he, under such circumstances, jot down a few aimless thoughts and call them adequate? Certainly this was not what he did.

It might be romantic to believe that he slit open an envelope and wrote his speech on the top of his plug hat, or that he asked Judge Wills for some paper after dinner, on the night before the speech, and dashed off the undying masterpiece, or even that he did not prepare at all. But these are simply not the facts.

There can be no doubt that he had given prolonged and earnest thought to the preparation of this address. He had more than 2

weeks' notice that he was desired to speak, and despite the constant demands upon his time and attention he wrote and rewrote his 270 words until he had precisely what he meant to say. He had the proofs of Everett's speech for 10 days, possibly for 2 weeks, before he went to Gettysburg.

Evidently Lincoln was not disturbed by Everett's great effort, which the curious can still read if they care to make comparisons. Everett was a classical scholar, fond of decorative phrases, whose mind went naturally back to Greece and "the olive grove of Academe." But Lincoln was not thinking of Greece. He was thinking of America of the pain and woe which had struck down the South as well as the North, of the great host of the dead, so much more numerous than those whom Pericles had commemorated in his oration over the slain Athenians at the end of the first year of the Peloponnesian War. Lincoln's heart was wrung. He had to justify himself and through himself the great cause of democracy for the sacrifices that had been made and had still to be made.

He knew what he wanted to say. We can inquire, if we like, where the words came from. Had he seen the speech of Pericles—the greatest eulogy of ancient times? Perhaps, but his own speech shines in undiminished splendor when placed beside that of the Athenian. Did he take the magnificently simple words, "Government of the people, by the people, and for the people," from Theodore Parker? Two faint pencil lines in a copy of two Parker sermons found among the Herndon papers suggest to some that he may have done so, but Theodore Parker never used that phrase as Lincoln used it, nor any phrase like it—nor did Marshall, nor Webster, nor Adams.

Lincoln did not need other men's words. Unconsciously his mind may have been colored, his vocabulary enriched by many years of reading, but in his mind was the great idea, and the words he sought for were those most easily understood and most poignantly charged with the emotion that was in him. That emotion comes out in the cadence of the speech, as beautiful as a psalm. Consider the unmatched music of the concluding phrases:

"That we here highly resolve that these dead shall not have died in vain; that this Nation, under God, shall have a new birth of freedom; and that government of the people, by the people, for the people shall not perish from the earth."

One altered word would spoil the music of this passage. Yet Lincoln did alter the original as he spoke it. He added, true to his sense of reverence, as well as to his sense of rhythm, the two words "under God." If we read the speech first without the words, then with them, we get what may be called the Lincoln touch—Lincoln's instinct for perfection.

Lincoln did not need to copy. If he had wished to go to foreign sources to make up his own confession of faith, he still could not have done so. The tormenting pressure of life in the White House was too great. He had only himself to turn to, and in the resources of his own mind and heart, in his own experience, he found what he sought.

The committee in charge of the ceremonies had come near not inviting the President at all. Headed by Judge Wills, it overruled those who had objected that Lincoln might make a stump speech or otherwise mar the dignity of the occasion. They then invited him in a letter signed by Judge Wills in which he was asked to "formally set apart these grounds for their sacred use by a few appropriate remarks."

There could not be time for more than "a few remarks" after Everett's long speech. But Lincoln knew how to keep within the limits of the occasion. He knew how to compress into a 2-minute speech the whole philosophy of his life as he neared the crest of his career. He wrote and whittled at what he had written. The words must have been running through his mind for days. He prepared as he had done for his "house divided" speech, his Peoria address, his Cooper Union speech, his first inaugural, the debates with Douglas. Only now every word had to tell; not one syllable could be false. He sensed the importance of the "few remarks." Gettysburg, he knew, would be of momentous significance. He went out of his way to be there, and he intended to be heard.

Lincoln would not take the risk of being late or of arriving tired. To the proposal of Secretary Stanton that the special train leave Washington at 6 in the morning and reach Gettysburg at noon on November 19 he replied: "I do not like the arrangement. I do not wish to so go that by the slightest accident we fail entirely; and, at the best, the whole would be mere breathless running of the gantlet." The plan was accordingly changed to meet his wishes, and the Presidential party left Washington at noon on the 18th, reaching Gettysburg that evening.

There cannot be the slightest doubt that Lincoln left the White House with the text of his speech, substantially as he delivered it, in his pocket—and also in his head. Somewhere or somehow the second page was lost. When he reached Gettysburg he went to the Wills house and had dinner. Then he asked Judge Wills for a sheet of white paper, and on it wrote out from memory the missing part. Having done so, he took the two sheets and went over to the Harper house, where Secretary of War Seward was lodged, and showed them to him.

He had a real regard for Seward's literary taste—the New Yorker had suggested the substance of the last paragraph of the first inaugural. But Seward either made no amendments or corrections or Lincoln did not accept them. We know this because the next day, after Lincoln had spoken, Seward said: "He made a failure, and I am sorry for it." Seward was not the man to consider anything in which he himself had had a hand as a failure.

That same night Lincoln asked Judge Wills: "Mr. Wills, what do you expect of me tomorrow?" "A brief address," Judge Wills answered. Lincoln must have smiled to himself, for he had precisely what was asked for. It would not take long to deliver. The audience, already wearied by Everett's long oration, would not have time to grow restive.

Already Gettysburg was crowded with visitors, and a throng assembled in front of the Wills house and called for the President. After a long delay Lincoln appeared upon the Wills balcony. The words he is reported to have spoken show that he had no intention of firing away any of his ammunition before the proper moment arrived. "You must bear in mind," he said, "that we are in a great historical crisis; that I am an official representative of our country; that whatever I say will be subjected to keen criticism. Therefore I should only utter sentiments that have been carefully prepared. So good night." He went to bed and perhaps slept as well as he ever did in those uneasy years.

In the morning the procession moved to the cemetery, where a speakers' platform had been erected on the site of the future battle monument. The little town was almost as full as it had been a few months earlier when the two armies had fought in and around it. Thousands had come from all the country round within a radius of 50 miles. With Lydia, of Ephrata, on the platform near him, Lincoln sat calmly for 2 hours, while Edward Everett delivered what he intended to be the masterpiece of a long and varied life. He had prepared it in 2 months, then had asked an additional month's delay. It was the best that this man of great fame and high abilities had to offer. It was a good speech, outlining the events of the battle and full of a noble patriotism.

Lincoln listened, his own speech in his pocket—not, as someone familiar with the habits of his days as postmaster and lawyer has suggested, in his hat. When Everett had finished, a new hymn by Benjamin B. French was sung. It ended with the lines:

"This be our prayer—'Father, save
A people's freedom from its grave.'
All praise to Thee!"

Ward Hill Lamon, of Illinois, once Lincoln's partner, introduced the President, who rose quietly to his feet and walked to the edge of the creaking platform. Throughout the crowd the hats came off, out of respect for the office, perhaps even more because of something solemn and impressive in the attitude of the man himself. There may have been a momentary stir as the audience settled itself to listen. A hapless photographer had his head under the hood of his camera adjusting his lens. He didn't have time to get his picture, and when he pulled his head out the speech was over.

Accounts of witnesses as to the manner in which the words were spoken differ greatly. There is a whole literature of recollections of those who were there and who heard and saw from splendidly located nooks and corners near the platform, under the platform, with a fine view between the boards. A little girl who leaned her elbows on the platform and looked up into Father Abraham's face noted and long remembered. Leading men from the 18 States which had made the ceremony possible were on the platform, and most of them later wrote out their versions of what occurred—no two alike.

Of one thing we can be sure: Lincoln may have carried the manuscript in his hand, but he did not read the speech. The man who could read a poem of many lines and repeat it verbatim 20 years afterward, who could quote entire chapters of the Bible and long passages from Shakespeare, Burns, Bunyan, and Byron, who memorized the hour-long Cooper Union speech and other important addresses, had no trouble with these 270 words, written almost literally in his heart's blood. The speech was over almost before people realized that it had begun.

There were compliments after the ceremonies were over. Everett turned to Lincoln, exclaiming, "Mr. President, how gladly would I give my hundred pages to be the author of your 20 lines." Wayne MacVeagh declared, "Mr. President, you have made an immortal address." Lincoln turned the subject. To Lamon he said: "That speech won't scour." He was depressed; and though he did not realize it then, he was suffering from an illness which would keep him in bed for days after he got back to the White House.

The newspapermen reporting the speech had trouble in getting accurate copies, and they printed one or two queer versions. Not all the papers published the Gettysburg Address. Some were satisfied with the brief legend, "The President also spoke," or "The President delivered a few appropriate remarks." Since they had Everett's speech in advance but not Lincoln's, it is possible that many editors simply set up what they had on hand.

Such comment as there was varied. The New York Times spoke of Lincoln's "loud, clear tone of voice" and of his "very deliberate manner, with strong emphasis and a most businesslike air." The Patriot and Union, of Harrisburg, an opposition organ, spoke of the President's "silly remarks." The Chicago Times, also in opposition, called them a "silly, flat, and dishwatery utterance." The London Times, thundering the opinions of Britons who were longing to recognize the independence of the southern Confederacy, said: "Anything more dull and commonplace would not be easy to produce."

The comment made by Jacob, of Ephrata, to his wife, Lydia, we fortunately have in Lydia's own words. "Mr. Everett's oration was grand, wasn't it?" he said, as the two drove home. "I was sorry when he stopped. I'm glad we went to hear it—but, do you know, Lydia, I've been thinking it all over, and I've just about made up my mind that that little speech of Father Abraham's was the best of all. Yes, I think it was the best we ever heard." In time the world agreed with Jacob.

Lincoln made, all told, seven copies of the speech. With the exception of the words "under God," already alluded to, the differences are minor. The questions of autobiographic copies and

of alterations in the text have their interest for the curious. What matters in the long perspective is that Lincoln went to Gettysburg with a message which he was under inner compulsion to deliver, and that the heart of this message was "that these dead shall not have died in vain" and that there should be "a new birth of freedom." He heartened the North to endure a year and a half more of ghastly fighting, and he gave human liberty and its dead heroes the noblest tribute that ever came from human lips. His words became armies which marched and still march for freedom.

Embargo Against Munitions Shipments to Spain

EXTENSION OF REMARKS

OF

HON. GERALD P. NYE

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Monday, February 13, 1939

LETTERS PUBLISHED IN NEW YORK TIMES

Mr. NYE. Mr. President, during late January and early February a very interesting and informative series of communications was published in the New York Times, including letters from former Secretary of State Stimson, Mr. Martin Conboy, Mr. Charles C. Burlingham, Mr. Phillip Jessup, and finally a letter written by Mr. Conboy in answer to the last-named one. I count them as meriting a place in the CONGRESSIONAL RECORD. I have obtained an estimate of the cost of their publication, and I ask unanimous consent that they may be printed in the RECORD in the order referred to.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

[From the New York Times of January 24, 1939]

TEXT OF STIMSON LETTER ON EMBARGO

To the EDITOR OF THE NEW YORK TIMES:

I have been asked for my views concerning the present situation in Spain and the duties of our own Government and people toward that situation. The basic reasons which govern my views consist of simple and long-standing principles of American international conduct. They do not in the least depend upon ideological considerations which may or may not be involved in the conflict. On the contrary, they depend solely on the interest of our own country toward that conflict and its possible results.

First. The republican government of Spain (commonly termed the Loyalist Government) has been recognized as the true Government of Spain by our Government. The same decision has been reached by Great Britain, France, and a number of other countries. The principles upon which our Government acts in making such a decision have been well understood since the beginning of our history. They do not depend in any degree upon the internal structure of the government recognized or the domestic theories which control its relations to its citizens, whether they be Communist, Fascist, monarchical, or democratic.

SPAIN'S OWN AFFAIR

Such ideological internal relations are exclusively a domestic matter for Spain itself, into which foreign governments should not intrude. That is a fundamental rule of international relations. Thomas Jefferson expressed it well as long ago as 1792:

"We certainly cannot deny to other nations that principle whereon our own Government is founded, that every nation has a right to govern itself internally under whatever forms it pleases and to change these forms at its own will; and externally to transact business with other nations through whatever organ it chooses, whether that be a king, convention, assembly, committee, president, or whatever it may be." (Jefferson to Pinckney, Works, vol. III, p. 500.)

When our Government several years ago through our President determined that the Spanish Government in question had control of the administrative machinery of the state with the general acquiescence of its people and was able and willing to discharge international and conventional obligations, that Spanish Government became to us and all our citizens the true Government of Spain for the purpose of our respective international relations. By this decision we admitted it as a member of the family of nations which we recognized as our friendly neighbors in the world and vested it with all of the conventional rights and privileges which we accord to such friendly neighbors.

RIGHT TO FRIENDLY ASSISTANCE

Second. One of the most important of these rights which a state like Spain is entitled to expect from another government, which has recognized it as a friendly neighbor in the family of nations, is the right of self-defense against any future rebellions which may challenge its authority. History shows that almost every state, including our own, sooner or later in its history has to meet with the hazard of domestic strife within its borders, including an armed rebellion against its authority. In such a case the duty which the neighbor states owe to the member of the family whose authority has been challenged is perfectly well settled. It is that such a nation has the exclusive right to the friendly assistance of its neighbors by being permitted to purchase in their markets the necessary supplies and munitions for the purpose of putting down the rebellion; and, further, that no similar assistance shall be given to the rebels who have challenged its authority. Any such assistance to the rebels would be deemed a most unfriendly act—even a cause of war—against the mother state.

Third. No nation has gone further than the United States in sustaining this general right of a nation against which civil strife or rebellion has broken out. During our own great Civil War our Federal Government insisted that it alone had the right to purchase war materials in the world at large and made vitally needed purchases of war materials abroad.

"Had England undertaken to embargo arms to both the North and the South, the North might have lost the war." (Borchard, Neutrality for the United States, p. 337.)

In the case of rebellions among its neighbor states the United States has acted upon the same principle and has not only given assistance to their governments but has refrained itself from giving and has prevented its nationals from giving aid to the rebels. By the joint resolution of 1912, applying to this hemisphere and somewhat more widely extended in 1922, our President has been authorized to levy embargoes against supplying arms or munitions to rebels against the authority of friendly States. To mention only a few cases, such embargoes have been levied by our Government in the case of rebellions against Cuba in 1912, Mexico in 1912, 1923, and 1929, Nicaragua in 1921, and Brazil in 1930. In these and other cases we have recognized it as our duty to assist the government and to prevent assistance from our markets reaching rebels against that government.

Furthermore, in 1928 we executed and in 1930 ratified a general convention promulgated by the Sixth Pan American Conference between the American republics and covering generally this subject of the mutual rights and duties of states in the event of civil strife. This convention provided:

"ARTICLE 1. The contracting states bind themselves to observe the following rules with regard to civil strife in another one of them.

* * * * * * *

"3. To forbid the traffic in arms and war material, except when intended for the government, while the belligerency of the rebels has not been recognized, in which latter case the rules of neutrality shall be applied."

This treaty made the previously existing traditional practice a binding rule of conduct among its signatories.

MAINTENANCE OF RIGHTS

Fourth. During the Great War Secretary of State Lansing took occasion to point out why the United States was so insistent on maintaining this right of a government to buy arms and munitions in the markets of the world, whether in cases of domestic strife or of general war. As he pointed out, it was because our Nation, being a peaceful and generally unarmed nation, would have found any other rule of law most dangerous to its own safety.

"Secretary Lansing declared that the United States had from the foundation of the Republic * * * advocated and practiced unrestricted trade in arms and military supplies, because it had never been the policy of the Nation to maintain in time of peace a large military establishment or stores of arms and ammunition sufficient to repel invasion by a well-equipped and powerful enemy, and that in consequence the United States would, in the event of attack by a foreign power, be * * * seriously, if not fatally, embarrassed by the lack of arms and amunition. * * * 'The United States has always' Lansing said, 'depended upon the right and power to purchase arms from neutral nations in case of foreign attack. This right which it claims for itself, it cannot deny to others.' He contended that a nation whose policy and principle it was to rely upon international obligations and international justice to preserve its political and territorial integrity might become the prey of an aggressive nation whose policy and practice it was to increase its military strength during times of peace with the design of conquest, unless the nation attacked could * * * go into the markets of the world and purchase the means to defend itself against the aggressor." (Hyde, International Law Chiefly as Interpreted and Applied by the United States, vol. 2, at p. 752.)

BELLIGERENCY NOT RECOGNIZED

Fifth. Thus under the rules of international law governing cases of insurrection against a government whose status has been recognized by its neighbors, the government itself is the only party which will be permitted to purchase arms and ammunition abroad, and any assistance to the rebels would be a violation of such international law, an unfriendly act against their government. Until the insurrection has progressed so far and successfully that a state of belligerency is recognized by the outside nations, no rules of neutrality apply. The only party recognized as lawful is the mother government at which the insurrection is aimed. In the case of Spain no such belligerency has been recognized by us or by Great Britain or by France. Under such circumstances any attempt to treat the situation as embodying the duty of neutrality is based upon a complete misconception of the rules of international law.

Prof. Edwin Borchard, in his study on Neutrality and Civil Wars, Thirty-first American Journal of Law, at pages 304 and 305, has thus expressed the situation:

"International law requires the United States to treat the elected government of Spain as the lawful government of Spain, and, until the belligerency of the rebels is recognized, as the only government entitled to receive the assistance of the United States in suppressing armed opposition. * * * This embargo against Spain was thought to be neutrality legislation, but it seems more likely the precise opposite."

EXPERIMENTS REVERSED PRACTICE

Sixth. The foregoing was the well-established practice of the world governing rebellions which occurred in the family of nations, when on July 19, 1936, the present revolt in Spain broke out against the republican government which we had recognized. Instead of following the rules of law which had theretofore been established with practical unanimity, a series of novel experiments were attempted on both sides of the Atlantic. These have resulted in a complete reversal of the preexisting law and practice.

In Europe the conflict in Spain excited apprehension for fear that other nations might either be dragged in or voluntarily come in to fish in troubled waters. The totalitarian states, both Fascist and Communist, were apprehended to be aggressive and likely to intervene. In fact, rumor attributed to them a share in the instigation of the Franco revolt. Accordingly, in September 1936, under the leadership of Great Britain, a special agreement of nonintervention was engineered among the neighboring nations to Spain in the hope that the conflict might be localized and the danger of its spread prevented. The first thing to be said about this agreement was that it was a complete abandonment of a code of practice which the international world had adopted through preceding ages as the best hope of achieving the same purpose and minimizing the spread of disorder. International law is the product of the efforts and experience of the nations aimed to promote peace and stability.

In the second place, however well intentioned it may have been, an experiment based upon the promises of the totalitarian states was more wishful than sensible. Those states had already progressed too far along the primrose path of treaty violation and the nonintervention agreement at once became a mockery and a failure. The only nations which have observed the nonintervention agreement have been the ones from whom the danger of intervention was not apprehended—Great Britain and France. Italy and Germany, while ostensibly accepting the obligations of the covenant, have continuously and flagrantly violated it. At the present moment Italy is openly avowing its effective participation of the side of Franco. She is openly pushing every effort to bring the strife to a conclusion in favor of the rebels.

Thus the nonintervention agreement has simply resulted in closing to the recognized government of Spain those world markets for supplies and munitions which under the law of nations she had a right to depend upon and to have open to her purchases. It has not prevented supplies from going to the rebels who, under international law, have no right to them. Not only have the rebels been receiving arms and munitions but, as everybody now knows, they have actually received organized Italian troops in large quantities conducting for them a very large share of the fighting.

OUR INTERESTS REMOTE

Seventh. On our side of the Atlantic there has been even less excuse for a departure from law, for we have been far remote and our interests were very unlikely to be seriously affected by the war in Spain. If we had continued our former practice and permitted the Government of Spain to make purchases in this country of arms and munitions, as we had done in the many cases which I have cited, there was no real danger that those purchases would have aroused any resentment against us from which we need have any apprehension. As a matter of fact, our Government has continued under our silver purchase law to make large purchases of Spanish silver from the Spanish Government which undoubtedly have assisted that Government in its conduct of the war. Such purchases have not even attracted attention in the press, let alone aroused hostile acrimony against us.

In any event, we should have been following the law and could have given critics a perfectly good reason for our action. To assert that such a course of self-respecting adherence on our part to a historic policy of international law could have dragged us into war in Europe does not speak well for the balanced judgment of those who make the assertion.

But our Congress, not altogether unnaturally, may have been influenced by a desire to support the objectives of the nonintervention agreement which had just been entered into in Europe, and at that time Congress may not have foreseen that this agreement would not be faithfully observed. Congress may not have foreseen that instead of becoming a means of equal treatment toward both sides of the combatants in Spain, it would become an engine of glaring favoritism toward one side alone—the Rebels—and that the legitimate Spanish Government which by law was the only side entitled to buy arms would eventually become the only side which was unable to buy arms. At all events our Congress in January 1937 passed a temporary resolution applying an embargo to the sale of arms to both the combatants in Spain. And on May 1, 1937, this temporary resolution was superseded by Public Resolution No. 27. By the language of that resolution the exportation of munitions to any foreign State was prohibited on a proclamation by the President that "a state of civil strife exists * * * and that such civil strife is of a magnitude or is being conducted under such conditions that the export of arms * * * would * * * endanger the peace of the United States." On the same day, May 1, 1937, the President imposed the present embargo against Spain.

TRADITIONS ABANDONED

Eighth. The results have shown how futile as well as dangerous novel experiments in international law can be. The United States on its part has abandoned a traditional policy to which for a century and a half it had carefully adhered as a means of protecting the peace and stability of nations which, like itself, preferred to live not armed to the teeth. It is likely sorely to rue the day when that principle was abandoned and when it consented to a new precedent which may hereafter weight the scale in favor of a militaristic and thoroughly armed nation.

On the other hand, the progress of events during the past 2 years in Spain has served to demonstrate the vitality of the Loyalist Government and thus has tended to confirm the correctness of our Government's decision when we recognized that Loyalist Government as representative of the people of Spain.

To an extent which probably few anticipated, that Loyalist Government has succeeded in defending itself not only against a surprise attack by its own rebellious army, but against a powerful combination of aggressive interveners by land and sea and air. By so doing it has furnished strong evidence of its vitality and of the fact that it must be supported by the great mass of the people within its territory. Starting without an army of its own, forced to organize and train its raw militia, conspicuously lacking in the powerful modern guns, planes, and other munitions which have been available to its opponents, it has for many months been putting up a most surprising and gallant defense against opponents who have had every advantage in the way of land and naval organization and who are illegally aided both on land and on sea by powerful organized forces from Italy and Germany.

If this Loyalist Government is overthrown, it is evident now that its defeat will be solely due to the fact that it has been deprived of its right to buy from us and other friendly nations the munitions necessary for its defense. I cannot believe that our Government or our country would wish to assume such a responsibility.

POWER WITH PRESIDENT

Ninth. In short, I have come to the conclusion that the embargo imposed under the resolution of May 1, 1937, should be at once lifted by the President. By its terms I believe he has the power to take such action. The change in the international situation during the past 2 years would justify such action by him. The embargo, which by the terms of the law authorizing it was intended as a protection against conditions which would endanger the peace of the United States, is now shown by the events of the past 2 years to be itself a source of danger to that peace. Any danger that may come to the people of the United States from the situation in Spain would arise not from any lawful sale of munitions in our markets to the Government of Spain but from the assistance which our embargo has given to the enemies of Spain. It is the success of the lawless precedents created by those enemies which would constitute our real danger. There is no reason why we should ourselves facilitate and accentuate that danger. There is still less reason why we should violate our own historic policy to do so. The prestige and safety of our country will not be promoted by abandoning its self-respecting traditions, in order to avoid the hostility of reckless violators of international law in Europe.

HENRY L. STIMSON.

NEW YORK, *January 23, 1939.*

[From the New York Times of January 26, 1939]

MARTIN CONBOY'S LETTER IN REPLY TO STIMSON, OPPOSING EMBARGO CHANGE

JANUARY 24, 1939.

To the EDITOR OF THE NEW YORK TIMES:

In his letter to the New York Times published in your issue of today Mr. Henry L. Stimson presents his views "concerning the present situation in Spain and the duties of our own Government and people toward that situation." He adds that "the basic reasons which govern my views consist of simple and long-standing principles of American international conduct," and he advocates the lifting of the embargo on arms to Spain by Presidential proclamation. My own view of the matter differs in that I consider the American reason for keeping the Spanish embargo is that it conforms to our national neutrality policy, and further, that, irrespective of whether it should or should not be maintained, the embargo can only be removed by the repeal by Congress of a joint resolution of Congress adopted on January 8, 1937.

The neutrality policy of this country was established when the United States were formed as a separate nation. The policy was declared by the first President of the United States. It was enacted in one of the first laws adopted by the Congress of the United States. The policy has never been narrowed. Whenever there have been any modifications of it they have all been by way of enlargement to make it more effective.

The policy has been extended to include the prohibition of the sale of arms and munitions of war. Coming to recent instances, the neutrality law, passed August 31, 1935, made the export of arms, ammunition, and implements of war from the United States to any belligerent state unlawful whenever the President found that there existed a state of war between two foreign states. Within a month after this enactment the Italian attack on Ethiopia began. On October 5, 1935, President Roosevelt issued two proclamations, one forbidding shipment of munitions to the belligerents, the other

giving notice that American citizens could travel on belligerent ships only at their own risk.

PRESIDENT LACKED AUTHORITY

When civil war broke out in Spain, July 1936, the President had no authority to lay an embargo on the exportation of munitions and implements of war to Spain for the use of either side, because the then existing neutrality legislation did not apply to a condition of civil war.

Nevertheless, the established policy of the United States was opposed to such traffic and, accordingly, on August 7, 1936, the Assistant Secretary of State informed all American consular representatives in Spain that "in conformity with its well-established policy of noninterference with internal affairs in other countries, either in time of peace or in the event of civil strife, this Government will, of course, scrupulously refrain from any interference whatsoever in the unfortunate Spanish situation." No licenses were issued by the Federal Munitions Control Board and none, in fact, was sought, until December 1936. Then an American company applied for a license to export airplanes and engines to the Loyalist Government of Spain. The Board, which had refused licenses for the exportation of arms and munitions to Italy and Ethiopia during the war between those countries, was without authority in law to refuse licenses to ship such articles to Spain.

The editor of the British Year Book of International Law, 1937, commenting upon this situation, says:

"With evident regret, therefore, the board felt obliged to issue the licenses in the present case, and it did so. The President publicly expressed his disapproval of the action of the Cuse Co. in refusing to comply with the Government's nonintervention policy, although he admitted that the company was within its legal rights in shipping the airplanes and engines to the Spanish Government. At the same time he caused the various governments of Europe most directly concerned to be informed of his sincere regrets and of the intention of the Government of the United States to continue to pursue a policy of strict neutrality in the present civil war."

The President publicly characterized as "unpatriotic" such shipments as had been made and deprecated "the unfortunate noncompliance by an American citizen with this Government's strict nonintervention policy."

JOINT RESOLUTION

Thereupon, on January 8, 1937, Congress passed a joint resolution. This is a special act to stop the exportation of arms and munitions to Spain. It is founded on the well-established policy of the United States which had been violated by the shipments made before there was any statute prohibiting them. It reads—

"That during the existence of the state of civil strife now obtaining in Spain it shall from and after the approval of this resolution, be unlawful to export arms, ammunition, or implements of war from any place in the United States to Spain or to any other foreign country for transshipment to Spain or for use of either of the opposing forces in Spain."

The embargo specifically laid by this resolution can be lifted only upon proclamation by the President that the state of war has ceased to exist.

The next step in the expression by Congress of our well-established principle of neutrality was the writing into our neutrality statute by joint resolution adopted May 1, 1937, of a general provision relating to civil strife in any foreign country. The President was thereby authorized to establish an embargo by proclamation upon a finding by him that a state of civil strife existed in such country and "that such civil strife is of a magnitude or is being conducted under such conditions that the export of arms, ammunition, or implements of war from the United States to such foreign state would threaten or endanger the peace of the United States."

Upon the same day the President acting under the authority of that joint resolution issued a proclamation with relation to Spain admonishing all citizens and residents of the United States to abstain from the exportation of arms, ammunition, or implements of war from any place in the United States to Spain or to any other State for transportation to or for the use of Spain under the penalties provided for in this statute. This proclamation had no effect upon the embargo existing under the joint resolution of January 8, 1937, except to permit the President to invoke certain administrative powers given him by the later resolution which had not been contained in the earlier one.

Mr. Stimson, in his letter to the Times, refers to the joint resolution of January 8 as a "temporary resolution," which he says "was superseded" by that of May 1. Upon that assumption he continues by saying that "the embargo imposed under the resolution of May 1, 1937, should be at once lifted by the President. By its terms I believe he has the power to take such action." But Mr. Stimson ignores the fact that the President has not the power to lift the embargo which was imposed by Congress in its joint resolution of January 8, 1937, until the state of civil strife has ceased in Spain.

STATEMENT FROM HULL

Secretary of State Hull, undoubtedly with the advice of the eminent legal staff in his office, and probably also under the advice of the Department of Justice, wrote, on March 21, 1938, to the president of the Foreign Policy Association, New York, the following:

"It is manifest that the state of civil strife in Spain described in the joint resolution of Congress of January 8, 1937, has not ceased to exist. Accordingly, even if the proclamation of the President of May 1, 1937, were to be revoked (lifting the embargo under the general resolution of that date) the prohibition upon the export of arms, ammunition, and implements of war to Spain laid down in the joint resolution of Congress approved January 8, 1937, would still remain in effect."

This conclusion necessarily follows from the well-settled rule of statutory construction that when there are two statutes upon the same subject, the earlier being special and the later general, the special statute remains in force in the absence of an express repeal or absolute incompatibility.

Mr. Stimson stresses what he claims to be the duty of this country toward "the recognized Government of Spain." In his argument based thereon he ignores the purpose of our neutrality policy, which is to keep us out of European disputes. It does not make the slightest difference whether the situation is a state of war between two nations or a state of civil war, where aiding by supplying arms to either or both parties to the war will be productive of danger to our peace.

There is a condition of civil war in Spain. After 2 years of fighting the insurgents are in control of 35 of the 50 Provinces in Spain, and more than half of the population of the country is within the territory they control. Sympathy with one side or the other has no more to do with the invocation and applicability of our policy than would sympathy as between two warring nations. When two nations are involved in war it makes no difference, so far as our policy is concerned, whether we sympathize with one or the other. Our neutrality policy is to assist neither.

This is not the first time the United States has been urged to adapt its neutrality policy to the preference of some of our citizens for one or other of foreign combatants. Washington had to face exactly that difficulty. France had been on our side in the Revolution. France, at war with England afterward, presumed upon that friendship by acts inconsistent with our neutrality. And Washington refused to have our policy of neutrality so invaded.

So, likewise, when a condition of civil strife exists, our established policy of neutrality is equally applicable. The converse of neutrality is assistance to one or another of the belligerent parties. In short, the change demanded by those who favor the lifting of the present embargo under the circumstances would mean an affirmative act of aid and assistance in favor of one of the belligerent parties as against the other.

THREAT TO PEACE

In the present instance insistence upon maintenance of the integrity of our well-established policy of neutrality and upon the lack of power of the President to lift the embargo imposed by Congress in its resolution of January 8, 1937, need not preclude us from inquiring whether, if the matter were one of mere temporary expediency, the President was well advised in affirming that the export of arms and munitions does tend to threaten or endanger the peace of the United States.

Within limits there can be no complaint against those who hold that the cause of one of the parties to the civil strife in Spain is better than the cause of the other party. Those who are endowed with sight and hearing are aware that the minds of men and women are occupied with the relative merits of the various political cults now popular in Europe.

Where might this lead us? Congress knew by experience how easy it is for the acts of citizens to get us into a situation in which the peace of the United States would be endangered. How to avoid being led into a situation of that kind was a more difficult problem.

We had been in very much the same position 20 years before when the World War started in 1914. We knew the United States had no part in the maneuvers that precipitated the declaration of war. And we knew, also, that partly through what we did ourselves, and might have refrained from doing, we were drawn irresistibly into the war before it ended.

Just how and why the United States did get into the Great War has been the subject of innumerable volumes. But there were some facts concerning which Congress could not be in doubt.

We did take contracts for arms and munitions, and whether by our own choice or because the control of the seas left us no choice we did supply, without limit or restraint, arms, munitions, contraband of war, to one set of contestants. We did take pay for all this in securities of one set of belligerents. And we thereby exposed ourselves to the enmity of the other side. We had made ourselves in their eyes their potential enemies, and were exposed by our own acts to retaliation by them if the end of the war left them in position to retaliate.

WORLD WAR ACHIEVED NOTHING

When we had been drawn into the war by the inexorable logic of events and had come out of it as participants in victory, we found we were left with billions of debt. We paid, or we are still paying, a large portion of the cost of the war. What we lost in lives and in the wrecked lives of our wounded, and in the care of these latter, likewise go into the account.

We achieved nothing for ourselves, nor did we succeed in bringing peace to Europe as was evident in 1935 and is still more evident now.

Congress surely was justified in insisting that we must try to avoid like consequences of avoidable errors. They thought it well, while we could still do so without being under the influence of the passions that such a war in Europe must engender among us, even if we were not participants, to take thought about those actions of our own that could be identified as having in any considerable measure been contributory factors to our entry into that war.

The legislation that resulted in 1935, amplified in 1937, undoubtedly represented the sober judgment of the American people.

We made these enactments in development of our well-established policy to safeguard the peace of the United States. We made them because we concluded, by our costly experience, that our established policy had to be extended.

We abandoned the profitable business of selling arms and munitions. We abandoned the more deceptive expectation of profits from lending money on Government securities. We put behind us the indignation aroused by loss of lives that came from traveling on ships of belligerent nations. We cut clear of all the disputes that came when a neutral nation tried to maintain its place on the sea against the action of belligerents. And we decided that the favor and profit to be drawn from belligerents benefiting by our arms, munitions, and credits was too dearly bought at the price of the threat and danger to the peace of the United States involved in such transactions.

It is true that in the neutrality legislation of 1935 and 1937 the major preoccupation of Congress was directed to the possibility of a world war. But as long ago as 1912, having in mind the supreme desirability of peace in this hemisphere, Congress provided for embargoes upon the exportation of arms or ammunition "whenever the President shall find that in any American country conditions of domestic violence exist which are promoted by the use of arms or munitions of war procured from the United States."

ARMS PROHIBITIONS

By an amendment of 1922 the resolution was extended to include, in addition, "any country in which the United States exercises extra-territorial jurisdiction," and the President's authority was broadened by authorizing him to include cases where conditions of domestic violence "are or may be" promoted by the use of munitions procured from the United States.

Under this law proclamations have been issued prohibiting shipments of arms to Mexico, to China, to Honduras, to Cuba, to Nicaragua, and to Brazil.

On May 28, 1934, the sale of arms and munitions of war to Paraguay and Bolivia, then engaged in armed conflict in the Chaco, was prohibited.

When these laws were adopted the United States was not the only possible purveyor of arms and munitions. But the United States did not make its policy contingent upon adoption of the same policy by others.

Need we be surprised, therefore, that when the Spanish civil war developed Congress expressed no concern for the fact that arms and munitions could be purchased elsewhere by one or both of the parties to the civil strife. The peace of the United States was held to be of greater importance than the competition in manufacture and sale of arms.

We are to suppose that Congress had in mind something other than a theoretical gesture, and that the President when he said he found a condition that would threaten and endanger the peace of the United States if we sent arms to Spain meant just what he said.

There is no need for doubt on that point.

There were present all the elements necessary to "threaten and endanger the peace of the United States" sooner or later, and to threaten and endanger it not in relation to Spain alone but to the much more potent forces that have transformed all Europe into armed camps.

So far as the United States could go to avoid being drawn into danger by acts of its own, Congress and the President were bound to go, and the people of the United States resolutely desired them to go.

REBELS BOMB FOREIGN SHIPS

If we were to seek evidence that the precautions then taken were well advised, we have only to recall the bare outlines of what has happened since. A Norwegian ship had been sunk in December 1936; a French ship bombed in January 1937; three British ships in February, and two French ships in March. The bombing of French and British ships in the harbors of Barcelona and Valencia has been a frequent feature of the news during the past 2 years.

We in the United States can be well content to have no immediate interest in such news. Nor can we limit this consideration to the civil strife in Spain as a separate entity. We must recall that week in September last when peace and war hung in the balance and when the frontier between France and Spain was plainly marked as one of the battlegrounds included in the plans of the two great rival forces that from hour to hour seemed likely to be engaged in a conflict by which European civilization would have been destroyed.

The threat of general war has not yet passed. And yet, with that danger facing us, with the prospect that the utmost exertion may be required to maintain the security of the United States in the midst of a toppling civilization, there are those who seriously and with unaccountable insistence demand that our well-established policy shall now be reversed.

It is demanded that legislation designed to keep this Nation at peace shall be replaced by legislation that would lead to our again being trapped into war.

In my humble judgment, the people of the United States will have none of it.

Conditions that "would threaten and endanger the peace of the United States" are not to be lightly passed over, even if the desire of those who seek the change is to improve the chances of one of the contending elements in the Spanish strife.

Our preferences, either as to Spain or as to the world at large, may be as the poles apart, but when it comes to endangering deliberately the peace of the United States over the quarrels of other peoples, the solid good sense of the American people is certain to prevail.

Yours truly,

MARTIN CONBOY.

[From the New York Times of January 31, 1939]

TEXT OF REPLY OF BURLINGHAM AND JESSUP TO CONBOY'S LETTER

To the EDITOR OF THE NEW YORK TIMES:

Martin Conboy's letter, published in your issue of January 26, contains statements which cannot remain unchallenged as a basis for the immediate policy of the United States toward Spain or for the future policy of this country. Mr. Stimson's letter, which Mr. Conboy seeks to rebut, is in itself the answer to some of Mr. Conboy's arguments, but others of them are directed to points on which Mr. Stimson did not elaborate.

Mr. Conboy starts from the fundamental fallacy that the existing embargo on exportation of arms to Spain rests upon the historic neutrality policy of the United States. It is surprising that so able a lawyer should be thus misled by the popular misuse of the confusing and inaccurate label of "neutrality act" which has been pinned on the joint resolution of May 1, 1937. The joint resolution of January 8, 1937, dealing specially with Spain, is not even popularly called a "neutrality act" and cannot be so considered.

BELLIGERENCY UNRECOGNIZED

It is elementary that the historic neutrality policy of the United States formulated by Washington and Jefferson was designed to protect the rights and to enforce the duties of the United States when we were neutral during a foreign war. The Spanish arms-embargo resolution sought neither to protect neutral rights nor to fulfill neutral duties. Our neutrality statutes as enacted from the earliest days of this country down to the present do, of course, apply to civil wars, but, with the exception of provisions to prevent organizing hostile expeditions in our country, only when the United States has recognized the belligerency of the contending forces.

Neither the United States nor other governments have recognized the belligerency of the Franco or the Loyalist forces. We know that Franco has repeatedly sought to obtain such recognition and that it has constantly been denied to him. When there is no belligerency there is no neutrality, and when there is no neutrality there is no neutral duty or neutrality policy.

In 1895 Attorney General Harmon gave an opinion concerning the shipment of arms to Cuba, where there was then a rebellion against Spain. He told the Secretary of State:

"International law takes no account of a mere insurrection, confined within the limits of a country, which has not been protracted or successful enough to secure for those engaged in it recognition as belligerents by their own government or by foreign governments. * * *

"Neither Spain nor any other country has recognized the Cuban insurgents as belligerents. They are, therefore, simply Spanish citizens with whom Spain is dealing within her own borders, and the fact that, by common report, they are engaged in armed resistance to her authority is merely a circumstance of suspicion to be considered in any inquiry which may be had concerning the conduct of persons within the United States who may be suspected of hostile intentions toward Spain. * * *

APPLICABLE TO SPAIN

Substitute "Franco" for "Cuban" and that opinion is applicable to the existing situation in Spain. Similarly, when civil war was raging in Mexico in 1912, Secretary Bryan wrote to the Mexican Ambassador as follows:

"* * * I am constrained to call to your attention the obvious fact that since there is now no recognized state of belligerency in Mexico, the rules and laws governing warfare and the conduct of neutrals are not involved. In other words, under the present situation, so far as the commerce of Mexico with other countries is concerned, the status is one of peace and no interdiction of any kind exists against commerce in any form outside the jurisdiction of Mexico.

"The duties of neutrality under the law of nations cannot be either expanded or constricted by national legislation."

These statements represent the traditional policy and the sound legal position of the United States in regard to foreign civil wars. There have been a large number of revolutions and civil wars in European countries since the United States became a Nation, but in no one of them have we adopted an embargo act like the joint resolution of January 8, 1937. Far from being consistent with traditional American policy, it is a distinct departure from it.

In regard to Latin-American civil wars, our policy has been different; but it by no means fits the picture which Mr. Conboy paints. He refers to the joint resolution of 1912 which empowered the President to impose embargoes upon shipments of arms to Latin-American countries in which civil war existed. He refers also to the amendment of 1922, which extended this power to cover countries in which we have extraterritorial rights—notably China.

He apparently failed to notice Mr. Stimson's brief sketch of the actions taken under those resolutions. Nor did Mr. Conboy point out the fact that in most instances those embargo acts have been applied to help the recognized government to put down the rebellion.

President Taft used the joint resolution of 1912 shortly after its passage to help the recognized government of Mexico and to keep supplies from going to the rebels. In 1914 President Wilson raised the embargo when he found that it hampered the Carranza government from getting arms across the American border while his opponent, Huerta, controlling the Atlantic ports, was able to import them freely from Europe. This is a clear analogy to the present Spanish situation in which Franco, controlling the coast, imports his arms from Italy and Germany.

COOLIDGE PRECEDENT

Under President Coolidge the United States sold arms to the Mexican Government while forbidding shipments to the Mexican revolutionists. Secretary Hughes declared that "the refusal to aid the established government would have thrown our moral influence upon the side of those who were challenging the peace and order of Mexico and we should have incurred a large responsibility for the consequent disturbances. We were * * * exercising our undoubted right to sell arms to the existing government." Secretary Kellogg followed a like course.

In 1926 President Coolidge, when civil war broke out in Nicaragua, first embargoed all shipments to that country, but when he found that the revolutionists were obtaining arms from other countries, he informed the recognized Nicaraguan Government that licenses would be issued for shipments of arms to it. "It would be thoroughly inconsistent," he told Congress, "for this country not to support the government recognized by it while the revolutionists were receiving arms and munitions abroad."

In 1930 the United States followed the same policy in regard to Brazil, Secretary Stimson declaring that it was "our regular action under similar circumstances. * * * We are acting according to general principles of international law. Those principles declare that where we are in friendly relations, through diplomatic channels, with a government which has been recognized as the legitimate government of a country, that government is entitled to the ordinary rights of any government to buy arms in this country; while the people who are opposing and trying to overthrow that government and are not yet recognized as belligerents are not entitled to that right."

This action was justified by the Pan-American Treaty signed at Habana in 1928 and since ratified by the United States. This treaty is not mentioned by Mr. Conboy, although it was mentioned by Mr. Stimson. Spain, to be sure, is not a party to it and it therefore does not control the action of the United States with respect to Spain but it is nonetheless a convincing illustration of our policy on this subject.

ARMS FOR REBELS BANNED

By the treaty we agreed "to forbid the traffic in arms and war material, except when intended for the government, while the belligerency of the rebels has not been recognized, in which latter case the rules of neutrality shall be applied."

To summarize, it may be said that the policy of the United States in foreign civil wars has been—

When the civil war was in Europe, to do nothing in the way of restricting the commerce in arms;

When the civil war was in Latin America, to prevent arms from reaching the rebels but to help the recognized government to obtain them.

Why, then, did Congress pass the Spanish arms embargo resolution of January 8, 1937? Secretary Hull has authoritatively stated the reason in his letter to Senator PITTMAN on May 12, 1938. In that letter he referred to the formation in Europe of the Spanish nonintervention committee. The law of January 8, 1937, was designed to enable the United States to assist in this policy of nonintervention. As Mr. Stimson pointed out, the nonintervention agreement was "flagrantly violated" by Italy and Germany and "at once became a mockery and a failure." The specific reason for passing a law contrary to our historic policy has therefore ceased to exist.

Mr. Conboy also takes up the joint resolution of May 1, 1937, commonly miscalled the Neutrality Act. Mr. Stimson, in his letter, gave his opinion that this general law, which provides for all cases of civil strife that may affect the peace and safety of the United States, superseded the specific resolution of January 8, which applied only to the Spanish civil war.

SUPREME COURT RULING

This opinion Mr. Conboy sweeps away by invoking a canon of statutory construction that a general law does not repeal a special law "in the absence of an express repeal or absolute incompatibility." But canons of construction are not absolute rules of law; they are only generalizations designed to aid courts in determining legislative intent. Moreover, the canon invoked by Mr. Conboy cannot be stated in such sweeping terms.

The Supreme Court of the United States has said that "if the latter act covers the whole subject of the first, and embraces new provisions, plainly showing that it was intended as a substitute for the first act, it will operate as a repeal of that act" (*United States* v. *Tynen*, 11 Wall. 88).

The standard treatise on statutory construction quotes the following as a summary of the general principle touching implied repeals: "Where the later or revising statute clearly covers the whole subject matter of antecedent acts, and it plainly appears to have been the purpose of the legislature to give expression in it to the whole law on the subject, the latter is held to be repealed by necessary implication" (Sutherland, vol. I, p. 465).

It seems clear that the law of May 1, 1937, did cover the whole subject of civil strife in foreign countries which had been dealt with in a particular way in the preceding law of January 8.

The Supreme Court has also declared that "As a general rule it is not open to controversy, that where a new statute covers the whole subject matter of an old one, adds offenses, and prescribes different penalties for those enumerated in the old law, that then the former statute is repealed by implication; as the provisions of both cannot stand together" (*Norris* v. *Crocker*, 13 How., 429).

The law of May 1, 1937, changes the penalties prescribed in the law of January 8 by adding to them a provision for the forfeiture of the property exported in violation of the law and of the vessel or vehicle containing the same. It also, by section 6, makes it a penal offense for an American vessel to carry the arms, etc., enumerated in the President's proclamation. Furthermore, the law of January 8 empowers the President to put an end to the embargo only when he finds that "the state of civil strife now obtaining in Spain" has "ceased to exist." On the other hand, the law of May 1 authorizes the President to repeal the embargo if he finds that a state of civil strife still exists but that the character of that strife has changed.

INTENT OF CONGRESS

What is the evidence of the intent of Congress? The so-called Neutrality Acts of 1935 and 1936 dealt only with international wars, not with civil wars. When the Spanish War broke out, therefore, our statutory law was not applicable and for the reason already stated Congress passed the Spanish Embargo Act of January 8, 1937.

In reporting to the Senate the bill which became the so-called Neutrality Act of May 1, 1937, the Senate Foreign Relations Committe said that the new bill "does extend the provisions of the existing law to foreign states wherein civil strife exists of such a magnitude and conducted under such conditions that the export of arms, ammunition, and implements of war from the United States to said foreign state would threaten and endanger our peace."

The provisions of the resolution of May 1, 1937, were evidently designed to prescribe the rules to be followed in all cases of civil strife and those rules were different from those in the resolution of January 8. The President must have assumed that this law of May 1, 1937, superseded and repealed the law of January 8. That earlier law had itself imposed an embargo on shipments of arms to Spain and had specified the articles embargoed. Yet on May 1, the day the later act was passed, the President issued his proclamation under the law of that date. The proclamation declares that:

"Whereas section 1 of the joint resolution of Congress approved May 1, 1937 * * *" authorizes him to proclaim an embargo when civil strife in a foreign state is of such character as to make it necessary to preserve the peace of the United States, therefore, he finds that the civil strife in Spain was of the character contemplated by the law, and accordingly he proclaimed an embargo. He specifically enumerated, as required by the law of May 1, the articles which were covered by the proclamation.

If the embargo imposed by the law of January 8, 1937, was still in force after May 1, why should the President proclaim another embargo? And if the law of January 8 still controlled the situation regarding exports to Spain, how could the President add many new articles which that law did not ban when that law gave him no authority to change the lists?

AVOIDING INTERVENTION

The conclusion is inevitable that the President believed that the law of May 1 superseded the law of January 8, as Mr. Stimson claims that it did. No congressional voice was raised in opposition to that conclusion thus publicly evidenced. Great weight, says the Supreme Court, "will be given to the contemporaneous construction by department officials, who were called upon to act under the law and to carry its provisions into effect" (*United States* v. *Hill*, 120 U. S. 169). The President's action was contemporaneous and outweighs the contrary position publicly announced 10 months later by Secretary Hull.

One further point: The law of May 1, 1937, provides that "whenever, in the judgment of the President, the conditions which have caused him to issue any proclamation under the authority of this section have ceased to exist he shall revoke the same. * * *"

As already pointed out, the conditions which caused him to issue his proclamations were the existence of the Nonintervention Committee in Europe and the belief that the United States might become involved if it stood out against that cooperative effort and thus caused its defeat.

The effort has been defeated by Mussolini and Hitler; the basic conditions have changed and the revocation of the embargo by the President would be fully in accord with the statute. It would further mark a return to our historic policy of avoiding intervention in European civil wars by following a strict hands-off policy instead of taking affirmative action which, as events have demonstrated, inevitably affects the outcome of a struggle in which we profess not to be concerned.

CHARLES C. BURLINGHAM.
PHILIP C. JESSUP.

NEW YORK, *January 30, 1939.*

[From the New York Times of February 2, 1939]

SECRETARY HULL ON EMBARGO—HIS OPINION ON THE JOINT RESOLUTION IS CITED BY MR. CONBOY

To the EDITOR OF THE NEW YORK TIMES:

In their letter to the New York Times, published in your issue of today, Charles C. Burlingham and Philip C. Jessup seek to dispose of an enactment of Congress by the pronouncement that "the conclusion is inevitable that the President believed that the law of May 1 superseded the law of January 8, as Mr. Stimson claims that it did."

If the conclusion is inevitable, one would expect the Secretary of State so to regard it. If the belief of the President had been as stated, how could the Secretary of State have expressed the contrary belief?

And yet Secretary Hull is publicly on record with an unqualified declaration that if the proclamation of the President of May 1, 1937, were to be revoked, the act of Congress of January 8, 1937, would still remain in effect.

CHANGE CALLED UNWARRANTED

Secretary Hull wrote this in a letter to Raymond Leslie Buell. The letter was published in the New York Times of March 23, 1938. The following quotations from the Secretary's communication will suffice to dispose of the unwarranted assumption indulged in by Messrs. Burlingham and Jessup as to the President's belief. Secretary Hull writes:

"After careful consideration of all the facts, I am of the opinion that there has been no change in the situation in Spain such as to warrant the President in revoking his proclamation of May 1, 1937, prohibiting the exportation of arms, ammunition, or implements of war to that country.

"Furthermore, I desire to call your attention in this connection to the provisions of another joint resolution of Congress, approved January 8, 1937, which is likewise still in force."

And later in the same letter:

"Even if the proclamation of the President of May 1, 1937, were to be revoked, the prohibition upon the export of arms, ammunition, and implements of war to Spain laid down in the joint resolution of Congress approved January 8, 1937, would still remain in effect."

HOLDS RESOLUTION WOULD STAND

Therefore, we have Messrs. Burlingham and Jessup urging the President to revoke the proclamation of May 1, 1937, on the assumption that there then will be no Spanish embargo, despite the unequivocal declaration of Secretary of State Hull that in case of such revocation the joint resolution of January 8, 1937, "would still remain in effect."

In matters of foreign affairs the Secretary of State is at least the adviser of the Executive. The Department of State exists for the guidance of the President. The State Department prepares what proclamations the President signs. To the President's signature is added the official signature of the Secretary of State under the words "By the President," and the seal of the United States is affixed by the Secretary.

The Secretary of State has to be aware of the obligations and the restraints to which he, as well as the President, is subject under law.

As between the responsible authority of Secretary Hull, resting as it must on scrupulous concern for law and facts, and the detached, informal, and unofficial opinion of these gentlemen as to what was in the mind of the President, there is no difficulty of choice.

MARTIN CONBOY.

NEW YORK, *January 31, 1939.*

Reciprocal-Trade Agreements and Their Effect Upon American Dairy Farmers

EXTENSION OF REMARKS

OF

HON. HOWARD W. SMITH

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 8, 1939

ADDRESS BY WOODBURY WILLOUGHBY BEFORE VIRGINIA STATE DAIRYMEN'S ASSOCIATION, OLD POINT COMFORT, VA., JANUARY 26, 1939

Mr. SMITH of Virginia. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by Woodbury Willoughby, delivered before the annual convention of the Virginia State Dairymen's Association, Old Point Comfort, Va., January 26, 1939. Mr. Willoughby is an economic analyst in the Division of Trade Agreements of the Department of State. The address is as follows:

Those of us in Washington working on trade agreements are well aware that some dairymen, particularly in the northeastern and north central parts of the country, believe that duty reductions on certain dairy products, granted by the United States in trade agreements, have affected their interests adversely. Individuals well known in the dairy industry have been among those who have criticized both specific concessions and the program as a whole. As this criticism has been given considerable circulation in papers and journals read by farmers, it will, no doubt, have come to the attention of some of you present today. I am, therefore, doubly appreciative of your courtesy in inviting me here. It is in keeping with the fine spirit of open-mindedness and fair play in the discussion of public questions which is traditional with our State.

Before I start a detailed discussion of trade agreements there are several things that I want to make clear. In the first place, I am not here for the purpose of trying to convince you the dairymen should be willing to make sacrifices resulting from reductions in our duties on dairy products in order to promote the general welfare. On the contrary, I am convinced that if you have a complete picture of the situation you will realize that the trade-agreements program as a whole is of decided benefit to the dairy industry; that critics have largely ignored the advantages of the program as a whole to the dairy industry and have grossly exaggerated the significance of the reductions that have been granted by the United States in its duties upon dairy products. In brief, these critics have failed to see the forest for the trees.

First of all, I am going to tell you briefly what these agreements are and how they are made. I shall then discuss what has been done in these agreements and how, in my opinion, they have affected the dairy industry.

A reciprocal-trade agreement is essentially an agreement between the United States and a foreign country providing for a mutual relaxation of excessive restrictions upon trade. Usually the commodities with respect to which we grant concessions are ones that we import chiefly from the country with which the agreement is made, and, similarly, we seek from the foreign country concessions with respect to commodities of which we are the chief supplier. Other provisions of the agreement are designed to insure that the foreign country will not discriminate against any of our commerce by making our products pay a higher import duty than is applied to the products of some third country, by inequitable allocation of foreign exchange or by any other means. We, of course, must offer the same guaranty with respect to the commerce of the country with which the agreement is made.

There is considerable misunderstanding about how trade agreements are made. Some people appear to think that these agreements are made exclusively by the State Department. This is entirely wrong. They are joint products of all of the great departments and other agencies of the Government which, because of their trained personnel and vast body of information, collected over a period of many years, are in the best position to know the probable effects of concessions obtained and granted in trade agreements.

As a result of this arrangement our negotiators have available very comprehensive information concerning the items under consideration. Representatives of foreign countries with which we have negotiated agreements have been amazed at the completeness of the knowledge that our negotiators have of trade in concession items. In fact, we find not infrequently that we know more about some aspects of the foreign trade of the other country than do its own negotiators.

Questions regarding agricultural concessions are referred to the United States Department of Agriculture. With respect to other aspects of the program the participation of other agencies, such as the Department of Commerce and the Tariff Commission, is equally helpful.

While exhaustive study of information accumulated and kept up to date by Government agencies is essential, it is of no less importance to know the views of interested producers, businessmen, and others outside of the Government. It is for this reason that, before negotiations with another country are initiated, public notice is given of intention to negotiate a trade agreement with that country. There is also made public a list of all products upon which the United States may consider granting a concession. All persons who believe that they may be affected by a concession in the proposed agreement are, therefore, in a position either to attend the public hearing which, in each case, is held in Washington prior to the opening of negotiations, or to state their views in writing. In either case, the information provided or views expressed are made available through the Committee for Reciprocity Information, established by the President especially for this purpose, to the experts of the Government directly concerned with the negotiations.

Before talking about the benefits to the dairy industry, I am going to discuss the concessions that the United States has granted to other countries on dairy products. In the negotiation of trade agreements it is, of course, necessary for us to grant concessions. It is obvious, moreover, that when the United States enters into agreements, as it has, with a large number of countries, accounting for more than 60 percent of its trade, and obtains many hundreds of valuable concessions, it in turn must grant concessions on a considerable variety of products.

In the course of our negotiations a few moderate reductions have been made in the import duties on dairy products. In agreements with European countries reductions were granted for Swiss, Edam, Gouda, Roquefort, Blue-mold, Bryndza, and Gruyère process cheeses. Except for Swiss-type cheese, which is produced in rather limited areas in this country in amounts too small to have an appreciable effect upon dairy farmers as a whole, these cheeses are virtually noncompetitive with domestic products.

Discussions with respect to dairy products have centered about concessions that the United States granted to Canada. In the first agreement with that country, which went into effect on January 1, 1936, moderate reductions were made in the duties on Cheddar cheese and on a limited quantity of cream. In the new agreement, which became effective on the first of this month, the duties on Cheddar cheese and cream were reduced somewhat further. Unimportant concessions were also granted with respect to limited quantities of whole milk and to skim milk and buttermilk.

It can be stated categorically that none of these concessions will have an appreciable effect upon the income of American dairy producers as a whole. Experience under the first agreement with Canada makes it safe to say that the concessions in the new agreement will not materially affect the prices received by dairy farmers for their milk, even in the border States where competition from Canada is most feared, and that for all practical purposes the prices received by producers in Virginia will not be affected at all.

From the standpoint of value of trade involved the concession on Cheddar cheese is the most important. The United States import duty established in the agreement is 4 cents per pound but not less than 25 percent ad valorem, as compared with 7 cents per pound, but not less than 35 percent ad valorem provided in the Tariff Act of 1930.

Practically all of the cheese imported into the United States from Canada is of the Cheddar type. Canada also is by far the leading source of our imports of that type of cheese. In most years since the World War imports have not amounted to as much as 1 percent of our domestic production of Cheddar, though in 1 year, 1927, the proportion rose to a little over 4 percent. In 1936, the first year under the earlier agreement, imports were equal to 2.2 percent of domestic production, and in the next year, 1937, fell to less than 1 percent. In 1938 imports dropped still further, being little more than one third as great as in 1937.

These figures dispose of the charge that imports are injuring our cheese industry. The simple fact is that imports always have been too small to have a substantial effect upon the price of Cheddar cheese in this country, and there is every reason to believe that this situation will continue.

From the standpoint of the dairy producer, it is obvious that the Cheddar concession can be entirely ignored. Only about one-twentieth of his milk goes into Cheddar, and imports of that product in terms of milk are microscopic in comparison with total milk production.

The other dairy concessions are even less significant to dairy producers. On cream the import duty was reduced to 28.3 cents per gallon as compared with 56.6 cents per gallon in the 1930 Tariff Act. To be absolutely certain, however, that the interests of American dairymen will be fully protected, the agreement provides that the lowered rate shall apply to not more than one and one-half million gallons. Imports in excess of that amount, which is less than one-fifth of 1 percent of our domestic production of cream, would have to pay the high rate established by the tariff act.

Some indication of what to expect from the new rate can be had from our experience under the earlier Canadian agreement, when the import duty stood at 35 cents per gallon (as compared with 56.6 cents in the 1930 Tariff Act). In no year was one-tenth of the quota of one and one-half million gallons filled. In 1936 imports totaled 44,000 gallons; in 1937, 137,000 gallons; and in 1938, three-tenths of 1 percent of the quota, or 5,100 gallons.

The concessions on milk can be dismissed as insignificant to our dairymen. The reduced rate of 3¼ cents per gallon on whole milk preserves considerable protection for domestic producers and, moreover, applies only to 3,000,000 gallons, as compared with our domestic production of more than eleven and one-half billion gallons. The binding of the present duties on skim milk and buttermilk and a reduction from 3 to 1½ cents per pound of the duty on dried buttermilk affect a trade of very small proportions.

Before leaving the subject of dairy imports there is one other point that I wish to mention. In addition to the duties, imports of dairy products, especially milk and cream, are strictly regulated by measures designed to insure that they will not endanger the health of consumers in this country. The Food and Drugs Act provides for the exclusion of all food products which are dangerous to the health of the people of the United States. Furthermore, the Federal Milk Control Act of 1927 provides for special sanitary regulations including inspection for milk and cream imported into this country. No fluid milk or cream may be imported unless the person by whom it is shipped or transported has a permit from the Secretary of Agriculture of the United States. In addition to this Federal legislation there are, of course, the various State laws and municipal ordinances which apply to imported dairy products, particularly milk and cream. Such regulations are in nowise modified by the trade agreements. The United States retains the right to enforce any sanitary regulation necessary to protect the health of its citizens and of its dairy herds.

As I have shown you the duty reductions which have been made on dairy products are so moderate and carefully guarded that dairy producers need not fear injury. I should now like to discuss the benefits which the dairy industry is receiving from the trade-agreements program and show you why, in my opinion, these benefits clearly outweigh any possible disadvantages resulting from the duty reductions made by the United States.

The profitableness of dairying in the United States depends largely upon the purchasing power of the American public. I need not dwell at length on this point, which is doubtless well known to most of you. The price that the farmer obtains for his milk is in the long run determined by supply and demand. The supply, of course, depends upon a number of things, such as the number of milk cows on farms, the cost of feed, conditions of pastures, and so forth. Imports, as I have shown, are unimportant as a factor affecting the supply.

Consumer demand, on the other hand, depends largely upon general business conditions. When business is active and employment and pay rolls large, the demand for dairy products is correspondingly strong, and increased quantities can be sold at profitable prices. When business is depressed the demand for dairy products falls off and prices drop.

It follows that a tariff policy which contributes to the improvement of economic conditions in the United States is obviously advantageous to the dairy industry. A tariff policy which contributes to the economic depression is just as obviously disadvantageous to the dairy industry. The trade-agreements program, through the reduction of trade barriers and the restoration of foreign trade, is a major force promoting recovery in the United States and therefore is a major force stimulating purchasing power for dairy and other products.

The trade-agreements program has been in effect for 4½ years. During that period we have negotiated agreements with 19 countries, accounting for nearly 60 percent of our total foreign trade. In the course of these agreements concessions have been obtained for many hundreds of commodities entering into our export trade. Substantial benefits have been obtained for such important Virginia products as tobacco, apples, textiles, and lumber. In 10 of the 19 agreements now in effect concessions have been obtained for tobacco and tobacco manufactures. Especially valuable are concessions obtained for apples in all but two of the agreements.

As most of you probably know, our export trade, like our import trade, in dairy products has never been large in comparison with the total domestic production. Nevertheless, concessions have been obtained in the agreements thus far concluded which are of considerable value to the industry.

Prepared milk—condensed, evaporated, dried, and malted—is the principal item in our exports of dairy products. In recent years such exports have moved chiefly to Caribbean countries and to the Philippine Islands. Concessions on prepared-milk products exported from the United States have been obtained from trade-agreement countries, which include some of our important customers for these commodities.

Brazil, Colombia, Guatemala, Haiti, Honduras, Nicaragua, and Costa Rica reduced their duties on various American dairy products, in some cases by as much as 68 percent. Through the extension of most-favored-nation treatment to the products of the United States through the trade agreements, Canada has given more favorable treatment to American butter and certain types of cheese, and France has given improved treatment to condensed milk and infants' milk foods from the United States.

Several of the British colonies bound against increase the existing margin of preference in favor of evaporated milk produced in the British Empire. Ceylon assured that a margin of preference would not be established on milk foods. Newfoundland assured that no margin of preference would be established on preserved, sterilized, or condensed milk. Bermuda bound the margin of preference on fresh cream. Bahamas bound the preference margin on unsweetened milk.

Of course dairy farmers are interested not only in concessions obtained for dairy products but, indirectly, in all other concessions obtained for American products. When producers of other products obtain foreign markets for their goods, their purchasing power for dairy products and all other goods is increased. As I pointed out earlier in my talk, the prosperity of the dairy farmer depends upon the prosperity of the country as a whole. By promoting domestic recovery, trade agreements are benefiting the dairy industry.

There is another benefit to dairy producers which is often overlooked. By expanding market outlets both at home and abroad for the great staple crops of this country, trade agreements tend to check a shift to dairy production. If the cotton, corn-hog, and wheat producer cannot market his great surpluses abroad he will use his land for forage, meat, and dairy products, thus further aggravating the already keen domestic competition in these branches of agriculture.

An indication of the extent to which trade agreements are aiding general recovery is provided by trade trends since the program was adopted. Since 1934 our exports have increased about $1,000,000,000, from $2,100,000,000 in that year to an estimated $3,100,000,000 in 1938. Imports have increased from $1,700,000,000 to an estimated $2,000,000,000 in the same period.

Unfortunately it is not possible to measure precisely how much of this is due to trade agreements. There are too many other

factors that affect foreign trade to be able to isolate the effects of one factor. It can, nevertheless, be said with absolute certainty that our trade is very substantially greater than it would have been without the agreements. Not only is this evident from the fact that the reduction of duties and other trade barriers must necessarily make possible greater trade, but also from the fact that trade with the countries with which agreements have been concluded has expanded more rapidly than trade with other countries.

In the 12 months ending June 30, 1938, our total exports to trade-agreement countries were 66 percent higher than the average of the 2 years immediately before trade agreements were effective, while our exports to nonagreement countries, on the other hand, were 48 percent higher. If we consider farm products alone the situation is even more striking. Our exports of agricultural commodities to trade-agreement countries in the 12 months ending June 1938 were 55 percent higher than in the preceding year, while exports to nonagreement countries were but 3 percent higher.

Another aspect of the trade-agreements program which is all too often overlooked, but which is nonetheless important, concerns consumer benefits. So far as concerns their immediate economic interests, there is, for farmers, just one final purpose and test of the trade-agreements program. It is the same test that applies to every other group in our population. That test is whether, and if so how far, the program increases what the economists call "real income"—that is, income in terms of purchasing power. All of us, whether farmers or not, are accustomed as a matter of habit to think first of all in terms of money income; but we all know that what really counts in the end is what that money will buy.

As a means of increasing real farm income the trade-agreements program has advantages which are unique. It is a double-edged instrument. On one edge it enhances agriculture's gross income by hewing a path through the wilderness of trade barriers throughout the world which has so greatly restricted market outlets at home and abroad for farm and other products. On the other edge it increases agriculture's net income by hewing down excessive tariff rates in our own tariff act, thus increasing the purchasing power of all consumer incomes, including those of farmers. In short, the interests of agriculture as a whole are aided from both the producer and the consumer standpoint.

Abraham Lincoln's Birthday in 1864

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Monday, February 13, 1939

ARTICLE BY EMANUEL HERTZ IN NEW YORK TIMES MAGAZINE OF FEBRUARY 12, 1939

Mr. WAGNER. Mr. President, I ask unanimous consent to have inserted in the Appendix an article by Emanuel Hertz, entitled "Lincoln's Grim Birthday 75 Years Ago," appearing in the New York Times magazine, February 12, 1939.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times magazine of February 12, 1939]

LINCOLN'S GRIM BIRTHDAY 75 YEARS AGO—THE ANNIVERSARY, UNNOTICED AT THE TIME, FOUND THE WAR PRESIDENT IN THE MIDST OF GRAVE TRIALS

(By Emanuel Hertz)

It is one of the ironic facts of history that the anniversary we celebrate every year on February 12 seems not to have been celebrated or even remembered by Abraham Lincoln himself. In all his writings, among the thousands of Lincoln items which I have examined, I find no reference to any of his birthdays.

Four times while he was in the White House his birthday came and went without ceremony. As we examine the records for the week of February 12, 1864, 75 years ago, we find no congratulatory messages, no list of gifts received, no evidence of birthday cakes and candles. Lincoln was 55 years old—at the height of his powers. We find him engaged with affairs of varying importance.

A fire broke out in the White House stables on the night of February 10, and the President watched vain efforts to put it out. The damage was heart-rending to little Tad, whose pony was burned to death, together with Mrs. Lincoln's black carriage horses and a riding horse belonging to Secretary Nicolay. Next day both Houses of Congress passed a bill appropriating $12,000 to rebuild the stables.

We have the record of a serious question that Lincoln had to deal with at this time. John A. Andrew, the famous war Governor of Massachusetts, had written him regarding the refusal of Federal officials to permit "persons of color, both freemen and refugees * * * seeking to better their fortunes and support their families by reaching Massachusetts," to "pass northward from Washington." "I am at a loss," Andrew protested, "to understand by what color of pretended authority people not charged with crime are thus subjected to hardship and wrong."

Massachusetts had sent a large part of its working population into the Union armies. At the same time it was furnishing a large part of the wool with which the armies were clothed and of the shoes on which they marched. The result, as was to be the case during the World War more than half a century later, was a labor shortage which it was hoped the liberated blacks would help to fill. At the same time, as Governor Andrew pointed out, the Federal Government would be relieved of the cost of rationing so many refugees.

Lincoln inquired of the Unionist Governor Pierrepont, of Virginia, whose authority ran in that part of the Old Dominion not held by Confederate troops, and got a letter from him stating that there were numbers of Negro refugees who desired to go North. The President then endorsed Pierrepont's letter as follows, under the date of February 12, 1864:

"I understand from the within that there are a hundred colored men in Alexandria who desire to go to Massachusetts and enlist in the united service. Let them go."

Since obviously more than a hundred colored men were involved in the refugee problem the probable purpose of the letter was to establish a precedent. This it undoubtedly did, and the real meaning of the Emancipation Proclamation was brought home to officials who had not previously realized its scope. The colored race, as Governor Andrew had urged, was as free to move into Massachusetts as German and Irish immigrants were to "buy land in the great land States of the West."

There were plenty of diarists in high office in Washington in 1864 who might have elaborated on the details we have. John Hay, Edward Bates, Salmon P. Chase, Gideon Welles, and a host of others were setting down their thoughts and actions for what they assumed would be an eager posterity. But none of these gentlemen said anything about the birthday. Hay was absent from Washington during the entire week of February 7 to 13, and his privately printed diary has a gap at this point. Bates, ever ready to record any social or political recognition that came his way, says nothing that throws light on our problem. Chase, who would at least have had ready a well-phrased sneer if the President and his family had indulged in any innocent merriment, likewise says nothing.

Gideon Welles resumed his diary on Friday, February 12, after a lapse of a week which he ascribed to "incessant employment early and late." He mentions that Postmaster General Blair had told him that his (Welles') enemies "are making me great." Of the Friday cabinet he writes: "Little of particular interest in the Cabinet meeting. Seward left early and Chase soon followed."

Lincoln may have caught cold on the night of the 10th, as he stood watching the burning stables, or he may have been suffering from one of his periodical attacks of illness. At any rate, he wrote Chase on February 13: "I am unwell, even now, and shall be worse this afternoon. If you please, we will have an interview Monday." It is a reasonable guess that Lincoln was feeling below par all week and would not have been in a festive mood even though some kind of observance of the 12th had been arranged.

But in any case Lincoln had preoccupations enough to take his mind off purely personal matters. The military campaign of 1864 was certain to be a crucial one, and closely tied up with it was the political campaign. Lincoln did not want reelection for motives of personal glorification but he was deeply anxious lest the policy of vigorous action against the seceding States should be reversed. In February 1864 it still seemed possible that Grant or Chase would run against him, and the McClellan candidacy was already taking shape.

The Chase candidacy was perhaps more an annoyance than a worry, for Lincoln knew how impossible as well as how impolitic it was. He treated Chase with great consideration—as we might be able to testify if any one had listened in at that Monday interview. Once he said of his rival: "He is at least one and one-half times as great as any man in the public service at this time." Then he told the story of the chin-fly.

"My friend," he began, "you know what a chin-fly is. My brother and I were once plowing on a Kentucky farm. I was driving and he held the plow. The horse was lazy, but on one occasion he rushed across the field so fast that I, with my long legs, could scarcely keep pace with him. On reaching the end of the furrow I found an enormous chin-fly fastened on him and knocked it off. My brother asked, 'Why did you do that?' I told him I did not want the horse bitten in that way. 'Why,' said he, 'that's all that made him go.'"

For a time it seemed that the chin-fly might have bitten Grant, who would have been a more dangerous competitor than Chase. With his customary taciturnity, Grant had little or nothing to say on the subject. Indirectly, word came that Grant was not interested in the nomination. Finally a direct message came from Grant through one of his intimate friends, Col. William S. Hillyer, to the effect that the general had no other ambition at that time than to remain at the head of the Army.

"Grant's whole soul, Mr. President," said Hillyer, "is bent on your reelection as President to conquer the Rebellion and aid you in restoring and rebuilding the country and perpetuating the Union."

"Ah, Colonel," Lincoln replied, "you have lifted an awful load from my mind. I was afraid of Grant, because we are human; although I would rather be beaten by him than by any living man. When the Presidential grub gets inside of a man it hides itself and burrows deep."

Another friend said to Lincoln that nothing could defeat him but Grant's capture of Richmond, in case that event were followed by his nomination and acceptance. Lincoln laughed. "Well," he remarked, "I feel very much like the man who said he didn't want to die particularly; but if he had got to die, that was precisely the disease he would like to die of."

In order to get at Lincoln's state of mind, we have to remember that he could not know in February 1864 what was to be written in the histories later on: That Grant would indeed capture Richmond, though in 1865, not 1864; that the Chase candidacy would peter out, and that Chase would be glad to accept Lincoln's nomination to the Supreme Court; and that General McClellan, running on an end-the-war platform in the fall of 1864, would be decisively beaten.

He was, in fact, facing one of the gloomiest periods of his career on this fifty-fifth birthday. The military situation was not promising. Sherman's march to the sea was still a gambler's chance. Farragut was not to capture the forts of Mobile Bay till August. Grant was closing in on Richmond, but at a terrible cost in human life. As Lincoln himself expressed it, "There were too many weeping widows throughout the North."

The draft riots in New York City in July 1863 had been suppressed, but popular discontent and unrest in the northern cities had not died down. Confederate sympathizers, making their base in Canada, kept northern communities jittery with rumors of explosions, incendiarism, and sabotage of every nature. Lincoln was meeting with plenty of criticism from warm, even fanatical friends of the Union. One of them was Horace Greeley, who as late as the middle of August 1864 thought Lincoln could not possibly be reelected, and proposed calling another convention to select a more promising candidate.

Lincoln then, as always while he was in the White House, was pestered by the interminable run of appeals, petitions, and demands for office. "I feel," he declared, "like a man letting lodgings at one end of the house while the other end is on fire."

The division in his Cabinet added to the strain. There seemed to be no reconciling of the partisans of Seward and of Chase. Ultimately Lincoln solved that problem by accepting one of Chase's numerous resignations—much to the latter's surprise and indignation. Then, in October 1864, he appointed the former Secretary of the Treasury to the Supreme Court in a remarkable letter in which he explained that he acted with full knowledge of Chase's faults as well as his virtues. "I have," he added, "a Biblical precedent for making this nomination. The mere fact that Aaron helped in the making of the golden calf did not interfere with his receiving his commission as high priest."

The years in the White House had worn Lincoln down. Once the Presidency had been a fairly leisurely position. Now it was a torment not only because of its incessant demands on the incumbent's time and strength but because of the terrible responsibility for human suffering which he had to carry. Even Lincoln's great shoulders once so strong in the wrestling and weight-lifting of the early Illinois days were beginning to bow. If one compares the photograph taken in New York after the Cooper Union speech with those made by Brady and Gardner in Washington about the beginning of 1864 one sees a man aged by 20 years instead of 4.

He remained a curious combination of genius and humility. Perhaps he never knew his own stature. Standing beside Seward while a detachment marched by in review on its way to the front he remarked that there were 100 people in that regiment who could do his work and Seward's work as well as they did. Seward by this time knew better, for the patronizing attitude he had once adopted toward the President had long since passed. But Lincoln had not yet won the victory which was to clinch his greatness in the public's mind and heart for all time to come.

Lincoln was moving toward victory, but the cloud of uncertainty had not yet lifted. The war grew more horrible day by day. The President applied himself to military as well as political problems. He was keeping in constant touch with his commanders in the field, displaying a real native genius in sensing military problems, in determining the ability of generals as well as of statesmen, in knowing when to urge a man on and when to let him alone. When Stanton brought Grant to him, practically charging the general with insubordination, he listened first to the War Secretary, then to Grant, to whom Stanton said, "General, you may now state your case." Grant answered tersely, "I have no case to state." Then the President turned to the Secretary. "Stanton," he said, "you and I have been running this machine for 3 years and we have not made a success of it. Let us give Grant a chance." They did give Grant a chance. Richmond was to fall and Lee was to ride sadly to Appomattox Courthouse. But this was a year ahead in the invisible web of time.

Lincoln took refuge in common things and humble tasks. The British Minister, shocked when he found the President blacking his shoes, stammered that in England gentlemen did not polish their own boots. "Whose boots do they blacken?" Lincoln asked blandly. Once he kept a delegation waiting while he "repaired the damages"—sewing a button on his coat. He went with his Cabinet to inspect a new hospital and sat down on the floor to eat a good slice of strawberry shortcake which Mrs. Stanton had sent for the occasion. The Cabinet looked apprehensively at its clean coattails but finally followed suit.

But the joking—some severe critics called it clowning—was the momentary release of a man who was laden almost beyond human endurance. In big and little he dealt with the fates of men and nations. In the agony of this period he exclaimed: "I have been called upon to pass upon cases of life and death to a greater extent than all my predecessors." He would tell a story at one of the unavoidable formal receptions he had to give, or, with a pathos we can now understand, would try to collect a new anecdote. "What was the point in that yarn you told me the last time?" he would inquire of some diplomat or official. But all the time, and more during this late winter of 1863–64 than ever before or afterward, the vultures were gnawing at his heart.

Stout friends were predicting victory. Henry J. Raymond, editor of the New York Times and Member of Congress, wrote an editorial a few days after the 1864 birthday in which he drew a macabre comparison between the Confederacy and the weird story of the Empress Juana, of Austria, who watched for many days over the body of her husband, Philip the Handsome, in hopes of returning life. "A king died here," wrote Raymond, "struck through the inwards one April morning by a cannon ball fired by certain lunatic subjects of his in Charleston Harbor. He was a king not handsome like Philip, but as hideous as sin. And yet not for 3 weeks but for almost 3 years has his disconsolate relict hung over him, refusing to make him dead.

King slavery was dying, but in his struggles it seemed during 1864 that a nation might be dying, too. The year would end with Sherman in Savannah and Grant with a bulldog grip on Lee's capital, which he was never to release. But it was a year of sorrow and apprehension. Even victory could not bring the dead back to life nor lift the burden of grief that overwhelmed an entire generation in the North as well as in the South.

But if Lincoln's birthday could not be celebrated in 1864 we can be the better satisfied that a tribute can be paid by a united nation in 1939.

A Century of Progress in Applying Jefferson's Philosophy of Education

EXTENSION OF REMARKS
OF
HON. JOHN R. MURDOCK
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES
Monday, February 13, 1939

Mr. MURDOCK of Arizona. Mr. Speaker, during the weekend just passed I made an excursion into the Middle West to the State of my nativity, the great State of Missouri. While there I was a guest and interested spectator at two centennial celebrations at Columbia, the seat of the State university. Seldom have I been so informed and inspired in the same length of time as by these programs.

The University of Missouri was the first State university founded west of the Mississippi River, and that was exactly 100 years ago this month. Also the Geyer Act, the first effective school legislation, was passed exactly a century ago in that State. Both of these significant events were appropriately celebrated on Thursday, Friday, and Saturday of last week. It is not that the University of Missouri is my alma mater—which I regret to say it is not—that I am calling particular attention to this matter; it is not that the Geyer Act was the first legislation for elementary schools; it is not that I am a native of Missouri—although I am, and proud of my birthplace—that I am referring thus publicly to these programs of last week. Rather it is the meaning to the cause of American education which all this implies, and also because both celebrations indicate a practical outgrowth of the views and philosophy of Thomas Jefferson put into practice in the great Louisiana Territory, which the immortal Jefferson brought under our flag.

The university authorities took me to a hallowed spot on their campus and showed me the first monument erected over the body of Thomas Jefferson and with it the famous inscription dictated by Jefferson himself for his gravestone. Of more than a dozen historic deeds done by Thomas Jefferson, any one of which would have made him immortal, at the end of a long life he wanted to be remembered for three only. Author of the Declaration of American Independence, of the statute of Virginia for religious freedom, and father of the University of Virginia.

Thus, this great exponent of freedom indicated the threefold nature of that liberty—liberty of the body of man from the lash of the tyrant, liberty of the spirit of man from religious dogma and intolerance, and liberty of the mind of

man from ignorance and superstition. Truly, Jefferson was a great liberator.

The important things impressed on my mind by these programs on the campus of the University of Missouri and by the discussions of the school men present were these: That the University of Missouri is a direct descendent of Thomas Jefferson's "brain child"; that the first effective legislation promoting public education in Missouri was a practical application of Jefferson's desire for schools for all the people, and lastly, that education is a public function which should be under the control of the State.

Throughout the many speeches enumerating the educational achievements of the first 100 years in Missouri ran a note of gladness and of praise for Jefferson and later workers who made his inspiration a reality; but also a note of sadness because of partial failure along the way. After 100 years of progress Missouri today has educational high grounds and low grounds, and the total spent for education is inadequate and its distribution inequitable. While stoutly maintaining that the education of all the children in the Commonwealth is a State responsibility, the leading schoolmen expressed a hope that Federal aid in larger and larger portion might be granted without Federal dictation and control. And that, Mr. Speaker, brings me to another matter to which I wish to call your attention.

An assessment of the gains of 100 years of educational progress in Missouri raises the question, What of the situation throughout the Nation? The unsolved problems found yet in Missouri are common to many of the other States. Inadequacy of financial support and inequality of educational opportunity prevail throughout the country and call for action. Let us look at the picture in general.

Someone has rather appropriately said that if the American people have a religion it is education. That may sound a bit queer; but if the American people are united in thought and desire on any one subject, it is the subject of education. High or low, rich or poor, all alike desire that their children shall be properly educated, and it is pathetic to see what efforts and sacrifices are frequently put forth to that end. It is the fundamental philosophy of our democratic society that equal and extensive education shall be available to all; that is, as equal and extensive as individual capabilities will permit.

There have been numerous efforts in the last 20 years made toward emphasizing the importance of education in our national scheme of things. Perhaps it was the startling fact discovered as we entered the World War, regarding the inadequate earlier care of our young people, which aroused thoughtful men and women to the Nation's educational needs. There were many at that time who said that we should have a department of education, with a secretary, in the President's Cabinet. Recall such measures as the Smith-Towner bill, the Towner-Sterling bill, and the Reed-Curtis bill, which were a few among the several proposals during this period, widely discussed, but never enacted. In those days educational leaders called for a Federal appropriation, beginning with about $100,000,000, to take care of four or five educational needs of greatest concern.

The National Educational Association and other powerful forces have favored such a national program consistently, but many leading educators and some other powerful forces have fought these proposals. In a long series of battles to promote education in this country—most of which struggles have been won—the battle for Federal support of schools is the last, and is as yet indecisive. Because I have been a school man and am now in the National Legislature, some of my school friends regard me as a "watchman on the tower." They are saying to me, "Watchman, how goes the battle?"

Before I attempt an answer, let me review some of the facts to bring this story up to date. The present struggle is but the last phase of a mighty battle for education in America. Let me enumerate some of the earlier skirmishes and battles by which the cause of education has been advanced thus far. Let me remind you that when this Nation was founded education was the privilege of a few and those few were educated at private expense. Such little education as the general run of people received was a pauper education, mostly at the hands of the church. Thomas Jefferson was the leading exponent of education in his day and Horace Mann carried the work to new frontiers at a later time, paving the way for our battle of today. We are proud of our free, public, nonsectarian schools but what we have now, even in their inadequacy, have been hard to obtain.

It was difficut to bring about the idea that education is a public function and should not be left to the church or to charity. The church had played the part of a great saving and regenerating force in society for so long that once it held virtually a monopoly on education as well as on many other social services. However, the time came when a majority of our people began to recognize education as a public function, and one great battle had been won.

So long had education been paid for by parents that the idea of a man of property paying to educate another man's children in the same small neighborhood was hard to establish, but ultimately, it was established, and tax-supported schools took the place of the private-rate schools. Nevertheless it took a great battle to accomplish this, and Horace Mann preached strenuously the doctrine that "the money should be raised where the wealth is and spent where the children are," and finally the idea had general acceptance.

The fight over organization was almost as bitter as that over the nature of the control. But once the idea of control by the public had been accepted, the matter of organization was easier. Beginning with the earliest possible unit, the district school, we have seen our education organized on larger and larger units, on the county basis and the Statewide basis, and there are some, though I am not one of them, who would have our schools organized on a national basis. If that is ever done in America, it will cause a bigger battle than any of the skirmishes that we have thus far had in the history of American education. However, this is not the battle now raging, for the battle today is to secure Nationwide financial support for our schools without national control. To my mind this is an imperative need and cannot longer be postponed.

Under the present administration there has been a renewed effort, encouraged by the great spending programs which we have had in recent years, to get support for public education. The need is as great today as it has ever been; in fact, it is greater right now, and the encouragement of a liberal government has given friends of education much hope. I entered the Seventy-fifth Congress with the fixed determination to support the Harrison-Fletcher bill, which did not call for a department of education at Washington, but did call for larger and larger appropriations from the Federal Treasury. When the Harrison bill was reported unanimously by a Senate committee in 1937 some schoolmen thought the victory was about won. Not so.

The chairman of the House Committee on Education has already introduced a bill—H. R. 3517—which would provide an appropriation of $40,000,000 for the first year and a $20,000,000 increase each year for the next 5 years to be divided among the several States according to each State's needs. A formula for determining the States' educational needs is interesting and deserves close study. Plainly our bill aims to iron out some of the inequalities in educational opportunity now found in this country. In the main this bill follows the suggestions of the President's Advisory Committee reporting last year.

The President's committee found rural schools much poorer than city schools in general and that rural areas with 13 percent of the children have only 2 percent of the Nation's wealth. While rejoicing in Missouri's century of educational progress, we are concerned with another finding of the committee that even though Missouri is the fifteenth State in the matter of wealth, she is the thirty-third in the matter of school expenditure. Or to put it another way, Missouri is about average in its ability to support adequate schools, but needs to increase its per capita expenditures by

$10 per child to come up to the average of the whole Nation in schooling.

Some men working at the University of Missouri, such as my good friend, Dr. W. W. Carpenter, and my former classmate, Dr. A. G. Capps, have been studying this problem intently. These men and others have pointed out that the American people are moving about more and more. It is a fact that there is a constant migration of young people from the farms to the city. If this were not true, our cities would become depopulated through the cities' declining birth rate. It is a matter of vital concern to our cities that their future inhabitants and business folk shall get the right kind of schooling today out in the country. Not only do people move from the country to the city, but they move from one State to another in this automotive age. The studies made by Carpenter and Capps furnish convincing proof that no State of this Union can be indifferent to the schooling of the children of the other States. The only logical answer is that the task of proper education is too heavy for certain areas and certain States, so it must be supported in part by Federal funds.

It is obvious that the future prosperity and stability of our country depends upon national aid for our schools. It is equally obvious that the chief burden of schooling must rest upon the States, and that the local control must not be disturbed. There are obstacles to be overcome and serious problems to be solved before wise legislation of this sort can be properly and justly enacted, and such enactment calls for the most liberal, constructive statesmanship available. Let all the friends of our public schools ponder this problem.

New Frontiers—Rapidly Increasing Productive Capacity of the United States—Ample Resources and Credit to Finance Full Utilization—Technological Trends

EXTENSION OF REMARKS

OF

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 14, 1939

RADIO ADDRESS BY HON. MARTIN F. SMITH, OF WASHINGTON, FEBRUARY 13, 1939

Mr. SMITH of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert the following radio speech which I delivered over the national network of the Mutual Broadcasting System from station WOL, Washington, D. C., on Monday evening, February 13, 1939:

Friends of the radio audience, I deeply appreciate the courtesy of the Mutual Broadcasting System in making it possible for me to address you this evening. When President Roosevelt delivered his annual message to Congress he stated: "We want to get enough capital and labor at work to give us a total turnover of business, a total national income, of at least $80,000,000,000 a year. * * * This Nation has the men and resources sufficient to make it at least an $80,000,000,000 Nation," and the President referred to "technological improvements" as one of a number of factors rendering such a result possible. Our national income for 1938 has been estimated at $64,000,000,000, so an increase to $80,000,000,000 would represent an increase of $16,000,000,000 or 25 percent. This substantial increase would clearly provide much better times and happier economic and social conditions for all the American people. However, it would still fall far short of the national income which we could and should have in this country.

AMERICA'S CAPACITY TO PRODUCE

The Brookings Institution, in its exhaustive study entitled "America's Capacity to Produce," stated—and its conclusions have not been questioned—that additional goods and services to the extent of approximately $18,000,000,000 could have been produced during 1929, our all-time peak in production, which was $94,000,000,000, if our machinery and unemployed labor had been utilized to capacity. According to their conclusions, we produced only 81 percent of our industrial and agricultural capacity. In other words, we deprived ourselves of 19 percent of our productive capacity which we did not utilize, and could have produced $112,000,000,000 worth of goods and services.

NATIONAL SURVEY OF POTENTIAL PRODUCTIVE CAPACITY

The National Survey of Potential Productive Capacity was conducted in 1934 by the Federal Government under the auspices of the Civil Works Administration to study this very problem. Federal funds were used but the survey was not made by relief workers. Thirteen experts were employed and selected from our outstanding engineers, sociologists, and economists. The completed study consisting of 358 closely printed pages indicates that in 1929 we could have produced $135,000,000,000 worth of goods and services, or $41,000,000,000 more than the estimated ninety-four billions produced that year. Some of our leading manufacturers, engineers, and economists have estimated that due to the tremendous "technological improvements" in the past decade our full productive capacity has increased to such an extent that in 1939 it is probably 50 percent greater than it was in 1929.

LOSS CAUSED BY CURTAILED PRODUCTION

Idle factories, idle farm lands, idle labor, and idle capital are causing a terrible pecuniary loss to the American people. The Brookings Institution has estimated the direct loss of wealth which could have been created since 1929 at $200,000,000,000. Members of the Temporary National Economic Committee at Senate hearings have recently estimated the loss at $178,000,000,000. What this sum represents in loss of physical, moral, and spiritual values, human misery and suffering, poverty and blighted hopes and ambitions cannot be measured in terms of dollars. The loss is incalculable and the sad pity is that it could all have been avoided by the intelligent utilization of our natural, mechanical, and human resources.

TECHNOLOGICAL TRENDS—NATIONAL RESOURCES COMMITTEE

The National Resources Committee appointed by President Roosevelt has submitted its report on technological trends, and it is the most complete study and investigation of modern and current scientific discoveries and technological development which has ever been made. It charts the further increased production possibilities and potentialities of innumerable inventions and processes which are in course of perfection and which will revolutionize industry and agriculture.

The report describes the cotton-picking machine, air-conditioning fabrics made from cellulose, synthetic rubber, synthetic gasoline, plastics, photoelectric cell, prefabricated houses, television, trailers, and the far-reaching possibilities of tray or tank agriculture—the growing of farm products in water instead of earth. Of course, the social import of these inventions which are in the offing can hardly be imagined.

NEW FRONTIERS

We frequently deplore the passing of the old frontiers and assert that on that account the period of expansion in our country is past. We lament the fact that we have no more geographical frontiers to exploit and no more wilderness to explore and develop, and consequently assume an attitude of defeatism and despair. The fact, as pointed out in technological trends by eminent national authorities, is that science and research are presenting limitless new frontiers for the production of increased wealth, material progress, and industrial and social development which far surpass the opportunities which were offered by the vanished frontiers of bygone days. The scientists with their test tubes are bringing out of the laboratories new products and new improved processes which are tending to alter and vastly enhance the entire status of society. The achievements of industrial chemistry and metallurgical research are transforming life itself by continuously making available to mankind benefits, comforts, and conveniences which were not even dreamed of a few decades ago.

These new frontiers of science are still in their inception and present untold possibilities for infinite advancement and boundless exploration. Indeed, the amazing progress of recent years is but a meager beginning of the developments which are uncircumscribed. The editors of Chemical and Metallurgical Engineering point out that the chemical industry more than any other is converting luxuries into articles of common necessity at prices within the purse of everybody. I quote:

"New industries which are constantly being created and developed through advances in science, invention, and technology, offer important new opportunities for employment. Fifteen of the major industries of today have been developed since 1879 and it has been estimated that these 15 industries have created, directly or indirectly, 15,000,000 new jobs. * * * Research is, therefore, our most promising source of future jobs—as well as profits. From the laboratories come the new products, new uses, and improved processes that make better goods available at constantly lower prices."

THE QUESTION OF FINANCING

The all-important question logically suggests itself: How can we finance the stupendous cost of applying and taking advantage of these numerous discoveries of science and invention? How are we going to defray the huge expense of modernizing our present social and industrial structure and thereby bring about the enormous employment of labor required to convert the plans, blue prints, specifications, models, formulas and chemical compounds into serviceable realities and products for the use, benefit, and enjoyment of our citizenry? Fortunately we are in a position to finance successfully all the essential and multitudinous activities of the most progressive construction and development program which could be conceived.

Gold is piled high in the Treasury of the United States—over 14½ billions of dollars worth—nearly two-thirds of the whole

world's supply. The precious metal serves as the base for currency and credit. In 1929 the country held $3,900,000,000 in gold, and based thereon were $58,474,000,000 in bank loans and investments. In other words, about $15 in credit was based on each $1 in gold, a ratio which had prevailed for many years. The action to reduce the gold content of the dollar and gold stocks that had totaled four billions, by Government edict became $6,800,000,000. Since then nearly $8,000,000,000 more of gold has flowed into the Treasury of the United States from the four corners of the earth. However, the volume of credit has substantially decreased. Today over 14½ billions of gold support but $48,304,000,000 in loans and investments and the ratio that has been normally 15 to 1 between gold and credit is less than 3½ to 1. If loans were to get back to the 15-to-1 ratio, loans that today are 48 billions could increase to 210 billions—nearly four times the 1929 total, so we possess the largest potential supply of credit that this or any other nation has ever seen in the history of mankind.

We possess the raw materials and the natural resources, we have the inventive genius and manpower and also the money and supply of credit to here in America create and enjoy the greatest era of peace, prosperity, and happiness in the history of the human race. Do we lack the intelligence? I refuse to believe that we do and in future presentations I shall further develop my theme and discuss the wonderful future of America.

Thank you, and good night.

Our National Defense

EXTENSION OF REMARKS

OF

HON. ANTON J. JOHNSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 14, 1939

RADIO ADDRESS BY HON. RALPH E. CHURCH, OF ILLINOIS, FEBRUARY 13, 1939

Mr. JOHNSON of Illinois. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address delivered by Hon. RALPH E. CHURCH, of Illinois, under the auspices of the Washington Star in its national radio forum Monday evening, February 13, 1939, on the subject, Our National Defense:

It is my privilege to address you tonight as a member of that special committee of the Republican conference in the House of Representatives which submitted its report last Thursday on the whole question of national defense.

My purpose tonight will be to expound that report and to explore the historical background which guided our committee to the conclusions it reached concerning the rearmament program now under debate in the House.

Briefly, the committee's conclusion was that the national-defense policy of the United States should be based upon a clear definition of the area to be defended; and, secondly, that the physical machinery of our defense—the military equipment required—should be created with rigid regard to this definition of the defense area.

And may I say at the outset, and with all the emphasis at my command, that this question of national defense is in no sense a partisan issue.

Republicans and Democrats alike in the House and Senate have approached the whole problem from the standpoint of patriotism; and I am privileged to say at this point that in every phase of the legislation the minority Members of the House will be guided, not by partisan considerations, not by sectional interests, but by the fundamental dictates of enlightened and informed patriotic responsibility.

War or peace is the great issue of our day.

Upon the determination of that issue depends not only the future of the United States but in large measure the maintenance of our western civilization. Another general war, with its inevitable dreadful toll of economic destruction and social and moral disintegration, might lead easily to a social break-down of a magnitude and sweep which appalls the imagination.

Moreover, the American people recognize, as a matter of peculiar national interest, that a declaration of war from Washington would mean the instant suspension of balanced constitutional government and the establishment of a practical dictatorship in the United States.

The deliberative processes of democracy are immediately demoralized by the prosecution of a war.

Thus the issue before us bears, first, upon the preservation of civilization itself. Secondly, and more intimately, it bears upon the maintenance of democracy and representative government in the United States.

For these reasons, if for no other, it is of urgent importance that the American people arrive at their national policy through the process of open and candid discussion.

Secret diplomacy, as the whole world learned at such terrible cost in the great World War, has no place in this age of democracy.

And in this connection I am happy to acknowledge the great service which the Washington Star National Radio Forum renders the American people in providing this far-reaching vehicle for the free discussion of our defense policies and programs.

Just a month ago, on January 12, President Roosevelt submitted to Congress his special message on national defense, recommending substantial increases in our military and naval establishments.

On January 23, pursuant to unanimous action by the entire Republican membership of the House of Representatives, a special committee on national defense was established. It was my honor to serve as a member of that committee.

The committee began its labor with certain clear conceptions of its task.

National defense involves the safety and security of a free, liberty-loving Nation of 130,000,000 people, united in a deep-seated desire to live in peace.

This is why our analysis of our defense needs and of our foreign policy must be dispassionate and patriotic.

We must be free from all emotion, all hysteria, and all narrow considerations of partisanship.

It was in this spirit that the Republican membership of the House of Representatives established its special committee on national defense, and it was in this same spirit that the committee set itself to the labor of examining the whole field of foreign relations and American security.

The Republican Party is definitely committed to the proposition that the American people are determined to maintain their national security and equally determined to direct their energies toward peace and not toward war. We thus feel we have a definite responsibility and a definite task to perform.

In these discussions our objective is threefold: First, to invite a clear definition of the fixed foreign policy of the United States on which to base our defense program; second, to obtain a maximum of efficiency and economy through the sound integration of the land, naval, air, and industrial segments of our defense program; and third, to make certain that the increased armaments are designed solely for our defense and security and not for dangerous interventions in foreign affairs.

The size, nature, and extent of our armaments must necessarily be dependent upon the foreign policy they are to sustain. What armaments are essential for our national security can only be determined by what our foreign policy is. Our foreign policy must necessarily be the basis of our whole scheme of defense. If we are to continue safe and secure within our borders, this is the only true measuring rod for determining our armament needs.

Clearly, armaments that would be wholly adequate for the defense of the Western Hemisphere would prove wholly inadequate for a policy of intervention in the foreign conflicts of Europe and Asia. Armaments which would be wholly adequate for the enforcement of the historic Monroe Doctrine of "America for Americans" would prove sadly insufficient for a foreign policy based on the doctrine of collective security.

It is thus imperative that we have a clear understanding of the principles of our foreign policy. Unless we have such understanding, there will be confusion in our thinking, uncertainty as to the course we are following in extensive rearmament, and fears and apprehensions on every hand lest we shall, through confused statesmanship, be led into another war.

We must be ever mindful, in this connection, that it is the people who in war make the supreme sacrifice. They send their sons to the battlefields. They also are the ones to carry the load, spiritually, physically, and financially, of increased armaments. It is ominous to note that in 1916, the year preceding the entrance of the United States into the World War, our military expenditures amounted to $318,000,000. For the present fiscal year the estimated expenditures amount to approximately $1,500,000,000. In other words, the American taxpayers are paying today four times what they paid in 1916 for their Military and Naval Establishments. Where $1 was spent in 1916 for national defense, $4 are to be spent during the current fiscal year.

Such expenditures for armaments represent an enormous burden on the people. They represent a burden in the form of increased national indebtedness and increased taxation. And not only that; expenditures on armaments represent a burden in the form of productive loss to the entire economic system. The money thus spent is taken out of productive channels, where it would contribute to increasing our national wealth and to a higher standard of living for all the people, and spent on wholly unproductive instruments of war.

We are confident, however, that whatever the economic loss and however great the burden may be, every American will willingly bear it if he is satisfied that the expenditures are absolutely necessary for our national defense and security. Every American is prepared to sacrifice whatever may be necessary in order that his country may be impregnable from foreign aggression.

But the people are entitled to know, clearly and unequivocally, what represents the foreign policy of those in charge of the affairs of this Government.

Naturally and rightly we look to the President of the United States for such guidance. We look to him to furnish us with a clear definition of the foreign policy which this scheme of rearmament is to implement.

He is the Chief Magistrate of the Nation. He is Commander in Chief of our Army and Navy. And under the Constitution the President is supreme in the conduct of foreign relations, save only on the declaration of war, and the ratification of formal treaties.

The President determines what new governments will be recognized. He carries on diplomatic negotiations with foreign powers. And in his hands rests the power to break diplomatic relations with any foreign government.

It is obvious that with this power the President can make war inevitable.

It is thus not in a spirit of partisanship, but as a matter of constitutional right in a free country, that we insist upon a clear statement of the principles of our foreign policy from the President of the United States.

Does he propose to depart from the traditional principles of American foreign policies of 150 years? Does he propose to expand our policy to one of "collective security" and coercive action against aggressor nations? We do not know.

I think part at least of our uncertainty and misgivings as to what the President may conceive to be the foreign policy of the United States is understandable. On October 5, 1937, in a speech at Chicago Mr. Roosevelt declared that the democratic nations should join in a "quarantine" of disturbers of the peace. Carried to its logical conclusion that declaration can only mean that the President believes that we, the United States, should adopt the policy of economic or military sanctions against aggressor nations. Such a policy is utterly contrary to our historic doctrine of noninterference in the affairs of other nations.

On January 4, the day following the opening of this session of Congress, the President delivered his address on the state of the Union. In the course of his remarks the President stated:

"They (referring to the United States and the other democracies of the world) cannot forever let pass, without effective protest, acts of aggression against sister nations."

With that we are indeed in agreement. It is in keeping with the traditional foreign policy of the people of the United States to register their protests against acts of aggression and in violation of treaty obligations. America has always respected the sanctity of treaties and always has lent its moral support to preserving that doctrine.

But in his address on January 4 the President said more than that. He went on to indicate in what form our protests should be made. He said:

"Words may be futile * * *. There are many methods short of war, but stronger and more effective than mere words, of bringing home to aggressor governments the aggregate sentiments of our own people."

What are these "methods short of war" that the President has in mind to employ as "protests" against aggressors? These "methods" can only be such as implied in the word "quarantine." They can only mean the application of economic sanctions in the form of embargoes and boycotts, which inevitably provoke reprisals, resistance by force, and ultimately open warfare.

If such is our foreign policy as conceived by the President, then truly we fear that our area of defense will not continue to be the Western Hemisphere. If such is the President's foreign policy, then no wonder we hear heated discussions concerning extension of our line of defense to the River Rhine and the island of Guam in Asiatic waters.

Because of these statements of the President indicating a possible expansion of the traditional foreign policy of the United States, there are thus understandable fears on the part of all of us lest we become entangled in foreign conflicts.

Only 3 weeks ago at Los Angeles an Army experimental plane crashed during a test flight. Inquiry disclosed that an official French military observer aboard the plane escaped with only slight injuries. Further inquiry by the Senate Committee on Military Affairs disclosed the extraordinary circumstance that this French military observer had been granted permission to board the plane by the highest official authority.

These unanticipated disclosures appeared to require further inquiry by the Senate Committee on Military Affairs, which indicated that certain informal conversations had been carried on between this country and the Government of France, looking to possible sale to the French Government of American military planes under conditions not available to all other prospective purchasers of American aviation equipment.

The legality or propriety of the sale, or projected sale, of airplanes to France is not here in question.

But Congress does mark well the fact that the fragmentary disclosure of this arrangement to the American people was a mere accident.

And we hold that the American people should be kept constantly well informed of our relations with foreign countries and that the people should be given warning well in advance of any change, whether real or even contemplated, in our traditional foreign policy.

The question also logically arises whether it is the aim of this new armament program of the administration to make the United States a part of the European balance-of-power system.

If such a far-reaching policy even has been considered in official quarters, the American people are entitled to know it.

In this connection may I point out that neither has there been as yet any convincing explanation of why the administration proposes to extend our Pacific line of defense to the island of Guam, 5,500 miles from our home shores, 3,800 statute miles west of Hawaii, and well into the area of Asiatic control. This proposal, which reaches about 2,500 miles beyond the generally approved geographic limit of our defense area in the Pacific, was quickly rejected by the minority committee on national defense. In its report the committee emphasized that the maintenance of the Monroe Doctrine, "more than any other single aspect of policy, involves the safety of the Nation and its vital interests."

And the committee added this significant observation: "Especially is this true now that, by an act of Congress, we are withdrawing from the Philippines and shall not be expected to defend those islands."

Another segment of our report worthy of emphasis in this discussion is that which specifically defines the area of national defense for the United States. It is as follows:

"For our defense in the Pacific we believe the mission of our military establishment is the maintenance, impregnably, of the line following roughly the 180th meridian, commencing at the Alaskan islands, passing somewhat westward of Hawaii, and thence generally southeastward to include and cover the Panama Canal. With comparatively slight additions our presently authorized military strength, both Army and Navy, is equal to that particular task.

"We conceive the disposition of our military forces in the Atlantic and the Pacific as having a common objective, the enforcement of our defense policy. We should look upon Oahu as an outpost not only of our Pacific coast, but of the Canal. We should look upon Guantanamo and Puerto Rico and our naval and aviation establishments along our Atlantic coast as likewise outposts of Panama. Everything should be done to extend and strengthen such outposts in the areas of defense, whether they be in the hands of the Army or the Navy."

That is the definition of our defense area under the traditional and generally accepted foreign policy of the United States.

It is true that the President, within the past 10 days, under extraordinary pressure was forced to reaffirm the great American tradition of "no entangling alliances." We are compelled to observe, however, that some of the recent actions and recommendations of the administration at least point in the direction of a basic and fundamental departure from this guiding concept of our foreign policy to which he gave lip service.

The Republican Party does not take the position dogmatically that national policy never may be changed.

But we do take the position, and we are prepared to maintain it, in the forum of public discussion, that if such fundamental departures are contemplated the American people are entitled to know all about them, where they lead, and when they are to be consummated.

And we take the position further that these revelations should not come to the people by mere accident, but by a clear and unequivocal declaration of official policy from the White House.

To have national safety and security we need a positive official reaffirmation of the established principles of American foreign policy as it has evolved over the last 150 years. First, that there will be no entangling alliances and no interference, by aggression or otherwise, in the affairs of other nations. Second, that our security lies solely in the Western Hemisphere, and we will enforce the Monroe Doctrine against any foreign aggression. And third, that untiring efforts will be made for the promotion of world peace.

Parenthetically, may I mention at this point that it is significant that after almost 5 years of drifting away from our limitation of armament treaties, there are now before both the House and Senate resolutions urging American leadership toward a new international conference for naval limitation. The Senate resolution was presented last week by Mr. KING, of Utah, a veteran Democrat, and the House resolution by myself, a Republican member of the Committee on Naval Affairs. I regret to report that the King-Church resolution has thus far received little attention from the administration, but I promise you that our efforts to procure peace, by such resolutions or other methods, shall not cease.

Three fundamental principles of our foreign policy, then, have been emphasized again and again throughout our history. Let me repeat them: No entangling alliances; the enforcement of the Monroe Doctrine; untiring efforts for world peace. In this day of world unrest, militarism, and warfare, these three principles need to be restated and reemphasized.

They represent the only assurance to our people for continued peace and security. Upon them our whole scheme of national defense should be based.

Government Expenditure

EXTENSION OF REMARKS

OF

HON. WARREN G. MAGNUSON

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 14, 1939

Mr. MAGNUSON. Mr. Speaker, the eyes and minds of the Nation today are focused on Government expenditures.

Recently there was brought to my attention some figures which I feel should interest all of us. These figures show, on

a percentage basis, how the Budget for the fiscal year ending June 30, 1940, will be spent, as compared with the fiscal year ending June 30, 1929:

	1929	1940
General government	16.9	11
Protection	60.7	35
Economic development	17.6	14
Social welfare	4.0	37
Miscellaneous	0.8	3

It seems to me, Mr. Speaker, most significant that for the general expenses of Government the item of "protection" and the item of "economic development" under the New Deal have shown a consistent reduction in costs. There have been a slight increase in the costs of "miscellaneous" items, but the only increase of any import is that for the item of social welfare, which shows an addition of 33 percent over 1929.

We are charged, Mr. Speaker, with the duty of promoting the general welfare of our people. At no time in our history has that general welfare been more endangered than during the past decade. It is, in my opinion, Mr. Speaker, most significant that the past three Congresses have seen fit to recognize this fact. It is to me significant that they have reduced the costs of general government, the costs of protection, and the costs of economic development, in order that the general welfare of our people may be properly considered.

This, I believe, Mr. Speaker, is our soundest answer to the critics of the New Deal.

Industrial Conditions in the United States

EXTENSION OF REMARKS

OF

HON. CHARLES A. EATON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 14, 1939

ADDRESS BY GEORGE H. METTAM, FEBRUARY 8, 1939

Mr. EATON of New Jersey. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by George H. Mettam at the fourth annual congressional dinner under the auspices of the New Jersey State Chamber of Commerce, Washington, D. C., February 8, 1939:

A quick survey of conditions in other sections of the world where there are bitter civil wars, cruel racial oppressions, strange and ruthless dictatorships, and widespread lowering of the standards of living, makes us realize that after all the United States has come through its 150 years of history pretty successfully.

It is not an idle boast when we remind ourselves that we are the richest Nation in the world in the degree of freedom and in the good things provided under the American system. Let us remember that the rest of the world—about 2,000,000,000 people—envy us for our opportunities, our shorter working hours, our higher wages, our modernized services, our higher standard of living, our educational advantages, and our Constitution which guarantees a free press, free speech, freedom of religion, and an unmatched degree of personal liberty.

An hour's work in an American factory will buy more food, more clothing, more luxuries than an hour's work anywhere in the world; 12 times more than in Russia; 9 times more than in Italy; 4 times more than in Germany.

I maintain, and am confident that all businessmen, as well as our guests who serve in Congress, will agree with me when I say that nowhere in the world has industry contributed so greatly to the economic security and happiness of its people than right here in the United States.

But there are disturbing factors in the picture. Let's look at just a few.

1. With the greatest material wealth in the world, we probably have half of the unemployed men and women of all the important industrial countries put together.

2. Our Federal debt has jumped $22,000,000,000 since 1930.

3. Taxation absorbs about 25 percent of the national income.

4. The amount of new private capital risked in corporate enterprises has shrunk from about four and one-half billion dollars per year in 1926, 1927, and 1928 to one and one-half billion dollars in 1937.

5. The aggregate resources of American business have been reduced tens of billions since 1930.

As Americans who believe in the American system of free enterprise and industrial growth, we must look deeply into this situation to find, if we can, what sound and proven steps there are which we can take to assure a renewed development throughout the Nation. I mean a development which will serve the entire people in every section of the land.

There are a few observations which I want to make.

1. In the first place, if we are to encourage industrial growth, our Government must not be a competing but a cooperating force. Government and industry must place the utmost emphasis on increased production to enable the unemployed to return to work in productive enterprises and to assure a security for those already employed.

2. Next, government should be willing to overhaul the tax structure. Is it not reasonable to ask, in the interest of increased industrial growth, that taxes be imposed only for necessary revenue and not for a multitude of regulatory interests and nonproductive activities?

3. Furthermore, government should help to remove fear from our investing public to assure industrial expansion, invention, and even bold pioneering into new fields which may well revolutionize the employment possibilities for our people and the standard of living for all.

4. The time has come when there must be a united effort on the part of government, the employing interests, labor, and the general public itself to encourage industrial expansion not by legislation, by public charity, by wild attempts to redistribute the wealth, or by borrowing ourselves out of difficulties, but by the opening of new factories and the creation of more jobs.

More smoke in more smokestacks is one good and sensible way of solving our problem.

The time has come when we must stop dreaming of some impractical solution. True it is that no system is perfect, but I still maintain that the American system of free enterprise with government and industry cooperating for the common good and welfare of all our people is the only system which has been found to work successfully.

In conclusion, let me plead for a continued and renewed faith in the contribution which industry can and must make in our economic progress.

Right in our own State of New Jersey, in our 7,800 industrial concerns, we employ approximately 500,000 men and women who have an annual industrial pay roll of nearly $600,000,000. You know what these pay rolls mean to the people of our State.

Furthermore, New Jersey industry furnishes tremendous sums in taxes for local, State, and Federal Government to help provide schools, parks, playgrounds, relief, and old-age security and protection and service for all the citizens.

I could expand the illustration on and on with every phase of our life, but it all boils down to this one great fact: As industry grows and prospers, so will the general welfare of all our citizens be lifted and improved. On the other hand, what retards industrial development must hurt and seriously affect the lives of our people.

We have the wealth in natural resources.

We have the money—billions of dollars are idle in our banks.

We have the manpower—millions are unemployed.

We have a pent-up consumer demand for more and more of the goods of the world.

We have the scientific knowledge and the tools of industry.

Therefore let us have the confidence to push ahead in a united effort to encourage an industrial growth which will regain the losses we have suffered and reach the new goal of prosperity which we believe is ours under our American heritage.

This is a challenge worthy of the best leadership which America can produce in both industry and Government.

Abraham Lincoln

EXTENSION OF REMARKS

OF

HON. FRED J. DOUGLAS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 14, 1939

ADDRESS BY HON. BRUCE BARTON, OF NEW YORK, FEBRUARY 11, 1939

Mr. DOUGLAS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by

Hon. BRUCE BARTON, of New York, before the Oneida County Republican Club annual Lincoln Day dinner, Utica, N. Y., Saturday evening, February 11, 1939:

On April 15, 1865, a young country doctor, who was also the village pharmacist, stood on a stepladder in front of his drug store in a little town in central Illinois and tacked black muslin across the doorway. At the foot of the ladder his 4-year-old son held the carton of tacks. Years later when the boy had become a man he looked back on that event as his first clear and permanent memory. It was etched deep by his father's hot tears. Never before had he seen his father cry. The man on the stepladder was my grandfather; the boy was my father. The news had come to Sublette, Ill., that Abraham Lincoln was dead.

As a clergyman my father was called upon to make many Lincoln Day addresses. His interest in Lincoln deepened steadily. In his reading and study he found himself confused and disturbed by conflicting reports as to Lincoln's religious belief. Some biographers stated positively that Lincoln was an atheist; others held with equal conviction that he had a deeply religious spirit and, while never a church member, accepted fully the Christian creed. My father set himself to discover the truth, and after years of research he published a volume entitled "The Soul of Abraham Lincoln," which is now accepted as authoritative. In the explorations incident to the preparation of the book he was repeatedly confronted with the story that Lincoln's birth was illegitimate. It seemed to my father that this widespread and growing assumption which, according to at least one of Lincoln's biographers, was accepted even by Lincoln himself, ought to be probed to the bottom. There were seven different versions of the story, each attributing Lincoln's paternity to a different man. One of these was John C. Calhoun. Traveling hundreds of miles, ransacking musty records in county courthouses, father finally unearthed the marriage certificate of Thomas Lincoln and Nancy Hanks. It was filed, not in the courthouse of the county in which the marriage had been performed, but in an adjoining county. When father's second book, The Paternity of Abraham Lincoln, appeared, the scholarly reviewer of the New York Times concluded his comment with the statement that Dr. Barton's tireless research had so completely destroyed this ancient calumny that it could never raise its ugly head again.

By this time Abraham Lincoln had become father's deepest interest. He set for himself the task of tracing Lincoln's every footstep from the site of the log cabin in Kentucky to Indiana, to Springfield, from courthouse to courthouse around the circuit, through the Douglas debates, and finally to the White House. By personal visit and correspondence he interviewed hundreds of old people who cherished first-hand memories of the great President, including the last surviving sister of Anne Rutledge. He unearthed more new material than any previous Lincoln scholar. Two outstanding biographical works were the result and scores of smaller books, pamphlets, and addresses. Lord Charnwood, the English biographer of Lincoln, introducing my father to Lady Charnwood, said: "I want you to meet the only man in the world who knows more about Abraham Lincoln than your husband does."

You will, I know, pardon this informal and perhaps too personal introduction. My purpose is to have you know that for 20 years Abraham Lincoln was almost a member of our household. He was more real to my father than any living man. He was the unseen guest at our table. As father's researches extended further and deeper we children shared their progress. We heard Lincoln stories at breakfast, luncheon, and supper. We heard the laughter of the great story teller; we knew the burdens of the lonely President; we felt the weight of his sorrows. I could no more make a Lincoln address than I could make an address about a member of my family. But I can talk to you about Lincoln, and that is what I propose to do—just talk to you of some of the elements of his character that impressed themselves indelibly upon our minds as my brothers and sister and I heard our father talk about him day after day.

I once asked H. G. Wells, who had just completed his Outline of History, to tell me the six greatest names in the annals of the human race. He named Jesus of Nazareth, Buddha, Aristotle, Asoka—an Indian ruler who, according to Wells, was the only monarch in history who, having waged victorious war, renounced conquest and devoted his whole energy to the improvement of his people—Roger Bacon, and Abraham Lincoln. Perhaps no two historians would ever agree on the same list, but the choices of Wells are striking and provocative. Millions of men through the centuries have lived and struggled and died for money and power; yet these, according to Wells, left no permanent imprint. The six immortals whom he named achieved their immortality not by self-seeking but through self-sacrifice and abnegation. They gave, and are remembered; while those who seek only to get are buried in forgotten graves. That an English historian should put one American in the list of the world's greatest is significant. Looking across the 3,000 miles of the Atlantic Ocean, and down through the corridors of time, Wells saw Lincoln towering above the rest of humanity as a high peak before the foothills. There can be no more doubt in our minds than in his that Abraham Lincoln is our greatest American.

Yet the interesting fact which we children began to comprehend, as we listened to our father's table talk, was that Lincoln's greatness was neither a gift nor an accident. He did not spring full-fledged into majesty. The Lincoln of 1860 was not the Lincoln of 1845. God gave him talent; events and circumstances gave him opportunity, but his character was his own creation. In these days when the problems of America are almost as complex and difficult as they were in his, we can think profitably for a few minutes about four influences which contributed to his strength and his triumph.

It is notable, in the first place, that he kept growing steadily throughout his whole life. William James, the eminent psychologist, remarked that the average man is an old fogy at 25. Each of us has had enough observation of our fellow men to understand what he meant. At 25 the ordinary man has acquired his little stock of skills and prejudices; he has chosen or been thrust into his particular groove; he has accustomed himself to functioning by habit rather than thought. He may advance a little or even a good deal through the lifting force of seniority, but he no longer thinks along new lines nor imposes additional measures of self-discipline. He has attained his mental and spiritual stature; he has ceased to grow.

Lincoln's continuing growth is marked in every aspect of his character. You may trace his progress in his speech and writing. His early style was rhetorical, almost ridiculously so, full of pretentious, high-sounding phrases. He then developed the controversial style of the stump speaker, sometimes with rude jokes and boisterous gestures. In those days he spoke with little preparation and indulged in all the platform tricks that were popular with the crowd. From these crude beginnings he developed, out of rigid self-control and the hot fires of spiritual conflict, a style whose simplicity, calm dignity, and exalted tone have made his words immortal.

The style was an outward symbol of a mind and spirit that had been brought under complete self-discipline. Plenty of evidence to this effect has been left by his biographers. Nicolay and Hay, referring to the period following his return from his single session in Congress, said: "It was at this time that he gave notable proof of his unusual powers of mental discipline. His wider knowledge of men and things, acquired by contact with the great world, had shown him a certain lack in himself of close and sustained reasoning. To remedy this effect he applied himself to such works on logic and mathematics as he fancied would be serviceable. Devoting himself with dogged energy to the task in hand, he soon learned by heart the six books of the propositions of Euclid, and retained through life a thorough knowledge of the principles they contain."

Ten years later, following the most important lawsuit in which he was ever engaged, the McCormick Reaper case, he left the Cincinnati courtroom deeply dejected. Walking up the street in silence, he suddenly turned to a young companion, Ralph Emerson, and exclaimed:

"Emerson, I'm going home." (A pause.) "I'm going home to study law."

"Why," exclaimed Emerson, "Mr. Lincoln, you stand at the head of the bar in Illinois now. What are you talking about?"

"Yes, yes," he said. "I do occupy a good position there, and I think I can get along with the way things are going there now. But these college-trained men who have devoted their whole lives to study are coming west, don't you see. * * * They have got as far as Ohio now. They will soon be in Illinois."

Another long pause. Then stopping and turning toward Emerson, his countenance suddenly assumed a strong look of determination, and he cried:

"I'm going home to study law. I'm as good as any of them, and when they get out to Illinois, I will be ready for them."

Forty-seven years old, the leader of the bar in his own State, a public figure honored in his community, he was not too proud to set himself doggedly at the task of making his mind and spirit the fit instrument of whatever responsibility might come. This was the first element in his greatness; it is his first lesson for us.

But something more than will power and study are required for greatness. There must be the fire of moral earnestness. Here again there is inspiration and thrill in knowing what happened to Abraham Lincoln.

To get the perspective we must look back to December 6, 1847, when he took his seat in the House of Representatives for his first and, as it turned out, his only term. The record of the succeeding 2 years is quickly told. A few days after the Congress convened he delivered what he himself described as "a little speech * * * of no general interest." Subsequently he made a number of purely partisan speeches, and attended a party convention. His only important action in Congress was to introduce a resolution, which promptly died, for the abolition of slavery in the District of Columbia. He spent a good deal of time around the House post office and his boarding house, regaling the loiterers with his frontier stories. The term closed with no accomplishment, no evidence of serious purpose; he went back home, filled with the politician's hope that there would be a popular demand for his renomination. There was no popular demand. Denied elective office, he tried for an appointive position and again with no success. In the words of one of his most understanding and sympathetic biographers, "he was disappointed, humiliated, and burdened * * * Wearily and sadly he took up again the practice of law."

His dreams of national influence were at an end; he was out of politics and out of power forever.

So he thought sadly in 1849. But there were forces at work which neither he nor any other man could measure, whose future influence none could predict. If he was out of politics, human slavery was not. Five years after his retirement from Congress

the Missouri Compromise was repealed. On October 3, 1854, Senator Stephen A. Douglas, seeking to defend his own part in the repeal, spoke in the statehouse at Springfield, Ill. The following day, from the same platform, Abraham Lincoln replied. Horace White, then a young reporter, heard the speech and has left this vivid description of the speaker:

"Gradually he warmed up to his subject, his angularity disappeared, and he passed into an attitude of unconscious majesty. * * * His words began to come faster, and his face to light up with the rays of genius, and his body to move in unison with his thought. Sometimes his manner was very impassioned and he seemed transfigured with his subject. His listeners felt that he believed every word he said, and that, like Martin Luther, he would go to the stake rather than abate one jot or tittle of it."

Here, then is an extraordinary happening. A defeated politician, a thwarted office seeker, is politically dead in 1849. Five years later, in 1854, he leaps into new power, no longer a politician but a prophet able to move the hearts of the multitude. What has happened? A force greater than himself has enveloped and possessed him. Having forgotten himself he finds himself. Stirred by the hatred of human slavery, the passion for freedom, he has opened unsuspected reservoirs of feeling and power. He no longer thinks about Abraham Lincoln for office or talks of party politics. He thinks and talks of the rights, the hopes, the eternal dignity, and worth of men and women. And the people, lighted by the fire of his spirit, make him their leader and raise him on high.

What our Nation needs today more than anything else is to be on fire with a great moral purpose. Our spiritual senses seem blunted; our spiritual muscles are soft. Our sympathies are not so active as they used to be in the days when a famine in India or a massacre in China melted our hearts. Our moral indignation does not flame. We take lying down the news of betrayal in high places which would have unloosed the destroying wrath of our fathers. We are not passionate in our love of country or our anger at its false friends. There is too much of the insipid talk of human rights and too little high devotion to human duties. What we need in the party of Lincoln is the thing that changed him from a small-town politician to a national savior—the transforming power of a spiritual fire.

We need, too, what he developed in exalted measure—a passionate love for America and an unswerving faith in its capacity to survive as a government "of the people, by the people, and for the people." Born in a rude cabin, denied anything but the most rudimentary education, he moved up through the strata of society until he occupied the highest place in the Nation and one of the most commanding in the world. Such a career could not have happened in any other land; it was in itself the sign and symbol of our democracy, a living promise to American boys and girls of every time. His love for America was like the love of man for a woman—tender, self-sacrificing, passionate, indestructible. To America he knew that he owed all he was or had; for America he was willing to lay down even life itself. This pride and this faith grew in him steadily through the years. They were the third element of his spiritual progress.

And the fourth and final element was a growing and deepening religious faith. Raised in a theological atmosphere of hellfire and eternal damnation, his boyish heart promptly and vigorously rejected the conception of a God who could hate and condemn to eternal torment the children of His creation. For this revolt young Lincoln was termed a heretic and by some an atheist. He never did find a church whose theology met his own ideals, and so he never joined the church, though attending regularly and reverently. But the terrific burden of his responsibilities and the tragedy of the Nation's suffering drove him irresistibly toward dependence on the Eternal Source of all wisdom and power. He never formulated a written creed, but my father, taking Lincoln's own words out of his speeches and letters, and with no additions or changes except in the tense of the verbs and the addition of the words "I believe," set down this

CREED OF ABRAHAM LINCOLN IN HIS OWN WORDS

"I believe in God, the Almighty Ruler of Nations, our great and good and merciful Maker, our Father in Heaven, who notes the fall of a sparrow, and numbers the hairs of our heads.

"I believe in His eternal truth and justice.

"I recognize the sublime truth announced in the Holy Scriptures and proven by all history, that those nations only are blest whose God is the Lord.

"I believe that it is the duty of nations as well as of men to own their dependence upon the overruling power of God, and to invoke the influence of His Holy Spirit; to confess their sins and transgressions in humble sorrow, yet with assured hope that genuine repentance will lead to mercy and pardon.

"I believe that it is meet and right to recognize and confess the presence of the Almighty Father equally in our triumphs and in those sorrows which we may justly fear are a punishment inflicted upon us for our presumptuous sins to the needful end of our reformation.

"I believe that the Bible is the best gift which God has ever given to men. All the good from the Saviour of the world is communicated to us through this book.

"I believe the will of God prevails. Without Him all human reliance is in vain. Without the assistance of that Divine Being I cannot succeed. With that assistance I cannot fail.

"Being a humble instrument in the hands of our Heavenly Father, I desire that all my works and acts may be according to His will; and that it may be so, I give thanks to the Almighty, and seek His aid.

"I have a solemn oath registered in heaven to finish the work I am in, in full view of my responsibility to my God, with malice toward none; with charity for all; with firmness in the right as God gives me to see the right. Commending those who love me to His care, as I hope in their prayers they will commend me, I look through the help of God to a joyous meeting with many loved ones gone before."

My friends, in these days of national and international problems and discouragements no one of us is in a position to exert very wide influence. The events are beyond the reach of most of us. Ours is not the voice to command, nor the power to decide. But we can do, each of us in his small way, the things that Abraham Lincoln did so greatly. We can impose upon ourselves a discipline which will promote mental growth, a better understanding of our country's problems, clearer vision, and wiser judgment. We can have in our own hearts the fire of a moral purpose. We can cherish a pride in America and a devotion to her interests which express themselves not in words but in a passionate love that will endure any sacrifice, even if necessary, the sacrifice of life itself. And we can believe as he believed, and as our fathers before us believed, that Almighty God has set this land apart for the special purpose of establishing here a higher degree of human welfare, a finer tolerance and mutual respect than has ever before existed in the world. And that each of us has his own eternally important part to play in that divine plan.

We can make ours the motto which he set forth for himself: "I do the very best I know how, the very best I can, and I mean to keep doing so until the end."

Lincoln—Exponent of Democracy

EXTENSION OF REMARKS

OF

HON. WILLIAM B. BARRY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 14, 1939

RADIO ADDRESS BY WILLIAM D. BOSLER, FEBRUARY 12, 1939

Mr. BARRY. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following radio address by William D. Bosler, LL. B., on February 12, 1939. Mr. Bosler has spent 15 years in the study of Lincoln and we regard him as the foremost authority in the country upon the life and era of the Great Emancipator.

The address is as follows:

It was a chilly afternoon in November 1863. The sun sinking in the west cast its shadows over a throng of people gathered upon a vast battlefield to dedicate it to the men who made a supreme sacrifice upon its broad spreading fields but a few short months before.

Every walk of life was represented on the occasion, all mingled together on the browning fields of autumn so lately consecrated by the blood of the North and South. Edward Everett, of Massachusetts, delivered a lengthy "classical" oration, regarded as his greatest polemic effort. Today it is forgotten, buried in oratorical libraries.

The dedication was about to close, when a tall man, dressed in an ill-fitting black suit, rose slowly from a chair in which his body was slumped, stepping forward upon the platform, drawing from his pocket two small sheets of paper, adjusting his spectacles, proceeded to read in a shrill monotone voice, yet charged with deep emotion and sincerity of expression.

His words were barely audible a hundred feet from the platform. In less than 3 minutes he had finished. The "dedicatory remarks" made by the President consisted of only 267 words. Little or no applause followed. The audience did not grasp nor comprehend their meaning or importance. None of those present were conscious of the concenter of ideals expressed in the simple sentences which were later to become like the resonant notes of a trumpet, echoing down to future generations.

Lincoln stood there an embodiment of the reborn democracy of a nation baptized in the blood of a fraternal struggle.

His speech was brief, yet comprehensive, tense, and elegant, linking the past to the then present, with the hopes of future mankind. In quality of composition, literary merit, music of its poetry, modulation of its rhythm, its nearest approach is the lofty tribute of Pericles, delivered in Athens 2,300 years before, in tribute to the

soldiers who died in the Peloponnesian wars. Lincoln seemed to have foreseen visions of an embattled democracy of a future time, menaced by the autocracy of those who would substitute arbitrary powers to destroy its attributes and functions.

He did not appreciate, and it is doubtful that during his life he clearly comprehended, that the short, simple utterance was the summation of American ideals, and had impregnated in them the aspirations of the spirit of America, the consecration of its purposes upon the altar of humanity; that these utterances would be to future mankind a flaming torch for all of the peoples of the world who sought the blessings of a real democracy. Let us analyze a portion of this sublime utterance.

It opens with a superstructure of only five lines.

"Fourscore and seven years ago our fathers brought forth upon this continent a new nation, conceived in liberty and dedicated to the proposition that all men are created equal."

These introductory lines in substance contain the basis of the entire history of the struggle of mankind for human liberty for nearly a thousand years.

From Runnymede, where the English barons established the principle of "no taxation without representation" in the Magna Carta forced from King John, followed by the axiom of liberty wrested from King Edward half a century later, "What concerns all must be approved by all," which later was to become a part of the unwritten constitution of Great Britain. These two axioms were the inspiration of the founders of the Colonies, the beacon light of the settlers of Massachusetts and Virginia, the torch that illuminated the path of the leaders of the colonial era, the Continental Congresses, the makers of the Declaration of Independence, the War of the Revolution, the drafting of a constitution, its adoption, in fact, the birth of a new nation dedicated to freedom and justice for all.

Now, in our era we are facing a supreme struggle in world democracy, to determine if these and like principles, planted upon our shores over 300 years ago, shall perish from the earth.

In the midst of a critical period of our Nation, with democracy on the defensive throughout the world, serious thought and consideration must be given to the forces opposed to it.

Government by dictatorship is not new. It is a reincarnation in form of the age-old doctrine of the "divine right of kings," which "for centuries held men in bodily slavery and spiritual degradation."

Its modern method of application is to dominate the people so that they are deprived of a freedom of choice, thereby becoming coerced to such a degree that they permit their individual liberty of action to become submerged into a party or group, who in turn become the instruments that dictate the policies of the state by force, in disregard of all of the fundamental rights belonging to the people.

Lincoln's theory of government was that all of the people had a freedom of choice in the selection of those who governed them, and in the directing of the policies of the state; further, that such choice was an inviolate privilege and right which could not be abridged, because the people alone were the sole and ultimate arbiters of their own destinies.

To Lincoln the welfare of the individual was of the greater importance. The state was only an instrument created by the people for the purpose of carrying out their prerogatives. All this is true democracy.

He insisted that if the majority of the individuals comprising the state were right, then the government would be right, provided always that minorities were protected in their rights by the majority.

Lincoln's five opening lines at Gettysburg embodied all of the hopes, dreams, and ideals of the great majority of peoples, seeking a new freedom in a new world, where they could exercise a freedom of religion, speech, or of the press, together with all of the attributes of justice and equality of opportunity, belonging to them.

The President next proceeded to state briefly the purposes of the dedication in terms remarkably applicable to present world conditions:

"Now we are engaged in a great civil war, testing whether that Nation, or any nation so conceived and so dedicated, can long endure."

To the speaker the supreme question was the survival of popular government, not only ours, but, as he added, "any nation so conceived and so dedicated."

Here in the New World he was striving to preserve an ideal of government by the people founded in the Old World, not for its ideals alone, but because he believed under its principles the greatest number of the common people were and would be able to obtain the greater blessings of life, liberty, and happiness. He stood for a democracy because under it the people in the largest sense would and do enjoy the greater privileges of the heritage of equality and could find the widest doors for the freest self-expression and self-development of their capabilities.

His voice still echoes down to us to inspire us in the struggle against the destructive doctrines that have impregnated some of the nations of the Old World and are knocking at our and others' doors, seeking to sap the vitality not only of our Nation but of all others who believe in and support a democratic form of government.

The democracies of the world are now faced with the problem of adjusting their economic and social problems so that the rights of minor nations and individuals may be preserved without a sacrifice of the freedom, dignity, and lives of those living under its tenets.

The dictatorships of the world are all engaged in extinguishing the beacons that light the pathway of freedom. We are facing the last frontiers of individual liberty, freedom, free expression of religion, speech, and press. They represent to us the ideals of a government, the antithesis of those who live under the fundamentals of a free democracy such as expressed by the nations of the Western World.

They govern by the weapons of oppression. Their peoples have no voice in the policies of their governments. The state is supreme. The masses are but vassals to the will of a dictator whose voice must stand unchallenged against that of the people. By vast armaments they apparently seek to impress their purposes upon the world by force of arms. Their aim appears to be to crush the democracies of the world. Democracy, challenged, can yield nothing to these destructive means and ends of government.

Lincoln's Gettysburg speech is climaxed by a plea for a lasting democracy in these words:

"That from these honored dead we take increased devotion to that cause for which they here gave the last full measure of devotion."

Devotion to the cause of democracy was the uppermost thought in the President's mind—devotion to the cause that made necessary the supreme sacrifice for a revival of the principles of a true democracy for all.

Lincoln loved these ideals. It was a second nature to him.

He was familiar with the growth of intolerance by groups having in view the purpose to limit and restrict the rights of other men, both black and white. It was prevalent in his own State of Illinois. Lincoln denounced it as un-American and contrary to all of the principles upon which the Nation was founded. And the masses of our people have come to accept this view.

His philosophy was grounded in a belief that, if we cannot give freedom to every creature, let us do nothing that shall impose slavery upon any other creature. This typified the logic behind the public expressions of the mature Lincoln. He believed that the charter of the fathers must be kept sacred in spirit as well as in form. Both to him were correlated and were dependent upon each other.

To preserve the principles of our democracy from the encroachments of legislative invasion, as well as from usurpation by judicial bodies, was a basic element of Lincoln's political philosophy. He disapproved of courts substituting judicial dicta as law instead of legislation passed by legislative authority.

He believed such a course perilous; that it would deprive the people of being their own rulers and resign their rights into the hands of tribunals turning "their decisions to political purposes." He espoused freedom of individual initiative as the best means to preserve a free government. He opposed centralization of power into the hands of special groups, fearing it would destroy the fundamental ground work of our democracy and imperil the liberties inherent in the people. He believed in a policy of utilizing the resources of government for the welfare of the people, a proposal more than two generations in advance of his era.

He was one of the few men who foresaw that old formulas did not meet the changing economic and social problems confronting the people.

Lincoln, were he living, would deprecate any movement to suppress or limit the privileges set forth in the Bill of Rights; he would favor rather an enlargement than a limitation of the freedom of the press, of speech, or radio.

Jefferson said, over a century ago, that "America is the world's best hope." Lincoln believed in that hope and gave his all to restore it to its greater luster.

Then in his speech followed a clause of only 14 words:

"That we here highly resolve that these dead shall not have died in vain."

It was the leitmotif of the address, a dedication to the eternal and inalienable rights of men.

The closing peroration is like a chant from an inspired god. The graves of the fallen lay before him, silent witnesses to his resolve:

"That this Nation shall, under God, have a new birth of freedom; and that this Government of the people, by the people, for the people shall not perish from the earth." These words disclosed the widening horizon line of Lincoln's thought, disclosing that his aspirations for a democracy for all men went far before the then present moment. In 420 B. C., Cleon, a tanner, announced to the men of Athens: "I am in favor of the democracy that shall be democratic; that shall give us the rule which shall be of the people, by the people, for the people." The thought and hope had been born and lived in the hearts of men for ages past. Lincoln had linked the hopes of mankind of the ages to the reawakened needs and hopes of his own day.

We are facing much the same struggle that Lincoln faced in his era, "to guard and maintain the freedom of men's souls and intellects" in a war-torn and distracted world, and by our example and through our precept, cooperation, and help, if possible, to reestablish a "better world order," among all nations, which will inure to the preservation of the ideals of Lincoln now a part of our country's heritage, and extend to all humanity the benevolence of a true democracy, as rededicated by Abraham Lincoln upon the battlefield of Gettysburg over 75 years ago.

Communism

EXTENSION OF REMARKS
OF
HON. LYLE H. BOREN
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 14, 1939

Mr. BOREN. Mr. Speaker, the Workers' Alliance of America, with the aid of the Communist Party in Oklahoma, is attempting to organize in the State. I have publicly condemned the Workers' Alliance as a Communist organization and have advised the people of Oklahoma not to be misled into joining this organization, pointing out it was not a legitimate labor organization; that it was not affiliated with either the A. F. of L. or the C. I. O.; and I have also submitted to people in Oklahoma evidence that the organization is communistic in its background and motives.

After seeing a press comment with reference to my stand, David Lasser, national president of the Workers' Alliance, called at my office. I wish to submit for the record a transcript of the conversation between Mr. Lasser and myself on the morning of February 9. I also wish to present a copy of Mr. Lasser's letter to me, which was given to the press on the evening of February 9, which letter reached my office on the morning of February 10.

Mr. Lasser's letter released to the press was an evident attempt to evade and distort the truth. I want to charge every Member of Congress with the responsibility to acquaint himself with the background, motives, and extent of the Communist organization known as the Workers' Alliance. I feel that every man here who loves America, who believes in the American system of government, and who has the welfare of his constituents at heart will advise his people not to be misled by the Communist organizers of the Workers' Alliance. I want to point out that the national leadership of this organization has in it a number of avowed Communists. I want to urge the people of Oklahoma and other States to send these carpetbagger Communists back where they came from when they invade our States to organize.

I call attention of all Americans to the fact that the alien element is noticeable among the organizers of this Communist front. I want to point out to you and to the workers on W. P. A. and to all those unemployed people who are becoming members of the Workers' Alliance, that the Workers' Alliance has nothing to do with the administration of the W. P. A., and cannot influence national legislation, and that their attempt to leave such impressions as reasons for belonging to this movement is utterly ridiculous and totally false. The Workers' Alliance cannot get one cent of money from the Federal Treasury. The Workers' Alliance cannot put anyone on or off the W. P. A. The leaders of the Workers' Alliance are collecting dues under these false pretenses. If members only pay 10 cents a month and their figures are correct that they have 200,000 members, they take in $20,000 a month, or almost a third of a million dollars a year under false pretenses.

Let me point out that they (the founders, the leaders, and organizers) are Communists and not the rank and file. These overfed organizers are taking the dimes from unemployed and underpriveleged. Look around for yourself and see what they are taking from you and try to find something they are giving to you. If you can find one Communist in America who is unemployed, I will show you three who are potbellied and benefiting from the depression circumstances which are the causes of your problems.

I put an amendment in the W. P. A. bill to cut all the aliens off the W. P. A. so that American citizens would reap all the benefits of that program. That amendment would remove something like 30,000 aliens from the W. P. A. The Workers' Alliance viciously opposed my stand. In their paper, Work, they repeatedly condemned that amendment. Of course, these Communists want the aliens to stay on the W. P. A., because many of these aliens are their associate Communist workers.

I want every American citizen who is on the W. P. A., or who wants to get on the W. P. A. rolls to decide for himself if it is fair to leave him, an American citizen, unemployed with his family hungry while aliens and Communists are holding and enjoying the benefits of the job he deserves. Do you believe that aliens should be on the W. P. A. pay roll while American citizens are unemployed and their families starving? If you do believe that the aliens should have these jobs, then support the Workers' Alliance, because that is what they believe. If you believe these jobs belong to American citizens, call the hand of these organizers of the Workers' Alliance.

I want to call your attention to page 12 of the Workers' Alliance paper called Work. In that editorial column these Communists say:

> We must begin at once. Pressure from the American people for the continuance and extension of a Federal public-works program, must be so overwhelming * * *, there must be millions of signatures on petitions * * *

Now let me say to the good and honest people who, through no fault of their own have been unemployed and those on the W. P. A. rolls, you have methods of presenting your cause yourself. Do not let these parasite Communists take the dimes from the little hands of undernourished children or from the pocket of workingmen where we in Congress have intended these dimes should go. There is not a single citizen in the Fourth District, rich or poor, black or white, on or off the W. P. A., who has ever found my door closed to him. The latchstring is always on the outside. You have come to my office and to my home from 5 o'clock in the morning until midnight. No one was ever turned away. No telephone call was refused an answer. No letter came to me that did not get a reply. I have always listened to your problems and your viewpoints and attempted to aid you in the solution of those problems and have always worked hard and earnestly for what I believed to be to your best interests. You do not have to go through anyone to take up your cause with me. I am telling the world that no damned Communist can influence me one iota on any vote or action that I will ever take as your representative in Congress. The Workers' Alliance cannot represent you to me. You can represent yourself, but I want this issue clearly, definitely, and finally known that I believe that Communists should be kept out of Oklahoma. I stand ready to do my part without fear or hesitation to keep them where they belong, outside Oklahoma, outside America.

And so, Mr. Speaker, I am constrained to say that the American system of government was good enough for Washington and Jefferson and it is good enough for me. Abraham Lincoln led this Nation in a course of preservation of American liberties and American union and urged that we accept the task of preserving American democracy for the generations yet unborn. I am going to fulfill my part of that task. I love America. I despise communism, fascism, nazi-ism, and all "isms" built on the theory of dictatorship by individual groups or classes. I believe in the American Constitution and condemn the Workers' Alliance, the Communist Party, and all of these damnable forces that parade under the guise of worthy causes in an attempt to inoculate America with the diseases of destruction.

It is in the spirit of love for and faith in the American system of government, Mr. Speaker, that I condemn the Communist Workers' Alliance and call on America to stand guard against these alien forces.

TRANSCRIPT OF CONVERSATION BETWEEN HON. LYLE H. BOREN, OF OKLAHOMA, AND MR. DAVID LASSER, PRESIDENT, WORKERS' ALLIANCE, FEBRUARY 9, 1939

Mr. LASSER. Our organization in Oklahoma forwarded up to us a newspaper clipping that hurt us very much. I thought I would come up here and find out what this is all about. This is from the McAlester paper.

Mr. BOREN. Yes; that is an accurate account of the comment which I made. I have publicly condemned the Workers' Alliance.

Mr. LASSER. Just why and for what reason did you have to condemn it?

Mr. BOREN. Because I am convinced it is a Communist organization.

Mr. LASSER. Well, now, there are undoubtedly some Communists in the organization, as there are undoubtedly Communists in the C. I. O., A. F. of L., and other organizations, but do you know of any subversive activity, because if you do, we would certainly put a stop to it and sever connection with those people who are responsible.

Mr. BOREN. I have no definite knowledge of subversive activity if you mean any particular action that could be defined as an attempt to destroy something by violence, and so forth, but I do know that when your organizers came to Oklahoma they began their attempts with the aid and consent and constant association with the head of the Communist Party in Oklahoma.

Mr. LASSER. Well, now, I am concerned here with the action we are going to take as an organization. We wanted to be certain, because, of course, what you have said is an attack on us which we will be compelled to answer.

Mr. BOREN. Certainly. You would be justified in making any answer that you see fit to make, because my condemnation was certainly no half-way matter with me. I don't do things by half. When I believe a thing I believe it. I don't straddle fences or pussyfoot around about it. When I fight for or against a thing I fight for or against it. There is no Mr. Milquetoast about me. I just decide what is right as best I can and then act in accordance with that conviction. You can be certain that the statement in the press that I directly and fully condemned the Workers' Alliance is an accurate account of what I said, and that is my attitude. Now, your organization has begun to build up a pressure group in the Fourth District, and from the similarity in the contents from the letters that reach me the pressure tactics that you use are unquestionably illustrated. Undoubtedly I would come in conflict sooner or later with the Workers' Alliance or any communistic, Fascist, nazi-ism, or such groups, because at all times I am unalterably opposed to any "ism" inimical to Americanism.

Mr. LASSER. Now, Congressman, Mayor Hague and a number of others have taken this sort of attitude because they either respected or feared our power and they sought to destroy us.

Mr. BOREN. As for me; I neither respect nor fear your power. I am interested in destroying the existence of the Workers' Alliance only because I believe it to be a Communist organization. I am not concerned about the political significance of the organization as it might be reflected in my personal campaigns for reelection, because, as I say, I neither respect nor fear your organization.

Mr. LASSER. I have brought out a copy of our constitution and a membership book with me which I am going to leave with you. Just because there might be some Communist in our organization does not mean we are a Communist organization.

Mr. BOREN. Why, I do not believe that all your members are Communists. I don't know just how many members you have in Seminole County, but I doubt if there are a half dozen Communists amongst that number. All of the rest are good people; but I do say your organizers are Communists, and I have read where the secretary of the Communist Party in America, Mr. Browder, says that all Communist activities are welded together in a popular front called the Workers' Alliance of America. That statement is in a published book by this avowed Communist leader. Undoubtedly you have read it. Why haven't you challenged the truth of that statement?

Mr. LASSER. Well, now, we can't just go around challenging every statement that is made about us. I don't know what Mr. Browder had in mind; maybe he wanted to prove he was a great guy, or something.

Mr. BOREN. I have no disposition to be unfair about anything. I have made considerable investigation of the Workers' Alliance. I have made a careful study of the activities and associations in Oklahoma. I have called on the C. I. O. and the A. F. of L. to inquire of your affiliations. I have had unofficial information from the Department of Justice and many others, and, of course, I have the record of the Dies committee and many other sources of information. I intend to pursue this investigation as long as there is a member of the Workers' Alliance in the Fourth District of Oklahoma. If I could be convinced you are not a Communist organization, then I would change my position; but, on the contrary, I am convinced that the Workers' Alliance is a Communist organization; and even as long as I had any doubt about whether it was a Communist organization or not I would be opposed to its spread in my State, because I feel that an organization that even has the stigma of doubt on it as to whether it is Communist or not is an organization that good citizens will have nothing to do with. Before I would join or want any of my family or friends to join such an organization I would want to know it was not communistic. But, as I say, all the evidence convinces me that the Workers' Alliance is a Communist organization.

Mr. LASSER. Well, the workers down in Oklahoma feel like you are trying to intimidate and threaten them because you say they should be fired from the W. P. A. if they are Communists, but, of course, we are no more communistic than we are Democrats. We are a nonpartisan organization.

Mr. BOREN. My statement was that every man in a supervisory capacity who was a member of the Workers' Alliance ought to be fired, and I hope that it will be done in my district. I made no reference to the man who was a relief client and I do not propose to take any action that would disturb anyone on relief. I just don't intend to see the W. P. A. administered or run by members of the Workers' Alliance. There are plenty of good Democrats with unquestionable American citizenship and American ideals who can administer the W. P. A. or any other governmental program, and I propose to see to it that Government programs in my district are kept in the hands of just such believers in American democracy and the American Government.

Mr. LASSER. Congressman, you are familiar with the law which prevents discrimination in the W. P. A. because of political affiliation or membership in labor organizations, and you realize that if you remove someone because they are a member of a labor organization you are breaking the law, and this last law is more strict than the other one about that?

Mr. BOREN. I am not removing anyone because I do not have the power to hire or fire anyone, but I am recommending their dismissal, but if I had the power I certainly would do it. It is my personal opinion that since this is a Democrat program it should be administered by Democrats. My attitude toward the Workers' Alliance hasn't anything to do with politics; it has to do with what I consider treason. I believe that anyone who promotes communism is guilty of treason against our Government and certainly has no place on the Federal pay roll.

Mr. LASSER. Certainly if you try to intimidate people by firing them if they join the Workers' Alliance, you will be breaking the established law and laying yourself open to serious legal charges.

Mr. BOREN. I am not attempting to intimidate anyone. I am just telling the folks down in my part of the country the truth—that the background of the Workers' Alliance is communism and that its ulterior motives are to spread communism, and as a private citizen I would be taking that action in or out of Congress.

Mr. LASSER. But don't you see that you can't separate your private actions from your public actions because what you do is public action because you are a Member of Congress?

Mr. BOREN. That is true in a sense, but I believe it is my duty, both as a citizen and a Member of Congress, to fight the spread of "isms" inimical to our system of government.

Mr. LASSER. You indicated some pressure methods and that we might be influencing the course of action of legislators.

Mr. BOREN. Oh, no; I said "pressure tactics" and, so far as I know, you are not influencing any legislators. I do believe your movement is an opportunist movement and that you are taking advantage of the desperate circumstances of unemployed people in holding out false hopes to them. I understand that these people on the W. P. A. and unemployed people pay a dime a month into your national fund, and I presume that if you have 200,000 people that you take $20,000 a month from these people.

Mr. LASSER. You wouldn't deny the right of underprivileged citizens to organize and improve their conditions, would you?

Mr. BOREN. Most certainly not. I am friendly to all other organizations that exist in my district. I have condemned only the Workers' Alliance. There are a lot of substantial organizations that exist in my district—legitimate labor organizations, religious organizations, veteran organizations, and political organizations, etc. I believe in the right of any group to organize, and I do not believe that communism is confined to any underprivileged class in America. I think there are more people in America who are drawing high salaries that are Communists than there are on relief rolls. I think there are more potbellied and overfed Communists than there are underfed Communists.

Mr. LASSER. The growth of our organization speaks for itself. Public opinion will decide and are you the one to determine whether we should organize in Oklahoma or not?

Mr. BOREN. I am the one to decide my own attitude and actions. I have decided and made public my stand.

Mr. LASSER. You mention the Dies committee. I wanted to testify before the Dies committee and hope I will get a chance, and this Mr. Steele who testified before the Dies committee—surely to God you are not getting your information from him?

Mr. BOREN. I have read his statement, but as I told you, I have made a very thorough investigation and my information comes from many sources and all of it shows the Workers' Alliance to be a Communist organization. I think you should have your day in court and I will try to make arrangements for you to appear before the Dies committee.

Mr. LASSER. You made your attack without calling on me. I will send you a copy of the letter which I will send out to our people in Oklahoma in reply to your charges so that you will have an opportunity to answer if you choose. I think you should have called on me before you made any charges against our organization.

Mr. BOREN. You probably have some right to that feeling, but you are not a citizen of my district and I have no interest or responsibility toward you.

Mr. LASSER. Don't you believe in a democratic country—that a fellow is entitled to believe in communism if he wants to?

Mr. BOREN. My attitude in this is entirely impersonal; I am interested only in Americanism. I think we are going through a dangerous period in which the future of our country will be determined and I am going to do everything I can to preserve the American system of government. If it could be absolutely proven to me that you were a Communist and had designs of setting up in America a dictatorship, either of an individual as dictator or of a class as dictator, or any such change in our Government, then I personally would be convinced that your attempts were treason against the Government and that you should be condemned and executed for treason. That attitude is impersonal and applies to nazi-ism, fascism, as well as to communism, or applies to any other thing that attempts to destroy the American system of government.

Mr. LASSER. Why don't you call up Colonel Harrington or McIntyre down at the White House and ask them about me?

(Mr. BOREN called both the White House and Harrington and then commented:)

Mr. BOREN. I am informed that they had asked you as an individual to see to it that no demonstrations were made around the White House and that you had cooperated, but that they are not informed at all as to the background and motives and connections of your organization.

Mr. LASSER. I have talked to the President several times.

Mr. BOREN. The President talks with all kinds of people. The fact that you are talking to me now does not indicate my attitude toward your organization.

It is past time for me to go to my committee and I am sure you have other duties perhaps; we have discussed this matter fully enough already.

Mr. LASSER. Yes; yes, indeed. I am glad to have had this talk with you, Congressman.

Mr. BOREN. Well, I am glad you had this talk, too. At least we understand each other, and I take it that there is no doubt in your mind as to my attitude. I have been quite frank with you and have no hesitancy to be frank about all of my actions, because everything I do is straightforward and I always do what I believe to be right even though it is possible that sometimes I might be wrong.

Mr. LASSER. Oh, yes; just one other question I want to ask you, because a lot of members are asking and I asked the C. I. O. if they had a record on it, but they didn't. How did you vote on the W. P. A. bill?

Mr. BOREN. I voted to pass it and have so informed all of the members of your organization who have written me.

Mr. LASSER. But how did you vote on the Cannon amendment to raise the amount of the appropriation?

Mr. BOREN. I voted to sustain the committee, and I have also informed all the members of your organization who have inquired what I did about that, too.

Mr. LASSER. I am glad to get this information; it was not a record vote.

Mr. BOREN. No; it was not. As far as I am concerned, I would be glad if everything would be a record vote, because I never cast a vote that I would not be glad for the world to know how I voted. I always vote my honest convictions of what is best for the people I represent and for what is best for the Nation, regardless of the attitude of pressure groups or minority interests.

Mr. LASSER. I am glad we both understand each other, Congressman.

Mr. BOREN. Yes; I am glad you came out. We both know where we stand. I know your attitude and you know mine.

Mr. LASSER. Yes; and thank you for your time, Congressman.

WORKERS ALLIANCE OF AMERICA,
Washington, D. C., February 9, 1939.

Hon. LYLE H. BOREN,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN BOREN: I am writing you this open letter in accordance with my conversation with you today regarding a statement in the press in Oklahoma on your attitude toward the Workers Alliance.

You will remember I called your attention to a press clipping in which you declared you had written to the State administrator of W. P. A. in Oklahoma asking the removal of any supervisor or nonrelief employee in your district who is a member of the Workers Alliance.

I informed you at our meeting that I desired to check this press clipping with you to ascertain whether or not it was accurate before we took any action regarding it.

You informed me that you had sent a letter to the W. P. A. administrator as quoted in the press, on the grounds that the Workers' Alliance is a Communist organization. You further informed me that not only would Workers' Alliance members not be given supervisory positions on W. P. A., but that no Republican could get a supervisory position in your district. You further informed me that you would do everything possible to see that the growth of the Workers' Alliance is stopped in your congressional district, and you would exert your influence to get members of the organization to drop out.

If you will remember, I warned you about this course of action, calling to your attention the fact that not only the 1938 Relief Act but the provisions in the deficiency appropriation act as well include very severe penalties for discrimination against W. P. A. workers because of their political affiliation or membership in a labor organization.

I called to your attention, specifically, section 19, title I, of the 1938 Relief Act, which says, in part:

"Any person who intentionally * * * by means of any fraud, force, threat, intimidation, or boycott, or discrimination on account of race, religion, political affiliations, or membership in a labor organization, deprives any person of any benefits to which he may be entitled to under any such appropriation, or attempts so to do, or assists in so doing, shall be deemed guilty of a misdemeanor and fined not more than $2,000 or imprisoned not more than 1 year, or both."

I called to your attention also section 3B of the deficiency appropriation bill just passed, which uses substantially the same language but makes the crime a felony. This new provision is "in addition to and not substitution for any other section of existing law."

Certainly you must be giving serious thought to a course of action which is placing you in clear defiance of the established law of the land and in defiance of the desire of the American people to prevent any political or other discrimination in employment on the W. P. A. program.

If you will remember, I replied to you on the charge that our organization is politically controlled. I denied this statement emphatically and asserted that any person who made such a statement, whether he be within the alliance or without, would be guilty of deliberate falsehood.

I called to your attention the fact that it is not the province of any Congressman to determine whether or not a certain organization has the right to exist, and that if you were attempting to coerce people in your district to become, or not become, members of the Workers' Alliance, you were laying yourself open to serious legal charges.

You declared that you were alarmed by the growth of the Workers' Alliance in Oklahoma, and you feel that if we continue our growth we will be able to influence the course of action of legislators. If you will remember, I informed you that our activities would have to meet the test of public opinion.

I asked you to cite any instances of any of our activities, of any of our literature, that were subversive, and you admitted that you had no such material or information.

Is it not significant that you got your chief information on the Workers' Alliance from Mr. Walter Steele of the National Republic—an organization which, if not fascist-minded, is certainly very close to it? Is it not significant, also, in determining where you stand, that displayed in your outer office is a large picture of the S. S. *Bremen* of the North German Lloyd Line and that this picture hangs there at a time when the overwhelming majority of the American people are boycotting everything that is German and fascist?

Is it not significant, in your attitude toward the Workers Alliance, that you admitted that you voted for the $150,000,000 cut in the W. P. A. appropriation in the House, and that if this cut had been sustained in the manner that the House wanted, reductions in the W. P. A. rolls would have started on February 1 and continued at the rate of 200,000 a month, necessitating in Oklahoma the throwing off of some 30,000 American families on to the local relief rolls or the breadlines?

If you remember, I invited you to call the White House and find out what they know about the Workers' Alliance. I invited you to call the Works Progress Administration and find out what they know about us. You subsequently called the White House and were informed that their knowledge of our activities reflects nothing but credit on the Workers' Alliance.

If you will remember, I informed you further that we have no desire to enter into any hostilities with you or to have any ill-will existing between yourself and the Workers' Alliance, but are solely determined to protect the rights of Americans who are unemployed or on W. P. A. to organize, to express themselves through organization and to get the benefits of the laws of the land.

If you will remember, you did express regret that you had not consulted with the Workers' Alliance before you sent your hasty letter to the W. P. A. Administrator and issued your hasty statement to the press.

Judging by your recent attitude and actions, it would appear that your charge of communism is actually only a smoke screen to help carry through the plans of those who want to entirely dismantle the W. P. A. program and throw hungry and starving people on the streets, and that in order to successfully accomplish this end you apparently feel it is necessary to prevent the growth of the Workers' Alliance because the Workers' Alliance has been so active and effective in helping to preserve the program.

It would also appear that you wish to exert political control over the W. P. A. program in your congressional district until it is disbanded.

I am in hopes that you will have perceived that you have acted unwisely in this whole matter and that you will make no further attempts to intimidate any American and prevent him from determining what organization he shall or shall not join. We hope that you will recognize that it is your duty as a Congressman—even more than any American—to support the laws of the land; and that you are subject to the same penalties if you attempt to discriminate against or to get others to discriminate against any American because of his political affiliation or membership in a labor organization.

As for us in the Workers' Alliance, we are going to continue our activities in a constructive, orderly, American way, to make sure that the essential needs of the underprivileged not only in your own State but in every State are protected—and in this way helping to bring recovery for America.

We hope you will see fit, in all honesty, to retract the statements you have made about us and to cease any actions which can be construed as unlawful.

If there is anything in this letter which is not a matter of fact concerning our conversation, I would be very happy to be corrected.

Very truly yours,

DAVID LASSER, *National President.*

The Refugee Problem

EXTENSION OF REMARKS
OF
HON. JOAQUIN M. ELIZALDE
RESIDENT COMMISSIONER FROM THE PHILIPPINE ISLANDS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 14, 1939

STATEMENT BY HON. MANUEL L. QUEZON, PRESIDENT OF THE PHILIPPINE COMMONWEALTH

Mr. ELIZALDE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement by President Manuel L. Quezon, of the Philippine Commonwealth, read at the London Conference of the Inter-Governmental Committee on Political Refugees, February 13, by George Rublee, American delegate:

The Government of the Commonwealth of the Philippines will be happy to cooperate with the United States Government and other governments concerned in an effort to find a solution of the refugee problem, which it is realized must be approached upon broad humanitarian grounds. The Commonwealth government is willing to continue the plan in operation since May 1938, which permits the entry into the Philippines upon advance approval of a limited number of refugees whose maintenance has been previously guaranteed by interested persons. The foregoing plan is naturally subject to existing and future immigration laws and regulations. The Commonwealth government believes that under this plan there may be admitted as many as 1,000 persons annually.

The Commonwealth authorities are furthermore favorably inclined to a plan which would permit the settlement of refugees on the island of Mindañao and in other sparsely populated areas of the Philippines. The island of Mindanao, the southernmost of the Philippine Archipelago, has an area of some 37,000 square miles, is sparsely inhabited, is in the main favorable climatically, and is believed to be capable of supporting a very considerable population. The large-scale colonization of Mindanao by Filipinos and substantial sums are available for general development purposes. It is believed that this program could be materially aided through the use of refugee specialists, engineers, technicians, doctors, skilled and semiskilled artisans. The Commonwealth government would favor the settlement of refugees in Mindanao in accordance with the following conditions in such numbers and at such a rate as may be found to be within the interest of Philippine national economy:

1. That a responsible committee representing the refugees or acting on their behalf shall submit a satisfactory plan to finance such settlements;
2. That the settlers will agree to engage in subsistence farming or such other activities as may be compatible with the best interests of the Philippines;
3. That they shall take out naturalization papers as early as possible, thereby expressing their intention to become Filipino citizens;
4. That until they become Filipino citizens they shall reside in the land reserved for them;
5. That the number of refugees to be admitted as settlers shall be fixed for the time being by the Commonwealth government acting upon the recommendation of the committee in charge of the settlement in course of preparation, having in view the committee's ability to take care of the settlers and the consequences of large-scale settlement upon the national economy of the Philippines; and
6. That the plan contemplated and its execution shall be subject to the immigration laws now in force or which may hereafter be passed by the national assembly.

Taxation of State, County, and Municipal Employees

EXTENSION OF REMARKS
OF
HON. THOMAS A. JENKINS
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 14, 1939

Mr. JENKINS of Ohio. Mr. Speaker, what I have already said on the floor of the House in opposition to the bill proposed to tax the salaries of State, county, and municipal employees is supported by the report made a few days ago in the Joint Committee on Internal Revenue Taxation by its highly competent staff. This joint committee is, beyond any doubt, the highest authority in the Nation on all internal-revenue tax matters, and its staff, which makes this report, is also beyond question the most efficient of its kind in the country.

The following excerpts from this exhaustive report will support my contentions. On page 1 the following appears:

Part I. Whether the Congress has the power to apply the Federal income tax directly to the interest on State and local securities: It is the opinion of this office that a constitutional amendment is the only effective way by which the Federal income tax may be applied to this interest.

Part II. Whether the Congress has the power to apply the Federal income tax directly to the salaries of officers and employees of the States and their political subdivisions: Existing revenue laws tax the compensation of State and local officers and employees to the fullest extent permitted under the Constitution. This office does not believe additional legislation is necessary to afford to the courts the fullest opportunity to define the limits to which the Federal Government may go in subjecting their compensation to the income tax.

Any decision of the Court extending this power to include the salaries of employees who have theretofore been considered exempt will require legislation to prevent the imposition of retroactive taxes. While it is likely that the Court will in time substantially extend the Federal power with respect to the application of the income tax to certain classes and types of State and local employees, it is the opinion of this office that in order to effectively reach the compensation of all State and local officers and employees an amendment to the Constitution will prove necessary.

On pages 2 and 3 the following appears:

In consideration of this question, an exhaustive study was made by the Department of Justice in June of 1938. The conclusion reached in that study is that "the Congress apparently has the power, under the present trend of decisions to tax the net income arising from the interest paid on State bonds." With this conclusion, we are unable to agree.

On page 47 the following appears:

It appears that the only way all of the salaries of State and political subdivision officers and employees could be reached by the Federal Government, and all the salaries of Federal officers and employees could be reached by the State governments, is by a constitutional amendment.

This whole controversy has arisen from a study made by the Treasury Department. This study is met head-on by this report of the staff of the joint committee of Congress, appointed by Congress to keep Congress and the country advised with reference to internal-revenue matters. The study made by the Treasury Department acknowledges that they are going into new fields. They are not certain as to the ground. The staff of the Joint Committee on Taxation are positive of their position because they have been over the ground many times.

The membership of the Joint Committee on Taxation and its staff are as follows:

Chairman, Robert L. Doughton, Representative from North Carolina; vice chairman, Pat Harrison, Senator from Mississippi; William H. King, Senator from Utah; Walter F. George, Senator from Georgia; Robert M. La Follette, Jr., Senator from Wisconsin; Arthur Capper, Senator from Kansas; Thomas H. Cullen, Representative from New York; Allen T. Treadway, Representative from Massachusetts; Frank Crowther, Representative from New York; secretary, Bryant C. Brown, 1916 Colonial Terrace; chief of staff, Colin F. Stam, 3940 Livingston Street; assistant chief of staff, Gaston D. Chesteen, 2515 Thirteenth Street; technical assistants, Lynn L. Stratton, 6403 Ridgewood Avenue, Chevy Chase, Md., David C. Longinotti, 214 Massachusetts Avenue NE.; statistician, Walter L. Price, 2407 Fifteenth Street; attorneys, Weaver Myers, 211 Delaware Avenue, William L. Wallace, 2409 Thirteenth Street, Walter L. Tucker, Harvard Hall Apartments, Carl A. Phillips, 1348 Jefferson Street; stenographers and assistant clerks, Irma Crisler, 214 Massachusetts Avenue NE., Evelyn Hall Turner, 1445 Otis Place.

Legislature of Montana

EXTENSION OF REMARKS
OF
HON. JAMES F. O'CONNOR
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 14, 1939

RESOLUTIONS OF LEGISLATURE OF MONTANA

Mr. O'CONNOR. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following memorials passed recently by the Legislature of the State of Montana:

House Joint Memorial 7

Memorial to the Congress of the United States of America requesting it to assist the beet-sugar industry in Montana

Whereas only 29.5 percent of domestic sugar sales are allotted to domestic producers at present. Cuba has practically the same amount and our insular possessions 41.5 percent. American producers are rightfully entitled to all of the domestic market that they are able to supply; and

Whereas the import quotas of raw sugar as set at the present time have brought the farmers, the workers in the beet-sugar factories, and the laborers in the beet fields in direct competition with the poorly paid labor in the sugar-producing territories outside of continental United States; such competition has the direct result of lowering the standard of living of these farmers and laborers to a level incompatible with the American way of life; and

Whereas sugar beets can be effectively grown at a reasonable profit in this State and there is no food more valuable to the consumer in nutritive worth, even at a much higher price than at present; and

Whereas the production of sugar beets provides employment at good wages for many times as many workers as the same acreage of other crops adapted to this latitude and any control of the expansion of sugar-beet acreage means more unemployment and more relief clients, who could otherwise make a living in this industry; and

Whereas there is grave danger that the present policy, if continued, will result in many now employed in this country losing their means of livelihood, thereby further increasing the already tremendous burden of unemployment; and

Whereas our beet growers, if permitted to make a reasonable amount of money, are, due to their higher standard of living, many times better customers for eastern industry as are foreign sugar laborers and planters; and

Whereas an orderly and sound expansion of beet plantings in accordance with the development of suitable land and the building of new factories to take care of the increased production is a reasonable and necessary process to the building up of this State and should be encouraged; and

Whereas the expansion of the domestic production of sugar should be encouraged as a problem of national economy and defense; the acute shortage of sugar during the World War demonstrated our need for a much higher domestic sugar production in time of emergency; and

Whereas because of the high altitude of this region there are practically no substitute crops for sugar beets, and the restriction of the beet industry means the throttling of our agriculture by elimiating the best cultivated crop in a proper rotation for maintaining soil fertility and weed control; and

Whereas the development of profitable agricultural operations is so vital to the business of all of Montana as well as of the entire United States and should be given most serious consideration by all individuals and lawmaking bodies; and

Whereas the Beet Growers' Association of Montana, supported by the Montana Federation of Labor and Montanans, Inc. (the State Chamber of Commerce), have given serious and careful consideration to the present sugar quotas, and the above facts have been definitely established: Now, therefore, be it

Resolved, That it is the prayer of your memorialists, the Twenty-sixth Legislative Assembly of the State of Montana, that the Congress of the United States should, by proper legislation, right the wrong suffered by the farmers, processors, and wage earners engaged in the growing and manufacturing of beet sugar by immediately raising the domestic sugar quota to permit the unrestricted production of sugar within the continental limits of the United States, and to maintain the protective market by quota reductions and adequate tariffs on foreign sugar; be it further

Resolved, That a copy of this memorial, duly authenticated, be sent by the secretary of state to the Senate and House of Representatives of the United States and to each of the Senators and Representatives of Montana in Congress.

House Joint Memorial 3

Memorial to the Congress of the United States of America requesting an investigation of the wrongful destruction, removal, and failure to replace the fairground buildings of the county of Musselshell, and thereafter cause restitution of the same, said buildings having been wrongfully destroyed and removed by authority of the National Parks Service

To the Honorable Senate and the House of Representatives of the United States in Congress assembled:

Whereas the National Parks Service, under the Secretary of Interior, having been authorized by the Congress of the United States to aid the several States and political subdivisions thereof in planning and developing adequate park, parkway, and recreation area facilities for the people of the United States, set up C. C. C. camps in Montana to aid in developing our State parks; and

Whereas in 1935, under and by virtue of said authority, a C. C. C. camp, designated by the National Parks Service as "Roundup Peaks Camp," was established for the purpose of reconstructing the Musselshell County Fairgrounds; and

Whereas said camp having been set up, the exhibit building, grandstand, and certain other buildings were torn down, and, in spite of and contrary to the definite assurance and promise to the county of Musselshell of new buildings of superior quality, the C. C. C. camp was removed prior to the construction of any buildings whatsoever; and

Whereas all subsequent efforts of the county of Musselshell to secure replacement of said buildings have been of no avail: Now, therefore, be it

Resolved, That the Twenty-sixth Legislative Assembly of the State of Montana (the senate and house concurring) does hereby respectfully petition and request the Congress of the United States to cause a thorough investigation to be made of the destruction, removal, and failure to replace the fairground buildings of the county of Musselshell, and thereafter to provide for restitution of said buildings and structures; and be it further

Resolved, That copies of this memorial be transmitted by the secretary of state of the State of Montana to the Honorable B. K. WHEELER, and the Honorable JAMES E. MURRAY, United States Senators, and to the Honorable JAMES F. O'CONNOR, United States Representative of the Second Congressional District of the State of Montana.

House Joint Memorial 1

Resolution memorializing the Congress of the United States for the passage of the legislation for the creation and establishment of the Townsend recovery plan, and for benefits to be paid to all persons over the age of 60 years

To the Honorable Senate and House of Representatives of the United States in Congress assembled:

Whereas there exists among employers of labor a widespread policy by which persons of over 45 years of age, willing and anxious to earn their livelihood are deprived of the opportunity of receiving employment; thus placing many such persons in a position of depending either upon friends or relatives or on public charity; and

Whereas many of the persons thus deprived of an opportunity to earn their support are, because of this policy, adopted and enforced by employers of labor unable to support themselves by means of their own effort; and

Whereas our social and economic welfare demands of the American people as a whole that those who, through no fault of their own, are thus deprived of the opportunity to earn a livelihood be placed in a condition where their morale be sustained and they be neither indigents or partakers of public charity; and

Whereas the burden of creating and maintaining the social and economic welfare is of greater magnitude than the State of Montana in common with other States is able to carry on; and

Whereas there exists not only a widespread demand of persons over 60 years of age for the passage of legislation which will permit them to maintain their self-respect, but there also exists an unusually strong demand of persons under the age of 60 years, that those who have pioneered in the building and development of our country be justly and adequately provided for in their declining years: Now, therefore, be it

Resolved by the House of Representatives of the State of Montana (the senate concurring), That we do hereby petition the Congress of the United States of America for the passage of the Townsend recovery plan into law, the said plan being deemed just and equitable to all persons over the age of 60 years; be it further

Resolved, That a copy of this memorial be transmitted by the secretary of state of Montana to the Senate and House of Representatives of the Congress of the United States and to the Senators and Representatives in Congress from the State of Montana and they and each of them be requested to use all honorable means within their power to bring about the enactment of the Townsend recovery plan into law.

Philippine Independence Act and Cuban Trade Treaty

EXTENSION OF REMARKS
OF
HON. FRED L. CRAWFORD
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 14, 1939

Mr. CRAWFORD. Mr. Speaker, Thursday of this week the Senate Committee on Territories and Insular Affairs will begin hearings on bill S. 1028, carrying proposals submitted in the Report of the Joint Preparatory Committee on Philippine Affairs. The chairman of the Insular Affairs Committee of the House, Mr. KOCIALKOWSKI, has introduced H. R. 3330, and I understand hearings will open before the House Insular Affairs Committee under date of March 6 next.

The Joint Preparatory Committee has filed its report consisting of 4 volumes and covering some 3,010 pages of essay matter, statistical tables, and other data. The Philippine Independence Act of March 24, 1934, carries a provision to the effect that the President shall bring about the creation of this committee for the purpose of making a study looking forward to a revision of the trade relations between the United States and the Philippine Islands. The committee has submitted its report, which in turn has been placed before Congress through the President's message of some days ago, and now the Congress is to again consider the question of duty, excise taxes, imports, and exports, and other Philippine questions.

Particular attention is directed to section 6 of the Independence Act and the changes suggested therein by H. R. 3330. The committee report and the suggested changes in the independence act are of vital concern to the industrial structure of the United States. The proposed changes are of such a nature as to give concern to the domestic sugar industry, consisting of continental beet, continental cane, and the offshore areas located in Hawaii, Puerto Rico, and the Virgin Islands. The proposed changes materially alter the provisions of the independence act. Instead of a full duty applying against Philippine imports to the United States, immediately independence is granted, as provided in section 13, we now have to consider the question of deferring the application of full duties until 1961.

Section 13 of the independence act provides that there shall be collected, levied, and paid upon articles coming into the United States from the Philippine Islands, the rates of duty which are required to be levied, collected, and paid upon like articles imported from other foreign countries. This provision, however, is qualified to the effect that a conference of representatives of the two Governments shall reconsider the trade relations that shall exist subsequent to independence. Section 13, however, provides that nothing in the proviso shall be construed to modify or affect in any way any provision of the independence act related to the procedure leading up to Philippine independence or the date upon which the Philippine Islands shall become independent. The proposed reduction in the duty on sugar coming into this country from Cuba; the proposal materially altering the economic provisions of the Philippine independence act; and the situation which now governs on the price being received by the domestic sugar industry for the sale of its products under the controlled powers of the Secretary of Agriculture are all interwoven. Indeed, a combination of circumstances brought about by all of these proposals has created a chaotic condition throughout the domestic sugar industry. Straight thinking is required, and the domestic sugar industry must keep on its toes.

DISASTROUS PRICE DECLINES

When the Secretary of Agriculture announced the 1939 quotas on sugar, there followed a considerable decline in sugar prices. Since the Secretary of State proposed reduction in duty on sugars coming into this country from Cuba, the price on sugar has been further declining. Also, while the 15 cents per hundred pounds duty reduction has not actually become effective, the duty-free prices on sugar produced in our insular possessions and continental beet and cane sugars have all suffered price reductions. Within recent weeks the duty-free price has been about 10 cents per hundred pounds of the proposed 15-cent reduction. Under the quota system, Cuba can withhold her sugars from the United States markets and let the duty-free sugars supply trade demand at the reduced price, reflecting two-thirds of the proposed reduction in duty, and then later on Cuba can benefit by her full quotas and thereby put in the purse of the Cuban sugar industry the 15-cent reduction in duty, when granted, and all at the cost of the American taxpayer. In this manner Cuba does not have to sell her sugar on the greatly depressed market of today, while uncertainty as to the action to be taken on the reduction in duty is in control of the market. In this manner Cuba benefits greatly and competitively as against the American growers of sugar produced in the continental United States and our insular possessions of Puerto Rico, Hawaii, and the Virgin Islands.

CUBAN RECIPROCAL-TRADE AGREEMENT

Along with the Philippine relations now about to be reconsidered, it is well for us to keep in mind our relations with Cuba. After all, Cuba is a very vital part of our sugar problem. Our relations with Cuba will affect, not only now but in the future, our relations with the Philippine Islands.

A number of statements have been made in connection with the Cuban agreement pointing out how Cuba's trade with the United States declined from a peak in 1929 to a low in 1933 and subsequently underwent a rapid recovery. These statements often associate the decline in trade with a decline in Cuba's income from sugar and ascribe the subsequent increase in trade to the reciprocal-trade agreement. Among those who have expressed opinions is Mr. H. S. Patton, who, in Commercial Policy Series, No. 27, United States Department of State, writes as follows:

> Although the United States and Cuba have accorded each other preferential tariff treatment ever since 1902, the raising of sugar duties under the Hawley-Smoot Tariff Act of 1930 had brought virtual ruin to the Cuban sugar industry, whose exports to this country fell from 4.15 million tons in 1929 to 1.58 million tons in 1935. Under these conditions Cuba had so restricted its purchases of American goods that our exports to that island declined in value from $129,000,000 in 1929 to a mere $25,000,000 in 1933.

Now, Mr. Speaker, let us look at some comparative figures and see just how clearly Mr. Patton presented the facts in giving us this illustration.

While it is true that Cuban purchases of American goods declined precipitously from 1929 to 1933, it is also true that exports to other Latin-American countries, which are not primarily sugar-producing areas, underwent an equally sharp reduction. Thus, while exports to Cuba dropped 82 percent, exports to Chile fell 91 percent; those to Uruguay, 87 percent; and those to Argentina, 83 percent. Similarly, purchases of American goods by Peru declined 81 percent; purchases by Mexico, 73 percent; and those by Venezuela, 71 percent.

It is evident, therefore, that the loss in purchasing power sustained by the Latin-American republics between 1929 and 1933 was not attributable to collapse of the sugar market alone but was rather the result of world-wide depression and constriction of trade in general.

Moreover, it is interesting to note that, during the subsequent recovery period, certain of these same countries—with whom no trade agreements were then in effect—showed a gain in

purchases of American goods as great as, or greater than, that showed by Cuba. Between 1933 and 1937, Cuba increased its purchases from the United States by 292 percent. On the other hand, Chile increased its purchases from this country by 350 percent; Peru by 287 percent; Uruguay by 264 percent; and Venezuela by 255 percent. Thus it appears that the most important factor in increasing trade was the improvement in business conditions which occurred throughout the world between 1933 and 1937.

United States exports to Cuba and other Latin-American countries, 1929, 1933, and 1937

Country	1929	1933	1937	Change, 1929–33	Change, 1933–37
				Percent	*Percent*
Cuba	$127,051,000	$22,674,000	$88,847,000	−82.2	+291.8
Chile	55,776,000	5,278,000	23,742,000	−90.5	+349.8
Uruguay	28,245,000	3,597,000	13,105,000	−87.3	+264.3
Argentina	210,288,000	36,801,000	93,532,000	−82.5	+155.0
Peru	26,176,000	4,888,000	18,898,000	−81.3	+286.6
Mexico	133,863,000	36,343,000	105,700,000	−72.9	+191.0
Venezuela	45,325,000	13,024,000	46,254,000	−71.3	+255.1

Source: Compiled from reports of the U. S. Department of Commerce.

NOTE.—"Other Latin-American countries," represent leading American republics with which no reciprocal-trade agreements were in effect during the years indicated

The Relief Problem

EXTENSION OF REMARKS
OF
HON. JOHN G. ALEXANDER
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 14, 1939

Mr. ALEXANDER. Mr. Speaker, as I have previously stated in this House, it is high time that Congress take notice of the critical situation which exists in this country with reference to our relief problem, and that it meet the need for a sound and constructive substitute program, which will eliminate the continuous drain on State and municipal financial resources which is now occurring throughout the land and which can end but in one way, namely, the destruction of orderly democratic representative government and which can likewise result in but one thing, namely, the advent of dictatorship. As a growing and direct example in point, I submit to the House the following telegram just received from O. A. Pearson, superintendent of the department of public relief of the city of Minneapolis:

MINNEAPOLIS, MINN., *February 13, 1939.*

Hon. JOHN G. ALEXANDER,
House Office Building:

Persons on relief: October, 39,450; November, up 3,041; December, up 3,125; January, up 2,190 over previous month. Commitments in dollars, State and local funds: October, $480,000; November, up $52,852; December, up $45,062; January, up $33,630 over previous month. Anticipate increase in relief load next 2 months due to W. P. A. lay-offs. Sharp increase after April 1 in W. P. A. carries out proposed cut. Minneapolis only available resource is bond issue. City now forced to refund maturities because of abnormal relief bond issues in past 6 years. Requirements for refunding aid for direct relief and sponsor's share of W. P. A. will exhaust city's debt leeway before December 31, 1939, or earlier if W. P. A. retrenchment increases direct relief intake. Over-all case load with all categories of aid now the highest in history of Minneapolis. Anything that you can do to help relieve the situation will be greatly appreciated.

O. A. PEARSON,
Superintendent, Division of Public Relief.

This wire describes in a graphic way, with the increase of 8,356 cases in 3 months in one city, the growing plight of our local governments and their destitute citizens and indicates to any live and conscientious mind that there is great need to take immediate steps to formulate a program such as that suggested in my remarks in this body on January 13 last, looking to the absorption of our unemployed people in real jobs, and their removal from further doles, direct relief, and starvation. They deserve it, the spirit of democracy demands it, and we must give it here in Congress.

General Welfare Act—The Townsend Plan

EXTENSION OF REMARKS
OF
HON. MARTIN F. SMITH
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 15, 1939

STATEMENT OF HON. MARTIN F. SMITH OF WASHINGTON BEFORE THE COMMITTEE ON WAYS AND MEANS

Mr. SMITH of Washington. Mr. Speaker, under permission granted to me by unanimous consent of my colleagues of the House, I am extending my remarks by inserting the statement which I made before the Ways and Means Committee, February 15, 1939, in support of H. R. 2, the General Welfare Act, which embodies the principles of the Townsend old-age pension and national recovery plan.

The statement is as follows:

Mr. Chairman and gentlemen of the committee, I deeply appreciate being granted this opportunity to appear before you today in support of H. R. 2, introduced by our colleague, the gentleman from Florida [Mr. HENDRICKS], which is known as the General Welfare Act and embodies the principles of the Townsend old-age pension and national recovery plan. A companion bill, I am advised, has been introduced in the Senate, S. 3, by Senator PEPPER, also from the State of Florida. Many of my constituents are interested in this legislation as are millions of other citizens throughout the country, and I feel certain that they deeply appreciate the action of your great committee in granting hearings on this important bill at this time.

My interest in this legislation is known to the members of this committee and to the people not only of my district and State but also to the entire Nation. I first became interested at a time when there was not a single Townsend club in my district, and I placed in the CONGRESSIONAL RECORD on April 4, 1934, the first statement and explanation of the Townsend plan which was made in the Congress of the United States, and the first official notice which it received here in the Capital. I have studied it continuously since then and was one of a small group of House Members who drafted the first and second and all subsequent bills, including the present bill, and have taken an active, prominent part in the campaign waged in its behalf in and outside of Congress.

H. R. 2 is comparatively simple in its terms and provisions. Briefly stated, it provides for the payment, financing, and compulsory expenditure of a Federal monthly old-age pension of not to exceed $200 per month to all law-abiding citizens 60 years of age and past by levying a 2-percent transactions tax.

It is thereby proposed to retire our senior citizens from gainful employment and utilize their services in placing in circulation the purchasing and spending power of the pension money. This will make it possible for their jobs to be filled by younger citizens who are now unemployed.

GOVERNMENT INVESTIGATIONS AND REPORTS FAVOR LEGISLATION

Despite all the worthy, splendid efforts of President Roosevelt and the present national administration we have not solved the one big problem of unemployment. It is still the fact, as President Roosevelt has oft stated, that one-third of the people of America are ill-fed, ill-clad, and ill-housed.

In other words, there faces the Nation a dearth and total lack of buying and purchasing power on the part of 40,000,000 of our fellow citizens which is depriving us of one-third of the productive capacity of the farms and factories of America. This latter fact is corroborated and conclusively established by the official report of the National Survey of Potential Product Capacity, prepared under the auspices of the Civil Works Administration by Harold Loeb and a corps of sixty-odd engineers, technicians, statisticians, economists, and experts specially trained and qualified for the task assigned to them.

This report and survey, financed by the Federal Government, discloses that if the productive facilities of our country in 1929 had been fully utilized, sufficient could have been produced to provide every family with goods and services equivalent to $4,370 per year, and that even in the halcyon year of 1929 we produced only two-thirds of our capacity, and 42 percent of our population were at that time inadequately fed, clothed, and sheltered and did not enjoy "a decent or healthy standard of life." They established by a mass of figures, facts, and data that the national in-

come in manufactured goods, foodstuffs, and services in 1929 of $94,000,000,000 could and, to properly meet the needs of the American people, should have been the sum of $135,000,000,000, or approximately $41,000,000,000 greater than it was. The conclusion reached in this Government report is that we are deliberately and purposely restricting production and the creation of wealth and income to the extent of one-third of the capacity of our farms, factories, mines, and forests and not providing the abundance of food, clothing, and housing which is available for all our people and deliberately keeping one-third of our lands and factories idle and nonproductive in order to secure an artificial scarcity to conform with the insufficient buying and purchasing power of our people.

I quote from the final page (p. 161) of this most important document, of which we are going to hear much in the months to come:

"This is the dilemma * * * as exposed by the study of the National Survey of Potential Product Capacity. It would seem that the simple and obvious way out, that of giving a buying power adequate to procure desired goods and services to the limit of our ability to produce them might well be tried. It is simple in principle but has not been attempted."

This is exactly and precisely what we propose to do under the General Welfare Act, H. R. 2, the Townsend plan. We propose to invest approximately 8,000,000 United States citizens of the age of 60 or over—veterans of the battle of life and certainly the most deserving—with buying power to the extent of a maximum of $2,400 per annum at the rate of $200 per month (there has never been a guaranty of $200 per month; that has always been and still is the maximum), which they must expend for the necessaries of life within 30 days, or during the calendar month it is received, thus placing the money in immediate circulation by the purchase of the products of the farm, factories, and mines of the Nation, which will amount to $19,200,000,000 of new buying and purchasing power per annum.

We propose to raise the required funds to finance this investment in new buying and purchasing power and thereby consume that much of our present unused productive capacity by means of a 2-percent transaction tax on the gross business turn-over of the United States.

THE TRANSACTION TAX

A transaction tax is a tax on business transactions. It is not a tax on profits. To illustrate: During 1933 and 1934 the United States Government collected a tax of 2 cents on each bank check. This was a transaction tax applied to check transactions only. The tax was 2 cents on a $1 check and only 2 cents on a $1,000 check. The small bank depositor paid the major portion of this tax.

The United States Treasury, during 1933 and 1934, collected from this tax over $79,000,000, according to the Secretary of the Treasury. During these years the Federal Reserve Board reported that its branches and agencies alone handled over $76,000,000,000 worth of checks. To further illustrate: If the tax had been 2 percent of the total check transactions, instead of 2 cents on each check, the Government would have collected from Federal Reserve agencies alone over $1,500,000,000 instead of a total of only $79,000,000.

To further illustrate: All the corporations in the United States paid income taxes in 1934 of $397,000,000. The users of tobacco alone (chewing, cigars, and cigarettes) paid a total tax into the United States Treasury in the same year, of $425,000,000.

The Townsend plan proposes to apply a 2-percent transaction tax on both big and little business alike—to develop business and prosperity in America. A dollar transaction will be taxed 2 cents; a thousand-dollar transaction will be taxed $20. The man selling a hundred-thousand-dollar yacht will pay $2,000, while a man selling a $10 rowboat will pay 20 cents. Everybody will pay according to the volume of business that prosperity brings to them. The tax will apply to speculative transactions in Wall Street, as well as on the sale of a box of face powder.

The transaction tax was endorsed in principle by the largest business organizations in America in 1921. I respectfully refer this committee to the extended hearings held that year before the Committee on Finance, United States Senate, internal revenue hearings, May 9–27, 1921, on the then proposed Revenue Act of 1921, as printed by the committee and now on file in the Congressional Library, for a very complete discussion of this entire subject.

NATIONAL INCOME VERSUS NATIONAL BUSINESS TURN-OVER

Some people fail to differentiate between national income and national business turn-over. They confuse the two and assume that the pension payments must be deducted from the present national income and without any increase of the latter. They confine the volume of the Nation's business to the national income and consequently place themselves in the position of claiming that every time a dollar of national income is spent that dollar ceases to exist, that it stops right then and there and can never be spent again. No other conclusion can logically follow for they can point to no year in which the amount of business transacted in the United States did not exceed many, many times over the amount of national income. The national cash income in 1929 was $81,000,000,000. The national business turn-over for the same year was $1,200,000,000,000.

A manufacturer may do a gross business—turn-over—of $1,000,000 and have an income of $100,000. Another manufacturer may do a business of $10,000,000 and have an income of only $10,000. Another manufacturer may do a business of $200,000 and have no income—in fact, may lose money. The transaction tax is not based on income or profits, but upon the gross volume of all business transacted.

The cigarette tax is not based on the profits or income of the cigarette manufacturers; it is based on the volume of cigarettes manufactured. The gasoline tax is not based on the income or profits of those engaged in selling gasoline; it is based on the volume of gasoline sold. Likewise, the transaction tax is not based on the national income, it is based on the volume of all business transacted—measured in dollars—hence it is called a transaction tax.

To illustrate further: If a small merchant did a $50,000 business at a net profit of $5,000 in 1935; then, because of increase in sales because of the Townsend plan going into effect, he did a $100,000 business in 1938 at $10,000 profit, the Government would collect 2 percent of the $100,000 or $2,000, leaving a net profit for 1938 of $8,000 as against only $5,000 in 1935. Thus, by paying $2,000 tax to support the Townsend prosperity plan, the merchant increased his business and profit. And his income was not taken or taxed to support the Townsend plan.

PENSIONS WILL NOT BE PAID FROM NATIONAL INCOME

The fallacy most often used against the Townsend plan is the statement that the monthly pensions will be paid from the present national income.

Economists know full well that money of itself has no value whatever; that it simply is a symbol used in registering the amount of labor or goods involved in a transaction. I know little about poker and never play poker but know enough about the game to know that each poker chip on a gambling table simply represents something, and that something in that case is a definite amount of currency, which is no more than a due bill on the world for something. There may be only 500 chips on the table, yet any amount of winnings, from $1 to $1,000,000, may change hands in one evening, passing those chips back and forth in the process.

Russell Leffingwell, of the firm of J. P. Morgan & Co., recently declared: "Money is not an end to itself, it is a means to an end."

Henry Ford, in the American Magazine, October 1934, said: "The function of money is not to make money but to buy goods. Money is only one part of our transportation system. It moves goods from man to man. A dollar bill is like a postage stamp, it is no good unless it will move commodities between persons. If a postage stamp will not carry a letter, or money will not move goods, it is just the same as an engine that will not run. Someone will have to get out and fix it."

The records show that our national income has increased in the face of increased taxes; or, putting it the other way, increase in taxes does not decrease the national income.

The administration levied a processing tax on farm commodities, better known as the A. A. A. tax. It was a transaction tax on processing. This tax exceeded over a billion dollars before it was nullified by the Supreme Court. Who paid this tax? The highest authorities are in disagreement. Some say the farmers paid it, some say the processors, and others say the consumers paid it. But that is beside the point.

The point is that in the face of this new billion dollar transaction tax, collected by the Federal Government, the farmers' income increased; the railroad income increased; business income increased; deposits increased in banks; and the national income increased.

So much for the claim that the Townsend plan pensions being paid out of national income—or "involving one-half of the national income."

Walter E. Spahr, of New York University, in a radio address on January 3, 1936, said: "Thus to pay the annual cost of the Townsend pension scheme would require 40 percent of the national income." This, of course, is untrue. The Townsend plan will not "rob Peter to pay Paul," which is another oft-repeated statement made by opponents of the plan.

A man without income in 1935 may in 1938 invest his money, or credit, employ idle men, buy unused raw products, turn out new goods, and sell the new goods thus produced to men heretofore unemployed. Thus taxes can be paid, idle men employed, business and freight receipts increased, and a profit made in addition without taking a single penny from the present "national income"—or from any person now employed.

It is, therefore, possible to increase taxes, increase freight income to railroads, increase pay rolls, increase the buying of life insurance, increase medical and dental service, increase the consumption and production of food, clothing, and luxuries—and increase the expenses of operating and building bigger and better mills and factories—without taking anything from those who now have property or from those now employed.

This is possible because we have unused materials, unused money and credit, idle men and idle machinery. These will create new wealth without taking wealth or income from others.

BUSINESS TURN-OVER IN THE UNITED STATES

Many confuse the "national income" with what the United States Department of Commerce calls "national business turn-over." For the purpose of clarification, the Department of Commerce reports the national income for 1929 as $81,000,000,000, while the business

transactions for that year were approximately $1,200,000,000,000, according to the research department of the Federal Reserve Board at Washington.

A. E. Goldenweiser, director of research and statistics of the Federal Reserve Board, testified before the Ways and Means Committee of Congress May 2, 1932 (long before the Townsend plan was proposed): "The total volume of transactions in this country in 1929 was about $1,200,000,000,000, and it decreased by 1931 to about $600,000,000,000. This is a decrease of $600,000,000,000, largely due to decline in velocity."

The Dow-Jones organization, leading business statisticians of New York, December 5, 1934, reported $1,165,000,000,000 in business in 1929.

The United States Department of Commerce, Division of Economic Research, gave out "partial data on business transactions in the United States." This report says that the check transactions in 141 principal cities, "estimated by the Board of Governors of the Federal Reserve System to represent, roughly, 70 to 75 percent of all checks drawn in the country," was $935,000,000,000 in 1929. Adding 25 percent for the balance of the country, the total check transactions that year would total $1,245,000,000,000. This report says "that around 10 percent of all transactions are settled by currency payments." This brings the total transactions to approximately $1,380,000,000,000. This, of course, includes transfer of funds from one account to another by corporations, which could not be classified as "business transactions." But, on the other hand, this report says: "If security purchases are considered a 'business transaction,' it may be noted that such purchases are often settled by adjustment of balances or by debits on brokerage accounts," which are not included in check transactions, but which would be subject to a transaction tax.

Taking the foregoing authorities, it is, therefore, conservative to say that the business transactions in the United States in 1929 amounted to $1,200,000,000,000.

Dr. Goldenweiser's testimony tends to corroborate the figures set forth in an authoritative work, Business Cycles and Business Measurements, by Carl Snyder, published in 1927, pages 144, 148, and 180, respectively, in which it is stated that at that time (when business was normal) the total of all business transactions in the United States amounted to $800,000,000,000 a year.

It is a reasonable assumption that with the improvement and increase in business which has taken place since the recession last year, the present volume and amount of business transactions and gross business turn-over are now probably close to $800,000,000,000 a year. Upon the basis of the figures of Dr. Goldenweiser and Mr. Snyder, this sum taxed at the rate of 2 percent would yield a revenue of $16,000,000,000 per annum, or sufficient to pay 8,000,000 citizens the sum of $167.67 per month. Or we can take the figures of expert witnesses before the House Ways and Means Committee on February 12, 1935. Their estimate of the money that could be raised by a 2-percent turn-over or transactions tax is $336,000,000 for the first month, increasing 25 percent monthly until the eighth month. The income is estimated at $1,601,000,000—sufficient to pay the 8,000,000 citizens the full sum of $200 per month, which is the maximum annuity to be provided.

The concluding parts of my statement will appear in the RECORD tomorrow, February 16, 1939.

Banquet of National Republican Club of New York

EXTENSION OF REMARKS

OF

HON. FRANCIS H. CASE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 15, 1939

ADDRESS BY HON. HARLAN J. BUSHFIELD, GOVERNOR OF SOUTH DAKOTA

Mr. CASE of South Dakota. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following Lincoln Day address by the Governor of South Dakota before the National Republican Club of New York:

As Governor of South Dakota, I come to you tonight upon this anniversary of the birth of Abraham Lincoln with a message from the great Middle West, a message of congratulation to those responsible for this Lincoln Day celebration, a message of faith in the future of our American Republic.

Coming as I do from the far-distant prairies, representative of an agricultural and mining State, I come fully conscious of my own rural background and of the metropolitan atmosphere in which I now stand, but I come nevertheless steeped in the conviction that I am one of that immense cross-section of our population listening at millions of fireside radios tonight who constitute and are the voice of America.

As the first citizen of South Dakota to be thus honored by the National Republican Club, may I express the appreciation of my people for this honor and at the same time note my own diffidence in attempting to occupy the few minutes of time allotted to me.

The fact, however, that I believe I voice the opinion of the vast majority of middle westerners lends me the courage necessary to express briefly our views.

WE CAN SEE THE NATIONAL GOOD

Out there in South Dakota, where the sky seems a little bluer, where the prairies seem a little fairer, and the mountains a little more entrancing, we are far enough removed from either seaboard so that our people are not swayed by fears of invasion nor lulled into fancied security by reason of our location. And we do not subscribe to the preachment that "our frontier is in France."

But whether in South Dakota or in New York, we are all citizens by birth or choice of the United States of America. What is good for one section of our far-flung country is good for every part of it. What works ill upon one part is detrimental to all.

With a fervency that will brook no denial, our people want peace. We do not want armed conflict forced upon us by those seeking a personal profit, nor by emotionalists whose patriotism is taken from dictionaries, nor by political leaders whose thirst for power or whose unsensible alliances have placed us in a position from which we cannot retreat.

Our duty is to defend liberty on this continent. We went to war once to make the world safe for democracy. From the ruins of that war rose the brutal theories of nazi-ism and communism. Another war would be a mortal blow to civilization. Liberty cannot survive another great war. And if liberty dies in America, it is gone from the world.

NOT ISOLATED FROM RESPONSIBILITIES

Either deliberately or ignorantly there is misrepresentation or confusion as to the possible service of the United States in world affairs. No sane person believes the United States is isolated in either dangers or responsibilities. But there are two widely divergent directions of cooperation. Their destination is as far apart as the two poles. One builds for peace, the other for war.

The first of these is strict neutrality wherein we use our influence to lessen the causes of war. The second is to abandon neutrality and to exert the physical force of the United States on one side. That course of action leads to war.

The first is traditionally American. The second is definitely un-American.

George Washington warned us to avoid entangling alliances. "It is," he said, "our true policy to steer clear of permanent alliances with any part of the foreign world."

That doctrine was taken west by the men of New York and New England in covered wagons to be nourished by the sons of those hardy pioneers who homesteaded the prairies. And it is as firmly rooted in the hearts of the Middle West today as it was in the people of George Washington's time.

Combinations of minorities that have for their purpose the attainment of ends not for the general welfare, encroachment by one department of the Government upon the functions of other departments, destruction of State lines and usurping the liberties guaranteed by the Constitution, granting emergency powers to the Executive which inevitably lead to entangling alliances, are the weapons that will destroy free government.

"New instruments of power" have been forged by those in authority, but the people of the Middle West look with disfavor upon them.

WARS NEVER END WARS

Toughened and hardened in the fires of pioneer adversity, mindful of the background from which we sprang, reared in the atmosphere of individual endeavor and accomplishment, we in South Dakota are as set against war as was Abraham Lincoln.

Twenty-two years ago we marched away to the battlefields of France to make war to end war. It did not end war and never will.

Europe has teetered on the brink of war for months, and the tread of marching armies is heard throughout the world. One false step, one careless challenge, one thoughtless outburst by those in authority may ignite the fire that will sweep us into the maelstrom.

We of the West never shirk a duty. When the time comes you will find us marching shoulder to shoulder with the men of New York in defense of the common cause, in defense of the Government that has given humanity more of opportunity, of progress, of wealth, and of personal liberty than any government since the beginning of time. But the West does not want war. Our mothers pray that it will pass us by. Our fathers curse at the thought of it, and our young men confusedly ponder what the morrow will bring.

My message to you tonight is that we want this government of, by, and for the people to continue its time-honored policy of peace on earth, good will toward men.

U. S. Battleship "Maine"—Memorial Day Tribute

EXTENSION OF REMARKS

OF

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 15, 1939

ADDRESS BY HON. MARTIN F. SMITH, OF WASHINGTON, DELIVERED AT U. S. BATTLESHIP "MAINE" MEMORIAL DAY SERVICE, HELD AT FORT MYER, VA., FEBRUARY 15, 1939

Mr. SMITH of Washington. Mr. Speaker, under leave to extend my remarks, I insert the address which I delivered at the U. S. battleship *Maine* memorial service, held at Fort Myer, Va., February 15, 1939.

The address is as follows:

Comrade Commander-in-Chief, distinguished guests, and comrades, 41 years ago today, on February 15, 1898, 266 brave sailors of the U. S. battleship *Maine* lost their lives in the service of our beloved country and found watery graves in the harbor of Habana. We are, according to annual custom, gathered here to pay loving tribute to their memory and to reverently join in a ceremony in which we esteem it an honor and a privilege to participate.

A state of rebellion had existed in Cuba for some time and President William McKinley had pointed out in his message to Congress in 1897 the unfortunate and miserable conditions to which the Cuban people were subjected and the menace to American interests. Upon his return from a mission of investigation, Senator Thurston, of Nebraska, addressed the Senate and described the suffering and agony of the natives in Cuba, particularly the women and children, and denounced the cruel and inhuman policy of the Spanish Government.

On the 24th day of January 1898, in order to protect American interests, and with the consent and approval of the Spanish Minister, the U. S. battleship *Maine* was sent to Habana Harbor, arriving there on January 25, 1898. The crew consisted of those brave men who then, as now, had volunteered to serve their country in the outposts of civilization and to protect and render safe and secure the lives and property of the American people. They were ever ready to respond to the clarion call of duty. They were defenders and not aggressors, and were there upon a friendly call. Many visitors, both Cubans and Spaniards, came aboard and mingled freely with the officers and men.

In his personal narrative, Captain Sigsbee relates that on the fateful night of February 15, 1898, he completed a report called for by Theodore Roosevelt, Assistant Secretary of the Navy, on the advisability of continuing to place torpedo tubes on board cruisers and battleships. The cabin mess attendant had brought him, about an hour before, his civilian's light coat, because of the prevailing heat; he had taken off his blouse, and was wearing this coat for the only time during the cruise. In his pocket he found an unopened and undelivered letter which his wife had written to one of her friends and given him to mail 10 months before. He then wrote a letter home in which he apologized to his wife.

In his vivid description of the scene, Captain Sigsbee says:

"Pinckney, the mess attendant, a light-hearted colored man, who spent much of his spare time in singing, playing the banjo, and dancing jigs, was for some reason in an especially happy frame of mind that night. Poor fellow, he was killed, as was also good old John R. Bell, the colored cabin steward, who had been in the Navy, in various ratings, for 27 years.

"At taps (turn in and keep quiet), 10 minutes after 9 o'clock, I laid down my pen to listen to the notes of the bugle, which were singularly beautiful in the oppressive stillness of the night. The marine bugler, Newton, who was rather given to fanciful effects, was evidently doing his best. During his pauses the echoes floated back to the ship with singular distinctness, repeating the strains of the bugle fully and exactly. A half hour later, Newton was dead.

"I was enclosing my letter in its envelope when the explosion came. The impression made on different people on board the *Maine* varied somewhat. To me, in my position, well aft, and within the superstructure, it was a bursting, rending, and crashing sound or roar of immense volume, largely metallic in character. It was followed by a succession of heavy, ominous, metallic sounds, probably caused by the overturning of the central superstructure and by falling debris. There was a trembling and lurching motion of the vessel, a list to port, and a movement of subsidence. The electric lights, of which there were eight in the cabin where I was sitting, went out. Then there was intense blackness and smoke.

"The situation could not be mistaken; the *Maine* was blown up and sinking. For a moment the instinct of self-preservation took charge of me, but this was immediately dominated by the habit of command. I went up the inclined deck into the starboard cabin, toward the starboard airports, which were faintly relieved against the background of the sky. The sashes were out, and the openings were large. My first intention was to escape through an airport, but this was abandoned in favor of the more dignified way of making an exit through the passageway leading forward through the superstructure. I groped my way through the cabin into the passage, and along the passage to the outer door. The passage turned to the right, or starboard, near the forward part of the superstructure.

"At the turning, someone ran into me violently. I asked who it was. It was Pvt. William Anthony, the orderly at the cabin door. He said something apologetic and reported that the ship had been blown up and was sinking. He was directed to go out on the quarterdeck, and I followed him. Anthony has been pictured as making an exceedingly formal salute on that occasion. The dramatic effect of a salute cannot add to his heroism. If he had made a salute, it could not have been seen in the blackness of that compartment. Anthony did his whole duty, at great personal risk, at a time when he might have evaded the danger without question, and deserved all the commendation that he received for his act. He hung near me with unflagging zeal and watchfulness that night until the ship was abandoned.

"I stood for a moment on the starboard side of the main deck, forward of the after-superstructure, looking toward the immense dark mass that loomed up amidships, but could see nothing distinctly. There I remained for a few seconds in an effort to grasp the situation, and then asked Anthony for the exact time. He replied: 'The explosion took place at 9:40, sir.' It was soon necessary to retire from the main deck, for the afterpart of the ship was sinking rapidly. I then went up on the poop-deck. By this time Lieutenant Commander Wainwright and others were near me. Everybody was impressed by the solemnity of the disaster, but there was no excitement apparent; perfect discipline prevailed."

America and the whole world were shocked, and war between the United States and Spain inevitably followed, and "Remember the *Maine*" became a national slogan. To avenge the death of the heroes of the *Maine* and to end the reign of tyranny and terror in the islands, the largest volunteer Army in the history of mankind responded to President McKinley's call. One of the most glorious chapters in American history was written, and in the conflict more than 6,000 men and women sacrificed their lives. Nearly half a million men served honorably in that great volunteer Army and wrote upon the pages of history imperishable records of valor and bravery. They fought to liberate an oppressed people and to vindicate the honor and integrity of our Nation throughout the world. We remember with gratitude upon this occasion more than 200,000 of these veterans who have since passed away, and we gladly pay tribute to those veterans of that most important conflict who are still living, and some of whom we rejoice to have with us today. We recall in reverent memory our leaders in that memorable contest: President William McKinley, Col. Theodore Roosevelt, Admiral George Dewey, Gen. Nelson A. Miles, Gen. Joseph Wheeler, Gen. W. H. Lawton, Gen. Leonard Wood, General Chaffee, Gen. Arthur McArthur, Gen. Elwell S. Otis, Gen. Fred Funston, Gen. Charles King, Gen. Lloyd Wheaton, Gen. John R. Brooke, Gen. Fitzhugh Lee, General Shafter, General Merritt, Admirals Sampson, Schley, Bob Evans, and that intrepid hero, Admiral Richmond Pearson Hobson, who was the last to go to his eternal rest.

As long as our Republic endures, the American people will continue to express their gratitude and affection and honor the memories, as we do today, of the noble heroes of the Battleship *Maine* and of the Spanish-American War.

National Defense

EXTENSION OF REMARKS

OF

HON. RAYMOND S. SPRINGER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 15, 1939

Mr. SPRINGER. Mr. Speaker, in discussing this important problem, may I say that I believe that all our people are in favor of an adequate national defense, but they are likewise opposed to an inflated or excessive national defense. In other words, the people are in accord with a defense program which is necessary to fully protect our shores, our homes, our people, and our institutions; but they are opposed to the unnecessary expenditure of money in quickly building an army, air corps, and navy of great proportions, as if war were immediately threatened, which would inevitably result

in waste and the squandering of large sums of money on the part of our Government; the rush of the plan would result in the loss of a part, at least, of the appropriation, and the further fact that war material and munitions become obsolete in a very short space of time would result in the further loss to our taxpayers.

Obviously, our Military Establishment must be adequate in order to fully carry out the obligation which is clearly expressed by the Monroe Doctrine—the obligation to prevent the expansion of foreign political domination, through military action, in the Western Hemisphere. This duty may well be considered as a part of the obligation resting upon us to defend the continental United States.

However, the people cannot understand the reason for the "urge" to immediately start a huge spending program under the guise of national defense when the apparent situation among the world powers is not different than that in which we have found it during the several years last past. In fact, the world powers want peace—they do not want war.

Do we appreciate, as a people, that our national security today costs us four times what it cost before the United States entered the World War? The Budget estimates of $1,336,000,000 for national defense, to be expended in the fiscal year beginning July 1, 1939, submitted to this Congress, should be compared with the military expenditures of $318,000,000 only in the year 1916, the year before the United States declared war on Germany.

However, we must admit that our borders are no longer now than they were in the days of Woodrow Wilson; it is just as far across the oceans to Europe and Asia as it was in 1916; the area of the continental United States and our outlying possessions have not been increased; all these remain the same. But the cost of patrolling and safeguarding that patrimony has, however, increased fourfold. Just 22 years have intervened, and the American taxpayers are now asked to spend $4 for defense for which they spent only $1 in 1916. It may be argued that the cost of various commodities have increased, and by that same token the cost of national defense has increased. Yet let us remember the cost of living has increased some 25 percent, while the cost of national defense has increased 400 percent.

There is another element involved in this highly controversial question which, to my mind, is worthy of our calm deliberation—that is, if we meddle in foreign affairs that will certainly entangle us in controversies abroad. If and when we learn the lesson that our duty is to adequately prepare to defend our shores, and ourselves, at home, and permit Europe and Asia to govern their own controversies and fight their own battles without intervention on our part, except to protect our own, then we will have largely solved our problem of national defense. We must agree that it is a difficult task to keep out of war through our most guarded neutrality laws and diplomacy. But it will be impossible to keep out of controversies and, perhaps, involvements if secret negotiations and agreements are permitted between our Chief Executive and Ambassadors, on the one hand, and the representatives of foreign powers, on the other hand—all of which are unknown to the Congress and the people. Our last war cost too much in lives and money and economic destruction for us to forget. Let us profit by that unholy experience.

We are in favor of an adequate national defense, but if that word "adequate" is hard to define in this particular, and looking into the state of our staggering national debt at this moment, I for one would prefer that the percentage of our preparedness would fall slightly below that shadowy and undefined standard rather than to have it increased and inflated to a point above it; in other words I firmly believe the people are definitely opposed to a defense program now which is greater than the necessity of the situation requires.

When we reflect upon our national defense we must consider that the first line of defense in any nation is a treasury which is filled with money with which to carry on such defense. Here, with an indebtedness of approximately $40,000,000,000 and with a spending program which is without precedent anywhere, we wonder whether the vast amount of supplies and materials which are proposed for defense could be used, if necessary, in the future. If and when we spend a huge sum for defense, such as is now proposed, we will to that extent increase our national debt and further curtail our ability to finance our defense in case of necessity.

The report submitted with H. R. 3791 shows, on page 3, that the increase of planes will raise the total in 1941 to approximately 5,500, of which number it is contemplated that about 2,100 will be held in reserve, without personnel, of which "reserve planes" more than 1,300 will be of the combat type.

If any of the planes are to be held in reserve, then why build them? In order to partially relieve the overburdened taxpayers, let us eliminate the 2,100 planes from the program at this time and let them be constructed hereafter as and when the same are needed.

Let us only adequately prepare to defend ourselves in case of attack, and let us save the overburdened taxpayers the excess. In this Nation we want peace, not war; we want men in this country, not disabled veterans; we want profitable enterprise to exist that men with will may work, not the granting of annuities to the maimed; and in the face of this vision, which recurs to every comrade of my own in this body, I want to say for myself that I will never cast my vote in this House to send any American boy across the ocean to help fight some European war in which we have no concern.

Let us prepare adequately but sanely.

Lincoln Day Address

EXTENSION OF REMARKS

OF

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 15, 1939

ADDRESS BY HON. CLARENCE J. BROWN, OF OHIO, FEBRUARY 13, 1939

Mr. BROWN of Ohio. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me at the fiftieth annual Lincoln Day banquet, Germantown, Pa., February 13, 1939:

My fellow Republicans, I am grateful to your splendid organization for the honor you have bestowed upon me in extending the invitation to address you tonight. It is indeed an honor to be selected to address any gathering held in respect to the memory of Abraham Lincoln. It is an especial honor to be chosen to speak at the golden or fiftieth Lincoln Day banquet of this fine organization, situated as it is in historic surroundings in a community and a State that gave its strength and support to the immortal Lincoln during the dark days of the Rebellion and in after years to the Republican Party to which he left such a priceless heritage.

But the greatest honor that has been bestowed upon me by your invitation is the opportunity you have given me to visit the home of my good friend and your splendid Congressman, GEORGE P. DARROW. What a fine gentleman he is; what splendid service he has rendered to the Republican Party. Stalwart, true, firm in his republicanism, he has served you, his constituents, and his country well. You may be justly proud of the gentleman from Pennsylvania who represents your district in the Halls of Congress.

I saw him just before leaving Washington. His one great regret is his inability to be here tonight. Yet we all know that he is here, not in person but in spirit. While his physicians advised and counseled him against making the expenditure of energy that the trip here would entail, I am happy to report that Mr. DARROW is fast regaining his health following his recent illness, and that he is now able to appear on the floor of the House each day and participate in the counsels of his party and the work of the Congress. I am sure that he will soon regain his old-time vigor, for there is work to be done by men of the character, ability, and experience of GEORGE P. DARROW.

I feel somewhat at home myself here tonight, for this is the Seventh District of Pennsylvania, and I have the honor of representing the Seventh District of Ohio in Congress. Then, too, there

is a community of spirit and understanding that has always existed between the people of Pennsylvania and the people of Ohio that makes you of Pennsylvania seem almost like "home folks" to me.

It is good that we have gathered here tonight, just as American citizens are gathered in like meetings all over this broad land at this hour—to pay tribute to a man of the common people, to Abraham Lincoln, and the principles for which he stood.

Yes, it is fitting and proper for us as a people to pause for a moment in the rush and hurry of these modern days to reflect upon the life and the works of the sad and humble man of the prairies who gave his life that a nation might survive and that a great people might remain united.

The life story of Abraham Lincoln is so well known to every man, woman, and child of America that it is unnecessary for me to repeat it here. God molded his life that a great Nation might have leadership in time of crisis. Pioneer hardships gave him strength. Lack of opportunity gave him the desire to learn. Disappointments and failures made him humble. A great loss gave him compassion. The faith learned at his mother's knee gave him courage. But it was from God that came the soul and the inspired leadership that made Abraham Lincoln a man of destiny.

Abraham Lincoln was called to the Presidency in time of great stress and strife. A nation was being torn asunder by internal dissension. Democracy was on trial. The question of the hour was whether or not a nation of free people could be held together or would disintegrate because of disagreements among themselves. Lincoln had the courage and the faith to champion and to fight for an indissoluble union of States. He gave his life for the principles in which he believed. He saved the Nation that our forefathers founded.

Today America seeks a second Abraham Lincoln. From somewhere must come another leader of the people to cope with the internal dissensions and the forces from within which once more threaten our American form of representative government. Today we are not threatened with sectional warfare, but we are seeing develop a struggle of class against class and group against group that bodes no good for our national life. Today demagogy is rampant.

We are being assailed on every hand by the proponents of various "isms," false prophets, demagogs, well-meaning but misguided citizens and plain "crackpots." In our pulpits, our colleges, our public press, our Government, and other high places are those who teach and preach that our present society is poorly constituted and that here in America we are badly in need of reform and change. We are being told that we must forget our old way of doing things; that we are living in a new age and must have entirely new procedure and new methods to meet the new conditions. It is being argued that the past belongs to the "horse and buggy" days; that the economic practices of past decades were all wrong; that business and industry can no longer be continued by the same methods as before; that our form of government, as we have known it from its inception, is no longer workable and that drastic changes therein are absolutely necessary for the welfare of the people. Some tell us that we must adopt the programs and the theories of the peoples across the seas and embrace either communism or fascism.

It is my belief that before accepting any of the new doctrines, following any of the new leaders, or changing that which we have, it might be well for us to look at the record. Let us pause for a few minutes and see just what sort of a country and society we have here in America. Let us also estimate what gains we may make or what betterment we may expect by following any of the governmental and social policies now existing in other countries or now being advocated by the loud-mouthed. What are the facts?

First of all let us recall that here in the United States we possess only 6 acres of land out of each 100 of the earth's surface, and that in population we have only 7 out of every 100 persons in the world. Yet somehow or other, as a result of the old system, which we are now being told must be completely changed, we have been able to amass more than 50 percent of the world's gold and nearly one-half of the world's silver. In a little over 300 years since the settlement of this continent we have developed the richest, most powerful nation in the history of all time. Out of a wilderness we have carved an empire and established the highest plane of living for our citizenship ever known to mankind.

Despite our sad lot, as described by the long-haired and wild-eyed, we are today producing more than 40 percent of all goods manufactured in the world. Our people have and are using 80 out of every 100 motorcars, 60 out of every 100 radios, 90 out of every 100 electric ice boxes, 90 out of every 100 electric washing machines, 60 out of every 100 telephones, and 33 out of every 100 miles of railroad. Our people—7 percent of the world's population, with only 6 percent of the land—are producing 60 percent of the world's wheat and cotton, 70 percent of the corn, 70 percent of the oil, 50 percent of the copper and iron, 40 percent of the lead and coal. We are consuming 72 out of every 100 pounds of silk produced in the world, 56 out of every 100 pounds of rubber, 53 out of every 100 pounds of tin, 47 out of every 100 pounds of copper, 42 out of every 100 pounds of pig iron, 36 out of every 100 tons of coal, 60 out of every 100 gallons of oil.

Under our American form of government, as we have known it, the United States since 1776 has alone produced three times as much wealth as the entire world produced in all the ages before that time. This has been accomplished without the abuse or mistreatment of the masses, and as the direct result of the American policy of free competition and free labor. We have had, and now have, in America the highest paid labor on earth. Exclusive of raw material costs, 65 percent of the national income of business and industry in the United States goes for wages and salaries. Less than 5 percent of such income goes to capital for dividends or interest.

In spite of this fact we are being told by the demagogs that the worker is abused and mistreated in America. Let us make a few comparisons for the moment. In continental Europe today the average worker receives each month for his services an amount equal to from $10 to $20 in American money. Here in our country the worker has an income of from $80 to $90 per month. In Italy the brick mason today gets 23 cents an hour, while in the United States he gets $1.50 for the same hour. In construction work the Italian laborer gets 19 cents an hour; in America he gets 94 cents for the same labor. The Italian baker draws 24 cents for each hour's work; the American, 95 cents. The printer in Italy gets 27 cents per hour and in the United States $1.25 per hour. Even in Great Britain, where the wages are higher than in any other European country, the compensation of the worker is only about one-third that paid here.

The average wage rate in the United States has increased five times since 1860. In the last 50 years the number of gainfully employed out of each 1,000 population has increased 25 percent. Under our form of government the hours of labor have been constantly reduced. Since 1900 the normal workweek in industry has been reduced from 56.8 to 40 hours per week. At the same time we have seen the purchasing power of the American family grow consistently. The American table furnishes the best food in the world and yet only costs 32 percent of the family income against 43 percent spent by the European family for food of a much poorer grade. The American workman is better housed and better clothed than any other on this old globe of ours.

Then, too, we have a more equitable distribution of the worthwhile things of life here in our country than anywhere else. The employment of child labor has been reduced by more than 70 percent in the last 20 years. Today only slightly more than 1 percent of the children of 15 years of age and under are employed in industry or business. We have seen the attendance in high schools increase eight times since 1900. Five times as many of our boys and girls now have the benefit of a college education as those of 40 years ago. The number of books read and the circulation of our newspapers and magazines have multiplied six times since 1900, with a far wider distribution among all the people than ever before.

All of such things are really worth while, but we have even more fundamental values here in America. Here we have freedom of speech. Embrace either communism or fascism and such a right is immediately lost. Here we have freedom of the press. Tell me, please, in what European country, outside of Great Britain, is the press free to express itself for the benefit of the people? Here we have freedom of worship. In how many countries in Europe is religion uncontrolled today? Here we have the right of free enterprise—although I must admit that business and industry are becoming more and more hampered by governmental regulations. In Europe most of the business and industries are controlled absolutely by the state. Here we have personal liberty and the right of facing our accuser and of trial before a fair jury. In other lands, so often held up to us as perfect examples, the life of the individual is ordered and controlled in every detail by government. Trials—if held at all—are but mockeries and justice depends upon the whims of those in power.

The American form of government, with its checks and balances, has been worth while to its citizenship. Capitalism may have defects, but as a whole it has proven advantageous to the average man and woman. American industry and business, under the rule of free enterprise, and under the protection of a free and representative form of government, has been the greatest contributing factor to the progress of our people. No other people—no other nation operating under any other form of government or any other social theory—has accomplished nearly as much as have we here in America. Let us not cast off or barter away our heritage until we are certain that that which we receive in exchange is worth its cost.

Our greatest danger comes from within. Our greatest problem is whether or not we can continue as masters of our own Government. Gradually, but continuously, we have seen government encroach more and more into our private lives, our business, and our homes. Our burdens of taxation have grown amazingly in recent decades, and especially within the last few years, until some of us are beginning to wonder if government is working for us or we are actually working for the Government.

Today 28 cents out of every dollar of national income goes to the support of government in some form or other. At every family dinner table in America tonight there sits an unseen, unbidden guest—the tax collector—consuming more than one-fourth of the substance of that household.

In 1931 our Federal Government spent $4,220,000,000. Five years later it spent $8,880,000,000. The administration Budget for the coming year is nine and one-half billion dollars. In 1931 our Federal deficit was $903,000,000. In 1936 it was $4,764,000,000. In 1900 our governmental debt per capita was $40. In 1936 that debt had risen to $415 for each man, woman, and child in America. The Federal Government is now spending nearly $2 for every dollar collected in taxes; in spite of the fact that we are all today paying one-third more in taxes than we paid 2 years ago.

Let us remember that more governments have fallen and more civilizations have been destroyed because of impossible burdens of

taxation and the inability to self-govern than from the invasion of armed foes.

For more than a quarter of a century I have been in close touch with the affairs of State government in Ohio, most of which time I served as a State official. During those years I had many contacts with the Federal Government, but it has only been since the 1st of January that I have had the opportunity to take part in the affairs of the Federal Government. The part taken by me has indeed been a small one—for a new Member of Congress, especially if he belongs to the minority in these days of the New Deal, can play but a small part. However, I have had the opportunity to observe our Federal Government as it is now constituted. Bureaucracy has been piled upon bureaucracy until our Government today is a mammoth thing spreading like an octopus over our great Capital City and reaching its tentacles out into every farm and community of our Nation. Expenditure has been added to expenditure until appropriations are made by the hundreds of millions and the billions. Legions of Federal employees are on every hand. Federal Government is playing a part in every human activity.

The Government of Lincoln's day was a simple, understandable thing. Federal Government today is of such gigantic size, so widespread in its activities, that it is almost beyond comprehension. Yet the Chief Executive, and his bureaucrats who serve under him, seek more and more power. We are told that the Federal Government must continue to expand and that it is necessary to spend more and more of the taxpayers' money. This, my friends, we are told, is a liberal government.

Franklin D. Roosevelt and his New Deal satellites are not liberals, as they claim, but are the worst type of reactionaries. The only thing liberal about them is their liberality with other people's money. Under the guise of doing something for the common people, Mr. Roosevelt is leading them to their destruction. He has been a smiling promiser and a crafty evader, but the people of America are fast awakening to the fact that in the 6 years of his administration he has failed miserably to do that which he has pledged. When Mr. Roosevelt was inaugurated in 1933, approximately 9,000,000 people were out of work in the United States. He blamed the Republican administration for this condition and promised that the American people would be put back to work. Yet today, by the Government's own figures, approximately 12,000,000 Americans are still out of employment. Any progress made by Mr. Roosevelt in connection with the unemployment problem has certainly been in the wrong direction.

Weeping noisily over the condition of agriculture, he pledged his administration would bring back prosperity to the farmers of America. Yet what do the records show? Today wheat is selling for 60 cents a bushel and less. Corn is selling for 45 cents a bushel. Hay is bringing but two or three dollars a ton on the farm. Yet everything that the farmer buys is much higher in price than at the beginning of the Roosevelt administration. The farmer is being regimented. Government is telling him how much to plant and raise, and where to store and sell his crops. Heavy tax burdens are being placed on these farmers who fail to comply with a plainly unconstitutional and un-American act. The farmers of America today are no better off than at the very depth of the depression, despite the expenditures of billions of dollars of the taxpayers' money.

Mr. Roosevelt promised economy in his administration of governmental affairs, pledging reduction of at least 25 percent in the cost of operating the National Government; but today the cost of the Federal Government is almost three times as great as that when Mr. Roosevelt assumed the Presidency. Year after year he solemnly promised that the Budget would be balanced within a short time. Instead, the deficit each year grew in size. However, let it be now said in defense of Mr. Roosevelt that this year, in his annual message to Congress, he did not promise a balanced Budget but instead took up the new theory that a balanced Budget is unnecessary and means nothing in the fiscal affairs of the Nation.

Mr. Roosevelt assured us he would bring about a reduction of the public debt. Instead, the debt has grown to be the largest in the history of our country and the greatest of any people in all the history of the world. No one knows exactly what we do owe, but our national debt is now somewhere around $45,000,000,000 and the New Dealers are beginning to tell us that a fifty, and even a sixty, billion dollar debt will not be at all dangerous.

Mr. Roosevelt swore to defend and uphold the Constitution of the United States. Yet he has advised the Congress to pass legislation in disregard to its provisions and his administration has continuously attempted to evade the Constitution in the furtherance of their plans. Mr. Roosevelt has talked of tolerance and understanding among men; yet never in the history of our country have we had a more intolerant President. Never have we seen a Chief Executive his equal in setting class against class; in creating dissension and misunderstandings between the different groups within our citizenship. He has loudly boasted of his belief in democracy and of the right of the individual to be represented in government; yet he has demanded that the Congress vote his every whim and will, regardless of the content of the measures he has sponsored. Those who have refused to become his subservient rubber stamps he has attempted to purge from public life. Let it be said to the glory of the American people that they saw to it that he failed miserably in most of these attempts.

Mr. Roosevelt pledged the American people that he would be the first to admit his own mistakes. Yet when the Supreme Court of the United States, by overruling some of his administration measures, called his attention to his mistakes, he attempted to gain control of the judiciary and to bend it to his will. In his administration he has prated against the power of money and yet, through the relief administration, has used the power of the taxpayers' money to control elections, to help his political friends and punish his political enemies.

Mr. Roosevelt calls himself a great liberal. His friends and supporters he designates as liberals. All those who oppose him are tories, reactionaries, and copperheads. Yet he is intolerant of the rights of others. His is a rule-or-ruin policy.

Perhaps a few of the most recent examples of this intolerance have been his actions in connection with the appointment of Judge Roberts, of Virginia, to the Federal bench and Congressman Amlie, of Wisconsin, to the Interstate Commerce Commission; his message sent to the Congress following the reduction in W. P. A. appropriations; and his charges against Members of the Senate and the press of the country following the exposé a short time ago of some of his secret agreements made with foreign countries.

The people of America can be thankful for the attitude now being taken by the American Congress. The Seventy-sixth Congress of the United States is not a rubber-stamp Congress. A strong Republican minority is fighting the battles of the people. Strong men of the Democratic faith on the other side of the aisle are now voting their own judgment and convictions. Appropriation bills are being scanned and honest attempts are being made to reduce governmental expenditures. The serious problems that confront us as a government are being studied and will be met by the leadership that now exists in the legislative branch of our Government.

We must turn back to safe and sane thinking and to the American principles of thrift and patriotism as enunciated by the great Lincoln. We must appreciate and protect our American form of government and the free economic system that has made our Nation great. We must continue to govern ourselves by making our Government serve its citizens, rather than the citizens serve the Government. We must be determined to eliminate waste and extravagance wherever we find it; to balance our governmental Budget at the earliest possible moment; and to live within our income without too great a burden of taxation. We must simplify our laws and repeal restrictions now endangering free enterprise in business and industry. We must rid ourselves of demagogues and false prophets and return once more to the sound and simple principles of Americanism that have made this Republic the greatest, most progressive nation in all the history of mankind. We must protect and retain the freedom for which our forefathers suffered and died and pass on that priceless heritage to our children undiminished.

These are the solemn responsibilities that confront us—not as Republicans but as Americans—if, in the words of Lincoln, this is to remain a "government of the people, by the people, and for the people."

Our Foreign Policy and the National Defense

EXTENSION OF REMARKS

OF

HON. WILLIAM P. LAMBERTSON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 15, 1939

RESOLUTION OF NATIONAL STUDENT LEGISLATIVE COUNCIL ADOPTED DECEMBER 10, 1938

Mr. LAMBERTSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution recently adopted by the National Student Legislative Council:

House Resolution 12

In relation to the establishment of a foreign policy and national defense policy for the United States in order to maintain peace

Whereas peace is imperative for the general welfare; and

Whereas under an ill-advised foreign policy the United States would be involved in the next war; and

Whereas it would be the generation now in college who would sacrifice their lives: Therefore be it

Resolved by the Student Legislative Assembly:

SECTION 1. That the United States Government should build an Army and Navy sufficient, and only sufficient, to protect from any and all unfriendly nations, the area inside a line running from Wake Island to Ross Island, thence to Ascension Island, thence to Cape Alexandra, thence to Cape Shelagsky, and thence back to Wake Island.

SEC. 2. That the United States should use its political and economic influence to maintain peace among nations and it should refrain from interfering in the internal affairs of other nations.

SEC. 3. That Congress should pass legislation to—

(a) Compel belligerent nations to pay in metal at the time of purchase for all goods bought in this country, and

(b) Prohibit belligerent nations from borrowing or soliciting funds in this country, and

(c) Prevent the American merchant marine from carrying goods destined for use in a belligerent nation, and

(d) Enable the State Department to form agreements with foreign nations to prohibit economic relations with aggressor nations.

SEC. 4. That the Congress of the United States should pass a law which would give the Government ownership of patents for munitions and contraband of war, and, in time of war, the manufacture of these should be completely nationalized.

Balanced Representative Government

EXTENSION OF REMARKS

OF

HON. WALTER G. ANDREWS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 15, 1939

ADDRESS BY HON. THOMAS E. MARTIN, OF IOWA, FEBRUARY 13, 1939

Mr. ANDREWS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. THOMAS E. MARTIN, of Iowa, delivered in Albany, N. Y., February 13, 1939:

Fellow Republicans, I want to express my appreciation of the honor and privilege of coming before this splendid Republican group on so important an occasion as the forty-first annual Lincoln Day dinner of your Albany County Republican Committee. This is my first visit to Albany since one very memorable day in August 1927, when Mrs. Martin and our two children and I enjoyed one of the most picturesque trips we have ever made, when we took the boat down the Hudson from Albany to New York City.

I wish also to express my appreciation of the privilege and pleasure at that time of spending a delightful and most interesting year attending Columbia University.

It has recently been my good fortune to be elected to Congress from the First Congressional District of Iowa and it is in that capacity that I return to New York State tonight to bring to you of the Empire State a message of good cheer and Republican fellowship from the very heart of the agricultural Middle West.

I have had the personal good fortune of appointment to the Committee on Military Affairs; and in that field I have enjoyed close association with Mr. WALTER G. ANDREWS, of the Fortieth New York District, ranking Republican member of the Military Affairs Committee of the House; Mr. JAMES W. WADSWORTH, of the Thirty-ninth New York District, chairman of the Republican Special Committee on National Defense; and Mr. HAMILTON FISH, of the Twenty-sixth District of New York, ranking Republican member of the Committee on Foreign Affairs, all of whom have very patiently and generously accorded me the utmost cooperation and assistance in my preparation for service on the important Military Affairs Committee.

At the outset let me express my delight at the informality and general good fellowship so manifest here tonight. I am, indeed, reminded of a party in my home town of Iowa City, Iowa, once upon a time, presided over by the mayor. When my turn came to talk, I was somewhat startled when the honorable mayor whispered to me, "Shall we let the people enjoy themselves a little longer, or had we better have your speech now?"

As we look to the questions uppermost in our minds today, let us ever keep our sense of humor, the better to understand and to appreciate our good fortune in living in this Nation of fearless thinking and speaking free Americans. We have no Dr. Goebbels to expel public speakers or entertainers because of flippancy toward the party in power, and then be forced to follow with a joke contest by some state-controlled newspaper to prove that "we still really have humor."

I would be remiss in my duty did I not on the occasion of Lincoln's Birthday recall that it was the Young Men's Central Republican Union of New York City that brought Abraham Lincoln into national prominence and proved to the East that he was a real statesman, capable and worthy of their support for the Presidential nomination that year. The date was February 27, 1860; and the meeting was one of the now famous landmarks of party history, when Lincoln spoke before a huge throng of highly cultured, well-educated, and patriotic citizens at Cooper Institute in Manhattan. It was on that occasion that Lincoln called out to America, "Let us have faith that right makes might; and in that faith let us to the end dare to do our duty as we understand it."

With your kind indulgence, I shall now refer briefly to some of the current issues confronting party workers today. As to my method of approach to these issues, may I say at the outset that I find myself in the same predicament that Ole Oleson was in when he asked for some squirrel whisky and was told that they had no squirrel whisky but that they could supply him with some Old Crow; whereupon Ole remarked, "Aye don't vant to fly. Aye yust want to yump around a little"; and if you should take me to task too seriously regarding any of these points and infer that I have stated that half of the new dealers are liars, you might force me to retract, as did a Midwestern editor, with the statement, "Half the new dealers are not liars."

There was a great surge to Republicanism from coast to coast in November. The swing of the pendulum from 40½ percent of the major party vote in 1936 to 48 percent last November cannot be credited primarily to State issues and local situations. Outside the 13 Southern States known as the solid Democratic South, the Republicans gained in all but two States—Maine and Maryland; and in those two States the loss was less than one-half of 1 percent. None of us are seriously worried about the future republicanism of Maine; and we can explain away the loss in Maryland, to some extent at least, to the extraordinary mobilization of the New Deal patronage army that has caused the District of Columbia to literally outgrow its 10-mile boundary lines.

BALANCED REPRESENTATIVE GOVERNMENT

Early in the last campaign the policy committee of the national Republican organization determined upon a constructive program that carried tremendous appeal from coast to coast. Primarily their statement of policy was that a more satisfactory America can be built upon the principle of balanced representative Government instead of an extremely centralized power, a politically managed economic life, a legislated scarcity, and a vindictive intolerance in Government.

That fortunate statement of policy expressed such a fundamental principle of free government in full accord with our American heritage that renewed confidence in our democratic form of Government became manifest. A veritable war cry for freedom from the yoke of "must" legislation and from its counterpart, the "yes man" or "rubber stamp," nonrepresentative Congress rang throughout the land. People once more sought to preserve for themselves a voice in their governmental affairs through Congressmen who would return to balanced, representative Government as contemplated by our forefathers and as provided for in our Constitution.

Many specific issues were discussed and debated in my district, but out of these many issues there arose, in addition to the question of balanced representative government, issues pertaining to the national debt, relief, and agriculture.

DEBT

The farmers of Iowa are thoroughly acquainted with the problems of debt, and they realize keenly that debt can impair not only efficiency but the harmonious peace and security of the individual, the community, the State, and the Nation. I will not try to analyze the Budget tonight.

Last Thursday's newspapers carried the story that the Federal pay roll has now reached a new peacetime high, and that in rising to the astonishing figure of 917,303 civilian employees in the executive branch of the Government in December it is within 400 of the all-time high reached during the World War. The number employed in the Capital totaled 120,589, which is much greater than at any time during the World War.

There are so many New Deal job holders packed into the metropolitan area of Washington, D. C., that when the Republican administration takes office in 1941 we must be careful or we will find ourselves in the situation that bewildered the colored pastor who was called upon to umpire a sandlot ball game. The bases were loaded and the pitcher got rather wild:

"Ball one, too high.

"Ball two, low.

"Ball three, inside.

"Ball four, low and wide. You is out."

The angry batsman protested, whereupon the parson tried to explain:

"See here. De bases am loaded, and there is no place to put you. You is out."

These many employees have not been standing still. The travel expense of New Deal Government officials during the first 3 years of the New Deal administration exceeded the cost of transportation of the entire American Army to France during the World War and was more than was spent for the same purpose in the 10 years preceding 1933.

I have heard no reports of noticeable curtailment in this extensive travel program. Is it any wonder that the Treasury ledgers showed on February 1 that the outlay of expenditures during the first 7 months of this present fiscal year approaches closely the total receipts set for the entire fiscal year ending next June 30 and that a deficit of $4,000,000,000 is forecast for this fiscal year?

Last Wednesday our gross public debt stood at $39,731,000,000, and the Presidential message on the Budget for 1940 estimated a gross public debt in excess of $44,457,000,000 by July 1, 1940. In view of our past experience with these estimates, I do not anticipate a revision downward in this figure. We are all familiar with the fact that the gross public debt stood a little over $16,000,000,000 in 1930, and

we know too well that this debt ascension must be checked lest the balloon burst from internal pressure.

It required a man of rare audacity to speak as President Roosevelt did at Worcester, Mass., October 21, 1936, when he complained that failure of the Republican administrations to pay off the war debt by 1929 forced America to enter the depression with a $16,000,000,000 handicap. I now ask what Mr. Roosevelt thinks of the situation America is in today and just what handicap it may be for us to face another depression—or possibly another World War—under a handicap of forty-four and one-half billion dollars?

My further response to Roosevelt's gem of political ballyhoo at Worcester is: "God, give this country a President who is capable of again preparing us for the next Franklin Delano Roosevelt type of spender who, perchance, may come our way."

I cannot visualize forty-four and one-half billion dollars, but I am told that if it were received in one-dollar bills sewed together it would make a blanket more than 300 feet wide and long enough to extend from Washington, D. C., to Los Angeles.

And now, my friends, if that description of our national debt taxes your imagination, I ask your kind indulgence, in view of the fact that your imagination is just about all you have left that the new dealers have not taxed. Ownership of property has become so hazardous and tax burdens have become so great that when a Negro farmer paid his last installment on a little farm the banker said:

"Now, Uncle Joe, I will make you a deed."

The old darky replied:

"Boss, if hit's all de same to you, I'd rather you make me a mortgage. The udder time I bought a farm I had a deed and the First National Bank had a mortgage—and de bank got de farm."

RELIEF

I am greatly impressed by the magnitude of the relief problem. I have yet to find a man whom I think has an absolutely complete and workable solution for this major problem. We are all brought face to face with the fact that the solution has not yet been found.

We are also, for the most part, fully acquainted with the system of biennial elections in America. At once you will say, "I can't see any connection between these points"; and my reply is that there should not be any connection but that there undoubtedly is some connection.

Why do we find the ebb and flow of relief expenditures, including F. E. R. A., C. W. A., and P. W. A., alternating with election and nonelection years? Starting with the fiscal year in which the election of 1934 was held, we find an increase of 20.4 percent. Next year that was reduced 27.9 percent. The following year (another election year) the increase was 44.3 percent. Then came a reduction of 24.9 percent, and for this year the appropriations established an increase again in the amount of 47.5 percent.

Perhaps you think the increases may have come during the severe winter, after elections have been held; but let us examine the record and consider the percentages for the period July 1 to November 15 for the past few years. During those months in 1936 expenditures for relief increased 69 percent. During those same months the following year expenditures were reduced 35.4 percent. And during that same period last fall the expenditures were increased 76.5 percent.

AGRICULTURE

Agricultural relief is not only desperately needed, but also it commands the major interest of all those devoted to public service as well as those engaged directly or indirectly in agriculture, in New York State as well as in Iowa. I was interested—and I know you will be—in the fact that more than 20 percent of the total egg supply received in New York City during the last year came from Iowa. Iowa was well ahead of the nearest competitor with a total of more than 1,361,000 cases. New York State itself was second and Minnesota third. I have not compiled figures on other items, but New York State has a real interest in agriculture within its own boundary, and in the agricultural welfare of the great producing area of the Middle West.

We might turn to Thomas Jefferson as we approach this great problem of agricultural welfare of the Nation; and at once we are challenged with his statement, which I quote:

"Were we directed from Washington when to sow and when to reap we should soon want bread. * * * When all government, in little as in great things, shall be drawn to Washington as the center of all power, it will become venal and oppressive."

The people to whom we should look for the solution and its administration are the people engaged in farming. Although the farmers of Iowa approve of many features of the A. A. A. program, centralization of power in this field such as is attempted by the naming of State A. A. A. committeemen by the Secretary of Agriculture rather than election by the farmers themselves is one of the points that brought about considerable opposition by the farmers of my State to the present national administration. No man is more interested in the return to balanced, representative government than is the Iowa farmer.

I will only mention a few other points that caused the Iowa farmer to declare his independence from the New Deal. Most farmers do not oppose a sensible soil conservation program, but they have never yet reconciled themselves to the destruction of crops growing or grown, and the untimely death of the millions of growing pigs. The Iowa farmer has not forgotten those shocking experiences; and he is not overlooking the fact that today, whereas Illinois and Iowa farmers have reduced corn production 9.6 percent and 10 percent respectively, Georgia, Alabama, and Mississippi have increased their corn percentage by 25.8 percent, 23.8 percent, and 39.4 percent respectively. While Illinois and Iowa farmers have reduced the number of pigs on the farms by 11.4 percent and 29 percent respectively, Georgia, Alabama, and Mississippi have increased their percentages by 5.9 percent, 22.2 percent, and 38.4 percent respectively. All of the above percentages are for the year 1938 compared with the average for the 5 years immediately preceding the New Deal.

Of course, the above percentages reflect only the trend and do not purport to give the relative volume of corn and hogs in the respective areas. While Iowa and Illinois were reducing the total yield of corn last year by approximately 80,000,000 bushels, the unrestricted area of the United States was increasing its yield by approximately 116,000,000 bushels.

Another factor that is not being overlooked by the Iowa farmer is that meat-packing companies have been expanding their plants quite noticeably in Texas, Louisiana, Florida, and Tennessee, and Georgia. Climatic conditions prevent the Iowa farmer from raising cotton to counterbalance this competition.

In talking with many farmers I have found that they have no opposition whatever to competition in the field of agriculture, but they do not want their corn- and hog-raising competitors subsidized. The Iowa farmer has not yet been convinced that the New Deal administration is consistent in asking for acreage reduction, whereas irrigated acreage under Federal projects has been increased from 1,589,000 acres in 1933 to 1,725,000 acres in 1937, with several new irrigation projects in various stages of completion that will eventually reclaim some 959,000 acres, in addition to the Grand Coulee Dam project, which alone contemplates eventual irrigation of 1,200,000 acres of land in the Columbia Basin area.

The Iowa farmer is watching not only this enormous spread of subsidized competition—whether it be through the A. A. A. program or through Federal irrigation; but he is also fully aware of the ever-lurking threat of unparalleled competition of cheap labor and cheap lands combined with highly efficient modern machinery in foreign countries; and the Iowa farmer has come to realize that world supplies and world production have a tremendous influence on his destiny, and that there is no trend to curtailment of production in any foreign land similar to the A. A. A. program in America. The Iowa farmer knows well that the light corn crop in Argentina during the past 2 years has had some bearing on his market; and he knows even more definitely that the near all-time record world wheat crop of last year has had a very decided bearing on his own position in the market.

With the prices received last October by farmers for their products standing at 92 percent of the 1909 to 1914 average, while the prices paid by them for the goods and services they must buy standing at 122 percent of the average for those years, it is little wonder that the farmers of America feel that their problem is far from solved.

On February 3 the Iowa State College at Ames, Iowa, announced that the price of corn on the Iowa farm has drifted about 3 cents lower than it was the first of the year; and the United States News of February 6 informs us that the demand for American goods that comes from abroad is found from the official figures to have changed greatly in character during 1938. The United States News goes on to say that foreign nations in 1938 bought eight times as many airplanes and airplane parts as they bought in 1929 and more than six times the volume of scrap iron and nearly three times as much metal-working machinery; whereas they bought only one-fourth as much lard as they bought in 1929, and their purchases of unmanufactured cotton were one-third smaller than in 1929.

Foreign nations also took barely one-third as large a quantity of American meat products, and one-third as large a volume of dairy products. The United States News goes on to state that the very war scare that increases the demand for American industrial products tends to decrease the demand for American farm products as nations seek to become self-sufficient in foodstuffs.

And so it will go so long as there is a mad race abroad in preparation for war. If, and when, war comes in Europe, the American farmer may again find a temporary increase in the demand for his products; but even though the American farmer were able to forget the bitter aftermath of wartime expansion and its repercussions, the American farmer does not look to war as a desirable solution to his vexing problem.

So long as my own 77-year-old mother finds it necessary to continue in active management of the home farm in Monroe County, Iowa, because she cannot afford to retire on 14-cent oats, 30-cent corn, and a 59-cent dollar, I cannot be convinced that we have yet found the final solution to the farm problem in America; and until that solution is found, we will have unrest, discontent, and strife among our farmers.

The new dealer who has boasted for several years that the New Deal administration has completely solved the farm problem should read very thoughtfully the last public address Abraham Lincoln made on April 11, 1865, in Washington when he said, "If you once forfeit the confidence of your fellow citizens, you can never regain their respect and esteem. It is true that you may fool all the people some of the time; you can even fool some of the people all the time; but you can't fool all of the people all the time."

I recall a speaker in my district in the last campaign who in his fervor became slightly tangled in his attempt to give the above

quotation and said—very convincingly, nevertheless, "They can fool me once; they might fool me twice; but they cannot fool me all the time because I am some of the people."

The new dealer who boasts that he has clearly diagnosed the farmers' ills is placed in the position of my doctor friend who, when accosted by the statement of his patient, "Are you sure that I shall recover? I have heard that doctors are sometimes wrong in their diagnoses and have treated patients for pneumonia who afterward died of typhoid fever." "That may be true of some doctors, but when I treat a man for pneumonia, he dies of pneumonia," said the physician.

In Washington I have come to feel much like the Russian peasant who was being shown a powerful radio station. The guide explained:

"The program going into that microphone can be heard all over Europe and the United States."

"Really? How marvelous," explained the visitor. "I would like to speak over that just once."

"Oh, no," said the guide. "That would be impossible."

Whereupon the visitor begged to say just a word. "Well," said the guide, "They are about to change the program. Perhaps they would allow you to speak a word. But mind, now, just one word."

Whereupon the old peasant stepped to the microphone and shouted, "Help."

After observing some of the strategy of the New Deal in operation, I am reminded very much of the car owner who suddenly discovered that he had lost the key to his car, whereupon his wife helpfully replied:

"Well, never mind, dear. It's a fine night—we can ride home in the rumble seat."

I myself have just one burning desire—to tell the departing new dealers following the death of the New Deal in 1941 just what the executor of the estate for a deceased patient told the doctor. The executor had called to get a statement, and the doctor, on presenting his bill, asked:

"Do you wish to have my bill sworn to?"

"No," replied the executor.

And then he added just what I intend to say at the end of the New Deal in 1941:

"The death of the deceased is sufficient evidence that you attended him professionally."

Public Salary Tax Act of 1939

EXTENSION OF REMARKS

OF

HON. FREDERICK C. SMITH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 9, 1939

Mr. SMITH of Ohio. Mr. Speaker, this bill provides for just one thing, not two, as it is perhaps intended to make us believe.

Title I authorizes the Federal Government to levy taxes on the incomes of all State and local government employees. It provides also that "the United States hereby consents" to the taxation of the income of Federal employees by the States.

Certainly the presumption is clear in title I that the Federal Government does not now have the right to levy income taxes on State government employees. Otherwise there could not possibly be any reason for writing a law now to grant this right.

Surely, if the Federal Government has the power now to tax the past income of State employees, it also has the power to tax such income in the future. Therefore, we cannot escape the presumption that there is no law now which permits the Federal Government to levy retroactive income taxes. The real purpose for inserting this retroactive feature is to throw out a sop for necessary votes to pass title I and to furnish Congressmen with a nice alibi to justify their support of the act.

It is very doubtful if this bill could pass if the retroactive feature were not in it. Many here are going to vote for the bill, not because they want to support title I but because they want to vote against allowing the Federal Government to assess taxes against State employees that are retroactive.

If the retroactive feature of this measure were acted on separately, it would, of course, receive the support of every Member of the House.

I think it is very wrong to present legislation to this House drawn up in this manner and containing a proposal such as the retroactive feature. It is not fair to Congressmen, it is not fair to the people.

The bill provides that the Federal Government shall tax the incomes of State employees. Then it reads, "The United States hereby consents to the taxation of compensation" of Federal employees by the States.

In effect, the Federal Government says to the State governments, "I will reach into your pockets. I will 'consent' to let you reach into mine."

The trouble is, this is such a one-sided affair. The State governments have more dollars in their pockets than the Federal Government has in its pocket. But this is not the worst part of this measure.

The States are not being consulted as to whether they want to enter into any arrangement of this sort or not. I believe they should be consulted. It would be only ordinary courtesy to the States.

Especially the 17 States that do not have income-tax laws—in some the State constitutions forbid the levying of income taxes—should be consulted before this bill becomes a law. My own State, Ohio, does not have an income-tax law. What will this law mean to my State? It will mean that our State legislature will be compelled to pass an income-tax law if we in Ohio wish to take advantage of the "consent" given in this bill to tax Federal employees. The likelihood is, of course, such a law will be passed in Ohio.

A nice question here for voters in my congressional district: Did they send me to Congress to pass State laws, or do they want their State laws taken care of by their State representatives?

If an income-tax law is passed in Ohio, it will mean that all State employees, as well as all persons employed in private industry, will be subject to an income tax by the Federal Government and another by the State government. The argument is being advanced here that only a small percent of State employees will be affected by this act. With the Federal Government spending as it is, it will not be long until the income of practically everyone who earns anything will be subject to direct taxation under the specific Federal income-tax acts.

Taxing taxes. The Federal Government taxes the taxes collected by State governments, and vice versa. It is wrong in principle.

But this is not all by any means. The passage of this law will be followed by another to tax the income of State and municipal bonds and other obligations. The proponents of this measure virtually tell us this here today, which will mean all future such securities must bear a higher rate of interest than they bear at present. Which means that every person in this country who earns his living will be directly saddled with more taxes. Which means the wage earners will be tapped for more of their hard-earned funds. No less than 85 percent of all taxes, in the end, are always paid by the wage earners, farmers, and other low-income groups, no matter upon whom or what taxes are levied. This is one part of taxes the politicians would like to keep a secret, and succeed all too well in doing so.

This bill is most vicious in that it is the beginning of the destruction of the sovereign power of the States to levy and collect taxes. From the levying of Federal taxes on State and municipal securities, it will not be far to the levying of taxes on every other form of intangible and tangible property—including real estate.

Here we see presented a part of the general scheme to destroy completely the sovereignty of all our States, to usurp all the powers of government and concentrate them in the hands of the all-powerful bureaucracy here in Washington.

I certainly am opposed to this measure.

Interest on Loans to Veterans

EXTENSION OF REMARKS
OF
HON. HERMAN P. EBERHARTER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 15, 1939

LETTER FROM MAURICE A. NERNBERG, OF PITTSBURGH, PA.

Mr. EBERHARTER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter received by me from Mr. Maurice A. Nernberg, attorney at law, of Pittsburgh, Pa.:

PITTSBURGH, PA., *February 8, 1939.*

Hon. HERMAN P. EBERHARTER,
United States House of Representatives, Washington, D. C.

MY DEAR MR. EBERHARTER: The United States Government has done more than any other government in behalf of its veterans. Nevertheless, there is in my humble opinion an item that is strikingly important and ought to be acted upon at this session of Congress. This has to do with interest charged veterans on loans on their Government insurance.

An examination of the policies held by the veterans will reveal that a tremendous percentage of these policies are burdened with loans. This condition was particularly brought about through no fault of the veteran and caused solely by the depression. As a consequence a large number of policies have been dropped, and those which are being carried have become increasingly difficult to hold on because of the excessive rates of interest charged by the Government.

The ex-soldiers are forced to pay 6 percent interest on their loans. This is exorbitant, unwarranted, and unjustified. When it is remembered that the Government issues notes and bonds on which it pays as little as 1½ percent interest, when banks pay 2½ percent on savings accounts and threaten to reduce the interest, it becomes impossible to believe that our great Government is deliberately making money out of the plight of the man who wore the uniform.

I believe that you as a Representative ought to thoroughly examine this situation and recommend through the proper channels a cut in interest which will not only be appreciated by the policyholders but also will be found beneficial to the Government itself.

Yours very truly,

MAURICE A. NERNBERG.

Cost of Labor to Beet-Sugar Producers

EXTENSION OF REMARKS
OF
HON. FRED CUMMINGS
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 15, 1939

STATEMENT OF S. K. WARRICK, OF SCOTTSBLUFF, NEBR.

Mr. CUMMINGS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement of S. K. Warrick, Scottsbluff, Nebr., submitted at Scottsbluff, Nebr., hearing Monday, January 30, 1939:

The witness being first duly sworn, makes the following statements relative to sugar-beet labor used by John and Fred Tripple, of Gering, Nebr., who were the tenants in 1938 on part of the irrigated portion of the witness' farm in section 36, township 21, range 55, Scotts Bluff County, Nebr., and the division of the gross proceeds from the 1938 sugar-beet crop grown on said farm:

Number of acres of sugar beets grown, 49.65.
Total net tonnage harvested, 946.8995.
Average net tons per acre, 19.07.
Average sugar content, 15.6 percent.
Average initial price paid by the Great Western Sugar Co., $4.06 per ton.

Total initial payment from the sugar company	$3,843.99
Government payment as reported by the agricultural conservation committee of Scotts Bluff County, before expense is deducted	1,688.88
Total revenue now in sight from the sugar-beet crop	5,532.87
Average total payment per ton	5.84

Amounts paid for sugar-beet labor:

Summer work at $12 per acre	595.80
Topping at 0.8628 cent per ton, which was the average rate paid	817.09
Total payment to labor	1,412.89

Or $28.46 per acre.
The percentage gross returns paid labor is analyzed below.
Based on initial payment of the Great Western Sugar Co. only:

Topping	21.25
Summer work	15.5
Total	36.75

Percentage paid on company's initial payment, and the Government payment:

Topping	14.766
Summer work	10.768
Total	25.554

Four Mexican beet laborers did all the topping for the Tripple Bros. They commenced topping October 11 and finished November 8. They worked each workday from October 11 to October 31, inclusive, which makes 18 days. They worked November 1 and about half a day on each of November 2 and November 4, and about a full day on November 8, making about 3 full days in November, or a total of 21 days topping the beets. The loss of time in November was caused by stormy weather. In the 21 days they topped 946.8995 tons of beets, or an average of 45.09 tons per day, or an average of 11.27 tons each, per day. The average earned by the four was $38.90 per day, or an average per man of $9.72 per day.

The wages earned topping were probably better than $1 per hour. The witness personally does not have any complaint about the rate of summer wages, if sugar is permitted to seek and retain reasonable price levels, but it is the opinion of the witness that the topping rates are too high and should be changed to 75 cents per net ton up to and including 12 tons, and 65 cents per net ton above 12 tons. Labor will have to accept a material reduction in the contract rate per acre, or sugar-beet producers will have to be paid a higher price per ton for their beets, based on higher-priced seaboard sugar, and a more liberal contract from our processor, the Great Western Sugar Co.

The division of gross income from the 1938 crop grown by John and Fred Tripple, known as Tripple Bros., was as follows:

To John and Fred Tripple, operators	49.47%	or $2,736.76
To the laborers	25.53%	or 1,412.89
To S. K. Warrick, landlord	25%	or 1,383.22
	100%	5,532.87

The laborers received 14.766 percent, or $817.19 for 21 days of topping, or 59 percent as much as the landlord received, for the use of the land, supervision, payment of irrigation water charges, taxes, and the crop risks that the landlord assumes.

Sugar-beet labor cannot expect to make a total year's wages in the short period of time that it takes to tend and harvest a sugar-beet crop. I am in sympathy with labor, and want to see them obtain their fair share of the gross income from the sugar-beet crop; but as stated above, sugar must advance to reasonable levels and maintain those levels or the price of sugar-beet labor must come down.

I would recommend that the summer work for 1939 be fixed at $12 per acre, and the topping rate at 75 cents per ton, up to and including 12 tons, and 65 cents per ton above 12 tons.

I have given this matter considerable thought, and I believe that this is a fair and equitable division on sugar beets that will produce a revenue of $7 a ton and up.

Five Years of Governor Blanton Winship in Puerto Rico

EXTENSION OF REMARKS
OF
HON. SANTIAGO IGLESIAS
RESIDENT COMMISSIONER FROM PUERTO RICO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 15, 1939

ADDRESS BY BOLÍVAR PAGÁN, DELIVERED ON THE FIFTH ANNIVERSARY OF THE GOVERNMENT OF WINSHIP

Mr. IGLESIAS. Mr. Speaker, on the occasion of the fifth anniversary of the administration of Governor Winship on Sunday, February 5, there was held at the studios of the WNEL broadcasting station in San Juan an act to commemorate the event. Among the many speakers there were the Honorable Martin Travieso, justice of the supreme court; the Honorable Rafael Martínez Nadal, president of the senate; and the Honorable Bolívar Pagán, vice president of the senate; and representatives of various organizations in the island.

The complete text of the speech delivered by the president of the Socialist Party and vice president of the insular senate, Attorney Bolívar Pagán, for which he has received great general applause from all parts of the island, is as follows:

Dear fellow citizens, dear radio listeners all, the idea of celebrating the fifth anniversary of the administration of Governor Winship was a happy one. A few days ago at a social gathering with friends and when our Governor was being discussed we all agreed about the debt of gratitude that our Government and our people have contracted with the gallant soldier, statesman, gentleman, and citizen, who for the last 5 years, with a firm but smooth hand, with wisdom, tact, elevated public spirit, and even with elegance, has directed the destinies of our island as its chief executive.

With great enthusiasm and joy I welcomed this idea when I was invited to say a few words today in honor of our dear Governor, who has done so much for the welfare and progress of our people. We participate with affection in this act of justice to show our unlimited gratitude for the distinguished citizen who was selected with such striking success by President Roosevelt to be the Governor of Puerto Rico at a time of great difficulties in our island, in our nation, and throughout the world. It is to be regretted that during the limited time that has been allotted to us to address today the invisible audience of the air, we will not be able to make an exhaustive survey of the great work done in Puerto Rico by Governor Winship. As the head of one of the majority parties and as vice president of the insular senate during the entire period of Governor Winship's incumbency, I have had the good fortune and the honor of being in contact with Mr. Winship, and of becoming familiar with the important public events of his administration. It would take us too long, even if we had the necessary time, to render a fair and just reckoning of the fruitful activities undertaken by Mr. Winship as Governor and friend No. 1 of our island and of our people.

During his administration with his wholesome and powerful help and with his decisive and always active and generous cooperation, Puerto Rico has successfully faced numerous economic and social problems; has developed with remarkable success programs of public health, waging war against many endemic diseases which for many years decimated a large proportion of our weak and sick population; in public education our liberal system of the government has provided larger appropriations for increasing more than ever the number of schools, teachers, and the school population; our agriculture has received material help from our government for the protection of its basic products and for greater yield, development, and increment; the industries in general have been promoted and improved. Commerce has attained its peak, considerably increasing its volume. Figures in our statistics show that our exports to continental United States, which is our principal and almost exclusive market, have gone up from $76,000,000 in 1933 to some $110,000,000 in 1938; and the figures of our imports from continental United States, our principal source of supply, show an increase from fifty-one millions in 1933 to some one hundred millions in 1938. Public finances, in an unbalanced world, have been normalized and totally rehabilitated, and our government maintains its public credit in the States and abroad in a privileged position. An efficient government of law and order guarantees to all citizens alike the tenets of our constitution, statutes, and free institutions. The system of roads and highways has been extended throughout the island considerably increasing the number of kilometers into a network that connects all towns and cities and crosses every field, opening new channels and courses for our commerce and raising beautiful gardens along our roads which give them the appearance of multicolor ribbons on the charming background of our landscapes. Under the government of Winship Puerto Rico has enjoyed its best years of social peace, of rest from industrial strife, of enlightenment and constructive understanding in the very desirable and fair relations between employers and employees. And on ambitious and extensive plans of tourism which have received everything from the artist, the poet, the visionary and at the same time practical man that are in Winship, lend a flattering perspective for the future of a new Puerto Rico which is already taking its place on the map of the world as a beautiful land of promise and of powerful touristic attraction.

Governor Winship arrived in Puerto Rico at a peculiar time. The new ideals and humanitarian plans of our great President Roosevelt were materializing, especially the social reforms of the New Deal were being established in our island. For obtaining all the Federal aid given to the other areas of the Nation that could be extended to the Territory of Puerto Rico, Governor Winship was a factor of extraordinary value. A man of prestige in the United States because of his valiant and outstanding military career, his social connections in the metropolis, his contacts cultivated during his distinguished career there as a man of government, and his personal culture and distinction make him the man that Puerto Rico needs to back the claims of its people, especially of the needy classes, to obtain for them the greatest possible advantages. To the qualifications mentioned above we must add his perennial agitation in behalf of the welfare and progress of our people, his constant activity, his acknowledged zeal for obtaining the extension to the island of the greatest benefits for all of which we have to be thankful to him and express to this good friend of our country, to this dynamic and generous man who has made of Puerto Rico his beloved home, our gratitude for a large part of everything so far obtained—direct emergency aid, relief funds, public works for permanent reconstruction which have at the same time provided bread and work in abundance to the nucleus of our unemployed, and in everything else that as an integral part of our Nation we have succeeded in receiving.

I wish to avail myself of this opportunity to express my deep personal appreciation of Governor Winship, to tell him of the gratitude of our people and of my party for the wise, sane, and progressive work he has done or promoted in Puerto Rico during his administration. As a representative of labor and Socialist member of the legislature I call attention particularly to the numerous and very important bills that have become laws with the required approval of Governor Winship—laws which are transcendent and popular because of the spirit of social justice that inspired them. To list these laws now would take too much time, and to analyze them would be tedious and proper only on some other occasion. But among the most important ones which received the efforts, the thoughts, and the heart of this humble Puerto Rican legislator and which have become laws and are today in force in our land because they were approved by Governor Winship, it is well that we mention the universal suffrage law, which grants a supreme right and places all citizens on the same level, whether men or women, white or black, literate or illiterate, rich or poor, thus making our democracy a place where all citizens share alike the most efficient prerogative of popular government; the new election law which gave back to the Socialist Party its personality and gave to all parties equal rights, equal representation, and equal guaranties, thus asserting that political parties as government instrumentalities shall have on election day the same defense and protection as well as everything that makes for a free and clean election, which is the legitimate basis of a true democracy; the law which establishes the State insurance fund—a new law, fair and up to date, which provides compensation to the workers who are victims of accidents or diseases produced by labor, which establishes a social, humane, and up-to-date service free from the influence of private insurance business and places the system under the control and administration of the state, which seeks no dividends or pecuniary profit, but is concerned only with the rehabilitation or compensation of the worker who falls dead or wounded in the fulfillment of the Biblical precept of labor and in the daily struggle for wages and bread; the law establishing the working day of 8 hours, a measure of social and humane rehabilitation for the enactment of which universal labor and socialist organizations of the world have battled so much and have suffered persecutions, agonies, sacrifices, and martyrdom, and which gives the body and the mind of the producer in field and factory a taste of well-being and justice; the labor relations law, which sanctions and consecrates the grand principle of free federation and organization of workers for their own defense, protection, and solidarity, and which sanctions the up-to-date principle of collective bargaining, thus acknowledging the personality and rights of the workers; and numerous other measures, which insure the health, afford protection, and offer guaranty to the working masses of our people.

All of us who have read the papers of late were shocked last Thursday by the absurd information coming from Hitler's Germany about a fantastic reign of terror in Puerto Rico under the flag of the United States and the government of Winship. It is true that our people, as all other civilized and worthy people, struggle to attain in the course of time a definite formula for our political status that shall be compatible with what we believe to be our ultimate right and our honor. In the clock of history we await the hour of justice to strike when the people of continental United States, in friendship and understanding with our people, shall raise us by an act of fairness and justice to the collective category that we deserve as a liberty-loving people; but those who say that our people are the victims of tyranny of any kind do not know what real tyranny is as evidenced throughout history. Collectively we are trying out a system of government which, to a great extent, is democratic and representative. We have a system of insular regime established under the accepted standard of the three powers which Montesquieu theorized and Hamilton and Jefferson established. Our people elect by universal suffrage their legislative power. The judicial power is derived indirectly from the Puerto Rican people which make effective and valid the appointment of every insular judge in their elective senate. Our chief executive is subject to our laws, which leave him no room for arbitrariness or the illegal use of his faculties as executive power. The cabinet of the government is in the hands of Puerto Ricans, which is also true of the general structure of our government. In the field of individual rights, Puerto Ricans enjoy, under the Constitution of the United States, under our insular organic act and our statutes, the greatest assurances of liberty, property, life, and the free pursuit of happiness, with positive and effective laws for assembly, free speech, press, and religion as are not enjoyed to a greater extent by any other country in the world. Every citizen has the most extensive and complete guaranties in any legal procedure, whether criminal, civil, or administrative, in which he may be called upon to defend his property, his freedom, his right, and everything that belongs to him. Neither Jews nor Christians are persecuted here. Opinion is free. Religion is respected and sacred, and every man has in his home his own inviolable sanctuary against every excess or abuse of power, against concentration camps, against inhuman purges, and against everything that would threaten his holy individual prerogatives which are the conquest of revolutions and of centuries of struggle for human liberty. We have no Goebbels to censure our written or spoken word or resort to save denunciation and terror to threaten the liberty and life and right of free people.

Our Governor governs with Puerto Ricans in authority and responsibility to a greater extent than any other dependent country throughout the world. A few days ago, by a happy coincidence very promising of future conditions, our entire government was for the time being in the hands of Puerto Ricans. A Puerto Rican, Major Urrutia, was the commander of the American troops in Puerto Rico; a Puerto Rican, Rafael Menéndez Ramos, was the Governor; a Puerto Rican, Enrique de Orbeta, was the chief of the forces of public order; a Puerto Rican, José G. López, was the auditor of the island; a Puerto Rican, Martin Travieso, was the judge of the Federal Court of the United States in Puerto Rico; and every member of the government's cabinet was a Puerto Rican; and so are the chief justice of our supreme court, with the majority of the associate justices, all our insular judges, and all our legislators. Never did it occur in Germany during the time of her colonial empire in Africa, Asia, and Oceanica, or in any other colonial metropolis, that the people under her flag have enjoyed, even to a lesser extent, such a share of their local government.

Governor Winship represents the smooth and firm hand of law and order and is the supreme guaranty that in this island we shall live a life of democracy, of work, and of peace, for which he is highly appreciated and respected by the leaders of the country, and for what he has done he has the affection of all our people.

May God grant our dear Governor many years of health and happiness.

I thank you.

Arizona's Contribution to the Washington Monument

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 15, 1939

Mr. MURDOCK of Arizona. Mr. Speaker, as we approach this anniversary of George Washington's birth, I did a strenuous but patriotic thing—I visited the historic Washington Monument in this city and climbed the 898 steps to the top. It was patriotic to visit the Monument and strenuous to climb it. Since there is a free elevator in this mighty shaft, it probably will be asked why a Scotchman should walk up or down when he might have a free ride.

On this trip I climbed the long, winding, square-type stairway reaching upward between the elevator shaft and the outer walls, because I had a double patriotic purpose in this visit. I wished to reexamine Arizona's memorial stone on the interior wall of the stately obelisk. On a previous trip I had noticed that Arizona's memorial tablet was placed about a third of the way down from the top, and that the only way to see it conveniently was to use the stairway either from the bottom up or from the top down. This is because the elevator does not stop along the way, but makes the entire trip from one end of the monument to the other. Since the Arizona tablet is about a third of the way down from the top, to reach the spot it is much easier to ride the elevator to the top and walk down to it, and that is the procedure I would advise.

On a visit there some months ago I found that the Arizona stone was the most unique of all the historic mementos placed within the Washington Monument. It consists of three united cross sections of polished petrified wood with the word "Arizona" written horizontally across the whole and the letters painted with gold leaf. It was seen that the lettering does not now have its original brightness and really needs renewal or freshening up a bit. Accordingly members of the Arizona Society in Washington are now arranging with the proper officials to give the needed service as a little token of loyal and patriotic attachment to their State.

There are many memorial stones embedded in the inner walls of the Washington Monument, at least one from each State of the Union, and also slabs and monumental stones from various patriotic organizations of our country. The unique memorial stone furnished by Arizona was the one hundred and eighty-third to be placed there, and it was formally presented on April 15, 1924. This program was under the auspices of the Arizona Daughters of the American Revolution. Appropriate addresses were made by officials of this patriotic organization, the Daughters of the American Revolution, by United States Senators from Arizona, by Arizona Governors or their representatives, and by the then President of the United States, Calvin Coolidge. The ceremony of unveiling was by a native-born daughter of Arizona, who sang Arizona's song to the accompaniment of the United States Marine Band. The presentation ceremony on the part of the youngest State must have been as impressive as the stone itself is beautiful and lasting.

The reason why Arizona's memorial stone is so unique and so typical of our State and unlike anything else to be found in this wonderful collection of 183 memorials is that it is taken from a giant tree in the petrified forest of northern Arizona. This is a remarkable specimen of petrified wood, highly polished and very beautiful. As this specimen has been millions of years in the forming, several of the speakers drew appropriate lessons from its beauty and enduring qualities and splendid sermons from this stone.

The Washington Monument, located on the brow of a hill overlooking the Potomac River and towering above the city of Washington, is itself a wonderful specimen of architecture and has equally meaningful symbolism. Standing 555 feet high, reaching into the very clouds, it was a half century in building and presented some perplexing problems to the engineers. Its total weight is 81,120 tons. It is a monument erected by the devoted and loving people of America in memory of the Father of Our Country. Each State has typified or expressed its love for President Washington and fidelity to his principles of government by memorial stones placed in the monument. Arizona's contribution here is not only typical of one of the great natural marvels of our State but by its beauty and lasting qualities typifies the love Arizona citizens have for the great Washington and the everlasting loyalty of our people to the principles for which he stood.

National Democratic Club of New York

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, February 16, 1939

ADDRESS BY HON. JAMES M. MEAD, OF NEW YORK, FEBRUARY 11, 1939

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the RECORD a speech delivered by myself before the National Democratic Club of New York on February 11, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

We live in a modern world. We have to deal with constantly changing economic and political conditions. In a world fraught with political bitterness, racial antagonism, and national distrust, governments have their distressing problems to solve.

We believe in the efficacy of representative self-government. We have confidence in democracy. We place reliance in our collective strength and judgment. We are jealous of our responsibilities, justly rebellious of any invasion alien to our institutions of autonomy.

Our zeal for self-government is inspired not only by our national history, replete with struggles to attain this goal, but by our observation of the piteous plight of unfortunate minorities everywhere on the earth today.

Our system of government is cumbersome; its mechanics are deliberate and expensive; its legislative grist is often ground with almost maddening meditation; but it provides for all who wish to speak an open forum for the unrestricted expression of their criticisms, suggestions, and counsel.

We have been able, here, under our system of government, to cope with every social and economic dilemma that has confronted us over a period of a century and a half. We have been able, here, to stem the tide of adversity whenever it has threatened our national well-being. We have been able, here, to make our democracy work, and to provide a reasonable portion of contentment and prosperity

to all of our people. We have been able, here, to flex our instruments of government to meet present-day needs. Our continuing ability to adopt modern methods to meet modern trends is the acid test of our democracy.

In the development of our country, economic pressure, operating like a natural law and in response to public opinion, has caused our Government to continually broaden the sphere of its activities. The forces that inspired this development still continue. It has been the wise and timely thing to do, whether it has been the establishment of retirement systems, collective-bargaining agencies, the fixing of wages and hours, relief to agriculture, provision of low-cost-housing facilities, or any similar expansion of Federal authority and supervision. This is the modern trend of Government. The present administration has followed this trend.

The force of social and economic necessity, applying itself equally to every unfortunate and unemployed citizen of the Republic, argues irresistibly for a uniform and unified national program for human betterment. Hunger and joblessness know no State boundaries. Our Nation is shrinking because of new and rapid means of communication and transportation. Our geographical frontiers are exhausted. We live closely together—farmer, laborer, and shopkeeper—our needs, our demands, and our problems are common. The broad activities of government affect us all. That is why our legislators must assume increased responsibilities. That is why we must study and perfect, with care, our agencies of government. That is why we must recognize the modern trend of government and emphasize the necessity of adapting our democracy to meet modern economic changes.

Two major trends, correlated and constantly reacting against each other, have dominated America's destiny since its beginning. One has been the steady expansion of productive efficiency through improved means and methods and multiplied machine refinements. The other has been a steady progress toward social and economic interdependence, compelling on a constantly ascending scale an extension of the functions of government to effect imperative economic readjustments in our adaptation to changing conditions and to meet and master national emergencies. Nothing is constant but change. Adaptation is the law of survival. Those who do not adapt themselves, whether institutions or individuals, soon pass out of the picture.

For America to have resisted change, instead of working in harmony with natural economic law, would have created confusion worse confounded. This analysis, in greatly accelerated degree, applies as accurately today as it did 100 years ago. The recovery program is the answer. While its progressive march from one necessary readjustment to another demand concentrated thought and sustained effort, it is the logical way. To indulge ourselves in the foolish and futile hope that our national economy will automatically adjust itself is to take counsel with indecision and indolence. Irresistible economic pressure would soon teach us otherwise.

It is a trite, everyday expression that "We're on our way—but we don't know where." This may apply to every phase of our social, economic, and political existence. Events of relatively minor significance pyramid themselves day by day, forming the structure of our progress. The National Archives Building at Washington, in stone-engraved words, solemnly pronounces that "The past is prologue." That expresses my thought that the sweeping changes of the past herald the events of today and actuate the unpredictable future.

In retrospect, let us look back to March 4, 1933, when President Roosevelt took his oath of office. He assumed this high office at an hour when general conditions were so distressing as to be unprecedented in the history of our country. Economic and business processes were in a state of collapse. Our financial system, with each day adding by the hundreds to the number of closed banks, was in a state of prostration. A policy of deflation—which had reduced the national income by more than 50 percent, dried up the source of Government revenue, killed and choked industry and agriculture—had brought America so near the brink of the precipice of ruin that anxiety was written on the faces of our people, while actual fear gripped our hearts.

President Roosevelt, his Cabinet, and the Congress acted with extraordinary speed and decision. The powers of the Government were promptly invoked by suiting legislative action to the immediate need until the situation was in hand and hope and confidence displaced terror in public thought.

That was 6 years ago. The plans and policies invoked by President Roosevelt to rescue the country from a debacle, to promote the public welfare, to maintain order, to restore confidence, and to encourage national prosperity are now known as the New Deal recovery program. The record is now before us. We know its origin, its beneficent accomplishments; and throughout the country there prevails an understanding of what the administration is striving to do and what its operations, progressively translated into effect, are intended to do to promote social justice, national prosperity, and greater equity between citizen and citizen, through observing the principle of balance in our economic business relations.

It was to restore economic balance, essential to national health, that the recovery program was instituted. The N. R. A., through higher wages and shorter hours, was intended as an effective answer to the problems of machine overefficiency. The establishment of the A. A. A. was another answer to productive overefficiency on our farms by protecting the farmer against the poverty that follows production below cost.

Our effort is to bring a balance between our ability to produce and our capacity to consume. The enactment of the Emergency Transportation Act, the Federal Deposit Insurance Act, the Securities and Exchange Act, the Utility Holding Company Act, the Social Security Act, the Public Works Act, and similar legislation was prompted by a purpose to protect producers and workers from the price and employment disorganization that overproduction brings; to protect the earnings and investments of the masses of our people; and to diffuse the benefits of technological advances more equitably among the people.

The agencies of the recovery program have a common background and a correlated purpose—that of restoring prosperity to America through the accomplishment of a wholesome economic balance.

We are on the steady, upward grade. Under conditions of safety, opportunity, and comfort far beyond that of any other nation of the world our democracy is proving its ability to master modern problems of economics and government. The mud sills of the recovery program are laid deeply in the soil of the Republic. Its superstructures can only be erected, completed, and perfected by its friends.

We have confidence in our national ability through democratic processes to solve our modern perplexities of government; we have trust in our party as the vehicle for the recovery program; we have faith in our national party leader, the President of the United States, Franklin D. Roosevelt.

National Armament

EXTENSION OF REMARKS

OF

HON. GERALD P. NYE

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Thursday, February 16, 1939

ARTICLE BY OSWALD GARRISON VILLARD

Mr. NYE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article entitled, "Why Should We Arm Further," by Oswald Garrison Villard, and printed in the New Year's issue of America's Future.

There being no objection, the article was ordered to be put in the RECORD, as follows:

[From the New Year's issue of America's Future, 1939]

WHY SHOULD WE ARM FURTHER?

(By Oswald Garrison Villard)

This country undoubtedly has the jitters and not wholly unjustifiably. We see the other nations in the maddest and craziest race for armaments which no less a person than former Prime Minister Stanley Baldwin has declared can only lead to war or financial disaster. President Roosevelt, speaking at Buenos Aires on December 1, 1936, only 2 years ago, has warned us that any rearmament employment "is false employment * * * It builds no consumer's goods for the maintenance of a lasting prosperity. The nations face the day either when their weapons of destruction must be used against their neighbors or when an unsound economy like a house of cards will fall apart." Still the nations persist. As Harold Butler, lately the director of the International Labor Office in Geneva, has pointed out, the rulers of the world know that continuance of this armament race spells disaster for their respective countries and yet their statesmanship does not suffice to enable them to find any way out.

They are like the Frenchman who fell into a pond and, mixing his tenses, kept calling out, "I will drown, and nobody shall help me," until he went under and died. Our former Assistant Secretary of Labor, Edward F. McGrady, when still in office in 1937, declared in a speech at Geneva that for every laborer employed on armaments at least two others must produce profit-making goods to support the man making guns and ammunition, for these are unproductive. He stressed the obvious fact that the armament race involves a steady sinking in the standard of living for all wage earners in the countries which participate, and he made the sensational statement that if this continued it could only lead to revolution in every country. There can be no doubt whatever that Field Marshal Goering was right when he said that the German people had a choice between guns and butter, and that they would have to take guns and do with little or no butter. The same thing will happen in every other country which carries its armaments far enough. Every sound economist knows that if this arms race continues the resulting effect upon the economies of all the nations will be almost as destructive as war itself and will induce the very collapse like a house of cards of which Mr. Roosevelt spoke.

Nonetheless, Mr. Roosevelt announces that he will demand large sums for rearmament when Congress meets, and he says that among other things we must have the largest air force the world has ever known. At first the intimation came from the White House that, despite his speech at Buenos Aires, he was planning to try to produce prosperity by armament. Perhaps someone reminded him then of that speech; undoubtedly he found that Congress, the public, and the press did not react favorably to this idea, and so he told the newspapermen that he was sorry to spoil their story. He has meanwhile declared for a doctrine of solidarity of this hemisphere—that is, a united front against any European attack—and has stated—without the authority of Congress, which, under the Constitution, is the war-making power—that we shall fight if Canada is attacked by anybody. At the Lima Conference his representatives labored to produce that united front, with what result is known.

There is no doubt that the bulk of the American people approve of what they call "adequate defense." They are most eager that the horrors in Spain and China of which they have read so much shall never be repeated on our soil. While they trust the President and Congress to do the right thing, they do not wish the country to be militarized; they do not wish to pour out the huge sums voted by Congress last winter, two billions of dollars for Army and Navy, unless this is absolutely necessary, and they do not want to have all industry subjected either in peace or war time to the War Department's complete control, but they wish to feel secure and are willing to make any sacrifice in order to accomplish this end. The difficulty is that they are unaware of the true state of the military situation in this country, and they do not realize the enormous benefits conferred upon this country by its geographical situation, the barrier of 7,500 miles of ocean between us and our only possible enemy in Asia and of 3,000 miles between us and Europe. They are unaware that the hundreds of millions of dollars poured out for the defense of the country in the last few years have not improved our defenses to any appreciable extent, not even the voting of sums for the six huge new battleships which now cost—the latest—no less than $50,000,000 apiece.

It is characteristic of President Roosevelt's failure as an administrator and his inability to think things through that there has been no genuine improvement in our military and naval conditions since he took office 6 years ago, although during that time we have been expending such huge sums of money. Doubtless the people thought when Congress appropriated or authorized the expenditure of $2,000,000,000 last winter that a great deal had been done to improve our defenses. The simple fact is that it is no exaggeration to say that those sums of money added only to the chaos in Washington. "It's a madhouse, this Washington," said a Regular Army officer who had just been called down to Washington again to consult as to how some of these large sums of money could be expended. Few people realize that there does not exist a single plan for the cooperation of the Army and Navy in any possible emergency. They are working on one now, but it has not yet been adopted, and no one knows when it will be. If war should come suddenly, no one would know just what role the Navy should play in the defense of our coasts; whether its air fleet or the Army's air fleet, or both, would be used to defend our shores. The role of mines, submarines, and coast defenses has never been studied with the idea of the cooperative use of both services. Yet these are merely matters of planning and would not require a single appropriation. Almost every other large country now has a single ministry of defense with the army as one branch, the navy as another, and the air force as a third.

So far as the War Department is concerned, its entire organization is antiquated, and by the confession of its own Assistant Secretary today it has practically nothing with which to defend the country or equip an army, this despite the fact that our Army has never had less than $220,000,000 a year since the war, and for the last 3 years has gone above $330,000,000, and then jumped roughly to $430,000,000. When we are told that our entire artillery is inadequate; that our gun carriages date back to the last war; that we have not enough or adequate antitank guns; that we are only just beginning to produce antiaircraft guns, and to supply our regiments with our wonderful new rifle, one cannot help asking where in the world all the money has gone to. If Mr. Roosevelt really wished to put this country in a state of defense in the shortest possible time, he would have appointed a board of inquiry 5 years ago to find out why these things are so, and to work out a sane, intelligent military establishment fitted to the possible needs to which it would be put. This he has, of course, never even attempted. Yet officer after officer, like Maj. Gen. Johnson Hagood in his book We Can Defend America, says that we can defend this country with a much smaller military establishment than we have now. In his just-published book The Ramparts We Watch, Maj. George Fielding Eliot has taken similar ground that, given an efficient Navy, we do not need any more troops than we have, if as many. He is absolutely opposed to many of the features of President Roosevelt's armament program, and so are, I am told, not less than 70 percent of the Army and Navy officers who cannot, however, express their opinions publicly without getting into trouble with their superiors.

Perhaps most important of all is our never having established what it is that we propose to defend. We are asking the impossible of Army and Navy because we are not even giving them the problems they are asked to solve. We have not, for instance, told them whether they are going to try to defend the Philippines, which is militarily impossible, or whether our western defenses shall be the line from the Aleutian Islands to Hawaiia to Panama. We have not told them whether they are to defend South America, or even if we are to protect our trade routes to South America. Our Navy does not know authoritatively whether it is to be prepared to fight overseas or to meet and defeat the enemy 500 miles off our coasts, as President Roosevelt recently suggested in a public statement. The Army is still preparing to repeat its performances of 1917–18 and to throw an army of 3,000,000 men abroad. But that is contrary to the statement of President Roosevelt to the Daughters of the American Revolution that we were never going to do anything but defend our coasts, which is an entirely different military problem and a vastly simpler one. I do not think that I am making any misstatement when I say that until all this confusion is cleared up and our military objectives are clearly defined all the money voted by Congress merely adds to the confusion and does not give us a dollar's worth more of insurance of our safety.

Again, it is an actual fact that officer after officer has said that this country cannot be attacked. Admiral Sims said this on many occasions. He insisted that we could not make war upon Japan nor Japan upon us. In this he was reinforced by no less a person than Franklin Roosevelt himself, who declared in an article in Asia magazine in 1931, on the basis of his experience as Assistant Secretary of the Navy, that a war between the United States and Japan was physically impossible and that, therefore, we ought to give up all talk of a possible war and approach our joint problems from another point of view—something that he has completely forgotten, as he has so many of his earlier utterances. Speaking on November 18, 1935, to the National Foreign Trade Convention at Houston, Tex., Rear Admiral W. W. Phelps said: "Of course, there is no possibility ever of any hostile attack on either of our shores." General Hagood, General Rivers, Gen. Smedley Butler, and other officers have said the same thing. Now, they may be all wrong, including President Roosevelt, but isn't it worth while to undertake an inquiry as to the correctness of these statements before we begin to pour out unlimited sums and create a huge military machine in America, with all the danger to the Republic that that connotes? It would seem to be simple businessman's wisdom to do this.

What businessman in America in his senses would think of pouring out billions without any definite target for his expenditures? What the hour requires is not the appropriation of a single dollar of additional defense funds beyond the necessary upkeep of Army and Navy, but the immediate setting up of a civilian commission to study the whole problem with the greatest care. Congress would not like some of its findings, because Congress itself is responsible for so much of the wicked waste that goes on in the Army, because it treats both the Army and Navy as a pork barrel. The Army is distributed in hundreds of posts, for example, instead of being concentrated in large reservations where officers and men could be trained in the handling of large bodies of troops. Congress is surely to blame when General Hagood can write that the present organization of the War Department "is so involved that no Secretary of War has ever been able to understand it, and no Chief of Staff, however well qualified, has ever been able to keep it under control or to know just what was going on among his subordinates." Such a commission should put up to Congress also an inquiry into the Navy and find out if it can why Admiral Sims said that the only place for battleships in the next war was the Mississippi River, that all the money spent on the fortification of Hawaii was money thrown into the Pacific Ocean and that the naval training system is so bad that it is not producing a single officer qualified to command the fleet in time of war, and why a writer in a recent issue of the Forum says that the morale of the Navy has never been as low as it is at present.

There is no question that an inquiry of this kind would result in the clarification of all our military and naval problems, and with that before the country it would be extremely difficult for Congress to shirk its plain duty of insisting that every dollar appropriated by Congress should produce a dollar of defense, and that not one dollar more than is needed should be taken out of the taxpayers' pockets. In two speeches Mr. Roosevelt in a holier-than-thou spirit has declared that we are much better off than foreign countries because we are only spending 10 or 12 percent of our Budget for Army and Navy, whereas other countries are spending up to 50 percent and more. That statement was entirely misleading and dangerously near public deception. It has a vestige of truth in it only if we assume that the present emergency budgets running between seven and nine billions of dollars are henceforth to be the fixed expenditures of the United States. That is, of course, preposterous unless it is assumed that we are always going to have eleven or twelve millions of unemployed, in which case we are headed for bankruptcy. If we assume that a normal Budget hereafter will be approximately $4,000,000,000 or four times what it was before we made our fatal mistake of entering the World War in 1917, then the annual expenditure of more than $1,000,000,000 per annum for the actual upkeep of Army and Navy, to say nothing of any extraordinary expenses, would mean that we shall be spending between 25 and 30 percent of our Budget every year for war purposes, this without any allowances for the huge cost of the wars that we have already fought in the way of pensions.

Should the taxpayers of America stand for this unless it is incontestably proved that this tremendous outlay is really required for our safety, and is honestly and efficiently expended?

Nomination of Judge Roberts to the United States District Court for the Western District of Virginia

EXTENSION OF REMARKS

OF

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, February 16, 1939

ARTICLE BY CARR V. VAN ANDA IN THE NEW YORK TIMES

Mr. BYRD. Mr. President, I ask unanimous consent to insert in the Appendix of the CONGRESSIONAL RECORD a most able article published in the New York Times of February 12 and written by Carr V. Van Anda, with respect to the controversy involving the rejection of the nomination by the Senate of Judge Roberts to the United States District Court for the Western District of Virginia.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of February 12, 1939]

POWER THE PRESIDENT MIGHT LOSE—UNDER THE CONSTITUTION IT IS ONLY BY COURTESY OF CONGRESS THAT HE HAS SHARE IN MOST APPOINTMENTS

To the EDITOR OF THE NEW YORK TIMES:

The controversy between President Roosevelt and Senator GLASS is too important to be passed over as only an amusing exchange of harsh words between two distinguished persons, because it brings out anew the President's unceasing purpose to dominate Congress and the courts, and at the same time suggests a method by which Congress, if it chooses (a remote prospect, it must be owned), may do something effective to relieve the courts of political pressure. As for itself, Congress appears at last to be rapidly erecting adequate defenses against Executive domination.

The spectacle of a President's descent to the imputation of falsehood against a man so preeminently distinguished as Senator GLASS for honorable and disinterested public service must always be painful. It is more than painful when, as in the present case, the imputation turns upon a definition of terms, and is attended by an obvious suppression of supporting evidence, if such evidence exists.

SUPPORT FOR GLASS

When Senator GLASS was unable to elicit anything but unbecoming persiflage in response to inquiries as to the truth of widely published allegations that, in the matter of appointments to Federal office, the recommendations of the Governor of Virginia would, as a matter of punitive policy toward the Virginia Senators, be accepted as outweighing theirs, it was not surprising that seventy sympathizing Senators joined those of Virginia in rejecting the Governor-sponsored nomination to a Federal judgeship in a district of that State. Senator GLASS' characterization of the influence exercised by the Governor as an "effective veto" of the constitutional rights of Senators to advise the President on nominations was justified by any other than the narrowest definition of the term.

A veto, according to the lexicographers, may be not only the exercise of an absolute and lawful power but any act of prevention, any refusal to approve. That the exercise of his influence with the President was effective is true, if the Governor of Virginia did in fact propose the nomination of Judge Floyd H. Roberts. He certainly went to Washington to support it. The President, in his letter of condolence to Judge Roberts, mentions the proposal of various candidates by various unnamed persons. If the Governor of Virginia was not an original proponent of Judge Roberts' nomination, citation of this fact would have been an obvious and easy advantage to the President's side of the case.

But this unpleasantness is the least important element of the matter. What is of real consequence is that, in his letter to Judge Roberts, Mr. Roosevelt appears seriously to misconceive the powers of the President in relation to the appointment of Federal officers.

STATEMENT MISLEADING

He speaks of "the appointive power, which is in the President"; of "that time-hallowed courtesy which permits Senators and others to make recommendations for nomination," and solemnly announces that "it is, of course, clear that it was the intention of the Constitution of the United States to vest in the Senate as a whole the duty of rejecting or confirming solely on the ground of the fitness of the nominee."

Some of this is merely careless writing, the rest is grossly misleading. The President has no independent appointing power whatever under the Constitution, except when the Senate is not in session, and then only for a limited time. There is no "time-hallowed courtesy" that permits Senators to suggest nominations. On the contrary, the Constitution expressly requires that, in the matter of nominations to office, the President shall seek the advice of the Senate. That is why this advice, if not volunteered, is, as a rule, asked for before a nomination is submitted.

Setting aside the careless expression which may convey to many the mischievous implication that a unanimous vote of the Senate is required for the rejection of a nomination, there is nothing in the Constitution, or in the debates previous to its adoption, which suggests an intent that the Senate shall act "solely" upon the ground of fitness, although there is much in the debates that suggests a jealous scrutiny of the acts and motives of the President.

A fit candidate being nominated, the Senate or a single Senator may advise the President that it or he knows a fitter one, or cite the inexpediency of the nomination on any ground whatever, or act in justified retaliation against punitive or other humiliating treatment of individual Senators which, if not resisted by a majority, may lead to the injury of all.

Fortunate indeed would be a unanimous response to Mr. Roosevelt's appeal to the citizenry to study more closely the prerogatives allotted to the President by the Constitution. Those not already aware of the fact may be surprised to learn that it is only by the courtesy of Congress that the President possesses the privilege of nominating more than a mere handful of the multitude of Federal officers. Article II, section 2, paragraph 2, is brief and clear on this point:

"* * * and he (the President) shall nominate and by and with the advice and consent of the Senate shall appoint ambassadors, other public ministers and consuls, judges of the Supreme Court and all other officers of the United States whose appointments are not herein otherwise provided for, and which shall be established by law; but the Congress may by law vest the appointment of such inferior officers as they think proper in the President alone, in the courts of law, or in the heads of departments."

RIGHT LIMITED

Thus the only indefeasible right of the President to nominate is limited to members of the Supreme Court and of the diplomatic establishment. As to all the rest, Congress can take away the privilege at any time and vest the appointing power in other executive officers of the Government or even in the judiciary branch.

Why not, therefore, as to Federal judges, settle the nominating power upon the courts themselves as the Constitution expressly permits? Who can judge of qualifications better than the courts, whose business is largely the examination of the work of all possible candidates? Supreme Court Justices would still have to be nominated by the President, but each higher court could nominate candidates for the next lower.

A self-perpetuating oligarchy? Retain the power of the Senate to inquire for itself into the qualifications of nominees and to reject them whenever necessary, with provision, in the latter event, requiring the prompt submission of new nominations. The difficulty, of course, would be the mustering of a two-thirds majority to override a Presidential veto.

Such a plan would remove the Federal courts as far as is humanly possible from the field of politics. It would certainly secure future Presidents against Mr. Roosevelt's temptation to consult "Nancy Astor, the Duchess of Windsor, the W. P. A., a Virginia moonshiner, Governor Price, or Charlie McCarthy" in such matters.

CARR V. VAN ANDA.

NEW YORK, *February 9, 1939.*

President Franklin D. Roosevelt and Former President Herbert Hoover

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Thursday, February 16, 1939

EDITORIAL FROM PHILADELPHIA RECORD OF FEBRUARY 15, 1939

Mr. MINTON. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an editorial from the Philadelphia Record of February 15, 1939, entitled "To Appreciate Roosevelt—Remember Hoover."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Philadelphia Record of February 15, 1939]

TO APPRECIATE ROOSEVELT—REMEMBER HOOVER

"Prosperity is just around the corner."

That's what Herbert Hoover told the American people from 1929 to 1933.

"Inflation is just around the corner."

That's what Mr. Hoover has been telling them ever since 1933.

He has been 100 percent wrong on both prophecies.

On the day Hoover left office the only thing around any corner in America was a closed bank.

And after 6 years of repeated promises that inflation was about to skyrocket prices, as in Germany, and ruin the country, we find:

That whereas the commodity price index ranged between 95 and 100 under Hoover in 1929—

The price index today is down around 77.

In his Lincoln Day speech Mr. Hoover shouted the country has "a rendezvous with inflation and a full-sized dictator."

If there were even faint nudges toward inflation the price index would be soaring far above the 100 mark. Instead, the price level has dropped to 77 from 86 in the last 2 years.

That's deflation, not inflation.

Mr. Hoover demonstrates that he is as bad a prophet in 1939 as he was in 1929.

In 10 years he has learned nothing.

Normally our feelings toward the depression President are feelings of pity, and our inclination is not to take him very seriously. But his Lincoln Day address was such a complete mass of misinformation and so completely ignored his own record as President that it is time to recall the conditions to which Mr. Hoover, on Monday, demanded a "return."

Hoover wants an end to Government "spending." He begrudges the money that has been spent.

In other words, he would return to the days when he told Congress it was all right to appropriate money to feed mules but not to feed men. He would return to those days when campaigns to feed the jobless consisted chiefly of dinners—for the committee—at the Waldorf Astoria.

Hoover cries for an end to "inflationary monetary and financial policies."

That is, he would again let deflation run its course, wipe out the values of the resources of our people and wreck the credit system.

Hoover claims that the Republicans started the R. F. C.

True. But while it was under Republican control its chief contribution to national recovery was an $80,000,000 loan to the Chicago bank of G. O. P. chieftain General Dawes, a loan which represented almost the entire deposits of Dawes' bank. At the time John T. Flynn, the economist, showed that—

"Twenty-one million of the first $24,000,000 loaned by the R. F. C. went to two banks; that more than 40 percent of its loans over 5 months were to seven big banks; that the Union Trust Company, of Cleveland, got $14,000,000, the chairman of the board of that bank having been the treasurer of the Republican National Committee; that $12,000,000 went to the Union Guardian Trust Company, of Detroit, of which Hoover's Secretary of Commerce was a director. * * *"

Yes, the G. O. P. launched the R. F. C. And how!

But probably the most audacious claim in the Hoover Lincoln Day speech is this:

"When the Federal Reserve System * * * failed to meet the storm of 1929, it was a Republican administration which again proposed drastic banking reform."

Yes, the Hoover administration reformed banking. By wiping out the banks.

The Roosevelt administration may have made mistakes.

But it has had a heart.

The Roosevelt administration may have made mistakes.

But it never had to put chains on the White House gates for fear of an uprising of starving Americans; it never told people that the folding of banks and wiping out of depositors was "a healthy process"; it never drove homeless veterans out of shacks at the point of bayonets.

A "rendezvous with inflation"?

Does Herbert Hoover remember his rendezvous with a committee of bishops and businessmen who called on him in June of 1930 to demand action to check the spread of unemployment? Does Mr. Hoover remember what he told them—in June 1930:

"Gentlemen, you have come 6 weeks too late. The crisis is over."

It is too easy to forget how raw those days really were!

Yet the G. O. P. wants to "return" to them.

The way to appreciate Roosevelt is to remember Hoover.

The Island of Guam

EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Thursday, February 16, 1939

STATEMENT OF NAVY DEPARTMENT REGARDING THE ISLAND OF GUAM

Mr. GIBSON. Mr. President, fortification of the island of Guam is a matter that will soon be pending before the Congress if the present rearmament plans are carried out.

The island of Guam is one of the Marianas group, scattered in the Pacific.

People generally have little information concerning the island of Guam. With that situation in view, the Navy Department has furnished information concerning the island, its location, its people, and its history. I ask unanimous consent that this statement by the Navy Department be printed in the CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The Marianas Islands extend in a line almost north and south for a distance of some 420 miles, between the thirteenth and twentieth parallels of north latitude, along the one hundred and forty-fifth meridian of longitude east from Greenwich. The 17 islands of this group are of volcanic origin, but the southern members have long been free from volcanic action. Guam, at the southern end of the chain, is the largest and most populous of the group. It lies about 5,100 miles from San Francisco, 3,400 from Honolulu, 1,500 from Manila, and 1,400 from Yokohama. Guam is a possession of the United States, while the remainder of the Marianas Islands are governed by Japan by League of Nations' mandate.

This island has an area of about 225 square miles, being about 30 miles in length and from 4 to 8½ miles in width. The southern part is high and mountainous with a range of hills along the west coast ranging from 700 to 1,300 feet in height. Numerous rivers, with their tributaries, rise in this ridge and empty into the sea on the east coast. The northern part of the island is a plateau ranging from 200 to 600 feet in elevation, with only a few small brooks near Mount Santa Rosa on the northeast coast.

Guam was discovered on March 6, 1521, by Magellan, while on his voyage around the world. He named the islands Ladrones, but they were later, in 1668, named Marianas, in honor of Maria Ana of Austria, Queen of Spain. The first Spanish missionaries landed in Guam June 15, 1668. Churches and a school were built and the work of converting and baptizing the natives was started. Trouble was soon encountered and many of the priests and soldiers met violent deaths. Rebellion and wars were constant between 1670 and 1696. In 1856 a terrible plague swept the island. The oldest known book upon the early history of Guam states the population in 1668 to have been about 50,000, but this number appears to be an exaggeration. The population was reduced by war, storms, and pestilence to 3,678 in 1710, when the first census was taken. The period from 1696 to 1898 was a period of colonial development under Spanish rule.

Guam was captured June 21, 1898, by the cruiser *Charleston*, commanded by Capt. Henry Glass, United States Navy, and was ceded to the United States by the Treaty of Paris, which terminated the War with Spain. President McKinley, on December 23, 1898, issued an Executive order placing the island of Guam under the control of the Navy Department. A naval officer is commissioned by the President as Governor of Guam, and the same officer is ordered by the Secretary of the Navy as Commandant of the Naval Station, Guam, which includes the entire island. Since coming under American jurisdiction the people of Guam have been regarded as wards of the United States Government.

The natives of Guam are called Chamorros. The origin of the ancient Chamorros is obscure, but it is probable that they were a group that became detached and isolated in the Marianas Islands from the Proto-Malays in their migration eastward from the mainland of Asia. The main part of this people are the Polynesians that now exists in Hawaii, Samoa, New Zealand, and other Pacific islands.

The official language of Guam is English, but the natives still cling to the ancient Chamorro tongue, which has been corrupted by the addition of loan words, phrases, and grammatical forms, principally from Spanish and English, with a few words and expressions from the dialects of the Philippines. During the conquest (1670–96) and the pestilences of later years many of the native men died, and as a result the present Chamorros are principally descendants of the Spanish, Mexican, and Philippine soldiery, who were brought to Guam for the conquest, and of the Americans, British, Chinese, and Japanese, who came later. It is probable that no pure-blooded Chamorro exists in Guam today.

The population of Guam on July 1, 1938, was 22,314, an increase of 182 over the previous year. The population is divided as follows: Native born, 20,880; foreign born and their families, 755; naval establishment, 679, including their families. The foreign-born permanent residents of Guam are as follows: Americans, 61; Filipinos, 30; Danish, 1; German, 2; Spanish, 12; Japanese, 41; and Chinese, 2.

The climate of Guam is on the whole pleasant. The northeast and east-northeast trade winds prevail from December to May, during which time there is comparatively little rain. The southwest monsoon blows at more or less frequent intervals influenced by the typhoons, from June to November, bringing heavy rains. The average yearly rainfall is 89.88 inches, 61 percent of which falls in the 4 months of July, August, September, and October. The hottest months are May and June. The minimum temperature is about 72° and the maximum about 95°. Although the island is in the typhoon belt of the western Pacific, it is seldom visited by severe typhoons.

The agricultural products of Guam are copra, alligator pears, bananas, pineapples, oranges, lemons, mangoes, papayas, breadfruit, coffee, limes, cacao, grapefruit, corn, taro, sweetpotatoes, yams, to-

bacco, rice, cassava, arrowroot, sugarcane, and kapok. Copra is the principal crop of the island and is the main item of export although soap, coconut oil, and "aggag" woven products are showing healthy increases. The rapidity of jungle growth over most of the island makes constant clearing necessary and in the northern part, although the soil is fertile, it is shallow.

The administrative organization of the government of Guam includes the following departments: Executive, records and accounts, industries, education, health, police, military, attorney general's, judiciary, customs and immigration, and agriculture. The island is divided into 15 municipalities: Agana, Agat, Asan, Barrigada, Dededo, Inarajan, Machanao, Merizo, Piti, Sinajana, Sumay, Talofofo, Umatac, Yigo, and Yona. The municipalities are each in charge of a commissioner appointed by the Governor, assisted by a deputy commissioner where necessary. The naval government activities of Guam are financed chiefly by the revenues from taxes paid by the citizens of Guam.

There are no civilian physicians or hospitals in Guam, nor could the population support them financially. There is one civilian dentist under part-time pay of the Federal Government. The natives are dependent on the government for prevention of diseases and medical care. For the fiscal year 1938 the Federal Government appropriated $20,000 for hospitalization of lepers, gangosa, and indigent native cases. In addition the Federal Government appropriated $73,220 under the cognizance of the Bureau of Medicine and Surgery for the maintenance and operation of the naval hospital, which is principally maintained for the treatment of the native population and furnishing of medical supplies to all health activities caring for natives. The hospitals are operated by the medical department of the United States Navy and native nurses trained by this department.

The educational program in Guam is based on the philosophy that education is to prepare the individual for happy, efficient living in his community. Such basic instruction, born of educational practice in the United States, as applies in Guam is given. Emphasis is placed upon the English language as a medium of speech among all the people, upon health and sanitation and knowledge of civil regulations as necessary to community cooperation and progress, and upon character-building agencies as invaluable to community stability. Industrial and agricultural instruction has a prominent place in the curriculum. For the fiscal year 1939 the Federal Government appropriated $15,000 and the naval government $48,319.56 for educational purposes. The department of education consists of a head of department (a naval chaplain), a native supervising teacher, 3 native supervisors, 11 industrial teachers, 171 academic teachers, and 3 office staff. The policy is to fill all possible positions in the native schools with native teachers. Prospective teachers are trained through a teacher-training course in the last year of high school, and active teachers are trained in service by either a teachers' normal held every 3 years or by annual teachers' institutes. The latter method plus advanced study during the year will be used for the next 2 years. Teachers are instructed in English, teaching methods, American history, factual knowledge of Guam, mathematics, music, sanitation, and hygiene. The schools had an average enrollment in 1937–38 of 4,066, a decrease of 405 from 1936–37 and an increase of 2,485 during the last 15 years. The age of compulsory attendance is from 7 to 12 years, inclusive, but children may attend school after reaching 12 by maintaining satisfactory progress. There is an American school for American children. During 1937–38 six American college women graduates, with teachers' certificates, taught in the American school, which has grades 1 to 10, inclusive. Information concerning teaching positions should be obtained direct from the Governor of Guam. Currently none other than natives are employed in the native schools, and only members of service families or American civilians already in Guam teach in the American school.

The Bank of Guam was established by executive general order No. 193, dated December 20, 1915. The capital stock, $25,000, is owned by the naval government of Guam. The bank is authorized to conduct the business of commercial banking as a division of the treasury of the naval government of Guam. While the bank is operated according to approved commercial banking standards, special effort is made to assist in the general improvement and betterment of the island of Guam as a whole.

The Guam Recorder, an illustrated monthly magazine, which is published under the direction of the Governor of Guam, covers current affairs; historical, scientific, and governmental matters of interest to the life of Guam. Subscriptions may be obtained from the editor, Guam Recorder, Agana, Guam., at $1 per year for subscriptions within the United States territorial limits or possessions and $1.50 for foreign subscriptions.

There are no hotels in Guam except one operated by the Pan American Airways for the convenience of their trans-Pacific air passengers. Transportation to and from Manila and the United States is by occasional Army and Navy transports; by a Dollar Steamship Co. vessel, which makes about three trips a year and carries mail and freight; and by Pan American Airways' clippers, which carry passengers, mail, and air express. Guam is an important link in the trans-Pacific air route of the Pan American Airways.

Located at Guam is the important cable station of the Commercial Pacific Cable Co. It is from here that messages from San Francisco are relayed to the Philippines, China, and Japan. The Globe Wireless, Ltd., maintains a radio station at Guam, and communications with the United States, the Hawaiian and Philippine Islands are possible through this system.

Immigration into Guam, while not prohibited, is not encouraged, as there is little opportunity for a newcomer to make a living there. All sales of land must have the approval of the naval government. Only citizens of the United States and of Guam may own land. Government land may be leased by citizens of the United States or of Guam for a period of not more than 25 years, or in the case of town property, 50 years. Real property cannot be leased to aliens for a period of more than 5 years.

A publication entitled "The Island of Guam," containing more detailed information on Guam, may be procured from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 25 cents per copy.

Justice Louis D. Brandeis

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Thursday, February 16, 1939

EDITORIAL FROM PHILADELPHIA RECORD OF FEBRUARY 15, 1939

Mr. MINTON. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an editorial from the Philadelphia Record of February 15, entitled "Brandeis—Man of Facts."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Record of February 15, 1939]

BRANDEIS—MAN OF FACTS

In 1916, when President Wilson appointed a Boston lawyer, Louis D. Brandeis, to the United States Supreme Court, the resulting chorus of enraged protest was almost as loud as that which followed the announcement of President Franklin D. Roosevelt's court plan.

Former President Taft, later Chief Justice, led the opposition to Brandeis. Every then-living president of the American Bar Association objected to Brandeis. Boston—or those who spoke for Boston—clamored against the man who had set himself, successfully, against the sacred cow of Boston Brahmanism, the New Haven Railroad, and who had predicted, correctly, the downfall of that enterprise as the result of the sin of financial gluttony.

Brandeis was a "dangerous radical." Brandeis was an "impractical theorist" given to "extravagant statement" and "self-advertisement." Brandeis was "reckless" and "inspired by prejudice and intolerance" and wholly lacking a "judicial temperament."

So ran the statements and the editorials in the 5 months' fight between his appointment and his confirmation by the Senate.

The Judiciary Committee reported that powerful financial interests had supported the fight against Brandeis. But the attack was masked. They did not say openly that Brandeis was a friend of labor and therefore unacceptable, or that they opposed Brandeis because he had fought monopoly. They accused him of "unethical conduct," of accepting fees from hidden interests in cases that he had fought without fee, solely because the public interest called him to the fight.

Senator Tom Walsh, of Montana, summed up neatly the attack on Brandeis:

"The real crime of which this man is guilty is that he has exposed the iniquities of men in high places in our financial system. He has not stood in awe of the majesty of wealth. The man who never represents the public or the impecunious citizen in any great forensic contest, but always the cause of corporate wealth, never has these troubles."

Brandeis was finally confirmed, 47 to 22. Among the Senators who voted against Brandeis on the pretext that his conduct had been "unethical" were Warren G. Harding, of Ohio, and Albert B. Fall, of New Mexico.

Time is the most eloquent debater. This week Louis D. Brandeis steps down from the Court, closing liberalism's case on whether his appointment was a proper one. Twenty-three years of as distinguished service as the American bench has ever seen is the answer to those who called Brandeis a "shyster."

Only Justices Marshall and Holmes—and perhaps only Marshall—have had as powerful an effect on American legal and social thought. The Brandeis briefs and dissenting opinions are slowly becoming the law of today, and the philosophy behind them is perhaps the most thorough exposition we have of American liberalism.

Marshall intuitively foresaw the future economic necessity for a strong Federal Government and forged a constitutional basis for it with bold, partisan strokes that made the Constitution an effective instrument.

The statesmanship of Brandeis addressed itself to an equally vital problem—the anarchy arising from the "curse of bigness," from the rule of unrestrained corporate monopolies whose power, though exercised only with the help of the State, placed them outside the control of the State and sometimes allowed them to operate contrary to the interests of society.

"To preserve the liberty of the many," Brandeis said, "we find it necessary to restrict the liberty of the few."

More specifically:

"We have passed to a subtler civilization: from oppression by force we have come to oppression by other ways. And the law must still protect a man from the things that rob him of his freedom, whether the oppressing force be physical or of a subtler kind."

Brandeis perceived that political liberty could not survive side by side with "industrial absolutism." He attacked this great dilemma of our time on two fronts—the vigorous protection of individual civil liberties against governmental tyranny and the vigorous interposition of governmental regulation against industrial tyranny over individuals.

There are those who profess to see contradiction between Brandeis' battle against the extension of governmental repression and his defense of Government regulation to counterbalance the supergovernment of big business. In both positions Brandeis was protecting the individual against forces which were actually menacing.

As Brandeis sees the facts, civil liberties are necessary to protect men against corporate "bigness" and restraint against "bigness" is necessary to protect civil liberties. The two principles are not contradictions, but the two sides of the coin which buys liberty.

Law to Brandeis is not a fixed mold into which human conduct is to be poured. Rather law to him is the science of discovering rules of behavior from the changing conditions of life:

As he put it:

"In the past the courts have reached their decisions largely deductively from preconceived notions and prejudices. The method I have tried to employ in arguing cases before them has been inductive reasoning from the facts."

In defending the Oregon law limiting women's hours of work, Brandeis did not follow the traditional method of emphasizing other forms of regulation which courts had upheld. Instead he devoted 97 pages of a 100-page brief to a factual description of the conditions prevailing in most factories and the effects of those conditions upon women. When Brandeis took an industrial case he acquired a more intimate knowledge of the industry than many who spent their lives in it.

In a word, the attitude of Brandeis was that of the scientist, not the sage.

Justice Brandeis stands for the twentieth-century man as jurist, for the break with the traditional concept of law as "that which has been law." He knows that sound law is made in the laboratory of life, not in the minds of isolated men, no matter how high their ivory towers may be.

That modern approach may be a more significant contribution than even the glorious Brandeis fights against monopoly or the glorious phrase "Holmes and Brandeis dissenting," which was the introduction to a reawakened American concept of civil liberties and human dignity.

To Mr. Justice Brandeis on his retirement we wish many more years of useful work. To his country we wish a deeper appreciation of what Brandeis represents.

Business and Industry

EXTENSION OF REMARKS

OF

HON. JOSIAH W. BAILEY

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, February 16, 1939

STATEMENT BY AMERICAN FEDERATION OF LABOR

Mr. BAILEY. Mr. President, I ask unanimous consent to have printed in the RECORD a statement on business and industry by the executive council of the American Federation of Labor. I heartily endorse the sentiments expressed in the statement.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of February 15, 1939]

A. F. OF L. BIDS NEW DEAL STOP CHANGING RULES—ASKS ADMINISTRATION TO END BUSINESS FEAR BY HALTING "SURPRISING" REGULATIONS

(By Edward Angly)

MIAMI, February 14.—American Federation of Labor leaders appealed today to the Roosevelt administration to cease "changing the rules of the game" under which private industry must operate.

Before ending its midwinter meeting tonight the federation's executive council issued a statement reaffirming its belief that only private business, and not government, can solve the unemployment problem. The New Deal was asked to restore confidence and eliminate fear among investors and management by giving up its habit of issuing "surprising and unexpected" regulations.

Taking the position that the army of unemployed could not forever "remain the wards of the Government," the council asked the New Deal to remove whatever barriers stand in the way of enabling all financiers and the owners and management of industry to face the future with confidence and risk their money on development of enterprises.

"Whatever barrier may have been created, either as a result of fear or as a result of affirmative action on the part of those who administer the affairs of government, ought to be broken down so that our industrial processes may function in a proper way and unemployment may thus be overcome," the statement said.

OPPOSE EXCESS-PROFITS TAX

Although the statement named no specific law or regulation, William Green, president, remarked that he and his colleagues agreed with the business community that the excess-profits tax should be repealed, if only to "correct the state of mind" into which private enterprise had fallen.

He said businessmen continually complained to him that the Government had created many bureaus "that formulate and issue orders and regulations surprisingly and unexpectedly and that that ought to cease; that the rules of the game should be made clear and plain, and that those launching a new enterprise could be sure no new rules would crop up about which they knew nothing when they launched it."

The executive council instructed Mr. Green to submit its statement on the Nation's business and economic conditions to the Secretary of Labor and the Secretary of Commerce. Setting forth the federation's position that eventually private industry, not the Government, must absorb all who are able and willing to work, the statement continued:

"We are firmly convinced that various forms of Government spending, either in the distribution of relief or in the development and maintenance of work projects designed to supply relief wages to unemployed, can only serve as a temporary measure and cannot and do not provide a permanent solution for unemployment.

"The market for the sale of goods and service can be increased and enlarged only through the application of a sound economic policy whereby there is placed in the hands of the masses of the people a buying power which will enable them to buy, use, and consume the manufactured goods and service which private industry is prepared to supply.

"BUSINESS STIMULATION FAVORED

"This leads to the inevitable conclusion that private industry and business generally should be stimulated so that the facilities of production may be increased and millions more working men and women may be employed.

"What can be done and what should be done, therefore, are the problems which, at the moment, call for consideration and a proper solution. We do not believe that the Nation has reached the maximum in production or consumption of manufactured goods. For that reason we cannot accept the reasoning of those who maintain that we must prepare to maintain constantly an army of unemployed as the wards of the Government. We must turn to private industry for the solution. It should and must serve the Nation.

"Our national interests require that private industry be accorded the widest opportunity to do so. That involves expansion and an increase in productivity. Such action must be considered as the primary step necessary to create work opportunities for the millions who are unemployed. Obviously the next step must be the establishment of credit and the will and purpose, on the part of the owners of industry to risk, invest, build, and construct. The basis for such procedure must be found in the creation of a favorable state of mind. Fear, a lack of confidence and distrust in governmental, social, and economic procedure should be removed. A political and economic state of mind should be created which would enable all financiers and the owners and management of industry to face the future with confidence, willing to risk in the expenditure of funds for the development of industrial enterprises and in the manufacture and sale of manufactured products.

"We are firmly convinced that the realization of this objective should be the primary purpose of government, industry, and labor. Whatever stands in the way—whatever barrier may have been created, either as a result of fear or as a result of affirmative action on the part of those who administer the affairs of government, ought to be broken down so that our industrial processes may function in a proper way and unemployment may thus be overcome.

"FOR DEFINITE RULES

"Some strong, powerful, and influential representatives of private industry maintain that in order that private enterprise may go forward it is necessary that the rules and laws under which industry should operate should be more definite, clear, and understandable. This, it is asserted, would stabilize industrial conditions and would serve to release financial and industrial forces necessary to the enlargement and expansion of private industry.

"The executive council is firmly of the opinion that this issue should be met squarely. All should understand that no new rules or stipulations will be promulgated by some administrative bureau other than the rules and regulations definitely set forth in regulatory statutes enacted by the Congress of the United States. Such action will serve to help business, labor, and the people generally. Under such a plan industrial management would be accorded the

widest opportunity to render service in the solution of our unemployment problem.

"The executive council reaffirms the position of the American Federation of Labor regarding private enterprise and private initiative. We are firmly committed to such an economic philosophy. We believe that private initiative, private investment, and private endeavor in private industry should be encouraged and supported. We assert that those who invest in private industry should earn a fair return upon such investment and that labor should be paid a wage which would accord to all workers and their families an opportunity to live in decency and comfort."

Today and at a final session tonight the board cleaned up odds and ends of its midwinter agenda, but postponed until spring decision on various resolutions passed up to it by the Houston convention last October. At tonight's session Frank Morrison, secretary, making his quarterly report, said there had been a substantial increase in the federation's membership in the last 3 months. He said paid-up members were rapidly approaching 4,000,000.

Development of the Airplane

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, February 16, 1939

ARTICLE BY HON. O. MAX GARDNER

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be published in the Appendix of the CONGRESSIONAL RECORD an extremely interesting article from the pen of Hon. O. Max Gardner, former Governor of North Carolina, in relation to the development of the airplane. In this article he particularly mentions another North Carolinian, Mr. Thomas A. Morgan, who is identified with that industry concerning which we hear so much at the present time in the discussion of the national-defense program.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

In America, Europe, and throughout the civilized world there is nothing of more vital concern to men and women today than aviation and its relation to transportation, national defense, and preparation for war. Last September there were millions of people paralyzed with the fear that within less than a month London or Paris, or both of them, might be as completely destroyed from the air as Sodom and Gomorrah.

At Kitty Hawk, N. C., aviation was born a little more than a third of a century ago. Just 16 years earlier, Tom Morgan was born on a poor farm in Vance County, N. C., 150 miles from Kitty Hawk. Apparently there was no relation between the birth at Kitty Hawk and the birth in Vance County. Yet aviation has made Morgan, and Morgan has done much for aviation.

SELF-RELIANCE DEMANDED

Thomas A. Morgan, president of the Sperry Corporation, is a living example of a changing world, and his achievements are an illustration of the wisdom of the fact that new conditions demand new remedies.

He was born under conditions demanding self-reliance, independence, hard work—all of which combined with good raw material in the creation of a self-made man. He was born poor, his parents were poor, his neighbors were poor, his country was poor, and his future prospects were about as dismal as poverty could plan. He never saw a college until he was middle-aged. He worked at night as an operator in a telephone exchange while striving for meager schooling in Littleton, a small town nearby.

The short flight of the Wright brothers on December 17, 1903, set young Morgan afire. He knew little about physics or science, but Kitty Hawk opened a new world for him. He saw opportunity for himself in the world of science and invention and determined to grasp for it. He closed the books and started for the sea. He had never seen the ocean, but the ocean, through the United States Navy, became his college. He joined the Navy as an apprentice and served for 4 years. In the Navy he went through the electrical school, specializing in radio. He was on the U. S. S. *Delaware* when Dr. Sperry installed his first gyroscope compass. Morgan lived with this compass until he learned everything about it. He was graduated from the Navy with the rank of chief electrician.

JOINED DR. SPERRY

Morgan left the Navy and joined Dr. Sperry. Within several years he had come through engineering, manufacturing, sales to the presidency of Sperry. His company concentrates on development of devices and instruments of precision that world aviation demands. Morgan loves an airplane with the same devotion that Evie loves her horse John the Baptist.

A few years ago Morgan reorganized Curtiss-Wright and lifted it from the red. He served for 4 years as president of the Aeronautical Chamber of Commerce of the United States. He is chairman of the board of five other corporations. He was appointed by Grover Whalen as chairman of the advisory committee on aeronautics for the world's fair. It is a far cry from a poor tobacco farm in North Carolina to the head of a great corporation in Rockefeller Center.

I regard Tom Morgan as one of the greatest living North Carolinians. He is more than this. He is a great American. His life is a shining example to thousands of young Americans who are willing to take the hard way.

What Does Democracy Mean?

EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Thursday, February 16, 1939

RADIO ADDRESS BY EDWARD STAFFORD

Mr. GIBSON. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Edward Stafford over the radio, entitled "What Does Democracy Mean?"

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Democracy means more than is indicated by its derivation—the rule of the people—though that meaning alone is enough to endear the term to the hearts of all mankind. It means the right of the common man—the obscure, unknown citizen—to live his own life, make his own way, form his own opinions, vote his own convictions. Because of these inestimable blessings which democracy endeavors to secure for even the humblest and most ignorant member of the body politic, citizens of democracy in times of stress have nearly always proven themselves devoted sons of the state. The totalitarian doctrine is the sacrifice of the individual to the perfectly efficient state. But, to paraphrase a very high authority, the doctrine of democracy is that the state was made for man, not man for the state. Therein is the distinct cleavage between two theories. It has been truly said that, except only his faith in God, the state is the most sublime conception of mankind; but man is more important than any of his conceptions.

Democracy means the whole-hearted, genuine effort of the members of a community as a whole to perform with efficiency the tasks of government. From its very nature, it is incapable of reaching perfection; yet perfection is always striven for by succeeding generations. No one should deceive himself with the false hope that democracy can be made into a perfectly efficient government. It is not built for efficiency; it is built for safety throughout. We have all seen within our recollections in England, in France, in America, men who, if given absolute power in their respective states, could have gone forward within a few years to a point which the struggling peoples may not attain for another century. But not even the loss of these dazzling possibilities will cause us any regrets when we consider that they would in all probability have been secured at the cost of our children or our children's children finding themselves enslaved beneath a power still absolute, still brilliant, but no longer enlightened.

Critical references have recently been made by totalitarian leaders to England, France, and the United States as the herd democracies. While the designation was meant for a sneer, the characterization is not altogether unhappy. The herd has a leader whom it follows. It is led from within itself; it is not driven by one of its own. The leader in a democracy must have the confidence of the community. When he no longer enjoys the trust of his fellows, he is replaced by another. The remedy in a democracy is a change of leaders by peaceable means, not the exile or murder of those who differ with the leader. Democracy's great leaders alone are its justification. They are elemental, racy, perfectly adapted to their time, to their environment, to the necessities of their state. Edwin M. Stanton was telling the story of democracy's achievement when over the bier of Abraham Lincoln he said: "This was the greatest ruler of a free people that the world has ever seen."

Democracy means the other end of the gamut from a totalitarian state, whether topped by tyrant, emperor, directory, or leader. It means the broad sure foundation of the trust of the average man in his own institutions, the existence of the state for the benefit of mankind, not the enslavement of mankind for the glory of the state. It does not mean complete tranquillity and calm submission to all authority. Its only safety is in constant

agitation. "If the Alps, piled in cold and still sublimity, be the emblem of despotism, then the ever restless ocean is ours, only pure because never still."

The real demonstration of democracy is the safety at all times of unpopular minorities, whether hated racial or religious groups, or intensely offensive bands of political fanatics. Democracy means that so long as they do not seek to overthrow the civil authority by force, these minorities are at liberty to advocate their theories in speech, in writing, in political canvasses, to convert as many to their ways of thought as their arguments can win over, unmolested in their lives, their liberty, or their property even by an overwhelming majority of their fellow citizens or by the state itself.

Democracy means, above all else, the hope of the common man. If it were wiped from the face of the earth, the dull despair which would descend upon the world is quite beyond our comprehension. It is the only way of life for a people who believe in the possibilities of all citizens and who profess the Christian religion. It cannot be otherwise since the founder of that religion shed his beneficent light upon mankind from the workbench of a carpenter in a remote corner of a vast empire and found his mightiest advocate engaged in the making of tents not many miles away. Within a single generation these two workmen changed the course of history and after nearly 20 centuries their work lives and grows in the souls of men. Democracy means the spirit shall always be present among the lowliest to aspire to the highest things, because the future of each is for himself to make, not for the state to make.

For those born in its sunlight, and nurtured under its protecting care, it is difficult to speak with restraint of democracy's priceless blessings or of its glorious meaning, when, among nations gone half-mad its very existence seems threatened. It is "The prophetic soul of the wide world dreaming on things to come."

Birthday Anniversary of Susan B. Anthony

EXTENSION OF REMARKS

OF

HON. LYNN J. FRAZIER

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Thursday, February 16, 1939

STATEMENT BY MRS. CAROLINE L. BABCOCK

Mr. FRAZIER. Mr. President, yesterday was the anniversary of the birth of Susan B. Anthony. I ask unanimous consent to have printed in the RECORD a statement on the life and work of Susan B. Anthony by Mrs. Caroline L. Babcock, campaign secretary of the Woman's National Party of Washington, D. C.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Today all over the United States women are meeting to commemorate the birthday anniversary of Susan B. Anthony, to whom every woman who holds a job, who goes to college, who is a doctor, lawyer, scientist, professor; every mother who has equal guardianship of her children; every woman who controls her own property, her own wages; every woman who votes or holds office, owes a debt of gratitude which never can be repaid.

To give the younger generation of men and women some comprehension of what this woman accomplished in a lifetime, I will sketch briefly her career and tell you something of the times in which she lived. Susan B. Anthony was born February 15, 1820, in the small New England town of Adams, Mass., where her father owned a cotton mill. Later the family moved to western New York, and in Rochester Susan spent most of her young womanhood and old age. The Anthonys were people of liberal minds and Susan, their brightest child, was given as good an education as girls usually received in those days. This was less than a child now receives in the fifth grade of a public school, and when Susan demanded to be taught long division and algebra she had to find a private tutor. When she was 17 her father lost all his property in the panic of 1837, a depression as long and as terrible as we are now enduring. Teaching being the only job open to girls of her social class, Susan became a teacher, and her first indignation against the degraded position of women was when she found that she had to accept $2.50 a week for doing work for which a man was paid $10 a week. She also discovered that the little money she earned was not legally her own, if her father chose to claim it, which happily Mr. Anthony did not. She found, when she looked about her, that women were practically enslaved. After a girl married until she died or was widowed she was under the absolute control of her husband.

A married woman could own no property, even if it were inherited or a gift. If she worked—and many women did work, sewing, washing and ironing, taking boarders—her earnings all belonged to her husband. Worse than this, she had no control over her children, for they belonged by law to the father. A man could give his children away; could even will an unborn child to his family or strangers. A married woman could not testify in courts of law; could not sue or be sued. She could not make a will giving away even her personal effects. No woman, married or unmarried, had any way of protesting against such injustice, for women were barred from public platforms, and whoever wrote on the subject was practically ostracized by society.

Susan B. Anthony broke the first taboo by daring to speak at a convention of the New York State Teachers' Association. No woman had ever asked to be heard before; but the men, by a majority of one, voted that she might speak. After that she made speeches advocating the most modern ideas in education, the admission of girls to high school and college, coeducation, promotion of women teachers to higher positions, equal pay for equal work, and, above all, equal educational opportunities for children regardless of sex. People flocked to hear her speak; but a man of prominence once said to her, "Miss Anthony, that was a fine address you gave, but I would rather see my wife or my daughter in her coffin than to hear her speak as you did before a public assembly."

Until she was past 30, educational reform occupied her entire attention outside of the schoolroom. But in July 1848 there was held in the village of Seneca Falls, N. Y., the first woman's rights convention in the history of the world. Susan did not attend the convention, for as yet she did not know Elizabeth Cady Stanton or Lucretia Mott, the two great women who called it together. But Susan read of the convention and its proclamations of the freedom of women and she heartily approved. In the early 1850's she met Mrs. Stanton, and from that time on the two women worked together in the closest friendship and harmony. They wrote speeches together, traveled, lectured, organized and called annual conventions. Until Mrs. Stanton's death in 1902 they were inseparable and their names are forever linked together in the woman movement.

No modern woman can faintly imagine the difficulties and the hardships those pioneers had to endure. They were ridiculed, abused, insulted, denounced by the newspapers and from the pulpit. Often they were turned away from hotels and rudely denied halls in which to speak. Yet they kept on, converting women throughout their State, getting petitions to the legislature for better laws, and in 1854, by sheer persistence and force of character, they succeeded in introducing into the legislature a bill providing for full property rights for women, control of their wages, equal guardianship of children, and many other rights, including the right to vote. Of course the bill was rejected, the horrified legislators quoting Scripture to prove that God did not intend that women should ever have any kind of equality with men. But Susan told them that she and her associates were prepared to come before them every year until they died or until the bill was passed, and she started out at once to get more names on new petitions. Mrs. Stanton had a family of young children, but Susan was what was then called an old maid, so she was free to travel, and by slow trains, stagecoaches, hired carriages, and sleighs, winter and summer, she visited every county in the State. She had no money, but her father, then a salaried man, helped her all he could, and for the rest Susan had to depend on collections taken up at her meetings. The result was that in 1859 the New York Legislature actually passed a bill giving women almost complete control of their property and wages, and partial control of their children. It was the first women's bill of rights, and marked the greatest advance in the status of women that the world had ever seen. But Susan was not satisfied, since many rights, including the right to vote, were still withheld.

Susan saw that what she had to do was to change the mind of the whole Nation in regard to the position of women and bravely she set herself to do it. Perhaps in the beginning it was hardest to change the minds of women. A married woman with a comfortable home, a good husband, a secure social position, and all the spending money she wanted could not know, as Susan did, that women without good husbands, or without any husbands at all, needed the protection of the ballot. Protected wives knew nothing about the great army of working-class women who needed education, training for skilled trades and professions, needed even more opportunities to enter the world of business on equal terms with men.

As the years passed women by the thousands and millions became supporters of woman suffrage. Girls went to college, studied medicine, law, science. Practically all trades and professions were invaded by women. The invention of the typewriter and the telephone increased their importance in the world of business. But Susan's great objective, women's citizenship, seemed as remote as ever. By 1890 woman suffrage was no longer exactly laughed at, but few people really believed that it would ever be attained. Susan knew that it would be. She saw how the world changed since her childhood, and she wished it to be. She who in her youth had been insulted, abused, pelted with decayed vegetables and rotten eggs for daring to advocate votes for women, in her ripening age was one of the most famous and best beloved of women in the United States. In Washington she was honored as a guest at the White House, though no President would ask Congress to pass a suffrage resolution. When she traveled abroad she was entertained in kings' palaces. Queen Victoria, who opposed all women's rights, received her at Buckingham Palace. In Berlin the Kaiser and his Empress honored her. To women all over the world her name was a symbol of hope and encouragement.

Those men and women today who are working for social ideals, and who are often weary and heartsick because their dreams are not immediately realized, would do well to study the life of this woman,

who never grew weary, never lost faith, never stopped, working even into extreme old age. At 70 years of age, 75, 80, and beyond she continued to travel all over the United States, lecturing, organizing, taking part in every losing State campaign for woman suffrage. She welcomed the four western States that in her lifetime gave women the vote, but she always believed that women's enfranchisement should be written into the Constitution of the United States, and toward that end she worked until she died. At 83 she was in Berlin helping to organize the International Woman Suffrage Alliance. At 86 she attended in Baltimore a convention of the National American Woman Suffrage Association, February 15, 1906, and appeared for the last time at a birthday party given in her honor, ending her speech with the challenging words, "Failure is impossible." She went home a dying woman, and on March 14, 1906, her burning spirit fled from her frail body and soared to those regions of light and happiness that are waiting for the good and the brave of this earth. Her work was not in vain, for 14 years after her death, in November 1920, American women went to the polls free citizens in a free republic. They voted first in a national election in the centennial year of Susan B. Anthony's birth.

Lincoln Day Address

EXTENSION OF REMARKS

OF

HON. CHARLES L. McNARY

OF OREGON

IN THE SENATE OF THE UNITED STATES

Thursday, February 16, 1939

ADDRESS BY HON. ALEXANDER WILEY, OF WISCONSIN, FEBRUARY 10, 1939

Mr. McNARY. Mr. President, I ask unanimous consent to have printed in the RECORD an impressive Lincoln Day speech, delivered at Fairmont, W. Va., February 10, 1939, by the able Senator from Wisconsin [Mr. WILEY].

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I want to thank you for this cordial, this West Virginia welcome. I am very happy to be with you today.

It is an added pleasure to speak to this audience in tribute to the memory of Abraham Lincoln.

All over this land tribute is being paid to this great American. In the South as well as in the North, on the Pacific coast and on the Atlantic coast hearts are lifted in memory of "his life's meaning."

Recently it was my privilege to enter the Lincoln Memorial which houses the log-cabin birthplace of Lincoln near Hodgenville, Ky. As I stood looking at this humble log cabin time was turned back. Here in this very log cabin on February 12, 1809, Lincoln was born; and out over the hillside, where I subsequently wandered, and down to the spring, the little Lincoln walked and played.

Mount Vernon and this log cabin are the two great American shrines. On the occasion that I visited these places for the first time I was overcome with a feeling that I was treading on holy ground.

What made Lincoln great?

Edwin Markham answers it this way:

> The color of the ground was in him, the red earth;
> The smell and smack of elemental things;
> The rectitude and patience of the cliff;
> The good will of the rain that loves all leaves;
> The friendly welcome of the wayside well;
> The courage of the bird that dares the sea;
> The gladness of the wind that shakes the corn;
> The mercy of the snow that hides all scars;
> The secrecy of streams that make their way
> Beneath the mountains to the rifted rock;
> The underlying justice of the light
> That gives as freely to the shrinking flower
> As to the great oak flaring to the wind,
> To the grave's low hill as to the Matterhorn
> That shoulders out the sky.

Lincoln was a growing soul. In response to something within him he sought a larger, freer, nobler world of thought, of ideas. He didn't remain where birth placed him. He had commerce with far horizons.

One fine thing about this great American was that he never conceded defeat. He felt the drive and urge within him which evolved into the dynamic of a great purpose. As a politician he has quite a record as a failure. When he ran for the legislature as a young man he was badly defeated. Later on he ran for Congress and was badly defeated. He failed in his trial to get an appointment to the United States Land Office. He was a candidate for the United States Senate and was badly defeated. In 1856 he was a candidate for the Vice Presidency and was again defeated. In 1858 he was defeated by Douglas for the race in the United States Senate. But in the face of all these defeats and failures, coupled with his failure as a man of business, he achieved the highest success attainable in life.

One cannot study the life of this great character without arriving at the conclusion that he was led to the uplands of his success by a great vision. He knew and obeyed God. He had a divine chart as a path for his life, and he dedicated his powers and his pilgrimage to the common good of mankind.

Lincoln possessed faith. Especially was this true after he had been elected to the Presidency. With some of us it might be well to realize that Lincoln was the result of growth. Year after year made its contribution.

Several weeks ago I had the privilege of attending a great play in New York City, Lincoln in Illinois. Raymond Massey portrayed Abe Lincoln. See this play if you can and you will realize that out of the trials and tribulations, out of the successes and defeats, out of the experiences of living, this man developed and grew. I want to say to you leaders—and that is what I hope I am addressing myself to—leaders of men, men who think and grow—I want to say to you that this play as acted by Raymond Massey is a graphic portrait of the fact that as long as there is life in a human being there is constant opportunity for that individual to "go places," to build himself into a big, serviceable character, to do things in a big way. Massey pictured Lincoln as a young man who hungered after knowledge, but who was lazy, who lacked ambition, who was strong physically and mentally, but who seemed to lack the urge to do things. Then, something happened to Lincoln. Certain things took place. He married a woman who was ambitious, who had faith in him, who drove him, and he came in contact with ideas that aroused him from his dormancy and set him in motion toward the White House.

Yes; he was impacted by certain ideas.

Some years ago I developed a talk on the subject of the impact of an idea, and in that talk I related the incident that emphasizes very well what I am talking about now. Lincoln had come off of the circuit and stopped in a friend's house. He had been riding his horse most of the day. He was tired, and he took a chair in the corner of the little room, and his long legs stretched out into the center thereof. It was near bedtime. One of the children said, "Father, it's my turn to read tonight." In those days they had only one book, and that was the Bible. It was a privilege to read. And this youngster opened it up and read therefrom, the saying, "A house divided against itself cannot stand." Lincoln felt the impact. He asked the young lad to read it over again. And Lincoln was heard to say, "A house—a State and Nation, divided against itself cannot stand." The point I am making is that within 6 years after this experience he was the President of the United States.

You and I have had similar experiences. We have heard phrases that were meaningless to us, and then, all at once, the light that was there always we beheld. Yes; Lincoln was a thing of growth.

Lincoln had another quality that we need so much. He had conviction. He saw the absolute need of national unity. With his seer's eye he scanned the future, and he saw the America of today. He knew the need of these 48 States being one Nation. In his approach to the solution of problems he saw the imperative need of maintaining mental perspective. In other words, he knew how to get above the problem and look at it from every angle. He was close to God. He recognized something of the true meaning of "In Him we live and move and have our being."

On a day like this, we should not stoop to petty politics, but we should discuss the larger politics. Lincoln realized that the well-being of the Nation depends upon the clear thinking of the individuals who constitute the Nation. You and I as leaders in thought—leaders in the field of economic and political thinking—can profit much from this backwoodsman who knew that to think defeat brought about defeat, and who knew also that God was on the side of men who did right.

If there is one thing in life that provides a thrill to me it is to watch a human being come to life, awaken, to see him break his narrow shell and grow in the consciousness of power. Lincoln was such a man. He broke the petty bonds of limitations that held him. He released himself from the prison of small thinking and small living. He recognized that he "of himself could do nothing," but that with God, Who was his constant companion, he could do anything that was right for him to do.

Thus he plucked a thorn and planted a flower. He caused in human beings the hardness to vanish, the pettiness and the cynicism to depart, and in their place he planted flowers of strength and power, sympathy, love, and faith.

And who was this Lincoln who so profoundly affected our America?

He tells us himself he was born on February 12, 1809, in Hardin County, Ky., of undistinguished parents. His mother died in his tenth year. His grandfather in 1781 moved to Kentucky and was killed by the Indians. He said of himself, "I was raised to farmwork until I was 22. At 22 I came to Macon County, Ill. Then I got to New Salem, where I remained a year working as a clerk in a store. Then came the Black Hawk War and I was elected captain of a volunteer company. I was defeated for the legislature, but ran the next year and was elected. During the legislative period I studied law and moved to Springfield to practice. From 1849 to 1854 I practiced law."

That is his own picture. There was no cradle for this babe when he was born, but there was mother love, the mother love that inspired him to say in his Cooper Institute speech, "Let us have

faith that right makes might and in that faith let us to the end dare to do our duty."

Speaking of his mother, he said, "My earliest recollections of my mother is sitting at her feet with my sister drinking in the tales and legends that were read and related to us."

And to him on her deathbed this mother said, "I am going away from you Abraham, and I shall not return. I know you will be a good boy, that you will be kind to Sarah and your father. I want you to live as I have taught you to and to love your Heavenly Father."

And Lincoln said of her, "All that I am or hope to be I owe to my angel mother."

This Lincoln of the backwoods, of the prairie, of the legislature, of Washington, used the past not as a chain but as a challenge. He was loyal to it. He cherished it, but he recognized also that the landmarks of the past were not alone sufficient to point the way for the present or future. In his address to Congress on December 1, 1862, he said:

"The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so we must think anew and act anew. We must disenthrall ourselves, and then we shall save our country."

But this Lincoln also realized that the past with its proved values should not be thrown into the discard. In his Cooper Institute speech on February 27, 1860, he said:

"I do not mean to say that we are bound to follow implicitly in whatever our fathers did. To do so would be to discard all the lights of current experience, to reject all progress, all improvement. What I do say is that if we would supplant the opinions and policy of our fathers in any case, we should do so upon evidence so conclusive, and argument so clear, that even their great authority fairly considered and weighed, cannot stand."

Lincoln then to us of this period would give this direction: "Conserve all that is good and true and beautiful in the past, but remember you cannot live on the spiritual capital of your forefathers. Every generation advances or retreats. If you are to be true to the America of your day as we were of our day, you must be a spiritual pioneer. You will clear the highways of America of the driftwood and the debris accumulated by the preceding generations, but you will not destroy the highways."

No man has had as great an influence upon the life of America since 1860 as this man.

Amid the noise of national tumult, he spoke:

"A house divided against itself cannot stand. I believe this Government cannot endure permanently, half free and half slave. I do not expect the Union to be dissolved. I do not expect the house to fall. But I do expect it will cease to be divided."

He spoke on the great issue of slavery which was dividing this country.

He possessed power because he spoke the truth. What would Lincoln say today about those who are inciting capital and labor against one another? What would be his position on the perverted theories of government that are plowing roughshod through and over the American concept of government of his day?

What would he say to the use of the public purse not only in undermining the self-reliance of the citizen but to control the vote of the electorate?

What would he say to the situation where the Government has spent $25,000,000,000 for relief and finds as many unemployed now as when it undertook to cure that situation?

Would not this great man again deliver a house-divided-against-itself speech?

Can you not see that great figure reaching forth his long arm and with the light of conviction in his eyes say:

"I believe this democratic Government cannot endure permanently democratic in principle if these actions are persisted in. I do not expect the Union to go Fascist or Communist. I do expect it will cease to be led by those who possess these perverted theories of Government. The people have been fooled long enough. Their eyes are being opened. They see that industry and business are being restricted by men who are "theory ridden," that labor does not profit by such restriction.

"We need intellectual honesty in Government. Let all the truth be told. Let Government itself cease from propaganda. Let Government set an example in fair dealing and in maintaining its contracts. Let those in high places serve all the people and stop stirring up hatred between groups.

"Let the business of government be to allay unrest and not to create it. Let it harmonize the conflicts of interests that exists in all human relations instead of widening the area of strife and sowing new seeds of dissension. Let it not rest in its effort to compose the quarrels in industry and labor, get rid of untested doctrines and inflexible rules of procedure by replacing them with common sense, knowledge, and experience. Let Government cease dividing its citizens into groups and let Government cease from becoming a partisan. Let the workman and the employer be taught with the rest of the citizens, that they are riding in the same boat, that it pays to pull oars in unison, and doing this will insure the boat from going on the rocks and will preserve our national and individual livelihood.

"Then will government function for the benefit of all and we will have returned to the tested wisdom of history."

Lincoln never called names. There was a bigness about him, composed of gentleness and charity and firmness. Within his soul rested earnestness, sincerity, and candor. If he was wrong, he admitted he was wrong. The great always possess humility.

Lincoln was not a state paternalist. He did not believe in the totalitarian state or the collectivist notion of government. The fact is that in 1860, when Lincoln was elected, the Republican Party in its platform recognized that it was un-Jeffersonian, un-Republican, un-American to impose upon the States a dictatorship from Washington—a centralization of power in Washington. Progress must come through a greater emancipation, not through centralization of authority.

Lincoln in his Gettysburg speech spoke of a government "of the people, by the people, and for the people," not a government of, by, or for a class.

In this same speech he said, "It was for us to be dedicated to the great task that this Government shall not perish from the earth—this Government of, by, and for the people." Shall we dedicate ourselves to this task?

This same Lincoln was a student of history. He knew the story of the birth of this Republic, and he knew that the great Civil War was a test whether "this Nation, conceived in liberty, could long endure"—if it were divided.

When the South was on her knees and the North was triumphant, there were those who thought only of revenge, but Lincoln spoke with the wisdom of the ages. He knew that love alone could heal the sores of disunion, and instead of hanging the leaders of the South he said, "We will hang onto them."

It was "with malice toward none, with charity for all," that he was ready to approach the reconstruction days. If that same spirit would emanate from our leaders, we would solve our problems today.

Bias and prejudice and fear befog the vision.

"Without vision the people perish." Yet, with Lincoln, I feel that "The mystic chords of memory stretching from our noble as well as our mistaken efforts of the past to every living heart and hearthstone all over this broad land will yet swell the chorus of America when again touched, as surely they will be, by the angels of our better nature."

"The angels of our better nature" will show us how to get rid of public charity which the politician has exploited to the nth degree—by showing us how to get rid of the idea that the State will and can settle all our worry and provide the magic touch to solve our troubles.

"The angels of our better nature" will also decentralize government and bring to us again the American idea—getting rid of the overlordship of the State.

These same angels will teach us, as Lincoln was taught, that progress does not consist of flighty ideas, mere change—that progress can never be accomplished by idleness, wastefulness, mere preachments. Rather, progress in a man's work and in the work of a nation comes from labor, honesty, and fair dealing.

"The angels of our better nature" are now showing us that "Europe's try" at centralization of power under fascism, nazi-ism, and communism provides no remedy for our problems; rather, our partial trial of some of that same medicine has brought us to our present impassé.

As with Lincoln in his day, so we in this day would not turn the hands of the clock back.

While critical times are upon us, we would not let the unemployed down, but we would try to build jobs, building up the industry of America by begetting confidence—confidence in government and confidence between government and its citizens.

It was Lincoln who said, in relation to political tactics that were being used, "You can fool some of the people all of the time, all of the people some of the time, but you cannot fool all the people all the time."

Back in the consciousness of the people there is level-headedness, there is a sense of squareness, and this people know that in the last hundred and fifty years it was the dynamic of business and labor that built this America of ours. Here men carved out on this Western Hemisphere a nation where the downtrodden peoples of the earth found sanctuary and opportunity; here labor, initiative, invention, and business built cities with towering skyscrapers, built farms and homes, and great industries; here was created a standard of living and greater happiness and prosperity finer than the world ever knew before; here there were no castes; here the humblest could rise from obscurity to the loftiest place in the land, providing he possessed industry, character, ability.

In spite of the apprehensiveness of many people, especially the fear of millions of businessmen in this country of government, I personally feel that we have a right to expect a change in conditions, and one basis for justifying this faith—and it is not a faith simply built on sham optimism, or mere blind trust without any foundation—is the important fact that businessmen and workers are rallying to a standard, they are becoming articulate, they are recognizing that the business of government is their business, they are saying "this is my city, my State, my country which my forefathers helped build and establish, and by the grace of God no combination of men or circumstances is going to ruin the same."

Lincoln saw this country as a whole.

He was big in mental stature, big in mind and soul. In the words of Isaiah, "He lifted up a standard for the people."

How he loved our America with her democracy, her American ideals, her opportunities, her freedom of worship, her lakes and rivers, her wide open spaces, her mountains and valleys—her people.

Yes; he lifted up a standard for us all.

And when I think of Lincoln, I think of—

"MY COUNTRY

"My Country, there she stands—
Expectantly, confidently facing the future.
From many lands have come her brood,
And under her wings she has taken them.
Shepherdess of many flocks,
On guard she stands to protect her own.

"Unafraid she surveys the world.
There is in her eye the look of one who has suffered much,
But grown strong.

"Again and again she heard the cries of her children,
And war came and went.
And Freedom, threatened but triumphant, perched upon her shoulders.
Dark hours came, and through it all a lifted brow—
Hopeful, triumphant—showed itself to the wondering world.
And now, strong, courageous, and beautiful,
She stands fronting the future.

"Accepting the challenge the future holds,
And vowing nothing is impossible for her and her brood,
She confidently awaits the dawn.

"And now she bids her brood conquer again,
Not with sword and fire,
But with the great spirit of peace.

"And over all this great land
In the hearts of men—hope and courage and strength return.

"Oh, my Country—
Emblem of man's mastery,
Symbol of man's accomplishments,
Leader of men
To that great goal
Where man shall be free—
Free of hatred and of strife.
We of this generation pledge, like the Greeks of old,
'We will transmit unmarred to our children
The freedom and democracy we have received.'"

We are standing at the border of one of the great periods in history. Through the Gethsemane of our yesterdays we hope to ascend the Mount of Vision tomorrow. It is true that many of our cherished ideas are fading from the sky and we grope in the dim light. Strange concepts in government, in economics, have come into being. Many of our established ways are lost, and up ahead the road seems to go in many directions, and doubt and perplexity come to bewilder our senses. But I say to you with conviction, a conviction that will not down, that the dawn is up ahead. Some of us can perceive the first dim light, and we are impelled to break through the mist of doubt and fear; and in doing that we come to see we have only been on a detour. We will soon be back onto the beaten path. In this dawning light we know that tremendous forces are in operation. Great ideas are in conflict. We seem to feel the impact as of clashing armies.

In the dim light we catch the voices of those who would tear down. We sense that not only government but the church is attacked and besieged and betrayed. In government, partisanship reigns supreme; because of government we see industry and business trodden under and fearful, and shackled, and across the water comes the hiss of a dissolving Europe.

And yet I say to you, above it all can be heard the heartbeat of America—unafraid, undismayed, holding fast to the verities that the ages have demonstrated to be real, standing fast by the Bill of Rights, the Constitution, and the church.

When the great Lincoln fell, America heard the voice of Garfield, who said, "God is in His heaven, all is well with the world." The poet says that life has meaning and to find its meaning is our meat and drink. You and I can find it by being heralds of the dawn, by pointing the way that leads to national bigness—the way of honor and safety—through the perplexing problems. You do not have to be in a position of trust to point the way. Become a landmark to rally the people, to see the need of thinking straight in the defense of their liberties, revitalize the ancient patriotism that was always America's, so that the people will cry aloud to be led against the enemies of our American concepts. The problem of the farmer, the problem of the businessman, and youth looking for an opportunity for home and wife and babies, the problem of the unemployed, the problem of dealing with our foreign brother—they are all yours to grapple with, to meet and master. It will be for you to decide whether this Nation of 130,000,000 people can keep its balance, or whether it will go overboard, whether we shall continue to govern ourselves, or, like Europe, ask that others loot us of our great freedoms and regiment us into a herd. Yes; I admit the responsibility is tremendous, it is challenging—but, oh, it is great to be alive in a period like this; and I say to you that liberty shall not be lost. You will maintain it. If you only knew it, you were born to meet this great challenge.

At Thermopylae 10,000 Greeks on bended knee, 2,000 years ago, looked up and saw the Persian horde approaching, and then swore that they would transmit to their beloved Greece the freedom of Greece unmarred and untainted. You and I stand at the American Thermopylae today. Aye, more we stand at the Thermopylae of the world. This Government carries the hopes of the human race. Dash out the lights and the world is, indeed, adrift. Keep the lights burning—we have a democracy here—and when the fitful fever of Europe is over, when the people over there have once more gotten their balance, when they have learned that war and hate, murder, and rapine solve no problems, then with the lights of the Republic burning they will turn their weary bloodshot eyes to us for succor and aid.

I speak to you of the greatness, the majesty of the mission that stretches out before each one of you.

A psychologist has said that man only uses 10 percent of his power, physical, mental, and spiritual—that there is a dormant 90 percent, which if aroused—well, what couldn't we accomplish? What is the remedy?

You know we have been philandering around with a lot of false but apparently attractive ideas. We have been tinkering so much that history will record our day as the tinkering age.

Our great Supreme Court said of America: "This is an indissoluble Union of indestructible States." Yet with the increasing tendency to concentrate in the Federal Government more and more power—that belongs to the States—and to create in the Federal Government powers that should be left with the people, we are traveling in the way of fascism and nazi-ism. But you ask for the medicine. Well, there is no magic formula, as the last 6 years have demonstrated. But we had better stick to our principle of local self-government. We had better build the individual again, and build the morale of a nation. And in doing this we are not weakening the Government in Washington, we are strengthening it.

In this last election in my own State I traveled 17,000 miles; I learned to know and love Wisconsin as never before. It would not hurt if we had a "good shot in the arm" of old-fashioned patriotism—the patriotism that makes a man love his home, city, State, and Nation. Aye, makes him love the soil he stands on, where lie the mortal remains of his parents, the cultivated broad acres, and the pleasant valleys, the wooded hills, the brooks, rivers, and lakes.

Love of country, love that is deep and abiding, that makes a man want to grow and leave behind his outworn shell of yesterday. Love that follows him through the busy day; that attends him when on bended knee he bows to his Maker and asks for guidance and direction. This love is not narrow and unkind. Do you know, folks, there are many people who have never had the experience of feeling this thing called patriotic love of country? This is due largely to a lot of false education and propaganda, due to a cheapening process of the real values of life. If you want to exalt yourself, then go onto the heights and know and sense your obligation to the present and the Nation. Teach yourself to be self-reliant, self-respecting—a son of God dwelling in America.

"America, 'tis of thee I sing,
Sweet land, sweet land of liberty."

Teach yourself to be self-sustaining—a builder and a sustainer of the State.

Then, truly, we shall be a "government of the people, by the people, and for the people," and we shall have a nation "that shall not perish from this earth."

Legislation Affecting Wheat and Corn

EXTENSION OF REMARKS

OF

HON. MILLARD E. TYDINGS

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Thursday, February 16, 1939

ADDRESSES BY HON. SCOTT W. LUCAS, OF ILLINOIS

Mr. TYDINGS. Mr. President, on December 13, 1938, at the annual convention of the American Farm Bureau Federation, held in New Orleans, La., the junior Senator from Illinois [Mr. LUCAS] discussed legislation affecting two basic commodities, namely, wheat and corn.

Last Saturday, on the American Farm Bureau Federation program over a national radio hook-up, the Senator from Illinois discussed legislation affecting the corn farmer in the commercial corn-producing area in America.

Mr. President, I ask unanimous consent to have both speeches printed in the Appendix of the RECORD.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

ADDRESS BY HON. SCOTT W. LUCAS, OF ILLINOIS, AT THE ANNUAL CONVENTION OF THE AMERICAN FARM BUREAU FEDERATION AT NEW ORLEANS, LA., ON TUESDAY, DECEMBER 13, 1938

It is heartening to be among men and women who so truly typify the spirit of American agriculture. And I assure you that I am

grateful for the privilege of addressing leaders of American agriculture who believe in the philosophy that the American farmer is entitled to equality before the law.

Coming from every section of our land and representing every type of agricultural commodity produced from American soil, your presence and activities in this annual convention of the American Farm Bureau Federation are visible proof that there prevails in these modern days a pioneer spirit of perseverance along with an intellectual leadership that will go far in helping solve the farm problem of this Nation.

Today, as of yesterday, our greatest need in the solution of this problem is unity—unity of thought, unity of aim, unity of action, and unity of plan.

That such unity is difficult to attain cannot be denied, for ours is a vast Nation embracing a complicated agricultural problem. Hardly one among us can comprehend the scope of American agriculture. It taxes the limits of the imagination to visualize a land wherein more than a billion acres are tilled and where more than 200 agricultural commodities are produced under all conditions.

We must remember, as well, that the masters of this bounty are human beings and that wherever humans toil human nature is a predominant factor in arriving at any common goal. Between the oceans and our borders are dairymen, corn farmers, cotton producers, tobacco planters, wheat growers, cattlemen, truck gardeners, and countless variegated interests, each seeking an economic foothold. It is inevitable that out of this welter of interests there should be some cleavage of opinion as to what is best for all agriculture and for our Nation.

Notwithstanding the opinion of the Supreme Court to the contrary, you and I know that our farm emergencies are national in scope and can be dealt with only on a national scale.

When I say our greatest need is unity of thought and action, I mean we must adopt, and stand by, an integrated plan wherein the best interests of all are placed above the specious, selfish interests of any one section of our country. This, of course, means compromise—but I say it is better to compromise in behalf of a united national program than to allow our national welfare to be jeopardized by stubbornness and selfishness.

Thinking farmers everywhere realize this. It is the minority of dissenters who either do not realize this fact, or, realizing it, refuse to accept their responsibility to cooperate for the good of the whole. They are the type who give little or no thought as to what may happen to them tomorrow.

In my opinion one of the most helpful things that can be accomplished by the American Farm Bureau Federation, or by any other organized agricultural group, is the dissemination of honest information concerning those who selfishly or ignorantly oppose any farm plan. Tell your neighbors to be wary when propagandists try to make it appear that one section of our Nation is pitted against another section, or that one agricultural interest is the natural enemy of the other. Tell them that when one of these so-called "protest" organizations springs up—and they usually come into full bloom just prior to an election—to examine the purposes and investigate the background of the officers thoroughly before endorsing it. They probably will find that the same groups which have fought every farm plan for the past decade are sponsoring them, and they probably will find, also, that the organization is usually active only during an important political campaign.

It is essential that the farmers of the land understand that we're all in this economic battle together, that the surest way of reaching our goal is for agricultural interests to maintain a united Nation-wide front.

As one who has been invited to speak on behalf of the corn and wheat farmers of the West and Midwest at a meeting of the American Farm Bureau Federation in this metropolis of the deep South, I think I can give an example of the way that propagandists work to tear down national unity among farmers. There have been charges made that the people of our section of the country are opposed to certain proposals made by southern agriculturalists.

Now, I believe I echo the opinion of the thinking farmer of my section of the country when I say that he believes it fitting and proper that those sections of the 1938 agricultural bill which concern cotton and tobacco should be prepared and administered by cotton planters and tobacco growers. They should work out their own program, ever keeping in mind, of course, the broader objectives of the entire national program.

In my opinion, the thinking farmer of the West and Midwest has no objection to the plan under which the cotton-producing areas of the South cultivate more acres of corn for feed, raise more pork for home consumption, and increase milk production for local needs. The midwestern farmer conversant with such conditions realizes that these commodities, in such small amounts, could not have any appreciable effect upon the commercial markets in which the corn, wheat, and dairy farmer of the Midwest is primarily interested.

Naturally, the midwestern farmer, with his generally higher land values, rentals, and labor costs would have, and would make, a vigorous protest should these commodities be produced in the South to the extent that they compete seriously in commercial markets.

Likewise, I believe the thinking farmer of the cotton South realizes that mandatory loans, such as those which I helped write into the law on behalf of corn, would not be applicable to cotton. Corn is a seasonal crop and 85 percent of the total production is consumed in America. When mandatory corn loans were placed in the agricultural bill, other safeguards were added to the law which protected both the Government and the corn farmer by making certain that surpluses would not glut the market and depress prices, thereby jeopardizing Government credit.

It is obvious that cotton is an export crop to a much greater degree than corn and therefore largely dependent upon the world price rather than the domestic price.

It is essential that farmers of one section of the land play fair with farmers of another. In other words, the dairyman, the corn and wheat producer, and the hog raiser of my part of the country are anxious that the cotton and tobacco producers make a reasonable profit on their crops so that the southern farmers will not invade the fields of dairying, corn production, or hog raising in order to make a living. Obviously, there should be no encroachment by one section upon another, and we of the corn and wheat sections will willingly and cheerfully cooperate with the cotton and tobacco sections of the South to the end that all basic commodities of America will have equality before the law.

I think there is a general agreement among all farmers in all sections that the broad principles of the 1938 agricultural bill are designed for that very purpose. They are sound, equitable, progressive, and will lead toward a greater national prosperity.

As one who was born and who has lived in the heart of the Corn Belt of Illinois, it was only natural that problems pertaining to the farm should be my primary concern as a Member of Congress. Serving on the Committee on Agriculture in the House of Representatives, I took part in the fight to enact a national farm program, and I deemed it a privilege to work and vote for the Agricultural Adjustment Act of 1938, with the firm conviction that it is the most beneficial piece of legislation ever adopted on behalf of the American farmer.

And, notwithstanding some recent trends which may challenge the statement made, I do not alter my position one iota, and I here and now predict that time will prove the correctness of this conclusion.

No one group in America has received more set-backs from the standpoint of legislation than has the American farmer. Your fight for beneficial legislation has run the gamut of unsympathetic Chief Executives. The Constitution of the United States was tortured by the Supreme Court in finding a way to invalidate the original Triple A. But let no one think that these reverses have dimmed the activities of the great majority of the farmers of the Nation. We realize that in President Roosevelt the farmer has a friend. Knowing that the present administration is willing to cooperate sympathetically in the solution of our problems, we welcome the dawn of tomorrow, eager to carry on to the end that the American farmer may have his rightful place in the economic sun.

I doubt that the most severe critic will challenge the statement that no permanent basis of economic well-being can be achieved in this land of plenty until the fundamental needs of our agricultural population are recognized and satisfied. Can there be any doubt that a greater national prosperity can be achieved only through a prosperous agriculture? Those leaders who assumed for years that the wants of the American farmer could be ignored while other industries were protected learned in 1932, to the accompanying sorrow and tragedy of our Nation, that when agriculture fails our entire economic structure collapses.

It would seem unlikely that in the face of so recent and bitter a lesson anyone would dare again raise a voice against efforts to better the lot of the farmer and to make him once more an integral part of—and a moving force in—our economic system. Yet, scarcely more than a month ago, we observed the spectacle of blind and short-sighted interests attempting to scuttle the farm program on the shoals of petty, partisan, and piratical politics.

Now, this was foolhardy on the part of the offenders, for the farm program is not a partisan question. It is an American question. And eternal condemnation will rest upon him who attempts to discredit and destroy a national farm plan by making it an issue in partisan politics.

Review the history of the efforts of agricultural leaders to gain fair treatment—not advantage—for the farmer from a government which already had admitted its obligation to other groups in our national economy. You will find that the principle of surplus control has been given the endorsement of leaders in the Republican and Democratic administrations for more than 10 years. It was Republican leadership in the Midwest who first advocated the control of chronic surpluses. You will find that the Agricultural Adjustment Act of 1938, as well as previous farm legislation passed under the present administration, has enjoyed the voting support of many sincere Republicans, as well as an overwhelming majority of Democrats.

You will find upon investigation that in the farm crisis of 1932, and since that time, President Roosevelt has summoned farm leaders from all sections of the Nation, without thought of politics, to work with legislators in preparing and enacting a farm program. Men like your own Ed O'Neal, and men like Earl C. Smith from my home State (Illinois) have been intimately associated with the farm dilemma from the beginning, and certainly no fair-minded person will challenge the sincerity of such men in their approach to the farm problem. They do not bicker along partisan lines. And, obviously, the real peril to agricultural legislative progress does not lie in that direction.

No, my friends, the real threat which looms ahead of us is within our own ranks. Twenty percent of our opponents in their effort against control legislation are sincere in their opposition. With them I have no quarrel. The remaining 80 percent, however, are the spawn and followers of selfish and demagogic politicians.

Candor compels me at this moment to make the following observation in passing. In my opinion there are politicians in America who would wreck any agricultural program if such destruction would assure their return to political power. This is a type of public servant who is a constant threat to the fundamental principles of free government. Fortunately, this group is in the minority.

I am convinced that the majority of the farmers are either wholeheartedly enthusiastic about the farm program or are sufficiently tolerant and sympathetic to temper their criticism until the current law has been given a fair chance to succeed or fail in the field of operation.

I know, for example, that in my home State leaders of the farm movement predict that between 75 and 85 percent of the farmers eligible to cooperate will enlist in the 1939 program.

This is an encouraging trend. Approximately 50 percent of those eligible cooperated in the 1938 program. There were several reasons for this low average. A recent survey disclosed that many failed to take advantage of the provisions of the act this year because the law was passed so late in the season that many either already had planted crops or failed to understand the provisions of the farm program. It is a reasonable assumption that, had the law been enacted several weeks or several months earlier, a far greater number of farmers would have cooperated in the program.

During the past few months the campaign of public education which has been undertaken by the Department of Agriculture, by farm advisers, and by organized farm association leaders is beginning to bear fruit. Already there is an increased comprehension among farmers in my district that the cry of "regimentation" and "dictatorship" raised by an antagonistic press was a red herring created for the sole purpose of destroying the farm program.

If there is one quality the American farmer possesses above any other, it is the spirit of fair play, and he resents such partisan and inspired efforts to delude him. He has learned by now that there is no regimentation, no compulsion, connected with the farm bill, and that even marketing quotas cannot be placed in effect until two-thirds of the eligible producers in his particular field vote to impose them. In a nation governed by majority rule, there certainly can be no dictatorship in a provision which requires a two-thirds vote before it becomes effective.

Every fair-minded individual agrees that there are imperfections in the 1938 Agricultural Adjustment Act. However, it must be remembered that this law has been on the statute books only since last February. It should not be blamed for the effects of two bumper crop years, nor for being launched in the midst of another excessive yield of basic commodities. Certainly the law could not affect prices when it had control neither over the huge carry-over from preceding years nor over the planting of the 1938 crops.

The primary objection frequently made to the program concerns the numerous and rigid regulations laid down by the Secretary of Agriculture in the administration of the act. Let it be understood that I do not attach any signal blame upon the Secretary for this procedure. Recognizing the vast problems of agriculture as well as the delicate and complicated price structure of our agricultural economy, it was necessary for him to take every precaution of safety, and in so doing there were drafted rules and regulations which have proved to be unnecessary and which gave to the philosophy of the act unjust criticism and condemnation.

Actual experience in the field along with a campaign of education is helping remove most of these complications. Advice and counsel from farm leaders throughout the Nation will further aid in ironing out these difficulties. I am pledged, when I go to the United States Senate, to use my power in an effort to remove useless regulations and to urge a more liberal interpretation of those remaining. This, in my opinion, is the one necessary thing to aid in obtaining the maximum amount of cooperation from the farmer which is indispensable if the program is to succeed.

Let me repeat that notwithstanding these defects the basic principles of this plan are economically sound and socially desirable.

Congress will soon convene. A national election is coming along in 1940. I here and now prophesy that you will see all types and kinds of farm bills introduced during the next 2 years, the author of each claiming that his bill is the acme of perfection and that the farmers' problems will be solved if they will but follow his discovery. Some of these men will be sincere, but I admonish you now ever to be on the lookout for the politician's bill that would wreck any farm program for political and selfish purposes.

As for myself, I shall continue to fight for the principles of the present act. I shall insist that it be given a fair trial at the bar of public opinion over a reasonable length of time. And it is my sincere hope that this great farm organization will continue with unity of thought, unity of action, unity of aim, and unity of plan along the far-reaching principles laid down in the Agricultural Adjustment Act of 1938, for it must be remembered that yours is a mighty and forceful power in the success of farm legislation in America.

I believe that my position with respect to the continuation of this program is shared by the great majority of the Members of Congress coming from the large metropolitan areas. The farmers of the Nation are indebted to these Representatives because of their legislative cooperation. The city dweller and the farmer realize that they are interdependent one upon the other for their economic security. The logic behind this statement was one of the motivating forces in the minds of the leaders who helped draft the agricultural legislation and who worked so diligently for its passage.

In other words, the city dweller is dependent upon the farmer, not only as the producer of his food and raw materials, but as a customer for his goods, and when the farmer cannot buy, the manufacturer and shopkeeper cannot sell. Likewise, the farmer needs the market offered by the city as an outlet for his produce.

And the farmer might well remember, in connection with current discussions of the wage and hour law, that the minimum-wage standards established under that law are designed to raise the purchasing level of a low-income group where the opportunity to increase the consumption of food by raising income is the greatest.

Gradually, I believe, all sections and all interests in this Nation will come to the realization that to better the lot of any one group is to increase the welfare of all. And, in that light, I am firmly convinced that the present minority group which seeks to destroy an American agricultural program which protects the farmer by placing a degree of control upon surpluses of basic commodities will eventually see that it is only defeating its own ends by such a course. Until some genius, statesman, or economist discovers a more equitable method of distribution of our surpluses, control is inevitable for the farmers' success.

Another important factor in the economic life of the American farmer is tied in closely with exports and imports. The historical background of this phase of the agricultural program is exceedingly interesting. There was a time in the history of the American farmer when foreign nations purchased practically all of his surplus crops. But since the Great War we have become a creditor Nation, and that market has gradually disappeared, primarily because of the growth of nationalism in every Nation, with its attendant need for economic self-sufficiency, and also because of our tariff policy which resulted in nation after nation shutting out American products in retaliation against our own prohibitively high tariff wall. As a result of this economic warfare, the American farmer found the trade doors of the world locked against him.

The question as to what steps should be taken to unlock those doors arose in this administration. Experts on foreign trade were called for counsel and advice, and under the leadership of the unobtrusive and quiet Secretary of State, the Honorable Cordell Hull, this administration has negotiated a series of reciprocal-trade agreements with foreign nations to the end that the flow of commerce from this to other countries may be stimulated and that the American farmer may once again take his place as an important factor in world trade.

That this foreign trade remains an indispensable part of our national economy is proved by the fact that we had a foreign trade of more than $6,000,000,000 last year. And the best evidence that the reciprocal-trade agreements are producing beneficial results for the American farmer can be found in the fact that the value of American exports to the countries with which reciprocal-trade agreements have been concluded has shown a greater rate of growth than to the nonagreement countries.

And the peak of these negotiations was reached a few days ago in the signing of the agreement with Great Britain, the British Crown colonies, and Canada. This undoubtedly will advance our national welfare as world trade is expanded on a nondiscriminatory basis.

I am convinced that the trade agreements represent a sound approach to the restoration of foreign trade.

Yet there are certain competitive agricultural products imported from tropical countries which are now on the free list and are used for trading purposes to the disadvantage of the American farmer. On those items I favor placing an excise tax which will protect the American farmer from unfair discrimination.

In conclusion, I should like to express another thought of what I conceive to be of national importance. We cannot forget that the frontiers of economic equality and social justice are as challenging and foreboding to us today as were the geographical frontiers to the pioneers of '49. There has never been a time in the history of the Nation when government has been more intriguing and complex than it is today, and yet I am one who believes that we are steadily marching forward toward the ideals of an economic democracy wherein all groups shall be afforded equality of opportunity and a fair share of the national income. Such an economic philosophy is necessary for fair and equitable American progress. In November 1937, during the special session of Congress called by the President for the purpose of considering agriculture and labor legislation, I received from the voters of Illinois 10 times more complaints about business conditions than I did about agriculture or labor, and in discussing this question from the floor of the House I said in substance that it seemed to me that the time had arrived in America when agriculture, labor, industry, and government should all move in harmony on the same front, and only by so doing could there be obtained for the American people the maximum benefits which they so justly deserve. Today I repeat that thought. I say boldly that industry, commerce, agriculture, labor, and government should be willing to sit around the table, calmly debating their problems, each making sacrifices, each admitting mistakes made, each tolerating the other's point of view. With such procedure, I prophesy that these economic groups would produce an all-American program that will go far in solving the economic and social ills of this Nation. Such a united front with simple and rugged honesty in the foreground will open up a new era of cooperation which will be beneficial to our national welfare. It would seem that the President of the United States could well afford to call a conference of this kind in the interest of the public weal and national good.

My friends, I have the utmost faith in the future of this Republic. America will find the way. Just remember that America is young; America is virile; America is courageous, and she always conquers when her cause is just. And in the solution of all these great problems, including agriculture, Americans will successfully work out their destiny within the Constitution of the United States and its priceless Bill of Rights to the end that a better day will come in America for the great masses.

ADDRESS BY HON. SCOTT W. LUCAS, OF ILLINOIS, ON THE AMERICAN FARM BUREAU FEDERATION PROGRAM, WASHINGTON, D. C., FEBRUARY 11, 1939

For the past two decades American agriculture has been engaged in a fight to survive. This has been an uphill battle. Ever in the vanguard of the struggle have been the corn farmers of Illinois and the Middle West who have contributed honest and intelligent leadership in attempting to reach the objective of economic equality before the law for all classes and groups of citizens. The farmer merely wants his dollar to have equal purchasing power with all other industry and upon this premise is based the Agricultural Adjustment Administration Act of 1938.

In this discussion, I have been requested to talk about corn legislation. You should know that the present law seeks through quotas on corn and a schedule of mandatory loans to give to the farmer an element of stabilization in price structure. And while this law has only been on the statute books since last February, agricultural leaders in the Corn Belt are almost unanimously agreed that it is working with a remarkable degree of success. Economic prudence dictates that it be given a fair trial before the corn farmers of America listen to the siren song of those who would destroy this potential germ of progress and security.

My friends, the battle waged for mandatory corn loans will not soon be forgotten by either the corn farmer or Members of Congress who participated in that legislative fight. It was a victory of considerable import, involving human elements and clashes along with the economic relationship of corn to basic commodities produced in different sections of our Nation. The history of Government loans with corn as security is an interesting one. Back in October 1933 corn was selling for 24 cents per bushel in my State. In other sections it was used for fuel instead of coal because it was cheaper. Realizing that desperation had seized this commodity, President Roosevelt announced that corn loans would be made to farmers at 45 cents per bushel.

Under this plan the Government loaned $121,000,000, and when corn was being plowed over the second time the following year the market price had arisen above the loan price. Millions upon millions of dollars thereby went into the farmers' pockets instead of the speculators'. Every year since we have loaned millions of dollars to the American farmer with corn as the collateral. And to the lasting credit of the American farmer let it be recorded that not a single dollar was lost to the Federal Government on these discretionary corn loans.

Now, it occurred to those in Congress representing corn commercial producing areas that if such an effect could be achieved with discretionary loans why could not an even greater degree of stabilization and comfort be effected by making the loans mandatory, so that each corn farmer, cooperating with the program, could look forward confidently to an era of stabilized prices and avert the risk of wild and uncertain fluctuations?

With this thought in mind, we organized a Corn Belt block of Congressmen, and it was my privilege to lead this fight on and off the floor. Defeated in the House of Representatives by a narrow margin on a record vote, we pushed onward and laid our cause before the conferees of the House and Senate. They finally reported a bill including mandatory corn loans and a decrease in corn quotas.

Now, my friends, there is a salient lesson in this review. It is that our purpose was only achieved through unity of thought and action. Democrats and Republicans alike, separated by geographical distances, united in a common aim and stuck by their guns until we gained our point. Without such cohesion and sincerity of purpose the loan feature would have failed and the market price of corn, in my opinion, today would not be over 30 cents per bushel.

I am certain that my friends of cotton and wheat will agree that this victory was not gained at the expense of either, for corn is unique in that 85 percent of the corn produced is for feeding purposes and only a negligible amount is represented in export trade. Corn is not dependent upon the world price. The Liverpool market does not fix the price for corn as it does for cotton and wheat. The price of corn is fixed by the American market; and in addition to this we placed safeguards in the bill, through marketing quotas, which protect both the Government and the corn farmer by making certain that surpluses will not in the future glut the market and depress the price, thereby jeopardizing Government credit extended in these loans.

While this legislation is not perfect, the basic philosophy of the law is sound. It should be protected, and under no circumstances should any corn farmer of this Nation be deceived with some fantastic and impractical plan.

Just remember this—we have a program. It is working; and as a Member of the United States Senate I shall continue to champion the philosophy of the control of the chronic surpluses of the basic commodities of this Nation until some statesman or scholar produces a spark of genius which will rectify the economic flaws of our current system of distribution.

Before the Congress of the United States is a measure known as the cost-of-production bill. Several United States Senators sincerely believe in it. Certainly no one can quarrel with its objectives. Hearings have been held during the last 10 days. As a member of the Agriculture Committee I have listened closely to the witnesses and have participated in the examination. I confess I have little enthusiasm for the bill, for the following reasons:

(1) It would repeal the present Agricultural Adjustment Administration Act, including the corn-loan feature.

(2) It would place a barrier on 49 commodities in this country which would prohibit the import of a single pound or bushel of any of these commodities from foreign nations. Such a tariff is far more reaching and abominable in its ramifications than the Smoot-Hawley Act of a few years ago. It would be the signal for retaliation by every world power.

(3) It would abrogate the reciprocal trade agreement policy of this administration, which, in my opinion, is the only way to regain our foreign trade.

(4) It would require a degree of regimentation of the American farmer and of those to whom he sells his produce never dreamed of by Members of Congress or responsible farm leaders.

(5) Yesterday the Secretary of Agriculture, the Honorable Henry Wallace, testified in open session that it would cost annually $150,000,000 to administer it. From my own personal knowledge of the bill and what it seeks to do, I am confident that under no circumstances could it be properly administered, and that in the end it would defeat its own purpose.

And lastly, it would practically destroy our soil-conservation program. No more essential service can be rendered to this Nation than the planting of soil-conserving crops. Successful farmers have no delusion about that statement. They seek to make two ears of corn grow upon a spot where only one grew before. This is a noble ambition and augurs well for the future of this country, because peace, security, and contentment are closely allied with the fertility of the soil.

The American Ideal of Education

EXTENSION OF REMARKS

OF

HON. CHARLES L. McNARY

OF OREGON

IN THE SENATE OF THE UNITED STATES

Thursday, February 16, 1939

ADDRESS BY HON. JAMES J. DAVIS, OF PENNSYLVANIA, WEDNESDAY, FEBRUARY 15, 1939

Mr. McNARY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by the distinguished senior Senator from Pennsylvania [Mr. DAVIS] at the general alumni meeting, Temple University, in the city of Philadelphia, Pa., on the occasion of Founders' Day exercises, February 15, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Temple University is the continued radiance of one man—Russell Herman Conwell. His light and glorious spirit of adventure still live on in our lives today. Probably the best known lecture in the annals of American literature is Conwell's masterpiece—Acres of Diamonds. More than any other man he called on us to find distinction and satisfaction in the common experiences of the daily routine. Conwell was possessed by one all-absorbing idea. His ideal of education was to find your opportunity in your own back yard, in the path just before you, in the person at your right hand, and in every challenge of the immediate and the present. This has become the accepted pattern of our national way of life. This is truly the American ideal of education. It is learning by doing.

Indeed, the historic experience of the American people is a confirmation of this ideal. The United States was settled by pioneers who had one great idea. They insisted on taking what they had and making the most of it. They started their settlements along the Atlantic seaboard, then crossed the Alleghenies, then pushed on to the Mississippi and thence to the great Northwest and to California and Texas. The westward movement was progressive, one step leading to another, and one base of settlement secured as the necessary aid to that adjoining it. One settlement was the proving ground for others. The pioneers learned how to conquer this mighty continent in the school of experience, content to be schooled on one frontier before moving to another. My father had the essence of this big idea in mind when he used to caution me while I was picking berries. He told me to pick the berries closest at hand, to pick the bushes clean, and not to spend my time running all over the patch.

Conwell's American ideal of education was essentially based on the belief that men create opportunities for themselves. A man is expected to take what is at hand and make it productive. And, with that keen, practical insight which characterized him, Conwell knew that advancement for youth comes not only in academic halls but also in the school of experience.

America is suffering from the spirit of defeat comparable to that which hung over the land during the days of my early manhood. I remember vividly the panic and depression of 1893. I had been working in the mills, and with the coming depression they closed down, and I was left without work. Those were days when the American frontier of free land had been closed up. Many said that the great days of our Nation were over and that we could expect but little of the future. But they proved to be false prophets. A few years later came the automobile and the entire new industrial development which it was destined to bring. Some years later came radio, and again a new industrial frontier was opened. Now television is at hand. Still there are those who say that there are no new frontiers to cross; that the Nation has come to the end of its pioneer possibilities, and warn us against looking around for any more "acres of diamonds" or startling back yards to be surveyed. The spirit of defeatism has spread over the land, which in itself is the most un-American thing I know about our citizens today.

Pessimism is quite contrary to the American ideal of education which involves an inexhaustible range of choices such as must constantly be presented to a free people, if they are to continue to grow. And yet there are many forces in the world today, spreading their influences throughout our own land, which deny the possibility of new opportunities and choices. A deadening fatalism, a new political determinism is sweeping over us. Attacks have been launched at the essential principles of free choice, which is the essence of democracy. Especially is this evident among the most enterprising part of our citizenship, agricultural and business enterprise. The merchant and the farmer are always those who take the fundamental chances of loss or gain. And these are the ones who are suffering most largely today because of the restriction of economic opportunities imposed upon them. Government seldom takes a risk because government invariably plays with other people's money. But the merchant and the farmer take the risk, for when they venture forth they have to operate on their own financial resources. The Government may undertake an enterprise and fail and yet continue on. But if a private enterprise fails, the adversity is ordinarily fatal and no further chances are offered. It is therefore essential that such choices as are offered to private business, the manufacturer, the merchant, and the farmer, shall be on such terms as to give a genuine inducement for profit. Otherwise we might as well lay Conwell's Acres of Diamonds on the shelf; it will have no further significance for us. I hope never to live to see that day dawn in America.

We have been trying to spend our way to prosperity these many years. Lump-sum appropriations have been made with the same ease with which Aladdin rubbed his magic lamp. The results have not been so fruitful. The average American citizen has come to realize that to spend or not to spend is no longer a partisan issue. Common sense and ordinary prudence caution a return to a larger degree of individual and social responsibility. Certainly, if neither the individual citizen nor the Government has an eye for the final day of reckoning we shall all end in the dog house.

Much of this public spending has been channeled through governmental agencies which have had no chart of experience for their operations. Frankly, they have been experiments. As a member of the Joint Congressional Committee for the Investigation of the Tennessee Valley Authority I have had an opportunity to witness the reckless and irresponsible way in which public funds have thus been spent. We have listened to much talk about the benefits of Government investments in this way. This sort of talk does not inspire confidence. If this talk about Government investment in economic developments is to be taken seriously, these projects should be required to stand on their own investment worth. Let them be presented to the public as a field for private investment, with bond issues arranged on definite terms for amortization. Let the public be assured that the Government will supervise the business transactions of these large corporate ventures in such a way that the taxpayers may know they shall never be called upon to supply a shortage. If these Government investments are as sound as some now tell us, certainly the individual investor will gladly seek a stake in them. Otherwise they deserve to fail for lack of social value.

We have here in Pennsylvania a number of worthy projects which operate on the basis of their own productive worth. Examples may be found in the Port of Philadelphia Authority, the Philadelphia Bridge, and, more recently, the Pennsylvania Turnpike Commission. This is the use of corporate authority under Government sponsorship for great economic developments which exceed the ordinary ranges of private enterprise and yet can be made to operate profitably if given public sanction. In the case of the Pennsylvania Turnpike Commission, the initial financing has come from a grant of $26,000,000 by the Public Works Administration and a loan of $35,000,000 by the Reconstruction Finance Corporation. Were the entire project carried on a loan basis it would entail no burden whatsoever on taxpayers. In its long-time operations it will become self-supporting as a toll highway, with four lanes connecting Harrisburg and Pittsburgh, expecting to give employment to 25,000 men for a period of 2 years. All these jobs and pay rolls will be provided without any cost to the State of Pennsylvania. As a public highway the Pennsylvania Turnpike with all of its improvements will become the property of the State. Tolls to be collected from users of the highway will be applied to amortization of bonds issued for the cost of building the road. This is a practical application of Russell Conwell's principle of life. Build something worth while for yourself in your own back yard.

Youth has a right to expect that government will adjust itself to the needs of agriculture, labor, and industry so as to restore conditions that make for full work opportunities. Government cannot compel a man to work if he lacks the ambition to provide for himself, but government can help to produce the conditions which will enable the energetic, able-bodied citizen to help himself. For youth the economic stringency of the present decade is a matter of first importance. Both the present and the future of our young people is being badly conditioned by the political restrictions now unnecessarily imposed on American labor, agriculture, and industry by a top-heavy Government spending program.

Low employment opportunities is the point at which the American ideal of education involving many free choices meets its greatest obstacle. It is no longer possible for the college or the university to regard unemployment in the cold light of a laboratory observation. For unemployment is putting a blight on the entire educational process. What does it profit a student to spend his years in educational halls in pursuit of skills and training which he will never be called upon to use? Why should a young man put himself or his parents to the expense of advanced education if it will not give him a reasonable assurance of economic security such as has been found in this country for the greater part of our national life? These are no longer bold questions. They are the questions which a large percentage of our young people are now compelled to ask themselves every year. And the answer to that question has caused a distress and anxiety which if not met with a sane reply will bear heavily on the foundations of our Republic in the years to come.

If Conwell were here on the American scene today, what would he say? I believe he would tell us to hold firm to the foundations of our American heritage. He would counsel us to remember the blessings of the past under a liberty tempered by law. He would call us to a sense of our individual responsibility. He would again tell us to cease wandering all around the world looking for the gifts of magic and insist that we begin by the sweat of our own brow to labor for and find wealth in our own back yards.

I do not believe that Conwell devoted his life to the establishment of Temple University because he desired oncoming generations of students to attempt to substitute academic learning for the rich privileges of personal initiative and glorious struggle. This school had its birth in the soul of a man who loved to battle for his ideals, one who found exaltation in winning victories. Conwell knew that the university is not all of life, but the beginning of life. He knew that the blessings of theory require the added blessings of practical experience. Certainly Conwell would be the last man in America to advocate an educational system which would hang an unbearable weight of taxation on its citizens. As a practical man he would advocate that life itself, labor, and industry accept the major part of responsibility for training in specific tasks. Surely we have had enough of that kind of vocational training which seeks to implement the hands of the students with the toys of the classroom while they are denied the mental versatility required when they reach the actualities of the factory and the workshop.

The restriction of the American ideal of life and education occasioned by unemployment has been undeniably serious. However, it is not as bad as would befall us should we be forced to endure the calamity of war, for war represents a complete negation of free choice. In time of war there is but one pattern of thought for the Nation, and that is military necessity. We have been paying the costs of the last war in broken bodies, maimed minds, interrupted life plans, and countless billions of dollars. We have been paying and shall continue to pay. If by paying more for the last war we could be led to a measure of national stability which would forever set us against entrance into any foreign war, I should favor the increased appropriations at once. In fact, I have long protested the so-called Economy Act, which took out its spite on our veterans and underpaid Government employees, only to be followed thereafter by such a deluge of public spending as the Nation had never before known. I have no sympathy with those who seek to involve us in foreign strife. I was glad to receive over 25,000 letters and telegrams this last month urging that the United States remain neutral. Our hearts and our votes belong to peace.

I have steadfastly followed a program to keep our country out of war. This I believe to be the first obligation of every loyal American. I am committed to the ideal of genuine neutrality. I have always accepted the teachings of George Washington, who warned against becoming involved in foreign entanglements. I believe our first duty now as American citizens should be to refrain from taking any attitude which might involve our country in war. Let us keep America strong and at peace within ourselves and with the rest of the world.

Our unsolved problems of unemployment and relief still have first claim on our attention. Although my heart goes out in sympathy to every oppressed and needy group throughout the entire world, my first obligation as an American citizen is to devote myself to the utmost in order that peace, good will, and full work opportunities may be established for the unemployed millions of my fellow citizens. I know of no problem in the world today that is so vital to world peace and international security as our own unsolved unemployment problem. When we achieve sufficient national statesmanship to afford an adequate solution to this grave problem, we might possibly then be in a better position to advise the other countries of the world how they are to run their own business. Until then let us humbly refrain from calling them names or needlessly deriding them.

During recent years human conflict has increased in every part of the world. It has increased in our own land. There has been less of good will and more of war. There is now a desperate need for peace, lest the world continue on to unspeakable tragedy. It is not enough that we say we hate war. It is true that a great majority of the American people do hate war. We must continue to feel that way and at the same time do something constructive for the cause of peace.

Believing in good will and peace, I have introduced a Senate joint resolution, No. 47, seeking the authorization of the coinage of 1-cent pieces to symbolize peace. If this bill is enacted, it will mean that every cent piece in circulation in our land will be dedicated to peace. And if every American penny is dedicated to peace, it ought to spell the difference between peace and war as far as our country is concerned.

I hope that this bill becomes the law of the land. I hope that whenever a penny comes into your hand you will think of it as a peace penny. Every cent in the United States Treasury will then be the agent of good will and peace. This is my sincere hope.

The peace penny will also mean that more pennies will be contributed to the institutions which seek actively to maintain peace and human relations. The school, the church, the voluntary organization in every field of American life will receive more because they are all devoted to the cause of peace. I trust that Temple University will be able most liberally to increase its endowment in honor of Russell Conwell with millions of these peace pennies.

The American standard of life and education rests on individual liberty which is our priceless heritage. This liberty of choice and action is guaranteed us under the Constitution of the United States. This protection becomes increasingly imperative. Every school, church, and voluntary organization in the land leans heavily on the constitutional safeguard of its local and individual liberties. And without this bulwark of liberty all of us would quickly be thrown into the maelstrom of confusion and tyranny. I cannot understand how any American citizen who truly loves our independent centers of research and education could be party to any attempt to undermine or subvert our constitutional principle of government. And yet, strangely enough, under the banners of liberalism this has been attempted and the attack continues. Therefore, it becomes a matter of conscience with every individual American who desires to preserve our traditional ideal of life and education, that no comfort or aid be given to the enemies of our Republic. Let us with one accord seek to uphold the way of life in which this great university was established in keeping with the precious traditions of its founder.

The Foreign Policy

EXTENSION OF REMARKS

OF

HON. ROBERT M. LA FOLLETTE, JR.

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Thursday, February 16, 1939

RADIO ADDRESS BY HON. GERALD P. NYE, OF NORTH DAKOTA, FEBRUARY 12, 1939

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the senior Senator from North Dakota [Mr. NYE] over the radio on Sunday, February 12, in which he discussed the foreign policy of the United States.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The present threat of world war is quite entirely traceable to the Treaty of Versailles, our reward for having won the last war. Without that treaty there would be no place for a Hitler today. In view of our past experience with Europe, our foreign policy should be one devoid of playing any favorites in Europe, devoid of help or encouragement to any side or any nation threatened with war, at least, until two positive conditions prevail. The first condition is that those who won the loot from the last war shall have tried to accomplish better understanding by offering to sit down around the table and adjust the injustices of that Treaty of Versailles, knowing they are going to have to give up something which is theirs, not only that which belongs to others. That condition can prevail only upon England's will. To think of our getting into another foreign mess for the sake of trying to keep the injustices we helped win the last time ought to be repulsive to every American. The second condition essential before we alter the kind of foreign policy I have suggested is that there can be reasonable chance, if our cooperation with other so-called democracies ultimately leads to war, that we are going to have chance to win what we fight for after having won the fight.

So much, for the moment, as to what our foreign policy ought to be. Definitely that is not our policy today. What is our policy? Please note that I am asking the question. Frankly, I don't know what it is. There are public pronouncements of policy from time to time but the pronounced policy does not always square with our actions; they often conflict and contradict. Such policy is dangerous—so dangerous as to convince many that a war now in Europe would quite guarantee our participation in it.

Why do I say our policy is dangerous?

First. Because the power to make and conduct foreign policy is the power to make war. There can be such conduct of policy as leaves no alternative to Congress than that of declaring war to save face for the country and its leader. Congress should have closest knowledge of what is our foreign policy.

Second. There is danger in a policy which causes a foreign nation to feel that we are promoting a world cause and are inviting other nations to join in the fight. We talk of the need of rallying to the side of England and France in defense of democracy. But we are startled to find Premier Chamberlain, in a cool, deliberate manner, telling the House of Commons that England might give consideration to joining the Roosevelt program to defend democracy. Whose war is this next one to be, England's or ours?

Third. Ours is a frightfully dangerous policy which finds us talking about "no entangling alliances," while the French Air Minister, speaking of the recent airplane deal, is saying to the Chamber of Deputies of France (as quoted in the New York Times of February 1):

"I cannot permit this deal in America to be attacked. Our contracts in America are meeting our entire satisfaction. And I take this opportunity of thanking the great American democracy and its leader President Roosevelt for the way they have shown that they are thinking of only one thing in this matter—how best to serve France."

Then, again, what is to be said of a foreign policy that lets us be party with England and France to a process in Spain that can only enlarge upon the power of the dictatorships that we pretend so much to fear and insist must be stopped? What dictatorships do we dislike? What democracies do we like? It is dangerous policy, to say the least.

The most recent public pronouncement of foreign policy produces, among others, these words: "We are in favor of the maintenance of world trade for everybody—all nations—including ourselves." Can this mean anything other than that, in the event of war abroad, we are going to once again insist upon that which does not exist in time of war, namely, freedom of the seas? I insist that any such policy is dangerous and an immediate invitation to war.

Why is the foreign policy dangerous? Let us read another line in the pronouncement of the President before his press conference 10 days ago, when he declared it to be our policy to peacefully "maintain political, economic, and social independence of all nations in the world." This can mean anything or nothing. Certainly our official actions of late have not shown us to be especially peaceful toward the political, economic, and social independence of some parts of the world.

Again, any foreign policy that calls upon our Government and its agents to "make faces" and call names across the Atlantic is hardly ready for defining as a safe and sane policy.

A dangerous foreign policy? What of a policy by those who ask us now to start fortifying Guam, just after these very same people have enthusiastically sponsored our freedom from the Philippines, where we already have an $80,000,000 fortification and preparation? If our foreign policy is one requiring this, how many more islands thousands of miles away must we ultimately fortify to protect Guam that is to be fortified to protect the Philippines?

Why should we, the world power that least needs to fear attack, more happily armed with a natural defense against attack than any power—why should we be asked to be out in the front lines of this present mad armament race, unless our foreign policy is one calling for something more than defense against attack?

I say our foreign policy—whatever it is—is a dangerous one when knowledge of what that policy may be is dependent upon the crash from the skies of an air bomber—the crash revealing the existence in the country of a secret foreign mission witnessing secret demonstration of products over the protests of our own military experts.

And, finally, no undertaking of foreign policy packs more danger for America from democracy's worst enemy, war, than a policy that seeks profit and gain from other people's wars and preparation for war. The most jealous defender of the President will not undertake to deny that we are out after this kind of profit. We've heard much about the desirability of the aircraft trade which England and France were ready to place with us. We hear the talk about what business and what chance for labor an expenditure by France for planes will mean.

Pause here for just a moment and try to compare present declared policy with that declared in 1937 in that great and famous chautauqua speech in which the President said, while depicting influences that took us into the last war:

"* * * production for a war market may give immense fortunes to a few men; for the Nation as a whole it produces disaster. * * * If we face the choice of profits or peace, the Nation will answer—must answer—'We choose peace.'"

That was our foreign policy 18 months ago. What shall we say of our policy today, when we find the same maker of policy enthusing about our chance for commercial gain from supplying aircraft to certain nations? Conflict. Contradiction. What is our foreign policy?

Whatever may be said concerning the merit of selling planes abroad, there is one result—a war maker, inevitable. Suppose we build up our productive capacity to supply the wants in aircraft of France, England, and ourselves. For the moment that will afford a prosperity for some. But with these wants supplied, what then of the industry? How then shall we keep it going and ready for emergency? How shall we continue the opportunity and prosperity in that field? Will we not be having to enlarge more upon our foreign trade in that industry?

Why, under that policy I can see the day coming when we shall be eager to supply Germany and Italy and Japan with the latest thing in pursuit, combat, and bomber planes in order that our prosperity may not be interrupted. And don't lose sight of the fact that every time we sell a plane to a foreign power, the obligation is upon us to produce one more for our own national defense.

Once we develop a trade, we find it hard to give it up. Build up a nice foreign trade in planes while nations prepare for war, then what is to be our practice after war comes? Will we again try to stay out of other people's wars while at the same time trying to keep all this foreign trade in contraband? That question is already answered for those who have the faintest recollection of how this trade and our developed appetite for the profit from war and preparation for war served us when 20 years ago we went to war against our declared purpose and judgment.

So I go back to where I began, with expression of the wish that we might have a mind-our-own-business foreign policy, at least until that time when certain conditions should prevail. And I wish mightily that we might have fortification of that kind of policy in the form of more light to be thrown upon our foreign plans, a more open ear to our experience of the past, a more mandatory policy of neutrality and enforcement of the neutrality law, strict embargoes against a trade boom based on war and preparation for it, a sure prevention of individual profit from war, and finally, a constitutional right with the people to determine by referendum when we shall again engage in a foreign war in which we are not yet attacked.

Permanent Public-Works Policy

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, February 16, 1939

STATEMENT BY HON. JAMES M. MEAD, OF NEW YORK

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by myself on the subject of a permanent public-works policy.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The time is opportune to consider more definite steps toward the establishment of a permanent public-works policy.

During the past 5½ years this Nation has carried on a tremendous public-works recovery program, which has been eminently successful in accomplishing its purposes.

Its success has been due to the diligence, ability, and industry of thousands of public officials throughout the Nation who have exerted commendable efforts in this important public service.

It is time for an accounting. It is time for intelligent, careful planning. It is time to consolidate our gains and to place the benefit of our experience at the disposal of the Nation.

Our first task is to eliminate the term "emergency." Crises produce emergencies—emergencies, if not met with fortitude and remedial action, breed panic. Such was the state of the Nation when new leadership was chosen to take over the affairs of the Government in 1933.

In that emergency there was little time for planning—action was needed and was fortunately forthcoming.

Some of the measures then adopted failed and were displaced. Others, their worth proven both by time and by public acceptance, were continued and are today rendering valuable service to the people, to an extent that they should no longer be regarded as temporary or "emergency" agencies.

Among the foremost in value of these efforts has been the Federal Emergency Administration of Public Works. Created in the rush of the historic 100-day session, it came into being as a recovery measure to stimulate heavy industry and to create employment through the construction of useful public works. Time has proven that the resultant gains have been noteworthy.

In my own State of New York, 1933 found public works at a virtual standstill. Children were being taught in antiquated school buildings; overcrowded cities suffered from inadequate disposal of sewage; the sick could not find ample hospital facilities for their care; transportation was hampered by lack of proper traffic facilities and bridges. These needs were known, but no remedy was planned—nothing expressed beyond the pious hope that some day we will be able to do something.

Pitched into this the Federal Emergency Administration of Public Works, without precedent or guide, developed businesslike methods in handling its task. Action was initiated by local government units, construction was carried on by private enterprise, materials came from private industry, work was efficiently, economically, and effectively carried out. Requirements for a practical, effective program were met.

In my State local governmental units have undertaken over a half billion dollars' worth of needed public works, creating upward of 623,000,000 man-hours of work in private industry. At the present moment tens of thousands of men are at their accustomed jobs, at their accustomed wages, working on the current program.

The program has been successful. I learn of the high estimate of P. W. A. by local officials everywhere in my State. Statistical proof of the popularity of the program is indicated by the fact that when last June Congress authorized Administrator Ickes to receive applications and to make P. W. A. grants of 45 percent to worth-while projects, from New York along came 775 requests for aid in construction to cost three-quarters of a billion dollars. Yet funds were available for only 232 projects to cost somewhat over a hundred million dollars. Judging from communications I have received, many of the remaining proposed projects are now much needed.

While the P. W. A. program has, without question, been carried on efficiently, yet certain intangible losses have been sustained. These losses stem from the appropriations styled as "emergency," each bearing a deadline which takes effect inexorably a few months after it has passed the Congress.

The spur of speed—and more speed—has allowed slight opportunity for the full development of studies in the use of funds; for the planned development of areas; or for long-term use. My native district in western New York is fortunate in being among the first to attempt long-range planning, yet we, too, have suffered under the lash of rapidly expiring time. Throughout the Nation the emergency deadlines have forced employment and construction to be utilized almost entirely on just the most obviously needed local projects. The result has been taking care of immediate needs of employment quickly, of building the most sorely needed projects, but it has prohibited the best use and integration of facilities. Effective planning and proper design have suffered in many good projects forced into construction by arbitrary date limitations. Project after project has been launched in midwinter, where, with opportunity for proper planning the structures might have been closed in before the winter season, thereby affording more employment when it was most needed. Repeatedly we have made almost superhuman demands on P. W. A. personnel.

We have always had public works. We wrested the country from the wilderness by public works. Through public works we provided schools for our children, hospitals and institutions for our sick and indigent. We are civilized in part by reason of our public works. As our country continues its development our building of public facilities must continue with it.

It is time then for us to consider capitalizing on the success of our federally-aided public-works program. If we will correlate all our experience into a well-integrated national policy, we will provide a better balance to our national economy.

Let us recognize that there always will be fluctuating periods in our national employment and in the cost of construction. Let us resolve to gear our public-works program to that cycle, so that we will build when prices are low and when men and mills need employment. Let us plan to ease off when men are scarce, when prices are high, and when mills are operating at capacity. That will be the result of intelligent planning—planning that will offer a measure of security to our great labor and industrial resources, and at the same time provide a prudent, practical program at a minimum of public cost.

To effectuate this let us erase the word "emergency" from the Public Works Administration. Let this bulwark against unemployment operate on a normal, continuing businesslike basis. Let P. W. A. examine the worth-while project applications they now have on hand and evaluate them for use should the country's economy be in need of further aid to speed it toward recovery. Let P. W. A. encourage communities to plan ahead, to have plans prepared so that their most needed public works may be put into prompt construction when the economic cycle begins to swing down. Thus the shock of a depression may be cushioned before it gathers uncontrollable momentum. We should likewise instruct the agency to taper its program when the upswing is felt.

If we take this action, we will have an agency to which Congress may turn at any time and demand a well thought out, well developed program; one that can be put underway within a few days. Congress can then take steps to effectuate it. But this can only be done if we take off the tag and methods of "emergency" and put in their place the integrated, careful development that comes with permanency.

This is the task to which we must now address ourselves on behalf of the people of this Nation.

Woodrow Wilson

EXTENSION OF REMARKS
OF
HON. WILLIAM H. SMATHERS
OF NEW JERSEY
IN THE SENATE OF THE UNITED STATES
Thursday, February 16, 1939

ADDRESS BY DR. JAMES T. SHOTWELL DELIVERED BEFORE THE WOODROW WILSON FOUNDATION TO COMMEMORATE THE EIGHTY-SECOND ANNIVERSARY OF HIS BIRTH ON DECEMBER 28, 1938

Mr. SMATHERS. Mr. President, I ask unanimous consent to have published in the Appendix of the RECORD an address by Dr. James T. Shotwell on the subject of Woodrow Wilson's place in history.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is the custom and privilege of democracies to deal harshly with their great men. This has its good as well as its bad side. While it may keep us from reaching the goal set before us by our leaders, it also saves us from getting lost on the way. While it may delay progress and confuse our minds, it is also our protection against that kind of leadership which encroaches on the liberties of the people until it rides roughshod over them.

The history of the United States is not singular in this respect; but it supplies outstanding examples in the case of those whose names stand highest among its immortals. Even Washington did not escape partisan attack, and felt it so keenly that he was reported to have said to his Cabinet in 1793 that he "would rather be in his grave than in his present situation." Jefferson, although more buffeted by political storms, ended his Presidency with strong expressions of popular support; yet just before leaving the Presidency he wrote to a friend, "Never did a prisoner released from his chains feel such relief as I feel in shaking off the shackles of power." As for Lincoln, all the world knows how the pent-up bitterness against his far-visioned and magnanimous spirit showed itself in the malice of the era of reconstruction. There was therefore nothing new in history for the reaction against the leadership of Woodrow Wilson to take the form not only of disavowing his policies in world affairs but of discounting his statesmanship.

But if democracies can be unfair and unjust they at least have this advantage over autocracies that they keep at hand the means for redress in a free public opinion. To be sure, opinion cannot be free so long as it is bound by prejudices that are the lasting echo of old convictions. But when situations arise that are similar to those of the past, and grave crises confront the country once more, it is the first duty of patriotism to reexamine the old issues to see if in the heat of political debate decisions have been taken that need to be reconsidered.

This is just what is happening in the United States today. Militarism is once more menacing the free peoples of the world, both by war and the threat of it. The crisis is not presented to us in the same terms as in 1917, for history never repeats itself, but it is perhaps even more threatening than then; for it uses the arts of peace as well as the science of war to dominate unoffending nations. While Japan pursues its ruthless conquest of China as a first step toward the realization of the greatest oriental empire of all time, and Mussolini endangers the peace of Europe, Hitler wins for enslaved Germany the greatest triumph of its history by the use of terror.

The answer of the American people to this threatening swagger of militarism throws a strong light upon the fateful decision of 1917. We are arming against it to an extent that everyone knows is ruinous but everyone accepts as necessary. In 1917 militarism had already unleashed its attack, challenging our sovereign rights by unlimited submarine warfare that brought the terrors of anarchy on all the seven seas, at a time when its legions were invincible on land as well. Does anyone who looks around him today and measures our unshaken purpose to preserve our liberties and our institutions, believe that Woodrow Wilson misinterpreted the mind and spirit of America when he closed his war message to Congress with the words of Martin Luther: "God helping her, she can do no other." In recent years the charge has been made that we were tricked into the war by Wall Street and allied propoganda. That there were bankers who shared the common concern over the possible triumph of German militarism is true and is to their credit. But it was Indiana and the farming States of the Middle West, the traditional seat of opposition to Wall Street, which first filled up the quotas of the draft. That there was propaganda no one denies, but the acts of Germany spoke louder than words.

But neither the preparations for war going on in the world today, nor the resort to war in 1917, is the real test of statesmanship. It is hard to imagine any President of the United States who would have refused to meet the challenge thrown at us by Germany with a duplicity and insolence patent to all. The tribunal of history is not likely to pause long in judgment over this fact, that a President who had long endured abuse for his pacifism became the flaming prophet of a great crusade. The real test lies in his conduct of the war and his plans for the peace which was to follow.

There had been lack of previous military preparations, for which Wilson's critics, with some justice, have held him responsible. But the historian will recall how, from week to week, and then from month to month, throughout the war, economists and students of public affairs kept pointing out that the war could not possibly last longer and, if it had come to an end as at first seemed likely, America would have been stronger to have kept its peacetime resources undiminished so as to serve the world and itself richly in the vast process of reconstruction. But these calculations proved false, and we had to improvise our military power. Although inevitable mistakes were made, two great achievements must be credited to the Commander in Chief of our armed forces. A wartime government was built up alongside the old civilian structure, and in it Wilson disregarded party lines, appointing such Republicans as Schwab, Stettinius, Vanderlip, and Hoover, because of their administrative capacity, to work alongside Democrats in vast new structure of national industrial mobilization. In this work, in which the President cut through red tape, rearranged bureaus, and created war boards, he showed a degree of statesmanship for which history has not yet done him justice. A survey of the European governments during the war shows that, without copying their devices, Wilson worked out for us here the plan which proved most effective there. On this count history has already given its verdict: Wilson, while not a great administrator, was a great Executive, and that is what a nation needs in time of crisis.

The next point is the one that everyone remembers, the transformation of the war from meaningless carnage to a crusade that was to "make the world safe for democracy." This slogan of victory has been denied by cynics and disowned by half the world today. But for those of us who cherish freedom, it still remains an ideal unsullied by attack, the hope of all peace-loving peoples. Yet no one was more conscious than Wilson of the fact that war is not the final answer to tyranny, nor armaments the final bulwark of freedom. For this he sought to force upon a world that was not yet ready for it the Covenant of the League of Nations.

Now, what has history to say about Wilson's idea of a League of Nations? It has no answer to this question, because the League as Wilson conceived it has never existed. Instead of the acceptance of a community of nations, America chose to follow Lodge, Borah, and Johnson. With America renouncing its great ideal, other nations proved false to theirs. The anarchy we are living in today, the most dangerous since the fall of Rome, is the work of those who denied or falsified the conception of a community of nations set forth in the covenant.

But was that conception an impossible ideal, the dream of an altruist rather than the working program of a statesman? If we take the short stretch of these last 20 years as the final verdict of history, then there can be no doubt but that selfish nationalism holds the key to our destiny. If so, there is no morality in international dealing; force and violence in the hands of the militarists abroad and selfish indifference to right and wrong on the part of isolationists at home, sap the very foundations of law and order in the world. If anyone is shocked at having our isolationists, who are mobilized under the banners of peace, grouped with European or Asiatic militarists as the agents of international anarchy, they have only to consider that without justice there can be no lasting peace among nations. "Justice," in the words of the Institutes of Justinian, "is the fixed and constant purpose to give to every man his due." Among nations it is the same fixed purpose neither to take what belongs to others nor to be the accomplice of such a crime. A nation indifferent to this everlasting principle of right and wrong makes for anarchy and the law of the jungle, equally with the nation that despoils the weak and threatens violence to its neighbor. This kind of nationalism not only makes peace insecure but prosperity impossible. For the world of business has become a world of credit, and credit means confidence in the future, a confidence which is impossible so long as violence rules in the world and peace-loving nations draw no distinction between the aggressor and his victim.

Now, unless civilization is doomed, it is this post-war nationalism and not the experiment of a League of Nations which is destined to disappear. Nationalism may be the strongest force in the world at the moment, but it runs counter to the newest and most powerful factor in human history, the science that conquers time and space and changes all our relationships. Science has only just begun. It has all the centuries of all the future ahead of it. In its first stages it has been warped and misused by powerful nations. This was to be expected, because it is within them that science has grown up. But it knows no frontiers and it makes the world interdependent. No civilized nation can live alone, as it used to do. Its raw materials and its markets lie in other countries and its inventions and discoveries are for all the world. The plan of Woodrow Wilson was, therefore, not an interlude in human affairs, like the Holy Alliance, attempting to hold back the inevitable tide; but it is a political ally of the work of scientists, thinkers, and engineers, in whose hands lie the forces of eternal change. If this is so, we should turn to it again, recasting it to fit its purpose as the alternative for war. To do this effectively we should build first among those peoples who treasure peace and practice democracy. We should emphasize jus-

tice rather than police, and adjustment to changing conditions rather than a rigid adherence to ancient rights; thus the democratic peoples can acquire the strength and singleness of purpose which ultimately can impose fair dealing upon reluctant nations.

In this short survey I have dealt with the elements of Woodrow Wilson's statesmanship, which all the world associates with his name but the historian who attempts to take the measure of his statesmanship should not forget that it was only the pressure of events which forced him to turn his vision from the domestic scene to that of foreign affairs. A champion of fair dealing, he tried in the Clayton Act to restrain the trusts from interfering with the free development of business and in the Federal Reserve System created a reservoir of credit to stabilize and strengthen confidence. But it was the very opening act of his first administration, the so-called Underwood tariff, which should be remembered now as a forerunner of that long and patient struggle of Secretary Hull to lessen the barriers of international trade and open the pathway to peace among nations by the practice of economic justice and fair dealing.

It is not possible to enumerate more of the events of Wilson's administration that have left their mark upon the history of the United States. But, after all, it is as a world figure that he stands before us today, one whose memory every American can proudly cherish in the hour when the Hitlers, Mussolinis, and Stalins draw the allegiance of subservient nations. The apostle of the new freedom, which was freedom based upon social justice, spoke the true voice of his country when he interpreted its historic mission in the world in terms that invoke for its fulfillment not force and violence but a decent respect for the opinion of mankind.

Frazier-Lemke Refinance Bill

EXTENSION OF REMARKS

OF

HON. WILLIAM LEMKE

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 16, 1939

Mr. LEMKE. Mr. Speaker, I am going to talk turkey today. I am going to talk straight from the shoulder to those who have all but wrecked agriculture. I shall not mince words with those who have sold our farmers and our laboring people in foreign marketing places, who have curtailed and destroyed agricultural wealth. This in order to import foreign products from nations that already owe us over $30,000,000,000 and which they refuse to pay us. Products that our own farmers could and should have produced.

I not only challenge that shortsighted and stupid policy, but I am confident an enlightened public opinion will put a stop to it. The farmers of this Nation will no longer submit to being made an international pawn for international horse traders. They are going to demand the enactment of the Frazier-Lemke refinance bill and the nonpartisan cost-of-production bill during this session of Congress. They are through with the inferior complex of the Agricultural Department.

Ever since 1920 there has been a real farm problem. Ever since 1920 hundreds and thousands of farmers have been losing their homes by mortgage foreclosure, judgment, forced, and tax sales. Hundreds and thousands of innocent men, women, and children have been evicted from their homes—hundreds and thousands more lost their farms and became tenants, or sharecroppers and surfs for absentee landlords. In this nefarious work the Federal land banks have been some of the worst offenders.

Since 1920 over 10,000,000 farm boys and girls have been driven into the already overcrowded cities to swell the ranks of the unemployed—compelled to look for W. P. A. jobs or doles. This is an insult to our intelligence. This condition has been brought about because we have compelled the men, women, and children who live on the farms to feed the Nation, to feed us, below the cost of production.

Any intelligent person knows that a farmer can no more continue in business by selling the things we eat, drink, and wear for less than it costs him to produce them than a businessman can stay in business and sell goods for less than he pays for them. If they do they will both become insolvent.

The truth is we have not been honest with ourselves or with the farmers. We have permitted the curtailment and the destruction of agricultural wealth by cutting the throats of little pigs, by shooting cows and calves, and by setting fire and plowing under cotton, wheat, and corn. Congress has been influenced by a "brainless trust" during this administration and by a "do nothing bump on the log" during the past administration.

Ever since 1920 there have been, and there are pending today, before Congress bills which, if passed, would solve the farm problem once and for all. But whenever one of these bills, such as the Frazier-Lemke finance bill or the nonpartisan cost-of-production farm bill, comes up for consideration then every reformer in the land attempts to amend it so as to include some pet reform or idea of his own. The Department of Agriculture, which is supposed to represent the farmer but does not, is always there with its ax, there with its political machine, built at the expense of the taxpayers, with its salaried lobbyists, to defeat the bill.

Little wonder that Members of Congress and dignified Senators become bewildered and babble like the ancient Babylonians at the Tower of Babel—and become just as confused. Then every subject under the sun comes up for discussion except the bill under consideration. Silly questions are asked the farmers concerning monopoly, banking, consuming, gambling, foreign trade, foreign exchange, reciprocal-trade agreements, and every subject under the sun except the substance of the bill under consideration.

When we pass laws for the railroads we listen to the railroad men. When we pass laws concerning industry we listen to the industrialists. When we pass laws for banks we listen to the bankers. But when we pass laws for agriculture we listen to college professors and school boys—to everyone but the farmer. Why not listen to the 32,000,000 men, women, and children who feed and clothe us? They know their own business better than anyone else. Why listen any longer to the Department of Agriculture that does not yet know that proven failures are no longer even experiments?

Surely common decency and common horse sense after all these years of waiting would impel Congress to give to the farmers during this session of Congress the Frazier-Lemke refinance bill and the cost-of-production bill. If these bills had been passed in 1920, then there never would have been a Hoover depression or a Roosevelt recession. Both of these were the result of stupidity and ignorance. A recession is even worse than a depression. A depression means that you have been flattened out; a recession means you are receding—you have gone backward, traveled in reverse.

The new Frazier-Lemke refinance bill, H. R. 70, provides:

SEC. 2. The Farm Credit Administration is hereby authorized and directed to liquidate, refinance, and take up farm mortgages, and other farm indebtedness existing at the date of the passage of this act by making real-estate loans, secured by first mortgages on farm lands, to an amount equal to the appraised value of such farm lands and 75 percent of the value of insurable buildings and improvements thereon, such loans to be made through the Federal land banks and national farm loan associations. Such loans shall be made on the standard amortization plan at the rate of 3 percent per annum, the interest rate shall be 1½ percent, and the balance of each installment or payment shall be applied on the principal.

SEC. 3. The Farm Credit Administration is further authorized and directed to liquidate, refinance, and take up chattel mortgages and other farm indebtedness, existing on the date of enactment of this act, by making loans at the rate of 3 percent interest per annum, secured by first mortgages on livestock, to an amount equal to 65 percent of the fair market value thereof, such loans to run for a period of 1 year, with right of renewal from year to year for a term of 10 years: *Provided*, That any depreciation in the value of such livestock is replaced by additional livestock, and the amount of the loan is reduced 10 percent each year. Such loans to be made through the intermediate credit banks and the production credit associations.

SEC. 4. The funds with which to liquidate and refinance existing farm mortgages and other farm indebtedness shall be provided by the issuing of farm-loan bonds by the Farm Credit Administration. Such bonds shall bear interest at the rate of 1½ percent per annum if secured by first mortgages on farms, and 3 percent per annum if secured by first mortgages on livestock. The Farm Credit Administration may sell these bonds at not less than

par to any individual or corporation, or to any State, national, or Federal Reserve bank, or to the Treasurer of the United States.

It shall be lawful for the Federal Reserve and national banks to invest their available funds, including surplus and net profits, in such farm-loan bonds. Any State, national, or Federal Reserve bank that buys such farm-loan bonds direct from the Farm Credit Administration may, upon giving 30 days' notice to the Board of Governors, exchange them for Federal Reserve notes. Such notes to be issued by the Federal Reserve System and given in exchange for the bonds without recourse.

SEC. 5. In case all of said farm-loan bonds are not readily purchased, then the Governor of the Farm Credit Administration shall present the remainder to the Board of Governors of the Federal Reserve System, and the Board shall forthwith cause to be issued and delivered to the Land Bank Commissioner, Federal Reserve notes to an amount equal to the par value of such bonds as are presented to it. Such farm-loan bonds to be held by the Federal Reserve Board as security in lieu of any other security or reserve: *Provided, however,* That as additional security and reserve the President, in his discretion, by Executive order, may set aside a gold fund in the Treasury as a reserve for such notes out of free gold in the Treasury or out of the exchange stabilization fund created by section 10 of the Gold Reserve Act of 1934, and maintain such reserve fund in an amount equivalent in dollars to not more than 40 percent of such notes outstanding. The outstanding Federal Reserve notes issued under this act shall at no time exceed $3,000,000,000.

SEC. 8. The benefits of this act shall also extend to any farmer or member of his family who lost his or her farm through indebtedness or mortgage foreclosure since January 1, 1930, and who desires to purchase part or all of the farm lost, if available, or another like farm. It shall also extend to any tenant or member of his or her family who desires to purchase a farm not exceeding $10,000 in value, provided he or she has lived on and operated a farm as a tenant for at least 3 consecutive years prior to the enactment of this act.

There is nothing new in this bill. The banks are given an opportunity to buy the bonds. They have $15,000,000,000 of idle money that they are unable to invest because the people have no credit left. If this bill is passed, they can invest part of this in these bonds. If they refuse, then the Federal land banks can get the money from the Federal Reserve System the same as the Federal Reserve banks do now for the bankers. What is "sauce for the goose is 'still' sauce for the gander." Then the Government would make a profit of $6,345,000,000 at 1½ percent interest in 47 years—the time required for amortization of the farm indebtedness—and, at the same time, the farmers would save over $19,000,000,000 in lower interest.

Under the Frazier-Lemke bill a farmer can carry a $17,000 mortgage loan—as far as his ability to pay goes—as easily as he can carry a $7,000 loan under the present law. That is why, under this bill, it is perfectly safe to refinance a farmer up to the full reasonable value of the land and 75 percent of the insured permanent improvements, because in that bill we take into consideration the farmer's ability to pay.

This bill, together with the cost-of-production bill, is a complete solution of the agricultural problem and also largely of the unemployment problem. We have spent $54,000,000,000 in 6 years. This would have been enough to have given to every baby, to every boy and girl, and every man and woman a check for $410 in cash. Yet, as far as I know, we have not made a single man or woman self-supporting. Every courthouse is still a poorhouse.

It is true we have built some schoolhouses, golf courses and tennis courts, skiing contraptions, auditoriums and courthouses, and put a few benches in the parks, but there is little enjoyment in sitting on a bench when you are hungry and cold. Neither can you enjoy an auditorium or a schoolhouse unless you have a home—unless you have food, fuel, clothing, and shelter.

We have done everything but the right thing. We have virtually bankrupted the Nation in trying to solve these problems. We have run all around the remedies, chasing will-o'-the-wisps, but we have stubbornly refused to listen to reason and do the sensible thing—to refinance the farmers' indebtedness and give them cost of production for that part of their products consumed within this Nation. We will have to come to this eventually. Why not during this session of Congress?

Trade Agreements Program

EXTENSION OF REMARKS

OF

HON. FRANK H. BUCK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 16, 1939

Mr. BUCK. Mr. Speaker, the prosperity of our country is dependent by and large upon the prosperity of industry, agriculture, and labor. There have been many steps taken by the present administration which have been designed to revive both domestic and foreign trade, both of which are essential to the disposition of our raw materials and our manufactured products. As to our foreign trade the enactment of the Reciprocal Trade Agreement Act, its subsequent extension and the agreements entered into under its authority form the outstanding accomplishment of the past three Congresses and the present administration.

We have witnessed since the inception of this first session of the Seventy-sixth Congress, and even as late as today, attacks on the reciprocal trade agreement program, some of which have been based upon such a number of fallacies and incomplete statements that I have asked for time to try to bring home some facts regarding the effect of these agreements to the American people. I have nothing to fear from facts, and it is regrettable that in practically every speech so far made against these agreements the least that can be said is that incomplete statements have been made. Mere repetition of a partial statement or misstatement of facts will not convince the American people that there is anything sinister in these trade agreements. Those of us who support them stand on the record of increased trade since the agreements have come into force. These gains seem to well justify the program.

Although some data showing the increase of trade have already appeared in the RECORD, particularly under the remarks of the gentleman from Missouri [Mr. COCHRAN], the gentleman from Virginia [Mr. ROBERTSON], and a short statement by myself under date of January 13, 1939, I again submit with these remarks some of the same kind of information. I want to call your special attention to the remarks of the gentleman from Virginia [Mr. ROBERTSON] of February 3, on the trade-agreements program, in view of what has been said today. I might say further that those of us who support the trade-agreements program intend to repeat the results in terms of trade gained as long as the opposition continues to fill the RECORD with what we consider unwarranted attacks against the program.

RESULTS OF TRADE-AGREEMENTS PROGRAM

There follows a table showing the results of trade agreements which were in effect during 1938.

[Department of Commerce figures]

	Comparison of 1937-38 with 1934-35			
	1934 and 1935 average value	1937 and 1938 average value	Change	
			Value	Percent
United States exports, including reexports:	*Millions*	*Millions*	*Millions*	
Total, all trade-agreement countries	$759.8	$1,224.8	+$465.0	+61.2
Total, all nonagreement countries	1,448.0	1,996.8	+548.8	+37.9
Total, all countries	2,207.8	3,221.6	+1,013.8	+45.9
United States general imports:				
Total, all trade-agreement countries	793.9	1,073.6	+279.7	+35.2
Total, all nonagreement countries	1,057.4	1,448.5	+391.1	+37.0
Total, all countries	1,851.3	2,522.1	+670.8	+36.2

Briefly, these Department of Commerce figures show that during the 2-year period, 1937 and 1938, the relative increase in value of American exports, as compared with the 2-year preagreement period, 1934 and 1935, was 61.2 percent to the agreement countries and of 37.9 percent to the nonagreement countries. The opposition repeatedly points out that trade with some individual nonagreement countries increased more than with certain agreement countries. That is true in some instances, but we all recognize that there are various other factors entering into the picture and this certainly does not condemn trade agreements. I believe anyone who is willing to view the results from an unbiased standpoint will agree to that.

The figures show that imports from nonagreement countries have increased more than imports from agreement countries; certainly this does not bear out the charge that trade agreements are ruining the country by flooding us with foreign goods. Moreover, the flood of imports in 1938 turned out to be a mere trickle.

NATIONAL INCOME AND FOREIGN TRADE

Since the opposition seems to take great pride in the temporary recession of 1938, I present herewith a table showing the national income, cash-farm income, and the foreign trade in 1929, 1932, and 1938. The 1929 figures are shown because that was the last full year before the infamous Hawley-Smoot Tariff Act, which almost brought the United States to its knees, went into effect. It is not necessary here to repeat what actually took place after the passage of that act except to call attention to the figures for 1932. As far as statistics can explain a bad situation these fully describe the results of that act. The 1938 figures, in spite of a temporary set-back in exports, show an important recovery from the bottom of the depression in 1932. With the national income up more than fifteen billions over 1932, with farm income up more than three billions, I think we are justified in taking a more optimistic view of our progress than the "viewers with alarm" have expressed.

National income and foreign trade

[Official figures in thousands of dollars]

	1929	1932	1938	1938 greater than 1932 by—
Exports	5,240,995	1,611,016	3,094,095	1,483,079
Imports	4,339,361	1,322,774	1,960,528	637,754
Excess exports	901,634	288,242	1,133,567	845,125
National income	78,556,000	49,024,000	[1] 65,000,000	15,976,000
Cash farm income	10,479,000	4,228,000	[1] 7,625,000	3,397,000

[1] Preliminary estimates.

THE BALANCE OF TRADE IN 1938

It is to be noted that the exports exceeded the imports by more than a billion dollars in 1938. It is said by our critics that this excess of exports was not the result of an increase in exports. It should be emphasized that exports were only down by about 8 percent below the 1937 level. It is a significant fact that brisk foreign trade contributed to the maintenance of industrial activity in 1938 and some manufacturers have stated that foreign sales enabled production to reach a volume of from 60 to 100 percent over what would have been required in domestic business.

Exports in 1938 were nearly a billion and a half greater than for 1932; that certainly indicates that we have progressed. Furthermore, the value of agricultural exports has increased every year since 1932. Of course, there are some items which have not followed the trend upward, particularly cotton. No one claims that trade agreements can or have solved all of our problems. Insofar as has been possible, trade agreements have prevented increased barriers against the exportation of cotton.

Those who formerly boasted about the large so-called favorable balance of trade in the Hoover era ought to be praising rather than condemning the 1938 export trade, which shows the largest excess since 1921. But opponents of trade are saying that this balance is more than offset by the importation of gold and silver. In order to show a so-called unfavorable balance, the gentleman from Massachusetts [Mr. TREADWAY] adds the imports of gold and silver to the trade in commodities. This new practice is resorted to because opponents seem to think it presents an unfavorable picture in our trade relations. The gold and silver used to be considered as a national asset under Republican administrations, now they seem to consider it a liability. If our trade barriers had been lower, we might have purchased more products—products which would have given employment to industries and furnished consumers with needed goods—instead of taking gold and silver in payment for our exports. When opponents oppose the reductions in duties and at the same time criticize the importation of gold they are in effect saying we should not take any payment for our exports.

CHARGE OF EXPORTS OF ALLEGED WAR MATERIALS

The opposition further maintains that we would have had a so-called unfavorable balance in recent years if it were not for the exports of war materials, and they make their own classification of war materials. The gentleman from Virginia [Mr. ROBERTSON] answered that proposition in his speech on February 3. What are war materials? Certainly not foodstuffs. What kind of exports held up in 1938? Our exports of crude foodstuffs in 1938 increased by 138 percent over 1937; manufactured foodstuffs increased by 3.6 percent; the exports of crude materials, other than foodstuffs, decreased by 17.7 percent; semimanufactures decreased by 25.4 percent—incidentally iron and steel scrap come in this category; and finished manufactures, other than foodstuffs, decreased by 5.8 percent. Of course, no one denies that in some instances there were larger exports of certain materials which can be and are used in the execution of war. Trade agreements have very little relationship to the exports of war materials. From some of the remarks of the opposition one might be led to believe that the sole purpose of trade agreements was for encouraging the exportation of war materials. How absurd.

The value of exports of iron and steel scrap decreased from $79,387,000 in 1937 to $45,837,000 in 1938. Exports of some other alleged war materials also substantially decreased in 1938. This cry of an "unfavorable balance of trade," but for the exports of war materials, is a subtle alibi of the opposition which for the last few years has charged that the trade-agreements program was wiping out the favorable balance. The excess of exports over imports of more than a billion dollars for 1938 has once more placed the opposition on the defensive, and they are now contriving another alibi for their inaccurate and ill-advised forecast about the effects of trade agreements.

THE MOST-FAVORED-NATION TREATMENT NOT PARTISAN

In the continuous criticisms of the trade-agreements program opponents in their attempts to show that trade agreements are a one-sided affair harp on the most-favored-nation clause. They either do not or cannot understand that through this arrangement the removal of the restrictions in trade agreements is a safeguard against any later preferential legislation which may be given by those countries with which we negotiate to third countries. Furthermore, they misrepresent the facts when they claim that the most-favored-nation principle is something new and experimental in American commercial policy. The most-favored-nation principle has long been a part of the commercial practice of the United States.

The gentleman from Virginia [Mr. ROBERTSON] indicated a few days ago that this policy had a perfectly respectable and legitimate Republican origin. He quoted from leaders of that party at the time this principle was formally made a part of the commercial policy after the Tariff Act of 1922.

Possibly a parallel case of the workings of the most-favored-nation principle under the present program and under

the so-called flexible clause of the Tariff Act of 1930 will illustrate the nature of the most-favored-nation policy under both a Republican and under a Democratic administration.

On January 1, 1932, strange as it may seem, President Hoover reduced the duty on certain classes and sizes of cylinder, crown, and sheet glass (window glass) after an investigation by the Tariff Commission. Belgium was the chief supplier of this kind of glass; the reduced rates of duty, however, applied to imports of this class of glass from all countries—England, France, Czechoslovakia, and Germany—not just Belgium. Neither Belgium nor the other countries made any concession to the United States in return for this reduction in duty.

On May 1, 1935, the United States entered into a trade agreement with Belgium in which the rates of duty on certain sizes of plate glass were decreased. Like the reductions in the rates of duty on cylinder, crown, and sheet glass under Mr. Hoover, they applied to all countries according the United States equal treatment to our exports. Now, there was this contrast in the two changes in duty: Under the Hoover reduction our citizens received no compensating benefit; under the trade agreement of 1935 with Belgium that country reduced her trade barriers on a number of the products which we customarily ship there. I do not think there is much question as to which reduction was to the greatest advantage to the United States. As a matter of fact, the Honorable Robert Lincoln O'Brien, former Republican Chairman of the Tariff Commission, stressed the importance of getting other countries to reduce duties while we reduce our own when he said:

> This method, if properly employed, has an advantage which the flexible tariff law in itself did not possess in giving us a concession for our exports in exchange for any that we yield to the foreigner. By the application of the most-favored-nation principle, we obtained from other countries all of the advantages which they give to anybody in the way of access to their markets, while at the same time we accord them a similar relation to ours (New York Times, April 11, 1936).

Now critics of the unconditional most-favored-nation policy say that the reduction in duty under the Republicans was the result of a cost-of-production investigation by the Tariff Commission. That is mere quibbling over details. Where changes in duties are now made, it is as a result of much more comprehensive information than mere estimates of the cost of production. Furthermore, members of the Tariff Commission now have to pass on every reduction of tariff made in a trade agreement, and, when available, costs are part of the great fund of information used by the interdepartmental committee in arriving at its conclusions.

It is somewhat amusing that in one breath the opposition states that we get traded out of our shirts once we sit down to bargain with a foreign country, particularly with the British, and then in the next breath suggest that the British are such poor bargainers that Japan or some third country is going to reap the benefits which we granted to the British for the concessions they gave us. Both contentions cannot be true. As a matter of fact, an examination of the record shows that both contentions are substantially in error.

M'KINLEY ON RECIPROCITY

For some time there has been going on a controversy about the position of McKinley on reciprocity. Those who favor trade agreements usually quote from the martyred President's last public utterance, his famous Buffalo speech of September 5, 1901, when he said reciprocity was in keeping with the times and that isolation was not. The opponents of real reciprocity, who use the expressions of McKinley to bolster their point of view, frequently quote from his inaugural address of 1897 or some earlier speech. As was pointed out by the gentleman from Virginia [Mr. ROBERTSON], President McKinley was striving to place the United States Government on a more friendly basis with foreign governments and to encourage peaceful commerce. He had negotiated a number of trade treaties, because he had hoped to increase commerce with foreign countries, and the Senate refused to act upon them. He was obviously discouraged in his efforts. In the light of his experience with the Senate, I think we are justified in taking his last public expression in the matter of reciprocity.

Even in the excerpts so frequently quoted by the gentleman from Massachusetts [Mr. TREADWAY], McKinley was in favor of granting concessions to the products of other lands which we needed and could not produce ourselves at a reasonable price. He advocated making concessions which tended to increase the employment of labor. We claim that the present program does that very thing. So we shall stand by McKinley. He was realist enough to know that we would have to give concessions in order to obtain them.

COL. FRANK KNOX ON THE TARIFF

Col. Frank Knox, recent Republican candidate for Vice President, in his speech of January 12, at Pierre, S. Dak., pointed out the necessity for lower tariffs. He also pointed out that the farmer had been promised higher and higher tariffs on his products, and that such promises were mere red herrings drawn across the trail to divert him from an excessively high tariff on domestic manufactures. Colonel Knox suggested that rates of duty be maintained only high enough on domestic manufactures to protect American wage standards and nothing else. That is in keeping with the purpose of the trade-agreements program.

WORKERS AND TRADE AGREEMENTS

I should like to quote from the Journal of Electrical Workers for January 1939, which is an organ of the electrical industry, whose workers are affiliated with the American Federation of Labor, on trade agreements:

> * * * The American home market cannot be fully prosperous so long as the markets for American export products are curtailed. Not only do workers dependent on export markets suffer from loss of foreign trade but all other workers in the country suffer loss to some extent because those dependent on export markets are unable, when deprived of employment, to buy the goods produced by others in the United States.
>
> Finally, it might be pointed out that since American electrical goods are sold in many countries where wages are far below those prevailing in this country, the electrical industry is a good example of how mistaken is the impression current in some quarters that American manufacturers are unable to meet the competition of imports from lower-wage countries and that American wage standards depend upon the maintenance of excessive tariffs. As for the electrical-service industry, where wages are even higher than average for the United States as a whole, an increase in our foreign trade can only serve to increase earnings through the increase in general prosperity which this additional trade will create.
>
> In the main, two questions relative to foreign trade and tariffs will be examined, in order to determine just what is the stake of the electrical workers in trade agreements. In the first place, it will be shown that the value of excessively high tariffs has been much exaggerated and that the great majority of our workers derive no benefit whatever from high tariffs. Even those supposedly protected often work for wages below those prevailing in nonprotected industries, while workers who are engaged in rendering services or in manufacturing goods for export are actually hurt when export markets disappear and general purchasing power declines as a result of high tariffs.

This clear-cut expression of the electrical workers ought to go a long way in offsetting the propaganda frequently circulated in an attempt to divert the attention of workers and consumers from the toll they have to pay industry behind excessively high-tariff walls. These workers realize that exports give employment and understand that foreign trade is a two-way business.

SENATE RATIFICATION

Senate ratification continues to be a point of criticism by those who would like to kill the program. A number of those who have introduced bills for congressional ratification of the agreements have also introduced bills for the repeal of the Trade Agreements Act. Both proposals lead to the same thing.

An excerpt from an editorial from the Washington Post of December 30, 1938, under the title of "Sabotaging Mr. Hull," reveals the real purpose of those advocating Senate ratification of trade agreements:

> * * * Veteran Senators, familiar with the utterly discredited logrolling methods characteristic of congressional tariff making, undoubtedly realize that insistence upon ratification of the trade agreements would be equivalent to sabotaging the Hull program. That, in fact, appears to be the underlying aim, as shown by senatorial concern over unfavorable local reaction to tariff reductions already made and by the exaggerated importance attached to the recapture of discretionary powers bestowed upon the President.

PEACE AND TRADE

The opposition thinks it has scored a bull's-eye by pointing out the unsettled world conditions and scorning the idea that proponents of trade agreements should connect trade and peace. They apparently point with pride that there have been trade wars and that these sometimes give rise to military wars. It apparently does not occur to them that unfair trade practices, trade discriminations, and monopolies are the principal factors which lead to trade wars and worse. The removal of such practices is the very basis of trade agreements, and we are thus justified in saying that this is a peace program.

The relationship of trade and peace were well expressed in the Buffalo News, a Republican paper, November 19, 1938, as follows:

Certain material gains will be forthcoming for the United States, but the greatest benefits will be derived from the increase in goodwill which usually follows trade expansion. There are no political implications, as such, in the treaties signed at Washington; but trade pacts are in themselves instruments of amity. The United States has been placed in a position of practical trade equality with the self-governing dominions of the British Empire. If the benefits received outweigh the disadvantages, Secretary Hull may well regard the negotiations of the treaties as the crowning achievement of his distinguished career.

Lincoln Day Address

EXTENSION OF REMARKS

OF

HON. GEORGE W. GILLIE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 16, 1939

ADDRESS BY HON. FOREST A. HARNESS, OF INDIANA, FEBRUARY 14, 1939

Mr. GILLIE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by the Honorable FOREST A. HARNESS, of Indiana, at Kokomo, Ind., on February 14, 1939:

Anyone who has undertaken the task of preparing a Lincoln Day address, and who has tortured his vocabulary and driven his imagination in a vain attempt to strike a fitting tribute to the Great Emancipator, will appreciate the humble thanks I felt upon discovering that Lincoln himself had prepared the words for me.

The Springfield Washingtonian Society was celebrating the birthday of Washington in 1842. Lincoln, the commemorative speaker, was still a comparatively young man, just entering the stirring years which were to carry him to immortality. But untempered as he still was by the trials and burdens yet to come, he was already displaying the simplicity of thought and the humility of soul which were such important attributes of his greatness.

Seldom, even in later years, did he reveal that simplicity and humility more clearly than in these words, spoken of Washington on that occasion:

"This is the one hundred and tenth anniversary of the birthday of Washington; we are met to celebrate this day. Washington is the mightiest name of earth—long since mightiest in the cause of civil liberty, still mightiest in moral reformation. On that name no eulogy is expected. It cannot be. To add brightness to the sun or glory to the name of Washington is alike impossible. Let none attempt it. In solemn awe pronounce the name, and in its naked deathless splendor leave it shining on."

Every time I read those words, their forcefulness is redoubled for me in the knowledge that they came from the heart of a man who in such a few short years was to take his place along with Washington as "mightiest in the cause of civil liberty, mightiest in moral reformation." If I may use these identical words of Lincoln, I shall be satisfied that nothing else need be added. For it is as true of Lincoln as it was of Washington that eulogy can add nothing to his stature.

But where we Republicans cannot add to his greatness through lip service, we surely can honor him in action. There is no better time than this to review the lessons of our immortal leader. And certainly there could be no more fitting time to remind all Americans of the democratic principles which he applied so courageously and selflessly to the preservation of the Union.

There has been no time since the Civil War period when we have so gravely needed statesmen motivated by the philosophy of Lincoln. The most classless figure in American history, it was Lincoln's task to guide the Union through the most serious period of class and sectional hatreds which ever threatened our democracy. The infinite capacities which he displayed through that ordeal were only the more sharply illustrated by his tragic and untimely death. For his task was only half done at the end of the war. The proof is apparent in the bitterness and brutalities which so needlessly prolonged the period of reconstruction.

Today, the spirit of unrest and class consciousness is again seriously disturbing the Nation. We know that leadership, based on Lincolnian justice, patience, and courage, is needed to restore internal harmony. But the total net result of American statesmanship in the past 6 years has merely served to aggravate and magnify the disturbances. In fact, the present leadership has proved to be nothing more than selfishness, greed, and short-sighted grasping for power.

Since labor has been engulfed in our present class unrest, we must show every laboring man that the leader who follows Lincoln is the best friend of labor. Lincoln was born in poverty. He paid for every one of his meager advantages with the most drudging kind of toil. This instilled in him the highest respect for the workingman—the utmost faith in his integrity. It led him to this philosophy of labor:

"Inasmuch as most good things are produced by labor * * * to secure to each laborer the whole product of his labor, or as nearly as possible, is a worthy subject of any good government." And, "Capital is only the fruit of labor—could never have existed if labor had not first existed. Labor is the superior of capital, and deserves the much higher consideration." And, finally, "The strongest bond of human fellowship, outside the family relation, should be one uniting all working people."

There is a simple creed which recognizes all the rights of labor, including their right to organize, to receive aid and protection from the Government, and to enjoy a full share of the profits of labor. If we Republicans will practice that creed as Lincoln wrote it and practiced it, labor will gladly and confidently desert the New Deal, which has been so busy giving dramatic lip service that it has found little time to do anything constructive for the workingman.

Born as he was with an unshakable faith in law and justice, even his sincere friendship for the laboring man would never have led Lincoln to injure the rights of property and capital. On this question, Lincoln said:

"Property is the fruit of labor; property is desirable; is a positive good in the world. That some should be rich shows that others may become rich, and hence is just encouragement to industry and enterprise. Let not him who is houseless pull down the house of another, but let him work diligently and build one for himself, thus by example assuring that his own will be safe from violence when built."

If, as followers of Lincoln, we can apply the same justice and patience, the unrest and uncertainty which have been hampering recovery can be removed as mere incidents in our national life.

The pell-mell extension of government—the mad drive for concentration of dictatorial power in the Executive—the boot-strap economics—the skyrocketing of Federal debt and taxes which have marked the 6 years of the New Deal are all as exactly opposite to every principle of Lincoln as night and day. That fact is so obvious to every Republican, in fact, to every sound-thinking American that I only want to cite Lincoln briefly to strengthen our determination to stop these destructive trends. First, of spreading Federal activities, he borrowed from Jefferson these words:

"Were we directed from Washington when to sow and when to reap we should soon want bread * * *. When government, in little as well as in great things, shall be drawn to Washington as the center of power, it will become venal and oppressive." And Lincoln added this simple phrase: " * * * The principles of Jefferson are the definitions and axioms of free society."

Of dictatorial power, our founder remarked:

"It is to deny what the history of the world teaches us is true, to suppose that men of ambition and talents will not continue to spring up amongst us. And when they do, they will naturally seek the gratification of their ruling passion as others have done before them * * *. And when such an one does, it will require the people to be united with each other, attached to the Government and laws, and generally intelligent, to frustrate his designs."

Speaking of the violation of arithmetic and common sense which nowadays says that you can spend and borrow your way to prosperity, these remarks of Lincoln, made almost 100 years ago, are even more significant today:

"For several years past the revenues of the Government have been unequal to its expenditures, and consequently loan after loan * * * have been resorted to. * * * The system of loans is but temporary and must soon explode. It is a system not only ruinous while it lasts, but one which must soon fail and leave us destitute."

There, briefly, you will find every important element of a practical working creed and platform for Republicans. You need add little more than the profound, abiding love and respect for justice and equality under the laws and the Constitution; the supreme, unshakable faith in the American people and the American democracy which was Lincoln's. If details of the complete picture are missing, all of you are familiar with pertinent Lincolnisms to complete it.

And that picture cannot fail to strike you forcibly with the fact that everything basic in the creed of Lincoln and his Republican Party is the direct antithesis of the New Deal. So far I have not tried to add my own thoughts, for nothing I could say would so completely debunk and denude the New Deal of its shams, its

fallacies, and its un-Americanisms as completely as Lincoln did it almost 100 years ago.

I should like to intrude the thought here for all Republicans that the effective criticisms of the New Deal are all not only as old as Lincoln, but practically as old as modern history itself. I think we have laid too little stress upon the fact that there is nothing new about the New Deal but the names of the wishful thinkers, the dreamers, and the theorists who attempt to fly in the face of human experience and the laws of nature. The fallacies of the New Deal are the fallacies of the centuries. The encroachments of the New Deal are the encroachments upon free government which men have had to resist since they began to attain liberty almost a thousand years ago.

Two important problems—the matter of Federal Budgets and the question of foreign policy and national defense—have so far been uppermost in this session of Congress. Both will probably stay in the limelight for some months to come. Because they are of such immediate concern, I want to add my own observations made in the past 6 weeks to those of Lincoln.

In the matter of appropriations, I have very little more information than is available to any citizen who cares to study the records. But I still see no earthly reason why current budget proposals should exceed those of a year ago, unless this is Mr. Roosevelt being true to his remarks in his opening address to Congress this year, that any savings which could be made in the normal Budget would be trivial. Despite the famous Presidential grin he gave us when he tossed that scrap of new dealism at the minority, I shall never agree that a saving is trivial, no matter how small.

I shall certainly resist every effort to increase budgets because I cannot agree with the stubborn attempt to continue "pump priming," even in this indirect form. You know, of course, that the President and his fair-haired lads have a new name for it now. They call it "compensatory spending"—either to delude the people, or to delude themselves, into the belief that an old failure under a new title will not fail again. I shall oppose increases also because I want to see a lessening, rather than any further increases, of Federal activities. I don't want to give the President opportunity to add further hordes of New Deal parasites to the Federal pay rolls.

In fact, I'm even going Democratic far enough to insist at every opportunity that Mr. Roosevelt make good on that solemn vow he took in 1932 to cut Federal expenditures at least 25 percent. We have just failed in our first effort to force a reduction in the independent offices appropriation, which was enacted this past Wednesday over the protests of a concerted minority and a mere handful of Democratic dissenters. We insisted that the measure should be trimmed 25 percent below the figure of a year ago, while the original proposal by the administration called for $2,360,479,029, an actual increase of three hundred and twenty-five and one-half millions, or 16 percent above the appropriations for the current year.

No Republican—nor any other sane American—can understand why the normal operating expenses should be mounting at the rate of 16 percent per year—unless, as I say, it is that eternal New Deal grasp for power, or an indirect form of pump priming. Well, we scarcely dented that bill. But we shall continue to protest every administration measure which fails to make an honest effort to cut costs.

In the matter of foreign policy and national defense, I think the President greatly overstressed the immediate dangers of aggressions against us—unless there have been even worse blunders made secretly than those he has made openly in the administration of the neutrality act. We know the embarrassments which have arisen to plague him through that measure. But we can only wonder if there may be even more serious embarrassments about to overtake him as a result of secret diplomacy. Until further evidence appears, we must accept his heated denial that he has not placed the American frontier in France either by inference, statement, or diplomatic act.

But if that denial is the entire truth, then the strong overemphasis in his defense message was merely a clever bit of thimblerigging to support the rapidly slipping New Deal domestic program. Being without defense for the continuing failures of his administration, I think he is merely trying to tie the whole sorry program up with national defense in a manner which will make it seem to be an essential part of national defense.

I decidedly do not agree with him that the New Deal has strengthened us in any particular for national defense. I definitely do not agree with him that our first and most serious danger is from without. Our first and only immediate hazards are every one internal—and every one of them almost entirely the product of the New Deal. Our only weaknesses are the weaknesses which the New Deal has brought upon us.

Listen to Lincoln on this very subject:

"At what point shall we expect the approach of danger? By what means shall we fortify against it? Shall we expect some trans-Atlantic military giant to step the ocean and crush us at a blow? Never! * * * Reason—cold, calculating, unimpassioned reason—must furnish the materials for our future support and defense. Let these materials be molded into general intelligence, sound morality, and, in particular, a reverence for the Constitution and laws."

To determine and stick to a consistent foreign policy will be one of our most difficult problems, because it is a subject so completely involved with patriotic sentiment—even patriotic hysteria. For the same reason, then, the problem of national defense will be equally difficult. We should admit to ourselves that the wisest and most far-sighted leader can ultimately do little more than to follow unified public sentiment in treating any international crisis. We must learn not to delude ourselves by overlooking the fact that American sympathies form rapidly and swing rapidly.

We can see the most graphic proof of that fact in our World War experience. In 1916 we reelected President Wilson largely on the appeal of that campaign slogan, "He kept us out of war." And yet 5 months later we followed him into war—willingly.

Even in this short stretch of 20 years we are passing beyond the generation of men whose experiences in the last war would make them everlastingly oppose another war. Their sons are now the potential American soldiers. Would these boys heed their fathers' urgings for peace? Would America really stay preponderantly for peace as it is now? We like to think so—and certainly we hope so. But let us be realistic enough to remember that propaganda is powerful. Let us see the wisdom which Herbert Hoover spoke a few nights ago in Chicago when he said, "If wholesale attack were made upon women and children by the deliberate destruction of cities from the air, the indignation of the American people could not be restrained from action."

Any man who saw the awful contrast between the glamour of war as sentiment and propaganda painted it over here and the utter futility, misery, and suffering it actually was over there is simply bound to be a realist. Because I saw both sides of that picture I am a realist. As much as I would like to believe that America will never be drawn into another war, I simply cannot convince myself that the same thing which happened 20 years ago can never possibly happen again.

To this extent I commend—and I think Lincoln would commend—the realism and timeliness of Mr. Roosevelt's urge for adequate defense preparedness. I want to see America made and kept so completely impregnable that no nation or group of nations would ever risk attacking us. But at that point I immediately fall out with many of the President's proposals.

The anger which the President has shown since the press revealed what appears to be secret dealings in foreign affairs seems to me to be entirely out of place in this important problem. Foreign policy and national defense are matters of direct and vital concern to every American citizen and are therefore matters to be considered by the people's representatives in Congress. We are still supposed to be operating under the American system of placing war-making powers solely in Congress. That is the way I want to see it remain. I don't want to see such vital authority as secret treaty making or the determination of wars given to President Roosevelt or any other single individual.

I want, first of all, to see these precious rights of the people carefully safeguarded. Second, I want to arrive at the basic principles which are to determine our foreign policy by sounding public sentiment on the matter just as fully and completely as possible. Finally, I want to see a program which is based upon the best expert advice we can command in our Army and Navy, and among our Civil Aeronautics technicians and engineers. Behind all this, I want to see a pattern for close coordination between all branches of service and American industry and transportation insuring that our defense machine will be supported and supplied efficiently. Above everything else, however, I want to be sure that the program is completely and permanently safeguarded against any taint of politics.

Common sense and sound judgment should motivate our armament program. But that these considerations have not prevailed in many of the administration's programs has been apparent to the Committee on Military affairs, in light of the expert evidence which has been given before it. Air defenses were the subject of the most wild-eyed suggestions; but the committee has reported a comparatively modest measure authorizing 5,500 planes. That figure is certainly still generous. In fact, the minority has filed a report asking for a House amendment to limit the addition of new planes to 1,000 per year for the first 3 years—which I feel is entirely ample. Obsolescence takes such a heavy toll of fighting ships that we will be much better off if we will be in less frantic haste to build a huge air fleet than if we encourage American research and engineering to insure that our planes will always be the world's best.

Despite the wailing and gnashing of New Deal teeth, despite the President's insistence that Congress restore the $150,000,000 cut, we feel certain that the present sum is sufficient if W. P. A. is willing to put its house in order and work for efficiency. I hope it will undertake the task graciously. For, willing or unwilling, that organization is inevitably due for the overhauling which the voters ordered.

You doubtless have been interested, also, in the measure proposing to extend the reciprocal authority to the Federal and State Governments to tax employees. The President, always impatient of constitutional restrictions which interfere with any whim, has in this instance, I think, merely repeated his performance at the time of the Guffey Coal Act. Then he directly ordered Congress to disregard the question of the measure's constitutionality. This time he has at least been a little more discreet in finding a precedent purportedly indicating the constitutionality of the measure.

I voted against that measure although I think it is just that any Government employee should assume the same tax burdens as any person in private work. Federal employees now pay Federal income taxes; and State employees pay State income taxes wherever these are levied. The only advantage enjoyed by any Government employee, either Federal or State, is that he is never called upon to pay but one income tax, whereas the person on a private pay roll frequently must meet two such levies.

I opposed this measure solely because I am convinced that it is an invasion of the Constitution; and a clear violation of a prece-

dent established by Chief Justice John Marshall in 1819 which the Supreme Court has followed consistently since. I have studied the important cases which have established and maintained the precedent that such a tax is a clear violation of the organic law. Consequently, I feel that the Court will reject such a measure if enacted. Furthermore, in the unlikely event that the Court might reject this 120-year-old precedent in accepting the law, that would at once open the way to all manner of reciprocal taxes which might conceivably be carried even so far as to destroy State sovereignty. I believe in the principle of equal taxation which this bill provides, but I much prefer to see it embodied in a specific constitutional amendment limited to this purpose only. I prefer to heed the warnings of Marshall and Daniel Webster who said at the time the Supreme Court established this precedent, "The power to tax involves the power to destroy."

Of special interest, also, to you and me alike is the work of the Dies committee, which was overwhelmingly extended another year. Despite the fact that DIES has distressed many a New Deal bunion, and has accordingly been subjected to scorn, ridicule, and wrath from above, the House indicated its desires for more information on un-American activities.

Every day I am in Washington strengthens my confidence that the Republican Party is coming back to power in 1940—and with it is coming a new era of confidence and prosperity. The political philosophies of the Grand Old Party are again prevailing—as they have prevailed—and will prevail as long as the Republican leadership has the honesty and sincerity of purpose to match those philosophies.

But by all means let us try to avoid the cocksureness, the I-know-it-all attitude of the horde of pseudo experts who have engineered this plague which we have suffered for the past 6 years. Don't forget for a minute—we have many years of sweat and toil ahead of us—both in getting back to power and in performing the miracles which will be required of us to undo the terrific damages of this passing administration.

I recommend frequent contemplation of the humility in Lincoln's soul which must have been the source of much of his inspiration and strength. There could be no more certain cure for overconfidence than the mere thought that a man of Lincoln's stature should have said in all frankness and honesty: "I find myself driven to my knees over and over again because I have nowhere else to go."

Conservation Cousins—Grazing and Parks

EXTENSION OF REMARKS

OF

HON. EDWARD T. TAYLOR

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 16, 1939

ADDRESS BY HON. HAROLD L. ICKES, THURSDAY, FEBRUARY 16, 1939

Mr. TAYLOR of Colorado. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an address by Hon. Harold L. Ickes, Secretary of the Interior, delivered today before the American National Livestock Association at San Francisco, Calif. The address is broadcast throughout the country and is exceedingly important and opportune at this time in view of the early consideration by Congress of our national parks and of the conservation of the remainder of our public domain and the grazing and the utilization thereof, under the provisions of the Taylor Grazing Act. The Secretary states his views upon these subjects so that not only the stockmen, but the entire population of the Western 11 States most vitally affected, may definitely know the policy of the administration. The address is as follows:

I have come all the way across the continent in response to your gracious invitation because I wanted the pleasure of attending this meeting of the American National Livestock Association and talking to you face to face on two subjects, both of which are near to my heart—two subjects which, at first glance, may not seem to be related but which really are first cousins because they trace directly to a common ancestor, conservation. I refer to grazing and national parks.

When this administration came into office in 1933 one of the first matters called to my attention as Secretary of the Interior was the pendency of an act to regulate the use of what was left of the public range. You are more familiar than I with the situation that obtained in the public-land States at that time. This bill had already passed the House and was under consideration by the Senate. Confronted as we were with a national emergency resulting from an economic collapse, which had deeply affected the welfare of the whole country, I asked that consideration of the proposed measure be postponed until I had had time to make a personal investigation of it.

It did not take me long to be impressed with the benefits that would flow from a law restricting the number of cattle and sheep to be grazed on the public domain to the reasonable grazing capacity of that range. It required no argument to demonstrate that overgrazing meant deterioration and that deterioration meant smaller profits to your industry. So at the next session of the Congress I gave my hearty support to the bill that later became known as the Taylor Grazing Act. This bill was signed by President Roosevelt.

I have referred to the condition of the range at the time that this important act was passed. The law of the survival of the fittest was practically the only law that had any force and effect in the public-range States. It was a case of "first come, first served." I do not say this critically but factually. We all know that what is everybody's business is nobody's business and it was nobody's business to bring order on the public domain to see to it that more livestock were not put on the range than it was able to support. The man who saw his neighbor turn loose more cattle or sheep than could be supported could not be blamed if he in his turn tried to graze two head where there was only sufficient forage for one.

I have seen pictures showing what great areas of this public range used to look like before deterioration and what it looked like later. The first pictures showed lush grasses knee high or even waist high capable of nourishing and fattening a large number of cattle. Succeeding pictures disclosed a barren land eroded by water and wind into gullies. The topsoil had disappeared leaving in its place almost sterile subsoil which by care in course of time might conceivably again grow grass for forage. In some sections cattle had been succeeded by sheep, sheep had been followed by goats, and the goats had left the land an arid waste.

Long before the Taylor Grazing Act was passed prudent and far-seeing stockmen realized that some authority stronger than the combined power of all the stockmen must be invoked to save the range, and thereby thousands of people dependent upon it for their livelihood. Yet such is human nature that there was some grumbling when Congressman EDWARD T. TAYLOR finally succeeded in getting through Congress an act that will stand as a monument to sane conservation.

The first task of the Department of the Interior was to set up an agency for the administration of the Taylor Grazing Act. We established the Division of Grazing and put in charge of it practical stockmen from the West who, in the school of hard experience, had learned the problems of the public range in its relationship to the livestock industry. Next we organized advisory boards for each grazing district. These were composed of men engaged in the cattle and sheep business; users of the public range. These advisory boards were a voluntary, executive act on the part of the Secretary of the Interior, who was responsible for the administration of the Taylor Grazing Act. I may say that this system has worked well. The advisory boards have helped to bring about understanding and intelligent cooperation between the Government and the users of the range, and it is my earnest hope that nothing will disturb the harmonious relationship between them and the Department of the Interior.

One of the first instructions that I gave to the newly appointed Director of the Division of Grazing was that no favoritism was to be shown. I laid it down as the first principle that the little fellow must be as fully protected in his right as the bigger fellow; that all questions of doubt must be resolved in favor of the little fellow. I did not have a particle of sympathy for huge livestock companies that had been squeezing out the men with small herds; nor for the small operator who assumed that he was the owner, in fee simple, of land that was public property.

In operating under the Taylor Grazing Act we have had two objects in view which in a way contradict each other. On the one hand, we wanted to restore and maintain the range in order to increase its carrying capacity and, on the other hand, we wanted it to be possible for the stockmen to graze as many head as possible. It was here that we needed the cooperation of the stockmen, and to obtain it we set up the grazing advisory boards. In many cases it was hard for the stockmen to realize that their herds would have to be reduced in order to begin rebuilding the range, but, generally speaking, we have met with fine cooperation everywhere.

A large part of the fees that you stockmen pay for the privilege of grazing goes right back into the range itself. Thus, in effect, you are making an investment in your own business, an investment that ought to bring you an ever increasing return. Once let us get these range lands back even to an approximation of what they used to be, and your industry will have an enduring foundation. You and your children will bless the day when that grand old Congressman from western Colorado, with the eye of a statesman, guided the Taylor Grazing Act, first, through the House of Representatives and then through the Senate of the United States. Perhaps one of these days you will be holding public celebrations of the passage of this act.

The income from grazing fees amounts, roughly, to $1,000,000 annually. Twenty-five percent of this sum is returned to the grazing districts for range improvements. Fifty percent of every dollar collected is returnable to the States in which the grazing districts are situated, to be expended as the State legislature may prescribe for the benefit of the county or counties in which the public lands are situated.

In some States the advisory boards expend this money. The advisory boards, however, are not authorized by law to perform executive functions. I sincerely hope that the advisory boards and

the Department of the Interior will continue to work together in the closest possible harmony, and I deprecate the possibility of an issue arising, as it may well arise, if any State seeks to vest a Federal advisory board with executive functions. The better plan would be for the State to return the portion of the fees apportioned to it to the Federal Treasury on the condition that they be used for the maintenance and improvement of the range in that particular State. It was the Federal Government which first conceived and adopted the policy of maintaining and building up the range, and I see no reason why any mistrust of the United States Government should be evidenced by any State.

The advisory boards are bodies set up voluntarily by the Secretary of the Interior and their function is implicit in the word "advisory." If I were asked whether I would favor granting administrative functions to the advisory boards, in all frankness I would have to answer "no." Executive functions cannot successfully be carried out by a board or group. This has been demonstrated time after time, and no one outside of politics ever tries to make such a fool set-up work.

Moreover, the administration of the Taylor Grazing Act relates to Federal lands. To be sure, these lands are used for grazing purposes and stockmen have an interest in that use. However, no owner of land, and this would apply to you stockmen as well as to anyone else, would tolerate the thought of permitting his property to be administered by someone else. Finally, administration by advisory boards would mean control by beneficiaries whose interests, as the past has shown in essence are or may be, antagonistic to those of the owner. I would not think of turning over the administration of the national parks to the concessionaires in the parks. You would not deposit your money in a bank which set up a committee of creditors to manage its affairs.

The public lands lie in many States. To adopt different sets of administrative principles in different States would result in confusion, overlapping of functions, and waste of money. Thousands of steers are herded across State lines, and I think that you would have difficulty educating them to graze under one State's rules in the morning and then change their eating habits to comply with another State's regulations in the afternoon. There must be one standard to which all the grazing districts must conform in order to assure efficient administration and protection equal for all the users of the range.

I now come to the subject of Senate bill 571 introduced in the present session of the Seventy-sixth Congress on January 12 of this year. This bill proposes that the Taylor Grazing Act be amended so as to empower grazing district advisers to adjudicate grazing privileges on the Federal range and perform other administrative functions pertaining to its management. In other words, the bill would give certain prospective beneficial users of the range a more potent voice in the selection of permittees. On its face, the bill is designed to subordinate the authority of the Secretary of the Interior to that of advisory boards by placing upon him the onus of assigning reasons for his disapproval of any recommendations which the boards may see fit to make.

The theories of administration embodied in the proposed measure are contrary to orderly procedure and inconsistent with the spirit and intent of the Taylor Grazing Act. I do not think that any of you stockmen would be happy to find yourselves subject to regulations by your rivals. The public lands of the United States belong to all the people, and the National Government must have power to regulate and protect these lands. In my opinion it would be unwise for such authority to be granted to one special group to the exclusion of all others, especially when that group has a primary interest in the use of the range. To require that the Federal authority be accountable to its subordinate employees for any action taken by him is unthinkable merely as a matter of good government. By the same token, it would be unfair to place responsibility on the stockmen in matters relating to larger national issues.

In the adjudication of grazing privileges on the Federal range, it is well to remember that every applicant is directly affected. Decisions must be impartial, must be based on facts and be fully compatible with the law. I should be shrinking my duty and unfairly burdening busy stockmen with irksome responsibility were I to ask them to perform the duties imposed upon me by the Taylor Grazing Act. For the greatest good of all the interests involved in this splendid conservation measure, it is necessary that the functions of advisory boards remain at all times subordinate to officials of the Department who are required to exercise impartial and independent judgment in all cases.

The very nature of the lands to be administered and the varying conditions of the several localities, scattered as they are between the Canadian and Mexican borders, require a degree of cooperation and flexibility of administration which could not be attained under the terms of the proposed bill.

The district advisory boards have furnished an effective channel connecting the officials in charge of grazing and the users of the range. I would like to avoid any controversy concerning the advisory boards under the proposed law. Why inject a highly controversial question at a time when everything is running smoothly; when there is peace and understanding? The advisory board system is on trial before the Nation. Everybody who has an interest in the West wants it to succeed. The Taylor Grazing Act is also on trial before the Nation. In contributing to its success, the district advisers occupy a unique position. It seems to me that any attempt at this time to antagonize public opinion would be a grave mistake and a serious blow to the stock-grazing industry.

Our exclusive concern is the well-being and prosperity of the stockmen. The record of the new Director of Grazing, Richard H. Rutledge, is additional assurance that, under the Taylor Grazing Act, the range will be administered in the public interest, which means the interest of the users of the range. But the management of Federal lands must remain a Federal function.

I hope that the time will come soon when all of the livestock men of the country will see that the administration of publicly owned grazing lands is primarily a problem of conservation. When this is fully realized, it will do more than save the livestock range; it will bring a new element of harmony into the conservation program in America.

The trend is in that direction. As soon as we succeed in eliminating overgrazing, there will be a slow but steady improvement of the grasslands, which to the stockmen mean steady improvement of their stock. As we rebuild the productive range, the opposition to controlled grazing on public lands will diminish in intensity. This will give a broader outlook, a more sympathetic attitude toward national programs based on a wide variety of human interests.

It is to be regretted that nearly every attempt to round out the national park system, by additions of territory primarily suitable for parks, meets with an opposition which frequently includes some of the organizations of livestock raisers. My belief is that this situation results from misunderstanding rather than from any real clash of interests. It is a part of sound national-park policy not to permit grazing by domestic livestock in areas set aside for preservation and recreation. But this does not mean that in the establishment of a new national park there need be any harsh interference with grazing privileges upon which individual ranchers have based their livelihood.

When Congressman GEARHART, of California, talked to me about his bill to establish the John Muir-Kings Canyon National Park, he asked me whether I would object to a provision that grazing permits already granted by the Forest Service should be renewed during the lifetime of the present owners, so as to provide a slow and natural elimination. I replied that this seemed a fair thing to do, provided that power was retained to protect the land against overgrazing. I think that it is proper in such circumstances to recognize the human element involved, and deal with it so as to impose the least possible hardship.

On the other hand, let me give you an illustration of the kind of grazing that is, and will be, stopped instantly under national park policy.

A number of years ago, in a transfer of public land to the national park system, the new superintendent made a tour of inspection and found 1,600 sheep grazing in what had for a quarter of a century been a wildlife sanctuary. They belonged to a man influential in State politics, and he had a permit for the grazing. The land where they were grazing, for miles around, was eaten down to bare earth and rock, where formerly the grass and flowers grew 12 inches high.

Those sheep, on the expiration of the annual permit, went off that land, and they have never come back. Neither has the grass come back. Years have passed, but that land is still hardly more than bare earth and rock. Such grazing will not be permitted, even for the briefest period of transition, on any lands under the jurisdiction of the National Park Service, and I know that the livestock men of America will offer their moral support of such a policy.

In 1934, the 400,000-acre Mt. Olympus National Monument, which President Theodore Roosevelt had set up as a sanctuary for the Roosevelt elk, was transferred to the National Park Service.

I have never found one instance in which the establishment of a national park failed to contribute to the prosperity and happiness of the neighboring people. Opposition to national parks comes from two sources—from a very few people who want to exploit something that belongs to the public, and from those who have been honestly misled by false arguments.

You hear it said that so much land is being transferred from national forests to national parks that the country will soon be all parks. Let me give you a few figures. If you added all the national parks in the continental United States together, it would make an area only about 48 percent larger than the size of Inyo County, Calif. But the national forests in the continental United States make up an area larger than that of 12 States: Maine, New Hampshire, Vermont, Connecticut, Rhode Island, Massachusetts, New York, New Jersey, Delaware, Maryland, Virginia, and South Carolina.

I do not object to the size or number of the national forests. There ought to be more of them. But I do object to the misleading argument that we ought to establish no more national parks because our 9,473,500 acres of national parks are too large in comparison with our 152,000,000 acres of national forests.

In the second place, there is an erroneous impression as to who owns the public lands. They do not belong to the Government bureau that administers them. They do not belong to the States in which they are located. They belong to the whole Nation. When a member of the California Senate says that the Secretary of the Interior is derogating from the sovereignty of the State of California when he discusses the possible disposition of lands in California belonging to the Nation, he is twisting the doctrine of State rights all out of shape.

The question now before the people of California is the establishment of the proposed John Muir-Kings Canyon National Park. I

ask the people of California not to be misled into thinking that in this matter there is any conflict between their interest and that of the Nation.

I do not like to put this matter before you in a commercial light, but it is the plain truth that national parks are one of the three great drawing cards that California possesses in relation to the rest of the country—your climate, your national parks, and your motion-picture industry. What do easterners talk about when they plan a trip to California? The fair at San Francisco, Hollywood, the national parks, Yosemite, and the big trees. Do you know that in the article on California in the World Almanac there are two subheadings, and only two? One of them is on the big trees, the other on Mount Lassen—features brought to attention because national parks have been set up to preserve and protect and glorify them.

The proposed John Muir-Kings Canyon National Park measures up to the finest of the national parks already established. It includes, as you know, the Kings Canyon wilderness, which John Muir himself put on a par with Yosemite. It takes in the smaller General Grant National Park, and it opens the way to acquire and preserve the wonderful Redwood Mountain sequoia grove, which now faces almost immediate destruction. This grove contains 7,000 sequoia trees, ranging up to 30 feet in diameter. This is a privately owned grove on which taxes are in default, and magnificent sequoias will be cut into fenceposts and grape stakes unless the Government saves them. If all the rest of the Nation ignored this impending tragedy, I should expect the public spirit and fine feeling of the people of California alone to force protective action. But the rest of the Nation is not ignoring it.

Congressman GEARHART'S bill would make Kings Canyon a perpetual wilderness area, open to motor travel in the beautiful canyon of the South Fork, but everywhere else protected by law against the encroachments of civilization—a roadless wilderness, held to its wilderness status by an act of Congress.

Against this proposal what arguments are offered?

Organized opposition comes from a small group of deer hunters, who say that the establishment of a national park would make a wildlife sanctuary out of a country now open to hunting. Have you been told the average kill of deer in the 450,000 acres proposed for a park? 159! If you want to know why this is so, just try to carry a 400-pound buck out of that rugged mountain terrain. Make it a wildlife sanctuary, and it will help to stock adjacent areas that remain open to hunting. The result will be more hunting in areas that are huntable.

Another argument against the park is that it would lock up Kings Canyon and prevent development of its economic resources. The truth is that the economic value of Kings Canyon comes from the use of the water of the Kings River. The proposed Pine Flat Reservoir, which would impound the entire flow of the Kings River for irrigation, is 25 miles outside of the proposed John Muir National Park. The proposed power sites are outside. Inside the park you would have a watershed needed for the protection of vegetation.

What else is there in the Kings Canyon wilderness? Mining? Not a mine. Commercial timber? Not a stick that could be logged at a profit.

Necessary sites for flood-control works? Dams for flood control, as for irrigation, are not built in mountain canyons, but in foothills.

Once again, what about grazing? The 900 head of cattle that graze in the scattered mountain meadows are important to their owners, and this is recognized in the park bill; but as an economic resource, grazing disappeared from Kings Canyon years ago. In 1891, 20,000 sheep grazed in the basin of the Roaring River alone. Today there is no forage for a single burro in a region that once grazed 20,000 sheep. But if you make it a national park, you will get some of the vegetation back again, and to that extent you will restore Nature's system of flood control for the San Joaquin Valley.

You have been told, quite incorrectly, that there has been a conflict between the Forest Service and the National Park Service on this subject. I wonder how many people know that three former chiefs of the Forest Service, Graves, Greeley, and Stuart, when this question has been before Congress in the past, have advocated that Kings Canyon be made a national park. So does the Secretary of Agriculture Henry A. Wallace, and so did his father Henry C. Wallace, when he was Secretary of Agriculture under President Coolidge.

I ask those who live in the State of California to unite with the people of the rest of the country and see to it that this wonderful area, which belongs to all the people of America, be made into a national park for the benefit and the pleasure of all future generations. If you do this and attach to it the magical name of John Muir, it will become one more magnet by which California will draw the American people westward; one more center of enchantment to make them come again.

I want to conclude by assuring you stockmen that the fair use of the range is a matter of deep personal concern to me. I have followed the administration of the Taylor Grazing Act with interest and not without anxiety. Long before I went to Washington I learned how men exercised unlawful sovereignty over lands that were not theirs. Every complaint that has ever come to me I have caused to be investigated and the reports have been sent directly to my desk. If you know of any discrimination, if you know of any improper use of the range, you will confer a great favor upon me by reporting it to me personally. Just write "personal" on the outside of your envelope and your letter will come straight to my desk.

Students and Democracy

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 16, 1939

ADDRESS BY JOSEPH P. LASH, DECEMBER 27, 1938

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks, I wish to insert an address given at the fourth annual convention of the American Student Union in the Hippodrome Theater of New York City on December 27, 1938, by Joseph P. Lash, secretary of the union, on the subject "Students and Democracy."

This convention was addressed by a number of noted figures, including Mayor La Guardia, of New York City, and Mrs. Thomas McAllister, head of the Women's Division of the National Democratic Committee.

The address is as follows:

The American Student Union meets this evening, the acknowledged leader of 100,000 students in high school and college; meets having chapters and active contacts in 300 academic institutions. It meets for this convention, a responsible and stabilized institution within the educational community.

Let no one scoff at these achievements, for the barriers of prejudice and legitimate scepticism that we have had to surmount have been formidable.

In the course of achieving stability on the campus we have not abandoned nor blunted essential aims; we have worked unflaggingly to awaken the student from his thoughtlessness and apathy; we have striven unremittingly for the welfare of our student generations; we have nailed to our mast the banner of a forward-moving democracy; we have been concerned with world peace and world democracy with which our own country's fate is indissolubly bound.

We are assembled at this fourth annual convention, 1,000 strong, to review our work and objectives in the light of the year's developments. We can sum up the latter simply: We are meeting in a post-Munich world. The same vast significance that Sarajevo, Versailles, Locarno had for past generations of youth Munich will have for ours.

Mr. Chamberlain and Mr. Daladier assured the world after Munich that the year 1938 would be crowned with peace and good will, but the year ends bearing within its womb the seeds of great tribulations for humanity in 1939. Munich has ushered in the crisis of democracy. It has uncapped a Pandora's box of racial hatreds, national chauvinisms, and bestial intolerances. It has imperiled free institutions throughout the world. It has galvanized the sinister forces of fascism in our own country, as exemplified by the Dies committee, Father Coughlin, and others. It has accelerated the drive to war. It has driven men of good will into hiding places and delivered nations over to the underworld of cutthroats, gangsters, and the depraved. Freedom is destroyed, reason scorned, might enthroned. Such is the moral climate engendered by Munich.

Democracy is in jeopardy. Peace is in jeopardy. In these circumstances, the entire educational community must be enlisted in a vigorous affirmation of democratic principles.

How shall we help fire the campus with this active concern for the fate of democracy?

EDUCATION'S "PRIMER FOR DEMOCRACY"

First, we have the primary responsibility of helping render our educational system a more sensitive instrument in the service of democracy. A student who would serve democracy must help mold the structure of the educational system in the image of democracy. He must help shape its courses so that they are meaningful and pertinent to a world in which democracy must move forward if it is to survive. He must help the school provide American society with leaders gifted with social vision. He must help assure equality of educational opportunity.

The American Student Union proposes in the coming months to launch a series of student conferences on educational policy to help formulate student viewpoint on what education for American life should be.

Secondly, the time has come for a dramatic restatement of the principles of democracy in every educational institution in this country. We propose that every high school and college initiate a course, "a primer for democracy" in answer to "the Nazi primer" which would assess ideas of racial supremacy, the exaltation of violence, racial truths, thinking with one's blood, in terms of the principles on which our country is founded. In this connection, the American Student Union applauds the decision of the

board of education to hold "tolerance assemblies" in the New York high schools. We welcome the recent action of the Catholic bishops inaugurating an educational program in "true Christian democracy."

Fascism gains a hearing as Government fails to serve human needs. We could view the future of American democracy with equanimity if all the American people were assured of adequate food, clothes, shelter, education, and medical care, but one-third of all of America's families live on incomes of less than $15 a week. Youth's loyalty to democracy would not be open to question if youth could look to the future with hope; but over 4,000,000 young people are out of school and out of work. Fascism could never look to our universities for its storm troops if our college graduates had the prospect of good positions; instead they are confronted with the dismal outlook of joblessness.

EXTEND THE FRONTIERS OF DEMOCRACY

It is therefore most ominous that the forces campaigning in the 1938 elections on a program of Government withdrawal from efforts to meet human needs achieved a certain measure of success. Reaction appealed to youth in those elections telling us that the New Deal was mortgaging our future. But our future will definitely be mortgaged—mortgaged to disease, illiteracy, poverty, and despair—unless the New Deal's program for utilizing the instrumentalities of government for the common welfare is successful. We must unite the campus for the objectives of the New Deal. We must unite the campus to play a decisive part in the 1940 elections.

There must be no ambiguity on this point. The sad plight of one-third of our population inheres not in individual shiftlessness, irresponsibility, or any other Tory shibboleth, but in the lack of social planning, in the lack of social control, in the concentration of wealth. The American Student Union declares that the frontiers of democracy must be extended within our economic institutions. Organization of labor, of consumers, of farmers is one of the best guaranties that no aristocracy of wealth will continue to dominate our instrumentalities of government to its own exclusive advantage.

The American Student Union proposes that every college and high school formulate a legislative program that will help meet human needs. In our opinion, this means Federal aid to education in order to assure equality of educational opportunity. It means continuance and extension of the N. Y. A., whose fate is intimately linked with W. P. A. It means Federal legislation to provide adequate housing and medical care. It means a comprehensive social-security program. It means antilynching legislation. It means the safeguarding of labor's rights as embodied in the Wagner Labor Relations Act and the wage and hour law. Such a program would create professional opportunities for college graduates. It would help block the road to the development of a domestic form of fascism. It would keep democracy moving by having it meet human needs.

STUDENTS WANT PEACE

Finally, any program to strengthen democracy in the United States cannot be divorced from its fate elsewhere. It is with pride that the American Student Union speaks on this subject today. Last year at Vassar predictions of dire catastrophe were made when we dropped the Oxford pledge. A student union split was prophesied. It was said that the American Student Union had come out for war. But today we are more firmly united than ever, while our opposition organizes its mass movement by coming to conferences that other people organize with mimeograph machines and press hand-outs.

Only because we dropped the meaningless Oxford pledge was the American Student Union able to give effective leadership to the campus peace forces during the past year. They say we are organizing the campus for war. Was it organization for war when we organized a 1-hour protest stoppage against the Nazi seizure of Austria? Perhaps if there had been more actions like that, the dismemberment of Czechoslovakia need not have happened. And in the Czechoslovak crisis, who else on the campus had a program to offer? Who took the leadership among students when the Nazis launched upon their night of barbarism? Who has gathered funds for Spain? Who has spoken out for China? In all this, we have been moved by one dominating concern—how to preserve American peace and American democracy. Because we have not been concerned with fighting phantoms and bogeymen, because we have not made a policy out of inaction nor hiding under our bedcovers, they say we are for war. We do not believe for one moment that if the lights go out in Europe, that if the lights go out in the Orient, America will not likewise be engulfed in a twilight of reaction, and, in the end, of war.

We are glad that American foreign policy today is increasingly one that is active in defense of peace and democracy throughout the world. We exult that American democracy has told Hitler off. We exult that American democracy has extended credits to China despite the blustering threats of the Japanese militarists. We applaud the "good neighbor" policy and suspect it is on the right track, for is it not denounced as Yankee imperialism by Germany and Italy? But we must go further. We hope that Congress will unshackle our foreign policy so that America's great influence can be used more actively against aggression. We must lift the embargo on Spain. We must halt our participation in Japanese aggression. We must strengthen the "good neighbor" policy in the interests of democracy. Vigorous American leadership can halt the retreat into war. Vigorous American leadership can unite the peoples of the world against Fascist aggression. For this policy, for these aspirations the American Student Union has no apologies.

STUDENT ASSEMBLY FOR LIBERAL ACTION

Such is the program of the American Student Union. It is a program that we believe can enlist the united support of the educational community. So concerned is the American Student Union that the entire campus enlist in this crusade to make of democracy a fighting faith that our convention wants to see the calling of a national student assembly for liberal action next Christmas. The campus needs and the student body is searching for channels to express their support for the objectives of the New Deal and to be effective in 1940. The American Student Union would like to be that channel. We are for that very reason prepared to cooperate with the mass of individual students, with teachers, with liberal educators, and student leaders in the launching of such an assembly. The time has come when everyone must stand up and be counted for democracy. There are no side lines in the post-Munich world.

I want at this point to clear up some misunderstandings about the American Student Union.

A. S. U. NOT AGAINST PRIVATE PROPERTY

We are not a leftist or anticapitalist organization. At no time have we made any declarations against private property. I am sure that no one in the American Student Union would advocate the socialization of tooth brushes. Neither is there anyone who would propose that the post office be turned over to private enterprise. We are concerned, however, that the amount of social control be determined by the needs and welfare of all the people, not any small privileged group.

NOR AGAINST RELIGION

The American Student Union is not antireligious. We recognize that piety, charity, the needs of spirit, and humility in the face of our vast ignorance, find expression in religious worship and we stand for the freedom of such worship. Some people have accused us of being antireligious because of our ardent devotion to the cause of democracy in Spain. We have no apologies to make for our efforts on behalf of Spanish democracy. But we do not identify Loyalist Spain with opposition to religious freedom, and we point to the decree of December 9 which reestablished normal freedom of worship in the Spanish Republic. It has become increasingly clear that it is fascism and not democracy that spells the destruction of religion.

NOT A FRONT FOR ANY "ISM"

We have been accused by the Dies committee of being Communist and being agents of a foreign principal. At least, that is what we learn from the papers. We categorically deny both these charges. We are not and have never been the agent or representative of any foreign principal. We are not dominated by Communists nor have we ever expressed any belief in or sympathy for communism. We are not a "front" or blind for any person, any organization, or any "ism." Our only concern has been to awaken students from thoughtlessness and apathy to a concern for having democracy serve human needs. We have often stated that there were Communists in our organization, and as long as they adhere to the rules and principles of our organization they will remain. American democracy was founded and has flourished on the principle that everyone was welcome who plays the game according to the rules.

There is real justice, however, in the criticism of those who state that we have an anti-administration attitude. Dr. Leigh, President of Bennington College, has declared that sometimes it seems as if we assume almost a "student class conscious attitude of objection to faculties and administrators." We acknowledge this criticism. We recognize that the educators and administrators of our schools and colleges by and large have a devotion to democracy equal to ours. We believe that among those who see the need for defending democracy, there can be cooperation, and we will strive to establish that cooperation.

Finally, let me make a statement with respect to the R. O. T. C. We believe that the students in the R. O. T. C. and many of its instructors share a concern for peace and democracy as strong as that of the campus as a whole. Our criticism has been directed not at the membership of the R. O. T. C., but at the anti-labor, anti-democratic bias which the R. O. T. C. Manuals, instructors, and exercises have demonstrated at times. In our effort to safeguard democracy, we believe that the members of the R. O. T. C. will accept their responsibility along with that of the whole campus.

ROLL CALL FOR HUMAN RIGHTS

We make these affirmations because we believe that today no irrelevant consideration, no accidental prejudice must stand in the way of the unity of all the campus forces of democracy. The entire educational community must be united to safeguard and strengthen democracy.

We have outlined for you the program of the American Student Union. It is in essence a program of rededication to democracy. It is a program that the student body will endorse. To achieve the widest possible endorsement of the objectives of the American Student Union, to give them the widest possible hearing on the campus, let us launch a Human Rights Roll Call. We know that there are at least 250,000 students and educators who are prepared to stand up and be counted for democracy, because they recognize that there are no sidelines in the post-Munich world.

Fascism has not gained the upper hand. This is not the moment for pessimism. Did anyone imagine that fascism and the

system of enslavement that it represents would give up without a struggle? Its very excesses represent, not youthful vigor, but a last vain effort to survive just as a defeated man will make one more sortie before surrender.

Let us all stand fast—let us remain united, and fascism will shatter itself on the rock of that unity!

Susan B. Anthony Memorial Address

EXTENSION OF REMARKS
OF
HON. ROBERT RAMSPECK
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 16, 1939

ADDRESS BY HON. ROBERT RAMSPECK, OF GEORGIA, FEBRUARY 15, 1939

Mr. RAMSPECK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me last night in connection with memorial services for Susan B. Anthony:

It is fitting and proper that the one hundred and nineteenth anniversary of the birth of Susan B. Anthony is being remembered here tonight under the auspices of a great national organization of women whose purpose is to carry forward the great fight to which she gave her life.

It is difficult for our generation to realize that 70 years ago women had no rights regarding their own children; that a married woman had no legal right to the money she might earn; that married women could not own property; that women could not enter hotels or restaurants unless accompanied by a man; that a married woman could not collect damages for injury to her person or reputation; that only one college admitted women and that women could not vote or hold public office.

For more than 50 years the brains, the energy, and the ability of Susan B. Anthony were devoted to a fight to change these conditions. She sought for her sex the right to equal consideration, the right to vote and hold office, the right to own property, and to retain salaries and wages earned.

When she died at the age of 86 some progress had been made, some laws had been enacted, and it may well be said that as the result of her efforts the mind of the Nation had been changed.

Today others will no doubt go more into detail with reference to the work of Susan B. Anthony. In the few minutes at my disposal I hope to draw a lesson for our generation based upon the life of this great woman.

As one interested in government, at a time when we are faced with many difficult problems, I regret to see so many who take the position that one person can have no effect upon their solution.

Every generation has its own problems. Those of today, although complex and difficult, are perhaps no harder for us to solve than were the problems of any other generation.

The life of Susan B. Anthony should serve as an inspiration for those of our generation. It should prove an effective answer to those who doubt the possibility of the effort of any one person to be useful and effective.

Certainly no person in the history of America ever faced a harder task than that chosen by Miss Anthony. When she began her efforts to change the status of women, she was subjected to ridicule, abuse, and intolerance. She had to persuade men against their will, and, strange as it may seem, she found opposition among those she sought to help.

To this battle she brought patience, intelligence, and ability. She also had courage to carry on in the face of the many difficulties she encountered. By education, by persistence, by persuasion, and by organization she gradually beat down the opposition and created a willingness on the part of the male population to give justice to women.

Of course, she did not do all of this alone. She brought to her support many men and women, because they were persuaded to believe in her cause, but she was the motivating influence in this great change of sentiment.

Every woman of today who participates in the right to govern, every woman who enjoys the right to work and own property should be grateful to Susan B. Anthony and to those who joined in her efforts. We all should honor her because she, through her efforts, created a finer and a more noble civilization.

We can and should build monuments to her. We can and should name schools for her. But, above all things, we should be inspired by her life to work and strive for an even greater and better civilization.

The late Arthur Brisbane once said: "There never was a nobler, more unselfish soldier of the human race. The world might well have wept, had that child been born a boy instead of being Susan B. Anthony."

Coming as I do from the State in which is located the first college for women, Wesleyan College at Macon, Ga., and from which the first woman, Mrs. Rebecca Latimer Felton, was appointed to the United States Senate, I take pleasure in having a part in these exercises honoring a great woman who proved herself to be a greater American.

Every American today might well study the life and accomplishments of this great American and emulate her example. There is need today for patriotic and unselfish efforts on the part of all of us to bring to a solution the many problems with which we are faced. If each of us would devote to the general welfare one-tenth of the effort, the ability, and the courage which Susan B. Anthony used for the betterment of her fellow citizens, there can be no doubt that a more noble and greater Nation would be the result.

While, thanks to the efforts of Susan B. Anthony and her fellow workers, many of the restrictions have been removed from the lives of our women, the battle has not ended. Even now there are those who would restrict the right of women to work. There are those who care nothing for the economic welfare, the health, or the education of the less fortunate.

Fortunately, many women of today are interested in our problems. Many women, and men also, are working for greater opportunity for all classes, for a more equitable adjustment of economic conditions, for better health and living conditions, and for wider educational opportunities for all of our people.

While to those of us now living in this complex age the present situation may seem so difficult as to make ineffective the efforts of any one person, if we but remember the odds which Susan B. Anthony faced, and notice the improvements resulting from the movement she sponsored, we must conclude that no task is so difficult, no problem so complex that it can resist the pressure of public opinion, if that opinion results from the knowledge that the cause is just and fair and the purpose sought is for the good of all. It was on this basis that Susan B. Anthony waged her battle, and she was successful because what she sought to do was fair, just, and in the interest of all.

Susan B. Anthony was a maker of history. We stand here tonight in the presence of a monument erected in her memory. The woman's suffrage amendment to the Constitution is a monument to her work. A postage stamp has been issued in her honor. Many Governors have issued proclamations in memory of her birth. Many laws in the interest of women and of humanity speak more than I could say for the effect her life had upon our Nation.

But to me comes the hope that her greatest monument may prove to be the result of her life as an example to those now living, the hope that others may emulate her interest in the welfare of the great masses of our people; that we may honor her by being active in promoting justice and equal opportunity for all of our people.

"Isn't it strange that princes and kings,
And clowns that caper in sawdust rings,
And common folks, like you and me,
Are builders for eternity?
To each is given a bag of tools,
A shapeless mass, and a book of rules,
And each must make, ere life has flown,
A stumping block or a stepping stone!"

Susan B. Anthony made her life a stepping stone upon which millions have climbed to a happier and better life. May we honor her by doing likewise.

Frances Perkins

EXTENSION OF REMARKS
OF
HON. J. PARNELL THOMAS
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 16, 1939

AN ANSWER BY HON. J. PARNELL THOMAS, OF NEW JERSEY, TO THE PUBLIC STATEMENT OF FRANCES PERKINS, SECRETARY OF LABOR

Mr. THOMAS of New Jersey. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following answer to the public statement of Frances Perkins, Secretary of Labor:

The public statement of Frances Perkins, Secretary of Labor, made in defense of herself, of James L. Houghteling, Commissioner of Immigration and Naturalization, and Gerard D. Reilly, Solicitor of the Department of Labor, against my charges that they conspired to defraud the Government of the United States by failing to enforce the immigration laws, in my opinion, sustains the charges I made.

The Secretary of the Department of Labor attempts in her defense to excuse her failure to enforce the immigration laws by subordinating them to her personal views concerning the rights of alien Communists under the Constitution of the United States. The defense was a big-sister story, a plea that even aliens who are Communists should have the same rights under the Constitution as native-born citizens have. The Secretary of Labor, in her defense, attempts to secure these new rights for aliens who are Communists through the judicial decree of the United States Supreme Court limiting the power of Congress to deport aliens whose political views are dangerous to the security of our country.

The Secretary of Labor, in her defense, fails to even mention the one thing which she has repeatedly relied upon in her former statements on this subject, to wit, that the Bridges and Strecker cases are almost identical except that the evidence in the Strecker case was stronger than the evidence in the Bridges case. This omission clearly demonstrates that either the Secretary of Labor now concludes that the two cases are not similar or that the Strecker case may be the weaker of the two, a contention which I have made from the beginning. It may even be possible that Miss Perkins has at long last come to realize that the Supreme Court's decision in the Strecker case may not serve as an authority in the Bridges case. As a matter of fact, despite the repeated statements of the Secretary of Labor to the contrary, it has never been necessary for the Department of Labor to prove that Bridges was or is a member of the Communist Party in order to deport him, for two of the four charges in the Bridges warrant of arrest are that he is affiliated with an organization that believes in, advocates, or teaches the destruction of the Government of the United States by force or violence, and these charges are not present in the Strecker case.

The statement of Miss Perkins shows very definitely that in the appeal of the Strecker case to the Supreme Court she is seeking ways and means, or legal grounds, on which to save Communist aliens from deportation: (1) By advising them (to quote from Miss Perkins' statement) "that our American institutions operate without fear or favor and in the spirit of fair play to the stranger within our gates, as well as to the native-born." Aliens who believe in the overthrow of the Government of the United States by force or violence are the only aliens involved in this issue. Therefore, I must infer that Frances Perkins, by the term "stranger within our gates," means the Communist alien who is in the United States; (2) in citing the Herndon case on page 5 of her defense, the Secretary of Labor injects issues and defenses into the Strecker case which even he did not urge; as also when she says on page 8 of her statement, "The immigration laws have peculiar significance to the future of our country, and it is incumbent upon those who administer them to aim at certain important goals; to preserve for this country its institutions, its ideals, and its Government safe from any foreign forces *which present a clear and present danger tc the continuance of our way of living.*" The language which is italicized in Miss Perkins' quotation is taken from the Herndon case, which was not an immigration case but dealt with the rights of a citizen under the fourteenth amendment.

The statement of Frances Perkins is definite proof of her desire that an adverse decision be rendered by the Supreme Court against the Government in the Strecker case.

It is also clear evidence that Frances Perkins is representing Communist aliens and not the Government of the United States in urging an appeal of the Strecker decision, and that she has the interests of these Communist aliens more at heart than she does her sworn duty to enforce the immigration laws of the United States.

As further evidence, indicative of Miss Perkins' violation of the immigration laws of the United States, she hails the decision of Judge Hutcheson, who decided adversely on her warrant of deportation, and lauds Judge Hutcheson as one of the great jurists of the country. In this connection she says, "This opinion by one of the Nation's most distinguished jurists, Judge Hutcheson, was to the effect that an alien who was acknowledged to have been a member of the Communist Party was not on that ground deportable under the immigration laws." Repeatedly in her statement Miss Perkins calls attention to the fact that she is not a lawyer, and yet she does not hesitate to designate the jurist who decided adversely to the Department of Labor's warrant as "one of the Nation's most distinguished jurists." She gives fulsome praise to the judge who decides adversely to the Labor Department and reverses its order of deportation against Strecker. Such praise might be expected from Strecker's attorney, but never from the Secretary of Labor, unless the Secretary of Labor is desirous of evading her manifest duty under the immigration laws.

Miss Perkins further says: "Judge Hutcheson's opinion (taken together with recent rulings of the Supreme Court of the United States in the Herndon and DeJonge cases) led to a serious doubt as to whether the older cases under the immigration law were still a guide and whether they applied to the Communist Party as it now functions." This reference to the Herndon case, which is quoted at length in the brief filed by the Solicitor General in the Strecker case is further proof of the fact that Miss Perkins desires to defeat the immigration laws of the United States through seeking from the Supreme Court an opinion holding that the immigration laws are unconstitutional, violating the first amendment to the Constitution of the United States.

The Solicitor General and his associates, and Mr. Reilly, Solicitor of the Department of Labor, in the brief heretofore filed by them in the Supreme Court of the United States in the Strecker case, devotes several pages to the Herndon case and suggests that aliens have rights under the Constitution of the United States which have never been accorded to them, rights which may limit or invalidate the present immigration laws providing for the deportation of aliens who believe in, advocate, or teach the overthrow by force or violence of the Government of the United States.

The fact that Miss Perkins reverts to this case in her statement is, in my opinion, proof of the existence of a conspiracy to defeat the immigration laws of the United States. Herndon was and is a citizen of the United States. His constitutional rights were and are entirely different from the rights of a Communist alien, and yet Miss Perkins and the legal staffs of the Department of Labor and of the Department of Justice have and are seeking to inject into the Strecker case the constitutional safeguards which are provided only for the citizens of our country.

The statement contained in the brief heretofore filed by Government counsel on behalf of Strecker in the Supreme Court is amazing proof that they seek to defeat the Government's cause of action in the Supreme Court. They say:

"While respondent did not specifically raise in his petition for habeas corpus (R. 1–2), or in his assignment of errors below (R. 67–69), or in his brief in opposition to certiorari, the question of the constitutional right of freedom of speech and of assembly under the first amendment of the Federal Constitution, that question may be deemed by the Court to be pertinent with respect to this question of statutory construction. (*Cf. Herndon* v. *Lowry*, 301 U. S. 242.)"

Miss Perkins' statement seeks to cloud the issues involved in the charges which I have made against her by saying:

"There is some suggestion * * * that Bridges threatened me and others in the Department of Labor with violence and showed us a want of respect which led to our following a procedure out of the ordinary * * *. I say this merely to indicate that neither through fear nor cowardice has any member of the Department of Labor at any time been swayed from his duty in connection with the Bridges matter."

Certainly there was never any allegation in the impeachment resolution that Bridges threatened Miss Perkins or others in the Department of Labor. There was ample evidence, however, from Mr. Arthur J. Phelan, inspector in charge of the Legal Division of the Immigration and Naturalization Service in San Francisco, and also from Mr. R. P. Bonham, District Director of the Immigration and Naturalization Service at Seattle, Wash., that the Communists were preparing to intimidate witnesses who would appear against Bridges in the deportation proceedings; and on March 23, 1938, Frances Perkins advised the Attorney General of the United States that—

"Several persons who have filed affidavits about the case with the Immigration and Naturalization Service have said that they feared for their personal safety if they were compelled to testify fearlessly. In order to assure protection for these people during the pendence of the hearing I would appreciate if you would notify the United States marshals in those cities to assist the local immigration officers to the extent that will seem desirable on days when particular witnesses are to appear."

Thereafter, and on April 1, 1938, Robert H. Jackson, the present Solicitor General of the United States and the then Acting Attorney General, advised Miss Perkins that it "would not be possible to assign United States marshals to be present at the deportation proceedings."

Obviously, Miss Perkins and her immediate associates in the Department of Labor were never threatened by Harry Bridges, for they, in the positions which they now occupy, have been the very best friends that this Communist alien could possibly have had.

On page 8 of Miss Perkins' statement she says: "Also I want to point out to you that there is no hazard to our population or institutions involved in these postponements because of the fact that if Bridges or any other alien at any time takes any action to overthrow the Government of the United States by force or by violence, or if he commits any crime, he can and will be promptly arrested, tried, and punished or deported under the terms and requirements of law." How Frances Perkins could ever make such a statement, in view of the complaints about Bridges given to the Department of Labor as far back as 1934, and the strong incriminating evidence against Harry Bridges given to the Department of Labor since 1937, is inconceivable. Yet Harry Bridges, alien Communist, has never had a hearing before the Department of Labor. In fact, unlike other alien Communists who have been released only on bond, he is allowed to go scot free on his own recognizance. Further, she offers no defense for her conduct in this respect.

The most amazing part of the whole defense is Miss Perkins' statement:

"I also wish to emphasize that I am not in accord with the principles of the Communist Party. I do not share the economic or political views of the Communists. I regard many of their tactics as an impediment to the efficient functioning of the Government, as well as of society at large. I find in their insistence upon party authority and their emphasis on class struggle, their conception of a dictatorship of one class and their oft-repeated contempt for religion the negation of that individual liberty and that development of the human personality for which this country and every democracy must stand."

The significance of the foregoing quotation can only be grasped by an analysis of the words which she uses. She does not say that she is opposed to the Communist Party, but she says that "I am not in accord with the principles of the Communist Party." She does not say that she is opposed to their economic and political views, but she says, "I do not share their economic and political views."

She does not say that she is opposed to their tactics, but she says, "I do not share their economic and political views."

She does not say that she is opposed to their tactics, but she says, "I regard many of their tactics as an impediment to the efficient functioning of the Government, as well as of society at large." And Miss Perkins finds their views on "party authority, class struggle, conception of a dictatorship of one class, and their oft-repeated contempt for religion" not something that is obnoxious to her, but as the "negation of that individual liberty and that development of the human personality for which this country and every democracy must stand."

In other words, Miss Perkins could not have expressed her opposition to communism in more complimentary and kindly phraseology. She doesn't hate it; she doesn't abhor it; she dislikes certain features of it. From this gentle "slap on the wrist" which she gives to communism, she then moves into a consideration of the nature of her duties as Secretary of Labor in charge of the administration of the immigration laws. She reminds us of the "solemn character of the task that has been entrusted" to her, and of the fact that "the power which is vested in the Secretary of Labor under the law is in many respects the most serious and the most drastic administrative power vested in any executive officer in our Government," and that the Secretary of Labor "has the power, in certain specific situations, not even involving a crime, to issue a warrant for the arrest of any alien in the United States; he has the power virtually to imprison that person; and he has the power to order that person to be sent back to the country of his nationality, even though he recognizes that in some circumstances this is tantamount to sending an alien to his death."

The error of the Secretary of Labor in her foregoing analysis lies in the fact, first, that it is the Congress of the United States, and not the Secretary of Labor, which decides the grounds upon which aliens may be admitted to the United States and thereafter apprehended, imprisoned, or deported from the United States; and secondly, that unless the Secretary of Labor is willing and able to enforce the laws enacted by the Congress of the United States she has no right to hold that office nor to allow her personal conception of what is or what is not desirable for the country to interfere with the due enforcement of said laws.

With this closing remark, I beseech the Members of the House of Representatives to look upon the defense of Frances Perkins, which I assume was presented to the Judiciary Committee of the House of Representatives in the same wording and form as it was given to the press, as a document of evasion and deception. I beseech you to not only read between the lines of the statement of the Secretary of Labor but to check her remarks with the files in the Department of Labor. Further, I hope that you will keep in mind two things: (1) That the Secretary of Labor has shown by her own words that she is endeavoring to replace our immigration statutes with some sort of idealistic philosophy peculiar to the Secretary of Labor; and (2) that the people of these United States are looking to the Congress to correct the very shameful condition which has developed in the Department of Labor under the administration of Frances Perkins, Secretary of Labor.

Abraham Lincoln, the Republican

EXTENSION OF REMARKS

OF

HON. CARL T. CURTIS

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 16, 1939

ADDRESS BY HON. CARL T. CURTIS, OF NEBRASKA, FEBRUARY 13, 1939

Mr. CURTIS. Mr. Speaker, under leave to extend my remarks, I include the following address made by myself at the Lincoln Day dinner at Charles Town, W. Va., on Monday evening, February 13, 1939:

I never grow tired of the life of Abraham Lincoln. Perhaps any facts or incidents that I might tell concerning the life of that great American would be known to most everyone in this audience, yet there is something about it that causes us to want to hear it over and over again. I, for one, thrill at the thought of the rise of Abraham Lincoln from the lowly country boy to the great natural leader that he was. May the time never come in America when we no longer cherish and repeat the story of the humble Abraham Lincoln, born in poverty and obscurity and by combining honest effort with a divine purpose, rising to the position of highest responsibility in all the land. The life of Lincoln is typical of American opportunity. May the time never come when we, in our zest and our desire to make life secure, so interfere with the natural processes and stifle enterprise to such an extent that we make a recurrence of the life of Lincoln impossible. I would remind you that there is not another country in the whole world in which the story of Abraham Lincoln can be recounted. He is distinctly the product of a free country, a country void of title, caste, or class consciousness.

While President, Lincoln himself said: "I happen temporarily to occupy this big White House, I am living witness that any one of your children may look to come here, as my father's child has. It is in order that each one of you may have, through this free Government which we have enjoyed, an open field and a fair chance * * * that the struggle should be maintained, that we may not lose our birthright."

As Nancy Hanks Lincoln went down into the shadow of death, on that bleak day in February 1809, little did she realize that the new life that she gave to the world would forever be America's idol of honesty, hard work, truthfulness, self-denial, and attainment. In God's great outdoors, among the trees, and beneath His starry sky, in what is now Larue County, Ky., Abraham Lincoln was born on February 12, 1809. There he lived until 1816, when the Lincoln family moved westward near to what is now Gentryville, Ind. At the age of 8 years, his mother died, and in 1830 the Lincoln family moved to the State of Illinois. We like to think of Lincoln during this time and to hear again the stories and incidents of his life as a boy. We love to visualize him reading by the fireplace, pouring over the Holy Bible, Æsop's Fables, Robinson Crusoe, Pilgrim's Progress, the History of the United States, and Weem's Life of Washington. We might truthfully say that Lincoln's library was meager, yet we must also realize that they were the finest books and that they were few enough in number that there was time for him to study and meditate upon them.

I love the story of Abraham Lincoln because he did not climb the ladder of success through any pride of pedigree. He was living proof of that great maxim that all men are created equal, and his life will forever stir the ambition of boys and girls throughout the land in their desire to make good. Lincoln's life was not a rosy path. The bitterest of heartaches and experiences were his, and no doubt such a background, was what prompted him to say, when inquiry was made about his boyhood and family, he answered by quoting from Gray's "Elegy": "The short and simple annals of the poor."

Little did the members of the Legislature of the State of Illinois realize who was in their midst when the towering Lincoln, who measured six feet four, moved among them from 1834 to 1842. Perhaps the same things might be said of his colleagues in the Congress of the United States where he sat as a Representative from 1847 to 1849. But all of this constituted a part of the groundwork used by the hand of divine Providence in raising up a man who would be the preserver of our Nation and a great blessing to mankind.

Lincoln has been characterized as a dreamer in incidents where he was applying himself to some book in his idle moments. But it has occurred to me that he was somewhat of a prophet too. The other day I was reading the speech which Congressman Abraham Lincoln made in the House of Representatives on January 12, 1848, speaking of the President of the United States, he said, "His mind is taxed beyond its power, is running hither and thither, like some tortured creature on a burning surface, finding no position on which it can settle down and be at ease." I had to pinch myself twice before I could make myself believe that he was talking about the President back in 1848.

Lincoln believed in a representative form of government. He stated that he would like to preserve the Constitution as it was when the founding fathers created it. Our heritage as a free people is that of a representative form of government. The American contribution to the science of government is its establishment of representative government. A system whereby the people rule themselves through their selected Representatives, and these Representatives are restrained by certain constitutional limitations.

Throughout the ages mankind, in its attempt to rule itself, has gone from one extreme to the other. The pendulum has swung from the rule of the mob to the rule of the king, and from king to mob. The mob, if necessary, would rise and destroy the king and seize his property, and the king in turn would destroy the mob and seize their property. A line of kings would rule until there arose a ruler who was harsh and cruel and unjust. The people would then rise up and destroy such a king, and they would go on ruling themselves until their lack of order and system resulted in mob rule; then there would arise a proclaimed leader, who would say to the people, "Follow me; I am the way out." This leader would again establish a rule of one man. Certain European countries have recently gone through just such experiences. But the American representative form of government is a middle course between mob rule and the rule of one man.

In these modern days I think it is well that we give some attention to our terminology. Various subversive groups have perverted and debased the word "democracy." There came to my desk this last week a publication of the Communist Party. It contained many articles and editorials on current political affairs. Throughout each one of these articles the writer gloated upon the glories of a democracy. They arrogantly refer to the preservation of democracy in the United States and elsewhere throughout the world. Be not deceived; the Communists, agitators, and like radicals do not believe in, nor are they friendly to, the real American democracy, the democracy of representative government. This Nation of ours is a republic.

In section 4 of article IV of the Constitution of the United States we find these words: "The United States shall guarantee to every State in the Union a republican form of government." It was this representative form of government that Lincoln had in mind in his

first inaugural address when he said: "A majority held in restraint by constitutional checks and limitations and always changing easily with deliberate change of public opinion and sentiment is the only true sovereign of a free people." In other words, our American government is a government of laws and not of men.

It was such a republican form of government that Thomas Jefferson and his great body of followers believed in. And today I take my hat off to our Jeffersonian Democrats, and bid them welcome to the savior party of America. The party that once more, with God's help, must save America, this time from complete moral and financial bankruptcy and from foreign philosophies and entanglements.

Thoughtful citizens throughout our land are alarmed over our national debt. Let us refer to the immortal Lincoln, he said: "Coming expenditures must be met, and the present debt must be paid; and money cannot always be borrowed for these objects. The system of loans is but temporary in its nature and must soon explode. It is a system not only ruinous while it lasts, but one that must soon fail and leave us destitute. As an individual who undertakes to live by borrowing, soon finds his original means devoured by interest, and next, no one left to borrow from, so must it be with the Government."

I will concede that the New Deal party has led in spending and in the growth of bureaucracy. But it has been the Republican Party that has progressed in our great social reforms. It was the Republican States which led the way in education, child welfare, mother's pensions, workmen's compensation laws, the promotion of safety for workers, and other humanitarian enterprises.

As we face the future with its challenge for further progress in the solution of our problems, we start from a premise growing out of the great mind and heart of our first Republican President.

On July 1, 1854, Lincoln declared: "The legitimate object of government is to do for a community of people whatever they need to have done, but cannot do at all, or cannot do so well for themselves in their separate and individual capacity. In all that the people can individually do as well for themselves, government ought not to interfere."

At the same time, Lincoln was aware of the ever-increasing burden of Government and the growth of bureaucracy when he said: "It has long been a grave question whether any government not too strong for the liberties of its people can be strong enough to maintain its existence in great emergencies." And again he said: "I believe each individual is entitled to do as he pleases with himself and the fruits of his labors, so far as it in nowise interferes with any other man's rights."

True it is that Lincoln lived in a day when our modern cities were yet in their infancy. We were then primarily an agricultural nation. Yet he had a vision of the problems and the needs of labor and a sense of fairness for the man who works in our great industrial centers. Lincoln proclaimed the creed of all Republicans concerning labor. About a year before his death he addressed a group of workingmen in New York, and among other things he said: "The strongest bond of human sympathy outside the family relations should be one uniting all working people of all nations, all tongues, and kindred. Nor should this lead to war upon property or the owners of property. Property is the fruit of labor, property is desirable; it is a positive good in the world. That some should be rich shows that others may become rich, and it is just an encouragement to industry and enterprise. Let not him who is houseless pull down the house of another, but let him work diligently and build one for himself, and thus, by example, assuring that his own is safe from violence when built." And again he said: "Labor is prior to and independent of capital. Capital is only the fruit of labor and would never have existed if labor had not existed. Labor is the superior of capital and deserves a much higher consideration."

Today we are faced with the imports of many nations, and reciprocal-trade agreements are questioned. We should be mindful of the words of Lincoln when he said: "I was an old Henry Clay tariff Whig. In the old days I made more speeches on that subject than any other. I have not since changed my views. I believe yet if we could have a moderate, carefully adjusted, protective tariff, so far acquiesced in as not to be a perpetual subject of political strife, squabbles, changes, and uncertainties, it would be better for us."

We have ever been faced with socialistic philosophy. There have been those in our midst who would convince us that our economic system is wrong. It was the humble Lincoln, the poor country boy, the debt-ladened businessman, who said, "I do not believe in a law to prevent a man from being rich. It would do more harm than good. So while we do not propose any war upon capital, we do wish to allow the humblest man an equal chance to get rich with everybody else." And again he said, "That men who are industrious, sober, and honest in the pursuit of their own interests, should, after a while, accumulate property, and, after that, should be allowed to enjoy it in peace, is right."

Lincoln had no fear of foreign invasion, but he did fear all doctrines and enemies from within. Lincoln said, "At what point then is danger to be expected? I answer, if it ever reaches us, it must spring up from among us. It cannot come from abroad. If destruction be our lot, we must ourselves be the author of and finisher. As a Nation of free men we must live through all time or die by suicide."

That our country is sick and tired of the failed philosophies of the Old World under the name of the New Deal is self-evident. We have had too much of a one-man government; that has resulted in a one-man depression. Upon the Republican Party falls the responsibility of repelling any threat of a third time. It is a grave responsibility, and again I remind you of the words of Lincoln when he said:

"It is to deny what the history of the world tells us is true to suppose that men of ambition and talents will not continue to spring up amongst us. And when they do, they will as naturally seek the gratification of their ruling passion as others have done before them. The question then is, Can that gratification be found in supporting and maintaining an edifice that has been erected by others? Most certainly it cannot. Many great and good men, sufficiently qualified for any task they should undertake, may ever be found whose ambition would aspire to nothing beyond a seat in Congress, a gubernatorial or a Presidential chair; but such belong not to the family of the lion, or that tribe of the eagle. What! think you these places would satisfy an Alexander, a Caesar, or a Napoleon? Never! Towering genius disdains a beaten path. It seeks regions hitherto unexplored. It sees no distinction, and if possible, it will have it, whether at the expense of emancipating slaves or enslaving free men. Is it unreasonable, then, to expect that some man possessed of the loftiest genius, coupled with ambition sufficient to push it to its utmost stretch, will at some time spring up among us? And when such a one does, it will require the people to be united with each other, attached to the government and laws, and generally intelligent, to successfully frustrate his designs."

Twenty-two years ago the United States entered into the great World War. Thirty-five thousand American boys laid down their lives to make the world safe for democracy and to end all war.

Today the Republican Party must stand firm in the prevention of a recurrence of such a war. We must resist the allurement of such phrases as "The democracies of the world must stand together." It is the same old theory that so pitifully failed in 1917 and 1918.

And what is more, we must obey the mandate of Lincoln with more justice and liberality for our veterans, when he said "Let us care for him who has borne the battle."

May we, on this anniversary of the birthday of Abraham Lincoln, rededicate our lives to the great principles of our first Republican President, to the end that this Nation, under God shall have a new birth of freedom.

I love to go in that house across the street from the Ford Theater in Washington where Lincoln spent the last hours of his life. That little room is almost the exact dimensions of the little cabin in which he was born. That is a hallowed spot and it invites meditation and thanksgiving. It was there, that when the soul of the founder of our party left us and went to the great beyond that Seward uttered those words which we today find to be so truthful, "He now belongs to the ages."

Taxation of State, County, and Municipal Employees

EXTENSION OF REMARKS

OF

HON. WILLIAM W. BLACKNEY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 9, 1939

Mr. BLACKNEY. Mr. Speaker, when H. R. 3790, a bill relating to the taxation of the compensation of public officers and employees, was before the House, I was opposed to it for the reason that the bill, as presented, was clearly, in my mind, unconstitutional.

This particular bill involved two titles. Under title I it was sought to impose a tax upon the salaries of all State and municipal employees; by inference, therefore, the title implies that the salaries of these persons are not now taxable but would be after the passage of this bill.

On the other hand, title II would relieve from liability the payment of taxes on salaries of the same group of persons for the past 3 years. Therefore, by inference, title II implies that the salaries of these persons are already taxable and have been taxable for years past.

It would seem clear, therefore, that if title I is necessary, if, in order to make the salaries of State employees subject to the income-tax laws, it is necessary to pass any legislation, then title II is not necessary because if there is no such law now on the statute books, then there is no liability to be waived.

Our form of government is dual in nature, the National Government having supreme power over all Federal matters and the State government being supreme within the State on matters not affecting Federal jurisdiction, each separate,

legal entities, yet cooperating with each other to form a more perfect union.

The United States Government has followed a uniform policy with reference to taxing State employees or State agencies which are indispensable to that State. All of the decisions of the Supreme Court have followed the same line of thought. The McCulloch case, Collector against Day, and other decisions of the Supreme Court, have all asserted the same doctrine, namely, that the Federal Government cannot tax an officer or employee of a State when that officer or employee is engaged in a function which is indispensable to the maintenance of the sovereignty and independence of the State.

When there is a reasonable doubt as to the constitutionality of any bill which Congress may endeavor to pass, it is our constitutional duty to uphold the Constitution and to vote against the bill.

I remember when the Guffey coal bill was before the House many of the proponents of that bill voted for it, regardless of their doubt as to its constitutionality, because the word had been passed to them that the bill must be passed, whether they had doubts as to its constitutionality or not. I voted against that bill for the reason that it was clear in my mind that it was unconstitutional, and under the oath of office which I had taken it became my duty to vote against it.

So in H. R. 3790 it seemed to me that this bill was an effort to have Congress perform an act which they had no legal right to do under the decisions of the Supreme Court of the United States and under the general policy which had been established by our Government for 150 years.

For that reason I voted against the bill, as I have repeatedly stated that I shall vote for no bill that, in the judgment of thinking constitutional students, is unconsitutional. I shall not violate my constitutional oath and vote for such legislation as may be tinged with unconstitutionality.

If we are to preserve our dual form of government and preserve the independence of State and Nation, each in their own sphere, then legislation of this kind should not be passed. If the proponents of this bill had desired, they could have proposed a constitutional amendment providing for the taxation of compensation of public officers and employees and, had the people demanded it, the constitutional amendment could have been passed in less time than it will take the Supreme Court to determine the constitutionality of this bill, when and if some litigant contests its constitutionality.

To conform to our Constitution, the orderly way would have been to have proposed a constitutional amendment which, if passed, would have become the supreme law of the land, rather than to assume the present method of congressional usurpation which, if followed, would weaken the Constitution and bring it into disrespect, and thus subvert our American Government which we have been building for 150 years.

Lincoln Day Address

EXTENSION OF REMARKS

OF

HON. GERALD W. LANDIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 16, 1939

ADDRESS BY HON. GERALD W. LANDIS, OF INDIANA, FEBRUARY 13, 1939

Mr. LANDIS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me at a Lincoln Day banquet at Vincennes, Ind., February 13, 1939:

We have met tonight to celebrate the one hundred and thirtieth birthday of Abraham Lincoln. Lincoln truly "belongs to the ages." He is considered the typical American. And he was a Hoosier, for it was here in southern Indiana that his character was formed. Known now as one of the four great men of world history, Lincoln was the product of this area. He knew Knox County. At intervals over a period of 40 years he visited Vincennes. Lincoln's floor manager at the Chicago convention in 1860 was Jesse K. Dubois, who lived just across the Wabash River from Vincennes.

Sitting in a trench during the World War a group of hungry, lonely, homesick British officers started talking about Abraham Lincoln. "Do you know," said one officer, "I've heard Lincoln mentioned ever so many times lately. Something in this war, it seems, appears to have turned attention to Lincoln, although I can't tell why."

A second British officer spoke up. "I'll tell you why. It's because Lincoln was always for the under dog."

Often we hear people wonder, "What would Lincoln do if he were here today?" Perhaps we cannot answer that; but of one thing we are sure—Lincoln could find plenty of "under dogs" if he were in America today.

Before the revolution in Russia there was to be seen in many a peasant's hovel candles burning before the sacred ikon. On those same walls hung pictures of America's Abraham Lincoln.

Who is this Lincoln who interests both British officers and the simple Russian peasants?

Lincoln described himself as belonging to the common people. He said, "God must have loved the common people or He would not have made so many of them." Christ, the Saviour of the world, worked at a carpenter's bench with Joseph. Lincoln, the son of a carpenter, also worked at a carpenter's bench here in Indiana.

When Lincoln came to Indiana at the age of 7, he says an ax was put into his hands at once; and from that time until his twenty-third year he was almost constantly handling that most useful instrument. Lincoln knew the feel of blisters on his hands from hard work.

What did Lincoln have to say about labor? "Labor," said Lincoln, "is prior to and independent of capital. Capital is only the fruit of labor and could never have existed if labor had not first existed. A few men own capital, and that few avoid labor themselves."

Lincoln respected labor and laborers. At one time he declared, "No man living are more worthy to be trusted than those who toil up from poverty—none less inclined to take or touch aught which they have not honestly earned."

At another time Lincoln said, "I hold if God Almighty had ever made a set of men that should do all the eating and none of the work, He would have made them with mouths only and no hands; and if He had ever made another class that He had intended should do all the work and none of the eating, He would have made them without mouths and with all hands."

Lincoln said of himself, "I was born in and have ever remained in the most humble walks of life." He was born in a log cabin. His father hired him out to labor for 25 cents a day. He was not born son of a capitalist in a mansion; he did not own another mansion in the great city of New York and still another in the great State of Georgia. He was not sent to exclusive schools. He did not carry in huge pinewood knots to shed light on the state of the Nation for a series of fireside chats; he used his fireside as he said, to study and get ready for the day when his chance might come.

Yet Abraham Lincoln was not against capital. Lincoln said, "Capital has its rights which are as worthy of protection as any other rights." He explained: "Property is the fruit of labor; property is desirable; is a positive good in the world. That some should be rich shows that others may become rich, hence is just encouragement to industry and enterprise." Lincoln went on, "Let not him who is houseless pull down the house of another, but let him work diligently and build one for himself, thus by example assuring that his own shall be safe from violence when built."

Now, let us examine Lincoln's political beliefs. Lately we have been told that Abraham Lincoln was not a Republican. We have been told that he was a Democrat; that he must have made his cross under the rooster. What are the facts?

In September 1858, Stephen A. Douglas was the Democratic candidate against Abraham Lincoln for the United States Senate. Douglas said, "Abraham Lincoln was the 'first, last, and only choice' of the Republicans for United States Senator. The black Republican Party had nobody else." Judge Douglas knew the facts.

Judge Douglas also knew the facts of some serious trouble at that time within the ranks of his own Democratic Party. This annoyed Douglas. He fretted. He accused Abraham Lincoln of cooking up "an unholy, unnatural alliance between the Republicans and National Democrats." This sounds very much like the division in the Democratic Party of today. You will recall that a few months back, when there was such "an unholy, unnatural alliance between the Republicans and National Democrats" of Nevada, the New Deal candidate was defeated. Immediately the Republicans not only were called "unholy and unnatural" but were also called "immoral." It is to be hoped that they accepted the blame as calmly as did Lincoln, who merely replied to the irate Douglas, "I have no objection to the division in the judge's party."

When Lincoln was nominated for the Presidency in 1860 the Democrats were in control of the Government and had been in control for several years. Lincoln pointed out that "the old question of tariff" and "the question of the management of financial affairs" were worrying the Nation almost as much as the slavery question. Lincoln frankly said that all his life he had been a

follower of Henry Clay, and that like Clay he believed in a "high protective tariff" for the benefit and protection of workingmen, farmers, and manufacturers of America. Lincoln added that tariff is "to the Government what replenishing the meat tub is to the family."

Again we hear men wonder "what Lincoln would do if he were to come back to Vincennes today and find that the present tariff law is such that window glass can be manufactured in Europe and set down in Vincennes for several cents less on the hundred pounds than the workers and manufacturers of Vincennes can produce it?" He would be amazed to learn that the present tariff laws are such that hogs, wheat, and cotton are dumped into America from various other countries cheaper than our own farmers can produce them, and while our poor go hungry American hogs are destroyed and American wheat burned in the fields. While our poor go in rags, American cotton is plowed under. Without doubt he would repeat what he once said about another President: "He is a bewildered, confounded, and miserably perplexed man. God grant he may be able to show there is not something about his conscience more painful than all his mental perplexity."

And what did Abraham Lincoln say about the wounded and disabled war veterans? "Say what you will," declared Lincoln, "after all, the most is due the soldier who takes his life in his hands and goes out to fight the battles of his country." "Care for him who shall have borne the battle, and for his widow and for his orphan."

Would Lincoln ever have thrown wounded and disabled war veterans out of Government hospitals clothed in nothing but their underwear? Would Lincoln have thrown out veterans dying of cancer? No; never. Would Lincoln have thrown out veterans so badly wounded and gassed you could reach into the cavities in their sides and grasp their weakly beating hearts? No; never. Would Lincoln have taken pensions away from sick and hopelessly disabled war veterans? No; because Lincoln was a real friend to the lowly and not a self-styled humanitarian. Abraham Lincoln was a true follower of that other great humanitarian, the Man of Galilee. Lincoln's great heart beat with real sympathy for the old person starving in a hovel; for the disabled war veteran lingering in a hospital; for the small-business man trying desperately to avoid being crushed by powerful corporations. Lincoln believed with Thomas Jefferson that "all men are created equal" and are entitled to "life, liberty, and the pursuit of happiness," depending only upon their ability and willingness to work.

With 11,000,000 men out of work, times now are about as dark as they were just before the Civil War. "The times are dark," said Lincoln, "the spirits of ruin are abroad in all their power, and the mercy of God alone can save us."

His Holiness Pope Pius XI

EXTENSION OF REMARKS

OF

HON. LOUIS C. RABAUT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 16, 1939

EULOGY DELIVERED BY THE RIGHT REVEREND JOSEPH M. CORRIGAN ON FEBRUARY 15, 1939

Mr. RABAUT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following eulogy delivered by the Right Reverend Joseph M. Corrigan, rector of the Catholic University of America at Washington, D. C., on Wednesday, February 15, 1939, in the crypt of the National Shrine of the Immaculate Conception on the university campus on the occasion of the solemn pontifical Mass of requiem for the repose of the soul of His Holiness Pope Pius XI:

When these passing years of our generation take their appointed place in the history of mankind they will be appraised objectively in a truer perspective than we, so close to hurrying events, may now obtain. The student of history in that later day will perhaps see clearly what is even now to us becoming plain, that what we thought was the glorious glow of prosperity, down which sank the setting sun of the nineteenth century, was in reality the angrier glare of a conflagration of greed whose firebed was the hearths of the nation, and whose fuel was the discontent of an unfree people.

When so much that seemed stable and fixed was to hurry to its own destruction in a world war only 14 years after the new century's birth, there was bound to ensue a period of bewilderment, out of which must inevitably come a new searching of values, a new establishment of aims.

The nations had been passing for more than 50 years through one of those periods in the history of the race when large numbers of men, forgetting God, set themselves to the time-old program of substituting humanity for divinity, making man find in his own earthly achievement, his fullest destiny. As this, in effect, is an attempt to have man attain to the plane of the godhead, this latest Tower of Babel was bound to come to that confusion which finally brought civilization to the red ruin of world-wide war.

Just as often in the history of mankind as the willfulness of man brings him to so low a pass, have we seen the unfolding mercifulness of God raising up another of those great figures which shine forth as beacons along the shores of time. Two pontiffs made the oblation of their broken hearts as the horror of universal war deluged the world. Men and nations were mad, and their madness was the work of the demon of hate. That hate became a scourge so universal as to bring deep degradation to human souls, even those with a tradition and background of Christianity. When finally the best blood of the nations was drenching the battlefields of the world, and all that money and power had enabled hate to do, seemed accomplished, hate had yet one last victory to win, and a world peace was declared, and the world peace was counterfeit.

Then came the new figure, a new beacon vouchsafed to a self-ruined civilization. Christ had a new Vicar on earth and his first message to the distracted world was: "The peace of Christ in the kingdom of Christ." His word was heard demanding that, for true peace, a tranquillity of order be preceded by justice. Justice must remove the obstacles to peace and then the tranquillity of order can be born of charity. Human law to which men had been trusting when they turned from God may effect an external conformity; it may enforce observance by reason of fear; but most men can see today the emptiness of human law. We know that laws which have not God for their sanction can never perfect the spirit of men. The greatest need of the world today is the working of the spirit of God in the minds and hearts of men, which will assure us then in the laws of nations that tranquillity of order out of which can come the peace of Christ.

Year by year for 17 years the utterer of this great message has grown in his power over the hearts and minds of men. He finally captured the attention of the whole world. He thoroughly appreciated and fully employed all legitimate agencies to inform, to inform and to organize world opinion.

He has proven himself the fearless flayer of injustice wherever it dared to raise its head. In every walk, in all creeds and in all races, thinking men of good will throughout the world came to hail him as the great man of his time, the true benefactor of humanity, the courageous leader of the century. Yet, all acknowledged him as a simple man of God.

His courage in defending fundamental human rights has been recognized wherever evil power has dared to impinge on freedom of conscience, or to rob the youth of their heritage of the faith of their fathers. He boldly challenged the modern pagan world on marriage, on Christian education, on religious liberty, on the industrial slavery of the working classes, on the political slavery of atheistic communism and state totalitarianism.

He understood how these two—the industrial slavery and the political slavery—robbed the individual of his God-given rights; how they destroy all true patriotism, how they choke the meaning out of loyalty of fellow citizens and to government, how they destroy all religion, undermine everything that is holy and sacred in the family, and do not falter in attacking God Himself. He protested with all his vigor against the intellectual kidnaping of children which the world witnessed in the latter years of his papacy. He feared no human power when duty bade him speak, for the truth and the justice of God were the inspiration of his every utterance.

Pope Pius XI was a man of his time. He proved himself the eager acceptor of every instrument of evangelization which modern science could bring to his aid. He accepted gladly the newest pulpit of the radio and from that pulpit in God's great cathedral of the universe he made heard around the world the living voice of the teaching authority of the church of Christ.

Where a great pope before him had pioneered for the rights of labor and had stated for all time the right of the workman to a living wage as the fruit of his labor, Pope Pius XI, himself from the ranks of the working people, could speak with authority of the actual present-day conditions. More, he could portray the remedy for the evils of our industrial life. As labor's best friend he fought its battles for a family wage under conditions befitting the dignity of human nature. He warned both labor and capital of the flagrant injustice for either of them to seize, either by guile or by violence, more than a reasonable share of its profits, and he warned the laboring man that a revolution of Godless communism would not free him but enslave him all the more.

While he would alter the social order so that ever laborer might have the just wage to enjoy life's frugal comforts, he would also have those who carry the responsibilities of wealth recognize their obligations under God.

His was the only authoritative teaching voice that defended without compromise the morality of Christ in marriage and in the sanctities of home life. His special concern was to strengthen the family, first spiritually and then economically, and only so bring about a lasting reform which will benefit both the state and the church.

He could earn for himself the glorious title of "the Pope of the Missions" because he could sense the need of making true re-

ligion a part of a people's personal and national life. Cultivation of a native priesthood, he made a goal to be sought from the earliest entrance of missionary effort into a new field. Home missions found him using his authority as supreme pontiff to reach back into the Catholic days of nations long Protestant and raising to the altars for the inspiration of the Catholic minority names worthily to be written in the album of the saints, St. Thomas Moore and St. John Fisher, inspiration to the English church. On the other hand, his elevation to the altar of his boyhood neighbors, St. Dom Bosco, from Piedmont, and the blessed Frances Cabrini, from his own Lombardi, proved him conscious and eager to have the world conscious of the vital forces active in the church today.

It was he who instituted the feast of Christ the King, so fitting a feast toward bringing a realization of his glorious motto: "The peace of Christ in the kingdom of Christ."

The long years of his hidden life which had prepared him for the great destiny then before him had passed in those famed libraries, the Ambrosian and the Vatican, where he steeped his mind in the learning and the experiences of those who before him had led the church of Christ through world crises and could be his inspiration in the many dark hours of his brave and patient pontificate. This spiritual preparation was paralleled by the eager Alpine recreations of his younger years which were to insure him that rugged health and domination of pain and undismayed persistence in his exalted tasks, qualities which were obvious factors in our long years of his fearless guidance and unremitting vigilance.

The United States of America has paid to his venerated name in these pall-hung days a tribute of respect and admiration so universal and so articulate as to constitute a response somehow commensurate with the earnest zest with which Pope Pius XI looked to our great democracy as the hope of the world. My halting tribute here today to this great pontiff's memory falters still more as I record, as here must be recorded, how the Holy Father loved this Catholic University of America. There was about him the seeming of a prophet as from his bed of pain 2 years ago he portrayed the part he hoped this university was destined to have in the welfare of our Nation. Twice in the past year did Pope Pius XI write a message to the archbishops and bishops of this country urging the fullest use of our possibilities in the service of the Nation. He pleaded for the most complete development of our school of social science.

The Holy Father frankly declared that the Catholic University of America was destined in his conception to do a task which he did not hesitate to call vital to the best interests and future welfare of our own country; that it should be strengthened to lead the defense of Christian principles, essential for any nation, but so obviously demanded in fullest measure in a nation like our own, where citizens have the right and the duty to take so true a part in the assets of government.

It is to the university the Holy Father held that the millions of Catholics in this country must look for the unifying force which will make them one and solid in their opposition to the soulless teachings which might mean undermining the principles on which a truly democratic nation must continue to stand.

The following words of the Holy Father are addressed to the bishops but they are meant for everyone concerned in the same problem of Catholic triumph over evil and of our Nation's triumph over those within its gates who would bring it to ruin. He said: "It is a source of deep consolation to us, as it must be to you, venerable brethren, that the church in America is so well prepared to meet the challenge of these critical times, and that in the Catholic University we possess such an admirable instrument for the exposing of error and for the dissemination of Christian truth."

Proudly shall the Catholic University of America dedicate itself to so blessed an assignment, and a-down the years, hold as her most cherished commission the task given her by the love and hope of Pope Pius XI, all the dearer in that it consecrates us to the highest service of our beloved America.

When but a lad of 13 years, in the little town of Desio in Lombardy, the boy who later became Pope Pius XI must have heard with great excitement that Rome, the city of the popes, had been taken by force and made the capital of Italy. The news would follow that the Holy Father, whose name was Piux IX, had found it necessary to reject the offers of the new rulers and to retire as a technical prisoner to the seclusion of his Vatican palace. There was no way to foresee the working of divine Providence, nor for anyone in that village to glimpse the glorious truth that this boy, Achille Ratti, would one day throw open again the doors of the Vatican and end the nearly 60 years' tenure of the imprisoned papacy. Universal acclaim was his when, having sought and found a royal way to heal the hurtful division between church and nation in his fatherland, he came forth a sovereign from the prison of the Vatican. All men might read that this was greatness, but greater yet, let the world never forget that when he came through the great portal of St. Peter's, he came bearing aloft, in that hour of triumph, the most Blessed Sacrament.

The Pope who came forth was bearing the sacramental Christ, the fact of that July day just 10 years ago was also a glorious symbol. It totals a great pontificate. Came Pius XI carrying Christ to a world made hateful and mad because it had lost Christ. The voice of Christ's vicar kept calling that the basic evil of all was this divorce of Christ from daily life. He was untiring in his patient insistence all these years that into the home, into business, into play and recreation, into governments, and into the duties of citizenship, must come the kingship of Christ. Justice and charity must meet again and good will be the cement between men and between nations, that out of this rule of Christ might be restored the kingdom of Christ, where might be triumphant that for which, 17 years before, the new pontiff had called to a stricken world, the peace of Christ. In loving memory today, in grateful recognition, in loyal return response let our words be his. To Achille Ratti, great Pius XI, for all eternity "The peace of Christ in the kingdom of Christ."

The Gilbertsville Dam

EXTENSION OF REMARKS

OF

HON. CHARLES I. FADDIS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 16, 1939

STATEMENT OF TWO CITIZENS OF PADUCAH, KY.

Mr. FADDIS. Mr. Speaker, in relation to the Gilbertsville Dam, for which the House of Representatives refused further appropriations in the independent offices appropriation bill, I herewith present some facts presented to me by some of the citizens from that locality. The facts paint a local picture of this dam which is worth taking into consideration.

PADUCAH, KY., *February 12, 1939.*

1. The valley of the Tennessee River at this point is wide and very fertile. An 88-foot dam will create a lake from 4 to 8 miles wide and 185 miles long, which will cover up and drown out over a million acres of the finest soil in this part of the United States.

2. Along the 185-mile stretch many creeks and small rivers flow into the Tennessee River. In the valleys of these creeks and rivers it is estimated that another 200,000 acres of fertile land will be destroyed for farming purposes, leaving only the unfertile hills and small branch bottoms for farming purposes.

3. About one-half of this 1,200,000 acres are still in valuable forests of both soft and hard wood, which produce millions of dollars' worth of timber annually. There are probably 20,000 agricultural citizens who will be shifted from their agricultural pursuits in this section.

4. Nature endowed this valley with an annual overflow of high water, such as in the valley of the Nile in Egypt. This overflow comes each January or February and leaves behind a rich sediment which naturally makes this land very fertile. This overflow also kills all harmful insects on this land and assists in insect control throughout this section.

5. This dam will destroy 175 miles of improved highway, 40 miles of railroad, and will necessitate the raising and protection of 125 additional miles of highway. It will also inundate or partly inundate 10 or more towns or villages and 7 railroad or highway bridges. To say the least, it will cause many million dollars' worth of damage.

6. One of the local industries in that section is gathering mussel shells. Thousands of the poorer citizens engage in this industry from early spring until late fall. They can gather about a ton per week each, which enables them to earn about $20 per week. The building of this dam will destroy these beds along this stretch and these people will then be candidates for relief.

7. The T. V. A. is now paying an average of $60 per acre for land which 3 years ago could have been bought for $20. At that price the site alone will cost $72,000,000.

8. The estimated cost of this dam is from $112,000,000 to $200,000,000, and at the least calculation the interest alone on this money will be $3,360,000.

9. This land, once acquired by the T. V. A., will no longer be subject to taxation and the State, county, and municipal taxes of those subdivisions of government concerned will be compelled to make good their loss by an increase in taxation upon the property within their jurisdiction.

10. This valley produces annually about 20,000,000 bushels of corn, $10,000,000 worth of livestock, $12,000,000 of lumber products, and several million dollars' worth of wheat, cotton, rye, beans, tobacco, and various other grain and farm products which need no irrigation or fertilization to grow same, and the growing of these products will cease when the land is covered by the lake.

11. There are hundreds of steamboats, towboats, and river craft of many kinds plying this river, and when this dam is completed and a 185-mile lake is created these craft cannot navigate the lake,

as the waves created, on account of the width of same, will swamp or sink these craft. This is the opinion and complaint of experienced rivermen. Should the dam be completed, millions of dollars invested in these river craft will be a total loss, as it will take larger and more costly boats and barges to navigate this lake.

12. As for the hydroelectric power it might generate (which is not needed) there is enough potential power at Pickwick, Wilson, and Wheeler Dams on this river to supply electricity for a radius of 100 miles to 10 times the present population for 100 years to come.

13. Flood control: Every thinking citizen and practical engineer in this part of the country knows that it is practically nil and will not decrease the annual overflow we have in this valley as much as 1 inch at the crest of the high water—and the excuse that we must build the dam for flood control is a lot of false propaganda. In fact this annual high water is highly beneficial to our land, and no citizen is inconvenienced by same, as they all live out on high land, but an 88-foot dam will cover up these houses and barns for 185 miles on each side of the river.

If Congress has to spend $112,000,000 borrowed money instead of spending it on a dam that will cause so much destruction to our natural resources, why not dig a canal across the watershed above Pickwick Dam to the Tombigbee River in Alabama and let the excess water go to the Gulf? We understand that only a short canal would be necessary and that the lake water backed up by the Pickwick Dam would allow the water to flow into the Tombigbee by gravity.

There are many reasons why you, as a Member of Congress, should not allow this terrible destruction of our natural resources. Last year the vote for the appropriation of nearly $3,000,000 for the beginning of this dam failed in the House once, but later by attaching it to the general appropriation bill and a lot of "log-rolling and horse swapping" it passed by only a majority of seven votes, and no doubt would have failed again if the Members could have known the above facts.

The undersigned are lifelong citizens of this valley, having been born and reared in the area to be destroyed. We are not connected in any way with an electric company and cannot profit 1 cent by the dam not being built, but we are only interested in helping to prevent an awful destruction of our natural resources in this part of the Nation, which will take the means of a livelihood from this and future generations, and leave only poor hill land for them to dig a living from for generations to come.

We feel that the vast majority of citizens even in this part of the United States are opposed to this destruction (except New Deal spending officials and those who would benefit financially by the dam being built), but we have no organization, money, or lobby to appear before Congress to fight against it, and all we can do is present the facts, hoping there will be a majority of conservative Members of Congress who believe in economy to defeat any future appropriation for this destructive project, and we sincerely hope that you will vote against and do all you can to defeat it, and by so doing you will be rendering a real service to humanity in preventing this destruction of our fertile land and valuable forests, and future generations will honor your memory for so doing.

If there is any further information you wish, we would be glad to furnish same.

F. A. JONES, M. D.,
Physician and Farmer.
LOUIS IGERT,
Owner and Manager of Igert's Towboat & Barge Line,
Paducah, Ky.

Now, Mr. Speaker, last year the Gilbertsville Dam was twice rejected by the House and was finally forced over on us in a conference report. This year the House has again rejected it and along with it has rejected initial appropriations which would start similar projects. That is the plan these bureaucrats follow. They obtain a small appropriation for preliminary work. That is the nose of the camel. They then come back with a plea for a hundred times as much to save what has already been spent. I am well aware that in all probability another body will attempt to place back into this bill the money for the Gilbertsville Dam and also money to start other dams and to furnish excuse for still more appropriations to finish them. Let me call to the attention of my colleagues of the House, the fact that the House of Representatives alone has the power, under the Constitution, to initiate appropriation bills. Three times you have spoken on this Gilbertsville Dam and twice you have been overruled by this body, which in reality has no power to appropriate. The power to raise an appropriation bill is equivalent to the power to initiate. Let me beseech you to stand your ground in this matter and to preserve inviolate your constitutional prerogatives in the matter of appropriations.

General Welfare Act—The Townsend Plan

EXTENSION OF REMARKS
OF
HON. MARTIN F. SMITH
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 15, 1939

STATEMENT OF HON. MARTIN F. SMITH, OF WASHINGTON, BEFORE THE COMMITTEE ON WAYS AND MEANS

Mr. SMITH of Washington. Mr. Speaker, under permission granted to me by unanimous consent of my colleagues of the House, I am extending my remarks by inserting the remainder of the statement which I made before the Ways and Means Committee, February 15, 1939, in support of H. R. 2, the General Welfare Act, which embodies the principles of the Townsend old-age pension and national-recovery plan. The first part of the statement appeared in the RECORD yesterday, and the concluding part is as follows:

THE NEED OF INCREASING "VELOCITY" OF MONEY

The Director of Research and Statistics of the Federal Reserve Board has stated that the decrease in national business transactions in 1929 from $1,200,000,000,000 to $600,000,000,000 in 1931, was largely due to "decline in velocity."

The Dow-Jones organization says: "In October 1929 a deposit of $1 in a New York bank was being used fast enough to do $132.70 of work in a year. October 1934 the same dollar was being called upon to do annual work of only $22.50." It is estimated that the annual turn-over of the dollar is now $34. In other words, the money is not circulating. There is great need of not only putting money in the hands of the masses, but it must be kept in circulation. Therefore, H. R. 2 provides that the pensions must be spent within 30 days. If, when money was in circulation in more prosperous times, a dollar did $132 worth of work, as against only $34, or approximately one-third of the work when not circulating, it is apparent that money must be made to circulate. The more rapidly it circulates, the greater service—the greater work—it will do for humanity. That is the main objective of the Townsend plan.

ADVANTAGE OF QUICK CASH TURN-OVER

In 1935–36 the Supreme Court ordered the Illinois Bell Telephone Co. to refund to subscribers in Chicago the tidy little sum of $20,700,000 overcharges. This money was immediately spent in the stores of Chicago, the merchants passing it along in payment of various bills, and in the purchase of more merchandise, and in just a few days the money had turned over so rapidly and circulated from person to person so often that it had transacted approximately $100,000,000 worth of new business, and even in the big wealthy city of Chicago, which deals in billions, it attracted attention and surprise.

According to the Dow-Jones Co., of New York, national authority as statisticians and economists, this Chicago money turned over 22½ times during the year which meant that this $20,700,000 created $465,750,000 worth of new business. If the comparatively small sum of $20,700,000 disbursed by a private corporation to a few people created $465,750,000 worth of new business for Chicago merchants alone, then why won't $1,600,000,000 disbursed each month by the Government to 8,000,000 citizens also turn over 22½ times and produce $405,000,000,000 worth of new business for all the merchants of America? In other words, increase the volume of gross business turn-over, now estimated at $800,000,000,000, to approximately what it was in 1929, $1,200,000,000,000, or does the money of a private corporation act any differently than money disbursed by the Government?

EXAMPLE OF $10 TURN-OVER

For example, taking the month of April as a basis, to show possible and reasonable transactions with a Government $10 check from his allowance, we find the pensioner receives a check on April 1 and takes $10 of it the same day to his grocer, who pays 2-percent tax to the Government on sales; the grocer pays same check to his clerk, who also pays 2 percent on salary (all over $100 a month); the clerk pays check to butcher, who also pays the Government 2 percent on sales; on the 2d, butcher pays to wholesaler, who also pays 2 percent on sales; wholesaler pays to his clothier, who also pays to the Government on sales; clothier pays same check to salesman on 6th; salesman pays it to his grocer on 8th; grocer pays to his wholesaler on 10th; wholesaler pays to his salesman on 10th; salesman pays on his auto on 11th; auto dealer pays to his salesman on 13th; salesman pays his landlord on 15th; landlord pays to electric company on 16th; electric company pays to employee on 20th at noon; employee pays to dry goods company

same afternoon; dry goods company pays salesman same check on closing on 20th; salesman pays his grocery bill on 22d; grocery pays on daily account to bakery on 23d; bakery pays daily account to creamery on 24th; creamery pays wholesaler on 25th; wholesaler pays on furniture the 26th; furniture dealer pays his salesman on 27th; salesman pays on his radio the 27th; radio dealer pays to his wholesaler on 29th, saving his 2 percent cash discount for a month; and the wholesaler deposits check in bank on the 30th. Each transaction has paid a 2-percent tax, amounting to 20 cents, either from seller of merchandise or receiver of check for services.

Twenty-five reasonable and not unusual accounts have been paid with this one $10 check, which is accepted by everybody the same as currency, and 25 payments have earned $5 in revenue tax. This shows the possibility of velocity of business.

With this possible with one $10 check, what would happen with 8,000,000 pensioners paying out from $60 to $200 per month on the Townsend plan, and everybody keeping up this velocity of business transactions?

An interesting experiment was made, as related by Frederick J. Haskin, of the Washington (D. C.) Star, in his article entitled "The Velocity of Money Circulation." As a feature of a convention held in Milwaukee, Wis., the Chamber of Commerce put in circulation $400 in money so marked that it could be traced. The tracing could be carried on indefinitely until the money actually wore out or returned to the Treasury or to Federal Reserve banks for redemption and destruction. But in the short time that the chamber traced the money—a matter of a few days only—it was found that the $400 paid bills amounting to $1,425. That much indebtedness was discharged by the original $400.

While a certain amount of cooperation from local people was required to keep track of the use of the money, no collusion was involved and, in all probability, many transactions were missed entirely; that is, probably more debts were paid than could be traced.

WHERE THE MONEY WENT

In detail, the fascinating story is as follows: Three hundred dollars of the money paid salaries to various persons. Meals—dinners, luncheons accounted for $258. Landlords received $136 of the $400, while $109 was expended for groceries. The sum of $78 was spent for general merchandise, while hotel bills to the extent of only $48 were paid. In view of the fact that a convention was in the city at the time the experiment was conducted, it appears that comparatively little of the original $400 got into the hands of the visitors as hotel bills doubtless constituted a major portion of their expenses. Home-town people were getting the chief use of the funds.

Banks received $38 of the identifiable money on deposit, while board bills were paid with $35. Filling station men received a respectable share, for $35 came into their hands in payment for gasoline and oil. Housewives paid $34 of the money for meats, while coal and other fuel bills were paid to the extent of $31. Twenty-nine dollars went into the hands of public utility companies in settlement of electric bills, with another $10 for water and gas bills.

Cigars, cigarettes, and tobacco were purchased with $24 of the money, while candy, ice cream, and similar light refreshments accounted for $20. Transportation fares locally, street cars, busses, and taxicabs absorbed $15. Debts were paid and loans made to the extent of $18, while tips accounted for $17.

Furniture and hardware stores got $17 of the money and $15 of it was paid on medical and dental bills. Insurance premiums were paid to the extent of $15. Movies and other theaters and amusements accounted for $15 of the original money.

Barbers and proprietors of beauty shops received $14 of this money, while $13 was expended for drugs and medicines. Club dues and charitable donations accounted for $10. Nine dollars went for flowers and jewelry.

Bakers took in $9 of the money and $9 of it was spent for shoes. Garage bills were paid to the extent of $8, while tailors, cleaners, and laundries got $8. Telephone bills were paid in the amount of $6, while radio tubes and accessories were purchased with $5.

Shoeshines and shoe repairs were acquired with the payment of $5 of the marked money. Railway and boat tickets accounted for $5 and another $5 turned up as payment of interest on a note. Payment on an automobile in the sum of $4 of this money was made. Livestock was purchased with $1.

Thus the total of $1,425 was reached. Money, to be of any use, must continue to circulate, and theoretically there are no limits to the extent of this circulation, as the Milwaukee test shows.

Starting with the $300 out of the original $400 which was paid in salaries, it can be assumed that some of it was paid in rent. The test showed that $258 of the money was paid in rent, but that did not necessarily all come out of salary money. But to follow through one single line. Assume the landlord used some of the rent money he received to pay his grocery bill. Then assume that the grocer paid his electric-light bill with what he had received. The electric-light company owed a bill for fuel and paid over some of the money to discharge that debt. The coal man paid some to the hardware man for shovels. The hardware man paid a doctor's bill and the doctor bought flowers and had a suit pressed.

Only about 3 days were devoted to the Milwaukee experiment, and yet it was shown that $400 paid $1,425 in bills. Those obligations were definitely and finally discharged; they did not have to be paid again, and yet no more money was used. That is the whole theory of circulation and, in part, the theory of inflation. Practically everyone in the United States is in debt. With more money in circulation and hoarding stopped, the cycle of payments can be speeded up, and in a short time the obligations can be discharged.

A transaction tax of 2 percent on every transaction, sale, barter, or exchange of finance is the most equitable and just form of tax that could possibly be devised, and it would not work a hardship or injury upon anybody. It would amount to $2 on every $100, $20 on every $1,000, $2,000 on every $100,000, etc., and in the case of nearly all manufactured wares, goods, and merchandise would involve directly a tax load of only five times the single 2 percent while passing, first, through the hands of the producer of the raw material; second, the manufacturer of the raw material; third, the jobber-broker-commission man; fourth, the wholesaler; and, fifth, the retailer.

It was estimated at the social-security hearings (p. 1103) that the cost of living would rise by 10 to 12 percent, and even the group of University of Chicago professors who oppose the Townsend plan on other grounds recently stated in the pamphlet issued by them that "an examination of statistics for one or two representative industries (not included in this pamphlet for lack of space) confirms the reasonableness of the estimate that the rise would be on the order of 10 percent." However, if the increase in the price level proved greater, owing to the stimulation of business, trade, industry, and agriculture, which would result, it would be governed by the law of supply and demand, the same as in the past and at the present time. Prices would go up and wages go up in proportion. Hence no damage or injury could be caused to the vendor of any commodity who would, in the very nature of things, be greatly benefited on account of the improved market and demand for everything that is produced on the farms and manufactured in the factories.

WHAT IS WRONG WITH A TRANSACTION (TURN-OVER) TAX?

A retail sales tax has been urged by big business and by many of the most conservative Members of the House and Senate for years as a sound and just form of taxation. Will someone point out why a tax imposed upon all business transactions would be any more unsound, unsafe, or unjust than a retail sales tax or manufacturers' excise tax, and wherein lies the difference which should cause us to adopt the one and reject the other?

I desire to quote from an address delivered by the late Sir John Aird, who was president of the Canadian Bank of Commerce, at the annual meeting of shareholders, held at Toronto, Canada, January 14, 1936, according to the text of his speech which I received from him:

"It is now quite generally agreed that continuous borrowing to cover deficits and to maintain social services on the present scale cannot go on indefinitely, and therefore that the most rigid public economy and higher taxation must be faced. Intensive study should be given to the problem of establishing a broader and more equitable basis of taxation. In this connection I again advocate a Nation-wide turn-over tax as more likely than any other new form of levy to meet the need for a balanced Budget."

When he passed away recently he was eulogized in the Canadian press as the "grand old man of banking."

MORGENTHAU RECOMMENDS TURN-OVER TAX

Three years ago there appeared in the Washington, D. C., press the statement that Secretary of the Treasury Henry Morgenthau had submitted several alternative tax proposals to President Roosevelt, and among them a "1½-percent turn-over tax." I suggest that your committee question Secretary Morgenthau in regard to this type of taxation.

JAMES BRYCE—THE HAWAIIAN TAX SYSTEM

Many years ago when James Bryce was Ambassador from England in Washington, he said: "The American form of government will go on and live long after most of the other forms of government have fallen or been changed, and the reason is this: In other nations of the world when a new problem comes up it must be tested in a national laboratory, and a solution of the problem must be worked out, and when it is worked out that solution must be applied to the nation as a whole. Sometimes it may be the correct solution and other times it may be the wrong solution. But you in the United States have 48 laboratories, and when new problems arise you can work out 48 different solutions to meet the problem. Out of these 48 experimental laboratories, some of the solutions may not prove sound or acceptable, but out of this experimentation history shows you have found at least some remedies which can be made so successful that they will become national in their application."

This thought-provoking statement by James Bryce, who wrote the monumental work, The American Commonwealth, still considered to be one of the finest treatises ever written on our Government, is absolutely correct. We have recent verification and corroboration of that fact in what has transpired in one of our Territories, the Hawaiian Islands, in regard to their successful experiment in taxation.

I quote from an article by M. W. Jorz, financial editor of the Illustrated Daily News, Los Angeles, Calif., published December 24, 1937:

"The United States could wipe out its national debt and be money ahead within 5 years if the Federal Government would adopt the Hawaiian taxation system. * * * The islands have solved their tax problem by instituting a gross-income tax.

"Not only has it saved the Territory from bankruptcy but it has simplified the revenue collection to such an extent that the most ignorant oriental peddler in the street knows how to make out his tax return. * * * The gross-income tax went into effect July 1, 1935, with a levy of 1 percent on all incomes except salaries and wages. The Territorial government was $1,259,000 in debt, had slashed the pay of all teachers and Territorial employees 10 percent, and seemed hopelessly mired. It was estimated that the gross-income tax would raise $5,108,000 in the first year of the new tax. No one believed it possible. At the end of the first year Territory coffers had taken in $6,116,000. * * * In Hawaii they have discovered the weakness in most forms of taxation to be the extreme technicalities and the tiny loopholes that soon grow big enough for trucks to be driven through. When they had an excise tax of 2 percent on profits, the Orientals in Hawaii never made any profits. They could do hundreds of thousands of dollars of business and show that everything was sold at cost. Now they have changed all of that. Everybody is paying a just share of taxes. * * * They have restored the old pay scales for all the teachers and government employees, and they have not had to borrow a penny. * * * The gross-income tax is 12 times as effective as taxes collected once a year. Hawaii gets its revenue every month, and the money is turned over 12 times a year. * * * With only a tiny levy you can get revenue figures that read like a lesson in astronomy. * * * They have made their rate 1¼ percent now and have nothing whatever to worry about. The loophole is gone forever, and nobody seems to care. * * * If you would put a 1-percent gross-income tax in the United States, you could forget all about those thirty-seven billions in debt and have money to spare within 5 years easily. * * * Kick out sales taxes and take 1 percent on gross incomes and you would have 3 times as much cash."

I desire to read into the record the following letter which I received from Hon. William Borthwick, tax commissioner of Hawaii:

TERRITORY OF HAWAII,
BUREAU OF THE TAX COMMISSIONER,
April 21, 1938.

Hon. MARTIN F. SMITH, M. C.,
1034 New House Office Building, Washington, D. C.

DEAR SIR: In reply to your question as to why a gross-income tax, rather than a transactions tax, I will say that there are few human activities that could not be described as a transaction. Many of them would produce no income. A law attempting to define transactions would require so many exemptions, deductions, etc., that it would be impossible to administer it without great trouble. For instance, a man buying postage stamps is a transaction that does not produce any income. A man could swap a hound pup for a gallon of moonshine liquor, which would be a transaction.

The reason we adhere to gross income is to find out the gross take in any line of work without looking at the number of transactions. It was suggested at the time I was fighting to put over the gross-income tax that we make it a transactions tax. This I refused to do. The gross-income tax here is the most equitable tax that we have, and those who bitterly assailed it and declared it would put them out of business are now its most ardent supporters.

Pardon me for the suggestion, but I believe a little study will reveal that I am right when I tell you that if we had a gross-income tax as a Federal measure, carrying a rate of 2 percent, the money to be spent monthly in the United States in some useful and constructive manner, we could forthwith quit borrowing money and the Federal Government would soon balance its Budget and be run on an even keel.

While I recognize that all of our national borrowings have probably been necessary and are truly only capital investments, a business firm that could get its hands on money by collecting what was due rather than borrowing would certainly succeed in a greater measure than a firm who borrowed money continually, involving themselves in interest payments.

Before the gross-income tax law was passed the Territorial legislature appropriated a quarter of a million dollars for each biennium with which to pay interest on its borrowings to finance the Territorial government through lean periods of collection. Since the gross income tax law began operating we have always had money in the till and have never borrowed a thin dime, although the cost of government has increased several million dollars in that time.

Thank you for your inquiry. Assuring you of any help I may be able to render you in the future, I am

Sincerely yours,

WM. BORTHWICK, *Tax Commissioner.*

P. S.—I formerly lived in Olympia and knew many Hoquiam folks, and still retain an interest in western Washington.—W. B.

The Hawaiian gross income tax system has been favored by Dr. Francis E. Townsend since he went to the islands last year, and he has brought Hon. Louis C. Silva, official tax expert in the islands, to this country to make an exhaustive study of the proposed tax for the United States. Mr. Silva has been granted a year's leave of absence from his official duties as chief deputy tax administrator for the Territory of Hawaii in order to conduct this survey and investigation, and he has already arrived here for that purpose.

TRANSACTIONS TAX—GROSS-INCOME TAX

The General Welfare Act (H. R. 2) provides for a 2-percent transactions or gross business turn-over tax, which is a broader tax base than a gross-income tax, which comes the closest to a transactions tax of any form or type of taxation. The transactions tax will raise even more revenue. Instead of being used to defray the expenses of government, as in Hawaii, it will be prorated among the pensioners to the maximum amount of $200 per month to be expended within 30 days, and the surplus to be applied to the reduction of the national debt. It is a pay-as-you-go national recovery plan and far less costly than our present bond-debt-creating system, with its appalling interest burden. It will solve the problems of old-age security, relief, business depression, unemployment, and our annual crime bill.

Mr. J. Edgar Hoover, Director of the Federal Bureau of Investigation, has estimated the latter item to be $15,000,000,000 per year. We have expended for relief $12,000,000,000. The Brookings Institution has estimated our total loss in national income since 1929 to amount to over $200,000,000,000. Is it a sound investment to tax ourselves 2 cents on every dollar transaction to meet these social, economic, and financial conditions? Not one cent of the money is to be borrowed by the issuance of tax-exempt interest-bearing bonds. Do you realize that the interest on the bonds we issued during the World War to finance the Allied Powers and our own participation has already amounted to over $12,000,000,000? How much interest will we and our children and our children's children pay on the bonds issued during the depression since 1929 before they are finally paid? The total sum will run into astronomical figures. How much longer are we going to delay the adoption of the tax formula of the General Welfare Act and the Townsend plan, which applies the velocity principle of money turn-over and provides a revolving fund, upon a pay-as-you-go basis, to create active, liquid, working capital, available currently every month in the year, to finance the potential productive capacity of our industrial and agricultural structure? The old-age-assistance phase of the General Welfare Act is merely the means to the more important end sought. The pensions to the aged to be expended currently each month in the purchase of goods and services is merely the modus operandi by which the working capital is made available to the productive enterprise of the Nation. The General Welfare Act, H. R. 2, is the only proposal pending before Congress which will meet the requirements of the price system, the profit motive, and credit capitalism.

Mr. Chairman and gentlemen of the committee, I thank you sincerely for your courtesy and kind attention shown me during my presentation, and I hope that you will give H. R. 2 your favorable consideration.

Thank you very much.

A Multitude of American Farmers Are Not in Accord With the Government's Effort to Curtail Production and to Keep Surplus Farm Produce Off the Market

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EXTENSION OF REMARKS

OF

HON. CHAUNCEY W. REED

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 16, 1939

COMMUNICATION FROM HOMER B. GROMMON, OF PLAINFIELD, ILL.

Mr. REED of Illinois. Mr. Speaker, the agricultural problem is one which naturally is always of great interest to every Member of this House. The present dissatisfaction of a great multitude of the people who gain their livelihood from the bosom of Mother Earth is daily being called to the attention of Members of Congress who have districts embracing agricultural areas. Daily we receive communications advising us that in our districts there are large numbers of farmers who are not in accord with governmental efforts to limit production and restrain the marketing of surplus farm products.

Recently I received a communication from Mr. Homer B. Grommon, of Plainfield, Ill., a former president of the Farmers National Grain Dealers Association, and one who has been a livestock feeder and grain farmer throughout his active and vigorous life. Mr. Grommon is a man of keen intellect, intensely practical in his views, and has been for many years an exhaustive student of farm problems.

Believing his views will interest the Members of this House, I submit herewith his letter in its entirety:

PLAINFIELD, ILL., *February 3, 1939.*

HON. CHAUNCEY REED,
Member of Congress, Eleventh District of Illinois,
Washington, D. C.

MY DEAR CONGRESSMAN: As you know, I have been a grain farmer and livestock feeder in your district all my life, am well past the three score and ten mark, and have held executive positions with a number of farmer organizations, among them the Illinois Farmers Grain Dealers Association and the Farmers National Grain Dealers Association, which have for one of their purposes the gathering of facts and information of interest and benefit to the units comprising them as well as to the farmers who own and control them. I am, in common with you, interested in the welfare of my whole country, so that coming generations may enjoy unlimited religious freedom, may have the right to express their thoughts publicly, and may continue the pursuit of happiness and material comforts and blessings which are the earned reward of private enterprise and effort.

As a nation we are drifting away from government by all the people to government by well-organized minorities, which at times go so far as to use force and intimidation to gain their demands. In some cases this trend is disguised by Government loans to cooperators in plans for helping themselves. Many of these loans are in effect gifts of public money to those who join the plan. When I was young bribery was the word, but the modern name apparently is benefit payments.

A multitude of American farmers are not in accord with the Government effort to curtail production and to keep surplus production off the market.

Records of our Government show the fallacy of it; ancient history emphasizes its unsoundness; and repeated experiences show its disastrous results. Agricultural Department records, printed and distributed by act of Congress, show the annual production and average farm price of wheat, corn, and oats. Starting with 1909 and on through 1934—26 consecutive crop years—the 13 largest crops of these three grains exceeded the 13 smallest crops by over 13,500,000,000 bushels, and that the total farm price for the big crops exceeded the price realized on the small crops by nearly $12,000,000,000. The average price per bushel for the big crops exceeded the average price per bushel for the small crops by 19 cents in the case of wheat, 1 cent in the case of corn, and about one-half cent in the case of oats. If we eliminate the war years from the picture, the farm price of wheat was 29 cents more per bushel for the big crops than for the small ones. Going a step further and leaving out also the years when the ill-advised Farm Board functioned, carrying out the plan of farm leaders, and using $500,000,000 of your and my money in an attempt to raise prices by taking surplus off the market, we find that the farm price for wheat was 39 cents more per bushel for the big than for the small ones. It is a well-known fact that it is the surplus that goes to market, and when the large crop year surplus of 13,500,000,000 bushels of grain went to market, as it did in some form, that surplus furnished additional business and employment for every type of industry, bringing back to the farmer new capital to invest in better educational opportunities for his children and to use in improving and modernizing his home and farm with repairs, paint, electric light and power, electric appliances, automobiles, new machinery, etc.

All this new additional capital, this 13,500,000,000 extra bushels of grain reposed in the hands and in the control of the farmer, who produced and owned it, making the best ever-normal granary known to man, infinitely better than Government ownership or control of any theoretical surplus of grain.

It is gratifying and encouraging to see the manufacturing industry give serious attention to the problem of the farmer. Farm leadership led the farming industry astray when it attempted to follow the manufacturing industry in the matter of production control, with the fallacious argument that because industry was able in a measure to prevent too drastic price declines by reducing production, agriculture should do the same, but overlooked the very obvious fact that such procedure was not a deliberate choice on the part of the manufacturing industry, but rather a drastic and disastrous necessity employed as a last resort and profitable to nobody. The collapse, which brought industry almost to a standstill and farm prices to ruinous levels, was in neither case too much goods for peoples' desires and needs, but was the inability of too many people at home and abroad to buy even such necessities as food and clothing in adequate amounts.

The recovery problem was the same then as now, to provide jobs for as many unemployed as possible and to take care of them until they were able to take care of themselves. In the manufacturing industry the remedy tried was to shorten hours and increase hourly pay, which only has had the effect of increasing costs which already were too high for the greatly curtailed buying power of the Nation, with a consequent depressing effect upon the volume of industrial business. At the insistence of some of our most widely know farm leaders, the remedy tried was to reduce volume of production, or, in other words, to decrease the number of jobs in an effort to raise prices at a time when people already were unable to buy at prevailing prices. If these schemes had solved the problem, it would be unnecessary to continue discussing it.

Production makes jobs. Production is wealth, price is not. When we all have all the things we want and need, then we are really wealthy. Money has been defined as the means of carrying the production of the country to the consumers of the country. Isn't it a possibility that when the production is not getting to the consumers, it is a mistake to raise prices? Could it not be a mistake to cut production when jobs are the greatest necessity?

To illustrate what volume of farm production means in the way of jobs, let me quote from a recent magazine article by Mr. Stuart Chase: "In a desert in Egypt has stood for 6,000 years the most massive structure ever built by man, a house for the dead. In a desert in Washington a new champion arises, a center of energy for the living. The Grand Coulee Dam will weigh 23,000,000 tons, over thrice the heft of the Pyramid of Cheops; Norris Dam is a toy by comparison; Boulder is higher, but only one-third as great." (Atlantic Monthly, November 1938.)

The official figures on the corn, wheat, and oats production for the 26 consecutive crop years from 1909 through 1934, when divided into the large crop years and the small crop years, show that the yearly average tonnage for the 13 large crops exceeded that of the 13 small crops by 26,000,000 tons, 3,000,000 tons more than the weight of the Grand Coulee Dam. The material for the dam was hauled to the site and put in place to stay for perhaps 6,000 years, but the crop tonnage is handled over and over again. Thus, a big crop makes jobs. It is 26,000,000 tons more per year to be handled by harvest machinery and labor; it is 13,000,000 more trips from farm to market with a 2-ton truck; it will load 514,000 freight cars to terminal markets and to processors; and then be reloaded and shipped to retailers and distributors. Production makes jobs.

I am very hopeful that the four research stations which the last Congress ordered to be established may provide information leading to new uses for crops which we now raise and to the raising of new crops for which there now are uses. A market for what we raise, or something to raise for which there is a market, is needed so that farmers can produce with no other restrictions than those which Nature imposes and with which we have always to reckon. If the Nation is to get any great and lasting benefits from these research laboratories, we must have the full and intelligent cooperation both of manufacturers and farmers. I am sure that industry will try to give the American farmer the order for everything they use which can be made from an agricultural product and look to the laboratories to determine where and how to get it in cheap and satisfactory form. Industry will have the job of developing the discoveries of new and useful ways to use farm products, and farmers must learn to produce at levels profitable for both. As you know, we used to raise our own farm power and the "horse fuel" to keep it going; now we buy our power and fuel with the result that acreage formerly used for feed is producing products which must be sold in the market instead of being used on the farm. You and I know that hogs could bring more and pork could sell for less if lard were not selling for less than the live weight of hogs. If our experiment stations can take from the grain some of the fat-producing elements and use them for fuel, the breeders, the farmers and feeders, and the packers can unite on producing a more profitable hog from what is left of the grains. This is only one illustration of what we may find in exploring the road to capacity production. If labor and industry can join forces, forget price fixing, and concentrate on volume production, the farmer can afford to trade with industry in generous measure without artificial attempts to raise prices and boost the cost of living, and all could have a great deal more real wealth at a lower cost in dollars, with jobs for everybody.

Production is wealth. Surplus production makes capital. Invested capital creates jobs and jobs bring prosperity. Any attempt to prevent surplus production is a direct attack on prosperity, because it is an assault on capital.

Early in 1936 Transportation Association of America pioneered the refutation of the false theory that the way to have more is to produce less At that time the association published Grain Production and Its Relationship to Prosperity, edited by the writer. This document contains, and the conclusions thereof were based on, official figures of the United States Department of Agriculture, and disprove, beyond any question of doubt, that economic benefits come by pursuing the doctrine of scarcity in agriculture. Many farm leaders were instrumental in influencing Congress to attempt this experiment—many of these same leaders are now undertaking to dispute its effectiveness, reversing themselves by adopting the theory of plenty.

In view of the fact that you again have the agricultural problem before you for consideration, the question is pertinent as to whether Congress should not now do its own thinking along fundamental lines.

With kind personal regards, I am,
Very truly yours,

HOMER B. GROMMON.

Promotion in the Navy

EXTENSION OF REMARKS

OF

HON. CLARENCE W. TURNER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 16, 1939

BILL INTRODUCED BY HON. CLARENCE W. TURNER, OF TENNESSEE, AND EXPLANATION OF PURPOSE

Mr. TURNER. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following bill introduced by me in regard to promotion in the Navy and a short explanation thereof:

A bill to correct injustices resulting from faulty application of the Navy selection law of June 23, 1938

Be it enacted, etc., That so much of the provisions of the act entitled "An act to regulate the distribution, promotion, and retirement of officers of the line of the Navy, and for other purposes," as relates to the retirement or discharge of officers of the grade of lieutenant colonel, major, captain, and first lieutenant in the Marine Corps, as a result of having twice failed of selection under the provisions of that act, as affects those officers who will be retired or discharged on or before June 30, 1939, is hereby suspended.

SEC. 2. The Secretary of the Navy shall appoint a board of five officers, above the rank of commander in the Navy or lieutenant colonel in the Marine Corps, none of whom shall have sat as a member of a selection board for the 2 years prior to July 1, 1939, and shall furnish this board with the records, except health records, of all officers now in the grade of lieutenant colonel, major, captain, and first lieutenant in the Marine Corps, who would be retired or discharged on or befcre June 30, 1939, as the result of the aforementioned act of June 23, 1938.

SEC. 3. The board appointed under the provisions of the preceding section shall meet within 1 month from the passage of this act and shall carefully examine the records of those officers with which it shall have been furnished by the Secretary of the Navy, in accordance with the provisions of the preceding section. Within 15 days from the date of its initial meeting it shall submit to the Secretary of the Navy the names of those officers, from the foregoing list, which it considers best fitted for promotion from the grades in which they may be then serving, to the next higher grade, not to exceed promotions to the number of 4 colonels, 8 lieutenant colonels, 16 majors, and 32 captains, respectively: *Provided*, That the board shall be governed, in selecting the officers for promotion as aforesaid, by an examination of the records of the officers concerned, in their present grades, and shall recommend for promotion only those officers whose records in their present grades contain no matter unfavorable to them, being governed by no other consideration: *And provided further*, That the board shall, in addition, submit to the Secretary of the Navy, at the same time as the list of the officers recommended for promotion a list of those officers not so recommended, with the reasons therefor, which reason or reasons in each case shall be supported by an extract or extracts from the record of the officers concerned, which shall be certified by the president of the board to be a true extract of the record of that officer in his current grade.

SEC. 4. The report of officers not recommended for promotion having been submitted to the Secretary of the Navy, he shall, without delay, notify each officer named therein of this fact, quoting the reasons given in the aforementioned report of the board, and shall permit the officer concerned to present himself in person before the board, to be examined by the board on any matter or matters appearing in his record which may be of a nature unfavorable to him, to be represented by counsel, and to have the right to examine any member of the board, or any other witness, with regard to his record in his current grade, or any part thereof: *Provided*, That the meeting of the board for the hearing of any officer not named on its original list of recommendations for promotion to the next higher grade shall take place only after a reasonable time, sufficient to allow all the officers concerned to present themselves at the place of meeting of the board: *And provided further*, That an officer, not recommended for promotion, who being duly notified by the Secretary of the Navy of his right to appear in person, must, within 5 days after the receipt of such notification, notify the Secretary of the Navy, in writing or by official dispatch of his desire to so appear, otherwise he will be assumed to have automatically forfeited his right to appear: *And provided further*, That no cost shall accrue to the United States, on account of travel of officers desiring to present themselves before the board, nor shall the time absent from their duties by such officers, on account of such appearance, be counted as other than leave of absence.

SEC. 5. The board shall proceed with a separate hearing of any officers who may have stated their desire to appear before it, under the provisions of the preceding section, and shall, within 5 days after the hearing of all such officers shall have been terminated, recommend to the Secretary of the Navy either that the list of recommendations as originally submitted be approved and forwarded to the President for nomination of the officers named therein to be promoted as set forth hereafter, or that the names of any or all officers whose cases the board has considered as a result of personal hearings be added thereto, and that the revised list be then submitted, as above; or that, in case addition of the number of officers recommended as a result of personal hearing to the original list will result in an excess over the number allowed by section 3 above, those officers who may be added as a result of hearings be retained in their current grades on the active list for a period of 1 year, or until such time as their eligibility for promotion shall have been again considered by a selection board convened pursuant to the act approved June 23, 1938, above mentioned: *Provided*, That no retirements or discharges under the provisions of the act of June 23, 1938, above mentioned, shall be carried into effect until the President shall have approved the final action of the board appointed pursuant to section 2 of this act.

SEC. 6. Officers selected for promotion as a result of the action of the board appointed pursuant to section 2, above, shall be promoted as additional numbers in their respective grades. They shall take rank after the officer promoted as a result of the action of a selection board convened in obedience to the provisions of the act of June 23, 1938, whose name appears next above theirs on the lineal list established by publication of the Register of Commissioned and Warrant Officers of the United States Navy and Marine Corps, published by authority of the Navy Department under date of July 1, 1938: *Provided*, That the officers so selected shall be promoted subject to the laws governing physical and professional examination for promotion, and shall then be subject to all other laws governing officers on the active list of the Navy: *And provided further*, That no discrimination, as regards the character of duty to be assigned these officers, shall be made by reason of the fact that they are additional numbers in their respective grades.

SEC. 7. If the total number of officers selected and promoted as additional numbers, as above provided, shall be less than 60, the Secretary of the Navy is authorized to make recommendation to the President for the commissioning of such number of second lieutenants in the Marine Corps, as shall bring the total number of officers promoted as additional numbers, or retained as a result of the recommendation of the board appointed pursuant to the provisions of section 2, above, in accordance with the provisions of section 5, above, and officers newly appointed second lieutenants, to 60 officers: *Provided*, That the appointment of second lieutenants shall be in all respects in accordance with existing laws.

DISCUSSION, TOGETHER WITH CERTAIN REMARKS ON THE OPERATION OF THE PRESENT NAVY SELECTION LAW, AS APPLIED TO THE MARINE CORPS

The present Navy selection system is the result of a makeshift law, hurriedly thrown together by certain members of last year's Congress, who realized that the operation of the selection law of May 29, 1934, was entirely unsatisfactory. The makers of the present law themselves realize, as well, that the present law has many defects, and have frequently so stated. While it may have partially fulfilled its purpose during the 2 years following its enactment, the law of 1934, and its successor, the present measure, have served to separate from the active list an overwhelming majority of officers of excellent attainments, good professional background, and considerable promise.

The officers so separated go to the retired list; they have an expectancy of life of from 15 to 30 years, during which time they will draw retired pay on which the United States gets no return. Their records of service have, for the most part, been above the average. It is believed that a comparison of the two lists of those officers who have been selected and of those who have been retired from having failed of selection will show that the records of one group are no better nor no worse than those of the other. This fact, once established, bears out the assumption that Marine Corps selection boards in the past 3 years have been actuated not by an impartial examination of officers' records, as they are required to do, but by prejudices formed by a casual knowledge of the officers under scrutiny or by that insidious and entirely specious quality known as "service reputation," which may be composed of about one-tenth fact, the remainder being a sort of haphazard digest of rumors and opinions supplied alike by friends and enemies of the officer under consideration. It is, of course, well known that no person can go through a considerable period of his life without making some enemies, unless this person be of extremely negative character.

Moreover, selection boards in the Marine Corps have not been carrying out the wishes of Congress in another respect. According to the act of June 23, 1938, certain officers whose records would justify their promotion, but who, in the opinion of selection boards, did not possess the requisite personal characteristics for higher commands, were to be considered as "fitted," and promoted to the next higher grade, whence, after a given period of service, they were to be retired. Certain selection boards convened since the passage of this act have selected as fitted an extremely small proportion of those officers under consideration. This would indicate either:

That the records of these officers are much worse than would be generally believed;

That individual members of the board are bringing their personal prejudices into play;

That some directive, contrary to both the letter and spirit of the law, has been given selection boards by persons in authority in the headquarters of the corps, or in the Navy Department; or

That a faulty interpretation of the law has emanated from the same source.

That the records of certain officers passed over are, in some cases, better than those of officers selected, is definitely known. There is the case of one officer—his entire record is clear of any unfavorable matter—his reports of fitness have been either very good or excellent during his entire service; he has letters of commendation on his record almost continuously from the World War period until the present. He has occupied many positions of responsibility.

An instance of this is furnished during the period of the withdrawal of the American forces from Haiti in 1934. At this time the colonel commanding the Second Marines, the only infantry regiment then in the island, and the second in command, were detached from duty in Haiti several weeks prior to the actual withdrawal, and the command of the regiment given to this officer, even though he was at that time only a captain. During the period in which he was serving as an instructor at the Marine Corps schools he was allowed to take the advanced course at these schools in addition to carrying on his duties as an instructor, and successfully completed this course, even though he was responsible for the preparation and presentation of more hours of instruction than any other officer in his particular group. He has been serving in his present detail for almost 3 years, although the normal tour of duty therein is only 2 years. A few days before the meeting of the last selection board, which acted on his case, an officer in headquarters informed him that the general officer having charge of his particular activity wished him to continue on his present duty through 1940.

This officer has recently been officially notified that, having failed of selection as best fitted for promotion, his separation from the active list will take place on July 1 next. In contrast to this there is the case of an officer recently selected who is known to have had at least two incidents in his history which do not reflect credit on him. While in command of a detached post in Santo Domingo certain members of his command got out of hand, got drunk, burned down several native houses, and beat a native so severely that he later died.

Again, in 1935, while he was serving on duty with the Organized Reserves, he was relieved for unsatisfactory performance of duty, and given a letter of reprimand and an unsatisfactory report of fitness. Both of these latter were later removed from his record, at the instance of one of his superiors, through invoking a technicality. It is, however, noteworthy that the duty from which this officer was relieved in 1935 is identically the same duty which the officer mentioned in the preceding paragraph—who has been passed over—is now performing, and in which his immediate superiors desire to have him continue. It is also noteworthy that the future of each of these two officers was decided by the same selection board.

There are other instances of officers with apparently excellent records being passed over. Their records, in detail, are not sufficiently well known, but it is significant to note that, among the officers passed over, one has a Navy Cross and a Distinguished Service Cross; two have Navy Crosses alone; and others have decorations or citations of different characters.

The proposed legislation to which this discussion is attached is not submitted with a view of correcting the evils of the selection system, as they have developed up to the present, but in order that the services of the officers who must leave the active list by July 1 will not be lost to the United States without first determining whether or not they have been dealt with arbitrarily and unjustly. There is little question of their worth to the service—that has been proved by the officers themselves, as shown in their records.

Under a scheme initiated during the session of the last Congress, the Major General Commandant of the Marine Corps is asking, or will ask, Congress to appropriate for the commissioning of 60 second lieutenants in addition to the present authorized strength of officers in the Marine Corps. The complete plan, made known to last year's Congress, contemplates taking in this number for this and the succeeding 3 years, so that a total of 240 officers, in addition to the present authorized strength, will have been taken into the corps at the end of the period. All of these second lieutenants will be untried and uneducated. Before they can be of the same value to the Government as the officers who are being forcibly retired, they must serve from 12 to 20 years, during which time they must be paid, hospitalized, transported from place to place, and specially educated; the cost to the Government for their services and education will be something in excess of $100,000—as has been the cost of these officers who are now about to be retired. It is, then, apparent that by retiring an officer of, say, the grade of major, whose services have been satisfactory, if not conspicuous, the Government is relinquishing its interest in an investment of this size, obligating itself to one equally large, and adding thereto a payment of from two thousand to twenty-five hundred dollars a year for the next 20 years in retired pay for each of the trained and efficient officers which it is placing on the shelf. It is normal to expect the officers shelved to live not less than 20 years longer.

Examining the proposed legislation in detail, it will be seen that section 1 thereof provides for the suspension of the retirement provision of the act of June 23, 1938, as regards the officers who must retire at the end of the current fiscal year.

Section 2 provides for the appointment of a board of five officers, either of the Navy or Marine Corps, who shall be of the grade of captain in the Navy or colonel in the Marine Corps, or higher. None of these officers shall have served as a member of a selection board for the past 2 years and can therefore be expected to approach the problem with entirely open minds. The section also provides that the records of the officers due to be separated from the active list shall be furnished the board so appointed. Health records are excepted, as the officers under consideration have all been examined physically for the current year and have been pronounced fit for the performance of their duties.

Section 3 provides that the board shall meet within 1 month from the enactment of the proposed measure, and that it shall carefully examine the records of the officers concerned, and, as a result of the examination of these records, shall recommend the promotion of those officers among the group whose records, in the grades in which they are now serving are clear of any unfavorable matter. This phrase, "unfavorable matter" has a definite meaning in the military or naval service. It embraces evidence of conviction of the individual concerned by a general court-martial; record of proceedings of an investigation or court of inquiry, wherein the individual has been named as a defendant, or wherein evidence has been adduced to show improper conduct of any sort by the individual; a letter of official reprimand; a report of fitness wherein any of the markings are lower than satisfactory; or a report wherein the reporting senior has, by his remarks, indicated that the performance of duty by the individual has not been, in some respect, up to the minimum standards for officers of his grade; or a letter calling the attention of the individual to his negligence in discharging financial obligations, or inattention to other matters which may affect the good name of the service. Any item of unfavorable matter is clearly recognized by anyone examining an officer's record.

This section also specifically provides that the only consideration by which the board shall be guided is the excellence of an officer's record; it contemplates that the board shall not exercise its discretion nor shall it be guided by such nebulous factors as "service reputation," referred to previously. It further provides that in the case of officers not recommended for promotion the board shall substantiate its recommendations with certified extracts from the records of the officers concerned.

The number of officers to be recommended for promotion in the respective grades is the same proportion as to grades for officers in the Marine Corps at present. It will be noted that the total maximum number to be promoted is 60, which is the number of second lieutenants the Major General Commandant contemplates adding to the officer strength of the Marine Corps for the current year.

Section 4 provides for recourse by officers not recommended by the board, and provides final assurance that there shall be no taint of "star chamber" proceedings attached to the process of their selection or nonselection for promotion. This consists, briefly, in permitting the officer to be present at a second hearing of the board, to be personally examined, to be represented by counsel, and to have the privilege of questioning individual members of the board as to his fitness for promotion.

Section 5 continues the provisions for a hearing, allowed officers not favorably reported on in the original meeting of the board, and provides that, on final approval by the President, those officers not recommended by the board for promotion or retention, shall be retired or discharged pursuant to the provisions of the act of June 23, 1938.

Section 6 provides that the officers selected for promotion as a result of the action of the board mentioned in section 2 shall be promoted as additional numbers in grade. By this provision the officers who may have benefited by the action of previous selection boards will not be placed at a disadvantage, and the services of those worthy officers who have heretofore suffered by selection board action will be saved to the United States.

Section 7 provides for the commissioning as second lieutenants of a sufficient number to bring the total number of officers promoted as extra numbers or otherwise retained under the provisions of the proposed legislation, plus newly commissioned second lieutenants, to 60 officers.

American Federation of Labor

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 16, 1939

EXCERPTS FROM PROCEEDINGS OF AMERICAN FEDERATION OF LABOR CONVENTIONS RELATIVE TO CHAIN-STORE LEGISLATION

Mr. PATMAN. Mr. Speaker, much has been said about the American Federation of Labor during its convention at Houston, Tex., in the fall of 1938, adopting a resolution against the so-called Patman anti-chain-store tax bill, which is H. R. 1 in the Seventy-sixth Congress and was H. R. 9464 in the last Congress. I do not know whether or not our side of the question was presented before the convention.

It occurs to me that it is in the interest of labor for the farmers to receive a fair price, as the farmers' purchasing power represents the greatest market for the products of labor. This resolution states, "Chain-store operation results in lower prices of the necessities of life." It is well known that most of these low prices are due to the destruction of the farmers' buying power. It is not in the interest of this country to have low wages and low prices.

Without discussing the Houston resolution at this time, I desire to insert in the RECORD resolutions heretofore passed by the American Federation of Labor on this question.

1937 REPORT AGAINST CHAIN STORES

The report of the proceedings of the American Federation of Labor at Denver, Colo., October 4 to 15, inclusive, 1937, contains the following proceedings:

CHAIN-STORE INVESTIGATION REQUESTED—SHOE INDUSTRY—EXISTENCE OF COMMUNITIES AT STAKE

Secretary FREY. There came into the convention proceedings a telegram from Michael F. Lynch, supervisor of the Boot and Shoe Workers' Union in the Haverhill district, directed to John J. Mara, of that organization. It was referred to your committee. The telegram is as follows:

HAVERHILL, MASS., *October 6, 1937.*

JOHN J. MARA,
General President, Boot and Shoe Workers' Union,
Care of Executive Committee, American Federation
of Labor, Cosmopolitan Hotel, Denver, Colo.:

Ten thousand members of the Boot and Shoe Workers of the Haverhill district petition the American Federation of Labor, now assembled in convention in Denver, Colo., to go on record as favoring a Senate investigation of the chain-store system as it affects the shoe industry, and we ask the convention to instruct the officers and committees of the American Federation of Labor to take all necessary and proper steps to persuade the Senate of the United States to launch such an investigation at the earliest possible moment. Chain-store buyers, using cheap, foreign-made shoes as an excuse, dictate low prices to manufacturers. The manufacturers who sell to this trade use these price demands as an excuse to lower wages. It is an intolerable situation when highly organized chain systems can hammer down prices all over the Nation and then force manufacturers to make shoes at these prices or go out of business. This condition leads to steady demands upon the workers for wage cuts, and, with living costs steadily rising, wage cuts are impossible. Wage earner and manufacturer alike are dictated to by highly organized selling groups who deliberately fix prices for the whole country. The Boot and Shoe Workers' Union appeals to the organized trade-union movement for support. The very existence of entire communities is at stake, and the shoe industry is rapidly becoming a mere appendage to a few small groups who control prices throughout the United States and who manipulate these prices for their own profit and with absolute disregard for human welfare or social justice.

MICHAEL F. LYNCH,
Supervisor, Haverhill District.

In connection with the question of chain-store methods in the shoe industry, the driving down of manufacture prices to the point where boot and shoe workers cannot be paid a living wage, your committee is advised by the Boot and Shoe Workers' Union that there now exists in the United States on the part of the chain shoe stores a monopolistic and detrimental control and domination of wages paid to workers in the shoe industry in that these chain shoe stores, through their volume control of and distribution of shoes, both foreign and American made, are able to force employers of American shoe workers to accept a price for their product which price precludes and prevents the employers of America's organized shoe workers from paying decent wages to their employees for their labor.

In view of this presentation, your committee recommends that the president and members of the executive council use every possible effort to have the United States Senate conduct a thorough investigation of the evil influences now exerted by chain shoe stores as above referred to.

Your committee also recommends that the president and the executive council be directed to endeavor to secure the enactment of national legislation which will eliminate the continuance of this detrimental chain shoe-store influence on the wages paid to America's organized shoe workers.

(A motion was made and seconded to adopt the committee's report.)

Delegate MARA, Boot and Shoe Workers' Union. Mr. President, that telegram was sent down to me from our Haverhill office. We have in Haverhill some 10,000 shoe workers who are now being paid a low rate of wages, due to the drive by the chain-store high-powered buyers to enforce the workers to buy their product. These chain-store buyers shop around from one town to another, and on many occasions they buy the entire output of factories, and they dictate low prices to the manufacturers. These organized chain-store outfits can force down prices all over the Nation and then force manufacturers to make shoes at these prices or go out of business.

There are a number of chain stores having stores in all towns of any size throughout the United States. Some of the chain stores use three or four different names. They are all run by the same custom, and since the resolutions committee has recommended that the president and members of the executive council use every possible effort to have the United States Senate conduct an investigation I know that our workers in the Haverhill district will be satisfied.

Delegate DONNELLY, Ohio State Federation of Labor. Mr. President and delegates, I desire to speak very briefly upon this question and for the sole purpose of calling the attention of the members of the executive council of the American Federation of Labor and of the delegates to this convention to the very wide scope that an investigation of this sort should cover. When we discuss this question, or when we have a resolution introduced on this subject of the cutting of prices of manufactured articles by chain or other stores which results in reduction of wages and a very bad situation with respect to the manufacturers of those articles, we are confronted with what has been discussed from a governmental standpoint and by many students of this great question of sales prices.

The question that naturally arises is as to who should make the price on the article. In a number of the great department stores of this country advertising largely in the daily newspapers you will find from time to time standard articles, cosmetics, drugs, various things that are made upon which there is a standard price, but these stores will have a flier and they will sell this one thing at perhaps cost price until they ruin the business of every other merchant in the city who attempts to sell the article at a price that will give him a legitimate profit. In turn these stores demand of the manufacturers that they shall reduce their prices to them because they cannot compete with the chain or departmental-store prices caused by these fliers used in their advertising schemes.

If this is going to be carried out to a logical conclusion, it means that the makers of clothing, shoes, hats, and every other article that goes into commerce will ultimately have to cut their prices to chain stores and departmental stores who advertise and sell that one thing for the purpose of bringing the people into their stores and then getting them to buy other things when they come in out of which they can make a profit.

So it would seem to me when we consider this question, dealing with only the chain stores, we raise the large question as to whether the person that makes the article should determine the price at which it is sold or whether the person that places the articles in the stores should fix that price. There is a very dangerous situation here in relation to wage conditions, in relation to the standards which have been established by trade organizations because of this practice, and I sincerely trust when this subject is being considered by the executive council we will have some comprehensive report upon the subject of the selling price in stores, whether those prices shall be made by those who make the article—the manufacturers—or whether they shall be made by the chain or departmental stores.

(The motion to adopt the report of the committee was carried by unanimous vote.)

1932 REPORT AGAINST CHAIN STORES

The report of the proceedings of the Fifty-second Annual Convention of the American Federation of Labor, held at Cincinnati, Ohio, November 21 to December 2, inclusive, 1932, contains the following:

CHAIN STORES

Resolution No. 65, by Delegate Patrick E. Gorman, of the Amalgamated Meat Cutters and Butcher Workmen of North America, and the delegation from the International Hod Carriers', Building, and Common Laborers' Union:

"Whereas both national and local chain stores have for the past several years been monopolizing in all territories from the Atlantic to the Pacific and from Canada to the Gulf of Mexico; and

"Whereas investigation has disclosed that lack of organization within the ranks of clerks of some chain-store companies has in all sections worked hardship on unionized workers, particularly in the meat cutting and fresh fruit and vegetable line, local unions having been disorganized and discriminated against; and

"Whereas the growth of these chain-store companies, both financially and in number of units operated, have shown remarkable growth at the expense of the people of the United States; and

DEPRESSION CAUSED BY CHAINS

"Whereas it is our thought that the present economic depression is due in part to consolidations, amalgamations, and the creation of some mammoth organizations of chain-store companies, now operating in this country; and

"Whereas the laboring classes of the United States derive no benefit whatsoever from some mammoth combinations: Therefore be it

"*Resolved*, That the American Federation of Labor, at its annual convention in Cincinnati, Ohio, direct the executive officers and its organizers to foster and assist the organization of those managers, clerical help, warehouse help, and truck operators, motortruck operators, and all other types of labor in the employ of such national, regional, and local chain-store organizations; and be it further

"*Resolved*, That the American Federation of Labor interest itself vitally in the problems with a view of improving the future of the employees of these chain organizations."

Your committee concurs in this resolution.

A motion was made and seconded to adopt the report of the committee.

Delegate FURUSETH, Seamen. While I am somewhat in sympathy with that resolution, Mr. Chairman, I am satisfied that instead of helping to build up, it will really in fact help to destroy the pur-

pose for which it is intended. Chain stores come distinctly within the interstate commerce law of the United States. Their organization and their operation are subject to the interstate commerce law, and there seems to me to be much more effective and much better methods to be used to minimize or destroy the whole system of chain stores if Congress would take control over that situation under the interstate commerce law and regulate their stock issues, their capitalization, and make use of the taxing power. If they do that, they could not only minimize but, in my opinion, completely destroy a system which inevitably leads to much worse conditions than we have now.

I cannot agree that the organization of the men working in the chain stores will do very much to minimize the evils. My fear is that the organization of the men in the chain stores, without being accompanied by the other things of which I speak, will simply make the chain stores more secure, because it is a method through which they will have the sympathy of labor behind them, if they are wise enough to comply with the resolution.

The report of the committee was unanimously adopted.

The report of the American Federation of Labor proceedings at its annual convention held at Vancouver, British Columbia, Canada, October 5 to 15, inclusive, 1931, contains the following:

LABOR MAY CONSISTENTLY OPPOSE SALES TAX AND YET FAVOR TAX ON CHAIN STORES

Delegate MARTEL, International Typographical Union. I don't desire to discuss the committee's report or to disagree with it, but I would like to ask a question. Several States have undertaken the enforcement of a sales tax on chain stores as a means of equalizing the opportunities between chain stores and individual stores. If we pass a resolution opposing the sales tax, will that commit the American Federation of Labor on that matter? I know that independent merchants are fighting chain grocery and chain drug stores, and they are asking legislatures to impose a tax on the volume of trade of the store. Will this commit us to being opposed to that kind of legislation?

President GREEN. The chair is of the opinion that it would not, because there is a difference, as we see it, between a tax imposed on chain stores, upon the property owned by chain stores, and the tax imposed on the contents of those stores, which would, of course, be a tax on a pound of coffee, a pound of bacon, or a package of sugar.

Delegate GAINOR. May I ask if the American Federation of Labor has ever taken action in opposition to chain stores?

President GREEN. We have never taken any position on the subject, so far as I can recall.

The motion to amend was carried, and the report of the committee, as amended, was adopted.

The report of the American Federation of Labor proceedings at its annual convention held at Boston, Mass., October 6 to 17, inclusive, 1930, contains the following:

PROTESTING LABOR POLICY OF CHAIN STORES

Resolution No. 5, by Delegate Arthur J. Beauregard, of the Providence Central Federated Union:

"Whereas the country is being overrun by the chain-store system, and their employees do not belong to any labor unions in most cases; and

"Whereas we of the building-trades department are confronted with a serious menace by these concerns where they are employing so-called maintenance men to do our work, and now they are negotiating with some manufacturer direct to buy their material and having same installed by their maintenance men, who work longer hours and receive considerably less wages than the men to whom this work rightfully belongs receive, who are affiliated with labor unions; therefore be it

"*Resolved*, That this American Federation of Labor in convention assembled at Boston, Mass., October 6, 1930, shall go on record as opposed to these methods of certain chain stores; and be it further

"*Resolved*, That a committee of the executive council be instructed to wait on the officials of these firms and see if this evil can be corrected."

Your committee recommends that this resolution be adopted.

The report of the committee was unanimously adopted.

Federal Tax on Retail Stores—Why the Campaign of the Atlantic & Pacific Tea Co.?

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 16, 1939

Mr. PATMAN. Mr. Speaker, the question of chain-store monopoly and the absentee ownership of retail business in this Nation is a question that affects every one of us in America, because it affects our children and the opportunities that will or will not be open to them as they reach manhood and womanhood. Shall we strive to keep open the broad highway of opportunity to our sons and daughters in America? There are many questions you should ask yourself before you decide that it is in the interest of community life in America, that a few giant chains owned in New York or Chicago should control the retail business of our Nation. Did you ever hear of any absentee-owned chain voluntarily contributing to any local charity, church, or school until State legislatures and the National Congress began making efforts to check their growing monopoly?

Did you ever hear of A. & P. stores, the largest corporate chain in America, taking out a fire-insurance policy on any Texas store through a local insurance agent in the town where the store was located?

Did you ever hear of A. & P. stores having any printing done in a union printing plant until I introduced a chain-store tax bill in the National Congress?

Did you know that in the banking crisis of 1932 and 1933 that in nearly every town the first firms to withdraw their local deposits and rush the money by registered mail to New York were the corporate chains.

Do you think it helps America for some girl or boy to inherit a vast chain-store fortune in New York and then spend that money earned from American wage-earners in running over Europe hunting counts and countesses to marry, and even renouncing their American citizenship to escape American taxes?

The greatest chain-store concern in the world, the Great Atlantic & Pacific Tea Co., has seen fit recently to attack me in paid newspaper advertisements in more than 1,300 newspapers throughout the Nation. They boasted of the fact that they would spend a tremendous fortune to continue these attacks on me. It has been estimated that their first attack alone cost them considerably more than a quarter of a million dollars for this paid chain-store propaganda.

I believe the public generally should know just what prompted this attack on me by the A. & P. stores of 420 Lexington Avenue, New York City.

In May 1935 I was appointed chairman of a special committee in Congress to investigate the activities of large-scale buying and selling concerns in America, and since A. & P. stores were the largest in America, they naturally fell within the scope of our investigation. The results of our investigation were astounding and can best be described here by remarks made by me on July 29, 1935, in the House of Representatives, and which are here reproduced:

Mr. PATMAN. Mr. Speaker, it will be interesting to the people of this Nation to know that one chain-store concern in this country received in 1934 from manufacturing concerns more than $3,000,000 in secret and confidential rebates, discounts, advertising allowances, and brokerage. The two concerns granting them the greatest amount of money, over $700,000, were both Wall Street controlled corporations. One of these two concerns, Standard Brands, Inc., of New York City, was organized by and is controlled by J. P. Morgan & Co. The other, General Foods Corporation, of New York City, has as its chairman of the board E. F. Hutton, of E. F. Hutton & Co., a Wall Street brokerage concern in New York.

DISCOUNTS NOT APPEARING ON INVOICES

To the average person of this Nation it will seem amazing but it is none the less true, that over half of the net profits of the Great Atlantic & Pacific Tea Co. in 1934 were realized from these secret and confidential rebates. Mr. Charles W. Parr, assistant to the vice president in charge of purchases, of the Great Atlantic & Pacific Tea Co., on July 9 furnished our special committee with a list of the manufacturers granting the Great Atlantic & Pacific Tea Co. confidential discounts, advertising allowances, and brokerages. None of these items appeared on the invoices, but were all payable by check direct to Atlantic & Pacific's headquarters in New York or to one of their buying agents, who in turn remitted it direct to their headquarters at 420 Lexington Avenue, New York City. It should be borne in mind that Atlantic & Pacific make all their purchases as jobbers receiving full jobbing discounts. The list is as follows:

Airy Fairy Foods, cake flour, 5-percent advertising allowance.

Alabama-Georgia Syrup, sirup, 15-cent case flat and quantity percent included.

Alaska Packing Co., salmon, 5-percent advertising allowance.

Alexander & Baldwin, pineapple, 5-percent advertising allowance.

American Ammone, ammo, 10-percent advertising allowance.

American Chicle, gum, 20-percent advertising allowance.

American Diamalt, malt sirup, 35 cents case on quantity scale.
American Molasses Co., molasses, quantity scale 1–5 percent.
American Pop Corn, pop corn, 5-percent advertising allowance.
Andrea Process, onion salt, 10-percent advertising allowance.
Angelus-Campfire, marshmallows, quantity scale 3–5 percent.
A. P. W. Paper, toilet paper, $100 per month flat percent advertising allowance.
Arbuckle Bros., Yukon coffee, $200 per month flat and 5 percent additional.
Armour & Co., regular line, 3 to 7 percent on canned meats advertising allowance; fresh meats, one-half percent quantity allowance if purchases total $10,000,000.
Atlantis Sales Co., line, quantity scale 5–7 percent.
Atmore & Son line, 8-percent advertising allowance.
B. T. Babbit, line, quantity scale 15–80 cents per case; 7,500–17,500 (case).
Baker-Bennett-Day, nuts, 5-percent advertising allowance.
Baker Food Products, canned meats, 5 percent for brokerage.
Ball Bros., general support, payment at end, advertising allowance.
Barron-Gray, fruit cocktail, 5-percent brokerage.
Battle Creek Food, line, 5-percent advertising allowance.
Beechnut Packing, bacon, coffee, biscuit, quantity scale 7 percent for over $200,000; candy, gum, $7,000 per month flat advertising allowance; line, $10,000 per year flat advertising allowance.
Bell, William G., seasoning, quantity, 5 percent for 30,000 dozen over.
Berst-Foster-Dixfield, toothpicks, 3-percent advertising allowance.
Best Foods, Nucoa, quantity scale, 0–1 cent per pound, 2–10 million pounds; B. B. pickles, 5-percent advertising allowance and quantity; mayonnaise, 5-percent advertising allowance.
Beyer, W. L., dog food, 5-percent advertising allowance.
Black Flag Co., insecticide, 12½-percent quantity.
Blue Moon Cheese, cheese, 5-percent advertising allowance.
Borden Sales, cheese, $30 to $50 per thousand for 500 to 700 and over a thousand; Eagle M. M. M. chocolate, $1,500 per month flat advertising allowance.
Boston Food Products, 5-percent advertising allowance.
Boston Molasses, molasses, 1–5 percent for 3,000 to 15,000 cartons.
Brill Co., H. C., E. Z. Freeze, 5 cents per dozen advertising allowance.
Brillo Manufacturing Co., Brillo, 10-percent advertising allowance.
Brown, William, Son, 5-percent advertising allowance.
Buckeye Soda, Novite, 15-percent advertising allowance.
Bunte, candy, 5-percent advertising allowance.
Joseph Burnett, extract, 5-percent advertising allowance.
Burnham & Morrill Co., line, $1,237.75 per month flat and 5 percent adjustable for advertising.
Burry Biscuit, line, 5-percent advertising allowance.
Burton Morrow, extracts, $2,000 flat for advertising allowance.
Burch Biscuit Co., biscuits, 5 percent for advertising allowance.
California Animal Products, dog food, 4-percent brokerage; dog food, 5–7 percent, $200,000–$300,000.
California Packing Corporation, Del Monte, 5-percent purchasing contract.
California Prune & Apricot, Sunsweet, 3–7½ percent five to ten million pounds.
California Sanitary Co., Ltd., olives, ripe, 10 percent for advertising allowance.
Canada's Pride Products, Milco Malt, 25 cents case for advertising allowance.
Candy Crafters, candy, 5 percent for advertising allowance.
Cargill, W. H., sirup, 5 percent for advertising allowance.
Castleberry's Food Co., canned meats, 5-percent brokerage.
Chappel Bros., dog food, 5 percent for advertising allowance plus 5-percent brokerage.
Chef Boiardi, line, 5 percent for advertising allowance.
Chinese Trading Co., line, 10 percent for advertising allowance.
Chocolate Sales, Hershey line, $5,000 a month flat for advertising allowance.
Church & Dwight, sodas, 10 percent sal soda and 3 percent bicarbonate of soda.
Clapp, Harold, Inc., baby foods, 5 percent for advertising allowance.
Clark Bros. Chewing Gum, gum, 11 cents a box for advertising allowance.
Clayton, S. C., fruit sirup, 10 percent for advertising allowance.
Cleveland Cleaner, wall-paper cleaner, 5 percent for advertising allowance.
Climaline Co., Cl. & Bowlene, $11,000 per year with 5 percent adjustable.
Climax Cleaner Manufacturing Co., cleaner, 40 cents gross for advertising allowance.
Clorox Chemical, Clorox, 5 percent for advertising allowance.
Coast Fish, dog food, 5 percent for advertising allowance plus 5-percent brokerage.
Colgate-Palmolive-Peet, line, Palm Olive and Octagon, 30 gross, others 15 cents a box.
College Inn, line, 5 percent for advertising allowance.
Columbus Packing Co., 1 percent lard, fresh and S. P. and D. S. meats; 2 percent smoked meats; 5 percent sausage; and special brokerage.
Comet Rice Co., rice, 10 percent for advertising allowance; flakes, 15 percent for advertising allowance.
Corn Products, line, $5,000 month for advertising allowance.
Cracker Jack Co., cracker jack, 3–5 percent, $25,000 and over quantity allowance.
Cranberry Canners, sauce, 2½ percent for advertising allowance.
Crosse & Blackwell, line, 50 cents per store once a year for advertising allowance.
Crown Cork & Seal, caps, 5 percent and 5 percent for advertising allowance.
Cudahy Bros. Co., canned meats, 5-percent brokerage.
Curtice Bros., catsup, 5 percent for advertising allowance.
Dairy Sealed, Inc., container milk, 2 percent cash discount.
R. B. Davis, baking powder, 4 to 5½ percent on $500,000 to $875,000; Cocomalt, Cutrite Wax, 5 percent advertising allowance.
Decker, Jacob E., canned meats, 5-percent brokerage.
Derby Foods, Inc., canned meats, 5-percent brokerage.
Detroit Soda Products, sal soda, less than carload, 10 percent and 5 percent for advertising allowance; carload, 10 and 10 percent; baking soda, 5 percent for advertising allowance.
Diament, Inc., candy, 5 percent for advertising allowance.
Diamond Match, Signal, 7511 contract price; S. A. W., published quantity discount.
Dif Corporation, Dif cleaner, 10 percent for advertising allowance.
Drackett Products Co., line, 5 percent for advertising allowance.
Duff, P., & Son, Palmetto Mol., 10 cents per case for advertising allowance; Duff Reg. Mol., 20 percent to 30 cents per case on 10,000 to 30,000 cases; mixes, 5 percent for advertising allowance.
Duffy Mott Co., prune juice, 5 percent for advertising allowance.
Dunlop Mills, corn meal, 10 cents per hundredweight for advertising allowance.
Durkee Family Foods, coconut, 1 percent (G. F. M. memo.); salad dressing, etc., 7½ percent for advertising and 1 percent additional for increase; Contanina oil, 10 cents gallon for manufacturing purposes.
Durkee Mower, Marsh, fluff, 5 percent for advertising allowance.
Eavenson & Son, Inc., soap, 30 cents per gross for advertising allowance.
Educator Bis. Chicago, line, 10 percent for advertising allowance.
Edwards, E. H., marshmallows, 5 percent for advertising allowance.
Fancier Foods, Inc., dog food, 5 percent for advertising allowance plus 5-percent brokerage.
Fred Fear, dyes, 5 percent for advertising allowance.
Federal Washboard, washboards, 5 percent for advertising allowance; washboards, for 14,000 dozen 5 Q.
Ferry Morse Seed, seed, 15 to 20 percent if stocked in 1,000 to 8,500 stores.
Fitzpatrick Bros., soaps, 3 to 5 percent, $250,000 to $400,000.
Flako Food, crusts, 5 percent for advertising allowance.
Fleer, F. H., gum, 10 percent for advertising allowance.
Ford, J. B., cleaner, 30 to 50 cents per case on 5 to 25,000 cases.
Foster Canning Co., dog food, 5-percent brokerage.
Franck Hein, chicory, 2 to 3 percent on 2,000 to 5,000 cases.
Friend Bros., line, 5 percent for advertising allowance.
Fuji Trading Co., Chinese products, 10 percent for advertising allowance.
Gem Products Sales Co., laundry powder, 5 percent for advertising purposes.
General Foods Corporation, line, $30,000 flat for advertising allowance a month, or 5 percent discount for advertising; Baker's Chocolate, $0.066 per carton Q. D. (entire trade).
Giroux Co., Inc., sirups and sauce, 5 percent for advertising allowance.
Gold Dust Corporation, honey, 1 to 5 percent on 10,000 to 200,000 quantity; shoe polish, 66 to 84 cents per gross on $5,000 to $25,000 gross quantity, $6,500 flat advertising allowance; soaps, 2½ percent for advertising allowance.
Golden Rossell Co., apple brandy, 40 cents per case for advertising allowance.
Gold Medal Foods, Bisquick and Wheaties, $60,000 flat for advertising allowance.
Good Luck Food, Inc., Good Luck products, 5 percent for advertising allowance.
Gordon & Dilworth, marmalade, 6 cents per dozen for advertising allowance.
Gorham & Co., polish, $1,600 flat in merchandise (a).
Gorton Pew, line, 5 percent for advertising allowance.
Goudey Gum Co., gum, 5 percent for advertising allowance.
Grocery Store Products, Kit. Bouquet, 5 percent for advertising allowance; Toddy, 5 percent for advertising allowance; Foulds, $180 per month for advertising allowance.
Gulden, Inc., mustard, $3,000 for 6 months for advertising allowance.
Gumpert Co., desserts, 5 percent for advertising allowance.
Hampton Cracker Co., crackers, 5 percent for advertising allowance.
Hansen's Laboratory, Junket, $12,000 per year for advertising allowance.
Harding, J. P., Inc., corned beef, 5 percent brokerage; hash, 5 percent brokerage.
Haskins Bros. & Co., soaps, 5 percent for advertising allowance.
Hately Bros., lard, 5 cents per hundredweight brokerage.
Hecker, H. O., Co., package line, 5 percent for advertising allowance.
H. J. Heinz, line, 2 percent for advertising allowance with extra 1 for $4,000,000.
Hills Bros., dates, etc., 5 percent for advertising allowance; grapefruit, 2½ percent for advertising allowance, additional 2½ percent if 50,000 cases; cranberry sauce, 2½ percent for advertising allowance.

Hines, J. R., canned stew, 5 percent brokerage.
Hipolite Co., Marsh, Creme, 5 percent for advertising allowance.
Hires, C. E., extracts, 2 to 8 percent on 500 to 6,000 gross quantity.
Hofherr Meat Co., corned beef, 2 percent brokerage.
Hofherr Meat Co., canned beef, 5 percent brokerage.
Hormel, George, canned meats, 2 to 5 percent on $50,000 to $200,000 or over; soups, 2 to 5 percent on 25,000 cases to 175,000 cases or over.
Hubinger Co., elastic starch, 7½ percent for advertising allowance.
Houston, Tom, Co., peanuts, 5 percent for advertising allowance.
Hydrox Corporation, beverages, 6 to 10 cents per case on 25,000 to 70,000 cases.
Hygienic Products, Sani Flush, 15,000 flat, with adjustment to 7½ percent for advertising allowance.
Hygrade Food, lard, 1 percent for $10,000 or over; smoked meats, 2 percent for $5,000; sausage, 5 percent for $5,000.
Illinois Meat Co., canned meats, 5 percent brokerage.
Illinois Nut Co., candies, 5 percent for advertising allowance.
Ivanhoe Foods, Inc., mayonnaise, 5 percent for advertising allowance.
Jelke, John F., margarine, one-half cent per pound for advertising allowance.
Jel Sert Co., flavorade, 5 percent for advertising allowance.
Jersey Cereal, corn flakes, 5 percent for advertising allowance.
Johnson, Robert A., fudge, 5 percent for advertising allowance.
Johnson, S. C., wax, $1,500 flat for advertising allowance (6 months only).
Johnson Educator, line, 5 to 7 percent for $300,000 to $800,000 or over.
Kerr's Butter Scotch, candy, $100 flat per month for advertising allowance.
Kingan & Co., canned meats, 5 percent for brokerage.
Kirkman & Son, soap line, 10 cents per case for advertising allowance.
Kosto, freeze, 5 percent for advertising allowance.
Kraft Phenix Cheese, line, 2 to 3½ percent for $100,000 to $800,000 and an additional 1½ percent for quantity.
Kraft Phenix Cheese, milk chocolate, 5 percent for advertising allowance.
Kwik Set, Inc., Kwik Set, 7½ percent for advertising allowance.
LaChoy Food Products, Chinese food, 5 percent for advertising allowance.
Lamont-Corliss, candy, $2,000 per month for 6 months for advertising allowance.
Larsen Co., pureed vegetables and fruits, 10 percent for advertising allowance.
Layton Pure Food, baking powder, 6 percent for advertising allowance with additional 2 percent for quantity.
Lever Bros., soap, $275,000 flat for advertising allowance.
Libby, McNeill & Libby, canned meats, 5 percent brokerage.
Liberty Cherry & Fruit, canned meats, 5 percent brokerage.
Life Savers, Inc., candy, $7,625 flat, for advertising allowance.
Liggett & Myers, Chesterfields, $1 per store per month for 7 months.
Lindsay Ripe Olive Co., ripe olives, 5 percent for advertising allowance.
Lipton, T. J., tea, 7½ percent for advertising allowance.
Liquid Veneer Corporation, mops and polish, 10 percent for advertising allowance.
Loudon Packing Co., doggie shampoo, 10 percent (JJM memo); doggie dinner, 5 percent brokerage; doggie dinner, $18,000 flat for advertising allowance.
Louisiana State Rice, rice, 5 percent for advertising allowance.
J. C. Lukens Brokerage Co., dog food, 5 percent brokerage.
McAteer, thirst ade, 5 percent for advertising allowance; dyes, 5 percent for advertising allowance.
McCormick & Co., insecticide, 5 percent for advertising allowance.
McIlhenny, tobasco sauce, 5 to 10 percent on 250 to 1,000 cases and over.
McKenzie Milling, package flour, 3 percent, additional 5 percent for 40-percent increase.
Maillard Corporation, cocoa and chocolate, $30 per thousand for advertising allowance.
Manes Food Products, cold slaw and beets, 5 percent (JJM memo).
Manhattan Soap, soap, 10 cents per box for advertising allowance.
Marvin, W. H., dates, 6 percent for advertising allowance.
Dr. George C. Melody, dog food, 5 percent for advertising allowance; dog food, 5-percent brokerage.
Metal Textile Co., cleaner, $2,000 flat for advertising allowance.
Mickelberry's Food, canned meats, 5-percent brokerage.
Miller & Hart, packing-house products, 2½ to 17½ percent per hundredweight.
Minnesota Consolidated Co., canned corn, 5-percent advertising allowance.
Minnesota Valley Canning, Del Maiz line, 5 percent for advertising allowance.
Mione Manufacturing, polishes, 25 cents per gross for advertising allowance.
Mitsubishi Shoki, crabmeat, 1 percent for advertising allowance.
M. J. B., tea and coffee, $2,000 flat for advertising allowance.
Jorrell, John, canned meats, 5-percent brokerage; dog food, 5-percent brokerage; 5 percent for advertising allowance.
Morris, Phillip, P. M. and Marlboros, 3 percent for advertising allowance.
Morton Salt, salt, 15 cents per case (GFM memo).
National Biscuit Co., line, 5 percent by N. B. C. branch direct, and 1 percent to 4½ percent by N. B. C. headquarters, according to quantity bracket reached.
National Foods, Inc., kiddie malt, 7½ percent for advertising allowance.
Naylee Chemical Co., bleach, 10 percent for advertising allowance.
Newark Packing, sliced beef, 5-percent brokerage.
Northern Paper, toilet paper, $5,500 flat for 3 months' promotion.
Noxon, Inc., Noxon Polish, 10 percent for advertising allowance.
Oakite Products, Oakite, 5-percent Oakites Prom. Cont.
Oelerich & Berry, sirup, 5 to 10 percent on $15,000 to $40,000, and over quantity discounts.
O. K. Potato, chips, 5 percent for advertising allowance.
Old Trusty Dog Food, canned dog food, 5-percent brokerage, 5 percent for advertising allowance.
Oswego Candy, candy, 5 percent for advertising allowance.
Paas Dye Co., dyes, 5-percent advertising allowance.
Pabstett Corporation, cheese, 2½-percent advertising allowance.
Pacific Coast Borax Co., borax, 5-percent advertising allowance.
Paist, F. M., candy, 5¾ cents a box advertising allowance.
Parson's Ammonia Co., ammonia, 10 percent advertising allowance.
Penick & Ford, molasses, 1 to 6½ percent, 5,000 to 115,000 cases and over, quantity discount; sirup, 1 to 6 percent, 5,000 to 55,000 cases and over, quantity discount; My-T-Fine-Dessert, 1 to 7 percent, 500 to 75,001 cases and over 15 cents cases, advertising allowance; Southern Syrup, 3 percent advertising allowance.
Pen Jel Corporation, Pen Jel, 10-percent advertising allowance.
Penn Dist. Co., dog food, 5-percent brokerage.
Penn Tobacco Co., cigarettes, 5-percent advertising allowance.
Perkins Products, Kool Ade, 5-percent advertising allowance.
Peter Paul, Inc., candy, $6,000 a year flat for advertising.
Pillsbury Flour, package flour, $15,000 for 100,000 cases, quantity discount.
Planters Nut & Chocolate, candy, $600 a year advertising allowance.
Pomona Food Co., pimientos, 5 percent if we buy 5,000-dozen quantities.
Pompeian Olive Oil, 5-percent advertising allowance.
Premier Pabst Co., malt extract, 10-percent advertising allowance.
Prescott, H. L., polishes, $12,000 per year flat for advertising.
Price Flavoring Extracts, extracts, 5-percent advertising allowance.
P & G Dist. Co., soaps, 15 cents case; Crisco, one-quarter cent per pound, plus $61,000 flat for advertising (DTB memo.).
Puhl, John, bluing, $300 per month flat for advertising.
Pure Food Hansa, bouillon, 10-percent advertising allowance; chicken products, $125 per month flat for advertising and, in addition, quantity scale 5 to 15 cents on 5,000 to 40,000 cases.
Randall Chicken Products, canned meats, 5-percent brokerage.
Rath Packing Co., canned meats, 5-percent brokerage.
Reid Union Dairy, milk, 2-percent cash discount.
Rich Produce Corporation, dog food, 5-percent advertising allowance and 5-percent brokerage.
Richardson & Robbins, R & R line, 2½-percent allowance.
Rival Packing Co., dog foods, 5-percent brokerage and 5-percent advertising allowance.
Roberts & Oake, packing-house products, 2½ to 40 cents per hundredweight on 200,000 to 12,000,000 pounds; pickled products, 5-percent brokerage.
Dr. W. S. Ross, dog and cat foods, 5 percent to 6 percent on $1 to $75,000 and over and 5 percent brokerage.
Rumford Co., line, 6 percent advertising allowance, with 2 percent additional for increases.
Runkel Bros., candy, 7 cents per box advertising allowance.
Runkel Bros., Runkomalt, 5 percent advertising allowance.
Salada Tea Co., tea, $25,000 per year flat for advertising.
Sakerno-Megowen Biscuit Co., biscuits and crackers, 5 percent quantity discount.
Scott Paper Co., toilet tissue, $1 per store per month advertising allowance.
Scull, W. S., line, 5 percent advertising allowance.
Seminole Corporation, tissue, 7½ percent advertising allowance and plus 5 percent quantity.
Shefford Cheese Co., cheese, 3 percent (JJM memo.).
Shotwell Manufacturing Co., mints, 5 percent advertising allowance.
Simmons, T. N., Inc., dessert, 5 percent advertising allowance.
Skiddo Co., Inc., cleanser, 5 percent advertising allowance.
Skinner Manufacturing Co., raisin bran, 5 percent advertising allowance.
Smithfield Ham & Produce Co., canned meats, 5 percent advertising allowance.
Snider Packing Co., condiments, 5 percent advertising allowance.
Solarine Co., polish and cleanser, 5 percent advertising allowance.
S O S Manufacturing Co., cleanser, $4,125 per quarter advertising allowance.
Southern Molasses Co., molasses, 5 percent advertising allowance.
Spratt's Patent, Ltd., line, 5 to 6¼ percent on $30,000 to $50,000 and over.
Stahl-Meyer, Inc., sausages, etc., 5 percent brokerage.
Staley Sales, corn starch, 10 percent advertising allowance.
Standard Brands, foil feast, $144,000 a year advertising allowance, 10 percent quantity discount; Chase & Sanborn's coffee, $97,164 per year advertising allowance; Tenderleaf Tea, $394 per 1,000 advertising allowance; Royal Gelatine, $38,004 per year advertising allowance; Royal Baking Powder, $15,000 per year advertising allowance; Dr. Price Baking Powder, $996 per year advertising allowance.

Steele-Wallace Corporation, clothes pins, 5 percent advertising allowance.

Stokely Bros., baby foods, 5 percent advertising allowance.

Straub, W. F., honey, 2 percent advertising allowance.

Swift & Co., canned meats, 3 to 5 percent on 200,000 pounds to over; 300,000 pounds quantity discount.

Tasty Yeast, Inc., Tasty Yeast, 5 percent advertising allowance.

Jos. Tetley, tea, 7½ percent advertising allowance.

Texas Fig. Co., preserved figs, 2½ to 5 cents per dozen (Wil. memo.).

Thinshell Products, cookies, 5-percent advertising allowance; biscuits and crackers, 5-percent advertising allowance; candy, 5-percent advertising allowance.

Thompson & Taylor, extracts, 5-percent advertising allowance; pie spice, 5-percent advertising allowance.

Three Minute Cereal, line, 2½ to 10 cents per case advertising allowance.

R. E. Tongue, fly ribbon, 5-percent advertising allowance.

Tumbler Laboratories, polish, 25 cents per dozen advertising allowance.

Tupman Thurlow, canned meats, 5-percent advertising allowance; crab meat, 6½-percent advertising allowance.

Ultramarine Co., Bleachette, 5-percent advertising allowance and in quantities of 1- to 3-percent for 10- to 30-percent increase.

Underwood, William, deviled ham, 5-percent brokerage; line $3,000 per year advertising allowance.

United Packers, canned meats, 5-percent brokerage.

Up-to-Date Candy, cough drops, 5-percent advertising allowance.

Val Decker, packing-house products, 1- to 5-percent brokerage.

Van Camp's con carne, 5-percent advertising allowance.

Vaughan Packing Co., dog food, 10-percent advertising allowance.

Vestal Chemical Co., floor wax, 10-percent advertising allowance.

Victory Packing Co., dog foods, 4-percent brokerage.

Vogt, F. G., dog foods, 5 percent brokerage; 5 percent advertising allowance.

Waggoner, Norman, olives, 10 percent advertising allowance.

Walker Austex, hot tamales, 2½ percent advertising allowance.

Welch Grape Juice Co., grape juice, $2,000 advertising allowance for 6 months.

Werner, Paul A., cigarettes, 5 percent advertising allowance.

Wesson Oil & Snow Co., oil, $5,000 per quarter advertising allowance.

Weston, George, Ltd., biscuits, 5 percent advertising allowance.

White King Soap Co., soap, 5 percent advertising allowance.

Whitman, F. & Son, chocolate, 6 percent advertising allowance.

Wilbert Products, ammonia, etc., 5 percent advertising allowance.

Wilbur Suchard, candy, $200 per 1,000 advertising allowance.

Wilson & Co., canned meats, 5 percent brokerage.

Wright, J. A., silver cream, 10 percent advertising allowance.

Wrigley, William, gum, $7,000 per month advertising allowance.

Wrisley, Allen B., Olivilo, 10 to 15 cents a case on 7,500 to 15,000 and over.

Zion Institutions and Independent Baked Goods, 5 percent advertising allowance.

Quantity discount per hundredweight

National Sugar Refining Co	$0.12½
California & Hawaiian Sugar Co	.10
Eastern Beet Sugar	.10
McCahan Sugar Refining Co	.10
Pennsylvania Sugar Co	.10
Savannah Sugar Refining Co	.10
American Sugar Refining Co. (if purchases reach 1,000,000 bags per year)	.10
Godchaux Sugar Co	.05
Vizcaya Sugar Co. (Cuban refined)	.05

This table appears in the testimony before our committee for July 9, 1935.

INDEPENDENTS ENTITLED TO SAME RIGHTS AS CORPORATE CHAINS

The Great Atlantic & Pacific Tea Co., whose headquarters are at 420 Lexington Avenue, New York City, is a corporation with about 2,000,000 shares of common stock, which are practically all owned by the Hartford family in trust. They spend annually about $6,000,000 on advertising, which, of course, gives them a tremendous leverage on the editorial opinion of many newspapers throughout the Nation. I believe that the independent merchant has a right to expect to be placed on an equal basis with these corporate chains and receive the same privileges which the manufacturers grant to these enormous corporations. If he does not receive fair treatment at the hands of the manufacturers, it merely means the elimination of the independent retailer and the eventual concentration of the retail business of this Nation in the hands of a few concerns, which means the absentee ownership of retail business in most all of the cities and towns throughout the country.

LARGE BANKING HOUSES CONNECTED WITH CHAINS

It will be interesting to many people who are not familiar with the facts to know that one New York banking house has a very active voice in the management of many of the large corporate chain-store organizations and department stores of this country.

TESTIMONY OF ATLANTIC & PACIFIC OFFICIAL

Mr. Charles W. Parr, an official of the Great Atlantic & Pacific Tea Co., July 9, 1935, testified as follows: That the company owns retail grocery stores—about 15,200 stores, with principal offices at 420 Lexington Avenue, New York City; that Mr. John A. Hartford is president of the concern and that it is incorporated; that it has about 2,000,000 shares of common stock which is practically all owned by the Hartford family, either individually or in trust; that the Hartford family controls about 75 percent; that he has been with the company 17 years and his duties are in looking after "field buying offices," which they have established in the last 12 years near the sources of supply; that the company spends approximately $6,000,000 a year for advertising. In 1934 it collected slightly less than that amount; in 1933 it was a little more; that the company spends approximately what it collects for advertising; that General Foods pays the company $30,000 a month or $360,000 a year for advertising; that the arrangement has been in effect since May 1934. It expired in May this year and was renewed; that the allowance is supposed to represent about 5 percent of the total purchases; that they were not compelled to spend this certain amount of money a month for advertising; that there was no definite contract; that if their purchases exceeded the amount annually that the $360,000 covered 5 percent of that they, the A. & P., received the difference in a rebate; that the A. & P. had receved an extra rebate of 7½ cents a case on Diamond Crystal Salt in 1933 because of the fact that their purchases totaled more than 200,000 cases; that Standard Brands, Inc., had paid the Atlantic & Pacific Tea Co. in 1934 in advertising allowances and rebates more than $350,000. That on Fleischmann's Yeast alone, A. & P.'s contract with Standard Brands called for a $12,000 per month advertising allowance and 10 percent quantity discount rebate; that Standard Brands paid A. & P. $8,097 a month advertising allowance on Chase & Sanborn's coffee.

Mr. Parr's testimony further disclosed that some manufacturers in their anxiety to secure an added volume of business from the Atlantic & Pacific Tea Co. offered to pay them allowances which were in violation of the code of the particular industry represented by these manufacturers. As an example, the F. E. Booth Co. offered to restore the 5-percent brokerage to A. & P. on California sardines, which offer was accepted by A. & P. In writing their buying agent at San Francisco, Mr. J. V. Beckmann, they say:

"Answering yours of the 7th, we are very glad to note that the F. E. Booth Co. has restored the regular 5-percent brokerage on sardines, and note you ask how this information should be passed along to the purchasing directors. It all depends on just how confidential it is. We know that ordinarily, since this is prohibited in the Sardine Code, it would have to be handled very confidentially, but with the apparent general break-down of this feature in all other codes will leave it entirely to you and F. E. Booth Co."

Mr. Parr further testified that A. & P. received 5 percent quantity discount from California Packing Corporation on Del Monte products, which was in the form of a cash rebate. This covers all Del Monte brands; that the Diamond Match Co. has given A. & P. a contract of 75.11 cents per gross on matches as compared to the 82 cents per gross price which the jobber is charged; that Beechnut Tobacco Co. allow them $7,000 a month advertising allowance on Beechnut gum and candy alone, with other advertising allowances on the rest of the line, and 7 percent quantity discount.

Mr. Parr further revealed to the committee that the net sales of the Great Atlantic & Pacific Tea Co. were $840,000,000, which was estimated to be about 8 percent of the total grocery business done in the Nation.

The committee appreciated Mr. Parr's evident desire to be helpful to the committee and the frank and open way in which he testified, which was quite different from the attitude of some of the previous witnesses.

COMMITTEE OPPOSED

In my remarks in the CONGRESSIONAL RECORD of July 22, 1935, I have shown the tactics the food and grocery chain stores of America used in order to try and prevent our committee from receiving additional funds to complete the hearing. Quite naturally they do not enjoy the facts the committee are bringing out.

The Administration's Foreign Policy

EXTENSION OF REMARKS

OF

HON. JOSH LEE

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Friday, February 17, 1939

RADIO ADDRESS BY HON. JOSH LEE, OF OKLAHOMA, FEBRUARY 12, 1939

Mr. LEE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD remarks delivered by me over the radio on the foreign policy of the United States, February 12, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen of the air, so long as some nations insist on remaining armed to the teeth, we must maintain an adequate national defense.

There may be those who believe that no nations are involved in war except those who by their own deeds bring war upon themselves. In other words, they pretend to believe that if a nation attends to its own business, no other nation will molest it.

But that is not true. For example, was it Ethiopia's trade policy that brought war down upon her? Certainly not. Did peaceful China meddle in the affairs of any other nation? Of course not. What had little Czechoslovakia done to cause the German Army to invade her country?

I ask the question, Was it the foreign policy of any of these nations that caused them to be invaded? It was not. It was because they were unable to defend themselves.

Therefore we are forced to the conclusion that America must maintain adequate national defense, adequate in the light of the armament of other nations.

When we take into account the number of fighting planes in Germany and Italy, the amount of increase recommended by our War Department is very modest, indeed. But it is not the intention of this administration to try to match plane for plane with other nations.

It is our intention to make due allowance for all of our natural advantages and to add to those natural advantages just enough up-to-date defense equipment to command the respect of other nations and give us security from military attack.

The War Department has recommended the barest increase possible to carry out this policy.

Such a scant program constitutes adequate national defense only when our factories are on a mass-production basis.

In other words, we can maintain adequate national defense with fewer planes actually in the air, provided we can get more in a hurry when we need them.

We learned at terrible cost in the World War that you cannot manufacture war planes overnight. General Pershing attests the record that not one American-made plane ever reached the front. The reason, of course, was that it took so long to put our factories on a mass-production basis.

We should profit by that mistake. Obviously, then, one necessary requirement for adequate national defense is that we be able to produce a sufficient number of war planes when we need them.

Therefore, if our manufacturers are allowed to sell planes to France and England now, they will be able to put the American factories on a mass-production basis.

Then, if and when we need planes, we can get them. That very fact will have a restraining psychological effect upon any potential foe and make the actual need for the planes less likely.

To sell or not to sell to a nation which is not engaged in war constitutes a trade policy, but it is not a violation of neutrality. Therefore, since France is not at war, the sale of airplanes to France is not a violation of our policy of neutrality.

It was this important subject the President wished to discuss with the Military Affairs Committee when we were asked to meet with him at the White House.

Perhaps no President in the history of the Nation has ever taken the people into his confidence more than President Roosevelt.

It is quite customary for officials of our Government to have executive meetings where important questions can be discussed freely, not with the idea of keeping anything from the American people but with the idea of keeping such information for the American people instead of giving it to the entire world; and no one ever thinks of inciting the imagination of the people or raising the ugly specter of suspicion by inferring or suggesting that the people's rights are being betrayed by secret and underhanded methods.

Therefore I have been surprised at the different hints which certain members of that committee have made regarding that executive meeting, such as was attributed to Senator BRIDGES in a press dispatch from Boston, which read as follows: "Our people have a right to know whether they are being dragged down the road to war."

I can say frankly that I feel that the obligation that I owe the people is greater than any obligation of secrecy. If I thought for a moment that anything that happened in that meeting was dragging us down the road to war I would immediately announce it to the world.

I thought it was a fine thing when the President called before him the Military Affairs Committee, a committee made up of the representatives of three different political parties, for free discussion of the sale of war planes to France.

The President expressed the idea that he would like to place the meeting on a high patriotic basis and lift it above partisan politics.

There was no protest then to the request for secrecy. But those who are now so outraged at the request for secrecy are implying that certain things happened in that meeting that violated the confidence of the people—and but for their honor in respecting the request for silence, they would tell the people how a number of Senators and the President of the United States are secretly scheming to "drag them down the road to war."

I can speak only for myself; but if I had believed that anything that transpired in that meeting was dragging the people down the road to war, I would have protested it then, and I would have protested it to the group of newspapermen who met us at the door as we came out, and I would be protesting it now. No request for secrecy would cause me to betray the confidence of the people who sent me here.

Furthermore, has the record of President Roosevelt with regard to peace been such as to give any person reason to believe that he would join in a secret scheme to drag the people down the road to war? What has been his record?

In his inaugural address, realizing that the only permanent peace is based upon justice, he announced to the world the "good neighbor" policy, and for 6 years this administration has adhered to that policy both in utterances and in practice.

First, there was the munitions hearing that flung open the door of the Bluebeard of war and exposed the skeleton of unconscionable war profits. And this was made possible by an administration that is determined to make war so ugly that the world will never again embrace it.

Then that committee exhausted its funds, and Senator NYE, the able chairman, appeared before the Senate and asked for more money to complete their work.

The Senate did not grant that request, and it appeared that the work of the committee must stop. But President Roosevelt stepped in and made it possible for the committee to finish its findings, thus throwing the weight of his great office against war.

Then again nonintervention into the affairs of other countries is a part of the "good neighbor" policy. Consequently, when President Roosevelt took office he promptly called home all United States troops stationed in Haiti, and thus proved his words by his deeds.

Then again there was the revolution in Cuba. The sugar interests, who for years have made millions in the sugar business in Cuba, began to clamor for military protection. The air was full of it. Send a battleship to Cuba. Send the marines to Cuba. Put down the revolution in Cuba.

But once again the President steered a straight course toward peace. There was no intervention in Cuba and Cuba settled her own affairs without our staining our hands with the blood of our fellow men.

Then, again, there was the war in South America between Bolivia and Paraguay. American manufacturers were supplying both nations with the materials of war. But President Roosevelt, by proclamation, announced an embargo upon the shipment of the implements of war to those nations; and, encouraged by America's leadership, 17 nations declared similar embargoes, and that war soon ended. Thus another great step toward world peace had been taken.

Then, again, there was the war in Ethiopia. The Standard Oil Co. had a contract for a trade concession with Ethiopia. But the Department of State feared that that might be the means of involving the United States in that controversy, and the Standard Oil Co. was compelled to cancel that contract. Thus once more President Roosevelt placed peace above profits, and on September 4, 1935, made the following announcement to the world: "This is another proof that since March 1933 'dollar diplomacy' is no longer recognized by the American Government."

Then in rapid succession there came a series of world events propelling the world toward war.

First, there was the violation of the armaments limitation by Germany.

Next came the torpedoing of neutral vessels in the Mediterranean.

Then came the invasion of Abyssinia and the brutal massacre of the peaceful Ethiopians.

Then came the cold-blooded persecution of the Jews and their cruel expulsion from Germany.

Then came the invasion of China and the slaughter of her defenseless people.

Finally, there was the Czechoslovakian crisis.

The arrogant Hitler had announced his ultimatum that on a certain hour he would start the war machine thundering toward Czechoslovakia.

On the morning of September 26, President Roosevelt sent a message to the four governments concerned, urging the use of peaceful methods for the settlement of the dispute.

At 3 o'clock on the afternoon of September 27, through the Secretary of State, he requested the various American missions to get in touch with the Minister of Foreign Affairs and bring all possible diplomatic pressure upon the Chancelor of the German Reich to dissuade him from his hostile purpose.

The whole world was tense with expectation. Business stopped in its tracks. German soldiers stood by with full equipment ready to march. Czechoslovakian soldiers kissed their babies goodbye and stationed themselves at the border of their country as the legion of death, fully believing that within the next few hours their mangled bodies would mark the boundary line of their nation.

In Paris and London every railway station was crowded—every road leading out of those cities was jammed—fear was upon every face.

One word was on everybody's lips. War. Hope of peaceful settlement was almost abandoned. There was but one man who stood between the world and war and that was Franklin D. Roosevelt. All eyes and all ears were turned toward him. On that day he seemed taller than all other men. The hope of world peace hung upon his words.

Then in the early hours of the morning of September 28 he sent a message directly to Adolf Hitler, placing squarely upon him responsibility for the peace of the world.

Lights burned all night in almost every home. Every radio was tuned in on this terrible drama.

Then as the arrogant Chancellor of the German Reich realized that the full weight of every moral force in the world had been thrown against him by the message from President Roosevelt, he grudgingly and reluctantly but certainly backed away from his ultimatum—and the world breathed again.

Who, then, would dare infer that that same President Roosevelt would secretly drag the people down the road to war, when for 6 years he has steered a straight course toward peace? For 6 years he has steered the old ship of state through the turbulent waters of international strife without crashing on the ragged rocks of war, on

the one hand, or floundering upon the flat beach of dishonor, on the other. And as long as his strong hand is at the helm there is a feeling of security in the hearts of the people of America.

Mr. Justice Frankfurter

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Friday, February 17, 1939

ARTICLE BY HARRY H. SCHLACHT

Mr. MEAD. Mr. President, I submit for printing in the RECORD an article by Harry H. Schlacht on Mr. Justice Frankfurter.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the East Side News of January 7, 1939]

FELIX FRANKFURTER—AN IMMIGRANT BOY BECOMES JUSTICE OF UNITED STATES SUPREME COURT

(By Harry H. Schlacht)

The East Side cherishes with just pride the selection of Prof. Felix Frankfurter—truly a logical successor to the immortal Cardozo—to the United States Supreme Court. President Roosevelt's tribute to this former East Side immigrant—to the highest judicial tribunal of the Nation, has swept like rolling billows across our pulsating hearts.

Public fame has made it needless for me to add one laurel to his crown. Likewise, our people today will read and reread his rise from the tenements of the lower East Side to world renown. This writer as a boy cultivated his friendship in the Henry Street Settlement and the Educational Alliance. It was here in clear and lucid language he laid bare the very nerve of his thoughts of slum conditions which led to his writing the first city tenement law.

Immigrants will read with streaming eyes but with glad hearts the story of his life. It can happen here. Early he exhibited a splendid and blazing intellect, fed and enriched by the constant study of the best thoughts of the great names of America; his brilliant and sportive fancy, illuminating the most arid subjects with the glow of sunrise, his prodigious and never-failing memory, his playful wit, ever bursting forth with irresistible impulse coupled with the fascination and magical charm of his personality. Yes; this East Side immigrant lad at the tender age of 21 was graduated from Harvard University with scholastic honors. He became a typical Harvard man who drank in with a divine thirst the knowledge, benefits, and honors which the great college bestowed upon him and who in glad and grateful recognition of the nurture he received within her walls, reveled in her success.

It was Professor Frankfurter who contributed to the Wilson and Roosevelt administrations the gift of a high social-service order, great wisdom, purity of character, a refined and delicate intelligence, unselfish devotion, and loyal support which attracted universal acclaim. To all alike his dignified simplicity and tolerant humanity equally appealed to all.

He is a man "toward whom the love and affection of people flow; one to whose benevolent face and bland and dignified manner and the firm administration of the whole learning of the law we became accustomed; whom our eyes anxiously explore when we enter the temples of justice; toward whom our attachment and trust grow even with the growth of his own eminent reputation."

Whether we regard him as an immigrant, citizen, teacher, lawyer, statesman, and now Justice of the United States Supreme Court, Felix Frankfurter epitomizes America at its best.

Lincoln Day Address

EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Friday, February 17, 1939

ADDRESS BY HON. STYLES BRIDGES, OF NEW HAMPSHIRE, AT AKRON, OHIO, SATURDAY, FEBRUARY 11, 1939

Mr. GIBSON. Mr. President, I ask unanimous consent to have printed in the RECORD the address on Abraham Lincoln delivered by the distinguished Senator from New Hampshire [Mr. BRIDGES] before a meeting of the Summit County Republican Executive and Central Committee at the Mayflower Hotel, Akron, Ohio, on February 11, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Today all over these United States men, women, and children of every race, creed, and religion are celebrating the birth of one of America's most illustrious sons, one of her greatest Presidents, a Republican—Abraham Lincoln. In view of the external and internal turbulence that is wrecking our beloved country in this year 1939 it is fitting that we should for a moment turn back to that period in the life of Abraham Lincoln which most nearly corresponds to our own time. Let us then project ourselves, in retrospect, to the year 1859—80 years ago.

Eighty years ago our country was faced with internal dissension and foreign dangers much the same as it is today. The home problems were not unemployment, relief in politics, confiscatory taxes, labor troubles, political purges, foolish farm programs, or backyard socialism. Instead of problems of relatively less importance, Lincoln and the Americans of 1859 saw their country torn by sectionalism. The North was against the South; freedom against slavery. The northern manufacturers were opposed to the southern agriculturalists whose economy of the field depended on cheap labor. The ever stronger westward movement presented the spectacle of State after State being admitted to the Union only after free and slave forces had almost come to blows over the status of those States in the Union.

In the North at that time there was a militant group of people. These people called themselves abolitionists. They aimed to abolish slavery regardless of cost, regardless even of the possibility that the Nation might be thrown into a bloody civil war as a result of their activities. Eighty years ago, in 1859, John Brown, the abolitionist, whose home, I am told, still stands in Akron, and a small group openly defied the authority of the United States and nearly started the Civil War.

Yes, my friends, the internal troubles of today are a "cinch," as the saying goes, compared to those that existed in 1859, 2 years before Abraham Lincoln became the sixteenth President of the United States.

The field of foreign affairs of the United States in 1859 was no bed of roses. The wolves of Europe, when not scrapping among themselves, were casting lascivious eyes at the Americas. Britain was not above promoting conflict here in order to better her trade relations with the cotton South. France, Germany, and Russia were openly disdainful of a democratic form of government, and their imperial rulers would have relished to see a prostrate nation on this continent so that they might gobble up more territory. Saber rattling was as popular a sport with most European nations of 80 years ago as it is today.

The feeling of security for the Americans of 1859, both at home and abroad, was at an all-time low. The faith that was to come with Abraham Lincoln had not yet begun to influence national affairs. Still the beliefs, hopes, and desires of our grandparents and great-grandparents were much the same as our own. Freedom, peace, and national unity were the great issues 80 years ago. Freedom, peace, and national unity are the great issues today. Our grandparents' desire was, and our desire is, to preserve that same freedom—the American freedom guaranteed by their Constitution and our Constitution, the freedom that exists only under that form of government by which the people acknowledge no earthly sovereign other than themselves. As our forebears fought on bloody fields of battle to preserve their freedom, so would we Americans of 1939 fight all enemies, both internal and external, who would dare challenge our devotion to free institutions, or threaten the permanency of those institutions for remotest posterity. So far we are the most independent Nation on the face of the earth—therein lies our strength.

Peace—the generations which came immediately before us were not able to keep peace. Although Lincoln was a man of peace, matters had gone too far before he assumed the Presidency for him to prevent bloodshed, although he strove mightily to that end. The United States of 80 years ago was unprepared—as unprepared for the bloodfest which was soon to ensue as many would have us believe we today are unprepared. We can draw a great lesson from that picture. We must maintain peace. Peace, kept in justice and honor, is an American principle and an American interest.

National unity in years immediately preceding the Civil War was, of course, at low ebb. Sectional hate, loyalty to State before Nation, precluded the possibility of national unity. Basically there is a tendency for the same situation to exist today. The constant heaping of coal on the fire of class hate and jealousy, the indefensible baiting of labor and capital, the boring-from-within tactics permitted the followers of various foreign ideologies, the contempt for thrift, the splitting of the Nation into economic thirds are present-day threats to national unity, which is so all important in the fight to preserve our liberties, our democracy, and our very existence. Abraham Lincoln, the leader of our great Republican Party, with his wisdom, his high ideals, and his common sense, was at hand in 1860 to preserve our freedom, to fight for peace and the equality of man, and to make America into one vast unified Nation, stretching from the Atlantic to the Pacific.

We have projected ourselves back to Lincoln; now let us turn to the present and apply, if we can, the common sense and wisdom of Lincoln to the problems facing America in our own time. I have

said the greatest task of our generation is to preserve our liberties—our freedom and independence as Americans. I say to you, without reservations, that the most dangerous internal enemy to the continued freedom of 130,000,000 Americans is the present administration sitting in power in Washington. I say this is true because that administration has been, and still is, determined to impose its will, its idea of government, its ideology, if you please, upon the American people, whether they like it or not. Its purpose is to perpetuate itself in power, and from its actions I have great fear that if it does not succeed it is willing that the American Nation be wrecked by its attempt. This administration has not kept a single promise that it made to the people who put it in power. I should like to review for a moment some of these promises and performances.

The Roosevelt administration, having determined that the vote was the source of all power, decided to corner the market on votes, and in so doing promises all things to all people. It has promised the moon and delivered a marked ballot for the next election. Every crossroads election in the Nation has felt the influence of the administration at Washington in its attempts to control local affairs. The recent, most wicked attempt along this line took place last summer when the high command of the inner circle held court in Washington and through the use of relief funds, swept across the country and attempted to purge, to read from the Democratic Party, if you wish, those men within its own ranks who had intestinal fortitude enough to show their independence and to vote their convictions. In most cases the purges were a failure, not because the New Deal did not expend effort enough, but because the basic sense of fair play and the moral fiber of the American people had not yet been sufficiently undermined to tolerate such tactics. You, in Ohio, one of the greatest States in our Union, did not witness at first hand these purges, but you did vent your wrath upon the Roosevelt administration last November when you elected a son of one of our great Presidents to represent you in the United States Senate. Senator ROBERT A. TAFT is representing and will represent Ohio with wisdom and foresight and will never assume the rubber-stamp tactics mandatory on New Deal puppets.

The Roosevelt administration promised economy, and to this end, believe it or not, the President said he would cut down the number of boards, commissions, and administrations of the Federal Government by 25 percent. Instead of that we have had yoked to the necks of the American people the greatest bureaucracy in the history of the world. A new administration or board is set up at the slightest excuse. Economy is the forgotten word of the New Deal.

Instead of cutting the expenses of the National Government, the Roosevelt administration has built up the national debt to the inconceivable sum of almost $40,000,000,000. The American people have a constant feeling of unrest and insecurity as a result of the unfulfilled promise on the part of those in power to take definite steps toward sane economy. The New Deal has tried every crackpot scheme, every will-o'-the-wisp idea that its socialistic experimenters could devise, in an endeavor to pull itself from the mire of debt and political disgrace in which it finds itself. In its panic, it has squandered the finances of a mighty Nation in hopes of creating economic miracles.

For the past 6 years the administration has been busily at work attempting to solve the unemployment problem. Instead of achieving that result it has made politics, rather than work, the first requirement for the unfortunate ones who could not get a job in private industry which the New Deal has so belabored and beaten that it is a wonder any jobs are available. The unemployment situation of the United States cannot be solved by making political slaves out of 10,000,000 men and women who have no jobs.

Attempting to obtain a monopoly on the lofty ideals of social security, the Roosevelt administration, shortly before the national election of 1936, convinced the people that the Social Security Act would provide for them in times of unemployment and during old age. When Republicans criticized certain features of the act they were accused of being against the whole idea, which was an infamous lie. The Republican Party stood foursquare on the question of social security, but it did not subscribe to the creation of a $47,000,000,000 fund financed by the taxpayers, taken from the pay envelopes of all the Nation's employees and employers. It was not to be held in trust for their old age; not to be held in trust for times of sickness or unemployment, but was for the purpose of paying the current running expenses of the most spendthrift administration the country has ever seen.

The New Deal has told labor that it is best qualified to settle the differences between labor and capital, it then imposed upon both labor and capital an administrative board and a Department of Labor that has caused more trouble between capital and labor, and between the branches of organized labor, than Roman gladiators caused the Christians in the pagan circuses of the ancients.

The administration has set itself up as a great authority on American foreign relations, and yet by its fawning attitude in this field it has ruined the domestic markets of our farmers and our manufacturers. It has stolen from the legislative branch of our Government the treaty-making powers conferred upon that branch by the Constitution of the United States. A United States Senator has less to say today about foreign trade treaties than most representatives of foreign nations in Washington. Recently, some of the Members of the Congress of the United States had to go to the Brazilian consulate to get information concerning the Brazilian trade treaty because they could not get that information from our own State Department. Under this muddle-headed policy undertaken by the present administration, the American farmer and the American workingman is denied the opportunity to produce the goods consumed in the home market. Far from being the wise men in the field of foreign affairs, the New Deal, under the so-called favored-nation clauses of the reciprocal-trade agreements, has made every foreign nation except the United States the most favored. The dairymen of New England, the shoe manufacturer of my own State of New Hampshire, the cotton growers of the great South, the rubber and machinery manufacturers of your own State of Ohio, are all feeling the bad effects of this ill-advised foreign policy.

The Republican Party does not cling to the past. We believe in change. We believe in new methods. We believe in progress. But we do not hold ourselves up as the fountain of all knowledge and all wisdom. I consider that there is no better statement of the philosophy of our party than that laid down by Abraham Lincoln during a talk at Cooper Union in the winter of 1860. He said, when referring to the principles of our party: "I do not mean to say that we are bound to follow implicitly in whatever our fathers did. To do so would be to discard all the light of current experience, to reject all progress, all improvements. What I do mean is that before we should supplant the opinions and policy of our fathers in any case, we should do so upon evidence so conclusive and arguments so clear that even their great authority fairly considered and weighted, cannot stand." This is not the philosophy of reactionaries. This is not the philosophy of Tories. This is the philosophy of common sense. This is the philosophy of correcting errors when it is shown errors exist. This is the philosophy of adopting new views only as they appear to be true views. As a New Englander, it has been ingrained in me that thrift is a virtue. To be sure, the men and women of America who have been unfortunate, who are unemployed, whose economic future is insecure, must be taken care of, but the primary objective should be their safeguard, their eventual absorption into the channels of trade and industry by private capital, and not the wasteful and ignorant perpetuation of a scheme which in 6 years has spent $9,000,000,000 on relief alone with not a single fundamental improvement to show for it except greater dissatisfaction than when the spending began. That is why recovery in the United States has been slower than that of any other major nation on the face of the earth. A proper plan and a determination to stick to it, was the answer 80 years ago, and is the answer to our dilemma today. I can conceive of no better description of the economics of the Roosevelt administration than that used by Abraham Lincoln when, as he addressed the destructionist radicals of his own day, he said: "You are united in your determination to break with the past but you are utterly divided among yourselves as to where you are going. You remind me of the little steamboat on the Sangamon River which had a boiler 3 feet long and a whistle 5 feet high and every time it whistled it stopped. It exhausted its power in noise."

Before I close I should like to speak for a moment on perhaps the greatest issue before the American people today, the issue of peace or war. In the President's message to Congress last month he concentrated on the issue of preparedness. In a subsequent message to Congress he advised the expenditure of over a half billion dollars for armaments and military training. As a Republican I am stanchly behind a policy of adequate national defense. I believe that our democracy, our form of government, is worth the price whatever it may be. I quite realize the dangers existing abroad. None but the most conscientious objectors will disagree with a policy or preparedness for defense. I believe the keystone of our democratic thought, yes, the paramount desire of all the people of the United States is for peace. But, in order to maintain that peace we must have sufficient weapons at hand to repel any or all of the wolf nations of the world who might attack us. I believe that the American people will refuse to send a single mother's son to foreign shores on a crusade to uphold any movement or to break down any movement which may exist abroad. If American blood must be spilt, then let it be spilt in defense of American soil. Too many American lives have already been lost, uselessly sacrificed, to uphold what foreign statesmen have told us should be our world ideals. Never again must the flower of American youth be made the pawns on the council tables of Europe.

The dangers of propaganda must be evident to all of you. It is those dangers that we must curb now, because the beating of the war drums, the blaring of bugles, plus the propaganda speeches of warmongers, cannot be controlled in times of crisis. I say, therefore, let us prepare, but let us not be driven to use our new weapons, when we have them, for any purpose other than the actual defense of our own soil. As I look on the history of the present administration, as I read the President's message with care, as I read in that message his statement that the social reforms of the New Deal administration have been basically to prepare the country for defense, a great fear arises within me. The expression of one of our early American statesmen, "Millions for defense but not one cent for tribute," suggests itself.

We today, as a political party, will support the appropriation of billions of dollars for defense if need be, but not one cent for political tribute. The money for defense must be held in trust and expended for the purposes of defense. It must not be a donation to a broken-down new-deal party and a bewildered President who are seeking to repair their political fences by beating the drums of war and sounding the cymbals of internationalism. To refuse to prepare would be to express a dismal disregard for the national welfare. In going into this thing we must do so with the wisdom and common sense of an Abraham Lincoln. We must be sure that the New Deal, in a panic over its failure, is not seeking to bolster its

fortunes by sheer, unadulterated flag waving. One of the oldest political tricks of the heads of government is to unite the people against an external foe when the internal fortunes of the administration are tottering. War throughout the ages has been a sure-cure palliative for a restless and dissatisfied constituency. Martial music and uniforms have always caught the eye and ear of the wavering plainsmen and swung them back into line. But I stand, and I am sure that all true Americans stand in the foremost ranks of those who insist upon—yes; who demand—an adequate national defense, but refuse to be part or party to any shrewdly planned hysteria for the purpose of reviving the flagging fortunes of any disorganized political party that finds itself in a panic over the results of the most recent elections.

Our Nation is made up of myriads of people of all creeds, all religions, all races, all tongues. Our form of government is the last hope of humanity. Our democracy must survive. It has survived. It does not have to be made to work because it has worked. We have taken from Europe some of the best, and also some of the poorest, the most ignorant, the most turbulent of her people and have made them into good citizens. They have added to our wealth and they are ready to die in defense of a country and of institutions which they know to be worth dying for.

We will not let democracy go by default. We realize that the peace of this Nation cannot be assured by a policy of hope and faith alone. What is worth saving is worth fighting for. Let us then be sure that our preparedness is only for the grim purposes of national defense. Let us prepare as a united nation not for political purposes, not to pull European chestnuts out of the fire, not to save the democracy of nations, who, by their actions have displayed that they know not the meaning of the word. The Republican Party stands first and foremost as the advocate of national defense—both internal and external. And furthermore, we will always remain unalterably dedicated to the causes of national unity and cohesion. Until we are prepared, let us put an end to the teasing and baiting of the dictator nations. Let us show our disapproval of those in the present administration who, every time they take the air, threaten the war-mad leaders with acts of violence and reprisal. In short, let us stop showing our teeth until we are ready to bite.

America wants peace and the security of freedom, the preservation of which the birthday of the great man we honor here today is an everlasting and perpetual symbol. Let us then prepare for peace and for peace only. Let us prepare with the wisdom and common sense of Abraham Lincoln, who, in spirit, is with us in this time when his common sense and wisdom are a great national need.

Preservation of the Character of the Republic

EXTENSION OF REMARKS

OF

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Friday, February 17, 1939

ADDRESS BY HON. JOSIAH W. BAILEY, OF NORTH CAROLINA, DECEMBER 10, 1930

Mr. BYRD. Mr. President, I ask unanimous consent to insert in the Appendix of the CONGRESSIONAL RECORD an address delivered by my colleague from North Carolina the distinguished senior Senator from that State [Mr. BAILEY] on December 10, 1930, at the annual dinner of the Southern Society of New York City.

This very able address is especially noteworthy because of the clear vision with which he prophesied the happenings that have since occurred.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President, ladies, and gentlemen, I am happy to be with you and grateful for the opportunity of speaking on this occasion. To be invited to bring to you a message as from the land of your hearts is an honor that you must know I sincerely appreciate, and of which I wish I were less unworthy.

I will not affect to bring you news of the South. Your contact doubtless is as good as mine. You know all that I know of what is going on. Distance no longer lies between New York and New Orleans. In our homes we hear the strains of your orchestras; into yours the old songs and hymns of the plantation float from Nashville and Atlanta, Jacksonville and Raleigh—with new songs, alas, not of the plantation. We read your papers the day of their publication and you read ours. News from everywhere is in a moment universal. And we all travel incessantly, under our own power, at will and at a great rate. There are more visitors from the South in New York City in any 7 days than the entire population of my city. And New York day by day is represented in person in every city in our land. Between man and man there is no news.

Moreover, what is going on here is going on also in the South. If you talk of panic and prohibition, so do we. If you wonder what a day may bring forth, if you struggle and hope, if you desperately seek to resist the fateful tide and find the bottom on which to plant your feet, if you are stubbornly refusing to surrender the easier standards of a joyful yesterday, if you are reluctant to recognize that the depression may have a moral and spiritual meaning which some of us cannot afford to miss, so are we. We even vote the same way—only your majorities are enviably greater. If you have riots, alarms, bandits, and gunmen, you have nothing on us. If you have recently discovered that you are not bulls, as you freely imagined, but lambs, and if you are watching the market and preparing for another plunge, so are we—ready to be shorn, if ever we grow more wool.

There is a North, an East, a South, and a West, but America is, after all, now but one vast community to which geographical and historical distinctions are surely yielding. The West is now East. The border, the battle line of civilization, is no longer in Wyoming and Arizona, it is in Chicago and New York. The South is now North. The demand for States' rights comes once again from Boston and Providence. The cavalier has vanished from the valleys of the James and the Shenandoah—only the fabled shade of him haunts the dim vistas. Virginia and South Carolina are the dwelling places of modern Pilgrim and Puritan. And, if there is a pioneer, he is hidden to Washington, perhaps deep in some university cloister or laboratory. We have quite turned about within the space of two generations.

As a matter of fact, North and South were not so different when they contended the one with the other. Fierce was the controversy, bitter the hate, and bloody the fighting; but, even so, they were for the most part sons of the same fatherland, brothers speaking the same dear mother tongue, carrying in their breasts the same unique and priceless heritage of experience and aspiration—offspring of Britain, with all in common that the British have had these 10 centuries—the British individualism and self-reliance, the British aspiration for liberty and well-being, the British capacity for war, and the British competency for government and all things else, no less.

Behold the new unity, not only of experience and interest but of understanding and fellow feeling. If the men of the South drenched the earth with their blood for States' rights, with the view to a more immediate inducement, advocates in the North of States' rights now at length suspect the reason why. It was not because we were of the South no more than is their present course determined because they are of the North; not because we were cavalier, nor because they were Pilgrim and Puritan. The motives in the ancient differences were neither geographical nor typical. They arose in the will, not in the blood, in immediate self-interest, not in devotion to theories. They were more superficial than profound, more ephemeral than permanent. Time swiftly turns them all about. Under other circumstances we might demand once again an exaltation of States' rights, and the men of the North and the East might resist it. So after a season we understand each the other as only they may understand to whom experience has brought mutual exchange of points of view. It is a beautiful process in education in nationalism—this in which experience unawares discloses to us our national community.

I might as well have included the West in all I have said. The great migrations to the Mississippi Valley and beyond the Rocky Mountains carried with them the same dominant British blood and heritage, and either leaving behind them the prejudices of the great conflict and its disastrous aftermath or forgetting them in the engagement of subduing the wilderness, have built upon that noble heritage a virile Americanism, less stable perhaps than ours of the older settlements, but more dynamic. Nor is the West more remote than the South.

There will never again be a serious sectional cleavage in our land. We have done for the most part with political geography. It passed as distance was swallowed up. Political parties in order to succeed must seek a national unity in national mission.

Our menace of division and conflict now lies in class and condition, in group and occupation. The present word in America, still inarticulate, but taking form and force day by day, is equality; and one wonders if it will at length eclipse its companion, the watchword of the Nation's birth—liberty—strangely now in need of understanding in this its chosen land.

We are informed that the present unusual situation here, and in great measure throughout the world, is about to present the first grave test of the new age and order, the age of the machine and mass production and of 122,000,000 souls in the Republic, of the age also of international independence.

If so, manifestly the line of division will be neither geographical nor racial. The struggle will be pitched around equality and liberty, and it will be determined by the unity of those of the British heritage who 70 years ago were so ardently opposed the one to the other. In the new conflict, not we trust of arms, but of ideas, it will be for us all to unite in order that we may preserve the time-approved and true form and character of our Government. We will not resist equality; we will exalt it; and we will preserve liberty in order that there may be equality. It will be for us in the controversies of our time to maintain the accepted standards of our Republic, to hold inviolate the true principles of its life, to exalt and preserve its character as now established. We will not resist progress; we will move toward progress within the ancient landmarks; we will achieve it by means of measures consistent

with our past and with our character as a Nation and a people. And such progress as we may not so achieve we will not seek. It was a great American and the greatest progressive, a master of history and a master of the science of government, Woodrow Wilson, who declared:

"I believe, for one, that you cannot tear up ancient rootages and safely plant the tree of liberty in soil which is not native to it. I believe that the ancient traditions of a people are its ballast; you cannot make a tabula rasa upon which to write a political program. You cannot take a new sheet of paper and determine what your life shall be tomorrow. You must knit the new into the old. You cannot put a new patch on an old garment without ruining it; it must not be a patch, but something woven into the old fabric, of practically the same pattern, of the same texture and intention. If I did not believe that to be progressive was to preserve the essentials of our institutions, I for one could not be a progressive."

To these clear words from America's foremost modern statesman I would add the statement of the eminent philosophic historian, W. E. H. Lecky, of England: "All real progress," he declares, "all sound national development, must grow out of a stable, persistent, national character, deeply influenced by custom and precedent and old traditional reverence, habitually aiming at the removal of practical evils and the attainment of practical advantages, rather than speculative change. Institutions, like trees, can never attain their proper maturity or produce their proper fruits if their roots are perpetually tampered with." He was writing at the end of the nineteenth century, and it is at least interesting to remark that he concluded his paragraph with a sentence that has taken new significance by reason of subsequent events: "In no single point," he adds, "is the American Constitution more incontestably superior to our own—i. e., the English—than in the provisions by which it has so effectually barred the path of organic change that the appetite for such change has almost passed away." Little did Lecky dream 30 years ago of the sixteenth, seventeenth, eighteenth, and nineteenth amendments, with twentieth, twenty-first, and we know not how many more in the way of submission. Little did he suspect that within 30 years constitutional amendments would threaten to become the political fashion in America.

And what, it may be asked, is the character of our Republic, what are the "essentials of our institutions"?

After 150 years there is at last no room for doubt. This is a commonwealth of commonwealths, a republic of republics in technical terms, a constitutional representative democracy. Its objectives are a more perfect union, order, justice, the common defense, the preservation of the blessings of liberty to ourselves and our posterity, and the general welfare. Its Constitution and laws are the supreme law of the land, binding alike upon States and persons within the limitations of these objectives. Operating under a strict grant of powers from the people, it is established that the powers implied are commensurate with its functions as designated, and no more.

The liberties, to preserve the blessings of which it was created, are the ancient liberties that we have received as a heritage from the fathers of old, that came in their breasts from beyond the sea—the right of personal liberty, the right of personal security, the right of personal property—with two other liberties which they at length wrought out on these shores, the liberty of local self-government and of equal voice in the General Government, and the liberty of the soul, spiritual self-sovereignty, whereby we have release to civilization of man's infinite capacity for spiritual and moral ascent, the most precious liberty of them all, the liberty without which the other liberties could not thrive, to preserve which we must maintain with jealous zeal the absolute separation of church and state.

The justice that it contemplates is more than righteousness, more than equality before the law; it is civil and political equity, equality of opportunity, equality in responsibility for the Government, equality in the benefits and the burdens of government, equality of rights, not of capacity or goods, but, regardless of capacity or goods, and equality in an utter negation of favor, advantage, or privilege at its hands. We do not compensate favor with favor. We yield no favor. We extirpate advantage and privilege and give liberty and equality to every man as he works out his destiny. To this end we uphold the ideal that this must be a government of laws and not of men.

In order that there shall be both liberty and equality, the Republic seeks to provide the broadest opportunity for individual initiative consonant with the general welfare. If our constitutional representative democracy is social in its concern for the general good, it is individual in its understanding that that end shall be accomplished by means of individual initiative with order, liberty, and justice. Its concern is not to impede but to aid and stimulate individual exertion and development. It would call forth the activities and powers of individuals and bodies rather than substitute its own activity for theirs. Its function is to free men, not to fetter them; to interfere with none, not especially to aid any; to preserve order, execute justice, maintain equality, and not otherwise to interfere; to induce them to labor and thrive, not to do their work for them, to the end that every man shall have the broadest opportunity for self-expansion and self-reliance and the inducement that the fruits of his toil shall be his own.

It will do nothing that its citizens may do as well in the knowledge that it is better that every door of opportunity shall stand open to them; that the Government cannot go forward in civilization of itself, but only by means of the prudence and industry of the people. It regulates industry only when the exercise of the power of eminent domain creates a public use and thereby predicates a public trust. It lays a hand upon internal commerce only to preserve fair trade practice and prevent monopoly.

This philosophy of individual and organized private initiative is the distinguishing characteristic of our country, and to it we may attribute our dominant position in world economic affairs and our leadership in world progress. Over against it comes now the contest with democracy interpreted as socialism in Europe and as communism in Russia. The present generation will see these vast experiments through. The advantage clearly lies with us now. Let us see to it that it shall lie with us in the end. We will not compromise; we will have no half dealings. We will maintain our course in confidence of the outcome.

Historically the Republic derives not from the Athenian or from the Roman experience but from the English. Underlying it are the great charters and muniments of progress in individual rights that mark the rise of the English-speaking man from feudal estates and serfdom to his present status, we having here changed the form of the governmental instrument from monarchy to republic and having added to Magna Carta and the Petition of Rights our Declaration of Independence and the Bills of Rights not only in the Federal Constitution but in the State constitutions. These Bills of Rights are of primary importance. They affirm the rights reserved to the people, and to each of them among these the human rights which the great Declaration holds to be inalienable. They underlie and limit the constitutions.

Much may be said of the virtue of the mechanical balance of the Government—the three branches, each independent—executive, legislative, and judicial. But there is a profounder and more valuable moral and spiritual balance here; it is the balance of powers and rights; in the powers granted to the Republic, the powers limited to the States, the powers and rights reserved in the people as a whole, and, above all, the powers and rights vested in the individual. It is this balance that accounts in large measure for our welfare and progress, for our individualism, our virility, and for our solidarity; nay, this balance is of the essence of our civilization and gives us our unique place and precedence in all the history of government.

This balance of powers and rights looks not only to local self-government but to individual initiative and self-determination. It gives to the State domestic supremacy within its borders, to the locality local autonomy, and to the individual personal liberty, personal responsibility, and the direction of his own affairs, all under a supreme power that operates to protect and preserve rather than to interfere with or impair these exercises of liberty and sovereignty. It is in this sense, as well as in the sense that the powers of government are here held to be derived from the people, and public officials are representative and directly responsible, that the American citizen, notwithstanding the inspector, the police, and the tax collector, realizes yet within himself the attributes of sovereignty.

I would pause here for a moment to offer an humble tribute to the wisdom of the fathers in creating an independent judiciary to keep watch and ward over the indispensable distribution of powers and rights which constitute the genius and the spirit of the Republic and in doing obeisance to the great Court that, true to its mission, has preserved this moral and spiritual balance. Justice and wisdom have guided it in deciding rights between man and man, but in its fidelity to the Republic's true character in the preservation of the balance of powers as between the Republic and the States, and not less as between both these and the people and individuals, it has risen to heights beyond which are no reaches in the story of mankind's progress. It has kept pure the springs of America's political, moral, and spiritual ascent. It has won for itself just title to sanctity and commanded the tribute of honor from all civilized peoples.

Such then is the character of our Republic. Such is its structure and spirit—no static thing, but organic, vital with great principles and ideals in the hearts of aspiring men and women stimulated by the impulses of order, of justice, and liberty. It is this character that we must maintain in all events. It is of our fathers and ourselves. We received it as a goodly heritage. Greatly has it served. We know its value, and all the world knows. We shall hand it down to our children as our best gift to them, in the assurance that it will serve them as it has served our fathers and us, not as perfection, but as approaching perfection, as the groundwork and the pattern of perfection, the best form and character of government that human experience has evolved, and capable of perfection in the hands of more perfect men.

The poise, stability, and comparative serenity of our Republic during the last two decades and at the present moment presents a remarkable contrast with other governments throughout the world. We have seen the strongest monarchies go down and their dynasties extinguished or exiled. We have seen republics in revolution severe and overwhelming. On every hand the dictator has arisen. We hear the master of Italy declaring in the present moment that there will shortly be a rally or the end of all things; and Lloyd George, his faith faltering, declares that we are passing into a crisis, not through one. But America is unshaken. We propose to go through and come out triumphant. We owe much, to be sure, to our more favorable situation, much to the fact that we all but escaped the greater shock of that invasion by hell that is called the World War. But we owe our poise, our serenity, our sense of security, more to the character of the Republic, to the underlying confidence in it, to the general sense that after all it is

the best form of government the mind of man has so far framed, that essential human rights here are secure, that the governmental instrument is neither too strong nor too weak, that it at once preserves the liberties of the people and individuals in the spirit of equality, and provides the means of realizing their personal aspirations and the general welfare. Here is one land upon the globe in which the overwhelming popular opinion is that nothing may be gained by revolution, nothing won by radicalism; in which general confidence in the orderly processes of our progress is unimpaired.

I have spoken of the present testing and of possible division and attack. Our danger does not lie in overt acts but in gradual, almost unintentional, alteration of the national character—in the framing of political policy, in too great anxiety to win elections, in the propaganda of groups, in the insidious movement, in the unsuspected tendency, in momentarily popular nostrums and remedies, in the unsound precedent and procedure, in the special plea for a special need, and in the disregard of law, which is nothing less than disrespect for the Government, rather than in riots or armed force. The nature of this danger warns us of the necessity for eternal vigilance.

We can repel the invader, we can repress the rebel; but what may we do with the agitator in a land of freedom where millions are but ill-informed, are discontented, and none too deeply convinced of the value of the Republic in its historical form and character? And what may we do with the politician and his accommodating and ambitious nostrums, with the self-styled progressive who seems to conceive of government as a cure-all; who interprets progress in terms of negation and radicalism, rather than in terms of affirmation of approved principles and orderly development; who reckons naught of the perspective and process of history but hesitates not to experiment with a people's destiny; who presents to the electorate, without thought of the past or regard to the consequences, a complete pharmacopoeia of remedies and reliefs that predicate an exaggeration of the functions of the Government and even negative its character as established, promising the voters anything from the millenium to roasting ears for Christmas, if only they shall appear to meet a demand or tickle the ears of discontent?

And what may be done with the self-styled liberal who interprets liberalism in terms of force and interference rather than of freedom and simplicity of government, voluntariness, and initiative? Such so-called liberals are in truth the real reactionaries, and their activities under that appellation are a libel upon liberalism. Advocates of the omniscient and omnipotent state, with a finger in in every pie, whose remedy for every evil, fancied or real, is to pass a law, who invoke the interference of the Government at every turn, are not liberals in any sense of the word, for all that they loudly profess to serve in humanity's name and cause. They have but clothed the tyrant in democracy's cloak. And they have done more to discredit liberalism than all the standpatters. The true liberalism, as the word implies, makes ever for freedom—individual freedom. It is the antithesis of socialism, the antidote to communism.

The answer to our questions is, we must preach a crusade throughout our land in behalf of the wisdom of the ages, the value of experience, the virtue of orderly development, and the meaning of the ancient landmarks of our Republic's progress, not a gospel of discontent, but a gospel of the meaning and value of the Government. We must press forward with an evangel of the Republic as revealed in 150 years of increasing prestige and world compelling human progress. We will not denounce; we will expose the fallacies and expound the truth. We will not protest. We will overcome evil with good. We will negative their claims and pretensions with the great affirmation of the Republic as it is and must ever be. We will prove its character in equality and liberty.

And none there are so qualified to this cause and calling as the sons of the fathers, North, East, West, and South, in whose very blood dwells the heritage of the Republic. United to begin with, divided for a season, united again by community of interest and experience, by understanding and sympathy, we have now a yet greater bond of unity, the bond of high mission—the mission of preserving inviolate the true character of the Republic.

I bid you be of good cheer. We are in a situation very difficult. Dark does the depression lower; grave are our perplexities. But our ship of state is sufficient. There is a light—the light that led the way across the Atlantic, whose beams rode out the storms and penetrated the long night in the wilderness, lifted up the heart of Washington and led him on, that was the lamp of Marshall's mind, inspired the soul of Webster in the great controversy with the vision of liberty and union now and forever, piloted Lincoln out of the depths, and comforted Lee and his men in defeat and gave them mission and hope in the dread aftermath. It is the light of faith. It is for us to maintain our faith in our Republic—in the American people, in their diligence, their courage, their common sense, their instinct for the right and for order, in the intelligence of their sense of self-interest, in their competency to carry on, proved in 150 years of onward struggle and in six armed conflicts, three of them of the first magnitude; our faith in our Government, in its form, its structure, its Constitution, its character, its capacity to heal itself, to go forward and to meet every just demand, and to serve us and our posterity; our faith in the destiny that we deeply feel within ourselves, and in the God who is its author.

There is a shrine at Plymouth on the hill overlooking the bay where the *Mayflower* was moored. It is the monument on the corners of which stand four figures representing liberty, law, morality, and education—the pillars of the new civilization. Above, these, high upon the top of the shaft, is another figure with the Book of humanity's hope in one hand and the other pointing upward. It is the figure of Faith—the spiritual element without which law, morality, liberty, and education would be invoked in vain. It is not faith theological, nor is it faith ecclesiastical. It is the faith of the ages, the dynamic of mankind's upward course, the faith by which saint, scientist, and statesman, peoples and prophets, in all the long struggle have "subdued kingdoms, wrought righteousness, obtained promises, stopped the mouths of lions, quenched the power of fire, escaped the edge of the sword, from weakness were made strong, waxed mighty in war, turned to fight armies of aliens." It is the faith which is the soul of our Republic.

The shrine at Plymouth is a shrine for every American—in every age.

Edison Day

EXTENSION OF REMARKS

OF

HON. ALBERT L. VREELAND

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, February 17, 1939

RADIO INTERVIEW WITH GEORGE E. STRINGFELLOW, FEBRUARY 11, 1939

Mr. VREELAND. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following interview had by Mr. George E. Stringfellow, vice president of Thomas A. Edison, Inc., over the radio network of the National Broadcasting Co. on February 11, 1939:

The ANNOUNCER. Today we remember the ninety-second birthday of the late Thomas Alva Edison, world-famous inventor and scientist. The National Broadcasting Co. is proud to join with the world of science and industry in paying tribute to a great mind and a great humanitarian. We are fortunate in having with us today Mr. George E. Stringfellow, vice president and division manager of Thomas A. Edison, Inc. Mr. Stringfellow was for many years in daily contact with Mr. Edison as the directing head of the storage-battery division of the Edison industries. During these years Mr. Stringfellow came to know Thomas Alva Edison intimately and is therefore well qualified to speak of him. Mr. Stringfellow, how long were you personally associated with Mr. Edison?

Mr. STRINGFELLOW. Nine years. I joined the Edison industries in 1918, and from 1922 until the time of Mr. Edison's death in 1931 I saw him almost every day.

The ANNOUNCER. I imagine it was very interesting to work with him.

Mr. STRINGFELLOW. Indeed it was. He was a human dynamo, and every day brought new ideas and new developments of old ideas. During a span of years covering well over half his life Thomas Alva Edison was one man who consistently made news. In newspaper language, anything he did or said was "good copy." Public interest is fickle, and most headliners in the news enjoy only a brief period of public popularity, but Edison remained one of the world's most interesting personalities throughout his long and productive life. It isn't very strange that Edison's popularity was so great and so much a part of everyone's life. All classes of people found something in him to admire, and few were inclined to find fault. This was because his achievements benefited everyone and injured no one.

The ANNOUNCER. These inventions of Mr. Edison—can you tell us something about them, Mr. Stringfellow?

Mr. STRINGFELLOW. Well, 2 years ago the number of patents issued by the United States Patent Office reached 2,000,000, and of this number 1,150 were the product of Thomas Edison's fertile mind. He is perhaps best known as the inventor of the electric light, but there are many others of his inventions that play a large and useful part in our everyday lives. He invented the first practical generator, electric motor, and power distribution system, which, taken with his development of the headlight, make for the mechanical perfection of the modern automobile. Some of his other inventions are the quadruplex telegraph, the motion-picture camera, the phonograph, the alkaline storage battery, the microphone transmitter, which played an important part in the development of the telephone and the art of radio broadcasting, and the Edison-effect lamp, which was the first thermionic or radio tube. But these are a mere fraction of the complete list of Edison inventions, and one wonders how any one man could possibly have accomplished so much.

The ANNOUNCER. Mr. Stringfellow, can you give us an idea of what part the genius of Edison plays in our modern life?

Mr. STRINGFELLOW. We can safely say that all the mechanical wonders of our age depend largely upon Mr. Edison's inventions for their existence. The electric refrigerator, radio, airplanes and automobiles, telephones, subways, motion pictures, phonographic reproduction, mining apparatus, oil burners, mimeograph machines, and hundreds of other mechanical, transportation, and

communication industries all owe their existence either directly or indirectly to the genius of Edison. The list is staggering and the figures are overwhelming. The industries arising directly from the inventions and discoveries of Thomas Alva Edison represented a total of over $25,000,000,000 when he passed on in 1931. But there is really no way to measure fully the enrichment Thomas Edison has brought to our lives. So basic are his inventions and so interrelated are the divisions of modern industries that his true influence is literally beyond calculation. Henry Ford once remarked that the combination of high wages and low prices in modern industry may be traced directly or indirectly to the aid of the electric motor—the electric motor, just one of the many phases

The ANNOUNCER. I've heard it said, Mr. Stringfellow, that a great many of Edison's inventions were just, well, lucky accidents. Is this true?

Mr. STRINGFELLOW. No; it is not. Edison rarely discovered anything by accident. It did sometimes happen that one of his ideas would suggest another, but usually his inventions were the result of careful research and study. It was his procedure, beginning with a commercial need that he was able to foresee, to work systematically toward a practical means to meet the need. He spent much less time in the realms of pure science than in the application of known scientific fact to useful ends. A good example of Edison's intensely practical nature is the way he came to invent the mimeograph. He found one of his employees spending a great deal of time laboriously making copies of certain reports when Edison wanted him to do something else. Upon learning that there was no other way of making copies quickly, Edison decided to invent one—and did. In the course of making the mimeograph, Edison invented the waxed paper so familiar to all of us today. Later he adapted the duplicating process to use with a typewriter, which, by the way, is another thing Edison had a hand in developing.

The ANNOUNCER. What, in your opinion, Mr. Stringfellow, is Thomas Edison's greatest contribution to mankind?

Mr. STRINGFELLOW. That is a rather difficult question to answer. So much has been said about the relative worth of Edison's inventions. There is one thing, however, which I believe to be a great contribution from Edison to mankind, and, strangely enough, it is not directly concerned with his inventive genius. While it is true that Edison produced many epoch-making inventions and a seemingly endless list of lesser ones, I believe time will prove that in the organized methods by which he did so he has left society something far more valuable than the inventions themselves.

In the files of the Edison library at West Orange is to be found an interesting page in Edison's early history of organized research. It is a scrap of paper on which Edison sketched a machine he thought would record and reproduce the human voice. Below it Edison wrote a memo addressed to his assistant, John Kreusi, a mechanic on his laboratory staff. The memo reads: "Kreusi, make this," and it's signed "Edison."

I cite this historical paper not because Kreusi made the device and thus produced the first working phonograph but because it serves to illustrate the fact that Edison, instead of serving as his own mechanic, was already applying organization and management to research.

One needs only to compare Edison's staff of research workers in Menlo Park 60 years ago with the large and numerous research organizations maintained by industry today to realize how extensive has been the adoption of the methods he pioneered.

Today American industry maintains more than 2,000 research laboratories, most of which have been established since the year 1900. Such research organizations represent a living force for continued progress in the arts and sciences that are serving mankind today.

Thus, what Edison did to stimulate organized research seems to me the most lasting and valuable of all his contributions to society. Thank you.

The ANNOUNCER. Thank you, sir. Ladies and gentlemen, you have just heard an interview with Mr. George E. Stringfellow, vice president of Thomas A. Edison, Inc., whose analysis of Edison's permanent place in our everyday life springs from 9 years of daily association with the electrical genius. This interview was brought to you as part of the National Broadcasting Co.'s tribute to the memory of Thomas A. Edison upon the occasion of his ninety-second birthday.

National Highways

EXTENSION OF REMARKS
OF
HON. J. BUELL SNYDER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Friday, February 17, 1939

LETTER FROM AUTOMOBILE CLUB OF MICHIGAN

Mr. SNYDER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from the Automobile Club of Michigan:

AUTOMOBILE CLUB OF MICHIGAN,
Detroit, January 20, 1939.

Hon. J. BUELL SNYDER,
House Office Building, Washington, D. C.

MY DEAR REPRESENTATIVE SNYDER: Your project as indicated by the enclosed newspaper clipping is of very definite interest to me, as I have for years approved such road construction, not entirely from a military viewpoint but also from the viewpoint of peacetime progress.

Also within the last 60 days the Automobile Club of Michigan has been taking an active part in the work of the Super Dixie Highway Association—a group with headquarters in Lexington, Ky., and which is advocating a highway from the Straits of Mackinac to Miami, Fla. This highway would seem to be so located that it would naturally be one of the north and south highways which you propose.

At a meeting last November at Lexington, Ky., both Congressman MAY and Senator BARKLEY took an active part and gave a definite approval to this work. Perhaps a coordination of effort with your project would be helpful mutually.

I feel that you are very definitely correct in your assumption that as a matter of military defense this series of highways is an absolute necessity. I think most of us fail to realize that, in addition to a military value, such a group of highways possess just as great a peacetime value.

This is not true of most of the rest of our military preparedness. Battleships, destroyers, tanks, planes, field pieces, and all the rest grow outmoded in a very few short years. They are also a matter of liability in peacetime, due to maintenance costs.

The value of these highways, however, in peacetime is so great to the Nation that it cannot be definitely computed in dollars and cents. They are in fact one of the very greatest of the capital assets of the Nation.

I say this advisedly because experience shows definitely that human progress, civilized progress, has always been proportionate to the improvement in comfort and speed of transportation. I mean transportation of individuals and material.

So I hope you will not permit this ideal of yours to fall by the wayside. The United States of America needs these roads from both military and peacetime viewpoints.

Very sincerely yours,

W. A. BRUSH, *President.*

More Veterans' Hospital Facilities Needed

EXTENSION OF REMARKS
OF
HON. OVERTON BROOKS
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Friday, February 17, 1939

Mr. BROOKS. Mr. Speaker, the problem of hospitalizing our veterans has not entirely been solved. The facilities are not adequate yet to handle the increasing load of disabled veterans from year to year and it has been evident for some time that more veterans' hospital facilities are needed. There is very little doubt but what some portion of the South must be used for an extension of the veterans' hospital facilities, and it is interesting to gain an insight into the present conditions prevailing in this respect.

The percentage of veterans in all communities of any size bears a direct ratio to the population of these communities. The same is true of each State, as a percentage of veterans under draft conditions in the World War would be found to be about equal throughout the entire country. Since this is the case, it is interesting to know the populations of key States in the South and Southwest and their relationship to veterans' hospital facilities existent in these States at the present time. For instance:

	Population 1930 census	Veterans' hospital and domiciliary beds
Louisiana	2,101,593	599
Arkansas	1,854,482	1,610
Mississippi	2,009,821	1,787
Alabama	2,646,248	2,137
Georgia	2,908,506	1,378
Florida	1,468,211	1,672
Tennessee	2,616,556	2,956

The Louisiana department of the American Legion, in a brief drafted recently and submitted to the Veterans' Bureau,

explains the situation existing very forcefully, and I quote therefrom:

LOUISIANA'S VETERANS' FACILITY BEDS COMPARED TO OTHER SOUTHERN STATES

The above shows Louisiana with a total of only 599 beds, or only 34 percent of the number in Mississippi; 28 percent of the number in Alabama; 38 percent of the number in Arkansas; 46 percent of the number in Georgia; 36 percent of the number in Florida; and only 20 percent of the number in Tennessee.

LOUISIANA HAS MORE VETERANS IN HOSPITALS

Your attention is next invited to the following information taken from the Director's report of June 30, 1937, which shows the total number of veterans in the hospital from their respective States:

Total Louisiana veterans hospitalized	971
Total Mississippi veterans hospitalized	659
Total Arkansas veterans hospitalized	873
Total Alabama veterans hospitalized	1,204
Total Georgia veterans hospitalized	1,264

This shows Louisiana with more veterans being hospitalized than Mississippi and Arkansas, and very few less than Alabama and Georgia.

NUMBER OF VETERANS HOSPITALIZED IN SOUTHERN STATES

The following from the same report shows the number of veterans in the hospitals in these States irrespective of where they reside:

Total number veterans hospitalized in—

Louisiana	387
Mississippi	1,231
Arkansas	1,204
Alabama	1,648
Georgia	1,295

I myself am a veteran of the World War and have worked for many years among the disabled and needy veterans of the State of Louisiana. I have seen the pressure for hospital facilities for our veterans gradually result in providing facilities and hospitals for them. I have seen sick veterans of the World War taken from asylums, State and local hospitals, from homes, and even from jails and put into hospitals built by the Veterans' Bureau for them.

It was my privilege to visit base hospital No. 27, located at Pineville, La., about 5 miles north of Alexandria, La., at a time almost 10 years after the World War, when veterans were still housed in temporary wooden shacks. I have seen these veterans at a time when they were huddled around the stove in these temporary buildings for the purpose of keeping warm and have seen them suffer from exposure and lack of proper provision for them.

Out of this need and suffering in the State of Louisiana came what is now base hospital No. 27, with a limited capacity of 599 beds. This institution serves admirably to the extent of its limited capacity and many of the boys who served in the World War, some of them suffering from disabilities incurred at that time, owe their lives to the generous but limited facilities provided at this place by the Veterans' Bureau, and I commend the work of the Bureau in its building and operation of that magnificent institution dedicated to the alleviation of suffering and disease and maintained upon the basis of restoring health and happiness to our disabled veterans.

This hospital is located near the geographical center of the State of Louisiana. It is approximately 100 miles from Monroe (located in the northeast corner of the State). It is approximately 130 miles from Shreveport (the second city of the State) in the northwest corner of the State of Louisiana. It is 95 miles from the city of Lake Charles, with its new and growing port, located in the southwest corner of our State. It is approximately 110 miles from Baton Rouge, the capital city of the State, and 200 miles from the city of New Orleans, the largest city in the South.

It is interesting to know that in spite of the fact that New Orleans possesses a marine hospital, only 50 beds are available in this hospital for veterans' use. These beds constitute a receiving station and are merely for emergency use. Because of this, Louisiana veterans are forced to the hospitals in Mississippi, Alabama, Tennessee, Arkansas, and Texas.

Men who have served the United States in its hour of trial are entitled to more consideration. Except in the unusual case, a veteran should be entitled to hospitalization in his native State from which he came to serve his country in the great National Army of the World War. He should be entitled to hospitalization near his home and close to his relatives. They should have an opportunity, because of local proximity, to visit him at intervals and to cheer him during the dark and gloomy hours of his illness. He should not be denied the benefit of his friends and his relatives and the value of these associations to bring about a restoration of his health and physical recovery.

As things are now, often do I receive the cry of distress from the Louisiana veteran hospitalized at a distant point. Often do I receive the cry of anguish of the wife, the mother, the father, or the child of a disabled veteran being hospitalized far from them and from their local associations. This situation should be remedied, and additional facilities for veterans should be builded at once in the State of Louisiana.

Walter S. Steele, a Witness Before the Dies Committee

EXTENSION OF REMARKS
OF
HON. ADOLPH J. SABATH
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Friday, February 17, 1939

LETTER FROM WALTER S. STEELE AND REPLY THERETO

Mr. SABATH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a letter received from Mr. Walter S. Steele, general manager of the National Republic, a magazine, and my reply thereto, as follows:

NATIONAL REPUBLIC,
Washington, D. C., February 6, 1939.

The Honorable ADOLPH J. SABATH,
Chairman, Rules Committee, House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN: I understand that on February 2, 1939, Congressman VITO MARCANTONIO charged before your committee that I was, or am, a member of the Silver Shirts, and he implied, at least, that I am a Nazi or Fascist engaged in anti-Semitic activities in this country. I wish to emphatically deny Congressman MARCANTONIO's charges and to advise you that they are unmitigated lies.

These charges against me were first made, as far as I can determine through research, by the Communists. I denied before the Dies committee, under oath, that I had ever had any connection with the Silver Shirts. I later filed an affidavit disproving the truth of the claims originally made by the Communists. On the other hand, I have never carried on anti-Semitic propaganda activities.

If everyone were to believe all that the Communists and the like have said about me I would have said and done many things of which I have no knowledge. They have even reported that I was present at meetings in cities in which I have never set foot. I feel, therefore, that such damnable lies should not go unchallenged, and I desire to correct the false impression these charges may have made on you and the members of your committee, to whom I am forwarding a copy of this letter.

Congressman KENT KELLER also made charges similar to those made by Congressman MARCANTONIO against me. All that I can say is that anyone making these charges is merely echoing Communist lies.

Respectfully yours,

WALTER S. STEELE.

FEBRUARY 13, 1939.

Mr. WALTER S. STEELE,
National Republic, Washington, D. C.

DEAR SIR: In your letter of February 6, 1939, you state that Congressman MARCANTONIO charged you before the Rules Committee with membership in the Silver Shirts; and, further, implied that you are a "Nazi or Fascist engaged in ant.-Semitic activities in this country." In your denial of these alleged charges you claim that they are Communist-inspired and that anyone making them is "echoing Communist lies."

Congressman MARCANTONIO, when he appeared before the Rules Committee on February 2, quoted from your testimony before the Dies committee to the effect that you "had never been connected with any such organization" as the Silver Shirts; and, further, that you "have absolutely no respect for the Silver Shirts or any other such movement" (vol. 1, p. 309 of the hearings).

It was Congressman MARCANTONIO's contention before the committee that in making the above statements under oath you perjured yourself. The Congressman based his contention on a num-

ber of facts which he related to the Rules Committee, and which he repeated thereafter in a speech which appeared in the CONGRESSIONAL RECORD of February 3, 1939.

In reference to your denial of Silver Shirt connections, Congressman MARCANTONIO produced a series of newspaper articles from the Cleveland Press, running from July 30 to August 12, 1937, which related to the activities of the Silver Shirts in the city of Cleveland. In particular the articles expose the activities of one Elsie Theuer, alias Susan Sterling, who is named as head of the master council of Silver Shirts in Cleveland.

The first article, dated July 30, states that the Press reporter's first interview with Susan Sterling took place in the presence of one Charles A. Kennedy, who is identified as the Cleveland representative and associate editor of the National Republic. The article reports that Mr. Kennedy constantly answered questions for Miss Sterling when the latter appeared hesitant for an answer, and thus proved himself to be intimately conversant with the subject under discussion, namely, the Silver Shirt activities of Susan Sterling.

Further articles in the same series discuss the role of one Dr. Doron, who, according to Miss Sterling, was president of the Cleveland Silver Shirts, and reveal the presence in Dr. Doron's offices of a complete file of the National Republic. Your magazine apparently met with their unstinted approval, for Mrs. Doron praised it in these terms: "This is a magazine you ought to read. It prints the truth. I wouldn't swap it for all the Cleveland Presses in the world." The Silver Shirt leader's wife spoke highly also of Associate Editor Kennedy for the "wonderful work he was doing in the Cleveland schools."

In connection with this latter phase of activity, Congressman MARCANTONIO pointed out that the National Republic is sent free and unsolicited to school teachers throughout the country in what is apparently an attempt to propagandize and influence the educators of our American children.

The articles in the Cleveland Press which link up your Cleveland representative and your magazine with the Silver Shirts are borne out by a letter produced by William Miller, the Press reporter, and addressed to you by Susan Sterling. The letter is as follows: "Am having an interview with the officials of Republic Steel tomorrow. If you are interested, I can furnish data to you." (Arnold Gingrich's testimony before the Dies committee showed conclusively that Susan Sterling and other Silver Shirt leaders were constantly in touch with officials of Republic Steel, including Tom Girdler.)

Proof of complicity between the officials of a great steel company and the leaders of so notoriously un-American and subversive an organization as the Silver Shirts is something not likely to be revealed to an unsympathetic bystander, particularly when the latter is an editor who could spread such proof far and wide if he so chose. The existence of this letter, addressed to you by a leader of the Silver Shirts, certainly points to sympathy on your part with the aims and activities of this pro-Nazi and anti-Semitic organization.

Further substantiation of your having maintained connections with the Silver Shirts is contained in a telegram which was read into the record by Congressman MARCANTONIO when he appeared before the Rules Committee. The telegram was dated February 2 and signed by William Miller, the Cleveland Press reporter whose articles were mentioned above. Mr. Miller's telegram states, in part: "The National Republic, * * * a publication which no Silver Shirt I interviewed had been without; it was, next to their violent animosity toward the Jews, perhaps the most identifying characteristic of them all. * * * The Cleveland correspondent of this magazine, Mr. Charles A. Kennedy, was one of the closest associates of Susan Sterling, and Miss Sterling also enjoyed the most cordial relationship with Walter Steele, of Washington, the managing editor of this magazine. * * * Had Mr. DIES actually wanted to investigate the activities of Susan Sterling, he could have found no better source than the files of his own witness, Walter Steele, to whom she wrote constantly, confiding to him everything that she was doing to help him in 'sending out vibrations of true Americanism to all those eager for authentic information.'"

In further corroboration of the cordial relations obtaining between the Silver Shirts and the National Republic is the unchallenged affidavit of Miss Barbara Baker, the witness whose willing testimony the Dies committee refused, in effect, to hear. Miss Baker, who served Susan Sterling for 10 months as personal secretary, swore in her affidavit that the National Republic is "the Bible of the Cleveland Silver Shirts, along with Mrs. Elizabeth Dilling's Red Network. Miss Baker relates that your Cleveland representative, Mr. Kennedy, was among the guests at a banquet arranged by Susan Sterling in honor of Mrs. Dilling, and that among the other guests was Spencer Warwick, Ohio commander of the Silver Shirts. At the dinner, Mrs. Dilling, in customary vein, attacked what she termed the "Roosevelt 'red' government" and praised Hitler and Mussolini as "great men" and "saviors of their countries."

All of these facts, which surely cannot be dismissed as "Communist lies," were offered by Congressman MARCANTONIO in proof of your connections with the Silver Shirts and in refutation of your statement under oath that you had "never been connected with any such organization."

In your appearance before the Dies committee you stated (vol. 1, p. 310, of the hearings): "I have absolutely no respect for the Silver Shirts or any other such movement, and I want that understood here today." In your letter of February 6, 1939, addressed to me as chairman of the Rules Committee, you deny that you have ever been "engaged in anti-Semitic activities in this country."

As the self-proclaimed spokesman for the American Coalition, which you publicly represented before the Dies committee, it is certainly true that you are engaged in and have "respect" for the activities and program of the organization and its affiliates.

One need look no further than the president of the American Coalition, John B. Trevor, for an example of pro-Nazi and anti-Semitic activities with which you are publicly connected. Mr. Trevor serves the cause of nazi-ism and anti-Semitism through his position as head of the American section of the so-called International Committee to Combat the World Menace of Communism, an organization which conceals behind its typical Nazi-camouflaged title its real function as a Berlin-inspired and foreign-dominated Nazi International, operating as a "front" for Hitler's subversive machinations within the world's democracies.

Again, in one of the American coalition's founders one finds a notorious leader among Nazi propagandists in the United States—George Sylvester Viereck, revealed by the McCormack committee as a paid Nazi agitator, an "admirer of Hitler," and a "friend of the New Germany."

In your role of spokesman for the American coalition you publicly represented, in addition to Mr. Trevor and Mr. Viereck, one of the most sinister of anti-Semitic and subversive organizations in the United States, the American Vigilant Intelligence Federation. Before the Rules Committee, Congressman MARCANTONIO quoted as follows from the McCormack committee report: "Harry A. Jung and the A. V. I. F. had published and circulated great masses of literature tending to incite racial and religious intolerance." He listed, furthermore, a number of pamphlets of an avowed anti-Semitic character which Jung wrote or distributed, among them the thoroughly discredited forgery, the Protocols of the Elders of Zion. In addition, he quoted a letter to the Honorable Henry T. Rainey, late Speaker of the House of Representatives, which establishes Jung as a labor spy and strikebreaker "who does the slimy, stool-pigeon work necessary for the purpose of destroying organized labor."

The American Vigilant Intelligence Federation was among the organizations you claimed to represent in the list you presented to the Dies committee. Its record and the record of its president, as established by a congressional committee and by an honored Speaker of the House of Representatives, are undeniably subversive, un-American, and anti-Semitic. Such evidence requires more refutation than your letter offers with its charge of "Communist lies."

Another organization which you represented before the Dies committee was the Associated Farmers, Inc., an organization now under investigation by another congressional committee. Financed by big railroad and utility interests, according to its own published report, the Associated Farmers is an avowed antilabor and antidemocratic organization. In the words of Congressman GEYER of California, in a speech on the floor of the House, "strikebreaking and vigilante terrorism have been its un-American weapons." Testimony before the National Labor Relations Board confirms the charge of their using violence during strikes on the west coast, conducting "ax handle" raids against striking workers and pickets.

Still another organization with which you were linked by Congressman MARCANTONIO is the Paul Reveres, which formerly appeared among the affiliates of the American coalition, but which has since been dropped. Congressman MARCANTONIO, in the speech which is contained in the RECORD of February 3, 1939, pointed out that your magazine, the National Republic, in its issue of June 1933, was the first to welcome the founding of this organization in an article entitled "Paul Revere Rides Again." The article was quoted as saying: "The National Republic has welcomed this dynamic society into the field of constructive education."

Let us see what the National Republic means by "constructive education." The author of that article, Col. Edwin Marshall Hadley, is also the author, under the pseudonym of Earnest Sincere, of two anti-Semitic pamphlets called Facing the Facts and The Plan in Action. Under his own name Colonel Hadley wrote another widely distributed pamphlet called "Rape of the Republic," which is a scurrilous attack on the Roosevelt administration. It appears, then, that anti-Semitism is synonymous with "constructive education" in the vocabulary of the National Republic.

The National Republic's approval of the Paul Reveres is carried further by your presence on the advisory board of the organization, where you join one of the Nation's most notorious anti-Semites, Col. E. N. Sanctuary. Colonel Sanctuary, besides heading his own pro-Nazi and anti-Semitic group, the American Christian Defenders, is also eastern representative of Harry A. Jung and the American Vigilant Intelligence Federation. You are probably aware that your coboard member, Sanctuary, is an associate of the most vicious and criminal anti-Semites in America—such men as Robert Edward Edmundson and James True. And behind all these is the high priestess of the native Nazi movement in America, Mrs. Elizabeth Dilling, who founded the Paul Reveres. Surely it is undeniable that the Paul Reveres are of the same stripe as the Silver Shirts and the American Vigilant Intelligence Federation.

The assembled facts show that you are indeed, as Congressman MARCANTONIO charged and as Congressman KELLER agreed, closely identified with "the most dangerous, undemocratic, un-American, and subversive groups in the United States."

Your proven intimacy with Silver Shirt leaders, your public role as spokesman for and, in one case at least, as adviser to subversive and anti-Semitic organizations combine to uphold Congressman MARCANTONIO's contention that your sworn statements before the Dies committee, as previously quoted, are open to more than considerable doubt. On the other hand, you have chosen to answer his facts with a blanket denial, which consists of nothing more than an attempt to brand them as "Communist lies."

I call to your attention that the law specifically provides that a letter is the exclusive property of the sender. I give you permission to print this letter, with the distinct understanding that, if printed, it be printed in full.

Very truly yours,

A. J. SABATH.

The Foreign Policy of the United States

EXTENSION OF REMARKS

OF

HON. ROBERT G. ALLEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 17, 1939

RADIO ADDRESS BY HON. THOMAS C. HENNINGS, JR., OF MISSOURI, FRIDAY, FEBRUARY 3, 1939

Mr. ALLEN of Pennsylvania. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio speech recently delivered by Hon. THOMAS C. HENNINGS, Jr., Representative from Missouri.

Mr. HENNINGS discussed the President on American foreign policy and spoke from the studios of WABC over the Columbia Broadcasting System the evening following the White House press conference of that day.

The full text of his address follows:

As a member of the Committee on Foreign Affairs of the House of Representatives and as a Member of Congress from a State in the center of the country, my own Missouri and my city of St. Louis, I was greatly interested in the press conference which the President held this morning.

I was particularly gratified by the fact that the President definitely nailed as untrue the many statements, implications, comments, and innuendoes which during the past few days have been handed out indiscriminately to the American people.

It is only natural for the people in every part of the country, whether they live on the seaboard or 1,000 miles back from the coast, to feel concerned if they are told that the United States in the near future or at any other time is going to become involved in a European war.

The President spoke of newspaper headlines, newspaper editorials. Here are some samples which I will quote:

"Roosevelt secret plans hit—Senators view United States alliance as road to war."

"Roosevelt pledge to aid allies in war revealed—war policy flayed by Hoover."

I myself would be worried if I did not know that statements of that kind as the President has so well said are "pure, unadulterated bunk."

Let us examine a few simple facts. First, the President has in four crisp sentences again stated the foreign policy of the United States.

1. "We are against any entangling alliances, obiously."
2. "We are in favor of the maintenance of the world trade for everybody—all nations—including ourselves."
3. "We are in complete sympathy with any and every effort made to reduce or limit armaments."
4. "As a Nation—as American people—we are sympathetic with the peaceful maintenance of political, economic, and social independence of all nations in the world."

That in my judgment and the judgment of very responsible persons is a sound foreign policy and it is also clear that it is not a change in any conceivable manner of our established foreign policy.

We are at peace with the Republic of France. France can come here to buy wheat, cotton, and those things which we produce without restriction. France can also legally and morally come here to buy steel or copper or airplanes. France is buying airplanes today. France is paying for those airplanes in cash. There is no question of any loan by us involved.

The fact that France and several other nations are buying airplanes and airplane material from us fits in with our Government's program to increase our air defense. We need more planes as a matter of reality in defense. We must see whether our airplane factories can operate on a mass-production basis. That ability to operate on a wholesale basis is essential to our own defense if we were attacked. The French order and several other foreign orders, plus our own Government orders which we hope will be appropriated for by this session of the Congress, will strengthen our own production ability and teach us the lesson that we should learn in time of peace rather than in time of war.

May I emphasize what the President has said on several occasions about bartering military secrets. In building modern aircraft there are few secrets. The plane must be able to climb fast, to maneuver quickly, to have a long radius of action, and to carry an adequate load. You have read about a secret bombing device. I am told that such a device exists in this country, but the President has given assurance that neither this device nor any other secret device of our own is being sold to any foreign nation. So much for that argument.

It was stated in the newspapers in this country and abroad that the President had remarked to Senators that the American frontier was on the Rhine or in France. Everybody who knows the President knows that such a statement is false, and the President in his press conference today remarked with a smile that any such statement is "a deliberate lie."

I want to say a few words about the fourth item in the President's summary of our foreign policy. He said, "As a nation—as American people—we are sympathetic with the peaceful maintenance of political, economic, and social independence of all nations in the world." That, to my mind, means that the people of the United States are sympathetic to the fact that Finland should remain wholly independent; that Lithuania and Latvia and Estonia should remain wholly independent; that Sweden, Norway, and Denmark should remain wholly independent; that Holland and Belgium should remain, and continue to remain, independent; that the nations of central Europe should remain wholly independent—though, at this point, I question whether the political, social, and economic independence of Czechoslovakia hasn't already been circumscribed, limited, or partially destroyed. I raise a question mark about the complete independence in all these ways of Hungary, Yugoslavia, Rumania, and Bulgaria. Frankly, I am not sure today but that they are not dominated by fear of military aggression on the part of one or two of their more powerful neighbors.

Independence relates to Greece, Turkey, Persia, and Egypt. Independence relates to the 20 American republics to the south of us.

We of the United States want these nations to retain and maintain their political, economic, and social independence. We in the United States sympathize with them in their fears that their complete independence may in the near future be threatened by superior military force. Most of them are comparatively limited in wealth and armaments; most of them are in desperate conflict mentally as to what they will do in the future if a gun should be held against their heads with the demand that they surrender their independence either politically or socially.

There is no question in my mind as to where sympathy in the United States lies. We believe that if these nations retain their independence the democratic form of government will survive.

We also believe that if the nations of the world gradually lose their independence or have their independence greatly limited by superior military force the processes of democratic government throughout the world may be frustrated.

We believe that if that takes place it will seriously affect and injure the prosperity and the freedom of the people within the United States.

Every man, woman, and child in our country would be affected in their way of life if the bulk of the world were to fall under the domination of those governments which are established wholly upon different concepts of freedom than our own.

American Cotton in World Commerce

EXTENSION OF REMARKS

OF

HON. W. F. NORRELL

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 17, 1939

Mr. NORRELL. Mr. Speaker, as a Member from a district which is predominantly agricultural, and which still depends on cotton production for its chief money crop, I am deeply concerned—and what thoughtful person interested in the agrarian economy of the Nation is not concerned?—in the loss of foreign cotton markets, which is believed to be due in large part to competition of foreign governments, fostered by our own self-imposed laws of crop control. Whatever may be said for the economy of scarcity when applied to production for domestic consumption, it is self-evident that if the present program is continued in its entirety, American-grown cotton, which formerly held a position of dominance in world markets, will continue to lose ground to foreign competitors, and our own cotton farmers will have to bear the brunt of the loss. This loss will in turn be reflected in the entire economic structure of this country, and it is difficult to exaggerate its dire and far-reaching consequences.

In this connection I wish to call your attention to an editorial printed in the Arkansas Gazette, February 13, 1939, a daily newspaper which consistently reflects enlightened

thought on public issues, published by Hon. J. N. Heiskel, a former member of the United States Senate from Arkansas:

[From Arkansas Gazette of February 13, 1939]

RESTORING COTTON IN WORLD COMMERCE

A resolution adopted by the Arkansas Legislature asks Congress for legislation to "restore cotton (that is, American cotton) to its former economic importance in world commerce."

The Gazette, for practical business reasons, is as much concerned as anybody for the welfare of Arkansas' economic mainstay. But the present economic place of American cotton in world commerce was stated at the conference of the American Farm Bureau Federation at New Orleans: "American farmers no longer produce a major portion of the world's supply of cotton; therefore, American cotton no longer controls the price of that commodity."

The changes in the source of the world supply are shown by the following figures on average annual world production for the 5-year period before 1933 and the 5 years following 1933, in bales:

	To 1933	After 1933
American	14,667,000	12,934,000
Foreign	10,887,000	15,826,000

American production decreased about 12 percent. But foreign production increased nearly 44 percent.

Similar changes have taken place in world consumption, the annual average for the two 5-year periods being as follows, in bales:

	To 1933	After 1933
American	14,385,000	10,930,000
Foreign	10,266,000	15,509,000
Total	24,651,000	26,430,000

While American cotton has been slipping back in world commerce, foreign cotton has gained, roughly speaking, 5,000,000 bales a year in both production and consumption, and is now the source of about two-thirds of all the cotton the world uses, while this country supplies only one-third where it used to supply two-thirds. In addition, rayon and other synthetic cotton substitutes almost quadrupled in world production between 1929 and 1937, when their weight was equivalent to 3,783,975 bales of cotton.

Congress may make cotton growing more profitable and make conditions better generally by various measures in the way of aid and benefits. But cotton's place in world commerce is a world matter and not merely a matter for the United States. Within limits, measures taken by our Government affecting international trade conditions may favor or hinder American cotton in competition with foreign growths. But to get back its old world place, American cotton must be produced in adequate quantity to meet world demands, and sold at prices competitive with the price of the foreign cottons that are now supplying two-thirds of world consumption. Otherwise, foreign growers will get the sales.

Mr. Speaker, it is hardly necessary to underline for emphasis any part of this succinct and significant editorial, but by way of summarization I do want to repeat the concluding sentences:

* * * to get back its old world place, American cotton must be produced in adequate quantity to meet world demands, and sold at prices competitive with the price of the foreign cottons that are now supplying two-thirds of world consumption. Otherwise, foreign growers will get the sales.

Here, in plain language, is stated both the problem and its probable solution. If our cotton farmers want to grow cotton for export and run the risk of low export prices, they should be allowed to do so. Certainly we cannot discourage foreign competition either by eliminating production for foreign markets or by keeping the export price up along with the domestic price. No cotton grower could complain of the price he might receive from exported cotton if he took the gamble himself with a full understanding that cotton grown for export might not prove profitable. That there are a majority who are perfectly willing to take this risk, if allowed to do so by their Government, is a matter of little doubt.

At this point, Mr. Speaker, I wish to place before you in its entirety insofar as it concerns this body, House Concurrent Resolution No. 13 of the Arkansas Legislature now in session at Little Rock, Ark., requesting the Members of this Congress to support legislation to restore cotton to its former economic importance in world commerce. This resolution represents the integrated thought of leaders who are vitally concerned in the agrarian economy of the Nation and who are well qualified to speak authoritatively on the subject of cotton production.

House Concurrent Resolution 13, requesting the United States Senators and Members of Congress from Arkansas to initiate and cooperate in supporting legislation to restore cotton to its former economic importance in world commerce

Whereas by reason of legislation creating trade barriers to the cotton trade, discriminating freight rates, the tariff, and other legislation, and by reason of world economic conditions and competition from cotton growers in foreign countries with living standards below that of this country, the cotton farmers in the Southern States have been reduced to a tragic financial condition, their export markets have been almost lost, they are subject to competition which they are handicapped in meeting, and the growing of cotton made economically impossible under existing conditions; and

Whereas unless concerted action is immediately taken by the Senators and Members of Congress from the cotton States looking to the relief of the cotton farmers from the handicaps under which such conditions have come about, the growing of cotton may soon become a thing of the past in this country and the welfare and income of large sections of the United States seriously affected; be it

Resolved by the House of Representatives of the State of Arkansas (the senate concurring), That the attention of the Congress of the United States is respectfully directed to the fact that cotton is the leading product in America's commerce and international trade, and that the cotton farmer represents the world's largest primary wealth-producing group and that it is of paramount importance to the producers of this commodity, as well as to the continued life of world trade on the part of the United States, that this interest be adequately rehabilitated and fostered. To that end the Senators and Members of Congress from the State of Arkansas are respectfully urged to take immediate steps to meet with the Senators and Representatives from all other cotton States for the purpose of securing concerted action by the Congress for the relief of the cotton farmers and of the industry from the handicaps and barriers under which they and it now suffer in the marketing of cotton, domestic and foreign, and it is respectfully suggested that among the things they are called to advocate the following:

(1) Legislation for the removal of statutory trade barriers, as far as possible, against our cotton trade, such as the modification or repeal of the Johnson Act, the enactment of legislation bringing about the equalization of transportation rates, the revision of the tariff to relieve discrimination against the cotton farmers, and other legislation.

(2) The sale to and use by the Government for the manufacture of equipments and munitions of war of 6,000,000 bales of surplus cotton.

(3) Allocation to producers of cotton from the cotton being carried under Government loans a sufficient number of bales to pay them the balance due on 3 cents per pound subsidy authorized by national legislation effective on 1937 cotton crop, and on which only 1.80 cents per pound had been paid.

(4) Increase the subsidy payment to the cotton producers by the further distribution of Government-loan surplus cotton to 65 percent of parity prices on cotton during the crop years 1937, 1938, and 1939.

(5) Allocation or reapportionment of 4,000,000 bales of cotton being carried by the Commodity Credit Corporation to the cotton growers in lieu of their making an additional reduction of one-third or less in their cotton-acreage allotment for 1939, each farmer so additionally reducing his allotment for 1939, each farmer so additionally reducing his allotted cotton acreage to be allotted the amount of cotton he would have produced on this acreage, based upon his average yield as allowed by the Government, and farmers so reducing to be paid the same soil-building and other amounts they would have been paid had they planted the full cotton acreage allotted by the Government for 1939.

(6) Selling to the Post Office Department 1,000,000 bales of cotton now being carried by the Government under loans, this cotton to be used to be manufactured into twines and other materials for use of the United States Mail Service, the Post Office Department to place this cotton through bids to be manufactured for their use.

(7) To allocate or reapportion from the cotton being carried by the Government under the loans, 1,000,000 bales to be manufactured into cotton bagging to be distributed to cotton farmers as an additional subsidy without charge for baling their 1939 cotton and cotton of subsequent years.

(8) The retention of soil conservation payments as now made, pending the working out of a definite permanent plan for the future of cotton.

(9) The allocation of cotton, in point of time, to comply with the time now required under the law for the sale thereof.

(10) The pledging of the Government to a definite support of cotton production profitable to the cotton growers.

(11) The protection of cotton growers, through a subsidy payment increasing the selling price to 65 percent of the parity price of cotton, so that they may successfully compete with foreign growers and regain lost export markets.

(12) The granting to cotton growers of the privilege of planting other money crops than cotton on surplus lands resulting from reduction of cotton acreage and not needed for production of feed and food crops for home consumption without imposing a penalty against compliance payments, as now done.

(13) The immediate payment to cotton farmers of all amount due for 1938 compliance, as was promised.

(14) There is no one in the United States Department of Agriculture whose primary interest is the promotion of the welfare of the cotton farmer. To remedy this condition, create an office of cotton commissioner in the United States Department of Agriculture. It should be the commissioner's duty to develop new uses and markets for cotton and to represent producers of cotton in developing farm programs.

(15) In addition to finances otherwise available, that a sufficient fund be appropriated from the general funds of the Treasury and made available to the Secretary of Agriculture to carry into effect this program here recommended, and that funds for agriculture be raised in the same manner that funds are raised for other Government expenditures.

(16) The formation in each House of Congress a bloc to advocate measures for the protection, encouragement, and support of the cotton both now and in the future.

I think you will agree with me, Mr. Speaker, that this document contains a thorough and incisive analysis of the entire problem of cotton production and control, and I believe that this body will do well to study the suggestions contained therein with a view to formulating legislation that will restore cotton produced in this country to its former preeminence in the markets of the world.

The program for domestic consumption should provide adequate allotment for the family needs, and the Government should stabilize the price of cotton to assure the American standard of living to our cotton farmers.

The contents of this resolution and editorial, however, are worthy of our serious consideration.

The Anthony Wayne Memorial

EXTENSION OF REMARKS

OF

HON. GEORGE W. GILLIE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 17, 1939

ADDRESS BY ROSS S. LOCKRIDGE

Mr. GILLIE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to insert an address by Ross S. Lockridge, beloved Indiana historian, author, and lecturer, recently delivered in my home city of Fort Wayne, Ind.

Congress may soon be called upon to appropriate funds for the erection of a suitable memorial to that great soldier and brilliant American hero, Gen. Mad Anthony Wayne, whose glorious career was climaxed with the triumphant building of old Fort Wayne at the junction of the St. Marys, St. Joseph, and Maumee Rivers.

Pursuant to House Joint Resolution 406, adopted on June 10, 1937, a General Anthony Wayne Memorial Commission was appointed to formulate plans for designing and constructing a permanent memorial to General Wayne at the scene of his great triumph. This commission will soon report its recommendations to Congress.

Congress will have an opportunity to perform an immortal service to the Nation by authorizing the construction of a memorial to General Wayne which will instill forever in the human mind and public fancy the patriotic vision, courage, fortitude, and sacrifice of this great military hero.

Had it not been for Wayne's supreme exhibit of these commendable traits during his campaign 150 years ago, the Northwest Territory might now be in the hands of the Indians and English and possibly in the paws of Hitler.

I urge my colleagues to consider these facts well, together with the following statements by Mr. Lockridge, when the subject of the Wayne memorial comes up for action before the House:

The Anthony Wayne Memorial contemplates the erection of a historic and patriotic shrine of continental proportions, if not indeed of world-wide proportions. It will be a memorial to a great place, a great historic service, and a great personality.

First. The place:

It will be such a memorial as could not be fittingly erected at any other place on earth than in Fort Wayne, right where the old fort stood overlooking the place where the three rivers meet and where the old portage began. We are memorializing this unique spot. Here was the famous old Wabash-Maumee portage—a veritable key to the continent—one of the most noted of its kind in the Western Hemisphere. Because of this great gateway, here where the three rivers meet, this was the site of the mighty Indian capital of the Miamis, old Kekionga. The shrine that we erect here will memorialize all those intrepid souls from the earliest days—the voyageurs, the explorers, black-robed missionaries, the traders, the trappers, the scouts, and the soldiers whose feet trod this old and famous way. Likewise it will memorialize those simple children of nature, the proud Miami Indians, who lived happily here and who made this one of the most interesting and significant historic spots in all America, in the earliest days of the coming of the white man.

DEDICATED TO PATRIOTIC SERVICE

Second. The service:

Our memorial here will be a special shrine dedicated to a lofty conception of patriotic service for the establishment of American civilization and Government here, which had its origin in no less a person than George Washington. In 1785, just 2 years after the Revolution, and 2 years before the adoption of the ordinance of 1787, for the government of this great old Northwest, which had been gloriously won by the Revolution, Washington pointed unerringly to this spot as "a most important post for the Union." He wanted it fortified and maintained as a strategic American stronghold in the West. He never gave up that conception; and for 10 years pursued his dauntless purpose here sending three armies to accomplish it. His vision was finally realized in the triumphant building of Fort Wayne by Anthony Wayne as a mighty continental unit in the saving of the old Northwest.

Third. The man:

We shall build here a great and enduring memorial to a brilliant American hero, Mad Anthony Wayne. Anthony Wayne was the beau ideal of the American soldier in a day when the service of the soldier was the highest possible form of public service—a day when civilization and freedom could not survive except through the sacrifice and heroism of soldiers such as Mad Anthony Wayne. He was one of the most colorful and interesting figures in all history. Through his dramatic personality and his heroic deeds, the American mind and heart can be forever stimulated and our pride nobly nourished by contemplating the patriotic heritage of fortitude, courage, and devotion to public duty which he left us.

Wayne is the embodiment of the American Revolution—second only to Washington. And he brought the glorious aftermath of the American Revolution to Indiana soil right here; just as George Rogers Clark brought to Indiana soil at old Vincennes the glory of the American Revolution proper. In the same manner that Clark was the "conqueror" of the old Northwest, so Mad Anthony Wayne was the "savior" of the old Northwest. Wayne reached the climax of his great career right here, and he left his illustrious name forever here in the erection of the fort, which great Washington maintained as one of the most cherished objectives for almost an entire decade. Clark's achievement on Indiana soil has been immortalized by the magnificent memorial erected to him on the banks of the Wabash in old Vincennes. It remains for us to erect a similar shrine for an equally worthy cause here in Fort Wayne in the name of Mad Anthony Wayne.

NOT TIME FOR CONFUSION

It seems to me that this is not the time for confusion over the details of just how this memorial is to be constructed. The all-important thing right now is to prove to America and to the world that we deserve the memorial. Vincennes succeeded in erecting a memorial, which has no superior of its kind in the world, because Vincennes went after it in exactly the same spirit that George Rogers Clark came across Illinois in the dead of winter in February 1779 and went after the British "hair-buyer general" in Fort Sackville at old Vincennes. We shall have to go after this Anthony Wayne Memorial in the same spirit just as Mad Anthony Wayne with his heroic legion went after the confederated forces of the Indians and the British at the Battle of Fallen Timbers in order to build his great fort here. The moving spirit of Anthony Wayne has been expressed in these words—in exactly the same words many, many times in letters written from battlefields throughout the Revolution. He said:

"It is not in our power to command success but it is in our power to produce a conviction to the world that we deserve it."

Our Anthony Wayne Memorial here will be dedicated to those fundamental purposes. It will stir our memories with golden deeds of the past. It will restore our faith in American institutions and will stimulate and encourage all those lofty impulses by which we shall be inspired to make our civilization permanent. Thus our great memorial will meet the needs of America and of the world, as well as of Fort Wayne.

NOT FOR FORT WAYNE ONLY

We have no right to ask the American Congress to erect a memorial here fitted only to the wants and needs of Fort Wayne. Washington didn't send three armies here just for the benefit of the locality of Fort Wayne. Anthony Wayne didn't drill his heroic legionnaires and lead them gallantly for more than 2 years just to leave his glorious name in this spot for the benefit only of this place. He rendered a continental service for the good of all mankind for all time, and surely our Anthony Wayne Memorial should partake of that universal character.

It will be genuinely symbolical. Thus it will be viewed and shared for centuries to come by the hundreds of thousands of

appreciative human beings from all over the world who may look upon it year by year.

I congratulate most heartily this Penrose Wayne Chapter of the Daughters of the American Revolution upon your splendid opportunity and your fine service on behalf of the Anthony Wayne Memorial.

Workers' Alliance of America

EXTENSION OF REMARKS

OF

HON. VITO MARCANTONIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 17, 1939

LETTER AND AFFIDAVIT OF DAVID LASSER, NATIONAL PRESIDENT, WORKERS' ALLIANCE OF AMERICA

Mr. MARCANTONIO. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter and affidavit of David Lasser, national president of the Workers' Alliance of America:

WORKERS ALLIANCE OF AMERICA,
Washington, D. C., February 15, 1939.

Hon. VITO MARCANTONIO,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN MARCANTONIO: Because we know of your keen interest in the problems of the unemployed and in the preservation of the rights of all citizens, we believe you will be interested in the facts with respect to the controversy which has arisen between the Workers' Alliance and Mr. LYLE H. BOREN, a Member of the House of Representatives, from Oklahoma.

On pages 1990-93 of the CONGRESSIONAL RECORD of February 14, Congressman BOREN, of Oklahoma, presents an alleged transcript of a conversation between the Congressman and myself on February 9.

I am enclosing herewith a notarized affidavit in which I have declared under oath that—

First, there was no one in his office but Congressman BOREN and myself during the hour that we spent together on February 9. The Congressman did not state or in any way indicate that he wished to have a stenographer present to take a transcript of our conversation. My first knowledge of such a transcript was when I received a copy from Congressman BOREN.

Secondly, the alleged transcript of Congressman BOREN is definitely not an accurate record of our conversation. There are a number of changes, both in his actual words and in my own, in a number of important places, giving an entirely different meaning to the words we spoke.

I am sending this affidavit to you in the interests of truth and common decency. As I have indicated in the affidavit, the alleged transcript could have been taken only by means of a dictaphone or some hidden device—a procedure which decent Americans find reprehensible and which we associate with dictator nations.

I have also indicated in my affidavit that if the Congressman had suggested that a stenographer be present, I would have gladly agreed to have someone make a truthful account of our actually spoken words.

It seems to me that these actions on the part of Congressman BOREN—the method by which he procured the alleged transcript of our conversation, his boldly changing the original conversation so that it does not give an accurate account of our conversation, his threat to politically control the employment on the W. P. A. program in his district in Oklahoma—a serious threat to democratic procedure is involved.

It is our opinion that Congressman BOREN's remarks in the extension are not only grossly untrue, insofar as they relate to the Workers' Alliance of America and its policies, but that they are an incitement to lynch violence. I refer, for example, to the following statement (p. 1991): "I want to urge the people of Oklahoma and other States to send these carpetbagger Communists back where they came from when they invade our States to organize."

Congressman BOREN has made clear that he reserves to himself the right to determine who is a Communist and who is entitled to civil liberties under the Constitution and the Bill of Rights. He, who so proudly proclaims that he believes in the American Constitution, wants the American Constitution to be repudiated by mob and lynch violence. In this he shows himself not only opposed to the Workers' Alliance but opposed to all labor.

In our opinion, a Member of Congress who swears to uphold the Constitution of the United States is violating his oath when he advocates illegal measures which would deprive any citizen of the United States of the rights guaranteed under the Constitution.

Let me make another thing clear. Congressman BOREN, in his extension of remarks, charges that the Workers' Alliance wants to deprive American citizens of their right to work on W. P. A. while seeking to have aliens employed. This is untrue. The Workers' Alliance of America believes that every person who has set up permanent residence in this country should become an American citizen and swear to uphold our Constitution and form of government. We believe that where people have been unable because of economic circumstances to complete their citizenship they should be given every encouragement to do so. We opposed the provision of Congressman BOREN that only American citizens be employed on the program because it would have made it necessary for the 3,000,000 people on the program to produce either birth certificates or citizenship papers. Congress was in agreement with the reason for our opposition and did later change the Boren amendment to modify its unworkable features.

We believe in making good American citizens of the aliens within our country by doing everything possible to encourage them to become citizens. We are definitely opposed to any attempt to stir up hatreds in America, as between those who were born on this soil and those who were born abroad and are willing to accept the duties and responsibilities of American citizenship. We are also concerned that the native-born children of aliens shall know that America wants of them the duties and responsibilities of citizenship and will give them in return an opportunity to share in our national life.

On the basis of decency, sportsmanship, and fair play, which is a definitely American creed, I hope you can make it possible for an accurate and truthful account of what transpired between Congressman BOREN and myself to be made available to the Members of Congress.

Sincerely yours,

DAVID LASSER, *National President.*

TATEMENT MADE BY DAVID LASSER, NATIONAL PRESIDENT OF THE WORKERS' ALLIANCE OF AMERICA, AT WASHINGTON, D. C., FEBRUARY 15, 1939

A newspaper clipping from an Oklahoma paper was called to my attention on about February 7. This clipping cited a letter written by Congressman LYLE H. BOREN, of Oklahoma, to the State W. P. A. administrator of Oklahoma, in which the Congressman declared that he believed members of the Workers' Alliance should not be given supervisory positions on W. P. A. As one reason for this, Congressman BOREN declared that the Workers' Alliance is a "communistic" organization.

On February 9 I went to see Congressman BOREN at his office in order to correct his misconceptions about our organization and to determine why he was trying to influence the W. P. A. administrator of Oklahoma as to whom he should or should not employ.

I spent about an hour in Congressman BOREN's office talking to him. During our discussion there was no one in the room but the Congressman and myself. Neither Congressman BOREN nor myself made any records of our verbatim conversation.

On February 11 I received a letter from Congressman BOREN, dated February 9, reading as follows: "I am enclosing herewith copy of our conversation as taken by one of my secretaries this morning. I thought you might want this record for your files."

At no time during our conversation did Congressman BOREN indicate that he wished to have a transcript made of our conversation. The door to his outer office was closed. Therefore it was impossible for anyone to have overheard our conversation unless a dictaphone or some similar instrument was in operation.

I wish to state that if the Congressman had indicated that he wished to have a stenographer in the room to take a verbatim transcript of our conversation, I would have been happy to agree, for, of course, I said nothing to him that I would not state publicly.

In the CONGRESSIONAL RECORD of February 14, in connection with the extension of remarks by Congressman BOREN, there appears the following: "Transcript of conversation between Hon. LYLE H. BOREN, of Oklahoma, and Mr. David Lasser, president, Workers' Alliance, February 9, 1939."

This alleged transcript is not accurate. It has obviously been rewritten, with several important parts of our conversation either deleted or changed.

I desire to give a few examples.

1. Congressman BOREN declared to me that he wanted to stop the growth of the Workers' Alliance because he was afraid it might grow to the point where it could influence his actions. This statement does not appear in Congressman BOREN's alleged transcript.

2. Congressman BOREN declared that he got most of his information about the Workers' Alliance from Mr. Walter Steele, of the National Republic, a Fascist or semi-Fascist organization. Mr. Steele has been definitely linked with the Silver Shirts. This statement does not appear, either.

3. Congressman BOREN definitely declared he would see to it that Republicans, as well as Workers' Alliance members, would not get supervisory positions on W. P. A. in his congressional district. A distorted version of his statement appears in the alleged transcript when he quotes himself as saying: "It is my personal opinion that since this is a Democrat program it should be administered by Democrats."

4. I told Congressman BOREN that the Workers' Alliance is not controlled by or dictated to or influenced by the Communist Party, or any other political party. This statement does not appear in the alleged transcript. Instead, he has me make another statement giving an entirely different meaning, as follows, "but, of course, we are no more communistic than we are Democrats."

5. Congressman BOREN has me declare, "Don't you believe in a democratic country—that a fellow is entitled to believe in communism if he wants to?" I did not make this statement. I did state that the law of the land prohibits discrimination against

people on W. P. A. because of their political beliefs; that the Workers' Alliance, also, does not discriminate against people because of their political beliefs; that we judge the members of our organization simply on the basis of their adherence to our principles, constitution, and bylaws, and that in doing this we are carrying out the spirit of the laws governing employment on relief programs.

These are a few of the inaccuracies in the so-called transcript of Congressman BOREN.

In a number of other places, statements made by both of us have been changed from their original position in the conversation so that they appear out of context.

I desire further to declare that the Workers' Alliance of America believes in our democratic form of government and in the American Constitution. We are definitely and categorically opposed to any and every attempt to destroy our democratic form of government or to take away our democratic liberties. We are definitely opposed to dictatorship. We love our country and we stand ready to defend it and its institutions from any attack which would seek to take away our freedom and democratic liberties.

DAVID LASSER,
National President, Workers' Alliance of America.

District of Columbia, ss:

Subscribed and sworn to by David Lasser in this District on this 15th day of February 1939.

Given under my hand and official seal.

W. T. KERFOOT, Jr.

TRANSCRIPT OF TELEPHONE CONVERSATION BETWEEN CONGRESSMAN MARCANTONIO AND CONGRESSMAN BOREN, OF OKLAHOMA, FEBRUARY 16, 1939

Mr. MARCANTONIO. Hello, Congressman BOREN, this is Congressman MARCANTONIO, of New York.

Mr. BOREN. Yes; how are you?

Mr. MARCANTONIO. Today I offered to put into the RECORD a letter, as well as a sworn statement from Mr. Lasser, and Congressman FADDIS objected on the ground that you were not on the floor. This is just my opinion. I think it is fair play that his version be put in the RECORD. At the same time, I would like to show it to you first. I will send it down to you by messenger, and will you get it to me before the House convenes tomorrow, so that if you have no objection you may so state, so that I may state to the Speaker that you have no objection?

Mr. BOREN. I will be glad to do that.

Mr. MARCANTONIO. I will send my boy right down.

Mr. BOREN. This is Congressman BOREN. I have written you a little note. I was going to drop it in the mails to you. Do you want me to send it up? Here's my attitude. Of course, I think the statement is utterly ridiculous, but, on the other hand, I won't object to putting it in if you don't want me to do so.

Mr. MARCANTONIO. I simply feel this man should have an opportunity to defend himself. This material which was put in the RECORD reflects on him, and he wants to defend himself. I think he should be given this opportunity. That is my attitude.

Mr. BOREN. The history of it is this: The only reason I put it in the RECORD was because he released a three-page letter in the press, which letter, you know, I also put in the RECORD, because I wanted the accurate record. But I personally would object to it if it was material on some other member, so I will not object to it since it affects me personally. I will send this material back to you if you will be in your office for a few minutes.

Lincoln Day Address

EXTENSION OF REMARKS

OF

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, February 17, 1939

ADDRESS BY HON. HERBERT HOOVER

Mr. WOODRUFF of Michigan. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Hon. Herbert Hoover at the Lincoln Day banquet in New York:

Every year at this time Americans express gratitude for the birth of Abraham Lincoln. Recently both Mr. Roosevelt and Mr. Browder have claimed him as a founder of their faiths. I was under the impression he was a Republican.

But Abraham Lincoln towered far above political partisanship. He rests in the hearts of the American people not as a politician but as a great American who died fighting for the most precious of American possessions—the liberty of men.

During the past month those temporarily in control of the Government have expressed their views upon the state of the Union. Tonight in many assemblies over the Nation you will hear views on it from the party of Lincoln.

Eighty years ago if an observer could have looked down on this Republic from the high stratosphere he would have seen a nation sadly divided and confused. It was a Nation professing liberty yet holding millions of slaves. It was furiously debating property rights, States' rights, decisions of the courts, and secession.

But high above all this din and confusion Lincoln heard the supreme chord of all human emotions—the liberty of men. In the triumph of that deepest of all moral and spiritual issues the old discords sank away. With that renewed inspiration from Abraham Lincoln this Nation marched on to a glorious progress unparalleled in the history of mankind.

SEES THE NATION CONFUSED

Today if the observer in the high stratosphere were to look down on this Republic he would find a people more sadly divided and confused than at any time since Lincoln's time. He would see the torch of human liberty dimming on every continent.

He would find the richest and most powerful Nation in the world confused by its own inventions; disordered in its economic life; hurt by the weakening of private and public morals; arming from fear of foreign violence; discouraged by vast destitution in a land of plenty; frustrated by failure of age-old panaceas. He would find strange doctrines of class struggle, of personal power, of extravagance, of debt, and of hate. He would see our Nation still professing liberty yet pursuing ideas which limit and endanger the liberty of men.

Yet nonetheless again today above all this din and discouragement rises that same supreme chord of all human emotions—the liberty of men.

Three months ago this observer might have despaired of us. But today he would see flashes of light. He would find that Americans have by the ballot again spoken their demand that the safeguards of liberty be maintained. The people have restored much independence to the Congress. They have returned to office men who fought stanchly for the independence of the courts. They have lifted to leadership many young, vigorous Governors and backed them with high-minded legislatures. The people have proved that elections cannot be controlled by Government subsidies.

Today this observer would see another ray of light through all this confusion. He would see the people steadily forcing a clarification of national thought. Those who adhere to the traditional liberalism upon which the Republic was founded and which Lincoln sustained are crowding away from the pseudo-liberalism of the New Deal.

That philosophy of conscious or unconscious left wingers is steadily and openly unfolding itself. It becomes visible as a mixture of coercion, collectivism, and lust for personal power poured into the American system of free men. And it mortgages the next generation to pay for it. Anyway, their new system is satisfying enough to receive the illuminating support of the Communist front and their fellow travelers.

Here indeed is a paradox. The Republican Party has become the conservative party in the sense of preserving true liberalism.

The spirit of true liberalism is to create free men; it is not the coercion of men. True liberalism is found not in striving to spread bureaucracy and personal power but in striving to set bounds to it. And it is equally certain that we can no more have private economic power without checks and balances than we can have political power without checks and balances. Either one leads to coercion. True liberalism seeks freedom from both bureaucracy and private privilege in the confident belief that without such freedom the pursuit of other blessings is in vain.

NOT LINCOLN'S FORMULA

Whatever this New Deal system is, it is certain that it did not come from Abraham Lincoln.

The President in his last message on the state of the Union made a moving appeal for unity in the people. But the acerbities of the times were not much allayed when a few days later at the Jackson Day dinner he smote the to-be-purged Democrats with hints to get out of his party. That was more of a mustard plaster than an ointment of unity.

Then Mr. Roosevelt took in still more ground of combat when he observed: "Does anyone maintain that the Republican Party from 1868 to 1938 was the party of Abraham Lincoln?" He excepts possibly his own fifth cousin. He seems to wish to purge the Republican Party also. He ought to read the views of Theodore Roosevelt on such policies as his. But the President of all the people did not add to the happy chemistry of national unity with this smear on the political faith of half the people. Certainly Mr. Roosevelt's formula of appeasement does not follow Mr. Lincoln's method of "with malice toward none; with charity for all."

When the great spirit of Abraham Lincoln looks through the long corridor of time upon the party he founded he sees that from the day of his passing on the torch until the last day of the Republican Party in office it held aloft the light of inalienable liberties of men. And he knows that party never deviated from the Constitution which he fought to preserve, either in letter or in spirit. And he sees the Union he preserved under adherence to these principles grow to the greatest nation on the earth.

HOLDS HIS PARTY BEGAN REGULATION

He would witness a people constantly confronted with new human problems which were the very product of their own freedom and progress.

Mr. Lincoln would not be fooled by the notion that economic righteousness and social good burst upon the world with the New Deal.

He would see that a generation after his time, when big corporations and mass production entered national life, it was the Republican Party that first established the concept that business must be regulated by government if the freedom of men was to be preserved. Indeed, it was the Republican Party that first initiated regulation against monopoly and business abuse in the States. Over the last 50 years it created 7 out of the 10 great Federal regulating agencies of today. It was Republicans who created the income and estate taxes, that fortunes might not accumulate so as to oppress the Nation and that there might be relief of tax burdens upon the poor.

Abraham Lincoln would have watched anxiously when the growth of humanitarianism began to press upon government. And he would have seen it was Republican State administrations that first created the limitation of hours for women, that started the abolition of child labor, that initiated workmen's compensation acts, State old-age pensions, mothers' pensions, public health, and a score of other social reforms. It was Republican national administrations that first brought these problems into national scope. It was they who first proposed the Federal amendment to abolish child labor, who first restricted immigration, who first declared the right of collective bargaining through the creation of the mediation board, who first established national public-health service. It was Republicans fighting for morals in government who established and in every administration strengthened civil service.

CITES REPUBLICAN POLICIES

Mr. Lincoln would not be fooled that the New Deal first discovered conservation and public works to benefit the people. It was Republicans who first built up every single one of the great Federal policies dealing with these problems. All over this Nation are parks, forests, mineral reservations, irrigation districts, navigable rivers, harbors, great bridges and canals, all the initiative of Republican administrations. The New Deal has added a few percent to the area or totals. And they have charged them to the next generation.

It was Republicans, following Mr. Lincoln's own platform pledge, who held protection to workers from foreign standards of living by tariffs and sought to hold the home market for farmers against peasant labor abroad.

Lincoln would have seen it was a Republican administration which first announced the responsibility of government aid in time of great depression. When the Federal Reserve System, admirably added by Democrats, failed to meet the storm of 1929, it was a Republican administration which again proposed drastic banking reform. It was Republicans who, pending such reforms, created the Reconstruction Finance Corporation, the home loan banks, the agricultural credit banks, and brought the strength of the Government to protect savings and homes and insurance policies of all the people.

FIRST ORGANIZED RELIEF IN 1930

Mr. Lincoln would have witnessed a Republican administration in 1930 the first to announce the national obligation that no American through no fault of his own should go hungry or cold, and first to organize Nation-wide relief for the unemployed. And it organized relief in a fashion which excluded corruption, waste, and demoralization of community responsibility. And it is high time to return to a system that does not play politics with human misery.

And Republicans discovered one thing 80 years ago which the New Deal has not rediscovered yet. That is, the greatest gift of government to the ill fed, ill housed, and ill clothed is fidelity to government obligation, less taxes, a balanced budget, and a convertible gold currency.

And Mr. Lincoln would observe that all these years it was Republicans who held to the system of free enterprise which, while it had weaknesses, yet produced the highest standards of living known in any nation in the history of the world. And it is the New Deal destruction of that energy, enterprise, and productivity which today imperils all the humanitarian work of these 80 years.

We followers of Lincoln lay no claim that the Republican Party, or any other party, has always been perfect. It has at times sorrowed many of us by its lag in prompt action and its faulty action. And we likewise credit the Democratic Party with great service in years gone by.

One thing is sure. With the millions of Americans with faith in this party and with the task now laid upon it to restore liberty in this land, it is certain that the spirit of Abraham Lincoln has not joined the New Deal.

RISE OF YOUTH AIDS PARTY

But the high points of achievement of a political party have two values. They are proof of its fidelity to principles of this Republic. They are proof of its ability to find methods within these principles which meet the scene which changes with the progress of invention and new ideas. After all, a party is only an instrumentality for future service. The first chore of a political party out of power is corrective opposition. The oxygen of representative government is exposure of the witchery of half-truth and the curb of arrogant and extreme action. Its other great duty is to present to the country a program of reform and forward action.

With our reinforced leadership in new Governors and in Congress we are strengthened to these purposes. New vigor and courage have come to us by the rise of youth in our party.

The points of opposition and programs for the future are rising daily from county and State organizations, from our youth and women's organizations, from our Republican leaders, and our program committee. I have made it my business to study these expressions diligently. And I can say at once there has never been a time in the history of the party when in major questions there is such unity as there is today. We may differ among ourselves as to details. We may differ in expression. But we stick together in principle. We are engaged in no purges of honest men.

PEOPLE DEMAND NEW EMANCIPATION

These many statements of Republican purpose unswervingly demand that moral standards in public and private life be regenerated; that humanitarian action be sanely advanced; that economic productivity be restored; that thrift be reenthroned as a national virtue; that private enterprise be sustained and regulated to prevent abuse; that personal liberty be safeguarded; that representative government be purified; that peace be maintained.

And the methods they propose are based on sanity, common sense, and constructive action.

What the everyday people of America want is not labels or slogans, either imported or domestic. They demand emancipation from coercion and taxes and a restoration of their jobs.

Now that you have for once heard a few words favorable to the Republican Party, let me add a few words about the New Deal. The President has introduced us to the seventh New Deal since 1932. It is also the most expensive one. The new gamble with the fate of a people presents some startling features. We have need of bold debate today as never before.

I wish here to applaud the President's grasp of one hint from the election. That is the demand that the Congress be independent. The spirit of his acceptance, however, reminds me of the small boy who took the clock to pieces. When reprimanded, he suddenly turned on his dad and said, "If that is the way you feel, then you put the thing together. I want to play with my soldiers."

PASSED PERIOD OF EXPERIMENTS

We also are grateful for the President's assurance that we have passed the period of experiments and should now be free to invigorate the processes of recovery. This is comforting, and it confirms our belief that millions of our people have had to stand aside for 6 years in unemployment and destitution to make way for ill-fated experiments.

The country may therefore now take up its greatest humanitarian task—that is, to restore 10,000,000 to jobs, revive a paralyzed agriculture, and thereby really relieve 20,000,000 destitute; and that task must not be obscured by proposals of entanglement abroad.

The President's solution of this problem is that the Government spend on a still larger scale. These nine billion expenditures and a promise of fifty billion debt are the most startling Budget proposals ever laid before the American people in peacetime.

I have felt some anxiety for the punctuation points. They are living a sad and hectic life wandering around among regimented cyphers trying to find some of the old places they used to know. I fear that, like the administration, they are moving steadily to the left.

An ancient statesman advised that the art of politics was to find new names for policies that had become unpopular. Mr. Lincoln would probably have phrased this as the art of fooling part of the people a little longer. So today I suppose we ought to be more cheerful when we know that national spending and deficits have become "investing in prosperity." Extravagance with other people's money is shifted from a sin to a virtue. The President in his last message described some new schools of thought. In fact, several of them. In them all songs of economic hallucination substitute for the brutal clang of the cash register.

The first grade of this high school of economic romance teaches that we should get back to eighty billions of yearly national income, which we once enjoyed under Republican administrations. We are grateful that the New Deal adopts Republican attainments as the ideal. But the President says that inasmuch as our present income is only sixty billions, we only have to spend as if we had eighty billions in order to lift ourselves up to the Republican level. As the ancient prospector said, "There ain't no gold in them rainbows." That eighty billion national income under Republican administration was due to the people spending their own money, not in taxes but on reproductive enterprises, creating new jobs for men.

The next higher grade of this new school of budgetary magic seeks to hide these gigantic expenditures by claiming Government loans and public works are investments. On the basis of this hallucination, my administration would have shown a surplus of two billion. In fact, the Budget of all administrations for 70 years, except the war years, would have shown a surplus. We would have had such an accumulated surplus today that we would have to build a vacuum to hold it.

The recoverable loans are a relief to the taxpayer, but public works are not a monetary asset to the Government. They are the clothes the Nation wears. And they wear out. They only in small degree increase the earning power of the people. Public works and public buildings have social value. But as assets with which to relieve taxpayers they are about as useful as liabilities on a balance sheet. And I trust the time off for precinct work by the W. P. A. is not included as an offset to the national debt.

CHALLENGES NEW DEAL FIGURES

The New Deal's third grade of economic make-believe teaches that the entire debt of our national economic system, public and private together, is not larger today than it was in 1929. But that is not all the truth. Public debt is paying for a dead horse. Private debt is buying a live one.

They finally graduate from this school of high finance with the valedictory that expenses cannot be reduced. And this in the face of the fact that yearly for 10 years prior to the New Deal, on their basis of accounts and excepting loans since recovered, the expenditures were 3.5 billions instead of 9 billions. But that was Republicans.

I should like to see a new school established with some home truths for its curriculum. That school would say that to restore jobs and agriculture the fear of men of their Government and the shackles and taxes upon their energies must be removed in order that freemen may have hope and confidence in the future.

That school would say that most of the New Deal measures can be lived down, improved, cured, or reformed, but that these monetary and financial policies may defeat the Nation.

That school would say that some day all this will have to be paid for. If it be through taxes, men and women will be handing their wages to the Government instead of buying things for their own betterment.

Nor is that the most important consequence it should teach. That school would say one of the deadly causes of destruction to 20 democracies in 20 years has been Government spending and inflation. Mr. Roosevelt says "this generation has a rendezvous with destiny." The most probable spot for that rendezvous today is inflation. When this generation has gone up that alley, it will find freedom has gone and our rendezvous will be with a full-sized dictator.

CUSTODIANS OF LINCOLN'S TORCH

In conclusion, let me again say that this Republic is founded on inalienable liberties. It is dedicated to the dignity and personality of individual men and women. It is consecrated to truth, justice, tolerance, and mercy. These liberties and obligations are inseparable. If political freedom, intellectual freedom, or economic freedom are, any one of them, undermined, all the others will fall.

These high purposes of this Nation are being undermined by the policies now pursued at home and by alien theories from abroad. The first great mission of the Republican Party is the preservation of these principles.

Today economic progress is being paralyzed. That destruction is the destruction of social progress. The imperious necessity of America is to restore economic productivity and thereby jobs for men. That alone can support our humanitarian aspirations. For social progress in care of the aged, the young, the ill-fed, the ill-clad, the ill-housed there must be parallel economic strength. Economic restoration is the second great mission of the Republican Party.

We do not want to become entangled in another World War abroad. The third great mission of the Republican Party is peace for America.

We are the living custodians of the torch which fell from the hand of Abraham Lincoln. We may again rekindle the heart and mind of America with the glow of hope and promise for the future. Never since Lincoln has a political party faced such an opportunity for a service to a great people.

President George Washington's Emphasis on Religion Seems Most Pertinent Today With Our Tributes to the Dead Pontiff, Pius XI

EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, February 17, 1939

Mr. SHANLEY. Mr. Speaker and my colleagues, it was particularly pleasing to me to have this House on both sides of the aisles give such unstinted support to the resolution of mine in memory of Pope Pius XI. Of all countries in the world this one of ours has been most tolerant toward all religions and has ever been willing to pay homage and respect to superlative leaders in all faiths.

President George Washington in his farewell address perhaps showed the way with these passages as models for all time:

Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked, Where is the security for property, for reputation, for life, if the sense of religious obligation desert the oaths which are the instruments of investigation in courts of justice? And let us with caution indulge the supposition that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason, and experience both forbid us to expect that national morality can prevail in exclusion of religious principle.

It is substantially true that virtue of morality is a necessary spring of popular government. The rule, indeed, extends with more or less force to every species of free government. Who, that is a sincere friend to it, can look with indifference upon attempts to shake the foundation of the fabric? Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion, as the structure of a government gives force to public opinion, it is essential that public opinion should be enlightened.

The speech by the Father of his Country and a modern counterpart by the President of the United States in his message to Congress where he stressed the need for religion, democracy, and international good faith are evidences of the need for religion and divine guidance in the body politic.

The death of Pope Pius XI has taken a world figure of historic proportions, one whose passing means the end of a leadership that has few equals in modern annals. Fortified mentally by scholarship and diplomatic zeal and equipped physically with robust health, his love of the outdoors and especially mountain climbing must appeal to all healthy, virile Americans.

Withal, he was superbly modest and balanced. His tireless efforts with his phenomenal command of languages demanded a longer day than most men. That day began at 5:30, and into it he crowded a full life.

He exhibited Gallilean forbearance in the face of difficulties that most men could not surmount. "Love your enemies, do good to them that hate you." He lived that admonition, for his goal was the goal of the Scriptures—

If it be possible, as much as is in you, have peace with all men.

He was realistic, for he concluded pacts with countries some of which were not of his faith. He was most solicitous for protection of minorities, and from his treaties has come surest protection for the minorities of his faith scattered throughout the world.

His fight for the solemnity and dignity of a moral code in a world torn by forgetfulness and even malice has done much to temper the onward spread of educated intelligence devoid of moral principles. Certainly his great encyclicals are documents of liberalism.

No man was fairer. He exalted the principle of audi alteram partem to the highest virtue. His problems were infinite—the countless holocausts of Russia's gigantic upheaval, its twin counterparts in Mexico and Spain, the awful horror of the blood lusts of Bela Kun, the forceful movements of the rising sun of Japan, the fierce changes in Italy amid the early days of chaos, France's policy of revenge, Germany's emergence from under that heel and her subsequent days of conflict with the world and the papacy. His children had suffered the knout, the gallows, and even Siberian exile in the Union of Socialist Soviet Republics.

In world affairs perhaps nothing caught his attention and engaged his sense of the dramatic and his love of adventure as the struggles then of Marshall Josef Pilsudski triumphing over prison starvation and execution for his country, fortified by the military endorsement of General Weygand, one of France's three greatest military geniuses. The Polish hero, the incarnation of Polish nationalism, stood athwart the "red" menace from the north. The late Pope had been sent there by his superiors, and his efforts in behalf of Polish nationalism will never be forgotten.

Never in history did religious zeal, faith, and courage play so great a part in a nation's defense. The mysticism in Pilsudski summoned his own strength to impart to his followers a belief in another "miracle of the Marne." He created the inspiring belief in a new "miracle to be of the Vistula."

The "red" forces were within 6 miles of Warsaw when the inspired Pilsudski attacked them in the flank and in the rear. The tremendous onrush of his own enthusiasm and the fighting qualities of his men made the strategy superbly successful. The day was won and Pope Pius XI breathed a sigh of intense relief as well as enjoyed the breath of one

who was a witness of superlative courage under tremendous odds.

The Catholic Curia with its fount of leadership in Pope Pius fought the "red" menace because of its materialistic base, for its doctrine of class warfare; and its attack on private property went against the doctrines of the church. Certainly the Catholic viewpoint on property is that the right to own private property, including the means of production, is derived from nature and not from the state. That means that the state cannot abolish private property, though its limits may be defined, and under certain cases the state may reserve to itself greater restrictions if events are endangering the public welfare. Pope Pius firmly pushed this view with its obvious exceptions in hydroelectric power stations, public utilities, and munitions of war. But none opposed more strongly than he the nationalization of all the means of production.

Pope Pius XI superbly merits the promise of Matthew—

Blessed are the peacemakers, for they shall be called sons of God.

Why No Blimps?

EXTENSION OF REMARKS

OF

HON. DOW W. HARTER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 15, 1939

Mr. HARTER of Ohio. Mr. Speaker, while H. R. 3791 contains a provision authorizing the Secretary of War to equip and maintain the Air Corps with such number of airships and free and captive balloons as he may determine to be necessary for training purposes, no mention of the utility and serviceability of the blimp or nonrigid airship was made during the House debate and discussion leading to the passage of the bill.

It is a matter of official record that the small nonrigid airship, commonly called the blimp, was of tremendous value for coastal defense, coastal patrol duty, mine destruction, and antisubmarine work during the World War. A nonrigid airship of this type has been seen by all of us for one flies nearly continuously over the city of Washington.

Commander T. G. W. Settle, United States Navy, is one of our great balloonists and has made several historic flights, including one into the stratosphere. His recent articles appearing in the February 1939 issue of the United States Naval Institute Proceedings, "Why No Blimps?" is most interesting and enlightening. I quote the commander's article:

[From the United States Naval Institute Proceedings of February 1939]

WHY NO BLIMPS?

(By Commander T. G. W. Settle, United States Navy)

The blimp (nonrigid airship) has the dubious honor of occupying the "forgotten ships" niche in the present-day Navy's museum of ship types. This niche has previously been tenanted by the airplane, the submarine, the torpedo boat, the ironclad, and so on back to the days of antiquity when eminent brows were lifted at the revolutionary idea of introducing sail into the oared navies. The blimp currently shares its niche with the rigid (Zeppelin) airship; but since the latter is bigger and therefore presumably better able to look out for itself, this brief plea for the "halt and the lame" is in behalf of the blimp alone.

Following are general statistics of British blimps in the latter part of the 1914–18 war, that is, from June 1917 to October 1918, inclusive:

(a) Average number of ships in service	56
(b) Total number of patrols	9,059
(c) Total number of escorts	2,210
(d) Total ship-hours under way	59,703.5
(e) Total ship-miles steamed	1,496,006
(f) Mines sighted	134
(g) Mines destroyed	73
(h) Submarines sighted	49
(i) Submarines attacked (by gunfire or bombs)	27

Of these, 21 "subs" were "turned over" to surface craft for attack.

Germany, France, and the United States operated numbers of blimps. No blimp-escorted convoy was attacked by a submarine. German Zeppelin bombing raids linger in the public mind, but these were less than 15 percent of German airship (Zeppelin and blimp) activities. Zeppelin patrolling of the North Sea and Parseval (blimp) patrolling of the German coasts on the North Sea and Baltic were of inestimable value and facilitated keeping the High Seas Fleet intact and ready for a fleet action.

Shortly after the armistice the British *NS–11*, with a gross lift of about 10 tons, carried out an endurance flight of 101 hours under way. (The NS class was slightly larger than our present K class.)

Obviously blimps were of value in 1914–18; no power would have expended the effort indicated in the above figures on a type unless worth-while results were obtained. They were utilized in convoy escort, harbor entrance, and coastal antisubmarine patrol. Our officers who served in the Queenstown and Brest destroyers remember them; some may recall twinges of envy toward the blimp pilots, who didn't have the particular brand of miserable existence at sea that was the lot of destroyer sailors. A great many of these wartime blimps cracked up from various causes, insufficiently experienced crews being a high-frequency ingredient. Of course, a lot of submarines, airplanes, and other light craft cracked up, too; and few of our destroyers, in the relatively short time we were in the war, came out without having had major casualties of one kind or another. All naval types are expendable for "just cause," i. e., if commensurate results are obtained prior to or during expenditure.

The blimp justified itself in 1914–18. Would it be of comparable value in war now? Or should it be relegated to a permanent billet in the "forgotten ships" cemetery? We should either develop and practice with this arm in peacetime, along with the other naval arms, or we should give it up at once, except for a few blimps to provide the indispensable training for rigid airship crews.

The blimp is a coastal and insular waters craft. Let's compare its performance attributes with those of other coastal types:

(a) Speed: High (0–60 knots); except low relative to airplanes.

(b) Combat: Small offensive power, and as vulnerable as other coastal types; however, it can effectively sight and depth-charge submerged submarines and is superior here to other types. Good gun platform for heavy machine guns and bombs.

(c) As observation platform: Superior to other types.

(d) Weather worthiness: Intermediate position between surface and subsurface craft and airplanes; can operate at night and in low visibility.

(e) Maneuverability: Between surface or subsurface craft and airplanes.

(f) Detectability (from other craft): High, except in low visibility or when stratus cloud is available to take cover in.

(g) Cost (construction and operation): Low compared to other coastal types except small motorboats and small planes.

Along with other types, the blimp has advanced in material and performance since 1918; improved engines, fuel, fabrics, metal empennage surfaces, lifting gas (helium, United States), and ground tackle are available. The blimp has at least retained its position relative to surface and subsurface craft. The airplane, with more intensive development, has increased its "lead" in speed and maneuverability, and this has served to make the blimp and the airplane more complementary, less overlapping, in their respective functions in coastal waters.

Several facts are clear:

(1) Enemy raider's planes can readily sink our blimps.

(2) Blimps must keep clear of enemy surface gunfire by their speed and mobility, or by "submerging" in or above clouds.

(3) Blimps are antisubmarine craft "par excellence" in coastal waters as convoy escorts and station patrols.

(4) Blimps are effective in coastal waters for mine and search operations.

With our prodigious coast lines, continental and insular, and the resultant high wartime value to us of blimps is our present neglect of this type just another example of the typically American lack of foresight in matters of national defense?

With such an impressive record of wartime performance one may well ask, Why have the British failed to carry on with blimps and why have the Japanese not developed them? The answer is that neither of these powers has the enormous coast lines in their home islands that we have on our continental shores. Furthermore the British after the war fell into a state of general apathy toward national defense similar in nature, if not in degree, to our own pacifistic "slipping." The Japanese have not since 1905 been seriously threatened by naval attack in their home waters and have expended their limited resources in directions of more immediate urgency than lighter than air. It is predicted, however, that after completion of their China campaign the Japanese will take up airships, Zeppelins, and blimps. Lack of helium has also discouraged peacetime utilization of blimps by European nations, but a recent news item reported a hurriedly uncrated and erected French blimp successfully carrying out a searching mission in the Mediterranean war zone.

What ought we to do? We should provide during the next, say, 5 years:

(A) Navy matériel: (1) Blimp bases (docks, shops) and blimp masts (intermediate) should be set up in all naval districts and in the West Indies, Aleutians, Samoa, Guam, and Philippine Islands also if political prospects warrant. (2) Blimps should be built and assigned to such bases, to provide adequate coastal and insular coverage with this type, and to serve in peacetime utility functions, such as fleet practice photography and observations. (3)

Certain development projects must be prosecuted, such as base and expeditionary ground equipment, sea-water ballast pick-up, water landings, spy basket, etc.

(B) Industrial background: Several manufacturers should be encouraged to bid on blimp construction to insure the availability of building yards to supply wartime needs.

(C) Personnel (most important): A far-sighted training program for officers, enlisted men, and reservists (cadets) must be adopted to provide blimp crews for peacetime training and development, and for wartime expansion.

In conclusion, it would appear that the answer to this article's title, "Why no blimps?", actually does lie in the peculiar quirk of American psychology which has made us, throughout our national history, rather erratic as to "kinds" and "numbers" in our fleets. It is the writer's dismal prophecy, which he hopes will not be fulfilled, that when our next war breaks upon us we will, as at present, have (practically) no blimps, will need them badly, will "run in circles, yell and shout" for someone to build them for us, and will have no crews to man them if and when built.

Trans-Pacific Air Service

EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, February 17, 1939

STATEMENT OF HON. JOAQUIN M. ELIZALDE, RESIDENT COMMISSIONER FROM THE PHILIPPINES, BEFORE THE CIVIL AERONAUTICS AUTHORITY, FEBRUARY 17, 1939

Mr. SHANLEY. Mr. Speaker and my colleagues, there is one who is vitally concerned with the progress of our air forces in the titanic struggle that is going on for trade supremacy in the air. I am placing in the RECORD the succinct and important contribution to that service as emphasized in the brief of the Honorable J. M. ELIZALDE, Resident Commissioner from the Philippines, as presented to the Civil Aeronautics Authority in the matter of our trans-Pacific air service.

The brief is as follows:

By direction of the President of the Philippine Commonwealth I appear before your honorable Authority in connection with your inquiry relating to the trans-Pacific air service. I express my appreciation of your indulgence and for this opportunity to present my views on this vital question.

May I first read to you a cable from His Excellency, Manuel L. Quezon, President of the Philippines, which I received yesterday?

"Am informed hearings will be held on February 14 before Civil Aeronautics Authority regarding increased compensation for carrying trans-Pacific air mail. The continuance of this service is a matter of great importance to the people and business interests of the Philippines. Please convey to the Civil Aeronautics Authority my earnest hope that favorable consideration may be given to measures that will help to assure the continuance of this invaluable service between the United States and the Philippines.

"QUEZON."

In approaching the matter under consideration I am impelled to include in my remarks certain observations of a personal nature, in the belief that, aside from the economic and other practical considerations, there are certain sentimental phases which are pertinent to its discussion.

On November 29, 1935, the day the *China Clipper* arrived in Manila, completing the first commercial flight over the Pacific Ocean, I was one of those fortunate enough to participate in that memorable event. I happened to be in a choice position from which to view the flying boat as it came gliding to a perfect landing on Philippine waters. I was only a few yards from where it finally anchored. It was indeed a magnificent and unforgettable spectacle. Everyone was filled with emotion and admiration.

Just a few minutes before this the *China Clipper* came into view many miles out over the sea, and we watched it gradually and majestically approach the city. Soon it was hovering over Manila, and then in an incredibly few moments it glided down on the serene waters of Manila Bay amid the cheers and plaudits of thousands of our people. Truly it was an historic event—a moment of triumph and pride for Americans and for America as a nation. It was an achievement comparable to the great discoveries of past centuries.

The *China Clipper*, incidentally, was under the command of that hero, Capt. Edwin Musick, whose untimely death is one of the great losses to commercial aviation.

The success of the Pan-American Airways in spanning the Pacific demonstrated to the world the tremendous possibilities of transoceanic commercial aviation. It has proved that what had been considered a practical impossibility only a few years ago could be successfully accomplished through proper scientific study and thorough preparation. Moreover, it further demonstrated the great American pioneering spirit to forge ahead in the conquest of the air regardless of the cost or risks involved.

We in the Philippines were proud of that event. We had done all we could to encourage it. The clipper landed on what we are pleased to have given to the Pan-American Airways as an air-base franchise.

In discussing the service which the Pan-American Airways has rendered through its trans-Pacific airlines, may I for a moment digress to make what seems to me to be a significant point?

As is well known, Manila Bay is accustomed to merchant ships flying the flags of all nations. British, Japanese, Norwegian, and Danish ships all usually newly built, and equipped with the latest types of Diesel motors and other up-to-date machinery and appliances, are constantly in our waters. They render reasonably convenient accommodations and facilities to the public.

On the other hand, I am constrained to make the observation that, with the exception of a few steamers, most of the American ships which enter the bay are antiquated, built during the war in an emergency, and generally lacking the equipment and facilities to place them in a competitive position with the modern fleets of other nations. I am not unmindful of the strides which you are now making under the guidance of the United States Maritime Commission. We look forward to the day when your American ships will vie with the merchant fleets of the world.

But in striking contrast to the present maritime situation is the unquestionable supremacy of the United States in trans-Pacific air transportation. The United States stands unsurpassed. It is a peer in this enterprise of the air. Its accomplishment in providing excellent service for passengers, mail, and light cargo, maintaining a steady schedule for several years and an enviable record of safety and competent supervision is a matter of international discussion. It seems, therefore, inconceivable that the United States would fail to support any reasonable proposal for the improvement, development, and expansion of a project in which it has no rival.

From a practical and business standpoint the Pacific air service, such as that rendered by the Pan-American Airways, may be viewed from three angles, the humanitarian, cultural, and commercial.

As to the humanitarian service, I have in mind unforeseen national calamities, such as floods, epidemics, earthquakes, or other disaster. Immediate shipments of medical supplies, serums, and food by clipper to the distressed areas would be vital to the prevention of unnecessary suffering and loss of life and property. This is of inestimable value. Its significance will be more fully appreciated if we visualize for a moment the pitiable plight of a nation in distress, unable to obtain immediate relief through lack of speedy transportation facilities.

The cultural benefits derived from this service are no less significant. Newspapers, periodicals, motion pictures, advertising material, and other media of education and information can now be sent overseas through the air service. The result is that American cultural contacts with the Philippines and the Orient are being drawn closer together.

The commercial advantages accruing to the United States and the Philippines are too innumerable to catalog. I shall attempt to mention only a few.

Not long ago cable or radio communication was used almost exclusively by business firms at considerable expense. Now the air service is available at much less outlay. Where it was impossible to communicate detailed messages through the cable or the radio, it is now convenient and practical to convey them through the air mail. As a businessman in the Philippines, I can and do appreciate what this has meant commercially to the two countries.

Trade transactions in general are greatly facilitated by the quick delivery of shipping documents through the air mail. The consignee is thus given ample time in which to arrange for banking credits and the disposal of the merchandise.

With the facilities of trans-Pacific service, American and Philippine firms are now enjoying the same advantages as Europeans, who are favored by the fast air transportation from Hong Kong to Europe, established by the English and Dutch air lines. American commerce and trade in the Pacific, with the Philippines as the eastern air terminal, has thus received a new impetus for further development and expansion.

At this point I wish to dwell briefly upon the benefits which individual classes of business derive from the Pacific air service.

To machinery and supply houses, the saving in time accomplished is all-important, inasmuch as it makes it possible for them to secure engineering data, blueprints, advertising copy, and even spare parts, which are so essential to the servicing of such equipment. In some cases the feasibility of shipping machinery by air express has resulted in a saving of several weeks of operation.

In the textile industry the fact that samples can now be sent by air is responsible for moving American manufacturers closer to the Philippine market, making it practical for them to compete profitably with Japanese and other exporters, who had made deep inroads into the textile business in the Philippines. In the old days it was necessary for American textile manufacturers to send samples to the Philippines by surface transportation, which required approximately 4 weeks in transit.

With respect to the embroidery industry in the Philippines, air transportation is proving indispensable. Shipments of sample

embroideries may be made from New York to Manila, and the Philippine embroidery made up from those samples, and shipped to the American markets so as to be available before the swiftly changing styles have depreciated the value of these embroideries. There has been a very extensive and profitable use of the air express and air-mail service by the textile and embroidery trades in both countries.

To sum up briefly, the air-mail service has been a boon to the efficient and practical conduct of modern business in the Pacific, not only in providing for quicker transmission of business correspondence and communication but in drawing closer the cultural and social ties of these two countries. To the humanitarians, culturists, and industrialists, the air service has placed the Philippines within easy reach for the dissemination of American culture and ideas, and the expansion of American trade and commerce.

This air service has become a practical necessity to all. It is a byword for dependability. It has literally shrunk the Pacific and made the world much smaller. The tremendous advantages of bringing the peoples of these widely separated areas together in closer contact and understanding cannot be measured in terms of dollars and cents.

Gentlemen of the committee, as representative of my government, I voice the sentiments of our 15,000,000 people when I strongly endorse and support the program of development and expansion of the facilities of the trans-Pacific air service.

I cannot stress too strongly the desirability of urging the expansion of this splendid service which has proven its usefulness and which has become indispensable to our peoples. Its achievements in the past, as well as in the future, are, and will be, a source of honor and prestige to the United States. As Filipinos, we, too, are justly proud of the successful culmination of this gigantic enterprise, and bask in the reflected light of your glory.

For the General Welfare and Economic Security of Children, Mothers, and Aged

EXTENSION OF REMARKS

OF

HON. WILLIAM I. SIROVICH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 23, 1939

SPEECH OF HON. WILLIAM I. SIROVICH, OF NEW YORK, IN THE HOUSE OF REPRESENTATIVES, APRIL 16, 1935

Mr. SIROVICH. Mr. Speaker, under leave granted me to extend my remarks in the CONGRESSIONAL RECORD, I include the following speech which I delivered in the House of Representatives on April 16, 1935:

Mr. DOUGHTON. Mr. Chairman, I yield 45 minutes to the gentleman from New York [Mr. SIROVICH].

Mr. SIROVICH. Mr. Chairman, life is a journey upon the road to death. Some of us quickly end our pilgrimage at the station marked "infancy." Shortly thereafter others complete their mission upon the course named "childhood." Many fall by the wayside on the grave marked "adolescence." Countless numbers falter on the highway called "young age." Innumerable throngs collapse upon the main road marked "middle age." Eventually all the rest who have escaped the perils along this mysterious road conclude their journey to eternity when they pass from the station "old age," through the gates of death, to that bourn from whence no traveler ever returns.

The present bill before the House of Representatives is one that provides for and attempts to take care of every victim of social and economic insecurity from the time of birth until death. This humane legislation begins with the queen and the angel of the home, the mother. Since God could not be everywhere, He created mothers to take His place. This bill makes it possible to look after the welfare of every expectant mother in the villages and rural sections of our country during the critical periods of her life's existence, which are childbirth and the preceding prenatal care. In the past millions of mothers have made the supreme sacrifice and died on the altar of childbirth, caused by the disease known as puerperal sepsis, or blood poisoning.

It was in the year 1843 when the distinguished New England doctor, surgeon, and literary genius, Oliver Wendell Holmes, then a practicing physician, announced to the people of our country that puerperal sepsis, commonly known as blood poisoning, from which thousands of mothers in his time had died after childbirth, was due to nothing else but dirt. This disease was caused by the introduction of dirt into the generative tract by unclean hands and unsanitary material used during the period of obstetric delivery. Oliver Wendell Holmes was laughed at, jeered at, humiliated, and humbled, as are all men and women who are pioneers and crusaders in a new line of thought or endeavor.

Several years later Professor Semmelweiss, an obstetric professor in the University of Budapest, Hungary, from 1850 to 1865, unfamiliar with Dr. Holmes' views, announced to the physicians of Austria and Hungary his belief that puerperal sepsis was caused by unclean methods of delivery that spread infection through dirt. His fellow physicians and the midwives of his time excoriated and pilloried him. They denounced his views. They laughed at him. They literally spat at him. His delicate mind and his sensitive soul could not resist nor withstand the ravages of this ridicule. He lost his reason and in 1866 died in an insane institution in Budapest.

Two years ago when I was in Budapest I stood in reverence in front of a beautiful monument that Hungary had belatedly erected to commemorate the memory, the name, and the fame of its illustrious pioneer and crusader, Professor Semmelweiss. Here was a scholar and a scientist who was driven to his death because he had given the world the principles that other physicians and surgeons today believe in, that puerperal sepsis or blood poisoning, caused in childbirth, is due to a dirt infection at the time of delivery.

Mr. Chairman, a few millions spent each year to nurses, midwives, and doctors to help them bring children into the world cleanly and healthily would not only save the lives of thousands of mothers but would also usher the young into the world in healthier, more sanitary, and more decent conditions.

In the rural sections of the United States and in the smaller villages we have very few nurses, midwives, or doctors. A kindly friend, male or female, may be the only one to help to bring the child into the world. This humane and constructive legislation, embodied in this bill, would save the lives of millions of our mothers in the future, and help to perpetuate the home and the angel of the home—the mother.

Mr. Chairman, previously this maternal legislation was known as the Shepherd-Towner Act or the Shepherd-Bankhead Act. This legislation was only put into operation for a few years and died because no appropriations were made to perpetuate its work. In the past its work was only of a temporary nature. The present legislation will be permanent and a living monument to Franklin Delano Roosevelt.

This bill makes its tenure permanent in character and lasting in its results. It will be an ideal worthy to be emulated by every civilized government of the world. [Applause.]

Mr. Chairman, another section of this humane and constructive bill provides for child welfare. This section would take care of infancy and childhood until the age of puberty. The weakest links in the chain of home life everywhere are the two extremes of life, young age and old age. A generation ago one out of every four young that were brought into the world died during the stage of infancy. They had no opportunity to develop into childhood or adolescence. Today, through the medium of science and medicine, through serum and antitoxin, and the countless contributions of prophylactic treatments, coupled with hygienic regulations and legal restrictions placed upon the exploitation of childhood, we are enabled to raise children, with the result that the mortality tables today show only one out of eight dying before they have had a chance to develop into young adult life.

The laws of our country and society have aided the young children of the present generation by prolonging legal childhood to the age of 16, which ends the compulsory educational period required by law.

A soldier fighting in the trenches of France, with bullets passing and bombs exploding over him, with poison gas about him, has a better chance to escape with his life, than has a child coming into the world to live and to reach young adult life.

Mr. Chairman, the mother may be the queen of the home, but the father is the breadwinner, the provider, who keeps the home intact. The home is the foundation of all society. Upon it the superstructure of all government must rise. Destroy the home and you destroy the most sacred human institution devised by mankind.

Death, through the loss of the breadwinner, has broken many a home. For centuries the widows, orphans, and dependent children have cried aloud for help and assistance in their tragic periods of economic insecurity. In the past the only recourse for orphaned children was the poorhouse, almshouse, and the orphan asylum.

The twentieth century of civilization has awakened our citizens to the duty and obligations they owe to these unfortunate orphans. Forty States in our Union have thus far enacted widows' pensions or child-welfare laws, to protect these innocent orphaned victims of previous inhuman capitalistic and legislative indifference. [Applause.]

Widows' pensions and child-welfare laws have had the spirit of humanity breathed into them by permitting the mother to have the custody of her own brood in her own home, by having the State give to the mother the money it formerly gave to an institution to take care of these orphans. In this way the State has preserved the integrity of the home. In its own home the child becomes the beneficiary of the tender love, the gentle solicitude, and the gracious care of its own mother. In an institution a child becomes a mechanical automaton. In its own home it is treated as a human being. Children reared in an orphan asylum lose their affection for those they should love. In the home the ties that bind the child to its mother are firm, unyielding, and enduring.

This bill, so carefully conceived, further protects the home because millions of dollars are granted by the Federal Government to the States, that will eliminate the orphan asylums and restore the orphaned child to the custody of its own mother, who is the proper and noblest guardian of childhood.

Mr. Chairman, if people who are physically and mentally perfect in every way cannot find work to guarantee their economic security, what is to be the fate of those children who have been

handicapped by nature by being crippled, maimed, deformed, disfigured, blind, and deaf through congenital causes or diseases of childhood?

"A sound mind in a healthy body" was the slogan, or dictum, enunciated by a famous seventeenth-century English philosopher, psychologist, and educational thinker, John Locke, in his famous work, Some Thoughts Concerning Education. The fact that he was himself a physician of great repute, coupled with the thought that nature had endowed him with a delicate physical constitution, made him realize the vital importance and value of having a healthy body.

Our great humane President, Franklin Delano Roosevelt, a father, a victim of infantile paralysis himself, knows what a long, hard fight has to be made to recover from the ravaging infirmities of infantile paralysis and other diseases that have pitifully crippled and maimed some of the youth of our country.

This constructive legislation and appropriation amounting to $2,850,000 in this bill offers to every crippled, deformed, and paralyzed child, whose parents cannot afford to pay for treatment, every scientific, medical, mechanical, and physiological relief to restore them to health. It assuages the grief, the anguish, and the suffering that accompanies the complications of childhood diseases which afflict its unfortunate victims with chronic infirmities.

This result is accomplished in this legislative bill through rehabilitation and vocational guidance and constructive and corrective devices that are designed to restore a sound mind in an otherwise afflicted and paralyzed body, so that these children may ultimately become useful citizens of our Republic, capable of being self-supporting and self-respecting.

Mr. Chairman, the period of adolescence is the critical and trying time in young adult life. The physiological changes that take place in puberty are responsible for the mental aberrations so common and prevalent in youth. Scientific medicine contends that juvenile delinquency, incorrigibility, changes of disposition, temperament, and character are attributable to the endocrinological disturbance caused by puberty.

This humane bill appropriates millions of dollars to aid these unfortunate victims of adolescence, through scientific medical supervision controlled in the Bureau of Child Hygiene, thus contributing to the normal restoration of these young people as useful citizens of our Republic, instead of filling our penal institutions with juvenile delinquents. [Applause.]

Mr. Chairman, between the ages of 20 to 60 is the great productive period of human existence. Through labor, commerce, industry, agriculture, science, art and literature, and all collateral forms of human endeavor, the progress of mankind throughout the civilized world has been accomplished.

The one sublime and great ideal for which all those people who work through brain and brawn would eternally be grateful for is economic and job security. Mankind the world over is profoundly interested in one fundamental concept; that is the privilege to work and to support loved ones who are dependent on that work for the amenities and decencies of life. The chronic deterrent that has prevented mankind throughout the world, between the ages of 20 to 60, from being blessed with happiness, contentment, and social and economic security is the tragic economic disease called unemployment.

The problem of unemployment is today not a problem of any locality nor any country, nor of any political party, but is worldwide and universal in its proportions. Nothing affects the average individual so closely as the question of the preservation of life with economic security. It is only after these necessities are satisfied that an individual can turn his thoughts to problems of politics, society, education, science, art, philosophy, or even religion. Society as it is constituted today, and has been constituted throughout all the ages, has taught humanity the fact that the necessities of life can be obtained only by the "sweat of one's brow." It has ever been the rule that those unwilling to work do not deserve to share the material goods of the world. The tragedy of unemployment today, however, is that men are willing to work, but can find no work for their hands or brains.

In order that the remedies for the relief of unemployment, particularly unemployment in the United States, may be properly understood, it is necessary that we have some conception of the historical aspects of this difficulty. Unemployment has plagued mankind from time immemorial. It has been with us from the time that society became organized and humanity gave up its nomadic existence and the freedom which such a life implies for the greater protection which an individual receives in group organization.

The annals of ancient history give many examples of the problems of unemployment and how it was successfully temporarily solved. In the Bible there is the story of Joseph who was called in as an expert by the Egyptian Pharoah of his day to solve a problem which was then appearing on the horizon, namely, unemployment for an appreciable number of years. Joseph suggested that a sufficient store of materials be set up during the years of plenty to supply the needs of the 7 lean years that were in the offing. The Phoenicians were the commercial group of the Semitic nation. They settled in Africa and founded the ancient civilization known as Carthage. They explored the mining districts of the British Isles, and brought back iron, tin, and copper to Phoenicia, there to be converted into bronze. For the Phoenicians, therefore, the solution of their problem of unemployment lay in expansion or colonization in other parts of the world.

The Greeks had a similar cure for this problem, for when in the small country of Greece the press of increased population made employment difficult, settlers were sent to what is now Sicily, and there established a center of commerce at Syracuse. They also sent their legions to Asia Minor and established settlers' colonies there. In Sparta the problem was met in another manner. This communistic country, which rigorously supervised the life of all the members of its community, decreed the extreme penalty of killing the weak so that only the strong might survive. This, of course, tended to keep down any rapid increase in population, and eventually Sparta perished as a result of the very remedy she thought would help her in her survival.

Rome, the first great empire of history, was confronted with the problem of unemployment early in its career. Following the conflict between Rome and Carthage the problem was relieved by the subjugation of the latter country. The natural growth of population of Rome, nevertheless, soon presented again the problem of unemployment. To solve it Rome resorted to the methods of Phoenicia, namely, colonization. Consequently, Roman soldiers planted their flag in Spain, in Britain, in the Balkan States—which are now known as Rumania, Bulgaria, and Yugoslavia—in Hungary, in Asia Minor, and on the northern coast of Africa. Always following the flag went the civil population, anxious to leave overcrowded Rome and Italy. They would rather be, first, in any place where they could find employment, economic security, and profitable labor than, second, where they would constantly be on the brink of starvation. The influx of barbarians and slaves deprived the native Romans of labor and employment. This was one of the conditions that finally caused the great empire to collapse in the year 476 A. D.

Following the collapse of the Roman Empire the organization of society entered into the feudal system, which was the political, social, and economic set-up of the Middle Ages. The feudal system, while it destroyed or curbed the individual liberty and freedom of men and women, narrowing them to a confining locality, nevertheless gave a fair guaranty of employment to the workers, thus assuring economic security. The feudal lord unquestionably was master of the soul and body of the toiler. The laborer was bound to the soil by a process akin to involuntary slavery. While he served his master he had bread to eat, a roof to shelter him, and clothing to wear. Did the peasant prefer to surrender his liberty and freedom in return for a guaranty of economic security? The doglike fidelity of the medieval serf to his lord, the loyalty of generations of apparently willing peasants to generations of overlords of the same family, showed that the feudal serf of medieval times did prefer the benefits of economic security to liberty itself.

Not all people were happy, however, with this compulsory service to their overlords, and among those were many who were obsessed by a desire for liberty and individual freedom. These people, together with others who were unemployed, or rather who refused employment under feudal conditions, left their native lands in search of adventure and constituted a part of the personnel of the great religious armies known as the Crusaders, who also were merchants and traders.

Self-sufficient as the economic society of the Middles Ages was, its people were, nevertheless, dependent upon the outer world for some essentials of good living. The serf could grow his own food supply, spin his own wool, make his own agricultural implements, design all of his own clothes; but for the spices of life he had to look to the Orient, to the far romantic East. The medieval person knew of no ice as a means of preservation of food. He was far from the day of electrical or gas refrigeration. The spices of the East were absolutely essential for him in preserving his food over a length of time and to keep it from decaying in the heat of the Tropics.

The spread of Mohammedanism and the victorious armies of the Turks barred western Europe from direct communication with the Far East, particularly after the capture of Constantinople by Saracens in 1453. To prevent their overland caravans and maritime cargo ships loaded with rich merchandise from falling into the hands of the Mohammedans the people who inhabited the continent of Europe were of necessity compelled to look for other routes to India and the Far East, such as the expeditions of Vasco da Gama and Columbus. While the Americas were being colonized they remained for many centuries too remote for the bulk of European population to migrate. In the sixteenth and seventeenth centuries we find widespread unemployment worse than that of today. So prevalent, indeed, was unemployment that the manpower of the world was only too happy to be employed as professional soldiers in the frequent wars that characterized this period. Slowly but surely the Colonies of the New World began to absorb the unemployed of the Old. Since the inception of the industrial revolution and the war for American independence, colonization in other continents has progressed so rapidly as to relieve temporarily the economic pressure in European countries.

For the modern age, the latter part of the eighteenth century witnessed the development of the industrial revolution in England. The invention of machinery transferred many farmers to the factory and thousands of farms were deserted. Commercial cities sprung up, new captains of wealth were created, and capitalists accumulated tremendous fortunes.

The workers shared very slightly in this era of industrial prosperity. Instead, they suffered from the evils of this new system which brought about low wages, child labor, long hours, industrial accidents, and industrial diseases. Summarizing the results of this industrial revolution in England, we find 12 percent of its population rich and comfortable, while 88 percent of its inhabitants were in abject poverty and destitute circumstances. However, the great redeeming feature of the industrial revolution was that it brought about the destruction of the feudal system of agriculture by the vast

movements of men and women from small isolated farms to the factories of urban communities.

From the Franco-Prussian War of 1870 to the inception of the World War in 1914 an economic era was ushered in which reached the highest peak of prosperity the world has ever known. The full fruits of the factory system were being gathered by all civilized nations of the world. European powers extended themselves into the distant continents of Africa, Asia, and Australia. There they founded colonies, not only for political purposes to satisfy national pride but primarily to furnish raw material for the use of the factories in England and other European nations, which materials were there converted into finished products, to be shipped back to the colonies for their consumption.

That is why England did not permit America to manufacture in the early history of our career, but compelled the Colonies to send the raw material to England, where they converted it into manufactured goods, and sent the goods back to be sold to the Colonies.

That is the reason America, at the inception of our Government, was 98 percent agricultural and 2 percent industrial.

During the World War the problem of unemployment disappeared. The armies absorbed the unemployed, and the tremendous increase in consumption of war materials stimulated the demand for supplies which taxed the resources of both machine and man powers throughout the world. Following the termination of the war, however, the reaction set in, and a condition exactly opposite to that which prevailed during the war period was ushered in, resulting in widespread unemployment.

What is the reason for unemployment in modern days? The primary cause is overproduction of material goods, bringing about a decline in price, with a lessened production and consequent unemployment. What are the factors which contribute to overproduction? These are: First, lack of economic markets, because practically every habitable portion of the globe has already been populated and has been, or is, on the verge of being industrialized. Second, the invention and use of labor-saving machinery has displaced thousands of men and women. Third, the instance of seasonal trades, characteristic of highly civilized communities, in which styles change frequently and producers are afraid to anticipate future requirements. Another great factor in the production of unemployment is the unfortunate bankrupt financial condition of most of our country's 40,000,000 farmers who are potential buyers. However, because of their lowered income, this great buying power is lost, with the resulting unemployment of the thousands who would otherwise be required to supply the farmer's needs.

Mergers and combinations of big business also create widespread unemployment. They throw the middle classes out of business and force them down to the level of employees; thus they create a large class of individuals seeking employment without increasing the opportunities for finding work. Other significant causes of unemployment, particularly in our country, were the great tidal waves of immigration, which began in the end of the eighteenth century and until 20 years ago brought into our country millions of people seeking employment.

Serious as the condition of unemployment in our country is today, it is not hopeless if we have the courage to face the facts and apply the proper remedies. What are these remedies? They are, first, political; second, economic; and third, social.

Politically we can aid in alleviating the conditions of unemployment by promoting international peace, so as to render wars improbable if not impossible. Post-bellum reconstruction always brings unemployment in its wake through the return of the soldier to industry. Let us, therefore, war on war. Peace should be our ideal, our hope, our aspiration. [Applause.]

Economically the solution may be of two characters. First, by lessening the overproduction, by agreement in various industries; and, second, by increasing consumption of commodities by encouragement of liberal terms, such as credit to debtors, particularly in periods of economic stress.

Socially the solution of unemployment concerns itself to the attitude of the Federal Government toward the individual. How can the Nation aid? The Government can assist business, industry, and labor in the following manner:

First. The national abolition of child labor in interstate commerce, now accomplished through the wage and hour bill.

Second. The limitation of the labor of women in hazardous industries.

Third. The establishment of a national system of old-age pensions to take care of all workers past the age of 60.

Fourth. The perfection of unemployment insurance in times of prosperity to provide for the unemployed in time of distress.

Fifth. The institution of a vigorous, scientific, and practical program of farm relief to rehabilitate agriculture, the basis of all industry. [Applause.]

Sixth. Governmental supervision of any trust or mergers that are in their nature monopolies and which threaten the well-being of the Nation.

Seventh. The liberal extension of credits by banks in cooperation with the Federal Reserve System to every deserving business organization engaged in commerce, industry, and agriculture.

Eighth. The rapid construction of public works to aid in absorbing the number of unemployed.

Ninth. By solving the problem of the distribution by the middleman, who adds to the cost of distribution a tremendous overhead, which is responsible for many evils now inherent in our method of distribution.

Tenth. By stabilizing our currency and arranging for the disposition of exportable surplus and by an adjustment of the gold to silver ratio, which may stimulate trade with silver-standard countries.

Eleventh. By increasing consumption. It is easily conceivable that if the 15,000,000 unemployed were given the means, through employment, of purchasing consumable goods, that factories would soon get busy again. Therefore the purchasing power of the unemployed must be increased by adequate help from the W. P. A.

This is the social program our Government must adopt to combat the ravages and tragedies of unemployment. Unemployment is the cancer of our body politic, eating at the vitals of our Nation and crumbling the economic structure upon which our entire western civilization rests.

The ability of our Government to check unemployment in our country will be the barometer of the civilization of our time. Our Government must ultimately stand or fall by its ability to solve this problem. [Applause.]

It is upon the economic security of its man power that society must rest. To combine individual liberty with economic security of labor is the paramount and great problem of our age.

The extraordinary fact about this splendid bill is that in the future it will provide unemployment insurance to those who are the unwilling derelicts and driftwood of our social, commercial, and capitalistic system.

Mr. Chairman, so long as the extreme profit motive is the animating and fundamental concept of capitalistic rugged individualism, so long will the few, at the expense of the many, control the wealth of our Nation, and unemployment must always prevail. [Applause.] This bill seeks to minimize unemployment by cushioning with unemployment insurance any critical period of unemployment that might afflict us in the future.

Mr. Chairman, despite the sunshine which floods the road upon the highway of life, the path of human progress toward peace on earth and good will to mankind has been lined with rocks, thorns, and thistles.

Among the great assets of human progress may be listed the tremendous achievement of the arts and the sciences, particularly the strides made in medicine toward the conquest of nature. The annihilation of distance both in transportation and communication, the victory over man's visible foes in animal and vegetable life, and the compelling of nature to yield of its stores in greater profusion than ever before, are some of the assets to be credited to modern civilization.

On the other hand we must not blind ourselves to the liabilities which are present in our midst. These seem to spring from the very progress which ought to annihilate them. The destructiveness of modern warfare, the unfair and unjust distribution of wealth to labor, the viciousness of modern propaganda, and the evils attendant upon our highly agricultural and industrialized age, are some of the outstanding dangers which mankind still has to conquer. Of all these complex problems none perhaps is greater or affects more people than does the hazard of old age.

I do not speak of the dangerous disease of old age, but of the economic insecurity which today affects those of our population who have reached the age of 60 or 65. This is a problem which is terrifying to those whom it affects and which strikes at the very soul of their existence. In this so-called twentieth century of civilization, in this, the richest country in the world, we find men and women past the age of 60 compelled to surrender their self-respect and become dependent as charitable wards, either on the community or on relatives or friends who in many instances are as badly off as those who depend upon them.

Old-age dependency is definitely and positively one of the great tragedies of modern economic progress. Scientific medicine has made it possible for mankind to live longer than formerly. Two generations ago the average age of man would be about 40; today the average man lives until he is 58, and the same scientific appliances that have been utilized for children to grow and develop have been placed around the old father and the mother, so that old age and longevity have been increased. Formerly, out of a total of 100,000 people, 41,000 would reach the age of 65. Today 52,000 of such an original number will live to be 65. Because of the increased expectancy of life, the number of persons 65 years of age and over in the United States has been steadily increasing, and the consequences are that, while those fathers and mothers are living longer than before, the economic and industrial conditions that confront them in our Nation has made it impossible for them to find work, and the only way they can subsist and save themselves from penury, hunger, and want, is for them to join the great caravan that finally wends its way over the hill to the poorhouse.

Only 6 percent of all the old people employed in private industries can expect pensions in their old age, while the balance, or 94 percent of them, can expect nothing, depending only upon their savings. If, unfortunately, their income did not permit them to save for old age, or they lose their money through unfortunate investments, then modern industry throws them back upon the community as human driftwood and wreckage that is useless because of life's wear and tear. Thus we behold our wage earners transformed from a group of hopeful, independent citizens into a class of helpless poor. In some States of the Union it is a crime to turn out old horses to starve; still society lets its old men and women starve in their old, unemployed age unless they take the last pilgrimage upon the road that leads them pathetically to the almshouse and poorhouse. [Applause.]

How many old men and women have we? There are today over seven and a half million people past 65 years of age in the United States. Four and one-half millions are between the ages of 65 and 70, a million and a half between the ages of 70 and 75, and a million

between 75 and 80, and there are three-quarters of a million people 80 and over, until life finally terminates. The number of old people in our country is now twice greater than the original population of the entire Thirteen Colonies.

Statistics of all the money spent in the almshouses and the old-age homes of our country show that 32 percent went as administrative expense, 38 percent for operation of the plan, while 30 percent went for inmates' maintenance. In other words, out of every dollar contribution to the almshouse, 70 cents went for administrative and operative expense, the so-called overhead, while 30 cents went directly for the old fathers and mothers.

Every State of the Union, with the exception of New Mexico, has almshouses for the poor. In 40 of our States the almshouses are county institutions. Here in these almshouses are huddled together the feeble-minded and the epileptic, the crippled and the maimed, the idiot and the imbecile, the abandoned child of the prostitute, the broken-down criminal, the chronic drunkard, the victim of loathsome and contagious diseases, and venereal infections, and last but not least, the superannuated toilers of labor and industry, our fathers and mothers. Veterans of dissipation and veterans of peace and industry living together under one roof. Is it fair? Is it just? Is it humane?

To me it is a pitiful and tragic indictment of the civilization of our times. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SIROVICH. Mr. Chairman, I ask unanimous consent to proceed for 15 more minutes.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 15 additional minutes.

The CHAIRMAN. The gentleman from New York is recognized for 15 additional minutes.

Mr. SIROVICH. Mr. Chairman, what are the causes of old-age dependency? First and foremost is the impairment of health. Sickness and disease exact a terrible toll. In old age the resistance of a person is diminished and he becomes susceptible very easily to the ravages that come in the wake of vocational and industrial pursuits. Tuberculosis among the miners; pneumonia amongst the steel and mill and factory workers; rheumatism and heart lesions from working in damp and wet occupations; asthma, bronchitis, and skin lesions amongst fur workers; lead poisoning amongst painters, and countless other maladies too numerous to mention. Unfortunate business investments, alluring advertisements, high-pressure salesmen have ruined many an old father and mother. Bank failures have sent many an elderly couple to the almshouse when the savings of a lifetime were lost. When the waning earning power of old age in competition with young age and machinery manifests itself, ambition collapses, hope is transformed into despair, and, with relatives and friends gone, death or the almshouse is welcomed as the final relief. The greatest curse of old age, however, is unemployment, which has lately increased through the productivity of machinery. Everywhere discrimination is practiced against the older employee in favor of youth. In modern industry today we see the exemplification of the vicious principle "Equal opportunity for all, except those past the age of 45."

Another factor driving older men and women toward pauperism is the lack of family connections. One-third of the almshouse paupers throughout the United States have never been married, another third are widowed, and one-third are still married. The great majority of aged dependents in almshouses and infirmaries are childless.

Other causes for dependency are the victims of the ingratitude of children who have forgotten the divine injunction given to Moses upon Mount Sinai, when God gave him the great commandment which says: "Honor thy father and thy mother, that thy days may be long upon the land which the Lord thy God giveth thee."

Loss of wife, husband, or children very quickly brings about the transition from independence to dependence.

Scientific medicine has increased the span of life in less than a century from 39 years in 1840 to 58 years, which it is today. So that today we have 7,500,000 people over 65 in a population of 125,000,000.

Last but not least, the greatest cause of dependency in old age is the terrible toll that industrial accidents take in human and economic values.

During the period from 1910 to 1920, a period of 10 years, there were more men and women maimed and crippled in the industries of the United States than were lost in all the wars of our Nation from the time of the American Revolution down to the World War. In the years 1917 and 1918, when our expeditionary forces went across the ocean to fight to make the world safe for democracy, there were more men and women killed in the industries of our country than there were American soldiers and sailors killed and wounded by the hostile forces fighting in Europe. In the year 1919, according to the report of the Federation of American Engineers, in this country 23,000 people were killed in our industries and 3,570,000 workers were crippled and injured in the performance of their duties so that they had to stay off for 4 weeks or more from their employment. If the prevailing rate of wages, according to the National Employers' Association, amounted to $27.25 per week for the year 1927, it would mean $4 a day for 300,000,000 days, or a loss to labor and industry of $1,200,000,000 a year.

It was these frightful conditions, ladies and gentlemen, that prompted the people of the country of ours to interest themselves in the subject of old-age pensions. In 10 years the principle of old-age pensions has been approved in 29 States and 2 Territories of the Union.

Social-service workers and authorities on old age have agreed that any individual who has reached the age of 65 or over and possesses no property, or whose income is less than $300 a year, must become a dependent upon his family or his community. In 1930, 3,000,000 people were supported wholly or in part by others. Think of it, one person out of every two past 65 years old is supported by your community. What are the factors which are responsible for this very serious situation?

1. First is the increased span of life. Accompanying this increase in the individual's life is the elimination of opportunty in industrial occupations. All of us are familiar with advertisements for help wanted. Applicants must be under 40 and sometimes even under 30 years. Some restaurants will not accept waiters over 25 years. Thus the aged worker is progressively eliminated from industry. The chance to obtain a job seems to vary in inverse proportion to the age of the men after 30 or 40. In this great machine age, where mass production reigns supreme, we behold the tragic formula of equal opportunity for all with the exception of those past the age of 45. [Applause.]

2. The second factor in old-age dependency is that of family relations and the mode of living. Before the intense centralization of industry arrived in large cities, homesteads were kept and there was always room for grandpa or grandma at the fireside. Today, with apartment-house living, no room for the aged exists, and they, of course, become dependent upon the charity of the community, or inmates of almshouses.

3. The number of old-age dependents are four times as great among men as they are in women. For sentimental reasons mothers more often will find a home with their children than will the father of the family. At the same time it is interesting to note that there are four times as many single men dependent upon charitable assistance as married men.

4. The collapse of over 8,000 banks, carrying the life savings of hundreds of thousands of old people, has destroyed their hope of providing for the future. High-pressure salesmanship, selling worthless securities to these old people, has robbed them of millions that would have provided for them in their old age. Ill health, of course, is a factor in old-age dependency.

5. Perhaps the most important factor of all that constitutes old-age dependency, is the low wages paid to unskilled labor during the productive years of life. By low wages, I mean a salary which allows only body and soul to be kept together, but which makes no provision for old-age saving or insurance. That this is definitely true is shown by an authentic report by the State of Pennsylvania in 1925, to the effect that the male-almshouse population is recruited largely from the ranks of unskilled labor. Another study, made in 1910, showed that out of 58,000 males admitted to various almshouses in the United States, 37½ percent were common laborers. In New York State, a study of 1,700 men receiving old-age pensions, showed that 50 percent were unskilled and semiskilled laborers.

To summarize, therefore, it must be evident to us that the factors which make for old-age dependency are not within the control of the individual himself. It seems definitely certain that social and economic forces which no single person can guide or control are in the main responsible for the appalling condition of old-age dependency in the United States.

To my mind, old-age security must be solved and the terror of old age removed if the United States of America is to fulfill its destiny. [Applause.]

We physicians constantly urge care of the body in infancy, youth, and maturity in order that physical perfection may be at its highest throughout life. Of what use is such urging by doctors—and care of the body by the average person if, at 40 or even 50 years of age, that body is to be scrapped as old metal and thrown away as human junk?

In some States of the Union, as I stated before, it is a crime to turn out old horses to starve. They must be fed or destroyed. Shall we feed, clothe, and house our aged, or shall we destroy them as old horses are destroyed? The very thought of it is a tragic indictment of the civilization of our days. [Applause.]

We have been dodging the problems of old-age pensions by expedients of various kinds. But no expedient ever solved a problem. The only solution of this condition is by thorough consideration of all the facts that will honestly solve this matter.

For many years on the floor of Congress and elsewhere I have advocated pension for the aged—old-age pensions—and have made studies of the conditions covering the subject that have run over a long time. I have fought steadily and consistently for this ideal of humanity for years and shall continue to battle until it is won for every old man and woman. Economic security must be assured to all citizens in their old, declining age.

Let me repeat, gentlemen of the House, no society can survive that allows its men and women to starve in their old and unemployed age, and forces them, to avoid hunger and want, to take the last pilgrimage of their lives on the road that pathetically and tragically leads over the hill to the poorhouse.

Old-age dependency is but one of the terrible social risks to which man is subject today. What are some of the other risks? They are industrial accidents and occupational diseases; temporary or prolonged sickness; permanent invalidity; old age; maternity; unemployment; death of the breadwinner, involving dependency of widow, orphans, or other dependents; sickness of members of family; burial.

What is the remedy? Let us look at what foreign countries are doing. Of all the civilized nations of the world, 42 have adopted the principles of old-age pensions. There are three forms of old-age pensions operating throughout Europe, South Africa, South America, Canada, Australia, and New Zealand. The first is called the compulsory, contributory form of old-age pensions. This system consists of compelling each workingman from 16 to 65 to contribute a part of his income to a general national fund, the amount to be contributed being anywhere from 2 to 5 percent. The employers contribute a like amount, and the Government contributes a third portion. This amount stays in the coffers of the nation until the man becomes old and enfeebled and arrives at the age of 65, when he becomes the beneficiary of his labor and efforts. Twenty-eight nations of Europe have adopted the principle of the compulsory, contributory form of insurance, and amongst them are the three great nations—England, France, and Germany.

Germany was the first to start this movement, under the influence of the Iron Chancellor, Bismarck, in 1881. Today there are 20,000,000 workers enrolled who, when their time comes, will be the recipients of an old-age pension which will make them love and respect their fatherland and make them realize that they are receiving the kind of protection and security which it is the duty of every civilized government to provide for its citizens.

Germany also provides its citizens with invalidity insurance, widows' and orphans' pensions, as well as sickness and unemployment insurance.

In 1908 that conservative and great nation, England, under the leadership of Lord Asquith and Lloyd George, introduced the noncontributory form of insurance. In 1925 greater modifications were made in the bill to conform with Germany's system, so that England today stands upon the same pedestal in old-age security legislation as Germany. It adopted in toto the entire theory of compulsory contributory insurance. Out of 17,000,000 workers in England, 16,000,000 have subscribed to the principle of old-age pensions.

France has 7,500,000 of its working people enrolled under the roster of the compulsory contributory form of old-age pensions.

The second system, under which 10 nations operate, is called the "noncontributory form" of old-age pensions and is colloquially known as the "straight pension system." This system provides for no contribution by any toiler, but when a workingman arrives at the age of 65 he receives his pension as an evidence of the interest which his government maintains in him. Industry cannot throw him away as a wreck upon the ocean of life.

The nations which have adopted this noncontributory form of old-age pensions, or straight pensions, are such countries as Denmark, Canada, New Zealand, Australia, Iceland, and Russia.

The third form of old-age pensions is the kind known as the "voluntary savings" type, under which an individual puts away every week in one of the postal savings of the government a certain amount of money from his allowance and the government contributes a subsidy to equal it. The individual, however, cannot use it until he arrives at the age of 65. The nation which started this principle was Spain, and today Japan is operating under that system.

There are 1,900,000,000 men and women in this world and 600,000,000 of them have subscribed to the different forms of old-age pensions. They will be the beneficiaries of an old-age pension system in the declining years of their life. So we have the wholesome spectacle of 42 nations of the world interested in the preservation of human life. The only three nations of the whole world that have not adopted the principle of old-age pensions are China, India, and the United States. I am making the plea to have our country withdraw from the company it is keeping with China and India and march onward with the civilized nations of the world [Applause.]

Mr. Chairman, the true patriots of our country are not only the men who bared their breasts to shot and shell and were ready to give their lives upon the battlefields of our country so that our Nation should be preserved, but there are also the veterans of peace, men who have worked in the quarries of life, in season and out of season, and have contributed everything that they hold near and dear in life to the peace and prosperity of our country in times of peace.

Just as we pension the veteran for his patriotism in time of war we should pension through the principle of old-age security the old father and mother who have battled for our happiness and our success in time of peace.

I want to see America marching with England and with France, not only on the basis of an agreement for naval and military disarmament but on the basis of humanitarian disarmament, that would make the world safe for humanity to live in peace, tranquillity, and happiness until divine Providence calls them to rest in eternal sleep. [Applause.]

Mr. Chairman, often have I sat in the House and listened to resolutions put through by some of the distinguished men of this historic forum. A few years ago a bill was passed appropriating $50,000 to determine why fishes do not enter the harbors of certain sections of our country. Recently another appropriation passed the House spending thousands of dollars to determine the cause of death of old trees in the forests of our Nation. At the last session of Congress thousands of dollars were appropriated to determine the cause of disease among cattle. I have seen thousands of dollars spent to conserve our oil resources. Millions have been spent to eradicate the corn borer, the boll weevil, the Spanish fly, and the Japanese beetle.

Mr. Chairman, the present bill under debate and discussion is an American bill. It is a humanitarian bill. It is in consonance and in conformity with the teachings and the preachment of the great Saviour. It is in harmony with the greatest commandment of all commandments. Mr. Chairman, the time has come, the hour has struck, and the moment has arrived when the United States has to declare whether it shall fall behind the cultured and civilized nations of the world or is willing to march side by side with those nations that have put human rights on the same parity as property rights. [Applause.]

Mr. Chairman, we have had 74 Congresses of the United States since the inception of our Government. What man in Congress here can state to me which Congress stands out preeminent? What Member can tell me the Congress that has done the greatest good?

All I know is that the Twelfth Congress was the Congress that declared war against England. The Twenty-ninth Congress was the Congress that declared war against Mexico because of Texas. The Thirty-seventh Congress was the Congress that brought about the Civil War and gave freedom to the Negro. The Fifty-fifth Congress was the Congress that brought about the freedom of Cuba, which involved us in the Spanish-American War. The Sixty-fifth Congress was the Congress that declared war against the Central Powers of Europe, and the Sixty-third Congress was the Congress that brought about the Federal Reserve System that protected the rights of money in banks against financial collapse so that our material wealth would be protected as the years go by.

I would like to see the Seventy-fourth Congress of the United States, ere we make our exodus from this historic forum, declare war against the inhuman treatment of our elders, so that they may continue to live in their own homes that have been hallowed with sweet memories, tender with pleasant reminiscences. Home, where the prattle of children has been music to the ears of the parents. Home, that has always been dedicated to God and consecrated to the love of family life.

In the name of humanity I appeal to the membership of this House for the preservation of the home and all that it means, so that the gracious prayers of our older generation will pray for the life and happiness of the membership of the Seventy-fourth Congress of the United States for having given of their today that others might have their tomorrow. [Applause.]

Mr. Chairman, every manufacturer is permitted to deduct from his income tax certain sums for obsolescent machinery—for property that is wearing out. How about providing sums for the obsolescent men and women, and the obsolete men and women who have been worn out in their labor in the quarries of life? Are they not entitled to security in their human obsolescence? Are human beings less than machines? Is a human soul of less value than a contraption of iron, steel, and brass? Is property more sacred in this great Republic than human beings and human rights? Did the fighting founders of the Republic free the American Colonies from Great Britain in order that later generations might immure them in economic slavery, and let their old carcasses waste away in hunger and poverty, or be put away in poorhouses with criminals, insane, and deseased others? God forbid.

Why should not employers of the labor on human minds and hands be compelled to provide obsolescent security in the form of old-age pensions for those who have worn away the best years of their lives in service to the machine age? The cost is only 3 percent of the weekly pay roll for the benefits that will come. For unemployment insurance the employee bears an equal tax of 3 percent with the employer, who pays 3 percent.

In my career as physician, surgeon, author, banker, and social worker, I have done everything in my power to further the ends of social justice. As one of the original members of the widows' pension board in the State of New York 23 years ago, I have helped in the passage of many welfare bills, particularly those relating to the widows and orphans as exemplified in the widows' pensions and child-welfare laws, which have served as a model in 41 States of the Union and communities throughout the world. In my broader field of national legislation, I have centralized my efforts for the relief of old age through economic-security insurance and old-age pensions. These efforts have resulted in the repeated introduction of the Sirovich bill for old-age pensions during the past 10 years. In the Doughton bill, the solution of these social problems is the securing of old-age pensions through the compulsory contributory form of social insurance for every working person in the United States, the cost of which shall be distributed between workers and the employers.

Mr. Chairman, this is not socialism. This is not radicalism. This is not communism. This is humanitarianism. It proclaims to the people of our Republic that, since it is patriotic to pension our soldiers who bare their breasts to shot and shell in order that our Republic may live, it is just as humane and patriotic to pension our old fathers and mothers who have toiled in the quarries of labor to make our country prosperous and glorious in time of peace. This is simple justice and the honorable discharge of a debt which society and our Republic owe those who labor in their behalf to make our Nation the richest in all the world. Every civilized nation on the face of the world has some form of old-age pensions with the exception of China, India, and the United States. Shall the United States, the richest, the greatest, and the most prosperous Nation in the world, march arm in arm with medieval China or India, or shall it take its rightful place in the forefront of the great nations of the world battling for social justice to our forgotten old fathers and mothers. [Applause.]

Mr. Chairman, sooner or later the curtain of life will fall upon our earthly career. A little shaft will commemorate our humble

memories. Let me sincerely hope and trust that in the far distant future, when that time comes, that somewhere in Alleghany County, N. C., on such a modest shaft will be inscribed the sentiment:

"Here lies ROBERT DOUGHTON, chairman of the Ways and Means Committee of the Seventy-fourth Congress. Father and sponsor of Federal old-age pensions, unemployment security, child welfare, and health and maternity protection for the people of the United States." [Applause.]

BOB DOUGHTON—may the prayers of a grateful American public bring to you and your loved ones happiness in your heart, contentment in your mind, for having fathered and sponsored such inspiring and humane legislation, that will be an inspiration to others while you live, and a monument to your memory as well as our great humane President, Franklin Delano Roosevelt, long after the rest of your colleagues shall be forgotten in the ashes of time. [Applause.]

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. SIROVICH. I yield.

Mr. COLDEN. First I wish to express my very deep appreciation for this marvelous contribution to the discussion of this subject. * * *

Mr. SAMUEL B. HILL. Mr. Chairman, I yield such time to the gentleman from Oklahoma [Mr. JOHNSON] as he may desire.

Mr. JOHNSON of Oklahoma. Mr. Chairman, for almost a week we have listened to the debate on this important social-security bill. This afternoon we listened to the matchless address delivered by my personal friend, Dr. SIROVICH, of New York. In my opinion, it is one of the greatest speeches delivered on the floor of this House in many a day. * * *

Hon. Harry Hopkins, Secretary of Commerce

EXTENSION OF REMARKS
OF
HON. STYLES BRIDGES
OF NEW HAMPSHIRE
IN THE SENATE OF THE UNITED STATES
Monday, February 20, 1939

ARTICLE FROM NEW YORK HERALD TRIBUNE OF FEBRUARY 20, 1939

Mr. BRIDGES. Mr. President, recently, when the nomination of Mr. Hopkins was under consideration by the Senate, I made a statement that putting him in the office of Secretary of Commerce was the first step toward promoting him to the Democratic nomination for President in 1940. I therefore ask to have inserted in the RECORD an article from this morning's New York Herald Tribune entitled "Hopkins' Bid for 1940 Due on Iowa Trip—State Chairman Admits Talks With Aspirant on Lining Up Delegates." The article seems to bear out the statement I made here that the appointment of Mr. Hopkins as Secretary of Commerce was a preliminary step to building him up for the Presidency in 1940.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of February 20, 1939]

HOPKINS' BID FOR 1940 DUE ON IOWA TRIP—SECRETARY WILL BE THRUST INTO OPEN AS NEW DEALER CANDIDATE THIS WEEK—SPEECH TO PROPOSE RECOVERY PROGRAM—STATE CHAIRMAN ADMITS TALKS WITH ASPIRANTS ON LINING UP DELEGATES

(By Geoffrey Parsons, Jr.)

DES MOINES, February 19.—Harry Hopkins, Secretary of Commerce, will be thrust out into the open as a 1940 Presidential candidate of the New Deal wing of the Democratic party during his 4-day visit this week to Iowa, the State where he was born.

His decision to make his anticipated announcement of a major recovery program from the capital of his native State was motivated, at least in part, by his Presidential aspirations, according to local Democratic politicians.

Mr. Hopkins is not expected to announce his availability as a Democratic candidate in so many words, but recent political maneuverings in this State and in Washington make it difficult not to interpret his Iowa visit as a broad, public hint to that effect.

Edward Birmingham, Democratic State chairman, admitted frankly that he has talked with Mr. Hopkins about lining up delegates for the Secretary for the Democratic National Convention in 1940. Mr. Birmingham said that Mr. Hopkins realizes that if he is to have any hope of winning the Democratic nomination he must begin by winning the delegation of his native State—even if he hast not lived in it for many years.

Several gestures toward that end have already been made. The position of Director of the United States Bureau of Fisheries, which will be open after March 1, and which is under the jurisdiction and at the disposal of the Secretary of Commerce, has been dangled before Mr. Birmingham, who said he would like the job and be glad to work for Mr. Hopkins in Iowa.

Mr. Birmingham expects to get definite word one way or another about the job very soon, perhaps during Mr. Hopkins' visit here. Mr. Birmingham admits that his knowledge of fish is that of an amateur angler and a connoisseur of sea food from the point of view of gastronomy. He has never passed much time near salt water, but he said he believes if he is given a policy to follow he could follow it as well as the next man.

"It's a good job—$9,000 a year," he said. "You get a nice boat and you know where the best fishing is."

Mr. Birmingham's home is in Sioux City, Iowa, and he has lived there for 52 years. Mr. Hopkins was born in Sioux City, but Mr. Birmingham said he never heard the name of Harry Hopkins until President Roosevelt put Mr. Hopkins in charge of Federal relief early in the first New Deal.

There is piquancy in the situation that brings Mr. Hopkins out to Iowa seeking the support of the Democratic State organization. Last April Mr. Hopkins, together with Thomas Corcoran, Presidential adviser, and James Roosevelt, the President's eldest son, was trying to purge Senator GUY M. GILLETTE, who was up for renomination with the solid support of the State organization. Senator GILLETTE won the nomination by a wide margin over the Hopkins-Corcoran-Roosevelt candidate, Representative Otha D. Wearin, and then last November managed to win reelection, while the Democrats were losing the major State offices to Republicans.

THE HATCHET IS BURIED

Last April Mr. Birmingham, Senator GILLETTE, and other leading Iowa Democrats were calling Mr. Hopkins nasty names. Now, Mr. Birmingham reported he has been able to patch up relations between Mr. Hopkins and Senator GILLETTE.

"I was in Washington recently," Mr. Birmingham said, "and I took GUY GILLETTE in to see Secretary Hopkins. It was all very friendly, and they buried the hatchet. It's all fixed up."

To what extent the New Deal attitude toward Senator GILLETTE has softened should be revealed soon by the best of political tests, the reception accorded the Senator's requests for patronage. Senator GILLETTE and his colleague, Senator L. HERRING, divide patronage between them, GILLETTE taking the northern half of the State, HERRING the southern.

The position of United States marshal, northern Iowa, is open, and Senator GILLETTE is reported to be on verge of recommending former Representative Fred Biermann for the job. There is a United States district attorneyship open in the southern half of the State, and Senator HERRING is waiting to see how his candidate, former Lt. Gov. John K. Valentine, makes out.

Des Moines was crowded with more New Dealers on Friday and yesterday than this city has seen since the New Deal came to power. Henry Wallace, Secretary of Agriculture; Miss Frances Perkins, Secretary of Labor; Leon Henderson, executive secretary of the National Economic Council and close adviser of the President; Mordecai Ezekiel; and numerous lesser lights, most of them from the Department of Agriculture, were all in town for the National Farm Institute.

HELD PRESIDENT'S FAVORITE

Some of these New Dealers were questioned about the Hopkins candidacy, and among those who were willing to talk it was agreed that there was no doubt that Secretary Hopkins is President Roosevelt's current favorite to succeed him in the White House. Thus, New Deal patronage might reasonably be expected to be disposed in a manner which would not injure Mr. Hopkins' chances.

In the particular cases of the marshalship and district attorneyship that are open in Iowa, the situation is complicated by the fact that these are Department of Justice jobs, under Attorney General Frank Murphy, who, in addition to being under some suspicion of having White House ambitions of his own, is currently waging a campaign against corruption and politics in his Department. The local Democrats, nevertheless, are betting that the Senators' nominees will get the jobs.

Even these anticipated gestures to appease the State organization are not likely to get Mr. Hopkins very far toward a convention delegation pledge to him. Senator HERRING is reported to be seeking a delegation controlled by Senator HERRING. Though friendly on the surface, Senators GILLETTE and HERRING are said by friends of both men really to be at odds, particularly in matters of Statewide patronage.

The Democrats say that President Roosevelt and Postmaster General James A. Farley are both still very popular in the State, considerably more so than Mr. Hopkins. Corn Belt farmers generally have been critical of the W. P. A. and consequently have never regarded Mr. Hopkins with affection.

In Iowa, Mr. Hopkins has not been regarded generally as an Iowan, as has Secretary Wallace, for example, although Mr. Hopkins was born and educated in the State. At Grinnell College, Grinnell, Iowa, he first became interested in social work, but he left the State soon after graduation and has never been back for long.

Mr. Birmingham says "there'll be an awful fight getting the Iowa delegation lined up for Mr. Hopkins, but I think it can be done." Most Iowa Democrats, at this stage, will agree with the first half of Mr. Birmingham's statement and disagree with the second half.

Mr. Hopkins is expected to arrive at Grinnell on Tuesday. He will stay there until Friday, when he is to address the Economic

Club of Des Moines at the Fort Des Moines Hotel. He will renew old friendships in Grinnell and possibly confer with Iowa Democrats in the hope of making new ones.

Iowa has another entry in the Presidential sweepstakes in Secretary Wallace. If there has been the slightest overt political act by Secretary Wallace in the direction of the Democratic nomination, it has not been detected by leading Iowa Democrats. His closest advisers swear he has never allowed them to engage in any Presidential campaigning in his behalf, although they have suggested it to him from time to time.

Herbert Hoover, Republican President from 1928 to 1932, is the only native of Iowa among the 32 Presidents of the United States.

Fordham University Alumni Association

EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Monday, February 20, 1939

ADDRESS BY WILLIAM O. DOUGLAS, FEBRUARY 9, 1939

Mr. MALONEY. Mr. President, I ask unanimous consent to have published in the Appendix of the RECORD an address delivered by William O. Douglas, Chairman of the Securities and Exchange Commission, before the annual dinner of the Fordham University Alumni Association at New York City, February 9, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Dooley once said, "Historyans is like doctors. They are always lookin' f'r symptoms. Those iv them that writes about their own times examines th' tongue an' feels th' pulse an' makes a wrong dygnosis. Th' other kind iv histhry is a post mortem examination. It tells ye what a counthry died iv. But I'd like to know what it lived iv."

Mr. Dooley typifies the right of every American to express himself profoundly on broad questions of which he has no expert knowledge. When I leave my own field of law and government, I too avail myself of this privilege.

I think we all share Mr. Dooley's belief that the important thing for us to know about our country is "what it lived of." To know what makes our country live is to have the key to the immortality of its democratic ideal. That, perhaps, is what President Roosevelt had in mind when he said that this generation had a real "rendezvous with destiny." It is our generation's destiny, in a time of great distress, to make democracy live, to make the democratic ideal survive the many assaults that beset it.

Unwittingly, I fear, we have in various ways slowly slipped away from that ideal. Over the years we have been preoccupied with materialistic and mechanistic matters. We have been incessantly employed in serving the physical wants and needs of man. The main current of our modern times has been a sweeping advance of technology and too often it has overshadowed all else. The problems of research, of production, of distribution, of finance have quite properly occupied a high place in our thought and activity. But the underlying values have been largely materialistic. Our material progress has often failed to reckon with the deep, spiritual factors of the democratic faith.

One aspect of modern life which has gone far to stifle men is the rapid growth of tremendous corporations. Enormous spiritual sacrifices are made in the transformation of shopkeepers into employees. The materialistic god of efficiency may dictate it in certain cases. But the extent to which it has been carried has been ruthless in its loss of human values. The disappearance of free enterprise has led to a submergence of the individual in the impersonal corporation in much the same manner as he has been submerged in the state in other lands. As a corollary the growth of the corporation has impersonalized and made materialistic many of our most important social and personal relationships. As a most gracious and polite lady in the drawing room may be transformed into a most impolite person behind a steering wheel of an automobile, so gentlemen may be propelled into ruthless raiding of other people's money once they take the corporate veil. The convenient and impersonalized use of the corporate device has unquestionably contributed to moral decadence. That has especially been true with the growth of bigness. Empires so vast as to defy the intimate understanding of any one man tend to become playthings for manipulation. The fact that railroads, or banks, or operating utilities lie somewhere deep underneath the corporate maze becomes incidental. Values become translated. Service to human beings becomes subordinate to profits to manipulators. The stage setting is perfect for the disappearance of moral values. Individual responsibility before God has no counterpart in the corporate system.

In some countries this flood of materialism has risen so high as to drown out the spirit. Communism places complete reliance upon the satisfaction of physical needs, making of man a wholly economic creature. Fascism goes so far as to deify the corporate state, making man responsible to the state instead of to God. Both of these systems have suppressed the spiritual values which are the essence of democracy. Neither recognizes the principle that men are "endowed by their Creator with certain inalienable rights." Those alien systems have expurgated the words of the philosopher who said, "Pride not yourself in this, that you love your country, but rather in this, that you love mankind."

Fortunately in America the ideal of democracy is still alive and vigorous. This ideal includes both equality of economic opportunity and equality of political opportunity. It is broader and more embracing than either. It recognizes that man is not simply a biological organism or merely the product of economic forces. It gives preeminent recognition to the principle that man is also a spiritual and ethical being. The ingredients of that faith are not solely materialistic; they are spiritual and ethical as well. They recognize the importance of the inward satisfaction of confidence in one's self; the deep desire for the respect of one's fellow man; the longing to be identified with some cause dedicated to the interests of humanity. Basically this is the democratic ideal. In practice even in this country it has at times seemed to lose some of its vitality. To revitalize it is the first order of our day.

I have often wondered what would happen if for a generation we had no new patents, no new discoveries, no new technological advances, no new mergers. If the wheels of invention were stopped and the processes of discovery were stilled, we would, I am sure, continue to live in comfort. Known skills and devices could go on servicing the physical needs of man interminably. They might not be as efficient as scientists could make them. But I have no doubt that the needs and desires of man could be met on the physical side.

I do not mean for a moment to suggest this as a proper course for us to take. Nor do I mean to minimize the importance of filling abundantly the basic physical needs of our whole people. I recognize fully that man physically impoverished is a poor cornerstone for a free democracy. A strong, efficient, well-balanced national economy will ever be one of our indispensable assets. But without the meaning and guidance of a vigorous set of spiritual values, I doubt that the other will alone enable us to meet successfully our "rendezvous with destiny."

One great source of strength to which all of us look in keeping alive the democratic ideal is the university. It may be that in the years immediately ahead our universities will again be called upon to play that great role in the protection of civilization which has been theirs for centuries. This responsibility has been recognized by more than one distinguished educator. President Conant, of Harvard, in his recent annual report, made the following statement:

"Today we all realize that democracy is not a self-perpetuating virus adapted to any body politic—that was the assumption of a previous generation. Democracy we now know to be a special type of organism requiring specific nutrient materials—some economic, some social and cultural. Among the latter the emotional stability and intelligence of the electorate are obviously of importance; these are intimately connected with the type of education we give our children. Another requisite for a flourishing democracy would appear to be the existence of a ladder of opportunity; again the educational process is involved. From these and many similar considerations it is evident that if we wish the present type of society in this country to survive and to improve along thoroughly democratic lines we must, as a people, pay due attention to our schools."

Yet even colleges and universities are not impervious to the dominant and engulfing materialistic influences of our time. Excessive trends toward purely technical training have been continuously observed by experts in education. At certain times and places it was a close question as to whether or not the main efforts and resources of some institutions of learning would not be devoted to simple trade-school curricula.

This I know has been evident in legal education where purely professional training has been too often the dominant note. This has been true to such an extent in the past that legal education at times resembled a course of instruction in contract bridge. And I have often thought that the medical profession has been so busy dividing man into neat little compartments and placing him in so many separate test tubes that man as a total organism has often been little comprehended. Emphasis on the purely biological aspects of man has too often led to diagnosis of disease in terms of outward physical manifestations rather than of inward spiritual and emotional maladjustments.

The foregoing are merely small examples of a larger trend in the universities today. There is demand for a reawakening of the ancient concept of the university as the custodian of the things of the mind and the values of the spirit. The rise of materialism is today the greatest single challenge to the universities, not for the purpose of resisting technological advance but of attuning that advance to the spiritual need of man. All of us, and particularly the universities, can well heed the recent words of President Roosevelt:

"Democracy, the practice of self-government, is a covenant among free men to respect the rights and liberties of their fellows.

"International good faith, a sister of democracy, springs from the will of civilized nations of men to respect the rights and liberties of other nations of men.

"In a modern civilization, all three—religion, democracy, and international good faith—complement each other.

"Where freedom of religion has been attacked, the attack has come from sources opposed to democracy. Where democracy has been overthrown, the spirit of free worship has disappeared. And where religion and democracy have vanished, good faith and reason in international affairs have given way to strident ambition and brute force.

"An ordering of society which relegates religion, democracy, and good faith among nations to the background can find no place within it for the ideals of the Prince of Peace. The United States rejects such an ordering, and retains its ancient faith." It is that spiritual ingredient which is necessary for great strength and vitality of nations as well as of individuals. That spiritual ingredient is itself the solvent of many social ills, and perhaps even economic ills. It is also the preventive of planetary disintegration. Of equal significance, it is the cohesive element which mystically binds men together in a common cause, and makes strong and united groups torn by dissension and turmoil.

Faith alone will not solve all problems. Basic economic and social issues will persist. But give us faith and we will have the driving force necessary to solve the other problems. With that faith our economic system can be revitalized. With that faith and with that revitalization, foreign ideology need breed no fear here. Such ideology, like a germ, can gain a foothold only in a diseased system. Spiritual well-being as well as physical health are both necessary preventives against such disease.

Such a renaissance constitutes the principal responsibility and opportunity of all of us—including universities and government—who are interested in the preservation of the American democratic ideal. Universities train the men that government needs. Men trained in the democratic faith are indispensable on the governmental front. Men with technical competence, men with humility, men with the quality of selflessness, men with a sense of responsibility—these are the needs and demands of democracy. Training of such men is a task of education and of stimulation. With such men, government in its strong position of leadership, can make a continuous contribution toward a revitalization of the democratic ideal. With such a program our whole national life can be continuously enriched by the influx into government, business, and the professions of men basically conditioned in the democratic faith. But technical training will not alone suffice. We must reorient much of our materialistic philosophy in terms of humanitarian principles.

We have observed enough on our contemporary scene to know that a supreme spiritual effort must go hand in hand with an economic and social program. We have seen enough to convince us that dilution of ethical principles weakens rather than invigorates our present system. Therefore, we know that on the basis of sheer self-interest such a renaissance is a prerequisite to a strengthening and invigoration of both capitalism and democracy.

Fortification of Guam

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, February 20, 1939

EDITORIAL FROM WASHINGTON DAILY NEWS

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have published in the Appendix of the RECORD an editorial appearing in the Daily News, of Washington, D. C., under date of February 16, 1939, in relation to our program for national defense now under consideration, the editorial being entitled "Congress and Guam."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Washington Daily News of February 16, 1939]

CONGRESS AND GUAM

In a special message to Congress on March 2, 1934, President Roosevelt urged the abandonment of all military bases in the Philippines.

Three weeks later Congress passed by an overwhelming majority the Tydings-McDuffie Independence Act, containing that provision. Thus we gave the lie to Far Eastern charges that we harbored imperialistic ambitions in that quarter of the globe.

Yesterday, by a vote of 14 to 5, the House Committee on Naval Affairs approved an expenditure of $5,000,000 for the so-called fortification of Guam, a flyspeck of an island 5,400 miles west of San Francisco and more than 3,300 miles west of Hawaii, our nearest naval base.

These things simply don't jibe. With one hand Congress yanks us out of the Far East partly, at least, because Army and Navy officers say we could not successfully defend the Philippines in case of war with Japan, while with the other it shoves us right back. Only, in doing so it leaves us incomparably weaker out there than we were to begin with.

The same committee voted favorably on other national-defense items, which in our judgment it should have done. As long as the rest of the world insists upon arming itself at the present pace, we have no option but to arm ourselves. Not to provide adequate defense for a rich and envied country like ours would be to invite trouble. This newspaper, therefore, stands squarely behind the fundamentals of the President's national-defense program. But, for defense purposes, Guam is a liability, not an asset.

The principle involved in fortifying a base in the Far East has nothing to do with costs. Congress has voted to withdraw from the Orient as far as Hawaii. To reverse itself now would raise or renew serious doubts as to our intentions, and that would be just as true over a $5,000,000 expenditure as over a $50,000,000 expenditure.

We do or we don't need a fortified base in the Far East. If we do, then by all means let us have one. But if we do $5,000,000 is not enough and Guam is not the place.

If we do not need such a base, then we should not put ourselves in a false light, especially with neighboring Japan. She controls a maze of islands stretching two-thirds of the way from Hawaii to the Philippines and extending from the Tropic of Cancer to the Equator. And one of her 30-cent yens will buy as much fortification as one of our 100-cent dollars.

If a fortified base in that vicinity is vital to our national defense, then we should have the best. But if we are pulling a bluff the insignificant white chip called Guam won't work.

Federal Reclamation in Nebraska

EXTENSION OF REMARKS

OF

HON. GEORGE W. NORRIS

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Monday, February 20, 1939

ADDRESS BY HON. JOHN C. PAGE, COMMISSIONER OF THE RECLAMATION BUREAU

Mr. NORRIS. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Hon. John C. Page, Commissioner of the Reclamation Bureau, on the subject of Federal reclamation in Nebraska.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A keener and more inquiring interest in the Federal Reclamation program has been the natural result of the growing consciousness on the part of the whole Nation of the problems that make a broad conservation program essential.

Recurring droughts and floods especially have served to emphasize the tempering benefits of this work in the arid and semiarid third of our country—this work which was undertaken more than 36 years ago as a major part of the first national drive toward conservation and more intelligent use of our resources.

The record which has been made by Federal Reclamation is clear and the benefits of this work cannot be doubted nor minimized. It provides a good example of what may be expected from a well-planned conservation program, honestly executed.

When, in 1902, President Theodore Roosevelt proposed Federal Reclamation to the Congress, he predicted that it would "enrich every portion of our country just as the settlement of the Ohio and the Mississippi Valleys brought prosperity to the Atlantic States." The record made since June 17 of that year, when the act creating the Bureau of Reclamation was signed, shows accomplishment of what he predicted.

If the members of the Nebraska State Irrigation Association, among whom are included many irrigation farmers and others familiar with the program, will indulge me a moment, I would like to review briefly what the program has meant to the United States.

First, it has meant, through the construction and settlement of 34 projects comprising a little more than 3,000,000 acres of land, creation of homes for almost 900,000 persons on irrigated farms and in cities and towns which have grown up among those farms.

Second, it has meant the establishment of substantial, permanent communities in these big Western States, where without irrigation even an approach to close settlement is impossible. In these communties are 850 schools, almost 1,000 churches, and banks which had deposits last year of about $225,000,000. The manner in which

a contribution of this sort bolsters State and National Governments does not need to be spelled out syllable by syllable to be understood.

Third, these projects produce each year about $100,000,000 of wealth, most of which goes into the channels of trade, principally those leading to the industrial centers of the East.

These results have been obtained from operating projects which were built at a cost of about $250,000,000 and which have repaid, under contracts that are expected eventually to return the whole investment, nearly $50,000,000 of the total.

This is the record upon which, under the leadership of Franklin D. Roosevelt, another conservation-minded President, and Secretary Ickes, a still greater reclamation program is being carried forward today. Projects, several of them combining multiple conservation purposes, such as aid to navigation, flood control, river regulation, and power development with irrigation are being constructed to provide water for 2,500,000 additional acres and to provide a reliable supplemental water supply for another 2,500,000 acres of western irrigated lands now short of water.

Nebraska, one of the 16 States originally embraced by the Reclamation Act, from the outset has been closely associated with the Federal Reclamation program, participating in its benefits and sharing in the hopes and aspirations for the future.

This State is so situated, extending from the arid to the humid belts and across that uncertain zone between, that its associated water and land use problems are very complicated. Here, in Scottsbluff in western Nebraska, you live in an area unquestionably arid, where irrigation and farming are Siamese twins. The problem here has been met by the construction of the North Platte Federal Reclamation project and other development privately financed. Uncertainties introduced by variable seasonal rainfall, sometimes sufficient, sometimes insufficient, always unpredictable, a little farther east have served to make the problem there more difficult to meet.

State and local efforts in other sections of the State are attempting to meet the different situations. The University of Nebraska is to be complimented, for example, for the work it has done in gathering data on ground-water supplies. Where the streams are so few and their flow so largely appropriated and used, availability of ground water assumes a major importance.

Development of these resources, however, must not proceed blindly or without careful weighing of economic and social considerations. The history of irrigation by pumping from wells in some sections of the West is so tragically eloquent that its lessons must not be overlooked.

The long period of deficient rainfall over the Great Plains, beginning in 1930, has provided a new point for the old argument that water in this area must be used prudently. It has provided for all a new significance for the responsibilities of the individual to his community. Wasteful overirrigation by water users in one locality may deprive others elsewhere of the opportunity to produce crops and maintain homes. Ownership of a prior water right is a simple fact, but possession of water is not an excuse for unnecessary and wasteful use.

Turning to the North Platte project, the only Federal project in the State, I should like for a moment to discuss its significance.

This project was approved by the Secretary of the Interior conditionally in 1903, construction was begun in 1905, and the first water was delivered in 1908. With the completion of the Northport division in 1923 the area for which the Bureau of Reclamation was prepared to supply water within the project limits was 183,296 acres, while supplemental supplies were provided under contract for an additional 104,779 acres. These areas combined are twice as large as the total of all irrigation projects in Nebraska prior to the enactment of the reclamation law, and at present they represent half of all the lands irrigated in the State.

While farther east than most, the North Platte project is illustrative of the many factors entering the development of projects under the Bureau of Reclamation. With the storage facilities located in another Commonwealth, the interstate character of the stream was a factor. Development of water power and utilization of the surplus was another.

On the edge of the drought area some project lands have felt the effects of conditions that have been disastrous to vast sections less favorably situated.

From both an economic and a social standpoint reclamation's contribution to the development of western Nebraska is notable. In Scotts Bluff County in 1909 the assessed value of all types of property was $1,459,000. In 1936, after 25 years of irrigation, it was $23,936,000—roughly an increase of 16 times.

Irrigated lands in Scotts Bluff County are assessed as high as $80 an acre as compared with maximum assessments of $9 an acre on dry farm lands and $3.60 on pasture lands.

While only 193,000 of the 432,000 acres in this county are irrigated, it is estimated that 80 percent of the population derives its incomes from irrigated agriculture. In Box Butte County, where only 1.5 percent is irrigated of an area 50 percent larger than that of Scotts Bluff County, the population is less than half as large and the assessed valuation less than one-third.

The average value of improved land with a paid-up water right in the Pathfinder irrigation district, for example, is $85 an acre as compared with $3 an acre for land without water. A conservative estimate of the increase in value of lands irrigated in Nebraska as a result of this project is $20,000,000. Related industrial and urban development would greatly increase this remarkable total.

The 2,119 irrigated farms on the project in Nebraska have a population of 7,000, and there are in the area 11 cities and towns with 18,000 inhabitants who are in a large measure dependent on irrigation operation for a livelihood. Including those in the Goshen division in Wyoming there are 70 schools, 54 churches, and 9 banks with more than $7,000,000 in deposits.

Like other projects in the reclamation States, the North Platte project contributes to the purchasing power of the area with a national distribution of the benefits. In 1937 the value of the crops produced on lands served or dependent on the project works in Nebraska exceeded $5,500,000. The Federal investment in the works serving this area totaled $17,000,000, all of which is repayable.

In any development of this type, with the passage of decades, some adjustments become necessary. The major project works have stood the test of time and years of operation.

The construction record of the Bureau of Reclamation is good all down the line. The Bureau has never had a dam which failed, for example, and it has built 147 dams, 4 of which were the highest in the world when they were completed. There has been no serious trouble with any major structure on Federal reclamation projects. Years of engineering experience and research lie back of each.

The Bureau of Reclamation, however, pioneered in the development of irrigation projects in many areas. It is undoubtedly true that some lands were included within project boundaries which, for one reason or another which later became apparent, should not have been classified as irrigable. The Repayment Commission, after an investigation last year, recommended that authority be granted to reclassify project lands. This should be done in justice to the water users and in justice to the reclamation program. I believe that adjustments which result will not be great.

On the North Platte project two problems are faced. The difficulties of the Northport division, as the Repayment Commission pointed out, can best be solved by a special plan covered by special legislation.

Already, with the aid of the Civilian Conservation Corps, we have attacked the other problem, that of straightening and improving the canals and laterals so as to decrease the loss of water in transit. The first Civilian Conservation Corps camp established under the jurisdiction of the Bureau was opened on the North Platte project 5 years ago. Soon a second camp was placed here, and since that time two have operated on the project continuously. The canal-improvement program conducted by these camps has been of major importance. In addition, the C. C. C. enrollees have planted more than half a million trees for windbreaks, and also have provided a recreational area at Guernsey Reservoir.

It is my opinion that we can look forward to additional cooperation from the States in anticipating and meeting the special problems of the projects as their settlement and operation bring these new problems into prominence. In some instances the States have not given the attention to the projects which is warranted by their very great importance to the States. On several projects additional facilities for guidance in the agricultural development, in the control of weeds, in the best use of water on the land, and in marketing are needed and can best be provided by the States and their agricultural colleges.

Organizations such as the Nebraska State Irrigation Association could render outstanding service by developing in their States intelligent and aggressive programs for the cooperative efforts needed.

Secretary Ickes recently said that the people of the country have little conception of what is being done in the way of significant public works through the reclamation program in the West.

The healthy general interest in reclamation springing from an awakening to the importance of broad conservation programs inevitably will lead to a better understanding. This will mean much to the West and to reclamation through broadening the support for a worthwhile program.

Returning Men to Work

EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Monday, February 20, 1939

RADIO ADDRESS BY HON. FRANCIS T. MALONEY, OF CONNECTICUT, FEBRUARY 14, 1939

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a speech recently delivered over the radio by the senior Senator from

Connecticut [Mr. MALONEY] entitled "Returning men to work."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In accepting this evening's invitation to speak for 15 minutes, and in choosing the subject "Returning Men to Work," I am entirely aware of the fact that in so limited a period of time it is not possible to treat the subject with any degree of thoroughness.

I have selected this subject because it seems to me that almost all of the troubles of our country, and the world, arise from the fact that millions of men are unemployed, and denied any degree of economic security. In some places the world is torn by a war madness, and while our country has been kept free from the terrors that other nations have known, lately our fears have been much excited lest we be drawn into the vortex of world strife. While international affairs is not my subject, I believe that we can avoid the chaos suffered in foreign countries by avoiding entangling alliances, minding and properly protecting our own business, and realizing that while we are social and economic kinsmen of other people, the relationship is distant, and that we can best serve the world by establishing an economic and social balance in the United States.

It is my opinion that the rush toward war, or war-like conditions, in other countries, is due to the fact that the people of those places were without employment—without a feeling of security—and so distressed that they were easily led by promises that seemed to them a means of attaining economic security—or steady work. Had they been employed, and had there not been economic unbalance, it seems to me that they might have minded their own business, and would not have followed into strange and dangerous practices and provinces.

For a number of years many millions of men in the United States, most of them heads of families, have been without steady employment. Among the masses of unemployed are young men and women, fortified with a splendid education, who have yet to get their first job. Also among the group to which I have referred are men who have passed the "dangerous age" of 40, and feel that their place in the industrial world has been taken away.

The Federal Government has assumed the task of trying to find the answer to the unemployment problem, which problem is a continuing threat to our governmental system. The Government was compelled to do it because industry seemed to have lost control.

I do not blame industry, because self-preservation is pretty much regarded as a natural law, and men engaged in business are primarily concerned with a profit, and in most cases with an immediate, and perhaps a necessarily immediate profit. Throwing men and women out of work became a necessity to meet maddening competition, and the inventive genius intensified by the war was no restraining influence on the matter of cutting down pay rolls and overhead costs. Instead of dividing the rewards of that inventive genius among working men, there was an almost unlimited effort to capture it for those who financed industry. Perhaps this was natural, but too little account was taken of the plight and problem of the individual and his family, and so long as manufacturers and stockholders were able to make money or keep their heads above water, they were not so much concerned with the individual workman as they would like to be.

Time does not now permit me to review the history of the effort to regulate the hours of labor, so I will but mention the fact that we have enacted a so-called wage and hour law. That law is not sufficient. We partially defeated the purpose of the law by permitting industry to work men for exceptionally long hours if they would pay those men a special premium or so-called time-and-a-half wages for so-called overtime work. Because industry prefers to keep its regular employees at work, rather than add new men to its rolls, it has paid a wage premium that in my opinion results in a penalty. In effect the existing law is not a wage and hour law but only a wage law. Since it was designed to return men to work by shortening the hours of labor, it seems to me that we have missed the point and the purpose.

It is not my thought that we need a regulation for any other purpose than as a means of economic protection—not protection for the workmen alone, but for his employer and the country.

It seems harsh to tell a man how long he can work, or an employer how long he can keep his men at work; and if business were good it would be idiotic to severely regulate the hours of labor. It is not idiotic, however, when the alternative of a rigid regulation is a continuing unbalanced Budget, which brings danger and a tax burden that the Nation cannot continue to support.

I have tried to find a way within the Constitution whereby we could divide available work among those able-bodied men who were anxious and willing to work. I am certain of our duty to those people, because the Government in part belongs to them, and I am certain that our duty to ourselves requires that we give them work under private auspices if our Government is to endure. Everyone knows that a continuation of existing circumstances will ultimately lead to chaos. No one can say that we have made progress toward a correction of the distress of unemployment. Take the Government relief program away from the country—abandon the policy which we have practiced—and we are right back where we were in 1932 insofar as unemployment is concerned. We have not been wrong in what we did—because the expenditure made necessary by the relief program saved us from ruin—but we did not take the second and necessary step.

The fact that some industries are doing well means very little excepting to the people who are still doing good business. But they are not immune. The heavy tides of unemployment are daily washing on their shores, and at the banks of other institutions still seemingly secure. Eventually these will be caught if we do not find a way to return men to work. With the distress which accompanies unemployment our other problems will continue to increase and multiply. Men will be tempted to follow false prophets and new philosophies.

For the past few years I have had before Congress a bill which would rigidly regulate the hours of labor. It is a simple proposal and is now known as S. 480. It first provides for the creation of a board composed of five members, appointed by the President, and the first duty of the board would be to take a census of the unemployed. Through such a census we would learn who was unemployed, where unemployment existed and what kind of work each individual was competent to undertake.

All unemployed persons would be required to register with a local agency, and the census could be completed in one day.

The bill provides that thereafter persons remaining unemployed would register every three months at the nearest office of the United States Employment Service, which office is already in existence. Failure to register would, in effect, mean that the individual had secured employment. Consequently we would know almost exactly every day how many people were unemployed, where they were located, and what they could do.

People failing to register would not be eligible for relief, or work relief, and we might thereby be afforded considerable protection against governmental expenditure.

My proposal further provides that if more than 8,000,000 people are found to be unemployed, there be established a 30-hour working week. It provides that if more than 6,000,000 but not more than 8,000,000 persons are found to be unemployed, there would be established a 32-hour working week. If the unemployment rolls disclosed that more than 4,000,000 but less than 6,000,000 such persons were found to be unemployed, there would be established a 34-hour working week. The bill further provides that if more than 2,000,000 but not more than 4,000,000 such persons were found to be unemployed, there would be established a 36-hour working week. If 2,000,000 such persons or less were found to be unemployed, there would be established a 40-hour working week.

The bill insists upon the regulated week, excepting in such instance that an employer submit satisfactory proof of the existence of specific conditions in any industry which make it necessary for certain persons to be employed for a longer period of time than that provided in the existing working week. Exempted from the bill are agricultural or farm products processed for first sale by the original producer.

I have not here attempted to set forth other important details of my proposal because time does not permit. All that I am attempting to do is to outline the principal features of the proposal.

I would not object to a 40- or a 44-hour week if about all of our able-bodied and willing-to-work men and women could obtain employment. I want to give labor an economic force and a reasonable guarantee of a job. It seems to me that this is not asking too much under our form of government. We must admit that our system is a failure if we cannot within a reasonable length of time find a method of distribution which will change existing conditions. Distasteful as it sounds and is, existing conditions mean that approximately one-third of our population is without employment, or at least without employment in private industry.

Men should be employed in private industry. The eventual alternative is the terrorizing kind of situation that we find in totalitarian states. Men and women in those states seem to enjoy economic security, but I doubt that it is a lasting economic security, and even for the time that it does last it is economic security without liberty. Liberty is the most precious of our American treasures. I want to preserve it at any cost.

There will be considerable objection to this proposal. Industrialists will say that it can't be done. I ask them to ask themselves if, under the existing situation, we can long endure. I ask them to ask themselves that if this is a gamble, whether it is as great a gamble as they are taking under existing pressure.

It seems to me that this proposal might be accepted on the age-old claim that business operates on the basis of supply and demand. When business gets bad the manufacturer regulates the hours of industry and shortens the working period of employees or lays them off. I want to regulate it the other way, so that there will be some sort of a guaranty of protection for the individual.

This proposal is not a condemnation of any industrialist. I know that he cannot operate without a profit, and I know as well that the workman is helpless unless the manufacturer does have a profit. I want a real partnership between industry and labor and a division of work and opportunity. I insist that such a plan will bring about a proper distribution of everything else, as well as jobs. I insist that it will bring relief to the distressed farmer, because the industrial worker, given an economic force, will have a sufficient income to buy the produce of the farm.

Some day, and in the not too distant future, we will come to a realization that unless we adopt some such program and policy, the last danger signals will be hoisted. I do not insist that my proposal is correct or complete, but I do maintain that it is a sensible

approach to the problem, despite the criticism that it has received in many places. I only ask that that criticism be weighed against the criticism which is made against existing conditions, against the unbalanced Budget, against the heavy tax burden, against unemployment, and against the pitiful plight of millions of able-bodied and willing Americans who are pleading for employment and are entitled to it. The true test of a nation is its care of the weak, and I defy anyone to say that this problem is not the responsibility of the Federal Government, which was created by all of the American people.

Appraisal of Washington by Jefferson

EXTENSION OF REMARKS

OF

HON. WILLIAM E. BORAH

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Monday, February 20, 1939

ARTICLE FROM NEW YORK TIMES MAGAZINE OF FEBRUARY 19, 1939

Mr. BORAH. Mr. President, there appeared yesterday in the New York Times Magazine excerpts from a letter written by Thomas Jefferson upon the life and character of George Washington. It is a letter that is very rarely found in the literature either of Washington or Jefferson, and I should like to have these excerpts printed in the CONGRESSIONAL RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

AN APPRAISAL OF WASHINGTON: BY JEFFERSON—EXCERPTS FROM A LETTER DATED AT MONTICELLO, JANUARY 2, 1814, AND WRITTEN TO DR. WALTER JONES

I think I knew General Washington intimately and thoroughly; and were I called on to delineate his character, it should be in terms like these:

His mind was great and powerful, without being of the very first order; his penetration strong, though not so acute as that of a Newton, Bacon, or Locke; and as far as he saw, no judgment was ever sounder. It was slow in operation, being little aided by invention or imagination, but sure in conclusion. Hence the common remark of his officers, of the advantage he derived from councils of war, where hearing all suggestions, he selected whatever was best; and certainly no general ever planned his battles more judiciously. But if deranged during the course of the action, if any member of his plan was dislocated by sudden circumstances, he was slow in readjustment. The consequence was, that he often failed in the field, and rarely against an enemy in station, as at Boston and York. He was incapable of fear, meeting personal dangers with the calmest unconcern.

Perhaps the strongest feature in his character was prudence—never acting until every circumstance, every consideration, was maturely weighed; refraining, if he saw a doubt, but, when once decided, going through with his purpose, whatever obstacles opposed. His integrity was most pure, his justice the most inflexible I have ever known, no motives of interest or consanguinity, of friendship or hatred, being able to bias his decision. He was, in every sense of the word, a wise, a good, and a great man. His temper was naturally high-toned, but reflection and resolution had obtained a firm and habitual ascendency over it. If ever, however, it broke its bonds, he was most tremendous in his wrath.

In his expenses he was honorable, but exact; liberal in contributions to whatever promised utility; but frowning and unyielding on all visionary projects and all unworthy calls on his charity. His heart was not warm in its affections, but he exactly calculated every man's value and give him a solid esteem proportioned to it. His person, you know, was fine, his stature exactly what one would wish, his deportment easy, erect, and noble; the best horseman of his age and the most graceful figure that could be seen on horseback.

Although in the circle of his friends, where he might be unreserved with safety, he took a free share in conversation, his colloquial talents were not above mediocrity, possessing neither copiousness of ideas nor fluency of words. In public, when called on for a sudden opinion, he was unready, short, and embarrassed. Yet he wrote readily, rather diffusely, in an easy and correct style. This he had acquired by conversation with the world, for his education was merely reading, writing, and common arithmetic, to which he added surveying at a later day. His time was employed in action chiefly, reading little, and that only in agriculture and English history. His correspondence became necessarily extensive, and, with journalizing, his agricultural proceedings occupied most of his leisure hours within doors.

On the whole, his character was, in its mass, perfect; in nothing bad, in few points indifferent; and it may truly be said that never did nature and fortune combine more perfectly to make a man great and to place him in the same constellation with whatever worthies have merited from man an everlasting remembrance. For his was the singular destiny and merit, of leading the armies of his country successfully through an arduous war, for the establishment of its independence, of conducting its councils through the birth of a government new in its forms and principles, until it had settled down into a quiet and orderly train; and of scrupulously obeying the laws through the whole of his career, civil and military, of which the history of the world furnishes no other example. * * *

Let's Look After America First

EXTENSION OF REMARKS

OF

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, February 20, 1939

RADIO ADDRESS BY HON. RUSH D. HOLT, OF WEST VIRGINIA, FEBRUARY 16, 1939

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address delivered by me on February 16, on the subject "Let's Look After America First."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The United States is a great country. We have an excellent, well-established system of government. We have a huge economic reservoir for prosperity. No country in the world has a higher standard of living. We lead the world. Residents of foreign countries speak of wonderful America. Our shores bespeak to them the approach to a happy life. We have liberty.

Let's look after America first.

To become entangled in the controversies of foreign countries is a sure way to endanger our country. We again hear the call to save the democracies. Has it been so long that we have forgotten the call in the last war, that call for us to enter in order that we could make "the world safe for democracy"? Instead of a world safe for democracy, we see today fewer democratic nations. Out of the last war came the dictators.

Whenever Great Britain has any chestnuts in the fire and the United States is needed to pull those chestnuts out, we hear the call of our duty to save the world.

A propaganda machine helped to make America war conscious 20 years ago. You have heard of the startling story of the purchase of newspapers and other means of communication. You have heard of the infamous Creel organization. No; you did not hear those things then. It was years afterward when the story was told; but in the meantime thousands of our best men were sacrificed, thousands were wounded, thousands were subjected to gas, thousands received shock from which they will never recover.

We are told again that the people have a right to know only those things the powers in Washington feel they should know. We are again told we cannot have a successful foreign policy unless that policy is clothed in secrecy. We are again told that we cannot reveal the truth, we cannot reveal the facts, to the boys and men who will be called upon to go to battle, to suffer and to die, to enforce the actions of those who knew the secrets and would not tell.

We had secrets before our entrance in the last World War. We discovered those secrets but not until the terrible tragedy of war had been felt. We discovered those secrets after the damage had been done. The history of the loans that helped to involve us was secret to those who fought, but knowledge to those who did not go to battle. The history of the entangling diplomacy of Europe was known to many in Washington but was a secret to the rest of the country. If the American people had known the secrets of our foreign affairs, many a man would be at his home tonight instead of being a corpse in France or a cripple in the hospital. They were told they were fighting to make the world safe for democracy.

Senator HIRAM JOHNSON, one of the Senate's outstanding Members, expressed the thought so well when on the floor of the United States Senate said:

"Good God, do you not think, Senators, the American people have the right to know if they are going down the road to war? Do you not think the American people, with their experience of the past 20 years, should be informed if their rulers are going to take them even to the brink of war? Why should they not be informed? They are our masters."

I have heard it said that this move to stop the secrecy is a political move. I have heard it said that we who believe the American people have a right to know are playing politics. I have heard it said that we are trying to embarrass the administration. If that is politics, it is sound politics. If that is politics, it is the best and most appropriate use of politics I can find. It is not the type of politics I have seen in Washington, that kind is repulsive to one who has ideals. Embarrass the administration. Why should they be embarrassed? If they have done right, there will be no embarrassment. If they have done wrong and involve America in the controversies of Europe, they should not only be embarrassed but they should be punished.

War is a gradual process. We gradually get into war. The incident that causes the declaration is only one of the last incidents. President Roosevelt, speaking in 1936, said: "At this late date with the wisdom which is so easy after the event, we find it possible to trace the tragic series of small decisions which led Europe into the Great War in 1914 and eventually engulfed us and many other nations. We can keep out of war if those who watch and decide make certain that the small decisions of each day do not lead toward war and if, at the same time, they possess the courage to say 'No' to those who selfishly or unwisely would let us go to war." Yes, the President was right in 1936. It was the small decisions which led Europe into the Great War in 1914 and eventually engulfed us and many other nations. Yes, it will be the small decisions which will lead us into the next war. We have a right to know about these decisions.

The French Air Minister, Guy La Chambre, was quoted as telling the French Chamber of Deputies:

"I take this opportunity of thanking the great American democracy and its leader, President Roosevelt, for the way they have shown they are thinking of one thing in this matter—how best to serve France."

I feel it is more important to this country to think of how best to serve the United States.

War planes are to be sold to France and England. It has been said that we shall help our national defense in that way. This means we are selling planes to European powers. Then we are shown that we need more because Europe has more, the very same planes we sold them. It is the circle of armament that the world has seen time and time again, with no one winning except those who profit from the sale.

The Military Affairs Committee of the United States Senate made public today some valuable information about the transaction with France. The move was made at the instance of President Roosevelt, who had overruled General Craig, Chief of Staff of the United States Army. General Craig had felt it unwise, believing that it might interfere with our own program.

We also have been told—one of the few thing we have been told, may I say—that this will give more industrial development, and, therefore, help cure unemployment. President Roosevelt called this kind of money "Fool's gold." I think it valuable enough to read an extended quotation from the President's speech of 1936. He said:

"If war should break out again in another continent, let us not blink the fact that we should find in this country thousands of Americans who, seeking immediate riches—fool's gold—would attempt to break down or evade our neutrality. They would tell you, and, unfortunately, their views would get wide publicity"—I must stop there to emphasize his prophecy of 1936 as to wide publicity except the statement comes from the administration spokesman. I continue with the President's speech: "—get wide publicity that if they could produce and ship this and that and the other article to belligerent nations, the unemployed of America would all find work.

"It would be hard to resist that clamor; it would be hard for many Americans, I fear, to look beyond, to realize the inevitable penalties, the inevitable day of reckoning that comes from a false prosperity."

How true was the President's statement. Yet, we hear the argument advanced by those favoring the sale of these planes that we just as well get that money as someone else.

The President at Buenos Aires said:

"We know, too, that vast armaments are rising on every side and that the work of creating them employs men and women by the millions. It is natural, however, for us to conclude that such employment is false employment, that it builds no permanent structures and creates no consumer goods for the maintenance of lasting prosperity."

If that was true in 1936, and it was, why isn't it true in 1939?

Are we involved in Europe? There is a question. Our officials say no but we have heard much from abroad. May I cite a few of these statements?

Lord Plymouth told the English House of Lords:

"The British Government has been in constant consultation with the Government of the United States in connection with the events in the Far East. Action has been taken independently but it has almost invariably been along parallel lines."

Parallel lines go in the same direction.

Anthony Eden, who came to New York to talk to us about foreign affairs not so many weeks ago, told Parliament:

"We are constantly and daily in close consultation with the Government of the United States. Over and over again, we have taken either parallel or similar action and that in itself is an indication of the closeness of such collaboration."

Yes, Mr. Eden advises us that England does not desire us to pull her chestnuts out of the fire, yet, he wants us to join in their movement to line up "to save the democracies." That is his privilege to ask but it is our privilege to refuse to sacrifice our Americans to carry out this parallel action.

Hilaire Belloc, well-known English writer in G. K. Chesterton's Weekly, published in England, wrote an article last year. Listen to Belloc:

"We got the United States into the Great War on our side, and what was more extraordinary, we managed in this debt business, to make France the villain of the piece. We have got them to feel with us against the modern Italy, and we have got them to talk of ourselves as a democracy." Then he adds, "Can we rope them into the fight?"

Yes; rope us in. Yes; fool us on the war debts. Yes; make us think of England as a democracy.

May I hesitate long enough to call your attention to the war debts, that debt for which we are taxing our people to pay the interest, that debt which we gave to England and to France and to other countries. England owes us four and one-half billion dollars. France owes us approximately four billions.

We were "Shylock" to them when we spoke of war debts a few years ago. Now, when they need us "to save the democracies," we are not "Shylock" but "beloved Uncle Sam."

One author wrote:

"Funny about these internationalists. You will never find them except in America."

Most of these are the men who will serve their country behind a desk, far removed from the line of fire, at a "dollar a year" or more, while the men who are now working and looking after America will be in the trenches.

I believe in an adequate national defense. Defend our shores against any attack, but our line of national defense does not extend to the Rhine or to any other European or Asiatic river.

The cost of our national defense is based on the type of foreign policy we have. If the foreign policy is one of parallel action and "policing the world," we will need a larger and more expensive program than if our foreign policy is based on minding our own business.

I am a young man, the youngest in the United States Senate. I feel the problems of youth. When youth faces war and realizes its significance, it will mobilize its efforts to abolish it. War rewards the acts civilization punishes, spreads the immorality peace curtails, destroys the ideals education cultivates.

As a young man I can see my friends marching to war "to police the world for democracy." They are happy and healthy, now. When they return, yet, some will never return, many will be wounded, gassed, and destroyed. Many will be hopeless cripples for life. Let us look after our Americans first.

Keep the torch of liberty in America. Let the false theories of dictatorships collapse, and they will. Make the example of America known throughout the world. Another war will strike at liberty. Fascism and communism arose to power after and from the last war. Instead of saving the democracies, our involvement in war will endanger the greatest democracy in the world, that of the United States of America. Our country has given us much. Let us look after America first.

Our American Heritage

EXTENSION OF REMARKS

OF

HON. CHARLES L. McNARY

OF OREGON

IN THE SENATE OF THE UNITED STATES

Monday, February 20, 1939

ADDRESS BY HON. ALEXANDER WILEY, OF WISCONSIN, BEFORE WOMEN'S POLITICAL STUDY CLUB OF WASHINGTON, D. C., FEBRUARY 18, 1939

Mr. McNARY. Mr. President, on February 18 last, the distinguished junior Senator from Wisconsin [Mr. WILEY] delivered an interesting address before the Women's Political Study Club of Washington, D. C., which I ask unanimous consent to have printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Amidst our confused thinking, our disordered economic life, our discouraged aged people, our frustrated unemployed, and our ever-increasing national debt, may I bring to you a great hope, a hope that is becoming more and more definite and certain—the hope that we are coming through our national Gethsemane strengthened and cleansed. It will not be via the legislative route alone; it will be through a combination of remedies that we find our birthright.

First. Into the consciousness of the people there will be born again the need for self-reliance, industry, and thrift.

Second. We are going to get rid of the remnant of politicians, that remnant of politicians which still exists and which still continues to highjack industry.

Third. Labor and capital are going to see the imperative need of joining forces instead of working against each other.

Fourth. Society is going to see the imperative need of giving the farmer cost of production for what he produces.

Fifth. Where Government competes with private industry, it must have no special privileges.

Sixth. Where Government in times of emergency, when certain classes of our people are financially submerged or hard hit, acts as the agent of all the people to lift the load from the unfortunate—then Government must get a new vision of its obligation and not slash and cut and destroy values in the economic structure. Government must revert to the position of servant.

Seventh. When Government as the agent uses the money out of the Public Treasury as it has in W. P. A., Government must see that the money is handled as trust funds should be handled, that chiselers and grafters are not given control, that the money goes to the needy instead of for overhead and favored sons—so that the money is used to maintain and develop instead of depleting the morale of the people.

When we speak of our American heritage, two questions arise. First, Is this just another flag-waving rallying cry? Second, Can we define our American heritage, and why should we?

In the time I have to speak today, I'll try to develop the theme of an American heritage, not as a dusty catch-phrase, but as a living and vital part of our daily life.

Before we attempt to define this living interpretation we must first see the necessity for reviewing the American heritage. After all, it seems very presumptuous to tell an American audience what their heritage is.

Just what is the necessity for reviewing the American heritage? The necessity is written in the bold-face, spread-eagle banner headlines of our daily papers that tell us how far we have strayed from that heritage.

The necessity is written in the ever-lengthening shadows of 10,000,000 unemployed—more jobless than in all the other major powers combined.

The necessity is written in the $65,000,000,000 that will have been spent by the close of the second term for this administration. The necessity is written in a $10,000,000,000 debt that will be foisted on another generation subjected to mounting tax tolls.

The necessity is written in a growing centralization of Government, in the lockstep of regimentation, in the loss of free enterprise and free initiative, in the growing assaults on private ownership, in 10,000,000 unemployed where "youth" looks for the dawn of tomorrow, with a chance in it.

The necessity is written in the frantic attempts to capture control of the independent agencies of Government, in the challenge hurled by the executive branch to the Legislature, in the arbitrary power of a Chief Executive who can devalue the American dollar at any time, who can change the monetary standards at any time by decreeing the free coinage of silver.

The necessity is written in the disappearance elsewhere of self-government and free democracy, and in this country, in the disintegration of our constitutional system of checks and balances.

The necessity is written in idle farms and empty factories, in the strangulation of American enterprise, in the existence of minority pressure groups who seek to dominate an inarticulate majority.

The necessity for reviewing the American heritage, my friends, is written in the guarded speech of 370,000,000 of people in the world today, where freedom of speech, press, and worship are being invaded. Everywhere, we can profit by reviewing the American heritage because it repudiates the menace of overwhelming fears—fear of one class for another, fear of capital for industry, fear of the people for government.

Now, then, what are the physical aspects of our heritage?

Our land occupies about 6 percent of the total area of the globe. We have about 7 percent of the world's population. But, as is well known, we have 60 percent of the world's telephone and telegraph equipment. We drive 80 percent of the world's automobiles. We look out over 60 percent of the world's wheat and cotton, 70 percent of its oil supplies, 50 percent of its copper and pig iron. We claim nearly 67 percent of the banking resources of the world. We own half of the world's supply of gold, and our purchasing power is greater than the purchasing power of 500,000,000 Europeans.

This is the country where we spend more for education than all the rest of the world put together. This is the land where 10,000,000 persons with twenty to forty million dependents are direct owners in the larger industries of the country.

This is the land with the world's greatest philanthropists, the most extensive charities, and the widest distribution of wealth. This is America! But this is not the American heritage. It merely represents that heritage.

How can we define that heritage?

Though glibly used and widely misunderstood by Fourth of July orators all over the land, the term "American heritage" cannot be accurately defined by even great scholars.

It may be the power and vision in us distilled from many racial strains. It may be the industrial open-shop system that has so often been called the American Plan.

Some think it is the so-called American idea of social legislation that originated in my own State. In the East I have heard it defined as the "culture" resulting from New England reorganization of English customs and traditions.

Henry Clay thought that it was the home market and protection legislation that he called "the American system." Sometimes it is identified as the political plan of a free ballot or the sacred right to a trial by jury. Occasionally we refer to it as the American version of the British Magna Carta—a system where the rights of hungry men shall not be bartered for bread.

James Truslow Adams called it the "American dream."

He wrote about:

"That dream of a land in which life should be better and richer and fuller for every man, with opportunity for each according to his ability or achievement. * * * The American dream that has lured tens of millions of all nations to our shores * * * has not been a dream of merely material plenty, though that has doubtless counted heavily. It has been much more than that. It has been a dream of being able to grow to fullest development as man and woman, unhampered by the barriers which had slowly been erected in older civilizations, unrepressed by social orders which had developed for the benefit of the classes rather than for the simple human being of any and every class."

It may be a "way of life," minted from the wisdom of the ages.

The American heritage may be any of these ideas or it may be all of them. It may be an evolutionary concept that is still growing—a heritage that we may accept, make additions to, and pass on to still another generation.

What is the evolution of the American heritage?

The American heritage begins before there was an America. Some of the principles incorporated in American ideals were voiced as far back as 1295 when King Edward I summoned the first type of Parliament. Some of them date back to the meadow at Runnymede and the Magna Carta.

Certainly, parts of the heritage trace back to the English ideas of our earliest settlers who came from what was then the freest country on the globe, though rigidly divided into a class system. Equal opportunity in early American life broke down that class system, and began the democracy that became part of our inheritance. In the western part of our country, the frontier preserved that democracy just as the eastern seaboard preserved the culture of the Old World for development in the new.

A great part of the American heritage is concerned with equality.

Even before the Pilgrim Fathers landed, they wrote the Mayflower Compact to set forth principles that would insure equality.

Our early racial influx was almost entirely English. These people brought with them a rigid sense of class distinction. Our early provincial society was patterned after the English. Vast tracts of land were ceded to a privileged few. Newcomers to this land, unable to secure these concessions, began to look beyond the Appalachians.

In New England there were townships with representative government though there were religious and property qualifications for the privilege of the ballot.

In the South there were county governments suited to large plantations. In the middle colonies where there were both commercial and agricultural interests, there was a mixture of county and township government.

Sometimes the interests of these groups conflicted. Sometimes individual interests conflicted. With the growth of independence there was a growth in problems. Freedom for the individual had to keep step with freedom for the group. That is still our basic social problem.

By 1800 Jefferson was President. He had written the terms for equality into the Declaration of Independence. That equality is part of the American heritage. If we set class against class, we destroy it. If we become so engrossed in eliminating privilege from private industry that we shift it to Government, we destroy equality. If we set labor and capital against one another, we destroy it. If we set poor against rich, we destroy it.

A great part of our American heritage is concerned with economics.

Early business was simple and direct. The relation between employer and employee was intimate. The economy of the time was concerned primarily with food and shelter. Basically, that problem is still the same. In 1800, 9 out of every 10 Americans, were farmers. Enterprise was limited. Where it existed it was small and limited to families. Self-sufficiency particularly in the great plantations of the South made the sale of manufactured products very difficult.

In the year that Jefferson was elected President, it became apparent that England was undergoing a great industrial revolution. In this country New England become a manufacturing section. Factories sprang up. Workers became a class. Population increased. Immigrants swarmed to our land. The settlement of the West became a reality as railroads and steamships spanned a nation. Towns began to swell to the size of great cities. There began to exist a definite concentration of wealth.

That began the great economic problem that is still with us.

It created the problem of a fair and equitable distribution of wealth. That didn't mean that all men were to receive the same compensation, because all men didn't have the same abilities. Rather the American heritage demands that all men be given an equality of opportunity, that there be no special privilege, and that each man have a fair chance to claim his portion. Part of our economic inheritance was an inherently American—it certainly isn't a European idea—fear of overwhelming debts. We

were concerned with the maintenance of a close relationship between income and outgo, in keeping the costs of government compatible with the income of that time. Let us not forget this portion of the heritage.

Another phase of the economic birthright is a deep-rooted distrust of unsound money. Unsound money was an economic and political issue in the hectic decades that followed the Civil War. Those were the days when the frontier needed money, and needed it badly; they needed it for their expansion, but the canny bankers of the East remembered the paper currency of the Revolution and frowned on inflation. That, too, is part of our concept.

In business we have had an undeclared-profits tax where the Government virtually seizes the profits so that the business will be kept small. If that squares with our economic tradition, then every large-scale business since the industrial revolution has been wrong.

Today we talk about a planned economy. We are just beginning to learn that you can't hog-tie production and let consumption run wild.

Since you can't regulate consumption, planned economy fails. It's part of our heritage that we spend when and where we choose.

In our economic birthright as it concerns banking, we learned never to concentrate too much power in one man. Today one man is the sole voice in determining the issuance of $3,000,000,000 in greenbacks. He can fix the silver dollar at any ratio he chooses. That, too, is hardly consistent with a heritage that shrieks against concentration of financial power.

The economic miscarriage of lavish expenditures that will probably total sixty-five billion by the end of the second term, with an accompanying $10,000,000,000 debt, again is a far cry from an economic tradition of comparative economy.

Part of our heritage concerns government.

In 1770 there were a number of tiny colonies scattered along the coast. With independence, government became complicated. The 13 small governments became one large Government, with 3,000,000 people distributed in a large area that it took about 6 weeks to traverse. Throughout the years we learned that it was disastrous for a governmental economic concentration to coincide with the political concentration of power. This lesson, too, is part of the heritage.

On March 10, 1933, the Chief Executive requested Congress for powers that were well on the way to establishing government by one man. Here we should recall that our governmental heritage is inextricably bound up in the American constitutional method of checks and balances.

Part of our heritage is concerned with the idea of peace.

We produced a generation that halted yellow fever and united two oceans. That kind of a fighting generation inevitably wondered whether they couldn't control man as well as Nature. To that end we produced a Monroe Doctrine that proclaimed our interest in the Western Hemisphere and our strict policy of noninterference elsewhere. By 1933 our delegate at large to the general disarmament conference said:

"The policy of the United States is to keep out of war and to help in every possible way to discourage war."

These also have become part and parcel with our traditional ideas, and in 1939 there is a great need to reaffirm this part of our heritage.

Part of our heritage is concerned with the wealth of wisdom bequeathed to us by great statesmen, scientists, writers, philosophers, builders, and musicians. Washington, Hamilton, Jefferson, Webster, and Lincoln live in the very fiber of our being. Emerson, Longfellow, and Whitman speak daily to us. But this heritage which we call American includes something else. It includes a deep, abiding faith. Thank God, we still possess it. In generations past it sent our great American men and women forth to do marvelous things. It will equip us again today to do likewise, if we possess it. It has furnished leaders for every emergency that has arisen in the Nation. In our yesterdays it has given strength and beauty and courage and vitality to this Nation. Today, when we are burdened with fears and worries and doubts, this faith will bring us out. It will inspire in us the realization that has always been in the hearts of great leaders, that they are something more than "mudmen," that man and America are made for "big things."

We are cutting out our bluster and egotism and our self-sufficiency and we are depending upon Him who gave us life. Governments everywhere are attempting to set the world right, but it can't be done without faith, without Divine guidance. Leaders are leaning on themselves and failing because they do not know God. This faith is the knowledge that God has made us, that God will keep us, and that He will direct our path. This faith has in the past kept the fires on the home hearthstones of America burning, and this faith is rekindling that flame today. Faith in the ultimate victory of righteousness over wrong has kept men from failure and despair and suicide, and today the old story is being repeated—faith in fellowship and brotherhood.

In agriculture we have a heritage, too. It's a doctrine of abundance and it repudiates every part of the claptrap of planned scarcity. Ten million farm homesteads dug out of the forests and prairies speak authoritatively of this inheritance.

Our inheritance has been forged in the fires of the centuries. Our heritage is common property of every true American. It is his to preserve, to maintain, to transmit to future generations.

The American heritage is menaced today by men with unholy ambitions, by world-wide trends that are utterly at variance with our American concept. The expression in America of these alien strongly centralized governmental tendencies is the final attack in a battle that will, if unchecked, eliminate free democracy from the face of the earth.

I believe that our heritage—political, economic, and spiritual—however difficult to define, can be accurately traced.

We can trace the burning nationalism that followed the War of 1812, the intense concentration on home affairs while we stepped up the economic tempo.

That was a period of native American virility when we were concerned with universal suffrage and skyrocketing population. That was a period when we wrote into our heritage a doctrine that proclaimed our interest in the Western Hemisphere and our policy of noninterference elsewhere.

It is typically American that in this period of material advancement we still lived in a period of democratic idealism, were still concerned with the ever-present problems of the needy and the unfit. We still wailed lustily for the rights of all human beings, still fought for world peace, religion, and equality before the law.

After that period there came a world-wide period of political democracy. In this country that world-wide movement was typified by Andrew Jackson. It was unfortunate that this solid and healthy nationalism had to give way to a slave-born sectionalism. Even in the decade of the 1850's and the Civil War years, however, this country saw its civilization gain added strength.

By 1870 the old flintlock was hung on its wooden peg. The America that was all farm gave way to an America that was in part urbanized and mechanized into an industrial America. From the straggling outposts of frontier camps, America had foraged through the winding Indian trails onto the broad highways of an urban and prosperous nation.

Reformers had struggled for nearly two centuries with vital social reforms, but it took just two decades following Bryan's defeat in 1896 for these principles of justice to be established. Public welfare began to be a consideration in the discussions between capital and labor. We began to be concerned with problems of city planning, of child labor, and the conservation of natural resources.

In colonial days a man burned down a wooden house to get nails to carry with him on the westward trek. Nails were scarce. Lumber was plentiful. By the early twentieth century lumber was no longer an unlimited commodity to be disposed of prodigally. Conservation was written into our heritage so that the material wealth of this land might also be preserved for future generations.

Along with all of this came encouraging progress in education and the arts to further brighten our inheritance.

And all of these, my friends, are part of the American birthright. Our heritage was born in the struggles of a new land, preserved in an agrarian-trading civilization and today in an industrial age faces its greatest test. Our problem is that it shall not die in this new age of science, the machine and autocratic governments.

"You and I have a rendezvous with Life
In the years that are up ahead
To see that our heritage, our American birthright,
Is not destroyed or lost.
Let us pledge our word, good and true,
We will not fail Life's Rendezvous."

Air Power for Peace

EXTENSION OF REMARKS

OF

HON. MORRIS SHEPPARD

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Monday, February 20, 1939

RADIO ADDRESS BY HON. ROBERT R. REYNOLDS, OF NORTH CAROLINA, FEBRUARY 18, 1939

Mr. SHEPPARD. Mr. President, I ask unanimous consent to place in the RECORD an address delivered by the Senator from North Carolina [Mr. REYNOLDS] over the Columbia Broadcasting System, on February 18, on the subject of "Air Power for Peace."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, tonight I have chosen for my subject "Air Power for Peace" because I believe that the only way we can guarantee peace for America is to make America first in the air. My good friend O. Max Gardner, former Governor of my home State of North Carolina, stated several days ago in a Washington newspaper that "in America, Europe, and throughout the civilized world there is nothing of more vital concern to men and women today than aviation and its relation to transportation, national defense, and preparation for war"—and that is true! "Last

September there were millions of people paralyzed with the fear that London or Paris, or both of them, might be as completely destroyed from the air as Sodom and Gomorrah."

Now, listen to what the commanding general of the G. H. Q. Air Force, Gen. Frank M. Andrews, has to say. He states that "air power, in its present stage of development has accomplished two things. First, it has thrown the balance of power in war again to the offense; and, second, it has provided nations with a new agency to further their national policies, whether such policies be good or evil.

"Because of its ability to strike rapidly and without warning, against the vital economic and social structures of highly organized countries, it has become a formidable instrumentality in the hands of aggressor nations. * * *.

"That is our problem; that is why America must be strong in the air. That is why this Nation must be prepared to do its part to deny to any enemy the opportunity to establish bases, land or water, anywhere in this hemisphere from which bombardment airplanes may launch attacks. A study of geography will disclose the fact that there exists many land and sea areas which, under certain conditions, could be utilized by a foreign power for air bases.

"Today our share of the Army, Navy, and air team for the defense of American territory and American policies is deficient in air strength. We must build up our air forces and create air bases for the establishment of a sphere of air influence around our part of the continent.

"We are happy that our national policy is a defensive one. We desire only to protect our freedom and our territory. But a policy of defense does not mean that we should wait until a hostile air force appears over our cities or over the Panama Canal or other important military and civil objectives before we attempt to stop it.

"A policy of defense does not mean that we should sit idly by while foreign nations build up powerful air forces with which they may threaten our peace and security. In these days it is apparent that force must be neutralized by force; that threat must be neutralized by the fear of retaliation. * * *

"There are only two ways of stopping an air attack. One is to prevent the hostile air force from getting close enough to launch an attack; the other is to stop the aggressor nation from even planning the attack through fear of retaliation. * * *

"What * * * happened at Munich? There, apparently, we saw the threat of superior air power defeat, in diplomacy, the greatest army in Europe, and the greatest navy in the world."

However, the most significant and impressive statement made by General Andrews in his recent speech was as follows:

"The General Headquarters Air Force, the entire Army combat air force in continental United States (exclusive of possessions), numbers today but slightly over 400 fighting planes."

I ask you: Is not this a startling revelation? This statement from high authority should convince every American citizen that the most important arm of our national defense is today our weakest arm, and it is for this reason that I am taking time over the radio to contribute my voice, as a member of the Military Affairs Committee of the United States Senate, to the stimulation of a national demand for an adequate national defense and for the speedy and prompt enlargement of our air forces.

I have made it my duty to study national defense in many other countries and in this work I have circumnavigated the globe.

Everywhere I have gone, from the smallest nation to the largest, the dominant thought is the world problem of protection from devastation from the air.

Ladies and gentlemen, with all my heart I wish I could tell you how the entire world could be saved from war. I wish I could give you a formula under which men in all nations could find a way to live together in peace and settle their differences by peaceful means. But again, events throughout the world show that there is no magic formula for peace. Every effort at disarmament has failed. Arms limitations have not worked. International law and respect for treaty obligations have broken down. Overwhelming and undoubted power to protect its vital interests has become, for every nation, the only sure guarantee that its rights will be respected and that it will be able to maintain an honorable peace.

In our modern world, aviation has brought a new and powerful force that we in America are determined to use for peace. "American air power for peace" is a slogan which we may well adopt as our guide in the troubled years ahead.

In the past, we have experienced national security largely by reason of the fact that broad oceans on the east and to the west separate us from the rest of the world, and we are bounded by friendly nations to the north of us and to the south of the Rio Grande. Under these conditions, to insure our national security, we had then but to build and maintain our Navy as our first line of defense, and maintain our Army as a skeleton force. With the development of aviation, with modern military planes now capable of crossing the widest expanse of ocean, this security will soon be in jeopardy, if in fact, it has not already become a thing of the past. Our geographic isolation has been destroyed by air power, just as air power has changed the whole defense strategy of other nations. Air power has given aggressor nations a weapon with which to threaten death and destruction to peace-loving peoples, even though separated by mountains and oceans and rimmed in with fortifications of steel and concrete.

Air power knows no boundaries and its wings have annihilated time and distance. There is no power on earth which can stop a modern air force when once it has started on a bombardment mission. Antiaircraft batteries and defense aviation can only minimize its effect. Superior air power in the hands of a nation committed to a policy of armed aggression is nothing less than a high-powered rifle aimed at the heart of any nation within its range.

We are told by our military authorities that there is only one sure protection against the threat of air power, and that is the fear of swift and sure retaliation, with all its attendant horror. No nation will launch its air force against an intended victim if it knows that its own population will be subjected to the same or a worse terror. In other words, no nation will court its own destruction.

My friends, we in America are reluctant to even consider the possibility of directing our air power against the peoples of other nations, with whom we desire only to live in peace, and toward whom we have established the good-neighbor policy. We hope that we will never be forced to take such an action, and yet we must prepare to do so to make sure we will never become a victim of aggression.

Power to defend has always been the greatest power for peace in the world. Peace in America is our greatest responsibility for today and tomorrow. Our power, our wealth, and our influence in the Western Hemisphere emphasize this responsibility, and we cannot escape it. We must not only keep the peace but we must make it impossible, as nearly as it lies within our power to do so, for any nation or group of nations to bring war into this hemisphere. Air power for defense is air power for peace. Air power, and air power alone, can guarantee to keep war out of the western world.

Here is what a great American said last week in the House of Representatives when the authorization bill for 5,500 planes was before that board of Congress. Hon. SAM RAYBURN, of Texas, told the House at that time: "Much has been said about recognizing world conditions. A man would be more than blind in his eyes if he did not realize that there is a serious world condition. He would be less than far-seeing if he did not remember 1914, 1915, 1916, and 1917, when America was smugly sitting here, with a great ocean on either side, believing that the allied armies would defeat the Germans within such a reasonable time that we would never be called upon to participate in that conflict. Conditions in Europe are more volcanic today than they were in the early part of 1914. The world is living closer together; and wherever the frontier of America may be—and we today are not compelled to name it—I believe I speak the mind of the inarticulate millions out there who expect us to speak for them when I say that wherever that frontier may be the people of this land want America to be prepared to defend that frontier." And I, ROBERT R. REYNOLDS, add that our frontier shall be in the Western Hemisphere and not beyond.

Going further, Congressman RAYBURN stated: "It might not be necessary or it might not be feasible to build more than 500 planes the first year, and the second year it might be necessary for the defense of this country and for the peace of the world for the United States of America to build 2,500 planes. It might be necessary before the summer that faces us is over that America should set in motion the forces that will build 3,000 planes in the next 12 months in order to let the world know that America in planes, in ships, in men, and in the equipment for these men is ready to meet a world in arms, because, as a great Speaker of this House once said: 'The American people are the most peaceable people in the world; but when aroused by injustice and by invasion of their rights, they become the most warlike people in the world, willing, if necessary to protect their rights and their liberties, to meet a world in arms.' "

In any instance, let us provide an adequate national defense. Let us keep our powder dry—let us provide air power for peace.

In this month in which we commemorate the anniversary of the birth of George Washington; in this year, when we commemorate his inauguration as the first President of the United States, let each and every one under the great American flag give solemn heed to his admonition: "To be prepared for war is one of the most effectual means of preserving peace." In a world that flies, air power is an overwhelming power for peace—"for the peace of righteousness which alone exalteth a nation."

Lincoln Day Address

EXTENSION OF REMARKS

OF

HON. CHARLES L. McNARY

OF OREGON

IN THE SENATE OF THE UNITED STATES

Monday, February 20, 1939

RADIO ADDRESS BY HON. ROBERT A. TAFT, OF OHIO, FEBRUARY 12, 1939

Mr. McNARY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a thoughtful address delivered over the National Broadcasting Co. by the

able junior Senator from Ohio [Mr. TAFT] at a Lincoln Day dinner at the Netherland-Plaza Hotel, Cincinnati, February 11, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

During the campaign in 1938, I frankly and repeatedly stated to the people of Ohio that in my opinion the policies of the New Deal administration had failed to produce either prosperity or security. Government regulation, taxation, competition, and hostility had so discouraged individual and corporate enterprise that all development of new industries and expansion of old industries had substantially ceased. I stated that the Government policy of planned economy, far from producing security, had resulted in keeping 10,000,000 people unemployed who wished to work, and that prosperity could never be restored while this unemployment continued.

No change has occurred in the domestic policy of the administration since November, and no new policy has been proposed in any way likely to put men to work. There has been an effort on the part of the President to divert attention from domestic failure by exaggerating the dangers of a European war. There has been a reaffirmation on the part of the President of his belief in the theory that the Nation can spend itself into prosperity. A Budget has been presented, calling again for expenditures of $9,000,000,000 in the fiscal year beginning the first of next July, with possible tax receipts not in excess of $5,600,000,000. A deficit of $3,400,000,000 will increase the national debt to more than $44,000,000,000. Secretary Morgenthau is now suggesting that the legal limit be raised from $45,000,000,000 to $50,000,000,000. The President has not shown the slightest interest in conferring with or meeting the views of the Democratic Members of Congress. His attitude is clearly shown by his letter demanding an immediate supplemental appropriation of the $150,000,000 which Congress refused to grant last week. Surely he could have attempted to economize in overhead expense and otherwise, and see whether he could meet the wishes of Congress without hardship to those on relief. If he found himself unable to do so, he could have asked for additional appropriations in March. Instead of that, he states his intention to spend all of the money he can during the first 2 months, and demands now an immediate appropriation. He acts as if $725,000,000 were chicken feed. The only proposal designed to improve public conditions and restore employment is the continuation of deficit spending, which has already so obviously failed to produce the promised result.

I am convinced that a Government-regulated, planned economy will always fail in this country. But since going to Washington I have been impressed with the fact that the planned economy so beautifully set forth in theory by New Deal writers is not even a planned economy. I have frequently been told of the overlapping activities of Federal departments, but I have never realized how completely unrelated and unrestrained the different Federal activities are. Every department and independent agency, of which there are literally hundreds, operates within a watertight compartment. The chief of the agency is interested in his own little task, and seems to have no concern about its effect on the work of other agencies or the prosperity of the people as a whole.

Take the problem of relief. We have the P. W. A., the W. P. A., the C. C. C., the National Youth Administration, and the Social Security Board, each one responsible only to the President, and the Children's Bureau and the United States Employment Service in the Department of Labor. Besides these there are three or four agencies dealing with farm relief. Surely the relief problem in the United States is one problem, and someone in the administration should at least be looking at it from a broad and comprehensive standpoint. Senator BYRNES, of South Carolina, after a study of the problem, has proposed an intelligent and thoughtful solution. Probably a consolidation of all the agencies cannot be made, but surely someone in Washington ought to be charged wih studying and dealing intelligently with the entire problem of relief throughout the United States. There is no such person.

The situation with regard to the regulation and control of banking and credit is in an equally unplanned condition. Banks are regulated and inspected by the Federal Reserve Board, by the Federal Deposit Insurance Corporation, and by the Comptroller of the Currency. The action of all these other agencies is substantially affected by the very extensive powers given the Secretary of the Treasury over credit and currency, and the power given the Securities and Exchange Commission over securities issues. I do not say that these various controlling agencies do not confer and try to work out a common policy, but their success is not notable in that direction, as indicated in the recent report of the Federal Reserve Board. Sooner or later a general revision of the entire banking structure and banking and credit control must be made, but neither the President nor anyone else has suggested what it ought to be.

These are only examples of conditions which exist in nearly every field. The Government is like a great automobile plant, with thousands of machines making different automobile parts, and no one charged with the responsibility of finding out whether the parts will fit together when their manufacture is completed. It reminds me more than anything else of those Coney Island institutions where a large number of little automobiles careen around a ring, with electric trolleys, without any brakes of any kind, and with elementary steering devices, operated by amateur drivers, bumping violently into other cars before pursuing their erratic and undirected course.

There is no doubt in my mind that the Federal Government needs a thoroughgoing reorganization, and that some of the unfortunate results of the New Deal can be eliminated thereby. I do not mean to say that we want a renewal of the New Deal reorganization bill of 1937. There is no reason why the President should abolish the office of Comptroller General, so that he may have power to spend money more freely than Congress intends. There is no reason why he should be given additional powers over the civil-service employees. There is no reason why semijudicial bodies should be subjected to Executive control. But a reorganization bill along the general lines outlined by Senator BYRD could easily be passed if the President would lend the slightest support.

The lack of an intelligent directing force accentuates the dangers of a policy based on complete Government regulation of wages, hours, prices, and business in general. Many of the New Deal reforms are desirable and necessary. I am strongly in favor of Federal financial assistance to those unable to support themselves, administered as far as possible through local government. The Federal Government must show an active interest and concern in improving the welfare of the unemployed, of the aged, of dependent children, of the blind, and of other unfortunate groups. It is probable that Congress will adopt the principle of Federal aid providing an adequate local health service to the poor. There is a long list of public works of a Federal or interstate nature, which assures a public-works program for many years to come. I see no reason why that program should continue to include Federal grants for purely local projects.

All of these large items of Federal expenditure are for purposes which are themselves highly commendable; but if each one is administered on the scale which its advocates desire, if each one is administered without any regard to the burden of taxation which discourages private enterprise, if each one is administered without regard to the danger of breaking down individual initiative and self-reliance, then the program as a whole becomes a real danger to the country. It is natural for every public official to feel the supreme importance of his own work. It is natural for him to disregard all other considerations. Probably he would not be a good public official unless he did. But there ought to be someone in the Government concerned to see that its humanitarian agencies are carried out in such a way as to encourage the return of private business activity and the cure of unemployment. Desirable as are these humanitarian activities, a reasonable business prosperity would increase the income and happiness of most of the so-called underprivileged a good deal more than any possible Government action. Furthermore, if we could put to work one-half of the 10,000,000 unemployed, the difficulty and expense of carrying on the humanitarian activities would cease to be any considerable burden.

As a matter of fact, such coordination and guidance from above as these agencies have today in Washington rather encourages unlimited and wasteful expansion than otherwise. The New Deal has thrown itself completely into the arms of the deficit spenders, and those who believe that the Government can spend itself into prosperity. Heretofore the President has always looked forward to a balanced Budget within a reasonable time. In November 1937 Mr. Morgenthau declared that a balanced Budget was the greatest need to assure prosperity. But the President's message on January 4 of this year says nothing about ever balancing the Budget, ridicules the idea of doing so in the year which begins the 1st of next July, and advances seriously the claim that a three and a half billion dollar deficit will add twenty billion to the national income, and thereby balance the Budget without any increase in taxes. Governor Eccles, the Chairman of the Federal Reserve Board, on January 23, advanced the theory that Government deficit spending is the most important factor in creating prosperity. Seven young New Deal economists from Harvard have actually written a book to prove that the only way to secure prosperity is to increase the Government debt every year and indefinitely. The President and Mr. Eccles have not gone quite so far as these young enthusiasts, but no doubt they will soon accept this more liberal and progressive theory. Surely no one will be allowed to out-liberal the New Deal.

It is no wonder that when the head of the Government accepts the view that deficits are a blessing in disguise the very thought of economy vanishes out of the window of every Government department. It is no wonder that the humanitarian activities of the Government, as well as every other branch, are conducted without the slightest regard for the burden of taxation and the discouragement to private enterprise which such a policy produces.

Old arguments are trotted out and new ones invented to justify this extraordinary theory. It is said that the recovery from a national income of $40,000,000,000 in 1932 to $60,000,000,000 in 1938 was all due to Government spending. It is asserted that the recession of 1937 was due to the fact that Government deficits were somewhat reduced. It is said that the slight improvement which has occurred since last summer was due to the Government spending program.

There is not the slightest support for any of these arguments. The Government deficit of $5,000,000,000 under Hoover did not check the depression. When the depression reached its bottom in 1932,

business began to recover, and by the fall of 1933 there had been a very substantial recovery, though neither regulation nor spending had begun. Recovery began in 1932, and continued steadily in nearly every country throughout the world, particularly in England, where the Government always balanced its budget. The recovery in England has been much more substantial than in this country, although they never adopted a spending program and we did. We have recovered from every past depression in the history of the United States without huge Government deficits.

The depression of 1937 did not result from the tapering off of Government expenditures. It resulted from a complete collapse of the capital-goods industries, notably steel. That collapse occurred because Government policy had increased the price of raw materials, the amount of business taxes, and the rate of wages so rapidly that prices of services and manufactured products could not keep up. The result was that in the case of the railroads and utilities, where the prices of their services were fixed, the margin became smaller and smaller until all expenditures for capital improvement, and even for maintenance, had to be abandoned. Railroad orders, ordinarily taking 20 percent of the output of the steel industry, fell to nothing. Utilities had the additional disadvantage of the threat of Government competition. The hotel industry could legally raise the price of their rooms and food but found they could not sell them if they did, and their expenditures for maintenance were cut down to a bare minimum. Manufacturing industries were uncertain what the market would be at the advanced prices made necessary by increase in costs. They were uncertain whether these costs would increase further. The automobile industry was unwilling to make large investments in new machinery to make new models under this condition. There was no machinery production for domestic use for a year. The depression of 1937 was a direct result of Government policies which represented an attempt at a planned economy and its attendant tax burden, and not from the timid attempt to reduce Government expenses.

No one can deny that Government deficit spending creates a slight improvement in business while it is actually going on, but the effect is small and purely temporary. It puts men to work once on public works. The same amount spent for a new factory would give many men work for the rest of their lives.

A new and specious argument has been found—that in order to assure prosperity we must have a certain level of debt; that because we have less private debt today, we must arrange to have more public debt so that this debt structure may still exist. This theory appears in Mr. Eccles' speeches, the President's message, and in the articles of the more devout New Deal columnists. This seems the most extraordinary nonsense. Public debt and private debt are not comparable. Private debt is only incurred justifiably to build up an enterprise likely to produce far more income than is required to pay the interest on the debt. It creates new industry, and puts men to work in that industry. Public debt is incurred either for the purpose of paying deficits in current expenses, or in building public works, which usually result in increased Government expenditures for maintenance.

There is not the slightest necessity for a large debt structure. We could be just as prosperous with half the debt which now exists. Increased private debt is rather a result of prosperity than a cause of it. Public debt is likely to be a result of depression, and not a cause either of depression or prosperity. It is important that private funds be available to create debt so that industry may more easily expand, but the expansion results from individual initiative, invention, and enterprise, and from a prosperous, consuming nation rather than from increased debt.

As a matter of fact, the present condition of the country is eloquent testimony to the complete fallacy of the theory that a people can spend itself into prosperity. In 10 years we have increased our Government debt by more than $20,000,000,000, the greatest spree in the history of the country, and yet today there are as many unemployed as there were in October, 1933. Our national income in 1938 was about $60,000,000,000, 25 percent less than in 1928, when there were 10,000,000 fewer people. If recovery from the depression had been normal and unhampered by Government regulation, spending, and taxation, it ought to be $90,000,000,000 today instead of sixty.

The spending policy is vain. It is dangerous because our debt structure is becoming top-heavy. No doubt we can carry it today, but any reasonable prosperity will increase the rate of interest on Government bonds and increase our burden, which already is approximately $1,000,000,000 a year. If we should again become involved in a major depression or in another war, we would start from a new base so high that a slight addition to debt might make the entire structure top-heavy. Repudiation and inflation are not perhaps just around the corner, but they are infinitely nearer than they were. They would involve ruin to many millions of people, more to the poor than to the rich, and would certainly threaten the whole existence of our American form of government and life.

Even more than that, a Federal deficit-spending policy involves a deliberate deception. The people are taught in effect that all of the money paid out by the Federal Government, in contrast to that raised by local taxation, is really a present to the locality. They are led to believe that they are getting something without paying for it. They are taught to lean on the Federal Government and rely less and less on their own efforts and activity. Every former President, Republican or Democrat, has felt a deep sense of his obligation to keep the country out of debt as far as he possibly could, because he knew that such a policy was morally unsound, and ultimately destructive of the Government itself. But, instead of that, we see today a universal policy of public spending, used to deceive the people, and used for political purposes to secure votes for the spenders.

A complete change in Government policy, therefore, is even more essential today than it was before the President embraced so completely the spending program. Ninety-six men in the Senate and 435 in the House cannot possibly function as an executive, legislate intelligence and judgment into Government officials, or even work out a sound fiscal program of expenditure over Executive opposition. The Federal Budget presented by the President covers a thousand pages. It is almost impossible for Congress, particularly without a complete reorganization of the Government, to secure substantial economies without danger of wrecking essential services. Economy has always been the function of the President and can hardly be secured without his cooperation.

The only way to restore prosperity in the United States is to cure as far as possible the evil of unemployment. This can only be done by speeding up private agriculture, commerce, and industry to employ more people. Existing industry must be encouraged to expand. Individuals must be encouraged to spend their own time and their own money in developing new enterprises and new products. Roughly speaking, no one has invested either time or money in new enterprise during the past 5 years. Sometimes they have been willing to loan others money, but when it comes to taking a substantial risk, they have been discouraged by excessive Government interference with prices, wages, hours, and business conditions of all kinds. They have been discouraged by excessive and punitive taxation. They have been discouraged by Government hostility, and in many cases the threat of Government competition. It is beyond the power of Congress to change the attitude of the executive departments, or the manner in which many laws whose purpose is excellent are being administered. It is even beyond the power of Congress to change any regulatory or tax law, or abolish a department over the opposition of the President. The only solution seems to lie in a change of Executive control in 1940.

Congress, however, can, and I hope will, revise and correct some of the very obvious faults which have developed even in the more justifiable New Deal activities. Several programs for a reorganization of relief have been presented. Senator BYRNES, of South Carolina, would coordinate most of the relief activities in one department, and I believe that should be done, with the possible exception of the Public Works Administration. Mr. WOODRUM of Virginia has introduced a bill to return the administration of relief to the States, and with that theory I am in thorough accord. I believe that a Federal grant of about 75 percent of total relief expenditures should be provided for, with a Federal board authorized to increase this percentage in cases where unemployment is extraordinary or unusual poverty exists. I believe the grant should be conditional on the setting up of a nonpartisan administration of relief by the State legislatures.

Congress is now considering a complete revision of the Social Security Act. A commission appointed by the President has recommended a great reduction in the reserve fund. Other forms of old-age pension are being considered by Congress. There is general agreement that the present system, while excellent in purpose, has not produced social security, and is draining out of the country over a billion dollars a year, which is being invested in Government bonds and used to pay New Deal deficits. I believe that social security should be expanded to include some assistance to health work in the localities, but without socializing medicine, and without imposing an additional compulsory pay-roll tax to take care of health insurance.

Various amendments have been presented to the Wagner Act, designed to effect a change particularly in the manner in which that act is administered by the National Labor Relations Board. While the purpose of the act is highly desirable, and the right of collective bargaining should be protected by law, its administration has tended to increase labor disputes and deter the recovery of private industry.

No one is satisfied with the present farm plan, and numerous remedies have been proposed. How the administration can ever straighten out the complete mess which the cotton situation has reached is difficult to see. The Government now owns 11,000,000,000 bales of cotton, four times what the Hoover Farm Board owned, and the price of cotton has not been improved.

There is not a single field in which the actual operation of New Deal humanitarian agencies has met the views of those sincerely interested in its success. There is not a single field in which duplication and confusion does not exist. There is no one concerned with seeing that desirable activities are conducted in such a way as to assist the prosperity of the country rather than discourage all individual enterprise.

Congress is headed in the right direction. I hope before the end of the session the outlines of a program may be clearly defined to replace the dangerous conglomeration of good and bad activities of the present administration. But I see no hope of finally solving these problems as long as the President maintains his present attitude, as long as no reorganization of the Government is secured, as long as the spending philosophy, vitiating every good purpose, prevails in the seats of the mighty.

Relief

EXTENSION OF REMARKS
OF
HON. CLARE E. HOFFMAN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, February 20, 1939

LETTER FROM MRS. ROMA (McKELVEY) McPHERSON, OF BATTLE CREEK, MICH.

Mr. HOFFMAN. Mr. Speaker, everyone, except possibly those on relief, is helping furnish the money which State and Federal Governments are handing out in one way or another.

Practically everyone knows, if he stops to think, that the practice which we have been following for the last 6 years of spending as a nation more than we receive cannot go on forever.

Many write me asking that I vote against Government waste and extravagance, improper appropriations, and this I have done. At the same time individuals and groups will write, insisting that I vote for particular appropriations in which they happen to be interested.

The only way that economy can be practiced is to cut down on appropriations. Unfortunately, while everyone wants a cut, no one wants it in the appropriation in which he happens to be interested. Because these groups write so many letters, some Congressmen continue to vote excessive appropriations.

Probably you are tired of hearing what I have to say about relief, so, to vary the program, I will quote here a letter from a woman 49 years of age, who owns a farm; who has had years of experience; who is a descendant of a French immigrant who came over in 1637 to avoid religious persecution; who is descended from the Revolutionary soldier Jonathan Quick, who was with General Washington at Valley Forge.

She quite evidently not only has good, hard common sense and is practical but she knows what she is writing about. Just read what this woman writes me. I quote:

R. F. D. 3, Box 187,
Battle Creek, Mich., January 24, 1939.

Congressman CLARE HOFFMAN,
Washington, D. C.

DEAR SIR: In re the black plague, and direct relief, as practiced in this era of the New Deal.

I believe the sick should be cared for, that those hungry, unhoused, cold, should have means of getting these things, and if there is positively no private employment for them, then they should have relief. That is, persons with dependents, of school age, and older persons, or those in ill health. But I do believe if this Government work were done under contractors obliged to employ those eligible for relief there would be more work done.

But why should two healthy persons, not too old, with no dependents be subjects of relief except as an emergency matter? I believe that most of them could find places of some kind in the city homes or on the farms for the work they could do or learn to do with small wage or at least full maintenance. But they will not do these things. Families unable to pay high wages would do this for the help received but they value themselves pretty high when they can get taken care of.

When you look out your window and see a group of men frolicking up and down the highway, dancing around a potfire, occasionally leaving this type of employment to take a wheelbarrow and dump it, that has been brought to them by another fat, young guy who ran it down the hill coasting fashion, then take up the firepot spatting game again, poking his fellows in the ribs occasionally, then grabbing a shovel and going forth to labor for a few minutes, back to the firepot, etc., through the day, you wonder where we are going from here.

I know one family case very well, and it is indicative of thousands of families throughout the land. This family worked for my family three generations ago, before I was born. The old folks worked hard, earned their money, spent it unwisely at times, perhaps, but it was earned money, raised a large and good-for-not-much family. Today every one of that family except one boy is on some kind of relief, and now the third generation is marrying and bringing children into the world as fast as possible in order to get their share of this good thing while it lasts; and they feel that it is to be a permanent thing. You cannot get one of them now to work on the farms. They "don't like to farm, rather work for Uncle Sam," and that is just what they are doing.

The farmers I know around here are up in arms about this relief, although few of them will sit down and write their Congressmen or do anything themselves to stop this thing. They cannot get adequate help anymore; and if any of these people do work, they want a wage higher than can be afforded on the farm and leave anything for the owner's own work and investment. The most of the old-time farm labor, the class who always earned their living working on the farms, is now on some form of relief.

The average laborer—that is, the man fitted for nothing else and who belongs in the class of labor permanently—takes his money when he gets it, goes out and buys a car of some kind and a radio, perhaps second-hand, perhaps new, and almost always on time. His rent may not be paid ahead, he may owe the butcher, the baker, the candlestick maker. None of that matters, except that he, too, must own a car and a radio. Nice things, both of them, if you can own them without gouging someone else to get them. He does everything else likewise.

He refuses work that he does not like. He may have some small private business of his own. He works at this in season, spending his money as fast as it comes. Winter comes along, warm clothes needed for the family, fuel, of course, food. No money. Spent during the summer. He hies himself to the relief station. He must eat. No work. He gets W. P. A. or direct relief. The rest of us who are paying the bill have to work to keep going whether or not the soles of our shoes are whole. But he and his family are cared for.

Young men and women of work age sit around home and eat off dad's tickets, direct or W. P. A. purchased. Probably they do not know how to do one single thing well, but try to get them to live with you for maintenance and learn something useful. They simply will not do it.

A 17-year-old boy was here the other day. Told me his mother and six children had been deserted by the father and that they were on relief. I gave him 2 bushels of potatoes and some money in advance for a piece of wood cutting he thought he might do; and it occurred to me that he would be better off here eating square meals and having a warm bed for a while until spring work opened, as he had no equipment for wood cutting. This morning he told me, "Ma didn't want him to do it. She wants me there to watch the baby when she goes away." Ten-dollar ticket every 2 weeks for food, he told me; coal also. The money I paid him in advance, I found, went to maintain an old car owned in the family.

Responding to an ad of mine in the local paper the other day, a mother called for her young son. She told me they were on relief, wished he had some kind of place. I had advertised for a third helper, was only offering $5 a month. Her boy knew nothing whatsoever about a farm, but she wrathily informed me that "anyone's time ought to be worth at least $30 a month." Worth a lot while the Government is maintaining them.

An instance from one relief family I know, shows the attitude of the generation growing up. In the family is a boy about 12 or 13 years old. I have a large number of thrifty and heavy-bearing black walnut trees. I offered Billy one-half of them, just to pick up my half and put them in my cellar, only having to carry them a few rods. He did not show up at the agreed time, but later was here with some of the family on an errand. Thinking perhaps the family would not transport him to the job, and feeling sorry for him, I told him to get a gunnysack from the woodhouse and go get himself some walnuts. He did not move. I asked him if he did not want them. He said, "Have I got to give you half of them?" That job of walnuts would have put all the clothes that child needed on his back for the winter, but he did not have to do anything for clothes; it is all provided.

Regarding the matter of returning relief to local control, I think a remark passed in our household the other day will illustrate the worth of that change. Jed Jones (it isn't his name, but he lives a drunken, lazy, illiterate man, single, but on W. P. A.). He will not work for the neighbors, at least not until recently since neighborhood condemnation is getting dangerous. Two years ago he came out with a good used car for which he paid $300, W. P. A. money; he frequents beer parlors and does as any of his class do who have more money than they have been used to. Our comment was, "Imagine Jed Jones going to the supervisor for help."

Our economic ship is going on the rocks if it is not already being battered to pieces by them. We who are trying to hold our own, and are tired of taking care of the unworthy cases, and the huge families that know no limitation in numbers, will have to help pull it off the rocks or we are going down with it. Back home the best thing we can do is to yell, and yell as loud as we can, about the way this thing is being conducted.

I wish this letter might put a few instances that are real into your hands. Probably you know as much as I do about it, but it is one of the things we back home might do, to give our Congressmen some idea of the way things are going on, and what we think about it.

Yours truly,

ROMA (McKELVEY) McPHERSON.

Sales Tax on Fuel Oil Would Penalize Farmer, City Man, and Industry

EXTENSION OF REMARKS
OF
HON. JOHN M. HOUSTON
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Monday, February 20, 1939

EDITORIAL FROM DODGE CITY (KANS.) DAILY GLOBE

Mr. HOUSTON. Mr. Speaker, fuel oil is playing an increasing role in American life. It does its part in speeding our mercantile marine over the oceans and in supplying power to the Navy which guards our shores. It powers Diesel trucks which bring better goods at lower costs to every householder, and it is the fuel of the fast stream-lined trains.

It lightens the burden of the householder, for it frees him from the hateful task of shoveling coal and carrying ashes, and it makes life more pleasant for his wife and family when he is away from home. It has become an everyday necessity, both in the farmer's stove and the city man's furnace. It has reduced the smoke nuisance in our cities.

Bills have been introduced in the Congress, both last year and this year, to tax this fuel out of existence. One pending measure would impose a 3-cent tax, the other 1 cent per gallon. In the first instance, a tax of 40 percent, in the other 12 percent. Such a sales tax cannot be justified as a reasonable levy for its effect and intent is simply to penalize one industry for the benefit of another at the expense of the overburdened taxpayer.

In order to show what the oil industry means to the State of Kansas, I insert in the RECORD, by unanimous consent, an editorial by Mr. J. C. Denious, editor of the Daily Globe, Dodge City, Kans., and member of the Kansas Senate, as follows:

[From Dodge City (Kans.) Daily Globe]

OIL AS FARM RELIEF—A "BENEFIT" SYSTEM THAT HELPED WESTERN KANSAS THROUGH THE LEAN YEARS

The oil chariot lugged $20,000,000 into western Kansas in 1937, and deposited it upon the doorsteps of countless numbers of landowners.

How it feels to be on the receiving end of $20,000,000 in a bad year when harsh financial difficulties are arising from drought, depression, and regimentation can be described by the western Kansas landowner with deep conviction and lofty eloquence. The advent of the oil industry into the western counties of the Jayhawker State was a grand and glorious experience for the people of western Kansas.

The old story of the once profligate son who went to the distant city and made good, and then returned in time to save the old homestead for his aged and destitute parents, has its counterpart in this story of the oil chariot hastening at top speed into a distressed area and scattering in its wake a fabulous fortune for the relief of those who were feeling the ever-tightening pinch of hostile economic forces.

The oil millions which came to western Kansas landowners that year were in payment for oil leases, bonuses, and royalties. They were sufficient to pay the taxes on all the farm lands and farm improvements in the 61 western counties, and leave about $3,500,000 for interest payments and for new tires for the model T's. The income from oil in these counties would have repaid the annual expenditure for relief in the entire State of Kansas, and then there would have remained something besides to provide the modest fare of those forgotten souls who were still trying to make their own living without public aid. Had the Federal Government withheld all cash benefits and bonuses to Kansas farmers that year, the loss would have been less severe than the surrender of the western Kansas oil income.

In sharp contrast with public financing, the funds which the oil industry paid to landowners added nothing to the national debt. Neither the landowners nor the Secretary of the Treasury at Washington had to issue bonds nor sign notes to get the oil money for the farm people. The next generation will not have to pay it back. As current income, it has been collected and spent. A reasonable prosperity for the oil industry would keep it coming through the march of years.

Residents of areas far removed from oil production have shared in the distribution of this princely fortune. Ford County, for instance, is not even close to wells that are producing oil in substantial amounts, and yet at the beginning of 1938 it had 207,744 acres, or 30 percent of its total acreage under lease. Since the average rental for leases is 75 cents per acre, Ford County landowners must have received about $155,000 in payments of rentals during the year. That amount would have paid 65 percent of all the taxes assessed against the farm land and farm improvements in the county.

Grant County, a smaller county, was even more fortunate. With 80 percent of its farm land leased in 1938, it received in rental payments about $222,000 which was more than double the amount of the taxes assessed against its farm real estate. Practically all of the counties in range 1, which runs north and south through Wichita, and those lying west of that range received a fair slice of the melon.

Even if all the oil revenues of the area had been limited to that single $20,000,000 year, so vast a sum would have stubbornly checked an economic decline in this great empire where earnings from grain production and livestock had been subnormal for several years. The fact is, revenues from oil leases has been a reliable source of income here for the past 10 years. In 1936 that income was about $15,500,000. In 1937 it was close to $20,000,000, and in 1938 about $11,000,000. The grand total for the 10-year period amounts to $97,000,000 in rentals on nonproducing acreage and bonuses for new leases.

Receipts from the sale of natural gas would make important additions to these estimates, for southwestern Kansas has the largest known natural-gas-producing area in the world. However, no income from natural gas has been included in the figures presented here. They include none of the salaries and wages paid for the drilling of oil wells and for their operation. Nothing is included for the purchase of supplies nor for the payments made for shooting rights where seismograph parties were employed. The funds described were accumulated solely from rentals, bonuses, and royalties.

At a time when agricultural production was skimpy, when markets failed to respond to the declarations of new statutes, when business lagged, when taxes multiplied—at a time when the present generation was engaged in its most desperate economic struggle—the oil industry quietly stepped in to assuage the strain in this western area.

And so in gratitude and in admiration, western Kansas humbly bows to the miracle industry which pays us generously for the privilege of revealing to us the hidden wealth of our own possessions.

Centenary of Frances E. Willard

EXTENSION OF REMARKS
OF
HON. U. S. GUYER
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Monday, February 20, 1939

ADDRESS BY HON. U. S. GUYER, OF KANSAS, DELIVERED IN STATUARY HALL, FEBRUARY 19, 1939

Mr. GUYER of Kansas. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me in Statuary Hall, in the Capitol on the occasion of the celebration of the centenary of the birth of Miss Frances E. Willard:

Mme. President and fellow admirers of Miss Willard and her incomparable career of accomplishment, I want to thank you ladies for this invitation to address you upon the centenary of Frances E. Willard. It may be my only opportunity to speak in this historic hall, the old chamber of the House of Representatives. I certainly could not covet a finer subject or a more pleasing occasion. My only regret is that lack of time and limited ability prevents me from delivering a message worthy of the subject and occasion.

Permit me to suggest that Kansas, like all the later pioneer States, owes much to the State of Illinois. Kansas was settled very considerably by people from Illinois and particularly by Union soldiers attracted by the liberal advantages in homesteading extended to veterans of the Union armies. This is attested by the names of Illinois cities transplanted in Kansas. One county in my district has an Ottawa and a Peoria, the latter only the name now of a wide place in a country road. The principal product of Peoria, Ill., is not very popular in Kansas, and that may explain the superior development of Ottawa, Kans., one of the finest towns on earth with 10,000 good people and a thriving Baptist university known as Ottawa University.

But Kansas owes most to Illinois by reason of the early adoption by Kansas in 1880 of the principle and practice of prohibition of the manufacture and sale within the State of Kansas of intoxicating liquors, a policy which after over a half century of trial, Kansas again in 1934 reiterated its adherence by a brutal majority of almost 100,000. This policy was adopted in Kansas

by reason of the sleepless crusade that Miss Willard was then prosecuting against the liquor traffic. Miss Willard had many interests, such as woman suffrage, Christian education of girls, and peace, but her overmastering passion was the legal prohibition of the traffic in intoxicating liquors.

So, it is with great pleasure that representing Kansas in particular, I appear here today in this, the old Hall of Representatives, to do honor to Miss Willard, not only a superlatively great woman, an incomparable organizer of one of the largest and most perfect organizations the earth has ever known, but also a great, constructive Christian statesman, as well.

What is a statesman and what constitutes statesmanship? This is a hall where bronze and marble preserve the memory of statesmen and soldiers who have wrought for the welfare and happiness of their country.

One of the truest measures of a statesman is his ability to look into the future and predict correctly the effect of principles and policies when practically applied to the affairs of government; one who for the welfare of his country can mold public opinion to the degree that they finally crystalize their ideas and ideals into statute and constitution.

The might of Gladstone's statesmanship consisted in his uncanny ability to open the door of tomorrow and lead us through its portals to show us the glorious era of Victoria and the far-flung power of the British Empire.

The wonder of Bismarck's genius was that when he knocked at the gates of Destiny with his huge iron fist they swung ajar to reveal the fall of the third Napoleon at Sedan and the German Empire proclaimed in the heart of France in the Palace of Versailles—the German Empire that went down with William II in blood and fire in 1918.

The power of Webster consisted in the great grasp with which he tore aside the curtains that divide us from the future and pointed us to a "Union forever, one and inseparable."

The glory of Abraham Lincoln's statesmanship, which towered head and shoulders above his contemporaries, was the superlative quality which enabled him to see with the eye of a seer and a prophet that this Nation could not long endure "half slave and half free."

And if prophetic power signalizes the statesman, then Miss Willard possessed superlative constructive statesmanship, for she saw with true, prophetic vision that this Nation's highest attainment could not be reached without both men and women working together for their joint welfare. The nineteenth amendment was the answer to her prayer and superlative cooperation with other great women in the enfranchisement of the women of our country.

But the supreme object of her herculean efforts was the legal prohibition of the traffic in intoxicating liquors. Her career as a temperance and prohibition advocate began in the late seventies, becoming president of the National Woman's Christian Temperance Union. That organization became a giant power under the magic of her executive ability and organizing genius. That society had its roots deep in the heart of the country, and it became her superb empire over which she presided with quiet grace and unquestioned authority.

She began her temperance work about the time of the celebrated "crusades" in Ohio in the seventies. This was the first decade after the War between the States. That war, like every great war, was followed by a decadence of morals and an increase in crime. Just before the beginning of that war there were 11 States which had State prohibitory liquor laws, but after it was over, only one State had a prohibitory law, and that was Maine. There had been a great increase in the use of alcoholic liquor so the people who believed in such drastic laws had a monumental task to perform, and the great advance in prohibition sentiment from that time on speaks volumes for the work of Miss Willard and her W. C. T. U.

That organization had many departments thoroughly organized. They procured statutes providing for the teaching in the public schools of the effects of alcohol and narcotics upon the human system. They crusaded for State prohibitory laws, and at the time of the ratification of the eighteenth amendment in 1919 there were some 33 States with constitutional amendments or statutory provisions prohibiting the manufacture and sale of intoxicating liquors.

Then came the recession of morals and moral standards following the World War, and in 1933 the eighteenth amendment was repealed, and the country fell back into a hell of debauchery and drunkenness the like of which was unknown to this generation.

But I am sure if Miss Willard were here she would not be discouraged, for did she not see the same phenomenon follow the Civil War? It is but the forward and backward swing of the pendulum. Moral reforms do not permanently go backward.

It is true that many sinister influences have produced appalling conditions of crime and degeneracy. Literature and art of every sort have suffered along with other spiritual entities which reflect the soul and spirit of our national life. Books which have been best sellers have been so salacious that they could not be sent through the United States mail without violating the Federal statutes. Art! Has there been a canvas painted since the war which by its beauty and thought has caught the gaze of the public eye? With the exception of Borglum's creations at Stone Mountain and Mount Rushmore, which really challenge the massive grandeur of ancient Egypt, what has been done worthy of serious notice? Music? There never was a time when people were so famished for good music, yet you cannot turn on the radio without being feloniously assaulted by a nightmare of jazz.

The drama, or its substitute, the silver screen? Sensuality enthroned! Sex deified! Vice and crime lionized.

And how about the home life of our people? It has drifted far from the old standards, but maybe we'd better draw the veil on that.

I do not wish to leave the impression that I think that all of these calamities are the fruits of the repeal of the eighteenth amendment; but along with the moral decadence which inevitably followed the World War, the repeal of the eighteenth amendment was the most prolific cause of this deplorable condition. Crime statistics show an alarming increase in arrests for intoxication. In Los Angeles such arrests have increased 345 percent, while arrests for all crimes the country over have increased 41 percent, which in itself is an appalling record when we remember that the repealers promised a decrease not only in intoxication but also in crime in general. I think that one of the most appalling conditions connected with the repeal of the eighteenth amendment is the fact that there are more girls and women employed in places that sell liquor than there are girls and women in universities, colleges, and institutions of higher learning. Yet even in the old saloon days girls and women were not allowed to enter such places.

About the only encouraging aspect of these conditions produced by repeal is the complaints about such excesses coming primarily from the former advocates of repeal rather than from the drys, many of whom here in Washington tell me that the result in the end will be that prohibition is on its way back and that if it ever comes back it will stick for good. This emphasizes my statement that moral reforms do not go backward. You can never predict the result of such a reform until the last battle is fought. I do not believe the people of the United States will forever tolerate this enemy of our civilization, which is the most prolific cause of crime, waste, human suffering, disease, and general inefficiency.

In the World War we banished alcohol from the Army, from our camps, and from our fighting men. How much more necessary it is in such times of stress as we have in this great depression to put the brakes on alcohol. One of the most stupid and insane actions ever taken by the United States was to turn loose the curse of alcohol in the midst of a great depression to absorb over $5,000,000,000 of the money of the people for something that is worse than nothing; something that employs less labor for its product than anything else in the whole gamut of manufacture. I do not envy the burden that must rest upon the consciences of those who clamored, "Down with prohibition," and "From this hour the eighteenth amendment is doomed." The repeal of the eighteenth amendment was the colossal blunder of the present century; it was worse than a blunder, it was a crime against our civilization.

I refer to these conditions as paralleling what happened in the temperance reform in the life and experience of this great woman over a half century ago. But that did not appal her heroic soul, and today her spirit stirs in the hearts and souls of her devoted followers who meet here today to celebrate her centenary where a State which possessed a noble galaxy of greatness demonstrates its discrimination and emphasizes its choice of one of the loveliest characters as well as one of the most potent moral forces of the world in her time. Illinois has not so much honored Miss Willard as Illinois has honored herself in making such a noble choice to stand here in this hall of memory for all the ages to see the symbol of a great State and its appreciation of her who taught us "how divine a thing a woman may be made."

The Townsend Plan

EXTENSION OF REMARKS

OF

HON. JAMES C. OLIVER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, February 20, 1939

LETTERS TO DR. FRANCIS E. TOWNSEND AND ARTHUR L. JOHNSON

Mr. OLIVER. Mr. Speaker, under leave to extend my remarks, I am incorporating herewith copies of the two letters which I have recently addressed to Dr. F. E. Townsend and Arthur L. Johnson, both of whom are leaders in Nation-wide old-age pension organizations. The letters are as follows:

HOUSE OF REPRESENTATIVES,
Washington, D. C., February 17, 1939.

Dr. FRANCIS E. TOWNSEND,
Townsend National Headquarters,
450 East Ohio Street, Chicago, Ill.

DEAR DR. TOWNSEND: For several days I have participated in and listened to the hearings now being held on proposed amendments to the existing social-security law.

I have been increasingly impressed with the necessity for presenting a united front before the members of the Committee on Ways and Means of all forces and organizations which believe that old-age dividends should be wholly administered and financed by the Federal Government.

It is my sincere belief at this juncture that unless a compromise is reached and a coalition is effected between the Townsend national organization, on the one hand, and the General Welfare Federation, on the other, then the Ways and Means Committee will use this split in forces and opinions as a logical reason for not extending favorable consideration to either H. R. 2 or H. R. 11.

Such a development will afford little solace or comfort to those citizens over 60 years of age in this country today who quite hopelessly face insurmountable adverse economic problems.

As we frankly estimate the situation today we must admit that no real differences exist between those who advocate H. R. 2 and those who believe in H. R. 11. Mr. Silva appeared in support of a gross income tax levy as a witness for the Townsend national organization. Mr. Bouma, legislative agent for H. R. 2, stated that any legislative vehicle which enacted into law the broad general purposes of the Townsend principle would satisfy him, and I assume that this is the official position of the Townsend national organization. Apparently nobody contends at this point that the $200 feature is paramount.

A house divided against itself will not stand. Labor is finding this true. Our cause will find it true. Our main objective is to convince this committee and Congress that the present old-age assistance and old-age insurance titles of the Social Security Act should be repealed and that in their place should be enacted a law which provides the essential points of both legislative proposals, namely:

1. A nationally administered and financed annuity.
2. A reduction of retirement age to 60.
3. A monthly annuity payment adequately large to provide work opportunities for those under 60.
4. A voluntary removal from gainful occupation of those over 60.
5. A tax medium widely distributed which provides a pay-as-we-go economy to replace the deficit-borrowing financing of the past decade.

I was present at the hearing today when you commented to the effect that if H. R. 2 could not be passed you would be opposed to the passage of H. R. 11 or any other bill. I believe that this is an unfortunate attitude, because the citizens over 60 need purchasing power now, and certainly legislation which makes this possible on a national basis should be favorably acted upon by those who believe in Townsend philosophy. Insecure people over 60 should not be sacrificed to a too determined adherence to any one bill or plan. If we cannot gain our goal in its entirety, let us at least make any reasonable start which may be possible.

I am addressing a similar request for harmony, conciliation, cooperation, and consolidation to Mr. Arthur Johnson, because I feel that both of you gentlemen are sincerely interested in reaching the objective for which we have all been striving during the past 6 years. I also feel that because I have never taken an arbitrary position with reference to any pension organization or personalities it is perfectly reasonable and proper for me to address you both in the best interests of the senior citizens of the Nation who today more than at any other time in American history need consolidated cooperation in their behalf.

The best interests of our citizens who believe in this philosophy require a disarmament conference of you leaders of these great national organizations.

Very truly yours,

JAMES C. OLIVER, M. C.

HOUSE OF REPRESENTATIVES,
Washington, D. C., February 17, 1939.

Mr. ARTHUR L. JOHNSON,
General Welfare Federation, Washington, D. C.

DEAR MR. JOHNSON: Events which have occurred during the past 2 weeks as hearings have been held on proposed changes to existing social security laws have convinced me that Dr. Townsend and you, as leaders in these great old-age pension movements, should forget your grievances of the past and consolidate your forces in behalf of the best interests of the senior citizens of this Nation and the Nation itself.

My observations of and participation in these hearings impel me to reach this conclusion.

The basic and fundamental issue at this time is not the personal animosity or the organizational differences of the two forces which you gentlemen lead. The issue is, however, whether or not our combined strength can persuade the members of the Committee on Ways and Means that the old-age assistance and old-age insurance titles of the social security law should be replaced with a national disbursement of social dividends to those over 60 wholly administered and financed by the Federal Government.

It appears to me that our House, which at the present time is divided against itself, is the first great obstacle for us to overcome. Certainly, if we cannot agree ourselves and present a united front in support of our own cause we cannot expect the members of this committee to change their views materially. It seems obvious to me that we cannot anticipate any other result if some reconciliation is not reached soon. Labor is divided. We are divided. Even on a united basis, the rank and file of the people have tremendous economic odds to overcome.

I have always been impressed with your sincerity in this cause, and I feel that your sincere desire for a successful culmination of this issue entirely outweighs any pride of authorship that you may properly have in either H. R. 2 or H. R. 11. Therefore, why is it not incumbent upon both Dr. Townsend and you at this point to reach a common meeting ground, forget the past, and march forward together in the best interests of the people who are asking for—

1. A nationally administered and financed annuity.
2. A reduction of retirement age to 60.
3. A monthly annuitant payment adequately large to provide work opportunities for all under 60.
4. A voluntary removal from gainful occupation of all over 60.
5. A tax medium widely distributed which provides a pay-as-we-go economy to replace the deficit financing of the past decade.

I am addressing a similar request for harmony, consolidation, cooperation, and conciliation to Dr. Townsend because I feel that both of you gentlemen are sincerely interested in reaching the objective for which we have all been striving during the past 6 years. I also feel that because I have never taken an arbitrary position with reference to any pension organization or personality, it is perfectly reasonable and proper for me to address you both in the best interests of the senior citizens of the Nation who today more than at any other time in American history need consolidated cooperation in their behalf.

The best interests of our citizens who believe in this philosophy require a disarmament conference of you leaders of these great national organizations.

Very truly yours,

JAMES C. OLIVER, M. C.

The Townsend Plan

EXTENSION OF REMARKS
OF
HON. HOMER D. ANGELL
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Monday, February 20, 1939

Mr. ANGELL. Mr. Speaker, I desire to speak with reference to H. R. 2, generally known as the General Welfare Act and also as the Townsend national-recovery plan.

This plan has two major purposes: First, to promote national recovery; second, to provide for our senior citizens 60 years of age or over.

Briefly, the plan provides:

First. For the retirement of all citizens who are 60 years of age or over from gainful employment, who desire to avail themselves of the privileges of the plan. Acceptance of its terms are not compulsory. All citizens who have attained the age of 60 years and who are otherwise qualified may receive the annuity provided by this law.

Second. For the levying of a Federal tax of 2 percent on all monetary transactions, collectible monthly.

Third. The tax revenues thus collected are to be distributed pro rata among all citizens who qualify under the act.

Fourth. The moneys thus paid to annuitants must be expended for American-made goods within 30 days from time of payment.

It has been estimated that there are some 8,000,000 Americans over the age of 60 years who could qualify under this plan, and that half of them are employed in gainful pursuits. This would provide jobs for younger workers, and thus reduce the unemployment rolls by some four millions. The forced spending of these funds would immediately release in the channels of trade a tremendous sum of money which would provide buying power not only for the purpose of relieving our distressed senior citizens but would at once put to work great numbers of other workers in providing the necessary goods, which, under the provisions of the act, must be manufactured or fabricated in the United States. It would mean that the laborers in the woods, in the fields, in the mines, in the shops, in the stores, as well as professional workers, would find market for their goods or services.

It is believed that the effects of the operation of this legislation would not only be manifest after the stream of funds began to find its way into the channels of trade, but would be operative even before that time by reason of the fact that merchants and manufacturers would immediately upon the passage of the act begin operations to supply the commodities which would be in demand at once when the funds were available for spending. This would be imperative by reason of the requirement that the funds received must be spent within 30 days. It therefore would not only at once afford relief to manufacturers and dealers in consumable goods, but the durable goods industry would at once be forced to expend large sums in equipment in making ready to supply the needs

of this new group of customers. It is believed that these incentives given to business and the increased volume of trade would largely absorb the transaction tax.

The keen interest in the adoption of this plan is apparent throughout all sections of the United States. Many States in the Union have memorialized the Congress to call a convention to adopt the Townsend plan or to pass legislation putting the Townsend plan into effect.

On November 8, 1938, at the general election held in the State of Oregon, there was an initiative measure on the ballot authorizing and directing the Legislature of the State of Oregon to apply to the Congress of the United States for a convention to propose the philosophy and purpose of the Townsend National Recovery Plan as an amendment to the Federal Constitution. This measure was adopted. Pursuant to this measure, the State Legislature of Oregon recently adopted House Joint Memorial No. 1, carrying out the mandate of the people as expressed in that vote. A copy of the memorial is as follows:

House Joint Memorial 1

To the Honorable Senate and House of Representatives of the United States of America in Congress assembled:

We, your memorialists, the Fortieth Legislative Assembly of the State of Oregon, convened in regular session, respectfully represent that—

Whereas pursuant to the provisions of section 1 of article IV of the Constitution of Oregon, there was approved by the legal voters of the State of Oregon at the regular general election held on the 8th day of November A. D. 1938, an initiative measure entitled "A bill for an act authorizing and directing the Legislature of the State of Oregon to apply to the Congress of the United States for a convention to propose the philosophy and principles of the Townsend national recovery plan as an amendment to the Federal Constitution," which measure so adopted reads as follows:

"Be it enacted by the people of the State of Oregon:

"SECTION 1. The Legislature of the State of Oregon is hereby authorized and directed to make application to the Congress of the United States, not later than March 1, 1939, for the calling by the Congress, pursuant to the provisions of article V of the Constitution of the United States, of a national convention for proposing an amendment to the said Constitution to provide for the establishment and operation of the philosophy and principles of the Townsend national recovery plan, otherwise known and described as the proposed General Welfare Act of 1937 (H. R. 4199)"; and

Whereas pursuant to the vote of the people and the laws of the State of Oregon, the Governor of the State of Oregon did, by proclamation made on the first day of December A. D. 1938, give the whole number of votes cast in the State for and against the said measure, and declared said measure approved by majority of those voting thereon to be in full force and effect as the law of the State of Oregon from the date of said proclamation: Now, therefore, be it

Resolved by the House of Representatives of the State of Oregon (the senate jointly concurring therein), That in accordance with the direction of said initiative measure, the Legislature of the State of Oregon hereby does by this joint memorial make application to the Congress of the United States to call a national convention, pursuant to the provisions of article V of the Constitution of the United States, for the purpose of proposing an amendment to the said Constitution to provide for the establishment and operation of the philosophy and principles of the Townsend national recovery plan, otherwise known and described as the proposed General Welfare Act of 1937 (H. R. 4199).

Resolved, That a certified copy of this joint memorial be sent forthwith to the President of the United States and the President of the United States Senate, the Speaker of the House of Representatives, and to each of the Members of the congressional delegation from the State of Oregon, and that the secretary of state hereby is instructed to transmit the same.

Relief and Unemployment

EXTENSION OF REMARKS

OF

HON. ROBERT G. ALLEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 20, 1939

RADIO ADDRESS BY HON. ROBERT G. ALLEN, OF PENNSYLVANIA, FEBRUARY 9, 1939

Mr. ALLEN of Pennsylvania. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me over the Columbia Broadcasting System, Thursday, February 9:

There are two problems confronting Congress today which transcend all others in importance. The first problem is domestic and rests in our depressed economic conditions, particularly in the unemployment of 11,000,000 of our people. The second problem relates to our foreign affairs and to the position which America must assume in a chaotic and belligerent world. One cannot belittle the importance of either problem, but I submit that the more critical of the two is that which prevails right here at home. It is the duty of this Congress to consider national problems according to their relative importance. You will agree with me, I am sure, that there is far greater danger in our disturbed internal affairs than in troubled world conditions. It is the prime patriotic purpose of every American to preserve this democracy of ours and its institutions. I gravely fear that if our domestic affairs are not put in order in the near future we will have no democracy to defend 5 years hence. In my considered judgment, 11,000,000 jobless Americans—jobless through no fault of their own—present a far more vital problem than a remote civil war in Spain. Horrible as the Japanese invasion of China has been and reprehensible as it is, I am far more concerned with the revival of American business, the prosperity of 30,000,000 American farmers, restored opportunity to American youth, and greater security for the old people of this Nation. Repugnant as the aggressive attitude of Hitler and his Nazis may be to us as individuals, we must recognize that it is our duty to fix attention on the unsettled conditions in the United States. These very conditions are a fertile breeding ground for nazi-ism and communism. From these enemies within our gates we have far more to fear than from an imaginary enemy across either sea. Instead of criticizing foreign nations and their governments, we had better indulge in a little self-criticism for our failure to regulate our own affairs.

In as comprehensible manner as time will permit, I would like to discuss the domestic problems which confront Congress, and their possible solution. For 6 years our Government has attempted to settle these problems in an easy and happy manner. Thoughtlessly we have continued to prime a leaky pump when we should have repaired it. Repeatedly we have reenacted emergency legislation which has no long-range value. Consistently we have refused to face unpleasant reality, and consequently nothing fundamental has been done in recent years to create a real and durable prosperity. Gradually we have become credit addicts, and now we realize that in the near future there will be no money left for dope. There just is no easy solution to our perplexing problems; the time is here, now, when we must tighten our belts and in a spirit of self-sacrifice get down to hard work.

Six years ago, 4 years ago, even 2 years ago, this Government could probably afford to appropriate huge sums of money for various purposes, because we felt that those expenditures were temporary and that with returning prosperity they could be reduced drastically. Even now the money we spend might not hurt so much if the end were in sight and if next year would find us in the Promised Land. The end is not in sight, however. Unemployment is nearly as great as it was in 1932, our national debt is assuming astronomical proportions, and business conditions are depressed at low levels. Congress can no longer assume the hopeful attitude that these conditions will correct themselves or that they will be corrected by the familiar pump-priming processes.

It is an easy thing to elaborate on America's problems and perhaps to criticize those in high office for acts of omission. It is a difficult task, however, to offer a sound solution to these problems. Compared with the difficulties which confront other governments and other people in the world today, I am convinced that our own troubles are relatively simple. They can be overcome if we, the American people, have the will to do it. If we were living in China, Spain, Germany, or in Italy, for example, our problems would really be baffling. In those nations there is a reason for poverty, unemployment, and chaos. Either their land has been exhausted through centuries of hard cultivation, or nature has not blessed them with abundant resources, or their machinery is antiquated and their labor force untrained. And to top it all, these nations have heavily concentrated populations trying to subsist on limited resources. Compare for a moment, their situation with our own here in America. We have countless acres of rich agricultural land. We have exhaustless natural treasures, the most modern machinery and a trained labor force which is second to none in the world. We have everything at our disposal to create wealth and achieve prosperity. I hate to think what historians of the future will write about this generation of Americans who had everything that generous nature can bestow but who were too selfish or stupid or blind to avail themselves of great opportunities.

There is a solution to our domestic problems. It requires common sense, hard thinking, return to reality and recognition of certain natural laws which we have disobeyed in the past. I do not pretend to know the answer in its entirety but I believe I do know the first step which must be taken. The Congress of the United States through one of its committees should invite the recognized leaders of business, labor, and agriculture to a conference in Washington in order to form a constructive long-range policy to reconstruct our crumbling economy. In my opinion, the President of the United States should have done this 2 years ago, but now I believe it is the duty of Congress to make the first move. No one will deny that the Government, industry, labor, and the farmers working together on a reconstruction program could bring immediate results.

As I see it, this program must be one of industrial expansion and increased production. After all, it is the production of goods and

services alone which create wealth. In this proposed conference I would endeavor to strike a bargain. I would ask business what legislative steps they wanted Congress to take or what laws they wished modified or eliminated in return for the reemployment of six or eight million men. I would offer the resources of the United States Treasury to aid business out of its slump. I would make it possible for small business concerns to obtain necessary loans through private agencies by Government guaranty of a portion of those loans. In return for this aid and cooperation from the Government, business must agree to reemploy so many men every 90 days. I would also have an understanding with business that as production increased and costs came down, selling prices would also come down and wages would be advanced, so that both labor and the consumer could share in the increased wealth which was being created, as well as business itself. In this way, the consumer, the laborer, and the businessman share equitably. No enduring prosperity will ever be realized unless this formula is recognized.

In considering these suggestions of mine, you will probably maintain that business will not reemploy men unless an immediate market for their goods is available. We must realize that business needs customers today more than anything else—customers with money in their pockets eager to buy. These men who will be reemployed will themselves, within a few months, become the customers which business needs so badly. When they have received their first pay checks they will commence to buy, and when they commence to buy, more goods will be produced to meet the demand. The employment of men in profitable enterprise has a cumulative effect. The buying power of one person helps provide a job for another. I firmly believe that if our Government, industry, labor, and agriculture would concentrate on some such program as this, we would be on the road to real prosperity within a year. The $80,000,000,000 national income mentioned by President Roosevelt on January 3 would become a reality. A program of this kind represents real pump priming in the field of productive enterprise and will produce more than a feeble trickle from the pump's snout.

You may question the administrative difficulties of developing such a program as I have suggested. Let me remind you that our Government a few years ago paid farmers a bounty for plowing under their crops and killing off livestock which they could not sell profitably. If a government agency can subsidize the destruction of our national wealth, a similar agency can certainly reverse that procedure and assist industry in some form for increasing production, for reemploying unemployed men and for cooperating in a program which will restore general prosperity to all our people. Utilization of our resources, full production and reemployment of idle people must be our battle cry from now on.

The American people have overcome seemingly insurmountable obstacles in the fields of science and engineering. A bridge now spans the Golden Gate in California and an Empire State Building rears its head above the skyline of New York as a monument to the material progress of our Nation. Space and time have been conquered by the genius of man. In the face of such progress our failure to conduct human and economic affairs becomes more tragic. Surely this same genius which has carried us to advanced stages in some fields can solve the domestic problems of the American people and guarantee a flourishing democracy for posterity.

Aviation and American Welfare

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 20, 1939

ADDRESS BY HON. JENNINGS RANDOLPH, OF WEST VIRGINIA, AT THE NATIONAL AVIATION FORUM, FEBRUARY 20, 1939

Mr. RANDOLPH. Mr. Speaker, under leave granted to extend my remarks in the RECORD I include the following address delivered by me this morning at the National Aviation Forum:

Man's conquest of the air has shaken to its foundations more than one ancient faith. No longer can an insular nation rest in quiet within the embrace of an encircling ocean. No longer are the barricades of mountain ranges impregnable. No longer may noncombatants live securely behind the front-line trenches. No longer does the law of nations impose rules upon warfare.

In its twenty-fourth annual report, the National Advisory Committee for Aeronautics made this penetrating observation:

"The crisis in Europe in the fall of 1938 brought forcibly to world-wide attention the overshadowing influence of air power in international affairs. The realization that aircraft had been built in great numbers and developed to a point where they are capable of operating at high speeds over long distances with large bombing loads thrust upon the world a new concept of national defense. The imminent prospect of noncombatants being subject to indiscriminate attack by aircraft stirred the imaginations and fears of all peoples. The sudden and rather general appreciation of the potentialities of modern air power is the most significant event that has occurred in modern times in connection with strengthening the desires of peoples to avoid war."

Evident indeed it is that a desperate urge for peace has motivated many peoples and many statesmen during the stirring events of the past year. But evident equally it is that the growth of air power has contributed more than any single factor to the seeming inevitability of war, a war the disaster and terror of which surpass the most fiendish imagination.

NATIONS PREPARE FOR WAR

Therefore, while governments abroad seek feverishly to avoid or at least to postpone armed conflict, they are engaged in a mad effort to prepare for conflict. Their plans for defense, so carefully formulated during the years past, have suddenly to be revolutionized. Protecting oceans have overnight become cause for fear. For even as oceans protect a defender against the infantry of an attacking nation, so they protect the air force of an attacker against the vigilance and the weapons of defense. With bombing planes which can soar to immense heights, approach unobserved over the sea, and then with motors silent glide for miles until they have reached their objective, men may yet learn that the ramparts of ocean waves are more to be cursed than welcomed.

It is not surprising, therefore, that we, despite a location more fortunate than that enjoyed by any other of the world's powers, should have come to the abrupt realization that our ancient ideas of security must be modified and that we must look closely to the strength of our arms in the air if we are to discharge our obligations to those who come after.

In our present preoccupation with the necessity to provide fighting planes, we must not lose sight of the fact that military air strength is dependent in the final analysis upon the strength of civil aeronautics. It is true that in the first weeks of war that nation will be supreme which is best equipped immediately to people the skies with airmen ready to fight and to kill. But after the first weeks that supremacy will be lost unless that nation has the capacity for producing and maintaining, under the stress of war and at a moment's notice, a constantly increasing air force. That capacity can never be gained after war breaks out. It must be possessed ahead of time.

Bitter experience in the World War demonstrated the fallacy of the illusion that peacetime automotive industries can be immediately converted to airplane production. They can, of course, do much, but were we to rely even in substantial part upon them we would be courting disaster. The capacity for producing and maintaining an air force of the immeasurable dimensions which war will demand must be secured in peacetime through the creation of and support for factories which are devoted specifically and exclusively to aeronautics.

AIRCRAFT CHANGES RAPID

In the last war the development of aeronautics was, relatively speaking, embryonic. Nonetheless, the experience of 1914–18 furnishes lessons to which we must give heed.

Among those lessons, that which stands out is based upon the fact that the type of aircraft used on the western front changed so rapidly that each of the contending armies had at all times to struggle along with airplanes between half and two-thirds of which were obsolete. In the matter of single-seater pursuit planes alone, the British had during the war 27 different types, the French 31, the Italians 13, and the Germans 12. No sooner was one type developed than the ingenuity of technicians on one side or the other produced another and a better type. No sooner had the forces of one side secured superior equipment, than the forces of the other side produced something better. Technical genius, locked in titanic combat, can and will in a few weeks, and even in a few days, make obsolete the finest product that man has produced.

Therefore, I repeat that the air force possessed when war breaks out will guarantee strength for but a fleeting time. For the long struggle which modern war promises, strength must depend upon manufacturing capacity and genius.

I wish that I had the power to impress upon America so deeply that it could never be overlooked the implications of this truth.

As we scan the record of the last war we observe that during its first 3 years France was compelled to change its entire air program 18 different times; that even 6 months before the end of the war, with all the strain that had been placed upon its facilities during its herculean efforts in that dreadful spring of 1918, Germany placed seven advanced and different types of pursuit planes in the skies of the western front; that in a few short months after our entrance into that holocaust our own country was forced completely to reverse its rosy plans for producing aircraft on our shores because of the lightning speed with which inventive genius was improving and perfecting aircraft abroad.

Observe this single dramatic instance: In September of 1917 we contracted with a manufacturing company in this country for the production of 3,000 of a particular type of airplane. In October of that year this contract had to be canceled because it had been shown during the second battle of Verdun, in August 1917, that that type of plane had already become obsolete. The second battle of Verdun had occurred after the plane had been recommended, at the end of July 1917, for American production. Thus the conclusions reached by our experts, with the best advice which our Allies could give, were demonstrated within a few days to be out of date.

AMERICA MUST BE READY

Imagine, therefore, what our plight would be were we to face armed conflict once more without having manufacturing facilities so geared and prepared that they could turn out on the instant the latest in aeronautical equipment and could maintain the dizzy pace set by the inexorable demands of warfare.

To provide this capacity there is one, and only one, course that we can adopt. We must during peacetime promote and maintain civil aeronautics, providing for its constant growth and improvement, so that our factories can keep busy and make the necessary expansion, so that inventions may be availed of and improved, so that the skills of workmen and of mechanics may be developed and multiplied.

In a word, wartime supremacy in the air is based upon peacetime supremacy in the air. As the President says in his message to this forum—

"Civil aviation is clearly recognized as the backlog of national defense * * *."

Another page of history gives us a warning. More than 100 years ago Yankee genius produced the sailing clipper and our flag was borne proudly over the seven seas into the most remote ports of the world. But there ensued a long period of decline. Obscurant national policy and the ravages of civil war effectively swept from the waves the flag which had once so proudly flown. Finally we were forced to endure the humiliation, when we sent our fleet on its tour around the world, of having to depend upon foreign bottoms for supply; and our circumstances, when we faced the crisis of 1914–18, were miserable and shocking.

In the air we stand today where on the sea we stood a hundred years ago. But we are not unchallenged, and the question of gravest import to our national security of tomorrow is, "Will we permit our clippers of the sky to be sunk as ignominiously as were our clippers of the sea?"

CONGRESS TAKES ACTION

Last year the Congress took a step which, if adhered to and pursued, should go far toward guaranteeing that our air arm shall not be palsied. In the Civil Aeronautics Act of 1938 it was declared that a new Civil Aeronautics Authority would coordinate the regulation and promotion of civil aeronautics in order that there might be developed an air-transport system adapted not only to the present but to the future needs of commerce, the Postal Service, and the national defense. In its declaration of policy that statute sets forth in measured terms and with the foresight of brilliant statesmanship a purpose and an objective which should command the unswerving fidelity of the country for years to come. None of us should retreat one step from the course so wisely charted in that act. Upon faithful adherence to that course our national security depends.

In a modest way I devoted such efforts as I could last year to aid the adoption of the Civil Aeronautics Act. At that time I reminded my colleagues on the floor of Congress:

"The air-transport industry has become a vital transportation medium with incalculable promise to the future of commerce and to the efficiency of the Nation in time of possible military emergency."

My investigation and study of civil aeronautics and its potential contribution to the Nation's welfare lead me, with a conviction that grows with each new day's disclosure of the course of world events, to the conclusion that there are few investments more prudent than those our country can and should make in civil flying. Repeatedly I have sought to further those legislative measures which would promote the cause of civil aeronautics, because that cause is the service of our Nation. Fortunately there has of late been a growing consciousness of the significance of civil aeronautics to our future well-being. But this recognition should not lead us to lessen our labors to aid civil aeronautics in finding its proper place in our land. We should continue the fight with redoubled force.

NOT A WARLIKE COUNTRY

Ours is not a warlike Nation. Our tradition is a search for peace with our neighbors and for an opportunity in our own way to work out our national destiny. Our Nation was born of a spirit which offered the oppressed of all the world a haven of refuge. Prejudices and hates of other lands were consumed here in the great melting pot which has given us our distinctive character. From 1789 to 1939 this Nation has endured as a monument to peace and to democracy, and the teeming millions of our continent propose to maintain that monument in the centuries to come.

Our first duty, therefore, is to assure that we shall always possess the means to defend that monument. On the sands of Kitty Hawk a new means for that defense was given birth, but so also was a new means for attacking our ocean-lapped citadel.

So with new weapons of defense we must combat new weapons of attack, the possibilities of which are as yet quite unplumbed. We cannot sit by and permit others to explore those possibilities while our wings grow rusty and our propellers idle.

We must be alert to take every advantage of the air, to fill the heavens with pilots and with planes, to provide the factories and the technicians which we need, to inform our people of the myriad purposes which aeronautics may serve, to encourage them to use and to enjoy the benefits of flight. And with an aeronautical industry thus assured we may face the future with confidence. Let the genius of an enemy do its worst, we shall match him and surpass him.

The Library of Congress

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 20, 1939

Mr. CELLER. Mr. Speaker, a great deal, in the aggregate, has been said about the Library of Congress as a library—as the National Library—as, perhaps, the largest library in the world. It is a matter of pardonable pride for Americans to consider the Library of Congress in this light; and especially so for Members of Congress, whose name it bears and to whose needs it primarily ministers.

The bare statistics of the Library collections are bewildering. It is not my purpose to emphasize them. What I wish to bring to your attention is the extent and variety of services which the Library offers to Members of Congress. Here is an institution which is much more than a library, in the common acceptance of that term. Organized into 28 divisions, it offers services of the most diverse and inclusive character. The law library and the divisions such as the reading room, manuscripts, maps, periodicals, are constantly alert to make their specialized collections responsive to the demands that pour in on Members. Convenient study space is made available in the congressional reading room, in the various collections of law, and elsewhere throughout the great building, where Members who have need to examine a great mass of material can do so without turning their offices into miniature libraries.

But, specifically, I want to call your attention to the agencies in the Library which are available for active research on behalf of Members. I mention, for example, the law library, the bibliography division, the 16 professional consultants, the chief reference librarian, and particularly the one division which Congress has had set up for its own special assistance in this field—the legislative reference service. Here is maintained a corps of trained assistants whose sole purpose is to aid Members in the performance of their official duties. Free of the routine maintenance duties that necessarily tie down many of the divisions, the legislative reference service personnel stands ready, within the limits of its congressional "charter," to bring the resources of the Library to bear on specific problems presented by Members. When Congress, in 1915, reflected the current trend toward legislative reference service, and established an agency of its own in the Library of Congress, it thus defined the general functions of the new service:

> * * * to gather, classify, and make available, in translations, indexes, digests, compilations, and bulletins, and otherwise, data for or bearing upon legislation, and to render such data serviceable to Congress and committees and Members thereof.

Never has the importance of adequate research in the preparation of legislation been more keenly felt than in the past few years, crowded as they have been with events of far-reaching significance. And I desire publicly to express the appreciation of one Member of Congress for the assistance which the Legislative Reference Service has furnished. With no ax to grind, no special interest to support, it has carefully and expeditiously met the most diverse inquiries, to the great relief of our overworked office staffs, and the furtherance of the public business. In recent months, its translation service has been especially helpful to Members whose connections have brought them into close contact with European developments. The foresight of the Congress of

25 years ago in providing for this special unit in the Library of Congress convenient to its vast collections and cooperating with its many divisions is being amply rewarded.

It is without doubt true that the efficiency of this branch of the Library of Congress has been enhanced by the fact that the administration of the Legislative Reference Service from its very inception has been placed in the hands and under the control of the Librarian of Congress, who, as no other individual in respect of this particular service, is qualified and in a position to see to it that the Members of Congress are properly and efficiently served.

In this connection I should like to call the attention of the Members to Senate Joint Resolution 5, introduced on January 4, 1939, by Mr. CLARK of Missouri. This resolution, which in no way indicates the reason or reasons for its introduction, makes provision for the transfer of the jurisdiction of the Legislative Reference Service to the President of the Senate and the Speaker of the House of Representatives.

It will be recalled that a similar venture to transfer the said jurisdiction was made during the third session of the Seventy-fifth Congress. At that time an attempt was made to transfer the power of appointing the employees in the Legislative Reference Service from the Librarian of Congress to the President of the Senate and the Speaker of the House of Representatives. In the ensuing debate it was pertinently pointed out that it would be "an anomaly to think of giving to somebody outside the Library the appointment of certain persons who are going to function under the administration of the Librarian."

The proposed amendment to the appropriation bill was finally defeated on a point of order. It seems to me, however, irrespective of the motive which prompted the amendment, that the interest of the Congress will be served best if the Legislative Reference Service remain under the administration of the Librarian of Congress, where it has been since its foundation, in 1915. This arrangement has been most satisfactory to the Members concerned. Any proposed transfer of the jurisdiction at this time would mean not only to engage in a dubious experiment, but would also tend to undermine the discipline and efficiency of this service which has not been found wanting in the past. Perhaps, it would be pertinent to remark right here that the present incumbent of the librarianship, Dr. Herbert Putnam, as most of the Members know, has held this high office for the space of 40 years this coming March, and has held this trust with rare ability and distinction. We are happy to know that on his retirement, the Congress, the Library, and the general public will not be deprived of Dr. Putnam's expert services, since the law enacted last year provides for his appointment as Librarian Emeritus of the Library of Congress. It is a special privilege and a pleasure for me to testify that the services rendered by Dr. Putnam, with due consideration to those who have so capably preceded him, have been surpassed by none. May I add the hope that a kind fate may spare us this eminent public servant for many a year to come.

The Members of Congress have likewise been benefited by the splendid service and cooperation extended by Mr. John T. Vance the law librarian, and his able staff, including Mr. Benjamin O. Coleman, Mr. Harry C. Shriver, Mr. Harry C. Nail, and Mr. Marsh T. McCoy.

Of equally great benefit to us has been the Legislative Reference Service of the library, under the able guidance of Mr. W. C. Gilbert, acting director of the service, and his splendid staff of workers. These include Mr. W. H. McClenon, who is in charge of the Federal law section; Mr. R. E. Manning, in charge of the bill digest section; Mrs. M. G. Blachly, in charge of the current information section; Mr. A. Bernard, who is assigned especially to inquiries in foreign taxation and economic matters, as well as in the matter of translations from French; and Messrs. A. C. Schwarting and Karl Metz, both of whom are highly qualified for translations, especially from the German language into English.

General Rivers on Guam

EXTENSION OF REMARKS
OF
HON. JERRY VOORHIS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, February 17, 1939

SUMMARY PREPARED BY MAJ. GEN. WILLIAM C. RIVERS, RETIRED, UNITED STATES ARMY

Mr. VOORHIS of California. Mr. Speaker, the following summary of the cost to the taxpayers of America of establishing at Guam a fortified base was made by Maj. Gen. William C. Rivers, United States Army, retired, who served 11 consecutive years in the Philippines. Certainly it should receive the consideration of the House in connection with this most important matter.

THE COST OF AN ADVANCED SALIENT AT GUAM

If we now plan to hold the Philippines and Guam, the United States must dominate the northwest Pacific Ocean. (Our policy has been heretofore to dominate the eastern Pacific. Our principal authority on naval matters said to the Vinson Naval Committee on January 31, 1938: "The defensive line of the American Navy at the present time reaches from the Aleutian Islands to the Hawaiian Islands, to Samoa, and to the Canal.")

The admiral said again to the same committee on January 25, 1939: "A naval base on the island of Guam would be extremely valuable in augmenting the defensive power of the American Fleet."

THE COST

Congress allotted one and one-fifth billions for naval increase last spring. The statement of the admiral to the Naval Committee on January 31, 1938, was that the Navy would be "seriously inadequate to the task of sending a naval expedition to the Philippines"—even after the completion of the above increase. "I doubt if we could undertake such an expedition with three times the increase," was the admiral's conclusion.

The 1938 allotment for naval increase was one and two-tenths billions.

Three times that increase—still insufficient—three and six-tenths billions.

The probable additional sum required, one billion.

The total amount needed for naval increase, five and eight-tenths billions.

Some other costs are: For most of the nine new bases in the Pacific there will be needed underground fuel-storage plants, heavy guns manned by artillery soldiers of our Army, antiaircraft guns, and so on. Then there is the additional number of officers and men for the increased number of war vessels. We see, therefore, that we must estimate the cost of holding Guam and the Philippines as fully $8,000,000,000.

A great ocean contains a number of sea lanes. It is the mission of the fleet to control these sea lanes. In order to do this, many distant bases are required. However, most bases add to the number of the sea lanes. The more bases you establish the more sea lanes you mark out. The more sea lanes you must dominate the more long-range cruisers and battleships you must lay down.

Look at the matter in another way: If the United States Fleet dominates from Manila eastward to the mid-Atlantic, it will control the sea lanes over more than one-half the globe; over that part of the earth covering 200 degrees of longitude. Such a consummation will, naturally, cost a good deal of money. It leaves only 160° of the earth's circumference for the other nations of the world to control.

The Discovery of the Verendrye Plate

EXTENSION OF REMARKS
OF
HON. KARL E. MUNDT
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, February 20, 1939

ADDRESS BY ELMER ANDERSON, JANUARY 18, 1939

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend my remarks to include therein an address given

before the South Dakota State Historical Society on January 18, 1939, by Hon. Elmer Anderson, of Willow Lake, S. Dak. Mr. Anderson was a former member of the South Dakota State Legislature and during the winter of 1913, while serving as a member of this legislature, had the good fortune to be present when the famed Verendrye plate was discovered along the banks of the Missouri River.

This plate has great interest to students of history since it records the fact that the intrepid French explorer, Verendrye, visited the northwest in the year 1743 and claimed for France the great territory, including South Dakota, which has now become one of the most bountiful and productive farming regions of the world.

Mr. Speaker, and my colleagues, I give you the address of the Honorable Elmer Anderson, entitled "The Discovery of the Verendrye Plate":

THE DISCOVERY OF THE VERENDRYE PLATE

Dear fellow members of the State Historical Society, it is with much pleasure that I have the privilege of being present at this the annual meeting of the State Historical Society and to participate in its deliberations.

My many years of membership have inspired me with a feeling of love and respect for these loyal and patriotic members who are constantly gathering historical facts of the passing events of the times and recording them to the benefit of posterity.

It is of still greater interest to me to have the privilege of relating the small part that fell to me on that mild and pleasant winter Sunday afternoon, the 16th day of February 1913.

Though a quarter century has passed since that day, this is the first opportunity I have had to relate fully before this body the humble and insignificant part that I played in the finding and the identification of the Verendrye plate. Passing time has marked me with threescore and ten years, but I still vividly recall the pleasure and keen delight that I felt in being personally connected with this important event. Providence dealt kindly with me in so designing the course of events in my life and so directing me on that day that I should be at Fort Pierre not far from the spot at the time the Verendrye plate was found.

Many others have, with much more ability than I possess, explained to you the significance of the Verendrye plate, how it had been deposited by a French explorer in the eighteenth century on the crest of one of the hills overlooking the Missouri near its junction with Bad River; how its existence and approximate location had long been known from the reports made by that explorer, and how its discovery served to verify some of South Dakota's early history for which these reports had been the source. My little part in the finding of this plate can be briefly told, for it was purely a case of coincidence and my connection is of practically no significance to anyone except myself.

During the winter of 1913 I happened to be in Pierre serving as a member of the State legislature. The legislative work, as usual, had been strenuous, and on this particular day a fellow member of the legislature, the Honorable George W. White, and I decided to take advantage of this day of rest by seeking recreation in the form of an outing. It was a beautiful, balmy, springlike day, and we agreed upon the plan of crossing the Missouri for the purpose of meandering over and among the hills and bluffs on the Fort Pierre side of the river. Our mission was purely one for recreation and sightseeing and not a search for hidden treasures, other than the beauties of the landscape and the skyline.

We spent several delightful hours wandering among and over these hills, absorbing the sunshine and the mild spring air and enjoying the beauty of the broad valley and expanse of prairie on the one side and the silvery ribbonlike streams below us on the other. It is possible and very likely that we discussed the history of the setting in which we found ourselves, the little frontier town at the foot of the hills, and the herd of buffalo which was then pastured just beyond us to the west.

During the course of the afternoon we at one time slightly altered our direction in order to avoid a hill crest where a group of children were absorbed in play. We did not wish to disturb them, and little did we realize that those children were innocently participating in an event of historical significance and importance.

As the afternoon passed away much too rapidly, Mr. White and I made our way back toward the depot, for we were to return to Pierre on the ferry train. Our train was to leave the Fort Pierre station at 5 o'clock. With the nearing of that hour we approached the depot, and as we drew near we were met by a man and a boy. The man proved to be Mr. William O'Rielly, a resident of Fort Pierre with whom I had become acquainted during a previous session of the legislature. The boy was his son, George. Mr. O'Rielly carried in his hand a rather small, dark, flat object which he rather hurriedly handed to me as we exchanged greetings. He explained that it had been uncovered by the group of children playing on a nearby hilltop, and his boy, who was among them, had brought it to him. The object was a metal plate which bore evidence of obscure and indistinct markings and engravings of unfamiliar form. Mr. O'Rielly expressed the belief that it might have value, and he asked our opinion on the matter. I rather hastily surveyed the plate, picked and scratched at some of the grooves and indentations as the others looked on. After removing considerable grime and encrusted gumbo soil, the engraving in one spot revealed a series of numbers which careful scrutiny proved to be 1–7–4–3. These numbers were immediately established in our minds as indicating the year date, 1743.

I then handed the plate to my companion, Mr. White, who continued to scratch away the caked rust-like covering until he had made vaguely distinguishable some of the other marks and indentations. We were then able to vaguely recognize a part of the engraving as the word "Verendrye."

It was at once evident that we had in our possession an object which had long been sought in connection with the verification of white man's first visit to this region. We explained to Mr. O'Rielly that we believed this metal plate to be a thing of considerable historical importance and value and we asked his permission to carry it with us on our return to Pierre in order that it might be more carefully examined by the secretary of the State historical society.

Mr. O'Rielly politely but firmly refused our request so we returned to Pierre without the plate.

After we had arrived at Pierre we contacted by telephone Doane Robinson, secretary of the State historical society and to him related our experience in connection with the finding of a lead plate at Fort Pierre. He was very much interested and expressed the belief that it might be the long-sought plate buried by the early French explorer.

The following morning Mr. Robinson and a group of friends visited Fort Pierre to confer with Mr. O'Rielly and to examine the plate. After careful examination this group identified the plate as the one deposited by the French explorer, Chevalier de la Verendrye, on the 30th day of March in 1743.

This plate had been deposited by the Frenchman to betoken the claim of France to this vast inland wilderness by right of first exploration. For 170 years it had lain there in its shallow earthen depository gathering not only a distinguishing crust from the elements but also veneration with the passing of time. For a century and a quarter it almost alone marked the advance of white man into this region. Then after the establishment of the settlement at Fort Pierre it remained for another 40 years a concealed proof of the veracity, the courage, the loyalty, and the daring of that bold subject of the King of France.

The passing of 26 years has not dimmed in the least the pride which I feel in having been so closely, yet so unimportantly, associated with the finding of that historical document—a document which had long been eagerly sought as the missing link in the chain of facts in the early history of this section of our continent. The finding of it has definitely proven to be a link connecting the Old World with the New and the past with the present. The plate is owned by the State Historical Society and is on display in its museum.

I am justly grateful for this opportunity to relate my connection with this historical event to you, my fellow members of the South Dakota State Historical Society.

INSCRIPTION ON THE VERENDRYE PLATE

Obverse: "In the twenty-sixth year of the reign of Louis XV, the most illustrious Lord, the Lord Marquis of Beauharnois being Viceroy, 1741, Peter Gaultier de Laverendrie placed this."

Reverse: "Placed by the Chevalier de la Verendrye Louis Joseph (Verendrye) Louis La Londette A. Miotte March 30, 1743."

Organization of the District of Columbia Government

EXTENSION OF REMARKS

OF

HON. AMBROSE J. KENNEDY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, February 20, 1939

Mr. KENNEDY of Maryland. Mr. Speaker, the public press has had much to say in recent days on the question of better organization for administration of local government affairs in the District of Columbia. The discussion has centered around a proposed plan of organization presented for the consideration of the District Committees of the two houses in a report commonly called the Griffenhagen report.

This report is now available in printed form and copies can be secured from the House document room. I earnestly beseech the Members of this body to secure copies and familiarize themselves with the contents of this report so that they may be informed in connection with any bills that may be introduced on the subject and may know how to respond to requests for their votes for or against any such measures. The essence of the proposed plan is presented in 21 pages of language that is clear, concise, and easy to read

and understand. For those who wish to go deeper into the subject, further details are presented in supplementary schedules. A good general idea of the proposed plan can be secured from this report in less than half an hour.

As most of you, no doubt, are aware, the study on which this report is based, has been in progress for the last 9 months under the auspices of the two District Committees, of one of which I happen to be a member. We availed ourselves of the counsel and technical assistance of the organization of Griffenhagen & Associates. This organization has been engaged for 28 years as consultants in public administration and finance serving the National, State, municipal, and other governments throughout the United States and Canada. Its findings are deserving of respectful attention.

No doubt most of you, in reading the report, will find details with which you do not agree. That is the case with me and with my colleagues on the committees and is not at all surprising. It is heardly to be expected that anyone could develop such a comprehensive plan, comprising so many details, affecting so many vital interests, and involving so many controversial questions on which everyone could agree on first reading.

I ask you to read the report with open minds, with the idea foremost that here is a serious and earnest attempt to provide a sound and practical solution to a problem that has baffled those interested in local government in the District for many decades. It is entitled to serious consideration.

I ask you to study the plan as a whole, that you reserve judgment on any details with which you are not in agreement until there has been full opportunity for discussion.

Please remember that each recommendation is based on careful reasoning and that you may find the reasons cogent enough to overcome your first impressions when the matters have had full discussion. But as to any real questions on which you may remain unconvinced I ask you to direct your attention to amendments in such details rather than to oppose the whole plan.

It is not proposed nor intended that the plan presented be adopted in the exact form in which it is presented, nor in any form until after there has been full and free discussion to bring out the merits and demerits of the plan as a whole and in its many parts. For this purpose the reorganization subcommittee of the House District Committee, of which I am chairman, plans to go exhaustively into the report and to hold a series of hearings at which all points of view may find full expression.

We desire at this point to make grateful acknowledgment to the chairman of the Senate Committee on the District of Columbia for his offer to appoint a similar subcommittee to cooperate on the Senate side in the study of the report and the preparation of a plan for putting it into effect.

On the basis of compromise as to any controversial points on which reconcilement of conflicting points of view are impossible, it is intended to propose legislation to make effective the most desirable plan that can be evolved. It is to the question of an informed reception of such proposed legislation when it is introduced, that my remarks are now addressed.

It is hardly necessary for me to go at length into the circumstances leading up to the report I am now discussing. It is a matter of common knowledge that the District is operating under a form of government that was adopted over 60 years ago. In all these years as new activities have been taken up, new agencies have been established to carry them on. Furthermore, numerous special authorities, advisory boards, and coordinating committees have been established. These various agencies have been set up in all sorts of ways, with little thought of fitting them into any common plan. Some of them, exercising local government functions, are parts of Federal Departments, some definitely parts of the District municipal government, others of hybrid forms are partly Federal and partly local with little regard to their place in any planned system.

The result of all this is a hodge-podge, a conglomerate mess of agencies operating in all sorts of degrees of independence of each other, without possibility of a common plan or unified operation. Through lack of a local governing authority clothed with adequate powers of local government, the Congress of the United States has been compelled to act as a city council for the District and to set its ponderous machinery in motion in matters of the most trivial detail of no national interest whatever.

This confused and complex situation has been recognized for years as calling for corrective action. Again and again, studies have been made and plans have been evolved for improvement, which have gone for naught, for lack of sufficient interest to press them to conclusion in the Halls of Congress.

The situation is ever becoming more and more acute, the demands of an aroused citizenry of the District for relief ever more insistent. It is urgently to be impressed upon you that now is the time for action. The excellent plan now in the hands of the committees and soon to be placed before you, perhaps in modified form, should not be ignored as have those in the past.

It is important, in this connection, to bear in mind that the plan for modernization and simplification of the organization structure of government for the District has no necessary relationship with the movement for voting representation for the District. The two matters should not be confused. There is need for an effective and economical form of government structure, whether or not representation is given to the residents. The two movements are not in conflict. Neither should either one be tied up with the other and made to depend upon it. Each can be considered without the other, on its own merits.

Shall We Quarantine The Aggressors?

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, February 20, 1939

ADDRESS BY HON. JOHN M. COFFEE, OF WASHINGTON, FEBRUARY 17, 1939

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my own remarks in the RECORD, I include herein an address delivered by me at a well-attended meeting in Philadelphia, featuring a debate between myself and Senator NYE, of North Dakota. The meeting was held under the auspices of the American League for Peace and Democracy. Senator NYE upheld the negative and I the affirmative of the question "Shall we Quarantine the Aggressors?" Because I believe the subject matter to be particularly pertinent to any study of the world situation, I am placing it in the RECORD. The address is as follows:

Mr. Chairman, fellow citizens, and members of the radio audience, at the outset I wish to compliment Senator NYE upon the excellent work performed by himself and his famous Munitions Committee in exposing the shoddy racket of the "merchants of death" in promoting sales of munitions, in fomenting revolutions, in propaganda, and likewise the underhanded methods of international bankers. Senator NYE and I are warm personal friends, and in agreement on many matters of legislation. Particularly do we frequently, heartily, agree in our protagonism of measures designed to solve the internal problems of our common country. Hence, I hope it will be understood that there is nothing personal here in our pleasant interchange of observations anent the international situation.

I congratulate Senator NYE on having championed the cause of those who advocate the lifting of the embargo against Spain. With that viewpoint I am in hearty accord.

NO PARALLEL BETWEEN NOW AND OTHER TIMES

No parallel can fairly be drawn between conditions now prevailing in a tragic world and those which obtained at any other time in the history of the universe. We must view the international scene objectively. We must not allow our natural partisanship for America to be colored or tinctured by a refusal to recognize that we are living in a world gone mad; that savages are running amok, yet savages who are in control of powerful

governments; that following the World War the Treaty of Versailles created conditions favorable to the establishment of totalitarianism in the "have-not" countries. We must accept a measure of blame for the harsh terms we imposed upon defeated nations in the World War. Exultant in victory, the Allies imposed upon their stricken victims requirements so extreme, indemnities so great, that despair and chaos inevitably ensued in the countries affected. The Allies prepared the soil and thus fertilized it for the sowing of the seed of fascism, the fruitage of which we have viewed with misgivings in recent years. I do not condemn so much the demoralized citizens of these countries for having accepted the plausible preachments of the oratorical champions of the new order. I do deplore the failure of the Allies to recognize the danger, and circumvent it while there was yet time.

TREATIES MEAN NOTHING TO THE FASCISTS

The dream of Woodrow Wilson, the League of Nations, might have succeeded had we been a member, but without force in the form of an army and navy with which to carry out its decrees, it was foredoomed in any case to impotence. In 1922 we saw its first defeat, when Mussolini seized and occupied, on a pretext, the island of Corfu, a Greek possession. The League bitterly protested, but to no avail. Since that time international treaties have become scraps of paper, solemn covenants have been repudiated with impunity. We have witnessed the rise of fascism. The shadow of the swastika has been growing longer across the map of the earth. The cloud of the fasces daily grows darker.

The Treaty of Versailles has been broken; the Naval Disarmament Treaty of 1922 has been ignored; the Nine Power Pact, guaranteeing the territorial inviolability of China, has been shattered; the Kellogg-Briand Treaty, declaring against war as an instrument of national policy, to which more than 50 nations were signatory, has been flagrantly flouted; the "open door" in China has been closed by Japan. The famous 14 points of Woodrow Wilson, upon the basis of which the Central Powers agreed to capitulate to the Allies in 1918, have become a nebulous ghost of the past. The League of Nations is now a floundering, inept, sterile body of diplomats, engaged in feeble oratorical contests. Bluff and gusto have become the order of the day. The international gold standard is gone; Fascist powers operate on fiat money; the light of learning burns but dimly amid the dark night which some think presages a return to the Dark Ages; minority races are persecuted; religions are scorned and sneered at; Jews are flailed, tormented, and insulted. We witness the rise of the power of the sword. The Bill of Rights is being stamped out. Culture and learning are ridiculed. The product of the ages, of art and research is being burned and destroyed; the democracies of the world which were begat, for the most part, in the last two centuries—in the face of economic disorders, problems of the machine age, commercial competition, overproduction—are succumbing to fascism.

DEMOCRARY IS DISAPPEARING

Call the roll of the once-proud democracies of Europe. Where are they now? Portugal, Fascist; Spain, Fascist, in all but a small sector still held by the Loyalists; Italy, Austria, Germany, Poland, Estonia, Latvia, Lithuania, Greece, Turkey, Japan, Hungary, Rumania, Bulgaria, Albania—all Fascist! What do we find in Central and South America? The two Negro Republics of Haiti and Cuba—dictator-controlled. In all of South America but three republics still retain some attributes of a true democracy. Of the five republics of Central America, south of Mexico, we find but one which is not totalitarian.

Fascism is creeping with not too stealthy footsteps into Mexico and Canada, where drilled troopers wearing the silver shirt goosestep behind the swastika emblem, brazenly flaunting their contempt for the government of which they are resident. In the United States the German-American Bund and Silver Shirts, between them, boast of 100 camps, with a half-million membership. Screaming their hatred for the Jew and for organized labor, these psychopathic sycophants of the bellicose megalomaniacs of Europe, with consummate gall advocate the overthrow of the American Government, if need be, by force.

THE JEW, THE CATHOLIC, THE TRADE-UNIONIST, THE MASON, ARE PILLORIED

The Jew is not the only victim of the Fascist pogrom; already the Catholic Church has felt its menace. Let no Catholic delude himself that he can long escape the scorched-earth policy of the Fascist dictator. The wealth of the church attracts his covetous eyes. Organized labor has been extirpated in Japan, Germany, and Italy, and the countries under their sway. Next come the secret societies, the Masonic lodges; any organization which does not offer complete and supine homage will not be tolerated. They will all be "gone with the wind" because criticism of any kind is construed as laying impious hands upon the ark of the covenant.

Surveying such a mad world, shall we turn the other cheek? Do we think that we can emulate the ostrich and hide from evil by sticking our heads in the sand? Do we think the forest fire will make a detour as it approaches our home property? I contend that the proper way to fight a forest fire is to build a back-fire. Meet it before it reaches your house and engulfs it. When one observes a tidal wave approaching, he doesn't wait until it submerges him.

CIVILIZATION ITSELF IS THREATENED BY FASCISM

Ethiopia has been ruthlessly subjugated. The islands in the Mediterranean have been forcibly seized. Austria has been conquered. Czechoslovakia has been dismembered. Spain has been inundated with blood, and is about to be converted involuntarily into a Fascist puppet state. In the Far East that slumbering giant, old China, has been invaded, its women, its children, and its old men cruelly bombed and blown to bits. China has ever sought friendship and peace, but the philosophy of Confucius has been answered by the weapons of Mars. From tri-motor Italian planes, flying 20,000 feet up, have fallen 2,000-pound TNT bombs, dropped by Fascist aviators upon hospitals and churches. Too high to be seen or heard from the ground. From airplanes machine-gun bullets have pursued the fleeing refugees, as the women and children, half-starved and ragged, attempted to find safety. The bravery in which the Fascist indulges is that kind of fortitude. Mussolini's son wrote in a recent book that it was the "cutest" kind of sportsmanship to shoot at these harmless women and children from an airplane.

SHALL WE IGNORE THE PRAIRIE-FIRE APPROACHING US?

Are we callous to the sufferings of the world? Are we immune to the fate of democracy everywhere? Do we think that because in the past we have escaped we shall forever be safe? To maintain peace for America, let us help expel war from the world.

When Spain is overrun and the French, the Moors, and the Italians, with a few Spanish Fascists, line the French border at the Pyrenees in the next few weeks, they will hurl a challenge to the French Nation to surrender the French Riviera, Savoy, Nice, give up the island of Corsica, evacuate Tunis, abandon French Somaliland, give up the railroad connecting Abyssinia with the seacoast, divide up its rights on the Suez Canal. That will be the crisis. What then? Will France give in? For the first time, then, we will find the Fascists facing us across the Atlantic. They will control the Canary Islands. If France does not give in, she must fight. Otherwise she becomes a third-rate power. The Fascists are masters at bluffing, but if they win enough booty by that method they won't have to stop at merely bluffing; they will be fortified and ready. Hitler has bluffed his way into the Saar Basin and the Rhineland. By gusto and bluster he has rebuilt the German Navy, reestablished the German air force, re-created the German Army—all in violation of treaty. The democratic nations stood back and watched him do it because none of them wished to go to war again so soon. The taste of the unspeakable carnage of the last conflagration still lingered unpleasantly on their lips. We are living in an epoch of brute force.

PRESIDENT F. D. ROOSEVELT FORESAW THE APPROACHING CRISIS

Let me recall to your minds the immortal words of President Franklin Roosevelt when he advocated a quarantine of the aggressors at Chicago in 1937. I quote: "The present reign of terror and international lawlessness began a few years ago. It began through unjustified interference of other nations, or the invasion of alien territory, in violation of treaties, and has now reached a stage where the very foundations of civilization are seriously threatened. * * * Innocent people and nations are being cruelly sacrificed to a greed for power and supremacy which is devoid of all sense of justice and humane consideration.

"If these things come to pass in other parts of the world, let no one imagine that America will escape, that it may expect mercy, that this Western Hemisphere will not be attacked, and that it will continue tranquilly and peacefully to carry on the ethics and the arts of civilization. War is a contagion, whether it is declared or undeclared. It can engulf states and peoples, remote from the original scene of hostilities."

Can any sane person argue that the covetous eyes of greedy dictators are not already cast in the direction of the richest Nation on earth? That heavily financed propaganda from Berlin is not being widely scattered throughout this country? With our enormous industrial production and store of gold, we may readily be the objective. Let us not wait for the attack; let us fight Indians with Indian methods; let us boycott the aggressor nations.

BOYCOTTS ARE WELL GROUNDED IN PRECEDENT

Our colonial forefathers boycotted Great Britain. They refused to buy the products of the mother country. They threw the tea into the Boston Harbor. When France acquired Louisiana from Spain in 1800 Jefferson wrote a friend that he would be compelled completely to embargo France because of the menace of such a neighbor. He even predicted we would have to war against her. But Napoleon needed money and sold this possession to us for $15,000,000. From 1807 to 1812, by nonintervention pacts and embargoes, the United States quarantined both France and Great Britain.

I advocate concerted action by the democracies to resist aggressors. We are citizens in a family of nations. We are inseparably a part of the universe. We must preserve the fruits of the Renaissance. We must resist turning the clock backward.

BOYCOTTS, NOT IMPOTENT DIPLOMACY, IS DESIRED

Notes and official protests have no effect in restraining an aggressor nation. We must boycott them; we must refuse to sell our products to them or buy the products they export to us. Since 1931 Fascist aggression has scored an almost unbroken record of success. Today it is supremely confident of its ability to get what it wants by the use of, or the mere threat of, force. H. V. Kaltenborn, America's foremost radio commentator on international affairs, states that "There is but one way—short of red war—to meet this challenge. That is the way of the white war of sanction and reprisal."

In 1937 Japan depended on the United States for 93 percent of her copper, 91 percent of her automobiles and parts, 61 percent of her petroleum and oil; half of her machinery and engines, 42 percent of her pig iron, and 60 percent of other iron and steel. There is no other country from which she could purchase it. Japan furnishes a perfect example of how independent action by a single country could effectively cripple the war-making power of another. Foreign exchange restrictions have left several million Japanese factory hands idle. The United States buys something like 90 percent of all the silk exported by Japan. An embargo on Japanese silk would at once create an economic crisis in Japan, for no other country can, or will, buy Japan's silk.

THE 1937 NEUTRALITY ACT HAS FAILED TO ACHIEVE THE END SOUGHT

I voted against the present neutrality bill. It fails to discriminate between the aggressor and invaded nation in international warfare. It applies restrictions alike to civil war. No other nation is so stupid as to allow conditions outside its country to cripple the freedom of action within the country itself. The neutrality law is responsible for the debacle in Spain in the sense that our embargo denied the recognized government opportunity to purchase essential war materials from us. We have furnished Japan already $300,000,000 in war material. Let us stop being partners of these ruthless butchers. Shall we continue to soil our hands in the blood of the poor Chinese?

THERE IS TREMENDOUS SUPPORT FOR A QUARANTINE-THE-AGGRESSOR POLICY

I quote Walter Lippmann: "If Great Britain and France fall before the menace which confronts them in Europe, and are no longer able to hold the western coast of Europe and Africa at the Straits of Dover, in Portugal, at Gibraltar, and down the African coast, then we shall find ourselves without the power to maintain our position in both oceans and, for the first time in our history, will become insecure and vulnerable." It is to prevent that situation that I advocate an embargo of the aggressors and concerted action by the democracies to resist now the onward march of fascism, through economic agreements, reprisals, sanctions, and deprivations.

In this respect I am following good precedent. All save one of the peace organizations of the United States advocate this viewpoint. In insisting upon this attitude toward Japan, I am heeding the precepts of every Republican Secretary of State for 40 years.

Six hundred and ninety out of seven hundred newspapers examined have editorially urged a boycott of Japan. It may be contended that such boycotts would cause war. Far from it; they would make impossible the carrying on of aggressive war; they would implement the League of Nations Covenant; they would revive respect for international law. Such an embargo was urged by the General Federation of Women's Clubs of America. It is backed by such formidable organizations as the Federal Council of Churches, the American Association of University Women, the National Board of the Y. W. C. A., the National Federation of Business and Professional Women's Clubs, the National League of Women Voters, the National W. C. T. U., the National Council of Jewish Women, the National Committee of Church Women, the National Women's Trade Union League, the C. I. O., the American Youth Congress, the A. F. of L., the Gallup poll.

No one wants war. All of us are trying to forestall war. Senator NYE and I are working toward the same objective. We want to remold "this sorry scheme of things * * * nearer to the heart's desire," but we propose different roads. The Japanese have a proverb, "There are many pathways to the summit of Fujiyama, but they all converge at the crest." Honest differences divide people on the subject. Such men as Earl Browder, of the Communist Party, and David Lawrence and Dorothy Thompson, ultraconservative columnists, and the Washington Star advocate the general doctrine of collective security and quarantining of aggressors; whereas Herbert Hoover, repudiating his former viewpoint; Publisher William Randolph Hearst, Mark Sullivan, Senator Rush Holt, and Congressman Hamilton Fish and Norman Thomas are all isolationists.

WE ARE ERECTING A FRANKENSTEIN

By selling munitions and essential materials of war to Fascist powers and paying exchangeable cash for their products, we are aiding and abetting the very aggression which 90 percent of us revile. We are strengthening the Fascists, daily adding to their ability to destroy us. It is farcical. After the Naval Disarmament Conference we quit building warships, relying upon the pledges of other nations. Now we are engaged in a feverish contest to build a navy and an air force the equal of any on earth, so that we will be in a position to defend ourselves when Fascist, if unchecked and unsatiated by the offerings involuntarily made by their victims, attempt to consume us. Their voracity is unlimited. It is ludicrous to supply these monsters with the means to destroy us and then build great armaments to defend ourselves from the Frankenstein which we, in part, have been and are creating.

Civilization is now at the threshold. Shall we permit it to be thrust into the abyss? There are those who cry "America for Americans"; "Keep our nose out of other people's business"; who cite George Washington's warning about foreign entanglements, but fail to quote his approval of such alliances to conquer emergencies; who prate of the Monroe Doctrine; who talk about the unpaid war debts owed to us by England and France; who sneer at "perfidious Albion." I do not exonerate these countries from blame for countless faults, but neither do I demand the pedigree of the coast guardsman who is in position to rescue me from a sinking ship. I accept aid. Where would America be had we not had Lafayette, Rochambeau, the Cound de Grasse, the French fleet, French troops, Von Steuben, and Kosciusko during the Revolutionary War? What was it stopped Napoleon in 1815? Concerted action of nations led by Great Britain resisting an aggressor. What stopped Spain in 1588? Concerted action of invaded nations resisting an aggressor. The same is true of Frederick the Great. With all her faults, Great Britain has been a bulwark of strength to America. France and Great Britain have been and are our first line of defense.

AMEND THE NEUTRALITY BILL

Therefore, I advocate that the Neutrality Act of 1937 be so amended as to permit the placing of an embargo against aggressor nations, as advocated by the National Committee for Concerted Peace Efforts, the aggressor to be determined by the President of the United States, backed by a majority vote of the Congress.

I join with the New York Times in supporting collective security.

DEMOCRATIC HUMILITY VERSUS FASCIST IDOLATRY OF NIETZSCHE

Twenty-five years ago, international bankers fomented sentiment for war. Today no one advocates war, but a clarion voice is rising in increasing volume from the throats of millions, demanding that we stop sending scrap iron to Japan, where it will be made into machine-guns, insisting that we no longer stand aloof incurring the hatred of the entire world, but take our proper part in it, lest we be engulfed and destroyed. Fascism is on the march. Its slogan is "rule or ruin." Brute force is its weapon; its morals are nonexistent; its religion is neopaganism; it worships the philosophy of Friedrich Nietzsche in his Thus Spake Zarathustra. We do not deify man. The democracies inculcate the doctrine of humility. They must draw their power from the people.

The very faults of the democracies are their justification. They are dilatory and inefficient, but whatever their faults the people derive the benefit of their virtues. One may be asked, "What is a democracy?" Let us measure them by the criterion of the Bill of Rights. Democracy is a precious idea, eminently worth preserving. We have only had a flickering of culture in a few centuries out of the entire earth's history; we must do all in our power to help preserve what it has been such a struggle to attain. Let us not see our brothers of the same governmental complexion snuffed out, and feel secure that we can remain untouchable.

Quarantine the aggressors!

Taxing Government Securities and Salaries

EXTENSION OF REMARKS

OF

HON. CHARLES HAWKS, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 20, 1939

RADIO ADDRESS BY HON. JESSE P. WOLCOTT, OF MICHIGAN

Mr. HAWKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address by the gentleman from Michigan [Mr. WOLCOTT] in connection with the American Forum of the Air last night:

Mr. Chairman, ladies, and gentlemen, the question tonight is Taxing Government Securities and Salaries.

In presenting the negative side of the question, I desire to clarify the position taken by the opponents of the several proposals. The bills before the Congress are supposed to be reciprocal in their character. It is proposed that the Congress grant authority to the States having income-tax laws, to tax the salaries of Federal officials and employees and the income from Federal securities. In turn, the salaries of State and municipal officers and employees, and the income from State and municipal securities are to be taxed by the Federal Government. Because of the decided advantage given to the Federal Government, it is doubtful whether this arrangement is reciprocal. The Federal Government would be given a profit of about $17,000,000, but the States would suffer a loss of about $96,000,000, due to increase in interest charges.

There is nothing reciprocal about this. Even my worthy and highly esteemed adversary, Mr. Hanes, in his statement before the special Senate committee, admits that there will be some increase in interest rates, but places emphasis on the fact that the increase will be moderate. Taxation will simply add to the burden of debt financing by the States. If the Government continues its present policy of investing Social Security reserves in current issues of Federal obligations, the disadvantage to the States of this so-called reciprocity will be proportionally increased.

The important question, however, is not, Shall these taxes be authorized? but one which goes to the very heart of the American form of government, How shall they be authorized?

All of the studies of these propositions recognize that a fundamental question of State sovereignty and independence is involved. It is the contention of the opponents that these tax proposals

can be effectuated only by an amendment to the Constitution. The basis for our contention lies in the recognized fact that the Congress cannot amend the Constitution.

Every United States Senator and Member of the House of Representatives is bound by an oath or affirmation, which must be given without any mental reservation or purpose of evasion, to support and defend the Constitution of the United States. This means that they are under oath to preserve our tripartite system of government, wherein the legislative branch makes the laws and the judicial branch interprets the Constitution and the laws.

The Supreme Court has repeatedly held that the salaries of State officers and the income from State securities are immune from Federal taxation. The Congress is not vested with authority to veto decisions of the Supreme Court in respect to constitutional questions. To give it this power would destroy the American form of government; it would destroy certain checks and balances, the maintenance of which has perpetuated our dual democracy for 150 years.

Concerning the constitutionality of the taxing of State securities by legislative enactment, the Supreme Court has held that the Congress has no power to include in a general income tax the income from State and local bonds. To do this would be to impose a tax on the power of the States and their subdivisions to borrow money, and thus be unconstitutional.

On the question of Federal taxation of the salaries of State officers, the Supreme Court has repeatedly held in a long line of decisions that the salaries of State officials and State employees engaged in functions indispensable to the maintenance of a State government cannot be taxed by the United States.

In recent decisions the Supreme Court has not reversed itself in this respect; it has merely clarified its precedents by establishing that State officers and employees engaged in proprietary functions not essential to the continued existence of the State government may be taxed.

The Department of Justice, relying upon these clarifications, now contends that because of the trend of these later decisions, the Supreme Court will reverse its time-honored conclusions. These conjectures on the part of the Department of Justice are insufficient for the Congress of the United States to predicate a reversal of its custom to respect the decisions of the Supreme Court.

The Department of Justice and the Treasury Department never have contended that these tax proposals are entirely free from constitutional doubt as to their validity. When Mr. James W. Morris, the Assistant Attorney General, presented his arguments before the Ways and Means Committee, Hon. DANIEL A. REED, of New York, a member of the committee, asked Mr. Morris this question:

"Do you personally entertain any doubt as to the constitutionality of the proposal which is brought here?"

Mr. Morris replied:

"I do not think I would be candid if I said that the question was one without doubt."

As late as last week, Hon. Robert H. Jackson, the Solicitor General of the United States, presented a brief to the Supreme Court on this subject. The question under consideration involved the right of the State of New York to tax the salary of an attorney of the Home Owners' Loan Corporation, a Federal agency. Mr. Jackson contended in his brief that the salaries of State employees are not immune from Federal taxation, but recognized that the Supreme Court has held on at least four occasion that the salary of an officer of a State or the Federal Government is exempt from taxation by the other. He attempted to distinguish between an employee and an officer. He admitted, that if as he contended, no distinction could be drawn between a State officer and a State employee, his position was contradicted by the decisions of the Court. He contended that the Court had committed error in previous cases, and asked that these decisions be reconsidered. In other words, he asked the Supreme Court to reverse a stand which it has taken for over 100 years; that the taxation of salaries of officers of the State and Federal Governments are constitutionally exempt from taxation by the other.

It seems to me that what the Court has clearly held is that an officer or employee of a State, performing an essential governmental function, is immune from Federal taxation under the United States Constitution; but where the State officers or employees are engaged in nongovernmental functions of a proprietary nature, the salaries of those employed in such activities, although authorized by State constitutions, are not beyond the taxing power of the United States. The position which we take, therefore, is that none of the recent decisions of the Supreme Court modify our contention that existing revenue laws tax the compensation of local officers and employees to the fullest extent permitted under the Constitution.

If the Supreme Court has held it unconstitutional to tax the salaries of State officers and the income and property of State and municipal securities—and I do not believe there should be much doubt about this—we cannot stress too forcibly the importance of adhering to its decisions.

There must be some basic foundation upon which men and governments may rely in day-to-day dealings. Recognizing this necessity, English and American courts, for at least three centuries, have always imposed upon themselves the duty of respecting their own prior decisions. The public, by custom and usage, has been taught to consider the decisions of the Supreme Court as enunciations of the established law of the land. To destroy the respect which our people have for Supreme Court decisions would be to undermine an integral part of the foundation of our American form of government.

The Court, by restricting its reviews to important problems, shows that it expects its own decisions to be respected by those who are not litigants before them. And that assumes that the Court, more or less, covenants to decide the next case in the same way.

Outstanding liberal Justices have recognized the necessity for strict adherence to the precedents established in and by our courts.

The late Mr. Justice Cardozo writes in his great work the Nature of the Judicial Process, "I think adherence to precedents should be the rule and not the exception."

In an address before the New York State Bar Association in 1932 he especially condemned those who impatiently brush aside the law of a century when it does not happen to fit in with their own predilections.

The Department of Justice, which asks that the Supreme Court reverse itself and hold these taxes to be constitutional, daily argues before the courts on other matters that precedents should be respected and followed.

Justice Reed, when Solicitor General of the United States, arguing before the Supreme Court, recognized the advisability of respecting the precedents of the Court when he said: "Certainly, the principle of the tax immunity of the sovereign itself is too firmly established now to be reexamined."

But even stronger is the language used by Mr. Justice Harlan, to express himself as follows:

"* * * While in a large sense, constitutional questions may not be considered as finally settled, unless settled rightly, it is certain that a departure by this Court from a settled course of decisions on grave constitutional questions, under which vast transactions have occurred, and under which the Government has been administered during great crises, will shake public confidence in the stability of the law."

Even in Shakespeare's time, the doctrine of stare decisis was well established. Bassanio says in the Merchant of Venice:

"Wrest once the law to your authority; to do a great right, do a little wrong."

And Portia answers:

"It must not be. 'Twill be recorded for a precedent, and many an error by the same example will rush into the state."

The eminent Judge Cooley in his Treatise on Constitutional Limitations says:

"A constitution is not to be made to mean one thing at one time and another at some subsequent time when the circumstances may have so changed as perhaps to make a different rule in the case seem desirable. * * * A court or legislature which should allow a change in public sentiment to influence it in giving construction to a written constitution, not warranted by the intention of its founders, would be justly chargeable with reckless disregard of official oath and public duty; * * *. What a court is to do, therefore, is to declare the law as written, leaving it to the people themselves to make such changes as new circumstances may require."

On a previous occasion the Congress of the United States was asked to pass a bill notwithstanding doubts as to its constitutionality, however reasonable those doubts might be. The people of the United States voiced their condemnation in no uncertain language. They sensed a danger to our democracy. The people of the United States do not want the Congress to tamper with the Constitution—they do not want it perverted or vitiated by congressional assumption or conjecture.

The stability of this Government is in proportion to the respect which our people have for the opinions of the Supreme Court. If evils and inequities exist, they must be remedied in compliance with and not in spite of the Constitution.

The Supreme Court has held that these tax proposals are unconstitutional. In consequence, the only way all the salaries of State and political subdivision officers and employees and the income from State securities can be reached by the Federal Government and all the salaries of Federal officers and employees and the income from Federal securities can be reached by the State governments, is by a constitutional amendment.

Wool Labeling Act

EXTENSION OF REMARKS

OF

HON. JOHN A. MARTIN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 20, 1939

RADIO ADDRESS OF HON. CHARLES L. SOUTH, OF TEXAS, FEBRUARY 18, 1939

Mr. MARTIN of Colorado. Mr. Speaker, under leave granted by the House, I submit for the RECORD an address on the pending Wool Labeling Act made by my colleague,

Hon. CHARLES L. SOUTH, of Texas, over the system of the National Broadcasting Co. at Washington, D. C., Saturday, February 18, 1939.

The address is as follows:

Most of us who are at all familiar with the Wool Products Labeling Act of 1939 are in favor of its passage. The Interstate and Foreign Commerce Committee of the House of Representatives now has this bill under consideration, and a subcommittee recently appointed by Chairman LEA, of which I am a member, will begin hearings within the next few days on this bill, H. R. 944, introduced by Congressman MARTIN of Colorado. As the name implies, this proposed legislation will require woolen manufacturers, and others handling their products, down to and including the retailer, to disclose to the purchaser by means of labels, tags, or stamps, the fiber content of fabrics or goods which will be offered to the public as "woolen goods."

This bill proposes to afford the consumer of wearing apparel, and many other textile articles, a protection similar to that now given in another field by the Pure Food and Drugs Act, with which many of you are familiar.

The Wool Labeling Act has the Nation-wide support of various civic, farm, and labor organizations. Among others might be mentioned the General Federation of Women's Clubs, the United Textile Workers of America, the National Grange, the National Farmers' Union, the American Farm Bureau Federation, the National Cooperative Council, the Texas Sheep and Goat Raisers' Association, the National Wool Growers' Association, and the Wyoming Wool Growers' Association.

But few people realize the extent to which the public is imposed upon in the purchase of what they believe to be genuine woolen articles, by the substitution of used or reclaimed wool, commonly known as shoddy, and by other substitute fibers. Year after year the use of various substitutes for new virgin wool has increased until in 1936, the last year for which figures are available, the woolen industry used 220,000,000 pounds of clean new wool, generally known as virgin wool, and more than one-half of this amount of reclaimed wool, or shoddy. In addition to this, some 70,000,000 pounds of rayon and 80,000,000 pounds of cotton were sold as wool. In other words, the woolen industry today uses more substitute fiber than new virgin wool fiber in the manufacture of its products.

The sponsors of this measure do not contend that rayon and cotton cannot be successfully blended with wool. This would depend largely upon the kind and character of the fabric. If such fabric will give better service than pure wool, it will naturally displace wool. We do feel, however, that the customer is entitled to know exactly what he is buying.

Given this information, the consumer can then decide whether he wishes to buy an article of clothing, or any other product, made of pure virgin wool, or one containing reclaimed wool, or shoddy, or any other substitutes. In either case the product will sell in an honest market on its own merits.

The attitude of the informed lady consumer is, I think, well stated by Mrs. Paul E. Howe, who testified before the House committee recently, representing the American Home Economics Association. I quote from her testimony:

"However, if the consumer is to buy intelligently, she must be able to pick out the fiber or combination of fibers which will best meet her needs at her price. If she wants the particular characteristics of wool—warmth and felting qualities—or the fineness, strength, smoothness of silk, the washability and inexpensiveness of cotton, the draping quality of rayon, the smooth coolness of acetate rayon, she should be able to know when she has that fiber. Further, if a fabric is to give satisfactory service, it must be handled properly under the needle, in wear, cleaning, and storage. Each fiber requires somewhat different handling to insure maximum satisfaction.

"As I indicated before, many fabrics are now woven of two or more fibers in various combinations and percentage combinations. For proper handling, as well as for economic protection, we believe the name of each fiber and the percentage present should be plainly stated on the label."

As heretofore stated, the use of shoddy by woolen manufacturers amounts to at least 111,500,000 pounds, which is salvaged largely from waste products and worn-out rags.

The seriousness of this whole problem is well illustrated by a statement recently made before the National Retail Dry Goods Association in New York City, by Mr. Henry Miller, Assistant Director of Trade Practice Conferences of the Federal Trade Commission. I quote:

"In recent years there has developed a singularly aggravated situation of confusion, misrepresentation, and deceptive concealment in the merchandising of fabrics, clothing, and other textile products in the channels of trade, and to the consuming public * * *.

"Under the circumstances it is quite evident that the disclosure of the character of the fiber content affords the only adequate corrective for the confusion and misunderstanding so harmful to the buying public and to business * * *. Through disclosure of the essential facts on the label those who deliberately misrepresent would have their falsehood exposed. Those inclined to misrepresent through ignorance or lack of knowledge would have the information necessary to prevent the misrepresentation. * * *

"Textiles may be said to be as essential as food and shelter to the existence of every man, woman, and child. The sale and distribution of such essential commodities under conditions of honesty and competitive fairness is a matter of vital concern to business and to the buying public."

Since the consumer is often unable to detect inferior fibers, his only protection against fraud and misrepresentation is a law which will force the seller to accurately inform the purchaser as to what fibers have been used in the manufacture of the goods in question.

You can readily understand why virgin wool, which is new and unused, is greatly superior to reclaimed or used wool. Not only is this true because a part of the wearing qualities of the latter have been destroyed by use, but these wastes and worn-out materials must first be reduced to a fibrous mass by a severe tearing and shredding process, and are also subjected to a hydro-sulphuric acid bath, which necessarily damages the fibers already weakened through wear, abuse, and mishandling. Moreover, there is no way of determining the number of times reclaimed or used fibers may be handed down from one garment to another.

No woolen manufacturer attempts to deny the absolute fact that reclaimed wool always makes a product which is inferior to one made of the same grades of virgin wool. It never makes a product which is as good.

Virgin wool and reclaimed wool are bought in their own special markets under their own trade terms, and reclaimed wool always sells for from one-third to one-half the price of comparable grades of virgin wool for which it is used as a substitute.

No woolen manufacturer would permit a wool dealer to make a delivery of reclaimed wool, or shoddy, against an order for virgin wool. Any dealer who attempted to make such a delivery would be guilty of deception and fraud. Surely, these same standards of honesty governing the purchase of raw materials should be applied equally to the manufactured products made from these raw materials.

Is the purchaser or consumer not entitled to know whether he is buying a new and unused article? And is there any better way of providing this information than affixing a stamp, tag, or label, as provided in the pending bill? This legislation does not prevent the sale of textiles containing used or inferior fibers, but merely protects the purchaser by informing him as to what he is buying.

I am driving an automobile which has been driven some 25,000 miles. So far as I can tell, it performs as well as it ever did. My watch, which has been in use several years, keeps time as accurately as it did when new. Both of these articles have a substantial resale value, and might be offered at a price which would warrant their purchase, but no one would contend that it would not be dishonest to offer them, or any of their used parts, to the public in such a manner as to conceal the fact that they were used or "second-hand" goods. The lubricating oil which is drained from your crankcase after rendering the usual service, in most cases has some value as a lubricant, and if mixed with unused oil, would be very difficult for the average motorist to detect. Yet no honest person will contend that its sale in this manner should be permitted. If the purchaser wants to buy inferior or waste oil, he should, and does have that privilege, but it would be manifestly unfair to permit him to purchase it without an affirmative showing in this respect.

We propose to have this legislation enforced by the Federal Trade Commission. There is no doubt but that this Commission can, and if given the authority through proper legislation, will, administer the law fairly and effectively. Bills to require the truthful labeling of fabrics have been before Congress almost continuously since 1902. Extensive and lengthy hearings have been held on many of them. A wool labeling bill was passed by the Senate during the closing days of the last session of Congress. The Martin bill was favorably reported to the House Committee on Interstate and Foreign Commerce by a subcommittee, of which Congressman LEA acted as chairman. Consideration by the House was prevented by adjournment, which occurred soon thereafter. In my judgment, no sound argument can be made against the enactment of this legislation, which will do much toward the realization of our ultimate goal as so aptly expressed by the late Mr. Justice Cardozo, "the careless and unscrupulous must rise to the standards of the scrupulous and diligent."

Freight Rate Discriminations

EXTENSION OF REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 20, 1939

LETTER FROM J. F. SCULLEN, OF BELLE GLADE, FLA., AND REPLY THERETO

Mr. RANKIN. Mr. Speaker, under permission granted me to extend my remarks in the RECORD on the subject of

Freight Rate Discriminations, I am inserting a copy of a letter which I have received from Mr. J. F. Scullen, president of the Belle Glade Chamber of Commerce, at Belle Glade, Fla., together with a copy of my reply.

I am doing this for the reason that they cover one phase of these freight-rate discriminations that I think should be brought to the attention of all the American people.

It is bad enough for business generally, and for the farmers in particular, in the various sections of the country, to suffer as a result of these freight-rate discriminations. But it is infinitely worse when they contribute to wrecking the health and destroying the lives of innocent people, and especially of little children in the manner in which I have pointed out in my letter to Mr. Scullen.

The material referred to follows:

BELLE GLADE CHAMBER OF COMMERCE,
Belle Glade, Fla., February 13, 1939.

Congressman JOHN E. RANKIN,
Washington, D. C.

DEAR CONGRESSMAN RANKIN: South Florida is less than half the distance of southern California and northern Mexico from the population centers of the North and East.

Freight rates on vegetables and fruits to the population centers of the North and East from southern California and northern Mexico are less than half the freight rates from south Florida.

Such a freight-rate structure would indicate that those responsible for the establishment of such rates believe that it costs four times as much to move a ton of freight along the eastern seaboard as it does to haul a ton of freight all the way across the continent, including climbing two high mountain ranges.

If Congress will insist on equitable freight rates the people of the dense northern and eastern population centers can get health-giving fresh fruits and vegetables at lower costs and the farmer will receive a higher return.

If you are in favor of lower cost, and thus higher standards of living for the urban dweller and at the same time greater return to the farmer, you will insist upon lower freight rates from Florida to the consuming centers.

Respectfully,

BELLE GLADE CHAMBER OF COMMERCE,
J. F. SCULLEN, *President.*

HOUSE OF REPRESENTATIVES,
Washington D. C., February 18, 1939.

Mr. J. F. SCULLEN,
President, Belle Glade Chamber of Commerce,
Belle Glade, Fla.

MY DEAR MR. SCULLEN: Your letter of February 13, complaining of the discrimination in freight rates came to me today, and in reply I desire to say that our present freight-rate structure is a disgrace to a civilized country. It is simply criminal. It has been built up by the railroads through the Interstate Commerce Commission, which they have controlled practically ever since its creation, for the purpose of benefiting special interests in the Northeast, and wringing from the unprotected public who pay the freight every penny the traffic will bear.

It imposes a penalty on the South and the Middle West that no other civilized country under the sun would tolerate.

In the case of which you complain it goes much farther and punishes the people of the Northern and Western States, and especially the helpless children in those areas, in the most cruel and inhuman manner, causing the deaths of thousands of them every year because of a lack of those necessities of life which tropical fruits would supply, and which they would enjoy if it were not for these freight-rate discriminations. In other words, if they could ship Florida fruit north at reasonable rates, or at the same rate freight can be shipped south, it would save the lives of thousands of people annually, especially in the Great Lakes States, and even in the Middle West and far West, who are now dying from goiter, one of the most terrible diseases known to this country, and which is caused by a lack of iodine, which Florida fruit would supply.

The record shows that more people died in the State of Illinois in 1 year from goiter than died in Mississippi from typhoid, malaria, and goiter—all three. The record also shows that in some of the Great Lakes States 100 percent of the school children in some areas are affected with thyroid trouble, which, if it is not overcome, will develop into goiter in later years, probably with fatal results.

If these children could only have the oranges and grapefruit that are now going to waste in Florida, they could invariably overcome this malady, or prevent its inception, and grow into strong, healthy men and women.

As I said, goiter, or thyroid trouble, is caused from a lack of iodine in the food people eat. Iodine comes from the sea; it is taken up with the moisture and deposited in the soil by the rain that falls in nearby areas. Then it is absorbed by the fruits, vegetables, and so forth, grown in that soil and transferred into the systems of people who eat those products.

There is little or no iodine in the soil of any of the North Central or Middle Western States, while the soil of Florida and the other Gulf States is literally saturated with it; and the fruits and vegetables grown in those areas are amply supplied with it, with the result that goiter in that section is practically unknown.

People in the Northern and Western States are trying to supply this deficiency by putting iodine in their salt, but it is not having the desired effect. There is no substitute for nature. What they need to do is to eat more tropical, or semitropical, fruits, vegetables, etc., and especially fruit and vegetables grown in the Gulf and South Atlantic States, where the supply of iodine in the soil is abundant.

I have just returned from Florida, where I saw groves of oranges and grapefruit going to waste because the freight rates are so high they could not be shipped. They were offered to me on the farm at 32 cents a crate. In Washington I pay from 10 cents to 25 cents for a half a grapefruit.

I might point out here also that southern fruits and vegetables are also abundantly supplied with the necessary life-giving vitamins which, as everyone knows, come from or are produced or increased by the rays of the tropical or semitropical sun, and therefore contain more food value. In addition to preventing thyroid trouble, which, as I said, invariably develops into goiter and becomes fatal, as well as contributing to other maladies, southern fruits and southern vegetables also prevent rickets and other similar troubles by supplying the necessary vitamins to keep growing children strong and healthy.

It is certainly paradoxical for this Government to spend millions of dollars on public health, and then permit one of its agencies, the Interstate Commerce Commission, to so juggle transportation rates between the North, the South, and the West, as to destroy the health, and even the lives, of thousands of children in the Northern and Western States for want of the very elements that Florida fruit, which is now going to waste, would supply.

I shall do everything in my power to get these discriminations in freight rates eliminated; but we are going to have a hard battle of it. The railroads and the great financial interests that control them, seem to be totally indifferent to the injury done to Southern agriculture and horticulture, and to the wrecking of the health and destruction of the lives of innocent men, women, and children in the Northern States, for which these discriminations in freight rates are largely responsible.

They now want to outlaw motor transportation to prevent you people from shipping fruit by truck, which would increase the suffering, as well as the death rolls, the present policy is producing in the Northern and Western States.

Trusting that we may succeed in getting these injustices eliminated for the benefit of all concerned, and assuring you of my support in this movement, I am

Sincerely yours,

J. E. RANKIN.

Lessons From Lincoln

EXTENSION OF REMARKS
OF
HON. CARL E. MAPES
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, February 20, 1939

ADDRESS BY HON. GEORGE A. DONDERO, OF MICHIGAN, FEBRUARY 16, 1939

Mr. MAPES. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Hon. GEORGE A. DONDERO, of Michigan, before the Northwest Republican Club of Detroit, Mich., February 16, 1939:

People of every land, especially America, seeking the right and the light, cannot too often remember that once there lived and served a man named Abraham Lincoln. He still lives and will continue to live so long as "government of the people * * * shall not perish from the earth."

Kentucky claims him as her son. This Nation claims him as her own. But I speak the universal language when I say of him:

"No country can claim, no age can appropriate him; * * *. He was the boon of Providence to the human race; his fame is eternal; his residence the universe."

Wherever in this world liberty and justice, mercy and kindness, truth, and rugged honesty are known and understood there also is known and understood the name and character of Abraham Lincoln.

Six score and ten years ago this month Abraham Enlow, a pioneer trapper, bound homeward through the forests, lost his way in a blizzard. He came suddenly to a pool of open water. Kneeling down, shading his eyes from the blinding snow, he observed in the bottom of the pool familiar stones and objects. Said he to himself:

"Now I know where I am; this is Rock Spring, and I am close to the cabin of my nearest neighbor."

Making his way over the hill through the snow, he came to a rude log cabin. He forced the door open and walked in. The room was cold. A movement beneath a deerskin covering on a bed of leaves in one corner of the cabin startled him. He hears a woman's voice say feebly, "See if the baby is alive." He kindled a fire, warmed the room, and searched for food. All he found was a bowl with a little goose grease in the bottom of it. Melting this before the blazing fire and using a piece of tallow candle wicking as a nipple, he kept the breath of life in that baby's breast.

Today the world knows that baby became a splendid lawyer, a champion of freedom's cause, the first successful standard bearer of a mighty political party, the emancipator of a race, the savior of a nation, and one of the greatest of the great Americans.

REVERENCE FOR GOD

Thus was the entrance of this great and gentle soul into the world attended with poverty and tragedy. The lowliness of that birth was singularly akin to that of Him who was born in a manger in Bethlehem, the One to whom Lincoln in the dark hours of his Nation's peril ever turned for that guidance which never failed him.

He never lost his faith in divine Providence. From the lips of President McKinley we have the story told to him by General Sickles, of New York, who was carried to Washington desperately wounded after the Battle of Gettysburg. His first caller was President Lincoln. Sickles said, "Mr. President, what do you think of Gettysburg?" to which Lincoln replied:

"Well, Sickles, I will tell you. When I heard that General Lee was marching with his vast army on Gettysburg, and that the safety of the Capitol, North, and of the whole Nation was imperiled, I went into a little room that I have at the White House, where nobody goes but me, and I just got down on both my knees and I prayed to the Lord God Almighty as I never had prayed before, and I told Him that this was His people and that this was His country, and these were His battles we were fighting, and that we could not stand any more Fredericksburgs or Chancellorsvilles; and I told Him that if He would stand by me I would stand by Him."

And Sickles says that the President ended with the statement: "After that, Sickles, I somehow had no more fear about Gettysburg."

It seems to me that all of us would like to stand within that little room in the White House where Lincoln just talked to God. It must be holy ground where God and man talk together.

Had Lincoln not lived, there would be a vacant place in the history of our Republic. That he did live makes a bright and illustrious chapter in the cause of freedom and the advancement of mankind throughout the world. Let this Nation, preserved by Lincoln, be forever proud that he wrought for us, "To lift the weights from the shoulders of men that all shall have an equal chance."

LINCOLN GREATEST—HUMILITY

We can learn much from Lincoln. The preservation of our form of government under the Constitution was his first concern. The country never placed a President in the White House who was more careful that each branch of the Government should function and carry out its duty to the people. To Lincoln ours was a government of laws and not of men. With him nothing was politically right that was morally wrong.

The question has been asked, "When was Lincoln at his greatest?" This is a difficult question to answer. I believe he rose to sublime heights in the choice of his Cabinet. He selected three men who had opposed him in the convention which nominated him for the Presidency. Two of them were assigned to positions of the highest trust and responsibility by Lincoln; Seward as Secretary of State and Chase as Secretary of the Treasury. The one held him in contempt at first; the other snubbed him. It was a part of Lincoln's greatness that he could submerge every personal emotion for the sake of his country. He wanted to weld every faction and divergent opinion in order to preserve the Union. Lincoln may not have needed these men in his Cabinet for his own success, but he believed his country needed them—and his country came first with him.

Lincoln once said he could stand a considerable amount of abuse without malice. That he could is evidenced by his answer to the inventor of a new gun lock who had been sent by Lincoln to see Stanton. Stanton, after listening to his visitor, inquired who sent him. Receiving the information, Stanton exclaimed, "Lincoln is a damned fool!" When the man carried that remark back to Lincoln, he must have stood amazed when Lincoln gently replied, "Well, Stanton is usually right."

He who can set aside all personal pride, malice, or pique and appoint as his aides those who oppose and berate him is a giant among men. We in this day, especially those in high places in Government, can learn here a lesson in forbearance, tolerance, patience, and patriotism undefiled, from this gaunt rail splitter of the Sangamon.

Some believe that Lincoln the lawyer was Lincoln at his greatest. The law never brought to the bar a more able exponent or a stancher defender. As President he wisely and humanely administered the law without fear or favor. In that high principle and practice lies the hope of our republican form of Government. Whenever unprejudiced administration of law and order are forsaken, dictators are sure to arise to usurp the functions and prerogatives of the law. This is one of the great and vital lessons Lincoln has for us, as exemplified by him through the tear-drenched years of the Civil War.

THRIFT

Holy Writ admonishes us, "Where there is no vision the people perish." Well we may say today, when it seems to be discarded and forgotten, that where there is no thrift there is no hope. It was heartening news to many people in my State during the last campaign to learn that one community in Michigan neither asked for or received Federal relief. Every property owner had paid his taxes, except one, and no one was unemployed. A news reporter, sent to ascertain the secret of this most unusual condition, inquired of the mayor of that town the reason; the mayor replied, "You know we Germans are hard workers and we save our money."

Before Lincoln was 35 years of age he said:

"From the bankrupt state of the Public Treasury, the pecuniary embarrassments prevailing in every department of society, and the impending danger of the degredation of the state, you had a right to expect that your representatives would lose no time in devising and adopting measures to avert threatened calamaties, alleviate the distress of the people, and allay the fearful apprehensions in regard to the future prosperity of the state. It was not expected by you that the spirit of the party would take the lead in the councils of the state and make every interest bend to its demands. Nor was it expected that any party would assume to itself the entire control of legislation, and convert the means and offices of the state and the substance of the people into alinement for party subsistence. Neither could it have been expected by you that party spirit, however strong its desires and unreasonable its demands, would have passed the sanctuary of the Constitution, and entered with its unhallowed and hideous form into the formation of the judiciary system.

"For several years past revenues of the Government have been unequal to its expenditures, and consequently loan after loan, sometimes direct and sometimes indirect in form, has been resorted to. By this means a new national debt has been created and is still growing on us with a rapidity fearful to contemplate—a rapidity only reasonably to be expected in time of war * * *. Coming expenditures must be met, and the present debt must be paid; and money cannot always be borrowed for these objects. The system of loans is but temporary in its nature and must soon explode. It is a system not only ruinous while it lasts but one that must soon fail and leave us destitute. As an individual who undertakes to live by borrowing soon finds his original means devoured by interest, and next, no one left to borrow from, so must it be with a government."

Lincoln was not alone in his abhorrence of governmental extravagance and debt. Before him, Andrew Jackson in 1824 said:

"I am one of those who do not believe a national debt is a national blessing, as it is calculated to raise around the administration a moneyed aristocracy dangerous to the liberties of the country." Thus from Lincoln himself we learn the lesson that thrift is a virtue, whether in or out of government, a virtue which I think must be revived again before our country will go forward to a better day.

The lesson of the virtue of thrift is brought home to us by Lincoln's personal affairs, although what I am now about to say may be a great surprise to some not familiar with Lincoln's finances. At the time of his election to the Presidency, the only property generally known to belong to him was a vacant lot in Lincoln, Ill., given him in payment for services in laying out the town; the taxes on this lot were less than a dollar a year. In addition was a tract of 160 acres of land in Iowa, worth about $10 an acre, which he received for his services in the Black Hawk War; his home in Springfield, Ill., which he purchased for $1,500 from the clergyman who married him, and some well-used furniture, a scanty law library, and a little office furniture; these, it was supposed, were the whole of his worldly goods.

The statement of Ward Lamon, his personal friend, and later his bodyguard in the District of Columbia, and of many writers, that Lincoln had accumulated no property except that I have mentioned, and that he had to borrow money to go to his inauguration has been generally accepted as true. I say it will be a surprise to writers, historians, and biographers, and to many other people to learn at this late day that such statements were incorrect. When Lincoln boarded the train at Springfield to journey to Washington on February 11, 1861, he had $100 in cash in his pocket and three drafts for $100 each on a New York bank.

A most important Lincoln manuscript, entirely in his own handwriting, has recently come to light in the form of an itemized statement, or list, of loans and mortgages which Lincoln drew up during his final hours in Springfield. Instead of having to borrow money, as Lamon said, to pay his expenses, Lincoln had a bank account of $1,600 from which he drew the $400 mentioned for his traveling expenses to Washington; in addition, he left with Robert J. Irwin, Lincoln's friend from 1834, and cashier of the Marine & Fire Insurance Co., of Springfield, 11 promissory notes for money loaned to prominent people around Springfield. These notes totaled $9,337.90, all drawing 10-percent interest, the prevailing rate prior to the Civil War. On two pieces of paper, now yellowed by age, and water-stained, he set forth his thrifty savings of 25 years from the practice of law. Mayhap, under the modern political philosophy of some, Lincoln was an "economic royalist" in his day.

Knowing that he was compelled to earn every dollar he ever had, and of the meager fees he received as a lawyer, we can appreciate and we would do well to emulate in our personal and national affairs the thrift and economy exemplified by Lincoln in his private affairs—a thrift and economy which he carried over into his administration of government.

The insurance company to which I have alluded apparently conducted a banking business as a side issue, for I have in my possession two of the original checks drawn by Lincoln on that company, which were given to me by the Lincoln family.

STEPPING STONES

There is another significant lesson in Lincoln's life which I think has been overlooked.

Historians, as I say, have been prone to regard Lincoln as more or less of an improvident failure in business previous to his election to the Presidency. His unfortunate experiences in operating a store have always been cited as proof of his lack of business acumen and foresight.

He seemed at a period in his life to meet with one failure after another, both in business and in his more intimate affairs of the heart.

It seems not to have occurred to most Lincoln students that Destiny ofttimes marks her man, and with an inexorable compulsion directs him into her paths and the work he is to do in the world. This was so with Lincoln. We all recognize now that he was a man of destiny. Studying his life and experiences from this standpoint, we can readily observe that if Lincoln had prospered in the store business he might have remained a contented and obscure tradesman, and this Nation would have been denied the benefit of his wonderful gentleness, strength, and wisdom in its hour of peril.

Had Lincoln been successful as a surveyor, or as a small-town lawyer, he might have remained contented in one of those corners of obscurity and the world would have lost the bright and shining inspiration which his struggles and his accomplishments offer to those everywhere on the globe who are striving in lowliness, poverty, and hardship to rise to the heights of their ideals.

Destiny marked Lincoln for her own. So it is perhaps little wonder that he failed in those mediocre pursuits only to rise to the grandeur and the inspiration of his accomplishments as a statesman. Perhaps here we have the explanation of those peculiar contradictions in Lincoln's experience which have been misinterpreted as lack of business ability and foresight.

THE OVERCOMER

Modern America can draw a further lesson from this great and gentle man, the commemoration of whose natal day brings us together here on this occasion. There is one word in the English language that Lincoln understood better than most men, and that was the word "thorough."

It has been well said of Lincoln that he was "the overcomer." "He was the conqueror of all difficulties. He was the Knight of the Sublime Order of Disappointment. Yearning to learn, he was censured for that disposition; craving information, he was deprived of almost all books; loving his fellow men, he was afflicted for years with bashfulness; with an eye and ear for all the beautiful in nature, in poetry, and in song, he was burdened, he says, with a voice, face, and form alike unfortunate. But those who knew him, and particularly those who encountered his eternal friendliness, never deemed him uncouth or uncomely. * * * To them he was a tall, spare, but well-formed, muscular man, very erect, with impressive, plain, unassuming bearing."

EDUCATION

The young men and young women of our country—and all of us, forsooth—should observe the lesson in Lincoln's life that education does not depend upon a college or university course so much as upon the individual himself. Most of us know that Lincoln never attended a university, college, high school, or grammar school. I once asked Robert Todd Lincoln about the schooling of his father, to which he replied:

"My father had nothing to start with, and he hardly ever went to school."

We know that Lincoln attended a crude pioneer school for at least four terms of about 3 months each, or less than a year in all.

We have all heard the story, and we can, across the vista of the years, again see that gaunt young man trudging miles to get a precious book and trudging back to his rail splitting. We can still see him in those moments of rest from his arduous labors devouring the pages of the treasured volume. We can still see him after the end of his day of toil lying before the blaze of the crackling logs, his weariness forgotten, eagerly absorbing knowledge from whatever volume he happened to have borrowed. What a lesson to those of us today in our modern, comfortable schools and universities, with our modern libraries filled with volumes, getting our education under circumstances of ease and luxury which Lincoln never knew—what a rebuke to those of us who feel that we lack opportunity!

Lincoln was a wise man, wise beyond most of his fellow men, because he knew the source of infinite knowledge and always he turned inward to that source, and it never failed him.

It may be correct to speak of Lincoln as an untutored man, but it is not correct to speak of him as an uneducated man. His primary course was in a Kentucky cabin with his mother acting as principal. There he learned the way to infinite wisdom. There he learned to turn inward to that source of eternal light which enabled him to pilot his Nation successfully through its hours of peril. He may not have learned to make maps in that school, but he learned manners and morals.

At the age of 9 he entered a little school, a house in the woods on his father's farm in the State of Indiana. It was there his attention was first directed to physical culture. We know from his life that he was never permitted to neglect that subject. His gymnasium was equipped with wedges, mauls, log chains, swaying saplings, and sturdy oaks. His nature study was on the campus where he found sweet-williams, purple grapes, prairie grasses, and the wild rose. From all of these, from tree and shrub and plant, from form, color, and perfume came that deep sense of beauty which he expressed in his matchless prose poems and speeches.

Lincoln all his early life learned lessons in political economy, for he knew the value of money. He understood the virtue of economy. He knew the worth and necessity of labor.

Lincoln became a great linguist. His success was all the greater because he confined himself to the study of one language. The result of his language studies is the purest English ever written. So diligently did he apply himself to the study of history that before he died he learned how to make history. Civil government he learned under Jefferson, Madison, and Hamilton. His post-graduate course in law he obtained from Blackstone, and from that department he carried away all the honors and was the valedictorian of his profession.

Lincoln was not only the best-educated man of his day, but he was the best-educated man of any day, because he had learned to think straight and to think through. After all, the aim and end of education is to learn how to think, how to recognize knowledge. That Lincoln knew as did few other men of any time.

SACRIFICE FOR COUNTRY

There is another great lesson which we today may well learn and heed from Lincoln's life. That is the lesson of personal sacrifice for our country. He yielded all he had, even life itself, that the Nation might live and that the American system of government might be saved and perpetuated.

What is the American system of government as Lincoln understood it? It is moderation instead of radicalism. It is common sense instead of emotionalism. It is government based on facts and not on fancies. It is calm logic instead of fine phrases. It is deep principles instead of lofty platitudes. It is history and experience and not theory and adventure. It is good will and not hatred. It is candor and courage in high places, and not shifty political opportunism.

Some people, both in and out of Government, have had the temerity of late to say that our democracy has failed, and that some other form of rule should be substituted in its place. Some have said they could not eat the Constitution of the United States. I answer that for 150 years they have lived and eaten better under it than any other people on the face of the earth. What have we accomplished under the American system of government, which Lincoln loved so well?

Hear me and listen to these indisputed facts: With 6 percent of the world's area and 7 percent of its population, we in this Nation operate 60 percent of the world's telephone and telegraph facilities; 33 percent of the railroads; 80 percent of the motorcars. We consume 48 percent of the world's coffee; 53 percent of its tin; 56 percent of its rubber; 21 percent of its sugar; 72 percent of its silk; 36 percent of its coal; 42 percent of its iron; 47 percent of its copper; 69 percent of its petroleum. We produce 70 percent of its oil; 60 percent of its wheat and cotton; 50 percent of its copper and iron; 40 percent of its lead.

We have two-thirds of civilization's banking resources and of its gold. We have a purchasing power greater than that of 500,000,000 Europeans, or of a billion Asiatics. We have the highest wage scale, the shortest working hours, the best working conditions, the highest living levels, and the greatest percentage of home owners on earth. When we move confidently forward, we have the greatest prosperity in human experience since the history of man began.

"Oh wad some power the giftie gie us
To see oursels as others see us!"

So wrote beloved Bobby Burns. "To see ourselves as others see us," helpful though it be, is sometimes humiliating. Not long since we had the opportunity of seeing ourselves as others see us through the editorial of the London Sphere, an English newspaper which contained some blunt advice. If we are tempted to resent this alien frankness, we should remember that it is foolish for us to ignore the truth, no matter whence it comes. Let me quote a paragraph of this frank foreign appraisal of us:

"Pompous statesmen, looking over this estate (of busy America) solemnly declare that the methods by which it was created are all wrong, ought to be abandoned, must be discarded; that the time has come to substitute political management for individual initiative and supervision. There is only one way to characterize that proposal. It is just damned foolishness."

NEED OF TODAY

Three-quarters of a century after Lincoln, the lesson for us today and the need of the hour is a restoration of our morale, a reawakening of our spiritual perceptions; a restablishment of independence of thought; and a revival of faith and confidence in the American way of doing things.

"Not by birth, not by the sword, not by the influence of wealth; not by intrigue, not by the clamor of the mob, not even by remarkable superiority of talent, of eloquence, or of learning, but by untiring energy, by unswerving integrity, by uncompromising courage, by kindness of heart, by strong common sense, has Abraham Lincoln commended himself to his countrymen and won himself a place among the princes of the earth."

With foreign "isms" rampant throughout our land, their infection spreading to high places within our Government, starting a decay from within, we would do well to rededicate ourselves to our country, to our homes and our God, with the inspiration of Lincoln's words when he said:

"Many free countries have lost their liberty, and ours may lose hers, but if she shall, be it my proudest plume, not that I was the last to desert, but that I never deserted her."

And so, with his words echoing in our ears, let us with this tribute leave him to the ages to which he belongs. The inspiration of his example of meekness, gentleness, love, courage, patriotism, and devotion to high principles will shine down the corridors of the years and for all time illuminate the pathway of those in every clime who shall try to struggle upward from poverty, privation, and obscurity to the highest of their soul's ideals.

Admission of German Refugee Children

EXTENSION OF REMARKS
OF
HON. ROBERT F. WAGNER
OF NEW YORK
IN THE SENATE OF THE UNITED STATES

Tuesday, February 21 (legislative day of Monday, February 20), 1939

EDITORIALS AND LETTERS REGARDING ADMISSION OF GERMAN REFUGEE CHILDREN

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD certain editorials and letters regarding the admission of German refugee children into the United States. The matters I desire to have inserted in the RECORD are listed as follows:

(1) Editorial, New York Herald Tribune, February 11, 1939.

(2) Editorial, Richmond Times-Dispatch, February 1939.

(3) Editorial, New York Times, February 18, 1939.

(4) Editorial, Washington Star, February 16, 1939.

(5) Letter from the Reverend Harry Emerson Fosdick, the Riverside Church, New York City, February 15, 1939.

(6) Letter from the Reverend Harry S. Coffin, president, Union Theological Seminary, New York City, February 15, 1939.

(7) Letter from J. F. E. Nickelsburg, the Lutheran Welfare Council, New York City, February 17, 1939.

There being no objection, the editorials and letters were ordered to be printed in the RECORD, as follows:

THE CHILD REFUGEES

[From the New York Herald Tribune of February 11, 1939]

When all the politics and the passions surrounding the Nazi dictatorship are forgotten, it seems probable that the memory of crowds of helpless children, thrust into trains with a bare 40 cents in the pocket of each and perhaps, or perhaps not, tags recording the names of the parents who were forced to abandon them to perpetual exile, will survive as the most vivid monument to the humanity of the Hitlerian god-state.

The United States cannot, and should not be asked to, succor all the victims of race prejudice and high politics who have been set cruelly adrift by the new barbarism. Its first duty is to preserve its own unity as a nation. But the children are a special case. There are estimated to be about 50,000 German children under 14 whose parents are in concentration camps or who, for one reason or another, have been thrown on the mercy of the outer world. About half of them are Jews; the rest are Catholic or Protestant children who committed the crime of having a Jewish grandparent or were guilty of being born to purely Teutonic parents of too liberal or independent a cast of mind. Great Britain has already agreed to take 5,000 of these waifs; small and crowded Holland has taken in 1,700 and is accepting more. Senator WAGNER has now introduced a bill, endorsed by Catholic and Protestant churchmen, by both wings of the labor movement, and by many leading Americans, which would permit 20,000 children under 14 to be received in the United States outside of quota restrictions within the next 2 years.

These 20,000 children would not compete in American labor markets; all would be under 14. They would not become public charges; the bill would simply allow them to be brought in by those already willing to receive and support them. The whole group would be but a drop in the vast American population bucket—amounting to one refugee child for every 2,000 children under 14 now in the country—and their rescue (if accepting them for permanent, even though kindly, separation from their parents and homes can be called rescue) would take but a few drops out of the buckets of misery filled by the new politics. Small as it is, it seems well worth the doing—both for the portion of misery that it would end and as a gesture to the world of where American sympathies unmistakably lie.

[From the Richmond Times-Dispatch]

AIDING REFUGEE CHILDREN

It is difficult to see how anyone with humanitarian impulses can oppose the resolution introduced in Congress by Senator WAGNER, which calls for the admission to this country of 10,000 refugee children from Germany.

Those of us who have enjoyed a normal and happy childhood should try to place ourselves in the position of these unfortunate boys and girls in the Germany of today, where they are treated as outcasts, scoffed at in public, and in many cases thrown out of orphan asylums and left on the verge of starvation. How can we, who profess to believe in democracy and human rights, sit idly by and allow such atrocities to be committed without raising a finger?

The admission of 10,000 of these children to the United States during each of the next 2 years would not affect our unemployment problem adversely. The children, all under 14, would be admitted only on condition that responsible individuals or organizations agreed to care for them. Mrs. Calvin Coolidge recently joined with a group of women in Northampton, Mass., who wish to take 25 of these children, and there are thousands of other individuals and organizations who would gladly do likewise.

So far from competing with American citizens for jobs, these children would make jobs, for the money spent in providing for them would mean the purchase of goods and services. Both the A. F. of L. and the C. I. O. have endorsed the plan in principle.

If Great Britain can offer 7,800 of these defenseless children a refuge, as she has done, there is certainly every reason why the United States, with its population of 130,000,000 and its tremendous area, can take a mere 10,000 in 1939 and another 10,000 in 1940. It figures out as one refugee child to every 13,000 American citizens. How can anyone object to that?

[From New York Times of February 18, 1939]

CHILDREN IN THE DARK

It is hard to see how Congress or the American public can refuse the plea that Senator WAGNER makes in his proposal to admit 10,000 German-born refugee children to the United States, outside the quota limits, within the next 2 years. If we had a barbed-wire frontier, as have some less fortunate countries, and could see these children, whose parents are dead or in prisons and concentration camps, we would not hesitate. All we need is imagination. They cry out to us from their darkness.

Can their admission do harm? To ask the question is to answer it. All would be under 14, and so would not compete for employment. None could become public charges, for the law would require that their support be guaranteed by responsible individuals or organizations. They would be "of every race and creed." If heredity means anything, they would grow up to be good citizens, for in most instances they are alone in the world because their parents put obedience to conscience above obedience to tyranny. They would love liberty because they know from bitter experience what the loss of liberty means.

We have gladly given aid at different times to the children of Belgium, of devastated France, of revolutionary Russia, of postwar Germany, of eastern Europe, of China. Though we no longer open our gates to all the earth's oppressed, it is in our tradition, in keeping with the warm-heartedness on which we pride ourselves, to open them to these children.

There is nothing sectarian, nothing political, in this appeal, nothing but a helping hand to young boys and girls who sorely need it. Surely Congress need not fear lack of popular approval in passing the Wagner resolution.

[From Washington Evening Star of February 16, 1939]

A COMMENDABLE PROJECT

Congress has just had laid before it a bill jointly sponsored by Senator ROBERT F. WAGNER, Democrat, of New York, and Representative EDITH NOURSE ROGERS, Republican, of Massachusetts, providing for practical, concrete action by the United States to aid the most helpless victims of Nazi persecution—the children of Germany's unwanted population.

Without disturbing the immigration quota system, the Wagner-Rogers bill would permit a limited number of German children to be brought here, when foster parents are ready to give them homes. It limits the age of the youthful immigrants to 14 years and under, so that they can be no burden on the labor market—a phase of the project which is approved by both the American Federation of Labor and the Congress of Industrial Organization. It would allow annual admission for 2 years of a maximum of 10,000 children, many of whom would be quite young.

Several responsible national organizations, representing various religious denominations, stand ready to cooperate in placing the young refugees in homes throughout the entire country. That seasoned American agency of humanitarianism in many fields, the American Friends Service Committee, has tendered its "complete support" and expressed its willingness "to assume any responsibility within our power in carrying out any provisions of the legislation requested of us."

The Star believes it speaks for Americans of every class and creed in commending the Wagner-Rogers proposal to the prompt

and favorable attention of Congress. No Federal appropriation is required. No child would be brought to the United States unless adequate guaranties were made for his or her support and until he or she is assured a proper home with people of his own religious faith—Jewish, Protestant, or Catholic.

It is estimated there are about 50,000 German children from whom selections might be made—those who would emigrate without their parents. A little more than half of these are Jewish. The plight of the parents of these youngsters is tragic. They have been forced out of employment, ruined in business, or thrown into concentration camps. They face a life utterly without hope.

Great Britain, the Netherlands, and Belgium have opened their doors to increasingly large numbers of these unfortunate boys and girls. The United States now has opportunity to do likewise under conditions which safeguard every essential interest involved.

THE RIVERSIDE CHURCH,
New York, N. Y., February 15, 1939.

The Honorable ROBERT F. WAGNER,
Senate, Washington, D. C.

DEAR SENATOR WAGNER: I am writing briefly to express my deep appreciation of your good will toward the many children from Germany whom we are hoping may find a home here in the United States. I know about your bill introduced into the Senate allowing 10,000 children from Germany under the age of 15 to come to this country. May I express, and I am sure that in this I voice the sentiments of many, my cordial commendation?

Sincerely yours,

HARRY E. FOSDICK.

UNION THEOLOGICAL SEMINARY,
New York, February 15, 1939.

The Honorable ROBERT F. WAGNER,
Senate Chamber, Washington, D. C.

MY DEAR SENATOR WAGNER: May I express my hearty appreciation of the action you have taken in introducing a bill for the admission of refugee children from Germany and trust that it will be given favorable consideration. This seems an act of humanity which our country dare not refuse in the light of the critical situation.

Gratefully yours,

HENRY S. COFFIN.

THE AMERICAN LUTHERAN PUBLICITY BUREAU,
New York, N. Y., February 17, 1939.

Hon. ROBERT F. WAGNER,
Senator from New York,
Washington, D. C.

DEAR SENATOR WAGNER: As chairman of the welfare committee of the Metropolitan Lutheran Inner Mission Society and a trustee of the Lutheran Welfare Council, city of New York, I wish to express my hearty approval of your proposed bill favoring the admission of 2,000 children 14 years of age and under into the United States on the terms enumerated in your proposed legislation.

If the various organizations with which I am connected can be of any service in carrying out your proposed plans, I shall be glad to receive from you additional information which might aid us to give cooperation in carrying out your splendid ideals.

You have my permission to make public announcement of my endorsement of your project.

Trusting Congress will pass your bill, I remain,

Sincerely,

J. F. E. NICKELSBURG.

The Tradition of American Security

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Tuesday, February 21 (legislative day of Monday, February 20), 1939

ADDRESS BY HON. HARRY S. TRUMAN BEFORE THE NATIONAL AVIATION FORUM, FEBRUARY 20, 1939

Mr. MINTON. Mr. President, last evening I had the very great pleasure of hearing the junior Senator from Missouri [Mr. TRUMAN] deliver a most interesting address before the National Aviation Forum, at the Mayflower Hotel. I ask unanimous consent that it may be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My subject this evening is rather a large one—The Tradition of American Security. Search for security was what caused the first settlement on the Atlantic coast of North America. Pilgrims and Puritans came that they might worship God to suit themselves, and as soon as they could do it, they immediately became persecutors of those among them who had other notions than theirs about worship, and Rhode Island and Providence plantations of Roger Williams was the result. Huguenots came to the Carolinas as a result of the Edict of Nantes so they could be secure in their rights of religion. Lord Baltimore brought his Catholic followers to Maryland for the same reason.

Written in 1776, the Declaration of Independence states certain inalienable rights to which all people are entitled, among them security in person and property. The colonists were in constant fear of attack by red men and were in almost continued argument with the mother country over certain rights and privileges, as well as with the French on the north and west. When the Colonies became the United States of America a foreign policy was inaugurated by George Washington, Thomas Jefferson, and James Monroe—"No entangling alliances. America for Americans." Mr. Jefferson stretched the Constitution until it cracked to make the young Nation secure on its western frontier by making the Louisiana Purchase. That security was further enhanced by pushing the western boundary to the Pacific.

After the War between the States we settled down to a policy of taking care of ourselves and a fancied isolation because we were fortified by two great oceans and the Monroe Doctrine, and then came the Spanish War, for which we were not prepared and from which we had to enter upon a Pacific—Ocean not peace—policy. No matter what we may say about it, the Philippine Commonwealth is our baby, and the Pacific Ocean is no longer our western frontier.

We became embroiled in the World War for the very same reasons that we entered the War of 1812, and we entered it in exactly the same unprepared condition. We tried to keep out of it by a system of strict neutrality, being cautioned by President Wilson not to even express our sentiments on the belligerents.

Jefferson, by his Embargo Act, hoped to keep us out of the Napoleonic wars, but Great Britain, just as Germany did in 1916, exasperated us to the point where we had to fight, and if it hadn't been for old "Andy" Jackson we'd have had little to boast of in that war, with our Capitol and our White House both burned by the enemy.

The Germans in 1916, just as the English in 1812, thought we wouldn't fight and that if we made the attempt we couldn't. In both instances the foreigners were misled by the talkers and the publicity hounds here at home.

Europe's troubles, in my opinion, are racial and economic. France and the old Austro-Hungarian Empire were the only two really self-contained nations on the continent. Germany, with an area about the size of Texas, had 60,000,000 people and not enough raw materials to anywhere near keep her machines going. The Kaiser tried to expand in the direction of the Black Sea or down the Danube Basin, just as Hitler is doing now. But Britain and Russia were always there to head him off. As they always have when pressure of economics and population became too great, the Germans exploded and the World War was the result. Had we—a new factor in world affairs—not joined the Allies, Germany and Austria would have won the World War and all central Europe and the granary of Russia, the Ukraine, would have been the German Empire.

Wilson, in his 14 points for peace, clearly saw that Europe could never be at peace unless the economic barriers could be torn away and the races be made to understand each other and have a will to live in peace. He tried to obtain a settlement of European difficulties in the Versailles Treaty, but Lloyd George and Clemenceau had been returned to power in elections won by promises to stick to the old conqueror theory of making the vanquished meet the expenses of the war. Lloyd George asked for an indemnity of $120,000,000,000—more than all the wealth of the German and Austro-Hungarian Empires together. Italy insisted on her pound of flesh; France insisted upon the utmost humiliation of the Germans; Britain, just as she'd done with Napoleon, along with old Clemenceau, messed up the map of Europe, and our failure to take our place in world affairs upset the whole apple cart, and we are right back where Julius Caesar left off.

After we failed to ratify the Versailles Treaty all sorts of expedients were resorted to, such as "outlawing" war—a silly phrase, to begin with—neutrality laws that won't work; sinking our Navy; and a lot of other falderol that won't have any more effect on the course of events than trying to dam Niagara or change the course of Mars.

Peace is a state of mind. We can't even have it here at home. Our economic situation almost brought us to disaster because there are so many greedy people in control of affairs. It seems that when a man is lucky and can become a factor in the control of land, or money, or government, he's not so much interested in the welfare of the race as a whole as he is in increasing the size of his holdings or his power.

The European situation is simply a continuation of that age-long expansion and overgrowth of population. We are all for peace, but I'm not sure that any of us would submit to having our lives and our property taken by force simply because the taker could do it by main strength.

The northern tribes of Europe first overran Italy and Greece, built up great civilizations, and were in turn overrun by other northern tribes who have built up great civilizations. In the meantime the northern tribes have become civilized themselves, but their instinct to increase and multiply and take what they want hasn't left them.

The world is smaller and distance in time is shorter today than it was a thousand years ago, and we must find some way to live honorably and peaceably together.

Japan, Italy, Germany—all signed the pact to outlaw war. Does it do that? Japan invades and attempts to destroy China, bombs cities and hospitals, and follows the precepts of Attila and Ghenghis Khan. Italy does the same thing to Ethiopia, the oldest kingdom in the world and a member of the association of nations, as is China. Now the German dictator is following the example set by Italy and Japan. Where will it end? Are we at the end of another enlightened age, as the Greeks were in 300 B. C. and as the Romans were 600 years later? I hope not, and I also hope we'll find a way to world peace. But until that time comes, I, for one, believe in a policy of adequate preparedness for defense. If occasion demanded, I am certain that American geniuses can create a bombing plane that can travel 10,000 miles and accomplish its mission. What then happens to impregnable Atlantic and Pacific barriers? Why, I expect to live to see the day when we'll have round-the-world passenger service by plane at 500 miles per hour.

The President has offered a reasonable program of preparedness by land, sea, and air. Sea defense cannot be accomplished by waving a wand; artillerymen and mechanized soldiers don't spring to arms overnight. Pilots and 600-miles-an-hour pursuit planes cannot be called for today and be in service tomorrow. We must meet a world situation, which we helped to bring about, by a realistic policy of preparedness. We have the finest material in the world with which to work, and I, for one, want to see it properly used. I'm no militarist. I want peace, and I want security. The best insurance I know to obtain them is to carry through an adequate plan for defense on land, at sea, and in the air.

America's Foreign Policy

EXTENSION OF REMARKS

OF

HON. HIRAM W. JOHNSON

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Tuesday, February 21 (legislative day of Monday, February 20), 1939

RADIO ADDRESS BY HON. STYLES BRIDGES, OF NEW HAMPSHIRE, MONDAY, FEBRUARY 20, 1939

Mr. JOHNSON of California. Mr. President, I ask leave to have printed in the RECORD an address delivered by the senior Senator from New Hampshire [Mr. BRIDGES] last evening over the National Broadcasting Co. network on the foreign policy of the United States.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen of the radio audience, I wish to speak tonight on a subject of vital importance to every American, our foreign policy.

The United States maintained a definite policy so far as her relationships with other nations were concerned, from the formation of our Union until the last 5 or 6 years. While this policy was one of constant change in matters of trade, transportation, communication, and concerted action in time of disaster, the basic principles seldom were violated. When they were violated, when we departed from our historic rule of friendly relations with all and entangling alliances with none, we suffered.

War is an ugly word. Above all things, America must keep out of war. Our best safeguard of continued peace is a realistic foreign policy. A policy based upon fundamental proven principles and maintained for a longer time than necessary to deliver a "fireside chat." This policy must be founded upon the idea of keeping out of all war; not upon the idea of selecting our enemies and friends in advance and treating them accordingly. We cannot act in the cause of peace as though we intended to fight. If we do, let us not be surprised when the call to arms rings from the house tops.

I believe the American people want peace. I believe the American people will refuse to send any mother's son to shed his blood upon a field of battle in any foreign land. I believe in the sanctity of our American form of government and in the territorial integrity of our American soil. I believe the American people want a foreign policy that will preserve these ideas first, last, and always.

Our country had such a policy, but in the maze of intrigue, politics, and secret meetings, it has been mislaid. It must be reestablished. It will be reestablished by popular demand and concerted action on the part of the American public. It is the crying need of this generation.

The present administration has undertaken to change many conditions, concepts, and relationships. Domestic affairs may be the subject of tinkering on the part of any government, but foreign affairs are too delicate, too fraught with danger of dire consequences, to permit unwise experimentation and blind groping. In the field of foreign affairs the Roosevelt administration has set itself up as the greatest authority of all time. Using every resource of the Federal Government, it has endeavored to convince the people of its great wisdom in statecraft. The truth of the matter is that it has brought us close to the brink of war. Since 1933 we have seen a new foreign policy hatched every few months—to the confusion of the people, the unrest of our industries, and the distrust of foreign nations.

One of the most glaring inconsistencies of our foreign policies under the present administration is that of our trade relations. On the one hand we try to extend trade frontiers through the promulgation of reciprocal-trade agreements. On the other we curtail our trade frontiers by providing for embargoes in our Neutrality Act.

What are some of the inconsistencies of the President himself? In January, 1936, he said, speaking of war, "We hope that we are not again at the threshold of such an era but if face it we must, then the United States and the rest of the Americas can play but one role; through a well-ordered neutrality to do naught to encourage the contest, through adequate defense to save ourselves from embroilment and attack, and through example and all legitimate encouragement and assistance to persuade other nations to return to the days of peace and good will." Clearly that stood for neutrality. But compare it to his Chicago speech delivered in October, 1937. "When an epidemic of physical disease starts to spread the community approves and joins in a quarantine * * *." Now, we have lost neutrality.

In his Chautauqua, N. Y., speech of August, 1936, the President said, "I wish I could keep war from all nations; but that is beyond my power. I can at least make certain that no act of the United States helps to produce or promote war." Compare that with his statement made in his message to Congress last January, "Words may be futile, but war is not the only means of commanding a decent respect for the opinions of mankind. There are many methods short of war, but stronger and more effective than mere war, of bringing home to aggressive governments the aggregate sentiments of our own people."

To add to the confusion, more recently the President released the following statement: "We are against any entangling alliances, obviously."

It is now common knowledge that the President supported the recent negotiations between a French air mission and an American company for the purchase of American-made military airplanes of an advanced design. I favor the sale of planes to France and Great Britain, or to any other nation, on a cash basis, provided that the United States has the right of priority of purchase on all new military developments. But I do object to the secret and unusual way in which this current deal was handled. Naturally I am not in favor of the dictatorial methods or the ideologies of any of the dictator nations. On the other hand, I do not believe that an official of this Government should take such a drastic step; a step which overturns our basic foreign policy of friendly relations to all, and entangling alliances with none.

The unfortunate crash of this airplane warns the American people that the foreign policy of their government, the very bedrock of all our foreign relations, is subject to change overnight at the whims of the Chief Executive. I believe alliances or secret agreements between the United States and foreign governments are of primary interest to the American people. Alliances and agreements may lead us into war. Whether we fight a "just" war or an "unjust" war, millions of our young men will never care. In any war they will be among the dead. Our desire for peace or war is the crux of the whole matter. Therefore, our policy is a subject for all our people to decide. If we do not want war, let us not take any steps in that direction.

For our foreign policy we can adopt either the processes of war or the processes of peace. The processes of war involve foreign commitments and alliances; meddling in the internal affairs of foreign nations; sanctions, embargoes and boycott; charges and tirades by irresponsible officials; propaganda campaigns to incite mob action; the creation of incidents to arouse public opinion; the recall of ambassadors and ministers. The processes of war also involve secret conferences upon matters of which the American public is kept in ignorance plus the determination to defend international morality and to act as a world policeman.

The processes of peace involve minding our own business; taking steps to see that America remains neutral whenever possible; offering to act as mediator in solving differences between nations; promoting conferences looking toward the limitation of world armaments. The processes of peace mean the building of adequate military, naval, and air forces to defend the United States and its neighbors, to the north and to the south, against foreign aggression.

It is obvious that we cannot adopt both the processes of war and the processes of peace. We cannot, for instance, have what some choose to term "collective security" without also adopting a policy of entangling alliances. The Roosevelt administration has tried to adopt some of the elements of the international philosophy and some of the elements of the isolation philosophy. Such a procedure has resulted in disaster. So far as a foreign policy is concerned the administration is upon the horns of a dilemma, and unless the people speak, it will remain there.

I do not subscribe wholeheartedly to a foreign policy based upon isolation. Modern science has robbed America of the effectiveness of such a program. But we can couple our traditional foreign policy with a sensible, workable, Neutrality Act. The result will be a new program which will more nearly satisfy the requirements of peace.

Freedom of the seas, the Monroe Doctrine, and the open door in the Far East, have been the basis of American foreign relations. They can so continue only if our present Neutrality Act is amended. The discretion of whether or not a state of war exists between two nations should rest with the Congress rather than with the Chief Executive. The decision of war or peace is too great to leave in the hands of any one man. As Tolstoy once said, "War is such a terrible, such an atrocious thing, that no man, especially no Christian man, has the right to assume the responsibility of beginning it."

A change should be undertaken to make the Neutrality Act more workable, and more in line with our desire for continued peace. Under the present act we defeat our own purpose. Its enforcement is the one thing most likely to draw us into any world conflict. The whole field of international law stands behind the traditional American foreign policy of which I have spoken. We should be willing to further insure peace by a few simple curtailments in our rights of trade during wartime. Let us remember that most wars start as the result of international incidents; therefore, it should be our desire to prevent the occurrence of those incidents.

Once the manifest destiny of our Nation meant the dominant expansion of America in the Western Hemisphere and Far East. Yankee imperialism was feared and respected. Today we do not want our neighbors to fear us. We do want the respect of the world. Our manifest destiny is to keep unspoiled the best example in our civilization of a democracy that works—free from the plots, plans, and diseases of European politics. That destiny can best be met by formulating a foreign policy based upon the processes of peace—and sticking to it. Let the American public demand of their President and of their Congress the immediate adoption of the processes of peace. Let us demand an end of guile, secrecy, and the mystification which surrounds our relations with other countries. Only by honesty, consistency, and confidence can we have a foreign policy suitable for America. Today America must move deliberately, without threat or bluster, and in the words of Theodore Roosevelt, "Speak softly and carry a big stick."

New Housing As a Job Provider

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Tuesday, February 21 (legislative day of Monday, February 20), 1939

EDITORIAL FROM AMERICAN FEDERATION OF LABOR WEEKLY NEWS SERVICE OF FEBRUARY 18, 1939

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial on housing, taken from the American Federation of Labor Weekly News Service of February 18, 1939.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From American Federation of Labor Weekly News Service of February 18, 1939]

NEW HOUSING AS JOB PROVIDER

The tremendous possibilities of work for millions of the unemployed in providing adequate housing for hundreds of thousands of working men and women in the low-income groups are pointedly revealed in recent figures compiled by the American Federation of Labor in connection with the proposal to set up a National Planning Board, composed of representatives of all groups of industry, commerce, finance, and consumers, for the purpose of encouraging investors to lend their idle funds for industrial expansion.

Declaring that a "program to rehouse our population living in slum areas" would be at least a partial answer to the admitted social need for housing, the A. F. of L. said:

"The United States Housing Authority has made a good beginning, and in 1940 it will build 90,000 low-rent homes and give jobs to 213,000 persons producing materials and erecting the houses. But this is a very small beginning compared to the need. For over and above the United States Housing Authority program and the maximum private industry will build, there is need for 710,000 homes which have not been planned for. A large proportion of this need is in low-rent homes which are not profitable for private industry. To build these homes would employ 1,683,000 persons. In all, it has been estimated that we need to build 1,300,000 new homes each year for the next 10 years. This would create 3,081,000 jobs yearly."

In the important field of "low-rent homes which are not profitable for private industry" the United States Housing Authority has already allocated the $800,000,000 in loans for this purpose authorized by Congress, with new demands for slum-clearance funds coming in every day.

It has been estimated that the $800,000,000 already earmarked will provide direct employment at the site of the slum-clearance projects for more than 200,000 building-trades mechanics and laborers, and in addition will give work to approximately 450,000 employees in the production of building materials and their transportation. This means approximately 700,000 full-time jobs in industries where employment is critically needed.

Well-informed observers claim that the housing for low-income groups already guaranteed by the $800,000,000 Housing Authority loans makes only a dent in adequate housing requirements for the masses of our people. It is therefore axiomatically evident that an enlargement of the Federal housing program is an important element in this definite social improvement capable of mitigating markedly the unemployment crisis.

To meet in part this admitted emergency, Senator ROBERT F. WAGNER, of New York, has introduced a bill in the United States Senate authorizing an additional $800,000,000 for low-cost housing loans and $45,000,000 to subsidize certain rents which still will be too high. The new bill is endorsed by the American Federation of Labor.

The Silver Program

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Tuesday, February 21 (legislative day of Monday, February 20), 1939

EDITORIAL FROM WASHINGTON EVENING STAR

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial from the Washington (D. C.) Evening Star of February 20, 1939, entitled "Silver-Lined Cloud."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Washington Evening Star of February 20, 1939]

SILVER-LINED CLOUD

For more than 4 years the United States has been pouring sand in a rat hole, with proverbial results. The sand is silver and the rat hole is a great underground vault at West Point. The policy involved can only be considered as an amazingly stupid yielding to a pressure group. Within the last few days Wayne C. Taylor has resigned as Assistant Secretary of the Treasury, largely in protest against that policy. Senator TOWNSEND, of Delaware, has proposed the repeal of the act of 1934, and even members of the silver bloc have indicated a willingness to discuss modification.

The Government-set price for newly mined domestic silver now is slightly over 64 cents an ounce, and for foreign silver it is 43 cents. The price in the open market is a little less. Since 1934 the Government has bought more than a billion dollars' worth. Eighty-two percent went to foreign markets and 18 percent to domestic mines.

Theoretically, all this costs the Government nothing. At 43 cents an ounce the Treasury gets about 2⅓ ounces for a dollar. This is paid for with silver certificates, each dollar of which is backed up by seventy-seven hundreds of an ounce, the actual amount in a silver dollar. The rest remains inactive, but is available as a possible reserve for two or more dollar bills. The plan originally was to keep on buying until either the world price reached the statutory maximum of $1.29 an ounce, or the silver reserve equaled one-fourth the gold held. In this the policy has failed. The world-market price refuses to top the level set for foreign bullion, and twice as much silver as already is in storage would be required to reach the gold ratio.

In world finance, also, the program has fallen down. It has succeeded only in demonetizing the principal countries using silver coinage, and it drove China off the silver standard. It has failed to serve as a medium of bolstering trade with the "silver countries," most of which have been forced into a barter system. In its effects on the internal politics of Mexico, the biggest source of silver for the vaults at West Point, even more than through the direct profits realized, it has been a mainstay of the regime which has made a policy of expropriating American properties.

The principal achievement has been to establish a billion-dollar smoke screen to hide a $180,000,000 direct subsidy to the mine owners in seven Western States. Perhaps there is an argument for continuing domestic purchases. Proponents of the program claim it has kept 400,000 persons off relief. Yet, since silver production in the United States is largely a byproduct of other nonferrous mines, and since less than a hundred thousand are employed in all such enterprises, the figure seems excessive. Some

purchasing at home might be acceptable but the situation seems to call for more logical reasons for preserving a failing policy, 88 percent of which involves the foreign market, just to pile up tons of metal which is serving no useful purpose.

Cotton Program

EXTENSION OF REMARKS
OF

HON. HATTIE W. CARAWAY
OF ARKANSAS

IN THE SENATE OF THE UNITED STATES

Tuesday, February 21 (legislative day of Monday, February 20), 1939

RADIO ADDRESS BY DR. M. F. DICKINSON

Mrs. CARAWAY. Mr. President, on Saturday, January 24 last, Dr. M. F. Dickinson, of Little Rock, Ark., manager of the insurance department of the Arkansas division of the Farmers' Educational and Cooperative Union of America, delivered at Chicago a very interesting and able radio address on the cotton program, having particular reference to Government protection for the family-size farmer. I ask unanimous consent to have the address inserted in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen of the radio audience, the cotton farmers of the South extend greetings to the farmers and their friends throughout the Nation. Let me express to the National Broadcasting Co. and to President Vesecky, of the National Farmers Union, the appreciation of both the southern farmers and myself for this opportunity to present our cause to the Nation.

It is a peculiar twist of fate that would bring poverty and even hunger to so many people in this, the greatest Nation on earth—a Nation that, although comprising only 7 percent of the population of the world, has 35 percent of all the railroads, 45 percent of the radios, one-half of all the telephones, and 70 percent of all the automobiles in the world. A Nation that uses 50 percent of all the silk, of all the petroleum products, of the rubber, and of all the coffee in the world. But regardless of this wonderful showing, regardless of all of our wealth, our great manufacturing industries, our natural resources, our transportation facilities, we find eleven to twelve million people still unemployed, with 3,000,000 families on relief.

While we realize that legislation alone cannot restore prosperity to agriculture of the Nation, yet our lawmakers can help in many ways. For example, farm tenancy has been increasing rapidly, especially in the Middle West and in the South. The Bankhead-Jones Act at the best is a mere gesture in making home owners of these tenants. I desire to call your attention to a bill Senator LEE, of Oklahoma, introduced in the last Congress providing that insurance companies, Federal land banks, or large private landowners may cut their farms into family-sized tracts and sell to tenants, the Government to insure the purchase money, provided both the purchasers and the farms are approved by F. S. A. Such a law properly administered would really accomplish something in putting dispossessed farmers back as home owners.

But as I am speaking to you today as a member of the cotton commodity committee of the National Farmers Union, I shall confine my remarks largely to the southern farmer, and more directly to the southern cotton farmer's problems. In doing so I shall speak frankly not only to our own southern people but to the farmers, the businessmen, and the statesmen throughout other sections of the Nation. I say this because it is apparent that one of the results, if not the purpose, of the present farm bill as it applies to cotton is to drive the upland farmer out of the cotton business, reserving the growing of cotton to the plantation owners either corporate or private, in the Delta sections. When this one and one-half million upland families are forced to abandon growing cotton, and that time is not far off if we continue under the present control program, they must turn to other lines of agriculture. The Extension Service throughout the South is encouraging them to take up dairying, livestock feeding, trucking, and in some sections the growing of wheat and other crops. You northern farmers and your lawmakers can readily understand what this will mean to your markets. Let us assume that this million and one-half farmers branched into competitive farming against you and averaged only 30 acres of wheat to the family, growing 10 bushels per acre, and 10 cows producing butterfat; this would mean 450,000,000 bushels of wheat added to the already overproduction of wheat in this country. It would mean 15,000,000 more cows producing dairy products to be added to the already well-supplied market of butterfat.

In other words, it would increase the production of wheat in this country about 50 percent, and almost double our dairy production. This would bankrupt the farmers in other sections without benefiting anybody except the large plantation owners growing cotton in the South. Therefore, the farmers of the North, the East, and the West should be vitally interested in a cotton farmers' program that will enable the farmers of the South to continue growing cotton. Although President Roosevelt told us more than 5 years ago that the prices of farm products must be increased to the point of enabling the farmers to enjoy a decent standard of living, we sold our cotton this last year for about $5 a bale less than it was selling when he made this speech in October 1933.

We have only to refer you to the N. E. C. report made to the President last summer to refresh your minds as to the terrible conditions that exist in the cotton fields of the Southland. This report to the President said that even in prosperous 1929 the southern farmers' income averaged only $186; that the 53 percent of the farm population in the South who are sharecroppers had an average annual income ranging from $38 to $87, or $73 per family, and, remember, $73 is an average of only 20 cents per day.

When the present program of crop control went into effect, each farm was cut 40 percent below its 5-year average of 1928–33. This applied not only to the plantations, but to the hill farmers who were cultivating only enough acres to produce sufficient cash money to take care of their needs. With this 40 percent cut, they were not left with sufficient acres to produce enough cotton to enable them to support their families and pay the interest and principal on their mortgage debts—the result being the loss of many thousand homes through foreclosure.

Only a few days ago an official connected with farm-debt adjustment in one of our Southern States made the remark to me that unless we could have a change in our present control program many small-home owners were doomed. He said he and his committee had been trying to adjust a farmer's debt that day and found that he was allowed only 2.7 acres for cotton. This would produce barely one bale, and even at 16 cents per pound, or twice what we received for it this year, it would give him a cash income from his cotton of only $80. This farmer had no future paying ability, and under the present program cannot have it.

This last year the Delta farmers were allowed from 31 percent to 40 percent of their cultivatable acreage for cotton, while the hill farmers were allowed only 25 percent and less. With these reductions in acreage from year to year, there could be but one effect. The plantation owners and landlords of smaller tracts using tenants could no longer use all of their tenants. They could not be responsible for food and clothing for them and their families. Therefore, these tenants were asked to move from the farms. Thousands upon thousands were thrown out of their homes onto the highways without food or shelter, without a place to move, and without a dollar with which to move had they known where to go. Suffering from hunger and cold, they were subjected to the ravages of disease. Some committed suicide, others died from hunger and exposure. The Government was forced to step in through its relief agencies and assume the responsibility of feeding, clothing, and housing these unfortunate tenants.

Only recently you have read in your papers about the thousands of sharecroppers camped along the highways in southeastern Missouri, because of ejections from their homes made necessary by the present cotton acreage control program. Many of us are inclined to place all the blame for such seeming inhumanitarism upon the plantation owners or landlords, but remember they can no longer use these families, therefore they cannot be responsible for their maintenance. The farm program that changed the methods of farming in the South is wholly responsible for all this suffering among our people and not the landlords. Do you wonder, then, that although the South's population comprises 28 percent of the Nation's population, our income is only 12 percent of the national income? Do you wonder that the South has been dubbed the No. 1 economic problem of the Nation by our President? Do you wonder that three-fourths of all the children between the ages of 10 and 15 years employed in the United States are Southern boys and girls? On several hundred thousand of these cotton farms you will find children much younger going to the fields with their parents; yes, mere babies 7 and 8 years of age. Professional social workers, who have overrun Washington during the last few years, work themselves into a lather of indignation over the plight of women and children employees of sweatshops. The minimum-wage bill and generous relief donations typify our Government's efforts to alleviate distress among these classes.

Who now will deny the human misery that stalks the cotton-fields of the South?

Is there no compassion for the little children who slave under a broiling sun, wielding hoes or dragging heavy cotton sacks for long weary hours, breaking their little bodies in toil in order that their parents may realize just barely enough cash income each year to half feed them on corn bread, sorghum molasses, and cottonseed-oil gravy, and half clothe them in flour and fertilizer sacks?

Is there no indignation against the system of crop control that condemns hundreds of thousands of women on southern cotton farms to longer hours of labor and to more grueling toil than were ever known to employees of so-called eastern sweatshops?

The employees of sweatshop factories are now given protection in the minimum-wage law enacted by the 1938 Congress. The five-bale parity plan which we are offering would give cotton

farmers sufficient income to curtail child labor in their fields, to properly feed and clothe them, and to give their womenfolk some relief from care and bitter toil.

Are the women and children of southern cotton farmers less sensitive to physical privation or less deserving than those whom our Government has already helped?

Remember, too, these women and children in the sweatshops work only 7 or 8 hours a day, while the women and children in the cotton fields work from sun-up to sun-down, 10 to 12 hours a day. Does it not make your heart bleed when you see little children 6 and 7 years old dragging a cotton sack with the perspiration streaming from their little cheeks; a little child 5 years old taking care of a tiny baby out in the cotton field while their mother breaks her back picking cotton?

Is there no resentment against a program that has driven one-half million families from our cotton farms onto W. P. A.?

But you have another reason to come to our help in securing legislation to place a floor under the income of these cotton-growing families. You, Mr. Citizen, north of Mason and Dixon's line, you from the sunny slopes of beautiful California, you from the snow-capped peaks of Washington and Montana, and you from the ocean-lapped shores of New England are being taxed to feed and clothe these poor unfortunate tenants and sharecroppers who have been driven from the farm by our present farm program. Now, if the program is to be continued, as the Secretary of Agriculture says it will be, and our up-land farmers are driven from the cotton-producing business and thereby forced to take up the growing of wheat, dairy products, livestock, truck, and fruit and other crops that you farmers are now producing, you will suffer, indeed, through your markets.

So I desire to impress upon your minds most forcefully that you are vitally interested in the prosperity of the southern farmer. You are interested in keeping him in the cotton-producing business. The South is essentially adapted to growing cotton. We have the climate, the soil, the equipment, and the labor. We know how to produce cotton. It will take us some time, of course, to learn to produce dairy products as cheaply as you do, to learn how to protect our fruit trees from insects and disease, but we will learn it; and, with our 2 to 4 months more of green pastures for our dairy cows and livestock and our mild winters, we will be able to produce these products cheaper than you folk of the Northern States can. We plead with you in the name of suffering humanity to join us in our efforts to have Secretary Wallace and the Congress abandon the present cotton-acreage-control program that is so rapidly destroying the South and its people, and that if continued will force us to become strong competitors of yours, thereby destroying you farmers of other regions of the Nation by creating surpluses of the products you are now producing. Your answer is, "Submit a sound program that will put us back on the road to prosperity."

In answer to that, the National Farmers Union has accepted the challenge by offering you the domestic-allotment plan with the five-bale parity feature as the mechanics for distributing the American-consumed cotton to the individual cotton growers, thereby protecting the family-sized farmer. By the domestic-allotment plan we mean the Government is to guarantee to the southern cotton growers parity or cost of production on that part of the cotton that is consumed in America. They can do this in two ways, either have the farmer sell his cotton on the market and let the Government subsidize the difference between the market and 16 cents a pound or whatever cost of production might be; or, preferably, the Government may protect the cotton market in America by tariffs against the importation of raw cotton and manufactured goods from cotton and other competitive fibers.

Under this plan the Government would not have to spend one dime to guarantee the farmer cost of production. By the five-bale feature we mean that each family shall be entitled, as his allotment of that part of the crop to be consumed in America, all he produces up to and including five bales. If he desires to grow more than five bales, he must be content to sell it on the world market. Each farmer would be left to grow as much as he pleases. This would put the cotton growers back into the bidding for their lost markets and save millions of dollars of the taxpayers' money which has been invested in cotton loans. This plan is sound and practical. We have one and three-fourths million farmers producing since control a little less than 3,000,000 bales. We have three-fourths million more farmers that would have five bales each, or three and three-fourths million bales, making a total of six and one-half to six and three-fourths million bales on which the Government would guarantee parity. This is our average American consumption; of course, if the plan encourages the one and one-half million upland farmers to increase their production to, say, 4,000,000 bales, making a total required allotment of seven and three-fourths million bales, we would just reduce the number of bales per family to four and one-half bales each. If, on the other hand, the five-bale allotment should fall under the domestic consumption, then we would increase the family allotment to five and one-half or six bales per family.

We understand you have the same problem of protecting the family size wheat grower against the corporation wheat ranches of the Campbells and Clarks and others as we have it down South. We believe, however, the principle of the five-bale distribution of the American consumed cotton could be applied just as successfully to the distribution of the wheat to be consumed in America. While the control program may have been all right for your products, it does not work with cotton. It has helped to lose our foreign market, probably forever. It has driven tenants from the plantations and smaller farms onto the W. P. A. pay rolls. It has caused farmers to lose their homes by the thousands and it is gradually driving them into other lines of agriculture in competition with you, and remember Congressman Boileau, of Wisconsin, said a year ago, in discussing the present farm bill in Congress, that if the South increased the production of dairy products only 14 percent it would bankrupt the dairymen of Wisconsin and New England. Our thought is that the South can be saved—that it can be lifted from the position of being the No. 1 economic problem of the Nation—that the farmers of the South can have their standard of living raised—that those who have been driven from the farms on to W. P. A. can be returned to the farms. That tenancy can gradually be eliminated and homeowners substituted in lieu thereof, but this cannot be done under the present farm program as it relates to cotton. We believe the farmer is entitled to a two-price plan for his products, just as industry has a two-price plan for their products through tariff protection. Do you not wonder that the farmers have been able to stay in business as long as they have when our manufacturers through protection of our Government, whom we all support through taxes, are permitted to sell a mowing machine to the American farmers for $52 more than they sell the same machine to his competitor farmers in South America, Europe, Asia, and Africa; when they are permitted to sell a wagon to American farmers for $50 more than they sell the same wagon to his competitors in these other countries, this being true of all other farming implements, fencing wire, and other tariff-protected products of our American factories that the farmers must buy.

Yes; our manufacturers have one price for their products consumed in America through tariff protection. The balance of their products they sell to foreign trade on the world market. Are not the farmers of America entitled to the same protection for their products? Give them one price for all their products consumed in America and then let them, as industry does, sell their surplus on the world market at the prevailing prices. Certainly there is nothing unfair about this.

Do not criticize us too severely for the unfortunate economic conditions of the South as we have not had a fair break with the rest of the Nation from the Congress since the Civil War. We have been handicapped with high tariffs on the things we must buy and have been forced to sell our products on a competitive market with the whole world. We have been greatly hampered in the development of industries by high freight rates not imposed upon other parts of the country. We have accepted and have complied to the letter with all farm bills and regulations promulgated by the Department of Agriculture. We have accepted reciprocal-trade agreements, but it is hard to understand how the South can profit by trade agreements that permit vegetable oils to be imported free of tariff which cheapen our cottonseed and soybean oils. We are convinced that if tariffs are to be levied on the importation of manufactured products they must be levied on the importation of agricultural products. Either the whole Nation should be on a free-trade basis or it should be on a protective-tariff basis, furnishing a shelter for agriculture both in the North and in the South.

Therefore we ask you farmers, businessmen, and lawmakers throughout the Nation to help us get for the American farmers this two-price plan, familiarly known as the domestic-allotment plan. But if you give us the domestic-allotment plan and then do not provide for an equitable distribution of that part of the crop to be consumed by the American people among the individual farmers, thus protecting the family-size farmer, you still will not save the great masses, the one and one-half million cotton growers referred to in the early part of my discussion. When the Congress opened lands for homesteads they did not say to one farmer, "You can homestead only 40 acres because you have owned only 80 acres during the last 5 years, or you cannot homestead at all because you have not owned any land during the last 5 years," and then say to another citizen, "You can homestead 3,000 acres because you have owned 6,000 acres during the last 5 years." But that is exactly what they do under the present farm bill. No; they said to each farmer, "You can homestead 160 acres, no more." Why should not Congress distribute the American-consumed part of the crop among the different cotton-growing families on the same basis, or five bales to the family, provided the family grows five bales?

This will encourage the plantation owner to put his tenants back on his farm, as each tenant will get his five-bale allotment. The plantation owner will be benefited, as he will get his customary rental—one-fourth if an ordinary renter; one-half if a sharecropper. Therefore the plan will be fair to the little farmer and fair to the big farmer. It will be fair to the Government, because the taxpayers will be relieved of more than one-half million families now on W. P. A. pay rolls as they are placed back on the farms, and now costing the Government $200,000,000 a year. This will give the southern cotton-growing families purchasing power to buy fruits of the States of Washington, California, and New York; to buy dairy products of Wisconsin and New England; to buy wheat of the Great Plains. It will give them purchasing power to buy the products of our factories, as clothing, mattresses, blankets, bedsheets, farming implements, automobiles, and trucks.

Many of those trying to give farm relief have lost sight of the human equation of the cotton problem. They are so concerned with the number of acres that they have no time and little thought for the number of families who are being lost in the shuffle of allotments.

President Roosevelt did not consider production or anything else except human need when he called on the Congress to "put a floor under the income of wage earners" through enactment of a minimum-wage, maximum-hour law. So, let us again consider the human need and place a floor under the income of the farmers

of America. Perhaps that small percentage of the farming lands in the rich river-bottom areas could produce sufficient cotton for all our needs through intensive power cultivation. But more than 2,000,000 Southern families deserve the right to make their own living. They are already with us. Birth control will not solve their immediate problem. Today's problem must be met today. The five-bale parity plan would put a fixed floor under the income of every cotton-growing family; it would provide work in private enterprise for thousands now groveling in politically made work which in a large part must necessarily be a sham so far as actual achievement is concerned.

We of the cotton South who are working toward enactment of this plan into law ask you to join us in calling upon the President and the Congress merely to do for Southern cotton-growing families what they have done for wage earners in manufacturing and for the unemployed who have been given places on the W. P. A. pay rolls, the right to work and to a living wage as a reward.

We call upon you cotton farmers to rise up and demand your rights; to express yourselves as free citizens and not sit in tonguetied fear of political bossism; to step forth as stalwart sentries at the post of duty designated for the pioneer husbandmen by Thomas Jefferson—defenders of human freedom on this earth of "government of the people, by the people, and for the people."

We call upon every patriotic southerner to join us in a movement that will put the underprivileged classes of our southland on a plane of equality with other American groups, and that will fit them for larger contributions to national prosperity and progress.

The Works Progress Administration

EXTENSION OF REMARKS
OF
HON. HARRY S. TRUMAN
OF MISSOURI
IN THE SENATE OF THE UNITED STATES

Tuesday, February 21 (legislative day of Monday, February 20), 1939

RADIO ADDRESS BY HON. CLAUDE PEPPER, OF FLORIDA, JANUARY 21, 1939

Mr. TRUMAN. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered over the radio on Saturday, January 21, by the Senator from Florida [Mr. PEPPER]. His topic was the Works Progress Administration.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My friends, you know that the Senate is now determining the amount to be appropriated by the Federal Government for the support of the work relief program between now and the 30th of June, the remainder of this fiscal year. The President, after consultations with the W. P. A. Administrator, the Secretary of the Treasury, and other informed and careful advisors, recommended to the Congress the provision of $875,000,000 for this purpose. The chairman of the Appropriations subcommittee in the House of Representatives declined even to introduce the bill providing for the amount the President requested—$875,000,000—but introduced a bill providing for only $725,000,000. The House Appropriations Committee approved this figure, which meant a reduction of $150,000,000 in the current rate of Federal expenditure for the work relief program. The matter was handled in such a way that the House of Representatives approved this $150,000,000 cut without a record vote. Thus, a bill providing for $725,000,000 instead of $875,000,000 as the President recommended, has come to the Senate.

There are two ideas about the matter of the Government helping the people to better their condition. One idea was expressed in 1932 by the Honorable Merle Thorpe, editor of the Nation's Business, and at that time assistant director of President Hoover's organization on unemployment relief. Mr. Thorpe said: "When England first began to take care of the unemployed, she, like Rome, had no idea that it would lead to the dole. England, as we are doing today in the United States, developed a sloppy sentimentalism that the Government should care for its people.

"When old-age pensions were adopted, England took the first step to destroy the foundations of thrift. Labor exchanges and unemployment insurance were then introduced, on the idiotic idea that it was the duty of the Government to find its citizens work."

The American people in the election of 1932 repudiated that idea, and the government that believed in that attitude of indifference to the suffering of its people.

Suppose we look for a bit at the history of the Federal Government's effort since 1932 to alleviate the widespread distress in this country following in the wake of the depression. In 1932 the Republican administration created the Reconstruction Finance Corporation to make loans to private business and to States and municipalities for relief purposes. Between the creation of this act in July 1932, and the first of January 1933, $80,000,000 altogether was disbursed for relief purposes. That amount was approximately the same that the Reconstruction Finance Corporation of Hoover days loaned to Hon. Charles Dawes and his bank in the city of Chicago. In May 1933 President Roosevelt caused the creation of the Federal Emergency Relief Administration, which administered outright Federal relief grants under a scheme of partnership with other Government units. This was our first experience with the huge problem of aid to the unemployed and relief to the impoverished.

The program, being new and we being without experience in its operation, contained, naturally, many defects, although it definitely began to put money into circulation and to give succor to people in a way that immeasurably diminished the tragic shock of those sad days. In November 1933, the Civil Works Administration was created, under which the Federal Government undertook directly a program of public works in which the workers were hired directly by the Government; work was given to the unemployed at fixed wages and not on a needs basis. This program, at its peak, gave employment to 4,200,000 persons, roughly one-half of whom were taken directly from the relief rolls. Ninety percent of the cost of this program was borne by the Federal Government. We were learning something about work for the unemployed, and we had learned by these experimentations that a large variety of useful projects could be operated with unemployed labor which would not compete with private business, would give jobs to those who had a right to work, and give to the public a purchasing power that would move the whole economic machine toward a greater prosperity.

The C. W. A. program gave way again in 1934, and early 1935, to the revived F. E. R. A., which subsidized the State-relief and work-relief organizations and directly carried on a Federal construction and public-works program. This program, in addition to affording employment to the needy, also provided direct relief to many not engaged in the work program. Finally, in the spring of 1935, Congress provided for the Works Progress Administration, which discontinued entirely any direct relief and provided relief only in the way of a works program which gave opportunity for employment. The 1935 appropriation for the entire works program was four and one-half billion dollars; in 1936, two and one-quarter billion dollars; in 1937, one and three-quarter billion dollars; about the same amount in 1938.

The President's recommendation contemplates an expenditure for the next 6 months approximately the same amount that was spent for the program during the last 6 months. The House has proposed to reduce that amount by $150,000,000.

Under the present W. P. A. program, therefore, all direct relief and all relief which is not covered by the employment program of the Federal Government is left upon the shoulders of the States and the political subdivisions thereof. I know there is no city or county official hearing my voice who will not attest that the burden that the local governments are now carrying is all they can bear, and most of them are wondering how much longer they are going to be able to continue to do what they are now doing, because it will be remembered that the depression lasted from 1929 until 1933 when the entire load of relief was carried by the States and their political subdivisions without any help from the Federal Government, thereby running them into a great debt, and in many many cases straining their fiscal strength to the utmost.

There are now employed upon the W. P. A. program approximately 3,000,000 persons. It comes from reliable sources that even now the Federal Government is giving direct employment to only approximately 27 percent of the 11,000,000 unemployed of this country. It is a matter of common knowledge that every year approximately 500,000 new workers come into working age. That means that since Roosevelt took office, approximately 6 years, about 3,000,000 new workers have grown into the workers' field. Therefore, it might be said that every job that the Federal Government is now providing has been taken by a new worker who was not a worker in 1933 when we had approximately 15,000,000 unemployed. You can see, therefore, how little we have been able to do in diminishing the number of unemployed who were unemployed in 1933.

Another fact commonly overlooked is the number of workers every year thrown out of employment by improvement in the use of machinery and mechanical devices. It is estimated that in 1938 at least 10 percent fewer men were required to turn out the same quantity of goods in America as in 1929. Or, put another way, had it not been for technological improvement between 1929 and 1938, at least 1,000,000 more workers would have been required than were employed to produce the national income of 1938. If we take into consideration the number of new workers growing into working age every year and the number of workers being displaced from jobs every year by mechanical improvement, our national income in 1939 would have to be one-quarter again as high as it was in 1929 to give the same number of people work as were employed in 1929.

I wonder how seriously those who are so loud in their demand for a reduction in the appropriation have regarded the problem, how adequately do they think that even the amount the President has recommended is taking care of the needs of the country. The truth is—and all of these figures were given in evidence before the Senate committee—that there are 750,000 people in the United States certified by the public-welfare agency of their own county and community as being in sore need of work relief,

who are not even now, and will not be if the amount the President recommended is adopted, able to get a W. P. A. job. In addition to that, under the existing rules of the W. P. A. on account of the limited funds now available, no farmer who receives any benefit, even a $50 loan from a Federal farm aid agency, is eligible for W. P. A. work. That cuts off at least another 100,000 who actually need a job and can't get it because funds are not available.

There are 1,640,000 people over 65, every one of whom is receiving from Social Security benefits less than he or she would receive from minimum W. P. A. wages. There are in addition 256,000 mothers with dependent children, reaching a total of 630,000 children, and every one of these mothers usually also receives a lesser amount than the minimum W. P. A. wage. There are 1,520,000 families, representing five or six million people altogether, who are receiving direct relief from the States and their political subdivisions, in every case in an amount less than the minimum found by the W. P. A. to be necessary for a bare sustenance. There are at least 750,000 farmers whose annual income is less than that found by the W. P. A. to be necessary for a meager livelihood. It, therefore, makes us who know these facts unable to understand the reasoning of those who arbitrarily demand that even the present rate of Federal assistance through work relief be diminished by $150,000,000 in the next 6 months.

The effect of that reduction would be to throw out of employment—to put altogether in most cases without means of a livelihood—200,000 persons in January, 200,000 more in February, 200,000 more in March, 200,000 more in April, 200,000 more in May, and the same number in June. In my State of Florida, for example, that would mean that between now and June the number on the W. P. A. should be reduced from 52,400 by 19,600, a total reduction of 37 percent, and there will be corresponding reductions throughout the whole country.

All of us will remember that nearly every one of those persons has been largely for years making a bare living and has had no opportunity to accumulate savings. Who is going to give a job to those 200,000 people each month that the opposition proposes to cut off? How are the States and their political subdivisions going to provide for these additional unemployed that the opposition proposes to throw in their laps? Who can measure the cost in human suffering, in blighted lives, in premature death, from undernourishment, or ill care that that contribution to economy which some of our friends so ably want to make to America? At a time when America needs the producing capacity, the earning, the creative effort of every one of those men and women the opposition proposes to make them derelict in their own country.

Our experience over the last 6 years has indicated that these Federal contributions are not charity. When we give a job to an unemployed man we don't help him any more than we help the merchant with whom he spends the money he gets from his job. The whole economic system derives as much as that man does from the benefit of what he receives and, in addition, our economy is enriched by the work he does. All over this Nation public buildings, highways, streets, airports, recreational facilities, water and drainage systems, flood- and erosion-control work, conservation activities, such as reforestation and the like, stand out to sustain the statement of Fortune Magazine, the magazine of business, in October 1937, that, on the whole, the W. P. A. "functions with an efficiency of which any industrialist could be proud."

It seems now that we have had enough experience with the general beneficial effects of a public investment program to leave no doubt in anyone's mind of not only the necessity, but the desirability of such a policy. We started investigating because the spending we have been doing, as the President pointed out, is an investment the way fertilizer under a crop is an investment. In 1933 and 1934 and 1935 and 1936, and the early part of 1937, we had a prosperity that compared favorably with that of 1929 and many of the large corporations of this country made more money than they made in the boom year—1929, under the pressure of those who make the same argument that the opposition is now making, the argument of economy and lower Federal participation in the recovery program. We stopped our spending, or investment program, sharply in 1937, and in the summer we dropped into the abyss of a recession almost as severe as the depression of 1932, and we stayed in the trough of that recession until in the spring of 1938. The courage of President Roosevelt, and the policy that he had demonstrated, reasserted themselves and the Federal effort was revived and now it has borne fruit again, for the securities listed upon the stock exchange alone have increased since that Federal appropriation of the spring of 1938 at least three times more than the entire Federal appropriation. In fact, the Federal debt has been increased a total of $18,000,000,000 since this administration took office, but at the same time, and as a direct result of that debt, the American people are making a total income this year of $70,000,000,000, when in 1932 they made only about $38,000,000,000.

Roger Babson on October 28 last said: "Business in the United States is surging ahead. There is no longer any doubt about the present recovery."

How can anyone miss the causal connection between this Federal activity and the ensuing economic improvement? Now, our friends of the opposition, while they talk about business confidence being desirable, want to destroy business confidence by cutting off business' customers.

It is like old Benjamin Franklin said about honesty—this is the best policy. They, therefore, who look to their selfish interests, to the prosperity of their country, the welfare of everybody, not even to speak of a tragic, dismal future of those whose very lives may be shattered by what we do in this measure cannot, I believe, refuse to support the President in the salutary recommendation he has made.

America's Place in the World

EXTENSION OF REMARKS

OF

HON. CLYDE M. REED

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Tuesday, February 21 (legislative day of Monday, February 20), 1939

ADDRESS BY HON. GERALD P. NYE, OF NORTH DAKOTA, FEBRUARY 18, 1939

Mr. REED. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the distinguished Senator from North Dakota [Mr. NYE] before the Saturday Discussion Club, National Republican Club, at New York City on Saturday, February 18, 1939. The subject of the address is Our Place in the World.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Shall we be a policeman for all the world? Shall we strive to inflict upon others our theories and wishes as to what government ought to be the world over? Shall we ridicule the economic practices of others? If it be our choice to be and do these things, then what of our proven ability, or lack of ability, as a policeman? How well prepared are we to demonstrate that ours is the only form of government that lends itself to the needs and interests of people the world over? How successful have been our own economic practices that we should want to inflict them upon others?

All these questions, and many more, suggest themselves when we lend ourselves to a discussion of our American place in the world. But for my purpose today one question stands out more invitingly than any other—what of Republican responsibility and opportunity as respects our place as a nation in the world?

Certain is one thing—America's place in the world is in a very definite and large way dependent upon her own strength of mind and body. A sick nation can hardly expect to afford a world leadership or worthy example. We may preach, make faces, throw our money around, bluff, and bluster, but so long as we suffer our present economic illness it is hardly likely that we shall be taken seriously abroad.

PUT OUR OWN HOUSE IN ORDER

If ever we are wanting a place of leadership and influence, the kind that wins good faith and confidence, we must have our own house in such order as will inspire and give us firm foundation from which to do our speaking. To talk boldly to the world, to get into the middle of the world's embroilments may serve the immediate purposes of some people insofar as it takes the popular mind off failure at home. But it can only invite a condition of added decay, injury, and illness at home that hasn't responded to the remedies that have been administered, even though they have been the most costly prescriptions civilization has known. In a word, we will do well, it seems to me, to confine ourselves for the moment to correcting our own ills, to saving our own democracy rather than soliciting the trouble to come from any move to police and doctor the world.

I think our country has never had a more difficult task than the one at hand. And it worries me more than a little to observe how large is the will to criticize what is being done with the express purpose of meeting the task, and how rare is the seeming ability of these critics to meet the challenge with constructive means to substitute for the plans and efforts that have failed.

GOVERNMENT MUST CONTINUE HELP

While I am ready to agree that there is lack of confidence by business in government, that this definitely retards recovery, I am completely without patience with those who proclaim that all that is necessary to put the country on its feet is for the Government to quit trying to help improve the situation and let our economic order find its own level. I might have some sympathy for this theory if only I didn't know that those who preach it would not want to give up many of the advantages that government and law has given them and under which they have prospered in other days, and under which some of them prosper even today.

It is idle to talk of what is wrong without offering a means of correction. The Republican Party may conclude that victory in 1940 is dependent only upon the President's will to continue losing his temper and continuing failure of his administration. That might win. But dependence upon any such negative course would drive me quickly to the conclusion that the Republican Party "ain't

goin' no place in 1940." The American people not only want action but they need it desperately.

What kind of action is it the people want? More Government in business? More Government tinkering with wheat acres and the lives of little pigs? More Government spending? Not at all. What is wanted is Government action which will let the people enjoy the resources of the Nation and the fruits of honest toil in production.

RELIEF FROM RELIEF NEEDED

What kind of action is it the people want? A primary desire is for relief from relief. This desire is common to people off relief and most people on relief, all of whom thoroughly dislike seeing a Government trying to meet an emergency of need by many through programs which too frequently ignore the needs of the truly deserving, while many others enjoy, on relief or in administration of relief, a grander standard of living than ever was their lot under the most prosperous conditions the Nation has known. Relief from relief does not require abandonment of governmental help to those who find themselves up against difficulties which they had no hand in inviting. It does require a weeding-out process that will let fewer Federal dollars meet actual needs and send thousands into positions where they can at least know that they must try to help themselves.

There are fields in which the Government might operate in a way that would bring a quick and lasting recovery into every occupation, afford tremendous relief from relief, and restore security and contentment in those places where despair now holds sway in spite of 5 years of Government spending in the name of accomplishment of desirable results.

BUILD A HEALTHY AGRICULTURE

To me it has always appeared that a healthy agricultural industry was basic to an economic state that would serve well the interests of business, capital, and labor. American agriculture hasn't known prosperity in many years. This administration has declared its purpose to correct this disparity directly involving a third of our population. Its efforts have failed miserably. Today finds the farmer exceedingly weary of the New Deal agricultural program, sick to death of the control program.

AMERICAN PRICE FOR FARM PRODUCTS

The thunder of farm disapproval rolls heavier every hour. The counting of the votes of last November in the farm States reveals only in part the degree of protest existing. But this protest is not demanding abandonment of Government assistance to agriculture. Instead, it is requiring an adoption of policy that will go directly to the heart of the trouble and afford a price for farm products that will represent the cost of producing them. An American price for farm products consumed in America is not more than our farm people have a right to expect. It is the least that ought to be given them. There ought to be adoption of the pending cost of production program in substitution of the existing acreage control policy which has had no tendency to improve farm prices, and this in spite of the millions that Government has poured into the cause.

Our policies should be predicated primarily on what is the best for the United States. The effect on the remainder of the world should be a secondary consideration. In that way we shall best serve world civilization, for I am convinced that our greatest contribution to the welfare of mankind and to future generations is to preserve intact our way of life and our democracy. We will do well to afford a substantial plan for agriculture in our economy.

TRADE TREATIES HURT FARMER

This thought inspires me to say a few words about our reciprocal-trade program. This program has been hailed by the Roosevelt administration as one of the greatest contributions to a peaceful solution of the world's troubles, as "a great cornerstone for the edifice of peace."

If the reciprocal-trade program held out the promise of diminishing the prospects of war in the world—if it could be demonstrated that actually it did contribute to keeping the world at peace—then it might be worth while despite its unfavorable impact on American agriculture and industry and its disruptive effects on our national economy.

But the record does not offer evidence to sustain the high claims made for this program as an instrument of promoting peace. This Government has pursued the reciprocal-trade program unceasingly now since its first enactment in 1934. It has had a trial of almost 5 years. Negotiations have been carried on with a score of nations. All the world has been informed of the nature and methods of such an undertaking. Surely if there is inherent in this program forces which make for peace they should by now be apparent in measurable form.

But what do we find? Instead of war being more remote in the world, we find that it is far more imminent today than it was in 1934. One need not demonstrate that contention with specific incidents. It is apparent daily in our national life and in every country in the world. Virtually the entire time of the present session of Congress has been devoted to a discussion of war and preparation for war. Congress now is being asked to appropriate for national defense a sum more than twice that spent for national defense by this country 4 years ago. In greater degree the same story is true of all of the major countries of the world. During the life of the reciprocal-trade program we have seen the greatest armaments race of all history, with our country a party to it.

The reciprocal-trade program has done positive injury to the American farmer. While the farmer is asked by his own Government to reduce his production to the requirements of American consumers, he has had to watch the same Government bringing him new competition. Imports coming from Canada for instance, imports in competition with the American farmer, are permitted in the name of helping Canadian farmers to buy Michigan automobiles, thus aiding business and labor. But what of the American farmer who by reason of the Canadian competition loses his own market and ability to buy the same product of the automobile manufacturer?

GIVE AMERICAN FARMER AMERICAN MARKET

Preservation of an expanded American market for the American farmer is the greatest contribution which this or any other administration can make toward stabilizing our economic life. No longer is the foreign market the hope of the American farmer. His hope is an enlarged domestic market protected against the low-cost producers abroad.

Instead of worrying about increasing the standard of living abroad we should set ourselves to work to increase the standard of living in America through increased consumption and new industrial uses for American farm products. The very least to which the American farmer is entitled is the American market. Let him have that, and we shall have started down the road to economic recovery—because increased purchasing power on the farm means employment for workers in the cities—and once we achieve economic recovery we need not worry about the future of our civilization or institutions, irrespective of what happens in other parts of the world.

COMFORTABLE STANDARD FOR AGED

Let America have a healthy agricultural industry and see how fast the wheels of other industries will start turning. Add to this a reasonable governmental assistance to the aged, such as will let the aged enjoy a comfortable standard of living, and we shall have a condition at home that can be disturbed or destroyed only as we shall be caused to cast our fortunes into a mad world jackpot.

THE ROAD TO WAR

There is a greater need today for calm, clear thinking about our country's relationship to the remainder of the world than on any other subject. In the event that the dreaded second world war should come, what we do now is far more crucial than what we do after the conflict commences. If we are to be spared the agony and devastation of participation in another war, the policies now being formulated will achieve that merciful end. If we are to be plunged into that war, it will be likewise because of what is done now.

This is so clearly demonstrated in retrospect by the years from 1914 to 1917 that it should require no argument. Those years are a story of a nation drifting into deepening entanglements with a European conflict with which it had originally little direct concern and finally into that struggle. No single action was responsible for American involvement in the World War. Rather, it was the cumulative force of a long series of day-by-day actions, each establishing precedents for those that were to follow and each bringing involvement closer.

With that frightful experience still fresh in our minds, it is amazing that so many persons, in high and low places, should forget the lesson of 1914 to 1917. Yet today that lesson has been forgotten by the very men and women who best should remember it. Steps are being taken, policies are being inaugurated, precedents established today that in large degree parallel the "road to war" which America trod only a little more than 20 years ago.

In the thunder of angry and emotional oratory—amidst high-sounding but vague words which make for confusion—between seemingly contradictory policies, punctuated by incidents of official secrecy—all of which constitute the backdrop of the Washington scene today—it appears that this country has no foreign policy, except that of drift and day-to-day expediency divorced from realism.

ALARMING FOREIGN POLICY

Yet closer examination of the words and deeds of our Chief Executive in the field of foreign affairs reveals a thread of policy which needs to be brought out into the strong sunlight of day. At times this policy is declared in generalities—at other times it is intimated. Nevertheless it has become sufficiently clear as to cause alarm and to demand a frank discussion of its soundness and its implications.

EMOTION AND HYSTERIA

This policy is based on the belief—fallacious and erroneous, in my opinion—that if there is another general war in Europe the involvement of this country in that conflict is inevitable—that there is nothing we can do—no step that we can take—that will save us from being sucked into such a war. This is a counsel of despair, generated by emotion and hysteria, without a basis of either fact or realistic appreciation of world affairs.

Yet it is on the acceptance of this belief that there is predicated the contention that America must give aid and support to the democracies of Europe in difficulties with which we have no concern. It is the basis for the contention that this country should not undertake to observe a rigid neutrality but should take sides in words and deed among the quarreling nations of Europe and Asia.

In other words, our policy appears to be that since our involvement in another war is inevitable, then we should do all in our power now to assist and support nations which in a future conflict may be our allies in order to prevent such a war. Since this proposition is predicated on a theory that we are doomed to be participants in another war, whether we like it or not, it is argued that by pursuing a policy of cooperation and collaboration

with certain European nations we are not running any risk which does not now confront us.

Such was the implication of President Roosevelt's Chicago speech of October 1937 in which he pleaded for the support of this country in a quarantine of the so-called aggressor nations of the world. More clearly it was the implication of the President's message to Congress last month. In that address the President undertook to arouse the people of this country to a spirit of a holy war by an appeal to our desire to worship God according to the dictates of our conscience.

"Storms from abroad," asserted the President, "directly challenge three institutions indispensable to Americans now, as always. The first is religion. It is the source of the other two—democracy and international good faith."

Having thus laid down his theme, the President continued by saying:

"There comes a time in the affairs of men when they must prepare to defend not their homes alone but the tenets of faith and humanity on which their churches, their governments, and their very civilization are founded. The defense of religion, of democracy, and of good faith among nations is all the same fight. To save one we must now make up our minds to save all."

OUR RELIGIOUS FREEDOM NOT IMPERILED

I deny emphatically that religious freedom in this country will be imperiled by whatever happens abroad. I deny that our democracy or our civilization is threatened by developments abroad so long as we keep ourselves free from involvement in the quarrels of Europe. I assert with confidence that the greatest threat to American democracy is to be found in policies which ultimately will have the effect of making us participants in the quarrels of Europe and in any war which should break out.

COVER UP FAILURES AT HOME

Reluctantly I am forced to the conclusion that the President by such utterances as those contained in his message to Congress is seeking to draw a red herring across the trail of his failures in domestic policies. He is seeking by appeals to emotion to win support for a program which would be rejected by the common sense of men. Whatever the President's motives, he is urging us to pursue a course which in the years to come may lead us to a disastrous end.

Already do we find our leadership worked to a point where it permits no criticism of its foreign policy, if any. Critics of that policy are cast aside as "boobs" or "liars," and are being referred to as profacists, prompted by partisan prejudices. Lest anyone think I am thus prompted when I declare my views concerning the direction which the President is pursuing, permit me to quote from an editorial commenting on the President's message to Congress which recently appeared in the Christian Century, a nondenominational religious periodical with a national circulation:

"Here, we do not hesitate to say, is the most misleading and dangerous appeal made to the American people by a Chief Executive in the history of the Republic," this editorial said of the President's message, "Misleading, because the entire argument rests on the premise of an impending attack by the totalitarian states on the democracies of this hemisphere. Such a prospect, except to a fevered imagination, is fantastic. Not even the military and naval men, with all their clamor for more armaments, believe there is the slightest danger of such an invasion in any perceivable future. A rudimentary knowledge of the difficulties in which Hitler and Mussolini are involved in Europe, or of the trouble which the Japanese are having in trying to chew what they have already bitten off in China, should set at rest fear of an impending attack either on this Nation or on the other American Republics."

HYSTERICAL URGE DELIBERATE

"But this appeal," the editorial from the Christian Century continued, "not only rests on a fictitious premise, it is dangerous—diabolically dangerous—in its attempt to rouse religious passion. The President has done this deliberately, with his eyes open, and as a means of destroying the sober, calm judgment of the American people. Knowing that there would be opposition to the gigantic armament program which he desires, he has deliberately sought to divert the whole matter out of the realm of rational discussion into a realm of emotional ferment where men can be swayed to impulsive action by being frightened with the cry, 'Your religion is at stake!'"

WISE LEADERSHIP CAN AVOID WAR

Of course, it is fantastic, as this editor wrote, to say that this country is in danger of an impending attack abroad. And it is just as fantastic to contend that this country cannot keep out of another war if its people are determined to do so and if our Government pursues a course of caution and wisdom.

We now know that had our people been alive to the danger confronting them at the beginning of the World War that we could have avoided actions which subsequently led to our involvement in that conflict. We now know that we fought in vain to make the world safe for democracy and that that high ideal has become a term of mockery.

We now also know that trade in munitions of war and the loans we made to the Allies were the first fatal steps along the road which led this country into the World War. Those events marked the turning of the road away from the first neutrality proclamation of President Wilson in which he warned the country against taking sides. If only President Wilson had adhered to and had given practical application to that declaration, we could have escaped participation in the conflict.

The knowledge of what happened between 1914 and 1917 should forearm us against the dangers which overwhelmed us in those earlier years. Because of that experience, we should now be able to steer a course that would avoid the whirlpools which sucked us into war some 20 years ago. Add to that realistic appreciation that those who threaten war in Europe are facing eastward and not toward the west and us.

WAR MEANS END FOR AMERICAN INSTITUTIONS

These factors, along with our geographic isolation, makes it ridiculous to talk about this Nation facing an impending threat, either of actual invasion or to its institutions from beyond our borders, unless we deliberately ally ourselves with the affairs of Europe. It must be obvious that participation in another war by this country would mean the end of those American institutions of liberty and freedom for which we now are being urged to fight.

Despite the lessons of our experience, we now find the President insisting that we must cooperate economically with one group of nations threatened with war while he heaps reproaches and odium on the opposing group of nations. More amazingly, he invokes the need of providing employment for our jobless as one reason for such cooperation, as he did in justification of his promotion of secret assistance given France in the purchase of airplanes in this country. I express my amazement advisedly, because none has stated the danger involved in such action more cogently than did President Roosevelt less than 3 years ago in an address at Chautauqua, N. Y.

PROFIT FROM WAR MOVES PRESIDENT

"If war should break out again in another continent," the President said on that occasion, "let us not blink the fact that we would find in this country thousands of Americans who, seeking immediate riches—fool's gold—would attempt to break down or evade our neutrality.

"They would tell you—and unfortunately their views would get wide publicity—that if they could produce and ship this or that and the other article to belligerent nations the unemployed of America would all find work. They would tell you that if they could extend credit to warring nations that credit would be used in the United States to build homes and factories and pay our debts. They would tell you that America once more would capture the trade of the world."

And on that day also, President Roosevelt declared that "we can keep out of war if those who watch and decide have a sufficiently detailed understanding of international affairs to make certain that the small decisions of each day do not lead toward war and, at the same time, they possess the courage to say 'No' to those who selfishly or unwisely would let us go to war."

Great, indeed, is the distance which Mr. Roosevelt has traveled from the day he made that address to his recent press conference in which he defended cooperation with France in the purchase of airplanes here as a means of putting people to work in idle factories. Like President Wilson he has forgotten the fundamental soundness of being neutral in thought as well as in action.

These hours cry out for an alertness on the part of Americans if our country is to retain a substantial position in the world. The cry is for America to confine herself to a mind-our-own-business policy. And we've so much business to mind here at home if we've a care about saving the things we prize. And since there is such will on the part of present-day leadership to assume that the people are quite content with the direction that leadership is affording, there ought to be loud expression of voice by the fathers and mothers of this land who too silently pray that things are not what they seem to be.

Testimonial Dinner to Hon. Homer Cummings

EXTENSION OF REMARKS

OF

HON. HENRY F. ASHURST

OF ARIZONA

IN THE SENATE OF THE UNITED STATES

Tuesday, February 21 (legislative day of Monday, February 20), 1939

ADDRESS BY HON. HENRY F. ASHURST, OF ARIZONA, JANUARY 11, 1939

Mr. ASHURST. Mr. President, I ask unanimous consent to print in the Appendix of the RECORD the speech delivered by me at the testimonial dinner in honor of Hon. Homer Cummings on January 11, 1939.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

Mr. Toastmaster, ladies, and gentlemen, the famous English poet Alexander Pope, in his Odyssey of Homer, wrote a couplet:

"True friendship's laws are by this rule express'd,
Welcome the coming, speed the parting guest."

This same poet, in Book II of his Satires, wrote:

"For I, who hold sage Homer's rule the best,
Welcome the coming, speed the going guest."

Had our erudite and affable toastmaster been permitted to be present when the divine afflatus was inspiring the poet, doubtless our toastmaster would have suggested that it be written:

"Welcome the coming, feed the going guest."

Personally, I am much in favor of postprandial orations, that is, after-dinner speeches. They are islands of relaxation and comradeship anchored in life's wild and wasteful ocean and are pleasant interludes amidst the clashes of the hustings, the court, the forum, and the absorbing pursuits of commercial and industrial life.

Occasions such as this afford a serene atmosphere where delicate fancy, historical allusion, and beautiful words are permitted to form the staple of public utterance, and the speeches are intended neither to threaten, challenge, nor to rebuke.

Although postprandial oratory is generally supposed to be too glamorous to be of substance, the truth is that many of the brightest, wittiest, and wisest sayings of our times have been engendered amid the incense of fragrant cigars and the aroma of café noir. Poets, artists, philosophers, statesmen, scientists, novelists, and men noted for their brilliant wit and delightful humor have given to the world some of their best utterances at public dinners.

If a student of astronomy, whose vigils are devoted to a study of the magnitudes, motions, and distances of stars and planets in celestial space, were asked to describe in a single speech, the relation of the sun to our solar system, the student would stand amazed at the immensity of his task.

Not less immense would be the task of the speaker who in a single speech attempted to describe the relation of the Attorney General's Department to American justice.

Mr. Cummings was inducted into the office of Attorney General with but few days—less than half a dozen—within which to orient himself and adjust his affairs before assuming his duties and he entered office at a time when doubt and fear, twin specters of evil, had seized millions of persons; but quietly, unobtrusively, capably, he selected a staff for his Department, gave the staff his confidence and support, and in my opinion one of the reasons for his success is that he has always been willing to submit himself to the crucible of self-correction which comes, and comes only, from associating with other men.

This occasion would seem to invite a speaker to discuss, in some detail, the vast and important labors and achievements of Mr. Cummings as Attorney General, but even to enumerate the various reforms and accomplishments of the Department of Justice, under his leadership would be to stretch this address beyond the polite limits of a banquet speech.

For the fiscal year ending June 30, 1938, the total expenditures of the Federal Government, including relief, were $7,691,287,108. The expense of the judicial branch of the Government—that is to say, the energies and operations of our Federal courts—was only $9,500,000, which means that the cost of the judicial branch of our Government for that fiscal year was only one-eighth of 1 percent of the cost of our Federal establishment.

Not the least in importance of the arduous labors of Attorney General Cummings was his formulation and advocacy of the antigangster or anticrime laws passed during the Seventy-third, Seventy-fourth, and Seventy-fifth Congresses, and I would be wholly lacking in grace if I failed to note the able support given to these bills by Representative SUMNERS of Texas, chairman of the House Committee on the Judiciary.

Superlatives in speech are usually evidences of a weary man or sometimes an indolent man who does not seek a more nearly exact medium of expression. Nevertheless I choose to employ superlatives, because they are required truly to delineate and set forth the achievements of General Cummings and his staff, with particular reference to the energies of the Federal Bureau of Investigation, in coping with professional criminals.

When Mr. Cummings was inducted into the office of Attorney General he made a careful study of the character and attainments of Mr. J. Edgar Hoover, and I say advisedly that Mr. Cummings exhibited courage and foresight in retaining Mr. Hoover as Director of the Federal Bureau of Investigation, that is to say, chief of the G-men, and he gave Mr. Hoover encouragement and assistance. Arguments were made to General Cummings to try to induce him not to retain Mr. Hoover's services, but Mr. Cummings, with a judgment and a foresight almost telepathic, retained Mr. Hoover and the judgment and sagacity of Mr. Cummings have been vindicated.

Many persons of a speculative turn of mind have wondered whether Mr. Cummings was a right-winger or a left-winger—on that subject. I have no information—but being himself considerable of a philosopher, he probably came to the conclusion that a bird cannot fly with two right wings any more than a bird can fly with two left wings, therefore as a public official, he turned neither to the right nor to the left but went straight forward.

In bygone days there was a prominent pugilist named John L. Sullivan, one of the most successful pugilists America ever produced. Fifty years ago he was one of the most noted men in the world; today his name is nothing but a gorgeous reminiscence. In Mr. Sullivan's decline when the nymphs of his noonday had gone and the shadows of twilight gathered about him, he was asked the question as to what particular feature he ascribed his dazzling success in the prize ring, and he instantly replied, "I never took a backward step."

So Attorney General Cummings turned neither to the right nor to the left and never took a backward step.

Another reason for his success is that he understands the foundations and the framework of the Constitution; realizes that it was written neither on rubber nor on brass and that, while written on parchment, it was also written in the inborn, invincible, ineradicable sentiments and aspirations of men who love liberty under the aegis of the law.

He realized that it was intended to implement and aid the law in protecting and defending the rights and immunities of free men, an instrument to give the law the scope and opportunity to cope with the ruthless cunning of chicanery and, above all, that the Constitution was not written to debilitate or enfeeble the Nation, reject the fruits of the discoveries of science, or to stop or stay America's dramatic march onward and upward for good in the affairs of her citizens.

In an era when vituperation and calumny are largely the stock in trade of political warfare, Mr. Cummings, instead of permitting his temper to become caustically embrittled, carried himself with dignity of demeanor and constant propriety of speech.

No public official in our time ever held the standard of responsibility higher than he. Neither friend nor enemy nor ambition nor praise nor censure could swerve him from the path of duty. He made no bargains.

No Department of Justice existed in our Government prior to the year 1870, although, of course, there had been an Attorney Generalship since 1789, and this Department of Justice has grown from meager and slender facilities and equipment into a department of enormous importance and responsibility, until it stands today the strong citadel and tower of defense of the inviolable rights of a free people, a barrier alike against the frenzied onslaught of faction and the insidious encroachment of privilege.

In conclusion, this occasion affords me the opportunity to say to General Cummings what I believe is in the heart of every person here present, namely, that we have never wavered in our admiration and affection for you, and we all feel that the Fates treated us kindly in making us your contemporaries and your friends.

National Defense and Foreign Policy

EXTENSION OF REMARKS

OF

HON. CARL HINSHAW

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 21, 1939

RADIO ADDRESS BY HON. CARL HINSHAW, OF CALIFORNIA, FEBRUARY 18, 1939

Mr. HINSHAW. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me over the radio last Saturday:

Here in Washington, and all up and down the Atlantic coast, it is now a quarter to eleven—getting on toward midnight.

In New Orleans, St. Louis, Chicago, and throughout the great Mississippi Valley it is a quarter to ten.

In the Rocky Mountain States it is a quarter to nine, while out on the Pacific coast—in California, Oregon, and Washington—it is a quarter to eight. The sun set on our Pacific shores just a few minutes ago, while here in Washington it is an hour before midnight.

The difference in time from east coast to west is 3 hours—the distance is 3,000 miles—a thousand miles per hour, and that is the speed at which the earth's surface moves at this latitude while the earth revolves on its axis.

A thousand miles per hour is the speed at which the sunset moves around our part of the world—24,000 miles in 24 hours.

Recently an Army plane made a coast-to-coast flight in 7 hours. Its average speed was 420 miles an hour—"loafing along," as the pilot said.

Shortly before that a plane in an uncontrolled power dive reached the terrific speed of probably 600 miles per hour—more than half as fast as the earth itself turns on its axis. Not long ago this speed was said to be impossible.

How long will it be before a plane will be able to travel with the sunset at 1,000 miles per hour?

It is startling demonstrations such as these that bring both courage and fear to the hearts of our people—for then do we realize how split-second fast are the modern weapons of offense and defense.

But let us examine these things with sober thoughtfulness. What do they mean to us? Danger—yes; but not so dangerous as they might appear.

Do you realize that while these little fighting pursuit ships can fly at terrific speed, there isn't a bomber built anywhere in the world that can fly loaded more than 800 miles, locate its target, drop its bombs, and return to its base? Eight hundred miles is the bomber's range.

In order to damage the cities of the United States, a foreign power must establish an air base within 800 miles of our American cities—and what do you suppose we will be doing about that?

What do you think the House of Representatives just passed this military-defense bill for, authorizing the increase of our air force to 5,500 planes?

Then let me point out something else.

Do you fear that this country can be defeated from the air? Don't worry. That is silly. All an enemy air force can do is to harrass the people. It can destroy much property and some lives with bombs but it can't take and occupy the country.

An enemy of the United States must have ships—transports and a navy big enough to guard them—in order to land on our shores millions of soldiers. And after it has landed them it must feed them and supply them with munitions.

Friends, the best that the United States could do in the matter of transport in the World War, without an enemy ship on the high seas, was to transport an army of 3,000,000 fighting men to France and maintain them there.

Even after our men arrived there with all the transport, and all the great navies of the world to guard them, was Germany beaten by force of arms alone?

Not a shot was fired on German soil. Germany was not beaten by force of arms alone, she was starved into submission. Her people broken by starvation, children with rickets and tuberculosis, from undernourishment. Women gaunt and weary from hunger.

What good food they had was given to her soldiers to give them strength to fight. Could her soldiers keep up good courage to go on with the fight when they knew their families at home were starving?

Germany suffered for lack of food—not guns.

Then look at Spain—little Spain, beset from all sides by the powerful military forces of Europe. Bombs destroyed her cities and killed some civilians. The troops of Franco, Hitler, and Mussolini drove in upon her—but hunger beset her people. Women and children are the real sufferers in Spain.

Friends, from the stormy Atlantic to my home in sunny California, the United States of America, reasonably prepared for armed defense, will never be conquered by any foreign power. Why? Because we can't be starved into submission. We can be damaged from the air, we can suffer loss of life, but our farmers will save America.

I am for national defense as a guaranty of peace. I am for preparedness with planes and guns, a navy, and men, but the main line of our defense is our army of farmers.

And right here I come to my point.

What is this administration doing about our food supply?

Talk about planes and guns and battleships and men, let's have them, but what about our food supply?

Bullets will make men die, but food, and only food, will keep men alive.

The greatest living humanitarian, Herbert Hoover, knew this when he insisted that the Allies in the World War permit the shipment of foodstuffs to feed the starving women and children of Germany and Belgium. Could the Allies themselves have kept on without food from America?

So what about our agricultural program in America? We have sought to destroy that very abundance of food that God has so bountifully given us, killed pigs and cattle, plowed under crops, restricted production to fit an ever-decreasing purchasing power, until today we in the United States of America are importing food to feed our own people. In 1937 we imported—imported, mind you, brought in from foreign countries—agricultural products that, if they had been grown in this country, would have required the planting and harvesting of 15,000,000 acres of American soil and the services of all the farmers and farm labor necessary to cultivate that land.

Think of it! A desecration, a shame, in a land of plenty, while millions of our people are hungry, ill-clothed, ill-housed. No wonder the world looks on us as a lot of lunatics. We must be crazy. The bread basket of the world with millions of hungry and undernourished people. Just try to believe it possible.

Now I submit to you, each of you: Even though it is only in the interest of national defense, should we not be producing abundant crops and laying aside stores of foodstuffs against war and drought and pests? Should we not be encouraging our farmers to grow more instead of less, when not only our own forgotten men and women, the great mass of unemployed, are hungry and weary of waiting for, shall I say, "recovery"? But all the beleaguered people of the world need so badly the foodstuffs we can grow in America.

I submit to you, satisfied people with full bellies do not need to fight. Starved people fight to live—fight for food and the right to live.

Why is Japan on the warpath? Because she can't feed her people on the pitifully meager acres of her little island.

Why is Germany on the warpath? Because she can't feed her people forever on substitutes for food.

Why is Italy on the warpath? Because she can't feed her people on the waters of the salt Mediterranean Ocean.

Why are the people of those countries so willing to lay down their lives for their fatherland? Because they are hungry and gaunt—half starved. They want food, milk, bread, oranges, meat, potatoes, cereals, grapefruit, prunes, apricots and peaches, beans, corn and barley and they can't get enough of them.

The American Continent has them, and so they cast hungry, covetous eyes upon us, like a starved child sniffing at a bakery door.

What are we going to do—fight them? Let's feed them instead.

What does the "good neighbor" do? Does he slap his neighbor on the mouth, growl, and kick him away? You answer that one.

What then is our second line of national defense? It is a busy, happy, well-fed people, working, doing business, rendering services to one another, earning, saving, spending, living the American way.

I submit to you that our second line of national defense—not only against the foreign enemy from across the sea—but from that far more dangerous enemy that gnaws at this country's very vitals from within—is a sound prosperous industry and commerce—fostered by an ever watchful—but encouraging Government.

I am not here concerned with party politics. Party has about as little as anything you can imagine to do with it. I don't care what party label a man may wear. I want to know what kind of a man he is—what does he believe—what does he practice—what does he say—what does he do—what is in his heart.

Some small show has been made of party politics here in Congress—but it is only a bluff show. On fundamental issues, the men and women of both great parties stand shoulder to shoulder—four-square against foreign doctrines—Republicans and Democrats alike are first of all Americans. And so we stand together on national defense.

What of our foreign policy—for it is that policy which will ultimately decide our requirements for national defense. We have heard much of "good neighbor," "quarantine of aggressor nations," "freedom of the seas," etc.

Is the United States in some immediate peril? Then we are entitled to know about it. The American people have not heard of any foreign threat against our shores. If we are threatened, whence comes this threat? There is much talk of secret things; what knowledge is so dangerous that it must be kept from the American people? I deny that this Government has any right to keep such secrets from the people.

That which we know about we do not fear. It is secrecy itself that we fear, secret negotiations, secret alliances, secret treaties.

Is the Secretary of State or the President engaging us in obligations to join with certain foreign countries for mutual assistance in the event of war? If so, then the people should know who and why, and against whom and why these alliances are being fostered.

Do we bear a grudge on our own account against any foreign nation? If so, I haven't yet heard which one, nor why.

The American people have a right to know these things. I, for one, believe in the old doctrine of "Open covenants—openly arrived at."

When you come right down to cases, the only foreign nation which is now paying its old war debts to us is little Finland. For Finland we have a place of high honor in our hearts.

I represent the Eleventh District of California in the Congress of the United States. On behalf of the 403,000 people in my district, I must insist that the Congress and the people be informed at once of the danger we are in—if any. It is their right to know, and it is my duty to insist that that information be supplied.

The President of the United States does not have the constitutional power to declare war. Only the people—through their representatives in Congress—may declare war.

Is the stage being set for war? Let the people understand that situation clearly—and then, let them decide.

Affiliation of Station KVOA With Blue Network

EXTENSION OF REMARKS

OF

HON. HENRY F. ASHURST

OF ARIZONA

IN THE SENATE OF THE UNITED STATES

Tuesday, February 21 (legislative day of Monday, February 20), 1939

RADIO ADDRESS BY HON. HENRY F. ASHURST, OF ARIZONA, SUNDAY, FEBRUARY 5, 1939

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the brief radio address delivered by me on February 5, 1939, upon the affiliation of station KVOA in Tucson, Ariz., with the Blue Network of the National Broadcasting Co.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The radio has made a whispering gallery of the skies. Its messages fly around the world on wings as swift as lightning.

Music being the universal language in which mankind expresses emotion, it is quite appropriate that when station KVOA, of Tucson, Ariz., becomes associated with the National Broadcasting Co., the inaugural should be a musical program.

I welcome this opportunity to salute KVOA and to speak to my invisible audience regarding Arizona whose citizens are patrons of learning, disciples of industry, and apostles of success, and which State, paradoxical as it may seem, is at one and the same time

the oldest and the newest of our governmental subdivisions—oldest in ancient occupation and civilization, and the newest and freshest in modern progress.

The citizens of Arizona celebrate, this year, the four hundredth anniversary of the arrival of Fray Marcos de Niza, the first European to the soil, that is now Arizona.

Arizona was a populous land before Julius Caesar's shouting legions brought tribute back to imperial Rome; and Arizona peoples of antiquity wove and spun cotton and flax into gaudy tapestries and gay raiments and melted gold, silver, and copper from Arizona's hills, into chieftains' ornaments and queens' girdles, long before the Knickerbocker set foot on Manhattan Island. Sublime as are the glories of art and architecture, Arizona contains natural wonders of scenic grandeur sculptured when the world was young by the Hand that sustains all creation. For example, her petrified forest, which lived its green millenniums and put on immortality millions of years ago. No prose poet has ever dipped pen deep enough into the ink of temerity to attempt a complete description of the Grand Canyon with its mosques and minarets, its temples, pyramids, sheer cliffs, and forbidding ramparts and its colors that elude the artist's brush. Arizona has a bracing, cleansing air which heals the throbbing nerves of pain. Her sunshine reddens the bloodless lip and paints the rose upon the invalid's pale cheek. She has irrigation projects so practical and yet so ideal that they charm the imagination with their wizardry. The fertility of Arizona's soil, the salubrity of her climate, the vastness of her mineral wealth make the lamp of Aladdin and the purse of Fortunatus appear tame and commonplace by comparison.

The Preservation of Peace

EXTENSION OF REMARKS
OF
HON. CARL HINSHAW
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 21, 1939

LETTER FROM FLOYD MERCER, OF GLENDALE, CALIF.

Mr. HINSHAW. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from Mr. Floyd Mercer, of Glendale, Calif.:

CHAPMAN COLLEGE,
Los Angeles, Calif., February 17, 1939.

Hon. CARL HINSHAW,
Washington, D. C.

DEAR MR. HINSHAW: It has been some time since I received your reply, and I thank you for it. I have thought much about writing more completely but find it difficult to put it on paper. It seems to me that our statesmen are following the European system which is based on fear and suspicion rather than mutual confidence.

Before the Christian era a leading statesman of Israel saw a time when "Nations would beat their spears into pruning hooks and their swords into ploughshares" and "learn war no more."

The Messiah for whom all Israel longed in due course arrived, but instead of being a conquering warrior he admonished to put up the sword "for all they who take up the sword shall perish with the sword." Notwithstanding that He possessed unlimited power, He refused to lift His hand in self-defense, having taught that "he who would save his life shall lose it," while he "who would lose his life for righteousness shall save it." Thus He became and is the Saviour of the world, not in any magical sense but to all who will follow His way of life for He is "the way, the truth, and the life."

For three centuries His disciples refused to take up the sword and conquered the world of their day, changing the whole course of history. Paul, one of the great leaders of this early period, insisted that the way to conquer evil was to "overcome with good." These rules pertain not only to personal relations but to nations as well.

Since the beginning of modern history international relations have been conducted just the opposite of this. Political chicanery, trickery, and deception have been and very much today are the rule.

But our great country, a democracy, is founded upon the principles enunciated by the Galilean centuries ago. A land of the free can only remain so as the bulk of its citizens respect the rights of their neighbors. This relationship exists only where these teachings prevail.

We were drawn into the World War by false propaganda connived in by some of our own leaders. At the close, while we refused to sign the Versailles treaty, we joined in holding Germany wholly guilty and demanded the last farthing as reparation. We had no "fair Portia" to prevent us "taking the pound of flesh," so we, the Allies, bled them white, until Hitler seized the opportune moment to make himself their savior, and continue to the present a menace to the peace of the world. The German people are not to blame.

The United States might have been the champion of right and justice for these people, and proved their friendship by forgiving all payments due us and forgiving all other war loans on condition they cancel similar amounts to Germany, and one further condition that all proceed to disarm. The cost would have been much less than what we have paid and are paying in defense from enemies who would have been friends. It may be too late to do anything about this now.

We know that their restricted territory is not sufficient to maintain a great and growing population. How much better had we recognized this and yielded sufficient land and colonial possessions before they armed and are now getting by threat of fighting when no one else is ready to fight.

In the main, Japan is in the same position. A land area less than California with 70,000,000 population and the world refusing to permit expansion. China with millions of acres of unoccupied land with a small army—depending on the great powers to support her but due to jealousies among themselves and fear of the European situation they were impotent—what more natural that Japan should take by force what should have been granted by mutual consent of all the powers.

The United States in 1924 deliberately insulted Japan, with other orientals, and have done nothing to alleviate the insult but almost as if planned, we add injury to injury, arousing their fears until they groan with taxes to build armament for what they consider an inevitable war. And we build more and more, presumably, in self-defense from them, Hawaii and now Guam which is an especial threat to Japan. To maintain this growing war machine to fight enemies which by the exercise of common horse sense could be made friends, we are collecting tribute from our citizens to the point of curtailing their liberties guaranteed by our Constitution, and as soon as war is declared all these liberties are gone. Why spend billions to build machines of destruction, destruction of civilization itself, when only millions spent in making friends would not only save the present civilization but would go a long way toward a new day when every man would have his own home, self-sustaining, and "nations would learn war no more." "War is hell," and you cannot making anything else out of it. To arm is inevitably to fight. Why not spend something to cultivate good will? Why not try the Golden Rule instead of the old "eye for an eye"?

Mr. HINSHAW, perhaps this does not add much to my previous note, but it seems that a little review of history would reveal the futility of war to settle anything and at least with the modern inventions it means utter destruction. If I could add a word that would help change our policy I would be glad.

Most sincerely,

FLOYD MERCER,
1123 North Howard Street, Glendale, Calif.

Title to Submerged Lands Below Low Water Mark

EXTENSION OF REMARKS
OF
HON. LELAND M. FORD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 21, 1939

RESOLUTION OF BOARD OF HARBOR COMMISSIONERS OF LOS ANGELES, CALIF.

Mr. LELAND M. FORD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution recently adopted by the Board of Harbor Commissioners of the City of Los Angeles:

Resolution 1318

Whereas, on May 1, 1911, the State of California granted to the city of Los Angeles all of the right, title, and interest of said State, held by virtue of its sovereignty, in and to all tide and submerged lands situated below the mean high-tide line of the Pacific Ocean within the limits of said city, to be forever held by said city for the purpose of developing and maintaining harbor and port facilities for the public purposes of commerce and navigation; and

Whereas, the city of Los Angeles has expended many millions of dollars in the construction and maintenance of harbor and port facilities and improvements, and in connection therewith has reclaimed and filled great areas of lands which were submerged and situated below the low-water mark before the work of development and improvement was undertaken; and

Whereas, the water-borne traffic through said port has increased tremendously since said port was established, and the undeveloped tide and submerged lands will be required to provide additional

facilities to meet the constantly increasing demands of commerce through the port of Los Angeles; and

Whereas, there has been introduced in the Congress of the United States Senate Joint Resolution No. 24, which asserts that all submerged lands below the low water mark and within the 3-mile limit lying along the coast of the United States are the property of the United States, and directs the Attorney General of the United States to assert, maintain, and establish the title and possession of the United States to such submerged lands and all petroleum deposits underlying the same and to cause and effectuate by proper proceedings the removal and ejectment of all persons now or hereafter trespassing upon or otherwise occupying said submerged lands or removing the petroleum deposits therefrom without the consent and permission of the United States, and to stop and prevent the taking or removing of petroleum products by others than the United States from such submerged lands; and

Whereas, the adoption by the Congress of such resolution and the compliance by the Attorney General with the authorization and direction contained therein would cloud the title of the city of Los Angeles to the submerged lands within said city, including the submerged lands which have been reclaimed and upon which improvements have been constructed, together with all structures, facilities, and improvements situated thereon, and would prevent the financing of additional reclamation and harbor and port development: Now, therefore, be it

Resolved by the Board of Harbor Commissioners of the City of Los Angeles, That Senate Joint Resolution No. 24 aforesaid be, and the same is hereby, opposed, and the Congress of the United States and Members of the Senate and House of Representatives thereof be, and they are hereby, respectfully urged and petitioned to cast their votes against said resolution or any other legislation which may be introduced for the same purpose; and be it further

Resolved, That the secretary be, and he is hereby, directed to transmit copies of this resolution to the President of the United States, to the Vice President, and to the Senators and Representatives of the State of California in the Congress.

The Background of President George Washington's Farewell Address in the Matter of Foreign Alliances

EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 21, 1939

Mr. SHANLEY. Mr. Speaker and my colleagues, the great, noble, and well-thought-out Farewell Address of the first President of our Nation whose memorable birthday we celebrate tomorrow has been quoted more often in our history for its injunction against foreign entanglements than for anything else. No man had greater experiences with foreign governments, emissaries, duplicity, and propaganda than he. Burned into his very soul were incidents that left indelible feelings and thought which found utterance in that valedictory to the American people.

Before that, however, the great contemporary statesmen of our first President had given him the background of actual happenings that emphasized the evils of his thoughts on "sympathy for the favored nation" passionate attachment on "one nation for another," or "concessions to the favorite nation of privileges denied to others," or "insidious wiles," or the other alluring but dangerous diplomatic propensities.

Not the least of these advisors was our own Connecticut leader, Oliver Ellsworth, one of our two first Senators and later Chief Justice of the Supreme Court. During those epochal and trying days of the famous armed neutrality efforts of Catherine of Russia, the Dutch were most anxious for us to become a party to a treaty underwriting the high principles of that neutrality. We were expected to do that as a belligerent or later at peace. In either event, we were expected to tie our future to that pronouncement which sought to cut down British dominance on the high seas.

But before that thought could get headway Congress acted. It had established a committee headed by Alexander Hamilton, James Madison, and Oliver Ellsworth. That trio brought in the findings which prompted this resolution dated June 12, 1783.

Whereupon Congress came to the following resolution:

Whereas the primary object of the resolution of October 5, 1780, and of the commission and instructions to Mr. Dana, relative to the accession of the United States to the neutral confederacy, no longer can operate; and as the true interest of these States requires that they should be as little as possible entangled in the politics and controversies of European nations, it is inexpedient to renew the said powers either to Mr. Dana, or to the other Ministers of these United States in Europe; but inasmuch as the liberal principles, on which the said confederacy was established, are conceived to be in general favorable to the interests of nations, and particularly to those of the United States, and ought in that view to be promoted by the latter as far as will consist with their fundamental policy:

Resolved, That the Ministers Plenipotentiary of these United States for negotiating a peace be and they are hereby instructed, in case they should comprise in the definite treaty any stipulations amounting to a recognition of the rights of neutral nations, to avoid accompanying them by any engagements which shall oblige the contracting parties to support those stipulations by arms.

It is interesting to know that still later but before the date of the farewell address, September 17, 1796, we had passed through another crisis like this offering present temporary gains but extending our permanent policy to all nations of Thomas Paine's slogan that separation from England meant separation from British wars.

The later temptation was the earnest desire of Sweden and Denmark, who had signed the armed neutrality formula for us to do so in 1794. But here again that was refused. The Cabinet this time made the decision on the ground that it might be an entangling alliance. Unfortunately this information in the midst of the negotiations for the Jay Treaty was betrayed to the British Minister, Hammond, in Philadelphia. That eased England's worry over our intentions and she definitely held back concessions on maritime rights.

Fear and Its Effects

EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Monday, February 20, 1939

ADDRESS BY HON. GEORGE D. AIKEN, GOVERNOR OF VERMONT, FEBRUARY 11, 1939

Mr. GIBSON. Mr. President, I ask unanimous consent to have printed in the RECORD an address by the Honorable George D. Aiken, Governor of the State of Vermont, delivered on February 11, 1939, to an enthusiastic audience of 1,500 people at the Amen Corner Club of Pittsburgh, Pa., one of the most prominent businessmen's clubs in the country.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

America was founded by men and women of courage who believed in the right to express the truth as they saw it, and to whom the expression of that truth was of more vital importance than all else. The Puritans who settled New England, the Swedes of Delaware, the Dutch of New York, the Quakers of Pennsylvania, and the Catholics of Maryland, all possessed that courage which enabled them to brave the dangers of the New World rather than to surrender the right to truth, and to subordinate their opinions to the sovereigns of those European countries from which they came.

America was built by men and women of courage. They did not fear to encounter odds when right was on their side. And they did not lack courage when a distant autocratic government at London taxed them beyond human endurance and denied them the right to govern themselves.

The feeble colonies of America engaged the mighty forces of King George the Third and his hired troops from the continent of Europe. They dared to wage war on the British Empire. They fought through the years of the Revolutionary War with the courage which a higher power gives to men defending their homes, their liberties, and the truth.

The story of Valley Forge is an outstanding example of the suffering which men of America endured in order that a people might be free. Washington could have given up in those dark

days. His men could have returned to the comparative luxury of their homes. They could have succumbed to the fear of reprisals from a distant government and asked for mercy.

Perhaps for a few years more they might have enjoyed conditions which would have been comparatively easy for them. But they chose starvation and liberty in preference to subservience.

In 1776 the United States Government was born. There is no evidence down through the years of history following the Declaration of Independence that America was ever a nation governed by fear.

Until less than 10 years ago the economic depressions which have from time to time afflicted our Nation have not caused the American people to give up hope and surrender to fear of the future.

It is probable that the depression beginning in 1929 would have run a course similar to previous depressions had otherwise normal conditions prevailed. In the early years of this depression our economic system, which was geared on a larger scale than ever before, got more out of joint than ever before. There were bigger bank failures, more unemployment, more idle factories, longer bread lines, and more huge and ever-mounting farm surpluses.

In 1932 the demand for action led to the election of one who promised in ringing tones to dispel our troubles and restore happy days once more to America. His very assurance drove away incipient fear. We elected him, followed him, approved his vigorous leadership because we feared the consequences in inaction.

Today we are a disillusioned people. Six years have passed. Throughout our land in every city and village and farm and home our actions are influenced by fear—fear of our own great Nation to which we have given power almost great enough to destroy the very form of our government.

We have been afraid to speak out against it. Afraid to stand up and say that we insist upon the American Government being conducted in the American way. We fear to speak for many reasons.

We fear the abuse which may be heaped upon us by an extravagant and elaborate propaganda service paid for with the tax money which you and I turn over to pay for legitimate Government services and to feed those who are hungry. This propaganda service emanates from the National Capital and seeps through every section of our Nation.

It is operated by publicity artists whose sole purpose is to lull the fears of those who might consider the New Deal as anything but the solution for our fears, and to heap abuse and ridicule on anyone who dares to speak against it.

Since 1932 we have had the greatest number of unemployed America has ever known. They are unemployed in the midst of work that needs doing, hungry in the face of the greatest of food surpluses, cold with fuel of all kinds crying for a market. Helpless, unless they surrender themselves to the mercies of a government that will, if they do as they are told, give them the munificent sum of $12 a week with which to support their families.

Reliefers are afraid to vote, act, or speak as they please for fear they will be cut off from the pittance that keeps them alive—and voting as they are told. Even relatives of those on Federal pay rolls vote and act in same manner. Business fears to plan for the future because of the ever-present threat of confiscatory tax measures or stifling and retaliatory regulations.

Whole States are afraid to protest against proposals of the Federal administration because they fear that their just portion of those moneys which they have paid or must pay through taxes will be denied to them. There was a time when Federal funds were distributed fairly in Nation-wide programs to benefit individual States. The method of distribution has been changed so that the allocation of Federal funds may now be used for bribes or threats. Bribes in return for the surrender of State and local sovereignty, threats to reduce or cut off those States and communities who refuse to obey the will of the administration. There is scarcely a State or community but what has felt the effect of this.

I have come here tonight to tell you that what America fears today is literally nothing compared to what we have to fear in the future unless we check immediately the mechinations and ambitions of those who intend to dissolve our States and so control the lives of every one of us.

Last June the President of the United States signed the 1938 flood-control bill. It contained a last-minute amendment offered irregularly from the floor of the Senate. The amendment was never referred to a committee and was rushed through in the closing hours of the Congress without general public knowledge of its intent and effect. In spite of the fact that New England and other States voiced opposition and at least 14 Governors who became aware of the situation protested such high-handed actions, the bill passed.

The 1936 flood-control law, which initiated flood-control activity as a proper function of the Federal Government in cooperation with States and local units of government, did not directly state who should own the flood-control dams, but required the States to acquire necessary lands or easements and required them to maintain and operate the dams after construction. But note well that in the only reference to ownership the language was the same as that in other laws and under those other laws the ownership had always remained with the State or local authorities.

This 1936 law authorized the Secretary of War to acquire land for flood-control reservoirs only under one condition—that was that after he had received from localities or States to be benefited the money necessary to buy lands and rights for a dam and reservoirs, to be located in another State which would receive no flood-control benefit from the construction—he might buy such property after he had received the consent of the State in which it was located.

The Barkley amendment reads as follows: "Notwithstanding any restrictions, limitations, or requirement of prior consent provided by any other act, the Secretary of War is hereby authorized and directed to acquire, in the name of the United States, title to all lands, easements, and rights-of-way necessary for any dam and reservoir project or channel improvement or channel rectification project for flood control."

Thus this amendment directs the Secretary of War to take natural resources of the States without their consent and without compensation for loss of taxes. If the provisions of these amendments were carried out to the fullest extent, it would break down the principles of statehood and deprive the people of the various States of their livelihood.

The President is reported to have said as he signed this bill that these amendments were a "step in the right direction." If depriving the people of a State or of all the States of the resources that enable them to govern themselves, to support themselves, and to speak for themselves is a "step in the right direction," what is the ultimate objective?

And what has an administration in mind when a bill is introduced into the Congress which provides, in the event of war or the existence of an emergency due to the imminence of war, that the President is authorized to exert immediate and complete control of absolutely everything in this country?

Who is in a better position to create a national emergency that would make war imminent than the person to whom this bill gives this power? The same man in whom authority for conducting American foreign policy is vested. The President of the United States could create such an emergency overnight.

It is not inconceivable that those who seek to control all persons and all things in this Nation would not hesitate to create a national emergency or even a war to perpetuate and strengthen their control.

Events of the last few days have lent color to the fears which many of us have entertained for months. I quote from the Vermont Republican State platform, written in September 1938: "In the world as it is today it is necessary for every country to count on the possibility of armed conflict, for it is no longer true that it takes two to make a war.

"We hereby pledge ourselves to employ every means to avoid this calamity. But we warn our fellow citizens that should we be drawn into war under this administration, we face a peril greater than war itself—the permanent loss of our liberties.

"Every instance, every previous act, of the administration points to a seizing of the excuse of warfare to put upon every citizen and every material resource of his Nation a permanent statutory control which will bind us when the emergency has passed.

"By all means we must avoid war under this administration if we would preserve for ourselves that freedom which our sister democracies across the sea are feverishly preparing to defend."

This declaration was agreed to in view of the situation as we saw it last September. It is no less alarming now.

And what is the aim of a Federal administration that has introduced in Congress such a measure as the Mansfield bill of a year ago? Its provisions go far beyond those of the Alien and Sedition Acts of 1797 in making criticism of government a felony.

I tell you tonight that if the people of America do not stop this subtle, indirect, ruthless, and totalitarian ambition emanating from Washington, and stop it now, that we will be too late.

If we are to turn back this tide that will inevitably overcome the people of America in such a manner as the European people have been subdued, we have got to show some of the courage upon which the United States and the American form of government was founded and sustained for a century and a half.

Courage and fearlessness and the will to speak the truth will rid us of this danger. I know this to be a fact. I know that a fearless opposition, based upon the principles of right and justice, will stop the trend toward economic and personal slavery in America.

When I say opposition I do not mean obstruction on the part of a selfish and reactionary group to those instances of social progress and justice which should come—and which are going to come, no matter which party is in power.

But I mean opposition that will not flinch and which does not hesitate to speak out clearly and loudly, which will not be silenced by vilification, threats, or bribes—but opposition such as has been recently displayed by the people of Vermont, Oklahoma, Wyoming, and of other States.

I refer to the recent attempt of the Federal administration to break down the structure of the States under the cloak of flood control and of cheap power development. They call it flood control because they would capitalize on the fear of those who live in the valleys, their fear of loss of life and property.

They call it cheap power development because in so doing they can capitalize on the animosity of a very large percentage of the people toward the public-utility companies for their unwarranted inflation of values and unjust collection of exorbitant rates.

On September 21 New England sustained terrific damage due to a hurricane. During the tropical storm the water of streams and rivers overflowed banks, inundating homes, causing loss of life and destruction of property. This disaster offered the Federal administration the opportunity it had been seeking. It had already, by

tricky methods, secured the adoption of the Barkley amendments to the flood-control bill in the summer of 1938.

But even after the enactment of that law with its amendments, we people in New England never thought that any Federal administration, even though it possessed the authority of this act, would go so far as to attempt to take from the States their resources without their consent.

Yet in October we were advised that the War Department intended to construct a dam at the little community of Union Village, Vt. The consent of the State had not been sought.

I wrote immediately to the Secretary of War, stating that I could not and would not recognize the right of the Federal Government to take our resources at will and without our consent. Yet in this instance we were anxious and desirous of affording all possible protection to the people of the lower Connecticut Valley.

As we were empowered to do under our law, the State of Vermont would consent to the construction of this dam and would acquire the land and turn it over to the United States Government free and clear from any strings and incumbrances of any nature so that the dam could be constructed and thus afford a small measure of security to the people of Massachusetts and Connecticut.

The Secretary of War sent representatives to Montpelier with a contract written by the War Department itself. The contract provided that the State would acquire the necessary land and would transfer it to the Federal Government.

The public works board of my State considered the contract on the 19th of December and signed it. It was signed for the United States Government by an officer of the War Department. I kept it overnight and approved it the next day, sending it back to the War Department with the full and unqualified approval of the State of Vermont.

There was not even one restriction as to the use to which this dam might be put. If the Federal Government could find any water power there, we made no objection to their development of such water power; and there was nothing in the contract to prevent their use of it.

This was on December 20. On January 5 a news dispatch states that the Secretary of War had refused to approve this agreement because it contained too many strings. If there were any restrictions in this contract, they were written into it by the War Department itself.

A day or two after reading the news in the papers I received a letter which repudiated the written agreement between the State and the Federal Government. This action of the War Department stripped the issue of its disguise of flood control and cheap power.

It left bared before all the people of America the fact that the Federal administration, possibly to establish a precedent, was determined to acquire this property without the consent of the State even when we were willing to give that consent.

This made it necessary for us to decide whether we should resist and fight for the existence of Vermont as a sovereign State or submit and let ourselves be ruled by a centralized government.

Perhaps folks up in Vermont are a little different from folks in some sections of the country. Ninety-two percent of our farmers own their own farms. Because of that they may be more independent. We are a State that for 160 years has paid our bills and has refused to pile up debt for future generations. Hard work and careful use of our natural resources has enabled us to do this. We hate debt in Vermont. We see the evil that it has brought upon us individually and nationally. And so we hate it even as we love liberty.

If we should give in to this determined action by the administration seeking to take from us one small river without our consent, we would allow them to establish a precedent for taking all our water resources and our land and forests and mineral wealth as well. This, according to the President, would be a "step in the right direction."

I placed the matter before the Legislature of the State of Vermont. I told them we had to fight or run. If they wanted to fight, it would be necessary to vote money to fight with. A resolution authorizing these funds was presented.

A handful of Federal administration Democrats argued for 2 hours against the adoption of this resolution. By 215 to 15 the house voted the money. The vote was not a party division. The majority of the Democratic legislators in Vermont did not vote against their State and its people.

The other five New England States joined action with Vermont the next day.

We expected that we would have to go to the United States Supreme Court to find out what that tribunal would decide as to the right of the Federal Government to destroy the States by gradual confiscation of their resources.

We were taken by surprise when it was announced that the President would give up the plan to construct a dam at Union Village rather than risk a court fight with the little State of Vermont.

The President's Secretary, Mr. Early, is reported by the newspapers to have said, "If New England doesn't want the money, other sections will take it and can have it." In other words, the money appropriated for flood control in New England would be given to those sections declaring their subservience to the Federal administration.

Federal authorities seemed to think that the right of this Government to do what it pleased when it pleased with the property we consider as belonging to ourselves and to our States should not be questioned. They threatened to take from us our share of the money which our people had paid as taxes, unless we admitted the absolute sovereignty of the White House.

Oklahoma was facing a similar situation. Her legislature requested the Federal Government to delay construction of a dam on the Red River. This dam would flood 145,000 acres of Oklahoma's best land. Administration supporters wired Oklahoma's courageous Governor to cease opposing Federal tactics, lest Federal money to Oklahoma be entirely cut off.

The Federal propaganda artists became busy. They attempted to becloud the issue. They tried to distract public attention to other things. In Vermont they indulged in a campaign of abuse.

Their unwillingness to accept a court test on the issue showed that they knew they were legally wrong and must depend on other means to attain their end. That is why I came down here tonight to tell you the truth in this matter.

There is no power issue in Vermont because we placed no restrictions on the development of power at the dam they contemplate building. There is no flood-control issue because we fully and freely offered to cooperate in flood control, and at a distinct loss to ourselves. The issue, as I told our legislature, was one of whether the Federal Government has a right to take from us what it wishes and without our consent.

A few days ago word came from Washington that the Federal Government conceded its lack of authority to take jurisdiction over streams and valleys of New England without the consent of the States. Requests have been made of New Hampshire and Massachusetts, where options have been freely purchased, to give consent to these purchases so that the work might proceed in a lawful manner.

They have found that the State of Vermont is the only New England State concerned where they can legally build dams—because we are the only State that could legally give consent—yet we are the target for Federal abuse because we demanded the observance of the law and the Constitution in the matter.

It appears that one victory for democracy has been won. But we cannot forget that the War Department had been directed to take these resources without asking consent of the States. And if Vermont had not challenged that procedure, they might have been successful.

It is not likely that the little group of centralizationists in Washington have been thus easily swerved from their ultimate purpose. They have been temporarily checked, but eternal vigilance must be the price of our safety.

Pennsylvania has as much to lose as Vermont. If they can by any means take our rivers, our forests, and our beautiful valleys, so can they take your coal, your forests, and your oil. And believe me, if you do not watch out, and stand up for your rights, they will do just that.

The time to fight this thing is now. If we let it go on, we will lose. There is no way that we will regain what we have already lost without hardship. The annals of the ages do not record that a nation is strengthened or liberty won by the wasting of resources in order to enjoy luxury for a time.

And even as Washington and his men endured that terrible winter, the American people will have to spend another winter at Valley Forge. The longer we put it off, the harder it is going to be. Depending on a central government that is itself dependent on us will do us no good. The people of America are heartsick and weary, but we must not give up. We must throw off fear, and replace it with courage and determination to fight for the right.

When Vermont took action in opposing the arbitrary methods of the Federal Government, newspapers throughout the length and breadth of the country carried the story. For the first time many people have learned the real issue. Approximately 80 percent of all editorial reaction, Democratic as well as Republican, has been favorable. Less than 20 percent supported the Federal purposes.

Thousands of people have written me, people from all over the country. People from the prairies and people from the lower Connecticut Valley who were supposed to receive benefits from the flood-control program, urging that Vermont hold fast. People in the lower Connecticut Valley tell me that they would rather have their homes under water forever than to surrender the heritage of generations for a mess of pottage.

Once let American people lose their fear, regain their courage, and work together—and we will sweep back this tide that is threatening to engulf us just as it has engulfed the people of European countries.

In concluding, may I make a few observations on the relationship which I think the Federal Government should bear to the States?

Government is not an empty institution, but its course is colored and shaped by those men who are exercising public power; and as we watch men, even as ourselves, exercising authority over their fellow citizens, we perceive certain fundamental truths about the operation of government.

The first of these truths is the tendency of government to increase its own powers and to perpetuate itself.

The second is the tendency exhibited by men governing; that as their power or authority increases and becomes more secure, their government is less and less responsive to the needs and desires of the people. There is an increasingly greater tendency for the acts and policies of government to follow the desires of those in power rather than to follow established laws and principles. Some successful politicians feel that they themselves are the law.

A third tendency which is more of the people than of the men in government is that the general public disassociates itself from

the costs of any level of government except that one to which they pay direct taxes. This tendency is seen in the case of States and smaller subdivisions striving for increased subsidies or other payments from the Federal Government. They pretend that it is the Federal Government's money and therefore costs them nothing.

When we receive a subsidy we must repay it twofold. First the money which we have received plus much more in administrative and other expenses must be ultimately repaid in taxes. A second payment is in the form of larger and larger exercise of Federal control over local affairs. This results in destruction of the responsibility of the people of the local communities for their Government and thus breaks down good citizenship in our Republic. As citizens we are furnishing all the money used to buy it.

The more we permit power to be concentrated into one central authority, the less that authority considers the effect of its use on the individual or community.

The administration of such authority is of necessity inflexible and unyielding. The more centralized it is, the more corrosive it is to individual initiative and freedom.

The liberty of the individual, an inherent characteristic of the American form of government, is linked completely with a decentralized form of government with much authority in the hands of States and regions.

When we plead for a Federal works program for State or regional development, we may expect that such a program will be used as a vehicle to deprive that region of its natural assets and the political jurisdiction of the people living therein.

There is already sufficient authority granted to the Federal Government to permit it to assist the States in all safe and desirable ways to make regional developments.

If the Central Government is willing to proceed in harmony with American principles, there is no need for asking for greater grants of power. Yet our present administration not only demands of the States and regions a surrender of their sovereignty in return for flood control and other public works, but has definitely taken a stand against permitting two or more States to cooperate in solving their own problems.

We cannot equivocate any longer, but Pennsylvania and Vermont and the 46 other States of the Union must stand shoulder to shoulder and say to those who would apply to America the policies on which some European governments are run today, "You shall go no further."

Activities of the Export-Import Bank and the R. F. C.

EXTENSION OF REMARKS
OF
HON. BRENT SPENCE
OF KENTUCKY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 21, 1939

LETTER FROM JESSE H. JONES AND SUMMARY OF THE ACTIVITIES OF THE RECONSTRUCTION FINANCE CORPORATION

Mr. SPENCE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from Hon. Jesse H. Jones, Chairman of the Reconstruction Finance Corporation, and also a summary of R. F. C. activities since its organization:

RECONSTRUCTION FINANCE CORPORATION,
Washington, February 20, 1939.

Hon. BRENT SPENCE,
Member, Banking and Currency Committee,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN SPENCE: In compliance with your request for further information regarding the Export-Import Bank, I give you the history of its organization and operations. Much of this was included in our testimony before the committee.

The bank was created February 12, 1934, pursuant to executive order, with capital stock of $11,000,000, $1,000,000 common stock provided from N. I. R. A. funds held by the Secretary of State and the Secretary of Commerce for benefit of the United States, and $10,000,000 preferred stock furnished by the R. F. C. upon request of the Secretary of the Treasury with the approval of the President. The preferred stock has been increased in this manner to $45,000,000.

The board of trustees named in the Executive order were: Daniel C. Roper, Secretary of Commerce; Robert F. Kelley, Chief of the Division of Eastern European Affairs, Department of State; Chester C. Davis, Administrator, Agricultural Adjustment Administration; Stanley Reed, General Counsel, and Lynn P. Talley, Executive Assistant to the Directors, of R. F. C. The board was increased by a further Executive order on February 14, 1934, to include: R. Walton Moore, Assistant Secretary of State, who has served as chairman of the board ever since; George N. Peek, Assistant to the President, who served as president of the bank; Tom K. Smith, Assistant to the Secretary of the Treasury; and Harold H. Neff, Counsel, Federal Trade Commission.

The board of trustees has, with the approval of the President, been changed from time to time, the present board being: R. Walton Moore, Counselor, Department of State; Herbert Feis, Adviser on International Economic Affairs, Department of State; Wayne C. Taylor, Assistant Secretary of the Treasury; Warren Lee Pierson, President, Export-Import Bank; A. G. Black, Chief, Bureau of Agricultural Economics, Department of Agriculture; Harry L. Hopkins, Secretary of Commerce; Richard C. Patterson, Jr., Assistant Secretary of Commerce; Jesse H. Jones, Chairman, H. A. Mulligan, Treasurer, and W. J. Johnson, Assistant Chief, Examining Division, R. F. C.; Russell L. Snodgrass, Assistant General Counsel, R. F. C.

The bank's principal activity has been to aid in the exportation of agricultural and manufactured products. Commitments have been made in the aggregate amount of $210,613,930, of which amount $92,204,740 was later canceled for the reasons that in some cases the applicants were able to secure the credit from private sources, in others, the transactions for which the loans were authorized were not completed.

In 1933 the R. F. C. authorized a credit to China of $50,000,000 for the purchase of cotton, wheat, and flour in this country. Only $17,105,386 of this credit was used. The balance of the commitment was rescinded at the request of China.

$13,537,388, the unpaid balance of the above, was transferred to the bank April 1936.

The bank also took over from the Farm Credit Administration $3,070,942 balance due from China on the sale of 15,000,000 bushels of wheat to China in 1931. The total purchase price of this wheat was $9,212,826, of which $6,141,884 had been paid.

In May 1936 the indebtedness of China was rearranged to mature July and September 1936, and quarterly from September 1936 to December 1942. Payments have been made regularly, $5,272,187 principal and interest having been paid from September 1937. The last payment, $772,812, was made December 31, 1938. No part of the recent $25,000,000 authorization has been disbursed and no part of it is to be used for the purchase of war materials.

Total disbursements by the bank, including the aforementioned items and disbursements for the Second Export-Import Bank, have been $63,618,965, repayments $36,297,546. One hundred and eighty-one loans have been authorized, 88 of which were not used.

Some manufacturers and exporters who wish to secure export orders must arrange for credits before they can solicit the order. This applies particularly to the smaller manufacturers, but also to the larger ones who are unwilling to carry all of the risk or to tie up too much of their capital in these credit sales.

Loans are never authorized by the Board until after the State and Treasury Departments have been consulted to ascertain if there is any reason, in the opinion of these departments, why a loan should not be made.

The bank's officers are, R. Walton Moore, chairman of the board; Warren Lee Pierson, president and general counsel; W. D. Whittemore, vice president; Hampson Gary, solicitor; Hawthorne Arey, secretary, and H. A. Mulligan, treasurer.

The Departments of State, Treasury, Agriculture, Commerce, and the R. F. C. are represented on the executive committee.

The Second Export-Import Bank of Washington, D. C., was created by Executive order March 12, 1934, with a common capital of $250,000 provided from N. I. R. A. funds held by the Secretary of State and the Secretary of Commerce for benefit of the United States, and $2,500,000 preferred stock subscribed by the R. F. C. This bank was created primarily to furnish needed assistance to the Republic of Cuba in buying and minting silver in this country for Cuba.

Having completed the purpose for which it was created, the bank was dissolved June 30, 1936 and the capital stock retired. There was no loss in its operation.

Sincerely yours,

JESSE H. JONES, *Chairman.*

RECONSTRUCTION FINANCE CORPORATION,
Washington, February 2, 1939.

To the President and the Congress:

I give you a summary of R. F. C. activities since its organization February 2, 1932, 7 years ago.

In addition to the original purposes of the Corporation and the many amendments to the act from time to time which have expanded the scope of its direct operations, our activities have also been carried on through: Commodity Credit Corporation, organized October 17, 1933; the RFC Mortgage Co., organized March 14, 1935; Electric Home and Farm Authority, organized August 1, 1935; Disaster Loan Corporation, created February 15, 1937; Federal National Mortgage Association, organized February 10, 1938.

Total R. F. C. authorizations have been $13,206,639,807. Of this amount $2,900,601,066 was by direction of Congress in which our directors had no discretion.

Authorizations for which our directors have responsibility aggregate $10,306,038,741. Of this amount $2,293,568,866 was withdrawn or canceled; either the purposes for which the authorizations were made were not carried into effect or the applicants found they did not need the money; $7,243,873,197 has been disbursed, and $5,372,565,029, or 74 percent, repaid; $768,596,678 remains available to the borrowers or for the purposes for which the authorizations were made.

Of the amount authorized and disbursed by direction of Congress, $1,799,984,009 was for direct relief, and $1,001,112,169 to other governmental agencies. Of the former amount $17,158,858 was repaid by counties and municipalities, and of the latter amount $37,000,000 was repaid from capital stock of regional agricultural credit corporations. From October 1932 to May 1933 we invested $44,500,000 in the capital stock of 12 regional agricultural credit corporations to make loans principally on livestock. In addition to this investment in their capital stock, we advanced them $173,243,641 to enable them to make loans principally on livestock. All of these loans have been repaid to us, and the companies have sufficient money on hand to retire the balance of the capital stock. These agencies were transferred to the Farm Credit Administration by Executive order in May 1933.

Since their transfer to the Farm Credit Administration they have made additional loans of approximately $100,000,000. All the loans made by them have been repaid except approximately $12,000,000.

In February 1938 we asked Congress to authorize and direct the Secretary of the Treasury to cancel our notes given to the Treasury for disbursements made by direction of Congress for which we received no benefit. The act authorizing such cancelations was approved February 24, 1938. Pursuant to this act notes aggregating $2,699,236,946 have been canceled. As stated, much of this money was used for direct relief, but approximately $850,000,000 is carried by the Treasury and other agencies in the form of capital stock of governmental corporations, or other obligations, or has been converted into cash.

Attached is a break-down of R. F. C. authorizations, cancelations, disbursements, repayments, and balances outstanding; also financial statements of the several agencies. A condensed summary of our activities follows:

Classes of loans: Loan and other aid to agriculture; loans to banks; preferred stock, capital notes, and debentures; closed bank loans; drainage, levee, and irrigation loans; self-liquidating loans; railroad loans; loans to business and industry; mortgage loans; loans to insurance companies; loans to building and loan associations; loans to public school authorities; loans to State funds created to insure deposits of public moneys; mining loans; rural electrification loans; Commodity Credit Corporation; the RFC Mortgage Co.; Federal National Mortgage Association; the Electric Home and Farm Authority; disaster loans.

LOANS AND OTHER AID TO AGRICULTURE

Agriculture in one way or another has been accorded loan authorizations and allocations of $3,101,673,840.

Of this, $399,636,000 was to Federal land banks, $29,035,359 to joint-stock land banks, $9,250,000 to Federal intermediate credit banks and $199,072,648 to livestock and agricultural credit corporations to provide funds to meet the needs of farmers and stockmen.

$1,840,774,178 was for loans through Commodity Credit Corporation and other agricultural agencies to producers of cotton, corn, wheat, tobacco, turpentine, resin, wool, mohair, hops, figs, dates, raisins, prunes, peanuts, butter, and pecans in 39 States.

Cotton loans were made in Alabama, Arizona, Arkansas, California, Florida, Georgia, Louisiana, Mississippi, Missouri, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, and Virginia.

Corn loans were made in Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Minnesota, Missouri, Nebraska, Ohio, Pennsylvania, South Dakota, and Wisconsin.

Wheat loans were made in Arkansas, California, Colorado, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Montana, Nebraska, New York, New Mexico, North Dakota, Ohio, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, Wisconsin, and Wyoming.

Tobacco loans were made in Kentucky, Tennessee, and Virginia.

Turpentine and resin loans were made in Alabama, Georgia, Florida, Louisiana, Mississippi, and South Carolina.

Wool and mohair loans were made in California, Colorado, Idaho, Indiana, Iowa, Kentucky, Massachusetts, Minnesota, Missouri, New Mexico, North Dakota, Oregon, Pennsylvania, Texas, Utah, Wisconsin, and Wyoming.

Loans on figs, dates, raisins, and prunes were made in California; on hops in Washington; and on pecans in Georgia.

Peanut loans were made in Alabama, Florida, Georgia, North Carolina, South Carolina, Texas, and Virginia.

Loans to associations were made on butter produced in California, Illinois, Michigan, Minnesota, Missouri, Nebraska, New Jersey, New York, Ohio, Oregon, Pennsylvania, and Washington.

Eighty-three million three hundred seventy thousand nine hundred and fifty-five dollars went to finance the exportation of some of these commodities.

One hundred and fifteen million dollars was allocated to the Secretary of Agriculture for crop loans. Of this, $44,500,000 was reallocated and, with $40,500,000 allocated by R. F. C. to the Governor of the Farm Credit Administration, used to provide $45,000,000 capital of the Production Credit Corporations and $40,000,000 capital and surplus of the Federal intermediate credit banks.

Sixty-one million nine hundred and thirty-four thousand seven hundred dollars was allocated for the capital and expenses of the regional agricultural credit corporations and $97,000,000 for the capital of the Commodity Credit Corporation.

Of $202,600,000 originally allocated to the Farm Credit Administration for loans to farmers and to joint-stock land banks, $200,000,000 was reallocated and used to provide capital of the Federal Farm Mortgage Corporation.

These items were by direction of Congress and their outstanding balances were included in the items for which our notes were canceled in accordance with the act of Congress approved February 24, 1938.

Farmers and stockmen in every section of the country have been the recipients of these loans.

LOANS TO BANKS

Loans were authorized in the aggregate amount of $1,334,744,454 to 5,816 going banks, principally in 1932 and 1933; $196,378,317 of this amount was not used. One billion, one hundred and thirty-eight million, two hundred and seventeen thousand, three hundred and thirty-seven dollars was used, and 93 percent has been paid. The purpose of these loans was to enable banks to meet the abnormal demands of depositors during that period occasioned by the Nation-wide depression and consequent fear by depositors for the safety of their funds. Two thousand one hundred and twenty-eight of these banks failed after receiving the loans, but 3,688 were enabled to continue, thereby saving millions of depositors and stockholders from loss and inconvenience.

Because of the widespread interest in the $90,000,000 loan to the Central Republic Bank & Trust Co., Chicago, in June 1932, I give the following information regarding its present status:

Repayments, including interest, have been $62,383,207 and the receiver of the bank has on hand $7,300,000 collected from stockholders' assessments. This will be paid over when the judgment of the lower court fixing the assessments has been confirmed. The estimated value of the unliquidated collateral appears to be at least $15,000,000. So, assuming that the stockholders' assessments are effective and the remaining collateral is worth this estimated figure, our loss will be in the neighborhood of $5,000,000 in addition to interest and expense of handling the loan.

PREFERRED STOCK, CAPITAL NOTES, AND DEBENTURES

Banks needed capital more than loans in 1932 and 1933. Loans had the effect of preferring depositors, because as long as banks were able to, they paid their depositors, first come, first served.

By furnishing the banks with capital, depositors were, in effect, insured, no depositor being preferred over another. In some instances the larger depositors voluntarily permitted a part of their deposits to be used in recapitalizing or reestablishing the bank, or agreed that the smaller depositors might be paid first. Our bank capital program was in operation prior to the creation of the Federal Deposit Insurance Corporation, and the announcement that R. F. C. had agreed to supply a bank with capital stopped many bank runs.

We were given authority to buy preferred stock, capital notes, and debentures in banks and to make loans upon preferred stock by an amendment to our act approved March 9, 1933. We agreed to put capital in 6,853 banks in the aggregate amount of $1,349,234,714. Seven hundred and fourteen of these banks did not take the capital, finding they could get along without it, but our agreement to furnish the capital enabled them to carry on with confidence. Our actual investments in bank capital, except for $47,500,000 invested in the preferred stock of export-import banks, have been $1,099,090,662. Approximately 51 percent has been retired.

The terms on which this capital is invested contemplate that it will be retired out of approximately one-half of net earnings of the bank after dividends or interest on our capital, but not in excess of 5½ percent is required to be retired in any one year. However, at the option of the bank R. F. C. capital may be retired earlier if permission is obtained from the Comptroller of the Currency for national banks, and from State bank supervisors for State banks. One thousand, two hundred and eighty banks have retired all of their R. F. C. capital. Eighty-four percent of the remainder are current in interest and dividend payments.

To save so many banks in such a short period through putting new capital in them, in the manner authorized by law, required not only extraordinary effort, but necessarily some risk to the capital invested. We were greatly aided in this work by the various bank supervising authorities. Of the 6,120 banks in which we have invested capital, only 206 have since been closed. We will probably recover our entire investment in 50 of these and the loss in the remaining 156 banks will not be relatively large. Other losses may occur but, treated as a class, our bank capital investment should entail no net loss. Dividends and interest collected in excess of the cost of money to the Corporation should cover the individual losses. During the year ending February 1, 1939, we authorized $29,448,625 new capital in 60 banks.

Assisting banks through providing them with capital was reassuring to depositors. Without this, or Government guaranty of all bank deposits, a great many more would have closed.

CLOSED BANK LOANS

In the original act we were limited to $200,000,000 for loans to closed banks or banks in process of liquidation, but, because of the great number of banks that were failing, our law was further amended on June 14, 1933, removing the limit.

Loans have been authorized for distribution to depositors in 2,773 closed banks in the aggregate amount of $1,331,814,759; $327,511,981 of this was not used; $983,701,788 has been used and 93 percent repaid. A good many million depositors benefited from these loans. Depositors upon the average have received approximately 65 percent of their deposits in closed banks.

Stockholders in closed banks suffered much worse; usually they not only lost their entire investment but were subject to assessments for an equal amount.

DRAINAGE, LEVEE, AND IRRIGATION LOANS

During the decade prior to the depression, laws were passed in many States providing for the creation of drainage, levee, and irrigation districts with authority to issue bonds. Many such projects were promoted that found the taxes and water charges much greater than the farmers could pay. On May 12, 1933, Congress amended the R. F. C. Act, authorizing loans to these districts to enable them to reduce and refinance their outstanding indebtedness.

We have authorized loans to 632 such districts in the amount of $142,845,995, of which $20,480,759 was not availed of; $85,600,433 has been disbursed, and the balance remains available to the borrowers.

The holders of the old bonds have received an average of 48 percent for their bonds. By this reduction of 52 percent in the amount of the bonded indebtedness of the districts, and by our giving longer time and lower interest rates, water and bond service assessments to landowners have been reduced to approximately one-third of what they previously were.

Before their reorganization all of the districts were badly in default, due to the fact that the charges were so heavy the landowners could not pay them. Now 99 percent of the reorganized districts are current in interest and principal payments. More than 130,000 farmers and landowners in 26 States have benefited by these loans.

SELF-LIQUIDATING LOANS

Our authorizations for self-liquidating loans, including security purchases from P. W. A., have been $954,058,325. Of this amount, $741,744,404 has been disbursed and $457,826,219 retired or sold at a premium of $21,016,493 over cost. We feel there will be no net loss from the aggregate of those not yet sold.

These loans and purchases of securities made possible the construction of many useful projects throughout the country; a highway and railroad bridge across the Mississippi River at New Orleans for which there had long been a need, the San Francisco-Oakland Bay Bridge (a highway and interurban railway bridge) costing $73,000,000. These are sound financial projects, as are many other bridges and public projects of various kinds throughout the country that are less prominent, but of equal importance to their respective communities. Useful tunnels have also been financed in this manner.

The construction of a 240-mile aqueduct to carry water from the Colorado River in Arizona to southern California, for which we authorized $208,500,000, has been our largest project. This aqueduct will insure an adequate supply of water for all purposes to Los Angeles and a dozen other smaller cities in southern California. Seventy-five million and fifty-six thousand dollars of these bonds have already been sold at a substantial premium. The project was begun the early part of 1933 and will be completed in about another year. Our first authorization of $40,000,000 was made September 13, 1932. These bonds have taxing authority but should be retired from water charges.

We financed the construction of a power line from Boulder Dam to Los Angeles, costing $22,800,000. This line carries electric current generated by Boulder Dam to Los Angeles, providing a market for the power, and revenue for the Boulder Dam investment, also insuring fair rates to the users of electricity. These bonds have been sold.

RAILROAD LOANS

Of the $1,248,348,560 loan commitments to railroads ($200,460,500 representing securities purchased from P. W. A.), $307,561,724 was not used, the purposes for which the authorizations were made not being carried into effect or the roads having an R. F. C. commitment were able to get the money from private sources; $826,773,161 has been disbursed to 82 roads; $346,509,316 of this has been paid, leaving a balance outstanding of $480,263,845 due from 50 railroads; 32 roads have paid their loans in full; 19 were placed in receivership or trusteeship after receiving loans; 3 of these are no longer indebted to the Corporation. The balance due from the remaining 16 roads in the custody of the courts aggregates $163,565,837. Interest is being paid currently on 2 of these, the loans of which aggregate $25,825,227.

We will have some individual losses on railroad loans, as in other classes of borrowers, but treated as a class, there should be little net loss on railroad loans.

To be more specific in view of your interest, and that of the country generally, in the railroad situation, we have collected $86,335,352 interest from railroad loans, and in addition to this have approximately $15,000,000 interest accrued that we believe to be good. The margin in this interest over the cost of money to the Government will, in our opinion, cover losses on individual railroad loans.

LOANS TO BUSINESS AND INDUSTRY

Seven thousand three hundred and seventy-one loans have been authorized to business enterprises, aggregating $447,324,578. Banks have agreed to take participations in 1,661 of these loans in the amount of $61,492,756, their participations ranging from 10 to 60 percent. The banks and R. F. C. share proportionately in security and repayments. Of the R. F. C. part of these loans, $86,027,903 was not used, and $144,192,699 remains available to the borrowers. Two thousand seven hundred and twenty of these loans, or 37 percent of the total number, have been for $5,000 or less. (During the past 12 months, 49 percent have been for $5,000 or less.) Fifty-three percent of the loans have been for $10,000 or less, 83 percent for $50,000 or less.

In addition to the participations taken for their own account, banks hold $57,552,558 of these loans with a take-out agreement from the R. F. C. For the take-out agreements the R. F. C. gets a part of the interest paid by the borrower. This is 2 percent per annum where the bank's participation is 25 percent of the loan or less; 1½ percent where the bank's participation is from 25 to 50 percent; 1 percent where the bank's participation is 50 percent or more.

Participation agreements and take-out commitments are executed when the loan is made, and the take-out commitment is equivalent to insuring the bank to the extent of the agreed take-out. It is necessary to exercise the same care in insuring part of a loan as when the Corporation makes the entire loan. The same investigation is required and the same expenses incurred.

In April and May 1938 we made commitments to lend apple growers in the State of Washington up to $2,000,000. Under these commitments we authorized 960 loans to 716 applicants in the amount of $1,025,120, of which $991,506 was disbursed.

In addition to the foregoing loans to business, the Electric Home and Farm Authority has bought installment contracts from 2,573 dealers in electrical appliances. These are loans to business. They furnish the dealer with capital for his credit sales. The contracts carry the unconditional endorsement of the dealer.

We will probably have a substantially larger percentage of loss from industrial loans than from any other class. Forty-six of these (representing loans in the aggregate amount of $3,009,092) have already been foreclosed and the security reduced to possession. Properties securing 3 of these loans which amounted to $234,905 have been sold at a net loss to the Corporation of $31,003. Five hundred and forty-three loans to business are in default and 60 are in process of foreclosure. In addition to these, 507 of the loans to apple growers in the State of Washington are in default.

We have authorized two loans at the request of the Maritime Commission, one to the American President Lines, Ltd., $2,500,000, secured by a first mortgage on 13 ships, and another for building ships at Tampa, Fla., $300,000. Local banks took an additional $200,000 participation in this loan.

We have loaned the Tennessee Valley Authority $3,000,000.

We have authorized loans to the Lower Colorado River Authority of $5,000,000 for purchase of operating units in the vicinity of this project. The Authority expects to sell some of the units to the cities and towns in which they operate.

In cooperation with T. V. A. we authorized a $6,000,000 loan to the city of Knoxville to buy its power plant from the Tennessee Public Service Co., but with our commitment it was able to get the money from private sources.

We have indicated our willingness to lend to utility companies, as to any other business enterprise, where, in our opinion, the loans will be properly secured, especially we have offered to lend for expansion and the purchase of new equipment.

MORTGAGE LOANS

This item ($608,597,899) includes the capital stock of the RFC Mortgage Co., $25,000,000, and loan authorizations to the RFC Mortgage Co. of $160,021,276. It also includes the capital stock of the Federal National Mortgage Association, $11,000,000, and loans to it of $50,000,000. It includes $362,576,623 loans to privately owned mortgage-loan companies made principally in 1932, 1933, and 1934 to prevent the companies from failing and to enable them to grant extensions to their borrowers; $418,662,964 has been disbursed and $298,016,329 repaid.

Of all loans to privately owned mortgage companies, we will have only one loss of any consequence, a loan to the Prudence Co. of New York City. This loan was for $20,000,000 made in March and June 1932 on sundry collateral, in an effort to prevent failure of this and other large mortgage guaranty companies. Mortgage guaranty companies located in New York had outstanding guaranteed mortgages in the approximate amount of $2,000,000,000. Practically all of these companies failed.

November 1933 we aided the savings banks of New York State by authorizing the investment of $50,000,000 in the capital notes or debentures of the Savings Banks Trust Co., which company the savings banks of New York organized to assist any that might need to realize on their mortgages. None of this money was used.

We also authorized $86,000,000 to the Institutional Securities Corporation, organized by the savings banks for the same purpose. Only $14,312,567 of the amount was used, and it has all been repaid.

Publication of this procedure by the R. F. C. and the banks was so reassuring to depositors that the banks were able to remove the restrictions on withdrawals allowed under the law in a very short time.

The act authorizing the investment in the preferred stock, capital notes, and debentures of banks made no specific provision for aiding mutual savings banks, of which there are a great many in New York and the New England States. We aided the New England banks and some of those in New York State through buying their notes, with provisions of subordination in favor of depositors, in this manner bringing to the savings banks the same assistance provided for National and State commercial banks.

LOANS TO INSURANCE COMPANIES

Loans were authorized to 133 insurance companies, principally in 1932 and 1933, in the aggregate amount of $104,439,750 to enable

these particular companies to meet the demands of policyholders and other creditors. Thirteen million three hundred and thirty-one thousand four hundred and forty-two dollars of this was not used. Ninety million six hundred and ninety-three thousand two hundred and ten dollars have been disbursed and over 95 percent repaid. Loans were authorized and disbursed on the preferred stock of 10 insurance companies in the amount of $34,475,000. Seven million six hundred and fifty-six thousand nine hundred and fifty-five dollars of this has been repaid. The majority of insurance companies were able to meet their obligations without borrowing from the Government, particularly the larger companies.

LOANS TO BUILDING AND LOAN ASSOCIATIONS

We have authorized loans to 1,023 building and loan associations and receivers of building and loan associations aggregating $154,240,454. Of this amount $29,028,416 was not used; $118,221,783 has been disbursed and over 98 percent repaid. Loans to the open institutions made funds available to meet withdrawals of shareholders and depositors without foreclosing on the property of borrowers, and the loans to closed building and loan associations enabled the receivers to make distribution to depositors and other creditors.

LOANS TO PUBLIC SCHOOL AUTHORITIES

Because of the great amount of delinquent taxes in the city of Chicago from 1928 to 1934, public-school teachers were forced to go without pay from November 15, 1933, to May 31, 1934. August 1934 we loaned $22,300,000 to the Chicago Board of Education to pay back salaries to 15,000 school teachers. The loan was secured by valuable income-bearing real estate belonging to the public-school system of Chicago. The real estate is situated in the Loop district and was ceded by the United States Government to Illinois for public schools when that State entered the Union in 1818. In order to mortgage the property it was necessary for the State Legislature of Illinois to pass an act permitting it to be mortgaged. This act was approved by the Governor February 28, 1934, and by the court under a test case July 31, 1934. The act provided that the property could only be mortgaged to an agency of the United States Government. We made the loan August 27, 1934, and sold it to Chicago banks a few months later, at a substantial premium.

We authorized $2,086,800 to other school districts for refinancing indebtedness; $1,067,300 of this was canceled and $150,000 disbursed.

LOANS TO STATE FUNDS CREATED TO INSURE DEPOSITS OF PUBLIC MONEYS

Due to the great amount of public funds tied up in closed banks belonging to cities, towns, and counties in the State of Wisconsin in 1933, we loaned $13,064,631 to the "Board of Deposits of Wisconsin" to free these funds. It was all soon repaid.

MINING LOANS

One hundred and forty-four loans in the amount of $12,655,500 have been authorized to 126 borrowers for mining, milling, and smelting ores and development of ore bodies. Of this $7,392,000 has been canceled and $4,179,700 disbursed; $1,531,252 has been repaid. Eighty-seven of these loans, aggregating $1,440,500, have been approved under the section of the act which authorizes loans up to $20,000 to one borrower for development; $716,000 of this has been withdrawn or canceled. These development loans will entail a large percentage of loss.

RURAL ELECTRIFICATION LOANS

Loans to the Rural Electrification Administrator are made by direction of Congress upon the request of the Administrator and the approval of the President. One hundred forty-six million five hundred thousand dollars has been authorized and $47,700,000 disbursed. These loans are made on collateral consisting of notes evidencing loans made by the Administrator, which in turn are secured by mortgages on the projects he finances. We lend 85 percent of the face of the collateral. These loans bring electricity and the use of electric facilities to a great many people living in rural districts who otherwise would not have it.

COMMODITY CREDIT CORPORATION

Commodity Credit Corporation was organized October 17, 1933, pursuant to Executive order, with capital stock of $3,000,000 provided from funds made available by the N. I. R. A. In April 1936 Congress directed R. F. C. to increase this capital to $100,000,000 by buying $97,000,000 of the corporation's stock.

Commodity Credit Corporation's principal purpose is to make loans to producers to finance the carrying and orderly marketing of cotton, corn, wheat, and other agricultural commodities. It has done this principally with R. F. C. loans and credit. In an act approved March 8, 1938, Congress authorized Commodity Credit Corporation to borrow directly with Government guaranty, instead of depending entirely upon the R. F. C. This act also directed the Secretary of the Treasury to appraise the assets of Commodity Credit Corporation at the end of March each year and to maintain its capital unimpaired at $100,000,000, and authorized appropriations for that purpose. This was to bring to Congress each year the loss, if any, in commodity loans.

R. F. C. commitments to Commodity Credit Corporation have been $1,754,712,665 and disbursements $767,716,962, all of which has been repaid to R. F. C. Commodity Credit Corporation's disbursements have been $897,779,520, of which $522,983,139 has been repaid. Loans now outstanding, including those held by banks which Commodity Credit Corporation has agreed to purchase, aggregate $757,448,203.

The capital and borrowing authority of the Commodity Credit Corporation is limited to $600,000,000, and to enable it to make the wheat and corn loans in the summer and fall of 1938, the R. F. C. entered into an agreement with Commodity Credit Corporation to buy enough of the farmers' notes held by it to give it the necessary funds to make the corn and wheat loan commitments.

Commodity Credit Corporation is managed by a Board of Directors composed of representatives of the Department of Agriculture, Farm Credit Administration, Export-Import Bank, and the R. F. C. The agencies and facilities of the R. F. C. are used in making and administering the loans.

The Corporation's policy has been to lend only on such commodities as are recommended by the Secretary of Agriculture and approved by the President. The Agricultural Adjustment Act of 1938 directed that loans be made on cotton, corn, and wheat of not less than 52 percent of parity and not more than 75 percent, the loans to become mandatory when the price of these commodities reached 52 percent.

The 1938 loan on cotton was at 52 percent of parity; on corn, 70 percent of parity; and wheat, 52 percent of parity. The loans were authorized after the commodities reached these levels.

When a loan is authorized on a basic commodity such as cotton, corn, wheat, or tobacco, there is no way accurately to determine the amount of money that will be required until the crop has been gathered and the time for making the loan has expired. This makes it necessary to provide funds for the maximum that may be needed.

THE RFC MORTGAGE CO.

Because there was practically no mortgage money available to deserving borrowers to protect their properties from foreclosure, and to aid in the reorganization of properties covered by excessive mortgages and mortgage bond issues, Congress at our request authorized the R. F. C. in January 1935 to invest in the capital stock of mortgage companies up to $100,000,000 when any such investment was approved by the President. Following the approval of this act, we endeavored to interest private capital to organize mortgage companies, offering to take preferred stock with them.

Meeting with no success in this effort we, with the approval of the President, organized the RFC Mortgage Co. March 14, 1935, with a capital of $10,000,000, later increased to $25,000,000. The stock is all owned by the R. F. C. The company has authorized $137,969,839 loans on income producing business properties, borrowing its requirements from the R. F. C.

F. H. A. INSURED MORTGAGES

Because banks, insurance companies, and other private investors were reluctant to buy F. H. A. insured mortgages, we announced August 17, 1935, that we would buy these mortgages at a discount of one-half of 1 percent and sell them at a premium sufficient to cover the cost of operation. We have authorized the purchase of $96,955,222 F. H. A. insured mortgages and have completed the purchase of $73,083,604 of these. We have sold $16,604,899 to private investors at a modest premium; $34,108,848 have been transferred to the Federal National Mortgage Association.

Of the total number of F. H. A. insured mortgages bought, 102 loans, aggregating $400,845, have been foreclosed, for which we hold or will receive the equivalent amount, less cost of foreclosures, in F. H. A. 2¾-percent and 3-percent debentures carrying Government guaranty. The loss on the loans foreclosed will be less than 10 percent.

FEDERAL NATIONAL MORTGAGE ASSOCIATION

The National Housing Act, approved June 27, 1934, provided for the organization of national mortgage associations; and to aid in the establishment of these we, at the request of the Federal Housing Administrator, offered to match dollars with private capital by taking preferred stock in national mortgage associations.

Even on this basis, the Administrator received no applications; and with the approval of the President, we organized the Federal National Mortgage Association February 10, 1938, with a capital of $10,000,000 and a surplus of $1,000,000. It is owned and operated by the R. F. C. and deals exclusively with mortgages insured by the Federal Housing Administration.

It has authorized the purchase of 26,276 mortgages, aggregating $111,470,381. Purchases have been completed on 22,684 of these, aggregating $92,083,405. It has been necessary to start foreclosures on only 25 of these, aggregating $105,288. We finance the Federal National Mortgage Association through sale of its notes to the public. We have sold $85,240,000 of these notes; $29,748,000 bear 2 percent and mature May 16, 1943; $55,492,000 bear 1⅝ percent and mature January 3, 1944. They are not guaranteed by the Government or by the R. F. C., but constitute a sound investment, enjoying certain income-tax exemptions.

The Federal National Mortgage Association offers to buy at par and accrued interest any mortgages insured by the Federal Housing Administrator on new homes, including large-size housing projects. The RFC Mortgage Co. buys insured mortgages on old homes.

THE ELECTRIC HOME AND FARM AUTHORITY

The Electric Home and Farm Authority was incorporated under the laws of the District of Columbia August 1, 1935, to aid in the distribution and sale of electrical equipment in homes and on farms at low financing cost. It has a capital of $850,000 provided from N. I. R. A. funds and held by its trustees for the United States. It borrows its requirements at low rates with R. F. C. backing and management.

It has purchased from 2,573 dealers in 32 States 101,953 installment contracts covering installment sales for home electrical appliances, aggregating $15,573,318, of which $7,239,106 has been paid. These contracts usually run from a few months to 3 years, the average being about 2 years.

Electric Home and Farm Authority operates in cooperation with utility companies and with dealers who sell the equipment. The dealers guarantee the notes, and the utility company makes collections with its monthly bills. It is helpful to householders who find it necessary to buy on installment.

Buying these contracts is making loans to business enterprises, to dealers, upon the security of the equipment sold and the obligation of the purchaser of the equipment. Payments are made promptly, and there are no losses to speak of.

If we did not have the Electric Home and Farm Authority, the R. F. C. would extend the same service in small loans to business. It is much more convenient and economical to handle these particular loans through the Electric Home and Farm Authority as they are now being handled.

DISASTER LOANS

By special direction of Congress through amendments to our act, the R. F. C. from 1933 to 1936 made loans for rehabilitation of property damaged by floods, earthquakes, or other catastrophes; $16,784,521 was authorized for this purpose, $12,003,055 disbursed; $4,278,027 of this has been repaid.

Following the Ohio River flood in January 1937, Congress directed us to organize the Disaster Loan Corporation and provide it with capital up to $20,000,000 to make loans to those who suffered losses from the flood or other catastrophes in the year 1937. This act was later amended to include catastrophe losses that occurred in the years 1936 and 1938.

Immediately following creation of this Corporation, we established offices for making loans at Ashland, Ky., Cincinnati, Ohio, Huntington, W. Va., Ironton, Ohio, Portsmouth, Ohio, Cleveland, Ohio, Paducah, Ky., Memphis, Tenn., Dyersburg, Tenn., Louisville, Ky., Cairo, Ill., Evansville, Ind., Harrisburg, Ill., Galena, Ill., and New Orleans, La. Loan committees composed of local citizens were set up to recommend loans. These committees served on a voluntary basis and were of great assistance to the Corporation in meeting the emergency.

Seven thousand five hundred and fifty-five loans, aggregating $8,805,051, were authorized as a result of the Ohio River flood. One million five hundred and seventy-four thousand five hundred and four dollars was not used. Six million seven hundred and eighty-five thousand seven hundred and twenty-nine dollars of this has been disbursed and $1,752,542 repaid. It is significant of the character and integrity of the American people that 80 percent of these loans are current in their payments.

We are now making disaster loans as a result of the hurricane in September 1938, principally in the New England States. Immediately after the hurricane we established offices at Charleston, S. C., Gardner, Mass., Hartford, Conn., Lowell, Mass., New Bedford, Mass., New London, Conn., Providence, R. I., Springfield, Mass., Worcester, Mass., Keene, N. H., Concord, N. H., New Haven, Conn., Montauk, Long Island, N. Y., Quogue, Long Island, N. Y., with loan committees composed of local citizens to recommend loans. These committee members also serve on a voluntary basis.

Loans aggregating $3,764,625 have been authorized to 1,526 applicants who suffered losses from the hurricane. We are lending to salvage the very large amount of blown-down timber. Probably 25,000 farmers and landowners lost their timber. It is estimated that 3,000,000,000 feet of timber is down as a result of the hurricane, and effort is being made to salvage as much of it as possible. The facilities of the Forestry Service and the Federal Surplus Commodities Corporation are being used to salvage the timber.

Disaster and catastrophe loans have been made in 34 States—Arkansas, California, Connecticut, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Washington, and West Virginia.

In addition to R. F. C. loans authorized, and credit actually used, we have assisted a great many borrowers in getting loans from private sources by bringing borrower and lender together when, in our opinion, the loan applicant could properly be taken care of by banks or other private lending institutions, and by indicating that if necessary, to protect the applicant from failure or unnecessary loss, we would make the loan.

The R. F. C. has a capital stock of $500,000,000 appropriated by Congress January 27, 1932. Prior to July 1938 we borrowed additional requirements from the Treasury, except that in buying preferred stock, capital notes, and debentures in banks that needed capital but did not need cash, we sometimes sold them our notes. These notes have been paid.

We now have outstanding in the hands of the public our notes, aggregating $211,460,000, maturing July 20, 1941, and $297,439,000 maturing November 1, 1941. We are selling another issue of approximately $300,000,000 maturing January 15, 1942. All of these notes bear seven-eighths of 1 percent interest per annum. After paying the Treasury the proceeds of this last issue, we will only owe the Treasury approximately $400,000,000.

We have paid the Treasury $194,801,847 interest on borrowed money and $24,507,637 interest to others. Our operating expenses have been slightly less than 1 percent.

In addition to the foregoing, we have accummulated operating reserves sufficient in the opinion of our Board to cover any and all probable losses.

So that the vast amount of credit which has been made available through the R. F. C., and the services it has rendered throughout the country, have been without any net loss to the Government.

In conclusion, I should like to say that our directors are ever mindful of their responsibility to the President and the Congress in administering the affairs of the Corporation.

Sincerely yours,

JESSE H. JONES, *Chairman.*

Lincoln Day Address

EXTENSION OF REMARKS

OF

HON. B. CARROLL REECE

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 21, 1939

ADDRESS BY HON. JOSHUA L. JOHNS, OF WISCONSIN, FEBRUARY 10, 1939

Mr. REECE of Tennessee. Mr. Speaker, under leave to extend my remarks, I wish to include a splendid address which my able colleague, Hon. JOSHUA L. JOHNS, of Wisconsin, delivered at the Lincoln Day dinner at Johnson City, Tenn., on February 10, 1939.

The address is as follows:

Mr. Chairman, ladies, and gentlemen, I am delighted to be back in Tennessee again tonight and I want to thank the Republican committee for this privilege.

It is 32 years ago this year that C. S. Littleton and I formed a partnership for the practice of law at Chattanooga, Tenn. So it is like coming back home when I get back to Tennessee.

Many changes have taken place during these years and I am glad to take up and discuss with you this evening some of these changes.

At this dinner we are celebrating the birthday of Abraham Lincoln. His birthday is being celebrated in many parts of the United States this year, because as the years pass we all realize the profound wisdom of both Lincoln and Washington, and what they mean to the Nation.

No man honored by his people with a seat in Congress can fail to think of some of the great statesmen who sat in the House. Of all the great and nearly great my mind dwells most frequently upon Abraham Lincoln's brief term in the House of Representatives.

Lincoln came to Washington virtually unknown to the Nation at large. He left from Illinois no better off. The principal impression he made upon Washingtonians was the one that followed him through life—that he had an inexhaustible fund of humorous stories and knew how to tell them. By virtue of his funny stories he was monarch of the table at the boarding house where he stayed.

Only one legislative move did he make. He introduced the "Spot Resolution," which sought to compel President Polk to name the exact spot at which American soil was violated by Mexican soldiers. Lincoln and many of his friends believed that he was finished politically when he retired from Congress. But the drama of the Douglas debates, the Chicago nominating convention, Presidency during the trying Civil War days, and death at the hands of an assassin were all to come to him by way of politics. There are so many interesting pages to the Lincoln life that biographers have detailed it in various of its phases, as Seitz in his Lincoln, the Politician. However, right now I am quite naturally thinking of his tenure as Congressman, and wondering how the greatness of his mind could have been lost upon the men who sat with him in Congress.

His residence in Washington, where he died, has become a shrine that is visited by thousands every year, as is the Lincoln Memorial here. Today Lincoln has become a world figure in history. England is proud of the excellent bronze of the Emancipator in London. Lord Chronwood and Emil Ludwig, among Europe's best biographers, have written his life. No more accurate prophecy was ever uttered than Stanton's when he said at Lincoln's passing: "Now, he belongs to the ages." It is inconceivable that Lincoln should be classed as just another Congressman when he served Illinois as I am now serving Wisconsin. But he was.

In searching for guidance during these trying times, I often turn to Lincoln to learn what he would think of some of the things that are being done today. What were his views?

I wonder what he thought about the theory of producing less in order to have more? Whether he believed it was proper for

a person to have ambition and initiative to try and accumulate something for one's self instead of relying on the Government and his neighbors to support him and his family, if he happened to have one?

I wonder what he thought about youth; what he thought about liberty and the rights of individuals; his views on labor and capital.

All these are problems of our daily life now, and I thought he might help me to solve them.

It occurred to me in preparing this address that you might also be interested in his views.

Our Nation has grown wealthy through the individual efforts of the people making up our Government.

Today there seems to be a lack of that ambition and initiative of our citizenship which our fathers and grandfathers possessed, that has builded for us the greatest Nation on earth. There is a reason for it, and perhaps before I am through this evening we may discover what it is and if there is some way of remedying it. I am, therefore, going to quote from Mr. Lincoln, giving his views on these problems, and perhaps we may see some remedy or solution for some of our present governmental problems.

In an address at New Haven, Conn., on September 16, 1859, Lincoln, in speaking of wealth, said: "I take it that it is best for all to leave each man free to acquire property as fast as he can. Some will get wealthy. I don't believe in a law to prevent a man from getting rich; it would do more harm than good. So while we do not propose any war upon capital, we do wish to allow the humblest man an equal chance to get rich with everybody else. When one starts poor, as most of us do in the race of life, free society is such that he knows he can better his condition. He knows that there is no fixed condition of labor for his whole life. I am not ashamed to confess that 25 years ago I was a hired laborer, mauling rails, at work on a flatboat—just what might happen to any poor man's son."

In his message to Congress on December 3, 1861, he said: "Again as has already been said, there is not, of necessity, any such thing as the free hired laborer being fixed to that condition for life. Many independent men everywhere in these States, a few years back in their lives, were hired laborers. The prudent penniless beginner in the world labors for wages awhile, saves a surplus with which to buy tools or land for himself, then labors on his own account another while, and at length hires another new beginner to help him. This is the just and generous and prosperous system which opens the way to all—gives hope to all, and consequent energy and progress and improvement of conditions to all. No men living are more worthy to be trusted than those who toil up from poverty, none less inclined to take or touch aught which they have not honestly earned."

I find nothing about one finding the more-abundant life except through hard work.

He believed that property was the fruit of labor and a positive good in the world.

In reply to a committee from the Working Men's Association of New York, on March 24, 1864, he said to them: "Property is the fruit of labor; property is desirable; is a positive good in the world. That some should be rich shows that others may become rich, and hence, is just encouragement to industry and enterprise. Let not him who is houseless pull down the house of another, but let him work diligently and build one for himself, thus, by example, assuring that his own shall be safe from violence when built."

Again in an address at Columbus, Ohio, on September 16, 1859, in speaking of each individual, he said: "I believe each individual is naturally entitled to do as he pleases with himself, and the fruit of his labor, so far as it in nowise interferes with any other man's rights."

We hear much of the capitalist today, if there are any left, and of the capitalistic system, and the young man is taught to believe that his chances are not as good today as they were a few years ago.

Lincoln had great faith in the ability of young men to improve themselves. His thought was that suspicion and jealousy were the greatest hindrances to the advancement of young men. He advised them not to allow these two things to stand in their way.

I then wanted his views on creating obligations and not paying them and continually borrowing more all the time.

In a circular from the Whig committee, addressed to the people of Illinois on March 4, 1843, he said a truth that we should all remember. I quote: "The question of revenue we will now briefly consider. For several years past the revenues of the Government have been unequal to its expenditures and, consequently, loan after loan, sometimes direct and sometimes indirect in form, has been resorted to. By this means a new national debt has been created, and is still growing on us with a rapidity fearful to contemplate—a rapidity only reasonably to be expected in time of war. This state of things has been produced by a prevailing unwillingness either to increase the tariff or resort to direct taxation. But the one or the other must come. Coming expenditures must be met, and the present debt must be paid; and money cannot always be borrowed for these objects. The system of loans is but temporary in its nature, and must soon explode. It is a system not only ruinous while it lasts, but one that must soon fail and leave us destitute. As an individual who undertakes to live by borrowing soon finds his original means devoured by interest, and, next, no one left to borrow from, so must it be with a government."

He did not believe in the Government interfering in business.

In a speech in Congress on July 27, 1848, he said: "We see it, and to us it appears like principle, and the best sort of principle at that—the principle allowing the people to do as they please with their own business."

I have gone to some length to give you the views of Mr. Lincoln so you might contrast them with the views of some of those holding offices of great trust and responsibility today.

That you may properly have before you some of the facts and figures I hope to interest you in and discuss with you, I am going to briefly sketch our financial condition at the present time.

We are owing more money today than we have ever owed in the history of our Nation. Opinions differ as to whether the money should have been spent, but the sum is the largest ever created in the United States.

Our Budget has been out of balance for 8 years, or since 1931. For 9 years prior to 1931 our revenues averaged $4,000,000,000 per year, and from these revenues we paid about one-half billion dollars each year on our indebtedness created during the World War.

During the past 9 years, however, our average revenues were about the same as the 9-year period prior to that date, but expenditures averaged six and one-half billions annually. Our annual yearly deficit for the past 5 years has been on an average of about three billions per year.

The net deficit for the fiscal year 1938–39, from July 1, 1938, to December 31, 1938, was $1,394,855,574.67, while there was a deficit of over two billions on February 1, 1939. We are now owing approximately $40,000,000,000, which will have reached approximately forty-four billions by the end of the present fiscal year. In addition to these sums we have also guaranteed the payment of some five billions more. Our direct debt limit, by an act of Congress, at the present time is $45,000,000,000, so at the end of the fiscal year we will have almost reached that limit, without taking into consideration our guaranty on other obligations. The Washington Post on February 8 reported the Secretary of the Treasury as saying the national debt would reach $50,000,000,000, and could safely do so. If it does, Congress must give the authority, and I, for one, am opposed to it. We must cut down the spending of money in this country or we are due for trouble. All you need to do is to study the history of the fall of Rome, and the causes of the French Revolution, and we can learn some very valuable lessons.

The last fiscal year, 1937–38, our Government spent twenty-one millions daily—$875,000 every hour, $14,583.33 every minute, and $242.21 every second. The per capita cost of government increased from $27.95 in 1923 to $62.91 in 1937. Many corporations pay more in taxes to the Government than they do to their stockholders, and some more taxes to the Government than they pay to their employees.

In 1937 taxes absorbed 17.6 percent of the national income. If taxes had been levied to cover all Government expenditures it would have taken more than 24 percent of the national income.

In the 8 years, 1931–38, the Federal Government alone spent $23,777,000,000 more than it received in revenue.

Such a large national debt means that we must levy heavy taxes to pay these obligations for borrowed money, or we shall have a permanent debt with large carrying charges; or it means repudiation direct or indirect on the whole or part of the obligation.

If these debts are to be paid it means that the heavier burden you place on private enterprise, the fewer men it can employ. The fewer it employs, the heavier it will be taxed to pay to support the rest, with the further knowledge that heavy taxes may produce a chronic state of depression.

Let us see whether we are improving the situation any from year to year.

As stated a moment ago, on February 1 we had accumulated a deficit of over $2,000,000,000. At the same date last year it was eight hundred millions.

I have not been too critical, as it is my first term in Congress, and I understand it was "planned that way." I was deeply interested in the figures making up the deficit. It appears that the actual excess of cash payments over cash receipts totaled $1,123,000,000, while in the previous fiscal year the Government actually took in one hundred and fifty millions more than was paid out in cash. The only purpose of these figures are to show you we are not getting any place except further in debt and nearer inflation if spending does not stop.

Another great danger in all this spending is that about three-fourths of the direct obligations of the Government are held by banks, Reserve banks, insurance companies, and nonfinance corporations. This is a most dangerous situation, because if Government obligations should drop 10 points it would cause serious trouble, not only in our own country but throughout the world. About 50 percent of the total direct interest-bearing obligations are owned by the banks, and their holdings of Government securities, direct or guaranteed, now represent about 25 percent of their total assets and more than 60 percent of their total investments. At the beginning of the present administration the banks held about 10 percent of Government securities.

The insurance companies, who have some 64,000,000 policyholders, many from people with moderate incomes, have invested their funds, and now own more than four and one-half billion dollars of the direct obligations of the Government. These holdings have increased nearly fifteenfold since 1930.

With the constantly increasing debt we may reach a point where the public may have raised in their minds a doubt as to our ability to pay. Just how near we are to that point, no one

knows, and therein lies the great danger. Each day brings us nearer to that point unless we stop creating deficits.

It has been officially said that: "Upon the unimpaired credit of the United States Government rests the safety of deposits, the security of insurance policies, the activity of industrial enterprises, the value of our agricultural products, and the availability of employment. The credit of the United States Government definitely affects these fundamental human values. It, therefore, becomes our first concern to make secure the foundation. National recovery depends upon it."

We have entirely too much idle money in this country today. A few days ago we reached reserves of over $3,600,000,000.

Most people who spend money feel much better if they know it has gone for a good purpose and they can see any results. We have been on a spending spree now for over 6 years and the question naturally arises—are we nearer out of the depression, recession, or the consternation that followed both?

We all know the increasing tax burden has meant that every self-supporting person has turned over an increasing amount of his labor to meet the increasing expense of government. The cost of keeping the unemployed, necessarily, falls on the employed.

The steel industry is a fair barometer of business conditions in this country today or at any given time. Let us see how they prospered the past year.

A report in the New York Times, under date of February 5, 1939, says that the earnings of the 10 leading companies last year was down 99.4 percent. That their net income in 1938 was $1,085,685 compared with $181,700,908 in 1937. While production declined from an average of 72.38 percent to one of 39.75 percent in 1938. Production stands today around 51½ percent.

The United States Department of Commerce reports a summary of business trends as of February 2, 1939. From this I submit the following: For the month of January the indicated volume of industrial output, seasonably corrected, was lower than in December; automobile production lower than in December; electric power production lower than in December.

In the week ending January 28, the downward movement of security prices was extended. The Dow Jones average of industrial share quotations closed on Saturday, the 28th of January, at 139, 10 points less than on January 20. Since the first of the year the industrial average has declined 10 percent, and at the close of that week's trading was the lowest since last September. Railroad stocks are down 16 percent since the first of the year.

Now the question arises—what can we do about it?

First of all, Government is political, and our experience for 6 years convinces us it knows very little about economics. As a result Government will eventually destroy private business when it is in competition with it, as the taxpayer pays the bill in one instance and the owners in private business. The Government should never be in private competition with private enterprise. In many instances it is proper to regulate it but never control it. When Government control enters, the effectiveness of private management is impaired, if not wholly destroyed.

The purchasing power of the people depends upon the value of production and distribution of goods and services, and our future standard of living depends upon our future value of production. Not upon the theory that if you produce less, you will have more, whether it is earned or not.

We, as American citizens, should demand that the spending spree be stopped and the tax burden lightened as we stop borrowing. This may seem only a dream, yet it is not impossible to reduce the Federal Budget to $6,000,000,000 and balance it there, without sacrificing some of the gains we have made with all the spending.

This is going to be hard to do until public opinion is thoroughly aroused. Too many persons are now beneficiaries of the Government's giving or are with some group that have some objective in view that requires more spending. Unless this can be done, we may expect repudiation or inflation. There is only one other alternative, and that is to levy a sufficient tax that even with more borrowing we could balance the Budget.

It goes without saying the debt increase must be stopped, and by this Congress. We can, or should, reduce the deficits for this fiscal year and end it in the fiscal year 1941.

It is hard to reduce expenditures all at once, and, of course, it cannot or will not be done.

Up until last June 30, we had appropriated twenty-three billions for recovery and relief. Of this amount, eighteen billions has been spent. This is about one-half of all expenditures of the same period. These expenditures were about 80 percent of the total revenues received by the Government, which includes Social Security taxes, and all other new levies during the same 5-year period. A large part of these expenditures have been considered as emergency.

Social Security has cost about eight hundred and thirty millions each year, with another seven hundred millions spent each year on the Agricultural Adjustment Corporation.

Of course, some of the eighteen billions was invested in stocks of the land banks, Farm Mortgage Corporation, Deposit Insurance Corporation, and some in revolving funds for such organizations as the Reconstruction Finance Corporation, Commodity Credit Corporation, and Farm Credit Administration. But the larger portion of it has been for pump priming.

We have just passed, and the President has signed, a bill making available seven hundred and twenty-five millions for the W. P. A. The President says this is not enough, that an emergency still exists.

I am firmly convinced that the President is right and one will exist so long as he occupies a chair in the White House. This statement is made without malice or partisanship. The statement is based entirely upon the past and the present attitude of the administration toward business in general.

The President is a great humanitarian, we all agree, but I know of but few men who would not be if someone else paid the bill. We would all enjoy spending someone else's money, and I cannot help but think of some of the headaches that will follow the spending of all this money.

I have said it must stop. Of course that does not mean that it will.

It can be done, and only two words stand in the way—love and confidence.

If these two words were properly and universally put into use they would solve all the problems confronting us. There must be a better feeling between capital and labor, and this means employer and employee. Confidence of the people must be restored in the operation of governmental affairs. They have been told each time we need money, it is for an emergency, and they are getting tired of this—especially those paying the bill. They are of the opinion that with proper management of governmental affairs this emergency should pass away and we would again be back to normal.

They have not forgotten that after the World War we cut Federal expenditures from $18,500,000,000 in 1919 to about $3,000,000,000 annually, lowered taxes four times, and reduced the Federal debt from $26,600,000,000 to $16,000,000,000, and except for a brief period in the year 1921, the national income was gradually rising from $56,800,000,000 in 1921 to $79,500,000,000 in 1929. The people are satisfied that with proper management this can be done again.

The people are learning a lesson now that will be of lasting benefit to future generations, and that is: That every dollar paid in taxes is a dollar taken away from their purchasing power. That these taxes, added to the cost of articles bought, necessarily reduces the volume of sales and the production of the article, and also lessens the incentive of capital to invest.

Our unemployment problem is our greatest. We must solve this in some other way than our present set-up.

Public works are a part of the normal activities of the State and local and public authorities, and they are continuing and will continue in this country subject to the test of their value to the community; but the experiment of large-scale public works as a method of dealing with unemployment has been tried and has failed, the same as it did in England, and we must take care of our unemployed in some other way.

During the history of our Nation relief has been a local responsibility and will eventually come to this again with the Government sharing the burden, but administered by those near and in direct contact with local conditions and who can use discretion in paying out funds to those needing it.

It is also a fact that many local communities spend more money than is needed and create local obligations because they feel they are getting something from the Government for nothing, but lose sight of the fact that regardless of who is furnishing the funds the local taxpayer in the end will have to share his part of the expense in taxes to pay not only the State and local government tax but the Federal as well. But local governments are gradually learning their lessons.

In a recent survey conducted by the American Institute of Public Opinion, of which Dr. George Gallup is the director, the following question was put to the voters: "Do you think the Federal Government is spending too much, too little, or almost the right amount of money at this time?" Sixty-one percent said too much, 10 percent too little, and 29 percent about right.

This poll would seem to be quite accurate, as about 30 percent of our people are now getting something from the Government, either directly or indirectly. Ten percent would like to have more and perhaps would like a better job. Sixty-one percent seem to agree with us about spending too much. That seems to be a majority. Let us, as a majority, start doing something about it.

National Canners' Association

EXTENSION OF REMARKS

OF

HON. ALLEN J. ELLENDER

OF LOUISIANA

IN THE SENATE OF THE UNITED STATES

Wednesday, February 22 (legislative day of Monday, February 20), 1939

EXCERPTS FROM ADDRESS BY HON. CLAUDE PEPPER, OF FLORIDA, JANUARY 24, 1939

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD excerpts from an address delivered by the junior Senator from Florida [Mr.

PEPPER] before the National Canners' Association at Chicago, Ill., January 24, 1939.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Some time ago in Washington I sat around a table with the president of one of America's great technical colleges. That president was explaining to the group what his college was trying to achieve—what it was trying to give students who were there. This president divided the directive part of business into two fields—management and administration. Management, he said, related to the internal operation of a business, the responsibility for the right kind of machinery, proper operation of that machinery, the right kind of personnel, and that personnel being in the right place—efficiency, both in equipment and in operation. Very great, said the president, was the responsibility of such a business executive. Administration, said the president, related to a broader field. It had to do with the relation of that particular business to the world of which it was a part; the relation of that business to its surroundings. It was the duty of management, he pointed out, to ascertain the contribution that that business was to make to its world and to determine the trend of the times so that that business would move in harmony and in tempo with those times. One charged with the administration of a business, therefore, had to be able to see the whole horizon, and not just his own place on the horizon.

About 1 out of 100, said the president, of his students would be fortunate enough to find an opportunity in business to occupy what might be called a chair of administration. Then this interesting speaker began to discuss what his college was trying to give its students so that they would be fitted for that 1 opportunity out of 100 which might come to them to be real business administrators. He said those students were taught economics by an engineer, because an engineer was more likely to sift through the sieve of his practical mind economic theories which others less ardent might more readily embrace. He said that those students would know something about history so that they might compare these times with others, and above all catch something of perspective which comes from knowing how others have lived. Also, he said, and perhaps more important, he wanted these students to sit at the feet of a philosopher. He wanted them to appreciate what was valuable in life. Knowing that men who work spend most of their waking hours at their work, he wanted someone who could make it possible for those men to put into those working hours, and to get out of them, something that was enriching to themselves and to their world.

This evening's conversation was vividly brought back to my mind when reading a part of a report of your own Economic Research Committee, part of which read as follows:

"Appointment of a committee to consider possibilities of developing an economic research program for the canning industry grew out of a general demand that the association, as the national organization representing the industry, do something with respect to correction of factors responsible for the condition in which the canning industry found itself the latter part of the year. The situation was not unlike that encountered at various times in the history of the industry, and it is felt that the association might well undertake research that would prove as valuable to the industry in meeting its recurring economic problems as had its scientific research in solving production problems. The committee's task, therefore, was to develop a program that would discover and evaluate the fundamental factors in the industry's economic problems and at the same time build up collateral association services that this research might reveal to be necessary or desirable."

I congratulate you upon the breadth of your vision. Your association in appointing that committee, and that committee in making its report, are sensible of the fact that your industry is an integral part of the economy of this country. You cannot prosper unless your country prospers, and it is not likely that your country will prosper without your having your share of that prosperity.

We in Washington are very deeply grateful to any business that exhibits that breadth of understanding of our national problems. We are interested in your own progress, in the maintenance of the service that you render to your country—to your world, but we have to take the same position that your association indicated in the appointment of your committee on research and by your committee report, that the way we can best serve you is to serve your country and the economy wherein you occupy so responsible a place.

I was particularly struck by that part of your committee report that said: "* * * It was felt that the association might well undertake research that would prove as valuable to the industry in meeting its recurring economic problems as had its scientific research in solving production problems."

No one knows better than your association what change has come over the world in the last century in technological improvement. The beginning of the machine age denoted the most violent transformation ever to occur in man's manner of living. His whole economy was reordered, his habits shocked into a sudden change, his means of livelihood perhaps swept away, his old trade made useless, his very family life even altered. A magic power had been put in man's hands; their strength magnificently magnified. Space was to be relatively annihilated, distance rendered of little consequence. So much, and so great has been the change that we and our ancestors of even a generation ago live in a different world, and perhaps our children shall refer to us as the old fogies of the first half of the twentieth century.

This new power, which we call the machine age, has not been confined to any phase of our economic life. About 1800, one farmer upon his farm fed about 5 people on the farm, and about one-half person in the city. Now this one farmer feeds 4 people on the farm, 12 in the city, and 2 in foreign countries, a total of 18. Where a laborer in 1869 represented 1 horsepower, he now represents at least 5. In the last 10 years technological improvement has been such in this country that at least 10 percent fewer men were required to turn out the same quantity of goods as in 1929—or, put another way, had it not been for the technological improvement between 1929 and 1938, at least 1,000,000 more workers would have been required than were employed to produce the national income of 1938.

Look what has happened in your own industry since Nicholas Appert in 1810 published his paper on the preservation of perishable foods.

Our whole life has become categorized; special training is required for almost every job. This is an age of specialists. The result has been a tragic dislocation of people. Millions have lost their moorings; they have become derelicts in their own country. There is no place into which they can fit. This situation is not confined to our country. This summer I visited the International Labor Office in Geneva, Switzerland, and saw represented there in graphic form the results of a world-wide economic survey. This survey depicted in the form of blocks upon the table, among other things, the number of unemployed in the nations of the world. By Great Britain there was a high block; by the United States one a bit higher; by those, one representing France almost as high; another representing Holland, comparably as high, and so on, indicating the number of unemployed in each of those nations. Another block by the name of Germany was very short; one by Italy a little higher only. Another by Japan, not as high as Germany. This was shocking information to me. It disclosed fundamentally that at least some nations of the world regarded the challenge of this problem of unemployment and dislocation as so great as to require literally wartime mobilization in a period of actual peace. This depicted to me the fact that a large part of the world's population was willing to give up even the liberty of speech, of the press, of movement, and to submit themselves to a discipline as rigorous as that of wartimes in order that there might be something like economic security and relative stability.

We all know that the price that they paid for the little they got is too dear a price; one that we would not pay under any circumstances. We abhor their methods and the spirit that actuates them, but their action and their being do emphasize the extreme seriousness to the world of modern dislocation of men, which we call unemployment.

There are some who think that a return of prosperity will solve the unemployment problem. They might as well expect the unemployment problem to be solved by the return of buggy factories as to anticipate that. In fact, economists disclosed recently in a hearing before the O'Mahoney committee in Washington, that if we had now the same relative prosperity which the Nation enjoyed in 1929, there would be at least 6,000,000 people unemployed. In 1936 we came within 5 percent of producing as many goods in quantity in this country as we produced in 1929, when, while there were perhaps only 4,000,000 unemployed in 1929, in 1937 there were at least 10,000,000 unemployed.

The machine age is with us. In spite of all of its virtues, notwithstanding the fact that it has given us a higher standard of living than we could ever have enjoyed the other way, it is yet a fact that with our economy organized as it is, there will never be an opportunity in private industry for anything like the men and women of this country who need to work and want to work.

Accordingly, our Federal Government in the last 6 years has set in motion a vast effort to compensate for this deficiency in our economic order. The tragedy is that the jobs created by that effort have been called relief jobs, as if the people who had to resort to those jobs were the recipients of some charity, or were wards of the State like the occupants of an eleemosynary institution. If you put in new machinery in a canning plant and thereby cut 50 percent of the workers off from employment, it is no fault of those workers; and if those workers are not able to get a job in another canning plant because that plant, too, has introduced improved machinery, and if all the other plants in that community have likewise been installed with more efficient machinery and they are unable to get a job with them, I maintain that those people have not become worthless and sorry because finally they have to resort to some creative work intended to compensate for the natural deficiency in the modern industrial age.

The sooner the country admits the ugly fact that leaving out human sentiment, disregarding the normal sympathy that the average human heart extends to his fellow human being, hungry and in rags, there is no prosperity in sight for this Nation; the sooner that we devise some method to give employment to the unemployed, the better off we will be.

Even Thomas Jefferson, in his day, to provide additional land for the congestion of the Atlantic seaboard, bought not only the Louisiana Territory but many acres of land from the Indians. Public land was cheap, and there was a steady flow of the tide of emigration to the West, ever relieving the pressure behind, until finally, in 1890, the Census Bureau of the United States announced that the last American frontier had been reached. The sweep of migration came suddenly up against the waters of the Pacific Ocean. Thereafter there was no geographical escape from bad conditions in any particular area of the country. There were cer-

tain parts not as much occupied as others which gradually filled up, but from that eventful day in 1890 it has become apparent to the people of this country that we have to live with our problems and we have to solve them upon the ground where we are. We can't flee from them to some other place and stay in the United States.

There are a variety of ideas about what should be the role of the Government in meeting today's problems. There are many who refer to Thomas Jefferson as the embodiment of a philosophy that it is none of the Government's business as to how the people get along, that it has no responsibility for whether they have credit, whether they have jobs, whether they have homes, whether they have good business, whether the members of the State have either economic or spiritual security. I have reverted to the fact that Jefferson used Federal money to buy land—100,000,000 acres—not only from Napoleon but from the Indians. You may recall that there were two reasons primarily why Jefferson bought the Louisiana Purchase. One of them was to open the Mississippi River to navigation; the other was to provide additional territory for settlement and use by the people of his country. And you may recall also that Jefferson did this when by the preponderance of opinion of his day he had no constitutional authority so to do.

It might be interesting to recall that in his first message to Congress, Jefferson also made it clear that he was not adverse even to direct governmental aid to business, if in the public interest and under the circumstances in the opinion of the Congress, such aid should be required. For while he stated his belief that "agriculture, manufacture, commerce, and navigation, the four pillars of our prosperity, are the most thriving when left most free to individual enterprise," yet he added, "Protection from casual embarrassment, however, may sometimes be seasonably interposed. If in the course of your observation or inquiry they should appear to need any aid within the limits of our constitutional powers, your sense of their importance is a sufficient assurance they will occupy your attention. We cannot, indeed, but all feel an anxious felicitude for the difficulties under which our carrying trade will soon be placed. How far it can be relieved, otherwise than by time, is a subject of important consideration."

Certainly Jefferson was not beyond using administratively the Federal financial power to weaken the force of the Federalist money interests by building up counteracting Republican financial agencies in what he regarded as the public interest. For Beard tells us that "knowing full well how deeply dyed with federalism the United States Bank and its branches were, Jefferson and his advisers deliberately adopted a policy of manipulating the Government funds in such way as to build up local Republican moneyed machines in order to resist the force of the Federalists' interest and provide competitors that would give the Republicans the power in the economic world, which they so earnestly desired." And, continued Beard, "That this was a conscious policy of Jefferson's administration there can be no doubt." (Economic Origins of Jeffersonian Democracy, by Beard, 1927, p. 446.)

To make the matter beyond doubt, in reply to a communication concerning the bank at Providence, R. I., which was a notorious Federalist stronghold, Jefferson said, "As to the patronage of the Republic bank at Providence, I am decidedly in favor of making all the banks Republican by sharing the deposits among them in proportion to the dispositions they show; if the law now forbids it, we should not permit another session of Congress to pass without amending it. It is material to the safety of Republicanism to detach the mercantile interest from its enemies and incorporate them into the body of its friends." (Economic Origins of Jeffersonian Democracy, by Beard, 1927, pp. 447, 448.)

Moreover, Jefferson clearly foresaw the day when the employment saturation point should be reached even in agriculture and there should arise the necessity of the Government guiding the surplus of labor, that is to say, the unemployed, into some useful and profitable employment.

When, in the summer of 1785, John Jay wrote him asking whether it would be useful to us to carry on all our own production, or none, he replied: "Were we perfectly free to decide this question, I should reason as follows: We have now lands enough to employ an infinite number of people in their cultivation. Cultivators of the earth are the most valuable citizens. They are the most vigorous, the most independent, the most virtuous, they are tied to their country and wedded to its liberty and interests by the most lasting bonds. As long, therefore, as they can find employment in this line, I would not convert them into mariners, artisans, or anything else. But our citizens will find employment in this line, until their numbers, and of course their production, become too great for the demand, both internal and foreign. This is not the case as yet, and probably will not be for a considerable time. As soon as it is, the surplus of hands must be turned to something else." (Economic Origins of Jeffersonian Democracy, by Beard, 1927, pp. 425, 426).

There are three possible theories of what the Government's duty is. The Government might be merely the country's policeman, seeing to it that people are not molested in their physical security and that the ordinary rules of a civilized state might be observed. Such a state would take no concern about economic and financial conditions under which those people labored. It would regard those matters as outside the scope entirely of governmental interest or authority.

Another theory is that government might act only as a compensatory agency. That is to say, to counteract the tendencies of the economic and social order which might lead to harmful results; or, in other words, in times when business was buying little, the Government might buy much to afford a market.

When there was great financial activity in the economic system the Government might shrink the currency in use, and vice versa. Such a government would only set up a counteracting force to another force already in operation, but would do nothing to prevent the formation of the dangerous or undesirable force or to divert it into channels where it might be harmless.

A third theory is that the Government might do all these things and go yet further than that—it might try to avoid dislocations of men from their businesses. It might try to guide the economic system in such a way that neither great inflations nor great depressions would result. It might supplement a deficiency of credit generally with Federal lending agencies. It might try to see to it that conditions were favorable to the employment of people in private enterprise, and when they could not be so employed, give them an opportunity for work directly. Such a government would not regard it as purely a private matter as to whether people were healthy; whether they lived in a healthy environment; whether they had access to hospitals and to medical care; whether they had decent homes in which to live and the sense of patriotism and responsibility which comes from home ownership; whether the number of hours they work and the wages they get are appropriate to their well-being.

There are many who think that such a governmental attitude is imperative to the stability of modern life. There are others who think such a point of view dangerous to the individual liberties of citizens. Here in America we must fight out this question according to our sentiments, according to what is reasonable, and also according to what is sensible according to the democratic process, according to our traditions and our Constitution.

A little bit ago, Walter Lippmann in his column pointed out that maybe what America needed was that her leaders should again get the kind of a classical education that the founding fathers of the country had. An education that came from a deep and rich culture that gave them a broad horizon and a large perspective, that gave them an historic sense. I agree that if the times ever required men of such stature, they are required now.

In an earlier day when chaos seemed to engulf the Old World, our forefathers with their intrepid will, set out to—and established—their civilization and their aspirations upon another. America again must lead the way to new worlds; to new worlds of thought, to new worlds of understanding, to new worlds of adjustment, to new worlds of harmony, to new worlds of unity. And, when this generation, as I prophesy, shall have met its rendezvous with death, they who have gone ahead of us who carried the torchlights of their difficult generations, will know that their fine blood has not lost its vitality, and that we are worthy of their tradition.

Admission of German Refugee Children

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Wednesday, February 22 (legislative day of Monday, February 20), 1939

EDITORIAL FROM THE PATHFINDER OF FEBRUARY 25, 1939

Mr. WAGNER. Mr. President, I present and ask to have printed in the RECORD an editorial from the Pathfinder appearing in its issue for the 25th instant, headed "Let Them Come In," relating to the admission of German refugee children to this country.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Pathfinder of February 25, 1939]

LET THEM COME IN

There has just been introduced in Congress a joint resolution aimed at alleviating some of the great personal tragedy implicit in the refugee problem abroad. Sponsored by Democratic Senator ROBERT F. WAGNER and Republican Representative EDITH NOURSE ROGERS, the resolution is naturally nonpartisan because its purpose is wholly humanitarian.

Stated briefly, the Wagner-Rogers proposal would have Congress "authorize the admission into the United States of 10,000 German refugee children of every race and creed during each of the calendar years 1939 and 1940." This would be done only for children aged 14 or under, and it would be done without upsetting present quotas under the immigration laws. Moreover, the Wagner-Rogers bill would specifically provide that no child be admitted unless his support were first adequately guaranteed and unless he were assured

a proper home with individuals, families, or groups of his own religious faith.

Thus, this plan to make life supportable for refugee children, this plan to open up an avenue of hope for the frightened young victims of Europe's wild passions, is carefully circumscribed. Because private individuals, private groups, and private institutions would first guarantee to provide support and care, the admission of 10,000 children this year and 10,000 children next year would not in any sense create a problem of new public charges in America. In addition, because the age group would be fixed at 14 and under, there would be no adverse effect on labor conditions.

According to the best estimates available, there are about 75,000 German children in distress. Such authoritative sources as the American Friends Service Committee say that America's proposed total of 20,000 admissions could be chosen from 50,000 of the 75,000 in distress. Approximately only half of these 50,000 are Jews, the rest being in Nazi disfavor because they may have one or more Jewish grandparents or because their parents are politically outlawed. This means that all faiths are represented and that all groups in the United States have reason to take active interest in the Wagner-Rogers proposal.

Indeed, active interest has already been expressed. The Quaker organization of the American Friends service committee, a group whose humanitarianism has long been a source of inspiration in all parts of the world, has wholeheartedly endorsed the plan. One of the driving forces behind it is a group of religious leaders representing all denominations, Protestant and Catholic alike. In the field of labor, both the American Federation of Labor and the Congress of Industrial Organizations have gone on record in its favor. Behind it, too, are groups of private welfare workers now organizing in order to put the plan into effect as soon as congressional approval is forthcoming. Further, the plan has won the support of numerous prominent individuals, such as Mrs. Calvin Coolidge, who has joined a number of women in Northampton, Mass., in offering to provide for 25 refugee children.

Actually, it is not surprising that there is this unanimity of opinion favoring the Wagner-Rogers resolution. The proposal's objective simply cannot be questioned by any American who believes that this will be a sick world, that this will be a sick civilization, as long as great sections of humanity suffer the torment of being cut adrift, the torment of being refugees, the torment of being unwanted in lands where it once was good to be alive, where the home was, where the heart lay.

While the Wagner-Rogers resolution has to do with only a numerically minor phase of this problem, it promises to ease one of the situation's most tragic complications. Of the hundreds of thousands of Europeans who are refugees or potential refugees, the children arouse the greatest sympathy. With life still stretching before them, they find themselves shorn of opportunity, shorn of education, and in some cases shorn even of the right to play, the right to enjoy the sun and grass. This is not an emotional exaggeration; there are documented stories to confirm it. No imagination is needed to appreciate how evilly a situation of this sort can affect young minds and hearts.

Accordingly, while the Inter-Governmental Committee on Political Refugees weighs broader and more complex plans for solving the problem in general, the United States should join such other countries as Great Britain and the Netherlands in acting immediately to alleviate the situation as it applies to children. This can be done through speedy approval of the Wagner-Rogers resolution. The young thus allowed to enter America will be forced to leave their parents behind, but this part of their tragedy will not be unbearable, because on these shores they will have at least hope to spur them on.

Bituminous Coal Industry

EXTENSION OF REMARKS

OF

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, February 22 (legislative day of Monday, February 20), 1939

ARTICLE FROM BLUEFIELD (W. VA.) DAILY TELEGRAPH OF FEBRUARY 21, 1939

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article on the subject of the bituminous-coal industry published in the Bluefield Daily Telegraph of February 21, 1939.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Bluefield (W. Va.) Daily Telegraph of February 21, 1939]

COAL INDUSTRY BLED BLIND BY LEGISLATION

It is so well known that it is needless to repeat that West Virginia depends on its coal industry for a living and any prosperity that it may enjoy. The great bulk of the taxes for public purposes and community and State activities are paid by the coal industry.

The coal industry went in the red—lost—$60,000,000 in 1938 and forced suspension of many mines, throwing thousands of men out of work and wages.

The Daily Telegraph has no hesitancy in saying that the distress of the coal industry is due to the blundering of the present administration at Washington. Not the least of these legislative handicaps is the N. B. C. C., or Guffey Act.

From a letter to the bituminous-coal industry signed by a number of coal producers the following paragraphs are quoted:

"For nearly 2 years we have been doing all we can to help the Coal Commission make this act work. Most of us favored this act when it was before Congress and worked for its passage. We paid our taxes and assessments. We sent in analyses, prices, and reports, put our men on boards and committees, hired lawyers, met, talked, argued, 'coordinated,' and spent our time and money, and have got nothing out of it. For 2 years we have had promises—'prices next month,' 'prices May 1' (what May is not stated), more promises, and in the meantime the act and taxes have been steadily shoving us into bankruptcy. Today we find that a great many people have lost confidence in this act and have not hope of its ever doing us any good.

"SEE RUINOUS PROSPECTS AHEAD

"We don't see any dependable prospect of fair and just minimum prices being made effective. We don't believe they will stick if they are put out, and they might ruin a lot of us if they are established in the manner now in prospect. We are told that some lawyers think the best chance for prices to stick if they are put out is the fact that it will cost so much to obtain court relief if mistakes are made in prices that no small operator can afford the expense of protecting himself. We don't like that.

"MAKES SITUATION WORSE

"We have been taxed and assessed and asked to spend more money we haven't got on a law that we now find makes our situation worse. Those of us who were for the bill are obliged to admit that we made a mistake and got something that won't work.

"ARMY OF SALARY DRAWERS

"We are not criticizing the integrity or ability of the Commission or its staff. We are simply convinced that this act is unworkable and that nobody can make it work. As near as we can find out, in the efforts to put it into effect, you and we, through taxes and assessments, are paying salaries, office rent, telephone bills, and other expenses for a flock of lawyers, statisticians, coordinators, experts, attorneys, tabulators, stenographers, receptionists, directors, enforcement agents, helpers, field agents, doorkeepers, messengers, office boys, commissioners, private secretaries, assistant secretaries, assistant statisticians, assistant attorneys, assistant coordinators, special assistants, committee members, board members, chemists, analysts, engineers, computators, file clerks, rate clerks, price clerks, cost clerks, supply clerks, chief clerks, clerks, division chiefs, bureau heads, assistant chiefs, auditors, advisers, technical advisers, legal advisers, traffic advisers, special advisers, accountants, chief accountants, chief statisticians, telephone operators, inspectors, policemen, samplers, watchmen, etc., employed by the Coal Commission and the district boards.

"DECIDED TO QUIT BEING 'STRUNG ALONG'

"This act has cost us millions of dollars in taxes, assessments, expenses, and ruined coal prices, for which we have got nothing and see no prospect of getting anything. If you had a mine superintendent, you'd have fired him so long ago that with even the beginning of such a record you'd have forgotten his name by now. That's why we decided to quit being 'strung along' any further and go back to being coal-mine operators."

Federal Tax on Interstate Chain Stores

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 20, 1939

RADIO ADDRESS BY HON. WRIGHT PATMAN, OF TEXAS, TUESDAY, FEBRUARY 21, 1939

Mr. PATMAN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following radio address delivered by me on February 21, 1939:

Ladies and gentlemen of the radio audience, I have introduced in the House of Representatives a bill which has for its purpose the substantial curtailment of the powers and size of the great interstate retail chain-store systems. This bill is now H. R. 1 in this, the Seventy-sixth Congress.

Within the interpretations of the United States Supreme Court this bill calls into use the only power which the Congress has to control or put a limit upon the power of one individual or a few powerful corporations to monopolize the retail business of this country.

It uses as a vehicle for this purpose the taxing power, which has been used in the past by both Republican and Democratic administrations to reach worthy objectives that could not be reached in a constitutional manner in any other way.

This bill, if passed, will not destroy any chain-store company, but it will regulate the selfishness and prevent the greed of a few of the larger ones.

QUESTION SHOULD BE VIEWED FROM STANDPOINT OF GENERAL WELFARE

The question of limiting the size of national corporate chains is one that should be viewed by the American people, not from the standpoint of independent merchants, who happen to be in business at this time in competition with the chains, or in the interest of the national corporate chains that are destroying independent merchants but from the standpoint of the public welfare.

WHY CERTAIN EXEMPTIONS IN BILL

This bill does not include wholesalers or manufacturers. Our congressional committee, which agreed upon the terms of this bill, decided that we should confine our efforts to preserving for local people only that type of business which we know local people can and will conduct if permitted to do so. Many of the large wholesalers and manufacturers have retail stores and this bill will apply to them the same as others.

In preparing this bill the chain-tax laws of 22 States were consulted and the exemptions usually carried in these State laws are contained in this bill.

ONE CORPORATION SHOULD NOT HAVE TOO MUCH POWER

This bill has not been introduced in the interest of any special group of businessmen or any special class of people. It is, however, introduced in the interest of the general welfare of all the people. Recorded history has shown that time after time in the past when one man or a few men gained too much power, they never used that power in the people's interest, but rather they used it in furthering their own interest and in adding more power and more wealth to that which they already had.

The courts have always been aware of this. In this country many court decisions have been founded on the premise that it is not wise to permit one man or a few men to have or to gain too much power. This is especially true in certain types of business. The United States Supreme Court emphasized this in connection with the chain-store system in its decision upholding the West Virginia chain-store tax. In that decision the Supreme Court laid down its broad economic and social philosophy against the chain system of retailing.

There are a multitude of sound economic and social reasons why our bill H. R. 1 should be adopted by the Congress to protect the general welfare of the people of this country. I shall not attempt to state them all here tonight in the brief time allotted to me.

Anyone desiring more information on this subject, including the provisions of the bill H. R. 1, may receive it by addressing your request to the speaker, Congressman WRIGHT PATMAN, Washington, D. C. If you are supporting this legislation, you can aid us in this fight by advising your congressional representatives in both the House and the Senate, and at the same time I would like for you to advise me by letter or by card of your support, as I will be greatly encouraged to have the information that the people are supporting me in my endeavor to bring about the enactment of legislation that is intended to promote the interest of our country.

PRICE TO BE CONSIDERED BUT NOT ALWAYS MAIN THING

Practically all of the arguments against this bill to curb interstate chain stores relate to price. That is the economic side only. I admit that price is something to be considered, but there are social reasons for the passage of this bill that overcome any economical reason that is urged against its passage.

INTERSTATE CHAINS GREATEST HINDRANCE TO RECOVERY

The electric power interests claim that if the Government will cease putting up the money for municipalities to go into competition with them that billions of dollars will be spent the next few years in new equipment and supplies. Suppose a law should be passed now that would prevent the interstate chains from going into new territory or new locations to destroy more independent merchants? The result would be that bankers would extend loans to individuals who desire to enter the retail business in such lines as groceries, drugs, shoes, varieties, and others. Now, however, banks cannot safely make these loans, because they know that if the ambitious person who obtains the loan builds up a good business at his location, a national corporate chain will come in after the business is established and, through the use of profits made elsewhere, destroy the business of this individual. There would be an immediate demand for safe loans, aggregating billions of dollars, by efficient, clever businessmen if they were protected against this Wall Street octopus, which is the greatest hindrance to recovery at this time.

IF FARMER PROSPEROUS—NATION PROSPEROUS

It is my belief that the prosperity of this Nation depends upon the prosperity of the American farmer. Any system that reduces the buying power of the farmer works a hardship on all the other people, whether they are engaged in the professions or business or wage earners. When the farmer is prosperous wage earners are prosperous. So the wage earner who insists on perpetuating a system that is reducing the purchasing power of the class that represents the best customer for what he—the wage earner—is manufacturing, is certainly not acting in his own interest or in the country's interest.

The farmers of this Nation today and especially those engaged in dairying, producing livestock, poultry, eggs, and all fruits and vegetables would be enjoying a fair measure of prosperity were it not for the conspiracy of a few interstate chain-store owners who are dominating the market for these products and forcing the prices real low in order to accommodate their city consumers. City consumers, who have vision, realize this and know that it is against their interest and the interest of the country, and would not object to paying a fair price—one that would be fair to the producers.

INTERSTATE CHAINS HAVE NOT ELIMINATED DISTRIBUTIVE EXPENSES

Many people have been led to believe that the large chains have eliminated the wholesalers. This is not true. They have established their own wholesale houses instead. In fact, they have not eliminated a single distributive expense. It is true that they have caused hundreds of thousands of traveling men to lose their jobs, but the money that was formerly paid to these traveling men and which was in turn expended by them for transportation, hotels, and other expenses in every section of the country every day is now being paid to a few highly paid executives in practically one city. So the alleged saving, which can be pointed to by the interstate chains, is that which goes to a few rich people, many of whom do not have children to inherit it, in one city instead of millions of people in every section of the Nation. The Twentieth Century Fund recently reported to the President's committee investigating monopoly that a comparative handful of executives on the whole, in good times or bad—many of them receive as much as $1,000 a day—fare better than the wage earners or investors.

THREE GREATEST OBJECTIONS

I consider the three greatest objections to the interstate corporate chain system are the following:

(a) Concentration of money and credit;
(b) Destruction of local communities; and
(c) Monopoly.

It concentrates money and credit into the hands of a few men controlling a few banks, by draining the money of the Nation into these banks under their control. There are 16,000 banks in this Nation. Today 24 of these banks own one-third of the banking resources of the entire 16,000, and 13 of the 24 are in New York City. This has been caused largely by such systems as the interstate chain store. These 24 banks have interlocking directorates with large corporations that own 58 percent of the corporate wealth of the Nation. The fact cannot be disputed that a few men controlling these few banks control the corporate wealth of our Nation. Such a system is inimical to the general welfare of the people and should not be permitted.

The Federal Government was never called upon to aid the needy in local communities until absentee-owned chains concentrated the money and credit of the country in New York City.

MANY OTHER OBJECTIONS TO INTERSTATE CHAINS

The absentee-owned interstate chain-store system, as now operating, is against the interest of the people of this country for the following reasons:

(1) It destroys community life by refusing to assume the duties and burdens of local citizenship. The chains have never raised the standard of living in any community. Absentee control of business is a detriment to the future welfare of all classes, and there is no class or group that escapes its detrimental effect upon our economic life. Absentee-owned chains do not contribute to local relief, local schools, churches, or charities, except in a miserly sum—entirely out of proportion to their business—in an effort to buy goodwill.

(2) It dries up the local reservoir of credit and destroys the local bank. Net profits remaining in the community and deposited in the local bank circulate many times a year among local citizens.

(3) It causes concentration and control of wealth in the hands of a few.

(4) It causes the cost of food to be higher in towns and communities controlled by it.

(5) It leads toward and will eventually cause monopoly in business.

(6) It destroys local insurance agencies.

(7) It destroys local newspapers.

(8) It destroys the local printing shops.

(9) Local privileges and opportunities that formerly enabled local citizens to assume local relief burdens and responsibilities are taken away.

(10) It unfairly destroys independent business.

(11) The interstate chains do not create. They take away what others have created.

(12) The system destroys individual initiative and crushes the hopes and aspirations of ambitious young people; destroys the independence and self-reliance that built this Nation.

(13) It destroys free competition. The chains charge different prices in different cities in the same State (and even in the same city) depending upon competition from the independent merchant across the street, who is marked as the next victim.

(14) It narrows the market of the farmers and destroys their prices.

(15) The interstate chains are the first to arrive after a town is built and the first to leave when a town is overtaken by drought, cyclone, epidemic, or other unforeseen disaster.

(16) The chains never pay their just and fair share of taxes in proportion to their volume of business.

(17) Their system of doing business encourages cheating and dishonesty, which not only destroys the morals of the millions of good citizens, but causes the consumers to pay millions of dollars a year for merchandise that they do not receive because of short weights and short measures. Court records are available to prove this.

(18) It aids large cities—and especially New York City—to the detriment of the rest of the country. Net profits from farms, mines, or business is the only means of building towns, cities, and States. These net profits (under the chain system) fly overnight to New York. Every dollar (that is taken from your State and mine in net profits) is a loss of many times that one dollar in buying power to the local residents.

(19) It causes bureaucracies and dictatorships in business, and will destroy democracy in our country and substitute fascism instead.

IS NUMBER OF INDEPENDENTS INCREASING?

The interstate chains use deceitful and tricky figures to try to convince the people that they are not gaining control of retail business. They do, according to their claims, 22.6 percent of all the Nation's retail business, while the independents do 73.1 percent, and other types of distributors 4.1 percent. In these figures, they include all retail distribution, including the lines of business in which chains are not engaged at all. They also use in the figures areas in which the chains do not operate. Summing up, the figures are absolutely meaningless. We do know that in lines of business in which interstate chains are engaged and in areas in which they operate, they are not only rapidly gaining a monopoly, but in many places actually dominate the market at this time.

PASSAGE WILL AID CONSUMERS, FARMERS, AND LABORERS

The passage of this bill will greatly help the consumers, the farmers, and the laborers. It will not destroy any business, but it will correct an economic situation that has caused millions of our people to be unemployed today.

Please advise your lawmakers how you stand on this important question.

The Americanism of Washington

EXTENSION OF REMARKS
OF
HON. THOMAS D'ALESANDRO, JR.
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 22, 1939

ADDRESS BY HON. THOMAS D'ALESANDRO, JR., OF MARYLAND, FEBRUARY 22, 1939

Mr. D'ALESANDRO. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address I delivered before the Maryland Free State Post, No. 167, at the Washington Monument in Baltimore, Md., February 22, 1939:

Hard is the task of the man who attempts to say anything new about Washington. Washington needs no eulogies from me, as history gives him all the honors that great men deserve. There is no doubt in anyone's mind that he was truly a man among men, for he venerated truth and virtue above profit or advantage. He always sought the public good and preferred approval of his own conscience above popular applause. He won for himself the title of "Father of his Country," for he was indeed first in war, first in peace, and first in the hearts of his countrymen. Although great in every way, Washington, nevertheless, possessed the traits of ordinary men.

Believing in freedom of speech and freedom to listen and learn, we live in a period of bewildering changes. Some nations have shifted convulsively from one form of government to another overnight. We face the fact that many people recently converted to the new and undemocratic forms are eager to bring about similar changes here in America. Some of their ideals may be new to us; some may seem dangerous; nevertheless, believing in freedom of speech for others as well as for ourselves, we must attempt to silence them with American ideals and let them know that Americanism comes before communism or any other "ism." We should fight to preserve democratic justice and liberty.

We Americans want real democracy and above all, peace. Quoting Washington himself who said that "As disinterested friendships between nations; the enemies of today are the friends of tomorrow, the friends of today the enemies of yesterday." And I will predict that if there is war, it will not come from within the confines of the United States but from without.

You veterans of the Maryland State Post No. 167, as well as all other American World War veterans, well know that America did not go to war for gain, but neither did they go for an opportunity to enter into any world-wide system of communism or any other form of "ism" under which we are to divide up our wealth with the world's poverty, surrender our ideals and interests to those of other lands, or sacrifice the peculiar advantages of our situation. There is no room for communism in America, as well as there is no room for any other form of "isms." The American principles of Washington shall never perish.

I am very happy to have the honor to speak to you at the foot of the monument of America's first citizen, George Washington, on the two hundred and seventh anniversary of his birthday.

The Townsend Plan

EXTENSION OF REMARKS
OF
HON. HOMER D. ANGELL
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 22, 1939

STATEMENT OF HON. HOMER D. ANGELL, OF OREGON, BEFORE THE WAYS AND MEANS COMMITTEE

Mr. ANGELL. Mr. Speaker, the Ways and Means Committee since February 1 has been holding hearings on the social-security program. Among other proposed legislation, it has held an extensive hearing on H. R. 2, known as the Public Welfare Act, or the Townsend plan. I heretofore presented to the House a memorial adopted by the Oregon Legislature, pursuant to a vote of the electorate of the State of Oregon, asking that the Congress call a constitutional convention to amend the Constitution by embodying the Townsend plan. In support of H. R. 2, I appeared before the Ways and Means Committee and made the following statement:

I appreciate, gentlemen, this opportunity to appear here very briefly before you. It is not my purpose to discuss the intimate details of H. R. No. 2.

I am in favor of the plan. But I do want to take time, if I may, to call your attention to some considerations in our own State of Oregon with reference to this.

We had on the ballot at our last general election a memorial to Congress which had for its purpose asking the State legislature to memorialize Congress to call a convention under the Constitution to enact the Townsend plan. That was passed at the general election, in which there were 183,781 voted for it and 149,711 against it. That was a State-wide election.

Mr. CULLEN. Was that a State-wide referendum or a regular election?

Mr. ANGELL. It was on a petition. We have the initiative and petition. We also have the referendum. But this was on a direct petition.

The legislature which is now in session following the mandate of that vote enacted Joint Memorial No. 1, which has been sent to the Clerk of the House; and I understand that it was passed unanimously. It provided very briefly this: It provided that the Legislature of the State of Oregon hereby does petition the Congress of the United States to call a national convention pursuant to the provisions of article V of the Constitution of the United States for the purpose of proposing an amendment to said Constitution to provide for the establishment and operation of the philosophy and principles of the Townsend national recovery plan, otherwise known and described as the proposed General Welfare Act of 1937 (H. R. 4199).

I am calling that to your attention, gentlemen, to show the viewpoint of the voters of the State of Oregon with reference to the Townsend plan. It is true that there was a substantial number of citizens who did not vote for the memorial, but there was a substantial majority, however, who were in favor of it.

Now, we have in Oregon a situation which perhaps is acute; possibly more so than in some other sections of the country. We have two major industries. One is lumbering; the other is agriculture. And they both are at a very low ebb.

I have here a little pamphlet just recently received, issued by the West Coast Lumbermen's Association, which is an association with which most of you gentlemen no doubt are familiar. It is put out by the lumbering industry.

From this I note that of the men who were employed in mills and logging camps last year there were 18 percent who were employed full time, 29 percent part time, and 53 percent idle. Now, that, of course, is a distressing situation which exists with reference to the major industry of a community.

The other industry, agriculture, was equally distressed. Wheat was selling at 50 cents a bushel, which, of course, is below the cost of production.

Those conditions naturally have drawn to the attention of the citizenship of the State the problems which have to do with the relief of our citizens and, I presume, have played some considerable part with reference to their views on the Townsend plan.

Our State, as shown by this vote, I think, is very favorable to the enactment of legislation along these lines.

Now, I appreciate, of course, that the Social Security Act is a beginning of an attempt to solve the problem which is involved in this particular measure. It is one feature of a larger plan. The Social Security Act, no doubt, has been of real service.

I was a member of our own State legislature, which had to do with the enacting of the legislation to put it into effect as far as our own State was concerned. But I do feel, as I believe that you gentlemen feel, that there are needed modifications in that particular act.

Personally, I am not particularly impressed with the feature of amassing a large sum of money under the provisions of the act, which will amount to forty billions or forty-seven eventually, which necessarily involves a major problem as to its investment. Of course, under the existing features of the law requiring a 3-percent return it is necessary that special bonds of the Government or securities be issued. But it seems to me that that particular feature of the act requires not only one tax to be imposed but three. Of course, there must be a tax imposed on certain individuals for raising the original fund. Then, in order to pay the 3-percent interest, there must be another tax imposed upon the general taxing public to raise funds to take care of that. Of course, if it were $40,000,000,000, that would be over a billion dollars a year tax. That must be raised by a tax upon the general public, and, no doubt, a tax on those who ultimately are to receive this benefit.

Then, in the third case, of course, another tax must be raised to pay the annuitants the moneys that are coming to them, because the money that has been taken in by the Government has been expended.

So I feel that the enactment of such a provision as the Townsend Act, modified perhaps, would be a better solution of the problem than that particular one.

I appreciate that the question of need involved in a discussion of this plan is a major consideration. However, I do not believe that it is the important consideration, because I feel that the citizens of the country, when they attain the age of 60 years, as shown by the statistics, a great many of them at least are not self-supporting. The major proportion of them are not self-supporting. There may be a few out of a hundred that may be taken for an example in the beginning who are in fairly good means. A few more are self-supporting, and the others are either dependent upon the public or upon the charity of their own relatives.

In addition to the question of need, there are a great many unquestionably who are over the age of 60 who, if this law were enacted, would not avail themselves of the opportunity. Some of you gentlemen on the committee, I myself, are over 60 years of age. Of course, we would not avail ourselves of the opportunity. Thousands of our citizens who have sufficient income to care for themselves would not. In my judgment, they would not avail themselves of the opportunity of this act.

So that I feel that the question of need, when it is finally simmered down to its last result, will disclose that possibly in the main the only ones who will take advantage of the act will be those who really are in need.

My personal view is that if a bill of this kind should be enacted, and the committee should feel that there should be some provision with reference to the kind of need, it would not be, as far as my view is concerned, objectionable because I feel that it is a practical question anyway.

I think that the cost of administration that would be involved in determining the question of need, as one member of the committee expressed, under the existing laws, involving large numbers of employees and great expense, is a serious problem; and we would obviate that, of course, if we were to eliminate need as a condition necessary to take under the act.

Now, may it please you gentlemen, I think further with reference to this act that we are sold in America on the proposition that we must take care of the great groups of our senior citizens who are unable to support themselves, who are without means of support. Of course, that is for the moment losing sight of the question of need.

We are applying that principle already under the Social Security Act. We are reaching a small group of our citizens who are 65 years of age who are in need, but only a small group.

It is recognized, I think, by you gentlemen, and by the testimony that has already been taken before this committee, that it should be broadened and there should be a great many other groups taken in. Of course, under the Townsend Act it has universal application and takes in all groups; and by reason of that I think it certainly appeals to one's judgment.

The question of the tax, of course, is the important consideration. I do not doubt that if it were not for the problem of raising the money the other questions would involve very little of you gentlemen's time. You would ultimately arrive at a conclusion settling this question. But the question of the method of raising funds is the all-important consideration.

I do not pose, of course, as a tax expert. Neither do I pretend to advise you gentlemen, with your long experience, on that problem. But I do say this: My thought with reference to that aspect of this bill is that this committee, if they are impressed with the merit of the philosophy of this plan, certainly will be able with your facilities to provide the necessary method of raising the funds. It is a difficult problem. I am of the belief, however, that if this tax were imposed, a 2-percent tax or some similar tax, it would tend to increase the volume of business sufficiently that it would not be just an additional tax. It would not be taking that additional money out of the tax-burdened public or out of industry.

I think that was perhaps brought out by Dr. Altmeyer when he appeared before your committee. This has to do with unemployment compensation, but the principle involved is the same. If I may read from this statement, appearing on page 46 of the proceedings of this committee, he said:

"Unemployment-compensation funds, collected from employers, and in a few States from employees also, are usually spent immediately for food, clothing, shelter, and other family essentials. In other words, they go back into the community, and from the cash registers of local merchants they flow on into the business of the State and the Nation. Experience has already proved that benefit payments help to maintain workers' purchasing power and thereby to stimulate lagging business and industrial activity. This is particularly evident in small one-industry communities where lack of work in the past has meant that a large part of the wage-earning population was deprived of income. In such communities, as well as in larger cities, the payment of benefits to unemployed workers during the last recession has prevented serious losses to retail business and the service industries and, as a result, has tended to maintain employment levels in those businesses."

Now, assuming that under the Townsend plan you should pay $50 or $75 a month to some 8,000,000 annuitants, it would be a large amount of funds in addition to the moneys which they are now receiving from any other sources. It would, as was said by Dr. Altmeyer, be turned right back into the channels of business, and it would unquestionably stimulate business to that extent.

It would require, of course, not only the merchant who is selling the goods to these annuitants, but it would require the industry which manufactures the goods to become busy.

It would create business in our State even though the annuitants are paid in the Middle West or the East, because they would need our lumber and they would need our grain and need our fish. It would mean additional funds for the railroad companies who haul that lumber. It would put people on the pay rolls. And that, of course, is a very important feature of this bill.

The purpose is not only that each be paid an annuity or pension. The purpose of it is to revive business. I think that that perhaps would be the justification for imposing a universal tax on everyone to pay the money to a group of citizens who were in that class and who we assume are in need, although that is not declared in the bill itself. But by doing that we would not only be helping them but we would be increasing business.

Furthermore, we are doing the same thing now with reference to the schools. The biggest expense that we have in our State, and perhaps every State, is the public schools. Men who have no children have to pay just as much as the men who do have children. The question of need is not involved. It is a question of social welfare of the whole social structure.

The same is true with reference to the blind. We tax everybody to take care of them—and the aged the same. All the States, including my own State, tax everyone to take care of the old people. They may have been bankers. They may have dissipated their funds. And yet, if they are in need, and if they reach the age and are otherwise qualified, we tax everybody in the State to take care of them.

So I say there is nothing that is radical or is going very much beyond what exists at the present time to levy a universal tax to take care of everyone who has attained the age of 60 years.

I thank you, gentlemen, very much.

Mr. CULLEN. Thank you very much, Representative. We are glad to have had you before the committee.

Multi-purpose Use of Dams on the Tennessee River

EXTENSION OF REMARKS

OF

HON. JOHN J. SPARKMAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1939

Mr. SPARKMAN. Mr. Speaker, the Senate has restored the proposed appropriations to carry along the T. V. A. program. It is assumed the matter will be before this House for a vote within a few days. Many inaccurate statements have been made as to the use of high dams to serve a triple purpose of navigation, flood control, and power. A look at the actual facts in connection with the T. V. A. dams now in operation will disclose the misleading nature of many of those statements.

In the past, most water-control projects in the United States were constructed to serve a single use. Public and private agencies built dams to control floods, to aid navigation, or to provide electric energy. Today dams are being built to serve jointly several purposes. The dams already constructed, under construction, and proposed by T. V. A. on the Tennessee River and its tributaries are multi-purpose dams. They combine three purposes. They are designed and they are operated to control destructive floodwaters, to provide a 9-foot navigation channel from the mouth of the river to Knoxville, and to produce electric power insofar as it is compatible with the first two objectives.

There is little, if any, conflict between the interests of navigation and power. The same high dams which provide a superior type of waterway also create a head for power; the steady, regulated stream flow necessary for navigation is likewise a steady source of electrical energy. In its passage from the headwaters to the mouth of the river, the water does double duty.

Even opponents of multipurpose developments must admit that there is no great incompatibility between the interests of navigation and power. They center their attack on the apparent conflict of interest between flood control and power, and ignore the fact that modern engineering skill in design and operation has conquered the problems encountered when the same structure is used for flood control, as well as to improve navigation and develop power. In design, these multiple-purpose dams are larger than a single-purpose structure would need to be. To make them valuable for all three purposes, the reservoirs must have a greater storage capacity than would be required for the improvement of navigation, or power production, or flood control alone.

Having been designed with multipurpose use in view, the requirements of flood control and power production are readily reconciled in the operation of these T. V. A. dams, because rainfall is variable throughout the year. The heaviest rainfall normally occurs during 4 consecutive months, December through March. This is the period during which destructive floods occur. During the remaining months of the year, especially in the late summer and fall, the river flow may often be at a minimum.

With this situation in mind, a description of the way T. V. A. dams are operated will make clear how the three purposes are jointly served. Let us take Norris Dam. At the beginning of the rainy season in December, the level of Norris Reservoir is at approximately 955 feet above sea level. There is sufficient head at this level for economical production of power. Between this level and the spillway crest at 1,020 feet above sea level, there is storage space for about 1,500,000 acre-feet of water, and if necessary the 14-foot drum gates may be raised to provide an additional 520,000 acre-feet. In the event an extremely disastrous flood should occur there is still an additional 800,000 acre-feet of storage which would be filled while the flow from the reservoir was held to only the amount which could pass over the drum gates. Thus ample flood protection is provided, first by the planning of that dam, and second by its operation.

As the end of the rainy season nears, the flood danger recedes, and the pool level is allowed to rise, always keeping sufficient storage capacity for late freshets. Rainfall records over a period of many years indicate that only minor flood danger exists after April 1. By June the pool level is allowed to reach the spillway crest.

During the summer, the water thus stored may be released as needed to maintain navigation and for production of power. As these releases are made during the summer and fall, the pool level falls back toward elevation 955, automatically creating flood storage space for the next rainy season.

Norris is a high storage dam on a tributary, creating a vast reservoir in mountainous country; Wheeler and Pickwick Landing Dams, which were completed during the same year, are main river dams with a relatively low head. However, the principle of operation is the same. During the flood season, the water level is kept low to provide flood storage. When the flood danger has passed and the dry season approaches, the level is allowed to rise.

Thus, by taking into consideration the seasonal variations of rainfall and stream flow, T. V. A. dams—both tributary storage dams and main river dams—are operated to obtain the benefits of flood control and the production of electric power, at the same time providing one of the finest navigation channels in the country.

The T. V. A. multipurpose dams have already been tried in actual practice for flood control. Norris, Wheeler, and Wilson Reservoirs, the only completed structures, were operated during the period from December 18, 1936, to February 15, 1937, to regulate flood flows in the Tennessee River and Clinch River with beneficial effects on locations within the Tennessee Valley and on the Mississippi River from Cairo south.

During this period Norris Reservoir stored a maximum of 1,390,000 acre-feet of floodwater. Practically all of the inflow for the entire month of January, with the exception of the last day, was stored. This large volume of flood storage was effective in lowering the flood crests on the Tennessee River, particularly at Chattanooga and at Chickamauga and Pickwick Landing Dams. It also reduced the Ohio and Mississippi Rivers flood peaks at Paducah and Cairo.

On four different occasions during January and February Norris Dam was able to reduce flood heights at Chattanooga. Crest stages at Chattanooga were 32.9 on January 4, reduced about 5 feet; 28.8 on January 20, reduced about 5 feet; 27 on January 26, reduced about 4.4 feet; and 27.7 on February 11, reduced about 2.9 feet. Were it not for the protection provided by Norris Dam, the Tennessee River at Chattanooga would have risen above the flood stage of 30 feet during each of these rises and would have reached a stage of about 38 feet on January 4, causing considerable flood damage. With this protection the river exceeded flood stage only on January 4.

During this same period a flood of unprecedented size developed on the Ohio River. During the 15-day period when the Ohio River at Cairo was above the critical stage of 58 feet, 964,000 acre-feet of water was stored in Norris and Wheeler Reservoirs. This represents an average reduction of about 32,000 cubic feet per second from the flood flow of the Tennessee River and probably reduced the maximum stages at Cairo by nearly half a foot. Had Gilbertsville Dam been in operation at that time, this flood crest at Cairo could have been reduced between 2 and 3 feet.

Of All Sad Words of Tongue or Pen, the Saddest Are These, It Might Have Been

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EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 15, 1939

Mr. LUDLOW. Mr. Speaker, I confess that I was disappointed and saddened when Secretary of State Hull advised me that he could not entertain a suggestion that our Government should proceed to initiate a movement to arrange for a naval holiday and to bring the world powers together around a table to discuss limitation of armaments.

I am certain from letters that are coming to me from various points of the compass that many of our American citizens are likewise disappointed and saddened.

No one blames the Secretary of State, who is so fine, so high-minded, so honest, so sincere.

But many think he is mistaken when he says the time is not ripe for such a movement and that the matter should be deferred until there is "reasonable prospect" of the success of a disarmament conference.

A prominent New York woman expresses the view of many of our people in a letter to me when she says:

If we wait till we are sure we can accomplish what we seek, there is great doubt that there will ever be a disarmament conference. We shall doubtless have innumerable conferences before universal, total disarmament is achieved. Each one, though it may fail of its object for the moment, will make the ultimate end possible.

I hope that you will not permit Secretary Hull's letter to discourage you, but that you will write again, telling him that we cannot afford to wait before calling a conference until we are certain of success.

For my part, I believe that America should immediately assume the leadership in building up a world peace psychology to take the place of the world war psychology. The time was when every annual Presidential message sent to Congress proudly proclaimed the gratification of the American people that we were at peace with the world. We in the press gallery always knew before a message was released that it would contain that paragraph.

Let us not get away from that philosophy. It is a wholesome philosophy.

When Cabinet officials fulminate bitter invectives against foreign rulers, as several of our Cabinet ministers have done recently, and the chairman of a great senatorial committee, dealing with foreign affairs, says that we "hate certain foreign governments," we are rocking the boat.

This is no time to rock the boat.

We loathe dictators for their high crimes and misdemeanors and for their revolting disregard of the humanities. But we are not the Supreme Ruler of the Universe and we have no commission from God to police the world.

We will be doing well if we keep our own record clear, build up our moral rearmament, and try to perform our traditional role of good neighbor to the world.

WOULD ELECTRIFY THE WORLD

If America would launch forth with a smashing message for peace by conference, it would electrify the world and would reach over the heads of dictators to the good common people who comprise the warp and woof of every nation. America's message would touch their hearts.

If our State Department will not be moved to call a disarmament conference, I hope it will call a world economic conference.

If we can just get the representatives of all the powers around a table, the first great step will be taken.

The seeds of wars are economic conditions, and if we can bring the nations together to consider economic readjustments, a world war may be prevented.

This ought to appeal mightily to Secretary Hull, whose farsighted vision and wise actions already have done so much to rid the world of unreasonable trade barriers and thus to create a better feeling among nations.

But, whatever we are going to do, let us be doing it now, for sooner than we may expect the night of war may come, when we can work for peace no more.

John Greenleaf Whittier gave utterance to a sorrowful and beautiful thing when he wrote:

> Of all sad words of tongue or pen,
> The saddest are these: It might have been.

Let us call the representatives of the nations together to break the war spell, for if we do not and war comes and our boys are sent away to be gassed and bayoneted and shot, we will be saying with pain in our hearts as they go forth to die:

> Of all sad words of tongue or pen,
> The saddest are these: It might have been.

By unanimous consent I submit for printing in the RECORD the correspondence between Secretary Hull and myself, as follows:

My letter to Mr. Hull:

FEBRUARY 6, 1939.

Hon. CORDELL HULL,
Secretary of State, Washington, D. C.

DEAR MR. SECRETARY: I am moved to write this letter not only because you are our leading official in the field of foreign relations but because of the friendship that has existed between us, long antedating your career in the service of the Nation, subsequently strengthened by our association in the House of Representatives and continuing until this hour. It is needless for me to reiterate my admiration of you or to accord to you the high place you hold in the universal esteem of our people as a good citizen and a high-minded, conscientious, capable official.

I am further moved to write this letter to you because of the hope held out and the assurance given in point No. 3 of our President's four-point program of foreign policy, enunciated by him at his press conference on February 3, when he said:

"We are in complete sympathy with any and every effort made to reduce or limit armaments."

I am writing to suggest that the time has come when the United States should undertake the role which we alone among all the nations of the earth are capable of performing with any assurance of success—the role of peacemaker.

I would respectfully suggest that the United States Government should proceed without delay to sound out the powers on two fundamental propositions: (1) An agreement on a naval holiday which would suspend naval construction until January 1, 1941; and (2) a proposal that all nations send delegates to a conference to discuss limitation of arms to be held in this Capital City some time during the coming summer or fall.

I believe as firmly as I ever believed anything in my life that now is our opportunity to act along these lines, for if we delay action there is a prospect that we may find ourselves just another belligerent in an awful world war, with our opportunity to serve as peacemaker gone forever.

Some may say that with the war psychology pervading the earth, now is a queer time to be proposing intervention for peace, but my reply to that is that now is exactly the right time, before the nations come to grips in a cataclysmic world warfare that might be avoided by a little forehanded discussion around a table. Dictators and war mongers would not like such a proposal coming from America, but it would be hailed with joy and satisfaction by 99 percent of all the peoples all around the globe, for the people who have to do the dying and suffering and to bear the burdens and griefs of war are unspeakably weary of war. By espousing a naval holiday and an arms conference America would instantly win the respect and love of the masses in every land. In dictator countries the masses might not be able immediately to make their approval articulate, but even there a great sentiment would be built up for peace. Nor do I believe that such a straight-from-the-shoulder peace move by America would be foredoomed to failure. I believe it would be successful. As you so well know, Japan through her official spokesman, her foreign minister, already has stated that she will welcome an opportunity to send delegates to such a conference. European dictators may demur, but I believe they would fall in line when they feel the pressure of the common people of their countries. As for the European democracies, I believe they would welcome such a move by America.

Such a movement coming from Washington would not indicate a soft or weak attitude on our part, but would show that, armed in the cause of righteousness, we have the strength and the vision and the determination to assume a role that no other nation is capable of performing nearly as well as we are—the role of peacemaker to relieve the world of the fears and tension that now engulf it.

Let it be known that America stands for conserving and building up human values, rather than for tearing them down. A great commander once drove away the animosities and lifted the burdens from the hearts of millions of people by saying, "Let us have peace," and by assuring the poverty-stricken men of the Southland that they need not surrender their horses, as they would need them for the spring plowing. How relieved humanity would be at this juncture if there were someone in authority to take the lead in checking the war tide, so that we in America might have peace and freedom from agitation; so that we might turn to the problems of economic and moral rehabilitation that so much need our attention and so that the peoples of all other countries everywhere, insofar as their local conditions and surroundings will permit, may be vouchsafed the same blessings. May I conclude with some words by Neville Chamberlain? I quote from his speech to the Foreign Press Association as reported in the London Times of December 14, 1938, when, in discussing how happiness comes to nations he said:

"Something depends upon our material condition, upon our ability to command a standard of comfort which each sets for himself. But even more are we dependent for our happiness upon our mental condition, upon our freedom from apprehension, upon the possession of that peace of mind without which no material comforts can bring satisfaction. It is the absence of that peace of mind which today weighs upon the world and in its turn, by destroying confidence, prevents us from reaping the material advantages to which human progress, in mastering the forces of nature, should entitle us. And I would conclude by appealing through you to all the nations you represent to realize that our aim should be the happiness of all our peoples and that that happiness can be attained if we are willing to lay aside suspicion and prejudice, to cease looking for points of difference, and to search instead for points of agreement."

These are the words of a wise statesman, and I do not know of any greater service, America could render to the world than to implement his philosophy with the means of action, so that around a conference table the representatives of the nations may cease looking for "points of difference" and may search for "points of agreement."

I realize that in the present psychology of the world there can be no disarmament that is not mutual and that with other nations arming to the teeth America must build up its defenses, nor do I

have any criticism of those in charge of our foreign relations because I believe that we are all striving for the same objectives—peace on earth—though perhaps with different ideas and different plans as to how that objective can be reached, but I do hope that you will give serious consideration to this proposal of a naval holiday and an arms-limitation conference because I sincerely believe it offers the way to break the war psychology and to enable America to render the greatest service it possibly could render to the world.

Very truly yours,

LOUIS LUDLOW.

Mr. Hull's reply:

THE SECRETARY OF STATE,
Washington, February 13, 1939.

MY DEAR MR. LUDLOW: I was very interested to receive your letter of February 6, 1939, and I share fully your hope that something may be accomplished in the way of reducing the tension and anxiety and the serious threat to the peace of the world which is evidenced and increased by the excessive building on the part of some nations of large and threatening armaments.

The position and attitude of the United States has been made known by repeated assertions during recent years of the underlying principles which we believe should form the basis of relationships between the nations of the world. The right of independent peoples to live at peace with the people of other nations is fundamental whether they are living in a state which comprises large populations and territory or whether they are living in the smaller states. On July 16, 1937, in a public declaration, I set forth the principles which we believe should govern all states and their international relationships, and I have taken opportunity upon repeated occasions since then to call attention to these principles, which, as you will recall, comprise the following basic lines of policies and attitudes which I consider essential in the maintenance of peaceful relationships between nations:

The abstinence by all nations from use of force in pursuit of policy and from interference in the internal affairs of other nations.

Adjustment of problems in international relations by process of peaceful negotiation and agreement.

Faithful observance of international agreements.

Upholding of the principle of the sanctity of treaties. The modification of provisions of treaties when need therefor arises by orderly processes carried out in a spirit of mutual helpfulness and accommodation.

Respect by all nations for the rights of others and performance by all nations of established obligations.

The maintenance and strengthening of international law.

Promotion of economic security and stability the world over.

The lowering or removing of excessive barriers in international trade.

Equality of commercial opportunity and the application by all nations of the principle of equality of treatment.

Limitation and reduction of armament.

Realizing the necessity for maintaining armed forces adequate for national security, we are prepared to reduce or increase our own armed forces in proportion to reductions or increases made by other countries.

With regard to your specific suggestion that this Government initiate steps with a view to calling a conference to discuss the limitation of arms and endeavor to obtain an international agreement for a naval holiday which would suspend naval construction until January 1, 1941, I believe you will agree that this Government has lost no opportunity to make known its disposition and willingness to discuss with other nations at any time the possibilities of arriving at a universal agreement for the reduction and limitation of arms.

To give some idea of the difficulties of reaching an agreement on armament, I may cite the fact that in 1932 a general disarmament conference was called at Geneva after 5 years of preparatory work. That conference sat in continuous session, with the exception of periodic recesses, through 1932, 1933, and part of 1934, in a most earnest effort to work out a general agreement. However, while some very important conditional agreements were arrived at, it was not possible to reach general agreements, and the conference suspended subject to call. The machinery for its continuance is still in existence. At the time of its suspension, it was hoped that developments would make it possible to reconvene within a few months, but there has never come a time when it has been deemed practicable to reconvene. A great deal of work was done at that conference which will facilitate the reaching of an agreement when all of the principal powers concerned are ready to halt this disastrous race in armament.

At the last naval conference, held in London in 1935–36, we exerted every possible effort to bring about an agreement between the principal naval powers to limit construction as to quantity and types of naval vessels. As you know, we were only able to reach an agreement on the part of some of the major powers, and were unable to reach an agreement with the others.

Unfortunately nothing has happened since that time which gives any basis for hoping that the obstacles which stood in the way of reaching an agreement among all the principal naval powers have in any way changed for the better.

This willingness on our part has been constantly and repeatedly declared and was again announced by the President at a press conference at the White House as recently as a week ago. As far as this Government's taking the initiative in calling a conference on reduction and limitation of armaments is concerned, I can assure you that no opportunity will be lost to give favorable consideration to such a proposal at any time that there may appear to be some reasonable prospect of the success of a conference called for that purpose.

In the meantime, in a world in which other nations are undertaking huge and excessive armament programs, I agree with you that it becomes incumbent upon this Government to carry out its responsibilities for the protection of the American Nation by making certain of the adequacy of its defense.

Very sincerely yours,

CORDELL HULL.

National Defense

EXTENSION OF REMARKS
OF
HON. LEE E. GEYER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 22, 1939

ADDRESS BY HON. HARRY H. WOODRING BEFORE THE DEMOCRATIC WOMEN'S NATIONAL COUNCIL, FEBRUARY 20, 1939

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks, I wish to include the following address by Hon. Harry H. Woodring, Secretary of War, before the Democratic Women's National Council at Washington, D. C., February 20, 1939:

Tonight I want to discuss with you some very important, though less obvious, features of national defense—that protection for our way of life in America these past 150 years.

Through the effective medium of the daily press and the radio you are well informed on the military program that our President has recommended to the Congress in order to provide us with an Army and a Navy capable of fulfilling their mission as the guardians of this Nation's peace and security.

The President's recommendations have been made after a careful recognition of the power diplomacy so rampant in current world affairs, the necessity for a reaffirmation of the Monroe Doctrine—a cardinal policy of this country ever since its promulgation, regardless of the political party in power—and the vast technical improvements and innovations in the machines of war.

Our revised protective measures have been worked out by military experts after intensive and thorough study of military requirements.

The program as proposed to Congress by our Commander in Chief is based on very real and pressing needs. It represents the very minimum which the best military advice can recommend to guarantee security for every American.

But with all this attention which is being devoted to our Military Establishment and its share in our national defense, there is yet a great and important element to be considered if we would preserve our liberty and our freedom, which can prosper only under democratic government and the capitalistic system.

If you and I and the man in the street do not have an honest opportunity to provide ourselves and our families with a decent, healthy, and happy livelihood, we are not going to be overly interested in protecting our present form of society and in giving to it that support which is absolutely vital to the successful retention of our democratic institutions. Under our theory of government the military is only a factor incident to, and subservient to, the civilian administration; it is that part of our Government necessary for the defense and security of the people as a nation.

Without proper attention to internal problems of deep social and economic significance, we cannot hope to maintain and preserve our American way of life. Our present plans for an enlarged Army and Navy are simply the results of hazardous world conditions which demand a complete reorientation of our defense requirements, plus the need for modernization made necessary by technological, scientific progress in implements of war. The modern gun of yesterday is the flintlock of today.

Democratic form of government has existed, more or less restricted and curtailed, since the days of ancient Greece, but it has remained for our own United States to provide the best example of a country in which the voice of the average citizen had an opportunity to be heard. In most contemporary nations democracy has traveled a pretty rocky road, and in many instances has been supplanted by a form of government that possessed a great deal of glitter—which too late was generally found to be brass.

If we are to continue to enjoy our priceless heritage of democracy and democratic government—so wisely established by our founding fathers and later nurtured by Jefferson, Jackson, Cleveland, and Wilson—it will be due to men like Franklin D. Roosevelt who are aware of the intense and profound changes that have been accomplished in our economic and social life. Men who realize that America today is a very different, a much more mature America—a country that has reached the end of the frontier and the opportunities correlative with the pioneer era.

We have seen small plants diminishing, large factories increasing; the individual proprietor disappearing, the great corporation expanding; the buyer compelled to purchase more and more at a monopoly price; fewer and fewer workers personally acquainted with their employers. We have seen populations shift from the rural to the urban centers, increasing the problems of unemployment in times of depression. There has been great concentration of wealth and political power in the hands of a few. Each phase of our industrial and financial system has become deeply interdependent and vastly interrelated.

The problems attendant these political, social, and economic changes have become correspondingly intricate and complex.

It is small wonder that in their swirling, pulsing, workaday life the American people have one test, and one test only, for the soundness of Government policy or business judgment. This test is, will it work? This is the people's yardstick—realistic and practical, though hard as it may seem. And when the ways and means of administering our Government in decades gone by are measured by such a rule, it is perfectly plain to one who studies the problem that they just won't measure up to present-day requirements.

You can argue for hours as to whether the actions of certain leaders during the 1920's were morally right or morally wrong, but in the eyes of the average citizen you are not making 1 inch of progress toward a workable solution for the problems which face us today.

With the crash in 1929 came a smashing change in the life of our American citizen. He faced problems he never dreamed of before, he saw dashed to pieces established economic concepts long held above question. His security vanished, his savings disappeared, nothing seemed permanent, nothing seemed sacred. He was caught in a maze of events too profound and intense for him to solve. He knew only the suffering they inflicted on him as an individual.

From the depths of the depression has come a new principle in American politics and economics. Without fully recognizing it, no business and no Government policy can be sound. If any program is tried without complete appreciation of its significance, that program is just bound to fail. The principle is this: In our country, which is one of the richest and most powerful in the world, every man is entitled to a living. To live he must work. If our system of private enterprise cannot or does not provide him with an opportunity to earn a livelihood, then the Government must. This is a nation of free men, and a hungry man cannot be free.

I am sure I am safe in saying that all Americans believe this as an abstraction. However, some of us have hedged when faced with it as a concrete fact.

Naturally, we do not like to spend the necessary money in carrying out such a principle, and some of us may incline toward arguing the ethics of it all, but most of us deep down in our hearts know there is no choice. There is no alternative. Without allowing for it, whatever is tried will fail. If men are honestly objective, they will accept it. Business can do nothing about it. Government can do nothing. The American people feel, and will continue to feel that way, whether business or Government likes it or not. Any change in this temper must come from the people themselves, for the business executive and the Government official will never be able to talk them out of it.

The millions of men in this country who have themselves gone hungry and who have seen their wives and children go hungry are not disposed to stand idly by and quibble about it. They are apt to reason brutally and bluntly, even impulsively, that if their democratic form of Government cannot provide them with self-respect and employment within the framework of our capitalistic system, they will get busy and do something about it themselves. They won't be particularly concerned into what channels their actions flow.

It is only through proper attention to and full recognition of this new principle that we shall be able to work out our problems in a setting of true democratic government and the capitalistic system, the only setting in which men can be free.

Of course, no single Government official takes fiendish delight in watching the Government spend his money and your money. Our leaders here in Washington are as vitally concerned with protecting our country financially and socially as the taxpayer himself, in spite of all that is published to the contrary in certain newspapers and periodicals.

But we must spend because we are not prepared to face the graver alternative—depression and chaos. It is in just such turbulent periods that public opinion becomes so attuned to the cries of the peddler of political panaceas.

We've had a clear example of Government spending during the years just past. Under the stimulation of Federal spending in 1933 business improved. When this program was stopped—largely on the insistence of businessmen themselves—our economic progress went into a tail spin. Only with a renewal of Government spending in the spring of last year was business able to level off and once again resume its upward flight across our economic charts.

But just as sure as night succeeds day does taxation follow spending. To spend we must tax, and someone has to do the taxing. Certainly there can be no quarrel with the assumption that the Federal income tax, based on a man's ability to pay, is a far better source of revenue than that which could be provided by the municipal and State governments with their great dependence on the general property tax, a tax which is levied without the slightest regard for the income the property may happen to produce.

Much criticism has been leveled at the Federal Government for the annual deficits in the National Budget and for the yearly increases in the national debt.

These emergency expenditures, brought on by the depression and the resulting dislocations in our social and economic life, had to be made by someone if our democratic form of government and our system of private enterprise was to be preserved and continued. On that point there can be no argument.

Surely, the job could be done more efficiently and at less sacrifice by one agency with equitable taxing powers than by 48 separate entities with limited sources of revenue.

A fair question to ask your Government today is, "When can we stop spending and therefore stop taxing?"

In view of Americans' desire for freedom of thought and opportunity—which can exist only under a democracy and the capitalistic system—and recognizing the new principle that every American must have a fair chance to earn a living, the solution appears to be clear. Private business cannot, if it looks the facts in the face, expect Government to stop spending, and thus stop taxing, until private industry has been ingenious enough to eliminate the necessity for such public spending. The Government is simply endeavoring to "pinch hit" for business until business can rehabilitate itself, get back on its feet, and once again go forward with new ideas, new activity, greater production, and greater employment.

The Government has been holding the fort against the onslaughts of widespread human suffering and misery with its ever-attendant political instability. The next move is up to business—it's up to business to show that it is once again able to shoulder the economic and social responsibilities of our Nation. I favor and hope for decreased Federal expenditures and every encouragement to business to expand and take over the responsibility that rightfully is theirs.

This function of the Government in times of crises is nothing new. There has always been Government assistance to business in one form or another since the birth of our country. At one time it was a land subsidy for private enterprises operating on the Western frontier and a high protective tariff for the industrial East. During the war days the unusual stimulation of business was founded in a huge Federal war debt, and the booming foreign-trade era of the 1920's was paid for by the losses of American investors in the bonds of foreign countries.

In the spring of 1933 I saw this Nation being smased into chaos. Fear and desperation stalked the homes of this country with only a forelorn hope that something or someone would turn up at the last moment to keep them within bounds.

In the fall of 1938 I again saw this Nation face to face with crisis. Once again our hearts were filled with despair and the future loomed dark and foreboding.

And then in each one of these crises, when everyone else had completely abandoned hope, we began to see at work the cool mind and the skilled, sure fingers of one man. That man was Franklin D. Roosevelt. In the space of a few days, in 1933 and again in 1938, when everyone else had quit, he changed that desperation to hope.

Whether we are now to have peace for the years to come or only peace for the moment, we have had revealed to us the handwriting on the wall. We have been warned that only a stanch social and economic structure can secure us against the backwash of the storms that are sweeping the continent of Europe.

We still have time, but we must hurry. Fortunate are we to have Franklin D. Roosevelt as our leader, a man through whose foresight and wisdom was brought about in the short space of 6 years the much-needed reforms which had been stifled for decades. We have been forewarned in putting our house in order, in strengthening this house which is America so that if and when the world hurricane strikes, we may safely ride out the storm.

Another European war—and I certanly hope there will not be one—could only result in the collapse of the economic and social structures of all the nations involved, with severe repercussions for America which we could not expect to avoid.

If our America is to endure these shocks, should they come, our Nation must be united. Removed must be the sense of injustice which millions of our people feel because they have been disappointed in the denial to them of our American way of life. If we cannot remove that sense of injustice, many of our people will find more alluring the new "isms" which haunt the world today, those "isms" which paint so enticing a mirage on the shifting sands of popular discontent.

Our President is fully aware that the keystone of our national defense is a happy, prosperous citizenry. Without a decent, contented home life for a firm foundation, our plans and preparations for an adequate Military Establishment are so much wasted effort.

Millions of Americans who have lost faith in themselves still believe in our democratic form of government and our capitalistic system, because Franklin D. Roosevelt has told them time and time again that it is the one way in which men can be secure and also be free.

Democracy and our form of private enterprise can flourish only under a sound and inspired economic and political liberalism. The reverses democracy has suffered among the nations of this world today are poignant reminders democracy must prove to this generation that it has capacity, vigor, and foresight or it will perish from this earth.

In Franklin Delano Roosevelt democracy has found her champion. The faith of the American people in his ingenuity and in his ability to meet a crisis at the proper time and in the proper way is the main bulwark of our democratic system.

Let Us Prepare for Continuous Peace

EXTENSION OF REMARKS
OF
HON. J. BUELL SNYDER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 22, 1939

RADIO ADDRESS BY HON. J. BUELL SNYDER, OF PENNSYLVANIA, OVER STATION WMBS, UNIONTOWN, PA., JANUARY 19, 1939

Mr. SNYDER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address, which I delivered over the radio on Sunday, January 19, 1939, from station WMBS at Uniontown, Pa.:

Friends of the radio audience, no more important question confronts the American people today than that of national defense, yet it is probably true that in the last decade and a half no problem has been more misunderstood or less appreciated. Events throughout the world in the last few years have awakened the people of our country to the true meaning of national defense--that it is a defense of, and a preparedness for, peace and not a preparation for war.

In the years immediately following the World War we had in preparation the greatest Navy on earth, 4,000,000 trained men in the ranks of civil life, and huge stores of war reserves and munitions. But we suffered a return to the false feeling of security and indifference to national defense. We forgot that had we been reasonably prepared in 1917 we probably would never have had to enter that conflict. We abandoned the program for building up the Navy; we let our air defenses decay; we allowed the Army to dwindle to a mere skeleton of enlisted men; we dissipated our war stocks through lack of adequate appropriations for current maintenance.

Now comes the day of reckoning—the inevitable hour for taking stock of our national position—which had to be done by the present administration because it had been neglected in the intervening years. Since 1930, a period marked by the absence of any declared conflicts, war clouds have swept down upon a threatened world. A great proportion of the world's population is at war. Our efforts to give a practical example of disarmament to the world have failed.

As a member of the Appropriations Committee of the House of Representatives, and as chairman of the subcommittee which consider appropriations for our Army and national defense, I have earnestly endeavored for the past 4 years, by research, interviews, and personal contact resulting from many thousands of miles of travel by air and by land, to the various Army posts, arsenals, laboratories, schools, and civilian manufacturing plants, to become familiar with the Army's problems and the part it plays in the national defense.

We must remember that the purpose of the armed forces of the United States is to defend not only the vast continental area representing 6 percent of the world's territory with the longest coast line in the world, but also to protect the lives and property of its 132,000,000 citizens. We must keep secure the world's greatest store of natural resources and developed wealth. We must preserve and protect the ideals of liberty and our representative government, which have made America great. We must have adequate defense installations.

Our Army comprises three elements, the Regular Army, the National Guard, and the Organized Reserves, with two other organizations closely allied, the Reserve Officers' Training Corps and the citizens' military training camps.

The mission of the Regular Army is to garrison our overseas possessions, the seacoast defenses, and the various posts and stations within the continental United States, and to furnish the trained personnel for the instruction, equipping, and directing of the various civilian components. In addition the Regular Army has many nonmilitary activities, such as administering the Panama Canal and the inland waterways. It is a great factor in operating the Civilian Conservation Corps. It is charged with the care of our rivers and harbors and with flood control. To carry out the Army tasks which have been placed upon it by the National Defense Act and by Congress, it is believed that the strength of the Regular Army should be 14,659 officers and 165,000 enlisted men.

The Air Corps alone needs 2,092 officers and 26,615 enlisted men in order to take care of and fly the 2,320 modern airplanes which we will have by the end of 1939. Planes are of no use without crews to fly them. It takes time to train ground crews and educate pilots. The program recommended by the War Department will supply the Air Corps with the necessary officer personnel.

The National Guard of the several States will be called into the Federal service in the event of an emergency. With the Regular Army it forms the first line of defense and must be ready for immediate mobilization. The present authorized strength of the National Guard is 210,000 officers and enlisted men.

Our plan of preparedness is entirely defensive in character. Our Army is small. Counting the active elements of the Regular Army and National Guard, our Army is but seventeenth in size in the world.

To be true to our traditions we must strengthen the Army. The Father of his Country, George Washington, truly said, "In time of peace prepare for war."

There is no time to prepare after war begins. And things have changed since the days of Washington. Nations that call themselves civilized have, within the last 2 or 3 years, just flown over cities and towns without declaring war and dropped deadly bombs and shells, killing millions of innocent men, women, and children.

Yes, my friends, the veneer we call civilization sometimes looks thinner than it did back in the days of the Spartans and the Athenians when the warrior took his sword, girded on his armor, and went out on the field of battle and fought his opponent.

The only thing to do, and I am sure all red-blooded Americans who are listening to me will agree, is to build up here in the United States and in our possessions national-defense installations that will be strong enough at all times so that all foreign powers will respect our strength and thus say to themselves, "We will not encroach upon the shores of the United States because they are too well equipped."

Just remember, my friends, that if China would have had adequate national defense, Japan would not have attacked her. If Ethiopia had been adequately equipped, she would not have been invaded. If Czechoslovakia would have had sufficient national defense installations, she would not have been trampled upon. You may say we are so far away from such nations that we are safe here at home. We are not. With the modern submarines and battleships, airplane carriers, and long-distance airplanes, we are not a bit safer here today, correspondingly speaking, than were the people in Pennsylvania during the Civil War when they thought the invasion from the Southland was impossible.

Thousands of people in Pennsylvania at that time thought that Lee could never reach Pennsylvania, but he did. And today with rulers of great nations that have gone mad with power and greed for worldly possessions, we are, comparatively speaking, just as much in danger of being disturbed here in Pennsylvania by such powers as were our grandparents back in 1861–65.

My committee has just concluded hearings on the Army national defense estimates for 1940. We are providing for many needed installations—airplanes, trucks, tanks, seacoast defense, antiaircraft equipment—and above all, equipment for the doughboys so as to make them comfortable, as well as well equipped.

You read much these days, and hear much over the radio about war and national defense. Propagandists and demogogues are especially busy. History tells us they have always been busy under similar circumstances.

In my position as chairman of the subcommittee that has to do with appropriations for national defense, I am in a position to have the facts, and I am happy to say to you this evening that your Government is taking no chance, and has been and is preparing to protect our shores and our institutions under all circumstances.

My committee is providing for at least 5,500 of the best airplanes in the world. We have the best seacoast defense of any nation. Our antiaircraft equipment will be superior. I was in Panama this summer—the danger crossroads—and there we are preparing to defend our shores and the Monroe Doctrine.

Yes, my fellow countrymen, by the time the last soldier that fought in the World War is laid to rest, that war will have cost this Nation more than $100,000,000,000 in cold money alone, to say nothing of the tens of thousands of precious young men who died on the field of battle.

If we had spent $10,000,000,000 in 1914, 1915, and 1916 for national-defense equipment we never would have been in that World War.

So I think as a people we are safe in following the advice of George Washington and Abraham Lincoln. Their advice was, "Put the roof on the house in dry weather, if you want to keep dry when it rains." In other words, prepare for war in time of peace.

We are not preparing for war, as I said in my opening remark, by providing national defense installations. We are preparing for continuous peace here in the United States. We are preparing a set-up that will enable our boys to remain on our own shores or possessions. Yes, we are preparing to preserve our sacred institutions that we now enjoy because of the sacrifices made by our Revolutionary forefathers and by our grandparents in the bloody Civil War.

What America Thinks About Freedom of the Press

EXTENSION OF REMARKS
OF
HON. C. ARTHUR ANDERSON
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 22, 1939

Mr. ANDERSON of Missouri. Mr. Speaker, on December 11, 1938, the St. Louis Post-Dispatch, one of the truly great

newspapers of our land, celebrated its sixtieth anniversary. On the occasion of this celebration President Roosevelt wrote a letter to Mr. Joseph Pulitzer, editor of the Post-Dispatch, containing in part the following paragraph:

I have always been firmly persuaded that our newspapers cannot be edited in the interests of the general public, from the counting room. And I wish we could have a national symposium on that question, particularly in its relation to the freedom of the press. How many bogies are conjured up by invoking that greatly overworked phrase?

This paragraph of the President's letter inspired the Post-Dispatch to undertake a national symposium in line with the President's suggestion. The response represents a cross-section of the ideas of all America on that much debated and highly cherished weapon of a free people—freedom of the press.

The Post-Dispatch received 120 replies in its symposium and they were published in daily installments from December 13 to December 25, 1938, inclusive. Among the contributors were seven Members of this House, four Members of the Senate, the Chairman of the Federal Communications Commission, Governors Lehman of New York and Stark of Missouri, Thomas E. Dewey, Gen. Hugh Johnson, William L. Green, John L. Lewis, and scores of newspapermen and women and historians and persons prominent in the life of our Nation today.

Hence, there were expressions from every walk and station in life, and the most striking thing of all was the fact that every contributor was agreed that freedom of the press is the very soul of democracy and that a denial or an abridgment of that freedom would be the first inroad of dictatorship in America.

To those who would doubt the freedom of the American press I quote the words of James Truslow Adams, the noted historian:

Of the 13 countries in which I have lived or visited in the last 12 years I claim that the American press is incomparably the most independent and gives the citizen more information and points of view than are available to the citizens of any other nation.

To those who would question the value of a free press I quote the words of a man who knows just how much a free press can help in a democracy, Hon. Thomas E. Dewey:

Freedom of the press is a double-edged sword. It is a weapon of power and a public trust.

To those who harbor thoughts of regulating or censoring the press I quote H. V. Kaltenborn, the famous commentator:

As to freedom of the press, I believe we have it in full measure. But we must always remember that in order to be completely free to attack evil, the press must also be free to embrace it, for what I consider evil, someone else may believe to be beneficient. In the long run it is the newspaper reader who determines the contents of the printed pages. As his standard rises, so will that of the press.

The symposium conducted by the St. Louis Post-Dispatch is another milestone on the high road of success from which the Post-Dispatch has never veered. No paper has ever employed freedom of the press to greater advantage than the Post-Dispatch, but none has been more vigilant to prevent abuse of that freedom.

Washington Birthday Address

EXTENSION OF REMARKS

OF

HON. JOSIAH W. BAILEY

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, February 23, 1939

ADDRESS BY HON. HARRY FLOOD BYRD, OF VIRGINIA, AT ALEXANDRIA, VA., FEBRUARY 22, 1939

Mr. BAILEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an eloquent and timely address delivered by the Senator from Virginia [Mr. BYRD] on February 22 last before the Alexandria-Washington Masonic Lodge, of which George Washington was a member. The celebration was held in accordance with the custom of this lodge, which has paid tribute to George Washington for 137 years on the day of the anniversary of his birth.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Gen. Robert E. Lee once exclaimed that there was none other worthy to stand comparison with George Washington in the qualities that make a man great. The admiration that Lee cherished for Washington was enough in itself to justify the first place that good Americans proudly give to your neighbor, the master of Mount Vernon—sometime your fellow townsman. A young man with little inherited wealth, he became, before he died, the richest proprietor in colonial America. A young man without the military training that institutions like West Point now provide, he maintained his army for years in the field against British regulars, hungry for want of sufficient food, and cold for the lack of adequate clothing. An instinctive conservative, a lover of law and order, yet he rebelled against humiliating oppression and periled his life and honor against a king who denied his colonials the right to live in liberty and pursue happiness, each in his own way.

Washington loved Virginia, but he lived to become the father of a Nation formed of all the States, and declared that "the name of America must always exalt the just pride of patriotism." "Washington," says the historian Guizot, "did the two greatest things which in politics it is permitted man to attempt. He maintained by peace the independence which he had conquered by war. He founded a free government in the name of the principles of order and by reestablishing their sway."

It is a long time since Guizot made this striking declaration; many Americans have achieved greatness by service to country since our first President was entombed on the banks of the Potomac, but Washington remains today, in the words of Col. Henry Lee, "First in peace, first in war, and first in the hearts of his countrymen." Not only was Washington a great man; he was a good man; he was great in achievements and he was also noble in character.

He led to success a revolution against the British and then did much to rationalize the revolutionary processes within the bounds of a constitution that has become the admiration even of British statesmen. Washington saved the Colonials from anarchy by his successful fight for the adoption of the Constitution. Without Washington's sword we would not have won our independence; without Washington's wisdom we would not have disciplined our independence; and without Washington's example and leadership we would not have secured the rights of every individual to life, to liberty, to property, and to the pursuit of happiness.

Undoubtedly, Washington was a very great man, but he was also a very simple man. It was not difficult to understand his philosophy of life. He was a practical man, controlled by high standards of square dealing and honest conduct. In a day when wealth was in land, he spent less than he made and put the surplus into more land, and then when he had accumulated a good deal, he bought stock in the primitive internal development companies that were foreshadowing in their feeble way the great corporations that have followed. He lived a comfortable life when he was not at war, but he was careful and thrifty, and he admonished the infant country, of which he was the father, to be industrious and economical. His religion was simple, too. He believed in God and in the Son of God, who stood ready to save his soul. He did not pray in the market places, but he went down on his knees and raised his face in humble petition to the only King to whom he professed allegiance.

What we may call his political faith was simple, too. He believed in the rights of the individual as phrased by Jefferson in the Declaration of Independence. He believed that every man had the right to life, to liberty, and to the pursuit of happiness, but he believed, also, that each man must so exercise these rights as not unduly to interfere with the exercise by his fellows of similar rights. He believed with Jefferson that you must train men in public schools to use wisely their liberty. Here in Alexandria he gave money to establish a free school in the days when there were few such schools. He believed profoundly in the right of the individual honestly to acquire and legally to hold private property, and he never felt any occasion to apologize for a recognition of the profit motive as the mainspring of our business development.

Once America had won her independence, Washington led and supported the establishment of a more perfect union, under a Constitution that protected property as well as the inalienable rights of the individual. The Father of his Country was free from new "isms" and a craze for new things merely because they were new. His common sense taught him that new ideas must be tested by trial and error before they can safely be substituted for time-honored practices. He detested all demagogs and suspected the peddlers of political nostrums who promised too much.

It is one of the ironies of history that this conservative Virginian in his day should have led a rebellion against his King, while Robert E. Lee, another conservative Virginian, in his later day should have felt constrained to lead a rebellion against the flag that he loved. The exalted characters of Washington and Lee attested the purity of their motives in each instance and won the

admiration of their countrymen, and, ultimately, the respect of the world, for the honesty of their decisions and the nobility of their conduct. Both of these men—Washington and Lee—are intimately associated with Alexandria.

Tonight we are here to pay honor to General Washington. He was one of you—a member of your town council and your magisterial court, the founder of your fire department and of your first free school. He bought stock in your first bank and left this stock to help the school that he had founded. When one is shown the site of the office the general sometimes occupied here, it is easy to visualize him coming just around the corner. Others claim to be Washington's home town and many claim a Washington's headquarters, but here in Alexandria was the place with which this great American was most intimately associated through much of his life.

General Washington died 139 years ago, and this is the one hundred and thirty-seventh time that your lodge has celebrated his birthday. These celebrations you have maintained since the last year of his life, save only the years of the War between the States. The continuity of your tributes has enabled you to feel the inspiration of Washington as if he still lived in the flesh.

When Washington was a captain in 1758 he represented my county of Frederick, of which Clarke was then a part, in the house of burgesses, and from 1765 to the beginning of the Revolution he represented the town of Alexandria in the house of burgesses. Washington, in his youth, surveyed many tracts of land, but here he actually platted your city. I have seen this original plat in the Library of Congress. Washington's spirit still seems present in your Town Tavern, where he recruited his first command. It was here, too, in the Carlyle House, that he was made a major on Braddock's staff.

All of us owe a debt of gratitude to Charles H. Callahan, who has so ably and diligently summarized Washington's long and intimate association with Alexandria.

Noble as Washington was, however, he did not escape detractors. Within the last 20 years clever writers have insisted that Washington was not a good general; that Washington had no original ideas; that Washington sat silent and uninfluential in the Philadelphia convention that formulated the Constitution of the United States. It is, of course, true that Washington was not a brilliant writer as was George Mason, his State rights friend; as was Alexander Hamilton, his anti-State rights friend; or as was Thomas Jefferson. Yet Washington tried to make Jefferson and Hamilton work together in his Cabinet for the good of the new country, and only the rare force of the first President's personality restrained for a time the open conflict of Virginia's apostle of State rights with New York's champion of a powerful and predominate central government.

It is true, also, that Washington was not a great public speaker, as was Patrick Henry, who opposed vehemently and eloquently the adoption of the Federal Constitution by Virginia. Washington was not much of a theorizer about governmental forms. He was a severely practical man. He was a keen and accurate observer and he had a lot of time to reflect on his observations. In the hours that he walked, in the days that he rode horseback, in the weeks that he jolted over rough roads or trails in his coach he went over much of the American East and North and his mind dwelt on serious things. He had a clear mind, a strong mind that dealt directly with things that he did know, and so it became clear to him when it was the time for the American Colonies to revolt, and it was clear to him after independence had been won from the British that the jealous and provincial Colonies would lose the victory they had achieved unless a federal government could be formed under a constitution designed to protect a more effective union.

In simple language, one may say that this Constitution protects your individual freedom and your individual property, and your right to have home tribunals pass upon those matters which most intimately affect you.

The founders of our Republic had learned from history and experience that the rights of the individual are more securely safeguarded if the laws which govern us are made and administered, so far as possible, by home legislatures and courts. Then, too, in a country so vast and diversified as this, a central government may not understand and effectively meet all the local problems peculiar to the several sections and whose needs vary greatly one from the other.

Men of equally good intentions cannot always agree upon the proper boundaries of the rights of the States; cannot take a map and mark where the jurisdiction of the Federal Government begins and the jurisdiction of the State government ends. Yet remember that the Constitution provides that the Government has only the powers granted it by the States and that all powers not granted are reserved to the States or the people thereof.

It may be true, then, that Washington sat silent as debate in establishing the Constitution blazed and died, only to flame again through the long hot days in Philadelphia while the delegates struggled behind closed doors to frame a Constitution under which a nation could be born and live.

But there is evidence that Washington wrote letters and talked privately in favor of a workable Constitution; and at last, when the ferocious fight occurred in Virginia to approve and adopt the Federal Constitution, it was the force of George Washington, the greatest man in all the Colonies, who assured Virginia's approval of the organic law.

If Virginia had rejected the Constitution its adoption could scarcely have been accomplished. Jefferson was absent in France; Patrick Henry, old but still eloquent, thundered against the Constitution as destructive of State rights; but Washington stood firm on his statement that the choice was between the Constitution and anarchy.

This majestic man who had won our independence by the sword thus preserved us from the weakness of disunion by the force of his personality and the popular confidence he commanded. Washington possessed something that was worth more to the infant America than intellectual brilliancy, than a vivid imagination, than a beguiling fancy, than a forceful eloquence. George Washington was a great character. His character was composed of a courage that never faltered, a fortitude that never failed, a dignity that never cheapened, an honesty that never compromised, a self-discipline that he rarely relaxed, and a will that never weakened.

In this time of turmoil and doubt, domestic and international, let us lift up our eyes to the height of that tall tower which the Masons of America have erected here in honor of Washington and pray that the strength that cometh from the hills may descend upon us and guide us forever.

Seventy-fifth Anniversary of Knights of Pythias

EXTENSION OF REMARKS
OF
HON. JAMES J. DAVIS
OF PENNSYLVANIA
IN THE SENATE OF THE UNITED STATES
Thursday, February 23, 1939

ADDRESS BY HON. TOM CONNALLY, OF TEXAS

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the address delivered by our distinguished and eminent colleague the junior Senator from Texas [Mr. CONNALLY], a former grand chancelor of the Knights of Pythias of the State of Texas, dealing with the activities of this order with the splendid courage and high spirit for which this illustrious orator is noted.

The address was delivered on the occasion of the celebration of the seventy-fifth anniversary of the founding of Knights of Pythias.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Supreme Chancelor, distinguished officials, Knights of Pythias, and members of the Pythian Sisters, I acknowledge with appreciation the honor of addressing this notable assembly which has journeyed to Washington to celebrate the founding of the Order of Knights of Pythias. Here on February 19, 1864—here where could be heard the roar of cannon from the red battlefield of a tragic and terrible War Between the States—here was founded an order whose purpose was to teach brotherhood and the healing of the wounds and scars and miseries that war has brought—here in this city 75 years ago there came together a band of men in whose brains there quickened a conception of fraternity and whose hearts were thrilled by an ambitious yet unselfish purpose, to give it to the world; a purpose to conquer men not by the sword but by brotherly love; not to enslave their bodies in chains, but to fire their hearts with noble purpose and turn their hands to chivalric conduct toward their fellows.

Here they fashioned the order, and giving it the benediction of their faith and baptizing it with their tears, set it upon that marvelous career that has challenged attention and compelled admiration wherever its lustrous banner blows. It may be suggested that they but builded upon a tradition of friendship that had come marching down the centuries from that far-off land and time where legend flourishes and history fades.

As the field of the historian stretches back through authentic times and finally touches that vague and shadowy period where no enduring record has been preserved, there begins that mysterious realm where myth and fable abound, rich in poetic imagery, striking in its conception of the heroic and dramatic in its vivid protrayal of human passions and romance; with so much of reality as to make it possible history; with so much of lore as to make its authenticity uncertain; and yet withal so much beauty, so much grandeur, as to make the picture, whether real or phantom, equally dear to the human heart.

To this wonderful period we are indebted for noble conceptions of man and woman alike. In this enchanted land we find Penelope, as she watches and waits through the years for the return of her husband from the Trojan war. Here she sat among her slaves and, as each declining day lengthened the period of her enforced widowhood, labored steadily on, trusting that the warrior would at last thread his way through the perils and temptations of his journey and once again clasp to his hungry heart the faithful wife; with woman's confidence, believing that he would pass safely

between Scylla and Charybdis; that he would listen with unmoved emotions to the siren's seductive song; that the frail little bark should breast every storm and tempest and wave of the turbulent sea and drop anchor at last in the calm waters of her island home. And though we cannot know whether Penelope ever lived and breathed or was merely the magical creation of the poet, the narrative of her graces and character has survived all the mutations of time to make itself an eternal monument to woman, and is just as dear to us as though immutable evidence established the facts of her life and death.

We are here now to do honor to the noble qualities and unselfish character of a man whose courageous and knightly conduct illumines the brilliant chapters of one of the most stirring stories that ever charmed the imagination and enthralled the soul of man—the story of Pythias, upon which is founded our beloved order.

And while there is more authentic proof of its historic correctness, it lacks nothing in its human interest and dramatic setting. To the founders who first came together here, there stood out fresh and sharp upon the canvas of their fancy that glowing picture that was enacted before the Master of Syracuse—a picture that in its making moved and melted the heart of stone that until then had lain cold and pulseless in the breast of the terrible tyrant—a picture that has come to us undimmed by the touch of time, untarnished by the blood of countless wars that shattered kingdoms, crushed empires, and crumbled cities into dust—a picture not painted by a master merely of brush and color—not here the art of Raphael's practiced hand—not here the cold and impassive stone though touched almost to life by the chisel of Praxiteles—not here a picture whose pigments may crack and fade and whose canvas worms may gnaw and destroy; but they looked with enraptured gaze upon a scene that throttled and thrilled with life and action—that charmed and captured their devotion—across the chasm of centuries they beheld Pythias stake his life on faith in his friend—and they saw Damon, to redeem that faith, gently push away the detaining embrace of wife and chubby clinging baby arms, and return to lay his head upon the block.

They believed that there was wrapped up in such a friendship something more than a beautiful poetical conception. They rightly fathomed the future when they sought to apply it to modern human life. They realized that man is a wonderful creature and his sojourn upon earth a great mystery. Somewhere from out of the unfathomed universe he is ushered upon the stage—for a little while he tarries here, struggling with the harsh and cruel adversities, or idling away the fleeting hours in wanton play with the toys that wealth and luxury command; giving the years allotted to him to the service of those about him—making brighter and better and happier the lives that touch his own, or else in selfish greed grappling to his own bosom all the objects of his appetite and desire and shutting out from his heart and life all the comradeship that mellows into love, all the charity that makes the whole world kin.

They did not subscribe to that theory that life is but "a vale of tears" and heartaches and sorrows—that 'tis only "a barren stretch between the mysterious mountains of birth and death." They did not believe that man, endowed with intellect and soul, with courage and conviction and conscience—realizing his relation to his fellow man and to God—has been set here amidst hill and dale, and valley and crag, learned in the chemistry of Nature—understanding how into every perfumed violet and noxious weed and clinging vine and towering oak there is wrapped the romantic secret of Nature's life—how rugged rock and shining sun, mingled with rain and soil in the laboratory of Nature, color the delicate tints that smile from the rose and bulwark with strength the sturdy giant of the forest—is to mockingly pass away his span of life profitless to himself and to his fellow man. They did not believe that he is to reel off the years blinded to all the beauty and grandeur of Nature—with unseeing eyes looking upon the jewelry of the heavens, ignorant of their majestic march and unmindful of his relation and his duties to his fellows. They preferred to believe that there rests somewhere a supreme purpose—that a rich and bountiful Nature has provided man with the comforts and blessings of this life—has surrounded him with teeming thousands of his kind, needful of his help and assistance in their weakness and despair, and misery and want—that in this cosmopolitan universe there is ample opportunity for the exercise of those noble attributes and qualities that ornament and beautify the life of him who is true to his Pythian duties; not that man is thrown across the span of life like the weaver's shuttle but rather that Destiny has fashioned for him a great career, in which he is the captain of his own craft, the pilot of his own fate, and thus cast out on the vast stretches of the sea to make or mar his fortune; that he is left free to carve his name deep upon the annals of his time, to leave in the memory of his fellows the sweet fragrance of good deeds, and to set before the eyes of those about him an example of well-doing and noble sacrifice that shall command the admiration and tribute of all mankind.

It gratifies me to bring the greetings of the grand domain of Texas and with them to bear the tidings that that splendid domain is celebrating the anniversary in a great State-wide meeting.

Our organization and government are representative and modern. The aspirations of the membership are reflected in its laws and policies, and through the whole scope and sweep of its activities there runs the thread of fraternity, its cardinal and compelling motive.

Each year large sums are expended by the order in the relief of suffering and want; not the ostentatious charity that erects monuments to its own vanity in public gifts, but that richer and rarer kind that sheds its fragrance in the dark and dismal and distant corners where misery hides. In nine domains orphans' homes furnish a refuge for the fatherless, and an education to the growing minds of the loved ones of those knights who have lowered their visors and gone out into the night.

This matchless record had its beginning here—the thoughts that wrought into reality that which was but a dream first burgeoned here in the Nation's Capital.

As the Virginian looks to Jamestown as the birthplace of his civilization and the mother of his traditions, as the New Englander with bared head stands in the presence of Plymouth Rock and to the memory of the Pilgrim pays his tribute, as the Mohammedan when from the minaret there rings out the call to prayer devoutly turns his face toward Mecca and with soaring soul makes the vagrant winds the bearer of his petition, Knights of Pythias everywhere tonight look with veneration and affection to this spot as the shrine where were laid broad and deep the foundations of the order that shall perpetuate the friendship of Damon and Pythias.

Neutrality Versus Intervention

EXTENSION OF REMARKS

OF

HON. MILLARD E. TYDINGS

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Thursday, February 23, 1939

ARTICLE BY REV. JOSEPH T. THORNING, OF MOUNT ST. MARY'S COLLEGE, EMMITTSBURG, MD.

Mr. TYDINGS. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Neutrality versus Intervention," published in the January 15, 1939, issue of Spain, and written by Rev. Joseph F. Thorning, of Mount St. Mary's College, Emmittsburg, Md.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Spain (semimonthly publication of Spanish Civil War events), of January 15, 1939]

NEUTRALITY VERSUS INTERVENTION

(By Joseph F. Thorning, Ph. D., Litt. D., chairman, department of social sciences, Mount St. Mary's College, Emmittsburg, Md.)

The movement to lift the embargo on arms to Spain rests upon two false assumptions. The first is that the so-called Loyalist Government is the legal government of Spain; the second that a policy of American neutrality has worked to the disadvantage of Barcelona, although favoring the shipment of arms from Germany and Italy to Burgos. These are the two main contentions of those who are straining every nerve to repeal or modify the neutrality legislation of the United States Government.

The first claim of the Leftists is nullified by the fact that whatever shreds of legality the Republican Government may have possessed were scattered to the four winds by the brutal murder of Calvo Sotelo on July 13, 1936. This crime was the climax of chaos, anarchy, and political assassination. During the 5 preceding months 256 persons had been killed, 170 churches, 69 clubs, and the offices of 10 newspapers had been set on fire. Attempts had been made to burn 284 other buildings, including 251 churches. There had been 113 general strikes and 218 partial strikes.

Throughout June and during the early days of July the pages of the newspapers were filled with reports of shootings, strikes, casualties, violent scenes at funerals, riots, arson, destruction. This was the setting for the arrest and execution of Calvo Sotelo, the talented Rightist deputy. It occasioned an emotion of horror corresponding to the shock that would be inflicted upon American public opinion were the morning newspaper to announce the slaying of Charles Evans Hughes with the connivance and help of the authorities.

"Left and Right alike," writes Prof. E. Allison Peers, "were shaken at the audacity of the crime, while the man in the street, dumfounded with horror, saw it as the climax beyond which crime could not farther go. 'This,' he said, perhaps not knowing exactly what he meant, 'must be the end.'" (The Tragedy of Spain, by Prof. E. Allison Peers, p. 210.)

It was the end of the republican regime pretensions to speak of act for the Spanish people. When a government itself becomes the chief lawbreaker its claims to legality automatically cease. A reign of terror, culminating in gangsterdom's murderous technique, loses juridical and moral content. In the calm perspective of history there are none who try to justify the rule of Robespierre. The Spanish Republic from February to July 1936 proved its utter

incapacity for administration, exposing the Spanish citizenry to the caprice and fury of mob rule. The "law of nature and nature's God" imposed an obligation upon the decent elements of the community to reconstruct the State.

This was the origin of the Nationalist movement in Spain. To have delayed beyond July 18, 1936, would have jeopardized the fabric of European civilization. The sole alternative to armed self-defense would have been to witness the death of other Spanish statesmen and passively to accept the Marxist yoke.

Integral to this phase of the question is the actual attitude of the Spanish people. The overwhelming majority of the Spaniards now recognize Generalissimo Francisco Franco as the head of the state. His government controls more than 80 percent of the territory and 75 percent of the population of Spain. From the standpoint of fact and reality this question is swiftly being removed from the domain of academic theory. Openly to take sides against an established functioning regime is no part of the American tradition.

The Leftist contention that Nationalist Spain has benefited by the operation of our neutrality legislation is pure chimera. President Franklin D. Roosevelt himself is on record as stating that "neutrality works." On Friday, April 22, 1938, at his regular press conference the President, in response to questions, declared that he was satisfied with the manner in which the laws had been administered in the Spanish difficulties, considering the many difficulties involved.

Writers on foreign affairs, it was stated in the New York Times (Saturday, April 23, 1938), had "hoped to get the President to take cognizance of criticisms that the Neutrality Act was functioning to the detriment of the Spanish Loyalist cause because of German purchases of munitions in this country allegedly destined for delivery to the insurgent forces."

The President made it clear, said the New York Times in the same dispatch, that "he wanted no unwarranted inferences drawn from his reply to a question that pertained only to Germany and Italy and their part in the Spanish conflict." Asked whether an arms embargo could be applied to these Fascist states, Mr. Roosevelt "quickly lengthened the question by asking 'Or Britain or France?' He then answered in the negative."

Obviously, the President of the United States was perfectly familiar with the fact that Soviet Russia had been shipping as much or more material of war to Barcelona than was being supplied to the Nationalists by Germany and Italy. The records of the British Parliament are available both to the President and to the United States Secretary of State. It may be safely assumed that most responsible American officials were and are familiar with the significant declaration of Capt. Anthony Eden, at that time Foreign Secretary of Great Britain (October 31, 1937), to the following effect:

"Official Soviet Government figures show that Spain now is Soviet Russia's best customer. From January to September of this year Russia shipped to Spain nearly 10 times as much in weight and 4½ times as much in value as during the corresponding period in 1936. During the summer months of this year I could not stand at this box and tell the House that during that period there was more material reaching the Insurgent forces than was reaching the Government forces."

On the same day in the House of Commons (cf. the New York Times, November 1, 1937), in refuting David Lloyd George, Foreign Secretary Eden summed up the results of the nonintervention agreement, as follows:

"The result of Nyon has been to facilitate the arrival of very large quantities of material arriving in Spanish Government ports. Of course, there have been enormous quantities of material arriving at Spanish Government ports throughout the year."

Similar testimony, even more convincingly presented, is given by Sir Francis Lindley, G. C. M. G., C. B., former British Ambassador to Japan. In an article, The Tragedy of Spain, published in the National Review (February 1937), Sir Francis traces the origin of Soviet intervention to its ideology of exploiting every "revolutionary situation." The British diplomat declares: "The plain fact is clear to all who wish to see. The Spanish civil war would have been a purely internal affair had it not been for Moscow. No other power would have had either reason or wish to intervene. Once the Bolsheviks set the example, others were certain to come in on the opposite side."

Edward H. Knoblaugh, of the Associated Press, who was in an excellent position to judge, assures us (Correspondent in Spain, p. 174) that "the foreign assistance Loyalist Spain was receiving was successfully minimized while that given the enemy assumed staggering proportions." The same writer estimated that the Madrid-Valencia-Barcelona Government has about 110,000 Russian, French, German, Italian, American, Polish, English, Czech, and Bulgarian volunteers fighting on its side. Of these, about 35,000 were killed, leaving some 75,000 still fit for service. (Correspondent in Spain, Edward H. Knoblaugh, p. 217.) This estimate is confirmed by Brig. Gen. P. R. C. Grove, of the Observer (London).

Largely through the instrumentality of the Communist Party and communistic affiliates, 6,000 American boys were sent to Leftist Spain. The recruiting for this force properly should be a subject of investigation by some appropriate committee of the United States Congress. Why should 2,000 Americans fight and die in a foreign war? This illegal recruiting and illegal entrance of Americans into Spain during the civil war shows clearly enough the respect for national and passport regulations entertained by pro-Loyalist communistic elements in the United States. Arms were illegally shipped to the Spanish Ambassador in Mexico; airplanes were dispatched to the same destination; moneys were collected to support mercenaries in a foreign conflict. Every breach of American laws in respect to the Spanish war was perpetrated by the Loyalist sympathizers. Nothing of the kind was imputed to those who favored and still favor neutrality. The contrast in the attitude and activities of the two groups is an index to their patriotic spirit. Nevertheless, the Loyalists, who cannot come into court with clean hands, are pleading for partisan action on the part of the Nation whose laws were violated.

How lavishly the French and Russians poured ammunition into Leftist Spain last spring may be learned from the special dispatch of Mr. George Axelsson, whose story was featured on page 1 of the New York Times on April 13, 1938. This highly circumstantial report by an eyewitness reads as follows:

"At the French frontier town of Le Perthus, on the main motor road to Barcelona, this writer has watched for many days a seemingly endless stream of 10-ton trucks crossing into Spain. A customs official told me the daily average was 200 trucks, which the simplest arithmetic will show means 2,000 tons of material entering Loyalist Spain every day. Another customs employee confided to me that he had personally passed a score of airplanes and a dozen whippet tanks into Spain during the past week. They were listed on manifests as 'agricultural machinery' and passed as such, he explained."

This traffic was carried on at enormous expense to the leftist government, which naturally enough is now forced to beg for food from other countries. The gold that should have been husbanded for the necessities of life for the civilian population was squandered upon war supplies that prolonged the war futilely, foolishly. An interesting sidelight upon this phase of the question is afforded by Mr. George Axelsson's further description. He says:

"A great deal of these materials originate at Marseilles, Le Havre, and other ports, whence they are trucked across France. The trucks as well as the drivers are all French. Army drivers, specially selected for their daring, are stationed at Le Perthus and are taking these cargoes south for double pay. As a result, this normally quiet border spot has become a truck-drivers Klondike, where, relaxing after risky trips, the men indulge in champagne and such culinary niceties as snails, frogs' legs, asparagus, and speckled trout."

In other words, the civil populations of Madrid, Valencia, and Barcelona are now starving because the $650,000,000 gold reserve, the property of the whole nation, has been wasted in riotous living for the arms racketeers, gun runners, Russian and French "merchants of death."

Further confirmation of this view is contained in the Washington dispatch of Mr. Hanson W. Baldwin, famous arms expert of the New York Times (April 13, 1938). Mr. Baldwin writes:

"The 'last ditch' defense of the Spanish Loyalists has been unexpectedly bolstered by the receipt of a considerable number of planes and some artillery from abroad, it was learned here today.

"Neither the amount nor the make of the equipment was known, but it was presumed that both the planes and the artillery were of Russian manufacture or design.

"This latest foreign intervention in Spain, unexpected and surprising in view of the apparently desperate plight of the government armies, was not believed to be extensive enough to change the complexion of the struggle or even halt the drive for the sea which the insurgent forces started in northeastern Spain on March 9.

"Despite the receipt of new equipment, it is not believed, however, that the hard-pressed Government forces can long resist the Franco drive, unless reinforced very extensively by outside aid."

That this foreign aid for the Leftists has continued on a large scale is clear from the dispatch by Mr. George Axelsson, headed "Loyalists Still Get Arms Abroad; Ships in Traffic Use French Ports," in the New York Times, February 5, 1939.

Mr. Baldwin's prognosis has been found correct. One year ago the Leftists reported a smashing victory at Teruel. Propagandists in this country, such as Mr. Jay Allen, who visited the battle front, declared categorically that Teruel was "a huge, a tremendous, a decisive victory." Within 4 weeks of this triumphant communiqué the Leftists were in full retreat, a retreat that soon assumed the proportions of a flight. Last summer the Loyalists initiated another offensive. Gandesa was reported to be the objective. Gandesa remained in the power of the Nationalists, whereas the Leftists were thrown back across the Ebro River. This was the first blow in the present Nationalist thrust that has embraced more than half of Catalonia.

In spite of huge war supplies from Soviet Russia, the Barcelona regime is in articulo mortis. Barring a world war or American intervention, the struggle will be concluded before the summer. As Brig. Gen. Henry Joseph Reilly, United States Army, declares, "no army can be beaten day after day and remain in the field." The Loyalist cause, which is the Communist cause throughout the world, is a "lost cause." The frantic efforts of the Left-wingers to stir up trouble, to incite hatred, to embroil the United States, is merely another illustration of the desperate character of their predicament. They know that they are playing their last card in trying to enlist the United States Government on the side of the persecutors and would-be destroyers of Christianity in Spain. The motto of clear-sighted, democratic, liberty-loving citizens everywhere is crystallized in these words: Keep the embargo on arms; keep this country out of war.

Resolutions of New Jersey Farm Bureau

EXTENSION OF REMARKS
OF
HON. W. WARREN BARBOUR
OF NEW JERSEY
IN THE SENATE OF THE UNITED STATES
Thursday, February 23, 1939

RESOLUTIONS ADOPTED BY THE TWENTIETH ANNUAL CONVENTION OF THE NEW JERSEY FARM BUREAU, TRENTON, N. J., JANUARY 25, 1939

Mr. BARBOUR. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD resolutions adopted by the Twentieth Annual Convention of the New Jersey Farm Bureau, at Trenton, N. J., January 25, 1939.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

WAGES AND HOURS

Whereas the present definition of "area of production" as set up by the Administrator is a misinterpretation of the intent of the Fair Labor Standards Act of 1938; and

Whereas it works a hardship on fruit and vegetable growers in that it limits the sale of products to the immediate locality to the detriment of the farmer; therefore be it

Resolved, That the New Jersey Farm Bureau requests Congress to amend the Fair Labor Standards Act of 1938 so as to assure to farmers the full benefit and scope of the intended exemptions to which agriculture is entitled, and to grant exemption from the act to all employees engaged in agriculture and the processing of agricultural products.

GRASSLAND SYSTEM OF DAIRY FARMING

Whereas the present soil-conservation program penalizes the dairyman who is putting a larger percentage of his acreage into grassland farming; and

Whereas 100 percent grassland farming is an ideal way of conserving the soils of our rolling dairy farms: Therefore be it

Resolved, That the New Jersey Farm Bureau endorse the grassland system of dairy farming; and be it further

Resolved, That our State farm bureau work through every means at its command to have a premium placed upon 100 percent grassland farming under the present soil-conservation program.

BENEFIT PAYMENTS ON A. A. A.

Whereas under the present Agricultural Adjustment Act there has been a very inequitable distribution of benefit payments, with the result that the State of New Jersey has received but a small part of its per capita share of such funds—for example, while vegetable production comprises 14 percent of the farm value of all crops, vegetable growers are allocated only 1 percent of the funds: Therefore be it

Resolved, That the New Jersey Farm Bureau strongly urge a more equitable allocation of benefit payments to the end that producers of fruits, vegetables, and dairy and poultry products receive a fairer share of the funds distributed.

FEDERAL GAS TAX

Whereas we believe that the Federal gasoline tax should be allowed to expire, and the taxation of gasoline hereafter left to the States for their exclusive use as a means of providing funds for highways: Therefore be it

Resolved by the New Jersey Farm Bureau in meeting assembled in the city of Trenton, State of New Jersey, on January 25 in this, the year 1939, That both Houses of Congress be, and hereby are, memorialized on behalf of the members of this organization to allow the Federal gasoline tax to expire at the close of the present fiscal year, June 30, 1939, in accordance with the declared intent at the time it was passed; that it be not levied again in any way whatsoever, and that the Federal Government permanently withdraw from the field of gasoline taxation and leave to the States exclusively the power and right to tax gasoline sales in the future: Be it further

Resolved, That a copy of this resolution be transmitted to the chairman of the Ways and Means Committee of the House of Representatives to be laid before the members of the committee, and to the chairman of the Senate Committee on Finance to be laid before the members of that committee, and likewise to both Senators from this State and Members of the House of Representatives, urging them to use their utmost endeavors to carry out our desires as expressed in the letter and spirit of this resolution, and thus afford to our members who not only operate motor vehicles on the highway but who also are large users of mechanical farm equipment so necessary to our livelihood upon which the gasoline used for propulsion is also taxed by the Federal Government.

The Anthracite Industry

EXTENSION OF REMARKS
OF
HON. JAMES J. DAVIS
OF PENNSYLVANIA
IN THE SENATE OF THE UNITED STATES
Thursday, February 23, 1939

EDITORIAL FROM THE PHILADELPHIA INQUIRER OF FEBRUARY 19, 1939

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial from the Philadelphia Inquirer of February 19, 1939, entitled "Teamwork Needed to Save Anthracite."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer of February 19, 1939]

TEAMWORK NEEDED TO SAVE ANTHRACITE

The vast complexity of the anthracite problem in Pennsylvania, as well as the pressing need for its early solution if one of the basic industries of the State is to survive, were increasingly demonstrated during the past week.

It was brought out, first of all, that hard-coal production is still falling off, that it dropped 6,000,000 tons last year to a total output of 45,000,000 tons, compared to the industry's peak of around 100,000,000.

At the same time, in contradiction to undetailed reports from Harrisburg pointing to a recession in bootleg coal operations, figures were presented showing a substantial increase in the illicit output.

The report of former Governor Earle's anthracite commission in 1937 estimated bootleg production at 4,000,000 tons a year in 1935 and 1936, with employment of 14,000 workers. The results of a bimonthly check made by coal operators since 1932 and presented to the American Institute of Mining and Metallurgical Engineers in New York Wednesday, pointed to a total bootleg tonnage last year of 8,000,000 tons, with about 23,000 persons engaged in the operations.

In Washington the National Resources Committee, in a report to Congress on the conservation of energy resources, pointed out that measures to aid the anthracite industry have been proposed by State agencies. It made this added observation: "If it finally becomes evident that the Commonwealth cannot cope with the anthracite problem, then it may become necessary to extend the jurisdiction of an appropriate Federal agency to that industry."

In Harrisburg, meanwhile, coal operators meeting with Governor James in the first of a series of conferences on anthracite were unable to reach agreement on first-aid treatment for their sick industry. Some suggested price-fixing legislation. Some urged establishment of a State agency to prorate production. Others blamed freight rates and labor practices for the industry's ills.

Compulsory State regulation was favored by one group; provisions for voluntary compliance were asked by another. Although at a previous gathering of operators a majority was recorded in favor of State regulation, there was evidenced some measure of opposition to State control in any form.

As the Governor remarked after the conference, there was "no uniformity of opinion" on the part of the operators. During the present week, Mr. James will consult the representatives of miners and bootleg labor.

Summed up, the developments show that the industry's condition is not improving, that production is declining and bootleg operations increasing; that Washington is prepared to initiate rescue attempts of its own if the problem remains much longer unsettled; and that thus far no specific solution has been presented from within the industry itself.

Many factors unquestionably enter into the anthracite problem, from high freight rates to high royalty charges, from taxation on coal lands to superfluous coal-land reserves and coal-company overcapitalization; from production costs to differentials favoring competing fuels. But merely cataloging these and all others involved will not revive prosperity in the coal regions. It will not reopen a single colliery or close one bootleg hole in the side of a hill.

Cooperation, business sense, and the helping hand of a Governor who was born and raised in the coal regions, however, may be able to resuscitate the ailing industry, stimulate production, and promote reemployment.

Bootleg coal miners, working for small and uncertain wages under hazardous conditions, would welcome legitimate employment. Bootlegging would die out quickly if the unemployed miners were given a chance at regular work.

To give them that chance, consumption and thereby production must be turned upward again. To bring that about despite the

competition of other fuels, despite labor and production and transportation costs, is no simple task, but there is no reason in the world why it cannot be accomplished by cooperative effort. But cooperative effort is hardly possible without the "uniformity of opinion" that was so conspicuously missing at the Governor's meeting with the operators last week.

Agreement by operators and miners, in conjunction with the State and possibly under some form of regulatory State legislation, on a program to help the industry is the businesslike approach to solution of the problem.

Democratic Convention, Flint, Mich.

EXTENSION OF REMARKS

OF

HON. PRENTISS M. BROWN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Thursday, February 23, 1939

ADDRESS OF HON. EDWIN C. JOHNSON, OF COLORADO, AT DEMOCRATIC CONVENTION AT FLINT, MICH.

Mr. BROWN. Mr. President, I ask unanimous consent to have printed in the RECORD the able and interesting address delivered by the distinguished Senator from Colorado [Mr. JOHNSON] at the Democratic convention held in Flint, Mich., last week. In his address the Senator from Colorado discussed in an illuminating manner many questions which are uppermost in the minds of the American people.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

FLINT BRIGGS

Chairman Transue, National Committeewoman Mrs. Clara Van Auken, National Committeeman Ed Shields, State Chairman Ed Fry, fellow Congressmen, distinguished guests, ladies, and gentlemen, it gives me a real thrill to come to the magnificent State of Michigan and meet with the brethren of my political party as they assemble for another historic political convention. For many years I have relaxed in a Michigan-made chair, eaten my bread and meat from a sturdy Grand Rapids oak dining table, rambled all over my own beloved Colorado in a Flint-manufactured automobile, and long, long ago tried to give the girls a thrill by a spin in a sturdy Flint buggy; so out of appreciation for the good things which Michigan has given me I gladly come here and pay my deep respects to a great State and a great people and a great party. Perhaps I shall bore you with this long speech that I dislike to make on so festive an occasion, and perhaps you will only listen to it out of your great store of Michigan generosity, charity, and polite courtesy, but it is an American tradition that long political speeches, pointing with pride and viewing with alarm, be made at political conventions.

SENATOR PRENTISS BROWN

I am particularly glad to come here, too, because I am very fond of your astute and kindly junior Senator, PRENTISS BROWN. PRENTISS was sworn in as a United States Senator 6 weeks before I took my oath of office, and when I arrived in Washington was considerate enough to instruct me, a poor rookie from the sticks, in the manners and customs and methods—I almost said habits—of Senators. When I arrived in Washington, Senator BROWN had already mastered all of the tricks. We have been thrown together in many strange ways since. Every major problem coming before the Senate brings us together for mutual study and discussion. During the 2 years in which we have both served, I have developed a high regard for his great ability and a profound respect for his sound judgment. I can truthfully state that no man has come into the United States Senate and in so short a time found so secure a place in the hearts of his colleagues as has Senator BROWN. He already has the confidence of the members of every faction and of every party to a most remarkable degree, for he is truly serving his America in the United States Senate, not as a narrow partisan but as a broad-minded statesman and loyal Democrat.

ATTORNEY GENERAL MURPHY

It was pleasing to me the other day to have the privilege of voting favorably on the Senate confirmation of Governor Murphy to the high office of Attorney General of the United States. I predict that this distinguished citizen of Michigan will measure up to the great responsibilities of that exalted position in the President's Cabinet in such a splendid manner as to make not only Michigan but the whole Nation proud. This appointment was exceedingly complimentary to Michigan, but it was most satisfactory to the whole country.

MURRAY D. VAN WAGONER

I have had abundant opportunity in the past to judge from a distance the excellent work of the Michigan Highway Department. Good highways were my major objective while I was Governor of Colorado, and whenever I went down to Washington in the interest of Colorado I found that your alert Murray D. Van Wagoner, who is well known all over the Nation, had already been there and had carried away Michigan's share. Sometimes I think he got a little more. I know the United States Bureau of Public Roads holds him in high esteem. So I take this opportunity in his home State of not only congratulating him but the Democratic Party in having selected so able an executive. More power to you, Murray. I am pleased to see Congressman JOHN DINGELL here tonight. Some years ago John and I labored shoulder to shoulder in the cause of democracy in Colorado. I have never known a more active or enthusiastic Democrat.

SERVANT OF THE PEOPLE

Tomorrow the Democratic Party, as a servant of all the people of Michigan and acting as a dependable medium of their expression, will render them another notable public service. Once more will this distinguished party give to them a ticket which they can support with full confidence, because the traditions and philosophies and sound doctrines thoroughly impregnated with the lofty ideals and an honest service and with more than 150 years of experience in the operation of democratic government will be back of that ticket and the candidates named upon it. When industry employs a man these days, it demands to know who it is that recomemnds him. Likewise the citizenry will want to know just who it is that vouches for these candidates whom you will name on the morrow, and they will want to know in what policies the candidates believe, for with that information they can determine how an officer will perform his public duties. If, for instance, he is devoted to the goddess of special privilege, and is a worshiper of material things generally, and has no sympathy for the oppressed, and does not subscribe to the doctrine that "a public office is a public trust" and that good service is its own reward, then they will wisely shop around a bit. But you will not tell them that about your candidates because the opposite will be true. It is to clear such matters that our party exists. The Democratic Party unequivocally and emphatically states now that it is a responsible political party and that it guarantees a good service if our candidates be accepted at the polls.

DEMOCRATIC LABEL IMPORTANT

The people will take the party endorsements and the Democratic label seriously, because not only is the Democratic Party the oldest political party in all the world with a long record of fine, constructive service, but for the added reason that this America was a democratic country before there was a Democratic Party and before there was a King George III or a Declaration of Independence. The intangible spirit of democracy which developed and finally took organized form as the Democratic Party was born with the first town meeting in New England and the first assemblage of free men in the Old Dominion.

That democratic urge born under such humble circumstances will never fail the American people, and although frequently in times past it has been severely chastised and defeated by terrific majorities following unpopular reaction to unpopular local issues, the wise have known that it was only a matter of time until that sound democratic doctrine would reestablish itself in the favor of the people and the party would serve again. A political party that can live through such a crisis as the Civil War with its ugly, brutal sectional differences and prejudices and hatreds and with a vivid recollection of the bitter days that followed must be ingrained deeply in the hearts of men. Some political parties have had their origin in men's pocketbooks, in deceptive mirages and in twin garages, but the Democratic Party had its origin, thank God, and it now lives in the hearts of men. Human well-being is its great objective; property and wealth transformed into a medium of human service acting as a means toward the realization of human happiness is its great purpose. Obviously material things have their rightful place in this practical world, and that place is definitely that they shall be the servants of man and not his master. On occasions because of the selfishness and shortsightedness of groups and factions, material things have temporarily occupied the high place of master, and the Democrats have been ordered to take a furlough without pay, but sooner or later human values are restored again and the disciples of Jefferson are recalled. Our party has had its ups and its downs, its highs and its lows, its victories and its defeats, but for the most part it has kept the faith in fair weather and foul, and held steadfast to sound principles and constitutional processes.

DEMOCRATIC QUINTUPLETS

A political party that believes in democracy and the majority rule has no other function, no other purpose than to give expression to the collective will of the people, and it has been the will of the people that the Democratic Party dare to champion and defend the cause of helpless minorities and forgotten groups of American citizens and courageously advocate and demand equal opportunities for all, including the most miserable and humble. President Roosevelt had the vision to apply the idealistic philosophy of Jefferson to practical usages in such a cause and to apply the courage of the militant Jackson to wage a winning war against the forces of greed and special privilege to such an end. In short, he made democracy work. Jefferson, Jackson, Cleveland, Wilson,

and Roosevelt—these quintuplets of inspiring Democratic history—have given idealism, organization, courage, respect, and utility to this magnificent spiritual servant of Americans.

New issues because of new problems constantly appear and must be met. Old issues worn threadbare take their exit, but the fundamental spiritual things upon which this democracy was founded must go on. So I say 150 years of love of country, practical experience, and faithful service will be back of that ticket named tomorrow, and citizens of Michigan will know that if they place their faith in such a ticket, their interests and not the interests of special privilege will be served well.

The majority party in America has a grave responsibility and a huge task still before it. Even the despised four-legged rat stores up its future needs and provides for its own security. We cannot, with our alleged intelligence, be less provident than the beasts of the field. Pointing the way and assisting the American people to provide for their own security is no minor task, nor is it one that can in safety be neglected. Private thrift and private enterprise must be encouraged and fostered, but neither of these virtues can be exercised by the people in this industrial age unless the opportunity be given for that sort of thing by the strong arm of government. Unless government acts, men must be born in poverty and die in poverty. I am sorry that government has that responsibility, but there appears to be no escape.

ECONOMIC CHANGES RAPID

Economic changes have been coming upon us in recent years with great rapidity. America is no longer an agricultural nation; it is today a highly developed industrial nation. Your great grandmothers with a hand loom and spinning wheel made the clothing for the family, and your great grandfathers produced the food and made it ready for the oven on his own farm. In his day 75 percent of Americans lived on farms. The Bureau of the Census today lists 22 percent of all persons who are gainfully employed as agricultural workers, and many of these good folks actually living on farms now purchase their bread directly from the baker's oven, and purchase their butter, their bacon, and all of their clothing from the home-town merchant. When hard times visited grandfather he took another hitch in his belt, passed up a few luxuries, and went about his business. He had security in his land. That was the source of his living. Outside of those States in which unemployment-insurance security is now available, persons losing their jobs and unable to locate others are compelled to beg, steal, or starve. They have no security in land or otherwise. It is not fair to believe that all thrift, enterprise, and self-reliance died with grandfather's generation, proud as we are of his history. Industrial progress has gone forward and left in its wake forgotten men.

FEW TRAINED TECHNICIANS

The educational program of America, too, needs drastic overhauling, so that the boys and girls turned out of colleges and high schools by the hundreds of thousands each year will have the technical training necessary to fill a useful place in society. Can you feature anything more depressing than the disappointment which comes to young America, anxious to take an active part in life, to discover that they are not equipped for the work that is to be done. Ten million unemployed persons in America—and if you had to find a thousand trained technicians, stenographers, mechanics, or nurses among them you could not do so. The W. P. A. must provide pick and shovel work for millions of persons because millions of persons have no technical training to operate a piece of machinery more intricate than a pick or shovel. What a terrible indictment of America's school system.

INDUSTRY MUST ASSUME RESPONSIBILITY

If there were governmental protection of property without governmental restraints and regulation the rich would constantly decrease in numbers but grow richer and richer, while the poor would increase in numbers but become poorer and poorer. The Democratic Party has never advocated equally dividing the wealth of America, for that is a very silly proposal and would need to be done over and over almost day by day until there was nothing to divide; but it has from the days of Jefferson advocated the equalization of opportunity, which is quite a different thing. Encouraging and fostering thrift, private enterprise, and security of every kind for corporations and persons does not mean that our party will ever permit unregulated and uncontrolled accumulations of wealth and economic power to deny opportunity according to his capacity to the most humble. Michigan is a great industrial State. Big business operates in a big way here, and that business is efficient—no lost motion, no waste, no clutter, no outmoded method. Businessmen whom I know personally want to give their employees full opportunities for every good thing of life, but competition of quality and price is so exacting that no industrialist by himself can do so. Only government is powerful enough to make it possible for all business to give all workers security and the opportunity to enjoy the blessings of life, liberty, and happiness. I regret that government should be given so great a task, but if we are to have social stability government must assume that duty. If government would preserve industry and make democracy work well it must compel industry to assume the responsibility of protecting its investors and its employees. It is sound democratic doctrine to perpetuate the ideal which seeks to liberate Americans from arbitrary financial control.

VAST ECONOMIC STATES

Senator O'MAHONEY recently pointed out that there are 30 giant corporations in this country, 12 of them banks and 18 of them industrials or public utilities, each one of which has assets of more than a billion dollars; and that at the same time there are 22 sovereign States of the Union wherein the total value of all the real estate within their borders is less than a billion dollars each. The Senator concludes that many modern corporations have become vast economic states, greater in some instances than the States of the Federal Union, and these great economic states have been made possible by the collective resources of millions of people who are their stockholders but who cannot exercise and do not exercise any power whatsoever over the government of these corporations; and, further, that they employ millions of workers who likewise do not exercise control or direction over them. It is in these States that our political opponents wish to practice "rugged individualism."

RUGGED INDIVIDUALISTS

We justifiably take great pride in recalling the adventures of the strong, sturdy, independent, picturesque, and sometimes heroic characters who pioneered this country. We see them now dressed in fur cap, moccasins, and leather clothing; in one hand a rifle and over a broad shoulder a bulky bundle of animal skins. Theirs was in many respects the ideal life. They were beholden to no one, paid no taxes, their only obligation being to themselves and their immediate families; they neither asked nor received assistance from any source. Such problems as they had were local and personal and their highest law the law of the jungle. Under that system a very few men could have an ideal existence in the State of Michigan provided all you good folks would move out and turn it over to them as a happy hunting ground. I do not know where you would go for contented lives after the happiness that you have found here. But the primitive life has a great attraction for those of us who have a passion for liberty and independence and hate restraints of every character. These early-day pioneers that enjoyed such a privilege were the real rugged individualists.

President Hoover and his crowd love to exalt rugged individualism, but when they apply that term they do not necessarily refer to Daniel Boone and his contemporaries. They realize that it requires a lot of vacant land for that mode of life and that there is no longer such an opportunity remaining in America, all such privileges having long since disappeared. They are not thinking of trappers and hunters and frontiersmen, however; they are thinking of another kind of rugged individualistic privilege. They want an uncontrolled and unregulated capitalistic system with all restrictions and restraints and responsibilities removed, and they themselves want to be the rugged individualists running that system. Unlike the Boones, they will not ask you good people of Michigan to move out and turn the State over to them; they will be satisfied if you just turn the State over. You may stay; in fact, they will want you to stay because they do not plan to skin wild animals; they plan to skin you.

UNREGULATED CAPITALISM

Adherence to the principles of rugged individualism, capitalistically speaking, forms a polite excuse for not assuming social responsibilities and provides an excellent basis for an argument against taxation and regulation. That's what the Hooverites have in mind when they prate about rugged individualism and private enterprise. There are powerful natural impulses pulling us toward individualism, but it cannot be. The aristocracy directing industry that once upon a time enjoyed all the privileges, liberties, and freedom of the early day trapper in his enchanted realm must exist only in the memory and dreams of men of the "horse and buggy" days. Henceforth we shall read about them in storybooks and see them in museums along with the Daniel Boones and the Davey Crocketts. Michigan could not, if it would, return to the irresponsible days of the early pioneers and Michigan would not, if it could, return to the irresponsible days when industry was run for profit alone. The wanton waste that occurred in the devastation of the Michigan forests is something to remember in a discussion of this point. The majority of American voters who have the right to decide such matters will not let America return to the old deal of uncontrolled and unregulated capitalism. They have adopted a policy of shared undertakings, shared responsibilities, shared interests, and shared natural advantages. Too much of everybody for himself with no regard for others has departed forever in America.

SOCIAL REFORMATION SPASMODIC

If social reforms would only come about gradually and continuously, year by year, keeping pace and abreast with changing industrial conditions and economic developments, the shock of adjustment to their new requirements would neither be great nor difficult for society. Unfortunately, however, social reformations seem to develop spasmodically in periodic waves as do grasshoppers. At the close of Wilson's first term in 1916 social reforms took a prolonged vacation and failed to put in another appearance until the inauguration of the present administration in 1932. This irrational development of social progress has been most unfortunate for the desirable tranquility and even composure in the lives and business affairs of our populace. By 1932 pent-up and accumulated reforms that should have long ago been put into effect could no longer be controlled and held in check and so broke loose at

flood tide and went surging over the dams of Republican inertia. When these cumulative social-reform demands finally started on their way they came sweeping down upon the political puppets of that day crushing all before. It was too late then for a carefully planned and blue-printed procedure.

Hoover, who had won world renown feeding the Belgians seemed baffled, bewildered, and helpless with the multitude and the magnitude and the fury of the avalanche of maladjustments of outraged society which had been too long postponed. In a moment of rage and misunderstanding he turned the guns of war upon the hungry, desperate veterans pleading for justice and decent treatment and drove them from the capital. These veterans, in peaceably accepting the President's wrath, proved that they loved their country in that gloomy hour of injustice just as fervently and patriotically as they had loved it when they bared their breasts to enemy fire on the battlefields of Europe a few short years before. I mention this incident merely to show the confused mental attitude of the President toward the terrific social and political storm that was approaching. The Republican administration neither knew what to do about the specter of poverty that was casting its shadow over the land nor did it comprehend the causes of vanished credit sources, bankrupt financial institutions, closed factories, profitless debt-burdened agriculture, unpaid taxes, and stagnant business, and all the other significant manifestations of social maladjustments.

It knew little about the causes and cure of depressions. The Republicans thought that the storm would blow over of its own accord, but it only blew harder. Instead of improving it steadily grew worse. They were too obstinate and too stupid to understand that the unsatisfied demand for social readjustments was at the bottom of all the economic disturbances of that day. They did not realize that social progress must keep pace always with industrial change. The law is that if the one remains static while the other moves forward, painful and dreadful reconciliations must eventually take place. Ours is not, nor has it ever been, the economic problem of production in agriculture or in industry; ours is the political and social problem of distribution and use, so the failure was political and not physical. It was our statesmen who failed and not the agriculturists and the industrialists and the producers of goods.

THE NEW DEAL

The New Deal pictures an industrial and agricultural society, with particular stress on public health in factory and home, both urban and rural, decent prices for farm products, high wages, reasonable hours, no cutthroat and chiseling business methods, no stock juggling and riotous speculating, fair interest rates and honest banking, regulated public utilities and unmonopolized natural resources, taxes high, yes, but a good public service of educational, recreational, and other desirable facilities that must be provided for out of the public purse. In short, the New Deal champions a happy combination of the profit motive with the service motive. Common interests of all the people under it will replace special interests of part of the people. Tolerance imbued with sympathy for the lowly and with an understanding of perplexing social problems will replace prejudice and hate. Cooperation based on mutual recognition of conflicting interests will replace devastating competition. The value of this new social order, if by such a name it may be called, will be measured by the extent to which its advantages will be shared by all the people, and it will be developed for the common good through the regular orthodox democratic processes under the Constitution of the United States of America. Men say this all sounds very well, but it is impractical and it is impossible. Mr. Chairman, it is the only way out. It is inevitable.

STATESMANSHIP

Political party performance in America today must be judged by the degree to which it provides for social betterment in the way of youngster care, mother compensation, and oldster assistance, unemployment and health insurance, housing programs and slum clearance, and in many, many other similar benefits for the underprivileged. Promoting and securing higher standards of living, both rural and urban, and greater benefits from the machines for which the worker must furnish direction and to which he in turn is tied is the true test of twentieth-century statesmanship.

PRESIDENT ROOSEVELT

It might be well to state in this connection that it is my firm conviction that when all current political propaganda, political jealousies and ulterior motives of every nature have been deleted and placed in their proper perspective and when an unbiased and truthful history is written some years hence covering this period, it will unqualifiedly and emphatically hold that the first 4-year term of President Roosevelt was the most brilliant, the most constructive, and the most progressive Presidential term in all the glorious history of America. And I believe that when his second term finds its place upon the pages of history and the tremendous gains in wholesome legislation inaugurated by him have been consolidated and perfected, it will be truthfully said that this earnest man held to the course of a true liberal and guided the Nation safely through the dangerous shoals not only of murderous international strife but that he also corrected grave internal social difficulties by sensible formulas founded upon equity and justice and thereby proved himself the outstanding champion of his century of true liberalism both at home and abroad.

I shall make no effort here to give you a detailed report on the constructive accomplishments of this courageous administration, but I do want to more or less briefly refer to a very few of the things that have been done.

BANK HOLIDAYS

There are events in one's life so terrifying that they cling and seem always as though they happened but yesterday. When I was a child of 4 on one such occasion I was lost, and that awful experience is my earliest recollection. I have another horrible nightmare in my memory that refuses to go away. It happened on the second day of March 1933. I was Governor of Colorado at the time. A few days previous Michigan had started something bad by declaring a bank holiday, and that precedent had been followed by nearly every State in the Union. Colorado was trying to be the one Commonwealth to not join the procession of bank-holiday States. During this time I kept in constant touch with the Colorado clearing house; and as they were meeting night and day, we worried together over the national crisis sweeping the banks of the country. Disregarding bank holidays in other States, they were determined to keep their banks open. It was almost 9 o'clock on this eventful morning. Telegrams were pouring in from all over the State; telephones in my office were ringing frantically. My office was full of excited men.

Runs on the banks were threatened everywhere. Long lines were reported to be standing in the streets in many Colorado cities. Our Colorado banks were unusually strong, but a threatened simultaneous run on all of them is no trifling matter, for, if one happened to go down, the situation might get out of control. The clearing house finally submitted to the inevitable, and my proclamation, prepared hours before, was on the wire and the radio, and Colorado had a bank holiday, too, the last State to admit the complete collapse of Mr. Hoover's administration.

Have you ever studied the faces of men and women making a run on a bank? I wish that some artist with the ability to depict the inner despair of men's souls would some day paint Faith Takes a Holiday. On those tragic days in 1933 faith did take a holiday. Confidence of men in men, confidence of men in their Government, confidence of men in every intangible thing took a holiday and only fear remained to harass the spirit of troubled souls. The Nation's business had capitulated and surrendered, for business is based upon faith and cannot go on without it.

Two days later, on March the 4th, we had a new President and you will recall his first official act had to do with the banking situation. In due time a day was set for banks all over the country to reopen. Bankers were dubious. I was again sitting up nights with the Colorado Clearing House. They expected Statewide runs, and they had great reserves of currency on hand to meet the anticipated withdrawals wherever they might occur. The night before the banks were to open, the President made his first fireside talk to his friends all over the country. He lightened a very solemn, earnest talk with something clever about the "fear of fear." He asked for the cooperation in this crisis of all of his American neighbors throughout the country. It was easily the most convincing and effective and far-reaching speech in all American history. The next day the banks opened and there was a run on them, but it was not a run to take money out; believe it or not, it was a run to put money in! That afternoon the newspapers everywhere headlined the unbelievable story. From every town and city, from Colorado and from Michigan, and from everywhere came the same good news—"A run was made today on socks and mattresses and hiding places and good United States currency was deposited in every bank throughout the country."

That very hour marked the beginning of the recovery. Great metropolitan centers, small unimportant country places, rural and urban communities alike at an identical moment acted in strange unison—not from prearranged schedule but spontaneously. They had regained their faith. That is why I say that the President's first fireside talk was the most effective speech of American history.

FEDERAL DEPOSIT INSURANCE CORPORATION

After a time the Federal Deposit Insurance Corporation came into being and bank deposits were insured and guaranteed. Never again will men retire at night thinking they have financial strength and awaken on the morrow to discover that they are ruined. This is a reform denied to depositors for generations by the party that now claims to be the sensible, practical party of America. During the 4 years of Hoover there were nearly 7,000 bank failures, the deposits involved being approximately $4,000,000,000, with almost complete ruin to many of the depositors. During the first 4 years under Roosevelt 366 banks failed, with only $200,000,000 in deposits involved, and with practically no losses whatever to the depositors. The record during Roosevelt's second term so far as bank failures are concerned has been even better than during his first. Fifty million depositors today have full protection in the Federal Deposit Insurance Corporation. Much has been done by this Corporation to strengthen the banking system and improve the banking practices of the country. Not only that, but the Corporation has met all the expenses of operation, paid deposit-insurance losses from its income, constantly added to its surplus, and kept its original capital stock intact.

It is entirely self-supporting and, all in all, a most successful business venture. As a small-business man, I like that kind of a record. There was no hint of withdrawals during the recession of last year, and there is no evidence whatever of uneasiness on the part of depositors.

SECURITIES AND EXCHANGE COMMISSION

To have cleaned up the unsatisfactory and impossible banking situation should be glory enough for any administration, but per-

haps even a greater service was rendered by the clean-up of the securities and exchange fiasco. For years trusting widows and orphans and gullible men have been victimized and swindled out of their life savings by unscrupulous promoters of fake stocks and by high-pressure salesmen. Terrible scandals were common on the great exchanges caused by riotous speculation, aided and abetted by thieving brokers. To put an end to all such embezzlements the Securities and Exchange Commission was created by the Democratic Congress at the suggestion of the Democratic President. The vigilance of this agency has saved credulous investors millions upon millions of dollars by prohibiting issuance and sale of worthless stocks, by stopping unlawful manipulation on stock exchanges, by compelling holding companies to cease destroying the investment of the public for the benefit of insiders, by requiring complete information about bonds and stocks offered for sale, and by preventing excessive speculation. It has been a most salutary service, courageously performed, and one desperately needed for years and years.

AGRICULTURE

Farmers in the United States have struggled since the World War for the opportunity of placing their industry on a sound and equitable economic basis. Republican Presidents have vetoed the farm bills enacted after tedious consideration by the Congress. With the New Deal came the first real help for American agriculture. Secretary Wallace has tried diligently to find the solution for all agricultural problems with only partial success. He should, however, be given full credit for his earnest and sincere efforts. Many farm-bloc Democrats in the Senate and House—and I am very active in that bloc—are not satisfied with what has been accomplished and are diligently striving to work out a more satisfactory farm program. Our country has always been prosperous when our farmers have had a substantial buying power and depressed when for any reason the farmers' buying power has been curtailed. The American farmer furnishes the finest market in the world for all industry, including the automobile industry and the local merchant.

HON. CORDELL HULL

It is extremely fortunate to America and to the world that at this particular time we have the Nation's outstanding statesman, second only to the President himself in popularity, the great Democrat and former Senator from Tennessee, Cordell Hull, serving his country with great distinction as Secretary of State. The United States in the past has had many able men in that difficult post. None of them, however, have outshone this brilliant, patient, determined, experienced, and seasoned diplomat and statesman. His long public career has given him a background and a keen knowledge of the affairs of this Nation and a grasp of the international situation that makes it possible for him with honor and universal respect to pilot our country through the perilous foreign difficulties that beset it on every hand. No man in our land other than the President holds the confidence and love of the whole American people to a greater extent than does Cordell Hull. He has earned a place for himself in the hearts of his people by the unswerving course that he has pursued in dealing with international problems. His simple, open, honest, kindly but rugged character has typified America's foreign policy as seldom it has been portrayed by the occupant of that high office.

Latin America knows now that we have no selfish motive of territorial expansion back of the Monroe Doctrine, and they will cooperate with us so that no Old World power will be permitted to make any political or semipolitical penetration into any portion or part of the Western Hemisphere. They understand, too, that we not only advocate the good neighbor policy but that we practice the good neighbor policy, and that we did not adopt it for what we could get out of it, but because we believe with all our hearts that it is the righteous way in which to live with our neighbor nations. In this connection, I have been very active in a gigantic plan to construct a first-class automobile highway from Canada to the southern tip of the Argentine. I know of no better way to promote friendship and international understanding than that.

FOREIGN POLICY

Much is being said these days about America's new foreign policy. We have no new foreign policy. George Washington formulated our foreign policy in his time and gave eloquent expression to it in his Farewell Address. It is to have foreign entanglements with no nation, to harbor ill-will toward no nation, to show special fondness for no nation, but to seek friendly cooperative relations with all nations. We will not tolerate any foreign power injecting itself into our domestic affairs nor will we inject ourselves into any nation's domestic problems. We should have learned in the World War to get out of Europe and stay out; we should have learned in that war that our best business is to mind our own business. We are forever devoted to maintaining a democracy here in our own land, but we shall permit every other nation to choose its own kind of government and its own kind of ruler. We have too many obstinate domestic problems begging for solution to concern ourselves with difficulties beyond the seas. It is for us to prove to the world the virtues and blessings of peace.

The United States is fortunate in her natural and political circumstances. Three thousand miles of stormy Atlantic separate us from the quarreling nations of Europe and 5,000 miles of the broad Pacific lie between us and the Orient. To the north we have the finest neighbors in all the world, and the 20 Republics to the south would do us no harm if they could. In fact, while there are wars and rumors of wars throughout the world, America is not threatened, and so long as we continued to mind our own business and maintain a competent national defense, peace will be our lot. Peace, too, thank Almighty God, is a passion with President Roosevelt—second only to his devotion to liberty and independence.

The World War put an untimely end to the social reforms of the Wilson period, and threatened war today with the colossal expenditures indicated for armaments threatens to slow up the unperfected measures of social reform of the New Deal. The billions that we are forced to waste for war machines that will be obsolete almost before they are completed could well be invested in human values that would pay big dividends in human progress and human welfare. Compelling as are the needs for an adequate and competent national-defense program, it must be developed in addition to and not be allowed to interfere with the perfection of the reforms already undertaken by the administration.

SOCIAL-SECURITY PROGRAM

Many Republican Congressmen won elections in 1938 by advocating "crackpot" cure-alls in which they do not sincerely believe, but I know of no officers—Republican or Democratic—who were elected on the basis of advocating a return to the old order or the Hoover philosophy of government; all of them now favor some sort of social security. In fact, the most remarkable thing about the social-security program, the protégé of the New Deal, is that no political party in America advocates its outright repeal. Republicans, Socialists, Progressives, and other minority parties are not agreed as to its stipulations, but they are agreed as to its desirability in some form. As a matter of fact, even the most ardent Democratic supporters of social security realize that the program must be changed, amended, and perfected as experience discloses a need for improvement, but these Democrats are determined that it shall not be sabotaged or weakened.

INVESTMENT SPENDING

I belong to that group of American citizens who are worried about the huge deficits inaugurated during the Hoover administration and their current continuation. I have a genuine fear that unless we can stop the deficits our democracy will in time be lost. It is appalling to me that the interest alone on our Federal indebtedness today amounts to more than a billion dollars a year, a sum of money equal to the total assessed value of all of the property in my own State of Colorado. I hate debts as did my father before me. Federal bonds to me are only an abbreviation of that hated word "bondage." And yet, the picture is not as dark as it may at first appear. All of our huge debt is owed to scattered millions of our own patriotic citizens. It is not closely held. No single Shylock can take his pound of flesh out of Uncle Sam without himself bleeding to death. All of the funds from the indebtedness since March 4, 1933, have been invested in America. The material values of these investments, while not by any means worth all the money expended upon them, are permanent additions to the wealth of the country. Thousands of miles of sewers have been laid; bridges by the hundreds constructed; 10,000 schoolhouses built; libraries, hospitals, athletic fields, parks, playgrounds, docks, wharves, aqueducts, tunnels, railroad grade separations, highways, public buildings, power plants, water systems, and thousands of other public enterprises have been created.

The boys of the Civilian Conservation Corps have built 64,000 miles of telephone lines, 41,000 bridges, 44,000 major-type buildings, 4,000,000 erosion check dams, 120,000 miles of roads and trails, and have planted one and one-quarter billion trees. But why go on?

However, before leaving the subject of investments, I do want to call your attention briefly to another kind of an investment that was made with this money we borrowed. The investment of which I speak is intangible and incalculable. I refer to the human lives and human values salvaged and saved by the spending program, and I state without fear of contradiction that this achievement can never be measured by any physical yardstick, and can never be correctly estimated by any physical device, but hunger, nakedness, and miserable shelter have been evicted by this borrowed money from the firesides of millions of American men, women, and children.

EQUAL OPPORTUNITY FOR ALL

I lose patience with partisan politicians who sneeringly say that the philosophy of the Democratic Party is not sound and that its methods are not practical. Every party in evil times is likely to make mistakes as to methods, and that is especially true of a party full of action and vigor and courage and love for humanity called upon to assume direction in a time of great emergency and stress and crises. You must expect hasty, ill-considered action when the Nation's economy is in complete collapse and when the Republican administration has for a long period carried on a sit-down strike in the Nation's Capital against progressive political action. I will not be challenged when I say that no political party serving in a great democracy can possibly have a more wholesome philosophy and a more salutary objective than to believe in and earnestly strive for "an equal opportunity for all." It is wicked to say that this fundamental philosophy of the Democratic Party is not sound. If any mistakes have been made as to methods, they were not fundamental nor were they serious, and doubtless they have long since been corrected. The Democratic Party has always been the great liberal party of America and it will continue in that role through the future. It will hold fast to the humane, beneficent, sound policies proven successful out of its wealth of long experience, and it will move forward determined to solve each problem of the

American people long before it becomes a chronic and devastating disease. It will ever seek the bright, shining light of true liberalism and courageously proceed with both feet treading upon the solid ground of common interest, common justice, and common sense.

Puerto Rico Wants to Become an Integral Part of the United States

EXTENSION OF REMARKS

OF

HON. SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1939

Mr. IGLESIAS. Mr. Speaker, Puerto Rico is an organized Territory of the United States under the supreme authority of Congress. Article II of the Treaty of Paris between the United States and Spain, of 1899, provided that the civil rights and political status of the native inhabitants of the Territories hereby ceded to the United States shall be determined by Congress.

The treaty contained no promise or declaration regarding the political status of the inhabitants of Puerto Rico affected by the cession, but left the matter entirely to be decided by Congress.

Congress, as contemplated in the treaty of peace, granted American citizenship to Puerto Rico in 1917, and under the Jones Act created a political body and a civil government composed of American citizens in Puerto Rico owing allegiance to and entitled to the protection of the United States. The island has over 1,800,000 American citizens, and for nearly three generations our men, women, and children and the children of our children have been born under the American flag and have been taught the American ideals of government in the political forum of public opinion and in our schools and courts.

We have rejected all formulas of a colonial government. We consider this formula disgraceful and not compatible with the civil dignity of our Nation, and therefore we proclaim the permanent union of the people of Puerto Rico with the people of the United States to maintain and consecrate socially, politically, and industrially a democratic community with the same rights and duties as any community of our Nation. We want and are anxious to be recognized as an integral part of the States of the Union, to lead our future along that line.

H. R. 147, that I introduced, has the purpose to make Puerto Rico an incorporated Territory of the United States.

The provisions of this act shall apply to the island of Puerto Rico and to the adjacent islands belonging to the United States and waters of those islands.

By section 2 of said act an incorporated Territorial government is established over the island of Puerto Rico, with its capital at San Juan, P. R.

And all persons who had become citizens of the United States in accordance with an act of Congress approved March 8, 1917, shall be citizens of the Territory of Puerto Rico.

The Constitution and all the laws of the United States, including laws carrying general appropriations, which are not locally inapplicable, shall have the same force and effect within the said Territory of Puerto Rico as elsewhere in the United States.

Any part or parts of the act of Congress approved March 2, 1917, entitled "An act to provide a civil government for Puerto Rico," and the laws of Puerto Rico not inconsistent with the Constitution and laws of the United States or the provisions of this act, shall continue in force, subject to repeal or amendment by the Congress of the United States.

The Legislature of Puerto Rico is now studying and considering very carefully all the angles and aspects of this great question of incorporating Puerto Rico as a necessity and preparation to become in the future a State of the Union.

Several attorneys have expressed their legal opinions on this particular matter.

Would the "incorporation" of Puerto Rico necessarily cause the insular government to lose the benefits she now has regarding customs duties, internal revenue, income tax, and other United States taxes from which she has been exempted?

To revert to the growth of our territorial system, the question of waste lands constituted one of the early obstacles to the organization of any government for the common interest of the colonies and afterward of the States.

In October 1777, pending the discussion of the Articles of Confederation, the provision was presented:

> That the United States in Congress assembled shall have the sole and exclusive right and power to ascertain and fix the western boundary of such States as claim to the Mississippi or South Sea, and lay out the lands beyond the boundary so ascertained into separate and independent States from time to time as numbers and circumstances of the people shall require.

The States appear to have resented any interference by the Central Government in the matter and the proposition received only the vote of Maryland.

However, the necessity of providing the Central Government with a means of raising revenue and of providing protection and a government for these lands prevailed, and some of the States ceded territory to the Central Government—Congress—for the "benefit of all the States," and the Northwestern Territory was organized by the Congress of the Confederation.

At the time of the adoption of the Constitution there were many questions pending between States and between States and the Central Government regarding territory, and in the Constitution the question of territories was passed over with the following provision—clause 2, section 3 of article IV:

> Congress shall have the power to dispose of and make all needful rules and regulations respecting the territory or other property of the United States; and nothing in this Constitution shall be construed as to prejudice any claims of the United States or any particular State.

There is certainly nothing in the above provision to prevent Congress from either taxing or exempting Puerto Rico from Federal taxes.

While before the "insular cases" the courts had generally decided that the Bill of Rights amendments to the Constitution prevented Congress from enacting legislation contrary to these provisions in the Territories, these provisions, even if effective in the Territories, have no bearing on the question of the taxes and finance.

The constitutional amendments which by their terms include the Territories are the XIII, XVIII, and XXI. None of them in any way affect our financial questions.

As to whether there are any general provisions of the Constitution affecting the question—in the case of *Loughborough* v. *Blake* (5 L. E. 98; opinion by Chief Justice Marshall), the question was: "Has Congress the right to impose a direct tax on the District of Columbia?" The Court held that Congress was given the right to tax the District of Columbia and the Territories by the general provisions of the Constitution and that the right to tax the District was also given by the special provisions of the Constitution regarding the District of Columbia; but that the provisions regarding the Territories and the District were not mandatory. To quote from the opinion:

> That the general grant of power to lay and collect taxes is made in terms which comprehend the District and Territories as well as the States, is, we think, incontrovertible. The subsequent clauses are intended to regulate the exercise of this power, not to withdraw from it any portion of the community.
>
> The words in which those clauses are expressed import this intention. In thus regulating its exercise, a rule is given in the second section of the first article for its application to the respective States. That rule declares how direct taxes upon the States shall be imposed. They shall be apportioned upon the several States according to their numbers. If, then, a direct tax be laid at all, it must be laid on every State, conformably to the rule provided in the Constitution. Congress has clearly no power to exempt any State from its due share of the burden. But this regulation is expressly confined to the States and creates no necessity for extending the tax to the District or Territories. The words of

the ninth section do not in terms require that the system of direct taxation, when resorted to, shall be extended to the Territories as the words of the second section require that it shall be extended to all the States. They, therefore, may, without violence, be understood to give a rule when the Territories shall be taxed, without imposing the necessity of taxing them. It could scarcely escape the members of the convention that the expense of executing the law in a Territory might exceed the amount of the tax. Be this as it may, the doubt created by the words of the ninth section relates to the obligation to apportion a direct tax on the Territories as well as the States, rather than to the power to do so.

In the case of *American Insurance* v. *Bales of Cotton* (7 L. E. 242), the Court holds:

The treaty with Spain by which Florida was ceded to the United States is the law of the land and admits the inhabitants of Florida to the enjoyments of the privileges, rights, and immunities of the citizens of the United States. They do not, however, participate in political power; they do not share in the Government, until Florida shall become a State. In the meantime Florida continues to be a Territory of the United States, governed by virtue of that clause of the Constitution which empowers Congress to make all needful rules and regulations respecting the Territory or other property belonging to the United States.

Territory ceded by treaty becomes a part of the nation to which it is annexed either on the terms of the treaty of cession or on such as the new master may impose. That Florida, upon the conclusion of the treaty, became a Territory of the United States, and subject to the power of Congress under the territorial clause of the Constitution.

Church v. *United States* (136 U. S. 1, 34 L. E. 490):

The Territory of Louisiana, when acquired from France, and the territories west of the Rocky Mountains, when acquired from Mexico, became the absolute property and domain of the United States, subject to such conditions as the Government in its diplomatic negotiations had seen fit to accept relating to the rights of the people then inhabitants of said Territories. * * * It (Congress) may make a void act of Territorial legislature valid and a valid act void. In other words, it has full and complete legislative authority over the people of the Territories and all departments of the Territorial governments. It may do for the Territories what the people under the Constitution of the United States may do for the States. * * * The people of the United States as sovereign owners of the national Territories, have supreme power over them and their inhabitants. * * * In the exercise of this sovereign dominion they are represented by the Government of the United States, to whom all powers of government over that subject has been delegated, subject only to such restrictions as are expressed in the Constitution or are necessarily implied in its terms.

See also *Boyd* v. *Nebraska* (36 L. E. 103):

The Territories of the United States are entirely subject to the legislative authority of Congress. They are not organized under the Constitution nor subject to its complex distribution of the powers of government as the organic law, but are the creation exclusively of the legislative department and subject to its supervision and control. * * * It (Congress) may legislate in accordance with the special needs of each locality and vary its regulations to meet the conditions and circumstances of the people. * * * In a Territory all the functions of government are within the legislative jurisdiction of Congress and may be exercised through a local government or directly. *Endleman* v. *U. S.* (86 Fed. 456; 30 C. C. A. 186, citing *Cross* v. *Harrison*, 16 How. (U. S.) 164; 14 L. Ed. 889); *Shively* v. *Bowlby* (152 U. S. 1; 14 Sup. Ct. 548; 38 L. Ed. 3331).

The term "Territory of the United States" seems to have applied in the beginning to all land and waters of the United States outside of the States themselves. Later the distinction between organized and unorganized Territories arose, and in 1891 a United States statute was passed which purported to extend the Constitution and Federal statutes not locally inapplicable to organized Territories.

While this arose out of our generosity in trying to extend to the Territories most of the rights and privileges of a State, it raised a number of questions as to just what provisions of the Constitution could be made applicable to a Territory and what Federal statutes were applicable.

The doctrine of "incorporation" as suggested by the concurring opinion of Justice White in Downes against Bidwell, May 1901, and as held in the *Balzac case* (66 L. Ed. 630 (1922)) to apply to jury trials in Puerto Rico would not, I believe, have any effect on the power or right of Congress to continue the present policy of taxation and finance after Puerto Rico should be declared by congressional enactment to be an "integral part of the territory of the United States" or declared to be "a part of the United States."

The power of Congress over the Territories is given by the Constitution, and Congress is unable either to extend or limit these powers given by the Constitution.

American Farm Bureau Federation

EXTENSION OF REMARKS

OF

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Tuesday, February 21 (legislative day of Monday, February 20), 1939

RESOLUTIONS ADOPTED BY THE AMERICAN FARM BUREAU FEDERATION AT ITS TWENTIETH ANNUAL MEETING, NEW ORLEANS, LA., DECEMBER 15, 1938

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the resolutions adopted by the American Farm Bureau Federation at its twentieth annual meeting, held at New Orleans, La., December 15, 1938. The American Farm Bureau Federation is one of the great national farm organizations of America. Its leadership has wielded a powerful influence in working for a national farm program. Its views, which represent views held by farmers in every State in the Union, should receive careful consideration.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

[From the American Farm Bureau Federation Official News Letter of December 20, 1938]

RESOLUTIONS ADOPTED AT THE TWENTIETH ANNUAL MEETING

The following resolutions were adopted by the house of voting delegates at the Twentieth Annual Convention of the American Farm Bureau Federation at New Orleans, La., December 15, 1938:

Resolution 1

DEMOCRACY AND BALANCE

We renew, with increased emphasis, our previous pledge of loyalty and devotion to the principles of liberty and justice which the founding fathers of our Nation so clearly set forth and so valiantly defended in our Constitution and the Bill of Rights.

The generations which have gone have given lavishly of the treasure and the blood of their young manhood to defend and preserve for posterity the freedom and independence of our democracy. It is the privilege and solemn responsibility of the present generation to carry forward this spirit of conviction and determination, to consecrate itself anew to the age-old struggle to achieve a better day for the great masses of the people.

The world tide is running against democracy. The institutions of free speech and the right of the individual to life, liberty, and the pursuit of happiness which farm people have always supported to the fullest degree, are on the defensive all over the world. The doctrine of the submission of the individual to an all-powerful state is making fearful inroads on democracy.

Even in America numerous groups are taking advantage of our traditional tolerance and our freedom of speech and assembly to work both secretly and openly for the overthrow of constitutional government.

Every farmer knows that the best way to kill weeds is to cultivate and grow such a luxuriant crop that the weeds cannot obtain a foothold.

We believe that the way for America to defend democracy and kill the weeds of all "isms" but Americanism, is to make democracy work better. The foundation of democracy is opportunity—opportunity for young people to get a job, establish a home, and to look forward to getting ahead in proportion to their ability and effort; opportunity for all of us to live in security and to receive an honest day's pay for an honest day's work.

Opportunity has been too much curtailed in America by the insidious growth of special privilege, which has been used by speculators and by monopolistic industry, and later by monopolistic labor, to secure for themselves a larger share of the national income than is justified by their contribution to society.

The extreme present-day practices of certain groups of organized labor to secure unreasonable shortening of hours and increasing of hourly wages leads to an increase in industrial prices and a corresponding decrease in the total consumption of industrial products. The practice of some industries to pyramid such enforced wage increases into the price of their products is even less defensible.

We believe the interest of labor as well as the national interest would be better served through placing much greater emphasis upon

the justice and importance of maintaining an adequate annual income for labor earned through increased production rather than keeping chief emphasis upon an hourly wage. We believe also that industry should recognize that its interest, as well as the national interest, requires placing greater emphasis upon volume production and total profits rather than depending upon the profit on the unit of production.

Organized farmers have always recognized the right of labor to organize as it deems proper for the purpose of collective bargaining with their employers and that workers are entitled to fair wages and reasonable working conditions. Farmers also believe in a reasonable return on honest investment and the security of human rights and the ownership of property. The tactics used by some labor groups to force their demands by ignoring property rights, obstructing an orderly flow of goods and services to groups not involved in their disputes that ignore duly constituted authority; that fail to recognize responsibility and disregard contracts; and the alien and racketeer influences which too often operate in the name of organized labor, all combine to obstruct recovery, and must be quickly corrected if labor is to have the respect and sympathy of farmers and the general public.

Many groups of industry must likewise show a more cordial readiness to respond to peaceful and fair negotiation and decision where the rights of labor appear to have been ignored.

The national welfare requires an immediate adjustment of our economic system so that the masses of the people can absorb or consume a much larger volume of both industrial and agricultural products. This can be accomplished only when prices, profits, and wages are in such fair relationship that one group can buy what another produces.

It is a fundamental truth that when one man gets a dollar that he does not earn, someone else must earn a dollar that he does not get.

Organized farmers under the leadership of the American Farm Bureau Federation have seen clearly the necessity of balance among groups. Our Nation cannot survive, much less achieve an enduring prosperity if it maintains a high price level for industry, a high wage level for labor, and a price level for agriculture on a much lower plane than for the other two major economic groups.

The parity-price concept of agriculture, as embodied in the Agricultural Adjustment Act of 1938 and earlier legislation recognizes the fact that only by the free exchange of goods and services between groups on a fair price-and-income basis can we hope to achieve and maintain prosperity.

America needs an economic balance which will assure security for labor, stability for industry, and parity for American agriculture.

Believing as we do that recognition of these principles by all groups, and translation of such recognition into action, is the only way out of our economic difficulties, we respectfully urge the President of the United States to call together representatives of industry, labor, and agriculture selected from a list of those recommended by the duly selected leaders of the three major economic groups, to discuss a program of action designed to promote economic balance between these groups on a basis that will permit full utilization of our great productive resources, and we further urge that in view of the serious effect of the present maladjustment these representative leaders be kept in session until they have agreed upon such a program.

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Resolution 2

AGRICULTURAL ADJUSTMENT ACT

The American Farm Bureau Federation endorses and supports the Agricultural Adjustment Act of 1938, which, with the Soil Conservation Act and the Marketing Agreements Act, constitutes a comprehensive national policy and a practical approach to parity income for the producers of farm commodities.

These measures embody the essential provisions recommended at our last annual meeting in the resolution on national farm policy as follows: The opportunity whereby farmers through voluntary effort and cooperation can control the volume of basic commodities marketed in line with demand so as to assure farmers of parity prices; the maintenance of a high degree of soil fertility; the development of a system of commodity loans to enable farmers to withhold seasonal surpluses from market channels in the most economical way, in order to protect producers from violent price declines, to insure ample supplies at reasonable and stable prices to consumers, and to protect the Nation from the dangers of drought, flood, insects, disease, and other disasters; the stabilization of prices through proper governmental purchases of surplus products to be distributed in noncompetitive channels, financed by custom receipts; the establishment of research laboratories to seek new uses for agricultural commodities, and the beginning of a practical program of crop insurance.

We reiterate our emphatic approval and our uncompromising support of these principles which are being translated into action.

With most sections of the country enjoying favorable weather and substantial production of crops, coupled with abnormal carryovers from 1937 of many basic crops, only the A. A. A. of 1938 has saved agriculture this year from a price disaster comparable to that of 1932, and this despite the fact that its final enactment came so late that it could be only partially effective this year.

The present farm program is based on the most comprehensive and effective laws ever written by and for farmers. Its first full year of trial will come in 1939, and we believe that it will do far more for farmers than any of the alternatives that have been suggested. These laws should be kept in effect as a means of controlling surpluses, improving marketing practices, and stabilizing farm prices. They should be amended according to recommendations of farmers who believe in agricultural parity as experience demonstrates the need of changes, and not upon the advice of enemies of these basic laws who have always opposed constructive measures for farm betterment. Administration should be simplified as much as possible, educational work to inform farmers and others about the details and purposes should be intensified, and the fullest responsibility and authority should be put into the hands of local committeemen as is consistent with proper coordination, effectiveness, and equitable treatment of all producers.

Until industrial prices and general wage levels are brought more nearly into parity relationship with farm prices more adequate funds should be provided for parity payments in order to eliminate the disparity of farm income, increase farm buying power, and so provide the balance necessary to full industrial production and employment and to national prosperity.

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Resolution 3

MONEY AND PRICE LEVEL

The American Farm Bureau Federation has repeatedly urged Congress to exercise its constitutional obligation to regulate the value of money by establishing and maintaining a managed currency, regulated on an index of basic commodity prices, which will maintain a dollar with a constant purchasing and debt-paying power.

The American Farm Bureau Federation urges Congress to create a special congressional committee to study the problem of fluctuating basic commodity price levels and the effect of such fluctuations on farmers, producers of other basic commodities, and the economic life of the country. We urge also that such a congressional committee study the monetary systems of this and other countries in an attempt to ascertain the effect of monetary policy on basic commodity price levels, and based on these studies to propose effective methods of achieving a greater stability in basic commodity prices, and that Congress enact such legislation as will achieve this objective.

Pending the completion of this report to Congress, we urge the continuation by Congress of the President's authority to change the gold content of the dollar.

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Resolution 4

FARM CREDIT

The farm credit system makes available to farmers, in a cooperative and constructive way, outstanding services in the field of agricultural credit.

Its emergency service during one of the most critical economic periods in agricultural history has been instrumental in assisting many farmers to save their homes and their equities.

Farmers are appreciating more and more that the credit facilities of the Farm Credit Administration are being builded for their own industry and justify a continuing and increasing support as well as a greater participation on their part in the direction and management of these credit agencies. Experience indicates that substantial improvement in these services can and should be made.

The American Farm Bureau Federation commends to the farmers of the Nation a more active interest and participation in the use and operation of these credit institutions.

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Resolution 5

COOPERATIVES

The American Farm Bureau Federation has given its aggressive support to the development of cooperative marketing associations and organizations purchasing farm supplies cooperatively.

These organizations have demonstrated that they are a real asset to American agriculture and deserve increasing support of all farmers. However, the American Farm Bureau Federation has been forced to recognize in altogether too many cases the fact that these organizations have undertaken functions outside of the field for which they were organized, and as a result have not taken full advantage of their opportunities or improved their respective services to the extent that conditions warranted.

The Marketing Agreements Act has made available to cooperative marketing associations a powerful legal instrumentality for advancing the cause of agriculture in the field of distribution. To obtain the advantages of this act, farmers in many instances must strengthen existing cooperative marketing associations or organize new associations for its effective utilization.

We respectfully urge our membership to zealously guard their cooperative associations in order that they may play an increasingly important part in helping to solve the problems of distribution. Members of cooperatives are urged to do their full part in maintaining and improving the efficiency and the usefulness of their associations through the careful selection of their respective boards of directors and by constructive recommendations to such directors as occasion may justify.

The American Farm Bureau Federation favors a closer cooperation among all such agencies and a clearer recognition of the respective functions of every organization serving agriculture. We renew the pledge of the American Farm Bureau Federation to continue aggressive support of all such farmer-owned and farmer-controlled cooperative organizations.

Resolution 6

FOREIGN TRADE

We reaffirm our support of reciprocal-trade treaties which have been and are negotiated primarily to restore agricultural exports by judicious lowering of industrial tariffs, thus admitting more goods into this country and making it possible for us to sell more of our farm products abroad.

We insist that this principle be adhered to in framing reciprocal-trade treaties and that there be no reduction in present agricultural tariffs on any farm product that would have the effect of holding or reducing domestic price levels below parity on such product.

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Resolution 7

DOMESTIC AND FOREIGN QUOTAS

During such period of time as curtailed market outlets force American farmers to restrict the production of farm products more than is necessary to be consistent with good farm practice including the maintenance of a high degree of soil fertility, we urge that all Federal policies relating to the importation of farm products should zealously safeguard the interests of domestic producers so as to maintain the widest possible domestic and export markets for American-grown farm products at fair price levels. We urge that all imported agricultural and livestock products meet sanitary standards comparable with those imposed upon similar domestic products.

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Resolution 8

TRANSPORTATION

American farmers are vitally interested in the maintenance of a highly efficient transportation system. We reaffirm the comprehensive resolution on transportation adopted at the annual meeting in 1936.

We recognize that American railroads constitute an essential transportation agency and believe their continued operation under private ownership will best assure the highest degree of efficient and improved service to the public.

Rules and regulations causing enforced costs entering railroad operations and transportation rates of the railroads should be adjusted to the extent necessary under efficient operations to permit improvement of services and a reasonable return on prudent investment.

On the other hand, the railroads must continue under such reasonable regulation as will assure the public fair and reasonable rates and adequate service; but the underlying purposes of such regulation should be to foster and encourage, rather than to restrict, sound and orderly development and operation, of an efficient and economical railroad system. Reasonable freedom and flexibility should be left to railroad management in fixing rates and in exploring all avenues to economy, including consolidation and elimination, all improvements in service, and every advancement in methods.

To accomplish this end requires immediate readjustment of governmental policies to provide relative treatment of different types of transportation without limiting any natural advantages accruing to any particular type where such advantages are being reflected to the public interest.

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Resolution 9

STATE BARRIERS TO TRADE

Many States have enacted laws, rules, and regulations and have used the powers of taxation to interfere with free and unhampered trade between States, which are in violation of the spirit of the Constitution, which provides that no barriers be set up to interfere with free interstate trade.

We urge that member State federations oppose the enactment of such barriers in their respective States except those necessary for health and disease control and to safeguard the public and protect public property.

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Resolution 10

AGRICULTURAL EXEMPTIONS IN WAGE AND HOUR LAW

The exemptions provided in the Fair Labor Standards Act, commonly called the Federal wage and hour law, for agricultural trades and industries have been substantially reduced and almost nullified by the definition of the phrase "area of production" as issued by the Wage and Hour Administrator.

We call upon Congress to amend the law to assure to farmers the full benefit and scope of the exemptions, which agricultural leaders were assured had been provided when the act was passed.

The act should also be amended to provide a limitation on the time when actions may be brought to recover unpaid minimum wages, unpaid overtime compensation, and liquidated damages relating thereto, to a period of not exceeding 60 days, and such a limitation should apply to all other Federal laws having similar provisions.

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Resolution 11

NATIONAL LABOR RELATIONS ACT

We request Congress to amend the National Labor Relations Act by defining the phrase "agricultural labor" as it has been defined in the Fair Labor Standards Act.

Resolution 12

FOREST CONSERVATION

We believe our natural resources of soil, water, range, forests, and wildlife are basic to the welfare of agriculture and the Nation and that future protection and wise use of these resources must be assured.

We recommend cooperation with the joint committee of Congress appointed to study the Nation's forest resources and we commend to that committee previous recommendations of the American Farm Bureau Federation on land utilization and forestry, to the end that a long-range program properly correlated with other conservation programs may be developed. We further recommend adequate appropriations for a cooperative farm forestry program properly correlated through the Extension Service, early completion of the forest survey, and speeding up of acquisition of forest lands mainly unsuitable for private ownership.

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Resolution 13

T. V. A. CONSERVATION PROGRAM

We approve the conservation and plant-food program being carried out by the Tennessee Valley Authority as recommended by the American Farm Bureau Federation at its annual meeting in 1936 and urge the continuation and expansion of this program.

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Resolution 14

MARKETING RESEARCH

We urge that Federal and State agricultural institutions place research, teaching, and extension work in distribution and marketing on a plane equal with that of production, in their expenditure of funds and use of personnel, and we invite the cooperation of all groups interested in distribution to participate in the development of this program.

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Resolution 15

MONOPOLY

The alarming growth of monopolistic practices and monopolistic controls in industry and labor place a heavy burden upon American agriculture and constitute one of the chief reasons for the inequalities between farm prices, industrial prices, and industrial wages.

We commend the Federal Trade Commission and the United States Department of Justice for instituting a more aggressive and effective enforcement of antitrust laws and urge a continued, vigorous attack upon illegal monopolies and unfair trade practices.

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Resolution 16

DISCRIMINATORY TAXES

We condemn discriminatory and punitive taxes of all types designed to favor or penalize a selected group. The enactment of such legislation results in further efforts by other groups to obtain special privileges.

Such unnecessary taxes and restrictions have a damaging effect by increasing costs of distribution, increasing costs to consumers, reducing total consumption, and limiting production in agriculture as well as in industry. We oppose all such tax proposals.

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Resolution 17

FEDERAL SEED LEGISLATION

There has not been a single successful prosecution under the existing Federal laws for the misbranding, adulteration, or false advertising of seeds because of insufficient provisions of law.

We urge enactment at the next session of Congress of effective legislation that will require adequate standards and information with respect to the origin, adaptability, purity, and germination of seeds, and the percentage and variety of noxious weed seeds, so as to assure adequate protection to farmers against misbranding, adulteration, or false advertising of seeds.

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Resolution 18

FREIGHT RATES ON IMPORTS AND EXPORTS

We request the Secretary of Agriculture to investigate unfair discriminations against American agriculture in the freight-rate structure, that special attention be given at an early date to discriminations in the rates on imported and exported commodities in relation to the rates on domestic movements and on the basis of the facts thus ascertained, to file appropriate complaints with the Interstate Commerce Commission to correct these disparities.

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Resolution 19

FARM-TO-MARKET ROADS AND RELIEF LABOR

We urge that Federal and local governmental agencies place greater emphasis upon the construction of low-cost, all-weather, farm-to-market roads rather than upon expensive boulevards, so-called superhighways, and the extensive alterations of primary roads. Constructive employment for relief labor can be provided by increasing the construction of farm-to-market roads, drainage, and sanitary projects.

Regulations of the Works Progress Administration should provide for equalization of hours of labor and wages on relief projects

to the custom of the community. Men enrolled on relief should not be penalized for accepting temporary employment by extreme difficulty in returning to the relief rolls.

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Resolution 20

AGRICULTURAL REPRESENTATION

There are few policies of broad national interest that do not have direct effect upon the welfare of agriculture. We, therefore, urge that in the appointment of all Federal boards and commissions, agriculture be given adequate representation through persons recommended by the duly selected leaders of organized agriculture.

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Resolution 21

AGRICULTURAL AGENCIES

We reaffirm our support of the United States Department of Agriculture, the land-grant colleges, agricultural experiment stations, extension service, and vocational agriculture, as being essential to the successful administration of National, State, and local programs for agriculture, and we urge the more complete coordination and cooperation of all agencies of the Federal and State Governments serving agriculture with organized farmers in administering all agricultural programs in the States, counties, and communities of the Nation.

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Resolution 22

RURAL YOUTH

The problems confronting agriculture have created special problems among rural youth. That these issues must be met is recognized by rural youth who realize that the solution of any agricultural problem lies in organization. Previous declarations of policy relative to rural youth are hereby reiterated. The American Farm Bureau will assist in the development, amplification, and correlation of programs of particular interest to rural young people in the respective States.

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Resolution 23

AGRICULTURAL PLANNING

Agriculture recognizes the need for intelligent long-range planning for the industry. This planning, if it is to be recognized by agriculture, must be determined by those engaged in the industry.

We view with special concern the present national trend to create agricultural planning agencies composed of other than farmers. Such planning cannot be directed or controlled by agriculture. Since such planning offers a direct challenge to farm organizations, the Farm Bureau declares that it will recognize only such planning as is developed and approved by farmers through their farm organizations.

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Resolution 24

APPROVAL OF RESOLUTIONS OF ASSOCIATED WOMEN OF A. F. B. F.

We approve the resolutions adopted and recommended by the Associated Women, as follows:

I. Rural youth

Since the youth of our rural communities must find a place for themselves, some urban, some rural, since a pleasant memory of life on the farm is an asset to agriculture and agricultural organizations, through creating a desire to stay on the land or understanding rural life, if choice or necessity takes them to the city.

We recommend assistance be given to the rural youth of the Nation which will aid in happy adjustments, broad understanding, and development of the latent powers of leadership.

II. Rural education

A mobile population together with various other contributing agencies makes it no longer the sole responsibility of the local unit to educate its children. We believe the Nation as a whole will prosper to the extent to which it provides equalized educational opportunities for all its citizens.

Therefore, we endorse the principle of Federal assistance on the basis of educational need.

III. Rural health

Since representatives of the American Farm Bureau Federation and Associated Women of the American Farm Bureau Federation attended the National Health Conference, called by the President in Washington, we endorse the principles of the resolutions presented by them at that time.

1. Extension of Public Health Service

Much of the costs entailed by sickness can be averted or reduced by preventive measures. The curtailment of disease is to the betterment of our society but the costs are beyond the economic resources of many of the people: Therefore, be it

Resolved, That the Associated Women of American Farm Bureau Federation hereby approves and urges the extension of all forms of preventive medicine throughout the country, particularly in the rural areas, and that the Associated Women further recommends a greater appropriation of funds under the Social Security Act for this purpose.

2. Rural Hospitals

The protection, conservation, and restoration of the health of the people is a matter in which the Government must be interested for its own welfare. Since adequate hospital facilities are indispensable in the proper care of the sick, and since hospitals are inaccessible to many rural people living in sparsely settled sections of the country: Therefore be it

Resolved, That the Associated Women of American Farm Bureau Federation urges the establishment of hospitalization facilities and provision for adequate medical care, accessible to all of the people at a price within their ability to pay.

3. Medical Care in Rural Areas

It is impossible for the individual to predict the cost of adequate medical care. Attempts to meet this situation are being met by numerous plans providing for prepayment of medical services and hospitalization on an insurance basis. It becomes apparent there is need not only to protect the members of the medical profession from burdensome regulation but to also protect the insured from exploitation: Therefore be it

Resolved, That the Associated Women of American Farm Bureau Federation recognizes this problem and recommends that the several State federations of the American Farm Bureau Federation take action looking forward to the enactment of necessary regulation embodying these principles.

IV. Children's Bureau

We recommend strengthening of the Children's Bureau so that these agencies in the United States and her possessions may provide further extension of maternal and child-health work in all of its aspects of Federal and State cooperation.

V. World peace

We affirm our belief in education through study as a method of building public opinion in our communities, States, and Nation for world peace.

We believe that unless we improve health, economic, social, and spiritual conditions of the world, peace once obtained can never be maintained.

VI. Interest in legislation

Since security for agriculture depends greatly upon legislation, we pledge our efforts to encourage members to take advantage of the franchise, voting for Representatives to the National Congress and their State legislatures, sympathetic to and understanding the needs of agriculture regardless of political affiliations.

Since rural home makers are both producers and consumers, we approve the principles of pending legislation designed to protect producers, manufacturers, and consumers from the unrevealed presence of substitutes and mixtures in spun, woven, or knitted or felted fabrics and in garments or articles of apparel or other articles made therefrom.

VII. Relationship between State federations and associated women

Inasmuch as the program of the Associated Women in many States is in an early stage of development and since they are an integral part of the Farm Bureau, we recommend that the program of State farm bureaus provide a definite plan of coordinated activity.

VIII. Discussion groups

We believe that community meetings offer the best available media to distribute information on agricultural programs. We endorse the discussion-type meeting and pledge our efforts to extend its use in the coming year.

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Resolution 25

REAFFIRMATION

We reaffirm the resolutions adopted at the nineteenth annual meeting of the American Farm Bureau Federation except insofar as they have been modified or supplemented by the resolutions heretofore adopted by this annual meeting.

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RESPONSE TO MESSAGE OF THE PRESIDENT OF THE UNITED STATES

We express our sincere appreciation to President Roosevelt for his splendid message addressed to President O'Neal and presented by him to the convention. His expressed confidence in the A. A. A. program for 1939 and pledge of assistance in securing any improvement in the A. A. A. that is needed to bring agriculture into a parity position renews the confidence of farmers, and we pledge our continued cooperation to President Roosevelt and the Secretary of Agriculture to this end.

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REAFFIRMED RESOLUTIONS

In accordance with instructions by the board of directors of the A. F. B. F. on December 16, 1938, the substance of resolutions Nos. 5, 8, and 10 adopted at the 1937 annual convention of the organization are herewith presented and included as a part of this year's resolutions.

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Resolution 5

TAXATION

We reaffirm our former position in favor of the creation of a National Tax Commission composed of representatives of the Federal and State Governments and representatives of labor, industry, and agriculture to work out a correlated tax system between the States and the Federal Government. We urge strict economy in the administration of government to the end that the Federal Budget may be balanced at the earliest practicable date. The issuance of all tax-free securities should be stopped either by consti-

tutional amendment or by the refusal of Congress to grant exemption.

We recommend that the board of directors set up a permanent tax committee to continually study the tax situation in order that our group may make great contributions to the equitable adjustments of National, State, and local tax burdens.

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Resolution 8

RURAL ELECTRIFICATION

We reaffirm our belief that farmers are entitled to the benefits and services of high-line rural electrification power and such loans from the Government as will afford to the States sufficient funds to organize sound projects and construct lines. * * *

Farmers therefore are entitled to have a definite voice in the development and operation of these enterprises. * * * Cooperatives to be successful should be directed by capable men selected by the members of their respective communities. * * * R. E. A. to exercise only such veto as is necessary to protect their investment. * * * Federations or local projects should be permitted to provide efficient accounting, legal, engineering, and other professional services. * * *

Unless the present policy of the administration is changed, unless boards of directors are permitted to cooperate and direct their projects along sound cooperative business lines, farmers would do well to refuse further allotments and loans. If these projects are to be governmentally or bureaucratically controlled, they should not be organized under the guise of cooperatives.

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Resolution 10

WEED CONTROL

Recognizing the alarming increase of noxious weeds as one of the greatest problems confronting agriculture, we recommend:

(a) That the A. A. A. continue weed control as a soil-maintaining or soil-building practice in the crop and range program under the Soil Conservation and Domestic Allotment Act with sufficient payments to encourage participation by farmers;

(b) That the Federal Government extend reasonable cooperation to and provide for coordination between the respective States in research on weed control and in the use of approved methods for weed eradication;

(c) That demonstrations be conducted by the Extension Service to discover the most practical methods for weed control;

(d) That research be conducted by the Government at hydroelectric plants to determine costs of necessary chemicals for the control of noxious weeds and that should chemicals not be available at prices substantially in line with the cost of producing such materials, that Government take steps to provide them at cost through farmers' cooperatives or by other means best suited to farmers of the respective States.

Shall We Fortify Guam?

EXTENSION OF REMARKS

OF

HON. BERT LORD

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1939

Mr. LORD. Mr. Speaker, in 1935, while a congressional party was in Yokohama, Japan, there was delivered to the rooms of their steamer a little pamphlet, said to have been written by a Japanese farmer. It took up a number of subjects, but finally it came to control of the nations of the world and said that Japan was willing that England should control Europe, that the United States should control the Americas, and that Japan was going to control Asia.

Since that time their acts in overrunning China have shown that they were carrying out what they were presenting to us more mildly at that time. Thousands of Japanese are filtering into the Philippines and to my mind they are going to take over the Philippines by peaceful penetration if possible.

The Filipino people themselves wanted to remain under the control of the United States, but the mixed breeds, who are the political leaders, wanted freedom for their own selfish interests so that they could manipulate the islands and islanders for their own selfish ends.

Eventually Japan will control the islands and I believe will take over the control peacefully, if possible, leaving the Filipinos on the face of it in control. The Philippines are in a very strategic position and when this is brought about and China is well under control, they will remember that the island of Guam was at one time one of the Philippine Islands and they will demand its return to the Philippine group, and if not returned they will take it. This will be done by the Filipinos with the backing of the Japanese. The question is, Will it be worth going to war about and what would the result be if we did go to war with them over this little island?

If we want a base in the Far East, why not keep the Philippines, where Manila and Manila Bay have such strong fortifications, which no foreign power could take for years. Then we would have a real base in the Philippines. But, owing to the fact that we have already given up control, or will in the near future, it seems to me futile to spend $150,000,000 on a little island that we could not possibly defend and would be of no real value to us when the Philippines are delivered over to the Japanese in 1946.

Our good friend from Minnesota, who, I believe, lets his enthusiasm run away with his good judgment, told us yesterday that Japan was not opposed to our dredging the harbor of Guam and preparing a landing base for our planes. Of course, they will not be opposed to our spending all the money we want to there in dredging the harbor, fitting it up in the best possible way we can as a military base, but, remember this, with the shores of the United States 6,000 miles away, we never will be able to defend ourselves on this little island and any time that Japan wants the base after it has been improved they will take it.

Had we seen fit to have kept the Philippines, as some people believed we should, then there would be some sense in fortifying Guam, but without the Philippines it would be the most useless base that we could have for military purposes and will only tend to get us into trouble some time in the future.

I hope that this portion of the bill appropriating money for improving the harbor of Guam will be defeated.

George Washington and the Constitution

EXTENSION OF REMARKS

OF

HON. FOSTER STEARNS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1939

RADIO ADDRESS BY HON. FOSTER STEARNS, OF NEW HAMPSHIRE, FEBRUARY 22, 1939

Mr. STEARNS of New Hampshire. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered over the radio on February 22:

Today we celebrate with continuing thankfulness the two hundred and sixth anniversary of the birth of a son of Virginia planters who has been known to every succeeding generation as the Father of his Country. Each year we renew the memory of that noble character and recall afresh the services that he rendered in sustaining the struggle against foreign domination and in establishing the former English Colonies in the New World as an independent Nation.

This present year has another and special significance as marking the one hundred and fiftieth anniversary of the adoption of the Federal Constitution and the inauguration of Gen. George Washington as the first President of the United States. It seems appropriate, then, that our commemoration of him at this time should be less as the great military leader and more in his relation to the organizing and establishing of the new freedom that he had led the way to win. He was indeed "first in war, first in peace, and first in the hearts of his countrymen"; and if his military achievements have entitled him to rank among the great generals of all time, his services in time of peace, if less spectacular, were no less distinguished, and were perhaps of equal importance in founding this Nation.

When peace had been declared and the British Crown had formally renounced all claim to the allegiance of its American subjects, it was a trying situation that faced the leaders of the successful revolution. With the threat from without removed, the jealousy between the different sections had free play, and the

cooperation forced on them by stern necessity was rapidly disintegrating.

The Thirteen Colonies differed widely in size and wealth, in social organization, and even in religious background; while the crude roads, almost impassable in winter and spring, made intercourse and better understanding difficult. There were even those who more than half expected to see a break-up and a return to the allegiance so lately cast off as the only way of controlling the rising tide of anarchy and disorder.

Washington himself wrote to a friend at this time: "I have seen without despondency, even for a moment, the hours which America has styled its gloomy ones, but I have beheld no day since the commencement of hostilities that I thought our liberties in such imminent danger as at present."

On resigning his commission he had retired to his estates at Mount Vernon, hoping to be left in quiet to lead the life of a country gentleman that he loved. Fortunately for the Nation, this proved to be less easy than he expected. Not only did a constant stream of visitors and an enormous correspondence indicate the confidence of his fellow citizens but I think we may be sure that an inner urge prevented him from lightly casting off all responsibility for the new Nation that he had given all his best to create. It was a remarkable group of men that was soon to meet to draw up a Constitution—on that, all historians are agreed. But while some of them may have been more learned in the law than he, not one had so clear a realization of the vital necessity for union, or so wide a vision of the Nation that was to be.

Several things had contributed to this. On the one hand, he had struggled for years for unity in the Army. Himself a Virginian, it was in Cambridge, Mass., that he took command; and in New York, New Jersey, and Pennsylvania he had worked with the local authorities and exerted all his tact and diplomacy to win their cooperation. No one man knew and understood all the varied types that went to make up the America of his day better than he. Then again, he had suffered, more than from the enemy, from the bickerings and jealousies of the Continental Congress. Accustomed to command, and with an inborn belief in the necessity for authority, he knew that the headless, formless, loosely knit organization that had almost lost the war could never command the obedience of its own citizens or the respect of foreign nations.

But beyond all this, he, of all his generation, had caught some vision of the America of the future, of the mighty empire that was to come. As a young colonial colonel he had crossed the Alleghanies and had seen the great fertile lands of the Ohio Valley, and his imagination had been fired by the possibilities for expansion and settlement. The opening up of this vast new territory became a ruling passion with him. With the practical vision that was his prevailing characteristic, he realized that the natural trend of trade beyond the mountains was down the rivers to the Mississippi and so to the Gulf of Mexico, and he came home to Virginia with his mind full of the necessity for establishing trade routes across the mountains that should link these new lands with the ports of the Atlantic seaboard.

All these varied experiences had tended to broaden his outlook, and show him the necessity of a strong central government which could command the allegiance of the people of every State, if the new Nation was to survive its birth throes in the first place, and then go on to the mighty destiny that he could see before it. A private citizen once more, he was admittedly the country's first citizen; and he never ceased to insist, to the visitors who came to him, and to those in all the 13 States who corresponded with him, on the urgent necessity for action. In a letter which he addressed to Congress, and of which he sent copies to the Governors of all the States, he said:

"The honor, power, and the interest of this country must be measured by a continental scale. To form a new constitution that will give consistency, stability, and dignity to the Union, and sufficient powers to the great council of the Nation for general purposes, is a duty incumbent on every man who wishes well to his country."

Things were moving in the right direction; but at first they moved almost imperceptibly. In April 1784 Congress timidly accepted some degree of control over foreign commerce; and Jefferson, in drafting instructions to representatives abroad, spoke of "the United States as one nation upon the principles of the Federal Constitution." "An extension of Federal powers," Washington was writing at this same time, "would make us one of the most happy, respected, and powerful nations that ever inhabited the globe." He was not afraid, as has been said, of the principle of authority in government. When Shays' rebellion broke out in Massachusetts in 1786, a correspondent suggested that "influence" be brought to bear—probably meaning the influence of Washington's own personality. "You talk, my good sir," replied the indignant general, "of employing influence to appease the present tumult in Massachusetts. I know not where that influence is to be found, or, if attainable, that it would be a proper remedy for the disorders. Influence is no government. Let us have one by which our lives, liberties, and properties will be secured, or let us know the worst at once." Words like these, in all their fire and vigor, come to us out of the past and seem to eliminate the years between as if they were newly spoken.

At length his warnings were heeded. A convention was summoned to meet at Philadelphia in May 1787 to consider the question of a form of government. Every sort of difficulty attended its inception. There were some who questioned the constitutional authority of such a body. Others felt that it was too soon to hope that the necessity of union would have made itself felt among the people. In those days of slow and imperfect communications, it was uncertain up to the very day of meeting how many of the States would deign to send delegates.

Urged by his friends and admirers to attend the Convention, Washington showed great reluctance to do so. He gave his retirement as his principal objection; but it is clear that he felt grave doubts of a successful outcome, and he may have thought that if, in case of failure, the people turned to him for leadership, his position would be stronger if he had not been personally involved in the catastrophe.

Whatever the grounds for his hesitation, they were at last overcome; and having decided where his duty lay, it is characteristic of him that, despite travel difficulties, he arrived in Philadelphia before the day set for the opening of the Convention, though many of his colleagues gave the condition of the roads as excuse for their late arrival.

This is not the time for study of the proceedings of the Convention, or the process by which a Constitution was at length evolved for submission to the States. What concerns us today is the role played by Washington in its deliberations. Its actions were secret; and he so far respected this rule that he made no mention of the doings in his diary, so that our knowledge of his part is only fragmentary; and yet, even so, his dominating influence stands out clearly.

Of course, he was elected president of the Convention. Who else should dispute the position with him? As presiding officer, he naturally took little part in the debates; that was the work of Madison, King, Hamilton, and the rest. But unquestionably he was in constant informal conference with the delegates, and it is impossible to think that his influence was not profound. Away back in the days of the second Continental Congress, the fiery Patrick Henry had said of him, "When you speak of solid opinion and sound judgment, Colonel Washington is unquestionably the greatest man upon that floor." How much greater must he have appeared to those who had watched him wring victory from defeat in the years that had tried men's souls.

Students of the Convention analyze its achievements, and attribute this or that part of the result to Madison or Wilson, Sherman or King. No doubt these men, more than Washington, were the authorities on constitutional law, and as such, were competent in drafting and amending. And yet behind them all, working quietly without tumult or oratory, we can feel the presence of that calm, strong character, seeking always harmony and smoothing out friction, till at last the seemingly impossible was accomplished, and a draft was perfected on which nearly all were agreed. It is a wonderful instance of the triumph of sheer character; and whatever the contribution of any other man, it is safe to say that it would have been useless without the cement of confidence in Washington that bound all together. "From the perusal of the records of the period," says one writer, "we rise with amazement at the unshaken patience, moderation, and firmness of Washington."

"It appears to me," Washington wrote to Lafayette, "little short of a miracle that the delegates from so many different States * * * should unite in forming a system of national government so little liable to well-founded objections."

But his work was not yet done. Great as was the achievement of attaining agreement in the Convention, the problem of ratification by the States offered still greater difficulties. Again there began the patient, untiring stream of correspondence—letters to leading men of all the 13 States, letters to his old officers, letters to all who might have influence in obtaining popular approval for the new measure.

Despite the bitter opposition and the flood of articles and pamphlets that denounced the "tyranny" of the proposed government, he remained calmly optimistic as to the outcome. He watched the proceedings in the several States, convinced, as he wrote one correspondent, "that there is no alternative between the adoption of it and anarchy," and confident that the sound judgment of the people he knew so well would recognize this. Delaware led the way; and when, in June of 1788, New Hampshire was the eighth State to follow, success was assured. Virginia, North Carolina, and New York fell into line, and when the new Government was set up in the following year Rhode Island alone still stood out.

The years of war that lay behind had been heroic and decisive; the years in public office that lay ahead were full of trials and harassments, as well as honors; but perhaps there were no years of all that great life more important in their contribution to the history of the Nation than these in which his character and his influence brought the blessing of union to a divided and distracted people.

As there could be no question who should preside over the Convention, so there could be none as to the first President under the new Constitution. His own reluctance was no match for the unanimous voice of the people. And so there came the April day, just now 150 years ago, when he stood on the balcony of Federal Hall, in Wall Street, New York, looking down on a crowd that filled the narrow street as far as eye could see on either hand, and extended away down Broad Street before him. At his side stood Robert Livingston, chancellor of the State of New York. And there,

his hand raised to heaven, he uttered for the first time that oath which the repetitions of 150 years have invested with an increasing sanctity: "I do solemnly swear that I will faithfully execute the office of President of the United States, and will, to the best of my ability, preserve, protect, and defend the Constitution of the United States, so help me God."

For 8 years more he served his fellow countrymen. He saw the provisions of the new Constitution put into practice and helped, despite all factious opposition, to begin the welding of the former colonies into one united people capable of holding its place among the nations of the world. When he refused to retain that power longer, and laid down the burden of his office, he gave to the country, in his Farewell Address, his considered judgment of the experience so far accumulated, and his counsels as to the course to be followed in the future. In it he said:

"Toward the preservation of your Government and the permanency of your present happy state, it is requisite not only that you steadily discountenance irregular oppositions to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however specious the pretexts. One method of assault may be to effect, in the forms of the Constitution, alterations which will impair the energy of the system, and thus to undermine what cannot be directly overthrown."

Since those words were uttered nearly a century and a half has passed. The nineteenth century was an age when democracy became the fashion. One country after another, in the Old World and in the New, adopted the parliamentary form of government, and many of them modeled their constitutions more or less directly on our own. For the United States it was a period of expansion and, in the main, of prosperity. Under such conditions it was easy to be loyal to democratic institutions and there were few to question the proposition that we had evolved the most perfect system of government known to man.

How all that has changed today. Democracy, that seemed to our fathers enthroned forever, has its back to the wall and is fighting for its very life. One country after another is starting new theories of government, and others that were never democracies in more than name are dropping the pretense. Democracy is not an easy form of government; it calls for intelligence and thought on the part of the individual citizen, and its processes often seem slow and unwieldy. Dictators can cut red tape and move swiftly to their objectives, and many of their subjects have only pity for those of us who still think it necessary to go through the forms of constitutional procedure.

In such a world as that we see about us today, what are we going to do? Shall we surrender? Surrender to the spirit of the age, and say that the Constitution is out of date, that it has had its day, and must yield to newer methods?

Or do we really believe that it contains certain principles of human relationship which belong to no one age but are the statement of eternal truths, as important to the well-being and happiness of mankind today as they were in Washington's day? If we do indeed believe this, then we must be prepared to defend our belief. We must recall the world again to the principle of human brotherhood, to the right of minorities to protection, to the predominance of law over the capricious rule of despots.

It is easy for our young people to be led astray by the new theories that come to us from alien lands. It is characteristic of youth to be crusaders, to seek some cause to work for. Can we not bring them to see our American form of government as the world saw it when it was new, as a cause worthy of their enthusiasm and their zeal? Amid the crashing of empires, and the fading of democracies, will they not seize and hold aloft the banner of American democracy as being still what Washington called it, "a standard to which the wise and the honest can repair"?

It is not a question of open attack; all still render lip service to the Constitution. But it is rather the method of laxity and boring from within that Washington so clearly foresaw when he spoke of effecting alterations in its forms "which will impair the energy of the system and thus undermine what cannot be directly overthrown."

Our papers and our radio bring us news of happenings throughout the world within a few hours. We see strife and injustice stalking abroad; and it is not in human nature that we should remain indifferent. We have societies and committees among us championing all sorts of causes throughout the world; and there are many who feel that our Government should exert its influence on behalf of whoever is the victim of oppression. But unfortunately, governments are not like individuals. If I choose to play Sir Galahad, that is my own affair; if I take sides in another's quarrel, it is my personal prerogative. But a government is in the position of a trustee for its people, and must be very careful how it jeopardizes their happiness and prosperity, however good the cause. Furthermore, influence in world affairs rests, in the last analysis, on force; and we shall only make ourselves a laughingstock if we attempt to preach what we are not prepared to support by force of arms if necessary.

Washington, and those who worked with him, were not concerned to reform the world, but to insure happiness and well-being to their own people; and yet their influence on world thought and world destiny has been beyond all calculating. The greatest contribution that we, the American people, can make to a troubled and weary world today, is to set our own house in order, and to give to other nations the spectacle of a free people, moving in a peaceful and orderly manner, under the processes provided by our Constitution, toward solving the problems of this new age, and insuring to every individual who lives under our flag the right to life, liberty, and the pursuit of happiness. We can do no better than to shape our course still, as it was laid down by Washington in the beginning, toward the "consistency, stability, and dignity" of the Union.

A Study in Humanities

EXTENSION OF REMARKS

OF

HON. JOHN W. BOEHNE, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1939

RADIO ADDRESS BY JOHN NAPIER DYER FEBRUARY 12, 1939

Mr. BOEHNE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered over the radio on February 12, 1939, by Hon. John Napier Dyer, of Evansville, Ind.:

When 40,000,000 good, red-blooded American citizens are hungry, lack necessary clothing, and sleep in houses with leaky roofs and worn floors, it is about time something ought to be done about it.

I listened in a few weeks ago at a hearing before the Monopolies Committee of the Senate in Washington, and I heard an eminent research engineer, the leading one in the country, say that with men, money, and materials in abundance, some way should be found to avert the economic disaster with which we are immediately confronted.

My contacts with the top men of industry in the past 6 weeks leads me to the conclusion that industrial leaders have but slight appreciation of the importance of agricultural buying power to prosperity to their stockholders and to their workers. In years gone by industrial leaders gave thought only to their stockholders, but the march of progress and recent events have convinced these leaders that the prosperity of their workers is necessary to the prosperity of their stockholders—these two now are business twins. One cannot prosper without the other's prosperity.

Speaking of hungry mouths, my attention is directed to an excellent study made by Hazel K. Stiebling, senior food economist of the United States Department of Agriculture, and by Medora M. Ward, assistant economist of the Bureau of Home Economics. In 1933 the Department of Agriculture published this study as Circular No. 296, in which were given figures showing the needs of the people for food, based upon four classifications of diet, namely: (a) Restricted diets for emergency use; (b) adequate diets at minimum cost; (c) adequate diets at moderate cost; (d) liberal diets.

I will not go into details of the classifications of these various diets—if interested you can get them from the Department of Agriculture—but you will be greatly surprised to know that if we were to feed the American people a liberal diet, especially the 40,000,000 hungry ones, to which they are rightfully entitled in this land of ours so abundantly supplied with all the elements of foodstuffs, it would require 71 percent increased production of beef cattle, 152 percent increased production of veal calves, 187 percent increased production of hogs, 85¼ percent increased production of sheep and lambs, 46¼ percent increased production of poultry, 73¾ percent increased production of dairy cattle.

Surely our people, in this land of plenty, are entitled to a liberal diet. In order to justify a mistaken agricultural policy of restricted production, must they be denied adequate food requirements?

Surely a policy which advocates and puts into effect the opening of the doors of our American markets for the sale of competitive foreign foodstuffs to a value of $1,500,000,000 annually and at the same time advocates the destruction of food crops by plowing under and the curtailment of production by the limiting of acreage is a vicious policy.

Since the beginning of our country never have we dumped a bushel of wheat into the ocean. Every bushel has been consumed either at home or used to feed the hungry in some part of the world. Of corn, it is true in places remote from the market some bushels were burned because corn became cheaper than coal for fuel, but outside of this incident, there is no record where corn has been destroyed in order to dispose of it.

The American people themselves can absorb the entire production of our agricultural fields and with the widening development of industrial uses for the products of the farms—just add 10 percent of industrial alcohol to our motor fuels and you will get a better fuel and consume the products of 30,000,000 farm acres. The time is approaching when the prophesy of James J. Hill will come to pass. He said, "America will see the time when her agricultural production will not feed the teeming millions of her population."

It is well to emphasize the statement I made in the beginning—that one-third of the people are ill-fed, ill-clothed, and ill-housed. The problem which confronts the leaders of our Government is to put together the three factors of men, money, and materials to provide the food, clothing, and shelter for our people. It certainly cannot be accomplished by political logrolling. It can be accomplished by the use of the brains and intelligence of men qualified to cope with the situation.

It has been my observation that when a great industry is in distress, the leaders of that industry call into conference the best brains which money can buy to anniyze the situation and to make recommendations which will put the industry on its feet and make it successful.

The situation today requires something more than political aptitude, although the problem is entirely a legislative one. In Congress there are at present 18 bills to correct agricultural inequalities. Some one of these or a combination of them will undoubtedly serve the purpose of bringing agricultural order out of chaos. It has been proven abundantly that the policy of scarcity will never produce prosperity and the present agricultural scheme of creating scarcity and paying farmers gratuities out of the Treasury for not producing will result in bankruptcy for the Treasury and ruin for the farmers.

Conditions have changed radically in recent years since the World War. In the early days of this country's existence we were dependent upon the exportation of the surplus production of our fields to bring to us the gold with which we might purchase the goods of foreign industries. Since the war we have become the greatest industrial and creditor nation. We no longer need the products of foreign factories and so the conditions have become reversed, and, greedy for dollars, some American manufacturers, seeking to gain an unfair share of wealth, strive to sell an excessive part of their products in foreign markets. In order to do that we must buy from the foreigners and, of necessity, we must buy their agricultural products in exchange for our industrial products because our principal manufacturing industries are protected by a very high tariff.

When you know that the total of our exports never exceed 9 percent of our total production, and that our domestic requirements are 91 percent or more of our total domestic production, you will appreciate the fact that America is the best market in the world for Americans.

Free trade never has produced satisfactory results in any nation which has tried it. Our United States has become the richest nation in the world under a system which protects our labor and our industry, and which must now be made to protect our agriculture more effectively.

A certain degree of reciprocity in foreign trade is entirely essential because there are many things which we in America do not produce and which we use in very large quantities. Coffee, tea, spices, rubber, and a few others are things which cannot be grown in America and we are, therefore, dependent upon foreign sources of supply, but what justification can anybody offer for the importation of wheat, corn, cotton, and almost our entire supply of canned meats and millions of dollars of hog products from foreign countries.

I told you a few moments ago that if we would feed the American people a liberal diet it would require an increased domestic production of more than 150 percent of hogs and cattle alone.

Surely nothing can be gained except the destruction of our America by the persistency of those who seek to foster peace and good will by sacrificing the American agricultural producer in the interest of the foreign farmer. Let me tell you, good people, the moment a black cloud appears upon the horizon in international relationships, the countries whose good will we fostered will sacrifice the good will and we will be left bereft of the facilities for production to meet a condition which cannot be met overnight. Far better for us to recognize the importance of continued increased production of all of our great raw material resources to sell them to American consumers and to a world which needs them to create a vast volume of business which will force us into a condition of prosperity that will tax the facilities of the Nation to supply the needs and the wants of the American people for every conceivable thing they might require in our great democracy.

America first—corn, wheat, and cotton are needed in abundance. Ten million people sleep on boards and shucks, and we have 11,000,000 bales of surplus cotton which we are taught to look upon as a peril, while it is a God-given asset to succor the needy. A part of this cotton can be converted into mattresses to give 10,000,000 people comfortable sleep. Forty million people need clothing. Some of these 11,000,000 bales of cotton can be converted into clothing to clothe the naked bodies of American citizens. Forty million people need food, and the surplus of our wheat and corn will melt away like the snowball in the proverbial hot place when we will have supplied the liberal diet so essential to the human welfare of these 40,000,000 people.

Let America be first for American agriculture and American industry, and when we will have recognized the importance of destroying the connection which fixes the price of our agricultural commodities to a world price basis in the interest of foreign farmers and will have established an American price for American raw products we will have done that which will create an American buying power to consume the products of industry, to create employment for labor, and return America to a realm of prosperity never before reached in the history of the world.

Discussion of the Constitution From the People's Standpoint

EXTENSION OF REMARKS

OF

HON. CHARLES HAWKS, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1939

ADDRESS BY HON. J. THORKELSON, OF MONTANA, FEBRUARY 22, 1939

Mr. HAWKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which was delivered last night by the gentleman from Montana [Mr. THORKELSON]:

Mr. Chairman, brother Masons, and guests, here in the atmosphere of those who established the United States of America and in this historic place I shall, as others have before me, lift the curtain of the past so that we may commemorate a worthy master. Nothing that I may say tonight can add more reverence for President Washington than he now holds in the heart of every patriotic American.

We who are here cannot add to his greatness, but instead to our own by adhering to his advice. I shall, therefore, put aside the turmoil of today as I walk hand in hand with the past.

One hundred and sixty-three years ago a harassed people declared:

"When in the course of human events it becomes necessary for one people to dissolve the political bands which have connected them with another, and to assume among the powers of the earth the separate and equal station to which the laws of Nature and of Nature's God entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation."

So came into being the Declaration of Independence, July 4, 1776.

The causes which led to this declaration were the denial of certain inalienable rights—"to life, liberty, and the pursuit of happiness." This small nucleus of men and women desired nothing more than the right to govern themselves, so they and their children could be free.

Complainingly they said: "When a long train of abuses and usurpations, pursuing invariably the same object, evinces a design to reduce them under absolute despotism, it is their right, it is their duty, to throw off such government and provide new guards for their own security."

In order to be clearly understood and fair, they said, "Let facts be submitted to a candid world." And here they are: He has made judges dependent upon his will alone; he has erected a multitude of offices and sent here swarms of officers to harass our people; he has combined with others to subject us to a jurisdiction foreign to our Constitution and unacknowledged by our laws, giving his assent to their acts of pretended legislation for cutting off our trade with all parts of the world, for imposing taxes on us without our consent, and altering fundamentally the forms of our governments. These and many other grievances caused separation from England.

Our forefathers had lived under tyrannical and despotic rulers for many centuries. They had suffered and bled under the despot's whip. They were familiar with the dictator's iron hand, and knew it dealt nothing but misery and suffering to all people. They had suffered from and by religious persecution. They had been victims of intolerable tithes and taxes, enforced by the grinding wheel of the politician. They had not only been subject to persecution by the state but to greater persecution by the church itself. Suffering beyond human endurance had been inflicted upon them, not only at home, but in transit to penal colonies. From this torture their only relief was in death, but their hope was to reach new lands in which they could enjoy the divine right of human beings—to live in freedom and happiness with their own.

This great desire found expression in the Constitution of the United States, and it is, in reality, the ultimate desire of a people embodied in a fundamental or basic law in which they select a government for the general welfare of themselves and all generations to come. So, as the people spoke to their elected representatives, or Congress, 151 years ago, I speak again tonight.

THE PEOPLE'S INSTRUCTIONS TO CONGRESS

This is the Constitution of the United States, and it is for your guide and for the people's protection against Government folly and political greed. Our Nation's security is assured by adhering to it. National disintegration is certainly assured by departure from it. Be faithful to yourself and to your people in preserving, protecting, and in defense of it—so the Nation will always be secure.

You men in Congress are elected to represent us, and we hold you accountable for the Nation's safety. We have delegated certain power to you, but we have reserved the greater rights and power to ourselves. You must not exceed the power we have given to you, and

you must not disparage the rights we have reserved for ourselves. If any question arises as to understanding, let the Constitution be your guide, for you alone are responsible for the Nation's safety.

So spoke a people to Congress 151 years past. It is now time for us to take stock and charge errors to those responsible—to the Congress of the United States.

RIGHTS RESERVED BY THE PEOPLE

The tenth amendment reserves all power to the States and to the people that is not delegated to the Federal Government. The ninth amendment is a warning to Congress and others not to look upon the people's rights lightly.

If any question arises as to the understanding of the Constitution, the benefit of such doubt must be given to the people, the owners of it. Failure of Congress to adhere to these two amendments can only end in disintegration and ultimate destruction of a republican form of government—such as ours.

It follows, therefore, that the States reserve the right of legislation and regulation of all business within the State, and the people reserve the right to operate such business free from competition with city, county, State, or Federal Government. This is only just and right, for inasmuch as business is paying the total government expenses, the right to earn must not be destroyed by government competition.

When Congress allows Federal invasion of the States and Government ownership of business it has betrayed the people. In the passing of the last private business enterprise to Federal ownership the conversion of popular government to a totalitarian government is complete and Congress is no longer needed.

WHAT POWER HAS CONGRESS?

Article I, section 1: "All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives." This is all legislative power granted to Congress and no more. Congress has no right to transfer this power to anyone or to enact legislation which restricts or deprives the people of their rights. Congress or anyone else has no right to interpret the Constitution upon previous decisions but must instead rely for instruction upon the Constitution itself.

It is only reasonable to assume that Congress having the constitutional power to enact legislation should at least possess the ability to determine if it is constitutional.

Article I of the Constitution up to section 8 deals to great extent with organization and regulation. I shall not speak of that tonight but pass on to issues of greater importance to us. In section 8 begins enumerations of certain powers given to Congress. "The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts, and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States."

In this section power is delegated to Congress to lay and collect taxes. Such power of taxation may be assumed to permit the levying of taxes on incomes, salaries, tax-exempt bonds, and securities. However, if it is for the general welfare of the United States, exception may be made as Congress believes advisable. Congress must bear in mind that for the "general welfare" means for all the States and not for any particular State or group of people.

The power to lay and collect duties, imposts, and excises, to pay debts, to provide for the common defense and general welfare of the United States, in my opinion, should be considered apart from military defense and general welfare, because it is incorporated in a paragraph of the Constitution which, no doubt, refers to commercial or economic defense and commercial and economic welfare, inasmuch as it refers to duties, tariffs, and payments of debts.

I believe I am further justified in this opinion because the next paragraph is to borrow money and the third is, I quote: "To regulate commerce with foreign nations and among the several States and with the Indian tribes." This gives power to Congress to regulate commerce or trade between different places while in transit. The power is also given to regulate commerce with foreign nations and with the Indian tribes, which is in reality a greater power than that of regulating commerce among the States. Such power of regulation may be assumed to comprise safety of transfer either on land or water. It does not, however, give Congress the right to step within and regulate the capital structure of a private business within a State.

In the next paragraph the power is given to Congress "To establish a uniform rule of naturalization and uniform laws on the subject of bankruptcies throughout the United States." This I shall not discuss tonight.

It is, however, my desire to discuss the next paragraph: "To coin money, regulate the value thereof, and of foreign coin." The power to coin money is not disputed. The power to regulate the value of our money and of foreign coin admits that value exists. The internationally recognized standard of value is gold, so regulation of value refers to that and nothing else. When gold is removed as standard of security for money, nothing of value is left to be regulated.

The Constitution also gives power to Congress "to provide for the punishment of counterfeiting; to establish post offices and post roads; to promote the progress of science; to constitute tribunals inferior to the Supreme Court."

Congress, of course, has the power "to declare war," but Congress cannot always control and maintain peace, so it becomes the duty of Congress to maintain sufficient military forces to assure peace. Realizing the danger of unpreparedness, the Constitution makes it obligatory upon Congress "to raise and support armies; to provide and maintain a Navy; to make rules for the government and regulation of the land and naval forces; to provide for calling forth the militia to execute the laws of the Union, suppress insurrections, and repel invasions; to provide for organizing, arming, and disciplining the militia." These powers are very important for the common military defense and general welfare of the United States. I mention this as a contrast to the economic defense and general welfare. Money expended for military defense is for the general welfare for the United States.

Finally, Congress shall have the power "to make all laws which shall be necessary and proper for carrying into execution the foregoing powers and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof."

It is also well to bear in mind, the Congress has no constitutional power to set aside or appropriate any amount of money except as provided for in article I, section 9: "No money shall be drawn from the Treasury but in consequence of appropriations made by laws, and a regular statement and account of the receipts and expenditures of all public money shall be published from time to time." It is also the duty of Congress to prevent any State from making "anything but gold and silver coin a tender in payment of debts."

The necessity for amendments, from and including the eleventh, is questionable. Some of them are not required; and one, the eighteenth amendment, was distinctly harmful not only to the Constitution but to the Nation.

We must bear in mind the fact that the Constitution can easily be destroyed by too many amendments, because they create antagonism and confusion.

As points for comparison, I quote article III, section 2: "The judicial power shall extend to all cases, in law and equity, arising under this Constitution, the laws of the United States, and treaties made, or which shall be made, under their authority; to all cases affecting ambassadors, other public ministers and consuls; to all cases of admiralty and maritime jurisdiction; to controversies to which the United States shall be a party; to controversies between two or more States; between a State and citizens of another State; between citizens of different States; between citizens of the same State claiming lands under grants of different States, and between a State, or the citizens thereof, and foreign states, citizens, or subjects."

Now, the eleventh amendment: "The judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by citizens of another State, or by citizens or subjects of any foreign state." This amendment is slightly confusing, particularly in its exclusion of citizens and subjects of foreign States. One would rather think that in controversies with foreign subjects the Supreme Court would preside.

The twelfth amendment changed the original system of election of the President and could have been corrected without a constitutional amendment.

The thirteenth amendment, the antislavery amendment, is unnecessary, because the Constitution admits equality among all men.

In article I, section 8, paragraph 4, Congress has the power "To establish an uniform rule of naturalization," and article 4, section 2, states that: "The citizens of each State shall be entitled to all privileges and immunities of citizens in the several States." In these words, the Constitution does not provide for slavery but provides instead for freedom and equality.

The Constitution makes no distinction between sex, creed, race, or color, so it may therefore be assumed that the thirteenth, fourteenth, fifteenth, and nineteenth amendments were not really needed. I quote, amendment 10: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people." It follows, therefore, the words "or to the people" include all human beings who are citizens of the United States.

I shall quote another example of legal conflict:

Section 8, paragraph 1: "Congress shall have power to lay and collect taxes." For comparison, I quote:

Amendment 16: "Congress shall have power to lay and collect taxes on incomes, from whatever source derived."

It is obvious that the sixteenth amendment does not allow greater taxing power to Congress than it had in article I, section 8. The sixteenth amendment, however, makes it almost obligatory upon Congress to collect taxes on incomes, whether they be tax exempt or not. I speak of this simply as a point of interest, for I still hold that the amendments were not needed and that no other amendments should be incorporated in the Constitution.

In closing I cannot help from reminding you that multitudinous laws create a legal despotism which is destructive to free governments. It was state and church laws that brought about the inquisition and persecution in the early ages. Legal fanaticism is more destructive to liberty and freedom than foreign wars. Costly irresponsible legislation is breaking the back of business today and will, if continued, end in strife. We need revision and the elimination of all laws which are not constitutional or which do not come within the Constitution itself. Then, and not until then, will a true republican democracy rule.

Our trouble today is not due to the obsolescence of the Constitution but is instead due to the indifference to it. The Constitution itself is of greater value today than it was when drafted, and

if the conditions which led to its creation could be reenacted, the same instrument would come forth.

It seems to me that the Constitution provides all necessary basic principles upon which justice can be found and rights established, so perpetuation of free government can be maintained only if we walk shoulder to shoulder in the support of the Constitution.

It is my desire to warn the American people that if they do not insist upon Congress enacting legislation that is clearly within the Constitution, and if they do not insist upon having laws repealed which are now clearly unconstitutional, posterity will pay for their mistakes. It is also the duty of the American people to see that the Supreme Court take cognizance of the Constitution and render its decisions not upon previous decisions, but definitely upon and within the Constitution itself.

Our Foreign Policy

EXTENSION OF REMARKS

OF

HON. RAYMOND S. SPRINGER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1939

RESOLUTION OF HOUSE OF REPRESENTATIVES OF THE STATE OF INDIANA

Mr. SPRINGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution adopted by the House of Representatives of the State of Indiana:

Whereas in the turmoil and strife of life the people of the entire world are worried and grief stricken with war and the rumors of war; and

Whereas how well do we remember the World War, as it was waged to make the world "safe for democracy" with its trail of sickness, disease, death, and distress; and

Whereas we also remember that the World War was directly responsible for the world-wide depression, which we are still in today; and

Whereas there has never been a time since the armistice was signed that the Old World, with its dictators, despots, and tyrants have not kept the countries of Europe in turmoil and revolution, and have not sought to draw the outside world into their troubles; and

Whereas this House of Representatives of the Eighty-first General Assembly of the State of Indiana is convinced and fully believe that we in Indiana have enough to do to attend to our own affairs and keep our nose out of the other fellow's business, and stand shoulder to shoulder for American principles and American Government; and

Whereas we are in the faith that George Washington was correct when he advised against foreign entanglements in any form; and

Whereas as Americans we believe in the Monroe Doctrine in all of its applications and to prepare for defense at home and not for conflict on foreign shores: Now, therefore, be it

Resolved, That this house of representatives now goes on record as opposing entanglements with foreign countries or going to war on foreign shores, and that we stand for peace with the world first, last, and always, and that if war becomes necessary it shall be only for the purpose of protecting our own firesides, our families and loved ones at home and not abroad; and we ask our Indiana congressional delegation at Washington, both in the House of Representatives and the United States Senate, to support the principles that we advocate in this resolution, and that a copy of this resolution be mailed by the chief clerk of this house to each Indiana Congressman and the two United States Senators at once.

Lincoln Protective Club of Kentucky

EXTENSION OF REMARKS

OF

HON. JOHN M. ROBSION

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1939

ADDRESS BY HON. J. WILLIAM DITTER, OF PENNSYLVANIA, AT LOUISVILLE, KY., FEBRUARY 11, 1939

Mr. ROBSION of Kentucky. Mr. Speaker, I wish to thank the Speaker and the Members of the House for the courtesy of permitting me to extend my remarks and include therein the speech delivered by Hon. J. WILLIAM DITTER, chairman of the National Republican Congressional Committee, at the Lincoln anniversary dinner of the Lincoln Protective Club of Kentucky, Brown Hotel, Louisville, Ky., on Saturday evening, February 11, 1939. I have had many requests from people of my State for a copy of this speech, and no speech delivered in Kentucky by any Republican has been commented on to me so frequently and so favorably. Congressman DITTER paid a most eloquent tribute to Kentucky's most distinguished son, the Nation's first and greatest commoner, the masterful man of the ages. He made a great plea for honesty and economy in Government, and true Americanism. It is a sound presentation of American principles, coming from one of the ablest and most eloquent leaders of the Republican Party in the Nation.

The speech is as follows:

I deeply appreciate the privilege of being your guest on this twenty-fifth anniversary of the Lincoln Protective Club of Kentucky. It is a real pleasure to address such a distinguished audience. It is an honor to have a part in paying tribute to Kentucky's most illustrious son, Abraham Lincoln.

Coming as I do from the "valley of the shadow of that death out of which the life of America rose, regenerate and free," the sacred shrine of Valley Forge, I can appreciate the pride which Kentucky justifiably takes in having borne and cradled America's most devoted defender of its faith, its most courageous champion of freedom.

But while the praise of Kentucky is still on my lips, may I in passing pay a deserved tribute to that company of valiant Kentuckians that, in spite of Federal favors and "My Dear Alben" messages, has held tenaciously to the faith of the fathers, marching to the polls, casting Republican ballots and sending to the Congress as its lone apostle to preach a sound doctrine another of Kentucky's able sons, JOHN ROBSION. May God protect these fearless sons and daughters of Kentucky, and may they follow the Biblical injunction to be fruitful and multiply.

Then, again, I would be remiss were I to fail to acknowledge the gracious hospitality which it has been our privilege to enjoy at your hands. It has both in form and substance lived up to the best traditions of Kentucky, where charming women, courteous men, and good spirits make an almost irresistible trio. We are grateful for the warmth of your welcome and the graciousness of your hospitality.

We gather tonight to pay tribute to a great man, Abraham Lincoln. Nothing we say can add to the luster of his name or to the worth of his achievements. We honor ourselves in paying homage to his memory. It will be to the never-ending glory of this magnificent State that she gave him to the Nation. It will be to the never-ending glory of our Nation that she gave him to the world. In all the history of mankind there is no more beautiful and impressive instance of the lowliness of humility raised to the grandeur of greatness than in the life of Abraham Lincoln. No man had a lowlier birth. In that rude log cabin at Hodgenville this great son of Kentucky was born under circumstances which remind us with a singular poignancy of the birth of another in a manger at Bethlehem, and from the fellowship of their humility there grew the comradeship of ministry as the troubled soul of the President in his hours of travail and anguish turned to the assuring presence of the Galilean Master for comfort and guidance.

The story of Lincoln's birth and boyhood has been recounted so often that it is hardly necessary to repeat it again. It will remain as long as history lasts a never-failing inspiration to those who seek to climb from the depths of privation and hardship to the attainment of their ambitions and ideals. That story proves the worth of individual liberty under our American system of equality of opportunity. It is the thrilling adventure of the individual encouraged by competition to develop the best with which God has endowed him in body, mind, and spirit.

All of us are likewise familiar with the part which Lincoln played in the preliminary skirmishes leading up to the most critical hour in our Nation's history, the hour in which he was destined to take the leading role.

We pay our tribute to him tonight not because of the lowliness of his birth, not because of the rigid requirements of his training, not because of the energy of his endeavors. We pay our tribute tonight to the man—the man in whose heart the Kingdom of Heaven had been born, in whose soul the love of humanity lived, with whose lips the prayer of the helpless was pleaded, and in whose hands were given for safekeeping the yearnings, the hopes, and the faith of freemen to govern themselves.

"His philosophy was as subtle as the multitudinous system of roots anchoring in ancient oak, and he was as simple and steadfast as the oak itself. An oak fastens its roots in the living rock, deep buried in the cool earth; so Lincoln fastened the roots of his being to the eternal rock of truth in the recesses where the storms could not dislodge them. Around the rock of ages entwined the most tenacious tendrils of his soul."

Abraham Lincoln ever clung to the verities. Surrounded by suspicions, jealousies, and the vengeful thrusts of even his closest advisers, and confronted by tasks testing his patience, his courage, and his faith, he never for a moment forsook those ancient truths which are everlasting and yet always new. He clung to the verity of the power of right as he challenged, "Let us have faith that

right makes might, and in that faith let us, to the end, dare to do our duty as we understand it." He clung to the verity of his faith in God and to his faith in his fellow men. He clung to the verity of the power of love and forbearance as he declared, "I shall do nothing in malice." He ever clung to the verity of freedom. To him freedom was a reality—a dynamic power, a tremendous force before which a system of human slavery could not endure. "In giving freedom to the slaves we assure freedom to the free. As I would not be a slave, so I would not be a master. This expresses my idea of democracy. Whatever differs from this, to the extent of the difference, is no democracy."

As we pay our homage to the memory of this foremost son of Kentucky, to this great son of America, we catch the vision of a tender heart touching the fevered brow of both the Blue and the Gray; the vision of a godlike soul pouring out its unction to soothe the heartache of the bereaved; the vision of a strong man breaking the shackles that had bound a downtrodden people in servitude and subjection; the vision of a soldier and a saint marshalling an army against secession and yet pleading with infinite tenderness the hope for a united people with the assurance that there would be "malice toward none" and "charity for all."

Lincoln was born that the Union might be saved. Lincoln lived that the Nation might survive. Lincoln died that liberty might endure.

For 6 long years we have engaged in a great struggle to determine whether his birth, his life, and his death were in vain. It is the struggle to retain the right of liberty. It is the struggle of emancipation from a government of men. It is the struggle to avoid a servitude of political domination more humiliating and deadening than the shackles of human slavery. It is the struggle to release the energies and abilities of the individual citizen from the paralyzing dictation of a master, no matter who that master may be or how kind his intention. It is the struggle of a government of laws against a government of men. It is the struggle of Lincoln liberalism against Roosevelt reaction, with the one dedicating itself to free men and the other contending to regiment them. It is the republic of Lincoln against the rulership of Roosevelt.

With this critical struggle upon us, the warning of Lincoln against the ambition of men to rule comes to us with tremendous meaning, for he said: "It scorns to tread in the footsteps of any predecessor, however illustrious. It thirsts and burns for distinction and, if possible, it will have it, whether at the expense of emancipating slaves or enslaving freemen. Is it unreasonable, then, to expect that some man possessed of the loftiest genius, coupled with ambition sufficient to push to its utmost stretch, will at some time spring up among us? And when such a one does, it will require the people to be united with each other, attached to the Government and laws, and generally intelligent to successfully frustrate his designs."

The compelling challenge of this struggle today calls for men, "strong minds, great hearts, true faith, and ready hands" * * * "men whom the lust of office does not kill. Men whom the spoils of office cannot buy. Men who possess opinions and will. Men who have honor, men who will not lie."

The Republican Party answers that challenge today.

Since March 4, 1933, a strange and sinister philosophy of government has been urged as the only solution of our social and economic problems. That philosophy has been heralded as a New Deal. There has been nothing new about it, but plenty of deals in it. Every effort has been made to stamp it with the label of liberalism. It attempts to parade under a banner of progressivism. In truth, that philosophy is as far removed from the spirit of liberalism and progress as the poles are from each other. That philosophy is the reactionary philosophy of the Middle Ages—the philosophy of compulsion; the philosophy of tyranny; the philosophy of one-man government, unrestrained by either legislative independence or judicial integrity. It means the might of a man above the majesty of the law. It is a government of men rather than a government of laws.

The New Deal has sought to impose upon us a form of servitude reaching into every personal relationship and controlling every activity of our national life. Compulsion, coercion, and intimidation have been the order of the day. Flying in the face of precedent and with a disdainful disregard of tradition and established order, the New Deal has sought to fasten upon us a servitude not unlike the slavery against which Lincoln contended. The New Deal must be destroyed if the spirit of Lincoln is to live. Lincoln freed men. The New Deal regiments men. Lincoln fought for the emancipation of men. The New Deal contends for the enslavement of men. The Republican Party opposes the philosophy of a master today just as Lincoln opposed slavery in his day. As the bondsman plodding wearily in his dull drudgery looked with hope to Lincoln, so American freemen look today to the Republican Party with faith.

As a part of this new philosophy of government is the theory that the power of the Executive should be extended entirely contrary to both the letter and the spirit of our fundamental law. The time honored system of checks and balances has been ignored. Efforts have been made by the President to exercise powers which were described by Justice Cardozo as "unconfined and vagrant." This is the most dangerous aspect of the New Deal.

Passion for power is subtle and insidious. It springs from personal popularity and grows with each new grant of authority. Crises and emergencies provide fertile fields for its development until the restraints of law are cast aside and the despotism of a ruler prevails. Well might we ponder today the admonitions of Lincoln when he said, "A majority held in restraint by constitutional checks and limitations, and always changing easily with deliberate changes of popular opinions and sentiments, is the only true sovereign of a free people. Whoever rejects it, does, of necessity, fly to anarchy or to despotism."

For 6 long years a campaign of vilification and invective, which has no parallel in our history, has been resorted to by the champions of the New Deal to arouse class hatreds and to discredit the motives of those who have been courageous enough to oppose policies of enslavement. Pronouncements breathing bitterness, hatred, and malice have torn into the heart of our social structure, so that dissensions bordering upon the conditions prevailing in Lincoln's day have reared their menacing figures before us. Employer is arrayed against employee. The haves are pitted against the have-nots. Agriculture contends with industry.

What a comfort it would be today if we might have substituted for Torics, economic royalists, and Lord Macaulays the spirit which could break down the estrangement of a civil war with the assurance that there would be "Malice toward none and charity for all." Lincoln sought to heal the wounds. He could never stoop to aggravate them. "Let us remember that all American citizens are brothers in a common country and should dwell together in the bonds of fraternal feeling." But the moral fiber of our people has been weakened not only by the malicious thrusts of hatred and ill will but by the doctrine that the end justifies the means. With this doctrine as the only excuse, the solemn covenants of the Nation have been repudiated, the providences of God for bountiful harvests have been destroyed, and the needs of distressed millions have been auctioned on the block of political expediency.

Our heads hang in shame tonight as we are compelled to admit a national scandal in the administration of relief, a scandal which has no parallel in our Nation's history. But that scandal continues in brazen boldness to flaunt its ugly features before us with only a perfunctory condemnation from those in authority. With pharisaical righteousness there have been shouts for reform in business, industry, and finance, while a gigantic and corrupt public spoils system of relief has been reared which shocks the sensibilities of every decent moral instinct. Lincoln refused to compromise on principles. "You will never get me to support a measure which I believe to be wrong, although by doing so I may accomplish that which I believe to be right." We dare not compromise on principles today. There can be no recovery along material lines until there is a reawakening of conscience which will condemn corruption instead of condoning it, and which will not approve wrong principles to get an alleged right thing accomplished.

Lincoln learned the lessons of thrift and frugality in his childhood. They became part of the fabric of his character. He never forgot them. A lap of luxury was not a part of the frontier life from which he sprang. Economy was the watchword. It had to be. The struggle for existence required it.

What he practiced in private life Lincoln exemplified in his public life. He opposed a loose fiscal policy in the administration of the Federal Government when he said, "For several years past the revenues of the Government have been unequal to its expenditures, and consequently loan after loan, sometimes direct and sometimes indirect in form, has been resorted to. By this means a new national debt has been created and is still growing on us with a rapidity only reasonably to be expected in time of war. Coming expenditures must be met and the present debt must be paid; and money cannot always be borrowed for these objects. The system of loans is but temporary in its nature and must soon explode. It is a system not only ruinous while it lasts, but one that must soon fail and leave us destitute. As an individual who undertakes to live by borrowing soon finds his original means devoured by interest, and, next, no one left to borrow from, so must it be with a government."

These words come to us with singular significance today. Billions of dollars are being added yearly to an already staggering mountain of national debt, with no real and sincere effort being made to curtail expenditures or to bring outgo in line with income. Year after year pretenses and promises have been made of Budget balancing, but each year finds us owing more than we started with at the beginning. We have already had requests from the White House this year for appropriations of $12,000,000,000, and the session of the Congress is little more than a month old. Living beyond our means is the new axiom for prosperity. The prodigal son has been made a new national hero. If we were on the road to national bankruptcy in 1932, we must be there by this time. We repeat again the words of Lincoln that a system of borrowing is "not only ruinous while it lasts but one that must soon fail and leave us destitute."

We have heard much in these latter years that changes wrought in civilization have made old-fashioned and obsolete the concepts of the fathers. That is false doctrine. The truths to which Lincoln clung are the truths to which we today must cling. Any departure from the American way, from the way of the Declaration of Independence and the Constitution in the life or the government of the American people, is not a new way; it is an attempt to return to the old way and the old tyrannies which we threw off when those brave men of another day met at Philadelphia to decree the right of every man, however humble, to life, liberty, and the pursuit of happiness.

If there is any single outstanding attribute of Abraham Lincoln that can be chosen as typical of the man, it was his profound belief in the emancipation, and not the regimentation, of men, as the mark of real liberalism and good government.

As we hark back over the past 6 years and mark the trends away from individual liberty, freedom of the press, free speech, and sanctity of property, we realize that that battle for freedom

which was Lincoln's must be carried on by the Republican Party, which was Lincoln's party.

Just as Lincoln, in anguish of soul, finally had to employ the armed forces of his Nation to rescue men from the flailing lashes of the Simon Legrees of his day, so must we as Republicans and as followers of Lincoln employ all of our political force to overthrow the Simon Legrees who now beset us in the guise of A. A. A. regulators and W. P. A. whipcrackers.

Gentle of nature though he was Lincoln knew the necessity of the use of force when battling for the right. He knew that rails could not be split with a tack hammer. They required a maul. So it is that the Republican Party must not flinch from the use of all its political force in battling for the right, always using that force, "With malice toward none, with charity for all."

As Lincoln in his day fought one form of servitude, we Republicans of this day must fight another form of servitude. Political slavery is the most insidious of dangers because its approach is the most difficult for people to perceive. Having its origins in small unnoticed beginnings, it spreads through the body politic undetected until, when its final manifestations become visible, it is so far advanced as to require superhuman efforts by the people to check and repel its onslaught.

Political subjugation of a free people may evolve almost imperceptibly out of crises or emergencies—real or imagined—which temporarily call for the exercise of a centralized control on the part of the Federal Government. When that centralized control is extended beyond the period of the emergency and an effort is made to fix it upon the people as a permanent method of government, it is then that those vigilant for continued freedom become alarmed.

Passion for power is a subtle and insidious malady, and not one of us knows when or where it will affect those in control of government. Regardless of whom it attacks or by what self-delusion or self-justification its operation is condoned by the individual in himself or by his supporters in him, unless it is checked, it always goes on to the complete destruction of a free republic and the enslavement of the people under some form of absolutism directly opposed to those tenets of freedom we of America know and love.

For 6 long years we have seen trends toward regimenting the individual and establishing the State as the master of men. Time-honored and proven precedents have been ignored. Neither the Constitution, the Congress, nor the Court has been overlooked as the effort has been made to establish Executive domination. The road has been a road to tyranny, not a road to liberty. Limitations and restraints have been brushed aside as relics of a bygone day. Experiments have been plied upon experiments in every field of activity while a vacillating policy in charge of affairs has been utterly lacking in direction, method, or purpose. Men have been N. R. A.'d and A. A. A.'d and otherwise alphabetized so that they no longer know why, how, or when. We have had a chaos of plans and a confusion of ideas which leave our economic problems unsolved and our political structure unstable. With the glaring inconsistencies of the New Deal before us, we can appreciate Lincoln's words, "You are united among yourselves in your determination to break with the past, but you are utterly divided as to where you are going."

A troubled and tormented world faces us. Anxiety and apprehension are written on the faces of the men and women of the nations. There are those at home who sense an imminent danger from these volcanic eruptions of hate and jealousy. Reasoned and deliberative judgment must prevail if disaster is to be avoided. Lincoln bluntly put the question as to where the source of danger to the Republic might lie.

"At what point shall we expect the approach of danger? By what means shall we fortify against it? Shall we expect some trans-Atlantic military giant to step the ocean and crush us at a blow? Never. All the armies of Europe, Asia, and Africa combined, with all the treasure of the earth (our own excepted) in their military chests, with a Bonaparte for a commander, could not by force take a drink from the Ohio or make a track on the Blue Ridge in a trial of a thousand years * * *."

Again he said in answer to his own question:

"* * * At what point, then, is the danger to be expected? I answer, if it ever reaches us, it must spring up among us. It cannot come from abroad. If destruction be our lot, we must ourselves be its author and finisher. As a nation of freemen, we must live through all time or die by suicide."

Today, as never before, the Republic needs the spirit of Lincoln. It needs the common sense, the integrity, the forebearance, the ruggedness, the self-reliance of the Great Emancipator. It needs the uplifting force of a dynamic spiritual power which will make conduct square itself with conscience and compel the right to challenge the wrong. It needs a rekindling of the love of liberty which will rebel against servitude and enslavement. The spirit of Lincoln must give the soul of America its rebirth today.

The Republican Party as the party of Lincoln faces a stern responsibility. Its policies must answer the needs of the day. It should insist on the preservation of self-government under our established system of local government. It should insist on a social system which recognizes no class nor creed, and which offers equality of opportunity as a stimulus to individual initiative, individual endeavor, and individual responsibility. It must demand honesty as the only policy in public administration. It must insist upon justice in the controversies arising in the economic, social, and political life of the Nation. It should stand foursquare for the maintenance of law and order and the protection of every citizen in the exercise of his rights of life, liberty, and the pursuit of happiness. It should encourage the resourcefulness of our people to embrace the opportunities of education, science, and invention to provide for themselves a larger and fuller life. It should advocate a philosophy of plenty and denounce the theory of scarcity as a road to prosperity.

Our first concern, as it was Lincoln's first concern, is to restore our own domestic economy to a sound basis. That can mean nothing if it does not mean putting America back to work in productive employment. A normal prosperity can be established only when private industry can provide employment for our people. And private industry can only do so when confidence is restored to encourage capital investments. Millions of dollars lie idle today which would provide the basis for expansion and development were the threats of punitive and penalizing measures removed. The American market should be reclaimed for the American workmen and the American farmers. Instead of the idealistic, yes, and possibly the altruistic, fallacy of trade treaties bringing to our shores the competitive products of foreign countries, the best interests of our own people should be our first concern.

Our financial house should be put in order. Spending specialists, like money changers, should be driven from the temple. We cannot spend ourselves into prosperity any more than we can buy our way into heaven. "A fool and his money are soon parted." There has been a lot of money parted from the Federal Treasury, and it has not taken so long to do it, either. A stupendous national debt, a crushing tax burden, and disastrous deficits destroy all hope for a restored confidence. Every dollar spent must be earned by someone, and every dollar wasted is labor thrown away. Profligacy never made prosperity, and it never will. With true Lincoln liberalism we must point the way for freemen to create and exercise the God-given opportunities which are theirs as Americans for a fuller and a richer and a more complete life.

Many problems confront us as a people, just as they confronted the people of Lincoln's day. We will meet them and conquer them with that stern resolution and high purpose which enabled Lincoln to lead our Nation out of peril, or, as he said, we will die by national suicide.

If there ever has been a time in this Nation when the shining and inspiring example of the humble, great Lincoln was needed, it is now. Only the history of a thousand years can evaluate the worth to mankind of that event in that rude log hut among the green-clad hills of this noble commonwealth, when the first cry of the infant Lincoln fell upon human ears. Only the history of a thousand years can evaluate the worth to the Nation and to the world of his trials and struggles from poverty, privation, and obscurity, up to the highest place of honor and power within the gift of his country.

On last November 8 the American people again said to the party of Lincoln: "We want you to restore and to preserve Lincoln's government 'of the people, by the people, for the people.' Let it not perish from the earth."

That is the challenge.

What is our answer?

Shall we permit the fears and the prejudices, the class hatreds and the sectional jealousies aroused under the New Deal Administration to continue until our people disintegrate into groups warring among themselves and, so disunited, become easy prey to the designs of those who would overthrow our free Government and substitute some form of absolutism? Shall we permit these hatreds and prejudices and fears to be transmitted to the next generation, that in their hearts and their lives may be wrought the fearful havoc of these un-American and undemocratic emotions? Shall we meet this challenge with high resolve and a vision of a restored and happy people, a high purpose that will justify the fidelity and the devotion which Lincoln gave up to that moment when he crossed over to that shore from which no traveler ever returns?

I say to you, the Republican Party will meet this challenge. We will justify Lincoln's faith. We will carry on his work. And if, mayhap, from that far-shining shore he can look back to watch what we shall do, we pray that his gentle soul may know that joy which comes to those great ones of earth who with unselfish devotion struggle in the lowest depths, climb to the highest heights, and take, part of the way at least, their brothers with them.

Hear, Father Abraham, we shall not fail.

Let the Battle Hymn of the Republic be our marching song. Let us rise to the inspiration of the call in that magnificent old hymn:

"He has sounded forth the trumpet that shall never call retreat;
He is sifting out the hearts of men before His judgment seat;
Oh, be swift, my soul, to answer Him; be jubilant, my feet!
Our God is marching on.

In the beauty of the lilies Christ was born across the sea,
With a glory in His bosom that transfigures you and me;
As He died to make men holy, let us die to make men free,
While God is marching on."

A thousand autumns may turn the leaves to red and gold, a thousand winter snows may spread their white mantles over the face of this fair land, a thousand spring zephyrs may kiss to bloom the myriad blossoms of this great State of Lincoln's birth, a thousand summers' setting suns may cast their golden rays aslant the swards and vales and hills of this noble State, and Lincoln's greatness will not have dimmed. So, in his own beautiful words, spoken of Washington, let us pay to him our tribute:

"On that name no eulogy is expected. It cannot be. To add brightness to the sun or glory to the name * * * is alike impossible. Let none attempt it. In solemn awe pronounce the name, and in its naked deathless splendor leave it shining on."

The Tolerance of George Washington

EXTENSION OF REMARKS
OF
HON. JAMES A. SHANLEY
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 22, 1939

Mr. SHANLEY. Mr. Speaker and my colleagues, the history of the world is often obscured and made disappointing by the existence of absolutism and intolerance. It was once said that the acme of that outrageous domination was found in the passionate utterance of the poet Theognis, a man of genius and refinement, who, nevertheless, stated that he longed to drink the blood of his political adversaries. Very often that oppressive rule was helped by the unchanging influence of pagan priests and tremendous armies. That complete scorn for the private interest, moral welfare, and improvement of the masses in Greece and Rome destroyed the basic elements on which the prosperity of those nations depended. The result was the decay of families and the depopulation of the country. Even Socrates had no other effective means of protest against the tyranny of his own day than to die for his belief. It was a remarkable development in the history of civilization when men learned that political science is an affair of conscience rather than of might or expediency.

In our own country we have reached the proudest development of political morality and tolerance. That even the ever-watchful eye of our first President was constantly on the alert to ferret out abuses may best be seen by two extracts from his speeches. It is well that America remember them and to realize that the essence of our democracy as evidenced by George Washington's words is protection for minorities.

As far back as the time of Washington there was obviously still a great resentment among English-speaking people toward Catholics. We see it in two orders from Washington himself, one when he went to take command of the Continental Army and the other in a letter dated March 12, 1790. In the first he says:

> As the Commander in Chief has been apprised of a design formed for the observance of that ridiculous and childish custom of burning the effigy of the Pope, he cannot help expressing his surprise that there should be officers and soldiers in this Army so devoid of common sense as not to see the impropriety of such a step. It is so monstrous as not to be suffered or excused. Indeed, instead of offering the most remote insult, it is our duty to address public thanks to our Catholic brethren, as to them we are indebted for every late success over the common enemy in Canada.

In the other letter he says:

> To the Roman Catholics in the United States, I hope ever to see America amongst the foremost nations in examples of justice and liberality, and I presume that your Protestant fellow citizens will not forget the patriotic part you took in the accomplishment of the Revolution and the establishment of the Government, or the important assistance which they received from a nation in which the Catholic faith is professed.

Pope Pius XI

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, February 20, 1939

Mr. CELLER. Mr. Speaker, I join with men and women the world over in paying tribute to the memory of a great, a good, and a simple man—truly a man of God—His Holiness Pope Pius XI. In a world of darkness he held up a beacon of light. In a world where men and nations have gone stark mad, his word was heard above the din and the clamor, beckoning for peace, for justice, for tranquillity. In a world where the God-given beliefs of religion and morality are being defiled, and the higher aspirations of man are being crushed to earth, he proved himself fearless, unflinching and unyielding in his battle against bigotry, hatred, and injustice.

There have been other periods in the long history of the world when men have flouted and flaunted the word of God, where might has gained the ascendancy over right, and where the forces of evil have routed the forces of good. But seldom, if ever, has there been a period such as the present, when, as in most of the benighted countries of Europe, the strong arm of the ruthless dictator has raised its merciless fist and robbed the child of the faith of his father and destroyed in the young respect for their elders. Amidst all this modern paganism Pope Pius XI protested with all his vigor and heart. No human power on earth could stop him, for his every utterance was inspired by the truth and the justice of God.

For 17 years Pope Pius XI uttered and taught his great message, "Peace on earth, good will toward men," until it was heard around the earth and captured the attention of the entire world. So great an effect for good did his words and deeds have that right-thinking and righteous men in every land and in every clime came to hail him as the great and courageous benefactor of his time—doubly great because of his never-failing simplicity and humility.

We of the Jewish faith have lost a friend and champion. With indomitable courage and fearlessness he denounced in no uncertain terms the persecution of our unfortunate coreligionists. He never hesitated a moment in his lashing out at a Hitler bigotry that sought by pillage, rapine, and plunder to destroy faith in the God of our fathers. Christians of all denominations, especially Catholics, have lost a modern prophet. His very life is epitomized in the immortal words of Micah:

> And what doth the Lord require of thee but to do justly, and to love mercy, and to walk humbly with thy God.

Of Pope Pius XI it may truly be said he did justly, he loved mercy, and he walked humbly with his God.

It is to be hoped that the lessons of peace, of righteousness, and of good to which Pope Pius XI devoted his life and his efforts may lighten these darkened days, and that out of this sad period of chaos and misery there will be returned to us and to our children an everlasting era of peace on earth, good will toward men.

The General Welfare Act

EXTENSION OF REMARKS
OF
HON. FRANK O. HORTON
OF WYOMING
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 23, 1939

MEMORIAL OF THE LEGISLATURE OF THE STATE OF WYOMING

Mr. HORTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following joint memorial recently adopted by the Legislature of the State of Wyoming:

> Joint memorial memorializing Congress of the United States to immediately consider the General Welfare Act
>
> *Be it resolved by the House of Representatives of the State of Wyoming (the senate concurring)*, That the Congress of the United States be memorialized as follows:
>
> Whereas the age limits of employment are constantly getting lower and the problem of our aged citizens is becoming more burdensome; and
>
> Whereas the need for a satisfactory national old-age pension program is becoming more evident: Be it
>
> *Resolved by the House of Representatives of the Twenty-fifth Legislature of the State of Wyoming (the senate concurring)*, That we hereby memorialize the Congress of the United States to immediately consider the General Welfare Act with a view of increasing the amount of old-age benefits.

National Solidarity—The First Line of National Defense

EXTENSION OF REMARKS

OF

HON. WILLIAM S. JACOBSEN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1939

RADIO ADDRESS BY HON. CLYDE L. HERRING, OF IOWA, FEBRUARY 21, 1939

Mr. JACOBSEN. Mr. Speaker, under permission to extend my remarks in the RECORD I should like to include therein an address of the Honorable CLYDE L. HERRING, United States Senator from Iowa, on National Solidarity—The First Line of National Defense, which was broadcasted over a Nation-wide network of the Columbia Broadcasting System on Tuesday afternoon, February 21, 1939.

The address is as follows:

I appreciate this opportunity to use the facilities of the Columbia Broadcasting System.

A grave responsibility devolves upon the Members of the present Congress to face national and international issues squarely and with that measure of fearless courage which will reassure and satisfy our people, and reveal beyond question our national solidarity.

In 1932 our national income had hurtled from a height of eighty-one billions in 1929 to a low of thirty-nine billions, and the per capita annual income had been reduced from $651 to $372. The enforced change in the living standards of our people was radical indeed, and the remarkable achievement was our speedy and philosophical readjustment.

The incoming administration was charged with two major responsibilities; to solve the problem of unemployment for 13,000,000 men and women willing and able to work, but unable to find work; and to devise ways and means for restoring national income.

The present administration came into power in March of 1933 when this Nation was face to face with a serious industrial and financial calamity. It stemmed the tide of dissolution and restored that measure of personal hope and public confidence which has enabled the American people to carry on.

In the face of a grave national emergency the United States Congress following the advice of the President, members of his Cabinet, and departmental heads, appropriated billions of dollars. This money has been expended in an earnest effort to maintain our national morale, to give that encouragement necessary to the sustaining of hope and ambition, and to restore, insofar as possible, the ability of the American people to purchase new and consumable goods and employ services.

Since 1933 the national income has steadily risen so that in 1937 it reached the substantial sum of $70,000,000,000, and the per capita annual income was raised from the low of $353 in 1933 to $522.

While the national emergency program was one of human salvage and rehabilitation, the work provided and the money spent on various Government projects has served to materially improve governmental plant and structure.

A similar investment on the part of industry to improve its physical assets would certainly be regarded as a sound investment. There is scarcely a community in the land which has not received material benefits by way of physical improvements, which will inure to the benefit of future generations.

Despite all that Government and industry have attempted to do to reemploy in gainful occupation those willing and able to work, a number of circumstances have enforced continued idleness on the part of a goodly number of the original 13,000,000 of unemployed.

There is a sincere desire on the part of most legislators to reduce governmental expenditure, but the present Congress is faced with no choice other than to appropriate additional hundreds of millions of dollars to meet the requirements of the situation.

The conviction is deepening in the minds of many that while we must of necessity vote additional sums to care for the needy and unemployed, other methods must be found to solve the unemployment problem, which is still with us, and to assist industry in its rehabilitation and expansion to the end that workers may be reemployed in private industry.

The painful experience of some European nations with inflation and deflation, with excessive unemployment and excessive taxation reveals to every thoughtful person the wisdom and necessity of avoiding such grave eventualities in this country.

As chairman of a subcommittee of the Senate Finance Committee charged with the duty of making a survey of profit-sharing and extra compensation plans in industry, I have had the opportunity during the past several months to study in considerable detail the operation of various businesses throughout the country.

The point of view universally expressed by businessmen is one of optimism. They believe that conditions generally will continue to improve and that 1939 will be a much better year than any which we have seen in some time.

They feel that there should be a closer understanding between government and industry, both as to their mutual needs and the ways in which they may be of assistance to one another.

Senators and Congressmen are of the opinion that business should be given definite encouragement to resume capacity production and employment.

Seven hundred and fifty million dollars per year has been the average of new capital funds available to industry through the sale of securities over the past 7 years, as contrasted with an investment of nearly $5,000,000,000 per year for the preceding 7-year period.

New enterprises, by the very nature of things, have thus been prevented from developing because of inability to secure adequate financing.

Efforts should be made to encourage the investment of idle money in productive enterprise.

Statistics reveal that the line on the graph showing employment trends follows so closely the line showing the number of going concerns and volume of production as to be almost identical.

If we wish to place 10,000,000 people back to work in gainful occupation, we can only do so by increasing the number of going concerns and by increasing the volume of goods produced.

Profit-sharing offers a possible answer, both as to the division of the fruits of joint effort among those already employed and increasing the national volume of goods produced so as to require the services of at least some millions of idle workers.

Research as to annual income per worker reveals that annual income is only increased as the volume of production of the worker increases. Efforts to arbitrarily fix hourly wage rates and maximum hours have frequently resulted in minimum hours of employment per day with consequent loss of annual income.

The prevailing hourly wage in an industry may be high but the number of hours worked per week may be so few as to actually lower the worker's annual income.

It has already been revealed, as a result of the Fair Labor Standards Act, which went into effect October last, that messenger services at railroad stations and telegraph offices have been materially reduced. Those discharged from such messenger services must seek employment elsewhere.

A similar serious problem has been presented to the independent telephone companies of the country, of which there are 12,000, servicing over 4,000,000 independent telephones, many of which are in farm homes in rural communities.

An acute situation prevails in my State, where we have nearly 800 independent exchanges, servicing 300,000 independent telephones.

In view of these facts, I have proposed an amendment to the Fair Labor Standards Act in Senate bill 1234, introduced on February 9, exempting operators only in exchanges servicing less than 1,000 subscribers.

Employment can be increased only through increased demands for goods and services.

Consumer demand is predicated upon steady work and sustained buying power.

Industry should be given every possible encouragement to expand.

So long as the requirements of our people for the necessaries of life go unsatisfied we cannot argue that the saturation point has been reached in the consumption of goods and services.

It is becoming increasingly apparent that business must be encouraged to resume full capacity production and by that resumption be enabled to reemploy some of the millions now dependent upon Government for existence.

Too high taxes and too severe regulation will "kill the goose that lays the golden egg." Taxes are paid out of profits, not deficits. Employment keeps pace with production volume and consumer demand.

The great industry of agriculture, while occupying a secondary place in our national economy in point of dollar volume, nevertheless is of primary importance to the well-being of all of our people.

A prosperous agriculture means prosperous industry. The farm income of the United States over a long period of years has equaled the total of wages paid in private industry.

The prosperity of the city consumer depends not alone upon his purchasing power, but that of the farmer as well.

The prosperity of the entire Nation is, in large measure, dependent upon the prosperity of the farmer and his ability to consume basic commodities at prices which bear a direct relationship to the prices which he receives for the things he sells.

A price parity between farm products and manufactured goods is essential to sound economy.

There has been considerable misunderstanding with respect to the success of the present national agricultural program.

The Triple A program of 1938 was a long time in the making. It draws the best from several earlier plans, specific provisions of which had been thoroughly tested. Every part has been hammered out on the anvil of farmer opinion and congressional debate.

The program was given to the farmers late last year, long after the 1938 winter wheat crop had been sown, and barely ahead of spring planting.

It is only this year, 1939, that the Triple A program will have a complete test.

The present surpluses of wheat and cotton are due to the lack of an effective acreage-adjustment program during 1936, 1937, and 1938, following the invalidation of the old Triple A by the Supreme Court.

The 1938 act is not only called upon to cope with the present situation, but to handle these huge surpluses as well. This presents a dual problem which is being handled remarkably well.

We are confronted with the task of managing our great farm plant in a manner which will provide the most efficient system of farm management, and at the same time create as great an abundance as possible for this generation, while conserving agricultural resources for the generations to come.

The present program provides for acreage allotments to meet the problem of surplus production which would otherwise threaten the whole price structure. The marketing-quota provision is optional, but it is there for the farmers to use.

The regional farm laboratories are providing new instruments for attacking the surplus commodities problem by finding new uses for farm products.

The soil-conservation program provides for crop rotations from soil-depleting crops to soil-restoring crops.

The problem of low farm income is met by acreage adjustments designed to keep prices from going to the bottom, by payments to help finance the cost of protecting the soil, by parity payments to help bridge the gap between market price and parity price, by loans to farmers to tide them over low-price periods, and by crop insurance.

The entire program is agriculture's guaranty to the cities that the farmer will do his part in supporting full employment, good wages, and industrial prosperity by supplying abundant food and raw products at reasonable prices.

The farmer's problem has not been wholly solved, but let us consider the vast improvement in his situation.

Cash farm income practically doubled between 1932 and 1937. Even in 1938—a year of rather marked industrial recession—cash income to our farm population was still 75 percent above the 1932 low. Of equal importance is the fact that in 1938 farmers had almost three times as much money available for living expenses as they had in 1932. Gross farm income increased much more rapidly than expenses during the period.

What has this meant? It has meant a decline of 50 percent in the number of farm foreclosures during the last 6 years. It has meant a decline of two-thirds in the number of farm bankruptcies during the same period. It has meant that thousands upon thousands of the businessmen and merchants in our rural towns have been able to stay in business because of improved farm-purchasing power. It has meant more business for our manufacturers, more work for those seeking employment. It has made it possible for millions of our farm families to remain on their farms secure in their homes and to maintain a decent American standard of living.

Total loans to farmers during the past 6 years amounted to over five and one-half billion dollars. Three and one-half billions have already been repaid.

Cash income from farm marketings, including Government payments, amounted to approximately $5,000,000,000 in 1933.

In 1938 cash farm income had risen to $7,632,000,000.

What would be the situation in the Corn Belt without this program?

Supposing we had raised 100,000,000 acres of corn last year—as we have so often done in the past—instead of 92,000,000 acres.

In Iowa, my State, I well recall that during the winter of 1932 corn sold for 10 cents a bushel. The midwestern farmers used it for cheap fuel.

Contrast that condition with that of today.

The corn-sealing program of the Government has enabled 100,000 farmers in Iowa to place 100,000,000 bushels of corn under seal at 57 cents per bushel.

Even those who were not eligible because of failure to sign up for participation in the program have benefited.

The farmer's income is improved and at the same time he is helping to fill the ever-normal granary—the Nation's insurance against crop failures such as were experienced in 1934 and 1936.

The record-breaking number of farmers signing up for the agricultural program of 1939 is the best attestation of its worth.

Such achievement and such cooperation can only be the result of a wise agricultural policy.

Adequate transportation is a necessity of modern life upon which agriculture and industry are equally dependent, as well as the Nation, for its national defense.

The railroad industry, which only a few years ago gave occupation to more than 2,000,000 workers, now employs less than a million, and is in grave need of rehabilitation and restoration to prime fitness.

The Interstate Commerce Commission has recently rendered a report upon which the Congress will doubtless act in providing adequate relief for that great and distressed industry.

The program of national defense is one which challenges the patriotism, intelligence, and wisdom of every citizen.

The Members of the present Congress feel with the people of the Nation that a program of costly armament is to be avoided.

Penetration of the Americas economically and politically by European and Asiatic powers however has forced upon us the realization that we must be prepared to defend our shores under the principles of the Monroe Doctrine.

The Congress of the United States is rich in leadership of a high order. The deliberations of the Congress will be consonant with the high ideals and noble purposes of our people, as it moves to a consideration of the Nation's requirements for safety and protection.

Complete unity on this important question, as well as domestic policy, is desirable if we would avoid the disintegrating influences at work in many of the countries of the Old World.

National solidarity has been and will continue to be our first and strongest line of defense.

Sentries of Peace—The Great Unguarded Border

EXTENSION OF REMARKS

OF

HON. DUDLEY A. WHITE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1939

ADDRESS BY HON. DUDLEY A. WHITE, OF OHIO

Mr. WHITE of Ohio. Mr. Speaker and Members of the House, the Seventy-fifth Congress adopted my joint resolution (H. J. Res. 620) providing for the observance of the one hundred and twenty-fifth anniversary of Perry's victory in the Battle of Lake Erie and the century and a quarter of unbroken peace since that time. The Speaker selected Hon. Dow W. Harter, Hon. John McSweeney, Hon. William R. Thom, Hon. Carl E. Mapes, and myself to comprise the Commodore Perry Memorial and Peace Commission, under whose guidance the observance was undertaken on September 8, 9, 10, 11, 1938. At a later date a complete report on the event will be submitted to Congress by the chairman of the Commission, Mr. HARTER. In the meantime, at the request of my colleagues, I am requesting unanimous consent to have printed in the RECORD the address which I delivered at the official ceremonies as a means of presenting the underlying purpose and significance of the event in light of the circumstances which were just then centering around the developments in Czechoslovakia, and which likewise have application to current problems of world-wide importance.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I stand before you as a person who was one—a very unimportant, insignificant one—of 4,000,000 other Americans in the World War. Two of my brothers and many in this gathering tonight were likewise in that number. Probably every family here was represented in somewhat similar fashion.

We remember those years. As each new year rolls by another veil is dropped between them and us. Even now they sometimes seem like the dream of another life. It is difficult to realize that many of us now have children who were not here then, and who, in young manhood or womanhood today, know nothing of that struggle.

I believe in adequate national defense—in a blind world that has not yet found enlightenment from the heartbreak, destruction, and futility of war—but for defense only. Please God, hasten the day when even this need can be diminished by the mutual confidence and consent of nations.

Three thousand miles away are the boundaries of Europe, chopped up like the blocks of a huge patchwork quilt. Troops are on the march again along those borders. At their side marches greed of conquest, lust for power, selfishness, misunderstanding, the bitterness of boundary disputes, and ghosts of conflicts from the centuries that have gone. Those borders bristle with steel—steel which has grown from the warped minds and twisted hearts of men.

Near this scene is another boundary line. It is as long as the distance between here and Europe. And yet through almost a century and a quarter the only sentries that have been needed to guard its peace are friendship and understanding.

Here is our lesson for a troubled world tonight. Here is the purpose of this observance. With deep and patriotic fervor we honor the courage and gallantry—the historic deeds—of Perry and Barclay and of their men. But if we can stay the grasping hands of warmad men long enough to open their eyes and cleanse their hearts by this living example, then mankind will have received a generous blessing for peace and progress. If they have eyes and see not, if they have ears and refuse to hear, then at least let us, as citizens of the United States and Canada, sense our own rich blessing and ever preserve it.

Submerged Lands of California

EXTENSION OF REMARKS

OF

HON. THOMAS M. EATON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1939

RESOLUTION ADOPTED BY THE CITY COUNCIL OF THE CITY OF LONG BEACH, CALIF.

Mr. EATON of California. Mr. Speaker, under leave to extend my remarks in the RECORD I include Resolution No. C–6925, recently adopted by the City Council of the City of Long Beach, Calif.

I would call the attention of the Members of the House to the fact that Senate Joint Resolution 24, mentioned in the city council's resolution, is very similar to House Joint Resolution 176, introduced by Mr. HOBBS on February 20, and House Joint Resolution 181, introduced by Mr. O'CONNOR on February 23, and that if the latter two bills had been introduced prior to the date of the passage of the city council's resolution the City Council of the City of Long Beach would have voiced the same opposition to House Joint Resolution 176 and House Joint Resolution 181 as it has to Senate Joint Resolution 24.

The resolution of the City Council of Long Beach, my home city, is as follows:

Whereas the people of California adopted, ratified, and proclaimed a constitution in the year 1849 and presented the same to the President of the United States of America, and asked admission to the Union; and

Whereas the President of the United States, on February 13, 1850, submitted said constitution to Congress and the Congress did adopt an act, approved September 9, 1850, admitting California to the Union on an equal footing with the original States in all respects whatever; and

Whereas said constitution so submitted, and likewise the present constitution of the State of California, provides, among other things, that the boundary line of the State of California shall extend westward 3 English miles into the Pacific Ocean and thence shall follow the direction of the Pacific coast; and

Whereas it has been repeatedly held by the Supreme Court of the United States that the tidelands and submerged lands lying within the boundaries of any State of the Union belong to that State, by virtue of its sovereignty; and

Whereas the city of Long Beach, Calif., is a municipal corporation, operating under a freeholders' charter, adopted and approved by the Legislature of the State of California pursuant to the provisions of the constitution of the State of California; and

Whereas the boundaries of said city, as set forth in said charter, extend 3 miles seaward into the Pacific Ocean; and

Whereas under certain acts of the Legislature of the State of California, as respectively set forth in the Statutes of California, 1911, page 1304; Statutes of California, 1925, page 235; and Statutes of California, 1935, page 974; the State of California did grant to said city of Long Beach and to its successors all of the right, title, and interest of the State of California, held by said State by virtue of its sovereignty, in and to all of the tide lands and submerged lands, whether filled or unfilled, within the boundaries of said city, and situated below the line of mean high tide of the Pacific Ocean or any harbor, estuary, bay, or inlet within said boundaries, to be forever held by said city and by its successors in trust for certain uses and purposes therein set forth; and

Whereas about the year 1937 rich oil deposits were discovered in the southwesterly part of the city of Long Beach under certain of said tide and submerged lands, and also under adjoining uplands, much of which upland area is held in private ownership; and

Whereas the owners of said private property immediately commenced drilling on lands contiguous to said tide and submerged lands and have extracted and are still extracting large quantities of oil from the pool underlying the entire area; and

Whereas although the State of California and others, including said private owners, did heretofore challenge the right of the city of Long Beach to develop said tide and submerged lands for the production of oil therefrom, the Supreme Court of the State of California in the case of *City of Long Beach et al., petitioners,* v. *D. A. Marshall, as Port Manager of the City of Long Beach, Respondent; the People of the State of California, intervener,* the decision in which case is reported in 96 Cal. Dec. 101, did, on the 28th day of July 1938 hold that under said grants of tide and submerged lands from the State of California to the city of Long Beach and under the charter provisions of said city, the city of Long Beach had the right to drill for and extract the oil from said lands; and

Whereas the city of Long Beach is proceeding with all diligence to drill and develop said lands for the extraction of oil, gas, and other hydrocarbons therefrom and is carrying on such drilling operations in such a way that the same will not interfere with the other purposes and uses for which said lands were granted to said city, and is required by the charter provisions of said city to use and is using the proceeds derived from the oil so produced to pay the interest on and to retire bonds heretofore issued by said city for the construction and development of Long Beach harbor, and is so required to and will use the balance of said proceeds for the improvement, operation, and maintenance of Long Beach Harbor and for the promotion and accommodation of commerce, navigation, and fishery; and

Whereas if the city of Long Beach is not permitted to drill and develop or is hindered in the drilling and development of said tidelands for the production of oil therefrom and from the submerged lands adjacent thereto, the oil lying underneath said tide and submerged lands will be rapidly drained therefrom from wells heretofore drilled and now drilling and hereafter to be drilled from privately owned lands adjacent to the tide and submerged lands, and a vast amount of oil, gas, and other hydrocarbon substances will be lost for public use:

Now, therefore, the City Council of the City of Long Beach resolves as follows:

SECTION 1. That the adoption by the United States Congress of Senate Joint Resolution 24, commonly known as the Nye resolution, would, in view of the foregoing premises, be extremely unjust and could only cause more confusion and lead to extended litigation with reference to the oil deposits underlying the tide and submerged lands lying within the boundaries of the city of Long Beach; that in the meantime, and by reason of such litigation, privately owned wells drilled on the uplands adjacent to said tide and submerged lands would drain a great portion, if not all, of the oil underlying said tide and submerged lands, to the loss of the citizens of the city of Long Beach and the general public as well.

SEC. 2. That the adoption by the Congress of the United States of any legislation directly or indirectly asserting that the United States has sovereign title to and ownership of lands under navigable waters or any mineral deposits therein, or authorizing any suits or other proceedings by Federal officers to obtain the possession or use of such lands or mineral deposits without the payment of just compensation, is contrary to law and sound public policy and should be opposed.

SEC. 3. That the city clerk shall transmit a certified copy of this resolution to each Member of Congress from the State of California.

SEC. 4. The city clerk shall certify to the passage of this resolution by the City Council of the City of Long Beach and cause the same to be posted in three conspicuous places in the city of Long Beach, and it shall thereupon take effect.

Control of Noxious Weeds

EXTENSION OF REMARKS

OF

HON. HENRY C. DWORSHAK

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1939

MEMORIAL OF THE LEGISLATURE OF THE STATE OF IDAHO

Mr. DWORSHAK. Mr. Speaker, in my State of Idaho we have a very serious problem which has confronted us for a number of years and has reached a stage of gravity and seriousness at the present time. This problem is in the form of noxious weeds. These uncontrollable weeds of various sizes, types, and descriptions are destroying many acres of ground in our great State, especially in the agricultural districts. The Federal Government has done nothing to control the spread of these weeds on their land and, as you know, winds and other forms of Nature spread weed seeds from acre to acre, devastating acres of land in their flight. Our State and local subdivisions have carried on a program for a number of years of local eradication of weeds, but we cannot, without the assistance of the Federal Government, cope with this increasing problem, and today in my State scores upon scores of productive farms have become useless for agricultural purposes as a result of the continuous reinfestation of noxious weeds from weed lands. In previous sessions of Congress bills have been introduced to provide for the control and eradication of noxious weeds but have not met with

success. On January 16, 1939, I introduced a bill in this House to provide for the general welfare by establishing a system of Federal benefits and by enabling the several States to make more adequate provision for the control and eradication of noxious weeds and to provide an appropriation adequate to put this program into effect. I have here a joint memorial received from the Legislature of the State of Idaho, being Senate Joint Memorial No. 3, which is upon this very subject, and I ask unanimous consent to have it inserted in the RECORD.

The memorial is as follows:

Senate Joint Memorial 3

To the Honorable President of the United States and Members of Congress assembled:

We, your memorialists, the Legislature of the State of Idaho, twenty-fifth session, respectfully represent that:

Whereas noxious weeds are not now controlled on Federal lands, and that the seeds from such weeds are carried by wind and water to farm lands, making control of such weeds and the protection of agriculture an impossible or inordinately expensive problem; and

Whereas the Federal Government and State of Idaho are coordinating with the owners of such land in control of such weeds on agricultural land; and

Whereas the Forest Service alleges it has no enabling provisions permitting it to control noxious weeds on its domain, nor permitting it to cooperate with other State and Federal agencies toward this end; and

Whereas many productive farms in this State are becoming unfit for agricultural purposes as result of this continuous reinfestation from Federal lands;

Now, therefore, we your memorialists, respectfully represent that some Federal program must be provided for control of weeds on Federal domain, from which noxious weeds may spread to agricultural lands.

Be it resolved, That copies of this memorial be sent by the secretary of the State of Idaho to the honorable President of the United States and to the Senators and Representatives in Congress from the State of Idaho.

Control of Venereal Disease

EXTENSION OF REMARKS
OF
HON. JERRY VOORHIS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, February 24, 1939

SUMMARY OF THE ANNUAL REPORT OF THE SURGEON GENERAL, UNITED STATES PUBLIC HEALTH SERVICE, FOR THE FISCAL YEAR 1938

Mr. VOORHIS of California. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to call to the attention of the House a brief summary of the annual report of the Surgeon General, Dr. Thomas Parran:

Dr. Parran stands out as the one man more responsible than any other single person for having awakened this entire Nation to the possibility of largely ridding itself of the great curse of venereal disease. If properly backed by Congress in this effort, it is altogether possible that when the history of this period in our Nation's development is written, the name of Dr. Thomas Parran, Surgeon General of the United States, will be written as large as that of any American of our time.

The question as to how well we are going to back the Surgeon General in his work will be largely determined by the action of the House on the Treasury-Post Office appropriation bill. It is my earnest hope that the fine action of the Appropriations Committee in including $5,000,000 for the battle against syphilis will be sustained enthusiastically by the House and the Senate.

The matter referred to is as follows:

Surg. Gen. Thomas Parran in his annual report said: "A greater advance has been made in public health in the United States during the past 2 years than ever before within a comparable period."

Dr. Parran, reviewing the work of the organization, at the close of the one hundred and fortieth year of its existence, noted developments that have followed the assumption of new responsibilities by the Government in matters relating to public health, particularly with reference to activities made possible through the enactment by Congress of the Social Security Act, the Venereal Disease Control Act, and the National Cancer Institute Act.

GENERAL HEALTH CONDITIONS

Commenting upon health conditions in the United States during the fiscal year ended June 30, 1938, the report states that the general death rate for the calendar year 1937 was 10.9 per 1,000 population, as compared with 11.3 for the preceding year. This favorable condition continued in 1938, when preliminary figures for the first 6 months disclosed a mortality rate of 10.8 per 1,000 population as compared with 11.8 for the corresponding period of 1937.

There was also recorded a decrease in infant mortality from 57.1 per 1,000 live births for 1936 to 54.4 in 1937. The maternal mortality rate continued to decline; 4.6 per 1,000 live births in 1937 against 5.3 during 1936.

As infant, maternal, and general death rates are sensitive indexes of prevailing health conditions, the reduced rates in these fields indicate a decidedly favorable trend.

Tuberculosis mortality resumed a downward course after a slight increase in 1936. The improvement was apparent in the provisional tuberculosis death rate which declined from 51.7 per 100,000 population in 1936 to 49.6 in 1937.

During 1937 lowered death rates were reported for typhoid fever, scarlet fever, diphtheria, tuberculosis, malaria, pellagra, nephritis, and puerperal causes. With regard to smallpox, Dr. Parran said: "During 1937 a total of 11,673 cases of smallpox was reported, as compared with 7,834 in 1936 and 7,957 in 1935. The number of reported cases in 1937 was the highest since 1931. Fortunately the prevailing smallpox is of a mild, nonvirulent type, causing relatively few deaths. The eradication of this unnecessary disease depends upon the intelligent application of vaccination."

The United States suffered minor epidemics of influenza and poliomyelitis in 1937. The number of cases of poliomyelitis, 9,511, has been exceeded only in 4 previous years for which records are available, 1916, 1927, 1931, and 1935.

The leading causes of death in 1937 were diseases of the heart, cancer and other malignant tumors, pneumonia, cerebral hemorrhage and softening, nephritis, accidents (except automobile), and tuberculosis.

QUARANTINE AND IMMIGRATION

The magnitude of Federal quarantine and immigration activities is indicated by the Public Health Service inspection at ports of entry of 1,784 airplanes, carrying 23,172 passengers, and inspection of 15,873 vessels, carrying 789,591 passengers and 1,196,688 seamen. Fumigation of 1,004 vessels was performed, and 5,399 rats were examined for evidence of plague infection. Medical officers at various United States ports of entry inspected 2,447,339 alien passengers and 805,306 alien seamen. Of these, 20,372 passengers and 1,438 seamen were reported as having some certifiable disease or defect. In foreign countries 65,261 applications for immigration visas were examined by Public Health Service officers.

The continued success of so-called radio pratique at New York and Boston made practicable the extension of this time-saving measure to certain vessels entering the ports of San Francisco and Los Angeles.

VENEREAL-DISEASE CONTROL

The most important event in the campaign against the venereal diseases during the fiscal year was the enactment by the Congress of the Venereal Disease Control Act, whereby facilities for the more effective control of syphilis and gonorrhea were placed upon a permanent national basis.

During the year the Congress appropriated $3,000,000 for the purpose of assisting States and their political subdivisions in establishing and maintaining adequate measures for the prevention, control, and treatment of venereal diseases. There were also included provisions for training of personnel and for making studies, investigations, and conducting demonstrations designed to develop more effective control measures.

The use of social-security funds for the training of physicians in the clinical management and public-health control of the venereal diseases was continued in several universities and clinics. A number of State health officers availed themselves of this opportunity to recruit qualified personnel.

Requests more numerous than could be complied with were made upon the Division of Venereal Diseases for articles, addresses, and loans of trained personnel.

The experimental control of syphilis among indigent people of rural areas was demonstrated by the use of a trailer clinic in Georgia. A study of untreated syphilis in a group of male Negroes was continued. "No similar study of the effects of untreated syphilis over a period of years, correlated with the pathologic findings at death, has ever previously been made," Dr. Parran said.

The preparation and dissemination of instructive literature, charts, posters, and exhibit material continued during the year. Measures designed to control syphilis in industry were inaugurated. The control program was favorably received by industrial organizations.

MENTAL HYGIENE

With the completion of the Public Health Service Hospital at Fort Worth, Tex., for the care and treatment of drug addicts the facilities for this specialized work have been materially increased. The hospital at Lexington, Ky., engaged in treating drug addicts and making scientific investigations, operated to full capacity with an average daily census of 949 patients.

The Public Health Service continued to supervise and furnish medical, psychiatric, technical, and other scientific services to Federal and penal institutions. Special studies were conducted in cooperation with the Mental Hygiene Survey Committee to stimulate interest in the adequate care of the mentally ill, to bring about greater equality and wider distribution of facilities, promote uniform policies, and improve the facilities for psychiatric instruction.

A feature of the work of this division was the field studies in mental hygiene for determining the basic nature and factors involved in the production of mental disorders encountered in a typical American community.

MARINE HOSPITALS AND RELIEF STATIONS

The 27 hospitals of the Public Health Service, engaged in the care and treatment of legally designated beneficiaries, and also in scientific clinical research, furnished hospital and out-patient relief at 154 ports, where 566,931 accredited persons applied for treatment. This represents an increase of 211,121 patients over the preceding year. Merchant seamen continued to constitute the largest class of beneficiaries.

Research was continued in pyretotherapy, focal infections, arthritis, and psoriasis. Vitamin D was shown to be valuable in the treatment of psoriasis.

INVESTIGATIONS OF PUBLIC-HEALTH PROBLEMS

The erection of a group of specially designed structures for the National Institute of Health on a site near Bethesda, Md., makes available increased facilities for scientific research into the causes and prevention of disease. The investigative work of the institute covers an increasingly broad field. Continued attention was directed to the control of biologic products, particularly antipneumococcic rabbit serum, antimeningococcic serum, and close supervision over the stability of arsphenamine.

In the field of industrial hygiene investigations were directed to the development of means for the protection and the improvement of the health of workers in various fields of industry among which the pottery, granite, lead storage batteries, fur, and manganese industries may be mentioned.

"The activities of the National Institute of Health," comments the Surgeon General, "are becoming increasingly varied and numerous. Thus one group of workers is engaged in chemical and chemotherapy research while another is directing its attention to studies of such infectious diseases as Rocky Mountain spotted fever, typhus fever, scarlet fever, Weil's disease, leprosy, and poliomyelitis. A special series of investigations have shed considerable light upon the various phases of trichinosis infection and the means of its prevention. Clinical, epidemiological and laboratory studies of heart disease, especially the rheumatic type, have produced valuable information."

The interesting discovery was made that fluorides, which cause mottled enamel, that disfiguring discoloration of the teeth, may be removed from drinking water by treatment with manganese dioxide, a method which gives promise of economical development.

A firm basis for future cancer studies is being laid through grants-in-aid to selected institutions and the training of research specialists. Already a broad field of investigation is receiving attention.

COOPERATIVE ACTIVITIES

Every State and many cities, as well as every department and independent agency of the Federal Government, has received some degree of assistance from the Public Health Service in solving special health problems arising in the course of routine operations. This cooperative work, carried on principally by the Division of States Relations, is one of the most important functions of the Service.

The availability of funds under the provisions of the Social Security Act has made it possible to assist in improving State and local health administration. It is especially noteworthy that whole-time health services in rural areas have been greatly augmented. From January 1, 1935, to December 1937 there was an increase in full-time health units of 96 percent. Facilities for the promotion and supervision of such full-time facilities have been developed in 19 States.

Stimulated by Federal grants-in-aid, the State and local appropriations for public-health purposes have increased $8,000,000 annually.

Cooperation was continued with the States and the Works Progress Administration by providing technical supervision of work-relief labor projects for the construction of sanitary toilets, malaria-control drainage in the South, and sealing of abandoned coal mines. Certification of water supplies used by interstate carriers, a valuable measure in preventing water-borne illness, continued without interruption.

NATIONAL HEALTH PROGRAM

"It is a matter of grave concern," comments Dr. Parran, "that approximately 40,000,000 people in the United States—the lower economic third of our population—are unable to provide themselves with medical care during serious illness. In the country as a whole there is a deficiency of 360,000 hospital beds, including facilities for the care of mental and tuberculous patients."

Fortunately, the national health survey, conducted several years ago by the Public Health Service with work-relief personnel, has furnished a great deal of reliable, even though astounding, information concerning the kinds of illness prevailing in this "third of the population," the ages of the victims, their approximate economic status, their employability, and other facts closely related to their ability to secure adequate medical treatment.

When these data had been studied and tentative conclusions formulated by the President's Interdepartmental Committee on Coordination of Health and Welfare Activities it was obvious that the Federal Government had a definite responsibility in seeking a remedy for this undesirable state of affairs. It was shown, for instance, that despite the improvement of State and local health services resulting from the application of grants-in-aid provisions under title V and VI of the Social Security Act there are large rural areas and many cities in which adequate health service is not yet available. Only a few States have even fairly satisfactory programs for the prevention of mortality from pneumonia and cancer, and there still are serious deficiencies in the control of tuberculosis and malaria. Very little is being done by most of the States in the field of mental hygiene, and there is need for a much greater expansion of industrial hygiene activities.

In closing his report, Surgeon General Parran recommended, among other essentials, the establishment in the National Institute of Health of a unit for wider chemotherapy investigations, additional funds under the Venereal Disease Control Act on an increasing scale until an annual appropriation of $25,000,000 is reached, and the establishment of a neurological institute for laboratory and clinical investigations of mental and nervous diseases.

National Labor Relations Board

EXTENSION OF REMARKS

OF

HON. LELAND M. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1939

ARTICLE FROM INGLEWOOD (CALIF.) DAILY NEWS OF FEBRUARY 7, 1939

Mr. LELAND M. FORD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Inglewood Daily News, of Inglewood, Calif.:

[From the Inglewood (Calif.) Daily News of February 7, 1939]

NATIONAL LABOR RELATIONS BOARD IS FOR WORKERS AND AGAINST EMPLOYERS, CLAIM—EMPLOYER HASN'T GOT A CHANCE, REGIONAL DIRECTOR TELLS INGLEWOOD AUDIENCE; PREDICTS PERIOD OF STRIKES AND UPRISINGS ON PACIFIC COAST

"Abandon hope, all ye (employers) who enter here" might properly be the inscription over the portals leading to the National Labor Relations Board, according to Dr. Towne Nylander, regional director for southern California, who addressed the Inglewood Community Forum last night.

Dr. Nylander made the unqualified statement in the course of his address, "I'll tell you frankly, when we go into a hearing, the employer hasn't got a chance. There's never a scintilla of doubt as to the employer's guilt. Unless they amend the act we will get to the rest of the employers we have not yet been able to reach."

LABOR NEEDS HELP

"Why shouldn't it be that way?" asked Dr. Nylander, and then proceeded to point out that the employers—the 20 to 25 percent who are "cheaters and chiselers"—are able to hire the ablest counsel and to utilize the best tools of industrial warfare, while the employee has heretofore had no representation. Dr. Nylander holds it to be the function of the N. L. R. B., and of his office particularly, to aline itself with the employee and against the employer.

He charitably conceded that the average employer, 75 to 80 percent of them, were fair and upright and did not need such compulsion as was being applied by the N. L. R. B. (aided and abetted by the Wagner Act's teeth) to the chiseling 20 percent. However, later in his discourse he held to the belief that only 10 percent of all employers owned their own businesses and that 75 percent of these were "farmers," so that less than 3 percent of the employers in America owned their own businesses.

STRIKES AHEAD

On the coast we are in for a period of strikes. These will occur largely during 1939; and although there will be no bloodshed and less violence than the coast has known before, there will be plenty of strikes, he thinks. Labor is, for the first time, coming into its own. It has consolidated its position and is now in better position than ever before. Whereas in the past it has had to dissipate its energies and resources against employers who were unscrupulous, now organized labor has had an opportunity to develop genuine and effective leadership.

ANTILABOR BASIS

Many coast industries, notably aviation and furniture, are organized on an antilabor basis, says Dr. Nylander, but the majority of industries on the Pacific coast are, on the whole, nonmilitant, belligerent, or vigilantes. A few of this category dominate the picture, and coerce other industrialists and employers to join with them, much after the fashion of a man being coerced into joining the union, said the speaker.

He castigated the Associated Farmers of California, as a destructive force for evil, claiming that out of all its funds expended in the recent campaign to put over the antipicketing law, only $4.50 was donated by a farmer, the rest having come from other sources. He excoriated the Southern Californians, Inc., as a "high-powered, streamlined version of vigilante," and as an organization standing in the way of progress. With these he coupled the Neutral Thousands and kindred groups, all of which, he said, were tied into large financial groups.

The remedy, he thought, was a comprehensive system of social assurance, under which the poor would not be required to pay the bills, and the first stage of which is destined to be realized as early as 1940. He told of the millions now not included in social security, and gave it as his opinion that we hadn't yet begun to pay the cost of economic security.

COMMUNISM FEARED

It was an amazing thing to him that there wasn't more communism, he said, and he said when the older people, organized labor, and the unemployed form a coalition to demand assurance and security, they had better get it or there will be tragedy.

OLD PARTIES SLIPPING

It was his belief that all parties would have to strengthen their social-security program, and that America was woefully behind in this respect. There is little hope, in any event, for the Democratic and Republican Parties in the future, he thinks. These will be replaced by conservatives and liberals, and those two will be dominated by labor, including both the C. I. O. and the A. F. of L., which will march separate courses, but which will finally attain harmony as two groups.

He predicted a distinct population change. Whereas now there are 130,000,000 in the United States, the peak will be reached by 1950, when there will be 145,000,000. Thereafter there will be fewer each year.

Business growth of the future, in view of this situation, will depend upon higher living standards. In 1921, three and three-tenths million babies were born. By 1938 this had fallen to two and two-tenths million. Within 3 years the high schools and colleges will be overburdened, and shortly thereafter the youngsters will reach a voting age, and will take a decisive and positive stand in national and economic affairs.

POOR ARE PROLIFIC

The bulk of the children in future years will come from the poor and underprivileged classes, and the "poor white trash" belt from Virginia to New Mexico will be most productive, while the groups will continue to decline in productivity.

FAVORS C. I. O.

He was enthusiastic about the C. I. O., explaining that it was created to take care of the mass production of unorganized laborers. He held that the presence of the two organizations had resulted in elimination of the "stuffed shirts" in each, and said he personally hoped there would never be a reunion of the two.

He thought the outstanding result of the New Deal had been the increased organization of workers, and held this to be a hopeful sign for the future welfare of the country. The movement had been essential to the success of the New Deal, and now that the latter was faltering, labor would go on as never before.

He told of the hopelessness in the eyes and hearts of the Dust Bowl refugees who were being exploited by farmers in the San Joaquin Valley, and how it was practically impossible to get them to help themselves by organizing. He contrasted this to the movie unions; here, he said, the workers are better off than nearly any other class, and yet they have the most effective organization in the land. It is easier to improve those already in the upper class or who have had a taste of privilege, believes Dr. Nylander.

FASCISM POSSIBILITY

He held that fascism was a possibility in America, but if labor continued to consolidate its position and to develop leadership, it would save the country from fascism.

There are in Los Angeles nine filing cabinets full of documents which would prove southern California to be comparable to Harlan County, Ky., if there were funds available to fight the southern Californians and expose the vested interests, said the speaker. With the latter group he linked again the neutral thousands and the merchants and manufacturers.

Babson's opinions were inspired in an effort to sell his service, said Nylander in response to a question, and he mentioned that Los Angeles Times by name as being the mouthpiece of the reactionaries and the defender of the "house of have."

There was spirited questioning from the floor, including some excursions into the realm of political science.

Leo De Silva, past president of the Inglewood Lions Club, presided in the absence of Chairman Vernon Spencer.

NYLANDER NIBBLES

Dr. Towne Nylander, director of the National Labor Relations Board for southern California, in an address before the Inglewood Community Forum, made the following statements in the course of his address or in answer to questions from the floor:

"I'll tell you frankly, when we go into a hearing the employer hasn't got a chance.

"A few noisy, violent years are ahead, the first of these being 1939."

"Unless they amend the act (Wagner Act) we will soon get to the rest of the employers whom we haven't been able to reach yet."

"Labor now has an outlook fundamentally uncongenial with both parties."

"Now the New Deal is struggling for its own existence and is being assaulted by traditionally minded Democrats."

"It is not improbable to imagine fascism in America."

"In the meantime, Labor and Roosevelt stand, awaiting for history to make up their minds."

"Our economic system is suffering from a disease which fascism professes to be able to cure, but cannot."

"Resistance to the revolutionary change now in progress may provoke disaster."

"There is no question as to the ability of the people to pay adequate old-age pensions."

"If funds were available, southern California would be exposed as a second Harlan County, Ky."

"This year will be 20 to 25 percent better than last year, but the improvement will be temporary unless social security becomes widespread."

"We haven't yet begun to pay the cost of our economic faults."

"On the Pacific coast we are in for a period of strikes."

"I hope the C. I. O. and A. F. L. never do get together. Each can serve a good purpose by exposing the stuffed shirts in the other organization."

"The new labor movement stands violently opposed to fascism, and that opposition is hastening the day when there will be a clash between them for supremacy."

"I'd like to know how in the world the Dies committee can do $150,000 worth of work on a $25,000 appropriation."

"New Deal and labor are twins. Each needs the other."

National Monetary Conference

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1939

LETTER FROM NATIONAL MONETARY CONFERENCE

Mr. VOORHIS of California. Mr. Speaker, I am pleased to include with my remarks the following letter from Mr. Andrae B. Nordskog, chairman of the National Monetary Conference:

THE NATIONAL MONETARY CONFERENCE,
228 SOUTH WABASH AVENUE,
Chicago, Ill., February 24, 1939.

Hon. JERRY VOORHIS,
Congressman, California, No. 12,
Washington, D. C.

DEAR CONGRESSMAN VOORHIS: During the past few days, Messrs. Willis A. Overholser, James A. Bell, William M. Gamble, Mrs. Etta M. Russell, and the writer, all members of the executive committee of the National Monetary Conference, have been holding executive sessions in Washington, D. C.

Our committee has had the privilege of a conference with United States Treasury officials, advisers of the President on matters of finance, which conference was arranged through the courtesy of the White House staff. We had an opportunity of obtaining the views of the Treasury on matters of great importance to our people in this Nation.

We also have the opportunity of meeting and talking with a great number of Senators and Congressmen on the subject of money and the question of whether or not Congress has the sole and exclusive power to coin money and regulate the value thereof, and of foreign coin. We have been very happily surprised to know that ever so many of our representatives at the Capitol, in both Houses, are very well informed on the subject of money and its proper functions. We also found powerful proponents of much-needed changes in our currency system. We found those who believe as do the members of the National Monetary Conference, that Congress has the sole and exclusive power to coin money and regulate the value thereof of foreign coin, and to fix the standards of weights and measures.

An able Senator told members of our committee about the great care exercised by the Government in keeping the yard measure at even keel at all times, and then showed how careless we have been in permitting private enterprises to coin money and wildly expand bank credits, creating, perhaps, prosperity for a brief spell, only to cause a rapid contraction of such credits with the scratch of a pen, throwing the Nation into chaos and poverty.

The National Monetary Conference, at its first sessions, held at Northwestern University School of Law in Chicago last November, adopted a resolution setting forth that Congress, and Congress alone, has the sole and exclusive power to coin money and to regulate the value thereof, and of foreign coin; and that Congress may prevent any other agency from so doing. This resolution was adopted only

after our members had read practically every Supreme Court decision since the time of George Washington, for that high tribunal has made it clear that such is the fact.

On behalf of our entire executive committee of the National Monetary Conference, I desire to thank you, Congressmen, for the courtesy you have shown us during our stay in Washington. We deeply appreciate the fine work you are doing along the lines of attempting to stabilize our monetary system in the United States.

Sincerely yours,

ANDRAE B. NORDSKOG,
Chairman of the National Monetary Conference.

T. V. A. and the Farmer

EXTENSION OF REMARKS
OF
HON. HERRON PEARSON
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 23, 1939

Mr. PEARSON. Mr. Speaker, in view of the attacks being currently made upon the Tennessee Valley Authority and efforts to block its needed appropriations, I want to urge upon every Member of this House who is interested in the farmers of this country serious consideration of that phase of the Authority's program which has done and is doing so much to solve regional problems of national interest dealing with general improvement of farm life and farm income.

The purpose of this work is to help put conservation of water and soil on a self-sustaining basis. Arresting erosion and restoring soil fertility is a job which must be done largely by the 250,000 or so farmers of the Tennessee Valley region. Merely devising plans and programs of improvement and urging farmers to carry them out will not bring about the necessary changes in farming methods.

Two serious barriers are encountered:

First. A compelling need for new and special types of farm equipment adapted to the hilly terrain of the area and to the characteristically low farm income; and

Second. The fact that increased rural income is required in order to place the program upon a self-sustaining and hence a permanent basis.

Extremely low per acre income from the major crops has been forcing farmers to plant every available acre, irrespective of the ability of the land to endure such treatment. Net family cash incomes of $100 to $300 a year are quite typical. Farmers at this economic level cannot follow improved farm-management practices, which involve investments for terracing, seed, fertilizer, and farm machinery. As it is made possible for farmers to receive increased income per acre, experience shows that the abuse of land is abated.

REMOVING BARRIERS TO A SELF-SUSTAINING PROGRAM

Research and demonstration developments have been undertaken to eliminate the barriers referred to. They are centered upon the problems of the needed special types of farm machinery, new uses for rural electricity, particularly in the processing of the farm crops of the region, and in the improvement of the facilities for preserving and marketing of such farm products. The work has been done largely in cooperation with State agencies having facilities for technical research, including especially the agricultural experiment stations and the engineering colleges. This is the first time that contributions of State engineering experiment stations have been drawn upon for the solution of regional problems of national interest.

These developments constitute an integral part of the Authority's major activities, such as giving greatest usefulness and effect to the supply of rural electricity which has become available. The policy of cooperation with the local agencies has resulted in multiplying the amount of work which it has been possible to do in so short a time. The effects of such cooperative effort are far reaching, in that they enable the existing agencies of scientific research and engineering to contribute greatly to the improvement of the economy of the entire region through a more effective utilization of its resources.

The projects include:

First. Research and demonstrations of special low-cost farm machinery for handling soil-conserving crops;

Second. Research and demonstrations relating to the effective use of electricity on the farm; and

Third. Research and demonstrations in local processing of the region's farm crops.

1. SPECIAL FARM EQUIPMENT DEVELOPMENT

There is a lack of equipment as well as of cash to carry out recommended soil- and water-conservation practices on low-income farms. Farm machinery on the market has been confined to mass-production farming and is not as a rule suited to small hill farms and special farming conditions of regions such as the Tennessee Valley.

Furrow seeder: It has been shown that the fall grain and lespedeza cropping system is an important means whereby private landowners may carry out their part of the soil- and water-conservation program. Under this system, savings of 50 to 100 pounds of nitrogen per acre are obtained, plus cash income of $15 to $20 per acre from the grain. But no suitable low-cost equipment has been available on the market to plant small grains in hard lespedeza sod on hillside land.

The Authority has designed and developed a hillside seed and fertilizer distributor which can be pulled by an ordinary farm team and permits the small farmer to follow the practice of seeding fall grain in alternate strips on legume or grass sod. Demonstrations convinced a southern manufacturer that the machine was practical and that a market for it with the price at less than $25 could be developed. The machine is now being sold by this manufacturer in eight States. There is a potential market for some 75,000 of such units in the valley region.

Legume hay curing: Hay grows well in the Tennessee Valley, but frequent rains make difficult the obtaining of good quality by outdoor curing. Hence, there is often a deficiency of hay production in the region, in some years valued at up to $5,000,000. This deficiency must be made up by the valley farmers from other sources. The Authority, in cooperation with a State college, has developed an electric hay drier that should cost from $300 to $400, which is many times less than the cost of the large commercial driers now on the market and designed for large farms. Hay cured by this means will find a ready market at $2 more per ton, thus promising to encourage increased growth of grass cover crops needed to control erosion.

Other soil-conservation equipment: A low-cost thresher suited to a one-third horsepower electric drive was built and field tests were begun in 1938. The cost of this machine is expected to be under $200. A legume seed harvesting attachment for an ordinary mowing machine is under development. The attachment recovered clover seed valued up to $12 per acre, which formerly had been lost through shattering during cutting. At the same time the hay was being cut for feed enough seed was thus recovered for reseeding the next year's crop.

A manufacturer of seed-harvesting attachments, to which the Authority's experimental work contributed improvements, reported sales of 200 units in 1937. In 1938 orders for 1,000 units were received by this manufacturer.

2. ELECTRICAL EQUIPMENT FOR AGRICULTURE

The electrification section of the T. V. A. Act (sec. 10) directs the T. V. A.—

> To make studies, experiments, and determinations to promote the wider and better use of electric power for agricultural and domestic use or small or local industry * * *.

Rural electricity more than almost anything else can help the farmer carry out soil-conserving farm practices. The comforts attending rural electrification help to keep on the farm the keener type of young people who are going to do the best type of farming. The immediate need, however, is for income-producing electrical equipment. As it is made possible for the farmer to save on his expenses by grinding his own small grain for feed, or to increase his return from

milk by cooling it electrically, he is in a better position to buy the fertilizer and machinery he is going to need in order to build up his land and control erosion.

Rural refrigeration: One of the most important uses of electricity in a rural community is for refrigeration, as a means to conserve commodities for home use. This sometimes helps just as much as increased cash. In the Southeastern States about one-fourth of the pork cured is said to be lost due to lack of proper cooling and curing facilities. Also the lack of farm refrigeration has been an important reason for the unbalanced diet, including the small amount of fresh meat consumed by rural people. Tennessee farm people eat less than 5 pounds of fresh beef per capita as compared with 44 pounds in Ohio.

Livestock production just for home consumption at once suggests an economical method for diverting a considerable amount of hill land into pastures. However, the stumbling block is the simple fact that most farmers in the South cannot have individual refrigerators capable of storing carcasses of beef and pork. To enable rural electricity to meet this need, the University of Tennessee Engineering Experiment Station and the T. V. A. have together developed a low-cost community refrigerator which can be installed at a crossroads store or convenient farm. One community during 1937 reports that they stored 16,000 pounds of meat and other produce. On this demonstration unit the value of the investment was $800, or only $13.11 for each of the 61 participating families. The average gross savings per family as a result of its use was $7.80; the operating costs were $2.88, including depreciation and interest, leaving a net saving of $4.92 per family. This is a good return on a $13.11 share in the investment. Expressed another way, the net total savings from the use of the box for the first year were $300 as against a total capital cost of $800.

Eleven of these units have been demonstrated at various points in the Tennessee Valley States. Three of these have been sold to individuals or groups who had been using them. Nine others have already been started by people who saw the demonstrations.

Sweetpotato storage: Electrical heat for sweetpotato curing has been tried experimentally and successfully tested in the field. More than 5,000 bushels of sweetpotatoes were cured in 1937–38 on an experimental basis in five electrical storage houses in Tennessee, Georgia, and Mississippi.

Electric heating reduces shrinkage losses, making possible savings over ordinary curing methods of $134 a year in a 2,000-bushel house. This will practically pay the cost of the electrical installation the first year.

Other types of electrical demonstrations: Electrical soil heating in hotbeds was demonstrated on farms in Tennessee, Alabama, Mississippi, and Georgia. Brooders of 100-chick and 200-chick size were tested on many small farms throughout the valley. An economical pig brooder that can be made at home for a cash outlay of $2 was developed and six units placed on farms for demonstration purposes.

3. PROCESSING FARM CROPS

In order for agriculture to be able to carry the cost of permanent land management there must be an increase in rural income. The obvious method is not subsidy, but enabling people themselves to create wealth. As a practical matter, the way of bringing this about is through better marketing of the crops they have and by processing them locally before they go to market, thus adding value to them. Hence the T. V. A.'s engineering experiments in processing the crops of the Tennessee Valley. Some of the resulting developments are already in commercial use.

Freezing of farm products: A new quick-freezing process developed and demonstrated in cooperation with the Engineering Experiment Station of the University of Tennessee illustrates the problem and the opportunity. It is the basis for a profitable business. Thousands of farmers could profit; strawberries processed and marketed in this way leave an average of at least 8½ cents per pound in the rural areas, instead of the present average of 4.2 cents, which is realized when the fruit is sold fresh. The income from this crop can thus be doubled in an area having a quick-freezing plant. Thorough market surveys bring reports from food brokers showing that the demand for high-grade frozen products in 1938 was 60 percent greater than the supply available.

The new process and suitable machines have been operated experimentally in a small test plant. Well-known concerns engaged in handling frozen foods have judged the products to be of unusually high grade.

A refrigerated barge equipped for zero storage of frozen fruits was constructed during the past year to demonstrate economical transportation of frozen foods to distant markets by water. The barge has a total capacity of 350,000 pounds of individually quick-frozen fruits and vegetables. Its experimental trip to St. Louis in the fall of 1938 was the first time that a self-contained refrigerated barge shipment has been made on the inland waterway system.

For every acre from which a farmer can get a hundred dollars from intensive cultivation of a high-income crop, such as strawberries, as against perhaps $20 per acre from eroded land in corn, the farmer can afford to withdraw several acres from continuous cultivation and put it in cover crops to rebuild and protect the soil. But before making the cash outlays for better handling of land the farmer must find a profitable and reasonably stable market for such quality products as he undertakes to produce.

Cottonseed cooking: Improvements in oil extraction by use of a pressure-cooking method have been demonstrated for 2 successive years at the experimental cottonseed-oil pilot plant at the Tennessee Engineering Experiment Station. The new method was developed by the station and the Authority, with the Engineering Foundation and the cottonseed-crushing industry contributing to its support.

Increased extraction of 10 pounds of oil per ton of seed, as demonstrated by this year's experiments, would give the average small oil mill an additional income of $7,800 a year at the current market price for oil. The savings during the first year of use should approximately cover the cost of the new cooker. It is estimated that if all mills adopted the new method there would be a potential added value to the Nation's cotton crop of $3,000,000 a year.

With value added to the oil and other products of the cotton plant, less dependence need be placed by the farmer on the price of cotton fiber. This is one approach to a solution of the cotton problem, a matter of great national interest.

Furthermore, this development contributes to soil conservation, since strengthening the position of the small local mill will make possible the return through animal feeding of the byproduct meal—containing all of the plant-food fertilizing elements removed by the cotton plant—to the soil from which it came. Two cottonseed-mill machinery companies are now making and installing this type of equipment under a licensing arrangement.

Results of processing developments: Through such joint projects with the land-grant institutions, the effectiveness of their leadership is increased. For instance, in connection with the development related to improvements in the cooking of cottonseed, the policy resulted in the ability of the engineering college with which T. V. A. cooperated to obtain funds from the State and ultimately substantial support from the industry itself. Whereas 3 years ago the T. V. A.'s contribution to the project was several times that of the university, in the budget year 1937–38 it dropped to one-half that of the university, and in the budget year 1938–39 to one-fourth of the total local funds. T. V. A. work on this particular project is now completed and it is self-supporting, in that no further Federal funds are needed.

The purpose in the freezing development was not primarily to find an improved way of freezing foods, but to determine whether the people of the region can share in the benefits of the rapidly expanding markets for quick frozen fruits and vegetables. If so, agriculture should be in a position to obtain more income from fewer acres and thus to devote more land to uses which result in effective water control in the Tennessee River Basin.

It seems to me that the resulting benefits of these experiments to the farmers of the entire country must appeal to all who are interested in their welfare. It is an integral part of a general program which cannot be blindly ignored or discarded.

Letter to Secretary of State Cordell Hull

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 23, 1939

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD I include a letter which I have forwarded to Secretary of State Cordell Hull, urging him not to enter into any barter arrangements with Nazi Germany, and, if need be, to have the President invoke a complete embargo of German products:

FEBRUARY 23, 1939.

Hon. CORDELL HULL,
The Secretary of State,
Washington, D. C.

MY DEAR MR. SECRETARY: It is hoped that you will keep your determination (at the sticking point) not to succumb to barter arrangements with Nazi Germany. I quite agree with your suggestion that the United States has everything to lose and nothing to gain through any policy of exchange by barter. The only salutary way out of the difficulty of world trade is by trade agreements which involve the gradual reduction of tariff barriers to enable trade to flow more freely. Supplemental to those agreements should go loans to those deserving foreign countries who are customers of our products and which products they might need.

Efforts are being made through Dr. Wilhelm Tannenberg, first secretary of the German Embassy, and Dr. Horst Fricke, German commercial attaché in Chicago, both representing Hitler, to enter into a deal with certain farm cooperatives here in the United States, to offer Reich farm machinery, poultry netting, and barbed wire in exchange for American wheat and lard. I am informed that the lard which the Reich is purportedly willing to take would be worth about $28,000,000 at current prices.

Such barter arrangements would fly in the face of all your well-tested, successful practices of reducing tariff barriers. Certainly we should pause before attempting to enter into barter deals with nations like the Reich, which has upon its hands the blood of thousands of helpless men, women, and children—pitiful victims of its insane hate and cruelty.

Furthermore, this same nation has been in continuous default upon its sovereign and corporate indebtedness to American bondholders. While in such continuous default, this Reich nation has purchased and repatriated at least one-third of its obligations. It has the temerity to use the money allocated for the payment of interest on its corporate indebtedness to purchase the capital of its corporate indebtedness at greatly forced-down prices. The repudiation of its obligations, while at the same time professing inability to pay interest due, is the lowest kind of international moral turpitude. Certainly it should not be encouraged and repaid by barter arrangements.

Furthermore, the Reich has refused to assume responsibility for the debts of Austria. It has had the temerity to say that it will in part recognize that debt if the United States and other countries would agree to buy an increased amount of German exports.

The Reich has the temerity, also, to offer to release Catholic and Jewish refugees with a portion of their wealth on the condition that their emigration be financed by international loans which in turn would be secured by the seizure of the bulk of the property of these unfortunate and persecuted refugees in Germany. This is sheer barbarism, and is an attempt to hold in ransom hundreds of thousands of helpless men, women, and children.

The Reich is silly enough to believe that the enlightened nations would accept this proposition, despite the fact that it has been estimated that less than 15 percent of the funds so raised would go to the service of the loans, and that the balance would be accrued to Germany in a sort of foreign exchange, which in turn Germany would use to build up its armaments.

Furthermore, the technique of the Nazis in connection with their propagandists in this country is to stir up discord and internal dissension, and then step in and try to dominate the chaos they have created through a German minority which they control in this country. To stir up dissatisfaction in our country, they are attacking democracy and its institutions. They say democracy is on the verge of collapse; that the United States is a rich, vulgar, corrupt, uncultured land, full of criminals and clinging to a degenerate form of government. They seek to split the country socially and undermine our institutions and instill mutual hatred among the citizens. The issues they raise are now inconsequential, but they are like pimples on the body politic. We may not notice or care about them, but by constant rubbing they become inflamed and irritated. Complications may develop and soon the whole body politic may be poisoned.

The Nazis in this country, under influences from Berlin, are generating such pimples and are irritating them, and may, if not punished, create serious disorders and difficulties. Certainly such conduct should not be rewarded with "barter" deals.

The Reich's balance of trade is running seriously against her to the extent of more than 400,000,000 marks for 1938. The Reich is excessively worried about an acute shortage of her foreign exchange. It is a serious threat to her giant armament program and is also demoralizing German industry. The Reich wants us now, and particularly the American farmer, to pull her chestnuts out of the fire.

The Reich is developing a rather extensive trade with Latin America and has become our chief competitor in that market. How has she done this? By mean and contemptible and blatherskite propaganda against us; by unfair export subsidies, barter deals, and artificial exchange restrictions. All of this constitutes discriminatory trade practices within the meaning of section 338 of the Hawley-Smoot Tariff Act of 1930, as well as section 181 of the United States Code. Under these sections the President has the right to embargo all Nazi goods from entering this country.

I am informed that a report has been submitted to the President indicating the right, in his discretion, to impose such economic sanctions against the Reich. Therefore, far from entering into the so-called barter arrangements with Germany, I am inclined to the view that punishment and not advantages should be the portion of Hitler. I would therefore prefer to see the President invoke that embargo. In any event, barter deals should be taboo.

Democracies in the world are in an economic war against the dictatorships. One of our strong weapons would be such an embargo. The Reich would have more to lose than we. We would have more to gain than she. In any event, it is hoped that the weight of your high authority and that of your office will be used against the consummation of the aforesaid barter business.

With assurances of high esteem, I am,

Cordially yours,

EMANUEL CELLER.

Appointment to the Supreme Court

EXTENSION OF REMARKS
OF
HON. JOHN R. MURDOCK
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES
Friday, February 24, 1939

RESOLUTION OF THE SENATE OF THE STATE OF ARIZONA

Mr. MURDOCK of Arizona. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution recently adopted by the Senate of the State of Arizona:

Senate Resolution 3

Recommending the appointment of Judge Sam Bratton, of New Mexico, to membership in the United States Supreme Court

Whereas a vacancy on the Supreme Bench of the United States has occurred through the retirement of that eminent jurist, Associate Justice Louis D. Brandeis; and

Whereas it becomes necessary for the President of the United States to appoint a successor; and

Whereas it will be the desire and endeavor of the President of the United States to appoint a man who is in every way worthy the distinction, and possessed of those high qualifications demanded of one who assumes the great responsibilities of the office of Justice of the Supreme Court; and

Whereas there is a widespread belief that if such a man may be found in the western portion of the United States it would be fitting that the vacancy be filled by a western jurist; and

Whereas Hon. Sam Bratton, of New Mexico, at present a judge of the United States circuit court, is a jurist of high attainments, judicial temperament, and splendid character, and a man eminently qualified for the exalted post in question: Therefore be it

Resolved by the Senate of the State of Arizona:

1. That it is the sense of this body that the President, by tendering to Judge Bratton the appointment to the Supreme Court of the United States, to fill the vacancy created by Justice Brandeis' retirement, would safeguard the interests of the Nation, insure a continuation of the high repute in which the Supreme Court is held, and do credit to his own judgment.

2. That the Senate of the State of Arizona respectfully recommends to the President the selection of Judge Bratton.

The Political Faith of Our Fathers

EXTENSION OF REMARKS
OF
HON. ANTHONY J. DIMOND
DELEGATE FROM ALASKA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 23, 1939

ADDRESS DELIVERED BY HON. ANTHONY J. DIMOND, DELEGATE FROM ALASKA, AT JUNEAU, ALASKA, JULY 4, 1938

Mr. DIMOND. Mr. Speaker, under unanimous consent heretofore given to extend my remarks in the RECORD, I include the following address I delivered at Juneau, Alaska, on July 4, 1938, on the invitation of the Alford John Bradford Post, No. 4, the American Legion, of Juneau, Alaska:

After a long absence, spent in your service, I am happy to be home. May I first express to the American Legion of Juneau my keen sense of obligation for the honor of having been invited to speak to you today. That honor is a signal one, and I deeply appreciate it.

This is a day of peace. One hundred and sixty-two years ago today, in the quiet streets of a city situated near the seaboard of a then almost naked continent, was heard the sound of a bell, proclaiming a new dispensation in the political affairs of mankind, declaring that all men are created equal, and that all alike are possessed of certain unalienable rights, among which are life, liberty, and the pursuit of happiness.

Equality of birth. And the nations of the world were then founded upon the doctrine of an assumed inequality of birth. Unalienable rights. When in all the earth there was scarce a place where the rights of any man, no matter how sacred, or how naturally inviolable, were not subject to cancelation at the whim or caprice of the autocrat who ruled the land. The more we consider the condition of the times, the more we are lost in wonder and admiration for those great men who dared to be pioneers in political thought, who had the courage to challenge the power of a tyrant king.

And we all know what followed, 7 years of devastating war; 7 years of battle, of privation, of suffering, of death; 7 years, on each day of which the leaders and a host of men unknown to fame reiterated their belief in the doctrine of certain unalienable rights of men, their devotion to the cause of freedom and of justice, in order that they, and that we, their children, and that our children's children may have life not subject to the will of any despot, and may enjoy that life in glory and the sunshine of true liberty.

This is indeed a day of peace, but it is the peace of a man who has beaten his fiercest enemy; the peace of one who has overcome his worst temptation and who is calm and confident in the victory that alone makes peace worth having. This is indeed a day of peace, but the peace is not of defeat or of compromise, but of victory; and a peace not alone of victory, but what is far more important, of justice.

On this day, above all others, we would do well to recall to mind the aims and ideals which were proclaimed at Philadelphia on July 4, 1776, and for which so many have since fought and died. We should here and now, to use the words of the immortal Lincoln, take renewed devotion to the cause for which they then stood ready to give their last full measure of devotion, the cause of freedom and justice.

Freedom and justice. The words are so often on the lips of men that we fail to realize their import. Freedom. What is it? Any dictionary can give us the definition. But the freedom we value is an ordered freedom, an intelligent freedom, a freedom under which all may enjoy life and attain the greatest possible measure of happiness without any restraints except those which bind each person as a member of society, and without any limitations of action or conduct except such as are necessarily imposed upon each individual in order that every other person may enjoy a like measure of freedom. But this freedom does not mean unchecked license, and our devotion to the ideal of freedom ought not lead us to support those who under the protection of the flag of our Nation and the freedom for which it stands seek to tear it down and to substitute for it some other flag, red or black, the emblems, as we know by the terrible examples before our very eyes, of disorder and persecution, of terror and assassination, and of such tyranny and oppression as to shock the minds of civilized men.

And today we should realize that the freedom which we value will not sustain itself; that it requires and demands unremitting watchfulness, and more. Someone has said that eternal vigilance is the price of liberty, but that is only half the truth. Eternal combat is the price of liberty. Our liberty was conceived in battle, born in battle, preserved in battle; and it must ever live by battle; and whenever the people of this land are unwilling to spend the last bit of their substance or to shed the last drop of their blood in the cause of their freedom, then that freedom, which is so justly our proudest boast, will have been doomed to death and oblivion, and this Nation, like many another, will be merely the memory of a blasted hope, a shattered ideal, a noble ambition for the happiness of mankind which has failed of its purpose and its promise.

We may rightly think of that freedom not as a cold, dead insensate thing, but as warm, living, almost incarnate, full of vigor and life and vitality; and because it is alive, and in obedience to the very laws of life, fighting—fighting always that it may live and live only by its power to defeat its enemies.

The freedom of the Nation is constantly assailed both from within and from without. From within by those who enjoy the blessings of that freedom, but like detestable parasites seek to destroy that which gives them life and makes their existence worth while; who clamor loudly for civil liberty for themselves in order that when they attain power they may kill all liberty; and from without by those who mock at and deride the very idea of liberty and believe, with Napoleon, that God is on the side of the heaviest cannon. This day will have failed of its lesson and its meaning if we do not here and now resolve to be eternally vigilant and to eternally do battle with all of the dark and malign forces which openly or covertly assail our freedom.

Nor should we be so unintelligently selfish as we think of ourselves alone. By the highest laws of morality, as well as by the rules of enlightened self-interest, we should give fair and sympathetic consideration to the welfare and aspirations for liberty of others. In modern times every part of the civilized world has its impact, social and political and economic, upon every other part. Common sense suggests that we occasionally look beyond the boundaries of our own village, or city, or State, or Nation, and there, perhaps, to our advantage and enrichment, we may find in other peoples or in other lands something worthy of our admiration or charity or pity, or something so horrible that we shall be more than ever determined to prevent a similar condition from arising in our own land to curse us with its evil.

And then, justice! What is justice?

As we all know, justice, in its universal sense, means rendering to everyone his due. It is in the nature of a great and general law which we are bound in honor and in conscience to observe—to render to everyone his due. It is not sufficient to establish political freedom and rest there, at the same time permitting economic servitude, for the latter is an offense against justice. The justice required is not merely the enforcement of the statute law, for that is a small, almost infinitesimal, part of it. Justice demands that we act in accord with its exact definition to render to everyone his due. It is a great command, of reason as well as of conscience, which we should feel as keenly and hear as clearly as though the voice of the eternal God Himself spoke it to us. That command says to each of us today, "Render to everyone his due, whether his skin be black, brown, yellow, or white, and whatever be his class, creed, or circumstance. Be just!" And as we obey that divine voice, we may confidently hope to be blessed with the peace that passeth understanding; and if we long disobey it, then just as surely as did the tyrants and the unjust of ancient times, just so surely shall we, too, tumble down into the dust.

The fundamental principles of justice appeal to us with particular force today. Partly by reason of a deep and burning sense of economic injustice accompanied by economic insecurity existing among a substantial number of our citizens, and partly by reason of the naked lust for power of some of the leaders, clamorous and insistent voices are heard around us and among us, demanding the abandonment of our traditional principles of liberty; demanding, in effect, under one guise or another, the creation of an all-powerful or totalitarian state, wherein man would no longer be recognized as possessing any inalienable rights. These attacks upon our form of government, and upon its ideals of human liberty, take two particular modes, bitterly hostile to each other, and yet identical in operation and ultimate effect; one of them is generally called Fascist and the other Communist.

Both fascism and communism are enemies of human liberty; one open and avowed, the other secret and insidious and cunning, always boring from within. Fascism presents an ugly and brazen challenge to the very concept of individual freedom. Communism has a different and more deadly approach, seeking first to seduce and then to strangle liberty. It is difficult to say which is the more repulsive to those who love liberty, to those who revere the principles of the Declaration of Independence; but communism works by concealment of its aims, works by indirection, by subterfuge, and by outright falsehood, and may, therefore, be more immediately dangerous. Both are depressing examples of the slave mentality, which would, if it could, create another slave state.

But aside from the leaders, who are generally barren-minded enthusiasts, or ruthless and greedy for power, the followers of those alien and slavish beliefs are mostly those unfortunates who feel themselves oppressed, and many of whom are actually oppressed by the injustice of the world, and who have thus lost confidence in democratic principles and processes, and in the ideal of liberty, and so follow blindly the leaders who promise all things to their adherents, promise the "kingdoms of the world and the glory thereof," and ask in return one thing only—absolute and complete submission and obedience, involving the surrender of all liberty. The conclusion seems inescapable that if fascism with its variant of nazi-ism, or communism, shall ever prevail among us it will be because we have failed to promote and maintain justice, and thus men have become desperate.

How necessary, then, if we are to keep the political faith of our fathers, that we should remove so far as is humanly possible every last vestige of injustice, economic or otherwise, and thus preserve our heritage and prove once more that only in liberty can man truly and reasonably engage in the "pursuit of happiness."

Nor should this day pass without a prayerful thought for those who made the last great sacrifice that this Nation might become and remain free—the dear, the gallant dead. We do not honor them because they are dead. No; they hold high place in our thoughts, and they are deserving of our eternal gratitude, because they fought for a great, a noble belief and ideal, and because they had the courage to die for it. After all, humanly speaking, courage is among the grandest of the things of life, for nothing that is worth while can long survive without it. The value of courage as a motive of the most admirable human conduct is touchingly expressed in verse that was, I believe, written during the World War, in which a mother is made to speak of her dead son. I quote:

"And so I did not cease to build about my splendid boy
Great towers of prayer, that he might fight with courage high;
And that, if need be, he might bravely die.
I prayed that he might fight, if die he must,
Matched man to man, with hope in every thrust;
That in his last encounter he should meet
A man who fought with grave and gallant grace,
And as the blows fell, in the other's face
Be written admiration, so the last defeat
Would not taste bitter from a foe so brave.
This boon I could not help but crave—
Such foolish dreams a mother's thoughts employ—
Surrounded he, a dozen to my boy!
And yet I know, I who love courage so,
That when through the dawn their dim shapes were described,
Thank God, he fought them all, and, fighting, died."

That is what this day means to us. That is what that dear flag symbolizes and typifies: courage and honor; all of our highest and best hopes and aspirations; all of our finest spiritual strivings and endeavors; a union of more than one hundred millions of people, from all the regions of the earth, bound indissolubly into a society where the welfare of one is universally held to be the welfare of all; where if one member suffers, all others suffer in unison; where if one is injured or oppressed, all others will spring to arms for his defense; where freedom reigns, and where justice, the justice of the eternal God, must and shall be made to prevail.

For such a cause, for such a country, for such a faith, for such a flag, we are no longer startled or amazed at the heroism of America's sons at the Belleau Wood or at Chateau-Thierry, at St. Mihiel, and in the dark stretches of the Argonne Forest. But we take it as a matter of course; as the natural and normal conduct of men who in their lives gave that flag devotion, and who embattled, wounded, dying, on the torn fields of France and of Flanders, fulfilled its promise, sustained its tradition, and added to its imperishable glory.

A United Party or a Minority Party

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Monday, February 27, 1939

ADDRESS BY HON. ROBERT H. JACKSON AT TOPEKA, KANS., FEBRUARY 22, 1939

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Solicitor General Robert H. Jackson at the annual State banquet of the Democrats of Kansas on Wednesday, February 22, 1939, at the Masonic Temple in Topeka, Kans.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

George Washington won the first great struggle for a better life on this continent because he stubbornly kept the faith through a bitter winter at Valley Forge. Desertions from his cause when the fighting became hard, conspiracies against his leadership, loss of many who had supported and encouraged him at the beginning of the struggle, and some downright disloyalty from those he had helped, failed at Valley Forge to shake the character of the first great American. And from that day to this no great leader of the people has led them in a fight for better government without having to face a Valley Forge.

What a perfect day to face frankly the situation of the Democratic Party—now camped at its Valley Forge—and to rally for victory in 1940—a victory that can be won, and can only be won, by keeping true to our principles and loyal to the greatest leader of our time.

I am here to talk politics—just plain party politics—as one Democrat to another. I claim no right to speak as a politician, nor because of holding a political position, for my position with the administration is not a political one. It is purely professional. Since I have had no part in the making of appointments and little in the making of policy, I can observe conditions with as much detachment as any member of our party.

My right to discuss the Democratic Party, critically if I choose, is based on a personal and family loyalty which since the Democratic Party was founded has never failed to support its ticket. Humble, loyal followers, such as these, are the backbone of our party. We kept it alive when we were called "Copperheads" for doing so. We kept it alive when we were called "Populists." And, whatever its present plight, we are, and will remain Democrats.

There have been and are millions of such Democrats, but never enough of them to carry a national election with their own votes. Our own strength is sufficient to keep the party from being wiped off the map, but not to give it victory. As the President reminded us on Jackson Day, less than half of our people are Democrats.

This has meant that the Democrats must not only deserve success, but they must convince many disinterested voters that it deserves success, in order to win it. The Republican Party, since the Civil War, has usually had enough strength of its own to win elections whether it deserved them or not. This strength enabled Republicans to ride through eras of administrative incompetence and even of downright corruption which the country would never stand for from Democrats.

I know there are many who scorn party loyalties. But the party system in my judgment has had a great part in making our American democracy work. Only through the machinery of a party has American leadership ever made itself effective. The alternative to our two-party system is the shifting combination of small blocs, class or sectional representatives, and pressure groups. Ably and responsibly led, our political parties give more stable, more competent and less corrupt government that these bargaining groups could give.

The chief merit of our American political party system is that it can furnish the cohesion and the motive for cooperation between an executive and his departments on the one hand and the party majority in the legislative branches on the other, and thus out of the multitude of minds produce a party attitude and responsibility on public questions. And if party loyalty will not knit officials into a unified administration, it would be pretty difficult to find any hopeful basis for one in our system.

Any party in power under our constitutional plan has one leader, chosen by and responsible to the whole people. That is the President. Only the Executive is elected by the Nation as a whole, or has a national constituency or a responsibility to all citizens and sections of the Nation. The President has every citizen of the United States as a constituent, but every Senator or Representative is primarily a representative of a section, however much he may desire to take a national view.

Unless the Democratic Party is willing to accept a national leadership from the President, it can at best have only the leadership of a coalition of local leaders. There is nothing in history to lead us to believe that a coalition of local leaders can produce either a consistent policy or a harmonious one.

This is no time to stir animosities or indulge in recriminations. I will not discuss personalities or try to settle political arguments as to who has sinned and who has been sinned against, and whether there are or are not real individual grievances. From the point of view of the party Democrat and from the effect it has on our party prospects, it probably doesn't much matter.

Our party includes men of strong convictions and diverse views, interests, and experiences. If we are to split, there will be high intelligence and character on both sides. But we are hardly doing ourselves justice if we split over the kind of issues that seem to be causing most of the trouble. It would be idle to deny that certain great problems of foreign and domestic policy are not being adequately and temperately dealt with, and that the time is growing late and the country is growing weary. It would be equally idle to deny that disputes within our own party are largely responsible, and that many of these time-wasting fights are over issues that, whatever their merits, are of secondary importance, both to the country and even to those involved.

I know of few times in the history of this country when the public has been more anxious about great problems and less patient with quarrels over petty ones. Whether we turn to international affairs and behold a world aflame or whether we turn to domestic affairs and behold our unsolved problems of unemployment and relief and lagging private industry, the need of the hour and the search of the hour is for big men. We could, of course, justly answer, What of the Republicans? But it is our record, not theirs, that will be up for examination. It is our party that has the responsibility, and it is our party that has the opportunity.

The greatest danger to the Democratic Party today is in a growing public suspicion that its leaders have become so divided and distracted with personal and local politics that it does not have capacity to agree on policies to run the Government. And also, whether its professions of interest in the problems of the people are the real convictions of the controlling elements of the party, or only invoked for election purposes. So far as it affects our prospects in the next election, it doesn't make any great difference whether these things are really true, if the people come to think they are true. The important thing is whether, within the remaining time of this session of Congress, the conditions of our success in 1940 can be established. If they cannot, we may remember 1940 as a companion year with 1920—a year of disaster—self-inflicted disaster.

Then, too, the suspicion is growing that the promise of a liberal administration represents true convictions only of the President and a small group, and that it does not represent the attitude of

the party as a whole. There are controversies over the meaning of liberal and conservative. Tonight I am not interested in the disputations of the intelligentsia on these abstractions. What I mean by liberal administration is the kind we all joined in 1936 in making the people think they would get from us—and there is no need to quibble about that.

The President's effort to deliver on this party promise is fully in keeping not only with the most honorable Democratic tradition but also in keeping with the only policy on which the party has been able to win a victory since the Civil War. In my lifetime I have seen only two victorious national leaders from our party. The principles, the friends, and the enemies of the New Deal bear striking resemblance to those of President Wilson's "new freedom." I was nourished on the liberal Democratic tradition of Wilson, and it is too late for me to turn back.

Since the Civil War our only party victories have been won by Grover Cleveland, Woodrow Wilson, and Franklin D. Roosevelt. We have almost forgotten that Cleveland ran for President as a liberal and as a reformer. He was attacked as the "enemy of business" because he assailed the tariff, and he responded by denouncing "the communism of great wealth." Only in the later days, when the silver struggle emerged and our party faced defeat, did Cleveland become known as a conservative. And Woodrow Wilson, who fought for many reforms, including the Federal Trade Commission Act and the Federal Reserve Act, was denounced as a reformer, as an enemy of business, and with all of those epithets which are so common in our own day.

No person who reads the political record of the last half century can fail to see that the people turn to the Democrats whenever they are in a mood for liberal government, and that they turn to the Republicans when they are in the mood for reactionary government. This is based on a sound instinct.

From its foundation by Jefferson and Jackson the Democratic Party has been committed to a philosophy of political liberalism and of regard for the common man. Moreover, its following in your State and my State, and in many other States, is such that it must adhere to a policy of liberalism if it is to succeed. Its following is among the common people, now well aware of their political power and unwilling to be ignored.

And we should take to heart no less the plain lesson that when the people are in the mood for reactionary government they never stop with "conservative" Democrats. They turn clear over to the Republican Party. Its record, its leadership, and its financial backing give a guaranty that it will deliver reactionary government.

There are those who cite the Gallup poll which tells us that the electorate—Democrats included—are becoming more conservative. If we could have sampled it then, doubtless we would have found the same movement of sentiment in the days before we nominated Alton B. Parker, James M. Cox, or John W. Davis. But did the relative conservatism of these estimable individuals catch these conservatives? Studies may prove that it will be more difficult the next time to win with our principles, but it hardly needs to be proved that we cannot win without them. No set of figures has yet proved that the Democrats can win by stealing the Republican position and trying to out-Republican the Republicans.

The plain lesson of history is that when the country wants reaction it will take it from Republicans who are experts in reactionism, and when it wants liberalism, and only then, will it turn to the Democrats. The Democratic Party will either be a liberal party or a minority party. If Democrats join Republicans in helping turn the people against the New Deal, they will find that they have also turned them against the Democratic Party and are authors of a ruin in which they will have to share.

I have so far put the discussion on the rather low level of party expediency. I know there are those to whom that argument does not appeal. Our love of the old party—a sort of foolish love perhaps—is not bred in their bone. They welcome a so-called realinement. Some want the party to be completely liberal; others want it to be completely conservative. Liberal or conservative, they recognize that a realinement may mean defeat in 1940. But they believe that even defeat may leave a silver lining. For, in their view, defeat may chasten the party and cleanse it of those who cling to the party only for the power and patronage the party gives them. So far as I am personally concerned, I know of few who could be kicked out of Washington with better advantage to themselves than I. If I were a dependent on party favor, I would not make this speech. And under some circumstances, I might welcome the showdown between power and principle.

But there is a country as well as a party whose welfare is our trust. There are risks to the Nation involved which we do not dare invite. In these times, if we begin wrecking a governing group, as our party is today, we do not know where the wrecking will end.

We know that there is no cohesive, intelligent, or harmonious policy possible from the Republican Party. It talks of a balanced Budget but flirts with the Townsend plan. Its leaders agree upon nothing except opposition to the Democrats. It has no recognized leadership and none can tell who would be most influential in its counsels. While its most recent candidate, Mr. Landon, has, without recanting his disagreement on many points, cooperated in the President's foreign policy, its most recent President assails every policy with the undiscriminating rancor of a man who bungled his own opportunity. Being in power centers public attention on our differences. Nothing but their being out of power conceals even deeper and more bitter division among the Republicans.

But these are times when the whole structure and philosophy of democratic government is under question, when free government is undermined by Communists on the left and overwhelmed by Fascists on the right. If in the presence of this our own party fails, there is no ground for believing the Republicans can succeed. And if both are failing, what then?

The responsibilities upon men in public life today are not ordinary responsibilities. Our comforts, prides, and ambitions must yield to the overwhelming necessity that public confidence in democratic government be maintained and that our unsolved problems do not vanquish us.

In a world unsettled by restless and hateful movements of nation against nation, class against class, and race against race, it is no easy matter to keep our poise and hold to ways that will lead to peace. In the presence of lagging business and widespread unemployment, our little quarrels may well spread to affect industrial peace and social stability.

We cannot become conservatives and strive for maintenance of the status quo. That philosophy had some basis when status quo itself was reasonably satisfactory. Status quo can't stay with us now. To stop swimming is to sink.

Our duty is to apply ourselves without reservation to getting our economic life onto sound foundation and keeping alive faith in the power of free men to solve their problems by the democratic process.

And that duty begins now, fellow Democrats. Our problem is not what to do about a third term; it is what to do about this second term. Our real time of trial is not 1940; it is now. It is today that the record is being made that will decide our tomorrows.

As Democrats you and I have a right to expect our party, now that its responsibilities and dangers are becoming apparent, to meet both. Of course, we must get together. But it will do no good to get together on the wrong things. We must get together on the right things.

A Nation-wide rank and file has chosen the leadership of the President. He could not, if he would, abdicate it to a few or to many, none of whom have a Nation-wide constituency. He has led in the best tradition of our party. If we win in 1940, it will be upon the record and under the momentum of the leadership he has given us.

Of all Democrats of this time he is safely anchored in history, where party strife and personal ill will can do him no harm. It is rather for our people and our party and those who come after us that we should renew our faith in liberal democratic government and go forward to a new day, guided by the lessons we have learned at the feet of the most inspiring and courageous leader given to any people in our day—Franklin D. Roosevelt.

South Dakota Legislative Dinner

EXTENSION OF REMARKS

OF

HON. CHAN GURNEY

OF SOUTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Thursday, February 23, 1939

ADDRESS BY O. L. BROWNLEE AT PIERRE, S. DAK., FEBRUARY 16, 1939

Mr. GURNEY. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Mr. O. L. Brownlee, chief editorial writer of the Sioux City Tribune, Sioux City, Iowa, on the occasion of the South Dakota legislative dinner given at Pierre, S. Dak., February 16, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is impossible for an intelligent person to view the situation of the United States today without experiencing a sense of misgiving concerning the future of this country.

Prices are down. Industry is stagnant. Unemployment is general. Business enterprise, especially in the Middle West, is drying up. Mass poverty, like creeping paralysis, is spreading throughout the economic body.

Bank deposits turned over barely 13 times in 1938, whereas in normal years, such as 1926, they turn over about 20 times. In the boom year 1929 they actually turned over 27 times.

Transactions in stocks in 1938 hit a new low since 1924, and the sale of bonds last year was the smallest in volume since 1917.

The flow of money has dwindled to a mere trickle which is largely inducted by the drip, drip, drip and the drop, drop, drop of public funds flowing in and out of a hypothetical pump that refuses to prime because there is no spring at the bottom of the well.

Six years ago this month we had 10,000,000 or more unemployed; and we still have 10,000,000 or more unemployed.

We have tried everything, it seems, except the right thing. We have put grandpa and grandma on the pension rolls and we have sent junior to the C. C. C., sponsored art schools for dishwashers, and theater projects for truck drivers. We have piddled with W. P. A., P. W. A., C. W. A. and fiddled with A. A. A., F. E. R A.,

N. R. A., and a whole host of other alphabetical innovations—but it is all in vain.

In addition to the billions we have squandered on these enterprises we have been compelled to spend an additional $461,000,000 for food and clothing which we have distributed free to keep together the souls and bodies of the hapless victims of depression and recession and our own economic and political ineptitude.

TOWARD A LOW COMMON STANDARD

It is self-evident to any thinking person that the United States cannot continue indefinitely the course it is now pursuing. We are consuming our substance, mortgaging our future, and gradually—and inevitably—W. P. A. is coming to set a common standard for all of us unless we shall be able to arrest the tide that now is running so swiftly against us.

I think that the Republican Party of South Dakota in convention in this city of Pierre last June 27, adequately voiced the thoughts of intelligent Christian Americans everywhere and gave that expression the proper place in their platform, the first paragraph of which reads:

"We call upon Almighty God to witness the distress of this Nation. We invoke His inspiration and guidance in this our country's hour of peril."

I think that you will be interested in knowing that, insofar as I have been able to discover, never before had the platform of any major political party made any reference to the Deity. I think that it was about time that one did—don't you?

Economic leadership has failed us. Business, which we had made our god, is unable to point the way out. Political leadership has proved itself unequal to the challenge of the times.

What is wrong? What must be done? To whom shall we look for leadership? Those questions are on the lips of every thinking person in this harassed land today.

The same God who created us endowed us with an abundance of natural resources of every kind. We still have them—the soil, the minerals, the timber, climate, rainfall, and sunshine. Our great transportation and merchandising systems are intact. We have at our command the greatest pool of money and credit any race or nation has ever known.

Our culture has produced more creative and inventive genius than has that of any other civilization. No other people ever amassed such a store of technical knowledge. These are the flowers of freedom and liberty in the American tradition which, if properly used, would further enrich our lives.

But, in the haste and rush—and, yes, the greed—incident to superimposing a great industrial civilization upon the foundation of an agrarian culture—we did it within the span of a third of a century—we lost sight of some of the fundamental things.

WHERE THE VERITIES PREVAIL

And the place to rediscover and to restate these eternal fundamentals of which I speak is out here in this part of America—at the grass roots, so to speak.

They are not to be found among the lofty spires that limn the skyline of New York nor seemingly can they be correctly reexpressed above the discord of the Babylon that is Washington where men "speak with many tongues."

May it please you to know, ladies and gentlemen, it is my humble opinion that you people of South Dakota, a State whose people still cherish vivid memories of the hardships of pioneer life, have rediscovered and restated these eternal verities with greater force and clarity than they have been expressed by the members of any other group.

Let me refer again to the Republican State platform of 1938. At the bottom of page 2 of that historic document, there appears this declaration:

"We recognize as a fundamental economic fact that the continued prosperity of this Nation and the welfare of its people begin with the production and sale of the products of nature—the annual yield of the farms, forests, mines, and other products of the ground.

"We recognize that the sale of such new wealth products must supply enough money each year so that, when it is translated into other forms of wealth through the channels of manufacture, transportation, and commerce it will amount to a sum sufficient to operate this Nation as a solvent business institution."

There you have stated the broad principles clearly, concisely, and accurately. Volumes could be written that would say no more; in fact I have read volumes that said considerably less.

Our problem is to bring sufficient money into circulation through the sale of the products of new wealth and keep it circulating in sufficient volume and with sufficient velocity to yield prosperity.

Now, there are just three ways by which money can be called into existence or brought into circulation; namely, by producing and selling something; by issue under constitutional authority; by borrowing.

Money of issue actually represents nothing but an instrument of social convenience. That is its true purpose. Borrowing requires dipping into savings or pledging future earnings. Only the money that we bring into circulation through production contributes to sound economic and social progress. That is fundamental.

TWO KINDS OF INCOME

The money which we bring into circulation represents income and income is of two kinds—primary income and collective or national income.

Primary income consists of the money realized from the sale of the materials of new wealth, the products of the ground, the crops, the minerals, the timber, etc.

Collective or national income consists of the combined earnings of all our people from whatever source—the sale of raw materials, wages, profits, interest, etc. And I mean gross, not net, income.

The amount of the primary income depends upon two factors, to wit, the number of units of new wealth produced and the price per unit realized from their sale.

Research conducted by the Raw Materials National Council, of which I have the honor of being director of research, proves conclusively that there is a definite and continuous relationship between primary income, factory pay rolls, and national income.

Since agricultural demand largely determines the market for other raw materials, it is only necessary, for purposes of practical calculation, to express the relationship between agricultural income, factory pay rolls, and national income.

And that relationship is, with only slight variations from year to year, 1:1:7. In other words, $1 of farm income yields $1 of factory pay rolls and $7 of national income.

I wish that I had the time to go into that more fully and to show you charts and graphs which substantiate these conclusions. Suffice it to say that nobody has yet been able to dispute them and in recent weeks they have been substantially confirmed by Dr. Louis H. Bean, Department of Agriculture economist, and others.

Let me give you just one example of how this equation works out in actual practice. In 1928, according to the Agricultural Yearbook for 1935, the total production of all grains—wheat, corn, oats, rye, barley, and flax—amounted to 5,330,000,000 bushels. The 1932 yield of the same grains—the year of the great mythical surpluses—was 5,253,000,000 bushels, about 1 percent under the 1928 yield.

Yet in 1928 farm income was approximately $11,741,000,000 and national income was approximately $82,717,000,000, while in 1932, with a smaller yield and 4,000,000 more people to consume it, farm income was approximately $5,330,000,000 and national income was approximately $37,317,000,000—a net deficiency of about $43,000,000,000.

We produced an adequate number of units of new wealth in both years, but in 1932 we did not receive an adequate price for them.

AT THE BOTTOM OF THE TROUBLE

And that is what is at the bottom of all the trouble. The new wealth that we are producing is not yielding enough money—it is not bringing enough money into circulation—to enable us to buy what we can produce in the way of both raw materials and manufactured goods and thereby operate the Nation as a solvent business institution.

That explains depression. We are accustomed to thinking of the cost of depression in terms of the $20,000,000,000 Treasury deficit incurred since 1933. Actually, however, in terms of national income lost, we have lost more than $235,000,000,000, as revealed by comparing the gross income of the 8 predepression years and the 8 past years.

What are we going to do about it? How shall we proceed to obtain an adequate price for the new wealth that we produce? Let's turn again to the South Dakota Republican platform of 1938, of which section 3, subsection 3, reads:

"That on all imports of competitive and substitute raw materials of new wealth—the basic and strategic products of the ground—there should be levied duties or fees equal to the difference between the actual landed cost of such products and the American parity price of the domestic products which they would displace, plus freight to the nearest rate-basing point, to preserve the competitive position of American producers in supplying the American coastal markets."

That platform also calls for the creation of adequate reserves of basic food crops from surpluses when they occur, adequate credits, disposal of excess stocks of farm crops, new industries to consume large quantities of farm crops for nonfood and nonfabric purposes, and means to develop mineral deposits and other basic products which would create employment for men and capital.

I say to you that not only has South Dakota correctly diagnosed the national ailment, South Dakota has prescribed the cure.

Neither South Dakota nor any of the Middle Western States can capture and hold their proper place in the economic sun until the power of the coastal industrial interests to control the prices of raw materials has been destroyed.

It is a diabolical thing, this monopoly over the pricing of the raw materials of a nation. Those who exercise it hold the power of life and death over vast industries like the agricultural, mining, and forestry industries.

They have decreed high and ever higher tariffs for their favored enterprises and low and ineffective tariffs or even free trade for all raw materials.

Working through both major political parties, they have manipulated tariffs and price controls in a manner that has created disproportions in the exchange value of raw materials and finished goods under which we of the Middle West cannot survive.

AN ECONOMIC DICTATOR

All that they had achieved for themselves under the Smoot-Hawley and other tariff measures has been perpetuated, improved upon, and refined by the very good friend of those interests, Cordell Hull, who by virtue of the surrender by Congress of its treaty-

making powers made him an economic dictator in fact and, in my humble opinion, America's economic public enemy No. 1.

By reason of the controls which this international trading bund maintains over prices and policies they have contrived to let into the United States an ever-increasing volume of raw materials, both competitive and substitute, which last year displaced the normal production from more than 85,000,000 acres of United States farm lands.

Our flax industry has been virtually destroyed. Tapioca and casava from the East Indies now displace the yield of 529,000 acres of American corn in the manufacture of starch. We import 73 percent of our sugar, paying a premium of millions annually on Cuban sugar, which is an indirect subsidy to the Chase National, City National, and Stone-Hayden Banks of New York and the Shawmut National Bank, of Boston.

Last year we admitted nearly 3,000,000,000 pounds of jungle fats and oils, which displaced the equivalent of lard, cottonseed oil, soybean, and other oils, and enough jute to displace 500,000 bales of American cotton.

TRADING AIR AND SUNSHINE

Now, these products represent nothing but the result obtained from the chemical transformation of sunshine, air, and moisture. They are the products of plant life. And plant life consists of about 98 percent air and moisture and about 2 percent of organic matter, principally silicon dioxide—plain sand to you and me.

Why should we trade South Dakota air and sunshine for Philippine, Cuban, and jungle sunshine and air?

I'm reminded of what my good friend Billy Hale, of the Dow Chemical Co., one of the Nation's outstanding scientists, once said about that. He was berating the politicians and industrialists for perpetuating such commercial fallacies. At the climax of his speech, swept by a burst of anger, Bill raised his clenched fists above his head and fairly shouted: "Why in hell can't they see that!"

They can and do see it all right, but they are not guided by motives of sound national economy—only by the dictates of their own greed and self-interest. To blazes with the American miner and the American farmer so long as they can squeeze an extra penny out of their product.

Fools. They know not what they do. They are destroying the foundation upon which they have built their flimsy industrial house of cards and it will tumble down upon the ruins of our raw-materials producing industries when they have destroyed them.

Let me give you an example in point of how this policy affects South Dakota.

This legislature a few days ago passed a resolution petitioning Congress to order an investigation of South Dakota's manganese resources.

Now, it happens that I know considerable about these deposits. And I know that Washington knows all about them, right down to the last test hole that has been sunk and the last pound of available product. The Bureau of Mines has all that information and, moreover, has contributed much to research whereby it has been made possible to work low-grade ore, such as the Chamberlain deposit.

ORES WORTH BILLIONS

That Chamberlain deposit, ladies and gentlemen, contains about 500,000,000 tons of manganiferous-bearing ore. This half billion tons of conglomerate contains about 100,000,000 tons of manganese, sufficient to deoxidize for steel purposes every known ton of iron ore reserves in the United States; it contains, in addition, about 100,000,000 tons of high-grade iron ore, about 100,000,000 tons of recoverable building lime, thousands of tons of cobalt and magnesium and other valuable materials, not to mention the 100,000,000 tons of dry ice that could be manufactured from the carbon dioxide that would be released in processing these ores. I believe I am correct in saying that about 1,700 pounds out of each ton of that deposit has commercial value.

I think I do not exaggerate in estimating that the Chamberlain deposit would yield upward of $5,000,000,000 worth of new wealth. I have been told by competent engineers that the working of this deposit and the chemical industries that would grow up around it would support a population of 250,000 souls.

But it is not possible to develop this treasure and pay an American wage. The domestic industry is in competition with the peon labor of Brazil, India, and South Africa and the impounded labor of "liquidated" Russian kulaks.

The Hawley-Smoot bill put a 1 cent per pound duty on manganese, but the steel industry dropped to 15 percent of its capacity before the American mines could get going, and then Hull came along and cut the duty in two. He did that in the treaty with Brazil, which is not and never was the principal source of supply, but under the unconditional most-favored-nation clause benefits of the reduction were extended to Russia, Asia, and the African Gold Coast. He closed established mines with a capacity of 200,000 tons yearly and stopped all development.

Today 4,000 miles of open sea lanes stand between the great American steel mills and their principal source of manganese supply. Do you understand now why we need a bigger navy?

We need it, among other reasons, to enforce the boycott against American manganese by the United States Steel and the Bethlehem Steel Corporations so they can continue to exchange manufactured steel for raw materials and makes a profit coming and going.

STEEL TARIFFS HIGHER

It requires 14 pounds of manganese to make a ton of steel. To restore the duty on manganese to 1 cent a pound would add 7 cents to the cost of a ton of steel. But the steel industry will not absorb that infinitesmal item of cost, though since 1928 their tariffs have climbed from $8.14 per ton to $14.47 per ton, and last year they bilked the American people out of $731,000,000 in the form of tariff "pap," and in the past 15 years, according to a record compiled by former Senator Tasker L. Oddie, of Nevada, and recently brought down to date by Congressman ANDREW J. MAY, chairman of the House Committee on Military Affairs, they have "rooked" the American public out of $8,408,901,511.

Why, ladies and gentlemen, the total investment of the 21 major companies representing 92 percent of the ingot capacity of the Nation, according to Iron Age of April 1, 1938, was only $4,430,884,614. We could buy up, destroy, and replace the whole shooting match and amortize it out of the tariff "take" in about 7½ years.

This is just one sample of what the internationalist trading bund and the internationalist politicians are doing to the prize suckers of all time—the American people.

AN OBSERVATION ON TREASON

The name of Benedict Arnold will be forever reviled in the hearts and minds of patriotic Americans. Arnold was a petty political traitor. But there is such a thing as economic treason, too, and if there is an especially hot corner in hell reserved for traitors and the perpetrators of treason, I'd hate to be standing in the shoes of some American industrialists and politicians.

I want to tell you another instance. A few months ago "bear stories" began to appear in the press about an impending shortage of phosphates. Congress named a committee to investigate. South Dakota's own good Congressman, FRANCIS CASE, a man whom I greatly respect and admire, served on that committee.

The committee found that we could export phosphate at the present rate of 1,000,000 to 1,300,000 tons per year for the next 2,000 years without seriously impairing the resources of only two States, Florida and Tennessee, and that there still would remain 300,000 acres of proven reserves in Idaho and 2,500,000 acres of unsurveyed reserves.

Here's the thing that was behind those "bear stories." The world market annually takes about 4,000,000 tons of phosphate, supplied by the United States and British interests. The British simply wanted to get us out of the world market so that they could have a monopoly—and apparently they found somebody in Washington who was willing to help them get us out.

After completing this investigation, Mr. CASE announced he would sponsor a resolution in Congress to investigate foreign activities in suppressing American enterprise and the extent to which they have been aided by persons in the service of the United States Government.

I hope that he goes through with it and that your legislature will memorialize Congress to grant his petition and that he may be privileged to call up and question certain gentlemen who are connected with the so-called National Resources Committee, which Senator MILLER, of Arkansas, said "has set itself up as a general staff to superintend practically every Government activity." I hope he may be privileged to question certain members of the Interdepartmental Committee of the Federal Government and some others who served on a special minerals committee and particularly one gentleman who, while serving on it and fighting manganese development, was shown up as having been in the employ of the Steel Institute.

If you'd find another Teapot Dome affair, ladies and gentlemen, remove the veil from the whole raw-materials situation, including the petroleum industry, and you'll be shocked if not surprised by what you will discover!

But I must hasten on. I'd like to discuss with you fully South Dakota's sugar and levulose and power alcohol and other possibilities, your tin, manganese, beryllium, tungsten, and other mineral assets. But I haven't the time.

I want to place before you now something concrete, something tangible in the way of a program of action.

DIAGNOSIS AND REMEDY

As I said before, South Dakota has diagnosed the national disease and prescribed a remedy. It is parity prices, parity tariffs, and, of course, parity wages which would result from the adjustment of the wage scale to the price level.

But South Dakota cannot bring these things about by its own efforts.

All of the 40 raw-materials producing States must be brought into the picture and united on a common program built on a common philosophy of America for Americans and the American market for American products.

On February 8 of this year the House of Representatives of the South Dakota General Assembly memorialized your distinguished Governor, the Honorable Harlan J. Bushfield, to call a conference of Northwestern Governors to consider means to develop and advance the power alcohol industry.

That represents sound procedure and sound economic doctrine, because the fuel-alcohol industry alone can be made to solve the production and employment problems within 5 years.

But I am going to suggest that we go a step further than your assembly has proposed. I am going to suggest that the scope of the assembly's memorial to Governor Bushfield be expanded to authorize him to call a conference of all the Governors of the 40 principal raw-materials producing States looking to the establishment of a permanent interlegislative economic council to conduct a survey of the economic resources and possibilities of each of the participating States and to devise a legislative program

which they would place before the Congress of the United States and which they would unanimously support.

Such a council, supported by a small appropriation by each of the participating States, could quickly assemble this material and reduce it to the form of a comprehensive legislative proposal or proposals.

It could deal adequately and swiftly with all the known factors—tariffs, money and credits, imports and exports, international relations, and the application of the known new technologies.

BACK TO CONSTITUTION

Such a council could quickly devise a real honest-to-God program of production and use that would shortly put America back to work and remake this country into the economic democracy it was intended by its founders to be—an economic and political democracy for Americans—not an international republic nurturing a proletarian fringe that is being driven by desperation to embrace the subversive "isms" that have been spawned in the mass poverty and degradation of war-exhausted Europe and Asia.

The preamble of the Constitution of the United States reads:

"We, the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution of the United States."

That Constitution, in its very first article, then created the Congress of the United States which it empowered to enact legislation necessary to achieve its purpose. It created an administrative division and a judicial division of government, a perfect system of checks and balances.

But the American Congress, in recent years, has delegated away many of the powers vested in it by the Constitution. Among those powers which it has surrendered are these:

"Section 8, subsection 3: To regulate commerce with foreign nations and among the several States and with the Indian tribes.

"Section 8, subsection 5: To coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures."

And with this result: We do not today have domestic tranquillity, the general welfare is not being promoted, economic justice does not prevail, we are not certain that we shall long continue to enjoy the blessings of liberty or be able to preserve them for our posterity.

HAS CONGRESS FORFEITED RIGHTS?

I have wondered at times whether the Congress of the United States has not thoughtlessly forfeited its constitutional right to legislate for the American people.

I think that nothing could be more effective in recalling Congress to a sense of its duties and responsibilities than such an organization of representatives of the various States as I have suggested here.

We must get back to the principles of constitutional government in order that, as Lincoln said, "this Nation, under God, shall have a new birth of freedom; and that the Government of the people, by the people, and for the people shall not perish from the earth."

The Constitution placed no responsibility upon us for the tranquility of other peoples. It plainly specified "domestic tranquility."

Let us plant realization of that fact deep in our hearts and minds and never lose sight of it.

Again I ask you, who's running this country, the Steel Trust, the machine tool, office equipment, automobile, and other mass-producing manufacturers, and the politicians who are making peasants of our farmers and miners and timber workers and grinding common labor down to the level of coolieism, or the masses of the American people themselves?

What I am suggesting is in line with your own platform, which concluded with these words:

"We call upon all South Dakota citizens, regardless of party registration, to join us in a patriotic crusade to obtain the objectives of this platform, and we charge our candidates to be faithful to this platform and to carry it through to achievement without partisan prejudice, to the end that the welfare of the State and Nation may be served."

Thus, in your own words, you charged yourselves with the responsibility of carrying on through the succeeding years in behalf of the economic ideology and the high political principles which you have expressed so boldly and clearly.

Your own statement of purpose constitutes a perpetual challenge to you to engage in a "patriotic crusade"—and that is just what this situation requires—a crusade in the name of and inspired by patriotism.

The eyes of the Nation are upon you, South Dakotans. America needs your clarity of vision, your purposeful courage—America needs your leadership.

May you meet with action your own challenge to yourselves, and may Heaven guide and bless your efforts.

America must not be destroyed by the greed of fools nor the incompetency of leadership. One thing will save us—it is parity: Parity prices, parity tariffs, parity wages.

And, finally, what is parity?

Parity is the word symbol of economic justice.

The essence of the American Constitution is justice—moral, economic, political.

And the essence of the Christian religion is justice—moral, economic, and political!

Thus, parity, which means equality—equal justice—expresses the highest concept of our Constitution and the Christian church!

What your platform advocates is therefore in full harmony with the principles of this Nation's most cherished institutions—the Constitution and Christian religion.

Working together, one for all and all for one, capital, labor, and industry can refashion the United States into a nation of happy and prosperous people and render them secure against the storms of alien philosophies which now beat against the citadels of our nationhood!

South Dakotans, I salute you, and I thank you.

The Railroad Problem

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Monday, February 27, 1939

ADDRESS BY HON BURTON K. WHEELER, OF MONTANA, FEBRUARY 25, 1939

Mr. HILL. Mr. President, I ask leave to have printed in the RECORD an interesting address on the railroad problem delivered by the Senator from Montana [Mr. WHEELER] before the Atlanta (Ga.) Freight Bureau at its annual dinner meeting on February 25, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It pleases me very much to have this opportunity to discuss the railroad problem in the city of Atlanta, which it has been said "owes its existence and development to the railroads." Where Union Station now stands a stake was driven in 1836 to mark the terminus of a proposed State railway, and appropriately this village which grew to be the financial and commercial capital of the Southeast, your great city of Atlanta, was first called Terminus.

With a background and history so closely linked with the railroad industry, with an interest so great in the railroad problem, this city and this group constitute an almost perfect audience for one like myself, who feels that a sound solution of the railroad and transportation problem would be a most important step in the economic recovery of the United States.

For some years the railroad problem has been an acute one. It has occupied the front pages of newspapers for months, and its gravity is recognized by every informed person in this entire country.

The importance of railroads can hardly be overestimated. To those engaged in production and distribution in every State of the Union, the railroads furnish access to the markets as no other means of transportation can. As a factor in the national defense they are irreplaceable. But the importance of railroads is not limited by the indispensability of the services they render. Think of the army of men and women they employ directly and indirectly. Think of the dependence of the heavy industries on railroad purchases. Think, also, of the billions of dollars invested in their securities by individuals in every walk of life as well as by the great savings institutions of this Nation.

No one could or would seek to destroy the railroads, and those who seek to hang crepe on the railways are doing this Nation a disservice. The railroads have not outlived their usefulness; they are not relics of the "horse and buggy" days, nor are they like the trolley cars of the past. They are more indispensable today than they were 50 or 75 years ago. They are our most vital economic arteries, and they will be rendered again healthy.

With one-third of our railroad mileage already in receivership, and with another third tottering helplessly on the brink of bankruptcy, the immediate necessity for constructive thought and action is strikingly apparent. And under such conditions the problem is twofold—their immediate financial difficulties, engendered from lack of business, and the necessary readjustment of the railroad industry to changed and ever-changing economic factors.

Railroads have been guilty of abuses in the past. Railroad bankers, railroad subsidiaries, railroad holding companies, and railroad officials have been guilty of practices which have aroused the public. Their attitude has in too many instances been one of "the public be damned" and their rates have been determined on the basis "of all the traffic will bear." That discriminatory rates have been imposed on the public and upon areas cannot be denied.

At the present time the South definitely feels that interterritorial rates discriminate against this great producing area. Senators and Representatives have introduced legislation which has for its purpose the elimination of freight-rate differentials.

Soon after the introduction of these various legislative proposals I appointed a subcommittee to consider them. Senator HILL, of

your neighboring State of Alabama, is chairman of that committee and hearings on this Southern rate differential legislation will begin February 27.

As most of you know the United States is divided into five areas or territories for the purpose of freight rates. Within each of these territories there are zones, and rates are not uniform between territories or zones. Atlanta is in the Southern territory, and the rate per 100 pounds of first-class freight is $1.91 from Atlanta to Chicago, a distance of 731 miles. Chicago is in the official or eastern territory, and in that territory rates are lower.

The first-class freight rate between New York City and Fort Wayne, Ind., a distance of 734 miles, is $1.38. Though the distance is approximately the same, the difference is 53 cents. The first-class freight rate from Atlanta to Louisville, Ky., is $1.51, and the rate from New York City to the same destination is $1.49, thus the first-class rate in the southern territory is 2 cents higher though the distance from Atlanta to Louisville is 449 miles and the distance from New York to Louisville is 852 miles, or nearly twice that of the Atlanta haul.

The element of discrimination in the above rates would seem to be apparent to even the unobserving.

A number of factors have combined to produce such rate structures. They are essentially the product of evolution and adjustment. Local conditions, carrier policy, Government regulation, competition, and certain costs have all contributed to the establishment of the present rate structures which are even now under examination by the Interstate Commerce Commission as well as the Senate committee.

But even as the South is now heard to charge discrimination, so did the South and West make a fight against rate discriminations arising from the wholesale violation of the long-and-short-haul principle. Congress expressly forbade higher rates for a shorter distance than a longer distance on like traffic over the same line or route in the same direction only after an injured and outraged public had emphatically demanded it. Today we find railroads and various organizations urging the repeal of the clause which prevents a railroad from charging the Montana wool producer a dollar and seventy-five cents to transport a hundred pounds of wool to the market while a rate of $1 is offered the producer on the Pacific coast.

Repeal of the long-and-short-haul clause would mean the reduction of rates between a point served by a competitive form of transportation and certain large points of destination at the expense of the intermediate points. Repeal of the long-and-short-haul clause might increase the volume of traffic handled by the railroads by its diversion from other forms of transportation, but such increase would not be appreciable nor would it warrant the reestablishment of the rate discriminations which were so prevalent in the southeastern and intermountain areas of the United States before the long-and-short-haul clause became a part of the Interstate Commerce Act.

Territories that have suffered discriminations at the hands of the great railroads are not prone to be too sympathetic with the railroad industry at this time. When the railroads constituted a transportation monopoly, they had little sympathy for the consuming public whose aid is now sought in the rehabilitation of a great but sick industry. But at this time the necessity for an early and sound solution of the railroad problem overshadows all such considerations. We must forget abuses and consider the public and national good. We must be unselfish and exert our best and combined efforts to the restoration of a sound railroad system.

You in Atlanta are fully acquainted with the railroad problem. You have observed it, you have felt it economically. You realize its complexity, and you know that in its solution we must move with great caution and with due regard for the public.

In my considered judgment there is no single panacea for the ills of the railroads. They need what every merchant, what every manufacturer needs—an increase in the volume of business, and even that would not be completely remedial if the railroads were to resume certain wasteful practices which the Senate Committee on Interstate Commerce have investigated during the past few years. As chairman of that committee I could enumerate almost without end stupid, costly, and scandalous examples of railroad mismanagement.

I could point out wastes of the stockholders' money in the purchase of stock of other railroads at exorbitantly high prices; wastes in reorganizing; wastes in buying materials at monopolistic prices; wastes in financing and refinancing; wastes in the purchase of property at such high prices that they must be considered as amounting to, and intended in fact to be, rebates; wastes in activities outside the movement of passengers and of freight; and other wastes which have been and are forceful factors in producing the present condition of railroads.

Congress must enact legislation which will in some measure prevent the recurrence of such wastes as have been pointed out. The Congress must enact legislation which will return the control of a railroad to those charged with its efficient operation.

Congress must enact legislation which will facilitate the financial reorganization of railroads on a sound basis.

Legislation must not only be of a reform nature, it must also furnish relief to the railroad industry.

When the Interstate Commerce Commission was created in 1887 it regulated, as its name indicates, interstate commerce. Today for the most purposes it could be more accurately called the Interstate Railroad Commission. Other forms of transportation have grown up and the Commission no longer has the supervision over the bulk flow of goods in interstate commerce. I believe that it should. I believe that there should be coordinated regulation of all forms of transportation, since they compete with and vitally affect each other, by a single independent regulatory body.

Competition from unregulated carriers, whether they be air, motor, or water, have reduced railroad revenues. Their proper regulation would place railroads in a better competitive position, and would give to the public a coordinated transportation system.

Though railroads have been and are being subjected to competition which in many instances is unfair, I do not feel that any existant form of transportation should be destroyed or unduly regulated. We cannot abolish trucks, busses, pipe lines, ships, or barges, but we must recognize the fact that the railroads no longer constitute a monopoly in the field of transportation and are rather only competitive units in a highly competitive field.

In some instances there should be consolidation and coordination of railroad facilities. However, any such consolidation or coordination must be made with due care and regard for the communities served and the workers employed. If coordination, consolidation, or abandonment of certain properties would place a railroad upon a sound basis, they must be considered and they will inevitably and eventually come. Consolidation or coordination of any facilities must not be at the expense of the railroad worker, but he knows that his job and his wages are dependent upon railroad prosperity.

Ever-mounting State taxes upon property which is often not only unprofitable but an actual liability constitutes a real drain on railroad finances. The various States should give consideration to the subject.

Increased rates do not necessarily mean increased revenues. The railroads have learned that since they are no longer a transportation monopoly that merely raising rates will not insure financial recovery. Railroads are geared for mass production. There must be mass consumption of the services they offer. Lower railroad rates tend to increase the volume of traffic and not revenues. This is no theory; it is an established fact in the instance of many railroads.

The problem of the financial reorganization of insolvent railroads is a broad one, and one upon which I plan the introduction of legislation very shortly after my return to Washington.

Companies operating more than 75,000 miles of railway line, or roughly one-third of all railroad mileage, are in such acute financial distress that they have been unable to meet their maturing obligations. They have been compelled to resort to receivership and bankruptcy courts for financial reorganization.

The effect of this unfortunate situation extends directly or indirectly to every member of the public. The problem is a national one of the first magnitude.

The indebtedness and stock of these bankrupt railroads exceed five and one-half billion dollars. The number of persons directly employed by them exceeds one-fourth of a million men.

Moreover the financial distress of the railroads adversely affects the shippers and passengers whom they serve, the workers they employ, and the industries that supply them with equipment and materials.

Because of the sensitivity of our whole economy to the financial stability of railroads, adequate procedures and standards for financial rehabilitation of the insolvent railroads is truly a matter of national concern.

Unless the result of the reorganizations under way will be really sound financial structures, the consequences to our national economy will be dangerous; unsoundly capitalized railroads will find themselves under pressure to skimp on maintenance, with the result that efficiency and even safety will be put at risk; the quality of service available to the public will also suffer from the railroads' financial inability to keep abreast of technological developments; railroad labor, and labor in general, will be adversely affected.

The desire of labor to maintain an adequate volume of employment and to maintain wages at an appropriate level, and the desire of management, if it is burdened by unsound capital structures, to reduce costs cannot be reconciled without friction. The rails and coal and cars and tools which the railroads would be able to buy if given sound financial structures may well make the difference between prosperity and depression for the several important industries whose chief customers are railroads.

Furthermore, reorganizations must be not mere temporary makeshifts but must be permanent rehabilitation. We do not dare put over to another decade and to the shoulders of another generation a responsibility that is ours, and that we must ourselves face unless we are willing to let hang over our financial markets and our economic system a threat that may impair those markets and that economic system itself.

The bitter lesson of the past has been that of recurring cycles of insolvency, reorganization, further insolvency, and further reorganization. With one-third of our railroad mileage now in bankruptcy, and much more of it on the verge of bankruptcy, it would be reckless indifference to tolerate a repetition in the future of unsound and temporary makeshifts. It is no exaggeration to say that such guilty indifference retards progress.

This legislation which I have drafted, and which I will soon introduce, contains provisions designed to insure the soundness of the financial structures that will emerge from the reorganization process. It is likewise designed to expedite and facilitate the reorganization procedure and to eliminate certain unwholesome practices which have occurred during the processes of reorganization.

It is my hope that the Congress can speedily consider this bill on railroad reorganization, for I feel that its early enactment would materially aid in the solution of the railroad problem.

Pending before Congress at this time is another bill which I introduced a short time ago which would give to the Interstate Commerce Commission the power to regulate the issuance of securities and the reports and accounts of railroads. The Commission is empowered by this bill to obtain relevant information from railroad holding companies, associations, banks, brokers, and others with whom railroads deal. This bill would confer upon the Commission the authority to supervise the use of railroad funds for other than strictly railroad purposes though the companies would not be restricted in the investment of surplus funds in a safe manner.

Another phase of the railroad problem in which I am vitally concerned is that of railroad employment. Today the railroads employ steadily only about half the men they have on occasions needed. This unemployment among younger railroad employees is one of the most serious phases of the railroad problem. I receive letters almost daily from men who have been employed 10, 15, 20, and even 25 years but who today through no fault of their own are without employment. And a man who has served one industry for 25 years cannot adjust himself to other lines of productive enterprise. Because so many years must be spent, subject to call but without assurance of work, I have long felt that railroad workers, who are among the most intelligent employees in the United States, are entitled to all they receive when they are able to work more or less steadily.

The restoration of railroad credit is not only necessary for the solution of the ills suffered by that industry; it is necessary before industries which furnish railroads with fuel, materials, and supplies will know substantial economic recovery. In 1923 the railroads spent $1,738,703,000 for fuel, material, and supplies, and in 1938 their purchases of the same goods amounted to but six hundred million. Their average annual purchase of such supplies during the years from 1921 to 1930 was $1,363,517,000, and the average since that time has been $646,113,000, or about half. If an additional three quarters of a billion dollars were spent each year for railroad supplies, their producing and distributing industries would enjoy a substantial degree of economic recovery.

Before I conclude my remarks this evening, let me repeat that the future of railroads is not as black as some pessimistic persons would have us believe. The President and the Congress of the United States realize the gravity of the railroad problem and will spare no effort in attaining its solution. Legislation is being drafted, and we are daily conferring with representatives of the carriers, the shippers, and the regulating agencies in its formulation. No thinking person seeks to destroy the railroads, but rather they seek to aid them. Through unselfish efforts, the railroads, our most important form of transportation, will again attain their rightful place in the economy of the United States.

The Problem of the W. P. A.

EXTENSION OF REMARKS

OF

HON. CHARLES L. McNARY

OF OREGON

IN THE SENATE OF THE UNITED STATES

Monday, February 27, 1939

RADIO ADDRESS BY HON. ALEXANDER WILEY, OF WISCONSIN, FEBRUARY 25, 1939

Mr. McNARY. Mr. President, on Saturday morning last, the able junior Senator from Wisconsin [Mr. WILEY] delivered a radio address over a Nation-wide network, on the subject of the problem of the W. P. A. I ask unanimous consent that the address may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

W. P. A. is a creature of our times. It is the result of a breakdown in our industrial and economic life. The problem that W. P. A. presents is a tragic one. The answer is not found in destructive criticism. It is to be found in bringing into existence a renewal of confidence and business activity, and the resulting jobs, that will remove the need for W. P. A. This means reinvigorating and revitalizing America. It means a new leadership.

The Nation's "biggest business" and its greatest domestic problem continues to be providing relief and assistance to the unemployed and the needy—and this despite the efforts of the present administration and expenditure of billions of dollars. Today there are about 3,000,000 workers on W. P. A. and the total number of persons receiving relief and assistance from public sources is not far from the all-time high set in February 1934. Of course, we have developed new and permanent forms of public assistance to provide for the unemployables—the aged, infirm, and defectives—and they represent a good share of the total number of persons being supported by the public. But there are still some 10,000,000 unemployed in the Nation and nearly half of them are receiving public assistance and support. The crux of the relief problem is handling these unemployed "employables." The eventual solution of the unemployment problem depends mainly upon factors outside of relief administration itself, but until sustained recovery is achieved we are faced with the problem of providing for the unemployed.

The cost of the consistently large relief burden has been tremendous, and the National Government has almost steadily assumed a greater share of it. Since March 1933 approximately $18,000,000,000 has been spent by the National Government for relief and recovery. Better than two-thirds of that amount has been for relief and work relief. During the present fiscal year the relief expenditures of the National Government have been close to $200,000,000 a month. This indeed is a costly program, and a program financed largely on borrowed money.

The immediate prospects for a reduction in relief expenditures are not encouraging. Despite improvement in business and a reduction in unemployment since last summer, W. P. A. pay rolls and expenditures were increased. The President contends that conditions do not warrant a substantial reduction in W. P. A. rolls for some months to come. He has tentatively included $1,750,000,000 for relief in his Budget for 1940, and it is not unlikely that he will ask for more. Considering these factors and recent disclosures about a politics-ridden relief administration, it seems that it is now time to examine the relief problem thoroughly. Congress has already indicated that it is favorable to overhauling the relief set-up. Tonight let us direct our attention to the defects and offer constructive suggestions for improvement.

For nearly 6 years the administration has had a free hand in handling this problem. The Republican Party has taken issue with the administration on many relief policies. It has opposed an assumption by the National Government of the responsibility for relief administration. It has opposed the imposition of an inflexible, uniform program of nationally administered work relief with little or no option for States and localities. It has pointed out that the haphazard division of responsibility between the National Government and the States has prevented the development of a coordinated plan of relief and led to discrimination in relief administration. It has protested against the partisan character of relief administration and the extent to which the W. P. A. and other relief agencies have been used for political pillage.

The primary contention of the Republican Party is that the basic responsibility for the administration of relief rightfully is the concern of States and localities, who best know their needs and how to take care of them. We know, however, that as long as the present volume of unemployment continues, the States will not be able to provide sufficient money for adequate relief. Federal assistance is needed, but it should be provided in the form of grants-in-aid to the States, rather than through direct Federal administration of a part of the relief program. The States, however, must be encouraged to bear a fair share of the burden.

The grants-in-aid device, as a method of providing Federal assistance to the States, is not an innovation in our Federal system of government. It has been used for many decades in connection with highways, education, conservation, and many other public programs with general success. It is true that the grants-in-aid scheme was dominant in the administration of relief under the F. E. R. A. from 1933 to 1935, and that the handling of relief then left much to be desired. But it must be remembered that at that time the agencies entrusted with the task of relief administration, both State and National, were rudimentary and not well organized. Since that time, however, the States have had the time and experience necessary to enable them to develop effective State and local relief and welfare agencies. These agencies are now handling the entire problem of direct relief. The grants-in-aid device is basic to the major part of the social-security program, and the experience in that closely allied field is ample proof that the system can and does work.

Such a system implies that the States meet certain minimum standards of administration and contribution, before Federal aid will be granted. But the present program of centrally controlled and administered work relief would be supplanted by a more flexible system based primarily on State initiative and decision. Each State will decide for itself the type of relief and assistance it will provide for its needy. If it wishes to provide work relief it may do so and adjust the program to the peculiarly local condition with which it is confronted.

One of the outstanding indictments of administration of relief under W. P. A. is the extent to which politics has dominated the whole program. Relief workers have weighed their ballot with their jobs under a politically selected administrative staff while relief money has been allocated and spent for political advantage. That this charge is not mere "propaganda" was clearly demonstrated by the findings and report of the Senate Committee to Investigate Senatorial Campaign Expenditures and the Use of Government Funds in 1938. Although the imposition of prohibitions upon political activities of relief administrators, as provided by new law, will help solve this problem, the Republican Party does not believe that any effective solution can be found, as long as the allocation of funds and the administration of relief, is left in the hands of a partisan organization. Therefore we propose that a Federal bipartisan board be established to administer the grants-in-aid to the States and that its staff be under civil service rather than the present spoils system. To guard against throwing relief administra-

tion into the hurly-burly of State politics—which at that might be an improvement over the present national set-up—we propose that bipartisan boards be set up in the States to control relief administration before Federal grants are made. Such an organization will minimize the influence of partisan politics in relief administration and will offer a far better opportunity for efficency and economy.

We realize that deciding upon the division of support for relief as between the National and State Governments is a different matter. We realize that the establishment of standards to serve as a basis for making allocations to the States is a grave problem. It is not feasible and perhaps it is impossible to write an exact and equitable formula into law. The Board must be allowed considerable administrative discretion in the matter. Allocations to the States should be on the basis of their need as modified by their financial ability to support a relief program. But the standards must be regularized and the Board compelled to report to Congress and the public the basis upon which these allocations are made.

To summarize, then, Republican Party leaders propose that the administration of relief be decentralized; that the States resume their responsibility for the formulation and execution of a complete relief program aided by Federal grants as needed; and that relief be taken out of politics through the establishment of bipartisan relief boards. Such a program will be more economical, more flexible, and more in keeping with the Federal system of government. Yet it will provide more adequate relief to the whole mass of the needy and eliminate many of the inequities and inconsistencies now prevalent in our relief system.

Hearings Before National Labor Relations Board

EXTENSION OF REMARKS

OF

HON. M. M. LOGAN

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Monday, February 27, 1939

EDITORIAL FROM THE ASHLAND (KY.) DAILY INDEPENDENT OF FEBRUARY 26, 1939

Mr. LOGAN. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Ashland Daily Independent, entitled "Dragging On and On." It relates to a case on trial before the National Labor Relations Board.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Ashland (Ky.) Daily Independent of February 26, 1939]

DRAGGING ON AND ON

The apparently interminable hearings of the National Labor Relations Board against the American Rolling Mill Co. at Catlettsburg are now entering their tenth month.

We feel sure that the public, as well as most of the participants, must be weary of them. One begins to wonder if such a long-drawn-out process is really necessary to attain full information and justice or is a type of harassment directed at the defendant company.

What inclines us toward the latter opinion is a comparison of the hearings against the Semet Solvay Co. at Pikeville with those conducted at Catlettsburg. Here is the record as we have it:

SEMET SOLVAY CASE

Charges under "8–1": Attack on employee representation or "company union."

Charges under "8–2": Alleged antiunion practices of employer.

Charges under "8–3": 90 individual cases of lay-off and discharge.

Twenty individual cases dismissed without hearing for failure of complainants to appear and testify. Five other cases were withdrawn. And the trial examiner heard the remaining 65 cases in full.

The entire hearing on the 8–1, 8–2, and the 65 individual cases were finished in less than 6 weeks.

THE AMERICAN ROLLING MILL CO. CASE

Charges under "8–1," attack on employee representation plan.

Charges under "8–2," alleged antiunion practices of employer.

Charges under "8–3," 33 individual cases of lay-off and discharge.

Seven of the original thirty-three cases have been voluntarily withdrawn, leaving twenty-six cases to be tried.

According to our understanding of the present status at Catlettsburg, the Board has been engaged in the hearing since June 27, 1938, and still has the defense of seven cases to hear, plus evidence for the company on the 8–1 and 8–2 charges to be followed by the Board's rebuttal; also evidence by the intervening employee representatives.

It seems to us that the case is reasonably sure to last 11 months, or possibly 1 year or more.

Another nearby case, that at Haldeman, was also completed in 6 weeks or less. We do not have information on the number of cases, etc., involved there. The record seems to speak for itself, however, on the comparison above and to lend weight to the belief that the local case has been unnecessarily prolonged for some reason or other.

Our Citizens, Our Country, First

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, February 27, 1939

RADIO ADDRESS BY HON. ROBERT R. REYNOLDS, OF NORTH CAROLINA, FEBRUARY 23, 1939

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be printed in the Appendix of the RECORD a radio address which I delivered last Thursday night over the national network of the Mutual Broadcasting Co., entitled "Our Citizens, Our Country, First."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Good evening, ladies and gentlemen of the radio audience, one of the great benefits of the radio is that it enables the American people to get first-hand information on issues of vital importance. It also enables them to hear those who bring to the forefront important points on modern issues. Thus it is most gratifying to me to be able to send my voice into your homes and chat with you briefly with regard to what I believe to be several of the most important issues of our times.

One of these is the vital necessity of protecting American opportunities and American resources for the American people. I say this with full appreciation for what naturalized citizens have contributed to our national march of progress during the last century and a half.

And I also say it with full knowledge of the fact that we can no longer supply the demands and the opportunities for our own people, and at the same time be an asylum for the oppressed of the world. I have the utmost sympathy for those who cast their eyes toward the United States and see it as the last stronghold of democracy. But our house is full. We owe it to our own American families to feed, clothe, and find employment for them before we can, with a clear conscience, give thought to the needs of our neighbors abroad.

This particular problem concerns itself with immigration. It has aroused universal interest. Only recently the legislature of the great State of Texas urged the Congress of the United States to rigidly enforce our immigration laws and provide the safeguards necessary to protect America from the rabble rousers of the world. This offers new evidence of the growing interest in the need for keeping our resources and opportunities—and our jobs—for those who have first and a rightful claim to them.

My interest in the enforcement and strengthening of immigration laws is not new. I advocated such a program many years before it was my privilege to enter the United States Senate. Since coming to Congress I have dedicated a large part of my time and my energy to this cause—a cause which, as I have said, I believed right and just before I became a Senator.

During my last 7 years in the Senate I have, of course, had access to many records and facts. These served to convince me that the situation as regarding loose immigration policies and delayed deportation of alien criminals is more serious than I had thought.

I have dared to bring these facts to the attention of the public. In other words, I have dared to speak the truth as I saw it. As a result, while my position has been clearly interpreted and understood by the great masses of our citizens, there has also been some misunderstanding. In fact, I have been subjected to much ridicule and even censure because I have simply urged that the United States give first consideration to its own citizens, including those who have become naturalized citizens.

I welcome this "tempest in the teapot." Frankly, I have not the slightest concern over what is said or written about me personally, so long as it serves to focus attention on the things I advocate—the things, I feel as a Senator, we owe to the American people.

During the last 7 years there has come into my office in Washington many, many thousands of letters and petitions from individuals and organizations pledging support for legislation which I have sponsored. Recognizing that it was desirable to mobilize sentiment for safeguarding America for Americans, it occurred to me that it would be a fine thing to band together individuals and organizations whose interest and support were essential to the objectives I seek.

As a result there was advanced the idea of a national patriotic organization to be known as the Vindicators. This suggestion was immediately labeled as the vanguard of another political party—at a time when our people are already confused as to political trends. I want to say here and now that the idea of the Vindicators is solely to advance Americanism.

As I look back and study the course of our great country, I more and more realize how progressive thought has been challenged by those who favor the old or existing order. As a matter of fact, when the Congress 15 years ago recognized the need for restricted immigration and more stringent immigration laws, there was loud protest against even a partial closing of the gateways to the United States.

Those who opposed the closing of the gates at that time have continued to be active. If we listen to them we would destroy our immigration and quota laws and remain the "melting pot" for the rest of the world. But speaking as an individual and 1 of the 96 Members of the United States Senate I feel that we should prohibit immigration to America for the next 10 years, or until such time as every single employable of the 12,000,000 unemployed Americans has been given a job and a chance at the opportunities we have developed here in our country.

I believe that we should deport the criminal aliens; those who came here illegally; those who came legally and have remained illegally; and, those who are unwilling to accept the principles upon which we function as a Government.

I believe that we should have mandatory registration and fingerprinting of every alien in the United States. This is essential to ascertain how many aliens are now within our borders, where they are located, and what they are doing. It is necessary so that we may check, and check carefully, upon those who forfeit the right to stay here. Such a policy is followed in virtually every nation of the world except the United States.

In brief, the points I have mentioned cover some of the objectives I seek and the program which I am advocating. I am confident that this program of safeguarding America commends itself to every patriotic citizen. And here let me say that no one welcomes the free expression of citizens more than I do. Through letters addressed to me at Washington, I am able to get a cross section of public opinion. It is helpful to Members of Congress, and I want to urge everyone to write me their views on these problems.

In this connection let me say that immigration policies have a vital bearing on all foreign policies. I have no doubt that the activities of aliens did much to arouse sentiment favorable to war 20 years ago. By "aliens" I mean those from foreign lands who have never made application for American citizenship.

Can anyone within the sound of my voice imagine any foreign country on the face of the globe giving police protection to a group seeking to undermine the government of that country? Yet we do it in the United States through maudlin sympathy for alien groups.

Let's be realistic. The Congress of the United States adopted immigration quotas to limit the tide of foreign born coming to this country. Loopholes in our immigration laws have developed. Countless thousands slip across our borders annually. Deportation of criminal aliens has been delayed. Visa permits are abused. All this because some live in the hope that some economic miracle will solve our economic problems and switch attention from the greatest unemployment condition in the world—the lack of jobs in the United States.

Thus I believe that it is high time for the people of America to mobilize behind sound national policies. Adopt a policy of "our citizens, our country, first." Demand that the Congress correct weaknesses in our immigration laws. Stop all incoming immigration until our house is in order. And, finally, recognize that American jobs should go to Americans first.

Another vital problem is that of keeping America out of war. I also believe that we should stay clear of any foreign entanglements and embroilments. We should enact neutrality laws that will keep America out of war. We need only to refer to the past, our whole history of foreign relations, to realize that once we begin to allow the United States to become a wedge in international difficulties, we have paved the way to participation in any war that may come.

Twenty years ago we were told that we must "save the world for democracy." In a war which brought a tragic loss of life and suffering—a war not yet fully paid for, and perhaps never will be—we should have learned that every country of the world gives first thought to its own citizens except the great United States.

Now, after saving the world for democracy, we are told that we must "save democracy for the world."

Those who are in accord with my program are associating themselves into an organization, national in scope, known as the Vindicators. This organization has adopted my program, which seeks to:

(1) Keep America out of war.
(2) Banish all foreign "isms."
(3) Stop all immigration for 10 years.
(4) Deport all alien criminals.
(5) Register and fingerprint all aliens.

If a single word I have said tonight causes a single citizen to reflect seriously on the conditions now confronting us as a nation and join the forces demanding action, I shall be happy.

And in conclusion I wish to thank the Mutual Broadcasting Co. for having provided me with the opportunity to bring to your attention my program, which, I believe, is in the interest of all the American people.

I thank you.

Address by the Secretary of Commerce

EXTENSION OF REMARKS
OF
HON. CLYDE L. HERRING
OF IOWA
IN THE SENATE OF THE UNITED STATES
Monday, February 27, 1939

ADDRESS BY HON. HARRY L. HOPKINS AT DES MOINES, IOWA, FEBRUARY 24, 1939

Mr. HERRING. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an interesting address delivered by Secretary of Commerce Hopkins before the Des Moines Economic Club in the Fort Des Moines Hotel, Des Moines, Iowa, on the night of February 24, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am glad to be back in Iowa tonight. I was born and raised here. My father and mother spent their lives here. I realize full well that whatever I do and think is profoundly influenced by the way they brought me up. That heritage from my home has always been a source of abiding strength to me.

I have been identified in the public mind with the relief of the unemployed. It is an identity of which I am proud. With every energy at my command I have tried to administer funds made available by Congress so as to protect the dignity of millions of American citizens who were thrown out of work and to assure them the relief which I believe is theirs as a matter of right. I am convinced that in time to come all of us will look back on the past 6 years as the years during which this Nation developed an enlightened social attitude toward people who are poor and out of work—an attitude that gives and will continue to give new confidence to masses of needy people.

I believe that the unemployed should be given work and not returned to the degradation that comes with a basket of groceries and a hand-out on Saturday night. I believe that unemployment is a national problem which only the Federal Government can effectively meet. I do not believe that the decision of whether an unemployed man shall receive work should be left to the good intentions of a local official.

Many people have disagreed with me both as to my philosophy of relief for the unemployed and as to my administration of it. On that I can only say that my philosophy is born of deep conviction, and my administration of it, with its mistakes and successes, is a matter of public record.

In many respects, the job that we did was pitifully inadequate. I have no apologies to make because we tried to do so much. I only wish we could have done more.

Now the President has given me another task. Instead of working primarily for the one-third of the population on the lower rungs of the economic ladder, I consider this job one more closely identified with the two-thirds of the population earning their living by what we consider to be the normal process of our economic system.

I have yet to see an unemployed man receiving a Government benefit, dignified as it may be, who did not prefer private employment. This preference on his part represents a hope essential to the future of our democracy. The placing of far more people on private pay rolls is, of and by itself, a simple statement of our objectives. I have yet to see a businessman who did not prefer to give these men work, if he could, rather than pay them wages in the form of taxes to be expended by the Government. Hence, we have the worker who wants to work, and the employer who would like to hire him, and the Government anxious to see them get together.

I have never belonged to the school of thought which holds that merely dividing up the present national income would provide a decent living for all. If new jobs are to be provided, the national income must be increased. It is only by increasing the national income, and increasing the number of people who receive their income through through private wages, that we can hope to attain anything resembling security in America. A rising national income—just a cold phrase in itself—is an objective worth striving for, because, to me, it means good homes, a decent education, and a genuine security for the families of America.

I propose to discuss some of the specific problems related to Government and business whose solution would insure substantial progress on our road to economic recovery.

The difficulties of business no longer swing with the fortunes of battles in the legislative halls where broad policies were being formulated, and no one would be sure what would come out of the hopper. What difficulties there are now are difficulties of administration in relation to broad policies which are formulated and known.

Among many businessmen there exists a widespread lack of confidence. I am prepared to accept that premise, nor would I underrate its importance. Lack of business confidence is and has been a hard stubborn fact, and may be as real a deterrent to restored business health as any we have to deal with. For that reason, if for no other reason, I do not propose to ignore it.

If we study the question of confidence closely—not merely business confidence, but confidence in general—we see at once it is a state of mind—a mode of behavior—a psychological condition affecting our conduct and actions. We see further that confidence is present when the world is a familiar world, when most actions can be performed by habit and when the future is substantially ignored. The future is taken for granted as an inevitable and acceptable uncertainty. The perils of a familiar world can be met with confidence even though they may be far greater than the perils of a strange world. Habit and confidence make us unafraid and enable us to overcome the new difficulties that are the normal processes of a changing world.

It is not surprising that business confidence has been affected by the events of the past decade. Economic developments alone were sufficient to disturb the sleep of any businessman. Add to that the revolutionary developments in other countries—add to that the legislative reforms and new Government activities and you have the reason why many people have lost their confidence.

Old methods of doing things were changed; the old setting was replaced by a new one—new laws, new procedure, new precedents. Inconsistencies and conflict were magnified, reassurances were ignored, and some lawyers, by their short-sighted counsel, added greatly to the uncertainties of businessmen.

And yet there are few today who are not glad that this great program of social reform is on the statute books. If we look back at the reform of the past 20 years, taken as a whole, it is by no means startling in the amount of scope. That laws had to be passed in a short period is regrettable, but that was the price we paid for the past when previous administrations sold the Nation short on long overdue social legislation. Is it not, therefore, better to have a program of reform substantially completed than to have to look forward to important changes not begun? With the emphasis shifted from reform to recovery, this administration is now determined to promote that recovery with all the vigor and power at its command.

As part of this drive for recovery, it is important that there be a proper recognition of the value to business of Government expenditures made in the proper way, in the proper amount, and at the proper time. I would ask that the problem be examined seriously and not in any narrow partisan way. I ask you to read not only political speeches, but what other serious and thoughtful people write on this subject. I would ask you to consider such careful analyses of governmental spending as are found in the current issue of Fortune magazine. If you read that discussion, please remember it was written by 11 active and well-informed men, most of them in business.

If I were to state our position on Government spending in relation to private profits, it would be this: A responsibility of Government with respect to the health of business is to make sure that business, as a whole, is properly sustained. At many times and for considerable periods business is well able to provide its own nourishment. These are the periods of capital-goods expansion, stimulated by increasing population, new basic inventions, and important new products. They are the periods when producer and consumer credit is expanding, and the resulting purchasing power keeps men employed, wheels turning, and overhead costs low.

But there are other times when business self-nourishment is insufficient. The result is idle men, idle machines, high overhead costs, low profits. When this occurs Government must help.

Until the 1929 depression, we always had a pump-priming supplement to private enterprise that did not cost business anything in visible taxes. That support to private enterprise was free land that came out of the public domain, high protective tariff for the industries of the East, or an extraordinary business stimulant during the war days, paid for in the war debt, or foreign-trade stimulation before 1929 paid for in investors' losses in foreign bonds.

From 1921 to 1929, business proved self-nourishing, although the nourishment was of such a character as to result in rather acute illness. Since 1929, business has been inadequately sustained, and, in consequence, has not been able to perform in terms of sound assets, good profits, or fair wages.

The President's policy has significance from a number of points of view, from that of conservation of our natural resources, protection of the welfare of the unemployed, or of balancing the Budget without resort to sharply higher taxes. Then from the point of view of business, this policy has a special interest, in that it aims at restoration of business health through increase of business activity.

Businessmen and industrialists will understand the policy more readily than will editors or even bankers. Businessmen know that a minimum volume is necessary to break even on fixed expense. Prices can be raised only so much; expenses can be cut only so far; the answer is found in volume.

That is the significance of the President's quota of an $80,000,000,000 national income. It is in no sense an argument for a permanent unbalancing of the Federal Budget. It is an argument based on the realization the Budget can be balanced and the debt retired out of taxes coming from this increased national income, rather than substantially increasing taxes at this time or reducing necessary expenditures.

While I feel there should be no general rise in Federal taxes this year, I believe any Federal taxes which tend to freeze the necessary flow of capital should be amended. If necessary, such taxes can be replaced by increasing other taxes which do not have the same deterring effect.

One of the substantial avenues for private capital in the near future can be the field of public utilities. That being the case, it is extremely important there be a meeting of minds between the utilities and the Government relative to the appropriate spheres of action of Government on the one hand and privately owned and operated utilities on the other.

There is peace between the Government and the utilities in the Tennesseee Valley, which, I believe, ends the era of great litigation.

I do not think anyone outside of the Government can realize how much freer Government can operate in its relations with business, such as the utilities, now that both seem to be rid of the incubus of that self-styled, big-city constitutional lawyer. I am convinced most of our difficulties in this field originated with some fancy lawyers who advised their clients not to work things out with the Government, on the theory that these lawyers would be able to defeat the Government in the courts, so that no working out of things would ever be necessary.

It gives me no little satisfaction to note that the net results of all these constitutional struggles have been to prove that the most unconstitutional thing in the United States was the constitutional lawyer.

It cannot have missed the eye of any businessman how much has been accomplished in solving the utility problem within 2 weeks after the constitutional lawyers of the utilities had finally been told that they did not know what they had been talking about.

I believe that electricity should be in the home of every family. The rules under which that electric power is to be generated and distributed—the place of government in the whole vast enterprise—are questions that surely can be resolved.

I find some utility executives convinced that much of the past development within the industry was thoroughly bad, and they are anxious to see eye-to-eye with the Government on a permanent policy.

There has been no indication that Government wishes to own and operate all the utilities of this country. Rather do I see the Government determined to write rules adquately protecting all the people, to help make cheap electricity available to everyone and to ban unholy profits from watered stock. In making the T. V. A. peace the Government demonstrated its good will by settling on generous terms. It struck a peace that will be a lasting and good peace, because it is a generous peace.

I realize fully how often a gesture of practical concession by the Government will time and again be seized upon by a minority element as the sign that the Government is on the run. We will have to expect some such bad manners, but we will take them in our stride because that is part of the job of being a public servant.

This country cannot be in good health, and the democratic principle cannot be safe, until men go back to work. For this reason, I am glad the utilities question is reaching a solution.

Also of primary importance to business is the labor problem. I want to make it perfectly clear that I believe in labor unions. I believe they are the best protection against the unfair treatment of labor. I believe that collective bargaining establishes conditions of work on a more decent basis than does individual bargaining.

Many problems of industrial relations are yet to be solved, but the advances made in recent years have given us the fundamental principles on which to work. It now remains to put these principles into action. Business should accept in good faith the approach and the machinery of collective bargaining. Labor on its own side faces responsibilities and obligations. The Government has strengthened labor's position with new laws not only as to wages and hours, but also to guarantee collective bargaining. Labor's contribution to a rising national income must be tolerance and fairness in reaching just agreements with employers. Labor must fully realize that under our economic system, businessmen have to make money to hire workers.

It is up to employers and employees alike to make collective bargaining work; that means extending every effort toward peaceful settlement of controversies. Both business and labor want to move toward prosperity, but nothing can stop this more surely than widespread and prolonged labor conflict. Prosperity means production, and production stops during either strikes or lock-outs.

I do not share the view of those who believe that it is to industry's benefit to keep the labor movement divided. I feel it is quite as much to the interest of business and industry as it is to the workers themselves that those two great labor organizations, the A. F. of L. and the C. I. O., reconcile their differences. Surely, there is a common meeting place for these two groups to move forward as one in the interest not only of their own membership, but for the general good of our whole population. Even with the best of good will toward collective bargaining, business finds it difficult to progress in face of a divided labor front.

I should not leave the subject of labor without commenting upon the new outlook of the businessmen with whom I have talked on the question of labor relations. For the most part, they are looking at wages, hours, and bargaining in the spirit of today rather than in the spirit of a generation ago.

For many decades business as a whole has been insensitive and unsympathetic to the problems and aspirations of the farmer. In spite of the distressed condition of agriculture in the twenties, the contribution of business and government was negligible. Since 1933 there has been much sincere effort with business cooperation to tackle the problems of the farmer. No simple or final solution has been found, and we must recognize that, although there has been great improvement in the relative position of agriculture since 1932, nevertheless, people living in many sections of rural America are less well off than people living in cities and towns.

The prosperity of agriculture is more important than just the matter of products and markets. The increase in our population is now coming largely from the Nation's farms. Our farm homes receive less than 10 percent of the national income, and on that they must bring up about 30 percent of the Nation's children. Here is the most important crop raised on the farms. What it will amount to depends in part upon the economic resources available to the homes in which these children live.

My experience has convinced me that there can be no solution to our problem of unemployment in the cities until the farmer regains his proper economic position in relation to the rest of the Nation's population.

There is one form of Government aid to business to which I take particular exception. I have had some experience with special-interest groups seeking to obtain Government favor by the application of pressure, brute or delicate. This is an inevitable characteristic of a democracy, but the fact remains that Government action can only be justified when it is in the general public interest. The Government should not be asked to lend its powers to the promotion of legislation designed by one group of businessmen seeking to profit at the expense of another group. Legislation should be confined to protecting certain types of business from the unfair practices of others. The competitive battles of business should be waged in the market place under rules which will safeguard business health. Business enterprises should progress by seeking the favor of consumers, not the partisanship of legislators or administrative officers of the Government.

On the other hand, certain types of enterprise need sympathetic aid by the Government. For many years we thought of steel as being a most reliable barometer of business conditions. Today we have what is perhaps a better guide—the operations of the so-called small-business men. In cities and towns and villages the hundreds of thousands of small enterprises constitute the very backbone of our national, industrial, and economic life. Upon the combined thinking and planning and action of those men depends to a large degree the prosperity and welfare of America. It is upon their vision and ingenuity and confidence and their ability to merchandise and promote and sell that much of our manufacturing, mining, and transportation depends. Their operations affect the number of workers which any manufacturer can employ. Therefore, one of my principal interests as Secretary of Commerce will be to see that the resources of the Government are particularly directed toward aiding these small enterprises.

I would like to start my discussion of foreign trade and business by saying that the reciprocal-trade treaties negotiated by Secretary Hull provide an admirable framework for the extension of our foreign commerce.

In the last analysis, there are some very simple propositions that are at the root of foreign trade. One of these is that we cannot sell unless we also buy. All of the learned phraseology on the subject can be boiled down to this: Trade, domestic or foreign, consists of swapping things that we have for things that we want. Other things being even, anything that encourages trade is a good thing, and anything that discourages trade is a bad thing. I repeat that this is a simple and easy analysis of the matter, but, like many simple analyses, it leaves many things that are difficult and troublesome.

We must recognize that today foreign trade is being used by some countries as a vehicle to support political and cultural penetration. Unless we acquiesce in such penetration we must be prepared to meet quality, quantity, and price on such a basis as to get the business. Competition of this character is a cherished tradition of American business, and I suspect we have both the talent and energy to apply it in the new setting of the international scene.

Events all over the world are strengthening day by day the President's prediction that this generation has a rendezvous with destiny. What the American people hold in their hands today is the destiny of our democratic way of life. In this tradition there are values and forces and possibilities which cannot be measured in any system of business accounting. I am referring to faith, to love of country, to the realizable dream of a still greater Nation which can, if we will it so, find, through mutuality and fair play, a prosperity and happiness that will be the marvel of the world. Such a nation might in fact be the example that would lead the world back to sanity and peace.

The ancient stoic philosophers had a saying, "No man is so like unto himself as each is like to all." That seems to me to be the essence of the democratic principle. Above all, it is the essence of the American system. Whatever difference may exist between Americans cannot obscure our fundamental unity—our unity of purpose and unity of action.

At a time when reason and mutual respect seem to have fled from large areas of the earth, it is well for us to remember our national unity and be grateful.

We have all dedicated ourselves to the maintenance—the successful maintenance—of our American system of free enterprise. We believe that no other system is compatible with the dignity of human life and that no other system can long enlist the devotion, the talents, and the resourcefulness of all the people. America is as rich in these resources of the mind and spirit as she is rich in the resources of the soil. At no time in our history has the need been greater to conserve all of our resources—human and material. And so the preservation of our system of free enterprise is no longer simply the American dream; it is the American imperative. It is imperative that freedom of opportunity be maintained for all who can contribute to our national well-being. It is imperative that the responsibilities, and the benefits as well, of our industrial system be broadly shared, so that the success of the system will enlist the loyalty, the energies, and the capacities of a free and united people.

It is clear to me that a returning increase in production cannot be accomplished without a substantial increase in private investment. I have tried to indicate tonight that the Government is desirous of doing everything it can to create an environment in which private investment is encouraged.

If there had been the time I could have indicated fields other than utilities—such as private housing and railroads—which offer substantial opportunities for the use of capital goods. I say it is our desire to create an environment in which private capital will be encouraged to invest. I further state that I am convinced that this environment can become a reality without compromising the great reforms which stand as the hallmarks of this administration's enlightened program.

If I were to sum up the Government's attitude toward business, it would be to repeat a statement that I made last summer, when I said: "I can say from personal knowledge that the Government is not, and never has been, opposed to business. It has no desire whatever to harass or punish business. It fully realizes that business must succeed, and must be able to work with Government, if our economic system is to be preserved. It seeks an understanding and a meeting of minds, not only as to present points of conflict, but as to methods which will assure for the future, on the one hand, justice and fair dealing to all the people, and on the other, the confidence, success, and legitimate profits of legitimate business enterprise. It has no quarrel with business merely because it is big; but big or little, it—the Government—intends to prevent practices which do violence to the effective working of our economic system."

I have attempted tonight to indicate very briefly some of the important relationships between Government and business.

I have tried to state as forcefully as I can that it is our determination to make every move we know how to promote recovery and get people back to work on private jobs.

That is the beginning and end of our problem. To solve it we must attack realistically and at once certain specific phases whose adjustment will tend to move us on our way.

I have indicated that, insofar as the relation between private utilities and the Government can be clarified, I and other members of the administration are desirous of doing everything we reasonably can to make such clarification possible.

We wish to be fair, we wish to be reasonable, and we believe that with good will on both sides we can accomplish our twin objectives—getting more and cheaper electricity to the American people and putting more men to work in the utility industries.

I feel that competition from the highways and airways has diverted traffic from our railroads and has made the problem of the rehabilitation of these roads immediate and pressing. The railroads are and must be sustained as essential arteries of commerce and must be ready for use as part of our national defense.

Rehabilitation of the railroads and relating them to our present and future economy is not a simple matter. Indeed, it is probably one of the most difficult of all problems to solve; but I am firmly convinced that, until it is solved, it is difficult to hope for anything like a complete recovery in America; therefore, the solution should be explored and explored at once in the interest of labor, the investor, management, and the public.

While we have made splendid progress in breaking the jam of housing, we have a long way to go. Hundreds of thousands of homes need to be built, and surely we have the resourcefulness and imagination to develop plans to build them. I am firmly convinced that if we could find a way to break the log jam of private investment in the field of utilities, railroads, and housing, we will have gone a long way toward taking the essential steps to ultimate recovery.

The Government earnestly wishes that these things be accomplished, and we ask that labor, the farmer, and businessmen join us, not across but on the same side of the table, to accomplish our common purpose.

Some people may think we can maintain a democracy in this country indefinitely with 10,000,000 unemployed. I don't. If I had no other motivation other than my deep love of freedom, I would want to do everything in my power to try to solve the problem of unemployment.

While we want confidence in our businesses and in our jobs, far and above that we want the confidence that comes with the assurance this Nation is strong, courageous, and unafraid.

Confidence finds its dwelling place not only in the assurance that our inalienable rights—our liberties—will be maintained but in the conviction that our economic security will be assured. To that task

the Nation is dedicated. To its accomplishment we must pledge our determined effort.

I well know of the deep and abiding determination of the President to help make this country a nation in which all people shall dwell in harmony, security, and peace. His abounding faith in the future of this democracy is shared by all of us closely identified with his philosophy and serving under his matchless leadership.

And, finally, I would say this personal word: This country has treated me very kindly—it gave me the security of a happy and contented home in childhood; it gave me a reasonably good education; in adult life it has given me an opportunity to earn a living; it has given me the opportunity to have a host of friends. I say this to you because, now that I have the opportunity to serve as a member of the Cabinet of the President of the United States, I have every reason and desire to continue serving that country well.

Speculation and Depressions

EXTENSION OF REMARKS
OF
HON. M. M. LOGAN
OF KENTUCKY
IN THE SENATE OF THE UNITED STATES
Monday, February 27, 1939

ARTICLE BY W. HUME LOGAN, OF LOUISVILLE, KY.

Mr. LOGAN. Mr. President, I ask unanimous consent to have printed in the RECORD an article prepared by Mr. W. Hume Logan, a leading industrialist of Kentucky and president of the firm of Logan & Co., of Louisville, Ky., on the question of speculation and depressions.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Speaking of speculation and depressions, psychology teaches that speculation is a malady that attacks the financial cells of the human brain. It is dangerous because it is highly contagious. The success of one speculator is passed on in conversation and over the radio, and attacks the victim through the ear, or, it travels in print and inoculates the victim through the eye. Speculation thrives in prosperous times; the greater the prosperity the sooner speculation becomes an epidemic.

Like any other disease it is sometimes confined to a single city or to one State, like the Florida epidemic in real-estate speculation in 1926, or, the epidemic may extend all over the United States just as the real-estate speculation spread in 1893. This was so severe that we called it a panic. The industrial-stock epidemic in 1929 we called a depression.

We did not blame the original owners of real estate for the 1893 panic. We placed the blame where it belonged, on the speculators, but, when it came to the 1929 depression, the labor leaders and New Deal politicians passed by the speculators and laid the blame on the owners and managers of industries because the speculators had gambled in industrial stocks and lost at their own game of "get rich quick," with which industry itself had no more to do than did Uncle Remus's rabbit. It was the speculators themselves that set the market price and raised it from day to day until it became top-heavy and toppled over, affecting not only the speculators themselves but the innocent passers-by.

Industry could not prevent the skyrocketing of its stock. If one speculator wanted to sell and another wanted to buy at a certain price they did so without consulting the industry's manager. The only thing the industry could do was to transfer the stock on its books.

Any man who bought a share of stock at more than its intrinsic value as shown by its ability to earn, helped to make the market top-heavy and bring on the crash that caused the depression. This is true no matter whether the purchaser knew he was paying more than the real worth of the stock or not.

As is common with this disease, when it becomes an epidemic, the purchaser in 99 cases out of 100 paid no attention to what the stock was earning. He simply knew, for instance, that the stock was selling for $145 per share yesterday, that it was selling for $155 today, and he said to himself, "I must buy quick; that stock has been advancing steadily, and I'll be able to sell it tomorrow for $165, or if I hold it a week, for $175." He had no thought of holding the stock as an investment and making his money by the dividend route. When the crash came the speculators holding stocks, as well as those who had bought for investment, saw that the value of their holdings was going down from day to day, making them poorer every Saturday night than they were the Monday before. This continued until they lost their optimistic, buoyant feeling that this disease in its early stages always produces, and instead became pessimistic; then they all wanted to sell, and because there were no buyers the stocks went lower and lower.

This same thing happened in real estate in Florida in 1926 and with real estate all over the United States in 1893.

As stocks went lower and lower after the 1929 crash, the holders of the stocks, forming a large part of the consuming public, began to curtail their purchases of everything they had been consuming when stocks were going up. The merchants had their stores well stocked with merchandise, and the falling off of their consumer trade caused them to cease buying from the factories and to reduce their stock as fast as possible.

The factories held on to their employees as long as they could, but when they had filled their warehouses to overflowing and could not induce merchants to buy they were compelled to reduce their number of employees. This they did gradually and slowly, hoping each month that the following month would bring improvement, but in this they were disappointed and were compelled to lay off additional employees.

Naturally these employees who were laid off reduced their consuming purchases to a minimum, and not having any sale for their products factories quit buying raw material. This material had been supplied to them by other factories, mills, and mines, so that they in turn had to lay off many of their employees. Then the depression was on in earnest.

People who had borrowed money on their collateral found in many cases their collateral could not be sold for half what they owed the bank. They pleaded with the banks not to sell them out, hoping for an early return of prosperity, but matters got worse, and pessimism prevailed from coast to coast.

No one can deny that American industry made this country the greatest on earth; our standard of living way above that of any other, England being the nearest approach to ours. In riding from end to end of England one finds that the same worker who rides to his job in an automobile in America rides to his job on a bicycle in England. The way industry has been managed in America has made this difference and has made us the haven to which workers in all countries would flock if our immigration laws would permit.

Notwithstanding this, the New Deal politician in his eagerness for votes began at once to berate industry because the speculators had lost in gambling with industrial stocks. They began to hamper industry with so-called New Deal reforms, rules, and regulations, undertaking to plan and regiment at Washington industries that had been well and successfully managed by their owners and their executives. Notwithstanding this, industry as a whole accepted the President's agreement and undertook to carry out as best they could what they understood to be emergency measures for recovery, but when it was announced that these proposed recovery measures would be made permanent and call it a new deal, industry rebelled at the permanent feature. When a man breaks his leg he is willing to use a crutch until his leg is strong and well; but if the doctor should insist that because the crutch helped him while he was crippled that he must use it the rest of his life, he would not stop with throwing the crutch at him, he would break it over the doctor's head.

Because of this sentiment and his desire for power, our Chief Executive, Legislator, and Supreme Judge has professed a great love for the laboring man in industry and the farmer, while exhibiting his animosity toward industry and its management in his broadcasts and his legislative halls.

I had been in this business 9 years before the panic of 1893, which was too severe to be called a depression. At that time we had no Federal Reserve banking system, no Reconstruction Finance Corporation to help banks and other corporations. We had no P. W. A. workers supported and petted by the Federal Government, and no Federal money wasted in political relief, but I saw no one naked, nor did I hear of anyone starving to death. Each community took care of its own unemployed. There is not a community in these United States today that would let any of its people go naked or die of starvation. The American people are not built that way. We were practically over the 1893 panic in four years and a half, both men and machines coming again into demand. Prosperity was gradually and surely spreading over the whole country, and our Federal Government had not added twenty billions to the national debt to be paid by us, our children, and our grandchildren by heavy taxes, not alone on industry but on every consumer in our once free and glorious land.

The Frontiers of the United States

EXTENSION OF REMARKS
OF
HON. ERNEST W. GIBSON
OF VERMONT
IN THE SENATE OF THE UNITED STATES
Monday, February 27, 1939

EDITORIAL FROM THE NEW YORK HERALD TRIBUNE OF FEBRUARY 14, 1939

Mr. GIBSON. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial appearing in the New

York Herald Tribune, by Mr. Walter Lippmann, in regard to the United States' frontiers.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of February 14, 1939]

THE FRONTIERS OF THE UNITED STATES

(By Walter Lippmann)

It will not be easy to regard the occupation of the island of Hainan by the Japanese Navy as no more than an incident in the war in China. With this strategic outpost to the west and the naval bases in the mandated islands to the east, the Philippines are surrounded. But what is even more important, at Hainan Japan obtains an advanced base within 1,500 miles of Singapore.

The timing of this new aggression cannot be ignored: The Japanese have acted at the moment when the Spanish civil war is ending, and the diplomatic struggle for the naval control of the Mediterranean and the eastern Atlantic is approaching a crisis. It has been the Japanese method to begin each new phase of conquest by testing out the resistance that might be offered. Thus, before the Japanese decided to invade China proper in the summer of 1937, they tested out the Russians by sinking a Russian gunboat on the Amur River. When the Russians showed they were incapable of doing anything the Japanese began their invasion of northern China. A year later—that is, last summer—when the Czech crisis was developing in Europe the Japanese made a second test of the Russian power. There was a Russo-Japanese battle on the Manchurian border. The test convinced them that they need not fear the Russians, and so, while Britain and France were preoccupied in Europe, the Japanese invaded southern China, took Canton, and struck down the British power at Hong Kong.

Once again they are, it would seem, testing out the resistance before making another great advance. This time they have seized a strategic island which lies within the French sphere of influence and is of extraordinary importance to the whole British position in the East Indies and even in Australia. They have chosen a moment when the naval power of Great Britain and France is anxiously preoccupied in European waters.

Their action places the British and French in an ugly dilemma. If the British send enough ships to the Far East to check the Japanese advance, they will become too weak in Europe to check the Italian advance which would then, because the risks were reduced, almost certainly obtain much more active backing from Germany. And if they do not send ships to the Far East, the Japanese are in a position to establish naval control of the western Pacific, and to command the immense resources of the Dutch East Indies, the Philippines, and Australia. Once established in this vital center of world power, the Japanese Empire cannot be dislodged without a great and exhausting war.

Whichever way one looks at it, the situation is too serious to be regarded with indifference by the United States. The seizure of Hainan at the moment when Britain and France are so vitally concerned about Majorca and Morocco and the independence of Spain does not have the air of coincidence. It looks very much like concerted action.

For that reason it makes the situation in Europe much more critical. If the Japanese war party demonstrates at Hainan that the road to Singapore is open, the hesitation of the Japanese moderates will almost certainly be overcome. The chances of a major military-diplomatic offensive on three fronts—in northern Europe, in the Mediterranean, and in the Far East—will be measurably increased.

If that offensive is successful, the European Fascist powers will have broken through into the Atlantic, establishing themselves in Spain and in Africa, and the Japanese will be masters of Singapore, which is one of the two controlling points, the other being Panama, in the Pacific. The United States, which has only one Navy, though it has to defend itself in two oceans, will then find that it is isolated in a way which no isolationist will like.

The United States cannot be indifferent to a situation which threatens, perhaps within the next few months, to establish in both oceans at once, and at the strategic points which control the two oceans, an alliance of highly armed powers bent on the conquest of empire. This is no question of our intervening in the affairs of Europe and Asia. This is a question of preserving our security in the two oceans amidst which the American continents are placed.

Nor is it a question of our going to war in Europe or Asia. It is a question of using our diplomatic power effectively and promptly to prevent the development of a situation which will lead either to a world war—not a European war but a world war—or to a greater Munich, in which the strategical control of the Pacific and the Atlantic is transferred from friendly and unaggressive nations to aggressive and not very friendly ones.

Resolute diplomatic action, if well conceived and supported by Congress and American public opinion, can at this juncture avert both the danger of a world war and the danger of a complete overturn of our naval position in the two oceans.

The main lines of that diplomatic action are clearly indicated by the situation. We should inform the Japanese that the establishment of naval positions anywhere in the Pacific, at Hainan, or in the mandated islands is contrary to the meaning of the third treaty signed at Washington in 1922; and we should invoke the consultative clauses of that treaty which obligate Japan to explain to us, to the British, and to the French what these encroachments by its navy signify. To strengthen our diplomacy in this action, Congress should authorize at once the fortification of Guam. Japan's response to the invitation to consult and negotiate should then determine whether or not we actually proceed to fortify Guam.

At the same time we should clarify our position in Europe by making it plain that, having scrupulously refused to help either side in the Spanish Civil War, we regard it as an American interest that Spain should be an independent and neutral power. This is what General Franco declares to be his interest, and there is no reason to doubt the sincerity of his professions. He can unite his country and reconstruct it only if Spain is able to disentangle itself from European-power politics and to enjoy a long period of peace.

Though General Franco needed Italian help to win the civil war, he now needs British and French help to win and to preserve Spanish independence. He will get that help. It is an American interest, as a matter of basic naval security, that he should get that help. For with Spain independent, the dangers of a European war would at once be greatly reduced and the security of the Atlantic Ocean greatly improved. The most effective way to contribute to this result would be to open our markets in war, as well as in peace, to the governments—which now include General Franco's—that have a vital interest in maintaining the existing naval position in the Atlantic.

The alternative to such a twofold diplomatic action in the two oceans is to do nothing and to pretend to believe that our frontier is at the 12-mile limit. Our frontier is not on the Rhine. Our frontier is not at Hankow. But our frontier is in both the great oceans, and if we do not maintain that frontier by diplomacy today, tomorrow we shall have to defend it by building another Navy.

War on Poverty

EXTENSION OF REMARKS

OF

HON. LYNN J. FRAZIER

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Monday, February 27, 1939

ARTICLE BY BENJAMIN C. MARSH

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article by Benjamin C. Marsh, executive secretary of the People's Lobby, Inc., entitled "Americans Must Win War on Poverty or Be Kidded Into Foreign Wars."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AMERICANS MUST WIN WAR ON POVERTY OR BE KIDDED INTO FOREIGN WARS

A nation's internal or domestic situation profoundly affects its foreign policy. America is today in almost the worst condition of its history.

OUR DEBT ABOUT EQUALS NATIONAL WEALTH

The report of the Twentieth Century Fund, Debts and Recovery, covering the period from 1929 to 1937, states:

"Total debts aggregate, with allowance for debts not measurable, over $250,000,000,000, divided roughly as follows: Corporate, $50,000,000,000; Government, $53,000,000,000; mortgages, $35,000,000,000; short-term debts owed to banks and corporations, $30,000,000,000; deposits of commercial banks, $40,000,000,000; deposits of mutual savings banks, $10,000,000,000; cash value of life-insurance policies, $20,000,000,000; withdrawable shares of building and loan associations, four billion to five billion dollars."

The Federal Government is several billions more in debt than in 1937.

The Social Security Board reports the following average monthly payments for relief:

1933	$87,408,000
1934	145,431,000
1935	177,471,000
1936	218,328,000
1937	194,562,000
1938 (11 months)	247,671,000

It states that relief expenditures alone by Federal, State, and local governments from the beginning of 1933 to the end of November 1938 were $12,600,000,000.

It estimates that in November last year 21,300,000 people, or about one-sixth of our population, were receiving one or more forms of public relief.

RELIEF NEEDS GROW WITH INCREASED NATIONAL INCOME

In spite of the increase in employment, the increase in national income, the spending of billions of dollars to prime the pump of private industry, the payment of hundreds of millions of dollars in farm benefits, in spite of the enormous increase in profits of many major corporations, and in the number of persons receiving from $5,000 to $100,000 and over net incomes—the average monthly expenditure for relief increased every year from 1933 to 1937.

Even in that year of alleged prosperity the total expenditure for relief was almost $2,400,000,000.

Last year, 1938, the total relief bill was almost $3,000,000,000, or approximately three times as much as the bill in 1933.

In spite of these relief expenditures and partly because they are largely financed by taxes upon people in the lower brackets, or with substandard incomes, the standard of living of the masses of the American people is gradually but surely worsening.

TOO MANY PRODUCERS FOR PRODUCTION FOR PROFIT

At least a million farm families are on relief or need help.

We have at least 2,000,000 surplus employables for our economic system.

In 1935, 742 corporations, about one-sixth of 1 percent of the corporations reporting, had—

Over half of all cash, close to half of all notes and accounts receivable, less than three-tenths of inventories, nearly two-thirds of tax-exempt investments, nearly two-thirds of non-tax-exempt investments, nearly half of all capital assets, and approximately two-fifths of other assets.

Most of these corporations, including major railroads, were and are heavily overcapitalized.

NEW DEAL SUBSIDIZES INSTEAD OF SQUEEZING

The New Deal, through pump priming and other extension of Government credit to water-logged corporations, has increased the tribute they exact from consumers, and entrenched monopoly for the few and poverty for the many, just as old-guard Republican policies did.

In 1929 the capital assets of corporations engaged in mining and in manufacturing of metals and of utilities were $68,808,000,000; in 1935 such assets of nearly one-sixteenth fewer such corporations reporting, were still $62,173,000,000—though Government should have brought down such valuation to not over $12,000,000,000 to $15,000,000,000.

Secretary of Agriculture Wallace in his annual report for 1938 states:

"Rent paid by farmers in the United States to nonfarmers in 1935 is estimated at $699,000,000, in 1936 at $743,000,000, and in 1937 at $829,000,000."

This is mostly for farm lands, as buildings on rented farms are largely shacks.

The rent tenant farmers pay to nonfarm landlords is jumping fast, to the $1,110,000,000 paid in 1929.

CAN ANYTHING BUT PRODUCTION FOR USE MEET AMERICANS' NEEDS?

Americans are now in the grip of the world's worst dictators—the one-tenth of the people who own most of the means of production, distribution, and exchange of everything the American people need to eat, to wear, to live in, to work in—and to enjoy a decent American standard of living.

About a third of Americans can't get by on what they are permitted to produce, another third can barely get by, but can't put anything by for old age or unemployment or sickness, and only a third live high or near-high the big owners and their hangers on.

Don't blame big or little business if you believe in Government!

Government has made laws which let a few people determine what most of us can have, and only Government—that is Congress chiefly, and State legislatures, can change laws, so people can produce and consume what they need.

Can Government make private owners of factories, oil wells, and mines produce peoples' needs?

Government can meet those needs when Government owns factories, oil fields, mines, et cetera, and taxes land speculators so people can rent land to raise crops.

The untaxed value of land in New York City is over $7,000,000,000.

The net ground rent at 5 percent is $350,000,000 a year, which the private owners collect and keep—while the government officials of this World's Fair City pass the hat to Uncle Sam, and get scores of millions of dollars in relief funds every year for New York's unemployed.

New York pays up to $20 a month just for rent, for unemployed.

LOSING WAR ON POVERTY HERE LEADS TO WARS ABROAD

Appeals to patriotism are Governments' favorite way of getting people's minds off the pangs of their poverty.

Don't be fooled by the Government's talk about lining America up with the "democracies" against the "aggressor" nations.

The war to make the world safe for "democracy" failed.

Can a war to save imperialist "democracies" work any better?

Don't you need to be protected from the system we helped save in the World War, which denies you a job, and refuses you a hand-out when you can't get a job from it?

War is supposed to make us forget our poverty and is apt to make it a jail offense to mention it.

Lt's get the low-down on the "have-not" recent aggressors and the "have" old-time aggressors, for Great Britain is the mother of imperialism.

FOR WHOSE MINERALS SHOULD WE FIGHT?

Dr. Charles K. Leith, of Wisconsin University, outstanding geologist, and vice chairman of President Roosevelt's Planning Committee for Mineral Policy, is a scientist—not an alarmist.

At the meeting of the Geological Society of America in December, he warned of the economic bases of the threatened world conflict.

He said:

"The acquirement of Abyssinia, Austria, Manchuria, and large parts of China and Czechoslovakia have done little to meet the mineral requirements of the 'have-not' nations.

"Real appeasement by this method would require the passing over of considerable parts of the English-speaking, French, and Russian domains, as well as parts of the supplies controlled commercially by the English-speaking people outside their borders."

He holds that substitution by the "have nations" of force for appeasement, "before redistribution of the world's natural wealth goes much further," is "a safe assumption."

"The United States cannot avoid the issue. It is part of our domain that is ultimately at stake. The United States is the world's largest producer, the largest consumer, and the largest distributor of minerals and their products. The frontiers of our mineral industries, including sources and markets, extend to nearly all parts of the world. * * *

"The United States and England together control in about equal proportions nearly three-fourths of the world's production of minerals and, not less important, they control the seas over which the products must pass.

"Any approach to equalization by gaining new territory means a shift of sovereignty on an unthinkable scale. Nearly 90 percent of the world's industrial power is concentrated along an axis extending from the Great Lakes in the United States eastward through central England and west central Europe, and most of the mineral resources of the world are tributary to this power axis."

How much of the mineral resources of America do you own, and how much do you want to fight in South America for bauxite for the Aluminum Trust, for copper for the Anaconda Co., for tin in Bolivia for the Tin Plate Trust, or in Mexico for oil, for good old "Standard"?

You will get a job training or dying if we go to war—which won't settle anything any more than the last one.

You can also get a job—doing work, so you won't be out of a pay slip—when Government owns monopolies and basic industries, and operates them to meet consumers' needs—instead of stockholders' greeds.

Let's win the war on hunger and misery here at home.

T. V. A. Helps Coal Industry

EXTENSION OF REMARKS

OF

HON. NOBLE J. GREGORY

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1939

Mr. GREGORY. Mr. Speaker, in the discussion relative to the development of the T. V. A. much has been said with reference to the coal industry, and I am disposed to feel that those who are interested in the coal industry are unduly alarmed.

The problems of the coal industry antedate by many years the conservation projects of the Federal Government, such as the Tennessee Valley Authority. And if these projects were wiped out tomorrow, the problems of the coal industry would not be solved or ameliorated.

The ground lost by the coal industry has not been lost in the courts or Congress or the legislatures but in the competition of business and in the advances in the art of converting fuel into power. Railroads, as an example, have steadily reduced their consumption of coal for locomotives since 1917 from 133,000,000 tons to less than 81,000,000 in 1936. Part of this reduction was the result of competition by other means of transportation, and a large share of it was due to the increased efficiency of locomotives in using this fuel. This is but one of many examples.

This trend toward increased technical efficiency has been at work in the electrical industry also. The Federal Power

Commission reports that whereas in 1919 it took 3.20 pounds of coal to produce a kilowatt-hour of electricity, in 1937 it took but 1.43 pounds, or less than half as much.

The fact is that the coal industry has not been harmed by the activities of the Tennessee Valley Authority. If anything the reverse is true. Coincident with an increase in the use of power which outstripped the increase in the Nation, the consumption of coal for production of power has grown greatly.

In 1937 the seven Tennessee Valley States used 2,569,700 tons of coal for production of electricity, an increase of practically 40 percent over the 1,837,500 tons used in 1929.

In 1937 the consumption of coal for generation of electricity in the Nation had not yet reached the 1929 level, 44,934,000 tons being used in 1929 compared to 44,766,000 in 1937.

In this same period, 1929–37, use of electricity in the Nation increased only 22 percent while use of electricity in the Tennessee Valley States increased 43 percent.

The facts indicate clearly that no coal generation in this area will be replaced by hydro. The Federal Power Commission, in a report issued in 1935, predicted that a large proportion of the territory faced a serious shortage of power when demand reached its 1929 level. Subsequent events are bearing this out. At the present time generating facilities of large systems in this area are hard pressed. The total sales of three large private utility companies in the area, which have considerably reduced their rates, increased almost 60 percent between 1933, the year the Tennessee Valley Authority was created, and 1937.

The Authority has been selling its surplus power to cities and cooperative associations in the Tennessee Valley for resale to domestic, commercial, and industrial customers. In the three of these cities and cooperatives which have operated over the longest period, Tupelo, Miss., the Alcorn County Electric Power Association, and Athens, Ala., there has been an increase of more than 200 percent in the consumption of electricity between 1933 and 1936. They have been selling electricity at low rates, far below the level of the industry as a whole, and they have been markedly successful financially.

There is little need to labor the point. Such an increase in consumption of electricity, spread over the entire valley area, would make necessary substantial increases in generating capacity in addition to that currently furnished by the Tennessee Valley Authority and that which will be furnished by its projects now under construction. From some other source this increased capacity would have to come.

Upon a Nation-wide scale this demonstration of increased consumption under low rates is of even greater significance to the coal industry. It is simply this: If the same low rates which have so greatly increased consumption in these limited areas in the Tennessee Valley were applied throughout the Nation, the resulting demand for electricity would make necessary a tremendous expansion in fuel generation.

The interests of the coal industry, in view of these facts, seem clear. There is a vast potential demand for electric power in the United States, a demand which is pressing closely upon the existing capacity to supply it. The way to development of this market has been pointed out, both by cities and cooperatives selling T. V. A. power in the Tennessee Valley and by private utility companies which have progressively reduced their rates and promoted increased use. Power is essential to the development of industry, especially in the electrochemical and electrometallurgical fields. Homes in the United States can use much more electricity than they now consume. Less than one-fifth of the farms in the United States have electric service, and in the South the proportion is less than one-tenth.

So far as its electricity markets are concerned, the interests of the coal industry lie obviously in the direction of developing and satisfying this great potential demand for electricity. No mines will be kept open nor miners put to work by fighting a rear-guard action against this development, or against the broad development of this area and its natural resources, including its coal. The interests of the coal industry lie rather in the direction of the electrification of America.

I wish to submit from reports of the Federal Power Commission and the United States Geological Survey the following table, which reflects interesting facts in connection with this subject.

Coal used in generating electric energy for public use in the 7 Tennessee Valley States

[Short tons of 2,000 pounds]

	1929	1930	1931	1932	1933	1934	1935	1936	1937
Kentucky	551,555	610,090	427,826	356,846	354,542	391,055	396,215	542,481	651,084
Tennessee	216,440	136,602	112,863	59,014	59,848	65,426	98,083	163,724	359,274
Alabama	26,896	15,996	92,150	30,584	35,425	60,238	79,778	146,954	280,240
Mississippi	72,806	61,329	51,918	31,587	23,724	24,170	24,463	23,951	22,235
Georgia	18,162	14,426	11,884	11,668	9,256	10,362	11,120	21,852	32,529
North Carolina	186,315	370,407	327,982	76,403	196,709	124,016	144,010	244,666	278,858
Virginia	765,378	813,627	675,251	501,101	439,025	593,966	611,678	912,737	945,534
Total for Valley States	1,837,552	2,022,477	1,699,874	1,067,203	1,218,529	1,269,233	1,365,347	2,056,365	2,569,754
Total for United States	44,934,000	42,910,000	38,714,000	30,296,000	30,575,000	33,561,000	34,164,000	42,025,000	44,766,000

Neutrality or Participation in Time of War

EXTENSION OF REMARKS

OF

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, February 27, 1939

STATEMENTS BY BERTRAND RUSSELL, CHARLES A. BEARD, JOHN DEWEY, JOHN T. FLYNN, AND HARRY ELMER BARNES

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the Appendix of the CONGRESSIONAL RECORD statements by Bertrand Russell, Charles A. Beard, John Dewey, John T. Flynn, and Harry Elmer Barnes on the question "If war comes, shall we participate or be neutral?" All of these statements appeared in the magazine Common Sense.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

IF WAR COMES, SHALL WE PARTICIPATE OR BE NEUTRAL?

THE CASE FOR UNITED STATES NEUTRALITY

In America, as in England and France, bellicose opinions have become typical of the left, while the right has become more and more favorable for peace at almost any price. Similar situations have existed at other times: In France during the revolution, in America in the disputes leading up to the War of 1812, and throughout Europe in the days of the Holy Alliance. But throughout the long period from 1870 to the rise of Hitler, it was liberals and radicals who favored peace. I think that their reasons for abandoning this position are fallacious, and that they are mistaken in imagining that the next war will be a holy war; It will be fought, as other wars have been, for imperialistic aims, such as the control of the Mediterranean and the oil of the Near East. In common with the immense majority in England and France, I wish to see this war averted. But it becomes increasingly clear that it can only be averted at a great price, and that England and France, at some point, will refuse to pay this price. I think, therefore, that, in spite of Munich, war in Europe will come, and probably soon.

War comes only when the opposing forces are roughly equal, for if there is an obvious preponderance on either side the other

side gives way. The next great war, therefore, like the last, will probably be long and bitter—more bitter than the last, though perhaps not so long. Whether America is a belligerent or not, air attacks on England and France will effect a vast destruction of life and property, generating a mood of panic rage which can only be kept in order by a severe military dictatorship. Economic hardship in Germany and Italy, if Italy is on the side of Germany, may lead to revolution, but the successful rebels will be fierce men, and are not likely to establish any regime more tolerant than the one that they will have overthrown. In all the belligerent countries of western Europe the population will be enormously diminished, large-scale industry will be destroyed, and orderly government, if it survives at all, will survive only in the form of tyranny rendered savage by the fear of murderous anarchy. A war for democracy cannot but end with the disappearance of democracy in Europe, except possibly in Scandinavia.

America, if a belligerent, will not be able to protect the western democracies from air attack during the first weeks of the war, which will be those of greatest peril. And when peace comes, America, inflamed by war passions, subject, at least for the time, to a governmental autocracy created as a means to victory, will have neither the wish nor the power to secure a sane and liberal treaty; all the mistakes of Versailles will be repeated, but in an intensified form, because the war will have been more destructive and more bitter. Any reconstruction which is attempted will be vitiated by the passions of the war and by refusal of justice to the vanquished. An impoverished and barbarized Europe will start again on the tragic cycle that has led from Versailles to the horrors of the present day and to the still worse horrors that are to be expected in the near future.

All this will happen because men will have allowed hatred to obscure economic and psychological understanding, as it is already doing among vehement anti-Fascists throughout the Western World.

If, on the other hand, America preserves neutrality and therefore remains politically a democracy, there is a considerable possibility that the influence of the United States may be paramount in the reconstruction. Radical war mongers always speak as though there were good reasons to fear a triumphant victory of the Fascist powers. I think this comes of an underestimate of the destructiveness of the next great war. It is not to be supposed that the air forces of Germany's enemies would be idle. The industrial regions of the Rhineland would almost certainly be devastated. With luck, we might succeed in destroying all that is most worthy of admiration in Milan, Venice, Florence, and even Rome. The Russians, from the east, would punish the industrial regions of Silesia. Hunger, as before, would undermine the health of German children and the morale of their fathers in the trenches. The nominal victors, almost as much as the vanquished, would be so weakened and destitute as to be completely unable to resist a power able, as America would be, to relieve distress and aid in reconstruction.

The best hope for the world, if Europe plunges into the madness of another great war, is that America will remain neutral, but will, when the fighting is over, use economic power to further sanity and liberalism, and to restore to the parent continent as much as possible of the civilization that the war will have temporarily destroyed. Europe will be in so desperate a plight that it will be easy to impose political conditions on American aid in reconstruction. Last time, such conditions were not imposed, and the money involved was lost. I do not see any other way in which, in the event of war, American liberalism can help Europe; for if America becomes a belligerent, the first effect will be the complete eclipse (at least for the time being) of liberalism, democracy, and free thought in the United States. What will the world gain by the defeat of the Fascist powers if, in the process the Fascist form of government becomes everywhere triumphant?

BERTRAND RUSSELL.

—

AMERICA CANNOT "SAVE" EUROPE

Although it is my firm conviction that the United States should stay out of the next war in Europe and all the wars that will follow the next war, I do not rest my case upon the assumption that by staying out we shall "do more good" than by getting into the fray. I rest my case solely on two grounds: (1) That by no process can the United States "settle" European affairs, make the peoples of Europe prosperous, happy, and good, make human nature in Europe anything else than it is and will be, and close the long and bloody history of Europe by the beatitudes; and (2) that by getting into the next war and the following wars the United States will suffer incalculable damages, material, intellectual, and moral.

If Great Britain, France, Russia, and the Balkan countries so immediately threatened by the Fascist menace cannot make use of the preponderant power which they undoubtedly have, or will not make use of it, why should the United States try to make up the deficiency? I see no reason under the sun. Nor do I think that it is within the power or the intention of the Government of the United States to effect that combination of European interests necessary to save Europe from its own history. Surely it is no mean and contemptible undertaking to seek the maintenance of peace in this hemisphere and it will take all the talents we can command to do that much, perhaps more talents. As for myself, I am not impressed by the rattle and clatter of those who feel sure that they know Europe and that the United States can, if it would, "save Europe." And I deem it no crime against mankind to have smaller ambitions.

CHARLES A. BEARD.

—

"NO MATTER WHAT HAPPENS—STAY OUT"

I have rarely found myself in agreement with Herbert Hoover. But as I read his prediction that if the United States is drawn into the next war we shall have in effect, if not in name, a Fascist government in this country, I believe he is completely in the right. The dire reaction that took place in the early twenties after the World War was mild in comparison with what would occur another time. It would begin earlier, be more rigid, and endure no one knows how long. We are forgetting that the years before the last war were a time of growth for a strong and genuine progressivism in this country, and that if its career had not been interrupted we should have made whatever gains have been accomplished by the New Deal much earlier and in a much less costly way.

It is quite conceivable that after the next war we should have in this country a semimilitary, semifinancial autocracy, which would fasten class divisions on this country for untold years. In any case we should have the suppression of all the democratic values for the sake of which we professedly went to war.

The discouraging thing is that the very persons who a few years ago were sure that they would not allow themselves to favor our entering another great war, and that we had been deceived by propaganda in entering the last one, are now thinking and talking as if it were inevitable that we should again go in. This attitude is a precursor of an event that is in no way necessary. If we but make up our minds that it is not inevitable, and if we now set ourselves deliberately to seeing that no matter what happens we stay out, we shall save this country from the greatest social catastrophe that could overtake us, the destruction of all the foundations upon which to erect a socialized democracy. At the same time we shall destroy the means by which we can be of use to a stricken Europe after the end of its attempt at suicide.

JOHN DEWEY.

—

"NOTHING LESS THAN A CRIME"

If one may not indulge in downright prophecy of war in Europe this spring or summer, one may certainly assume that it is highly probable. And if war does come in Europe, growing out of any of the issues which can be at this moment detected, the United States will be guilty of a crime against its people and its destiny if it permits itself to be drawn in.

What are the visible causes of war in Europe? Primarily, of course, the drift of war is inherent in the dictatorships and in the Fascist organisms of Germany and Italy. It may be said that these two nations have built their economic systems upon war as the great fundamental industry. To demobilize that industry would produce in those countries much the same effect as suspending the automobile industry, the electrical industry, the textile industry, and some others in the United States. To suspend the war industries in Germany and Italy would be to bring on a complete and disastrous economic collapse. Therefore the war industries must go on functioning, and this in turn means that the dictators must stimulate them by heavy taxation, forced government loans out of savings, and vast drafts upon the central banks. As this means sacrifice, the inevitable necessity is that the people must be continually whipped up into frenzies of hatred and fear of Germany's and Italy's enemies. These peoples are hopelessly caught in the moving machinery of the war industry which drives inevitably toward war.

Where the machine will lead these hapless multitudes, of course, will be determined by the interests of the economic systems involved and the judgments of the dictators as to the lines of least resistance. I do not believe that either Mussolini or Hitler wants war. I believe that preparation for war, and hence war moves and war scares, are essential to them. But as they cannot keep this up forever without war, they will send their legions along the path of least resistance. And that path now would seem to be the road to the east. Hitler has, with the conscious cooperation of Mr. Chamberlain, succeeded in isolating Russia. It seems at this moment at least possible for him to foment a fraudulent uprising in the Ukraine, with the aid of Ukrainian emigrés and German troops, which would be the occasion for sending German armies into the Ukraine. No one supposes that, having opened the way to within a few miles of the Ukraine, he will pause now in this quest.

Nothing has happened, save the fulminations of Mussolini about Tunisia, Savoy, and Corsica, which for the most part may turn out to be a smoke screen, to induce anyone to believe Hitler has abandoned his great objective within sight of the goal.

If the blow is struck in the Ukraine, does anyone believe that Mr. Chamberlain or any considerable party in England will favor going to the aid of Soviet Russia? If events turn out this way we may see a war in Europe which will involve Russia and Germany with England and France left out. And can we imagine that any appreciable element in our own population will clamor for sending troops to Europe or even applying economic sanctions on either side of this quarrel?

If, however, France and England are drawn into war with Germany and Italy, what will the war be about? Will it be because Germany and Italy plan to invade England and France and seize their territories or will it be because England refuses to release

to Germany her old African colonies and because France refuses to part with Tunisia to Italy? Of course, it will not do to minimize the fact that the struggle will be a clash between two sets of populations dominated by widely differing cultures and political objectives. But will it not be first of all a battle to determine whether England or Germany shall rule Somaliland and whether Italy or France shall own and exploit Tunisia?

For my part I can see no reason why this country should take any part in such a struggle. Of course, I know the argument will be made that, whatever the immediate and proximate issues, the contest will be in fact one involving the very existence of the democratic forms in England and France and the Fascist pattern in Germany and Italy.

This whole argument I believe to be fallacious. If war should come between England and France on one side and Germany and Italy on the other, so far as democracy is concerned in England and France, it will make no difference whether these two nations win or lose. The war itself—win, lose, or draw—will destroy their economic systems and throw them into the arms of either fascism or communism. I think it entirely correct to say that the United States by putting itself on the side of England and France can insure victory for them. But it cannot insure victory for their democracy.

As for us, fascism in Germany and Italy is not a menace to the United States. Fascism is indeed a menace, but that menace originates in our own society and grows out of the disintegrating forces which devour our economic system. We cannot fight fascism here by going to war with Germany. If we go into a war and subject our economic system to the further disturbance which will be the inescapable consequence, we will have brought the Fascist menace nearer by the very means embraced to end it. The way to protect our democracy is to safeguard our economic system from further strains, and war will be the most destructive strain to which we can possibly expose it.

At this moment, with 11,500,000 unemployed, with our industrial and financial structure fatigued by 10 years of depression, and a wave of reaction rolling in from every corner, it will be nothing less than a crime to ask our people to take their eyes off our own grave problems and turn them to Europe. The suddenly whipped-up war scares which have emanated almost entirely from official agencies, including the White House, which has personally directed the disgraceful spy scares, are designed to divert the attention of the people from our seemingly insoluble domestic problems and to unite them behind a leader who finds in those domestic problems no magic for commanding the support and applause of the voters.

America will do well to confine her salvaging energies to the mess within our present frontiers, and not seek to enlarge and multiply the problems and the mess by extending the frontiers from the Rhine to the Yangtze.

JOHN T. FLYNN.

A WAR FOR "TORY FINANCE"?

While on our guard against foreign propaganda likely to involve us in war, we must also be thoroughly alive to the dangers inherent in the propaganda of those Americans who wish to get the United States immediately involved in another war to make the world safe for democracy. Specifically, we have reference to the blandishments of the undoubtedly well-meaning "common front boys." No sane person can have any objection to a common moral front in standing against the forces of dictatorship. But this is something quite different from engaging in a second world war to discipline foreign States whose political system we do not happen to like.

The common front philosophy was indefensible even before the Munich conference, but it is utterly ludicrous today. Who are we to be "common" with in standing for democracy? About the only democratic States which remain are a few small countries, determined beyond all else to maintain their neutrality to the last ditch. To line up and shed our blood in company with Tory Britain and a France led around by the nose by means of Tory finance would be as absurd as it was in 1914–17 to promote the cause of democracy in the company of the czar of Russia and his armies.

There are not a few who prefer the forthright brutality and aggression of a Hitler to the smug double-crossing and sanctimonious hypocrisy of Britain's umbrella-bearer. A war by the side of Britain today would not be a war for democracy, but a war in behalf of British imperialism and Tory economics. Whatever the nobility of our proclaimed ends, we would wind up with no greater contribution to humanity than making the Pacific Ocean safe for the British Empire, at the cost of billions of dollars and with the loss of an unpredictable number of American lives.

The aggressive common-front philosophy is just as indefensible in its domestic aspects and implications as it would be in its foreign involvements. If the United States were to enter a world war, however sincerely, in behalf of democracy abroad, the first and inevitable result would be, as we have seen, the speedy extinction of all democracy in the United States. This would be crushed out rapidly and permanently. At the very worst, it will be decades before we can ever lose our democracy at the hands of some foreign dictator who overruns our shores. But we shall lose our democracy within a month if we are beguiled into launching a war against the dictators abroad. And in the loss of our democracy the "common-front boys" will be among the first to suffer, and they will suffer most extensively. Their present zeal for totalitarian gore will quickly be forgotten by the militaristic bureaucrats into whose hands will be confided the destinies of our country upon the outbreak of war.

HARRY ELMER BARNES.

United States Participation in Foreign Wars

EXTENSION OF REMARKS

OF

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Monday, February 27, 1939

EDITORIAL BY JOHN P. HARRIS IN HUTCHINSON (KANS.) NEWS-HERALD OF FEBRUARY 19, 1939

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the Appendix to the RECORD an editorial published in the Hutchinson (Kans.) News-Herald of February 19, 1939. The editorial was written by John P. Harris, one of the ablest and clearest thinking of younger Kansas editors. I may say that the position he takes in opposition to the United States participating in European disputes represents the sentiments generally of the Great Plains area, though not in all cases for the same reasons given by Mr. Harris. I earnestly represent to my colleagues in the Senate that this editorial is well worth reading and hope it will receive their careful consideration.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Hutchinson (Kans.) News-Herald of February 19, 1939]

I DON'T WANT TO DIE

(By John P. Harris)

I'm 37 years old. If war comes, the boys in their twenties will be shoved into uniforms first, but my health and circumstances are such that I'll be subject to the second-draft call.

I love my country, but I love living more. I don't want to get poison gas in my lungs. I don't want a piece of shrapnel in my stomach. I don't want my legs riddled by machine-gun bullets. I don't want maggots crawling in my brains that have been laid open by a splinter from an aerial bomb. I don't want to die.

Because I am 37 and want to live, I hate those who have brought the United States closer to war today than it was in 1915. I wasn't old enough to fight then, but I was old enough to watch the war hysteria being roused until it tempted the United States into a ruthless struggle for power in Europe. And I was old enough to see what it cost us then and since.

That's why I hate those who today are deliberately stirring emotions in favor of one side or another in that bloody European conflict which again is on the verge of breaking out of council chambers and onto battlefields. Officials of our Government who already have taken sentimental sides, members of Communist and Fascist organizations alike, those with munitions to sell, open and secret agents of other nations, professional busybodies, and all others in this country who have been knowingly rousing passions I damn alike, because I do not want to die.

THEIR WORK WELL DONE

These passion rousers have done their work well. There are tens of thousands whose dreams tonight will be filled with field-gray-clad legions marching down through Canada to spread desolation in their wake, with skies black with bombing planes, and with battleships flying the flag of the rising sun shelling the whole west coast. In waking hours they fear secret agents of foreign powers are about to poison the water they drink, or are busy raising armies of hyphenated citizens which very soon will ravish their wives and daughters and make them slaves. They are almost ripe again for that old catch phrase, "making the world safe for democracy." These I do not hate; I pity.

Because there are so many with such thoughts as these I am personally afraid. I fear their emotions have betrayed them so far there is no turning back. If that isn't true, there is only one thing that will save them and me. One thing alone can stop all of us from repeating even more tragically the tragic mistake of 1927. That is some rational thinking.

How can any idiot think the United States is in danger of any sort of direct attack? Who would attack us? Half of the other nations don't want to, and the other half can't under any stretch of the imagination.

Sure, Japan has a powerful navy. But it would be 5,000 miles from its nearest base of supplies in operating on the coast of the

United States. It might barely be able to drop a few shells into Hollywood, but who wants to defend Hollywood? It would be more formidable in American waters than would the assembled battlecraft of Mexico. It could no more menace the United States than our own Navy could menace Tokyo.

The thought of an attack by Italy's best is only amusing under the slightest of analysis. Ditto Russia.

WHAT COULD GERMANY DO?

Germany is different. But what after all could Germany do? Assume that the British Navy stood passively by and that Canada was supine. It would take an army of 5,000,000 men to dare an attack on the United States. Germany has them. But even if Germany operated every boat she has at top speed it would take her a year or more to transport that many soldiers across the Atlantic. It would take that much longer to bring over the necessary planes, tanks, cannon, and shells. By that time, even if Germany should be so foolhardy as to venture on such an exploit, the United States would have raised an army of 10,000,000 to wipe the invaders off the face of the continent.

Maybe you question this. Well, assume in your nightmare that such an attacking force were transported to the borders of the United States overnight. How would they be kept in beans and bullets? Did you know that in no single day during the World War did the United States land enough supplies in Europe to give its own soldiers full knapsacks and cartridge pouches for that day? It's true and I as one who would have to die, emphasize it for your attention.

That leaves airplanes. Even they are no reason for this country to hide under the bed. Germany and Italy together today might have 5,000 planes they could load with bombs and send on a mass attack on New York. Half of them would get across the Atlantic. The other half would drop the bomb or two apiece they would be able to carry above their gasoline loads. The explosive would cause a momentary commotion. As many persons would be killed as die in New York each year from untreated syphilis. That would be all.

But Germany and Italy aren't going to make any such quixotic attack. Their planes after flying the Atlantic and dropping their bombs wouldn't have any gasoline left to fly home on. The aircraft would have to come to earth and be captured and the totalitarian nations' chief source of power in their great game of bluff would vanish leaving them stripped and defenseless with nothing accomplished. Hitler and Mussolini are power-crazy fools, but not such fools as that.

Logic explodes the fear the United States can be directly attacked by the totalitarian nations which by a national hysteria have been placed in the role of our enemies. Even if military logic didn't, political logic would. Germany, Japan, and Italy, singly or collectively, have goals to gain nearer home which will take them half a century if not to eternity. Only after they have grabbed the things before their eyes and absorbed them can this country conceivably come within the range of their ambitions.

IS WORLD TRADE WORTH IT?

But it is not enough to stop with exploding the myth of direct attack. The clamor has become so great that millions of supposedly intelligent Americans now are convinced their country must arm and eventually fight to preserve its world trade. Well, is world trade worth fighting for when even in 1929 it amounted to only 8.2 percent of our total business? The cost of a war for a year would be more than the profits on the world trade for a century, to say nothing of the dead.

Suppose, though, that world trade were worth the protecting. How can armament do the job? Battleships can no more support the existing commerce of this country and cause it to increase than a corner cop can protect the trade of the corner grocery against which he leans.

Granted the Fascist nations are up to funny things in Central and South America which are gaining them new markets at our expense. By barter and by enlarging their number of personal contacts they will probably increase their commerce still further in those directions at our expense. But battleships are no defense against it. These battles are to be won not by tactics of generals but by those of traveling salesmen.

If American industry had thought South American markets were worth the having, it would have cultivated them in the same intelligent fashion an implement manufacturer does the Wheat Belt. The markets are still there for the cultivation whenever this Nation wants them. For geographical reasons if nothing else they are as remote from occupation by any European nation as Mars.

Of course the nations south of the Rio Grande are the object of an intense propaganda campaign. But what is propaganda? The building of good will. And what is the answer to propaganda? Counter propaganda, not bombing planes and cruisers.

Forget these imaginary alarms. The menace to those of us who must die to preserve misconception remains. The President and his advisors have decreed that the United States must play the role of big brother to England and France for a second time. They, Washington has decreed, are our first line of defense and we, a sister democracy, must see they have whatever it takes to hold it. It sounds well, but as one of draft age, it is a death thrust.

IN THEIR OWN INTEREST

Yes, France and Britain are the first line of defense of the United States if you want to call it that. But their defending is not in our interest but in their own. They're scared. The specter of the bombing of London and Paris haunts them constantly. It caused their venal sacrifice of Czechoslovakia last fall. It causes them ignominously to grasp at any aid the United States has to offer them. But that's all.

France and Britain are not our first line of defense by choice but by accident. They hold it not in our interest but in their own. From our standpoint, to subdue the United States, any other nation must subdue England and France first. From their standpoint, they come first, and whatever there may be after doesn't matter.

If these first-line defenses of ours could make one, do you think they would hesitate 10 seconds to accept a Fascist offer of peace and their present possessions in return for their noninterference with a German drive on this country? Their answer would be yes before you could take the furl out of Chamberlain's umbrella.

France and Britain are our first defense, to be sure, but it is a geographical accident. We owe them no more for it than we do to the Atlantic and Pacific Oceans which place insurmountable barriers between us and any possible adversaries. If there's any owing, it's the billions our late allies still have due us from the last time they tricked us into coming to their aid.

Our Government has so missed this point that it is trying to persuade its people that the United States has an obligation to furnish our sister democracies planes, guns, and other war supplies to whatever extent is necessary for them to hold the line. We salve our conscience by placing the transactions on a strictly cash and carry basis, but the result is the same. If the emergency comes, the supplies must include me and a million or two other men who don't want to die, but will.

No one who watched the World War through can doubt the sequence. The United States that time began supplying the France-British alliance. There's good money in it. Then our friends ran out of money. We continued the business on credit because for domestic political reasons we hesitated to swallow the pill of hard times the abrupt cessation of the munitions trade would create. Our emotions rose with our business profits. The first thing anyone knew, we were in whole hog. For some it meant going without sugar on Tuesdays. For those from 18 to 45 it meant charging nests of machine guns.

Read Frank Simonds' Can Europe Keep the Peace? and Can America Stay at Home? or Walter Millis' The Road to War. Refresh your own memory of what happened in the 'teens. It's on the way to happening all over again.

A FOOL'S PARADISE NOW

It's a fool's paradise now, but let Europe plunge over the abyss again. Let the propaganda start in which the British are such past masters and the Germans such dubs. Let the cards begin falling against the miscalled democracies. Does anyone in his right mind think that the United States as supplier-in-chief to the gang can remain aloof? We who must fight know better.

I saw a hillock in France once that covered less than a quarter section. On it four times as many picked youths as there are men, women, and children in Reno County died ugly deaths between 1914 and 1918. What happened once is on the way to happen again. The thought terrifies me, because I do not want to die.

The United States is still pretty dumb as far as European politics are concerned. It continues to be a push over for the old ones about preserving civilization and protecting democracy. Then, without a catch in its conscience, it begins considering Russia the other great menace—as one of its playfellows in the battle against fascism. Europe hasn't any such illusions. Its only delusions are those it has to sell the United States.

What's stirring Europe today is the same old struggle that has been going on since before the days of Napoleon. There is no moral defense for any of the participants. Democracy, fascism, communism, and the rights of individuals and minorities are utterly beside the point. It is unrestrained lust for power with no holds barred.

Over and over again they have been fighting to determine whether France or Germany shall be top dog in Europe. Each time England plays off one against the other to maintain her strangle hold on world trade. The little nations are sacrificed ruthlessly according to the dictates of any moment. To the chief battlers in this endless struggle the United States is only another little nation.

NOT OUR FIGHT

It's none of our fight. Those of our young men who may be sent to take part in it will have died in vain. As a nation we have nothing to win and infinitely much to lose. We were played off the last time we rushed in and we are in a good way toward being played off a second time today.

Sure, the Germans are a bunch of bums and their treatment of the Jews and other minorities is bestial. Sure, the Italians are victimizing Spain. Sure, the French are nice fellows for "frogs." Sure, the British are our cousins and it's a lot simpler to fight on the side of someone who speaks your own language. But pleading as one American citizen who has no desire to fertilize the poppies in Flanders' fields, why fight?

I hate nazi-ism and all it stands for, but it's none of my business and I don't like my Government trying to make it my business. The British Empire is a fine thing and its future is threatened, but its fall is none of this Nation's affair. Why, then, should my country be leading with its chin in a dirty business of which it doesn't know the first rules?

The officials of our Government who are issuing inflammatory statements, those who talk of boycotts, the ones who promote demonstrations against one foreign nation or another, the Joe Doaks who already are taking sides in a fight on the other side of the world that isn't any of their business, and the misguided zealots who are spreading hate in press, pulpit, and rostrum are guiltier of treason than Aaron Burr. Treason to those of us who may have to die.

It's a troubled world, and the United States can't isolate itself from the strife. But its defense isn't planes and battleships, or soldiers having their heads shot off on some other continent. Its only safeguard is to get so busy finding jobs for its ten millions out of work that it won't have any time for its neighbors' unconscionable quarrels. That alone will protect the American system and America's millions of young men of draft age.

They don't want to die Nor do I.

The Silver-Purchase Program

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Monday, February 27, 1939

EXCERPTS FROM LETTERS IN REFERENCE TO INVESTIGATION OF THE SILVER-PURCHASE PROGRAM

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the RECORD excerpts from letters with reference to pending legislation proposing an investigation of the silver-purchase program.

There being no objection, the excerpts were ordered to be printed in the RECORD.

The following excerpts from letters received from various parts of the country with reference to S. J. Res. 1 and S. 785 supplement those previously inserted in the Appendix of the RECORD, pages 205, 254, 352:

From a letter from Santa Barbara, Calif.:

It has come to my attention that Senate Joint Resolution No. 1, introduced by you, provides for a joint committee to investigate the silver program. In my opinion such an investigation is highly desirable in order to put the Congress in possession of facts which it is necessary for them to know if they are to give intelligent consideration of the question of continuing, revising, or abandoning our present silver policy.

From a New York City correspondent:

I am gratified that you have the courage to oppose the Silver Purchase Act. If this is not the greatest swindle, and most stupid one, of all time, outstealing Tammany 100 times, then I do not know what would constitute such.

We are deliberately paying insane prices for worthless silver, but paying it to our defaulted debtors, thus, paying for them, their debt to us, but they keep the change. We pay it to Mexico, which appropriated American investments. Mexico in turn supplies their oil to the aggressor nations. This crazy administration has been guilty of all manner of folly, including insanity that we can spend ourselves rich which we can no more do than this monstrous administration can drink itself sober. If it ever tries to unload this silver, it will, at great hazard, disrupt the economy of the world again as it has done right along. As one authority said, "It is the damnedest foolishment of history."

Why don't they go the whole way and give the farmer $10 per bushel for turnips and onions, instead of using public funds for election purposes?

From a Portland, Oreg., resident:

Although not one of your constituents, I wish to express to you approval of Senate Joint Resolution No. 1, and the hope that this will prove to be the beginning of the end of the venal and stupid silver program. It certainly gets under the hide of an American citizen, who has had to work and save for every dollar he has, to realize that part of his money has been used for political expediency and a still greater part for the benefit of foreigners who play Uncle Sam for the sucker he is.

From a New York correspondent:

I understand that your Joint Resolution No. 1 is soon to come up for consideration, and I take this opportunity of heartily endorsing its purpose.

In my humble opinion if there was ever a piece of legislation that should be corrected, it is the Silver Purchase Act. Every man or woman who has had to work and save money is outraged at the idea of a commodity being bought way above the market price not only in this country but in Mexico and abroad, and then stored in the ground where it does no one any good.

It is laws such as this one that discourages the private individual who foots the bill and the repeal of some of these acts would do much to restore confidence in the average investor and start the wheels of industry moving again. Until private capital gets a fair return for the risk it runs, you will not see any sound revival in business.

I hope your resolution will be passed and that a committee will be formed to investigate this program.

From a South Pasadena, Calif., resident:

We are strongly back of you and wishing you success in your efforts to stop the Government's silver purchases and to bring us back to sanity in our economic affairs.

From a New Yorker:

Permit me to express my appreciation of your activity in introducing Senate Joint Resolution 1. Our hectic experience under the silver program calls for a thorough and definite examination of the silver program at as early a date as possible and I think that your introduction of this resolution renders a distinct public service.

From a Brooklyn, N. Y., correspondent:

Congratulation on the silver bill introduced by you.

Of all questionable procedure indulged in by the administration this silver act and the gold-purchase act seems the most pernicious.

I hope you will follow up with a common-sense plan relative to gold.

From a resident of McKinney, Tex.:

I desire to commend you on the introduction of Senate Joint Resolution No. 1.

It seems to me that we are spending a lot of money from a deficient Treasury to subsidize a few silver miners and furnish profitable dump for many foreigners and at the same time increasing our inflation hazard.

From a Chicago, Ill., manufacturer:

The following is copy of a letter sent to various Members of the Senate and is self-explanatory:

"The letter is to urge your support of Senate Joint Resolution No. 1, introduced by Senator TOWNSEND, of Delaware.

"For years all reputable economists have been in agreement as to the unsoundness of this country's silver activities. Taxpayers' money has been squandered to enrich some small class of mine owners and international speculators. Silver has been bought at twice its value to create unwanted reserves that eventually can do nothing but shake public confidence in the Nation's money. It is high time that we brought an end to political meddling in economic affairs. Hoping you will use your influence in this direction, I am."

From a Great Neck, Long Island, correspondent:

I am glad to note that you have introduced a bill to revoke the President's authority to purchase silver. In the first place, I agree with you that it is unsound policy; in the second place, this has been called to my personal attention for the last several months. I am employed in downtown New York, and I have noticed for the last several months, the Government has been shipping silver from the Subtreasury here in New York to a storage place near West Point. There is an army of policemen, sailors, and other officers devoting their time to trucking this metal to West Point. Not only is there a great loss to the people of the United States in the purchase of this silver from Mexico and other places at a ridiculously high price, but millions of dollars are spent by the Government in handling the silver after its purchase. It seems to me a most unsound proceeding, and I hope that you and other Members of Congress will do everything you can to stop this waste of public funds.

I am sending a copy of this letter to my Congressman and also to Senator VANDENBERG, and I think they will give this matter their attention also.

From a Beaver Falls, Pa., manufacturer:

We are heartily in accord with your efforts to bring about a change in the laws regulating the purchase of silver, and we are writing our representatives asking them for their support for your resolution.

From a Boston, Mass., lawyer:

I have been following with a great deal of interest the legislative history of our monetary policy during the past 7 years and am very much impressed with the wisdom of the adoption of Senate Joint Resolution 1, now pending before the Senate.

It seems to me that, having experimented widely in the monetary field during the confusing days of the depression, the time has now come when we as a nation should have the courage to discard those experiments which have proved ineffective in curing the ills of the times but which still offer barriers to the rebuilding of business confidence.

The resolution above referred to seems to me to be a wise and necessary step toward a return to more orthodox methods of handling the delicate and intricate question of monetary policy.

Commercial and Military Value of Colonies

EXTENSION OF REMARKS
OF
HON. J. THORKELSON
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Monday, February 27, 1939

Mr. THORKELSON. Mr. Speaker, it is now the 27th of February, and we have been in session for 35 days, operating in a semicomatose state. During this period many questions have been propounded to me, and I shall mention some of them today. What has Congress accomplished? Nothing but its regular political duties, which consists of appropriating money and passing legislation. Could the same have been accomplished without Congress? Yes, very well indeed; but the Constitution provides that the House shall appropriate money and Congress shall enact legislation. What are the duties of Congress? To regulate and operate the Government of the United States, including all of its Departments. To provide for national security by establishing a national policy for hundreds of years to come, so that our Nation and posterity may survive.

Who are and what are the duties of Congressmen? They are statesmen, or rather they are supposed to be statesmen, with a broad and intimate understanding of our own and foreign governments, with a wide international perspective and ability to envision the future and our position among other nations.

These and many other questions have been asked and, like other Members of Congress, I have not escaped criticism. One paper seems to misunderstand me—

The Honorable Mr. J. THORKELSON is a new Member of Congress from the State of Montana, but he knows his stuff. He has just introduced a bill which would instruct the Farm Credit Administration to cancel immediately all crop and production loans made to farmers in the drought areas.

My reason for introducing this bill was to prevent foreclosure proceedings by the Federal Government upon a group of farm producers who, by no stretch of imagination, are responsible for our present chaotic state. When the Federal Government permits free importation of farm products until it beggars our own farmers and so destroys an important national industry, relief must be given by those who are responsible for this deplorable state, and that is Congress. My friends in Providence should not worry, because if the present fiasco is not corrected now, mass repudiation cannot be avoided; in that Rhode Island will share.

Our forefathers stipulated in the Constitution the only manner a free government such as ours could possibly survive, and it is: Each State must regulate its own affairs and everything within the State. The States must not only be free from Federal invasion but each State must maintain and protect its sovereign rights. To perpetuate such form of free government, the States must elect men to office who not only understand the basic principles of our Government but who will also preserve, protect, and defend such principles or the people's rights.

When these men reach Washington, district or State identity is set aside. After their oath or affirmation they become the Congress of the United States. Congress represents all States, Territories, and colonies as one unit not only among themselves but also in the international family of nations.

A republican democracy such as ours can only live and perpetuate itself by adhering to the basic principles as set forth in the Constitution.

It is not my intention to tire my colleagues with an extensive discourse upon government, but I cannot refrain from warning the Members of this House that if we follow the plans which have been in vogue in the past complete collapse of our industrial structure may be expected in the near future.

I shall from time to time read into the RECORD certain principles which I believe are sound. In doing so I fully realize the scope of my discussion. The Members of this House may and should question the soundness of my statements, and I shall abide by and welcome such interrogation. In other words, I invite criticism by every Member in this House should I fail to adhere to sound principles.

As a prelude to the main subject of my discussion, which is commercial and military value of colonies, I am constrained to call congressional attention to pertinent facts. In 1898 as a result of the Spanish-American War the United States became owners of the Philippines and other islands which were captured by our Navy and Army at that time. We paid, I believe, $25,000,000 to Spain for the Philippine Islands, and in addition to that the cost of the war. These Spanish colonies became the property of the United States, of which it is an integral part.

There is no constitutional power given to Congress to dispose of property which belongs to the people and Congress has no right to set up and create foreign states upon such property. This was done in Cuba, and provisions have been made for the independence of the Philippine Islands in 1946. I question the right of Congress or the Federal Government to consummate this transaction for it is clearly a violation of the Constitution and an invasion of the people's rights.

Who sponsored the agitation for the independence of Cuba—was it the majority of the people? Certainly not. It was instead big business in the United States which can operate with greater profit under an independent Cuba than they can with Cuba as a State in our Union. Is it the majority of the Philippine people who are sponsoring the independence of the Philippines? Certainly not. It is sponsored by large business in the United States and particularly oriental interests which can operate with greater ease and larger profits in the Philippines and in the Orient with the islands independent than they can with the Philippines as a colony of the United States.

The moment we step out of the Philippines our trade with the Orient is lost and that should be the main concern of Congress today. Have our people been consulted in respect to the transfer of this property? Certainly not. We are simply told that colonies are not profitable and for that reason undesirable to us. Is that a true picture? No. It is the most contemptible deception perpetrated on our people. Congress alone is responsible for this unwarrantable procedure and should in justice to our own industries correct and prohibit importation of sugar and other commodities that can be produced in other tropical possessions now owned by the United States. Why should we favor large industry by allowing importation of sugar nearly duty-free and leaving our own producers in distress on our own farms? Congress in allowing this to go on is responsible for the poverty of our own farmers and producers. This should be corrected by enforcing duties on all imports. Why should the Government allow a trade to exist which enriches foreign producers at the expense of our own people?

We are developing round heels bending backward in our good neighborly policy. First, the Mexican Government confiscates American property and kicks our industries out of Mexico. Yes; kicked out by the Communists in the Mexican Government and upheld by the good neighbors in our own Government. As we recover from this affrontery Congress in abject fear goes into shock because the Navy requested $5,000,000 to build a breakwater and provide a safe harbor at Apra, Guam. Yes; a little island in the Pacific which in 1937 paid its own expenses, earned a profit over $14,000, imported three-quarter million dollars worth of merchandise of which we received $275,000 for our exports.

The harbor is to provide safe mooring for merchant ships so cargo can be unloaded on lighters in safety. To further provide safe landing for passengers and crew in commercial and naval aircraft. Five million invested in a harbor which may save life and cargo and so encourage more exports from our farms and finished productions.

The spineless attitude of Congress furnished courage and built the prestige of Japan in the Orient, and we lost face.

I quote, "Japanese hail abandonment of Guam base. House action 'saved America from folly,'" newspaper asserts. The newspaper Asahi said the United States was to be congratulated on rejecting the Guam plan, which "has saved America from the folly of throwing salt into the Pacific."

I do not believe any Member of Congress is silly enough to believe that Japan cared one bit if we built a breakwater in the harbor of Guam. No statesman could ever believe that. What pleased Japan was our congressional phobia, because it increased her prestige in the Orient 100 percent.

It was an admission on our part that we were afraid of Japan, which she, of course, will use to the full limit.

What Japan dreads, however, is fortification of the Philippine Islands. In the event that we fortify the islands Japan will be compelled to leave trade in China open to the American producer, and that is one thing Japan objects to more than anything else. Fortification of the Philippine Islands is a checkmate for Japan, and if there are any statesmen in Congress, I hope God will open their eyes so that they will be able to look further than at the end of their nose.

Let us now rediscover the value of the Philippines:

The Philippines constitute a group of tropical islands between 5° and 22° north latitude and 117° and 127° east longitude. The total number of islands is more than 7,000, of which only 462 have an area of 1 square mile or more, and only 2,441 are of sufficient importance to have names. The two largest are Luzon (about 41,000 square miles) and Mindanao (about 37,000 square miles). The total area of all the islands is about 114,000 square miles.

The Philippine Islands cover an area about equal to the British Isles, or the islands constituting the Japanese Empire before the war with China. They consist generally of vast alluvial plains, or mountain ranges with an abrupt transition from one to another. The plains are of the very richest soil, and two or three consecutive crops a year are frequently raised. The mountains are covered with a dense, impenetrable growth of forest trees, for vegetation here has no winter sleep but continues to grow every day during the year. The islands are producing great quantities of rice, corn, tobacco, sugar, hemp, and copra. They are capable of producing and are beginning to produce rubber, coffee, and countless other food and medicinal products.

Of the physical aspect of the islands there is little knowledge in America. It is a beautiful land. Its deep tropical forests, its broad and level plains, its mountains, its beautiful rivers and the ever-changing vista of the restless surrounding sea, its hundreds of ever-green islands, of all sizes and shapes, with white beaches and coral reefs, interest the traveler to an absorbing degree. There is no country in the Orient which displays so many and variegated marks of beauty and grandeur.

Being entirely within the Tropics, the Philippines has but two seasons—the dry and the wet. In most parts of the islands the dry season lasts from November to May and the wet season from June to October. In the southern islands the seasons are less marked, the rainfall being more equally distributed. The coolest months are December, January, and February; the hottest, April and May. The early mornings, late afternoons, and nights are invariably cool and agreeable. Even in the hot season, the temperature rarely reaches 100° F. and the heat is tempered by the monsoons which blow 6 months from the northeast and 6 months from the southwest. The weather in the lowlands is continuously warm, although not oppressively hot. The hot season, like that of all other tropical countries, is enervating but statistics show that the climate does not exert a particularly letal influence on the health of the inhabitants.

Natural resources: The total land area of the Philippines is approximately 73,215,000 acres. About 57 percent of this area consists of forest lands and about 43 percent of agricultural and other lands. Nearly 85 percent of the total land area still remains a part of the public domain, to be administered or disposed of by the Philippine Government. The remainder is privately owned or leased.

The Philippine Government owns 97.5 percent of the country's forest lands. Approximately 81 percent of the total forest area is classified as being of commercial value. The Philippine Bureau of Forestry estimates the existing stand of timber to contain almost 465 billion board-feet. A wide variety of hardwoods is found in the islands. These provide the raw material for an important domestic and export industry. Stands of timber are well distributed throughout the archipelago but Mindanao contains more commercial forest than any other island.

Land available for agriculture amounts to 29,257,000 acres, or 40 percent of the total area. Of the agricultural land, only 9,928,000 acres or about one-third, is under actual cultivation. Approximately 50 percent of the cultivated land is on the island of Luzon, primarily in the central plain and Cagayan Valley, although substantial areas are under cultivation along the northwest coast and in southern Luzon. The Visayan Islands account for approximately 30 percent of the total cultivated area in the Philippines. (The Visayan Islands are located in the center of the archipelago and include the islands of Samar, Masbate, Leyte, Bohol, Cebu, Negros, and Panay.) The remaining 20 percent is distributed among the other islands in the archipelago. The Province of Davao in Mindanao occupies a prominent position in this latter group.

In addition to forest and agricultural resources, the islands have substantial mineral deposits among which gold is of chief commercial importance. Most of the deposits of gold are found on the island of Luzon where both lode and placer mining are carried on. The largest lode claims are situated in the mountain province of northern Luzon, particularly in the Benguet district.

Placer mining is being developed in southern Luzon in the Province of Camarines Norte. Gold has also been discovered in the Provinces of Zambales and Bulacan and on the islands of Masbate and Mindanao. In recent years gold mining has become one of the major industries of the islands. Production in 1934 totaled $11,851,000 and in 1935 reached $16,012,500. Some silver is produced as a byproduct in the mining of gold.

Deposits of chromite exist on Luzon in the provinces of Camarines Sur and Zambales. Claims are being developed in both areas and one company in 1935 expected that it would export 25,000 tons annually, beginning in 1936. Iron ore has been located on the islands of Luzon (Camarines Norte and Zambales), Mindanao (Surigao Province), and Samar. One company exported 305,000 tons of ore in 1935 and planned to ship 450,000 tons in 1933. The Philippines also possess deposits of copper, but their inaccessibility has operated to retard their exploitation. Manganese ore and coal are also found in the islands, but commercial exploitation on a large scale has not been undertaken. In 1935 and 1936 there was marked activity in the prospecting and leasing of oil lands; however, no wells have as yet been developed. Cement is produced by two companies, one on Luzon and one on Cebu. They manufactured 640,000 barrels in 1935, primarily for the insular market. Other minerals are known to exist in the islands but thus far they have not proved to be of commercial significance.

JOINT PREPARATORY COMMITTEE ON PHILIPPINE AFFAIRS, REPORT, MAY 26, 1938, VOLUME 1

THE UNITED STATES MARKET FOR PHILIPPINE PRODUCTS

Philippine exports to the United States in 1937, as shown in table 2, were valued at $122,755,000. This constituted over 80 percent of the value of the aggregate Philippine exports to all countries. In the preceding year Philippine exports to the United States amounted to $107,534,000, or 79 percent of the total to all countries.

Sugar has been for a number of years by far the most important export to the United States. Of the total value of all exports from the Philippines to the United States, sugar accounted for $57,611,000, or 47 percent, in 1937, and for $61,927,000, or 58 percent, in 1936. Practically all Philippine exports of sugar products, with the exception of small quantities of molasses, sirup, and alcohol, go to the United States.

The United States provides both absolutely and relatively a somewhat smaller market for Philippine coconut products than for sugar products. Practically all of the coconut oil and desiccated coconut and about two-thirds of the copra exported from the Philippines generally go to the United States. The proportion of copra sold in the United States in 1937 was exceptionally high, amounting to 90 percent of the total. About one-half of the total exports of copra cake and meal have been sold in the United States in the last few years, principally because of the shortage of feedstuffs in that market; in earlier years, the bulk of the cake and meal was exported to Europe. Philippine exports of vegetable butter (margarine) and vegetable lard to the United States have also increased in recent years, although the shipments of the latter were less in 1937 than in 1936; and the proportions which these shipments constituted of the total exports of the two products to all countries were less in 1937 than in 1936, being 22 percent for vegetable butter and 27 percent for vegetable lard in the former year.

The Philippines has exported to the United States in recent years a relatively constant share of its total exports of abaca and a declining share of its total exports of cordage. In 1937 it shipped to that market 32 percent of the value of its abaca exports and 35 percent of the value of its cordage exports, as compared with 59 percent for the latter in 1934. Practically all exports of Philippine embroideries have always gone to the United States. Exports of tobacco products to the United States in recent years have varied from about one-half to two-thirds of the total value of such exports, the share being 66 percent in 1937.

Other Philippine exports for which the United States provides a relatively large market are canned pineapples, timber and lumber, chrome ore, hats, cutch, pearl buttons, and gum and resins. All, or practically all, of the exports of canned pineapples, cutch, and pearl buttons regularly go to the United States. In 1937, 32 percent of the total value of lumber and timber exported, 82 percent of the hats, and 61 percent of the gums and resins, went to the United States. Iron ore, maguey, hides and skins, buntal fiber, and molasses and sirup are the only Philippine exports of any considerable importance for which the entire, or practically the entire, foreign market is outside the United States.

The above-mentioned products accounted, in 1937, for 96 percent of the total value of Philippine exports to all countries and for 99 percent of the total value of the exports to the United States, the remaining exports consisting of a wide variety of miscellaneous products. The corresponding figures for 1936 are, respectively, 95 percent and 96 percent.

Table 2 shows the principal exports from the Philippines to all countries and to the United States in 1936 and 1937.

The United States purchased from the Philippines in 1936 goods valued at $101,715,365, or 4.2 percent of the United States total imports. In that year the Philippines ranked seventh in importance among United States suppliers. Of the United States total imports of the following specified commodities from all countries in 1936, the Philippines supplied, on the basis of value, 99 percent of the major coconut products, 80 percent of the tobacco manufactures, 38 percent of the sugar, 87 percent of the sawed cabinet woods (partly dressed and other than mahogany), and 98 percent of the embroidered cotton wearing apparel. (Preliminary 1936 general imports, foreign commerce and navigation of the United States. This figure does not correspond with that given above for Philippine exports to the United States, inasmuch as this latter was obtained from Philippine statistics. United States import data for 1937 are not yet available.)

THE PHILIPPINE MARKET FOR UNITED STATES PRODUCTS

Imports into the Philippines from the United States in 1937, as shown in table 3, amounted to $63,302,000, or 58 percent of the total value of imports from all countries. The principal import from the United States consisted of iron and steel products, valued at $14,071,000, or 22 percent of the total value of all imports from the United States. These imports also represented about 73 percent of Philippine imports of such products from all countries. The second largest import from the United States consisted of cotton goods, amounting to $7,658,000 and constituting 44 percent of the value of all imports of cotton goods. Mineral oil ranked third in importance, and the United States supplied 75 percent of the total imported from all countries; automobiles and parts (exclusive of rubber tires) ranked fourth, with the United States supplying 99 percent of the total imported from all countries. Tobacco products were next, the imports from the United States accounting for 99 percent of the total from all countries. Electrical machinery, rubber and manufactures thereof, unprinted paper, chemicals and drugs, and wheat flour ranked next in importance among imports from the United States. Other important Philippine imports of which the United States was a major supplier in 1937 were leather and manufactures thereof, silk and rayon manufactures thereof, dairy products, fruits and nuts, vegetables, fertilizers, meat products, fish products, and glass and glassware. Vegetable fibers (other than cotton) and manufactures thereof constituted the only important import of which the United States was not a major supplier.

The above-mentioned articles accounted in 1937 for 79 percent of the total value of Philippine imports from all countries and for 82 percent of the total value of the imports from the United States. The corresponding figures for 1936 are, respectively, 79 and 83 percent. Table 3 shows the principal imports into the Philippines from all countries and from the United States in 1936 and 1937.

The Philippines ranked ninth among the principal export markets for United States products in 1936, exports to the Philippines in that year having been valued at $60,243,754 or 2.5 percent of the total exported to all countries. On the basis of the United States Foreign Commerce and Navigation's group classifications of commodities, the Philippines ranked as follows among the world customers of the United States in 1936. (Foreign Commerce and Navigation of the United States, 1936.) It occupied fifth place as a buyer of animal and vegetable products, except fibers and wood (groups 00, 0, 1, and 2 combined), of which it purchased $14,869,799 for the year. These goods are composed largely of manufactured or processed farm products. As buyer of all types of textiles (group 3), of which it purchased $7,950,872, it ranked tenth. It was the fourteenth most important buyer of wood and paper products (group 4), of which it purchased $1,754,685; the fourteenth, of nonmetallic minerals (group 5), $6,155,527; the ninth, of metals and manufactures, except machinery and vehicles (group 6), $7,761,678; the fourteenth, of machinery and vehicles group 7), $11,928,165; the fourth, of chemicals and related products (group 8), $5,741,371; and the fourth, of miscellaneous products (group 9), $4,081,657.

In 1936 the Philippines ranked first or second among the export markets of the United States for the following articles or groups of articles, exports of which to the Philippines were valued at $100,000 or more for the year (the Philippines also ranked first or second among the export markets of the United States for a large number of other products, the value of which ranged between $50,000 and $100,000 in 1936; these products were: Boots and shoes, cut outer soles; pickles; ketchup and other tomato sauces; chocolate; roasted coffee; confectionery other than chocolate; paper boxes and cartons; sanitary closet bowls; plaster-of-paris manufactures; iron or steel sashes and frames; cast-iron screwed pipe-fittings; cast-iron soil pipe and fittings; woven-wire fencing; woven wire-screen cloth; steel castings; enamelware of iron or steel; sheet-metal filing cases, shovels, spades, scoops, and drainage tools; padlocks; electric sockets, outlets, etc.; centrifugal pumps; woodworking sawmill machinery; marine engines, Diesel and semi-Diesel; cold and cough preparations; calcium carbide; pianos; pencils, other than mechanical; shot shells; and toothbrushes):

This is a brief description of the Philippine Islands and some of their resources. No one can visualize the extent and possibilities of trade which may develop with the islands. I am fully convinced that it will in time run well toward $500,000,000. The most important value of the Philippine Islands is their strategic, or geographic, position, for being situated as they are, within a few hundred miles of the China coast, they are well adapted as a distributing center for our merchandise. China, India, Australia, Borneo, Siam, Sumatra, Java, and Japan can easily be reached from the islands, not only by steamboat but by air transportation as well. The Philippines will keep an open door in China to the United States, and our trade should be developed in the Orient because it is a natural market for us. Its proximity to the United States, and distance from Europe, should not be overlooked by Congress in future disposition of the islands.

South America will never be a real market for us, for the people in South America are not adapted or receptive to trading with us. The South American trade will favor Italy, Spain, France, Germany, and England, and not the United States. Many reasons exist for this, which, of course, I am not going to discuss at this time. It is not even good business to import from South America, when we are producing the same merchandise in our own colonies. The orientals are receptive and friendly to us, and there are 400,000,000 of them in China alone. The total population in the Orient is nearly a billion people, and each and every one of those countries is a potential customer of the United States.

We will lose this trade when the Philippines are free, and it is the only market open to us in which we may establish a favorable trade balance. We will never have to send one of our boys or one of our naval ships to protect the Philippine Islands if they are properly fortified. The army in the Philippines should be made up entirely of natives. It is the only manner in which any colony can be ruled and regulated on an economical basis. The native Filipinos are accustomed to one standard of living, entirely different from ours, and they should not be deprived of that. It is not only a better standard than ours but it costs less to support it. That is an item which must be taken into consideration in colonial administration.

Japan would not care, as I have said, about building a breakwater in the harbor of Apra, Guam. The expression in the paper in respect to that was for no other purpose than to fool Congress. What Japan fears is the arming and fortification of the Philippine Islands, because such procedure on our part is a checkmate for Japan. It will not only keep the door open to China but it is a marvelous protection for the west coast of the United States, not only for the protection of commerce and trade but for military protection of the coast itself. Japan nor any other nation is going to send a fleet against the Philippine Islands when they are fortified, because the losses sustained would be so great that any power that attempted such a foolhardy venture would leave itself open to destruction. No nation in the world can afford to lose a fleet in order to take the Philippine Islands or Guam. Japan knows that, and it should dawn upon Congress.

The Philippine Islands fortified means the same to us as our departure from the islands would mean to Japan. It is not a gesture of throwing salt in the Pacific, as Japan said in one of her papers. It is instead a very useful venture, because the Philippines fortified will provide nearly absolute protection of the west coast of the United States, and permit our fleet to remain on the Atlantic side, where it is needed at the present time. The Jap fleet cannot pass up a fortified Philippines or Guam, and if attempt is made to attack either of the islands, it will be a very definite notice to the United States to get ready, and prepare itself if the same attempt is made on our own coast. Fortified Pacific islands will dissuade Japan or any other power from establishing bases in countries adjacent to the United States, because they leave themselves open to attack in the rear, and at home.

So let Congress not be deceived by Japan or anyone else, for the danger is not in fortifying the islands. The danger is instead in their defenseless position without fortifications. We need a market for our products. That is what our

farmers want, and it is also what our manufacturers want. Let us keep such markets open by using our heads and foresight, instead of spending the rest of our lives in contemplation of our mistakes. Our Nation is entitled to that much consideration and forethought, by the Members of the Seventy-sixth Congress, and our children will appreciate our statesmanship in providing them with greater markets for national security.

The Gilbertsville Dam

EXTENSION OF REMARKS

OF

HON. JOSEPH J. MANSFIELD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 24, 1939

Mr. MANSFIELD. Mr. Speaker, the Gilbertsville Dam was recently stricken from the independent offices appropriation bill in the House, but the Senate, following its usual course, has again reinstated it. When the matter came back in conference last year under like circumstances it was submitted without debate and the Senate action was sustained by a small majority in the House.

This action of the House was largely due to a brief sent here by T. V. A. attorneys just a day or two before the vote was taken. No one had an opportunity to reply to this brief, or even investigate it. It purported upon its face to consist largely of extracts from the findings of a three-judge Federal court at Chattanooga, sitting on the T. V. A. cases, and extracts from the testimony of engineers and other witnesses who testified in that proceeding. The brief admitted that this testimony was not then in print. Consequently no Member of the House had an opportunity of seeing the testimony of the witnesses as a whole, or of cross-examining them. Arguments and statements from this brief are still being inserted in the RECORD by the advocates of the Gilbertsville Dam.

I have had no opportunity of checking the brief as a whole, the witnesses named not being in or near Washington, and their testimony not being available. But, from the few references that are made to public documents that are available here, I find that this brief is almost entirely inaccurate and wholly misleading.

On page 3 the brief refers to the fact that no difficulties have occurred in navigating Lake Pepin, or of the Wilson Dam pool, and then says:

> In this connection it might be noted that Wilson Dam is much higher than Gilbertsville.

The annual report of the T. V. A. made available a few days ago shows on page 21, that the height of Gilbertsville Dam is to be 150 feet. The height of the Wilson Dam is only 137 feet. It is an undisputed fact that the Gilbertsville Lake will be 184 miles long, and deep enough at the upper end to afford a 9-foot passage over the miter sill of the Pickwick Landing lock. The Wilson Lake is only 15½ miles long and that is in the mountain region extending over Muscle Shoals to Wheeler Dam.

If the T. V. A. attorney had been familiar with the history of navigation on Lake Pepin he certainly would have made no reference to it whatever. The records show that Congress and the Army engineers have been working on harbors of refuge there since 1882. Shipping by barge or in small boats has sustained many losses, notwithstanding the fact that the Government is maintaining three harbors of refuge there on a lake which is less than one-half the size of the proposed Gilbertsville lake. The destruction of the steamboat *Sea Wing* on Lake Pepin in 1890, with its attendant loss of about 100 human lives, was pronounced by the contemporary press to have been the greatest marine disaster occurring in this country up to that time. These newspapers are now on file in the Congressional Library.

The T. V. A. attorney devotes more than a page of his brief to the upper Ohio and lower Kanawha River improvements where he claims that low removable dams are being replaced with high dams. He claims that the dams which are being abandoned on these rivers are of the type which Army engineers recommended for the low-dam navigation on the lower Tennessee, while he seeks to leave the inference that the high dams taking their place are of the Gilbertsville type.

If the attorney will refer to the last annual report of the Chief of Engineers on pages 1235 and 1310, he will realize how thoroughly he has been misinformed in regard to the Ohio and Kanawha River dams. Three new dams have been installed on the upper Ohio, and one near Gallipolis below the mouth of the Kanawha. None of these are high dams, though they are a few feet higher than the deteriorated dams that were torn out.

When the Committee on Rivers and Harbors was conducting hearings in 1924 on the pollution of these waters, it was shown that acids from the great industrial districts had practically destroyed much of the metal works in all the older dams in the upper Ohio. A few years later it was found necessary to replace a number of them. They were very inadequate from the beginning, being built under the high-pressure political methods which unfortunately prevailed at the time.

Dam No. 1, below Pittsburgh, had a lift of only 3.1 feet. No. 6, at Beaver, had a lift of 5.7 feet. The lifts in dams 2, 3, 4, and 5 ranged around 7 and 8 feet. The wonder is that they succeeded in accommodating the growing traffic as long as they did. They have been replaced by three higher dams—one at Montgomery Island, with a lift of 19.4 feet; one at Emsworth, with lift of 18 feet; the other at Dashields, with lift of 10 feet. All of these are low dams, and the highest one is still a removable dam, a type the T. V. A. attorney seems to abhor. However, he took a leap in the dark and gave his blessing to all these dams.

There is also a new dam at Gallipolis, which has a lift of 26 feet. It is also of a removable type, like the new roller dams being installed on the upper Mississippi. This dam was planned and built by Army engineers but with funds furnished by the P. W. A. It was a part of the Kanawha improvement. All the backwater from this and other new dams on the Ohio is well within the natural river beds, and no wide or hazardous lakes have been created. The old locks and dams on the Kanawha were authorized 64 years ago, and for a 6-foot channel. Their replacement at this time for the dams suitable for the newly adopted 9-foot channel seems to have inspired in the mind of the T. V. A. attorney an argument for Gilbertsville.

As a member of the Committee on Rivers and Harbors, I favored all these new dams. I would not have favored them if they had created large and wide lakes that would have menaced the operation of barge lines, which is certainly the most practical type of navigation that has developed on our inland waters up to the present time.

The T. V. A. attorney, on page 5 of his brief, gives a partial quotation from General Markham's statement in Document No. 306, Seventy-fourth Congress, with reference to the replacement of dams on the upper Ohio. The quotation he gives is as follows:

> The dams on the Ohio are generally of the Chanoine wicket type, with submerged moving parts, and the locks constructed in the early period of the work do not meet modern standards of concrete construction and are subject to progressive deterioration over a long period of years. The general plan for the most effective improvement of the main stem of the river is the execution of betterments to the existing system and the progressive replacement of the old locks and dams with a less number of higher lift dams as the replacement becomes necessary because of a deterioration of the old structures, or warranted because of the superior facilities afforded to navigation.

By stopping this quotation where he did, the T. V. A. attorney doubtless thought he could have General Markham's statement construed as an endorsement of dams "such as Gilbertsville." He very adroitly failed to include the last

line and a half in the paragraph of General Markham's statement, which is as follows:

> The pools of these new dams still would be far below ordinary high water stages.

This last line and a half of General Markham's statement completely kills the contention the attorney was endeavoring to make. In order to cut it out, he even had to stop his quotation near the middle of the line as the printed document itself will show.

From General Markham's statement as a whole it is plain enough to see that in the upper Ohio he wanted the best dams possible to serve the practical needs of commerce and navigation. At the same time he was just as careful to have the Ohio continue to flow in its natural beds, and not erect fantastic dams costing hundreds of millions to submerge and destroy the adjoining valley lands and create in their place large and wide lakes and pools that would be detrimental if not hazardous to barge-line transportation.

The T. V. A. brief seeks to show by the findings of the three-judge court at Chattanooga that theoretically, navigation by high dams is superior to navigation by low dams. The testimony quoted is all theoretical, all in reply to hypothetical questions. Gilbertsville Dam was not in the picture at that time, and consequently not mentioned. As shown by the quotations in this brief, no competent witness has ever said that the proposed Gilbertsville Lake will be safe for the operation of the Ohio River barges during rough weather. It might be suitable for the operation of certain types of boats, but those are not the boats that are making a success in river traffic under present conditions.

One of the reasons assigned by the Chattanooga court in favor of a high-dam over a low-dam system is that with the high dams there would be fewer lockages, and consequently a saving of time. Now let us see how much would be gained by this on the lower Tennessee. With Gilbertsville there would be one lockage. With the proposed low dams there would be four, to cover the same section of the river. Consequently, Gilbertsville would cut out three lockages.

The War Department advises me that a tow small enough to pass through in one section requires only 20 minutes to pass one of the Ohio River dams. The same time would be required on the Tennessee locks, as they are to be of the same standard. Consequently, the low dams might cause a loss of 60 minutes' time on a 184-mile stretch of the river, embracing a 2 days' run. I am not surprised that the three-judge court was shocked at the thought.

But I am reminded by high authority that the high lift at Gilbertsville might frequently require as much time as all four of the low dams combined. It, of course, takes longer time to raise or lower the water in the high locks. Then, the navigator in high lifts always uses extra precautions to avoid accidents or mishaps.

In this connection I will call attention to the fact that the British have been the world's greatest maritime people for many centuries. In constructing the new Welland Canal, they divided the 327-foot fall from Lake Erie to Lake Ontario into seven separate lifts, all within a very short distance. They are navigating the canal very successfully. In our treaty on the St. Lawrence Seaway, we are proposing to pay to them a very large sum of money for the privilege of using these same locks, and have made no demand to have them reduced in number in order to save time, or appease the wrath of the three-judge court at Chattanooga.

Another argument assigned for the Gilbertsville Dam is that it will afford a much larger lake, over which boats can take a more direct course and avoid the meanderings of the natural stream. When confronted with the proposition that such a lake might be hazardous to barge craft, they tell us that it is really a narrow lake except at two or three points where tributaries enter into it. That being the case, boats could not expect to gain much time by supposed direct short cuts over the submerged terrain, and their argument on that point falls of its own weight.

We have spent many millions in recent years to secure uniformity in inland waterway transportation conditions. We are about to bring that program to a successful culmination. We now have several thousand miles of connecting channels on which loaded barges can be towed without a shift of cargo. Why should we disrupt this program by throwing a monkey wrench in the machinery? The railroads have long since discovered that connecting lines cannot be successfully operated if one has a standard gage and the other a narrow-gage track.

Perhaps the most damaging feature of the Gilbertsville proposal is the announced intention of the T. V. A. to seek to have Congress extend the dams on across the Cumberland at its mouth, and continuing across the Ohio at Dog Island. All this is shown on pages 68 to 72 of the booklet issued by the T. V. A. in March 1936 entitled "The Unified Development of the Tennessee River System."

On page 71 of this booklet the project is denominated "The Gilbertsville-Dog Island Project." In view of the fact that the T. V. A. would have to secure further authority from Congress before constructing the Dog Island Dam, they decided that the logical course would be to construct the Gilbertsville Dam first, as they had undisputed authority for that part of the program under existing law.

Dr. A. E. Morgan, Chairman of the T. V. A., in an article in the Engineering News-Record of August 12, 1936, reviews the investigations made by the T. V. A. for a dam across the Ohio in the vicinity of Paducah. He then says:

> But investigation indicated that the most feasible over-all project would include two dams, one across the Tennessee at Gilbertsville and another across the Ohio at the Dog Island site, above the mouth of the Tennessee but below the mouth of the Cumberland.

Commenting upon this subject in the Engineering News-Record of April 7, 1938, Mr. Bock, Assistant Chief Engineer of the T. V. A., on page 497, says:

> The flood plain along the lower Tennessee River is comparatively wide, and subsurface conditions are complicated by ancient river channels in the underlying rock, so that feasible dam sites are not readily available. All of the sites investigated present difficulties of design and construction. Conditions at Gilbertsville proved to be somewhat more favorable than those encountered at the other sites. Further, the location of the Gilbertsville site with respect to the Ohio and Cumberland Rivers and possible future projects that may be developed on those rivers has been the largest single factor in the location of the dam.

Here Mr. Bock tells us that the "largest single factor" in determining the location of the Gilbertsville Dam with its location with respect to the Ohio and Cumberland Rivers, and possible future projects that may be developed on these rivers. The T. V. A. booklet on page 69 gives a map of the proposed lake that would be formed in all the rivers involved. On page 68 it says:

> It would create long stretches of clear channel so that no lockage would be necessary for about 175 miles upstream on the Ohio River, for 184 on the Tennessee River, for 150 miles on the Cumberland River, and for about 50 miles on the Wabash River, a total distance of slightly over 550 miles.

The cost of this entire program would doubtless exceed a half billion dollars, as the Dog Island Dam alone, with its attendant damages, is estimated at $392,000,000. The farm lands to be submerged on the entire project will exceed 1,000,000 acres. But, it would have the effect of eliminating some seven or eight lockages on 550 miles of channel, and upon that ground the T. V. A. attorney would doubtless seek to have it approved by the three-judge court.

The scale in connection with the map shows that the large lake that would be formed on the Ohio would be approximately 20 miles wide for a great distance. The Army engineers have already stated that this reservoir would require extensive changes in the transportation system of the area. It would cut the Ohio River transportation into three sections—one for barges on the river below this lake, one for the same type above the lake, then one for a new type of boat of some kind to be hereafter worked out, to navigate this central section. It would be somewhat like a standard-gage railroad at both ends, with a 175-mile narrow-gage

section in the middle. The whole scheme is represented as being a navigation project. Doubtless a sage might exclaim, "Oh navigation, the sins that are being committed in thy name."

Knowing the War Department, as well as the T. V. A., has made thorough studies of the proposed dam at Dog Island, as well as at other points on the Ohio, I applied for information. I was advised that the project provides for a high dam across the Ohio and Cumberland Rivers at Dog Island, near Smithland, Ky., with an auxiliary dam across the Cache River divide, near New Columbia, Ill. The estimated cost was as follows:

Construction of dam and locks	$82,000,000
Power plant (300,000 kilowatt installation)	25,000,000
Flowage	285,000,000
Total estimated cost	392,000,000

The result of the surveys shows that at normal pool level—elevation 358—the reservoir would overflow about 468,000 acres of land, and at maximum pool level—elevation 375—a total of about 921,000 acres, situated in Illinois, Indiana, Kentucky, and Tennessee. About 650,000 acres of this land is in cultivation, and quite valuable. The cost of the farm lands is estimated at $115,600,000.

Sixty-four towns would be affected, 33 of which, with total population of 27,000, would be abandoned or relocated. Thirteen additional towns would be partially submerged, and 18 others would require protective measures and sewer adjustments. The total population of the area to be submerged is about 200,000. The cost of urban property affected is estimated at $24,700,000.

The proposition involves the abandonment of 275 miles of State and Federal highways; relocation of 159 miles of other roads, and the raising and protection of 27 additional miles of highway. It also involves the abandonment of 194 miles of railroad, relocation of 81 miles, and the raising of 49 additional miles. The cost of highway and railway abandonments, including bridges, is estimated at $14,482,000 and $22,085,000, respectively.

Natural resources affected would include numerous coal mines in the Harrisburg, Ill., and Tradewater, Ky., fields, estimated at 4,800,000,000 tons. Fluorspar deposits totaled about 12,000,000 tons.

A map showing the over-all proposal is in the Engineering News-Record in connection with Mr. Bock's article. It shows the location of the Gilbertsville Dam, together with the Dog Island Dam extending across from the north side of the Ohio River to Dog Island, then angling down across the south channel, and continuing across the Cumberland. A canal is shown, connecting the Cumberland with the Tennessee above Gilbertsville. This will place the Tennessee, the Cumberland and the Ohio with their tributaries, in one continuous lake extending into four States.

The effect upon navigation on the Ohio and Cumberland is stated on page 77, of the record data, as follows:

> The navigation benefits accruing to the Ohio River would consist mainly in the elimination of the present cost of operating and maintaining locks and dams Nos. 46 to 51, inclusive. (These navigation works are serving present commerce in a satisfactory manner.) Navigation benefits on the Cumberland River could better be achieved, considering the present type of river craft, by modernizing existing navigation facilities.

On page 78 is the further statement:

> The wide expanse of the reservoir would require extensive changes in the present transportation system of the area.

So far as navigation on the Ohio is concerned, I will say it is now functioning in a manner that is nearly ideal. If any changes or improvements should become necessary, the Army engineers can propose them to Congress for its attention. It would certainly be a misfortune to have a divided authority, placing different types of structures in the river, especially types that will not be consistent with each other. The Dog Island Dam would certainly be antagonistic to safe navigation.

As soon as Gilbertsville dam is an assured fact, Congress will be called upon to extend the authority of the T. V. A. to the Cumberland, and nearby section of the Ohio, in order to complete the designated "Gilbertsville-Dog Island project," as described in the T. V. A. booklet entitled, "The Unified Development of the Tennessee River System." That last word, "system" has a significant meaning.

Gilbertsville is now heralded as a great flood-protection project. The Tennessee has already had about $200,000,000 expended upon it, very largely for that purpose, according to those in charge. We have many other rivers where the flood menace is much greater than on the Tennessee, that have not been so fortunately taken care of. Upon those rivers the Budget is cutting the appropriations to a minimum, even after they have been authorized by Congress on the recommendation of the Army engineers and the able Committee on Flood Control.

I was a member of the Committee on Flood Control in the Sixty-fifth and Sixty-sixth Congresses. We never heard the Tennessee mentioned as making any material contribution to the flood damage on the Mississippi. High waters, if any, from the Tennessee usually reached the Gulf far in advance of the damaging floods from the upper Ohio.

When the Tennessee was under consideration by Colonel Watkins, Gen. T. H. Jackson, president of the Mississippi River Commission, wrote favoring the low dams recommended in Document 328. He considered that any works on the Tennessee would have but little effect on the Mississippi floods. He said:

> No reduction in the cost of flood control or navigation of the Mississippi would result from the works proposed, except possibly some reduction in the cost of dredging and channel maintenance. Benefits to the lower Mississippi may be considered as practically immaterial. The estimated damage from floods in the Tennessee Basin is comparatively small. (Doc. 328, pp. 101–102.)

Payments to State and Territorial Homes for the Care of Veterans

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1939

Mr. McCORMACK. Mr. Speaker, recently I introduced a bill, H. R. 4042, now pending before the Military Affairs Committee, to increase the annual payments to State and Territorial homes maintained for the care of veterans to the rate of $365.

My colleague, the gentleman from Mississippi, Hon. JOHN E. RANKIN, introduced a measure of similar character, identified as H. R. 2287, under date of January 11, 1939.

My purpose in introducing a bill of this nature was not only to endorse the principle of the Rankin bill but also to have before the proper committee a substitute proposal which I believe should be given consideration. The difference between the Rankin bill and the McCormack bill is merely a difference in the rate which the Federal Government should allow these State homes. Mr. RANKIN's bill favors the payment of approximately 67 cents per diem for each veteran maintained, whereas my bill would direct the payment of $1 per diem.

It will be understood that the purpose of both bills refers to domiciliation only of those veterans who are unemployable by reason of chronic or incurable disease or disability. If a veteran admitted to a State soldiers' home does not have such disablement, Federal aid, under the provision of these bills will not be authorized. That is to say, the Veterans' Administration will not reimburse the State concerned for the care and maintenance of a veteran who does not come within the terms described.

For the information of the House, I am listing herewith those States which maintain homes for the care of disabled veterans. It will be noted that the State of New York is

not included in this list. In explanation it should be recalled that the State soldiers' home at Bath, N. Y., was deeded to the Federal Government in 1929 and is now operated as one of the national homes. Incidentally, this former State soldiers' home, within the last few years, has been the beneficiary of a new 400-bed hospital. I might also point out that the State of New York is well provided for with the splendid Veterans' Administration facilities at Batavia, Canandaigua, Bath, Sunmount, Beacon, Bronx, and Northport. In another bill which I introduced recently I asked for authorization for a hospital at Boston, and on a future occasion I will discuss the merits of that bill.

STATES MAINTAINING SOLDIERS' HOMES

California: Veterans' Home of California, Napa County.
Colorado (women admitted): Colorado State Soldiers' and Sailors' Home, Home Lake.
Connecticut: Fitch's Home for Soldiers, Noroton Heights.
Idaho: Idaho Soldiers' Home, Boise.
Illinois (women admitted): Illinois Soldiers' and Sailors' Home, Quincy.
Indiana (women admitted): Indiana State Soldiers' Home, Lafayette.
Iowa (women admitted): Iowa Soldiers' Home, Marshalltown.
Kansas (women admitted): Kansas Soldiers' Home, Fort Dodge.
Massachusetts: Massachusetts Soldiers' Home, Chelsea.
Michigan (women admitted): Michigan's Soldiers' Home, Grand Rapids.
Minnesota (women admitted): Minnesota Soldiers' Home, Minneapolis.
Missouri (women admitted): State Federal Soldiers' Home of Missouri, St. James.
Montana (women admitted): Montana Soldiers' Home, Columbia Falls.
Nebraska (women admitted): Soldiers' and Sailors' Home, Grand Island.
New Hampshire: New Hampshire Soldiers' Home, Tilton.
New Jersey (women admitted): New Jersey Home for Disabled Soldiers, Menlo Park; New Jersey Memorial Home for Disabled Soldiers, Sailors, Marines, and their wives and widows, Vineland.
North Dakota (women admitted): North Dakota Soldiers' Home, Lisbon.
Ohio: Ohio Soldiers' and Sailors' Home, Erie County.
Pennsylvania: Pennsylvania Soldiers' and Sailors' Home, Erie.
Rhode Island: Rhode Island Soldiers' Home, Bristol.
South Dakota (women admitted): South Dakota State Soldiers' Home, Hot Springs.
Vermont: Vermont Soldiers' Home, Bennington.
Washington (women admitted): State Soldiers' Home, Orting; Washington Veterans' Home, Retsil.
Wisconsin (women admitted): Wisconsin Veterans' Home, Waupaca.
Wyoming (women admitted): Wyoming Soldiers' and Sailors' Home, Buffalo.

Recently General Hines, Administrator of Veterans' Affairs, testified before the Committee on Appropriations, and on page 652 of the hearings on the independent offices appropriation bill, 1940, he testified as follows:

The next item "2200—grants to States and other political subdivisions," involves an estimate of $770,760 for 1940.

Under the provisions of the act of August 27, 1888, as amended (U. S. C., title 24, sec. 134), reimbursement is authorized to the various States at the rate of $120 per person annually for the veterans cared for in State soldiers' homes when eligible for admission to Veterans' Administration facilities for domiciliary care. During the fiscal year 1933 an average of 6,018 eligible veterans were cared for in State homes involving a total reimbursement of $772,000. Under the provisions of Public, No. 2, Seventy-third Congress, and veterans' regulations issued pursuant thereto, the eligibility for domiciliary care was greatly restricted with the result that the number of veterans in State homes was reduced to an average of 4,357 during the fiscal year 1934 and to 4,160 during 1935. The liberalizing provisions of Public, No. 141, Seventy-fourth Congress, and Public, No. 312, Seventy-fourth Congress, restored to eligibility a considerable number of these veterans. Since the passage of these acts there has been a steady upward trend in the number of Veterans' Administration beneficiaries being cared for in State homes.

During the fiscal years 1936, 1937, and 1938, the number of veterans cared for in the State soldiers' homes increased to an average of 4,733, 4,932, and 5,694, respectively. It is conservatively estimated that an average of 6,218 and 6,423 will obtain in 1939 and 1940, involving estimated obligations at the statutory rate of reimbursement in the amount of $746,160 for 1939, and $770,760 for 1940. The latter amount represents an increase of $24,600 over the expected obligations for 1939.

In a way, Mr. Speaker, this measure may be considered as closing an epoch of local and sectional feeling, which has been manifested from time to time since the original measure was passed in 1888. It was realized years ago that $120 was an insufficient amount to adequately assist the States in the maintenance of State homes. Effort after effort was made to increase such amount. These efforts were unavailing because of the feeling then existing in the minds of some Members that if Federal funds were to be provided for State institutions that the homes provided for Confederate veterans likewise should be given similar aid. The results always were the same—no legislation. The situation has now changed. The survivors of the Spanish-American War and of the World War constitute the bulk of the veteran population in these homes. I can see no reason, in the cases of those homes which were originally built for Confederate veterans and are utilized in part for the maintenance of Spanish and World War veterans, why this bill should not be beneficial in the same degree as it is for the homes in the States heretofore mentioned.

It is more than a gesture of good will on the part of the gentleman from Mississippi [Mr. RANKIN] that I pay deference on this occasion. His act in introducing H. R. 2287 effectively closes a matter of unfinished business which has plagued the Congress for many years. The ranks of the valiant Blue and Gray are very few but the ranks of the Spanish-American War veteran, and particularly the World War veteran, are numerous.

General Hines stated before the House Appropriations Committee, as shown in his testimony, previously quoted, that during the fiscal year 1933 an average of 6,018 eligible veterans were cared for in these State institutions, involving a total reimbursement of $722,000.

At this point I wish to show the cost of maintaining a veteran in domiciliary barracks by the Veterans' Administration. The figures available to me are for the month of July 1938. During that month of each year, I am informed, the veteran load in these facilities reached its lowest ebb; likewise it is the month of the year when local produce is most readily available to these various facilities, thereby curtailing maintenance costs. Hence the month selected is adequate for the purposes of comparison.

Veterans' Administration Facilities, domiciliary section, month of July 1938

	Number of beds		Analysis of per diem				
	Capacity	Used	Salaries	Material and supplies	Contract service	Less credits	Total
Togus, Maine	1,157	800	$0.51	$0.44	$0.12	$0.03	$1.04
Bath, N. Y	1,202	899	.47	.49	.05	.03	.98
Kecoughtan, Va	1,564	1,334	.43	.37	.11	.02	.89
Mountain Home, Tenn	1,590	1,634	.39	.37	.09	.03	.82
Dayton, Ohio	2,339	1,900	.51	.44	.03	.04	.94
Wadsworth, Kans	1,386	1,261	.55	.39	.10	.03	1.01
Hot Springs, S. Dak	484	372	.80	.47	.08	.03	1.32
Los Angeles, Calif	3,943	3,132	.38	.40	.07	.02	.83
Biloxi, Miss	793	652	.48	.38	.09	.03	.92
Bay Pines, Fla	440	346	.65	.43	.11		1.19
Wood, Wis	1,691	1,595	.46	.38	.08	.04	.88
Boise, Idaho	38	97	.73	.60	.39		1.72
Total	16,627	14,022	.47	.40	.08	.03	.92

It will be noted that the Veterans' Administration, during the month under discussion, had but 2,600 beds vacant scattered throughout the country. Accordingly, it cannot be said that there is room in our Federal homes for the maintenance of those veterans maintained in State homes. On the contrary, it clearly shows that the States are rendering a very definite service in sharing responsibility with the Federal Government, otherwise much additional construction would be required.

Let us see just how much this means to the Federal Government. In General Hines' testimony before the House Appropriations Committee, he stated that the various States were entitled to reimbursement of ony $772,000 for the care of 6,000 veterans. Using the cost analysis furnished by the Veterans' Administration, it will be seen that for maintenance alone, exclusive of any hospital care which these

veterans may require, were they hospitalized in Federal homes, we would have had to appropriate in excess of $2,000,000 as compared with $722,000.

I am informed of the costs of maintenance of the home and hospital maintained by the Commonwealth of Massachusetts. I am appending herewith a table furnished me by Hon. Lawrence F. Quigley, the commandant of that home, showing the costs over the last 50 years, broken down in a manner which will evidence very well the increasing costs to our State.

Massachusetts Soldiers' Home—Analysis of operating expense per diem[1]

Year	Total cared for	Daily average present	Personal services (wages)		Food		Medical and general care		Miscellaneous		Total	
			Amount	Per diem	Amount	Per diem	Amount	Per diem	Amount	Per diem	Amount	Per diem
1888	296	128	$6,719	$0.143	$8,505	$0.182	$1,111	$0.024	$7,428	$0.160	$23,763	$0.509
1898	700	346	17,790	.141	19,111	.151	1,714	.013	22,373	.173	60,988	.478
1908	734	437	44,536	.279	37,582	.236	5,015	.032	32,221	.201	119,354	.748
1918	755	425	60,412	.389	58,195	.375	2,791	.018	53,583	.346	174,981	1.128
1928	947	355	101,013	.780	77,979	.602	9,739	.075	60,383	.464	249,114	1.921
1938	2,816	496	184,889	1.021	92,719	.512	28,062	.155	62,355	.344	368,025	2.032

[1] These costs include hospital and domiciliary activities.

The foregoing table is particularly illuminating and carries conviction to my argument that the rate allowed State homes should be in approximate relationship to the maintenance cost. It will be noted that in 1888 when the original legislation was passed on this subject that the per diem cost was $0.509. This, compared with the $0.33⅓ then granted, would evidence the disposition of Congress at that time to share equitably and liberally in the expenses of operation. No legislation, of course, having been passed since 1888, we find that the per diem cost in 1938 amounted to $2.03, including, of course, expenditures of hospitalization in the State home.

It might be well to consider a hypothetical case. Let us assume that Pvt. John Jones is today at the Massachusetts Soldiers' Home. At that place he is being maintained at an expense of slightly over $2. Of this amount 85 percent is being borne by the Commonwealth of Massachusetts. Now, for appropriate reasons, he applies for and is accepted as a member in the National Home at Togus, Maine. Upon arrival there, the cost to the Federal Government jumps from $0.33⅓ to $1.04 per diem, an increase to the Federal Government of 300 percent. Now, let us assume that after 2 weeks' domiciliation at Togus, this veteran becomes ill and is in need of hospital care—a very possible contingency. His expense to the Federal Government now jumps from $1.04 per diem to $4.31 per diem, using the July figures which were previously quoted. It will be seen then that while this veteran has been maintained at Chelsea, the Federal Government has been indeed a beneficiary of the Commonwealth of Massachusetts. The ratio of comparative expense to our 27 State homes is well evidenced by this illustration.

At this point I would like to include an abstract of the analysis of operating expense per diem for those hospitals which are attached to the soldiers' homes mentioned in a preceding table:

Analysis of operating expense per diem, Veterans' Administration facilities, hospital section, month of July 1938

	Number of beds		Relief days	Salaries	Material and supplies	Repairs	Contract service	Operating credit	Total
	Capacity	Used							
Togus, Maine	294	191	5,926	$4.03	$1.09	$0.01	$0.09	$0.91	$4.31
Bath, N. Y.	403	332	10,283	2.90	1.03	------	------	.48	3.45
Kecoughtan, Va.	516	487	15,083	2.71	.75	.01	.08	.45	3.10
Mountain Home, Tenn.	556	473	14,648	2.57	.90	------	(.10)	.50	2.87
Dayton, Ohio	1,050	914	28,344	2.46	.71	------	(.03)	.46	2.86
Wadsworth, Kans.	734	560	17,365	2.52	.85	------	.10	.56	2.91
Hot Springs, S. Dak.	186	104	3,226	4.84	1.04	------	.20	1.28	4.80
Los Angeles, Calif.	1,720	1,644	50,960	2.45	.67	------	.12	.54	2.70
Biloxi, Miss.	207	193	5,983	2.86	.80	.01	.26	.52	3.41
Bay Pines, Fla.	195	195	6,053	3.35	.93	.01	.22	.57	3.94
Wood, Wis.	1,178	952	29,517	2.64	.71	------	(.03)	.46	2.86
Boise, Idaho	227	144	4,466	4.67	.98	.06	.08	.76	5.03

In seeking this new legislation Congress must have in mind that we are legislating only for domiciliation of veterans. The original construction of the word "domiciliation" largely means that the veteran is furnished food and shelter and occasional out-patient care in an infirmary. That is hardly an up-to-date appreciation of that which actually occurs in these various State homes. These home hospitals are State institutions and as such come under the jurisdiction of State hospital regulations, and treatment must conform to State government standards. For example, the State hospital at Chelsea has a grade A rating by the American Medical Association. It is only natural then to understand that as our veterans are hospitalized by the State that there is a corresponding increase in cost in these State homes, just as it occurs in a Federal home. The ratio of increased expense, however, is not apparently as great in the State facilities, which is to their credit.

As an illustration in my own State, I find that the statistics of the Massachusetts Soldiers' Home at Chelsea show that during the last calendar year there were 656 operations, of which 553 were major operations; further, that there were 2,700 discharges during that year, evidencing very possibly the fact that these homes should be, in fact, more adequately described as general medical hospitals with convalescent barracks attached, rather than our old conception—homes with attached infirmary.

All of these considerations, I think, tend to prove that the States involved are entitled to additional consideration, assistance, or relief from the Federal Government. There is no reason why the Federal Government should not more equitably demonstrate its responsibility. Of course, our present appropriations are based upon legislation passed 50 years ago. As has been pointed out, the amount allowed them, based upon the cost experience of the homes at that time, was not only adequate but was liberal. Today we know that such is not the case. It is overwhelmingly demonstrated, I believe, that these State homes have assumed a great burden and are successfully and most adequately accomplishing a purpose which the Constitution definitely placed as a responsibility of the Federal Government.

I do not want any words of mine to be construed that I believe that the Veterans' Administration has been at fault in this matter. Neither do I wish to indicate that the Veterans' Administration has been uneconomical in operating its facilities. The contrary we all know to be true, but in using its cost experience as a yardstick, I merely accentuate the disparity existing between the appropriations made by Congress for purely Federal facilities as compared with the appropriations granted to the State-operated facilities.

I have no doubt but that General Hines will appreciate the justice of the measure which I have introduced. I am also sure that he appreciates and values the excellent character of service rendered by the various State homes. I can speak of the Chelsea State home of the Commonwealth of Massachusetts. There is no institution anywhere that enjoys a better reputation. The veterans who have had to use the facilities of this home speak eloquently of the care and treatment

rendered. It is fair to assume that other State homes enjoy a similar reputation.

It is true that if the bill that I have introduced is enacted into law that it will increase the item now in the Budget, and the amount of appropriations, from $772,000 to approximately $2,300,000. In these days when we are rendering manifold assistance to the States in matters which are not under normal conditions direct responsibilities of the Central Government, we should not and must not overlook the fact that the care of the veteran is our primary responsibility, in which the State acts only in a cooperative manner.

It is 50 years since the existing law was passed. Since that time expenses of all kinds in the maintenance and operation of State homes, as well as the care and treatment of veterans, have increased, but the contribution of the Federal Government has not increased. It is time that this long-delayed matter should be considered and acted upon favorably. The bill which I have introduced should be enacted into law. It simply brings down to the present day the considerations with reference to Federal contribution to the expense of State homes that was contemplated and given by the Congress in the passage of the act of 1888. The passage of the pending bill will simply give to the several States the equitable considerations that should have been given to them years ago.

The T. V. A. and Flood Control

EXTENSION OF REMARKS
OF
HON. JOHN J. SPARKMAN
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Monday, February 27, 1939

Mr. SPARKMAN. Mr. Speaker, the control of flood waters in the Tennessee Valley is absolutely vital to control of floods in the lower Ohio and Mississippi Rivers. Gilbertsville Dam is the most important link in the whole T. V. A. system and Army engineers rely upon its construction in their revised plans for control of the Mississippi.

To understand the vital part Gilbertsville Dam will play in bringing security to the vast Mississippi Valley it is necessary to review the efforts which have heretofore been made to control its floods.

The menace of floods in the Mississippi Valley has been constant throughout recorded history. Equally constant have been the efforts of agencies, both public and private, throughout the years to curb this ever-present threat to the economic well-being of what is conceded to be the richest river valley in the world. Before the War between the States levees were raised along the banks. Later the Corps of Engineers of the United States Army took up the task and raised the levees higher. Miles and miles of levees have risen foot by foot, and as the levee system developed, the Army engineers gained fuller understanding of their task. Their techniques improved accordingly.

Yet the floods came down. The disasters of 1897, 1912, 1913, and 1922 were added to the record. In 1927 about 20,000 square miles—two-thirds of the lower Mississippi Valley—were submerged, proving conclusively that levees were not the complete answer. The Army engineers planned again. Floodways were established. But these, too, do not complete the pattern of control.

The degree of protection now existing for the so-called protected area of the lower Mississippi Valley is still unsatisfactory. All authorities unite in stating that the margin of safety against complete disaster during the most extreme floods is very slight. During the 1937 flood, the largest on record in the upper part of the valley, thousands of men were kept at work for weeks building temporary barriers and mud boxes from lumber and dirt along hundreds of miles of seriously menaced levee. Thousands of people were evacuated from such danger areas because of the fear that the levee system was going to break and inundate the region. Tremendous amounts were spent for the relief of fugitives and in the maintenance of levees and in their temporary strengthening.

Various Army reports have contained the statement that the present levee system is not high enough to produce a satisfactory degree of safety. The residents of the valley desire and need a greater degree of assurance of safety. It is commonly stated that the levee system should be perhaps 2 feet higher to have a safe freeboard in the biggest floods.

But physical difficulties militate against making the levees higher. In many places the soil can scarcely support the weight of the existing levees. During flood stages the water level in the river is from 15 to 20 or more feet above the surface of the adjacent land, and at many points water seeps through the ground under the levees and appears in such quantities as to cover adjacent fields. The saturated levees sometimes slump and fail without being overtopped. At Cairo, for example, during the last flood there was considerable danger not only from overtopping of the flood walls but from seepage and sand boils within the town caused by the tremendous pressure exerted by the water outside.

These are very practical restrictions. Yet the Federal agencies are not without hope. The lower Mississippi Valley is worth fighting for, and American engineering genius has marshaled its forces and reached a solution that brings into play every known method of control. Maj. Gen. Julian L. Schley, Chief of Engineers, United States Army, outlined that solution in his address before the Nineteenth Annual Convention of the Mississippi Valley Association in St. Louis, November 22, 1937. He said in part:

> I cannot refrain from presenting a possible ultimate plan of development as seen by those of us who are willing to let our vision expand. The soil of the alluvial valley of the lower Mississippi River is fertile almost beyond imagination. It will support a population and capitalization many times greater than at present. People of vision can see in the future a valley with a greatly increased development, with every acre needed for agriculture (including the present backwater swamps) producing its maximum crop. They visualize the river flowing from Cape Girardeau to the Gulf in a fairly direct alinement, but sinuous with easy curves, carrying the maximum amount of water at the lowest possible stages; the banks paved from Cape Girardeau to the Gulf with our new asphalt pavements, so that there is no caving of soil and levees into the river; at Dog Island, Gilbertsville, Commerce, Little Rock, and Denison huge multiple-use reservoirs with surcharge spaces for floodwaters grinding out continuous power. They visualize on the tributaries many smaller reservoirs restraining floodwaters, some producing electricity, and most of them providing recreation facilities for their neighborhoods; every household in this great valley equipped for, and supplied with, cheap electricity to lighten the drudgery of household labor; mills, cotton gins, compresses, etc., operated by electricity and innumerable boats traveling up and down the rivers carrying the enormous production of this great valley from the fertile soil of which its teeming millions will extract a living on a standard far higher than under present conditions. Who can say that this picture is too visionary?

Who, indeed, can say that this picture is too visionary? No plan is visionary when the goal is obviously worth while and the means of fulfillment are at hand.

The Tennessee Valley Authority has from the outset cooperated fully with the Army engineers, for, obviously, control of the Tennessee River means added control of the Mississippi.

The Gilbertsville project as planned by the Tennessee Valley Authority, therefore, has dual significance. It improves not one valley but two. Not only is it the biggest link in the Authority's system of development to bring the Tennessee Valley into economic contact with the rest of inland America—it is one of the most important of those great reservoirs recommended by the Corps of Engineers to create the margin of safety so necessary to the development of the lower Mississippi Valley.

The problem of whether construction should or should not continue on Gilbertsville Dam rests, therefore, not on an appraisal of the T. V. A. program alone but also upon whether the Army engineers' plan for control and development of the Mississippi Valley is to be carried out. Gilbertsville Dam is essential to both.

Just how essential Gilbertsville Dam is to the Mississippi Valley can be shown both in feet of flood reduction and in dollars and cents of property protected.

The Gilbertsville Dam will create one of the longest reservoirs in the world—184 miles of navigable channel. In this

184-mile-long reservoir there will be approximately 4,600,000 acre-feet of flood storage. Engineering studies indicate that the Gilbertsville Reservoir storage will reduce flood heights on the Mississippi by at least 2 feet from Cairo to the mouth of the Arkansas, and by at least 1 foot between the Arkansas and the Red.

In May and June 1936 a member of the T. V. A. engineering staff made a thorough study of the value to the lower or alluvial valley of the Mississippi of the reduction of flood heights by 2 feet. The 2-foot measure of reduction was chosen because this would increase the margin of freeboard on existing levees to 3 feet and would be comparable to other plans for providing the same protection.

The Authority's representative inspected levees and levee districts, floodways, backwater areas, farm lands, highways, railroads, cities, and towns, and discussed flood conditions with property owners, drainage district officials, engineers, local and State officials, representatives of the War Department and the Mississippi River Commission, and various interested citizens. It is probably the most comprehensive survey of this kind ever made.

The benefits to the lower Mississippi Valley from reducing flood heights by 2 feet were reported under nine different headings: (1) Cities, (2) railroads, (3) highways, (4) unprotected marginal areas, (5) backwater areas, (6) floodways, (7) reduced levee maintenance, (8) reduced seepage damages, and (9) protected agricultural area.

For the first three groups the benefit was estimated by an alternative-cost-avoidance method; that is, where protection is considered justifiable, the actual cost of procuring it by the cheapest alternative method was estimated. For the next five groups the probable annual damage from future floods was determined, and this amount was capitalized to obtain the estimated benefit. For the last item, the protected area, the increase in market value of the land that would accrue from such assured protection was estimated.

On completion of the study it was concluded that the value of reduction of flood height by 2 feet in the lower valley of the Mississippi could reasonably be appraised at as much as $381,000,000, broken down as follows:

1. Cities:		
Cairo	$1,000,000	
Memphis	2,000,000	
Helena	200,000	
Greenville	500,000	
30 small towns	3,000,000	
		$6,700,000
2. Railroads		10,550,000
3. Highways		1,500,000
4. Unprotected marginal areas—reduction in frequencies and heights of flood will reduce average annual farm damages capitalized at 6 percent:		
Kentucky and Tennessee	$4,035,000	
Mississippi and Louisiana	2,147,000	
		6,182,000
5. Backwater areas—reduction of average annual damages by reduction of 2 feet in height of flood crests capitalized at 6 percent:		
St. Francis backwater area	6,390,000	
White-Arkansas backwater area	6,475,000	
Yazoo backwater area	10,711,000	
Red River backwater area	8,664,000	
		32,240,000
6. Floodways—reduction of average annual damages capitalized at 6 percent if to individuals and at 4 percent if to Government property:		
Birds Point-New Madrid	2,990,000	
Eudora	4,823,000	
Atchafalaya	3,491,000	
		11,304,000
7. Reduced levee maintenance—reduction in annual levee maintenance capitalized at 4 percent		5,290,000
8. Reduced seepage damages—reduction in annual seepage damage to farm lands capitalized at 6 percent		7,612,000
9. Protected agricultural area—benefits to protected agricultural land due to more assured safety, estimated increased market value at $25 per acre on 12,000,000 acres		300,000,000
Grand total		381,378,000

As this survey was conducted prior to the 1937 flood, the original report was reviewed and brought up to date in the light of this flood. It was found during the review that the 1937 experience so closely confirmed the observations made the year before that it might in fact be said to supply a basis for the report itself.

From the point of view of flood control alone, therefore, the Gilbertsville project more than justifies its cost. From the point of view of economic development, it means that the people in two valleys can begin planning for the future on a safe and stable basis.

Lt. Zebulon Montgomery Pike's Original Maps

EXTENSION OF REMARKS

OF

HON. LAWRENCE LEWIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1939

VALUABLE ORIGINAL MAPS, TOGETHER WITH METEOROLOGICAL OBSERVATIONS, TRAVERSE TABLES, COURSES, AND DISTANCES MADE EACH DAY BY LIEUTENANT PIKE ON HIS TWO EXPEDITIONS TO THE SOURCES OF THE MISSISSIPPI AND TO THE INTERIOR OF THE LOUISIANA PURCHASE, 1805–7, SHOULD BE REPRODUCED IN FACSIMILE AND PUBLISHED AS A GOVERNMENT DOCUMENT

Mr. LEWIS of Colorado. Mr. Speaker, maps drawn from day to day by Lt. Zebulon Montgomery Pike, of the United States Army, on his two celebrated expeditions in 1805–7, taken from Pike when he was arrested in Spanish territory in 1807, lodged by the Spaniards in the archives in Mexico City, their whereabouts forgotten for a century, discovered by an American scholar, returned by the Mexican Government to our Ambassador, lodged in the War Department archives, long misfiled but found again—all these maps and other of Pike's papers should be reproduced in facsimile and published as a Government document.

February 26, 1807, 132 years ago yesterday, Lt. Zebulon Montgomery Pike, after whom Pikes Peak is named, was arrested by a detachment of 100 Spanish troops at his stockade on the Conejos River, a tributary of the Rio Grande del Norte, in what is now Conejos County, Colo. He and six of the men under his command were escorted by the Spanish troops to Santa Fe. The remainder of his force of 15 men, also under Spanish military escort, followed. In Santa Fe the Spanish governor, Col. Don Joachin del Real Alencaster, examined Pike's maps and other papers, which were contained in a small trunk. This trunk and contents were, on March 4, 1807, put in charge of the officer in command of a detachment of Spanish troops, who escorted Pike and his party to Chihuahua to appear before Brig. Gen. Don Nimesio Salcedo, commanding general of the Interior Province of the Kingdom of New Spain.

When Pike arrived at Chihuahua on April 2, 1807, his papers were examined and retained by General Salcedo. In answer to inquiries by the Spanish officials as to what Pike and his armed force were doing in Spanish territory, he explained that he had erroneously believed that the Conejos was a tributary of the Red River instead of a tributary of the Rio Grande del Norte, and that he had, therefore, believed he was in American territory—a part of the then recently acquired Louisiana Purchase.

The only document which Pike saved was the manuscript of his journal. This comprised daily entries made on his first expedition from St. Louis to the headwaters of the Mississippi, and also on his second expedition from St. Louis to the Arkansas River and up that river to its headwaters and thence across the Sangre De Cristo Mountains to his stockade on the Conejos.

This journal which was saved from the Spaniards, as the fortunate result of it having been secreted under the clothing

of one of Pike's men, was the basis of that part of the "account" of his two expeditions up to the time he arrived at Santa Fe. The daily notes of Pike's trip from Santa Fe to Chinuahua and from Chihuahua to Natchitoches—to which place on the Red River, then marking the boundary between Spanish and American territory he arrived, under Spanish military escort, July 1, 1807—were made on scraps of paper which were secreted in the barrels of the guns which his men were permitted to retain.

The papers confiscated by the Spanish authorities, receipt for which was given to Pike by General Salcedo, included numerous orders, letters, and memoranda, and, most important of all, a book in which Pike had recorded various meteorological observations, traverse tables, courses, and distances and maps made from day to day on each of his two expeditions.

These records, of which the maps were the most valuable and the loss of which Pike repeatedly deplored in reports to his superiors and in the account—first published in Philadelphia in 1810—of his two expeditions, were not recovered for over 100 years. Their whereabouts was unknown.

Finally, Dr. Herbert E. Bolton, of the Carnegie Institution of Washington, D. C., while examining the archives in the National Palace in the city of Mexico, located these papers, including Pike's original maps. Dr. Bolton published an article in the American Historical Review for April 1908, referring to his discovery. In the issue of that quarterly for July 1908 he published an inventory and transcripts of these documents.

Dr. Bolton also notified the American Ambassador in Mexico, Henry Lane Wilson. At Mr. Wilson's request the Mexican Foreign Office, on July 15, 1910, delivered Pike's papers, including the book containing the maps, to the American Ambassador, who, in turn, transmitted them to the State Department in Washington. As these were records relating to expeditions undertaken by an officer of the United States Army under orders of his superiors and with the knowledge of President Jefferson, the papers were then, on August 5, 1910, turned over to the Secretary of War for deposit in the archives of the War Department.

Subsequently, doubtless as an incident to the moving about of valuable War Department records during the World War, the Pike papers again became misfiled. Mr. Richard H. Hart, of Denver, an enthusiastic member of the Colorado State Historical Society, made inquiry on April 20, 1925, and again on October 24, 1927, November 23, 1927, and December 7, 1927, concerning these papers, but they could not be found. After long search they were finally located. Mr. Hart was so notified by The Adjutant General in letter dated February 28, 1928.

These papers are now kept in a safe in the Old Records Division of The Adjutant General's Office in Washington. Frequently they have been examined and some have been copied by the ordinary photostatic and photographic methods. The valuable maps have not heretofore been accessible, except in Washington. All reproductions heretofore published have been, as are the originals in their present condition, so dim as to be practically illegible.

Mr. Stephen Harding Hart, of Denver, a son of Mr. Richard H. Hart, made a careful analysis of Pike's journal in the light of these maps in connection with a treatise entitled "Pike's Recovered Maps," which won for him the George Washington Eggleston prize at Yale University in 1929. In this treatise Mr. Hart completely refuted the suspicions of some earlier historical students that Pike was in any way implicated in the treasonable conspiracy of Aaron Burr. Subsequently Mr. Stephen Harding Hart collaborated with Mr. Archer Butler Hulbert, of Colorado College, at Colorado Springs, in "Zebulon Pike's Arkansaw Journal," published in 1932 by the Stewart Commission of Colorado College and the Denver Public Library. As illustrations to this book, seven of Pike's section maps relating to the western expedition were reproduced. The total number of maps for both expeditions cover 47 pages of Pike's original memorandum book.

Unfortunately, during the 130 years and more since these maps were drawn by Pike they have become so faded that they cannot be copied, by ordinary photographic processes using ordinary light, in such form that they can be clearly reproduced for printing.

Fortunately, however, in the last few years, and particularly in the last 5 or 6, the technique of copying faded documents has been greatly improved. The process of copying such almost illegible documents by the use of ultraviolet rays and infrared rays has been perfected by the technicians working under the Archivist of the United States to the extent that it is now possible to make copies of old and faded documents, bringing out clearly what to the naked eye is practically invisible. From such copies plates for printing in fascimile can be made by the ordinary well-known photoengraving and zinc-etching processes.

I have had all these Pike documents, including all the maps, copied at my own expense by The National Archives under the personal supervision of Dr. Vernon D. Tate, the technical expert on the latest improved methods of copying faded documents. It is my hope that all these maps and other papers may be published as a Government document in order to render them available to students of history, and especially to those interested in Pike's celebrated expeditions.

Violation of Veterans' Preference Laws

EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1939

Mr. ALEXANDER. Mr. Speaker and Members of the House, I request unanimous consent that the attached letter addressed to me from Mr. J. M. Jorgensen, the Department of Minnesota liaison officer of the Veterans of Foreign Wars, be inserted in the CONGRESSIONAL RECORD of this date. My purpose in so doing is to bring forcefully to the attention of the Members of the Seventy-sixth Congress, and especially the 182 Members who are veterans of one or more of our various wars, the need to do something about the charges which are made in this letter regarding the violation of our veterans' preference laws, and especially the implications which may be inferred from the methods evidently being used to set up "labor camps" in this country apparently patterned after those in Germany, Russia, and elsewhere.

The letter is as follows:

VETERANS OF FOREIGN WARS OF THE
UNITED STATES, DEPARTMENT OF MINNESOTA,
St. Paul, February 24, 1939.

Hon. JOHN G. ALEXANDER,
Congressman, State of Minnesota, Washington, D. C.

DEAR SIR: We are writing you on a matter which is very important and should have immediate action, as it is more or less an emergency. We have written Millard W. Rice, V. F. W. representative, Tower Building, Washington, D. C., explaining the situation to him and are sure that he would be willing to assist you in every way.

About the middle of January the Minnesota W. P. A. found it necessary to drop a great many single men from the ranks of the W. P. A. employees in St. Paul and Minneapolis for the purpose of completing their personnel in work camps throughout the State of Minnesota. These camp projects were depleted of personnel because a great many aliens were dropped from the rolls, and in order to continue these projects it was necessary that men be sent there, and especially single men who were more or less unattached. A great number of single men in Ramsey and Hennepin Counties working on various W. P. A. projects were given mimeographed letters asking them to report to their respective assignment offices for instructions. When arriving at this office a great many of them were told that they were to be transferred from their present projects in the county to these work camps which are situated in different parts of the State. In this call for men a great number were single veterans, many who had obligations such as dependents, and should really have been treated as having some attachment which would necessitate keeping them in their own county. After receiving the ultimatum from the assignment office of either accepting this employment or later on being dismissed from their project, many of these veterans decided to refuse to go to the camps. A great number of

these veterans have called at our office stating the reasons they gave for not desiring this camp work and we feel that they were justified in many cases in refusing to go.

We called upon Mr. Linus Glotzbach, State administrator's office, about a month ago relative to this matter and were told that veterans' preference did not prevail nor had they in any way violated veterans' preference because these men were not being dismissed but rather were being offered employment on another project even though it were outside of their own county. We explained to these gentlemen that we felt it was an injustice to the veteran, considering his age and his long residence in the county and his affiliations, and we also felt that as long as younger men were being retained on W. P. A. employment in the county we could see no reason for picking out these veterans. We feel that W. P. A. work is just about the only recourse any veteran has at the present time, considering his age, while younger men can, because of their youth, obtain employment in commercial lines or at least be given more consideration by the present-day employers.

We feel that veterans' preference has been violated in that these men are forced to accept positions that pay $44 per month in the camps, while in their own county they can be paid a minimum of $60.50 as laborers. We had an expression from our previous administrator, Victor Christgau, that whenever terminations or transfers are to be made because of reduction in forces or otherwise, veterans whose work is satisfactory should be retained, and by reducing these men's earnings we believe that veterans' preference has been violated. While working in these camps the men are paid $44 per month, $20 of this being deducted for room and board. The employee must purchase his own clothing, and if he should be taken ill in the camp and a doctor called from a nearby town he must also pay this doctor for his services. Should he elect to leave the camp before he is transferred, he must pay his own mileage back to his own town. These camps, we have been told by men who have left them, are not comparable with the C. C. C. camps in that the food is not as good nor the privileges the same, and I am sure that if these veterans would elect to leave their county that the men rather have been inducted into a C. C. C. camp.

We have interviewed a great many of these veterans who have now been dismissed from W. P. A. and we find that many of them have set up light-housekeeping rooms, owning their own furniture, while others are living home with members of their families, these families being more or less dependent upon them for the money they receive for room and board. We are keeping a list of all the men who have been given 403's or dismissed from W. P. A., that have called at our office and if we are given a favorable opinion from our national V. F. W. legislative representative, we will insist that all these unemployed veterans be reinstated and given immediate employment on projects in their own county. We hope that you will contact the national Administrator relative to this matter and that you will do everything possible to protect these men who are now dismissed as well as all other veterans who are now employed.

Thanking you for immediate attention and with kindest regards, I am,

Yours respectfully,

J. M. JORGENSEN,
Department Liaison Officer.

The situation described in the above letter has been brought to my attention on several occasions and it is probable that a similar situation exists in other States. It seems to me that it is a matter which should be given immediate attention by the Members of Congress and that we should insist as a body that these practices be either stopped or modified so that both the letter and the spirit of the veterans' preference laws be observed by prominent officials and appointees.

The Lewis and Clark Highway

EXTENSION OF REMARKS
OF
HON. HOMER D. ANGELL
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Monday, February 27, 1939

RESOLUTION OF LEGISLATURE OF THE STATE OF OREGON

Mr. ANGELL. Mr. Speaker, the Lewis and Clark Highway follows a low-elevation water grade from Portland, Oreg., across the States of Oregon, Washington, and Idaho, crossing the Bitter Root Range through Lolo Pass to Missoula, Mont. This highway will be of great value as a military and commercial route and is greatly needed. It has been completed, with the exception of approximately 50 miles lying within the national forests of Idaho, and forest funds available are wholly inadequate to provide for its completion. The Pacific Northwest does not have proper military protection and is cut off from the east by the Bitter Root Mountains. This highway would afford great relief to Oregon, Washington, Montana, and Idaho in the marketing of their products.

The Lewis and Clark Highway has been designated as eligible for Federal aid. It is a project worthy of consideration not only to accord the facilities above described but to give relief to the great number of the citizens of this area now unemployed. The Congress should provide the necessary legislation to make possible the early completion of this highway. The Oregon Legislature on February 6, 1939, adopted House Joint Memorial No. 7, addressed to the Senate and House of Representatives of the United States, urging that the Congress pass such legislation and make the necessary appropriations to provide for the complete construction of the unfinished portion of the Lewis and Clark Highway. The resolution is as follows:

House Joint Memorial 7

To the honorable Senate and House of Representatives of the United States of America in Congress assembled:

We, your memorialists, the Legislature of the State of Oregon, respectfully represent that—

Whereas there exists within the Pacific Northwest a condition of economic distress which has caused widespread unemployment, creating much suffering and want of necessities of life among a great many of the people of said area; and

Whereas the Pacific Northwest is without proper military protection, in that said section is wholly cut off from the East by the Bitter Root Mountains, with only one passage through said range from the Canadian border to Bannock Pass, a distance of some 800 miles; and

Whereas it has become the public policy as well as the urgent need of the United States to take affirmative steps to relieve the conditions aforesaid; and

Whereas the Lewis and Clark Highway follows a low-elevation water grade from Portland, Oreg., across the States of Oregon, Washington, and Idaho, through the Lolo Pass, the lowest pass in the Bitter Root Range, and which is centrally located, to Missoula, Mont., and will provide an adequate military and commercial route which is so badly needed; and

Whereas the Lewis and Clark Highway has been completed with the exception of only 50 miles which lies wholly within the national forests of Idaho, and appropriations for forest roads in national forests, which in Idaho cover 34,000,000 of its total 53,000,000 acres, are inadequate to provide for completion of said highway from that source; and

Whereas these national forests are of the largest, most beautiful, interesting, and valuable of the national forests, affording unsurpassed recreational opportunities for the people of the entire Nation, and not accessible either by rail or national highway; and

Whereas this highway would be of great benefit to the States of Idaho, Montana, Washington, and Oregon to facilitate marketing of their products; would provide adequate military protection to the Pacific Northwest; would provide adequate employment to reduce the critical effect of the present economic distress in this area; and would stimulate national trade and commerce; and

Whereas the Lewis and Clark Highway has been designated as eligible for Federal aid: Now, therefore, be it

Resolved, That the House of Representatives of the State of Oregon (the senate concurring):

Do most respectfully urge on the Congress of the United States that the said Congress pass such legislation and make the necessary appropriations to provide for the complete construction of the unfinished portion of said highway above mentioned, and that the Forest Service of the Department of Agriculture and/or the War Department and/or the Department of the Interior of the United States be authorized and directed to begin immediate construction thereon; be it further

Resolved, That the secretary of state of the State of Oregon be authorized and is hereby directed to immediately forward certified copies of this joint memorial to the Secretary of Agriculture, the Secretary of War, the Senate and House of Representatives of the United States, to Senators and Representatives in Congress from the States of Idaho, Oregon, Washington, and Montana, and to the President, Franklin D. Roosevelt.

Freight Rates

EXTENSION OF REMARKS

OF

HON. ANDREW EDMISTON

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1939

RESOLUTION OF THE LEGISLATURE OF THE STATE OF WEST VIRGINIA

Mr. EDMISTON. Mr. Speaker, the following resolution is self-explanatory, and, in my opinion, the House of Representatives will take the same attitude as has been expressed by the House of Delegates of the State of West Virginia on this very important legislation:

House Resolution 25

Opposing the enactment of H. R. 188, S. 126, S. 138, and S. 158, now pending in the Congress of the United States, pertaining to freight rates

Whereas there have been certain bills introduced into the Seventy-sixth Congress—namely, H. R. 188, S. 126, S. 138, and S. 158—which, if passed, would be harmful to labor, agriculture, and industry in West Virginia; and

Whereas the primary object of these bills is to compel by legislative action the establishment and maintenance of freight rates from one rate territory to another on the rate per mile that applies within the destination territory which in turn would provide a substantially higher rate in one direction than in another over the same rails and between the same points; and

Whereas the United States has been naturally divided into several rate territories because of differing costs of transportation, caused primarily from the fact of differing volumes of tonnage produced and available for transportation in the various sections of the country; and

Whereas West Virginia is located in what is designated official territory, and being that territory lying east of the Mississippi River and north of the Ohio and Potomac Rivers, and recognized as one of the greatest industrial sections not only of the United States but of the entire world, and because of this fact it provides the greatest number of tons per mile of transportation, and consequently the lowest cost of operation for the railroads in that territory in the United States; and

Whereas one of the purposes of establishing the Interstate Commerce Commission was to create a body which could coordinate all the interstate rates applying to all sections of the country, the effect of which, after more than 50 years of functioning by the Commission, has been to remove many inequalities and discriminations in the rate structure of the country as a whole and to remove unfair advantages which one section of the country might have over other sections differently situated; and

Whereas the Congress of the United States is not equipped to make thorough investigation of rate structures, or to study them, whereby such laws as the proposed legislation can only result in the vicious circle of affecting one part of the United States adversely by attempting through legislation to assist another; and

Whereas these bills, or any of them, if enacted into law would require the Interstate Commerce Commission, regardless of the facts, evidence, equity, their better judgment, or otherwise, to disregard differing costs which form the basis for these different rate territories, and arbitrarily make from official territory to all other territories rates which would be materially higher than would be charged shippers in these other territories for shipping the same or similar articles the same or similar distances into West Virginia, to the serious disadvantage of and discrimination against West Virginia; and

Whereas such a prejudice to West Virginia and preference of these other territories would not only seriously restrict the marketing and consequently the production of articles of commerce in West Virginia, to the substantial and grave loss to its labor, agriculture, and industry, but even more seriously would induce substantial removal of manufacturing operations from West Virginia to these more favored localities to the disadvantage of all its citizens: Therefore be it

Resolved by the house of delegates, That West Virginia Senators and Representatives in Congress be earnestly requested and urged to not only vote against these bills and any other similar bills or amendments to or provisions of bills which have the same purpose, but to also use their efforts to convince their colleagues in both Houses of Congress of the unfairness and impropriety of such legislation; and be it further

Resolved, That the clerk of the house of delegates is hereby directed to forward a certified copy of this resolution to each West Virginia Senator and Representative in Congress.

Lift the Spanish Embargo

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1939

PETITION OF FACULTY AND STUDENTS OF THE EVENING SESSION OF THE SCHOOL OF BUSINESS OF THE COLLEGE OF THE CITY OF NEW YORK

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks, I am inserting the following petition, signed by 40 members of the faculty and 1,000 students of the evening session of the School of Business of the College of the City of New York:

PETITION TO THE PRESIDENT AND CONGRESS OF THE UNITED STATES

Two years ago the Congress of the United States considered that the peace of the United States would be best served by remaining neutral in the war which had broken out in Spain 6 months previous. Acting in commendable haste, in view of the fact that they deemed the matter of such vital importance to the people of the United States, the Congress rushed through as its very first piece of legislation the present Neutrality Act.

This act was passed in the belief that in so doing we were cooperating with the major nations of Europe who had formed the nonintervention committee for the proclaimed purpose of limiting the Spanish conflict and not embroiling other nations.

Since that time it has become very evident that at least two of the nations of the nonintervention committee have been openly aiding with money, men, and material one side of the Spanish conflict—the rebel side.

In view of such scrapping of the nonintervention agreement, for us to continue the stand which we have been following for the past 2 years has but one result—to aid the rebel side as against the Loyalists.

Since the rebel side is openly allied with Italy and Germany (the past few days have seen the most striking confirmation of this), and since the activities of Germany and Italy on the international scene endanger not only democracy in Spain and Europe, but also the peace and democracy of the Western Hemisphere, especially through their inroads in Latin America, we assert that it is against the national interest of the United States to continue to aid in this manner the rebels against the Loyalists in Spain.

The evidence is not far to seek. Mussolini has declared that Italy's frontier is in Panama. Both Germany and Italy have widespread propaganda agencies in many Latin American countries; Germany's spies are active in the United States. The same interest in the welfare of the American people which goaded Congress into speedy action in January 1937 calls for speedier action now to correct a long-standing wrong against the Spanish people, against democracy, and against the interests of the American people.

We believe that it is not too late. The war in Spain is now being fought in the realm of international affairs as well as on the battlefields. Chamberlain and Daladier are now considered as allies of Franco and will be so labeled by history. Our country must act at once if it does not wish to share a similar fate, as well as to share in the responsibility of having helped to weaken the forces of democracy and peace throughout the world.

We, students and faculty of the evening session of the School of Business of the College of the City of New York, in meeting assembled February 23, 1939, therefore urge that Congress and the President of the United States take immediate action to lift the embargo on the legal Loyalist Government of Spain.

Copy of this petition to be sent to Representative at Large CAROLINE O'DAY and Senator WAGNER.

This resolution has been endorsed by 41 members of the faculty and 1,000 students. Copies of the petitions were handed in to Senator PITTMAN.

Where in the World Are We?

EXTENSION OF REMARKS
OF
HON. B. J. MONKIEWICZ
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Monday, February 27, 1939

RADIO ADDRESS BY HON. ALBERT E. AUSTIN, OF CONNECTICUT, FEBRUARY 23, 1939

Mr. MONKIEWICZ. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address delivered over the Columbia Broadcasting station WJSV by my colleague, Hon. ALBERT E. AUSTIN, of Connecticut, February 23, 1939:

A bit over 2,000 years ago a Roman consul stood in the Senate at Rome and conscious of the perils threatening his republic and surrounded by uncertainties, cried, "Ubinam gentium sumus?"—"Where in the world are we?" I wonder how many of our fellow citizens with the same consciousness of imminence are not asking themselves today in this democracy, "Where in the world are we?" A moment's reflection gives us the answer. Going around in circles for the last 6 years, circling from right to left with all direction marks pointing to the left, always led on by the flickering will of the wisp that we call the reform of the New Deal. Did I say that we are now traveling in a circle? No longer, for with a Congress made up of a number of conservative Democrats and a militant Republican minority, both nailing up signs that point to the right and no longer to the left, the road begins to lie clear before us. There has been a certain luring voice during this circuitous journey with social appeal, with a smile in it and the sympathetic tone of one now known to be a false prophet. He has sung the song of the sirens, but that song is now being lost in the overwhelming chorus of an army of democracy on the march.

There have been certain elements in the present administration which have produced this dangerous uncertainty. In recounting them nothing new is offered. They are mentioned again only in the belief that by constant reiteration of these mistakes and errors of procedure can universal realization on the part of our people prevail. The constant dripping of the drops of water will finally smooth away the roughest stones.

The most talked-of issue today before our people is our foreign policy. With no definite announcement from him from whom it should come, with secrecy to a disturbing degree surrounding every move, with no certain knowledge as to the distribution of our stabilization fund, with questionable possibilities as to the ultimate purpose of our import and export banks, one can have only hesitant doubt. The Presidential pronouncements of the last few months have not been such as to define, in unmistakable terms, what our future is to be with the Governments of Europe. Words not meant to induce friendship but rather to imperil, words sure to inflame already inflamed minds, words of provocation too frequently have fallen from Executive lips. Intended actions, perhaps, speak louder than those words and a fortification of Guam might be the flaming brand to touch off an international conflagration. The challenging sentences of our Chief Executive on the opening day of Congress brought again to distressed ears war and the rumors of war, and before our eyes the tragic destruction of another World War disaster. Fortunately, because experience has taught, most of us realized the skillfully made fabric of another smoke screen made by the master artist, attempting to hide from his fellow citizens today's actualities and the circuitous course we have been pursuing. There is only one expression to define our foreign policy—billions for defense, but not one dollar for aggressive armament. There is only one duty for us to discharge—so to defend our shores by sea and land and air that no other nation, though guided by the mad frenzy of a dictator, dare approach the confines of our country. Our policy further defined is a warning to all nations that the provisions of the Monroe Doctrine must and shall be defended at all costs and at any expense. The sooner we realize, and the sooner the Chief Executive declares that the military policy of this country is not to exercise police power over others, is not to act as judge of the conduct of others, but is simply and solely now and at all times strictly to mind our own business—the sooner will the world at large understand that the United States is our sacred ground forbidden to dictators, forbidden to every foreign nation, forbidden to enemies of a free people.

Capital, labor, and industry within the past few days have once more heard the luring words, intended to lull into the deep sleep of security and content. Another breathing spell is promised, together with cessation of hostile act and attitude; cooperation is mentioned, so far removed from the speech in Madison Square Garden in '36. But all the while plans are being laid for future taxation, and procedures are being mapped out for further Government competition with private enterprise in spite of declarations to the contrary. How much assurance has been given to business and industry when men have recently been suggested for official key positions who possess neither the experience nor ability in ordinary days at a time when we are living in extraordinary days. The spoiled child fears the rod and a frustrated Executive resents the voice of authority. Political reward must not go too far, nor should the injured feelings of candidates defeated for public office be assuaged at the expense of efficiency. The unrest of labor, the realization that its spirit of fairness is dulled by certain provisions of the Wagner Act, and partisan and partial interpretations given by the National Labor Relations Board, these have anything but a salutary effect in settling the problems of capital, labor, and industry. Why cannot we all see that a successful solution of the whole problem lies in the realization that "more success means less failure," that the freer and more unhampered within legal limits is business, the more employment there is bound to be, the more jobs are open to ready and willing and seeking workers.

How futile and imaginative are those words to us now, "we have turned the corner, * * * we planned it that way," when we realize that the problem of relief and unemployment is still with us and the number of eager and willing men who are walking the streets and for whom there is no waiting factory where they may work and pay their own way in the world is every day increasing. How could it be else? But even after bitter experience a repetition of the same methods is insisted upon, methods which have been decisively grouped as impractical and destined to failure. With millions after millions of the taxpayer's money wasted upon squandering projects and in profligate spending, used in the prostitution of the poor and the needy and the distressed, criminally expended in influencing votes and elections to such an extent that Maxey exclaimed that "priming the pump has become a mere euphemism for pumping the primaries," how can we expect to get results?

An economy-minded Congress, both Houses, after careful thought and consideration, reduced by $150,000,000 the demand of the Chief Executive, and with keen realization of defects of the system proposed its entire reorganization. The President of the United States within a few days after the passage of the bill requested in no uncertain terms the restoration of this amount. Apparently overnight the crisis of the emergency had so quickened his mind that he saw before him in the still watches 3,000,000 souls wasting with starvation and freezing in the bitter cold of winter. Is this the only time when frustration has beclouded clear and accurate vision? And I wonder if the millions of dollars mounting to hundreds of millions requested for the Passamaquoddy project of ancient history and the Florida ship canal under the pretext of defense were the aftermath of this bitter night. No man in his right mind can believe that now or at any time will people freeze or starve in these United States whether there be unemployed or jobless or needy or distressed. Such cannot and will not happen. But what we demand is relief of those who are actually in need. What we demand is the application of ordinary everyday business sense and business methods to the problem, and what we further demand is a return of investigation of those eligible and a distribution of relief funds to the individual States where and only where they belong. Under such conditions the taxpayer's money will be more efficiently and economically expended and under such conditions those who deserve relief will get it, and those who are unworthy or are thereby enjoying ill-gotten gains derived not to alleviate actual suffering but as political reward will not get it.

Such an assignment to the States would be along the line of what must be done in other ways as well, and that is a return to the sovereign States of their sovereign rights. It will be a sign that centralization of power is to be no longer the theory of our Government. It will signify a return of government in this country founded upon, directed by, and subservient to the Constitution of the United States. It will end definitely and for all time the false proposition recently nurtured and nourished that the people exist for the state and not the state for the people, which is but another way of saying that interpretation lies with the people and not with the President. It means that the restoration to Congress of the prerogatives which belong to it is a certainty in the near future. It means that you and I still live and will live in a democracy under a written Constitution and not under a dictatorial power.

With the Congress as at present constituted a beginning is to be made. Yes legislation and must legislation are now things of a storied and unfortunate past. Country is still above party and partisanship. Nineteen hundred and forty will see a return to office of Republicans and conservative Democrats whose actions will restore what has been lost and make solid the foundations of the newer building; and just as surely 1940 will see a relegation of the New Deal to the archives of buried experimental and destructive legislation. Then will we be no longer traveling in a circle with direction signs pointing left and with luring voices heard in the twilight. Not again will we say "Where in the world are we?" We will know, for we shall see ourselves on solid and substantial ground supported by the Constitution of the United States, once more furnishing to the world encouragement, hope, and inspiration, the final example of a triumphant democracy where the people are the state and officials the servants and not the master of a people.

The Townsend Plan

EXTENSION OF REMARKS
OF
HON. JAMES F. O'CONNOR
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Monday, February 27, 1939

MEMORIAL OF THE LEGISLATURE OF THE STATE OF MONTANA

Mr. O'CONNOR. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following joint memorial adopted by the Legislature of the State of Montana:

Senate Joint Memorial 2

Memorial to the Congress of the United States for the passage of an act incorporating the principles of the Townsend national-recovery plan substantially as set forth in a bill entitled "H. R. 4199," introduced into the House of Representatives in the first session of the Seventy-fifth Congress of the United States on February 2, 1937

To the honorable Senate and House of Representatives of the United States in Congress assembled in the Seventy-sixth session:

Whereas the problems of unemployment and social security are two of the most vital economic issues now confronting the people of the State of Minnesota, as well as all other States of the Union; and

Whereas the United States Government has incurred an enormous debt in providing a bare subsistence for several million unemployed persons; and

Whereas it will be impossible to continue such relief appropriations indefinitely without serious injury to the credit of the Nation; and

Whereas the economic problems of unemployment and social security cannot be properly handled by individual States but are national problems involving the general welfare of the whole Nation; and

Whereas the Townsend national-recovery plan, as set forth in the General Welfare Act of 1937 (H. R. 4199) introduced in the last session of Congress, provided for the collection of a 2-percent tax on business transactions and the pro rata monthly distribution of the proceeds to persons over 60 years of age who agree to retire from gainful employment and expend their monthly allotments for the products of American capital and labor; and

Whereas it is the purpose of such plan—

(1) To retire from active employment some four or five million persons over 60 years of age and provide jobs for several million persons under 60 years of age.

(2) To decrease, if not eliminate, expenditures for relief.

(3) To eliminate the necessity of hoarding to provide for needs incident to advancing age.

(4) To stimulate trade and industry by increasing the purchasing power of persons of advanced years.

(5) To relieve the present stagnation of money and credits by providing a market for products of American capital and labor: Now, therefore, be it

Resolved by the Senate of the State of Montana (the house concurring), That we do hereby petition the Congress of the United States of America for the enactment of the Townsend national-recovery plan into law, the said plan being deemed just and equitable to all persons in the United States; and be it further

Resolved, That a copy of this memorial be transmitted by the secretary of state of Montana to the President of the United States, to the Senate and House of Representatives of the Congress of the United States, and to the Senators and Representatives in Congress from the State of Montana, and they and each of them be requested to use all honorable means within their power to bring about the enactment of the Townsend recovery plan into law at the earliest possible time.

Social Security

EXTENSION OF REMARKS
OF
HON. HERMAN P. EBERHARTER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, February 27, 1939

ADDRESS BY HON. HENRY ELLENBOGEN, JUDGE OF THE COURT OF COMMON PLEAS OF ALLEGHENY COUNTY, PA., AT CHICAGO, ILL., FEBRUARY 12, 1939

Mr. EBERHARTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. Henry Ellenbogen, a former Member of this body:

The problem of establishing social security for our people is long-standing. But the phrase "social security" has acquired a more concrete significance in the last few years, when the Committee on Economic Security was appointed by President Roosevelt to formulate a plan which evolved what is now known as the Social Security Act. The approval of that act on August 14, 1935, marks a milestone in human history.

Almost 4 years have since passed. Two and one-half million needy old people, needy blind persons, and dependent children are now receiving public assistance to the extent of one-half billion dollars a year. Three million eight hundred thousand unemployed have received nearly $400,000,000 in benefits under the unemployment-insurance laws. No one can deny that important gains have been made. But social and economic security for our people has not been achieved.

NEARLY 25,000,000 PEOPLE DEPENDENT ON PUBLIC ASSISTANCE

Counting children and dependents, nearly 25,000,000 people are now receiving some form of assistance through public funds. Mass unemployment is continuing, and in this unemploymet lie the roots of our social insecurity. It has jeopardized the health and happiness of at least 30,000,000 men, women, and children. There are men who have been unemployed for 6, 7, and 8 years. They, their wives, and their children have gradually become accustomed to living as public wards on public funds. There are hundreds of thousands of young men and women who have graduated from high schools and colleges, prepared to assume their place in the economic world, who have been looking in vain for a job. These long years spent in search of employment have discouraged and disillusioned them.

WE MUST END UNEMPLOYMENT

The undermining effects of persistent unemployment have depreciated our manpower and poisoned the outlook of at least one-fourth of our people. Let there be no mistake about this. We must wipe out mass unemployment before it endangers the existence of our democratic form of government.

We must provide useful work for the men and women who are able and willing to work. The right to life, liberty, and the pursuit of happiness means the right to an opportunity to provide for a decent life and a measure of happiness for one's family.

If private industry is incapable of creating employment opportunities, government must find a way to put the unemployed to work. The budget which must be balanced is the budget of our human resources.

Millions of idle men in the face of idle capital of billions of dollars constitute a wholesale waste of our human resources.

We are told, by a responsible authority, that since 1929 the depression has cost us nearly $200,000,000,000, and there is no end in sight. The greatest task before our Government and before our people is to find a way to end this colossal waste. Not until that is done can there be economic, social, or political security for any of us. As long as there are millions of able-bodied men and women unemployed, the safety, the welfare, and the security of all of us is endangered.

OLD-AGE PENSIONS MUST BE INCREASED

Old-age pensions must be increased. At present, the maximum paid in most States is $30 a month. This amount, insufficient as it is, is actually being met only in an insignificant portion of the total number of cases. It should be increased to an amount that will permit our old people to live in some decency and comfort.

Conditions for granting old-age pensions should be liberalized. In hundreds of thousands of cases, a pension has been refused, and the burden has been placed upon children or other relatives who are unable to provide a decent livelihood for their own families.

The age limit in some States, including my own State of Pennsylvania, is still 70 years. Such an age limit makes this a graveyard pension and not an old-age pension.

UNEMPLOYMENT INSURANCE SET-UP REQUIRES CHANGING

The system of unemployment insurance in vogue in our States is desperately in need of substantial overhauling. The benefits which are being paid in a large number of cases are ridiculously small and, in many instances, less than the unemployed would receive on relief. Too, the delays and the red tape involved in obtaining unemployment compensation are totally unnecessary.

PRESENT UNEMPLOYMENT INSURANCE SYSTEMS DEEPEN THE DEPRESSION INSTEAD OF CUSHIONING IT

As of December 31, 1938, the States collected and deposited with the National Government, unemployment-compensation taxes totalling $1,460,423,479.06. These deposits have earned interest of $18,134,532.69, making a total deposit in the Federal Treasury of $1,478,558,011.75. As of the same date the States had withdrawn for the payment of unemployment-compensation benefits $406,275,000, leaving an unused balance in the Federal unemployment-trust fund of $1,072,283,011.75.

The Budget submitted by the President for the fiscal year ending June 30, 1940, estimates that unemployment-insurance taxes or contributions of $748,900,000 will be collected and deposited by the States in the Federal unemployment-trust fund, and that withdrawals for the payment of benefits will amount to $500,000,000. This will add a further unused balance of about $250,000,000.

The purpose of the unemployment-insurance system was to build up reserves during periods of prosperity, to be paid out as unemployment-compensation benefits during periods of depression. This purpose has not been realized. At a time of mass unemployment, such as we have today, the payments for benefits should greatly exceed the income from contributions. Only in that manner can unemployment insurance perform the function for which it

was created of serving as a cushion during periods of depression. Far from doing this today, it appears that we have an unused reserve of $1,000,000,000. Instead of decreasing this reserve and thereby providing needed purchasing power at a period of unemployment, such as we have today, this reserve will be increased by another $250,000,000 during the next fiscal year. Unless changes are made the unemployment-insurance system will become a failure, because it will be used, to a large extent, for the purpose of raising general revenues.

It is my particular task now to discuss with you the need for a health program and the form such a program should take.

THE FULL USE OF AVAILABLE MEDICAL RESOURCES WAITS ON GREATER PURCHASING POWER

In times of prosperity and in times of depression illness is an important cause of poverty, destitution, and of dependency. It is a major factor of social and economic insecurity. The array of economic and social statistics which may be marshalled to prove this is almost endless.

The cost of illness and premature death in this country amounts to about $10,000,000,000 a year. That includes the cost of health services and medical care and the loss of wages through disability or untimely death. On an average day of the year there are 4,000,000 or more persons disabled by illness. Every year 70,000,000 sick persons lose over 1,000,000,000 days from their work.

These conditions do not result from inadequate knowledge on the part of medical science; they come from the fact that we cannot today make medical science available to those who need it most. This condition strikingly parallels our general economic setup. We have splendid means of production, but a miserable lack of purchasing power, and consequent inadequate distribution. While hospitals are only partially occupied and thousands of doctors are idle for long periods of time, millions of needy sick people are not being cared for. It is clear that the full use of our available resources of preventive and curative medical services waits on greater purchasing power by the masses of our people.

The great progress which has been made in preventing and curing diseases is shown by the fact that the death rate has declined from 17.6 per 1,000 population in 1900 to 11.5 per 1,000 in 1936. This represents a saving of about three-fourths of a million lives every year. But this reduction in the death rate has taken place mostly in childhood. No significant improvement has been made in the mortality rate of persons of mature and advanced age. The life expectancy of a person of 50 today is about the same as it was 40 years ago.

In fact, the death rate from certain chronic diseases such as cancer, diabetes, diseases of the heart, blood vessels, and kidneys have increased. For instance, the death rate from cancer in 1900 was 63 per 100,000 population, while in 1936 it was 111 per 100,000.

Proper medical care of children is vital if our Nation is to progress. In that respect I remind you that from one-half to two-thirds of maternity deaths are preventable, and that the death rate of infants in the first month of life can be cut in half. These are of tremendous importance to our 2,000,000 births a year.

THERE IS A DEFINITE ASSOCIATION BETWEEN ILLNESS AND LOW INCOME

The maternity mortality rate in the United States is high. In 1936 the rate was 57 per 10,000 of live births—double that of Sweden. In the United States it varies from 40 in New Jersey to 90 in South Carolina. Some light is shed on these figures when we learn that more than 1,100,000 births occur every year in families who are on relief, and that in 1936 nearly a quarter million women in the United States did not have the care of a physician at the time of delivery.

These figures could be increased tenfold. They are, however, sufficient to implement one all-important fact: There is a definite association between illness and low income. A responsible survey shows that in recent years, in families with annual incomes under $1,200, there was a disability of 8.9 days per person, whereas in families of $3,000 and over the disability was only 3.8 days. Disabling illnesses in the relief population occurred at an annual rate of 47 percent higher for acute illnesses and 87 percent for chronic illnesses than the corresponding rate for families with income of $3,000 and over.

The annual days of disability per capita in the relief group are found to be three times as great as among higher-income families. Too often the final outcome of sickness is unemployment. For instance, in 1934 in New Jersey, in 61 percent of the families on relief, the persons of employable age were unemployable because of illness or injuries.

It has been definitely established that the lower the income, the more sickness and the less medical care. This is a vicious circle. Illness and its consequent loss of wages bring poverty, and poverty aggravates the sickness because of inability to obtain adequate medical care.

Notwithstanding the fact that the poor have more sickness and disability, and consequently need more medical services, they receive less medical care than those with larger incomes. Three times as many persons among the poorer classes go through a year of life without medical care than do those in the higher income classes. Even in 30 percent of serious disabling illnesses among relief families and in 28 percent of such illnesses among families just above the relief level, no medical care was received. The conclusion is inescapable that the lower the income of persons, the more sickness they have and the less medical care they receive.

THE EXPENSE OF ADEQUATE MEDICAL CARE HAS BECOME AN ECONOMIC HAZARD

Estimates indicate that adequate medical care for a family of four costs from $100 to $200 a year. Even if we take the minimum of $100, it is clear that this expense is beyond the means of one-third to one-half of our people. For in the year of prosperity, 1929, about 12,000,000 families, or more than 42 percent of all the families in the United States, had incomes of less than $1,500. And it was estimated last year that probably more than 40,000,000 persons—one-third of our population—comprise families whose annual income is less than $800.

Included in this group is an estimated total of 22,437,000 people on work relief or direct relief as of November 1938. To these must be added 2,500,000 people who receive old-age pensions, blind pensions, or aid for dependent children, making a total of nearly 25,000,000 people who depend on the Government for food and shelter, and who depend on public funds or private charity for medical care.

It is estimated that in this group of 40,000,000 medically needy persons, approximately 20,000,000 cases of disabling illnesses occur a week, of which at least 8,000,000 cases entail disability of at least 1 week. Under the conditions prevailing in 1935, about 2,000,000 of these—the more seriously disabling illnesses—receive no medical care at all.

Families of small income must spend their earnings from day to day or week to week. They are not able to save for days of illness. The result is that when a serious illness occurs no medical care is obtained, or where obtained, the family is burdened with large expenditures and burdensome debts which it cannot hope to meet. The expense of adequate medical care has become—like unemployment or death—an economic hazard against which most persons require protection.

BURDEN OF MEDICAL COST IS UNEVEN AND UNPREDICTABLE—AVERAGES ARE MISLEADING

Even families who are otherwise self-supporting are not able to purchase adequate medical care, because illness is uneven and unpredictable.

On an average, families need 4 to 5 percent of their income for medical care. While many families with good incomes may be able to afford such average expenditures, even they are faced with burdensome expenses when serious illness comes. In that case the expenses which must be incurred to obtain adequate medical care are far greater than the average expenditure per family. Averages are meaningless for individual cases. Illness comes to an individual family with unequal severity and unequal length.

PROGRAM OF THE INTERDEPARTMENTAL COMMITTEE TO COORDINATE HEALTH AND WELFARE ACTIVITIES

The Interdepartmental Committee to Coordinate Health and Welfare Activities, appointed by the President, has worked out a program to meet the medical needs of the people of the United States which, on the whole, is splendid, and which deserves our full support.

This program was submitted to a representative gathering of the general public and of interested groups at a national health conference held in Washington on July 18, 19, and 20, 1938, in which conference it was my privilege to serve as a delegate.

On January 23, 1939, the President of the United States transmitted this program to Congress for careful study, but without definite recommendation. The interdepartmental committee recommends the following program:

First. (a) An expansion of the public health service in the Nation and in the States and local communities under title VI of the Social Security Act. These public-health services are to make a direct frontal attack on the eradication of tuberculosis, venereal diseases, and malaria; the control of mortality from pneumonia and from cancer; and on mental hygiene and industrial hygiene.

At its peak this program would require $200,000,000 annually to be expended by Federal, State, and local governments.

(b) The expansion of maternal and child health services (under title V of the Social Security Act), including provisions for medical and nursing care of mothers and their newborn infants. The objective sought is to make available to mothers and children of all income groups, and in all parts of the United States, minimum medical services essential for the reduction of our maternal mortality rates and death rates among infants, and for the prevention in childhood of diseases and conditions leading to serious disabilities in later years.

This program should gradually expand until in its tenth year it would reach annual expenditures, in addition to those now being made, of $165,000,000. It is suggested by the committee on health that one-half of this be paid by the Federal Government.

Second. The expansion of hospital facilities and the construction of 500 health and diagnostic centers in areas inaccessible to hospitals. The total average annual cost is estimated to be $146,000,000, one-half of which, it is recommended, be borne by the Federal Government.

Third. It is proposed that the Federal Government, through grants-in-aid to the States, implement the provisions of medical care for two groups of the population:

(a) To those for whom the State and Federal Governments, jointly or singly, have already accepted some responsibility through the public-assistance provision of the Social Security Act or through work relief and direct relief.

(b) To those who, although able to purchase food, clothing, and shelter from their own earnings, are unable to procure necessary medical care.

The committee proposes the allocation of $200,000,000 to the States for this part of the program.

There is little organized opposition to these three of the five-point program. Organized medicine, as represented in the American Medical Association, is not opposed to it. The problem of its realization is a financial one. This depends on the willingness of the Federal Government and the States to assume additional financial burdens.

The realization of these three points—the expansion of the Public Health Service, and of medical care for mothers and children, and the provision of some medical care for those living at an emergency level of existence—is of great importance to the health and vitality of this Nation.

But it is not as important as the remainder of the program, which deals with a general program of medical care for self-supporting persons of small means. It is this part of the program, consisting of recommendations IV and V, which has met with the opposition of organized medicine. I shall deal with it in somewhat greater detail.

The fourth recommendation of the technical committee contemplates a general comprehensive program designed to provide adequate medical services for the entire population. It suggests that this may be done either through compulsory health insurance or through gradually expanded public health services, or through a combination of both.

COMPULSORY HEALTH INSURANCE IS THE KEYSTONE

It is estimated, as I have said, that adequate medical care would cost on the average 4 to 5 percent of income. Families who would be able to meet such an average cost often find that in case of serious or long illness, the expenses for adequate medical care are unbearably high. If these costs were spread over the population as a whole, they could be readily met, and the vigor, health, and productive capacity of the entire nation would be increased.

For decades attempts have been made to spread the cost of medical care. Nonprofit group insurance, group hospitalization, and other voluntary schemes have been promoted. The fact that after decades of these efforts only about 2,000,000 persons in the United States last year received substantial medical care through voluntary insurance arrangements is, I submit, conclusive proof that mere voluntary effort cannot meet this truly gigantic problem. Competent studies show that at least 100,000,000 persons in the United States need provision for adequate medical care. This can be offered only through compulsory health insurance. It is the keystone of any proper health program.

Medical costs for the individual family cannot be determined in advance. They are burdensome because of their uncertainty and variability. The insurance principle which permits our people to spread the risks for the economic losses sustained by death, accident, fire, or unemployment applies with equal force to economic losses sustained by illness. Only through compulsory health insurance can the cost be spread over the entire population and be thus reduced to a small and bearable portion of the family's income.

The opposition of the American Medical Association to compulsory health insurance is based on unreal fears and on imaginary evils. Experience has shown that the insurance procedure is entirely compatible with the freedom of all physicians to participate in the insurance plan, with free choice of physicians for the patient, and with wide latitude left to physicians as to the method of their remuneration.

The right to live one's life in health is as much an inalienable right as the right to political freedom and individual liberty. Compulsory health insurance is the key to the realization of that right. Compulsory health insurance must come, and the sooner it comes the better for the future, the vitality, and the productivity of our Nation.

I invite this conference to determine upon a relentless campaign of enlightenment in every section of the United States, until we are able to give to the people of the United States the blessings of good health, which comes with a sound program of compulsory health insurance, accompanied by a fulfillment of the other parts of the health program.

It is estimated that compulsory health insurance could be accomplished at an average expenditure of $20 per person per year. It should be developed by the individual States with assistance by the Federal Government.

INSURANCE AGAINST LOSS OF WAGES BY SICKNESS

On an average day of the year there are at least five to six million persons who are temporarily or permanently disabled by illness. The length of such illness varies from a few days to a whole year, and, in some cases, to a whole lifetime.

It is estimated that in 1929 the wage loss due to disability was nearly $2,000,000,000.

As in the case of illness, the average extent of disability is misleading. The significant thing to remember is that there will be some disability and some loss of earnings by sickness. Whether the sickness and the disability will last a day, a week, a month, or a year, or the balance of one's life depends upon factors which no individual can foresee.

The effects of temporary disability are similar to the effects of temporary unemployment. Each causes the loss of income for the worker and his family for a limited period of time. The effects of long-continued or permanent disability are similar to the effect of old age. It forces the retirement of the worker from the productive field.

As stated, five to six million people are disabled by illness on an average day; perhaps one-half of these are suffering from temporary disability and the other half has some permanent or total disability. Of those suffering from total disability, about four-fifths, or nearly 2,000,000, are under the age of 65. If we take into account the dependents of those who are permanently disabled, we find that about eight to ten million persons a year are directly affected by their permanent disability and loss of earning capacity.

We have workmen's compensation laws to compensate workmen for loss of earnings due to industrial accidents. We have unemployment compensation laws for the compensation of employees for loss of wages or salaries by unemployment. We must have appropriate laws to compensate for loss of earnings by illness.

SEPARATE SYSTEMS OF TEMPORARY AND FOR PERMANENT DISABILITY RECOMMENDED

The President's committee recommends that two separate systems be established, one to deal with temporary disability and the other with permanent disability. It is recommended that insurance against temporary disability be patterned after unemployment compensation and that permanent disability be treated like old-age retirement. It is estimated that temporary disability compensation with a reasonable waiting period and reasonable benefits (calculated at 50 percent of wages for a maximum of at least 26 weeks) would cost approximately 1 percent of wages.

FINANCING OF TEMPORARY SICKNESS DISABILITY BENEFITS

In view of the recommendation of the President's committee that temporary disability benefits be treated like unemployment compensation benefits, or as a part of the unemployment compensation system, I propose that the payment of temporary disability benefits be financed entirely by the Federal and State Governments. It is my suggestion that the Federal Government should pay in the form of grants-in-aid one-half of the expenditures incurred by each State for the payment of temporary disability benefits on condition that the State appropriate the other half of such costs without the imposition of any special taxes.

As an alternative method of financing temporary-disability benefits, I suggest that the cost be imposed upon the present Federal old-age retirement system.

The recommendation of the President's committee that permanent disability be treated similarly to disability by old age is sound. I hope that this conference will endorse the recommendation of the interdepartmental committee that permanent disability be cared for by the introduction of invalidity benefits into the present old-age insurance system. The cost of such a system would probably be 0.1 percent to 0.2 percent of wages at the beginning, and may be expected to rise to between 1 and 2 percent in 20 years. The taxes which finance the Federal old-age insurance system and the contemplated reserve of that system are large enough to absorb this cost. I therefore propose that these invalidity benefits be paid to all persons who are covered by the Federal old-age insurance system and who become disabled by illness without any additional expense to them and without any special taxation.

CONCLUSION

The lawyer can perform an important part in the campaign to bring economic and social security to every man, woman, and child living in the United States. He can perform a real service to the people of the United States by explaining to them the need for a sound health program and the methods by which it can be attained.

Let us determine to wage a vigorous campaign for health insurance and for a significant improvement in the operation of the entire social-security system in every part of the United States. Through such a campaign we can fulfill the noble task of the lawyer to fashion our legal and administrative machinery and to obtain the passage of laws to meet the problems of our day and to improve the lot of mankind.

Citizenship Status of Harry Bridges

EXTENSION OF REMARKS

OF

HON. LELAND M. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1939

RESOLUTION OF THE LEGISLATURE OF THE STATE OF CALIFORNIA

Mr. LELAND M. FORD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include Assembly Joint

Resolution 23 of the Legislature of California, relative to action by the Secretary of Labor regarding the citizenship status of Harry Bridges. This resolution was passed by both the Assembly and the Senate of the California State Legislature January 24, 1939.

It was sent to me by Mr. Don Field, its author.

I thoroughly concur in the substance of the statements contained in this resolution and ask this House to give it that consideration of which it is eminently worthy.

Assembly Joint Resolution 23

Relative to action by the Secretary of Labor regarding the citizenship status of Harry Bridges

Whereas during the past 4 years the Department of Labor of the United States, under the direction of the Secretary of Labor, Frances E. Perkins, has been conducting intermittent inquiries or investigations as to the citizenship status of one Harry Bridges, a well-known Pacific coast labor leader; and

Whereas it has been a matter of common report that the said Harry Bridges is either not an American citizen or that he has espoused political and economic doctrines inimical to and incompatible with the American theory of government and such as to justify and require the forfeiture of his rights as a naturalized American citizen, if such he is; and

Whereas prompt completion of the said investigation and inquiry by the Secretary of Labor, and the making public of the results thereof will contribute materially to industrial peace on the Pacific coast: Now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the Secretary of Labor of the United States is hereby respectfully urged to settle the existing uncertainties as to the citizenship status of the said Harry Bridges without further delay by making a full report upon this subject to the President and to the Congress of the United States, and to instigate in the matter such appropriate action, if any, as may be indicated to be proper by the findings set forth in such report; and be it further

Resolved, That the Governor of the State of California is hereby requested to transmit copies of this resolution to the President of the United States, to the Secretary of Labor of the United States, and to each Senator and Member of the House of Representatives from California in the Congress of the United States, and that such Senators and Representatives from California are hereby requested to take such action as may expedite the making of such a report and the taking of appropriate action in connection therewith.

When the Devil Was Sick

EXTENSION OF REMARKS

OF

HON. BRUCE BARTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, Fcbruary 27, 1939

Mr. BARTON. Mr. Speaker, Mr. Harry Hopkins went out to Des Moines on Friday night and tried to deliver a Republican speech. Is this fair? Is there no honor among politicians? Should he not have told his listeners that whatever sound ideas were in the speech were ideas which the Republican Party has been urging for 6 years as essential to recovery?

Mr. Speaker, what miracles are wrought by the magic of the election returns! With what lightning rapidity is the character of a statesman transformed! Only last summer the political correspondent of the New York Times summed up the philosophy of Harry Hopkins in the arrogant boast: "We will tax and tax, and spend and spend, and elect and elect." Then came the November elections; and now behold a simple Iowa country boy making his soft advance to business, a big red apple in his hand.

Mr. Speaker, this repentance comes too late. The people have seen too many of these breathing spells, these periods of appeasement following the New Deal reverses. They know the significance:

When the devil was sick, the devil a saint would be;
When the devil was well, the devil a saint was he.

Reorganization of the Government

EXTENSION OF REMARKS

OF

HON. LINDSAY C. WARREN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1939

EDITORIAL FROM PHILADELPHIA INQUIRER OF FEBRUARY 27, 1939, AND ARTICLE BY GEN. HUGH S. JOHNSON

Mr. WARREN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from today's Philadelphia Inquirer and also an article by Gen. Hugh Johnson:

[From the Philadelphia Inquirer of February 27, 1939]

A BETTER PLAN FOR REORGANIZATION

The prospect of some action at this session of Congress on the highly important subject of Government reorganization has been appreciably brightened by the compromise bill of the special House committee. Administrations in Washington have been attempting in vain to effect this reform for the last 30 years.

If there was need for overhauling the governmental machinery a generation ago, eliminating overlapping and duplicating agencies that clutter up the Capital and drain the taxpayers' pockets, it is 20 times as great today. Bewildered strangers, trying to transact business with the departments and bureaus, need a professional guide to lead them through the Federal jungle. Even experienced officials are hampered by the complicated, confusing, and wasteful system, or lack of system.

The once familiar story of the three bears—each species under the guardianship of a different department—may be no longer true. But there are half a hundred separate legal divisions in Washington, each with its army of Government attorneys, 34 agencies which have to deal with the acquisition of land, 16 official bodies concerned with wildlife conservation, 10 with construction, a round dozen with home and community planning, 9 with credit and finance, and 24 with lending the taxpayers' money.

These are some of the agencies and commissions that are falling over themselves in the District of Columbia. Federal branch bureaucracies all over the country—not counting post offices, customhouses, and regular Government buildings—occupy leased office space equivalent to 52 structures the size of the Empire State Building.

The need for a comprehensive plan of mergers, transfers, and eliminations is plain. How can this be accomplished without doing violence to American principles of government? Clearly Congress cannot decide on each of the multiplicity of details. The spadework must be done by the Executive branch, which is much closer to the situation. And yet there are natural objections to entrusting full authority for this virtual remaking of a large part of the governmental machinery without some check by Congress.

The answer may be supplied by the Cochran bill, which empowers the President to submit plans for transfer, consolidation, or abolition of Federal agencies, with certain necessary exceptions, but retains the veto power of Congress through a concurrent resolution not requiring Executive approval.

Thus one of the chief objections to last year's reorganization measure, which required an act of Congress subject to Presidential veto to nullify an Executive order shuffling agencies and bureaus, is removed at the outset.

The successful opposition of the last House to that measure was also based on the proposals to do away with the valuable position of the Comptroller General and to substitute for the present bipartisan Civil Service Commission a single administrator, appointed by and solely responsible to the President and removable by him.

Replacement of the Comptroller General by an Auditor General would have meant substitution of postaudit for preaudit—in other words, simply telling where the money had gone instead of preventing expenditures not plainly authorized by law.

As for the proposed change in the civil-service set-up, the House visualized possible political control of the merit system, which might destroy its value.

Both proposals are wisely omitted from the new measure. The numerous quasi-judicial commissions, whose value depends on their independence, subject to reasonable congressional regulation, are also expressly exempted.

These improvements on the negative side should substantially strengthen the prospect for sound reorganization legislation at this session. But the new bill also contains an outstanding affirmative provision that will be heartily welcomed by those that pay the high cost of government—and that means all of us.

This provision requests the President in submitting his reorganization plans to specify what reductions in expenditures are likely to result from his recommendations. Economy was the forgotten word in connection with last year's reorganization bill.

Cutting out the deadwood and the duplicating activities must be designed for economy as well as efficiency. Administration spokesmen have just been giving encouraging assurances of an easing of the tax burden. But the salaries of thousands of unnecessary job holders and the cost of maintaining expensive office space and equipment constitute a heavy tax on the people.

Congress will want to scrutinize the renewed proposal for six administrative assistants to the President, and the new bill contains other provisions requiring examination. But as a whole it represents a practical, reasonable approach to eliminating evils of gross waste and inefficiency which would not be tolerated by any private business organization for a moment.

ONE MAN'S OPINION

(By Hugh S. Johnson)

It is a pleasure and a relief to be boosting, rather than knocking, a policy of this administration. There has not been time to study Representative COCHRAN'S new streamlined bill for Government reorganization for hidden jokers, if any, and, to that extent, I keep my fingers crossed. But there is no reason to assume any such thing. On first reading the bill seems to ring true in every clause.

It covers an urgent need. It avoids every principal objection to the bill which was sidetracked in the last session of Congress. In the new and highly intelligent strategy of the Republican minority to support the good and oppose only the bad in the administration, it should be approved and become a law without disheartening delay.

The bill gives the President the initiative in proposing reorganization and regrouping of Federal agencies to simplify the great Washington hodge-podge, to save money, and to increase efficiency. It requires the President to submit his plans to Congress and if Congress does not, by concurrent resolution, veto them within 60 days they go into effect. Under last year's plans, if Congress wanted to veto what the President proposed it had to do so by a law or joint resolution which the President could in turn veto. That meant that Congress could not effectively disapprove without a two-thirds vote. The President does not have power to veto a concurrent resolution. Since Congress, in delegating these legislative powers, can impose its own conditions, Representative COCHRAN'S new bill has removed the biggest bug in the old bill.

It removes all the other bugs also. It exempts the partly judicial, partly legislative commission from the Executive power to reorganize. It does not put civil service under a political Pooh-Bah. It does not destroy the office of Comptroller General, and it avoids any "resources and planning committee"—which was objected to largely because it was feared that it was a device to take river and harbor work away from the United States Corps of Engineers.

The urgent need for a thorough reorganization of Government has been recognized for more than a quarter of a century, during which time President after President and commission after commission have proposed plans to do it. But a bureau has more lives than a cat and is as resistant as a rock. It has been quite clearly demonstrated in all these years that if any reorganizing is going to be done both the planning and the execution must be in the executive department under very broad powers.

During the war I was given the seemingly simple job of centralizing purchase and preventing conflict in the War Department among at first five, and later nine, bureaus which were competing with themselves. General Pershing had the same problem in France. He was 3,000 miles away with the powers of a commander in chief. He did it. We were in Washington under the shadow of Congress. With all the war powers of the President we were resisted at every step and never really succeeded in anything more than name.

From that experience, and many others, I know that Mr. COCHRAN'S bill is an absolute necessity; and I do not see any good ground for objection to it except in minor details that can be, and no doubt will be, threshed out in debate. There is not space to discuss them here.

It may strike another snag, however. This is no Executive "must" bill drafted by the White House janissariat as part of some jig-saw puzzle of centralized Executive control. It is the work of the Reorganization Committee of the House, and I am told that nobody in an executive department ever saw it before it was introduced. Maybe Tommy Corcoran won't stand for that.

The Beet-Sugar Industry

EXTENSION OF REMARKS

OF

HON. JAMES F. O'CONNOR

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1939

MEMORIAL OF THE LEGISLATURE OF THE STATE OF MONTANA

Mr. O'CONNOR. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following joint memorial of the Legislature of the State of Montana:

Senate Joint Memorial 5

Memorial to the Congress of the United States of America requesting it to assist the beet-sugar industry in Montana

Whereas only 29.5 percent of domestic-sugar sales are allotted to domestic producers at present, Cuba has practically the same amount and our insular possessions 41.5 percent. American producers are rightfully entitled to all of the domestic market that they are able to supply; and

Whereas the import quotas of raw sugar as set at the present time have brought the farmers, the workers in the beet-sugar factories, and the laborers in the beet fields in direct competition with the poorly paid labor in the sugar-producing territories outside of continental United States; such competition has the direct result of lowering the standard of living of these farmers and laborers to a level incompatible with the American way of life; and

Whereas sugar beets can be effectively grown at a reasonable profit in this State and there is no food more valuable to the consumer in nutritive worth even at a much higher price than at present; and

Whereas the production of sugar beets provides employment at good wages for many times as many workers as the same acreage of other crops adapted to this latitude and any control of the expansion of sugar-beet acreage means more unemployment and more relief clients who could otherwise make a living in this industry; and

Whereas there is grave danger that the present policy, if continued, will result in many now employed in this country losing their means of livelihood, thereby further increasing the already tremendous burden of unemployment; and

Whereas our beet growers, if permitted to make a reasonable amount of money, are, due to their higher standard of living, many times better customers for eastern industry as are foreign sugar laborers and planters; and

Whereas an orderly and sound expansion of beet plantings in accordance with the development of suitable land and the building of new factories to take care of the increased production is a reasonable and necessary process to the building up of this State and should be encouraged; and

Whereas the expansion of the domestic production of sugar should be encouraged as a problem of national economy and defense, the acute shortage of sugar during the World War demonstrated our need for a much higher domestic sugar production in time of emergency; and

Whereas because of the high altitude of this region, there are practically no substitute crops for sugar beets and the restriction of the beet industry means the throttling of our agriculture by eliminating the best cultivated crop in a proper rotation for maintaining soil fertility and weed control; and

Whereas the development of profitable agricultural operations is so vital to the business of all of Montana as well as of the entire United States, and should be given most serious consideration by all individuals and law-making bodies; and

Whereas the Beet Growers' Associations of Montana, supported by the Montana Federation of Labor and Montanans, Incorporated (the State Chamber of Commerce), have given serious and careful consideration to the present sugar quotas and the above facts have been definitely established: Now, therefore, be it

Resolved, That it is the prayer of your memorialists, the Twenty-sixth Legislative Assembly of the State of Montana, that the Congress of the United States should, by proper legislation, right the wrong suffered by the farmers, processors, and wage earners engaged in the growing and manufacturing of beet sugar, by immediately raising the domestic sugar quota to permit the unrestricted production of sugar within the continental limits of the United States, and to maintain the protective market by quota reductions and adequate tariffs on foreign sugar; be it further

Resolved, That a copy of this memorial, duly authenticated, be sent by the secretary of state to the Senate and House of Representatives of the United States and to each of the Senators and Representatives of Montana in Congress.

The Unemployment Problem

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Tuesday, February 28 (legislative day of Monday, February 27), 1939

RADIO ADDRESS BY HON. JAMES F. BYRNES, OF SOUTH CAROLINA, FEBRUARY 27, 1939

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD the address delivered by the distinguished Senator from South Carolina [Mr. BYRNES] during the National Radio Forum, February 27, 1939. The subject of the address is The Unemployment Problem.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is my opinion that under our form of government we must continue to look to private enterprise to provide jobs and look to government for assistance only to the extent that private industry is unable to provide employment.

The surest way to relieve unemployment is to inspire you with the hope that you can invest money in a business providing jobs with a reasonable hope of earning a profit, and that you will be permitted by governments—Federal and State—to retain a reasonable amount of the profits earned.

Time does not permit me to discuss what governments should do or undo, in order to furnish that inspiration. Such a discussion would make it impossible for me to comply with the request to explain the provisions of a bill which I have introduced, amending provisions of the Social Security Act and creating a Department of Public Works. That bill has to do not with the causes of unemployment nor the encouragement that might be given to individual employers but with the methods by which governments shall aid those who are unable to secure employment in private enterprise.

Unemployment is our most serious domestic problem. It is a national problem. It is a permanent problem. Whether you approve or disapprove of what has been done by Federal and local Governments during recent years you may as well realize that an overwhelming majority of the people of this country believe that the granting of assistance to those in need is a public duty and primarily the duty of the Federal Government.

We cannot ignore this problem. Idle men not only do not produce, they do not consume. Their failure to buy because of the lack of wages results in the unemployment of other men who would normally produce the goods they would consume. As unemployment increases, the national income decreases. As the national income decreases, the revenues of Government decrease.

Some persons ask how these millions of people who are today the recipients of Government assistance got along before that assistance was rendered by governments. The fact is that in many instances they did not get along. When they exhausted their savings those who were unable to secure assistance became shipwrecks upon the sea of life. When no one came to their rescue, they were simply "sunk." Some were rescued. The young worker out of employment, as he looked for a job, drew upon his savings until they were exhausted. Then he gave up his home and the little family either went to the home of the parents of husband or wife, or to the home of some other relative or friend. Those who had no relatives or friends willing to share their homes and food were helped by charitable organizations and churches. They did not try to live as you live. They fought merely to exist.

Unemployment assistance by Government is not a new question. As early as 1894, ex-President Benjamin Harrison demanded that the Federal Government set up a work program to fight unemployment. In a speech in February of that year he said:

"It is generally accepted now as a right principle that our city councils, our county commissioners, our State legislatures, should legislate to create work for the unemployed. The Republican theory has been all along that it was right to so legislate as to provide work, employment, comfort to the American workman. We believe that the National Government has a duty to perform in this respect as well as the city council and the board of county commissioners."

The principle of public work was first brought before the National Congress on January 21, 1919, by Senator Kenyon, of Iowa, who introduced a bill to create a United States Emergency Public Works Board. The bill was dropped after extensive hearings.

In 1921, at the instance of Mr. Hoover, then Secretary of Commerce, a conference on unemployment was held in Washington. As a result, bills were introduced in the Congress but nothing was accomplished.

Improved business conditions lessened the demand for Federal legislation, but from time to time during the years that followed, bills on the subject were introduced in the Congress. In 1929—our so-called boom year—the national income was $80,000,000,000 and yet we had 3,000,000 unemployed. With that national income today the number of unemployed would be greater than in 1929 because of the technological changes. The levying of a pay-roll tax tends to encourage these changes, because the tax levied is upon workers and not upon machines. Then, too, to an extent we did not anticipate in 1929, women have entered industry seeking an independence that comes with earned income.

At late as 1931, when Congress finally made an appropriation to the States to aid in caring for the unemployed, more than 100 mayors, in response to an inquiry, declared that Federal assistance was unnecessary. Can you conceive of such an answer being made at this time by a dozen mayors? Regardless of whether you believe it to be right or wrong, the fact is that this problem is here to stay.

You can gather some idea of the extent of our relief efforts from the fact that in the calendar year 1937 Federal and local governments spent for public works and relief grants of various kinds, excluding loans, the sum of $4,300,000,000. During the calendar year 1938 the total expenditure was greater. This sum was in excess of the total expenditures of the United States Government for all purposes in any year during peacetime prior to 1925. This vast sum has been spent through the W. P. A. and the P. W. A., the R. F. C. and the C. C. C., the F. H. A. and the N. Y. A., and all the other alphabetical agencies created at different times and with different objectives. The emergency required that they be created hurriedly and without relation to other agencies. There was no opportunity to view the whole picture and to coordinate the emergency efforts. But now the time has come to consider the whole question and standardize and coordinate the methods of assistance.

We should look first to unemployment insurance; second, to public assistance; and third, to public works.

Unemployment insurance is a shock absorber. To date we have not had an opportunity to fully test its effectiveness, but we have had an opportunity to discover the weaknesses of the existing system. The laws of the States vary. In all States there has been too much delay in the worker receiving his compensation benefits. In some cases he has given up in disgust. In other cases the worker at the end of a long period of waiting received a check for three or four dollars, or some other sum so inadequate that he immediately made application for a job on W. P. A. projects.

The bill I have introduced has for its objective the payment of more liberal benefits and the simplification of the law. It provides for a minimum payment of $5 per week; reduces to 1 week the period a man must wait for his benefits; provides that if he is eligible he will receive payments for at least 13 weeks if he continues unemployed, and by simplifying the method of determining eligibility avoids delay in making payments to workers and lessens the burden of reports by employers.

Let us see the effect of this change. Of the 52,000,000 gainfully employed people of the country 27,000,000 are now covered by this system. The only large groups not covered are the agricultural workers, the domestic workers and those employed in establishments having less than 8 employees. Approximately 60 percent of the industrial workers are covered. Therefore if there is a recession in business, 60 percent of the industrial workers who lose their jobs will after 1 week receive compensation benefits. Because of the increased benefits promptly paid they will not be trying to get on the relief rolls. It will improve the morale of the individual. The worker feels that he is entitled to unemployment compensation as a matter of right, because of his contribution through the pay roll tax. He prefers it to registering for relief. Relief means being subjected to investigation by social workers to determine his need, and once he has been placed upon the rolls, being the object of the jokes of the people who rejoice in ridiculing W. P. A. workers.

Today we have an Employment Service. While in many States it is in the same office with the Unemployment Insurance Bureau, the Employment Service is under the Labor Department, and the Unemployment Insurance Bureau is under the Social Security Board. Employees in these local offices receive funds from the different departments and from the State. The department that supplies the funds insists upon its right to issue regulations to control expenditures. Because no man can serve three masters, the local officials have a difficult time accounting to State officials and then to two departments in Washington.

I want these services consolidated in the States and consolidated in Washington. I want the worker, who has an opportunity, to walk in a door, file a claim for insurance, and in the same office register for a job, giving a statement of his work experience and the name of his employer. I want that official to get busy finding a job for the worker. Through the same office, the worker should apply for a job on public works when his benefits are exhausted and no private job is available. I have provided that the Employment Service be transferred to the Social Security Board because it administers unemployment compensation. However, as long as the two services are united I do not care in what department the consolidated service is placed, provided it is placed where it will command the confidence of employers. If an Employment Service does not command the confidence of employers, it cannot be of service to the man without a job.

The necessity for a minimum payment per week is that when a man does receive compensation benefits he should receive enough to remove him from the ranks of those seeking relief. The increase in the payments out of that particular fund is more than justified by the reduction it will permit in the cost of work projects where the annual average expenditure is $1,000 per man. That fund has a reserve collected before payments commenced. As long as the payments do not exceed the amounts collected each year, the increase is wise. It is better to pay to the unemployed worker a more liberal allowance out of this fund already collected from the people than to pay so small an amount that he refuses to accept it and goes to work projects for which additional taxes must be levied or money borrowed to be ultimately paid by taxes. We should either make it of service to the worker or abolish it and provide W. P. A. jobs for all unemployed.

The bill provides for more liberal payments to the aged. The payments now made by States run from $35 per month to $7.50 per month. It is useless for the Federal Government to tell some of the States that it will pay one-half of $30 if the State pays that much for old-age assistance. You might just as well offer to pay one-half of $100 per month. Many of the States simply have no means of raising revenue to make such payments. The Federal Government has usurped the field of taxation. Local governments must rely chiefly upon taxes levied upon real estate. It is poor judgment to lend money to a young worker to build a home and at the same time force the State governments to levy such high taxes upon real estate that the man cannot keep his home.

To remedy this condition, the bill provides that in a State where the per capita income is less than the average per capita income of the United States that the contribution by that State shall be reduced by the percentage by which its per capita income

is less than the average income. In return for this, however, it is provided that the average amount paid by a State, including its contribution from the Federal Government, shall not be less than $15 per month.

Payments to dependent children are likewise increased with the same provision as to the financially weak States. Through this provision for dependent children, mothers are cared for and are removed from the lists of those who now seek relief employment.

The old-age insurance benefits, which under the existing law would be first paid in 1942, would be paid in 1940. To the credit of this fund there is in the Treasury at least a billion dollars. It is collected from a pay-roll tax, which is a deflationary tax. If the payments are made earlier the increased purchasing power will lessen the deflationary influence. At the same time, if we make it possible for a man of 65 years to retire we provide a job for a younger man.

I have provided for a new category of grants to the States where a State provides assistance for handicapped persons who, because of physical or mental disability, cannot secure employment in private enterprise or on public works and who are not entitled to help under the provisions for old-age assistance or assistance to dependent children. The Federal Government would match on a 50-50 basis such expenditures by a State. In every State there are persons who are not sick enough to be entitled to hospitalization by a State or local government but who are not well enough to do efficient work. They just cannot get a job and cannot get assistance. In many instances sympathetic local officials charged with establishing the eligible list for W. P. A. workers place these people on rolls. When they are unable because of their physical or mental handicap to render efficient service they arouse the criticism we so often hear of W. P. A. workers. The fact that the States must put up 50 percent of the payments provides a brake against abuse of this system. Because it is restricted to the handicapped it does not place the Federal Government in the position of contributing to general relief.

There is no reason why the Employment Service, functioning in the same organization with the unemployment compensation, should not advise Washington, at least once a week, of the number of unemployed in the State. The Congress and the people will then know each week the number of unemployed in the Nation, with the exception of the unemployed domestic servants and agricultural workers. If in a particular section an increase in unemployment is noted for several weeks Government should come to the rescue of that section with public-work projects.

I provide for a public-works department. The establishment of such a department was urged last year by President Roosevelt, and, from time to time, has been urged by leaders of both political parties. By advance planning that department should have on hand approved plans for Federal projects and for non-Federal projects. When in a particular section it appears that unemployment is increasing, it should immediately give the order to start work upon these projects. Prompt action may prevent a general recession of business. If the recession spreads, then the public-works program should spread. The provision that in no case shall the contribution of the local government be less than one-third will tend to insure essential projects of value to the public.

The department could have a division in control of heavy construction which should be contract work, and a division for work which can be better and more quickly handled by force account. That question of organization must be left to the administrator. But our public works will be controlled in one department and not scattered all over the lot as at present. Today, when the official of a State or city comes to Washington, if he is interested in securing a United States post office or courthouse, he goes to the Treasury Department, to the Public Buildings Division. There the Government puts up 100 percent. If he does not get the courthouse, the official can take a taxicab to the Bureau of Public Roads and try to secure funds for a cement highway. There the projects are financed on a 50-50 basis. From there he can take a taxi over to P. W. A. to seek funds for a schoolhouse, and he is asked to put up 55 percent and get a grant of 45 percent. Then he can take a taxi over to W. P. A., and whatever he did not get elsewhere he can apply for there, where the average contribution is 17 percent and the Federal Government puts up 83 percent. My bill provides that they shall all be placed into one department. I want to stop competition for projects by Government departments and stop shopping for Federal funds by local officials. Today a local official will file with P. W. A. an application in which his government agrees to put up 55 percent of the cost of the project, at the same time advising W. P. A. that his county or city cannot put up more than the average of 17 percent required by W. P. A. Under the proposed plan this official will have to present his request for public works to one department and will have difficulty in reconciling such varying statements.

Heretofore when an appropriation has been made for public works, Congress has not legislated as to how it should be allotted as between States. That has been left to the discretion of the administrators. I believe that the time has come for the Congress to say how it shall be allotted. The appropriations for public roads are by law allotted to States upon a formula having three factors—population, area, and highway mileage. It has worked so satisfactorily that the subject is seldom discussed and is known to few people. It is done mathematically and is removed from political pressure. In the absence of a specific formula in the law, P. W. A. bases its allotments to States upon population and the number of persons in need of employment as determined by W. P. A. W. P. A. determines the number in need, the number certified by local agencies, the number receiving direct relief, general conditions, and the recommendations of State administrators. Officials of that organization believe it desirable that the law should provide a formula. I believe it essential. Under the present plan making the number certified by local officials the principal factor, we offer a premium to the community that pads the rolls and we penalize the community where public sentiment discourages such action. There is too much opportunity for the officials who make the loudest squawk to get the most money. It encourages in too many people the attitude that "as long as it is going to be spent, we might as well get our share."

The establishment of any formula is a difficult proposal. I have provided that the appropriation shall be allotted to the States on the basis of population and the number of unemployed, as determined by the Census Department and by the report of the Unemployment Service, which, working in connection with the Unemployment Compensation Bureau, should be able to give us fairly accurate figures. It will not be exact but will be a great improvement.

One objection urged against a public-works department is that it will provide for another member of the Cabinet. While I do not think it so all-important whether the organization be called a bureau with an administrator, or a department with a secretary at its head, I do not share the fear about there being another member of the President's Cabinet. In this bill there is no mention of a cabinet. In no act of Congress is there a mention of a cabinet. The President can select whom he pleases as members of his Cabinet. I think it was President Harding who first invited the Vice President to be a member of the President's Cabinet. Last year President Roosevelt made the Director of W. P. A. a member of his Cabinet. Therefore, for a year we have had as members of the Cabinet the head of P. W. A. and the head of W. P. A. If any person objects to the head of a department of public works being in the Cabinet, he should at least agree that when the W. P. A. and P. W. A. are combined, in this respect it will be just half as objectionable as it has been heretofcre.

Public-works projects are not as effective in agricultural sections because there are few suitable projects. In practice, it means almost exclusively road projects. It is not wise to encourage the removal of farm workers from rural sections to a city for employment upon projects in the city. The unemployed farm workers must be employed upon projects that will permit them to remain in the community where they reside. And effective assistance to these workers must come from other plans yet to be developed.

This is a statement of the purposes sought to be accomplished by the bill I have introduced. Because it affects the work of a number of departments, it is certain to arouse opposition. The officials of a Government department are just like all other human beings. Once granted power, they are, as a rule, opposed to any proposal that would possibly lessen their power or decrease their income. They fear any change. But this is not true of all officials. There are many patriotic public servants who forget selfish interests and consider only the welfare of the individual for whose benefit the organization is established. In this matter the assistance of pressure groups will be sought. For the opposition various reasons will be assigned. Before you concur, make certain that the opposition is based upon the welfare of those we seek to serve and not upon the fears of men who hold desirable appointments that they will lose power or pay. It is not the purpose of this bill to help Government officials. Its purpose is to help the American worker and the American taxpayer.

The vast majority of people make no effort to present their views to legislators. The pressure groups and the officeholders never fail to do so. However, from my long service in the Congress, I believe that the people share the views expressed by that great American, Champ Clark, when he made the statement which was later inscribed upon his tombstone:

"No man is fit to be a lawgiver for a mighty people who yields to the dictates and solicitations of the few who have access to his ear and is unmindful of the great multitude who may never hear his voice or look upon his face."

Peace and Plenty

EXTENSION OF REMARKS

OF

HON. HENRY CABOT LODGE, JR.

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Tuesday, February 28 (legislative day of Monday, February 27), 1939

ADDRESS BY HON. JAMES J. DAVIS, OF PENNSYLVANIA, FEBRUARY 25, 1939

Mr. LODGE. Mr. President, last week the able Senator from Pennsylvania [Mr. DAVIS] delivered an address in North

Adams, Mass., on St. David's Day, February 25, and as it is a very thoughtful contribution, I ask unanimous consent that it be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The Welsh spirit in America has been the essence of vitality. From this spirit has flowed a new quickening of life for the entire Nation, for although we have been comparatively few in numbers we have been steadfast in our ideals. We have been persistent in our loyalty to the blessed memory and tradition of our guiding star, St. David, and we have brought honor and glory to America in his long-respected name. What we have given America we have given freely and from the heart. We have claimed nothing in return but the advantages of liberty through which we have ever sought to add more and more to the noble stature of the American people.

Wherever Welshmen gather together the prevailing mood is that of poetry and music. We are forever under the sway of the songs and prayers we first heard from our blessed mothers. Naturally and intuitively we pray the Gorsedd prayer: "Grant, O God, Thy refuge; and in refuge, reason; and in reason, light; and in light, truth; and in truth, justice; and in justice, love; and in love, the love of God; and in the love of God, all blessedness; God in all goodness." This is the Welsh spirit in America which has bid us carry a song on our lips and in our hearts. We know within ourselves that when all else apparently fails there is One who never fails and in whom we shall ever find our lasting peace and deathless consolation.

I have made many trips back to the place of my birth, and it was with the same glad longing that I returned there this last December. I took advantage of this opportunity to visit my birthplace at Tredegar in South Wales. For it was but natural that I should desire to see again the little stone house in which I was born. I wanted also, if possible, to find the birth certificate of my father. The accuracy and permanence of the records of that little community are attested by the fact that I was able at this late date to find my father's birth certificate and to learn that he was born there nearly a century ago.

In my father's day the area surrounding Tredegar was one of the most prosperous and thriving industrial sections in all Great Britain. Millions of tons of coal were there extracted from the depths of the earth and factories and mills were humming. Now the mills are as quiet as the grave. Today several of the surrounding towns that were once thriving communities have been reduced to an economic and industrial no-man's land. In these towns there is desolation and despair born of long idleness and little hope for the future.

Out of this distressing scene I returned to Cardiff to participate in the dedication of the National Temple of Peace and Health at the invitation of its beneficent founder, Lord Davies. It is a beautiful building, inspiring to behold, and unique among all the structures of Great Britain, in that it is the first monument ever dedicated to the challenge of the future. Peace and health are still to be achieved, and this new temple is the beacon light summoning to new pioneer efforts for human happiness. The United States needs a similar inspiration. What could be more fruitful of recovery than a national movement in behalf of peace? What does more to create uncertainty than the constant fear of war? In these days of wars and rumors of war we may well be thankful that we are carrying on the Welsh tradition in America of peace and freedom. Ours is a peaceful nation, and we have literally demonstrated the words of the Scripture, "Nation shall no longer rise against nation; neither shall they learn war any more."

The most important issue before us today and in the days that are to come is the maintenance of peace. Confronted as we are by the pressure of many unsolved political and economic problems within our own borders, we cannot afford to be plunged into the maelstrom of war. America is moving forward valiantly in the interest of military, naval, and aerial defense, but we have yet to learn that the truest national defense comes not from new bombing planes or unique torpedo boats, but from economic and industrial efficiency. If our country is not economically efficient and industrially prepared, we shall lack the basic elements of national defense should we ever be forced to the test of a national emergency.

Long years ago I read a book by Dr. Orison Swett Marden entitled "Peace and Plenty," and the ideals then instilled from that reading have persisted to this day. Once again as a nation we are coming to understand the definite relationship which exists between scarcity and war on the one hand and abundance and peace on the other. We see the terrible devastation of war afflicting those parts of the world where men clamor by the millions for lack of enough food, raiment, and shelter. And we see peace prevail to the largest extent where men have the necessary elements of a decent human existence. We know that war has its economic causes, and we are not so blind as to attempt to bring peace without seeking to deal with the basic causes of war. This is of vital significance to our own land today. We must bring our best intelligence to this way of thought and life before it is too late.

America's unemployed millions is a constant mark of failure in any practical plan for national defense. If our millions of useful workers are not fully employed, they constitute in themselves a vast army of potential discontent from which may quickly come the incendiary passions of war. For men who are constructively busy at their tasks find contentment in peace and work. Moreover, a national emergency which might find us with unemployed millions would in itself cause us the greatest grief, because the lag of unemployment would handicap us just at the time when we should be free-handed and ready to move forward with industrial efficiency.

The Brookings Institution has estimated the direct loss of wealth since 1929 at $200,000,000,000, due to idle factories, idle farm lands, idle labor, and idle capital. This loss could have been avoided by the intelligent utilization of our natural, mechanical, and human resources. We possess the raw materials, the natural resources, the inventive genius and manpower, money, and supply of credit here in America to create and enjoy the greatest era of peace, prosperity, and happiness in the history of the world. Science and research are presenting limitless new frontiers for the production of increased wealth and opportunity which far surpass the opportunities which were offered by the vanished frontiers of bygone days. Our full productive capacity has increased to such an extent that in 1939 it is probably 50 percent greater than in 1929. We have learned how to produce; now we must devote equal intelligence to learn how to consume, so that a practical balance may be found between production and consumption. This is the war of peace and plenty.

For the first time in many years conditions are now developing which give a fair hope of economic recovery in this country. For the first time in this decade Congress shows a determined spirit to restore leadership to industry. This view is now reinforced by constructive statements from the executive committee of the American Federation of Labor. People as a whole are coming to see that the mere enactment of a law is not enough to make America productive, and in some instances the enactment of law may impede recovery. Obviously this is a time when every opportunity should be given business to go forward. Business should be given the green light to go ahead. We have been saying this for a long time. Now the prospect for a genuine advance looks favorable. It is time to quit grumbling and complaining and get ready for a prosperous spring and summer. Let us quit listening to people who try to frighten us into war, and let us settle down in the American way to put our people to work and make our factories and workshops hum. America wants peace and plenty.

The A. A. A. Program

EXTENSION OF REMARKS

OF

HON. LYNN J. FRAZIER

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, February 28 (legislative day of Monday, February 27), 1939

STATEMENT ON THE PRESENT FARM ACT BY HANS LEUTZ, OF HEBRON, N. DAK.

Mr. FRAZIER. Mr. President, I ask unanimous consent to have published in the Appendix of the RECORD a statement on the present Farm Act by Hans Leutz, of Hebron, N. Dak., a businessman and farmer of that State.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE A. A. A. PROGRAM—HOW MUCH AND STILL HOW LITTLE IT HAS DONE FOR AMERICA

The following table shows the yields on the harvested and seeded acreages of wheat in Mercer County, N. Dak., during the years 1929 to 1936, inclusive, and its value.

Year	Seeded acreage	Harvested acreage	Yield	Price to farmers	Total sale value of wheat less annual seed
				Cents	
1929	156,000	155,000	1,630,000	60	$885,000
1930	147,000	144,000	1,425,000	40	510,000
1931	138,000	62,000	180,000	50	15,000
1932	142,000	141,000	1,720,000	30	471,000
1933	146,000	140,000	603,000	75	340,000
1934	136,000	72,000	224,000	40	30,000
1935	144,000	127,000	935,000	30	235,000
1936	165,000	73,000	161,000	40	4,000
8 years	1,174,000	914,000	6,878,000		2,490,000

This table shows that the average wheat crop for the 8 years was worth about $310,000 to Mercer County farmers. The average Mercer County A. A. A. benefit payments from 1933 on were about $200,000 annually. The average wheat crop for the years in which A. A. A. payments were made, from 1933 to 1936, inclusive, was worth $150,000. This shows that the A. A. A. payments were worth to Mercer County, first to the farmers and next to the merchants,

$50,000 more annually than the whole wheat crop. In 1939 the A. A. A. payments will be considerably larger than ever before, or about $350,000 for 90 percent compliance. See how valuable the A. A. A. is, looking at it from an immediate needs viewpoint. Quite a hand-out.

Now, let us look at it from a more comprehensible point of view. Who pays for the A. A. A. hand-out? The answer is, we ourselves through our children, because this money comes from Federal bond issues which means our bond issues to pay; for we don't live long enough, so our children will have to foot the bill. Therefore we are now living off the earnings of our children.

Supposing now that Congress stops the A. A. A. today. What value would remain of the A. A. A.? A few dams which will wash out in a short time, a few acres of sweet clover, and the memory of a couple of millions headless piggies, of the biggest legal steal of processing taxes out of the farmers' and consumers' pockets, millions of pounds of good beef buried in dump grounds, millions of pounds of first-class cotton plowed under that the southern mule had too much sense to step on while filthy garments were gathered from attics for the needy, and not to forget the whole "gosh-darned foolishness," like Vice President GARNER expressed it, has still to be paid for; and remember, it will be paid for in the same manner as the soldiers' bonus will have to be paid for, namely, the soldiers getting $2,000,000,000, the bankers getting $3,000,000,000 in interest on the 20-year Federal bonds issued to pay the soldiers' bonus with, and the people have to pay for all the $5,000,000,000. At that rate, for each $200 the farmer gets as an A. A. A. payment the people will have to pay $500 in return, as with the soldiers' bonus. Do you still think you are getting something for nothing when you are getting an A. A. A. check? Draw your own conclusions. There will be nothing to show up for if the A. A. A. should stop now except the bill to pay.

Now, let us apply a sensible program, a cost-of-production program. In the discussion of the Senate bill 570, introduced by Senators FRAZIER, NYE, and others, it was the consensus of opinion of the administration and Congressmen that the cost of producing a bushel of wheat is about $2, figuring cost of production on the same basis that any other industry would figure the cost of production of their product.

Let us apply now our cost-of-production price of $2 a bushel to our Mercer County total production of 6,878,000 bushels for the 8 years and take off about 150,000 bushels for seed per year, or 1,200,000 bushels total seed requirements, which leaves 5,678,000 bushels for sale at $2, amounting to the grand total of $11,356,000. This is what we should have received, but what we did get was $2,490,000, a net loss to Mercer County farmers, and therefore also to Mercer County merchants, of $8,866,000. We got two and one-half million but should have had eleven and one-half million dollars. If we had received the missing $9,000,000, do you think we would still need relief; do you think we would still lose our farms? Nine million dollars loss in 8 years means one and one-eighth million dollars loss annually, which for about 1,200 Mercer County farmers means about $1,000 loss per farmer annually. With this $1,000 per farm per year we could pay our taxes up to date (no more headaches for legislators), modernize our homes, reequip our farms with new and modern machinery, modernize the roads to our farms, in other words, improve our standard of living immensely, and last, but not least, we would not have to keep our merchants and townspeople alive with relief checks.

In the discussion of the beforementioned Senate bill 570, the objection was raised that the price of a loaf of bread would be too high if wheat were $2 per bushel. This objection is justified if the speculation and profiteering in wheat from the minimum price of $2 on up is permitted to continue. This objection to the Senate bill 570 is not taken care of and must be remedied. The remedy is embodied in the Mercer County simplified soil-conservation, ever-normal granary, and crop-insurance plan. In this latter plan the soil-conservation association as a producers' cooperative sells their product, wheat, at cost-of-production price, no higher nor lower, direct to the consumer, the miller, which direct sale eliminates speculation and thereby ends the greatest curse that the American people have to suffer under.

This elimination of profiteering would enable consumers of bread to buy their loaves for about the same price as they have to pay now, even though the price of wheat be $2 per bushel. For verification look up the Agricultural Year Book of 1926, on page 818, for the average wheat price received by the producers during the years 1917 to 1920, inclusive, which was $2.04; then turn to page 824 to find the average retail price of a pound loaf of bread during the same 4 years, which was 10 cents per pound loaf or 15 cents for our usual pound and a half loaf when wheat was $2.04 a bushel. In 1938 wheat was 51 cents a bushel to the producer and a pound and a half loaf of bread cost the consumer 14 cents.

Now, take speculation out of the wheat market through the Mercer County simplified soil conservation ever normal granary and crop insurance plan by direct-to-consumer sale and we could have 13-cent loaves at $2 a bushel wheat.

During the above-mentioned 8 years the 1,200 Mercer County farmers received for the sale of their wheat crops a total of $2,490,000, which represents $250 per farmer per year. If the cost-of-production price of $2 per bushel had been paid for the same eight Mercer County wheat crops, the total amount received therefor would have been $11,356,000, which amounts to $1,250 per farm; and this could be accomplished without increasing the price to the consumer if the profiteering system would be abolished through the establishment of the producer cooperative to consumer cooperative trade commonwealth, as embodied in the Mercer County plan.

The Mercer County farmers receiving $1,250 instead of $250 each, annually, would have a fivefold purchasing power which would set the wheels of industry a humming and bring back prosperity.

T. V. A. Appropriation

EXTENSION OF REMARKS
OF
HON. CLARENCE W. TURNER
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 28, 1939

RESOLUTION OF GENERAL ASSEMBLY OF THE STATE OF TENNESSEE

Mr. TURNER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following joint resolution passed by the General Assembly of the State of Tennessee:

Senate Joint Resolution 14

Whereas the people of Tennessee have on several occasions made expressions of being wholeheartedly in accord with the developments and the work being carried on by the Tennessee Valley Authority, these developments materially aiding in the program of national defense, cheap hydroelectric power to homes, farms, and businesses, and to matters relating to agriculture; and

Whereas, the National Congress has stricken approximately $17,000,000 in appropriations for the Tennessee Valley Authority from its appropriation bill for the next year; and

Whereas the development as planned and which is being so efficiently and successfully executed by the Tennessee Valley Authority has already meant more and will mean more to the people of Tennessee and the South generally than any project we have had to make this section with its favorable climatic conditions, unlimited natural resources, and cheap hydroelectric power the industrial mecca of our Nation: Therefore, be it

Resolved, That we, the members of the Senate and House of Representatives of the State of Tennessee, now in session at Nashville, commend our United States Senators, the Honorable KENNETH D. MCKELLAR and the Honorable TOM STEWART, in their efforts to restore an adequate appropriation for the Tennessee Valley Authority, that this program may be carried on to a successful conclusion; and be it further

Resolved, That we urge every Tennessee Member of Congress to join the two Senators from Tennessee in this fight; and be it further

Resolved, That a copy of this resolution be spread on record upon the journal in the senate and the house of representatives. The clerk in the senate is instructed to forward a copy of this resolution to each of our United States Senators and the Congressmen from Tennessee which will carry the seal of the State.

Communist Aliens

EXTENSION OF REMARKS
OF
HON. J. PARNELL THOMAS
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Monday, February 27, 1939

RADIO ADDRESS BY HON. J. PARNELL THOMAS, OF NEW JERSEY, FEBRUARY 19, 1939

Mr. THOMAS of New Jersey. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me over the radio station WHBI, Newark, N. J., February 19, 1939:

After serving as a member of the Dies committee, a special committee created by the Congress of the United States to investigate un-American activities, and after taking into consideration all of the testimony presented to the Dies committee, I unhesitatingly declare that subversive groups have become a real menace to the welfare of this Nation.

The testimony presented to our committee by outstanding national, civic, patriotic, veteran, labor, religious, and other organizations, and by many individuals, by our own investigators, all points to the increased activity, to the ruthlessness and growth of

many un-American movements in this Nation in the past few years. The radical press and the Communist front organizations have, of course, attempted to smear both the committee members and the committee witnesses and even the testimony presented under oath. At the same time, no one, not even America's No. 1 radical columnist, can deny that in the 4,000 pages of testimony taken down at the committee hearings there is not an enormous amount of factual information relating to the growth of communism, what it stands for, its Moscow control, its cowardly and sneaking leaders, its so-called front organizations, and the recent inroads it has made in our schools, churches, political parties, labor unions, and even in many of our Government agencies.

Yet one wonders why communism ever makes any inroads into anything, for if there ever was a doctrine that is harmful to free people and independent institutions, it is communism. It is not alone the antithesis of individual liberty, but it is the watchword for economic and financial distress. It is brutal, inhuman, and ungodly. It is definitely antireligious. From a government standpoint, it is a colossal failure.

Still there are individuals and groups of individuals living in this country today who, if given their way, would exchange our liberties and our democratic form of representative constitutional government for the comintern. Irrespective of the failure of communism abroad, they attempt by devious methods, mostly foul, to bring about a change for us; they would tear down that which it has taken 150 years to build, in order that they might cloak us under some form of Marxian, Leninian, or Stalinian philosophy.

To my way of thinking these individuals and groups of individuals bear the same relationship to our institutions as termites do to a frame house. They are un-American human termites. Moreover, frequently they are not even citizens, and in many cases they reside here not because of any legal status but because our Government is following a jellyfish attitude in its enforcement of existing immigration statutes.

Were we to thoroughly investigate the present status of immigration-law enforcement, my belief is that we would uncover untold numbers of immigration violations, most of which would undoubtedly show that the act of October 16, 1918, as amended by the act of June 5, 1920, in that aliens who believe in and teach the overthrow by force and violence of the Government of the United States; who are members of organizations, associations, societies, or groups that believe in, advise, advocate, and teach the overthrow by force and violence of the Government of the United States; who are members of organizations which publish and circulate written or printed matter advising the overthrow of the Government of the United States, are deportable, has been violated.

Yet in the face of a vast amount of evidence in the possession of the Labor Department clearly pointing to the anarchistic beliefs and teachings of alien Communists residing within our borders, the Department of Labor not only refuses to assume further deportation proceedings against unwelcome Communist aliens but it causes the appeal of the so-called Strecker case, an admittedly weak case, to the Supreme Court as an alibi for not proceeding further with the deportation of Harry Bridges and other Communist aliens who have been shown without a semblance of a doubt by both subordinate immigration officials and the courts to reside in the United States illegally.

And also in the face of universal public condemnation of such wishy-washy enforcement of the existing immigration laws, Frances Perkins, Secretary of Labor, and other civil officials in the Department of Labor choose to coddle these Communists by using the Strecker case as a means of delay. It is my opinion that the Strecker case was a "sell-out," for by appealing it, to use the legal vernacular, the Secretary of Labor sold out the United States to save Harry Bridges, a Communist alien.

In addition, Frances Perkins and other immigration and Labor Department officials have willfully violated section 156, title VIII of the United States Code by failing to enforce that part of the Code which states that "pending the final disposal of a case of any alien so taken into custody he may be released under a bond with security approved by the Secretary of Labor conditioned that such alien shall be produced when required for hearing or hearings in regard to the charge upon which he has been taken into custody and is deportable if he shall be found to be unlawfully within the United States." Unlike other Communist aliens, however, who have been released only on bond, Harry Bridges is allowed to go scot free on his own recognizance.

The Secretary of Labor has also declared defiance of the will of Congress by admitting aliens who are notorious advocates of the overthrow of all existing forms of Government outside of Soviet Russia. For example, Emma Goldman who previously had actually been deported from the United States by reason of her subversive activities. Among others were Harry Barbusse, Tom Mann, and Willi Munsenberg, some of the most notorious revolutionists the world has ever known.

Likewise, the Secretary of Labor, contrary to the immigration statutes of the United States, suspended action on warrants for deportation in thousands of cases. Yet the late Commissioner of Immigration, Col. Daniel McCormick once testified: "I was informed by the attorneys of the Department that we almost certainly have no discretionary power with reference to warrants of deportation." Yet, in the face of the statutes which are so clear, in the face of the mandate of Congress, and in the face of the apparent will of the people, the incumbent Secretary of Labor endeavors to replace our immigration laws with some sort of philosophical ideology.

Recently Frances Perkins, in a public statement made in defense of herself and two associates whom I have already charged before the House of Representatives as having conspired to defraud the Government of the United States by failing to enforce the immigration laws, gave an unmistakable inkling into her peculiar philosophy when she said, "I also wish to emphasize that I am not in accord with the principles of the Communist Party. I do not share the economic or political views of the Communists. I regard many of their tactics as an impediment to the efficient functioning of the Government as well as of society at large. I find in their insistence upon party authority and their emphasis on class struggle, their conception of a dictatorship of one class and their oft-repeated contempt for religion the negation of that individual liberty and that development of the human personality for which this country and every democracy must stand."

The significance of the foregoing quotation can only be grasped by an analysis of the words which she uses. She does not say that she is opposed to the Communist Party, but she says that "I am not in accord with the principles of the Communist Party." She does not say that she is opposed to their economic and political views, but she says, "I regard many of their tactics as an impediment to the efficient functioning of the Government as well as of society at large." And Miss Perkins finds their views on "party authority, class struggles, conception of a dictatorship of one class and their oft-repeated contempt for religion" not something that is obnoxious to her but as "the negation of that individual liberty and that development of the human personality for which this country and every democracy must stand."

In other words, Miss Perkins could not have expressed her opposition to communism in more kindly phraseology.

In view of this sympathetic attitude which the Secretary of Labor assumes toward Communist aliens is it any wonder that the Department of Labor has condoned delay after delay in the deportation of such well-known alien radicals as Harry Bridges, Strecker, and others? Is it any wonder that police officials from all over the United States have testified before the Dies committee as to derelictions on the part of the Department of Labor? At this point it may interest you to know that within the past week I have received from various police departments throughout the country case histories of many Communist aliens who were remanded by police officials, turned over to the proper Federal immigration authorities, but only to be later released for unknown reasons by the immigration authorities. Is it any wonder, also, that with such an attitude that over 200 pages of the hearings of the Dies committee should be devoted to immigration matters?

What can we Americans expect from our Department of Labor when the head of the Department likewise refers so generously to these Communist aliens as, and I again quote from Frances Perkins' recent defense statement, "Stranger within our gates."

But, aside from my own personal views relating to the failure of the Department of Labor to enforce immigration laws by deporting Communist aliens who believe in and advocate the overthrow of our Government, I am convinced that the people of this Nation, you people who are listening to me today, are also alarmed over the encouragement which the Department of Labor is now giving to undesirable Communist aliens. From the vast amount of mail coming to me at Washington, I am further convinced that you are not only unalterably opposed to such a shoddy and dilatory enforcement of our immigration laws, but that you would like to do your bit to correct such a deplorable situation, and my friends—this is what you can do—you can express in a letter to your own Congressman and to the Judiciary Committee of the House of Representatives now sitting at Washington, just the way you feel about it. Tell them, if you care to, that you want a complete investigation of the Labor Department and be sure and let them know also that you are unequivocally opposed to the encroachment of communism in our American institutions.

By so writing you will express to the Congress of the United States a mandate that it not only cleanse the Department of Labor but that it take every possible means to eliminate an unhealthy cancerous sore which has been for too long now eating into the body politic of American democracy.

Aviation Day in America

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1939

STATEMENT BY COL. J. E. MYERS, RETIRED ARMY OFFICER

Mr. RANDOLPH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by

Col. J. E. Myers, a retired officer of the Army, favoring the celebration of National Aviation Day:

When Italian children 5 years of age and up are taught air-mindedness in their schools, and Russian youths are being trained in parachute jumping in mass formations, we can begin to realize how far back we are in the march of time in the matter of junior aeronautics.

To start a Nation-wide campaign for "youth education in aviation," the slogan of our association, a suitable date must be selected for the celebration of a national aviation day and the school children encouraged to attend and compete in model airplane contests and to take other active parts in the exercises of the day.

WOULD NOT BE LEGAL HOLIDAY

It may be maintained that we already have too many holidays, but Aviation Day, like Army Day, would not be a legal holiday and I quote an old admiral's retort, when asked to become a member of the Aviation Day Association: "Hum-hum, what, another day? Why not have a submarine day, a cavalry day, and a field-artillery day?" To which I replied, "Why, Admiral, that would be fine, but you see this is just a little bit different. In the beginning the good Lord created the land, the sea, and the air, and when man conquered the land and the sea we celebrated these occasions by an Army Day and a Navy Day, and now, since we have conquered the air I believe He wants us to have an Aviation Day."

The proper time has come and we are going to have an Aviation Day, at least this is the general consensus of opinion of practically every Member of both Houses of Congress as well as many distinguished persons in the United States, including Col. John H. Jouett, president of the Aeronautical Chamber of Commerce of America; Mr. Jesse Jones; Mayor La Guardia; the president of the Aluminum Co. of America; Lt. Gen. R. L. Bullard; and Mr. Bernarr Macfadden, both the latter being honorary directors of the Aviation Defense Association; and 162 other prominent executives of the Nation who enthusiastically endorse the celebration of an Aviation Day on August 19 of each year.

The Veterans of Foreign Wars and the American Legion of the District of Columbia, the American War Mothers, the Quartermaster Association, and the United States Flag Association all stand ready to support this measure.

To fix a date for such a portentous occasion certain requirements must be fulfilled if the celebrations on Aviation Day are to result in producing that state of air-mindedness among both the adults and youth of our Nation necessary in the establishment of the means for the future peace and safety of our country.

DATE IS APPROPRIATE

The requirements for setting such a date are, first, the date set must be at such a time when the weather conditions are most suitable for flying and for the comfort and safety of the participants as well as the spectators. Second, since a legal holiday would not pass in Congress, the date established must be during the period of school vacation. Third, the date set should not be near any other national commemorative legal or other holiday. Fourth, the date set should have the historical background of some nationally known figure or event that stands out preeminently in the minds of our people and the world in aeronautical history.

Dr. Orville Wright's birthday is on August 19 and this date was selected by the Aviation Defense Association on which to celebrate an annual Aviation Day in his honor and in the memory of his brother Wilbur Wright, "the fathers of flight" as well as all our air heroes, and no other date would meet all the requirements.

Among other dates that have been considered for Aviation Day are May 28 (celebrated in 1937 with poor national attendance), which is only 3 days before Decoration Day; April 16, Mr. Wilbur Wright's birthday, which is 10 days after the celebration of Army Day on April 6 of each year; and December 17, the date of the first flight, which is near the holidays and impossible on account of weather conditions.

All of the above dates occur during school session and would for this reason be objectionable.

It is only fitting and proper that these great men of science, Wilbur and Orville Wright, who have given to the world a weapon so terrible in its potentialities that nations hesitate to make war and which may even lead to future peace on earth, should be honored not only as the greatest Americans of our time but as men that stand out above all others, revered and loved by all people of the world today.

Truly every patriotic citizen should be deeply grateful to these two brothers who so bravely faced and solved the dream of the ages and which will result in the protection of our country from any foreign invaders.

It was a happy occasion, indeed, that Dr. Orville Wright, the first man to successfully fly a heavier-than-air machine, was born on August 19, as this date meets all the requirements set forth above which will allow national and international celebrations to be brought to successful and appropriate conclusions.

WESTOVER IS REMEMBERED

I might add that it is through Maj. Gen. Oscar Westover, that great hero who gave his life for his country, this national celebration will be made possible. It was General Westover's last expressed wishes to me that Aviation Day be observed on August 19 of each year, and I quote from his letter of June 20, 1938: "The date you suggest has two distinct advantages in that it honors the 'Fathers of Flight' and it occurs at a season of the year when the weather is generally favorable to flying and therefore to any ceremonies which might be held annually to commemorate the date."

Senate Joint Resolution 53 and House Joint Resolution 134, and as introduced by Senator CLAUDE PEPPER, Hon. J. H. PETERSON and Hon. JENNINGS RANDOLPH, respectively, in this congressional session, are all identical bills to create a national celebration of an Aviation Day on August 19 of each year, in which the President of the United States may call upon the Army and Navy "to assist civic bodies in appropriate celebration" of the day.

These resolutions will be presented to Congress in the very near future and, like all great measures, meet with some opposition from organizations which are either entirely unfamiliar with our national-defense requirements or they have some ulterior motives not apparent to the average patriotic citizen.

This measure of preparedness must and will pass Congress as soon as possible, and we call upon every man, woman, and child to give their full support to this legislation so vital to our peace and safety and to the welfare of mankind.

Write, write, write—and if you can't write, telegraph—your Representatives in Washington to bring this important matter before Congress now, so that we may have time to prepare for the World Fair events and the celebrations throughout the land commemorating our first permanent Aviation Day in honor of our "Fathers of Flight" on August 19, 1939.

J. E. MYERS,
Colonel, United States Army, Retired,
National Secretary, Aviation Defense
Association, Washington, D. C.

How to Help the Farmers, Consumers, Wage Earners, and the Country by Passing H. R. 1

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1939

Mr. PATMAN. Mr. Speaker, the President of the United States, the Honorable Franklin D. Roosevelt, visited the Grand Coulee Dam in the fall of 1937. In his speech on October 21, 1937, at Grand Coulee Dam, he stated:

PRESIDENT COMMENTS ON BAD EFFECT OF CONDITIONS THAT INTERSTATE CHAIN STORES WILL CAUSE

This concentration of business accounts in large part for the lost influence of big business, and its press, and its legal lackeys, and its business organizations, in legislative and election struggles. Forty years ago big business had as its ally in every town and settlement the local merchant, local manufacturer, local banker, and local utility man. Each was a leading citizen, on whom many depended for information and leadership as well as for credit and jobs. This type of man has largely gone. Why he has gone makes little difference.

In the place of this strong and leading individual is a managing clerk at the chain store who cannot make a credit sale, and a local superintendent for the factory. The local bank is closed and nobody who has more authority than a bill collector represents the utility in most communities. Big business has found it to its advantage, to rotate even those men so that no one of them is left in the community long enough to get his roots established or to really become a part of the life about him, to become a property owner, or to be regarded as a fellow citizen by those among whom he dwells as a representative of an absentee control.

Thus, big business has destroyed its own defense, it has devoured its own young. The small-business man who used to be our most ardent capitalist and the most uncompromising of conservatives has been crushed, or merged, or consolidated, or otherwise retired. This has brought about a subtle change not only in economic life, but in social and political life as well. There are values in local independence and responsibility which are being sacrificed to balance-sheet values.

The process seems not to be discernible to, or appreciated by the people who dominate the large industries in our great cities. It is plainly discernible to those who live in smaller cities and see the life of the community as a whole.

Many other excerpts from speeches of the President favorable to independent business may be found in a speech I delivered in the House, February 14, 1938.

VICE PRESIDENT GARNER LAUDS LOCAL OWNERSHIP

The Washington, D. C., Times-Herald, Sunday, February 5, 1939, contains a direct quotation from the Vice President

of the United States, the Honorable JOHN N. GARNER, as follows:

I have always believed that in any city, town, or village it is best for the community to have the owner of a newspaper live in the city where it is published. This is true of any organ of public opinion. It is always better than so-called foreign ownership.

Although this statement had reference to the ownership of a local daily paper by local people, it is to be observed that the principle is very much the same when applied to absentee control of any business that is injurious to local community welfare.

VIEWS OF SECRETARY HOPKINS

Mr. Harry Hopkins, new Secretary of Commerce, in a speech at Des Moines, Iowa, February 24, 1939, stated:

There can be no solution to our problem of unemployment in the cities until the farmer regains his proper economic position in relation to the rest of the Nation's population.

Mr. Hopkins said further:

Preservation of the American system of free enterprise—

He said emphatically—

no longer is the American dream, but is the American imperative.

In regard to small business enterprises, Mr. Hopkins outlined his policy as Secretary of Commerce in this speech, as follows:

Certain types of enterprise need sympathetic aid by the Government. For many years we thought of steel as being a most reliable barometer of business conditions. Today we have what is perhaps a better guide—the operations of the so-called small businessmen. In cities and towns and villages the hundreds of thousands of small enterprises constitute the very backbone of our national, industrial, and economic life.

Upon the combined thinking and planning and action of those men depends to a large degree the prosperity and welfare of America. It is upon their vision and ingenuity and confidence and their ability to merchandise and promote and sell that much of our manufacturing, mining, and transportation depends. Their operations affect the number of workers which any manufacturer can employ. Therefore, one of my principal interests as Secretary of Commerce will be to see that the resources of the Government are particularly directed toward aiding these small enterprises.

I do not believe that Mr. Hopkins can be successful in his very worthy undertaking to promote the interest of small enterprises unless Congress cooperates with him by passing a law to restrict the national corporate chains that are using profits made elsewhere to destroy the merchants in a local community.

TEXT OF BILL

H. R. 1, a bill providing for an excise tax on retail stores, introduced in the House of Representatives on January 3, 1939, and referred to the Committee on Ways and Means, is as follows:

(a) On and after the effective date of this act every person opening, establishing, operating, or maintaining under the same general management, supervision, ownership, or control 10 or more retail stores shall pay annually an excise tax for each fiscal year ending June 30, measured by the number of retail stores so opened, established, operated, or maintained during such fiscal year as follows, except as provided in subsection (b) hereof:

For each store not in excess of 25, $50 a store;
For each additional store not in excess of 25, $100 a store;
For each additional store not in excess of 50, $200 a store;
For each additional store not in excess of 75, $250 a store;
For each additional store not in excess of 100, $300 a store;
For each additional store not in excess of 200, $450 a store;
For each additional store not in excess of 300, $600 a store;
For each additional store not in excess of 400, $750 a store;
For each additional store not in excess of 500, $900 a store;
For each additional store in excess of 500, $1,000 a store.

(b) For the first fiscal year beginning on July 1 following the date of enactment of this act, the tax under this section shall be one-half of the amount determined in accordance with subsection (a) hereof; and for the second fiscal year, the tax shall be three-fourths of the amount determined in accordance with such subsection.

SEC. 2. If any person subject to the tax imposed by section 1 opens, establishes, operates, or maintains during the taxable year retail stores under the same general management, supervision, ownership, or control located in more than one State, the tax imposed by section 1 shall be multiplied by the number of States (including the District of Columbia) in which any of such stores are located except that for the first fiscal year beginning on July 1 following the date of enactment of this act the tax shall be one-fourth of 1 percent of the amount determined in accordance with the preceding provision hereof and that for the second fiscal year the tax shall be one-half of 1 percent of the amount determined in accordance with such provision. If this section or any provision or application thereof shall be held invalid the validity or application of section 1 shall not be affected thereby.

SEC. 3. (a) [Administrative only.]

SEC. 4. When used in this act—

(a) The term "person" shall include any individual, corporation, partnership, association, joint stock company, or business trust, however organized and whether or not incorporated, but does not include any such person if during the taxable year the gross business of the retail stores opened, established, operated, or maintained by it does not exceed $250,000, or in case of the taxable period between the effective date and July 1 following, does not exceed such part of $250,000 as such period bears to a year.

(b) The term "retail store" shall mean and include any store or mercantile establishment in which goods, wares, or merchandise of any kind or description are sold at retail; but said term shall not include any filling station engaged primarily in the sale or distribution of petroleum products and not engaged in the sale or distribution of automobile tires or tubes, any establishment or facility maintained by a common carrier as part of its transportation facilities primarily for furnishing meals or other commodities to its passengers and employees, or any branch office maintained by a newspaper for the distribution of its papers or for taking subscriptions or advertisements therefor, and shall not include individually owned stores, whose revenues in part or in whole are not made available to or inure to the immediate or ultimate benefit of any other individual store, store owner, or any other person, firm, or corporation operating a retail store as herein defined.

(c) The term "under the same general management, supervision, ownership, or control" shall include control or direction by one management or association of ultimate management, whether by legal control, direct or indirect, or by actual control, direct or indirect, through ownership or control of evidences of indebtedness, physical property, or other assets, through contract, lease, or agency arrangements, through interlocking directors or officers, or through any other means.

(d) [Administrative only.]

SEC. 5. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

OBJECT AND PURPOSES OF H. R. 1

1. Question. What is the object of H. R. 1, the bill providing for a Federal tax on retail chain stores?

Answer. The object is to curb a few large interstate chains that are attempting to get control of retail distribution in this country.

2. Question. What does the bill provide in regard to taxes?

Answer. The first 9 stores in any chain are exempt. The amount of tax is graduated from $50 per store up to $1,000 per store where there are over 500 in a chain. The tax, after 2 years, will be multiplied by the number of stores in which a chain operates. This will make it prohibitive for a concern to operate in a very large area, but will permit one concern to operate a comparatively large number of stores profitably in one State, if not prevented by State legislation.

3. Question. Why propose a tax for the purpose of curbing interstate chains? Why not offer a bill to prohibit their expansion in more than one State?

Answer. Such a proposal was considered. Some of the best lawyers in this country said it would not be constitutional if enacted. Therefore, a bill to tax was agreed upon for the purpose of reaching the same objective. No one can doubt the constitutionality of a law thus using the taxing power of the Government.

4. Question. Is this an abuse of the taxing power of Congress?

Answer. No. The Republicans as well as the Democrats have in the past used the taxing power as a vehicle to reach a worthy objective.

5. Question. When does the tax become effective under the bill?

Answer. July 1, following date of passage. Section 1 of the bill provides that it shall apply to concerns owning or controlling 10 or more retail stores.

For the first year beginning on July 1, following the enactment, the tax under this section shall be one-half the amount determined and for the second year three-fourths of the amount.

Section 2 of the bill provides that the tax shall be multiplied by the number of States in which the stores are lo-

cated, except for the first year the tax shall only be one-fourth of 1 percent of the amount, and the second year shall be one-half of 1 percent of the amount.

Therefore, any concern having so many stores in so many States that they cannot be profitably operated under this law will have 2 years in which to dispose of them. At the same time a low tax is provided for the first 2 years, in order that any concern expecting to contest the law will be induced to do so immediately after its passage.

6. Question. How will the tax be collected?

Answer. By the Bureau of Internal Revenue, and usual penalties provided in the event of failure to pay.

EXEMPTIONS

7. Question. What are the exemptions under this proposed bill, H. R. 1, if any?

Answer. (a) It will not apply to any concern, regardless of the number of stores being operated, if the gross business does not exceed $250,000 a year.

(b) It does not include filling stations engaged primarily in the sale and distribution of petroleum products, if not engaged in the sale or distribution of automobile tires and tubes.

(c) It does not include any establishment maintained by a common carrier, such as restaurants and newsstands for the convenience of its customers.

(d) It will not include individually owned stores, whose revenues, in part or in whole, are not made available to or inure to the immediate benefit of any other individual store or concern operating a retail store. This will exempt voluntary and cooperative stores that are individually owned.

8. Question. Why were these particular exemptions allowed and others not allowed?

Answer. The laws of the different States that provide taxes against chain stores were carefully examined, and the exemptions contained in this bill are the usual exemptions contained in State laws.

9. Question. Will the bill be amended or passed as it is?

Answer. Every major proposal is seriously considered by a committee in the House and in the Senate as well as on the floors of both the House and Senate before it is finally passed and presented to the President of the United States for approval. Evidently there will be many amendments considered. As to whether or not they will be adopted will depend upon the will of a majority of the Members of Congress.

STATUS OF BILL

10. Question. What is the status of the bill now?

Answer. It has been referred to the Committee on Ways and Means of the House. Hearings will be requested as soon as this question can be presented to and discussed by a fair percentage of the people of the Nation. The hearings will doubtless furnish much additional information for discussion, and the success or failure of the bill will depend on public sentiment. If the people want it, they will likely get it enacted into law. It is evident that the people are more disturbed over this problem than ever before. If such intense interest continues and continues to grow, the bill will undoubtedly become a law in a reasonable time.

WHY WHOLESALERS NOT INCLUDED

11. Question. Why is the bill confined to retail stores and does not include wholesalers and manufacturers?

Answer. Local retail stores can and will be operated by local people. We know retailing is a business that local capital and local people within a comparatively small area will operate, if allowed to do so. The same is true of local banking. At this time, a bank cannot own a branch out of the State in which it operates. It cannot be said that local people can always conduct a larger business than retail distribution, such as wholesaling or manufacturing; therefore, we were desirous of confining the bill only to such lines of business as we know local people will conduct and can conduct. The committee of the Members of Congress, who are sponsoring this bill, decided not to include wholesalers and manufacturers in the bill presented to the House of Representatives, although it will apply to any retail stores owned by them. The bill will not apply to the wholesale houses owned by A. & P. or any other concern. Consideration was given to including not only wholesalers and manufacturers of goods and merchandise but multiple ownership of newspapers and radio stations and picture shows, but decision was made to confine it to a business we knew local people could and would operate if not prevented by absentee owners and, therefore, we restricted it to retail business. Many large wholesale concerns own retail outlets and this bill will apply to such units.

Newspapers, radio, and the news reel represent means of communication and should be considered as such in connection with any legislative proposal.

12. Question. What concerns or establishments are included in this bill?

Answer. Only those retail stores as defined in the bill to mean and include any store or mercantile establishment in which goods, wares, or merchandise of any kind and description are sold at retail. This is subject, of course, to the exemptions outlined in the bill.

DUMMY ORGANIZATIONS OUTLAWED

13. Question. Will a concern operating in many States be able to break up into State units and continue to operate from one office through a holding company or through dummy organizations?

Answer. No. This is provided against in the bill. If they should attempt to evade the law in this way and retain any control or management or direction whatsoever, I am sure they would be considered subject to the tax as though they had not broken up. The bill provides that if a concern has any control, direct or indirect, through contract, lease, or agency arrangement, through interlocking directors or officers, or through any other means, the concern will be considered as one and be subject to the tax.

HUGE PROFITS OF A. & P.

14. Question. It is claimed by the owners of the Atlantic & Pacific Tea Co. that this company has been earning a very small amount on its investment. Is this correct?

Answer. The figures disclosing this information are available for the period from 1929 to 1937, inclusive. It will be discovered that during some of the hardest years the people of this country have suffered this concern made its greatest profits, 1 year exceeding $30,000,000, which is in excess of 22 percent on the money invested by its stockholders, including capital and surplus.

The following table, which shows the earnings of the Atlantic & Pacific Tea Co. and invested capital for the years indicated, is self-explanatory:

	Invested capital	Net income
1929	$118,659,000	$26,220,000
1930	136,689,000	30,743,000
1931	150,573,000	29,703,000
1932	156,821,000	22,733,000
1933	160,867,000	20,478,000
1934	161,104,000	16,709,000
1935	161,219,000	16,593,000
1936	161,384,000	17,685,000
1937	157,494,000	9,119,000

These figures were obtained from one of the prominent publishing companies who publish stock reports.

It will be noticed that the profits of A. & P. were reduced 50 percent during the first effective year of the Robinson-Patman Act. A congressional committee of which I was chairman disclosed that this concern was receiving more than $8,000,000 a year in secret and confidential rebates from manufacturers and producers that it was not entitled to receive. The passage of the Robinson-Patman Act deprived it of many of its chiseling tactics, which enabled it to obtain more than $8,000,000 a year that it was not entitled to receive, and which enabled it unfairly to destroy many independent merchants. Having lost this enormous sum through the Robinson-Patman Act, it found its net profits were reduced by almost that exact amount the first full year following enactment.

15. Question. The interstate chains claim that if they are forced out of business almost a million employees will lose their jobs. Is this statement correct?

Answer. The number of employees mentioned includes all chains. Many of them will not be affected by this bill, and only about one-third of 1 percent of all the chains will be seriously affected and this one-third of 1 percent will be able to operate a comparatively large number of stores in one State, but cannot profitably operate in more than one State, if this bill becomes a law. Most of the employees will become store owners or employees of local owners. The chains were rather ruthless in putting independent merchants out of jobs and their employees as well and did not seem to be concerned about the unemployment problem at that time.

OPPORTUNITIES FOR YOUNG AT STAKE

16. Question. Why is it said that large retail chains destroy opportunities for young folks?

Answer. The W. P. A. reported January 1, 1939, that there were too many young persons on American farms to support themselves comfortably in agricultural pursuits; that between 1920 and 1930 2,000,000 young persons were forced to migrate from the farms to the city to find employment; that since 1930 the migration has continued and the number will reach in excess of 1,000,000 more before 1940.

Since young people cannot make a living on the farm and millions of them are going to the cities every few years, they will either have to find employment in the cities, or this country will have a tremendous relief problem. The sad part is the hopes and aspirations of these young people will be crushed when they find a few people in this great country controlling practically all privileges and opportunities, and that it will be impossible for them to start out in business for themselves.

ARE INDEPENDENTS INCREASING AND CHAINS DECREASING?

17. Question. It is claimed that the number of independent stores is increasing while the number of chain stores is decreasing. Is this true?

Answer. That contention is based upon census figures for 1933 and 1935. These figures include all retail stores, including liquor stores, which cannot be conducted by a chain in many of the States, including New York and the District of Columbia. The New York law, for instance, forbids any liquor concern from operating more than one liquor store. The same is true of the law that Congress passed for the District of Columbia. The Congress and many of the legislatures realized when prohibition was repealed that a few concerns should not obtain control of the distribution of liquor, and, therefore, they guarded against it by preventing any concern from operating more than one liquor store. If that contention is sound in the liquor business to prevent monopoly, why is it not also sound in any other retail business?

Further, the figures relied upon by those making this contention include all retail outlets, including those in which chain stores are not engaged, and they include areas in the United States where chain stores are not operating. The only fair analysis of this question will include the number of retail stores owned by chains in the areas where they operate and the number of independents engaged in this same business in these particular areas. The volume of business by each should also be taken into consideration.

In 13 selected cities, according to the last Government census, chains—food chains—had 19 percent of the retail outlets, but did 46 percent of all the retail food business. In the combination food store—groceries and meats—they did 51.5 percent of all the retail sales in these cities. These percentages ranged from 23.3 percent in Milwaukee to 68.9 percent in New York City—an almost 70-percent control of the combination store market by chains.

City	Percent of stores (number)	Percent of business total	Combination stores (percent)
Cleveland, Ohio	24.6	60.2	52.0
Detroit, Mich	25.0	58.7	45.3
Chicago, Ill	17.2	56.8	49.8
Boston, Mass	29.6	53.4	55.8
Pittsburgh, Pa	20.1	50.2	48.3
Los Angeles, Calif	14.8	49.4	62.8
Philadelphia, Pa	18.2	48.5	54.1
Buffalo, N. Y	16.0	47.8	56.5
New York City	20.5	41.2	68.9
Baltimore, Md	12.5	36.1	31.5
San Francisco, Calif	17.2	25.0	61.1
St. Louis, Mo	12.2	28.4	29.7
Milwaukee, Wis	9.9	23.9	23.3

It is well known and universally admitted that the trend in the past 5 years has been markedly toward the complete or combination market. The trend continued in 1936, 1937, and 1938, so that the domination of the chains in the combination-store field is much more important than similar control in the plain grocery store.

The chains piously point to the number of stores in the independent field but say nothing of the fact that these numbers include thousands upon thousands of tiny little outlets where people are trying to go in business rather than go on relief. For A. & P., or any other interstate chain, to claim these thousands of little stores constitute competition is merely to beg the question and to deliberately cloud the issue. With less than 25 percent of the outlets in Cleveland the chains do more than 60 percent of all retail food business. In Los Angeles, with less than 15 percent of the number of stores, they do very close to 50 percent of all business.

Corporate chains did approximately 40 percent of the entire business in the food and grocery stores throughout the country in 1935, according to the latest available figures. Taking into consideration that these concerns did not operate all over the country, but just in certain good markets, it is evident that they are doing practically all business in many of these markets. It is also worthy of note that six of these chain-store organizations did 70 percent of the 40 percent mentioned, which establishes definitely that these "big six," by establishing prices, can control the market as effectively as if they had a monopoly.

PROFITS OF SIX LARGEST GROCERY CHAINS

18. Question. How do the profits of the other large chains compare with the profits of A. & P.?

Answer. The Federal Trade Commission's Agricultural Income Inquiry, part 1, on page 891, published October 13, 1938, discloses the profits of A. & P., Kroger, First National Stores, Safeway, National Tea, and American Stores as follows:

Percent on investment in business

Year:	
1929	23.46
1930	20.00
1931	19.87
1932	17.09
1933	16.51
1934	13.58
1935	12.48
Annual average	17.46

The profits of A. & P. are given in answer to question 14.

19. Question. How many chain companies are there in the United States?

Answer. With respect to the number of chain companies, 1,500 has often been used as the number representing the largest chains with an average of 35 stores each. However, the Bureau of the Census report, issued June 1937, discloses that there are 6,079 chain companies or systems in the United States, with 139,810 stores. Four stores or more represent a chain. H. R. 1 levies no tax at all on less than 10 stores. The tax provided in this bill will affect seriously about one-third of 1 percent of all the chain-store companies in the United States.

PERCENT OF RETAIL BUSINESS DONE BY CHAINS

20. Question. What percent of the retail business is done by chain stores?

Answer. The total retail business in the United States is usually from 58 to 62 percent of the national income, and in 1935 was $33,160,000,000. In 1929 the chains were doing 20

percent of all retail business; whereas in 1935 they were doing 22.8 percent. This includes, however, lines of business in which chains are not engaged. For instance, dealers in motor vehicles represent approximately $4,000,000,000 of the retail business and there are less than 5 percent of such dealers in chains. Ninety and one-tenth percent of the business of variety stores was conducted by chains in 1929, and increased to 90.8 percent in 1935. Shoe chains increased from 38 percent of the total business in 1929 to 50 percent in 1935. Automotive accessories, tire, and batteries dealers' stores did not have enough to count in 1929, but in 1935 they were doing 50 percent of the business. However, filling-station chains were doing 33.8 percent of the business in 1929, but only 21.5 percent in 1935. Combination food stores—groceries and meats—were doing 32.2 percent of the business in 1929 and 39.1 percent in 1935. Enormous increases have also been made in other lines. When one considers that these chains are only operating in certain areas, it is obvious that they are dominating the market in most of these localities.

21. Question. Do chains drain capital from local towns?

Answer. The chain-store systems that will be seriously affected by H. R. 1 do drain capital from local towns, and these profits fly overnight to New York. The apologists for the chains try to dodge this serious allegation by pointing to local chains that are not seriously affected by the terms of this bill at all.

SHOULD LABOR OPPOSE H. R. 1?

22. Question. Why did the American Federation of Labor at its convention at Houston, Tex., October 1938, pass a resolution in opposition to this bill, if it is in favor of labor?

Answer. Undoubtedly the question was not fully and adequately discussed by informed people from the standpoint of the proponents of the legislation, or this resolution would not have been passed. The American Federation of Labor has spoken on this question before and passed resolutions in opposition to chain stores. I refer to the resolution passed at Denver, Colo., in 1937; Cincinnati, Ohio, in 1932; Vancouver, British Columbia, Canada, in 1931; and in Boston, Mass., in 1930.

I quote excerpts from the resolutions adopted.

1937 AMERICAN FEDERATION OF LABOR REPORT AGAINST CHAIN STORES

The American Federation of Labor at Denver, Colo., October 4 to 15, inclusive, 1937, asked for a Senate investigation of chains and unanimously endorsed the following statement in a resolution:

It is an intolerable situation when highly organized chain systems can hammer down prices all over the Nation and then force manufacturers to make shoes at these prices or go out of business. This condition leads to steady demands upon the workers for wage cuts, and, with living costs steadily rising, wage cuts are impossible. Wage earner and manufacturer alike are dictated to by highly organized selling groups who deliberately fix prices for the whole country. The Boot and Shoe Workers' Union appeals to the organized trade-union movement for support. The very existence of entire communities is at stake, and the shoe industry is rapidly becoming a mere appendage to a few small groups who control prices throughout the United States and who manipulate these prices for their own profit and with absolute disregard for human welfare or social justice.

1932 AMERICAN FEDERATION OF LABOR REPORT AGAINST CHAIN STORES

The American Federation of Labor, at its annual convention at Cincinnati, Ohio, November 21 to December 2, inclusive, 1932, unanimously endorsed a resolution, which contained the following:

Whereas the growth of these chain-store companies, both financially and in number of units operated, have shown remarkable growth at the expense of the people of the United States; and

Whereas it is our thought that the present economic depression is due in part to consolidations, amalgamations, and the creation of some mammoth organizations of chain-store companies now operating in this country; and

Whereas the laboring classes of the United States derive no benefit whatsoever from some mammoth combinations: Therefore, be it

1931 AMERICAN FEDERATION OF LABOR EXPRESSION

The American Federation of Labor at Vancouver, British Columbia, Canada, in convention assembled, October 5 to 15, inclusive, 1931, has the following colloquy in its proceedings regarding chain stores:

Delegate MARTEL, International Typographical Union. I don't desire to discuss the committee's report or to disagree with it, but I would like to ask a question. Several States have undertaken the enforcement of a sales tax on chain stores as a means of equalizing the opportunities between chain stores and individual stores. If we pass a resolution opposing the sales tax, will that commit the American Federation of Labor on that matter? I know that independent merchants are fighting chain grocery and chain drug stores, and they are asking legislatures to impose a tax on the volume of trade of the store. Will this commit us to being opposed to that kind of legislation?

President GREEN. The Chair is of the opinion that it would not, because there is a difference, as we see it, between a tax imposed on chain stores, upon the property owned by chain stores, and the tax imposed on the contents of those stores, which would, of course, be a tax on a pound of coffee, a pound of bacon, or a package of sugar.

Delegate GAINOR. May I ask if the American Federation of Labor has ever taken action in opposition to chain stores?

President GREEN. We have never taken any position on the subject so far as I can recall.

The distinction pointed out by President Green is very interesting. H. R. 1 provides for a tax on the stores, the kind of tax that was not frowned upon by President Green at that time.

AMERICAN FEDERATION OF LABOR IN 1930

The report of the American Federation of Labor proceedings at its annual convention held at Boston, Mass., October 6 to 17, inclusive, 1930, contains the following:

Protesting labor policy of chain stores

Resolution No. 5, by Delegate Arthur J. Beauregard, of the Providence Central Federated Union:

"Whereas the country is being overrun by the chain-store system, and their employees do not belong to any labor unions in most cases; and

"Whereas we of the building-trades department are confronted with a serious menace by these concerns where they are employing so-called maintenance men to do our work, and now they are negotiating with some manufacturer direct to buy their material and having same installed by their maintenance men, who work longer hours and receive considerably less wages than the men to whom this work rightfully belongs receive, who are affiliated with labor unions: Therefore be it

"*Resolved*, That this American Federation of Labor in convention assembled at Boston, Mass., October 6, 1930, shall go on record as opposed to these methods of certain chain stores; and be it further

"*Resolved*, That a committee of the executive council be instructed to wait on the officials of these firms and see if this evil can be corrected."

Your committee recommends that this resolution be adopted.

The report of the committee was unanimously adopted.

Further, the American Federation of Labor resolution adopted at Houston, Tex., in 1938, erroneously indicated that the object of H. R. 1 is to collect discriminatory and punitive taxes. It is true that a comparatively small amount of taxes will be paid under the proposal, but the greater objective is correcting a bad economic situation.

23. Question. Do all labor unions oppose H. R. 1?

Answer. No. A number of labor unions in various sections of the country have endorsed H. R. 1. They realize that their members cannot continue to receive good wages unless other classes and groups are privileged to enjoy a fair measure of prosperity and that especially it is desirable for the farmers to have adequate buying power, and that interstate chain stores destroy this buying power, since they control a sufficient amount of purchases to dominate the market. No one ever heard of interstate, absentee-owned chains permitting their employees to join a labor union until Congress commenced consideration of H. R. 1. Until that time such chain systems were not having their printing done in union printing plants. The introduction of this bill has also caused the representatives of absentee-owned chains to become more interested in making contributions to local charities, churches, and schools and the support of civic organizations, but even now the amount contributed is miserly compared to the volume of business, and, in many places, they are making no contributions at all.

FARM ORGANIZATIONS ON H. R. 1

24. Question. Is it true as charged that the American Farm Bureau Federation, at its annual convention in New Orleans last year passed a resolution against H. R. 1?

Answer. The proceedings of this convention disclose that the following resolution, No. 16, was passed:

We condemn discriminatory and punitive taxes of all types designed to favor or penalize a selected group. The enactment of such legislation results in further efforts by other groups to obtain special privileges.

Evidently the delegates to this convention were sold on the theory that this resolution correctly outlined the aims and purposes of H. R. 1—at that time the bill was H. R. 9464 in the Seventy-fifth Congress. Doubtless our side was not presented. Let us see if the resolution properly describes our proposal. First, the primary object of H. R. 1 is not to levy discriminatory or punitive taxes. It is using the taxing power as a vehicle to correct a bad economic system. Suppose it should favor independent business, that is no excuse for opposition to it if it is in the country's interest. If chains were put out of business entirely the million and a half independent merchants would not have a monopoly. Another million and a half people could immediately go into competition with them.

I hope no one contends that we should not appropriate Federal funds to help the farmers, because it is favoring a selected group and will encourage other groups to seek such a favor. We should give farmers plenty of help and increase their income until they are privileged really to enjoy the American standard of living. If Congress succeeds in its efforts in that direction will it give the 6,000,000 farmers a monopoly? No. They will be in the same position as independent businessmen, other people may go into competition with them. It is in the interest of the general welfare of the people of this Nation for the farmers to be favored and if the passing of a law to protect local business for local people as against absentee control and ownership of business is favoring independent business, then I say that such independent business should be favored.

The American Farm Bureau passed a resolution at the same convention against monopoly, as follows:

Resolution 15

MONOPOLY

The alarming growth of monopolistic practices and monopolistic controls in industry and labor place a heavy burden upon American agriculture and constitute one of the chief reasons for the inequalities between farm prices, industrial prices, and industrial wages.

We commend the Federal Trade Commission and the United States Department of Justice for instituting a more aggressive and effective enforcement of antitrust laws and urge a continued, vigorous attack upon illegal monopolies and unfair trade practices.

The interstate chains dominate more farm prices than any other group in America and have done more to destroy farm prices. One would think from the wording of that resolution that its object was severely to condemn the interstate chain systems.

I cannot agree that Resolution No. 16 was passed to praise the chains, as their defenders are contending, after the Farm Bureau passed Resolution No. 15 that hits them right on the nose.

CALIFORNIA STATE GRANGE AGAINST CHAINS

Chain stores, with their insidious propaganda, are telling the people just how much they spend for farm products—but they do not say how much more they should have paid the farmer so he could make a living. It is most encouraging that organized farm opinion now can speak for itself on the chain-store question. When facts were compiled definitely showing that the more the chain stores sold the less the farmer received, it was not a surprise that the 5,000 delegates of the California State Grange, in its annual State convention November 15, 1935, unanimously passed the following resolution:

Whereas mass buying as practiced by chain stores is a menace to the farmer and tends to produce a private monopoly in the distribution of food; and

Whereas private monopoly in the distribution of food is a threat to the welfare of all people; and

Whereas chain stores do not now pay their fair share of the tax load, and at the same time take the net profit from business out of local communities and send it back to Wall Street controlled financial centers in the East, destroying, at the same time, opportunities for our own boys and girls coming out of high schools and colleges to go into business for themselves: Now, therefore, be it

Resolved, That the California State Grange endorses and supports legislation to curb expansion and to regulate existing chain stores in California.

It was reported in the newspapers recently that the National Grange condemned chain farming. I construe that as an expression by this organization against absentee ownership of a business that should be owned locally.

SPREAD BETWEEN PRODUCER AND CONSUMER NOT LESS THROUGH CHAINS

25. Question. Has the spread between the producer and consumer decreased through the mass buying power of a few large interstate chain stores?

Answer. The period of the greatest chain-store growth has been since 1926, although they have been expanding since 1920. The period since 1930 represents a time of the greatest control and domination by these major chains.

I am inserting herewith a table prepared by the United States Department of Agriculture showing the price spreads between the farmer and consumer for the years from 1913 to 1937, inclusive, as follows:

TABLE 8.—*Value of 58 foods, 1913–37*

Estimated retail value and equivalent farm value of quantities purchased annually by a typical American workingman's family:

Year	Farm value [1]	Retail value [1]	Margin	Farm value as percentage of retail value
				Percent
1913	$134	$252	$118	53
1914	137	258	121	53
1915	134	258	124	52
1916	155	285	130	54
1917	223	370	147	60
1918	245	424	179	58
1919	267	470	203	57
1920	272	514	242	53
1921	179	404	225	44
1922	170	374	204	45
1923	173	384	211	45
1924	170	381	211	45
1925	198	410	212	48
1926	202	418	216	48
1927	190	406	216	47
1928	194	407	213	48
1929	195	415	220	47
1930	171	391	220	44
1931	121	322	201	38
1932	88	270	182	33
1933	92	264	172	35
1934	108	295	187	37
1935	138	331	193	42
1936	152	342	190	44
1937	160	353	193	45

[1] Retail price data are from the U. S. Bureau of Labor Statistics, farm price data are principally those estimated by the Bureau of Agricultural Economics.

Estimates of annual purchases of foods by a typical workingman's family were obtained from the 1918–19 Cost of Living Survey made by the U. S. Bureau of Labor Statistics. The 58 foods include meat, dairy and poultry products, bakery and cereal products, a number of fresh and canned fruits and vegetables, and several miscellaneous items.

It will be noticed that before chain-store domination, from 1913 to 1925 inclusive, the farmer received an average of 51⅓ cents of each retail dollar paid by the consumer; from 1926 to 1937 inclusive, the average was only 42⅓ cents that the farmer received on each consumer retail dollar. In 1932, the hardest year for all the people except seemingly the Atlantic & Pacific Tea Co., the farmer only received 33 cents on each retail dollar. Then the F. S. C. C. was organized, furnished Government money to buy surplus commodities and protect the farmer's price. Since that time the farmer has received more than 33 cents on each retail dollar.

This same report discloses that the farmer from 1913 to 1926 received from 52 cents to 72 cents of each retail dollar paid by the consumer for potatoes, except one year—in 1923 it was 48 cents.

Whereas since 1926 the farmer has received the following percentage of each retail dollar paid by the consumer for potatoes:

	Percent
1927	58
1928	52
1929	50
1930	58
1931	52
1932	41
1933	48
1934	48
1935	42

And in April and May 1938 the farmer received only 38 percent of each retail dollar paid for potatoes. The large chains are ruining the potato farmers. Every time a dollar

is taken away from the farmer it reduces his buying power that much, which destroys buying power equal to several times that $1. If the farmer receives a dollar he puts it into circulation. Velocity of money is helpful to the entire Nation.

HOW FARMERS AFFECTED

26. Question. How does chain buying power affect the farmer?

Answer. The chains' representatives know when perishable and other products of the farmer are moving to the market. They know exactly where each car is traveling every night. If they want to reduce the price on that market, all they have to do is to withdraw for the period of time necessary to effect their purpose. In this way they force prices down or force the farmer to take his products back home to await a more favorable market. The farmer cannot return his products because the freight charges would be more than his products would be worth.

As the interstate corporate chains have grown in number, size, and power the farmer's plight has become more and more acute. As the sales volume of these concerns approached their peak, farmers' prices sunk lower and lower until the yearly total of agriculture income became so low as to cause national alarm.

27. Question. What was done by the Government to protect the farmer against such an abuse of mass buying power?

Answer. The Federal Surplus Commodity Corporation was organized in 1933 under the Department of Agriculture. Large sums of money running into many millions of dollars each year appropriated by the Government have been used by this agency to go into the markets, where the chains were destroying the buying power of the farmer, and buy up some of the farmers' products at distressed prices and prevent a total collapse of the market in that area. It is a case of Government money being used in an effort to protect the producers against a conspiracy on the part of the big chains. It is well known that this agency is powerless in many instances properly to protect the producers against the tremendous power and influence of a few organized large buyers of national corporate chains.

LOW-INCOME GROUPS NOT HELPED BY CHAINS

28. Question. Is the statement made by representatives of chain-store groups true, that the chain stores help low-income groups?

Answer. If that is true, which I deny, H. R. 1 will not deprive low-income groups of such help, as the passage of this bill will only seriously affect one-third of 1 percent of the chain-store companies. It will not destroy the one-third of 1 percent but will have a tendency to restrict each company in this category to the boundaries of one State or a smaller area.

29. Question. Do low prices help the low-income groups?

Answer. What is known as the submerged one-third of our people, will be helped more by good prices and good wages than they will by low prices and low wages. Suppose we should arbitrarily reduce prices 50 percent and wages 50 percent. The argument would be made that the wage earner earning $2 per day under the new scale would be able to buy as much as he formerly bought when he received $4 per day, since prices had been reduced in proportion. This is a beautiful theory, but in practice it does not work out. The people of this Nation owe more than $200,000,000,000 in debts. Much of it is owed by the one-third of our people in the low-income class. If we reduced their wages and prices 50 percent, we in effect would double their indebtedness, in what they have to pay with. Instead of owing $100 they will owe $200, measured in their paying power, and instead of paying 6 percent interest they will pay 12 percent interest.

Further, there are certain fixed charges that cannot be reduced and which become cheap or lower only with good prices and good wages. I refer to electricity, gas, water, and telephone service; also to railroad freight and passenger rates and such fixed charges as interest, debts, and taxes.

The lower the wages and the lower the prices of farm products and other commodities that go to make up purchasing power, the higher in proportion becomes the debt and tax burden.

PRICES, AMOUNT OF GOODS SOLD, AND PRODUCTION

30. Question. Will the passage of H. R. 1 make it harder on the farmer and producer by keeping high prices, less goods sold, less production, and less tax collections for the Government?

Answer. In every chain-store argument one point is emphasized, and that is: "We keep prices down." If the farmers had $12,000,000,000 a year gross income, as they should have instead of six or seven billion dollars a year, one of the greatest markets in the world would be created for all goods and services produced in America. This additional purchasing power would represent "acres of diamonds" here in our own yard and would be better than the entire foreign trade of several of the other countries of the world. But with the interstate chains keeping the farmers' prices down, that reduces the buying power of the farmers who are the best customers of the people who live in the cities. The people who live in the cities have lower wages, because the farmers cannot buy; therefore low prices to farmers force low wages to factory workers. Low wages to the factory worker means he will buy less, because his debts, taxes, and other fixed charges have become proportionately higher by reason of his low wages.

So the effect of the passage of H. R. 1 will mean more purchasing power to the farmers in the form of higher prices but not unreasonably high prices. It means more goods sold because the aggregate wages will increase, which will make fixed charges easier for the wage earner to pay and will cause him to have remaining a much larger percentage of his earnings to buy goods, which will mean more goods sold. This will lead to more production and more tax collections for the Government.

The clever, adroit attorneys for the interstate corporate chains will try to convince the American consumer that low prices are in his interest. The truth is they are against his interest, as low prices force low wages and cause less goods to be sold and less production.

IF FARMERS SUFFER, NATION SUFFERS

The farmers of this Nation represent sufficient buying power to cause our Nation to be prosperous if they are prosperous. If they suffer—by reason of low prices—all classes and groups will suffer along with them.

We never have good times in this country when prices and wages are low. And the city consumer is beginning to realize that the interstate chain store is rendering a disservice by destroying prices of farm products, because farmers represent a large market for the products of industry upon which the city consumer depends for a livelihood. It is in the selfish interest of the consumer to adopt a policy of live and let live toward farmers, wage earners, and industry.

Any consumer who demands a price so low that the farmer or wage earner does not receive a fair price or a fair wage to give him purchasing power, is demanding a price that will destroy the purchasing power of two-thirds of our people and will eventually destroy our Nation. If low prices were the paramount consideration, repeal of the protective tariff would be the logical step in that direction.

February 21, 1939, I received a letter from a farmer, which stated:

> I am a farmer and a producer of fruits and vegetables and ship them to most all eastern markets. For a number of years these markets have been declining so rapidly at present it is useless to ship at all. I ask the commission men what is the trouble and the answer from them all is the same—"chain-store control."

The same thing applies to dairy and other farm products.

HOW CHAINS AFFECT FARMERS

In a recent report the Federal Trade Commission cites a number of glaring examples of the unfair gouging of farmers and growers throughout the land. This report deals with many commodities. I will mention a few. In each

example the consumer's dollar is broken down—fractionally—as follows:

Pacific Northwest apples: Of one consumer dollar spent in 1936, 14½ cents paid for packing and loading, 23⅓ cents for railroad shipment to Dallas, Chicago, New York, and other principal markets; the interstate chain stores hogged 31⅓ cents of the consumer dollar while the poor grower got a mere 21⅓ cents.

Texas onions: Again in 1936, of one consumer dollar, 11½ cents paid for packing and loading; 28 cents for rail—watch this closely—41½ cents went to the interstate chain stores, but the hard-working Texas onion grower received only 12¼ cents.

Now, take Texas cabbage: In 1936, and for the same markets of one consumer dollar, 10¼ cents paid for packing and loading; 36 cents went to railroads; the interstate chains grabbed 35½ cents; and the painstaking Texas cabbage grower got only 14½ cents.

Florida cabbage, for the same year, same markets: Of one consumer dollar, 14¾ cents for packing; 27½ cents for railroads; interstate chains greedily clutched 40¼ cents, but the Florida grower received a miserable 11¼ cents.

California tomatoes: Of one consumer dollar in the same markets, 11 cents for packing; 17½ cents for railroads; interstate chains received 44¼ cents; and the grower ended up with only 23 cents.

These are very convincing official figures by the Federal Trade Commission. Similar illustrations could be given for other commodities, including dairy products.

Prior to the advent of the interstate chains the average farmer had an open market in which to sell his products. But today his price is virtually dictated by the grasping chain-store interests.

OFFICIAL REPORT OF FEDERAL TRADE COMMISSION

Last year, 1937, the Federal Trade Commission reported to the Congress of the United States as follows. Listen to this. I quote:

> The Commission records with dismay its belief that the survival of independent farming by farmers who own their own farms and maintain an American standard of living is in jeopardy.

You cannot read this report without realizing that the Federal Trade Commission is saying, in just so many words, "Mr. Farmer, unless the interstate chain-store system is broken, you are absolutely ruined."

LOBBY GANGED UP

This lobby has ganged up on the farmers. It has ganged up on the wage earners. It has ganged up on the livestock and dairy producers, and it is wrecking them. In cities where they obtain control they gang up on the consumers.

FARM SURPLUS

The national corporate chains claim much credit for disposing of certain surplus commodities of the farmers. One critic advised me that he had just purchased from a national chain store three cans of peas for 12 cents and challenged me to deny that such purchase was in his interest and the interest of the country. He incidentally pointed out that the farmers were helped as well as himself; that the farmers had a surplus of peas that the chain store was helping them to dispose of. Let us see who was helped by this sale of surplus peas at 4 cents a can. The can company made a fair profit on the can. The railroad company made a fair profit on transporting the can to the producer and cannery, and also on the transportation after the can was filled. The telephone company made a fair profit on the calls necessary to complete the sale to the distributor, but the farmer who produced the peas worked for less than 5 cents an hour and threw in absolutely free the soil on his farm required to produce them. The wage earner working in the cannery did not receive a living wage. The chain store either received a profit or else placed his competitor a little bit nearer to bankruptcy. The railroad company profited, the can trust profited, the telephone company profited, but the farmer and wage earner suffered.

POTATOES IN MAINE AND MICHIGAN

One Member of Congress from Michigan protested to the Federal Surplus Commodity Corporation because this Government organization was purchasing potatoes in Maine, but not purchasing potatoes in Michigan. An investigation disclosed that the chain stores had framed up on the farmers in Maine and Government money had to be used to fix a fair price in that market, which was unnecessary in the Michigan market at the time. Government money has been used by this corporation to prevent the chains from destroying entirely the farmers' market for potatoes on the Atlantic seaboard, onions in Massachusetts, grapefruit and grapefruit juice from Florida and Texas, and poultry products all over the Nation.

It was announced in the newspapers recently that the Government was ready to purchase eggs. The announcement as given to the press is as follows:

> The Federal Surplus Commodities Corporation announced that it was prepared to purchase eggs to stabilize and strengthen the market. Purchases will be made, it said, at any country purchasing point, terminal market, and mercantile exchange if greater than normal surpluses accumulate and prices decline below present levels or fail to respond to normal seasonal advances.
>
> Eggs so acquired will be distributed to needy persons through State relief agencies.

It is a bad thing for the country, and especially the farmers, for a few buyers to control any market. If national chain stores get control of this country, both farmers and consumers will suffer. Private monopoly is indefensible and should not be tolerated.

31. Question. Why are loans to small business not being made by the banks or R. F. C.?

Answer. The security is insufficient, as a national corporate chain can go into any locality in competition with an independent at any time and destroy him.

HOW TO CREATE DEMANDS FOR SAFE LOANS AGGREGATING BILLIONS OF DOLLARS

Suppose all national corporate chains were frozen as they are today; that is, that they would not be permitted to establish any more new stores or stores in other locations. The result would be that banks, which are bursting with money and credit could afford to make loans to the tens of thousands of efficient, clever business men and women, who would gladly go into business under such conditions. As it is now, the bank will not make a loan to anyone who wants to engage in a business in which national corporate chains are engaged, for the logical reason that as soon as the business is built up, the national corporate chain will move in nearby and through unfair practices that they habitually resort to and through the use of profits made elsewhere, the independent business owned by him will be destroyed.

There are hundreds of thousands of men and women who would be anxious to go into business if they only knew that their business would not be unfairly destroyed by national corporate chains after it was built up.

32. Question. What is the most important problem confronting our country?

Answer. According to the National Association of Manufacturers, it is the creation of opportunity for private enterprise and to make jobs for men and women now carried on relief.

33. Question. How may these problems be dealt with?

Answer. First, by prevention of monopoly and the curbing of the large concerns that are taking away from local people privileges and opportunities, which has resulted in the destruction of opportunity for private enterprise and has caused the placing of men and women on relief, many of whom would otherwise find employment.

34. Question. Are consumers saved $750,000,000 annually trading with chains?

Answer. That is not possible, when in 38 out of 45 lines of business independents have a lower overhead, according to United States Bureau of the Census. Further, interstate chains charge customers higher prices when they dominate distribution in any locality. In addition, court records dis-

close that the interstate chains have a system of charging up to each manager of a store all the goods delivered to him at retail prices. It is well known that broken package goods cannot be weighed out accurately and there is great loss in certain types of commodities. The manager is, therefore, encouraged to cheat his customers in some way in order to keep from appearing short when the supervisor comes around. This shortage has been proven in the United States courts to be as much as 25 cents and 30 cents on the dollar in the case of certain commodities.

35. Question. Will newspapers lose $200,000,000 advertising revenue each year?

Answer. No, as independent merchants will advertise more than the chains. However, the chains are trying to make the newspaper owners believe that it is in their selfish interest to stand by the chains in all publicity.

36. Question. Would the Government lose the taxes now paid by interstate chain owners each year?

Answer. The amount that would be received from independent merchants taking their places would, doubtless, greatly exceed the amount now paid by interstate chain-store owners. I have not determined accurately, and I doubt that it will be possible to do so, but, judging from the hundreds of complaints—criminal and civil—against the largest chain in America each year, I doubt that the taxes paid by the owners of this concern are sufficient to cover the actual cost of policing by the Federal, State, and City governments. It costs lots of money to try lawsuits and properly to inspect and supervise all the activities of a giant concern if the public interest is properly protected.

37. Question. How do interstate chains unfairly destroy independent merchants?

Answer. One case was cited by the Honorable Charles H. March, of the Federal Trade Commission, in a public address last year. He said that a large chain opened up a store opposite a successful retail merchant in a Minnesota town. No matter what price the small man placed on his goods, the chain store went a little lower, although the chain was handling the same goods made by the same manufacturer as the independent was handling.

The independent was dependent upon his earnings at that particular location to survive. The large chain had thousands of other retail stores in other sections of the country to depend on to keep it going until the independent merchant could be put out of business. Then prices would go up and the public would pay the bill. We do not need economic dictatorship in this country, and the fight against a few men owning a few retail chain-store systems is a fight against economic dictatorship.

38. Question. If the interstate chain is a bad system, why do not the people stop trading with them?

Answer. Many polls have been taken on this subject. Some people answered that they expected to continue to trade with interstate chains as long as it was so convenient for them to do so, but they would favor a law that would make it necessary for them to patronize home business instead, in order that they may be compelled to patronize institutions that are of the greatest benefit to the communities in which they live.

A large percentage of people do refuse to trade with such interstate systems, but many honestly believe that they get better bargains than they would get from independent merchants and do not consider the social objections.

Others have traded by the month with chains and then with independents and discovered at the end of the month the bill to the independent was no larger than the bill to the chain for a month. One merchant I know has gained back many customers by telling one, who has been frank enough to admit that he is going to try the chains, to please keep an account for a month or two months and compare the bills with the bills from his store for a similar period. Almost invariably, the customer returned.

LOCAL PEOPLE LOYAL TO LOCAL BUSINESS

The W. P. A. has just finished a study of social relationships in an established rural-urban community, South Holland, Ill. It is only a few miles from Chicago and is surrounded by many other good towns. The report has this to say about the trade area:

Of the 467 families reporting, 87 percent bought their groceries, 56 percent their farm machinery, and 35 percent their furniture in South Holland. Such loyalty to the local merchants is significant, for it is relatively simple for a villager to be at any one of a dozen markets in less than half an hour. In 1937 (when the survey was made), there were no chain stores in South Holland; in fact, none has stayed open any length of time. One chain store tried to gain a foothold before 1932, but was unsuccessful in spite of its greater variety of goods and more attractive prices.

39. Question. Why is it so difficult for the people to get correct information about any proposal?

Answer. People who are selfishly interested are inclined to exaggerate and if they are on the wrong side are usually successful in confusing the people by misrepresentations, untruths, and half truths to the extent that the people are not convinced as to which side is right.

Newspapers have several times as much news furnished to them each day as they can possibly print. It is up to some person at each newspaper office to decide which is printed and which is thrown in the waste basket. If two interesting news items come in in the same day, one in favor of independent merchants and one in favor of interstate chain stores, that person will probably be prompted by a number of factors in determining which of the two items should go in. If the chains in that town are spending large sums of money with him and are bringing pressure to bear on him to print everything on their side, and the independent merchants are not organized and not bringing any pressure, it is easy to determine which side of the argument will be printed.

Some newspaper owners, however, realize that if they permit the independent business in a town to be destroyed that the newspaper will be destroyed with it. The interstate chains quit advertising when they get control of a market. They put out their own publications instead.

40. Question. Some newspaper correspondents are carrying the statement that H. R. 1 does not have a chance of passing Congress. Is the statement true?

Answer. That is the stock phrase always used by the opposition to a bill—"It does not have a chance." It is very effective sometimes in preventing people from joining in a fight that would meet with success were their efforts joined with others who knew differently. The selfish interests said the same thing about the Robinson-Patman Act and thought they had silenced the sentiment in favor of the bill in that way. Its enactment came like a thunderbolt out of a clear sky. People who are interested in economic changes, that are opposed by those who have considerable control over the press and by those who use much paid time over the air, should be on guard against such propaganda and not be influenced by it.

This is the third national campaign that I have assisted in conducting. The two former ones were successful—one involving millions of men and billions of dollars, and the other, the Robinson-Patman Act, which affected millions of people and denied to the greedy few the advantages equal to hundreds of millions of dollars a year which they were not justly entitled to receive.

This is not a "share the wealth" proposal, but it is a bill providing for sharing the privileges and opportunities.

41. Question. Have the interstate chain owners recently changed their policies in regard to local affairs?

Answer. Yes; since the national chain-store tax bill has been introduced, much of their printing is being done in union print shops, but not local shops, employees in many cases are joining labor unions and all managers and clerks are instructed to appear—at least, look—interested in local affairs and join civic organizations, such as chambers of

commerce, civic clubs, and religious and fraternal organizations. They are also instructed to make contributions to local charity in an effort to answer a very deserving criticism. Reports I receive indicate that in some localities, the interstate chains are contributing for local purposes, but it is well known that the greatest contributions are made in Sates where they have their hardest fights before legislative bodies.

Millions were spent for all kinds of purposes during the chain-store fight preceding the election, in 1936, in California where the chains won by a very small majority. Mr. Milton M. Gair, a prominent businessman of Redlands, Calif., says that the chains spent $4 for every vote they received at the election. Whereas the proponents of the tax proposal only spent a small sum amounting to only 6 cents a vote.

The question of a State chain-store tax was submitted to the people of Colorado at the general election on November 8, 1938. An enormous sum of money was spent by the chains, approximately $1,215,000, and a comparatively small sum, approximately $100,000, by the proponents. The chains lost by an overwhelming majority. In fact, they only carried 5 counties by a very small majority out of 63 counties in the State.

HOW YOU CAN HELP PASS H. R. 1

42. Question. How can I, as a local citizen, help in the compaign to secure the enactment of H. R. 1?

Answer. I would suggest that you endeavor to convince your Representative in Congress and your two United States Senators that the enactment of this bill is in the public interest. I do not recommend coercion, intimidation, or threats as a method to be used; in fact, neither should be resorted to. I do recommend the use of logic and reason. Since you have the right side, you do not have to use unfair methods and underhanded tactics. Selfish interest will prompt some people to be on our side and some on the opposite side.

It is my opinion that there is less selfishness on our side for the reason that if we are successful in curbing or restricting the chains it will not only help the independent merchants now in business, but it will help all other independent business as well and will not foreclose to anyone the opportunity of going into business. Whereas, if the chains win, only a comparatively few people will be helped, the other lines of independent business will be destroyed, and the door of opportunity will be closed and safely locked to those who desire to engage in business.

Should one refuse to work for a cause in the public interest because he will be indirectly benefited? No. If the chains are restricted, the independents are only indirectly benefited along with the country. If the chains win, a few people—and we know now who they are—will be directly benefited to the extent of tens of millions of dollars a year. Some people are fighting for these greedy privileges, spending millions to destroy the business of good fathers and mothers who are trying properly to rear and educate the coming citizens of our country, their children, when some of those fighting and destroying, do not have children to pass these valuable privileges on to. They would be left to corporations instead.

Mr. Harry Hopkins said in his Des Moines speech a few days ago:

> Our farm homes receive less than 10 percent of the national income, and on that they must bring up about 30 percent of the Nation's children.

43. Question. Should we maintain a lobby in Washington?

Answer. Not at all necessary, since there are already existing organizations that are keeping the people informed as to what is going on in Congress. The most effective work can be done from home by your cooperating with neighbors and friends in an effort to convince your Representatives and Senators in Congress that the cause is just and right and that the bill should be passed. Anything printed in the CONGRESSIONAL RECORD may be quoted and reprinted without special permission. This is not a political campaign; it is a crusade. We must gospelize our cause which we know is just and right. A few letters from honest-to-God folks back home, who have vision, and who can vividly picture the evil consequences of absentee ownership to a Member of Congress, have more weight and influence than thousands of inspired telegrams. More than 150 Members of the House have stated to constituents that they expect to vote for this bill.

A FEW MEN CONTROLLING A FEW BANKS CONTROL THE CORPORATE WEALTH OF THE NATION

Mr. John A. Hartford, one of the principal owners of the A. & P. Co., which operates in about 40 of the 48 States, is also a director in the Guaranty Trust Co. of New York. The resources of this one bank—Guaranty Trust Co.—exceeds the resources of all the 1,455 banks in Texas, Arkansas, and Oklahoma, the population of these 3 States being approximately 11,000,000 people. There are interlocking directorates between the Guaranty Trust Co. of New York, the Chase National of New York, the Bankers Trust Co. of New York, the Chemical Bank & Trust Co. of New York, the J. P. Morgan & Co. of New York, and the New York Trust Co. The total resources of these six banks, according to the Comptroller's report for December 31, 1936, and it has not changed greatly since that time, aggregate $7,409,904,000. The resources of these six banks, which are closely related through interlocking directorates, one of the directors being Mr. John A. Hartford, are a billion dollars in excess of the resources of all the 3,710 banks in the 13 Southern States.

There are 24 banks in the United States, 13 of them being in New York City, that have resources equal to approximately one-third of the total resources of all the banks—16,000—in the United States. The 7 heretofore named are in this group of 24. There is close interlocking directorates between these 24 banks and the 175 nonfinancial corporations that own 58 percent of the corporate wealth of the Nation. Considerable time and thought was given to a study of this question. This study was placed in the CONGRESSIONAL RECORD June 15, 1937, and is contained in bound volumes for the first session of the Seventy-fifth Congress, pages 5777 to 5785, inclusive.

Banks under our present system can create through their own bookkeeping systems and loan to their customers $10 for every $1 that they have as a reserve. Using this tremendous power and influence, these few banks can create sufficient money practically to control this country, and that is what they have been doing and what they are now doing.

The question is: What chance will the people, young and old, of the future have in this great country of ours if we continue to permit a few people to control so much of our country's wealth and foreclose to our people so many privileges and opportunities that they should rightfully enjoy?

MR. JUSTICE BRANDEIS, ONE OF THE FIRST TO POINT OUT EVILS OF ABSENTEE OWNERSHIP

Mr. Justice Brandeis, of the United States Supreme Court, in his dissenting opinion in the case of *Louis K. Liggett Co.* v. *Lee* (288 U. S. 517, 568, et seq. (1933)), stated:

> "Among 200 nonbanking corporations directly controlling about one-fourth of the national wealth of the United States, each with assets in excess of $90,000,000, are 5 of the plaintiffs. These 5 have in the aggregate $820,000,000 of assets; and they operate, in the several States, an aggregate of 19,718 stores. A single one of these giants (the Great Atlantic & Pacific Tea Co.) operates nearly 16,000. Against these plaintiffs, and other owners of multiple stores, the individual retailers of Florida are engaged in a struggle to preserve their independence—perhaps a struggle for their very existence. The citizens of the State, considering themselves vitally interested in this seemingly unequal struggle, have undertaken to aid the individual retailers by subjecting the owners of multiple stores to the handicap of higher license fees. They may have done so merely in order to preserve competition. But their purpose may have been a broader and deeper one. They may have believed that the chain store, by furthering the concentration of wealth and of power and by promoting absentee ownership, is thwarting American ideals; that it is making impossible equality of opportunity; that it is converting independent tradesmen into clerks; and that it is sapping the resources, the vigor, and the hope of the smaller cities and towns.
>
> "There is a widespread belief that the existing unemployment is the result, in large part, of the gross inequality in the distribution of wealth and income which giant corporations have fostered; that by the control which the few have exerted through giant corporations, individual initiative and effort are being paralyzed, creative power impaired, and human happiness lessened; that the true prosperity of our past came not from big business, but through the courage, the energy, and the resourcefulness of small

men; that only by releasing from corporate control the faculties of the unknown many, only by reopening to them the opportunities for leadership, can confidence in our future be restored and the existing misery be overcome; and that only through participation by the many in the responsibilities and determinations of business, can Americans secure the moral and intellectual development which is essential to the maintenance of liberty. If the citizens of Florida share that belief, I know of nothing in the Federal Constitution which precludes the State from endeavoring to give it effect and prevent domination in intrastate commerce by subjecting corporate chains to discriminatory license fees. To that extent, the citizens of each State are still masters of their destiny."

Notice Mr. Justice Brandeis' reference to absentee ownership thwarting American ideals; making impossible equality of opportunity; converting independent businessmen into clerks; sapping the resources and hope of smaller cities and towns; causing unemployment, gross inequality in distribution of wealth and income and other harmful results, all of which shows that curbing interstate chains is a social as well as an economic problem.

WHETHER JOHN DOE REMAINS IN BUSINESS NOT THE QUESTION

It is a matter of no concern to the country, generally, whether John Doe, the local groceryman, remains in business, and no law should be passed that will reward him if inefficient. However, if Groceryman John Doe is a capable, hard-working merchant, and is being put out of business solely by reason of a system that is spreading all over the Nation and destroying community life, including the homes, churches, and schools, the wrecking of his business is a matter of the greatest concern to all the people who desire a fair distribution of privileges and opportunities.

OBJECT TO RESTRICT NATIONAL CHAINS

It is contended that when our bill, H. R. 1, becomes fully effective after the second year the taxes will be so high on the national corporate chains, which own several thousand retail stores, that they will be unable to continue in business. Frankly, the object of this bill is to cause a law to be enacted that will restrict retail distribution to a small area and to a comparatively small number of units. It will not put the national chains out of business; it will cause them to reduce the number of stores they own and give other people, especially local citizens, a chance.

Local privileges and opportunities are so valuable that it is difficult to estimate a price, measured in money, that would be sufficient to give in exchange for them. Community life in America is so valuable and so vital to the continued happiness and prosperity of our people and the general welfare of our Nation that a price in the form of taxes cannot be fixed too high.

Opportunities for the young, as well as for our community life, are too valuable to be bought with the money of national corporate chains.

NET PROFITS TAKEN AWAY FROM LOCAL COMMUNITY

We are "dead set" against the interstate chains that milk the community dry by taking money in the form of net profits away from local towns and local banks and by crushing out the life of independent business. Such chains are neither economical, efficient, nor in the public interest.

Every boy cannot own a railroad, a telephone company, or an electric-light plant. But if every young boy in this Nation is deprived of the opportunity of some day acquiring a retail store in his home town, the aspirations of many fine young men will be crushed.

The Robinson-Patman Act, which greatly benefits the independent merchant and the public, does not prohibit the chains from using profits from many stores in towns where they already enjoy a monopoly to enable them to sell goods at a loss in another town until the independent merchants in that town are put out of business. That is why the Federal chain-store tax bill is necessary.

INDICTMENTS AGAINST INTERSTATE CHAINS

Here are a number of direct indictments against the interstate chain system:

They are the products of a few monopolistic money masters of Manhattan.

Cost of food is higher in chain-controlled towns and communities.

They do not contribute to local relief, local schools, churches, or charities, except a miserly sum—entirely out of proportion to their business—in an effort to buy goodwill.

They break down local rent schedules by destroying the independent merchants.

They compel our boys and girls to work for absentee owners for long hours at starvation wages.

They crush out labor as monopoly invariably does.

They are draining capital from local towns.

They destroy the independence and self-reliance that built this Nation.

They do not create. They take away what others have created.

They never guarantee a doctor bill for an unfortunate employee.

They take away local privileges and opportunities that formerly enabled local citizens to assume local relief assistance and responsibility.

They never send an unnamed Christmas basket to a poor family.

They never fail to beat down the price of farm products.

They are the first to arrive after a town is built and the first to leave when a town is overtaken by drought, cyclone, epidemic, or other unforeseen disaster.

They charge different prices in different cities in the same State, and even in the same city, according to competition from the independent merchant across the street who is marked as the next victim.

They owe their growth to chiseling, cheating, racketeering methods, wrecking others to build themselves.

They never operate in a distressed community.

They never render temporary assistance in the form of credit to any citizen.

They never pay their just and fair share of taxes in proportion to their volume of business.

They have never raised the standard of living in any community. Absentee control of business is a detriment to the future welfare of all classes and there is no class or group that escapes its detrimental effect upon our economic life.

Net profits from farms, mines, or business are the only means of building towns, cities, and States. These net profits—under the chain system—fly overnight to New York.

Every dollar that is taken from your State or mine in net profits is a loss of many times that $1 in buying power to the local residents.

Net profits remaining in the community and deposited in the local bank circulate many times a year among local citizens.

FINANCE MORE WIVES OF FOREIGN COUNTS

Chain-store net profits go to distant owners to buy automobiles there, not in our community; to build schools and churches there, not in our community; or to finance more wives of foreign counts, who will spend such profits not in America but in foreign lands.

More than 15 officials of one large national corporate chain each receive more than $100,000 a year. Would it not be better for these privileges and opportunities to be widely distributed and have a larger number receive the aggregate amount of salaries paid to these 15?

NO VISION, THE PEOPLE PERISH

Would you believe that one New York bank has more than 4,000 directorships in the largest manufacturing, industrial, and other concerns in every section of the Nation? Would you believe that another large New York bank has more than 2,000 such directorships? What chance have you in the face of such power and influence? These men may intend to be good, but power naturally begets greed. They seek greater power, influence, and wealth. Where there is greed there is no vision, and the Bible says that where there is no vision the people perish.

PEOPLE SHOULD WAKE UP

Our country's welfare is distressingly at stake. Opportunity for the young and security for the aged hang in the balance.

Do you want private monopoly to continue to operate to the benefit and advantage of a few New York bankers? Do you want a community life built and sustained by local independent merchants or one bled white and cold-bloodedly exploited by absentee owners? Let us save America by preventing monopoly, by keeping the broad road of opportunity open, and by passing a law that will regulate selfishness and restrain greed.

Ambassador Hirosi Saito

EXTENSION OF REMARKS

OF

HON. MARTIN J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1939

EDITORIALS FROM THE NEW YORK TIMES AND THE WASHINGTON POST OF FEBRUARY 28, 1939, CONCERNING AMBASSADOR SAITO

Mr. MARTIN J. KENNEDY. Mr. Speaker, this afternoon, here in the Nation's Capital in the building of the Japanese Embassy will be held the last services in honor of Ambassador Hirosi Saito, until recently the Japanese Ambassador to the United States.

I am sure that fitting tributes will be paid to his memory by many of the world's leading citizens and statesmen, but in addition to these tributes, I deem it appropriate to insert the following editorials eulogizing the life and work of Ambassador Hirosi Saito:

[From the New York Times of February 28, 1939]

HIROSI SAITO

The youngest Ambassador ever to represent Japan in the United States is dead at the age of 52. It is said that he could not stand the strain of the fast-moving, high-pressure diplomacy which he himself used so skillfully. But perhaps more than any other Japanese of his generation he was responsible for averting a grave crisis for his country, when, apparently on his own initiative, he publicly committed his Government in advance to complete apologies for the *Panay* bombing. It took Japan some time to understand at its proper value this swift stroke of prescience. Meanwhile Saito shrugged and remarked characteristically that he was in "the dog house."

He knew how to play on the American idiom and he could interpret Japan for us in our own terms. He knew what we meant, too, and his acute ear caught overtones in the confusing roar of this country which his superiors often found it hard to credit. But he was the Emperor's man as much as they and as firmly committed to what Japan conceives to be her destiny. Had not ill health compelled his retirement he would almost certainly have been a member of the present Japanese Cabinet.

In Washington, as in New York, where he served as consul general, he will be missed for his engaging personal qualities and his gift for friendship.

[From the Washington Post of February 28, 1939]

AMBASSADOR SAITO

The death in Washington of Hirosi Saito, former Japanese Ambassador to the United States, robs Japan of one of her ablest diplomats and the American Nation and people of a sincere and understanding friend.

Mr. Saito knew the United States as do relatively few foreigners. During his long years of residence here he developed a deep admiration for American ways, habits of thought, and institutions. And the undisguised affection he entertained for Americans was wholly reciprocated. There have been few foreign envoys more genuinely popular here than Ambassador Saito, none who had more real friends.

It was particularly tragic, therefore, that the last years of his ambassadorship were clouded by increasing friction between Japan and the United States, a development that may well have hastened his untimely death. With American opinion intensely critical of Japan's course in China, Ambassador Saito demonstrated that his tact was as keen as his intelligence. His conduct during those latter days of his ambassadorship was exemplary and won him further admiration from those already charmed by his frank and open habits of speech, his keen sense of humor, and his camaraderie. He will be widely missed in Washington and throughout the entire United States.

Ambassador Saito was equipped for his task by inheritance and training. Born in 1887, his diplomatic activities took him to many parts of the world.

It was Macaulay who said that if one stopped under a doorway for a moment with Edmund Burke to escape a shower, he would be impressed with the certainty that he had met a kindly man. That was true of Ambassador Saito.

Washington mourns his passing and extends to his country and his family its deepest sympathy.

Restricting Exportation of "Peeler" Logs

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1939

LETTER FROM T. A. STEVENSON, SECRETARY OF TACOMA CHAMBER OF COMMERCE, URGING PASSAGE OF H. R. 3579

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein a copy of self-explanatory letter sent by the secretary-manager of the Tacoma (Wash.) Chamber of Commerce, to Hon. Cordell Hull, Secretary of State, in which is set forth strong arguments urging the passage of bill introduced by me, to wit, H. R. 3579, providing an interdictment upon the export of high-grade Douglas fir logs.

I am appreciative of the courtesy of my colleagues in permitting me to have this letter printed in the RECORD. The letter sets forth in graphic and persuasive language the strongest arguments justifying the prompt consideration and early passage of the measure. Though the letter is laconic and terse, it has condensed in admirable fashion the facts and underlying reasons justifying the passage of my bill. The letter follows:

FEBRUARY 23, 1939.

Hon. CORDELL HULL,
Secretary of State,
Washington, D. C.

MY DEAR MR. SECRETARY: Our district is the center of important wood-conversion plants, drawing on our virgin timber resources for their raw material. For many years past our industries have developed an important export market for finished wood products. This export market has been of great economic importance, since it acts as a balance wheel on the domestic industry, thereby enabling our plants to maintain a steady schedule of operation and to retain their labor force.

During the last few years this export trade has undergone an important change in that the exportation of finished products, such as high-grade lumber, plywood, doors, and similar items, have been superseded by the exportation of high-grade Douglas fir logs. Five to six years ago the Northwest exported 68,000,000 feet of plywood of Douglas fir and less than 10,000,000 feet of Douglas fir logs, whereas the last couple of years our export of plywood has dropped to less than 20,000,000 feet. At the same time, our log exports have risen to more than 130,000,000 feet. Were it not for the war in the Orient, the present log export trade would have been much larger, since Japan is the largest buyer of these logs.

Similar conditions confront lumber and other manufactured wood items. We know that the Department of State is making a strong effort to secure equitable custom duties in foreign countries applying to our products, but as long as the United States permits the unrestricted exportation of high-grade softwood logs these efforts are in vain. We are paying the highest wages of any similar industry in the world and must compete with Japanese wages of about one twenty-fifth of our current wages. We are shipping our logs to British Columbia, having a wage scale of 25 to 30 percent lower than ours, and their products enter Empire markets under more favorable duty treatment than is accorded our products. It is therefore impossible for our industries to compete.

Coupled with this it may be mentioned that through a trade treaty with Finland the American import duties on birch plywood have been reduced from 50 to 25 percent ad valorem and the

imports of birch plywood have already been felt by our industry. Canadian lumber of low and medium grades is entering our market under a reduced duty as a result of the Canadian trade agreement, and as a result the entire Northwest forest-products industries are in a critical condition.

The initiative has been taken by the Northwest industries with strong support from labor and the general public to prohibit the exportation of high-grade Douglas fir logs and a bill is now before Congress. The Chamber of Commerce of Tacoma has unanimously passed the enclosed resolution and we are asking that the Department of State give favorable consideration to this bill which, if it passes, will give our industry a measure of protection which cannot be secured through any trade agreements under present conditions. We know that the United States is the only country in the world which is willing and able to export this type of softwood logs, and it seems reasonable and equitable to us that our own Government should take the necessary steps to reserve this valuable natural resource for the benefit of its own people.

May we point to the fact that certain foreign countries, such as France, possessing valuable hardwood-timber resources in their colonies, have specifically prohibited the exportation of logs to any other country than the mother country. In years past Northwest sawmills imported Japanese hardwood logs, but the Japanese Government stopped this trade and insisted on changing to the exportation of finished hardwood products.

The United States Forest Service is fully conversant with the important conservation angle involved. The continued exportation of high-grade Douglas fir logs will completely undermine future reforestation efforts and will seriously affect the Northwest economic structure.

May we therefore ask you to give your support to this bill?

Yours very truly,

T. A. STEVENSON, *Manager*,
TACOMA CHAMBER OF COMMERCE,
Tacoma, Wash.

Coal Laboratory—Government Has Done Little in Way of Assisting Anthracite Area—One Way In Which Private Business Can Be Established and Built Up With a Little Government Encouragement and Cooperation—Would Benefit Employment

EXTENSION OF REMARKS
OF
HON. IVOR D. FENTON
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 28, 1939

EDITORIAL FROM THE POTTSVILLE (PA.) EVENING REPUBLICAN OF FEBRUARY 20, 1939

Mr. FENTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Pottsville (Pa.) Evening Republican:

[From the Pottsville Evening Republican of February 20, 1939]

With anthracite so much in the public eye just now, favorable consideration may be given to the bill of Congressman FENTON which would establish in the anthracite region a Government laboratory for the purpose of prosecuting experiments with coal to ascertain if by chemical processes something may make this product as much in demand for some other need besides that of heating.

The expenditure of a million dollars a year, as the bill provides, would establish in the region an industry of no mean proportions, which in itself would be of material benefit in the matter of employment. The Du Ponts have done a wonderful work in their experimental laboratories and are constantly turning out new products from old materials which have become of general necessity. It is altogether possible that from coal can come something which will not only create a new demand for coal but which may result in the establishment of large employing industries to turn out some new product that may be evolved, not by the Government but by commercial companies.

The Government has done little in the way of assisting this part of the country. There was a time when it bought our fuel, but even this is not done now. The manufacture of products for the Army or Navy might well be conducted in this section and at this time the airplane offers a possibility in this direction, where factories might be established for making plane parts. There are many ways in which private business can be established and built up with a little Government encouragement and cooperation.

Our Nation First

EXTENSION OF REMARKS
OF
HON. RAYMOND S. SPRINGER
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 28, 1939

Mr. SPRINGER. Mr. Speaker, many things have been said within the last few months respecting war in the future, and it has been openly predicted that our Nation will become involved therein. Such unguarded statements have been made by many of our people who speak without authority, and, I regret to say, many of such statements have been made by those in high authority in the national administration who attempt to speak the sentiment of our people. The rank and file of our people do not generally discuss this very delicate and revolting subject, and to the very best interest of our Nation they refrain from discussing the things which look toward war, and I doubt if the people of any other nation, except those actually engaged in war, indulge in such revolting thought or conversation at this time. Reliable information comes from abroad that the people of many European countries not only refrain from discussing the subject of war but they emphatically state "there will be no war in which the United States will be involved." Those countries do not want any involvement with us, and the people, therefore, refrain from discussing the subject.

It is lamentable, indeed, that various officers and Department heads of the national administration continue to speak of war. We should speak of peace, not of war. The people of our Nation do not want war, they want peace; they want an adequate national defense, which is a prepared defense sufficient to protect our shores, our institutions, our people, and our homes. With all their vigor they oppose an excessively inflated defense program which will create a huge spending spree and, in the end, an added burden upon our people by the imposition of more taxes. Our people do not want to become a warring nation, with great and excessive armament and numberless soldiers, sailors, and marines, all studying and talking war and its various phases, but they seek to enhance the arts and trades of civil life, the development of trade and commerce, and the institutions of peace; they do not want maimed and disabled veterans in cur communities, but they want men who are strong and capable and who can produce and aid in the building of our Nation.

We have had a rich experience in the payment of claims, pensions, and compensation to our disabled veterans and their dependents. And with this I am in full accord, because, if any nation sends its men to war and disability results, then the obligation to pay, and to fully pay, exists. However, we do not want impaired citizens; we want men. When we analyze the great cost of the World War in both money and in life, we are constrained to conclude that such a cost is entirely too great a sacrifice for any people to consider lightly and without calm reflection. War is a serious subject; it is too serious to discuss when we are enjoying peace and with no war clouds upon the horizon.

Let us reflect for the moment to the days of the late war and the years that have folowed it. We had and supported an Army of 4,791,172 in that war. Many of my comrades in this House, who are glad to have served their country, helped to make up that great army of men. We lost in action and from other causes 173,274 of our citizens; 205,690 of our soldiers were wounded; we have paid from the Federal Treasury since the close of the war to June 30, 1938, the vast sum of $3,595,965,530.99 in compensation to veterans and to dependents; that staggering sum does not include the payment of the adjusted-service certificates, which adds an additional $3,732,464,320.75 to the vast sum already shown above; that

is not all, because an additional $244,191,900 was paid out by our Government in discharge certificates, which brings the total amount to the staggering and incomprehensible figure of $7,572,621,751.75.

However, the greatest loss sustained by us as a people was in the loss of life and in the disabilities suffered by our comrades.

Let us remember the peak of disability has not yet been ascertained, and it will be many years hence before the great loss sustained can be fully realized.

Those who talk of war today should consider that the World War cost this Nation $1,000,000 and more each hour from April 1917 to April 1919. The reports available show that our expenditure of money for the World War was in an amount equal to a sum which is sufficient to have carried on the Revolutionary War continuously for more than 1,000 years at the respective rates of expenditure entailed by those two wars. With the great cost of war, why do our national leaders talk of war?

Let us analyze our economic situation for a moment. Our present national debt approximates the stupendous sum of $40,000,000,000, and our struggling taxpayers, which embrace all our people of every walk of life, are appalled at the imposition of the great burden upon them. In the face of the unprecedented spending of the people's money, by the present national administration, we have approximately 13,000,000 of our people who are unemployed. Business and industry in our country is at low ebb and our farmers, of every class, have been controlled and regimented until theirs is an eternal struggle to pay their taxes and their overhead expenses.

I suggest that we should talk economy and recovery in this country, and not the idle gossip of war and idle things which destroy; that we discuss the means and proceed to carry into effect the plan to stimulate business and industry and thereby aid in the reemployment of the unemployed in our Nation; that we speak of the things which will aid in the building of the confidence of our people in their Government, and not of the things which tend to destroy that confidence; that we have more of statesmanship here, and less of politics; that the will and the determination of our people should be the first consideration in these legislative halls, and the spectacular and uneconomic policies, which are wholly unsound, should be entirely eliminated and forgotten.

Let us advocate a complete cessation of "war conversation" in our country, and let us save the United States of America, first.

Secret Armies

EXTENSION OF REMARKS
OF
HON. LEE E. GEYER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 28, 1939

LETTER OF HON. LEE E. GEYER, OF CALIFORNIA, TO WALTER WINCHELL

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks, I include a letter written by myself to Walter Winchell. It is to be hoped that all Congressmen will read the book Secret Armies, as he suggests in a letter to all.

The letter is as follows:

FEBRUARY 22, 1939.

Mr. WALTER WINCHELL,
New York Mirror, New York City.

MY DEAR MR. WINCHELL: I have just finished reading Secret Armies and I say "orchids to Walter Winchell for his public service in making this astounding book available to every Member of Congress."

If you will refer to the CONGRESSIONAL RECORD of February 27, page 1948, you will see that the book is also provoking discussion in the House. Representative HAMILTON FISH sought to dismiss its revelations of Nazi activities on the ground that John Spivak writes for the Communist Daily Worker. As I said in reply to Mr. FISH, I am sure that your sponsorship of the book does not in any way imply your sympathy with or advocacy of the doctrines of communism.

I echoed your opinion when I said that every Congressman has a duty to read this book and judge it on its merits. If the charges there set forth are not true we should know it. If they are true, in whole or in part, then certainly we should act promptly to put an end to the clear and present dangers which they expose.

In continuing the splendid work you are doing in your column and in your broadcasts for the preservation of democracy, I hope you will continue to draw attention to the basis for further investigation which the material in Secret Armies offers. The Dies committee, with the new funds at its disposal, should certainly look into the overt acts of foreign spies and the military preparations of foreign groups plotting the overthrow of our Government, before making further excursions into the wonderland of fantasy it has explored in the past. Not the opinions of American citizens, but the activities of foreign agents, are the proper subject of congressional investigation.

Again many thanks to you for sending me the book, and more power to your tongue and pen.

Very sincerely yours,

LEE E. GEYER, M. C.

Guam

EXTENSION OF REMARKS
OF
HON. JOHN M. COFFEE
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 28, 1939

LETTER FROM J. G. B. COBERLY, OF PARKERSBURG, W. VA., IN REFERENCE TO GUAM HARBOR DREDGING

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein an interesting letter from J. G. B. Coberly, of Parkersburg, W. Va., in which he piquantly makes observations concerning a recent development in the House of Representatives. His remarks about Japan, and foreign policy in general, are provocative and worthy of study. The letter follows:

1046 EMERSON AVENUE,
Parkersburg, W. Va., February 23, 1939.

Hon. JOHN M. COFFEE,
House Office Building, Washington, D. C.

MY DEAR FRIEND: I am heartbroken and in tears to know that our Congress is so infested with traitors that they would sell our national honor just to avenge themselves on President Roosevelt. I never thought to live to see the day when the American people would be so humiliated as they are tonight. I know you did not vote to subject us to this ignominy.

Is it not enough that we should sell Japan the implements with which to destroy the women and children of a friendly nation without asking their permission to use our possessions as we please? If it is not, let us appoint some old man in his dotage, like * * *, as England did Chamberlain, and let him fly to Tokyo and ask the holy Emperor what he will take in land and money to refrain from persecuting us. If he says he wants China, but is unable to conquer and subdue her patriots, let us send an expeditionary force to assist the Japanese in their murder of women and babies, with the hope that he may leave us alone for another 10 years.

I do not know whom to appeal to in the Senate who will do it, but surely you can find one man who will take up this battle where you left off and fight it till he drops dead rather than force this disgrace on the American people. Ask them to put the Guam item back into the bill and keep it there, even at the expense of the whole program. We would be foolish to go ahead and build up a military force if we have to ask nations who are patently our enemies as to where we may use these forces on our own possessions. If I were in the Senate, I would stand there and fight until I dropped dead on my feet, if no one else would help me, rather than suffer this thing.

Only 2 nights ago I took down my old McGuffey's Sixth Reader and read again the ringing words of Patrick Henry: "Is life so dear, or peace so sweet, as to be purchased at the price of chains and slavery? Forbid it, Almighty God."

I don't know whether we need Guam or not. It may not be worth a tinker's damn; but if I were President, I would fortify that island if it took every warship, every plane, and every military power we could muster.

On many a morning I stood at attention at Fort Myer and saw the flag unfurled to the sweet breezes of the Virginia hills. Many an evening I helped furl it and carry back and lay it safely away

for the night. But I never dreamed I would be ashamed to look upon it. I little thought the day would come in the short space of 20 years when a heathen nation could tell us when and where we could fly it.

Isn't there something that can be done? You are on the ground where the fight is going on. Surely a bunch of traitors like those in the House cannot dictate legislation.

Most sincerely yours,

J. G. B. COBERLY.

Public Works Appropriation

EXTENSION OF REMARKS

OF

HON. JOE STARNES

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1939

Mr. STARNES of Alabama. Mr. Speaker, on June 21 last year the President signed a bill which included in its provisions an appropriation of $965,000,000 for the Federal Emergency Administration of Public Works, of which $200,000,000 was made available for Federal projects and $750,000,000 for grants for projects of States, school districts, municipalities, and other local public agencies throughout the country. The act, known as the Public Works Administration Appropriation Act of 1938, permitted the receipt of applications for loans and grants through September 30, and provided a deadline date of January 1 for getting all projects under construction.

At the time the act became effective last June, the Public Works Administration had a reservoir of some 2,000 approved projects in its files, and a trained technical and administrative staff of employees who had been with the administration for nearly 5 years and had supervised the construction of more than 30,000 projects, from small school buildings costing a few hundreds of dollars to immense construction projects such as the sanitary sewer project of Chicago, the Triborough Bridge in New York, the Florida overseas highway, and others of similar magnitude.

It was less than 4 weeks after the Public Works Administration Appropriation Act of 1938 became law that the first project of the new program was placed under construction, and by January 1, 6,163 non-Federal projects and 1,884 Federal projects were under construction. Never in world history has such a record of speed in public works been achieved, and its achievement here would have been impossible but for the splendid organization that has been developed in the past 5½ years for this specific purpose, and but for the fact that a large number of proposed public works had been planned and studied and prepared for in advance.

In addition to the almost superhuman task of placing such a large number of projects under construction, with a total estimated cost of more than $1,500,000,000, the Public Works Administration received nearly 12,800 new applications for Federal assistance in the way of loans and grants, showing the intense interest of communities throughout the country in the program, and their desire to cooperate therein.

I have introduced a bill, which will be known as House Joint Resolution 4576, to provide for a new program of non-Federal public works and making available for loans and grants for such projects an appropriation of $500,000,000. This appropriation will, on the basis of past experience, result in the construction of projects costing over a billion dollars. The bill further provides for the continuance of the Public Works Administration as a permanent agency of the Government, with a small staff of trained and experienced experts and others, which can be quickly expanded when the need arises for an intensive program of public works.

Following is a synopsis of the bill by sections:

Section 1: $500,000,000 is appropriated, for expenditure by the Administrator, Public Works Administration, with the approval of the President:

(a) For loans and grants to States, Territories, possessions, political subdivisions, and other public agencies;

(b) For loans and grants to public agencies and nonprofit corporations for projects for the construction of hospitals, sewage treatment and disposal plants, and for elimination of stream pollution; and

(c) For grants to public agencies for the preparation of plans and specifications for projects.

Allotments may be made only for projects that can be commenced by April 30, 1940, and substantially completed by December 31, 1941.

Section 2: On and after July 1, 1939, the Federal Emergency Administration of Public Works is to be known as the Public Works Administration.

Section 3: All limitations on the life of the Public Works Administration are repealed, and the Administration is authorized to continue to perform its present functions.

Section 4: The Administration is given the following specific powers, but only within the limits of available appropriations):

(a) To construct or finance Federal projects, although no part of the appropriation made by this bill is made available for this purpose.

(b) To make loans or grants to public agencies or nonprofit corporations for projects for the construction of hospitals, sewage treatment or disposal plants, or for the elimination of stream pollution.

(c) To make loans or grants to public agencies for the construction of other projects of such public agencies, the grant in any case being limited to 45 percent of the cost of the project.

(d) To acquire property by exercise of the power of eminent domain, and to construct and lease to public agencies projects eligible for allotment under subsection (b) or subsection (c); provided that the nonrecoverable portion of the cost of such project may not exceed 45 percent of such cost.

(e) To make grants to public agencies for the preparation of plans and specifications for projects pursuant to standards prescribed by the Administrator; such grants being limited to 3 percent of the estimated cost of such projects, and to an aggregate of $10,000,000 in any fiscal year.

(f) To receive and consider applications.

(g) To purchase refunding bonds as an incident to financing a non-Federal project.

(h) To exchange obligations purchased by the administration for other obligations of public agencies.

(i) To sell obligations purchased by the Administration, and to use the proceeds in making further loans.

(j) To provide funds for temporary operation of projects constructed and leased by it, and for temporary operation of projects which it has financed when necessary for the protection of securities which it has acquired.

Section 5: Provision is made for a regular staff to be appointed (with certain exceptions) subject to the Classification Act of 1923, as amended, the maximum annual compensation of such staff to be $2,000,000. The appointment of additional employees is authorized when necessary to carry out public-works programs for which appropriations are made by Congress. Provision is made for administrative expenses, in addition to the amount appropriated by the Public Works Administration Appropriation Act of 1938 and the Independent Offices Appropriation Act of 1940, in an amount sufficient to carry out the program of public works authorized by the bill.

Section 6: Conflicting provisions of existing acts are repealed, and the commencement and completion dates established by the bill are made applicable to any further allotments from funds previously appropriated.

Section 7: The act is to be cited as the "Public Works Administration Act of 1939."

The bill is, with but a few changes, substantially the same as previous P. W. A bills. The changes are worthy of mention, and no one can gainsay their desirability.

The bill broadens the scope of eligible applicants by permitting loans and grants to be made to nonprofit corporations for projects for the construction of hospitals, sewage treatment or disposal plants, and for elimination of pollution in streams. Based upon the experience of the P. W. A.,

there are a large number of communities in the country where hospitals, though essentially public and performing all the functions of a publicly owned hospital, are owned and operated by nonprofit, endowed institutions. To deny such institutions the aid that is granted to public bodies for such projects is to deny such aid to the communities where they are situated since, in many cases, the communities cannot support two hospitals.

The bill provides for the making of grants for the preparation of plans and specifications, in accordance with standards approved by the Administrator, of proposed projects. The maximum grant for such purpose cannot exceed 3 percent of the estimated cost of the proposed project and not more than an aggregate of $10,000,000 may be paid out for such purpose in any fiscal year. Furthermore, any such grants will be included in determining the maximum amount of grant on the projects under the 45-percent limitation. Permitting grants for the preparation of plans and specifications will insure that projects for which grant allotments are made will be properly designed—none can question the fact that the activities of the P. W. A. have substantially raised standards in the construction of public works—and that no delay will be encountered after the allotment is made as a result of necessary changes in such plans and specifications.

The bill sets a dead line of April 30, 1940, for the commencement of construction. I believe it essential that the work under the new program be carried on in such manner that the completion of projects under the present and this new program will result in a tapering off of the employment provided thereby rather than in an abrupt drop. Furthermore it appears that the peak of employment on the present program will be reached during the late spring and early summer of this year. To require that the projects in the new program be commenced during this peak of employment would to some extent dislocate the facilities for construction and might result in a disastrous drop in employment upon completion of the present program. Finally the fixing of the April 30, 1940, date for getting projects under way will permit more reasoned selection of projects, both by the communities affected and by the Public Works Administration, as well as more careful preparation of plans for the projects actually financed.

The most important change, and to my mind the most desirable, is the repeal of existing limitations on the life of the Public Works Administration and the setting up of a nucleus organization, strictly limited as to size and expense.

The experience of the Public Works Administration, under the Public Works Administration Appropriation Act of 1938, has demonstrated conclusively the value of such an organization and the value of a reservoir of public-works projects, in case an emergency arises. Given such an organization and a reservoir of approved projects, a program of public works can be put into full swing without loss of time or effort.

In 1938 the Public Works Administration, working within the shortest period of time ever imposed by the Congress on a construction agency for a major program, placed the largest non-Federal program it had ever undertaken completely into construction within 6 months. Its 1938 record showed that—

First. Eight thousand and forty-seven P. W. A. projects, Federal and non-Federal, calling for the expenditure of more than a billion and a half dollars, were put under contract in 143 working days.

Second. P. W. A. released for construction and supplied to heavy industries an average of more than $11,000,000 worth of work daily. During the 4 months following passage of the act projects were approved at the rate of 2,000 per month, thus placing on the market more than $300,000,000 worth of work every 30 days.

Third. In the 78 working days allowed for filing applications, cities and States submitted requests for 12,814 projects, the total cost of which exceeded $4,000,000,000.

Fourth. All records for volume of P. W. A. construction within a comparable period were broken. The following table shows how the 1938 non-Federal program moved as compared with previous P. W. A. programs when procedure was being perfected:

Non-Federal projects

	First 6 months of—		
	1933	1935	1938
(a) Number of projects for which allotments were made	1,374	2,965	6,246
(b) Federal money contributed and loaned	$387,013,085	$343,903,855	$693,225,275
(c) Total cost of construction	$625,789,714	$615,123,168	$1,438,580,784
(d) Number of projects put under contract	396	53	5,987

Fifth. Projects being erected under the 1938 P. W. A. program include the following types:

Types of non-Federal projects	Number of projects	Total allotments	Total estimated cost
Streets and highways	598	$108,409,689	$238,705,516
Sewers, waterworks, power, and other facilities	1,436	142,167,044	289,762,218
Educational buildings	2,808	220,907,508	469,195,114
Other buildings	945	119,102,260	242,833,273
Flood control, water power, and reclamation	29	11,929,305	14,185,683
Water navigation aids	21	5,946,829	11,937,404
Engineering structures (bridges, tunnels, etc.)	197	67,918,288	145,401,138
Miscellaneous	212	16,844,362	26,560,438

Our economic framework is so complex that the contribution of any single agency to national recovery through the carrying out of a national program cannot be accurately estimated. Nevertheless, there is sufficient evidence to warrant the claim that the public-works program of 1938 has made a substantial contribution to national economic recovery.

As a result of Bureau of Labor Statistics studies, the P. W. A. was able, by the time the current P. W. A. program was undertaken early last summer, to forecast the effect that the program would have in terms of industrial production and in employment. It was able to predict the benefits that would flow to the heavy industries affected, including that of steel. These predictions have been fulfilled.

For example, the Federal Reserve Board index of industrial production advanced from 77 in June, when the P. W. A. Act was passed, to 97 in October and 100 in November. Simultaneously with the making of P. W. A. allotments, the steel index rose from 28 percent of capacity to 62.5, as follows:

Week ending—	Approximate value of Public Works Administration construction authorized	Percent of ingot capacity (reported by Iron Age)
June 28	$619,345,000	28
July 19	833,346,000	36
Aug. 23	1,247,599,000	43
Sept. 20	1,426,637,000	47.5
Oct. 18	1,605,010,000	51
Nov. 15	1,626,874,000	62.5

Because the machinery was in working order at the time Congress passed the 1938 act P. W. A. was able to set and maintain an unprecedented pace in getting the program under way. A substantial reservoir of accumulated applications that had been examined and approved was ready for the sluice gates to be opened.

The bill provides for a small permanent organization to be appointed with usual exceptions, subject to the civil-service laws. Provision is made for the certification by the Administrator to the Civil Service Commission of present employees who have rendered satisfactory service for a period of not less than 6 months prior to the enactment of the bill, and who are to be assigned to the regular staff of the Administration, and for their acquiring civil-service status after noncompetitive examination. In order to carry out specific programs additional employees may be appointed without regard

to the civil-service laws, but their compensation is payable only from appropriations made to carry out such programs, or otherwise specifically authorized to be used for the purpose.

It is estimated that the nucleus organization will be less than one-tenth the size of the present organization, and the bill specifically limits the aggregate annual compensation of the regular staff to $2,000,000. This is less than one-tenth of the authorization for administrative expenses for the current fiscal year and is less than 7 percent of the maximum of $29,500,000 expended during the calendar year of 1935. I have not the slightest doubt that this $2,000,000 or less annually will be recovered many times over in case of a future program by savings in administrative expenses alone, without considering the benefits to be derived from the ability of such an organization to get a program under way with a minimum of effort and expense and without a moment's delay.

In conclusion, I may state that the record of the P. W. A. is such as to inspire every confidence that whatever appropriations are made—and it must be borne in mind that no program of public works can be carried out except as Congress may approve—will be spent for the purposes for which such appropriations are made, and without extravagance or waste; that any limitations imposed by the Congress upon expenditure of such funds will be complied with to the letter; that the P. W. A. will never come back to Congress with the plea that it has overobligated itself or has spent money without authorization; and that, for all money so spent by the P. W. A., the country will have received full value in lasting public works.

Transportation Rates

EXTENSION OF REMARKS

OF

HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1939

MEMORIAL OF THE SENATE OF THE STATE OF MICHIGAN

Mr. SHAFER of Michigan. Mr. Speaker, under permission granted me to extend my remarks, I include a memorial from the State Senate of the State of Michigan, being Senate Concurrent Resolution No. 12, as follows:

Concurrent resolution memorializing Congress to defeat certain measures that would discriminate against Michigan industry and agriculture in the matter of transportation rates

Whereas there are now pending in Congress several measures; namely, H. R. 188, S. 126, S. 137, and S. 158, and before the Interstate Commerce Commission an action designated as Docket 27744, all of which are detrimental to Michigan labor, industry, and agriculture, because they impose discriminatory transportation rates against Michigan and in favor of certain Southern States competing with the products of Michigan; and

Whereas adoption of these revised rate schedules, in the estimation of competent authorities, would force some Michigan industrial enterprises to face the alternative of closing or moving their plants to States sponsoring these rate revisions, thus making more acute Michigan's economic difficulties; and

Whereas other States threatened with the same destructive discrimination, notably Illinois and Indiana, are putting forth every effort to defeat this attempt to subject them to unfair competition: Now, therefore, be it

Resolved by the senate (the house of representatives concurring), That we do hereby urge the United States Senators and Members of the United States House of Representatives from Michigan to exert their full force in defeating the measures referred to; and be it further

Resolved, That the interests of the State of Michigan be adequately represented in hearings before the Interstate Commerce Commission or before any other agency of the Government, on the proposals referred to, such representation to be at the discretion of the Governor of Michigan.

The Farm Problem

EXTENSION OF REMARKS

OF

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1939

RADIO ADDRESS BY HON. ROBERT A. TAFT, OF OHIO, OCTOBER 18, 1938

Mr. BROWN of Ohio. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following excerpts from the address by Hon. ROBERT A. TAFT on the farm problem, as delivered over a chain of radio stations in Ohio, October 18, 1938:

One-fourth of all the people of the United States live on the farm. Unless they are prosperous, general prosperity is impossible, and every city dweller, every workingman, every businessman is interested in seeing a policy adopted which will produce a real and permanent prosperity on the farm.

On the other hand, it is useless to hope for good farm prices while the entire country is in the midst of a depression. The farmer's prime interest therefore is the same as that of every other American. He cannot hope for general prosperity under a planned economy administered by hundreds of thousands of governmental bureaucrats. He cannot hope for any real prosperity through a Government spending program which proposes to add $4,000,000,000 to the national debt in the year ending July 1, 1939. A deficit of $17,000,000,000 in 5 years has brought the country, and the farmer, back to the same point he was in 1933.

Planned economy as applied to the farm has been a notable failure during the past 5 years, but the Ohio farmer has only been indirectly in touch with it. Today he feels for the first time the heavy hand of Government dictation. The new dealers are finally carrying out through rural Ohio the theory they have long held that they can run any man's farm, or any man's business, better than he can run it himself. Well-informed farm organizations and legislators warned the Nation of the arbitrary power given the Secretary of Agriculture by the new farm act, but the administration insisted on its passage. The farm bill gives the Secretary of Agriculture almost unlimited power to restrict production and tell the farmer what he may produce and what he may market.

WHY I AM OPPOSED TO LIMITATION OF FARM PRODUCTION

I am opposed to compulsory limitation of production, and I am further opposed to semicompulsory limitation of production through the making of benefit payments only to those who comply with prescribed quotas. In my opinion, any policy which is based on compulsory limitation of production is bound to fail in the long run in maintaining prices, is bound to increase unemployment, and limits the essential freedom of the farmer to develop his own farm in the best and most suitable manner. Furthermore, it has brought about the loss of the foreign market, a loss likely to become permanent. When those who have been consuming our products are compelled to go to other sources on account of the limitation of American farm production and become accustomed to depend upon these other sources, it will be difficult to regain their trade.

The present effort to limit corn acreage in Ohio is ill-advised and unnecessary. Corn is a crop of which very little is marketed. Every farmer is better off with a good reserve of corn; and if his reserve proves excessive, he can limit his own production. The carefully planned rotation of crops customary in Ohio is completely upset by Government dictation. Furthermore, the attempt to prescribe quotas seems to have been done in a most haphazard way, without regard to the needs of the particular farmer, and without any attempt to be fair between farms which seem to be in every way alike. If corn-acreage limitation is intended to limit hog production, it is an indirect and ineffective method of reaching that result.

America looks to its farm population for new blood, new ideas, and the preservation of sound democratic principles. Nothing is more important than to make the life on the family type farm as attractive as that of the average city dweller. There must be no discrimination in favor of the city.

SECURE THE AMERICAN MARKET FOR THE AMERICAN FARMER

The basis of any American farm policy under present world conditions must be to secure the American market for the American farmer. From 1934 to 1937, under the present farm and reciprocal-treaty policy, exports of agricultural products have increased from $900,000,000 to $1,000,000,000, or 12 percent. At the same time imports of agricultural products have increased from $1,088,000,000 to $2,042,000,000, or 88 percent. The excess of imports over exports has increased from $186,000,000 to $1,023,000,000. Corn, wheat, and cotton goods have been freely imported, with the result that the American farmer is deprived of his best customer. This

has resulted from the limitation of production and from ineffective tariff barriers. It would not occur if the tariff on agricultural products were sufficient to protect the American producer against similar products produced cheaply in other countries whose currency has been devalued more than that of the United States. There should definitely be a tariff on agricultural products, and no reciprocal-trade treaty should permit this tariff to be reduced below the difference in the cost of production in this country and abroad. With such a tariff and the removal of production control the imports would be checked.

STIMULATE THE DOMESTIC AND FOREIGN MARKET FOR OUR FARMERS

The Government should deliberately stimulate a market for agricultural products, should assist in finding new uses for agricultural products, and should, of course, promote the sale of American agricultural products abroad as much as possible.

Cooperative marketing should be encouraged through more intelligent and sustained support, so that the farmer may not be at a disadvantage in bargaining for the disposition of his products. The various farm-credit agencies should be coordinated and simplified to eliminate the red tape incident today in nearly all farm borrowing.

In the process of a progressive policy of conservation, much land may be taken out of immediate production by the planting of trees which in time will enable the United States to produce more of its own paper and pulp. Certainly when the Government creates additional agricultural land by irrigation projects, it should correspondingly reforest the poorer type land now in production.

For many years the farmer has had a comparatively lower income than other groups in the country. He has to pay a higher price for some of the things he buys because of the tariff, whereas those farmers producing crops with an exportable surplus, like wheat and cotton, must sell at the world price. This condition justifies a reasonable subsidy in the form of benefits for soil conservation, and for the planting of crops which bring about soil improvement.

All of these things may be done without Government dictation or the creation of a vast corps of bureaucratic inspectors overrunning the farms of Ohio like a plague of grasshoppers.

Restoring Agriculture to Prosperity

EXTENSION OF REMARKS

OF

HON. WILBURN CARTWRIGHT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1939

RADIO ADDRESS BY HON. ROBERT L. OWEN ON THE QUESTION OF RESTORING AGRICULTURE TO PROSPERITY

Mr. CARTWRIGHT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the speech of ex-Senator Robert L. Owen, of Oklahoma, made on the National Grange Hour over the N. B. C. network, under date of February 18, 1939. Senator Owen is one of the greatest authorities of the world on money matters. This speech is interesting and instructive. I advise everyone to read it.

The speech is as follows:

My friends and fellow citizens, it is a great privilege to appear as the guest of the National Grange to discuss this question of restoring agriculture to prosperity. It is the same problem as restoring the small-business man to prosperity. It is the same problem as restoring the professional men and those engaged in the vocations, those that labor in the factories, to prosperity.

Millions of people in the United States know perfectly well what has been the cause of our sorrows during the last 20 years. Let me call your attention again to what took place in 1920. Then agriculture was in the most prosperous condition and it was prosperous because there had been an expansion of credit and currency in the United States. There had been an expansion of the money supply in the United States through the billions of bonds sold, which created money. And under those conditions not only was agriculture prosperous but the labor of the country was being well fed and well housed.

In 1921, under an unwise contraction of credit and currency, there ensued a depression which cost the farmers of this country $20,500,000,000 in the value of their farms; and it caused the value of farm commodities to fall more than half within 1 year; and it caused the dollar index to rise from 60 to 107 from May 1920 to June 1921.

We had another experience of the contraction of credit and currency in 1929-32 from which we have not yet recovered, and which bankrupted not only millions of farmers but, these two depressions, both caused by the contraction of credit and currency, bankrupted 16,000 banks. Don't blame the poor banks for what took place. They were the victims as well as you. The cause of this has been due to a lack of understanding on the part of our great industrial and financial leaders. And no man ought to point to them in reproach for what has taken place for the reason that they have suffered, and suffered greatly, from the same identical cause.

And this cause is now well known. It has been well known to your farm leaders. Nobody knows better what has caused this distress for the farmers and businessmen of this country than do the leaders of the farm groups in America and the farm organizations in America.

Please listen: I will ask the announcer—in the briefest possible form—to read what they have said in their public meetings:

The legislative program of the National Grange for 1939 proposes that:

"Congress should give a mandate to the Board of Governors of the Federal Reserve System to manage the currency in such a way as to restore the average price level obtaining between 1921 and 1929, and then stabilize the purchasing power of the dollar at that point."

Mr. Louis J. Taber, speaking before the annual session of the National Grange, 1938, at Portland, Oreg., said:

"There will be no sound farm program or enduring rural prosperity until we secure an honest dollar."

The American Farm Bureau Federation passed a resolution in 1938, saying in part:

"The American Farm Bureau Federation has repeatedly urged Congress to exercise its constitutional obligation to regulate the value of money."

Mr. Edward A. O'Neal, before the twentieth annual convention, 1938, of the American Farm Bureau Federation, in New Orleans, said:

"I am convinced further that we must have a managed currency."

The National Cooperative Council, after 2 years' study of this matter, passed a resolution which in part said:

"The desire and objective of the National Cooperative Council is that our monetary system be so revised and currency and credit so managed as to establish and maintain the dollar with a constant purchasing power."

The President of the United States himself has said and spoken of the importance of restoring the predepression price level and giving the country a dollar whose debt-paying purchasing power should be the same from one generation to another.

The question is, Why has not relief been given through the necessary steps in Congress to compel the correction of this condition and establish this stable dollar? I think the answer is that there has not been in the United States a sufficiently well-informed public opinion as to how to apply the remedy and exactly what was needed in the law.

For that reason, I wish to suggest to you and urge upon you the organization of money study clubs, as they have in Canada, thousands of them. I want to ask you to inform yourselves. You can get the information you desire now. The information is available in public documents. There was a public document printed by the Senate of the United States within the last 2 weeks (S. Doc. 23), which is a book which I took the pains to prepare explaining what ought to be done and exactly how it should be done. This book is available for those of you who ask your Senators or Congressman to send it to you; here you will find all the facts necessary. Here you will find an explanation so brief and so clear that a high-school boy can understand it.

I am urging you to take this step in order that the country may be informed, and so that you, as citizens, may understand what you are talking about as to the need and manner of the reform required so that you may write with intelligence to your Senators and to your Members of Congress and cause them to be more deeply interested in this matter.

There are a number of bills now before Congress which are adequate for this purpose. One (S. 31) introduced by Senator LOGAN of Kentucky. One (H. R. 195) introduced by Mr. PATMAN, of Texas. And others doubtless will be presented.

But it is necessary to have an informed public opinion and I am appealing to you to do your part to restore prosperity through an informed public opinion and through the action of Congress that shall give us relief.

Great Britain has adopted the system of managed money with great benefit and their production has increased 50 percent in the last 5 years. Germany has increased her production under Hitler 146 percent in the last 6 years.

The Constitutional Money League of America has been organized in Washington, D. C. This league proposes to appeal to the country for the organization of money study clubs. There will be upon the advisory council leading men. Through this organization you will be able to obtain information. But from the Congress, itself, you will find many speeches being made—which will appear in the CONGRESSIONAL RECORD—by leaders in the House and Senate explaining this matter.

But it will require the citizens of the United States to be awake to understand the importance of this matter in order that Congress shall take definite action at this session of the Congress. I am appealing to you to write letters to your Senators and your Congressman when you shall have studied this matter urging them to take the proper action.

I want to thank you for this opportunity, and above all, I want to thank the radio, the greatest gift which God has ever given to mankind for the promotion of the truth; for it is written—

"Ye shall know the truth, and the truth shall make you free."

National Defense

EXTENSION OF REMARKS
OF
HON. DOW W. HARTER
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 28, 1939

ADDRESS BY COL. STEPHEN A. PARK ON FEBRUARY 17, 1939

Mr. HARTER of Ohio. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following remarks by Col. Stephen A. Park, Infantry Reserve, national president of the Reserve Officers' Association of the United States, at the annual national council banquet in Washington on February 17, 1939:

Mr. Secretary (Hon. Harry H. Woodring, Secretary of War), members of the Congress, and officers of the Regular Establishment, we of the Reserve Officers' Association of the United States are happy to welcome you as our distinguished and honored guests at this banquet held in connection with the fifth annual midwinter meeting of our national council.

Tonight marks the midway point in the period between Lincoln's and Washington's birthdays, the period which our organization has for several years sponsored as National Defense Week, the period during which we, with the splendid collaboration of the Regular Army, the National Guard, veterans' and patriotic organizations and other groups, have endeavored to impress upon the citizenry of the entire country the status and basic needs of our national defense.

It must be evident to all of us that this year's observance of National Defense Week and our meeting here tonight are particularly significant and challenging because every peace-loving citizen is now asking the vital question, "Will America become involved in the war which threatens to embroil all of Europe as well as parts of Asia and Africa?"

Like all other civilians, the members of the Officers' Reserve Corps and the Reserve Officers' Association, fervently hope and pray that our future history will answer that question in the negative. We are real pacifists because some of us have personally experienced the drudgery, the suffering and the indescribable horrors or war, and we want no more of it for ourselves or for our children. Both we of the war-veteran group and the younger men who have joined the Reserves since the World War hope that we will be allowed to pursue our civilian businesses and professions without interruption, because we have everything to lose and nothing to gain for ourselves personally should we ever be called to the colors for war service.

And because we are real pacifists we want our Government to pursue the surest and probably the only course for keeping our country safe and at peace, and that is by making all the elements of our defenses so strong that we will be able to discourage or repel, if necessary, any possible aggression.

During the last few years substantial progress has been made in that direction. Our Regular Army has been increased to 12,760 officers and 165,000 enlisted men, but it still needs 2,000 more officers and 15,000 more men to fulfill its responsible missions, including the training of the civilian components and making proper provisions for the Air Corps and other vital branches of the service. The total of approximately 195,000 officers and men needed now as the minimum strength for this component would represent only 1.3 per 1,000 population in the United States and its Territorial possessions. When it is considered that our cities employ 2 to 3 policemen per 1,000 population merely to maintain law and order in their communities and that our Regular and Reserve forces now stand eighteenth among the armies of the world, although the United States stands first in wealth and fourth in population, certainly an objective of 195,000 officers and men for the Regular Army is modest in the extreme.

Our National Guard, supervised and trained by Regular Army officers, has developed into a highly efficient force and, although still less than half the strength provided for under the National Defense Act, will admirably supplement the Regular Army as the first line of land defense in any national emergency.

While it is of utmost importance that we increase the strength and efficiency of these two components which would constitute our initial protective force, we must recognize the fact that no army is any stronger than its reserves and that under our system of national defense we place reliance for the Nation's ultimate security upon a citizen army which must have trained and qualified leaders.

Those leaders must come from the Officers' Reserve Corps. They must be ready to command platoons, companies, battalions, and regiments, and perform staff functions in the various echelons of an army, raised on mobilization, in the same manner as officers of the other two components.

Against an estimated minimum requirement of 120,000 such officers to meet the demands of the first phase of a national emergency, the Officers' Reserve Corps now has on the active list about 100,000, 85 percent of whom have had no wartime experience either as officers or as enlisted men.

In view of the tremendous responsibility which would devolve upon this corps in having to furnish four-fifths of the officer personnel for a national army, and recalling our experience in the World War, our association maintains that the opportunity for active-duty training should be given to such officers annually and not on the present basis of once in 2½ years for officers of the arms and once in 6 years for officers of the services.

As a result of this policy, based upon considerations of economy rather than on military efficiency, it has been necessary for Reserve officers to supplement their infrequent practical training in camp by pursuing Army extension courses and attending schools and conferences on an inactive and nonpay status.

That our present laws and appropriations are inadequate for maintaining the interest and activity of members of the corps and building up a strong, reliable component of the Army, is evidenced by the fact that nearly half of our R. O. T. C. and C. M. T. C. graduates commissioned in the Officers' Reserve Corps since 1920 have either resigned or allowed their commissions to lapse.

In connection with this problem of training I am reminded of a story that is told about Col. Selah H. Thompkins, the widely known Cavalry officer, who died a few days ago in San Antonio, Tex., at the age of 76. Years ago, when on duty in the Philippines, Col. "Tommy" Thompkins, or "Pinkwhiskers," as he was affectionately called, was given 400 Cavalry recruits and told to mold them into a fighting unit. After a few weeks his superior officer wrote, asking how things were going. Colonel Thompkins replied, "I have 400 men who have never seen a horse, 400 horses who have never seen a man, and 12 officers who have never seen a man or a horse. Now what can I do?"

That was long before the Officers' Reserve Corps was even thought of, but the need for practical training is just as evident now as it was in Colonel Thompkins' day.

You gentlemen of the Congress have the constitutional duty and responsibility, particularly grave at present, of providing for the national defense, while you of the Regular Establishment have as one of your principal missions the administration and training of the Organized Reserves in accordance with congressional provisions. As for the Reserve Officers' Association, the mouthpiece of the Reserves, we, too, recognize our duties and responsibilities, first, to the country; and, second, to the members of our component.

Thus as we meet here this evening with a common objective and upon a basis of mutual understanding and respect, let me assure you that we are confident you will treat our requests for the Organized Reserves in the spirit that we present them, namely, of endeavoring to transform this component from a mere paper organization into one of flesh and steel—one that will be adequately trained and equipped and prepared to fulfill its vitally important mission whenever the necessity arises.

We rest our case in your capable hands.

T. V. A. Appropriation

EXTENSION OF REMARKS
OF
HON. JOE STARNES
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 28, 1939

Mr. STARNES of Alabama. Mr. Speaker, this House will soon be called upon to act on the conference report of the independent offices appropriation bill for 1940. One of the questions then before the House will be the approval of the appropriation of funds for the Tennessee Valley Authority to continue its program of construction which, when completed, will create a 9-foot navigable channel from the mouth of the Tennessee River to Knoxville. The Tennessee Valley Authority has been directed by act of Congress to do that.

The Tennessee River is an integral part of the inland-waterway system now being developed in this country. When completed this system will provide the most extensive improved waterway in the world, reaching from New Orleans and the Gulf on the south to Minneapolis and the Great Lakes on the north, and from Pittsburgh and the Appalachian Mountains on the east to the Western States of Iowa, Nebraska, and South Dakota. It will contain approximately 5,700 miles of continuous 9-foot channel, plus an additional 3,000 miles of auxiliary channel with navigation depths ranging from 4 to 9 feet. The system is now about 85 percent complete.

The development of such an inland system of waterways is not a new governmental policy. Since the time of George Washington the value of waterway improvements has been expounded by leading statesmen of all political beliefs, and congressional interest in inland-waterway improvement has extended almost uninterruptedly from the beginning of the nineteenth century to the present time.

One of the principal objectives of Congress in the improvement and integration of the inland rivers for navigation purposes, as shown by the records of debates and committee hearings on this subject, has been to create, as nearly as possible, a balance in economic conditions and opportunities as between the interior of the country and the coastal and Great Lakes margins. The latter areas, composing what has been appropriately termed the "deep-water rim," enjoy the benefits of cheap navigation by natural water routes. The great commercial and industrial developments that have taken place in these marginal sections indicate that navigation has been useful and promotive of beneficial results. Congress has added to the effectiveness of these natural waterways by appropriations for harbor improvements and by the construction of the Panama Canal. The hope of the great interior regions for similar advantages lies in the improvement and integration of the inland streams for efficient and economical navigation.

The early navigation improvements on the inland streams of this country were made in piecemeal fashion and did not result in the creation of a network of uniform channels. Gradually sentiment developed for carrying out a more definite program with reference to these improvements. Hon. Herbert Hoover, while Secretary of Commerce, articulated this sentiment before Congress and thereby helped to crystallize the thinking of the country on inland-waterway development. In 1926 he appeared before the House Rivers and Harbors Committee of the Sixty-ninth Congress and earnestly urged the completion of an improved and integrated waterway system for the interior of the United States. He based his position upon the following grounds:

First. To reestablish a balanced economic relationship between agriculture in the United States and foreign agricultural competitors by giving the farmer of our great interior agrarian regions a cheaper form of transportation to the seaboard.

Second. To improve the economic relationship between industry in the interior of the United States and industry located along the deep-water margins of the country.

Third. To promote a better distribution of the population of the United States.

The present inland-waterways development of which the Tennessee River is a part will advance toward those objectives. The inland-waterway system adapts itself to the transportation needs of the country by reason of the fact that it is naturally set up in a way that coincides with the predominant directional flow of the Nation's traffic, which is north and south and east and west. Such diverse points as Chicago, Pittsburgh, Minneapolis, Kansas City, Birmingham, Cincinnati, Chattanooga, and St. Louis are directly connected by the system. Transportation charges to old markets may be lowered by shipping over it, and completely new markets can be opened for shipments to or from the above cities and many others. It is possible, for instance, to move, without transshipment of cargo, a bargeload of steel pipe from Pittsburgh, Pa., all the way to Corpus Christi, Tex., a distance of 2,258 miles. Or it is equally possible to ship a bargeload of kraft paper from Panama City, Fla., to Minneapolis, Minn., a distance of 2,155 miles, without a transfer of lading.

The improved Tennessee River, because it will be an integral part of this national network of waterways, will provide, at relatively low rates, water transportation to shippers in a large part of the country, both in the Southeast and elsewhere. By integration with other forms of transportation shippers in nearly all sections of the country should directly or indirectly receive benefits from the improved river.

The relation of the inland-waterway system to the currents of traffic in the United States is a matter of importance in any effort to estimate the volume of commerce which may be developed on the Tennessee River. There is a large volume of traffic flowing into, out of, and across the Tennessee Valley annually. A substantial part of this traffic moves in a direction that coincides with the improved river channels.

Some regions, of course, produce surpluses of commodities, while others have deficits of the same commodities, which causes an interchange of goods. The Tennessee Valley is a deficit area in some respects and a surplus producer in others. It therefore has a constant movement of traffic into and out of, as well as across, the region. Generally speaking, it is a surplus producer of forest products, coal, coke, limestone, marble, phosphate rock, tobacco, cotton, cottonseed and cottonseed products, hay, zinc ore, and certain types of manufactured products. It is a deficit area in respect of grain, grain products, iron and steel, petroleum products, sugar, salt, sulphur, agricultural implements, and most of the long list of manufactured articles in common use. The surpluses move out-bound and the articles of consumption, of which there is a scarcity, move in-bound.

The present navigation improvement of the Tennessee River was authorized after a thorough and extensive investigation of the river's traffic possibilities. This survey was made by the United States Army engineers under the immediate direction of the district engineer at Chattanooga. The results of the survey were published as a part of the general report on the Tennessee River designated as House Document 328, Seventy-first Congress, second session.

The district engineer, after conducting this extensive study of the commercial possibilities of the river, made a specific estimate of the tonnage that could have moved on the river in 1926 if it had been canalized and put into operation at the beginning of that year. The total estimate of tonnage on the Tennessee River proper, exclusive of tributaries, as of 1926, as made by the district engineer, is 9,558,749 tons, at a saving of $12,231,744. The average saving is $1.31 per ton.

In transmitting his report to the Chief Engineer, through the division engineer, on January 27, 1930, the district engineer stated that while his report had shown the total amount of tonnage that could move on the river at a material saving, it might not be reasonable to expect more than 60 percent of this tonnage actually to take advantage of the possible saving. This calculation indicated a total of 5,700,000 tons that would have moved on the river had the channel been completed in 1926. The annual saving in transportation charges would have been $7,300,000.

The Tennessee Valley Authority has completed a limited commercial survey of the Tennessee River in order to bring up to date the one made by the Army engineers. This investigation was conducted in 1937 and covered possible tonnage as of that year. The results of the study indicated a potential movement by the river as of the year 1937 of 5,686,732 tons of new traffic, at a total saving of $7,735,395.08. Adding to this estimate the average tonnage moving on the Tennessee River for the 4 years from 1933 to 1936, inclusive, makes a grand total of 7,311,892 tons, at a saving of $9,444,958.92.

In making its survey the Tennessee Valley Authority considered certain fundamental factors which have a bearing upon the traffic performance of the Tennessee. They indicate not only present prospects for river tonnage but definite possibilities for future growth of traffic on the Tennessee River. One of these factors is the strategy of the location of the inland-waterway system, of which the Tennessee River is to be a part, with reference to primary traffic-producing resources of the country.

It should be noted that this inland-waterway system reaches from the Appalachian Mountains on the east, where great mineral resources occur, through the Mississippi Valley to the grain-producing areas of the West, and from the industrial district on and adjacent to the Great Lakes to the Gulf coastal region, where other basic minerals are present. In addition to these natural resources, it is important to note that, according to the 1930 census, 22,300,000

people live within 25 miles of the banks of the interconnected inland stream, thus creating a large reservoir of traffic potentialities for all-water transportation.

The chief value of water-transportation service lies in its cheapness. A growing commerce requires not only an adequate transportation service; it requires also that the cost of the service to the public be cheap enough to encourage the orderly development of all resources that can contribute to the national well-being. High speeds are needed in the transportation of some classes of traffic, but speed itself, in the final analysis, is measured in terms of cost. Speed is demanded and paid for only when it will lead to lower over-all expense in the conduct of business. It is hardly open to dispute that waterways are the cheapest of all forms of transportation.

The largest new movement on the Tennessee River has been in gasoline. One of the large oil refining companies, beginning operations in April 1938 has moved approximately 70,000 tons of gasoline from Wood River, Ill., to distributing points at Perryville, Tenn., and Sheffield, Decatur, and Guntersville, Ala. This operation is continuing at an increasing rate. Another important movement has been the transportation of pig iron from Birmingham, Ala., to Joppa, Ill., and to Pittsburgh, Pa., by rail and water movement. The movement began in October. About 8,000 tons were transported during the last quarter of 1938.

Not only has the stimulation of long-distance or through traffic been noticeable but also the creation of new local traffic. The development of large slackwater pools is making it possible to assemble at strategic points, by means of local transportation, industrial raw materials that heretofore have remained untouched. There are enormous quantities of such materials—metallic and nonmetallic minerals, forest products, agricultural products, and so forth—along and near the banks of the reservoirs. They cannot be used without very cheap means of transportation. The improvement of the Tennessee River is making that sort of transportation possible. A practical demonstration of this fact is to be found in the present movement of brick clay at the rate of about 800 tons per week from Whitesburg Landing to a brick plant in Decatur, Ala., on the Wheeler Pool, a distance of 30 miles.

The estimates of savings which the Army engineers and the Tennessee Valley Authority have made on the Tennessee River are based entirely upon tangible benefits from navigation. Other advantages of an intangible nature will accrue to the national economy from the improvement of inland waterways. In reaching foreign markets, for instance, in competition with world competitors, and in attempting to supply the great consumer markets that are constantly growing along the margins of the United States, the interior of the country, by reason of long inland hauls, is at a disadvantage. If this handicap can be removed, or even partly overcome, by extending the best type of navigable waterways to this interior region, then a material benefit will redound to this inland empire and to the country as a whole which cannot now be calculated in terms of money.

So far as navigation is concerned Gilbertsville Dam is the key dam in the T. V. A. system to develop the Tennessee River. It is the one located nearest the mouth of the river and its completion is essential for the estimated traffic to move from the Mississippi and Ohio to the Tennessee.

Gilbertsville is also of major importance to aid in the control of floods. The 25 feet of available storage space above the navigation level in the Gilbertsville pool will provide 4,600,000 acre-feet of flood storage a short distance from the lower Mississippi Valley, which presents the greatest flood-control problem of the Nation.

Because it is designed with large storage capacity for flood control, opponents of the T. V. A. have contended on this floor and elsewhere that the interests of navigation could not be served at the same time. Those opponents profess to prefer the low navigation dams of the type used on the Ohio River. It should be remembered that in all the legal proceedings in which the Authority's projects have been subjected to the most severe attack that expert witnesses could supply no expert has failed to point out that if low navigation dams were substituted for Gilbertsville Dam all flood control would be lost. Low navigation dams of the Ohio River type have no flood-control value whatever.

For essential flood control Gilbertsville must be a high dam, so the opponents, who must admit there are many tangible advantages for navigation present in the high dam proposed, such as fewer locks, and so forth, have directed special attacks on the point that the large pool behind Gilbertsville Dam will be so wide as to invite severe wind and wave action which at various times may interfere with navigation.

Experienced hydraulic engineers, such as Col. Lewis Watkins, who conducted the great 5-year study of the Tennessee River made by the Corps of Engineers of the United States Army, assert that the wider channels provided by the high dams, far from being a disadvantage, are a positive advantage in coping with wind action, because they reduce possibility of being blown aground, which would be a hazard along the narrower more crooked channels created by the low dams.

Expert boat operators on inland waterways, such as Mr. James S. Brodie, chief operating engineer for the Federal Barge Lines, take the view that commercial navigators can operate without interference from waves on these high-dam pools, just as they have operated successfully for a number of years over comparable wide stretches of water on our inland waterway system. They point out that only on rare occasions will storms be of such intensity as to endanger seriously the operation of boats, and that on these rare occasions it will be a simple matter for the navigator to tie up his fleet until the storm passes.

In this connection it might be noted that the width of the proposed Gilbertsville reservoir has been greatly exaggerated. The width generally is less than 2 miles when the pool is at its navigation level. Widths of substantially greater dimensions occur only for short stretches at the confluence points of several large tributaries, and these greater widths will be reached only on rare occasions when the pool is at a high flood level. The reservoir is comparable in every way to the lower half of the Wheeler pool, which has been navigated with consistent success for over a year by towboats and barges of the old Ohio River type used in carrying construction material for the Tennessee Valley Authority.

A Resolution to Commemorate the One Hundred and Ninety-second Anniversary of the Birth Date of Brig. Gen. Casimir Pulaski

EXTENSION OF REMARKS

OF

HON. RUDOLPH G. TENEROWICZ

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1939

Mr. TENEROWICZ. Mr. Speaker, in these troubled days, when the general unrest that is so widespread throughout the world is causing so much concern to the democracies, I think it most appropriate that we pause and pay tribute to a distinguished Polish patriot and soldier, Brig. Gen. Casimir Pulaski, of whom it was said:

> His superior endowments, his zeal, his military skill and intrepidity, his generosity, his manly virtues, and his sublime devotion to the cause of liberty, both in his own country and in the land of his adoption, constitute him a beau-ideal of the patriot, the philanthropist, and the soldier. His access to the temple of fame was obtained through the temple of virtue—consequently his reputation is imperishable. He will be remembered as the countryman of Kosciusko, the companion of Lafayette and the friend of Washington, and will be honored for all time as a brave but unfortunate defender of liberty, as a martyr in the cause of American independence.

Monuments have been erected to the memory of this great hero, but it does seem that at this particular period, when we are apt to question the motives of men who have come to America from foreign shores to find freedom, liberty, and security, that we pause and ponder on the assistance

that was sent to us from the Old World during the early dark days in our country's fight for independence; and instead of further monuments being erected to the memory of this Polish hero, that we take time off to rededicate our lives to the purposes for which he so nobly gave his life. And further, instead of most of us being hasty in judging the motives of the foreign-born man or woman who has come to make his or her home with us that we pause and consider how the so-called foreigner has enriched our lives in these United States and how they have fought to make this "the land of the free and the home of the brave" with a zeal that a people who have never known persecution such as they have experienced could never understand. Let us only judge people by their actions rather than by their background.

In paying homage to the memory of Brig. Gen. Casimir Pulaski it might be well to recount some of the incidents in his life that made him stand out above his fellow men. He was born on March 4 in 1747, of noble parentage in Podolia, Poland, with rank and fortune. His father, an able jurist, who stood high in public esteem, was a man of integrity and ability. His associations were with the first families, particularly with the House of Chartoryski. His early years were spent in careful study, in the acquisition of a thorough military education, and in the cultivation of those elevated principles which so signally distinguished him in after life.

Count Pulaski surveyed with anxious eyes the political and social conditions of his native country, Poland, a country of ancient renown which consisted of a population one-fifth larger than France and containing 20,000,000 people. It had been ravaged, plundered, divided, subdued, and its political existence annihilated by the treachery and cupidity of its three formidable neighbors, Russia, Austria, and Prussia. Poland was oppressed by this conspiracy on the part of the strong to crush the weak and devour their substance. To Russia belongs the odious preeminence of taking the lead in this career of crime.

These outrages kindled resentment in the heart of every Pole. Count Pulaski observed the seeds of discord sown where unity of purpose and generous affiliation should have existed. He knew his people loved freedom and hated oppression as much as he himself. He believed that only a rallying point was wanted in order to evoke the national spirit of the Poles and unite them in an earnest vindication of their claims to personal and political liberty. As an outgrowth of this feeling, at the age of 20 years, he joined his father and three brothers in drafting and signing a secret compact whereby they solemnly pledged their time, fortunes, energies, and lives to the glorious mission of accomplishing the redemption of Poland. They also inspired and enlisted other Polish nobles to join them. This became the noted Confederation of Barr, the model of all others that later sprang up in Poland in the fight for freedom. At the formation of this confederation Count Pulaski is recorded as having spoken these words:

At length, brave countrymen, the perfidious allies of Poland have become her declared enemies. For 60 years a concealed war, more dangerous than bloody hostilities, has enfeebled and desolated our unfortunate country. An execrable people, who can neither be disarmed by justice, modified by submission, touched by favors, nor surfeited by pillage, has resolved to impose upon us the yoke of slavery. Virtues the most sacred have passed for crimes in the eyes of our oppressors; and virtuous citizens, our fathers and our exemplars, now drag out a wretched existence in the dungeons of that barbarous nation. If ever men had a duty to perform it is that which has compelled us to take up arms. Our Republic is invaded, religion outraged, the justice which was promised to us has been converted into a snare, the rights of nations have been trodden underfoot, our senators are in chains. Nations the most servile, who should be the objects of such insults and outrages even from a legitimate sovereign, would not be so tame as to submit. The whole universe would applaud their rebellion; and the oppressions of which we complain would justify a revolt under the most despotic government. Brave confederates! Poland does not want courageous citizens prepared to sacrifice their lives for her deliverance. It is not blind despair which impels us onward, but a firm resolution, a well-founded hope, a noble sentiment, the love of country and freedom, of humanity, and justice.

So Pulaski, repudiating the honors and emoluments which would certainly have been his had he courted Russian influence, and it was offered to him, or sympathized with the schemes of the dominant party, sacrificing all interests of a personal and selfish character, laying aside every claim to promotion by virtue of acknowledged rank and family position, devoted his patrimony to the furtherance of the cause of his native land, Poland.

The Empress of Russia, angered at the revolt of the nobles of Poland, declared them the enemies of her empire and rebels against their own country. She threatened devastation and ruin to all parts of the country which should lend support to the confederates—nor was it a vain menace. Seven regiments of regular troops and 5,000 Cossacks marched through some of the provinces, marking their course with fire, sword and blood, ravage and slaughter, burning villages and detached houses, putting to the sword wandering families and fugitives whom they encountered in the way flying to escape an indiscriminate carnage.

History records that though Pulaski was a young man he was not without experience. He had been in the service of Duke Charles of Courland, and was in the Castle of Mittau when that city was besieged by 15,000 Russians. For 6 months he had witnessed the evolution and discipline of that army, but his own talents and bravery were his chief resources. On the present occasion the post he defended with 1,200 confederates, was attacked during 7 days, at first by an equal number, then by 2,000 men, and at last by 6,000. He constantly sustained himself and gained frequent advantage.

With the Russians it seemed like a war of extermination. For 4 years Count Casimir Pulaski, together with his three brothers and a cousin, fought for Poland. Their resentments were sharpened by the atrocious acts of barbarism and cruelty inflicted upon their people, a people who claimed nothing but the quiet enjoyment of their homes, their ancient freedom, their inborn rights. Many a brave patriot seized the sword to avenge his country's wrongs, to rescue it from the iron tyranny of a detested foreign invader. Many poured out their blood like water in so righteous a cause, and left examples of a glorious martyrdom to their sons, and to men in all ages who are thus goaded to despair by the barbed rod of an inhuman and bloodthirsty despotism.

But, says a historian—

The name which soon eclipsed all others and which became one of the surest hopes of the nation was that of young Casimir Pulaski, always full of resources in misfortune and of activity in success. His name was a terror to the Russians and they seldom attacked him in equal numbers.

History records further:

Pulaski's soldiers were devoted to him. His vigilance never left an opportunity for surprise, and this man so intrepid and terrible in combat, against whom there was no reproach but that of being too fond of danger, was at all other times amiable, gentle, conciliating, and always above personal resentment. After holding interviews with those, by whose designs he might have been justly incensed, he would lead them to engage in mutual operations, and afterwards seize every occasion to afford them his assistance.

One historian continues his praises of Pulaski, saying:

Never was there a warrior who possessed greater dexterity in every kind of service. Endowed by a peculiar gift of nature, strengthened by exercise, he was always the first in battle to charge in person with an intrepidity which inspired his followers to imitate his example. Young men were drawn to him, and he, perceiving the inactivity into which the Poles of more advanced age had fallen by long habit, yielded his confidence to the young who were formed by his lessons and became emulous of his address and courage. There was no one among his soldiers who had not signalized himself by some remarkable exploit. Their extreme quickness and accuracy of observation, guiding them to judge of distance, and by crossing plains and entering woods to cut off small Russian detachments, enabled them constantly to take many prisoners.

Pulaski by a natural ascendency was the chief among equals. All were ardent and bold, all sought danger, all strove to render mutual support. In this last particular Pulaski had the advantage. He had scarcely an officer whom he had not rescued from the hands of the enemy, or from some danger, and who might not say that he owed his life and liberty to his commander. The other marshals when they were uncertain what to do, consulted their subordinate officers and thus were frequently exposed to address themselves to traitors. But, in the army of Pulaski, the chief alone took his resolutions; no one knew his secret; the

confidence which all reposed in him inclined them to entire obedience, and checked an indiscreet curiosity. Intrepid in combat, he was gentle, obliging, and sociable. Never distrustful where he had once placed his confidence.

In the year 1771, after the nobles had fought a losing battle for 4 years, it became evident to them their struggle was hopeless. Pulaski's father and brother had been captured and taken to Russia in chains, where his father died in prison and his brother died later in servitude. His cousin had fallen in battle and his brother Francis had also been killed. In Lithuania he had fought five severe battles and within 6 weeks had traversed with his cavalry a distance of nearly 500 leagues. The confederates had determined that King Poniatowski was an enemy of his own country (Poland) and had betrayed them. Pulaski's companions decided to capture the King. Pulaski agreed to this course of action provided no harm was done to the King. Pulaski and his companions were denounced for their daring and received the condemnation of both Frederick the Great and the Empress of Austria. In the absence of Pulaski he was declared an outlaw and sentenced to death and his property confiscated.

Now an outlaw by a judicial decision, without trial and evidence yet enforced by the dominant authority, he realized his cause was lost. His was no voluntary expatriation, no abandonment of cause and country. Further resistance was madness. It is said that "Most gladly would he have sealed the independence of Poland with his blood, or mingled his bones with those of his slain father, brothers, and compatriots, could such a martyrdom have proved of any avail." The hope still cheered his heart that amid the changes of empires a favorable opportunity would present itself for again lifting the standard of liberty upon the hilltops of Poland. This hope, unrealized, he carried with him to his grave.

Count Pulaski left his native land and reached Turkey after numerous adventures and perils. His next 4 years were passed in sadness, poverty, and comparative silence. He pleaded Poland's cause with Turkey and was pledged assistance, but the assistance promised was never forthcoming. Failing to enlist the sympathy of Turkey he abandoned that country for France.

He arrived in Paris in 1775 and there encountered Dr. Benjamin Franklin, who was in France enlisting financial aid for the American Colonies in their fight for freedom. Pulaski here perceived a new field for vindicating with his sword the same principles, the same rights, and same immutable laws in whose behalf he had wielded it with such singleness of purpose in his own country. He resolved immediately to tender his military services to America, the infant Republic.

One historian records:

There is something peculiarly attractive and impressive in the impulse which in that trying hour brought to our assistance heroes unallied to us by association or blood—soldiers who came not to secure individual preferment or promote private interests—daring men upon whose services we could of right urge no claims, save such as are recognized by the brave and generous of every land when the cause of freedom demands assistance and the principles of justice protection.

Equipped with letters from Benjamin Franklin and letters from Silas Deane, the American representative in Paris, together with credentials from leading Frenchmen of the day, he set sail for America. He arrived in Boston in July of 1777. He was eager to undertake active service at once and went south toward Philadelphia, where General Washington's headquarters were located. General Lafayette acted as interpreter between Count Pulaski and General Washington. Dr. Franklin's letter to Washington stated:

Count Pulaski, of Poland, an officer famous throughout Europe for his bravery and conduct in defense of the liberties of his own country against the three invading powers of Russia, Austria, and Prussia, will have the honor of delivering this (letter) into your hands. The court here have encouraged and promoted his voyage from an opinion that he may be highly useful in our service.

In another letter to General Washingtn regarding Count Pulaski, Dr. Franklin states "Count Pulaski is esteemed one of the greatest officers in Europe." With such a recommendation he could not fail to receive a real welcome from the Commander in Chief of the American forces and Congress. Pulaski first joined the Army as a volunteer, in this respect imitating the example of the French officer Lafayette.

General Washington recommended Count Pulaski to Congress in the following words:

This gentleman has been, like us, engaged in defending the liberty and independence of his country, and has sacrificed his fortune to his zeal for those objects. He derives from hence a title to our respect that ought to operate in his favor as far as the good of the service will permit. Though the horse will suffer less from the want of a general officer than the foot, a man of real capacity, experience, and knowledge in that service might be extremely useful.

Until Count Pulaski's arrival in America the Cavalry was under no higher officer than colonel and it was for a high-ranking cavalry commission Pulaski was recommended.

Before his commission reached him Count Pulaski as well as General Lafayette struck their first blow in defense of American liberty—the Battle of Brandywine. General Washington was pleased with the result and it was said of him:

Pulaski fully sustains by his conduct and courage the reputation for which the world had given him credit.

Four days after this event he was appointed by Congress to the command of the Cavalry, with the rank of brigadier-general.

By reviewing our early American history we recall the fateful battles in which Pulaski distinguished himself, principally those of Brandywine, Valley Forge, Egg Harbor, Charlestown, Germantown, and finally in the Battle of Savannah at which Pulaski lost his life.

At the direction of General Washington, Brigadier General Pulaski was given command of a body of 68 light horse and 200 foot-equipped light infantry—this was called Pulaski's Legion. Later, similar independent legions were formed and this proved important in subsequent operations of the war. Pulaski's Legion was enlarged to three companies of horse and three of infantry. It was Pulaski's wish to put the Cavalry on an equal footing with that existent in any of the European countries. To that end he caused to be prepared a book of drill regulations and rules for officers and privates. That book is still the basis of cavalry drills in the United States Army.

I should like, however, to refer to the closing chapter of his life, a life which had been seemingly charmed up to this time. He was destined at this battle to offer up his supreme sacrifice for the country of his adoption. The record of his death is brief. An attack upon Savannah, Ga., had been determined upon because of British assaults. Two columns of infantry were engaged against the British by order of General Lincoln, one under D'Estaing and the other under Brigadier General Pulaski. During the battle D'Estaing was grievously wounded and Pulaski hoped that his presence would give the men courage and he rushed on the scene of disorder and bloodshed. In his attempt to penetrate to the murderous spot he received a swivel shot in the upper part of his right thigh, and the officer who had accompanied him was, while on his way back, wounded by a musket ball. Pulaski and his wounded officer were conveyed on board the United States brig, *Wasp*, to go round to Charleston. They remained some days in the Savannah River and during that time the most skillful surgeons in the French fleet attended Count Pulaski. It was found impossible to establish suppuration and gangrene was the consequence. Just as the *Wasp* got out of the river Pulaski breathed his last, and his comrades were compelled, though reluctantly, to consign to a watery grave, all that was now left upon earth of their beloved and honored commander. His death occurred October 11, 1779.

This narrative of the heroic death and burial of the gallant Pole was prepared by a Revolutionary officer who shared in the dangers of the assault and was an eyewitness of the memorable events which then transpired:

The *Wasp* entered the harbor at Charleston with her flag half hoisted. The mournful signal was repeated by all the shipping

in the port and all the forts and batteries responded to it in the manner usual on occasions of deep and universal sorrow. The Governor and Council of South Carolina and the municipal authorities of Charleston jointly adopted resolutions to pay to the memory of General Pulaski the most respectful and the most splendid funeral honors. A day was set apart for the celebration of the obsequies, and the Quartermaster General of the United States at Charleston directed to make and to defray all the preparations necessary for that melancholy solemnity. The procession was grand, magnificent, suited to the occasion. The pall was carried by three American and three French officers of the highest grade, followed by the beautiful horse which Pulaski rode when he received his mortal wound, with all the accoutrements, armor and dress which he then wore. So immensely large was the mournful procession that it was found necessary to make a circuit around the whole city to the church, where an eloquent and impressive discourse was delivered by the Chaplain of the Army.

History tells us further:

He sleeps where the ebbing tide of our own Savannah meets and comingles with the waters of the broad Atlantic. Fit resting place for a man of such expansive soul! He sleeps where the praises in honor of his great deeds sung by the waves of the Savannah as they kiss the shore consecrated by his memories are caught up by the billows of ocean and joyfully repeated in wider circles in more heroic strains. He sleeps where the ambient air—fragrant with the perfumes of a land whose freedom he died to achieve—tells to Atlantic breezes the story of his fame, that they too in glad acclaim may answer back to the farthest coast of the greatness of his name. By a strange coincidence the beloved of Mars rests in the embrace of Neptune. A bright record of ennobling acts is the true index of a well-spent existence—then indeed did Pulaski—although yielding up his brave spirit in the noontide of his age—accomplish his earthly mission nobly and in honor.

When the Polish King heard of Pulaski's death, he exclaimed: "Pulaski has died as he lived—a hero, but an enemy of kings."

The repetition at this time of the historical facts of the life of Count Pulaski should cause us to pause and take stock of the blessings that Americans take so much for granted as part of their God-given heritage and right. The great patriots that came from the Old World to our shores sacrificed their lives in order that we might enjoy the freedom they were never to know. With their passing they placed into our hands a burning torch and bade us carry on the principles for which they so nobly gave all they had.

Our responsibility is a great one—that of insuring to our children and our children's children a country blessed with free institutions—a land where all persons regardless of race, color, or creed are guaranteed the right to the pursuit of life, liberty, and happiness; where freedom of speech and of the press is an understood privilege and where all may worship as their minds and hearts dictate. These great gifts and privileges can only be perpetuated if each and every one of us, young and old, guard these blessings as we would our lives and be vigilant so that subversive propaganda and forces from foreign shores are not permitted to influence our lives.

So today, in commemorating the anniversary of the birth of our hero, Brig. Gen. Casimir Pulaski, a man with a heart that so loved freedom that he gave his life for another country, the United States, in order that our people might have freedom—a freedom that his native land was never to know or enjoy—I am sure that I speak for approximately 5,000,000 Poles who live in these United States when I say that on this anniversary we rededicate our lives to the cause of liberty for which Count Pulaski died. His name will forever be written on the pages of American history because of his participation in so many major battles which were turning points in our fight for American independence. Because of his dauntless spirit and sterling character and because his name will continue to inspire Poles whenever heard may we repeat the story of his life often and each time we hear it resolve to do our part so that we may be worthy of kinship with this great soul and to carry high the torch he has placed in our hands so that America may never cease to be "the land of the free and the home of the brave."

Keynote Address Before the Young Democratic Clubs of Missouri Convention

EXTENSION OF REMARKS

OF

HON. C. ARTHUR ANDERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1939

ADDRESS BY DAVID A. McMULLAN AT JOPLIN, MO., FEBRUARY 24, 1939

Mr. ANDERSON of Missouri. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by David A. McMullan, associate city counselor of the city of St. Louis, before the Young Democratic Clubs of Missouri convention at Joplin, Mo., February 24, 1939:

Fellow Young Democrats, at this, our seventh annual convention, I thought it would be well for us to counsel with one another about the position of our party at this time compared to the time of the formation of our Young Democratic Club.

It is not necessary to review the economic, moral, and political chaos that existed in our country in 1932. Young people demanded relief from those conditions—demanded security—demanded united action—demanded leadership! We saw in the principles and leadership of the Democratic Party an answer to what we were seeking.

About 7 years ago a group of young people, believing in the principles of the Democratic Party, met and formed the Young Democratic Clubs of Missouri. In every State of the Union young people were spontaneously and enthusiastically organizing because this Nation lacked leadership and those in power were overcome by the terrible problem which confronted them. An uninspired and mediocre Republican Party had fallen into confusion and weakness. We organized, I quote from our preamble "to stimulate in the young people of Missouri an active interest in governmental affairs, to increase the efficiency of popular government, to foster and perpetuate the ideals and principles of the Democratic Party, and to provide for our people through its administration the highest degree of justice and social welfare."

We were encouraged, aided, and accepted by the leaders of the Democratic Party. Our organization was sustained by the party organization. We became a party organization. We were given an active and important part in campaigns and we gave a good account of ourselves. Young people from all over the State swelled our ranks. The higher percent of young people who supported us and who support our party now is a matter of common knowledge.

We played a large and important part in the Democratic victory of 1932 and in the successive Democratic victories since. What has happened since the formation of our organization? Under the leadership of our President, Franklin D. Roosevelt, and with the aid of a militant united Democratic Congress, the financial house was put in order—great social reforms were enacted, the Government was changed from one whose chief concern was for the few to one whose sole concern was for the many.

While in the short space of 6 years our party has solved, or is well on the way to solving, some of our Nation's problems, many serious ones still confront us. We must especially bend our efforts toward the problem of unemployment and to the preservation of our principles of government. To do this we must stand united and continue to develop leadership. We must function as a responsible and reasonably coherent unit. We must not permit a break-down in the Democratic majority with an attendant result of inaction and confusion. A solution of the problems of the moment does not permit a stalemate between the various branches of government and their component parts. This applies to State and local governments as well as to our National Government.

As the party in power, our primary duty is to govern. Our primary obligation is the welfare of the people. To meet these obligations, we must draw from that which is most fundamental in the tradition of our country to see clearly and act resolutely.

Our founders first decided upon the destination of our Government, and, when this had been determined, they chose appropriate methods for reaching that destination. The language that charts the course of American Government is found in the Declaration of Independence, "We hold these truths to be self-evident, that all men are created equal."

As regards our Government, the interest of all, whether high or low, are equal. The working classes are, by nature, members of the State equally with the rich and are very largely in the majority. Therefore, the public administration must provide for the welfare of the working classes. Action along this line will not

be harmful to any interest but, on the contrary, it will be to the advantage of all. A great step has been taken by our party in this direction by the wage and hour bill. It is a recognition of the principle that it is the duty of the State to secure the working people from the cruelty of men of greed who use human beings as mere instruments for money making, and to protect the working people from being made the victims of force and injustice. I quote again from the Declaration of Independence, "That they are endowed by their Creator with certain inalienable rights."

It is the right of workingmen to organize and form trade-unions. There is an increase and spread of association amongst farmers and others to demand their legitimate rights. This right to organize is also in the employers. The State can often act as arbitrator and we feel that the National Labor Relations Act is a step in the right direction. Each must be protected against any excessive demands of the other. This is a function of State in securing the inalienable rights of man. Let employers and employees join in their plans and efforts to overcome difficulties and let them be aided in this wholesome endeavor by wise measures of the public authority.

Every man has by Nature the right to possess property as his own, and while the State has by no means the right to abolish it, it should control its use and bring it into harmony with the interests of the public good so that it ministers to the needs of all. Every effort must be made that at least in the future a just share only of the fruits of production be permitted to accumulate in the hands of the wealthy, and that an ample sufficiency be applied to the workingman. It is a reproach to our methods and principles when the heads of our great corporations can obtain hundreds of thousands of dollars in salaries or bonuses when not a cent is paid to the investor and meager wages are paid to the employee and thousands of workers laid off.

There is an individual side to private property. It is, after all, the only safeguard of human and individual liberty. The aim of social legislation should be to make private property more widely held, not restrict it or destroy it altogether. Private property must not be administered solely at the pleasure of him who happens to own it, not for selfish and exclusive private interests. Society can be destroyed by too much individualism or by too much socialism. It can be saved only by a combination of the two.

We must be liberal but not radical. The agencies created to carry out social reforms must be placed in the hands of those in sympathy with their purpose. Enactments in the past 6 years have created agencies to administer great social reforms. These were Democratic measures. They embody Democratic ideas. Caution should be taken that they are not placed in the hands of radicals or reactionary individualists who are not in sympathy with their real purpose, radicals or reactionary individualists who will by sabotage destroy their effectiveness and popularity and use them for their own ends.

With all of the confusion, despotism, atheism, fear, and terror that beset the governments of the earth, we hear the question, "Is there danger that democracy in the United States may succumb to either fascism, nazi-ism, or communism? Some may laugh it off, but sensible men have experienced many shocks in recent years. Lenin and Hitler could not have foretold their triumph, although both demanded it, and their dreams came true.

When we organized 7 years ago, we believed and have added large numbers to our ranks who believe that our country is best served by the application of the great political principles upon which our party was founded and which were adopted by our country's founders as the guiding principles of a government to protect the rights and liberties of the people.

We have all heard men in all walks of life plead for the preservation of our American form of government without a single reference to the substance without which that form would be an empty shell. The form of our government is about all we teach. As a result, the idea how American government works is fairly well known to the average American pupil, but we should teach and preach why it was called upon to work in the first place.

Americans should have a reverence for the Declaration of Independence. It is as important as the Constitution, for the reason that the Constitution did not create American government and state its purpose. The Declaration of Independence embodies the whole story of American political philosophy. It is the one clear-cut repudiation of communism, the ringing refutation of nazi-ism, fascism, and every other form of the arbitrary, all-powerful, God-denying totalitarian state.

The Constitution sets up a system or form of government to carry out the object and purpose of government. Under it every wrong in the social and economical fields can be righted.

Keeping in mind the principles of our party and using the instruments of government, our party must stand united to approach the problems confronting our Nation. If Democrats were banded together as are the enemies of democracy, we could easily check the onslaught of foreign powers.

Every Democrat should join with all other Democrats in keeping the enemy out of the entire field of the State and preserve for his country the American ideals which were written into its basic law by the Constitutional Fathers. In order to do this we must give our attention to youth. We must not look upon politics as a racket and upon young people trying to voice an opinion as one trying to "muscle in." There is and must continue to be a place in our party for a youth organization. Our leaders must continue to recognize that these youths of today are to be the politicians of the future and will take over the government of this country. The majorities who will have to defend democracy are being cradled now, and if our party leaders are far sighted they will make sure that those future majorities are grateful to our party for united action, leadership, and constructive reform.

In 1932 the Republican Party was in the exclusive control of a few who shaped its policies for their own selfish interests. In my city, St. Louis, the Republican Party organization was a closed corporation. Young people who attempted to actively participate in its political affairs were looked upon with suspicion, and if they disagreed in any one particular with Republican leaders they were given the cold shoulder. As a result many young people associated themselves with the Democratic Party where they were welcomed, encouraged, and aided in their work. Many of these young people have performed outstanding service to the community and hence have reflected credit and honor to our party.

In my ward we organized a Young Democratic Club in February 1932 and attracted many young persons to our party by providing intelligent political instruction and entertainment. We were encouraged and received assistance from the ward organization. And what was the result? These young people became interested in politics, became interested in our party, joined the ward organization, and began working for our party with all the pep and enthusiasm of practical youth. As chairman of the ward organization I often look over the list of its officers, precinct captains, and workers and see the splendid young men and women brought to our ranks through that Young Democratic Club. Our party, our community, our organization has been enriched by their work; our ward leaders have gained by their efforts. The policy of supporting the Young Democratic Clubs must be pursued by our party organizations—National, State, and local.

Every young person will follow some leader. Hence, our party leaders must be very careful that they not follow leaders who would sovietize or nazi-ize our Government! If our party leaders wish to remain in power, if they wish to see the principles of our party promulgated and handed down, it is necessary that they continue to recognize, instruct, and encourage youth.

Young people are interested in governmental affairs. Young people are interested in the policies of government. Young people have a larger stake in the welfare of our country than any other group because their future is at stake and the policies which are shaped now will affect them, and the long-term obligations now being incurred must be met by them. Therefore, youth must be consulted, heard, instructed, and encouraged.

We are the official youth organization of the Democratic Party. We, the Young Democratic Club of Missouri, do not demand patronage. We were organized "to foster and perpetuate the ideals and principles of the Democratic Party and to provide for our people through its administration the highest degree of justice and social welfare." We call upon the leaders of our party for renewed recognition, assistance, and encouragement. We offer our organization and services to our party to deliver the message of Democracy to youth and to train and educate youth in the science of democratic government. Our party leaders have not failed us in the past; they must not fail us in the future.

It is the work of our party to see that the present state of man be not worse than the former, and this can be done by the united effort of our party leaders in applying the principles of our party to present-day problems. It is the work of our party to see that the future be better than the present, and here is a youth organization that is the answer!

We pray that our officers who are appointed to guard our political welfare may be enabled, with God's help, to discharge the duties of their respective stations with honesty and ability, so that they may carry out the purpose of our Government, encourage and teach youth in the ways of true democracy, so that the social welfare be secured and future generations be spared the advance of the mortal enemies of democracy.

Mr. Congressman, It Is Up to You

EXTENSION OF REMARKS

OF

HON. COMPTON I. WHITE

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 27, 1939

EDITORIAL FROM THE IDAHO COUNTY FREE PRESS

Mr. WHITE of Idaho. Mr. Speaker, it has been my contention all along that the two main problems confronting the people of this country and which the Congress must solve by the enactment of constructive legislation as the

means of restoring national prosperity are, first, to devise and put into operation an adequate monetary system free of a continuing interest charge, and second, the enactment and enforcement of the necessary laws to curb monopolies and eliminate unfair competition and unfair trade practices which will operate to give free play to the law of supply and demand and reestablish the parity between the prices of the basic industries—farming, mining, lumbering—and the price of the products of the manufacturing industry which must be attained before there can be any permanent prosperity in this country.

In reviewing the record of the Congress in passing remedial legislation and the many expedients that have been applied in enacting laws to assist business and industry, it is apparent that we have failed to solve the main issue. This situation is outlined in a recent editorial appearing in the Idaho County Free Press as follows:

[From the Idaho County Free Press]

MR. CONGRESSMAN, IT IS UP TO YOU

The theory of pump priming is the same as that when the old valves in the pump begin to wear out, one can keep it going for a time by pouring water down the pump, and by working the handle rapidly the water will be raised and will flow freely as long as the up and down motion keeps up.

The bad part is, that the darned old pump needs a new priming every time you want a new supply of water. It seems to a natural born dumb moron, like myself, that the old pump needs new valves.

We have primed the pump now for 6 years. Once, in 1937 it looked as if it might succeed, but alas, it was only that the old worn-out leather valves had swelled, and gave a fine flow for a time. Then the thing refused to work again, and like the man spoken of in the Bible the last condition was worse than the first. You 535 wise men in Congress you have dilly-dallied long enough. You have got to roll up your sleeves, spit on your hands, and come down to earth, and solve this problem of 10,000,000 to 12,000,000 out of work, or prepare for the worst storm that ever hit this grand old U. S. A., and there are millions upon millions of we common folks that don't mean maybe.

No doubt it is going to hurt. All major operations hurt. And there is no sleep-producing drug that will help. You and I and everyone must just "grin and bear it."

Borrowing will soon end, or end in disaster. Pump priming has gone the limit. Mr. Congressman: Mr. WHITE, Mr. BORAH, Mr. CLARK, Mr. DWORSHAK, from Idaho, just what are you going to do?

You cannot plead that it is not your "baby"; it is, and getting wetter and hungrier every minute.

We are all in the same boat. The twin storms of war and inflation are just off the weather bow.

You had better forget petty politics—you Democrats, you Republicans, and you what nots—and gather 'round the table, and do something before it is everlastingly too late. And again I don't mean maybe.

POP.

Georgia Press Institute

EXTENSION OF REMARKS

OF

HON. WALTER F. GEORGE

OF GEORGIA

IN THE SENATE OF THE UNITED STATES

Wednesday, March 1 (legislative day of Monday, February 27), 1939

ADDRESS BY HON. BENNETT CHAMP CLARK, OF MISSOURI, FEBRUARY 22, 1939

Mr. GEORGE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an able address delivered by the senior Senator from Missouri [Mr. CLARK] to the Georgia Press Institute, at the University of Georgia, on the 22d of February.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is both an honor and a pleasure for me to have the opportunity of being here this evening to participate in such an occasion. It would be a memorable privilege as a graduate of my own State university to address on any occasion an audience at the first chartered of all our State universities in the great Empire State of the South. It is an especial pleasure for me to be in the State so ably represented by my colleagues and friends—your senior Senator, whose spotless character and towering learning and ability would have insured him a place in the front rank of the statesmanship of any age of this Republic, WALTER F. GEORGE; and your brilliant, dynamic, and useful junior Senator "DICK" RUSSELL. That it should be on the birthday of the greatest of all southerners, as well as the greatest of all Americans, is added honor. That it should coincide with the beginning of the meeting of the Georgia Press Institute makes it only a more significant occasion. Let me say that while Georgia may have the oldest charter of all State universities, Missouri has the oldest department of journalism in the Nation.

I have frequently boasted that in a certain sense the school of journalism of the University of Missouri and I are twins—at least to the extent that we entered upon our careers and activities in that great institution on the same day—it as a department and I as a freshman. Parenthetically, I may add that I will cast my vote in the current raging debate as to the integrity of the American press on the first day of the school year in 1941, when my oldest boy, the namesake of my father, will by his own wish enter the Missouri School of Journalism with intent to make the pursuit of that high profession his life career. I could not better express my high estimate of the American system of public schools, topped by our great State universities, as well as my opinion of the high aims and great usefulness of the profession of journalism than by the statement of that fact.

I feel at home in addressing a southern audience at a great southern institution on the anniversary of the birth of that great southern patriot whose memory will always be hallowed as the greatest of our countrymen. Any American from any portion of our far-spread Republic should feel at home in the South, when he considers the tremendous contribution of the South to the achievement and preservation of our liberties and of the institutions passed on by the fathers which have been the blessing of our country. As a native of the great border State of Missouri, where South meets North and East meets West, I gratefully acknowledge the debt of my own State and of the Nation to the South for its great contributions to our American civilization.

I cannot agree with the views expressed by some—no matter how highly they may be placed—that the South is the "Peck's Bad Boy" of the Nation, or that its people are, or have ever been, unwilling to participate and cooperate to the fullest extent in any proper measure for the national welfare.

When I was a boy, growing up in a little Missouri town, I knew by heart, as nearly every boy did who engaged in the declamation contests of those days, the magnificent address of that great Georgia editor and publicist, Henry W. Grady, entitled "The New South." The opening remarks, quoting the immortal words of the great Ben Hill, still ring in my ears: "There was a South of slavery and secession—that South is dead. There is a South of union and freedom—that South, thank God, is living, breathing, growing every hour."

Those words of the great Ben Hill, as amplified with the noble elcquence of Grady, were true. The South has proved its devotion to the Union in war and peace. It preserved its integrity and the integrity of the American form of government under the guns of a hostile soldiery in perhaps the darkest chapter of our national history. In the face of a consistent policy of discrimination against it in economic matters—tariffs, freight rates, even in the present-time relief contributions—it has developed and progressed. As the section containing by far the largest percentage of native-born Americans, it is and has always been a bulwark in support of the Constitution and our liberties.

Today each branch of our National Congress met to pay tribute to the memory of the Father of his Country by solemnly listening to the immortal words of his Farewell Address. This is well.

The greatness of Washington has only increased with the passage of time since his death. He was loved and revered and trusted by the American people during his lifetime as no other American has ever been, and doubtless none ever will be, although during his Presidency even he was not spared the barbs of factional hate which wounded him deeply and which were as foul as they were unjustified. But alive or dead he has held, and will always hold, an incomparable position in the hearts of Americans. No king or dictator has ever held the position in the esteem and veneration of the whole world which his great talents and towering character left as a heritage to his fellow countrymen.

As the great English poet Lord Byron so eloquently expressed it:

"Where may the wearied eye repose,
When gazing on the great;
Where neither guilty glory glows,
Nor despicable state?
Yes—one—the first—the last—the best—
The Cincinnatus of the West,
Whom envy dared not hate,
Bequeath'd the name of Washington,
To make men blush there was but one!"

Of all of his contemporaries, probably only the great philosopher and patriot, wise old Ben Franklin, truly appreciated what a towering figure Washington would be in the history of the whole world. For he wrote from Paris in 1780:

"Here you would know and enjoy what posterity will say of Washington. For a thousand leagues have nearly the same effect with a thousand years."

Washington's public service was great as the leading citizen and soldier of Virginia long before the Revolution. It was incomparable as the dauntless Commander in Chief of our ragged and starving

Continentals during the struggle for freedom. His services as the first President during the trying formative years of the Republic cannot be overestimated. But, to my mind, perhaps our greatest debt of gratitude to the great Virginian is for his absolutely invaluable services as President of the convention which framed our Constitution.

If Washington had never lived, some other gallant soldier would have commanded the patriot forces in the inevitable struggle for independence. Once the Constitution was adopted some other statesman could doubtless have made an excellent President of the Republic. But, except for the towering prestige and great influence of General Washington that majestic instrument, that bulwark of our liberties, the Constitution of the United States, could never have been formulated, and, if formulated, could never have been adopted. Indeed, it seems clear that but for the certainty that Washington would be the first President under the Constitution it could not have been ratified in any event.

That Constitution is the mighty fortress of our liberties and of our institutions of government. Today and tomorrow and as long as our Government endures, we owe a duty to constantly assert and reassert and maintain and make effective our devotion to those eternal principles of constitutional liberty upon which this Government was founded and upon which it has endured.

That "eternal vigilance is the price of liberty" is so axiomatically true that it has become trite and has unhappily been for whole periods of our history ignored rather than observed. But a right once compromised is likely to be invaded and a right once successfully invaded is in danger of being permanently lost. The people must be constantly alert to see that the rights guaranteed to every individual under the Constitution must be defended at the very threshold of invasion, not particularly for the benefit of that individual alone but for the vital protection of the whole people.

For, if the constitutional rights of one individual may be violated in one particular, the right of another individual may be violated in another particular and both rights may soon be lost to the whole people. If the rights of a political minority can be subverted, the rights of a religious minority may be destroyed. If the guarantee of freedom of the press could be wiped out, the guarantee of freedom of speech and freedom of religion and of freedom from unlawful arrest soon follow into oblivion. Our protection for all our rights and all the blessings which we enjoy lies in that immortal document, the Constitution of the United States.

The Bill of Rights is the citadel of the rights and liberties which we enjoy under the Constitution. Although not a part of the original draft of the great instrument but agreed upon during the process of ratification, it is today the very heart of the Constitution itself. It frequently seems to me that we in the United States are so accustomed to the fact that the Bill of Rights is in the Constitution that we are likely to pay too little attention to the pregnant lessons to be learned from the long and bitter struggles on the part of our forefathers by which those liberties were attained, and likewise altogether too little attention to the repeated attempts which have been made from time to time throughout our history to subvert them.

I am glad that in discussing some of the fundamental liberties in our Bill of Rights I am privileged to address members of the Georgia Press Institute. This body represents one of the greatest and most influential sections of that great profession whose freedom in the reporting of facts and in the expression of decent opinion is guaranteed by the first article of our Bill of Rights and which by reason of that guarantee has imposed upon it a moral if not a legal duty to exercise its great power fearlessly, efficiently, and fairly.

As our forefathers visioned a free press as one of the bulwarks of our liberties, so it follows that to properly perform its functions it must likewise be an honest press, a vigilant press, a courageous press, and an impartial press in its presentation of facts.

Insofar as the press has failed in the past or may fail in the future in fulfilling these obligations, it is to be criticized and stringently condemned. But the experience of the world and contemporary history in other lands teach us that no fault which has ever even been charged against the press—neither prejudice nor inefficiency, neither cowardice nor greed for money, neither vindictiveness nor blatancy, not ignorance, not even corruption—can possibly be so dangerous to the liberties and well-being of any land as the suppression of the freedom of the press. Nothing can be more dangerous to the liberties of any people than to have the press controlled by government, forced to be subservient to officials, appointed perhaps by dictators, as to what facts they may not be permitted to bring to the knowledge of the people, what fables or distortions of fact they must foist upon the public, what opinions they may express, to what vile propaganda they must give utterance, and what proper expressions of opinion and warning on questions of public import they must suppress.

In every land where dictatorship has reared its ugly head the suppression of the freedom of the press has invariably been one of the most deadly weapons in the destruction of the liberties of the people. The right of free speech has never long survived the right of free expression by the press, and personal liberty or personal rights as to property or life have not long existed after the subjugation of either of the twin rights of freedom of speech and of the press.

It should never be forgotten that while our constitutional guaranty of freedom of the press incidentally inures to the benefit of the press, that is not its primary purpose. The framers of our Bill of Rights were not concerned with granting a special privilege to one class of citizens. They were asserting and guaranteeing to the whole people a right to an adequate medium of expression and information absolutely uncontrolled. It is in the light of this public interest that the constitutional provision was framed and it was in the light of that primary purpose that the Supreme Court of the United States has in several cases recently construed it.

In view of some of the recent decisions of that high tribunal involving some of the most precious of the rights guaranteed by the Constitution and in view of the various proposals for altering the Constitution either by amendment or by change in judicial construction brought about by radical and violent changes in the membership of the Court with regard to particular issues and litigation, it seems not amiss to discuss some of the more fundamental rights which have been protected by the Constitution as construed by our courts.

It is an interesting fact in connection with the history of our institutions, but one frequently overlooked, that the theory of the right of freedom of the press is far older than the right of freedom of speech except as the two were joined together. It was the demand that the public might be informed and might be served by an uncontrolled and unlicensed press to supply not only facts but theories which was the forerunner and genesis of the contention that even the humblest citizen should be permitted to express his free and untrammeled opinion.

Nearly 300 years ago, upon the eve of the Protestant revolution in England, John Milton, in his noble Areopagitica—a Plea for the Liberty of Unlicensed Printers, sounded the battle cry against what had been one of the chief weapons of absolutism, the denial of freedom of expression, which at that time meant the suppression and punishment of political pamphleteers, among whom Milton himself was the greatest. His majestic words in describing the England of free expression which his sightless eyes visioned still rings in our ears: "Methinks I see in my mind's eye a noble and puissant nation rousing herself like a strong man after sleep and shaking her invincible locks; methinks I see her as an eagle mewing her mighty youth and kindling her undazzled eyes at the full midday beam; purging and unsealing her long-abused sight at the fountain of heavenly radiance; while the whole noise of timorous and flocking birds, with those also that love the twilight, flutter about amazed at what she means, and in their envious gabble would prognosticate a year of sects and schisms." And then with an eloquence seldom equaled in our tongue Milton exhorted the "Lords and commons of England" to "consider what nation it is whereof ye are and whereof ye are the governors; a nation not slow and dull, but of a quick, ingenious, and piercing spirit; acute to invent, subtle and sinewy to discourse, not beneath the reach of any point that human capacity can soar to." And then he reached the splendid climax: "Give me the liberty to know, to utter, and to argue freely according to conscience above all liberties."

These are the old words of an old man who lived and died long before the "horse and buggy" days of our Nation; but upon the wisdom, the courage, and the sacrifice of such as he many of our most vital rights and liberties were founded.

So potent were the arguments of Milton and his followers in the long, bitter struggle which followed for generations that when the time came to frame the American Bill of Rights, the first 10 amendments to the Constitution, without the assurance of which the Constitution itself could not have been adopted, the guaranty of the freedom of the press was included in the very first amendment.

James Madison introduced into the first Congress of the United States the first 10 amendments to the Constitution which we now know and cherish as the Bill of Rights. Only eight of the original States had bills of rights in their constitutions before adoption of the Federal Constitution. Some of his provisions Madison took from these constitutions. Some he borrowed from other sources. Some were absolute innovations. It is significant that the bill of rights of each of the States then possessing one contained at least four safeguards of popular liberty, the fruit of long experience—freedom of the press, freedom of religion, trial by jury, and a guaranty against being deprived of life, liberty, or property without due process of law.

It is significant that the separate guaranty of the right of freedom of speech, which we now prize so dearly, was not mentioned in the bill of rights of any State prior to the adoption of the Federal Bill of Rights. Before the adoption of the Federal Bill of Rights, the provision as to freedom of individual speech amounted only to an immunity against being called to account in any other place, that is to say, in a court, for words spoken on the floor of the legislature.

We think of the rights guaranteed in the Bill of Rights together, whatever may have been their origin, because they were adopted at the same time. And this is proper because so long as they stand, they stand together as parts of the Constitution, and anything which impairs the force and authority of the Constitution as a whole necessarily impairs the effect and the effectiveness of each of the provisions of the Bill of Rights.

I might stand here for hours, if your patience were sufficient for you to endure, and tell you wherein from my reading of the history of the Nation and from a lifetime during much of which I have been close to public affairs of times and instances wherein I think sections of the American press have failed to live up to the obligations morally imposed upon it by its constitutional sanctions. If my opinions as a layman on the subject of newspaper ethics were of any value to you, I could readily explain why, as a layman, I

believe that certain newspapers have failed to live up to the obligations implicit in the guaranty of freedom of expression by exhibitions of venomous partisanship, of activity in propaganda of dubious character, of seeking after profit by sensationalism by the exploitation of the most depraved of human actions. On the other hand, I could more easily recount a splendid sequence from the foundation of the Republic down to the present in which the press of the Nation as a whole has well and faithfully performed its function of keeping the public advised of developments from which the people could draw their own conclusions, of many instances of outstanding public service by the newspapers of the country, of a general attitude of vigilance and independence which have contributed much to the safety and progress of the Nation.

So we all know that the right of freedom of individual speech has been abused during the history of this country by extremists in both radicalism and conservatism, who have sought to tear down the very institutions which permitted them their license to express their opinions, no matter how erroneous they might be. Nevertheless, the right to free speech has in the long run been one of the most valuable of the rights guaranteed in the Constitution and has stood as the strongest bulwark against the possibility of tyranny.

Freedom of religion has been abused in our history, but it has been a priceless gift to our Nation. The right of trial by jury has resulted in freeing many guilty people, but it has been the protector of millions of citizens against possible tyrannical aggressions of government against the rights of the people, such as we see taking place before our eyes in other countries at the present moment.

Other provisions of the Bill of Rights and other provisions of the Constitution have been the subjects of abuse as well as of benefit. Any of them are subject to change at the will of the people in the manner provided by the Constitution. But certainly the question of the desirability of a change in any constitutional provision is not such as to justify the undermining of the authority of the whole Constitution by the destruction of the independence of the judicial branch of the Government thereby completely wiping out the whole theory of the separation of powers between the branches of the Government upon which the Constitution rests.

Let me say that I am not one of those who believe that the Constitution should be sacrosanct, as immutable as the laws of the Medes and Persians, although I have always believed and still believe, as Gladstone said, that it is the greatest document ever struck off by any group of men at any one time. The framers of the Constitution themselves wisely set up explicitly the means whereby the Constitution might be changed in any particular by the will of the people. This method is cumbersome and difficult to be sure—purposely made so by the framers of the instrument—but capable as we have recently seen of being employed with amazing rapidity and completeness once the people have made up their minds. It has also been demonstrated that it is sufficiently flexible to enable the people to try an experiment in government and if proven unsatisfactory, to speedily repair their error. The repeal of the eighteenth amendment was accomplished in less than 10 months after the submission of the twenty-first amendment. With only one exception, none of the latest eight amendments to the Constitution required more than 2 years for ratification and some of them much less.

Indeed, the Constitution itself was wisely amended, at least by general agreement, by the insertion of the Bill of Rights before it was even adopted or else it had not been adopted.

It seems to me that the test of whether changes should be made in the Constitution should be determined not by reverence for its antiquity but only by the question of whether changes would be in the interest of increasing the happiness and well-being of the people. Thomas Jefferson said: "The only orthodox object of the institution of government is to secure the greatest degree of happiness possible to the general mass of those associated under it." But in the determination of the question of proposed changes the greatest consideration should be given to the question of whether or not the prospect of success of the proposed change is sufficient to justify us in abandoning a system of government under which we have enjoyed a century and a half of amazing progress and of general although by no means universal prosperity

But as the man whose memory is still revered as "first in the hearts of his countrymen" wisely said in taking his long farewell of the Nation he had served so faithfully, "if changes are to be made they should be made by the will of the people according to the orderly processes provided for amendment." In his Farewell Address, George Washington said:

"The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasions of the others, has been evinced by experiments ancient and modern, some of them in our own country and under our own eyes. To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil, any partial or transient benefit which the use can at any time yield."

Never was the wisdom of that great man better exemplified than in his insistence upon the preservation of the unique system of reciprocal checks and balances whereby each is made the guardian of the Constitution and of the public welfare against invasion by the others.

I wish that every school child in America could be made to commit to memory the majestic words of that great address. I wish that every American citizen could be required to read it again each year on this day. The wisdom of his advice to his countrymen has only been more completely demonstrated by the passage of the years. The necessity for the preservation of the Bill of Rights in its full constitutional vigor, to preserve intact our system of checks and balances between the branches of the Federal Government, and to maintain the balance between the powers granted by the Constitution to the Federal Government and the rights reserved to the States, is as vital today as on the day that George Washington retired from the Presidency.

I would not on any account wish to be understood as holding that progressive development of our laws in the interest of the welfare of the whole people will not be necessary from time to time, even if they involve changes in the Constitution. The fathers of the republic held this in contemplation. Thomas Jefferson wrote: "We have happened to live in an age which has witnessed more changes in government than any that has yet taken place." That great statesman, the prophet and champion of liberalism in this country, realized and proclaimed that the science of government is a progressive science and that developments must be made in the interest of the welfare of the whole people lest we perish.

But to advocate change for the sake of change, to tear down the foundations upon which our Government was founded, is neither liberalism nor democracy.

One does not have to be a crackpot to be a liberal nor are those either reactionaries or Tories who are unwilling to lightly forego the blessings of that Constitution upon which our Government was founded and under which we have enjoyed so much of progress and of prosperity. Radicalism and totalitarianism alike are the natural and inevitable enemies and antitheses of liberal, democratic government.

Changes in the interest of progressive social legislation must be made within the framework of our constitutional structure. It is not enough that the aims of a President or a Congress or a Governor or a legislature be excellent and their purposes high and patriotic. Even these things do not justify us in breaking down our constitutional processes.

Be it not forgotten that a precedent set by a good President or a good Governor of high ideals for good public purposes may be taken advantage of in some future time by a bad President or a mistaken President or one with ulterior motives. If the Court can now be increased to nearly double its present membership with respect to a particular situation, some future reactionary President with a subservient Congress could again pack it for the subjugation of our rights.

But the question is asked, "Do you not trust the Congress?" (which, of course includes all future Congresses as well as the present). Do you not trust the President (which includes all Presidents)?

I answer in the words of the immortal Jefferson, the author of our Bill of Rights:

"It would be a dangerous delusion if our confidence in the men of our choice should silence our fears for the safety of our rights. Confidence is everywhere the parent of despotism. Free government is founded on jealousy, not on confidence. It is jealousy and not confidence which prescribes limited constitutions to bind down those whom we are obliged to trust with power. Our Constitution has accordingly fixed the limits to which, and no further, our confidence will go. In questions of power, then, let no more be heard of confidence in man, but bind him down from mischief by the chains of the Constitution."

We know both from the history of the world and from observation in our own country that extraordinary powers granted to or assumed by a good legislature or a good Executive for beneficent purposes and beneficently used by him may be seized by a bad legislature or a bad Executive and made an engine of tyranny.

We have frequently heard it said that it was the custom of the ancient Roman Republic in times of danger to appoint a dictator with absolute power as a measure of safety for the Republic. I doubt not that there were times when this system worked well, but one fateful day there came a bad dictator who did not turn back his extraordinary powers, and the Roman Republic was no more.

But we need not go back to ancient history for illustrations of the fact that tyranny may be the outgrowth of the breaking down of constitutional safeguards even for good purposes. We have seen in very recent years striking instances of this sort.

The machinery by which Hitler achieved his despotic mastery of Germany was not devised by him. He had neither the means nor the popularity to impose his undisputed will upon the German people. The system of government by decree, in contravention of the German constitution, was devised to meet a temporary economic crisis by an honorable, upright, patriotic German citizen, Hitler's predecessor, Chancellor Breuning. But when Hitler by devious means came into the chancelorship, he proceeded to avail himself of all of the breaches made in the system of constitutional law by Breuning to establish himself as dictator. It was at the time that the German people acquiesced in the benevolent extra-constitutional methods of Breuning that they unwittingly bowed their necks to the chains of Hitler.

In our own country in the recent past in an American State we have witnessed the functioning of what might fairly be classed as a test laboratory for dictatorship. We have seen in an American commonwealth constitutional changes sponsored by a Governor of good intentions and not misused by him seized by a man of

towering ambition and used by him to destroy every vestige of a republican form of government and establish a dictatorship as complete as that of Mussolini or Hitler—only to be ended by assassination.

It is not necessary today to discuss the question of whether or not the dictatorship of Huey Long was a benevolent despotism. Many thousands of citizens of Louisiana believed and still believe that it was dictatorship in the interest of the people. Many thousands of others believed and still believe that it was a dreadful tyranny. The fact which is outstanding is that a constitutional change enacted by his predecessor, Governor Parker, in effect authorizing the legislature to resolve itself into a constitutional convention and adopt constitutional changes without submission to the people was the means by which Long achieved his dictatorship. Nor is it to be disputed that his empire did not become complete until he had brought the judicial as well as the legislative and executive branches of the State under his control.

Once having achieved this control of the courts, Long proceeded to break down every vestige of local self-government in opposition to him. Martial law was declared on the slightest provocation. Registrations and elections were held under the menacing weapons of the military arm of the State. Ballot boxes were forcibly taken from the possession of the court by the soldiery. Taxation was absolutely controlled at the whim of the dictator. Local governments, including that of New Orleans, with nearly a third of the population of the State, were either voted out of office or ravished of all authority and left helpless.

Having taken steps to bring the medical and legal professions under his absolute control, Long then proceeded to jam through legislation to effectually destroy the freedom of the press guaranteed by the Constitutions of the United States and of the State of Louisiana. This incursion against the Constitution and our liberties was thwarted by the unanimous decision of "nine old men" sitting as the Supreme Court of the United States.

In that memorable case I had the honor of being counsel for those who sought the freedom of the press. I rejoiced in the sweeping unanimous decision which vindicated that right. But it is only fair to say that I rejoiced no less at the equally logical and equally correct opinion of the same Court in setting limitations to the claim of newspaper freedom. These decisions, taken together, emphasize the proposition which I stated a little while ago—that the constitutional guaranty is for the benefit of the public and not the publishers of newspapers as a class. Where the public interest is involved, the constitutional guaranty stands with drawn sword across the path of governmental aggression. Where attempt is made to use this provision as a shield against the operation of general laws as to labor conditions, tax levies, or any other, the Supreme Court has wisely declared that the guaranty has no application.

Our independent judiciary has always been the protection of the liberties of the individual and of the minorities. Without the protection of the Constitution and the courts many of our most precious liberties would have been lost.

I recall that in my own State, indeed, in my native county, a priest, notable throughout that country for kindness and good works, was once put in jail for the crime of administering extreme unction to a dying parishioner without having taken a political test oath required by a despotic legislature in the dark days of reconstruction following the Civil War. He was freed by the "old men" then on the Supreme Court of the United States on the ground that it was a violation of the Bill of Rights and the reign of terror in Missouri was thereby ended.

James Madison, the father of the Constitution, once wrote: "The people who are the authors of this blessing must also be its guardians. Their eyes must ever be ready to mark, their voice to pronounce and their arms to repel or repair, aggressions on the authority of their Constitution."

The American people have ever been devoted to their Constitution. They know full well that wise men conceived it, that strong men have administered it, that brave men have fought for it, that heroes have died for it. It is my hope and my fervent prayer that it will be long, long indeed before the people consent to break down the bridge upon which we have crossed the chasm by changing the fundamental spirit in which the Constitution was conceived and the principles upon which it was founded.

So can we best pay tribute to the memory of the great Washington and his associates in achieving our liberties and setting up this Republic.

The Situation in Spain

EXTENSION OF REMARKS
OF
HON. CLAUDE PEPPER
OF FLORIDA
IN THE SENATE OF THE UNITED STATES
Wednesday, March 1 (legislative day of Monday, February 27), 1939

LETTER FROM RICHARD W. HOGUE, OF WASHINGTON, D. C.

Mr. PEPPER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter written to me by Richard W. Hogue, director of the Independent Legislative Bureau, of Washington, D. C., relating to the situation in Spain.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

INDEPENDENT LEGISLATIVE BUREAU,
Washington, D. C.

DEAR SENATOR: As you know, through the years in which it has been my privilege to know you I have never sought a personal favor at your hands. Nor can I recall having done so at the hands of any one of the Members of the Senate with whom I have been more or less closely associated.

My sole reason for saying this is to make it clear that the request I now have to make is not in my own behalf but solely for the purpose of clarifying an issue of vital interest to the public and of great importance as a matter of historic record. I wish merely to express the hope that it will be entirely agreeable to you to place certain important facts in the CONGRESSIONAL RECORD.

In its issue of Sunday, February 26, the New York Times pictured the tragic fate of hungry, panic-stricken men, women, and children in "one of the greatest mass migrations in modern history." "In a single day," reports the Times, "more than 100,000 fugitives streamed across the French border," driven by fear of a pursuing army comprised chiefly of invading Nazi, Fascist, and Moorish forces.

This scene is the culmination of a long and tragic story of relentless aggression by foreign powers against a heroic people loyal to their government. During this long period that government was friendly to and recognized by our own Government. Its scholarly ambassador still remains as its duly recognized official representative in Washington. Yet the incredible truth is that our Government, while outwardly friendly to the Republic of Spain, has been in effect an ally of foreign invaders directed by the outstanding dictator enemies of democracy of the world today.

The administration, the State Department, and many Members of Congress have been subjected to a deluge of propaganda against the Republic of Spain. It is now too late to save that republic. It will soon be too late to prevent the record of Congress from being closed without even a brief reference to certain indisputable facts. Some of these facts are: (1) The American people have expressed themselves in no uncertain terms through the Gallup poll, published on December 30 last. That poll showed the following division of opinion: For the Loyalist Government, 76 percent; for the Franco insurrectionists, 24 percent. (2) The relation between our Government and that of loyalist Spain has been one of unbroken mutual recognition and friendliness. (3) Neither the President nor any member of his official Cabinet has expressed any condemnation or criticism of the loyalist Spanish Government. Quite the contrary is true. (4) The embargo against the friendly Government of Spain was imposed for a definite purpose—namely, as part of a general nonintervention policy designed to prevent the struggle in Spain from extending beyond a civil war. (5) This nonintervention policy was violated, and the object of the embargo was frustrated by Germany and Italy, whose large-scale aggression brought about the overthrow of the loyalist Government of Spain. (6) Scholars, clergymen, editors, lawyers, public officials, and others have openly condemned those who fostered this aggression and applauded its outcome and those who misrepresented and denounced the distinguished Spanish Ambassador to this country.

As a matter of simple justice and clear truth, these indisputable facts should form a part of the record of Congress before that record is closed. So far there has been no recognition of them either on the floor of the Senate or in the pages of the CONGRESSIONAL RECORD. That there should be such recognition is the conviction of some of your colleagues, as well as of a vast number of distinguished citizens and a large body of public opinion. I have reason to believe that this conviction is held by a majority of your colleagues in the Senate.

Frankly, dear Senator, I believe that you would be honoring yourself, as well as rendering a public service, by placing these facts in the CONGRESSIONAL RECORD at this time.

With best wishes.

Very sincerely yours,

RICHARD W. HOGUE.

Government Cotton for the Needy—Home Gardens for Farmers

EXTENSION OF REMARKS
OF
HON. LUTHER A. JOHNSON
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, February 27, 1939

Mr. LUTHER A. JOHNSON. Mr. Speaker, various suggestions have been made as to the disposition of the 11,000,000 bales of cotton which the Government is holding as a

result of loans made to farmers. I desire to call the attention of the Members of the House to H. R. 4399, a bill recently introduced by me to use 1,600,000 bales of this Government cotton for distribution to needy persons, of articles manufactured from such cotton. My bill is a companion bill to one introduced by Senator TOM CONNALLY in the Senate.

The substantive portion of the bill is as follows:

That the Commodity Credit Corporation is hereby authorized and directed to acquire title to 1,600,000 bales of cotton from the 1934 crop or subsequent crops remaining as security for loans made or arranged for by the Corporation, and after discharging all obligations with respect to such cotton to transfer title to such cotton to the Works Progress Administration.

SEC. 2. The cotton transferred to the Works Progress Administration pursuant to this act shall be used for the manufacture by such Administration of mattresses and other articles which shall be distributed to families on relief and to other needy persons, without cost to them, through the Federal Surplus Commodities Corporation or such other agency as the Works Progress Administrator may designate.

SEC. 3. The Works Progress Administrator is authorized to make such rules and regulations as may be necessary to carry out the purposes of this act.

SEC. 4. The Works Progress Administration is also authorized to deliver, under such rules and regulations as it may prescribe, a portion of such cotton to be used by home demonstration clubs, or other similar women's clubs, for the purpose of making mattresses and other similar articles of home use, for free distribution to those families not on relief, but whose income is so low that they have been unable to buy, and who are in need of mattresses and similar articles, and the Works Progress Administration may, in such cases, require the furnishing of ticking and labor by such persons in converting the cotton into mattresses and similar articles where needed.

Those who are familiar with conditions existing among many of the poor families realize the need and necessity of this assistance. In the rural areas of the South, where cotton is the principal crop, in many of the homes of the poor, families are in dire need of mattresses, sheets, and other household articles made of cotton.

Since the introduction of this bill I had a letter from a social worker in my district, whose work carries her into the homes of the poor, and who is thoroughly familiar with conditions, and I quote from her letter as follows:

The condition of homes and supplies is a vital one. The very meager incomes of families which have had low wages; decreasing farm incomes; the uncertainty of getting work, and those many contributing causes which affect their existence have brought about conditions which are hard to picture.

Even the regularity of W. P. A. wages is not equal to paying rent, buying school shoes and supplies, food, medicine, and incidentals, to say nothing of household supplies. They have not had the money to get items such as mattresses, sheets, pillowcases, and towels. The kitchens are also bare of needed items. These conditions have entered homes not accustomed to life without essentials. No local money or that from other sources has been available to assist families in securing these necessities; and the possibility of getting household supplies is one that offers some encouragement, as it is one of the most immediate needs around us.

In our small local way we have begged supplies and hold them as loans, where they are sent into homes in cases of illness, but when the emergency is over it is necessary to take them out in order to be ready for the next call. There are times when every item is out.

My feelings on the subject are so deep that I could not refrain from an expression and entertain hope that such a measure for the use of cotton would become possible.

Section 4 of the bill is for the purpose of providing aid to those families who are on the border line of low income, but not on relief, but who need mattresses and sheets, and so forth. There are many families of five whose total annual income does not exceed $500, and many far less than that amount.

It is thought that distribution under section 4 for those not on relief might be made by home-demonstration clubs or other women's clubs who have women trained to make mattresses, and they could be supplied as many bales of cotton as they would furnish tick for. Tick costs from about $1 to $2 per mattress. It is estimated that 1 bale of cotton will make about 10 mattresses.

Another social worker in my district, interested in aiding the poor, has made this suggestion:

All States have organization machinery to get these mattresses made—home-demonstration agents are trained to teach women to make mattresses—in practically every county in Texas there are from 5 to 10 rural women trained well enough to teach others. The councils of home-demonstration clubs are equipped with committees who are known as expansion committees, whose duty it is to extend information learned through home-demonstration clubs to all other people that they can reach. These committees are capable of passing on those entitled to receive the cotton, just as the county committeemen are capable of passing on those farmers and farms eligible for benefit payments. This is leadership that has been developed over a long period of years, and is available. They would give service on the same basis that A. A. A. committeemen do or probably volunteer service—if this is more of an emergency—or for a small per diem if it is promised to be prolonged. That is a detail that can be worked out later.

It is believed that the home-demonstration service of each State would readily cooperate just as they did in a somewhat similar way in the Federal meat-canning project.

Last year I talked to a doctor in my district who practices in the country, and many of whose patients are of the poorer class, and he told me that it was pathetic in many of the homes where he visited professionally, and that many times where there was illness, the homes were without mattresses, sheets, pillowcases, and towels, and in many homes they were using old flour sacks for these purposes.

It does seem a travesty on justice that in the South where cotton is grown in such large quantities, that in the homes of those who produce cotton, these necessities are not available.

The need for this legislation is recognized by all who are familiar with conditions in the South, and under leave obtained to do so, I submit herewith a resolution passed at College Station, Tex., in my district, last October, upon this subject, as follows:

Whereas the citizens of Texas have been aroused to the situation confronting not only this State but all of the Southern States, which is hindering the development of the people and retarding progress in agriculture and industry; and

Whereas since the recent visit of Secretary of Agriculture Henry A. Wallace to Texas, and at which time he called attention and asked for united aid in handling 7,000,000 bales of cotton now held in the United States, and which was a surplus over and above the amount used before the 1938 crop went on the market and which equals or enlarges the production of the past year: Therefore be it

Resolved by the Board of Directors of the General Federation of Women's Clubs in session at College Station, Tex., October 13, 1938: That we lend every effort to the Department of Agriculture, Washington, D. C., to assist in this immediate piece of work and ask that the surplus not be thrown on the market, but that it be manufactured into household articles, such as mattresses, comforts, bed linens, towels, work clothing, and other articles for the use of those now dependent upon Government agencies for their existence, either by work at very small wages or dependent upon direct grants.

Further, we commend Secretary Wallace for his plan for the appointment of a committee to work out plans for the use of this surplus cotton.

MRS. JUD COLLIER,
MRS. MINNIE FISHER CUNNINGHAM,
MRS. J. L. BROCK,
Committee.

This bill will serve a twofold purpose: First, by disposing of a portion of the surplus cotton which the Government holds; and, second, to afford substantial and needed relief to the worthy poor. And I trust that the Committee on Agriculture, to which this bill was referred, will act favorably thereon and I hope that the membership of this House will aid in passing this bill, which I believe to be meritorious and just.

HOME GARDENS FOR FARMERS

Closely related in point of need to this relief bill is the necessity that the agricultural conservation program may provide for home gardens among the farmers. As I understand, under existing law the Agricultural Adjustment Administration may make provision therefor by regulation, and no legislation is needed for this purpose.

Provisions for a home garden for providing food for the farm family should be included in the agricultural conservation program of the Agricultural Adjustment Administration. In support of this contention I submit the following facts:

1. In 1934 the A. A. A. released a table showing that 53,000,000 more acres would have been put in food and feed if all the people had a liberal diet. The Bureau of Home Economics, in 1936, stated

that if the diets of city people were raised to a first-class level it would take one-sixth more eggs, one-third more milk, one-fifth more fruits, and one-fifth more vegetables.

2. According to the 1935 census there are 624,146 farms in the southern region without gardens.

3. According to nutrition standards, 715 pounds of vegetables per person per year are needed for good nutrition.

4. According to the standard, 7,700,000,000 pounds of vegetables are needed per year by the farm population of the southern region for nutrition that will protect and promote health. At the rate of 5 cents per pound, home gardens of the South need to produce vegetables to the amount of $385,000,000. This amount of money would release the pressure on other cash crops.

5. This family table is a market that pays retail prices and offers no competition.

6. There is 17 percent more illness in families having an income of $1,000 and less per year, and considering this fact, the low income of the South and the relation of the home garden to good health, it is vitally important that every measure be taken that will encourage the production of home gardens.

7. The problem of food production is of equal concern to all the Nation if we are to have a people physically and mentally fit.

Illustrative of this need for home gardens on farms, the following statistics are presented:

Southern region

State	Number of farms	Number of farms reporting gardens	Number of farms without gardens
Arkansas	253,013	206,134	46,879
Oklahoma	213,335	126,954	86,381
Texas	501,017	285,700	215,317
Louisiana	170,216	132,662	37,554
Georgia	250,544	199,112	51,432
Alabama	273,455	224,212	49,243
Florida	72,857	36,732	36,125
South Carolina	165,504	133,076	32,428
Mississippi	311,683	242,896	68,787
Total	2,211,624	1,587,478	624,146

I request the cooperation of all members from agricultural districts in urging the Agricultural Adjustment Administration of the Department of Agriculture to make proper regulations to encourage the planting of home gardens by the farmers who cooperate with the Government's program.

T. V. A. and the Gilbertsville Dam

EXTENSION OF REMARKS
OF
HON. CHARLES H. LEAVY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 1, 1939

Mr. LEAVY. Mr. Speaker, a little over a year ago a three-judge Federal court, in a comprehensive decision, established the constitutionality of the T. V. A. Released from litigation the T. V. A. proceeded at once to acquire a market for the surplus power which can be generated at these great water-control projects.

There are now four dams in operation with a power capacity of 420,000 kilowatts. Late this year the dam at Guntersville, Ala., will be ready to generate power, and next year Chickamauga Dam near Chattanooga will be completed. These will be followed by Hiwassee, where construction is well along, and later by Gilbertsville, Watts bar, then Coulter Shoals, making a total of 10 dams which will provide a navigable channel from the mouth of the river at Paducah for 650 miles to the city of Knoxville and in addition will provide substantial flood-control benefits in the Tennessee Valley and in the lower Mississippi Valley.

This 10-dam system, according to tentative plans, will have an installed power capacity of about 1,400,000 kilowatts and will be capable of producing over 4,000,000,000 kilowatt-hours of primary energy annually as well as at least an equal amount of secondary power.

The present revenues of the Authority coming from over 70 municipal and cooperative customers and several large industries and public utilities approximate $6,500,000 a year. With the completion of the 10-dam system it is estimated that the annual revenues will exceed $20,250,000, leaving a margin of over $16,000,000 after deducting the operating expenses assignable to power.

Most of this power is being sold for the direct benefit of the public at rates which cover all costs, but which at the same time permit reductions of from 25 percent to 50 percent as compared with the rates formally charged in the same area by the private utility companies.

With a market already developed, the additional dams to be completed over a period of years will provide a capacity which is essential to supply the power requirements of the area. As pointed out in the testimony before the Appropriations Committee, there is no longer any problem of disposing of the power, but rather the problem of providing capacity to meet the growth, and the demand for power must be faced. The construction of Watts bar is essential to open the Tennessee River for navigation and to provide power to meet the requirements of the market.

The entire power capacity of the 10-dam system is only 485,000 continuous kilowatts, which represents about 800,000 kilowatts under the usual conditions of use. The best estimates available on the part of both utilities and public authorities indicate that this capacity will be far from sufficient to supply alone the increasing demands for power. In fact, at least an equal amount will have to be installed by private public utilities or public agencies, in addition to the T. V. A. capacity, if the expected power requirements are to be provided for.

It has been charged that Gilbertsville Dam will provide a tremendous pool of power that will jeopardize utility companies in a widespread area, including St. Louis, Louisville, Ky., and much of Illinois, Indiana, and Ohio. This is far from the fact. The power available at Gilbertsville is a minor consideration, and everyone knows that Gilbertsville Dam would never be constructed if power were a primary consideration. That dam is essential to navigation and flood control. As for power, the ultimate capacity may reach 150,000 kilowatts, with less than 100,000 kilowatts of primary power. This is not sufficient power for the city of Louisville, Ky., alone, to say nothing of the widespread areas which have been mentioned. Furthermore, the power capacity at Gilbertsville Dam will be subject to serious reduction at times of flood, making it necessary to provide capacity at other dams to carry the Gilbertsville load during flood periods.

There can be no question that the market has been obtained for the T. V. A. power; that the rates being charged will cover all cost; that the power operations have caused no unreasonable losses to legitimate investors; and that, above all, power operations from this 10-dam system will save the public on the order of $40,000,000 a year in reduced power rates in the Tennessee Valley area alone. This is without including the millions of dollars of rate reductions effected throughout the country as the indirect results of the T. V. A. power program.

Wars Are Not Won by Armies

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 28, 1939

Mr. CELLER. Mr. Speaker, since superior resources are the determining factor in a war, as is generally admitted by competent students, the leading democracies, that is, the United States, Great Britain, and France should emerge victorious in a conflict with the principal nondemocratic powers, that is, Germany, Italy, and Japan, as and when such conflict comes.

Wars are admittedly no longer won by vast armies. The so-called "have nations," that is, those who have ready access to, or are in control of natural resources, are more likely to succeed than nations classified as the "have nots." Since there is so much talk about war between these two groups, which may also be termed democracies and nondemocracies (or dictatorships), an examination of their natural resources should be of interest. (Statistics are based on Foreign Commerce Yearbook and the Federal Reserve Bulletin. See accompanying table.)

Cotton, wool, oil, copper, and wheat, the sinews of war, are virtually all in the hands of the democratic nations. The nondemocratic forces produce very little wheat and copper and virtually no oil, wool, or cotton. Of agricultural products, rye, potatoes, sugar beets, and rice are practically the only ones which they possess in fair volume, but hardly enough for a protracted war. They produce little oats and barley—less than 11 percent of the world's total output—practically no corn—slightly more than 2½ percent—no rubber whatsoever, and little tobacco—only about 8¼ percent. There is one item—raw silk—which the nondemocracies virtually control, production amounting to almost 90 percent of the world's total output. However, war cannot be waged successfully with silk. The nondemocracies produce coal and steel ingots in fair amounts, about 18¾ percent and 21½ percent, respectively. They also control about 13½ percent of the world's total output of lead and zinc.

The number of active cotton spindles in the nondemocratic countries amounts to only slightly above 18 percent of the world's total compared with more than 60 percent for the democratic nations. The amount of developed water power in the nondemocratic countries amounts to slightly less than 26¼ percent of the world's total, compared with 53½ percent for the democracies, while the respective figures for potential water power are about 4½ percent and 39 percent.

Whereas the democratic nations control almost half of the total number of merchant vessels, the nondemocratic countries control only one-fifth of the world's total. The number of automobiles owned by the democracies is well over 83 percent compared with less than 5 percent for the nondemocratic countries.

While the democracies produce close to 62 percent of the world's total output of gold, which is still the universally accepted standard of value and indispensable as a medium in the event of serious complication, the nondemocratic countries produce less than 2 percent of the total. With regard to silver, the nondemocratic countries produce only 6½ percent of the world's total, compared with about 34½ percent for the democratic nations. Whereas the currency in the democratic countries is backed by a gold reserve of close to 79 percent, the gold reserve in nondemocratic countries is only slightly in excess of 2 percent, suggesting strongly the precarious position of the respective currencies of the nondemocratic countries.

No reference was made to some of the minor countries which could be included within either category. Statistics are confined only to the major countries in each group and should suffice to enable one intelligently to appraise the relative position held today by the two major groups of nations, comprising, on the one hand, the democracies, and, on the other, the aggressors.

Enemies of democracy have pointed out that democracy has failed and that other forms of government should be tried to bring salvation to a stricken world. Curiously enough, history teaches the very opposite: In times of crisis democracy has triumphed and autocracy was unable to withstand trials and tribulations. The Great War affords a most illuminating example. Following the cataclysm all autocracies collapsed, including those of the Romanoffs, the Hohenzollerns, the Hapsburgs, and the sultanate. The democracies of the world survived, and if history will repeat itself, as it invariably is in the habit of doing, democracies will once again triumph.

Natural resources of democratic and nondemocratic forces

	World total	Democracies[1]		Nondemocracies[2]	
		Total	In percent of world total	Total	In percent of world total
Area—square miles	51,143,000	19,212,500	38.4	601,800	12.00
Population	2,095,000,000	727,229,000	34.6	204,817,000	9.70
Output of—					
Wheat—bushels	3,466,000,000	1,506,000,000	43.4	395,000,000	11.40
Rye—do	911,000,000	58,000,000	6.4	320,000,000	35.10
Oats—do	4,014,000,000	1,237,000,000	38.4	428,000,000	10.70
Corn—do	4,602,000,000	1,658,000,000	36.0	119,000,000	2.60
Barley—do	2,115,000,000	466,000,000	22.0	227,000,000	10.70
Rice—pounds	127,000,000,000	82,197,000,000	63.2	30,510,000,000	24.00
Potatoes—bushels	8,127,400,000	1,199,730,000	14.7	1,798,737,000	22.50
Sugar beets—tons	72,187,000	11,581,000	16.1	13,333,000	18.50
Cane—do	23,187,000	12,304,000	53.5	136,000	.60
Tobacco—pounds	4,433,000,000	2,816,000,000	63.5	364,000,000	8.20
Cotton—bales	30,200,000	18,161,000	60.1	----------	----------
Wool—pounds	3,580,000,000	2,131,000,000	59.5	73,000,000	2.00
Silk—do	123,563,000	728,000	.6	109,728,000	88.80
Rubber—tons	855,500	488,000	57.0	----------	----------
Coal and lignite—do	1,379,000,000	788,342,000	57.2	257,897,000	18.70
Pig iron—do	91,500,000	47,135,000	51.5	17,715,000	9.90
Petroleum—barrels	1,790,291,000	1,108,215,000	61.9	2,405,000	.10
Steel ingots—tons	122,337,000	68,649,000	56.1	26,344,000	21.60
Gold—ounces	35,165,000	21,766,000	61.9	687,000	1.90
Silver—do	249,171,000	86,022,000	34.4	16,147,000	6.50
Copper—tons	1,495,000	897,800	60.0	106,800	7.10
Lead—do	1,475,000	765,900	51.9	194,000	13.20
Zinc—do	1,475,000	782,700	53.1	196,980	13.40
Cotton spindles	151,782,000	90,285,000	60.2	27,232,000	18.10
Water power:					
Developed	55,000,000	29,399,900	53.5	14,400,000	26.20
Potential	472,000,000	183,500,000	38.9	21,000,000	4.40
Merchant marine	31,185	14,560	46.7	6,025	20.00
Automobiles	40,560,167	33,312,936	83.3	1,971,053	4.90
Gold reserve—dollars	23,813,000,000	18,785,000,000	78.9	500,000,000	2.10

[1] Comprise United States, Great Britain (and possessions) and France (and possessions).
[2] Comprise Germany, Italy (and possessions), and Japan (and possessions).

Col. Ernest Graves, Retired

EXTENSION OF REMARKS
OF
HON. JOSEPH J. MANSFIELD
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 1, 1939

Mr. MANSFIELD. Mr. Speaker, I have introduced a bill to adjust the retired pay of Col. Ernest Graves, Corps of Engineers, and I wish to invite the attention of his many friends in the Congress to the merits of properly recognizing his distinguished services in connection with both the military and civil activities of the War Department.

Colonel Graves was born in North Carolina. After graduating from the University of North Carolina, where he was a star football and baseball player, he went to the United States Military Academy, where he was prominent both as an athlete and as a scholar. He has since served in the Army through all the commissioned grades, including colonel.

In the spring of 1916 Colonel Graves, then a captain, Corps of Engineers, marched into Mexico with the punitive expedition. On this strenuous expedition, where energy, determination, and ability were in demand, Captain Graves attracted the attention of General Pershing, and in the spring of 1917, after coming out of Mexico, he sailed for France on the *Baltic*, which carried General Pershing and a limited number of selected officers who were the nucleus upon which the American Expeditionary Force was built. During the World War Colonel Graves served in a number of different localities in the theater of operations, and the conspicuously meritorious character of his services with the American Expeditionary Forces is indicated by the following citation, upon which he was awarded, before his return to the United States, the Distinguished Service Medal:

> He was charged with the construction of the Gievres storage depot, and later was appointed engineer officer of the intermediate section, Services of Supply, where he was placed in charge of all construction projects west of Bourges. As engineer officer of base section No. 2 and of the advance section, S. O. S., he performed the duties with which he was intrusted in a conspicuously meritorious manner. In the many responsible capacities in which he was employed, the performance of his duty was characterized by sound judgment and untiring zeal.

After his return to the United States Colonel Graves wrote a book entitled "Construction in War," which was then and still is the most thorough if not the only publication containing essential expert information on this subject.

The retirement of Colonel Graves in March 1921 may or may not have been caused directly by his strenuous, nerve-racking activities continuing through the Mexican and World War campaigns. However, a physical disability of deafness in the line of duty caused this retirement.

Colonel Graves was recalled to active duty in April 1927 and has served continuously since on active duty in the Office of the Chief of Engineers. In 1928 he was selected, appointed, and confirmed by the Senate as a member of the Mississippi River Commission and he is still a member of that commission. He has served on the Board of Engineers for Rivers and Harbors and he was Chairman of the Interoceanic Canal Board when that Board submitted its final report. He has been retained on active service by four different Chiefs of Engineers. The especial work of Colonel Graves is on the Mississippi River, but his exceptional talents are needed and used frequently on various other matters, including flood control and river and harbor projects everywhere in the United States, interoceanic canals, and some military subjects.

Colonel Graves is not only a Tar Heel from North Carolina but also a servant of all the United States, including every State in the Union. This is especially true with respect to any and every locality where there are flood control or river and harbor problems. During the long service of Colonel Graves in the Office of the Chief of Engineers he has made it his business to assist in every way possible any and all of us who have had waterway and flood-control problems. Although my bill provides only for an equitable adjustment of the retired pay of Colonel Graves, I believe that his services to us should be rewarded by giving to him the rank and pay of a major general, United States Army.

Congress in Review

EXTENSION OF REMARKS
OF
HON. GEORGE H. BENDER
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 1, 1939

Mr. BENDER. Mr. Speaker, the Seventy-sixth Congress has been in session for only a brief 8 weeks; but in this short space of time it has become clear that a new feeling is sweeping the Nation. The deliberations of Congress have blown a breath of fresh, clear air into the atmosphere of America. A new spirit of courage and vigor has pushed its way into the conduct of the Nation's business. Partisan lines in Congress have been repeatedly broken as Democrats and Republicans have discovered that they are really running the "show." When the President told Congress in his opening message that he was going to give us the "privilege" of doing the job we were elected to do, he sounded as if he did not believe we could do it. His attitude was one of sublime contempt. He threw down a challenge and Congress has accepted it. Representatives and Senators in Washington have determined to make good. We are making good in a big way. We are proving every day that we can conduct the Nation's business as a democracy—efficiently, wisely, and independently. There was a time when Will Rogers prayed every morning for Congress to adjourn. I am sure that he would be praying for us to keep in session today.

Look at the new line-up in Congress. Democrats and Republicans are agreeing on major issues; and in almost every case of agreement, we have encountered White House opposition. The Republican Party, in spite of all the talk in the newspapers of the Nation, does not have a majority in either House of Congress.

So much publicity has been given to the sensational turnover at the elections last November that a good many people sound as if the Republican Party were running things with a majority in Congress. We are definitely only a minority party. But, unlike our Democratic opposition, we are a cooperating, united group. When the questions before Congress present an issue which vitally concerns the Nation, the Republican Party threshes out its opinions and comes before the people with a positive point of view. We have completely changed the part we played in the last Congress. There the Republicans were gadflies, stinging the thick hide of the Democratic jackass. Even today, we occasionally tweak the donkey's tail, but we no longer stop at this amusing form of national entertainment. We have moved a long way, and today we are claiming an important and sometimes decisive voice in the affairs of government. The 170 Republicans of the House of Representatives are exerting a tremendous force in the determination of policies. We are no longer treated like small children, either in committee or in debate. This new respect which the Republican Party enjoys in Washington is no tribute to us. It is a tribute to the voters of America who gave the Republican Party a magnificent vote of confidence last November.

This new feeling has penetrated the Democratic side of the House just as strongly as it has marked our Republicans.

Democrats can read election returns quite as well as anyone else. They have analyzed the results of last November, and they know that the people of this country are moving rapidly away from the extravagance and centralized government which the New Deal has imposed upon our Nation. Everywhere in this country, from the smallest backwoods village to our biggest cities, the demand for economy, for less governmental interference in business, has made itself a real factor in our political life. Congressional Democrats know that their day is over and that their only hope for any future lies in adopting the program of the Republican Party. This is the only way we can understand the work of the Seventy-sixth Congress.

Legislation offered by the White House in the years from 1933 to 1938 was looked upon as sacred. It was simply given to Congress to go through the form of rubber stamping it. Sometimes, in fact, they almost forgot to give it to Congress at all. Once, for example, there were only three copies of a bill printed for 435 Representatives to study before it came up for a vote. On another occasion, the Attorney General's office had to admit to the United States Supreme Court that official copies of N. R. A. codes were as scarce as hen teeth; and it took 3 weeks of hard scratching before the "brain trust" found the copy of the Poultry Dealers' Code that killed the Blue Eagle. This sort of thing is ancient history now. No laws are going to be slipped through the Seventy-sixth Congress like greased lightning. They are all getting mature and detailed discussion. Debate is not being shut off like the family radio.

What are the results of this new spirit in the United States Congress? We have already seen the House and Senate smashing all party lines to cut down the President's excessively large W. P. A. proposal. That measure was checked by a line-up of Democrats and Republicans which could never have been assembled 2 years ago. The insistence of Republicans and Democrats alike is making the National Budget for 1940 a very carefully considered business. Every detail is being looked at as if Sherlock Holmes were using his famous microscope. Even the form in which the Budget was introduced is being challenged, because we are determined that we shall not subscribe to the New Deal theory of a permanently unbalanced Budget. Already, Members of the House of Representatives are taking off their gloves and rolling up their sleeves to get ready for the White House's next big job. Away back in 1917 Congress fixed the top limit of the national debt at $45,000,000,000. We are so close to this figure now that the New Deal is preparing a bill to raise the ante. As far as they are concerned, the sky is the limit. They have never heard the old proverb that "Everything that goes up must come down."

Mr. Eccles, who heads the Federal Reserve System, and a young man named David Coyle have worked out a new theory of economics, which tells us that so long as you borrow from yourself, everything is hunky-dory. You will never have to pay up. This is the most amazing idea of Government finance ever invented. It is original, but it just will not work; and every Democrat on the majority side of Congress knows that it will not work. We are convinced that the Republicans are going to be joined on this issue by at least a hundred Democrats when the bill to raise our legal-debt limit reaches the floor.

These are not the only major issues on which Republicans and Democrats are joining forces. When the Dies committee was attacked by the obedient henchmen of the White House; when a campaign of ridicule and sarcasm was directed against its work, Democrats and Republicans joined again to pass a measure giving $100,000 to the committee to continue its investigation of un-American activities. But the climax of our national drama up to date, was the reaction of our United States Senate to the appointment of Judge Roberts to the Federal bench and the selection of Thomas Amlie for a place on the Interstate Commerce Commission. New dealers have tried to accuse the Senate of petty spite. They have told us that it was simply playing politics. But one of the New Deal's most loyal supporters, United States Senator ELBERT THOMAS of Utah, rose from a sickbed to justify the position taken by 72 Senators in rejecting Judge Roberts for the Virginia Federal bench. Mr. THOMAS presented a lesson to the President in constitutional law, when he told the Nation that the President's authority to designate Federal judges was not an absolute power. When Mr. THOMAS told the President that no member of the White House had ever succeeded in destroying the influence and prestige of the Senate, he was warning the Nation that such an attempt was the surest way to destroy democracy.

But our executive department has not accepted Senator THOMAS' verdict. The nomination of Tom Amlie, of Wisconsin, to the Interstate Commerce Commission brought an immediate resolution from the Wisconsin State Legislature denouncing the appointment. Folks who knew him best have told the people of our country that Mr. Amlie is a follower of the red flag; that he has appeared before Communist gatherings; that he is opposed to the capitalist form of society. Whatever color Mr. Amlie may be, he is certainly not red, white, and blue. Senators of every party leaning are getting ready to give Mr. Amlie a thorough going-over when his name is brought before them for final confirmation.

And to top our congressional revolt off, this last week Congress has again spoken courageously and independently on a problem of the first importance to America. Our President has been retracing the steps of Woodrow Wilson for over a year. In 1938, at Chicago, he delivered an address urging the quarantine of "aggressor" nations. Ever since then he has been making militant "jingo" speeches. Congress has refused to follow this lead. In speech after speech on the floor of Congress, Representatives have risen to denounce every proposal which might involve us in foreign wars. We are determined, even if the President and his advisers are not, to keep American blood from being spilled on any foreign soil. We have seen the bitter failure of the policy of intervention before. Our internationalists have already forgotten that we entered the World War to make the world safe for democracy. How miserably we failed is written in every newspaper published in America. Congressmen of both parties are agreed that we shall authorize nothing which may in any way provoke hostilities. We are ready and willing and anxious to defend our own soil; but we refuse to send the sons of American mothers abroad to fight the nations of the world to no real purpose.

On this basis, Congress has refused in the last few days to appropriate $5,000,000 for the development of the island of Guam. Most of us had forgotten where this tiny island is located; but to refresh our memory, it will help us to know that Guam is 6,250 miles from San Francisco by way of Honolulu. As the crow flies, this little dot in the Pacific is almost 2,000 miles from Manila. It is much closer to Japan than it is to any possession of the United States. In fact, it is directly in the midst of a whole string of 98 islands over which Japan exercises a mandate. What earthly reason connected with the protection of our own shores could be advanced by the advocates of fortifications on Guam? We know full well that if any European or Asiatic power were to undertake any kind of construction on an island which was closer to our shores than to their own, we should holler "Monroe Doctrine" until the skies shook. The mere fact that the executive wing of our Government was strongly in favor of harbor work on Guam, furnished new proof that the White House is still thinking in terms of aggressor punishments. Congress insisted on discussing this issue. We were not bulldozed by the Government's forensics. If our national frontier is to be extended to Guam, we must make the decision with our eyes open. It must not be sneaked in through any back-door appropriation. Congress has effectively destroyed this first threat in the Pacific. We shall be on guard to check any others.

One other event of possibly great significance for our citizens occurred in the Upper Chamber of Congress early this week. The junior Senator from Ohio, ROBERT A. TAFT, rose to participate in the debate on the Tennessee Valley Authority. Throughout the country, newspapers were on the alert to catch his remarks. The genuine statesmanship which Mr. TAFT's words revealed did much to add to his political stature.

The Senate may be sold on the opposition point of view, but there is no doubt that the Republican position is gaining an attentive hearing throughout the country. People are stopping to ask themselves the consequences of T. V. A.'s program. They are questioning the wisdom of destroying private utilities and drying up important sources of tax revenues.

The Seventy-sixth Congress has just begun its work. We have only begun to fight. There will be weighty issues before us in the days ahead. Our Nation is clearly reaching a moment of decision. It will be yours to decide whether we shall go on piling debt upon debt, until our top-heavy burdens stifle all individual initiative, completely check the flow of private funds, and turn us into a huge governmentally supported bureaucracy.

Congress is taking the lead these days in every front in the battle to restore the American way of living. We fully recognize the need for supporting every man and woman who is rightfully on W. P. A., P. W. A., C. C. C., N. Y. A., or local relief agencies. Yet we are convinced that a solution of our major problems will not be a system in which everybody is on one or another form of public relief.

I call upon the people of every State in our Union to support the work of the Seventy-sixth Congress. We are fighting your battle to rebuild the American tradition upon a sound basis; to give our people what they have so long wanted—hope in the future of our Nation.

The Importance of the Gilbertsville Dam for Flood Control

EXTENSION OF REMARKS

OF

HON. JOHN J. SPARKMAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1939

I. NECESSITY OF TRIBUTARY RESERVOIRS FOR MISSISSIPPI FLOOD CONTROL

Mr. SPARKMAN. Mr. Speaker, there is no longer any difference of opinion as to the necessity of constructing reservoirs on the tributaries of the Mississippi River to provide adequate control of floods. The report of the Army engineers of April 6, 1937, set forth in Committee Document No. 1, Seventy-fifth Congress, first session, states:

20. The control works on the Mississippi are designed to pass a flood of 2,250,000 cubic feet per second from Cairo to the confluence of the White and Arkansas Rivers, the flood capacity being increased below these rivers. The recent flood out of the Ohio was a little less than 2,000,000 cubic feet per second. This discharge, combined with that of the Mississippi above Cairo, produced a discharge below Cairo of about 2,100,000 cubic feet per second. The reservoirs authorized and herein recommended in the Ohio Basin would have reduced the flow below Cairo by about 200,000 cubic feet per second. Meteorological studies suggest that a large discharge from the middle Mississippi is not to be anticipated under the atmospheric conditions which give rise to winter floods like the recent one out of the Ohio, but that a discharge of about 400,000 cubic feet per second might occur at such times. On the other hand, such a flood out of the Ohio is not to be anticipated during the spring, when large floods may come down the Mississippi. A review of all data indicates, however, that due prudence should provide for a flood which, without reservoir control, would reach 2,600,000 cubic feet per second in the Mississippi between Cairo and the Arkansas. A winter flood out of the Ohio but 10 percent larger than the recent one, on top of a Mississippi River flow of 400,000 cubic feet per second, would reach this discharge; as would the maximum record flood out of the middle Mississippi, amounting to 1,000,000 cubic feet per second, should it happen to coincide with a spring flood of 1,600,000 cubic feet per second out of the Ohio.

21. The present levees on the Mississippi are about as high as it is desirable to construct them. An increase in the height accentuates the danger of a crevasse and its consequences, besides presenting a serious hazard of subsidence in the soft ground which they must occasionally cross. Additional safety should be sought rather in the continuation of the program for improving the flood-discharge capacity of the river channel and in reducing peak discharge by the construction of reservoirs (p. 6).

There is no truth whatever in the statement that has been made that the Tennessee River makes no material contribution to the flood damage on the Mississippi. This statement was based upon a report of the president of the Mississippi River Commission, set forth in House Document 328, to the effect that the projects described in that report for the Tennessee River system would not contribute materially to the reduction of Mississippi floods. This was simply a restatement of the views expressed by the Reservoir Board of the Mississippi River Commission of 1927 which recommended against the construction of reservoirs for Mississippi flood control on any of the tributaries of the Mississippi—on the Tennessee or any other tributary. As already noted above, the experience in the 1937 flood has led the Army engineers to reverse that position. Even before the disastrous flood of 1937 the Mississippi River Commission, on the basis of an exhaustive study of tributary reservoirs for Mississippi flood control, had already modified the earlier position of 1927 and had recommended "that the Federal Government adopt a policy encouraging and participating in the construction of feasible tributary systems which will fit into an ultimate general system for the control of lower Mississippi River floods" (Comprehensive Report on Reservoirs of Mississippi River Basin, House Doc. 259, p. 33).

There is no longer any disagreement among any of the experts, including the Army engineers, as to the desirability and necessity for tributary reservoirs for the control of Mississippi floods.

It is also everywhere acknowledged that the best sites for flood-control reservoirs for the protection of the Mississippi are located on lower tributaries of the Ohio River, including the Tennessee River. Today no responsible authority would agree with the statement that the Tennessee River makes no "material contribution to the flood damage on the Mississippi." Mr. George Clemens, senior engineer of the Mississippi River Commission, testified in the Fourteen Power Co. case:

The principal contributor to the lower Mississippi floods is, of course, the Ohio. The past floods have ranged from about 52 to 90 percent of the contribution of the flow at Cairo. Of the total flow in the Mississippi River below Cairo, the Ohio has contributed from 52 to 90 percent over that range in these various floods. (References are to the record in the Supreme Court in the case of the *Tennessee Electric Power Co. et al.* v. *Tennessee Valley Authority et al.*)

The Tennessee River, as the principal tributary of the Ohio, of course, makes a substantial contribution to the Mississippi floods. Mr. O. N. Floyd, an engineer of wide experience and a consultant of both the Army engineers and the Tennessee Valley Authority, testified that—

The Tennessee is one of the main contributors to all our [Mississippi] floods, and there has never been one of the higher floods or bigger floods in Cairo without a substantial contribution from the Tennessee River—

and it is also everywhere agreed that the cheapest and most effective sites for Mississippi flood control on the Ohio River are on the lower tributaries of the Tennessee River.

The Army engineers' "308" report on the Ohio River system, set forth in House Document 306, Seventy-fourth Congress, first session, states:

It was found that relatively little benefit on the Mississippi could be obtained from reservoirs in the Ohio Basin on tributaries above the Green River. While it is beyond the scope of this report to draw conclusions in this connection, it is believed that further consideration of reservoirs in the Ohio Basin to provide flood control on the lower Mississippi should be confined to the lower Ohio River tributaries, namely, Tennessee, Cumberland, Wabash, and Green Rivers (p. 127).

Mr. Clemens, of the Mississippi River Commission, who was in responsible charge of the preparation of the Commission's Comprehensive Report on Reservoirs in Mississippi River Basin (H. Doc. 259, 74th Cong., 1st sess.), testified as follows in the Tennessee Electric Power Co. litigation:

Question. In your opinion, what reservoir sites on the Ohio River system are most effective for Mississippi River flood control?

Answer. The lower tributaries of the Ohio would be the best. Those reservoirs within prediction distance, including, of course, the Tennessee; other tributaries are also valuable, the Cumberland, Green, Wabash.

The Gilbertsville Dam is the most important of the projects of the Authority for Mississippi flood control, not only because it is the largest but because it is the closest to the point of danger.

The Gilbertsville Dam site is less than a day's water flow from Cairo, and can therefore be operated with exceptional accuracy in reducing peak flood stages. It also increases the effectiveness of upstream dams by regulating and correcting for any possible errors there may be in the operation of the more distant dams. With this exceptionally large storage capacity located immediately adjacent to the point of greatest danger it would be feasible to cut off all or part of the entire flow of the Tennessee River at a critical time.

The proposed Gilbertsville project is not only the most effective project that could be developed in the upper Mississippi River system, but it is also the cheapest. It is cheaper either in terms of the amount of money per acre-foot of storage or in terms of the cost per foot of reduction of flood stage. The potentialities of this project have been exhaustively studied by the T. V. A. engineers, and their conclusions have been carefully checked by eminent, independent consulting engineers, including Mr. O. N. Floyd, of Dallas, Tex., who is consultant of the Army engineers on the flood-control project at Sardis, Miss., and on numerous other projects; Mr. L. L. Hidinger, an experienced consultant on numerous flood-control projects; and Mr. E. W. Lane, for a number of years connected with the Bureau of Reclamation, and now professor of hydraulic engineering at Iowa State University. The conclusions of these engineers can be summarized briefly as follows:

The Gilbertsville Dam project will make possible the reduction of 2 feet or more in all major floods on the Ohio River system at Cairo, which reduction will persist substantially to the mouth of the Arkansas River at Helena, Ark.

The cost of the Gilbertsville project per acre-foot of storage or per foot of reduction in flood stage at Cairo, Ill., is less than one-half the cost of any other reservoir or system of reservoirs which could be located on the tributaries of the Mississippi River above Cairo.

The reports of the T. V. A. consultants, Messrs. Floyd, Hidinger, and Lane, were made independently, and the comparisons of costs made by them were based upon studies of the reports of the Army engineers set forth in Committee Document No. 1, Seventy-fifth Congress, first session (1937); House Document No. 306, Seventy-fourth Congress, first session; House Document No. 259, Seventy-fourth Congress, first session. These reports contained exhaustive studies of all the available sites on the tributaries of the Mississippi River above as well as below Cairo, together with careful preliminary estimates of cost and estimated effectiveness for Mississippi flood control. The conclusions of these three consultants are as follows:

Mr. Lane states:

The Gilbertsville Reservoir * * * forms a necessary part of the most economical system of reservoirs for the Mississippi River flood control (p. 26).

Mr. Floyd states:

The Gilbertsville project appears to be one of the most outstanding large-scale flood-control units in the entire Mississippi Valley. * * * It will cost less to build and require less time to complete than any other known reservoir or combination of reservoirs of equal capacity or effectiveness. * * * Flood-control benefits alone should justify its entire cost even though the amounts allocated to navigation and initial power provisions should not appear to be economically justifiable at this time. There appears to be no reasonable doubt but what any well-considered comprehensive plan for controlling the larger floods from the Ohio and upper Mississippi must include Gilbertsville about as proposed as one of the key units; and its immediate construction should be regarded as a harmonious and effective step for the larger plan (p. 34).

Mr. Hidinger states:

An analysis of the proposed Gilbertsville project leads to the conclusion that it will provide more positive flood control at less cost and that it can be built and put into operation in shorter time than any reservoir or group of reservoirs that will give equal protection. From every viewpoint it appears to be the most meritorious agency for the control of excessive floods in the lower Ohio and Mississippi that is available (p. 21).

A striking demonstration of the economy of the Gilbertsville project is furnished by a comparison of other costs as estimated by the Army engineers in House Document No. 259, cited above. That report shows that the estimated cost per acre-foot of reservoir projects on the Ohio River above the Cumberland and Tennessee Rivers is $28 (p. 40). The Gilbertsville project provides 4,800,000 acre-feet of flood storage and its total cost, including the powerhouse but without generators, is $95,000,000, about $20 an acre-foot, even if the total cost is charged to flood control.

II. VALLEY STORAGE MYTH

It has been contended that the flood storage at Gilbertsville is of no value for flood control because it merely displaces valley storage which exists in the state of nature and automatically serves to reduce Mississippi flood heights. The answer is that this so-called valley storage is merely the flood itself, is wholly uncontrolled, and may even increase the flood hazard. Mr. Clemens made this point very clear in his testimony in the T. E. P. case, in which he said:

In my opinion, the construction of the high-navigation and flood-control dams on the Tennessee River is of substantially greater aid to the Mississippi flood situation than the so-called valley storage seems to have been here a confused issue. I think it might be that this term "valley storage" is a mysterious term used to give a very simple thing an unduly complicated definition. Valley storage is the space occupied progressively by the crest of a flood wave in its passage down the valley. The valley storage is the valley, and the flood peak in passing down the valley occupies progressively different positions in the valley and the accumulated effect of those positions is the valley storage. It is just the flood.

Examination by the court:

It is the space occupied by the flood as it goes down the stream in its natural course throughout the valley. It is variable with each flood. That is, if we have a flood height of 10 feet, it occupies certain space as it passes progressively through the valley. If we have one of 20 feet above low water throughout the valley, it will occupy a much greater space. If we have one of 30 feet, it will be still greater. So it is of variable quantity, depending on the flood. When the (fol. 1030) river is at its natural stage the land flooded by the river is valley storage. Then when the river is higher it is still valley storage, more valley storage. In time of flood the waters spread out throughout the valley and are to some extent retarded by that spreading out. It is not controlled, but it is retarded or delayed in its passage through the valley. There is no valley storage unless there is a flood. The valley storage is entirely uncontrolled, and the water goes out of the storage. There is no valley storage unless the river is out of its bank. A simple illustration of the effect of valley storage might help. In the 1937 flood the Tennessee River crested ahead of the Ohio River at Cairo. As the flow of the Tennessee passed through the valley storage it was retarded and the flood peak held back, which brought that peak back closer to the peak at Cairo. However, it was still eventually before the peak at Cairo and was falling at the time Cairo was rising to its crest. As it fell it was drawing water out of the valley storage of the river and was actually placing valley storage on top of the flood crest at Cairo, so that the valley storage in the Tennessee, uncontrolled this year, increased the flood crest at Cairo (pp. 1652–1653).

The fallacy of the valley-storage argument may be summarized as follows: Since the Mississippi floods are composed of the contributions from all of the tributaries, including the more distant ones, it is only reasonable to expect the floods on the Tennessee to peak in advance of the floods at Cairo; and as the flood crest passes on the Tennessee the water coming out of valley storage will arrive at Cairo just when the flood peak is building up at that point. This is exactly what happened in 1937. It is not true, as has been stated, that the floodwater of the Tennessee will have passed to the Gulf before the Mississippi flood is reached. Since valley storage is wholly uncontrolled, there is no way of telling when the Tennessee floodwaters will come out of valley storage and arrive at Cairo. It may arrive just when the flood peak at Cairo is reached, as happened in the 1937 flood.

Facts are confirmed by the findings of fact by the trial court in the recent Tennessee Electric Power case:

61. The Ohio River and its tributaries, including the Tennessee River, are the largest contributors to all Mississippi floods, contributing from 52 percent to 90 percent of the floods between Cairo, Ill., and Helena, Ark. The Tennessee River has always made a substantial contribution to all Mississippi floods.

62. The existing flood-protection works on the lower Mississippi River, consisting of levees supplemented by floodways and cut-offs, are inadequate to pass a flood such as is now estimated to be reasonably probable in the future without disastrous overtopping of the existing levees. Even in lesser floods the existing projects

provide adequate protection for only 60 percent of the alluvial valley, and then only with the use of the floodways, the use of which it is desirable to eliminate whenever possible. The levees on the lower Mississippi have reached the practical limits of height. Any additional protection against lower Mississippi floods must be found in part in the provision of reservoirs on the tributaries of the Mississippi to reduce their contribution to Mississippi floods. For the most effective flood-control use reservoirs should be located close to Cairo, which is at the junction of the Ohio and the Mississippi Rivers.

63. The Tennessee River, being the largest tributary of the Ohio and closer to Cairo and the lower Mississippi than any other major tributary of the Ohio system, is one of the best rivers for reservoirs for flood control on the lower Mississippi. For the most effective reduction of the contribution of the Tennessee River system to Mississippi floods it is necessary to provide high dams with controlled storage (such as the projects of the Authority) on the main stream and storage dams on the tributaries, including the Clinch and Hiwassee Rivers.

66. The controlled-storage projects of the Authority are the only types of engineering works on the Tennessee River system which will afford effective flood control in both the Tennessee and Mississippi River Basins. Automatic, uncontrolled detention reservoirs are of uncertain value for local Tennessee flood control and would be of no value for the control of floods on the lower Mississippi. The so-called natural valley storage in the Tennessee River Basin is the space occupied by the flood itself, and the retarding effect of such uncontrolled valley storage may increase the danger of Mississippi floods. The low dams set forth in House Document No. 328 would be of no value in the control of destructive floods either in the Tennessee or Mississippi River Basins, as was recognized in House Document No. 328.

These findings relate explicitly to the Gilbertsville Dam as well as the other projects of the Authority, contrary to the statement made in the daily CONGRESSIONAL RECORD of February 27. In fact, the trial court, in its opinion, made this explicit reference to the Gilbertsville project:

It is reasonably estimated that Gilbertsville, when completed, will supply over 4,000,000 acre-feet of flood storage, and it is the most important of the series for flood control on the Ohio and Mississippi Rivers.

Social Security Reserve

EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Wednesday, March 1 (legislative day of Monday, February 27), 1939

ARTICLE BY JOHN T. FLYNN IN HARPER'S MAGAZINE OF FEBRUARY 1939

Mr. CLARK of Missouri. Mr. President, I ask unanimous consent that there be inserted in the Appendix of the RECORD an article, appearing in Harper's Magazine for February, by John T. Flynn, on the subject the Social Security Reserve Swindle.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SOCIAL SECURITY RESERVE SWINDLE

(By John T. Flynn)

In January 1942, a long, angry howl of disappointment will be heard rumbling throughout the length and breadth of the land. In that month, the first pensions under the Federal contributory old-age insurance system will be paid to the first batch of beneficiaries reaching the retirement age. This is the old-age insurance plan which is supposed to end the tribulations of the aged with dignity and decency.

Their neighbors and fellow townsmen who get benefits of the public-charity description from the States may be getting as much as $30 a month. But under this system of purchased insurance, a man earning a hundred dollars a month will, in 1942, be obliged to give up his job and pauperize himself in order to draw the $17 a month old-age insurance he has bought from the Government. The charity pensioners who get almost twice as much will give him a horse laugh as he sinks back into the dignity and decency of retirement on $17 a month.

The reader will probably be surprised to learn how small these first pensions will be. But he will doubtless surmise at once that this is because the Government is not collecting enough money in premiums to pay more. The guess will be wrong. The reason is a little shocking. The Government is collecting and will continue to collect in pay-roll taxes for a generation enough money to pay benefits many times this sum. But it will not pay adequate pensions—and this is the point I aim at—because all the time it will be spending the old-age insurance premium taxes for other things—paying the ordinary expenses of the Government.

If the reader is a little surprised at this, let me add three very serious statements.

First, the Government will in the years up to 1980 collect in taxes for old-age pensions about $111,000,000,000.

Second, of this one hundred and eleven billion some 43 percent, or forty-seven billion, will never be spent for old-age pensions at all but for every sort of Government expense, including, perhaps, building battleships.

And third, the Government will never return this $47,000,000,000 to the Social Security Board.

Behind these facts is one of the weirdest and most fantastic episodes in public finance. Unfortunately, all this is cloaked under a collection of seemingly just and prudent arrangements—arrangements which are mere fictions, however, and must be examined narrowly to be seen in their true relations.

II

It is very necessary that we have clearly in mind that under our Social Security Act two sorts of benefits are provided for the aged. The Government set out to establish an old-age retirement system which would provide a decent annuity for workers and for which the workers would pay. It was to be organized as an insurance system but operated by the Government. The members of this system were to be taxed on their wages monthly and, when 65 years of age, would be entitled to the benefits provided in the act.

But obviously people already past the retirement age could not get such insurance any more than a man who is dead can get life insurance. Therefore to provide some protection for those already arrived at retirement age an entirely separate system was established.

Thus there are two plans. One is called the old-age assistance plan for people already past 65. The other is called the old-age benefit plan for those not yet arrived at retirement age.

The first is entrusted to the States to organize, manage, and support, save that the Federal Government will make grants directly to the States to aid in supporting the plan.

The second is organized and operated by the National Government through the Social Security Board. It is of this latter plan that we propose to speak here. But we shall concern ourselves with only one feature of this plan, the incredible scheme, as chimerical as Dr. Townsend's wildest inventions or California's famous ham-and-eggs device for $30 every Thursday—the scheme to create a vast reserve fund of $47,000,000,000.

As the Government was setting up an insurance plan, what more plausible than to do it as a private company would do it—to create a great reserve fund to insure the financial soundness of the plan? In other words, the Government decided to charge the members at a rate large enough to pay all benefits for many years and also to accumulate in the course of time a reserve fund, called the old-age account, of $47,000,000,000.

The theory is plausible. The Government will "save" for the fund a large sum each year and invest it in Government bonds, the soundest securities in the world. Back of the great plan, therefore, will always be this huge reserve with its constantly accumulating interest.

But there is another reason for the reserve, also touched with the fatal vice of plausibility. This insurance plan is going to cost a great deal of money. It is to be paid for by a tax on the workers and their employers, and these taxes will be sufficient to pay the bills for many years. But there will come a time when the number retiring will be so large that the old-age taxes will be insufficient to pay the benefits. Then the Government will have to supplement the old-age taxes with other taxes. But by that time the reserve fund will have risen to many billions of dollars. It will be invested in Government bonds. The interest on this investment will be sufficient to meet the deficits and thus save the Government from imposing further taxation.

To put this concretely, here is the way it will work. Every employee who is a member of the insurance plan will be taxed 1 percent of his wages and his employer will be taxed 1 percent. The employer must deduct 1 percent from the pay envelope and add 1 percent to it and send it to the Treasury. It will be 1 percent during 1937, 1938, and 1939. After that it will increase one-half of 1 percent every 3 years until it reaches 3 percent for employee and 3 percent for employer, or a total of 6 percent. This tax will be paid on the salaries of 26,000,000 persons and hence will yield enormous sums. The taxes paid will rise with the years. To give some idea of this, the following table gives the sums which will be collected and the benefits which will be paid in the years selected.

Year	Receipts	Benefits
1937	$278,800,000	[1] $1,000,000
1942	873,000,000	52,800,000
1950	1,877,200,000	505,500,000
1960	2,041,200,000	1,379,000,000
1970	2,205,100,000	2,303,500,000
1980	2,295,300,000	3,511,300,000

[1] The benefit payments begin in 1942. Before that only small refunds will be made to beneficiaries who die before benefits are payable.

A glance at this table will show that the receipts will be sufficient to pay the benefits until 1970 when they will fall one hundred million short. In 1980 they will be $1,200,000,000 too small. But by 1980 this reserve accumulation will have grown to $47,000,000,000 and the interest on that will be $1,406,000,000 a year or enough to cover the deficit.

On the face of things, if you are one of those people given to the bad habit of tossing off decisions on grave problems without reflection, you will say nothing could be juster and sounder than this. That's the way it looked to the President. That's the way it still looks to him. But let us take a second look and see what we can see.

III

Now in order to follow this you must see how the reserve is now working in actual practice. The plan began in 1936 with the 1-percent tax for boss and workers. Up to October 31, 1938, the collections amounted to $910,165,940.84.

Now what has become of this money? It has gone into the Treasury. As no pensions are payable until 1942, no pensions have been paid—only some refunds on account of death and the expenses of administration. The balance—some $817,000,000—has been transferred to the reserve, called the old-age account. That is just an account in the Treasury. From there it has been transferred to the general funds of the Treasury. That is, the Treasury "borrowed" it and transferred to the account its own bonds. Having borrowed the money, the Treasury is at liberty to use it as it chooses. It has spent the money on the general expenses of the Government. Thus, as matters stand, the money is gone—spent; the old-age account or reserve has $817,000,000 of Government I O U's and the Government owes the account $817,000,000.

The explanation of this, of course, is that when needed the Government will pay this money back to the old-age account. Meantime it will pay interest at 3 percent each year. Each year the amount in the reserve will be greater. And each year the Government will pay 3-percent interest on that reserve. All the money will be loaned to the Government. Hence all of it will bear interest at the rate of 3 percent. The Government will collect taxes to pay the interest. But it will promptly borrow the interest just as it borrows the principal. And so by 1980 the Government will have collected in old-age taxes and in interest $111,000,000,000. By that time it will have paid out in benefits $64,000,000,000. There will be $47,000,000,000 remaining in the reserve. Of course there will be no money there—but just $47,000,000,000 of Government paper. But why should anyone worry about this? What could be better than United States Government I O U's? Let us see.

To understand this we have to be clear about the true character of savings. We are in the habit of speaking of "savings" rather loosely. One may save $1,000. But one's savings do not continue to be $1,000. There is only one way to save a thing and that is to save it. You save 1,000 bushels of wheat by putting it into your bin or into a warehouse. You save $1,000 by putting it into a tin box or a bank vault. If you use your $1,000 to buy a New York City bond or a Santa Fe Railroad bond, your savings are no longer $1,000. They are now in the form of a claim on the city of New York or the Santa Fe Railroad. You no longer have dollars but claims—perfectly good claims, to be sure. But the distinction is important, as you will see. The investment is a claim to interest each year at a fixed rate and to the payment of $1,000 when the bond falls due. If I lend $1,000 in money to the United States Government on a bond, my money is gone, but I have something just as good, perhaps better because it draws yearly interest at 3 percent, which the money can never do. But I no longer have the $1,000. Speaking casually I may say my savings are $1,000, but what I have is a claim for $1,000 and interest against the United States Government.

The distinction may seem a fine one, but you will see at once the seriousness of it if you will consider that the value of the claim must depend on the person on whom the claim is established.

Consider for a moment the following performance and please do not think it irrelevant. Each week you save $10. You put it in a tin box marked "Reserve." In a year you have $520. You wish to put it to work. You lend it to a friend who is in business, who is solvent, and who agrees to pay you 6 percent. He gives you a note which goes into the box. Each year you save $520 plus the interest your debtor pays you. In 10 years you have in the reserve box the promissory notes of your friend covering his borrowings of your savings and the interest, all amounting to nearly $8,000. You may say you have saved $8,000. But what you will have will be claims for $8,000 in loans and interest against your debtor.

Now suppose you handle your savings in the following manner. You put $10 a week in the tin box marked "reserve." In a year it amounts to $520. From time to time you need money. Instead of borrowing from a bank or a friend you decide to borrow it from your reserve. You take out a hundred dollars and put in your I O U as a man may do in his petty cash drawer. You continue faithfully saving the $10 a week for 10 years. You continue at intervals to borrow what you have saved. You put in I O U's and bind yourself to return the money with interest at 6 percent to the box. You are very faithful with your I O U's and your bookkeeping. At the end of 10 years you have in the tin box your own promissory notes to the amount of nearly $8,000. You may say you have saved $8,000. But what you have is $8,000 in claims—upon yourself. If they were claims upon your friend they would be paid to you out of your friend's earnings. But being claims on yourself they must be paid back out of your earnings. It is not necessary to press this seemingly simple transaction any further. For it is very obvious that you have no savings; that you have nothing. The "reserve" you have created is a pure fiction. The dollars in your little tin box are phantom dollars.

It is through this seemingly foolish performance that we can now see the fallacy of comparing a government old-age annuity system with a private insurance company, and a government reserve with a private insurance company reserve. Let us apply this test.

The International Insurance Co. puts aside $10,000,000 a year in its reserve. That ten million it invests each year in the bonds of various utilities, railroads, and government bodies. In 10 years it has over $100,000,000 of claims against various corporations and public bodies. It has an annual income of perhaps $4,000,000 in interest.

An insurance company has two sources of revenue—from its policyholders and from its investments. It has claims for premiums on its policyholders which must be paid out of their pockets. It has claims for interest upon the corporations which must come out of their earnings. An investment is a means of adding to your own earnings part of the earnings of another person. It is not a device for merely earmarking part of your own earnings. Therefore each year the International has the revenues collected from its policyholders plus what it collects from the earnings of various corporations against which it has claims. If at any time it should run into difficulties, if policyholders' revenues should decline in hard times, the International could meet its obligations by drawing upon its reserves, by using the interest, or by converting the reserves into cash. It could, in short, go to sources of revenue outside its own assets or the resources of its policyholders.

Now suppose the International put its surplus into a tin box marked "Reserve." Then suppose it needed money from time to time and borrowed from its reserve, putting bonds into the tin box. At the end of 10 years it would have in its tin box a hundred million of its own bonds bearing interest. Would this be a reserve? Would the International really have savings of a hundred million? Would it not have in reality merely a tin box full of claims upon itself, which would mean claims upon its policyholders? In other words, instead of having claims upon the earnings of others it would merely have claims upon its own earnings. And is it not as plain as a pikestaff that it does not have to have a tin box full of I O U's to have claims upon its own earnings? It has those claims anyhow.

Of course, it is not possible to imagine an insurance company engaging in a farce comedy of this sort. If it did it would be promptly pounced upon by the authorities. Its officers would probably be indicted. Yet this is precisely what the Government is now doing through the Social Security Board and the Treasury.

The Social Security Board is merely a large Government-operated insurance company. But it is also merely a department of the Federal Government. So is the Treasury Department. The acts of both are merely the acts of the Government. When, therefore, the Government puts aside a billion dollars in a year in a box marked "Reserve" and then borrows that billion, substituting its promises to pay in the form of bonds, and then pays interest each year on these billions and borrows it, giving bonds in its place, what it will have at the end of 43 years will be a box full of bonds—claims, not upon some outside assets, but upon itself; which, of course, are no claims at all. It has no means of getting the funds or the interest upon the funds save by going to the very people from whom it took these funds in the first place—the policyholders, the workers thus insured, 26,000,000 of them, who constitute the chief part of the population which must bear the taxes. If the Government invested these billions in the bonds of some other government or some private corporations so that it could realize on the investment out of the earnings of some other entity than itself, then it might claim to have a reserve. But of course no one would suggest doing this.

In short, there is no reserve. There will be no reserve. The whole thing is a solemn and cruel farce.

IV

One reason assigned for this most singular device is the need for relieving future generations of the burden of supporting all of the heavy load when pensions reach their full dimensions. The idea that we can relieve future generations by taxing this one and spending now the taxes collected and then repaying the loan in the future by taxing future generations is too fantastic for serious discussion.

But it leads to an important fact which we must face. A public old-age insurance plan can be financed on a pay-as-you-go basis and in no other way. We cannot escape it.

The object of an old-age insurance plan is to provide the aged with the necessities of life. These necessities will have to be produced at the time they are distributed. In other words, we shall not save those necessities against the day of need. In any given year those under 65 must produce enough for themselves and also enough for those who are retired and who produce nothing. However, as our method of distributing goods is by means of money, workers under 65 must create in any given period enough money income for themselves and, in addition, the sum needed for the aged.

To put the matter differently, whatever is paid out to the annuitants in any given period will have to be collected out of the workers in that period by means of taxes.

We cannot doubt this if we will look at the way it works out in practice. In the year 1960 the actuaries estimate that the Government will have to pay out $1,379,900,000 in benefits and spend $102,000,000 on administration of the plan—a total of $1,481,900,000.

But in that year it will collect $2,041,200,000 from the insured and their employers as premiums. No one will doubt that all this money will be collected in the period in which it is paid out. In other words, 1960 will pay for the 1960 benefits.

But in 1970 it will be different. The benefits will amount to $2,303,500,000 and the expenses $110,300,000—a total of $2,413,800,000. But in that year the collections of premiums will be only $2,205,100,000. And so the Treasury will be $208,000,000 short. And so this $208,000,000 must be raised some other way. Now, by 1970 the reserve will have grown to over forty-one billions. The interest on it will amount to over $1,200,000,000. It is this interest which will supply that extra $208,000,000. And because of this our naive President imagines that the people living in 1970 will be relieved of the burden.

But where does he suppose that $1,200,000,000 in interest is to come from? Certainly not out of the people of today. The Government must collect it in taxes out of the people of 1970 and go through the empty comedy of paying it in interest to the reserve which will pay it out to the beneficiaries in annuities.

Since the plan can be operated on a pay-as-you-go system and can, in fact, be operated in no other way, very low rates could be adopted which would enable the Government in each year to meet all its obligations to the retired and during the next 43 years to collect $47,000,000,000 less than it will for social old-age insurance.

This can be proved. In the present act the old-age tax on employer and employee starts at 2 percent and increases by 1 percent every 3 years.

From 1937 to 1970 the total amount needed to pay all benefits and costs in those years will be $34,237,100,000. I give a short table based on two tax plans.

One is the tax plan of the President, now embodied in the act. The other is a tax plan which I propose and which is arrived at to produce enough revenue to pay costs and benefits and nothing else. It is a pay-as-you-go plan. Both taxes are levied on employers and employees equally. The first column shows the employer-employee tax rate fixed in the act. The second column shows a proposed tax rate very much lower.

Year	Tax rate in act	Proposed rate
	Percent	*Percent*
1937	2	¼
1940	3	½
1943	4	¾
1946	5	1¼
1949	6	2
1951	6	3
1961	6	5
1970	6	6

This table reveals that up to 1940, the proposed tax would be only one-eighth as big as the tax now in force. Ten years from now the proposed tax would be only one-third as big as the tax in the act. Not until 1970 would the tax be the same under both plans.

And yet the proposed tax would suffice to pay the costs and all the benefits due in all the years from 1937 to 1970.

But it is important to remember that the tax in the act is not the only tax which will be required if the present system continues in force. In the years between 1937 and 1970, by the President's plan all of the excess taxes will be used to build up a reserve. This reserve will grow in figures (although the fund will be dissipated) by leaps and bounds. By 1942 it will be over $3,600,000,000. By 1950 it will be over fourteen billion. By 1960 it will be nearly thirty billion. By 1970 it will be forty-one billion. And all that time the Government will be called on to pay interest on the reserve. To pay this interest it will have to impose additional taxes. By 1942 it will have to raise taxes for interest of $84,000,000; by 1950 almost half a billion; by 1960 nearly a billion; by 1970 much over one billion. In other words, while, between 1937 and 1970, the employer-employee taxes will be enormously more than will be needed to pay the costs and benefits, additional general taxes will have to be raised to pay the interest on the mythical "reserve." So that to get the amount of taxes which will have to be imposed between 1937 and 1970 under the President's plan, you have to add to the employer-employee taxes the general taxes to pay interest on the reserve. I give the taxes which must be raised by both plans, by my suggested plan and by the President's plan. By my plan only employer-employee taxes must be collected. By the President's plan two taxes must be collected, employer-employee taxes and general taxes to pay interest.

Sum needed to pay costs and benefits, 1937 to 1970	$34,237,100,000
Sum to be collected by proposed low employer-employee tax from 1937 to 1970	35,000,000,000
Sum to be collected under President's plan, 1937 to 1970:	
Employer-employee tax	56,000,000,000
General tax for interest	19,000,000,000
	75,000,000,000

By 1970, under the President's plan, the Government will have levied taxes of seventy-five billions to meet a $34,000,000,000 obligation and will have used the balance for all sorts of purposes utterly unconnected with social security. The money will be gone.

Now see what happens from 1970 on. By 1970, as we have seen, the amount needed in the year for benefits and costs will be $2,413,800,000. The old-age employer-employee tax by both plans will by that time be the same—6 percent. It will yield $2,205,100,000 that year. So the old-age tax by that year will be insufficient to pay the costs and benefits. By that time additional sums will have to be found under both plans. And in each year up to 1980 the amount needed for costs and benefits will increase. By 1980 the need for benefits will be $3,511,000,000 for that year. By that time the yield through the old-age tax by both plans will be the same. By both plans the deficit will be about $1,400,000,000 a year. And so in each year some means will have to be found to collect money to meet this deficit.

What that means may well be left to that generation to determine, since it will know its own problems best. But one thing is certain. Whatever it may be, it will be some form of tax. In other words, in each year from 1970 to 1980 two taxes will have to be imposed by each plan—the old-age employer-employee tax of 6 percent on pay rolls and some additional tax. The table below shows the amounts that will be needed and amounts to be raised by both the employer-employee tax and the additional tax in different years.

[In millions of dollars]

Year	Amount needed	Proposed plan		President's plan	
		Old-age tax	General tax	Old-age tax	General tax
1970	2,413.8	2,205.1	208	2,205.1	1,210.9
1975	2,988.5	2,287.1	700	2,287.1	1,341.8
1980	3,626.1	2,295.3	1,400	2,295.3	1,406.6

In both cases it will be seen that a general tax will be levied in order to meet the deficit. In the proposed plan this tax will be levied in an amount sufficient to meet the deficit. It will be levied for that purpose. It will be paid to the Social Security Board as a subsidy for the old-age pensions. It will be called a subsidy. Everybody will know precisely what it is. In the President's plan embodied in the act the tax will be levied. But it will be called a tax to pay interest on the phantom reserve. When it has been paid in the form of interest part of it will then be devoted to old-age insurance payments precisely as in the proposed plan. In both cases it will be a tax. In both cases it will be levied for the same ostensible purpose. The difference will be that it will be called by a different name.

But there is another difference. In the proposed plan the tax will be proportioned to the deficit to be met, to the actual purpose for which it is intended. In the President's plan the tax will be gaged in size and rate not by the purpose for which the money is supposed to be intended, but in order to meet 3-percent interest on this imaginary reserve. Hence until 1980 it will continue to be enormously greater than it need be. In plain figures, by my plan, this supplemental tax will have to equal $7,905,000,000 in those 10 years from 1970 to 1980. That is what it should be under the other plan if the tax were levied to make up the deficit. But as it will be levied to pay interest on the reserve, it will be $13,348,000,000. And, of course, as usual, the excess of five billion will be taken over by the Government for general expenses.

To sum it all up, by the proposed plan the supplemental deficit taxes will not have to begin until around 1970. Under the President's plan they will begin at once—have already begun. By the proposed plan only about $8,000,000,000 in supplemental taxes will have to be collected from now until 1980. By the President's plan these supplemental taxes will amount to $32,000,000,000. By the proposed plan the old-age employer-employee taxes will be very much lower and will yield fifty-seven billion in 43 years. By the President's plan the old-age employer-employee taxes will be heavy and will yield seventy-eight billion in the same length of time.

V

I have said that by 1980 the Government will have collected forty-seven billions which it will never use for old-age pensions and, furthermore, will never repay to the old-age account. The Government, of course, has no intention of ever repaying this money or any part of it. The whole theory of the reserve is inconsistent with the idea of repayment, even if repayment were possible.

The idea at the bottom of it is that the $47,000,000,000 reserve will be invested in United States bonds at 3-percent interest. And it is this interest which will make up the deficits of the insurance plan after 1970. Therefore this assumes a continuance of the bonds as a Government debt and as a basis for this interest. To repay the bonds would be to end the basis for the interest. Besides, to repay the bonds would be a preposterous performance. Whether the bonds are outstanding or not, whether the reserve plan is continued or not, future generations beginning in 1970 are going to have to raise by taxes from two hundred to one thousand four hundred million dollars a year to cover the deficit of the old-age tax. The only course for these future generations is to do that. But if in addition they should decide to raise once again by taxation the forty-seven billion in order to go through the motions of repaying the money, not only would the burden be intolerable, but it would be indescribable folly. For if they did raise the forty-seven

billion, what would they do with it? Put it back in cash in the reserve tin box? And then reinvest it some other way? Or distribute it among the aged? And, having distributed it among them, the Government would still have to go on raising by taxes the equivalent of the interest each year.

What the future really has to do is to collect each year enough to discharge its annuity obligations in that year. The quicker it forgets about the reserve the better.

VI

This reserve ghost is an offense against the younger workers who are burdened with an excessive levy; against the older workers who will retire in the early years of the plan; against the economic society.

The employee and his boss must pay a 2-percent tax when one-fourth of that would be more than sufficient for some years; in 1950 they must pay 6 percent when 2 percent would pay for what they are getting.

The present plan forces payment of shockingly low-retirement benefits to those who will pass the 65-year milestone in the next 20 years. In 1942 the man who has averaged a hundred dollars a month in earnings will be forced to give up his job to draw $17.50 a month, while his indigent neighbor who has paid nothing may be drawing nearly twice as much. To him who retires in 1947 the benefit will be $22.50 a month; to the annuitant who retires in 1952 the benefit will be $27.50 a month, while for the man who quits work in 1957 the pension will be $32.50 a month.

Obviously the Government cannot pay adequate pensions if it insists on "borrowing" most of the old-age taxes and spending them to support the Government. The whole thing is a disguised tax levied upon the lowest-income groups under the pretense of old-age pension premiums. No government would dare attempt to support itself out of a pay-roll tax if it honestly proclaimed its purpose. The workers have remained silent because they have been deceived.

Chief victims are the very youngest workers. For 6 percent—the permanent tax aimed at—a private company will guarantee to a young man taking old-age insurance at 20 a retirement annuity, at 65, of $58.94 a month. The Government plan will give him only $53.75, with this difference—that under the private plan the annuity will be his of right when he reaches 65, while under the Government plan he may have to sacrifice his job to get the annuity.

The Government plan diffuses its evil effects throughout the economic society. It is a grave mistake to associate taxes with pay rolls. This almost requires employers who wish to cut their taxes to cut their pay rolls for this purpose. Nothing will so swiftly accelerate the shift from hand workers to machines as this exorbitant tax, for the employer's only escape from high social security taxes will be by replacing the taxable worker by the machine which claims no pension.

And who can doubt that the extraction of over a billion dollars a year in taxes from the pay envelopes of the lowest income groups, not for social insurance but for Government expenditures (as will be the case in 4 years) will have a most depressive effect upon the already limited purchasing power of the wage-earning groups? Mr. Marriner Eccles, Chairman of the Federal Reserve Board, and a Presidential adviser, has expressed the belief that the withdrawal of half a billion in the last year hastened and deepened the recessive movement of this year.

VII

How came this monstrosity into the Social Security Act? It is a depressing story.

In the winter of 1934–35 a group of technical agents of the Cabinet Committee on Economic Security were bringing their labors to an end. The idea of a reserve had arisen somewhere, but every actuarial and financial expert consulted opposed it vehemently. Messrs. O. C. Richter and W. R. Williamson were the actuarial consultants of this group (Mr. Williamson is now actuary of the Social Security Board). They opposed it as "quite beyond the realm of practical possibilities" and "an unsound departure from the principles that should govern social insurance." They are our authority for the statement that "Representatives of the Treasury and Federal Reserve System who acted as financial advisers to the committee were of the opinion that an old-age pension plan which did not require a reserve would be preferable."

Four eminent actuarial consultants of the Cabinet committee were called. They were Mr. M. A. Linton, president of the Provident Mutual Life Insurance Co.; Prof. A. L. Mowbray, of the University of California; Prof. Henry L. Reitz, of the University of Iowa; and Prof. James W. Glover, of the University of Michigan. Mr. Linton writes me: "The actuarial consultants were unanimously opposed to a large reserve and expressed themselves clearly on the point." Says Dr. Reitz: "It is my recollection that the committee was unanimously against holding reserves on this basis. * * * The members of our committee argued as strongly as they could against this feature of the plan in certain committee meetings of the larger group, including representatives of the Treasury."

Finally the Cabinet committee adopted the advice of these consultants, and in their report to the President expressly declared that "the plan we advocate amounts to having each generation pay for the support of the people then living who are old." It warned against large reserves and announced that "to keep the reserves within manageable limits we suggest that the combined rate of employers and employees be 1 percent for the first 5 years (against 2 percent for the first 3 years adopted in the act), 2 percent for the second 5 years, 3 percent the third 5 years, 4 percent the fourth 5 years, and 5 percent thereafter." And upon this report, signed by four members of the Cabinet and Harry Hopkins, the Wagner-Lewis bill was framed.

But at this point a strange thing happened. The President, seeing the report of the committee, expressed apprehension at the fact that in 30 or 40 years general taxes would be required to supplement the old-age pay-roll taxes. He gave the matter a swift, glancing blow of his mind and decided that future generations ought not be burdened. About this time, and perhaps hearing of this, an official of the Treasury Department called upon the President and spun him a whimsical yarn of fairy finance. He pictured how a great reserve might be created; how with this, which would belong to the poor, all the national bonds would be bought; how the interest being paid the rich would now be paid to the poor; how the grave problem of tax-exempt bonds would thus be solved, since the debt would be practically extinguished as a possession of the rich; how the old-age system would thus become self-supporting and future generations would be emancipated from the drudgery of providing for their aged; and how, most delightful to contemplate, these immense old-age tax collections and the mounting reserves would become an almost inexhaustible reservoir of funds to meet Government deficits. Here was a miraculous contrivance of heavenly finance. It was a wondrous vision which could survive only upon one condition—a condition easily complied with—that it be not looked at too closely.

About this time the House committee was holding hearings on the bill as introduced by Messrs. WAGNER and LEWIS. The heat was on and the administration managers were jamming it through the committees at the full speed then so easily managed. Except for administration spokesmen, witnesses were allowed only 5 minutes each. Only a few days remained, when one morning Secretary Morgenthau, who had signed the report against large reserves, walked into the committee chamber with a message. The Treasury, he declared, wanted the huge reserve—the $47,000,000,000 device—put into the bill and the rates raised to make that possible. And so with little or no thought about the matter, under the pressure of the Presidential "must," this grotesque fraud was railroaded through the committee. It got little notice. Later the bill was jammed through Congress. Some Members warned against it. The American Association for Social Security, which for years had fought the battle for social security, issued a solemn protest. But Mr. VINSON told the House the President wanted it. And it became a law. It remains in the law despite the fact that it has, so far as I have been able to find, the support of no first- or second-class economist, actuary, or finance expert, either here or abroad, and despite the fact that old-age insurance systems have existed for many years, even decades, abroad without anything more than small convenience reserves.

VIII

Many criticisms of the Social Security Act have been made. It is probably just to say that to set this system aright it may be necessary to start all over again. But of the other defects in the plan we need not speak. So far as the reserve is concerned, the wise course would seem to be fairly obvious.

The idea of a reserve should be taken out of the act altogether. The pay-as-you-go plan should be employed completely and for the very good reason that any other plan is impossible.

The rates should be promptly reduced. The table used on an earlier page of this discussion was offered not as an ideal schedule of rates but merely to illustrate the discrepancy between the present exorbitant rates and rates that would be sufficient to pay the benefits authorized in the present act. The rates should be somewhat higher because the benefits should be higher at least in the early years of the plan. Instead of a 2-percent total tax on employers and employees increasing by 1 percent every 3 years and rising to 6 percent by 1949, the original rates of 1 percent rising by 1 percent every 5 years, attaining to 5 percent by 1957 and 6 percent by 1962 would be sufficient to produce the needed payments up to 1970 and a reserve of perhaps $10,000,000,000 besides. But if the benefits were increased in the earlier years, the reserve would be kept to a low and manageable level.

Of course, some reserve is inescapable—a billion or two or even three or four. But the question would be well worth considering whether investment of such reserves ought not to be limited to the open bond market to prevent a political government from exploiting the reserve as part of the public fiscal policies.

Congress and labor, as well as the employers, will do well to face this problem squarely and honestly in this session. There is going to be no end of pension tinkering. Behind every crackpot scheme of politicians competing for the votes of the aged will be the problem of money—where to get the money. This reserve fund offers a tempting reservoir of money upon which they will cast hungry eyes. Already the housing advocates have made a bid for it. Mr. Roosevelt thinks it looks good for his present spending purposes. The Townsendites will presently lay claim to it. The best thing to do with this monstrous child is to slay it at once and thus frustrate the kidnapers.

The Pribilof Islands

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Wednesday, March 1 (legislative day of Monday, February 27), 1939

ARTICLE BY MISS JUNE LIPKE

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be printed in the Appendix of the CONGRESSIONAL RECORD a most interesting article from the pen of Miss June Lipke, of the University of Washington, at Seattle, entitled "Here on the Pribilofs." This article should prove particularly interesting at this time, when many eyes are turned toward Alaska as a result of the national defense bill which we now have under consideration.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HERE ON THE PRIBILOFS

(By June Lipke)

My departure for the Pribilofs was as if I had left for another world. From Seattle I had gone, young—16 years old—expectant, filled with the glory of Alaska and the great adventure before me. I was to join my father who is Government agent and caretaker on these distant islands.

Before leaving Seattle I eagerly searched for additional information concerning my future home. I found only scant details.

"Pribilof Islands consists of five islands, two of which are inhabited; St. Paul, the largest, and St. George. Maintained and operated by the United States Government. Approximately 240 miles north of the Aleutian Islands in the Bering Sea, Alaska. Important because of fur seal."

After a trip through the wintry beauty of the Inside Passage, out over the Gulf of Alaska and along the Aleutians, then into Bering Sea on the Bureau of Fisheries boat *Penguin*, I had caught my first glimpse of the islands. My first impressions were far from favorable. Tundra—scowling skies—whining winds—a treeless, even bushless monotony of hills blotched with frozen snow.

But now I am gradually learning to love this country. Its very barrenness, etched sharply against the sullen skies, seems to attract. There are rampant winds that easily give way to rage. In the winter, ice often soothes the pounding waves into drugged silence.

I love the lonely mating call of foxes. The reindeer herds, with sentinel bucks skirting the herd on those rare, clear nights when the moon rises from the sea to cast its orange-gold blushes on the Arctic drifts, have a charm of their own. But most of all, the fur seal herds; their comings and goings and their peculiar habits interest me.

Naturally readjustments were hard at first. There is no one here of my own age or with my interests. There are no movies, no places to go dancing, nor a corner drug store where one can get an occasional soda.

What could one of my age do in a place of this sort? For one thing, being particularly fond of athletics, the answer was quite obvious. I had to look to the outdoors for my recreation. And I did just that. I went hiking. And in winter I skied and went ice skating. But most often, when they came to make their summer home here, I observed the seals.

To my surprise, I soon found the town of St. Paul to be a modern, immaculate little village. It is in no way comparable to the villages I had seen along the Aleutians. Here at St. Paul electric lights, running water, a large, well-equipped school, and a native recreation hall are a few of the conveniences. The natives, who are wards of the Government, are furnished food, clothing, shelter, and a percentage of the proceeds from the fur sale in exchange for their services in sealing, foxing, and village maintenance.

Everything is in first-class order. Everything is under Government supervision. There are 25 miles of scoria (a lava formation) road for the 16 trucks. There are no docks at either St. Paul or St. George Island, however, because of the strong seas and lack of a good harbor. Supplies must be lightered in or brought in by the native skin boats called bidarrahs, creating a considerable problem when supplies must be landed because weather conditions are so undependable.

Someone once said that there are only two seasons on the Pribilofs—summer and winter. How true it is. After our winter season the brittle cold seems to soften almost overnight. The hitherto screaming winds begin to croon, green vegetation begins to show itself, shyly at first through the brown hills. Then the mist comes rolling in from the sea.

With a change in the weather there comes a change in the attitude of the native and white population as well. At first this change is hard to detect, then the change gradually becomes stronger and stronger. An expectancy seems to charge the air. Eyes are turned toward the sea. Strolls are taken toward the water rather than on trodden inland paths.

It is May! Time for the return of the seals!

What if they do not come back? That could certainly not be possible! However, the question lurks in the back of each mind, but each person is ashamed to voice such a thought.

Then comes the first Sunday in May, when, so legend is, seals have always been found on the rookeries. Many of the islanders lose no time in proving that it is so again this year. Year after year they come ceaselessly as the waves.

What is it that lures the seals back each spring? Why do they pilgrimage through the thousands of watery miles from California and south to mate and bring forth their young on these distant, misty islands? How do they chart their course? Mother nature guards the secret jealously—no one knows.

I haunted the rookeries, eager to learn the habits of these marine animals. The beaches of worn, smooth rocks began to spot with belligerent, fat bulls, fighting, roaring, sneaking to obtain a place where they could await their harems.

Invisible boundaries seem to divide the rookeries. Once located, a bull will rarely move more than 3 or 4 feet, then only to retrieve a coquettish cow or lunge at a less strong male who may tirelessly attempt to break through the front ranks to find his own domain.

The breeding bulls graduate from the bachelor stage when 6 years old. Then they struggle to win a cow, be it to beg, borrow, or steal. The struggle won, success is almost assured. Harems of 40 or more cows are not uncommon to the strongest males.

With the bull seals, it is a question of the survival of the fittest. Battle-scarred and bellicose, the beachmasters lord it over their cows, who fight among themselves, as well, for his attention.

It is amusing to watch a cow pamper a conceited bull and try to rub his nose with her own—a feat greatly resembling a kiss.

But alas, the cows are often only rudely "flippered" for their attempts at caressing.

Yet, the cows, dainty in proportion to the bulls, are a fickle lot. They eye the nearby strutting bulls longingly and, when given an opportunity, make a dash to the more desired sire. A fight is inevitable. The bull, when realizing that his mistress is deserting, endeavors to snatch her back. If he can catch her before she crosses one of the "invisible boundaries" he takes her with the nape of her neck clutched between his teeth, and manhandles her cruelly with his flipper. But if she has succeeded in escaping too far, the males concerned engage in a fight that often ends in death for one.

A favorite pastime of mine is to sit near one of the rookeries and watch cows perform their parental duties after the pups are born. The pups are all born of the previous year's mating. They have only one a year. He is a jet and fuzzy little fellow who dozes or waits patiently for his mother when she is out to sea, often 3 or 4 days at a time, to find feed.

Upon the return of a hunt for food, a cow will stand on a rock and call and call until she sees or hears her own pup. How they can recognize them from among the thousands that all look the same to me, I never expect to understand, but they do.

If something happens to a female while at sea and she does not return, her pup is doomed to die of starvation. No cow will feed any pup but her own. This is one of the sins of pelagic sealing and the reason that when the seals were taken at sea the herd declined in numbers so rapidly.

It is a sight to watch the cows teach their pups to swim. For they must be taught!

When a mother thinks her child is old enough, she hustles him to the water's edge and, with her nose, pushes him into a shallow pool afforded by the rocks.

At first the little pup will frantically clamor to his mother, but after much insistence and an occasional slap with a flipper, the youngster learns to swim in spite of himself. If he becomes endangered, the cow rushes to his aid and drags him to safety with the back of his neck between her teeth, just as a cat carries its young. By the end of the season, the new-born pups are able to make the long pilgrimage south.

It is interesting to watch the seals awkwardly flapping over the rocks with amazing speed for a water animal, or diving gracefully through the surf. It is startling to observe how easily their actions and emotions can be likened to those of humankind.

It is the pelt of the 3-year-old male that is used in milady's sealskin coat. The "killables" and the other bachelors keep aloof from the family seals. They group together or "haul" up to an uncontested spot on the rookery, called the hauling ground. There they lounge, or fight, or sleep; dreaming, perhaps, of the time when they may take on the responsibilities of a family. This arrangement has proved very convenient for the sealers. The bachelors can thus be easily surrounded without disturbing the harems.

I shall not forget the thrill I felt when I saw my first drive and kill. It occurred one morning when the pale rays of sunrise were filtering through the mist.

As the native sealers neared the rookery of sleeping seals, all was hushed. Even the breeze seemed to wait with abated breath. Then bedlam broke! With a cry, the natives broke into a run. In single file they sped down around the hauling ground, cutting off the bachelors' retreat to the water. With but a clapping of sticks and a shout, the whole group of seals, numbering about four or five thousand, was as easily led as sheep.

Confused and sleepy-eyed, the seals stumbled up to the parade ground which leads to the killing field. It all happened so quickly and so smoothy that I was amazed.

The drive to the killing field was slow, since it is a considerable distance from the rookery. It is purposely at a distance to avoid disturbing the family seals. The seals are stopped frequently during the drive, to rest and cool, for inland travel is difficult and foreign to them.

The killing, which I was at first a bit hesitant about viewing, was as surprising as the round-up had been. It was all done with the efficiency and thoroughness of machinery and mass production. The animals, upon reaching the killing field, were grouped together. They were then dispersed in small pods to the clubbers.

With experienced eyes and deft blows, the natives selected the 3-year-olds from the group. They allowed the fortunate "rejects" to scramble away to the protection of the sea. With one blow, the killables were either stunned or killed, then quickly laid in rows of 10 and pierced through the heart with a knife.

The flipper men next moved up, cutting expertly around each flipper and nose, and slitting the belly. A third crew followed with iron rods that were driven through the skulls of the dead seals to hold them firm while the pelts, held between tongs, were stripped from the animals with one tug, leaving white carcasses, row on row, and the skins to one side in other rows.

In 1 hour, 40 natives had killed and stripped 600 seals. It is all just as simple and humane as that.

Little is wasted of the seal. After the pelts have been removed, the blubbery carcasses are hauled away to the by-products plant here on the island. There they are made into seal oil and meal. This oil is sold for commercial uses and the meal is used as fox food and food for fish in hatcheries in the States.

The seal fisheries are administered by the United States under a treaty with Great Britain, Japan, and Russia, signed in 1911. Uncle Sam carefully guards the valuable island children, seeing that they get protection during the summer season from the Coast Guard patrol, and permitting no one to land on the Pribilofs who is not connected with the Government or who has been authorized to do so by the Department of Commerce.

Instead of the usual 3-mile limit, the Pribilof Islands are protected by a 12-mile limit.

I have never regretted my stay, now nearing 2 years, for I have witnessed, first hand, the drama of seal life, enacted nowhere else in the world, experienced the pang of winter isolation with the compensating joys of healthy outdoor recreations, and heard wild music in the restless sighing of wind and wave.

Repayment of Loans to Foreign Governments

EXTENSION OF REMARKS

OF

HON. JOHN C. SCHAFER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1939

RESOLUTION ADOPTED AT CITIZENS' MASS MEETING IN PHILADELPHIA, PA., FEBRUARY 19, 1939

Mr. SCHAFER of Wisconsin. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolutions approved at citizens' mass meeting held at Philadelphia, Pa., on February 19, 1939, under the auspices of the Clan-Na-Gael and Irish Republican War Veterans of the United States:

We, citizens of the United States, in mass meeting assembled in Philadelphia, "the cradle of American liberty," demand in the name of our idle and improvershed fellow citizens who are victims of a depression which can be truthfully attributed to the vast loans made to England and France and other European powers to save them from annihilation in the late World War.

In the name of these and all other citizens we demand that these billions of American money be collected from England, France, and all countries which at that time were given such vast sums.

We point out that England and France have brazenly refused to repay these loans, while they are at the same time offering vast loans to European powers in order to form new combines for future wars, in which they are cunningly attempting to again use the manhood and the money of these United States to bring them victory in wars they will themselves provoke.

In the name of our warriors who sleep in death on the battlefields of Europe; in the name of our blinded and maimed veterans whose lives have been blighted in the performance of the sacrifice they have made for these ungrateful European powers; in the name of our thousands of citizens whose homes have been sold under the sheriff's hammer for the payment of taxes they are unable to meet while these ungrateful powers hold approximately one hundred billions of our money, and while our pension rolls mount and will be a burden not only to the present but to coming generations of Americans.

Britain, according to press reports, has ordered the construction of 33 new battleships.

We ask, is it not our billions that is to pay for these while millions of our citizens go hungry?

We hold that to say that these loans cannot be collected is a confession of incompetency or a pandering to foreign powers at the expense of the citizens of these United States.

We hold that the interests of our own citizens are first and demand that these loans be collected.

Reorganization of Executive Departments

EXTENSION OF REMARKS

OF

HON. FREDERICK VAN NUYS

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Wednesday, March 1 (legislative day of Monday, February 27), 1939

ARTICLE BY HON. HARRY F. BYRD, OF VIRGINIA, APPEARING IN THE OCTOBER ISSUE OF THE COUNTRY GENTLEMAN MAGAZINE

Mr. VAN NUYS. Mr. President, in the October issue of the Country Gentleman there appears a very enlightening and exhaustive article on the subject of Government reorganization by the distinguished junior Senator from Virginia [Mr. BYRD]. I ask unanimous consent that the article may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Country Gentleman of October 1938]

GOVERNMENT REORGANIZATION

(By HARRY FLOOD BYRD, United States Senator from Virginia)

The new Congress, which convenes in January, will be confronted with the question of reorganizing the Federal Government. The President has indicated that he will submit another proposal to this effect. No other issue of greater importance is likely to engage the attention of Congress and the American people.

The Seventy-fifth Congress sentenced the last reorganization bill to death, because it wanted reorganization of the Federal executive agencies for economy and efficiency to live.

It wanted reorganization to live a full and fruitful life for the benefit of those who pay the costs of government and those who have to deal with the Government in the daily work of making a living for their families and themselves. It wanted reorganization of the bureaucracy at Washington to live a life strictly within the bounds of accepted governmental principles and tried American fundamentals.

I, and others, believe that such a reorganization could and should be accomplished without disturbing these principles and fundamentals. We believe that this could and should be done in a manner both directly and indirectly beneficial to all, economically and socially. We believe that this could and should be done without disrupting the orderly and proper progress of governmental functions to meet changing conditions and new public necessities.

These are the views of one who believes that the greatest service that can be rendered good reform is to couch it in simplicity, economy, and efficiency; that solvency is prerequisite to true liberalism, and that a government steeped in extravagance, waste, inefficiency, debt, and unbridled bureaucracy offers poor guidance for the Nation's underprivileged.

In originating the congressional action in 1936 for governmental reorganization I looked toward the kind of Federal Government reorganization contemplated by the Democratic platform of 1932, which called for the elimination of waste and extravagance in government in a manner to reduce costs by 25 percent. These were my views, responsive to convictions born of long study and nurtured by actual experience; and in 1937 and 1938 I was forced to fight

the kind of reorganization contemplated in the defeated move by the executive branch of the Government for reorganization.

Despite all that has been said or will be said to the contrary, similar views bulwarked the fight by most of those, if not all, who successfully fought what generally was referred to as the President's reorganization program.

Experts' statistics are not necessary for proof when it is said that hundreds of millions of dollars can be saved annually by the elimination of waste and extravagance in government, and inefficiency, through the consolidation of duplicating agencies, coordinating overlapping activity and effort and abolition of useless bureaus—in short, reorganization for economy and efficiency. The objective of such reorganization would be to save direct costs of government, and to save time and patience of citizens who are finding it increasingly necessary to deal with governmental agencies.

A surprisingly revealing homespun investigation is available to almost everyone interested. Just thumb through a telephone directory and note the governmental agencies to be found there. Reflect a moment upon their activities, their personnel, and the possible economies which become apparent.

Imagine the amount of office space required, the rent that is paid for it, or the upkeep of the buildings, if the Government owns them. How much of it could be saved if the obviously overlapping agencies were consolidated?

For instance, what would be wrong with a consolidation of the Federal Housing Administration and the Home Owners' Loan Corporation? Are they not in the same general field of house and home mortgages? Is it not true that parallel trails of offices, office forces, files, equipment, investigators, and other personnel lead out of great separate Washington offices to separate headquarters, perhaps on opposite street corners, for almost every State in the Union, and on down the line into their branches in hundreds of communities all over the United States?

What is true of these two agencies applies likewise to many more which could be named. Consolidation of such agencies would not necessarily mean curtailment of their functions, if they are useful, or disrupting their service.

Think of the apparent waste and extravagance you yourself have observed in Government activity and procedure. Look at your last tax bill. Remember the Federal taxes you pay hidden under the price of everything you buy—your food, your clothes, your fuel, your automobile and its fuel, your luxuries. For instance, if you smoke a package of cigarettes a day you pay $21.90 a year to Uncle Sam's tax collectors. It has been estimated, in all seriousness, that there are 120 Federal, State, and local taxes hidden in the price of a funeral and 53 in the price of a loaf of bread.

The fact is that we are paying for a gigantic, gangling government of some 150 major agencies and an uncounted number of subdivisions. We are paying for a government that has not had a thorough overhauling since it was established. It has been growing continually, but since the turn of the century the record shows marked increases in costs and complexity. Piled upon a previous accumulation of disjointed agencies we now have half again as many agencies as we had before the depression when, to meet emergencies, we created by statute and Executive orders, agency after agency virtually without regard for coordination in the Federal Government pattern.

Some of these agencies fill very definite needs. Others overlap. Some have outlived their usefulness or have been superseded. There are glaring cases of duplicated effort. Where the Government was complex before, it frequently is found to be confusing now. To point out 50 Federal agency legal divisions in Washington alone is enough to describe the Federal jungle.

There have been at least 29 agencies concerned with lending Government funds, according to reports taken from Government records.

There have been at least three agencies concerned with insuring deposits and loans.

There have been at least 34 agencies concerned with the acquisition of land.

There have been at least 16 agencies concerned with wild-life preservation.

There have been at least 10 agencies concerned with Government construction.

There have been at least nine agencies concerned with credit and finance.

There have been at least a dozen agencies concerned with home and community planning.

There have been at least 10 agencies concerned with materials of construction.

There are more than two score personnel officers for the Government listed in Washington offices alone.

There are more than 100 information and publications offices in Federal agencies at Washington.

There are more than 100 Federal agency libraries in Washington, besides the Library of Congress.

The Federal Government operates an average of one motor vehicle for every 1,200 people in the United States and they travel enough miles every year to traverse nearly every highway in the world.

Without counting those who are on relief, or those receiving pensions, or those in the Army, the Navy and the Marines, or those in the legislative and judicial branch of the Government, there are more people on the Federal civil executive pay roll than there are people—men, women and children—living in the State of Maine, or New Hampshire, or Vermont, or Rhode Island, or North Dakota, or South Dakota, or Delaware, or Montana, or Idaho, or Wyoming, or New Mexico, or Arizona, or Utah, or Nevada.

The great majority of these people do not work in Washington, and there are more than a hundred thousand of them in the Nation's Capital. This number alone is twice as many as 5 years ago.

There are enough Federal offices and Federal employees in the city of Richmond, the capital of Virginia, to fill three and a half skyscrapers according to the Government's own figures. And these, of course, are outnumbered by the various branch offices and their personnel which are to be found in every city, town, and county in the State.

The office space required by Uncle Sam for his offices outside of the District of Columbia is the equivalent to two skyscrapers of Empire State Building dimensions, or more, for every State in the Union.

These statements come from official records. They may present some idea of the vastness of the Federal Government, and at the same time indicate what a field there is for reorganization of the executive agencies of the Federal Government for economy, efficiency, and simplification.

Where is the man who has not heaped anathema upon the "red tape" of Government? But inconvenience of complicated overlapping governmental procedure and the resulting cost to the everyday citizen over and above the taxes he pays is only a part of the story.

There is extravagance.

There is in the Valley of Virginia, to cite only one example, a resettlement project. The per unit cost of that project is nearly $9,000. A reputable contractor who has lived in that section all his life submitted estimates to the effect that he would build every house in the project for $900 each. The land and all the rest that goes with the unit should cost not in excess of $1,000 additional. The rest of that $9,000 is sheer wastefulness in Government expenditure and overhead.

THE PATH OF WASTE

That kind of extravagance is not difficult to find in any part of this country. You don't have to burn the barn down because the roof leaks. No matter what you think about that kind of Government activity, it is admitted that such a program does not necessarily have to be eliminated to reduce the costs. Everybody, the tenants, the taxpayers, and those in the Government, would be better off if the waste were eliminated.

So we find a kind of bureaucracy which has grown up like Topsy. We find extravagance which has come along with it, hand in hand. Almost everybody can reach out and touch this great factor in the well-nigh overwhelming Federal debt under which the Nation is searching to find the light of prosperity. The more agencies there are the more overhead there is, and the more agencies there are the less coordinated they are likely to be, and the less coordinated they are the greater is the likelihood that extravagance and waste prevail. The proof is in the audits of Government accounts by the Government's auditors.

It is astounding to see the progressive increases in the regular expenses of the Federal Government after eliminating all items in the emergency Budget.

The following table of regular Budget expenditures comes from official Government audits, totally exclusive of all recovery and relief expenditures:

1934: $2,700,000,000.
1935: $3,200,000,000.
1936: $3,300,000,000.
1937: $4,400,000,000.
1938: $5,400,000,000.

The revenue has not nearly kept pace with the expenditures of the Federal Government. As a result, the Nation is now facing the greatest peacetime debt of all time, about $284 per person, and the Federal tax bill is approaching an all-time record. The outgo of the Federal Government has exceeded the income for 8 consecutive years and we are in the ninth. It is certain that the 1930's will go down in history as the Nation's first deficit decade. The longest continuous deficit record before was for 2 years, and that was when we were engaged in the World War.

These deficits are piling up at such a rate that the interest alone on the growing debt amounts to about $10 a year from every man, woman, and child in America. Even if the National Government were to start soon living within its income, and at the same time start paying a half billion dollars a year on retirement of the vast debt, it would take more than 40 years to reduce the debt to where it was 5 years ago.

How many farmers realize that the Government's debt today is equal to the total value of all the agricultural capital in the entire United States?

How many realize that the Budget for the current year is far more than equal to the cash income from all farm marketings plus all the Government payments to farmers during the past year?

In other words, if the farmers of the Nation were called upon to liquidate the Federal debt, practically all of their capital would be wiped out overnight.

If the farmers of this Nation were called upon to defray the costs of the Federal Budget this year the tax collector would squeeze from them every cent of their income last year; not only that coming from their marketings, but all the dollars paid them by the Government as well.

Viewing these conditions as they are, and they are not a pretty picture, there seem to be only two ways through which they ordinarily might be expected to be met.

One is raising taxes still more.

The other is by reducing expenses.

My choice is the more economical operation of government.

Black examples of inefficiency, loose government, extravagance, and growing costs like these silhouetted against the 1932 Democratic platform, and gratifying experience with the reorganization of the State government in Virginia prompted me to introduce a resolution in the United States Senate in January 1936 for the creation of the Senate committee to investigate executive agencies of the Government with a view to reorganization for economy and efficiency.

Later a Presidential statement said the Chief Executive, too, was interested in reorganization, was appointing his own committee outside of Congress, and requesting the Speaker of the House of Representatives to appoint a third committee on that side of Capitol Hill.

There was a huge job to be done and enough work to go around. While the committees overlapped, it was hoped by the Senate committee that the work could be parceled out in a manner to expedite constructive conclusions and action.

The President's committee, with apparent great haste, made its report to the President in the late autumn of 1936, before the congressional committee's less dramatic but thorough and plugging preliminary survey of agencies and their functions was half finished.

The President's committee's report, sometimes called the Brownlow report, sounded well by the first cursory reading. But even at that juncture some glimpsed its all-inclusiveness shimmering through the fine phrases. It embraced what it described as a solution to the administrative management problems of the Executive. While sharpening the tools of administrative management, however, it dug great nicks in the fundamentals which separate the legislative and the executive branches of the Government and preserve their independence of each other. It was admitted to provide no economy in government.

The report was sent to the Congress by the President under a special message in January 1937. The message endorsed the recommendations of the report fully, without reservation or qualification. At the same time the President requested new committees in both Houses of the Congress when it met in January 1937, to consider the report and legislation necessary to put it into effect.

The first-blush praise began to fade at the first formal consideration of the proposals.

Subsequently representatives of the President's committee appeared before the joint committee to give their ideas of how their proposals should look in law. The committee took one look at their draft of a bulky bill, and sent them back to try again. The second draft was a document of more than 12,000 words, and the committee went to work on it * * * in closed sessions.

THE COMMITTEE SURPRISED

People of the Nation had come to place upon the words governmental reorganization a connotation which meant economy, efficiency, and frugality in government. Governmental reorganization had come to mean that the Government was endeavoring to get a dollar's worth of service for every dollar it spent. It had come to mean the slashing of red tape, and the minimum of inconvenience, and reduction of taxes and Government-imposed costs in addition to those in the regular tax bill.

Here the congressional committee found no guarantee for efficiency, and virtually no mention of economy.

What it found were proposals to increase the salaries of officials already in the higher pay brackets; proposals to create three new superestablishments in the permanent structure of the Government, proposals to give to the Executive complete control and dominance over quasi-judicial and quasi-legislative agencies which fix freight rates, license radio stations, establish fair-trade practices, regulate the stock market, judge labor disputes, and so forth. The committee couldn't believe its eyes for a long time when it came to consider some of these proposals throwing vital and independent functions into the complete control of the executive branch.

A BOMB-LIKE EXPLOSION

There was also a proposal to destroy the bipartisan aspects of the civil-service administration, by abolishing the three-member Commission, with its mandatory minority representation, and substituting a one-man administrator who could under no circumstances represent but one party faith. There was another proposal to abolish Senate confirmation of a vast number of important officials vital to the work of the Government not only in Washington but in the field performing work which took them to the front doors and into the homes of the Nation's population.

There was also the proposal to abolish the independence of the audit of executive accounts now made by an agent of the Congress, which appropriates all money, levies all taxes, and is supposed to say specifically what the money is to be spent for. Under this proposal there would be an auditor who would audit the accounts submitted to him by the Treasury Department, which is the biggest spending agency of the Government. He would audit the accounts which he was given to audit with no authority to obtain information he was not given. If he found anything wrong he could do nothing about it.

There was still another proposal that the President, after his own examination and by his own order should do all of the agency reorganization to be accomplished under the terms of the bill. The delegation of power coupled with this proposal was not limited to the agencies in the executive branch but was extended to the Library of Congress, the Government Printing Office, the legislative drafting counsel of the Congress, the District of Columbia, and other strictly congressional agencies. The only way Congress could recapture its constitutional authority and changed orders under terms of this proposal was to pass a law, which would be subject to the President's veto. It was not likely that he would sign a bill nullifying his own act. Therefore to counteract any of the President's reorganization orders would necessarily mean passing a law over his veto, which would require a two-thirds vote. The American fundamental of majority rule would thus be destroyed.

These were among the proposals as they were developed in the President's committee draft. These were the things the congressional committee members saw when they were deciding to postpone for a while, at least, any sessions that would be open to the public.

These were the proposals they were considering in executive session when the proposal to reorganize the Supreme Court exploded like a bomb over the Capital.

THE VITAL ISSUE

Throughout the executive session discussion, the major part of all consideration was devoted to the proposal to revamp the General Accounting Office, and thereby destroy the independence of the audit. When concessions were being made through the bill, and concessions were made, there was always a fight when anyone proposed compromising, changing, amending, or eliminating this proposal. The record shows that the bulk of evidence taken in nearly 3 months of executive sessions dealt with that proposal, and its proponents stuck to it to the last.

So when the fight on the court bill began raging, the subject of executive agency reorganization dropped from the limelight, but not until after the House of Representatives group had grown tired of the joint sessions and withdrawn to its own side of the hill to go about the business in its own way, and not until after the late Senator Joseph T. Robinson, of Arkansas, chairman of the new Senate committee, had drawn his version of a bill and introduced it It became known as Senate bill 2700. That bill made some concessions. The chairman took cognizance of vigorous criticism of salary raises and knocked them out of the bill and made other changes. That was the third draft of the President's reorganization bill.

OPEN HEARINGS DEMANDED

Meanwhile the House committee was working and in the spring and summer of 1937, while the Senate was tied up with the court bill, that committee introduced four bills of its own. These bills, altogether did practically the same things that the Senate proposal provided in one big omnibus bill.

The Senate had held 3 months of hearings on its version of the President's committee proposals and until August 1937 the public had not been given a chance to listen or testify concerning any of the bills, Senate or House.

The clamor became so great for a chance to be heard, the Senate committee called open hearings on Senator Robinson's bill. It was in these hearings that spokesmen from within the administration testified under examination that Presidents from now on, Republican, Democratic, or otherwise, could dominate those agencies which controlled freight rates, radio stations, fair-trade practices, the stock market, labor relations disputes, and so forth. So at the conclusion of 10 days of open hearings still another Senate bill was drafted, the fourth. This one made other changes and patched over the proposal giving the Executive control over quasi-legislative and quasi-judicial agencies.

This bill first took the number of Senate bill 2969. It was quickly withdrawn, and the fifth Senate bill drafted, known as Senate bill 2970. While more of the defects of the earlier bills were eliminated, there were still provisions for reorganization of the civil service, the auditing system, and agency reorganization and others which were highly objectionable to those who favored reorganization for economy and efficiency. There was still no guaranty for these results. There was still no assurance of economy. Members of the President's committee even admitted during the hearings that the costs of government probably would increase as the result of their proposals.

BLANKET AUTHORITY ASKED

And so the bill was put on the calendar of the Senate at the tail end of the congressional session which ended in August 1937. It was listed on the "must" program for the special session of Congress which was called in November, but no action was taken. The third session of the Seventy-fifth Congress was convened in January 1938 and the debate on the reorganization bill opened the next month.

The argument of the proponents of the bill was characterized by many of the same fancy phrases which sounded so well in the President's committee report. But most of the objections to the President's committee draft were still applicable to the bill, as it came to the Senate.

There was still no provision for economy, and there was still no guaranty for efficiency. In short, the bill was a declaration that the Government should be reorganized; that the Congress would delegate to the President blanket authority to do it as he pleased; that the minority would be deprived of representation in the Civil Service administration; and independence of the audit would be destroyed.

Those who believed that economy and efficiency should be the cardinal purpose of any reorganization of the Federal Government fought the bill in that belief. Proponents of the bill never produced proof that there would be either. Those who fought the bill did so in the belief that minority representation in the Civil Service administration, and the independence of the General Accounting Office and the audit reached to fundamentals that should not be destroyed and were vital factors in both economy and efficiency.

SAVINGS NOT AN OBJECT

Those who opposed the bill asked the proponents simply to insert a declaration in the bill that one of its purposes was to save 10 percent of the cost of government, not 25 as the platform of 1932 had called for. But the proponents beat down the proposal, and in doing so admitted that the costs of government would be increased by the operation of the bill.

Those who opposed the bill asked that the President be required, when he shifted agencies, simply to inform Congress whether economy was contemplated in the change. But the proponents of the bill likewise beat that down.

And so the debate continued. Finally it advanced to the question of what agencies the President would reorganize. And proponents of the bill began getting what they called "assurance" from "high authority," whom they declined to name, that pet agencies would not be touched. The upshot of that procedure was that if there had ever been any chance for economy in the bill all remote possibility for saving was "assured" out of the measure before it passed the Senate.

For 29 days the debate was waged in the Senate. Many of those who approved the bill at its first blush started to question it when public hearings were first denied and then opened for only 10 days out of 2 years of consideration, and were rebelling against the measure by the time of the final vote in the Senate.

VICTORY FOR DEMOCRACY

That rebellion was fired by widely criticized parliamentary tactics used by Senate managers of the bill which, had they been successful, would have deprived the House of Representatives of an opportunity to examine the provisions of the huge Senate omnibus bill. That subtle move failed, and the Senate bill went to the House, and there during 10 more days of study and debate the rebellion burst with a fury seldom, if ever, experienced before by an administration or the Congress. It broke in a manner and in a measure that repudiated all who were saying that democracy won't work; that democracy is too slow. It broke in a manner and in a measure that did good to the souls of those who believed that the processes of democratic government are still the best and are ample to meet any situation.

As the result the bill was killed.

It was a victory for those who want reorganization of the Government's agencies, but want reorganization for economy and efficiency, want reorganization that will be of benefit to the citizens of the Nation, not merely for the convenience of those running it; want reorganization that expedites the work to be done by the Government and increases its value. It was a victory for those who wanted this reorganization bill conferring great power killed in order that reorganization for economy and efficiency might live.

Reorganization can be made to reduce costs in a measure that will benefit taxpayers financially; reorganization can be made to result in a government that can expand and contract to meet emergencies; reorganization can be made to result in increased governmental efficiency and simplicity so much desired by all citizens.

VIRGINIA OFFERS A PROOF

This has been proved, certainly, in the State government of Virginia, which, as the result of its reorganization, came through the depression with balancing budgets, with debt curtailment, and with reduction of taxes, particularly taxes as they affected the agricultural population. With all of this Virginia met every relief need. Because of this condition, Virginia suffered less by comparison than other States. The State had a government ready and able to meet the circumstances. Likewise the Virginia government was ready to meet to the greatest advantage the first advances of any return of prosperity.

The same is true in other States. The same can be true with the Federal Government if proper reorganization is had. Of course, the job is larger, the difficulties more formidable, but by the same token the results should be relatively greater.

The people of the Nation know this. This is why those who had always advocated reorganization should turn against the proposals that were made. The people of the Nation, prior to the most recent proposal to reorganize the Federal Government, looked upon reorganization as a move in their favor, a move to reduce the cost of government, a move for economy, for efficiency, and for simplicity.

That is what it should be, and is what the original Senate committee is still striving for. That committee is still at work. Its objective is reorganization for economy, efficiency, and simplification.

Fourteenth Women's Patriotic Conference on National Defense

EXTENSION OF REMARKS

OF

HON. EDWIN C. JOHNSON

OF COLORADO

IN THE SENATE OF THE UNITED STATES

Wednesday, March 1 (legislative day of Monday, February 27), 1939

RESOLUTIONS ADOPTED BY THE FOURTEENTH WOMEN'S PATRIOTIC CONFERENCE ON NATIONAL DEFENSE

Mr. JOHNSON of Colorado. Mr. President, while the Senate is debating the important question of national defense, I feel that the resolutions adopted by the Women's Patriotic Conference on National Defense, recently held in Washington, should be made a part of the RECORD. I therefore ask that they be printed in the Appendix of the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Resolution 1

RESOLUTION ON DIRECTING TRAFFIC ON RESOLUTIONS

Whereas resolutions lose much of their effect unless directed to the appropriate parties or committees: Therefore be it

Resolved, That all resolutions passed by the Women's Patriotic Conference on National Defense be forwarded to the chairman of committees and to the authors of the proposed legislation.

Resolution 2

DIES COMMITTEE

Whereas there has been under investigation by a special committee of the House of Representatives the activities of alien and un-American groups within our borders seeking to undermine our present form of government by force and violence; and

Whereas this investigation has resulted in making public the insidious, subtle, and destructive methods of individuals and groups affiliated with communism, fascism, and nazi-ism, all of which are filled with hate for our free institutions and present form of government; and

Whereas this investigation is showing the extreme necessity for remedial legislation and measures which will combat these alien and un-American activities; and

Whereas, the special congressional commmittee and its work has been criticized by many of these selfsame alien and un-American individuals and groups: Now, therefore, be it

Resolved, By the Fourteenth Women's Patriotic Conference on National Defense that we express our belief in the findings of this special committee and state that they have proved of invaluable assistance to all true Americans and should enable Congress to draft and enact remedial legislation; that we urge the Congress to continue the work of the special congressional committee under the direction of MARTIN DIES, chairman, without fear or favor, to the end that all un-American activities within our borders may be brought to light; and that we urge the Congress to provide for such continuance of the committee's work by furnishing it with sufficient funds to complete the splendid work thus far done; and be it further

Resolved, That a copy of this resolution as a petition be sent to Representative MARTIN DIES, of Texas, with the request that it be inserted in the CONGRESSIONAL RECORD.

Resolution 3

ALIENS

Whereas there are several millions of aliens in this country who have not yet been assimilated and who have not yet become American citizens imbued with the ideals of Americanism and with determination to preserve our representative form of government, and

Whereas under existing immigration laws several hundreds of thousands of additional aliens are permitted to come into this country each year both under quota provisions and under nonquota provisions, in spite of the fact that there are still several million unemployed American citizens with whom these incoming aliens must naturally compete for employment: Therefore be it

Resolved, That the Fourteenth Women's Patriotic Conference on National Defense urge the Congress of the United States to enact legislation which shall very drastically reduce the immigration quotas 90 percent into this country of persons from other countries; and be it further

Resolved, That laws respecting the deportation of aliens be enforced; and be it further

Resolved, That a copy of this resolution be sent to the Secretary of Labor.

Resolution 4

PATRIOTISM

Whereas it is common knowledge that there are those in schools and colleges that are trying to undermine the faith of the youth in the American system of government; and

Whereas only those with patriotism or love of country are willing to serve that country in time of need: Therefore be it

Resolved, That the members of this Fourteenth Women's Patriotic Conference on National Defense take heed of the teachers in the public schools and colleges, and of the textbooks, magazines, and all supplementary reading required, and protest to the school boards when any is found to be unpatriotic or likely to influence the youth against proper defense of this country.

Resolution 5

NEUTRALITY

Whereas the present generation is living in a world wherein strife, changing boundaries and conditions, and national hatreds are causing widespread contention throughout the entire world; and

Whereas the great majority of American citizens, particularly the mothers, wives, and sisters are desirous that this Nation adhere to its traditional policy of remaining at peace with all other nations of the world; and

Whereas newspapers, radio, and all other forms of communication within this country are carrying reports which resemble war propaganda: Now, therefore, be it

Resolved by this Fourteenth Women's Patriotic Conference on National Defense in meeting assembled in Washington, D. C., on January 24 to 26, inclusive, 1939, That we urge the United States Government to maintain a strict policy of neutrality regarding foreign affairs, and we further urge that the United States be kept free from any alliance which might draw this Nation into war; and be it further

Resolved, That a copy of this resolution be sent to the President of the United States, the Secretary of State, the Vice President, the Speaker of the House of Representatives, and the chairmen of the Senate and House Committees on Foreign Affairs.

Resolution 6

LUDLOW AMENDMENT

Whereas there was proposed in the Seventy-fifth Congress legislation to amend the Federal Constitution under which amendment our present method relative to a declaration of war, as provided in the Constitution of the United States, would be changed; such proposal having been known as the Ludlow amendment; and

Whereas many excellent individuals and groups were misled into the belief such an amendment would be a means of preventing war; and

Whereas it has been stated that such an amendment to the Federal Constitution would prove unwieldy and might endanger the welfare of our Nation in these days of undeclared wars; and

Whereas proponents of such an amendment have stated a similar proposal will be introduced and pressed for passage in the Seventy-sixth Congress: Now, therefore, be it

Resolved by the Women's Patriotic Conference on National Defense in meeting assembled at Washington, D. C., on January 24–26, 1939, That we oppose any change in the present method relative to the declaration of wars, as provided in the Federal Constitution.

Resolution 7

ARMY

Whereas the purpose of the Women's Patriotic Conference on National Defense is to secure an adequate national defense for the United States; and

Whereas present world conditions demand that this defense be secured at the earliest possible moment; and

Whereas the War Department and the President of the United States have submitted to the Seventy-sixth Congress a building program commensurate with our country's position, wealth, and people: Now, therefore, be it

Resolved by the Fourteenth Women's Patriotic Conference on National Defense, That we go on record as approving and demanding the passage of said legislation, and further urge that appropriations for the same be made. The building program increasing the strength of the Army is as follows:

An increase in personnel from 12,760 officers to 15,000 commissioned officers.

An increase in enlisted men to 180,000 to meet the needs of armament already legislated.

An increase of 15,000 additional men for a new air corps and air defense regiments.

A Regular Army Reserve of 150,000 men.

A National Guard of 210,000 men with appropriate officers.

Reserve officer personnel of 120,000 men with 9,000 graduate Reserve officers provided for annually, and with 14 days' annual training for a minimum of 30,000 combat Reserve officers.

R. O. T. C. units in every qualified school and college.

Citizens' military training camps for annual 30-day training of 50,000 youths.

Resolution 8

NAVY

Whereas the Women's Patriotic Conference on National Defense has rapidly recognized the need for a strong Navy for our country; and

Whereas this Navy has been described as one second to no other in the world; and

Whereas there are pending in the Congress recommendations of the President of the United States and of the Navy Department which would give us such a Navy; and

Whereas appropriations have been asked to the cost of building same: Therefore, be it

Resolved, That the Women's Patriotic Conference on National Defense urge the continuation of a naval program to obtain as rapidly as possible the construction and maintenance of a Navy second to none, with sufficient officers and men to fully man the ships and stations; and be it further

Resolved, That this conference urge the passage of the recommendations of the President of the United States and of the Navy Department, and further urge that appropriations for same be made.

Resolution 9

AVIATION

Whereas aviation as a necessary arm of the military and naval branches of our national defense is much below the strength deemed essential by other countries; and

Whereas it is vitally necessary to be kept up to date in equipment and of sufficient numerical strength to insure the protection of our country and its people; and

Whereas there is in the Congress at the present time proposed legislation bringing the aviation of our country up to a point of serviceability: Now, therefore, be it

Resolved, That the Women's Patriotic Conference on National Defense urge the passage of those requests made by the War and Navy Department to increase the number of planes and give added modern equipment to this important branch of our defense, and be it further urged that appropriations for the same be made.

Resolution 10

MERCHANT MARINE

Whereas our prominent statesmen have pointed out that our present merchant marine is inadequate and fast becoming obsolete; and

Whereas the United States Maritime Commission, assisted through passage of H. R. 10315, is working diligently to rebuild our merchant marine sufficient for the needs and standing of this Nation; and

Whereas it has been pointed out by our ranking United States naval officials that a merchant marine acts as an auxiliary to the Navy in times of war; and

Whereas the building of ships in the United States is valuable in the economic effect of reducing unemployment through supplying work to steel mills, engine manufacturers, lumber and paint industries, rug weavers, linoleum and floor coverings, pottery makers, glassware, silverware, electrical and plumbing industries, etc.; and

Whereas the needs for the passengers and freights carried on American ships requires and gives employment to an army of workers; and

Whereas the operation of American ships may be likened to floating hotels in that it causes orders for foods and supplies amounting to millions of dollars to American ship purveyors; and

Whereas increased passenger travel and freight shippers on American ships produced increased revenue to American industry, a lessened cost to the Government through granting subsidies, and a consequent reduction in taxation to the American people: So be it hereby

Resolved, That we, the Women's Patriotic Conference on National Defense, do hereby adopt this resolution to promote an enlarged American merchant marine to supplement our defense in time of war, to stimulate American trade, and to aid unemployment; and be it further

Resolved, That a copy of this resolution be submitted to the United States Maritime Commission; and be it further

Resolved, That we adopt the slogan "Travel and Ship American" and such other means of publicity necessary to arouse our fellow citizens and gain their support for a greater American merchant marine.

Resolution 11

UNIVERSAL SERVICE

Whereas the international situation is threatening to the peace of the United States; and

Whereas to make war the responsibility of every citizen will be assurance of peace: Therefore be it

Resolved, That the Fourteenth Women's Patriotic Conference on National Defense hereby urge the Congress of the United States at the present session to enact into law the principle of universal service which would abolish profiteering and equalize the burden of war; and be it further

Resolved, That a copy of this resolution be sent to the President of the United States, the Secretary of War, the Secretary of the Navy, and to the chairmen of the Military Affairs Committees of the House and Senate.

Resolution 12

AMERICANISM

Whereas the Women's Patriotic Conference on National Defense is cognizant of the increasing damage being done by subversive elements in the United States: Therefore be it

Resolved by the Women's Patriotic Conference on National Defense, That legislation be enacted by the Congress of the United States as follows:

To make it a crime to advocate or promote the overthrow of the United States Government by force or violence, to be punishable not only by fine or imprisonment but by forfeiture of eligibility for any compensation, pension, wages, or other benefits from the United States Government and by immediate deportation of all aliens who are found guilty thereof.

To provide for the withholding of public appropriations from any school, college, or university which openly advocates the adoption of any foreign "ism."

To require an oath of allegiance by all Government employees, National, State, and local.

To extend governmental employment only to American citizens, excluding those holding cards of membership in the Communist Party.

To provide public relief for only citizens of the United States.

Resolution 13

COURTESY

Whereas the President of the United States, Franklin Delano Roosevelt, sent to this conference a message of good wishes and confidence; and

Whereas the President of the United States has always advocated an adequate national defense; and

Whereas there are pending before the Seventy-sixth Congress his recommendations for building up our defenses: Therefore be it

Resolved, That the Women's Patriotic Conference on National Defense go on record as expressing its appreciation to the President of the United States for his stand on the protection of our country; and be it further

Resolved, That a copy of this resolution be sent to the President.

Resolved, That the Fourteenth Women's Patriotic Conference on National Defense express to the chairman of this conference, Mrs. James Morris, its heartfelt appreciation for the splendid program given, for the courtesies extended to participating organizations, and for her unfailing good judgment; and be it further

Resolved, That we express our admiration of the manner in which she presided over this conference.

Resolved, By the Fourteenth Women's Patriotic Conference on National Defense that it express its appreciation to the National Bradcasting Co., and to the Mutual Network for their generous donation of radio time during this conference; and be it further

Resolved, That the conference express its appreciation for the manner in which the news of this conference has been presented; and be it further

Resolved, That this conference again thank the United States Navy Band and the United States Marine Band Orchestra for their contribution to our program; be it further

Resolved, That the Fourteenth Women's Patriotic Conference on National Defense express its sincerest gratitude to all who have contributed to the success of this conference:

Conference officers and presidents of participating organizations; Col. William R. Arnold, Chief of Chaplains, United States Army; Mrs. Reuben Ross Holloway, national society, Daughters of the Founders and Patriots of America; Mrs. George E. Whitlock, national president, national auxiliary, United Spanish War Veterans, Inc., and first vice chairman of the conference; Mr. Stephen Chadwick, national commander, the American Legion; the Honorable Harry H. Woodring, Secretary of War; Mrs. Malvina Freeman, secretary of the conference and national president, national ladies' auxiliary, Jewish War Veterans of the United States; Rabbi Norman Gerstenfeld, the Washington Hebrew Congregation; Mrs. Theodore Risley Ramage, president general, national society, Daughters of the Union, 1861–65, Inc.; Mrs. Rhoda Denny Moss, chairman of the rules committee and national president, national society, Daughters of the Revolution; Miss Charlotte C. Aycrigg, chairman of the credentials committee, national society, Daughters of the Revolution; Maj. Gen. H. H. Arnold, Chief of the Air Corps, War Department; Rear Admiral William G. DuBose, Chief Constructor of the United States Navy; the Honorable James W. Mott, United States Congressman from Oregon; the Honorable Scott W. Lucas, United States Senator from Illinois; Miss Jeanne Barker, student, University of Kentucky; Lt. D. N. Logan, United States Navy, Bureau of Aeronautics, Navy Department; Maj. Gen. J. C. Breckenridge, United States Marine Corps; Mr. Augustine Brabson Littleton, student, University of Tennessee; Capt. Robert D. Workman, Chaplains' Corps, United States Navy, head of the Chaplains' Division; the Honorable Henry Cabot Lodge, Jr., United States Senator from Massachusetts; the Reverend Edmund A. Walsh, Georgetown University; Mrs. Anne Raeyling, national president, Daughters of Union Veterans of the Civil War, 1861–65; Mr. Robert C. Zimmer, student, Purdue University; Col. Stephen A. Park, national president, Reserve Officers' Association of the United States; the Honorable Edwin C. Johnson, United States Senator from Colorado; Rear Admiral Emory S. Land, Chairman, United States Maritime Commission; the Honorable Claude A. Swanson, Secretary of the Navy; and to the Mayflower Hotel.

Resolution Against War

EXTENSION OF REMARKS
OF
HON. PAUL W. SHAFER
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 1, 1939

CONCURRENT RESOLUTION ADOPTED BY THE HOUSE OF REPRESENTATIVES AND SENATE OF THE STATE OF MICHIGAN

Mr. SHAFER of Michigan. Mr. Speaker, under permission to extend my remarks, I include a concurrent resolution adopted by the Michigan State Senate and House of Representatives. The resolution follows:

House Concurrent Resolution 5

Concurrent resolution memorializing the Congress of the United States to provide for a reasonable, adequate home defense, and also measures for the prevention of war

Whereas we are warned by the facts that the Old World has been and is at war, declared and undeclared, and that there is a real menace, it is believed, to the peace of our Nation; and

Whereas the greatest peacetime program for war is now being prepared and the imminence of war is being discussed in assemblies and in newspapers throughout the Nation; and

Whereas our citizenry with foreign interests should be warned that we are unalterably opposed to any action, diplomacy, or mandate that will involve our Nation in war with any other nations; and

Whereas we approve uniting with friendly nations in diplomatic and economic cooperation: Now, therefore, be it

Resolved by the house of representatives (the senate concurring). That we, the members of the Sixtieth Legislature of the State of Michigan, memorialize the Congress of the United States that we are in favor of preparation for a reasonable, adequate home defense of the United States by air and sea and land, but that we are unalterably opposed to any action, diplomacy, or mandate that will involve our Nation in war with any other nations, on our own behalf or in defense of other nations; and be it further

Resolved, That any declaration of war, either direct or implied, we believe must be by the present United States constitutional sovereign power of Congress, and should not be delegated; and be it further.

Resolved, That we believe war is abhorrent, a destroyer and not a builder of nations, and that the people of our democracy can best serve, not only the interests of its own people, but the peoples of other nations, with a real demonstration of democracy of peace and prosperity in our own country, as the best guarantor of world peace and welfare; and be it further

Resolved, That this resolution be spread on the journals of the house and senate and suitable copies be sent to the President of the Senate, the Speaker of the House of Representatives, and to Michigan Members in the Senate and House of the Congress of the United States.

First 6 Years of the Roosevelt Administration

EXTENSION OF REMARKS
OF
HON. JOSEPH F. GUFFEY
OF PENNSYLVANIA
IN THE SENATE OF THE UNITED STATES
Thursday, March 2 (legislative day of Monday, February 27), 1939

RADIO ADDRESS BY JAY FRANKLIN, MARCH 1, 1939

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the address de-

livered last evening by Jay Franklin over the National Broadcasting Co. network on the subject of Mr. Roosevelt's first 6 years as President.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Roosevelt's first 6 years as President is the subject I propose to discuss tonight. I say his first 6 years, as it is becoming more and more apparent to realistic observers that Mr. Roosevelt must be reelected in 1940 if we are to escape national disaster. Only last Sunday night a number of fellow newspapermen and myself discussed this over the radio and we more or less reached the conclusion that in 1940 it must be Roosevelt or else. And I don't think that America will take "or else."

On March 4, Mr. Roosevelt will have been President for 6 years. They have been 6 momentous years; dramatic, tense, and vital years, as a great Nation has tried to break away from its "horse and buggy" ways and streamline itself for the twentieth century. I could speak tonight of this period, as a philosopher, and say, loftily, that a thousand years from now few if any people will ever have heard of Roosevelt or the New Deal. Or I could imitate the propagandists and concentrate on only those parts of the Roosevelt program that I wished to emphasize. You know, "The time is too short to do more than mention the sit-down strikes or the Potato Control Act or the Supreme Court packing bill or collectivism." That's the way a partisan propagandist operates. But I prefer to try to see the New Deal as part of the main current of American history. It is easy to do so since March 4 is not only the sixth anniversary of Mr. Roosevelt's Presidency but is also the one hundred and fiftieth anniversary of our Congress. We are today the oldest government in the world, since every other great nation has passed through violent or peaceful revolutions. Up to now we have not changed our political forms. Can we escape forever the necessity for political evolution?

Let's take 1900—"the turn of the century," as Mark Sullivan so aptly calls it—as our starting point. Since then there have been revolutionary changes in the governments of Russia, Japan, Italy, Germany, Spain, and Austria-Hungary. England went through a great political change just before the World War, when she abolished the arbitrary power of her House of Lords. I can remember when Lloyd George in England was spoken of by the British Tories with hatred and contempt, because he has sponsored a program of social security—unemployment insurance, health insurance, collective bargaining—and of political democracy which threatened the vested interests with the laying on of income and inheritance taxes. And I can remember how England later turned gratefully to Lloyd George as the one statesman who could win the war.

Now great nations do not undertake great changes in their political arrangements just for fun. Even revolutions, Mr. Sullivan, do not come because a small group of subversive conspirators spread alien "isms" or imitate the Tories in preaching class warfare. These great changes come when political and economic institutions prove unable to take care of the social needs of the people. What people need is not economic prosperity, for great civilizations have flourished with terribly low standards of living and we were all happier a hundred years ago when we were much poorer. What people need is social security, an individual and a group stability which will enable men to bring up and support their families. It takes a number of consecutive years to raise a family of small children, and during that period a man needs the assurance that, so long as he is willing and able to work, he can find steady employment with which to feed his dependents. People will take big risks in the hope of getting economic abundance, but history shows that people will go through hell and high water to get social security.

The events of the twentieth century have robbed an increasingly and dangerously large proportion of Americans of this security on which our national survival depends. Rugged individualism is not the answer since rugged individualisms brought the problem upon us. It is idle to talk of self-reliance or thrift when the most efficient farmers are ruined by their own efficiency in raising abundant crops, when single industries throw tens of thousands of workmen on the breadlines with one scratch of the pen, when floods and dust storms sweep away the labor of a generation, when hurricanes smash Florida or New England, and when the tractor and the combine brush the farm people off their land and herd them into cities already overburdened with unemployed, able-bodied workers. Some form of central control, social control, collective control is needed if we are to steer between the coast of chaos and the reefs of revolution. And Government—National Government—strong, Central Government—is the only agency which has first call on the lives and property, the brains and energies, of all of our people. So Washington must do the job.

I shall not recite all of the events leading up to the tragedy of Mr. Hoover's administration. The real tragedy was that the American people—myself included—expected strong and enlightened leadership from Mr. Hoover and that he preferred to act as though he were President McKinley, a "horse and buggy" President in a streamlined age. Theodore Roosevelt and Woodrow Wilson had struggled to make our National Government respond to the needs of the twentieth century. Mark Sullivan was a liberal then and helped to storm the Senate in the name of popular sovereignty, in the vain attempt to capture that citadel or arbitrary power. The World War built up a fake prosperity for our industries and our farmers. The peace brought disaster for our farmers, the foreign loans of the 1920's tided along our industries end, finally, with the Smoot-Hawley tariff the bottom dropped out of our foreign loans, our foreign trade, our domestic industries, our banks. I need not remind you that the Republican Party utterly failed to meet the crisis with any constructive policy of action or foresight.

Most of you can remember the final collapse of do-nothingism in the winter of 1932–33, the 14,000,000 unemployed, the eviction riots, the desperate farmers, the milk strikes, the penny auctions, the millionaires who stocked their hideouts with canned goods, and the masses of poor people who could not afford hideouts and who turned to Mr. Roosevelt and his promised New Deal as their last chance. He accepted the responsibility and he did his best to meet the crisis and to master it under democracy. He got little help then or later from those who leap up now and attack his measures for meeting the emergency and for reforming the conditions which had produced that emergency. But history will record that, if we escape national shipwreck, it will be due almost solely to President Roosevelt's courage, realism, and faith in the American people. For which service he has received a torrent of opposition, running all the way from honest criticism to barroom abuse.

In 1933 we faced a condition and not a theory. Farm prices were disastrously low, wages were on the sweatshop level, unemployment was sky high, the banks were ruined, the so-called best minds were panic-stricken and saying, "We need a dictator," business was in the red, and everyone was insecure. The New Deal had to put first things first, had to act quickly, even hastily, had to restore morale and hope. The A. A. A. was adopted. It did the job for the farmers until the Supreme Court murdered it. The N. R. A. raised wages, shortened hours, and protected business against unfair competition. It did the job until the Supreme Court murdered it. Gold was devalued, the banks were reorganized, the stock market was disinfected. Labor was given protection in the right of collective bargaining and in the matter of hours and wages. The real wealth of America was taxed and the public utilities were made to live up to their name. The unemployed were given relief. We started the C. C. C. We protected home owners against eviction, farmers against foreclosure. We started to develop and maintain our natural resources. We passed the Social Security Act. We began to provide for better national health. We tried to give our people better housing.

Oh, yes; I know. Not all of it worked. There were mistakes. Some New Deal officials were incompetent. The Supreme Court and the Comptroller General threw monkey wrenches into the machinery. There were petty graft, patronage, and some political skullduggery. Some money may have been wasted, some was spent unwisely. The rich still went secure while the poor were still insecure. The New Deal was far from perfect. I admit it. But there were no New Deal Teapot Domes, no New Deal Dick Whitneys or Donald Costers, no New Deal Herbert Hoovers. And there were—and are—thousands and thousands of decent, self-respecting, hard-working men and women who put themselves at the service of this great national effort to save American self-government. They have nothing to fear when their children will ask, "Daddy, what did you do in the great depression?" and they have nothing to apologize for. They can look at their mumbling critics and say with that English King who stood at Agincourt (Henry V, pt. II; act 4, scene 3):

> "And gentlemen in England now abed
> Shall think themselves accurst they were not there
> And hold their manhoods cheap whiles any speaks
> That fought with us upon St. Crispin's Day."

I think I would rather be able to say that I had honestly tried to help our people live through this crisis than have the best-developed case of coupon-clipper's thumb in lower Manhattan. I should not like to feel that I had stood by sneering as my fellow countrymen fought the battle for social security or that I had passed by on the other side.

And now? Now things are bad again. Again we have millions of the unemployed, and the courts have ruled that we can't have another N. R. A. to save them, while the conservative politicians are trying to prove that we can't afford to feed them. Again we have low farm prices, and the courts and Mr. Sullivan have ruled against the A. A. A. method of saving the farmers, while the conservative politicians are counting on farm discontent to help block reform. Again we have a violent labor controversy, and the Supreme Court has just legislated against the National Labor Relations Act by ruling that an employer can avoid obeying a national law if he can goad his employees to break a local law. We have the machinery for social security and have learned how to use it, and now there is a conservative coalition in the Congress determined to prevent Mr. Roosevelt from using that machinery. Senator TAFT, of Ohio, who is regarded as the probable Republican candidate for 1940 if Herbert Hoover is sidetracked, has even said that social security is not an American ideal. It had better be, since without social security the people perish. At one time the conservatives said that they liked the New Deal objectives but disagreed with the New Deal methods. Now they are beginning to say that they don't even like th New Deal objectives.

It's all part of the trend which produced the New Deal and is carrying us forward. I understand the opposition. I have the greatest personal sympathy with those who find events moving too fast for their rheumatic mentalities, for those who are fighting, without much conviction or sincerity, their rear-guard action against the future. Without their opposition we could not know our real destination, for where they retreat we must follow, and where they agree with us we know that it is a blind alley. In Mr. Roosevelt's first 6 years he has launched the American people on their way. In his next 6 years, thanks to the nature of his opposition, we shall probably get to where we are going.

Column by Senator Taft

EXTENSION OF REMARKS
OF
HON. HENRY F. ASHURST
OF ARIZONA
IN THE SENATE OF THE UNITED STATES
Thursday, March 2 (legislative day of Monday, February 27), 1939

ARTICLE BY HON. ROBERT A. TAFT, OF OHIO, IN WASHINGTON POST OF MARCH 2, 1939

Mr. ASHURST. Mr. President, the junior Senator from Ohio [Mr. TAFT] was successful as a lawyer. He is showing evidence of success as a Senator. I am of the opinion that if he had directed his talents toward writing he would have been successful as a man of letters. I ask unanimous consent to have printed in the RECORD a column written by the junior Senator from Ohio [Mr. TAFT], appearing in this morning's issue of the Washington Post. The article is a faithful description of Washington at this time.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OVER THE COFFEE
(By Harlan Miller)

[Though virtually every Senator is reputed to have Presidential or Vice-Presidential aspirations, there are only four or five regarded by others as Republican prospects for the White House in 1940. Senator TAFT, of Ohio, a President's son, is one of the four. In his guest column today, Mr. TAFT discusses the air of unreality he finds in the Capital.—HARLAN MILLER.]

A SENATOR PINCHES HIMSELF

(By ROBERT A. TAFT, Senator from Ohio)

Before coming to Washington I didn't realize that a Senator might aspire to be a columnist. But that is not the only respect in which the whole job still seems slightly unreal and very different from what I am sure is the average man's view of a Senator's work.

It doesn't seem real to me to have people saying, "Yes, Senator"; "No, Senator"; "Senator, this—"; and "Senator, that—." It doesn't seem real to go to the Senate and hear people making speeches that don't resemble speeches at all. My idea of a speech is a talk directed at somebody, intended to interest and perhaps convince him.

—

Most speeches in the Senate up to date are addressed to thin air, or possibly to constituents back home. Certainly the gentlemen addressed don't regard them as real, because very few remain in the Senate Chamber, and even fewer listen to what is said.

—

A Senator's mail doesn't seem to be real mail. There was a time when I took an interest in opening letters, and a considerably greater interest in opening telegrams, but after I received 25,000 letters and telegrams in 2 days there isn't much life or interest left in correspondence.

—

I suppose the telegrams and letters I receive are sent by real people, but they seem a long way from Washington. They have to be handled in a routine way, because it is impossible ever to read every letter which arrives and still do the work a Senator is elected to do.

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During the campaign in Ohio I traveled all over the State. I knew I was meeting real people, with definite opinions and views of public policy. Down here in Washington it is hard for anybody to feel confident whether the opinions he hears expressed are purely synthetic or actually held by any considerable number of the people back home.

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Pressure groups are organized for the special purpose of trying to create the idea that a public opinion exists on this subject or that subject, when probably nine-tenths of the people of the State never heard of the subject and don't care what happens.

—

I even find the New Deal a little unreal. I spoke and talked against planned economy and Government-regulated economy so beautifully outlined by New Deal writers. But as a matter of fact, every little independent department seems to operate in a watertight compartment, interested in its own special and narrow task.

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Instead of one great machine, there seem to be about as many private departmental machines as there are automobiles in the city of Washington, each one operating under its own power, without any brakes. Machinery is whirring in every direction, but without any balance wheel.

The situation isn't made any more real through the attempts of columnists to reveal what the situation is.

Every one of them has different opinions, and gives a different picture of what is going on.

There must be a real Government operating in Washington. There must be real statesmen passing on real and momentous questions.

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But after spending 8 weeks legislating, without passing any legislation, a new Member feels vaguely uncertain whether the doings in Washington have any active relation to the people of the United States.

The Agricultural Situation

EXTENSION OF REMARKS
OF
HON. HARRY S. TRUMAN
OF MISSOURI
IN THE SENATE OF THE UNITED STATES
Thursday, March 2 (legislative day of Monday, February 27), 1939

STATEMENT BY HON. HARRY S. TRUMAN, OF MISSOURI

Mr. TRUMAN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement by myself on the agricultural situation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The farm problem in the Middle West and the South is becoming more difficult. I am very much interested and anxious to find a solution. There is no desire on my part to be critical or to question the motives of Secretary Wallace and his various farm remedies. The farm bill as passed by the last Congress apparently is not working successfully. Whether that is due to the legislation itself or to its administration I do not know, but the fact remains that the income to the farmer has not been materially increased. The farmer is not getting his fair share of the national income, and unless he can get his fair share there is no settlement of the problem.

The administration has made an honest effort, but the results do not show a great deal of improvement for the farmer. Cotton and wheat are still the same problems they have been for the past 10 or 12 years. I have been giving the proposed cost of production legislation some thought, and if I can be convinced that it is practical and workable, I shall vote to give it a trial. I am of the opinion that conditions would be no worse for the farmer no matter what legislation we may pass.

The Philippine Problem

EXTENSION OF REMARKS
OF
HON. ROBERT M. LA FOLLETTE, JR.
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Thursday, March 2 (legislative day of Monday, February 27), 1939

ARTICLE BY MAJ. GEN. WILLIAM CANNON RIVERS, UNITED STATES ARMY, RETIRED

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article by Maj. Gen. William Cannon Rivers, United States Army, retired, published in the New York Times Book Review of February 26, 1939, entitled "Bold Realities Concerning the Philippine Problem."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times Book Review of February 26, 1939]

BOLD REALITIES CONCERNING THE PHILIPPINE PROBLEM—MAJOR ANDERSON'S STRICTURES UPON OUR TENURE THERE ARE ALWAYS VIGOROUSLY EXPRESSED

The Philippine Problem. By William H. Anderson. 338 pp. New York: G. P. Putnam's Sons. $3.

(By William Cannon Rivers, Major General, U. S. Army, retired)

"Recapitulating, it may be said that our possession of the Philippines is an economic loss to us; it tends to reduce our standard

of living; it menaces some of our industries; it subjects our economic structure to disintegrating influences; it hurts our self-respect by assuming a patronizing attitude; it paralyzes our common sense by continuing a thankless task; it projects us into an area 7,000 miles away from our shores, thus weakening our national defense; it leads us into a greater number of international obligations which involve our interests; it renders our position in international relations a fruitful theme for universal speculation; and, lastly, it pushes our country away from the moorings of tradition."

The above assertions appear in this interesting volume written by a successful American businessman who has spent 40 years as a merchant in the Philippines.

Major Anderson has written a valuable and timely book. He has realized the hope, expressed in the first page of the volume, of bringing out what constitute, in his opinion, some of the bold realities of the Philippines problem. He desires, also, he says, to "emphasize the impractical, idealistic efforts of the United States over a period of 40 years." Other pungent comments are: "Will it not take longer for the native to recover his sense of balance than it would have taken if the United States had never enforced such an idealistic, western form of government as a guide for the future hopes of the oriental Filipino?" And, "Has such philanthropy not been wasted?"

The author resigned from the Army on his graduation at West Point in 1892. He was an engineer in railway work for several years. He volunteered for service on the outbreak of our War with Spain. Appointed a major of volunteers, he was at the capture of Manila as a member of the staff of Gen. Francis V. Greene. Major Anderson went into business at Manila upon being mustered out of the Army.

This book contains a good account of Dewey's victory, of the capture of Manila, and of the subsequent clash between General Aguinaldo's revolutionary Filipino forces and the American Army. The work of the Taft Commission in establishing civil government in the islands, and the general history of affairs in the Philippines up to the present time, are described. However, the comments and views of the author as a businessman are features which render this book unusual. Most of the books about the Philippines have been written by persons who themselves have been in the government service in the islands, or by students of affairs who went to Manila to secure information.

The subject of the American businessman in the islands is treated at considerable length. The author feels that the American Governors frequently rebuffed business interests; that the odds were against the American businessman—that the doctrine should have been "An equal chance for all" instead of "The Philippines for the Filipinos." Detailed information is set forth concerning the alleged unfairness of provisions in our revenue acts of 1925 and 1926—provisions which tax the incomes of American business in the islands.

The author gives interesting summaries about the main policies and the personalities of the dozen prominent Americans who served as the Governor General and as our High Commissioners at Manila. The President of the Commonwealth, the Honorable Manuel L. Quezon, comes in for criticism. This criticism refers to President Quezon's postponement on one occasion of the elections for assemblymen and for provincial and town officials, although the law prescribed the time for holding these elections. Also, to the varying and conflicting views expressed by Mr. Quezon in a number of his public statements on important matters. The executive comes in for criticism also for maintaining a standing army of some 10,000 Filipino soldiers at a cost of about one-third the average total annual revenue of his government—at a cost for the army of $8,000,000. This, when the United States is responsible for the defense of the islands and when, in the opinion of the author, "not a single step has been taken by the Philippine Government toward a realistic readjustment of the island's economic structure." Another criticism of the President of the Commonwealth is "the supreme arrogance with which he brazenly and impudently demanded that the United States give the Philippines immediate independence, but at the same time protection, will long be remembered by the American people."

The limited space available renders it impracticable to outline the thorough explanation given by the author as to the principal Filipino products which enter the markets in the United States duty free. These include sugar, coconut oil and other coconut products, hemp, cordage, and tobacco. The author explains that the amounts of these different products admitted free of duty over the highest tariff walls in the world have steadily increased. Major Anderson is convinced that this generosity toward industry in the Philippines has brought about an artificial situation disadvantageous to industry in the United States—that "Congress has given to the Philippines the power to pit oriental contract labor against American labor."

The Japanese situation in the Philippines is discussed in a calm and thorough manner. Major Anderson feels that her proximity to the islands will enable Japan to continue her Philippine trade after the islands become independent in 1946. Tribute is paid to the skill and energy of the Japanese workers. The author states that the Japanese excel all others in agricultural matters and that they are competent in getting the best results with Filipino laborers—even with the untutored wild peoples who come down from the mountains.

Major Anderson believes that the McNutt proposal comes too late. The American Commissioner at Manilla has proposed that we annex the Philippines permanently—under a dominion form of government at Manila. "This dominion," remarks Major Anderson, "would be only the beginning of a 'build-up' for new and greater requests to be made on the American Government." The author feels that Commissioner McNutt "failed to consider the gigantic expense to the taxpayers of the United States" should we decide to remain in the Philippines.

Similarly, Major Anderson appears to have little faith in the most recent plan. This is the recommendation of the mixed committee of Americans and Filipinos to the effect that the republic be inaugurated in 1946, according to existing law, and that substantially the present trade privileges be extended the Filipinos until 1960. Our tariff laws would be applied gradually to Philippine goods coming to the United States, the full or normal tariff rate being collected from such goods after about 16 more years. One of the author's comments on this is: "It is the height of absurdity to suppose that the Philippines can occupy at the same time a place within and a place without the American tariff area; that is to say, the Philippines are to be within when selling to America and without when buying." The author also quotes a recent statement of Dr. Schurman, head of the first Commission to Manila: "The Filipinos will be no better prepared for independence in 25 years than they are now."

An index would have improved this book.

Same Side of Table

EXTENSION OF REMARKS

OF

HON. M. M. LOGAN

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Thursday, March 2 (legislative day of Monday, February 27), 1939

EDITORIAL FROM THE LEXINGTON (KY.) HERALD OF FEBRUARY 28, 1939

Mr. LOGAN. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Lexington (Ky.) Herald of February 28 entitled "Same Side of Table."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Lexington (Ky.) Herald of February 28, 1939]

SAME SIDE OF TABLE

The address delivered in his home State of Iowa by Secretary of Commerce Harry L. Hopkins, the first since his appointment to the Cabinet, is the most statesmanlike address that has been presented to the American people since President Franklin D. Roosevelt's first campaign for President in 1932 and his electrifying recovery messages in 1933.

When Mr. Hopkins calls on the farmer, the laborer, and the businessman to sit down on "the same side of the table" he strikes a keynote that long has been awaited.

Of course it is ridiculous in this free country to talk about one group advancing at the expense of others. The agricultural bluegrass, almost strictly rural and depending upon the production of foodstuffs and smokes, knows that when factories are shut down in Detroit or Dayton, for whatever reason, the prices paid for lambs and tobacco suffer indirectly therefrom.

For 2 or 3 years capital in the United States has been on what the Herald frequently has called "a sit-down strike."

Men who have the money to start the wheels of industry spinning, to grease the skids with greenbacks for a Nation-wide recovery, are simply tanning themselves on the beaches in Florida and letting the country go to hang. They ask why should they worry. They do not wish to run the risk of losing what they have when there is a chance for industrial unrest or for whatever profits they make to be taken from them in the form of exorbitant taxes.

Mr. Hopkins is one of the original brain trusters, and as W. P. A. director he certainly has been one of the big spenders, having handled a $6,000,000,000 program for work and direct relief. He has done it competently and effectively.

He can speak with some authority when he says:

"I have never yet seen a W. P. A. worker who had not rather be employed in private business, and I have never yet seen a businessman who would not prefer giving jobs to caring for the unemployed through taxes."

Of course this is true.

The W. P. A. program was essential, but it was an emergency measure and not a permanent method of American life.

Says Mr. Hopkins:

"Any taxes that freeze the flow of credit and capital into industry are bad."

That is true again. What is necessary is to place men and women back to work in private industry, and it is a great thing for the country that Harry Hopkins, the biggest spender in history and the creator of W. P. A. jobs, recognizes this fact.

As to taxes, the Herald reiterates its belief that the size of them is not so much of a barrier to recovery as the method of levying and collecting them. The trouble is that the businessman has the idea that he is the victim of a punitive campaign on the part of the Government, that taxes and regulations are aimed at him. Instead of this he should buy government, just as he buys power and light and water; he should pay his part gladly and willingly, to build and preserve the greatest country in the world.

By sitting down on the same side of the table, farmer, laborer, businessman, and Uncle Sam can solve all the problems of the day.

The Influence of the Wright Brothers on History

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, March 2 (legislative day of Monday, February 27), 1939

EDITORIAL FROM WASHINGTON TIMES-HERALD OF FEBRUARY 13, 1939

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have published in the RECORD an editorial entitled "The Influence of the Wright Brothers on History," printed in the Times-Herald of Washington, D. C., on February 13, 1939.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Times-Herald of February 13, 1939]

THE INFLUENCE OF THE WRIGHT BROTHERS ON HISTORY

Admiral Alfred T. Mahan (1840–1914) named his masterpiece, published in the nineties, "The Influence of Sea Power Upon History."

It seems to us that there is now in the making, to be written some day, a book of equal significance, to be entitled "The Influence of Air Power Upon History." We don't know who will write it, and we don't know what it will say; but most of all we hope it won't be written for a long time.

All of which is getting around to the observation that the real trouble with the British Empire today, we believe, started with the Wright brothers.

It was on December 17, 1903, at Kitty Hawk, N. C., that Orville Wright, piloting his and his brother Wilbur's power-driven kite, made history's first successful flight in a heavier-than-air machine. Four flights were made that day, the longest of them lasting 59 seconds at a top speed of 30 miles per hour.

And that is the chief reason why the British have not long since chased Mussolini's fighting ships up a series of coves in Italy's rockbound coasts and bombarded Rome with their 30-mile guns. The British Navy could have done exactly that the moment Mussolini began talking big, and could still do so—if Mussolini didn't have a large number of fighting planes in addition to his fighting ships.

It is the doubt that the battleship really is invulnerable to the airplane that has kept the British from taking up Mussolini's challenge to their power in the Mediterranean and smacking Mussolini down. That doubt has not been laid and will not be until the question is settled in a major war. Which is why we hope that book, The Influence of Air Power Upon History, won't be written for a long, long time.

STORY OF GUNPOWDER

We were wondering if the story of gunpowder would furnish any food for thought on the uncompleted story of the airplane in war.

Gunpowder, according to the best available evidence, was introduced to the Western World by Roger Bacon, the British scientist, whose life dates are believed to have been 1214–92. In those days, mass attacks by infantry, with close-packed soldiers, hacking at one another, were the accepted thing for warfare. The main difficulty was to catch an enemy who didn't want to stand and fight. Hannibal, for example, destroyed three Roman armies in mass engagements, but was then enticed up and down Italy in a 12-year war of attrition by the Roman general, Fabius, who had suddenly thought of guerilla warfare.

In the eighteenth century—500 years after Roger Bacon—the flintlock gun was invented; and the mass fight's doom was sealed. Believers in mass fights didn't realize it for a long time, however. They went on modifying but not abandoning the idea of the bayonet or cavalry charge (or both in concert) up to the early months of the World War.

German rifles mowed down charging masses of Austrians in 1866; British squares and British lines were bowled over by bushwhacking Boers in South Africa, 1899–1902. It was only out of the mass massacres of the early World War months that mankind finally learned the lesson that the bullet propelled by some explosive mixture has broken up mass-fighting tactics, probably for good and all.

PLENTY SHIPS, PLENTY PLANES

It's easy to say, as plenty of self-admitted experts are now saying, that the airplane is going to repeat the history of the flintlock and breechloader rifles and render all other present-day fighting mechanisms obsolete.

Maybe it is; but maybe it isn't. It is that doubt, insoluble in any way short of a major war with large numbers of airplanes and battleships fairly engaged to a show-down, which keeps the British lion walking and talking softly.

The moral for us seems clear enough. American military and naval experts don't know any more definitely than anybody else does whether the plane is the eventual conqueror of the battleship. But we do know that we have the national wealth to buy ourselves plenty of both.

The thing for us to do is to keep ourselves amply provided with both of these weapons so that when the show-down does come we shan't be found loaded up with the wrong weapon and shy of the right one.

Two ships for one.

Government Reorganization

EXTENSION OF REMARKS

OF

HON. LINDSAY C. WARREN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1939

EDITORIAL FROM THE CHRISTIAN SCIENCE MONITOR OF MARCH 1, 1939

Mr. WARREN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Christian Science Monitor of March 1 on the new reorganization bill:

[From the Christian Science Monitor of March 1, 1939]

A MINIMUM OF REORGANIZATION

The new administrative reorganization bill presented to the House of Representatives by JOHN J. COCHRAN, of Missouri, chairman of the Special Committee on Reorganization, represents, according to news summaries of it, the very least that should be accomplished at this time in simplifying the United States Government and improving its efficiency. Representative LINDSAY C. WARREN, of North Carolina, is very modest in his conciliatory statement that "this is all we need."

Perhaps it is. But apart from the substitution of a single administrator for the Civil Service Commission there were points of value in the Brownlow Commission's report about a Government personnel system. Abolition of the post of Comptroller General was one of the most seriously controverted points, and with much reason, yet the General Accounting Office procedure is not sacrosanct. A new Department of Public Welfare or of Public Works may not be necessary, but Congress is going to have to consider some orderly grouping of these functions.

All these troublesome points are passed over for the sake of harmony, and the essential element in the new bill is that it would authorize the President to initiate transfers or consolidations of bureaus, subject to a veto within 60 days by concurrent resolution of the two Houses of Congress. Even in the exercise of this power the President could not touch any of 16 establishments that are specifically exempted nor abolish any bureau.

Opponents of this plan argue that the initiative in such changes ought to lie with Congress, leaving the veto authority to the President. However, anyone acquainted with the deliberative process will recognize that unless reorganizations are studied out and launched by the executive branch of Government they are extremely unlikely ever to be started at all. The legislative branch is not only slow-moving, but its members are jealous of prestige and patronage involved in bureaus they have sponsored. If the newer congressional leadership is in earnest about wanting economy and efficiency, it should give this reorganization bill a chance to prove itself.

T. V. A. Activities

EXTENSION OF REMARKS
OF
HON. LEO E. ALLEN
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 2, 1939

ARTICLE BY BOAKE CARTER

Mr. ALLEN of Illinois. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Boake Carter:

CHEATING THE PUBLIC—T. V. A. COSTS YOU MONEY—AND COSTS MEN JOBS

Politics and a misguided effort to "get" the public utilities of the United States by means of the T. V. A. has done more to wreck the coal business, lost more miners their jobs, helped push the railroads closer to the wall than almost any single item in the last 6 years.

Had engineering research and scientific study been substituted for the punitive measure in the guise of T. V. A., millions of dollars now idle would be at work. And almost at least three industries would be more nearly prosperous instead of beseeching the Government for help.

The statements are sweeping. Let us try to prove them.

In 1890, when cheap water power through dams and hydroelectric plants was being developed, it took 12 pounds of coal to produce 1 kilowatt of electricity in a steam plant.

Scientific research in the next 50 years has brought such advancement that the average steam plant today consumes only one and a half pounds of coal to produce 1 kilowatt of electricity. Engineering research reduced this cost of manufacture seven-eighths.

Back in 1890 the reciprocating engine produced an average pressure of 180 pounds of steam. Today high-speed turbines perfect condensers, and superheat, develop 1,500 pounds pressure.

Thus, in the days when it took 12 pounds of coal to produce 1 kilowatt of electricity, the public utilities were justified in seeking free energy of water power to operate their investment. They did so by condemning large areas of land and building huge dams with hydroelectric plants.

Today there is a bitter argument between hydroelectric engineers, employed mostly by the Government, and the steam and boiler engineers of the private utilities as to which method costs the least.

The proof of the pudding lies in the fact that the private utilities, which have to make money through employing the most efficient engineering methods, have quit building dams and hydro plants. Instead they have gone to steam plants with high-speed turbines.

These companies must make money or quit. The Government schemes, no matter how unsound they may be, can be maintained at a loss. The taxpayer foots the bill.

Today it costs on an average of $80 capital investment per kilowatt-hour to build a good steam plant. It costs on an average of $250 to $300 capital investment per kilowatt-hour to build a good hydroelectric plant.

If both are established to be written off in 20 years, that means 5-percent depreciation of capital on the financing. On $300, this means $33 capital cost per year to be carried by the hydro plant. On the $80, it means $8.80 capital cost per year to be carried by the steam plant. The spread between the two is better than $24. Thus the steam plant has $24 to spare for the purchase of coal before even reaching the capital cost of the hydro plant.

Furthermore, in the matter of obsolescence—so great nowadays with the speed with which improvements are made—the cheaper cost plant can be made to obsolesce more quickly. Again, Nature dictates where a dam shall be located for a hydroelectric plant, but engineering efficiency tells you where to put the steam-power plant. One may decentralize with steam-power plants. One cannot decentralize hydroelectric plants and their dams.

Further, there is the question of Nature in other ways. Some seasons it may not rain as heavily as others. There may not be as much water behind the dams. Thus one has to cut down on the power produced by the hydroelectric plant and make up the deficiency with the steam plant.

And even if the costs of the two systems of producing power were identical and even, one with the other, it would be wrong to plunge headlong into vast hydroelectric dams. For to follow this course kills two other industries which need never be killed—the coal business and the railroads.

Yet, despite definite engineering trends away from hydroelectric plants among those companies which must make money or get out of business (which operate on efficiency, in other words), despite obvious disparity in capital costs, the Government has plunged wildly into spending billions for the construction of dams for power purposes from one end of the country to the other.

Were they low-cost dams primarily for irrigation and flood control, the matter would be different. The construction of dams for these purposes only, the best engineers in private business say, would cost the taxpayers one-fifth of what the Government has authorized be spent on dams to date.

But the dams and their hydroelectric plants are supposed to be yardsticks by which the public is to understand whether or not private utilities are cheating them on power costs. The public has been made the goat of a stupendous deception by the Government itself.

Social Security

EXTENSION OF REMARKS
OF
HON. MARTIN L. SWEENEY
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 2, 1939

STATEMENT OF HON. MARTIN L. SWEENEY, OF OHIO, BEFORE THE COMMITTEE ON WAYS AND MEANS, FEBRUARY 10, 1939

Mr. SWEENEY. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following statement I made before the Committee on Ways and Means on February 10, 1939:

Mr. Chairman and members of the committee, at the outset I want to express to the committee my appreciation of the generous time accorded to the proponents of H. R. 2.

I have denominated this committee on scores of platforms throughout the country as the most responsible legislative committee in the world, the most powerful committee in the world. With all due respect to its members, I recognize also the political implications that arise from time to time. I believe every member of the committee is conscientious and wants to do the right thing. I think the members have their fingers on the pulse of the Nation and know what is going on in the hustings; they know the economic and social distress, and I believe every one of you wants to make the right approach to this very momentous problem.

In the last Congress many of us were advocates of H. R. 4199. It was a considerable group; it numbered 145 or 150 Members of Congress. We called upon this committee asking for a hearing. We thought we had a tentative agreement, but then we found we were refused the right of hearings. It seems almost unbelievable in a democracy that any committee would deny a considerable group, whether their legislation or proposed legislation be labeled sound or unsound, the right to be heard in their Congress.

It was mentioned by Mr. DINGELL that the advocates of this legislation said, "We do not expect to have any legislation. All we want is a hearing." Mr. DINGELL further stated the movement was down, so in order to stimulate a flow of dimes and quarters they wanted to have a hearing before the Ways and Means Committee.

I must take exception to that statement. In the past it has been my experience and the experience of many members of this committee to take cognizance of the fact that measures are discussed in committee for the purpose of developing an argument for or against the philosophy of certain legislation, even though the respective committees hearing the same knew full well the measures would not come before Congress during the session in which the committees sat. Witness the 44-hour week, and the 40-hour-week bill for postal employees, and the recent wage and hour legislation which was considered by the committee many months before reaching the floor for debate. Organizations and individuals came to Washington at their own expense and appeared before these respective committees to offer their testimony, knowing full well that the measures advocated would not be considered, within a reasonable time, by the Congress as a whole. Let us lay aside that sort of criticism and get down to brass tacks.

I am interested in old-age pensions, and I have been interested in that subject. I lay this background before the committee. Twenty-five years ago very few persons were talking old-age pensions in this country. Everybody was riding the wave of prosperity. An organization known as the Fraternal Order of Eagles pioneered in this field of social legislation. I was an officer of that organization, and took part in that activity. Later we were aided by the powerful American Federation of Labor. For years we urged the adoption of an old-age pension bill. We figuratively knocked at the doors of almost every State in the Union. We were repulsed at times and denied the right of a hearing because the opponents of old-age pension said it was socialistic. My good friend on this committee, Mr. JENKINS, the Congressman from Ohio, aided us in the fight in that State to bring about an old-age pension. In Ohio we had to resort to the initiative petition, which right we enjoyed by constitutional authority. In that manner we secured an old-age pension law for what it was worth. Under the obligation the State started out to raise the money to pay pensions. Up until the adoption of the Social Security Act the average pension paid a qualified annuitant in Ohio was less than $17 per month. Today, according to my information, it averages close to $25 per month.

To qualify in my State of Ohio the applicant must be 65 years of age, a resident of the State 15 years, and practically indigent to obtain benefits. There is a requirement that certain property rights in excess of $2,500 be turned over to the State before a pension can be had.

Mr. DISNEY. Will you restate that please? I did not get it.

Mr. SWEENEY. I repeat, you have to be practically indigent and cannot own any real property in excess of $2,500, and, in addition, insurance policies on the life of the annuitants must be turned over to the State before one is eligible for pension. It is clear to many of us that numbers of these annuitants could not get along on the small amount paid by the State as old-age pension. While it is better than institutional care, nevertheless, it is a tragedy on the old folks. The advent of the Social Security Act with its feature of matching funds, the annuitants of Ohio, Minnesota, Massachusetts, and other States, received an increase in the amount of their pensions.

Mr. MCCORMACK. Will the gentleman yield?

Mr. SWEENEY. Yes, Mr. Chairman; I will.

Mr. MCCORMACK. I see Mr. O'CONNOR is present. He will not be called before 1 o'clock.

Mr. O'CONNOR. May I ask if I will be called at 1 o'clock?

Mr. MCCORMACK. You are next on the list. We will recess from 1 o'clock until 2:30.

Mr. O'CONNOR. Then, if I cannot go on before 1 o'clock, I will be able to do so at 2:30, will I?

Mr. MCCORMACK. You will be permitted to go on following Congressman SWEENEY.

Mr. O'CONNOR. Thank you. I shall wait, however, to hear Mr. SWEENEY'S remarks.

Mr. SWEENEY. That amount to which I referred was brought up a little bit, but still it does not remedy the condition. It is too small entirely. We are asking the old folks, and I shall refer to them as old folks, who have given their bit to society, when they become 65 years of age to take a pittance of $25 or $30, and that seems to be the maximum amount in most States, out of which amount they have to clothe themselves, provide shelter, food, and the necessities of life. It just cannot be done under ordinary conditions. I repeat it is far better than the institutional care that was given the old folks. The reason I am before you today is to secure more for this class of people, so that in their declining years they may live in comfort during the short space of time God Almighty will allow them to remain on earth.

I am interested in H. R. 2, the so-called Townsend plan, because I believe the Townsend movement has made the Nation old-age-pension minded. Despite the criticism, despite the sniping, despite the chiselers that have gotten into the organization, the movement surges on. It is going to be a political factor, whether you know it or not, until the question is solved one way or the other by a vote on the floor of the Congress of the United States.

I have no doubt you men are politically minded. You watch the trend of events, politically speaking; you watched the change in the last Congress. I know in my own State the Townsend movement was the balance of power in many congressional districts. The issue was raised in the last elections that the Democratic members of the Ways and Means Committee refused to give the Townsendites or the advocates of H. R. 4199 a hearing before their Congress. That agitation will go on unless this committee takes its responsibility seriously, politically, and otherwise, and permits the Congress of the United States to have a roll-call vote, "Yes" or "No" putting every Member on record.

I know that our Republican friends are going to use that weapon. I know that the slogan for the Republican Party is going to be "Life begins in '40." That is their slogan. They have a right to tell the people of the Nation, if it be true, that a committee, the majority of which were members of the Democratic Party, refused to put this bill on the floor for consideration. I hope when the arguments are made for and against this bill at the time your committee goes into executive session, and the pressure on the committee is lifted, that you will coolly and calmly discuss this legislation, arriving at one conclusion, whether or not you are for the bill, that you will permit 150 Members of Congress, who are pledged to this bill, to record themselves one way or the other. Let the record show whether they are for the bill or not, or whether they are merely indulging in idle pretense as a vote-catching device in order to get them a seat in Congress.

I am not concerned with the criticism that comes before this committee and which has been injected into these hearings. The chairman of the committee, my old-time friend—and I am referring to the permanent chairman, although I include the acting chairman as my friend—read into the record the other day a circular which was distributed in his congressional district, some statement about the millennium arriving, that so much money would be allocated to qualified individuals, so on, and so forth, and "this bill will be enacted within 90 days," and that sort of thing.

I do not take seriously circulars or articles like that. I think the way to look at those things is in this way. It is like the salesman puffing his wares. The Democratic Party in national convention assembled and the Republican Party in national convention assembled time and time again put planks into their platforms that they never intended to fulfill. They were put in there as vote-getting devices; then, after the election is over, they forget about the pledges which they have made, the "Be it resolveds" and so on at the conventions.

Let us be charitable with this organization. It is through no fault of the principles of this organization that abuses have crept into it. I am not defending Dr. Townsend. He needs no defense. If I thought Dr. Townsend was guilty of turpitude or misfeasance or malfeasance in the handling of the affairs of this organization, I would be the first to criticize him, but it is the unanimous opinion of his followers and the press of America, despite the smear campaign brought about for political purposes a short time ago, despite the conviction of Dr. Townsend and his subsequent pardon by the President of the United States—I repeat, it is the unanimous opinion of his followers and most of the editorial comment in the country that he is sincere in this movement, that he rebels against existing social and economic conditions, and he is making his humble contribution in trying to remove the sordid state of affairs existing today.

In his organization they have had chiselers. But we have had them in the Democratic Party; they are in religious bodies; they are in every civic body—men who can say, "Fool these old people. Tell them, 'Your bill is coming up next week in Congress and it will pass within 30 to 60 days'," bringing new life and hope to a lot of sincere, decent people.

That we condemn. That Dr. Townsend condemns when it is brought to his attention.

But somehow the opponents of this movement like to make mountains out of a molehill and single out an isolated case where So-and-so said so-and-so, and "Do you believe in this?" and "Do you believe in that?"

I am for this bill as differentiated from H. R. 11 because I believe in the philosophy of it. I believe it is necessary through the medium of a transaction tax to pay these pensions as provided for in the bill; that is, the security for the aged. But if I thought it were an old-age pension bill only I would not support it. I believe it is the bill to bring about a restoration of the purchasing power. I am sure that every member of this commitee is striving to bring about the restoration of that purchasing power.

The acting chairman, Mr. MCCORMACK, made a very pertinent observation the other day. He said, "What is to become of the group between 35 and 45?" I do not pretend to be a tax expert. I do not pretend to be an economist. But, in my humble way, I see in this measure a means to an end, a device to bring about consumer purchasing power with the enforced-spending feature that will take out of gainful employment six or eight million people and leave their places open for those men between 35 and 45 years of age.

I do not say that it is a panacea or a cure for all ills, but, it is a start. Men of 40 years cannot get jobs today. I made that observation when the deficiency bill was up in the House. They cannot get jobs in this mass-production age of today. That is true in my community and it is true in other industrial centers. Modern machinery is displacing men in mass-production age that shouts: "Production! Production! Production!"

Men of 35 and less are picked because of their muscle and strength. It is seasonal work at best. The physical strain under which they work in those factories is so severe that many of those men fall by the wayside and die in 5 or 6 years.

That is a problem that we have to solve some day. With this measure or some similar measure passed by the Congress, with other measures, we may meet the problem of the machine age—the problem of unemployment. We may reach it by reducing the hours of labor to 30 hours a week, a 6-hour day, which is the philosophy now of the American Federation of Labor and of many other large groups. In this way we may bring about that degree of prosperity that we need, and we may be able to take care of this group referred to in the question of the gentleman from Massachusetts when he asked, "What is to become of them?"

And what is to become of the group below 35? What is to become of the group from 18 up to 35? I will not admit, and you will not admit that the C. C. C. camps, fine as they are, will take care of the situation. I believe it is the opinion of the majority of the Members of Congress and the people of the Nation that the establishment of the C. C. C. camps was the finest contribution made by the Roosevelt Administration to date. In the establishment of these camps we took hundreds of thousands of boys off of the road, who were wandering and thumbing rides from one end of the country to the other, eventually destined to end up in a life of delinquency and crime. I will not admit that the legacy of the American youth is a period of enlistment for employment in a C. C. C. camp. We do have to slowly approach the subject, and try to find a solution for this and similar problems through the medium of this bill and other measures. All of us know the problems of youth that we have to face today. Every man on this committee, every man and women in this room who is married and has children, lives for those children. They sweat and slave for them.

The towns, cities, counties, States, and the Nation help them to educate those children. We spend billions of dollars in the field of education and we provide the finest schools in the world from the standpoint of physical structure and educational curriculum. We supervise the health of the school children of America. We bring those children along up through the grade schools, through the high schools and the colleges, and thousands of them annually emerge from our educational institutions with their A. B., M. A., M. D., and Ph. D. degrees cum laude, as stated in the scholastic world. They emerge with their sheepskins in their hands, all dressed up with education and no place to go. That is the problem of the citizens of America today. You know it and I know it. These educated youngsters find it difficult to get even a pick-and-shovel job.

This measure will, to some degree, assist by getting money into circulation with the enforced spending feature. The people who will benefit by this legislation are without money today to go out and buy the things they need.

I believe the committee will approach this problem from the standpoint of doing what is best for the Nation. I believe the approach is to take this disturbing question—and I mean the politically disturbing question—once and for all to the floor, over there where Members who come down here to represent their respective constituencies may have the opportunity to vote like men, to stand up and vote "yes" or "no" on this bill or any other bill that this committee might report out with or without recommendation.

I believe that is the proper approach. Otherwise I see constant agitation for years to come in the field of social legislation.

It has been said that H. R. 2 if put into operation, will give us a pyramiding of taxes, and that that is a dangerous situation, but I want to call this to the attention of the committee, and I presume some of the older Members do recall in 1934 when the only opportunity came to present the so-called Townsend philosophy under H. R. 4199 as an amendment to the Social Security Act, the statement was referred to and put into the record of hearings had before the United States Senate Committee on Finance May 24, 1921, on the subject of a turn-over tax.

Mr. COOPER. You do not mean 1921, do you?

Mr. SWEENEY. Yes; I mean May 24, 1921, when a group appeared before the United States Senate Committee on Finance in behalf of a 1-percent turn-over tax. The tables that are incorporated in those hearings were presented by Mr. Meyer D. Rothschild, who represented the jewelry industry of America. He took commodities like sugar beets, livestock, wheat, pork, grease, cotton, raw hide, shoes, rubber, silk, and cotton and he proved the wisdom of that sort of tax referred to by the gentleman from Minnesota, who read from the record today as to a similar tax in France, known as the 1-percent turn-over or transaction tax, to raise funds for munition purposes for national defense.

Mr. Meyer D. Rothschild shows that where cotton turned over seven times and the finished product sold for $4.50 in cotton cloth, the tax is only 12.4 cents on that transaction of $4.50.

I am not unduly excited about the cry of inflation. I heard those arguments before. I appeared before the Ways and Means Committee in support of the payment of the adjusted-service certificates, or the bonus, as it was commonly called. This was several years ago. On that occasion I heard witnesses testify, "If we paid the sum of $2,400,000,000 in Treasury certificates, as was advocated by some of us, or in any other form of specie, it would throw us off the gold standard and we would have inflation of currency."

We did not go off the gold standard because of the payment of that bonus. We did not go to the bow-wows financially, as predicted. The credit of this country is secure. It is secure for a long time. I am not afraid of debt repudiation; I am not afraid of inflation. I belong to the school that favors reform of the monetary system. I believe in taking the control of the money system out of private hands and restoring it to Congress, where it constitutionally belongs. With the gold reserve on hand today, I believe we could issue two or three billion dollars of new currency without any danger to our financial structure.

I ask the committee to approach the problem in whatever light it thinks wise, free from any deterrents, free from any political factors, with the sole object in mind of giving consideration to these millions of people throughout the country. They are in your district; they are in mine. They are not crackpots. There may be some few eccentric persons who follow every movement, who even follow a circus, and that sort of thing, but the rank and file, as I know them, are my neighbors and your neighbors, men and women who pay their debts, who have given their all to society, many of whom lost their life-savings with the closing of the banking institutions a few years ago. Today they find themselves in want and actually in the breadline.

The man on W. P. A. today is our brother. He is working with the pick and shovel. We have left him subject to a bitter economic situation. We have to help him raise his family and get for him the things that we are trying to get for our own families.

Now, Mr. Chairman, there are a few minutes remaining, and I shall be glad to submit myself to any questioning.

Mr. MCCORMACK. I do not know what other Members will say, but I think the record should be clear so far as the hearings of last year are concerned. Hearings were held in 1935 and every opportunity was given for witnesses to appear. With reference to last year, of course, there were no hearings given, on the recommendation of the administration itself, transmitted through the Social Security Board, so there were no hearings held at all on any social-security legislation last year. I think the record should show that.

I am putting that into the record because there has been a lot of feeling that the Ways and Means Committee gagged this bill. The Ways and Means Committee decided not to have any hearings on any legislation last year.

Mr. SWEENEY. Whatever be the reason, the statement has been made on more than one occasion by the distinguished chairman of the committee that ample hearings were given the Townsend group once before. I say that the record will show what I have stated. I do not know what the chairman construes to be ample hearings, but I have a distinct recollection of what took place. The record will show that less than 1 hour was allotted to Dr. Townsend, Mr. Hudson, his economist, and one or two witnesses on that occasion. That was in conjunction with the entire Social Security Act when it was first discussed.

Mr. COOPER. I know you want to be accurate and I know you want to be fair.

Mr. SWEENEY. Yes; that is right.

Mr. COOPER. You do not mean to make the statement that that was the only opportunity that was afforded for a hearing on the McGroarty bill, which was the bill before the committee at that time?

Mr. SWEENEY. I am certain according to my recollection. I may be in error, but I think the record will bear me out.

Mr. COOPER. Don't you know that later the committee was convened and a further opportunity was given to Dr. Townsend and his economist, Dr. Doane?

Mr. SWEENEY. No; I do not. I stand corrected, if that is true. Being on the committee you are more familiar with that than I am. But let us start de novo, as the lawyers say, and let us start right now.

Mr. MCCORMACK. I thought the record ought to be clear.

Mr. COOPER. And I know Mr. SWEENEY wanted to be clear about it.

Mr. MCCORMACK. The statement made that the committee gagged the Townsend-bill hearings last year is only a half-truth. The committee decided not to have any hearings on any legislation, and that included all of the recommendations of the Social Security Board.

Are there any questions?

Mr. DISNEY. This is a fair hearing that you are having now, is it?

Mr. SWEENEY. I said at the outset and I will emphasize again that it is a fair hearing, a very generous hearing. And if you will permit me I will say now to you Democratic colleagues that I hope you will put out this bill, whether you vote for or against it, or without recommendation, giving the country a chance to know how the Members of Congress stand on it, because if you do not you will have them saying, "Life begins in '40."

Mr. KNUTSON. What do you mean by that?

Mr. SWEENEY. I appreciate the fact that the dormant Republican Party is stretching itself. It has been hibernating for some time, but the last election gave them some encouragement.

Mr. DISNEY. I thought we had a ruling that when a man was asking questions he was not to be interrupted, and everybody agreed to it.

Mr. MCCORMACK. Mr. Disney is in order.

Mr. DISNEY. Do you consider that this is a fair hearing?

Mr. SWEENEY. I say that it is more than fair.

Mr. DISNEY. I might suggest that you might relieve the minds of some of us by saying that you have had a fair opportunity.

Mr. SWEENEY. I am not a mind reader, but I think it is the democratic thing to do in a constitutional democracy. It is the thing to expect. And we have a perfect right to demand, when we have 150 Members of Congress pledged to this legislation, that we have a hearing.

Mr. DISNEY. How far do you think the idea of enforced spending, if we adopt it, would be carried? I am thinking of the possibility of it being urged, that is, enforced spending, against those who have money, regardless of class.

Mr. SWEENEY. You mean how to control it?

Mr. DISNEY. Yes. How far are we liable to run into it? Suppose somebody comes along with the idea that we should enforce the spending of money now in the banks, that a plan be proposed that those people be required to spend that money.

Mr. SWEENEY. I think that is far-reaching, of course. I would not be for that sort of thing. But in this field we are not taking anything at the Government expense. The revenues are derived from a transaction or turn-over tax, which will be prorated to qualified annuitants with the proviso they must spend within a month. The Government has the responsibility of administering this measure, if it becomes a law.

Of course, in the operation of the act there will be some chiseling and hoarding but I think the recipients of the benefits would be honest citizens and would comply with the laws and regulations.

Mr. BUCK. Mr. Chairman, I want to get the record straight on this matter of hearings. Dr. Townsend first appeared before the committee on February 1, 1935, and he subsequently appeared on four other occasions, at four other sessions of the committee. He was also represented by Mr. Hudson. And the testimony of Dr. Townsend and his associates occupied 97 pages of the hearings, from page 667 to page 760, inclusive. Subsequently, at the request of the organization, the committee reopened the hearings for the purpose of hearing Robert R. Doane, and that appears at pages 1100 to 1126. And there was a final page covering the subject by Dr. Townsend.

Mr. SWEENEY. I wish to thank the committee for the privilege of appearing before it.

T. V. A. and Gilbertsville Dam

EXTENSION OF REMARKS

OF

HON. WILLIAM H. WHEAT

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1939

LETTER FROM ROBERTS-LIGGETT CO., OF METROPOLIS, ILL.

Mr. WHEAT. Mr. Speaker, under consent to extend my remarks, I include herein a letter which I received from a

constituent containing information in connection with the flood-control situation on the Ohio and Tennessee Rivers. I regret that this letter was not received by me in time to have been introduced into the RECORD Wednesday of this week, but believe that the information will be of great value to the Members of this House.

METROPOLIS, ILL., *February 28, 1939.*

Representative WILLIAM H. WHEAT,
House of Representatives, Washington, D. C.

DEAR SIR: We would appreciate it if you would use your influence to oppose the appropriation of Federal funds for the construction of the proposed T. V. A. dam on the Tennessee River at Gilbertsville, Ky.

Our plant was established at Metropolis, Ill., in 1893 and is located on the Ohio River just below the mouth of the Tennessee River and about 30 miles below the proposed Gilbertsville Dam.

Since the establishment of the dams on these rivers we have experienced more widely fluctuating and higher rises in the Ohio River than ever before, with an all-time record of over 60-foot river stage in the 1937 flood and almost 50-foot stage reached last week.

In our opinion, as operator of a large woodworking industry annually handling millions of feet of rafted timber over Tennessee and Ohio Rivers, the addition of these river dams has not helped the flood conditions of these rivers one bit, and in fact has seemed to aggravate them. These dams constrict the channel and cause silt deposits to fill up the river bed, reducing the amount of water that the river can safely handle.

The installing of a dam at Gilbertsville will about ruin most of the woodworking industries located in the Tennessee and lower Ohio Valleys, because the rich timber-bearing Tennessee Valley, from which they have secured their timber supply for generations, will be converted into a lake 184 miles long. There are five woodworking industries in Metropolis alone, and others along Ohio River in Illinois at Karnak, Mound City, and Cairo, and many others in Illinois using lumber from the Tennessee Valley.

In the last few years since the construction of dams on the Tennessee River, the last packet boat from the mouth of the Tennessee River from Paducah has discontinued service, so that we are no longer able to secure packet-boat service up the Tennessee River like we formerly had. The construction of these dams ruins the rich valley timber supplies, which thereby will remove most of the present river traffic in logs, railroad ties, poles, and lumber. Also, if the Tennessee River is converted into a lake 184 miles long like the proposed Gilbertsville Dam will do, it will render most of the present river boats, barges, and all log rafts useless on such a body of water, as they cannot stand the rough waters on a lake. Therefore, the river navigation will not be increased, but will actually be reduced by construction of such a dam.

All the power plants in southern Illinois that might be connected up to hydroelectric power to be developed at proposed Gilbertsville Dam are now using southern Illinois coal, so that building additional power-plant capacity at Gilbertsville for use in southern Illinois would seriously injure the coal industry of our State, with the possibility of reducing the value of many of the municipal power plants.

For the above reasons we think that the proposed Gilbertsville Dam will not only not help flood control, navigation, and power problems, but will actually be detrimental and a waste of money, and therefore we hope you can see your way clear to opposing the construction of such a project.

Yours very truly,

ROBERTS-LIGGETT CO.
W. R. LIGGETT.

The Townsend Plan

EXTENSION OF REMARKS
OF
HON. PAT CANNON
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 2, 1939

STATEMENT OF HON. PAT CANNON, OF FLORIDA, BEFORE THE WAYS AND MEANS COMMITTEE

Mr. CANNON of Florida. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include my statement made before the Ways and Means Committee of the House of Representatives, February 20, 1939, with reference to H. R. 2, the Townsend plan, as follows:

Mr. Chairman and gentlemen of the committee, I might say at the outset that my appearance and my mission here today is nonpolitical. The subject matter of which I intend to treat is nonpolitical. Fortunately, I was a member of a Townsend club prior to the time that I ever dreamed I would run for Congress.

Today we are gathered for the purpose of hearing witnesses who will testify on behalf of the greatest plan ever conceived looking toward relief, prosperity, and, above all things, national recovery. I am indeed happy and honored to testify before you gentlemen, as a Townsendite and as a Member of your body.

Most Americans, and surely I, believe that the ingenuity of man and the creative mind of man have stripped us of the utility of our manpower. In other words, the machine age has displaced manpower. We are not to attempt in any wise to retard the machine age, but we are certainly called on to teach ourselves to live with it. It is not the fault of any man that we find ourselves in a precarious position today, and surely it cannot be said that it is the fault of any of the multitude of people who must be cared for today. There is not one among us who has not made his contribution to science—who has not contributed to the progress of this great country which is ours.

The work that the laborer has done and the product that he has produced with his hands has given rise to thought, resulting in a multiplicity of mechanism and mechanical devices to displace the need of him who would work and who must work. Mass production has been the result. It is my belief that the activity of manufacturing should be carried on constantly and not allowed to operate at peak production only to close when the warehouses are full; because then the few men who do work in the factories are not accorded that privilege under full warehouse conditions. We find that our mills are now stagnant and are not operating.

Surely something must be done and since nothing better has been offered to the people of this country, it is my honest belief that the Townsend plan should be enacted into law by this Congress, and immediately. And it is also my belief that if the plan itself had been a brain child of a prominent member of either of the national political parties, it would have long since been a law.

Because the plan was brought forward by a humanitarian existing in political obscurity, it is regarded with great jealousy politically. We see it fought by members of both the major parties because neither party unfortunately has seen fit to blaze a trail in the interest of humanity, and it is most unfortunate that both political parties are so extremely jealous of the staid channels in which they have traveled for lo, these years, and I for one am thoroughly convinced that the politicians particularly in this country should realize now and for all time that the economic picture of this country has changed and that if progress is for us we must change with it, just as laws must be changed to meet emergencies and so it is that courts change from time to time to meet emergencies. The thought of man generally, in every walk of life, changes and progresses as time goes on. The plan itself, as I have said, is nonpolitical and comes to us as a prayer from the masses generally who must have and who deserve assistance. As in the past, we find any number of men ready, willing, and anxious to work, who are not granted that privilege, through no fault of their own. The plan is designed to assist the unemployed primarily, and not the unemployables. In other words, since the beginning of time, there have been those people, unfortunately, who would not work if they were accorded that privilege. In those people we have no particular interest, but we do intend to assist those who, through no fault of their own, are denied the opportunity and pleasure of employment.

The persons whom we intend to assist own this Government of ours and its natural resources in the same measure as those who would deny us the assistance. The masses in this great country have controlled this Government and shall control it in the future, which is the plan of a representative form of government. We are not to deny them that right and we, as Members of this Congress, come from them, the masses and not from the selfish minority of our people.

Surely our positions are not so great that we can deny serious thought to the needs of the people whom we are sworn to represent, and surely we are not so important that we should not so concern ourselves. We as Members of Congress constitute the only body of men who represent the people directly in that we are elected every 2 years, which gives the people a close and possibly a short contact with us. If we do not conduct ourselves in a manner conducive to the progress of our people, then, therefore, we can be retired at the end of 2 years, which is indeed a short time. Our colleagues on the other side of the Capitol, the Senators, are elected for 6 years and represent the State generally, and therefore cannot be intimately in touch with a given people as those of us in the lower House. If a vacancy exists in the United States Senate, the Governor of the State suffering that vacancy may appoint a Senator to fill the unexpired term. Not so in the House of Representatives. If a vacancy occurs, an election must be called in the district where the vacancy has been suffered and the people must act and delegate a person to represent them in the National Congress. A Congressman cannot be appointed, but must come as the result of a mandate of his people. Therefore, we in Congress should be vitally concerned with the needs and the desires of our people and that fact prompts me now.

The remarks that have been made by men of prominence in this country questioning the intelligence and the integrity and the sincerity of those of us who stand by this humanitarian plan have not been discouraging to me. I have a great deal of sympathy for those persons who would so criticize for in so doing it is my honest opinion that they strike at the roots of democracy and a representative form of government. Also it is said that the people of this country, the most of whom, unfortunately, are in poverty, and the most of whom need immediate assistance, can be denied the right to live and exist in a common pursuit of happiness which is their constitutional guaranty. The representatives of this Government do not own it now, nor have they ever and God

forbid that they ever do. A vote for the Townsend plan and its enactment into law is a vote for humanity. And no one need search his heart or his conscience for that tendency. We, therefore, as Members of Congress cannot represent the people properly unless we do all in our power, looking toward human security. Starvation in a land of plenty is inexcusable and deplorable.

Now let us look for a moment at the mechanics of the plan itself. As we all know, the funds paid under the operation of this plan will be raised by the levying of a 2-percent transactions tax. There is nothing peculiar or complicated about that phase of the plan. It has been the practice in commercial fields surely during my entire existence, that a 2-percent reduction or discount would be given on any bill rendered which would be paid within 30 days. That has been a practice in keeping with good business, and the 2-percent discount has never been charged to loss. The transactions tax which I discuss is uniform in that it applies to all sales of goods and services. It is designed also in such a fashion that it is most equitable in that he who has many transactions will pay taxes commensurate therewith and necessarily he who has few will likewise be so taxed. Therefore we may well say that the structure of this tax is no different than the various and sundry taxation schemes under which we now labor. And it is well to reveal at this time that that transaction tax does not add to and heap upon the many taxes that we now know. It displaces and replaces those taxes and frankly mitigates tax burdens. The operation of this transactions tax will not be a shock to the commercial interests of this country and even if it would it is for the public good. I have seen gasoline fluctuate in price from 3 to 4 cents per gallon overnight. I have seen cotton drop in price from 40 cents per pound to 6 and 7 cents per pound in a remarkably short time. I have likewise seen similar instances as represents various commodities. Long-suffering Americans have had no criticism of those things and the answer is that the commodities to which I have referred have been controlled in the past and are controlled now by the powers that be, and by the selfish minority in this country having no interest in the masses which actually support them. It is my belief that we pay 6 or 7 cents on every package of cigarettes which we purchase in America. That I dare say is many times more than 2 percent. I say to you and in all sincerity, my friends, that this matter is much more serious than has been presumed and deserves thought commensurate therewith.

Then, if we as Members of Congress are to be selfish, I ask you now, how many of you have the assurance that you will not be retired to private life by these same people who are calling on us for help and how many of you can tell me now in what financial condition you will be found when you are beyond the age of employment, and I would like to remind you also that in recent years he whose hair has turned gray will never be employed again unless relief is had immediately. There was a time when a man who sought employment could have it for the asking, but that time has gone. For one to find employment now he must be blessed politically, or maybe I should say cursed politically. If it is through organization, he must have political contact or some other sort of guarantee, otherwise employment is not for him, and I say to you that that condition is most un-American.

So far as I am concerned personally, the masses of the people of this country can do with this country and their Government what they may, and with my vote. That on the assumption that they have created and built this country, they have fought for and obtained its security. It is theirs. And I am theirs. They sent me here, not to be a demagogue, not to be a partisan, but to be a representative of them, which I shall try to do with a sincere purpose. I am not ashamed to be identified as a Townsendite Member, nor am I ashamed to speak in its behalf. Rather, I am urged and prompted to speak in its behalf and if I did not feel so, I believe that I would be ashamed to be a Congressman, which I hope shall never be my lot.

If we were authorized to act independently of the most of our people it would be wholly unnecessary for them to elect us. We may well be appointed if we are to carry out a program according to our own dictates. Therefore, I shall vote for any measure which my people want. It is the duty of this Congress to give our people, insofar as we can, that which we know as economic security. Our forefathers fought successfully for that condition. The fact they did prompts me to give the people of this country, insofar as my vote is concerned, a perpetuation of that blessing. We who live today inherited a right to that security as a result of sacrifices made by those who have left us here. That security and everything that goes with it was referred to dramatically and well by those great ones who drafted the writ that we today call the Constitution. Surely the people of this country can reclaim that which is theirs. There is nothing wrong with democracy. There is nothing wrong with this great country, except that our trade channels need replenishing and no individual among us is responsible for the plight in which we find ourselves. We need a complete, new, and effective redistribution of the natural wealth of this country, which, in my opinion, the Townsend plan clearly offers.

Never could I entertain the thought that the people of this country are incapable of handling its affairs, but we, as long-suffering Americans, have waited until the eleventh hour to take stock and look about our doors. Today there is not one community in this whole great country of ours in which we do not find poverty. The Congress has done a lot toward relief. This administration in its wisdom has seen fit to send funds into every community in this country in an effort to relieve the suffering that exists. It was my pleasure recently as a Member of this body to vote for $825,000,000 for relief through the Works Progress Administration agency. Unfortunately the particular bill for which I voted was defeated and the bill was passed in the amount of $725,000,000. But I stand ready now to vote for any amount of money that will relieve suffering and starvation in this country. The funds which have been voted in the past for relief have been a constant drain on the Treasury of the United States and is never to be returned to that Treasury which belongs to the people to whom I refer. It is not objectionable to me, however, because it is better that we deplete the Treasury and mortgage ourselves beyond redemption than for one family to starve to death in this great country.

My walking in marble halls has not caused me to forget thousands of shacks that house many of our unfortunate people, where they merely exist, hungry, ill-clothed, without medical care, which in many cases is absolutely necessary.

The Townsend plan, when it is enacted, will not cost this Government one penny. It is a "pay as you go" plan which has been recognized for many years as the best theory of government and commerce. How long can we exist? There, in my opinion, is our problem. How long can we pay out of a common treasury such great amounts which will never be returned thereto? If our relief problem, by the passage of the Townsend plan, can be decentralized and distributed by each man who receives it, why is it not better. Why is it not better for each man to carry his own load. The recipients under this plan are not objects of charity and they are not recipients of alms. They are employees of this Government. Employed to do what? To spend those funds which they received commensurate with the return of the taxations within 30 days or within 5 days thereafter or they are disqualified to receive further funds. And what is the purpose of this provision? Because it is necessary that the trade channels shall be replenished immediately. We of this country have no buying power and this Government has found that when money is spent indiscriminately or otherwise it trickles down to every man. Many opponents of the plan have objected to it, assigning as the reason therefor that the recipients would be called upon to support any number of persons who would not work, who would retire from gainful occupation because of the security of their elder friends. I would like to remind them that the only important thing in this whole scheme is that the money be spent and spent immediately. That is the theory of the plan without reference to morals. But it has not been my experience that the youth of this country is satisfied to live in an idle fashion without work. The youth with which I have come in contact is much more ambitious. As I have said before, there are a few people who won't work under any conditions and I do not attempt now or in the future to assist those people, nor does this plan so anticipate.

Let us put this plan on another basis and answer to him who has said it is dangerous to give anyone something for nothing. I would say that the recipients under this enactment have earned dividends by long years of work and sacrifice, by reproduction of their kind. This Government, in its wisdom, has seen fit for many years to retire many classifications of its employees, in fact, almost all its classifications, after a given span of service. The leading corporations in this country follow the practice of retiring their employees after a given span of service. Why, then, therefore, is it not just as equitable for us to think along those lines about all people in this country? Surely it cannot be said that a Government employee is inferior to those who pay his salary. And how can it be said with any propriety that all members of our society, including Government employees, do not do their bit in times of stress and every crisis that we have known? Surely the controlling minority of citizens in this country did not contribute as much as the masses during the late World War. I am firmly of the opinion that it was the controlling minority in this country that led us into a foolish war that we now know as the World War. And it was from all of the countrysides in this country that came those stalwart men who fought that war to save the world for democracy. The youth of that day who fought and won a foolish war calls on this Government today for a right to live. The opponents of this act could not exist today in all their glory and pomp were it not for those members in society who gained their security for them. Most of the fortunes in this country were amassed during that crucial moment, and today we ask for a right to participate in living.

The relief program which we know today in this country is most fallacious in that so much money is spent for the administration of it. Particularly the W. P. A. The funds are dispensed usually and in the main by persons not on relief. Therefore full benefit is not enjoyed of the funds so expended. The Social Security Act we have found is most unsatisfactory in that it is insufficient in amount and those who suffer must be further embarrassed by running the gantlet, so to speak, answering hundreds of questions propounded by some political hireling more interested in a job than he is in humanity. These things in all probability, even though most objectionable, are necessary, but the Townsend plan removes all the hardships to which I have referred. And too, when one is relieved under either of the above-mentioned plans he immediately becomes an object of charity and a recipient of alms, and therefore his pride has been scarred and irreparably injured. He no longer can travel in the society which he chooses nor can he hold his head up as he meets his friends on the street. When you have scarred the pride of an individual you therefore have scarred society. We, as Americans, are an aggressive and progressive people and not by instinct charges on public charities. We do things, build things, and produce things. We are active by nature, physically and mentally. Relief, as we know it today, is most un-American. It is true that as always we do things overnight without much thought and are stampeded into compromising positions only too often. That same pride in American people which I attempt now to preserve prompts

the American people not to recede so easily from staid channels and activities of the past. But I for one am willing to admit the fallacy of our present relief programs and am willing and most desirous of departing from those plans and embarking on a more workable schedule, designed after much thought on the part of a great humanitarian, and therefore put the American people back to the status where they rightfully belong.

The Townsend plan is the plan I have chosen as the vehicle to bring that about.

Congress has the same right to repeal a law as it does to pass one. And all that the American people ask is that the Townsend plan be enacted and spread on the statute books and if the plan is actually unworkable as some of the opponents would have us believe today, the people who now seek its enactment would be the first to seek its repeal, because the people in the lowly stations in America have always been the law-abiding citizens.

The $200 maximum amount paid under the operation of this plan is not an arbitrary amount. It has been correctly stated that it costs an ordinary man $1,800 a year to live and enjoy a decent station in life. That being true, $50 per month was added to that amount for the express purpose of putting that much more money back into the trade channels to create new business, and to create a nonexistent buying power.

If the youth of this country was permitted to replace recipients under this plan it has been conservatively presumed that our crime rate would be largely reduced. It is true that there has been crime in the past and unfortunately in all probability there always will be crime. But it is just as true that idle youth is a dangerous instrumentality. If we turn the crime pages that have blackened our history we will be reminded that "Baby Face" Nelson, "Pretty Boy" Floyd, and John Dillinger all embarked on their criminal careers during the tender years of their lives. I am firmly of the belief that criminals are not born, and that criminals are made, largely by the environment in which they find themselves. A child born of normal parents who are equipped to properly rear the child does not become a criminal. The activity and the anxiety and the ambition of unbridled youth cursed with poverty and denied the association of parentage because of economic conditions is the matter with which we must concern ourselves. Thousands of boys and girls are graduated from our high schools and colleges mentally fit and equipped in every way to fill that niche in society. As they walk out into the world, employment is not found. They are none the less ambitious and none the less able, and as a result of the deplorable condition of lack of buying power and lack of available employment, they are called upon to use their good resources toward a criminal end. That is the plight largely of a greater portion of the inmates of our houses of correction, penitentiaries, and reformatories today and likewise our asylums. The youth of America must be employed and put to work and it must be done immediately, lest irreparable injury visit our society.

Then when we think of the amount of money that this country spends each year for the apprehension, conviction, and maintenance of criminals we can readily see how much could be saved if youth were permitted to travel in an orderly way.

Again, this plan is worth its passage because it would do away with the necessity of poorhouses, if for no other reasons. Those institutions to which I have just referred have been eyesores in society for many years. Counties, States, and this Government have spent enormous amounts of money to care for former stalwarts in society who have suffered physical and financial reverses through no fault of their own. This, indeed, would be a great saving, to say nothing of a blessing, if it could only be realized; and as a step in that direction I advocate the passage of the Townsend plan.

It is my sincere opinion that the passage of the Townsend plan will bring about a general readjustment in this country and restore us again to a prosperous thoroughgoing community in keeping with our just deserts.

Mr. BOEHNE. How much is paid under the Social Security Act in the State of Florida? What is the State participation?

Mr. CANNON. I believe it is raised in our State by each county and the payments range from $5 to $30, averaging, in all probability, around $10 or $11. That is as accurate as I can be without further study. But I believe, Mr. BOEHNE, that since you are a member of the Ways and Means Committee actually engaged now in an attempt to assist suffering humanity that you are in a better position to find these facts than I am, and I also believe that they should be your interest.

Mr. MCLEAN. You say the mills are stagnant all over the country?

Mr. CANNON. Yes.

Mr. MCLEAN. Did you ever give any thought as to why that is?

Mr. CANNON. Considerable. There are various reasons advanced for it and frankly I believe that capital has not been invited to expand.

Mr. MCLEAN. The National Recovery Act had a provision in it which was calculated to open factories and create the production of goods and create buying power. The National Recovery Act anticipated increasing wages would increase the cost of production. Therefore there was a provision put in the National Recovery Act to the effect that the President could embargo foreign-made goods to the extent that they competed with American-made goods and made it impossible for American manufacturers to compete with the provisions of the act. Do you believe in that principle?

Mr. CANNON. Most assuredly I do not.

Mr. MCLEAN. That was a Democratic act, you remember?

Mr. CANNON. Definitely.

Mr. MCLEAN. You would not have voted for that piece of legislation had you been in Congress?

Mr. CANNON. I would not have, but I have stated here that my appearance is not political.

Mr. MCLEAN. And my appearance here is not political either. I am an American.

Mr. CANNON. I presumed so, and I, too, am an American.

Mr. MCLEAN. And I am looking for a solution to this problem.

Mr. CANNON. I believe so.

Mr. MCLEAN. I remember in 1923 when things were much the same as they are now that the people cried out to open our mills, not our mint, to give America an honest dollar and a chance to earn it and it was not long after that the Dingley Tariff Act came out.

Mr. CANNON. That is right.

Mr. MCLEAN. And I am taking my position here on that under the leadership of William McKinley.

Mr. CANNON. And I am in accord with you.

Mr. COOPER. Are there any further questions? If not, we thank you for your appearance here and the statement you have made to the committee.

Weekly Report of German Institute for Business Research

EXTENSION OF REMARKS

OF

HON. M. M. LOGAN

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Thursday, March 2 (legislative day of Monday, February 27), 1939

Mr. LOGAN. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from former Senator Robert L. Owen dealing with the weekly report of the German Institute for Business Research which was issued January 26; and I also ask that the weekly report be printed in the RECORD following the letter.

There being no objection, the letter and report were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *February 28, 1939.*

Hon. M. M. LOGAN,
United States Senate, Washington, D. C.

MY DEAR SENATOR LOGAN: I received this morning the weekly report of the German Institute for Business Research, which gives some comparative information of special interest with regard to business conditions in Germany which I think might be of interest to our Congress.

Hitler has challenged the democracies on the ground of Germany, under the Socialist-Nazi regime, having demonstrated a greater efficiency, but you will observe that while conditions in Germany have improved greatly in respect to the ending of unemployment and to the increase over 1932 of production, the American democracy shows that the efficiency of the American people is far greater than has been the case in Germany.

For example, in Germany the number of automobiles in 1938 only reached the figure of 222,800, whereas in the United States we have nearly 30,000,000. This report lists the number of radio listeners in Germany as increasing from 56,400 in 1932 to 276,400 in 1938, whereas in the United States we have 40,800,000 radio sets with listeners of many millions more.

Yet, when this has been said, it is to be observed that Germany's index of industrial production has increased from 100 in 1928 to 135 at the end of 1938, while our index of industrial production fell from 111 in 1928 to 102 at present. The value of industrial production in Germany in 1938 was between 85 and 90 billion reichsmarks at 40 cents for the reichsmark, or a total of about $36,000,000,000 maximum; whereas, our national production for 1937 was valued at $67,000,000,000 even in a year where we had a recession. The value of our industrial production in 1929 was $81,000,000,000 before we had the stock-market collapse.

These figures show that production in America does not suffer by comparison with Germany, whereas in the conveniences of life, represented by automobiles and radios, there is no comparison whatever between the condition of the American people and the condition of the German people.

All informed men know that when Congress shall discharge its duty of creating and regulating the volume and value of money in the United States, $80,000,000,000 would be far below our practicable potential production. It is my deliberate judgment that we can increase our production without difficulty to $100,000,000,000 a year and that it is possible to raise our production to $130,000,000,000, as I think has been quite clearly demonstrated by Loeb's Chart of Plenty. In my opinion, the true way to establish an impregnable line of defense against any possible aggression from abroad is to double our production, as we can do, and as I have demonstrated can be done in Senate Document 23, where I have made an exposition of the principles of modern monetary science in relation to our national economy and banking system. Our defense will rather be found in the development of production along constructive lines than in the development of production along destructive lines.

We have the means and the genius and the present knowledge by which we could expand and should be in a position to expand the manufacture of planes on a scale superior to that of any country

in the world in quantity and certainly equal to any other in the matter of efficiency.

It is my belief that the common sense of the people of the world and the moral rearmament throughout the world on an increasing scale will result in bringing the world into a condition of peace and good will through the conquest of poverty. Certainly, we can accomplish the complete overthrow of poverty in the United States.

I call your attention to the testimony of Lammot du Pont, who said that $25,000,000,000 of new capital was required to put to work ten and one-half million people, 3,000,000 in the factories and seven and one-half million as auxiliary in consequence of increased factory production through 3,000,000 additional employees. Mr. du Pont was under the impression that this money could be furnished out of savings, yet the savings accounts and time deposits in 1938 showed a loss of $230,000,000. But we have the unemployed capital now in the hands of our great corporations and private individuals in the form of unemployed demand deposits and of Government bonds which can be converted into liquid capital. We have the Federal Reserve banks, which could, by the purchase of Government bonds and sound bankable assets, convert such bonds and sound bankable assets into liquid money and liquid working capital by which we could easily put to work not only ten and one-half million people now unemployed but we could furnish the capital and create the capital to double this number if the labor were available.

This country has not considered the matured views of Abraham Lincoln (see S. Doc. 23, p. 91) on this question. He points out the enormous power which could be exercised by the Government through its creative opportunity in creating the medium of exchange necessary to the transfer of production and services from the producers to the consumers, remembering that the producers and consumers are, at last, the same people.

We have the greatest and most efficient industrial leaders in the world; and when we cure the difficulties in our credit system they will become the models of the whole world in efficiency and production.

Yours respectfully,

ROBERT L. OWEN.

WEEKLY REPORT OF THE GERMAN INSTITUTE FOR BUSINESS RESEARCH (INSTITUT FÜR KONJUNKTURFORSCHUNG)

(Director: Prof. Ernst Wagemann)

Berlin, Jan. 26, 1939

6 years National-Socialist economy (Jan. 30, 1933–Jan. 30, 1939)

Item	(*)	Unit	1932	1933	1934	1935	1936	1937	1938[1]
EMPLOYMENT									
Unemployed	A	Million	5.58	4.80	2.72	2.15	1.59	0.91	0.43
Number of employed	A	Million	12.58	13.08	15.09	16.00	17.14	18.37	19.52
Daily hours worked in industry	A	Hours	6.91	7.16	7.43	7.41	7.59	7.68	7.76
PRODUCTION									
Value of industrial production [2]	S	Billion RM	37.8	39.8	51.1	58.9	65–70	75–80	85–90
Value of agricultural production [3]	S	Billion RM	8.7	9.9	11.2	11.6	11.9	12.6	(13)
Volume of industrial production	A	1928=100	58	66	83	95	108	118	126
Volume of agricultural production	A	1928=100	106	108	112	113	112	115	(115)
Coal production	S	Millions of metric tons.	104.7	109.9	125.0	143.0	158.4	184.5	187
Steel production	S	Millions of metric tons.	5.65	7.49	11.73	16.17	19.20	19.85	22.7
Paper production	S	Millions of metric tons.	1.80	1.90	2.10	2.20	2.52	2.84	----------
Textile production	A	1928=100	79	91	99	91	98	100	107
INVESTMENTS									
Capital investments	S	Billion RM	3.5	5.1	8.3	11.2	13.8	16.0	18–19
Domestic sales of machines	A	1928=100	27	39	61	86	101	123	151
Newly built dwellings	S	1,000	131	133	190	213	282	309	270–275
Commercial ships, construction begun	S	1,000 B. R. T.	5	25	149	309	514	367	451
Reich highways, days worked	S	Million	----------	0.1	11.9	25.0	27.6	24.9	28–29
Trucks licensed [4]	S	1,000	7.0	11.6	23.5	37.3	50.0	50.1	[19] 56.8
Sales of fertilizer to agriculture [3]	S	Million RM	522	571	634	740	712	739	(750)
FOREIGN TRADE									
Imports	S	Million RM	4,667	4,204	4,451	4,159	4,218	5,468	[19] 5,449
Exports	S	Million RM	5,739	4,871	4,167	4,270	4,768	5,911	[19] 5,257
Import surplus	S	Million RM	----------	----------	284	----------	----------	----------	[19] 192
Export surplus	S	Million RM	1,072	667	----------	111	550	443	----------
TRANSPORTATION									
Freight carried [5]	S	Millions of metric tons.	242	263	316	361	401	448	466
Passengers carried [5]	S	Million	1,305	1,241	1,360	1,489	1,611	1,808	1,967
River and canal traffic [6]	S	Millions of metric tons.	73.7	78.2	94.9	101.4	116.1	133.1	139.0
Air traffic [7]	S	1,000 persons	98.5	123	166	210	286	323	----------
Parcel-post traffic [8]	S	Million	224	239	260	270	292	303	321
Long-distance telephone calls	S	Million	233	230	249	263	283	300	330
Tourist traffic [9]	S	Million	4.92	4.99	5.94	6.33	7.15	7.81	8.39
Number of motor vehicles licensed: [4]									
Passenger cars	-----	Million	.49	.51	.66	.79	.95	1.11	1.27
Trucks	-----	Million	.15	.16	.19	.24	.27	.32	.37
Motorcycles	-----	Million	.82	.85	.98	1.06	1.18	1.33	1.58
TAXATION AND FORMATION OF CAPITAL									
Income of the Reich from taxes, customs, and other fees [11]	S	Billion RM	6.65	6.84	8.22	9.65	11.49	13.96	17
Money capital formation	S	Billion RM	----------	1.60	2.67	3.44	5.38	6.31	10.2
Savings deposits at the savings banks [12]	-----	Billion RM	11.4	12.1	12.8	13.8	14.6	16.1	18.0
Incomes of insurance companies from premiums [13]	S	Million RM	749	724	786	879	935	1,024	1,160
Call money rates	A	Percent per annum	6.23	5.11	4.68	3.77	3.18	2.93	2 99
Quotations for 4½ percent (6 percent) bonds [14]	A	Percent per annum.	66.9	81.5	90.4	95.3	95.8	98.7	99.9
Industrial profits [15]	A	Percent of sales	----------	----------	----------	3.3	3.1	2.8	2.4
CONSUMPTION									
National income	S	Billion RM	45.2	46.5	52.7	58.6	64.9	71.0	76
Retail sales	S	Billion RM	22.7	21.8	24.2	25.2	27.8	30.9	34
Passenger cars licensed	S	1,000	41.1	82.0	130.9	180.2	213.2	216.6	[18] 222.8
Motorcycles licensed [16]	S	1,000	56.4	57.8	89.6	135.5	184.9	244.0	[18] 276.4
Radio listeners [17]	-----	Million	4.31	5.05	6.14	7.19	8.17	9.09	10.82
Persons taking "Kraft durch Freude" trips	S	Million	----------	----------	2.0	3.0	6.0	over 8	----------

*Explanation of symbols: S=yearly total; A=12 months' average.

[1] Partly estimated. The figures since 1936 include the Saar District, while in 1935 only part of the figures include this district.

[2] Gross; based on monthly index figures.

[3] Crop years.

[4] Including omnibuses and 3-wheel trucks with over 200 cubic centimeters displacement (since 1937, with over 250 ccm).

[5] Reichsbahn; public traffic.

[6] Goods transported.

[7] Passengers carried.

[8] Reichspost; usual packages.

[9] 260 localities; in each case Oct. 1 to Sept. 30.

[10] In each case, July 1.

[11] Fiscal year.

[12] At end of year; according to yearly balances.

[13] Large private and public life insurance companies.

[14] Excluding Reich loans and industrial obligations.

[15] Important industrial corporations.

[16] Up to 1934, including 3-wheel vehicles weighing up to 350 kilograms; after 1935 including 3-wheel vehicles with displacement of up to 200 cubic centimeters (since 1937, up to 250 ccm).

[17] At end of year.

[18] Since July 1938 including Austria.

[19] Since April 1938 excluding commodity trade of the old Reich with Austria; since October 1938 including commodity trade of the Sudeten-German territory bordering on the German customs frontier with foreign countries and excluding commodity trade of the Reich with total Sudeten territory.

All figures refer, if not otherwise mentioned, to the old Reich territory.

CAPITAL INVESTMENT ACTIVITY IN GERMANY—THE CONTINUATION OF THE 4 YEARS' PLAN AND THE UNDERTAKING OF PROJECTS NECESSARY FOR THE NATIONAL DEFENSE LED IN 1938 TO A FURTHER INCREASE IN CAPITAL INVESTMENT ACTIVITY

PRODUCTION OF CAPITAL INVESTMENT GOODS

According to the index figure of the German Institute for Business Research, the production of capital goods in Germany increased by 10 percent during 1938 in comparison with 1937. Over two-fifths more capital investments goods were produced than in the peak years 1928–29 and over three and one-half times as much as in the worst year of the depression, 1932.

German production of capital goods

[Volume]

Year	Production	
	1928=100	Change compared with previous year in percent
1929	101.1	+1.1
1930	82.4	−18.5
1931	57.1	−30.7
1932	38.5	−32.6
1933	50.3	+30.6
1934	74.4	+47.9
1935	99.8	+34.1
1936	119.3	+19.5
1937	131.1	+9.9
1938 [1]	143.6	+9.5

[1] Preliminary.

In recent years the tempo of the increase in production has become less from year to year along with increasing utilization of capacity. While in 1934 and 1935 the production of capital goods was 48 and 34 percent above the level of the year before, the increase in 1936 and 1937 was only 20 and 10 percent, respectively. In 1938 despite the high degree of capacity utilization attained it was possible to reach the same production figures as in 1937. In this success is expressed both the extraordinary efforts on the part of industry to satisfy all the urgent demands made upon it, as well as direction of capital investments according to the degree of their political and economic urgency.

Just as in the past, so too in 1938, the greater part of total capital investments was accounted for by capital investments in the building and construction field. Moreover, the iron and metal industry, the machine industry, and the automobile industry also participated in the increase in capital-goods production, although not to the same extent as in 1937.

IMPORTS AND EXPORTS OF CAPITAL-INVESTMENT GOODS

The domestic production of capital goods gives only an inexact picture of the capital investments of the German economy. For a part of capital investment goods production is exported and thus does not enter into domestic supply. On the other hand, the domestic supply is increased by imports of capital goods. These two factors are especially important for 1938, because there were considerable shiftings in foreign trade.

The export of capital-investment goods which from 1936 to 1937 showed a volume increase almost double that of domestic production (20 percent as compared with 10 percent), scarcely showed any increase in 1938. Thus, while in 1937 capital-investment activity did not quite keep step with the increase in the production of capital goods, in 1938 a greater part of the (increased) production of capital goods was available for domestic supply.

German exports of capital goods

[1928=100]

Year	Value	Volume	Average export price
1928	100	100	100
1929	120	118	102
1930	113	115	99
1931	91	100	91
1932	56	68	82
1933	45	59	76
1934	39	56	71
1935	43	65	66
1936	52	80	66
1937	71	99	71
1938 [1]	68	100	69

[1] Preliminary.

At the same time the import of capital investment goods increased in 1938 still more in volume than in 1937. The supply of the domestic market with capital goods was thus also more favored from the import side than in 1937. This development was effectively supported from the price side, for import prices declined more severely than export prices.

German imports of capital goods

[1928=100]

Year	Value	Volume	Average import price
1928	100	100	100
1929	103	97	106
1930	74	78	96
1931	45	58	78
1932	27	43	63
1933	32	52	60
1934	39	66	59
1935	34	63	53
1936	35	65	54
1937	50	77	65
1938 [1]	59	98	60

[1] Preliminary.

THE VOLUME OF CAPITAL INVESTMENTS

If imports are added to and exports subtracted from the production of capital investment goods in Germany, the result is a picture of the development of the volume of capital investment activity.

In 1938, the volume of capital investments in Germany was about 50 percent higher than in 1928 and four and one-half times as great as in 1932. In 1932, Germany was living on her capital; now she is working with all her force to increase her capital investments.

Capital investment value in Germany

[Capital investment volume, 1928=100; estimates]

1929	97.0
1930	74.6
1931	47.3
1932	33.2
1933	49.4
1934	77.4
1935	104.4
1936	124.5
1937	134.5
1938 [1]	149.5

[1] Preliminary.

THE VALUE OF CAPITAL INVESTMENTS

For economic considerations and political decisions not only the volume development but also an idea of the value of capital investments is necessary.

In this connection must be considered the price development, changes in capital investment technique, and the composition of the volume of capital investment.

Percentage change of important capital goods prices [1]

[+ = increase; − = decrease]

Grouping	Changes		
	1935–36	1936–37	1937–38
Building costs	±0.0	+2.3	+1.1
Raw materials for production goods	+.9	+2.1	−.5
Finished production goods	−.3	+.2	−.2
Import prices	+1.5	+20.4	−7.7
Export prices	−2.0	+8.4	−2.8

[1] It must be considered that the import and export prices show not only changes of prices for certain goods but over and above displacements in the assortment, in the qualities, etc.

If all these factors are considered, the value of capital investment in 1938 can be estimated at about eighteen to nineteen billion RM., as compared with 16,000,000,000 RM. in 1937.

Of the total capital investments, a part is accounted for by replacement investments; that is, by the renewal of the production and transportation apparatus which in the course of economic activity has been "consumed." Only the remainder; that is, total capital investments less replacement investments, forms new capital investments which mean an actual increase in the amount of capital goods of the national economy (in the widest sense).

Capital investment value in Germany

[Billion reichsmarks; estimates]

1928	13.8
1929	13.6
1930	10.2
1931	5.9
1932	3.5
1933	5.1
1934	8.3
1935	11.2
1936	13.8
1937	16.0
1938	18 to 19

For the year 1933–34 the Reich Statistical Office has estimated that the normal replacement requirements of German industry amounts to about five and eight-tenths billion reichsmarks annually. At present, this amount is surely somewhat higher, for due to the increased utilization, the proportional consumption has risen considerably. Moreover, replacement investments can in part be obtained only at a higher cost than 4 or 5 years ago.

New investments and replacements in Germany

[Billion reichsmarks, estimates]

Year	Total	Replacements	New investments
1933	5.1	5.8	−0.7
1934	8.3	5.8	+2.5
1935	11.2	6.0	+5.2
1936	13.8	6.25	+7.6
1937	16.0	6.50	+9.5
1938	18 to 19	6.50 to 7	+11.00 to 12.50

Finally, it must be considered that the total capital investments of the German economy have increased. This must have led also to an increase in replacement requirements. But even if replacement investments for 1938 are estimated at six and one-half to seven billion reichsmarks, new capital investments amount to about twelve billion reichsmarks—that is a good 15 percent of the German national income. This figure shows clearly what efforts are being made to increase and to improve plant capacity, plant equipment, etc.

THE DEVELOPMENT OF INVENTORIES IN GERMAN INDUSTRY

There are in Germany no comprehensive statistics with regard to the development of total industrial inventories. However, by studying the balance sheets of important corporations, one can arrive at an approximate picture of the changes which have taken place in recent years in this field.

TOTAL INVENTORIES

The German Institute for Business Research calculated the value of total inventories for the year 1935 at about nine to ten billion reichsmarks. Since then inventories must have increased to a considerable degree. The balance sheets of important industrial corporations show the following increases:

Value of stocks on hand in important corporations [1]

[1935=100]

Year	Reich Statistical Office [2] (middle of year)	Institute for Business Research [3] (annual average)
1935	100	100
1936	106	104
1937	136	142

[1] Industrial companies only.
[2] Statement in each case for the third or fourth quarter.
[3] Smaller group of industrial companies.

Naturally, these figures offer only a small base for estimates. Nevertheless, the trend of development has probably been correctly reflected. If the changes in the balance sheet statistics were to be transferred to the above-mentioned figure of nine to ten billion reichsmarks (for 1935), one would arrive at a figure of nine and one-half to ten and one-half billion reichsmarks for the total value of inventories in 1936 and at a figure of about twelve and one-half to thirteen and three-fourths billion reichsmarks for the value of inventories in 1937. This is just about the value of the inventories in 1928–29 (13,000,000,000 reichsmarks). Therefore, the predepression figure for inventories has just about been reattained.

However, the changes which have taken place since 1928–29 in the industrial structure should not be overlooked:

1. In the first place production has shifted more strongly to capital goods, while the production of consumption goods has disappeared more into the background. However, it is well known that in important capital-goods industries (for example, building and construction industry, machine industry, shipbuilding industry) inventories are much smaller than in consumption-goods industries, due to the nature of the process of production. Even if total industrial inventories should not have attained the predepression relation to turn-over, this does not mean that there are shortages.

2. On the whole it can be assumed that an inventory value of about 13,000,000,000 reichsmarks means today a greater volume of goods than in 1928–29. For first of all the price regulations no longer require that every fluctuation, for example, on the raw-material markets, be reflected in the valuation of inventory. Secondly, the prices of raw material and semifinished goods especially are below the level of 1928–29. The index figure of prices of industrial raw material and semifinished goods was on the average for 1937 still 28 percent beneath the level of 1928. In the case of industrial finished goods the difference is still 21 percent. The present volume of industrial inventories cannot be exactly determined, especially since the composition of the inventories changes from year to year.

THE DEVELOPMENT IN 1938

In 1938, the increase in industrial inventories continued. This is especially true for inventories of semifinished goods. It is clear that with increasing production more goods (both in value and volume) were in the process of manufacture than in 1937. Moreover, the delays in production which arose from time to time strengthened the tendency to increase the inventory of semifinished goods.

But in the case of raw materials, too, there must have been an increase in the inventories. Three factors hint at this development:

1. Already in the first half of 1938 domestic raw material production increased more rapidly than the manufacture. According to calculations of the German Institute for Business Research, the increases have been as follows:

	Percent
Domestic raw material production	+11
Industrial manufacturing	+8

2. The decline in prices on the world market made it easier to purchase foreign raw materials; in the first 10 months of 1938 the volume of raw material and semifinished goods imports was about 12 percent higher than in the same period of 1937. But industrial manufacturing only increased by 8 percent.

3. Finally, the reduced demand of foreign countries led to the fact that in 1938 a greater amount of domestically produced raw materials and semifinished goods remained on the home market than in 1937. The export volume was, from January to October 1938, about 21 percent less than in the corresponding period of the previous year.

If one adds the increase in domestic raw material production to the rise in the import surplus, there must have been in the period from 1937 to 1938 an increase of 15 to 20 percent in the volume of raw materials available. Thus the increase here has been twice as great as the increase in the manufacturing of raw materials.

The development of finished-goods inventories is hard to determine. A selection of important industrial balance sheets shows a considerable increase from 1937 to 1938. But whether this tendency was generally true cannot be determined. For the great capacity utilization tends toward a contrary movement of inventories, as does the fact that retail trade continually covers future requirements. But even if finished-goods inventories should have remained at a low level, the great increase in raw material and semifinished goods inventories was sufficient to cause an increase in total industrial inventories. We need not emphasize that there were great differences in the individual industries and in the individual commodities.

[Supplement to the Weekly Report of the German Institute for Business Research, Berlin, January 26, 1939]

ECONOMIC MOBILIZATION AND RAW-MATERIAL PROBLEMS

(First section of an address delivered in Berlin on October 4, 1937, to a group of high-ranking German officers. The complete address was published in State Secretary Brinkmann's book, Wirtschaftspolitik aus nationalsozialistischem Kraftquell; Jena, Gustav Fischer, 1939. This book will soon appear in English)

(By Rudolf Brinkmann, vice president of the Reichsbank and state secretary in the Ministry of Economics)

"If a nation desires to assure its peaceful development, it must be and must remain completely armed for war." This sentence was written around the turn of the century by the political economist, Albrecht Schäffle and was apparently derived from the famed saying of old Vegetius, "Si vis pacem, para bellum."

There is no doubt that the catastrophe of the World War would have broken over our heads much sooner if we had not gone to such pains to assure the military security of our country. For in the judgment of the pre-war period a nation was considered strong only if it possessed a strong military force. It is not to be wondered at that economic preparation for a possible war was not given the serious consideration which it should have received. There was no great necessity for us in the pre-war period to devote a greater amount of attention to questions of economic preparation, for in the pre-war period we were never burdened with economic cares. What we needed to complement our domestic and colonial production of foodstuffs and industrial raw materials we could import without difficulty from abroad, since we were in a very favorable position as far as our international balance of payments was concerned. And since many groups were of the opinion that in case of war the maintenance of this capacity to pay would assure at all times a sufficient commodity import from neutral countries, efforts were directed mainly toward an increase in the national gold holdings. In line with this there was passed the well-known law of February 20, 1906, which permitted the issue of notes in smaller denominations in order to withdraw as far as possible gold coins from circulation. Furthermore, it was thought that in case of war, raw-material imports from the German colonies could be maintained, at least to a certain degree, and that in case of emergency our import requirements, at least as far as the nutrition sector was concerned, could be satisfied through deliveries from our allies. Finally, it was the general opinion that in view of the great technical development in military armament, a future war would last only a short time and would be decided in a few

great battles; for this additional reason it was assumed that there was no great possibility of serious difficulties arising in the supply of foodstuffs and raw materials.

The course and the length of the World War showed us clearly that in the prewar period the importance of economic questions was greatly underestimated, and that the method of handling these questions was by no means in line with actual requirements. Indeed, the World War showed us that in the end it was economic reasons which prevented us from following up our famed deeds of arms with the deserved final victory. We had to experience not only a complete severance of our country from her colonies and their raw materials, but also a planned blockade which cut us off from all overseas imports; these two facts led in the course of time to regular economic warfare. Under these circumstances military operations necessarily had to serve not only a military purpose, but, in many cases, also an economic purpose. I call your attention to the occupation of the Ukraine as granary, the advance directed against Rumania's oil and grain fields, and the expedition into the Crimea. It is understandable that the soldier is loath to include such considerations in his operative plans, since they can often lead to weakness at an important military point. There, where the commander seeks the military decision of the campaign, he must be as strong as possible, and his operative freedom of movement must not be burdened any more than necessary by such special considerations. The longer the World War lasted, the more apparent became the economic weaknesses, even though the efforts to bring about a speedy adjustment of the national economy to war requirements were not unsuccessful in many spheres. For example, success was achieved in replacing the nickel so important in the manufacture of cannon, by nickel-free steel without injury to the quality; furthermore, success was achieved in replacing the saltpeter necessary for powder production by products of the Leunawerke, and a substitute was also found in the textile industry for wool and cotton. Under all circumstances, a way should have been found to prevent the serious munition shortage under which our troops suffered even in the first months of the war—winter 1914–15; this shortage led to the fact that possibilities remained unutilized which might have had an effect on the final outcome of the war.

Thus, the war taught us the great lesson that not only the strength of the weapons, but also the strength of the economy, are of decisive importance in times of war.

Nevertheless, the knowledge thus gained was not utilized during the first period of the reconstruction of the German economy in post-war years. This was due mainly to the Versailles Treaty. We all remember what great changes the German economy experienced through the provisions of this treaty, and to what binding control our former enemies subjected our economic life. In addition, the German governments of that time, in their "role" as pacifists, suppressed brutally all efforts to arouse the national conscience of our country. But even if there had been no Versailles Treaty, and even if the governments had not rejected the idea of military preparedness, it seems doubtful whether the experiences of the World War were sufficiently considered when the reconstruction of the German economy was undertaken. For the economy of that time was directed along liberalistic lines. And that meant in the long run that the economy ruled the state, and not the state the economy. Under such circumstances economic decisions were made only seldom from the viewpoint of necessity, but very often from the viewpoint of profitability. However, it must remain unclear why, even in that time, it was not realized that the soldier does not exist only "for war", but also to prevent war, or at least to prevent it as long as possible. Thus, the economy would have served its interests best, if it had forgotten to a certain degree its selfish striving for profit, and had accepted the sacrifices connected with every program of economic mobilization. The frequently expressed view that wars are seldom and that, therefore, preparatory measures in times of peace should not go beyond the point where they affect general economic interests, cannot justify the shortcomings of the past. For even though the nations of the world do not desire war, because they know that they are richer and happier without it, history shows us that the desire for peace has always been disappointed, and that there is but little hope that this will ever be different.

Thus it remained for national socialism to carry through in the economic sphere those measures which were definitely necessary in the light of the economic lessons taught us by the World War. National socialism created the prerequisites for a successful solution of this problem by combatting selfishness, on the one hand, and, on the other hand, by reawakening appreciation of the fact that the freedom of a nation, and, thus, of its economy can be realized and maintained only through a complete military and economic preparedness.

For 4 years now the German economy has been in the process of adjusting itself to the economic requirements of a future war. And we are approaching today that condition for the description of which the term "economic mobilization" was coined. But it would be incorrect to suspect here the introduction of a new economic system. The sole purpose of economic mobilization is to arouse and to maintain a definite attitude in the national economy and to endeavor to bring this attitude into agreement with all types of economic activity. Therefore, economic mobilization is not opposed to normal economic activity; it is the new form of this normal activity. It has the task of surveying the whole field of economic phenomena and facts, and, as was once expressed, its work in content and form is similar to that of a preparedness organization.

The aim of these efforts toward change and adjustment is clearly set: a highly efficient economy which is in a position in times of war to satisfy the needs of the armed forces as well as the necessary requirements of the rest of the country.

This leads to two special problems for this "preparedness organization": the satisfaction of the economic requirements of the armed forces of the country and the preparation and execution of the economic mobilization. The magnitude of these problems corresponds to the totalitarian character of the war of the future. For, due to this totalitarian feature, the war of the future will not be carried on by soldiers alone; it will include within its orb the worker in the factory, the farmer in the field, and the women and children in the home. Indeed, it will be like the wars of our forefathers, when the entire nation with all its men, women, and children was engaged in a war. The totalitarian war of the future will be again a war of nation against nation in the widest sense of the word.

The difficulties which have to be overcome today by the German economy in order to solve these problems are made all the greater by the fact that the unfortunate outcome of the war deprived us of valuable sections of our territory and caused a serious limitation of our raw material reserves—13 percent of German territory; that is, about 70,000 square kilometers were lost. Included therein were fertile regions in east and west Prussia, Posen, and Schleswig-Holstein; deposits of iron, lead, coal, zinc, and copper in Silesia and Lorraine; and the colonial possessions with their valuable products.

The magnitude of the problems which have to be mastered today demands quite naturally, in addition to increased efforts of all concerned, the exploitation of all sections and possibilities of the national economy. Therefore, if economic mobilization wishes to attain the aim set for it, it must not limit itself, for example, to the mere solution of problems of raw-material supply and nutrition in the sense of its requirements, but it must necessarily include within its sphere of activity a number of other fields. Among such fields to be included are finance, trade, and transportation; insurance and propaganda; questions of labor utilization; of changes in plant operation; of industrial air-raid precautions and counter sabotage.

In judging how much progress has been made by the German economy in the process of adjustment and change necessitated by economic mobilization, it must be remembered that the idea of economic mobilization did not start until a few years ago to play its rightful part in German economy. Therefore, it can, indeed, be considered a great success that the German economy is completely filled today with the spirit of economic mobilization, and is now endeavoring to give practical application to that idea. For just as in all other fields of human activity, so, too, in economic life the spirit which prevails is decisive for the success or failure of an undertaking. If once the proper attitude is created, then much has been gained in the struggle for practical application.

But it is not only the mental attitude which characterizes the German economy and which enables it to compete to a great extent with nations in a more advantageous position. It can be said without boasting that Germany is excelled by no other country in the systematic realization of the requirements of economic mobilization. We undoubtedly owe this systematization to the existence in Germany of a uniform political will. There are probably only a few countries whose economy, thanks to political unification, presents as united a front as the German economy. The inclusion of all industrial firms in the great German organization, Estate of Industry and Trade, not only makes it possible for German economic leadership to get a clear picture of the conditions, efficiency, and requirements prevailing in the various economic groups and in individual firms, but it also guarantees the quickest possible adjustment of the entire economy to any necessary changes. In addition, this organization, which is tending more and more toward self-administration, is especially suited, particularly in the technical field and in the field of industrial operation, to help its members achieve the top performance which the general welfare demands. Thus the Estate of Industry and Trade represents an especially serviceable instrument in the execution of projects of economic mobilization.

Although we can view with satisfaction the increasing orientation of the German economy along the lines of economic mobilization, we must not overlook the fact that economic mobilization is subject to certain limits which are either naturally given or which are necessitated by the general interests of our country.

Thus there is no doubt that the German economy would be placed in a very dangerous position if, in the assumption that a future war would in any case disturb considerably our economic relations with foreign countries, we were led to make the mistake, for example, of abandoning the foreign trade which we have developed over so many years. It is apparent that such a decision would be economic suicide and thus, economic insanity; therefore, it is but natural that in this point the efforts toward economic mobilization should renounce consciously the utilization of forces which are of decisive importance for the direct assurance of the basic requirements of the German nation. We are not even freed of the old necessity of alloting exports first place before all other demands, and it would be a good thing if this requirement, forced on us by present need, were given more consideration by the public authorities.

Though at first glance promotion of foreign trade does not seem to be compatible with an economic mobilization directed along the

lines of strict self-sufficiency, it must not be overlooked that foreign trade may under certain circumstances also be in the interest of economic mobilization. For in times of war the demand to be covered increases greatly, and this demand can be satisfied only if the required additional labor supply is available; the workers now employed in production for foreign trade will in such a case prove a welcome and capable labor reserve. Moreover, foreign trade is also important for economic mobilization for another reason: It permits in some cases not only the sparing of domestic raw material resources, but also the formation of a more or less considerable reserve of raw materials and foodstuffs.

We have seen that in setting the aim of economic mobilization the requirements of foreign trade must be considered; economic mobilization is also subject to certain limits in the question of changes in industrial methods, products, etc. For example, if machines for a special military purpose are to be made available, it must be considered that technical progress in our times is very great, and that what is new today is often tomorrow obsolete. We must consider further that industrial activity is in many cases tied up with the location of raw-material deposits, with means of transportation, with the working population, and with many other factors, and that for this reason, too, there are limits to the realization of complete economic mobilization.

The same thing holds true for the building up of raw-material and foodstuffs reserves in peacetime; for the maintenance of considerable reserves presupposes a large amount of capital, and the poorer a nation is the less it can invest for a purpose which does not give promise of proving profitable within a reasonable time. Moreover, such stocks usually represent dead capital, which in times of good business means a burden and in times of depression a danger. In addition, it is hard to judge the amount which should be stored up; stocks require regular supervision; and in most cases there is a certain wastage. It is well known, for example, that iron ore and coal which are stored too long suffer a decrease in value, while oil "breathes" under the influence of temperature fluctuations, and much of it is lost in the form of gas.

Finding the correct limits for economic mobilization is in itself difficult enough, but there are in many respects other difficult problems in economic mobilization which are always to be found when calculating with unknown quantities.

It is well known that at present the German economy is endeavoring to secure the widest possible range of self-sufficiency. But it is impossible to say what degree of self-sufficiency is actually necessary to cover the requirements of a future war. For although it is known with certainty that in times of war the economy is faced with greater demands in the field of self-sufficiency than in times of peace, it is very difficult to estimate the extent, since this depends on the unpredictable course and length of the war itself. Moreover, in wartime it is often impossible to maintain the previous production level since production is exposed to changed conditions through reduced labor supply, diminished raw materials, semifinished goods, and means of transportation.

The shifting of industry from one section of the country to another presents a similar problem. For although it is just to demand that important industries be shifted from endangered border zones to less dangerous sections further inland, the realization of this is often very difficult. Often the industrial location was selected because the nature of the land offered unusually favorable production conditions. In such cases shifting of the location would be very injurious, and might even lead to a great reduction in efficiency. Furthermore, it must be considered that in the course of years and decades many enterprises have invested a considerable amount of capital in their plants. A shifting of the location would mean that a part of this capital investment would be lost. This would lead necessarily to the question of raising capital to replace these losses.

Although it is very difficult to shift the location of existing industries, in the establishment of new industries the requirements of economic mobilization, including location, are naturally taken into consideration.

The question of the supply and utilization of labor is also a problem which confronts economic mobilization. For the importance of the skilled worker increases as technical methods are developed and perfected. The problem lies in the fact that in time of war it will not only be necessary to fill the gaps which military drafts make in the ranks of the skilled workers, but it will also be necessary to increase considerably the number of such workers in correspondence with the increased demands placed on the economy. It will be necessary to investigate the possibility of making use, after suitable training, of women and of men unfit for Army service.

The questions raised above show that economic mobilization is today still confronted with many problems, some of which are extremely important. There is no doubt that everything is being done to master these problems, and that in the end it will be possible to find in the various fields solutions which make allowance both for the possible requirements of the future as well as for the necessities of the present.

THE ECONOMIC SITUATION IN GERMANY—STATISTICAL SUPPLEMENT TO THE WEEKLY REPORT OF THE GERMAN INSTITUTE FOR BUSINESS RESEARCH, BERLIN, JAN. 26, 1939

Statistics of finance, commodity prices, and cost of living, foreign trade

[For statistics on production, employment conditions and wages, domestic trade and consumption, transportation and communication, see Weekly Report, Jan. 11, 1939]

I. FINANCE

Classification	Unit[1]	1929	1932	1937	1938	1937	1938											
		Monthly average				December	January	February	March	April	May	June	July	August	September	October	November	December
		Number of working days				26	25	24	27	24	25	25	26	27	26	26	25	26
Finances of Reich:																		
Receipts from taxes, customs, etc.	Million reichsmarks (m. t.)	[2] 764	[2] 554	[2] 1164	.....	1522	1106	929	1445	1018	1001	1651	1316	1305	2013	1367	1264	2087
Total debt of Reich [3]	Million reichsmarks (e. m.)	[4] 9630	[4] 11690	[4] 19098	.....	17570	18910	18975	19098	20739	21593	22445	22936	23763	23827	25676	25660	.....
Reichsbank:																		
Gold and foreign exchange reserve [5]	do	2506	975	75	76	76	76	76	76	76	76	76	76	76	77	76	77	76
Capital investments	do	2479	3503	5385	7365	6584	5979	6136	6358	6330	6751	7093	7160	7531	9071	8423	8408	9143
Bills [5]	do	*2276*	*3058*	*4908*	*6608*	*6131*	*5519*	*5658*	*5908*	*5853*	*5850*	*6175*	*6264*	*6648*	*8174*	*7543*	*7514*	*8123*
Collaterals	do	*110*	*144*	*43*	*55*	*60*	*66*	*81*	*63*	*59*	*57*	*71*	*49*	*35*	*48*	*32*	*48*	*45*
Securities acceptable as cover for note circulation.	do	.....	.....	*133*	*403*	*106*	*108*	*110*	*96*	*121*	*545*	*547*	*549*	*550*	*550*	*550*	*548*	*557*
Demand deposits	do	543	389	739	1094	1059	851	891	1323	1031	1021	1119	920	1033	1231	1040	1141	1527
Notes in circulation	do	4396	3820	4778	6680	5493	5199	5278	5622	6086	6269	6440	6650	6869	8023	7754	7744	8223
8 large banks:																		
Deposits [6]	do	9,380	5,676	6,113	6,613	.....	6,131	6,194	6,340	6,399	6,501	6,539	6,722	6,878	6,866	7,010	7,168	.....
Debtors (excluding bank debtors)	do	5,792	4,821	3,318	3,422	.....	3,292	3,344	3,426	3,391	3,313	3,414	3,458	3,481	3,540	3,524	3,462	.....
Bills	do	[7] 2,939	[7] 1,730	3,218	3,503	.....	3,118	3,181	3,256	3,273	3,511	3,453	3,685	3,809	3,582	3,824	3,839	.....
Securities	do	274	591	935	1,024	.....	975	954	899	1,055	987	1,000	1,002	990	985	1,076	1,340	.....
Cash liquidity	In percent of liabilities (e. m.)	.....	.....	1.88	2.10	.....	1.90	1.71	2.21	1.84	2.01	2.26	1.99	2.32	2.56	2.07	2.25	.....
Second-class liquidity	do	.....	.....	38.82	42.95	.....	39.92	38.82	39.16	40.96	42.26	43.41	44.45	44.47	43.90	46.97	48.08	.....
Savings banks: [8]																		
Savings deposits, total	Million reichsmarks (e. m.)	[9] 11, 564	[9] 11, 447	[9] 16, 050	.....	15, 741	16, 191	16, 420	16, 546	16, 682	16, 814	16, 891	17, 003	17, 127	16, 978	17, 222	17, 421	17, 687
Giro deposits including Saxon Giro banking system).[10]	do	.....	[11] 1, 509	[12] 2, 542	[12] 2, 8[illegible]3	2, 542	2, 607	2, 767	2, 744	2, 740	2, 874	2, 784	2, 784	2, 994	2, 871	2, 917	3, 093	2, 878
New capital flotations:																		
Stocks, market value [13]	Million reichsmarks (m. t.)	82	13	28	.....	17	47	14	11	44	2	10	116	345	7	103	9	.....
Fixed-interest-bearing securities (nominal value).	do	140	69	358	.....	138	1, 474	174	550	1, 597	452	84	81	864	158	1, 970	287	.....
Stock prices, index numbers:																		
Total	1924–26=100 (m. a.)	133.9	54.5	111.8	109.1	111.3	113.8	113.6	113.9	114.8	112.7	110.5	107.9	102.2	103.2	107.5	106.0	103.1
Mining and heavy industry	do	124.7	56.0	121.8	114.1	118.5	120.5	119.4	119.0	120.1	117.7	116.5	114.0	106.7	107.8	112.4	109.4	105.5
Other manufacturing industries	do	126.8	48.6	104.4	103.4	104.7	107.6	107.4	108.1	109.3	107.2	104.7	101.8	96.7	97.7	101.7	100.8	98.3
Trade and transportation	do	155.1	63.1	115.3	114.3	116.2	118.6	119.1	119.1	119.7	117.7	115.1	112.8	107.5	108.5	113.1	111.8	109.1
4½-percent bonds: [14]																		
Average market value [15]	Percent (m. a.)	81.42	66.78	98.69	99.85	99.68	99.81	99.94	100.05	100.05	100.03	99.98	99.95	99.89	99.84	99.81	99.68	99.21
Mortgage bonds, of mortgage banks and public banks.	do	81.07	71.76	99.03	100.00	99.92	100.06	100.11	100.13	100.12	100.12	100.06	100.04	100.01	99.98	99.99	99.95	99.44
Municipal bonds, of mortgage banks and public banks.	do	82.53	58.87	97.91	99.72	99.14	99.30	99.65	99.93	99.96	99.93	99.92	99.92	99.90	99.87	99.77	99.43	99.07
Other public loans [16]	do	82.81	62.04	98.10	99.24	99.25	99.23	99.47	99.78	99.78	99.70	99.65	99.50	99.22	98.97	98.83	98.62	98.16
5 percent industrial bonds	do	.....	.....	101.83	101.90	102.72	103.03	103.09	102.96	102.88	102.52	102.14	101.76	100.91	100.50	101.54	101.24	100.21
Money rates:																		
Reichsbank discount rate	Percent (p. a.)	7.11	5.21	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Fine bank bills	do	6.87	4.95	2.91	2.88	2.88	2.88	2.88	2.88	2.88	2.88	2.88	2.88	2.88	2.88	2.88	2.88	2.88
Yield on 4½ percent mortgage bonds	do	7.40	8.38	4.54	4.50	4.50	4.50	4.50	4.49	4.49	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.53
Yield on stocks [17]	do	5.69	5.62	4.01	.....	4.15	4.13	4.22	4.29	4.32	4.59	4.67	4.87	5.08	4.82	4.77	4.99	.....
Money in circulation	Million reichsmarks (e. m.)	5,965	5,802	6,686	8,728	7,499	7,143	7,241	7,591	8,068	8,233	8,482	8,721	8,952	10,170	9,862	9,865	10,404

II. COMMODITY PRICES AND COST OF LIVING

Commodity prices, index numbers:																		
Sensitive commodities [18]	1913=100 (m. a.)	124.2	50.3	79.0	73.9	74.5	74.6	73.9	74.2	73.9	73.0	72.4	73.5	73.4	74.1	75.1	75.0	74.1
Wholesale prices, total	do	137.2	96.5	105.9	105.8	105.5	105.6	105.7	105.8	105.6	105.4	105.6	105.6	105.9	105.9	105.7	106.1	106.3
Agricultural products	do	130.2	91.3	104.6	106.0	104.6	105.0	105.3	105.6	105.7	105.8	106.0	106.6	106.6	105.6	105.7	106.8	107.2
Industrial commodities [19]	do	141.8	100.0	107.2	106.4	106.6	106.6	106.6	106.6	106.3	106.0	106.1	106.2	106.3	106.2	106.4	106.8	106.4
Industrial raw materials and semifinished products.	do	131.9	88.7	96.2	94.1	94.1	94.4	94.4	94.4	93.9	93.4	93.7	93.8	94.0	94.0	94.2	94.2	94.3
Textiles	do	*140.6*	*62.6*	*88.9*	*79.4*	*80.8*	*81.0*	*80.4*	*80.2*	*79.8*	*79.5*	*79.8*	*79.7*	*79.8*	*78.9*	*78.1*	*78.1*	*78.0*
Building materials	do	*158.9*	*108.3*	*117.9*	*120.6*	*120.4*	*120.4*	*120.4*	*120.4*	*120.3*	*120.3*	*120.3*	*120.2*	*120.6*	*120.7*	*120.7*	*121.0*	*121.7*
Industrial finished products	do	157.4	117.9	124.6	125.8	126.0	125.9	126.0	126.0	126.0	125.9	125.9	125.9	125.8	125.6	125.6	125.5	125.6
Production goods	do	*138.6*	*118.4*	*113.2*	*113.0*	*113.1*	*113.1*	*113.1*	*113.0*	*113.0*	*112.9*	*112.9*	*112.9*	*112.9*	*112.9*	*112.9*	*112.9*	*112.9*
Consumption goods	do	*171.6*	*117.5*	*133.3*	*136.4*	*136.8*	*136.6*	*135.7*	*135.7*	*135.7*	*135.6*	*135.6*	*135.6*	*135.5*	*135.1*	*135.1*	*135.0*	*135.1*
Raw materials, cartellized prices [20]	1928=100	103.6	80.4	78.7	78.9	78.5	78.6	78.6	78.6	78.7	78.5	78.6	78 7	79.2	79.4	79.3	79.2	79.4

See footnotes at end of table.

THE ECONOMIC SITUATION IN GERMANY—STATISTICAL SUPPLEMENT TO THE WEEKLY REPORT OF THE GERMAN INSTITUTE FOR BUSINESS RESEARCH, BERLIN, JAN. 26, 1939—Continued

Statistics of finance, commodity prices, and cost of living, foreign trade—Continued

II. COMMODITY PRICES AND COST OF LIVING—continued

Classification	Unit[1]	1929	1932	1937	1938	1937	1938										
		Monthly average				December	January	February	March	April	May	June	July	August	September	October	November	December
		Number of working days				26	25	24	27	24	25	25	26	27	26	26	25	26
Cost of living, index number:																		
Total	1913-14=100 (m. a.)	154.0	120.6	125.1	125.6	124.8	124.9	125.2	125.5	125.6	125.9	126.0	126.8	126.5	125.2	124.9	125.0	125.3
Food	do	155.7	115.5	122.3	122.1	121.1	121.2	121.5	122.2	122.3	122.8	123.0	124.3	123.9	121.3	120.7	120.8	121.3
Clothing	do	172.0	112.2	125.7	130.5	127.9	128.3	128.6	128.9	129.4	129.9	130.9	131.4	131.4	131.4	131.6	131.7	131.9
Rent	do	126.2	121.4	121.3	121.2	121.3	121.3	121.3	121.3	121.2	121.2	121.2	121.2	121.2	121.2	121.2	121.2	121.2
Fuel and light	do	141.1	127.3	125.3	124.8	125.9	125.9	125.9	125.8	125.5	124.1	123.1	123.2	123.6	124.5	125.1	125.5	125.6
Miscellaneous	do	172.5	146.8	142.3	142.3	142.4	142.6	142.7	142.7	142.5	142.5	142.6	142.0	142.0	142.0	142.0	142.2	142.1

III. FOREIGN TRADE [21]

		Yearly totals																
By economic classes:																		
Imports, total	Million reichsmarks (m. t.)	13447	4667	5468	5449	531	484	453	462	430	457	429	417	457	450	475	464	486
Exports, total	do	13483	5739	5911	5257	552	446	436	478	423	427	403	439	419	416	467	431	479
Import (−) or export (+) surplus	do	+36	+1072	+443	−192	+21	−38	−17	+16	−7	−30	−26	+22	−38	−34	−8	−33	−7
Imports of:																		
Foods and fodder	do	5381	2133	2045	2111	205	179	171	172	165	167	160	145	153	178	208	207	205
Raw materials	do	3927	1272	1996	1850	182	178	166	159	150	166	154	155	170	141	139	129	147
Semifinished products	do	2374	748	980	1041	96	88	78	89	79	85	79	81	98	98	91	88	89
Finished products	do	1765	558	397	397	43	34	34	37	32	34	32	32	32	29	33	34	40
Exports of:																		
Foods and fodder	do	870	260	89	61	9	7	5	6	5	4	6	4	3	3	5	7	8
Raw materials	do	1582	578	578	504	47	44	43	48	43	44	45	46	44	40	39	35	36
Semifinished products	do	1596	556	543	403	46	40	37	35	29	31	29	32	34	33	37	37	35
Finished products	do	9435	4345	4700	4286	450	355	351	388	346	348	323	358	339	340	385	352	401
By divisions and countries:																		
Great Britain:																		
Exports to	do	1,306	446	432	.....	40	32	33	34	30	27	24	28	27	28	34	27	.....
Imports from	do	865	259	309	.....	28	23	23	27	23	22	22	24	22	24	23	26	.....
Other parts of the British Empire: [22]																		
Exports to	do	607	241	379	.....	31	31	26	28	26	23	27	28	28	29	32	29	.....
Imports from	do	1,788	542	643	.....	51	58	58	47	45	49	44	38	42	43	53	47	.....
United States of America:																		
Exports to	do	991	281	209	.....	21	16	11	12	10	11	8	11	14	11	15	13	.....
Imports from	do	1,788	592	282	.....	29	26	30	29	30	33	37	29	39	50	47	26	.....
All European Countries: [23]																		
Exports to	do	9,997	4,678	4,104	.....	399	295	300	340	301	303	291	309	296	300	328	304	.....
Imports from	do	7,142	2,540	3,061	.....	311	270	248	256	227	233	231	225	252	238	259	272	.....
Netherlands:																		
Exports to	do	1,335	633	468	.....	38	33	33	43	33	35	36	38	38	36	42	39	.....
Imports from	do	701	273	216	.....	22	18	16	18	15	15	16	17	16	15	17	18	.....
France:																		
Exports to	do	935	483	313	.....	26	23	21	22	22	20	18	17	14	14	14	14	.....
Imports from	do	642	190	156	.....	15	16	13	13	11	13	12	11	11	10	10	13	.....
Switzerland:																		
Exports to	do	627	412	231	.....	19	15	17	17	16	18	18	18	17	18	20	17	.....
Imports from	do	318	92	94	.....	9	8	8	8	8	8	8	8	9	7	10	9	.....
Italy: [24]																		
Export to	do	602	223	318	.....	32	25	26	31	27	25	28	26	24	21	21	21	.....
Imports from	do	442	181	221	.....	24	18	20	21	18	19	23	20	27	17	17	24	.....
South America:																		
Exports to	do	865	192	532	.....	58	53	53	48	43	39	37	51	38	40	44	42	.....
Imports from	do	1,256	353	731	.....	73	60	53	62	62	64	57	64	61	57	52	53	.....

[1] e. m.=end of month; m. t.=monthly total; m. a.=monthly average.
[2] Fiscal year, monthly average.
[3] Excluding revalorized loan (Neubesitzanleihe); see Weekly Report, Nov. 13, 1935.
[4] End of fiscal year.
[5] Including Reich Treasury bills.
[6] Excluding interbank deposits.
[7] Including drafts.
[8] Including municipal banks.
[9] End of year, according to the yearly balances; including interest matured but not yet credited.
[10] Including time deposits.
[11] End of year, according to the yearly balances.
[12] According to the monthly statistics of the savings banks: December.
[13] Not including property accretions and amalgamations.
[14] Up to March 1935, 6-percent bonds.
[15] Since July 1934 excluding Reich loans and since April 1935 excluding industrial bonds.
[16] Since July 1934 excluding Reich loans.
[17] Yield on stocks quoted on Berlin Stock Exchange.
[18] Machinery cast-iron scrap, scrap iron, sheet-brass scrap, lead, lumber, wool, hemp, flax, cattle hides, calf skins.
[19] Raw materials and finished products.
[20] Calculations made by the German Institute for Business Research.
[21] Since April 1938 excluding commodity trade of the Old Reich with Austria; since October 1938 including commodity trade of Sudeten-German territory bordering on the German customs frontier with foreign countries and excluding commodity trade of Reich with total Sudeten territory.
[22] Eire, East, South, and West Africa (since 1937 including Anglo-Egyptian Sudan), India, Malaya, Ceylon, Canada, West India, Australia, New Zealand, Other British Australia, and Polynesia.
[23] Including Spanish and Italian foreign possessions.
[24] Including foreign possessions.

Progress and Unemployment in Puerto Rico

EXTENSION OF REMARKS
OF
HON. SANTIAGO IGLESIAS
RESIDENT COMMISSIONER FROM PUERTO RICO
IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1939

Mr. IGLESIAS. Mr. Speaker, since 1898 Puerto Rico has been under the flag of the United States, and since 1917 its residents have been citizens of the United States. Puerto Rico was taken under the flag of the United States to put an end to political persecution. The United States Government then assumed the obligation of helping the Puerto Ricans to develop the institutions and habits of democracy. During the years of this responsibility there has been great progress in the island, and, with that progress, new needs have become urgent and new demands have been urged.

Economically, Puerto Rico has been commercially progressive with the United States. It is one of the United States largest customers, ranking sixth among all the nations of the world.

It was only under the flag of the United States that the workers of Puerto Rico were free to organize a labor movement for the purpose of bettering their conditions of life and work. The A. F. of L. gave them support and counsel in formulating their union policies and methods. The labor movement in Puerto Rico includes agricultural as well as industrial workers. The effective functioning of the labor movement at the present time, when the reconstruction program was in progress in Puerto Rico, it was indispensable and desirable to get lasting results from that program. It has been the masses of the people who suffer from the existing economic conditions.

It was inevitable that the economic structure of Puerto Rico was organized at the beginning of 1900 on the basis of absentee ownership. As everywhere, the finances in sugar, fruit, tobacco, all were controlled in a great part by absentees; and naturally the result was that a very important percentage of the profits emigrated from the island to the mainland and European countries. But this condition was similar to that which exists in some sections of the mainland from which corporations suck the profits from agriculture and industry. There are purely social and economic problems of America as well as Puerto Rico, and should be solved by American principles of justice and humanity, without mention of emotional ideas and sentiments of any anti-American nature.

Puerto Rico has made real progress under the leadership of the United States and is anxious to continue without change in political relationships. Puerto Rico is aware of its duties and responsibilities and does not want to commit political suicide. The United States cannot lightly relinquish a promise assumed with the inhabitants of the island. The majority of the citizens, including the entire labor movement of Puerto Rico, is willing to keep faith with our American institutions and wants to continue its permanent union with the United States.

The United States Supreme Court in various decisions has declared that Puerto Rico is a part of the United States as an organized Territory. We should be incorporated by Congress. A proper Territorial form of government for the island should be initiated by Congress without further delay, to the end that the people of the island be enabled to rapidly develop full and complete economic and political self-government.

It must be borne in mind that there are approximately 550 people per square mile in Puerto Rico, as compared with only about 42 per square mile in the States. Thus, while Puerto Rico does a big trade and buys an almost incredibly large volume of goods from the United States each year, they could use more. Living standards for the most part still are relatively low. The diet of the bulk of the people is poorly balanced. Yet the trend is definitely upward.

Overpopulation is the greatest problem confronting Puerto Rico and is the consequence of unemployment in the island. Every Governor and the legislature, as well as every intelligent leader and responsible man and woman in Puerto Rico, is giving thought to find a cure for these dreaded social and human diseases which threaten to drive our poorer people to suffer continually. The tremendous problem of overpopulation is steadily increasing and will inevitably become very serious unless a part of our inhabitants may be transferred to the nearest American States where there might be lack of laborers. The immediate transfer of part of our population should be a solution, provided the Federal and insular governments have a previous understanding and clear agreement with the States' governments in which our citizens could find work to do, land, and housing facilities.

The dictators in Europe and Asia are solving their problems of overpopulation by taking by force other territories for their own expansion to which they transfer their citizens by the thousands.

We think that another proper form of minimizing the deplorable effects of overpopulation and unemployment would be by inaugurating and pushing the creation of more diversified industries of fair competition in Puerto Rico under the basic wage and hour law by private and governmental initiative.

Against the transfer of half a million of our workers from the island were those interests who are keeping wages down and in order to have duplicate idle hands for each job. Besides, they have helped in the creation of local emotions and sentimentalities to discourage any move that could facilitate the workers to find work out of the island and the necessary employment.

Yes, in the light of the great progress made these are serious problems to the island, to be solved as Americans within the Nation with the help of the President and Congress of the United States, with a disposition on the part of the people and the insular legislature to meet their obligations and duties toward the Nation. Steady reduction in absenteeism, the needs for bettering conditions of the masses, the need of augmenting the resources and production of food to meet the impoverished conditions of our agricultural working people, and all problems to be solved by American ideals and loyal assistance; but never can any good be done by spreading hatred and sinister propaganda of separation.

Other remedies of a radical character are being advocated as the proper cure for the economic and social ills of Puerto Rico; that is, to convert the island into a Commonwealth with a special social and economic organization regulating production and consumption by upholding the right to work, and employ every hand in agriculture and industry, producing every necessity under agreements without deriving any excessive profit at all. The governments of the world are using thousands of millions of dollars in armaments and have put millions of workers in war-industry jobs.

Puerto Rico has been helped greatly economically by President Roosevelt. This help is being diminished and may eventually fade, and for this moment, which may come, we must be prepared.

Wherever democracy has been crushed the workers, as many writers point out, "the workers' vital economy has been reduced to a mere subsistence basis, more or less * * * without liberty."

Secretary of Agriculture Wallace himself has given us a demonstration of how we should use the surpluses in production to feed the poor and destitute workers. He is willing to distribute the surpluses to help the needy and let the Government pay the subsidies.

Puerto Rico has felt that the protection of the United States Government affords the best opportunity for development and progress. We have our human problems, which are purely social and economic in character, and fundamentals and the solution by the way of proper remedies have to come from the Puerto Rican Legislature and Congress in the same way as they applied to the people of our Nation.

The Maine Fishing Industry

EXTENSION OF REMARKS

OF

HON. RALPH O. BREWSTER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1939

RESOLUTION OF THE LEGISLATURE OF THE STATE OF MAINE

Mr. BREWSTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following memorial recently adopted by the Legislature of the State of Maine to the Congress of the United States asking proper protection for American fishermen or compensatory subsidies:

Memorial to the honorable Senate and House of Representatives of the United States of America in Congress assembled, requesting subsidies for Maine fishermen

We, your memorialists, the Senate and House of Representatives of the State of Maine in the eighty-ninth legislative session assembled, most respectfully present and petition your honorable body as follows:

Whereas for over 100 years Maine fishermen have earned a precarious and bare living; and

Whereas the competition from foreign countries, aided by Federal treaties, is such that the Maine fishermen can no longer make their bare living; and

Whereas the Maine fishermen have been a group that has always been self-reliant and expressive of the real spirit of American democracy: Now, therefore, be it

Resolved, That we, your memorialists, do hereby respectfully petition and urge that the various types of fishing in the State of Maine be protected by proper subsidies to equalize the effects of the present and future tariff rates, or that such changes and modifications of the present tariff rates shall be made that our Maine fishermen may compete upon a just and equal basis with fishermen in foreign countries; and be it further

Resolved, That a copy of this memorial, duly authenticated by the secretary of state, be immediately transmitted by the secretary of state to the proper officers and committees of the United States Senate and House of Representatives, the President of the United States, and to each of the Representatives and Senators representing the State of Maine in the United States Congress.

The Public Works Administration a Permanent Agency

EXTENSION OF REMARKS

OF

HON. JAMES P. McGRANERY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1939

Mr. McGRANERY. Mr. Speaker, in the treatment of our national economic troubles no one remedy has been so outstanding and so generally and positively conceded as such as has the Federal Public Works Administration.

The results accomplished by this agency have been so direct and so obvious, the extent of benefits has been diversified and so far flung, that it behooves us to note well its unusual accomplishments and to study its possibilities as a standard remedy.

It is hoped that the general system built up to relieve us from the suffering of the past depression need never be called upon to function again. But it is admitted by all economists that some device must be retained to act as a preventive. From the experience of the immediate past we have found in the Public Works Administration such a preventive to counteract the extreme subnormal fluctuations wherever and whenever they may develop in our industrial and economic life.

When the Public Works Administration was established by the Congress, it was to encourage recovery and provide for the construction of useful public works. In the panic which had seized upon our citizens, construction of necessary public improvements had stopped. The new agency undertook the task of restoring confidence to the people and their officials by encouraging them to proceed as their needs required. This was accomplished by providing money in the form of loans to these communities when private investors refused such help. To encourage our citizens further to carry out the construction of their needed public works, the Government, through the Public Works Administration, also agreed to become a partner with the community and to invest national money in company with the local money in the erection of the people's selected public improvements. Such aid carried the name of a P. W. A. grant.

Thus was launched the first program of the Public Works Administration and its benefits grew like a rolling snowball. Local labor gained employment and all forms of local business gained accordingly. Employment of labor throughout the Nation revived in manufacturing and shipping of the materials needed at the site of each project. Confidence was thus restored and recovery started on its way.

The lessons learned in administering the P. W. A. programs were valuable indeed and should be treasured for future use. There is no doubt that they can be applied with benefit from time to time when necessary to assist the entire Nation or any part of it.

Prior to the depression, communities throughout our Nation invested in their public improvements, in accordance with their understanding of what constituted necessity, plus that surplus beyond necessity that they fixed as proper for advancement. On an average, the investments in public works were wise, but there were many cases where municipalities were extravagant and in many other instances niggardliness was practiced.

Damage to the community in each of these latter conditions resulted from such errors. Had there existed an agency capable of advising and ready to assist when financial aid was needed and when economic conditions warranted, there would have been the happy combination of building a needed improvement at a time when local unemployment could have been relieved thereby. Haphazard methods of many communities were discovered quite accidentally by the Public Works Administration in examining applications from these communities for aid. During the functioning of this agency, many reforms and corrections were suggested to these communities and they were gratefully accepted and followed.

The people of the Nation, now coming to a fuller realization of the purpose and intent of the Public Works Administration and, having experienced the economic benefits produced by it, look upon it with high favor. The man in the street, as well as the editors of newspapers and public speakers have, with few exceptions, expressed praise for its accomplishments.

But the convincing proof of approval of this agency lies in the evidence piled up in applications filed with the P. W. A. by communities throughout the Nation. These communities of their own volition are willing to assess themselves the major part of the costs of the public projects they propose. They realize that while benefiting themselves locally by the improvements and by employment of their own citizens, they are participating in the national plan of recovery and are coworkers with their Government in a worthy cause.

In the present P. W. A. program, for which all funds have now been allotted, a multitude of applications remain on file and their sponsors hopefully await the appropriation of additional funds to permit the offers of grants. Personnel of the P. W. A. report continuously on the numerous and repeated inquiries concerning the possibility of more funds being made available for grants. In filing applications, these communities feel that they have taken time and effort and gone to some expense that should be given consideration. They feel their economic conditions would be improved by the undertaking of public-works projects with its labor and business stimulus. In short, these communities feel that the Government is under a moral obligation to execute the idea initiated by their citizens in expectancy of P. W. A. aid through a Federal grant.

To guide us in deciding on the future of the Public Works Administration, it would be well for us to look back on the past of this agency and review its accomplishments and the benefits therefrom. Without a precedent to guide it, P. W. A. launched the largest program of useful and permanent public construction in the history of the world.

Most significant, however, is the fact that this gigantic program was timed to offset the lack of construction by private builders and to bolster the courage and purpose of building normally carried on by public bodies throughout the Nation. It proved unquestionably that the P. W. A. can be used as an effective remedy against depression.

During the past 5½ years the P. W. A. skillfully has kept a happy balance as the current construction conditions required it. In this time it has made possible the preponderance of all public construction in the United States. Thus have been created billions of hours of work at prevailing fair wages on the site and two and a half times such labor "behind the lines" throughout the Nation, in the "service of supply." Reaching back to the mines and forest, through the mills and manufacturing plants, shipped by truck, train, and boat to the site, workers all along the line have gratefully received their pay envelopes for labor performed. And thus was put in motion a never-ending cycle of purchasing power and the revival of industry.

Aside from the benefits to labor, business, and industry, the good offices of P. W. A. have been widespread. The health of our citizens has been guarded by the continuance of construction of sewers, sewage plants, waterworks, and hospitals; the education of our young continued through the erection and furnishing of needed educational institutions. The housing of the poor was initiated. Industry's need of highways, bridges, and canals was remembered. A market was created for high-grade municipal bonds when banks and private investors either were unable or unwilling to buy. Systematic and sound financial methods and planning were set up by the P. W. A. in many communities lacking in this respect. New standards and patterns were established for public works and good practices were set up and impressed upon the construction industry on P. W. A. projects. By friendly Federal partnerships with the local authorities, P. W. A. has demonstrated that public works can be constructed as efficiently, as honestly, and as graftlessly as any private undertaking.

It would be a sad loss if all the lessons that have been learned, all the paths that have been pioneered, all the gains that have been made should be abandoned at this or any other time. The P. W. A. must continue to function at least in a preventive way. It has proved itself by the true test of actual accomplishment, and the country is convinced of this now. Continuance of the Federal Emergency Administration of Public Works is the wish of the Nation's citizens.

The Traffic Safety Problem

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Friday, March 3 (legislative day of Monday, February 27), 1939

STATEMENT BY PAUL G. HOFFMAN

Mr. REYNOLDS. Mr. President, during the past 15 months there has been a consistent month-to-month decrease in the number of fatalities attributable to motor vehicle accidents. In fact, despite the tremendous volume of vehicular mileage during 1938, the number of traffic fatalities dropped about 20 percent as compared with the number in 1937. This improvement, in the form of more efficient and safer highway use, is due to many factors. The interest of the Congress in this great national problem has, of course, been helpful.

One of the basic factors, however, is the mobilization of national organizations concerned with safe highway use. These groups have been banded together in a well coordinated traffic safety program. The American Automobile Association, of which I am a vice president, is one of the cooperating groups. This constructive program has been sponsored by the automotive industry through the Automotive Safety Foundation, of which Paul G. Hoffman, president of the Studebaker Corporation, is president.

At a time when there is an effort on the part of the Government to enlist new cooperation on the part of business and industry and at a time when the business and industrial leaders of the country deserve credit for the real good they do, I ask unanimous consent to have inserted in the CONGRESSIONAL RECORD a statement by Mr. Hoffman reviewing the traffic safety problem and the achievements during 1938.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ORDERLY TRAFFIC—THE AUTOMOTIVE SAFETY OBJECTIVE

(By Paul G. Hoffman, president, Automotive Safety Foundation)

The year 1938, from the standpoint of further adjustment of motorized America to safer and more efficient use of existing traffic facilities and improvement of these facilities, was one of the most notable on record. It demonstrated, more than ever before, that a greater degree of traffic safety can be achieved; that the public is more alert to the need for such achievement; that public support is solidly behind sound programs to assure safer and more convenient highway use; and that individuals, both drivers and pedestrians, are willing to accept reasonable regulations advanced for their benefit.

Here is ample evidence that the automotive industry is attaining the objectives sought when, 3 years ago, it launched a broad, expanded traffic safety program. Out of it came the Automotive Safety Foundation for the purpose of integrating and coordinating the attack upon the traffic problem. As a result, the industry has aided in meeting a great public responsibility and contributed to greater public enjoyment of and greater public benefits from the automobile.

The basis of foundation activities is furthering the standard highway safety program for States, which has been formally endorsed by 30 national organizations, whose members represent a cross-section of American life. Direct activities are handled by 15 national organizations which are given foundation grants to augment their already comprehensive work, and through cooperation with all other agencies in accord with the spirit, purpose, and objectives of this program.

From the outset the experience and knowledge of public officials and nationally known authorities has been drawn upon to formulate the methods and techniques for advancing the traffic safety movement.

Evidence that these are sound and in the right direction is found in a reduction in the traffic death rate from 17.4 per 100,000,000 vehicle-miles in 1935 to less than 12 in 1938. This reduction of approximately one-third in the accident rate means, as against the 1935 rate, some 15,000 fewer lives lost annually and a drop in the number on the injury list of some 425,000. When this new rate is measured against the tremendous and constantly increasing vehicular mileage in the United States, it takes on real significance. Even greater encouragement is found in an appraisal of results in the traffic safety field during 1938.

THE 1938 RECORD

The direct result of the new national spirit in support of safety programs over the past year was more orderly and efficient movement of traffic over streets and highways and, more important, a reduction of 21 percent in traffic fatalities, or a decrease of more than 8,000 deaths. This improvement was accomplished in the face of a greater number of vehicle-miles traveled during the first 10 months of 1938 than ever before. Thirty-nine States and 307 cities had safety records surpassing or equaling those of previous years.

Seven States showed a reduction in traffic deaths of 30 percent or more, while 12 others had a reduction of at least 20 percent.

The record of cities during 1938 was equally as impressive. All cities reporting to the National Safety Council had, on the basis of latest available reports, an average reduction in traffic deaths of 23 percent.

In cities with accident-prevention bureaus, well-organized safety councils, active motor clubs, and other civic groups alert to traffic safety needs, the record was even better. For example, in 17 cities where accident-prevention bureaus have been installed by the International Association of Chiefs of Police there was an average reduction in traffic deaths of 33 percent. Cities in which the National Safety Council has organized active local safety councils with a full-time manager had a reduction of 33 percent. Those cities with both accident-prevention bureaus and such organized safety councils achieved an average reduction of 40 percent.

Behind these direct results were many factors which deserve mention in any summary for 1938.

Public officials exerted a more effective leadership than ever before in meeting their obligations in the many interrelated fields of official responsibility. Both in their official capacities and through their associations, the police, teachers, traffic-court judges, traffic and highway engineers, motor-vehicle administrators, and other administrative as well as legislative authorities have contributed intelligent and resultful effort.

Effective legislation important to enforcement, engineering, and other phases of accident prevention, was developed and put into effect in a number of States. As a result, 36 States now have accident-reporting laws, and all but 4 States have driver-licensing laws.

Highway planning surveys, financed jointly by the United States Bureau of Public Roads and State highway departments, are now being carried on in all but two States, Thomas H. MacDonald, Chief of the United States Bureau of Public Roads, who characterizes the new pattern for traffic safety now being advanced on a united front as a comprehensive model, says the road inventories now under way in the form of planning surveys "will furnish a secure factual basis for new policies."

The surveys cover the entire rural highway system and will give the country for the first time related data on every fact associated with the origin and destination of traffic. Such a body of fact will undoubtedly give new stimulus to the traffic-safety movement.

Particularly significant during 1938 was the attention given to the training of specialists to apply techniques proven in experience and being further improved through constant research. Permanent training centers have been established in traffic engineering at Yale; in police traffic control at Northwestern, and in teacher training at New York University. Numerous regional and State schools for short-course training in these respective fields, adhering to national standards, gave hundreds of individuals an opportunity for specialized training.

The Alfred P. Sloan gift of $25,000 was utilized entirely for training personnel. Nineteen scholarships at Yale and Northwestern were awarded to winning cities and States in the national traffic safety contest.

The first National Institute for Traffic Safety Training was held at the University of Michigan, offering six specialized short courses, sponsored cooperatively by all interested national organizations. This institute not only focused greater attention on specialized training, but also set a precedent for future activity in this field.

Another phase of specialized training, separate and apart from that offered in the traffic engineering and police fields, was in summer courses for teachers. With thousands of high schools now offering traffic-safety education which emphasizes driver training with some including at-the-wheel instruction, the demand for qualified teachers is being largely met through these summer courses. During 1938 some 38 universities and colleges sponsored teacher-training courses.

While the establishment at New York University of the center for safety education and the sponsorship of two seminars for the press were not activities of the foundation, they made specific contributions to safety which deserve to be included in any report for the year.

In addition to the industry's contribution to safety through the program of the automotive safety foundation, individual companies made many outstanding contributions through individual efforts, that will be dealt with elsewhere and in greater detail.

Any review of 1938 would be incomplete without stress being placed on public acceptance of foundation objectives. In the final analysis, it was the users of streets and highways whose support made possible the achievements above enumerated and whose better driving and walking records cut the traffic toll. To quote the American Automobile Association, which performed an outstanding service in securing public acceptance of sound traffic safety programs:

"While the drop of 20 percent or more in traffic fatalities in 1938, compared with the number a year ago, is attributable to many advances, it is apparent that motorists themselves did much to bring about improvement. Individual care and responsibility has always been and always will be the basis of traffic safety. Thus the country's motoring millions, if they are to be blamed when traffic deaths increase, justly deserve credit, when the number is reduced."

Commercial vehicle operators, both through their associations and individually, contributed measurably to the improvement of an already favorable record.

Throughout the year press, radio, and outstanding periodicals gave wholehearted support to the cause of traffic safety. Few movements in America today enjoy greater active cooperation from the forums of public expression. It evidences the high purpose of those who guide the channels of communication and their interest in the public good.

Through technical staff service on driver-license administration and accident reporting, intensified State and local organization for safety, through widely extended public educational efforts, and especially through sponsorship of the national traffic safety contest with record enrollment, the National Safety Council furnished effective national leadership in energizing and enlarging public support for the traffic safety movement.

Other civic and official organizations with which the foundation has collaborated have made effective contributions, either in the development of techniques, their application, and the training of personnel or in enlisting the informed support first of their members, and, secondly, of the general public.

APPRAISING THE 1938 RECORD

An impartial review of the year just closed leads to two very definite conclusions. First, the application and carrying through of a sound and balanced safety program by any State or community will produce almost immediate results in reducing traffic deaths and injuries, and, second, that we are on the threshold of the greatest opportunity to assure more efficient and, in turn, more economical movement of traffic by meeting the physical, regulatory, and educational requirements essential to full attainment of this objective.

Therefore, as the industry enters its fourth consecutive year of supporting a coordinated traffic safety movement, several things stand out as proven in the light of experience:

1. Since traffic is essentially a local problem, any State or community may have the degree of traffic safety its citizens and public officials determine to achieve.

2. The traffic problem will yield most readily to the application of known and proven methods and techniques by trained, career personnel in both official and nonofficial fields.

3. Public support for effective and balanced programs will be forthcoming in proportion to the degree of emphasis placed on methods for assuring public acceptance.

4. Traffic safety is as much a public responsibility as public health, fire protection, and other safeguards for the public welfare, and as such, must be publicly financed with due regard to budgetary limitations.

In this latter connection some observations seem in order. Protection of life, limb, and property has always been the primary basis of government—National, State, and local. Nevertheless, despite the benefits of our new mobility and what it has done to improve the status of our citizens, expenditures for traffic facilities, and to assure their safe use are on the whole disproportionately low as compared with other expenditures necessary to public health and public safety.

Fortunately public officials generally are showing a keener appreciation of current traffic conditions. Almost without exception States and communities are more and more realizing that orderly traffic—the safe and efficient movement of both motorists and pedestrians—is an essential economy. They are showing an almost unprecedented desire to cooperate with sincerely purposed agencies seeking to bring nearer the day when orderly traffic will be an actuality. It seems nearer today than at any time in the motor age and furnishes new hope for a motor-minded nation.

LOOKING AHEAD

While we can find much comfort in the substantially lower national total of highway fatalities during 1938, the disparity in traffic death rates as between States and cities is a cause for real concern; for example, 5.2 traffic deaths per 100,000,000 vehicle-miles in Rhode Island as compared with 20.8 in Alabama.

It is entirely realistic to say that by centering attention on the areas which have high traffic death rates, and maintaining the gains we have made in areas where the rate has been lowered, the present national rate of 12 deaths per 100,000,000 vehicle-miles can be reduced to 6 in a reasonable period of years.

Another cause of serious concern is the pedestrian accident problem, particularly when combined with the whole problem of night accidents. Four out of ten traffic fatalities are pedestrians. In urban areas the ratio is from 60 percent upward. As a general rule, these pedestrian fatalities involve youngsters and persons of advanced years. The real need in connection with the phase of the traffic problem is the perfecting of new techniques for meeting it.

Progress toward solution of the night accident and pedestrian problems may reasonably be expected to stem from revisions made last year in the Uniform Motor Vehicle Code and as the result of exhaustive studies now being made by eminently qualified national authorities on the various aspects of those subjects.

An indication of the manner in which such problems respond to effective treatment is found in a New Jersey report where last year State-owned and operated vehicle inspection stations were installed. Emphasis was placed on headlight maintenance and in the first 10 months of this activity, night pedestrian fatalities dropped 44 percent. Headlight inspection is credited with having figured prominently in this reduction.

Many long-range items of public policy bearing on the broad problem of highway traffic merit early attention and action. Among these is the need for a modernized land-acquisition policy, high lighted at the 1938 convention of the American Association of State Highway Officials as essential if needed rights-of-way, amortized over a long period of years, are to be secured in the development of special motor roads to provide for the safe, uninterrupted, and rapid flow of traffic to relieve seriously congested traffic centers.

On other important major problems the foundation is providing financial or other assistance on special researches. Among these are the relation of alcohol to accidents, night accidents, pedestrians, the bicycle, modernization, and standardization of traffic court procedures, improved standards of traffic control administration, and enforcement.

Obviously, the Automotive Safety Foundation can render its greatest public service by continuing to stimulate and coordinate existing and future traffic safety programs through aid to groups which, in turn, will help to secure for the American people the efficiency and safety they have a right to expect in highway use.

It is concerned with the translation of national interest into effective local action. Particularly is this true as regards the

application of proven traffic safety techniques to areas where they are most needed. It is inevitable that an industry which has become an integral and vital part of our economic system should take steps to insure that the purchasers of its products should have the most efficient use of the motor vehicle.

This emphasizes the need for adequate facilities—not only physical improvement of the roads, elevated highways, separate lanes of travel, grade separations at rail crossings, and urban parking facilities, but also modernized enforcement methods, improved court procedures, uniformity in traffic regulation and traffic-safety education, improved administrative procedures, and increased employment of trained career personnel.

The immediate outlook for continued reductions in traffic accidents and injuries is tempered by the prospects of a peak year of travel in 1939. The very size of the 1938 reductions makes unlikely another such sizable decrease. We can, however, anticipate a continually improving rate, provided there is no let-up in our activities. It is simply a question of how generally we apply the techniques which have already proven successful.

Finally it should again be noted that progress is being made. Not only is this so when measured by the most significant single factor—the rate of fatalities per 100,000,000 vehicle-miles, which has declined steadily for 4 years—but also in the actual reduction in total fatalities, dropping in 1938 from 39,500 to approximately 31,500.

When it is considered that the motor age really covers a span of less than 30 years; that the greater majority of our streets and roads were primarily designed for horse-drawn traffic; and that nearly 30,000,000 motor vehicles of varying types and in the hands of individuals of varying temperament and qualification move daily over all traffic arteries, highway transportation is a marvel of efficiency and safety.

With cars continuously made safer, with an intensive program of education for the youth of today who will be tomorrow's drivers, and with the realization of a vastly improved highway system into which the maximum of safety has been built, it is reasonable to expect that the next 30 years will show even greater progress than has taken place in the last 30 toward the facile, efficient, and pleasant use of man's greatest servant, the motor vehicle.

Political Survey by Fortune Magazine

EXTENSION OF REMARKS

OF

HON. THEODORE G. BILBO

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Friday, March 3 (legislative day of Monday, February 27), 1939

ARTICLE BY ERNEST K. LINDLEY IN THE WASHINGTON POST OF MARCH 3, 1939

Mr. BILBO. Mr. President, I present an article from this morning's Washington Post, written by Mr. Ernest K. Lindley, and ask that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of March 3, 1939]

FORTUNE SURVEY—NEW DEAL APPROVED

(By Ernest K. Lindley)

If you believe what you hear around Washington, President Roosevelt and his policies have lost the confidence of the country and the New Deal is all "washed up." The Republicans and conservative Democrats have built up such a bear market on Roosevelt that even some of the New Dealers are selling him short.

Now, however, Fortune magazine appears with a survey showing that the President and his policies are approved by 63.5 percent of the voters who have an opinion on the subject. As less than 6 percent of all those polled lacked a definite opinion one way or the other, this is an impressive verdict for Mr. Roosevelt. The answer shows also that during the last 2 months the popularity of Mr. Roosevelt and the New Deal has increased.

Obviously, somebody is out of touch with the real sentiments of the American people. This column offers no opinion as to the accuracy of the Fortune survey, except to recall that in 1936 it forecast Mr. Roosevelt's majority within 1 percent. If the Fortune survey is right, the anti-New Deal Democrats from right-wingers such as Senator BYRD down through such "moderates" as JOHN N. GARNER either don't know what a majority of the voters really think or are ignoring it. As Mr. GARNER, so far as I know, has never pretended to be more than a good practical politician, I assume that he would not knowingly defy the settled opinions of the electorate.

INCORRECT READINGS OF PUBLIC MIND

If the Fortune survey is even approximately correct, a great many Democrats in Congress have let themselves be stampeded into the anti-Roosevelt camp by trepidations based on incorrect readings of the public mind. The questions asked in this survey were general in character, of course. Most people who approve on the whole of Mr. Roosevelt and his policies disagree with him in various particulars. An overwhelming vote for him is not a demand that Congress act as his "rubber stamp." Neither is it a demand that Congress lend itself to the uses of a "rubber-stamp" opposition. It is a warning to the Members of Congress, and especially to the Democrats, that they should think twice—or three or four times—before they flout him.

The Fortune survey also shows that among the voters who now approve of Roosevelt, approximately 58 percent would vote for him again in 1940, while about 21 percent say they would not, and about 21 percent are doubtful.

The first figure is roughly 37 percent of the whole electorate and the others are about 13 percent each. These returns can be used to show, negatively, that Franklin D. Roosevelt could not win as a third-term candidate unless he received the votes of all those who say now that they do not know whether or not they would vote for him in 1940. But the returns indicate, also, that the "no-third-term" tradition represents no deep conviction on the part of a great majority of the American people.

ONLY 13 PERCENT DISFAVOR THE THIRD TERM

There is no way of knowing, from this survey, how the people who are already against Roosevelt feel about the third-term tradition in the abstract. What it has shown is that only 13 percent of the voters feel strongly enough about the tradition to indicate that they would not vote against Mr. Roosevelt because of it in 1940, and only 13 percent—for various reasons—are doubtful.

Many hearty Roosevelt supporters of my acquaintance are strongly against a third term—some of them on general principles, some because they want to take the progressive Democratic movement out from under the shadow of a single personality, some because they believe that a leader of different talents and personality would be better fitted for the task of carrying forward the work Mr. Roosevelt has begun.

RETAINS CONFIDENCE OF GREAT MAJORITY

Yet I have heard many of those same individuals say, when pinned down, that if they had to choose between a third term and the election of a conservative Democrat or the loss of the election to a conservative Republican, they would vote for Mr. Roosevelt again. Probably many of the Roosevelt supporters who say now that they woud not vote for him in 1940 would change their minds if the alternatives were less acceptable than those they supposed when they gave their answers to Fortune.

Mr. Roosevelt does not want a third term; of that all of his close associates whom I know are convinced. But he retains the confidence of a great majority of the electorate. Even with the handicap of the third-term tradition he remains the strongest candidate now in sight on the Democratic side. By the spring of 1940 the movement to draft him may be too powerful to be resisted.

Racial Persecution and Discrimination

EXTENSION OF REMARKS

OF

HON. C. ARTHUR ANDERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1939

ARTICLE AND EDITORIAL FROM THE ST. LOUIS POST-DISPATCH

Mr. ANDERSON of Missouri. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein two short editorials from the St. Louis Post-Dispatch.

Mr. Speaker, here in America we are quick to criticize other nations for the encouragement of class and racial hatred. We are quick to express sympathy for an oppressed class and bitter in our condemnation of all forms of racial persecution and discrimination. But let us not close our eyes to the fact that there is a growing tendency here in America to build up a strong dislike if not a hatred for the German people because of certain activities of the present rulers of the German nation.

Of all the peoples who make up America none has contributed more to this Nation than the German. Let us, therefore, be American enough to disassociate the German people, especially here in America, from the conduct and activities of the present rulers of the German nation.

In my district out in Missouri—in St. Louis—the German-American has long been recognized as among the very best

of our citizens. Some of the great leaders of our country have come from this stock.

The St. Louis Post-Dispatch on March 1, 1939, ran an article by Mr. Edwin Muller, noted journalist, who has just returned from an extended visit in Germany. Mr. Muller's article is well worth our study and consideration. It is certainly worthy of a place here in the CONGRESSIONAL RECORD. It is as follows:

[From the St. Louis Post-Dispatch of March 1, 1939]

NEWS FROM INSIDE GERMANY—RESENTMENT OF ANTI-SEMITIC OUTRAGES IS WIDESPREAD AND GROWING IN REICH, SAYS OBSERVER; FREQUENT PROTESTS WERE HEARD AGAINST EXTREME PERSECUTION LAST NOVEMBER, AND MANY BRAVED WRATH OF THE GESTAPO TO GIVE AID TO VICTIMS; CONTRAST BETWEEN OSTENTATION OF THE PARTY LEADERS AND PRIVATION OF THE MASSES SERVES TO AGGRAVATE DISCONTENT

(By Edwin Muller, American journalist recently returned from Germany, in the Commentator; reprinted from Reader's Digest)

There's one story that the newspaper correspondents don't send from Germany. It's surprising how much they are allowed to send. Stories of violence against the Jews, of priests and pastors sent to prison without trial, are passed without question—because the Nazi sincerely believe that those things are right.

But one topic is absolutely forbidden. Anything that suggests the disapproval of a part of the German people for their Nazi rulers, the increasing openness with which these discontented Germans say what they think—you can't write about that.

Even as to the persecution of the Jews after last November 10, a hundred corroborated stories were never sent. Where the newspaper accounts lacked most was in reporting the reaction of the German people. It may turn out that the most important thing that occurred on and after November 10 was not what happened to the Jews but what happened to the Germans.

I was in Germany during the Jewish persecutions and their aftermath. I lived in big cities and in villages, in north and south. I talked with many Germans of all classes, with well-informed and trustworthy foreign observers, with members of the diplomatic corps, with representatives of American firms in Germany. I came away with the conviction that the unorganized but outspoken opposition to the Nazis is a story that needs to be told.

To begin with, there is economic discontent. It is true that there is no complete destitution in Germany. But almost nobody is allowed to get much above the bare level of subsistence. The man who had a job before Hitler—and he outnumbers the others 3 to 1—knows that his job isn't worth as much as it was before. Prices have gone up, pay has been cut, and it is subject to all kinds of new levies for the party and for the Government.

Now, people will endure privation if they know that their rulers are enduring it with them. The Nazi leaders have always posed as Spartans, despising luxury. Maybe they were at first, but not any more. The party leaders are building themselves big estates, buying custom-made cars, enjoying luxury. The people don't like it.

Dr. Goebbels bought a large island in a lake near Berlin. He made a fine estate of it, with hothouses and riding horses. Then he decided that it would help his popularity to show a motion picture of his home life.

That was a mistake. A dark movie house, even in Berlin, is a fairly safe place to express disapproval. One low hiss inspires another, quickly others join in and the volume grows. Presently that movie house sounded like steam escaping from a hundred pipes. The film was never shown again.

The typical storm trooper of the older vintage has been bewildered and disappointed. Lately there have been some efforts to benefit him. One reason for the terror of November 10 was to turn over Jewish shops and other small businesses to deserving storm troopers.

I asked an official whether the German people would have gone to war if there had been no "peace" of Munich. Yes, he thought, they would have marched—but puzzled and desperately reluctant. Even in the Army there was dissatisfaction. Army officers have protested publicly against actions of the Nazis.

After the occupation of the Sudetenland, the Nazis made a superb propaganda film. It showed the meetings at Berchtesgaden and Godesberg—Hitler well in the center of the stage, always photographed standing a step or two above Chamberlain. I saw that film once in Munich and twice in Berlin. The reactions of the three audiences were precisely the same. There was no reaction. Correspondents say that is typical of German audiences nowadays.

Early last fall one sensed anti-Nazi feeling, in all classes and in all parts of the country. Yet it was almost never expressed in open talk—until after November 10, when the anti-Jewish raids began.

Jews were arrested by the scores of thousands and crowded into concentration camps. Their treatment was such that many walked out into the forbidden zone and were shot down by the guards, or threw themselves into the charged barbed wire and were electrocuted.

Meanwhile their homes were invaded. All over Germany the women and children were turned out to spend the November night on park benches or in the fields. In Neu Isenberg the patients in the Home for Nursing and Pregnant Mothers were turned out without warm clothing. Many Jewish men were called to their doors by storm troopers and shot down.

And what did the German people think of it? It was the first time that most of the crowds in the streets had seen such things with their own eyes. Almost none of them took any part in the smashing. Some of them watched with approval. They were the sort you'd find in any country, the potential Ku-Kluxers. But most of the men and women in those crowds were shocked and stunned. Nearly every correspondent says that someone in the crowd would come up and say, "It is not the German people who are doing this."

The Nazi leaders were amazed. They took action. By noon of November 11 one heard specific accounts of Germans who had been sent to concentration camps for saying they were ashamed of what had happened. But it would have been impossible to arrest a tenth of those who spoke out against the Government. There were too many of them.

So the great propaganda machine was turned on. For weeks after November 10 German newspapers devoted more than half their space to justifying the raids, to attacks on Jews and their supporters. Some of their material would be unprintable in most countries. Radio and movies were employed. Anti-Jewish mass meetings were held in the cities—20 of them in 1 day in Munich alone. At the Munich meeting, which I attended, the people sat through all the speeches but only a minority applauded.

The propaganda hasn't won—not yet. Freedom of speech hasn't been crushed. There's more of it since November 10, and it may be cumulative. When one man boldly speaks his mind, he may inspire his neighbor to do likewise. Men of good will begin to recognize one another.

There is a battle being fought in Germany today. On one side is the greatest machine that was ever built for controlling men's minds. On the other side are the Germans who are unconvinced and protesting. Every day the Fuehrer proclaims that his nation is solidly behind him; but his actions show that he doesn't believe it. He hurries his people from one crisis to another, giving them no time to think, as if he were afraid of waiting for public opinion to catch up with him.

What can these other Germans do about it? Some pessimists say the opposition can do nothing. Others are not so sure. One of the most astute and experienced observers in Germany told me that he stays there for one purpose—to see the collapse of the Hitler regime. How it will come he doesn't predict—whether by war or economic disaster or by the revolt of the army—but that it will come sooner or later, he is sure.

In this battle, Nazi propaganda has won two preliminary engagements. It has convinced the German people that the democracies hate them, threaten to crush them. And it has convinced the democracies that the Germans are all united behind their Government or afraid to speak a word against it. Neither is true.

The protesting Germans need encouragement. If there were some way in which their friends in the rest of the world could get through to them * * *

On the same day of Mr. Muller's article the Post-Dispatch ran a very intelligent and very American editorial accompanying it. This editorial is equally worthy of our consideration. I offer it here in the RECORD as a true appraisal of our debt to the German people who have contributed so much to the building of our Nation.

[From the St. Louis Post-Dispatch of March 1, 1939]

THE GERMAN PEOPLE

Are the German people solidly behind Hitler and the excesses of his regime? This question, often asked, is answered in part by Edwin Muller's remarkable article, reprinted today under the cartoon, which calls attention to spontaneous demonstrations of dissent and dissatisfaction within Germany. Although dread of the concentration camp must haunt the heart of every German, it did not prevent an audience from hissing a motion picture of Dr. Goebbels' lavish estate near Berlin, nor did it restrain Germans, shocked at the latest pogroms, from saying to foreign correspondents: "It is not the German people who are doing this."

Mr. Muller's observations are borne out by other reports seeping through the iron censorship. Americans in Germany, who have been led to believe that Hitler is idolized by his people, are astonished to discover the almost complete absence of applause when he rides through the streets of Berlin. An Englishman, writing in the New Statesman and Nation of London, says: "The plea of so many German friends has been to 'make England understand, please, that this is not the work of the German people—we are horrified at what the Nazis have done to our Jewish friends—we are not such barbarians.'"

These and other reports destroy the myth, carefully fostered by Berlin propagandists, that the Germans are united behind their leader. But there remains the companion myth, likewise carefully fostered, that the democracies are intent upon crushing the German people. It is no wonder that many Germans, fed upon this falsehood, cling to Hitlerism as a protection against such a fate. If they knew the truth, the Germans who protest against Nazi excesses might have numerous additions to their ranks.

What under other circumstances would be a truism becomes, therefore, especially worth saying. It is that America bears no grudge against the Germans as a people. We have no desire to crush them. On the contrary, we fervently hope the day will soon come when they will be freed of their bondage and when they will once again enjoy the blessings of liberty and the warm comradeship of other peoples.

St. Louis knows the German people because it is made up in large part of men and women of German descent. Some of the most glorious entries in its annals were written by Germans. We revere the name of the great Carl Schurz, whose 110th birthday anniversary falls tomorrow. Schurz was editor of the Westliche Post, and joint owner with Emil Preetorius. For 6 years he brilliantly represented Missouri in the United States Senate.

Along with Schurz and Preetorius, the galaxy of German names in this city includes their companion, Carl Daenzer, the publisher; Louis Lange, the editor, member of the same circle; the erudite Dr. Eduard Preuss; Carl Wimar, the celebrated painter; Frederick Lehmann, former Solicitor General of the United States; Richard Barthold, able public servant; Adolphus Busch, founder of a great industry; Charles Nagel, distinguished lawyer and a member of President Taft's Cabinet; and many others.

Even more pertinent, perhaps, is the fact that St. Louis knows the German as a kindly, thoughtful neighbor; a man of character and industry, with a flair for friendliness and gaiety and wholesome good living. Incidentally, the percentage of St. Louis Germans actively interested in the Nazi movement is very small. And the experience of St. Louis is the experience with Germans elsewhere in this country. They are good businessmen, good workers, good farmers, good citizens—and the country has infinitely benefited from the fact that they formed a large part of the immigration tide of the nineteenth century. Many came after the failure of the revolution of 1848, to seek in this country the liberty denied them in the fatherland.

The Germans of the United States cannot be essentially different from the Germans in Germany. Hence it is not hard to believe that there is a revulsion in Germany against the excesses of Hitlerism. It is in the highest degree unfortunate if the Germans over there continue to be deluded with the false and malicious assertion that America, which does not like Hitler's leadership, extends this dislike to the whole German people.

The Relief Problem

EXTENSION OF REMARKS

OF

HON. JOE STARNES

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1939

Mr. STARNES of Alabama. Mr. Speaker, a bill, now pending in the Senate and apparently receiving serious consideration, has for its purpose the establishment of a permanent Bureau of Public Works which would include therein various existing agencies of the Government. While I have not had an opportunity to thoroughly study the provisions of the bill, I do not believe the proposed consolidation would be either economical or efficient.

Apparently the measure has for its purpose a certain "reform" in relief administration which we can all admit is badly needed. However, to tie up the relief problem with various other important activities of the Government is unwise.

In the first place, I do not agree with the author of the bill, the distinguished Senator from South Carolina [Mr. BYRNES], that relief needs to be self-perpetuating. I have never subscribed to the theory that Government handling of relief is a permanent matter. I distinctly do not like the idea of a permanent W. P. A.

The proposal would include in the new Cabinet department relief, public works, employment service, social-security aids, and so forth. The set-up would not result in lowering the cost of relief nor in reducing unemployment. The relief problem would not be solved by this legislation, and I see no reason, therefore, for considering it.

Federal contributions to relief will undoubtedly be necessary as long as we have large numbers of unemployed Americans, but the extent of such contributions can never be gaged correctly by any such formula set up in the Byrnes bill. The formula proposed in the bill authorizes the Government to apportion relief amounts among the States one-half in the ratio which the number of unemployed persons in any one State bears to the total number of unemployed and one-half in the ratio which the population of each State bears to the total population of all the States. The New York Times editorially comments on the formula as follows:

The flat population basis is unsound not only because it bears no direct relation to the relief needs of the individual States, but because it proposes to pay as much per person to the States where the standard of living is very low as it does to States where the standard of living is very high. Unless actual prevailing differences among the standards of living of the different States receive adequate recognition in the distribution of relief funds, then the States with higher standards of living must either receive grossly inadequate amounts or the States with the lower standards must get wastefully high amounts that would act to perpetuate relief and swell the rolls in those States. The unemployment basis would be better than the flat population basis on grounds of equity, but in practice "unemployment" is difficult to define, and we have not yet succeeded in devising any system to collect reliable figures that would be sufficiently up to date for this purpose.

From an economical viewpoint there is no reason to believe that the cost of relief will be reduced by this bill, which provides for Federal contributions of two-thirds of the cost of any project undertaken. Under the present public-works program functioning through the Public Works Administration, communities are required to share the cost on a 55–45 percent basis. That is, the sponsor must pay most of the cost. To change this ratio on public works and require the Government to pay two-thirds of the cost would be extremely extravagant and unnecessary. I venture to state that every conscientious taxpaying citizen of the country would oppose this provision of the bill.

Another objectionable feature of this unified set-up, as it relates to public works, concerns the matter of tempting communities to undertake needless projects. If a community is required to pay only one-third of the cost, unnecessary projects will undoubtedly be sponsored. Under the present P. W. A. system communities must bear the larger cost and only those facilities which are actually needed are erected.

The provisions of this legislation are so drastic and unwise that it should have the united opposition of the House and Senate. The fact that so many varying proposals regarding the relief problem have been presented in this body is definite evidence that the subject must be fully aired and that some revision of present relief methods is vitally necessary. However, a consolidation of wholly unrelated departments of Government is not the proper way to bring this about.

It seems to me from conversations I have had with numerous Members of the House on both sides of the aisle that what is desired is economy in Government relief expenditures. Consolidating home-relief and social-security problems would bring about some measure of economy, and because the subjects are related there would be little objection to such a move. However, I cannot see the wisdom of including the public-works-construction program with these purely social matters. The Public Works Administration is not in any sense a work-relief agency and should not be included in any merger of such agencies.

John J. Boylan

EXTENSION OF REMARKS

OF

HON. HOWARD W. SMITH

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1939

RESOLUTION OF THOMAS JEFFERSON MEMORIAL COMMISSION AND STATEMENT BY JOSEPH P. TUMULTY

Mr. SMITH of Virginia. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution passed yesterday by the Thomas Jefferson Memorial Commission in reference to the death of the late John J. Boylan, of New York, and also a brief statement by Joseph P. Tumulty:

The Thomas Jefferson Memorial Commission desires to record its deep sense of loss at the passing of its chairman, the late John J. Boylan, of New York. The fine concept which brought

this Commission into being came from Mr. Boylan, a true lover of Thomas Jefferson and of the principles he espoused in life.

John J. Boylan brought to the deliberations of this Commission not only the knowledge and ripe experience acquired in many years of public service, but also those qualities of integrity and sound judgment so necessary to the faithful discharge of his duties as a member of the Commission.

While a member of this Commission he did what was characteristic of the man. He gave to its noble work the rare gift of life, love, and affection, and though ill and suffering, he carried on in splendid fashion the important work committed to his care, with fine poise and patience and with never a boast upon his lips.

The Commission orders that a copy of this resolution be transmitted to the widow and family of the late John J. Boylan with the expression of the very sincere sympathy of the members of the Commission.

Mr. TUMULTY. In presenting this resolution may I say a few words.

This plain man, born in an unpretentious part of the city of New York, wearing upon his good face the smudge of honest poverty, dreamed a beautiful dream of a memorial in Washington to Thomas Jefferson. Quietly, unostentatiously, he went about his work, scorning vulgar display, happy in the thought that after he had departed, there would be left behind those who would not mock the thing that his vision built to an unmeasured monument.

Somehow, there was about John Boylan a sort of loneliness, that kind of sadness that always makes its indelible imprint upon the face of a man, who, making a tryst with the future, dreams great dreams.

It was a pleasure to work with him, to sit by his side as I was accustomed to do, while quietly, humbly he expressed his views regarding every phase of our Commission's activities. Always he gained his fine objective by openness and honorable action, his fine nature making it impossible for him ever to use unworthy arguments to accomplish his humane objectives.

When the Jefferson Memorial is completed, there will be one name, like that of Abou ben Adhem, which will lead the list and that name will be our altogether lovely friend, John Boylan. As we behold that name, the words of John Drinkwater will flash into our minds:

"Shall a man understand,
He shall know bitterness because his kind,
Being perplexed of mind,
Hold issues even that are nothing mated.
And he shall give
Counsel out of his wisdom that none shall hear,
And steadfast in vain persuasion must he live,
And unabated
Shall his temptation be."

As a personality, he had about him the grandeur of the old-fashioned man, with a noble vision directed into the far reaches of the future.

John Galsworthy must have had this type of man in mind when he drew a portrait of an old friend in the story A Portrait, an excerpt from which is as follows:

"I know how big and sane and sweet he was. His breed is dying now; it has nearly gone. But as I remember him with that great, quiet forehead, with his tenderness and his glance which traveled to the heart of what it rested on, I despair of seeing his like again. For, with him there seems to me to have passed away a principle, a golden rule of life, nay, more—a spirit, the soul of balance. It has stolen away, as in the early morning the stars steal out of the sky. He knew its tranquil secret, and where he is there must it still be hovering."

To him, God was more than a nodding star atop a windy hill. Dear John Boylan, the tired heart, beloved friend in all seasons, turned home and thus the end of his brooding came.

Veterans in the Seventy-sixth Congress

EXTENSION OF REMARKS
OF
HON. ALFRED L. BULWINKLE
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Friday, March 3, 1939

LIST OF FORMER SERVICE MEN OF THE SPANISH-AMERICAN WAR, MEXICAN PUNITIVE EXPEDITION, AND THE WORLD WAR IN THE SEVENTY-SIXTH CONGRESS

Mr. BULWINKLE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following list of former service men of the Spanish-American War, Mexican Punitive Expedition, and the World War in the Seventy-sixth Congress:

Senators: Alva B. Adams, Charles O. Andrews, W. Warren Barbour, Edward R. Burke, Bennett Champ Clark, Tom Connally, John A. Danaher, Allen J. Ellender, Ernest W. Gibson, Guy M. Gillette, Theodore F. Green, Chan Gurney, Carl Hayden, Lister Hill, Josh Lee, J. Hamilton Lewis, Scott W. Lucas, Ernest Lundeen, Francis T. Maloney, Sherman Minton, Matthew M. Neely, Claude Pepper, Richard B. Russell, Jr., Lewis B. Schwellenbach, Harry S. Truman, Millard E. Tydings. Total, 26.

Representatives: John G. Alexander, Leo E. Allen, C. Arthur Anderson, Walter G. Andrews, Leslie C. Arends, Albert E. Austin, Thomas R. Ball, Graham A. Barden, James M. Barnes, Harry P. Beam, John W. Boehne, Jr., Chester C. Bolton, Michael J. Bradley, Ralph O. Brewster, Overton Brooks, Joseph R. Bryson, Alfred L. Bulwinkle, William D. Byron, Millard F. Caldwell, Frank Carlson, Wilburn Cartwright, Francis H. Case, Joseph E. Casey, Walter Chandler, Robert B. Chiperfield, Ralph E. Church, Charles R. Clason, Harry B. Coffee, William P. Cole, Jr., William M. Colmer, Lawrence J. Connery, Harold D. Cooley, Jere Cooper, Francis D. Culkin, Colgate W. Darden, Jr., Everett M. Dirksen, Carl T. Durham, Henry C. Dworshak, Thomas M. Eaton, Herman P. Eberharter, Andrew Edmiston, Charles H. Elston, Albert J. Engel, Charles I. Faddis, James H. Fay, Ivor D. Fenton, Hamilton Fish, Thomas A. Flaherty, J. Harold Flannery, Frank W. Fries, Fred C. Gartner, Joseph A. Gavagan, Bertrand W. Gearhart, Lee E. Geyer, George M. Grant, John K. Griffith, John W. Gwynne, Charles A. Halleck, Clarence E. Hancock, Forest A. Harness, J. Francis Harter, Charles Hawks, Jr., Arthur D. Healey, William E. Hess, Carl Hinshaw, Frank E. Hook, Clifford R. Hope, Frank O. Horton, John M. Houston, John F. Hunter, Ed. V. Izac, Pete Jarman, Ben F. Jensen, Jed Johnson, Marvin Jones, Robert W. Kean, Edward A. Kelly, Michael J. Kirwan, Wade H. Kitchens, John C. Kunkel, William P. Lambertson, Gerald W. Landis, Karl M. LeCompte, Lawrence Lewis, John W. McCormack, James P. McGranery, Charles F. McLaughlin, Clarence J. McLeod, John L. McMillan, Melvin J. Maas, John A. Martin, Thomas E. Martin, Sam C. Massingale, Matthew J. Merritt, Earl C. Michener, William J. Miller, B. J. Monkiewicz, James W. Mott, Robert L. Mouton, Jack Nichols, W. F. Norrell, Joseph J. O'Brien, James C. Oliver, Emmet O'Neal, Claude V. Parsons, Wright Patman, Luther Patrick, Hugh Peterson, J. Hardin Peterson, W. R. Poage, James G. Polk, D. Lane Powers, John E. Rankin, B. Carroll Reece, Chauncey W. Reed, Edward H. Rees, James P. Richards, Charles F. Risk, A. Willis Robertson, Robert L. Rodgers, Lansdale G. Sasscer, Dave E. Satterfield, Jr., John C. Schafer, Pius L. Schwert, James G. Scrugham, James Seccombe, James A. Shanley, Dewey Short, Richard M. Simpson, Martin F. Smith, T. V. Smith, Andrew L. Somers, John J. Sparkman, Raymond S. Springer, Joe Starnes, Foster Stearns, William H. Sutphin, H. O. Talle, Rudolph G. Tenerowicz, David D. Terry, Albert Thomas, J. Parnell Thomas, James E. Van Zandt, Beverly M. Vincent, John M. Vorys, James W. Wadsworth, Mon C. Wallgren, Francis E. Walter, Dudley A. White, Richard B. Wigglesworth, Thomas D. Winter, Jesse P. Wolcott, Roy O. Woodruff, Oscar Youngdahl, Orville Zimmerman, Samuel W. King (Delegate, Hawaii). Total, 155.

National Defense

EXTENSION OF REMARKS
OF
HON. RENÉ L. DEROUEN
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Friday, March 3, 1939

RADIO ADDRESS BY HON. ROBERT L. MOUTON, OF LOUISIANA, MARCH 2, 1939

Mr. DEROUEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address of my colleague from Louisiana, Hon. ROBERT L. MOUTON:

As I observe the trend of world events and reflect upon the tremendous drama that is being enacted, a drama in which the forces of evil and oppression have built themselves into a most formidable and horrible threat against all of the institutions we have been taught to revere; as I watch this drama unfold, and consider my own country, I cannot help but feel thankful that we have the world's greatest democracy and that I am fortunate enough to live here. The world issue today revolves about two conflicting idealogies of government—democratic and totalitarian. One is committed to the responsibility of equalizing and preserving human rights, of guaranteeing to man the privilege accorded him by the Creator; the other would turn the clock back to the Dark Ages and regiment men to masses of hopeless, helpless, futureless, mechanical automatons. It countenances and advocates the hateful doctrine of might over right, of oppression over humanitarianism, of ruthlessness and barbarity over decency and civilization. It throttles individualism, freedom of worship, of speech, of assembly, and all other divine rights and privileges that our forefathers fought and died for. In short, one stands for freedom, the other for slavery.

Let's be realists about this great problem that besets the world we live in today. Let's look at facts as they are and recognize the situation for what it is—a most serious menace to all of the things we hold most dear. And let's not bring ourselves to the silly conclusion that the shameful "peace of Munich" ended the designs of the totalitarian states. There was a time, you may remember, when reports of totalitarian designs were regarded as "fantastic" were dubbed "scare-mongers," and when reasonable people simply could not bring themselves to believe that great nations, in an age of enlightenment, could take the dark road to conquest, ruthlessness, and oppression. But the answer to all of that is Manchuria, Ethiopia, Austria, and Czechoslovakia. And the important question now is, "Where will the blow next fall?" "What people are being measured for the yoke of oppression?"

Let's not labor under any false illusions about the issue; it's democracy and totalitarianism. The totalitarian states are on the march. Their aim is world domination, and only three powerful nations bar the way—Great Britain, France, and our own United States. France and England are the last formidable barriers in Europe. Theirs is the task of keeping alight the flame of freedom in the Old World. And in their ultimate fate lies the answer to our future.

Westward of Europe lies South America, a vast continent, rich in fruitful lands, admirable for colonization, ideal for export outlets, a treasure house of natural wealth and an overpowering temptation for the "have not" nations. And need I make mention of the fact that resourceful representatives of these nations are already there, preparing the way, building for the future? All of you good people read the papers, the magazines, and listen to radio addresses. You know of the desperate and ruthless effort afoot to wrest profitable South American markets from our American exports; of the flood of propaganda aimed to discredit democratic institutions and to undermine the influence of the United States; and of the legion of agents disseminating the hideous gospel of totalitarianism throughout all of Latin America. And doubtless you know of the revolts in Brazil and in Chile, subsidized by totalitarian money, supported by totalitarian munitions, and fanned to flame by totalitarian emissaries.

Under these circumstances is it "fantastic" to speculate upon what will happen with France and England out of the way? Is it "scare-mongering" to envision or predict more aggressive operations against Latin America? Operations involving open and active participation in the political affairs of our neighbors to the south? And in such event, would not the Monroe Doctrine be definitely involved? Would it not bring us all, here in the United States, squarely into the picture?

Off the coast of French Indochina lies the island of Hainan. This strategic spot is about 200 miles from Hong Kong and about 150 miles from Singapore. Early in the past month the Japanese walked in and occupied it. Thus with this outpost and the naval bases in the mandated islands to the east the Philippines are surrounded and are comparatively easy prey to Japanese conquest. Now, whichever way you choose to look at it, the resultant situation is far too serious to be a matter of indifference to the United States. Let's forget all about the Philippines and about anything that even savors of sending troops or ships to Asiatic battlefields. That is not the crux of the situation. But if the totalitarian powers in Europe establish themselves in Spain and Africa they will be masters of the Atlantic; and the Japs, with a figurative pistol at the head of the British base at Singapore, will come very close to being masters of the Pacific. And in such event the United States, with only one navy to defend two oceans, will find itself isolated in a way that will not be pleasing even to the isolationists. The United States cannot be indifferent to a situation which promises perhaps within the next few months to establish in both oceans at once and at strategic points controlling both oceans an alliance of war mad, conquest bent, highly armed powers. The situation is not concerned with our intervening in Europe or Asia. It is a question of preserving our security in the two oceans amidst which the American continents are placed.

The President and his military advisers undoubtedly recognize the seriousness and proportions of the world situation and of our position in that situation. And the President has been attempting to make provisions for the future in the form of a national-defense program adequate to protect our shores from invasion, ample to bring respect for the Monroe Doctrine, and sufficient to enable our Government to speak with those who do the "demanding" for the totalitarians with conviction. And, my friends, there must be no tampering with this program. It is vital to the future welfare of all of us. It is designed to prevent the necessity for an "American Munich," designed to keep "government of the people, for the people, and by the people" forever secure in the Western Hemisphere. There must be no subjecting of it to the uncertain mold of political design or expediency. It means too much to the Nation and to the world. Most of my colleagues in the House, I am happy to say, recognize its vital need and are supporting it wholeheartedly; many have cast aside party lines to give it support. But the situation is one that warrants unanimous support. When an issue arises that places our institutions, our sacred ideology of government in the balance, and a policy or program of defense is formulated there should be no dissenters. The present situation demands action, immediate and speedy action.

All of us who participated in the World War know the horrors of armed conflict and, I am sure, are anxious to do everything we can to make war impossible. But at the same time we are concerned with proper preparedness against war, preparedness against even the possibility of invasion, or, as is now the strategy of totalitarian powers, of intimidation. A thug will not attack a person known to be armed, known to be able to take care of himself, and neither will an international bandit attack the nation that is its equal in armament. That is the basis of the present need for preparedness. As an ex-service man, as a member of the Marine Corps Reserve, and as a Congressman I am back of it 100 percent. And it is my hope that all Americans will back it to the limit. It's better to spend now, than pay tribute later; better to have a gun in your hand, than one at your head; and better to be able to tell those committed to the policy of living by the sword that we too have a sword, the sword of righteousness, dedicated to eternal peace, but sharpened, nevertheless, for war, if such unhappy contingency befall us. Totalitarian powers should be made to understand in terms that leave no room for doubt that the Monroe Doctrine has the same force, the same significance today as at the time of its conception; and if it takes battleships, planes, guns, and munitions to drive that meaning home; if by that means alone our integrity will be respected; if that's what it takes to keep the loathsome idealogy of totalitarianism from the Western Hemisphere let's all see to it that such weapons are available. Let's see to it that our Nation and ourselves are placed in the position where we can say with conviction to demands for territory in the Western Hemisphere—"Come and get it!"

Remember, my good friends, our ideology of government represents seven centuries of struggle, seven centuries of blood, of sacrifice and martyrdom, to establish the right to own our own property, to speak our own mind, to assemble together peaceably, to worship as our conscience dictates, to elect our own officers of Government, and to exercise the other rights sanctified by the Bill of Rights of our Constitution. And the right to enjoy these privileges is threatened by beggars on horseback, who ride about the world maddened by the lust for conquest, little men with gaudy uniforms and rattling sabers, but dangerous men, because the game they play is death, and because they stop at nothing to attain their goal. Humanitarianism, decency, fair play, and all of the accepted rules of the game mean nothing to them. Our form of government is anathema to them, because they know it is a formidable obstacle to the realization of their ambitions. And they are determined to destroy it. The responsibility is squarely with us. Our action with respect to national defense within the next few months will either deter them or spur them on to further conquest. And the character and size of our defenses will be the deciding factor. They must, therefore, be second to none. Our naval forces must be powerful; our planes formidable in number and effectiveness; our antiaircraft equipment, now woefully deficient, brought to defensive requirements; our coast defenses strengthened materially; and our manpower augmented to what is necessary. Let's all see to it that all of this is done, and done expeditiously. Let's look at the world situation realistically and have due regard for our own position in that situation. And let's not, above all, be indifferent to or regard lightly a menace that is Europe's and Asia's now and may be ours tomorrow. It is our desire that the people of the world live in peace, and that particularly the people of the Western Hemisphere be free from strife and discord; but if it takes arms and munitions to insure peace and happiness in this hemisphere, and if the totalitarian powers want it that way, let's be sure that we are adequately prepared to accommodate them. The American people want peace, but never peace at any price, never peace with dishonor, or peace that destroys the freedom that is the sacred heritage of our ancestors.

The Social Security Problem

EXTENSION OF REMARKS

OF

HON. CARL HINSHAW

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1939

EDITORIAL BY THOMAS D. WATSON

Mr. HINSHAW. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial written by Mr. Thomas D. Watson, editor of the Glendale Star, of Glendale, Calif.:

[From the Glendale (Calif.) Star]

OUR CITY—COMMENT AND DISCUSSION

(By Thomas D. Watson)

VICIOUS CIRCLE EXISTS UNDER PRESENT PLAN

Some few issues ago, we commented in this column on the fact that something would have to be done before long to stop the ever-increasing tax load. In response to this article one of our readers called to tell us of his experience with the Federal social-security tax. It seems that on account of poor collections, which are fairly general with most of us at present, this party was unable

to pay the employers' share of the tax. He remitted the money he had deducted from his employees and wrote the Government on January 1 that he would have to withhold his share of the tax until he had been able to make some collections. Early this week, he received a notice to the effect that if he did not pay the bill within the next few days the Government would attach his stock in trade and sell what was necessary to pay the bill.

In other words, the Government would extend no credit to a businessman and would close him up unless he paid immediately. Is it any wonder that we have an unemployment situation in this country when the Governments, both State and Federal, tax a business house out of existence? We were discussing this situation the other day with one of the leading printers of Los Angeles. He mentioned that his share of the social-security tax amounted to $600 per month. That the tax was breaking his back, for, because of the highly competitive nature of his business he was unable to increase his prices and retain his customers. These two instances are just examples of what the business concerns are going through with these days, and unless something is done to change present procedure the unemployment situation will become worse.

If our people would give careful thought to this matter, they would soon reach the conclusion that the American businessmen were the only ones able to take care of the critical unemployment condition. As the matter now stands, our Government is doing everything possible to cripple the very agency that can cure the evil. Governmental employment should be only a makeshift proposition; it is undesirable from both the workers' and the private employers' angle. We are carrying on a most vicious circle at present; we are making business conditions so that expansion is impossible, although expansion is necessary if business or industry is to take on additional employees. By keeping a business unprofitable it cannot pay a heavy tax assessment.

When business gets in such a condition that it cannot pay the tax levy, it can only mean that the Government cannot support a pay roll, and that is the end of the circle. The future welfare of this country demands that something must be done if we are to continue under the same policies which have brought this country to its present standing among the nations of the world. We must recognize the fact that we either have to get Government out of business or private business will be a thing of the past, and conditions here will parallel those now existing in some of the foreign totalitarian countries. We are now playing with fire, and we are more than liable to become badly burned unless we discontinue the present mode of procedure.

War Department Appropriation Bill—H. R. 4630

EXTENSION OF REMARKS

OF

HON. WADE H. KITCHENS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1939

Mr. KITCHENS. Mr. Speaker, this bill carries large appropriations to enlarge, improve, and sustain the American Army. It carries an appropriation for munitions, rifles, machine guns, aircraft, salaries, subsistence allowances, as well as to carry on activities of research to design and improve implements of warfare.

The United Press February 26 carried a dispatch from Tokyo, Japan, giving us information that the Japanese Government today is employing the skilled and engineering experience of Americans to develop on a large scale the aviation industry of Japan. We are no longer shipping planes to Japan, and have not shipped any for several months. In the meantime a large corps of American aircraft designers and engineers have been employed and are now in Japan. These American engineers are working under the Japanese Army, and their efforts and ability are to be utilized to maintain, assemble, and construct American engines and aircraft to be used as transports, bombers, and fighters in the prosecution of war.

We are informed that the manager of industrial engineering for the Lockheed Air Corporation, of Burbank, Calif., also an engine expert from the Wright Aviation Corporation, and an engineer from the Douglas Aircraft Co. represent the type of American technicians now working for Japan. It appears that the Lockheed engineer is engaged in the building of a factory for the manufacture and mass production of his company's best model, said to be one of the fastest transport planes in the world, and capable of flying more than 275 miles per hour. It further appears that Japan has not only bought the design rights of this model, which was used by Howard Hughes in making his record-breaking flight around the world, but has purchased 25 completed ships from this factory. It appears again that Japan has bought the design for the Douglas DC model, another air transport easily converted into a bombing plane.

Mr. Speaker, these American experts, designers, and engineers are not permitted close contact with any airplane factory of Japan. Any Japanese improvement in design or construction is kept secret, and our experts are used as auxiliaries to develop and improve Japan's aircraft. These Americans are paid princely salaries, live in luxury at the finest hotels, and are treated almost as royal princes. There seems to me to be something inconsistent and vitally wrong in this. There is something fundamentally wrong with our way of doing business in America. We are depriving our own people of employment and at the same time offsetting our defense preparation in favor of foreigners.

We raise a tariff wall so high that our industries move their plants and experts to England, Scotland, Ireland, France, Japan, Russia, Sweden, and the Far East. We drive them from our shores because of high tariffs, and then wonder why we have so many laborers without employment. Who is responsible for this condition?

We prize ourselves upon our initiative, ingenuousness and inventiveness; yet, we permit and force those valuable assets to go to foreign lands and be used for the benefit of other peoples and other nations to our great loss. Many oppose the sale of airplanes to foreign nations; yet, sit supinely by while our best designers and engineers, for one reason or another, are drawn from our shores to other nations to engage in antagonistic work to our defense. At the same time we concern ourselves in a great effort to prepare for defense against the acts of our own people. In my feeble way of thinking I can find no justification for permitting this to be done if at all avoidable.

Now, we are greatly concerned in preparing ourselves for possible war, while at the same time we are sending our finest munition and aircraft experts to foreign shores to build factories, design and engineer the building of the very implements of war with which we are now trying to provide ourselves. I am very much concerned as I think of these inconsistencies. I feel that some provision should be found or made to keep these expert designers, technicians, engineers, and factory builders in the United States. I had rather the American people would employ their services at almost any price for the benefit of Americans than to see them utilized by other nations, admittedly aggressor and warlike nations, engaged in the business of war. I would prefer we furnish the craft than the brains.

I am wondering whether or not it is sufficient for Americans to go along in the same old rut in the same old way in preparation for defense. I sometimes wonder whether or not we have yet learned that a string of battleships reaching around America, and our coast lined with armaments of every description, really are sufficient to protect a nation. It is my considered opinion that war-minded nations with immense ships and implements of war are doomed to failure because they become top-heavy and inevitably must collapse of their own weight. A day or two ago there were those, in my opinion, who gave no thought to the considered comfort, happiness, and opportunities of millions of good American patriotic citizens. I refer to the great development in the Tennessee Valley. Yet, it is my opinion that unless we develop from within, build within, we will be unable to sustain permanently any great war establishment and the great necessary expense of billions of dollars. Other nations today, surrounding themselves with mighty implements of destruction, without care or considered thought as to internal improvements, betterment of welfare, and culture of their people, are bound to collapse. History teaches us they will collapse.

Mr. Speaker, I believe in national defense, but I do not believe that such defense consists solely in the building up of

a great Army, Navy, or Marine Corps, or surrounding our country with great battleships and other implements of destruction. In this day and time if we do not prepare our people, educate them, cure the defects, deformities, and diseases existing amongst us, we will not be able to design, manufacture, or use the Frankenstein implements of destruction necessary today. It takes a strong, able-bodied, and educated man to maneuver a submarine under the water and loosen torpedoes at opposing machines of war. It takes a strong, steady, cool-headed, and educated man to control our great ships and manipulate the guns thereon discharging from 2,000- to 3,000-pound projectiles at an enemy, and the same may be said for those men who rise in the air and use aircraft for defense.

While we are authorizing and appropriating billions of dollars for such agencies and implements of war, I trust we will not neglect the greatest essential for success in war. I refer to the necessary preparation for internal employment of the people, their culture, comfort, and better welfare. My people desire nothing be left undone, and no risk be taken in our preparation for the defense of America. I have had some experience in war, but I must defer necessarily in great part to the experience, wisdom, and recommendations of those specially selected by the American people to devise and plan the agencies and implements of war necessary for defense. Still we must not neglect the war now on our hands against poverty, disease, and the deplorable condition of many of those who furnish the bones, flesh, and sinews of war.

Conditions Affecting California Lime Industry

EXTENSION OF REMARKS

OF

HON. CARL HINSHAW

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1939

LETTER FROM FRANK C. BALFOUR

Mr. HINSHAW. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from Mr. Frank C. Balfour, of Los Angeles, Calif.:

LOS ANGELES, CALIF., *February 27, 1939.*

Hon. CARL HINSHAW,
Congressman, State of California, Eleventh District,
Washington, D. C.

Hon. LELAND FORD,
Congressman, State of California, Sixteenth District,
Washington, D. C.

DEAR FRIEND: I am taking the liberty of writing to submit to you a serious problem which confronts the lime growers of southern California; and while we may be only a small group representing a small part of the whole citrus acreage, nevertheless our problem is equally as important to us as the orange and lemon situation is to the producers of these products (incidentally it is my misfortune to also own two orange groves and a lemon grove as well as my lime grove).

Those of us who have been producing limes on southern California acreage, and to some extent successfully competing with imported limes from Mexico—the country where a United States citizen owning property is treated about the same as a Hebrew is treated in Germany insofar as property rights are concerned—have awakened to the sad realization that, in company with Florida lime growers, we are facing a serious overproduction problem which is greatly aggravated by the fact there is lack of proper protective tariff to protect us against Mexico and West Indies imports; especially in view of the fact that limes practically grow wild in these two foreign countries, are grown on land having an acreage value of about one-fiftieth the value of the land on which we attempt to produce limes, and at operating costs, primarily because of the great difference in salaries, far below our production costs.

A survey of the lime situation is submitted for your consideration as follows:

NUMBER OF ACRES PLANTED TO LIMES IN FLORIDA

So far as we know there are no acreage figures available for Florida. However, statistics furnished by the University of Florida show that from 1929 (the year data was first available) through 1937, a total of, roughly, 342,000 lime trees had been planted in Florida. Of these about 216,000 are Persian or seedless type, 6,500 Mexican type, and the balance are made up of several little-known varieties of limes. Using the generally accepted figure of 100 trees per acre would indicate a total acreage planted to limes in Florida of 3,420. Possibly some planting took place in 1938, which would boost this figure accordingly; but we have no record of such planting.

NUMBER OF ACRES PLANTED TO LIMES IN CALIFORNIA

According to the California Cooperative Crop Reporting Service there were 524 acres planted to limes in California as of 1937, practically all planted to the Bearss or seedless-type lime. In this case also the 1938 planting, if any, is not known.

NUMBER OF ACRES, IF ANY, PLANTED TO LIMES IN OTHER STATES

We have no record of lime plantings of any consequence in any other State in the Union. It is reported that the State of Texas has recently gone into the production of limes on a commercial basis, but no data is available at this time for that State. There may also be a few scattered plantings in the State of Arizona.

APPROXIMATE TOTAL POUNDAGE LIMES RAISED IN UNITED STATES IN 1938

The California production of limes for 1938 was approximately 835,000 pounds, according to records which can be taken as representing nearly all of the California lime production.

There is no way of knowing definitely what the Florida lime production was for 1938. According to the United States Department of Agriculture, the indicated production of limes for Florida for 1938 was 95,000 boxes. There seems to be some confusion as to the weight of these boxes, one source claiming that the standard lime box will weigh slightly over 90 pounds, while another source states that 80 pounds is the correct weight. The Florida limes handled by our organization—the Calavo—are generally shipped in bushel boxes weighing 50 pounds net, standard crates weighing 80 pounds, and quarter boxes weighing 20 pounds. Assuming the 80-pound box is meant in this case, the 95,000 boxes would extend to 7,600,000 pounds as the total Florida lime production for 1938, which, coupled with the California production of around 835,000 pounds, gives a total domestic lime production for the past year of some 8,435,000 pounds. Since many of the lime trees, both in Florida and California, have not yet come into full bearing, the outlook for the future is a substantial increase in this figure, at least for several years to come.

APPROXIMATE TOTAL POUNDAGE OF LIMES IMPORTED FROM MEXICO, 1938

Mexican lime imports into the United States for the year 1938 (through November only, the December figure not being available at this time) totaled 3,709,000 pounds, according to the United States Department of Agriculture, Bureau of Foreign and Domestic Commerce. This was a sharp decrease from past years and was attributable almost entirely to the tremendous increase in domestic production.

This situation will probably change entirely in the coming season, due to the fact that in the past practically all importation of Mexican limes has been handled by Calavo Sub-Tropical Fruit Co. in California, who also handle all of the limes produced by California growers, and it has always been the policy of this company, naturally, to favor domestic production. However, at this time we find that numerous new importers of Mexican limes are springing up, particularly at Nogales, Ariz., which, of course, means that the domestic lime growers will probably be in a worse plight than ever with the start of the 1939 lime season.

BENEFIT TO CALIFORNIA LIME GROWERS IF MEXICAN LIMES WERE TOTALLY EXCLUDED FROM UNITED STATES MARKETS

An unreasonable tariff on lime imports from Mexico, which would totally exclude Mexican limes from the United States markets the year round, would probably not be satisfactory or beneficial to the California lime growers or the Florida lime growers, because limes are produced here primarily during the winter months. However, if a check-up indicates that Florida could take care of the demand in this country from March 1 to September 1, then, of course, the Mexican limes could be totally excluded.

Mexican limes are imported in greatest volume during the early spring and summer, when practically no California limes are available. However, the greatest difficulty insofar as we in California are concerned, is the overlapping mentioned during the latter part of August, September, and the early part of October, during which time a very stiff tariff on Mexican limes is our only salvation.

The year-round continuity of limes is important to the California and Florida growers, as well as other market outlets, and it is perhaps true that if the Mexican limes were completely excluded certain markets would be devoid of limes for a portion of the year, as stated above, unless the Florida production could take care of the market. I frankly admit that if the market could not be supplied with limes from any source for certain periods of the year, it would work to the disadvantage of those of us who are producing limes in California. On the other hand, it is my opinion that even during the gap periods the tariff should be sufficiently stiff to force the price of Mexican limes, during the time they are on the market, up to a basis of direct competition with the California and Florida limes when they are available.

I seriously object to the general practice of lowering tariffs without due regard to the persons in interest, and in my opinion our efforts should be bent toward eliminating this practice by returning the power to raise or lower tariffs to Congress rather than have it vested in the Chief Executive as at present, with the result that protective tariffs bounce around like a rubber ball, meaning that

the poor devil who has to pay toward the cost and upkeep of the Government and secure the portion that he pays by operating an agricultural enterprise is forced to see his investment and his income follow the bounces.

You can be of great service to the lime growers of both California and Florida if, in cooperation with the gentlemen from Florida who occupy seats in the House, you can secure for us a protective tariff which will permit us to remain in business; for if conditions continue as they have existed during the last two lime seasons, I can tell you definitely that the California lime grower is practically through, and his investment of approximately $2,000 per acre is a total loss.

Assuring you of my sincere appreciation of the careful consideration I know you will give this matter, I remain,

Very truly yours,

FRANK C. BALFOUR.

The Townsend Plan—One Disastrous Result

EXTENSION OF REMARKS
OF
HON. JOHN TABER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1939

Mr. TABER. Mr. Speaker, for the information of the people, I desire to call attention to a portion of Dr. Townsend's testimony before the Ways and Means Committee, indicating clearly that a part of his scheme is to put the local retail merchant out of business. This testimony appears on page 623 of the hearings held by the Ways and Means Committee, on the social-security question, and is as follows:

Mr. MCCORMACK. All right. I am trying to get your state of mind. When you drive out the middleman and bring the producer and consumer closer together, the middleman is closed out, isn't he?

Dr. TOWNSEND. Sometimes; yes.

Mr. MCCORMACK. And the middleman, on the average, is the small and independent businessman. That is true, isn't it?

Dr. TOWNSEND. That is right.

Mr. MCCORMACK. And you can't do that without creating another social problem, because that affects millions of people now employed by the middleman.

Dr. TOWNSEND. Let us create all the jobs we possibly can.

Mr. MCCORMACK. In other words, as a result of this bill the middleman will be closed out.

Dr. TOWNSEND. I shouldn't think so.

Mr. MCCORMACK. Either that or he will be compelled to go into a cooperative in order to protect himself against the advantage which the corporations will have.

Dr. TOWNSEND. That is going to happen to him anyway under the present competition.

Mr. MCCORMACK. In other words, he faces extinction?

Dr. TOWNSEND. Yes.

Mr. MCCORMACK. Don't you think we should try and do something to preserve this man?

Dr. TOWNSEND. No; I don't. I think he is a useless appendage in the profit scheme. I mean he is not showing competency. That is what makes the cost of living high.

Mr. MCCORMACK. That is all.

It is clear from the above that the small retail merchant in Dr. Townsend's opinion should not and could not survive under his transactions tax.

Constitutional Money and Government Monetary Control

EXTENSION OF REMARKS
OF
HON. KNUTE HILL
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1939

RADIO DISCUSSION BY REPRESENTATIVE VOORHIS OF CALIFORNIA AND FORMER MEMBER OF CONGRESS CHARLES G. BINDERUP

Mr. HILL. Mr. Speaker, under leave to extend my remarks in the RECORD I wish to include what I understand is the first one of a series known as Congressional Breakfast Talks, under the personal direction and supervision of former Congressman Charles G. Binderup. The announcer stated it well when he said:

This morning we introduce a new feature which we believe will soon become one of the most popular early morning features on the air.

Under the personal direction and supervision of Mr. Charles G. Binderup, former United States Congressman from Nebraska, we present the initial broadcast in a series of Tuesday morning programs to be known as Congressional Breakfast Talks.

Mr. BINDERUP. We bid you good morning, everybody, bringing to you greetings from the Constitutional Money League of America, with special greetings to the President of the United States and to all the Members of Senate and House of Representatives. Greetings to everyone on this our first morning breakfast discussions.

Definitely realizing the great potential possibilities of our national organization, the Constitutional Money League of America, and the privilege of these broadcasts, it is with a feeling of profound gratitude to this station when we thank them for their kindness in extending to us their facilities for broadcasting. We have taken the liberty of sending letters and telegrams to the White House, the Cabinet members, and every Senator and Congressman informing them as to the time and station on which these broadcasts are being made. In the future we plan to follow this procedure as a gentle reminder as to the time of broadcast of each program on this series.

We have all, I am sure, long since grown tired and weary of hearing criticism of our present economic system without such criticism being associated with a constructive plan or remedy to overcome this deplorable economic condition that is threatening the very existence of our great democratic institutions. Therefore in these morning breakfast discussions that will be carried on by the Nation's greatest statesmen, regardless of political parties, we will avoid, as far as possible, criticism and will strive to show the way to economic recovery in a constructive manner.

And now I should like to introduce to you at this time Congressman JERRY VOORHIS, who is recognized throughout the land as a great apostle in the righteous fight for the people and the fight for honest money. Mr. VOORHIS, tell us about your plan for solving the unemployment situation and bringing speedy recovery by Government monetary control.

Mr. VOORHIS. First, Mr. Binderup, I should like to make it plain that what we are trying to do is to work toward that greater ideal of a truly free America in command of our own economic destiny, which was expressed in the utterances of Thomas Jefferson, in the fight of Andrew Jackson against Nicholas Biddle and the so-called United States Bank, in the issuance of lawful money by Abraham Lincoln, in the movement lead by William Jennings Bryan, and in the high ideals held by such men as Woodrow Wilson, Robert L. Owen, and many others for the Federal Reserve Banking System, but which, unfortunately, have never yet been realized. I believe I have followed that tradition in my bill which I plan to introduce in the near future, and I am trying to carry on the splendid work which you started in the Seventy-fifth Congress with your bill, H. R. 9800, upon which my bill is based in its essential features.

Mr. BINDERUP. That's a wonderful compliment, Jerry. Thank you. But, Congressman, when you paid tribute to great money students and statesmen that have left their footprints on the battlefield in the great unequal fight for constitutional money, I am sure you just forgot to mention two great Republicans in the ranks—President Garfield and James G. Blaine. These were indeed worthy warriors in our ranks. But tell me, Congressman VOORHIS, what do you think is the most important principle in your bill you propose to introduce?

Mr. VOORHIS. Mr. Binderup, that would be difficult for me to say as I believe there are five cardinal principles contained in our bill, and if you took any one of these five out, the bill would be hardly worth while. The first one I shall mention, however, is the restoration to the Congress of its constitutional right to coin the Nation's money and regulate the value thereof.

Mr. BINDERUP. Yes, Congressman VOORHIS; that is fundamentally true in any sound monetary bill. That's why we call our national organization the Constitutional Money League of America.

Mr. VOORHIS. Probably the most direct and logical way to establish this first principle is by making the Federal Reserve Board definitely and positively the monetary agent of Congress, and giving the Board a mandate consisting of instructions from Congress as to when and how they shall issue the Nation's money and control the volume of demand bank deposits, which are approximately 97 percent of our money today. This is done in the bill.

The second principle is the establishment of a 100-percent reserve back of all demand deposits. This is definitely necessary, because until it is done we will continue to have an uncontrollable banking and monetary system, wherein our money, in the form of demand bank deposits, appears and disappears in billion-dollar chunks, depending on whether or not the people are willing to borrow and the banks are willing to lend.

Mr. BINDERUP. Right you are. Yes, truly, truth is stranger than fiction. We are basing our money on the people's debts. If we pay our debts, our money disappears, and we will all go broke. And if we don't pay our debts, the sheriff takes all we have and we will also go broke; so, in principle, it merely means that we are damned if we do and damned if we don't. Isn't that so?

Mr. VOORHIS. Yes, Mr. Binderup; you are absolutely right. If Uncle Sam and all the rest of us paid our debts, there would then

not be one dollar in circulation except our old reliable Abraham Lincoln money and our silver. The bulk of our money consists of bank deposits created by the banks for the explicit purpose of making loans. By the same token the payment of those loans wipes out the deposits and, in effect, destroys that much of our money. Under our present monetary system, the people are definitely between two fires, a money famine on the one hand and increasing debt on the other.

Mr. BINDERUP. I agree with you entirely, Mr. VOORHIS, but I realize we will have to cover this point in detail later in following discussions. Our present monetary system reminds me of driving an automobile with a loose steering wheel. First, it runs us into the inflation ditch and then into the deflation ditch. Our monetary system, like an automobile, should always be under perfect control.

Mr. VOORHIS. Yes; absolutely.

The third great principle is to bring the 12 Federal Reserve banks directly under governmental control and make of them Government institutions as they were originally supposed to be. This can be accomplished simply by the Government purchasing the capital stock from the member banks. If this were done, $11,000,000,000 of gold would become, for the first time, clearly the property of the United States, and many things which are inherently confusing in our present system of private creation of money would be avoided.

Mr. BINDERUP. But, Congressman VOORHIS, suppose we did get all the gold. What would we do with it? We certainly do not need it for money, when a piece of paper with Uncle Sam's stamp on it is better than gold, more convenient and always at par. We use Uncle Sam's paper—that is, bonds—to buy gold and then pay interest on the bonds, put the gold in a hole, and then kid ourselves into believing that the gold in the hole is necessary to back up Uncle Sam's paper, that was good enough in the first place to buy the gold.

Mr. VOORHIS. That's right. The only real value in the gold is a purely psychological one. To some people it represents a base for issuing money or extending credit. I agree with you that it is unnecessary but I should rather have the Government's title to it a clear one in any case.

Mr. BINDERUP. Of course you are right in that. What is the fourth principle, Mr. VOORHIS?

Mr. VOORHIS. The fourth principle is that of restoring the buying power of the dollar to its 1926 level, and giving the Nation a dollar whose purchasing power and debt-paying power will remain dependable and constant through the years.

Mr. BINDERUP. Well, then, Congressman, it looks to me like that's the first step toward recovery and toward achieving a dollar with permanent debt-paying and purchasing power. And, Jerry, that means taking the rubber out of the dollar. Suppose we had some power changing the length of our yard, making it 3 feet one day and 9 feet the next. We would hesitate to invest in drygoods, not knowing the length of the yard when we would be ready to sell. And yet, I wonder whether we all realize that our dollars are manipulated secretly in just this fashion. In order to make our money dependable and constant through the years, isn't it definitely necessary to measure our money into circulation, scientifically, as accurately and as carefully as a doctor would measure or weigh his medicine to his patients?

Mr. VOORHIS. Exactly so, and that in fact is the fifth principle, for any monetary system must be just and fair if it is to continue to live. We must protect the creditors as well as the debtors. It is a necessary function of a national government to constantly feed into the veins and arteries of trade and commerce enough money to keep pace with the increase in our population and expanded industry. All these require more money in circulation if we are to maintain a stable price level, and that money must be put in circulation in such fashion as to raise the standard of living for the lower-income groups.

Mr. BINDERUP. Isn't it a fact, Jerry, that our monetary vehicle, which must carry the load of trade and industry, might be likened to a railroad engine—the bigger the load the more steam it takes and then the engineer just opens the throttle a little more to provide more power to carry the additional load and maintain the speed? Likewise with our monetary vehicle—the bigger the load (meaning increased population and expanding business) the more monetary steam will be required, and so our engineers (the monetary authority), under the direction of Congress, open the throttle and let in a little more steam (meaning Uncle Sam's own money). Mr. VOORHIS, if our bill was passed, how long thereafter do you think we could start prosperity and solve the unemployment situation?

Mr. VOORHIS. I think improvement would begin at once. With the 100-percent reserve system in effect everyone in the Nation would know that every depositor in every bank could go all at the same time to their banks and all of them get their money. This bill would make banking a 100-percent safe business. But over a period of years the people have had their fingers burned no less than 27 times under our present banking and monetary system, and they are naturally timid, and why shouldn't they be.

Mr. BINDERUP. Of course, they are timid; but they are not afraid of the prices of commodities going up and down if based definitely on supply and demand of commodities. The thing the people are afraid of is that the dollar, by a privately manipulated control, will go up and down by increasing or decreasing its abundance.

Mr. VOORHIS. Yes; I know you are absolutely right in that point, but this bill will put a stop to such catastrophes. Mr. Binderup, I believe our audience would like to know just who will speak over these congressional breakfast talks, as far as you know in advance.

Mr. BINDERUP. A good suggestion, Congressman. That will be a pleasure, as we have met with such great cooperation in this work. Next Tuesday we have Senator GEORGE W. NORRIS, of Nebraska, and Prof. Irving Fisher, of Yale University. The following week we will have the Honorable Robert L. Owen, former Senator from Oklahoma and for a number of years chairman of the Senate Committee on Banking and Currency, with Senator M. M. LOGAN, of Kentucky, author of Senate bill 31, a bill for monetary reform introduced in this session of Congress. Later to follow we expect to have Senator BORAH, of Idaho, and Congressmen HILL, HUNTER, and other outstanding statesmen.

We are inviting all Senators, Members of the House, and others to write us asking further information on this subject. Every fourth Tuesday we will have round-table discussions with several Senators and Members of the House reading, commenting on, and explaining these questions.

Mr. VOORHIS. Mr. Binderup, just what is the purpose of your organization?

Mr. BINDERUP. The purpose of this organization is to spread monetary knowledge and to coordinate and unite in a national organization all the various detached local monetary study clubs and organizations of the United States, together with unattached students and citizens who are in sympathy with constitutional money, Government monetary control, as the first step to economic stability.

Mr. VOORHIS. I want to thank you very much for inviting me to speak with you here this morning on that all-important subject of Government monetary control.

Mr. BINDERUP. I want to thank you, Congressman VOORHIS. You have always been a good fighting trojan in the ranks, fighting for this most important cause.

ANNOUNCER. Next Tuesday morning at this same time we will present the second in the series of congressional breakfast talks. Mr. Binderup, can you tell us now who will be our guests?

Mr. BINDERUP. Yes; it is a pleasure to announce that Senator GEORGE W. NORRIS, of Nebraska, and Prof. Irving Fisher, of Yale, will discuss the subject of 100-percent reserves back of demand deposits as a means of preventing booms and depressions.

And so on the morning of February 28, 1939, the Nation heard the first gun fired from Washington, the Nation's Capital, for freedom from economic servitude in this radio broadcast by Congressman VOORHIS of California and former Congressman Charles G. Binderup, of Nebraska. I might add that the people of the United States have never had two stancher champions and I trust the people of the Nation will lend their assistance to the Constitutional Money League of America by inserting an article in their local papers calling attention to this great campaign in the great cause of constitutional money and Government monetary control. Personally I think this is a remarkable undertaking, and I do not believe there has ever been a greater program for spreading monetary knowledge than is this one by men devoting and consecrating their lives to this educational work. In this I want to pay a tribute to the personal director and supervisor, Charles G. Binderup, of Minden, Nebr. I know him well, ever since the first day he came to Congress, and a strong friendship has developed between us.

He came to Congress not for a salary, for he spent it as freely as it came in for the benefit of his people. He hired extra office help, both in his Washington office and in his home office, sending out information to promote the principles of constitutional money, not alone in Congress but hundreds and thousands of letters to private citizens scattered over the Nation. His efforts were not confined to his own district or State alone, for his political views were of a national scope. He believed that prosperity must come by creating a consuming and purchasing power among the lower-income group over the entire Nation.

He came to Congress modest, yet firm; willing to listen, yet resolute and determined. He fought at first almost alone, but later many came to his way of thinking and saw the soundness of his proposals. I do not think that labor and the farmer ever had a truer friend.

When someone would praise the bill he had introduced in Congress for Government monetary control, as many of us did in the last session of Congress, he would modestly reply, "It is really not my bill. I just borrowed it from Thomas Jefferson and Andrew Jackson and Abraham Lincoln and W. J. Bryan, and from such great Republicans as President Garfield and James G. Blaine."

Mr. Binderup is a Democrat, and yet, in matters of importance, definitely nonpartisan, weighing every great principle only from the angle, Is it for the protection of the great masses? Devoted to the cause of constitutional money when

he was defeated in the last election, he refused to quit. He came to Washington at his own expense and there organized a great group under the name of the Constitutional Money League of America in support of his principles for Government monetary control; old-age pensions without taxation in the amount of $50 per month for old needy people, widows, orphans, the blind and cripples, to be paid by necessary new money issued direct by the Government; rehabilitation of the farmers back on their farms with 1½-percent amortized payments on their loans; and repayment of the national debt with a fountain pen, using exactly the same plan in retiring the bonds that the banking system used in the first place in buying the bonds.

Where does the money come from for carrying on this stupendous campaign? When I asked him, he replied: "Destiny has always been kind. It never fails. Devotion and sincerity to a righteous cause always wins. I have faith in the people. If everyone that has suffered under our miserable and criminal money and banking system would give a penny a day for their country, we would have more money than we need for our great educational campaign."

Mr. Binderup has written his third book on the subject, called Uncle Sam's Hospital Chart. He has donated the profits from the sale of this book to the cause. Senator Owen compliments this book by saying: "It is the kindergarten plan for teaching fundamental monetary truths."

The idea of a forum on the money question interested me, and because I wondered what organization was sponsoring the radio series, I wrote Binderup asking him what the Constitutional Money League was and how it was operated. Since other Members of Congress may have also asked themselves this question, I think this answer from Binderup is appropriate:

Hon. KNUTE HILL,
Member of Congress, House of Representatives,
Washington, D. C.

MY DEAR KNUTE: I am pleased to receive your letter of inquiry asking what the Constitutional Money League is, who are its sponsors, and what it stands for.

The Constitutional Money League is a patriotic association supported by volunteer workers and contributions. It is nonpartisan, nonsectarian, nonracial, and nonprofit. No obligation is imposed on its members. Debts in the name of the league are forbidden. The object of the league is to have Congress discharge the duty imposed by the Constitution: To exclusively create money and regulate the value thereof, and thereby end depression and prevent the recurrence thereof through a dollar just to debtor and creditor alike, a dollar of uniform, permanent, debt-paying, purchasing power. The league proposes through money study clubs and organizations in every congressional district to establish an informed public opinion on managed money for the benefit of all the people to end poverty through maximum production and employment. It solicits the aid of patriotic citizens, especially of the unemployed.

The organization is composed of three departments. The first consists of the Honorary Tribunal of Economists, with a membership of more than 100 professors of the Nation's outstanding universities, monetary authorities in political economy. This tribunal endorses the principles of Government monetary control and 100-percent reserves back of demand deposits. The tribunal, however, is not in any way committed to any bill or legislation, nor do they suggest a plan; they have merely declared a policy or principle and recognize that the plan, in the shape of a bill, must originate in Congress and be carried out by the representatives of the people.

The second department consists of the Honorary Advisory Business Council, who, while they do not take any active part in the transaction of business, supervise and direct the national organization. This council consists of nine outstanding businessmen of ability. The league endorses the principle of Government monetary control as advocated by the four largest farm organizations in this country, the National Grange, the National Cooperative Council, the American Farm Bureau Federation, and the Farmers' Union, and educational associations of America. We expect to include the heads of these groups as members of our Honorary Advisory Business Council.

The Executive Business Council that transacts all business for the league consists of a president, vice president, executive secretary, assistant secretary, executive treasurer, and various committees.

The Honorable Robert L. Owen, former United States Senator from Oklahoma, has been elected as the honorary councilor at the head of the Advisory Business Council.

I believe it is generally recognized that Senator Owen is one of the Nation's greatest statesmen, a leading monetary authority and philanthropist, untiring and devoted to his country, knowing that this Nation cannot live and civilization cannot endure unless the reasonable wants of humanity are recognized and satisfied.

Mr. Robert Hemphill, financial writer and formerly credit manager of the Federal Reserve Bank of Atlanta, Ga., is the executive secretary.

I have the honor to be the president of the Executive Business Council that must transact all business for the organization. My office address is in care of the Constitutional Money League of America, 3200 Sixteenth Street NW., Washington, D. C., and I will appreciate your addressing me there if you wish more information concerning our league.

With many thanks for the interest you have shown, and with personal best regards, I am,

Sincerely, CHARLES G. BINDERUP,
Former United States Representative from Nebraska.

Proposed Amendment to Social Security Act

EXTENSION OF REMARKS
OF
HON. JOSIAH W. BAILEY
OF NORTH CAROLINA
IN THE SENATE OF THE UNITED STATES

Saturday, March 4 (legislative day of Monday, February 27), 1939

STATEMENT BY JOHN R. SAMPEY, OF LOUISVILLE, KY.

Mr. BAILEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very important statement concerning a proposed amendment to the Social Security Act, made by John R. Sampey, president of the Southern Baptist Theological Seminary, Louisville, Ky.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

A new threat to religious liberty in America may develop from a bill recently introduced in Congress to amend the Social Security Act. Baptists in particular and Christians of all faiths who are of like mind should inform themselves of the dangerous potentialities of this bill. In 1935 Congress passed "An act to provide for the general welfare by establishing a system of old-age benefits, and by enabling its several States to make more adequate provision for aged persons, blind persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes."

This act significantly contained an exclusion clause which omitted from the application of the act and from taxation thereunder "service performed in the employ of a corporation, community chest, fund, foundation organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual." The bill which has been introduced into the present Congress (H. R. 101, by Mrs. O'DAY) would amend the original act by striking out this exclusion clause. And it is to this amendment as it concerns the churches and other institutions of religion that we would direct the earnest attention of Baptists and of all other Christians.

What does the amendment mean? Practically it means (1) that in the future the function of providing for the economic security of employees of churches, denominational organizations, and other institutions of religion would be taken away from these groups and be made the function of the state; it means (2) that the churches and their institutions would be taxed by the state for the support of its social security program; (3) it opens the door for the punitive coercion of the churches by the state in the enforcement of its regulations; and (4) it involves the individual workers of the churches in a direct economic dependence upon the state that will tend to dull religious conviction and stifle independent conscientious action.

The further meaning of the amendment for Baptists becomes clear when we recall their historic views. Early American history rings with their insistence upon full religious liberty for all men. In order to guarantee such liberty for the individual they further insisted on the state's recognition of the distinctive nature and distinctive function of the church in the world, warranting the demand for a free church in a free state. They believed, and Baptists still believe, that the church is not in the same category as the economic corporation, that it is the voice of God in the world, and that its spiritual function becomes impossible when its organization and methods are controlled by the state, or when it becomes economically dependent upon any other group whatsoever. The church must be free from entangling alliances if it is to remain the voice of God in human society. Although the different functions of the church and the state are complementary rather than antagonistic, they are so different that neither the church nor the state is fitted to govern the other, and that attempted domination

of either by the other makes only for injustice, bitterness, strife, and disruption.

The proposed amendment, furthermore, reverses the historic judgment of the Nation. The above Baptist principles were recognized in the Bill of Rights and in the legislative policy of our Government, a policy based, we must be reminded, not upon the expediency of gratuitous exemption, but upon the essential right and requirement of the church in the exercise of its spiritual function. But the twentieth century pressure of economic and political expediency begins to ignore the essential difference between churches and other associations, and to regard the freedom of religion as freedom of thought and worship only, without the implementation of action and method. In our sight this amendment is just another step, undiscerningly proposed perhaps, in the direction of incorporating religious organizations under the leadership and control of the state, a movement that promises as great a disaster for democratic government as for the church.

We speak, therefore, not merely in defense of the freedom of the church, but as patriotic citizens we would enter our protest against a step that would further secularize the national thought, endanger the freedom and variety of democratic association, yield to the totalitarian principle another gain in its conquest of western civilization, and become the portent of national confusion.

Because we feel so deeply that this proposal is an incipient thrust at something basic in our national life we voice this warning and protest. We appeal particularly to our southern Baptist brethren to give to our historic conscience supremacy over an easy conformity. Our fathers won recognition for the high principles of religious liberty and separation of church and state at the price of hardship and blood; we must not easily surrender them or retreat from their full meaning. We must make our protest. And we suggest that Baptists urge upon their Senators and Representatives the meaning of what is about to be done and register a strong dissent. We must, furthermore, be willing to pay the price of separate action, which in this matter means adequate provision for the workers in our churches and institutions through our own agencies. The work of our relief and annuity board for the security of our preachers, teachers, and other denominational workers is already well established and making remarkable progress toward a complete service. And now a critical challenge confronts us. Shall we go on to perfect the service of our own agencies of security? Or shall we abandon them and yield our task to the state? Our answer should not be in doubt. We shall cooperate most loyally with the state in the area of its own functioning, but within the life of our churches and our denomination we shall claim the right and accept the task of caring for our own.

JOHN R. SAMPEY, *President.*
(For the faculty.)

Labor Organizations and Labor Legislation

EXTENSION OF REMARKS
OF
HON. EDWARD R. BURKE
OF NEBRASKA
IN THE SENATE OF THE UNITED STATES
Saturday, March 4 (legislative day of Monday, February 27), 1939

ARTICLE BY RAYMOND MOLEY

Mr. BURKE. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Reforming Reform," written by Raymond Moley, and published in Newsweek of the issue of March 6, 1939.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Newsweek of March 6, 1939]

REFORMING REFORM

As the American people begin to grow dimly conscious of the fact that neither Franklin Roosevelt nor anyone else of his general philosophy has a permanent lease on the White House, several curious shifts are taking place in public sentiment. The most spectacular of these, to my mind, is occurring among the country's labor leaders.

Remembering, no doubt, the President's references to those "new instruments of public power" that might some day in the hands of a reactionary government "provide shackles for the liberties of the people," the A. F. L. is moving toward a firm stand against further Federal regulation of working conditions in the immediate future. More, it has already indicated grave dissatisfaction with the Wagner Labor Relations Act. The dawning realization that the Wagner Act is an instrument that might, under an ultra-conservative administration, become a pretty ruthless check upon labor has reinforced the knowledge that 1940 and 1944 are not so far off. Together they spell awareness that the theory of a biased board might well prove to be organized labor's undoing.

Hence labor's desire to make the act fair to all parties before it is too late.

Senator BURKE has introduced a series of amendments to the present act—amendments which, while they go somewhat beyond the A. F. L. amendments, are not inconsistent with them. The Burke amendments provide, among other things, for a recreated Board consisting of one representative of employers, one of employees, and one of the public. They would limit the Board's discretion by requiring certain procedural changes. They provide changes in election procedure calculated to remove the present possibility of bias in favor of one or another labor organization. They would protect employees against intimidation "from any source" and against closed-shop discrimination or a check-off of dues. They would rewrite the first section of the present law to provide that all industrial strife, "however caused," is against public policy. It's going to be difficult for Congress to avoid the clear implication of these amendments, particularly at a moment when real friends of organized labor recognize clearly the danger—to labor itself—of Government partisanship in the labor field.

But equally important is the fact that the far-sighted friends of organized labor are beginning to show signs of nervousness about the expansion of wage regulation.

Wages are being regulated in two ways now—by the Wages-Hours Act and the Walsh-Healey Act. Under the latter, by steadily expanding the "locality," it is possible to make uniform the wages in plants which sell to the Government the country over. For example, 29 small independents in the steel and fabricating industries through the Eastern States complain they have been bracketed with the big steel industries between Pittsburgh and Chicago—a territory where wages have been higher than in the East for a generation or more. The "locality" was expanded by the Walsh-Healey Board. The next expansion could well be to take in Kentucky. After that, Alabama. Always a majority of the plants in a given region would be paying the higher rates.

The question that must inevitably arise, then, on the part of workers is "Why belong to a labor union at all?" If union wages can be effected in Alabama, say, without a union, why pay dues? If the Government is taking over the show, why bother? So are years of education and organization by labor leaders being undermined.

In May 1935 I wrote: "So much sincerity and sacrifice has gone into the upbuilding of the American labor movement that failure would be one of the tragedies of our national history. Yet * * * labor today is maneuvering itself into a position where it is open to devastating consequences from a change in the American political climate. * * * The present liberal Democratic Party, which recognizes the need of a strong labor movement, ought itself to take care lest it permit labor to assume a yoke from which it might never free itself."

Unfortunately the Democratic Party didn't "take care." What we are witnessing now is labor's moment of awakening, labor's scramble to get out from under, labor's effort to escape from its dreadful position of dependence upon whatever national administration happens to be in power.

The Historical Romance of the Foreign and American Merchant Marine

EXTENSION OF REMARKS
OF
HON. WILLIAM I. SIROVICH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 15, 1939

SPEECH OF HON. WILLIAM I. SIROVICH, OF NEW YORK, IN THE HOUSE OF REPRESENTATIVES, JUNE 25, 1935

Mr. SIROVICH. Mr. Speaker, under leave granted me to extend my remarks in the CONGRESSIONAL RECORD, I include the following speech which I delivered in the House of Representatives on June 25, 1935:

Mr. Chairman, when ancient man found that certain things would float on water, some genius, possibly cousin to the inventor of the wheel, gathered together floatable objects and used them to help him cross streams, ponds, and lakes that blocked his progress to some desired goal.

The earliest navigation was on rivers and the oldest records we have are concerned with Egypt and the Nile on which, nearly 5,000 years before Christ, boats were made of papyrus reeds woven in the style of an elongated basket and smeared with pitch within and without in order to make them waterproof. The Egyptians had no forests from which to obtain wood, but later on from the time of the first navigational experiments the Egyptians imported wood, probably from the coasts of Phoenicia, and made their ships of wood, using papyrus, stiffened by slats, for sails to augment the sweeps, or oars, previously used.

Coeval with the Egyptians the inhabitants of the lands fronting on the Euphrates and Tigris Rivers turned to these watercourses for transport of persons and goods. Herodotus relates that the general custom of those along the upper reaches of these rivers was to build a framework of osier withes—that is willow branches—and cover them with skins, which in turn were coated with pitch, of which there was a plenitude in that region. Carried down the river by the current these early traders brought their produce to Nineveh and Babylon, sold or bartered it there, and then knocked down their coracle, the bowl-shaped boats they used were called, loaded the whole on the back of a donkey which had been brought down in the coracle for this purpose, and made their way back overland to their homes.

The earliest occidental nagivators of the open sea were the Phoenicians, especially those of Sidon and Tyre. They struck boldly out on the waste of waters in wooden vessels probably fabricated from the cedars of Lebanon. These early navigators of Philistia used first one bank of oars and sails and then added another, and possibly two more banks of oars, manned by captives, although the final perfection of the bireme, the double-banked vessels propelled by oars and sails, is given by credit to the Greeks long before the time of Pericles. It is tradition that Cadmus, a Phoenician, landed on the peninsula of Greece before the Dorians and Ionians came down from the north and took over the land, and not only gave the earliest inhabitants of the Hellenic Peninsula the alphabet but also inducted them into the arts of navigation.

The Greeks took their lessons well and soon were building ships that were used centuries before the Christian era to found colonies in Magna Graecia, the present Sicily, and on the south of the Italian Peninsula. So we find that the navigation of river courses and small lakes was the first attempt of man at water transportation, and that this gradually expanded through the centuries into marine transport on the Mediterranean, the Adriatic, the Tyrrhenian, the Aegean, and the Black Seas. Of navigation on the Red Sea, the Gulf of Persia, the waters of the great bays and seas of the Orient, we have little record, but it is certain that such was accomplished by the natives of those regions.

Ancient vessels connected with ancient caravan routes and river mouths at strategical points along the coasts, such as the present Smyrna; olden Issus, far older than the famed Damascus; Gaza, various ports on the delta of the Nile, of which Alexandria became the most famous; Arsinoe, at the head of the Gulf of Suez. The rivers and the caravan routes performed the functions of modern railroads and brought the produce and products of the hinterland to the coast. The interior prospered because it had outlet to the sea through its coastal harbors; the coast prospered because the deep waters of the earth opened up highways over which the goods of one country could be rowed or sailed to another country and there bartered for that country's goods or sold, and these products brought home again for another sale.

Brigands raided the caravans on land, pirates looted the vessels at sea, but despite these levies by lawless force, trade prospered. Corinth sent the bronze to Athens and the Ionian settlements along the coast of Asia Minor, to Media, Persia, and Rome for armor and statuary. Tyre brought Corinth the tin that made possible the bronze alloy from copper and took factored bronze in exchange—the famous "aes Corinthia" or bronze of Corinth and brought the fine ladies of Corinth the fashionable Tyrian purple, that beautiful dye of the ancients that smelled so terribly in the making and looked so beautiful in the wearing.

Mr. Chairman, I could unfold a most fascinating tale of the merchant marine of ancient nations and the intriguing story of the development, step by step, of vessels capable of taking and holding the seas and of trade between all the civilized and barbarian nations of the days before Christ, but time does not permit.

At the head of the Adriatic Sea, which lies between the long boot of Italy, thrust deep into the Mediterranean, and the present Yugoslavia, Albania, and Greece, for centuries 11 streams swept down to the shores of this sea great quantities of alluvial soil from the mountains and piedmont that crown the head of Adriatic. Due to an easterly flowing current, this silt was formed into long banks of alluvial mud, called "lidi," lido in the singular. On these banks fishermen settled and the first commerce of the embryonic Venice was with fresh and salted fish to the mainland nearby.

The Goths, Huns, and Lombards overran the Alps, and to escape them the inhabitants of the cities of the mainland at the head of the Adriatic fled to the mud banks and lagoons offshore. This was in the fourth century of our era. There were 12 low mud-bank islands, and the settlers from the mainland formed themselves into lagoon townships and, in time, chose tribunes to represent them in the growing form of republican government.

The aboriginal inhabitants were absorbed by the mainland folk. Trade turned from the local barter with the mainland to the open Adriatic and, league by league, spread over the Mediterranean, up the Dardanelles, and through the Black Sea and across the southeastern Mediterranean to Egypt and the Red Sea, and thence to the Orient.

Venice prospered through her eastern trade until she became the great maritime nation of her times, but her supremacy was to be challenged by another Italian city, Genoa the Superb, built not on mud banks but on the footing of high hills at the head of the gulf of the same name which tops the Tyrrhenian Sea, on which the "boot" of Italy fronts. Genoa itself is from genu—the knee—and well describes its location at the top of the "boot."

Genoa and Pisa first fought for trade and Genoa defeated Pisa. Then the Venetians and Genoese clashed over the riches of marine commerce and were each alternately victors and vanquished until the Battle of Chioggia, in which the Venetians finally were victors. Genoa's trade had penetrated as far as the Euphrates, and there the Italian city had erected strong fortresses for the protection of her commerce.

Out of the city of Lisbon, in the then weak nation of Portugal, in 1497 sailed Vasco da Gama with four vessels, instructed by Emmanuel the First to find a sea route to the eastward to India and China. Da Gama rounded the Cape of Good Hope, and continuing his northeastward course reached Calicut in India. Later, with 10 ships, Da Gama sailed again to Calicut, and in revenge for the treatment of the Portuguese he had left to establish a factory on his first visit bombarded Calicut and then swept onward to Cochin-China, destroying everything he could that he found at sea. Calicut, from the cloths of which we get our name of calico, must not be confounded with Calcutta, which was not in existence then, being founded in 1690 by Job Charnock, of the English East India Co.

The discovery of an easterly all-sea route to the Orient by the Portuguese crippled the caravan-vessel routes, part overland, part seaway, of the Genoese and Venetians. An all-water route was cheaper than a mixed land and sea route. Furthermore, the crusades had endangered the western caravans that fell into the hands of the Saracens. Vessels were laden at the prime port and unladen at the home port, or vice versa, and a single shipment was made of goods instead of many transfers en route. To the Portuguese, rather than any other of the nations of the Middle Ages, is due the discovery of the great value of all-water, long-distance transport of passengers and goods. Lisbon prospered as Genoa and Venice declined.

Much else of historical interest, for which we have not time, occurred between this period and the time of Elizabeth of England and Philip II of Spain, in the next century. With this "woman of England" and this "man of Spain" came the conflict for the control of the western ocean—the North Atlantic—and the sea routes to the New World and around the Horn to the Pacific, the Indian, and the China waters and their rich coasts. Elizabeth and Phillip would have little more than academic interest for us were it not for the fact that the victories of Drake, Howard, Hawkins, and other English captains over the Duke of Medina Sidonia, in command of the armada of Spain, closed the Continent of North America to further expansion by Spain and opened up English colonization of the eastern coast of North America above Florida, from which grew the British Colonies in North America, out of which developed the United States of America, based on English law and customs, and speaking the English language.

Had the Lord High Admiral of Spain, in any one of four engagements, been able to inflict a decisive defeat of the Lord High Admiral of England, and then to join with the Duke of Parma in the low countries—the Netherlands and Flanders—and together land victorious troops on English soil—Spain had the best infantry in Europe at that time—the very name "infantry" coming from Infante—the royal title of princes of Spain—the whole course of American history might have been changed and England herself become an appendage of Spain as had Naples and Sicily, Peru and Mexico.

Man proposes—God disposes. The storms of the skies, rather than the artillery of the English, scattered the armada. Elizabeth Tudor herself was gracious enough to give Providence credit though she had two medals struck to commemorate the victory, one of which showed the armada in flight and bore the inscription, "Venit, vidit, fugit"—"They came, they saw, they fled."

English Elizabeth fostered merchant-marine commerce by instigating navigation acts for the protection of English mariners, by giving new charters to merchant adventurers, and organizing and financing new companies. She secretly upheld the piracies of Drake and Hawkins while she apologized for their buccaneering in public. From 1558, when the red-haired daughter of Henry VIII and Anne Bullen, or Boleyn, as we know her today, came to be Queen of England, until her death in 1603 she forwarded the dreams of her father, Henry VIII, and grandfather, Henry VII. The first of the Tudor dynasty obtained concessions for English cloth merchants in the Netherlands and increased trade with Scandinavia. Allying himself with John of Denmark, Henry VII broke the monopoly of the Hansa cities and gained free trade with Denmark. Venetian caracks had brought the goods of the Mediterranean to Southampton or Sandwich, but Henry Tudor concluded a treaty with Florence by which that republic opened its ports to English vessels, and the Venetian monopoly of trade with England ceased. English ships began to carry English goods north, south, and east.

John Cabot, a Genoese, settled in Bristol, fired by the exploit of his fellow Genoese, Columbus, got authority in 1497 from Henry VIII to sail the western sea and set up the English banner on all lands he might discover. Cabot ranged the North American coast from Labrador to the mouth of the Delaware—a great heritage for England, but one that was to lie latent until more than a century later under the Stuarts. Cabot received £7 sterling for his discovery.

Portugal had found Brazil and the route around the Cape of Good Hope to the Indian and west and south Pacific Oceans. Francis Drake for England had entered the Pacific around the Horn. The Hollanders had found the route to the Orient. Spain was busy with the looting of Mexico, Central and South America, and under Philip had taken the Philippines. Trade was the base of all these exploits. The Spice Islands were in the thoughts of every mariner skipper. The famous Spice Islands were sought because there was to be obtained the condiments that would preserve and make palatable the stale and often putrid meat of the times, and that had marvelous medicinal powers, according to the beliefs of that day.

In all of this the three first Tudors, the two Henrys, and Elizabeth had much hand. Thwarting Spain here, checkmating Portugal there, blocking the Dutch elsewhere, overcoming the advantages of the German Hansa cities in the trade with the Continent of Europe and the circumnavigation of the globe by Francis Drake in the *Golden Hind*.

Under Elizabeth the English East India Co. came into being in 1600. Its original object was to compete with the Dutch East India Co., which had obtained a monopoly of the trade with the Spice Islands and had raised the price of pepper from 75 cents to $2 a pound, though the shilling of Elizabeth's time was worth much more than the quarter dollar of our time in purchasing value. For 258 years the English East India Co. monopolized English trade with all lands and islands lying between the Cape of Good Hope in Africa and Cape Horn in South America—that is, according to the charter granted by Elizabeth to "the governor and company of merchants trading into the East Indies"—and in the early days interlopers were liable to forfeiture of their ships and cargoes. James I granted subsidiary licenses to private traders induced thereto by the great profits of the trade, but in 1609 he renewed the East India Co.'s charter "forever."

France, Denmark, Scotland, Spain, Austria, and Sweden also established East India companies and traded their home products for or bought for cash the spices, silks, gems, and other valuables of the Orient. East India merchantmen became the finest ships that plied the seas, down to the advent of the American clipper ships in the early part of the last century. Cromwell renewed the East India Co.'s charter, and Charles II made it his especial concern granting five charters to the company. I have dealt at length with certain aspects of English marine history because it was the root from which sprung American merchant marine. From the first, England subsidized her shipping. Not by outright gifts of money but by granting monopolies of trading rights to her mariners with the prospects of huge profits for private capital and joint-stock capital in the beginning. This was an indirect subsidy, and it was the foundation of England's greatness at sea. Over a long period of years, one by one she crushed or weakened her rivals in trade.

The wars with the Dutch, the Danes, the Spaniards, the piracy of Elizabeth's time, and the privateering, a polite term for piracy, of the Stuarts, and the alleged free trade of later monarchs had only one object—the expansion, with profit, of England's trade over the seas, north, west, south, and east.

American shipping had its origin in the seaports of the peninsula of Penzance. The names of the cities and towns in New England, the middle colonies, and Virginia show the love in which the early immigrants held their English homes. Plymouth, Bristol, Falmouth, Biddeford, Barnstable, Bridgewater, Weymouth, Dorchester, Portland, Southampton, Exeter, Truro, towns east of the Hudson and well known, indicate the early immigration to the American shores and the establishment of colonies by the men and women of Cornwall, Devon, Somerset, and Dorset, and it was the descendants of these men and women who built the early vessels of the merchant marine of the American colonies of Great Britain; and their descendants, in turn, aided by others, who built and manned the fishing, whaling, and trading fleets of New England.

Ships and the seas were in their blood and the same Atlantic Ocean that washed the shores of New England also bathed the strands of Old England, and called to them to venture forth on its broad highways as it had called to their forebears in the times of the Tudors and Stuarts.

Privateers and pirates are often confused in the modern mind. Privateers were privately owned vessels armed with cannon which sailed under the commission and flag of some recognized government. They might be called the militia of the sea. Another class of privateers consisted of vessels either owned or chartered by a colonial government. Their mission was to capture the ships and cargoes of any enemy, either factual or assumed. Pirates carried no commissions from any recognized government, but preyed on the vessels of all nations indiscriminately without regard to war or peace. Privateers sometimes turned pirates deliberately. Sometimes they became such technically by overlooking or misinterpreting the laws and usages of the seas. Both privateers and pirates became the equivalents of the land-robber barons on the sea.

Privateering was really a sort of commercial venture. Skippers and crew worked on a sharing-in-prizes basis and were not paid regular wages. Privateers were an important adjunct to the naval operations of the American Revolution and of the War of 1812. They raided British commerce carried in British merchant ships. Privateering fell into disrepute finally. Pirates claimed to be privateers and privateers denied that they were pirates. So Europe abandoned privateering under the Declaration of Paris of 1856.

American vessels built on the coasts of Maine, Massachusetts, Narragansett Bay, Long Island Sound, the Hudson, Delaware, and Chesapeake Bays, and even further south, ventured on voyages across the Atlantic and back as well as along the coast. They traded agricultural and forest products of the Colonies for industrial products of England and Europe.

Fishing increased along the banks that lie off the shores of New England as far as the Grand Banks of Newfoundland. A hardy race of mariners developed there, and there are authenticated cases of fishing vessels driven by northwesterly gales in record time to the coasts of Ireland, England, and the Spanish Peninsula. Then came whaling.

Nantucket, Marthas Vineyard, New Bedford, Fairhaven, and Salem became the home ports of a series of fleets of whalers that ranged far and wide, from the Arctic to the Antarctic in the Atlantic Ocean, and up the Pacific to Bering Sea and the Arctic Ocean. Whaling trained seamen of fine quality for the merchant marine in the first half of the last century, and whaling brought at least $500,000,000 to the strong boxes of New England, much of which later was invested in clipper ships and sea-borne trade.

At the end of the eighteenth century France evolved a fast vessel of war along new lines. Intended for a convoy for merchant ships, this new, swift type of vessel was also built for ocean commerce by France. England copied the French design, but it remained for American designers of naval and merchant vessels to evolve an entirely new type of sailing-vessel hull, sail rig, and mast stepping which became known as the frigate type, of which the *Constitution, Constellation, United States, Ranger, Lexington,* and *Saratoga* were the prototypes. These vessels of war were slim hulled with clean runs aft, heavily sparred and canvassed, carried a cloud of sails forrad—forward—were quick in stays, ardent on the helm, and highly maneuverable at sea or in tight waters. The frigates of the 1790's were the parents of the clipper ships in the merchant-marine service of the United States in the first half of the nineteenth century. Commerce learned from war and improved on its teacher.

The North Atlantic, the South Atlantic, and the Indian Ocean were common routes to the new steamships a little over a hundred years ago. From the *Savannah* to the Civil War, the new steamers were challenged by the full and medium clipper ships. England had plenty of coal and iron and little forest; America had few developed coal and iron mines but did have great forests. England pinned her faith on coal and iron, and the United States cleaved to hardwood hulls, great pine masts, and spars and canvas. It was the conflict between beauty and utility, and utility won.

England built the *Britannia*, a paddle-wheel steamer, in 1840. The Great Western Railway of England built the first single-screw, iron-hull steamer in 1843, and the screw-propelled ship gained 3 knots an hour in speed over the paddlers. The seagoing world was astonished when the American Collins Line built the *Arctic*, in New York, in 1850, and she made the startling speed of 12½ knots an hour.

The Collins Line operating from New York and Boston to England from 1840 to 1856 was subsidized by the Government of the United States. When the Government, in 1856, ceased subsidizing this line, the entire merchant marine of our Government collapsed.

The discovery of gold in California did more than enrich the pioneer miners and their backers. The names of Flood, Fair, Mackey, are known to many, but the names of the men and women who crossed the Plains, the Rockies, and the Sierras to reach the gold coast are buried in history. The Great Plains between the Alleghenies and the Rockies were the haunt of the Indian and the range of 20,000,000 bison, or buffalo, as they are improperly called.

Railroads were extended into the new territories. The eyes of the East were turned toward the fertile plains. The seacoast, Original Thirteen States, sent their sons and daughters westward and the empire of the sea was abandoned for the land empire of the West. Money that had financed clipper ships was poured into the coffers of the new railroads. The Federal Government heavily subsidized in money and great strips of marginal land the iron rail transport.

Seven railway systems received 81 percent of these land grants; and five systems, the Northern Pacific, Southern Pacific, Union Pacific, Santa Fe, and Chicago & North Western Railroads, received 79 percent of the Federal land grants, which amounted to a total of 129,947,000 acres, and from various States additional grants of 48,424,000 acres, making a total of Federal and State land grants to railroads of 178,371,000 acres. The value placed upon this immense acreage was the extremely reasonable one of $1 an acre computed on the average price received in the sale of Government lands in the 20-year period from 1851 to 1871. In addition to these grants the railroads also received about 600,000 acres of right-of-way grants generally in the proximity of or within the limits of cities and towns and additionally various other forms of financial aid. The price of $1 an acre does not in any way indicate the price per acre received by the railroads on a resale to settlers at later periods. Some of the land given away in order to forward rail transportation now sells for as much as $2,000 an acre. It must be remembered, however, that the railroad in some instances carried Government troops and property free of charge and in other instances at half the normal charge for such transportation.

In addition to the land grants, the railroads sold securities in the shape of bonds and their variants and stocks to municipalities, States, and private investors, and of this money represented today by the refunding, but not the payment, of these security debts runs into a standing funded debt of $12,000,000,000, to which must be added ten billions of money received from the sale of stocks estimated at par value. A total of $22,000,000,000 present-day valuation.

The railroads have certainly been well cared for financially by the Government and by private investing.

As the railroads gained in power and scope of operation the merchant marine declined. Confederate gunfire destroyed most of the beautiful full clipper and medium clipper ships, the ownership of which was mainly held in the Northeastern States, mostly in New England and New York.

In order to place the merchant marine on an equality with railroads, it would be necessary for Congress and the investing public to put in $200,000,000 a year, not counting interest, to provide the equivalents of the twenty-odd billion of the railroads.

Since the export and import ocean transportation of the United States represents about 10 percent at its best of the land transportation, the merchant marine should have received in this period

$2,000,000,000, which figure could have been reached by an annual appropriation and investment of twenty millions a year.

Before the outbreak of the Civil War the United States had a merchant-marine tonnage of 5,600,000 tons; England had a merchant-marine tonange of 5,900,000; the rest of the nations had 5,600,000 tons of shipping. Before the Civil War 75 percent of the export and import cargo of the United States was carried in American ships; this dropped to 8 percent in 1914 at the outbreak of the World War. With the start of this last disastrous conflict the European Allies withdrew all their shipping to their own purposes. American cotton was left in the fields unpicked, or stored in warehouses because there were no American ships to transport it abroad. The same thing was true of wheat and other commodities, except, in such cases where these commodities were required by the Allies for their own use.

When the United States entered the war, we had no vessels to transport troops and material and our Government had to rely upon foreign shipping, for which it paid a high price to England and France and later to Italy to transport troops and personnel.

In a belated effort to provide ships for its own war needs the United States spent $3,500,000,000, most of which went into wooden ships, which later were found to be absolutely unsuited for the purpose, involving a total loss of the money spent for these archaic structures.

For the transport of men, munitions, and material overseas and their return, the United States Government paid out to foreign governments or their nationals the astounding sum of $110,000,000.

Had this amount been paid to American shipping interests instead of to the foreign countries, who later repudiated their debts to the United States, American shipping would have been ably financed and our flag today would be flying over an efficient and competent American merchant marine. [Applause.]

From 1789 to 1860 American-built, manned, and owned ships carried the products of this Nation to all the ports of the world. There was a steady growth in our sailing merchant marine, mostly vessels of wood, of which we had ample supplies in our abundant forests. Oak, hickory, pine—and nothing devised by man in metal could equal the suitability of Maine pine for masts and spars. England had few forests but ample coal and iron. Iron for ships and coal for fuel. So naturally the Britons turned to the steamship as their means of carrying ocean-borne commerce. Americans also built steamships, and their efforts climaxed in 1840 in the Collins Line, which for 7 years gave keen competition to European steamships. The Collins Line was helped by the Federal Government through a mail subsidy. When this was withdrawn, about 1856, and the Collins Line lost two vessels, the line went into bankruptcy, and that was the end of that competition.

The destruction by the *Alabama* and other Confederate privateers of Federal shipping almost cleared the oceans of the American flag. Shipping had been highly profitable to the seaboard States, notably New England, and these profits were turned to the development of the great West. Coastwise trade still held its own, but the deep sea was practically abandoned by Americans.

The Europeans were not idle. The heavily settled nations on the northwest of Europe clung to the sea. It was their route to world commerce. They had no great interiors to develop, and the only export market for their surplus goods was by way of the sea, and to the sea they held tenaciously.

Each new vessel that was launched in Europe was larger and better than those that preceded her. European consuls in other nations sought out new fields for their nationals' goods—they were, and still are, commerce scouts. It is only recently that through the Bureau of Foreign and Domestic Commerce of the Department of Commerce that an organized attempt has been made to learn, on the ground, what American goods foreign nations would buy and that has been heavily curtailed in its activities.

From 1800 to 1860 American ship captains were not only skippers of their ships but were also first-class salesmen of American goods in foreign ports. The real work fell on the supercargo, an officer aboard ship who was in charge of the cargo. It was his job to find out what demand there was or could be created for American manufactured goods and to report the results to the captain and the owners. On the return home such cargoes were shipped as could find ready sale in foreign ports. The historic shipload of warming pans, discarded in New England, taken down to the Tropics and sold to cook over open fires; the sale of ice to the southern countries; the introduction of Yankee clocks, shoes, rubber boots, horse plows, and other farming implements used by hand are examples of old-time Yankee enterprise. For many generations the young women of Buenos Aires would wear no other footgear but American kid boots.

South American countries are accustomed to long credit. Six months used to be considered cash in the last century. The American manufacturers would only sell for cash—spot cash. The English, German, French, and Scandinavian countries were willing to give long credit and to adopt the leisurely method of dealing customary in South America and the Orient. The Yankees were always in a hurry, anxious to do business out of hand. Their European competitors, adopting the methods of the countries they dealt with, gradually cut into the sales of American manufacturers. Americans offered better goods at better prices, and, when the motorcar came in, with improved agricultural machinery, smarter shoes, better hats, and clothing.

These American goods had to be shipped in foreign vessels, and the foreigners saw to it that deliveries were slow and freight charges high—for Americans—while their own national goods were expedited and at lower freight rates. The edge was always against the Americans so far as ocean-borne commerce is concerned, which would not have been the case had there been enough American hulls to transport exported American products.

When the World War broke out the United States had only four vessels plying to South America regularly. Had we then been possessed of ample shipping, the tremendous market in South America, which the nations at war were compelled to abandon, would have produced billions in profits to American manufacturers—exporters and manufacturers. We need never have sold a dollar's worth of goods to the warring nations but could have dealt with, and legitimately so, South America, the Far East, South Africa, and Australasia to the upbuilding of our export trade and the profit of all concerned. We would have gotten paid for our goods, which is more than can be said for the goods we shipped to the Allies.

When we finally established the United States Shipping Board and began to build ships, overseas export trade which had dropped from a percentage of goods carried in 1860 in American ships amounting to 77.3 of the total to 8 percent in 1914. Our lowest point in tonnage and percentage of goods carried in American ships was in 1910, when the shameful figures of 782,517 tonnage and 8.7 percentage of goods carried in American ships were reached.

Due to legislation favoring the American merchant marine from 1917 on, the number of American vessels engaged in trade with Europe has risen from 6 to 193 vessels; with South America from 4 ships to 169; with the Pacific coast and Far East from 6 ships to 87 vessels; with Africa from no ships to 20 ships; and with the Pacific coast-Australasia from 3 ships to 19 vessels. To the Caribbean, West Indies, and Canada in 1914 only 66 American ships were trading; in 1932 this had risen to 164 vessels. The total of all overseas ships in 1914 was 85, and this had increased to 652 vessels. The gross tonnage of these vessels has risen from 510,271 tons in 1914 to 3,282,022 tons in 1932.

The only thing that has enabled this increase in American shipping is the granting of mail subsidies, of which 44 are now in effect. To those who shudder at the word "subsidy," as if it were something malefic, let me cite the figures of increase in tonnage to Europe, South America, the Orient, Africa, and Australasia, which are from 187,333 tons in 1914 to 2,534,595 in 1932. All this is due to subsidies in the form of mail contracts which enabled our shipowners to compete with foreign ships in these trade routes, since a subsidy meant the difference between a continuous deficit and a slight but encouraging profit.

In 1924, due to world conditions, ships to the number of thousands were withdrawn from our trade. The farmers had a surplus of wheat of 250,000,000 bushels and no means of moving it to Europe. At a cost of less than $1,000,000 the Shipping Board moved this wheat abroad and thus prevented a price collapse that would have meant the loss of $600,000,000 to farmers.

When the British coal strike in 1926 caused the withdrawal of British ships and the United States Shipping Board took out its laid-up ships, and came to the rescue of our farmers and industrialists, saving them a loss estimated to reach $300,000,000.

Two billions have been saved American shippers, to be added to their profits, by the reduction in ocean freight rates caused by the competition of American vessels in the period between the World War. Not alone is this saving, but discrimination against American ships has been prevented, because we could compete for our own export trade with our own ships, and do not have to rely on foreign vessels for export carriage.

Nine billions is the amount of America's ocean freight bill for the decade of 1921–30. American ships received three billions of this amount. We should have got every dollar of that nine billions instead of handing six billions over to foreign vessels. We shall get our legitimate share of freight, which is all that is paid for export of American goods, when we have the ships and they are properly supported by the American people through Congress. [Applause.]

Confining the citation to ocean-going vessels competing in the international-carrying trade, we find the total of the world's merchant marine tonnage to be today about 36,000,000 tons. Of this tonnage, Great Britain has about 13,500,000; Japan, slightly over 3,000,000; the United States, slightly less than 3,000,000; Germany, 2,700,000; France, about 2,250,000; and Italy, about 2,100,000. Compared with the situation in 1914, the American merchant marine engaged in ocean foreign trade has much improved, but we are still near the foot of the list from the viewpoint of competitive tonnage, although as a result of the act of 1928 in a period of 4 years subsequently 450,000 gross tons of vessels were launched, including 9 tankers and 2 ships of special type, leaving us high types of combination passenger and freight vessels valued at $142,000,000, or about $4,600,000 each vessel.

In the President's message he contended that we had given thirty millions in subsidies to ships of United States registry which is less than one-third of the one hundred and ten millions the United States paid to Great Britain and France for transport during the war.

In marine commerce between the elements of the British commonwealth of nations 90 percent of that trade a few years ago was carried in British ships although this transport, theoretically, is open to all nations. However, as we all know, there is a vast difference between theory and practice. England has always cared most scrupulously for her commercial navy. Build as she would, Germany before the war was never able to set afloat more than one-quarter of the amount of British tonnage with all of Germany's naval technical advance. Remember, in this connection, that in 1858 the United States had as much ocean-going tonnage as all the other nations of the world put together, except Great Britain, and the United States was only 300,000 tons behind Great Britain at that time. From this splendid condition in less than 40 years the

United States dropped to 8 percent of the carrying capacity of its own exports and imports, in 1914 the year that witnessed the outbreak of the World War.

When President Theodore Roosevelt sent the United States Navy on its voyage around the world, he had to go to foreign nations to get colliers, auxiliary ships, and tenders to accompany that fleet on its way around the world.

During the last decade foreign countries have carried about 75 percent of the ocean trade of the United States. Since this was profitable to them, it seems to me, that an opportunity was presented our former associates in the World War to devote part of this profit to the payment of the war debts to the United States, particularly also in view of the fact that between August 1914 and April 1917, when the United States entered the war, American shippers paid increased ocean freight charges boosted tenfold or more, which cost industry and agriculture of the United States nearly a billion dollars, and it might also be recalled during the British coal strike, after the World War, which withdrew many of their ships from service, that the United States Shipping Board was able to put ships to service to carry wheat and cotton out of Gulf ports, which saved American shippers $650,000,000, which went into the pockets of American industrialists and farmers.

Were we able to build ships such as the American merchant marine needs, 85 percent of the cost would go for labor and 15 percent for material, to the advantage of the reemployment of labor and the development of the merchant marine. That is the purpose of the present bill. [Applause.] To put American shipping under the American flag back on the ocean trade routes of the world, where it belongs by the right of a great people to have their own means of water-borne transport to all the nations of the world, three things are necessary:

First. A construction differential subsidy, to be granted to shipbuilders and their shipyards to equalize the difference in cost between vessels built in the United States and vessels built in other countries due to the higher cost of materials and skilled labor in the United States over that obtaining in other countries.

Second. An operation differential subsidy, which would be a subsidy to equalize the difference in the cost of operating American shipping in competition with the shipping of other nations operated under lower labor costs for personnel, supplies, and repairs.

Third. A trade penetration subsidy, a grant to United States ships to enable their owners to open up trade with other countries not now open to or traded with by American ships.

No further mail subsidies should be granted. Their operation was permeated with fraud and corruption. I confidently believe that these methods will put the shipping of the United States of America on a parity with the shipping of the world and that through them the American flag again will be seen flying in all the ports of the world as it was in the days of the clipper ships. [Applause.]

The United States is now giving subsidies—there is no other name for it—to industry through the tariff; to agriculture through bounties; to bankers through the operations of the Federal Reserve Banking System; to labor and the American Federation of Labor through restricted immigration, thereby keeping out the competition of foreign labor; to Boulder Dam, Muscle Shoals, through flood control—all local in their operation and only indirectly, if at all, affecting the Nation at large.

In the building of ships 70 to 75 percent goes to labor and 30 to 25 percent to material; in the operating of built ships plying in trade 80 to 90 for labor and 20 to 10 percent for supplies; that is, for material. Testimony was adduced before the Committee on Merchant Marine and Fisheries during the hearings that the cost of labor in the building of ships was 80 to 90 percent of the total cost, and of material 20 to 10 percent; but the figures I first cited are based on construction costs of vessels built by or for the Navy, and I feel that these figures are the most certain. Whichever be true, labor gets at least three-quarters of the amount spent for ships and may get as high as 90 percent. Labor is the great beneficiary in the end.

Washington, Jefferson, and Madison in the early days clearly saw the value of shipping to the young United States when all they had to ship were agricultural, lumber, and fishing products. How much more is American shipping needed today, when the industrial products of the Nation have reached a development far beyond that of any other single nation and surpassing in variety and magnitude the entire products of many nations?

Are these products to be carried to foreign buyers of American goods in American export trade in foreign vessels so that our exporters are at the mercy of any freight charges that these foreigners may choose to extort, to their great profit, or are we going to arrange it so that the freight charges for American cargoes will go to the profit of Americans, as they should, and as they will when again we have an American merchant marine worthy of the name?

When the Cunard Line had obtained the cream of passenger and freight traffic on the North Atlantic from 1840 to 1847 the United States granted a subsidy to the American Collins Line, and in a short time the faster and abler Collins steamers had captured 50 percent more passengers and 30 percent more freight from the Cunarders and forced the Cunard to reduce its freight rates from $35 to $20 a ton, to the saving of American shippers. The withdrawal of this subsidy and the loss of two ships, about which there was much mystery, caused the Collins Line to suspend and left the North Atlantic to the Cunard Line. When Congress in 1857 abolished ship subsidies, it sounded the death knell of the American merchant marine.

In the 50 years from 1860 to 1910 American shipping fell from 77.3 to 8.7 percent of American foreign trade. Where once the Stars and Stripes had been seen in every important seaport of the world, it now became so seldom seen as to excite wonder.

American manufacturers and farmers were paying to foreigners every year hundreds of millions of dollars for freight that should have gone to American owners of American vessels—had there been any such.

Grover Cleveland, William McKinley, and Theodore Roosevelt in turn earnestly warned the American people of the dangers inherent in a policy of allowing American shipping to decline. Woodrow Wilson said: "How are we to get the ships if we wait for the ocean trade to develop them? The Government must open these gates of sea trade, and open them wide."

When the World War broke out there were only 19 American ships in ocean trade, of which only 6—only 6, think of it—were in the North Atlantic trade. When the European belligerents withdrew their ships from trade we had none to replace them. If we had ships then the whole of South American trade could have been ours for the taking. But we could not ship our products south of the Caribbean, since we had no vessels to ship them in, and a vast and profitable trade was entirely lost. Because it could not be shipped abroad, cotton fell to 5 cents a pound.

It cost the United States three billions to try to put ships on the ocean when we entered the war. If we add what we paid England, France, and Italy to this and then surcharge it with the lost profits we might have had from sea trade between 1914 and 1917 the amount is so staggering that I hesitate to give it. It would have provided the United States with a merchant marine surpassing any in the world, surpassing all in the world.

In shipbuilding 16 principal items are used. Each of the 48 States of the Union produces several of these materials. The benefit would not be confined to the seaboard States if we built proper ships for a new merchant marine. Every producer of cotton, corn, wheat, lumber, coal, oil would benefit; every State in the Nation would benefit; and at least 75 percent of the money spent would go to labor—in some special cases as high as 90 percent.

Therefore, it would not only be the shipyards of the seaboard States that would benefit from the upbuilding of a competent merchant marine by the United States but every section of the country, every State in that section, every county in that State, and I might almost say every village and hamlet in that county. This was true in New England in the days of the Boston, Salem, Portland, New Bedford, and Nantucket shipping; and what was true on a small scale in the days of the sailing ships would be as true in these days on a far greater scale.

We must have ships. We must have American ships, built by Americans and manned by Americans, and flying the American flag. [Applause.] Our great prosperity lies in the export of our surplus products. When the United States is sending its industrial and agricultural products abroad that means that there is opportunity for the use of the full potentials of our producing capacities and abilities, not only in industry but in agriculture. There are great markets yet to be developed. The little town of Salem built ships and traded to the Orient and grew wealthy. The ships of Nantucket scoured the Antarctic, rounded the Horn, and sailed to Bering Sea and the Arctic. Were they hardier and better men than we? They had no trade. They had to make trade or find whales and they did both. Let the Government provide the three requisites that I have named: Construction differentials, operation differentials, and trade penetration subsidies, and American men and firms will do the rest. But the ships we are to build must be real ships.

They must be able to compete in speed and comfort and cargo-carrying capacity with the best that the rest of the world has to offer in competition. I would rather we had five first-class 20,000-ton ships than one super 100,000-tonner. It is the combined cargo and passenger ship that Great Britain relies on. The *Queen Marys* are advertisements—splendid ones to be sure—but advertisements nevertheless. We must build our great superliners to match them later on. At present we need what is known as "combination ships," carrying passengers and cargo, tankers, and cargo ships. Let the thousand-footers wait about 2 years until we have the solid fleets of handleable and profitable vessels plying into all the ports of the world from all the ports of the United States.

The ships must be made, as they can be made, as safe as human ingenuity can make them. They must be wholly manned by American officers and crew and wholly built of American material in American shipyards by American workmen. Then we shall know what we have got and how they will stand up in the times of stress that are bound to come at sea.

The sea is a rough master once it gets the upper hand. It takes skill, competent skill, to operate safely any ship at sea. Our American seamen have the intelligence so to operate their vessels when they get them and they can be trained. This cannot be done in a year nor in a few years. It takes years to make and mold an ocean line. Half a dozen ships under a house flag will not make a line. But American lines can be established and the time to begin is now. [Applause.]

The loss of lives of crews and passengers due to destruction of vessels at sea is estimated to have been 100,000 persons in the past century; the loss of cargo mounts to countless millions. Man has not conquered the sea and man never will! An icefield, solid and just awash, tore out the forefoot of the great *Titanic* and hundreds met their death. Spasmodic and unpredictable variation of the compass off the California coast made a fleet of torpedo boats pile

up on the rocks. Ice in the Arctic has crushed whaling and exploring vessels as if they were made of thin glass instead of sturdy oak. Wind and wave have driven vessels ashore on lonely coasts with the loss of the ship and all hands.

But man must use the seas for his surface transport, and man will continue to use it if he cannot conquer it, defying its terrors and dangers with stout hearts. Every new vessel that is launched is built better to combat that "Ol' Dabble Sea." Science in marine architecture reduces the dangers incident to shipping every year, but owners of vessels do not always take advantage of the advances made in design, construction, and operation. Vessels can be made practically fireproof, but not all are. Double hulls reduce the danger of sinking, as do athwartship and fore-and-aft compartments. But all vessels, passenger as well as freight, are not so equipped.

Trained and competent crews are obtainable, but it saves money for owners and ship's stockholders to discharge crews at the end of a voyage and rehire at the start of the next one. It takes more than one voyage for the bridge, engine room, and forecastle staff to know their ship and what she will do and will not do under stress.

Two ships, built from the same plans and materials, by the same construction crews, and in the same shipyard, will differ even more than human sisters will. One will have an ardent helm and steer quickly; the other will have a slow helm and steer lazily. One will work to leeward despite all the helmsman can do, and thereby lose way, and the other will hold her course through the eye of a needle, as seamen say.

No vessel or any other human structure can be made wholly fireproof, but ships, as well as structures ashore, can be made strongly fire-resisting and fire-retarding, and ships can be equipped with proper fire-fighting apparatus and their crews trained in its instant and continuous use. Patent davits and practically unsinkable lifeboats and life rafts are obtainable in the market, but many shipowners carrying passengers will not go to the extra expense their purchase and use aboard ship involve.

The *Vestris, Morro Castle, Havana,* and *Mohawk* are the recent additions to disasters at sea in which many lives have been lost. There is no doubt in my mind that inefficient officers and crews and ineffective disaster-preventing and life-saving equipment were responsible in each case for the extent of these disasters.

Mr. Chairman, the greatest, most outstanding, and humane feature of this bill is the section that deals with the provision of my limitation of liability bill which I had inserted as a part of the ship subsidy bill which we are now considering. It is designed to protect the life of every human being that travels on an American ship. Let me briefly narrate to you the first statutory enactment of limited-liability law which took place in Great Britain in the year 1734. The first statutory enactment of limited liability was only for acts of embezzlement on the part of the master and crew and other acts caused by them. It limited liability for nothing else, just acts of the master and crew. In those days the enemies of the shipowners were the captain and the crew who took out the vessel and embezzled the cargo. They operated against the interests of their owners. Therefore the owner of the ship had to be protected against the master and his crew.

In 1786 the limitation of liability was extended to robbery and to losses in which the master and crew had no part. In 1813 the limited liability of shipowners in England was still further extended to include other causes of losses, including cases of collision. The only funds against which those who had lost their life or cargo could sue was against the money that was raised from the salvage of the ship, and if the ship was sunk there was no money, plus the money that was received for the transportation of passengers and its cargo. This was known as the "limited liability act of Great Britain."

In 1851 Hannibal Hamlin, the distinguished Senator from the State of Maine, chairman of the Senate Commerce Committee, introduced the limited liability law that was upon the statute books of Great Britain as part of the laws of the United States. His fundamental purpose was to put the American merchant marine on a parity with that of Great Britain.

In 1862 Great Britain, because of the protests of her citizens, who felt this limited liability law was written for the interests of the merchant marine and not for the traveling public, abolished the entire law. In its place it substituted a bill which makes it mandatory upon all British shipping organizations to pay £15, which is $75, per ton for each of its registered tonnage, for the protection of human life and cargo.

This law was approved in Great Britain in 1862. We never changed our law of 1851. Therefore we are in the tragic position of being the worst Nation of the world in taking care of its traveling public, our American citizens. Take the *Morro Castle* as an example. When that ship was sunk 147 lives were lost and 100 people were permanently injured. The total amount of money for which these 247 people who lost their lives and were injured can sue is the sum of $20,000, while the Ward Line Co., the owners of the *Morro Castle,* have received the sum of $4,500,000 for its insurance. Behold the *Mohawk,* which was sunk! Forty-seven lives were lost and 50 to 70 permanently crippled and injured. All these people can sue for since the ship has sunk is the money that the company received for the transportation of passengers and cargo, which amounts to $9,000, while the company received $2,500,000 for loss of its ship.

Is it fair? Is it just? Is it humane? Is it American? The limitation of liability which our distinguished committee helped me to put in this bill, and for which I want to express my personal thanks to all of them, particularly, Mr. Welch, of California; Mr. O'Leary, of New York; Mr. Wearin, of Iowa; Mr. Bland, of Virginia; Mr. Lehlbach, of New Jersey; Mr. Crow, of Indiana; Mr. Hamlin, of Maine; Mr. Wallgren, of Washington; provides for paying a minimum of $60 per registered ton for the loss of human life alone.

In the case of the *Morro Castle,* instead of only having $20,000 for the victims to sue for, they would at least have had between $600,000 and $700,000 if my provision for limitation of liability had been in operation. This section of the bill alone, Mr. Chairman, entitles every Member of the Congress to vote for this bill because for the first time in the American history of our merchant marine it takes care of the life, the limb, the health of every American citizen traveling upon our sea-going ships. [Applause.]

Mr. Chairman, in the past property rights, the property of shipowners, were guarded and protected, but human life took its chance not only with the dangers originating with wind and wave but also with the dangers from incompetent crews and officers and ineffective equipment and inefficient operation of vessels in times of emergency and danger. The present section of limited liability in this subsidy bill makes our laws the most humane and progressive in all the world.

I have traveled on foreign vessels to Europe and I have used American ships on coastal voyages and ocean journeys.

I hate to admit it, but the foreign vessels engaged in trans-Atlantic transport have the advantage of American shipping in the long and continuous operation of lines. A flotilla of vessels does not make an ocean line. It takes decades of continuous operation to form an ocean line—or rather it takes Europeans that length of time.

If American lines were subsidized directly, as are European ocean lines, the story would be different. Give us ships competent to compete with the ships of Great Britain, France, Germany, and Italy, and the means of training officers and crews to man them, and it will not take long for American passenger and cargo vessels to get their full share of ocean passenger and cargo traffic.

The golden age of American clipper ships lasted only 25 years, from 1833 to 1858, yet in that time the American flag, carried by these wonderful American designed, built, and manned ships was flown in every important seaport of the world. When the discovery of gold in California and Australia provided demand for fast vessels, full rigged and entirely seaworthy ships were built in 90 days.

Given sustaining subsidies, as were the railroads in their early days and since, American built and manned shipping would again compete for its own foreign trade and the trade of the world. Given the protection of a satisfactory limited liability law for the protection of passenger and cargo at sea, as this present bill provides, and our vessels would be used to capacity.

There are many other provisions looking toward the safety of passengers, cargo, insurance, security for insurance, and other features, all designed for the fair treatment of passengers, shippers, and vessel owners, and for the advancement of American shipping on the trade routes of the world in order that the Stars and Stripes shall again be a familiar sight in the seaports of the world, and as a beginning in the formulation of legislation that shall operate to put American shipping where it belongs—at the head and forefront of the shipping of all the nations of the earth. [Applause.]

War Referendum

EXTENSION OF REMARKS

OF

HON. J. HAMILTON LEWIS

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Monday, March 6, 1939

RADIO ADDRESS BY HON. ELBERT D. THOMAS, OF UTAH, MARCH 5, 1939

Mr. LEWIS. Mr. President, I ask leave to have included in the Appendix of the RECORD an address delivered by the junior Senator from Utah [Mr. THOMAS] last evening over the Mutual Broadcasting System touching the matter of a referendum on war.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The amendment suggests a modification of our present constitutional method of declaring war. It provides that except in a case of attack, actual or immediately threatened, by armed forces upon America or her possessions, and in the case of an attack by a non-American nation against any country in the Western Hemisphere, the people shall have the sole power through the medium of referendum to declare offensive war or to put America into a defensive war that might cause our Army and our Navy to be sent overseas. The referendum by the people would be held only after an act of Congress declaring a national crisis to exist and further declaring it necessary for the people to decide whether or not our country

should go to war. Under the amendment there is no way for the people to initiate a declaration of war. The amendment suggests that its adoption be brought about in accordance with the constitutional method of asking for the action by conventions in the several States.

Constitutionally, the amendment takes the right of declaring war from Congress and places it in the people. This, in governmental technique, is a recognition of the fundamental principle of direct democracy rather than indirect democracy through the people's representatives. I am sure that the sponsors of this amendment believe that the people will invariably vote for peace and that they have discovered the advantage of referendum technique in that it does slow up governmental action.

Few will be in disagreement with the objectives which the sponsors of this amendment attempt to achieve.

The sponsors are men who are definitely against war. They are men who would like to see war cease to be used as a medium of national action. They are men who have adopted the thesis that the American world is a large enough world for America's activity. They are men, too, who accept the theory that we were drawn into the last war by propaganda, by our own actions, by breaking our neutral position, and by not remaining aloof. They are men who know that the objectives of the last war were not attained, and that a resort to arms again would not bring benefits even to the victors. They are men who commonly urge the point that America should mind its own business. By their opponents they are called isolationists. They are men who generally have carried their isolation ideas to the point wherein they have opposed American cooperation in peace-promoting institutions, holding that aloofness rather than cooperation is the real road to American peace and welfare.

Now, the question arises, does this proposed amendment fit in with these theories? We could argue that point until doomsday and, of course, never get a satisfactory answer. If the factors of men's behavior are contrary to the deductions made by those who sponsor this amendment, then, of course, the amendment will not and cannot accomplish the objectives that its sponsors wish to attain.

Let us look to history: Ordinarily the mass of the people has always been conservative. Movements forward and backward, movements for good or for ill, have been movements of the few in an attempt to lead the many. Revolutions are seldom initiated by the mass. If, therefore, the resolution is to be completely consistent with the deductions which have been assumed, this amendment should be passed in accord with the theory of initiation rather than upon the theory of reference. If it is slow action that is wanted, action sponsored by those who have to bear the great burden of war—or, to put it popularly, "let those who have to fight start the wars"—then this amendment should provide that war be declared only when the people initiate it. But the resolution leaves the leadership in the hands of Congress, while it takes from Congress the right to act.

Another theory which is behind this resolution is that Presidents lead us into war. The strongest power that Presidents have always had against Congress is a direct appeal to the people. A President who wants to take us into war will have less trouble convincing the mass of the people that we should go to war than in convincing a Congress which is opposed to it. We know from experience the pressure of the people upon those who lead the Government. In 1912 Utah and Vermont were the only two States that voted the Republican Presidential ticket. Utah until 1932 had given her electoral votes to Democratic candidates but twice: Once when the issue was silver, to Bryan in 1896; and once in 1916, when she voted for President Wilson, who used as a campaign slogan "He kept us out of war." In November 1916, Utah elected a Democratic Governor, Democratic Congressmen, and a Democratic Senator. President Wilson was the outstanding contribution to this success. Before the following March 4, when the Senator and the Congressmen took their seats, a great preparedness meeting initiated by the people was held in Utah's biggest hall. One of the congressional group, who had not yet taken his seat, spoke at this meeting and under the influence and pressure of the people he declared that he was going to Washington to vote for and work for war. President Wilson did not present his message to Congress declaring that a state of war existed until 2 months after this time. To think that President Wilson led the people into war in the face of experiences like this from one end of the country to another is one of the most absurd perversions of historical fact.

It must be remembered that war is psychological quite as well as actual, that the beginning of war is always psychological. In the Spanish-American War, both the President and the Congress were slower in acting than were the people in demanding action. In the late World War, Congress' declaration on the recommendation of the President was a declaration that war already existed. Assume that war did exist again, would any President, who is the Commander in Chief of the Army, and would any Congress, which controls the purse strings, hold back if a war was in existence?

The only way to overcome a resort to war for the accomplishment of national objectives is to find the substitutes for war to accomplish those objectives. This amendment in no sense does that. It removes no cause for war; it removes no action or method which has been used to accomplish war's objectives. War rests upon principles of direct action and force, and comes into existence when a nation or leaders in a nation assume that only by direct action and force can they accomplish their purposes. This holds quite as well for the most righteous of causes as for wars of conquest and aggression. There of course can be no admitted unrighteous causes after once fighting begins.

Substitutes for the accomplishment of national objectives are those related to the peaceful processes, such as a resort to law, a resort to conference, a resort to negotiation, a resort to an exchange of opinion and discussion of conflicting objectives. These processes are essential after a war in making peace. Why not use them in avoiding war and in keeping peace? These are the processes which must be furthered in the world if direct action and resort to force are to be overcome. The amendment does not, we see, face the problems as they are. It is instead a reaction to the slimmest of assumptions, namely that war when undertaken by the United States has been undertaken at the behest of Congress and the President, while the people have been against it. That, I declare to be, historically, untrue. If it is historically untrue, there is no reason for assuming that it will be true in the future.

War with its ghastly circumstances in this day and age—war which today means not a contest between men or armies but a contest between machines and whole peoples, where the utter destruction of women and children is assumed to be necessary to accomplish a military objective—war today which places chivalry in the realms of utter sentimentality, which has no respect for life at all, which must be carried on by men with the type of nerves which would be necessary for an engineer to have if he were asked to run his train deliberately into a mass of women and children at play—war under such circumstances and carried on in the way which we have seen it carried on in the last 8 or 9 years is a morbidly emotional disease. It is not in any sense a reversion to the primitive, because primitive man with all his cruelties and crudities did honor personal bravery and did fight against great odds. The blowing of a community to bits by pushing an electric button or the ordering of the bombing of women and children gathered in a church for prayer is the act of madness or disease. That type of war must be solved by bringing about a cure. Running away from a disease may be a means of saving oneself, but running away does not cure the disease nor destroy the madness.

Finally, it must be remembered that war is not a unilateral proposition. It is at least two-sided or many-sided. It can never be stopped by the actions or the will of one unless that one expresses itself in might with force. The suggested amendment is merely a curb on America. It takes away from Congress and from the Executive their discretion. It, therefore, would hamper government at the time government should be freest to act if it is to serve its people best. Discretion is of necessity inherent in government. Without trust in our President and in our Congress, American representative democracy will not persist. War, being many-sided in its nature, and at the present time a disease in its character, must be cured by the discovery of substitutes for it by the development of the will to use peaceful processes.

Admission of German Refugee Children

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Friday, March 3 (legislative day of Monday, February 27), 1939

ANNOUNCEMENT AND EDITORIALS RELATING TO REFUGEE CHILDREN

Mr. WAGNER. Mr. President, I ask leave to have printed in the RECORD an announcement of the formation of a Nation-wide organization to be known as the nonsectarian committee for German refugee children, and also sundry editorials on the subject of the problem of the refugee children.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

LEADING REPRESENTATIVES OF ALL FAITHS HEAD ORGANIZATION TO GIVE SANCTUARY TO GERMAN REFUGEE CHILDREN

Formation of a Nation-wide organization to be known as the Non-Sectarian Committee for German Refugee Children was announced today by Clarence E. Pickett, executive secretary of the American Friends Service Committee. Heading the committee are representative churchmen and laymen who will serve as co-chairmen, including His Eminence George Cardinal Mundelein, represented by the Most Rev. Bernard James Sheil, auxiliary bishop of Chicago; Rev. Anson Phelps Stokes, dean of Washington Cathedral; Gov. Herbert H. Lehman; William Allen White; Dean Helen Taft Manning, of Bryn Mawr College; and Frank Porter Graham, president of the University of North Carolina.

Organization of the nonsectarian committee marks the crystallization of a comprehensive plan developed by public-spirited citizens of all faiths, leading child-welfare experts, and the American Friends Service Committee who have been working in collaboration for the past 2 months.

"The proposal to give sanctuary to the youngest, most pitiful victims of persecution," Mr. Pickett said, "has touched the hearts of thousands of Americans. Their sympathy has found concrete expression in the Wagner-Rogers bill, which will admit to the United States up to 10,000 German children under the age of 14 in 1939 and the same number in 1940, depending upon the number which can be adequately cared for."

The Wagner-Rogers bill, Mr. Pickett pointed out, is endorsed by both the American Federation of Labor and the Congress of Industrial Organizations. Fifty eminent churchmen in an eloquent petition have urged that the United States give sanctuary to German children. Ex-President Herbert Hoover and other leading citizens of all faiths and all shades of political opinion have expressed their approval of the plan, which has received wide editorial support from the press of the Nation.

"The Nonsectarian Committee," Mr. Pickett said, "has undertaken the task of implementing this humane measure with a practical workable plan which can be put into effect as soon as the bill is enacted. The committee will assume responsibility for the placement of children in foster homes of their own faith throughout the country. We have guarantees of adequate financial backing from responsible organizations and substantial private sources to assure that the children will not become public charges."

A major objective of the committee, he said, is to prevent any concentration of refugee children in large cities or on the eastern seaboard. Of the children seeking refuge at the present time, approximately 50 percent are Jewish and the remainder Catholic and Protestant.

Since the introduction of the Wagner-Rogers bill, Mr. Pickett said, inquiries have been received as to whether 20,000 children could be separated from their parents within the next 2 years. Holland alone has received applications for the admission of 10,000 such children. Mr. Pickett quoted from a dispatch just received from a representative in Holland which said that, "Thousands of parents are willing to part from their children who are suffering the most ghastly moral degredation and actual physical danger. How terrible conditions are for children may be gathered from the fact that many are found at the Dutch frontier without any protection. In many cases children are simply put on a train and sent to Holland in the hope that they would be looked after."

Holland, although a small and crowded country, Mr. Pickett said, has already taken in 1,700 refugee children. England, as an immediate step, opened her doors to 5,000 and is admitting many more, as are Sweden, Belgium, and France. He cited a recent report published in the Manchester Guardian, describing "children arriving mute with grief and fear; children who can scarcely believe that their new life is not a dream after the misery and bitter humiliations they have endured; children for whom such simple privileges as going to school, to the movies, playing in a park bring ecstatic joy. We have every indication that there are thousands of Americans who are ready and eager to give these children a chance for a free life in the United States by taking them into their homes."

Offers to receive German children in American homes have already been received, he said, from persons in 41 States. Among the many individuals and agencies who have made such offers is Mrs. Calvin Coolidge, who recently announced herself as one of the women of Northampton, Mass., who want to take care of 25 children. One agency alone has on file 2,500 such requests which had to be turned down because of the failure of the United States to admit more than a handful of such children up to the present time.

Mr. Pickett, who is one of the cochairmen, will serve as executive director pro tempore of the nonsectarian committee pending completion of arrangements to secure the services of an eminent educator, who will direct the project on a permanent basis. The committee is making its headquarters in New York at the School of Social Work, 122 East Twenty-second Street, and in Philadelphia at the offices of the American Friends Service Committee, 20 South Twelfth Street.

[From the Montgomery (Ala.) Advertiser of February 17, 1939]

"SUFFER LITTLE CHILDREN * * *"

At her press conference Monday Mrs. Roosevelt was asked if she approved the congressional move to admit into this country within the next 2 years 20,000 German refugee children under the age of 14. "It seems to me," she replied, "the humanitarian thing to do."

It is estimated that in Germany today are about 50,000 children under 14 who have no choice but to find homes outside their native land. Their parents, in many cases, are either dead or totally lost to them. Many of them are in concentration camps or somewhere in exile. Hundreds of these children do not know where their parents are. They are not even certain they are alive.

The only hope these young Germans have of establishing themselves as responsible citizens of the world is that there are governments less vicious than their own.

England and Holland already have found homes for several thousand of these most tragic of all the victims of the Hitler fanaticism. Many of them are too young to remember their own names, and they are now but numbers in a vast herd of infant refugees.

Of the 50,000 German children for whom homes must be found about half are Jews. The others are Protestant or Catholic.

Senator WAGNER has introduced a joint resolution which would admit into the United States "a limited number of German refugee children." Not more than 10,000 a year would be admitted, and these only for the years 1939 and 1940. It is provided further that satisfactory assurance must be given that those children admitted "will be supported and properly cared for through the voluntary action of responsible citizens or responsible private organizations of the United States and consequently will not become public charges."

William Green and John L. Lewis, the labor leaders, have made known their support of the resolution, and leading Catholic and Protestant clergymen have added their support. As the New York Herald Tribune says, "the whole group would be but a drop in the vast American population bucket—amounting to one refugee child for every 2,000 children under 14 now in the country—and their rescue (if accepting them for permanent, even though kindly, separation from their parents and homes can be called rescue) would take but a few drops out of the buckets of misery filled by the new politics. Small as it is, it seems well worth the doing—both for the portion of misery that it would end and as a gesture to the world of where American sympathies unmistakably lie."

The American people were among the first to cry out against the horrors of the Nazi barbarism; surely they will not be the last to offer some token of their conviction regarding the inhumanity of which the swastika is the symbol. Legally speaking, responsibility for these children does not, of course, rest with us. We could turn our backs upon them, if we liked, and seal our frontiers. But we should be guilty of a moral crime against the very things of which we most often boast.

The United States has expressed a willingness to contribute its due share to a solution of the refugee problem. Through President Roosevelt this country suggested the organization of the Evian Conference, and George Rublee, an American, has this week reported the results of his negotiations with the Berlin authorities. It is all a ghastly business. But from it Americans must not shirk. The very least we can do is to support the humanitarian movement in behalf of the dispossessed children.

[From the Sioux City Journal of February 18, 1939]

GERMAN REFUGEE CHILDREN

Senator WAGNER, of New York, has presented to the Senate a resolution authorizing the admission to this country of 20,000 German refugee children this year and next. The proposal specifies that children "of every race and creed" be permitted entry. The refugees who thus would be given sanctuary in the United States would be those of tender years, under 14. There are many thousands of them in Germany whose adult relatives are in concentration camps or who have been slain or driven out of the country by Nazi cruelty. In commenting on his resolution Senator WAGNER, a native German, said:

"Millions of innocent and defenseless men, women, and children in Germany today, of every race and creed, are suffering from conditions which compel them to seek refuge in other lands. Our hearts go out especially to the children of tender years, who are the most pitiful and helpless sufferers. The admission of a limited number of these children into the United States would release them from the prospect of life without hope and without recourse and enable them to grow up in an environment where the human spirit may survive and prosper. This resolution does not suspend existing quota restrictions on the immigration of adults. It merely authorizes the admission during a limited period of a limited number of refugee children 14 years of age or under. This readily could be accomplished without their becoming public charges and without any danger of dislocating American industry or displacing American labor."

Senator WAGNER said further that responsible American families and private organizations had volunteered to make adequate provision for such refugees as may be permitted to enter. Thousands of private citizens are willing to provide homes for refugee children. In permitting entry of child refugees the United States would be doing what Great Britain, Holland, and other countries already have done. Thousands of children have been received in those countries from Germany.

The Wagner resolution has been endorsed by Protestant and Catholic churchmen, by the two labor organizations, the American Federation of Labor and the C. I. O., and by large groups of prominent Americans. It is a humane thing to do, and the resolution ought to be acceptable to both Houses of Congress. Since American public opinion has been so strong in condemnation of the mistreatment of minorities in Germany, not all of whom are composed of Jews, it is believed that favorable action on the Wagner resolution would meet with majority approval on the part of the people.

The absorption of 20,000 children in American homes and charitable organizations in the ensuing 2 years should not be difficult. Twenty thousand children could come into the country without hurt to any group or section. It would mean one refugee from Germany to every 2,000 children already here in the same age group. Surely this country can undertake that, and it is believed that it will.

Restrictions on Wheat Production

EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1939

RESOLUTION OF LEGISLATURE OF THE STATE OF MINNESOTA

Mr. ALEXANDER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution of the Legislature of the State of Minnesota:

Concurrent resolution memorializing Congress of the United States and the Secretary of Agriculture to take action modifying the restrictions on the production of spring or hard wheat grown in the Northern States

Whereas widespread dissatisfaction exists among the producers of hard spring wheat in Minnesota and adjoining States relative to the unwarranted restriction imposed upon the growing of such wheat during the year 1939; and

Whereas no surplus exists in reference to such wheat; and

Whereas the same amount of such wheat will be required in the manufacture of flour as has been required in the past; and

Whereas the land taken out of production of hard spring wheat cannot be profitably utilized in the raising of other commodities without creating a surplus in such other commodities; and

Whereas the farmers raising hard spring wheat will be subjected to extreme hardship by reason of being deprived of this means of making money to pay living expenses, taxes, interest, and loans: Now, therefore, be it

Resolved by the Senate of the State of Minnesota (the house of representatives concurring therein), That the Congress of the United States and the Secretary of Agriculture adopt immediate measures to meet the current crisis in the farming industry in Minnesota and the adjoining States growing hard spring wheat, and to establish such stabilization of prices on such wheat as will guarantee the producer at least the cost of production and assure consumers an ample supply of American-grown farm commodities; be it further

Resolved, That a duly authenticated copy of this resolution be transmitted to the President of the United States, to the presiding officers of the Senate and House of Representatives of the Congress of the United States, to Henry A. Wallace, Secretary of Agriculture, and to each of the Senators and Representatives from the State of Minnesota in the Congress of the United States.

The Church and the State

EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, March 6, 1939

ADDRESS BY RT. REV. LEWIS B. WHITTEMORE, FEBRUARY 12, 1939

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an able address entitled "The Church and the State," delivered by the Right Reverend Lewis B. Whittemore, D. D., bishop of western Michigan, of the Protestant Episcopal Church. This address was occasioned by the proposal of the Social Security Board to include clergymen and church workers under the provisions of the Social Security Act. Coming as I do of Welsh descent and knowing of the long struggle this people have made on the issue of separation of church and state, I am heartily in sympathy with the protests thousands of clergymen of all denominations have addressed to me directed against this proposal. Attention is called to the fact that this protest is in no way directed against social-security legislation as a whole. It has been generally approved by the many clergymen who have written me.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In the reconsideration of social-security legislation by the Congress of the United States, the proposal is now being made that the church be brought within the scope of the act, along with charitable, scientific, literary, and educational institutions.

In considering the advisability of this proposed change the distinct character and function of the church should be kept in mind. There may or may not be good reasons why the workers in these other agencies should be brought within the operation of the act. There is every reason why the church should be kept without it.

Unlike these other agencies, the church conceives of itself as divine in origin, having as its Sovereign the eternal Christ and owing allegiance only to God. It claims to be His instrument in bringing the gospel to every man, woman, and child on the face of the globe. It claims that the nations are themselves under the sovereignty of God and that Christ is King of Kings and Lord of Lords. It seeks to bring about that rebirth which makes men realize that they are children of God, with a life to live which is not bounded by death itself. It believes that the Spirit of God dwells in the church and constantly molds the members of it into a life of unselfishness, joy, peace, and faith. Its methods are those of gentleness and peace, although it is called upon, when necessary, to denounce oppression and to fight against evil. It believes in every human soul and its divine possibilities as a child of God. It calls upon its members to live a life of discipleship to the Christ, who is conceived as an ever-living personality.

Such a conception of itself marks the church off from other institutions. It exists in the state, but it is not of the state. It has a higher allegiance. Its center of gravity is not in this world. This is what has given it members throughout the course of history the courage to give up all, even life itself, rather than to betray their Master. It has made them bold as lions, untouched by ordinary human motives, and yet all in the cause of goodness and peace.

The moment the state lays its hands on the church and endeavors to make it a part of its own system the church loses both its distinctive character and its power to make its most valuable contribution. The domination by the state withers the eternal values, makes the part supreme over the whole, restricts the vision of man to his lower interests, emphasizes methods which are not of God, dries up the moral powers and the sense of the supreme value of the individual as a child of God. The state can touch only to destroy.

When the church and state live along together, each supreme in its own sphere, each paying deference to the other, the utmost human good results. In this country the church has always been the bulwark of our democracy. It has upheld it in countless ways. It has been the source of sturdy individual initiative and self-respect which need to have a religious basis if they are to endure. It has raised up citizens who have not been afraid to take upon themselves the responsibilities and duties of citizenship. It has made men fearless to denounce the wrong, even on the part of government itself, without which no democratic form of government can endure. It has produced that strength of character which must abound in a democratic state. Democracy rests squarely upon the church and could not long endure without it. The Bill of Rights is Christian teaching put into political form.

This separation of church and state has been from the beginning a cardinal principle of our democracy. This principle does not rest upon expediency nor upon the difficulties of having a state church. It rests rather upon a recognition that each has its own functions and should be supreme in its own domain.

The proposal which is now being made would be a long step toward breaking down this essential distinction between church and state. Doubtless such is not the intent of the authors, but such would be the effect. Like most revolutionary proposals, the avowed purpose is beneficent. It is to tax the church in order to assure old-age benefits to its clergy and other workers, precisely as is being done in the areas of secular life. Harmless as this sounds, this means that the ministers of the church and other church workers would become a part of the political system and, in a very real sense, agents of the state. Such a change in the act would give to Government agents the power to examine all church records and pay rolls. It could send its agents into the offices of every church treasurer.

If the Government is to have the power over the old-age period of the clergy, it would have power over the whole life of the man of God. The policies of the party in power would have a great influence upon his point of view and his actions. The temptation to support the party which would promise the larger benefits would be enormous no matter how unsound the general policies of that party might be. The Government would find it less difficult to influence church policies and to bring pressure to bear upon church pronouncements. It could tone down criticism, silence voices of protest, get support for Government propaganda, and in general degrade the church of the Most High God to the services of the party which might happen to be in power. The confusion and bad feeling which would result from such a course would be incalculable.

What has happened in other countries should be a lesson to us here. In Russia the church allowed itself to become a tool of the Government. In many cases the priests were even agents of the secret police. In very few cases did the church, bound as it was to the state, have the courage to speak out against the oppressions of the people. Had there been a free church in Russia, independent of the Government, devoted to the true interests of all the people, the revolution might never have happened.

We have been appalled by the conditions in Germany where the state has attempted to make the church of the sovereign Christ a tool for its own purposes. It has been easy for all to see what the effect of this has been, and we honor the brave souls like Niemöller who have had the courage to proclaim that Christ is above Hitler.

We do not want this sort of thing to happen here; and when a government, from whatever motive, attempts to make the church of the living God just another department of the vast machine, the time has come to protest, because something very vital is at stake.

Our country needs one domain of its life which is not subject to the temporal power. It may be necessary to regiment business and farming and labor into one great collective whole but our temples should remain inviolate. We do not want Government agents, no matter how good their intentions, ransacking our possessions and telling us that they will manage our affairs better than we can. It is more than that. A free church is the greatest and, perhaps, the last bulwark of democracy itself. It guards and produces those very values which are necessary if the democratic process is to endure. When that bulwark is down we have come to the end of an era. What will be left when every voice is silent, when in no area can a free voice be raised, will not be the democracy for which our fathers died.

Nor does the church need this paternalistic and suffocating care from the Government. The branch of the church to which I belong has made great sacrifices to give social security to its aged clergy and those benefits are now being extended to lay workers as well. Other great church groups are doing the same thing. We take pride in what we have done.

But even if this were not so, the price of Government help would be too high. Even though the Government were the wisest conceivable, the principle involved would be the same. The church would be surrendering its soul for a mess of Government pottage.

If, on the other hand, the principle of Government control of the pension system of the clergy were essentially right, then the church should have no hesitation in modifying or abolishing its pension system for the greater good of the greater number. It is my own conviction that the proposed change is wrong both in practice and principle. First, it would damage if not ruin the carefully planned pension systems now in existence and, at the same time, it would make a violent assault on the principle of the separation of church and state which has served our country well throughout its long history.

I hope that all the Christian people of this country will consider well what is pending before our National Legislature. Do they want the church of the Eternal God to become a mere vassal of the state? Do they want agents of the Government rummaging in the temples to see what they can discover? Do they think that all of our clergy can become dependent upon a governmentally administered system without the church being pulled into politics? Do they want the witness of the church to the eternal truth of God dulled and, perhaps, stopped? Do they want to see the last great bulwark of democracy laid low under the guise of assistance to the needy and infirm?

The church takes no stand against the great ideals of security for old age. But in view of its peculiar character and mission it claims the privilege of working out these problems in its own way.

National Old-Age Pensions—The General Welfare Act, H. R. 11

EXTENSION OF REMARKS

OF

HON. CHARLES H. LEAVY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1939

STATEMENT OF HON. CHARLES H. LEAVY, OF WASHINGTON, BEFORE THE COMMITTEE ON WAYS AND MEANS, FEBRUARY 7, 1939

Mr. LEAVY. Mr. Speaker, a few days ago I appeared before the Ways and Means Committee for the purpose of presenting a plea to them for the enactment of a national old-age pension that would pave the way for the youth of our land to again find an opportunity to work and live useful and happy lives and know they were helping build this great country of ours. I urged enactment of national old-age-pension legislation further because simple justice, common fairness, and every humane instinct entitle our civil veterans, who have builded this great Nation, to be permitted to live out their lives in security, peace, comfort, and happiness.

This is not possible under existing social-security laws.

I then stated that I am not concerned so much with a particular pension program as I am in getting the best possible bill enacted into law; and it seems to me the best bill is the general-welfare bill, H. R. 11. I am convinced that the gross-income tax as proposed by the General Welfare Act, H. R. 11, is by far the best tax formula yet proposed.

In order that my views may be fully understood, I am incorporating and making my statements before the Ways and Means Committee a part of these remarks, and they are as follows:

Mr. Chairman and members of the committee, at the outset I want to say that I appreciate the opportunity you afford me to come before you and briefly express my views upon this important matter that you have under consideration.

I think in the short time that I have been in Congress I have learned to sympathize with the Members of Congress in the problems that are presented to them. As a citizen, before becoming a Member, I often became quite impatient with the slowness with which things moved; and it seemed to me that much more could be done than was done. Since coming down here and finding 435 Members, all with different views and yet all dead in earnest, and finding that when anything of great moment is done it must be the result of more or less give and take, I am inclined to be more patient and more sympathetic.

This committee has before it for consideration, I think, a problem of possibly the greatest magnitude of any domestic problem we have, that of social security. It is one in which everybody is interested; and it is one that can be so easily misunderstood; and it is one that nobody fully understands; it is one that touches the life of every person in this great Nation. And with all due respect to the fine membership of this committee, nobody can say that they have an absolute solution for this great and trying problem.

Social security, as it was reported out by this committee and as enacted into law, was an idealistic piece of legislation, and it had splendid objectives. Certainly I can find no reason to quarrel with its objectives nor with its ideals. But in actual practice it has not been a success.

One of the difficult things before you gentlemen is to frame legislation that will make social security and the social-security law a more nearly workable and successful piece of legislation. In my brief experience here, and in an informal way—because I have no prepared remarks—I want to be of some help, if I can. There have been many proposals. You have before you not only the suggestions of Mr. Altmeyer, head of the Social Security Board, as to needed reforms and changes, but you have before you H. R. 2 and H. R. 11, and dozens of other proposals. It is my own humble opinion that the general principles found in H. R. 2, and found in a more practical way in H. R. 11, can be molded into the existing social-security laws and can be made workable. It is with that thought in mind that I want to briefly address the committee.

I stated that we have almost all agreed to the fact that the existing law must be amended. It must be amended because it virtually sets up 48 separate and distinct systems. And there is not a State in the Union—and I make this assertion deliberately and thoughtfully—where social security is now functioning to the satisfaction of the people in that State. In my own State it has been the source of a tremendous amount of controversy, a tremendous amount of misunderstanding. It has been the football of politics, of those who would use it to further their own purposes solely and without any thought of the effect that their proposal might have upon the State as a whole.

Two years ago the legislature of my State enacted a law providing that every citizen of the State of Washington over 65 years of age whose annual income, from all sources, was less than $360 a year, should receive a sufficient amount to bring the income up to $360 and at the same time the legislature repealed all of the pauper laws of the State.

The administration both here in Washington—that is, the Social Security Board—and the administration in my own State held by ruling that if some friend, relative, or other person made donations of any kind to an elderly person, that was a resource and an income, and consequently such recipients would be barred. A case was taken into our courts and the court held otherwise. Now, the legislature has gone back again, apparently by what has been done in the State legislature, to the old system of requiring absolute destitution or pauperism, or practically that condition, before one can become a beneficiary. One to receive a pension would scarcely be one step removed from the old poorhouse.

It is my own belief that the present social-security laws would have been more nearly workable if we had had a minimum of $30 in every State in the Union, the Federal Government standing ready to match $15 with every State, and every State should have been required to pay that much. But that is not the fact, and we cannot make it so, except to cover the problem by national legislation and remove it entirely from State participation.

The social aspects of this problem are appalling, and you can play upon the emotions of men, I care not how hard-hearted they may be, and you can often produce results which are possibly inconsistent with the practical situation. The injustices should make us all ashamed of ourselves.

However, the economic feature of this problem to me is the great one. It is admitted that we are going to have a large army of unemployed, whether 6,000,000, 8,000,000, or 10,000,000. It is likewise

admitted by all of us, whether we be Democrats or Republicans, that the W. P. A. and work relief as a permanent program is not a solution to our problem, nor is it at all desirable.

If by reason of technological advance and scientific discoveries, mass production, and all of those things that ought to be blessings to us we have created a permanent army of unemployed, then as a matter of justice that ought to be the older group and not the younger group, as it is now in large measure.

As a matter of sound economy, and as a matter of national welfare and as a matter of simple justice, we ought to give the leisure to the older folk and not, as we are doing now in too large a measure, to our youth. Our young people who come from our fine institutions of learning go out into life, and then we have nothing to give them except possibly some little Government job or some job with some great corporation. Those are problems that we, as Congressmen, have to meet. And they fall unusually heavy upon the shoulders of this committee, because the solution of them, at least in a large part, lies in the framing of wise tax legislation. That is why it comes home to this committee in a greater measure than any other group in Congress.

H. R. 11, it seems to me, tends in large measure to cure some of the defects that have shown themselves in our present laws and that I have briefly referred to in my remarks. It tends to aid greatly in a solution of our economic problems.

Of course, going along with it is the money question and the monopoly question and a number of other important questions. But this fact is important. This proposal does not increase the public debt. Certainly no critic can say that it does that, because it is founded on a pay-as-you-go basis. The dollars collected are the dollars disbursed. It places every citizen in America, irrespective of the State in which he lives, upon exactly the same footing so far as benefits go. It takes out that which to me is the detestable and un-American feature of old-age pensions, the one that requires a "needs" test. In H. R. 11 there is no "needs" test. You are not required to qualify for admission to the poorhouse. If the American citizen has been thrifty and has acquired a home or a farm, possesses a bank account, and has a regular income, or is a person of little or much wealth, he has the option of stepping out of the field of gainful employment and making way for a young person and taking his $30 to $60 a month. If he wants to step back into production, he may do that by foregoing his pension.

Of course, I know you may say that the theory of the thing sounds beautiful. But it seems to me it is practical. It varies from the original Townsend plan largely in this, the most fundamental feature of all, the tax formula. It is based upon a gross-income tax; a gross-income tax levied upon persons, partnerships, corporations, associations, trusteeships, and every other creature, either natural or artificial that has an income from profit. It is based upon a 2-percent tax. Perhaps that is not the proper rate. Perhaps the committee, in its wisdom, might think it wiser to graduate the tax. The tax itself can be made an instrumentality of correcting a lot of our existing monopolistic abuses. It will not, as I say, add to the public debt, because it disburses only what is collected. It is based upon the same tax principle that the social-security laws are based upon, to wit, a gross-income tax.

Now, we have a gross-income tax levied upon every man who works in industry. The lowest bracket income people are being required to pay monthly a gross-income tax, while those in the high brackets pay only on net incomes.

I expressed my views a year ago last June by my remarks in the CONGRESSIONAL RECORD concerning gross-income tax and the possibility of using that as a basis for a universal pension, and I refer the committee to page 1487, volume 81, Seventy-fifth Congress.

There are many other worth-while features in H. R. 11. I do not want to monopolize the time nor tire the committee. I know you have this difficult task to perform. I know that you will do it to the best of your own judgment. You have to report to this Congress some substantial changes in the existing social-security law. And since Congress is going to act upon them, why not report H. R. 11 with such amendments as you think ought to be made—give us a real recovery pension.

I think it would be splendid to go into this field, not a wild and revolutionary field, but to go into this field as it is proposed by H. R. 11. I have examined the legislation carefully. I am not here to say that it is a perfect piece of legislation; because no Congress on earth ever put out anything of that kind, particularly when you have a bill as far-reaching as this is. But it seems to me it is a piece of legislation which points the way and tends to help us in what is one of our great problems.

And I say advisedly we have shameful, inequitable distribution of our national annual income. Any program of social security that seeks to solve the economic problem in part must recognize the fact that we must have a better distribution, not necessarily of existing wealth but of annually produced wealth, and we must distribute it on a wider base.

I have here the figures, and I give you my source of authority to prove the statement I just made to you. In 1935–36 there were 87 consumer family units in the United States who had an aggregate income of $157,000,000. Each family unit had an average income that year of $1,800,000.

Now, let us look at the other side of the picture. At the bottom of the structure there were 2,123,534 family units whose aggregate income was $294,138,000. In other words, 87 families had $157,000,000 and 2,123,534 families had $294,000,000. The average family income in the low bracket, 1935–36, was less than $140 per family, a little over $10 per month, or about $11.50 a month. In the upper bracket we find that 1 percent of the families of America had an income equal to 40 percent of the families in the lower brackets. This bill—H. R. 11—can be made an instrumentality going a long way toward correcting that situation. The figures I have given you come from the Consumers Income for the United States, National Resources Committee, a Government publication put out in August of this year.

Now, gentlemen, I have somewhat roughly and generally discussed this subject. And again I say that I appreciate the opportunity you have given me. If there are any questions you wish to ask me, I shall try to answer them, if I can.

The CHAIRMAN. Are you through with your main statement?

Mr. LEAVY. Yes, sir; I am.

Mr. DUNCAN. As I understand you, you spoke of the tests for one who is to receive the benefits. Suppose this committee, in its wisdom or lack of wisdom, should decide to pass a bill which would hold need as a test. What effect would that have on this bill or on the other phases of the bill? Would it have any effect at all?

Mr. LEAVY. I think it would have a very decided effect, because it would restrict very greatly the group of beneficiaries and destroy the objectives sought to be attained. The unfortunate thing is that when the "needs test" is applied that citizen who has had a useful, productive life throughout 40 years and who has been the high type of citizen in his community, is the last one to come in and submit himself to this "needs test," because it is humiliating.

Mr. DUNCAN. If you make it general it might not be. Suppose we make this a general pension bill to everybody, regardless of needs; it might involve the expenditure of too much money; it may be that under the financial picture of the Nation we cannot take care of it. A point in my mind is this: Suppose we take 1 percent; suppose we take the bill and reduce it to 1 percent and restore the "need" test; would that wreck this bill, or does it have to run on a 2-percent basis in order to make it workable?

Mr. LEAVY. I would say that it would be in almost direct conflict with the principal idea back of this bill.

Mr. DUNCAN. In other words, as you look at it, you think the principal thing to this bill is that it does not carry the "needs" test; it carries a pension to everybody, and the method of collecting the money is only an incident to carrying out this great principle?

Mr. LEAVY. I appreciate the fact that the tax formula itself is of tremendous importance. If the formula is one that tends to reduce annual production it is a failure. If it tends to restrict every enterprise in America, then it is a failure. But if it has a tendency to distribute on a wider basis the annual production, then it is accomplishing what we seek.

Mr. DUNCAN. Every tax is a burden on industry, upon anyone in the organization upon which it is placed. You can hardly expect this tax to be received with any great demonstration of good will from anyone. It is naturally going to be considered a burden, and will be opposed directly in the same ratio as the burden is great or small. Two percent is greater than 1 percent. If you make this a 1-percent proposition and restore the "need" test, then I still ask you, Do you think that would wreck the whole program?

Mr. LEAVY. I think it would, answering generally; yes, sir.

Mr. BOEHNE. In the opening part of your statement you seemed to use these words, "The Social Security Act has not been a success." Disregarding your views on either H. R. 2 or H. R. 11, and realizing the usual impetuosity of the American people, do you think the Social Security Act has been given the fair and impartial trial because it is based upon the actuarial or the insurance basis?

Mr. LEAVY. In answer to your question I would say it has certainly been given a sufficient trial. Even its most ardent friends point out glaring weaknesses that it has disclosed.

Mr. BOEHNE. We may agree there. But would that necessarily infer, as previous speakers have inferred, that by the passage of H. R. 11 we would automatically repeal the Social Security Act?

Mr. LEAVY. H. R. 11, by express language, repeals titles I, II, and VIII, I think they are.

Mr. BOEHNE. I say it would repeal the heart of the Social Security Act.

Mr. LEAVY. Three titles of the Social Security Act are expressly repealed, and of course the taxes upon which they rest.

Mr. BOEHNE. I have only one other question, which is a very general question. Do you believe that there is a point at which a more equitable distribution of income may become a capital levy—which I do not believe you believe in, and which I know I do not?

Mr. LEAVY. I would not want to say that I think we have reached that point. But I do believe, Mr. BOEHNE, that if we permit this aggravated condition to continue without the control of money and credit and without a better distribution, we are in danger of reaching something of that kind.

The CHAIRMAN. You spoke of the law in Oregon—was it not?

Mr. LEAVY. It is in Washington.

The CHAIRMAN. Where they give them $360 per annum if their income is not that amount; but whatever their income is, they give them a sufficient pension to bring it up to $360. But you said that was based upon need. If it is a good thing to have a pension, regardless of need, in the United States, in the Federal Government, why wouldn't it be a good thing in Washington, and why don't you try it out out there and show us how it works. Why don't they make it $360 out there? And if it worked well there it would be a fine argument to broaden the scope in the entire country.

Mr. LEAVY. I don't know that I have made myself clear.

The CHAIRMAN. You used the word "need."

Mr. LEAVY. The taxpayers in the State of Washington are just like the taxpayers in the State of North Carolina, in the State of

Kansas, in the State of Texas, or anywhere else. They want to get their $15 per person from the Federal fund. Now, in order to get that, of course, they have to have State legislation that fits into the Federal legislation. The Federal legislation provides that they will only match with a State where payments are made to persons in need. And the legislature sought to define the term "need" in our State 2 year ago by saying that any person whose income or resources produced less than $360 a year is in need and is entitled to receive a pension that will supplement his income or resources in a sufficient sum to bring it up to $360.

The CHAIRMAN. If they cared to have independent set-ups in the States, it is surprising that someone did not think of this before we embarked upon the present social-security program and that it was not tried out in some States.

Mr. LEAVY. It was not proposed in our State but it has been proposed in many States.

The CHAIRMAN. I know that. But it has never been adopted, has it?

Mr. LEAVY. No; it has not.

The CHAIRMAN. I wonder why they did not adopt it and try it out.

Mr. LEAVY. I think probably Colorado and California have gone further than most States have gone along that line.

The CHAIRMAN. Have they gone that far and adopted as the basis of raising money the gross-income tax?

Mr. LEAVY. I am not sufficiently informed on that. I am prepared to answer your question, Mr. Chairman, as to why. It is because no State in the Union can adopt an independent pension plan, general in its scope and liberal in its provisions, without virtually destroying itself. It has to take into consideration its 47 sister States. If the State of Washington were to say, "We will pay $60 a month, based upon a gross-income tax in this State," the immediate tendency would be to drive industry from that State to a State where they do not have such a tax. The immediate effect would be to attract people to the State so that they could live there the number of years required to become recipients.

The CHAIRMAN. You could make the number of years great enough so that they would not be attracted thereby.

Mr. LEAVY. But you would drive industry away?

The CHAIRMAN. That is how it is under the Federal law. If they move from one State to another, they have to be there a certain length of time before they can become beneficiaries.

Mr. LEAVY. Under this H. R. 11, they do not have to be residents any particular time in any particular State, as I recall the provisions. They merely have to be citizens of the United States, and they can go from place to place.

The CHAIRMAN. Let us take a concrete case. I want to find out for my information just how your plan works. A man has borrowed $10,000 on his business or on his farm, but he is unable to make the payment, and he has a mortgage or a deed of trust on it, and it is sold for the obligation and it brings only $8,000, and the $8,000 goes to his creditor who has lent him the $10,000, which is possible in any depression. Would you take the $160 out of the $8,000 and pay the creditor $7,840, or would you pay him $8,000 and have no tax?

Mr. LEAVY. My understanding is this. There is a statutory definition of the term "gross income" written into this bill.

The CHAIRMAN. How is that?

Mr. LEAVY. There is a definition of the term "gross income" written into the bill. My understanding is that that transaction would not be subject to a tax at all. It would be the repayment of a debt.

The CHAIRMAN. There would be no tax in that case.

Mr. LEAVY. No, sir; because of the definition that is written into this bill. All income of $100 or less a month is exempt under this bill.

The CHAIRMAN. Yes; I understand that. That is all.

Mr. DISNEY. Congressman LEAVY, I did not get the benefit of the earlier statement which you made because of my coming in late, but when I did come in you were speaking about this not adding to the public debt. The bill proposes to raise substantially about $8,000,000,000 a year, as I understand the previous testimony. I want to get your reasons why this would not add to the public debt.

Mr. LEAVY. The provisions of the bill, Mr. DISNEY, are that it will not distribute anything other than that which is raised in the fiscal year. Consequently there could not be an increase in debt, since there is no statutory obligation to expend beyond the money that is collected.

Mr. DISNEY. It appears that any collection would be an addition to the public debt, even though it were distributed.

Mr. LEAVY. No. The debt at the end of any given period would not be any greater than it was at the beginning of the period. I think it would reduce the public debt as a whole, because it would undoubtedly reduce these enormous work-relief appropriations that we are constantly called upon to make. I understand that this type of tax has been in operation in Indiana and in Hawaii, and quite successfully. In Indiana I think it is a graduated gross tax. Probably a graduated tax would fit better into this. That is a problem for this committee in the first instance.

Mr. MCCORMACK. Do you recognize the difference in the effect of a gross-income tax where it is the only tax and where it is a surtax?

Mr. LEAVY. I don't know whether I quite get your question.

Mr. MCCORMACK. Of course, all taxes affect us all of our lives in one way or another.

Mr. LEAVY. Yes; surely.

Mr. MCCORMACK. That is one thing we can and must expect—taxes and death. But you do recognize the difference in effect upon business and upon our economic life, which affects every one of us, whether we are in business or not, when a gross-income tax is a surtax instead of being an original tax in itself? By that I mean with no other miscellaneous taxes or any of the other taxes existing that are on our statute books today.

Mr. LEAVY. Do you mean giving it consideration as a surtax?

Mr. MCCORMACK. Of course, this makes it a surtax. In other words, you are laying it on top of all the others.

Mr. LEAVY. It makes it an additional tax; yes.

Mr. MCCORMACK. You will not disagree with me when I call it a surtax, will you?

Mr. LEAVY. No; I will not.

Mr. MCCORMACK. Do you see any difference in the effect upon the economic life of the Nation when it is a surtax or if we wipe out all other taxes being imposed?

Mr. LEAVY. I can see how this additional 2-percent tax burden is going to work a hardship in some places. But no tax can be conceived but that it works a hardship occasionally. But the consideration that has to be paramount is the general good of the whole group involved.

Mr. MCCORMACK. Of course, that is involved in all taxes, isn't it?

Mr. LEAVY. It is in theory.

Mr. MCCORMACK. You say "in theory." Certainly there would be no more force to your argument than there is to the statement you just made, that in theory all taxes are for the general welfare in some way or another.

Mr. LEAVY. I think we have to grant, Mr. MCCORMACK, at least in theory and also in fact, that we know that there are present taxes that are disastrous, both State and National; and we modify them and change them. There is no doubt in my mind but that if we remain static in our annual production a 2-percent gross-income tax would not be a good thing; but if the effect of it were to increase production because of a wider distribution and a greater consumer power and that increase were substantially in excess of the levy, then it would be a good thing. And I think the latter situation would prevail.

Mr. MCCORMACK. Then the primary objective you have in mind is the wider distribution?

Mr. LEAVY. Yes, sir; and a great increase in production.

Mr. MCCORMACK. A wider distribution of what?

Mr. LEAVY. Of our national annual income. I gave some figures here this morning, Mr. MCCORMACK, but I don't know whether you were here then or not.

Mr. MCCORMACK. We have a national income this year of $62,000,000,000.

Mr. LEAVY. In 1935–36 we had about forty-eight billion. But we had 1 percent of the population getting as much as 40 percent.

Mr. MCCORMACK. Did you break down those figures? Of course all figures have a break-down. Have you broken them down?

Mr. LEAVY. I gave as the source of my figures the Consumers' Income, and a United States Government publication put out in August of this year by the National Resources Committee. They are broken down in there considerably. As I pointed out, 87 family units had an average income of $1,800,000 per unit on one end of the structure, and on the other end of the structure you had two and one-quarter million families with an average income of less than $140.

Mr. MCCORMACK. Going back to the question of taxes, this bill would raise roughly how much, in your opinion?

Mr. LEAVY. I am not sufficient of an authority to say. Proponents place it variously, of course. I think it is from four or five billion dollars to ten or twelve billion dollars. It all depends upon national income.

Mr. MCCORMACK. Of course we already raise through taxes about $15,000,000,000. Would you put that on top of that?

Mr. LEAVY. I look upon this in this way; and I have thoughtfully considered it. First, it would eliminate a lot of taxes. It would eliminate almost a billion or more of the present social-security taxes. It would eliminate, conservatively——

Mr. MCCORMACK. That is a little high, isn't it—that is, that billion dollars?

Mr. LEAVY. Under titles I, II, and VIII that are involved.

Mr. MCCORMACK. Would you throw off the unemployment insurance? Certainly you would not want to have unemployment insurance wiped out. That is title III.

Mr. LEAVY. No; it does not wipe it out.

Mr. MCCORMACK. There are a lot of people in this world, 35, 40, and 50 years of age. What do you think we ought to do for those people? I know that you have given it consideration, and I would like to get the benefit of your views. What about the fellow who is approaching middle age?

Mr. LEAVY. The fellow who is approaching middle age?

Mr. MCCORMACK. He has the dead line of business staring him right in the face.

Mr. LEAVY. That fellow is not only deserving of the very greatest sympathy and consideration but of every protection. But if he is an individual businessman, a small-business man, he has little chance for a continued existence in the next 15 or 20 years unless his particular environment is unusually good. Monopolies can crowd him out in almost any activity in which he engages.

Mr. MCCORMACK. Coming back to taxes, it is estimated that this tax, according to its proponent, Mr. SHEPPARD—and I think it is not more than two or three billion dollars out of the way one way or the other—would raise about $8,000,000,000. Now, is it your idea

that we should impose that upon the tax bill that already exists of about $15,000,000,000 throughout the country?

Mr. LEAVY. It is my idea, Mr. MCCORMACK, that if we can take where it can be gotten, through the instrumentality of government, any particular sum, and as a result of that raise the general standard of living in America and likewise raise our annual production, that is a desirable thing to do.

Mr. MCCORMACK. Of course, you have no more desire for that objective, I think, than everybody else in the United States who has a hope to see the present depression overcome.

Mr. LEAVY. I feel this legislation will do it.

Mr. MCCORMACK. And if all people, no matter what position they might be in, would be in harmony with that objective, which is purely an academic one, and will employ measures to try to obtain it in a practical manner; but you have to have regard for all other factors. That is true, is it not?

Mr. LEAVY. Yes, sir. But you have to recognize that we have been drifting away from the ideal of that objective.

Mr. MCCORMACK. Of course. From the fact we believe in the profit system—which I do.

Mr. LEAVY. I do, too.

Mr. MCCORMACK. To everybody who has a dollar invested, you have to give him encouragement and give confidence to the mind of the fellow investing, and the employers. Is that right?

Mr. LEAVY. Yes. That is, the little fellow.

Mr. MCCORMACK. Well, all employers.

Mr. LEAVY. But when you give undue encouragement to the fellow who already has an undue advantage, like those in the steel industry, or in the automobile industry, or the oil industry, or the aluminum industry, and many others, then, in my judgment, you are beginning to work an injury.

Mr. MCCORMACK. Our system is dependent upon the operation of private business, whether it is big or little. That is true, isn't it?

Mr. LEAVY. Yes. But it can become so big that competition will pass out of the picture, as it has largely done in many industries.

Mr. MCCORMACK. You are going into the monopoly feature. I am not talking about that. I am talking about business in a general way.

Mr. LEAVY. Except that I am trying to look upon this thing concretely and objectively as it presents itself at the moment in this country.

Mr. MCCORMACK. And I am just asking you a few questions to get the benefit of your profound knowledge.

Mr. LEAVY. No; I don't claim any profound knowledge. I am very humble in my opinion concerning my knowledge of so complex a question.

Mr. MCCORMACK. But you will permit me to have my respect for your opinions, will you not?

Mr. LEAVY. I certainly will. And I appreciate it. I likewise have a very high regard for your views.

Mr. MCCORMACK. What effect will the imposition of an $8,000,000,000 additional tax have upon our national income? Can you give us some opinion on that?

Mr. LEAVY. Answering abstractly the first part of your question, without considering the accomplishments, that would be a bad thing. But answering concretely as to what would be the results obtained, if they were the kind that we sought, it would be a good thing.

Mr. MCCORMACK. Suppose they did not come out the way you thought they would, then what?

Mr. LEAVY. It is my view we have just reached a point that to me, at times, is rather alarming. I am in sympathy with the efforts we are making; but we have reached a point in this country where we not only have to take stock but take a rather bold stand, because we are living in a changed economy and we must recognize it. If it is bold to the extent of being destructive of democratic institutions and of those things that we prize, then we would better stay away from it.

Mr. TREADWAY. I would like to ask a question. You realize we have quite a problem on our hands in this committee to shape up something here?

Mr. LEAVY. I think before you came in I said you had my heartfelt sympathy. I think you have one of the most difficult problems of any committee in Congress. And I know that you are struggling with it.

Mr. TREADWAY. Do you see any middle ground? Were you here when Dr. Altmeyer testified as to various amendments to the Social Security Act?

Mr. LEAVY. No; I was not.

Mr. TREADWAY. Of course, he offered certain suggestions and changes. You are appearing for H. R. 11, are you not?

Mr. LEAVY. Yes, sir; I am.

Mr. TREADWAY. As nearly as I can find out, the advocates of H. R. 11 have not consulted very much with the officials of the Government on this subject, as represented by Dr. Altmeyer and his Board. Have you consulted with Dr. Altmeyer at all?

Mr. LEAVY. Not this year. I did last year. I spent considerable time with him and with some of the Treasury experts. And it was pointed out to me very clearly then as to the weakness of a transactions tax and the greater possibilities of a gross-income tax. That is when I expressed myself in my remarks in the record in June 1937 concerning that matter.

Mr. TREADWAY. Did you gather from conversations with the Treasury officials that they favored the gross-income tax or preferred it to a transactions tax as the lesser of two evils? Is that it? It is the lesser of two evils, is it?

Mr. LEAVY. I cannot say that I gathered from them that they favored either tax; but the gross-income tax, as you expressed it, would probably be, from their viewpoint, the lesser of two evils, the more easily collectible and the one that would probably be less injurious to the payer.

Mr. TREADWAY. Do you see any middle ground as between the advocates of H. R. 11 and H. R. 2?

Mr. LEAVY. Their general objectives are almost the same.

Mr. TREADWAY. Then why are they so far apart?

Mr. LEAVY. Their tax formulae, I think, are as far apart as night and day; that is, the transactions tax and the gross-income tax.

Mr. TREADWAY. Some seem to think that if you analyze the gross-income tax you pretty nearly get down to the basis of a transactions tax. I have heard that statement made by a number of persons.

Mr. LEAVY. It does not occur that way to me.

Mr. TREADWAY. You do not so consider it?

Mr. LEAVY. No; I do not. The dispenser or processor of goods, if he were big enough, could eliminate all transactions except the final transactions and thus gain an advantage over the independent who would be subject to three or four or five transactions. That is just for that phase alone.

Mr. TREADWAY. I had hoped there might be some way in which this committee could meet the wishes of the advocates of these various systems or methods. But I do not get much help from the advocates of either bill.

Mr. LEAVY. I would like to see them harmonize all their differences. They would if they could eliminate personal feelings.

Mr. TREADWAY. Would that be along the lines of H. R. 11 or H. R. 2, or a middle ground?

Mr. LEAVY. You are asking for my opinion, of course?

Mr. TREADWAY. Yes; I am asking for your opinion.

Mr. LEAVY. My opinion is that H. R. 11 is a much better considered piece of legislation than is H. R. 2. And the crux of any such legislation rests upon the tax formula. If the tax formula is unsound or is bad, then no matter how idealistic the program, it is going to fail.

Mr. TREADWAY. That is all.

The CHAIRMAN. You are dealing with matters of Federal legislation. It is not our responsibility to deal with State or municipal taxes. You mentioned some taxes as being disastrous. What taxes do you have in mind? What Federal taxes do you have in mind as being disastrous?

Mr. LEAVY. I was probably speaking generally. I said some taxes are disastrous.

The CHAIRMAN. What taxes did you have in mind?

Mr. LEAVY. To an individual engaged in some particular calling; if the tax strikes that particular individual with a much greater degree of force, Mr. Chairman, than it does another in another calling, or a competitor with an entirely different volume of business, it is disastrous to the one, and it might ultimately work to the benefit of the other, because it is driving the one out of business.

The CHAIRMAN. Let's pursue that thought. It is difficult for me to see how a tax on profits or net income can be disastrous; but I can very readily see how a tax on gross income, where very frequently losses are sustained, can be disastrous. When it comes to imposing a gross tax on the man who is making money and a gross tax on a man who is making little or no money, and it is the same tax burden, can't you readily see the distinction there, and how it would be against the man making little money or no money, who pays exactly the same tax as the man pays who is making good profits? Can't you see the ultimate destruction or disaster there? It seems to me that it is very obvious; but I don't see where it is obvious if they are all making money.

Mr. LEAVY. There is no question at all, if you look at this in the concrete and pick a single individual here and there.

The CHAIRMAN. You have to pick folks who pay the tax.

Mr. LEAVY. But you have all of these other factors which enter into it.

The CHAIRMAN. You can't argue from that that it is not a greater hardship for an individual or corporation engaged in business to pay a tax when they have no income than it is to pay a tax when they have an income. And you know what is going to occur under this system. You can't get away from that.

Mr. LEAVY. I grant that.

The CHAIRMAN. With all the sophistry, you can't get away from that.

Mr. LEAVY. I want to go one step farther than that. I am not using any sophistry.

The CHAIRMAN. Will you admit that that means discrimination and disaster?

Mr. LEAVY. I will admit that there would be instances when a gross-income tax, just as in the case of a net-income tax, will prove to be a disaster.

The CHAIRMAN. I don't believe you can prove that a net-income tax will prove a disaster.

Mr. LEAVY. The difficulty arises here in your net income. Personally, I think this Nation, as a tax program, since you have suggested this to me, would be better off if its entire income tax were gross instead of net.

The CHAIRMAN. Will you give us an instance? You said there are instances where a net-income tax is disastrous. Will you give us a concrete instance of that? I would like to have it.

Mr. LEAVY. In the first place, to give you an instance requires that you go largely into this extremely complicated definition of what constitutes net income.

The CHAIRMAN. You may know of some special circumstance.

Mr. LEAVY. All of the lawyers and accountants in America have been wrestling over that.

The CHAIRMAN. The law defines net income. You know that. That is simple.

Mr. LEAVY. But it is difficult of solution. The law says that this shall be a net income, and deductions shall be thus and so.

The CHAIRMAN. And the taxpayer makes out his own tax return.

Mr. LEAVY. I am unable to make mine. I have to be helped.

The CHAIRMAN. Then, under the law you get an expert to do it. And you do not pay anything unless you have a net income above certain deductions.

Mr. LEAVY. I am allowed certain deductions.

The CHAIRMAN. You do not pay on your losses. You do not pay any income tax if you have a loss. You pay only when you have profit over and above certain deductions. How is that going to be disastrous to you?

Mr. LEAVY. I can see what you have in mind, Mr. Chairman; and I can see the reason back of it.

The CHAIRMAN. Now, let me ask you this question: If the net-income tax is disastrous, how much more disastrous will be the gross-income tax under the law? You say the net-income tax is sometimes disastrous. How much more disastrous will the gross-income tax be and how much more disaster may be looked for in collecting a tax where there is a loss, under the gross-income tax?

Mr. LEAVY. My own opinion is that you would have less of it. But that is my opinion. I am entitled to it, just as you are to yours.

The CHAIRMAN. Are there any other questions?

Mr. CARLSON. Mr. LEAVY, I believe you represent an agricultural district. You have been talking this morning about the distribution of the national income. And I am going to agree with you so far as distribution is concerned. We have in this country six and one-half million farm families and a thirty-million farm population. In your discussion of this legislation you mentioned the fact that we would better distribute the national income. Would this help the agricultural population?

Mr. LEAVY. My own judgment is that it would help out substantially because it exempts $1,200 a year, or $100 a month. And that would catch about 90 percent of the farmers.

Mr. CARLSON. You appreciate—as I read the bill—that the exemptions are $100 a month.

Mr. LEAVY. Yes; that is right.

Mr. CARLSON. It is very natural in farming communities to have an income in one or two seasonal periods. Therefore, they would be entitled to the exemption of $100 a month, except it would not apply during the harvesting seasons.

Mr. LEAVY. I don't believe that interpretation would be placed on this act. But if that is the correct interpretation that can be remedied. It could be provided for in the language of the bill, there be exempted $100 a month or $1,200 for a year.

Mr. CARLSON. Of course, you realize that agriculture at this time is operating at a loss?

Mr. LEAVY. Very much so; yes, sir.

Mr. CARLSON. Then do you feel that they could carry this gross-income tax at 2 percent?

Mr. LEAVY. I think a very small amount of it would fall on them.

Mr. CARLSON. Why is that?

Mr. LEAVY. Because of the exemptions provided in the bill. I think a very small amount of the farmer's income would be subject to tax at all. I am satisfied a farmer who is 45 to 50 years of age who is called upon to pay this tax would gladly do so to the extent of his earnings above exemptions, because of the assurances it would bring to him and the financial burdens it would take from his shoulders.

Mr. CARLSON. You have to admit that every time a farmer sold a cow for $80 he would have to pay a tax of $1.60.

Mr. LEAVY. Depending upon whether or not he sold enough cows; yes.

Mr. CARLSON. He would have that tax.

Mr. LEAVY. If that were the only one he sold during the year and if that were his only income, no.

Mr. CARLSON. That would be in a month.

Mr. LEAVY. My interpretation would be that this is how it would work.

Mr. CARLSON. I am sure you want to correct the situation; and so do I. We want to know that it will not seriously injure one great group of our people. But I was interested in getting your opinion.

Mr. BOLAND. What would be your opinion of the present Federal social-security tax on pay rolls?

Mr. LEAVY. I do not like to use the word "disastrous"; but I think it is detrimental. I think it is detrimental for the reason that it is taking from the fellow who has too little now. And every penny that is taken from him is taken out of the channels of trade. And if it were given to him he would spend it for the things that he needs and thus increase the market for consumers' goods.

Mr. BOLAND. In your opinion, the present Federal tax may be injurious?

Mr. LEAVY. I think it is.

The CHAIRMAN. As President Hoover said about prohibition, we will have to work out this subject. I suppose it has to be worked out. But suppose a farmer exchanged a hundred bushels of wheat for a grain drill, is there then any tax? If there is, who pays it? The farmer has sold a hundred bushels of wheat, and the merchant has sold a grain drill. Will both pay the tax or will just one of them pay it?

Mr. LEAVY. I don't know. I would have to examine carefully this definition that is given on gross income.

The CHAIRMAN. But you admit that is a practical question?

Mr. LEAVY. Yes; that is a practical question. There is no doubt about it, Mr. Chairman. This legislation on gross income as drawn up takes money as the medium of exchange, or checks as representative of money, and it must also mean barter and trade.

The CHAIRMAN. You would soon knock the tax to pieces, would you not?

Mr. LEAVY. Yes, Mr. Chairman. It would be inequitable to disregard barter, where it became a factor in gross income.

The CHAIRMAN. We thank you for the testimony which you have given to the committee, Mr. LEAVY.

Grasshopper Control

EXTENSION OF REMARKS
OF
HON. JOHN G. ALEXANDER
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 6, 1939

JOINT RESOLUTION OF LEGISLATURE OF THE STATE OF MINNESOTA

Mr. ALEXANDER. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following joint resolution of the Legislature of the State of Minnesota:

Whereas in 1938 the farmers of the Northwest witnessed the largest migration of grasshoppers in recent history and these flights infested new territory, including the Red River Valley of Minnesota and other areas throughout the northern Great Plains area; and

Whereas the general situation is acute, particularly because of the danger of migratory attack and because of the interstate movement of these insects and because certain States are unable to cope with the situation and it is therefore of paramount importance that the Federal Government take speedy action to assist in controlling these insects in 1939; and

Whereas definite surveys by entomologists of more than 24 States in cooperation with the Federal Bureau of Entomology and Plant Quarantine indicate that grasshoppers, Mormon crickets, chinch bugs, and the new insect, the fringe beetle, must be given special consideration to avoid calamities in 1939; and

Whereas organization and educational work is already under way in the infested areas, but the most effective preparation cannot be made until funds are available; and

Whereas past control programs have given excellent results and many millions of dollars' worth of crops have been saved for the farmers of the infested States; and

Whereas if poison bait materials and other equipment for the control of these insects are on hand in time, the farmers can save their crops, but if appropriations are not made in time to provide an effective control campaign before crops are damaged, the farmers lose heart and give up: Now, therefore, be it

Resolved by the Legislature of the State of Minnesota (in regular session assembled), That we memorialize the Congress of the United States to take speedy action to assist in controlling these insects in 1939 by making an appropriation of at least $6,000,000 for that purpose; be it further

Resolved, That the secretary of state of the State of Minnesota be, and he is hereby, instructed to transmit a copy of this resolution to the presiding officers of the Senate and House of the Congress of the United States and to each Member of Congress from the State of Minnesota.

Government Reorganization

EXTENSION OF REMARKS
OF
HON. HOMER D. ANGELL
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Monday, March 6, 1939

STATEMENT BY BROOKINGS INSTITUTION

Mr. ANGELL. Mr. Speaker, the study and survey recently completed by the Brookings Institution on Government reor-

ganization is worthy of serious consideration in connection with the problems now facing the Government. The fact that expenditures made by the Government since 1929 far exceed its income and the further fact that there is now a combined indebtedness of approximately $40,000,000,000, and that the limit of 45 billions, heretofore fixed, will soon be reached, makes necessary a thorough examination of our whole Government structure and processes in order to bring expenditures within income and with the goal in view of balancing the Budget.

One of the elements in this process is the cost of meeting the pay roll for Government employees. Much is said about overlapping bureaus and departments, duplication of activities, and unnecessary employees. Unquestionably this is a field where savings can be made. The Brookings survey, however, discloses that the complete Budget for the operation of administrative agencies, including emergency activities, amounted in the last fiscal year to only 17.65 percent of the total expenditures. It is obvious that whereas substantial savings may be made in drastic curtailment of pay rolls, the major savings necessary to balance the Budget must be sought elsewhere.

This report also discloses that a misrepresentation exists as to the status of many independent agencies; that as to these, reorganization legislation is not essential; that of the 132 agencies listed by the President's Committee on Administrative Management in its report in 1937, only 54 require legislative authority for reorganization; that the President already has control of 22 agencies. Since 1921 the Bureau of the Budget has had authorization from the President to investigate the structure of the administrative branch and to make recommendations to the President with respect to its reorganizations.

Following is the Brookings Institution statement:

Possibilities of economy through mere structural reorganization of Federal administrative agencies are relatively minor in comparison with those which might be realized by the elimination and curtailment of activities, according to a study made public today by the Brookings Institution. Savings large enough to play a really important part in bringing Government outgo down to the level of income can come only from elimination and curtailment of certain types of activities, a step which involves large issues of public policy.

The entire budget for operation of administrative agencies, including the administration of all emergency activities, amounted to $1,827,318,000 in the last fiscal year, which was approximately 17.65 percent of the total amount available for expenditures. The remaining $8,522,590,000 was appropriated for various functions and activities which administrative reorganization would not touch.

The study, which was made by Dr. Lewis Meriam, chairman of the Institute for Government Research, and Dr. L. F. Schmeckebier, points out that two procedures may be utilized in seeking these larger savings.

PRUNING ONE WAY OUT

One involves subjecting all present functions and activities to a rigorous, detailed pruning process, which involves examining the multitudinous activities of the executive agencies, abandoning those which are not regarded as essential, and reducing others to the necessary minimum. Such a program means that beneficiaries of the National Government who are now receiving from it subsidies, grants, donations, loans, pensions, and special services, and even direct or indirect employment would find these aids curtailed or abandoned.

The second procedure involves the development of a more consistent social and economic program through the reexamination of broad policies that are now in conflict. Such major problems are involved as the elimination of conflicting Government price policies; encouragement of private enterprise so that economic, self-sustaining employment may be substituted for Government-made work and the relief of employable persons, and the development of a healthy, coordinated, and self-supporting transportation system. Improvement in such major matters would reduce governmental expenditures and add materially to revenues.

Reorganization merely to eliminate overlapping, duplication, and conflict in the administration of existing activities unquestionably presents some possibilities for the reduction of expenditures. The overwhelming bulk of the administrative expenditures is made, however, by a relatively small number of large agencies which do not seriously duplicate or overlap other agencies, and would not be affected to any appreciable extent by structural reorganization. The 30 largest agencies contain more than 99 percent of all the civilian employees of the executive branch.

AGENCIES EXAMINED

Misconception apparently exists as to the actual status of many independent agencies which have been cited as illustrating the need of reorganization legislation. Of the 132 agencies listed by the President's committee on administrative management in its report to the congressional joint committee in 1937, the study found that only 54 require legislative authority in a plan of reorganization.

Of the remaining 78, the President already has complete control over 22 agencies with staffs and of seven administrative and technical advisory and coordinating committees and boards having no staffs. Twenty-one of the agencies are already under other units; seven are related to specific agencies; four are not Government agencies; three are international commissions integrated with the State Department; two do not exist; eight are temporary agencies created by law for special purposes, and four are ex officio boards and commissions having no staffs.

Since 1921 the Budget Bureau has had authorization, on direction of the President, to investigate the structure of the administrative branch and to make recommendations to the President with respect to its reorganization. No legislation is necessary unless the objective of the Congress is to give the President authority to make laws by Executive order.

The major defect in the executive branch, says the study, is the absence of a fully developed, effective, permanent coordinating agency under the President. It suggests that this situation could be met effectively by strengthening and expanding the Budget Bureau into such an agency through the selection of permanent officials and employees under the classified civil service. Most of them should be obtained by transfer from existing establishments, in order to bring experience gathered over a period of years. The expanded Bureau, under the President's direction, could obtain an orderly and efficient reorganization of the Government over a reasonably brief period of time without any new legislation.

Such an agency could serve in some measure to relieve the President of his burden of activity. The study points out, however, that this heavy administrative burden does not arise primarily from the number of persons who report to the Chief Executive but from the number and diversity of matters under existing law that require his personal attention. Prior to 1932 the substantive law and appropriations acts ordinarily vested initial authority and responsibility in the head of a department, bureau, or independent office. The President had only indirect responsibility for details of management. Under the emergency laws huge appropriations were made directly to the President; he became a major spending officer and had to assume great direct managerial operating responsibilities. Thus, no small part of the volume of business which today crosses the President's desk arises from this recent change in American practice.

While recognizing the fact that the Congress frequently does not have the detailed information which permits of precise control of executive departments, the study raises questions regarding the results which might be obtained from attempting to meet this situation by delegation of more powers to the Executive. More effective, it suggests, would be the further development of congressional investigational agencies.

WOULD EXPAND STAFFS

The present staffs of the Appropriations Committees, though able and fairly permanent, are so small that they must depend chiefly on the information they can obtain from the administrative officers. These staffs could well be expanded so that the committees could obtain complete and impartial information through investigations by their own qualified representatives on such matters as organization, management, personnel, procedures, and activities of the executive branch.

Another relatively simple way to provide the Congress with the necessary information would be by expansion of the investigational research staff of the General Accounting Office, so that, in addition to reporting to the Congress solely on financial data, it could make independent reports on the economy and efficiency of the executive branch.

Excess personnel does not arise merely or even principally from duplication and overlapping, the study says. More important factors are creation of unnecessary jobs for political appointees, appointment of unqualified persons, failure to reduce staff when operations permanently diminish, and failure to adopt efficient business procedure.

TO PREVENT POLITICS

The best-known device for preventing unnecessary political appointments and insuring proper qualifications is a competitive merit system, administered by a Civil Service Commission and an adequate examining staff as completely independent of political control as it is possible to make them.

In recent years, the percentage of employees in the classified civil service has declined, falling from more than 80 percent at the end of 1932 to 62.2 percent before the new Executive orders covering politically selected employees into the classified civil service. This decrease resulted mainly from the exemption of certain new and presumably temporary agencies from the operations of the Civil Service Act. Appointments to these new exempted agencies were made, in many instances, on a political basis. Many of these politically appointed employees are now being covered into the civil service by noncompetitive examination.

Creation of these new agencies was largely responsible for the 53 percent increase in number of Government civilian employees between February 28, 1933, and September 30, 1939. Between July 3, 1921, and February 28, 1933, the number on the pay roll increased little more than 1 percent. Between July 31, 1920, when the rolls were still swollen by wartime activities, and February 1, 1933, there was a reduction in number of employees of nearly 18 percent.

Aid to Needy Crippled Persons

EXTENSION OF REMARKS
OF
HON. JOHN G. ALEXANDER
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 6, 1939

CONCURRENT RESOLUTION OF LEGISLATURE OF THE STATE OF MINNESOTA

Mr. ALEXANDER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following concurrent resolution of the Legislature of the State of Minnesota:

A concurrent resolution petitioning the Congress of the United States and President Franklin D. Roosevelt, respectively, to pass and approve an amendment to the Federal Social Security Act to provide Federal financial assistance to States for aid to needy crippled persons

Whereas there are thousands of crippled persons in the State of Minnesota who, because of their physical handicap, are unable to secure employment or adequately to provide for themselves, and hence are in destitute circumstances and in need of adequate assistance and aid; and

Whereas it is imperative and a necessity for the State of Minnesota and its political subdivisions to provide adequate assistance and aid to such needy crippled persons to safeguard their health and welfare; and

Whereas the State of Minnesota and its political subdivisions, which in the past have carried the entire burden of furnishing assistance and aid to such needy crippled persons are no longer able to adequately do so; and

Whereas the State of Minnesota and its political subdivisions are urgently in need of Federal financial assistance for the purpose of enabling the State and its political subdivisions to provide adequately for such needy crippled persons: Therefore, be it

Resolved, by the Senate of the State of Minnesota (the house of representatives concurring), That we respectfully petition the Congress of the United States and President Franklin D. Roosevelt, respectively, to pass and approve an amendment to the Federal Social Security Act, now in force, to provide Federal financial assistance to States for aid to needy crippled persons. Be it further

Resolved, That the secretary of state be instructed to send copies of this resolution to the Honorable Franklin D. Roosevelt, President of the United States; the Honorable JOHN N. GARNER, Vice President of the United States; the Honorable WILLIAM B. BANKHEAD, Speaker of the House of Representatives of the United States, and to each of the Senators and Representatives of the State of Minnesota in the Congress of the United States.

Gen. Edmund Pendleton Gaines—A Great American, for Whom Was Named the City of Fort Gaines, Ga.

EXTENSION OF REMARKS
OF
HON. STEPHEN PACE
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 6, 1939

Mr. PACE. Mr. Speaker, several days ago I introduced a resolution, House Joint Resolution 158, which has for its purpose an appropriation to be used in the erection of a monument to Edmund Pendleton Gaines in the city which today bears his name—Fo[illegible] Gaines, Ga.

The progress and aavancement of our Nation in the nineteenth century was slow and tortuous because of the nature of the new land that had just gained its independence and was seeking to get a foothold. There was much strife in the struggle for expansion, and the credit for achievements which made smooth the roads for advancement of the Nation has been largely given to a few brilliant and outstanding men, whose names are forever engraved in our memory. However, the task was too herculean for such a few men to have accomplished alone, and the groundwork upon which their brilliant careers were founded had to be laid by others who worked untiringly and steadily. Such a one was Edmund Pendleton Gaines. He had a passionate belief in the ability of the new America to become a great Nation, and he pressed himself to the task of realizing his ambitions for his country with a characteristic fiery determination and unbounded enthusiasm. One result of his visions and constant efforts is our present national network of railroads, which in 1840 seemed but the fantastic dream of a mentally unbalanced man.

Edmund Pendleton Gaines was not a Georgian, but Georgia was proud to honor him in naming one of her cities for him, and now seeks to pay him further tribute in a more material manner. He was by birth and heritage a southerner, having been born in Virginia, the son of a Revolutionary War hero who later became a legislator, and the grandnephew of one of the most able jurists the country has ever known—Edmund Pendleton, for whom he was named. He spent his early youth in North Carolina and Tennessee, and was still but a boy of 17 when his career, that was to make of him one of America's greater generals, began. Though by birth a southerner, his career took him into all parts of the United States, and his deeply imbedded love of country had no place for any feeling of sectionalism. It is not, therefore, the service which he rendered to Georgia or to the South alone that this monument seeks to pay tribute, but also his invaluable services to the entire country.

I quote from James W. Silver, who has made a protracted study of the life and career of Edmund Pendleton Gaines and has incorporated his findings in a publication entitled "Edmund Pendleton Gaines and Frontier Problems, 1801–49." He states:

When the completed story of the westward moving frontier has been written, the achievements of the Regular Army as a peacetime institution and the contributions of many individuals who are now buried in comparative obscurity will undoubtedly assume more important proportions. This is well illustrated in the work of Edmund Pendleton Gaines, a product of frontier environment, in whose career as an Army officer from 1801 to 1849, most of its problems appeared. A study of his life indicates that the attempt to solve these difficulties led to the evolution of a definite frontier philosophy devoted to the protection and internal development of his section as a way to a greater nation.

The career of Edmund Pendleton Gaines had its beginning in a lieutenancy in a volunteer rifle company, formed to combat hostile Cherokee and Creek Indians. He was barely 17, but his ability was such that he was soon rewarded with an appointment as ensign in the Sixth Infantry of the United States Army. From then on his rise was rapid. He was singled out because of his technical qualifications to make a topographical survey from Nashville to Natchez for the location of a military road and his successful completion of this task gave rise to a promotion to a first lieutenancy. Shortly thereafter he was given the commission of captain and was sent to the Mississippi territory, where he was—

Called upon to adjust differences between invading whites and retreating Indians, between ambitious squatters and Spanish officials, and later still he was engaged in a real war against a first-class foreign power.

Also, before the West actually became his permanent residence, he had eliminated a grave menace on the Apalachicola and had started the United States toward the conquest of the Seminoles. Before he crossed the Mississippi as commander, then, Gaines had risen steadily from an obscure lieutenant * * * to one of the few generals whose conduct in the War of 1812 might be approved and cherished. (Silver, Edmund P. Gaines and Frontier Problems, p. 20.)

Among the outstanding military achievements of General Gaines is his brilliant victory at Fort Erie in the War of 1812, where he successfully defended the fort in an attack by the English with a force which far outnumbered his own. He is also outstanding by virtue of his success in handling the situations which arose in east Florida in connection with the expansion into the territory of the Indians there. His Indian policy was one which caused him many clashes with his superiors. He believed in fair treatment at all times and even

risked his career on several occasions to carry out this policy. Again quoting from Mr. Silver:

Gaines saw from the first that in the inevitable clash between Indian and white, the less civilized and therefore the less powerful necessarily had to give way. But the very presence of a weaker civilization meant, to him, that the red man should not be exploited, but should be given a fair chance. Above all, a contract in the form of a treaty made with these unfortunate people should be religiously observed by the stronger party, even more than in case of an agreement with an equal foreign power. It distressed him greatly to see squatters and land speculators illegally take from the Indians property which belonged to them, and, seeing that it was inevitable, he labored long to cushion the blow for the expatriated savages. This does not mean that he was unduly lenient with the tribes; certainly his retaliatory and punitive forays together with his austerity and strictness, invalidate that charge. But he did understand the problem from both points of view. His negotiations with the Cherokees, the Creeks, with Black Hawk, his appreciation of the methods of Leavenworth in 1823, his sympathy for the Seminoles and the Pottawatomies, all indicate efforts at reconciliation rather than annihilation.

However brilliant his military achievements may have been, the records disclose that General Gaines' work in bringing about various internal improvements such as the construction of roads, bridges, and canals, the improvement of river channels and his—

Never-ending crusade to convince the people of the significance of steamships and railroads—greatly overshadows any military victories he may have won. His was a civilizing, law-abiding influence, whether on the Tombigbee, the Chattahoochie, the Mississippi, or the Sabine. * * * If his imagination carried him to the point of being visionary, it was because he looked a little further into the future than his contemporaries, for many of his prophecies, visions, and speculations have been fulfilled (Silver).

General Gaines was untiring, relentless, persistent, and sincere in his efforts to better his country. He was not easily discouraged, and had that same quality which seems to have been so predominant in that great American, Abraham Lincoln, which was once being assured in his own mind that a thing was right, nothing deterred him from his purpose in carrying that idea out.

In this day of modern sophistication it is the inclination of the majority to scoff at hero worship as being sentimental. Various famous and beloved legends which have been a part of every child's belief and education until recent years have been attacked and attempts have been made to expose them as myths; attempts to drag these great heroes of ours down to common level and expose them as having feet of clay. What then can we expect of a rising generation that has no hero to worship, no tangible pattern to try to conform to, no incentive to greatness that comes from hearing of the things that made men great?

It is not healthy, to my mind, for an individual or a people or a nation to consider himself or itself completely self-sufficient. It is a condition which is conducive to smugness, which can well become an instrument of destruction of the character of that individual or people. Our Nation was not built up to its present greatness by ordinary mortals. It was built by men who were made of sterner stuff, who bent their minds and their ceaseless energies to the task of creating order from chaos; who saw visions and dreamed dreams and made them reality; who gave of their very lives in order that a nation might advance into the realms of the mighty. Who can expect to emulate the accomplishments of those immortals or even to carry on the work that they so painstakingly started, who does not possess a just regard for the talents which made possible these accomplishments?

It is, therefore, not only to honor Gen. Edmund Pendleton Gaines, a superior general and a great American, that I have proposed this monument, but also to preserve the principle of hero worship, which is necessary to the preservation of a certain humility without which no man and no nation can become great.

It is my sincere hope that this Congress will aid me in this effort and will give favorable consideration to an appropriation for the erection of a monument to the memory of Maj. Gen. Edmund Pendleton Gaines in Fort Gaines, Ga.

Interest on Farm Loans

EXTENSION OF REMARKS
OF
HON. JOHN G. ALEXANDER
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 6, 1939

RESOLUTION OF THE LEGISLATURE OF THE STATE OF MINNESOTA

Mr. ALEXANDER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution of the Legislature of the State of Minnesota:

Resolution memorializing Congress and the President of the United States to continue a low minimum rate of interest on farm loans through the Federal Land Bank System

Whereas the stability of agriculture and the prosperity of the farmers engaged therein is essential to the national and public welfare; and

Whereas agriculture is one of the basic industries and there can be no sound business prosperity unless and until the business of agriculture is placed on a comparable and equal basis with other industries; and

Whereas American agriculture is still below an adequate income level; and

Whereas farmers are large users of credit and such a large percentage of their income is used in paying interest on farm mortgages, production credit loans, and other necessary loans; and

Whereas before we can have general prosperity the purchasing power of the farmer must be retained and increased: Therefore be it

Resolved, That we urge upon the President and the Congress to support and pass legislation extending the interest rates of 3½ percent or less on Federal farm loans and 4 percent or less on Commissioner loans; be it further

Resolved, That the secretary of the State of Minnesota is hereby instructed to forward a copy of this resolution to the President of the Senate of the United States, Speaker of the House of Representatives, and Representatives in Congress from Minnesota, and to the President of the United States.

The Farm Chemurgic Movement, the Real Permanent Solution of the Farm Problem

EXTENSION OF REMARKS
OF
HON. NOAH M. MASON
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 6, 1939

Mr. MASON. Mr. Speaker, the following disconnected but pertinent observations bearing upon our farm-surplus problems are worthy of serious consideration. We claim that the main reason 10,000,000 of our people are unemployed today is that our 30,000,000 people in agriculture are on half pay. We also claim that if we give the 30,000,000 full pay that our 10,000,000 unemployed will be put back to work. The hypodermic treatment provided for agriculture in the present A. A. A. program is no permanent solution. In fact, our present low prices for farm products prove that the beneficial effect, if it ever had any, has already worn off. The farm chemurgic movement is the sound, permanent, long-time solution of the vexing, persisting farm problem.

A SOLUTION FOR FARM SURPLUSES

There are 30,000,000 people on the farms of America directly dependent upon the farm dollar, and 20,000,000 more people indirectly affected by the farm dollar. Agriculture has been considered as the industry that produced our food and clothes. However, a man's stomach can stretch only so much. It is elastic, but it has its limits. A man can wear only one suit of clothes at a time. His financial condition determines whether he may have more than one suit.

Therefore, if farm acres are to be kept in production, we must find other uses for farm products besides food and clothes. Our shelter and power-fuel needs can be supplied from farm products. This is where the farm chemurgic movement, chemistry applied to the solution of farm surpluses, comes into the picture. We are 20 years behind other nations in this field. The farm chemurgic movement is the solution for farm surpluses.

ALCOHOL FOR FUEL

England mixes 15-percent fuel alcohol in the gasoline used for her internal combustion engines; Germany mixes 10-percent fuel alcohol in her gasoline; and Italy mixes 11 percent. If the United States would mix only 5-percent fuel alcohol in the gasoline she burns each year every idle acre in the Corn Belt would be needed, and then we would be short of the corn required. We use 30,000,000,000 gallons of gas each year in our internal combustion engines. If 10-percent corn alcohol were used in this gas, it would mean 3,000,000,000 gallons of corn alcohol, and require 30,000,000 acres of corn land to produce the corn needed. We can make 18-cent alcohol from 50-cent corn, and a nice profit accrues to the distillery. Why have idle corn acres? Farm chemurgic is the answer.

WHY HAVE IDLE ACRES?

American farmers represent 25 percent of our population, but they receive only 12 percent of the national income. Something should be done about it. We import 466,000,000 pounds of tropical starch materials each year. Sweetpotatoes, from which a better grade of starch can be produced economically, can be grown on our acres at a profit. Why import starch materials when we have idle acres that should be in cultivation? We import 164,000,000 pounds of tung oil each year. Tung oil can be made from the castor bean at a profit, and castor beans grow readily in the South and Southwest. Why import when we have idle acres that should be cultivated? Why pay out one and one-half billion dollars each year to foreign farmers for competitive farm products that our farmers can and should grow? This is the other side of our crop-curtailment question. Farm chemurgic is the answer.

FARM PROSPERITY

Our prosperity does not lie across the water. Foreign trade will never solve our agricultural surpluses, nor will it bring back prosperity to the American farmer, nor will it solve our unemployment problem. Our prosperity lies in making full use of our farm acres and the finding of other uses for our farm crops. This can be done if we apply the lessons we have learned in our chemical laboratories. Farm chemurgic is the solution of our farm problem. It can bring back farm prosperity.

BUTTER AND BUTTER SUBSTITUTES

The American people need 3,000,000,000 pounds of butter each year—about 30 pounds per person. Many substitutes for butter are in use. If those substitutes are made from farm products grown on American farms, well and good. If, however, those substitutes are made from coconut oil or Brazilian nut oil shipped into this country to compete with our home-produced butter, then that is a different story. If the butter substitute is made from whale oil captured by Danish seamen, that is also another story. Do you know that a year ago Danish whale hunters gathered 3,000,000,000 pounds of whale oil? Now, whale oil stinks of the whale. It also tastes strong of the whale. But our chemists take whale oil, deodorize it, detaste it, decolor it, put other color in it, and then it can be and is used as a substitute for butter. No wonder our dairy farmers grumble.

COTTON EXPORT AT 20-YEAR LOW

The Agriculture Department reports our cotton exports so far this season are at a 20-year low. Unless there is a substantial and unexpected increase during the next few months, our cotton exports for the year ending August 1, 1939, may not exceed 4 million bales as against a normal export of 6¾ million bales. The reason given is competition from other cotton-growing nations. Is crop restriction the solution? No; farm chemurgic is the solution.

Sam Houston

EXTENSION OF REMARKS
OF
HON. R. EWING THOMASON
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 6, 1939

ADDRESS BY HON. T. V. SMITH, OF ILLINOIS, MARCH 2, 1939

Mr. THOMASON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following remarks by Hon. T. V. SMITH, Congressman at Large from Illinois, and a native of Texas, regarding the life of Sam Houston, made at the Texas Independence Day dinner on the evening of March 2, at the National Press Club in Washington:

Sam Houston was in truth the Sampson of the Southwest. Born in Virginia, reared in Tennessee, escaping in adolescence from civilization to the semisavagery of Ol-loo-te-ka, a chieftain of the Cherokees, this pioneering Paul Bunyan combined in a single frame the virtues of many States, a strange and potent mixture of earth and air, of fire and water. Adopted by the Indian chief and christened "The Raven," Houston brooded over troubled waters and troubled the still waters of three continents for half a century.

Twice a Member of Congress from Tennessee, and then its popular Governor, in the hour of his eminence he renounced all that he had been, and all that he might be, to return to the Cherokees in the silence of southern chivalry for the sake of a woman's name. In the somber stillness of his retreat rolled distantly the thunders of mighty events coming on. Taking up with honor dreams lost by Aaron Burr in dishonor, Houston wrested the empire of Texas from alien cruelty and native greed and blazoned, for all ages, the moral meaning of human intrepidity: "Not greatly to care and dare is never greatly to achieve."

Commander in chief of the almost mythical forces, by land and sea, of the swaddling Republic of Texas, he developed out of thin air the morale of war and later the healing balm of peace. First President of that singular star in the galaxy of nations, he worked incessantly to trade imperial sovereignty for the humbler partnership in a nation of States. Thrice Governor of the Lone Star State, later its United States Senator for 13 years, Houston with surpassing clairvoyance withstood the pressure of forces toward disunion and accepted personal disgrace rather than be a party to national dismemberment. Barely avoiding the Presidential nomination against Lincoln as a Union Democrat, Houston sympathized in private retirement with Lincoln's endeavor to save the Union.

Uniting the best of the subtle sagacity of the aborigines and the worldly wisdom of the Anglo-Saxons, Sam Houston became the father of the Commonwealth of Texas and is for all time one of the greatest American leaders in the finest enterprise of all, the craft of human statesmanship. His spirit goes marching on.

Is America Drifting Blindfolded Into War?

EXTENSION OF REMARKS
OF
HON. HAMILTON FISH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, March 6, 1939

RADIO ADDRESS OF HON. HAMILTON FISH, OF NEW YORK, MARCH 5, 1939

Mr. FISH. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following radio speech delivered by me over the Columbia Broadcasting System on Sunday evening, March 5:

The American people have a right to know, and to know immediately, the foreign policy of President Roosevelt and the New Deal administration. What does all the secrecy and mystery that surround it mean? Is President Roosevelt trying to scrap our traditional American policy of neutrality, nonintervention, peace, and no entangling alliances for collective security, secret understandings, quasimilitary alliances, and war commitments without the consent of the Congress or the American people?

The time has come for a definite show-down on our foreign policy. It is the duty of President Roosevelt to take the American people into his confidence by explaining the mysterious course he

has been pursuing and help allay the war hysteria that has resulted from his speeches and those of his Ambassadors, Cabinet officers, and other high New Deal spokesmen.

Why doesn't President Roosevelt use his great influence as Chief Executive to dispel the war talk, the hymns of hate, and the appeals to fear and emotionalism that are making our people jittery and a prey to war hysteria? Why is President Roosevelt so strangely silent when by a few reassuring words and acts he might make clear to the American people that there is no danger of our being involved in any foreign wars?

Instead, as we take up the morning papers we find one new crisis after the other, generally conceived in the imagination of the President, to further inflame our jittery nerves. The President had hardly gotten out of sight of land on his recent fishing trip—or was it to direct a great naval battle; it makes no difference to the taxpayers which—than he discovered in his own mind another alarming crisis and imminence of war that might require his immediate return. I am inclined to believe that the farther the President is away from Washington on fishing trips the safer the country will be.

I challenge President Roosevelt or anyone of his spokesmen to specify what nation, or nations, has the faintest idea of attacking or invading the United States, or what nation, or nations, has the capacity to attack or invade us even if they wanted to.

There will be no answer, for the only possible answer is there is none. All the totalitarian states are busily engaged in their own back yards. I have no fear whatever of any nation attacking us, but I am fearful that we may be goaded by false propaganda and by adventures in aggression and provocation, such as establishing Guam as an air base, to become involved in foreign conflicts.

The American people will not be satisfied to drift blindfolded into war in either Europe or Asia. They will not agree to being led to wars through secret diplomacy, nor will they be satisfied, if the President is taking us into war, to merely know about it.

Instead, they demand that President Roosevelt pursue a definite course and policy to keep us out of all foreign wars. The American people, irrespective of party affiliations, have no use for international poker games, because they know in advance that we are always the losers and pay all the bills. They are naturally opposed to interfering and meddling in other people's business. It is none of our business what form of government exists in Soviet Russia, Nazi Germany, Fascist Italy, or Imperial Japan, and by the same token it is none of their concern what form of government exists in the United States of America.

For the first time in the history of our country our foreign policy is based upon provocation, hatred, and attacks on the forms of government and the rulers of foreign nations. It is the most amazing departure from American traditions and statesmanship and puts the United States on the road to war.

The President, members of his Cabinet, and his ambassadors have vied with each other in swashbuckling statements and tirades against certain nations. It is not necessary to go further to find the origin of the spread of war hysteria and the beating of war drums, which become faster and louder each week. Ambassador Bullitt, who only recently with the aid of Ambassador Kennedy did his bit to promote the war scare by telling a congressional committee that war was inevitable this spring, produced a brand new red, white, and blue rabbit before the American Club at Paris on Washington's Birthday. In the presence of the French Prime Minister and members of his cabinet, he announced that the United States had abandoned its geographical isolation; an insult to the memory of George Washington and a denial of the foreign policies he proclaimed. What right had Ambassador Bullitt to misrepresent and repudiate the traditional American foreign policy accepted by all our Presidents since the time of Washington? Certainly he was not speaking for the American people. Was he speaking for President Roosevelt or for other internationalists and interventionists in the administration? If not, why has he not been rebuked or recalled, for this is the third time he has made similar statements?

I am beginning to wonder whether our Ambassadors are doing more to get us into, than keeping us out of, wars.

The United States will defend itself against any and all nations, but it does not propose to go to war again to make the world safe for democracy, as Ambassador Bullitt infers, and our frontier is not on the Rhine or with the French Army or the British Navy but on our own shores, protected by our own Navy, the largest and most powerful we have ever had and by our own Army and Air Corps.

For the benefit of Ambassador Bullitt let me again quote George Washington's words of wisdom and advice in his Farewell Address: "Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground?" Were truer words ever uttered? Washington had more vision of the future than any of our other Presidents.

It is high time that the spokesmen of the administration and other war mongers cease their public attacks on certain nations and making direct or implied commitments involving us in disputes, quarrels, and wars in foreign lands. They are doing a disservice to France and Great Britain by egging them on by false insinuations and by verbal or implied war commitments. The people of France and Great Britain want peace, but our war mongers are constantly inciting them to disregard the Munich Pact and resort to the arbitrament of arms. If only we would stop meddling in foreign lands the old nations of Europe would compose their own quarrels by arbitration and the processes of peace, but apparently we won't let them.

Can it be that the war propaganda and hysteria in this country is purposely instigated to cover up the failure and collapse of the New Deal policies with 12,000,000 unemployed and business confidence destroyed? Can it be that the dogs of war, who are barking and straining at the leash, will be let loose to join in the European madness? God forbid that such a folly and crime could be entertained by any American no matter how humble or how exalted.

The answer to the dictatorships is not force and compulsion, threats, abuse, and hatred, but to make democracy work in our own country.

The dictators, Stalin, Hitler, and Mussolini, are laughing at our economic failures and huge unemployment problem in the greatest and richest nation in the world. They claim that democracy has broken down in America and has no program to restore prosperity. We should keep out of all entangling alliances and the eternal wars of Europe and Asia and put our own house in order, restore confidence, provide employment for our wage earners, and make democracy work in free America.

That is the best and most effective answer to the dictators in Europe and to our enemies from within, such as the Communists, Nazis, and Fascists. I believe we have far more to fear from our enemies from within than we have from our enemies from without. All the Communists are united in urging us to go to war against Germany and Japan for the benefit of Soviet Russia, and the Nazis and Fascists would stab us in the back if we did. A plague on all three of their houses.

If I had my way, I would deport all the Communist, Nazi, and Fascist agitators back to their native lands and give their jobs to loyal American citizens now walking the streets looking for employment.

I favor adequate national defense, but if we are arming merely for defense we are spending far too much and wasting money, as no nation thinks of attacking us. If we are planning to send our armed forces to Europe or Asia, then the American people have a right to know it. In either case we are on the road to bankruptcy, but in the latter we are on the road to both war and bankruptcy and to much quicker and surer bankruptcy.

All America needs is to provide for extensive research and prepare in advance to mobilize, coordinate, and standardize our resources in order to produce airplanes and equipment in vast quantities in case of emergency. If we follow such a course, we could turn out a couple of thousand airplanes a month, and I doubt if we need to spend hundreds of millions on airplanes now that will be obsolete in a few years. No airplane has ever been invented that can bomb any American city and get back to its base in Germany, Italy, or Japan.

A number of Senators on the Military Affairs Committee who attended the now famous secret conference at the White House with the President have publicly stated that the people would be shocked if they knew what the President said. I doubt if he said anything more than he has repeatedly said: That we are on the verge of war and can scarcely keep out; that war is imminent and is apt to break out any time; that he wanted the power to determine the aggressor nation and to establish economic sanctions, which means that he wants Congress to surrender its constitutional power to declare war; that our traditional policies of nonintervention and neutrality are outmoded; that we must scrap the Neutrality Act; that we must furnish supplies and enter into concerted action with Great Britain and France; that we had a rendezvous with destiny; that our first line of defense is in foreign nations; and profusely punctuated by attacks on Hitler and Mussolini, on Germany, Italy, and Japan, but not on Stalin or Soviet Russia. It does not take a mind reader to know what the President said, because for the past year or more he and his Cabinet have been making so many violent, provocative, and inflammatory statements.

It is not true that we are a weak, defenseless nation like China or Abyssinia. The United States and Latin America were never safer from attack than at the present time, as we have the strongest national defense in our history and the most powerful Navy.

The American people have been burned once, and will in the future follow the example of the sane nations of Europe, such as Norway, Sweden, Holland, and Switzerland, who managed to keep out of the World War. We must, however, beware of foreign propaganda. The American people are the greatest push-overs for British propaganda. We just love to be told that it is our moral duty to preserve the British colonies and Empire—Hong Kong, India, and Egypt. I admire the English statesmen because they know exactly what they want and how to get us to do it for them, but they never give up anything in return. Great Britain still expects every American to do her duty. I hope the recent reports in which leading British statesmen came out in favor of a third term for President Roosevelt is no indication of an entangling political alliance whereby the British will participate in the next American election.

In conclusion, I urge the radio audience to write their Representatives in Congress to support H. R. 2645, introduced by me, to prohibit the arming, drilling, and wearing of uniforms by Nazis, Communists, Fascists, and other un-American groups. Hearing on this bill will be held before the Committee on Military Affairs, House of Representatives, on Tuesday morning March 28. Unless this type of legislation is passed, these seditious groups will bring their Old World quarrels to America and cause class, religious, and civil warfare. The way to stop it is for Congress to pass legislation immediately and scotch these insidious and un-American activities at the beginning.

Resolution Encouraging a More Extensive Use of Copper

EXTENSION OF REMARKS
OF
HON. JAMES F. O'CONNOR
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 6, 1939

RESOLUTION BY THE LEGISLATURE OF MONTANA

Mr. O'CONNOR. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution adopted by the Legislature of the State of Montana:

Resolution encouraging a more extensive use of copper

Be it resolved by the House of Representatives of the State of Montana (the senate concurring):

Whereas all copper consumed in this country is mined, refined, and fabricated into wire and cable in the United States at a cost of $222.74 per ton, $96.50 paid directly in wages, $79.57 in supplies purchased from other industries, $8.29 in Federal taxes, $10.39 in State and local taxes, $27.99 in freight to railroads (estimated 44 percent of railroad income goes to labor); and

Whereas the consumption of copper declined in the first quarter of 1938 against the first quarter of 1937, 56,008 tons, a loss to labor of 1,663,438 man-days; and

Whereas aluminum has entered the field as a competitor of copper as a conductor of electricity on projects being executed by the T. V. A., R. E. A., etc., aluminum being manufactured from bauxite ores, of which 54.8 percent in the year 1937 was imported from British Guiana and Surinam, countries in which coolie labor is employed at a few cents a day in their m nes, thus causing an exploitation of cheap labor and a displacing of American workmen in the bauxite fields of Arkansas and Tennessee, to say nothing of the unfair competition with the American copper miner; and

Whereas low bids on T. V. A. and R. E. A. projects have invariably included the use of aluminum because of its lower price due to the fact that it can be imported and fabricated into a finished conductor more cheaply than copper as a raw material can be produced in this country based on our higher standard of living; and

Whereas from a true American standpoint and from what we believe is the real intent of the R. E. A. to use American material and labor: Now, therefore, be it

Resolved by the House of Representatives of the State of Montana (the senate concurring), That domestic labor and industry should be receiving from the projects carried on by the T. V. A., R. E. A., etc., a larger proportion of the benefits to be derived from these projects, and that said benefits will be derived by a more extensive use of copper as a conductor, and that in all calls for bids wherein in executing the proposed contract either copper or aluminum might be used, the use of copper exclusively be one of the specifications thereof.

Tax on Gasoline

EXTENSION OF REMARKS
OF
HON. HOMER D. ANGELL
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Monday, March 6, 1939

Mr. ANGELL. Mr. Speaker, on February 25, 1919, the Oregon Legislature passed a bill imposing a tax on gasoline. I am advised that this was the first gasoline tax in the United States. The State of Oregon was in great need at the time of raising revenues for the building and maintaining of highways. The first tax imposed was 1 cent a gallon and was devoted to highway purposes. Oregon's tax now is 5 cents a gallon. This tax has raised in Oregon in the 20 years of its existence some $94,000,000. Last year the gasoline tax amounted to $11,298,218. Since that time, practically all, if not all, of the States in the Union have imposed similar taxes on gasoline, and this tax has yielded throughout the Nation more than $7,000,000,000. The Oregon State Motor Association states that in the past 2 years this tax has amounted to more than 25 percent of the total State tax yields.

The gasoline tax is an ideal tax in many particulars, especially in those States which require that the revenue raised thereby shall be devoted to highway construction and maintenance. It is a pay-as-you-go tax; is inexpensive in operation; is paid by the taxpayer in small amounts, and is devoted to a specific purpose for which the tax is levied and collected. The motoring public is willing to pay the tax in order to enjoy good roads. It more nearly than any other tax complies with the old adage of "plucking the goose by getting the most feathers with the least squawk."

In 1932 the Federal Government adopted this source of tax revenue and now gets about $200,000,000 a year from this source. It is regrettable that the Federal Government saw fit to enter this field of taxation. The Government has avenues for raising tax revenues which are not available to the States, and the Federal Government should, so far as is possible, leave certain tax fields free to the States. The gasoline tax was originated by the States, and is, in the main, devoted exclusively to the problem of raising funds for construction and maintenance of highways. The Federal Government should leave this field free to the States to carry on this most necessary State activity—that of highway construction and maintenance.

The Federal Government should and must revamp the whole tax structure. When this is done, it should eliminate any tax on gasoline, and leave this important revenue-raising field to the States which originated it for meeting obligations already incurred in the construction of highway systems, and for the extension, improvement, and maintenance of them.

In the Oregonian, of Portland, Oreg., in its issue of February 25, 1939, the following statement with reference to this tax appears:

[From the Portland (Oreg.) Oregonian of February 25, 1939]

TAX ON GASOLINE TWO DECADES OLD—OREGON FIRST STATE TO VOTE LEVY, 20 YEARS AGO

Twenty years ago today the Oregon Legislature, hard pressed for highway funds, devised a means of raising revenue that since has yielded more than $7,000,000,000 throughout the Nation.

The gasoline tax law, first adopted by Oregon in February 1919, has been the principal source of revenue for highway construction and maintenance in every State, and in the past few years has amounted to more than 25 percent of total State tax yields, according to the Oregon State Motor Association.

The first Oregon statute, levying 1 cent on every gallon, was drafted by W. B. Dennis, of Carlton, and Loyal M. Graham, of Forest Grove. Among other sponsors were C. C. Chapman, of Portland, and James S. Stewart, of Fossil.

Within 10 years every State had drafted a similar law. The Federal Government tapped the gas pumps in 1932 and now it gets about $200,000,000 each year, the motor association pointed out.

Oregon's tax, now 5 cents, has provided about $94,087,000 in its 20 years of existence. Last year its income from gasoline sales amounted to $11,298,218.

Aid of Dependent Children

EXTENSION OF REMARKS
OF
HON. JAMES F. O'CONNOR
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 6, 1939

JOINT RESOLUTION BY THE LEGISLATURE OF MONTANA

Mr. O'CONNOR. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following joint resolution of the Legislature of the State of Montana:

Joint memorial to the Congress of the United States requesting the amendment by that body of the Social Security Act of Congress so as to provide for the payment by the Federal Government of one-half the money used in aid of dependent children

To the honorable Senate and House of Representatives of the United States of America:

Whereas the Social Security Act of Congress, known as Public, No. 271, Seventy-fourth Congress, H. R. 7260, approved August 14,

1935, provides in section 403 (a) for the payment by the Secretary of the United States Treasury to each State which has an approved plan for aid to dependent children, for each quarter beginning with the quarter commencing with July 1, 1935, an amount which shall be used exclusively for carrying out the State plan, equal to one-third of the total of the sums expended during such quarter under such plan; and

Whereas by section 3 (a) of said act the Secretary of the Treasury is directed to pay to each State a sum equal to one-half of the total of the sums expended as old-age assistance under the State plan; and

Whereas the volume of necessary work and expenditure in connection with aid to dependent children is equal to or greater than that in the case of old-age dependents; and

Whereas the work of caring for dependent children, giving them an opportunity in life of which they have necessarily been deprived by the circumstances which bring them within the purview of the act, and making them useful and independent citizens to take the place of those who have passed their age of activity, is greater than that involved in providing for aged dependents: Now, therefore, be it

Resolved by the Senate and the House of Representatives of the Twenty-sixth Legislative Assembly of the State of Montana (both houses concurring), That the Congress of the United States of America be, and it is hereby, respectfully urged to amend subdivisions (a) and (b) of said section 403 of said Social Security Act by changing the words "one-third" wherever the same appears therein to the words "one-half"; and be it further

Resolved, That copies of this memorial be mailed to the President of the United States, to the President of the Senate of the United States, to the Speaker of the House of Representatives of the United States, and to each of the Senators and Representatives in Congress from the State of Montana.

Resolution Against Participation by the United States in Any Foreign War

EXTENSION OF REMARKS

OF

HON. HENRY B. STEAGALL

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1939

RESOLUTION BY THE ALABAMA SENATE

Mr. STEAGALL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution recently adopted by the Senate of the State of Alabama:

Whereas war clouds hover over the world today; and

Whereas wars are raging today in both Asia and Europe; and

Whereas there is seemingly imminent danger of a general conflagration breaking out among the major countries of Europe; and

Whereas in such event there would be much pressure brought upon the President and the Congress of the United States to induce participation by the United States in such a conflict; and

Whereas in the Spanish-American War, which this country fought ostensibly to right the wrongs which had been done this country by the Spanish Nation and to relieve dire human suffering in certain Spanish possessions; and

Whereas in that war the United States, after having won the same at a cost of many millions of dollars and many hundreds of human lives, then paid to the Spanish Government $20,000,000 to be allowed to relieve that Government of the burden of the Philippine Islands; and

Whereas the Philippine Islands have since been a burden and a source of worry and trouble to the United States; and

Whereas in the World War, into which the United States entered to make the world safe for democracy, the United States spent many billions of dollars and saw the lives of thousands upon thousands of its young men sacrificed; and

Whereas whatever else may have been accomplished by the participation of the United States in the World War, it certainly did not result in making the world safe for democracy; and

Whereas the participation of the United States in the World War caused it to lose the friendship of many nations whose friendship she would still have had she not participated therein; and

Whereas the United States financed in large measure the participation of other nations in the World War by loans to those nations which they have refused to repay and still refuse to repay; and

Whereas the cost of the United States' participation in the World War is still being paid for by the citizens of America at the rate of several billions of dollars annually and will continue to be paid for at this rate for many, many years to come; and

Whereas the deleterious effects of the World War have left an ugly scar upon the present generation of American citizens and will continue to leave an ugly scar on many generations yet to come; and

Whereas the best minds of this Nation and the world are convinced that the world has not yet recovered morally or financially from the disastrous effects of the World War, and that another such war will mean the destruction of the civilization of the world; and

Whereas the experiences of the past teach us that no good but much harm can come from further participation by the United States in future foreign wars; and

Whereas the citizens of the United States are overwhelmingly opposed to the United States becoming engaged in another foreign war that will mean a sacrifice of thousands of lives of its citizens in addition to the financial cost of untold billions of dollars: Now, therefore, be it

Resolved, By the Senate of Alabama that it is the sense of the people of the State of Alabama that they are unalterably opposed to participation by the United States in another foreign war; and be it further

Resolved, That the Senate of Alabama and the people of Alabama, through the Senate of Alabama, memorialize the President and the Congress of the United States to do all in their power to keep the United States out of any foreign war in case a general conflagration occurs; and be it further

Resolved, That copies of this resolution be sent by the secretary of the senate to the President of the United States, the Secretary of State of the United States, the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, the United States Senators from the State of Alabama, and the Members of Congress from the State of Alabama.

Pollution of the Ohio River

EXTENSION OF REMARKS

OF

HON. CHARLES H. ELSTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1939

REPORT OF HUDSON BIERY, CHAIRMAN OF COMMITTEE ON STREAM POLLUTION OF THE CINCINNATI CHAMBER OF COMMERCE

Mr. ELSTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following report of Mr. Hudson Biery, chairman of the stream pollution committee of the Cincinnati Chamber of Commerce and the water resources committee of the National Resources Committee, excerpts from which were submitted to the Rivers and Harbors Committee of the House of Representatives on March 3, in support of pending legislation on the subject of Stream Pollution in the United States:

OHIO BASIN HAS ALL KINDS OF POLLUTION

The Ohio River drainage basin includes 200,000 square miles, comprising parts of 14 States. The population of the basin is 17,000,000. All of the larger cities on the main stem of the Ohio are placing their raw, untreated sewage in the river. River pollution also includes wastes from many industrial plants and mines. It is estimated that the many coal mines in the upper stretches of the river contribute 4,000,000 tons of sulphuric acid every year. In addition, the entire range of industrial development is represented in processing mineral, agricultural, forest, and chemical products resulting in every possible type of industrial waste contribution.

THIS POLLUTION IS INTENSE

As stated by the Ohio Valley Compact Commission, "Some conception of the severe pollution of the Ohio River, and the public-health hazards arising from the use of this stream for public water-supply purposes, may be gained by the fact that the raw, untreated sewage from nearly 5,800,000 persons and the treated sewage from nearly 2,400,000 additional persons are discharged daily into the Ohio River and its tributaries; that over 6,200,000 persons are supplied with water from the Ohio River and its tributaries; and that 1,500,000 persons are supplied with water from the Ohio River itself. The concentration of bacterial pollution in the river water for many weeks at a time is far greater than that considered safe to be used as a source of public water supply, even when the water is treated by the most modern methods of filtration, supplemented by chlorination, under the direction of competent, trained, and experienced operators."

These serious conditions prevail in successive river stretches from Pittsburgh, through Wheeling, Huntington, Portsmouth, Cincinnati, and Louisville, a river length of over 600 miles.

POLLUTION IS RAPIDLY INCREASING

The United States Public Health Service has found that a satisfactory raw water supply from a lake or a river may have as many as 5,000 bacillus coli (germ from the lower bowel of red-blooded animals) per 100 cubic centimeters and be safely treated for use as drinking water. With the exception of the year 1930, the pollution load in the Ohio River has exceeded the safe limit of 5,000 for more than 2 months out of every year for the past 15 years. In August 1935 the bacillus coli count averaged 22,700. In January 1937 the pollution count reached 22,800 for the month while in December of the same year it reached almost 24,000 (safe limit 5,000). This year, July 1938, the count averaged 28,840 for the entire month, with some days even higher. See document 36 attached.

To keep pace with increasing pollution the Cincinnati waterworks has just spent $3,000,000 to enlarge the facilities of the plant and to improve its processes for treatment. Health authorities hesitate to prophesy how much longer the water can be safely refined if the pollution continues to increase as it has increased during the past 10 years. Taking the Ohio River as a whole, the National Resources Committee is authority for the statement that when the river is low 1 quart out of every gallon of water flowing in the river has been through a sewer.

POLLUTION PROBLEMS COMPLICATED BY NAVIGATION DAMS

The Ohio River is completely canalized by over 50 navigation dams. During low flows these dams create a continuous series of pools which retard the flow and result in critical sanitary conditions at metropolitan centers. The seriousness of this pollution was forcibly brought to the attention of the municipalities located on the Ohio River during the severe drought that occurred during the summer of 1930 and again in 1934, when the flow of the Ohio River became so low that some of the pools formed by Government navigation dams became virtually open cesspools. From the upper end of one of these highly polluted navigation pools the cities of Cincinnati, Ohio, and Covington and Newport, Ky., pump their water supplies. During the latter part of the severe drought of 1930 there were in many cities situated along the Ohio River successions of epidemics of gastroenteritis involving thousands of cases. According to reports of investigators of the United States Public Health Service, these were caused by discharge of sewage and wastes into the Ohio River from which these cities obtain their public water supplies. Among the cities affected were Charleston and Huntington, W. Va.; Portsmouth, Cincinnati, and Ironton, Ohio; Louisville and Ashland, Ky.

The dangers to health created by sewage pollution were demonstrated also during floods and extreme high water conditions, especially those of 1935, 1936, and 1937. During the early stages of such high waters the flushing action of accumulated sewage deposits behind the navigation dams exerted an extremely heavy bacterial loading upon downstream waterworks intakes. It has been only by the most careful and efficient operation of the water filtration plants serving these municipalities that reasonably safe water supplies could be provided, according to the compact commission.

POLLUTION AND RECREATION

The streams and rivers of the Ohio Valley will become a vast playground for its people when the streams once more become clean. Recreation has economic phases that should not be disregarded in the conservation of our streams. There are more than 500,000 fishermen in the State of Ohio alone (even with Ohio's streams what they are, 470,082 fishermen bought Ohio licenses last year). Each year these fishermen travel many miles to other States, trying to find places where they may fish and boat and swim. Most of these fishermen spend several week ends or a week or 2 weeks' vacation fishing and boating. If each fisherman only spends $20 a year in the pursuit of this favorite recreation, this means an economic loss to the State of Ohio of more than $10,000,000 a year. The amount may actually be five times this great. If we apply this method of calculation to other States of the Ohio Basin, the resulting figure will be enormous. With increasing congestion on the highways and the attendant hazards of high-speed motor travel, restoration of our own native streams for recreational purposes would be most welcome to the people.

PUBLIC DEMANDS ACTION

Public sentiment, reinforced with ample factual data from the health authorities of the several States bordering the Ohio River is thoroughly crystalized in demanding action on this important problem. Repeated suggestions for exactly the course now proposed have been made throughout this territory time after time.

LARGE FEDERAL INVESTMENTS AT STAKE IN OHIO RIVER

The Federal Government has invested large sums in the construction of navigation and flood-control works in the Ohio River Basin. These improvements and replacements are directly related to the need for correction of pollutional conditions. Acidity of the waters in the Pittsburgh area are costly to Government and industrial properties as well. Formation of sewage banks behind navigation dams, particularly if such dams are of the fixed type, must result in increased costs of channel maintenance. Any abatement of pollutional conditions would be immediately reflected in reduced maintenance costs of Government properties along the Ohio River.

THE WORK HAS ALREADY BEGUN

The pollution situation has become so acute in the Ohio Valley that in 1936 Congress authorized the negotiation of an interstate compact among the principal States forming the Ohio Basin to deal with the problem. These negotiations have been completed and the proposed compact is now being submitted to the Governors and the Legislatures of New York, West Virginia, Pennsylvania, Ohio, Kentucky, Indiana, Illinois, and Tennessee for enactment into law.

In 1912 by a special act of Congress the duties of the United States Public Health Service were broadened to include a study of the pollution of streams. At that time, after a considerable investigation, the Ohio River was chosen as being the best example of a typical inland river on which to establish a station for the purpose of studying stream-pollution and stream-purification work. As a result, after having maintained a school of study at Cincinnati at the stream pollution investigation station we have nearly a quarter of a century of knowledge that has been gained by constant study of the problems of pollution in the Ohio River which is applicable to all streams in the United States in a general way.

Proceeding under authority of an amendment to the rivers and harbors appropriation bill introduced by Representative SPENCE, of Kentucky, a joint survey is now in progress under the direction of the United States Corps of Engineers and the United States Public Health Service. This study may well be followed by a comprehensive program of actual works and development, contemplated in the selection of a typical river basin as a demonstrative unit for pollution abatement.

Also, a comprehensive program for elimination of mine drainage is now being actively prosecuted in every mining State of the Ohio Basin with Federal funds administered by the Public Health Service and State agencies. This work, under way for several years, has already resulted in marked reduction in the acid content of many important tributary streams.

OHIO BASIN OVERNIGHT FROM WASHINGTON

Serving a densely populated area the Ohio Valley is sufficiently small in size to be flexible for adjustment in the studies proposed. It is sufficiently close to Washington for conferences, negotiation, and observation.

FEDERAL GOVERNMENT HAS ACTIVE ESTABLISHED ORGANIZATION ON OHIO RIVER

Since the Federal Government has long conducted detailed studies in this area and maintains a full-time staff of engineers and research experts here in the Ohio Valley, the proposed program could be conducted probably at less cost than in any other section of the country. The Public Health Service has maintained its headquarters station for all stream-pollution studies throughout the United States at Cincinnati on the Ohio River. Greatly enlarged facilities for these activities are now being provided. The United States Army Engineer Corps has a complete organization engaged in flood-control and navigation activities in the Ohio River Basin. These organizations have assembled vast amounts of essential information which are immediately available for prosecution of a demonstration program for the abatement of river pollution.

NATIONAL PHASES OF POLLUTION

Because a vast amount of research and planning is necessary, because many basic industries contribute to river pollution that, as yet, have developed no practical means of disposal for their waste products, because many State boards of health are inadequately financed to study and combat pollution, and because many municipalities and industries will need financial help, it is inevitable that there should be adequate Federal legislation to assist the States in dealing with the pollution problem. Congress has been emphatic in the view that each State should deal with its own offenders. It also has held the view, up to this time, that Congress has no authority over interstate streams unless the pollution interferes with navigation. Proponents of stream purification hope to have a new bill similar to the Barkley-Vinson bill enacted by the Seventy-sixth Congress and signed by the President.

LOCAL COMMUNITIES PREPARED TO COOPERATE

The city of Cincinnati has just approved a bond issue for sewage-disposal works and interceptor sewers in connection with funds sought from the Federal Government that will start the abatement of pollution at the upper end of the Cincinnati pool. Kentucky cities across the river from Cincinnati, including Covington, Newport, Dayton, Bellevue, Fort Thomas, and the smaller municipalities, have established cooperating committees and are preparing formal request for Federal aid to cover a sanitation survey for this area that will permit these cities to proceed with pollution abatement along with cities on the Ohio side of the river. From the broad interest in the problem it is safe to say that the other cities of the Ohio Valley stand ready to cooperate in the broad solution of the problem that is herein proposed. This is evidenced by the speed with which the interstate compact has been negotiated.

Investigation of Homesteads on Indian Lands in Montana

EXTENSION OF REMARKS

OF

HON. JAMES F. O'CONNOR

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1939

RESOLUTION OF THE LEGISLATURE OF THE STATE OF MONTANA

Mr. O'CONNOR. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following resolution adopted by the Legislature of the State of Montana:

House Joint Memorial 16

Memorial to the Congress of the United States requesting an investigation of certain homesteads on Indian lands in Valley, Daniels, Roosevelt, and Sheridan Counties in regard to settlement thereof, money paid therefor to the United States Government, abandonment of such homesteads and thereafter the enactment of legislation for refunding to such settlers or their heirs who were compelled to abandon said land of the amount paid therefor

To the honorable Senate and the House of Representatives of the United States in Congress assembled:

Whereas certain Indian lands in the counties of Valley, Daniels, Roosevelt, and Sheridan were opened for settlement under the homestead laws of the United States prior to the year 1920; and

Whereas many bona fide settlers filed on said lands, completed requirements for and obtained patents to parcels thereof, paying therefor to the Federal Government from $2.50 to $7.50 per acre; and

Whereas said lands being worthless for farming purposes said patent holders, their successors, or heirs, were forced either to abandon said lands, to have said lands sold for delinquent taxes, or to sell said lands to the Federal Government under the resettlement program at 50 cents per acre; and

Whereas said lands were inadvertently and wrongfully opened for settlement under said homestead laws: Now, therefore, be it

Resolved, That the Twenty-sixth Legislative Assembly of the State of Montana (the house of representatives and the senate concurring) hereby does petition and memorialize the Congress of the United States that an investigation be made of the inadvertent and wrongful opening of said Indian lands in the counties of Valley, Daniels, Roosevelt, and Sheridan, State of Montana, the amount of money paid therefor by settlers in procuring patents, and abandonment, sale for taxes, or sale to the Resettlement Administration, and that thereafter legislation be enacted to refund to such settlers or their heirs the amounts paid for such lands; be it further

Resolved, That a copy of this memorial be transmitted by the secretary of state of the State of Montana, to the Senate and House of Representatives of the Congress of the United States, and to the Senators and Representatives in Congress from the State of Montana, and that our Senators and Representatives be urged to use all honorable means within their power to bring about the enactment of such legislation.

John Philip Sousa

EXTENSION OF REMARKS

OF

HON. RUDOLPH G. TENEROWICZ

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1939

Mr. TENEROWICZ. Mr. Speaker, last Thursday, March 2, marked the seventh anniversary of the death of the late John Philip Sousa, who held the distinction of serving in all three branches of our military service. He was musical director of the Sixth Army Corps during the Spanish-American War, conductor of the United States Marine Band, and lieutenant in charge of Navy bands during the World War.

Under the auspices of Troop 10 and Troop 2, Boy Scouts of America, of Washington, D. C., and Detroit, respectively, fitting memorial services were held yesterday at Sousa's tomb in Congressional Cemetery. On behalf of the Boy Scouts a wreath was placed on the tomb by Mr. Lawrence J. Bach, a young man employed here on Capitol Hill, and I ask unanimous consent to place in the RECORD the remarks of Mr. Bach, followed by my own, on this occasion:

Mrs. Varela, honored guests, ladies and gentlemen, it is altogether fitting that we pause in our busy lives to visit again at the tomb of John Philip Sousa as evidence that his contribution to our culture has an abiding place in the affections of our people.

We regret that the near relatives of our departed friend are prevented from being with us today because of illness. I received the following telegram from Miss Priscilla Sousa, daughter of the renowned musician:

"Very disappointed that none of us can come to Washington Thursday. Mother has been very ill and regret to miss the service which I know will be a beautiful tribute to my father's memory. Best wishes to you and the Scouts."

As time goes on, the void created by his passing does not fill. His character and ability were of the highest order; he loved his country with zeal; he loved justice; he was faithful and devoted to public service. He was a great American, fully worthy of the high honors he enjoyed.

Supplementing the above words I made the following brief remarks:

I am glad to join with the Boy Scouts of America in this deserving tribute to John Philip Sousa. He was greatly interested in the Boy Scout movement in this country and helped to organize Boy Scout bands.

Sousa was an accomplished composer along with his fame as a band leader, and his most familiarly known composition is the Stars and Stripes Forever. He also wrote 10 comic operas and composed more than a hundred marches, which were all stamped with an individuality truly his own.

He was a native of the southeast section of the Capital, where his remains now rest, and it is most appropriate and fitting that the new bridge which is soon to span the Anacostia River within the very shadow of his tomb is to be named in his honor the John Philip Sousa Bridge.

Stop Worrying About Europe

EXTENSION OF REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1939

ARTICLE BY ROGER W. BABSON

Mr. RANKIN. Mr. Speaker, the American people are being besieged daily with a bombardment of synthetic war scares by newspaper headlines and radio broadcasters who seem anxious for this country to be plunged into war.

The American people do not want war. The people of Europe do not want war. If war should come it would be because of this continued barrage of war propaganda. The peace-loving people of this Nation can stop this nonsense if they would let it be known, in no uncertain terms, that they would not buy any article advertised by one of these war propagandists, whether it be gasoline, coffe, radio sets, or what not. These broadcasters would either stop their war propaganda or they would be taken off the air at once.

This morning I picked up the local paper and read an article by Roger Babson headed "Stop Worrying About Europe," and under permission granted me to extend my remarks in the RECORD I am inserting extracts from that article in the RECORD.

It seems to me that the time has come for the peace-loving, law-abiding, patriotic citizens of America to speak up and protest against these tirades, and in that way help to maintain the peace of the world.

For that reason I am inserting portions of Mr. Babson's statement and expect to have more to say on the subject at a later date.

The matter referred to follows:

BABSON PARK, FLA., March 5.—The war scare of last September pulled business up short throughout the world. Radio announcers, press dispatches, bulletin boards all screamed war. Retail trade slowed down; businessmen were terrified; investors dumped securities. We had a minor panic. As a result, the sharp business recovery which started in June 1938 and carried on through July and August was almost snuffed out. It was well into mid-October before people stopped shaking and trembling over the straw war built up by hysterical radio commentators and frenzied press dispatches. The American public was fooled into thinking that the poker game going on in Europe would end up in a real war!

If the press services and radio bulletins had played up the very optimistic and encouraging domestic news of the moment, as prominently as they played up this poker game, business would probably have gone on just as usual. In my 35 years' experience of business observing, I cannot recall a situation which was more overplayed and overemphasized than last September's war scare!

Now, it looks like a repetition of the Czech crisis could easily be reenacted. Today's news is filled with war rumors. Every move the dictators make is analyzed and dramatized. The columnists are all broiled up over the United States armament plans and foreign policy. The public is getting jittery. Businessmen are holding up their orders. Uncertainty is gaining the upper hand. "I'm going to see what Hitler does next before I buy anything" is the typical comment of the day.

Yet the foreign situation has not changed. Everyone knows that Hitler intends to push on toward the east and that Germany and Russia some day may struggle in a real war. Mussolini should be paid either by cash or otherwise for his good work in Spain. England and France, however, are in no more danger of a conflict now than they were a year ago or 3 years ago.

Moreover, the domestic business situation is sound. There has been no change in the basic picture since 2 months ago. At that time I outlined the reasons why business should be better in 1939 than in 1938. I see no reason yet to change my forecast, even though business is running slightly lower than in mid-December. However, I expect that we will have a sharp improvement this spring.

Why should we worry about hostilities in Europe?

Naturally, I do not want war. There is no quicker way to get into one, however, than to talk war, eat war, and live war. That is why I hate to see our people giving such a tremendous amount of attention to the European situation. That is why I dislike the constant dramatization of Hitler and Mussolini. There are "goings-on" in this country twice as dangerous to our liberty. These could be emblazoned on the front pages and over the airwaves, if we must scare ourselves to death.

I am not a "Pollyanna" disciple. I am not urging the press and the radio to play down European news. I am asking only that our domestic news be dramatized and given just as much human interest as the "hot" stories from Europe. There is plenty of good news coming out from industry, from laboratories, from churches—yes; even from Washington—to provide an antidote for the unpleasant dispatches from abroad.

I know Europe and I urge readers to forget it for this spring at least. Tend to your business and your job. Now is a chance to make some money while the other fellow is trying to find out where "Ruthenia" is on the map!

What Every American Should Know About Food, Drugs, Cosmetics, and Beverages

EXTENSION OF REMARKS

OF

HON. WILLIAM I. SIROVICH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 21, 1939

SPEECH OF HON. WILLIAM I. SIROVICH, OF NEW YORK, IN THE HOUSE OF REPRESENTATIVES, MARCH 6, 1934

Mr. SIROVICH. Mr. Speaker, under leave granted me to extend my remarks in the CONGRESSIONAL RECORD, I include the following speech, which I delivered in the House of Representatives on March 6, 1934:

Mr. BLANTON. Mr. Chairman, I reserve the balance of my time and yield 30 minutes to the distinguished gentleman from New York [Mr. SIROVICH].

Mr. POWERS. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. SIROVICH].

Mr. SIROVICH. Mr. Chairman, ladies and gentlemen of the Committee, food, beverages, and drugs have been the foundation, from time immemorial, upon which the superstructure of the health of mankind has been preserved. Food and beverages to maintain bodily health and vigor. Drugs to restore lost health. Cosmetics to improve women's looks, have had the keen attention of the women, of all times and climes, and of all races, from the dawn of civilization throughout all the ages.

"Tell me what you eat, and I'll tell you what you are." This adage can be paraphrased by saying:

"Tell me with what his food was adulterated, and I'll tell you what caused his death."

Nature does not produce all of our food products the same everywhere. Nor is all food of the best quality. All fruits grown are not of superlative standard. All vegetables that Mother Earth brings forth are not of the finest quality. All meat products do not come from the choicest animals.

There is a natural variation in quality, standard, and nutritive value in all plant and animal products. Food and drugs, offered for sale, should be graded officially, by labeling, to show the consuming public these variations in the quality of food and drugs they purchase.

If the food products we produce are not consumed, as time rolls by, nature, through decomposition, takes its toll on these animal and vegetable products. Deterioration and decay set in. The stage of putrefaction and dissolution arrives. The nutritive, caloric, and vitamin value of the food has been destroyed. In this condition food substance is unfit for human consumption.

Here some of the vultures and carrion crows of unscrupulous business come in. Animated by greed and avarice, they actually embalm this animal and vegetable material unfit for human consumption, by the utilization of artificial and chemical preservatives, colorations, astringents, and adulterants, such as sodium sulfite, aniline dyes, sulfur dioxide, sodium benzoate, formaldehyde, alum, boric acid, and countless other poisonous chemicals that react on these decomposing foods, that are unfit for human consumption, to make them appear to be wholesome, palatable, fresh, and nutritious.

Food, decayed and injurious and wholly unfit for human consumption, is thus sold by the carload. Millions on millions of dollars is the price that the innocent purchaser pays for the privilege of being poisoned daily.

When there is a surplus of good food obtainable, humanity should be protected by stringent laws declaring it to be criminal to adulterate, devitaminize, demineralize, and abstract important nutritive elements and ingredients from the food of mankind for the benefit of the personal greed and the enrichment of unscrupulous racketeers dealing in food products.

What is true about food products is equally true about certain drugs, cosmetics, and nonalcoholic and nonintoxicating beverages. In drugs we have adulteration, substitution, and vitiation of strength. In cosmetics we find the use of poisonous elements that may be harmful to the human body. In nonintoxicating and nonalcoholic beverages we have colored and charged water, dyed to make them attractive seeming to the eyes, no matter how harmful they may be to the human system.

High-pressure salesmanship and false propaganda, designed to make the public what is craftily called "health conscious," not out of regard for the public or the health of any citizen but solely to sell alleged remedial products, is put out daily, yes, hourly, in a constant barrage through every form of available communication.

Who ought to be held responsible for this frightful and dreadful state of affairs that has excited an innocent and often gullible public with fears about their health, their stomachs, their nervous systems, their teeth, their throats, their appearance? The answer is: Those who seek profit, and profit only, by the sale of alleged medicaments; remedies that neither remedy, nor cure, and cosmetics that scarify rather than beautify. These are the responsible ones, and they should be held up to public contempt and obloquy and be punished for their reprehensible acts.

Who profits by constantly urging the public to eat, drink, gargle, smear, brush, and spray with products that they promise will postpone the onset of every conceivable disease? Who assures mankind that they will provide recovery from every ailment that flesh is heir to, even to the curing of such diseases as cancer, tuberculosis, and other diseases now incurable by any known remedy? The same type of profiteering buccaneers worshiping on the altar of Mammon—gluttons of greed. [Applause.]

Who is responsible for permitting pears, apples, plums, asparagus, cauliflower, and cabbage to be sold to you still bearing overdoses of insecticides containing arsenic and lead? It is the producers who use the insecticides to kill the bugs that infest their product. They are too indolent to clean away the poison by means, easily available, but send it forth to do its deadly work, not caring who suffers from their criminal indifference or their willful and contributory negligence and callousness.

Who is responsible for the selling to your home of chickens that are infected and diseased with tuberculosis, sarcoma, peritonitis, septicemia, croup, and other infectious diseases? Certainly not the honest poultry raiser. Certainly not the man or firm who takes proper pride in producing a healthful product. There are plenty of such honorable organizations. They should be protected against the avaricious and conniving poultry buccaneers who fatten from the chicken racket by making the public pay tribute to them throughout the length and breadth of our Republic.

Who sells these diseased products to the public without proper Government inspection? Outlaws of the food and drug industry who, under the guise of honest merchants and manufacturers daily mulct their gullible victims. Why do these outlaws take these desperate chances? Because there are not enough inspectors properly to examine food and drug products offered for sale. There

are not enough inspectors because Congress does not provide enough money to pay their wages.

For the current fiscal year ending June 30, 1934, the appropriation actually usable by the Food and Drug Administration is $1,493,000—a little more than 1 cent a year for the population of the United States. For the 48 States of the Union there are provided 76 inspectors, an average of less than 2 inspectors for each State. Imagine 14 inspectors investigating food, drugs, cosmetics, nonalcoholic and nonintoxicating beverages covering the metropolitan area, which consists of the city of New York and adjacent counties, with a population of over 10,000,000. These 14 inspectors are supposed to inspect all the manufacturing and selling plants of New York City and its five boroughs, besides Albany, Schenectady, Syracuse, Herkimer, Utica, Rochester, Buffalo, and the lesser cities of the State of New York. Imagine four inspectors covering the entire State of California. Bad as it is for New York State and California, it is even worse in the rest of the 46 States of the Union. They have fewer inspectors than New York and California. Is this condition of affairs just? Is this adequate protection to 120,000,000 innocent consumers?

Would it surprise you to learn that certain so-called germicidal antiseptic, and disinfectant preparations, profusely advertised by prints, signs, and voice as being able to kill every form of bacteria and germs harmful to humans are so weak in their germ-killing effect that bacteria actually live and thrive in these very solutions and preparations? Alluring and emphatic claims and assertions will not kill germs.

Harmful germs and bacteria subjected to the germicidal effects of much-touted concoctions, for which killing effects have been claimed within 15 seconds, have been proven to be alive and active at the end of long hours of complete immersion in the advertised germicidal fluid, when tests have been made by others than the manufacturer.

In one such series of tests 21 so-called antiseptics were subjected to trial to determine the efficacy of the much-heralded product when used according to the actual directions for application printed by the manufacturers. Instead of the slaughter of germs promised, the results were wholly unsatisfactory, only the weakest of germs succumbing after 15 minutes to 1 hour instead of in the instantaneous slaughter promised.

Infections in industry from accidents due to the use of tools and machinery usually none too clean total about 250,000 a year. Industrial casualty insurance companies pay from 40 to 60 percent of their compensation cases for infected wounds. Time lost by employees in cases of infection of wounds averages 18 weeks longer in serious cases than where the wound is not infected; that is, the wound, of itself, is not as dangerous to the body as the germs that are introduced into the human system at the time of wounding or through later infection. The money loss from industrial wounds each year totals $104,000,000; the time loss, 4,450,000 weeks, or 85,000 years. These figures do not include wounds received in agriculture, the home, at play, or in transportation, and it is on all of these injuries that the germicidal and antiseptic makers fatten.

Do the ladies and gentlemen of this House realize that what are called "radium cures" have sent several persons to horrible deaths after suffering frightful pain and torture ere they passed away? Throughout the length and breadth of our country the newspapers have carried full accounts of such tragedies. Radium has its uses in the treatment of certain malignant diseases by qualified specialists. Even these authorities, with all the knowledge obtainable and available about this mysterious substance, radium, have lost fingers, arms, and parts of their bodies, due to exposure to the effects of radium, and eventually have died from these effects. What chance do you think the innocent drinker of radium water, as it was called, had when this fluid, powerfully fortified by a highly destructive element, came into contact with the sensitive membrane and tissue of the internal organs? None whatsoever. Its sale and distribution was criminal.

I am wholly in sympathy with the efforts of womankind to make themselves as attractive as possible and to aid nature in this process by the careful and judicious help of art. If a touch of rouge on the cheeks relieves a natural pallor, any woman is justified in using it. If a tint of lipstick enhances the color and better defines the form of the lips, what harm does it do? Most men can tell when artificial aids have been used, and accept it as a whim of womankind, and let it go at that, in modern days. The women of Babylon and Nineveh, of Egypt, Greece, and Rome used cosmetics. Articles found in tombs prove that as a fact, absolutely beyond any question of doubt. They even bobbed their hair in the most approved method of 1934, as the monuments and statues of ancient days show. When women will, they will. Let the male of the species beware. [Applause.]

Mr. Chairman, adulteration of food is not a new racket of recent growth. It has been practiced by all peoples from the start of recorded time. "There is death in the pot" (II Kings iv:40) was cried to Elisha to warn him that the herbs of which the pottage was made were poison weeds of which he could not eat.

Amongst the ancient Athenians a row was raised during the building of the Parthenon by the workingmen that their wine was being adulterated. A special wine inspector was appointed by the Government to catch these adulterators. In 1482 a wine falsifier of Germany was forced to drink 6 quarts of his own vintage from the effects of which he died.

Pliny the Elder, prior to the destruction of Pompeii and Herculaneum by the volcanic Vesuvius, complained that "white earth" was added to the bread baked in his day.

During the reign of William the Conqueror brewers were heavily fined for adulterating beer and were drawn around in carts receiving the jibes and execrations of an outraged citizenry.

In 1830 there appeared in England an anonymous book on the adulteration of food by the baker, brewer, grocer, cheesemonger, pastry cook, confectioner, and so forth. Most of the food purveyors were implicated. The author recommended that those found guilty of adulteration of food be exiled from England. He opposed fining those guilty of adulteration because of the large profits which made it easy for them to pay their fines.

Apparently the old racket goes on garbed in new vestments. Solomon was right when he said, "There is nothing new under the sun." But that is no reason for any manufacturer to concoct and sell, at ridiculous prices, depilatory creams for removing surplus hair, such as I show you, that contain a large percentage of thallium acetate, a most virulent poison that has caused terrible and dreadful suffering and permanent scarification to women. These depilatories have been highly advertised and sold to innocent and unsuspecting women to their tragic regret and to their permanent disfigurement.

Here is a bottle of Jamaica ginger, commonly known to those who drank it as "jake," that an irresponsible manufacturer adulterated with triorthocresyl phosphate, a powerful poisonous synthetic preparation, that caused horrible deformities and paralysis among 25,000 victims, many of whom died. Thus far sentences of 20 months in prison and fines of $2,500 were imposed upon two of the individuals responsible for shipment of this poisonous ginger extract, and a prison sentence of 17 months on a third. Two members of a Boston firm responsible for the manufacture of the goods have been prosecuted and upon having pleaded guilty were given jail sentences of 2 years each, in addition to a fine of $1,000 against the company. One member of the firm is serving his sentence. The other is at liberty under suspended sentence.

This is the type of justice meted out to 5 people for killing hundreds of people and poisoning 25,000 people in 24 States of the Union. Thousands of these unfortunate victims of "ginger jake" poisoning are still suffering and remain crippled and paralyzed from the poisonous effects of this powerful drug. Millions of dollars have been paid in accident insurance by various companies in the United States to these tragic victims of unscrupulous and criminal business methods of racketeers and bootleggers operating despite the present pure-food and drug laws of the United States.

Do you know that yeast used in some commercial bread making in the United States contains a chemical improver called "potassium bromate," and that French health officials consider this drug so harmful that its use in baking is prohibited in France? Still it is used in the yeast that goes into some of the bread that we eat in the United States.

Heralded far and wide by screaming advertisements everywhere, through radio, newspapers, magazines, periodicals, billboards, are the alleged great and powerful virtues, germicidal and antiseptic powers, of various well-known tooth pastes and preparations. The chief chemical used in forming one of these tooth pastes is so poisonous that a German officer committed suicide by swallowing the contents of a tube of it. Abrasive ingredients were found in other tooth pastes. These materials were shown to have sharp, heavy angles and edges that not only injured the gums but wore away the hard enamel of the teeth.

Penny prize candies containing copper coins, small toys, and even alcohol are made and sold by manufacturers to innocent little children. Their nefarious profits are obtained from the purchase by innocent children of wares that are heavily injurious, not alone from the prizes they contain but from the poor quality of the candy and the coatings used. It is serious enough when adults are gulled into purchase of foods, drugs, and beverages; but when children are induced by specious and cheap prizes to buy and eat stuff that often is not fit for hogs to eat, the business is being carried on to a point of villainy that is indescribable. How would you like to find that your small boy or girl had stuck in its throat, or bronchial tube, a leaden toy, such as a jack, a rabbit, a chicken, or a copper cent covered with the green slime that only copper can produce? In many of these cases surgical intervention had to be resorted to to remove these foreign bodies from the throat and bronchial tubes of these innocent and unsuspecting children.

It would shock the conscience of the American people if they knew that thousands of lives are annually jeopardized upon the operating tables, and serious complications often ensue in our hospitals because the ether with which the patient had been anesthetized is contaminated and vitiated. Ten years ago 35 percent of all ether examined was found to be below standard; that is, dangerously impure and adulterated. When this fact became known there was some improvement. Recently tested samples of ether entering interstate commerce were found to be adulterated and impure.

How would you like to be one of the innocent victims operated on in a hospital that might die on the operating table because the ether that the surgeon relied on to relieve you of pain, trusting to the manufacturers' promise that it is pure, gave you eternal sleep and relieved you of pain forever?

There is no time in a woman's life when she needs the most tender and sympathetic care, the utmost sanitation in all accessories, than when she is about to give birth to her child. Maternal

mortality at childbirth is still too great. Perhaps the great mortality in modern childbirth that has caused the death of thousands of mothers can be attributed to the terrific hemorrhages that take place after delivery, due to the impotency of the drug called "ergot," which has been found to contain only one-fourth of the strength it should have to stop the hemorrhages, which is the purpose for which it is used.

How many Members of Congress know that there is a little pamphlet usually issued monthly by the United States Department of Agriculture which is called Notices of Judgment Under the Food and Drugs Act, in which are printed the names of organizations, groups, and manufacturers whose foods, drugs, cosmetics, and nonalcoholic and nonintoxicating beverages are being confiscated because these products have been found to be unfit for human consumption through adulteration, decomposition, substitution, and other causes.

Still, in the records I have searched I have found that only one person was sent to jail, and that for a short time, for violation of the Food and Drugs Act. How many corporate owners, groups, and individuals who manufactured these foods and drugs unfit for human consumption have been arrested? Only one. The containers and packages holding these products are arrested, not the persons who are responsible for the placing of unfit, putrid, decomposed, and filthy food or below strength or adulterated drugs or poisonous cosmetics in the containers and packages. The thing is made the criminal—not the person who is responsible for the thing—the person who made and sold the thing, whatever it was, that was unfit for human consumption. Did you ever hear of anything so tragically ridiculous? Like arresting the jimmy and not the burglar. Or arresting the pistol and not the murderer. Or, as is actually the case, arresting the poison and not the poisoner. [Applause.]

Mr. Chairman, under the operation of the present food and drug law, I have found time after time, as disclosed in these "notices of judgment" the governmental seizure of food that has been libeled as being "adulterated in that it consisted in part a decomposed-animal substance." In one particular case the packing company admitted the allegation of the libel. The food, in this case, 925 cases of salmon, was released to the claimant conditioned that this decomposed food be made to conform with the Federal Food and Drug Act and the product was allowed to be reshipped back to Seattle to be reconditioned. I would like to have some Member of this distinguished House tell me how and by what means decomposed fish can be reconditioned to make it fit for human food and human consumption. The case I have referred to is that of the United States against McGovern and McGovern reported on page 213 of Notices of Judgment, issued in January 1934.

Ladies and gentlemen of the committee, do you realize that 120,000,000 people in the United States spend $20,000,000,000 annually for food, drugs, cosmetics, and nonalcoholic and nonintoxicating beverages. Think of it, $20,000,000,000! Yet the Congress of the United States for the current fiscal year appropriated net, only $1,493,000 to run the Food and Drug Administration and to enforce all the pure food and drug laws throughout the entire United States, which means that less than 1 cent a year is spent on each person to prevent him or her from being poisoned by unscrupulous racketeers in foods, drugs, cosmetics, and beverages throughout the United States.

May I repeat that to carry out the provisions of the Pure Food and Drugs Act there are only 76 food and drug inspectors employed. Imagine 14 inspectors being able to cover all the nefarious chicanery in food and drugs in the State of New York! Imagine the great expanse of the State of California being successfully covered by four inspectors! This is a tragic indictment of the negligence of legislation to provide sufficient appropriations to safeguard and preserve the vital interests in pure food and drugs of the consuming people of the United States. [Applause.]

During the last 14 years Congress has appropriated the tremendous sum of $250,000,000 to enforce the prohibition laws that the American people have detested and that were finally repealed. Congress has appropriated between twenty-five and fifty millions of dollars to exterminate the boll weevil, the corn borer, the fruit fly, the grasshopper, hog cholera, cattle diseases and God knows how many other countless parasites that are living in the animal and vegetable kingdom. Yet when it comes to protecting and preserving the human family, the men, women, and children of our Nation against poisoning, adulteration, substitution, abstraction, cheating in quality and quantity, of their food, drugs, cosmetics, and beverages we deny sufficient money to and emasculate the work of the Food and Drug Administration to such a pitiful state that it is impossible for that administration adequately and properly to function and to do justice to its work of preserving the health of 120,000,000 human beings.

Is cotton, or the destruction of the parasites that live and thrive on it, of more value than human life? Was the prohibition of drinking, interfering with the personal liberty of our fellowman, of more importance than the protection of the quality and the purity of their food? Is the health of cattle and swine more important than the happiness, prosperity, and the health of human beings? Are crop profits of more importance than the physical and mental welfare of our fellowman? Is human life of such little value that Congress does not appropriate more than 1 cent a year for each person to assure good, wholesome food to keep the vital spark going in our children, our wives and mothers, our aged and infirm and ourselves? Answer me with your votes, when the time comes to grant adequate appropriations that will safeguard the life, health, and happiness of our American people and they will answer you when they come to vote for you. In this new era of the New Deal—the square deal—the forgotten man must come to the fore. Humanity must take its place in the forefront of civilization. In the future call of the national roll of honor human rights must and will supersede property rights. [Applause.]

Just as the circulation of the blood carries life and nutrition to every tissue of the body, so do newspapers, magazines, periodicals, and other publications carry news, information, and advertising to 120,000,000 people of the United States.

Newspapers, magazines, periodicals, and publications receive only 15 percent of their gross income through circulation. The other 85 percent comes to them through selling advertising space in their publications. Every publication uniformly preaches the gospel of honesty, of integrity, of justice in the business relationship of mankind with his fellowman. Why should not every publication itself do likewise and carry only the truth regarding advertising?

Why should many of our publications exaggerate, falsify, and disseminate advertising news that is palpably and grossly unjust to the consuming public and unfair to the ethics and standards of honest publications?

The slogan of the New York Times, one of the greatest newspapers in all the world, is that it prints "all the news that's fit to print." Why should we not paraphrase that sentiment to every publication and say, "You shall print only the advertising fit and right to print"? The New York Times lives up to this ethical standard and has prospered. Why not all publications?

Only a short time ago the late William E. Humphrey, of the Federal Trade Commission, estimated that there were at least 1,000 advertisers of fraudulent schemes now operating regularly with the aid of certain magazines and newspapers throughout the country. In one publication alone he found no less than 50 different advertisements which he considered safe to designate as illegal. Mr. Humphrey contended that the annual loss to the consumers through false, misleading, and exaggerated advertising runs into hundreds of millions of dollars.

Mr. Chairman, ladies, and gentlemen, it would be a most liberal estimate to say that only 25 percent of the business transacted in our country each day is done as a result of natural demand. The other 75 percent is contributed as a result of salesmanship in one form or another. It is on this 75 percent of advertising that the welfare and prosperity of our country is dependent.

Advertising is founded on the publicity formula and the economic fallacy that "repetition makes reputation." Constant advertising of the virtues and qualities of all food, drugs, cosmetics, nonalcoholic and nonintoxicating beverages brings the product before the consuming public and induces them to purchase food materials whether they need them or not.

More than 16,000,000,000 copies of daily, weekly, and monthly periodicals are printed and circulated every year in the United States. Every copy carries advertising matter intended to induce the readers to buy some article of commerce, and of these at least one-third are food, drugs, beverages, and cosmetics. Approximately $1,000,000,000 is paid publishers annually by advertisers who use the 20,000 daily and monthly newspapers, which have a circulation of about 1,400,000,000 a month.

These publications live on revenue collected from advertisers. The advertisers live on money collected from the purchasing public.

For many years in the past a great many publishers, without consideration for their readers, accepted and published advertisements filled with false and misleading representations and thereby became parties to the deception and fraud perpetrated on their readers.

The vast majority of publishers today are reputable and respect the confidence of and guard the welfare of their readers. The business office of a newspaper or periodical edits advertising copy as carefully as the news section edits reading matter. These reputable publishers will not knowingly publish false or misleading advertisements. They approve all efforts to stop such advertising and loyally cooperate with the Federal Trade Commission, which, under the law, now has charge of this type of advertising, in its efforts to prevent it.

Unfortunately, there are many unscrupulous advertisers and publishers who still print any advertising for which payment is made to them.

Laws are essential to restrain and punish such unscrupulous advertisers and publishers in order to protect reputable advertisers and publishers as well as the general public.

Laws are not necessary for law-abiding citizens, but they are essential to protect the law-observing from the law-breaking element.

Every reputable advertiser and publisher need fear no law designed to prevent false, misleading, or fraudulent advertising, since they do not use nor publish such form of advertising. It is the unscrupulous and disreputable advertisers and publishers who must be restrained and punished for their use and abuse of a noble profession and institution, the daily, weekly, and periodical press, to forward their nefarious projects to make profits from advertising worthless and dangerous medical products and for helping, through advertisement, to dispose of food unfit for human consumption.

The present cooperation of the Federal Trade Commission with the Food and Drug Administration for the prevention of unfair trade practices as they apply to the advertising in a false, misleading, or fraudulent manner of foods, drugs, cosmetics, and non-

alcoholic and nonintoxicating beverages, is made more powerful by my food and drug bill. No powers in the present Federal Trade Commission Act are disturbed by my bill. Indeed, their commendable work is fortified, enhanced, and strengthened.

Newspapers, magazines, periodicals, and publications have constantly been denouncing the paternalistic attitude of our Government through its granting of subsidies. We have subsidized the railroads, the great banking institutions, the great life-insurance organizations, the merchant marine, the different States of the Union for various projects and enterprises, and, last but not least, we have subsidized the newspapers, magazines, periodicals, and publications during the last year by granting them a subsidy of almost $90,000,000 through the carrying of these publications as second-class mail matter.

It should, therefore, be the privilege, no, I should say the duty of newspapers, receiving the beneficence and munificence of the contributions of 120,000,000 of citizens, taxpayers of the United States, that these great publications to carry into fruition and realization the ideal of having their advertising space carry advertising news that is the truth, the whole truth, and nothing but the truth. [Applause.]

Our modren financial and monetary system is founded upon the philosophy of economic scarcity of gold, while our mass technological standards and industries are built upon the philosophy of economic abundance. These two systems, one represented by economic scarcity and the other by economic abundance, are in conflict with each other. They do not articulate. They do not harmonize. They fail to unite. Because of this incompatibility between economic scarcity and economic abundance, advertising becomes an accepted necessity adequately to distribute in the markets of our country and the world the materials of production. The present condition of production and distribution brings into play the disintegrating forces of competition.

In the old days competition was the life of trade. Today competition is the death of profits. The only medium whereby the principle of economic scarcity and the element of economic abundance can be harmonized is through the element of advertising. Constant repetition is the slogan, watchword, and shibboleth of modern business enterprise. Advertising within the last 30 years has been chiefly instrumental and responsible in making the great strides that business, commerce, and industry have enjoyed.

It has always been my intent, and I believe always my action, to be fair and just to everyone. In the food and drugs bill which I introduced in the House on January 29, 1934, H. R. 7426, I have embodied proposed legislation that I think will meet and cure many of the difficulties which now arise under the present food and drugs laws.

My main thought has been the protection of the American people against those who would sell them food, drugs, cosmetics, and nonalcoholic and nonintoxicating beverages unfit for human consumption. My chief desire has been to be fair and just to the 90 percent of the producers of such products, who honestly and sincerely desire to provide wholesome goods to our American citizens. No honest producer, processor, or manufacturer need fear the effect of any section of my bill. It is designed to protect him against the racketeersman in his own line of endeavor, as well as against the charlatan and quack, as well as to protect the public.

The cornerstone and touchstone of worthiness I have used throughout my bill is this: Does the product contain anything that is harmful or injurious to the average human system? If it does not, there is nothing to prevent its sale anywhere and any place under the jurisdiction of the United States Government.

If the article be food and it be found to be pure and wholesome, within the common and accepted meaning of this term, the Food and Drug Administration is directed to issue a permit to the producer, processor, or packer to print on or surcharge his private label with these words:

"This product meets the requirements of the quality standards of the Food and Drug Administration of the United States of America."

No manufacturer or anyone else could ask more than this.

I define a food to be any edible material, or materials, the nutritive elements of which are ingestible, digestible, absorbable, assimilable into, and beneficial to and not harmful nor injurious to the average human body.

Producers and manufacturers of drugs or medicants are required to file the formulas of their preparations with the Food and Drug Administration, but such formulas need only disclose the active therapeutic ingredients; and all formulas must be kept secret. If anyone connected with the Food and Drug Administration shall reveal to any unauthorized person the contents of any formula in whole or in part, either while in the employ of the Administration or subsequent thereto, that person is subjected to imprisonment of from 1 to 3 years, and the person soliciting or inducing such disclosure is made equally culpable of a felony and is subjected to the same penalty and must give an accounting of and pay compensatory damages for the illicit use of such formula to the rightful owner thereof. Mutilation or destruction of any formulas, records, or correspondence carries the same penalty. Therefore every safeguard is thrown around the formulas of the manufacturer and producer to prevent the formulas being made known to anyone who might use them illegally to their own purposes.

The manufacturer of any food, drugs, cosmetics, or nonintoxicating and nonalcoholic beverage may continue to use his private label and his present trade-mark. Neither right is disturbed in any way, provided that the label contains no false or fraudulent statements in conflict with the contents, capacities, or the amount of fill in the packages or containers in which it is sold. In addition to the surcharge on pure-food products that I have referred to, my bill provides for three other labels to be used, which are white, blue, and orange in color, so the buying public at once can see into what class various drugs are placed.

Here are the ways the classes and the colors of the labels are determined: If the material or materials described in the formula or in the prints, labels, or labeling are not harmful to the average human system, if intaken or applied by self-treatment and contain no harmful drug, injurious to the average human system in the proportions represented by the formula or in the prints or labels presented to the public, the applicant shall be granted a license by the Food and Drug Administration to use a white label on the immediate container or package of his product bearing the words: "Formula registered in the Food and Drug Administration of the United States of America at Washington, D. C."

And in type of the same size the words: "Contains no material or materials harmful or injurious to the average human system in the proportions represented by the formula or formulas for this product."

This white label will be a certificate of character. It will indicate that the food, drugs, and beverages are pure and wholesome. It will make the American consumer "white-label conscious."

I digress to call your attention to the words "average human system" and the reason for their use. All persons do not react the same to all drugs. Some persons have what physicians call an idiosyncracy against certain foods and drugs. Shellfish, strawberries, cucumbers, and other edibles produce a rash on some folk. Certain drugs, camphor, quinine, and others affect some persons adversely, but that is no reason why the rest of us should be deprived of edibles, potables, and medicines that act favorably on us and produce beneficial results.

Resuming: There are certain powerful and effective drugs and extracts that are most valuable in the restoration of health, but their potency is such that they can be used safely only under the prescription and continuous observation and care of a physician. For such drugs my bill provides that the container or package shall bear a blue label, permit for the use of which is to be issued after the filing of the formula with an analysis of it by the Food and Drug Administration. This label shall bear the words: "Formula registered with the Food and Drug Administration, Washington, D. C."

And shall also state the dosage and name of the drug and continue: "Caution! Contents to be used only under the care and supervision of a registered physician."

Certain hypnotic and narcotic drugs such as opium, morphine, cocaine, and so forth, are highly useful in the practice of medicine and in the alleviation of pain. But they never should be self-administered and should be available to the general public only on the prescription of a doctor and used medically only under the care and supervision of a physician.

These drugs are placed in a third class, and their containers or packages under the provisions of my bill must bear an orange-colored label, permit to use, which is to be granted by the Food and Drug Administration after filing of the formula, and its analysis of the materials proposed to be sold. This label shall bear the words, "Formula registered in the Food and Drug Administration at Washington, D. C.—Caution, Habit Forming," shall bear the name and dosage of the habit-forming hypnotic or narcotic drugs, and continue "to be sold and used only under the prescription and supervision of a registered physician."

Hair dyes which contain an aniline derivative, or an amine or a metallic salt or compound, under the provisions of my bill, shall bear on their containers or packages a white label which shall state this, followed by the words: "For external use only and must be used with care, and should not be used on eyelashes or eyebrows." The formula must be registered with the Food and Drug Administration, and when a permit is granted by it for such use the label shall state "Formula registered in the Food and Drug Administration at Washington, D. C."

The decision as to the medical, therapeutic, or remedial status of the materials in any container or package offered for sale and submitted for analysis does not rest finally with the officials of the Food and Drug Administration. My bill establishes a board of appeals for food, drugs, nonalcoholic and nonintoxicating beverage cases consisting of four specially qualified members to be appointed by the President. To the board any applicant who has been refused a permit to use a white, blue, or orange label, or whose product has been set in a lower class than he thinks it should be placed may appeal. If the board sustains his contention he gets his label; if the decision of the board is adverse to him he still retains his right to appeal to the Federal courts, and the same right of appeal to the Federal courts is granted the Food and Drug Administration if it desires to use it.

In my bill it is provided that every container or package holding food, drugs, cosmetics, or nonalcoholic and nonintoxicating beverages shall bear a trade-mark registered in the United States Patent Office on the private label of the manufacturer. If the manufacturer now has a trade-mark so registered, he need not obtain a new one. The art quality in the disign of the trade-marks is not considered. A special class for such trade marks is established in the Patent Office and the fee for such trade-marks is reduced from $15 to $1.

The applicant for a permit to use the Food and Drug Administration labels must submit samples of his product for analysis to

the Food and Drug Administration, and for this laboratory work a very reasonable fee of from $1 to $10 is charged him. Counterfeiting or imitating any private or Government label is made a felony and penalized by from 5 to 10 years imprisonment, so the manufacturer gets protection for his trade-mark and private label such as he never had before. No trade-mark is granted until the product has been certified by the Food and Drug Administration not to be harmful or injurious to the health of any average human being.

What I consider the most important feature of my bill is the complete emancipation of the small drug, grocery, and provision storekeeper. He will no longer be subjected to the humiliating disgrace of being indicted and arrested for a crime of which he is innocent. His belief in the manufacturer as to his good faith in producing and selling to him wholesome products relieves him of the responsibility if he acted in good faith. The responsibility is placed where it belongs—at the source—the manufacturer, producer, processor, or packager of food, drugs, beverages, and cosmetics that sold him food and drug products unfit for consumption or use by human beings.

For the benefit of my colleagues I am going to ask unanimous consent to extend my remarks by printing after the conclusion of my address the full text of my bill I have introduced to cure all the evils about which I have complained.

Mr. Chairman, ladies, and gentlemen, the great progress of the United States can be attributed to the tremendous advances that have been wrought in the social, economic, and political fabric of our Republic.

Each Congress of the United States has contributed its political share to the agricultural, industrial, and commercial development of our people. In every form of human endeavor, in science, in art, in literature, in philosophy, in statesmanship, in engineering, invention, and technological perfection and improvement, our Republic stands in the forefront with the highest civilized nations of the world.

In the past, those Congresses have been remembered that have declared war in order to preserve the ideals for which our Republic was founded—the War of 1812, the Mexican War, the Civil War, the Spanish-American War, the World War.

On the field of battle of these great conflicts of our country's past millions bared their breasts to shot and shell and died that our institutions might be preserved. Today we are engaged in another great conflict. It is to determine whether these institutions founded upon the lifeblood of our martyred citizens shall endure or shall perish. We are waging a great war against economic depression. Revolutionary changes are taking place everywhere. The policies upon which the superstructure of our Government has been reared are tottering and collapsing. Millions of deserving Americans ready to die for our Republic in time of war are starving in times of peace, amidst a harvest of plenty.

To preserve our institutions of hallowed memory, to keep faith with those who have given up their today that others may have their tomorrow, it has become necessary for Franklin D. Roosevelt, the beloved Commander in Chief of our Republic, to strengthen, fortify, and reconstruct those pillars that have supported the superstructure of our social, economic, political, and capitalistic form of government.

When the actions and deeds of every Congress that has preceded us in the past will have been forgotten in the ashes of time, the Seventy-third Congress will remain and endure in the memory of historians because it enabled us to escape a bloody revolution through adoption and practicing of the principles and ideals of social and economic justice. This action of the Seventy-third Congress has enabled us to rear a new edifice dedicated to our fellow man and consecrated to the philosophic ideals of social, economic, and political justice that will bring the greatest good to the greatest number.

While we are passing through this great period of economic and social transformation, let us not forget in these trying days and depression times to protect the life, the limb, and health of 120,000,000 American consumers through the adequate enactment of laws that will safeguard to each and to every American citizen food, drugs, and beverages that are and by the rights of humanity should be fit for human consumption. [Applause.]

We have given much consideration to capital and material things; now let this Congress give consideration to men, women, and children and see to it that they are provided with food that is good and clean, with food that is wholesome, with beverages that are pure and palatable, and with medicines that are remedies for sickness, that human life may be made better, fuller, and happier for all. [Applause.]

Mr. Chairman, now that I have concluded my remarks on the subject of pure foods, drugs, cosmetics, nonalcoholic and nonintoxicating beverages, I shall be pleased, as is my usual custom, to answer any questions any Member of the House desires to propound to me.

By the way, I am very pleased to see sitting in the body of the House of Representatives our beloved and distinguished Speaker, the Honorable Henry T. Rainey. Our gracious Speaker told me this morning that he was present in the House when the famous Dr. Henry W. Wiley, the great pioneering expert in foods, and James Mann, the leader of the House on the Republican side, appeared on this floor to explain to the membership of this House the necessity for the enactment of the first Pure Food and Drugs Act in 1906. Speaker Rainey was greatly interested at that time in that measure, an interest which he has maintained ever since in legislation that will insure pure foods, drugs, and beverages, and harmless cosmetics for the men, children, and women of our country.

Our beloved Speaker has been most gracious and exceedingly helpful to me in my efforts to bring the pure food and drugs law up to date, to strengthen them in such a way as will forever prevent fraud and deception in the preparation, manufacture, and sale of articles that play such a great part in the preservation of the health and vigor of our people. For his courtesy to me I most emphatically wish here and now sincerely and gratefully to thank our great Speaker. [Applause.]

Mr. Chairman, ladies and gentlemen of the Committee, before I begin to answer any question that any Member of the House may ask me I am going to show you actual examples of poisoned foods, drugs, and cosmetics, which have been before your eyes here in the Well of the House during my discussion. Look at this sample of noodles in clear cellophane and in gold-colored cellophane. Both samples are the same, but the one in the gold-colored container appears as if it were heavily loaded with eggs. Sheer fraud.

Look at this, which shows how the Lydia Pinkham people meet the requirements of the drug law on their label, but continue to make unwarranted claims in their hand-out advertising. If this concoction has any value, it is only in the 18 percent alcohol contained in the alleged remedy.

Here is an exhibit of the kind of alleged Jamaica ginger that a few years ago was sold throughout 24 States and poisoned over 25,000 persons. It is the infamous "jake." It was made in Boston and four men were imprisoned and fined for this murderous fraud and another was sentenced but the sentence was suspended.

This is an example of how a trustful woman, desiring to add to her attractiveness, used a preparation called "Lure-Lash" on her eyelashes, with the result that one of her eyes was destroyed and she was made blind. President Roosevelt shuddered with horror when his attention was called to this.

Here is a preparation that is made from a rank weed called horsetail. It is of no remedial value but it is advertised to cure a dozen diseases besides diabetes.

Here is a concoction called "Bar-Ban" for which it is claimed that it can be used for rheumatism, neuralgia, bronchitis, colds, kidney trouble, and a long list of diseases. It could be used, but it would be useless for any remedial purpose.

Here is an advertisement of yeast to make a woman grow thin; I have another advertisement of another yeast that claims to make women grow fat. One yeast makes fat women thin; another makes thin women fat. The age of miracles must have come back. [Laughter.]

How many Members of the House know that the Food and Drug Administration issues a monthly pamphlet under the title of "Notices of Judgment" in which are printed the often gruesome details of cases brought against food poisoners? I will have these passed around to the Members of the House. Read them. Take them home with you and study them. You will see from them the necessity of efficient and punitive food and drug laws to stop the racketeers in edible and drinkable products.

Look at these bottles. This one is a genuine 3-ounce bottle. This one seems larger, but is not. It is a 2-ounce bottle. Note the way it is made taller and thinner. Here is another fake bottle. The glass side walls are so close together that this bottle holds only three-quarters of an ounce instead of its pretended 2 ounces.

Here is the infamous Marmola of unsavory memory. The name is craftily attractive, but the material itself is vicious when used for self-medication. It contains thyroid extract, which is very dangerous to use unless given under the supervision of a physician. Marmola has ruined the health of many unfortunate women who have used it to their bitter regret.

This product that I show you is Koremlu. It was put up by Cora M. Lubin and contains thallium acetate and was used as a depilatory. Over two and a half million dollars damages were asked for in suits brought against this woman, and she is now a bankrupt. But the product is still being sold to ruin and scarify thousands of unfortunate women who buy and use this preparation.

Here I show you a set of testimonials for an alleged remedy, called B & M, and beside them are the death certificates of those who wrote the testimonials and died from the diseases it was alleged to cure.

This B & M alleged remedy is the king fraud of them all—B & M. It began as a horse liniment and was used only for horses. Now it is advertised everywhere to cure tuberculosis, pneumonia, bronchitis, blood poisoning, asthma, heart disease, and every disease that mortal flesh is heir to. Here is the evolution of quack medical concoctions beginning with the horse and ending with man.

Mr. BOLAND. Will the gentleman yield?

Mr. SIROVICH. I yield to the gentleman from Pennsylvania.

Mr. BOLAND. May I ask the gentleman if he has read the bill I have introduced (H. R. 8316) along this line?

Mr. SIROVICH. For the benefit of my distinguished friend, and for the edification of the House, I want the membership to know that there have been several bills introduced regarding pure food, drugs, and cosmetics. One gives additional powers to the Secretary of Agriculture which I sponsored in the House and which I have relegated to the background, because it takes away privileges

and prerogatives of the Federal Trade Commission and emasculates the work that this great organization is doing. It also gives additional powers to the Secretary of Agriculture to which I am opposed. Then we have the Black-Stephens bill, which is a bill written by the proprietary interests which is simply the old pure food and drug legislation as it now exists, with a couple of Ethiopians buried in the middle, which would continue the very conditions I have been criticizing here.

My friend PAT BOLAND has introduced a bill which I think, if my bill could not be passed, is one of the finest and most complete and progressive measures ever brought before the House. It is a bill that has been written by the Consumers Research of the United States, representing at least 100,000 consuming people. It is a bill that is designed to bring about the millennium in food, drugs, cosmetics, and beverages. It is a bill that will help every human being to have the quality standard and nutritive value in foods and drugs to which he is entitled, and I want to compliment my friend PAT BOLAND for having the courage to introduce this kind of bill. [Applause.]

Mr. BEAM. Will the gentleman yield?

Mr. SIROVICH. I shall be very pleased to yield to the gentleman.

Mr. BEAM. I was very much interested in the gentleman's explanation of the anesthesia proposition. Does not the gentleman think it would be beneficial to the doctor, to the hospital, and to the patient if some analysis were made of the quality of the anesthesia administered to the patient without any direction from the Government itself?

Mr. SIROVICH. I want to explain, for the benefit of my colleague and friend, that the United States Government has a Bureau of Standards and it never purchases anything until this Bureau investigates it to see that everything that is given to any of Uncle Sam's men is of the best quality. It is about time we established a bureau of standards of the United States that would investigate all the food products for the benefit of the consuming public in just the same way. So I believe if we had this kind of bureau that could investigate ether and other products, the doctors and the public hospitals would be in position to buy the best they can have.

Mr. SHOEMAKER. Will the gentleman yield?

Mr. SIROVICH. I yield to the gentleman from Minnesota.

Mr. SHOEMAKER. It may interest the gentleman to know that our so-called Bureau of Prisons has been buying from the wholesale houses stale goods and drugs that have been on the shelves for a long time and has been killing prisoners with them in our Federal penitentiaries.

Mr. SIROVICH. That is not as bad, I will say to my friend, as when the United States Government, in 1920, sold all the ether it found was worthless after the war was over. It sold this to second-class dealers with the understanding that they would use it for varnish, shellac, and other similar purposes. One cruel man relabeled it and sold it to the hospitals of the United States, and 35 percent of it was so vitiated and contaminated that thousands of people died in our country because of its use. I read of one case where there was stamped on an article by the Government of the United States the word "second," and some unscrupulous dealer who bought this product changed it to "second to none" and sold it in that way.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. SIROVICH. I yield to my colleague from New York.

Mr. FITZPATRICK. What are the qualifications that the Government requires of a food inspector? The gentleman knows that to enforce a law of this kind such a man would have to have special qualifications to be able to make such investigations.

Mr. SIROVICH. Mr. Chairman, there are thousands of doctors in the United States who are in penury and want and would be glad to act as food inspectors if they were given an opportunity to take such an examination; but you have not given the Food and Drug Department the appropriation that they need to effectively carry on their work. You have only 76 food inspectors in the United States. We have 48 States in the Union, and if you gave every State 2 inspectors you would have to have 96. Take my friend Tom Blanton. Blanton's State, from what the former Speaker, JACK GARNER, told us, could be divided into six States of the Union because it is so large. In that entire State they have not more than one or two inspectors to look after the food, drugs, and cosmetics that they are using there.

Mr. FITZPATRICK. Are these inspectors doctors?

Mr. SIROVICH. No; they are not doctors.

Mr. FITZPATRICK. That is just what I am trying to find out. What are the qualifications required by the Government

Mr. SIROVICH. The qualifications are such as necessitate knowledge of chemistry, of the physiological action of drugs, ability properly to analyze materials, and determine where adulteration was made. He would have to know physiological chemistry and physiology, and everything that pertains to food, drugs, and cosmetics.

Mr. BLANTON. Will the gentleman yield?

Mr. SIROVICH. I will yield to my friend.

Mr. BLANTON. What are you going to do when the inspectors disagree and when the doctors disagree as to the efficacy of remedies? Forty years ago some doctors would not let us have ice cream when we had a fever but now some feed us on ice cream. Years ago some doctors would not let us have ice with fever and now they pack us in ice. [Laughter.]

Mr. SIROVICH. Increased knowledge, experience, and scientific observation are constantly making the medical profession improve its methods. Time and the increased longevity of mankind has vindicated changes and consequent improvement in treatment. The gentleman from Texas and I have been very consistent in our common ideals. When I was battling against poison in alcohol little did he and I dream that when I called the attention of the people of the United States single-handed, almost 8 years ago, to poisoned liquor, that we would repeal the iniquitous eighteenth amendment at this time. All the time he was exclaiming, "Hold the line! Hold the line!" Both of us have held the line. [Laughter and applause.] My good friend from Texas does not know when he is licked.

Mr. BLANTON. Will the gentleman yield again?

Mr. SIROVICH. It is a pleasure to yield to my aggressive colleague.

Mr. BLANTON. Does the distinguished physician who does not drink himself feel proud that in most of the large hotels and cafes in Washington you can buy hard liquor that is drunk openly before young people?

Mr. SIROVICH. Let me say to my distinguished friend, whom I personally love, honor, and respect, that I am not conversant with the situation in Washington with which he seems to be so familiar. [Laughter.] Let me say, however, as one who never drinks and never smokes, that I believe in moderation in every form of indulgence. I never condemn the use of anything, but I always condemn the abuse of overindulgence in anything that would make a man or woman lose self-respect. [Applause.]

Rice Exports and the Cuban Market

EXTENSION OF REMARKS

OF

HON. W. F. NORRELL

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1939

Mr. NORRELL. Mr. Speaker, two stated major purposes of the present administration are to improve farm conditions and provide employment for labor. The administration has also recognized that there is a special problem in improving farm and labor conditions in the South. The Agricultural Adjustment Act was passed, and it was hoped that through the operation of this act the problem of surpluses of agricultural products might be solved. It is not within the scope of these remarks to launch into an exhaustive criticism of the act and its administration. I do pause to mention what is so well known that it is a commonplace observation: The problem of surpluses of agricultural products remains unsolved and continues to overshadow our agricultural interests like some giant specter whose evil visage spells want and disaster for countless thousands who labor but continue to look in vain for the just and hard-won fruits of that labor.

In no single field is the problem of agricultural surpluses more sharply felt than in the rice industry which is one of the more highly concentrated farm industries of the United States. The importance of rice in the agricultural interests of the Nation is recognized in its inclusion among the basic agricultural commodities subjected to crop control. It is not very generally known, however, that rice now offers a profitable farm commodity for a large part of the Gulf Coast region, especially in Louisiana and Texas; California, Arkansas and, to a lesser degree, Mississippi, are also rice-producing States. The requirements of the crop as to soil, water, and climate are met in this relatively restricted area. In the Gulf Coast region alone there are approximately 1,000,000 acres given to rice production, representing an investment of more than $100,000,000 in farm lands, irrigation canals and wells, pumping plants, storage warehouses and elevators, mills, and other facilities. Arkansas ranks high among the rice-producing States, having in Arkansas and Lonoke Counties two of the largest rice-producing counties in the entire country, the city of Stuttgart, Ark., being a sort of rice capital where annually a colorful rice festival is held. In these areas rice is the mainstay of towns and cities, businesses, and professions. The economic condition of the rice industry proper quickly

becomes the condition of this entire territory. All of these rice-producing areas are in close proximity to water transportation. It is significant also, I think, that they lie largely in an area which has been called by the President the Nation's No. 1 economic problem, and in a section which for generations has been depleted by a vicious one-crop system.

With rice, as with other agricultural commodities, the problem of surpluses remains unsolved, and it is toward a solution that these remarks are addressed. The operation of crop-control legislation has not resulted in taking the rice industry off an export basis, although through the operation of the Agricultural Adjustment Act the full impact of the effect of declining exports was temporarily mitigated to some extent. Production-control measures and benefit payments have to some degree cushioned the shock that would otherwise have been inevitable; but if the growers of rice are to be afforded permanent relief, timely efforts toward the restoration of our export markets should be undertaken, and it is with this phase of the disposition of our rice surpluses that these remarks are mainly concerned.

Mr. Speaker, the situation of our export markets with regard to rice is capable of amelioration if our own State Department will take immediate steps to include in the proposed revised trade agreement with Cuba a sufficient tariff preferential favoring the rice growers of this country to enable them to compete with the growers of Asiatic countries. There is no indefiniteness in my proposal nor is it in the least bit visionary. While it is not contended that Cuba alone could or would consume the entire export surplus of rice from this country, it could reasonably be expected to consume a sufficient quantity to lift the rice industry from its present trough of depression insofar as that depression is due to a failure of export markets. Our exportable surplus of rice over domestic requirements annually is approximately 5,000,000 pockets. Cuba, which produces no rice, now imports some 4,500,000 pockets of rice annually. That Cuba furnishes a natural export market for our rice is apparent both because of its geographical proximity to our rice-producing areas and because of the close-knit trade relations with this country. Unfortunately for our rice growers, under the present trade agreements between Cuba and this country, only a small portion of imports of this commodity are received from the United States. This does not indicate an unwillingness on the part of Cuba to buy from this country; on the contrary, it has been proven that Cuba prefers to buy from this country but now buys largely from the Orient because the Asiatic countries operate on a much lower cost-of-production basis than is possible in this country with our relatively high-wage scale and standard of living and can, therefore, export their rice at a much lower price. The additional and significant fact is that our own State Department with all the means at its hand has not provided in trade agreements concluded between this country and Cuba a sufficient tariff preferential to equalize cost of production in this country with that of the Asiatic countries.

What I propose, Mr. Speaker—and in this I am ably supported by my colleagues from all the rice-producing belts—is an increased Cuban tariff preferential which will place rice exports from this country on a truly competitive basis in the Cuban market, a preferential which will balance with the low cost of production in Asiatic countries. Rice growers of this country do not seek an advantage; all they seek is an equality or a truly competitive basis in the export market. With such a preferential there is little doubt that American rice would be preferred over exports from the Asiatic countries. The present 50-percent preferential afforded this country by the Cuban Government is entirely inadequate to make up for the difference in cost of production. It is true that the President of Cuba may now by proclamation permit our rice to come into that country on a higher preferential basis. From August 10, 1937, to December 31, 1937, by Presidential decree, American rice growers were permitted to ship rice into Cuba on an import duty that was about 20 percent of that of other countries. Since January 1, 1938, however, through trade agreements negotiated by our own State Department, Cuban import duty on our rice has been raised to 50 percent of the minimum duty from any other country. A 50-percent preferential does not equalize the cost-of-production basis. For that reason it is proposed that the tariff preferential be raised to 75 percent or that American-grown rice be admitted at approximately 25 percent of the minimum duty imposed on exports from any other country. Obviously, the route of Presidential decree offers no stable basis upon which rice farmers can go ahead and plant their crops; therefore, the desired action is sought of the State Department of this country to which our Congress has delegated the authority to negotiate trade agreements.

That the State Department stands in an advantageous position for securing the desired preferential is self-evident since the balance of trade between the United States and Cuba is preponderantly in favor of Cuba. During 1937 we shipped to Cuba only 62 percent of what Cuba shipped to us; the first 9 months of 1938 we sold Cuba only 63 percent of the amount they sold to us. During 1937 81 percent by value of the entire exports from Cuba were in shipments made to the United States. For the first 9 months of 1938 the total value of all exports from Cuba to the United States was $100,200,329, while during the same period the value of all imports into Cuba from the United States was only $63,-465,009. Cuba is now permitted to ship into this country a quota of nearly 29 percent of our total sugar requirements, netting to that country some $38,000,000 more for this portion of their sugar than they could get for it in any other market. Who can doubt in the light of these facts, that our State Department occupies a most advantageous position for protecting our rice industry by negotiating for an adequate preferential? That the 75-percent tariff preferential is necessary is supported by voluminous briefs and statistical data now in possession of the State Department. That the time for action is now is self-evident, both because of the desperate plight of the rice industry in this country and because the State Department is now preparing to negotiate with Cuba a trade agreement supplemental to the trade agreement signed at Washington on August 24, 1934, and now in force.

In preparation for these negotiations the Committee for Reciprocity Information conducted public hearings beginning on January 3 of this year. The rice interests were represented at these hearings and able briefs and arguments were presented. As Representative of the major rice-producing district in Arkansas, I appeared before the committee on January 4 in oral argument and also filed a written brief which followed in main the outline of these remarks. On January 18, it was my pleasure to present to Hon. Cordell Hull in person a petition signed by the entire Arkansas delegation in Congress urging prompt and favorable action on the proposal for an adequate Cuban tariff preferential. Mr. Hull assured me of his intense concern with the plight of the rice industry and promised earnest consideration of the preferential proposal, leaving no doubt in my mind of his personal willingness and earnest desire to contribute to the solution of the problem of the Cuban export market. Under date of February 4, the Secretary of State directed to me and my cosigners of the petition of January 18, a very thoughtful letter which further confirmed his interest in and sincere consideration of the preferential proposal. In this letter he raised no question of the necessity and urgency of the proposal nor did he express any doubt of the factual basis upon which the proposal is grounded. He did, however, express some doubt that the proposal was consistent with the general trade policies of the State Department and at this point I quote a pertinent paragraph from his letter:

> I think I should point out to you that the question (of the proposed preferential) involves serious difficulties in respect of policy insofar as an increase in the guaranteed percentage of Cuban tariff preference in favor of American rice is concerned.

You will appreciate, I am sure, the inconsistency of our seeking guaranties of increased preferential treatment for American goods in a foreign market in connection with a program which includes, as one of its basic essentials, the negotiating for the removal of discriminations against American goods in foreign markets.

In my reply to Mr. Hull's letter, I stated that while recognizing the apparent persuasiveness of his argument, I was totally unable to agree that the proposal for an increased tariff preferential was in any way inconsistent with the trade policies of the State Department, inasmuch as it extended only to trade negotiations between this country and Cuba. I have long been of the opinion, Mr. Speaker, that trade agreements concluded between this country and Cuba stood well outside any general trade policy of the State Department in connection with its program for negotiating for the removal of discriminations against American goods in foreign markets. This opinion was founded in part on a statement issued by our State Department on August 24, 1934, with respect to the existing trade agreement which was entered into between the United States and Cuba on that date and which I quote:

Although this agreement has been concluded under the Trade Agreements Act of 1934, it stands, nevertheless, in a separate category. * * * Reciprocity with Cuba still is a proposition that stands entirely alone. * * * Each country in addition to pledging reduced rates of duty for certain products of interest to the other grants exclusive and preferential reductions in duty.

In the light of this language and of the situation which now exists, a realistic trade policy now, as in 1934, requires that we keep our trade agreements with Cuba in a separate category. The general trade policies of the State Department, however wise and praiseworthy they may be and doubtless are, could hardly embrace a program which would require this country to continue indefinitely favoring Cuba with a 35 to 40 percent advantage in trade relations, especially when their main article of export—sugar—involves both a sacrifice on the part of this country's farmers and a contribution on the part of this Nation's consumers to the extent of around $38,000,000 annually. I repeat: The advantageous position which our State Department now occupies with regard to securing the desired Cuban tariff preferential on rice is self-evident. I am also advised that the Cuban Government is favorably disposed toward the proposal of the increased preferential. These being the facts, I find myself unable quite to appreciate the inconsistency of which the honorable Secretary of State writes, though I have no doubt of his own earnestness and the broad vision upon which the general policies of our present State Department are founded. I make bold to believe, and continue to hope, that when the presently existing facts of the rice situation are realistically approached and considered, that the State Department will be moved by the force of logic and a sense of justice to our own rice farmers, to provide for the insertion in the supplemental trade agreement with Cuba the desired and urgently needed preferential. I am daily in receipt of numerous letters which leave no doubt in my mind of the truly desperate situation with which the rice industry is faced in the loss of the Cuban market. To escape the consequences of the cotton surplus, many small farmers have turned to rice production, only to be faced now with a similar situation as to surpluses in the rice industry. The insertion of the proposed preferential in the revised trade agreement with Cuba, as I have shown, will go far toward ameliorating the situation with regard to rice surpluses and the ensuing benefits would not only strengthen the agricultural and industrial interests of the rice-producing States but of the entire Nation as well.

In addition to the recapture of our export markets in rice, there are other steps which may and should be taken to diminish rice surpluses. The discovery through scientific laboratory experiments of new uses and utilization of rice products would be a definite aid. I have suggested that a project on the industrial utilization of rice and rice byproducts be included in the program of the southern regional research laboratory, which is now being established in accordance with the Agricultural Adjustment Act of 1938. The commodities assigned for initial attention are confined to cotton, sweetpotatoes, and peanuts, and I now propose that rice be added to this list. It is true that work now being done on starch as a component of corn and wheat in the northern and western regional research laboratories will be applicable in some degree to the starch, which is the principal component of the rice grain, but it is only appropriate and in keeping with the importance of the rice industry that rice be one of the main subjects for research in the southern regional research laboratory. As a further aid in relief of rice surpluses, an increased activity in this commodity is urged on the part of the Federal Surplus Commodities Corporation. There is no better food from the standpoint of economy and nutritive value than rice, a fact which, coupled with the present stagnation in the rice industry, should move the Federal Surplus Commodities Corporation to a quickened interest in this product.

Mr. Speaker, I have confined my remarks to a few pertinent and concrete suggestions with regard to the disposition of our surpluses in one important farm industry—rice. I, of course, have by no means exhausted the subject, and could not do so in this brief space. I have sought to underline the importance of rice in a section which is seeking rehabilitation over great odds by drawing away from a one-crop system which has depleted its soil, and which no longer can be depended upon to lift the South out of its position of the Nation's economic problem No. 1. The signal importance of rice in the agrarian program of the South is not as yet fully appreciated, nor does it present an insoluble situation. The fuller utilization of the Cuban export market through an increased tariff preferential, together with the discovery of byproducts and increased uses through scientific exploration and an increased activity in rice on the part of the Federal Surplus Commodities Corporation, are measures by which the specter of rice surpluses may largely be dissipated, and our agricultural workers in this field may once more be rewarded with the just fruits of their labor.

Let Us Exempt R. E. A. From Provisions of Reorganization Bill

EXTENSION OF REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1939

Mr. RANKIN. Mr. Speaker, when we reach the 5-minute rule, I expect to offer an amendment to exempt the Rural Electrification Administration from the provisions of this reorganization bill.

There is no reason on earth why that should not be done. It cannot possibly be improved by any change that would likely be made as a result of the passage of this measure.

The R. E. A. is rendering a great service in electrifying the farm homes of this country, and in my opinion, it would be a great mistake to disturb it at this time.

For the information of the House, I am inserting a table showing the allotments made by the R. E. A. up to March 4 of this year—totaling $193,109,330—which, you will note, is broken down by States.

Remember that these lines cost on an average of $1,000 a mile, which means that the Rural Electrification Administration has already provided for 193,000 miles of rural power lines, to serve 600,000 farms or more than 2,500,000 people in the rural districts of the various States.

Any Member can take this table and figure for himself what it means to the farmers of his own State. Practically every congressional district in the agricultural States has already been reached and more extensions are being made all the time.

The table referred to is as follows:

Total allotments, by States, as of Mar. 4, 1939

State	Allotments up to 1938-39 funds		Allotments from 1938-39 funds		Total allotments from all funds		
	Number of allotments	Amount	Number of allotments	Amount	Number of allotments	Number of borrowers	Amount
United States, total	783	$89,631,310	687	$103,478,020	1,470	550	$193,109,330
Alabama	11	1,564,350	14	2,098,200	25	11	3,662,550
Arizona	1	145,000			1	1	145,000
Arkansas	12	1,772,000	10	1,542,500	22	13	3,314,500
California	5	1,510,500			5	3	1,510,500
Colorado	9	950,000	7	687,500	16	6	1,637,500
Delaware	2	427,037	2	309,000	4	1	736,037
Florida	8	687,000	5	273,000	13	5	960,000
Georgia	54	3,649,615	55	7,218,000	109	35	10,867,615
Idaho	7	1,270,750	5	526,000	12	5	1,796,750
Illinois	25	3,052,630	25	7,605,000	50	20	10,657,630
Indiana	35	6,057,695	37	5,839,500	72	31	11,897,195
Iowa	61	5,778,328	46	7,244,800	107	43	13,023,128
Kansas	15	1,684,651	14	2,146,000	29	13	3,830,651
Kentucky	26	2,436,300	35	4,021,420	61	22	6,457,720
Louisiana	6	947,000	9	1,042,100	15	7	1,989,100
Maine	3	91,000			3	1	91,000
Maryland	5	225,000	5	244,000	10	2	469,000
Michigan	28	4,655,000	25	5,852,000	53	14	10,507,000
Minnesota	64	6,375,236	43	7,746,500	107	34	14,121,736
Mississippi	21	1,656,700	22	3,643,000	43	20	5,299,700
Missouri	27	2,632,000	28	6,190,200	55	24	8,822,200
Montana	14	909,900	10	754,700	24	10	1,664,600
Nebraska	30	5,093,200	31	4,704,500	61	27	9,797,700
Nevada	2	173,000			2	1	173,000
New Jersey	3	257,500	2	162,800	5	2	420,300
New Mexico	5	360,000	5	321,000	10	3	681,000
New York	1	250,000	2	800,000	3	1	1,050,000
North Carolina	19	1,746,350	20	2,579,000	39	18	4,325,350
North Dakota	8	691,972	5	275,000	13	3	966,972
Ohio	43	7,531,525	50	5,417,500	93	25	12,949,025
Oklahoma	19	2,380,000	14	2,213,500	33	12	4,593,500
Oregon	8	366,000	3	186,000	11	5	552,000
Pennsylvania	16	2,509,500	13	2,181,700	29	7	4,691,200
South Carolina	8	1,157,328	4	666,000	12	4	1,823,328
South Dakota	8	537,000	1	50,000	9	3	587,000
Tennessee	27	1,993,458	10	1,572,600	37	12	3,566,058
Texas	34	4,584,985	63	9,766,700	97	47	14,351,685
Utah	1	5,000	4	259,000	5	3	264,000
Vermont			2	72,000	2	1	72,000
Virginia	25	2,256,800	20	2,419,000	45	12	4,675,800
Washington	17	1,507,700	4	134,000	21	8	1,641,700
West Virginia	5	488,000	1	15,000	6	2	503,000
Wisconsin	48	6,361,800	28	3,844,000	76	25	10,205,800
Wyoming	17	902,500	6	355,300	23	7	1,257,800
Puerto Rico			2	500,000	2	1	500,000
Total		89,631,310		103,478,020			193,109,330

Think what this means to the farmers of this Nation who were never able to get any electricity at all until this program was put into effect. Think what it will mean to the millions of farmers yet to be served.

I hope you will all join in supporting my amendment to exempt the R. E. A. from the provisions of this bill just as other similar governmental agencies are exempted.

Let us not interrupt the great work the R. E. A. is now doing, but continue to give it a free hand, and a liberal support that it may carry on this program until we shall have electrified every farm home in America.

Reduction of Freight Rates

EXTENSION OF REMARKS

OF

HON. WALTER G. ANDREWS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1939

LETTER FROM GOVERNOR OF NEW YORK

Mr. ANDREWS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me recently from the Governor of New York:

STATE OF NEW YORK,
EXECUTIVE CHAMBER,
Albany, February 27, 1939.

Hon. W. G. ANDREWS,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: My attention has been directed to the following bills which have been introduced in the present Congress: S. 126, S. 137, S. 158, S. J. Res. 27, H. R. 3369, H. R. 188, and H. R. 3749.

It appears from the press that the southern group in the Congress is renewing its effort to secure, through congressional legislation, lower freight rates for products of southern manufacture shipped into northern markets in competition with products of northern industry. It is the claim of this southern group that the fact that railroad freight rates on manufactured products within the South and from the South to the North are generally higher, mile for mile, than the freight rates on the same commodities within the North constitutes an impediment to the industrial development of the South and to the South's ability to attract manufacturing from the North to the South.

You will recall that I addressed you on this same subject a year ago in connection with a bill introduced by Congressman RAMSPECK, which would have made it unlawful to charge freight rates higher, mile for mile, for the shipment of goods from one section of the country into another than the freight rates on the same goods within the territory of destination. Substantially the same bill has again been introduced by Congressman RAMSPECK as H. R. 188 and an identical bill has been introduced by Senator HILL as S. 158. The other bills above referred to seek to accomplish the same result, although their terms are somewhat different. It appears that the southern group is seeking to enlist in support of these bills the cooperation of Members of Congress from the Western States, in view of the fact that the freight rates on manufactured goods in the West, and from the West into the Northeast are also higher than the freight rates within the northeastern section of the country.

I cannot overemphasize the seriousness of these bills from the standpoint of New York State, and I urge that they have your

attention. The results sought to be achieved are, of course, contrary to the interests of the other Northeastern States as well as of New York. I am informed that steps are being taken to organize opposition to them on the part of representatives of all the States north of the Ohio and Potomac Rivers and Illinois and east. I am also informed that the bills will be vigorously opposed by the railroads which will be adversely affected thereby and by commercial organizations throughout the Northeast and even in some sections of the South. I feel that the New York delegation should take the lead in bringing about a united front on the part of the representatives of the Northeastern States to defeat this legislation.

Of course, the fundamental objection to all of these bills is that they would make the measure of railroad freight rates the subject of congressional enactment rather than leaving their regulation to the independent judgment of the Interstate Commerce Commission on the basis of evidence presented to it. There is already pending before the Interstate Commerce Commission a proceeding brought by seven of the Southern States involving the very interterritorial freight rates to which these bills are directed. Extended hearings have been held in this proceeding, at which evidence has been offered both on behalf of the South and on behalf of the North and of the railroads in two sections of the country. New York State was represented in this proceeding by the attorney general's office. I trust you will agree that the subject should be left to the Interstate Commerce Commission to be determined by it upon evidence presented to it independently of any restrictions imposed by Congress of the sort provided by these bills. Senate Joint Resolution 27 is less objectionable than the other bills, since it would call simply for a general investigation by the Interstate Commerce Commission into the subject of interterritorial freight-rate levels. However, insofar as rates between the South and the North are concerned, the pending proceedings brought by the Southern States would appear to constitute such an investigation, and the proposed joint resolution seems superfluous. With respect to the particular freight rates against which the Southern States have reason to believe that they have grounds of complaint, they should be content to bide the Commission's decision in this proceeding.

While the fundamental objection to these bills is the one of principle which I have just mentioned, you will also appreciate the seriousness from the standpoint of New York of a change in freight rates, which would make it even more attractive than it now is for industries to move from New York State to the South. The Hill and Ramspeck bills (S. 158 and H. R. 188) would not only require a reduction in the freight rates from the South into the North but so long as the freight-rate levels within the two territories are different would require the freight rates from northern shipping points into southern markets to be higher than the freight rates paid by southern manufacturers shipping into the North.

It may interest you to know some of the facts which were developed in the proceeding before the Interstate Commerce Commission by witnesses for New York State and New York communities and industries. This evidence was designed to meet the contention of the seven complaining Southern States that their industrial development has been restricted by the freight-rate situation and that under the existing freight rates they have not been able to compete in northern markets in the sale of goods in competition with northern manufacturers. A study was made by the engineering firm of Ford, Bacon & Davis, and I cite a few of the facts disclosed by that study.

In 1935 the number of wage earners in manufacturing plants in this State was only 77.9 percent of the corresponding figure for 1923; while the number of wage earners in manufacturing plants in the seven Southern States in 1935 was 101.4 percent of that for 1923. The total wages paid in manufacturing industry in this State in 1935 fell to 64.4 percent of the figure for 1923; while in the seven Southern States, in spite of the depression, the decrease in wages was only 14 percent.

Turning to specific industries, it was disclosed that the number of employees in the stove and furnace industry, which has been a very important one in this State, decreased 52.2 percent in the 12-year period between 1923 and 1935; while the number of employees in this industry in the South increased 101.4 percent. In the boot and shoe industry New York suffered a decrease of 18.5 percent in the number of wage earners employed, while the seven Southern States had an increase of 403 percent. In three branches of the textile industry, namely, cotton, silk and rayon, and in knit-goods manufacturing, the number of wage earners employed in New York State decreased 42.4 percent, 47.9 percent, and 40.2 percent, respectively. In the seven States of the South, on the other hand, the number of wage earners employed in cotton manufacturing increased 17.9 percent and in knit goods 78.7 percent, the figures for silk and rayon for the South not being available. The number of wage earners employed in steel works and rolling mills in New York State decreased 53.2 percent, while the seven Southern States had an increase of 101.4 percent. Wage earners employed by concerns engaged in manufacturing electrical machinery and supplies in New York State fell off 36.2 percent, while the seven Southern States had an increase of 92.6 percent.

I am informed that the evidence in the proceeding before the Interstate Commerce Commission shows that stoves and furnaces, fire hydrants, electrical goods, wooden furniture, textiles, and many other goods manufactured in the South sell at lower prices in New York State under the present freight-rate adjustment than do the same commodities manufactured in this State.

On such facts it is plain both that there is little ground for contention by the South in support of the proposed bills that the freight-rate structure has interfered with the industrial growth of the South or its ability to compete with the North, and also that to accord to the South a further advantage in the way of relatively lower freight rates would increase the difficulty which we have of retaining industries in our State for the employment of our wage earners.

I bring these facts to your attention and express the hope that you will agree with me that these various bills are both fundamentally unsound and prejudicial to New York.

Very sincerely yours,

HERBERT H. LEHMAN.

Northern Montana College

EXTENSION OF REMARKS

OF

HON. JAMES F. O'CONNOR

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1939

RESOLUTION OF THE LEGISLATURE OF THE STATE OF MONTANA

Mr. O'CONNOR. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution recently adopted by the Legislature of the State of Montana:

Memorial requesting Congress of the United States to pass a bill granting certain public lands to the State of Montana for the use and benefit of the Northern Montana Agricultural and Manual Training School, also designated as the Northern Montana College

To the honorable Senate and the House of Representatives of the United States in Congress assembled:

Whereas the Honorable BURTON K. WHEELER, United States Senator from Montana, introduced in the Senate of the United States on January 4, 1939, a bill granting certain public lands to the State of Montana for the use and benefit of the Northern Montana Agricultural and Manual Training School, designated as S. 30, purporting to grant to the State of Montana 500,000 acres of land for the use and benefit of said Northern Montana Agricultural and Manual Training School, also designated as Northern Montana College;

Whereas the Federal Government previously has granted lands to aid in the establishment, support, and maintenance of all of the units of the Greater University of Montana except said Northern Montana College;

Whereas said land grants have been and are of great assistance to the said institutions benefiting thereby in furthering the progress of higher education in the State of Montana; and

Whereas the Northern Montana College is in need of such aid and will be able to offer greater advantages, particularly to the youth of northern Montana if such grant were made: Now, therefore, be it

Resolved, That the Twenty-sixth Legislative Assembly of the State of Montana (the Senate and House concurring) hereby does request and petition the Congress of the United States to pass said bill introduced by the Honorable BURTON K. WHEELER entitled "A bill granting certain public lands to the State of Montana for the use and benefit of the Northern Montana Agricultural and Manual Training School," designated as S. 30; and be it further

Resolved, That copies of this memorial be transmitted by the secretary of state of the State of Montana to the Senate and House of Representatives of the Congress of the United States and to the Senators and Representatives in Congress from the State of Montana, and that they and each of them be and hereby are requested to use all means within their powers to bring about the passage of said bill.

Progress of the P. W. A. in Region No. 2

EXTENSION OF REMARKS

OF

HON. DOW W. HARTER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1939

Mr. HARTER of Ohio. Mr. Speaker, more than a thousand applications for Public Works Administration grants in P. W. A. region No. 2 remained unfilled when the appropriation for the 1938 program was exhausted. These applications,

which could not be granted, represent many millions of dollars in potential pay rolls and materials.

From all over region No. 2, which is composed of Illinois, Indiana, Ohio, Michigan, Wisconsin, and West Virginia, come expressions of the need for the continuation of the Public Works Administration as a perpetual instrument for the stimulation of industry in times of economic depressions. There have been constant queries from various communities and organizations as to future prospects for obtaining the financial assistance asked for much-needed public improvements which are in abeyance.

The construction industries, which have found in P. W. A. a business lifesaver, are intensely interested in the future of P. W. A. There has been a growing realization and firm belief that in the Public Works Administration a positive solution of the unemployment problem has been found and a solution based on solid economic principles.

This feeling is well expressed in a statement to the citizens of Wisconsin issued by the Wisconsin Construction Industries Advisory Council, representing 40 employers' trade associations and covering every branch of the construction industry. This statement says:

> It is the contention of the construction industry that the P. W. A. program—a 100-percent construction program—by maintaining normal trade relations and trade volumes prevents unemployment and thereby offers a positive solution of the unemployment problem.

This same statement also contains this characterization of the operation of P. W. A.:

> The P. W. A. program uses the established organizations and the competitive-contract method of the construction industry. It produces projects of lasting value to the community and pays the prevailing wage at the site. The workers are on a full-month work basis, are nonrelief taxpayers, unemployment-benefit and old-age benefit insurance-paying citizens. They work on projects of a more complicated type requiring definite costs.

One of the outstanding accomplishments of P. W. A. is that its record shows it has been able to increase wage levels without increasing the cost of its projects. Actual figures are on record showing this fact. The reason for this is explained by labor authorities in that P. W. A., through its various divisions and sections, in being largely responsible for the increase in wages to higher levels, insures a higher quality of workmen for high-class work and gives employment to skilled labor.

Employers are placed in a position to demand and to obtain higher efficiency both in quality and quantity of work and have been able to construct projects below estimated costs even with the increased wages. High wage rate jobs come under estimates because the contractor knows what his labor can produce.

Past P. W. A. programs since its inception show that up to January 14, 1939, 353 non-Federal projects have been completed in region No. 2. For these projects P. W. A. loans of $18,417,958 were made and grants totaling $33,294,414 were approved by the President. The estimated costs of these projects were $107,158,702. The total actual cost to date is $103,158,465.

The actual cost of completed projects was about $4,000,000 less than estimated costs.

Since the first Public Works Administration program there has been a growing conviction that here is an organization that should be continued as a permanent Government agency, its record being the overwhelmingly convincing argument for its continuance. It has been a cumulative growth of public opinion registered by the applications by communities with each succeeding program.

It was climaxed by the 1938 program which was accomplished on a vast scale, far in excess of previous programs and put into operation in 6 months, an amazing accomplishment never before paralleled. In region No. 2 between the inauguration of the 1938 program through the act of Congress in June until the dead line of September 30, 1938, communities in the six States rushed in applications for grants to the number of 2,643. President Roosevelt approved 1,780 P. W. A. non-Federal grants for the region. Of this number, before the dead line for the start of construction, 343 had been rescinded because of the inability of the applicant to comply with the conditions set down by P. W. A. to qualify for grants, usually a financial problem which could not be solved by the community within the limited time. This leaves 1,437 active dockets in the region, all now under construction.

For these 1,437 active dockets, many of which have multiple units, loans have been granted by P. W. A. totaling $3,664,500; approved grants totaling $172 ,001,025; and the projects under construction have a total estimated cost of $382,548,437.

Up to the middle of January 1939, P. W. A. programs in region No. 2 have been responsible for the employment of approximately 86,000 men. This includes only the starting forces of the 1938 program, which will not reach the peak of employment until summer.

The immediate and tremendous response to the 1938 P. W. A. program by communities willing and anxious to levy taxes upon themselves for 55 percent of the cost of public improvements is illustrated by the distribution by counties of the applications. There are in the six States of region No. 2, 491 counties. Of this number 351 received grants under the P. W. A. program, or about 73 percent. These grants, of course, were in addition to grants under previous programs in which counties not represented in the current list had participated. Four of the six States applied for and obtained multiple grants for State-wide highway programs. There remains a wide field for further work in this line.

An extended study by the Bureau of Labor Statistics shows that for each man-hour of employment on site about 2½ man-hours are created off site in industries providing materials, in transportation, and administrative work. Some engineers and economists believe this figure to be altogether too conservative.

According to the Bureau of Labor Statistics, the 1938 P. W. A. program in region No. 2 will require orders for $227,797,000 worth of construction materials.

It will provide 132,358,000 man-hours of employment at the site of the projects and 277,225,000 man-hours in industries providing materials, in transportation, and other necessary work.

Iron and steel products are the largest factor in construction materials. For the 1938 program there will be required about $60,486,000 worth. Cement is the next highest. Both will be furnished to a large extent by plants in the region.

Fourth-quarter reports of the steel companies reflect the impetus that P. W. A. orders have given that industry in increased earnings and in increase in the capacity of production at which the steel mills are operating.

The same spur to the heavy industries is shown in other lines, as orders for the 1938 P. W. A. projects cover all fields of construction materials.

In region No. 2 the value of P. W. A. as a sound solution to the employment problem during the recent period of business slump has not been questioned. It has proved its case. What of the future?

Region No. 2 now has on file more than a thousand applications which have been tested and examined and found sound from a legal, financial, and engineering standpoint and qualifying as of permanent nature and socially valuable, and which have not been approved because of the fact that the 1938 appropriation for P. W. A. has already been exhausted.

Other communities have notified Regional Director D. R. Kennicott that they will be ready to file as soon as they learn whether or not P. W. A. is to be perpetuated. P. W. A. projects in region No. 2 have aroused a healthy spirit of community emulation and desire for public improvements. There are queries and criticisms from various communities because they did not receive P. W. A. grants while neighboring communities were favored.

There is this reservoir of applications ready should Congress decide to continue P. W. A. It is a larger list than was waiting at the start of the 1938 program.

There has been a general upturn in employment throughout the region as the P. W. A. 1938 program swings into active construction. Chicago's great $40,000,000 subway made possible by P. W. A. grant of $18,000,000, a $7,000,000 school-building program in Chicago, and other projects throughout the six States of the region are offering employment to thousands with the consequent improvement in business conditions brought about by increased purchasing power.

In the applications which await the future decision as to the continuation of P. W. A. schools bulk largely. Scores of communities are anxious to build new schools and improve their present educational facilities. A number of sewage-disposal projects are also pending, many of which found the time too short to complete financial arrangements in order to qualify for grants under the 1938 program. They are now ready to apply. There are also many paving and hospital projects yet to be considered.

Opinion in the region so far as reflected by newspapers, construction organizations, union labor, and various civic organizations favors a continuation of P. W. A. as a stabilizing influence in times of financial and economic distress and as a sound institution to be perpetuated in times of prosperity to concern itself with the construction of public improvements of benefit to the people at large and to be spread over a period of years. There will always be this field both in the way of new improvements and in the replacing of public buildings and projects which have become obsolescent or inadequate to serve their purpose.

Annual reports of the heavy industries, particularly fourth-quarter reports, at which time the 1938 program was swinging into the construction phase, have reflected the benefits of P. W. A. The pick-up in employment through P. W. A. projects has been shown in the retail-trade reports.

As outstanding examples of P. W. A. projects, I would like to cite the Black River bridges now under construction in my district in northeastern Ohio. These bridges rank foremost in civic improvements in Lorain and Lorain County. These two huge structures, made possible by grants from the Public Works Administration have long been desired, and when completed will replace the present unsafe and inadequate structures. The present bridges were constructed at the turn of the century to take care of the then existing traffic. But Lorain kept pace with the rest of Ohio and the Nation in the march of progress, and these vital traffic links became inadequate. The two new bridges will take care of not only present-day traffic but will allow for a normal increase for many years to come.

The Public Works Administration has, as the Federal Government's share, made grants totaling $1,224,832 toward the $2,732,960 cost of the bridges. The bridge over the Black River connecting Broadway and Twenty-first Street with the junction of Kansas Avenue and Colorado will cost $1,364,560 and will supply an estimated 364,542 man-hours of labor. The entire bridge, including the approaches and the underpass, will be 6,000 feet long, connecting State Highways 57 and 611, and will offer great advantages to not only the people of Lorain but to tourists.

The bridge over the Black River at Erie Street, to cost $1,368,400, will be 1,300 feet in length and will supply 258,237 man-hours of employment. This bridge will prove of immense importance because it will handle the through traffic between Cleveland and Toledo, which is constantly passing through Lorain.

Aside from the immense value of these important improvements in communication and convenience, consider a moment what this construction means for my community in employment and pay rolls. These two bridges will furnish a total of 622,799 man-hours of work to residents of Lorain and Lorain County. The Bureau of Labor Statistics of the Department of Labor tells us that for every man-hour of employment at the site of a P. W. A. project, two and a half man-hours of work are created in industry supplying, handling, and transporting the necessary materials. Using this formula, we find that as a result of the employment to be provided at the bridge sites, 1,566,947 man-hours of indirect employment will be furnished at the source of manufacture.

This makes a total of 2,179,726 man-hours of employment, direct and indirect, growing out of the construction of these necessary improvements, thus offering a splendid example of the President's recovery plan putting men, money, and machinery back to work. Transportation will come in for its share in moving the fabricated materials from manufacturing points in at least 15 States to Lorain. Pay rolls not only in Lorain, but at the places of manufacture will be spent for food, clothing, and rent, thus providing necessary and highly important stimulus to the consumers goods industries.

The Public Works Administration has played a vital part in stimulating business in my district and in helping us to make our community a more modern and better place in which to live. We were glad to match the Government's 45-percent grant by supplying 55 percent of the cost ourselves. Not only did the P. W. A. furnish us with financial aid, but it extended valuable guidance and counsel as well. Because of its supervision we know that these projects will be the best that this amount of money possibly could buy. The people of Lorain value the work the P. W. A. has performed for them.

The great accomplishments in region No. 2 made possible through P. W. A. grants and loans have opened the eyes of the people to the fact that they are only making a start on a vast program of betterments for everyday life. There is a strong feeling that it should be continued and that P. W. A. is the one and only instrument that can make its continuation possible.

The National Labor Relations Board—St. Louis Litigation

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1939

Mr. COFFEE of Washington. Mr. Speaker, we have recently been hearing severe criticism of the manner in which the National Labor Relations Board is conducting some of its cases. There are in this House five bills, and in the Senate five or six more, all of them suggesting amendment to the National Labor Relations Act. Back of these suggested amendments lies an assumption that the act needs clarification or Board practices need correction, or both. In good time a scrutiny of the act itself will take place. Meanwhile I think it important to inform ourselves in regard to that entirely separate question, the proper handling by the Board of its cases.

THE BOARD HAS A RECORD OF SUCCESS IN TRIAL AND APPEAL

On its face the Board seems to be making progress. In spite of recent Supreme Court reverses its litigation record, over all, still stands in the front rank of all administrative agencies of the Government. The Board itself tells us that it has managed to settle 8,000 labor disputes, representing more than 50 percent of all its closed cases, and without resort to costly formal proceedings. The Board states that during less than 4 years it has settled 1,500 strikes and averted 600 others; that it has peacefully conducted 1,800 elections; reinstated many thousands of unfairly discharged workers, and that in general the habit of cementing peaceful working agreements between workers and employers is taking hold throughout industrial America despite the unhappy strife in which labor itself is engaged.

LET US NOT HINDER LABOR'S RAPPROCHEMENT

Tomorrow the President of the United States himself will meet with labor's warring factions, so concerned is he that

this division may not remain a hazard to industrial peace and security. I think it vital at this critical moment that we do what we can to aid the President in his undertaking by trying to pacify, and not to rile still further, these complex cross-currents in which labor and the Labor Board are struggling.

For that reason I have made a personal study of charges brought against the Labor Board last Thursday on the floor of this House, charges, Mr. Speaker, which, if true, must demand our action. I refer to the fourfold indictment brought against the Board by the gentleman from Missouri [Mr. ANDERSON].

AN EPISODE AT ST. LOUIS

His primary charge concerned the testimony at a Board hearing in St. Louis of one Mrs. Ethel Spangler, who swore on the stand that an attorney for the Board, Thurlow Smoot, attempted to persuade this Mrs. Spangler's 17-year-old daughter to give false testimony on the promise that she would be paid enough to open a beauty parlor of her own. If that is what is going on, I agree with the gentleman that the Labor Board requires investigation. The gentleman himself accepts this charge against the Board as accurate, basing his belief on the fact that three St. Louis newspapers carried virtually the same descriptions of Mrs. Spangler's testimony.

For myself I find nothing extraordinary in the fact that three newspapers carried identical versions of her testimony. Good reporters naturally pick up a lively bit of testimony, and the better reporters they are the more nearly will they agree as to what a witness says. St. Louis happens to have three very good newspapers—the Post-Dispatch, the Star-Times, and the Globe-Democrat. This Labor Board case is an important local issue involving charges by a sound and well-established labor union, the International Ladies Garment Workers, that the Forest City Manufacturing Co. discharged for union activities some 17 of its 800 workers.

AN AMAZING WITNESS TESTIFIES AND RECANTS LATER

I am willing to reserve judgment whether or not this employer treated these workers unfairly, exactly as I would wish judgment reserved whether the charges of this Mrs. Spangler against the Labor Board are true or whether she had fish of her own to fry. The gentleman from Missouri supposes, because she said it on the witness stand, that it must be true, and he finds the Board's conduct very reprehensible. Had he waited a few days, however, before jumping to unkind conclusions against the Labor Board he would have found these same three St. Louis newspapers reporting that Mrs. Spangler herself is of uncertain veracity and that other witnesses considered her testimony completely false.

THE SPANGLER INCIDENT

This Mrs. Spangler is of no consequence. But it is important for us to know whether these frequent and sweeping allegations against the Labor Board have any foundation in fact. The gentleman, Mr. Speaker, did not go beyond newspaper accounts for his evidence of Labor Board wrongdoing. I shall therefore not be any more profound in my sources of information.

I have in my hand clippings from the three St. Louis papers during the days immediately following Mrs. Spangler's testimony that an agent of the Labor Board attempted to make her perjure herself under promises of bribes to set up her daughter in the beauty-parlor business. Again we find all three St. Louis papers in agreement as to testimony, but this time they all report the lame explanation of Mrs. Spangler's daughter that no beauty parlor, after all, was mentioned in any conversation which she could remember. They further report Mrs. Spangler's admission that she had consistently deceived fellow union workers during the time she was a member of the Ladies Garment Workers. The Star-Times has her saying, and I quote:

Everything I gave the union was false.

A REMARKABLE SELF-REPUDIATION

The newspapers further report that Mrs. Spangler admitted giving false testimony at a 1937 arbitration hearing; that under cross-examination she remarked concerning this incident—and I give her direct quote as reported by the Post-Dispatch:

I didn't care whether I told the truth or not. I knew whatever I said didn't make any difference, anyway.

I agree, from everything I find reported about her, that Mrs. Spangler's statements make very little difference to anyone, except as they may be picked up and accepted as gospel in a situation where false rumors endanger the industrial peace of the entire country.

Who is this Mrs. Spangler? A part-time union organizer who was one of those who signed the charges against her employer and then suddenly changed her mind. We find her, according to the St. Louis newspapers, signing a 35-page affidavit reciting all manner of allegations against the Labor Board, an affidavit which was drawn up in the office of the vice president of the company, and with the aid of Charles A. Spoerher, the latter being attorney for A. A. Ahner, a former labor spy and now the so-called industrial counselor for Mrs. Spangler's employer.

LABOR SPIES AND A. A. AHNER

If there is more in this story than meets the eye, I, for one, should like to know more about the connection of this 35-page affidavit of a doubtfully truthful witness and the man A. A. Ahner, whom the Forest City Manufacturing Co. has paid $18,110 over a 4-year period ending January 10. Part of that money, according to the Globe-Democrat, went for the employment by Ahner of women spies to keep Ahner informed of union activities among company employees. Ahner has been actively advising the company in regard to this Labor Board hearing since it first became a possibility. Since last October Ahner has been paid $2,400 in fees. During this hearing Ahner sits in the courtroom. On last Thursday—the day on which the gentleman from Missouri brought these matters to our attention—two witnesses refuted Mrs. Spangler's previous testimony that she had never seen A. A. Ahner until recently.

This is not the first time the Labor Board has run across the trail of A. A. Ahner. I will not mention the name of the St. Louis company involved, because that company has since made amends by complying in full with a cease-and-desist ruling of the Board. But I will read you what the Board's decision had to say in the year 1936 about this same A. A. Ahner and his connection with the company in question:

Ahner, before organizing his own companies, was what is called by detectives an "operative," and for 5 years St. Louis district manager of the Railway Audit & Inspection Co., a Nation-wide private detective agency engaged largely in "investigating" labor-union activities, breaking strikes, and furnishing guards and strikebreakers. He has had wide personal experience as a labor spy by joining labor unions to report their activities to employers.

OTHER CHARGES ANSWERED

I have examined this matter at length, because I felt that the gentleman from Missouri was somewhat hasty in condemning the Labor Board on the reports of what one witness at one of its hearings had alleged. But the gentleman, also last Thursday, made three other charges against the Labor Board. Those, too, I have examined by doing what I think we ought to do more often in such cases—going directly to the Labor Board and asking for facts. From the Board I have direct answers, which, I suppose, are susceptible of proof.

To the charge that three witnesses in a St. Louis hearing of a Labor Board case were denied the opportunity of testifying, the Board tells me that all three were given such opportunity and recites page numbers of the record to prove it. The rumor in this instance, it appears, started because the Board's examiner at first did refuse to hear their testimony, but upon a later showing that it might be relevant he permitted them to take the stand.

The gentleman further proposes against the Board's good name that its regional attorney at St. Louis made a speech to a union meeting in which he is supposed to have pleaded with the members not to desert the union. The Board, however,

informs me that both the company and an intervening labor organization later requested the trial examiner to strike from their answers all allegations alleging misconduct by Board agents. Again I am provided by the Board with page citations from the record to prove its contention.

The final allegation against the Board is that it has disciplined one of its regional directors by suspending him pending investigation of a newspaper report that he publicly declared that an employer has no chance before the Board. I presume the Board will in due time make public its findings on its investigation of this newspaper story. Meanwhile, especially in view of my own findings upon investigation of charges against the Board's agents, I intend to remain calm and in a state of suspended judgment.

LET US ASCERTAIN THE FACTS ERE WE CRITICIZE

I know that the gentleman from Missouri had no purpose other than to suggest that these rumors of Labor Board misconduct require investigation. I am happy to present him with the results of my own inquiry into the matters he views with such concern. I think in this critical time of appraisal of the Board and the act, and at this moment when the President of the United States is applying himself personally to the cause of peace between labor's divided houses, that we should not be too hasty to ascribe blame to an agency in whose proper functioning we have so large a stake.

Address Before Pennsylvania Manufacturers' Association

EXTENSION OF REMARKS
OF
HON. FRED C. GARTNER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 6, 1939

ADDRESS BY JOHN M. FLYNN, FEBRUARY 28, 1939

Mr. GARTNER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of John M. Flynn, president, to the members of the Pennsylvania Manufacturers' Association at the annual meeting of the Manufacturers' and Bankers' Club, February 28, 1939:

For the first time in nearly 5 years hope brightens the horizon here in Pennsylvania. We are on our way back to sound sense and sanity in government. At Harrisburg economy and systematic savings are being substituted for long-continued extravagance and waste. In short, government in this Commonwealth is being brought back within its rightful sphere of operation and usefulness.

But there are no easy paths or short cuts. This change, which was effected through the election last fall and which became operative with the inauguration of Governor James on January 17, cannot be brought about overnight or in any but the hard way. I think it is for all of us to be grateful that when the Republican Party returned to the control of the affairs of this Commonwealth, it was with a Governor who has the experience, the sound viewpoint, the courage, and the determination to take the many and intricate problems of present-day State government in his stride. For the future is bound to hold many severe headaches for the James administration. It could not be otherwise with the vicious extravagance and waste and the downright mismanagement which have characterized the last 4 years. Everybody now knows that affairs at Harrisburg were in an unholy mess. But it was no accident. The situation left by the Earle administration could be well described by paraphrasing the remark of a once highly popular statesman: "It did not just happen; they planned it that way."

I think it is our duty therefore not only to have extreme patience as Governor James attacks the many and difficult problems that confront him, but to give him every possible cooperation as he heads the way in this common purpose of getting out of the financial morass and the legislative tangle that have been left by 4 years of spendthrift misrule. And if we would give the most intelligent help and cooperation it is necessary that we have a pretty clear understanding of just what confronts us.

Let's stop for a moment to look at the more fundamental aspects of the national situation.

If we accept the President's own estimates of Federal expenditures for the current and the next fiscal year, the seven successive fiscal years of the Roosevelt era—1933 to 1940—will give us these staggering figures:

	Billions
Federal expenditures during the 7-year period	57.1
Accumulated deficits of the 7-year period	22.7
Federal debt at end of this 7-year period	44.5

Throughout this 7-year period annual expenditures by the Federal Government will have averaged 8.2 billions of dollars a year. And through recurring deficits exceeding anything in American history over a like period—and averaging 3.2 billions a year—the national debt will have been brought to within half a billion dollars of its present statutory limit.

It is well to know what this national-debt figure means. It is seven times the total amount of money now in circulation in the United States. It is more than one-third of the entire assessed valuation of the 48 States. Pennsylvania's share, for example, will be three and one-half billions of dollars, which is more than the entire national debt ever amounted to prior to our entrance into the World War.

Yet in spite of those huge expenditures, the accumulated deficits, and the steadily increasing debt the American Federation of Labor calculates that the number of unemployed during 1938 was only about 10 percent less than when—in the name of national recovery—the Roosevelt administration began the greatest spending spree in all history.

Actually the situation is much worse than that. In 1929 the Federal Government was operated with 833,000 employees. In June 1938 the number was 1,194,000, exclusive of all "relief" and other "emergency" workers. The increase was 43 percent, and 42 percent of it has been since 1934 and hence within the Roosevelt administration. It is the inevitable consequence of the vast system of overlapping bureaus, agencies, and commissions which have been set up in the name of government during that period.

In other words, for the year 1938, the number of those dependent upon the regular jobs of Federal, State, and local governments, plus those on relief and made work, adds up to no less than 30,000,000 persons. The appalling fact is that out of our entire population, one in every four is living upon government. The ratio of producers to nonproducers has dwindled until now it is only 4 to 1. And the terrible significance of this situation is clear. Actually, that part of our population which creates wealth, which works for the future, has been continually diminishing, while that part which, directly or indirectly, lives upon the state has been ceaselessly growing.

Meanwhile the incentives to investment in productive and allied activities have been stifled not only by the terrifically increased burdens of general and pay-roll taxes, plus the persistent antagonism of government toward business, but by such disproportionate rises in costs of production as have, for example, held construction activities almost to zero over a period of years, and, in the case of manufacture, have advanced those costs by at least 20 percent over the peak year of 1929.

Col. Leonard P. Ayres, nationally known economist, recently made this significant statement:

"For a period of years prior to the depression electric utilities floated about a billion dollars of new capital and carried forward a program of construction amounting to about a billion dollars a year. Railroads were spending two billions a year in capital expenditures and for materials."

The present fact is that the electric utilities have been the subject of almost constant attack by the Government since 1933, in addition to which the Government has entered that field in a large way as a direct and powerful competitor of privately owned enterprise. Upon the other hand, our railroads have been operating under the great handicaps of depressed business and increasingly severe competition. Obviously, new capital is not entering either field, nor is it being expended upon a scale even approaching the previous period. As a matter of fact, the total of all new capital that was invested in all forms of corporate enterprise throughout the United States during the last 3 years averaged only about 20 percent of the annual average for 1929 and 1930.

So much for the national situation, about which one thing is very clear: If we are not to plunge headlong into that national bankruptcy which the President himself, as a candidate, warned would be the inevitable consequence of unrestrained spending, and "deficit piled upon deficit," the Government of this Nation must speedily and radically change its course.

Most observers agree that the result of the November elections in this and many other States was a distinct mandate to do that very thing. The Republican membership of the lower House of Congress was almost doubled. More than 100 of the Democratic Members were elected by majorities so slim that they barely made the grade. The Democratic majority has dropped from 227 to 87. But the important thing is that this is not a New Deal majority. Recent events have shown that the number of Democratic Congressmen who do understand the mandate of last fall's elections, and who therefore are opposed to the spending policies of the New Deal, is such that, when joined with the Republicans, it constitutes an anti-New Deal majority sufficient to defeat, or vitally amend, important legislation, although it may have the aggressive, and even the belligerent, support of the White House.

The fact, therefore, that the President himself does not recognize or will not concede this mandate, but upon the contrary may contest it and fight against it, is after all perhaps the best assurance that the people will express themselves so conclusively in 1940 that there cannot possibly be two opinions concerning their determination that Government shall function within the confines of reasonable income—that Government shall aid and not stifle national recovery.

When we turn to the Pennsylvania situation it is not surprising to find a complete duplication here of our national problems and difficulties. As has been said: This did not just happen; they planned it that way.

I have had one of our own staff compile the financial burden now bearing upon productive enterprise in this State. Experts in the fiscal affairs of the Commonwealth have examined that compilation and pronounced it accurate.

Following are the important State taxes and other direct burdens, and the share of each that is borne by productive enterprise, per biennium:

Capital stock tax	$30,000,000
Bonus tax	1,000,000
Corporate net income tax	51,000,000
Gasoline tax	25,000,000
Unemployment compensation tax	90,000,000
Administering workmen's compensation	1,200,000
Increased benefits workmen's compensation	34,000,000
Old age benefits (Federal)	63,750,000
Total	295,950,000

Of the above, $262,750,000 has become effective since January 1935.

Where does the money go? Well, part of it has been going for padded pay rolls. But that is not the big item, nor can the major saving be effected there. The fact is that during the calendar year 1938, expenditures (State and Federal) for all forms of relief in Pennsylvania exceeded a quarter of a billion dollars. The figure is staggering. More than 17 percent of our people are being carried upon relief, in one form or another.

The assistance expenditures by the State alone during 1938 amounted to $111,000,000, in round figures, divided as follows: Seventy-six millions for direct relief; twenty-four millions for State old-age assistance; four millions in aid to the blind; and seven and one-fourth millions under the heading of mothers' assistance.

But again that does not reflect the whole problem. For, in his State-wide radio broadcast of January 27, Governor James pointed out that the preceding administration not only had spent the $25,000,000 by which the revenues from so-called emergency taxes exceeded original estimates, plus the $45,000,000 procured by putting taxes upon a self-assessing basis, but likewise it had gotten rid of approximately $50,000,000 more, which should have been in the Treasury with which to carry on the government from the day the James administration took over, until the end of the current biennium on May 31, 1939.

This is just an outline of the staggering situation with which Governor James was confronted and which he must change drastically in order to put the Commonwealth upon an even keel. He has attacked the problem with heroic courage. During the campaign he pledged that there would be no new taxes, and, as you know, he has set himself and his administration to the desperate task of balancing the budget of the next biennium at approximately $372,000,000. That figure involves the liquidation of the fifty million deficit of the present biennium, and the Governor has frankly stated that if the budget is to be balanced at three hundred and seventy-two millions for the 1939–41 biennium, it will have to be through the saving of somewhere between fifty and seventy millions of dollars.

All that I have tried to set forth here is that the problems are many and of major proportions. But I believe, as I said in the beginning, that hope brightens the horizon. Unmistakably, a majority of the people of this Nation have set their face toward drastic, common-sense economy in government. In Pennsylvania we have a Governor who can and will carry that purpose to a victorious conclusion. Business, industry, and workers alike all have confidence in him.

More and more the truth is being recognized that no nation, no state, can go on indefinitely decreasing the number of those who produce its wealth and increasing the number of those who are dependent upon the declining number of producers. There is only one road back, and that is the hard way—by rigid governmental economies, by drastically reduced public expenditures, by a lightening of the tax and every other unnecessary burden upon business and industry, and by an intelligent protection of our markets and our workers. All of these things are necessary in order that the inducements may be restored for capital to flow into productive enterprise, so that private employment again may supply the purchasing power which is the necessary fuel of our economic machine.

Seven years of spendthrift experimentation, of pulling rabbits out of hats, has shown that sound methods are the only really honest methods. And under a courageous, common-sense administration now installed in Harrisburg, we in Pennsylvania are on our way.

Denver's Opportunity School—"For All Who Wish to Learn"

The Emily Griffith Opportunity School, which "teaches anybody anything—and turns public-school truants into eager students."

EXTENSION OF REMARKS

OF

HON. LAWRENCE LEWIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1939

ARTICLE FROM THE AMERICAN LEGION MAGAZINE, AS CONDENSED AND PUBLISHED IN THE READER'S DIGEST FOR FEBRUARY 1939

Mr. LEWIS of Colorado. Mr. Speaker, Denver is justly proud of its excellent public-school system, of which one of the unique and outstanding features is the Emily Griffith Opportunity School. Although now housed in a rather shabby old school building, at Welton and Thirteenth Streets in downtown Denver until better quarters can be provided, it is an institution which has attracted the favorable attention of eminent educators in all parts of the Nation. It is a monument to the vision and energy of Miss Emily Griffith, its founder and first principal.

Out of years of practical experience as a teacher in Denver, there came to Miss Griffith the vision of "A school which teaches anybody anything" and which she believed would "turn public-school truants into eager students." Thanks to this vision, to the ability of Miss Griffith to persuade the school authorities 22 years ago to allow her to try out her plan, and to her tact, enthusiasm, and tireless energy as Opportunity School's organizer and first principal, Denver is chiefly indebted for what has been proved to be, not merely another experiment in vocational education but a preeminent success.

Unhappily, Miss Griffith almost wore herself out in working to make her vision a reality and was obliged to retire 5 or 6 years ago. But the good work of the institution which she envisaged and founded goes on under the able direction of Mr. Paul L. Essert and Miss Mary F. Miller, heading an efficient and enthusiastic staff. The spirit which Miss Griffith imparted to the school still lives. A grateful city has renamed it The Emily Griffith Opportunity School. It is her monument.

In the American Legion Magazine for February 1939, Marc A. Rose sketches the work of this school. This article, as condensed and published in the Reader's Digest for February 1939, is as follows:

The boy was all hands and feet and a sullen scowl as his discouraged father shoved him through the crowded school corridor to the desk of Paul L. Essert, the principal. That's Essert's "office," the open hallway, near the front door.

"I can't do nothing with him," said the father, anger tightening his voice. "He runs away; he bums * * *"

Essert interrupted. "Leave him here. I can't talk to him with you around, in the mood you're in."

The man hesitated, shrugged his shoulders, walked away.

"Now, what's the matter?" Essert demanded.

"He says I've got to come to school here. I don't want to."

"In that case, don't worry; you won't have to come. As a matter of fact, I won't let you."

The boy looked a little affronted.

"Why can't I? Ain't I good enough?"

"You can't come here because you don't want to," Essert explained. "Nobody can. That's a rule here. So you've got nothing to worry about. But, look—you'd better stay long enough so your father will think we've had a good talk. I've got to make a trip around the school; part of my job. Come along."

So stubborn young Gus Placek trailed through the print shop, through a room where a dozen telegraph instruments clacked in amateurish rhythms, through the fragrant bake shop, through rooms where scores of typewriters raised an unholy din. He listened a few minutes to a girl making a speech before an audience of

60 people of all ages. He glanced at a sewing room, a beauty shop. He watched linotypers, bricklayers, carpenters. He stood for a long time before a lathe in the machine shop. Essert waited; said nothing.

"Well, that's all," said Essert, back at his desk. "See anything you liked?"

Gus came out of his shell.

"Say, mister, * * * them machines. Gee, they're swell. I'd like to run one of them. Could * * * how does a fellow get to do that?"

"Sure you'd like to?"

"Honest I would * * *," but then a shadow crossed his face. "What else would I have to do? What would I have to take?"

"Nothing," said Essert. "Nothing at all."

"But in school you always have to take somethin' you don't like. Arithmetic, or writing, or history, or things like that."

"Not here," said Essert.

And so Gus started to learn to be a machinist in the Denver Opportunity School. It wasn't long before he had to write out a slip requesting certain materials and explaining why he needed them.

"Can't read it," said the instructor. "Doesn't seem to make sense."

That happened a number of times. Gus was stymied; he couldn't get any further, it appeared, until he could do the "paper work" that is essential in any shop. So he entered a class in English. He was stymied again when he couldn't figure out three-fourths of seven-eighths of an inch, to mark where a hole had to be drilled. So Gus took up arithmetic. Did well at it, too; for the first time he saw some sense in it.

There's an end to this story. Gus is now a machinist, and a good one.

Ten thousand men and women, boys and girls, study in Denver's Opportunity School each year. The youngest on record so far was 13; the oldest, a Frenchman, a retired barber, got his high-school diploma at 82.

It is one of the most amazing schools in the world. It has no rules, no grades, no admission requirements, no diplomas, no graduations except in the regularly accredited high school, which is just one small department. It comes nearest of any school in existence to the ideal of giving "any kind of service for any individual when he comes and asks for it." So said a group of distinguished educators who investigated it carefully.

There's an inscription on the front of the shabby old building. It isn't a fancy Latin motto. It reads simply, "For all who wish to learn."

It means just what it says. There's a class for girls who are about to be married; I wasn't allowed to visit that. But I did look in on the class in gold mining. There's a class in beginners' English. We glanced through the door at a group of graybeards, and grandmothers, and dark Mexican girls, and one bright, eager young man, a refugee from Vienna. In an algebra class, a little old lady explained that she had had to be practical all her life, and now she wanted to learn something useless.

Experience has taught the Opportunity School to be wary of volunteering vocational guidance. Its advice almost always is, "Do what you really want to do." That is why nobody tried to dissuade the fat old Negro washwoman who wanted to study in the millinery class. It was just as well, for now she is making an excellent living at it. She has a flair for designing bonnets that enrapture middle-aged women of her race. Then there was the deaf-mute girl who wanted to learn beauty-shop technique. How would she ever get a job, the teachers wondered. But she did. "Got any more like her?" the proprietor demanded the other day. "I wish none of 'em could talk!"

About 1,500 students a year get jobs through the school. What about the other 8,500? Why, they already had jobs, most of them. Now they have better jobs. A young scholar working for his Ph. D. followed up 178 employed men and women to discover what they got out of the school. Ten showed no change in wages. Almost half of the rest had more than doubled their income because they had learned new skills. The others got raises of 10 to 100 percent.

This is all free, you understand; Opportunity School is part of the Denver public-school system. And Denver is immensely proud of it.

It is hard to say which of the school's many functions is the most valuable, but I incline to the belief that the most important is its training of employed people for the next step ahead—or sometimes, merely to keep their jobs. A class of railroad men, for example, is studying a new airbrake that is just being introduced. Garagemen are learning new techniques of welding. Scores of shopgirls are studying for advancement; often at the suggestion of their employers. There are two rooms full of employed secretaries who come for drill in speed dictation.

Nearly everybody in the class in public speaking has a job. The only trouble is that this class is too popular and overcrowded. Here it is not unusual for the clerk to meet his boss. The clerk wants to conquer his timidity, acquire poise and confidence that will make him a better salesman. The boss is there because he wants to learn how to make a good pep talk to his own staff. Besides that, he has a few pet ideas he would like to put across in the merchants' association, if he could only learn to make his points when he's on his feet.

Surprising things come out of that class. There was the newly widowed mother of three children who faced the problem of earning a living. She thought that maybe, if she could conquer her shyness, she could get a job in a store. When it was her turn to speak, she talked about the only thing she understood—how to cook a good dinner. It sounds fantastic, but a sales manager heard her that night, and now the widow lectures and demonstrates before large crowds for his company—which makes gas stoves.

Second in importance is the help the school gives to thousands who did not fit into a standard school: Middle-aged folk from the mountains, where educational opportunities were few in their youth; boys like Gus; maladjusted youngsters who are stubborn and unruly at desks, but given something to do with their hands, develop swiftly and eagerly. Others who, through a not uncommon psychological quirk, just cannot endure the ordinary school's regimentation, but thrive in the "no rules" atmosphere of Opportunity School—with no attendance records, no examinations, no grades, no required subjects, no specified length of courses. They study the one thing they want to learn, and if they are led on, like Gus, to study books as well, it is done so subtly that they never know it was deliberate.

Sooner or later, Paul Essert talks with every student—10,000 a year. Most of them come to him and tell their stories. The rest, he seeks out. One reason he has no office is that there's no room for one. Every inch of space is in use, day and night. Numerous classes meet in the halls, behind folding screens. But secondly, Essert likes to be accessible. It's the spirit of the place—the same spirit which leads Denver businessmen to teach classes for $4.25 a night. And it traces back to Emily Griffith, an eighth-grade teacher in Denver.

She was a kind of social missionary. When children were absent from her classes, she looked them up in their homes. Nine times out of ten, she asserts, the trouble at home was unemployment, and usually that was traceable to one of three things—the advance of the machine, lack of training, or broken English. She had a vision of a school that would train people to new skills, and, finally, she was allowed to start it in the old schoolhouse in downtown Denver. It was a tremendous success, and the spirit she has created has carried on since her retirement.

The Opportunity School teaches more than skill with hands. It is a character school. It builds self-respect and self-confidence. It teaches attitudes—regard for the rights of fellow workers, courtesy, neatness, the necessity of cooperation.

Employers know that. A card from the Opportunity School is as good a recommendation as a job seeker can get—and yet all it says is, "Gus Placek has been attending our classes in the machine shop for —— months." That's all it says—but you can't have one until the instructor thinks you are ready to get and hold a job.

The school has a creed: "Unlimited faith in the capacity of every normal human being, if given a fighting chance, to become a self-sustaining, self-respecting, happy member of society."

That's a little elaborate for some of the students in Opportunity School. But they understand the cards that are stuck all over the place. The cards say: "You can do it."

One Hundred and Fiftieth Anniversary of Congress

EXTENSION OF REMARKS

OF

HON. HIRAM W. JOHNSON

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Tuesday, March 7 (legislative day of Monday, March 6), 1939

RADIO ADDRESS BY HON. CHARLES L. McNARY, OF OREGON, MARCH 4, 1939

Mr. JOHNSON of California. Mr. President, I ask leave to have printed in the RECORD a radio address delivered by the senior Senator from Oregon [Mr. McNARY] on March 4, 1939, in observation of the one hundred and fiftieth anniversary of the first meeting of Congress.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In joyfully commemorating tonight the one hundred and fiftieth anniversary of the first scheduled session of the United States Congress it is natural that our thoughts should turn abroad as we contemplate our own good fortune.

We are an easy-going people. We have a tendency to take for granted the circumstances surrounding our daily lives. Just as we breathe fresh air without thinking about it so we live and move in an atmosphere of freedom and liberty without being particularly conscious of it. The thought never occurs to us that

we should not say exactly what we think about a policy of government or an official. We do not cast suspicious glances about and then whisper behind our hands. We speak out. We go to the church of our desire. We read openly our favorite newspaper. We wear the kind and color of shirt that we like.

We give no particular thought to all of this. Only on occasions such as today, when we take stock of ourselves do we realize what a blessed people we are. Perhaps you doubt that. If so, I invite you to cast your eyes abroad at this hour when clouds of war darken the horizon of other continents. Contrast what is happening in other lands with American life.

Abroad we see men who have set themselves up as autocrats of power, centering all authority in themselves. There we see men whose dictatorships are more autocratic than the rule of kings. Under the iron fists of these dictators we see other men persecuted and exiled because of the God they worship or the race to which they belong. We see men and women told what kind of work they must do, what they can read and hear, what they must eat.

Hanging over these people is the dreadful threat of being sent into armed conflict against each other at the sole word of rulers intoxicated with power and ambition. In this bloodshed, which already has taken place in parts of the world, the men who do the fighting will have no cause for grievance nor will they profit by the outcome. But they have nothing to say about the steps which lead to war.

What has happened to these people? Why are they doomed to such a miserable plight? The answer is that they surrendered the right to govern themselves for the illusory promise of economic security. Now they have neither economic security nor peace of mind.

Between the people of this country and the sorrowful fate which has fallen on those abroad, which I have just described, stands the American system of representative government. As long as that system prevails Americans will be safe from dictators and tyrannical rule. Let that system in its fundamental provisions be weakened and we shall be confronted by a danger greater than any we have ever known.

The survival of that system for 150 years is the significance of the anniversary we celebrate today. For today Congress assembled in joint session 150 years after its first scheduled meeting. Its place in the American Government today is in essence what it was on the day of its first meeting. Its authority has been kept intact. It remains the first bulwark of American democracy.

Point out, if you will, another government in the world that has not undergone substantial change in the last 150 years. There is not one. For a time during that period representative government grew in strength and flourished in many lands that had known only autocratic rule. But in more recent years, outside of this country, representative government has been ground down until in the totalitarian states it no longer exists. There the people are governed by decrees issued by one man.

In periods of stress and strain the wisdom and value of representative government—of people governing themselves through their freely chosen agents—always are questioned. It was so in this Nation during the Civil War. It was true again during the World War. It happened only lately during the cataclysmic economic upheaval through which we are passing.

Only a few years ago there were men who cried out against maintenance of the deliberative process in dealing with matters that affect the people. They said it was a waste of time; that it was inefficient. The country was better off when Congress was not in session, they asserted. Let one man determine what should be done, it was argued. Then let him be about the job of getting it done. Some even went so far as to suggest that this country needed a dictator. Not until later did they really know what they were proposing.

In response to such clamor, Congress surrendered in some matters its independence of judgment for a time. Discretionary power was voted to the President, which should not be given to any man. The President himself recognized the dangerous course on which we were bent when he declared that "we have built up new instruments of public power" which could be used to "provide shackles for the liberties of the people."

You will recall that a few years ago we were a country ruled in large part through Executive decree. Codes and Executive orders laid restraints on business and agriculture that Congress had not foreseen. Huge sums of money were voted to the President to be used as he determined. All of this was a departure from our traditional government in this country. But now we know that our system was not impaired and that the departure was only temporary.

Nevertheless, such a departure might have had serious consequences had it not been for the vigilance of the American people. Their faith in the wisdom of the American system of government was so deep-seated that our people refused to be tempted by the illusory promise of short cuts to good government. They became alarmed over what was happening.

Well they might have been alarmed! All history teaches that once the door is opened to usurpation of power no man living knows how long our civil liberties will survive. All of our truly great statesmen, all of our patriots, have so warned us from the beginning of our Nation. George Washington commanded that we be on guard when in his Farewell Address he declared that "the spirit of encroachment tends to consolidate the powers of all departments in one, and thus to create, whatever the form of government, a real despotism."

And the Father of our Country added: "Let there be no change by usurpation; for though this in one instance may be the instrument of good, it is the customary weapon by which free governments are destroyed."

Within the last year the American people decisively heeded this ancient admonition, just as they always have in times of danger since Washington first uttered his warning. They undertook to redress the balance of authority in the National Government. They took steps to make impossible the creation of further instruments of power which might in the hands of the wrong men be used to shackle the liberties of the people.

This they did by greatly reducing the swollen power of one party in Congress. Thus on the birthday of Congress we find that body reverting to its traditional independence. We find once again general acceptance of the principle on which our Government is built, namely, that "deliberative forces should prevail over the arbitrary."

For all of us this is a happy circumstance. It would have been ironic, indeed, if Congress, on this anniversary of its establishment, had been found to have surrendered the functions and the independence that are responsible for its survival. But more important is the fact that this country always has been served best when it had an independent Congress that functioned as the Constitution proposed.

It is an old saying that many heads are better than one. A large group of men, after deliberating and discussing policies of government, are less apt to be wrong than one man or a small group of men. Human nature and the pride of authorship necessarily blind men to the defects in their handiwork. Thus the more eyes and minds that scrutinize proposed policies before they are undertaken the better it is for the nation and the greater are the prospects for success.

The policy which our Government should follow in the present disturbed condition of world affairs serves as an illustration of what I mean. In several countries abroad the people have no influence in the framing of such policies. What is worse, they have little knowledge of what is happening. Not only are their newspapers censored but the decisions which may plunge them into bloodshed are made behind closed doors by a few men.

Here under our representative system of government such vital policies are hammered out on the anvils of legislative debate. The presence in the Nation of an alert and vigilant Congress is an antidote against secrecy in the formulation of foreign policy. Moreover, it constitutes a brake on hasty or ill-considered action. Thus if this country again is forced to take up arms—and may God forbid—our people at least will know the reasons and causes for such a course.

Our people can feel content that before this Nation again goes to war they will have a voice in the matter through their elected agents in the Congress of the United States. No one man—no small group of men—can issue the dreaded declaration of war on behalf of this country. It can be done only by Congress and, if at all, it will be done only after the most thorough deliberation.

For this reason alone—and there are many others—today should be one of genuine rejoicing on the part of the American people. For today we have evidence of the strength and vitality of our Government in its survival for 150 years. We know now as we have not known before of the wisdom and care with which the founding fathers established this Republic.

What is more, we have demonstrated again to a restless and turbulent world the strength, the vigor, and the endurance of American democracy. No greater contribution to civilization and world peace can be made than that we carry on unimpaired our traditional system of representative, republican government.

The Constitution

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Tuesday, March 7 (legislative day of Monday, March 6), 1939

REMARKS OF DANIEL WEBSTER IN THE UNITED STATES SENATE

Mr. WILEY. Mr. President, on March 7, 1850, 89 years ago today, Daniel Webster, speaking in the Senate of the United States on the subject of the Constitution, uttered some very important and wise remarks. I ask unanimous consent to have those remarks printed in the RECORD. I shall not read them to the Senate at this time.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

Mr. President, I wish to speak today, not as a Massachusetts man, nor as a northern man, but as an American, and a Member of the Senate of the United States. It is fortunate that there is a

Senate of the United States; a body not yet moved from its propriety, not lost to a just sense of its own dignity and its own high responsibilities, and a body to which the country looks, with confidence, for wise, moderate, patriotic, and healing counsels. It is not to be denied that we live in the midst of strong agitations, and are surrounded by very considerable dangers to our institutions and Government. The imprisoned winds are let loose.

And now, Mr. President, instead of dwelling in those caverns of darkness, instead of groping with those ideas so full of all that is horrid and horrible, let us come out into the light of day; let us enjoy the fresh air of liberty and union; let us cherish those hopes which belong to us; let us devote ourselves to those great objects that are fit for our consideration and our action; let us raise our conceptions to the magnitude and the importance of the duties that devolve upon us; let our comprehension be as broad as the country for which we act, our aspirations as high as its certain destiny; let us not be pygmies in a case that calls for men. Never did there devolve on any generation of men higher trusts than now devolve upon us for the preservation of this Constitution and the harmony and peace of all who are destined to live under it. Let us make our generation one of the strongest and brightest links in that golden chain which is destined, I fondly believe, to grapple the people of all the States to this Constitution for ages to come. We have a great, popular, constitutional Government, guarded by law and by judicature, and defended by the affections of the whole people. No monarchical throne presses these States together, no iron chain of military power encircles them; they live and stand under a Government popular in its form, representative in its character, founded upon principles of equality, and so constructed, we hope, as to last forever. In all its history it has been beneficent; it has trodden down no man's liberty; it has crushed no State. Its daily respiration is liberty and patriotism; its yet youthful veins are full of enterprise, courage, and honorable love of glory and renown.

Keep Out of War

EXTENSION OF REMARKS
OF
HON. ERNEST LUNDEEN
OF MINNESOTA
IN THE SENATE OF THE UNITED STATES
Tuesday, March 7 (legislative day of Monday, March 6), 1939

ARTICLE BY HARRY HANSEN IN THE NEW YORK WORLD-TELEGRAM OF MARCH 6, 1939

Mr. LUNDEEN. Mr. President, I ask unanimous consent to have printed in the Appendix an article by Harry Hansen, published in the New York World-Telegram on March 6, 1939. The article is headed Keep Out of War at All Costs, Advice of Stuart Chase in New Book Urging Complete Isolation of United States. In the midst of all the un-American, foreign-minded propaganda, it is refreshing to read a genuine American book.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York World-Telegram of March 6, 1939]

THE FIRST READER

(By Harry Hansen)

KEEP OUT OF WAR AT ALL COSTS, ADVICE OF STUART CHASE IN NEW BOOK URGING COMPLETE ISOLATION OF UNITED STATES

Every American who wants the United States to keep out of war at all costs and wants arguments to combat those who don't should hurry to a bookstore and get Stuart Chase's The New Western Front. It is the best exposition yet of the self-sufficiency argument, which Chase elucidates without getting completely befogged in abstract theories of government. Chase is interested solely in the welfare of the United States and advocates a cold-blooded plan for turning our backs on European troubles and building up our reserves of industry, employment, peace, and power.

When I mention Americans who want to "keep out of war at all costs" I want to stress "at all costs." Chase's plan means curtailing business investments in foreign markets and attempts to capture foreign trade, save for South America. It offers no practical help to democracies or minorities abroad. His navy does not contemplate becoming a part of the British defense plan. He wants us out of China so the Japanese and Chinese can fight it out. He gives but brief attention to refugees, saying merely that immigration is not needed today as it was once.

His book differs radically from Lewis Mumford's Men Must Act, although both men are trying to find a plan to keep the United States out of war. Mumford's plan of nonintercourse with dictator nations might begin tomorrow; Chase would enforce his restrictions only on belligerents, and he warns of the danger of economic boycotts. Economic considerations bulk so large in Chase's book that he has no time for sentiment, and although he admits that sympathy for a nation attacked might create a war spirit in the United States, he offers various plans to checkmate any attempt to get us in.

CURE UNEMPLOYMENT, ROOT OF WAR

Stuart Chase seems one of the few journalists who is not completely befogged by Nazi theories of the state. Lewis Mumford devotes most of his book, Men Must Act, to a discussion of the insidious character of nazi-ism and fascism and sees these theories creeping across the ocean in the form of ideas that stultify the democratic will. Moreover, he believes that theory comes first and the economic adjustment afterward, berating the Marxists for not seeing this plainly. Chase adopts exactly the opposite view.

Chase sees all democratic difficulties arise out of the emergency and keeps his eye on the chief argument—that men overturn their governments only when they have neither jobs nor food. He doesn't believe that the United States faces any great difficulty from foreign theories so long as it solves unemployment at home. He believes that one of the great factors making for war is boredom, and that this, too, is overcome with proper employment.

"In simplest terms, the inventors must find a method which will permit Americans to buy back what they can make," writes Chase. "We need an invention that will neutralize, scale down, transform the present debt burden and prevent it from accumulating in the future—an invention that will lead steadily to a pay-as-you-go economy." This is a nonexpanding economy and for that reason cannot tolerate a compounding debt. Chase wants a way of turning bonds into stocks, so there shall be no fixed interest charges, only earnings. He recommends "an economic program for democracy" (Vanguard Press) as a "sensible general program."

It is worth noting that one of Chase's suggestions has been anticipated already by the day's news. He wants the United States to lay in a stock of rubber, tin, coffee, and other products not easily available within our borders. In Saturday's dispatches it was reported that the Government is considering taking supplies of these products in exchange for the war debts.

STAY AT HOME THOUGH HEAVENS FALL

Stuart Chase's program will be attacked as an attempt to limit individual enterprise, and that is what it proposes. It would stop American corporations from fighting for goods abroad, penetrating into foreign fields in open competition with foreigners. During war it would seriously curtail exports to belligerents. Shippers would complain and lose. So would manufacturers. But Chase points out that if it costs a lot to stay out of war, it costs even more to go in. And one of the easiest ways to wreck the country is to permit huge sales to belligerents and a war boom.

"When war comes, if we care to pay the modest price of neutrality, we do not have to be dragged in." That is Stuart Chase's conclusion. He sees the United States with civilization in its keeping, though the rest of the world fall. "If the giant bombers roar from their hangars to destroy Paris, London, Berlin, Rome, Vladivostok, Tokyo, the United States can still carry on."

Here the reader will recognize a complete divorce from theoretical concern. One of the most-repeated arguments today is that America must save civilization—by participation. Another is that unless America enters a major war, the winner will come over and take us as his plum. Chase has sidestepped these arguments in his overwhelming confidence that a strong, self-supporting, well-armed United States will be impregnable. I think the weak spot in his argument is his belief that the United States can take care of this hemisphere. He has confidence in the integrity of South American nations. But unless these nations are impervious to European penetration, and are as self-sufficient as we, we may find ourselves compelled to man this lifeline.

Our Varied But United States

EXTENSION OF REMARKS
OF
HON. WILLIAM E. BORAH
OF IDAHO
IN THE SENATE OF THE UNITED STATES
Tuesday, March 7 (legislative day of Monday, March 6), 1939

ARTICLE BY WILLIAM ALLEN WHITE

Mr. BORAH. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an article by William Allen White entitled "Our Varied But United States."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times World's Fair Section for March 5, 1939]

OUR VARIED BUT UNITED STATES

(By William Allen White, editor and author)

The American State in its relation to the Federal Government was a new thing in this old world when George Washington was

inaugurated 150 years ago. Federated States were not new; the idea of amalgamation of conquered States in an empire is almost as old as the written history of man. But a union of States, not primarily for defense, not obviously for economic advantage, but to preserve a democratic idea—that was new.

And it is still new at a time when we have a world's fair commemorating the one hundred and fiftieth anniversary of Washington's inauguration and looking down a vista perhaps equally as long into the world of tomorrow. For, whereas in 1789 the American Union was an ideal, today it is a working reality which has nowhere else been achieved.

The whole basis of the idea of the American Union of States was to preserve the liberty of the individual by guaranteeing his security and self-respect as an individual. That idea 150 years ago was amazing. It overturned the entire conception of the imperial State as the world had known it, for America created the union as the citizen's servant.

It was the idea of a union of the sovereign States that created the Nation as we know it today. That idea gave the citizen in his local valley, in his home mountains, on his particular plains, and by the waters of his own lakes not merely the right to develop his own national culture but also the spiritual leisure, the elbow room and the security of his liberty to build up, unmolested and unafraid, the local culture which he loved.

Each of the 48 States of this Nation differs from its fellows. No two of them are exactly alike. Each has its local culture and characteristics; but they add up into one great nation. Sometimes neighboring States are sufficiently similar to give rise to a distinct regional quality in various parts of our country. The South is all its own kind. So is New England. The Middle States between the Ohio and the Great Lakes—bounded on the west by the Mississippi and on the east by the Alleghenies—create a unique economic and social civilization in our Union.

The Prairie States between the Rocky Mountains and the Mississippi north of Mason and Dixon's line also have their own peculiar institutions, their own way of life, their own political predilections. Theirs is a rural civilization.

The Mountain States from Colorado, Utah, and Nevada to the Canadian line form a definite region, with its own marked social, economic, and political characteristics. Even the Pacific Coast States divide at San Francisco into two sections, north and south.

Yet within these regions every State differs from the other with some real distinction as "one star differeth from another in glory." In the South the States along the Gulf differ from the Southern States along the Atlantic. The variances are visible to the casual traveler. Also, curiously enough, Mississippi has quite another viewpoint from that of Louisiana; and Alabama, with its strong industrial interests, is not at all like either Louisiana or Mississippi.

Probably the matter of climate affects regional differences as, for instance, between the South and New England, between the Southern Pacific coastal civilization, and that, say, of the northern Ohio Valley, but the vital differences between neighboring States may not be attributed to climate.

What, then, makes two States, like Kansas and Missouri, so entirely unlike each other in their outer manifestations? Kansas, since the beginning, has boasted that it was the child of Plymouth Rock—a prairie Puritan civilization. Missouri, culturally, is of the South. She is as rock-ribbed in her adherence to the Democratic Party as Kansas is to the Republican. Why?

No serious economic divisions may be seen at the State line that borders these two Midwestern States. Yet at the State line one detects differences in the population. There they are, two States, in which different blood streams are reflected in different idioms.

Consider carefully any two bordering States in the Union and you will find curious divergences of dialect, social organization, blood, economic interest. They are not deep, but they are noticeable, and with the passing decades the differences do not tend to disappear. State boundaries are probably deepening.

What is it that creates our 48 curiously different American Commonwealths? Let us turn back to colonial days. There we find that the Thirteen Colonies were 13 little nations. Each approached the problems of the Revolution uniquely in minor matters.

Climate, the difference in latitude between South Carolina and Massachusetts, cannot explain why South Carolina as a colony grew into a class-conscious aristocracy and Massachusetts became a rampant democracy. By all the rules of colonization there should have been but one colonial civilization from Charleston to Boston, instead of a dozen kinds of Englishmen with a dozen different ideals.

One is tempted to toy with the thesis that it is indeed colonial ideals implanted with the first settlers, that some way in a mysterious psychopolitical germination produces the individuality that distinguishes a State. For each of our American States has gone through the colonial period, its pioneer era. The pioneers in every colony, in any territory, had a sort of yeasty strength. They formed the folk ways of each new settlement that afterward became a State. They begot the State—each of the 48 States.

Go to the fair and see the various State displays and you will see the differences. Natural resources will be on view, the metals, the harvest from the fields and forests and orchards, the dairy and fishery and factory products. Sunshine and scenery will be made much of, the mountains and lakes, the woods and the hills. America, in short. But also Florida and Maine, Missouri and Montana, Kansas and Colorado, and New York and all the other States. The differences are there and it takes no mystic powers for anyone to see them.

Yet with all these 48 separate Commonwealths, we are one people. The pioneer individualists held in their hearts one political ideal—to establish popular government. The Federal Government the colonists created was an enlarged copy more or less faithfully reproduced of the colonial type to which they were used. Similarly the constitutions of the new States carved out of the forests and the prairies by the pioneers of the eighteenth and nineteenth centuries in turn were and still are fairly exact replicas of the Federal Constitution.

Americans in the 48 States have all moved along abreast on the path of political progress made necessary by the industrial revolution. Generally speaking, the States have first made the necessary changes in their political forms—laws, constitutional amendments, judicial interpretations—which changing economic and social conditions required. When the States have proved that the new weapons of democracy were needed and efficient, the Federal Government has accepted and adopted them. Rarely has any State long occupied alone a salient that was untenable for the others. In our forward march as a united people, the experience of the States has been the wisdom of the Nation.

We are united fundamentally by a common language and a legal code based upon the English law. These foundations laid down a basis for expeditious change. Only in New Mexico is Spanish used with English as the language of the legislature and the courts. Only Louisiana has the Code Napoleon.

But, while in many minor folkways State boundaries are deepening, it is also true that national homogeneity is sinking deeper and deeper into our national patterns of thought and action. As our regions and the States in each region tend in certain picturesque but unimportant ways to deepen their local tang and flavor, the American people as a whole blend into a union of individual States "one and inseparable."

It all comes back to the dynamite of individualism which permeates our Constitution: that political theory of the servant State which is planted at the every bottom of our political organism. The town, the township, the village, the city, the county—all those first and lowest forms of our American political life are based upon the thesis that man the citizen is the creator and master of every institution of government. Nowhere, high or low, from constable to President, from country squire to the United States Supreme Court, is there in the American Government one legal creature or one man who can encroach upon the guaranteed rights of the humblest citizen.

Briefly, then, the citizen is the central figure in our form of government. He is the State; he is the Nation. Of which he is proud. But he cherishes his State as the organ of his unessential but vain idiosyncrasies, perhaps his cultural obstinacies. And he will continue to do so.

How can one who knows our Nation's 48 peculiar institutions—each of which means something to our people—envisage a time when those institutions, the States, will be no more? They are a fortress of our folkways and at the same time they are the pioneers of our political change. We built them in our pioneering strength, molded them to our liking and our needs; and we have made them ours, a part of us, an integral part of our Nation. They are our Nation and they shall continue so to be.

It is the gorgeous miracle of our American national life that these 48 individual States, however strongly each is marked, are all merged into a national way of life that makes our country one people, one blended blood, with one democratic ideal. Lincoln voiced it—a Government of, by, and for the people, established that the individual may remain rampant and triumphant.

Principles of Monetary Science

EXTENSION OF REMARKS

OF

HON. M. M. LOGAN

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Tuesday, March 7 (legislative day of Monday, March 6), 1939

LETTER OF A. N. McLEAN

Mr. LOGAN. Mr. President, I ask unanimous consent to have printed in the RECORD a letter addressed to former Senator Robert L. Owen by Mr. A. N. McLean, a very distinguished citizen of Canada, relating to Senate Document No. 23, which was prepared by former Senator Owen, and which has to do with the principles of monetary science.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONNORS BROS., LTD.,
St. John, N. B., March 3, 1939.

Hon. ROBERT L. OWEN,
2400 Sixteenth Street, Washington, D. C.

DEAR MR. OWEN: I have just finished reading Senate Document No. 23, which was prepared by your good self. It is the most

ably written document I have ever read on the principles of monetary science. As you are aware, my business is world trade. We carry on active operations in over a hundred countries, where we export fish, and I have had reason to give a great deal of study to monetary problems. We make it a point to get the latest books from all parts of the world written on monetary subjects, by the very best writers. However, I do not mind telling you frankly that your exposition has given me more real sound, practical information than any other document of the many that have come to my hand. Your statements and conclusions are backed by facts and figures which no man can deny, and the great work that you are carrying on deserves not only the attention of the United States, but the rest of the world as well, for from my experience in doing business in many countries, I believe the troubles of the world are far more economic than political.

I desire to compliment you most sincerely. You have contributed what will go down in history as one of the ablest and most sound treatises on monetary science that has been presented to the world up to the present time. What we need now is prompt action before disaster or economic chaos overtakes us.

Yours truly,

A. N. McLEAN.

Philippine Independence

EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Tuesday, March 7 (legislative day of Monday, March 6), 1939

ARTICLE BY H. FORD WILKINS APPEARING IN THE NEW YORK TIMES OF FEBRUARY 26, 1939

Mr. GIBSON. Mr. President, I ask unanimous consent that a portion of an article written by H. Ford Wilkins, appearing in the New York Times February 26, 1939, and entitled "The Filipinos View the Future With Misgiving," may be printed in the Appendix of the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, February 26, 1939]

THE FILIPINOS VIEW THE FUTURE WITH MISGIVING

(By H. Ford Wilkins, Manila)

Contrary to general belief, the Philippine question was not settled when the American Congress granted independence effective in 1946. President Roosevelt, in a recent message to Congress, expressed approval of a program drawn up by the Joint Preparatory Committee on Philippine Affairs, proposing that trade preferences given by the United States to products of the islands be reduced gradually over a period extending to 1960, thus avoiding the shock of their abrupt termination in 1946. Other matters were dealt with in the report of this committee made public last autumn. Questions that remain to be answered relate to Philippine finances, national economy, and civil rights. The final answer, if one is reached, will depend heavily on the attitude of the Filipinos themselves.

These people, numbering 15,000,000 or so, are thinking seriously, although not very clearly, about their future. As a people they are burdened with a confused idea of themselves and their place in a confused and war-soaked Asia. The objective which has been given to them is to prepare themselves for complete independence, but it does not appear that they are attaining this objective with any great enthusiasm or fire. Nearly one-third of the Commonwealth interregnum period has swept by.

With the approach of full independence a certain uneasiness is felt in the Philippines. It is not natural for Americans readily to comprehend that feeling because as a nation they never have experienced it from the same cause. America won her War of Independence; the Filipinos did not win theirs. If another country had stepped in and beaten off Great Britain during the Revolutionary War, occupied America and implanted a form of government strange to the Western Hemisphere, there might be an understandable parallel. Still, it would be hard to imagine a conquering nation willing to give the United States back to the Indians when a stable government had been evolved.

Something more than a generation of effortless peace, guaranteed security, and material progress has brought the Filipinos an appreciation of the benefits of the present arrangement with the Americans. This has been sharpened by Japan's conquests in neighboring China. Many, if not most, Filipinos have some inkling that Japan intends to dominate Asia, and they do not relish exchanging a benevolent American master for another whose ways and methods they have reason to distrust. At the same time they are reluctant to accept any alternative to running their own show.

Outside the more populous urban centers there has been but small change in the relatively happy norm of existence prevailing among Filipinos for the last several centuries. Nor is there any special inclination to undergo a radical change. Most Filipinos live an easy and a simple life. On the whole their needs are not great and they are only mildly industrious. The soil is productive, the waters are full of fish, the forests rich in timber, and the hills laden with gold and other metals. Luscious tropical fruits abound. Land is plentiful and far from overpopulated.

The average Filipino is neither primitive like the Negritos and the hill people nor yet modernized. He is a small, brown person weighing less than 125 pounds, somewhat lighter in color than the Cuban and darker than the Chinese. In root origin he is a Malay. His name is Spanish. He is indulgent, inquisitive, peace-loving, very sentimental. He is quick to resent injustice or impingement upon what he considers his rights. He is genuinely hospitable and fond of celebrating saints' days, feast days, departures, arrivals, national or church holidays, with a fiesta or party as elaborate as his means will permit. He is a fairly good Catholic and greatly admires intellectual attainments. He is no stranger to genuine culture.

The rural Filipino is accustomed to surroundings of natural beauty and is not insensible to them. Sunsets in the Philippines have been called the most beautiful in the world. The tropical forestation is dense and inviting, the broad plains and fertile valleys are a lush green. The mountains of Luzon and Mindanao are clothed in softly brilliant blue haze. The countryside is pastel.

Along with the bounties of nature the Filipino must accept her furies. The Pacific typhoons that sweep the islands during the months corresponding to fall and early winter in the United States are among the most severe in the world, capable of brushing flat large forest areas of hardwood trees 100 feet tall and leveling off populous settlements with the first few blasts of a storm that lasts all night and all day. Torrents of rain build gentle streams into fluid juggernauts. The islands have several volcanoes and lie in an active earthquake belt.

But the Filipino takes his disaster, for the most part, philosophically. Climatic conditions, despite their occasional rigors, have not contributed the sinews that thrive on frost and cold. Visited by a storm, the Filipino calls for relief and lives on the local or central government or the Red Cross until he gets back on his feet and puts another roof over his head.

The average Filipino may cultivate a small plot of ground in rice, tobacco, sugar, or other produce as a tenant farmer. He may dabble in politics or law or money lending or fish vending or gambling, according to his means, bent, or intelligence. He has a wife and four or five children and, if he is solvent, some relatives living with him. Unless he is born with a silver spoon in his mouth his solvency is in proportion to his enterprise. The normal wage for a working Filipino is about 40 cents a day in American money. With this sum, if he is not a spendthrift or a gambler, he can support a family, feed them three meals a day of rice and fish with a meat dish on special occasions and a few vegetables.

More or less accustomed to the comfortable things of life obtained without great effort, the Filipinos never have fully realized the meaning and responsibilities of independent national existence. Their nationhood is not closely woven; it is more synthetic than natural.

The country never has encountered a true baptism of fire. In the later days of Spanish rule, during the latter half of the nineteenth century, the Filipinos knew cruelty and oppression and among them was born a strong desire for independence as a means of escape. It produced a revolution against Spain and a subsequent insurrection against the Spaniards' conquerors, the Americans, when they took over the Philippines at the turn of the century.

This insurrection, led by General Aguinaldo, was short lived; it was followed by 40 years of peace, and growth which has no parallel in Asia, or perhaps anywhere. Independence persisted as a symbol, however, fostered by American ideals and kept alive as a political issue which has bounced more than one politician from the soap box to a comfortable job through sheer patriotic oratory, and kept him there.

On any question concerning independence for the Philippines the United States always has dealt with a few outstanding Filipino personalities who represented the whole country in deliberations and decisions affecting its future. Foremost among them is Manuel Luis Quezon, President of the Philippine Commonwealth and No. 1 Filipino.

Quezon lives in no grove-shaded nipa shack. His official residence is Malacañan Palace, former dwelling of Spanish and, later, American Governor Generals. A broad, spacious, low structure of weathered walls, vine-grown, it used to nestle like a southern plantation house on the banks of the Pasig River that flows through Manila. Constant additions to the structure since it became the home of the Filipino chief executive in 1935 have transformed its weathered stateliness into a magnificent combined executive office and mansion house, with rich new furnishings, expensive crystal chandeliers from Czechoslovakia, a garage full of long American automobiles; specious patios and newly landscaped surroundings extending to the flat lowlands across the river.

In his own special way Manuel Quezon is a dictator. He rules politically with an iron hand. His party organization is supreme. The opposition is sometimes vociferous but negligible in influence. By his critics he has been called one-third intuitive politician,

one-third humanitarian, one-third impatient martinet; he is as unpredictable as the weather, especially in showering his beneficences or his recriminations. Abstract justice is a passion with Quezon, yet he can be as ruthless in lopping off a political head as the most hardened of his dictatorial contemporaries.

Bantam quick, shrewd, and not without a measure of greatness, he has held for a third of a century the leadership of his people. He has it today because he represents the kind of hero the Filipinos worship—nimble of wit, dapper, adaptable, realistic, explosive, quick of humor, quick likewise of sympathy and sentimentalism; an indulgent friend and a resourceful political enemy. In Manuel Quezon, born of humble Spanish-Filipino parents 60 years ago, you have at once the common man and the natural leader. You have, distilled into a high concentrate, a typical Filipino.

The western mind, however, is not Quezon's sole audience in the experimental drama of American colonialism. His orchestra circle is crowded with his own people and the boxes and galleries are filled with oriental neighbors, all just as curious as the American impresarios to discover whether oriental actors can make a democratic show run smoothly. Playing to such a motley crowd has required quick changes of mental costuming. The requirement of adaptability he has fully met.

Almost since the inception of United States rule in the Philippines the country's development has followed divergent lines. Well-meaning American economists of the Taft era opened duty-free markets to Philippine copra, hemp, sugar, all its products, finally creating an absolute dependence upon American absorption of raw materials. At the same time the Filipinos were directed and encouraged to look toward independence, both economic and political, which, of course, precluded a protected market. To keep both feet solidly on the ground, one on each of these diverging lines, required acrobatics.

Outward conditions as well as internal ones have changed since the passage of the Independence Act and its signing in May of 1934. Comparative peace ruled in Asia then. Japan had already begun her great adventure on the continent of Asia, but few persons realized the scope and ambition of the gesture. The possibility of Japan's being a menace to a free and unprotected Philippines had been vaguely talked, but the Filipinos laughed heartily along with the Japanese at the idea.

There was a world depression, but otherwise there was no particular reason in 1934 why the Filipinos should not have welcomed with a burst of joy the action of Congress making good the long-standing promise of freedom. Surprisingly there was no great spontaneous reaction. Even then the idea had begun to get about that independence did not mean what the farmer, the fisherman, the laborer, the barrio dweller thought it meant—immunity from taxes and plenty of easy money for everybody.

And at the beginning of 1939, with the smell of independence in their nostrils, what do the Filipinos want? A sampling of the private thoughts of native people in their homes gives some idea of it. For the purpose of this article, impartial questions were submitted personally to 135 selected native people, men and women, rich and poor and middle-class. Trained men in their own neighborhoods, independent of political influence, presented the questions. Barrios, towns, cities, and farms scattered through 25 of the 49 Provinces, covering the islands from Aparri to Jolo, were included. First the people were asked whether they favored (1) immediate independence, (2) independence in 1946 with a preferential trade arrangement in the American market until 1960, or (3) permanent relationship with the United States.

The results are revealing. Almost half of those questioned (48.8 percent) preferred independence in 1946 with extended preferential trade. Less than a fifth (18.1 percent) favored immediate independence and about a third (33.1 percent) wanted the United States to remain permanently.

Then the question was put up in this way: "If you had to decide now, would you choose immediate independence at the risk of future Japanese control, or a permanent tie with the United States?" Nineteen declined to answer this question. Of the rest, 25.9 percent said they did not believe the Japanese would invade an independent Philippines, and anyway the Philippine Army (now 3 years old) could lick them if they did. The other 74.1 percent preferred retention by the United States.

Being a tractable people under strong leadership, the Filipinos will stand back of any solution to the problems of their future that their leaders evolve in common with the administration and the Congress of the United States. What will these leaders ask?

The present crop of Filipino destiny makers is confronted with a peculiar situation. Considering their own people, they do not feel that the time is ripe for a public change of front to the point of asking outright for permanent United States retention. Actually there is no pressing need for immediate remedial action. Owing to a fortunate American windfall in the shape of an outright yearly donation of $12,000,000 to $15,000,000 in proceeds returned to the Commonwealth from the excise tax on coconut products imported by the United States, the country is more prosperous than it ever has been—flush, in fact. The gradual tariff application under the terms of the independence law, unless modified, will begin to pinch painfully in 1941.

There are five courses which Congress might take if it changed the law at the request of the Filipinos.

First. It might grant immediate independence. Most of the Filipinos do not want this. The leaders do not want it, although they recognize that it might be forced upon them by American interests convinced that duty-free Philippine products are encroaching upon their markets. These interests are strongly bolstered by pacifist elements which believe retention of the Philippines is a menace to national security.

Second. It might arrange for permanent retention of the islands. Most Filipinos do not want this either, but there are many indications that the Filipino leaders may ask for it, probably on the basis of a dominion status, like Canada's. To save face they will not ask for it publicly, but may privately. They do not think that the United States would grant it, but it would be a good bargaining point from which to retreat into a petition for indefinite extension of trade benefits and American military protection under a continued Commonwealth status.

Third. It might adhere to the present arrangement, which provides for complete independence on July 4, 1946, full tariff application on all Philippine imports after that date, and withdrawal of American military protection. Should the Filipinos find Congress minded to follow this course, they would quietly court some other power, perhaps England, Holland, Germany, Italy, or Japan, looking for a favorable economic and protective arrangement in exchange for a stake in the Philippines. Feelers have already been put out, especially toward Japan.

Fourth. It might embark upon a realistic reexamination of the entire problem respecting the broader viewpoint of America's relations with the Orient, as suggested by High Commissioner Paul V. McNutt in a radio broadcast at Washington last Spring. If this reexamination reached conclusions matching Mr. McNutt's, permanent retention of the Philippines would be the answer.

Fifth. It might grant independence in 1946 with a modified tariff application and trade benefits extended to 1960; then complete independence. This is the course outlined in the report of the Joint Preparatory Committee to which the President has given his approval.

The present attitude of the Filipinos toward all this is fatalistic. Obviously they are not prepared for independence now and they will be scarcely more so in 1946 if present trends are followed. So warped is the national economy that the Filipinos do not even raise enough rice to feed themselves; they had to import a quantity last year, including one shipment from the United States. Flush with money, the government has laid plans for embarking upon a set of industrial and commercial ventures from which it hopes to derive a profit. Nothing is being laid aside for a rainy day. Nation-building is great fun. If the Filipinos' attitude were expressed in a motto, it would be this:

"In God (and the United States) we trust."

Recovery or Economy

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Tuesday, March 7 (legislative day of Monday, March 6), 1939

EDITORIAL FROM PHILADELPHIA RECORD

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial in today's Philadelphia Record, entitled "Recovery or Economy? We Can't Have Both."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Record of March 7, 1939]

RECOVERY OR ECONOMY? WE CAN'T HAVE BOTH

On December 6, 1929, there were gathered in Washington, D. C., 400 "key men" of industry, finance, and commerce. The conference was announced officially as "the greatest cross-section of American industry ever gathered together." The loudest applause of that conference was for Mr. E. M. Allen, of the Mathieson Alkali Works, of Buffalo, when he rose, denounced the United States Senate for delay on the Hawley-Smoot tariff, and cried:

"If Congress will only relieve the uncertainty, business will go forward."

The United States Chamber of Commerce told Congress the very same thing last week.

In 1930, Congress went the limit to "relieve the uncertainty." It passed the Hawley-Smoot tariff. At the suggestion of Secretary of the Treasury Mellon, it reduced income taxes. And President Hoover, with one conference after another, gave business the ball.

Business did not go forward. Not until after 1933.

We shouldn't forget these things.

Headlines of 1930:

"A. T. &. T. Announces It Will Spend $600,000,000 on Improvements."

"American Railways to Spend $1,247,000,000 for Construction."

"State of Pennsylvania to Aid Recovery With $155,000,000 Highway Plan."

"Du Pont Plant Expansions to Cost $25,000,000."

And three prominent Hoover administration leaders said:

"All the country needs is confidence."

Private industry did its best. But the country needed more.

Millions needed jobs. And buying power.

Headlines of yesterday:

"Brookings Report Offers Way To Cut Federal Budget."

"Economy League Demands Slash in Spending."

And the New York World-Telegram, calling economy "the hard way," urges "political self-denial," observes that "private spending is difficult enough to restrain" * * * and that a health program "looks like a good idea, but * * *."

How many editors, how many among all of us ever stopped to think what would happen to the economic system of this country if everybody did practice self-denial, if the whole country began economizing as these people demand?

If every person in this country were to refuse to spend 10 percent of his salary for 1 year—the decline in buying would wreck nearly every business in the land. It would be a national disaster.

America wasn't built by buying less. It was built by buying more.

Calling on the customers of American business to buy less is equivalent to calling upon the people to make business worse instead of better.

Sometimes it's a good idea to think about the meaning of words before we use them. The word "economy," for instance.

While the headlines clamor for economy—

We are interested in the story from Washington that an enormous number of businessmen are now gathered there, and that while their official spokesmen talk about economy, "what they fear more than anything else, despite their demands for a balanced Budget, is an abrupt decline in Government spending."

That information wasn't in the news. We received it from one of the most conservative of all the "confidential business services" which operate from the capital.

The businessmen don't want their customers destroyed.

They saw it happen once.

Let the administration go the limit in cooperating with business.

But that doesn't mean repeating the blunders of the old deal.

That doesn't mean abandoning work relief and the spending program.

Recovery depends on business selling more.

Business can't sell more if people spend less.

The Monopoly Investigation

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Tuesday, March 7 (legislative day of Monday, March 6), 1939

ADDRESS BY WENDELL BERGE AT ROCHESTER, N. Y., FEBRUARY 20, 1939

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by Wendell Berge, special assistant to the Attorney General of the United States, at the convention of district No. 2 of the National Retail Credit Association, at Rochester, N. Y., February 20, 1939, on the subject the Monopoly Investigation—What It Means.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In recent years we have been struggling to adjust our economic life to new and better realities. We have made some progress, but it is apparent that there are many vexing problems yet unsolved. Millions of people are still unemployed. Others, though employed, are receiving miserably poor pay. Not only labor but also capital has its employment problems. Millions of dollars' worth of plants and equipment are idle or only partially producing. Unused plant capacity, like unused labor capacity, presents appalling national waste. Part of our population needs food and clothing and other necessities of life, to say nothing of some of the luxuries. We have these goods in abundance, or, at least, the means of producing them. But we are not getting the goods around. The channels of distribution have choked up.

For a vast majority of our people prices are out of reach of income. If people cannot afford to buy at prevailing prices, either prices must come down or consumption will fall off. According to old-fashioned economic theory, prices will come down to the level people can afford through the operation of competition. But the theory presupposes a free market—a condition which all too often does not exist. Today in all too many markets what actually happens is that private price control operates to keep prices up.

Roughly speaking, the general characteristics of a controlled market as distinguished from a competitive market are high prices, high unit profits, declining consumption, hence lower volume production, mounting unemployment of labor, and progressively increasing collective activity to maintain or increase prices in order to offset the financial effects of declining volume.

During the recent recession inventories piled up in many businesses because the goods could not be distributed at existing price levels as fast as they were made. We appeared to be choking ourselves with our own wealth. This brought to a focus a problem which had been observable for some time—the waste of unused productive capacity, idle machinery, and idle labor, because of the failure of our system of distribution to market at reasonable prices the products which that machinery and labor were capable of producing.

In a land where goods are plentiful, no mere theory can justify for long the failure of an economic system to get the goods around to those who need them. Our institutions must be tested by results, not theories.

What have been some of the results in recent years? According to figures computed by the Brookings Institution, during the 12-year period from 1922 through 1933, the amount of goods actually produced fell short of the amount which could have been produced by efficient use of our plant, machinery, and labor, by the colossal sum of $248,000,000,000. There are slightly less than 30,000,000 families in our population. Under an economy which could have utilized its productive capacity, each of them could have had $8,000 more in food, clothing, and housing, a sum greater than 87 percent of the families of the United States could save in a lifetime.

Again, our failure to utilize our productive capacity and adequately to distribute our goods is reflected in the income of American families. Eighty-seven percent of our population receives less than $2,500, 65 percent receives less than $1,500, and 11,000,000 families are fighting starvation. These families cannot purchase a sufficient quantity of needed goods at existing price levels to keep our machinery going and our labor employed.

If the present order is allowed to work badly enough for long enough, there is danger that sooner or later the people will rise up against it. It is hard to believe that a violent economic unheaval would not also affect our political institutions. Private property, free enterprise, individual initiative, and competition as characteristics of an economy seem to go hand in hand with those political characteristics which we call democracy. Private economic regimentation, on the other hand, is a force which seems to pave the way under modern conditions for dictatorial political organization. The post-war history of Europe reveals the sad truth that when economic freedom disappears, political liberties also somehow slip away. Private concentration of economic control in European countries has been a forerunner of the totalitarian states.

These are but some of the larger considerations which have emphasized the necessity in this country for a broad study of the forces which almost stalled our economic machine, with a view to finding remedies and solutions which are consistent with preserving the essentials of our form of capitalism and government.

It was these considerations which prompted the President last year to recommend the study which is now being made by the Temporary National Economic Committee. In calling for this investigation the President said:

"Unhappy events abroad have retaught us two simple truths about the liberty of a democratic people.

"The first truth is that the liberty of a democracy is not safe if the people tolerate the growth of private power to a point where it becomes stronger than their democratic state itself. That, in its essence, is fascism—ownership of government by an individual, by a group, or by any other controlling private power.

"The second truth is that the liberty of a democracy is not safe if its business system does not provide employment and produce and distribute goods in such a way as to sustain an acceptable standard of living.

"Both lessons hit home.

"Among us today a concentration of private power without equal in history is growing.

"This concentration is seriously impairing the economic effectiveness of private enterprise as a way of providing employment for labor and capital and as a way of assuring a more equitable distribution of income and earnings among the people of the Nation as a whole."

The President then recommended a thorough study of the concentration of economic power in American industry and the effect of that concentration upon the decline of competition.

Pursuant to the President's recommendation, Congress created the Temporary National Economic Committee, composed of three Members of the Senate, three Members of the House, and one representative each from the Department of Justice, Department of Labor, Department of Commerce, Treasury Department, Securities and Exchange Commission, and the Federal Trade Commission.

This committee was authorized to make a full study with respect to the matters referred to in the President's message and to hear evidence with a view to determining (1) the causes of concentration of economic power and financial control, and their effect upon competition; (2) the effect of the existing price system and the

price policy of industry upon the general level of trade, unemployment, long-term profits and consumption; and (3) the effect of existing taxes, patents, and other Government policies upon competition, price levels, unemployment, long-term profits, and consumption. The committee was authorized to make recommendations to Congress with respect to legislation upon the foregoing subjects, including the improvement of antitrust policies and procedure and the establishment of national standards for corporations engaged in interstate commerce.

As soon as the committee was organized under the able chairmanship of Senator O'MAHONEY, it was decided to allocate the different phases of the investigation to the various departments and agencies represented. Thus, for example, the Department of Justice agreed to make a study of the price policies of various industries as they affect competition, patent monopolies as they affect the concentration of economic power, and improvements in antitrust practice and procedure. Trained legal and economic experts commenced work immediately in the various departments and agencies to assemble the material which would be placed before the committee. This work has been under way since the middle of last summer and some of the results have already been presented to the committee.

The committee commenced hearings on December 1, 1938, and has been meeting quite regularly since.

It would be very difficult in the brief time available to describe in any detail the testimony which to date has been presented to the committee. I can only, in a general way, allude to some of it. In referring to testimony before the committee, I am referring, of course, only to matters of public record. Moreover, it is understood that nothing I say here today represents any official comment on anything pending before the committee of which I am only an alternate member.

At the beginning of the committee sessions three witnesses took several days to describe the principal business and industrial trends in this country over a period of a great many years. We were shown a picture of the American economy in terms of its performance, in terms of production, in terms of the value and volume of goods produced, in terms of consumption of goods, in terms of prices. This data, all of which was based on careful statistical studies, was designed to show us what is really happening in this country today. Where are the weak spots? Which industries are the more prosperous? What are the sources of our national income and how have they changed relatively year by year? These and a host of other questions were examined by these three witnesses.

Following this general survey, the committee turned its attention to certain particular problems of concentration of power. The first general subject taken up was patents. A patent, as you know, is a legal monopoly for a limited period granted by the Government to individuals on the theory that it will promote the progress of science and the useful arts. No doubt patents have their place in our economic system. However, they offer wide opportunities for unreasonable restraint of trade, and the monopolistic power that inheres in patents is subject to misuse. It was the belief of the committee that inquiry ought to be made to determine whether there were abuses in the operation of the patent system which should be ended either by new legislation or by action under present laws.

The patent situations in the automobile industry and the glass-container industry were chosen for examination, not because those industries were any better or any worse than many others, but because they illustrate situations which are more or less typical, and they involve products which are of interest to every consumer.

In general, the inquiry into the automobile industry revealed that patents in that industry are taken out primarily to protect manufacturers from infringement suits and that patents are quite freely licensed for use by competitors. There apparently is no organized effort in the automobile industry to stifle competition through suppression of patents, nor do the companies rely to any considerable extent upon royalties as a source of income. Indeed, the testimony shows that the Ford Motor Co. pursues a policy of licensing patents royalty free, and this company never maintains suits against others for infringement. It appears that the great automobile industry has grown up under a policy whereby the results of invention have been obtainable for use by all who seek to enter the industry, either free or upon reasonable terms.

In the early days attempts were made at suppression, but fortunately they were not successful. Thus originally there was in existence an association of licensed automobile manufacturers who owned the Selden patent, which in effect was a broad combination patent supposedly covering the automobile as a unit. When Henry Ford commenced to manufacture automobiles he went to this association and inquired whether he could join and thereby obtain the right to manufacture automobiles under this patent. Mr. Ford was told by this association that it was not yet convinced that Mr. Ford was not a fly-by-night producer, and he was denied membership and a license to use the patent. But although this association did not deem Mr. Ford a fit person to engage in the manufacture of motorcars, it was unable to stop him. He went ahead and manufactured automobiles anyway, and in the fall of 1903 he was sued for patent infringement by the association. This litigation over the Selden patent lasted for many years, but Mr. Ford finally won. If the Selden patent had been sustained, the Ford Motor Co. would probably have been put out of business.

The situation which might have existed in the automobile industry today if the association had succeeded in controlling the industry through the Selden patent is certainly interesting to contemplate. In all probability, instead of having an enterprising industry with many reasonably low-priced cars on the market, we would have an industry dominated by a small group which would control production and keep prices and profits at a high level. The advantage which the American people have derived from healthy competition in the automobile industry would largely have been lost.

By contrast, look at the glass-container industry. This is the industry which manufactures all glass containers, such as milk bottles and jars for the packing and preservation of fruit, food products, etc., in the form in which they reach the ultimate consumer. These containers are manufactured by modern machinery, the patents for which are substantially all held by two companies. One of these companies manufactures no glass containers; its business consists entirely of granting licenses to others. The other company is engaged in the manufacture of glass containers, and the evidence before the committee indicated that for many years it had not granted licenses to others under its patents. The licensees of the one company, together with the other company, manufactured approximately 96 percent of all glass containers produced in the United States. No matter how much capital or intelligence or ability a man might have, he would probably be unable to enter the business of manufacturing bottles unless he could get a license from one of these companies. The record before the committee shows a number of interesting instances of refusals by these companies to grant licenses desired by those who sought to compete with other persons previously licensed. Furthermore, the evidence before the committee indicated that prices of glass containers are not fixed by the free play of competitive forces but are established by a well-defined system of price leadership, and that patents are one of the principal means used to maintain this system

You can readily understand that if two companies have control of substantially all of the patents in an industry that control will almost certainly be used to suppress competition. New competition will probably not be licensed if it appears that it will interfere with the profits of present licensees.

It hardly accords with our traditions for a situation to exist in any industry whereby a company can in effect say to a man: "You cannot engage in this business because the field is already crowded. We do not think it best to permit any more competition because it might hurt our profits or the profits of some of our licensees. You had better find some other line in which to invest your capital."

It is situations of this kind which the committee is exploring, not for the purpose of exposing particular corporations or individuals but rather for the purpose of learning how our economic system is operating and what reforms and readjustments are needed. If it is possible under present law for a small group of persons to regiment a whole industry and thus make effective a type of private fascism, we at least ought to know about it. Perhaps, also, we ought to do something about it.

More recently the committee has been making some studies of certain aspects of the insurance business. Any study of the concentration of economic and financial power would not be complete without considering the effect of the concentration that takes place through insurance companies. Six life insurance companies have admitted assets in excess of a billion dollars each. In the aggregate all of the life insurance companies have admitted assets in excess of $26,000,000,000. Their assets are twice as great as the total assets of the Federal Reserve banks.

Obviously these insurance companies play a vital part in our economic life. I cannot better describe the purpose of the insurance inquiry than in the words of Chairman Douglas of the Securities and Exchange Commission, who said at the beginning of the inquiry:

"It is our present task to survey the economic power inherent in the vast investment funds controlled by insurance companies and to study the impact of that power upon our national economy. The scope of our problem is as broad as the sphere of influence of the insurance companies themselves. Inquiry into that problem of necessity takes us from Wall Street to Main Street, from the capital markets and financial centers of the East into the farm lands of the West and South. It will properly bring us in time to a consideration of the extent to which insurance-company influence permeates areas of national importance, such as the capital markets, the supply of mortgage funds available to farmers, railroad reorganization, and perhaps the financing of low-rent housing. It will of necessity demand inquiry as to the future of investment banking, and, indeed, the extent to which insurance companies have come to dominate security issues, underwriters, and investors. These are not boundaries of our making. They inhere in the character of the insurance business."

Some of you are familiar with the work of the so-called Armstrong committee which under authority of the New York State Legislature in 1906 inquired into the practices of insurance companies chartered or authorized to do business in New York. Hon. Charles Evans Hughes, now Chief Justice of the United States, was counsel to the Armstrong committee and did a memorable and constructive job. The study ofthe Armstrong committee was broad in scope and in the end the committee recommended certain reforms, some of which were translated into legislation.

It has been 33 years since the Armstrong committee reported. Since then there has been a tremendous growth in the insurance

business. It is our purpose, in effect, to bring the Armstrong study down to date.

I want to emphasize that this investigation does not attack or question the adequacy of the reserves of any company. Chairman Douglas has said that "No policyholder need have any concern that any fact brought out in this inquiry will in any way jeopardize the protection which he counts upon through his insurance policy." At all times it has been the purpose to conduct this inquiry in as scientific a spirit and in as objective a manner as possible. So much for the insurance phase of the committee's work.

In the high degree of development of our industrial civilization we have reached an interdependence previously unknown. The sensitivity of our whole system is much greater than formerly. The activities of a group of men in control of one industry are often felt throughout the whole economic system. Consequently, the actions of the little group who hold the controls are no mere private matters. They present problems which we would perhaps like to avoid because of their complexity but which we cannot avoid if we are going to keep our competitive order functioning.

I believe that we are prone to carry too far the analogy of a corporation to a person. A corporation has been held to be a legal person, and in many respects its legal relationships are the same as those of a natural person. However, the economic consequences of corporations are quite different from those of natural persons. Under the protection of the corporate cloak it has become possible for little groups of men having very little or no financial interest in a company to control its destiny. There is very little semblance of democracy left in some of these large organizations, because as a practical matter the stockholders have no effective control over personnel and policies. If the managers of corporate policy are not in fact responsible to the stockholders, the only checks upon their irresponsible action are the checks which competition or the Government may impose. Some checks there must be. Irresponsible use of power either in industry or government cannot long exist without destroying the democratic principle. Irresponsible power in any hands is dangerous.

Under modern conditions the concentration of economic power in private hands is the concentration in private hands of the power to effectively govern our lives in many respects. It is often the concentration of irresponsible power—power that is not accountable to the public whom industry serves, or to the stockholders whose money is represented in the industry, or to the Government.

In pointing toward solutions we will continue to hope that so far as possible competition can be restored as the natural checkmate upon the irresponsible use of power. To the extent that competition fails or cannot be restored, Government regulations will be inevitable. As an alternative to competition the people would demand responsible public regulation rather than irresponsible private regulation.

It is to preserve competition and protect industry and the public from private regimentation, that we have the antitrust laws. These laws aim at preventing restraints of trade and monopolistic control of prices. They aim at keeping the field open for honest competition. They aim at preserving individual enterprise and initiative. They are our greatest hope to avoid further general extensions of Government regulation. To the extent that these laws are inadequate and can be strengthened, it is to be hoped that the monopoly investigation will point the way toward vitalizing amendments. Undoubtedly some procedural changes can and should be made in the antitrust laws. As the investigation progresses probably some situations will be revealed calling for other additional antitrust legislation.

But more than legislation ought to result from these monopoly hearings. These hearings ought to result in a better understanding by the American people of how their economy operates, where the weak spots are, and the aspects of it which should be held onto and preserved whatever the cost.

In Germany, before the advent of the present regime, industry had already become highly organized by the adoption through trade associations and cartels of a strictly regimented control over production, marketing, and prices. Industry was organized from top to bottom. There were practically no areas left free for the play of individual initiative and competition. There was a place for everyone and everyone had to keep his place. This high degree of regimentation in industry obviously paved the way for political dictatorship. A leader for such a highly organized machine as Germany presented in the early thirties was inevitable. There had to be somebody at the controls. If it had not been Hitler it doubtless would have been someone else.

We in this country are determined to escape the twin evils of private economic regimentation and political dictatorship. The American tradition is all against them. We want none of them. We are against totalitarianism. And yet we are faced with the necessity of readjusting some of our traditional techniques and making them apply to the facts of modern industrial life. The period of transition may be a hard one but no doubt it can be surmounted if we will face it in the same spirit that we have faced and conquered many difficulties in this country before. Our task, both in Government and in industry, is to make democracy work; to gain for our people without sacrifice of democratic principles the economic advantages of modern industrial techniques. It is to the accomplishment of this task that the Government is dedicated, and the Temporary National Economic Committee is one of the instruments which we hope will help point the way.

National Labor Relations Board's Activities in New York Area

EXTENSION OF REMARKS
OF
HON. ROBERT F. WAGNER
OF NEW YORK
IN THE SENATE OF THE UNITED STATES

Tuesday, March 7 (legislative day of Monday, March 6), 1939

ARTICLE FROM THE NEW YORK TIMES

Mr. WAGNER. Mr. President, I ask unanimous consent to have published in the RECORD an article from the New York Times of Monday, March 6, 1939, giving the text of Mrs. Herrick's report on the National Labor Relations Board's activities in the New York area from 1935 through 1938.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From The New York Times of March 6, 1939]

TEXT OF MRS. HERRICK'S REPORT ON N. L. R. B. ACTIVITIES IN NEW YORK AREA

(The report of the second regional office, National Labor Relations Board, 1935 through 1938, made public by Elinore M. Herrick, director, follows:)

From the vantage point of 1939 the first phase of administration of the National Labor Relations Act, characterized by injunctions and by flagrant violations of law which flourished because too many employers were misled into believing that the act would be declared unconstitutional, is rapidly becoming only an unpleasant memory. Enlightened self-interest on the part of management and better organization among the workers have followed as a natural consequence of a series of five epoch-making decisions by the United States Supreme Court on April 12, 1937, in which the constitutionality of the act was sustained.

In reporting the history of the past 3 years of administration of the National Labor Relations Act in this region which comprises the most heavily industrialized areas of three States—New York, New Jersey, and Connecticut—I am aware that the improvement in labor relations here is more easily discernible than in some other parts of the country which still lag behind. Labor unions have never been the novelty here that they are in other sections. Yet during the first years following passage of the Wagner Act workers in this region were just as badly in need of protection from antiunion practices.

Despite the increasing compliance with the law by employers here, the act continues to stand as a bulwark to all the workers who would otherwise be subjected to improper pressure against union activity. Nevertheless the longer history of trade-unions in this area and their more extensive organization have contributed in large measure to the present situation which warrants me in saying with confidence that we look forward to an increasingly widespread and genuine acceptance of the law. This prediction seemed impossible in 1936.

THREE MAJOR TASKS NOW

We have now reached the point at which our major tasks are (a) to improve our administrative technique, (b) to interpret the law, and (c) to win support for its basic principles.

Some important lessons are to be learned from the experience of the past 3 years.

The concrete achievements of those years are measured in terms of cases settled by agreement, of workers reinstated with back pay after discriminatory discharge, of company-dominated unions disestablished leaving the workers free to organize according to their own desires, and of collective bargaining carried on in good faith with resultant agreements as to working conditions, and the establishment of machinery for the peaceful adjudication of disputes which are bound to arise from time to time even under liberal managerial policy, and the wisest union leadership.

Less easy to define are the changes that those years have brought about in our administration of the act. During the early days when we were attacked on every side we were constantly on the defense, fighting each step of the way to enforce the law. It was natural that the atmosphere surrounding the act became charged with hostility. This unwholesome atmosphere, happily, has been largely dissipated since the constitutionality of the act has been upheld and since employers have begun really to accept the basic principles of the law.

And so we have moved to the constructive position of interpreting the statute, of educating employers as to their responsibilities under the act, and of educating labor unions as to the responsibilities and limitations their very protection by the law implies. Employers have learned that they cannot be said to bargain in good faith if the answer to every proposal is a flat "No." Unions have learned

that they cannot slap a contract down on the desk and say, "Sign there or else we'll throw a picket line around the plant."

RIGHTS OF BOTH SIDES

The employer has a right to have the union's claim to represent a majority proved and has a right to a reasonable time for consideration of the union demands. The unions have a right to expect that collective bargaining in good faith will ensue and will result in some orderly procedure for determining working conditions.

VOLUNTARY COMPLIANCE WITH THE LAW REPLACES BITTER COURT FIGHTS

The New York region has handled one-fifth (21.1 percent) of the total cases handled by the other 21 regional offices, and its experience, therefore, is significant.

Of the 3,346 cases filed in the New York region, 91.2 percent have been closed. The method in which these 3,026 labor disputes have been adjudicated reflects the peace value of the National Labor Relations Act to the important New York, New Jersey, and Connecticut area. In marked contrast to the frequent injunctions of earlier days, 1,525 cases, or 50 percent of those closed locally, have been settled by peaceful and orderly agreements resulting from informal conferences held by the Labor Board with the parties to the dispute. These amicable settlements involved nearly a quarter of a million workers, or approximately one-sixth of all the workers involved in similar informal Labor Board settlements throughout the country, and represent also 23.8 percent or nearly one-quarter of all the cases settled informally throughout the country.

For the year 1938 alone these settlements carried with them $131,083.85 in back pay to workers discriminatorily discharged. A total of 2,454 workers have been reinstated in this region after illegal discharge, or one-fifth (20.4 percent) of the total reinstated throughout the country.

TABLE I.—*Manner of closing cases—second region, N. L. R. B.—1935 through 1938*

	Number	Percent
Total cases filed	3,346	100.0
Total cases closed	3,053	91.2
Closed by:		
(a) Agreement informally	1,525	50.0
(b) Dismissal by regional director	648	21.2
(c) Withdrawal	533	17.4
(d) Other means	347	11.4

CAUSES OF DISPUTES SOUGHT

The Board's approach to the problems involved in these closed cases has a very direct relationship to our success in securing prompt adjustments where required and in laying the foundation for future peaceful industrial relationships. When we have our first conference on a new case we ask the interested parties: "What is the dispute? What caused it?" We do not approach the conference initially from the standpoint of "Has the law been violated?" If the law has been broken, we'll find it out soon enough. No one enjoys the role of the accused. We try to take the sting out of that situation at the outset. The discussion on the cause of the dispute helps establish understanding of the law and lays the foundation for a more harmonious relationship in the plant. This informal atmosphere of discussion on neutral territory which is part of the initial process of sifting the charges which have been filed is also part of the vital educational process contributing to successful administration of the National Labor Relations Act.

If these efforts at adjustment fail, we must then determine beyond any reasonable doubt that a violation of law has been committed which required the application of the full formal procedure of the act.

In analyzing the work of the second region a comparison of our experience with that of the rest of the country is pertinent. There is a relatively quicker disposition of cases here as indicated by the 91.2 percent closed as against 76.2 percent closed by all the other regions. The compactness of this geographical area is an influential factor. There are no long distances to travel. A large number of companies have their main offices in the country's greatest business center, New York City, even though their factories are in other States. Similarly, the unions involved find the N. L. R. B. offices here readily accessible. Consequently it is possible for us, in the majority of cases, to get both parties to the dispute together informally within 3 or 4 days after a charge has been filed and before resentment, charge and countercharge have erected barriers which make amicable adjustment of differences extremely difficult to secure.

SPEED HELPS SETTLEMENTS

It is difficult to compare the percentage of cases closed by agreements during the initial informal stages of our procedure with the experience in other parts of the country. Many factors must be considered. Most important, of course, is the attitude of employers toward the law and the Board. The relative speed with which we have been able to handle our cases counts for a great deal in maintaining peaceful relationships. The degree to which a rather strict construction of the law is applied is another factor affecting the manner in which cases have been closed. Qualitative judgment must be exercised by the administrator in deciding what cases should be handled by formal proceedings, of course. Another important factor is the strength of the union organization in the plant at the time the dispute arose and the union's previous relationship with the management.

FORMAL PROCEEDINGS

Three hundred and fifty-three formal hearings have been held in the New York region since 1935, or 10.5 percent of all the cases filed. One hundred and seventy-three hearings were to determine if unfair labor practices had been committed and 180 involved determination of the appropriate bargaining unit and the certification of a bargaining agency. This latter question may be decided by the Board on the basis of evidence of union membership and without recourse to an ordered election, though where any conflict of claim or doubt of majority exists, an election must be held.

Of the 103 unfair labor-practice cases reaching the point of formal hearings, 62.4 percent were closed at some stage after issuance of formal complaints, in the main without recourse to the full administrative and legal procedure of the Board. Eighty-five were settled after institution of the formal proceedings, during the course of the hearing, by compliance with the trial examiner's intermediate report, or with Board decisions, and include six cases in which compliance with circuit court or Supreme Court decisions was secured. In one additional case the circuit court reversed the Board.

EMPLOYERS GIVE MORE AID

Five complaints were withdrawn by the Board during hearings which revealed insufficient merits or because witnesses were afraid to testify even in response to subpenas. Six cases were dismissed by the trial examiner or the Board because of insufficient evidence to sustain the complaints. Five were dismissed during the hearings because it was found that the Board did not have jurisdiction. In the main, this latter group of 16 cases belongs to the period when employers refused to cooperate in disclosing their side of the controversy during the informal investigation of the charges. However, we can now report a great improvement in this respect, for employers recently have almost without exception been willing to facilitate our inquiry into the facts surrounding the alleged violation.

Because more employers have begun to recognize, especially in the large plants, that they cannot know all that their subordinates do we are finding, as pointed out above, that settlements can be worked out during hearings with increasing frequency. A Labor Board hearing is often the only time the employers really see what has been done in violation of their own orders. Under these circumstances they are generally more willing to make restitution for any wrong done the employees.

More than one employer has said during the hearing:

"I didn't know that my foremen (or superintendent) were doing these things."

Another employer stated that he felt the Board's hearing procedure often gave management its only chance to find out that subordinates were violating the express commands of the top management to abide by the law.

DISMISSAL AND WITHDRAWAL OF CASES

So much emphasis has been laid by critics of the Board on the fact that a high proportion of the formal decisions and orders of the Board sustain the workers and the unions that an analysis of the cases in which disposition is made before a hearing is timely and illuminating.

MANY CASES DISMISSED

A large group of cases has been closed either by withdrawal of the charge or by dismissal by the regional director. Six hundred and forty-eight cases have been dismissed outright, or 21.2 percent in the second region, as compared with 14.2 percent elsewhere in the country. Of the 648 cases thus dismissed during the informal stages because no violation of law has been found or because the merits were too questionable to warrant a hearing or because of insufficient interstate commerce, and from which dismissal an appeal may be carried to the National Labor Relations Board, this region has been reversed by the Board in only five cases, three involving solely the question of our legal jurisdiction and two involving the merits of the case. Five hundred and thirty-three cases have been withdrawn by the complainants, amounting to 17.4 percent of the cases closed in this region, as against 28.0 percent in the rest of the country. Cases are withdrawn for a variety of reasons, such as weak merits, internal union situations which make it inadvisable for them to proceed, or lack of interstate commerce to sustain our jurisdiction.

We experience more difficulty here in securing the withdrawal of cases in which evidence of merit is lacking than do regional offices elsewhere, largely because there is such a strong rank-and-file element in the local labor movement. Union officials often feel that a dismissal gives them a protection from criticism from their membership which a withdrawal exposes them to. We do not object to this, for a dismissal is a clean-cut way of disposing of charges of doubtful or no merit.

It should be pointed out that the percentage of the total cases dismissed and withdrawn throughout the country is about the same as the percentage of the two groups combined in this region, although the distribution varies and a higher proportion are dismissed than withdrawn in New York.

Those dismissed cases, which should properly be counted as decisions in favor of employers, are too often overlooked by those who criticize the administration of the act as being partial to labor.

COOPERATION WITH STATE BOARDS

A higher percentage of New York cases are closed "by other means"—11.4 percent in New York as compared with 4.2 percent elsewhere—largely because we have in New York a similar State labor relations act and a State mediation board, both doing effective work and with whom we cooperate. Connecticut also has a

board of mediation and arbitration, which has been helpful. Cases which seem more suitable for handling by mediation are often referred to the New York Mediation Board or the similar Connecticut Board.

ELECTIONS

The second region has held 393 elections or more than a quarter (28.7 percent) of all the elections held by the Board throughout the country. Ninety-two thousand eight hundred and nineteen valid ballots were cast. Typical of the importance of these elections are the industry-wide elections in the boot and shoe industry, where by consent of both unions a poll was taken. Peacefully, without loss to the industry, the collective bargaining agency was changed and the new group took over for their duration the existing contracts negotiated by their opponents. Another industry-wide election was ordered by the N. L. R. B. in the shipping industry. This election resulted in bringing peace to a chaotic situation fraught with the imminent danger of violent outbreak such as had paralyzed the industry on the West coast.

JERSEY CASE IS CITED

Among important plant elections in which swift action by the Board averted serious loss to the employer and a possibly threatening public situation, one occurred in New Jersey. One thousand four hundred and forty-three workers of an internationally known company had taken possession of the entire plant, even barring the executives from the premises. Seven hundred and fifty thousand dollars' worth of ore was hot in the furnaces. If the sit-down were prolonged, this metal would cool and have to be chipped out bit by bit, preventing resumption of production for many weeks. Decisive action was needed. Our first demand was for evacuation of the plant. Immediately thereafter we arranged an election to determine the collective bargaining agency, for the sit-down had been precipitated to force collective bargaining, and representation was in question. Within 26 consecutive hours the plant had been evacuated, the election held, and the men were back at work. A $750,000 loss to the company was saved and the possibility of bloodshed avoided.

In the regular routine, elections by consent of all parties are of increasing frequency, indicating a fundamental change in the attitude of employers, who now say, "I'll bargain—but with whom? It's up to the Labor Board to tell me!" It is this type of election which comprises the bulk of the 393 we have conducted.

In many situations an employer confronted with the demands of rival unions has sought our help and received it. In practice we find it entirely practical to get one of the two organizations to file a petition which gives us the formal entrance into the situation which is required under our rules and regulations, and thus to meet the employer's appeal for help. Increasingly, too, employers are telling the unions when approached that they will have to go to the Labor Board first and, upon assurance by the Government that they represent a majority, collective bargaining will be undertaken promptly.

STRIKES

Three hundred and sixty-four strikes out of the total of 1,483 handled by the National Labor Relations Board have been in the New York region. There were 10 percent fewer strike cases in this region in 1938 as compared with 1937. Sixty-four and seven-tenths percent of these strikes were settled. The 1,229 petitions to determine the collective bargaining agency filed in New York comprise 36.7 percent of all the cases handled here.

FEWER STRIKES ARE REPORTED

The number of petitions filed has steadily increased with each year, indicating an increase in use of the Board's machinery in preference to strikes to force recognition of the union. It is rarely that after a union victory at the polls an employer fails to bargain collectively. Election results psychologically remove a barrier to bargaining that the mere assertion of majority representation or even proof afforded by a check of union membership cards against pay roll seldom affords, although many of our cases are settled in that way.

Another indication of the increased acceptance of the law in this region is a decrease of 7 percent in the volume of work in 1938 as compared with an increase of 17 percent throughout the rest of the country.

SPEED IN ADJUDICATION OF DISPUTES

As pointed out earlier, it is important for future harmonious relationships that a dispute be adjusted before ill will has become deeply rooted. Our administrative processes in the second region have been speeded up. For example, comparing the time required to close a case in the period from July 1, 1937, to December 31, 1937, with the similar period in 1938, we find a marked reduction of time consumed in all but one category.

TABLE II.—*Time required to close cases*

	July 1 to Dec. 31, 1937, median days elapsed from filing to closing	July 1 to Dec. 31, 1938, median days elapsed from filing to closing
Cases dismissed	50	[1]65
Cases withdrawn	68	60
Cases settled by agreements	60	40
Cases closed by transfer to National Labor Relations Board after hearings	95	45

[1] This increase in time is accounted for by a recent ruling permitting an extension of time within which an appeal from dismissal can be taken by the complainant.

SPEED AVERTS HARDSHIPS

This shorter time means, of course, less hardship to the workers and less suspense and anxiety to the employers—also less expense to them where back pay may be involved. These figures also reflect a greater cooperation by employers; fewer obstacles put in the way of a speedy adjudication. But there is still considerable room for improvement in the length of time required for final disposition of cases.

CONCLUSION

In the cases now being brought to the Board we find an increasing number in which we must point out to the unions the necessity of exhausting all their other remedies before filing charges with the National Labor Relations Board. The Board has held that violation of a contract may not be considered a violation of the act. Many of these cases arise in shops where a union contract providing machinery for grievance adjustment exists but in which a union shop chairman or other officer may have been discharged allegedly for too great militancy in pressing the claims of the unions. Here again, as has been so often pointed out in this report, our function becomes largely educational.

Often the management will balk at submitting the grievance to arbitration, claiming that to do so impairs its proper disciplinary power. Sometimes the union will reject that proposal or refuse to invoke the machinery of the contract. But our job in this type of case is to show both parties how to get the fullest benefits from their contractual relationship, thus effectuating one of the prime purposes of the National Labor Relations Act, to "encourage practices fundamental to the friendly adjustment of industrial disputes arising out of differences as to wages, hours, or other working conditions."

The Port of New London

EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Tuesday, March 7 (legislative day of Monday, March 6), 1939

EDITORIAL FROM MANCHESTER (CONN.) HERALD

Mr. MALONEY. Mr. President, I ask unanimous consent that there be published in the Appendix of the RECORD a very interesting editorial from the Manchester Herald, of Manchester, Conn. This editorial is not only timely, but exceedingly interesting from the standpoint of naval and maritime affairs; and I am sure that it will prove interesting to the governmental agencies, as well as to the shipping industry and the general public.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Manchester Herald]

THE PORT OF NEW LONDON

With all sympathy to New York, we in Connecticut can afford a feeling of hope for ourselves. The monopoly port of New York apparently has had its day, and is approaching an overload condition. It is getting too big to be economically or efficiently operated. With New York's decline comes Connecticut's chance.

We have in the port of New London the finest harbor on the Atlantic coast, nearer to Europe by a day than is New York, closer to the open sea by 3 hours than is that port. New London is a safe harbor for ships to make and is protected. Its great undeveloped waterside beckons to the construction of piers.

In the wintertime, when Canadian ports are closed, New London can become the natural shipping point for that Dominion's products which would arrive via the Central Vermont Railroad. Incoming passengers from Europe, bound to Chicago and the West, can land here and be half way to Chicago before their ship now can reach New York.

These and a hundred other arguments have long stood in favor of New London's development. But New York up to now has had the strangle hold. Transportation systems have spent millions in New York development and want to get the return from their investment. They believe that they cannot afford to invest large sums at several points which would, it is claimed, force them to enter their investments into competition, the one with the other. New York has been the sacred cow of ocean transport, against which no one could compete.

Now, with relocation in the air, there is at last a chance for Connecticut if this State will grasp it.

Here in eastern Connecticut can be located large shipping plants of national industries; here can be erected all types of factories for a diversity of industries nurtured by foreign trade and sea-borne commerce. New London is the doorstep over which we should deal with the world.

We should remember this in all of our plans for building. No bridge, for instance, should be erected in such a manner that it will

one day hinder the free flow of large shipping up the Thames. The waterside should be left free and open for the building of docks.

The rebirth of the port of New London has been the dream of forward-looking men who believe in Connecticut as being destined to something greater than to be the bedroom and storeroom for New York. We have in our own hands the opportunity to help ourselves.

The development of the port of New London is not merely an incident to conjure with in the passage of time. It is the key to the immediate rebirth of prosperity in eastern Connecticut.

American Foreign Policy

EXTENSION OF REMARKS

OF

HON. M. M. LOGAN

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Tuesday, March 7 (legislative day of Monday, March 6), 1939

ARTICLE BY HENRY L. STIMSON

Mr. LOGAN. Mr. President, I find in this morning's Washington Post an article written by Henry L. Stimson, former Secretary of War and former Secretary of State. The article is so in harmony with my own views that I ask unanimous consent that it be published in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of March 7, 1939]

STIMSON WARNS UNITED STATES CANNOT STAND ALOOF—FORMER REPUBLICAN CABINET MEMBER SUPPORTS ROOSEVELT'S FOREIGN POLICY AS SAFEGUARD TO DEMOCRACY

(By Henry L. Stimson, former Secretary of State and War)

There is an increasing number of our people who feel that, in the face of the situation abroad, our Government should follow a policy of farsighted affirmative action rather than one of drift and negation. Their belief is that in the former lies the best hope for the prevention of war; while by the latter we should run the most serious risk of becoming ultimately dragged into war.

Recent actions indicate that this may be also becoming the policy of our Government. I refer, for example, to the action of the Secretary of State in persuading our airplane manufacturers not to sell planes to nations—notably Japan—which are engaged in bombing helpless civilian populations; the action of the Export and Import Bank in making a loan of $25,000,000 to China; the action of the Government encouraging the sale of large numbers of airplanes to Great Britain and France in the emergency which confronts those nations; the very frank and outspoken answer which Mr. Welles, of the State Department, addressed to the German Ambassador on the subject of the provocative utterances of the Government-controlled Nazi press, and finally the January address of the President to Congress indicating that it was the intention of our Government to bring our influence to bear upon aggressor nations by methods which were "short of war, but stronger and more effective than mere words."

I have long been in favor of such a policy. I believe that our foreign policy cannot with safety be geographically limited to a defense of this hemisphere or of our own continental boundaries. On the contrary, I think that if we should stand idly by without protest or action until Britain, France, and China are either conquered or forced to make terms with militaristic aggressors, our own hemisphere might become economically so affected and militarily so endangered that it would be neither a safe nor happy place to live in for a people with American ideals of life. On this point I think that the statements of the President in his January address to Congress and of Secretary Hull last year are sound and timely.

These great and fundamental issues are now being widely discussed. The policy of the Government has been sharply criticized. It may not be inappropriate for me to attempt to analyze some of these criticisms and what seem to me to be the answers to them. By way of premise I fully recognize that this problem of war prevention has become much more serious and difficult by the setback to world cooperation for peace and by the growth of international lawlessness which has taken place during the past decade. But that does not relieve us of the problem. We must still face it and solve it if possible.

MEDDLING CRITICISM SCORED

One very common objection to such an affirmative policy of our Government is in substance that we are needlessly irritating and antagonizing nations with whom otherwise we might safely live in peace and that we are meddling with what really does not concern us. These critics say that democracies have lived in the same world with autocracies before; therefore they should be able to do so now. I think that the fundamental error involved in this objection is an imperfect appreciation of the basic aims and methods of the so-called Fascist governments, by which term I mean the three nations united by the so-called Berlin-Rome-Tokyo axis.

Recent history has thrown much light on these characteristics, but even now it is hardly appreciated what a complete reversal of the whole trend of European civilization they represent. If all the modern fascism meant were a system under which a nation voluntarily submitted itself to an autocratic ruler and under him was willing to live quietly and at peace with its neighbors, we might agree that it was a domestic matter which concerned that nation alone, and that it was not our business to meddle with it.

But it is becoming every day more clear that fascism is not such a system. On the contrary, it is now evident that it is a radical attempt to reverse entirelly the long evolution out of which our democracies of Europe and America have grown, and that it constitutes probably the most serious attack on their underlying principles which those principles have ever met.

TAUGHT TO SCORN FREEDOM

We know now that the inhabitants of those countries from childhood up, by means of meticulous and absolute government control and by the skillful use of modern engines and methods of mass propaganda, are being taught to reject freedom; to scorn the principles of government by discussion and persuasion instead of force, and to despise the neighboring nations which practice such principles.

We now know that those Fascist nations have created a skillful technique for foreign aggression and that they are in fact girded under virtual martial law for threats and, if necessary, for acts of force upon their neighbors.

In succession the attacks upon Manchuria, north China, south China, Ethiopia, Spain, Austria, and Czechoslovakia have shown us the error of likening modern fascism to a domestic system with which the rest of the world could live in peace.

Furthermore fascism has involved a serious moral deterioration; an increasing and callous disregard of the most formal and explicit international obligations and pledges; extreme brutality toward helpless groups of people; the complete destruction within their jurisdiction of that individual freedom of speech, of thought, and of the person which has been the priceless goal of many centuries of struggle and the most distinctive crown of our modern civilization.

Such a loosening of the moral and humane ties which bind human society together gives powerful confirmation of the basic unfitness of such a system for organized international life.

LINCOLN SAYING HOLDS TRUE

It strongly suggests that in our modern interdependent world Lincoln's saying holds true, that a house so divided against itself cannot permanently stand.

Today the neighbors of a Fascist nation are compelled to live in anticipation of immediate forceful attack. Such a situation is obviously the reversal of all civilized international society as we have known it in the past.

Today, instead of the family of nations being composed of states whose individual sovereignty is mutually recognized and respected, it also contains a powerful and united group of states armed to the teeth which is continually threatening and attacking some of its neighbors.

Does any thoughtful man believe that inaction or soft words from us would prevent similar attacks being made against the United States today if a Fascist government believed that such attacks would be useful and could be carried through with success?

On the contrary, it is now clear that we are confronted with serious danger which will exist until the liberal movement regains its faith, its courage, and its momentum, and until the people of the Fascist nations themselves become convinced of the futility of their systems and compel the necessary changes.

CONFUSED THINKING

Today those people are so shackled by censorship and controlled by government propaganda that no early change can be anticipated. It may be delayed until economic or military disaster compels it, but in the meanwhile the danger of a general war hangs over us.

The prospect is as somber as it is without parallel in our experience. The danger is as formidable as it is imminent. In my opinion, it can be successfully resisted only by the farsighted readiness and cooperation of the nations which are opposed to such a system.

Another objection to an affirmative policy by our Government is that it will drag us into war. This is an objection which seems to me to be based partly on confused thinking and partly on emotion—or, to speak plainly, on undue timidity. It is true, as history has shown, that if a general war actually takes place we shall very probably be ultimately dragged into it.

When war has once begun the combatant nations become so desperate and so reckless that, however cautious we may be, our rights and interests will eventually be so trampled upon that our people will insist on defending them by force.

But that is not the present question. What we are discussing now is the prospect of preventing such a general war from actually breaking out. That is an entirely different matter.

Even if they are impervious to moral reasons, these aggressive Fascist nations understand very well the possible dangers as well as the possible advantages of force, and they may be deterred from beginning a war by timely and vigorous warning of the dangers which they will thereby certainly incur.

Even more important, peaceful nations may be encouraged not to make surrenders which will ultimately endanger our safety, if they now receive from us in advance encouragement and actual assistance which it lies within our power to give them.

No one realizes more strongly than I do the uniquely secure position, geographically as well as in the possession of vital natural resources, which the United States occupies today. Today we are more nearly self-contained than any other nation in respect to the raw materials necessary for making war, and today we are also practically safe from that new terror of war—the bombing of large cities from the air.

HOW SHALL WE USE ADVANTAGE?

But the question now is, Having these unique and powerful advantages, how shall we use them? Having this present security from attack, how shall we conduct ourselves in this threatening world? Shall we bury our heads in the sands of isolationism and timidly await the time when our security shall be lessened and perhaps destroyed by the growing lawlessness around us; or shall we use our present strength and security from attack to throw our weight into the vacillating scales in favor of law and order and freedom?

Today our Government can with safety speak unwelcome truths to a dictator or do unwelcome acts which it might be extremely hazardous for a weaker European neighbor of the dictator, either to do or utter. Recent events have indicated that such activity by us may produce extremely wholesome reactions in the cause of peace. On the other hand, it is far more inconceivable that a threatened or devastated France or Britain or Holland might be forced to cede to a Fascist nation some of its possessions in the Western Hemisphere or in the Orient or make commitments to that nation which would be even more dangerous to our safety. Would our position be bettered by idly waiting for that to occur?

There is a flood of reaction and violence overruning the world today. Our faith is that this is temporary; that the great progress of many long centuries will not be permanently lost, but that after the social and economic dislocations caused by the Great War are readjusted, the progress in freedom and in the humanities will be resumed.

In the meanwhile and until the present violence has spent its force that flood must be held back from overwhelming us. During that interval each liberty-loving nation which stands confident in its own strength and freedom is a strong point of defense. But that defense is not complete unless there is created among all such nations the fullest sympathy and encouragement as well as a readiness to assist to an extent proportionate to the danger.

OPPOSED TO NEUTRALITY

What I have written may explain why I am unalterably opposed to the doctrine preached in many quarters that our Government and our people must treat the nations on both sides of this great issue with perfect impartiality; that, for example, we must sell to a nation which has violated its treaties with us as well as trampled upon the humanities of our civilization the very instruments with which to continue its wrongdoing quite as freely as we sell to its victim the instruments for its self-defense.

I am opposed to such doctrine because I am confident that we are confronting an organized attack upon the very basis of our civilization, and because I know that this civilization was only achieved by the development of what we call law and the humanities; by the respect for justice and fair play to all men; by the principle of the sovereignty of reason rather than force and by the Christian principle of the equal value of all human personalities.

Such a civilization can only be preserved if we keep alive in our people their faith in these underlying principles. And I see no surer way of destroying their faith than by teaching them that in such a conflict as is now going on in the world neither they nor their Government shall discriminate between right and wrong, between an aggressor and his victim, between an upholder of law and a violator thereof.

CANNOT SACRIFICE PRINCIPLES

How can we expect to keep alive in our citizens the principles which have produced our civilization and upon the continuance of which rests the hope of a future rule of law and justice in the international world, if we now sacrifice those principles to a motive of timid expediency and a desire to make the present easier at the expense of both the safety and the moral character of the future?

I have outlined the fundamental principles upon which I believe that an affirmative foreign policy for this Government can safely rest. I am clear that in such a policy today lies the best hope for the prevention of a general war.

But the prevention of war today is not as easy nor as certain as it might have been if the nations of the world, including ourselves, had followed during the past 20 years wiser and more cooperative courses than we actually did follow.

Therefore, no matter what we now do or do not do we cannot ignore the fact that our effort to prevent such a war may fail. We cannot ignore the fact that at almost any moment an armed attack may be aimed by the Fascist group of powers against the vital safety of one of the two peace-loving nations upon which today rests in large part the safety of our own civilization—Great Britain and France.

INVOLVE BOTH NATIONS

Such an attack would almost inevitably involve both of those nations and from present appearances would be cooperated in by all three of the Fascist powers. In that event, only one course could be depended on ultimately to save the present hard-earned civilization upon which our own national welfare rests.

Today the aggressive group is more powerful in the air and on the land than even France and Britain combined, and it is probably sufficiently strong at sea to pin down the British and French Fleets to European waters, leaving exposed to the powerful Japanese Fleet the whole western Pacific Ocean, including the English-speaking dominions of Australia, New Zealand, and even western Canada, as well as the naval base at Singapore, which is the key to the protection of those regions.

The defense against such joint action in Europe and Asia by Fascist powers can only be securely accomplished by the common action of the naval power of the three large democracies, including the United States.

ISOLATION DISASTROUS

Should any one of these three nations attempt to remain isolated, the result would bid fair to be ultimate disaster to them all; on the other hand, conviction on the part of the Fascist powers that such common action was in contemplation would be very potent to prevent the attack altogether.

We are prone to forget that the defensive policy of peace-loving nations like ourselves must always have not one but two main objectives; our Secretaries of State and foreign ministers must not only endeavor with all their might to prevent their nations from being dragged into war; but, secondly; and quite as important, we must endeavor to make sure that if, contrary to its desire, our country is dragged into war, it shall go in under such conditions that it will not lose but win the war; that it will not be exposed to the worst evil of all—ultimate conquest by a brutal enemy.

Sir Edward Grey, former Foreign Minister of Great Britain, has told us in his memoirs how for 9 long years before the great war he labored for these two objectives against the constantly growing menace of Prussianized Germany.

He labored assiduously for a better understanding with Germany which might prevent war, but precautions were also taken looking toward military cooperation with France in case he were unsuccessful in this first objective.

Consultations took place between the military experts of Great Britain and France to insure that, if Germany ultimately made war against them, the fleets and armies of those two nations could act in cooperation with a minimum of confusion and delay.

THERE WAS NO ALLIANCE

There was no alliance. In fact explicit record had been made, that the conversations of the military experts should not constitute an obligation to render armed assistance on the part of either nation; and when war came France did not know until the British Parliament met on August 3, 1914, that they would actually have full British assistance.

But on that fatal day when Edward Grey's hopes of peace were falling into ruin about him and he knew that he had failed in his desperate effort to prevent war, he also knew that these vital steps had been taken for military success in the war which was being forced upon him.

Subsequent history quite clearly showed that except for these prudent plans of cooperation, not only on the outbreak of war might the British fleet not have been united in its commanding position, but the first great sweep of the German armies in France might have been successful.

Today the German mailed fist has far less velvet concealing it than in the years preceding 1914.

And the German power is flanked by two other strong nations which speak the same language of force and use the same methods. It is not a time for America to forget the lessons of such a recent past.

DOMESTIC POLICIES ATTACKED

In what I have written I have been happy to express my approval of certain recent acts and statements of the foreign policy of the present administration. I regret that this approval cannot extend to certain acts of its domestic policy. These last seem to me to be in conflict with the foreign policy in which I concur.

In his January address to Congress the President truly stated that the success of a national foreign policy depends upon having behind it a strong and united people.

But national strength is not promoted by an extravagance which comes dangerously near the impairment of our national credit. It is not promoted by discouraging the business welfare of the country upon which depends the economic power of the Nation.

It is not promoted by novel and haphazard experiments with the Nation's finance.

National unity is not promoted by appeals to class spirit. Nor is it promoted by methods which tend to disrupt the patriotism of either party or the effective cooperation of the two, upon which the coordinate working of the American Government depends.

In carrying out a foreign policy adequate to meet the emergency of the present world the President should have the support of all parties and citizens. If he will disregard both the annoyances and the temptation common to the policies of normal times, and if he will confine himself to the proven paths that lead most surely to political unity and economic strength, I believe he may win that support.

But he must lead toward that accomplishment. No other can.

HENRY L. STIMSON.

NEW YORK, *March 6, 1939.*

Affirmation of Christian Pacifist Faith

EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Tuesday, March 7 (legislative day of Monday, March 6), 1939

ARTICLE FROM MAGAZINE FELLOWSHIP OF MARCH 1939

Mr. CLARK of Missouri. Mr. President, recently a hundred of the most eminent clergymen in the United States drew up what is known as an Affirmation of Christian Pacifist Faith, which is published in the current number of the magazine Fellowship. It is very short, and I ask unanimous consent that it be printed in the Appendix of the RECORD, together with the names of the signers.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From the magazine Fellowship of March 1939]

AFFIRMATION OF CHRISTIAN PACIFIST FAITH

(What direction can be found in the gospel for the Christian and the church today when they are faced once more with the prospect of imminent war? The following statement is an attempt to formulate the answer given by Christian pacifist faith. It was drawn up by the original group brought together in New York by the Ministers' Peace Covenant. As it appears here it is the result of a long process of discussion and careful revision. Its sponsors hope it will serve as a medium which will strengthen Christian faith in the power of good as found in the cross to overcome evil as represented in war. To enlarge this Christian witness, they invite you to add your name to the "First 100" signers at the end of this article by writing Allan Knight Chalmers, 2929 Broadway, New York.)

We believe that God is the Father of all mankind, that His will as revealed in Jesus Christ is universal love, and that Christ's gospel involves the faith that evil can be overcome only with good.

We believe that in the cross is revealed God's way of dealing with wrongdoers, and that to this way all Christians are called.

We believe that war, which attempts to overcome evil with more evil, is a denial of the way of the cross.

We believe that the church is called to the way of the cross.

We believe that when the state in the prosecution of war seeks to compel the denial of the gospel, the church must resist at whatever cost.

We believe that God leads his church into new life through obedience of the individual believer in refusing war for Christ's sake.

Therefore we proclaim to a world which is once again madly preparing for war that the gospel of God as revealed in Jesus Christ which leaves us with no other choice but to refuse to sanction or participate in war, contains also its hope of redemption. We affirm our faith that the mission of the church today is to witness with singleness of heart, at whatever cost, to the power of good to overcome evil, of love to conquer hatred, of the cross to shatter the sword.

(The seven paragraphs above are a brief summary of the important statement which follows. Together these pages present an affirmation of faith which we invite all whose convictions are here expressed to sign.)

As believers in the gospel of God as revealed in Jesus Christ, we hold that good is the only force which can overcome evil. Therefore we are pacifists, for the pacifist is one who in the face of hatred and war puts to the test of action the faith that the nature of God as universal love makes certain that evil must yield to good. War, whether aggressive or defensive, whether waged for a "just" or an "unjust" cause, attempts to overcome evil with more evil. We identify ourselves with the judgment uttered by the Oxford World Conference of Churches, "War involves compulsory enmity, diabolical outrage against human personality, and a wanton distortion of the truth. War is a particular demonstration of the power of sin in this world, and a defiance of the righteousness of God as revealed in Jesus Christ and him crucified." It is therefore for us as followers of Jesus Christ morally and spiritually impossible. This conviction does not originate in any political situation. It does not emerge out of any doctrinaire opinion that force is always wrong. It is not caused by a sentimental horror of bloodshed. It is simply our conviction that the gospel of Jesus Christ involves commitment to the faith that evil can only be overcome with good. If we are mistaken in this we have misunderstood the gospel.

This conviction arises from the cross, where we see God's way of dealing with wrongdoers. In the face of violence, Jesus Christ turned away from retaliation and violent resistance. Life and property were secondary values to Him. The primary question was for Him and must be for us, How can the evil man be redeemed and brought into a just and friendly relationship to God and man? This redemptive purpose involved the choice of the cross. Sacrificing not only His personal safety but that of His friends and even of His cause, He won for them all immortality. Nonviolent, forgiving love alone reconciles man to God and man to man. For us as well as for Jesus, to choose this way requires that we must also choose to accept whatever suffering it involves. Therefore we believe that all Christians are called to live the way of the cross today.

War and preparations for war constitute a denial of the way of the cross for they attempt to overcome evil with more evil. We cannot believe that the Christian, whose every act must accord with his supreme loyalty to the God of love, can ever in the name of Christ drop bombs on helpless women and children, which is a characteristic act of modern war, or on any of his brothers, whether soldiers or civilians. Since the method of war does not vary in accordance with its purpose, whether defensive or otherwise, we cannot believe that any kind of war is truly redemptive. The tragic dilemmas which confront humanity today because nations still trust the way of selfishness and war cannot be resolved by pointing at others as guilty, or by attempting to visit judgment upon the transgressors. We have all sinned and come short of the destiny to which God has called us. The cross convicts us of our own guilt and demands that we make restitution even to the point where we penitently bear suffering for our own and our brothers' sins. Only thus, we believe, can the vicious circle of war leading to more war be broken and a permanently peaceful international order be established. If the suffering love of the cross is not for us the concrete and living alternative to the infliction of suffering in hatred on others in war, if it does not today constitute for us the basis for a lively hope of overcoming war, then it seems to us that we have rejected Christ not only as a moral guide for humanity but also as the Saviour of the world.

We believe that the church as well as the Christian is called to the way of the Cross. It is the body of Christ and is created by His spirit to carry on His redemptive work. The church belongs to Christ and is not dependent on any other power. False concern for institutional welfare sometimes makes the church forget that her sole guide is the life and teachings of her Master. The imminence of the universal death, destruction, and hatred of world-wide war, however, requires that the church repent and set her house in order for a day of great trial and the privilege of participating in cosmic processes of redemption which may yet save the world from destruction. Her only commission is to witness in words and deeds to Christ's way which is the way of the Cross. Refusal at whatever cost to abandon its ministry of reconciliation is itself a deed of constructive witness to the gospel.

Today no greater challenge to the way of the Cross lies before the church than in her relations with the state. Centuries of effort to build civilization on a secular basis and feverish policies of armament and empire have brought the state today to the place where increasingly it is claiming absolute power. To unify and prepare itself for war it attempts to assume control not only of the bodies, but also of the consciences of men. The church cannot tolerate having the state become an authority in the moral realm. Under no circumstances can it grant to the state the right to claim from Christians the supreme loyalty which belongs only to God. Being concerned with eternal values the church must challenge the temporal concerns of the state and stand in judgment upon it whenever it violates, or commands Christians who may be its citizens to violate, the love of God or the brotherhood of man. This already has come to mean persecution, and it will yet involve even more, but the church has no more right to expect exemption from suffering than her Lord.

The church will discover new truth and fresh power through the obedience of the individual church member to his Lord. The way of Christ is always open and the need for a living witness in faith was never greater than today. The Christian is never shut up to a situation in which he has no choice but to do wrong. Wars come, but Christians need not take part in them, and thus on command of the state commit sin against their primary allegiance to God. On the other hand, the inescapable pervasiveness and imminence of war offers opportunity for witness to the way of love on such a scale that through God's grace incalculable influences for peace may even now be loosed by courageous and faithful loyalty at whatever cost.

We stand at a crisis in history where the most solemn responsibility rests upon each Christian and upon the Christian church. In such an hour we call upon the church to trust God and to resist evil only with good, repudiating utterly all war and repenting prayerfully of all ways of life which lead to war, accepting the full cost and responsibility of the cross. If this involves persecution by the Caesars of our day, we call upon the church to enter into deeper fellowship with that church which refused to serve in Caesar's armies, and to invite into its unbreakable spiritual community the men and women of all lands who pray night and day for peace. In contrition and deep faith we reaffirm our undivided loyalty to the universal God of love and to the church of Him who refused to be Caesar or to overcome Caesar with Caesar's weapons. We proclaim to a world which is once again madly preparing for war that the gospel of God, as revealed in Jesus Christ, which leaves us with no other choice but to refuse to sanction or participate in war, contains also its hope of redemption. We declare our conviction that the mission of the church today is to witness with singleness of heart at whatever cost to the power of good to overcome evil, of love to conquer hatred, of the cross to shatter the sword.

THE FIRST 100 SIGNERS

Rev. William S. Abernethy, Calvary Baptist Church, Washington, D. C.

Rev. William H. Alderson, D. D., Brooklyn M. E. Conference.

Brooke Anderson, Christian Association secretary, Brown University, Providence, R. I.
Rev. M. Forest Ashbrook, the Ministers and Missionaries Benefit Board, Northern Baptist Convention, New York, N. Y.
Dean John Murray Atwood, St. Lawrence University Theological School, Canton, N. Y.
Prof. Roland H. Bainton, Yale Divinity School, New Haven, Conn.
Rev. Edward H. Bonsall, 1511 Arch Street, Philadelphia, Pa.
Rev. Charles F. Boss, Jr., secretary, General Conference Commission on World Peace, Chicago, Ill.
Rev. B. Russell Branson, Society of Friends, Clintondale, N. Y.
Rev. David Braun, the Swarthmore Presbyterian Church, Swarthmore, Pa.
Rev. Hugh Elmer Brown, First Congregational Church, Evanston, Ill.
Rev. Richard Buckingham, Hempstead, N. Y.
Rev. F. W. Burnham, Seventh Street Christian Church, Richmond, Va.
Rev. George Buttrick, Madison Avenue Presbyterian Church, New York City.
Dr. Hugh Chamberlain Burr, executive secretary, Federation of Churches, Rochester, N. Y.
Fay Campbell, Yale University Christian Association, New Haven, Conn.
Rev. J. Henry Carpenter, Brooklyn Federation of Churches, Brooklyn, N. Y.
Rev. Allan Knight Chalmers, Broadway Tabernacle, New York.
Rev. A. Burns Chalmers, department of religion, Smith College, Northampton, Mass.
Rev. Bernard C. Clausen, First Baptist Church, Pittsburgh, Pa.
Sarah M. Cleghorn, Manchester, Vt.
Bishop A. R. Clippinger, Church of the United Brethren in Christ, Dayton, Ohio.
Rev. Clifford Wesley Collins, Plainfield, N. J.
Rev. E. LeRoy Dakin, First Baptist Church, Milwaukee, Wis.
Rev. Dorr Diefendorf, Drew Theological Seminary, Madison, N. J.
Dr. R. E. Diffendorfer, board of foreign missions, Methodist Episcopal Church, New York, N. Y.
Rev. Hubert F. Doran, Richmond, Calif.
Rev. John W. Elliott, education department, American Baptist Publication Society, Philadelphia, Pa.
Rev. Phillips Elliott, First Presbyterian Church, Brooklyn, N. Y.
Rev. Cornelius Fersch, Community Congregational Church, Oakwood Heights, Staten Island, N. Y.
Rev. Harold E. Fey, Fellowship of Reconciliation, New York, N. Y.
Rev. Edgar J. Filbey, Grace Evangelical Church, Philadelphia, Pa.
Rev. Daniel J. Fleming, professor of missions, Union Theological Seminary, New York, N. Y.
Rev. Norman D. Fletcher, Unity Church, Ridgewood, N. J.
Rev. Victor G. Flinn, Third Moravian Church, Brooklyn, N. Y.
Rev. Harry Emerson Fosdick, Riverside Church, New York.
Mrs. L. H. Fradkin, Montclair, N. J.
Rev. W. E. J. Gratz, editor, the Epworth Herald, Chicago, Ill.
Rev. Cornelius Greenway, All Souls Universalist Church, Brooklyn, N. Y.
Rev. John R. Hahn, Bausman Memorial Church, Wyomissing, Pa.
Prof. C. H. Hamlin, Atlantic Christian College, Wilson, N. C.
Prof. Georgia Harkness, department of history and literature of religion, South Hadley, Mass.
Rev. Ralph O. Harpole, Park Place Congregational Church, Pawtucket, R. I.
Mr. Harold Hatch, New York City.
Rev. Gustav F. Hausser, pastor, Second German Methodist Episcopal Church in New York City, N. Y.
Rev. C. Newman Hogle, Vanderveer Park Methodist Episcopal Church, Brooklyn, N. Y.
Rev. John Haynes Holmes, Community Church, New York.
Rev. Clarence V. Howell, director, Reconciliation Trips, Inc., New York, N. Y.
Rev. Allan A. Hunter, Mount Hollywood Congregational Church, Hollywood, Calif.
Rev. Joseph Boone Hunter, Heights Christian Church, Little Rock, Ark.
Rev. William Lloyd Imes, St. James Presbyterian Church, New York.
Rev. Ray Freeman Jenney, Park Central Presbyterian Church, Syracuse, N. Y.
Bishop Paul Jones, Antioch College, Yellow Springs, Ohio.
Rev. George J. Kelly, New York.
Rev. William E. Lampe, secretary, the General Synod, the Evangelical and Reformed Church, Philadelphia, Pa.
Rev. John Howland Lathrop, First Unitarian Church, Brooklyn, N. Y.
Prof. Paul M. Limbert, New College, Teachers College, Columbia University, New York.
Rev. Robert W. Little, United Congregational Church, East Providence, R. I.
Rev. Sidney Lovett, Yale University, New Haven, Conn.
Prof. Halford E. Luccock, Yale Divinity School, New Haven, Conn.
Rev. Martin Paul Luther, New Utrecht Reformed Church, Brooklyn, N. Y.
Prof. Mary Ely Lyman, Union Theological Seminary, New York.
Rev. D. P. McGeachy, Decatur Presbyterian Church, Decatur, Ga.
Rev. Elmore McKee, St. George's Episcopal Church, New York.
Mrs. Alida K. L. Milliken, New York City.
Rev. Harry C. Munro, director adult work, International Council of Religious Education, Chicago, Ill.
Rev. A. J. Muste, Labor Temple, New York City.
Ray Newton, peace section, American Friends Service Committee, Philadelphia, Pa.
Rev. Charles C. Noble, Methodist Church, Glenn Falls, N. Y.
Kirby Page, box 247, La Habra, Calif.
H. Glenn Payne, 10 Bayside Avenue, Providence, R. I.
Rev. Harold C. Phillips, First Baptist Church, Cleveland, Ohio.
Rev. Hubert McNeill Poteat, Wake Forest, N. C.
Clarence E. Pickett, American Friends Service Committee, Philadelphia, Pa.
Mrs. Katherine C. Pierce, New York City.
Rev. W. Glenn Roberts, Lafayette Avenue Friends Meeting, Brooklyn, N. Y.
Rev. Richard Roberts, Former Moderator, United Church of Canada, New York City.
Prof. Elbert Russell, Duke University, Durham, N. C.
Rev. David H. Sandstrom, Pilgrim Congregational Church, Richmond Hill, N. Y.
Rev. John Nevin Sayre, Fellowship of Reconciliation, New York.
Rev. Paul Scherer, Trinity Lutheran Church, New York City.
Prof. Vida C. Scudder, Wellesley, Mass.
Rev. Richard W. Seebode, Unitarian Church, Providence, R. I.
Rev. Robert W. Searle, general secretary, New York City Federation of Churches, N. Y.
Rev. Charles M. Sheldon, Topeka, Kans.
Rev. Eugene Wilford Shrigley, Baldwin Methodist Episcopal Church, Baldwin, Long Island.
Rev. Ralph Sockman, Christ Church, Methodist, New York City.
Rev. Paul Spencer, New York City.
Rev. Frederick K. Stamm, Brooklyn, N. Y.
Rev. George Maychin Stockdale, Clinton, N. Y.
Rev. J. Carter Swaim, First Presbyterian Church of Staten Island, Stapleton, Staten Island, N. Y.
Prof. Arthur L. Swift, Jr., Union Theological Seminary, New York.
Rev. Ernest Fremont Tittle, First Methodist Church, Evanston, Ill.
Rev. Seaman W. Townsend, Port Richmond, Staten Island, N. Y.
Rev. Henry M. Tyndall, the People's Tabernacle, New York, N. Y.
Rev. John Warnshuis, Staten Island, N. Y.
Rev. Robert Weisholtern, Epiphany Lutheran Church, New York.
Rev. Robert C. Whitehead, Vernon Heights Congregational Church, Mt. Vernon, N. Y.
Rev. John C. Wiley, First Baptist Church, Jamaica, N. Y.
Rev. Gerret J. Wallschleger, Reformed Church, New Paltz, N. Y.
Rev. Harold Worden Wylie, Presbyterian Church, Clinton, N. Y.

Government Reorganization

EXTENSION OF REMARKS
OF
HON. GERALD W. LANDIS
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 6, 1939

Mr. LANDIS. Mr. Speaker, I am opposed to the reorganization bill. The people of my district in the State of Indiana are against any reorganization bill that will give more power to the President of the United States.

This was one of my chief issues in the 1938 campaign. I was elected in a district which is normally about 18,000 Democratic.

I would like to remind you that we gained 80 seats in Congress in 1938 and never lost an old seat.

If you pass the reorganization bill, this House will be full of Republicans in 1940.

Twenty-first Anniversary of Signing of the Federal Reserve Act

EXTENSION OF REMARKS
OF
HON. LISTER HILL
OF ALABAMA
IN THE SENATE OF THE UNITED STATES
Tuesday, March 7 (legislative day of Monday, March 6), 1939

EXERCISES COMMEMORATING TWENTY-FIFTH ANNIVERSARY OF THE SIGNING OF THE FEDERAL RESERVE ACT

Mr. HILL. Mr. President, on December 3 last, exercises were held commemorating the twenty-fifth anniversary of

the signing of the Federal Reserve Act. On that occasion appropriate addresses were delivered, and a bas relief of the distinguished senior Senator from Virginia [Mr. GLASS] was unveiled at the Federal Reserve Building. I ask unanimous consent to have printed in the RECORD the proceedings on that occasion.

There being no objection, the proceedings were ordered to be printed in the RECORD, as follows:

CEREMONY ON THE TWENTY-FIFTH ANNIVERSARY OF THE SIGNING OF THE FEDERAL RESERVE ACT (DECEMBER 23, 1913–38)

INTRODUCTORY REMARKS BY HON. MARRINER S. ECCLES, CHAIRMAN, BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Senator GLASS, honored guests, ladies and gentlemen, we are met here today, as you all know, to commemorate the twenty-fifth anniversary of the signing of the Federal Reserve Act by President Wilson. I take great pleasure, on behalf of my associates of the Board of Governors, in welcoming you and in asking you to join with us on this occasion. It is one of importance to all of us who are interested in the Federal Reserve System. It has historic significance, I think, as we look back over the history of the United States and recognize the part that the Federal Reserve System has played in peace and in war during the last quarter of a century.

The record is a creditable one. The System has rendered a public service, a service essential in our country, as it is in every other civilized land. It is fitting, therefore, that we should pause for a moment to mark this occasion and to hear from the Honorable HENRY B. STEAGALL, chairman of the Committee on Banking and Currency of the House of Representatives, who for so many years has been identified with the development of banking legislation, who has been a stanch friend of the Federal Reserve System and a champion of sound, forward-looking banking measures in the public interest. He has been constantly and closely associated with the distinguished Senator from Virginia, whose portrait in bronze he will unveil. I am especially gratified that Chairman STEAGALL could come here today. He made the trip from his home in Alabama only for the purpose of being present this morning.

I think I may tell you also that when Senator GLASS was informed of the proposed unveiling as a part of this ceremony his natural reluctance to have it take place was overcome only because he was told that the Board had reached a decision, based upon a conviction shared by all of my colleagues and myself, that we could in no better way observe this occasion than by placing and unveiling his portrait here.

Before I present Representative STEAGALL I want to read a letter which I have received from the President of the United States:

DECEMBER 23, 1938.

MY DEAR MR. CHAIRMAN: May I not express my congratulations to you and, through you, to your associates of the Board and of the entire Federal Reserve System upon the occasion of the twenty-fifth anniversary of the signing of the Federal Reserve Act by President Wilson which you are observing today. Had it been possible for me to be present, I would have taken pleasure in joining with you, your colleagues, and your guests in the observance of a quarter century of distinguished service which has been rendered to the country's banking and thus to business, industry, and agriculture by this distinctly American institution in which all who were associated with its creation, and particularly those who, like myself, served in Woodrow Wilson's administration, justly take pride.

It is especially appropriate that you are marking the anniversary by unveiling on the wall opposite the portrait of President Wilson, a bas-relief of Senator GLASS, of Virginia, who, as one of the original sponsors of the act, has always been its defender.

The Federal Reserve System represents one of the great forward steps in dealing with our economic system. On this occasion we may well recall for our guidance now and in the future President Wilson's words, fittingly inscribed under his portrait:

"We shall deal with our economic system as it is and as it may be modified, not as it might be if we had a clean sheet of paper to write upon; and step by step we shall make it what it should be."

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

I should also like to read a letter from Senator McAdoo, who was the first Chairman of the Federal Reserve Board:

SANTA BARBARA, CALIF.,
December 17, 1938.

DEAR MR. CHAIRMAN: I have just received your letter of December 14, together with your telegram of December 16, inviting me to participate in a "simple" ceremony to be held December 23, 1938, in the Federal Reserve Building, commemorating the twenty-fifth anniversary of the signing by President Woodrow Wilson of the Federal Reserve Act, during which, you advise me, there will be unveiled a bas-relief in bronze of CARTER GLASS.

It is with sincere regret that I find myself unable to participate in these ceremonies. I rejoice that you are celebrating this historic event which has resulted in vast benefits to the American people. It is impossible to calculate the profound effects the Federal Reserve System has had upon our development during the past quarter of a century, but we can readily see that without it or some effective substitute our progress as a Nation would have been seriously impeded and restricted.

I am delighted that a bas-relief of my distinguished friend and colleague, the Honorable CARTER GLASS, is to be unveiled on this occasion. I am gratified that this recognition of his magnificent services in the formulation and passage of this great measure through the House of Representatives and his continuing and important contributions to the success of the system since its establishment is to be accorded during his lifetime. Too frequently those who have rendered immortal service to the country are not recognized until long after they have passed into eternity.

Cordially yours,

W. G. MCADOO.

I have also received a letter from the chairman of the Committee on Banking and Currency, Senator ROBERT F. WAGNER, reading as follows:

NEW YORK, N. Y., *December 22, 1938.*

MY DEAR MR. CHAIRMAN: I regret exceedingly my inability to be present and participate personally in the ceremony on the twenty-fifth anniversary of the signing of the Federal Reserve Act by President Woodrow Wilson.

I extend most cordial felicitations to the Board of Governors of the Federal Reserve System and to CARTER GLASS, to whom the Nation owes an eternal debt of gratitude for his leading part in the drafting and enactment of the Federal Reserve Act. He remains to this day the outstanding defender and exponent of the law which he fathered. This occasion signalizes for the American people a great victory in progressive action, and for CARTER GLASS a major personal triumph.

With kindest personal regards and best wishes, I am,

Very sincerely yours,

ROBERT F. WAGNER.

It gives me great pleasure to present the Honorable HENRY B. STEAGALL, of Alabama.

ADDRESS OF HON. HENRY B. STEAGALL, OF ALABAMA, CHAIRMAN, COMMITTEE ON BANKING AND CURRENCY OF THE HOUSE OF REPRESENTATIVES

Twenty-five years ago yesterday the chairman of the Banking and Currency Committee of the House of Representatives, in presenting the conference report on the Glass-Owen bill, expressed the view that the measure embodied legislation which had been sorely needed for many years. The passage of the Federal Reserve Act did not represent any hasty or immature judgment.

The necessity for currency reform had been recognized by advanced thinkers throughout the Nation. The country had become accustomed to periodic money panics, resulting in disastrous disturbance to agriculture, industry, and commerce, and special congressional committees had made repeated studies in search of a remedy. During these unfortunate periods the people found themselves without the supply of credit and currency indispensable to the normal flow of trade and commerce. At such times it even became necessary to resort to barter or the issuance of scrip with which to meet the requirements of business. An illustration of which I have personal knowledge is to be found in the case of many banks in small communities that were unable to secure payment in currency of their deposits in the large banks in financial centers. Under these conditions the large banking interests were in control of the Nation's supply of credit and currency, virtually holding the power of life and death over every other business interest in the land. The situation demanded fundamental reform, and the passage of the Federal Reserve Act was the answer of statesmen to that demand.

The party then in power had declared that banks existed for the accommodation of the public and not for the control of business, and the Congress proceeded to make that principle a living reality.

Happily for the Nation, the people had summoned to the office of Chief Executive a man with a vision unclouded by selfish interest and with an unwavering devotion to the public weal. The task was so stupendous that it presented a challenge to the leadership of the President, and required leadership in Congress possessing the same lofty patriotism, rare courage, and consummate skill.

At that time a modest, unobtrusive, self-styled "country editor from Virginia" was chairman of the Committee on Banking and Currency of the House of Representatives and leader in the House in all matters of legislation touching banking and currency. During his years of service in the House he had quietly and studiously acquired vast stores of information useful to him and to his committee in meeting the problems confronting it. It is no exaggeration to say that deeper or more painstaking study was never given to any measure than was given to the Federal Reserve Act by the chairman of the House Banking and Currency Committee. Of course he was ably supported by his associates, but his was the responsibility, his the task of piloting the legislation through his committee and to final passage in the House. This was accomplished. The historian of the future, looking back over the period encompassed by the passage of this act, will be amazed, not only at the wealth of information brought to bear at all critical stages, but at the consummate ability with which the chairman of the Banking and Currency Committee of the House met the onslaughts of opponents, both within and without the Halls of Congress.

It is doubtful that any great measure ever encountered more stubborn and relentless opposition than was arrayed against this proposal, both in the Congress and in the big-business circles of the country. A horde of powerful lobbyists, such as seldom seen, gathered in Washington, filling the air with dire predictions of confusion and chaos to follow the passage of the act.

The chairman of the Banking and Currency Committee of the House, now the beloved Senator from Virginia, with the consummate courage that has characterized his entire career, undaunted and undisturbed by the clamor of the hour, pursued the even tenor of his way until he achieved the goal that ushered in the dawn of a new day of freedom for the legitimate business interests of the Nation. No measure was ever presented to the House of Representatives by any chairman of a committee with a more comprehensive grasp of the measure in hand and of all pertinent information that could be desired by the House. The masterly manner of presentation has never been surpassed in the history of the House. Objections were met with devastating facts or reason. Opponents became supporters, and the final vote was a triumph of leadership seldom equaled in the House.

The Federal Reserve System afforded a supply of currency and credit adequate to the growing demands of the country. The volume of industrial production increased by 30 percent in 2 years following the inauguration of the System, with corresponding improvement in agriculture and expansion in trade and commerce. During the same period the national income increased approximately $15,000,000,000. The System supplied facilities for financing the Government during the period of the World War. The volume of Government securities handled through the Reserve banks during that period amounted to approximately $50,000,000,000. The System enabled us to finance the Great War and to hasten its conclusion. It is today the greatest instrumentality of the Government for meeting the problems of the present. Strange as it may seem, if at any time after the System had been tested by experience a proposal had been offered to repeal the law, it would have encountered even more strenuous opposition and from the same sources that opposed the original measure and indulged such dire predictions of disaster to follow its enactment.

The part played by the illustrious Senator from Virginia in connection with the establishment of the Federal Reserve System made him the choice of the President for Secretary of the Treasury, in which capacity he rendered most able and conspicuous service. This does not by any means complete the story of his career. Senator GLASS, as chairman of the Committee on Banking and Currency of the House of Representatives, gave profound study to the subject of farm credits and the Federal Farm Loan Act was sponsored by him and passed under his leadership.

Since the passage of the Federal Reserve Act he has been its constant defender and protector, and as Senator he has sponsored and supported new legislation to strengthen the System and to enlarge its service to the public—always in conformity with the original purposes of the act. Senator GLASS saw the evils and dangers attending the orgy of speculation during the period preceding the great depression and under his constructive leadership legislation was enacted that terminated many of the evil practices which obtained and brought about the desired improvement since recognized. He is the accepted authority in the Senate in matters of legislation relating to banking and currency. His activities cover a wide range too extensive for review here and have left deep and lasting imprint on the Nation's financial structure. His lofty patriotism, great learning, and superb courage have endeared him to all his associates, as well as to the people of the entire Nation.

A great Roman said that he would rather posterity would ask why he had not held public office than to inquire why he had. Historians in the years to come will wonder why Senator GLASS was not made the nominee of his party and elevated to the Presidency of the United States following the Wilson regime. His name will have a place in history such as coveted by the great Roman.

We know not how long this marble structure or this bas-relief will survive the vicissitudes of time, but the name and fame of CARTER GLASS, of Virginia, will endure to enrich the annals of the Republic.

Senator GLASS, we unveil this bas-relief placed here as a testimonial to your distinguished public service and as an expression of esteem and admiration of those who know you and love you.

(Mr. STEAGALL then unveiled the bas-relief of Senator GLASS and those present arose with an ovation of applause. The Star-Spangled Banner was played by the Marine Band amid continued applause.)

Mr. ECCLES. Ladies and gentlemen, that concludes the ceremony.

Great Britain and the Balfour Declaration

EXTENSION OF REMARKS

OF

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1939

Mr. SABATH. Mr. Speaker, I believe my record in this body will bear me out when I state that I have never hesitated justly to criticize even the largest and most powerful of American newspapers when I felt they deserved it for wholly unjustified and vicious attacks upon our great President and the American Congress. But I want to be fair. When I feel they deserve praise for an editorial defense of the cause of humanity and justice I will never withhold my unstinted approbation.

It is with a great deal of satisfaction and pleasure that I now express my sincere thanks to Mr. Hearst for an editorial which appeared recently in his newspapers under the heading "England's Betrayal."

The world still recalls and always will remember England's shameful betrayal of democratic Czechoslovakia to the arch-tyrant Hitler. But Mr. Hearst well raises the question whether England has now fallen even so low as to deliberately disown its pledge to set up a national Jewish homeland in Palestine. Upon the assurance of Great Britain that they would be protected in Palestine, the Jewish people, to the number of more than 400,000, have settled in that once barren and almost valueless domain, and have changed it from a desert to the proverbial land of milk and honey, increasing by their industry its value by a hundredfold.

Are they now, Mr. Hearst inquires, to be deserted for the benefit of a mere handful of Arab terrorists? It seems unthinkable that Great Britain could, indeed, descend so low. Mr. Hearst states the fundamentals of the new crisis for the Jews in Palestine so succinctly and eloquently that I desire to reproduce his editorial in full:

ENGLAND'S BETRAYAL?

Reports from London indicate that Great Britain may disown its promises to set up a national Jewish homeland in Palestine.

Should that prove true, should England turn its solemn pledges to the Jewish people into scraps of paper—the entire world will be aghast.

In November 1917 the Balfour Declaration committed Great Britain to "view with favor the establishment in Palestine of a national home for the Jewish people."

Six years later Great Britain took over Palestine under a mandate which specified "the mandatory shall be responsible for placing the country under such political, administrative, and economic conditions as will secure the establishment of the Jewish national home."

In the past 20 years, more than 400,000 Jews settled in Palestine. With faith in England's promises, the Jews transformed a desert into a land "flowing with milk and honey." They established 230 colonies, built the thriving city of Tel Aviv, with a world port, wiped out malaria, developed industry and commerce, built a university and hospitals.

Can England callously overlook all that—and the promise it holds for the future—because it wants to play politics with the Arabs? For surely no one believes England has fallen so low as to be intimidated by a handful of Arab terrorists.

The proposed betrayal of the Jews comes at a particularly poignant time. The Jewish problem in Europe is acute. Hundreds of thousands are homeless, hopeless refugees.

Palestine offers a haven to these persecuted, harassed people. Zionists declare that Palestine can absorb 100,000 refugees immediately and 100,000 more each year for the next 5 years.

Shutting the gates of Palestine against these refugees will constitute a high crime against civilization.

The mandate should be preserved. The Balfour Declaration should remain in force.

GREAT BRITAIN'S MANDATE SHOULD BE HELD SACRED

The Balfour Declaration was not only a promise to Jewry, it was a sacred promise to the American people. In 1918, as I recall it, Lord Balfour visited this country with a British commission seeking the assistance not only of the Jews, but of all Americans. I heard him give his solemn pledge, and the pledge of his Government, that Great Britain would never shirk the responsibility of maintaining Palestine as a national homeland for the Jewish people.

The American people responded nobly to Lord Balfour's plea for aid. We kept the faith. Can England repudiate her word and still have honor?

The New York Times of March 3, 1939, has this to say:

BRITAIN IN PALESTINE

By the terms of the mandate which it accepted in Palestine, the British Government pledged itself to create in that land "a national home for the Jewish people." That phrase has meant different things to different men. To some it has meant a political state, to some it has meant a cultural renaissance, and to others it has meant a place of refuge and the promise of a fuller life. But whatever it has meant to different men, the very minimum of meaning that can possibly be attached to it is a pledge that Britain will continue to conserve what has been created in Palestine under British guidance.

No matter what pressure is brought to bear from whatever sources, the British Government cannot with honor surrender this measure of responsibility. It cannot afford to leave room for the slightest doubt that whatever plan for the settlement of a long-vexed question may be brought forward, whatever policy is pursued in London, whatever constitution is proposed for Palestine, the full strength of the British Empire will be used to protect not only the men and women who have put their trust in Britain's word but the new world which these men and women have built with sacrifice and courage.

In our country we hold a trust to be sacred. The foregoing editorials are but samples of many which have recently appeared in newspapers all over the country. They show to how close a degree Americans are following the policies of Great Britain in Palestine.

Extension of Oil and Gas Prospecting Permits

EXTENSION OF REMARKS

OF

HON. FRANK O. HORTON

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1939

RESOLUTION BY THE LEGISLATURE OF WYOMING

Mr. HORTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution recently adopted by the Legislature of the State of Wyoming:

Senate Joint Memorial 3

Joint memorial memorializing the Congress of the United States of America to immediately and favorable consider and act upon H. R. 2662 and H. R. 2663, being acts to amend the Federal Oil and Gas Leasing Act of February 25, 1920, as amended

Whereas there are now pending in the current session of the Congress of the United States of America two proposed bills to further amend the Federal Oil and Gas Leasing Act, as amended, and being H. R. 2662 and H. R. 2663; and

Whereas said H. R. 2662 proposes to extend certain oil and gas prospecting permits issued under said Federal Oil and Gas Leasing Act; and

Whereas said H. R. 2663 provides for the issuance of oil and gas leases with reasonable and workable rental, royalty, and bond provisions; and

Whereas said proposed legislation is necessary in the public-land States in order to promote the prospecting for minerals on the public domain located in the Western States, will be of great importance to all the citizens of Wyoming, will assist public education, will increase employment, and will add to the prosperity of this State and of the Nation: Now, therefore, be it

Resolved by the Senate of the State of Wyoming (the house of representatives concurring), That the Congress aforesaid be, and it is hereby, memorialized to immediately and favorably consider and act upon said bills—H. R. 2662 and H. R. 2663—so amending said Leasing Act in the interests of the citizens of the State of Wyoming and of the United States; and be it further

Resolved, That certified copies hereof be promptly transmitted to the President and Vice President of the United States, the Speaker of the House of Representatives, United States Senator JOSEPH C. O'MAHONEY, United States Senator HARRY H. SCHWARTZ, and Representative FRANK O. HORTON, and to the chairman of the Public Lands Committees in the United States Senate and House of Representatives.

Birds of a Feather

EXTENSION OF REMARKS

OF

HON. AUGUST H. ANDRESEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1939

ARTICLE BY DR. V. O. WATTS

Mr. AUGUST H. ANDRESEN. Mr. Speaker, under leave granted me to extend my remarks in the RECORD I am quoting herein a very significant expression of Dr. V. O. Watts, of Northfield, Minn., as it appeared in the Northfield News on Thursday, March 2, 1939, as follows:

[From the Northfield (Minn.) News of March 2, 1939]

BIRDS OF A FEATHER * * *

(By Dr. V. O. Watts)

Mr. Thomas Amlie, recent Roosevelt nominee for the Interstate Commerce Commission says "that in his economic views he is not a Marxian but a Veblenite." Let's see what this means.

"Business enterprise," said Veblen, "is typically directed to the gain of the businessman at the cost of the community. The aim of the businessman is to upset or block the industrial process," because "the smaller produce he can continue to turn out for a given return * * * the better it suits his purpose." In short, the highest achievement in business is the nearest approach to getting something for nothing. Therefore, he maintained, businessmen are incompetent to manage industry.

The remedy for our economic ills, Veblen believed, is simple: "Disallowance" of all corporation securities, articles of partnership, and other legal instruments which give title to property not used by the owner.

This involves much more than confiscation of the larger properties. For Veblen also proposed to disallow property rights wherever anyone hires someone else, even down to the household goods on which a domestic servant is employed. (The Engineers and the Price System, pp. 156–159).

In place of business control of industry Veblen would set up a soviet of engineers. Money, monetary guides, and monetary incentives would be abolished. Industry would be guided by technicians using the logic of inanimate facts and working according to a comprehensive set of rules and blueprinted orders.

This new order, Veblen predicted, will eventually come about through the complete break-down of business management and some sort of revolution. "When things get bad enough some sizable element of the underlying population * * * will forsake or forget their moral principles of business as usual, and will thereupon endeavor to take this businesslike arrangement to pieces and put the works together again on some other plan."

In all of this it is hard to find wherein Veblen differs from Marx. And those who still believe in the merits of business enterprise may be excused for questioning the fitness of Veblenite Amlie for the Interstate Commerce Commission.

In fact they may justly ask what are the aims of a President who makes such a nomination.

Adequate Farm Relief and Monetary Reform

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 1, 1939

Mr. PATMAN. Mr. Speaker, in order for this Nation to be prosperous, it is absolutely necessary that the farmers receive a larger share of the national income than they are now receiving and more than they have received in recent years. Considering the fact that every major law represents a compromise of view or a sacrifice of opinion on the part of practically every Member of the House and the Senate, I doubt that it will be possible for any law to be enacted to help farmers that will receive anything like the unanimous approval of the farmers themselves. I personally believe the present law can be improved upon in many ways, but major changes should not be made this year, since it would interfere with allotments and cause trouble that the farm program has caused in the past by reason of delay in allotments and making payments to farmers.

PRESENT ADMINISTRATION HELPED FARMERS

I believe it is the duty of this Congress to provide parity income for the farmers. It cannot be done quickly, I realize, but we must continue to work on this problem until that goal has been reached. All of us who have the interest of the farmer at heart are deeply grateful to the present administration, which has made it possible for the enormous sums of money to be made available to the farmers for the purpose of correcting—at least in a substantial way—the great difference between what the farmer has been receiving and what he is entitled to receive for his production. For the first time in the history of this Nation, billions of

dollars have been placed into the pockets of the American farmers by the Federal Government and from funds contributed by people all over the Nation. This money has not only helped the farmers; it has helped everybody. By increasing the purchasing power of the farmer, the income of the workers is also increased, which increases the workers' purchasing power. In addition, the national income is increased several times for every one dollar paid to the American farmer. Therefore, it is in the interest of all the people whether they live on the farm or not or whether they are interested in farming or not that the buying power of this great group should not only be held up, but should be increased in order to help the entire Nation, as well as the farmers. Discriminatory freight rates is another question that must be settled in order to give the producers a square deal.

MONETARY CHANGES

The price of any farm commodity depends upon the supply and demand of the product and the supply and demand of money. As money goes up in price or becomes more valuable, everything else, and especially farm products, are lowered in price in proportion. If we have a short cotton crop or a short wheat crop and there is not enough cotton and wheat produced in any one year to more than supply the domestic market, yet it is possible for the price of cotton and wheat to remain low if money is made sufficiently scarce. In other words, the value of money has as much to do with the value of farm products as any other one thing that I know of.

It is not generally known that our money supply is controlled largely by people who are selfishly interested in making the supply scarce. Twenty-four banks, 13 of them in one city, own one-third of the banking resources of the 16,000 banks in the entire Nation. A few men controlling a few banks control the corporate wealth of this Nation.

FEDERAL RESERVE BANKS NOT GOVERNMENT INSTITUTIONS

Many people believe that the 12 Federal Reserve banks belong to the Government and that the Federal Reserve notes, which represent most of our currency are issued by these banks for the Government. The truth is, the Federal Government does not own one penny of stock in these 12 Federal Reserve banks. This stock is owned by private banking corporations and the money is issued for these private banks based upon the credit of the Nation, absolutely without cost except a few cents for every thousand dollars charged up for the actual cost of printing.

It is time for the American people to wake up on the money question. The science of money should be taught in the public schools. It is strange that people do not know any more about money which governs the price and value of practically everything else.

HOW $1,000,000,000 A YEAR CAN BE SAVED

It is my belief that the Federal Government should not pay interest on its obligations. This change cannot be made quickly or suddenly, but it can be made eventually, and in that way the Government will save a billion dollars a year, which could be used to provide parity income for farmers, old-age pensions, or for other worthy purposes. In addition the States, counties, and cities should be able to get their money from the Federal Government to refinance existing obligations and provide for new obligations that are issued solely for public purposes from the Federal Government for a small service charge not exceeding one-half of 1 percent interest per annum; possibly much less. In this way the States, counties, and cities would save approximately $750,000,000 a year and would reduce by one-half the taxes now paid by the people in these different States, counties, cities, and political subdivisions.

I know these things cannot be accomplished quickly. It will take time. A start should be made now. The No. 1 step is for the Government to purchase the $132,000,000 worth of stock in the 12 Federal Reserve banks and operate these banks as Government institutions, as they should be operated. They are not in the banking business. They are in the money-issuing business. At least that is their most important duty.

BOOK ON MONEY

The Honorable Robert L. Owen, former United States Senator from Oklahoma, who was chairman of the Committee on Banking and Currency of the United States Senate when the Federal Reserve Act was passed, has prepared and contributed to the people of this Nation, without charge, one of the best books on money I have ever had the privilege of examining.

This book by Senator Owen is in the form of a Senate document. It is designated Document No. 23, Seventy-sixth Congress, first session. It is referred to as—

National economy and the banking system of the United States. An exposition of the principles of modern monetary science in their relation to the national economy and the banking system of the United States.

This book is written in language that a student in elementary grades can understand. It deals with such questions as:

Why money was invented; forms and functions of money as a medium of exchange and as a measure of value; the necessity for stable money; the quantitative theory of money; how prices are influenced; how the value of money influences the price level; how money can be contracted and expanded; velocity of demand bank deposits; how banks create and destroy billions of dollars of money annually; money in relation to debt, interest, labor, and monopoly; the inflation "bogey"; the effects of stable money on banks, manufacturers, merchants, contractors, agriculture, wage earners, teachers, the submerged third, the wealthy class, and others; and Lincoln's monetary policy.

I quote one paragraph on page 58 of this booklet:

There are other devices and practices to the disadvantage of the borrower. This is one of the penalties which naturally flow from turning over to privately owned corporations and banks the creation of our money and a practical monopoly of our money supply; and the power of the banks to contract the money supply and thereby increase the burden on the debtor, whose income and whose property is diminished in value by the process of contracting the volume of money.

This book should be read by every student in our schools. It should be studied by every person in public life. I would like to see it made a textbook in our public schools.

COPY OF BOOK AVAILABLE WITHOUT CHARGE

Anyone desiring a copy of this book—Senate Document No. 23, Seventy-sixth Congress, first session—should request his Representative or one of his Senators to send him one, as they may be obtained from the Document Room in the United States Capitol without charge.

In These 6 Years

EXTENSION OF REMARKS

OF

HON. FRANK O. HORTON

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1939

EDITORIAL FROM THE CHARLESTON (S. C.) NEWS AND COURIER OF FEBRUARY 4, 1939

Mr. HORTON. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following editorial from the News and Courier, of Charleston, S. C., of February 4, 1939:

[From the Charleston (S. C.) News and Courier of February 4, 1939]

IN THESE 6 YEARS

The policies of the United States in the last 6 years have well-nigh destroyed the South's export of cotton, and have therefore depressed the price of lands. They have increased the national debt about $24,000,000,000, or 120 percent. They have not perceptibly reduced the number of the unemployed; indeed, they have immensely increased unemployment in this part of the country by compulsory reduction of crop acreages.

The cry of the poor from the great cities is louder and more despairing now than it was in 1932.

The gold value of the dollar has been reduced, and the bond of the United States to pay in gold of a weight and fineness specified in the bond has been deliberately violated. The United States has broken its word to creditors.

The Government's policies make the possessor of gold a bootlegger, and the law is enforced as never it was against the bootlegger of whisky.

The Government has spent $13,000,000 for the support of artists who failed to produce salable goods, paying them about $90 a month, and plowboys in South Carolina, not on relief, taking care of themselves and asking no favors, are earning about a dollar a day.

Taxes in these 6 years have been enormously increased.

In the country, in South Carolina, is more idle money than has been at any time since the Confederate War—read the bank statements and you will not dispute it. It is idle because confidence in business has been destroyed. Who wants to build a cotton mill when the mills we have are struggling under the burden of taxation and harassed and restricted by meddlesome laws?

Who wants to save money when government in a hundred ways diligently spreads the notion that to save it and to have it is not respectable? Is not the American theory now dominant that all employers are oppressors and that all rich men are tyrants and rascals?

What has the United States to show for the last 6 years? Unfinished dams. In some instances, abandoned dams and canals. The balance of power in elections transferred to the relievers and the body of officeholders enlarged from 450,000 to more than 800,000. Immensely increased taxation, remember, and no reduction of unemployment.

In 1917 when the United States entered the World War its best defense was its credit. It owed less than $2,000,000,000—less than is appropriated for relief in a year now. Men and women—and children—bought Liberty bonds, bought "till it hurt"—and it did not hurt, for the bonds were payable in gold, were as good as gold. (Under the Wilson, Harding, Coolidge, and Hoover administrations was no repudiation of a gold bond.)

This country could defend itself effectively in war again, but the money to wage it would not be raised by selling bonds to its people. They no longer believe in its bonds. "Minute Men" speakers would be greeted sullenly and with a hollow laugh. The United States to defend itself would seize the property of the people. Hitler's methods would be the only methods practicable.

Such is the condition to which the United States has come in 6 years of peace. The people of South Carolina share the responsibility for it. They vote. They have leaders.

Frank and Jesse James in Review

EXTENSION OF REMARKS

OF

HON. HARRY S. TRUMAN

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Tuesday, March 7 (legislative day of Monday, March 6), 1939

ADDRESS BY HON. HARRY B. HAWES

Mr. TRUMAN. Mr. President, I ask leave to have printed in the RECORD an address delivered by Hon. Harry B. Hawes, former Senator from Missouri, before the Missouri Society at Washington, D. C., February 25, 1939, entitled "Frank and Jesse James in Review."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Fellow Missourians, last month your congressional delegation and others were invited to witness a preview of the movie Jesse James. The picture is excellent; the acting well done. It is especially worth while for those interested in horseback riding, fighting, and pistol marksmanship.

Following the picture review, we entered into a sidewalk conversation, wherein all the assembled Missourians agreed that while, as drama, the reel is intense and interesting, it is historically inaccurate.

Your new president, Congresman ZIMMERMAN, knowing that I possess two revolvers owned by Jesse James; that my acquaintance with his brother, Frank James, extended over some years, and that I had personal relations with the leading lawyers in the celebrated Frank James trial, requested me to appear this evening and attempt to draw an historically correct picture of the real James boys.

The work could have been done better by either of your Senators or some of the Members of the House. Senator CLARK is an experienced historian, Senator TRUMAN hails from Independence, where the James boys operated. Congressman BELL represents the Independence district; JOSEPH SHANNON sometimes changes his discussion of Jefferson into a more tragic discussion of the James boys, and RICHARD DUNCAN'S district includes the district where Jesse James was born and killed.

But the call came, and I must attempt to do my bit.

My first move was to call upon the Congressional Library for such books and papers as it had relating to the James boys. There I discovered there were but three volumes: One by Maj. John N. Edwards, entitled "Noted Guerillas or the Warfare of the Border," the second, "Quantrill and the Border Wars," by William Elsey Connelley, and the third, by Robertus Love, entitled "The Rise and Fall of Jesse James."

From these three books comes what there is of written history. Major Edwards was in favor of the property right in slaves and was pro-Missourian; William Connelley, a scholarly man, was an abolitionist and pro-Kansan.

The Edwards book draws a picture of courage, conviction, and patriotic guidance; the Connelley book paints Quantrill and his men as murderous, unprincipled brutes. The third book, that by Robertus Love, is less partisan and seems to draw a fairer, better-balanced account and is confined more closely to the career of the James boys.

We note the dates of publication: Major Edwards' book was printed in 1877; Connelley's in 1909; Mr. Love's in 1926. Mr. Love's later book sustains the old assertion that real history must be written remote from the action or the times that beget prejudice, heat, and passion.

A fourth book, "American State Trials," edited by John D. Lawson, was published in the year 1919, and devotes nearly 200 pages to the trial of Frank James.

The newspaper and magazine articles of the last 10 years were developed largely from these four books and it will be observed that, relying upon our great Congressional Library, the authorities are not exhaustive.

The James boys belonged to the western half of Missouri; they were essentially the product of an environment; they grew up in an atmosphere of border warfare.

In February 1821, at which time Missouri was admitted to the Union, it was accompanied by what has since become historically known as the Missouri Compromise, which declared that all territory west of Missouri and north of latitude 36°30' should forever be free from slavery.

Some years ago, I was called upon to deliver an address over a national hook-up on the one hundredth anniversary of the opening of the Santa Fe Trail, which extended from St. Louis to the great Southwest and California; and during the same year, on another occasion, to deliver another address over a national hook-up on the subject of the One Hundredth Anniversary of the Oregon Trail, which led from St. Louis to the Northwest and Oregon.

We know that the Mormons began their long march from Independence, Mo., to Utah, and that the Pony Express with its fast delivery of mail, started from St. Joe and reached far into the West and Southwest. These were the overland routes.

But Missouri's story and its development have been controlled largely by three mighty rivers. The Mississippi River extending along our northern boundary to the Gulf, drains the waters of 31 States. Down the Ohio River, in flatboats, came what were called in those days "alligator men", carrying the early frontiersmen, their families, and their freight to the Mississippi River and then to Missouri. And down the Illinois River came the early French settlers. Just a few miles above St. Louis flowed the great Missouri River. Far distant to the west, in the mountains, where I remember some 35 years ago, after a hard day, shooting an elk, we washed our hands in a little stream. Upon inquiring where it emptied, the guide said: "You fellers are from St. Louis. This water is going to pass right by St. Louis", and that was 1,000 miles away.

Up the great Mississippi came the Spaniards; down the river came the French; and later the English from the Ohio. At various periods the flags of five different nations flew over the little village of St. Louis, named after a French king and in this vicinity were many settlements carrying the names of the saints. In one of these, Ste. Genevieve, I found in some old archives the record of a visit of a bishop, of Bardstown, Ky., to the little village of St. Louis, wherein he wrote: "They had a wicked playhouse and indulged in dancing."

In the early days, immigation into one section of our State was almost all Irish. Their descendants still control that locality in one of our northeastern counties.

In '48 and '49, due to a political revolution in Germany, came the highest type of German-Americans, who settled in our county.

But, the predominating immigration in later periods had their source in the New England States and from Kentucky, Tennessee, and Virginia. The New Englanders went in large number to Kansas. Those from the South settled throughout Missouri.

Here were two types, with two diametrically opposed political views. The settlers in Free Soil Kansas were opposed to the institution of slavery and favored the liberation of slaves. Southern Missouri settlers were slave owners and believed in that institution.

The border feud between western Missouri and eastern Kansas started long before the Civil War. They were fighting across the border line from 1854 to 1861.

Residents along the Kansas border (called "Jayhawkers" by the Missourians) would cross the border to liberate slaves, and the Missourians (called, by Kansas, "Bushwhackers") would retaliate by crossing into Kansas in an effort to affect elections of Representatives favorable to the perpetuation of slavery.

There were invasions from both sides, and it was in an atmosphere of this kind that the James boys were born. It was largely a southern element on the Missouri side and a northern element on the Kansas side.

The parents of the James boys were from Kentucky. Zerelda Cole, their mother, was educated in a Roman Catholic convent at Lexington. She married a Baptist minister, Robert James, who was then a student at an academy in Georgetown, Ky.

At the time of their marriage the Reverend Robert James was 23 years of age, his bride 17. Visiting the mother of Zerelda a year later in Clay County, the young couple liked Missouri and settled there. The father was an energetic clergyman who preached on Sundays and farmed during the week. He organized several congregations and became widely known in his section as an evangelist.

The father organized a company to visit the California gold fields and never returned, dying in California 3 weeks after his arrival.

Both boys attended Sunday school and church. One of the historians reports that a thoroughly reliable minister reproached young Jesse for his conduct. I quote Mr. Love:

"Jesse," said the old pastor, "Why don't you stop these things you're doing?"

"If you tell me just how I can stop," Jesse replied, "I'll be glad enough to stop; but I don't intend to stop right under a rope."

"Well, anyhow, you ought not to forget your religion, Jesse. You were brought up religiously. Your father was a good man of God. I'm sorry you've forgotten your bringing up, Jesse. Get back to your religion."

The outlaw thrust his hand into his inside coat pocket and drew forth a small book, which he handed to the minister.

"It was a copy of the New Testament," said the venerable clergyman, in relating the incident shortly before this was written. "I looked through it and was astonished. Never in my life have I seen a Bible so marked up, showing such constant usage."

Between the extremes of horrification and glorification of the partisan chronicles of that day, somewhere between lies the truth and, despite the temptation to emphasize the extreme, my remarks are intended to be confined to authenticity and facts.

One danger lies in an inclination to create a legendary figure, and we must not permit our boys and girls to accept the myth for the actuality.

Sometime in the year 1400 a legendary figure, Robin Hood, first appeared in English romance and poetry. He is supposed to have robbed the rich and given to the poor; to have led a merry life of outlawry, protected in his depredations by the lowly, whom he defended.

If not cautious, we may build another mythical character from the lives of the two boys who were the product of environment, who robbed and murdered in a setting which in part condoned these things.

They did not pick pockets, steal by stealth, burgle in the nighttime, nor rob the poor of a few dollars; and it is true that the line of friendship was sharply drawn and seldom violated. The horse and the revolver were their instruments of assault; they were credited with having respect for women, being fond of children, kind to dogs; but they did murder ruthlessly; they did rob and steal; burn and destroy property; run off horses and cattle; and violate law and order in their raids.

Human life with them was not a sacred thing; it was wiped out without mercy; arson and theft were part of their plans; surprise, marksmanship, and revolvers their agencies.

It is true they were the victims of well-developed feuds, where life was held cheaply and reprisals seemed justified. Their earliest years were associated with bloody deeds before the Civil War. During that period they were under command of superior officers and troops at war; but after Lee's surrender tens of thousands of soldiers returned to find their homes burned, rotten fences, horses gone, former slaves in public office—home to dire poverty, distress and desolation; yet these men did not murder and burn and rob—they went to work!

So, while we may sympathize, we should not exceedingly glorify actions which were better controlled in many districts under circumstances almost as provocative.

We all admire courage, marksmanship, horsemanship! There was romance if not chivalry itself when those men wore uniforms, even though crude plumes decked their hats as old daguerreotypes picture them for us, and carried three or four pistols. But this does not weigh with the thoughtful man as against law and order and humane readjustment.

In this border warfare no prisoners could be taken because there were no prisons. There were no ambulances or hospitals for wounded. It was wipe out or be wiped out. When action began, it was live or die.

QUANTRILL

The James boys both at times served under Quantrill and Frank was with him at the time he was captured and later died of his wounds in Kentucky.

Connelley described him: "Of the Civil War in America he was the bloodiest man. Of the border he was the scourge and terror. Idolized for his ferocious blood madness, * * *. With red hands he gave fair cities to torch and pillage and reveled in the groans and cries of the helpless and innocent victims of his ruthless, inhuman crimes."

This historian gives Quantrill's birthplace as Canal Dover, Ohio, and the date of his birth as July 31, 1837. With much evidence of authenticity, Quantrill always claimed that he was born in Hagerstown, Md., and came from a family of Southern sympathizers and of proslavery proclivities.

Major Edwards asserts that he was born at Hagerstown, July 20, 1836, and did not move to Ohio until his 16th year. Robertus Love accepts the Connelley version of the birth in Ohio, and tried to separate fiction from fact, but Quantrill's own assertion of his nativity and expeditions to avenge the alleged slaying of a brother in Kansas and his claim of having personally killed 30 of the men who had murdered his brother were generally accepted as true.

Mr. Love states: "Many of the guerrillas conceived themselves to be fighting for vengeance. Relatives of many of them had been murdered or mistreated otherwise by Kansans in the border warfare over the free-soil problem, preceding the Civil War. They accepted Quantrill's tale gladly, as partial justification for their own course in fighting under such a bloodthirsty leader. Because of his supposed wrongs and his desperate course in redressing them, Quantrill became their immediate and intimate hero. The guerrillas who survived the war continued to believe the Quantrill invention, for it was altogether that. To this day most if not all of the small group of surviving Missourians who rode under the Quantrill banner believe that their chief told them the truth and that he was a much-wronged man."

Edwards states: "Charles William Quantrill was to the guerillas their voice in tumult, their beacon in a crisis, and their hand in action. * * * His was the central figure, and it towered aloft amid all the wreck and overthrow and massacre that went on continually around and about him until it fell at last as the pine falls uprooted by omnipotence or shivered by its thunderbolt."

But, all three authorities agree that Quantrill was a handsome man, devoid of fear, a wonderful horseman, a crack shot; that he was educated; wrote fluently; carried on a correspondence almost weekly with his mother and other relatives; was in his way generous to those who surrounded him; that his flair was for a fine horse; a plumed hat; his method a charge on horseback. He never used a rifle; his weapon was the revolver, and we find that the James boys, in nearly all their outlaw exploits, adopted his method of the horse, the surprise, the revolver. They continued in this way after his death in the field of outlawry.

In a small band that crossed the Mississippi and entered Kentucky, Frank James rode with him.

As to the object of his entering Kentucky there is again difference of opinion. Connelley was not sure whether he was trying to reach Washington to attempt the assassination of President Lincoln or on his way to Richmond to confer with General Lee. He had with him Frank James, and Connelley describes the journey over the old Hawesville Road, of murders on the way, and, finally, the wounding, surrender, and death of Quantrill. How he made his headquarters in the Green River country, plundered the town of Hickman, Ky., entered Danville (where I attended school), and there robbed citizens, plundered a store, and destroyed a telegraph office.

At Wakefield, Ky., he was asked by Miss Nannie Dawson to write in her autograph album, which he did in four verses, the first of which read:

"My horse is at the door
And the enemy I soon may see,
But before I go, Miss Nannie,
Here's a double health to thee."

Very fair verse for one whom Connelley describes as a scamp and a murderer, and Edwards describes as a hero and a soldier.

Capt. Edwin Terrill, then about 19 years of age, with a company of Federal troops, pursued Quantrill's band and finally encountered them at Taylorville. The Missourians were dismounted; Quantrill was asleep in a hay loft. Terrill's men charged; then a running fight began. Young Terrill had a wound but was enabled to use a revolver.

The chronicle states that he probably fired one of the shots that reached Quantrill while he yelled continuously: "Give 'em hell, boys! Give 'em hell!"

Frank James found his wounded chief. They first thought his wounds were not serious, but Quantrill felt that they were mortal.

Captain Terrill finally effected the capture. Quantrill fired as he ran, was struck by a bullet under the left shoulder-blade, which reached the spine and created paralysis below his arms. Another shot carried off the index finger of his right hand. He was moved in a wagon to Louisville, delivered to Gen. John M. Palmer, and died of his wounds in 1865. Frank James remained with him to the end.

ORDER NO. 11

Quantrill probably had more to do with forming the character for outlawry of the James boys than any other living man, but the whole community in which they lived was affected by the famous Order No. 11. Major Edwards is rather fair about it in his treatment and exonerates General Ewing from personal responsibility for the issuance of this order. He states:

"General Order No. 11 came from district headquarters at St. Louis, where Schofield commanded, and through Schofield from Washington City direct. Ewing had neither choice nor discretion in the matter."

Describing the order: "It required every citizen of Jackson, Cass, Bates, and a portion of Vernon Counties to abandon their houses and come either into the lines of designated places that were fortified, or within the jurisdiction of said lines. If neither was done,

and said citizens remained outside beyond the time specified for such removal, they were to be regarded as outlaws and punished accordingly. Innocent and guilty alike felt the rigors of this unprecedented proscription. For the Union man there was the same line of demarcation that was drawn for the secessionist. Age had no immunity; sex was not regarded. The rights of property vanished; predatory bands preyed at will; nothing could be sold; everything had to be abandoned; it was the obliteration of prosperity by counties; it was the depopulation of miles upon miles of fertile territory in a night."

The picture by the celebrated painter Capt. George C. Bingham of burning and plundered homes and a sky with flames and smoke and long trains of helpless fugitives still finds a place in many of the homes of Missouri.

It is disagreeable to resurrect and present again some of the brutalities that grow out of war, and in some cases out of bureaucracy as apparently was Order No. 11.

It does not require a vivid imagination to visualize the effect upon all living persons in the four counties covered by this order of evacuation and concentration, nor surmise that it was vigorously opposed and disobeyed; but it must be remembered that it was the burning and massacres at Lawrence, Kans., that was the inciting cause for its issuance.

THE JAMES BOYS—JESSE'S DEATH

After the death of her husband, Rev. Robert James, Mrs. James later married Dr. Reuben Samuel. Dr. Samuel's household was charged with harboring—and probably did harbor—some of the guerrillas and bushwhackers. There was retaliation and punishment.

On one occasion one of the so-called regulators produced a cord, tied the doctor's hands behind him, threw a noose over his neck, and suspended him from a tree. Mrs. Samuel had followed the party, and as they rode off she cut the rope and saved her husband's life. Later the regulator found young Jesse and whipped him soundly with the end of a rope. The lesson did not impress young Jesse; the regulators returned and Mrs. Samuel and her daughter, Sue, were placed under military arrest and detained for several weeks.

She had two younger children by Dr. Samuel and these were permitted to accompany her. The third child (arriving later) was named Fannie Quantrill.

Passing the war period to peacetime outlawry, the most serious depredation was robbing the bank at Liberty, Mo., in February 1866. Ten of the young gangsters effected the robbery. About $60,000 was taken, of which $45,000 was in bonds, the balance in gold and currency. The cashier's name was Bird. The grinning robber said: "All birds should be caged. Get inside the vault, Mr. Bird, and step lively." Mr. Bird obeyed.

Next followed the robbery of a bank at Lexington, Mo. This netted $2,000 in cash. Then a bank at Savannah was attacked. The owner's son returned the fire of the outlaws and drove them away, followed by a posse, and the desperadoes became definitely known as the James gang.

After Savannah came Richmond, in May 1867, resulting in the death of eight persons and a loss of $4,000.

Clay and Jackson Counties and all Missouri becoming dangerous, they crossed into Kentucky and robbed a bank at Russellville and rode away with $14,000.

By this time the Pinkerton Detective Agency was on the trail and things became uncomfortable, so the James boys went to California, acting upon the advice, "Stay away awhile, boys, and it will all blow over."

Returning in 1869, a bank was robbed in the usual manner at Gallatin, Mo. The cashier was slain and, so the story goes, the horse of one of the James boys was killed and they escaped riding tandem.

For a time they took refuge in Kentucky, Texas, and Indian Territory. Then, in 1870, they invaded Iowa and robbed the bank at Corydon.

In 1872 a bank was robbed at Columbia, Ky. The cashier, refusing to deliver the vault keys, was murdered. Only about $200 was taken.

Ten thousand dollars was taken from a race track near Kansas City in September, 1872.

In 1873 the gang later rode 400 miles to Ste. Genevieve, the first white settlement on Missouri soil. There they obtained $4,000 in silver.

Following this came an innovation: the robbery of a train. Their loot totaled $3,000. Later, the same night, another train passed, carrying $75,000 in gold, a mistake by hours.

In 1874 there was another innovation—a stagecoach was robbed between Malvern and Hot Springs, Ark.

The Pinkertons became active to capture or kill. This great agency was then the most powerful of its kind in the United States, with branches in various portions of the country, operated by skilled men.

Now the banks, the railroads, express companies and stagecoach companies, led by the Pinkertons and various law enforcement officers of the different States, were hunting with increased energy.

It is remarkable that for 8 years they proceeded without success, owing largely to the gang's shift to unexpected points

But in '74 there came a change. The Little Rock Express from St. Louis was to stop at Gadshill, Mo. The conductor stepped to the ground. He was confronted with the muzzle of a pistol. The engineer and fireman were ordered to walk into the woods. Two men went through the Pullman cars, collecting $2,000. Another $1,000 was taken from the safe; the mail bags yielded $2,000 more.

Posses from Piedmont, Ironton and adjacent towns trailed the bandits. Railroads and express companies offered new rewards and the Pinkertons again took the trail. Finally, it resulted in the death of two Pinkerton operatives and John Younger, a member of the gang, who was killed at the age of 24.

Shortly after this there was a stagecoach robbery in Texas, about 23 miles southwest of Austin. The loot from this robbery was estimated at $3,000.

In 1874 a Kansas-Pacific train was robbed near Muncie, Kans. This produced about $1,000.

Then followed a robbery in Huntington, W. Va., in September 1875. From a bank, so the chronicle states, they collected several thousand dollars.

There was a robbery of a Missouri-Pacific train at Otterville, Mo., in Cooper County. This provided the gang with nearly $2,000 apiece.

They then started north for Minnesota. They went on horseback, wearing linen dusters which concealed both their clothes and their weapons. The excellent horseflesh they rode attracted some undesired attention. This was in 1876, and it proved a Waterloo for the Missourians.

A full account of the attempt to rob the bank would consume an hour, but the details have all been rather carefully chronicled. Two Northfield citizens were slain. Approximately 1,000 men participated in the pursuit that followed. When the fighting was over Jim Younger had five wounds; Cole Younger, 11 wounds; Thomas Coleman Younger was on his back, badly wounded.

Later the Younger boys pleaded guilty and were sentenced to imprisonment for life in the prison at Stillwater.

Robert Younger died in the penitentiary in 1889. Coleman and James Younger survived. The rest of the gang got back to Missouri.

The professional dead shots were routed. Amateurs won the day. James Younger, on his parole, is reported to have killed himself because his citizenship had not been restored, which prevented him from marrying his sweetheart. Cole Younger in later life became an evangelist.

The names of most of the other members of this outlaw crew have been chronicled; their individual exploits given; their punishment, through violent death or imprisonment, recorded; but time will not permit stepping aside in this brief summary to give the list.

At long intervals the James boys visited their mother. The Pinkerton operatives found this out, and finally there came a scene that the reel carried with some accuracy: Surrounding the home of Mrs. Samuel, the Pinkertons first threw lighted balls of cotton, and then a bomb which blew off the right forearm of Mrs. Samuel. One of the small boys had his side pierced; little Archie died before dawn; Mrs. Samuel's arm was amputated; the little Negro servant was wounded.

Inflamed, the people of Clay County called the bombing of the Samuel home "the crime of the century"; they were indignant; public sympathy began to favor the James boys.

Many interesting stories are recorded of Jesse James' generosity. One is the story of his giving a poor woman money to pay off her mortgage—quite a large sum. She paid the mortgage and secured a receipt which lifted the mortgage; and, the chronicle goes on, later the boys held up the man who held the mortgage and took back the money from him.

This story went the rounds and must have had its effect. Sam Allender relates the incident as having been told to him by Frank James about his brother Jesse. This is romance with a vengeance, or truth testing credulity to the breaking point. Incidentally, Sam Allender served under me in the St. Louis police department and was an excellent officer.

Mr. Love states: "But in the ordinary relations of life, Jesse James was actually an honest man, whether you see fit to accept the statement or reject it." He relates his paying a debt of $265 which he could have avoided—of paying for horses that he had taken.

"In some ways, Jesse James was a strictly honest man, as I have discovered, to my own surprise, in my investigations. There were times when he went out of his way to discharge a duty which many a man in good social and civic standing would do his utmost to 'duck'."

Regarding the married lives of Frank and Jesse James, he states: "Morally speaking—and in this instance sexual morality is meant—these outlaws must be credited with having been thoroughly circumspect, in the absence of all evidence to the contrary."

Jesse James was 27 when he married. It was the end of a courtship of almost 9 years. His conduct in the presence of women was exemplary; his language was always circumspect.

Jesse James was killed in his own home by Bob and Charley Ford. These two men had been members of the gang. They were welcome in the household. The motive was the $10,000 reward, alive or dead. The Fords, as a matter of fact, received only a small portion of the big reward; the rest was divided between officials who had connived at the killing.

Jesse unbuckled his belt, laid two revolvers—one a Colt, the other a Smith & Wesson—on the bed, mounted a chair, with a dusting brush in hand; with his back to the Ford boys, he was dusting and rehanging a picture.

Both Ford boys drew their guns. Bob, quicker than Charley, fired one shot from the Colt which struck near the base of Jesse's skull and came out through the forehead.

This took place soon after breakfast. Mrs. James had left the room, thus Jesse was alone with the two Ford boys.

The revolvers now in my possession are an improved Colt 45 and a Smith & Wesson. They came into my possession through the Honorable Robert L. Bates, of Excelsior Springs; the chief of police of Excelsior Springs had taken them from young Jesse James, who stated the guns were carried by his father.

After Jesse James' death some of the headlines of the papers of the day are interesting: The St. Joe Gazette: "Jesse, by Jehovah!" St. Joe Evening News: "Judgment for Jesse"; Kansas City Journal: "Good-bye, Jesse!"

There had been many reports about the death of Jesse James, but on the morning after the tragedy Mayor Frink, of St. Joseph, said, "I fully believe it this time."

The Kansas City Times (now the Kansas City Star-Times) stated: "Frank James might find a safe asylum in either the Herald office of St. Joseph or the Post-Dispatch office at St. Louis. These papers mourn the loss of his brother Jesse as they have never mourned the loss of any of Missouri's great men."

The Post-Dispatch replied: "It becomes our solemn duty to inform you [Times] that you utter a malicious and vicious and utterly indefensible lie when you say this paper has mourned the loss of Jesse James," etc. The Post-Dispatch later commented: "We have never ceased to believe that Crittenden inflicted more disgrace on the State by the manner in which he brought about the murder of James than the bandit could if he had been left to continue his career. His death was a blessing, but the manner of his taking off was a reproach upon our civilization."

And then the Post-Dispatch pointed to the support of its position by the New York Sun, World, Telegraph, Graphic, and Tribune, and the Chicago Inter-Ocean and News, the Cincinnati Enquirer, the Louisville Courier-Journal, and other great national dailies. Even Carl Schurz wrote in similar vein in the New York Evening Post.

Charles Ford shot himself to death in a weed patch near Richmond, Mo. Bob Ford lived for more than 10 years. Finally, at Creede, Colo., he opened a bar and gambling den. He had with him a mistress whom he passed as his wife.

A deputy sheriff, Ed Kelly, was in love with this woman. On one occasion he shot Bob Ford, wounding him. Later, Kelly, having resigned as deputy sheriff, entered Ford's barroom and emptied two loads of buckshot into Ford, killing him.

Kelly was convicted of the crime and served a term in the penitentiary but was subsequently released and was later killed in a sidewalk fight with a town marshal in Texas.

The Fords were denounced in the old border song, which is sung even to this day—

"Jesse James had a wife;
She's a mourner all her life;
His children, they were brave.
Oh, the dirty little coward that shot Mr. Howard!
And they laid Jesse James in his grave."

The name Howard was the alias under which Jesse James lived in St. Joseph.

FRANK JAMES SURRENDERS

On October 5, 1882, Maj. John Edwards, of Sedalia, accompanied by Frank R. O'Neil, then a reporter on the Missouri Republican (later the St. Louis Republic), and who, as managing editor of the St. Louis Post-Dispatch, a quarter of a century later, went to Mexico and brought back the witnesses that broke the boodle crimes in St. Louis, accompanied by a man named Winfrey, entered the old McCarthy House at the State capital, Jefferson City, Mo. Mr. Winfrey was a tall man, rather thin, with sandy side whiskers and gray-blue eyes. They strolled around the lobby and later on the street.

Arriving at Governor Crittenden's office Major Edwards introduced Mr. Winfrey as Frank James. Perhaps it is best for me at this point to quote Mr. Love verbatim:

"One of the politicians, sitting back against the wall about 20 feet away, gasped: 'Good God! I can't believe it?'

"Nevertheless, it was so. Frank James, cool, calm, collected, master of such emotions as he felt, opened his coat, revealing a thick leather belt crammed with cartridges and showing at the middle a big bronze buckle marked 'U. S.' He unbuckled the belt and removed it. Attached to it was a holster from which protruded the gleaming handle of a big six-shooter, Remington .44. Holding the belt in his left hand, with his right hand he plucked the pistol from the holster and deftly moving his fingers down to the polished barrel extended it handle foremost toward the Governor of his native State.

"Governor Crittenden," said the elder and abler brother of the last Jesse James, "I want to hand over to you that which no living man except myself has been permitted to touch since 1861, and to say that I am your prisoner."

James had given Frank O'Neil a long interview which was withheld from publication until after the surrender. The headline in the Missouri Republican was, "He Came In."

When the trial was over, Frank moved to St. Louis and I knew him very well. Quiet, unassuming, he never talked of war days or the outlawry which followed them.

My friend Grattan Kerans, a leading newspaper writer, said that it was impossible to get Frank to talk of the events of the past and it was only on short and at unexpected moments that he did so, and then the narrative was brief and noncommital.

Frank James was employed at a theater, where his reputation kept order, and later acted in the capacity of a watchman and assistant starter of races at the old fair grounds. It is at that place I used to meet him frequently. Pleasant, though taciturn, he was an agreeable acquaintance. My contact with him came through Col. Jack Chinn, the famous Kentucky horseman who, with his son, Kit, started the races in St. Louis and vicinity for many years. Colonel Jack was a fighter in his day. I well remember as a boy visiting him at the old Southern Hotel in St. Louis. He had been shot through the neck by a policeman as he was drawing a knife. I had been a guest at his old home near Harrodsburg, Ky., and called almost daily on the family who were in attendance while the colonel was recovering from his wound, and each day I called he repeated, "Just think that I was shot through the neck by a pot-bellied policeman!" It was the great humiliation of the colonel's life that it had to be a policeman and one with a large stomach who had inflicted the wound.

FRANK JAMES' TRIAL

The dramatic surrender of Frank James was followed by his trial at Gallatin, Mo., in August 1883.

In the series of American State Trials, a law publication, we find 191 pages, nearly all in fine type, devoted to this hearing.

The grand jury of Davies County returned an indictment against Frank for the murder of Frank McMillan. The prisoner pleaded not guilty. Not many witnesses were heard. It became a contest of court strategy and of clashing eloquence. The Younger boys were in a penitentiary in Minnesota. The charge was that on July 5, 1881, the so-called James gang held up and robbed the C. R. I. & P. Railroad at Winston, Mo., killed the conductor and a passenger named Frank McMillan.

The prosecution was directed by William H. Wallace, one of the most eloquent orators that ever lived, a genius with words. He later became the chief advocate of Nation-wide and State-wide prohibition. I shall mention the names of only those men whom I knew well.

For the defense there appeared John Finas Phillips, Congressman, and later Federal judge; John M. Glover, Congressman from St. Louis, and Joshua Alexander, a Congressman from western Missouri, and later Secretary of Commerce, and finally, Gov. Charles P. Johnson, the outstanding criminal lawyer of his day, whose reputation was not only State-wide but national in character. My first appearance in court was with Governor Johnson. I was associated with him for some 3 years. He was the most picturesque figure I have ever seen in a courtroom. Handsome, dramatic, persuasive, he had the power to melt a jury.

The closing appeals for the State were made by Wallace. Governor Johnson finished for the defense.

James was identified by a number of witnesses as having been in the vicinity of the robbery before and after. The credibility of these witnesses was attacked because of their character and evil reputations. But there was one witness who nearly convicted James because he quoted Shakespeare. The defense cleverly promoted the theory of mistaken identity, but there was only one man who identified Frank James as a Shakespearean scholar, the Reverend James Machette.

Quoting the witness:"Inquired of Willard (Frank James) where he had been between the Shenandoah Valley and this section, and he never answered me but said, 'What do you think of Bob Ingersoll?' We discussed Bob for some time till we differed. * * * In conversation with Scott, he observed he would take me for a minister of the Christian Church, and I answered that I was. * * * Willard acquiesced in that but said there was no man ever lived like Shakespeare, and declaimed a piece and remarked, 'That's grand,' which observation I endorsed."

The arguments that followed show that the statement of this minister that one of the gang was a Shakespearean scholar and could quote Shakespeare, set him apart, as none of the others had read Shakespeare. It nearly ruined the defense, because Frank James was fond of Shakespeare and quoted him fluently and none of the other outlaws did.

It may interest you to have just a sample of the oratory at the close of the trial. Wallace had been able to bring in the name of Jesse James, although he had long since been dead. Just a paragraph.

"Farewell, Jesse James, prince of robbers! Missouri cries a long, a glad farewell! Cruelest horseman that ever wore a spur or held a rein, seeming oftener like death himself on his pale horse charging through the land, than feeling man, farewell, farewell! Foulest blot that ever marred the bright escutcheon of a glorious State, farewell! farewell!"

Later, at another place, he observed: "A man, gentlemen, may change the exterior of his person but he cannot change the complexion of the mind therein. This is a most remarkable mental characteristic for a western bandit. To say that it is nothing uncommon for a train robber to go through the land spouting Shakespeare is preposterous."

Just one illustration of the flow of language by Gov. Charles P. Johnson (my old associate) for the defense: "History shows not his parallel. Back of the time covered by this investigation his career begins amid the fierce conflicts of border warfare, and though bearing a name stained with crime his course has been marked by an unwavering adherence to a great revolutionary cause, fidelity to friends, and an audacious bravery unquestioned; he is the product of our own civilization, a sequence of our past political history."

On one occasion Gen. Joe Shelby appeared and apologized to the court for an alleged contempt. This was the general's statement: "If anything I said during my examination yesterday offended the dignity of this court, I regret it exceedingly, Your Honor. As to what I said in regard to others, I have no regrets to express."

General Shelby said he had listened attentively to the court and was very glad His Honor had spoken so fully, as it gave him an opportunity to refute a slander.

"I am charged with drawing a revolver; it is false, and the man who said so said what was false."

The COURT. The information came from the marshal of Lexington, who had given it under oath.

General SHELBY. He has lied if he said so.

These 191 pages are delightful reading for a lawyer. It might be helpful to some law student, but after the eloquence was over 12 good men and true brought in a verdict of "Not guilty."

YOUNGERS PARDONED

The story of the James boys would not be complete without reference to the pardon of the Younger boys, two of their companions in most of their adventures.

Capt. Carter Bronaugh, my personal friend, undertook the work of securing the pardon. He enlisted nearly all of the leading officials of that day—Governors, Senators, Congressmen, and others. I was one of those who signed the petition.

Active in the movement was former Senator Stephen B. Elkins, of West Virginia, who assisted financially and in other ways in procuring the pardon.

Young Steve Elkins was a Missourian who was captured by Quantrill and ordered to be executed, but Bud Younger, a trooper, was a former friend of Elkins and had himself detailed to take out the spy (as he was called) and shoot him. Elkins said to Younger: "Well, Bud, I reckon it's all up with me; I know the rules." Bud replied: "I reckon it is, Steve, unless you light out and run like hell now; and for God's sake keep your mouth shut about this, for you know if Quantrill ever learns I didn't kill you, he'll kill me."

As stated in another place, one of the Youngers was killed by a Pinkerton, another killed himself, but Cole Younger remained to become an evangelist.

Frank James died at the old James farm where he grew up.

Cole Younger died a year later and he, like Jesse James, was buried at the Younger homestead.

LAW REIGNS

What wonderful changes time has encompassed! Peace on the Kansas-Missouri border, good will, and even some political agreement, as Kansas has even gone Democratic.

Today when the gunman appears the law on both sides cooperates and the gunman becomes the general public enemy. The early abolitionists have disappeared. The slaveowners and those who believed that the Negro was property have passed away.

In 1884, when Grover Cleveland was elected President, I was a boy in Texas. I recall how the Negroes were told they would now be returned to slavery. They believed it and disappeared, hiding in that vicinity in the Red River bottoms.

Our home was left without servants, so mother became cook and I washed the dishes—a great and tragic humiliation for me. But I found a way which even today in emergencies proves successful—my hound dogs did the trick when mother took her naps. Dishes, pots, and pans were placed upon the back porch, the dogs were called, the dishes cleaned, and both dogs and myself were happy, and mother, not understanding the plot, was grateful. Try it. It beats the new electric washer in speed and general satisfaction for both man and beast.

That was the last I heard of slavery.

My grandfather was the Confederate Governor of Kentucky. All five sons were in the army. One was killed and three wounded, so the days of my youth were replete with stories of "the wood's colt," border forays and the bitterness that comes from war between brother and brother and between father and son. The same horrible family separations we find in Spain today.

I was assigned the duty of speaking for the Sons of Confederate Veterans at a national Confederate reunion in Louisville, Ky., and watched the miles of parade pass by—the old battle flags, the State banners. They moved a trifle slow, but not too slow. As they passed along it put a tear in the eye and a throb in the throat; but the old boys cheered and they gave the Rebel yell, now a lost art no radio artist can produce.

On they went with the State banners, the battle flags mended and patched by loving hands, brave old men with malice gone. No bitterness in their hearts; they had gone through strife and sudden death and in the even harder years of readjustment after the war. They were from all the Southern States, keeping step, keeping time, shaking hands, and cheering. And at the head rode a man on a horse. The horse seemed to understand. He must have been carefully selected; behaving, yet he misbehaved. He seemed to know he carried a chief.

This prancing horse headed miles of gray uniforms—all in gray, gray, nothing but gray. But on this cavorting horse was "Fighting Joe" Wheeler, dressed in the blue uniform of a United States officer.

Not only was the war over, but that blue uniform leading the gray drew the curtain for the last time on bitter thoughts that are harder to kill than men.

The early forefathers were wise men; they had come from the various nations of Europe; they had crossed the big water in little ships guided by the stars; and, when they wrote a new plan of government, they had back of it war, experience, and suffering. They came out of a fiery crucible and have left for us an orderly Constitution to preserve liberty of thought and action.

Fellow Missourians, you come of a fighting breed. Your forebears "took it on the chin," stood for what they thought was right, surrendering their opinions to no one, but are now expressing these opinions in an orderly way.

We can only attempt to keep the record clear, that our youngsters may not be dazzled with false glamor.

We can but smile a little, maybe weep a little, but demand that facts shine through.

The Livestock Industry

EXTENSION OF REMARKS

OF

HON. FRANK O. HORTON

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1939

RESOLUTION BY THE LEGISLATURE OF WYOMING

Mr. HORTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution of the Legislature of the State of Wyoming:

House Joint Memorial 3

A joint memorial memorializing the Congress of the United States to consider means of protecting the livestock industry which is seriously threatened by the importation of meats and meat products

Whereas the production of livestock constitutes a major Wyoming industry; and

Whereas the industry is being seriously affected by importations of meats and meat products at prices below American production costs; and

Whereas this importation of meats and meat products is recognized as unfair and unjust competition and seriously threatens the industry at home: Now, therefore, be it

Resolved by the House of Representatives of the Twenty-fifth Legislature of the State of Wyoming (the senate concurring), That the Congress of the United States be and it is hereby memorialized to consider means of protecting the livestock industry which is seriously threatened by the importation of meats and meat products: Be it further

Resolved, That certified copies of this memorial be sent to the President of the United States Senate and the Speaker of the House of Representatives, and to United States Senators JOSEPH C. O'MAHONEY and HARRY H. SCHWARTZ, and to Representative FRANK O. HORTON.

The Republican Viewpoint on National Issues

EXTENSION OF REMARKS

OF

HON. CARL E. MAPES

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1939

RADIO ADDRESS BY HON. JOSEPH W. MARTIN, JR., OF MASSACHUSETTS, MARCH 6, 1939

Mr. MAPES. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of the Honorable JOSEPH W. MARTIN, JR., of Massachusetts, on the Republican viewpoint on national issues, given over a network of the National Broadcasting Co. on the Washington Star National Radio Forum on March 6, 1939:

Through the magic of the radio, we are celebrating tonight a Nation-wide birthday party—the one hundred and fiftieth anniversary of balanced representative government under our American Constitution, the greatest charter of freedom and the most cherished protector of equal opportunity in all human history.

The First Congress under the Constitution assembled in New York on March 4, 1789—150 years ago last Saturday. From that memorable date runs the glorious epic of America, a story of achievement and triumph without parallel in the annals of man.

In the meeting of that First Congress, there came to reality the dream which had been the most alluring aspiration of the human spirit from the very dawn of history—"government of the people, by the people, and for the people."

It is an occasion of great patriotic significance and an appropriate moment for sincere national thanksgiving—thanksgiving

that through all the economic stresses and strains, all the wars and revolutions, and all the vast economic and social change throughout the world during these 150 years, the Constitution of the United States survives today in all its essential principles of orderly and progressive government under law.

But our Constitution survives not only as a written instrument defining the powers and authorities of government delegated to the Congress, the President, and the judiciary by the sovereign people of America; it survives also as a living and a vibrant spirit of government and human relations—as a symbol of the creed of fair play, of reasonable temper, and of broad tolerance, so deeply rooted in every American heart.

That, as I see it in the perspective of history, is the great significance of the Constitution of the United States today—that its noble principles have been translated from the mere wordage of an epochal document in history into the great political solvents of tolerance, patience, charity, and good will among men, governing the relations of a mighty nation of 130,000,000 people in their daily striving for peace, progress, prosperity, and genuine social security.

CHATTER OF REVOLUTION

We hear much chatter in these troubled times that our scheme of government is outmoded; that the Constitution no longer can serve our swiftly moving civilization; that we must prepare our minds for some new system contrived since the "horse and buggy" days.

But on such an occasion as this, when we pause to reappraise the fundamentals of our system of self-government, all such dark forebodings of revolution quickly take their proper place in the thought of our people.

The idea of revolution in America today and the many suggestions advanced for some fundamental change in our scheme of government in favor of one or another of these new European systems of compulsion and purge are but the clatter of confusion in minds bewildered by the tasks of the hour.

This Nation would be served well if all such immature talk were to cease at once.

The American people are irrevocably devoted to the American way of life, and they should be encouraged and stimulated by every power of government to press forward in the work of perfecting their institutions and improving their methods of administration in the light of the glorious achievements of these 150 years.

PRACTICAL MEASURES NEEDED

Today we can best honor the Constitution and the founders of the Republic by taking every action possible to restore a robust popular confidence in the safety and security of our scheme of orderly checks and balances in government, and by encouraging a vivid national confidence in the future of American opportunity.

Such actions are the acid test of genuine patriotism in these times.

But confidence is not built upon words alone. Pledges must be fulfilled—promises performed.

Eloquence never balanced a budget.

Eloquence alone never put a struggling railroad on its feet.

Eloquence alone never put a man to work at honest American wages.

Good intentions are the substance of recovery only when they are translated into sound and wise policy.

As leader of the minority party in the House of Representatives, I have pledged before, and I repeat now, that our Members are eager and anxious to lend every aid to the administration in a program to bring about solid and sustained business recovery. This pledge has been given, and is here repeated, without qualification.

We express an earnest hope that before another month has passed the President will send to Congress at least one specific recommendation calculated to give substance to the glowing promises made by Secretary Hopkins at Des Moines, Iowa, 10 days ago.

GOVERNMENT ECONOMY

Meanwhile we shall continue our daily fight for a beginning toward real Government economy.

In county after county and in State after State the people voted last November for a curtailment of Federal extravagance and for a beginning on policies which would tend to relieve the country of the present crippling burden of taxation.

No working population ever can hope to prosper permanently under prevailing policies of taxation.

No farming population ever can prosper so long as 27 cents of every income dollar must go for taxes.

Taxes are too high!

The Government is spending entirely too much money!

Our people demand a restoration of common sense, prudence, thrift, and ordinary good management in the handling of the Federal business.

GOVERNMENT REORGANIZATION

Government economy to eliminate costly overlapping in the Washington bureaucracy is needed urgently. Such economies would mean further vast savings to commerce and enterprise through the elimination of duplicating Government contacts. These can and should be accomplished in the American—the constitutional way.

Our great Federal bureaucracy today carries a total of 917,000 employees on the civil pay roll as compared with 565,000 6 years ago.

This increase of more than 350,000 persons on the Federal pay roll, exclusive of expansion in the military services, has been accompanied by a tremendous increase in the number of boards, bureaus, commissions, authorities, divisions, and administrative sections throughout the Government.

Many of these new agencies today are stumbling over each other, working at cross purposes; are even arrayed in open conflict over policies and programs—all at the expense of the people.

In not a few cases this confusion has induced a condition of utter paralysis in the Government functions.

Such costly overloading of bureaucracy must be stopped.

In the so-called Economy Act of March 20, 1933, President Roosevelt was given blanket authority to consolidate and reorganize the various Government departments. This authority, however, expired after 2 years, on March 20, 1935.

In this 2-year interval the President effected only 17 regroupings by Executive order, 8 of them of minor nature in the Veterans' Bureau, and the others relating principally to such secondary agencies as the Geographic Board, the American Battle Monuments Commission, the Alien Property Custodian, the Bureau of Mines, and the Division of Territories and Island Possessions.

THE NEW DEAL BUREAUCRACY

But while these 17 minor regroupings were being worked out over a period of 2 years, no less than 34 new agencies of government were created to administer various ventures and experiments of the New Deal.

Today these new agencies alone employ more than 150,000 men and women, and many other segments have been added to the towering structure of our Federal establishment since March 1935.

The latest figures reveal that altogether since March 1933 the present administration has created no less than 74 new agencies of government.

Their unrelenting flood of Executive orders encroach upon the most intimate daily concerns of our people in every State of the Union.

It would be folly to assume that all of these new agencies are focusing their energies upon ways and means to revive public confidence in the American scheme of private enterprise.

ECONOMY PLEDGES OF 1932

Such, briefly, is the record of extravagant expansion in Washington during the last 6 years. This is the performance realized by the American people on that important section of the Democratic national platform of 1932 which pledged:

"We advocate an immediate and drastic reduction in Government expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagances to accomplish a savings of not less than 25 percent in the cost of Federal Government * * *."

When that promise was made the civil pay roll of Federal Government was a little less than $100,000,000 for the month; but in December 1938, the last month reported officially by the Civil Service Commission, this pay roll was $141,924,984.

It is hard to believe that an administration with such a record could accomplish a real program of government economy, free of all implications of one-man government and dictatorship.

Despite this unpromising background, we on the minority side stand ready to cooperate actively in any program the President may submit in fulfillment of that ringing promise he gave the American people from Sioux City, Iowa, on September 29, 1932, when he said:

"I shall use this position of high responsibility (the Presidency) to discuss up and down the country, in all seasons, at all times, the duty of reducing taxes * * *. This I pledge you, and nothing I have said in this campaign transcends in importance this covenant with the taxpayers of this country."

In that pledge to the American people President Roosevelt voiced the sentiments not only of the Republican and Democratic Parties but of all our workers and farmers.

Likewise Mr. GARNER, then Speaker of the House, said on the floor on March 29, 1932:

"On January 6 of this year—that is, 1932—after a 2-hour session and a full discussion, our joint committee—composed of House and Senate Democrats—unanimously decided upon this language as expressing what should be the Democratic policy in the Senate and the House of Representatives:"

And here is what the Democratic joint committee of the House and Senate then agreed upon:

"It is of primary importance that the Budget be balanced promptly."

And that, as I have said, was on January 6, 1932, exactly 7 years and 2 months ago.

Since that time the national debt has been doubled, increased from roundly $20,000,000,000 to $40,000,000,000.

FEDERAL TAXES TRIPLED

Nor is this the whole story of fabulous New Deal spending.

For the fiscal year 1933, total receipts of the Federal Government from all forms of taxes and customs were exactly $2,080,000,000. But for the fiscal year ending June 30, 1938, the actual Treasury receipts from taxes were $6,242,000,000.

These are the official Treasury figures taken from the President's Budget message to Congress on January 5 of this year.

They show that in 1938 Federal taxes were three times the 1933 total; yet in the intervening years the national debt, nevertheless, has been doubled.

EXCESSIVE TAXES MAKE UNEMPLOYMENT

Taxes are paid, as President Roosevelt has so well said, "in the sweat of every man who labors."

And our experience has been during these last 6 years that even more taxes are paid in the anguish, worry, and fears of the men who can't find jobs. The more taxes and spending the less recovery.

That is why we still have 10,000,000 unemployed today.

That is why we have lost so much of our former large export market for farm products.

CONSTITUTIONAL GOVERNMENT DEMANDED

Do these problems bear directly upon the larger issue of the preservation of balanced constitutional government?

I think they do.

First, the inordinate expansion of our Federal bureaucracy flows directly from the temporary overthrow of constitutional forms in the hysterical rubber-stamp sessions of Congress between 1933 and 1938.

Likewise, the great increase in Federal spending, the run-away extravagance and shameful waste, all flow directly from the system of blank-check appropriations granted the President by those rubber-stamp Congresses.

Here we see the direct practical results of violence to our fundamental constitutional principles.

Had the New Deal adhered faithfully to our Constitution in the days when the New Deal controlled Congress, we might have avoided many of the difficulties in which we now find ourselves.

Moreover, had the Constitution been defended and sustained faithfully by every department during these last 6 years, we would not face today the task of restoring national confidence in the permanence and vitality of our basic institutions and processes of government. We would not need a new "breathing spell" to eradicate from the minds of the people the unhappy recollections of court-packing, crack-down, and purge.

To this degree, at least, are the problems of our day related directly to the fundamental issues of government expounded in the Constitutional Convention of 1787 and in the First Congress of 1789.

That is why I hold that the challenge before America today is to redeem once more the sacred covenant of liberty and freedom and to restore our American Constitution in all its vigor as a charter of honest government.

The Republican minority in Congress accepts this responsibility to a man.

MEANING OF THE NOVEMBER ELECTIONS

It has been our duty in Congress to analyze carefully the election returns of last November to determine exactly what the American people voted for and what they voted against.

The uniform sweep of that election as a protest against reckless extravagance in government, against the astronomical public debt, against long-continued unemployment, and against increasing cheap imports of farm products from all directions—these demands for change are not to be evaded or ignored.

Our studies show that, in gaining 80 seats in the House of Representatives, the Republican congressional campaign converted a Democratic majority of approximately 5,000,000 votes in 1936 into a Republican majority of 500,000 in 1938.

These figures are for the 38 contest States outside the South.

They mean that in point of popular vote throughout the entire two-party area, the Republicans are the majority party of the United States today.

Although our candidates carried more than 50 percent of the vote in these 38 States, we have only 39 percent of the roll call in the House today.

More significant, the Republican congressional candidates carried more than half of all the counties in the United States outside the South—1,135 out of 2,058.

The Republican Party today controls one or both houses of the legislature in 24 States.

These are the fundamental factors which emphasize today's strong resurgence of fundamental Americanism.

THE REPUBLICAN MANDATE

Pursuant to this national mandate from the polls, our party in Congress has set itself to the task of reestablishing balanced government.

Special committees of inquiry already have been created to survey the issues of national defense, the emergency powers of the President, and national-debt policy. Additional special committees will be appointed as the administration's legislative program is disclosed.

Our fundamental purpose is to avoid such hasty legislation as has led to grave difficulties in the past.

The process of unscrambling the hit-or-miss administrative measures of the last 6 years has begun, and will be pressed as rapidly as orderly procedure will permit.

PROTECTION ASSURED MINORITY GROUPS

But our mandate for Americanism does not sanction a narrow or overbearing jingoism. The Republican Party today regards the protection and security of minority groups as the keystone of our constitutional scheme. Bigotry, intolerance, racial and class prejudices have no place in this mighty Nation of opportunity and equality under law.

We need the help of all our people in the great tasks before us. Every citizen can make his contribution toward restoring business confidence, to the end that we may provide real jobs for our 10,000,000 unemployed at honest American wages.

Here is the supreme challenge to representative government—to rescue our 10,000,000 unemployed from the hopelessness and despair of the W. P. A. dole—to bring solid and sustained prosperity once again to this land of plenty.

AMERICA DEMANDS PEACE

Finally, our great responsibility is to keep this Nation out of war.

Our defenses must be strong, but they must not be pledged in any military alliance abroad.

Our task is at home.

Our first line of defense is that Saturday line which edges up to the pay windows in our mills and shops. Unless these lines stand impregnable democracy will be lost.

We cannot protect this first line of defense by plunging into an offensive and defensive military alliance with half of Europe.

Peace is the great healer.

Peace is the highest aspiration of freemen.

Peace is the very essence of progress and prosperity.

Any other policy in America would be a betrayal of the sturdy public morality and the glowing social idealism which inspired our Constitution and are its heartthrob today.

Pine Flat Project and Proposed John Muir-Kings Canyon National Park

EXTENSION OF REMARKS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1939

ADDRESS BY HON. HAROLD L. ICKES AT FRESNO, CALIF., FEBRUARY 14, 1939

Mr. GEARHART. Mr. Speaker, in the high Sierras which rim on the east the great San Joaquin Valley of California lies one of the world's greatest scenic regions. Its majestic grandeur is not exceeded in magnificence anywhere else on earth. Towering snow-capped mountains, precipitous granite cliffs, peaceful meadows, and mirrowlike pools, gigantic trees of great antiquity, some of them already over 2,500 years old when the Christ was born nearly 20 centuries ago, are to be observed on every side. One stands appalled as he contemplates the wonder of it all.

At the base of these majestic mountain spires lies the famed San Joaquin Valley, fertile beyond the legendary productiveness of the ancient Valley of the Nile. Down the many channels of the myriad tributaries of the yet unconquered River of the Kings flow the constantly melting waters of the snow-crowned monarchs of the mountains, sometimes rushing in riotous flood, sometimes moving quietly and in friendship to man, but, alas, until this very day, too often in squanderous waste and destruction, too seldom in aid of man's carefully laid plans.

In order that the beauties of the high mountains might be made accessible to the restless, wandering, pleasure-seeking people of the world under the most attractive and alluring circumstances; in order that this wondrous region of scenic marvels may be preserved in its natural wilderness state by those most skilled in mountain recreational management, I have introduced a bill to create in the honor of the father of all national parks a new national park to be known as the John Muir-Kings Canyon National Park, a park that will include the wondrous mountain area that I have just described.

In order that the abundant though uncontrolled waters of this highly scenic area may be made to do the work of man down on the cultivated plains of this incomparable fertile valley of the great San Joaquin; in order that its industrious home builders may be spared the periodic frustrations incident to successive property-destroying floods and land-parching water scarcities, each in accordance with the cruel whims of nature's God, I have introduced another bill to authorize the construction of the Pine Flat project, an irrigation, reclamation, flood-control, and power-generating project which, when eventually constructed, will make that great San Joaquin Valley, the interior basin of the State of California, "blossom as the rose" and create in the heart of this most-favored section a "man's paradise on earth."

Mr. Speaker, it is with tremendous happiness and satisfaction that I learned that these two legislative proposals have met with the approval and have been accorded the enthusiastic support of the Department of the Interior and of its most able Secretary, the Honorable Harold L. Ickes. Had I but paused to recall his ardent support of the Great

Central Valley project during the early, uncertain days when the legislation authorizing that greatest of all reclamation projects was making its tortuous way through the legislative hopper; recollected his sustained interest in all of our California mountain and valley irrigation and reclamation problems down through the years, I would have assumed in confidence that he would in due time lend the powerful influence of his eloquent voice in support of the most worthy measures I have just proposed. He could not have done otherwise. Such is my confidence in the righteousness of our cause.

I am sure that the people of interior California who were so fortunate as to have heard his inspiring speech at Fresno, Calif., on February 14 last, his compelling appeal for these two measures, will ever recall in grateful remembrance his message and pledge of cooperation and good will. Because of the strength his approving voice brings to our cause, so near and dear to me, so tremendously important to those that I am here endeavoring to represent, my gratitude knows no bounds.

In order that the arguments he advances, the reasons he points out, may not be lost to those who did not have the privilege of hearing him, either at the great civic banquet at Fresno or over the ether waves of radio stations KARM or KMJ, I am, the entire membership of the House of Representatives approving, their unanimous consent having been given, extending in the CONGRESSIONAL RECORD at this point the speech as he delivered it, a copy of which I have received from his hands.

It is as follows:

MID-CALIFORNIA CONSERVATION

I cannot think of any place in the United States where I would rather be at the present moment than in Fresno, Calif. I hope to come back here again within the next 2 years for two important and pleasant duties—to take part in the dedication of the John Muir-Kings Canyon National Park and to turn the first shovelful of earth for the Pine Flat irrigation dam.

The circumstances under which I come to Fresno at this time are particularly pleasant. Your Congressman, Hon. BERTRAND W. GEARHART—that's what we call him in Washington, but I believe you know him in Fresno as "BUD" GEARHART—last week introduced three bills in the House of Representatives at Washington. All of us, the people of the San Joaquin Valley and the State of California, Congressman GEARHART himself and I are vitally interested in these bills.

THREE BILLS

The first bill provides for the construction of lateral canals for the Central Valley project in order to extend the benefits of irrigation to additional sections of interior California in the region of Sacramento to Bakersfield. The value of such a project is self-evident.

The second bill authorizes the Bureau of Reclamation to construct the Pine Flat irrigation and flood-control reservoir, together with power dams on the Kings River which are found feasible in connection with the Pine Flat project.

The third of Congressman GEARHART's bills is for the establishment of the John Muir-Kings Canyon National Park, a proposal of both local and national importance, and not unrelated to the Pine Flat project. In one important respect they supplement each other, because a national park in the Kings Canyon country would help preserve the watershed and thus increase the value of the Kings River for irrigation and electric power.

ALL THREE PROJECTS CLOSELY LINKED

The Pine Flat irrigation project and the John Muir-Kings Canyon National Park proposal are closely linked, because they both relate to the use of the same general land area; to the use of public lands under the control of Congress and the President. It is extremely necessary to see that these two projects are properly coordinated. Part of the lands jointly affected by the irrigation project and the national-park proposal are essential for economic development. Part of them are primarily important for recreation, which in areas of high scenic value calls for preservation and protection.

If the Federal Government should establish the John Muir-Kings Canyon National Park, without at the same time mapping out a policy for irrigation and power development for this region, there would be danger that the national park might have boundaries conflicting with a sound economic policy.

If, on the other hand, the Government should go ahead with irrigation, and power-dam construction before establishing a national park, there would be danger that this commercial development would damage an area primarily important as a scenic and recreation asset.

By mapping out both of these important projects together, it is possible to harmonize them without injury to either. If either of these projects were put forward without regard to the other, there would be uneasiness and apprehension among the friends of the other measure, and where you have apprehension you generally have needless antagonism.

PROTECT RECLAMATION AND RECREATIONAL VALUES EQUALLY

It has been easier to make a joint approach to these questions of economic and recreational use because both the Bureau of Reclamation, which deals with irrigation, and the National Park Service are in the Department of the Interior. Many months ago I asked the heads of these two Bureaus to thresh out every issue on which there might be a conflict of interest, and adjust them so that all legitimate rights might be protected—the right of the people of the San Joaquin Valley to the use of the waters of the Kings River, and the right of the people of California as well as of the Nation to the recreational value of the Kings Canyon wilderness.

I am happy to state that our Bureaus have been assisted in this effort by the attitude of the people of the San Joaquin Valley, and especially by those who are most closely connected with irrigation. It is a pleasure to find that such men as Messrs. Boone and Kaupke, of the Kings River Water Association, have confidence in our endeavors to reach a harmonious understanding on all of our common problems, and that the people of the San Joaquin Valley have confidence in Messrs. Boone and Kaupke. Where this spirit exists, problems that might otherwise have seemed formidable begin to melt away.

JOHN MUIR FIRST TO URGE PARK STATUS

Take, for example, the movement first begun nearly a half century ago, to place Kings Canyon in our national-park system. John Muir was the first to propose this, as far back as 1891, just after he had completed his successful effort to make the Yosemite Valley a national park. Kings Canyon, John Muir said, contained canyons which rivaled those of Yosemite in grandeur. The whole high Sierra in the Kings watershed he termed a "surpassingly glorious region" which should be made into a grand national park "for the recreation and well-being of humanity." Emerson Hough and David Starr Jordan and William Colby were among those who, in succeeding years, made the same plea. The Sierra Club of California led the movement for action in Congress.

FOREST SERVICE SUPPORTS PARK PROPOSAL

The Forest Service of the United States, during the terms of four Chief Foresters, has steadily supported the proposal that Kings Canyon be made a national park. The action needed in Congress involves a transfer of land already belonging to the public. This land is now included in the national-forest system and can be made into a national park simply by changing its status under Federal law, without cost to the Government. The Forest Service is willing that this should be done, because, although the land proposed for a park is in national forests, it is of low value for timber or other economic resources.

DEPARTMENT OF AGRICULTURE APPROVES

On this account, Chief Forester Graves endorsed the national-park proposal in 1920 and Chief Forester Greeley in 1924, followed by Chief Forester Stuart in 1928. And only yesterday I had the pleasure of making public a letter in which Secretary of Agriculture Wallace informed me that these past declarations in favor of the park stand good today. The record of the Department of Agriculture and of the Forest Service is 100 percent in favor of Kings Canyon for a national park. I mention this the more particularly because one of the obstacles encountered by the Kings Canyon National Park project in recent months has been the unauthorized opposition to it by several minor regional employees of the Forest Service here in California.

OPPOSITION OF REGIONAL FOREST RANGERS UNAUTHORIZED

I can understand how they were led into this opposition by a feeling of bureau loyalty, even to the extent of trying to make a policy of their own. It often happens that Government employees, with the best intent in the world, become so interested in the details of administration of those objects consigned to their care, that they forget the larger national outlook. When this occurs it is usually accompanied by a feeling of hostility toward other Government bureaus; and if that happens to break out in two bureaus at once it leads to a sort of petty civil war which must be rather mystifying to the public. And all the time the higher responsible officials are working in complete harmony.

CHIEF FORESTERS AT WASHINGTON APPROVE

This has been the situation regarding the Kings Canyon National Park proposal. There has been conflict in the field, here in California, between the Forest Service and the supporters of the John Muir-Kings Canyon National Park. In Washington, the Department of Agriculture has adhered, without change, to the policy, first declared in 1920 through Chief Forester Graves, that it favors making this area a national park.

LETTER OF SECRETARY HENRY C. WALLACE

It is now my pleasure to read to you from a letter written by Secretary of Agriculture Henry C. Wallace to the chairman of the Committee on Public Lands of the House of Representatives. The latter had asked for his opinion on the Kings Canyon National Park proposal, and Secretary Wallace replied as follows:

"The proposed park and the specific boundaries relating thereto are endorsed by this Department. While the measure contemplates a transfer to the national park of a large area now comprising parts of the Sequoia and Sierra National Forests, the utilities present in this area are chiefly parklike in character and may properly be given a national-park status."

LETTER OF SECRETARY HENRY A. WALLACE

You may have noticed that I said that this letter was written by Secretary of Agriculture Henry C. Wallace. The present Secretary of Agriculture is Henry A. Wallace, the son of Henry C. Wallace, who was Secretary of Agriculture in the cabinets of Presidents

Harding and Coolidge. The letter from which I have quoted, endorsing the Kings Canyon National Park project, was written by the elder Secretary Wallace on January 17, 1924. I now shall read to you a letter written by his son, my colleague in the Cabinet of President Roosevelt. On February 7, 1939—that was last Tuesday—Secretary of Agriculture Henry A. Wallace wrote to me as follows:

FEBRUARY 8, 1939.

The honorable the SECRETARY OF THE INTERIOR:

DEAR MR. SECRETARY: Reference is made to proposals to create a John Muir National Park in California and include within it what is known as the Kings River Canyon country, most of which has been part of the national-forest system administered by this Department.

In one form or another this matter has, as you know, been under discussion for many years. This Department is clearly of record that in its opinion much of the Kings River country is of national-park caliber. The major issue around which discussion has centered is that of water resources.

My understanding is that boundary lines as shown on certain recent maps have to a very large extent taken the matter of water resources into consideration. This note, however, is to let you know that the Department of Agriculture will approve creation of a national park within the general territory under discussion and will join with you in consideration of the specific boundaries described by proposed legislation in an effort to expedite the situation.

My reason for making this reservation with respect to boundaries is that I have not yet seen the bill defining them, and they are, of course, a matter that should have our mutual consideration.

Sincerely,

H. A. WALLACE, *Secretary.*

I may add that I anticipate no difficulty in reaching an understanding as to boundaries, because the proposed park whose boundaries were approved by the Department of Agriculture in 1924 included all and more of the Kings Canyon country than is included in the bill of 1939.

AGRICULTURE DEPARTMENT'S SUPPORT CONTINUOUS

Thus you see that the proposal to place Kings Canyon in the national park system has had the unbroken support of the Department of Agriculture from the time it first came before a committee of Congress in 1920. The Government departments concerned in the administration of the public lands have been united as to the wisdom of this proposal.

Why is it, then, that the establishment of this park has been so long delayed? Chiefly, I believe, because there has been no general study of the relationship between the park and the economic use of the waters of the Kings River, and no plan of action covering the whole field. Now we do have such a plan of action, and for the first time there is a good chance to get somewhere both with the national park and with irrigation development.

LINKING THE PROJECTS

Let me remind you that during these years when the Kings Canyon national park proposal was meeting with difficulties because it was traveling alone, the Pine Flat Reservoir project was also getting nowhere at the same rate. There was a Pine Flat bill before Congress in 1924, and I suppose there has been one there most of the time since then. Nothing came of these proposals. They were introduced and they died.

PINE FLAT

The present Pine Flat bill, which Congressman GEARHART has introduced, is based on studies made by the Bureau of Reclamation and the flood-control engineers of the United States Army. It authorizes the Bureau of Reclamation to build a dam at Pine Flat, on the Kings River, 25 miles below the proposed national park, and to build power dams at sites found to be feasible. It provides that the Federal Government shall make a grant of money toward the building of the Pine Flat Dam, as well as for the power dams, to be repaid out of the sale of power. The remainder of the cost would be financed by the irrigation interests.

In the drafting of the bill for the John Muir-Kings Canyon National Park, the Pine Flat project was taken into account. Two areas, discussed as possible location of power dams, are excluded from the park boundaries, but may be included by proclamation by the President if they are abandoned as reclamation enterprises. It was necessary to leave this portion indefinite, because the power study by the reclamation engineers had not gone far enough to justify a final location of the power dams.

The point I would emphasize, in this connection, is that Congressman GEARHART'S bill for Pine Flat carries a power dam authorization which will make the Federal Government responsible for producing power from the Kings River, wherever it can be produced most economically. The location is up to the engineers. The financing is up to Congress.

All of this depends, of course, upon congressional action; and whether Congress acts will depend to a considerable extent upon the way all the various interested elements work—whether they work together or against each other.

FLOOD CONTROL, POWER, IRRIGATION AND PARK

You have here two measures which are interrelated. Back of the Pine Flat bill you will have the unanimous voice of California, based on the economic benefits of irrigation and power. It will be a support effective because united, but nevertheless handicapped by coming from a single State. Back of the park bill you will have the majority voice of California, and a national support as well, coming from the friends of national parks in every State of the Union.

IRRIGATIONISTS AND PARK ADVOCATES UNITE

If the support for these two bills can be merged, so that the friends of the John Muir-Kings Canyon National Park become the friends of the Pine Flat Reservoir, and the friends of the Pine Flat Reservoir are seen to be the friends of the national park, it is going to make things a lot easier for both measures. If that happens, each bill will have what it most needs—national support for a local project—that is, Pine Flat—and local support for a national project—that is, the John Muir-Kings Canyon Park. A combination of these two must be victorious.

NATIONAL PARK A GREAT ECONOMIC ASSET

You people of Fresno and of the San Joaquin Valley in general have a particularly deep interest in this national-park proposal. A national park becomes a part of the life of the communities located near it and one of their important economic resources. I have to smile when I read that somebody has talked about a national park locking up economic resources. Does anybody think that an economic resource was locked up when Sequoia National Park was established? On the contrary, it opened up one of the biggest economic assets in California. This is likewise true of the other national parks in your glorious State. Whenever a tourist is advised to visit the Mariposa grove of big trees in Yosemite National Park, he does so by the Wawona Road; that is to say, by way of Fresno.

SAVE THE REDWOOD MOUNTAIN SEQUOIAS

I have been talking all this time about the Kings Canyon and of the John Muir-Kings Canyon National Park. At the other end of it, beyond General Grant National Park, is the Redwood Mountain and Redwood Canyon giant sequoia grove. I don't suppose many people who are listening to me have been on Redwood Mountain, or down in the canyon, but you will go there when it becomes part of the John Muir-Kings Canyon National Park. Redwood Mountain is privately owned. It is threatened with destruction, not because the owners want to cut it but because they can't help themselves. They must sell the property or lose it, and we want them to sell to the Government.

If we succeed in saving Redwood Mountain—and we must save it—California will have one more great national park, with the grandest mountain scenery in the State, worthy of its name, John Muir—and a grove of big trees comparable to any in the Sierras.

With the cooperation of Congressman GEARHART, we are trying to do something more than make Kings Canyon a national park. We are trying to make it a wilderness national park. The State road that has been built into the valley of the South Fork opens the finest scenic area of the Kings Canyon to the motoring public, and thousands of visitors will throng its floor. The bill that has been introduced forbids the building of roads beyond the floor of the canyon. It excludes all artificial developments from the wilderness area, except foot and horse trails and trailside shelters, and it forbids exclusive concessions.

I urge you people of the San Joaquin Valley to constitute yourselves the protectors of this wilderness. In the long use it will be to your financial advantage to do this, because when you overdevelop an area of great beauty in order to bring greater throngs of visitors, the final effect is to destroy its beauty, and thus to kill the goose that lays the golden egg. But beyond this, I urge you to join in protecting the Kings Canyon wilderness forever, because a true and beautiful wilderness has become the most priceless thing in America. Let us keep this one for the benefit of ourselves and our posterity.

The Department of the Interior is eager to do its share, both in guarding and protecting the land that deserves to be in a national park, and to help the people of the San Joaquin Valley realize the greatest possible benefits from the waters that come down out of the mountains.

Before my term of office expires I hope to return here to help to dedicate the John Muir-Kings Canyon National Park and to stand by the side of your able and efficient Representative, BERTRAND W. GEARHART, watching precious water making a garden out of what is now a potentially rich desert.

Six Years of Job Insurance in Wisconsin

EXTENSION OF REMARKS

OF

HON. CHARLES HAWKS, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1939

ARTICLE FROM NATION'S BUSINESS FOR MARCH 1939

Mr. HAWKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article written

by Mr. Fred H. Clausen, appearing in Nation's Business for March 1939:

[From Nation's Business for March 1939]

SIX YEARS OF JOB INSURANCE

(By Fred H. Clausen)

Wisconsin has often been referred to as the Guinea Pig State for economic and social legislation. To a large extent this may be so, although in recent years we observe that other States are seriously contending for the title.

The role guinea pig is an honorable and useful one if the results of the experiments are studied carefully and used. If they are ignored, then the voice of experience falls on inattentive ears and an opportunity is wasted.

As applied to compulsory unemployment compensation laws enacted by the various States, this situation has existed and, I fear, will continue unless some lessons are learned from what has already happened. This is the one excuse for the gospel testimony that now follows.

With a backlog of agitation which started 16 years ago, Wisconsin employers have been compelled to consider not only the impact of a proposed penalty system for involuntary unemployment but to try to understand the principles involved.

After prolonged discussions and debates, the Wisconsin law became a fact in 1932.

Since then we have had substantially more experience than any other State and we submit that, although 6½ years is not a long time, it is the most sustained record that can be drawn on for observation and analysis.

It was our good fortune that Wisconsin lawmakers and the proponents welcomed the active interest and criticism of the employers who were expected to pay the freight. That cooperation has been maintained through an advisory committee to the industrial commission, made up of three representatives each of employers and labor organizations. As one of the members, I can testify that we have gotten along together and have helped to evolve a law that works. This set-up might not have functioned if the law's administrators had assumed a superior attitude and ignored the problems that are met in everyday employment. As Wisconsin employers survey the field of State unemployment compensation laws, we can say at least that our system is distinctive. The fact that so few other States saw fit to follow us or profit by our experience makes it all the more important to justify ourselves and even have the temerity to offer some gratuitous advice which, if accepted, may help us to protect what we have. Self determination by States under the present criteria of the Social Security law is at stake. The fact is easily determined if recent emanations from Washington sources are fully understood.

Let us refer to these principles we value so highly.

1. The Wisconsin law contains the basic principle of trying to retain employer-employee relationships.

In other words, the worker has definite knowledge that the benefit checks he receives are drawn on a fund which his own company established at the time he worked there and that these benefits are measured by the length of his employment and his earnings from that employer. There is no jack pot or pooled fund which is prevalent in most other States.

There is less chance for the worker who gets the benefits to develop the idea that the State owes him a living. He would prefer to believe that he earned the right to benefits when working for the employer out of whose fund the benefits are paid. There are those among social-security advocates who believe that unemployment compensation is a method of poor relief for limited periods and that this socialized fund collected from employers must be pooled and that no contributor has a right to concern himself as to who receives his payments.

We have found a great deal of satisfaction in learning promptly who the claimants for benefits are and how much they receive. We know, too, that these payments operate as a form of dismissal wage to workers whom we are unable to continue on our own pay rolls. That is inherent in a company reserve system.

2. The Wisconsin law contains the needed incentive for each employer to minimize the extent and duration of his unemployment by providing a premium for good performance and a possible penalty for excessive lay-offs.

The merit or experience rating provisions in various State laws have either a practical possibility of attainment or they are a delusion because unworkable.

Of 11,000 Wisconsin employers under our act it is estimated that more than 2,000 will pay a reduced 1-percent contribution in 1939. Their company reserve balances will have equaled or exceeded 7½ percent of their annual pay roll. On the other hand, about 400 accounts, most of them relatively small, are overdrawn and will require a 3.2-percent rate for the new year. Unless we are disturbed by outside influences, the number of employers on the reduced rate will increase from year to year with the result that such employers will strive to attain the 10-percent reserve level which will thereafter make it necessary to contribute only amounts equal to the annual drafts on their own company reserve accounts.

AN INCENTIVE IS VITAL

For us it is difficult to understand the attitude of some employers in other States who show little interest in the company reserve system with its attendant incentive for improved continuity of employment through reduced contributions and the avoidance of eventual higher costs. It would appear that they are perfectly willing to depend on other industries to help carry their load or that they look upon these compulsory contributions as just another tax which must be borne.

Careful consideration must lead to the conviction that it is a shortsighted policy to disregard the impact on the fund through excessive payments and in some cases utilize the existence of the fund by draining it for the benefit of your own employees. We believe that, without the free and simple operation of incentive experience rating, the eventual cost of maintaining reserves is bound to be increased. This, in our minds, is justification enough to make every effort to sustain the Wisconsin plan.

3. On the administration side, we appreciate the fact that employer reporting has been minimized and that the effort continues to simplify and reduce record keeping and report preparation.

Wisconsin doesn't need quarterly wage reports on all its 450,000 covered workers. We avoid the job of handling more than 1,000,000 useless reports on steady workers. We ask ourselves, Why should the State demand time cards on workers who are not potentially eligible for benefits?

Our wage and separation reports with the employer's initial expression of liability on all discharged workers form the bases for contact with the law's administrators and intelligent prompt disposition of each claim. The record now being made for prompt payment of benefits has eliminated practically all complaints.

The Federal law assumes 10 percent of the standard rate of 3 percent of pay roll as a reasonable cost of administration. We have never exceeded an expense-allowance rate of three-tenths percent, and for 1938 it was less than 0.25 percent.

Let us now consider the future of State laws applicable to compulsory unemployment compensation. There are several reasons for concern:

1. The growing demand for a nationalized system with Government regulation and administration. State self-determination will then disappear.

2. Discounting of company reserve plans and substitution of a socializing scheme for relief payments out of one general fund regardless of source and with less and less emphasis on employment records of recipients.

3. Discouragement of experience rating that has any substantial incentive for improved continuity of employment. Experience rating in form but not in fact is now offered by a recent report of the Bureau of Unemployment Compensation in these words:

"In summary it appears that the chief recommendation is that only such a rating formula be adopted as will yield a fixed average contribution of 2.7 percent of the aggregate State pay roll. This recommendation offers the soundest approach to an experience rating program."

This is the recommendation of a tax collector, not a person responsible for the continued employment of workers and the welfare of industry.

"Hang your clothes on a hickory limb,
But don't go near the water."

What is there sacred about the 2.7-percent and why should it be imposed if not required?

May we not suggest to all employers that their active interest in the form and substance of their State laws on this important subject should be an immediate and direct obligation.

History is in the making and you will do well to sit in during the writing. That is what our more extended Wisconsin experience has taught us.

It Can Happen Here

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1939

LETTER FROM RAY N. DAVIS

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein a letter from Mr. Ray N. Davis, a prominent resident of my home city of Tacoma, Wash. Mr. Davis is an active official of Democratic clubs and has demonstrated his understanding of international affairs on many occasions. He shows a pronounced liberal slant in his writings and thereby reflects the sentiment entertained by vast numbers of the people who reside in my congressional district.

I consider that the letter hereto appended touches upon a subject of vital moment to all American people. He points out the menace inherent in the continued unchecked and unmolested spread of fascism. He discerns the danger in the predilection for retreat now developing so rapidly in the

so-called democracies. With penetrating eye, Mr. Davis recognizes the danger to our own country of permitting intolerance, anti-Semitism, and red-baiting tactics to continue without protest. Mr. Davis expresses the views entertained by hundreds of thousands of Americans that if we do not curb these subversive forces working in our midst the growth and consequent power of intolerance will be so tremendous that it will become insuperable, virtually impossible to combat. Let us recognize the significance of the prairie fire which is approaching on the horizon and let us watch the ramparts lest we be engulfed in the ensuing conflagration.

Mr. Davis' letter follows:

IS FASCISM BORING FROM WITHIN?

TACOMA, WASH., *February 24, 1939.*

Mr. JOHN M. COFFEE,
House of Representatives, Washington, D. C.

DEAR SIR: The demonstration staged by the German-American Bund last Monday night in Madison Square Garden and again last night in Los Angeles makes it evident that if this country is to survive as a democracy this organization must be dealt with energetically and without delay. Their use of so-called uniform storm troops for the purpose of beating up any objectors certainly must stop. It will be no time at all until other organizations adopt the same tactics. Next these storm troops will be armed and we shall have privately armed and supported armies in this country. This is the way Hitler made himself master of Germany, Austria, and Czechoslovakia. Are we to suffer a fate similar to these countries?

The Government is spending huge sums for arms against foreign enemies while our internal enemies are making the use of those arms impossible. This country can never resist a foreign enemy while that enemy has the full support of a large group within our borders. France and England are good examples of this very thing. First the dictators divided those countries internally so resistance to an external enemy was hopeless. This makes their armament programs useless and gives the dictators full sway in Spain, Africa, and anywhere else. The same technique is being used here.

If a Franco could be found for Mexico tomorrow, German and Italian troops could be landed there and not molested in the least by the United States, because if we are not already divided hopelessly, such organizations as the bund would soon see to it.

It is my opinion that we are about to be made the next victim of the dictators. Proof is the way President Roosevelt's speeches have been lampooned by the dictator press and then picked up by our press as a mistake of the President's. Next is this bund and its uniformed troop. Further, the attitude of our State Department on neutrality toward China and Spain. The dictators already have a party in this country backed by the American press, a few scalawag Republicans, and Democrats of the MARTIN DIES stripe.

Something must be done and soon if we are to avoid being made a tool and vassal of the dictators as England and France now are. What to do I am unable to suggest. However, I do suggest that the liberals in Congress let the people know what this danger is by use of the radio and speeches on the floor of the Chamber. Any other methods that could be devised should also be used.

Making laws against such insidious activities failed in other countries, but maybe would work here if made soon enough. At least the use of uniformed troops by political organizations must be stopped if we are to preserve order and peace for ourselves.

If this thing gets a real start in this country, it will be very difficult to combat because of the nature of our Government. First, we have 48 States. They demand that affairs legislated on by the National Government must be truly interstate. There will be 48 ideas on this subject. Second, we have a free-press and free-speech tradition that absolutely must not be violated. However, any organization or party that would deny others free speech and free press when in power should be suppressed. Third, we have a long tradition of toleration of political ideas that must also be preserved. With these handicaps, just what can be done?

But meet this problem and solve it we must, or we will surely lose our liberty.

Please see what can be done. Many people have talked to me in the past 3 days on this subject. Like myself, they have the jitters, for who wants to live in any unfree land?

Yours very truly,

RAY N. DAVIS.

Reorganization Act of 1939

EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1939

Mr. THORKELSON. Mr. Speaker, after listening to the debate on H. R. 4425, the Reorganization Act of 1939, as propounded by the gentlemen from Missouri and North Carolina, I can readily foresee a purge in the United States no different from that which caused bloodshed in Europe. It is always well to remember that the American people are beginning to think for themselves. They are not going to tolerate socialism and communism imported from Europe. The small minority who are advocates of these "isms" are sticking their necks a long way out, and I predict they will be cut off.

The many Communists who have been appointed to positions in the Federal Government is sufficient evidence to show which way the administration leans. Such appointments are un-American, and those who make them are no better than the appointees.

We have been asleep for a long time, and we are still slumbering, but when our people become thoroughly aroused, I am positive that Congress will be instructed to clean house and the people will help to perform such necessary house cleaning.

It is difficult for a new man to understand how anyone can support this reorganization bill, a bastard offspring of the last bill, and it is no better than its parent. It is not to reorganize the Government. It is not to reduce expenses. It is for one purpose alone—to centralize greater control in some evil power in our Government.

How can anyone stand up and defend this measure, and state to the Members that this bill is necessary and that Congress is not capable of performing reorganization, is an insult to Congress itself.

I did not see this bill until March 6, 1939, and I believe one of my colleagues said the same when he addressed the House yesterday. I question the purpose and the good faith of a committee that brings a bill of this type on the floor without giving our people an opportunity to study a measure which is going to deprive them of their birthright. I am, however, much more alarmed at the manner in which all bills come out of the committees. They are so obscure and confusing, interwoven with legislation and appropriation, that no one can vote on them intelligently. The purpose of the bills and of the administration that backs them can only be to destroy our Government, as this administration has done in the last 6 years.

I do not like to see a bloody revolution, yet as I observe the submissiveness and blindness of some of the majority Members in their acquiescent attitude to administration leaders, I realize the end is near.

The National Health Act was introduced in the Senate February 27. It is a brother to the Reorganization Act of 1939. It is for no other purpose than to turn over full control to the President and his bureaucrats. The Democrats are in the majority and can pass any legislation they please, which they have done.

To hasten final dissolution and destruction of our Government, I advise you to pass both of these acts. After you have borrowed and appropriated $10,000,000,000 more we will be bankrupt and you may then pack your baggage and go home.

After having performed this noble deed you may in your declining years listen to your master's crack of the whip and cogitate upon the aid you rendered in the destruction of your own Government. You will not be so cocky then as you are now, because you will be despised by every patriotic man and woman who sees you.

The legislation should be passed now, while you are in power. You are responsible; you should therefore clean the slate. Your action of today may be responsible for destruction of life tomorrow. I want you to be accredited with that. I want it to be a crown of glory for those who vote for this bill and betray our people. Congress should know that it cannot shift its power to others; that in the very act of passing this power it dishonors its oath of affirmation.

The reorganization bill of 1939 will reorganize and consolidate the Government under one man. It will not reduce cost, and it will not simplify. It will, instead, complicate much more than now. This bill will create a costly totalitarian, communistic state.

I now quote from the bill, section 301:

The President is authorized to appoint not to exceed six administrative assistants and to fix the compensation of each at the rate of not more than $10,000 per annum. Each such administrative assistant shall perform such duties as the President may prescribe.

This paragraph informs you about the dictator, and the Members of Congress should know that they elected him, and not the people. This congressional fiasco will cost the taxpayers of the United States $60,000 per year for six administrative assistants. That is the beginning. The Lord only knows how much it will cost for administrators or how many it will add to the Federal pay rolls, for no administration adherent will be discharged or left unemployed.

I quote from the bill, section 9:

Whenever the employment of any person is terminated by a reduction of personnel as a result of reorganization effected under this title such person shall thereafter be given preference, when qualified, whenever an appointment is made in the executive branch of the Government.

So the purpose of this act is not to reorganize or to provide reduction in the cost of operating the Federal Government. It is not to aid the people by reducing taxes. It is, instead, the opposite, for it adds more cost to the Government's operations, which, of course, will have to be met by greater taxation.

Now, what is the act for?

I quote from the bill, section 1 (a):

The President shall investigate the organization of all executive agencies of the Government and shall determine what changes therein are necessary to accomplish the following purposes.

The question now arises, What can the President do? And the answer is nothing, for he must employ someone to do the work for him. If he appoints the same caliber of men that he has recently appointed, even my colleagues on the right may visualize what might happen. There is too much socialism and communism in the Federal Government now, and this bill will, if nothing else, help to promote that tendency.

What is he further supposed to do?

I quote from the bill:

To reduce expenditures to the fullest extent consistent with the efficient operation of the Government.

Does this mean anything? Certainly not, for this bill has already appropriated $60,000 per year for additional help, and nothing is said about how much more is to be appropriated or if anyone is to be eliminated.

I quote from the bill:

(2) To increase the efficiency of the operations of the Government to the fullest extent practicable within the revenues.

For the past 7 years, I believe, the Government has spent about $10,000,000,000 per year, or between sixty or seventy billion dollars. If this was not enough revenue to meet the present attempt at efficiency, just how much will be needed to meet contemplated efficiency, if you please?

I quote from the bill:

(3) To group, coordinate, and consolidate executive agencies of the Government, as nearly as may be, according to major purposes.

It would be interesting to know what is meant by "as nearly as may be, according to major purposes." It lacks good sense and common reason. It is simply incomprehensible.

I quote from the bill:

(4) To reduce the number of such agencies by consolidating those having similar functions.

Nothing prevents the President now from reducing and consolidating Federal agencies either with the same functions or overlapping functions. The President does not need this bill to do that—to correct overlapping functions—he has that power now, and I am sure that every Member of Congress would welcome such action on his part without the slightest objection. It is well to bear in mind, however, that the Federal Government is now overlapping and reaching into every State in the Union—so much so that State governments are strangled by the Federal Government. Nothing is said in this bill about eliminating such duplication.

I quote from the bill:

(5) To eliminate overlapping and duplication of effort.

I shall leave interpretation of this to the Federal experts, for they, no doubt, understand the overlapping of efforts. It speaks for the efficiency of the present administration.

I quote from the bill, section 1–5b:

The Congress declares that the purpose specified in subsection (a) may be accomplished in great measure by proceeding immediately under the provisions of this title.

I want to ask those responsible for the bill—the gentlemen from Missouri and North Carolina—how they determined that Congress has such ability. Yesterday both of them stood here on the floor and said, "Congress does not have the ability to reorganize the Government." I am of the opinion that there are many responsible men in Congress who are much more capable of reorganizing the Government than the President or anyone else in our bureaucratic Government. At any rate, it is the duty of Congress to do so.

Sections 2 and 3 are for one purpose only—to place everything under Federal control—under the control of the President, if you please. I shall quote a part because it is a little out of the ordinary for it mentions corporations owned or controlled by the United States.

I quote:

When used in this title, the term "executive agency" means any executive department, commission, independent establishment, corporation owned or controlled by the United States.

The remainder of these two sections, as I said, places practically everything under the control of the President.

This bill creates a despotism in the United States and places a dictator in charge of the Nation; and, gentlemen, it is done by the Congress of the United States, a body which has taken an oath or obligation "to preserve, to protect, and to defend" the people's rights so that liberty and free government may prevail. It is done, my friends, by a body of men elected to represent the people and no one else. If we survive, I hope this may be a lesson to our people never again to elect anyone except those who will remain strictly within the Constitution of the United States. This reorganization bill—H. R. 4425—is not only unnecessary but it is clearly and sharply unconstitutional. I here and now challenge the President, the Supreme Court, or any Member of this Congress to show me where in the Constitution power is delegated to Congress to enact this legislation. If this act is passed, Congress not only betrays the people but will go down in history as traitors to the Nation.

What Is National Defense?

EXTENSION OF REMARKS

OF

HON. JED JOHNSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 15, 1939

Mr. JOHNSON of Oklahoma. Mr. Speaker, a few minutes ago the first national-defense bill considered during this session was voted on by this House after only a few hours of debate. The fact that only 15 votes were mustered against the bill to strengthen our armed forces is conclusive evidence that there has been a marked change in the attitude of Members of Congress since the last session, at which time a much more modest defense bill was considered by Congress.

The vote this afternoon was also abundant evidence that the country is becoming decidedly more preparedness-minded. There is no question but that the rank and file of Americans have become convinced by events of recent history that if America is to have any assurance of remaining at peace with the world that she must be prepared for any emergency on land, in the air, and on sea.

Mr. Speaker, I did not hesitate to support the first defense bill today as I have consistently supported defense programs in the past, irrespective of the political complexion of the national administration that has presented such a program.

I hope to be able to support further defense policies and programs in order to maintain the safety and security of our citizens from any enemy, actual or potential.

This bill, if agreed to by the Senate, will add 3,025 bombers and fighting planes to America's present very deficient air forces. In my judgment, the importance of building up an efficient and capable air defense is not only desirable but of vital importance to every citizen of the United States. All these additional ships, so it is understood, will be constructed within the next 2 years.

Should America ever be dragged into another war, which, of course, I do not for a moment anticipate, especially if and and when this Nation is reasonably well prepared, planes will undoubtedly play a much more important part in the future than in the past.

In addition to this, America must have much stronger coast defense, more effective antiaircraft guns, and more and faster destroyers for the protection of our own shores, including over 2,000 miles of unprotected Alaskan coast line.

So long as our rearmament program, coast defense, and fortifications are for actual national defense I shall enthusiastically support such a program. If, on the other hand, your committee brings in another bill, which it is understood is in the making, proposing to extend our defense line four or five thousand miles farther west to Guam, for instance, where there are no American citizens, in order to threaten or attempt to bluff some foreign enemy, actual or imaginary, I cannot see my way clear at this time to support such a program, even though it may be presented to this Congress in the name of national defense.

May I add in this connection, as I have contended in the past, that if this great Nation is to embark on a real practical program of national defense, this Congress must not stop by building planes, cruisers, coast defense, and the strengthening of all component parts of the Army, important and essential as all that is admitted to be.

A Nation-wide program of soil conservation is real national defense. We might have the greatest Army in the world and the largest battleships, but if we go on depleting our soil this Nation will find itself eventually in a similar position that poor, helpless China is now—unable to feed her people, to say nothing of carrying on a war.

What is flood control but national defense? The same is true of a Nation-wide reforestation program. Other nations have included many of these things as a vitally important part of their national-defense program.

It is conceded by all military experts that no nation can be really prepared for war that does not have a good system of highways. While in Germany, in 1937, I saw many great three- and four-lane highways extending in every possible direction from Berlin. The fact that France has a poor highway system was one of the greatest handicaps to the allied armies during the World War.

Incidentally, the building of dams, the conservation of soil, and the constructing of a Nation-wide system of two-, three-, or four-lane highways would go a long way toward solving the perplexing and tragic unemployment problem, which should also receive much consideration in the planning and carrying forward of America's program of national defense.

Reorganization Bill

EXTENSION OF REMARKS

OF

HON. FRED BRADLEY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1939

Mr. BRADLEY of Michigan. Mr. Speaker, I favor reorganization. Who does not when he drives around this city of Washington or who does not when he drives around any city—large or small—yes; even the smallest of hamlets, and sees, hanging on pillar or post or painted in gilded letters on the windows for all to see, the magic alphabetical insignia of some Government agency or bureau. Who does not favor reorganization when he can hardly drive 5 minutes on any highway in the country without passing one or more of the one-hundred-thousand-and-odd Government cars carrying bureaucrats hither and yon to pry into your affairs and mine—while we are living in this beneficent age of planned economy? Yes; I favor reorganization—reorganization was a vital issue in my campaign last fall when I received a mandate from my constituents back home. That mandate was economy, to do my part toward restoring this Government to a sound financial basis and restoring to this Congress the powers that belong to it and which it has so carelessly given away during the 6 years of the New Deal. Yes; I favor reorganization for economy and efficiency. I favor the elimination of useless bureaus and bureaucrats who have fastened themselves like gigantic barnacles on the ship of state. My people back home would expect me to favor any sound reorganization plan.

Yesterday I listened carefully to the splendid detailed description of this bill put forth by the able gentleman from Missouri [Mr. COCHRAN], and so ably elaborated upon by our colleague from North Carolina [Mr. WARREN], and I have carefully studied the bill. It becomes apparent that in the draft of this measure care has been taken to eliminate therefrom the controversial items to which my colleagues on this side of the House so strenuously objected in the last Congress. I grant that this measure has little in it on the surface which would appear detrimental to the interests of my constituents or the country at large; but, Mr. Chairman, I raise these questions:

First, if the previous Congresses delegated their powers through blank-check appropriations to the President of this country, and he in turn created these bureaus and agencies, why does he not now discontinue or dissolve or coordinate these agencies himself without further demand from the Congress? If there be need for this reorganization bill at this time, and if this administration is so sold on economy and efficiency at this time, why does it continue to create new bureaus and new agencies?

Why does this Congress continue to appropriate hundreds of millions of dollars for the perpetuation of these so-called emergency establishments?

Yes, I favor reorganization but, if we are going to reorganize, let us do it with economy and efficiency in mind and let us be careful to see who is going to do the reorganizing and how much economy and increased efficiency we may expect to result from such a reorganization.

The Brookings Institution advised us yesterday, as follows, and I quote:

> The entire Budget for the operation of emergency administrative agencies, including the administration of all emergency activities, amounted to $1,827,318,000 in the last fiscal year, which was approximately 17.65 percent of the total amount available for expenditures. The remaining $8,500,000,000 was appropriated for various functions and activities which the administrative reorganization would not touch.

It goes on to state that—

> The overwhelming bulk of the administrative expenditures is made by a relatively small number of large agencies which do not seriously duplicate or overlap other agencies and would not be affected to any appreciable extent by structural reorganization. The 30 largest agencies contain more than 99 percent of all the civilian employees of the executive branch.

And most of these are specifically exempted in this bill.

So, Mr. Speaker, it appears from that that very little actual monetary saving and very little increase in efficiency can result from the passage of this legislation. Now, let us consider for a minute the President who would be instructed to effect these changes. Does his past record, do his recent utterances, indicate to this body that he can be relied upon to reorganize the executive branch with economy and efficiency in mind? Business is stagnant in this country; unemployment is rampant; people are bewildered by the constantly changing governmental picture and ever-increasing governmental regulation. Why add to that chaos? In his speech

in this Chamber on January 4 the President said—and I quote:

> And even after such reorganization, it will take time to develop administrative personnel and experience in order to use our new tools with a minimum of mistakes.

Are we to take from that, that during these 6 years these bureaucrats have not been trained in their duties; are we to take from that that the imposition of new duties upon them will result in further chaos and confusion? I think his own words indicate the answer is emphatically "Yes." Can we rely on him for economy, while over the radio and in the newspapers daily we hear and read of his threats to chastize the economy bloc in Congress? Despite the powers given him early in his incumbency, has he yet shown one move toward economy at any time since the first 4 months of the New Deal, and as a result of which at that time we experienced the greatest economic come-back in our history?

And now we come to the question of the duties of this Congress. I say it is time for this Congress to take back unto itself the powers that belong to it. I say it is time for the President, if he has in mind a definite plan of reorganization, to submit it to the Congress and let us approve of it by our affirmative action, as proposed by that able gentleman from Virginia, Senator BYRD, rather than by meekly reserving to ourselves the right to negative the President's action by concurrent negative resolution of both Houses.

Yes, Mr. Speaker, I favor reorganization for economy and efficiency, but I do not favor giving to this President the right to play a game of solitaire chess with Government bureaus as the pawns.

This bill, to my mind, is being offered at this time with but two purposes in mind. It is a weak and puny attempt on the part of the majority to put us on the spot, on this side of the House, for 1940, by saying we refused to approve of a bill to provide for economy in Government and, secondly, and foremost, it is being introduced in this session to satisfy the whim of the gentleman in the White House who is determined that his will must continue to prevail over this Congress.

Mr. Speaker, here is one new Member of this body who is not afraid of being put on the spot and who is always going to vote for the best interests of his constituents and the country as he sees it and who is determined that insofar as he is able to promote it, this body shall take back unto itself the powers granted it by the Constitution, and, therefore, I am going to vote "no" on this reorganization bill.

Anniversary of the Convening of the First Congress

EXTENSION OF REMARKS

OF

HON. CARL E. MAPES

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1939

RADIO ADDRESS OF HON. JOSEPH W. MARTIN, JR., OF MASSACHUSETTS

Mr. MAPES. Mr. Speaker, under leave to extend my remarks in the RECORD I include an address by Hon. JOSEPH W. MARTIN, Jr., of Massachusetts, on the occasion of the one hundred and fiftieth anniversary of the convening of the First Congress, over a hook-up of the National Broadcasting Co., on Saturday evening, March 4, 1939, as follows:

> In writing his bill of rights for Pennsylvania, Benjamin Franklin declared "a frequent recurrence to fundamental principles * * * is absolutely necessary to preserve the blessings of liberty and keep a government free."
>
> There is no more appropriate occasion for a "recurrence to fundamental principles" than today when we observe the one hundred and fiftieth anniversary of the first scheduled convening of the United States Congress. For this is the anniversary of the day on which the American system of representative government really commenced. The survival of this system for 150 years, making it the oldest form of government now in existence, should renew the faith of all Americans in the fudamental principles on which it is based.
>
> Those fundamental principles are set forth in the American Constitution, which the great British statesman, Gladstone, described as "the most wonderful work ever struck off, at a given time, by the brain and purpose of man." In that document is the framework for our republican and representative form of government and we cannot fully appreciate the latter without first understanding the former.
>
> Despite recent assertions to the contrary, the American Constitution was not a bold experiment along new lines. It had its roots deep in the experience of the Anglo-Saxon people. Its provisions were based on victories in behalf of liberty won during almost 600 years in the fight which began at Runnymede in 1215.
>
> Nor were the framers of the Constitution, for all their youth, adventurers in politics or visionaries toying with speculative theories. They were practical men with a knowledge of the hard facts of political and economic life. Not only history but their recent experiences with the Crown of England had taught them the excesses to which power vested in the hands of one man could be used.
>
> So, in setting up the new American Government, they determined that our country should never fall under the domination of a single man or a small group of men. These founding fathers feared disunion with all its dangers, but they feared an autocratic government even more. Abuse of power was to be prevented at all costs.
>
> Their purpose, as Justices Holmes and Brandeis pointed out a few years ago, was "not to avoid friction, but, by means of the inevitable friction incident to the distribution of the governmental powers among three departments, to save the people from autocracy."
>
> In order to effect their objective of saving the people from autocracy the framers of the Constitution built a government on the foundation of a system of checks and balances. Authority was divided, first, between a national government and the State governments, with the people retaining all power not specifically delegated to one or the other. Secondly, the power delegated to the National Government was distributed among three branches—the executive, the legislative, and the judicial, each to remain independent of the other.
>
> This is the essence of American representative government. Yet it was not a novel or untried idea. Twenty-one years before the Constitutional Convention met the Massachusetts House of Representatives, in a letter to the Earl of Shelburne, drafted by Samuel Adams, referred to the "legislative, executive, and judiciary powers of the government, in the opinion of the greatest writers, always to be kept separate."
>
> Moreover the Constitutional Convention found this principle written into the constitutions or bills of rights of six of the thirteen original States. It was not there by accident. It was deliberately written into those early State consitutions and subsequently into the Federal Constitution as the best means which could be devised to save the people from autocratic rule or the whims of a single man or coterie of men.
>
> In applying this principle of a government of checks and balances the framers of the Constitution undertook to curb an excess of power of one branch of government by balancing it with an effective power in another. They did not wish the Executive or the legislature or the courts singly to be the supreme master of American government.
>
> Above all, they strove to assure the independence of the Congress which they established as the representatives of the people. They never intended Congress to be a rubber stamp, subservient to the will of the Executive, giving him discretionary power to function as he pleased. They recognized the necessity for the Executive to make to Congress recommendations for the welfare of the country but they intended that Congress should exercise its judgment on the wisdom of such measures.
>
> It never occurred to the framers of the Constitution that any Chief Executive would ever confront Congress with a "must" program of legislation, and that if Congress declined to accept such "must" orders it would be accused of refusing to obey the mandate of the people. Such eventualities never occurred to the Constitutional Convention, because they were entirely foreign and hostile to its conception of the Government being established for the American people.
>
> Under the American system the Members of Congress were not supposed to be agents or servants of the Chief Executive. They were to be the representatives of the people and responsible to them alone for their actions. Alien to our governmental philosophy is the thought that Members of Congress must be "yes men" to the President.
>
> Thus the first article of the Constitution provided for the establishment of Congress and the manner of its election. The authority of the Federal or National Government is set forth specifically as the powers of Congress. Therein are enumerated the powers to lay and collect taxes and duties, regulate commerce among the States, coin money and regulate its value, to declare war, to raise and maintain an Army and Navy, and to make all laws necessary and proper for the administration of the National Government, and to carry out the specific powers granted to Congress.

All these things Congress may do—and alone. Bare mention is made in the Constitution of the powers of the President. He shall be the Commander in Chief of the Army and Navy; he shall execute faithfully the laws enacted by Congress; he may grant pardons and reprieves for offenses against the laws of the United States, and he may make appointments to vacancies during the recess of Congress. These things he may do alone. But unless Congress has granted him the authority, he may not make major appointments without the advice and consent of the Senate when in session. Lodged in the Senate is the full authority to refuse to advise and consent to the President's appointments for any reason at all, or for no reason, as that body sees fit. Nor can the President, under the Constitution, make treaties without the advice and consent of the Senate.

Nor can he pay money out of the Treasury unless it has been appropriated by congressional action. The founding fathers realized that the power of the purse was the power of parliament, and they took care to lodge in Congress the final authority over the national exchequer. They specifically provided that "no money shall be drawn from the Treasury but in consequence of appropriations made by law." And they did not contemplate an evasion of this provision through blank-check appropriations which placed in the hands of the President large sums of money to be expended as he alone deemed wise and proper.

The President may veto a law distasteful to him but even in this respect his will cannot prevail over that of two-thirds of the Members of House and Senate. Yet even though Congress is an independent body, when it desires to be, its will is not supreme and unrestricted. The Constitution, with its Bill of Rights, forbids Congress to trespass into specified fields of action. The Constitution denies Congress the right, for instance, to enact any law which would interfere with freedom of press or speech or curb the right of any man to worship God as he pleases. Private property cannot be seized without just compensation, and the right of trial by jury cannot be abridged. Should Congress overreach its authority, it would be checked by the Supreme Court, just as it is the duty of Congress to check the President when he exceeds the authority imposed in him.

For 150 years now, under this system of government, America has grown and flourished. From 13 States sprawling along the Atlantic seaboard our country has become a great continental empire, stretching over many thousands of miles and giving sustenance and happiness to 130,000,000 people. No other land ever has been as happy and free as this, none ever has been so prosperous.

For these blessings we must give thanksgiving to a kindly Providence. But we also must pay tribute to the wisdom and skill of those who framed the Constitution of this Government and to all those patriotic Americans who, serving in House and Senate during the last 150 years, fulfilled the obligations imposed on them to preserve the representative and republican form of government in this country.

The majority of the Members of Congress have not at all times been jealous and vigilant to preserve the priceless heritage of the independence of their agency of government. There have been occasions when, forgetful of the lessons of man's experience, majorities in Congress have abandoned independence and willingly have become subservient to the Chief Executive. On such occasions our country and the cause of liberty and freedom have suffered.

Yet such occasions in our history have been rare and they never have been prolonged. Whenever the Congress has surrendered its rights and its independence the people have taken a hand in the matter. Convinced of the inherent wisdom of the American system of government, our people have been unwilling to risk the intrenchment of autocratic rule through deviations from the Constitution, even when made in the name of the noblest motives and objectives.

We have lately passed through such a period and today our rejoicing over the survival for 150 years of our form of government is made more hearty by the thought that again Congress is returning to its traditional place of independence. No longer can it be said that Congress is a "rubber stamp" body for anyone. No more do we hear of "must programs," which must be enacted irrespective of what the majority in Congress think about them. Slowly but surely Congress is resuming those functions and prerogatives provided for it by the Constitution.

With the restoration of Congress and our Government to a constitutional basis, I venture the prediction that it will not be long before America goes forward again to a better and higher standard of living and to a happiness and contentment greater than any we have previously enjoyed. Already on every side men and women of every party rejoice in the return to a more evenly balanced representation in Congress. It has imbued a feeling of security which is being reflected in giving the country courage to plan for the future. The people know they are now safe from unwise and fantastic experiments. Solutions for all our problems can be found within the framework of our traditional American Government, and it is only when we depart from that basis that we remain in chaotic and troubled waters.

I know of no better way to conclude this brief "recurrence to fundamental principles" on this historic day than to recall and give fresh emphasis to the prophetic words uttered in the first session of the First Congress by a Representative from my State of Massachusetts, Fisher Ames.

"I appeal," asserted Ames, "to that maxim which has the sanction of experience and is authorized by the decision of the wisest men: to prevent an abuse of power, it must be distributed into three branches, who must be independent to watch and check each other. The people are to watch them all. While these maxims are pursued our liberties will be preserved."

Silver Purchase Program

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Tuesday, March 7 (legislative day of Monday, March 6), 1939

STATEMENT SIGNED BY 68 MEMBERS OF THE ECONOMISTS' NATIONAL COMMITTEE ON MONETARY POLICY

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement relative to the silver-purchase program, signed by 68 members of the Economists' National Committee on Monetary Policy.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

From December 21, 1933, to date the Federal administration, by Presidential proclamation, has been fixing the prices to be paid to domestic producers of silver. These prices have ranged from 64.64 cents to 77.57 cents per fine ounce. Under this system of arbitrary Government price fixing our silver producers have been receiving large subsidies. Their size is determined by the pleasure or discretion of the administration. The present price paid for domestic silver is 64.64 cents per fine ounce, and represents a subsidy of approximately 50 percent above the prevailing world price of silver.

Since the effectiveness of the proclamation which fixes the present price of domestically produced silver expires on December 31 of this year, we, the undersigned members of the Economists' National Committee on Monetary Policy, urge that the prevailing policy of subsidizing our silver producers be discontinued. We urge its discontinuance in the interests of a sounder currency and the general welfare. It is particularly undesirable to leave to the discretion of any administration the question of what the price of silver and consequently what the subsidy to our silver producers shall be.

We also recommend, in the interests of a sounder currency and the public welfare, the repeal of the Silver Purchase Act of 1934, which is diluting and weakening our currency structure with overvalued and inflated silver and silver certificates.

Eugene E. Agger, Rutgers University; James W. Angell, Columbia University; Charles C. Arbuthnot, Western Reserve University; Leonard P. Ayres, the Cleveland Trust Co.; Don C. Barrett, Haverford College; Benjamin Haggott Beckhart, Columbia University; James Washington Bell, Northwestern University; Ernest L. Bogart, University of Illinois; Jules I. Bogen, the Journal of Commerce and New York University; Frederick A. Bradford, Lehigh University; Herbert M. Bratter, Washington, D. C.; J. Ray Cable, Washington University; Wilbur P. Calhoun, University of Cincinnati; Neil Carothers, Lehigh University; John M. Chapman, Columbia University; Edward H. Collins, New York Herald Tribune; Alzada Comstock, Mount Holyoke College; Charles A. Dice, the Ohio State University; George W. Dowrie, Stanford University; William E. Dunkman, the University of Rochester; D. W. Ellsworth, the Annalist, New York City; William D. Ennis, Stevens Institute of Technology; Charles C. Fichtner, University of Arkansas; Clyde Olin Fisher, Wesleyan University; J. Anderson Fitzgerald, the University of Texas; Herbert Fraser, Swarthmore College; Roy L. Garis, Vanderbilt University; Arthur D. Gayer, Columbia University; Harry D. Gideonse, Columbia University; Earl J. Hamilton, Duke University; Lewis H. Haney, New York University; E. C. Harwood, American Institute for Economic Research; Hudson B. Hastings, Yale University; William F. Hauhart, Southern Methodist University; Frederick C. Hicks, University of Cincinnati; John Thom Holdsworth, the University of Miami; Jacob H. Hollander, the Johns Hopkins University; F. Cyril James, University of Pennsylvania; Edwin W. Kemmerer, Princeton University; William H. Kiekhofer, the University of Wisconsin; David Kinley, University of Illinois; Frederic E. Lee, University of Illinois; Ray V. Leffler, Dartmouth College; J. L. Leonard, University of Southern California; James D. Magee, New York University; Arthur W. Marget, University of Minnesota; A. Wilfred May, New York City; Margaret G. Myers, Vassar College; Melchior Palyi, the University of Chicago; Ernest Minor Patterson, University of Pennsylvania; Clyde W. Phelps, Chattanooga University; Chester A. Phillips, the State University of Iowa; Charles L. Prather, Syracuse University; Howard H. Preston, University of Washington; Harold L. Reed, Cornell University; Leland Rex Robinson, New York City; R. G. Rodkey, University of Michigan; Olin Glenn Saxon, Yale University; Walter E. Spahr, New York University; Oliver M. W. Sprague, Harvard University; William H. Steiner, Brooklyn College; Alvin S. Tostlebe, the College

of Wooster; Rufus S. Tucker, Westfield, N. J.; Russell Weisman, Western Reserve University; William O. Weyforth, the Johns Hopkins University; Nathaniel R. Whitney, the Procter & Gamble Co.; Max Winkler, College of the City of New York; John Parke Young, Occidental College.

Official Corruption

EXTENSION OF REMARKS
OF
HON. CLARENCE E. HANCOCK
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 7, 1939

Mr. HANCOCK. Mr. Speaker, under date of January 18, 1939, Governor Lehman sent a message to the Legislature of New York on the subject of official corruption. He made several recommendations to safeguard the public service against officials who weaken the confidence of the people in government, engender disrespect for law and discredit trustworthy public officials by betraying their trust. He urged that the appearance of evil and the temptation and opportunity for wrongdoing be avoided.

Among the Governor's specific proposals is the following:

I recommend legislation which will prohibit a district attorney or his assistants, in any county having in excess of 120,000 population, from engaging in the private practice of the law as an attorney or counsellor either in or out of court. Experience shows that the powers of a district attorney are sometimes subject to abuse where the district attorney is permitted to carry on a private practice. Temptation to favoritism in the conduct of his office is ever present so long as he is engaged in his profession privately for private gain. Even if temptation is not yielded to, the impression made upon the public generally is distinctly unfavorable to a proper respect for our law-enforcement agencies.

The logic of the Governor's recommendation with respect to the district attorneys of the counties of New York applies with equal force to the district attorneys of the United States. I am quite sure the salaries are such that the Department of Justice will have no difficulty in employing competent men, even if the district attorneys and their staffs are prohibited from engaging in private practice while holding office.

Accordingly I have today introduced a bill in line with the thought of Governor Lehman, and in the prohibition against private practice I have included United States marshals.

I think the bill merits consideration, and I have made this extension of remarks in the hope that it will attract the attention of Members to the bill.

Need Is Recognized for Permanent Public Works Program

EXTENSION OF REMARKS
OF
HON. JENNINGS RANDOLPH
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 7, 1939

EDITORIAL FROM THE WASHINGTON EVENING STAR OF MARCH 7, 1939

Mr. RANDOLPH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from today's Washington (D. C.) Star, in which the writer makes pertinent observations about P. W. A. proposals. I have introduced a bill which would set up a permanent P. W. A. agency and I feel Congress should promptly consider proposals which my colleague, Mr. STARNES of Alabama, and myself have sponsored.

[From the Washington Evening Star of March 7, 1939]

FUTURE OF P. W. A.

Proposals for a permanent Public Works Administration or similar agency are before Congress. Hearings are being held now on the Byrnes bill to establish a Public Works Department which would take over not only the present P. W. A., but such relief agencies as the Works Progress Administration, the Civilian Conservation Corps, and the National Youth Administration. Another bill, introduced by Representative JOE STARNES, Democrat, of Alabama, provides for a permanent P. W. A., but its size and scope would be greatly limited and it would have no direct relief functions.

Secretary Ickes, testifying at hearings before the Senate Unemployment Committee on the bill introduced by Chairman BYRNES, of that committee, supported the idea of retaining in the Government establishment some organization for the handling of public works. President Roosevelt and other administration leaders have indicated approval of such a plan. Secretary Ickes favors a Public Works Department of Cabinet status if there can be included in the department all governmental construction activities, but he appeared skeptical whether a general agreement could be reached among parties involved in such a consolidation.

Doubt also was expressed by Mr. Ickes as to the advisability of including relief agencies in the permanent public works establishment. There are many other persons who would join with the Public Works Administrator in pondering the wisdom of joining the two recovery plans. While there seems to be sound reasoning behind various proposals for continuing the P. W. A. in skeleton form, at least, from one depression to another, the thought of fastening the W. P. A. on the Government as a permanent institution inspires no enthusiasm among taxpayers.

The record of Mr. Ickes' P. W. A. has been such as to win public confidence. The money expended has produced something tangible and beneficial and permanent—in addition to providing needed employment for thousands of workers. Undoubtedly some such organization as this will be needed in future times of stress, but a P. W. A. cannot be built and made to function efficiently overnight. Long-time planning by experts is essential. The sensible plan, it would seem, is to maintain a permanent public works planning agency of some sort, ready to act promptly and effectively when an economic crisis develops.

One Hundred and Fiftieth Anniversary of the Congress

EXTENSION OF REMARKS
OF
HON. ANDREW C. SCHIFFLER
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 7, 1939

ARTICLE FROM THE WHEELING (W. VA.) INTELLIGENCER

Mr. SCHIFFLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Wheeling Intelligencer, of Wheeling, W. Va.:

[From the Wheeling (W. Va.) Intelligencer]

(By Charles Brooks Smith)

WASHINGTON, March 4.—(Thoughts while looking down upon the joint session of Congress March 4, 1939, from a scribe's place in the press gallery.)

Wish they had postponed this ceremonial event until April 30, the anniversary of the date when George Washington became President, took the oath of office at the old Federal Hall in New York's Wall Street, facing Broad.

Wonder if any President in these past 150 years has been so trusted as Washington at that time!

Fears, doubts, apprehensions must have registered on the faces of the assembled Members. They awaited with a strained calm the word from their leader.

Washington, painfully sensible of what he deemed his imperfect fitness for the responsibility, had said:

"Be the voyage long or short, although I be deserted by all men, integrity and firmness shall never desert me. I hold it of little moment if the close of my life be embittered, provided I shall have been instrumental in securing the liberties and promoting the happiness of the American people."

He had never let the people down, so they believed him. Congress might be distrusted, or the wisdom of the provisions of the Constitution, or a man might distrust himself, but there was none who did not trust Washington.

For that supreme moment the people's faith was absolute.

There was no Supreme Court as yet; so, to Robert Livingstone fell the distinction of administering the oath. Looking down, we

could not imagine that statesmanlike Chief Justice Charles Evans Hughes turning, after an inaugural oath, to cry out: "Long live the President of the United States!"

One hundred and fifty years! And what have we? "A democracy if we can keep it," said Benjamin Franklin when the Constitution was signed. That answer still stands after 150 years of constitutional government.

A first President who had had his fill of war and its attendant suffering.

The first line of defense in his day was Fort Washington on the banks of the Ohio River. Today, Senators are squabbling over whether that first line in the Pacific shall be the Hawaiian Islands or a speck in the ocean called Guam.

On the Atlantic side it has been suggested that our line of defense may be the Rhine.

Wasn't it Mr. Justice Brandeis who wrote about "the curse of bigness"?

That President came to the inauguration by coach; this one from a review of battle maneuvers in the Caribbean intended to test the strength of our naval defenses.

Congress had been in session 8 weeks when Washington arrived. Little had been done by the Senate pending the settlement of how the President should be addressed.

"Bonny Johnnie" Adams held out for "Your Excellency." Virginia's Richard Henry Lee for "Your Highness."

Washington settled that by refusing them both.

Neither of the disputants could have envisioned the scene of March 4, 1939.

Ninety-six Senators, 435 Representatives assembled in a Capitol as yet undreamed of, in a Federal city which, as yet, was only a gleam in George Washington's eyes.

And here comes the Sergeant at Arms with the mace, announcing the President of the United States of America.

Franklin Delano Roosevelt replaces George Washington. JOHN NANCE GARNER, of Uvalde, Tex., replaces John Adams, of Braintree, Mass. (Alike only in the ruddiness of complexion, wouldn't JOHN GARNER cuss a Texas bad word if he were called "Bonny Johnnie"?)

KEY PITTMAN, of Nevada, President pro tempore of the Senate, in place of John Langdon, of New Hampshire. (The same John Langdon who had supervised the building of ships during the Revolution and had staked his entire fortune to equip Gen. John Stark's Brigade, was later to refuse the appointment of Secretary of the Navy.)

The suave, gracious, distinguished-looking gentleman from Alabama, WILLIAM B. BANKHEAD, replaced Frederick A. C. Muhlenberg, of Pennsylvania, as Speaker of the House of Representatives.

There was a German-American family to be proud of—the Muhlenbergs.

The Reverend Peter Melchoir Muhlenberg, pastor of Old Trappe Church. And his three sons, John Peter Gabriel Muhlenberg, who preached his last sermon in a colonel's uniform covered by his clerical robe; Frederick, ordained minister, had to flee New York when the city was captured by the British; the youngest, Henry, also an ordained minister, had to flee Philadelphia when it was taken.

John Peter sat in the first Congress when his brother was chosen Speaker.

(From this strain came the Hershey farmers, who set an example for public officials by going into the great Hershey chocolate plant and taking out the sit-down strikers after they had held the great plant for a week, 200 of them keeping thousands of workers from their jobs within 3 miles of the Pennsylvania State police barracks.)

They knew—without waiting for a Supreme Court decision—that the application of just good horse sense from the common people was the solution for some very troublesome questions.

Subconsciously there was a haunting voice whispering from out the mists of tradition: "The law is common sense."

Neither a quorum of Senate or House of Representatives appeared in their respective Chambers on the day we celebrate—March 4, 1789.

Only 13 Members of the House appeared on that March 4.

But the Representative from that part of Virginia now West Virginia was in his seat. He was Alexander White, from the eastern Panhandle.

George Washington was one who never permitted attention to duty to go unrewarded, so he summoned Alexander White from his home at Woodville to be one of the three commissioners to lay out the city of Washington and erect the public buildings.

The Senators who represented (West) Virginia in 1789 were as opposite as the Senators of today.

There was Richard Henry Lee, who had never wearied in promoting intrigues against acceptance of the Constitution. He didn't believe constitutional government a workable scheme.

The other Senator, William Grayson, had faith in the future of democracy. Without his aid and encouragement Manasseh Cutler never could have achieved his dream of a Northwest Territory, freed forever from the curse of slavery.

Just as diverse opinions characterized the delegations from each State.

"The only thing we have to fear is fear", was the theme of President Franklin Delano Roosevelt's inaugural address.

Now, 6 years later, what have we?

The answer to this question is still the same—still the answer which Benjamin Franklin gave—"A democracy—if we can keep it."

Forest-Fire Control

EXTENSION OF REMARKS
OF
HON. ALBERT GORE
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 7, 1939

RESOLUTION BY THE LEGISLATURE OF TENNESSEE

Mr. GORE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution recently adopted by the Legislature of the State of Tennessee:

Senate Joint Resolution 15

Resolution urging an increased Federal appropriation for forest-fire control

Whereas additional Federal funds are urgently needed in Tennessee for forest-fire control; and

Whereas there has been introduced into Congress a bill (S. 228) providing for an increase in the Federal appropriation for forest-fire control from $2,500,000 to $9,000,000; and

Whereas Tennessee's portion of Federal funds for forest-fire control would be materially increased if this bill is passed by Congress: Therefore be it

Resolved by the Senate of the State of Tennessee (the house of representatives concurring), That the members of the Tennessee delegation in Congress be requested to give their full support to this bill.

Port of Bay City, Oreg.

EXTENSION OF REMARKS
OF
HON. HOMER D. ANGELL
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 7, 1939

RESOLUTION OF THE LEGISLATURE OF THE STATE OF OREGON

Mr. ANGELL. Mr. Speaker, the Port of Bay City is a municipal corporation organized under the laws of Oregon, having for its major purpose improving the harbor conditions at Tillamook Bay, in Tillamook County, Oreg. At the time of its organization there were within its boundaries large tracts of merchantable timber which was the source of the greater portion of the revenues of the port district. The district incurred indebtedness which approximates $296,000 for the purpose of developing the port and carrying on necessary work in convention therewith.

In 1933 a disastrous fire destroyed a large portion of the stand of timber in the district, permanently depriving the district of the principal source of its revenue. Recently, a disastrous storm visited Tillamook Bay, destroying a great amount of property and resulting in much damage to the entrance to Tillamook Bay. It will require the early construction of a jetty, and other remedial work, in order to protect the harbor from further damage.

The port district is without funds to prosecute the necessary works to protect the port and prevent further damage, and an emergency exists. The Federal Government should, in carrying out its policies in protecting ports and waterways, give relief.

The Legislature of the State of Oregon, now in session, recently passed House Joint Memorial No. 5, which is as follows:

House Joint Memorial 5

To the honorable Senate and House of Representatives of the United States of America in Congress assembled:

We, your memorialists, the Fortieth Legislative Assembly of the State of Oregon, convened in regular session, respectfully represent that:

Whereas the Port of Bay City is a municipal corporation duly organized and existing under and by virtue of the constitution

and laws of the State of Oregon, and organized principally for the purpose of improving the harbor conditions at the entrance of and on Tillamook Bay, in Tillamook County, Oreg.; and

Whereas at the time of the organization of such port it embraced within its territory and subject to taxation many millions of feet of standing and merchantable timber, upon which such port depended for the revenue necessary to carry out its purposes; and

Whereas in 1933 a fire destroyed a large portion of such timber, thereby eliminating the principal source of revenue of such port and rendering it financially impossible for such port to pay its outstanding indebtedness approximating $296,000, or to further carry on the necessary works in connection with the improvement and maintenance of such port; and

Whereas, during the present winter, a storm caused the washing out of the north end of Bay Ocean at the entrance of Tillamook Bay, which will require the early construction of a jetty at the south entrance of Tillamook Bay in order to protect not only the harbor, but also lands bordering on Tillamook Bay, and said port is without revenue, as well as without sources of revenue, to carry on the work immediately necessary; and

Whereas the improvement of the entrance to Tillamook Bay, as well as the maintenance of said harbor, is of general interest to the welfare of the people of the United States: Now, therefore, be it

Resolved by the House of Representatives of the State of Oregon (the senate jointly concurring therein), That the Legislature of the State of Oregon does petition the Members of Congress from the State of Oregon and the whole Congress of the United States to consider favorably and to pass such legislation as may be necessary to permit and direct the assumption and payment by the United States of the present and outstanding indebtedness of the Port of Bay City, and the appropriation of such additional sums as may be necessary to forthwith improve the entrance to Tillamook Bay in Oregon by the construction of a jetty at the south side of such entrance and to construct and maintain the necessary seawall to protect Bay Ocean Peninsula; and be it further

Resolved, That a certified copy of this application be sent forthwith to the Congress of the United States, to each Member of the Congress from the State of Oregon, and to the President of the United States.

A Challenge to Freedom of the Air

EXTENSION OF REMARKS

OF

HON. RICHARD B. WIGGLESWORTH

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1939

RADIO ADDRESS BY HON. RICHARD B. WIGGLESWORTH, OF MASSACHUSETTS, MARCH 1, 1939

Mr. WIGGLESWORTH. Mr. Speaker, under leave to extend my remarks I include the following statement which I made on Wednesday evening, March 1, 1939, over the Mutual Broadcasting network:

Friends of the radio audience, a short time ago the facilities of the Mutual Network were utilized by Chairman Frank R. McNinch, of the Federal Communications Commission, in support of a bill recently introduced in the Senate, which if enacted into law would, in my judgment, place one man, presumably the present Chairman of the Federal Communications Commission, in virtual control over all radio broadcasting in the United States.

The bill has been denounced by Senator WHITE, of Maine, as "crude in draft, wrong in principal, political in purpose, carrying in its terms and implications a sinister threat to all our communications facilities and to the country itself." It has been characterized by Gen. Hugh Johnson as "dynamite for democracy." As compared with the proposal to pack the Supreme Court with a view to obtaining majority opinions, the bill would appear to be a proposal to unpack the Communications Commission with a view to eliminating minority opinions.

I am indebted to the Mutual Broadcasting Co. for this opportunity to express certain views in opposition to the proposed legislation.

Ever since the adoption of the Constitution, freedom of religious belief, freedom of speech, freedom of the press have been fundamentals of our American life. Their preservation is vital, not only to the individual but to the proper functioning of our form of government. With the development of radio broadcasting, with its enormous power in the formulation of public opinion, freedom of the air likewise becomes a matter of paramount importance to the American people.

Radio broadcasting is conducted over a limited number of channels or frequencies. These channels or frequencies must be regulated in the public interest, but we should never forget that they belong to all the people. If they are not regulated fairly and in a manner to maintain freedom of the air, then freedom of expression in America will be largely undermined.

I am opposed to enactment of the proposed bill at this time because, in my judgment, it constitutes a challenge to freedom of the air. I am opposed to it also because I believe it is advanced at this time in the hope of concealing from Congress and the country facts which they are entitled to know, and because I believe, and have long believed, that a thoroughgoing investigation of broadcasting and its regulation under the Federal Communications Commission should be conducted with a view to obtaining all the facts before any new legislation is enacted.

Chairman McNinch has referred to the bill as "a new communications program." He has stated that he himself helped to devise the bill. The bill is generally supposed to reflect the views of Messrs. Corcoran and Cohen, reputed coauthors of the Government reorganization bill a year ago and of various other New Deal legislation.

I quote in this connection from the December edition of Business Week under the heading "Say 'Uncle' to Corcoran":

"The Federal Communications Commission is the latest to feel the weight of Thomas Corcoran's hand. He is not only rewriting the basic law under which the F. C. C. is functioning; he is giving orders to the Commission. 'We're getting rid of so and so,' he telephoned one Commissioner. 'You vote with us or else.'"

I quote also from the December 7 edition of the Washington Post, under the heading "Bill Reported in Making to Scrap F. C. C.; Three-Man Board Believed Aim":

"Legislation designed to abolish the Federal Communications Commission and to substitute a more centralized administration is being drafted by Thomas G. Corcoran * * *. It is believed to have the approval of Chairman Frank McNinch."

Chairman McNinch when questioned recently before the House Committee on Appropriations, of which I have the honor to be a member, denied any knowledge of the latter article, stating that he had not read it and that as far as he knew, no legislation had been drafted by any human being in connection with the Commission.

Nevertheless the bill introduced in the Senate only a few days later complied exactly with the prediction. It is in fact a bill to abolish the Federal Communications Commission as we have known it and to substitute a highly centralized, if not dictatorial administration. I quote from the February 17 edition of the Washington Times-Herald in this connection under a heading referring to Chairman McNinch entitled "What's He Trying to Hide With This F. C. C. Reorganization?":

"The tactics of handling this bill for a new communications and radio commission (S. 1268) have been to pass it off as a mere 'administrative change.' But the effect would be to make one man the absolute dictator with unrestrained power over what shall be told the people of the United States by wire and wireless."

When Congress passed the Federal Radio Act of 1927 and the Federal Communications Act of 1934 it set up a normal type of commission with normal quasi judicial powers like the Interstate Commerce Commission and other agencies with which we are familiar. It imposed upon that Commission many powers and duties in connection with the regulation of radio and other communications. Having in mind the far-reaching importance of the work of the Commission, it entrusted the responsibility to seven Commissioners, not more than four to be from any one political party.

What does the new proposal contemplate? It contemplates at one and the same time the elimination of the Federal Communications Commission as we have known it in the past and the creation of a new commission with identical duties and powers.

What is the purpose of this action? The purpose is to free the new Commissioners from limitations normally imposed by quasi judicial responsibilities and to centralize insofar as possible the control over all radio broadcasting in America in the hands of the chairman of the new commission.

How is this purpose to be accomplished? It is to be accomplished by a series of steps, three of which may be said to be of major importance.

First. No provision would apparently be made for the customary hearings before experienced trial examiners with independent civil-service status. Their duties would apparently be imposed upon attorneys or other agents of the Commission without civil-service status under the general counsel of the Commission. In other words, the functions of judge and prosecutor would apparently be centralized and largely merged. The bill would apparently continue this unusual and, to my mind, unjustified centralization of functions already brought about under the recent leadership of Chairman McNinch, in defiance, in my judgment, of the spirit if not the letter of the civil-service laws.

Second. The number of Commissioners would be limited to three. This limitation would be in direct opposition to the judgment of both Houses of Congress in 1927 and in 1934. It is said to be urged without the recommendation of the Communications Commission as a whole or other interested and informed persons. Its advocacy at this time is in striking contrast to the pending proposal to increase the number of Interstate Commerce Commissioners from 11 to 16.

Its espousal by Chairman McNinch is startling in the light of his statement in 1937 when he said "the aggregate wisdom and judgment of seven minds is surely greater than any two or three of the seven." Contrast this statement with his statement a short time ago over this network after some 16 months of experience when he said, "The bigger the commission the less effective and the less efficient it is apt to be. In my opinion the best way to guard against these faults and weaknesses is to put both the

power and responsibility for regulation in a small group." This statement seems to have been inspired by the fact that certain members of the Commission have consistently insisted on voting as their conscience has dictated and refused to act as rubber stamps. Sincere differences of judgment and minority opinions are apparently not welcome in dictatorial fields.

Third. The Commission would be divided into three divisions, each under an administrative assistant, all "under the administrative supervision of the Chairman."

When Mr. McNinch became Chairman of the Federal Communications Commission some 16 months ago he proceeded to abolish the three main divisions of the Commission of three members each existing under the authority of the 1934 act. Experience had shown, he indicated, that these divisions were really only composed of two Commissioners, because "the impracticability of the Chairman keeping himself currently informed and attending meetings has resulted in two members of the Commission carrying an unnecessary load of responsibility and exercising an undesirably large portion of the power and functions of the Commission." Moreover, "when cases came before the whole Commission upon appeal * * * those Commissioners who had not worked on the other two steps were so unfamiliar with it, it seemed to me they were hardly in a position to sit as judges and arbiters * * *."

Now it is proposed to re-create the divisions which were abolished by Mr. McNinch and to place the administrative assistants of all divisions "under the administrative supervision of the Chairman." Without developing the terms of the bill further it may be said that even a casual reading of its provisions emphasizes the enormous power which it would place in the hands of the new Chairman.

Under existing law the Chief Executive has the power to determine what radio frequencies shall be reserved for use of the Army, Navy, and other Government agencies requiring radio communications. He also has the power if, in his opinion, there exists a war or threat of war, or state of public peril, or disaster or other national emergency, or in order to preserve the neutrality of the United States for such time as he may see fit to take over private radio business under such regulations as he may prescribe with compensation to the owners.

The Corcoran-Cohen-McNinch bill, if enacted into law, would bring the Federal Communications Commission, a quasi judicial agency, in large measure under Executive domination. This proposal, embodied in general terms in the original Government reorganization bill a year ago, excited widespread condemnation by the American people. The bill would arm the executive branch of the Government with almost complete dictatorial power in this vitally important field in American life.

Stripped of all pretense to again quote Senator WHITE, of Maine, "the bill, in disregard of all previous congressional purpose, and drafted without congressional study, proposes, through his administrative control of the division assistants and his influence as chairman, to vest in one man authority over the vast communications interests of this country."

It is a challenge to freedom of the air.

My attention has recently been called in this connection to an interesting article appearing in the February 11 edition of the Saturday Evening Post. The article is written by Stanley High, a former White House confidant. It is entitled, "Not-so-free Air." I recommend it.

One further word in reference to the terms of the proposed bill. Chairman McNinch in his broadcast has referred to it as "a new communications program." The fact is that the bill, as drafted, proposes no new program whatsoever. On the contrary, it specifically provides that the "provisions of the Communications Commission Act of 1934, as amended, shall continue in full force and effect and apply to the Commission and the members of the Board to the same extent as said act is now applicable to the Federal Communications Commission and the members thereof." Despite many questions of major policy which must be determined for proper regulation and which Congress has sought to determine over a period of years through the Federal Communications Commission, not one single recommendation for change in policy is embodied in the provisions of the proposed legislation.

I have already indicated that I am opposed to the enactment of the proposed bill at this time for several reasons. I am opposed to its enactment because in the light of all that has transpired in recent years, it is impossible for me to escape the conviction that it is advocated at this time in the hope of concealing from Congress and the country facts and practices in the field of radio broadcasting regulation of which they should know. I am opposed to its enactment at this time because I believe, as the bill itself emphasizes, that a thoroughgoing congressional investigation of broadcasting and its regulation under the Federal Communications Commission is essential before policies can be defined and proper legislation enacted.

For years there has been a rising tide of criticism and complaint directed at the door of the Federal Communications Commission. For years it has been subject to criticism for alleged sins of omission and commission. For years there has been apparent criticism by some members of the Commission of the actions and decisions of other members of the Commission. "It is notorious," says Chairman McNinch, "that for several years before I became Chairman of the Commission it was handicapped by dissension and division." Chairman McNinch, of course, was appointed as a trouble shooter, not as a trouble maker, with a view to eliminating the basis for charges laid at the door of the Commission.

Time does not permit of detailed discussion of these charges. I may, however, refer to one or two of them in passing.

No one can read the Federal Radio Act of 1927 and the Federal Communications Act of 1934 without realizing that Congress had in mind certain definite objectives. Among those objectives were the elimination of private ownership in radio channels or frequencies, the elimination of undesirable trafficking in Federal licenses, and the elimination of monopoly or the evils of monopoly. The provisions of the two acts, which are substantially the same in terms insofar as the regulation of radio is concerned, make clear the intent of Congress to achieve these objectives among others.

Nevertheless, the charge has been made, and made repeatedly, that we have failed to achieve them under the Federal Communications Commission. It is charged that we are confronted today by virtual monopoly, that we have failed to eliminate private ownership or its equivalent in radio channels, that we have failed to eliminate undesirable trafficking in radio licenses, with all the possibilities with which we have been familiar in the past in other fields for the capitalization of earnings and profits to the detriment of the people.

I shall not take the time to discuss in detail the evidence in support of the charge of monopoly which has been made available from authoritative sources. It has included testimony of members of the Federal Communications Commission before the House Committee on Appropriations. It has included public statements by present or former members of the Federal Communications Commission and the Federal Radio Commission. It has included statements from publications of standing in the radio broadcasting field, as well as statements from other authoritative sources.

The Commission has been aware for years of the charge of undue monopoly operating to the disadvantage of the country as a whole. It has been repeatedly asked by Members of Congress for its findings and recommendations in this connection. Only recently Chairman McNinch indicated that he was not in a position to state whether or not the charge was well-founded. All that appears to have been done by the Commission in this connection is to appoint three of its members as a committee to investigate the charge. Two of the three members appointed formerly served on the Radio Division of the Communications Commission. They are therefore in the position of investigating charges against themselves. General Johnson has characterized the investigation as "a witch hunt by some of the witches themselves."

I have not the time to discuss in detail the evidence advanced in support of the charge that the Commission has failed to eliminate private ownership or its equivalent in radio channels and has failed to eliminate undesirable trafficking in radio licenses. I may mention in passing, however, that in tables furnished to Congress by the Federal Communications Commission showing the transfers of radio licenses in recent years, there will be found instance after instance of transfers for a consideration far in excess of the replacement cost of the radio station transferred. Other instances will be found of the transfer by lease for periods far in excess of the original license, limited by law to a maximum of 3 years. All of these transfers were under the control of the Commission.

One striking case of this character is afforded in the transfer of station KNX, Los Angeles, to the Columbia Broadcasting System. The replacement value of the station amounted to $217,000. After the deduction of accounts receivable, cash, and goodwill, the value of the physical property amounted, I am told, to about $63,000. The consideration paid for the transfer amounted to $1,250,000, about 20 times the value of the physical property transferred.

Among the leases referred to is a lease for a period of 10 years with an option for renewal for 10 years and still another lease for a period of 99 years. The lessor in certain instances appears to have obtained not only a fixed rental but a substantial percentage of the profits realized by the lessee.

The Commission has been aware for years of the charges made in this connection, including the possibility of capitalization of earnings and profits, to the detriment of the American people as a whole. Their findings and recommendations have been repeatedly sought by Members of Congress. Yet as late as January the Commission stated that it had formulated no policy or recommendation in the matter.

The Commission today stands charged with an absolute failure to formulate major policies fundamental to the proper regulation of radiobroadcasting. We have no national communications policy today. Chairman McNinch has so stated in January. We have no standards of program service despite the thousands of complaints received by the Commission in each and every year. No policy has been formulated, as I have indicated, as to the issue or transfer of radio licenses. No policy has been defined in respect to experimental licenses; in respect to the possible payment of license fees; in respect to many other important matters within the field of radio regulation.

It is fair to state, I think, that regulation to date has proceeded in large measure in the absence of any well-defined policies by the Commission under frequent charges of favoritism, politics, and worse.

Under existing conditions both Houses of Congress have just refused to make any appropriation of funds whatsoever for the Commission for the next fiscal year. Surely Congress and the country are entitled to the truth in the light of the charges made.

For years I have been interested in the proper regulation of radio broadcasting. For years both in Congress and elsewhere I have joined with other Members of Congress on both sides of the aisle in advocating a thoroughgoing congressional investigation of

broadcasting and its regulation under the Federal Communications Commission. I have done so because it has seemed to me that such an investigation was absolutely essential if we are to have proper regulation of this activity which has come to play such an important part in our national life.

A year ago the move for a proper congressional investigation gained powerful support in the House of Representatives. It was reported favorably to the House by the powerful Rules Committee after extended hearings. It received a powerful vote on the floor of the House. It was defeated only because of opposition by the White House for reasons not publicly stated, because of the argument advanced on the floor of the House that the Monopoly Committee under the leadership of Senator O'MAHONEY, of Wyoming, would be in a position to conduct the proposed investigation, and because it was urged that Chairman McNinch should be given further opportunity as a trouble shooter.

Well, the Monopoly Committee has not conducted the investigation, the President of the United States has now announced publicly that he is "thoroughly dissatisfied" with conditions at the Commission and recommends remedial legislation, and Chairman McNinch admits that legislation is necessary. In discussing such legislation in his appearance in January before the House Committee on Appropriations he made the following statement:

"There will be legislation in all human probability which will bring up the whole subject in which I know you are interested and it will give everybody an opportunity who is interested in it, "because"—I emphasize the words—"there could be no such legislation, I take it, without an opportunity for thorough and full investigation and examination of the Commission, its work, its action, et cetera."

I agree with these sentiments 100 percent. There has been no thoroughgoing congressional investigation in this field for many years. In order to legislate wisely, we must first investigate the results of our experience to date.

Let's have the facts and all the facts before we legislate. And then let's enact not the Corcoran-Cohen-McNinch bill but legislation which will assure proper regulation of radio broadcasting in the public interest and guarantee to all the preservation of "freedom of the air."

Mr. Speaker, my attention has just been called to the following statement by Paul Mallon, well-known political commentator, in his column of February 27, under the heading "Radio":

Congress is not going to let the Federal Communications Commission fall into the control of one man. The Tommy Corcoran-McNinch bill and plan is doomed.

For the best interests of America, I sincerely hope that Paul Mallon's prediction is correct.

American-Philippine Relations

EXTENSION OF REMARKS
OF
HON. C. ARTHUR ANDERSON
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 7, 1939

STATEMENT OF HON. JOAQUIN M. ELIZALDE, RESIDENT COMMISSIONER FROM THE PHILIPPINES, BEFORE THE COMMITTEE ON TERRITORIES AND INSULAR AFFAIRS

Mr. ANDERSON of Missouri. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following statement of Hon. JOAQUIN M. ELIZALDE, Resident Commissioner from the Philippines, made before the Committee on Territories and Insular Affairs during hearings on Senate bill 1028:

Mr. Chairman and members of the committee, your committee, for a generation, has been studying problems arising out of American-Philippine relations. You are fully aware of the situations and circumstances under which the present political and economic ties between the United States and the Philippines have been brought about. I need not, therefore, retrace the varied course which Congress has charted since the American occupation of the islands nor detail the different policy-making measures looking to the development of the Philippine government and its economy.

Following the 10-year adjustment period after the Spanish-American War, you initiated, by your Tariff Act of August 6, 1909, and subsequent Tariff Act of 1913, free trade between the United States and the Philippines. Since then, for a period of 30 years, the commerce of the two countries has developed on a free-trade basis. Under this plan the existing structure of our economy has been built.

I will not narrate the circumstances attending the acceptance of the independence act by the Philippine Legislature, inasmuch as they are likewise well known to the members of this committee. The law, as a matter of fact, represented the fulfillment of our aspirations, and the representatives of the people of the Philippines gratefully accepted the generous proffer of independence made by Congress, with all its stipulated conditions.

Neither will I dwell at length on those phases of the problem which have already been discussed and submitted for your consideration.

I would like to make an observation at this time pertinent to the inquiries made by your distinguished chairman, Senator TYDINGS. It should be definitely stated that the consensus of opinion in the Philippines is that the Tydings-McDuffie Act has operated satisfactorily up to the present time, and has proved a most constructive measure for the adjustment of Philippine political and economic problems. The framers of that act may well be proud of their accomplishments and results, and I know that the Commonwealth transition period is working, generally speaking, to the satisfaction of all parties.

I should like also to redirect your attention at this time to the cabled statement of the President of the Philippine Commonwealth, contained in the letter which was read into this record on February 27, in which he expresses for the Philippine government and our people, as I do now, eternal gratitude to the people of the United States.

The bill before you does not in any way deal with the political status of the Philippines.

The political question was definitely settled by the Independence Act of 1934, and the Philippine Republic shall come into existence on July 4, 1946. The present legislative proposal has to do with the factual, practical phases of trade, commerce, finance, indebtedness, currency, property rights, and all of those other matters of status and rights which arise as a result of the political settlement.

The bill covers two periods: First, the remainder of the Commonwealth period, until July 4, 1946, and second, the post-independence period, from 1946 to 1960.

It is not limited in its objective to a mere amendment of some of the provisions of the Tydings-McDuffie Act; it proposes as well the establishment of a new trade relationship between the two countries based on the gradual elimination of trade preferences during a 15-year period included between July 4, 1946, and December 31, 1960.

I stress the fact that there are two distinct phases of the bill under consideration and that these are essentially separable for the purposes of analysis and consideration.

REMAINDER OF COMMONWEALTH PERIOD—1939–46

The first 5 years of the Commonwealth, under the Independence Act, that is, the period between 1935 and 1940, are years of free trade, with the exception of certain specific limitations. As to American products entering the Philippines, there is no restriction.

The Commonwealth government, authorized by and promulgated under the provisions of the Tydings-McDuffie Act, enjoys a large measure of self-government. You are doubtless aware of some of the policies that have been inaugurated since the establishment of the Commonwealth in November 1935.

But the second 5-year period of the Commonwealth, between 1941 and July 4, 1946, marks a distinctive change in Philippine-American trade relationship. Under section 6 (e) of the Independence Act, there shall be imposed upon articles exported to the United States from the Philippines a graduated export tax, ranging from an amount equal to 5 percent of the United States duty, in 1941, to 25 percent of the United States duty in 1946. And it is to certain phases of this second 5-year period of the Commonwealth to which the first section of the proposed bill relates.

At the time of the passage of the Independence Act, the Philippine government made representations concerning certain relatively minor details of the law which, unfortunately, had escaped the notice of the framers of the act. I refer to those provisions affecting coconut oil, cigars, scrap tobacco, and pearl and shell buttons.

It seemed obvious to those intimately familiar with these Philippine industries that they could not withstand the imposition of even the first export tax, amounting to 5 percent of the United States duty in 1941.

I have said that these matters are of relatively small importance, and that statement is true in the light of the broad, fundamental political questions which faced Congress at the time of the passage of the Independence Act.

But, in fact, while of relative unimportance, compared to those great political questions, the effect of the provisions of the Independence Act on the industries to which I have referred, become of serious import primarily to the industries themselves in the Philippines and, indirectly, to the whole economic fabric of the islands.

Today the changes which have been proposed in the bill before you with respect to coconut oil, cigars, scrap tobacco, and pearl and shell buttons are of the greatest importance to our economic stability during the second portion of the Commonwealth period, 1941 to 1946. The remedies suggested by the pending bill in these matters are requisite during the Commonwealth period, as they affect, first, the particular industries to which I have referred and the employment of a large number of our people in those industries, and, second, they are necessary from the standpoint of their social value in the working out of our employment and related problems.

I will not bore you with an analysis of these matters, which have been treated at length elsewhere. I call your attention, however,

to the fact of a typical industry—the embroidery industry of the islands. It is essentially a domestic, home industry, where many are employed, and the aggregate value of the exports of these products to the United States can be no barometer of the importance of the industry in the matter of employment and social values.

It is reasonable to assume that when Congress decided to give to the Philippines a period of 10 years, during the Commonwealth, until 1946, to make its preliminary economic adjustment, it undoubtedly intended that such a plan would accrue to the benefit of all Philippine industries. It is logical to conclude that no one intended to be less solicitous of the welfare of the coconut oil, cigar, tobacco, and pearl-button industries, which employ a large portion of our labor, than they were as to the other industries of the islands.

This particular phase is covered by section 1 of the present bill, which proposes to replace the imposition of export taxes on cigars, scrap tobacco, coconut oil, and pearl or shell buttons by setting up absolute quotas for these commodities and providing for the progressive decrease of such quotas at the rate of 5 percent yearly up to 25 percent in 1946. I believe that the plan is an earnest and intelligent attempt to solve the situation and gives the industries above mentioned the best possible opportunity under the circumstances for settlement.

CHANGES SINCE THE INDEPENDENCE ACT

Subsequent to the enactment of the independence law Congress passed two integral acts which have the effect of modifying the operation of the stipulated provisions of the Tydings-McDuffie Act, the Jones-Costigan Act of 1934, and the Cordage Act of 1935.

It also enacted the Revenue Act of 1934, which provides, among other things, for a tax of 3 cents per pound on coconut oil processed from Philippine copra either in the Philippines or in the United States, and for the remittance of the proceeds of the tax to the Philippine treasury.

Through friendly negotiations, the Cordage Act of June 14, 1935, changed a duty free quota of 3,000,000 pounds to an absolute quota of 6,000,000 pounds. This measure, which will be in operation until April 30, 1941, seems to be working satisfactorily to all concerned. The pending bill calls for changes which in several points differ from the present Cordage Act.

The passage by Congress of the Jones-Costigan Act on May 9, 1934, imposing an absolute quota on sugar, also affected the Tydings-McDuffie Act to some extent. I should mention here, however, that although the Philippines was given a quota under the Sugar Act higher than that granted in the Independence Act, we have never taken advantage of a single pound of the additional quota allotted us over and above the 850,000 duty-free tons specified in the independence law.

At the time, we opposed the Revenue Act of May 10, 1934, section 602½, which imposed an excise tax of 3 cents per pound on coconut oil, President Roosevelt wrote to Congress on May 28, 1934, as follows:

"There are three reasons why I request reconsideration by the Congress of the provisions for a 3-cent per pound processing tax:

"First, it is a withdrawal of an offer made by the Congress of the United States to the people of the Philippine Islands;

"Second, enforcement of this provision at this time will produce a serious condition among thousands of families in the Philippine Islands;

"Third, no effort has been made to work out some form of compromise which would be less unjust to the Philippine people and at the same time attain, even if more slowly, the object of helping the butter- and animal-fat industry in the United States."

Under the traditional policy of reciprocal relationship, established as early as 1902, the taxes accruing from the coconut-oil tax are returned to the Treasury of the Philippine Commonwealth, and, under the Sugar Act, an appropriation is authorized to be refunded to the Philippine government annually in an amount equal to the tax on the processing of Philippine sugar.

It is well to remember that the bill before your committee does not change the fundamental provisions of these two acts, enacted after the passage of the independence law.

The oil excise tax funds, regularly remitted to the Philippine Commonwealth, are being used for the purpose of furthering the realization of a constructive program of economic adjustment.

It is pertinent to remember, however, that while these taxes will accrue to the Philippine Commonwealth during the Commonwealth period, such refunds to the Philippine Government will terminate on the day of independence, July 4, 1946. So that the bill before you, in whatever respect it relates to these taxes or revenues, does so only with respect to the Commonwealth period.

Bill S. 1028 provides that the proceeds of the excise taxes shall be paid into the Treasury of the Philippines to be used only for the purpose of adjusting Philippine economy to a position independent of trade preferences in the United States and in preparing the Philippines for the assumption of the responsibilities of an independent State.

There is one phase of the preparedness period (Commonwealth period) to which I desire to advert, momentarily, although frankly the bill before you does not contemplate legislation in this regard.

Under the provisions of the Independence Act, foreign affairs of the Philippine Commonwealth, during the preparedness period, prior to independence, are under the direction, supervision, and control of the United States, and the Philippine Commonwealth is obligated to submit to the President of the United States, for his approval, all legislation of the Philippine Assembly affecting currency, coinage, imports, exports, and immigration.

It is likely that the Commonwealth will have the cooperation of the United States Government in matters which must logically arise prior to the actual date of independence but having to do with the relationship of the Philippines with the rest of the world, beginning on the date of independence. It must be obvious that, as an independent nation and under any legislative enactment looking to the ultimate removal of all preferences between the United States and the Philippines, the Philippines will be required to look to the rest of the world in the adjustment of its economies. In the very nature of things, there must be some preparation prior to the actual date of independence in respect to such matters.

We are hopeful that the same cooperative spirit which has been manifested throughout our long relationship with the United States Government will be accorded us in the matter of preparing for these international contacts, prior to the actual date of the birth of the Philippine Republic.

Privileges enjoyed by Filipino residents in the United States, prior to the inauguration of the Commonwealth government, should be preserved and maintained to the same extent that American residents in the Philippines are guaranteed their rights in the Philippines under the Independence Act. Citizens of the Philippine Islands should enjoy in the United States all of the rights and privileges which they enjoyed under the laws of the United States in force at the time of the inauguration of the government of the Commonwealth of the Philippines.

There is also the particular case of Filipino civil-service employees who have honestly and loyally given the best years of their useful lives to the United States Government but who, after 1946, may find themselves in an undefined and unclarified status, and faced with menacing danger of losing their life-long means of subsistence. May I also point out that the Merchant Marine Act has recently caused serious unemployment among Filipino seamen who, for years, have served faithfully and efficiently on American ships? I sincerely believe that, in justice to these men who have rendered honorable service, they should be properly protected by some amendment in the pending bill.

THE POST-INDEPENDENCE PERIOD (1946–60)

May I now turn to the provision of the bill with respect to the period after independence, 1946–60? The bill provides in section 4 that after July 4, 1946, to December 31, 1960, the preferences of 75 percent existing as of that date shall be progressively eliminated by a reduction of 5 percent annually so that by December 31, 1960, the relations between the United States and the Philippines shall be on a nonpreferential basis.

As to the post-independence period, we have accepted the proposal, contained in the bill before you, as implementing the findings and recommendations of the Joint Preparatory Committee appointed by the President of the United States and the President of the Philippine Commonwealth. The plan represents an agreement.

As Philippine Resident Commissioner to the United States, I respectfully urge the adoption of the proposals contained in the bill covering that period.

While we felt that the minor deficiencies of the independence act with respect to coconut oil, tobacco, cigars, etc., would probably be corrected, we were not unmindful of that provision of the Independence Act contemplating a conference prior to independence, the purpose of which would be to recommend the nature of trade relations between the two nations in the future.

At this juncture I quote the provision of the independence act with respect to trade relations after independence. Section 13 of that act provides:

"That at least 1 year prior to the date fixed in this act for the independence of the Philippine Islands there shall be held a conference of representatives of the Government of the United States and the government of the commonwealth of the Philippine Islands, such representatives to be appointed by the President of the United States and the chief executive of the commonwealth of the Philippine Islands, respectively, for the purpose of formulating recommendations as to future trade relations between the Government of the United States and the independent government of the Philippine Islands. * * *."

The President of the United States and the President of the Philippines created on April 14, 1937, the Joint Preparatory Committee on Philippine Affairs to study trade relations between the United States and the Philippines, and to recommend a program for the adjustment of Philippine national economy. In dealing with the question of the trade relations between the United States and the Philippines, after independence, the committee was circumscribed in its scope by definite terms of reference outlined on March 18, 1937, which provided that, "preferential trade relations between the United States and the Philippines are to be terminated at the earliest practicable date consistent with affording the Philippines a reasonable opportunity to adjust their national economy. Thereafter it is contemplated that trade relations between the two countries will be regulated in accordance with a reciprocal-trade agreement on a nonpreferential basis."

It is apparent that any adjustments in American-Philippine economic relations must be placed in harmony with a policy, which the Honorable Francis B. Sayre has referred to as the historic policy of the United States for more than a century, in his statement to this committee, which follows:

"It has been the historic policy of the United States for more than a century to carry on its trade and commerce with the foreign countries on the most-favored-nation basis or, in other words, on the basis of equality and nondiscrimination. Every preference

granted exclusively to one nation constitutes a discrimination against all others and discrimination invites retaliation, counter-discrimination, and rising trade barriers. A preferential trade arrangement between nations is a form of trade barrier which, particularly in recent years, we have been striving earnestly to eliminate. To continue indefinitely, or to declare that we intend to continue indefinitely, a preferential arrangement with the Philippines after their independence would, therefore, be in direct conflict with our fundamental commercial policy of nondiscrimination and trade liberalization. The single exception to our historic policy is the case of Cuba. Such an exception should not be extended."

Trade-relation proposals for the post-independence period 1946–60, are in accordance with the recommendations of the joint preparatory committee and may be considered as based on the principle of reciprocity. While American products receive progressively the declining tariff preferences in the Philippine market, our products receive similar advantages in the American market, with the proviso that some of the Philippine products are limited by specific quotas, as in the case of Philippine sugar and cordage. On the other hand, no quantitative limitation is imposed on American products, except in the case of cigarettes, which are to be placed on a quota basis to be progressively reduced in the same manner as Philippine coconut oil, cigars, and tobacco, in lieu of the imposition of customs duties.

Of course, in analyzing this new plan of trade relationship, one can only foresee a shrinkage in our exports to the United States. The consequent diminution of our imports from the United States must be anticipated. It is reasonable to expect that our present trade with the United States will suffer a serious reduction, but that must be the price of the adjustment to a nonpreferential basis.

It is doubtful if the sugar industry will be able to absorb the graduated duties throughout the post-independence period. It is unlikely that it can continue to come into this country when it has to pay the same or a higher rate of duty than Cuban sugar, because of the longer haul and other factors.

As illustrative of the ramifications of our economic problems, may I refer generally to the international sugar agreement, signed by both the United States and the Commonwealth of the Philippines, and which will expire in 1942? In view of the possibility of the extension of this agreement throughout the post-independence period, the Philippines might, under certain circumstances, find it impossible to fill the sugar quota allotted for the United States market and yet, by the operation of the international sugar agreement, may also be denied a quota in the world's markets.

One of the reasons why it is agreed that the adjustment of our economy must be gradual and generous is because, in assuming responsibilities for national defense, foreign affairs, the employment of experts in the development of industries and of our economy in general, we are bound to face considerable additional expenses which we could not possibly take care of if our income were suddenly reduced through prompt liquidation of our most important industries.

IN CONCLUSION

The distinguished members of this committee are too conversant with the multiple problems of independence and self-government to warrant extensive analysis by me of the circumstances and conditions which the independent Philippine Republic will face upon the realization of their long-hoped-for independence. It is true that we ask for generous treatment. There is no denial that we come to you at this time with a plan representing a formula for cushioning the impact of a change from dependency to sovereignty. But the proposals made under such circumstances and conditions should not rightfully be judged as a mere dollars-and-cents plea, neither should the justice of the present proposals be weighed in the light of mere sentimentality on the one hand, or the history of statistical relationship on the other. I prefer to look upon the present situation as a conference to discuss a fundamental problem that has to do with the future of two great peoples.

We were not unmindful of the seriousness to our Philippine economy of those minor provisions of the broad Tydings-McDuffie Independence Act, but, as I have stated, we felt that these minor matters would be settled during the Commonwealth period to our mutual satisfaction and best interests.

Likewise, we weighed and considered the seriousness of the problems that face us after independence, some of which I have tried to present to you here, and all of which are dealt with in the proposals of the pending bill affecting our relationship after July 4, 1946.

Section 13 of the Tydings-McDuffie Act itself is an eloquent expression by the Congress of the United States that both the United States and the Philippines, which accepted the act, looked to some future settlement of trade relations after independence.

I hope I have made clear the fact of the two distinctly separate proposals contained in the pending bill.

Looking at the American-Philippine situation in its broad aspect, the friendly relationship which has existed during the past 40 years should not, in my opinion, be marred by economic considerations.

During the twoscore years of your guardianship you have generously prepared us for the assumption of the vast responsibilities incident to a free and independent state; you have preserved and maintained our Christian religion; you have provided help to develop for us a system of education that has been a benefit to all our people. By laying the economic foundation for the maintenance of a democratic institution, you have enabled us to sustain our high standard of living; and, above all, you have inculcated in us an abiding national consciousness.

These achievements are permanent monuments to America's enlightened experiment in colonial government, and should forever remain a source of honor and pride to the American people, for which we will always be grateful.

I thank you on behalf of my government and the Filipino people.

President Roosevelt Praises Civil Aeronautics in Letter to the National Aviation Forum

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1939

LETTER OF PRESIDENT ROOSEVELT TO THE NATIONAL AVIATION FORUM

Mr. RANDOLPH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter sent by President Roosevelt to the National Aviation Forum, which held in Washington February 20–21 most important sessions:

THE WHITE HOUSE,
Washington, January 24, 1939.

To the National Aviation Forum:

Civil aviation is clearly recognized as the backlog of national defense in the Civil Aeronautics Act which set up the effective machinery for a comprehensive national policy with respect to the air.

Underlying the statute is the principle that the country's welfare in time of peace and its safety in time of war rests upon the existence of a stabilized aircraft production, an economically and technically sound air transportation system, both domestic and overseas—an adequate supply of well-trained civilian pilots and ground personnel.

This new national policy set up by the Congress views American aviation as a special problem requiring special treatment. Aviation is the only form of transportation which operates in a medium which knows no frontiers but touches alike all countries of the earth. One fact which stands out is that hardly another civil activity of our people bears such a direct and intimate relation to the national security as does civil aviation. It supplies a reservoir of inestimable value to our military and naval forces in the form of men and machines, while at the same time it keeps an industry so geared that it can be instantly diverted to the production of fighting planes in the event of national emergency.

I hope the forthcoming national aviation forum will give serious thought to the many phases which enter into aeronautics as a national problem.

FRANKLIN D. ROOSEVELT.

The Federal Trade Commission

EXTENSION OF REMARKS

OF

HON. HENRIK SHIPSTEAD

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Thursday, March 2 (legislative day of Monday, February 27), 1939

ADDRESS BY HON. CHARLES H. MARCH, MEMBER OF THE FEDERAL TRADE COMMISSION, BEFORE THE ANNUAL MEETING OF THE MINNESOTA BAR ASSOCIATION, DULUTH, MINN., JULY 12, 1938

Mr. SHIPSTEAD. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the subject of the Federal Trade Commission, delivered by the Honorable Charles H. March, member of the Federal Trade Commission, before the annual meeting of the Minnesota Bar Association, Duluth, Minn., July 12, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President, members of the judiciary, ladies, and gentlemen of the bar, I am home. You can well appreciate my feelings at this moment, to be back again midst familiar and dear scenes and

associations; to mingle with my brothers of the bar of my home State; to see again my closest friends.

You will, I am sure, realize the feeling of privilege that is mine in being invited to address this important body of the legal profession that has had and will continue to have an increasing effect in shaping the laws of this State and the entire country. I am proud of my early association with this organization as one of its charter members. The sound and elevating principles inculcated in those early days, indigenous to the soil from which I sprang, has ever remained with me as a guiding light in dealing with the many problems confronting me as a Federal official in Washington. Herein lies one of the many reasons why I am proud to be a son of the State of Minnesota.

My friends, we are living in an age of change. We are living at a time when it is, perhaps, more important than ever to reexamine and rededicate ourselves to the fundamentals upon which this Nation is founded and under which it has risen to greatness. The history of thousands of years records the long struggle of mankind upward toward the light of liberty and self-government. It shall be my purpose to draw your attention to this idea of freedom and democracy, which is fundamental and of deep significance; and in the discussion of this subject it shall also be my purpose to allude to some of the things we must be alert to guard against, lest our heritage of self-government, individual liberty, and opportunity be curtailed, if not entirely lost.

Self-government has ever been the goal of mankind. Its struggle began with the dawn of civilization. All peoples of the world have striven for self-government. It is democracy's objective and purpose. In 1776 our ancestors had the fortitude, the courage, and the conviction of purpose to establish the first great democratic nation of the world. The principles of democracy, of self-government, of liberty are basic to us, to our institutions, and our whole life. We justly cherish these principles and rightfully we are quick to defend them from alien ideologies.

When our forefathers came to this continent they fled from oppression, exploitation, and dictatorships. They turned their faces west to this land to found a civilization and government wherein true self-government, freedom, and individual initiative were to have opportunity to come to fruition. And that fundamental idea of self-government, liberty, individual effort, produced a Constitution and a government of law that have made ours the greatest Nation on earth.

Today we see springing up in various parts of the world a departure from the idea of self-government and freedom for the masses. We see peoples in other parts of the world apparently clamoring for dictatorships. Little do they realize the price they are paying. I say to you they are running after false gods, the gods of tyranny and regimentation. Liberty and the right of self-government are being trampled upon, the peace of the world menaced. This trend in certain other countries is sufficient to give us pause and to remind ourselves of the gratitude we owe for our democratic institutions and principles. We want none of their dictatorships, their oppression, their ruthlessness. Our course to follow is that of democracy, for therein lies the greatest measure of freedom and human happiness. Democratic principles are the bulwarks of freedom, prosperity, and security.

Not only do we see the departure from these true principles of liberty in foreign countries, but there are tendencies in our own land which, if allowed to continue, would fetter and strangle our economic and political well-being. It behooves us all to be alert to these tendencies and to stand guard. And the legal profession is second to none in its responsibility to take the lead against such enemies within our gates.

Among the questions posed by these tendencies is that of monopoly. This question has ever been the concern of liberty-loving people, and at no time in our recent history has it been more acute and more pressing for solution than at present. The entire situation is now up for thorough examination by a select committee of the Government known as the Temporary National Economic Committee, created by joint resolution of Congress.

The problem of monopoly seems to be ever with us. It has been of pressing concern to the people since ancient times. The fight against it has gone on through the ages and to each new age it is newly vital. When brought under control as to one form it is not uncommon to find it break out in another form. In its broadest aspects, the problem, which is one of concentration of wealth, is a world problem. It underlies the civil war in Spain, the Communist revolution in Russia, the death of democracy in other countries. It has toppled kings from their thrones. It will drive to disaster dictators, whether economic or political, who thwart the masses in their effort to achieve a better standard of living and greater economic security. The whole world is in revolt against that philosophy of unnecessary scarcity which has been the philosophy of private monopoly. Any general monopolization of the means of production and distribution carries with it limitation of purchasing power. The inability of millions to produce, to purchase, and to consume is but the reflection of such monopolization.

For the past half century or more the control of monopoly in this country has been a pressing national issue. The progressive elements in both major political parties have never lost interest in it, and the platforms of both now pledge a renewed attempt to enforce and strengthen the laws designed to protect the public against monopoly.

The passage of the Sherman Antitrust Act of 1890, which is still on the books, was the culmination of prodigious efforts to prevent monopoly from overwhelming our people. In 1914 the need for supplementing the Sherman Act was sufficiently crystallized so that steps were taken to deal with certain of its phases through creation of the Federal Trade Commission. In the experience under the Sherman Act up to that time it was found that it was largely through the use of unfair competitive practices and the employment of certain specific devices that monopoly was able to gain a foothold. To deal with these specific methods the Federal Trade Commission Act was passed, also the Clayton Act, supplementing the Federal antitrust laws.

FUNCTIONS OF THE FEDERAL TRADE COMMISSION

The Commission was set up, on the one hand, as a quasi-judicial body, and, on the other, as an agency of inquiry and study in the field of business. Mr. Justice Stone, speaking for the Supreme Court in the *Keppel case* (291 U. S. 304), stated that the Commission "was created with the avowed purpose of lodging the administrative functions committed to it in 'a body especially competent to deal with them by reason of information, experience, and careful study of the business and economic conditions of the industry affected,' and it was organized in such a manner, with respect to the length and expiration of the terms of office of its members, as would 'give to them an opportunity to acquire the expertness in dealing with these special questions concerning industry that comes from experience.'"

Congress provided in the Trade Commission Act that unfair methods of competition in interstate commerce shall be unlawful, and conferred upon the Commission the power and authority to prevent their use. Subject to right of court appeal, the Commission was authorized to determine what is unfair in the competitive struggle. Authority of such great importance to business had never theretofore been conferred upon an administrative agency. Commission proceedings in these matters are judicial in nature and character. It operates like a court. It hears cases of unfair methods of competition between business competitors, enters findings of facts on the pleadings, testimony, and evidence, and issues cease-and-desist orders where justified by the facts and the public interest. The issues in these cases are drawn upon formal complaint entered by the Commission and answer filed by the respondent. Trials are conducted by trial examiners of the Commission, before whom counsel for the parties appear, examine witnesses, and produce the evidence. At the conclusion of the trial the presiding examiner makes his report and the case then goes before the entire Commission. Briefs are filed by counsel on both sides and oral argument heard by the Commission. Thereafter the Commission renders its decision. And if it is of the opinion that the practice in question constitutes an unfair method of competition, the findings of fact of the Commission, as well as its cease-and-desist order based thereon, are entered. The case may be carried to the United States Circuit Court of Appeals, and, upon certiorari, to the Supreme Court of the United States.

The cease-and-desist orders are, of course, in the nature of injunctions to protect competitors and the public. Any businessman or other interested party has a right to complain to the Commission, and if upon investigation it appears to the Commission that the matters complained of are unfair and that action to correct the same would be to the interest of the public, formal proceedings may be undertaken. Such cases of unfair competitive conduct in commerce are brought to the Commission at the rate of over 2,000 annually, and the decisions of the Commission cover a wide range of competitive practices. They constitute a large body of semijudicial rulings on the important subject of fair practices in business and go far toward checking the growth of the seeds of monopoly.

TRADE-PRACTICE RULES

The cease-and-desist order proceeding is what might be termed the compulsory method of eradicating harmful practices in business. The Commission has also provided a voluntary cooperative method in what is known as the trade-practice conference procedure. Voluntary correction of unfair competitive methods is most desirable, and the Commission is always glad to assist in bringing it about, rather than be compelled to use the compulsory processes of the law. The elimination of unfair competitive practices is essential to sound business prosperity and a valuable deterrent to monopolistic encroachment. Businessmen generally are recognizing this. Members of trade and industry, therefore, are finding it more and more to their own benefit to cooperate in setting up fair-trade rules by availing themselves of the facilities of the trade-practice conference procedure of the Commission. Experience has proved the value of this cooperative effort within the law between legitimate business and the Commission. To date the Commission has conducted such conference proceedings for close to 200 industries, and by this joint and friendly action many bad competitive problems have been solved.

GENERAL INVESTIGATION OF THE COMMISSION

It was also in its organic act of 1914 that the Commission was given broad powers of inquiry and study of corporate practices and business problems. This was intended as another dike against the monopolistic flood. For example, section 6 (a) empowers the Commission—

"To gather and compile information concerning, and to investigate from time to time, the organization, business, conduct, practices, and management of any corporation engaged in commerce, * * * and its relation to other corporations and to individuals, associations, and partnerships."

It is also empowered to obtain reports from business; to investigate the manner in which antitrust decrees are carried out; upon direction of the President or of Congress, to investigate and report facts relating to any alleged violation of the antitrust acts by any corporation; upon application of the Attorney General, to investigate and make recommendations for the adjustment of the busi-

ness of any corporation alleged to be violating the antitrust acts; to publish reports of its investigation and to classify corporations.

In these provisions the Congress sought to give effect to the view that corporate practices and intercorporate relations in industry require impartial investigation and study by a body of experts; that disclosure of the facts will permit of the operation of an enlightened public opinion which in turn may be relied upon to bring about correction of abuses. The history of the Federal Trade Commission Act has indeed proved the theory to a very substantial degree that once the real facts in a given situation are clearly made available to the people, public opinion will effectuate the needed reformation.

Much legislation of outstanding importance has sprung from investigations and studies made by the Federal Trade Commission under its general powers of inquiry to which I have referred. Let me illustrate by citing a few examples:

Packers and Stockyards Act, 1921: Beginning in 1918, the Commission conducted an investigation of the meat-packing industry as part of a general food inquiry. This led to correction, by consent decree, of certain monopolistic abuses and, in addition, it resulted in the enactment by Congress of a general regulatory statute known as the Packers and Stockyards Act of 1921.

Grain Futures Act, 1921: Following a Commission investigation of the grain trade the Grain Futures Act of 1921 was passed by Congress.

Radio industry: Under resolution of the House of Representatives, the Commission conducted an exhaustive investigation of the radio industry and made a comprehensive report thereon to Congress in 1924. Upon this record the Department of Justice took action under the Sherman Act against certain corporations, and this culminated in a consent decree. The Commission's investigation and report also contributed materially toward the enactment of the Radio Act of 1927 and was directly responsible for most of the provisions therein. Similarly provisions of the Communications Act of 1934 were predicated in a large measure upon matters developed in this investigation.

Securities and Holding Companies Acts: The Securities Act of 1933 and the Public Utility Holding Company Act of 1935 followed the Commission's reports in its exhaustive electric and gas utility investigation. This inquiry was made pursuant to Senate Resolution No. 83, Seventieth Congress (1928), which directed a searching examination of the corporate relations, financial development, practices, and public advantages and disadvantages of holding companies, together with certain political and propaganda activities. The Commission's reports to Congress are embraced in nearly 100 printed volumes, and the Public Utility Holding Company Act of 1935 was a direct consequence of the abuses revealed in this study by the Commission.

The inception of various other Federal statutes may largely be found in Trade Commission inquiries and studies. Some of these are:

The Export Trade Act of 1918, commonly referred to as the Webb-Pomerene Act.

The Perishable Agricultural Commodities Act of 1930 and the amendatory act of 1937.

The Federal Power Act of 1935.

The Robinson-Patman Antidiscrimination Act of 1936.

Robinson-Patman Act: The Robinson-Patman Antidiscrimination Act, administered by the Commission, was designed by Congress to eliminate certain discriminatory practices of monopolistic character which the Commission's report on chain-store inquiry reveals. That act prohibits the use of price discrimination, direct or indirect, to injure competitors or to destroy competition. It also prohibits certain specific practices such as brokerage, commissions, allowances, under certain situations which are deemed to be destructive of fair competition. While this statute was only passed in June 1936 quite a number of cases have risen thereunder and decisions by the Commission touch the entire field of commodity distribution.

Wheeler-Lea Act: In March of this year the President signed what is generally referred to as the Wheeler-Lea Act, constituting the first revision of consequence of the Federal Trade Commission Act of 1914. The Wheeler-Lea Act greatly strengthens the hand of the Commission in dealing with unfair methods of competition. While the original act of 1914 prohibited, and empowered the Commission to prevent unfair methods of competition, the Wheeler-Lea Act broadens this power to include unfair or deceptive acts or practices in interstate commerce. A major effect of this amendment is to make it plain that the Commission in its corrective quasi-judicial powers may act not only when the alleged unfair business practice is harmful to competitors, but also when it is harmful or injurious in its tendency to the public regardless of whether a competitor has been injured.

Another outstanding feature of the Wheeler-Lea Act is the incorporation into the law of provisions whereby certain specific additional powers are conferred over false or deceptive advertising of foods, drugs, devices, and cosmetics, as those terms are defined in the statute. Such practices are made subject to various forms of corrective action, namely, (1) temporary injunction where such appears in the interest of the public, (2) criminal prosecution where the advertisement is issued with intent to deceive or where the product in question is injurious to health irrespective of the intent, (3) cease-and-desist order of the Commission enforceable by the United States circuit court of appeals, or when the same has become final after the lapse of 60 days without appeal, to civil penalties collectible in a suit by the United States. All in all, the various provisions as to foods, drugs, devices, and cosmetics found in this Wheeler-Lea Act make it plain that no stone shall be left unturned in completely eradicating such indefensible and harmful trade practices.

THE CLAYTON ACT

The various statutes I have mentioned are in effect scattering outposts against the encroachments of monopolistic tendencies. Moreover, as far back as 1914 there was erected still another fort. It was the Clayton Act, to which I have already alluded. One of the principal phases of the evil against which this statute was arrayed is the merger of competing corporations. The act, under parts of which the Federal Trade Commission operates, prohibits the acquisition by one corporation of the capital stock of a competing corporation or the consolidation of two or more competing corporations by acquisition of stock, where the effect may be to substantially lessen competition, tend to create a monopoly, or restrain trade. At the time this legislation was placed on the books it gave to the people great hope of its usefulness in stemming the tide of monopoly; but, as has been repeated in other occasions in this field of legislation, loopholes or avenues of escape in the legislatively erected armor were developed largely as a result of judicial interpretation. It was found that monopolistic mergers could easily escape the Clayton Act by the acquisition of assets instead of the acquisition of stock. This technicality soon became crystalized in the decisions of the courts, and by it the Clayton Act provisions against monopolistic mergers were rendered nugatory and virtually ineffectual.

SO-CALLED RULE OF REASON

Let us look for a moment at another thing that has arisen to break the legislative dikes erected against monopoly. It is one thing to inveigh an evil in general and quite another thing to apply specific remedies. Our laws in this field appear to be one thing on the statute books but quite another under the judicial interpretations. Out of the many interpretations of these laws found in the decisions there have grown confusion, looseness, and uncertainty that have encouraged the development of monopolistic practices, and the keystone to much of this encouragement of monopoly is the notorious "rule of reason." When this rule was read into the antitrust act by the Supreme Court the gate was opened and left swinging in such uncertain fashion as to let into the sheepfold the economic wolves of special interests and monopolistic greed. No greater condemnation of this miscalled rule of reason, or what is essentially the same thing, namely, the doctrine of good and bad trusts, can be found than has come from the lips of high official authority itself. President Taft, referring to the matter, stated in a message to Congress:

"I venture to think that this is to put into the hands of the Court a power impossible to exercise on any consistent principle which will insure the uniformity of decision essential to best judgment. It is to thrust upon the courts a burden they have no precedents to enable them to carry and to give them a power approaching the arbitrary, the abuse of which might involve our whole judicial system in disaster."

In a dissenting opinion Mr. Justice Harlan used the following vigorous condemnation of this rule-of-reason interpolation in the Sherman Antitrust Act:

"The Court by its decision, when interpreted by the language of its opinion, has not only upset the long-settled interpretation of the act but has usurped the constitutional functions of the legislative branch of the Government. With all due respect for the opinions of others, I feel bound to say that what the Court has said may well cause some alarm for the integrity of our institutions."

In an earlier report on behalf of the Senate Judiciary Committee by Senator Nelson on a bill to amend the Sherman Act it was stated:

"To inject into the act the question of whether an agreement or combination is reasonable or unreasonable would render the act as a criminal or penal statute indefinite and uncertain, and hence to that extent utterly nugatory and void, and would practically amount to a repeal of that part of the act."

The report also states that—

"The injection of a rule of reasonableness or unreasonableness would lead to the greatest variableness and uncertainty in the enforcement of the law."

Is it any wonder that under these circumstances the monopoly question again comes to the fore as of vital importance? The immense aggregations of corporate wealth and control, the development of new and subtle devices, the fact that our protective wall against monopoly has developed weaknesses make it necessary that action be taken to more effectively guard against this strangling octopus if we are to save our economic and political freedom.

If the effort to destroy monopoly is directed only against such as can be shown to have abused their power, it may be questioned how far reaching the relief will be, for the effect of monopoly on the concentration of wealth and the consequent limitation of purchasing power of consumers are not conditioned wholly on behavior. In its report to the President in November 1934, concerning the basing point system of the steel industry, the Federal Trade Commission used these words:

"If the capitalistic system does not function as a competitive economy there will be increasing question whether it can or should endure. The real friends of capitalism are those who insist on preserving its competitive character."

Recently the Federal Trade Commission completed an investigation of agricultural income. This study revealed for the first time the startling progress of monopoly in the manufacturing of agricultural products. It was found that three tobacco manufacturers in 1934 bought approximately 70 percent of all tobacco consumed domestically.

In livestock three packing companies bought 40.8 percent of the cattle and veal calves and 25.3 percent of the hogs. Agriculture is the means of livelihood of nearly a third of our population and the basic industry for all others. It has made little progress in the direction of organized control of its own prices or production. Without such control it has had to bear the full impact of monopoly both in buying and selling. For years before the crash in 1929 agriculture was not prosperous, although other industries were enjoying a sort of wild prosperity, achieved largely at the expense of agriculture. Perhaps what then passed for national prosperity was only the prosperity of monopoly. It should be plain to all that with agriculture prostrate even the pseudo prosperity of monopoly could not continue.

Mere receipt of greater income by our agricultural population, whether from prices driven upward by natural or artificial causes or from subsidies paid by the Government, is in itself no permanent remedy. So long as there exists the power of monopoly to control the prices of what the farmer buys, increases in the farmer's income are but the occasion for equivalent increase in the prices he must pay. His relative position is not improved. Indeed, it is possible for his relative position to grow worse notwithstanding an increased income. The same is true also of other unorganized groups and classes of our population.

Almost 2 years ago I made this prediction:

"A most disturbing and puzzling feature of the present business improvement is that with industrial production back nearly to predepression levels, we still have substantial unemployment. It should be clear that unless these unemployed have their buying power restored, we shall sooner or later suffer another depression." And so we did, as attested by this so-called recession.

Today monopoly, the ancient oppressor, is knocking at our door. We must conquer this foe, or I assure you that no matter how efficient we may be we will never really extricate ourselves from our present anomaly of apparent overproduction on the one hand, with millions going hungry and in want amidst this plenty.

In its final report to the Senate on its chain-store investigation, the Federal Trade Commission said:

"Should the trend of the past 20 years, and particularly of the last decade, continue for a like period, we shall have a condition in some lines of chain merchandising that few will dispute is monopolistic."

The Brookings Institution has reported that even during our fabled prosperity of 1929 nearly 6,000,000 American families, representing more than 21 percent of the total population, each had an annual income of less than $1,000, while about 12,000,000 families, representing more than 42 percent of the population, each had an income of less than $1,500 a year.

Monopolistic ownership or control of the means of production connotes dictatorial power over the things produced. It determines the amount to be produced, restricts the freedom to engage in productive pursuits, and consequently the amount of labor that may be employed. By fixing prices, it limits or restricts the quantity of goods which may be consumed.

Price fixing and other monopolistic schemes have been familiar to men of all ages from ancient China and Egypt through the days of European mercantilism to the present. And men of all ages have observed that the common people, caught between the jaws of their own need and the power of monopoly have had their lives crushed and their children's children sold into economic slavery.

It is my belief that the late severe economic depression can be traced in large degree to reprehensible practices of selfish interests, many of which were unsoundly and excessively capitalized. These practices were not properly controlled because the country had become so blinded by temporary prosperity as to accept the theory that monopolies were beneficial rather than dangerous.

What happened? In their greed for profit monopolistic enterprises charged more than the traffic could bear. They have little or no regard for ultimate consequences. By eliminating competition they thought they were on their way to greater success and greater riches. Actually, however, as it turned out, fewer people were able to buy the products of the big business enterprises which had concentrated output in their own hands, for that very concentration deprived many of their means of livelihood and thus destroyed their purchasing power. The result, so often called overproduction, would probably better be termed "underconsumption."

It is my conviction that to allow great interests a free hand and to permit them to destroy competition would be to make war against the very principle on which our Government was established, namely, equal opportunity for all who may be fitted to improve their position by reason of their own energy and initiative. By this I do not mean that it was ever intended to protect the lazy or incompetent. I do mean that the right of every man to use his brain and energy and gain a fair reward therefor should be preserved and protected.

Society is an organism through which flows the lifeblood of commerce. When any part of society monopolizes more of that lifeblood than it can use the other parts suffer. Even in the part which has the excess supply congestion and disease appear. And just as infection in the less prominent parts of our bodies may produce decay and death so infection in the humbler parts of our social and economic organism may destroy it.

Monopoly and the impoverishment of the common people until it was a choice between the bread of charity or the blood of revolution has ever been the herald of moral decay and national death. So passed the glory of republican Greece and the grandeur of democratic Rome, and, if we may judge the future by the past, so may perish the greatest republic that "ever gleamed like a priceless jewel on the skeleton hand of time." Self-interest, humanity, patriotism, religion itself, all admonish us to weigh well the problem of the hour—a problem born of human progress, forced upon us by the mighty revolution wrought in the industrial world by steam and electricity, and that problem is: "Shall the average American citizen be a slave or a sovereign?"

The illustrious Abraham Lincoln said: "I believe this Government cannot endure permanently half slave and half free." And by the same token neither this nor any other government can endure half monopolized and half free, because monopoly is slavery.

We must not fail to protect our heritage, so well expressed in the verse of John Boyle O'Reilly:

Here * * * on this soil
Began the kingdom, not of kings, but men!
Began the making of the world again;
Where equal rights and equal bonds were set;
Where all the people equal franchised met;
Where doom was writ of privilege and crown;
Where human breath blew all the idols down;
Where crests were naught, where vulture flags were furled,
And common men began to own the world.

Prohibition of Certain Political Practices

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Wednesday, March 8, 1939

RADIO ADDRESS BY HON. JOSEPH F. GUFFEY, OF PENNSYLVANIA, MARCH 7, 1939

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the subject of The Prohibition of Certain Political Practices, delivered by the distinguished Senator from Pennsylvania [Mr. GUFFEY] over the Columbia Broadcasting System on March 7, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I want to thank the Columbia Broadcasting System for making it possible for me to tell the citizens of the United States something about the bill I recently introduced in the Senate. The purpose of this bill is to put an end to the extravagant and corrupting use of money at the polls in the elections of candidates for Congress.

This bill is brief—it contains not more than 250 words—and to the point. It prohibits any candidate for Federal office, or any committee or party organization representing such a candidate, from paying anyone for acting as watcher, election official, or ballot clerk at the polling place; or for soliciting votes for or against a candidate.

It also makes it illegal for any person to receive any pay from a candidate, or the political party or a committee representing him in compensation for such activities.

The bill makes it a misdemeanor to pay out or accept compensation for such activities at the polls, punishable by a fine of not more than $500 or by imprisonment for 1 year, or both.

In my opinion, such legislation is long overdue.

I cannot claim to speak of election practices in all the States. But I do know that in many States the custom of paying a huge army of watchers at the polls from political funds amounts to nothing more than the wholesale purchase of votes.

It is the theory of our democracy that only two things should govern the selection of a candidate for high office, namely: His own ability and character, and the principles for which he and his party stand.

However, in modern times another element has come to take equal rank with individual character and party principle. And that element is the amount of money which a candidate or his party is able to spend in an election.

There is no use attempting to hide the fact that an election today is a mighty expensive business—and with good reason.

In other days, when our population was smaller, it was not difficult for a candidate for Federal office to make himself and his policies known to the constituents.

Frequently he was known personally by most of the citizens who cast their ballots for or against him. He could reach them all by speaking from the stump; and the gazettes of the day, without the whole world as their newsfield through the agency of radio and cable, discussed his candidacy, his character, and his policies at length.

Campaigns in those days were not costly, since the business of a campaign, which is to inform the electorate on a candidate's character and his policies, could be conducted at little expense.

Today the huge growth of our population has put an end to those simple and inexpensive methods of campaigning.

In my own State of Pennsylvania, for instance, there are more than 4,000,000 registered voters.

To reach those voters, to present one party's side of the story in a State-wide election, entails use of the radio, of newspaper advertising, of party publications, handbills, billboard signs, speaking tours, and scores of other media.

If a party attempted to reach every one of those 4,000,000 registered voters, in order to present its side of the story, and if it spent only 25 cents to reach each voter, that would entail legitimate campaign expenditures of more than $1,000,000.

So, you can see why money has come to be one of the most important and often even the deciding factor in political campaigns.

A candidate stands little chance of being elected unless his personality and his policies are favorably known to the voters. To make him known requires expenditures of large sums, for even the most legitimate of campaign expenses.

And when to these legitimate expenses is added an extravagant and corrupting system of hiring watchers and canvassers on election day, then truly the man with the biggest money bag stands to control the election, and democracy is made a farce.

And here I repeat that the practice of hiring watchers at the polls and canvassers to bring the vote in is frequently only a legal disguise for the outright purchase of votes.

Anyone at all familiar with politics has frequently heard this explanation of a one-sided vote in certain election districts, or even whole cities, "Such-and-such a candidate's money ran out by noon, and all his watchers went over to the other side."

In plain English, the better-heeled candidate, backed by interests with the most cash, was able to purchase the vote.

Likewise, anyone familiar with politics knows that on election day someone in his precinct is equipped with a fund of one- and five-dollar bills. Ostensibly for the purpose of paying watchers, but actually a cash-on-the-barrel fund for trafficking in votes.

That this system leads to corruption and desecrates the fundamentals of democracy goes without saying.

Again, here I can cite an instance from my own State of Pennsylvania. In 1927 the United States Senate refused to seat William S. Vare, who had been elected Senator, simply because the funds expended in his campaign were so large. There is no doubt that the campaign was won by use of a vast slush fund used on election day for hiring watchers and canvassers at the polls.

I am hopeful that this bill will receive the favorable consideration of Congress. For I know that many other Representatives and Senators, on both sides of the political fence, believe that this system of election-day bribery—for it can only be called that—is dangerous to the political health of our Republic.

And here I would like to suggest something to those citizens who are interested in safeguarding State as well as Federal elections.

As you know, Federal laws can govern only those general elections in which Federal offices are directly affected. A Federal law cannot control primary elections in which party candidates for Congress are nominated or State elections for State officers only.

My suggestion is that this movement be extended to the States, and that similar bills be enacted in State legislatures to prevent hiring of watchers and canvassers in primary and State elections.

To put such measures on both Federal and State statute books will help restore democratic principles in election campaigns and safeguard the political health of our Republic against the canker of cash control of the ballot.

There is no need and no justification for this vicious system.

I know that every political party can find plenty of sincere and loyal party members only too willing to guard their party's interests at the polling place and to help in getting the voters to the polls.

Too frequently these loyal and sincere party members—be they Democrat or Republican—are pushed aside, simply because they can be counted upon to vote their convictions. And in their place appears a horde of political mercenaries, attracted only by the smell of campaign cash and prepared to sell their ballot to the highest bidder.

The legislation which I have introduced would put an immediate end to this corrupt and corrupting practice.

Since even the most legitimate expenses of political campaigns are so great, we must limit campaign expenditures somehow before money becomes the only criterion of political preferment.

Thus the act which I have introduced has a twofold purpose: It brands as illegal corrupt acts which have been performed under the guise of legality, and it seeks to restore our elections to democratic campaigns of personalities and principles instead of making them contests of cold cash.

I thank you.

Frances Perkins, Strecker, and Harry Bridges

EXTENSION OF REMARKS

OF

HON. J. PARNELL THOMAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1939

Mr. THOMAS of New Jersey. Mr. Speaker, assuming that the Supreme Court overrules the circuit court of appeals in the Strecker case, will this justify or excuse Frances Perkins, Secretary of Labor, in appealing this case to the Supreme Court?

Of course, she will claim that it does, and that now the way is open to proceed against other aliens, such as Bridges. She will further claim that by appealing the Strecker case she has clarified the differences between the rulings of other circuit courts and the ruling of the fifth circuit, and that she has secured a controlling decision from the Supreme Court which will serve as a guide in all future deportation cases involving this section of the statutes.

To one who is not thoroughly acquainted with the record on appeal in the Strecker case and with the Labor Department file of Bridges and the distinctions which exist in the two cases, this argument by Miss Perkins might seem plausible. However, as a matter of fact, a review of Miss Perkins' career as Secretary of Labor convinces me that the Government's victory in the Strecker case and the clarification of the law concerning the deportation of aliens by the Supreme Court was the last thing that Miss Perkins actually desired.

A victory for the Government in the Strecker case will be a victory won in spite of the efforts of Miss Perkins to sabotage the deportation laws of the United States and to protect Bridges against deportation.

In the hearings before the subcommittee of the Committee on Appropriations of the House of Representatives of the Seventy-fifth Congress, third session, on the Department of Labor appropriation bill for 1939, Congressman Bacon, since deceased, in a letter addressed to Frances Perkins under date of February 4, 1938, said:

Hon. FRANCES PERKINS,
Secretary of Labor, Washington, D. C.

MY DEAR MME. SECRETARY: In going over the testimony at our subcommittee there apparently was some confusion as to the inquiry that I made respecting an opinion rendered in 1934 by Mr. Wyzanzki, or someone in the Solicitor's office. To clarify the information that I wanted to obtain, I desire to herewith amplify my question, as my inquiry in committee was apparently misunderstood, as follows:

Has any opinion or opinions, formal or informal, ever been rendered by anyone in the Solicitor's office of the Department of Labor since your incumbency as Secretary of Labor which placed any interpretation or definition, administrative or legal upon the act approved October 16, 1918, as amended by the act approved June 5, 1920, referring to the exclusion and expulsion of anarchists and similar classes?

If the answer is "yes" to this question, will you please furnish me for the use of the subcommittee, or furnish the clerk of the subcommittee, with a copy of such opinion or opinions. I have been informed that such an opinion was rendered in 1934.

It is my purpose to incorporate this letter and your reply in our hearings on the Department of Labor appropriation bill. I am requesting the chairman to hold up the final printing of the report awaiting your reply.

Respectfully,

ROBERT L. BACON.

In reply, Miss Perkins, under date of February 4, 1938, said:

Hon. ROBERT L. BACON,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN BACON: I have your letter of February 4, 1938, in which you clarified the questions you had asked me when I appeared before the Subcommittee on Appropriations with respect to certain opinions rendered by the Solicitor of the Department. I understood you to ask whether there was some opinion which suspended or abrogated immigration laws relating to the deportation of aliens. I stated that there had been no such opinion. I understand that you now ask me to furnish you with any opinion, formal, or informal, which has been rendered by anyone in the Solicitor's office during my incumbency with respect to the act of October 16, 1918, as amended by the act of June 5, 1920, referring to the exclusion and expulsion of anarchists and similar classes.

The Solicitor informs me that the only opinions which have been written have dealt with particular cases, and that the files show that no general opinion construing this section of the law has been written in recent years.

The most striking of these is an opinion in the case of Borich by the former Solicitor Wyzanski, dealing with the question of membership in a trade-union unity league as a ground of deportation, which was apparently the subject of testimony by former Commissioner MacCormack before your subcommittee in hearings on the 1936 appropriation bill. I therefore presume that this is the memorandum you desire. The question there discussed is now largely academic, since such remnants of these unions that still exist have not been for some years affiliated with the Communist International, according to information in the possession of the Immigration Service.

Sincerely yours,

FRANCES PERKINS.

The memorandum by Solicitor Wyzanski, to which Miss Perkins refers and which appears in the hearings on pages 24–26, is as follows:

To the COMMISSIONER OF IMMIGRATION AND NATURALIZATION:

DEAR SIR: You have asked my opinion whether the Secretary of Labor, acting under the authority of the act of October 16, 1918 (40 Stat. 1012), as amended by the act of June 5, 1920 (41 Stat. 1008, 8 U. S. C., sec. 137), ought to deport Frank Borich, an alien, on the ground that he is a member of the National Miners Union.

In my opinion the Secretary of Labor ought not to deport the alien on the ground stated.

The voluminous file of the Department of Labor clearly shows, and the alien himself admits, that since 1928 he has been connected with the National Miners Union, first as organizer and later as national secretary. The National Miners Union's original or 1928 constitution shows that it is primarily a militant left-wing labor organization interested in a 6-hour working day, minimum wages, social insurance, and national labor agreements, achieved through strikes and an alliance of coal miners, railroad, and transportation workers. The greater part of the constitution is devoted to provisions relating solely to the organization, administrative functioning, and financing of the union.

However, in article 1 of the original constitution, it is stated that the union shall "affiliate itself with the class-conscious labor movement of the world, and declare adherence to the program, principles, and statutes of the Red International of Labor Unions." This Red International of Labor Unions, to which reference is made, is a "revolutionary world union of workers," operates in the United States through the Trade Union Unity League, i. e., the T. U. U. L., and advocates a "united struggle against international capitalism" rather than the "nationalistic and patriotic stand of the reformist trade unions." There is in the record no evidence, other than this declaration, that the National Miners Union has ever been closely connected with the Red International, and Borich claims that this declaration was omitted from and repudiated by the present constitution of the National Miners Union, supposed to have been adopted on March 20, 1932.

Moreover, the actual history (as distinguished from the platform) of the National Miners Union does not reveal that the organization has ever indulged in any physical or verbal attack upon the American political structure, although it, like more conservative bodies, may have severely criticized individual governmental officials, and, like other labor unions, may have violated particular governmental orders. Throughout its life the union has been an industrial force rather than a political one. Its conflicts with the United Mine Workers of America and with operators of coal mines have been its chief preoccupation. It may have had individual Communists for leaders. It may have accepted the thesis of the class struggle. It may through cooperation with the Trade Union Unity League have tried to promote labor organization on a vertical and industrial basis (an end which can hardly be criticized by officials of this administration and supporters of General Johnson). But there is no evidence that as an organization the National Miners Union has ever executed or advocated policies aimed at the overthrow of the Government of the United States.

Under these circumstances I am of opinion that the National Miners Union is not itself an "organization * * * that * * * teaches the overthrow by force or violence of the Government of the United States," and is not so closely related to any revolutionary organization advocating such a doctrine that mere membership in the union should be treated as affiliation with the revolutionary organization.

I do not mean to say that the case is so clear that a reasonable man could not reach a different result from mine. The evidence about the nature of the union is conflicting and susceptible of different interpretations.

If a Secretary of Labor decided that this National Miners Union and like vertical unions, by emphasizing class struggle and similar doctrines, showed that they were inherent parts of a Communist scheme to overthrow the Government of the United States by force or violence, and if a Secretary of Labor issued warrants ordering the deportation of the members of all such unions, the courts would not release the aliens on writs of habeas corpus (*United States ex rel. Borich* v. *Marshall*, unreported (C. C. A. 3, Oct. 19, 1933); *Kjar* v. *Doak*, 61 F. (2d) 566 (C. C. A. 7, 1932); *Wolck* v. *Weedin*, 58 F. (2d) 928 (C. C. A. 9, 1932); *Berkman* v. *Tillinghast*, 58 F. (2d) 621 (C. C. A. 1, 1938)).

But the function of the courts under our deportation system should not be forgotten. The courts do not and cannot hear appeals from the Secretary of Labor. A judge can set aside a deportation order only when the Secretary has committed an "error so flagrant as to convince a court of the essential unfairness of the trial" (*United States ex rel. Vajtauer* v. *Commissioner of Immigration*, 273 U. S. 103, 106 (1927); cf. *Lloyd Sabaudo Societa* v. *Elting*, 287 U. S. 329, 335–336, 338 (1932)). In other words, there never can be a court decision (though there may be dicta) holding that the Department of Labor was incontrovertibly right in ordering a deportation. A judge in quashing a writ of habeas corpus merely decides that the Secretary had some evidence justifying deportation; he may feel that the Secretary would have been at least equally justified in making a decision not to deport, but in his official capacity the judge has no right to say so.

There is an important reason for emphasizing at this point the limited role of the courts. One Secretary may have a strong dread of political revolution accomplished through industrial organizations. Or one decade may find the American people alarmed at the supposed menace. These fears may lead to the issuance of warrants for the deportation of members of such industrial organizations. And since there will be some evidence to sustain the Secretary of Labor, our courts cannot set aside the warrants. But succeeding Secretaries of Labor and later decades may view the danger as less real and may interpret the facts differently or weigh the evidence with altered results. It is of cardinal importance that in such close cases the Secretary of Labor should recognize that he is free to decide either way; no court decision, even on the very case that he is considering, can properly be cited to restrain his choice; if he selects deportation he should realize that it is because it is his administrative pleasure to perpetuate the policies of his predecessor and not because it is his duty under court decisions.

The instant case seems to me to be one in which the Secretary of Labor, while she would be, and indeed has been, sustained by the courts in ordering deportation, ought not to have gone so far. The National Miners Union is one of a group of left-wing labor organizations. Membership in each such union is avowedly solicited only from those working in a particular industry. Activities are directed almost exclusively in economic channels. Antagonism, if any is promoted, is toward the older and more conservative unions, not toward democratic government.

For the United States to deport a man merely for membership in such a union is to deport a man for seeking to overthrow conservative union domination, not for seeking to overthrow the Government of the United States.

At this particular time, when the Government is giving to workers "the right to organize and bargain collectively through representatives of their own choosing," regardless of the radical character of the representatives (National Industrial Recovery Act, sec. 7 (a), 48 Stat. 195, 198), when it is encouraging left-wing labor leaders to present their radical views before deputy administrators charged with the formulation of codes of fair competition, it is only consistent for the Department of Labor to leave unmolested members of a left-wing labor union unless the union is a mere subterfuge for political sedition or unless the individual member himself teaches the overthrow of the Government of the United States by force or violence.

Upon the record as it now stands, neither the Board of Review nor I feel justified in finding that Borich himself advocates such overthrow, or that he belongs to any purely political movement that has that goal. (The evidence on this point shows nothing more than that some articles bearing a name resembling Borich's were reprinted in radical papers like the Daily Worker.) In the absence of such a finding and with merely membership in the National Miners Union proved, I do not believe Borich should be deported. If he is deported on the narrow ground proved, every other alien member of this union must be deported. To such an extreme we ought to proceed reluctantly and only after clear and convincing proof that the political institutions of our country are actually menaced.

I may further add that in my opinion the principle that I have stated seems to me to apply to membership not only in the National Miners' Union but in all left-wing labor unions that are not mere shields for political revolution, such as the Marine Workers Industrial Union, the National Textile Workers, International Labor Defense, and the Trade Union Unity League.

CHARLES E. WYZANSKI, Jr., *Solicitor.*

In view of the opinion of the Solicitor of the Department of Labor, and in view of definite assurances that the Trade Union Unity League has severed any affiliation it may have had with the Red International of Labor Unions, I hereby direct that hereafter no warrant for the deportation of any alien shall be issued or executed if the sole ground for the warrant is his membership in any of the following organizations: National Miners Union, Marine Workers' Industrial Union, Metal Workers' Industrial League, Tampa Tobacco Workers' Industrial Union, the National Textile Workers, International Labor Defense, and the Trade Union Unity League. The order shall not be construed to prevent the issuance or execution of warrants for the deportation of aliens who themselves advocate the overthrow by force or violence of the Government of the United States or who are members of political organizations that advocate a similar goal.

DANIEL W. MACCORMACK,
Commissioner of Immigration and Naturalization.
TURNER W. BATTLE,
Assistant to the Secretary of Labor.

The foregoing clearly shows a definite policy, as early as 1934, by the Department of Labor and by Frances Perkins, its Secretary, responsible for the enforcement of the deportation laws, to avoid the performance of her legal duties by evading the issue, through distinguishing left-wing labor organizations from left-wing political parties; and so it follows that after Miss Perkins had, by an administrative act, eliminated from deportation members of left-wing labor organizations, which prior to her administration had been deported, she attempts still further to narrow the deportation laws by seizing upon the Strecker case as an excuse for dicsontinuing deportation proceedings against those aliens who are members of the Communist Party.

It follows, therefore, that the appeal taken by Frances Perkins in the Strecker case—an appeal taken in the face of previous universal holdings of Federal courts that membership in the Communist Party was a sufficient ground for deportation where it was shown that the Communist Party advocated the overthrow of the Government of the United States by force and violence—was taken for the sole purpose of further restricting and nullifying the deportation statutes of the United States with respect to Communist radicals.

The decision of Frances Perkins to postpone deportation proceedings against Bridges and other Communist aliens until a determination by the Supreme Court in the Strecker case was purely a scheme or device to protract the stay of Bridges within the United States. Regardless of the decision of the Supreme Court of the United States, her action has already resulted in protracting the stay of Bridges and other Communist aliens within the United States for approximately 1 year.

Needless to say, if the Supreme Court reverses the Circuit Court of Appeals for the Fifth Circuit and orders the deportation of Strecker, no credit should be given to the Secretary of Labor, for such a determination by the Supreme Court, for had it not been for the efforts of MARTIN DIES, chairman of the Committee on un-American Activities of the House of Representatives, and his exposure of the manner in which the Strecker case was being handled, the presentation of this case before the Supreme Court might well have resulted in so narrowing the issues before the Court as to have secured from it a holding favorable to Strecker.

Furthermore, any victory which the Government of the United States may secure in the Strecker case will be secured despite the efforts of Frances Perkins to sabotage this case in her desire to evade enforcing the immigration laws of the United States. A study of the Bridges file clearly shows that Frances Perkins has attempted to so narrow the issues against Bridges as to restrict the character of the testimony which may be introduced against him. In the original application for a warrant against Bridges, Bonham, the inspector at Seattle, recommended that a warrant should be issued against Bridges on nine grounds; but the Department of Labor only issued a warrant against him on four grounds, as follows:

(a) In that after he entered the United States he became a member of an organization, association, society, and group that believes in, advises, advocates, and teaches the overthrow by force and violence of the Government of the United States;

(b) In that after he entered the United States he became affiliated with an organization, association, society, and group that believes in, advises, advocates, and teaches the overthrow by force and violence of the Government of the United States;

(c) In that after he entered the United States he became a member of an organization, association, society, and group that causes to be written, circulated, distributed, printed, published, and displayed printed matter advising, advocating, and teaching the overthrow by force and violence of the Government of the United States;

(d) In that after he entered the United States he became affiliated with an organization, association, society, and group that causes to be written, circulated, distributed, printed, published, and displayed printed matter advising, advocating, and teaching the overthrow by force and violence of the Government of the United States.

It is my contention that prior to any hearing on the Harry Bridges case a new warrant of arrest should be issued against him by the Secretary of Labor, including seven additional grounds, to wit:

First. In that he believes in, advises, advocates, or teaches the overthrow by force or violence of the Government of the United States or of all forms of law.

Second. In that he believes in, advises, advocates, or teaches the unlawful damage, injury, or destruction of property.

Third. In that after he entered the United States he became a member of an organization, association, society, or group that believes in, advises, advocates, or teaches the unlawful damage, injury, or destruction of property.

Fourth. In that after he entered the United States he became affiliated with an organization, association, society, or group that believes in, advises, advocates, or teaches the unlawful damage, injury, or destruction of property.

Fifth. In that he believes in, advises, advocates, or teaches sabotage.

Sixth. In that after he entered the United States he became a member of an organization, association, society, or group that believes in, advises, advocates, or teaches sabotage.

Seventh. In that after he entered the United States he became affiliated with an organization, association, society, or group that believes in, advises, advocates, or teaches sabotage.

The evidence in the Bridges file, in the Labor Department, amply justifies these additional charges in the Bridges warrant. A new warrant against Harry Bridges including the foregoing charges should be forthwith demanded of Frances Perkins, to forestall her from proceeding against Harry Bridges on only two questions of fact, to wit, membership or affiliation with the Communist Party. This new warrant should be served upon Harry Bridges without delay so that prompt and complete disposition of the Bridges case can be taken as soon as the Supreme Court acts upon the Strecker case.

Democratic Congressman With Weak Convictions Should Take Note That Republicans Failed Utterly to Prevent Overwhelming Endorsement of New Deal in Chicago Primaries

EXTENSION OF REMARKS

OF

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1939

Mr. SABATH. Mr. Speaker, for 25 years efforts have been put forth, under four different Presidents, to bring about a reorganization of the complicated and outgrown machinery of this Government in the interest of economy and efficiency.

I honestly believe that every Democratic Member of Congress who recognized his responsibility to the people and to the leadership of a great and noble President, Franklin D. Roosevelt, would today unhesitatingly vote for the administration reorganization bill now before this House.

I do not blame the Republicans for their opposition to this measure. They have shown time and again during the consideration of the bill that they are merely playing politics, merely striving to embarrass the President, only that and nothing more. They have conclusively demonstrated throughout the entire debate their insincerity for all constructive legislation. Yes, they do talk a great deal about consistency and economy, but each and every one of them has voted in committee, not only once but at every opportunity, to emasculate the bill and make it so unworkable that it might be defeated at some stage before finally becoming a law.

The amazing thing to me has been the spectacle of some gentlemen who were elected under the Roosevelt banner and who, in most instances, obtained their election by making the voters of their districts believe they were in full sympathy with the high purposes of the New Deal, today again rendering aid and comfort to the enemy—the Republicans. Some of those representing States which have received the greatest benefits under the present administration have unceremoniously joined hands with the opposition. The amendment of the gentleman from Texas [Mr. SUMNERS], would set, in my opinion, a most dangerous precedent, but evidently that possibility to him and gentlemen from Virginia, Maryland, and some other States would be no great matter. They take all they can get from the administration, and

seek more. Somehow or other they do not seem to understand the meaning of the words "appreciation" or "reciprocity." They are not fooling anybody but themselves. I feel that in the near future, very likely in the next election, they may, the same as others before them who have deserted the party in a crucial test such as this, come to deserved grief. They seem to rely upon the repeated statements of the Republicans that the people have lost confidence in our great President, and that they no longer need to stand by him or cooperate with him, but unless I am greatly mistaken they are destined to learn otherwise.

NEW DEAL WAS AN IMPORTANT ISSUE IN THE CHICAGO CAMPAIGN

In my own city of Chicago we have just been through an important primary election. Most of the newspapers, vicious and slanderous in their attempts to defeat Democratic Mayor Edward J. Kelly, waged a terrific and unrelenting battle, one that continued hard-fought right up to the moment of the close of the polls. The Republican opposition, unable justly to criticize the mayor's splendid record, made the New Deal the big, outstanding issue of the campaign. The Republicans viciously attacked every act of the President, including his policies on rearmament and national defense, his relief program, the A. A. A., the C. C. C., and nearly all other measures.

Mayor Kelly and his campaign aides evaded no issue. They stood four-square behind the President and declared proudly that a vote for Mayor Kelly would be accepted as an endorsement of President Roosevelt and the New Square Deal.

Now then, my friends, there were two courses the voters could have followed. One was to show their confidence in the President; the other was to allow themselves to be led by a prejudiced and unfair press. And it is important that all Democrats take note of what happened. Mayor Kelly polled approximately 607,000 votes, a total in excess of the combined votes received by a strong opposing Democratic candidate and also the Republican candidates. Even more significant was the Democratic ratio of votes cast—over three times the number cast for the Republican ticket.

The voice of the voters is decisive. This is just one more demonstration that the masses are standing firmly behind the President and his New Square Deal policies.

The Democratic Members of this Congress would do well to pause and consider the Chicago results. They are but typical of the feeling of men and women all over the country.

ANTI-ROOSEVELT PROPAGANDA PROVES INEFFECTIVE

In Chicago, just as in other cities and towns from east to west, the newspapers are doing their utmost to undermine the confidence of the people in the administration. A continuous stream of propaganda emanates from well-organized and well-financed lobby groups, all in the interest of the economic royalists and special privilege. But the people can be deceived up to a point, and no further. And when it comes right down to the question of supporting the President or supporting those who oppose him, they do not leave any doubt as to where they stand. They are with the President.

I hope the Democratic Members will recall the tactics of the Liberty League and other reactionaries in the past. They sought to undermine the credit of the Nation with an inflation-scare program; with hue and cry they predicted the destruction of the Constitution and screamed "dictator." The attack against the reorganization bill when it was before us in the preceding Congress was so bitter and well organized that for the time being it was defeated. Seldom before in the history of legislation has so much misrepresentation and vituperation been indulged in to defeat a simple business proposition involving both efficiency and economy—a policy that has been recommended by four previous Presidents of the United States. But the people have now caught up with that campaign of lies, and I am positive a reorganization bill will pass the House today.

The people of this country, the laborer, the farmer, the small-business man, all have rightful confidence in the President. His sincerity and honesty of purpose are so widely recognized that each attack serves but to endear him to the American people.

Mr. Speaker, all of us here on last Saturday, on the historic occasion of the celebration of the one hundred and fiftieth anniversary of the meeting of the First Congress, heard the addresses of the President, the Chief Justice, Senator PITTMAN, and our distinguished Speaker. I hope you were all as deeply impressed with their patriotic appeals for the unity of the Nation as I was. The very future of our country, its progress and welfare, depends upon such unity. This is the time for us to work shoulder to shoulder, to recognize Franklin D. Roosevelt as a great leader, and to work with him.

BIG BUSINESS HAS PERSISTENTLY REFUSED TO COOPERATE WITH THE PRESIDENT

Consider unemployment, for instance. Big business has forgotten the tragic years under Mr. Hoover, and they give no credit for the measure of prosperity they have enjoyed under this administration. In order to force repeal of the capital gains and undivided-surplus taxes, and to prevent passage of the wage and hour bill, the great industrialists and their allies deliberately adopted a "cut off your nose to spite your face" policy, and now, today, still blame a recession for which they alone were responsible upon the President.

It must be sickening to every well-informed man to read daily in the Wall Street Journal and other Wall Street-controlled newspapers, and to hear Republicans on the floor insinuate and charge that the President is opposed to legitimate business. Every well-informed and fair-minded person must know that these insinuations and charges are willful and deliberate falsehoods. They know that the President is not only with the small-business men of the Nation, but also with every large business that is legitimate and conducted in accordance with the law. The only ones that really have an axe to grind are the few overlords who feel that they are a law unto themselves and should not be checked in the pursuance of even strictly illegal business schemes, and other branches of big business which have made a specialty of violating antitrust laws.

If business and the money power had worked in unity with the Government, millions of the still unemployed could have returned to work, and the appropriation of $4,000,000,000 would not have been necessary. Since business did not and would not cooperate it was up to Congress to see that the unemployed were fed, clothed, and housed. There was nothing else for us to do.

BUSINESS NOT SO BAD OFF AS REPRESENTED

In an attempt to discredit the President before the country, these avaricious bosses of industry have been loud in their cries that business under Roosevelt has suffered. But in a statement issued this month by the National City Bank of New York appears the following relative to the true condition of business, and which proves conclusively and beyond successful contradiction that the charges of bad business conditions are utterly false:

> The outstanding feature of the year's results was the sharp rise in profits that occurred in the fourth quarter, accompany the upturn in general business activity. A group of 200 large companies, * * * in the final 3 months, according to preliminary figures, made a gain of 13 percent. * * *

The public, informed only by newspapers and inspired editorials, also has the picture constantly before it of industry staggering under increasing burdensome taxes. This same report, however, discloses that while the net profits after payment of taxes of all manufacturing corporations in the United States in 1933 aggregated $77,000,000, there has been a steady increase yearly under the administration of Franklin D. Roosevelt to reach $2,548,000,000 for 1936, the last year reported.

Taxes in some instances may have increased during this period as much as 50 percent, as claimed, but profits, after taxes were paid, have increased up to 700 percent. These facts, hidden from the public in the reactionary press, are well known to the big business tycoons who, nevertheless, still try to mislead the people by outrageously false propaganda against the administration.

VIRGINIA HAS FARED WELL UNDER THE PRESENT ADMINISTRATION

Mr. Speaker, I can well understand why big business has set out to destroy the present administration. It is because big business wishes to destroy the policies of the administration which are in the interest of the masses of the people of this country. Under Hoover and previous Republican Presidents the Government did not and could not control special privilege because special privilege controlled the Government. But under Roosevelt the money changers and tax-dodging moguls of Wall Street have not been able to escape the payment of just taxation and dictate Government policies as heretofore. So Wall Street is now carrying on a desperate and determined campaign to get Roosevelt out of power so it can get back in power itself.

As I say, I can understand what is back of the campaign of the privileged classes in this country against Roosevelt policies. But what I cannot understand, and what I wish someone would explain, is why Representatives in Congress of States like nearby Virginia which, under this administration, have derived the greatest and most substantial benefits under the administration of Franklin D. Roosevelt, have from the very first so bitterly opposed the President's program.

Virginia, for instance, during the period between 1934 and 1938, received from the Federal Government, under the Roosevelt administration, in the form of grants and loans, including Federal housing mortgage and improvement loans, assistance to the extent of $426,738,664. Certainly this is not a sum to be sneezed at or one to indicate that Virginia has been entirely overlooked by the Roosevelt administration which, however, has been so ruthlessly attacked from certain high quarters in that State.

Maryland, during the same period, received aid aggregating $380,699,258. These vast sums enabled thousands upon thousands of citizens of Virginia and Maryland who otherwise would have remained unemployed, to obtain jobs at good wages within their own States and thus support their families.

Mr. Speaker, the Representatives of these two adjacent States cannot be ignorant of the fact that in addition to the millions in benefits they have received from this administration, thousands of homes have been built there which bring to State, county, and municipal treasuries additional millions in taxes from employees in the Federal service in the District of Columbia, but who have their homes and reside in Maryland and Virginia. If this truth were brought home to the residents and taxpayers of these two States it might dissipate to some extent the unjust criticism now indulged in. I cannot help but notice, in this connection, that the Representatives in Congress from Virginia and other States who complain the loudest never refuse appropriations or aid from the Roosevelt administration whenever there is a chance to get them.

NATIONAL ECONOMY LEAGUE, TRUE TO FORM, WOULD HAVE US DESERT THE NEEDY AND UNEMPLOYED

Only yesterday I received a nicely worded letter from the so-called National Economy League. From its letterhead I see there has been quite a change in its executive committee. Of 20 members on the committee 14 are from New York State alone, 1 each from Maryland, Massachusetts, Pennsylvania, Connecticut, and Minnesota. And who are they? Check their names and you will find they are Republican corporation lawyers and officials of the great financial institutions and banks of the country. On page 4 of the league's report is carried what they list as "unnecessary" Federal expenditures. It compares Government expenditures in 1931 and 1932 with those of the present fiscal year, and I list some of their "unnecessary" items, as follows:

	1931 (under Hoover)	1939 (under Roosevelt)
Relief of all kinds	None	$2,785,000,000
Public Works (all)	$373,000,000	1,356,000,000
A. A. A. payments	None	708,000,000
Social Security	None	833,000,000
Railroad Retirement	None	107,000,000

Now, these faultfinders feel, evidently, that we should eliminate all types of relief, stop public-works construction, A. A. A. payments, social-security and old-age benefits, leaving the financing of these worthy enterprises to the respective States, which are both unwilling and unable to raise the necessary funds to foot the bills.

On all sides, Mr. Speaker, we are confronted with the propaganda of malicious lobby organizations and special-privilege groups. From the newspapers we can expect only distorted interpretations of the administration's policies. But the people will not be fooled, and they will mark well the conduct of their representatives in Congress and judge them by the extent to which they cooperate with the administration.

The American Way

EXTENSION OF REMARKS
OF
HON. LEE E. GEYER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 8, 1939

RADIO ADDRESS BY HON. T. V. SMITH, OF ILLINOIS, FEBRUARY 21, 1939

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks, I include a radio speech by Hon. T. V. SMITH, Congressman at Large from Illinois, on the American Way, broadcast on February 21 in a debate with Senator ROBERT A. TAFT on Foundations of Democracy.

The speech is as follows:

Kinsmen in Texas, neighbors in Illinois, friends in Maine, women and men of America, greetings from an ignorant man and a Congressman at Large of Illinois.

To join for 13 weeks now in timely discussion with the junior Senator from Ohio [Mr. TAFT] is a patriotic privilege for a son of the South and a present citizen of the middle border. The calendar of the season is dotted with distinguished symbols of our common concern. Two Sundays ago we celebrated a national martyr of my own State. Mr. TAFT spoke at Cincinnati; I at Chicago—celebrated this man whose life and death saved the Union. Tomorrow we pause to acknowledge the greatness of one whose faith and steadfastness gave this Nation birth. Only six Sundays away we shall commemorate the name of the great Virginian who spiritualized our early Revolution with an immortal declaration of faith in mankind and who later as Chief Executive wonderfully widened the boundaries of the Republic which Washington had founded and which Lincoln was to save.

In between, only 10 days hence, Mr. TAFT and I will join in celebrating here with our fellow servants of the Republic the one hundred and fiftieth anniversary of the National Congress, to the separate branches of which he and I are honored to belong.

I have no doubt that I speak for the Senator as for myself in saying that in the presence of so gracious a cloud of witnesses, living and dead, any narrow partisanship will be lifted from meanness to magnanimity by the patriotism which we share—share with each other and share with you, our fellow countrymen.

The American way, to which we now turn our attention, is a way of life as well as a way of law and government. So much of the public talk of government is done by lawyers that we are tempted to forget—lawyers are, at least—that the American way is a way of life, of life the first and final object of government. Throughout these discussions I shall tax myself to remember this humble thing which citizens are less tempted than lawyers to forget: That in the beginning was life, that life is a living thing, and that life is by all rights a lovely thing.

This humane emphasis upon life, as distinct from law, sets us Americans apart from foreign fanaticisms, and sometimes leaves us at odds with one another. Not enough at odds with one another, however, to allow a patriot to call a fellow citizen a Communist unless he be a Communist, nor a Fascist unless he be a Fascist, nor a fellow American a Nazi at all unless he be proved to be cruel or crazy, or both. To escape fanaticism we must find names nonfanatical for one another here at home. For this distinction between life and law is allowed by our Constitution itself. After setting up governmental machinery for the manufacture of law, the construing of law, the execution of law, our fathers turned around and said, as it were, in the Bill of Rights: "But most of life is to be exempted from the reign of law." They exempted, first, what law cannot cover if it would—thoughts and feelings; and then they exempted what law should not cover if it could—speech, assembly, family privacy, religious worship. In this guaranteed oasis of freedom from law, what is the faith by which we

Americans live, and what the common characteristics arising from our practice of that faith?

Well, beginning in a wilderness and driven together by loneliness, we Americans have at length built here on this continent a way of life whose faith is that there is a common touch of nature that makes all men kin—all races, all religions, all cultures. Regardless of political party, we Americans believe, for instance, that all children of all the people are entitled equally to both health and education; or do we?—with about one-third of our children growing up in the South on but one-sixth of the Nation's school revenues. We believe that all life is equally sacred and must be equally secure under the law; or do we?—with gangsterdom now and then a-shooting in the cities of the North and barbarism then and now a-lynching in the counties of the South. We believe that all questions that cannot be settled otherwise must be settled by the ballot; or do we?—with half the citizens unencouraged to vote in the South and oftentimes a third of them unwilling to vote in the North.

Don't we or do we—believe, I mean, in these ideals of equal opportunity, equal protection, equal participation? We do; we do believe in all these ideals. They represent yet and ever our faith, our way of thought, if you will. But they do not fully represent our way of life. We have still to find out how to take up the slack between our way of thought and our way of life. This disturbing leeway between what we love and the way we live is the penance we pay for being at once more than human and less than human—for being both sky-born and earth-bound.

Forgetting its pathos, we may, with the poet, nail this our common shame to the crucifix of fun:

"There was a dachshund, once so long
He hadn't any notion
How long it took to notify
His tail of his emotion;
And so it happened, while his eyes
Were filling with woe and sadness,
His little tail went wagging on
Because of previous gladness."

But seriously now, midway between pathos and bathos, Americanism as a way of life is a large faith in and a smaller practice of what we of ourselves do so well know—friendliness, humility, humor.

Friendly everybody admits us Americans to be. We were a "folksy" people long before the Germans made a barbaric cult of the "Volk." The hardships of the frontier, as I have said, compelled us to be friendly. More than once we've had to hang together to keep from hanging separately. Intolerance is a vice which we Americans cannot afford. We came of different religions even while yet of the same race, and later we added vast differences of race to those of religion. We had to learn friendliness not only with friends, but, as it were, with enemies. We had to learn, and did learn, to stomach opposition without suppressing opponents. We Americans have learned, in a word, that men do not have to kiss in order to cooperate. We forget our Americanism when we forget that this, our preference for friendliness, is the secret of our success in subduing a continent to the life of man.

This friendliness it is that renders wholesome rather than morbid the humility of the American character. Our glad reliance on one another arises from the clear knowledge that we are not God. Humility is born of helplessness and exists to make us strong where we are weak.

That's what gentility of the ballot means, as contrasted with the coercion of bullies. Whoever knows for certain that he's not God is glad to welcome the aid of other men in determining what's politically right. Voting as such an aid reduces the risks of ignorance and doubles our joy in talk. It's a clever device, this balloting business—and profound. It helps us "to split the difference," as we used to say in Texas, and to achieve on a large national scale the golden mean of compromise. We Americans think it literally more important thus to settle issues between us than it is to settle them absolutely right.

This is so because we admit that God alone knows what's absolutely right. We men do know what's friendly and decent. So in decency to one another we've agreed to call right whatever nobody kicks over the traces about. How profoundly we differ from some others in this regard. Now come Fascists to share God's prerogative and Communists to monopolize it. This leaves many of us plain American citizens with only revolutionists and immigrants for ancestors, hardly knowing which way to turn. So we just turn back in all friendliness to one another, and we covenant once more to take stock with ourselves and to abide by whatever we can agree upon, whether any of us are fully satisfied with it or not. That's the democratic principle, and that's the decent thing to do.

But we don't do this with a long face. We've found out that it's really helpful to be humble and downright fun to be friendly. In a century we've turned out more than our share of fine humorists. The juice of their laughter has kept us "unlaxed." Moreover, we've all become humorists, knowing well that only he who tickles himself may laugh when he likes. When I see a diminutive Senator straining out a maximum snarl and see a towering executive contriving a minimum retort to the maximum snarl, I do not despair of my country or turn from Washington in disgust. The rather I hie me away to the privacy of my citizenship and lave myself luxuriously in the lethe of life with the cleansing soap of self-forgetful humor, crooning to myself the while these delicious lines from an unknown American poet:

"I sometimes think I'd rather crow
And be a rooster than to roost
And be a crow. But I dunno.

A rooster he can roost also,
Which don't seem fair when crows can't crow.
Which may help some. Still I dunno.

Crows should be glad of one thing, though;
Nobody thinks of eating crow.
While roosters they are good enough
For anyone unless they're tough.

There are lots of tough old roosters, though,
And anyway a crow can't crow,
So mebbe roosters stand more show.
It looks that way. But I dunno."

America is safe for Americanism as long as it retains its sense of humor; for humor keeps our humility from becoming sticky and makes our friendliness function fruitfully. It punctures pomp and purifies pretense. Give us, then, another Mark Twain, who could say, "Do right always; this will gratify some persons—and will astonish the rest." Give us another Clarence Darrow, who could so sagely admit that "Calvin Coolidge was the greatest man who ever came out of Plymouth Corner, Vt." Give us, especially us politicians, another Will Rogers, who like some gawky hillbilly from the heights of humor could toss us right and left tablets of sanity unwrapped in cellophane. Peace to the ashes of these ageless men. Wherever they, or such as they, lie fallen and silent, there is the glimmer of a smile and a fleck of mortal dust that is forever American.

One such humorist glorifies a nation more than a whole crop of dictators who are clowns and don't know it. I'd rather be an apostle of human merriment and go smilingly down to the "tongueless silence of the dreamless dust" than to be the most pompous pretender to power, or claimant of perfection, that ever dirtied with pretense his little day on earth.

While then, Germany thumbs her nose at the world, chewing to pieces her own tongue in a fit of epileptic frenzy; while Italy bedecks bravado with the smelly trappings of an Empire long deceased; while Russia trades tarnished tyranny for tyranny tarnishing before our very eyes—let us proud Americans pursue the tenor of our democratic ways, compromising conflicts and transforming factual realism into an idealism of hope through the friendly discipline of humility and humor. That's the American way of life under law, and of law for the sake of a larger and larger life.

St. Lawrence Seaway and Power Project

EXTENSION OF REMARKS

OF

HON. JAMES H. FAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1939

Mr. FAY. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD on the St. Lawrence seaway and power project and to include therein an address made February 23, 1939, by Mr. Fred J. Freestone, past master of the New York State Grange, before the consumers' public power conference in New York City, together with a brief outline designed to clarify the economic issues involved in the undertaking.

This is a matter that vitally concerns the people of the Sixteenth Congressional District, which I have the honor to represent here, as well as the interest of the farm population of the State for which Mr. Freestone speaks.

THE INTERESTS OF THE FARMER AND THE CITY DWELLER UNITE IN THIS VITAL PUBLIC WORK

Let me digress here to say that from time to time I hope to bring the pressing problems of my district to the attention of my colleagues in the House, having been sent to Washington for that purpose. I promised the voters back home I would do so and I have the feeling that the grave problems they face are fundamentally no different from those faced by the constituents of a majority of the Members of this distinguished body.

Gentlemen, I represent 2½ miles of the song-famed East Side of Manhattan Island and it is a district I know like the palm of my hand, for I was born there and have lived there all my life.

Like most New York City districts, my constituents represent all economic levels from the Park Avenue-Sutton Place

residents to those of the gas-house district. Needless to say, those of the gas-house economic level predominate.

Of the 30,000 families in the district, 95 percent regard a dollar as a significant item in the family income today. They are honest, God-fearing people, and hard-working when they can get work, but the present economic conditions have forced a great many on relief, or on the W. P. A., as in most other areas.

AFFECTS ECONOMIC WELFARE OF EVERY CITIZEN

I consider a matter fundamental when it affects both the economic welfare of the great majority of my constituents and the economic welfare of the majority of the farmers of New York State for whom Mr. Freestone speaks. Such a matter is the cost of electricity.

Something is surely wrong with a set-up that compels each family in my district consuming 50 kilowatt-hours of electricity a month to pay every year $16.20 more than the consumers of the T. V. A. region, $15.60 more than the people of Cincinnati, $19.80 more than the people of Ottawa, and $21.72 more than the people of Toronto. Let me emphasize that I am speaking about the same amount of electricity in all cases. Any arguments that the T. V. A. is a Government project is immaterial in the present case, because Cincinnati and Ottawa are supplied by private companies. The T. V. A. is merely demonstrating that the same thing can be done by private companies in this country as is being done in Canada.

LOW-COST ELECTRIC ENERGY FOR ALL

What is achieved for one area by a plentiful supply of low-cost electric energy should not be withheld from the public of another area, especially when the remedy is visible to those who are willing to see it.

In my district alone, were electricity supplied at the prices now prevailing in Toronto, on the other side of the Canadian border, and generated by the use of the same water, namely, the Niagara and St. Lawrence Rivers, the saving would amount to over $500,000 a year. That is a lot of money to expect the people of the lower East Side of New York City, in their present impoverished state, to contribute to the present method of supplying the lighting needs of my constitutents. Twenty-one dollars a year is equivalent to 7 pairs of shoes, or 200 quarts of milk, or 60 dozen eggs.

This in turn, of course, would be reflected in increased consumption of manufactured or farm products. Thirty thousand families would, on the above basis, use an additional 210,000 pairs of shoes, or 6,000,000 additional quarts of milk, or an additional 1,800,000 dozen eggs. I appreciate that there is nothing startlingly new in what I am saying. My excuse for saying it is that occasionally we are prone to forget the principle of economic interdependence illustrated by this simple example of the effect of lowering prices.

I think that the St. Lawrence seaway and power project is just another one of innumerable instances where the interests of the farmer and the city dweller are identical, both from the standpoint of cheap electricity and cheap transportation. I believe, therefore, that the address of Mr. Freestone will be enlightening to the membership. Hence, I ask unanimous consent to incorporate it in the RECORD. It is as follows:

ADDRESS BY FRED J. FREESTONE, TRUSTEE OF THE POWER AUTHORITY OF THE STATE OF NEW YORK AND FORMER MASTER OF THE NEW YORK STATE GRANGE, AT THE CONSUMERS PUBLIC POWER CONFERENCE, FEBRUARY 23, 1939

I have come down from central New York to attend this Consumers Public Power Conference not as a speaker but as a participant in your deliberations. I am convinced that such an organization is vitally necessary if the people of the State are ultimately to get the cheap and abundant electricity which is required today for a modern standard of living.

Our opponents, those with a vested interest in the high electric rates, which limit the use of electricity, are well organized. They have great resources. They wield great political influence. They will continue to exploit the people's power resources and the people's need for power unless the consumer interest is equally well organized for action on the political front.

You who are here tonight are not an ordinary audience. You represent organizations which have for years concerned themselves with the various problems of government which affect the well-being of consumers. You understand the power issue and have taken part many times in the various stages of the battle to hold on to the people's great water-power resources and to assure their development by the people and for the people. For that reason I do not have to discuss the 20-year struggle to defeat the attempt of private power interests to seize those resources or to tell you about the enactment of the Power Authority Act, which gave the State a new power policy.

I will therefore limit my part in the discussion to suggesting a few points which I feel should be emphasized in your campaign to keep the public alert to the issue. In a sense I will be speaking in a double role. I speak as a trustee of the Power Authority which, since 1931, has been the active agency of the people of New York in carrying on the fight for cheap electricity. But I am also speaking for one of the great consumer groups, the farmers of the State, who have consistently backed the St. Lawrence power project as their greatest hope for cheap electricity on the farm.

TO BRING DOWN COSTS OF ELECTRICITY

The farmers of the State have already profited by the fact that the Power Authority was specifically directed to provide for marketing St. Lawrence power in such a way as to assure the widest rural market at the lowest possible rates. When the Federal Rural Electrification Administration was set up in 1935 it was discovered that the private power companies serving New York had blocked a preliminary Federal survey designed to lay the ground work for rural line extension projects. They wanted to keep the situation in their own hands in order to avoid the pressure which would ultimately force them to reduce their almost prohibitive charges for farm electricity.

The State Grange, however, decided that New York farmers must take advantage of the Federal program and looked around for the technical help necessary to plan and set up rural electrification projects. They found such help in the Power Authority. County rural electrification committees were organized for the purpose, coordinated by a State-wide farm electric light and power committee.

The farmers of Seneca County, with the help of the Power Authority staff, developed a country-wide project as a test. This demonstrated that a rural electric cooperative could provide service for all the unelectrified farms in the county and cover all costs with a minimum required monthly bill only half that demanded by the local private company.

The announcement that application had been made to the Rural Electrification Administration for funds for this project brought quick results. Practically all of the companies serving the State offered new rural line extension plans representing a reduction from $6 to $3 in the typical monthly bill requirement.

In the 3 following years more than 10,000 miles of new rural lines were constructed, extending into the real farm areas and bringing electricity for the first time to more than 35,000 farms. Furthermore, the New York farmer knows that, largely because of the principle embodied in the Power Authority Act, he is today using an average of 1,009 kilowatt-hours a year for an annual electric bill about $9 less than he previously paid for only 650 kilowatt-hours.

I have spoken about rural electrification because, as chairman of the farm light and power committee, I have been constantly in touch with this aspect of the problem of consumers in New York State. But the benefits already obtained by the farmers are merely illustrative of the benefits which have come to all consumers of electricity in the State as a result of the new power policy embodied in the Power Authority Act.

Since the enactment of the Power Authority Act in 1931, there have been rate reductions which, on the 1938 sales of electricity throughout the State, mean annual savings in electric bills of considerably more than $50,000,000. But our electric rates are still too high.

Consider for a moment what you people in New York City pay for 100 kilowatt-hours a month, which would quickly become the average use if rates were low enough. Your bill for such service is $4.72. But the Power Authority distribution cost survey, completed in 1934, showed that private companies need not charge more than $2.70 to cover all reasonable costs for such service, including a fair return on all the capital required to render it. Actually, the private company serving Cincinnati, Ohio, and Covington, Ky., is today charging only $2.50, exactly equivalent to the T. V. A. rate, while in Madison, Wis., a private company is charging $2.60.

In other words, the overcharge in New York City in spite of all the rate reductions of the last 8 years, amounts to about $2 a month, or $24 a year on a monthly usage of 100 kilowatt-hours. The power policy of the State, embodied in the Power Authority Act, affords the surest way to eliminate that overcharge, offering the homes in the State an opportunity to use an average of 100 kilowatt-hours a month at a total annual saving of at least another $50,000,000.

This is the stake which consumers throughout New York State have in continuance of the Power Authority Act, which declares the people's ownership of their great water powers in the St. Lawrence and Niagara Rivers to be inalienable and provides for the public development of 1,000,000 horsepower in the international section of the St. Lawrence just as soon as we can get the necessary treaty with Canada ratified.

This leads me to say a few words about the nature of the opposition which has played an important part in delaying the treaty, and which the private power interests hope to take advantage of, either

to repeal the Power Authority Act or to reduce the effectiveness of the Power Authority.

New York's St. Lawrence power project is inextricably tied to a waterway development which will open the Great Lakes to ocean navigation. This has been so for 20 years. It was recognized by the legislature of the State, which directed the Power Authority to cooperate with the Federal Government in the development of the St. Lawrence River for commerce and navigation and for hydroelectric power.

The opposition to the public power project has capitalized on this fact by concentrating all the fire on the seaway project in order to evade the power issue. This strategy has been particularly successful in New York State, where it has enabled the opponents to stir up unwarranted fears as to the effect of the waterway project on certain localities. It has afforded many people an opportunity to assist in thwarting the power project while claiming that they were opposed only to the navigation undertaking.

CAMPAIGNS OF MISREPRESENTATION

The Power Authority has, therefore, faced one of the most deceptive campaigns of misrepresentation I have ever experienced—a campaign which has misled many people of the very best intentions.

There are convincing answers to the arguments against the St. Lawrence seaway which I cannot take the time to outline here tonight. You will find many of them summarized in a mimeographed memorandum which is available here for distribution to all who want it. The difficulty is that the consumer side of the question has not the resources for reiteration possessed by our opponents.

One aspect of the opposition, however, I feel it of the utmost importance to discuss here, because I believe it is not only completely at variance with all the ideals of human brotherhood, which we profess, but also destructive of the very economic interests which it claims to protect.

I refer to the constant efforts of the opposition to stimulate a selfish attitude in such localities as Buffalo, Albany, New York City, Montreal, and other places.

Buffalo, capital of the Niagara Falls Power Co. domain, is led to take the position: "We have grown industrially and commercially as a result of vast supplies of cheap power from Niagara, coupled with the transshipment business due to our position as a lake-head port. So for fear that we may lose some of our special advantage we are going to block any treaty which will open the entire Great Lakes area to ocean navigation and which will give northern New York counties an opportunity to develop a water-power resource comparable with Niagara."

New York City and Albany port interests are led to take a similar position, to deny areas representing a population of some 40,000,000 people access to ocean navigation; to deny the people of northern New York the opportunity for industrial development; to deny consumers of electricity throughout the State the opportunity to secure lower electric rates, in order to retain a privileged position as transshipment points for foreign trade.

In fact, tremendous efforts are made to persuade the people of New York State as a whole that they should insist on the development of the St. Lawrence for power alone, thus taking what this great water resource offers them, while denying the entire Middle West the advantage of cheap transportation which would be available through the building of a few canals and locks in connection with the power dams.

SELFISH ATTITUDE OF LOCALITIES

This selfish attitude is similarly being stimulated in Philadelphia, Baltimore, and in the Mississippi waterway area, extending as far south as New Orleans. It has been developed in particularly virulent form across the border in the Province of Quebec, where private power interests are very influential.

Quebec has millions of horsepower of developed and undeveloped water power, all in private hands. Its openly expressed position is to keep the United States from developing its share of St. Lawrence power until all the available power in Quebec has been developed and marketed. That would mean that industrial development which might take place in northern New York and the Province of Ontario would be forced to turn to Quebec in search of supplies of cheap power. In fact, the private power interests of Quebec and New York have actually been conspiring to render Ontario and New York partially dependent on imports of power from Quebec as a substitute for their own publicly developed St. Lawrence power.

Now, I have no quarrel with the effort of any region to use all its natural resources and advantages to promote its prosperity. But I am convinced that, when this natural interest is warped into a selfish effort to preserve a privileged position by blocking the opportunity of other regions to take full advantage of their share of such God-given resources, it becomes not only immoral but stupid.

In the long run I am convinced that we all advance, not at the expense of one another, but together. This has been preeminently the experience of our great country. We would never have attained our present stage of industrial and commercial wealth if each region had jealously opposed extensions of national policy which promoted the growth of rival trade areas.

Today, cooperation in promoting further economic growth is particularly necessary because, with all their present advantages, the most favored localities are suffering from the economic crisis which is afflicting the entire country. So I am going to venture a prediction as to the ultimate results which will flow from the Great Lakes-St. Lawrence seaway and power project. I predict that the economic growth in northern New York and the Buffalo area, resulting from the remarkable combination of cheap power and ocean navigation, and the economic growth in the Great Lakes area, as a result of the navigation project, will overflow to bring more prosperity to the entire country. Albany, New York City, the other Atlantic ports, the Mississippi Valley, and even the railroads will receive increased business.

I am convinced that the selfish attitude, embodied in much of the opposition, is not the natural attitude of the people in the areas which are being led to oppose the project. I am convinced that it is being stimulated by agents of vested interests which would as readily sacrifice the interests of Buffalo as Albany, as they now sacrifice those of northern New York and the great Middle West, to serve their appetite for monopoly profits.

These interests have for years reached out to control the enormous hydroelectric power resources of the St. Lawrence Basin, both in the United States and in Canada. They have succeeded in their purpose throughout the Province of Quebec and, to a limited extent, at Niagara. But the Power Authority Act, and the policy which it embodies, spells failure to their designs in the international section of the St. Lawrence River and an immediate threat to their grip on Niagara.

SEEK TO DELAY ST. LAWRENCE TREATY

That is why they have used their influence to delay the St. Lawrence treaty, in the hope that the people of New York would grow tired of waiting. That is why they used their lobby to combine reactionary forces in the last State constitutional convention to defeat Judge Poletti's waterpower amendment. That is why they are seeking to eliminate the Power Authority as an active agency on behalf of the people.

These interests have remained pretty successfully behind the scenes until recently they exposed their hand, first at the constitutional convention and then through the resolution of the New York State Chamber of Commerce, asking repeal of the Power Authority Act. Investigation revealed that two of the six members of the chamber's committee on internal trade and improvements, which proposed this resolution, represented the Carlisle-Machold power group which, through the Niagara-Hudson Power Corporation, controls the private claims to both the St. Lawrence and Niagara power resources.

The important fact is that the private power interests are using their influence to secure a reversal of the State's power policy, embodied in the Power Authority Act, to remove the Authority as an effective obstacle standing between them and the opportunity to exploit the great Niagara and St. Lawrence power resources for private profit, and thus to end the effort of the people to develop those resources on a public basis to assure lower electric rates.

Consumers must be organized to meet this critical situation. They must be able to make their influence felt as effectively as the private power interests. That is why I welcomed the cooperation of many important organizations, represented here tonight, in support of the water-power amendment at the Constitutional Convention last summer. That is why I welcomed the opportunity to participate tonight in this conference, which offers the possibility of continuing that cooperation until the people's control of their power resources is finally assured.

ST. LAWRENCE SEAWAY AND POWER PROJECT (DISCUSSION OF ECONOMIC ISSUES)

The following outline is designed to clarify the issues involved in the controversy over the St. Lawrence project and to summarize the answers to arguments advanced against the undertaking.

1. Power the main issue

The organized attack on the soundness of the St. Lawrence seaway and power project is due principally to the fact that the power issue is involved. The power interests are determined to block the State's purpose to use public development of St. Lawrence power to assure the lowest possible electric rates. Because the people overwhelmingly favor the project when the issue is clear, the opposition emphasizes the other issues and deals in wholesale misrepresentation. Such misrepresentation is characteristic of every fight against the effort to use public-power development to break the vicious circle of high rates and low consumption of electricity.

2. The project will mean low electric rates

The St. Lawrence project will bring the homes, farms, and small business enterprises of New York as low electric rates as those prevailing today in Cincinnati, Ohio, Washington, D. C., Covington, Ky., Madison, Wis., Kansas City, Kans., Los Angeles, Calif., Jamestown, N. Y., Springfield, Ill., Montreal, Quebec, or in the Tennessee Valley.

The residential rates in these areas, where actual or potential public competition has been an influential factor, closely approximate those which the Power Authority's distribution cost study showed to be reasonable for private companies

serving New York State. Typical monthly bills indicated by the Power Authority report were:

Monthly use:	*Monthly bill*
40 kilowatt-hours	$1.65
100 kilowatt-hours	2.70
250 kilowatt-hours	5.00

A survey of residential electric bills under typical rate schedules effective in New York State indicates that, on the anticipated average residential use of 100 kilowatt-hours a month, such rates would mean combined annual savings of approximately $50,000,000. Homes and farms throughout the greater part of the State would be able to get 100 kilowatt-hours a month for approximately the bill now paid for half that use. (See appendix A for typical monthly electric bills in various cities.)

3. T. V. A. affords an example

The standard residential rate schedule in municipalities distributing T. V. A. power is 3 cents for the first 50 kilowatt-hours, 2 cents for the next 150, 1 cent for the next 250, and 0.4 cent for the next 1,000 kilowatt-hours per month. This produces the following monthly bills: Forty kilowatt-hours, $1.20; 100 kilowatt-hours, $2.50; 250 kilowatt-hours, $5.

Fifteen municipalities distributing T. V. A. power in the year ended June 30, 1938, with these rates secured sufficient gross revenue to pay for wholesale power supply at an average rate in excess of that charged by the Alabama Power Co. on power sold to other companies for resale, to pay all necessary operating expenses and in addition to produce net return on investment in distribution properties more than sufficient to provide for private fixed charges, including fair return, depreciation, and taxes.

The private company serving Cincinnati, Ohio, and Covington, Ky., is charging precisely the T. V. A. rates for a residential use of 100 kilowatt-hours a month and less than T. V. A. rates for 250 kilowatt-hours a month.

4. Effect on private companies

Commonwealth & Southern subsidiaries directly affected by T. V. A. show increases in average residential use from 1933 to 1937 exceeding the country-wide increase from 600 to 792 kilowatt-hours, as follows: Alabama Power from 691 to 1,289; Georgia Power from 712 to 1,313; Tennessee Electric Power from 493 to 1,340 kilowatt-hours a year. With an average residential rate 32 percent under that for the country they collected an average annual bill of $39.10 per customer as compared with $34.80 for the country as a whole.

Financial reports of companies serving Ottawa, Montreal, and Washington, D. C., suggest that reductions in rates do not hurt investors but make their investments safer through promoting larger sales of electricity and more conservative financial and managerial policies. (See appendix B for an insurance executive's appraisal of the effect of public competition on the Ottawa company.) Securities of the North American Co., which for years reported a system residential rate average considerably below that of the country as a whole, have been recognized as among the safest investments in the utility holding-company field.

5. Effect on economic development of New York

The effect of large additional supplies of very cheap hydroelectric power in northern New York and in the western part of the State, coupled with ocean navigation to the ports of the same areas, will unquestionably result in very important expansion of industrial activity with a resulting stimulus to the entire economic life of the State. The State possesses mineral wealth, including vast deposits of high-grade iron ore, which can be fully utilized only through the availability of such cheap power. Industries requiring power of this order are today locating in the Tennessee Valley and the Province of Quebec instead of in New York.

6. Effect on the railroads and the Erie Canal

The economic development of the Middle West, as a result of the seaway, and of northern, central, and western New York, as a result of the seaway and the power development, will provide existing transportation agencies, including the railroads and the Erie Canal, with more rather than less traffic.

The opening of a much cheaper transportation route has the effect of removing a barrier to the exchange of goods which could not move on the basis of previous transportation costs. Such a route, therefore, does not so much divert existing traffic as produce new traffic. As a result, it creates more business activity in all regions between which increased interchange thereby becomes practicable.

The experience of the western transcontinental railroads during the period 1916 to 1930, when traffic on the Panama Canal was growing from 3,000,000 to 30,000,000 tons, demonstrates the soundness of this conclusion. In the 10 years 1920 to 1929 goods were transported between our east and west coasts via the Canal for $588,000,000, which would have paid $1,464,000,000 in freight charges if carried by rail. But in spite of this saving of $876,000,000 in transportation costs, the western railroads showed a gain in revenue and were among the country's most prosperous carriers because the new economic development resulting from the Canal brought them an increase in the more profitable classes of freight traffic.

The economic growth of the country will require all existing transportation facilities as well as the St. Lawrence Waterway to meet its requirements.

7. Effect on Buffalo, Albany, and New York City

Buffalo, Albany, and New York City will profit rather than lose as a result of the St. Lawrence seaway and power development. The small amount of existing traffic which may be lost will be more than made good by new business resulting from the industrial development created by the project.

Dr. Emory R. Johnson, transportation expert of the University of Pennsylvania, in a memorandum on the St. Lawrence development, prepared for the Merchants Association of the City of New York in the 1920's, stressed the point that Buffalo and Erie would continue to be large transfer ports and that the railroads connecting Lake Erie with North Atlantic ports would continue to handle the larger share of the traffic. He said:

> The St. Lawrence when enlarged will, in other words, be one of several busy highways of commerce between the Great Lakes and the seaboard. All will be needed and all will be used.

In regard to New York City, Dr. Johnson, after pointing out that some exports which now move through that port will be carried down the St. Lawrence, says:

> But the industries and trade of New York State and city are so large and their possible gains from having available cheap hydroelectric power will be so great as to make certain that the improvement of the St. Lawrence for navigation and power purposes will, on the whole, be beneficial rather than detrimental to the economic interests of New York City and to the Empire State.

He adds:

> As the United States as a whole moves forward, so does New York City progress.

8. Cost of the project

The new expenditure required to complete the United States' share of the project is estimated at $258,000,000. This country is already credited with expenditures totaling $14,000,000, making its total share $272,000,000. Canada's share of the total cost will be $271,000,000, of which it has already spent $128,000,000 on the New Welland Canal, connecting Lake Erie with Lake Ontario.

These estimates were jointly arrived at in great detail by the United States Corps of Engineers and the Canadian engineers. They have been subjected to critical analysis over a period of more than 10 years. They include full provision for a waterway of 27-foot depth from the ocean to Great Lakes ports and for the development of 2,200,000 horsepower in the International Rapids section of the river.

The New York Power Authority has agreed to assume $90,000,000 of the cost to the United States as the allocation to New York's St. Lawrence power development. This reduces the new expenditure required by the United States, on account of the seaway, to $168,000,000.

The United States Army engineers estimate the annual cost of the seaway, including 4-percent interest, amortization of the entire cost in 50 years, operation and maintenance, at

$9,300,000, or 23 cents per capita of the population which will be benefited.

9. False claims that cost will exceed estimates

Opponents to the St. Lawrence project have used two arguments to support the claim that the actual cost will be greatly in excess of the estimates. They have cited the 1919 estimate of Hugh Cooper, well-known consulting engineer, that the project would cost $1,300,000,000, and they have asserted that the Panama Canal cost three times the original estimate of the Army engineers.

The answer to the first argument is contained in a telegram from Hugh Cooper to Senator VANDENBERG during the 1934 treaty debate in the Senate in which he stated categorically that his estimate did not apply to the treaty project but to a much more comprehensive project, including power developments at Niagara and in the all-Canadian section of the river, neither of which is included in the present undertaking. He provided for about 6,000,000 horsepower as against 2,200,000 horsepower covered by present estimates.

The answer to the second argument is found in the statement of General Markham, Chief of the United States Engineer Corps, in 1934, that the actual cost of the Panama Canal was $3,000,000 less than the Army engineers had estimated for the project adopted.

10. False claim that two-thirds of the cost will be borne by the United States while 90 percent of the project is Canadian

The claim of opponents that the United States has agreed to assume two-thirds of the total cost of the St. Lawrence project is an effort to mislead people who do not know that Canada has already expended $128,000,000 of her share of the project cost in completing the New Welland Canal, as an essential link in the seaway. As already indicated, Canada and the United States assume equal shares of the total cost of the completed seaway and power project.

The claim that 90 percent of the project is in Canada is a deliberate misrepresentation. Actually, the entire seaway project from Duluth to Montreal is about 95 percent in international boundary waters, with works on either side of the line, according to engineering necessity.

12. Misleading claim that the United States gets 1,000,000, Canada 4,000,000 horsepower

This claim is deliberately designed to mislead the people of the United States. It is based on the fact that Canada possesses two power sites in the all-Canadian section of the river, capable of providing approximately 3,000,000 horsepower. These are not included in the treaty and Canada can provide for their development at any time without a treaty.

Actually, the most important one of these all-Canadian sites is already being developed. The private power interests engaged in this development are leading the Canadian opposition to the St. Lawrence treaty because they want to prevent public development by New York State and Ontario in the international section of the river so as to force new industrial development to come to Quebec in search of cheap power. Those opposing the St. Lawrence development are thus collaborating in a conspiracy which will have the effect of drawing industry away from New York State to power sites in Canada developed by private interests allied across the border.

Under the St. Lawrence treaty the United States will get exactly one-half of the power developed in the international section of the river, which is the only power development requiring a treaty.

13. False claim that the power development will cost $275 per horsepower

The claim of opponents that the power development in the international section of the St. Lawrence River will be uneconomical, because it will require an investment of $275 per horsepower of capacity, represents a ridiculous attempt to saddle the power project in the international section of the St. Lawrence River with the cost of the entire seaway development, extending from Montreal to Duluth. It would charge power developed in the stretch of the river bordering New York State with the navigation development between Lake Superior and Lake Huron; with the channel work between Lake Huron and Lake Erie; with the $128,000,000 which Canada has already expended on the New Welland Canal joining Lakes Erie and Ontario, and with all the investment for navigation in the St. Lawrence River, including the all-Canadian section.

The actual cost of the power development, on the basis of the $90,000,000 agreed on by the Power Authority and the United States Corps of Engineers as a reasonable allocation, will be about $82 per horsepower. This makes St. Lawrence power very economical, providing energy at less than 2 mills per kilowatt-hour.

16. False claim that the St. Lawrence power project will burden New York taxpayers

The claim that the $90,000,000 investment in New York's St. Lawrence power project will impose a burden on taxpayers throughout the State completely misrepresents the provisions of the Power Authority law governing the financing of the undertaking. The law provides specifically that bonds or other obligations issued by the Authority to finance the project shall be based solely on the revenue to be derived from the project under firm contracts for sale of the power and that none of such obligations shall represent a pledge of the State's credit. This method of financing has proved successful in providing funds for many self-liquidating projects like the Holland Tunnel and the George Washington Bridge.

St. Lawrence power will be so cheap that it can easily be sold for twice the cost of carrying the project, including all fixed charges and operating expenses. It will be marketed on a basis which will pay off, in 40 years, the entire indebtedness incurred by the Power Authority for its development. Thereafter, the people of New York State will have a continuous supply of approximately 1,000,000 horsepower for an annual cost limited to operation, maintenance, and depreciation—about $1.50 per horsepower-year.

The industrial development, which will result from the project, will increase the State's taxable wealth, thus lightening rather than increasing the tax burden.

17. False claim that there will be no market for St. Lawrence power

The claim of opponents of the project, that there is no market for St. Lawrence power and that there is consequently no economic justification for the undertaking, has arisen only since 1931 when the people of New York decided to develop the St. Lawrence resource on a public basis. The fact that the area immediately adjacent to the site is today importing a large block of hydroelectric power from the Province of Quebec, and that private power and industrial interests last year sought the right to greatly increase these imports, should be sufficient answer.

The Niagara Hudson Power Corporation in its annual report dated April 1930, discussing the 1,000,000 electrical horsepower capable of development on the American side of the St. Lawrence River, said:

> This development would be of great benefit to the State of New York and should be undertaken as soon as possible.

Power from the St. Lawrence project, which will not be available until from 5 to 7 years after initiation of construction, will not compete with present sources of supply for the existing power market, but will prove a most economical provision for meeting the natural growth in demand during that period. A thorough analysis of all factors, expected to influence the future market for power, indicates that within approximately 10 years the State of New York will require, in addition to present facilities, all of St. Lawrence power, an expansion of the Niagara development and approximately 1,000,000 horsepower of new steam capacity.

18. Mistaken claim that St. Lawrence power will cause unemployment among coal miners

Opponents of the project have developed an argument to the effect that the development of this important block of hydroelectric power will displace steam power and so cause unemployment among coal miners.

This argument disregards the fact, recognized by the General Electric Co. and by power experts, that the increase in

the demand for power resulting from the progress of the "power age" will require not only all economical hydro developments but also large additional steam-station capacity.

Considering the argument in relation to the entire governmental power program, which includes great hydroelectric developments on the Tennessee and Columbia Rivers as well as on the St. Lawrence, it may be pointed out that if the resulting lower rates should produce a per capita use of electricity throughout the country equal to that in Tupelo, Miss., the country's demand for electricity would be increased by about 100,000,000,000 kilowatt-hours.

Assuming that Government hydro projects would supply 25,000,000,000 kilowatt-hours of this additional energy, the increased demand would require approximately 75,000,000,000 kilowatt-hours of added steam generation. At 1 pound of coal per kilowatt-hour, this would mean an addition of approximately 37,500,000 tons of coal to the present use of 44,000,000 tons in the steam electric plants of the power industry.

The lower rate schedules, which will result from the State's program for marketing St. Lawrence power, may thus be expected to stimulate consumption of electricity to such an extent that large additional supplies of steam-generated energy will be required over and above the full output of the St. Lawrence project itself.

In general, it may be pointed out that, in appraising an undertaking like the Great Lakes seaway and power project, the country is dealing with a dynamic potentiality. Cheap energy and cheap transportation have always been forces tending to alter the economic situation which they find in the direction of expansion of industrial and business enterprise. This project, which combines the two, should prove no exception.

APPENDIX A

Monthly electric bills (Jan. 1, 1938)

Residential rates	Monthly bills		
	40 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours
T. V. A. municipalities	$1.20	$2.50	$5.00
Private companies:			
Cincinnati, Ohio	1.45	2.50	4.75
Covington, Ky	1.45	2.50	4.75
Madison, Wis	1.40	2.60	5.10
Washington, D. C	1.56	2.85	5.10
Springfield, Ill	1.90	3.02	5.22
Montreal, Quebec	1.30	2.60	4.95
Ottawa, Ontario	1.02	1.74	2.80
Public plants:			
Kansas City, Kans	1.60	2.80	4.95
Los Angeles, Calif	1.65	2.97	5.10
Jamestown, N. Y	1.25	2.55	4.80
Springfield, Ill	1.90	3.02	4.80
Tacoma, Wash	1.52	2.12	3.62
New York State:			
Albany	2.01	3.98	7.53
Auburn	2.50	4.90	8.90
Batavia	2.17	3.99	7.24
Binghamton	2.40	4.50	7.50
Cortland	2.68	4.48	8.48
Ithaca	3.10	5.50	9.50
New Rochelle	2.50	5.25	8.75
Middletown	3.04	6.14	10.39
Poughkeepsie	2.55	4.65	8.40
Rochester	2.26	4.56	7.81
Syracuse	2.09	3.89	7.89
Utica	2.63	4.43	8.43
Watertown	2.30	4.10	8.10
Yonkers	2.50	5.25	8.75
New York City	2.41	4.72	8.00
Buffalo	[1] 1.70	[1] 3.06	[1] 5.31

[1] Lowest rates in New York State in Buffalo-Niagara area, due in great part to the yardstick effect created by the proximity of the public Ontario hydro system.

APPENDIX B

AN EXAMPLE OF PUBLIC COMPETITION

In a Public Utility Fortnightly article dated October 14, 1937, entitled "An Institutional Investor Scans the Utility Horizon," Mr. Fergus J. McDiarmid, actuarial expert for the Lincoln National Life Insurance Co., of Fort Wayne, Ind., dealt especially with the possible effect of direct public competition on private utilities. He said in part:

"Probably the closest historical analogy to the situation now facing certain private utilities in the Tennessee Valley and elsewhere is that faced about 20 years ago by the private electric company serving Ottawa, Canada. This story is worth telling in some detail because it illustrates the ability of an electric utility to survive and prosper under conditions which might have been regarded as rather hopeless. At the time the Ontario Hydroelectric Commission was spreading its lines over Ontario, there was only one private utility which decided to stay and compete rather than sell out. This was the Ottawa Electric Co. Firmly entrenched in its territory and drawing the bulk of its power from the dark waters of the Ottawa River which surges through its old stone powerhouses, it was in a position to resist. As a preliminary it dropped its rates to rock bottom, to a level considerably below the much-publicized T. V. A. rates, and, of course, Hydro had to follow suit. The struggle was on."

Mr. McDiarmid gave the following comparison between T. V. A. residential rates and those in Ottawa:

	Monthly domestic bills		
	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours
Tennessee Valley Authority	$2.50	$5.00	$6.90
Ottawa	1.74	2.80	3.92

He continued:

"What has been the result after 20 years? At the end of 1935 Ottawa Electric had 22,585 domestic and 4,928 commercial customers. Hydro had 13,123 domestic and 1,567 commercial customers. In 1935 the private electric company produced earnings after depreciation of over 9 percent on the depreciated book value of its property. It is on the most friendly terms with its publicly owned competitor * * *."

Commemorative Postage Stamp in Honor of Capt. Jeremiah O'Brien

EXTENSION OF REMARKS

OF

HON. RALPH O. BREWSTER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1939

RESOLUTION OF THE LEGISLATURE OF THE STATE OF MAINE

Mr. BREWSTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution recently adopted by the Legislature of the State of Maine:

Whereas Capt. Jeremiah O'Brien, a native of the Commonwealth of Massachusetts, by his distinguished service, won from the British in Machias Bay, on June 12, 1775, the first naval engagement of the War of the Revolution and received from the Provincial Congress commendation for his victory and became the first regularly commissioned naval officer and commander of the Revolutionary Navy of Massachusetts; and

Whereas the Navy Department of the United States has recently approved the construction of a destroyer at the Boston Navy Yard, to be named in honor of Captain O'Brien: Therefore be it

Resolved, That the Eighty-ninth Legislature of Maine hereby respectfully requests the Postmaster General of the United States to provide for a special commemorative postage stamp to be issued in honor of the distinguished launching of the said named destroyer *O'Brien*, coincidentally with the launching of the said named destroyer *O'Brien*, or as near as may be; and be it further

Resolved, That a certified copy of this memorial be transmitted by the secretary of state to the Postmaster General of the United States and to each of the Representatives and Senators representing the State of Maine in Congress.

The Administration's Fiscal Policy

EXTENSION OF REMARKS

OF

HON. THOMAS A. JENKINS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1939

RADIO ADDRESS BY HON. L. L. MARSHALL, OF OHIO, MARCH 4, 1939

Mr. JENKINS of Ohio. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio

address recently delivered by my colleague from Ohio, Mr. MARSHALL:

In the short time at my disposal I shall attempt to give you my impression of the trends which seem to be developing in Washington since the present Congress convened on January 3.

This discussion must necessarily be an attempt to interpret the courses laid out by the administration because the New Deal majorities in both branches of Congress are still sufficient to make the Executive will effective, although the impression of the word "must" upon legislation demanded by the apostles of the New Deal no longer holds the terror it once had even for the most craven followers of the administration.

In one significant and all-important field the administration seems determined to continue on the path to which all its activities in the last 6 years have impelled it. I refer to the field of fiscal policy and the path of ever-increasing deficits and mounting public debt.

How far the President, the "high priest of the New Deal," has strayed from the convictions on fiscal policy, which he so clearly stated in the campaign of 1932, may be noted from quotations from his subsequent messages to Congress. After many campaign pronouncements of like tenor in 1932, Mr. Roosevelt, having been elected President, and still remembering his campaign pledges, sent a message to Congress on March 10, 1933, a part of which I quote:

"For 3 long years the Federal Government has been on the road toward bankruptcy.

"For the fiscal year 1931 the deficit was $462,000,000.

"For the fiscal year 1932 it was $2,472,000,000.

"For the fiscal year 1933 it will probably exceed $1,200,000,000.

"For the fiscal year 1934, based on the appropriation bills passed by the last Congress and the estimated revenues, the deficit will probably exceed $1,000,000,000 unless immediate action is taken.

"Thus we shall have piled up an accumulated deficit of $5,000,000,000.

"With the utmost seriousness I point out to the Congress the profound effect of this fact upon our national economy. It has contributed to the recent collapse of our banking structure. It has accentuated the stagnation of the economic life of our people. It has added to the ranks of the unemployed. Our Government's house is not in order, and for many reasons no effective action has been taken to restore it to order."

Still quoting:

"Upon the unimpaired credit of the United States Government rest the safety of deposits, the security of insurance policies, the activity of industrial enterprises, the value of our agricultural products, and the availability of employment. The credit of the United States Government definitely affects these fundamental human values. It therefore becomes our first concern to make secure the foundation. National recovery depends upon it.

"Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this danger."

And then at the close of the same message the President said:

"I ask that this legislation go into effect at once without even waiting for the beginning of the next fiscal year. I give you assurance that if this is done there is reasonable prospect that within a year the income of the Government will be sufficient to cover the expenditures of the Government."

On January 4, 1934, the President submitted his Budget to the Congress in which he forecast a deficit for the fiscal year 1935 of $2,000,000,000, but made this statement with regard to the fiscal year 1936, I quote, "The Government during the balance of this calendar year should plan to bring its 1936 expenditures, including recovery and relief, within the revenues expected in the fiscal year 1936." Despite this pronouncement of a desire to keep expenditures balanced with income the deficit of 1935 was not $2,000,000,000 but $3,310,000,000, while the deficit in the year 1936, the year referred to in the statement just quoted, amounted to $4,550,000,000.

In his Budget message to the present Congress the President forecast a deficit for the fiscal year of 1939 of $3,967,000,000 and a deficit for the year 1940 of $3,326,000,000. When these estimated deficits are added to the present debt the gross public debt at the end of the fiscal year of 1940 will be the astounding figure of $44,458,000,000. This represents an increase of approximately $25,000,000,000 during the incumbency of Mr. Roosevelt, or a total of more than double the amount owing when he took office.

There is little wonder that in the Budget message to the present Congress the President no longer makes reference to a balanced Budget, except to give utterance to the pious hope that the country may somehow achieve an annual income of $90,000,000,000. At that figure it is hoped that the present tax laws will yield sufficient money to effect a balance between the in-come and out-go.

There is every reason to believe that the anticipated deficits for 1939 and 1940 are underestimated. Reliable information has come from administrative sources that Congress will be asked to raise the legal debt limitation from the present figure of forty-five billion to fifty billion or some higher figure. If there were expectations of keeping the debt at forty-four and a half billion dollars, there would be no need for this additional legislation.

There is every evidence that the administration is leaning toward the Mortimer-Eccles contention that public debt is a blessing and that no one should be disturbed about retiring it. I am convinced that in the realm of fiscal policy the administration has misinterpreted the mandate of the election of November 8 last. If we were on the road to bankruptcy in 1933, when the deficit which was viewed with such alarm was only $5,000,000,000, surely now with twenty-five billions added to the deficit during Mr. Roosevelt's term of office, we must be rapidly approaching our destination.

In other quarters, however, signs multiply which clearly indicate that the administration has taken belated notice of the protest expressed by the voters in the election of last November. Influential new dealers have abandoned the cocksure attitude which they have been wont to exhibit. Many of them privately express doubt that their candidate for President can win in 1940 regardless of whom he might be. They view with alarm the election of Republican Governors in 18 of our 27 States, outside of the solid South, 7 new Republican United States Senators, and 169 Republican Members of the lower House. The situation in Ohio is typical. Whereas, in 1938 the Democrats held the Governorship, both Senatorships, and 22 of the 24 memberships in the House, Republicans now hold the Governorship, one Senatorship, and 15 of the 24 memberships in the House of Representatives.

Viewing these Republican gains in Ohio and many other points of the country (with a versatility, in which they are strikingly proficient, the new dealers apparently have decided to change front. If word emanating from usually reliable sources is to be credited, emphasis upon economic reform is hereafter to be softened, further experimentation is to be modified or abandoned, business, large and small, is to be wooed, if not coddled. All roads marked reform are to be allowed to grow up in grass, but those marked recovery are to be heavily traveled.

In line with this program, Mr. Harry Hopkins only a few days ago journeyed out to Iowa, a State where he once lived, a State, by the way, still represented in the Senate by Senator GILLETTE, and there delivered an address which had all the earmarks of a Presidential acquiescence. The clear implication of his remarks on that occasion was that distressed businessmen are again to be given a breathing spell.

In my opinion, what the people resent is the lodgment of sufficient power in any individual to administer alternate choking or breathing spells to business or any other segment of the body politic.

Without doubt the position taken by Mr. Hopkins in his Iowa speech will soon be followed and amplified by the President when he returns from southern waters.

If recovery is to replace reform as the battle cry of the New Deal, it will represent a welcome about-face in administrative policy.

The dictionary defines recovery as meaning "to get again, win back or regain." If recovery in that sense is the revised aim of the New Deal, it must imply an admission that there were things about the era of the 1920's which are worth recapturing.

Only a little retrospection will serve to illustrate some of the advantages of that much-maligned period. If you will look through the newspaper files of the times you will find them bulging with advertisements imploring men to come to work at good wages in shop and factory.

The only way for an able-bodied man to escape employment in those days was by feigning illness or hiding from a prospective employer.

The farmer received adequate returns for his crops.

Labor was not divided into hostile camps.

No one feared the encroachment of foreign "isms" or the imminence of dictatorship of one stripe or another.

Only the halt, the lame, and the blind needed or received support from the public treasuries.

The national debt was going down.

It is pleasant to observe new dealers now striving to restore some of the good things which existed before they ushered in the millennium.

It is an inspiring sight to those who have kept faith to see these erring ones approach the mourners' bench with every outward manifestation of humility.

I am convinced that the measure of the President's repentance can be better gaged by his future course in the matter of appointment of Mr. Amlie to the Interstate Commerce Commission than by any pronouncements he may make in the Hopkins vein.

To the extent that the changed course of the administration is intended to bolster the prospects of the New Deal in 1940, I believe it will be a dud.

I am not a prophet nor the son of a prophet, but it is my feeling that while there will be much rejoicing among the voters in 1940 over one Hopkins or one Roosevelt who has repented, those same voters will put their trust in one of the 99 just men who need no repentance.

Justice and Humanity

EXTENSION OF REMARKS

OF

HON. OVERTON BROOKS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1939

Mr. BROOKS. Mr. Speaker, there lived in northwest Louisiana a Mr. Kermit Fuller, farmer, citizen, husband, and father, one of the so-called inarticulate millions of people

of the United States who have been appropriately termed the "forgotten men" of the Nation. This man became unemployed and fell into need and financial distress. He applied for Government assistance and was given W. P. A. relief work in Webster Parish, La. On April 21, 1938, Kermit Fuller was operating a tractor at the resettlement project in Webster Parish, La., over rough ground. The jolting and jarring of the tractor bruised his body and caused him serious internal injuries.

So serious were these injuries sustained by him that he was compelled to discontinue his work and make application to the United States Employees' Compensation Commission for his disabilities. This application was made promptly, but without success. The long, dull months of the summer dragged along, and then followed the fall and the winter months, as this man continued his efforts to obtain recognition of his claim for compensation due him for his disability in lieu of wages.

At the outset, in dire need of assistance and entitled to Government relief work, Fuller's condition grew steadily worse, both physically and financially, as he pursued diligently his claim before the United States Employees' Compensation Commission.

He became despondent and began to lose hope in obtaining action on the part of this Commission. As he lost hope in results his condition became more melancholy, and on the 8th day in February he took his life by shooting himself. Three days later the Commission decided that Fuller was entitled to compensation because of injuries and in lieu of his wages and offered to begin paying them.

Of course, the decision of the Compensation Commission, coming 11 months after the injury and several days after his death, could not help this man. The accrued portion of the payments survives his death and will probably go to his widow and children. The future payments may not be inherited.

In cases of compensation for injuries the payments made are supposed by law to stand in lieu of wages and to be paid as near as possible like wages are paid to the injured man. When a long period of time elapses following an injury before a decision of the Compensation Commission, the results upon the individual must always be most unfortunate physically and very embarrassing financially. There may not be many cases like that of Kermit Fuller in the books, but this does not relieve the necessity of the Commission making early decisions and prompt payments to men injured in Government service entitled to workmen's compensation payments. In fact, decisions of this character should be made within 30 days and payments should follow promptly in not more than 1 week. The 30-day period will give the Commission ample time in which to investigate all the facts regarding the injuries and ample time to the counsel for the Commission to pass upon any legal problems arising. If this cannot be done voluntarily by the Commission in the interest of justice, Congress might go into the subject of definitely requiring such cases to be disposed of in this limit of time.

I hope that the United States Compensation Commission, in the light of cases such as this, will voluntarily correct its procedure and give prompt and efficient handling to these cases where the urge of need and humanity cries so loudly for an earlier solution.

The Relief Problem

EXTENSION OF REMARKS

OF

HON. EUGENE J. KEOGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1939

Mr. KEOGH. Mr. Speaker, I do not believe there is anyone present here today who believes that the Government spends money just for the fun of spending. There are those who believe that the spending has been extravagant and those who believe that the funds have not been administered wisely, but I do not know of a single soul who believes that the spending has been done just for pleasure.

Since the necessity for spending is generally conceded, it would appear that if we are to continue administering aid to the unemployed we must find a way to do so which will satisfy the investor-taxpayer and at the same time adequately meet the needs of those who are the Nation's dependents. Efforts to encourage private interests should be made, certainly, and if private capital can be persuaded to come out of hiding and replace the stimulus of Government spending, more power to it and to those who may be responsible in bringing this about.

I think our greatest danger now, however, lies in the tendency hastily to enact laws which will bring about a change in the present relief formula without actually affecting any constructive reform.

In this connection, gentlemen, I should like to call to your attention the so-called Byrnes bill. I have the greatest respect for the author of this legislation and sincere admiration for his recognition of the need for constructive legislation on the subject of relief. Yet I do not approve of his proposal.

This bill, if enacted into law, would consolidate existing agencies of the Government that have no connection whatsoever with the relief picture. I refer specifically to the public-works program. I believe the tendency to tie up public works with relief came about through the consolidation last year and in previous sessions of the P. W. A. extension bills with the relief appropriation measures. Actually, the two have no connection, except insofar as they are successful in bringing about recovery. While one provides actual relief assistance to the needy the other serves to assist industry to stimulate its own slow-moving economic machine.

It would be a grave mistake to unite two such unrelated agencies as the W. P. A. and P. W. A. as is proposed in the Byrnes bill. Let us first consider the purposes of the two organizations.

The Works Progress Administration was established to operate a program of work relief projects designed to give employment to certified relief cases. The Public Works Administration has as its chief purpose the reduction of unemployment and the restoration of purchasing power through the financing and construction of useful public-works projects which provide employment for men in their own trades at their own rates of pay.

The vital difference in these two agencies is that the former provides made work for men at security wages irrespective of their given trades while the latter provides employment for all those who are in need, regardless of their relief status, at wages which they have every right to expect and in work which they have been trained by education and experience to perform.

W. P. A. was designed primarily to serve only during a period of depression and no one wants to continue the work-relief program any longer than is necessary, least of all the relief recipients themselves. In the last analysis they are the important factors in this relief problem. They ask only for a chance to earn an honest living at decent wage rates. The vast majority of them do not want work relief for the balance of their employable days, even though they have found it to be a haven in the storm during the past trying days and are grateful for the opportunity it presented.

I suggest, then, that we create a public works department not as a relief agency but to provide employment in times of economic distress through constructive methods and long-range planning in public works. A department which can be ready to put men to work in all industries at their own trades as the need arises.

A permanent public works department is by no means a new or unique idea. The need for it was recognized in this country in the early part of the century. In 1919 discussion

on public works culminated in a meeting of representatives of 74 engineering and allied societies at Chicago, who concluded that a national department of public works should be instituted. A year later, at a referendum of members of the United States Chamber of Commerce, 827 voted in favor of such a national department of public works, and 549 voted against.

In 1921 the National Public Works Department Association urged the passage of the Jones-Reeves bills, which had for their object the combining of the engineering and public-works features of 9 Federal departments, 35 bureaus, and 4 commissions under single control. In 1923 the Institute for Government Research recommended a national department of public works. In January 1937 the President's Committee on Administrative Information, composed of Louis Brownlow, Charles E. Merriam, and Luther Gulick, submitted a report advising the organization of a department of public works to design, construct, and maintain large-scale public works; to administer Federal grants, if any, to State and local governments and to gather information with regard to public works throughout the Nation.

A department of public works has been found necessary in many States. The State of New York has a department of public works containing a bureau of canals, bureau of highways, and bureau of public buildings. A department of public works is even more necessary for a government of more than 130,000,000 people with an expenditure exceeding many times those of our largest States.

The movement for a department of public works is founded on solid ground. At the present time there are about 100 Federal agencies that carry on construction in various parts of the country. This necessarily entails overlapping of jurisdictions and duplication of work. One bureau or department does not know what may have been done by another department or bureau with respect to a particular project. Information and plans which may have cost considerable money to gather and draw up are sometimes consigned to oblivion when a new commission is organized to do some particular job of construction.

For many years public works have been recognized as a most important means for creating employment during a depression. A moment's thought, however, will demonstrate that a scheme of public works to create employment becomes ineffective unless there is a competent organization ready and prepared to administer the work. When many agencies carry on public works, it will often happen that one part of the country may have considerable construction while another part may have none. Thus, there may be feast for some and famine for their neighbors.

The urgent need in a time of severe depression is to create employment as speedily as possible. Without a permanent public-works organization the preliminary investigation of proposed projects for creating employment must be hurriedly made. Too much time spent on the preliminaries would nullify the very purpose of public works during a depression. Workers cannot be left to starve while time is taken to determine whether a particular community needs a certain project and whether the financial and engineering set-up is all that it should be. There is neither the time nor the means at hand to know whether the community would not be better served by some other type of construction.

For example, a community may have a dilapidated town hall and also a water and sewerage system dangerous to the health of the community. The town hall, however, is an eyesore to visitors and might result in the loss of tourist trade. It is a strain on the pride of the citizens. Therefore, they demand a new town hall. As there is no time during a depression to make a thorough survey, the health needs of this community are sacrificed.

It is obvious that only a permanent public-works department or administration is in a position to make long-range surveys and plans that will show the needs of the community. Such an organization can be prepared to function efficiently in time of need, particularly when it has available a "backlog" of desirable projects. Only such an organization can administer an equitable plan of employment and can spread the work effectively with a minimum of waste and maximum of efficiency to the benefit of labor, manufacturing, commerce, as well as the Nation generally.

An outstanding engineer said that a planned program of public works presented today's "new frontier" for the harnessing of American energy, ability, and capital and the betterment of the American way of life.

Government Reorganization

EXTENSION OF REMARKS

OF

HON. LEWIS D. THILL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1939

Mr. THILL. Mr. Speaker, a sound, equitable reorganization program which will produce economy, efficiency, and coordination in government meets with strong approval. During the past 6 years there have been so many departments, bureaus, and commissions created that today there are approximately 135 departments and independent agencies of the Government; and within those departments and agencies there are approximately 500 bureaus. The existence of such a great number of governmental bureaus alone indicates the crying need for reorganization, reduction, and simplification.

Year after year during this Democratic administration the national debt has increased. At the present time there is a movement on foot to raise the authorized national debt limitation by billions of dollars. So long as this administration cannot revive business it is imperative that we reduce governmental expenditures, increase efficiency, eliminate waste, promote economy, coordinate agencies, and eliminate duplication.

The reorganization bill now before the House (H. R. 4425) was brought in with utmost dispatch. It was introduced on February 23, 1939. The select committee held one meeting on March 2, and after 2½ hours of discussion the bill was reported. The minority attempted to secure hearings, but this was denied. A measure of such importance should be given more serious and studied consideration.

In section 5 of the bill we find a provision which permits Congress, by concurrent resolution of both Houses, to reject a proposed plan of reorganization within 60 days after the plan is transmitted to Congress. The customary procedure of affirmative action by both Houses of Congress is dispensed with. Why? Because it will permit measures of reorganization to become effective which cannot secure the approval of both Houses of Congress on their own merits.

Might we not detect a sinister purpose in this bill? Has not the President demonstrated gross inefficiency, gross extravagance, and waste during this administration?

Unless corrective amendments are introduced I shall be constrained to vote against this bill.

Our Foreign Born

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1939

RESOLUTIONS OF THE AMERICAN COMMITTEE FOR THE PROTECTION OF FOREIGN BORN

Mr. CELLER. Mr. Speaker, under leave to extend my remarks I herewith offer as my own resolutions adopted at the

third annual conference, held February 26, 1939, at the Hotel Pennsylvania in the city of New York, by the American Committee for the Protection of Foreign Born.

The resolutions are as follows:

ON CITIZENSHIP

Whereas there is a need for a better understanding of the place of the foreign born in the United States; certain un-American elements continue in their endeavors to spread hatred and antipathy to the foreign born and the noncitizen, while the noncitizen himself does not fully appreciate the fuller significance of the security and advantages of American citizenship as compared with noncitizenship; the immigration, naturalization, and deportation laws, in their present chaotic state, tend to confuse and degrade the foreign-born people;

Resolved, That we, representatives of 110 organizations assembled at a conference at the Hotel Pennsylvania on February 26, 1939, favor the initiating of a broad campaign to educate the noncitizen in the benefits to be derived from American citizenship and to educate the naturalized citizen and the native born in the history of the contributions of the immigrant alien to American society;

That we favor revision of the naturalization laws to enable all noncitizens who wish to do so to become American citizens;

That we commend the United States Department of the Interior and its Office of Education for its radio series, Americans All, Immigrants All, that served to promote better understanding for and among all cultural and racial groups through the dramatization of the contributions made by each group to American life;

That we endorse and support President Franklin D. Roosevelt's recommendation of June 1938, that the immigration, naturalization, and deportation laws be studied and codified, and request passage of House Joint Resolution 86, introduced by Representative WILLIAM SCHULTE, for that purpose.

That we urge passage of H. R. 214, introduced by Representative EMANUEL CELLER, to enable anyone who entered this country before July 1, 1924, to become an American citizen, with or without record of entry.

ON NATURALIZATION

Whereas existing naturalization laws prevent a great majority of the 3,800,000 noncitizens now in the United States from becoming American citizens; high fees, delays, red tape, and other restrictions prevent tens of thousands from becoming citizens; many noncitizens entered before the time of the literacy tests in the immigration law and never had the opportunity to secure sufficient education to pass the tests for citizenship; many applicants are being denied citizenship for having received relief;

Resolved, That we representatives of 110 organizations at a conference in the Hotel Pennsylvania on February 26, 1939, favor the revision of the naturalization laws by reducing the fees, moderating the educational requirements, and eliminating all discrimination on the ground of race, economic position, to permit all noncitizens, who wish to do so, to become citizens of the United States.

That we propose to the Department of Labor and its Immigration and Naturalization Service that steps be taken to eliminate all unnecessary red tape and delay by humanizing and simplifying the procedure of naturalization as much as possible, enlarging its personnel and staff, if that is found necessary, to achieve this goal.

That we support H. R. 210, introduced by Representative EMANUEL CELLER, to reduce naturalization fees to $2, and urge an immediate hearing on this bill in the House Committee on Immigration and Naturalization.

ON RIGHT OF ASYLUM

Whereas American traditions of asylum for political and religious refugees are being gravely endangered;

The United States has practically shut its doors to refugees seeking admission;

Many people now in the United States who fled the terror of Old World tyrannies are being threatened with deportation to face death or imprisonment in the countries from which they came.

Resolved, That we representatives of 110 organizations at a conference in the Hotel Pennsylvania on February 26, 1939, favor the amendment of the immigration laws to provide that no immigrant should be excluded or deported from the United States because of social, religious, or economic views or affiliations; nor should any refugee be excluded or deported who might be subjected to arrest, discrimination, or other arbitrary treatment because of his views or because of his race upon return to the country to which he might be sent.

That we support H. R. 221, the measure for right of asylum, introduced in the Seventy-sixth Congress by Representative EMANUEL CELLER.

That we support Senate Joint Resolution 64, introduced by Senator ROBERT WAGNER, to admit 10,000 child refugees, 14 years of age or younger, from Nazi Germany.

That we advocate that unused quotas of 1938 be used as a means to admit in the coming year approximately 100,000 refugees in addition to existing quotas, in accordance with the provisions of American immigration laws.

ON DISCRIMINATION

Whereas discrimination against the foreign-born, particularly noncitizens, in public and private employment is increasing, and there is also discrimination in unemployment relief, workmen's compensation, and old-age pensions in many States.

An amendment to the 1939 Emergency Relief Appropriation Act as passed by Congress denies relief to noncitizens.

The unity of native and foreign-born is essential in winning economic security for the American people:

Resolved, That we representatives of 110 organizations at a conference in the Hotel Pennsylvania on February 26, 1939, are unalterably opposed to all discriminatory measures and practices, and we urge upon the Members of Congress that this discriminatory amendment, denying relief and sustenance to noncitizens and their American-born dependents, be stricken from all future relief appropriations acts.

That we urge the passage of S. 1151, introduced by Senator LEWIS SCHWELLENBACH to prevent the denial of citizenship to applicants who have received relief.

That we support the program of the American Committee for Protection of Foreign Born for full economic, social, and political equality for the foreign-born in the United States.

ON STARNES-REYNOLDS BILLS

Whereas Representative JOE STARNES of Alabama, and Senator ROBERT REYNOLDS, of North Carolina, have introduced five bills inimical to the interests of the foreign and native born, bills that would serve to unleash oppression and hatred, in violation of the well-known American tradition of hospitality and equality:

Resolved, That we representatives of 110 organizations at a conference in the Hotel Pennsylvania on February 26, 1939, condemn without reservation the Starnes-Reynolds bills—H. R. 3030, H. R. 3031, H. R. 3032, H. R. 3033, S. 407, S. 408, S. 410, S. 411—because of their attack upon the rights of the foreign born and the threat contained in these bills to the welfare of the people of the United States and to American democracy.

That we urge upon the Members of Congress vigilance and awareness that these bills shall never become a part of the law of the United States.

What P. W. A. Has Meant to New York State

EXTENSION OF REMARKS

OF

HON. MATTHEW J. MERRITT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1939

Mr. MERRITT. Mr. Speaker, services rendered local authorities and municipalities of New York State by the Federal Emergency Administration of Public Works, over and above financial assistance, sharply illuminate the national need for a permanent public-works organization. Legal, financial, engineering, and other services furnished by the well-trained staff of P. W. A. have removed time- and energy-consuming burdens as well as pressure situations from many local authorities and smaller municipalities who were seeking the construction of worth-while projects effectively, efficiently, and on a low-cost basis.

A number of local authorities have not been in position to obtain these services by themselves. Boards of education in rural communities throughout New York and elsewhere are usually made up of public-spirited citizens who serve without remuneration, devoting as much of their time as they can to educational problems. A brief examination of the situations facing such a board when it has decided on the construction of a new school, a typical P. W. A. project, is the best illustration of what technical services the Federal Emergency Administration of Public Works, even while operating on a year-to-year basis, can and has offered local authorities and municipalities.

Having determined the necessity for a new school building, the board is confronted with the problems of deciding upon the size and cost of a building which will adequately serve the needs of the community, and the selection of a competent architect. It must decide upon the method of financing, the marketability of school-district bonds, the legal capacity to incur indebtedness, and it must observe strictly the procedural steps required by law to authorize the construction and financing of the project. A board of laymen, faced with problems of such complexity and requiring more time and attention than it can normally devote to such matters, has

a tendency to procrastinate in the conduct of necessary construction or to delegate the entire responsibility to an architect.

Assuming that the choice of an architect is a fortunate one, the standard method of compensating architects through a fixed percentage of the cost of the project indicates, on the basis of self-interest, that such a delegation of authority is not altogether to the best interest of the school district.

An unusually energetic and conscientious school board, on the other hand, is faced with the problems of internal dissensions and personal prejudices in the selection of men, means, designs, and equipment, and all local boards are subject to the pressure of local tradesmen, builders' supply and equipment dealers to the extent that a less sound project is often obtained at a greater cost, to the ultimate detriment of the taxpayers.

The situation is markedly different when a project is undertaken under the supervision of the Public Works Administration. Here is an organization whose fundamental purpose is the construction of the soundest projects possible at the least possible cost. It has the necessary personnel, trained over a period of more than 5 years in the construction of thousands of projects, to handle expeditiously and efficiently the problems presented in public construction. Because of its broad perspective, it is in a position to judge accurately the economic soundness and necessity of a particular project.

Having examined plans and specifications and supervised construction of a great number of projects, P. W. A. engineers are in a position to furnish expert advice on soundness of design and on the competence, ability, and responsibility of architects, engineers, contractors, and materialmen. The finance examiners of the Public Works Administration are available to furnish competent advice on the ability of a municipality to finance a project and as to the marketability of its securities. The legal staff is equipped to furnish information as to the legal procedure to authorize a project.

By strict adherence to the theory of free and open competition on P. W. A. projects, it has been possible to eliminate local favoritism and prejudices for particular products and to obtain the best results at least cost to the taxpayers. Close supervision of construction by impartial resident engineer inspectors and efforts made to insure the prompt payment of all just claims have extended credit ratings of contractors and materialmen, resulting in reduced construction costs. The knowledge that a good reputation in the construction of P. W. A. projects is of value has improved the quality of work in general.

It is possible to consider the construction programs of the Public Works Administration as the equivalent of a vast construction research laboratory, a clearing house for the best engineering designs and technique available. It is apparent that the knowledge and experience of this organization gained in its work throughout the country is a valuable national asset which should be preserved and made available to municipalities in the future.

Pending non-Federal P. W. A. projects for New York State total 429, and every one of these projects are important to the localities in which they originated. Unless Congress acts to make further appropriations available these communities will, in many cases, be forced to abandon their plans for civic improvements. Every type of public improvement is included in the list, including disposal plants, incinerators, libraries, elementary and high schools, municipal buildings, street repairs, bridges, filtration plants, sanitary sewers, waterworks, hospitals, infirmaries, tunnels, dock terminals and piers, and so forth.

The Starnes bill now before the Appropriations Committee provides an additional appropriation for loans and grants to communities throughout the country for pending P. W. A. projects and at the same time creates a permanent public-works agency to help local public bodies in long-range planning of public works. In other words, the bill establishes an agency of government which would be equipped to meet future economic emergencies like that of 1933 and help industry meet unemployment crises as soon as they arise.

If we are to avoid fiscal disaster and gradually reduce the relief rolls, the safest way is to return employable men to the regular channels of industry through the use of the Public Works Administration.

Federal Aid in Wildlife Restoration

EXTENSION OF REMARKS

OF

HON. CLIFFORD R. HOPE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1939

RESOLUTION BY THE LEGISLATURE OF KANSAS

Mr. HOPE. Mr. Speaker, under leave to extend my remarks in the RECORD, I submit the following concurrent resolution recently adopted by the Legislature of the State of Kansas:

Senate Concurrent Resolution 6

Concurrent resolution memorializing the Congress of the United States to appropriate all of the funds collected under the terms of the Pittman-Robertson Act for Federal aid to the States in wildlife restoration

Whereas under the terms of the Pittman-Robertson Act passed by the Congress of the United States the 10-percent excise tax on sporting arms and ammunition is earmarked for appropriation by the Congress for Federal aid to the States in wildlife restoration; and

Whereas unofficial but usually reliable sources estimate the full amount of this tax at about three and one-quarter million dollars, and this year it was recommended that the full amount of the tax be made available to the States; and

Whereas this recommendation was cut to $1,000,000 before the Budget was presented to the Seventy-sixth Congress; and

Whereas if this recommendation to appropriation only $1,000,000 to the States is followed, the State of Kansas would receive only about $17,000, while if the entire amount collected was made available to the States Kansas would receive about $57,000: Now, therefore, be it

Resolved by the Senate of the State of Kansas (the house of representatives concurring therein), That we request and urge the Congress of the United States to make available to the States all of the funds collected under the Pittman-Robertson Act passed by the last Congress; and be it further

Resolved, That sufficient copies of this resolution shall be printed and the secretary of state is hereby directed to transmit a copy of the same to the President of the Senate of the United States, a copy to the Speaker of the House of Representatives of the United States, and a copy to each of the Kansas Senators and Members of the House of Representatives in the Congress of the United States.

Fortification of Guam

EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Thursday, March 9, 1939

ARTICLE FROM THE WASHINGTON EVENING STAR OF FEBRUARY 12, 1939

Mr. GIBSON. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the Washington Evening Star of February 12, 1939, entitled "Fortifying of Guam Held Vital In View of Japan's Ambitions."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of February 12, 1939]

FORTIFYING OF GUAM HELD VITAL IN VIEW OF JAPAN'S AMBITIONS—VAST IMPERIALISM SEEN HER AIM, AND UNITED STATES PROTECTION IS BELIEVED NECESSARY TO PRESERVE PEACE

(By Frank P. Ball)

(The writer of this article was for 10 years a businessman in China and Japan and a former president of the American Association of China. He was the first proprietor of the Shanghai Times.)

On a small island in the North Pacific the spotlight of publicity has lately been turned. A defense program is up for discussion, and the fortification of Guam figures prominently in the general scheme. Congress has a ticklish problem to deal with when the fortification of that island comes up.

Its strategic position is of great importance to the United States in the defense program, and its proximity to the populous cities of Japan—1,400 miles from Yokohama—makes a submarine and naval air base established there by an aggressive power a vital menace to that country.

To clearly comprehend the strategic position of Guam, I suggest that the reader locate the island on a good map so that its position relative to Japan, Manila, Hawaii, the Panama Canal, as well as the American mainland, can be clearly visualized and fixed in the memory.

The island of Guam lies in the North Pacific in 13°26′ N. latitude and 144°39′ E. longitude, 1,500 miles to the east of Manila, 1,400 miles to the south of Yokohama, and is 3,400 miles from Honolulu, and 5,100 miles from San Francisco. Guam belongs to the Marianna Islands group. The other 16 islands of this group, mandated to Japan by the League of Nations after the World War, lie close to Guam at the north.

Guam extends about 30 miles, with an average width of 6 miles and has an acreage of 220 square miles. The latest census, July 1938, gives the population as 22,314, including about 20,000 natives. The trade of the island is principally with the United States and Manila. In 1937 her exports to the United States were valued at $164,879 and imports from the United States $345,453.

Apra, on the middle west coast, is the only good harbor; it is about 3½ miles across and has a depth of 4 to 27 fathoms. Apra serves as a naval station and as a port of transit between America and the Philippines. Guam is governed by a naval commander, an officer of the United States Navy. The incumbent is Capt. James T. Alexander. The island is a stop-over station for the trans-Pacific air service and is an important relay station for the cable service between the American mainland and Asia. It is within 48 flying hours of the coast of California.

GUAM DISCOVERED IN 1521

Guam was discovered by Magellan in 1521 and was occupied by Spain in 1688 and remained in her possession until taken by the United States cruiser *Charleston* in June 1898.

By its victory over Spain in 1898 the United States came into possession of Guam, Puerto Rico, and the Philippines. Under the treaty of December 10, 1898, this country paid to Spain $20,000,000 for the relinquishment of all claims to these islands.

About the time Guam was taken over by the United States, Spain sold the rest of the Mariana Islands to Germany, which held them until the World War. Japan now controls them under mandate, as stated above.

The proposed fortification of Guam, with a naval air and submarine base established there, has aroused grave apprehension in Japan, where ultranationalist newspapers warn that it is a threat to the Nipponese Empire.

Admiral Shozaburo Kanazawa in a reported interview said: "Fortification of Guam would be like placing a gun at the gate of a neighbor." The admiral is well aware of our defense plan and should know that our foreign policy is not one of aggression. At the same time he appears worried and undoubtedly skeptical that our foreign policy will always remain nonaggressive. The present ruling class in Japan probably fears some incident may occur—justifiable from the Japanese viewpoint—that would arouse the American people to a warlike attitude.

Japanese statesmen have pledged to their people certain militant, immutable policies, and to retreat from them would arouse a dangerous storm of domestic criticism and cause China to believe Japan is weakening. The people of Japan have been promised by their overlords the complete domination of China in a reasonable time. This is merely a hors d'oeuvre. After China is thoroughly subjugated, the next victims will be the rich islands to the south, and then on and on will Japan force her way until she has dominated Asia.

This ambition, which may seem to us a fantastic dream, is more strongly fixed in the minds of the Japanese military class than any hope we may cherish that some day the peoples of the world will embrace our ideas of democracy.

Unless her progress is stopped, and stopped quickly, or financial bankruptcy overwhelms her, Japan's ambition is likely to become a reality.

Do not think for a moment that this ambition, this aggressive policy, and this—as they believe—manifest destiny to spread a new (Japanese) civilization over the regions of Asia have lately sprung up. Had I the space I could recount many enlightening talks I have had during 1894–1903 with high Japanese officials and prominent merchants who were building a modern empire to enable them to put their dreams in action.

Let us stop for a moment and study their military accomplishments and how they were attained.

In 1894 Japan made war on China over Korea. The King of Korea had a rebellion on his hands, and appealed to China for assistance. China responded to the Korean King's appeal for aid and notified Japan of her action. Japan revived some old claims to rights in Korea and sent an expeditionary force into the peninsula. Numerous charges and countercharges were made by both China and Japan, and after a lot of wrangling Japan declared war on China August 1, 1894, shortly before I arrived in Japan.

THE SINO-JAPANESE WAR

The Sino-Japanese War of 1894 resulted in an easy victory for Japan. She captured Port Arthur, in the Liaotung Peninsula, and Weihai-wei, and made short work of the Chinese Navy. The war was over in December 1894, and Lihung Chang was commissioned by China to negotiate for peace.

The treaty of peace was signed at Shimonoseki on April 17, 1895. By its terms China recognized the full independence of Korea, ceded to Japan the peninsula of Liaotung, the island of Formosa and the Pescadores, and agreed to pay an indemnity of 200,000,000 taels (about $150,000,000 at that time).

This treaty was a staggering blow to China, as it gave to Japan a foothold in Manchuria, her objective in starting the war.

Russia, Germany, and France later intervened and forced Japan to return Liaotung Peninsula and accept in compensation a further indemnity of 30,000,000 taels.

The Russian "lease" of Port Arthur, which Japan captured in 1894, rankled for years in Japanese memories, and a critical situation arose between Japan and Russia in 1903 that resulted in a declaration of war in March 1904. Japan achieved an overwhelming victory on both land and sea.

On August 23, 1910, Korea was annexed as Chosen and the old name abolished. The Emperor was deposed and shorn of all political power. Chosen, since its annexation, has been ruled by Japan with an iron hand, and foreign trade, except through the Japanese, has become a myth.

This short synopsis of Japan's military activities is given here to induce the reader to study for himself Japan's part in Far Eastern affairs during that period, so that he is well informed on the subject and can intelligently draw his own conclusions as to our future policy in Asia and the attitude we should assume toward Japan.

I believe Japan is rapidly drawing away from the sympathetic touch that once existed between our two countries and hopes that by an alliance with the two aggressive powers of Europe to rapidly, or more rapidly, achieve her own ambitions in Asia. She may be making a fatal mistake, and I doubt very much that we in this country can do anything to deter the present ruling class in Japan from the policies that are as strong as a religion with them.

It is not unreasonable to suppose that in the near future, no matter how willing we are to compromise and barter with them, an impasse will arise. We will not fight over it, but Japan might; and if our defenses are not the best modern science can produce, she might possibly, if she could, rely on European backing. From what I can learn, Guam is a vital link in the proposed defensive chain of bases, and with that island properly fortified no Asiatic power will ever dare launch an attack against Hawaii, or our western mainland, or the Panama Canal. And if an attack is made on us by Japan, a naval air and submarine base at Guam might start a counterattack against that country that would prove mighty effective.

Anniversary Address at Scene of the Declaration of Texas Independence

EXTENSION OF REMARKS

OF

HON. PAUL J. KILDAY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1939

ADDRESS BY HON. COKE R. STEVENSON, LIEUTENANT GOVERNOR OF TEXAS

Mr. KILDAY. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address delivered by the Honorable Coke R. Stevenson, Lieutenant Governor of Texas, at Old Washington-on-the-Brazos, scene of the declaration of Texas independence, on March 2, 1939. This address was delivered on the occasion

of the observance of the one hundred and third anniversary of that memorable occasion:

Great events have always challenged the admiration of a people most favorably affected by them.

This is well, because when the beneficiaries of outstanding achievements cease to remember and respect the benefactors, then they become unworthy of the heritage bequeathed to them.

This eventful occasion is evidence that Texas people have not ceased to venerate the memory of those who trod the field of action here on this sacred spot 103 years ago today.

I have always admired the work of an artist, whether it be the product of a painter's brush or the skillful use of the camera's shutter. The most beautiful pictures are the product of a momentary flash of light. The problem of photography has been the development of some process by which that fleeting glimpse could be preserved. The image reflected on a sensitized plate by a ray of light must be made into a permanent picture.

Likewise some of the most notable incidents of history have been of short duration—a flash of genius, an impulse of patriotism, an exhibition of divine inspiration. The image reflected by that unusual action, however, has been preserved and the result is a beautiful picture which hangs in the gallery of memories. Many of these intensive periods of action have produced tremendous consequences. Some have changed the course of empire, some have affected the destiny of a whole people, some have profoundly influenced the lives of individuals.

Moses was not long in the burning bush, yet he gave to the world the Ten Commandments. Paul was not long on the road to Damascus, yet his experiences have inspired the hearts of men for 19 centuries. Christ stood before Pilate for only an hour, but all the Pilates of the world have stood before Christ ever since. Lincoln stood before the slave block in New Orleans for only a moment, but that moment burst the fetters from a million slaves and changed the fabric of a nation.

In like manner may we characterize the events of March 2, 1836. It was a period of short duration, like a flash of eternal light, but the occasion has become immortal. The image was impressed on the film of time and has become permanent as a picture of patriotism.

A convention of 58 delegates gave to posterity one of the liberty documents of the world. It is known as a declaration of independence. Its effect, however, was to wrest a colony of depressed people from the tyrannical rule of a dictator and transform them into stalwart citizens of a free republic.

The reason which impelled this action by the delegates assembled on this historic ground is found in the fact that the dictator had destroyed constitutional government. He had usurped the powers of the legislative and the judicial branches of the government. He had destroyed freedom of speech, freedom of the press, and the freedom of worshipping Almighty God. He had destroyed the right of trial by jury, declared by these 58 delegates to be "the palladium of civil liberty and the only safe guaranty for the life, liberty, and property of the citizen."

The love of life, liberty, and the right to own property is inherent in the blood of the Anglo-Saxon race and the suppression of these virtues by a dictator was a challenge to the liberty-loving instincts of our forefathers. They accepted the challenge and on this spot 103 years ago, laid down the political doctrine that the people of Texas would never be ground under the heel of a tyrant, no matter what the cost.

The 60 days which followed the declaration are the most colorful which adorn the pages of history.

The Alamo became the American synonym for heroic sacrifice on the altar of freedom. Goliad became the tragedy of broken covenants in the English-speaking world. San Jacinto became enshrined in the hearts of all Texans as the noblest example of bravery on the battlefield. It is the greatest triumph on American soil in the cause of freedom and it struck terror to the hearts of all dictators for an ensuing century.

All of these stirring events occurred within a period of 2 months following the declaration on March 2, 1836. They have been the theme of discussion in every home, school, church, city, town, and village in the land. They deserve this evidence of our reverence and respect.

Let me suggest as a thought worthy of remembrance, however, that when we deplore the massacre at Goliad and the violent waste of blood at the Alamo we should never forget that both were the result of a dictatorship. When any ruler usurps the powers of constitutional government and violates the rights and consciences of his people, then their lives are no longer safe at his hands. Any power which will voluntarily destroy conscience and character will have no horror at the destruction of life.

When the convention of 58 truthfully charged the Napoleon of the west with having broken his covenants with the colonists, is there any wonder that the terms of the treaty with Fannin were so murderously violated?

The progress of our State in the past 103 years has won the admiration of the world. It has in every respect justified the hopes and aspirations of our patriotic forefathers who declared it free and independent.

We are reminded, however, that with all our progress no new element in government has been discovered. The fundamentals remain the same. The best assurance we have of perpetuating the blessings which our independence secured for us is to continue to cherish the sacred principles and the ancient landmarks of constitutional government.

Tribute to the Late George R. Holmes

EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Thursday, March 9, 1939

TRIBUTE BY RT. REV. MSGR. DAVID T. O'DWYER

Mr. CLARK of Missouri. Mr. President, I ask leave to have printed in the RECORD a tribute to the late George R. Holmes delivered at Fort Myer chapel on the 14th ultimo by Rt. Rev. Msgr. David T. O'Dwyer, director of the National Shrine of the Immaculate Conception, Catholic University.

There being no objection, the tribute was ordered to be printed in the RECORD, as follows:

To collect one's thoughts for a tribute to George R. Holmes is like setting about repairing the devastation of some flood, whirlwind, or earthquake. With his passing has been swept away so much that brightened and strengthened the lives of his countless friends that the world in which they lived seems now dark and chaotic. But their bewilderment and dismay should find some relief in reflections on the character and career of a man who in all the emergencies of peace and war was never daunted or found inadequate.

Industry, intelligence, and sympathy ever guided by a sensitive conscience won him eminence in his profession. And genius is not too strong a word to apply to his gifts. The tributes paid to him by the President and so many of the other great leaders in the Nation only expressed on a higher plane what was felt by thousands all through the country who read his stories and who listened to his broadcasts which told them what was going on in the capital and which analyzed in the simplest of language the problems that were being discussed there.

However gratifying the plaudits of the general public might be, if he lacked the esteem and confidence of his brethren of the press his satisfaction would have been sadly diminished. He was devoted to the various press organizations to which he belonged—the National Press Club, the White House Correspondents' Association, and the Gridiron Club—and in his work he was inspired as much by what I shall call the honor of the family as he was by his personal standards.

But his friends knew a greater George Holmes—a man of strength and tenderness.

His dominant characteristic was a passionate sense of justice, and in living up to that he stuck to his principles with a tenacity that no intimidation could relax.

He hated cant; and complacency found in him an inveterate foe. He was generous with something more than the mere love of giving. His generosity was part of a magnanimity which took in all human needs, particularly those of the less fortunate, and it also found expression in all the gay graces of life.

Hospitality was one of his most sacred words, and nothing could abash him more than the fear of being lacking in it. I say the fear because his vigilant considerateness made transgression impossible. His tenderness was deep and sensitive, but he had a virile side that made him almost shame-faced in its display.

It was this conflict that accounted for a certain belligerency at times, which usually dissolved in an impish smile which betrayed the eternal boy in him. In the great human relations of son, husband, and father, he carried himself with the honor of a noble chivalry and the love of a mighty heart. And it was his happiness to have dealt with what the Scriptures call valiant women, in his mother and wife and with children who have the promise of carrying on the noblest traditions of his house.

"He lives, he wakes—'tis death is dead, not he;
Mourn not for Adonais—thou young dawn,
Turn all thy dew to splendor, for from thee
The spirit thou lamentest is not gone;
Ye caverns and ye forests, cease to moan:
He is made one with Nature; there is heard
His voice in all her music, from the moan
Of thunder, to the song of night's sweet bird;
He is a presence to be felt and known
In darkness and in light; from herb and stone,
Spreading itself where'er that power may move
Which has withdrawn his being to its own—
He is a portion of the loveliness
Which once he made lovely; he doth bear
His part."

Guam Harbor Improvement

EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Thursday, March 9, 1939

EDITORIAL FROM THE WASHINGTON EVENING STAR OF MARCH 6, 1939

Mr. GIBSON. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial appearing in the Washington Evening Star of March 6, 1939, regarding harbor improvement at Guam.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of March 6, 1939]

GUAM IN THE SENATE

Hearings began today before the Senate Naval Affairs Committee on the proposition to undertake certain harbor-improvement work at Guam, at a cost of $5,000,000. Senator WALSH and his committee colleagues opened proceedings by having Admiral Leahy, Chief of Naval Operations, discuss the desirability of carrying out the project which was rejected by the House of Representatives last month.

The Star considers that the refusal of the lower branch of Congress to make the initial appropriation for harbor improvements at Guam was a blow at defense. The Senate now has opportunity to repair that blunder. With a view to supplementing public information on the Guam subject, it is useful to point out certain pertinently outstanding aspects of it.

1. Guam is a United States possession bound by no international treaty that in any way prohibits either the proposed harbor works or eventual fortification, if desired. The Washington treaty, which tied this country's hands respecting fortifications in mid-Pacific, expired on December 31, 1936.

2. The pending plan provides for no fortifications. It contemplates only harbor clearance and corelated improvements in order that patrol and commercial planes may land safely.

3. If fortified, Guam would neutralize the Japanese island mandates, the most eastward of which is 2,000 miles from Honolulu, and their most advanced operating base for submarines. It has not been fully realized in this country that, regardless of the Versailles Treaty governing mandates, Japan, on the islands she administers, has been clearing harbors, putting in oil tanks and shore facilities for patrol planes and submarine operations which could be directed against Hawaii and our Pacific coast.

4. The Navy knows no more than anybody else in the United States what will happen to the Philippines in 1946. What the Navy does know is that if an Asiatic fleet is maintained in the Far East, there must be an American-owned home port for it. That seems to be one more excellent reason for doing something about Guam.

5. Guam has one harbor, Apra, now full of coral heads. Some congressional opinion to the contrary, the island lends itself to fortification because of its high, rocky hills and dangerous open coast. Mountains average 1,000 to 1,400 feet. Guam is 3,300 miles from Honolulu, about 1,500 from Manila, and 1,500 from Japan.

6. Guam is declared by naval experts to be the most important strategic position in the western Pacific. No Asiatic fleet would ever move in our direction without capturing it. The island can be adequately fortified for $75,000,000—$25,000,000 less than the cost of a single 35,000-ton supermodern battleship. Any enemy fleet that tried to take Guam would then be in the open for decisive conflict with the United States fleet. Incidentally Guam protects our lines of communication for strategic war materials from the East Indies, notably oil.

7. Since the Guam proposal became current in Congress, the Japanese have occupied Hainan, thus cutting the Hong Kong-Singapore line 1,200 miles from Singapore, 300 miles from Hong Kong, and 640 miles from Manila.

8. The Hepburn naval base board, after profound study, urged Congress to convert Guam into a rampart in the western Pacific. Neither House nor Senate, in the Star's opinion, should be swerved from giving the fullest consideration to the recommendations of naval officers who are inspired by no motive except the sound dictates of American national defense. A properly protected Guam would be in no sense an aggressive gesture toward Japan or any other country.

Republican Prospects in 1940

EXTENSION OF REMARKS

OF

HON. NOAH M. MASON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1939

Mr. MASON. Mr. Speaker, much authentic information reaches Capitol Hill by the "grapevine" or rumor route. In handing on this information a Congressman must necessarily say, "It is said"—"We understand"—"I am told that"—"Gossip hath it," and so forth. I prefer to hand on this information through the medium of the "old gray squirrel." If Bergen can put words into the mouth of Charlie McCarthy; if President Roosevelt finds it very convenient to use Ickes, Hopkins, Jackson, et al., as mouthpieces or stooges, why should not I use my friend Stuffy, the old gray squirrel of the White House lawn?

THE OLD GRAY SQUIRREL

My bushy-tailed little friend handed me a hard nut to crack this morning when he propounded the following question: "Congressman, is the Republican Party going to win in 1940?" I evaded a direct answer by saying, "I wish I knew the answer, Stuffy, because some 40,000,000 voters of this Nation are pondering the same question. Next to the possibility of war and the probability of our being mixed up in it, your question is the question of the day. You have had intimate contact with the last three Presidents, you ought to know something about the matter, what do you say?" My little friend grinned and replied: "Congressman, you have asked for it; you may not like it; but I have it doped out this way." Then Stuffy elucidated about as follows:

"From 1929 to 1932 the Republicans did nothing but fumble the ball. They could not seem to get going. Conditions changed from bad to worse. Republican leaders lost the confidence of the people and became discredited. Our people properly and naturally turned for help and guidance to the Democratic Party, whose leaders eagerly seized the opportunity provided them and offered the Nation 'the best platform ever submitted to the voters of this Nation by any political party.' They won in a landslide. Soon after taking over the Government, however, the Democratic leaders, under the advice of crackpot socialistic theorists, discarded their excellent platform and put into effect a social-reform program of experimentation, designed to bring about 'heaven on earth', but which after nearly 8 years of trial has produced little else than a great national headache. Recovery measures were entirely discarded and only just now have been brought back temporarily into the picture. The problem of farm prices, the number of unemployed, the relief mess, all stand about as they were in 1932, and we are now in debt to the tune of about $40,000,000,000. Do you wonder that the American people are growing tired of reform and beginning to insist upon recovery? Do you wonder after nearly 8 years of Government doles that people are clamoring for another change, demanding decent jobs in private industry at fair wages, and looking eagerly around for new leadership? Well, that is the situation today. It offers a real opportunity to you Republicans and should present a challenge to your party. Father Time, and the vicissitudes of political fortune, have kindly removed most of your old discredited leaders. New leaders have developed, eager, anxious, alert, progressive, to take over and manage the G. O. P. The elephant has fully recovered from his sleeping sickness and is now 'raring to go places.' All signs point to a landslide in 1940. The people want another change. You Republicans should win if you don't fumble the ball or call the wrong signals. I'm betting on you."

I threw my little friend an extra handful of peanuts and walked on to the office pondering over what Stuffy had told me. Do you think my bushy-tailed friend gave me the right dope?

Unemployed, Low Wages, and Business in Puerto Rico

EXTENSION OF REMARKS

OF

HON. SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1939

Mr. IGLESIAS. Mr. Speaker, as you all know, Puerto Rico stands literally at the crossroads of the world, at the entrance to the Caribbean region and on a direct line between east and west, north and south. San Juan, the capital and chief port, is but 1,000 miles away from the Panama Canal, 1,300 miles from New York or Philadelphia, less than 1,000 miles away from Habana, and under 4,000 miles away from the great European markets.

Puerto Rico is an American-organized Territory—a very beautiful island.

Puerto Rico has a population of about 1,800,000, according to last increases of population, or over 500 inhabitants to the square mile, as compared with 40 per square mile on the mainland.

With the great part of the working population dependent directly or indirectly on agriculture for livelihood, the problem of steady employment is a complicated one. When the major crops—sugar, tobacco, coffee, and fruits—are being harvested, a large percentage of the working population finds employment. But when the crop seasons end, employment in the rural districts ends also, and there are very few other industries to which the workers can look for employment.

Certainly one of our pressing and perplexing problems in Puerto Rico is unemployment. The increase of our population was more than twice in the last 38 years. The margin of subsistence is already dangerously narrow for the vast majority of the people. We want to intensify and diversify agriculture, promoting means of work and providing more practical education; we are, in the words of a distinguished American educator, "instilling the craving for better things and better days" to the people there.

That is why startling reports from San Juan printed in the New York Times inform us that "Puerto Rico plans crops to feed the idle," said program being an absolute necessity, and adding that—

> With more than 750,000 laborers and dependents now workless and without means of subsistence, Gov. Blanton Winship has received promises of more than 25,000 acres of land for quick food crops from large landowners. Much of this land has gone out of sugar cultivation to comply with the law.

That—

> Commissioner of Agriculture Lopez Dominguez, heading a committee to facilitate food plantings, said today that more land would be available and work would commence at once so as to have the first food crops ready, if possible, after the close of the sugar season at the end of May.
>
> Because of the sugar surplus and crop limitation 125,000 sugar workers this year will have 3 months' work instead of 6, and the unemployment situation is expected to be worse by summer, from all reports obtained by the government.
>
> Governor Winship said today that Puerto Rico's case for modification of the sugar-quota and wage-hour law to meet Puerto Rican conditions has been thoroughly presented to Washington, and the island goal remained the payment of the highest possible wages without destroying industries.
>
> Four years ago labor trouble was averted, Governor Winship said, by the passage of a law for minimum wages and an 8-hour day, applicable to agriculture as well as industry, and the Governor said he had assured William Green, president of the American Federation of Labor, that Puerto Rico had done more for labor in the way of enlightened legislation than any of the States.
>
> "We cannot look 750,000 hungry people in the face without making every effort to appease their hunger," he said. "We will require further relief, but we will not ask for more except as a last resort and after our own resources are exhausted."

The explanation of this situation was also quite simple. The introduction of modern machinery in the large centrals or sugar mills, in manufacturing enterprises, and wherever hand labor was used, I should say, has thrown and maintained quite a number of working people out of employment in Puerto Rico. Also, many of the articles that should be cultivated and manufactured in the island are imported by millions from the mainland.

A statement of the Governor of Puerto Rico at the public hearing before the Wages and Hours Division, Department of Labor, on January 4, 1939, with respect to hand-work home industry, had this to say:

> At its peak in 1936 Puerto Rico's needlework industry had become the second greatest industry in the island in point of shipments to the United States mainland. Its shipments in that year amounted to around $21,000,000. It has declined sharply since that time, due chiefly to the competition of China and Japan, which has been growing up under the protection of the application of the "most-favored-nation clause" to the trade agreement of 1935 with Switzerland, whereby the tariff on certain types of hand-ornamented handkerchiefs and other needlework products was sharply reduced.
>
> Women of the Orient are said to receive in many cases as little as 5 or 6 cents a day for their work. We cannot compete with them without adequate tariff protection. Very grave injury has resulted to our hand needlework industry in Puerto Rico. It has already been substantially cut in half, in the 2 years since 1936.
>
> With their families, these 90,000 women may represent as many as 400,000 to 500,000 mouths to feed. Taking that, together with our present unemployment situation, caused largely by the undue restrictions imposed on our sugar quota, and other trade-agreement restrictions on our industries, there may easily be as many as 750,000 or 800,000 people in the island left without means of support.

Now, to be frank and sincere to the great masses of producers of the island, especially to organized labor, I have to remind you that in the year 1934 the difficulties experienced by the industrialists due to the Code of Fair Competition for the Needlework Industry in Puerto Rico were almost of the same character.

At that time the wages at home were from $2 to $2.10 and $3 per week, showing an increase of 46.3 percent, and machine workers in the factories received $3.32 as an average a week of 48 hours; they have been increased to a minimum of $5 per 40 hours a week. The Administrator, Hugh S. Johnson, in authorizing the Code of Fair Competition for the Needlework Industry in Puerto Rico, stated:

> Much of the home work is done under conditions closely parallel to those of subsistence homestead.
>
> Hand home work in Puerto Rico represents a much greater portion of the total volume of production than it does in the United States.
>
> The code does not propose the elimination of home work but rather its control and regulation, with a view to bringing the hours and wages and working conditions of home workers up to a standard which will provide both fair competition with factory production and enable the home workers to enjoy a better standard of living. It is anticipated that a certain percentage of the work now done in homes may, within a reasonable time, be transferred to community workrooms. The approval of this code will make possible a beginning of work toward this end.

I think it is my duty at this time, in view of the situation that is being described exists in Puerto Rico, to discover what was in the mind of a very intelligent and influential lady that was working for the social welfare of the people of Puerto Rico.

Labor in Puerto Rico was willing to get by education and organization the best standards of living conditions that were possible under the law.

Many of the reports that came from interested persons from the island are not fair to the workers. They have the intention of keeping the laborers down.

This lady wrote a confidential memorandum on needlework in Puerto Rico, and it was sent to Washington at the time when the workers were engaged in an effort to obtain better conditions. This memorandum reads as follows:

> We mainlanders residing in Puerto Rico—

The lady says—

> are constantly appealed to for information about the needlework there; hence this memorandum.
>
> When an American citizen comes down to the island and remains year after year, he gradually becomes accustomed to the conditions

in this country. He may make heroic efforts to change the native and bring the average cleanliness, habits, and intelligence up to that of the mainland average. When our Government sent well-trained English-speaking teachers to Puerto Rico, it was ambitious to help the natives of the island.

The labor leaders say "Increase efficiency; stimulate the workers." But how can it be expected that one of the outstanding child-bearing races of Christendom can also be made so very efficient at handwork—especially in so young an industry, grown up in the last 20 years?

The needlewomen, consisting of, more or less, 70,000 home workers and between four and seven thousand factory workers, have been receiving wages approximating $12,000,000 a year. The individual earnings were always low (about 3 cents per hour at home and 5 or 8 cents per hour in factories, except the foremen). When times were good on the mainland wages were better in Puerto Rico; but when our country tobogganed downward during the last depression the wages of the island needleworker went down the same way. Their lowest point coincided with the inauguration of President Roosevelt, but within 3 months of the passage of the National Industrial Recovery Act there was a wage increase of 25 percent on all needlework done in the island, and that raise continued until the N. R. A. San Juan office was opened. Then factory workers had an average earning of $3.32 and the home worker—who knows? The guess was about a dollar a week. Then followed the increase of wages obtained under the code, which fluctuates from about 60 percent for factory work up to 100 percent on much of the home work and 400 percent in some of the home work, notably handkerchiefs and cotton garments. The market simply could not absorb some of these raises instantly.

The Puerto Rican home workers may be very badly off, according to the opinions of the casual mainland labor leaders who visit the island for short stays of 10 days or 2 weeks; but to those of us who have lived here and realize the tremendous improvement in conditions of the home worker during the last 10 years it is difficult to adopt the critical attitude which some of the labor leaders do.

We do not feel competent to decide whether the Puerto Rican who does hand sewing, hand embroidery, and drawnwork, is to be judged on a commercial basis of the work produced or on a humanitarian basis. In the former, then all or most of this work might properly go to countries where the workers have greater skill—China, Madeira, the Philippines, Belgium, Ireland, and other countries—the countries where this type of fancywork originated, where the worker has had more experience but where, incidentally, this type of product has always been compensated at what seems to us from a mainland viewpoint as ridiculously low wages.

The local contractor, who has grown up in the business, complains that no work comes from the United States during the last 90 days. The home workers, hundreds upon hundreds of them, trudge from their mountain homes into the towns begging work at any price. But the contractor cannot give them work because the mainland manufacturer does not send the goods to Puerto Rico to be processed. The contractor explains this, the home worker begs a few cents for something to eat, and trudges back home only to repeat the operation in a few weeks in order to ascertain whether any goods have come down meanwhile.

These pilgrimages have been keeping up for some weeks. Occasionally the home worker is rewarded in some slight fashion and goes home delighted with work on which she will gain a few pennies. Her need to earn is so pressing that it is difficult to cause her to reflect upon the fact that there is a code and that she should get more money if there was only work to be had, for she is now in a mental state to do any work for any money. Labor—whether mainland or insular—forced up the wages under a Government code and the work leaves Puerto Rico; so it becomes our Government's job to turn the flow of work back to Puerto Rico or to explain to the faltering but newly adopted citizen why she cannot have that work except at the new price and to educate her to an understanding of her opportunities. This process cannot be gone into until there is some character of stability about these new higher rates.

So many of the unfortunate home workers who for 10 or 15 years have been accustomed to a certain rate of compensation have far less interest in being able to earn more in the future than they have in being able to earn something in the present.

If one-half of the needlework, or, say, a volume of between five and six millions in handkerchiefs and cotton garments, has left the island during the last 60 to 90 days, then it becomes necessary to decide whether it is preferable, under the code, to continue to force this work out of the island or whether it is better to take steps to let some of it return.

RÉSUMÉ

Would it not be well to extend the piece rates indefinitely, the lady social worker said, then allow the handkerchiefs and cotton-garment work to go back to the island, say, for the year 1935, or, at least, until some gainful occupation not objectionable to labor can be devised?

The sugar restriction—quota—was one big blow, the needlework another, also the coffee crop. Might we not yield on needlework, pending other readjustment?

And now, after reading what the lady says in her résumé, you should know that since the wages and hour law was extended to Puerto Rico by Congress some representatives of the big industries are asking exceptions for sugar, needle industry, tobacco, and other enterprises to save the country by getting the unemployed back to work at the wages and hours that the business say they can afford.

BANKING BUSINESS

In connection with the general condition of business in recent years I quote from the last report of Governor Winship these items:

Deposits:	
June 30, 1934	$31,011,701.70
June 30, 1938	56,297,508.54
Loans and investments:	
June 30, 1934	34,814,325.22
June 30, 1938	33,541,397.92
Cash on hand:	
June 30, 1934	4,394,544.52
June 30, 1938	6,036,075.98

INSULAR GOVERNMENT

The total of all kinds of receipts covered into Government funds for the year of 1937–38 was $58,447,265.

Disbursements, 1937–38:	
General fund	$20,136,876.10
Trust funds	24,118,506.31

Sugar manufactured, in tons (2,000 pounds)

Sugar manufactured:	
1934	1,100,909.59
1938	1,073,243.357

Trade and commerce

Imports from United States, 1937–38	$84,987,994.00
Imports from foreign countries, 1937–38	8,326,789.00
Exports to the United States, 1937–38	79,808,113.00
Exports to foreign countries, 1937–38	2,269,065.00

The business report of the Governor demonstrates that the resources of the island can transform the conditions of the people for the best with the intelligent assistance of the Legislature of Puerto Rico, the national administration, and Congress of the United States.

The Reorganization Bill

EXTENSION OF REMARKS

OF

HON. CHESTER H. GROSS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1939

Mr. GROSS. Mr. Speaker, I have listened to able lawyers and politicians from both sides discussing this bill for many hours, and find no one in agreement on anything. I, like the rest of you, have not had an opportunity to study it. But this I do know: Anything under the caption of reorganization under this administration is nauseating to the country as a whole. The President has created many of these useless and overlapping departments of government when a subservient Congress voted him large lump sums of money. He has the same authority without additional legislation to eliminate them as he has had to create them. His record for spending money has been the same ever since he has entered public life. And so far as economy in this bill is concerned, the country will not accept it, because they do not believe that the President has had a change of heart. That the country has lost confidence in the administration was proven several days ago, when Hopkins made his midwestern speech. The speech was good, but no one believed him.

In all seriousness, let me say to you, those of you who vote for this bill will go back home and face the most wrathful people you have ever seen. This is striking the country below the belt. Yesterday two parties coming from Florida stopped off here just long enough to ask me to vote against this bill. Had the country known of this bill, every Congressman's desk would be piled full of telegrams in opposition.

A group of businessmen today informed me they would spend $500,000 to expand their business and purchase new equipment if it were not for the taxes. Many things could be done to economize and put people back at work without

granting more power to anyone, so I think this bill should be defeated, the President put on his honor, and see if he will continue to fool the country through the next campaign.

Impartial Observer Views Durant-Denison Dam

EXTENSION OF REMARKS
OF
HON. WILBURN CARTWRIGHT
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 9, 1939

ARTICLE BY LORREN L. WILLIAMS IN THE OKLAHOMA NEWS

Mr. CARTWRIGHT. Mr. Speaker, the Oklahoma News, a Scripps-Howard newspaper, published until a few days ago at Oklahoma City, recently sent Mr. Lorren L. Williams, one of its best staff writers, to tour the area surrounding the proposed Durant-Denison Dam on Red River to learn the views of the people most greatly affected by this project.

He spent several days talking with engineers, county officials, landowners, sharecroppers, tenants, relief laborers, filling-station attendants, and others, and wrote a very interesting series of daily articles on the proposed project and the controversy over it.

"Somewhere there should be solid middle ground," Mr. Williams wrote, "upon which an unbiased observer can stand and survey the enterprise which is so vast in scope and has so many ramifications." In the concluding article of the series, published on February 5, 1939, this experienced observer, after carefully examining the advantages and disadvantages, attempted to find this neutral territory, summarized his findings, and gave his own views of the controversy.

Under the permission granted me I include his final article in full, as follows:

[From the Oklahoma News of February 5, 1939]

LABORERS IN AREA WOULD VOTE DENISON DAM, SURVEY INDICATES

(By Lorren L. Williams)

If construction of the $54,000,000 Denison Dam should be put up to a vote in the four counties most closely affected, it is probable the project would be approved by a considerable margin.

That seems a fair prediction after a survey of sentiment in the area in an attempt to arrive at a fair cross section of opinion.

It seems a fair inference, too, considering the outcome of the July primaries in which Denison Dam was a strong issue.

The four counties that would be partially submerged—Bryan, Love, Marshall, and Johnston—have a combined population of more than 75,000 persons.

LABORERS BACK DAM

Laborers and renters throughout the entire area appear strongly in favor of the big double reservoir because it would open up thousands of jobs for the next 5 years.

Landowners seem to favor the project where they are convinced a fair price would be paid for the soil. This excludes some who have sentimental ties and do not wish to leave the valley of the Red and Washita Rivers to make way for the 145,000-acre lake.

Businessmen in Madill and Tishomingo seem strongly opposed to the dam. But they would be outweighed by favorable sentiment in Durant and throughout Bryan County, which is the largest of the four in population and territory.

KEY WON IN DAM AREA

The Denison Dam was a factor in last summer's primary election in the Governorship race. Gen. W. S. Key campaigned in favor of Denison Dam and carried all four counties over his opponents, Governor Phillips and former Governor Murray, who opposed the dam. Mr. Key had a lead of nearly 5,000 votes in Bryan County over Governor Phillips.

Other factors entered into the race. It was charged that Mr. Key drew heavy support because of the relief groups since he formerly headed the Works Progress Administration.

It is quite certain that this same bloc of votes would be thrown in favor of the dam should a referendum be taken.

The landowners would have to be assured they would get a fair price. Opponents of the giant flood-control and hydroelectric project have claimed $23 would be the top price paid.

Lucius D. Clay, captain of engineers in the Denison district, says that as much as $100 an acre will be paid for some of the best land. Informed sources say this may go as high as $125 an acre.

The Government tentatively has set aside $8,000,000 for land purchases. Of this sum, $632,676 has been allotted to costs of survey and negotiation, leaving $7,467,324 for actual land buying.

In addition the Government has allocated $3,677,000 to relocation of utilities and roads.

Taking the assessed real-estate valuations as listed by the Oklahoma tax commission, the Government could purchase every foot of real estate in Marshall, Love, and Johnson Counties, and buy half of Bryan County.

Of course, the Government does not expect to buy land at figures given for tax purposes. Neither does it expect to buy all the counties.

MARSHALL TO DRAW HEAVILY

In Marshall County it will buy about 54,000 acres, approximately half of the 107,000 acres which will be flooded in Oklahoma. The county should draw, in land payments and utility relocations, at least half of the funds available, or roughly $5,800,000.

All real estate in Marshall County in 1938 is listed on the tax commission books at an assessed valuation of $2,495,315.

At that rate the Government will pay in land purchases about twice what the county values its entire territory for tax purposes.

The Government will not buy all of Marshall County—in fact less than a fifth of it.

Valuation of real estate in Bryan County is listed at $5,872,952. This county would lose 26,000 acres of land out of 593,920 acres. Love County's real estate is assessed at $2,534,093 and the county would lose 11,000 acres out of 328,960.

Johnson County's assessed valuation is $3,521,958. It would lose 18,000 acres out of 421,120.

It is true Madill and Tishomingo would be harmed to some extent because valuable bottom land would be covered up, leaving much worthless land for the farmers.

It is equally true that you can't build a reservoir on a hilltop and any time reservoirs are built in Oklahoma they will cover bottom land.

The land, black and mellow and seemingly a mint of value, also has its critics. Many claim the soil packs and burns in hot weather and is not as good as it looks.

Disastrous results of the State's experiment at the Aylesworth prison farm seem to lend weight to this claim. Other costly farm experiments in the vicinity add up to about the same answer.

The power issue is one of the hottest in the Denison fight. Everywhere throughout the two valleys you hear reports that representatives of the Oklahoma Gas & Electric Co. are attending meetings which are called to protest the dam.

O. G. & E. DENIES FIGHT

In Oklahoma City, George A. Davis, vice president of the O. G. & E., issued a statement asserting the company is not fighting the dam, but he cast doubt upon its economic feasibility.

Representative JOHN E. RANKIN, of Mississippi, charged in Washington that the Power Trust is attempting to make a "cat's-paw" of Governor Phillips, who started militant opposition to the dam in his message to the legislature.

A study of the facts indicate the power interests do not have much to fear.

Brig. Gen. Max C. Tyler, Assistant Chief of Engineers of the United States Army, in explaining the Denison plan before the House Committee on Flood Control April 11 last year, strongly indicated the Government plans to sell the power to the utilities.

SEEN AS PEAK-LOAD AID

The Federal Power Commission has made a study of the market in Oklahoma, Arkansas, Texas, and Louisiana, which indicates the utilities would absorb the Denison power for peak-load aid.

The Denison hydro plant would be capable of delivering up to 125,000 kilowatts for about 3 hours a day. This would be turned into the utility lines to bolster steam plants in times when they are under their heaviest load.

If operated on a continuous basis for 24 hours a day, the plant would turn out about 14,000 kilowatts, which would not be half enough for Oklahoma City. This would supply a city of about 25,000 to 40,000 persons.

POWER RADIUS LIMITED

Most economical distribution of power would be within a 200-mile radius of the dam, said General Tyler. He added:

"The estimate is that two major areas might immediately absorb the power—the Dallas-Fort Worth area and the Oklahoma City area.

"There are a number of public-utility companies there, and they are interconnected. It is pretty hard to say just how far power may be relayed from one to another."

J. F. Owens, president of the O. G. E., some time ago offered to purchase power from the Grand River hydroelectric project if it is made available at an attractive rate.

MAY NOT BE HARDSHIP

It is probably true that the utility companies would have trouble financing new power plants in this area with the hydroelectric plants being constructed.

If they could purchase power at Denison and Pensacola and sell it at a profit, it is difficult for an observer to see any considerable hardship on the utility companies.

Army engineers estimate a dam big enough to control both the Red and Washita Rivers would cost $38,250,000 without installations for power. This charges $16,750,000 to power development.

They estimate an annual income of $1,700,000 from power sale, which would be something over 10 percent on the investment annually.

Governor Phillips objects to the Denison Dam on the ground Oklahoma land would suffer and other States would reap major benefits.

STATE COULD HAVE POWER

It is reported most of the power would go to Texas, but this is not necessary if Oklahoma utilities want to share it.

It is true that more Oklahoma land will be flooded—109,000 acres in Oklahoma and 36,000 acres in Texas.

However, Oklahoma will get more than its share of the $11,600,000 set aside for land purchases and utility relocation. It also should get more than its share of benefits from the new jobs and expenditure of $54,000,000 in Government money.

It is true that Oklahoma will get only one-fifth of the flood-control benefits, with one-fifth going to Arkansas, one-fifth to Texas, and two-fifths to Louisiana, according to General Tyler's estimate.

However, there are 200 miles of Red River in Oklahoma below Denison Dam, and it is estimated 153,000 acres of the State will be protected from periodic flooding.

Only 109,000 acres in Oklahoma would be flooded, and that only in peak high-water years.

From a broad State-wide view, an acre below the dam should be worth as much as an acre above the barrier.

Governor Phillips' charge that the dam is being foisted upon Oklahoma without representation does not stand up well against the record.

The State planning and resources board was represented in Washington by Dr. Henry G. Bennett, chairman; G. W. Archibald Durant, vice chairman; F. L. Vaughan, director of water resources; W. C. Burhnam, water-resources engineer; and W. C. Austin, attorney and board member, of Altus.

Members of the Oklahoma congressional delegation also appeared at the flood-control hearing in April 1938.

CONGRESSMEN BACK DAM

Representative SAM C. MASSINGALE, of the Seventh District, said:

"I represent that part of Oklahoma through which the Washita River runs in Oklahoma. I appear here this morning in behalf of that project (the Denison Dam)."

Senator JOSH LEE said:

"Every time we can build a project that is self-liquidating, or even partly self-liquidating, * * * in the form of electricity generated, it should have our energetic support."

Representative WILBURN CARTWRIGHT, of the Third District, said:

"I am just returned from the location of the project area, and two-thirds to three-fourths of it is in my district. * * * I have been for this all the time, whole soul, heart and body, and mind."

SAYS STATE NEEDS WATER

Representative LYLE H. BOREN, of the Fourth District, said:

"I simply want to say a word in agreement with the discussion on this project, a word of support for the general project. It has been well spoken that Oklahoma needs this water, and States farther down the line need protection from our water."

Representative BOREN was the only member of the Washington delegation that sought a delay on the Denison work when William O. Coe, attorney, and two other representatives of Governor Phillips went to Washington.

Representative JED JOHNSON, of the Sixth District, said:

"The gentlemen from Oklahoma, Mr. CARTWRIGHT, myself, and other members, are unanimous in saying that the Oklahoma delegation is not only not against the Denison Dam but wholeheartedly for the dam and for any kind of flood control for the Washita River in Oklahoma."

It is hard to see where the impression got around that Oklahoma did not have a hearing on the Denison Dam.

Governor Phillips' fear that the rights of the State to the Red River water will be lost if the Denison Dam is built also pales beside the authorization bill, which gives Oklahoma the right to use any and all water above the reservoir for municipal purposes, irrigation, power generation, domestic or any other uses "as freely after the passage of this bill as may be done now."

One who treasures the aroma of black loam in the springtime will get a heart pang as he stands on a hilltop and looks back over the valleys of the Red and Washita Rivers and imagines them abandoned to the reservoir waters.

FLOODS NOT SO PLEASANT

It is hard to think that those homes and fields must be sacrificed.

But it is not pleasant, either, to stand on those hills and watch sullen, red flood tides sweep away homes, crops, livestock, and to see the faces of desperate men and frantic women and children as they fight for their lives in the treacherous flooded currents.

Floods on the Washita and Red Rivers are terrible things.

And the United States Army engineers have determined that for the benefit of the entire Red and Mississippi Valleys, those valleys should be flooded permanently that other lands might be saved.

Unemployment-Compensation Taxes

EXTENSION OF REMARKS

OF

HON. C. ARTHUR ANDERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1939

STATEMENT PRESENTED BY THE AMERICAN INSTITUTE OF LAUNDERING BEFORE HOUSE WAYS AND MEANS COMMITTEE

Mr. ANDERSON of Missouri. Mr. Speaker, under leave to extend my remarks in the RECORD I include therein the following statement made before the Committee on Ways and Means by Mr. E. M. Warren, vice president of the American Institute of Laundering. Mr. Warren's statement pertains to unemployment-compensation taxes, which is a subject of lively interest at the present time.

My name is E. M. Warren. I operate the Utility Laundry, Inc., located at Chatham, N. J. I speak for the entire power-laundry industry of the United States. I represent the American Institute of Laundering, which has its headquarters at Joliet, Ill., and am its vice president. It is one of the oldest trade associations of the United States, starting in 1883. Its 1939 membership totals 2,121 power laundries, representing an industry made up of many small business units. The 1938 sales volume of the industry approximated $420,000,000. Of this volume approximately 70 percent is handled by members of our institute.

The power-laundry industry ranks eighth in total number of workers. Of its more than 200,000 employees, 75 percent are women. Our industry's total pay roll approximates $231,000,000 annually. The purpose of the institute is educational and is definitely of a scientific research nature.

My comments will be directed solely to the unemployment-compensation provisions of the Social Security Act. We suggest no fundamental change. We believe, as an industry, that the act is sound and necessary. We seek only to remove a glaring discrimination against service industries—a discrimination which requires the laundry industry, for example, to pay a 250-percent greater tax than manufacturing industries.

The tax imposed by the statute is called a pay-roll tax. It is measured solely by total wages. The levy has no relation to revenue, sales volume, or profit. It fails to recognize the well-known distinction between a service industry and a manufacturing industry. A service industry is engaged in the business of buying and selling labor; wages are its raw materials. A manufacturing industry is engaged in buying and selling goods; commodities are its raw materials. Because of the nature of the service establishment's business, namely, buying and selling labor, a much larger percentage of its revenue dollar is consumed by the pay roll.

Laundering is a typical service industry. The average total pay roll for laundries reporting their costs to the American Institute of Laundering for the years 1928 to 1937, inclusive, was approximately 55 percent of revenue. For the year 1938 it will approximate 60 percent. In other words at least 60 cents of each dollar received is expended in wages.

The 1935 Census of Manufactures shows that the total pay roll for approximately 300 manufacturing industries was only 21.5 percent of the sales dollar. Thus, an average of less than 22 cents of each sales dollar was expended for pay roll, compared with 55 cents, the average for the laundry industry. This means that out of every $100 received the laundry industry pays a tax for unemployment of $1.65, while manufacturing industries pay a tax of only 66 cents. The service establishment's tax is 250 percent greater than the manufacturer's tax. This is the discrimination we want remedied.

The same discrimination exists with reference to service industries generally.

THE "VALUE ADDED BY MANUFACTURE"

The Social Security Board has advanced the theory that the pay-roll tax burden should be measured against the "value added by manufacture" rather than against the sales dollar. They define this "value added by manufacture" as the difference between what an industry pays out for materials and what it gets for its product. Upon this basis, says the Board, there is little discrimination, that "for manufacturing industries as a whole pay rolls were 51.4 percent of 'value added by manufacture'; for power laundries, on a comparable basis, 61.75 percent." The trouble with this proposition is that it does not recognize that labor (production workers) is the principal raw material of the service industry; it fails to include the cost of such labor when determining the "added value." In the manufacturing industries cost of materials equals about 58 cents of the sales dollar, while in the laundry industry the cost

of materials (leaving out labor) is only 17 cents of the sales dollar. If labor were added to the latter figure, as it must be, it would bring the cost of materials up to about the same figure, namely 58 cents. Thus, out of the 42 cents "added by manufacture," the laundry pays 55 cents, while the manufacturer pays only 22 cents. Laundries' pay rolls are, therefore, 130 percent (not 61.75 percent) of the "value added by manufacture."

A LOW PROFIT INDUSTRY

For the 10-year period of 1928–37 the average profit of the laundry industry was slightly over 1 percent of sales, 1.2 percent to be exact. When the total social-security taxes reach their maximum of 6 percent, it will amount to an increased cost of 3 percent of sales, or 1.8 percent more than the industry's average profit over a 10-year period. This demonstrates that the laundry industry is in no position to bear the 250-percent tax discrimination leveled at service establishments.

PRICES CANNOT BE INCREASED

Nor can this discrimination be passed on to the consumer by way of increased prices. Experience has taught us that increased prices result in drastically decreased volume. When prices reach too high a level laundering almost automatically stays in the home to be done by the housewife or her maid. The major competition is not other laundries but rather the home itself. Laundries cannot recover increased tax costs by increased prices.

UNEMPLOYMENT IS A GENERAL PROBLEM

The fact that service industries have a higher ratio of employees is no justification for the unequal tax levy. To hold otherwise is to penalize an employer merely because he chose to sell service rather than goods.

As far as the proceeds of the tax are concerned, there has been no attempt to earmark them for any special group. They go into a general fund to furnish compensation to the unemployed, whether he be a laundry worker or a steel worker. There is no theory behind the general law that each industry should be required to care for its own unemployed. If there were, then the Federal law would have to recognize many factors other than total wages or number of employees. In the laundry industry, for example, there would have to be a compulsory recognition of its remarkable record of stabilized employment. According to the 1935 census, employment by laundries for the peak month of August was only 2.8 percent above the average for the entire year, and employment for the low month of January was only 2.5 percent under the yearly average. Thus, the spread between the high and low employment months was only 5.3 percent. In the manufacturing industries, on the other hand, the spread is 11 percent, or more than twice as great.

As we have said, however, the law recognizes unemployment as a general problem. For this reason no one type of industry should be required to bear an unequal burden. The measurement of taxation should be such as to require each employer to contribute fairly equally to the general fund.

THE REMEDY

The remedy is, we believe, fairly obvious. The statute should reflect the universally recognized distinction between a manufacturing industry and a service industry. There is ample precedent for this distinction. The tax measurement should either be changed to recognize this distinction, or, if it is desirable to maintain total wages as the measurement, then the rate for service establishments should be reduced to a point where the 250-percent discrimination is wiped out. This latter proposal can be accomplished by amending paragraph (3) of section 901 of the act to read substantially as follows:

"With respect to employment after July 1, 1939, the rate shall be 3 percent, except that in the case of service establishments the rate shall be 1¼ percent."

UNEMPLOYMENT COMPENSATION AND ITS EFFECT ON THE POWER-LAUNDRY INDUSTRY

It is our considered opinion that the purposes to be accomplished by the Social Security Act are sound and should be provided for by legislation, but it is also a fact that we consider the present basis for collecting such taxes to be inequitable as far as the laundry industry and other high pay-roll industries are concerned. There is little question that our contention is correct. The 1935 census of manufactures, covering approximately 300 manufacturing industries, and the 1935 census of power laundries support this claim that the Social Security Act, in its present form, should be amended so as not to unduly penalize service industries whose total pay roll constitutes such a high percentage of revenue received. And important in this respect is the record of stable employment of the power-laundry industry.

STABILIZED EMPLOYMENT AN IMPORTANT FACTOR IN THE POWER-LAUNDRY INDUSTRY

The laundry industry is one of stable employment, as there is little seasonal fluctuation in laundry employment except in resort cities. This fact is proved by the data that follow, obtained from the 1935 report of the United States Bureau of the Census for power laundries. It will be noted that employment by laundries for the peak month of August was only 2.8 percent above the average for the entire year, and employment for the low month of January was only 2.5 percent under the yearly average. Thus the spread between the high and low employment months was only 5.3 percent.

Wage earners by months for 1935 as reported by the U. S. Bureau of the Census

Month	Laundry wage earners by months	Percentage to average for all months	Manufacturing wage earners by months (280 industries)	Percentage to average for all months
January	203,162	97.5	6,954,795	94.2
February	203,174	97.5	7,182,262	97.2
March	204,286	98.0	7,326,266	99.2
April	205,043	98.4	7,347,243	9915
May	207,071	99.4	7,280,289	99.4
June	210,206	100.9	7,171,767	97.1
July	213,745	102.6	7,185,660	97.4
August	214,162	102.8	7,451,154	101.9
September	212,188	101.8	7,676,155	103.9
October	209,870	100.7	7,771,614	105.2
November	208,594	100.1	7,693,214	104.2
December	208,751	100.2	7,585,677	102.7
Monthly average	208,354	100.0	7,385,508	100.0

It is interesting to compare these data with those for 280 manufacturing industries, also taken from a 1935 report of the United States Bureau of Census. During the peak month of October employment among manufacturing plants was 5.2 percent above the average for the year. For the low month of January employment was 5.8 percent below the annual average. Thus, while the commercial laundry industry showed a spread between high- and low-employment months of 5.3 percent, 280 manufacturing industries showed a spread of 11 percent, more than twice as great.

THE LAUNDRY INDUSTRY HAS AN UNUSUALLY HIGH PAY-ROLL PERCENTAGE IN RELATION TO TOTAL REVENUE

Commercial laundering differs from the majority of industries taxable under the Social Security Act in that it is a service industry where pay roll consumes a large portion of the revenue dollar. The average total pay roll for laundries reporting their costs to the American Institute of Laundering for the years 1928 to 1937, inclusive, was approximately 55 percent of revenue. In other words, 55 cents of each dollar received was expended for pay roll.

The 1935 census of manufacturers show that the total pay roll for the 39 largest manufacturing industries included in the survey was only 28 percent of the value of product sold. Thus, an average of only 28 cents of each sales dollar was expended for pay roll, compared with 55 cents the average for the laundry industry for a 10-year period. The laundry pay roll is therefore about twice as great in percentage of revenue as the average for the 39 largest manufacturing industries. If all manufacturing industries are included the average total pay roll is only 21.5 percent of the value of their product compared with 55 percent for commercial laundries.

A comparison of pay-roll percentage to revenue for the major manufacturing industries based on 1935 census reports, follows:

Number of wage earners by manufacturing industry and percentage of total pay roll to revenue (1935)

Industry	Wage earners	Total pay-roll percentage to revenue
Agricultural implements	52,866	27
Boots and shoes	202,113	31
Bread and bakery products	218,423	23
Canning (fruits and vegetables)	116,298	14
Chemicals (not classified elsewhere)	65,838	17
Cigars	56,019	26
Clay products	44,583	39
Confectionery	52,109	20
Cotton manufacture	383,002	27
Electrical machinery and supplies	179,641	30
Foundries	89,894	46
Furniture	130,781	33
Glass	67,138	30
Hardware	41,473	37
Knit goods	219,776	35
Leather	60 877	22
Lumber	255,230	38
Machinery (not classified elsewhere)	109,818	34
Meat packing (wholesale)	116,620	8
Men's cotton clothing	121,889	26
Men's, youth's, boys' clothing (not classified elsewhere)	154,583	28
Motor vehicles	147,044	10
Nonferrous metal alloys	62,935	24
Paper	103,344	20
Petroleum refining	77,402	8
Planing-mill products	48,297	30
Printing and publishing	245,376	35
Radio apparatus and phonographs	44,796	29
Railroad repair shops	135,800	53
Rayon manufacturers	70,318	30
Rubber tires and tubes	57,128	22
Rubber (other manufacturers)	40,307	29
Ship and boat building	44,830	45
Silk manufacture	55,590	31
Stamped- and pressed-metal products	50,014	32
Steel- and rolling-mill products	359,630	27
Stoves and ranges	41,739	30
Women's, misses', and children's wearing apparel	259,042	24
Wool and hair manufacture	166,604	25
Average pay-roll percentage for 39 largest manufacturing industries with 4,739,167 wage earners		28
Laundry industry (208,354 wage earners)		55.1

Since pay roll in the laundry industry is such a high percentage of revenue, and inasmuch as unemployment-compensation taxes are based on pay roll, it is a fact that the tax burden is greater for laundry owners than for the vast majority of other employers. For example, if the 1938 unemployment-compensation tax rate of 3 percent paid by the employer is applied to total pay rolls as shown by the 1935 census reports for manufacturing and laundering, it is found that while the average unemployment-compensation taxes paid by 280 manufacturing industries amounts to only sixty-four one-hundredths of 1 percent of revenue received, the taxes paid by the laundry industry amount to 1.65 percent of revenue—more than two and one-half times the average percentage paid by all manufacturers. It is for this reason that laundry owners consider the present basis for computing social-security taxes to be inequitable as applied to the laundry industry.

The present Social Security Act provides that taxes to employers will ultimately amount to 6 percent of pay roll, which is equivalent to more than 3 percent of sales for the laundry industry. A tax of such proportion will prevent many laundries from operating at a profit.

THE LAUNDRY INDUSTRY IS A LOW-PROFIT INDUSTRY

Even though the laundry industry ranks high in number of wage earners and annual sales volume when compared with other industries, it is made up essentially of numerous small local units individually owned. The average profit for these plants for a 10-year period of 1928–37 has been slightly over 1 percent of sales. It is quite doubtful whether an industry with such a narrow margin of profit will be able to absorb an approximate increase in costs of 3 percent of sales when the social-security taxes reach their maximum of 6 percent of pay roll. If the effect of such taxes will be to increase the number of nonprofitable laundries, the result will be to the detriment of the laundry industry as a whole, and less revenue will accrue to the Federal Government in the form of income taxes. Laundries forced out of business will add to the already serious unemployment problems.

A comparison of laundry profit or loss and total pay roll for the 10-year period 1928 to 1937, inclusive (in percentage to revenue), is as follows:

Year	Profit or loss, percent of sales	Total pay roll, percent of sales
1928	9.50	52.32
1929	8.07	51.84
1930	2.23	54.34
1931	[1] 1.17	55.77
1932	[1] 4.81	56.31
1933	[1] 4.77	56.19
1934	[1] 1.44	56.88
1935	.19	55.75
1936	1.90	54.84
1937	1.35	56.79
10-year average	1.20	55.10

[1] Loss.

PRICES CANNOT BE INCREASED SINCE THE LAUNDRY'S COMPETITORS ARE ITS OWN CUSTOMERS

The argument that increased costs due to social-security taxes can be offset by an increase in selling prices is not effective as far as laundry owners are concerned. They know that an increase in the prices of their services usually results in decreased sales. The reason for this is that laundering can be done in the home, either by the housewife or her maid, if the prices charged by the laundries are considered to be too high.

Competition in the laundry industry is unique. The major competition is not other laundries, but, rather, home washing machines and domestics. Whenever laundry customers believe that they cannot afford to send their clothes to a commercial laundry, they either buy home washing machines and do their own washing or have it done by a washwoman. Once these machines have been purchased, laundries lose the purchasers as customers until such a time as machines must be replaced or are discarded. In any event, laundries lose business as a result of price increases. For this reason it is not practical for them to attempt to recover increased costs due to social-security taxes by increasing their prices for the various laundry services.

THE LAUNDRY INDUSTRY IS A MAJOR INDUSTRY

The laundry industry is one of the major industries, although it is not generally thought of as such. For example, according to the Bureau of Census, the laundry industry in 1935 ranked eighth in total number of workers and thirty-first in sales volume when compared with 280 other industries included in the census survey.

SUGGESTED AMENDMENTS TO UNEMPLOYMENT-COMPENSATION PROVISIONS OF THE SOCIAL SECURITY ACT

We propose that:

(1) Paragraph 3 of section 901 of the act be amended to read as follows:

"With respect to employment after July 1, 1939, the rate shall be 3 percent except that in the case of service establishments the rate shall be 1¼ percent."

(2) The unemployment-compensation tax now paid by employers on total pay roll shall apply only against the first $3,000 of wages and salaries received by individual employees, if that amount is retained in the old-age-annuity tax provision.

(3) The reporting of Federal and State unemployment-compensation taxes and also the old-age benefit provisions of the Social Security Act be combined, thereby relieving employers from the necessity of preparing separate Federal and State tax returns.

Our National and International Problems

EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 10, 1939

RADIO ADDRESS OF HON. JOHN G. ALEXANDER, OF MINNESOTA, MARCH 9, 1939

Mr. ALEXANDER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address I delivered over the radio yesterday, March 9:

Good afternoon, ladies and gentlemen, the Columbia Broadcasting System is rendering a great service to the public interest by giving time in this way for the creation of a forum where great public questions may be freely discussed in a Nation-wide hook-up. They are to be highly commended. * * * I hope many of you will do so at the end of this broadcast.

I think if I were to give a title to these remarks it would be something like this: Were the Revolutionary soldiers coworkers with the devil; or is democracy in Guam? From that you may suspect that I have chosen a warm subject and one which is highly controversial. You are correct in your assumption, but I do not intend to handle it with gloves on my hands nor a muzzle on my tongue.

We are undoubtedly at or nearing a crisis in international affairs; and we, as one of the potent nations in this complex, interdependent, internationalized world are unable to avoid the consequences of a serious break in peace, much as our soothsayers and sedative prescribers would have us believe otherwise. In view of such a situation, with its terrific and horrifying potentialities for destruction, for loss of life, and of all of those values which mankind holds dear, I feel that it is high time for some clear thinking and plain speaking.

As an indication of this need I wish to quote to you excerpts from an article inserted in the Appendix of the CONGRESSIONAL RECORD, page 880, by Senator CLARK of Missouri, entitled "Affirmation of Christian Pacifist Faith," taken from the magazine Fellowship for March 1939. After asking the very fine and appropriate question as to what direction can be found in the gospel for the Christian and for the church today, when faced once more with the prospects of imminent war, then the article goes on to make a statement which is termed the answer given thereto by Christian-pacifist faith. It is well that the qualifying adjective "pacifist" is used, for without it undoubtedly many Christians would object to the assumption of their inclusion in the philosophy thereafter expressed. There is no doubt that the 100 members of the clergy who signed the formula proposed were conscientious and high-minded in their aim, but there is a question as to the omniscience of their philosophy and logic.

For instance, we find this statement: "Therefore we proclaim to a world which is once again madly preparing for war that the gospel of God as revealed in Christ leaves us with no other choice but to refuse to sanction or to participate in war." "War, and preparations for war," they say (that is, preparedness), "constitute a denial of the way of the cross, for it attempts to overcome evil with more evil." Now the premise of the last sentence is good, but the conclusion seems hardly justified. True, as they say, war constitutes a denial of the way of the cross, but they add "and preparation for war also constitutes a denial," therefore and thereby raising this question, Do we not need to hold the lines and the advances already gained in the upward march of humanity to its ultimate goal, hold them by adequate and essential preparedness against the onslaught of war-mad dictators? Or, to put the question another way, have Ethiopia, Spain, and China, by their nonpreparation for modern war, made any greater contribution to the promotion of Christian idealism than those nations who have fostered necessary preparedness? And then let's consider the conclusion contained in the above quotation, viz, this (I quote) "For they attempt to overcome evil with more evil." Now there is no doubt that war is bad—that it is hell for the participants, as so forcefully suggested by General Sherman and as each of us agree who were in the last war; but if all war is evil and therefore justifies us in nonparticipation as these gentlemen tell us in this article, then the Revolutionary War was evil, and Lincoln and Grant were wrong in bringing the Civil War to its successful conclusion; then, too, those brave and loyal sons of freedom who carried on the Revolution from Bunker Hill to Yorktown were sinful coworkers of the devil; and those who suffered and died from Fort Sumter to Appomattox to preserve the Union were sons of darkness instead of preservers of liberty and democ-

racy; and so too George Washington and Benjamin Franklin and others were carrying on the works of the devil and the fruits of their victory were evil, because it overcame evil with a defense to oppression. No; I cannot subscribe to that theory. And I doubt if many true Americans and Christians will either, a theory which says we should not resist war with war if need be or if forced upon us.

If time permitted I would like to go on and read other paragraphs from this, if well meaning, then amazing pronouncement by this ministers' peace covenant. Boiled down they seem to be saying that we should lie down and let evil engulf us and let all that is fine, noble, just, and uplifting be destroyed by the military dictators. To my mind, the only day when we can do our reclining is when we have finally prepared the world for the blessings of Christianity and for enjoyment of the love symbolized by the cross. Until then, until that great day when all men shall be free, if I am not mistaken, the instruction and personal lesson shown by the Leader of their faith was to fight on for the right to the death, if need be. He did not teach that we should passively accept sin, evil, and oppression. Did He not dash into the temple in Jerusalem, tip over the tables of the money changers, and drive the operators out with epithets and a scourge? He did, and, by countless other incidents, indicated that the age-old battle between sin and goodness should be carried on even to death.

Of course, wars come—they come today because of our ignorance and indifference to the application of the first and foremost and the real principle of Christianity in our international affairs—that is, that you are your brother's keepers, and that all men everywhere are your brothers. Pacifism has not stopped war ever yet—will not stop it except as pointed out above—and war will continue to come until we can promote and extend these real principles of Christianity and democracy, which are synonymous, throughout the world.

That is the duty and it is the obligation of each and every one of us, and the way it applies in a given case is best explained by a quotation from my own remarks in the House of Representatives on Washington's Birthday, February 22, on the question of the appropriation of $5,000,000 for the dredging and building of a breakwater in Apra Harbor, on the northwest corner of the island of Guam. I said then, and repeat now, "Where is democracy? Is it limited to the 48 States of the Union and bounded by the shores of the Atlantic and Pacific, and the Mexican and Canadian borders, or does it extend to Alaska, to Hawaii, Puerto Rico, the Philippines, Guam, and our other Territorial possessions? Does it extend to our ships, our merchant marine, our commercial air lines, and the routes which they are traveling today? Or is it limited to the docks or the landing fields in this country from whence they start their journeys, or is it only found on the farms where the ships' cargoes come from, or at the oil wells in Texas or Oklahoma, or in the steel towns where the ships' framework was fabricated, or in the lumber camps that provided the lumber to make the ships? And if it is so limited and is to be found only in such primary places, then God forbid the building of the ships, the furnishing of farm products, the furnishing of 'oil for the lamps of China,' or the departure of our elements of trade and commerce to the seven seas of the world! If democracy is only to be found in so narrow an area as that which the isolationists would have us believe, then it would have been much better to have left off building democracy across this continent and to have kept it confined to the Original Thirteen Colonies of 1776. Suppose we had done that; had not pushed on to the west coast; had left Spain, France, Mexico, and England in control of the Middle West and the West. * * * I repeat, if democracy is to be found only in so narrow an area as that which the isolationists and pacifists would have us believe and recommend the defense of, then God forbid that the precious lives of our seamen and aviators be sent out to face the great risks to which they will be subjected by the fierce and never abating onslaught of those military dictators who are carrying on their wars of aggression and the destruction of our international law and order every day of these modern years and in every corner of the globe. In the terms of a saying of that great statesman and intellectual leader, Benjamin Franklin, if democracy is only a lamb to be defended and fought for here on United States soil, then we should not send it out among the wolves of international outlawry and brigandage.

But I am not so sure that we can so limit and circumscribe democracy, even if we did attempt it, nor am I willing to agree that democracy, great and idealistic as it is, can be preserved and promoted if we so seek to limit it and limit our defense of it. And I say that for this reason, that not only does water seek a level but also so does mankind, not only socially and materially but also politically seek a level, and if we do not protect and promote democracy in every single far corner of the earth, bringing it to the rest of the world intensively and aggressively, and protecting it even in Guam, then the rest of the world will bring their less desirable political philosophies to us. This old world is a great old evener, and if we do not take democracy to the rest of the world, lifting humanity and its nations and races up by it and to it, the lesson of history indicates that they will then drag us down to their less desirable level.

So the consideration of the development of Guam, this outpost 5,428 miles from the United States, becomes a matter not of antagonizing Japan and her allies but one of national defense and of our own protection and of democracy. For, as I have already pointed out, democracy is found wherever our trade and commerce goes, and it will go everywhere if America is to continue to exist, or to grow, so then we cannot limit our ideas and conception of national defense to the soil and to the cities of the 48 States. Our whole commercial, social, religious, and political future will depend upon the support which our Naval and Military Establishments can and will give against the forces at home and abroad which would drive us into a circumscribed area. And to those who are of that school which visualizes our danger of attack as only that here in America, I would say that to pursue that policy to its ultimate end and conclusion would mean that in the final analysis, after both England and France have been defeated and forced to completely capitulate and bow to an unconditional surrender to the war lords of Europe and Asia, and if you are anticommunistic, including Russia in that group, we of America would then face them alone. And what an allure our $14,300,000,000 in gold bullion and our $2,000,000,000 in silver bullion, and all our other great natural resources would have to those present-day Napoleons? And how little chance would there be that we could hold the line, withstand their combined onslaught, and save ourselves from destruction without a similar surrender?

Therefore, it seems very clear to me that the appropriation for the harbor at Guam is a very necessary and essential commencement and element of the protection which we all desire. I say this advisedly, first, because this is the best guarantee of peace which we can possibly create, and also the best guaranty of preparedness in terms of national defense, as is shown by the Hepburn committee report, a committee made up of outstanding experts on this subject. They say—and listen to this carefully, because it is very important—I quote: "A strong advance fleet base at Guam, developed to the practical limits which the natural resources invite, would assure the most favorable condition that could be brought about for the prosecution (should need arise) of naval operations in the western Pacific, arising from whatever necessity. It would reduce to its simplest possible terms the defense of Hawaii and the continental coast of the United States. It would also assure the ability of the fleet to operate with greater freedom in meeting emergency conditions that might arise in the Atlantic." In other words, if it were to reduce to its simplest possible terms, as they say, the defense of Hawaii and the continental coast of the United States, it would help to shorten the war and eliminate the possibility of danger and destruction and loss of lives in and to our own continental area, and, as they say, it would make it possible to release more of our fleet for the handling of any emergency condition which might arise in the Atlantic. Is it not very apparent that in terms of our own welfare and safety and in terms of the lives of our youth that we should promote this recommendation, rather than to take the blind, ostrichlike attitude which would leave us in the same unfortunate situation we found ourselves in in 1917–18, when we did not have a single piece of artillery, except a few coast artillery guns, which we could use at the front in France, and when it took us 15 long months before we could halfway train and equip an army for service at the front? I think it is, and I hope you will support us in this question.

Monopoly Investigation

EXTENSION OF REMARKS

OF

HON. B. CARROLL REECE

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1939

STATEMENT OF WILLIS J. BALLINGER BEFORE TEMPORARY NATIONAL ECONOMIC COMMITTEE

Mr. REECE of Tennessee. Mr. Speaker, under leave to extend my remarks, I present the following statement of Prof. Willis J. Ballinger, director of studies and economic adviser to the Federal Trade Commission, at the opening of hearings by the Federal Trade Commission before the Temporary National Economic Committee:

The Federal Trade Commission has been requested by the Temporary National Economic Committee to assist in the study of monopoly and monopolistic practices found in American industry. For the purpose of a preliminary survey, the Commission is presenting the following testimony.

The presentation is in three parts—a prologue, a general summary of Federal Trade Commission experience over the past 7 years, and an account of monopolistic conditions existing in 13 industries at the present time.

In the prologue the Commission offers its definition of the problem at hand, involving the sense in which it will use the terms "capitalism," "monopoly," and "competition." This section deals also with the relation of free capitalism to democracy as a background for the discussion of actual restrictions to freedom as found in business practices. Testimony will be introduced showing in addition the relation between monopoly and the failure of business to recover full prosperity.

Part 2 deals with the recent experience of the Commission in the enforcement of the antitrust laws. The testimony will indicate the kinds of monopolistic practices uncovered by the Commission in numerous cases and in its general investigations. Particular attention will be given to the investigations covering public utilities, farm machinery, chain stores, and agricultural income. The obstacles encountered in attempting to protect competition will be indicated, and the reasons for the failure of section 7 of the Clayton Act to accomplish its purpose. Section 7 was designed to prevent the concentration of the control of production in industry and to prohibit one of the principal methods by which monopolistic practices are greatly facilitated.

Part 3 presents a series of 13 examples of important industries, showing the existence of monopolistic practices at the present time. Our budget and the time available have not permitted us to give, at this time, as complete a picture of the extent of monopolistic conditions in American industry as exists.

In selecting these 13 examples we have tried first of all to obtain illustrations of different varieties of monopoly. We have also endeavored to select industries that are of immediate interest to large groups of people. Some of them directly affect the consumer, others provide materials to a multitude of small industries, and still others are of primary interest to the producers of raw materials who must sell in a market where monopolies are the only buyers. Cases of double monopoly occur, where the industry controls both the raw material prices which it pays and the prices at which it sells its product. These examples will also indicate the fact that at times a raw material may pass through several layers of monopoly before reaching the final consumer, who must pay the costs of all these interferences with competitive trade. Finally the Commission has selected examples of both large and small industries to illustrate the fact that bigness and monopoly, although often related, are not always found together.

In this investigation the Commission is not primarily interested in the legality or illegality of the practices or conditions described. In the Commission's opinion, one of the gravest problems before the Temporary National Economic Committee is one of recommending suitable changes in our present laws which will lead to an effective encouragement and protection to free initiative in business. Many of the present antitrust laws were aimed at the crude monopolistic practices of an earlier day, chiefly the acquisition of ownership of competitors, or collusion and conspiracy to refrain from competition. The proof of collusion and conspiracy has always been difficult. With the passing years the difficulties have increased enormously. Today there are more subtle ways of restraining trade, where the difficulties of proving any conspiracy or collusion are frequently baffling. In law a monopolistic practice is one that can be proved to be in violation of existing law. To economic science, however, a monopolistic practice is one that interferes with the flow of free and fair competition in industry, even though the practice or condition may be unreachable by existing law.

When the economist sees prices stubbornly resisting the influence of falling demand, holding steadily to a high level while production shrinks almost to nothing, he knows that competition has ceased to work at that point, though proof of any conspiracy to fix prices may be impossible or exceedingly precarious. When he sees technical improvements reducing costs in an industry, with no corresponding reduction in the price of the product, he knows that something is there that is not good for the health of the competitive system. When he finds the Government confronted with a number of bids, presumed to be secret, all identical to the last cent, it is clear to him that some obstruction is lodged in the arteries of trade. When he finds in industries excessive profits and inflexible prices, or excessive production and inflexible prices, or rising prices and falling costs of production over a long period of time, he knows that monopolistic conditions are present, even though the detection of any conspiracy to restrain the law of supply and demand may be hopeless or extremely difficult.

It is the Commission's opinion that the disease which it characterizes as restraints of trade in sundry form is equally fatal to American capitalism, where it originates in the overt act of an individual, in any encouragement offered by Government itself, or in a contagious virus that cannot be located by any existing microscope of the law.

The first fact that must be recognized as the basic cause of the present investigation is that the laws against monopoly, beginning in 1890, as generally construed by the courts, have proved ineffective in preventing the steady growth of monopolistic practices in American industry.

PROLOGUE

In the opinion of the Commission the chief obstacle to a clear analysis of the problems of monopoly will be found in the confusion of terms, the use of words such as capitalism, monopoly, and competition, with two or more incompatible meanings at the same time.

This difficulty cannot be easily and quickly overcome by setting down a list of standard definitions. The acceptance of practical definitions of the subject must be built up by detailed examination of many lines of industry, each with its own peculiarities of circumstance and behavior. In advance we can only suggest the objective toward which the Commission believes the discussion should be aimed.

Capitalism is often used to describe several different aspects of a business system, such as the fact that capital investment is employed in production, or that the means of production are privately owned. So far as the first of these definitions is concerned, it applied equally to Fascist, Communist, and monopolistic systems of industry, all of which use machinery and fixed capital. For the purposes of the present discussion such a definition leads nowhere. The Commission desires to make plain that the aspect of capitalism, which is here under examination, relates to the competitive relationship among producers and consumers operating for their own interest in the hope of economic gain.

Capitalism and democracy, to the man in the street, appear to have been developments of the last 150 years. Sometimes he remembers vaguely that the Greeks had a word for democracy, but only students are aware that for thousands of years capitalism and democracy have been partners in a long and indecisive struggle for human liberty. Our own experience in America has been only one instance of the vicissitudes of the partners, capitalism and democracy. To realize that capitalistic systems have risen, flourished, and perished many times before the coming of the modern capitalism, it is necessary to know that capitalism can exist without automobiles, radios, or giant corporations utilizing costly and complex machinery for the production of goods. We must not confuse technology or variety of production with the capitalistic system itself and think that modern capitalism is something brand new because it has introduced tremendous improvements in the production and distribution of goods. Stripped of its superior technological equipment, modern capitalism is essentially the same as capitalistic systems which appeared and disappeared thousands of years ago—theoretically a system of free markets where any man may sell his labor or his products according to the laws of supply and demand. Reasonable freedom of initiative and a fair chance to compete in the market are the essence of capitalism, and democracy is the traditional method by which people have tried to protect this freedom against the excessively predatory man.

There are many examples of free markets developing and democracy organizing itself to ward off robber bands and hostile neighbors. With organization came the opportunity for peaceful exploitation from within. Almost at once we see the beginning of interference with free trade by what we now call rackets, and soon by organized controls operated by powerful private interests. Sometimes interference with the free market was vested in a rich merchant or society of merchants, sometimes in a guild, sometimes in a feudal lord. In one way or another the system of free competition is broken down. Trade is limited and confined, sometimes for centuries, that later historians will call Dark Ages. For a time democracy prevailed and drove back predatory businessmen. In the end a few men found means of standing legally across the market and taking toll, democracy went under, and the victors fattened on the market until they destroyed it, and through the concentration of wealth established tyranny. Frequently the burden of economic parasitism became too great for the industry of the people to carry; a war or revolution broke down the ruling class, or the discovery of new lands offered an escape for the downtrodden; and capitalism, the system of free market, appeared again to begin a new cycle. The long battle between trade and the tribute taking has gone in cycles of victory and defeat. Through the centuries the struggle of capitalism and democracy against the ancient craft of toll taking has swung to and fro. Free enterprise has risen and perhaps for many generations has defended itself with the ballot box against the growth of concentrated economic power, which devours capitalism by seizing markets through the power of money, destroys free enterprise, and takes tribute at every corner. Then in a day of weakness democracy has been seduced or conquered, and wealth has taken control of industry and trade.

Sapped by the growth of plutocracy, civilization has burst into a feverish orgy of degeneracy and crime, and has then sunk into a long, dark age until there came a new birth of freedom and the beginning of a new struggle.

Modern capitalism was the revolt of producers and consumers against the highway robbery of the feudal lords. It was another flag of freedom appearing after a long night of concentrated economic power and political tyranny. Men would band together to work and trade with one another and to fight off the oppressor. But as capitalism developed the old barons came back in new forms. In the towns where modern capitalism began its struggle with the feudal order the new free market system eventually degenerated into a system of plutocratic and monopolistic guildsmen. Democracy and capitalism were trapped once more. Then capitalism escaped for a brief moment to the countryside, to country fairs and auctions where free enterprise began anew, and what a man made he could sell and put the profit in his pocket. But very quickly it was snuffed out by the king who embarked on the royal business of selling monopolies to favorites and insiders. Free trade vanished once more until the coming of the industrial revolution.

Here on American soil another stretch of free enterprise has precipitated the old historic struggle—the efforts of democracy to save its partner, capitalism, from its ancient foe—predatory business practices which destroy free enterprise.

Lest the people learn the lesson of history, the dark powers of concentrated wealth choose in each new struggle a new name for themselves, avoiding the old names that carry the historic smell of tyranny. Tyrant, satrap, pharaoh, khan, caesar, emperor, czar, and kaiser have left their sulphurous trail across the pages of history. Today in Europe they have new names. In America we call the lesser rulers business leaders and corporation lawyers, the great ones are simple kings—oil kings, match kings, soap kings—hundreds of them. The great overlord who will draw them all

together into a perfect plutocratic dictatorship has not yet appeared. But there are portents in the heavens which betoken his opportunity.

History seems to indicate that in the end democracy has always been destroyed as the free competitive markets of capitalism have been overcome by predatory business practices. Each new capitalistic system has been like a man passing through life among the invisible germs of fatal disease until at last one of the arrows of death gets him and he dies. Every time a democratic people succeeds in beating back the powers of high finance, protecting fair competition, and preventing the operation of special privilege, capitalism and freedom are saved for the moment. The next moment the danger appears again from some new quarter and must be once more escaped.

There is no evidence, however, that capitalism and democracy are limited to a certain length of life by natural law. When they die, their deathbed is always laid in the midst of palatines and slums and concentrated economic power. The natural law appears to be that the price of freedom is enternal vigilance against the growth of such concentrated economic power.

The question whether capitalism in the world at large has now reached another autumn, the beginning of a long winter of darkness and stagnation, is hardly an academic one. Some of the greatest industrial areas of the earth are already organized in Dark Age forms. Freedom has been not merely lost but repudiated and cast out. The future, abroad at least, so far as we can see, points toward destruction rather than toward new triumphs of progress and improvements in the standard of living.

Our country has slipped down from a precarious peak of prosperity into a long plateau of depression. The question is a vital one, whether we are at the end of our growth as a free democracy. If the answer is that our dream of freedom is over, it will not be on account of the conquering power of distant enemies, but because of the same internal disease that has destroyed capitalism in the past and in other parts of the world during the present century. Our duty here is to locate that aspect of capitalism that is vital to freedom and to find the means by which that vital element may be preserved and cultivated.

In examining the operation of our present system of trade, the Commission believes that competition must be regarded in the light of the effects that are desired. To avoid the degeneration into totalitarian controls, something that we know as free initiative must be permitted and encouraged. The details of business enterprise, of risk and adventure must in some substantial degree be the free action of individuals operating in a system of fair competition. To preserve a field of free action there must be safeguards that will prevent the growth of powers that are destructive of such freedom.

Whatever the details of the obstructions to trade that will be found by the economic committee, for the present the Commission lumps them together in this discussion as being varieties of monopoly.

The Commission believe that whatever may have been the immediate causes of the present depression, the effects have been aggravated by the lethargy of the capitalistic system, a lethargy due to a steady growth of monopolistic practices in American industry and trade. The failure of controlled prices to follow the falling market in 1930 was apparently a factor in prolonging and deepening the collapse of production and employment. Artificially high prices appear to have been a factor in the unwholesome lack of buying power that has so long interfered with recovery. In 1936 and 1937 it seems that artificial and excessive increases in prices were in part responsible for limiting the growth of prosperity and turning the curve of production downward.

The fact appears to be established that price and production controls, set up in the hope of obtaining larger profits at the expense of the business system as a whole, have succeeded in so poisoning the whole system as to defeat even their own purpose. A cancer may live successfully at the expense of the body of its victim only until it kills the body and dies with it. There appear to be symptoms indicating that monopoly has so far weakened the body of capitalism that both are in danger of dissolution to be followed, as in other nations, by some kind of authoritarian social order which would be highly distasteful to the American people.

The remarkable difficulty of economic recovery, and the ominous developments abroad, indicate the need for serious investigation and action to relieve capitalism of as much as possible of the deadening growth of trade restraints. Other measures may also be necessary, but no program of recovery will restore a healthy capitalism if it fails to include a restoration of healthy competition in industry.

The Commission desires to make clear its assumption that the resolution establishing the Temporary National Economic Committee directs the committee to seek for means of protecting free and fair competition, not for means of giving it a decent burial. The Federal Trade Commission, in the course of its work, has become familiar with the existence of a sentiment favoring a relaxation of the laws against monopoly. Proposals are constantly made, and no doubt will be made again, for the organization of price and production controls under public sanction, with the purpose of creating monopolies in industries where they do not now exist, or of sanctioning them where they exist by evasion of the law.

The Commission stands unalterably opposed to any general legislation permitting the organized control of prices and production by private business. It subscribes fully to the viewpoint of a distinguished American jurist and social philosopher, Justice Brandeis, when he said some years ago:

"You cannot have true American citizenship, you cannot preserve political liberty, you cannot secure American standards of living unless some degree of industrial liberty accompanies it. And the United States Steel Corporation and these other trusts have stabbed industrial liberty in the back. They have crushed it out among large groups of our people so completely that it will require years to restore our industries to a condition of health."

The Commission recognizes that in some industries technological necessity or national defense may require the establishment of monopoly; but this development should be kept, in the Commission's opinion, to as narrow limits as possible. Public utilities do not belong, theoretically, in a free capitalistic system; they necessarily land in Government regulation, and some of them already have landed in public ownership.

For the great bulk of American industry and business in which no technical necessity or other unusual circumstance for monopoly exists the Commission holds that free competition, protected against unfair practices, is essential. In order to preserve capitalism and democracy, we do not have to keep absolutely every business in a free form, but we have to keep enough free business to make this, in general, a free country.

If, in an effort to prevent unfair practices, free business is permitted to organize and establish its own rules of action, the result will inevitably be to cover all business into a monopoly system. This road leads directly to some form of authoritarian government. The abandonment of free capitalism here, as in other nations, will require the abandonment of democracy. The Commission suggests, therefore, that this committee will do well to oppose any attempt that may be made to obtain its sanction for laws looking to the organization of free industries for price and production control.

Finally the Commission feels it to be vital to the success of this investigation to recognize that recovery at any price will not satisfy the needs of the situation. We may be tempted to abandon all hope of restoring capitalism and to resort to a mere recovery of production and employment in the shelter of an authoritative governmental system of planned industry. The Commission does not regard such an outcome as one to be desired. On the contrary, the question is one of restoring a degree of flexibility and vitality to the capitalist system that will allow full prosperity with freedom. To kill the patient and substitute someone else is not a satisfactory cure. Indeed, it feels that such a cure would be fraught with the greatest peril to the real economic progress of the American people in the years to come. It is in competitive markets that mankind has made his greatest progress, and the words of Woodrow Wilson written many years ago are a sound admonition to all civilizations that seek to rise to higher levels of economic achievement.

"American industry has always thriven, when it has thriven at all, on freedom; it has never thriven on monopoly. Limit individual opportunity, restrict the field of originative achievement, and you have cut out the heart and root of all prosperity. You cannot use monopoly in order to serve a free people. We purpose to prevent private monopoly by law, to see to it that the methods by which monopoly are built up are legally made impossible. We design that private limitations on individual enterprise shall be removed so that the next generation of youngsters, as they come along, will not have to become protégés of trusts, but will be free to go about making their own lives what they will."

W. P. A. Appropriation

EXTENSION OF REMARKS

OF

HON. JOHN C. SCHAFER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, March 10, 1939

EDITORIAL FROM THE MILWAUKEE JOURNAL OF MARCH 7, 1939

Mr. SCHAFER of Wisconsin. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Milwaukee Journal of March 7:

[From the Milwaukee Journal of March 7, 1939]

SO IT WAS ONLY TALK?

President Roosevelt, returning from his cruise, hears economy talk around Washington and immediately serves notice he will ask again for the $150,000,000 Congress took from his W. P. A. appropriation. Otherwise, we hear again, one-third of those with W. P. A. jobs must be stricken from the rolls.

Why not try a little economy in the use of W. P. A. money? If a cut of 17.4 percent in the appropriation means a cut of 33⅓ percent in the number employed, it is obvious that a great part of the appropriation goes to overhead. Overhead means better-paid jobs than W. P. A. workers have—jobs held chiefly by political pets. We hear nothing about taking these pets off the rolls. All the pleading is done in the name of the poor unemployed who receive a very small wage, yet a big part of the spending is evidently going to those not so poor.

Mr. Roosevelt's $150,000,000 is not so very important. It can be given him at no loss to the Treasury if he will point out, or accept, a saving somewhere else. But he doesn't do this. Every estimate he offers is an increase—generally an increase over a previous estimate of his own.

Moreover, smack on the President's return, Chairman Eccles, of the Federal Reserve Board, issues a bulletin urging "greater public expenditures for construction or other purposes." After 6 years of failing to spend ourselves into steadier times, Mr. Eccles sings the same old tune.

So the Hopkins talk at Des Moines about restoring business confidence was just a mess of words, and as for doing anything to inspire confidence the administration is just where it was. The President will ask more money in behalf of the patient poor—hold out nothing before them except the pitiful wage for unproductive work. The administration's lieutenants will continue to advocate spending as a policy of recovery. Only the request for new taxes is given up and a raising of the debt limit asked instead.

Is it any wonder that people talk everywhere of a "return," meaning a return to days when our national economy at least looked forward to decent wages for decent jobs and an American standard of living for those willing and able to work?

Nobody knows whether the Republicans could effect such a return, but the Republican Party's hopes grow brighter as the administration sinks deeper into the bog and can only echo its old theme song, "Borrow, borrow, borrow, and spend, spend, spend."

Two Decades of Service—Twentieth Anniversary of the American Legion

EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, March 10, 1939

Mr. SHANLEY. Mr. Speaker, on March 15 the American Legion will celebrate two decades of tremendous activity and service to the veterans of the World War. To my mind the Legion in its fullest sense has fulfilled the definition of religion given in the New Testament. "Religion before God and the Father pure and undefiled is visits to the fatherless and widows in their tribulation." Certainly the American Legion has fulfilled all the noble aspirations of this definition's implications.

It was 20 years ago that 1,000 men and officers of the A. E. F. gathered in the Cirque de Paris, in Paris, France, to consider what means should be taken to form an all-inclusive organization speaking for veterans of the World War. Out of that caucus there came a pretty definite idea of the aims of the soldiers, sailors, and marines, which has since shaped and formed much of contemporary history through the program of the American Legion.

In the search for a real demonstration of loyalty and patriotism I submit the preamble to our constitution exhibits a worthy illustration:

For God and country, we associate ourselves together for the following purposes: To uphold and defend the Constitution of the United States of America; to maintain law and order; to foster and perpetuate a 100-percent Americanism; to preserve the memories and incidents of our association in the Great War; to inculcate a sense of individual obligation to the community, State, and Nation; to combat the autocracy of both the classes and the masses; to make right the master of might; to promote peace and good will on earth; to safeguard and transmit to posterity the principles of justice, freedom, and democracy; to consecrate and sanctify our comradeship by our devotion to mutual helpfulness.

Reorganization Bill of 1939

EXTENSION OF REMARKS

OF

HON. CHARLES A. WOLVERTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1939

Mr. WOLVERTON of New Jersey. Mr. Speaker, the reorganization of the executive departments of our Government has been a subject of discussion, both in and out of Congress, for many years. Every President, Republican and Democratic, since Theodore Roosevelt has sought power and authority to change or abolish departments that had become useless or overlapping in the performance of their duties. The need for reorganization is apparent and acknowledged by all. And yet, notwithstanding this unanimity of thought, little or nothing has been accomplished with respect to curing the existing evil.

Nothing could more clearly indicate the reason or necessity for reorganization than to realize that there are at the present time 190 principal bureaus and divisions in the 10 executive departments of the Government. There are 58 independent establishments, boards, authorities, commissions, and so forth, exclusive of at least a dozen interdepartmental committees and various Government corporations, making approximately a total of 270.

The need for reorganization has been clearly and tersely set forth by Senator BYRD, of Virginia, in the following language:

The fact is that we are paying for a gigantic, gangling Government of some 150 major agencies and an uncounted number of subdivisions. We are paying for a Government that has not had a thorough overhauling since it was established. It has been growing continually, but since the turn of the century the record shows marked increases in costs and complexity. Piled upon a previous accumulation of disjointed agencies, we now have half again as many agencies as we had before the depressions, when, to meet emergencies, we created by statute and Executive orders, agency after agency, virtually without regard to coordination in the Federal Government pattern.

Some of these agencies fill very definite needs. Others overlap. Some have outlived their usefulness or have been superseded. There are glaring cases of duplicated effort. Where the Government was complex before, it frequently is found to be confusing now. To point out 50 Federal agency legal divisions in Washington alone is enough to describe the Federal jungle.

There have been at least 29 agencies concerned with lending Government funds, according to reports taken from Government records.

There have been at least three agencies concerned with insuring deposits and loans.

There have been at least 34 agencies concerned with the acquisition of land.

There have been at least 16 agencies concerned with wildlife preservation.

There have been at least 10 agencies concerned with Government construction.

There have been at least nine agencies concerned with credit and finance.

There have been at least a dozen agencies concerned with home and community planning.

There have been at least 10 agencies concerned with materials of construction.

There are more than twoscore personnel officers for the Government listed in Washington offices alone.

There are more than 100 information and publication offices in Federal agencies at Washington.

There are more than 100 Federal agency libraries in Washington besides the Library of Congress.

The Federal Government operates an average of 1 motor vehicle for every 1,200 people in the United States, and they travel enough miles every year to traverse nearly every highway in the world.

The tendency under the present administration has been to extend and enlarge the number of bureaus, commissions, and authorities with a consequent increase in the number of Government employees upon the Federal pay roll. A study made by Brookings Institution reveals that between March 1933 and September 1938 the creation of new agencies was largely responsible for an increase of 53 percent in number of Government civilian employees. As a contrast to this condition, the same study shows that between July 1921 and February 1933 the number on the pay roll had increased little more than 1 percent.

It can be readily seen from the figures I have just quoted that the present tendency to enlarge and expand the departments and agencies of our Federal Government is of such serious proportions as to demand some check. While there has been need for a reorganization of departments over a long period of years, yet at no time has there been a condition that approached in seriousness that which now exists. The need for reorganization is greater than at any previous time. The passage of this reorganization bill cannot in itself cure the entire situation. It is, however, a step in the right direction.

Full relief can be attained only when the present administration is ready and willing to eliminate many of the activities that have outgrown their usefulness or proved ineffectual, so that there may be a policy of economy as well as the efficiency sought by the provisions of the bill now before the House. Mere structural reorganization of Federal administrative agencies without elimination and curtailment of unnecessary and useless activities cannot provide the beneficial results desired by the taxpaying public.

During my service in the House I have given my support to every effort that has been made to provide for a reorganization of executive departments that would promote economy and efficiency of administration. It was with real regret that at the last session of Congress I could not give my support to the so-called reorganization bill offered in this House. Unfortunately the authors of that bill sought, under the cloak of "reorganization," to destroy or abolish highly approved and necessary departments of our Government, such as the present nonpartisan Civil Service Commission, the General Accounting Office under the Comptroller General, that guards and protects the Federal funds against expenditures not authorized by Congress. It likewise brought within its scope independent quasi-judicial bodies, such as Interstate Commerce Commission, and numerous other boards and commissions of similar character that Congress never intended to come under the jurisdiction and authority of the Executive. Furthermore, there was the fundamental error of seeking to preclude Congress from having a full opportunity to express its disapproval of any or all acts of the President under the provisions of the bill. These and other equally important basic objections made it impossible for me in the fulfillment of my duty as I saw it to give my approval.

The present bill has, to a large extent, if not entirely, eliminated the objectionable features that were present in the reorganization bill of the last session. It is a broad departure from the basic policy of that bill. The fact that these highly objectionable features have been removed seems justification for the fight that was made 1 year ago against the bill then before this House. I am of the opinion, however, that the present bill should have given broader veto powers to the Congress; and, my support has and will continue to be given to any effort to enlarge such power, whether made by amendment or motion to recommit for the purpose of making such improvement. But, failure of any such effort does not constitute, in my opinion, sufficient reason to vote against the bill. I feel that the authors of the bill have made a sincere effort to draw a measure that would recognize the objections that precluded so many friends of reorganization from supporting the bill that was offered to the House last year. I am willing to recognize and acknowledge in them the same sincerity that they have recognized in those of us who last year voted against the bill. Consequently, although the bill now before the House does not provide for congressional approval before the plan of reorganization shall become effective, yet it does provide a means that will permit Congress to prevent such from becoming effective if the plan as offered is not in accord with congressional opinion. Thus Congress does retain power that may be utilized if and when it is deemed necessary. It is my sincere hope and desire that results may be obtained that will prove highly satisfactory in providing an economical and efficient administration of the governmental agencies and departments that come within the provisions of the bill.

The Reorganization Subterfuge

EXTENSION OF REMARKS
OF
HON. DANIEL A. REED
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, March 10, 1939

Mr. REED of New York. Mr. Speaker, I have no use for circumvention or any of the Machiavellian arts in business or professional dealings or in any transactions between man and man. Reprehensible as these practices may be in the relations which I have mentioned, it is even worse when political cunning is resorted to by either the executive or the legislature to deceive the people.

The reorganization bill, as introduced and finally defeated in a previous Congress, was vicious both in intent and purpose, but the reorganization bill which has just passed is a dastardly piece of deceit.

The Republican Members of the House, almost to a man, voted against this vicious legislation. The old rubber-stamp tactics prevailed on the majority side and the result has been an abject surrender of the rights of the people by destroying the independence of the Interstate Commerce Commission and the other independent agencies created by Congress.

I shall mention only one subsection of the bill, although there are many pieces of sharp practices in this legislation. I want the public to know the extent to which their rights have been surrendered to the will and whim of the Chief Executive, and I would have the public bear in mind the fact that the Republican minority did everything within its power to defeat this atrocious bill.

Mr. Speaker, now let me make myself perfectly clear on this point. As the law now stands the following agencies of the Government are independent: Civil Service Commission, Federal Communications Commission, Federal Power Commission, Federal Trade Commission, General Accounting Office, Interstate Commerce Commission, National Bituminous Coal Commission, National Labor Relations Board, Securities and Exchange Commission, United States Board of Tax Appeals, United States Employees' Compensation Commission, United States Maritime Commission, United States Tariff Commission, Veterans' Administration.

The President cannot, under existing law, remove the Commissioners of the Interstate Commerce Commission and give as his motive that their minds and his mind do not "go along together," as he attempted to do in the case of Judge Humphreys of the Federal Trade Commission. He cannot, at present, do this for the sole reason that the Interstate Commerce Commission is an independent agency, not an executive agency.

But what happens to these agencies under subsection (b) of section 3 of H. R. 4425, the reorganization bill? In the very first line Congress declares that these independent agencies which I have named are now "executive" agencies.

While the committee report interprets the bill as not permitting the heads of these agencies to be transferred or their offices abolished, any lawyer knows that the judicial rule of construction is that committee reports are considered only when there is some ambiguity in the terms of the statute. There is no ambiguity in this section of the reorganization bill. It specifically declares these agencies to be executive agencies.

Once these quasi-legislative agencies become executive agencies, each of their officers becomes a mere "unit in the executive department and hence inherently subject to the exclusive and illimitable power of removal by the Chief Executive, whose subordinate and aid he is." (See *Humphrey's Executor* v. *U. S.*, 295 U. S. 627, referring to *Myers* v. *U. S.*, 272 U. S. 52.)

Mr. Speaker, if our quasi-legislative agencies, such as the Interstate Commerce Commission, Federal Trade Commission, and the others which I have listed, are to remain free from political domination and control, not subject to the orders of the President, that one word, "executive", must be stricken from the first line of subsection (b), section 3 of the reorganization bill.

Referring to the Interstate Commerce and Federal Trade Commissions, in the Humphrey case, the Supreme Court said:

> We think it plain under the Constitution that illimitable power of removal is not possessed by the President in respect of officers of the character of those just named. The authority of Congress, in creating quasi-legislative or quasi-judicial agencies, to require them to act in discharge of their duties independently of executive control cannot well be doubted; and that authority includes,

as an appropriate incident, power to fix the period during which they shall continue in office, and to forbid their removal except for cause in the meantime.

Further the Court said:

For it is quite evident that one who holds his office only during the pleasure of another cannot be depended upon to maintain an attitude of independence against the latter's will.

The President's action in nominating Mr. Amlie to the Interstate Commerce Commission indicates what he expects from the men whom he hopes to appoint when vacancies on these agencies are "created."

Could it be that the minds of the present members of the Interstate Commerce Commission do not go along with the mind of the President? The Washington Post of March 8, 1939, quoted the President's son as calling the Interstate Commerce Commission "an aged, decaying, tortoiselike body."

In answer to that quotation let me quote a paragraph from a letter which I have received from Jamestown, N. Y.:

We believe that the Interstate Commerce Commission over a period of 50 years has justified the wisdom of Congress beyond all question in delegating to the Commission the power of rate making, and we urge that that power be left to a fact-finding body possessing the necessary qualifications and experience and free from political pressure as exemplified by the Interstate Commerce Commission.

Respect for the Interstate Commerce Commission has been expressed to me by hundreds of my constituents since the first reorganization bill was proposed.

Mr. Speaker, there is a very important rate question now before the Interstate Commerce Commission and many other important cases pending before it which vitally affect the business interests of this country. Is it possible that through the Executive power granted under this bill the independence of this quasi-legislative body is to be destroyed and be prostituted to selfish and political ends? Is this a case of "packing" the Commission?

Mr. Speaker, it is about time that the public, and particularly the businessmen of this country, should realize that the assurances emanating from the President and Secretary of Commerce Hopkins must not be taken too seriously.

Before it is too late I hope that the business interests of the country will become sufficiently interested and aroused to cause them to urge another branch of Congress to protect these independent agencies from domination by the Executive by striking the word "Executive" from the section to which I have referred.

Summing up, if the word "executive" is permitted to remain in subsection (b) of section 3, the case of Myers against United States will apply. If the word "executive" is stricken out, as it certainly should be, the case of Humphrey's Executor against United States will apply, and these independent officers will remain free to administer the laws enacted by Congress, without Executive leave and free from Executive control and coercive influence.

The National Labor Relations Board in Reference to Swift & Co. Strike

EXTENSION OF REMARKS

OF

HON. CHARLES H. LEAVY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, March 10, 1939

Mr. LEAVY. Mr. Speaker, I think a good precedent was set the other day by my colleague the gentleman from Washington [Mr. COFFEE] when he went directly to the records of the National Labor Relations Board for factual answers to certain criticisms of that Board made on the floor of this House. Criticism is healthy, and I think it especially important in the case of an agency acting in such a field of controversy as the Labor Board is forced to do. I think that Board's handling of its affairs should be open to constant scrutiny, but I also think that my colleague from Washington, by refusing to accept hasty conclusions about the Board's handling of a case, has set us an example in these matters.

Following that precedent, after the comments of the gentleman from Iowa [Mr. HARRINGTON] in relation to the Board's handling of its case against the Sioux City plant of Swift & Co., I have undertaken to examine the facts set forth in the report of the Board's trial examiner in that case.

It was the very substance of the gentleman's criticism that the Board gave recognition to the C. I. O. without that union having claim to a majority of the employees. If such were the case, this would indeed be high-handed action. But when public records, available to all, show that 275 of these workers out of 444 designated the union as its bargaining representative, the criticism against the Board seems to dissolve into nothing. I do not stand as a proponent for the C. I. O. or the Board, nor would I justify a sit-down strike. The N. L. R. B. has the duty of examining whether or not a majority of workers wish a certain organization to represent them. In this instance the signed membership cards were checked against the company's own pay roll. It is a simple matter of fact. An examination of the report convinces me that the gentleman's criticism in this instance has no validity.

There are other points which the gentleman makes in undertaking to show that the Board has been unwise in its handling of this case. They do not, however, involve sets of facts which can easily be shown to be either entirely correct or entirely incorrect. These issues are now before the National Labor Relations Board itself. The trial examiner's report is not a final order but merely a recommendation. The Swift Co. has filed exceptions to it. It has the opportunity to argue orally before the Board on these matters. The Board itself, if and when it makes its final decision, must submit that decision to possible review in a circuit court of appeals. The employer in this instance, as in all other instances, is under no obligation whatsoever until a circuit court of appeals shall finally have drawn its own conclusions on the basis of findings on the record. I think we can safely leave these controversial matters to that orderly procedure. My only interest in the case is to point out that that part of the criticism of the Board susceptible to factual proof has not in this case been sustained.

Stabilization of Prices of Dairy Products

EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 10, 1939

CONCURRENT RESOLUTION OF THE LEGISLATURE OF THE STATE OF MINNESOTA

Mr. ALEXANDER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following concurrent resolution of the Legislature of Minnesota:

Concurrent resolution memorializing the Congress of the United States to enact legislation to stabilize prices on dairy products

Whereas the dairy farmers of the Nation are becoming impoverished because the prices received on the public markets for the commodities produced by them are less than the cost of producing such commodities; and

Whereas the impoverishment of the farmers of the Nation will ultimately impoverish all the people of the Nation; and

Whereas it is imperative that legislation be enacted by Congress to secure fair prices for dairy products to the producers thereof; and

Whereas dairy products constitute a very substantial portion of the total products produced by the farmers of the Nation; and

Whereas the causes of the depression in prices are the importation of dairy products from foreign countries, dairy substitutes, and overproduction engendered by the use of lands taken out of production of grains for increased dairy production: Now, therefore, be it

Resolved by the Legislature of the State of Minnesota, in regular session assembled, That the Congress of the United States be, and

it hereby is, urgently petitioned to speedily enact legislation which will—

1. Levy a tax of not less than 5 cents per pound on uncolored oleomargarine.

2. Bring about the prevention of the importation of foreign oils and fats used in the manufacture of foodstuffs and of dairy products.

3. Provide for the immediate removal of enough butter and cheese from the public markets so as to absorb the present surplus and distribute this surplus for relief use.

4. Provide an effective plan to prevent lands withdrawn from cotton, wheat, tobacco, corn, and other crop production under the Federal Government's plan of acreage reduction from being utilized for the increase of dairy production; be it further

Resolved, That a duly authenticated copy of this resolution be presented to the President of the United States, to the presiding officers of the Senate and House of Representatives of the Congress of the United States, and to each of the Senators and Representatives from the State of Minnesota in the Congress of the United States.

The Reorganization Bill

EXTENSION OF REMARKS

OF

HON. RICHARD M. SIMPSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1939

Mr. SIMPSON. Mr. Speaker, to save face for the President so that it might be said in the future that he had his way 100 percent on all major legislative proposals with the House of Representatives, his administration has forced passage in the House of a "reorganization" bill.

No matter that the American people last November unmistakedly indicated their opposition to a further centralization of power in the hands of the President.

No matter that the American people last November showed their desire for an independent Congress; for one that would do its duty and refuse to delegate further powers to the President.

No matter that the American people last November proved that above everything else they wanted constitutional government, and in retaining this they did not want the corners cut.

But the face had to be saved; therefore, the administration brushed aside, as usual, the expressed wishes of the voters last November; they tossed aside as inconsequential the people's objection to further delegation of congressional powers to the Executive; they cut constitutional corners in assuming it constitutional to delegate to the President the power to make laws without affirmative action by Congress; in short they tell the American people that in their judgment the President can be trusted to do, in addition to his regular duties, those delegated to Congress by the Constitution.

Technically the face may be saved—certainly it is lifted—once again in its true light and its real aims made visible.

The superficial justification for this action on the part of the Congress—the excuse, if you please, is that the President can in his wisdom perform a better job of reorganization than the Congress; that he will now be able to make changes in the executive department for efficiency, among the very agencies and commissions created chiefly during his administration, he now brands as inefficient. The physician would doctor himself.

They argue, too, that the Congress will not pass a bill making changes in the interest of efficiency; that they could not get the votes to pass laws in the interest of efficiency, thus implying that Congress would run from its duties. The argument is foolish. Certainly a Congress the majority party of which is so well controlled by the administration as is the Seventy-sixth Congress, so that it will pass a reorganization bill which delegates its constitutional powers, could be forced into line if necessary, to pass directly proper recommendations for reorganization requested by the President. Particularly is this true, as every Republican Member would support with joy a recommendation from the Executive aiming at efficiency and economy, thus giving the majority party 169 sure votes out of the 218 necessary.

But rather than make his changes in a certain constitutional method, the President secures power in a questionable constitutional manner to make recommendations which become laws unless both Houses of Congress take negative action.

That is, when the reorganization bill becomes a law, any number of new laws may take effect changing the executive department to the will of the President without the Congress doing a single thing.

This is not the American way of making laws—our people want Congress to make their laws as provided by our Constitution.

The Republican Valley of Nebraska

EXTENSION OF REMARKS

OF

HON. CARL T. CURTIS

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 10, 1939

ADDRESS BY MRS. GEORGE A. CARTER, FEBRUARY 17, 1939

Mr. CURTIS. Mr. Speaker, in order that the country and this Congress might know the needs of the Republican Valley of Nebraska, I wish to insert a very able address made by Mrs. George A. Carter, of Superior, Nebr., on February 17, 1939.

The address is as follows:

Mr. Chairman, ladies, and gentlemen, I feel especially honored to be here and deem it a privilege to be on your program this morning.

Although this is my first time to be here in person, I can assure you that I've been here in spirit at each of your meetings. I've followed your progress with the deepest interest and hope. And I wish to pay tribute to those who have worked so unceasingly for this project.

They have given so generously of their time and money and of themselves. They know not the meaning of the word "defeat"; though discouraged, they press on.

One we know so well spent weeks when I knew he felt the urgent call of his own interests. This project will be a lasting monument to his efforts. Do I hear someone say, "Oh, they are working for their own good"? Don't tell me that. Men of that type look out over their own fields and see a valley beyond where crops are growing and people are prosperous and happy. May God bless their efforts and give them more power.

In treating this subject, The Need for Irrigation in Our District, I'm not going to give you a lot of figures that you are all familiar with. I'm not planning to cover ground that has been gone over so many times, but with your permission I hope to tell you in a very personal way just why we need irrigation in our district.

Some of the facts cut so deeply that they hurt, but if the telling will in any way advance the cause, I'll stand the hurt.

It will be 54 years the 28th of this month since my husband's family moved on this farm and Mr. Carter has lived there continuously ever since. He has seen the Missouri Pacific Railroad built. I've heard him tell how he got up at 3 o'clock in the morning to do his chores so that he could work with a team in building the road south of our place. He has seen the town of Superior grow from a village of a few buildings to the size that it is today, and has witnessed all the changes that have taken place.

Our farm is about 3 miles east of Superior on second bottomland and in former years produced so well.

I've heard Mr. Carter tell of stepping off an acre of corn just to see what the yield really was and found that 80 bushels had grown there.

I needn't tell you of the alfalfa that used to be raised, the splendid garden, the cattle, including a herd of Angus bred up from the beginning of two purebred cows and a purebred sire, of the herd of hogs that were being cared for, and the systematic planting from 1 year to the next.

The reason I'm telling you this in our own family is because I know it so well. It could truthfully be said of any number of farmers all around us. But I want you to have this picture in your mind of those industrious citizens, early pioneers, working, planing, living so happily.

Then came the change; crops began to fail; our subsoil moisture was going down; the herds were reduced. We shipped the Angus herd to a pasture, then found that we couldn't feed them at home through the winter, so had to leave them up there. Then on through the next summer and, well, you know the end of the story. The pasture bill finally ate up the cows. The hogs were reduced and reduced until the last 3 years we haven't even had a hog to butcher for our own use.

Most of you are familiar with the fact that expenses continue on a farm, whether there are crops or not, and that interest and taxes keep piling up, and when a loan owner dies and the loan goes into the estate that places a time limit to the situation that makes it tragic.

Maybe I shouldn't take the time to recall past horrors but we have a happy facility of forgetting so I'll just draw this picture briefly. Remember the bright sunny day that suddenly became hazy, that big, brown cloud that came belching up over the horizon and faster and faster it came, then settled down on us. Oh, the dust, we ate it. We breathed it. There was dust, dust everywhere. And how many times this was repeated until we wondered if it would never end.

Another incident I'm sure will never be erased from the minds and hearts of many of you. That terrible flood. We have one of the citizens from Alma to thank for really telling us what was coming. Of course, there had been the warnings but people are inclined to minimize those warnings. And one coming and really telling what was on the way helped prepare us for the worst. But who can be prepared in that way? My husband said, "Oh, it won't be like it was in '15 because the new channel will carry the water all right."

He was just recovering from an illness and really not able to be out but said he should go down on the bottom and move a few pieces of machinery. When he arrived there he was able to get one machine that he had been using that belonged to a neighbor, up on higher ground, but when he returned the horses began to sink in the already softening ground. Then we heard the reports all day, nearer and nearer. Finally we went to bed and I guess it was past midnight when I heard that sickening crash. That was just what it sounded like when it struck down south of us. I felt frozen with horror. I couldn't think of you folks out West here, some who had lost one loved one, other families nearly all gone. Oh, the suffering and grief that follows a flood. The next day we went down to the bottom and there the water was boiling and surging, reaching out its hungry fingers, taking everything within its grasp.

That water that was going rampant carrying destruction everywhere was the one thing that we needed so much, going to waste, worse than waste.

We tried to console ourselves by thinking ours was only property loss, but the fields of grain that had looked so promising only a few days before would never lift their heads again. The money that had paid for the seed was borrowed, too. One mother who lived down there and had to move out, but went back later, told me she had a terrible ordeal putting the children to bed nights for months after. They were afraid of another flood.

And the sears that a flood leaves, the deepest sear on our hearts, the ones that will always remain and the marks on the land. I used to enjoy going down to the river because it reminded me of my old home in New York, but now I see the side of a house wedged against a tree, the remains of a mattress a few feet away, pieces of furniture that have that water-bleached appearance that sends a chill through one. Then I wonder as I gaze out over the sand how many unmarked graves are hidden therein.

Oh, the tragedy of floods! May God hasten the time that wherever floods may be prevented that the work shall be done quickly.

Of course, the natural sequence followed. People began to move away. They had lost their property through a gradual sifting process or by a terrific blow until it looked better farther on. The question was whether to take what little was left and gamble on a chance or stay.

Many must have gambled, for I read in the Lincoln State Journal on February 7 that the Federal relief officials in Washington were confronted with a report from Walter A. Duffy, regional director at Portland, Oreg., stating that thousands of families—20,000 was the number given—in Oregon, Washington, and Idaho were searching for a place to locate. He said their condition is serious, as they are living in tents, shacks, and abandoned buildings under the most deplorable conditions.

What a pity. Families separated, hopeless, adrift. What a class of people; such a change in that short time. How can they be rehabilitated? I dislike that word so much.

Let's use all our influence that no more shall join the numbers of that already too large class.

We can't help but mention the condition of the families who have tried to face it out; the precious eyes that just couldn't have the help of glasses because there wasn't money to buy them. I know of children in school right now from families that you would be surprised to know who can't afford glasses for their children, dental treatment, and proper medical care; those families who are too proud to ask aid or would be barred by some rule or regulation.

I could tell you of an instance of a 26-year-old wife who had to have all her teeth extracted because she couldn't have them cared for and they passed the "helping stage" of the dentist who sat in the chair, white and shaken when it was over, and said he just couldn't endure it much longer seeing those suffer when they might have been spared. He did stop practicing dentistry soon after and moved to another State.

This is such a true picture, taken from a real family living in our district. I shall call the family Jones. They lived on a small acreage close to a town and owned the land. They had a few cows and chickens and a big productive garden. Mrs. Jones worked the garden every p. m. while the baby took its nap in a carriage close by. From this garden vegetables were canned for future use. The family of children had well-balanced meals of butter, eggs, and vegetables.

These last 5 years that same garden has produced only a few radishes, onions, and lettuce in the spring, and the $10 worth of seed was a loss.

Mr. Jones farmed rented land for his big undertaking, but as time went on the upkeep of the machinery and tractor fuel mounted until a mortgage was placed on his little tract. He still owned the land, so couldn't get aid. Even though the children were living on navy beans, oleo, and part of the time bread from flour that had been saved from wheat of the former years, those children standing crying while commodities of pears, oranges, apples were being handed out to reliefers; ill-clothed, ill-nourished to the extent that the eldest dropped out of school, their lives blighted. What can they think of our Government? How can they be made into good American citizens?

This is just another illustration of how far short these measures are.

With ourselves we applied to the Federal land bank. They told us that they didn't care to make loans in this territory. Another place they advised us to "let everything go" and then we would be in a position where they could help us. Imagine the United States Government giving such advice to its people.

We who hold that something that we can't describe, that something within ourselves that is so precious that we would do anything in our power to keep it untarnished to teach our children to love and honor it as we do. And to tell us to "stop trying" and go on relief.

We have four dairy cows. I've built up a little cream route in town and that with the help of our relatives who have clothed us and very generously donated to us has kept us going.

We read of the desire of the Government to help restrict the farms, so we went to Nelson to investigate it. A little lady received us in the office and relayed the questions that she couldn't answer to an inner office until we came to a point where she asked Mr. Carter's age. She lifted a line that used to be an eyebrow and very haughtily said, "Oh, we don't help anyone over 60." Will you look closely now. See that representative of our Government telling that citizen who stood there crowned with the dignity of years, years that showed visibly how he had labored with the soil and had payed taxes to support our Government, and now to keep such representatives as she to stand there and say, "We don't help men over 60."

He took it like all the other crushing blows, straight in the face, but his shoulders drooped a little more and lest he be hurt still more I said, "Let's go!" As a parting she said, "I would advise you to seek help across the hall." But we passed that door with my head up. Never as long as I have a mind that will function and two hands that can work will I permit my family to come under that label.

May I explain that I'm not saying this in a spirit of criticism. I feel this deeply, and I'm perplexed, but I'm trying to show you what the conditions are and that the existing agencies are inadequate. As I have studied and lived through it, there seems one solution, one bright hope, and that is this irrigation project.

All of us want it. If you could have seen the farmers flocking in the day we signed up the contracts I'm sure there wouldn't be a doubt in your minds. We want it to raise alfalfa, corn, and gardens so we can go ahead and plan in the years ahead, so we can restock our own farms.

We want to raise our children on our farms. We don't want them to be forced to go away to seek employment.

New school buildings: If something isn't done soon we won't have any children here to attend them.

Auditoriums: They are a mockery when families are destitute. And how much labor do they furnish for those who are in need? Give us irrigation and we will put lots more to work right in our own localities.

Employ scientific minds to curb those angry, unruly waters. Make them run in smooth, quiet, little channels that will give life to our parched land.

Use it? I should say we will use it—150 miles on either side of the river.

There isn't a year but what we have a dry spell in July or August. Many years one irrigation would mean a crop for us.

When the folks heard that I was to be here today one after another of the women said, "Speak for me." So, in the name of those wives, mothers, and home makers, and in the voice of those I represent, I do appeal to you to use your influence. We are asking for "Water!" "Water!" "Water!"

Remembering—"We the people"—"For these people"—"That they shall not perish from the earth."

Employees Protest Delay in Hearings on Wagner Act and Refusal of N. L. R. B. to Issue Certificate of Representation

EXTENSION OF REMARKS
OF
HON. CLARE E. HOFFMAN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Friday, March 10, 1939

STATEMENT OF EMPLOYEES PROTESTING DELAY IN HEARINGS ON WAGNER ACT AND REFUSAL OF N. L. R. B. TO ISSUE CERTIFICATE OF REPRESENTATION

Mr. HOFFMAN. Mr. Speaker, a union, which even the Labor Board cannot show is company dominated, and which for months has been refused a certificate of representation as the agent for collective bargaining, sent representatives to Washington to protest this delay.

Organized under the New Jersey law and with a signed and dues-paying membership of over 1,000 out of a total of 1,750 employees on July 13, 1937, this union has been, by the Board, deprived of its right to a certificate of representation.

Appearing here this week before the Board and again demanding a certificate of representation it was told, in substance, to go home and make another application.

The fight of this labor organization for recognition, for the privilege of bargaining collectively through representatives of its own choosing, has been carried on before the Board's examiner, before the Board, and before the circuit court of appeals, before the United States Supreme Court, and today, because the circuit court of appeals and the Supreme Court decided—and no doubt rightfully—that it could not appeal, for the reason that the Board has refused so far to make a "final order," and it is only from a "final order" that an appeal can be taken, the employees who are members of this union organization are denied the right of collective bargaining which the Wagner Act says they shall have.

When will we amend the Wagner Act? How much longer will Congress permit the N. L. R. B. to defeat the purpose of the act? When will that Board begin to act promptly and, toward rivals of the C. I. O., impartially, fairly?

The following is the protest received from representatives of this organization and from two other organizations who came to Washington to appear before Mr. Andrews in connection with the administration of the wage-hour bill, who appeared before the N. L. R. B., and who desired to appear before Senator THOMAS' committee on hearings having to do with the amendment of the Wagner Act:

PROTEST AGAINST POSTPONEMENT OF HEARINGS BEFORE SENATE COMMITTEE ON LABOR AND EDUCATION TO CONSIDER PROPOSED AMENDMENTS TO NATIONAL LABOR RELATIONS ACT

Names of independent labor unions and of their delegates who called on Senator EDWARD R. BURKE yesterday to protest against postponement, ready to testify and show why the act is a hoax so far as the great mass of American workers are concerned who wish self-association and the right to bargain collectively through representatives of their own choice, and not through representatives chosen for them by either the A. F. of L. or the C. I. O.: the Aircraft, of Buffalo, N. Y.; the Cablecraft, of Buffalo, N. Y.; the Calcocraft, of Bound Brook, N. J.; all represented by their organizer and attorney, Edward W. Hamilton, of Buffalo, N. Y., and the following members: Sam Matthews, president, the Aircraft: J. E. Alderman, secretary, the Aircraft; Leonard Lee, past president, the Aircraft; Jim Knudson, member of the council, the Aircraft; Robert C. Colgrove, president, the Calcocraft; Ed. J. Mikeshock, secretary, the Calcocraft.

The Aircraft: Plant union of workers at Buffalo of Curtiss Aeroplane Division of Curtiss-Wright Corporation, with a membership of over 3,000; organized May 31, 1934, under old National Industrial Recovery Act (N. I. R. A., S. 7), after a fight with Aeronautical Workers' Federal Labor Union, A. F. of L. Most successful and strongest independent union in United States of America, with income from dues alone far in excess of $20,000. Relations with management ideal.

The Cablecraft: Plant union of workers of General Cable Corporation in Buffalo with membership of five-hundred-and-odd men; organized April 15, 1937; defeated C. I. O. at election June 22, 1937. Smaller than the Aircraft, but equally successful, with perfect understanding and cooperation with management to extent this is possible in face of coercion of outside labor leaders supported and backed up by Board. Like Aircraft, has signed contract agreeing to principle of profit sharing after just return on invested capital, arbitration, etc.

The Calcocraft: Plant union of workers of the Calco Chemical Co., Inc., at Bound Brook, N. J., a subsidiary of American Cyanamid Co. Organized June 12, 1937, with certificate of association under New Jersey law signed by over 1,000 employees out of a total of 1,750 on July 13, 1937, with same membership to date. Trying to do for Calco workers what the Aircraft and the Cablecraft have accomplished, but have been prevented thus far by a "shotgun agreement" the Board forced the company to make with the A. F. of L. whereby company agreed to recognize the A. F. of L. and to withdraw recognition from the Calcocraft.

The Calcocraft appealed to the Circuit Court of Appeals, Second Circuit, from final order of Board April 28, 1938, based on this shotgun agreement, and attacked the act under the fifth amendment to the Constitution of the United States. Board claimed absolute right to set aside its final order and so prevent the circuit court of appeals from taking jurisdiction of petition and declaring the act unconstitutional as to workers. Circuit court of appeals held the Board had the absolute right it claimed under section 10 (d) of the act and dismissed petition of the Calcocraft November 5, 1938. On appeal from this decision to the Supreme Court, latter affirmed February 27, 1939. Result thus far:

The Board has used its power in representation proceedings, which is absolute and subject to no judicial review whatever, to kill the Calcocraft union of Calco workers.

The circuit court of appeals and the Supreme Court have held the power of the Board to prevent a judicial review of its acts on an appeal by workers from a final order of the Board in a complaint proceeding is absolute; so workers have no rights they can enforce or protect in either representation or complaint proceedings. They are helpless in both kinds of proceedings.

The Calcocraft intends to petition Supreme Court for a rehearing of its decision of February 27, 1939, affirming decision of the Circuit Court of Appeals of November 5, 1938. The Calcocraft has up to March 24, 1939, to file its petition for rehearing.

The Calcocraft has invited the American Federation of Labor, the Congress for Industrial Organizations, and the National Manufacturers Association to join with it in petition for rehearing. Congress for Industrial Organizations has refused; others are considering matter.

Not the Board but the act these unions are attacking—its absolute power in representation proceedings over workers, with no judicial review possible for them under the act. See *American Federation of Labor* v. *National Labor Relations Board*, decided February 27, 1939, by Circuit Court of Appeals, District of Columbia. Only way out for them is independent proceeding denying the constitutionality of act, beginning in district court and taking matter up in regular way to Supreme Court.

Not the Board but the act these unions are attacking as construed by the Circuit Court of Appeals for the Second Circuit, and the Supreme Court in the case of the Calcocraft, holding the Board has absolute right to do what it pleases over workers, not only in representative proceedings but also in complaint proceedings. We are protesting the absolute right exercised by the Board to vacate its final orders in complaint proceedings and make them moot, to prevent workers getting a judicial review of its illegal acts, and a judicial determination that the act is unconstitutional as to workers.

SAM MATTHEWS,
President of the Aircraft.
J. E. ALDERMAN,
Secretary of the Aircraft.
ROBERT C. COLGROVE,
President of the Calcocraft.
ED. J. MICKESHOCK,
Secretary of the Calcocraft.
LEONARD LEE.
JAMES F. KNUDSON.

Churches and Social Security

EXTENSION OF REMARKS
OF
HON. CHARLES HAWKS, JR.
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Friday, March 10, 1939

LETTER FROM A. SUTHERLAND

Mr. HAWKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter:

HORICON, WIS., *March 8, 1939.*

At a joint meeting of the Committee on Social Education and Action of Wisconsin Synod with the subordinate committee of the

same name in Milwaukee Presbytery, of both of which I happen to be chairman this year, convened last night in Milwaukee. I assumed responsibility for communicating to you the unanimous opinion of the group relative to a bill now in the House of Representatives to cancel amendments to the Social Security Act excluding persons employed by nonprofit organizations, among whom church workers are classed.

Actuarial study of the financial implications of church inclusion under the Government act demonstrates the fact that it would be impossible to operate the existing service-pension plan of the Presbyterian Church, United States of America, and provide its promised benefits to future pensioners, while at the same time meeting the obligations which the Government act would place upon the churches and their ministers.

Through its board of pensions and its program of protection, our church provides the service pension, the disability pension, the pensions for widows, and the generous educational allowance for minor orphans, thus affording a wider coverage with a larger scale of benefits than the social-security program provides. This protection is now available for all full-time workers in the service of the church, and is held as a moral responsibility upon hundreds of thousands of our members, as it has been so accepted by those now enjoying the protection.

Because we believe the proposed inclusion would very greatly disrupt the anticipated social security of multitudes of our brethren who have been building for old age upon the service pension program of the church, and because we believe that our existing program of protection for dependents is much superior to what the Social Security Act can offer, and because we believe that we should keep faith with our people who have contributed most generously to our existing plan, we desire to communicate to our honorable Senators and Representatives in Washington our belief that the proposed inclusion should be defeated.

Yours very truly,

A. SUTHERLAND,
Chairman, Committee of Wisconsin Synod, Committee of Milwaukee Presbytery Social Education and Action.

Prices of Farm Products

EXTENSION OF REMARKS
OF
HON. JOHN G. ALEXANDER
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Friday, March 10, 1939

CONCURRENT RESOLUTION OF THE LEGISLATURE OF THE STATE OF MINNESOTA

Mr. ALEXANDER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following concurrent resolution of the Legislature of Minnesota:

Concurrent resolution memorializing Congress to stabilize prices on farm products

Whereas widespread dissatisfaction exists among the producers of farm commodities in Minnesota and neighboring States relative to the losses incurred in ordinary farm operations; and

Whereas the American farmer is forced to sell the major portion of what he produces on a world market and purchase all of his necessities on a highly protected stabilized domestic market; and

Whereas the spread between the values of the commodities the farmer sells and those he buys places him at a serious disadvantage in the market places; and

Whereas this price disparity has existed for over 5 years and promises to continue indefinitely and create disaster among agriculturists; and

Whereas the prices of agricultural commodities are not on a parity with prices of other products and especially with the prices of those commodities which the farmer must buy; and

Whereas the financial returns from the farming industry have been such that the people engaged in that industry are practically bankrupt, demanding immediate drastic action; and

Whereas the farmers are the largest buyers of commercial products in the Nation, and a return of their purchasing power is essential before we can have any general and lasting return of prosperity; and

Whereas in view of the price-fixing opportunities given by national legislation to industry, and in view of the curtailment of farm production; and

Whereas to encourage, create, develop, and maintain a stable, prosperous, and permanent system of agriculture in the United States, it becomes necessary that agriculture should enjoy the same protection in price stabilization which is enjoyed by industry; and

Whereas our present economic system does not operate to protect the farmer when there is an exportable surplus of agricultural products, thereby resulting in the world price being paid on not only the exportable surplus of such agricultural products but on that consumed domestically as well; and

Whereas the existence of an exportable surplus of a vitally important food crop is a national necessity and from the consumer's standpoint nothing could be more dangerous than to create a deficiency in our stable food commodities through curtailment of production; and

Whereas to remove the disparity in prices and to guarantee equality to agriculture with industry and labor, it is wholly essential and absolutely necessary that the American farmer should receive a price for commodities which he produces which will assure him cost of production and in addition thereto an amount sufficient to pay taxes, interest, debts, and living expenses: Now, therefore, be it

Resolved by the State Senate of the State of Minnesota (the house of representatives concurring), That the Congress of the United States, at its present sitting, be, and the same is, urgently petitioned and requested to enact such legislation as will meet our agricultural crisis; that will insure cost of production plus an amount sufficient to pay taxes, interest, debt service, and living expenses; that will place agriculture on a parity with those engaged in industry; that will retain the American market for the American farmer; and that will fix an adequate minimum price on farmers' products; be it further

Resolved, That a duly authenticated copy of this resolution be presented to the President of the United States, to the presiding officers of the Senate and House of Representatives of the Congress of the United States, and to each of the Senators and Representatives from the State of Minnesota in the Congress of the United States.

The Super-Shanties of Fort Wayne

EXTENSION OF REMARKS
OF
HON. GEORGE W. GILLIE
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Friday, March 10, 1939

EDITORIAL AND ARTICLE FROM THE BALTIMORE SUN OF JANUARY 24, 1939

Mr. GILLIE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to insert an editorial and a newspaper article, The Super-Shanties of Fort Wayne, which appeared in the Baltimore Evening Sun on January 24, 1939.

A great deal has been written and said about the Fort Wayne housing plan, which offers a revolutionary development in American low-cost housing. Many of my colleagues saw a moving picture last week which presented this unusual plan in detail.

On Wednesday last Senator MILLARD TYDINGS, of Maryland, made a commendable speech on the housing problem in which he mentioned the Fort Wayne plan in very favorable terms.

As the Representative from the Fort Wayne district, I wish to recommend to Members of Congress this remarkable plan, which could well be adopted in other American cities.

The following articles present the Fort Wayne plan in a fair light. I urge you to read them thoroughly.

[From the Baltimore Evening Sun of January 24, 1939]

MODESTLY REVOLUTIONARY

We print today the first of two articles describing a low-rent housing project in Fort Wayne.

These houses in Fort Wayne have three unusual characteristics: They rent for a figure which is within reach of all but paupers. They conform to minimum standards of health and decency. They were built with private capital and actually pay a return on their investment.

How was this quasi miracle accomplished? In the second article the methods by which the houses were financed and construction costs were held down will be discussed in some detail. But fully as important as these details is the fact that the designers of these houses took a modest view of their task. They conceded, before they ever went to work, the practical impossibility in the United States today of building dwellings for rent to the very poor which shall compare in comfort, convenience, and attractiveness with the dwellings of middle-class America. They assumed, in fact, that such superior housing would actually be harmful to the poverty-stricken population for whom they were designing. For superior housing is more expensive not only to construct but to maintain. And they had the benefit of some of England's housing experiences, in which the very poor were forced to put out so much of their income for their improved housing accommodations that they had to deny themselves food. They had also the benefit of Swedish experience, where, by limiting their objectives and concentrating on dwellings

which satisfy minimum standards, the housing people have at least had the comfort of seeing minimum standards attained.

In the United States we have not been content with minima. Our housing projects have tended to be grandiose. The result is that, so far, our efforts in public housing have failed miserably. We have here and there some sumptuous developments. But toward the solution of the actual problem—which is the elimination of urban and rural slums, of that housing which doesn't even come up to minimum standards—practically no progress has been made.

The Fort Wayne project suggests a method of approach to the problem which is entirely new to this country.

[From the Baltimore Evening Sun of January 24, 1939]

THE SUPER-SHANTIES OF FORT WAYNE

(By Philip Wagner)

Please read the caption under the photograph. This house (no palace, to be sure, but a lot better than the living quarters for which thousands of Baltimore families are paying two, three, and even four times as much) is in Fort Wayne, Ind. In Fort Wayne there are 50 others like it. They rent for $2.50 a week, or $10 a month—a rental so low that even the specialists in low-cost housing are still rubbing their eyes over it, a rental so low that it actually brings decent housing within the reach of those poor who have so far been untouched by the Federal Government's home-building ventures. And the houses have been built not with Federal appropriations but with private capital lent on mortgages bearing 4½-percent interest.

The trouble with all American low-cost housing so far, with the exception of this enterprise in Fort Wayne, is that it has not turned out to be low-cost. It hasn't touched the real slum dwellers who have served as the pretext for it. This has turned out to be true of every one of Mr. Ickes' original P. W. A. housing ventures. Built on expensive land, built for the ages, built according to standards not only of comfort but of luxury, they cannot be maintained at rents which the great mass of the slum-dwelling public can afford—not even when a large proportion of their construction cost has been written off as subsidy. This has likewise turned out to be true of the Federal Government's garden suburbs, the several Greenbelts of which the most celebrated lies between Baltimore and Washington. Everyone who has seen one of these suburbs knows that they are delightful. They consist of charming dwellings set in attractive natural surroundings which have been rendered still more attractive with the help of skillful landscaping. The Greenbelts offer all sort of amenities. But amenities come high. Hence, though the rental charged for living in them represents only a fraction of the economic rent (that is, the rent which would be necessary to make them pay for themselves) they are still not available to the great mass of poor people whose miserable living conditions are supposed to provide their excuse for being.

The efforts of the Federal Government to build real low-cost housing have been so uniformly discouraging that most housing experts will now tell you that it is impossible to build any kind of decent housing for the poor without pouring huge subsidies into it. Some even go so far as to say that it isn't possible to build housing for the lowest-income groups—polite name for the poorest people—even with enormous subsidies. These will tell you that the very poorest slum dwellers get only one gain out of all these housing enterprises—they inherit the slightly superior dwellings of the slum dwellers who inherit the slightly superior dwellings of the fortunate people who are carefully selected to, and can actually afford to, live in the Government's subsidized housing.

Baltimore has now a housing authority whose activities since its establishment have been clothed in a deep blanket of mystery. We know that it was established primarily in order that Baltimore might qualify for a slice of the current Federal low-cost housing appropriation. We know also that it has received a grant of $16,000,000, much of which will be written off in one way or another as subsidy. We know that the money is to be spent on five separate housing projects located in five of Baltimore's worst slum areas. We even know where the sites are, thanks to a leak of information from Washington. More than that, we in Baltimore know nothing. We do not know what sort of dwellings will be put on these five slum sites, how much of the rent will be paid by the taxpayer rather than the tenant, or what the actual rate of rental to tenants will be. We do not know when construction is going to begin, when it will be finished, how the present slum dwellers of these areas will be cared for when they are evicted, or how tenants for the new dwellings will be chosen. Secret as a mole and shunning light, the Baltimore Housing Authority labors and labors and labors, with, so far, no tangible results. To verbal inquiries it returns the demand that all questions be put in writing, and when the questions are written down it disregards them.

Well, while our Baltimore Housing Authority holds to this uncommunicative mood, it will do no harm to examine the housing achievement in Fort Wayne, for this is the one venture that actually offers some basis for believing that real low-cost housing is economically practicable.

To begin with, these houses were designed on the basis of a wholly different conception of what America's worse housing need really is. The idea that the best in housing is none too good for every free-born American was junked at the beginning: In other words, housing was brought down out of the clouds and stated in terms of a practical contemporary problem, which is housing for the poverty-stricken. The designers began with the basic fact that 4,935 families in Fort Wayne had never had any bathing facilities, that 2,642 had never had anything better than outdoor privies, and that 890 of them had never enjoyed running water. Starting from these facts, they undertook to design a house which would be infinitely better than the wretched shanties in which these families lived, but would not necessarily measure up to conventional American middle-class standards. The designers went on the assumption that, for people who have never had anything but a privy and who have never been in a bathtub, there is no need for sunken tubs, silent-flushing seats, and heliotrope toilet paper, that indirect lighting is not necessary for people who have had no lighting but a kerosene lamp, that hot-and-cold running water are in themselves sufficiently sensational for people who have had to haul their water in buckets from a communal pump, that a concrete floor is a lot better than a dirt floor, that pipes which are exposed instead of running between the walls are no hardship to people who have never had the benefit of any kind of piping.

In short, the designers went to work on what ought probably to be called a super-shack rather than a house—a weather-proof dwelling insulated against the cold of winter and the heat of summer, built not to outlast the ages but only to outlast a 20-year mortgage, sanitary, cheap to maintain, sensibly planned as to space, reasonably agreeable to look at, and provided with those rudimentary conveniences of lighting, heating, and watering which are as strange to a large segment of the American population as they are to the natives of Dahomey—all this to be built for as low a figure as ingenuity could arrive at.

The result: The photograph shows the exterior; the plan shows the interior. Two bedrooms, enough to get rid of the barbarous practice of dumping all ages and sexes together, even though it might still violate middle-class notions of privacy. Combined living room and kitchen, yielding a room larger than the average middle-class living room, a room that is easier to keep and generally more satisfactory than two tiny ones. A bathroom, undreamed-of luxury, for every tenant.

The house is prefabricated, of course. The method finally decided upon as being the most suitable for the purpose was based on a phenol-resin bonded plywood panel unit, which had been developed at the Forest Products Laboratory of the University of Wisconsin. The wall panels are 8 feet high, 4 feet wide, and 5 inches thick. Inside and outside are plywood, nailed and glued to 2 by 4 framing members. They are filled at the time of construction with rock-wool bats. They can be, and at Fort Wayne were, made by unskilled labor working in a converted barn. Some of the wall panels are plain; others have windows already mounted in them; others have doors already mounted in them. The roof panels are the same type of construction, except that the units are longer (24 by 4 feet and 16 by 4 feet).

These panels are set up on a concrete-slab floor and bolted together with long rod bolts running through the length of the wall. When the walls and partitions have been bolted in place, the roof panels are swung into position and also bolted. Asphalt roofing material of the kind used on business and industrial buildings is then applied; the plumbing (of the simplest and cheapest design) is fitted; the house is painted, and it is then ready to be occupied. This type of construction is so efficiently insulated that no furnace is necessary—the stove serves.

These houses were put up at the rate of one a day in Fort Wayne, starting in November. Half of them are already being lived in, and the rest will be within the next week or so. More than 600 applications are on file. They can be taken down and put up again as easily as they were assembled originally. Their over-all cost is less than $900.

These are hardly to be described as dream houses. They offer comparatively little scope for gracious living. They look cheap. They tend to get smelly when all the doors and windows are kept closed in bad weather (thanks to the high efficiency of their insulation). They will outrage the perfectionists who are content with nothing less than the best. They emphasize an ugly fact, which is that for great masses of Americans such humble homes as these represent a huge stride upward in their standard of living. This is an appalling indictment.

But these houses have this one great virtue over the dream houses of perfectionists: they exist. Given all the conditions, economic and social, of the United States of January 1939, they are practical. They represent a concrete achievement in the provision of housing for those who need it most.

Development of Farm Woodlands

EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 10, 1939

CONCURRENT RESOLUTION OF THE LEGISLATURE OF THE STATE OF MINNESOTA

Mr. ALEXANDER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following concurrent resolution of the Legislature of Minnesota:

Concurrent resolution memorializing the Congress of the United States and the Secretary of Agriculture on the need to establish a more stable program of subsidies to farmers for development and maintenance of farm woodlands and shelterbelts

Whereas the farm woodlands make up more than 5,000,000 acres of the 19,000,000 acres of forest land in the State of Minnesota; and

Whereas forests are a soil-building and soil-conserving crop; and

Whereas the practice of good conservation on these lands can be encouraged by special inducements, such as those given under the agricultural conservation program; and

Whereas this program now includes benefits for maintaining land in pasture and orchards: Now, therefore, be it

Resolved by the Senate of the State of Minnesota (the House of Representatives concurring), That the agricultural conservation program should also include a stable and comprehensive program of benefits for forestry practices on farm woodlands, including the protection of such woodlands from grazing, fire, and destructive logging; and be it further

Resolved, That addtional technical forestry aid, as authorized by the Norris-Doxey Farm Forestry Act, should be provided to instruct the farmers and woodland owners in this phase of the agricultural conservation program; and be it further

Resolved, That the secretary of state be instructed to send copies of this resolution to the President of the Senate of the United States and to the Speaker of the House of Representatives of the United States and to the Secretary of Agriculture, Hon. Henry A. Wallace, and to each of the Senators and Representatives of the State of Minnesota in the Congress of the United States.

Federal Reserve Report on Price Control

EXTENSION OF REMARKS

OF

HON. JOSIAH W. BAILEY

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, March 13, 1939

ARTICLE FROM THE NEW YORK HERALD TRIBUNE OF MARCH 13, 1939

Mr. BAILEY. Mr. President, I ask unanimous consent to have published in the Appendix of the RECORD a most important and timely statement from the Federal Reserve Board on the subject of Price Control.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of March 13, 1939]

PROPOSALS TO MAINTAIN PRICES AT FIXED LEVELS

From time to time the Board of Governors of the Federal Reserve System is asked to give its opinion about proposals to require some agency of the Government to raise the general level of prices and then to keep it constant. Some would make it the duty of the Board to do this and some would create a new agency for purpose. All would require that prices be controlled by regulating the amount and cost of money.

Those who favor such proposals believe that prices can be raised by increasing the supply of money, that prices can be lowered by reducing the supply of money, and that prices can be kept fairly steady by changing the supply of money in the right direction at the right time. They believe that if prices were kept fairly steady we would not have booms, depressions, and panics; business would run along on an even keel; and much suffering and hardship would be prevented.

The Board of Governors is in complete sympathy with the desire to prevent booms and depressions, and has always considered it its duty to do what it could to help accomplish these results.

CANNOT CONTROL PRICES

Experience has shown, however, that (1) prices cannot be controlled by changes in the amount and cost of money; (2) the Board's control of the amount of money is not complete and cannot be made complete; (3) a steady average of prices does not necessarily result in lasting prosperity; and (4) a steady level of average prices is not nearly as important to the people as a fair relationship between the prices of the commodities which they produce and those which they must buy.

Steady prices and lasting prosperity cannot be brought about by action of the Federal Reserve System alone, because they are affected by many factors beyond the control of the Federal Reserve System.

1. Prices do not depend on money alone. Experience in recent years has shown that prices are not controlled by the amount or cost of money.

If currency alone is considered as money, the facts are clear and simple. There was $3,600,000,000 of currency in the hands of the public, outside the banks, in the middle of 1926 and about the same amount in the middle of 1929, while at the end of 1938 the amount of currency had increased to $5,700,000,000. If prices were governed by the amount of currency, prices would have been about the same in 1929 as in 1926 and would have increased sharply by the end of 1938. The facts are that the average of wholesale prices, expressed in an index number, was 100 in 1926, 95 in 1929, and 77 in 1938. From 1926 to 1929 there was no change in the amount of currency but there was a drop of 5 percent in prices. From 1929 through 1938 there was an increase of 60 percent in currency, while there was a decrease of 20 percent in prices. Evidently cash and prices do not move together.

It is easy to understand why the amount of currency does not control prices. Currency is not the principal means used by people in paying for what they buy. In fact, it is the small change of business. Most people keep only as much money in their pockets as they require for their day-to-day needs, such as carfare, lunches, gasoline, and other items, and what they do not need they deposit at the banks. Business firms require currency to meet pay rolls, stores to make change. Banks keep on hand only a reasonable supply to meet the demands of their customers and send the rest to the Federal Reserve banks.

Because of the way we have come to use our currency, chiefly for small payments, we cannot expect to raise prices or increase prosperity by the issuance of more currency either by the Treasury or by the Federal Reserve banks. Any surplus above the amount needed would only come back to the Reserve banks. People can always get all the currency they need so long as they have deposits to draw on.

But more than nine-tenths of the bills in this country are paid by checks drawn on bank deposits. Therefore the deposits that the public holds in banks and can use as a means of paying for what it buys, as well as the currency outside of banks, needs to be considered as money. Again, the facts show clearly that the volume of money does not control the price level.

The amount of demand deposits was $22,000,000,000 in June 1926, $23,000,000,000 in June 1929, and $26,000,000,000 at the end of 1938. As already stated, currency outside of banks was $3,600,000,000 in 1926 and in 1929, and $5,700,000,000 in 1938. The amount of money, therefore, was larger in 1929 than in 1926 and larger in 1938 than in 1929. But what happened to prices? In 1929 they were 5 percent lower than in 1926, and in 1938 they were 23 percent lower than in 1926. This proves that factors quite apart from the volume of money—i. e., of currency and deposits together—were influencing the price level.

There have been times when the amount of money and prices have changed together; but usually they have not. When they have moved together this may have been due to the fact that it takes more money to do the same amount of business when prices are high than when they are low.

Whether prices and the volume of money do or do not move together depends on many other conditions, such as weather and the size of harvests, inventions, foreign trade, Government spending, taxes, wages, and the general attitude of business. When people are venturesome and expect good times they lay in supplies, and this tends to raise prices. When people are discouraged and expect things to go badly, they tighten their belts and buy as little as possible. The demand for goods declines and prices fall. Usually other things have a greater influence on prices than has the amount of money.

Neither do prices depend on the cost of money. This also has been shown by the experience of the last 10 years. The cost of money is lower than it has ever been at any time for which we have a record. This is true not only of the rate at which the Government can borrow, and of the rate at which large corporations can get money in the money market, but also of the rate charged by banks to their regular customers. The average rate charged by banks in 36 cities on their business loans was around 5 percent in 1926; it rose to over 6 percent in 1929 and fell to 3¼ percent in 1938. Federal Reserve discount rates in 1926 were 3½ to 4 percent; in 1929, 4½ to 6 percent. In 1938 rates were 1 to 1½ percent. During this period when the cost of money was so drastically cut, prices went down by about one-fourth.

In view of these facts the board finds it impossible to believe that prices can be controlled by changes in the volume and cost of money.

2. Federal Reserve cannot completely control the amount of money: The Federal Reserve System, furthermore, does not and cannot have complete control of the amount of money and its use. It has an influence of the amount, and when other things are favorable this influence can become effective, but there are many occasions when the System's powers are limited.

CURRENCY NOT MAIN ITEM

As already explained, currency is not the most important item in our business life, and the Federal Reserve System supplies at all times the currency that the public demands. If the Reserve System should engage in so-called open-market operations, that is, if it should buy Government bonds, and if it should pay out Federal Reserve notes for them, as has been proposed in some of the bills before Congress, this currency would come right back to the Reserve banks and would serve no useful purpose.

The Federal Reserve System has more influence on the amount of deposits than it has on the amount of currency, but there are limits to the System's influence. The System has power to give the banks more reserves by buying Government bonds. The sellers would receive checks which they would deposit in their banks. The banks in turn would deposit these checks in the Federal Reserve

banks, thus increasing their balances which under the law are the members banks' legal reserves.

At a time when things are going well and there is a demand for as much bank credit as the banks can supply, increasing the reserves of the banks will usually increase the amount that they are willing and able to lend or invest. As the banks lend or invest the money they can pass on to the public not only the amount of unused reserves that they have, but all the banks together can pass on several times the amount of these reserves. This is because the banks are required to keep as reserves only a portion of their deposits. The proportions are different for different classes of banks; but, at the present time, all the banks together can lend or invest about six times as much as their reserves. (A detailed explanation of the way this works was given in the Board's annual report for 1936.)

When conditions are such that banks lend or invest all the money they can, the Reserve banks by buying $1,000,000 of Government securities can enable the banks to increase deposits held by the public by $6,000,000. Conditions, however, are not always such as to bring this about. They have not been so for a number of years. The Federal Reserve banks have bought more than $2,500,000,000 of Government securities. There has been a large inflow of gold from abroad, and the reserves of our banks have increased from about $2,700,000,000 in December 1933 to $9,000,000,000 in January 1939. Deposits of banks, however, have not increased in anything like the same proportion, because the banks have not found it possible to use all the reserves they held. At this time they have about $3,500,000,000 more reserves than the law requires and are not finding any way to use these reserves.

The Federal Reserve System can see to it that banks have enough reserves to make money available to commerce, industry, and agriculture at low rates; but it cannot make the commercial banks use these reserves, it cannot make the people borrow, and it cannot make the public spend the deposits that result when the banks do make loans and investments.

3. Steady prices do not assure prosperity, even if the amount of money did determine prices; and even if the Federal Reserve System could determine the amount of money, experience shows that steady prices would not necessarily mean prosperity.

It is true that violent changes in prices are harmful. A very rapid rise in prices results in speculation, in accumulation of inventories, and in unsound undertakings which later result in a collapse with falling prices, failing business, and general distress.

But that does not mean that lasting prosperity is assured when prices are steady. We had fairly steady prices from 1921 to 1929, but during that period there was developing a speculative situation which led to the collapse in 1929. It was during this period that billions of unsound foreign loans were made; that expensive and unsoundly financed apartment houses and office buildings were erected far beyond the needs of the people; that stock prices rose to fantastic levels. It was during this period that the ground was prepared for the depression which began in 1929 and from which we have not yet completely emerged. An unchanged average of wholesale prices alone, therefore, does not assure the people of lasting prosperity. While prices are stable, destructive forces may be at work that lead to panic and disaster. To require the Board to be guided in its policies entirely or principally by changes in the level of prices would prevent it at times from doing its best to serve the public interest.

RELATION OF PRICES

4. Relations of prices more important than average prices: One reason why steady average prices do not assure prosperity is that the average can be steady while prices of some of the commodities that make it up change violently. People are more interested in the relation between the prices of what they produce and sell and the prices of what they buy and use than in the general price level. A farmer is interested not only in what he can get for his products over and above the cost of production but also in what he has to pay for the things that he needs to buy—how many bushels of wheat or pounds of cotton it takes to get a suit of clothes or a new plow. For the industrial producer the cost of his raw materials and labor, compared with the prices that his products will fetch, is what counts. To a wage earner or salaried man the important thing is the relation between his income and the cost of living. Even the ability of people to pay their debts does not depend so much on the average level of prices as upon the amount by which their net income exceeds their living expenses.

A steady average of prices, furthermore, may cover up sharp movements in prices of important commodities upon which large sections of the country depend. For example, from March to September 1937, while the average of wholesale prices was steady, grains declined by 19 percent and cotton by 38 percent. Many people are misled by averages. At the present time, with the average of all wholesale prices at 77 percent of the 1926 level, prices of farm products are at only 67 percent, while industrial commodities are at 80 percent. Even prices of different farm products differ widely. Cotton and grain prices are 50 percent of the 1926 level, while livestock prices are 80 percent.

An attempt to maintain a steady average of prices would run into serious difficulty in years when prices of some commodities were forced up by drought, armament demand, or other things beyond the control of the monetary authority. When prices of industrial materials advanced in 1936–37, a steady average of prices could have been maintained only if prices of finished products had declined, and if that had occurred, it would have made it unprofitable to buy materials on a rising market with the prospect of selling finished products on a falling market. This would have resulted in a slowing down of industrial and building activity. Differences between price movements of raw materials and finished products were, in fact, an important reason of the turn-down in business in 1937.

SYMPATHIZES WITH AIMS

Summary:

To summarize, the Board of Governors is in complete sympathy with the real purpose of the price-stabilizing bills, which is to prevent booms and depressions and have business always on an even keel. But experience has shown that prices do not depend primarily on the volume or the cost of money; that the Board's control over the volume of money is not and cannot be made complete, and that steady average prices, even if obtainable by official action, would not assure lasting prosperity. The Board exerts all its powers to provide a constant and ample flow of money at reasonable rates to meet the needs of commerce, industry, and agriculture. In order to maintain a lasting prosperity many other agencies of the Government, as well as many groups in the general public, must cooperate, since policies in respect to taxation, expenditures, lending, foreign trade, agriculture, and labor all influence business conditions.

The Board believes that an order by Congress to the Board or to any other agency of Congress to bring about and maintain a given average of prices would not assist, but would hinder, efforts to stabilize business conditions. It would hinder, because the price average frequently would indicate a policy that would work against rather than for stability. Such an order would also raise in the public mind hopes and expectations that could not be realized.

Conclusion: In view of all these considerations the Board does not favor the enactment of any bill based on the assumption that the Federal Reserve System, or any other agency of the Government, can control the volume of money and credit and thereby raise the price level to a prescribed point and maintain it there.

Bernarr Macfadden

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, March 13, 1939

STATEMENT, EDITORIALS, AND ARTICLE ON BERNARR MACFADDEN

Mr. REYNOLDS. Mr. President, several days ago I introduced a private bill for the relief of Hon. Bernarr Macfadden, eminent publisher and physical-culture exponent. This bill interests itself, in a sense, with a bill introduced by my distinguished colleague Hon. ROBERT WAGNER, of the State of New York, and I ask that there be published in the Appendix of the CONGRESSIONAL RECORD a statement by Mr. Macfadden as printed in the editorial columns of the Gazette, of Stillwater, Minn.; an editorial from the Virginia (Minn.) Enterprise; one from the Union Sun Journal, of Lockport, N. Y.; and a brief article from the pen of Mr. A. K. Meck, which was printed in the Dayton (Ohio) News.

There being no objection, the statement and editorials were ordered to be printed in the RECORD, as follows:

[From the Stillwater (Minn.) Gazette of February 18, 1939]

AN UNPARALLELED TRAGEDY—FAILURE TO PROTECT OUR YOUTH

For generations the English-speaking countries suffered beyond the power of tongue or pen to fittingly describe, because of the then prevailing prudery.

The prurient conception of our bodily functions gave us an obscene outlook upon life generally.

The body was vile and unholy, and we were introduced to the mysteries of life with an unclean attitude toward everything associated with our physiological functions.

Yet the Good Book tells us to "glorify God in your body"; that "Unto the pure all things are pure; but unto them that are defiled and unbelieving is nothing pure."

It is plain, therefore, that we are out of harmony with theological teachings in assuming such an attitude toward our bodily structure.

And what has been the disastrous result of this mystery with which we have allowed our youth to grow up to adult life? They learn little or nothing of the physiological laws of sex * * * the information they acquire is usually of a filthy nature, from companions who have an unclean idea of what should be the most divine relations of human life.

The very source of life itself is made contemptible and abominable.

Until recently even our literature could never speak of pregnancy, and a newborn babe in a family was brought by the stork or found under a raspberry bush. Think of the vile results of such an attitude.

And it is only recently that our youth has had the faintest opportunity to learn anything about the most deadly of all diseases * * * the venereal scourge. He had to acquire the devastating disease before he could learn anything about it.

And until very recent years the treatment for this disease was worse than the disease itself. The treatment of the disease brought on paresis, locomotor ataxia, and many other complaints that made life but little more than a satanic inferno.

And when I look back at my publishing career during the period when I was solely a propagandist with one idea only—and that to help the youth of the land build up a fine physique—and recall the experience that I had in trying to warn them against syphilis and other allied complaints * * *. I remember poignantly the thousands of letters that came to me—human tragedies—hundreds of them.

A number came as a last sacrament, damning the environments in which they grew to manhood, with the statement to the effect that they expected to get out of it all through suicide.

And with all this evidence before me a story was written by a well-known author for the one purpose of warning youth against these degenerating diseases. I was 35 years ahead of my time.

But my efforts at that time were rewarded with a 2-year sentence in the penitentiary and a $2,000 fine.

President Taft canceled the sentence, and I am still hoping that the Congress of these United States will apologize to me and return the $2,000 fine I had to pay on that occasion.

I bow in revent thankfulness to President Roosevelt for taking the lid off this sewer that has desecrated human life to such a tragic extent.

Although throughout the entire country there is publicity which is accomplishing untold good, there is entirely too much commercialism about it. Many people are being driven into unnecessary medical examinations; they are made unnecessarily fearful; and there is by no means the educational procedure necessary to protect our young people against this disease through antiseptic measures.

Let us hope, now that this subject has opened up, that an educational procedure will be carried on which will give every youth the information essential to guarantee protection against this fearful scourge.—Bernarr Macfadden.

[From the Virginia (Minn.) Enterprise of February 16, 1939]

Some years ago, Bernarr Macfadden caused a book to be published which warned the youth of the Nation against the vicious social diseases. Up to that time and until very recently, there was a good deal of hush-hush about these scourges which have ruined the lives of so many, and because he warned too plainly and too starkly the volume was considered unfit for circulation, and Mr. Macfadden was compelled to face trial. He drew a 2-year sentence and a fine of $2,000. Fortunately for him, President William Howard Taft suspended the sentence, but the fine he had to pay. Considering the change in the present public attitude toward dissemination of health literature, it would seem that the Federal Government owes Mr. Macfadden at least the amount of the fine exacted these many years ago. Youth is the hope of America, as it is the hope of any nation. It is only as youth is kept clean and wholesome, free from bodily disease and free from immoral thoughts and actions that this civilization can progress.

[From the Lockport (N. Y.) Union Sun Journal of February 20, 1939]

LETTING IN THE LIGHT

The scathing pen of Bernarr Mcfadden, publisher of Liberty, has exposed in a bad light what was up to very recently the attitude toward education in matters pertaining to the health and care of the human body, at least in some of its aspects. Mr. MacFadden referred specifically to education relative to and treatment of syphilis.

"It is only recently," writes the publisher, "that our youth has had the faintest opportunity to learn anything about the most deadly of all diseases * * * the venereal scourge. He had to acquire the devastating disease before he could learn anything about it.'

Every right-thinking person joins with Mr. Macfadden in these words: "Let us hope, now that this subject has opened up, that an educational procedure will be carried on which will give every youth the information essential to guarantee protection against this fearful scourge."

[From the Dayton (Ohio) News of February 26, 1939]

SAFETY VALVE FOR THE LEGAL SYSTEM—SOME CASES SHOWING THE NEED OF BETTER PROTECTION AGAINST INJUSTICE

(By A. K. Meck)

The criminal part of our legal system needs a better safety valve. Bernarr Macfadden, publisher of Liberty, complains in a recent issue because of his conviction in a Federal court 35 years ago. He can't forget it. He was convicted because he was a publisher of a magazine that contained an article on health.

He was sentenced to 2 years in prison and fined $2,000. President Taft relieved him of the prison sentence, but he had to pay the fine. He says that the article he then published would now be considered educational and very proper. That undoubtedly is correct. The conviction still burns in his heart. He wants Congress to pay back the $2,000 and apologize to him on behalf of Uncle Sam.

Tom Mooney got caught in the trap and then refused to accept freedom for his body unless his name could also be freed from the stain of conviction. His hair got grey while he waited. A better safety valve would have prevented that injustice.

An innocent man whom I represented in Montgomery County, Ohio, was indicted by the grand jury on the charges of burglary and grand larceny. We thought we had sufficient evidence to prove his innocence. But suppose a jury had said guilty? He could have been imprisoned for as long as 12 years. Under the circumstances he pleaded guilty to petit larceny and was only fined $25. Was the man wise or foolish? I don't know.

You say that if you had been that man you would have fought it out in the courts, and, if convicted, you would have appealed to the parole board and gained your freedom. Do you think that board would give you freedom simply because you were innocent? If you do, you are wrong.

If you are once snared, you are like a rat in a trap. This should not be so. We need an extra board of justice as much as we do a board of mercy.

The parole board does not have jurisdiction to let out innocent men until they have served a minimum sentence. Appeal to the Governor is not satisfactory. He is sometimes more concerned about his political future and how a pardon would affect it than he is concerning an innocent man's freedom. Sad, but true.

After you have served your minimum sentence, the parole board will not let you out simply because you are innocent. In fact, your innocence would probably work against you, unless you would lie and say, "Yes; I am guilty; I committed that dastardly crime; I am ashamed of myself and have shed many crocodile tears because of the fact that I stooped so low as to commit such a crime."

Under the present system a guilty, despicable sob sister probably stands more of a chance of gaining his liberty than does an innocent man who forever proclaims his innocence.

United States Attorney General Murphy knows what is going on. He knows who is killing our G-men. He knows that the killers are men who have pleased parole boards by sob-sister methods.

The present parole system is against the best interests of the public. It tends to encourage innocent men to seek revenge and to allow hoodlums to run loose and prey upon the public. The parole board ought to constitute a safety valve.

Progress of the Colored Race

EXTENSION OF REMARKS

OF

HON. CHARLES L. McNARY

OF OREGON

IN THE SENATE OF THE UNITED STATES

Monday, March 13, 1939

ADDRESS BY HON. ROBERT A. TAFT, OF OHIO, MARCH 2, 1939

Mr. McNARY. Mr. President, I ask unanimous consent to have printed in the RECORD an impressive address by the able junior Senator from Ohio [Mr. TAFT] on the subject Progress of the Colored Race, at Howard University, in this city, at its seventy-second charter-day dinner on Thursday, March 2, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

President Johnson and alumni of Howard University: I consider it a pleasure and a privilege to deliver the annual charter-day address to the alumni of Howard University on the seventy-second anniversary of its founding. It is a peculiar pleasure to find that the class of 1909 is one of the sponsors of this year's dinner, because my father delivered the fortieth annual commencement address when that class graduated in 1909. I have welcomed the opportunity to see for the first time this time-honored institution, one of the great universities of the United States, and the center of Negro education. I have been familiar for many years with Wilberforce University in the State of Ohio, and know the tremendous effect it has had on the progress of the people which it serves, but in Howard University I see even greater accomplishment.

Seventy-two years ago today it was established by act of Congress, under the urgent insistence of Gen. O. O. Howard, and General Howard became its president. He realized, as did many others, that not only did the United States owe to those who had long been held as slaves the duty of providing an education, but that only through such education could the country meet the problems created by the presence of so many million colored people scattered among the rest of the population which had

had such superior advantages. For years General Howard and his board of trustees struggled to keep the university alive, but today we can well realize how effective and important was their work. In this great university, over 2,000 students are enrolled in 9 undergraduate and professional schools and colleges. Ten thousand two hundred and sixty-six graduates have been sent out throughout the United States, more than half of them teachers, who have extended the influence of this university to thousands of Negro boys and girls, and directed the course of Negro education in hundreds of other schools and universities throughout the country.

In the field of medicine and law the university has played an especially important part. Forty-six percent of all Negro physicians and surgeons now practicing in the United States are Howard graduates; 40 percent of all Negro dentists. Nearly half of the colored lawyers actively practicing law in the United States are graduates of Howard University Law School, and a large portion of Negro leaders in the field of religion, of teaching, of pharmacy, of engineering, and architecture receive their education here. So that it may well be said that no institution in the world has had more to do with the progress of the colored people than has Howard University.

And it may be said, further, that the progress of the colored people in America in those 72 years is probably greater than the progress of any race in a similar period in the history of the world. They started literally from nothing. The great majority had been slaves, and among the few freedmen were a very limited number who had education; but in 72 years they have risen until there are able colored leaders in every field of activity. In education, in medicine, in law, in art, in music, in athletics, in science, in industry, the colored people have proved their inherent ability and have rapidly developed leaders of outstanding quality. They have naturally paid peculiar attention to the development of the South. A colored scientist has developed many industrial products from cotton and peanuts which have given an increased market to those products and added thousands of jobs to the pay roll of private industry.

I wish to refer especially to one man who died about a year ago, who was certainly one of the most versatile of American leaders, James Weldon Johnson. He was a university graduate, a lawyer, an author, a magazine editor, a poet, and a musician. He was consul in Venezuela and Nicaragua, appointed by my father, and not only spoke Spanish, but wrote poetry in Spanish. He wrote a notable autobiography, a book of American Negro poetry, two books of American Negro spirituals. What is accepted as the Negro national anthem was his work. His was a life of service. There are many others, and I pay a special tribute to him only as an example of the kind of leader which the Negro race has produced.

In the political field you have also developed leaders, particularly in our cities. The character of colored political leadership in Ohio has commanded my attention and interest during the past year. In my own city of Cincinnati Dr. R. P. McClain has been elected president pro tempore of the Cincinnati City Council under our charter form of government.

To what has this great progress been due? You have had the assistance of men like General Howard and many others. Howard University has had the assistance of the United States Government, but not to any extraordinary extent. The money appropriated, for instance, is hardly more than the money appropriated by the city of Cincinnati for its municipal university, serving both white and black citizens of Cincinnati; much less than most of the State universities. The progress has been due to the colored people themselves and to the inherent qualities which they possess. Today it has become fashionable to look to the Government to solve our problems and rely on Government action and laws to advance the welfare of the people, both white and colored. We are too much inclined to lean on the Government, which, in fact, amounts to leaning on other people; but very little real progress has ever been made except through the earnest and sincere effort of those who make that progress. The Government must assure the opportunity for progress. It must create conditions in which every man who has the ability to be a leader of other men can forge his way ahead, regardless how humble his origin, and furnish the inspiration on which all progress is based.

The foundation for the progress of the colored people is found in the Constitution and the Bill of Rights, and particularly in the thirteenth, fourteenth, and fifteenth amendments. They ask nothing more than every other citizen is entitled to, the right to life, liberty, and property, the right to vote, the right to a fair trial, and all the other rights which are guaranteed to every citizen. It is to guarantee these rights that the colored people are asking for and are entitled to an anti-lynching bill to protect those Federal constitutional rights which they now have in theory but which in some places they do not have in fact.

So, also, no one is more interested than the colored people in maintaining the independence of the courts, in order that no matter what the majority in any community may be, no matter who elects the legislative body or the executive, the colored man may receive from independent judges a fair trial in the protection of his constitutional rights. Nothing is more characteristic of the American form of government than this protection given to individual rights. Those who wrote the Declaration of Independence and the Constitution created a government to be directed by a majority of the people, and of course our Government today must reflect the will of that majority. But they said that there were certain inalienable rights belonging to every individual, and that no matter how great the majority, and no matter how strongly the majority felt, they could not destroy the rights of a minority, no matter how small and weak that minority might be. We have seen what happens in countries where there are no constitutions and no independent courts. We have seen what the Germans have done to a minority, and we have seen what the Russians have done to a minority. It is not enough to have constitutional rights, unless we have independent courts to enforce them, because Congress has frequently shown that doubts of the constitutionality of a law, no matter how reasonable, do not restrain it. No one can be more concerned to maintain the Constitution and the division of powers provided by it than the colored race.

But I say again that the function of government in this respect is largely negative and defensive. If we are seeking progress toward a higher civilization, then the colored people, like the white people, must look much more to their own initiative and their own efforts, assisted, but not controlled, by the Government.

True progress must be based at least in part on improvement in material welfare, and as a result the progress of the colored race has been badly checked by the depression which began in 1929. No one else has suffered so much from the scourge of unemployment. Unfortunately, employers in general have not followed the example of men like Mr. Harvey Firestone, in Akron, Ohio. Mr. Firestone undertook to see that colored people were employed in nearly every department of his great rubber company, and that when the time for lay-offs came, no greater proportion of colored people were laid off than of white people. But it has been generally true that colored people are more likely to lose their jobs when employment declines, and find it harder to get them back when employment increases. In other words, there is still an economic discrimination which we must do our utmost to reduce.

Abraham Lincoln said in the famous Lincoln-Douglas debates: "In the right to eat the bread which his own hand earns the Negro is my equal and the equal of Judge Douglas and the equal of every living man." But we must see also that he is also the equal of every living man in the right to earn that bread.

Apparently, however, the solution is not Government assistance or the passing of laws. No government has ever poured out so generously money for relief and money for work relief like W. P. A. as the present Government. And yet today, after many years, millions of men are unemployed, and an undue proportion of colored people are unemployed. We must be grateful for the Government action, tiding many men and women over the emergency of the depression, but it is not much of a substitute for real jobs, and it does not provide an economic basis on which progress can be actively continued.

In fact, should the present conditions become permanent there is a real danger to the colored people. Government relief cannot do much more than provide a wage basis, very little, if at all, above the needs for a bare existence, and if more and more of the colored people drift onto this W. P. A. scale it will leave them ultimately in a kind of economic servitude akin to serfdom. The man on W. P. A. has no opportunity to go forward. He receives only enough to provide a bare existence and cannot be of the slightest assistance in bringing real progress to the race.

As a matter of fact, the whole movement toward Government regulation and regimentation is more of a threat to the colored race than it is to the rest of the Nation. If the Government ultimately comes to the point of fixing all wages, hours, prices, and practices; if it comes to the point of telling every man in what industry he shall work and what type of job he shall enjoy, there is a real danger that the colored people will get the worst jobs in the worst industries. Under anything resembling regimentation minorities are not likely to do the regimenting or have much to say about where they shall be fitted into the social picture.

And so the colored people, even more than anyone else, are interested in Government policies which will stimulate private industry, and stimulate the creation of more jobs and more prosperity. If those are provided, then the education provided by Howard University and many other institutions will show to colored leaders the means by which they can go forward. They will always have to fight against certain narrow prejudices, such as that which seems to have excluded Marian Anderson from a proper auditorium in the city of Washington, and has excluded them from employment in various industries. But in that fight they will have the support of the great majority of the white people, and all of the intelligent white leaders. Your goal is equal opportunity, the same goal as that of every other American.

Nothing is so important to the colored people as education. Some institutions are engaged in teaching vocations to boys and girls so that they may be able to give employers a reason why they should be employed and earn a fair wage when they are employed. Some times I think the education given by our public schools is so general that the boy and girl graduates, while they have a good background, are not able to do any particular job better than they could before going to school. Colored people have not taken their proportionate place as businessmen and they may well devote their attention to operating more of the stores which serve their own people.

Lord Brougham said once in the House of Commons, "Education makes a people easy to lead, but difficult to drive; easy to govern, but impossible to enslave." Howard University has still its big task to perform in training teachers from many schools, in training those able to enter the professions, and in training men who may become the leaders and prophets of the race. In that task you deserve the support of all Americans—black and white. I hope, as a Member of the Senate, I can help carry through after the 10-year plan is completed.

You must always preserve inviolate the Constitution of the United States, and the thirteenth, fourteenth, and fifteenth amendments. On a firm foundation of constitutional freedom you can build an economic security, and on such economic security you can build a higher civilization, but you can only do it by your own efforts, and the efforts of the members of your group, without leaning on the white people or on the Government, but with their willing assistance.

America will not overlook the great part played by the colored race in the development of this great Nation.

Neutrality

EXTENSION OF REMARKS

OF

HON. GEORGE L. RADCLIFFE

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Monday, March 13, 1939

ADDRESS BY HON. ELBERT D. THOMAS, OF UTAH, MARCH 9, 1939

Mr. RADCLIFFE. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an address delivered by the junior Senator from Utah [Mr. THOMAS] before the Maryland Committee for Concerted Peace Efforts in Baltimore on March 9, 1939, on amendments to the Neutrality Act commonly known as the Thomas amendments.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, after 4 years of neutrality legislation I am convinced that the American people want two things, first they desire to reduce as much as possible the danger of profits which might involve them in a war, and second they wish to see the economic and moral force of our country in a position to be able to be used in such a way that the war maker among nations may be curbed and restrained and not encouraged. The motives which brought forth the neutrality acts therefore were good.

Consequently, I have introduced two amendments to the present neutrality law: One to provide that the President might extend his embargo of implements of war to include essential raw materials for war purposes; and the other that when the President finds that one or more parties to the dispute has gone to war in violation of a treaty with the United States, he could, with the consent of both Houses of Congress, so modify any embargo he might have invoked to apply only against the treaty breaker.

While we have been generally disillusioned over our neutrality legislation the acts themselves should be no more condemned as a whole than we would condemn the motives behind them for they are not wholly bad. First of all, during the discussions of these acts sentiment in the United States against a resort to war reached a pitch it had never before reached in our country. In the discussion of the 1935 Neutrality Act we heard the sentiment: "We want no war and we want no profits from war." That was very different from the whole idea of the old neutrality where we stressed neutral rights to the extent that it was necessary to fight for them. All three of the neutrality acts refer only to the United States. Our acts which condemn war as such condemn trading in war materials in theory. But first of all they emphasize the duty of a neutral. In review, it is, therefore, proper for us to point out that by these acts the United States has declared that even if it does not take part in wars that it has some obligations as a neutral as well as rights. This stressing of the duty of a neutral is America's contribution to the development of the neutrality idea and it is a good contribution.

But the neutrality acts were acts of retreat. They came as a response to the urge of those who thought we were going to be dragged into war and the enactments were in reply to the desire on the part of the American people to have nothing to do with war. In other words, the neutrality law was a means of finding escape from obligations to help prevent war. From 1914 to the present time, there has been an effort on the part of some to convince the American people that they should return to a fictitious isolation which they really never enjoyed, rather than to avoid war by vigorous policies to prevent it.

We stand disappointed and disillusioned. The neutrality law has not increased our sense of security. In the threat of hostilities in the Far East and central Europe, the neutrality law is not regarded by many of our people as a policy to protect American security. Our arms expenditures have grown; the danger of war to us increases; and I doubt if there are many people who would today say that the neutrality law has lessened the danger of war to this country.

The neutrality acts too have contributed toward a revival of a rearmament race. While the acts are not by any means the only contributing factors America has been a rather easy source of supply in times of necessity for war materials for certain countries.

In the second place, the law has not been neutral in the sense that it means impartial. Indeed, as a result, the first Neutrality Act was interpreted by Italians as a friendly act toward Italy. Japan also felt secure as a result of it and interpreted it as a friendly act toward Japan. No one, especially the sponsors of the law, expected those interpretations. The irony of our neutrality policy was that in the administration of the third act the United States actually reversed itself and turned away from previous engagements and treaties, which prohibited the sale of munitions to Germany. Public opinion has been overwhelmingly opposed to the application of the neutrality law in the far eastern crisis because it felt that the law would work contrary to our interests and definitely to the advantage of but one of the countries at war—in other words our Neutrality Act in practice was discovered to be unneutral and therefore could not, without doing great damage, be invoked.

It was folly to believe that a country with the economic power and influence of the United States could adopt an embargo policy which would affect all countries alike. This country supplies about one-third of the known raw materials of the world; it accounts for more than one-third of the known economic and industrial life of the globe. Any embargo must affect one side more than the other and unfortunately it has been demonstrated that the application of the law favors the side that is the stronger and penalizes the side which is fighting against the greater odds.

There are those who wish that all neutrality legislation be repealed. But I bow to public opinion which seems to wish some legislation. There are those who say let us repeal everything in the law but the cash and carry feature whereby we would supply arms or raw materials to any purchaser just so long as he can pay cash and transport the material in other than American boats. Such a policy by which this country would make all of the profits out of war and hard-pressed friends of ours would take all of the risks, would reduce the whole question to the lowest moral level possible.

To repeal the entire Neutrality Act, as has been suggested since the beginning of the session by my colleague, Senator KING, and as was suggested the other day by the introduction of a resolution by Senator LEWIS, of Illinois, is impractical. A repeal of the act would mean the abolition of the Munitions Control Board. This Board performs an extremely useful function, and the Board's life should be continued.

Any neutrality law that does not contain the symbol of distinction between the nation that respects its treaties and the nation that violates them is essentially an immoral and war-encouraging act, because it ignores and defies the principles of international morality which the nations of the world have been building through the years. We must encourage the substitutes for war. They are law, understanding and appreciation of each others' objectives, a cooperative endeavor which emphasizes interdependence rather than contest and antagonisms. Our neutrality acts have caused us to throw our whole moral influences and support to the less worthy of national forces now being exerted in the world.

How can this symbol of distinction between right and wrong be established in ways most acceptable to the American people? How can we define the aggressor? I reply there is a very simple definition, one easy to apply, and that can be applied by the American Government alone. For our purposes the aggressor is the nation that resorts to war in violation of treaties with this country pledging itself not to go to war.

In the second place, how should this application be made? There are those who would let the modification of the embargo be entirely in the hands of the President. I believe that the present law reflects a distrust of our Executive and ties the hands of our President in dealing effectively in international matters when there is war in the world. That is simply bad government. It hinders America's effectiveness for good in the world, and it causes the advantage taker among the nations to be doubly reassured.

There are those, however, who feel that discrimination between sides through applying the embargo against one side is too great a power to be placed in the hands of one man. Wishing to produce a formula that would meet all such objections and satisfy the greatest number of our people, my resolution provides that when the President shall find that a nation has gone to war in violation of a treaty with the United States, something entirely within the constitutional prerogatives of the President, he may, with the consent of a majority of both Houses of Congress, a step entirely within the constitutional prerogatives of Congress, modify the embargoes so as to apply them against the treaty breaker only and not against the victim.

The second point to my resolution would authorize the President to extend his embargo on arms to include essential raw materials used for war purposes. I presume there would be almost unanimous support on this point. A nation that plans an act of aggression over a period of years will be fairly well prepared with armaments before undertaking such a venture. What that nation may need immediately is the power-producing fuel to run its war machines, and in time, as its reserve stock of armaments lessen, it will need raw materials for the manufacture of armaments. Consequently, the present bill is practically useless in stopping the treaty breaker unless the embargo can include raw materials for war purposes.

I believe, ladies and gentlemen, that these two amendments preserve that legislation which grew out of a very deep-seated desire on America's part to lessen the danger of involvement in war through profits. They would, at the same time, provide that distinction

between the aggressor and the victim which will relieve this country of the possibility of being an accomplice of an aggressor, something about which I am sure the American people are very much ashamed.

The amendments, too, when the very serious step is taken, in deciding between the aggressor and the victim, place the responsibility in a partnership between the President and Congress, in accordance with a definition of aggressor that is simple, a definition based solely upon a violation of treaties with the United States.

Which Way Recovery?

EXTENSION OF REMARKS

OF

HON. W. WARREN BARBOUR

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES

Monday, March 13, 1939

RADIO ADDRESS BY HON. WARREN R. AUSTIN, OF VERMONT, MARCH 12, 1939

Mr. BARBOUR. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the very able and excellent address delivered last night by the distinguished Senator from Vermont [Mr. AUSTIN] over the Mutual Broadcasting Coast to Coast Forum of the Air. The Senator's address is entitled "Which Way Recovery?"

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President, take the road to the right. After following it 2 miles, inquire again.

A stranger traveling in Vermont inquired, "Do you know the way to Highgate?" The Vermonter answered, "No." The stranger then asked, "Do you know the way to Bakersfield?" The Vermonter replied, "No." Whereupon the visitor said, "You don't know much, do you?" And the Vermonter replied, "No; but I ain't lost."

"Which way recovery?" should again be asked at the end of the 2-mile stretch. There exists no oracle to definitely answer the question. However, there are some things to guide us: We know that we are on the wrong road so long as we continue the easy way downhill to the left. Six years of experience has proved that.

On the other hand, we perceive, at the top of the rugged uphill road to 1940, an opportunity to remove some of the causes and some of the authors of our distress.

The depression of 1930 to 1936 excited reform legislation as well as recovery legislation. Both types of legislation failed. The reform legislation did not remove the causes of the depression. Some of it was void because of unconstitutionality. Witness the N. R. A. and the A. A. A. The recovery legislation was only temporarily effective and exhausted itself as soon as Government stimulus to consumption ran out.

The Government reversed its policy in 1937 and practically wiped out the basic stimulus to consumption. Notwithstanding the spending of billions of dollars, a collapse occured, a collapse of the whole Nation's business. Unemployment again increased.

This shock was more effective than it would otherwise have been because of another folly of the New Deal—surpluses had been driven out of the accounts of big business by penalties in the form of taxes.

In April 1937 the President declared that prices were too high. This resulted in a psychological blow to business, in the abrupt termination of inflation confidence. Forward buying was stopped. A nation of defeated and discouraged would-be investors reacted to the ominous threat of direct Government competition and to the attacks by important officials of Government on business solely because of its bigness. "Oh, what's the use?" was a common expression in the offices of private enterprise.

Another shock which was extensive in its effect was the abrupt contraction of the credit base. The Federal Reserve Board announced that henceforth banks must carry double the resources formerly required against deposits. Thereupon only $5, instead of $10, of credit could be extended to business on every one dollar of reserves. This move was so deflationary that investments stopped and prices fell. Whereupon everyone quit buying.

Former recoveries, of relatively sound characteristics, invariably depended upon new investment. In the feverish upward turn of 1936 new investment was entirely absent. In its place the New Deal factor of public spending was the only support for consumption stimulus. No net addition to national purchasing power was made. Therefore when Government spending was reduced, consumption stimulus was removed. Consumption dropped; therefore production decreased; therefore, also, unemployment increased.

Lack of confidence in Government spread over the continent, caused by the breach of extravagant promises of jobs for everybody, security, and a sound economic adjustment. Public opinion became confused by the attempt of the administration, through radio broadcasts and newspaper publicity, to account for the collapse by charging it to business and by accusing business of being on a sit-down strike. This expressed hostility of Government to business engendered timidity in efforts toward recovery and discouraged investment capital.

When the 1936 recovery collapsed we were left with the reforms of government made by the New Deal. They implied a totalitarian state. The promotion of legislation centralizing in Washington control of the Nation's business arrested those who, in former recoveries, had made the daring investments and initiated the advances in production which called out an enlarged purchasing power. Nearly all of these captains of industry retreated from the shower of bricks hurled at them by a desperate New Deal.

After 1936 the President's conception of the election as a mandate resulted in still more radical encroachment on State rights and on the limitations of Federal power. The elections of 1936 and 1938 disclosed another characteristic of the New Deal which was most destructive of the guaranties of freedom, namely, the use of the spending power to influence votes and political conduct. Efforts to protect the independence of the voter and to preserve the sanctity of the ballot were squelched by the New Deal.

Meantime the age-old method of aggrandizement of an autocratic power was attempted, namely, reorganization of the Government in a manner to abolish current control of spending of the taxpayers' money and to place it in the hands of the Chief Executive.

The New Deal grasp for the purse strings represented by this proposal to eliminate the Office of the Comptroller General raised an issue in this country which has yet to be determined.

The necessity for rulers to find new sources of revenue, and the conflict of the burden bearers therewith, have constituted the chief events of constitutional history. Again civilization is confronted by this vital issue.

Meantime, there has also been spawned the extremely radical notion of amendment of the Constitution through court packing. This alarming departure from the right of the people to control changes in their fundamental law aroused John Citizen to immediate action, and his voice was heard in the election of 1938. He will answer your question, "Which way recovery?" in 1940.

The events I have spoken of, and others of similar character not mentioned, dictate a change of route. The road to the right is unattractive and difficult, but Republicans are convinced that it is the only road to recovery.

If, in 1940, this country should be blessed with an administration that is fair and just toward business, an administration that promotes the development of a capitalistic system fair to labor, and with the profit incentive as fuel for the fire of genius, an administration that does not excite class prejudice, and develop hatred for investors and employers, confidence would be restored and recovery would be at hand. However, we should not wait for 1940. We ought to take this way to the right at once.

European tension has lessened. Alarm has diminished in France and England. The well-informed sentiment of American citizens has permitted the continuance of our ancient foreign policy of independence, though not isolation, an expression to the world of positive opposition to breakers of the peace; and our Government has proceeded with celerity toward a suitable military establishment for national defense. All debaters of these subjects are agreed on the objective of peace.

The President and some of his Cabinet officers have reversed themselves in their utterances regarding business. We are now informed that the President favors the removal of impediments to private enterprise. The Secretary of the Treasury and the Secretary of Commerce propagandize scrutiny of the tax laws to see if there are any deterrents to business.

The distinguished chairman of the Special Committee Investigating Monopolies, Senator O'MAHONEY, to whose learned address we have listened tonight, is reassuring the Nation's business by the fair and just method of his investigations and by the declaration of his constructive purpose. It is probably not a mere coincidence that we are together on this program. We are protagonists on the committee which considered the O'Mahoney-Borah licensing bill. The way to the right would leave such bills in committee or in some other cold storage until after the completion of the research of Senator O'MAHONEY'S committee.

Reform measures hastily conceived and enacted without due deliberation destroy confidence, because their tendency is to destroy the Republic. Therefore, no new Government controls over business should be established until after thorough investigation. The proposed control involved in the wool products labeling bill has been under consideration for 20 years, but there is so much doubt of such control giving any real help to sheep raisers, and so much certainty of increase of unemployment and increased cost of living, that this bill, in which Senator O'MAHONEY and his distinguished colleague, Senator SCHWARTZ, are interested, ought to have further study.

The Labor Relations Act ought to be amended to restore the sanity of the relations between Government and citizens. Government ought to be impartial and just as between labor, consumer, and capital. The American safeguards of such relations must be maintained. The Social Security Act should be amended to broaden its scope and to advance the time of payment of benefits.

The purity of elections ought to be promoted by the adoption of legislation now pending. This would remove one of the most fearsome causes of uncertainty and apprehension in the minds of American citizens. Also, this would stop some unnecessary expenditures. Government monopoly, Government competition, Government gifts of silver profits to foreign countries should be termi-

nated. The tax system should be readjusted to reduce burdens on industry. The undivided-profits and capital-gains taxes should be abolished. The monetary and governmental props of agriculture will have to be maintained for a time, and a happier relation be established between the purchasing power of the dollar and the farmers' and other basic producers' income.

I believe that government, for the present, should narrow its activities to fiscal measures, like reduction and regulation of spending, reduction of taxing, and opposition to increase of our national debt. Also, to monetary measures affecting interest rates, reserve requirements, etc.

Government should not intervene directly in industry beyond that minimum degree of regulation which tends to secure the maximum of competition. Clarification of antitrust laws now existing is a duty to be performed. I believe it should await the results of the O'Mahoney committee's study, which, I am happy to say, appears to be conducted in a judicial rather than in a partisan or prosecuting manner.

These are some of the things that government could do immediately to manifest a turn toward recovery. But along with efforts of government, there must be cooperation by citizens. The way to the right involves reduction of spending, but not with the violence of 1937 and not with the contraction of the credit base or the raising of interest rates or other deflationary monetary measures.

Reduction of spending cannot go into effect forthwith. Pump priming is sure to continue for a time. In fact, it has not yet reached its maximum. From experience we are convinced that however great the pump priming, it will not create any permanent recovery unless there is a restoration of private enterprise. If every businessman in this country should face that fact, without partisanship and the class antipathies that have been excited, he would find it in his selfish interest, as well as in accord with his patriotism, to assume confidence and to make contributions to recovery.

This means risk. Perhaps it means sacrifice. But if upon recovery depends the Republic, we see clearly that political responsibility is founded on the spiritual basis of willingness to sacrifice.

The Republic does depend upon recovery. Our institutions, which are designed to preserve freedom of speech, protection of life and property, and all the other acknowledged human rights, would be taken from us in the efforts of government to maintain order if we should fail to follow the way to recovery. We are already at the crossroads. We must depart from the New Deal way as soon as practicable. Thereafter, in 1940, an event may occur which will relieve this country of great apprehension and revive its faith in the solvency and security of our economic and political system. Then will there be cause for an increase of national income and an uplifted national spirit.

Take the way to the right, Mr. President. In that direction awaits recovery.

Functioning of the Civil Service

EXTENSION OF REMARKS

OF

HON. JOHN E. MILLER

OF ARKANSAS

IN THE SENATE OF THE UNITED STATES

Monday, March 13, 1939

RADIO ADDRESS BY HON. ALLEN J. ELLENDER, OF LOUISIANA, MARCH 11, 1939

Mr. MILLER. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the distinguished Senator from Louisiana [Mr. ELLENDER] on Saturday, March 11, 1939, over the National Broadcasting Co. red network system in a program entitled "Youth Meets Government," sponsored by the Brooklyn Institute of Arts and Sciences, Brooklyn, N. Y.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, Does civil service function effectively, is the question under discussion.

As civil service is operated under our own Federal system, it is my personal opinion that in most departments of our Government, it does not function effectively. I became interested in the subject soon after I was sworn in, a little over 2 years ago, as a member of the United States Senate. It appears that as freshmen Senators are inducted, new hope is born in the hearts of oppressed Government employees, and they renew their appeals for help. Individual complaints began to pour in upon my arrival in Washington, and I decided to investigate a few of the cases that were submitted to me. I soon concluded that the so-called merit system as applied in Government departments is, in many instances, based not on "what one knows" but on "who one knows." I offered a resolution for the appointment of a Senate committee to investigate civil-service administration. It was unanimously adopted and I was appointed chairman of the committee of five Senators thereby created.

In addition to my other duties, I have been laboring for over a year gathering data that will form the basis of the proposed investigation. The task that I have undertaken is a huge one, but I propose to stay with it and do all in my power to help establish a real merit system in the Federal Government. I need the cooperation of all those now in the service.

Time will not permit me to go into detail, but I shall attempt to briefly discuss three of the major sources of complaint, as submitted to me by Government employees:

First, as to the method of awarding efficiency ratings to employees: Under the present system, an employee each year, or sometimes twice during the year, is given a rating by the person immediately above him. This rating is supposed to be a summary of his ability and efficiency and work productivity during that period. Based on that efficiency rating, the employee must stand his chance for promotion, or demotion, or even dismissal from the service, because when an employee's efficiency rating drops below a certain point, he is subject to dismissal; and, likewise, when promotions are made in the service, they are given, as a general rule, to those with the highest efficiency ratings.

Some of you might ask: "Is not that fair enough?" Before reaching your conclusion let me outline to you just exactly what takes place after the immediate superior grades the employee under him. I am informed, and this information has been borne out by the testimony of hundreds of Government employees, that after the immediate superior rates the employees under him, these ratings are then sent to the party next in authority, and so on until they reach the head of the bureau. After the ratings leave the hands of the immediate superior they are subject to juggling, either up or down, at the whim of the party next in command. And in the final analysis the rating that a Government worker gets, which is supposed to reflect his ability and efficiency for a given period, in many cases has been changed by someone who is not in the least familiar with his work or ability or competency. Under this system of grading the worker may be discriminated against in two ways: First, his immediate superior may take a personal dislike to him or have some grievance against him, and can without fear of reprimand lower his efficiency rating; second, a worker may receive an "excellent" or "very good" efficiency rating from his immediate superior, yet the person next in rank above can mark that employee's rating downward without assigning any reason whatsoever, and without being in the least familiar with the employee's work and without having to answer to anybody for his actions. I am informed that under the above procedure ratings of Government employees are lowered for personal reasons, due to personal antagonisms and dislikes, or for the purpose of minimizing the number of employees who would be eligible for promotions, thereby placing their favorites in line and giving them preference for any promotions or salary increases that are available. And, mind you, once an employee is given such a lowered efficiency rating he does not have one iota to say about the matter and he has to take it whether he likes it or not. He cannot appeal that efficiency rating. He is, however, permitted to discuss the situation with his immediate superior, and in most cases it is like asking favors of your executioner—it has the same effect.

Second, as to the method used in awarding promotions: Under the present system recommendations for promotions must come from the bureau chiefs, through the immediate superior of the employee, and therefore unless an employee can get the "ear" of his superiors he stands little chance of ever securing a promotion. True, most of the department heads claim that promotions are based on efficiency ratings, and those with the highest efficiency ratings are promoted ahead of those with lower ratings. But as I have just pointed out, note how grossly unfair these ratings can be to employees when handled by persons with too little conscience. Bureau chiefs and subordinates build up their favorites by giving them high efficiency ratings or assigning them more important work that will lead to promotion by reclassification, and hold down those they have no personal interest in or against whom there is some grievance, by giving them low efficiency ratings or by never giving them a chance to perform a higher class of work.

Third, as to the method employed in administering reprimands, demotions, or transfers: In these cases the accused are usually charged with some misdemeanor or minor offense, and are instructed to submit to the bureau chief in writing the reasons why they should not be reprimanded or disciplined. Then the party who accused them is called before the chief of the bureau, and he presents his side of the case. He usually has the opportunity, so I am told, of passing on the defense plea submitted by the accused; and it is rather definitely apparent that in most cases the accuser passes final judgment because the chief is not familiar with the facts and permits his lieutenant in effect to decide the case. The accused never gets a fair chance to refute the charges that are lodged against him. He has no appeal, once he has been reprimanded or disciplined. Workers who object to disciplinary measures, or who try to appeal the decision, or who complain against the treatment received from their superiors are usually "blackballed" and never stand a chance of promotion in Government service. It is stated that these "blackballing" tactics are handed from one department to another and follow the victim as long as he remains in the Government service. An employee never gets a chance to see his employment record, and I am informed that adverse notations about employees are made in their respective files which the unfortunate worker never gets a chance to see, or

refute, or in any way examine in order to protect his own interests. Yet these same charges are held against the employees, year in and year out, and it is easy to imagine what happens to this poor individual if he ever applies for a promotion or transfer, or runs afoul of his chiefs in any way.

Our committee has ample proof in support of the charges of abuses now prevailing under our present system, and it is our desire to explore every phase of the problem. As I stated a few moments ago, we desire the cooperation of all employees, and, in fact, all those interested in establishing a near-perfect merit system in our Government departments.

I may state that quite a great number of employees refuse to testify because they fear reprisals. Think of a system that creates such fear! In order to protect each and every employee from reprisals, our committee has obtained from each departmental head of our Government a letter guaranteeing them immunity should they desire to testify, and I, for one, will leave nothing undone in order to mete out punishment to any bureaucrat who would use the power of his office to punish one who testifies before our committee.

Proposed Change of the National Labor Relations Act

EXTENSION OF REMARKS

OF

HON. EDWARD R. BURKE

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Monday, March 13, 1939

ARTICLES FROM LIBERTY MAGAZINE OF MARCH 18, 1939, AND WASHINGTON POST OF MARCH 10, 1939

Mr. BURKE. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an article appearing in last week's issue of Liberty Magazine, written by William Green, president of the American Federation of Labor, entitled "How and Why We Want to Change the Wagner Act."

I also ask unanimous consent to have printed in the RECORD the result of the Gallup Poll of Public Opinion as printed last week showing that approximately 66 percent of the people desire that something be done to the act either by way of repeal or amendment.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

[From Liberty Magazine of March 18, 1939]

HOW AND WHY WE WANT TO CHANGE THE WAGNER ACT

(By William Green, president of the American Federation of Labor)

I wish to emphasize, first, that the American Federation of Labor is for the Wagner Labor Act. We helped write it. We will defend it against any who may attempt to destroy it. But we demand its amendment, in order to restore it to what it was intended to be. In simplest terms, the aims were:

Workers should be given a stronger bargaining status, comparable to that of employers. "Rules of fair play" in labor relations should be outlined. Government—through the National Labor Relations Board—then would become merely an umpire; an impartial one, we assumed.

We saw in this measure a new "bill of rights" for labor; it has been used to nullify the rights of unions established during half a century. Under this act, workers were to be safeguarded in organizing, free from employer interference. Instead, labor has found itself coerced by a new and powerful bureaucracy.

There was guaranty also of the workers' right to bargain collectively through agencies of their own choice. This freedom has been curtailed or denied in arbitrary, dictatorial ways.

We had every reason to expect that the intended clarification of labor relations would lessen strife, help build industrial peace, aid recovery. We have been amazed at finding the actual results to be heightened uncertainty and an increase in confusion and conflict.

From a measure which we thought of as "our baby" we had expected peace and progress. As a quite opposite record mounted, we were reluctant to believe that a Federal agency could so brazenly pervert the spirit and intent of this law.

For better understanding, consider some facts about its origin. It was designed to carry on the principles of article 7 of the N. R. A. When the advice of labor leaders, including Mr. Lewis, was sought in writing this measure, there was no C. I. O. We therefore could not foresee some complications which were to arise.

But, curiously, we actually did seek safeguards against some of the evils which later developed through C. I. O.-N. L. R. B. action. We wanted to be sure that the Wagner Act could not disturb a principle deeply embedded in the American labor movement. Samuel Gompers had termed this "voluntarism." He had preached, and we believed, that our success must depend upon voluntary action: In organizing, in collective effort, in bargaining with employers, for agreements which must be kept.

The guiding American idea was democratically organized unions, managing their own affairs along proved lines, and wholly free from outside interference, even from government, however well-intended.

This basic idea we tried to protect in the wording of the act. More than that, when the text was completed, questions were put to Senator WAGNER. He gave assurance, first, that there was nothing in the measure "which places the stamp of governmental favor on any type of union"; second, that the status of long-established craft unions was protected; and, third, that "under no circumstances can any board enter into jurisdictional disputes."

We wanted to be doubly sure of the "umpire status" of the proposed board—that it was not empowered to interfere in any managerial way in the labor movement, then united, or to intervene in the internal affairs of unions. Nobody even thought of asking whether it could nullify employment agreements already signed.

Administration of the Wagner Act was reasonably in line with its intent until the Supreme Court decision sustaining it. Since then the change has been staggering.

The National Labor Relations Board has usurped power. It has virtually made its own law. It has advanced its own philosophical views in defiance of American tradition. It has entered into an unholy alliance with the C. I. O., the clear result being an attempt to weaken and destroy A. F. of L. unions.

The evidence on this point, incredible in the beginning, has grown until the entire federation membership has united in protest. State federations in Massachusetts, Pennsylvania, and North Carolina—important industrial areas—adopted boycott resolutions against utilizing in any way the services of this Board. Several other affiliates have wanted to take similar action, but we have urged them not to, though their wish is easily understandable.

Very few A. F. of L.-employer cases have come before the Board because of our success in direct, voluntary negotiations. However, at our recent convention, Vice President Tobin estimated that 85 percent of the cases before the Board were on A. F. of L.-C. I. O. conflicts. This in spite of Senator WAGNER'S conviction that his measure gave no authority to decide between different types of unions or intervene in jurisdictional disputes.

Here is an agency which was to have had only the limited duties of an impartial umpire. After study, our executive council declared, "It possesses more power than does any other governmental board now in existence." As for "wholesale" use of this power, the Board and subsidiaries in 3 years have passed on 16,500 cases, involving almost 4,000,000 workers. It has taken jurisdiction over a great portion of the vast industries of America.

Congress gave the N. L. R. B. no such mandate. I do not believe the people of America want any board to have such powers. They were seized. Public and labor interests alike demand correction of this situation.

Reports on flagrant bias against the A. F. of L. and its subsidiaries arrive more rapidly than our legal department can study and codify them. A few examples:

The International Brotherhood of Electrical Workers, 28,000 strong, and far in the majority, had signed an agreement with the Consolidated Edison Co. of New York. The C. I. O. attacked the contract. The N. L. R. B. annulled it. The pretext was that the company, through "favoritism," had "imposed" our union upon its employees. It was ordered to post notices that workers were free to quit the A. F. of L. and join the C. I. O. The electrical workers, long organized, didn't consider that they were in any favored company union category. This case was taken to the circuit court, where they won their right to restore that contract. That should have been decisive, but it was necessary to fight that case to the Supreme Court, where the contract again was sustained.

The highest Court in the land sharply criticized the Labor Board. In the majority opinion, Chief Justice Hughes rebuked it for reaching extravagant conclusions and held that it exceeded its powers by assuming the right to abrogate contracts of independent labor unions.

Then there was the National Electric Products case. A contract signed; a C. I. O. complaint, and the Board set the contract aside, ordering an election. The employer took that issue into court and the contract was upheld. There was the law; every citizen should respect it. But it was not enough for the N. L. R. B., which refused to recognize the court decision until the election was decided. The brotherhood won overwhelmingly; but here we have a strong union harassed and driven for months by an agency supposed to be judicial.

Certain minor supervisory employees, having no right to hire or fire, are eligible to union membership, A. F. of L. or C. I. O. Now, suppose such a man has belonged to one of our unions; he believes in it; he says so. That is natural—and his right of free speech. But the C. I. O. files protest: This is "unfair practice" by the employer! Repeatedly, on that silly pretext, A. F. of L. elections or contracts have been set aside.

Note the solicitude over flimsily alleged employer "influence"; then turn to Harlan County, Ky. There the N. L. R. B. approved a "deal" whereby employers dictated which union workers must join! They were not consulted; they had no choice. Coal operators faced both criminal and civil prosecution for antiunion methods. But the N. L. R. B., John L. Lewis, and the operators made a trade.

Arbitrarily the C. I. O. United Mine Workers, which had not organized the miners, was designated as the exclusive bargaining agent—and prosecutions were to be dropped. There has been no more brazen example of Lewis' use of governmental machinery to recruit C. I. O. membership, though examples are many.

Lawyers and other personnel of regional labor boards frequently have guided C. I. O. officials in controversy with A. F. of L. unions. Close teamwork is glaringly evident during many "impartial" hearings.

Again, this Board ruled that all Pacific coast ports should constitute a single unit for bargaining, the Harry Bridges C. I. O. unit being the agent. Result, in localities where A. F. of L. men are in the majority, their unions are virtually disestablished.

Following that theory, this Board can arbitrarily designate "appropriate" bargaining areas, either geographic or industrial, in such a way as to throttle and destroy A. F. of L. unions long established. This was not the intent of the law nor of Congress, and I am confident that public opinion condemns such tactics.

The C. I. O. can get a quick order for an election, whereas the Board and C. I. O. have conspired to delay or prevent elections sought by the A. F. of L. But enough. There are probably a dozen types of anti-A. F. of L. action, each proved by several cases, which I have not mentioned.

I am asked how these incredible things can be possible. First, because men of little or no labor experience were appointed to the National Board. Two in particular, Edwin Smith and Donald Wakefield Smith, have shown in their actions and declarations a determination to "make over" the whole labor movement—as they see fit. They have been guilty of distortion of the act they are sworn to administer impartially.

Second, there was a flood not only of inexperience but of radicalism into the country-wide set-up of this agency. Since this paralleled infiltration of Communists into the C. I. O., there was a working basis for advancing "imported" ideas. Also for inquisitorial opposition to the long tried American way of handling labor problems. Never once, for instance, has this agency condemned the imported and revolutionary sit-down technique. On the contrary, it has condoned and defended violence.

What is the cure for all this? First, placing administration of the Wagner Act in competent, impartial hands. Then a clean-up all down the line, throughout the subordinate personnel. Finally, not essential change in the act itself, but "rectification" of it—by amendments.

I have mentioned the anti-A. F. of L. bias of this Board; so I should make it clear that we are not seeking a pro-A. F. of L. labor act. What we want is a pro-America type of measure. Fair rules and freedom for voluntary cooperation between employees and employers. That is the straight road, we believe, toward industrial peace and prosperity.

[From the Washington Post of March 10, 1939]

THE GALLUP POLL—REVISION OF WAGNER ACT FAVORED BY PUBLIC, WITH ONLY ONE VOTER IN THREE CONTENT WITH LAW

(By Dr. George Gallup, director, American Institute of Public Opinion)

A substantial majority of American voters with opinions on the Wagner Labor Act think the law should be revised or repealed at this time.

With agitation stirring in Congress to amend this controversial legislation, an American Institute of Public Opinion survey finds that approximately one-third of the voters with an opinion on the act think it should be left unchanged, while two-thirds want it amended or repealed outright. Although opposition has increased somewhat as compared to a year ago, there has been a slight trend in favor of the act in the last 4 months.

The institute has taken three surveys of voting sentiment on the labor law, each time asking the same question:

"Do you think the Wagner Labor Act should be revised, repealed, or left unchanged?"

The trend of sentiment has been as follows:

	Revised	Repealed	Left unchanged
	Percent	*Percent*	*Percent*
May 1938	43	19	38
November 1938	52	18	30
Today	48	18	34

If the votes for revision and repeal are combined, it appears that 66 percent of persons with opinions on the act are dissatisfied with it today, against 34 percent who want it left unchanged. Why has this dissatisfaction arisen?

The principal reason, judging by an analysis of voters' comments, is a belief that the act discriminates against the employer. When those voters who favor revision were asked how the act should be revised, the majority wanted it to be made "fairer to the employer" and to place more responsibility on labor unions.

The group of voters who, on the other hand, favor outright repeal of the act give two main reasons for their opinion: First, that the act "stirs up labor trouble," and, second, that it is not the Government's function to take a hand in labor squabbles.

Finally, those voters who want the act left unchanged say that if the labor unions like the law it should remain as it is. Many also argue that the present act should be tried out for a longer period before any changes are made.

Sentiment for repealing the act, the survey shows, is strongest among voters in the upper income levels, while sentiment for leaving it unchanged is most pronounced in the lower levels.

Less than one-fifth of the upper income voters, for example, want the act to remain unchanged, whereas a majority of 53 percent in the lower-income group think it is satisfactory now. A relatively small percentage of voters in the middle-income group favor repeal; the preponderant sentiment of the group is for revision.

	Revised	Repealed	Left Unchanged
	Percent	*Percent*	*Percent*
Upper-income group	58	25	17
Middle-income group	51	18	31
Lower-income group	34	13	53

The survey finds that the Wagner Act is unpopular with many Democratic as well as Republican voters. More than 8 out of every 10 Republicans want it revised or repealed, and well over half of the Democrats express the same sentiment.

	Revised	Repealed	Left unchanged
	Percent	*Percent*	*Percent*
Democrats	45	12	43
Republicans	56	29	15

Wage-Hour Law

EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Monday, March 13, 1939

ARTICLE FROM GEORGETOWN LAW JOURNAL

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article on the wage-hour law, written by Walter D. Murphy, and published in the February issue of the Georgetown Law Journal.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FEDERAL LEGISLATION—THE FAIR LABOR STANDARDS ACT OF 1938

More popularly known as the "wage and hour law," the Fair Labor Standards Act of 1938[1] is probably the most controversial and far-reaching legislative enactment to emerge from the Seventy-fifth Congress.

After the decision of the United States Supreme Court in *West Coast Hotel Co.* v. *Parrish*,[2] which upheld the power of a State to legislate minimum-wage requirements for women and overruled *Adkins* v. *Children's Hospital*,[3] the Federal Government evidently felt that the time was at hand to attempt Federal control of minimum wages and maximum hours of those subject to such control. Originally proposed by the President in his message to Congress on May 24, 1937,[4] this legislation had a career that bears mute testimony to the storm of debate it aroused and reveals its turbulent progress through Congress.

On the same day that the President proposed the legislation, bills were introduced into the Senate and the House.[5] After hearings conducted by a joint committee of the House and Senate, the Senate Committee on Education and Labor reported to the Senate a somewhat modified bill,[6] which was passed with amendments on July 31, 1937. Two days later the Senate bill was referred to the House Committee on Labor, and after further amendment it was reported to the House on August 7, 1937.[7] On December 17, 1937, the bill was recommitted to the Committee on Labor, and on April 21, 1938, it was again reported to the House.[8] It passed the House with amendments on May 24, 1938. After the Senate had requested and obtained a conference on the bill,

[1] 52 Stat. 1060–1069, 29 U. S. C. secs. 201–219 (Supp. 1938).
[2] 300 U. S. 379 (1937).
[3] 261 U. S. 525 (1923).
[4] This proposal was reiterated by the President in a subsequent message to Congress delivered on January 3, 1938.
[5] S. 2475 and H. R. 7200, 75th Cong., 1st sess. (1937).
[6] S. Rept. 884, 75th Cong., 1st sess. (1937).
[7] H. Rept. 1452, 75th Cong., 1st sess. (1937).
[8] H. Rept. 2182, 75th Cong., 3d sess. (1938).

the Senate and the House both agreed to the conference report on June 14, 1938. On June 25, 1938, the bill was signed by the President and became a law.

It is the purpose of this article to treat of the provisions relating to wages, hours, and child labor, to indicate in general what classes of employers are covered by the act, and to consider briefly some constitutional questions occasioned by its enactment.

The basis of the act, and the policy underlying it, are probably best stated in the language of Congress. Section 2,[9] headed "Finding and Declaration of Policy," provides as follows:

"(a) The Congress hereby finds that the existence, in industries engaged in commerce or in the production of goods for commerce, of labor conditions detrimental to health, efficiency, and the general well-being of workers (1) causes commerce and the channels and instrumentalities of commerce to be used to spread and perpetuate such labor conditions among the workers of the several States; (2) burdens commerce and the free flow of goods in commerce; (3) constitutes an unfair method of competition in commerce; (4) leads to labor disputes burdening and obstructing commerce and the free flow of goods in commerce; and (5) interferes with the orderly and fair marketing of goods in commerce.

"(b) It is hereby declared to be the policy of this act, through the exercise by Congress of its power to regulate commerce among the several States, to correct and as rapidly as practicable to eliminate the conditions above referred to in such industries without substantially curtailing employment or earning power."

The intention of Congress to balance the speed desired in attaining the desired objective against possible economic dislocations and to proceed cautiously where an overenthusiastic application might cause an undesirable economic condition is evidenced by subsequent sections of the act, particularly section 8,[10] relating to wage orders by the Administrator.

MINIMUM WAGES

The provisions as to minimum wages are contained in sections 6[11] and 8.[12] Section 6 provides for a minimum wage to be paid by every employer to "each of his employees who is engaged in commerce or in the production of goods for commerce." An ultimate minimum wage of 40 cents an hour is the goal, but a period of 7 years from the effective date (October 24, 1938) is contemplated before it will become mandatory by the terms of the act. A minimum wage of 25 cents an hour is set for the first year, and 30 cents for the next 6 years, at the termination of which the 40-cents-an-hour minimum takes effect. However, it must be realized that this is only the foundation set for the administration of the act. It is the rock-bottom minimum, and the Administrator has authority under section 8[13] to act upon the recommendation of the industry committee and raise the minimum wage for any industry or any reasonable classification within an industry, but not higher than 40 cents an hour. After the expiration of 7 years from the effective date the 40-cents-an-hour minimum wage is flatly fixed by the terms of the statute and cannot be altered unless the industry committee, "by a preponderance of the evidence before it recommends, and the Administrator by a preponderance of the evidence adduced at the hearing finds, that the continued effectiveness, or the issuance of the order, as the case may be, is necessary in order to prevent substantial curtailment of employment in the industry."

Worthy of note is the provision as to industry committees. The Administrator is charged with the duty of appointing an industry committee for each industry engaged in commerce or in the production of goods for commerce. Three classes are represented in an industry committee; viz, the public, the employees in the industry, and the employers in the industry; and the committee is to consist of an equal number from each group. The Administrator has no authority to make a wage order unless it has been recommended by the committee, which is to "recommend to the Administrator the highest minimum wage rates for the industry which it determines, having due regard to economic and competitive conditions, will not substantially curtail employment in the industry." This device was provided in order to protect employers and the public from arbitrary action by administrative officials and to remove any possibility of such action.

MAXIMUM HOURS

The maximum-hours provisions (sec. 7a)[14] apply to the same groups of employees as do the minimum-wage provisions, except for certain exemptions, and likewise provide for a gradual decrease in the permissible length of the workweek. However, the 40-hour-maximum week is to become realized at the expiration of 2 years from the effective date, and there is no power in the Administrator to vary the schedule set by Congress. A maximum workweek of 44 hours is set for the first year from the effective date, 42 hours for the second year, and 40 hours after the expiration of the second year. If any employer employs a person in excess of the hours specified, he must compensate such employee for the overtime at the rate of one and one-half times the regular rate. It would be more correct to speak of a "standard workweek" than maximum hours, for the act does not prohibit employment in excess of the hours specified. It merely provides that the employee must be compensated for the extra time over the limit at the increased rate.

These hour requirements, however, do not affect employers who employ in accordance with contracts that are the result of collective bargaining.[15] For, except as qualified below, employment in excess of the number of hours specified is not a violation if (1) the agreement provides that no employee shall be employed more than 1,000 hours during any period of 26 consecutive weeks; or (2) the employee is employed on an annual basis under an agreement which provides that the employee shall not be employed more than 2,000 hours during any period of 52 consecutive weeks. In each case the agreement must be the result of collective bargaining, and the representatives of the employees must be certified as bona fide by the National Labor Relations Board. The obvious policy behind these provisions is to remove a possible conflict with agreements made between employers and employees under the National Labor Relations Act. If such a contract had been made by a bona fide employees' group, there would not be a violation of the act though the employees should be required to work in excess of 44 hours in certain weeks without overtime compensation. The terms of such an agreement would necessitate proportionately shorter workweeks during the remainder of the period, of course, so that the average workweek for the period would not exceed approximately 38½ hours. However, this privilege is limited to a workday of 12 hours and a workweek of 56 hours, any employment in excess of this requiring "time and a half" overtime compensation.

Seasonal industries: The hours provisions are relaxed also in regard to seasonal industries.[16] The Administrator is given the authority to find what industries are of a "seasonal" nature. In such industries the maximum-hours provisions are inapplicable, but only for a period not exceeding 14 workweeks in the aggregate in any calendar year. The limitation requiring "time and a half" overtime compensation for a workday in excess of 12 hours or a workweek in excess of 56 hours is also applicable to such an industry.

Specific exemptions: Entirely exempted from hours requirements[17] are certain classes of employees, such as those engaged in the first processing of milk into dairy products, the ginning and compressing of cotton, or processing certain materials into sugar.

An exemption is also granted to employees engaged in the first processing, canning, or packing of seasonal or perishable fresh fruits or vegetables; or in the first processing within the "area of production" (as defined by the Administrator), of any agricultural or horticultural commodity during seasonal operations; or in the handling, slaughtering, or dressing of poultry or livestock. But this exemption is granted for a period of only 14 weeks in the aggregate in any calendar year. Also exempted are employees subject to maximum-hour regulations by the Interstate Commerce Commission and employees of an employer subject to the provisions of part I of the Interstate Commerce Act.[18]

CHILD-LABOR PROVISIONS

The act excludes from interstate commerce the products of child labor. This is accomplished by section 12,[19] which provides that "No producer, manufacturer, or dealer, shall ship or deliver for shipment in commerce any goods produced in an establishment situated in the United States in or about which within 30 days prior to the removal of such goods therefrom any oppressive child labor has been employed." "Oppressive child labor" is defined by section 3 (l)[20] as (1) the employment of any employee under 16 years of age, or (2) the employment of an employee between 16 and 18 years of age in any occupation which the Chief of the Children's Bureau in the Department of Labor shall find, and by order declare, to be particularly hazardous for the employment of children between such ages or detrimental to their health and well-being.

The employment of children between the ages of 14 and 16 is allowed in occupations other than mining and manufacturing, if the Chief of the Children's Bureau concludes that such employment will not interfere with the schooling of the children and their health and well-being.

The child-labor provisions do not apply to any employee in agriculture while not legally required to attend school, or to child actors.[21]

EXEMPTIONS

Besides the exemptions described above, there are other exemptions from both minimum-wage and maximum-hours requirements which have not been mentioned, for the reason that they can more advantageously be treated separately.

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[9] 52 Stat. 1060, 29 U. S. C., sec. 202 (Supp. 1938).
[10] Id. at 1064, U. S. C., sec. 208 (Supp. 1938).
[11] Id. at 1062, U. S. C. at sec. 206 (Supp. 1938).
[12] Id. at 1064, U. S. C. at sec. 208 (Supp. 1938).
[13] Ibid.
[14] 52 Stat. 1063, 29 U. S. C., sec. 207 (a) (Supp. 1938).
[15] Fair Labor Standards Act, sec. 7 (b); 52 Stat. 1063, 29 U. S. C., sec. 207 (b) (Supp. 1938).
[16] Ibid.
[17] Fair Labor Standards Act, sec. 7 (c); 52 Stat. 1063, 29 U. S. C., sec. 207 (c) (Supp. 1938).
[18] 49 Stat. 546 (1935), amended, 52 Stat. 1237, 49 U. S. C., sec. 304 (Supp. 1938).
[19] 52 Stat. 1067, 29 U. S. C., sec. 212 (Supp. 1938).
[20] Id. at 1060, U. S. C. at sec. 203 (l) (Supp. 1938).
[21] Fair Labor Standards Act, sec. 13 (c); 52 Stat. 1067, 29 U. S. C., sec. 213 (c) (Supp. 1938).

Section 13a[22] provides, in this connection, that neither the minimum-wage nor the maximum-hours provisions apply to the following groups:

(1) Any employee employed in a bona fide executive, administrative, professional, or local retailing capacity, or in the capacity of outside salesman (as such terms are defined and delimited by regulations of the Administrator);

(2) Any employee of a retail or service establishment the greater part of whose selling or servicing is in intrastate commerce;

(3) Seamen;

(4) Employees of an airway carrier subject to the provisions of title II of the Railway Labor Act;[23]

(5) Certain employees engaged in catching, packing, distributing, or cultivating fish or other forms of aquatic life;

(6) Any employee engaged in agriculture;

(7) Any employee to the extent that he is exempted by the order of the Administrator under section 14 (relating to learners, apprentices, and handicapped workers);

(8) Employees connected with the publication of a weekly or semiweekly newspaper having a circulation of less than 3,000, if the major part of the circulation is within the county in which published;

(9) Employees of street, suburban, or interurban electric railways or motorbus carriers.

(10) Any individual employed within the "area of production" (as defined by the Administrator) of the handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in the raw or natural state, or canning of agricultural or horticultural commodities for the market, or in the making of butter or cheese or other dairy products.

ENFORCEMENT

An interesting aspect of the act is the threefold method of enforcement provided. In addition to the authority given the Administrator to enjoin violations of the act,[24] and the Department of Justice to institute criminal prosecution,[25] the employee is given the right[26] of suing his employer if the latter violates the maximum-hours[27] or minimum-wage[28] provisions. If the suit is successful, the employee is entitled to his unpaid minimum-wage or overtime compensation, an equal amount in addition as liquidated damages, and also his costs of suit and a reasonable allowance for attorney's fees. Such an action may be brought by any employee or by more than one employee in behalf of himself or themselves and of others similarly situated, or by a representative designated by the employees affected. This provision is expected to prove a strong deterrent to an employer otherwise inclined to violate the act, and it is also expected to aid in enforcement by removing some of the burden from the administrative agency, thus making the act to some degree self-enforcing.

Section 15 (a)[29] makes it unlawful for any person:

(1) To transport, offer for transportation, ship, deliver, or sell in commerce, or to ship, deliver, or sell with knowledge that shipment or delivery or sale thereof in commerce is intended, any goods in the production of which any employee was employed in violation of section 6 (minimum wages) or section 7 (maximum hours), or in violation of any regulation of the administration under section 14 (relating to learners, apprentices, and handicapped workers);

(2) To violate any of the provisions of section 6 or 7, or any order of the administration under section 14;

(3) To discharge or discriminate against an employee because of his activity in filing a complaint or testifying in a matter related to the act;

(4) To violate the child-labor provisions;

(5) To violate any provisions of section 11 (c) (relating to records to be kept by employers) or knowingly to make a false statement or report under section 11.

COVERAGE OF THE ACT

An important and distinctive feature of the act is its self-executing nature. It applies automatically to certain employees who come within its purview, not by any order or finding of the Administrator, but by the terms of the act itself. The Administrator, i. e., has no power to enlarge or restrict the scope of the act or to determine who shall be subject to it.

Of course, the act, or certain parts of it, have no application to those occupations which are exempted, as outlined above. Aside from these, however, the hours and wages provisions apply to employees engaged in commerce or in the production of goods for commerce.[30] Commerce is defined as "trade, commerce, transportation, transmission, or communication among the several States or from any State to any place outside thereof",[31] or, roughly, as interstate commerce. Hence, whether the statute is applicable in a given situation depends on the nature of the employment of the particular employee. It is not sufficient for the employer to test the application of the act by the inclusion of his business among those engaged in interstate commerce or the production of goods of commerce; he must look to the employment of each of his employees to ascertain which ones, if any, come within its purview.

Although the administrator has no power to decide whether an employer is or is not subject to the general terms of the act, he has conceived it to be his duty to issue interpretative bulletins setting forth the tests which he will follow in determining whether specific industries are covered by the act, so that employers may have some means of knowing whether it applies to them. Two interpretative bulletins (numbers 1 and 5) have been issued concerning the general coverage of the act. It was announced that a policy of broad interpretation would be followed inasmuch as the declaration of policy in the law itself evidenced that the widest possible coverage was intended by Congress.

Bulletin No. 1 reached the conclusion set forth above as to the general test of the coverage and enumerated two groups of workers included within the act, viz (1) those "engaged in interstate commerce," a group that includes, among others, employees in the telegraph, telephone, radio, transportation, and similar industries, and also employees who are an essential part of the "stream of commerce," such as employees of a warehouse whose storage facilities are used in the interstate distribution of goods; (2) those engaged in "the production of goods for (interstate) commerce," which applies typically to employees engaged in manufacturing, processing, or distributing plants that put forth any goods in commerce out of the State in which the plant is located. The foregoing provisions are held to include maintenance workers, watchmen, clerks, stenographers, and messengers, such conclusion being based largely on the definition of "employee" in section 3 (j).[32] It was concluded that "except for special categories of employees within the exemptions of section 13, all the employees in a place of employment where goods shipped or sold in interstate commerce were produced, are included in the coverage, unless the employer maintains the burden of establishing, as to the particular employees, that their functions are so definitely segregated that they do not contribute to the production of goods for interstate commerce as these terms are broadly defined in the act."

It was further indicated that the act is not limited to employees working on an hourly wage, and that salaried and piece workers are entitled to the benefits of the act. Their remuneration must be converted into terms of an hourly rate.

It was conceded that the act had no application to plants whose employees work on raw materials derived from within the State if none of the product of the plant moves in interstate commerce, even though the product so manufactured comes into competition with products manufactured elsewhere which move in interstate commerce.

Interpretative bulletin No. 5 contains further opinions of the Administrator as to the scope of the act. In the determination of the question whether the employees are engaged in the "production of goods for commerce" the test is said to be the intention of the employer at the time of the production of the goods. If the employer intends, hopes, or has reason to believe at the time the goods are produced that they will move in interstate commerce he will come within this classification, though later events prevent such a course and the goods are sold entirely within the State. On the other hand, if the employer, at the time of the production of the goods intends them entirely for intrastate consumption, he is not held to be within the act, though he later does ship them in interstate commerce.

The employees may be engaged in the "production of goods for commerce" even though the employer does not himself ship the goods across State lines; the fact that he passed title to the purchaser within the State of production is immaterial.

The term "production of goods for commerce" is also held to embrace an employer who produces goods and sells them to a further processor within the State, who in turn sells the goods in interstate commerce, if the first producer's goods are a part or ingredient of the second producer's goods. This is held to be true, in some cases, even though the first producer's goods are not technically "ingredients" of those of the second producer, as where the second producer is not the "ultimate consumer." An example of this is the case of an employer who manufactures containers, sells them to another manufacturer within the State, who in turn uses them to hold his product, and some of the finished product is sent outside of the State for sale in the container. In such a case it is held that the manufacturer of the containers is engaged in "the production of goods for commerce" inasmuch as the "ultimate consumer" is not the second producer but the out-of-State purchaser.

The term "production of goods for commerce" is also held to include an independent contractor who receives goods from the producer, works on them, and returns them to the manufacturer, who later ships them in interstate commerce.

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[22] 52 Stat. 1067, 29 U. S. C., sec. 213 (a) (Supp. 1938).

[23] 48 Stat. 1186, 45 U. S. C., secs. 151–158, 160–162 (1934); 49 Stat. 1189, 45 U. S. C., secs. 181–188 (Supp. 1936).

[24] Fair Labor Standards Act, sec. 18; 52 Stat. 1069, 29 U. S. C., sec. 218 (Supp. 1938).

[25] Sec. 16 (a); 52 Stat. 1069, 29 U. S. C., sec. 216 (a) (Supp. 1938).

[26] Fair Labor Standards Act, sec. 16 (b); 52 Stat. 1069, 29 U. S. C., sec. 216 (b) (Supp. 1938).

[27] See note 14, *supra*.

[28] See note 11, *supra*.

[29] 52 Stat. 1068, 29 U. S. C., sec. 215 (a) (Supp. 1938).

[30] See notes 11 and 14, *supra*.

[31] Fair Labor Standards Act, sec. 3 (b); 52 Stat. 1060, 29 U. S. C., sec. 203 (b) (Supp. 1938).

[32] 52 Stat. 1060, 29 U. S. C., sec. 203 (j) (Supp. 1938).

Employees engaged in the collection and dissemination of information which is transmitted to other States in the form of publications or pamphlets are also held to be within the scope of the act.

The percentage of goods that an employee works on and that move in interstate commerce is held to be immaterial in the determination of the applicability of the act. If any goods upon which the employee works move in interstate commerce he is held subject to the act.

The statute is held to have no application to employees who work on goods intended for local consumption, even though the raw materials are brought in from outside the State. However, it is indicated that other employees in the same plant who are engaged in interstate activities, such as officials or employees purchasing the raw materials from other States or receiving them from other States, may be within the statute.

Likewise, the act is held to have no application to a producer of goods that are to be consumed locally by a producer of goods for commerce if the first producer's goods are not a part or an ingredient of some commodity that the second producer is producing for commerce; e. g., a small mine which sells all its coal to a local manufacturer of goods for commerce, the manufacturer using the coal to heat his plant or drive its machinery.

Employees of builders and contractors are held to be generally engaged in local construction and, hence, outside of the act. But when they are engaged in maintaining or constructing essential instrumentalities of interstate commerce, it is indicated that they will be included. Wholesalers purchasing their goods from outside of the State are advised by the Administrator that they should comply with the act, even though shipment is made directly to the wholesaler's vendee. While the courts may hold that employees engaged in the local sale of goods removed from the original package are not subject to the act, there is belief that they are more likely to be held subject to it.

The child-labor provisions have a somewhat different application from those relating to wages and hours, since the child-labor provisions are not limited to employees engaged in commerce or in the production of goods for commerce. The act merely prohibits shipment in interstate commerce, or the deliverance for shipment, of any goods in the production of which any "oppressive child labor" has been employed.[32] This applies to goods produced "in an establishment situated in the United States." Since there is nothing in the definition of "oppressive child labor"[34] to limit applicability to employers engaged in the production of goods for commerce, these provisions are evidently applicable to every employer in the United States, whether he is engaged in intrastate or interstate activity. Of course, an employer engaged in intrastate commerce would not be subject to penalties unless he attempted to ship some of such goods in interstate commerce. But as soon as he did so, he would come within the purview of the act, and would be subject to the specified penalties, which include denying interstate commerce to his goods, and rendering him liable for a fine of $10,000 and imprisonment for 6 months[35] if he attempts such shipment. These penalties for violation may well cause an employer to observe the child-labor provisions even though he is engaged in purely intrastate production.

CONSTITUTIONAL CONSIDERATIONS

Delegation of power: The outstanding instance of delegation of power to the Administrator in the act relates to wage orders. He is given authority by section 8[36] to issue orders establishing the minimum wage, for any industry subject to the act, above the absolute minimum set by the act itself, but not above 40 cents an hour. In order so to decree, however, he must first cause to be presented before an industry committee the evidence needed to justify such a wage order. The committee must then recommend the highest minimum-wage rates that, on the basis of economic and competitive conditions, it determines will not substantially curtail employment in the industry. Upon the filing of such report the Administrator must give notice to interested persons and an opportunity to be heard; moreover, he is required to approve the recommendations "if he finds the recommendations are made in accordance with the law, are supported by the evidence adduced at the hearing, and taking into consideration the same factors as are required to be considered by the industry committee, will carry out the purposes of the section."

Subsection (a) declares the policy of the act to be to reach, as rapidly as is economically feasible without substantially curtailing employment, the objective of a universal minimum wage of 40 cents an hour. We have, then, as the intelligible principle for the guidance of administrative action the direction that the minimum-wage rate should be set at the highest figure, not exceeding 40 cents an hour, which will not substantially curtail employment in the industry. The Administrator is not given any discretionary power to set a different rate than that recommended by the industry committee; he must either affirm the recommendation or disapprove it and refer the matter back to the committee.

In only three cases has the Supreme Court found an unlawful delegation of power in an act of Congress. In the first of these, *Panama Refining Company* v. *Ryan*,[37] the delegation was unlawful because there was no legislative pronouncement as to when, or in what circumstances, the President was to prohibit the shipment of oil produced in excess of that allowed by the laws of a State. In *Schechter Poultry Corp.* v. *United States*[38] it was held that the "rehabilitation of industry and conservation of natural resources" was not a sufficiently intelligible principle to guide the President in approving and promulgating codes of fair competition, and that such vague and indefinite standard would leave the President free to make law "virtually unfettered." In *Carter* v. *Carter Coal Company*[39] the objection was that the power to prescribe minimum wages and maximum hours for a group was vested in a majority of the very group to be affected and that this was clearly arbitrary delegation.

The type of delegation involved in the act would not seem to be open to any of these objections. It is somewhat analogous to that upheld in *Hampton* v. *United States*,[40] by which the President was authorized to ascertain the differences between the costs of production of domestic and foreign articles and to vary customs rates so as to equalize such differences. The following language in the *Ryan case*[41] would seem to be apropos: "Moreover, the Congress may not only give such authorizations to determine specific facts, but may establish primary standards, devolving upon others the duty to carry out the declared legislative policy." There would seem to be no room for the objection that the power given the Administrator is an unconstitutional delegation of legislative power in view of the fact that the subject matter is clearly defined, the administrative action is strictly limited to cases where it will not substantially curtail employment, and the range of action is definitely restricted between limits of twenty-five and forty cents an hour.

The authority conferred on the Administrator to make reasonable classifications within an industry for the purpose of fixing minimum-wage rates[42] stands upon substantially the same footing as the power to make wage orders and is governed by like considerations. Not only must the conclusion be found that the wage rate for each classification will not substantially curtail employment, but also that it will not give a competitive advantage to any group in the industry; and in determining whether such classifications should be made, the industry committee and the Administrator must consider the competitive conditions as affected by transportation, living, and productive costs, the wages established for similar work by collective bargaining contracts, and wages paid for like work by employers who voluntarily maintain minimum-wage standards. These factors, together with the policy of the act, would seem to furnish a reasonably definite standard to guide the Administrator.

THE ACT AS A REGULATION OF COMMERCE

The most important constitutional question raised by the act, and the one which goes to the very heart of the matter, is whether the act can be held to be a valid regulation of interstate commerce.[43] The answer depends on whether the act is a reasonably appropriate means of regulating interstate commerce. The findings and declaration of policy in section 2 announce the effect on interstate commerce attributed by commerce to unduly low wages, long hours, and employment of child labor. While these findings will not preclude the Supreme Court from investigating for itself the relationship of cause and effect,[44] they serve as a guide in determining the purpose of the legislation.

Although it has not been directly decided, there seems to be little room for doubt that the wage and hour provisions can validly be applied to employees engaged in interstate commerce. In 1917 it was held that Congress could regulate the hours of employees of an interstate carrier and could "freeze" wages at the current level pending settlement of a labor dispute.[45] It has also been held that Congress, under the power to regulate commerce, can prohibit employers from interfering with the self-organization of employees[46] and can provide that an interstate rail carrier must deal with employee representatives certified by a mediation board set up by Congress.[47] If these are reasonably appropriate means of regulating interstate commerce because of the inhibition of labor disputes, the imposition of a minimum wage and of maximum hours would seem to be fully as relevant. Even as applied to

[32] See note 19, *supra*.
[34] See note 20, *supra*.
[35] Fair Labor Standards Act, sec. 16 (a); 52 Stat. 1069, 29 U. S. C., sec. 216 (a) (Supp. 1938).
[36] See note 11, *supra*.

[37] 293 U. S. 388 (1935).
[38] 295 U. S. 495 (1935).
[39] 298 U. S. 238 (1936).
[40] 276 U. S. 394 (1928).
[41] See note 37, *supra*.
[42] Fair Labor Standards Act, sec. 8 (c); 52 Stat. 1064, 29 U. S. C., sec. 208 (c) (Supp. 1938).
[43] The testimony of Robert H. Jackson, now Solicitor General, is illuminating with regard to the constitutional bases of the bill as originally drafted. See Joint Hearings before the Senate Committee on Education and Labor and the House Committee on Labor on S. 2475 and H. R. 7200, 75th Cong., 1st Sess. (1937), pt. 1, pp. 1–89.
[44] *National Labor Relations Board* v. *Jones and Laughlin Steel Corp.*, 301 U. S. 1 (1937).
[45] *Wilson* v. *New*, 243 U. S. 332 (1917).
[46] *Texas & N. O. R. Co.* v. *Brotherhood of Ry. and Steamship Clerks*, 281 U. S. 548 (1930).
[47] *Virginian Ry. Co.* v. *System Federation No. 40*, 300 U. S. 515 (1937).

those engaged in interstate commerce who are not employees of carriers, the enactment would seem to be appropriate to the protection of that commerce.

However, the application of the wage and hour provisions to employees engaged in the "production of goods for commerce" is on more dangerous constitutional ground. In an approach toward this aspect of the act, the decisions in *Hammer* v. *Dagenhart* [48] and *Carter* v. *Carter Coal Co.*[49] arise as seeming barriers to its validity. If the employment of child labor in production does not have such a close and substantial relation to interstate commerce as to render control of it by Congress an appropriate means of regulating commerce, there is difficulty in perceiving wherein the wages and hours of employees engaged in production occupy a more favorable position.

In the Carter case [50] the court condemned the labor provisions (including wage and hour provisions) of the Bituminous Coal Conservation Act,[51] and the distinction between local production and interstate shipment was emphatically reiterated, the conclusion being reached that Congress had no regulatory power over the mining of coal although the coal was intended for interstate shipment.

However, the authority of these cases has apparently been weakened by subsequent decisions of the Court involving application of the National Labor Relations Act [52] to certain employers. Although there has been no explicit overruling in this connection, the Court, nevertheless has demonstrated a different approach and a broader concept of the Federal power under the commerce clause. Notwithstanding this, there is doubt whether the doctrine of the Jones and Laughlin case [53] can be relied upon to uphold the act. For although in that case the Court limited the statute to an interpretation which would sustain its constitutionality, that technique would seem to be difficult to apply in construing the present act. In the Jones and Laughlin case [54] the Court was careful to observe that the National Labor Relations Board was given jurisdiction only over labor practices "affecting interstate commerce." [55] But the Fair Labor Standards Act is not confined to cases "affecting commerce"; it is applied to any employee engaged in the production of goods for commerce. While the act does tend to lessen the likelihood of labor disputes, the Court, in order to uphold it on that basis, would have to find that a labor dispute in every such case had a direct effect on commerce. A prominent attorney, in criticizing the constitutionality of the act, has said: "Whether the power to regulate commerce includes the power to regulate production intended for commerce is not irrevocably settled. The National Labor Relations Board and antitrust cases do not settle this: There the Government must in each case show the directness of the burden or interference. Here the statute assumes it." [56]

From the foregoing, however, it does not follow that the act is unconstitutional. The Supreme Court has repeatedly emphasized the distinction between production and commerce, and the fact that articles are not in interstate commerce until they have passed the production stage and are transmitted in commerce is an axiom. Nevertheless, it has been recognized that certain conditions concerning the production of goods may have a direct relation to interstate commerce and thereby be subject to the regulation of Congress by appropriate legislation.

That the Federal power extends to the regulation of methods of competition in interstate commerce is undeniable. The Sherman Act,[57] the Clayton Act,[58] and the Federal Trade Commission Act [59] are all founded upon this power. The power of the Federal Government to regulate local conduct having a real and substantial relation to interstate commerce and tending to violate the congressional policy of free competition [60] and fair trade practices [61] in interstate commerce has been upheld by the courts. Since Congress can prohibit "unfair methods of competition" and empower a commission to define and prohibit such practices, even though they may relate to action before or after the actual interstate commerce, no extension of that power seems necessary to hold that the use of sweatshop methods, the underpayment of labor, and the employment of child labor are unfair methods of competition in interstate commerce, and that these methods of competition can be prohibited by Congress as to employers engaged in the production of goods for commerce. This legislation, even as applied to a producer who ships only a small percentage of his product in interstate commerce, would seem to have a real and substantial relation to the protection of the majority of employers, who maintain decent labor standards from the competition of those making use of such unfair practices, and thus prevent the spread of such conditions among employers engaged in the use of interstate commerce.

What has been said concerning the wage and hour provisions applies as well to those concerning the employment of child labor, though in order to sustain the latter the Court will need directly to overrule or distinguish *Hammer* v. *Dagenhart*.[62] This fact was recognized during the committee hearings and it was there stated that one reason for the inclusion of the child-labor provisions in the same bill with the wage and hour provisions was to bolster the former against constitutional attack.[63] The theory behind this thought is that a distinction might be afforded from the *Hammer case* [64] inasmuch as the child-labor provisions in this act are apparently part of one comprehensive plan to protect interstate commerce, and not an isolated measure having no direct relation to interstate commerce. This distinction may very well be drawn. Another ground for distinction is the fact that, unlike the situation in the *Hammer case*,[65] the provisions of the act show an attempt to regulate competition in interstate commerce. Indeed, the

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[48] 247 U. S. 251 (1918).

[49] See note 39, *supra*.

[50] Ibid.

[51] 49 Stat. 991, U. S. C., sec. 801 (Supp. 1935).

[52] Id. at 449, U. S. C. at sec. 151 (Supp. 1935).

[53] *National Labor Relations Board* v. *Jones & Laughlin Steel Corp.*, 301 U. S. 1 (1937).

[54] Ibid.

[55] Section 453 of the National Labor Relations Act provides: "The Board is empowered * * * to prevent any person from engaging in any unfair labor practice (listed in sec. 452) affecting commerce" (49 Stat. 453, 29 U. S. C., sec. 160 (Supp. 1935)).

[56] Statement by John C. Gall, counsel for the National Assoication of Manufacturers. (See Wage and Hour Reporter, Nov. 14, 1938, p. 3.)

[57] 26 Stat. 209 (1890); 15 U. S. C., secs. 1–7, 15 (1934).

[58] 38 Stat. 730 (1914); 15 U. S. C., secs. 12–27 (1934).

[59] Id., at 717, U. S. C. at secs. 41–45 (1934); 48 Stat. 31 (1933); 7 U. S. C., sec. 610 (1934).

[60] *Loewe* v. *Lawlor* (208 U. S. 274 (1908)), in which it was held that a combination of labor organizations to boycott an employer and prevent the sale of his goods unless he employed union labor was a violation of the Sherman Act, though the members of the combination were not themselves engaged in interstate commerce.

Coronado Coal Co. v. *United Mine Workers* (268 U. S. 295 (1925)), which held that a strike of mine workers within a State and the damaging of the mine there located, with intent to diminish the supply of nonunion coal in other States and thus prevent competition with "union coal," was a violation of the Sherman Act.

United States v. *Brims* (272 U. S. 549 (1926)), which held that a conspiracy of mill owners, contractors, and carpenters to employ only union carpenters, who would refuse to work upon millwork coming from nonunion mills outside of the State, was a violation of the Sherman Act.

Bedford Cut Stone Co. v. *Journeymen Stone Cutters Association* (274 U. S. 37 (1927)), which held that a union boycott of stone worked upon by nonunion labor, the intent being to curtail the demand for such stone in interstate commerce, was a violation of the Sherman Act, though the members of the union were not engaged in interstate commerce and the stone had come to rest within the State.

Brotherhood of Teamsters v. *United States* (291 U. S. 293 (1934)), which held that an association of wholesale poultry dealers in New York City conspiring to increase the price of poultry was a violation of the Sherman Act, though the object was effected by acts committed entirely within the State and after the poultry had come to rest within the State.

[61] While the application of the Federal Trade Commission Act to acts occurring entirely within a State has been somewhat more limited than has the Sherman Act, the cause seems to be the terms of the statute rather than a lack of power by Congress to reach such practices. The Federal Trade Commission Act prohibits "unfair methods of competition in commerce," and the courts have interpreted this to exclude such methods pursued within a single State prior to the movement of the goods in interstate commerce. Nevertheless, the application of the Sherman Act to intrastate activity having a direct effect on interstate commerce would seem to indicate that Congress could give the Federal Trade Commission a broader jurisdiction. The jurisdiction of the Commission over persons engaged in intrastate business has been upheld in cases in which the practice condemned had a direct effect on interstate commerce. See *Federal Trade Commission* v. *Pacific States Paper Trade Association*, 273 U. S. 52 (1927) (contract of sale between a purchaser and seller within the State, the goods having been shipped from a mill outside the State at the instance of the seller); *Federal Trade Commission* v. *Wallace*, 75 F. (2d) 733 (C. C. A. 8th, 1935) (an attempt by local retail coal dealers to coerce wholesalers from selling to local competitors of members of the association); *Federal Trade Commission* v. *Smith*, 1 F. Supp. 247 (S. D. N. Y., 1932)) (practice of a utility holding company which, though not engaged in interstate commerce, owned shares of subsidiary companies that in turn controlled operating companies of whose goods one-fourth moved in interstate commerce). The Supreme Court, speaking of a method of inducing the sale of "penny variety" candy by use of a scheme which made the price thereof depend upon a number found on the inside of the wrapper, used language which may be prophetic. It was said: "But here the competitive method is shown to exploit consumers, children who are unable to protect themselves. * * * For these reasons a large share of the industry holds out against the device, despite ensuing loss in trade, or bows reluctantly to what it brands unscrupulous. It would seem a gross perversion of the normal meaning of the word, which is the first criterion of statutory construction, to hold that the method is not 'unfair.'" (*Federal Trade Commission* v. *Keppel & Bro.*, 291 U. S. 304, 313 (1934)).

[62] See note 14, *supra*.

[63] Joint hearings before the Senate Committee on Education and Labor and the House Committee on Labor on S. 2475 and H. R. 7200, 75th Cong., 1st sess. (1937), pt. 1, pp. 15, 16.

[64] See note 48, *supra*.

[65] Ibid.

Hammer case [68] has been said to have been overruled by the decision in *National Labor Relations Board* v. *Consolidated Edison Co.*,[67] which held that an electric utility engaged in purely intrastate activity was subject to the jurisdiction of the National Labor Relations Board because of the disruptive effect a strike among its employees would have on interstate commerce. While there is doubt whether that decision can truly be said to overrule the *Hammer case*, [69] it at least serves as a signpost illustrating the extent to which the Federal power to regulate interstate commerce may be validly applied.

DUE PROCESS OF LAW

Even if the act is found to be a valid exercise of the power to regulate commerce, its defenders will have to face the contention that it deprives certain employers of property or liberty without due process of law.

The nature and limitations of the requirements of due process have been lucidly enunciated by Justice Roberts. "The fifth amendment," he stated, "in the field of Federal activity, and the fourteenth, as respects State action, do not prohibit governmental regulation for the public welfare. They merely condition the exertion of an admitted power by securing that the end shall be accomplished by methods consistent with due process; and the guaranty of due process, as has often been held, demands only that the law shall not be unreasonable, arbitrary, or capricious, and that the means selected shall have a real and substantial relation in the object sought to be "attained." [70] It was partly to meet the objection of lack of due process that the act was drawn so as to give the Administrator the power to raise minimum wages up to a limit of 40 cents an hour in any industry, and to make reasonable classifications in any industry for that purpose rather than to impose a flat 40-cent rate for all industries.[70] Likewise, the modifications of the hours' requirements as to seasonal and certain other industries and the relaxation of the minimum-wage requirements as to learners, apprentices, and handicapped workers indicate an attempt to avoid the arbitrary effect which rigid minimum-wage and maximum-hours stipulation would occasion. In view of the modest minimum requirements and the considerations which are to guide the Administrator in making a wage order, there appears to be no room for the contention that the act is arbitrary as to any employer.

Nor would the contention that there is lack of due process because of the impairment of freedom of contract seem to be tenable. For while freedom of contract is included within the "liberty" guaranteed in the fifth amendment, the latter term does not designate an absolute right and is subject to restriction by a governmental regulation which is reasonable in relation to its subject and which is adopted in the interest of the community.[71] This power of restriction in the public interest extends, moreover, to contracts between employer and employee.[72] The appropriate nature of the wage, hour, and child-labor provisions as a means of protecting interstate commerce may be open to some debate, though the factual record constructed by the committee hearings tends to substantiate the reasonable relevancy of them. However, if they are found to be so directly related to the protection of interstate commerce that they support the act as a regulation of interstate commerce, their substantial relation to the protection of inerstate commerce is determined,[73] and the only due-process question which can arise is whether they are arbitrary as to some employers.

The fact that the legislative language is somewhat indefinite concerning the raising of wages would not appear to be violative of due process. The Administrator, upon the recommendation of the industry committee, is to fix the maximum minimum wage for an industry or a classification within an industry "which will not substantially curtail employment in the industry." While this language might be too indefinite if the provisions were self-operating, it would seem to be sufficiently definite for the guidance of an administrative body where a hearing is required before any order can be made.[74]

WALTER D. MURPHY.

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[68] See comments of the newspaper columnists Alsop and Kintner entitled "Extreme States' Rights View Seen Abandoned by Court in National Labor Relations Board Decision" in their column, The Capital Parade, Evening Star, Washington, D. C., Dec. 13, 1938, p. A–9, column 2.

[67] Sup. Ct., 206 (Dec. 5, 1938).

[68] See note 48, *supra*.

[69] *Nebbia* v. *New York* (291 U. S. 502, 525 (1934)).

[70] Joint hearings before the Senate Committee on Education and Labor and the House Committee on Labor on S. 2475 and H. R. 7200 (75th Cong., 1st sess. (1937), pt. 1, pp. 10, 20).

[71] *West Coast Hotel Co.* v. *Parrish*, 300 U. S. 379, 391 (1937).

[72] *Id.*, at 379, 392, and cases cited.

[73] "Even though Congress in the choice of means to effect a permissible regulation of commerce must conform to due process, it is evident that where, as here, the means chosen are appropriate to the permissible end, there is little scope for the operation of the due-process clause." Stone, J., in *Virginian Ry. Co.* v. *System Federation No. 40*, 300 U. S. 515, 558 (1937).

[74] A standard too vague to sustain a self-operating legislative enactment may be sufficiently definite to guide administrative action where notice and hearing are required; *Highland* v. *Russell Car & Snow Plow Co.*, 279 U. S. 253 (1929); *Continental Baking Co.* v. *Woodring*, 286 U. S. 352, 368 (1932).

Public Works Administration

EXTENSION OF REMARKS

OF

HON. ALBERT THOMAS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1939

Mr. THOMAS of Texas. Mr. Speaker, last summer the Congress, through a substantial appropriation, made possible a widespread program of public works. The act placed upon the Public Works Administration the task of assembling sufficient applications for financial aid on projects to create a vast amount of public construction. P. W. A. was given approximately 3 months in which to obtain and examine these applications. More than 12,000 were received.

The act also placed upon the Public Works Administration the obligation of allotting some $965,000,000 of public funds to projects which could be gotten under way—that is, in the actual building stage—by January 1, 1939. Approximately 7,000 projects had been placed under construction as of that date.

Today the program of public works inaugurated last summer is less than 8 months old, but it is already possible to take stock of what this amount of construction is meaning to American industry.

First, it has meant wholesale reemployment of workers in the construction industry. In the Southwest, construction made possible by P. W. A. has done much to wipe out unemployment in the building trades. You will find this to be true in community after community, large and small, in agricultural as well as urban areas.

Of similar importance, so far as numbers are concerned, is the effect that this construction has had on the great supply industries. A typical example is what has happened to the cast-iron pipe industry.

Waterworks systems have always been high on the list of the P. W. A. projects in the Southwest, because of the tremendous growth of the communities in that section, and, in some instances, because of the relative difficulty in obtaining adequate water supplies. The result of new waterworks construction in the area has been to provide the manufacturers of cast-iron pipe with so many orders that, I am told, contractors are having difficulty in obtaining deliveries. The effect of these orders on employment as well as profits in this industry is obvious.

The same population growth I have referred to has also created a demand for new sanitary sewage systems or the extension of present facilities. The result has been enough orders for clay and cement pipe and tile to keep factories working night and day. I recently had the pleasure of talking to a representative of a clay-products manufacturer in the Southwest area. He told me that his plant had more orders than at any period in its history and was functioning on a full 24-hour schedule.

The Southwest has many manufacturers of cement; it has a great number of stone quarries, sand and gravel producers; it has an active lumber industry; it produces or processes many materials that go into building operations. In every one of these fields the improvement of conditions this year over last year, when there was no active new P. W. A. program, has been marked.

For the first week in February site employment on P. W A. projects in the group of 7 Southewestern States which make up the P. W. A.'s fifth region had reached 25,568. These men were carpenters, bricklayers, steel workers, plasterers, painters, representatives of every skilled classification, along with men working as common laborers. They were employed by contractors on the various jobs, and they performed full-time work for full-time pay.

This is an impressive figure in itself, but it is only part of the story.

According to methods worked out by the Bureau of Labor Statistics it is estimated that the indirect employment created by material purchases made jobs for more than 44,000 men in private industry—in the forests, in the mines, in mills and factories, and in the transportation industry.

It is important to remember, in estimating the effect of this amount of employment, that these men have been paid, in most instances, standard wages. These pay rolls have had a decided effect on the demand for consumer goods. They have meant increasingly better business for our merchants and in turn for the manufacturers who supply them with the things they sell.

It is impossible to completely ascertain the full effects of such a program of construction. Certain things we do know: We have made possible widespread reemployment in the building trades; we have made possible an even greater amount of employment in the supply industries and on transportation facilities; we have made possible the release of large pay rolls for the benefit of our workers, merchants, and manufacturers.

To do these things was the primary purpose of the Public Works Administration program, but it has done even more.

It has aided in the creation of thousands of needed, useful, and permanent projects. These projects, schools, courthouses, libraries, hospitals, roads, bridges, and dozens of other types of improvements could not have been built without the aid of P. W. A. When the present program is concluded the United States will be dotted with 25,000 such useful projects built under the various P. W. A. programs.

These projects, I would like to point out, since it is important, are worth every cent of their cost.

I would like to stress that phrase "worth every cent of their cost," since it is one of the most appealing aspects of the P. W. A. system.

All of us know that P. W. A. projects are well built. We are aware of the close supervision that is given in order to see that the projects follow approved plans and specifications. Some of us, however, may not be aware of the fact that P. W. A. construction costs no more than ordinary private construction.

On this point I have some very interesting figures before me. A few months ago advertisements were placed for bids on a hospital project costing more than $250,000. Since there was some doubt as to whether a P. W. A. allotment could be obtained for the project, contractors were asked to bid on the project as a P. W. A. job and also as a project without P. W. A. aid and supervision. The results were surprising.

Three contractors submitted bids on the project. One of these contractors submitted the same figure for construction of the hospital both as a P. W. A. and non-P. W. A. job. The second added fifty-nine one-hundredths of 1 percent to his bid if the job was to be built under the P. W. A., and the third added sixty-eight one-hundredths of 1 percent.

These minor additions were for the purpose of covering the cost of records required by P. W. A., records which many contractors keep on all jobs as a matter of good business. These slight additions in most cases, however, would be more than offset by the strict P. W. A. requirement that material contracts go to the lowest responsible bidder, a provision which has probably saved millions of dollars in the history of P. W. A.

Generally speaking, P. W. A. projects are substantial, and the benefits are of lasting value. Every good project completed adds to the total wealth of the community as well as the country as a whole.

This method of transferring men from relief to pay rolls appears to be a sound way to solve the unemployment problem and at the same time to safeguard private enterprise by protecting the interests of the investors. I think it might be wise for Congress to consider seriously placing P. W. A. on a permanent, although perhaps modified, basis.

Recognition of Spanish Nationalist Government

EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Monday, March 13, 1939

Mr. WALSH. Mr. President, I ask unanimous consent to have inserted in the CONGRESSIONAL RECORD a scholarly analysis by Dr. Joseph B. Code, professor of history of the Catholic University of America, on the subject of the recognition of the Spanish Nationalist Government.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the magazine Spain of March 1, 1939]

THE RECOGNITION OF FRANCO—AN OFFICE OF FRIENSHIP

(By Joseph B. Code, S. T. D., Sc. Hist. D. (Louvain), F. R. Hist. S., of the faculty of the Catholic University of America, Washington D. C.)

Intelligent observers of international affairs are more than ever realizing that in the critical times which many believe the world to be facing the friendship of the Spanish people will constitute a valuable asset for the Government and people of the United States of America. Unfortunately, this is a rather tardy recognition of what should have been an accepted fact by those responsible for America's policy in the field of international relations. For scarcely could certain officials and a large section of the American press have done more to alienate the affections of the Spanish people; more than 2 years saw the pursuance of a policy sympathetic toward those who would have destroyed the last vestige of Spanish culture. Where the blame should be placed is not the problem in this instance. It is whether the damage which has been done is irreparable. This consideration is causing concern to those who believe that justice and friendship should characterize the dealings of this country with the peoples of all nations. They are convinced that an immediate recognition of the Government of Nationalist Spain would do much to wipe out the mistakes of the past and would insure for this country the sympathetic understanding of the Spanish nation.

Undoubtedly there will be those who will demand reasons in support of this motive for nationalist recognition. They need only to recall and apply here the reasons alleged for the recognition of Soviet Russia. When Senators like WILLIAM E. BORAH, of Idaho; ROBERT M. LA FOLLETTE, Jr., of Wisconsin; and BURTON K. WHEELER, of Montana, were interested in the matter of Soviet recognition, they frequently cited the friendship of 165,000,000 Russian people as a powerful argument for the establishment of full diplomatic relations between Washington and Moscow. They argued the advantages of this action in spite of their own frank admission that the Soviet Government represented a political, social, and economic theory in direct antagonism to that of the United States of America. As Senator BORAH expressed it, the fact that the Moscow administration held "views completely at variance with our own with respect to the institutions of religion, the home, and private property" did not invalidate the claim of the Russian people to a right on our formal offices of friendship. "The citizens of Soviet Russia are our friends," it was asserted, "even though the ruling clique that misrepresents them works in open violation of American principles of free speech, free assembly, personal wealth, and liberty of conscience." In the case of Nationalist Spain, however, every one of these rights is given free expression. Hence they are so many additional reasons why the United States should accord the people of that country treatment comparable to the broadmindedness often invoked by American liberals on behalf of Communist Russia.

From the standpoint of international law the case for the recognition of Nationalist Spain is clearly manifest. Whether the Marxist sympathizers in this country like it or not, the Spain of Generalissimo Franco is a moral person enjoying de facto membership in the family of nations. In other words, 16,000,000 Spaniards are living peacefully, even joyfully, under the red and gold banners of the Nationalists. Within the past 2 weeks more than 75,000 ex-Loyalist soldiers who had been coerced into the ranks by anarchists, syndicalists, Communists, and political commissars have opted for membership in the Nationalist Army. As a matter of fact, the authority of Generalissimo Franco's Cabinet is recognized throughout 80 percent of Spanish territory on the peninsula.

It should not be necessary to state that every student of international law is aware that the conditions under which recognition of independence may be granted are, as in the case of belligerency, factual conditions. Has the contest between the insurgent community and the parent state reached a point where the latter has apparently abandoned all efforts, or proved the inadequacy of its efforts, to reduce the insurgent community to submission? Up to

that point, it may be properly contended, the group in revolt or counterrevolt may be left to fight its way into existence in its own manner.

Once the new administration has established its ability to survive it is ready for recognition by such powers as find it to their interest to begin official relations with it. It should be remembered that when the United States in September 1918 recognized the national council of the Czechoslovak people, this group, which received the acts of recognition, was nothing more or less than an absentee projected government, with headquarters in Washington, representing the Czechoslovak legions which were fighting in the allied army against an empire to which many of their fellow citizens still owed formal allegiance. In this case there was no prior recognition of belligerency.

The right of self-determination works both ways. The people of Spain have a right to their own form of government; and the people of the United States expect that the consideration which has repeatedly been accorded to the new status of other foreign governments will be shown to the friendly citizens of a nation which has repudiated Marxism.

"International law," states Prof. Charles G. Fenwick, of Bryn Mawr College, "knows at present no right of rebellion belonging to oppressed peoples; it merely registers the fact that as a result of certain rebellions a point has been reached where the community in revolt has made good its claim to independence and is ready for admission as a de jure member of the international community." These conditions have already been verified in the case of the Spain of Generalissimo Franco. Vincent Sheean has been denounced as a defeatist and a renegade because in a piece for the New York Times and N. A. N. A. of January 28, 1939, he announced that the "disaster" in Catalonia was "irreparable"; that the Foreign Minister, Alvarez del Vayo, seemed "dazed by the extent of the catastrophe" which "he had not expected," and that Dr. Juan Negrin, who alone "seemed as cheerful and robust as ever, declared that 'things are being organized.'" How well organized things were was found out by the battered remnants of Negrin's battalions when they reached Perpignan, France, where, despite the ton of gold still in the possession of Leftist officials, the republican 100-peseta notes, presumably a small fortune for hapless refugees, were exchanged at the munificent rate of less than 1 franc for 100 pesetas. The collapse of values—moral, political, and monetary—was never more strikingly illustrated than by this act of cruel deception for which the irrepressible Dr. Negrin and his bitter-enders are responsible.

Another pillar of leftist sympathy, the Washington Post, of January 27, 1939, stated editorially: "No informed observer can any longer doubt the certainty of Franco's eventual victory." And an even more emphatic judgment was pronounced by Jules Sauerwein, foreign editor of the Paris-Soir, in the New York Times of February 15, 1939: "In a few more days the Spanish civil war may be expected to end in complete victory for Generalissimo Francisco Franco. This morning President Manuel Azaña of the Spanish Republic declared to a French official that peace was inevitable and further resistance impossible Anyway, as far as he was concerned, he added, he did not think that his ministers, deliberating in Madrid while their chief executive was in Paris, could really contemplate engaging in a new fight with any chance of success." The same article revealed that a group of French officials who visited the Pyrenees district "found neither air fields nor artillery emplacements nor any other preparation for a hostile enterprise against France." M. Sauerwein added that Germany "would prefer to contribute the labors of her technicians to the reconstruction of Spain in full cooperation with French capital."

In this connection it should also be noted that the decision of the British Cabinet of February 15, 1936, to grant de facto recognition to the Nationalist Government in Spain was unanimous. The Cabinet members also agreed in principle to grant Generalissimo Franco de jure recognition at the earliest possible opportunity. This means that the British realize that the Nationalist leader is the effective master of Spain and that as a few legal technicalities shall be adjusted the British Cabinet will accept the Nationalist regime as the legal Spanish Government. It is expected that France, in spite of the clamor of Communists and Socialists, will follow in the footsteps of England. The Swiss Federation and several other European States have recognized Franco for like reasons. In other words, the principal European powers are prepared to face realities. No one is guileless enough to imagine that altruistic motives prevail in the chancelleries. The move is one predicated upon self-interest, upon diplomatic and trade advantages.

What reasons exist why the United States Government should delay any longer in indicating its friendly attitude toward the Spanish people? Are there no national interests that will be served by prompt recognition of the facts in the situation? What are the advantages, if any, of delay and postponement?

At this writing final capitulation of the Madrid-Valencia regime is expected momentarily. In fact, the expected resignation of the Leftist Premier, Dr. Juan Negrin, is reported as a preliminary step in this proccdure. The absent President of the so-called Republic, Señor Manuel Azaña, is known to favor immediate negotiations for peace without compromise.

Like every other well-informed student of the Spanish question, he knew last February, when the leftist offensive collapsed at Teruel, that a fight to the bitter end only meant useless slaughter, sustained hatreds, and an eventually weakened nation. Although one of the "founders" of the leftist regime, he has retained sufficient sense of reality to know when defeat is inevitable.

Since humanitarians in the United States, therefore, can cooperate with the peace group of the Franco Government, it is interesting to record that the first voice raised by an American citizen in favor of the formal recognition of Franco's Spain was that of Dr. Joseph F. Thorning, professor of sociology and social history at Mount St. Mary's College, Emmitsburg, Md., who proposed recognition as a step toward world peace and prosperity. Speaking at Fordham University, April 1, 1938, he declared that the Nationalist Government "believes in liberty of conscience for Protestant, Catholic, or Jew; it guarantees the right of trial by jury; it is thoroughly competent and socially progressive, liberal and representative of the best elements of the nation. * * * The British, great realists that they are, as well as farsighted businessmen, understand this situation. Furthermore, they have acted upon the basis of expert knowledge. Consequently, Great Britain is already gaining rich trade advantages in Spain which our own policy of nonrecognition is apt to lose." These were true and prophetic words, for each day which has elapsed in the last 11 months has confirmed the justness of these observations.

Another motive for prompt decision on the part of the State Department is the express intention of Argentina and Brazil, the leading South American Republics, to accord de jure recognition to the Spanish Nationalist Government. Hemispherical solidarity means little unless there will be community or cultural and political interest. Certainly there are no Spanish or Portuguese nations in a better position to judge the merits or requirements of the new situation in Spain than Brazil and Argentina. Peru is also on record, and it is expected that other Latin-American republics will take similar action. Indeed, it would be a compliment to all of them were the United States to abandon an attitude of apparent reluctance to abide by the accepted principles of international law in the premises. The "good neighbor" policy must lead, sooner or later, to de jure recognition of Franco.

If the United States is concerned over the possible influence of Germany and Italy in Latin America, certainly it cannot afford to ignore the probable influence of Spain in the same area. A friendly Spain would do much toward insuring South American cooperation in New World matters. Conferences, missions, and other propaganda devices could easily be replaced, at the saving of much time and expense, if a policy of realism regarding Latin America were to be adopted by the United States State Department.

The role of Spain in Latin America should not be ignored by the diplomats, for its influence on this side of the Atlantic will impress itself more and more as it emerges from the present crisis. Much will depend upon our own efforts whether it will be a Spain friendly to American interests in the countries south of the Rio Grande that will have to be reckoned with.

Finally, it should be remarked that there is no evidence at hand to lend color to the belief that the Spanish people will fail to live up to international obligations on a more enlightened, generous scale than has been observable in the case of Soviet Russia or leftist Mexico.

It is to be hoped, therefore, that those responsible for our foreign relations will recognize, in this instance at least, the expediency of realism and that they will safeguard American interests by adopting a practical common-sense outlook toward the deepest implications of friendship with the Spanish Christian people, both in Europe and America.

Security

EXTENSION OF REMARKS

OF

HON. FOREST A. HARNESS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1939

ARTICLE BY ROGER W. BABSON

Mr. HARNESS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Roger W. Babson, which appeared in today's Washington Post:

[From the Washington Post of March 13, 1939]

INSURANCE AND PENSIONS LATEST UNITED STATES FAD, BABSON SAYS—PIONEERING DAYS ARE OVER, HE DECLARES—PEOPLE NOW SEEK STABILITY AND SECURITY—SAYS PRESENT PROGRAM MUST BE CHANGED

(By Roger W. Babson)

Insurance and "guaranties" are the latest American fad. The demand for old-age pensions, for a "guaranteed" wage, for unemployment insurance, for fixed prices, and the like means that America has come of age. Our pioneering days are over. Instead of pushing on to new frontiers, our people are clamoring for stability and security. No matter how much we endorse and underwrite our own futures, however, we will find that the only real security is character.

To want security is the most natural of human desires. To believe, however, that security can be accomplished by simply "insuring" every phase of human activity is tragic. A security program is only as strong as the character of its administrators and the adequacy of its reserves. Moreover, history teaches that government insurance is not worth the paper it is written on when based on a flat rate from which everyone benefits equally, irrespective of character.

CONSUMER PAYS

Take the social-security program, for example. Under its provisions employers are now taxed 1 percent of their pay rolls and employees are contributing a like amount. In addition, employers are paying 3 percent for unemployment insurance. These taxes are scheduled to increase until 1949, when employers will be paying 6 percent and employees 3 percent or more. This will represent a 6-percent excise tax on employers' pay rolls and a 3-percent income tax on every gainfully employed worker.

Naturally this 9-percent tax must be added to the cost of goods. Therefore it will eventually be paid—as all taxes are—by the consumer. The current 5-percent tax is already a big factor in living costs. It is handicapping thrifty people in saving something for themselves. Now a movement is on foot to put across a national health-insurance program, which would take another 3-percent pay-roll tax. It will also be added to the cost of goods. If enacted, it will boost the total tax on wages to 12 percent.

These social-security taxes alone are now giving the Government about $1,000,000,000 a year of new spending money. This is the annual contribution of millions of individuals to the trust fund which is supposed to provide them with a monthly income in their old age. The funds, however, are being used for current public expenses. Is one cent being set aside for the future?

If the social-security system is not changed, I doubt very much if the young people of 20 to 30 years of age will ever receive any benefit from it. When their time arrives to get their $40, $50, or $60 monthly Government check it may not even buy a pair of shoes or a roast of beef. The Townsend plan on some reasonable basis is far safer. It at least "pays as it goes," even though it, too, may increase prices tremendously.

482 NEW TAXES

Despite the swiftly running stream of revenues pouring into Washington, all eyes are focused on new tax possibilities. Never before in our history has the Government collected as much money as it is now doing. Moreover, it is spending every cent of it, including the money collected for the social-security trust fund, and it is still paying only half its bills. Meanwhile, largely to pay for new "social" programs, State governments are considering 482 new licenses and taxes. If the security trend continues the taxes necessary to pay for our "security" and "insurance" programs may amount to a practical confiscation of every individual's wages

Fundamentally, the only real security is high spiritual and intellectual character. Industry, honesty, thrift, ability, courage, and kindness are those vital factors which make any security program click. Eliminate these qualities and insurance of any kind is useless. The Government is simply the organization of the people. The moral fiber of the Government reflects the moral fiber of the people. If the people do not have strong character their Government insurance and security is useless.

SECURITY VERSUS LIBERTY

I believe that the worthy aged should be taken care of liberally. I believe in a national health program and insurance against the cost of emergency surgical operations which now are robbing good people of their savings. I, however, believe these benefits should be used for deserving citizens and not passed out by politicians to get votes from "Tom, Dick, and Harry."

In summing up this whole subject Father Feeley, of the University of San Francisco, recently said: "I am convinced that we cannot have complete economic security without destroying personal liberty." In this connection I ask readers the following question: Where would you rather live? In the America of today, where there is liberty for all but not security for all, or in the Germany of today, where there is alleged security for all but liberty for none?

Freight Rates Affecting Western and Southern States

EXTENSION OF REMARKS

OF

HON. ROBERT RAMSPECK

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1939

STATEMENT BY LAWRENCE WOOD ROBERT, JR., SECRETARY, DEMOCRATIC NATIONAL COMMITTEE, MARCH 10, 1939, IN ANSWER TO HON. MARTIN J. KENNEDY, OF NEW YORK

Mr. RAMSPECK. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following statement by Mr. Lawrence Wood Robert, Jr., secretary of the Democratic National Committee:

After 23 years of activity in the interest of equitable freight rates affecting the Western and Southern States, I understand that my good friend, Congressman MARTIN J. KENNEDY, of New York, has just learned of this. He has written to the President of the United States complaining about my interest and activity and also has written to Governor Lehman, of New York, that he is surprised at what he described as my "lobbying" on behalf of the adjustment of these rates, which he states "would be so manifestly unfair to the State of New York." I am just wondering if when Mr. KENNEDY's constituents in New York learn the truth about the cost of their foodstuffs, clothing, etc., which are increased by virtue of this present unfair and discriminatory rate structure, that they will not recall he has been in Congress for some 9 years without doing anything about it? Probably this "lobbying" he has been hearing about and now complains about is the "lobbying" to maintain these unfair rates and protect some of the vested interests principally located around the city of New York.

It is quite true that I am secretary of the Democratic National Committee, and also executive director of the Southeastern Governors' Conference, both nonpaying, honorary jobs in which I am greatly interested and on which I spent a great deal of my own time, energy, and resources. I have been active with reference to these unfair rates in the West and South long before I hardly knew there was a Democratic National Committee, although I was born and bred a Georgia Democrat. I am interested in the Southeastern Governors' Conference and helped organize same. This conference acts as the spearhead of the South's campaign to secure a reasonable and proper adjustment of these freight-rate differentials, not only for the Southeastern States but for the Southwestern and Western States, who are adversely affected, and to do other constructive work as well. In my profession I am now doing building in St. Louis, Salt Lake City, Seattle, San Francisco, Los Angeles, Denver, and Dallas, and I find that these discriminatory rates are just as much a problem at these points as at New Orleans, Birmingham, Atlanta, Nashville, and Charlotte.

If my friend, Mr. KENNEDY, would like some further information on this subject, it would be highly enlightening for him to read the recent report of Commissioner Lee, of the Interstate Commerce Commission. Mr. Lee was delegated to take testimony on this important subject and has recently filed his report with the Interstate Commerce Commission, in effect saying he found a most unreasonable and unfair rate structure as it now stands and advising an early readjustment. Yes; I have talked freight rates constantly since 1915 with everyone who would listen. I talked to Mr. Roosevelt before he was Governor of New York, when he was Governor of New York, and many times since he has been President of the United States. He is probably much more conversant with this highly important national subject than Mr. KENNEDY, and he has several times strongly advocated a fair and equitable freight-rate structure for all sections of the country, and has particularly pointed this out as a matter to be corrected in helping to alleviate some of the problems of the South.

This whole freight-rate matter is decidedly one of economics entirely and certainly should not be made a matter of politics. It is in no way a political question and I have never considered it one involving any particular section of the country. It is and should entirely be treated as a national economic problem.

Purchase of Silver and Issuance of Silver Certificates

EXTENSION OF REMARKS

OF

HON. HENRY C. DWORSHAK

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1939

JOINT MEMORIAL OF THE LEGISLATURE OF IDAHO

Mr. DWORSHAK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following joint memorial of the Legislature of the State of Idaho:

Senate Joint Memorial 7

Joint memorial memorializing Congress and requesting the Senators and Representatives in Congress from the State of Idaho, and the Honorable KEY PITTMAN, Senator from Nevada, to support an act to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes, now pending in the Congress of the United States Senate and known as act S. 800

Whereas there is pending in the Congress of the United States Senate a certain act (S. 800) to amend the act entitled "An act to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes," approved June 19, 1934,

9 p. m., known as the Silver Purchase Act of 1934, introduced by Senator PITTMAN, of Nevada, and is now pending before the Agricultural Committee, which directs permanent purchasing of United States produced silver at $1.29 an ounce and the purchase of foreign silver under the existing law; that is, until one-fourth of the gold and silver stocks is in silver, or until silver has reached $1.29 an ounce; which authorizes the purchase of agricultural exports solely from this country with the certificates issued in payment therefor; and

Whereas the mining and farming industries are the two basic industries of the State of Idaho and both will receive direct benefits from the enactment of such legislation, as well as the entire population of the State of Idaho; and

Whereas immediate action is necessary on the part of the Congress of the United States to provide a market for domestically produced silver and a foreign market for agricultural products: Now, therefore, be it

Resolved by the Senate of the Twenty-fifth Session of the Legislature of the State of Idaho (the house of representatives concurring therein), That it respectfully petitions and memorializes the Congress of the United States to pass the above-referred-to act to enable mining operations within the State of Idaho to go forward with renewed vigor, and employ persons now listed on unemployment rolls, and to enable the farmers of this section to export goods to foreign countries in competition with producers in foreign lands; be it further

Resolved, That the secretary of state is hereby directed to forward a copy of this memorial to each of the Senators and Representatives in Congress from the State of Idaho, and to the Honorable KEY PITTMAN, Senator from Nevada, the author of the bill.

The Public Works Program

EXTENSION OF REMARKS
OF
HON. ARTHUR D. HEALEY
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 13, 1939

Mr. HEALEY. Mr. Speaker, as finally enacted by Congress, the Public Works Administration Act of 1938 stipulated that only such applications for Federal aid under its terms as were submitted to the regional P. W. A. offices prior to October 1, 1938, could be accepted. Within the 3 months elapsing between the operative date of the act and the last day for filing applications there were submitted by State, county, and city and town authorities in the Commonwealth of Massachusetts 232 applications for Federal P. W. A. grants, representing a total building cost of $76,000,000 and including proposals for the construction of schools, hospitals, municipal buildings, bridges, sewers, highways, and other types of heavy construction deemed essential in the public interest.

Bearing in mind the fact that no organized attempt was made by the P. W. A. authorities to incite or stimulate interest by publicity, except such as was necessarily incident to the enactment and administration of this legislation, it would appear that these figures demonstrate both the need for the Federal assistance provided by the Public Works program and the faith and confidence that the people of my home State of Massachusetts feel toward the Public Works Administration.

In view of the fact that the State or subdivisions of States proposing these projects must bear 55 percent of the cost of such projects, the Federal Government contributing not more than 45 percent, this widespread and spontaneous demand for grants on behalf of the people of Massachusetts indicates the pressing need for this program as well as the approval of my State of its administration by the Public Works Administration.

As far as I know, the only serious criticism raised against the public-works program has been its alleged inability to put men speedily to work due to the delay and cumbersome process necessary in developing heavy construction projects to the point where the work is actually begun.

When we consider that the effective date of operation of the act—the day the President signed it—was October 1, 1938; the last day for receiving applications was September 30, 1938; and the last day for starting construction on any project authorized under its terms was January 1, 1939, 6,000 non-Federal projects actually under construction by January 1, 1939, should offer tangible refutation of that contention.

At the present time applications from Massachusetts, for which no allotments could be made due to depletion of available funds, are on file with the Public Works Administration totaling $6,000,000. These applications represent projects ready to go into immediate construction and badly needed public improvements that cannot be undertaken without the financial aid of the Federal Government. If the regional offices had the authority to accede to requests constantly being received from communities throughout the State for permission to file new applications, this figure would be greatly augmented.

Under these circumstances, and assuming that a like condition exists in virtually every State of this Nation, it seems to me that the Public Works Administration has amply proven its merit and the justification for its continued existence with an additional appropriation of funds.

I feel that the Public Works Administration furnishes the best means, under normal conditions as well as under emergency conditions, of stabilizing employment in the building industries and affording to communities the opportunity to erect permanent public improvements which have become vitally necessary under present conditions.

Whether we consider the Public Works Administration as an instrumentality to be employed only in times of emergency or as a potentially permanent means of stabilizing building activity and consequent employment, it seems to me that we must all admit that it has done an honest, efficient, and effective job. From experience it has developed a system capable of going into high speed with brief notice whenever necessary. It has organized and effectively coordinated a staff of highly skilled specialists that could not be speedily duplicated in time of sudden need. It has handled with honesty and efficiency the vast sums of money entrusted to it for the promotion of reemployment and the erection of permanent public improvements.

I believe that the moneys spent on this program are sound investments in the future of America and that it has contributed vastly to the social and economic development of the community, State, and Nation.

H. R. 2

EXTENSION OF REMARKS
OF
HON. HENRY C. DWORSHAK
OF IDAHO
IN THE HOUSE OF REPRESENTATIVES
Monday, March 13, 1939

JOINT MEMORIAL OF THE LEGISLATURE OF IDAHO

Mr. DWORSHAK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following joint memorial of the Legislature of the State of Idaho:

Senate Joint Memorial 10

Joint memorial to the Speaker of the House of Representatives of the Congress of the United States, and the chairman of the Ways and Means Committee of the House of Representatives of the Congress of the United States

We, your memorialists, the Senate and House of Representatives of the State of Idaho, in legislative session, duly and regularly assembled, most respectfully present the following preamble and resolution, to wit:

Whereas it is manifest that the care of the aged is a governmental function and duty of the highest order, to the end that those who have labored faithfully for their families and to support their Government, may, in their declining years, be saved the pinch of poverty, and may enjoy a sense of security, in the knowledge that a grateful Government, in recognition of the citizenship, will adequately provide for their wants: Now, therefore, be it

Resolved by the Senate of the State of Idaho (the house of representatives concurring), That we most respectfully urge upon

the Congress of the United States that House bill No. 2, pending in the present Congress, be brought out onto the floor for open discussion to the end that the merits of the bill may be considered in open debate; be it further

Resolved, That the secretary of state of Idaho be authorized, and is hereby directed, to forward copies of this memorial to the Speaker of the House of Representatives and the chairman of the Ways and Means Committee of the House of Representatives at Washington, D. C., and the Senators and Representatives from the State of Idaho.

This senate joint memorial passed the senate on the 28th day of February 1939.

Amendment of the Revenue Act

EXTENSION OF REMARKS
OF
HON. THOMAS A. JENKINS
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Monday, March 13, 1939

Mr. JENKINS of Ohio. Mr. Speaker, the Democratic leadership in both branches of Congress has finally realized what nearly everybody else knew for years, namely, that the Federal income-tax laws, as they apply to business, have contributed materially to the continuation of the terrible depression which our country has felt for the past 6 years. The nearly frantic efforts of these leaders now to convince the President that the tax laws should be amended may result in getting some concessions from him, but nothing that they or the administration can do now will change the mental attitude of the average American businessman. It is too late. In view of the past record of the administration he questions the sincerity and reliability of its present program of appeasement. He knows that the President and the administration officials are against him at heart and have been determined to do everything possible to burden him and to make it difficult for him to do business.

The President has repeatedly, either willfully or by reason of bad advice from his "brain trusters," gone out of his way to seek the enactment of punitive tax measures aimed at the American businessman. He has gloated over his successes in that respect. The proof of this is the tenacity with which he hung on to the principle of the discredited undistributed-profits tax, which most of the leaders of his party rejected but which still remains in the statutes. Every tax concession that has come from this administration to the businessman has come grudgingly as a result of aggressive opposition by the Republican membership of the Ways and Means Committee of the House of Representatives.

Personally I want to compliment the Democratic leaders in the House and Senate for their efforts, belated though they be. I have a private notion that they would have abandoned these repressive taxes long ago except for the adamant position of the President. What they are proposing to do now is exactly what the Republican membership on the Ways and Means Committee were demanding 4 years ago and ever since. The Republican membership naturally will go along with any program that will encourage business. But the businessman has been punished too long to accept any sugar-coated promises at this time. He is waiting for 1940, when he expects to take advantage of the opportunity to change the situation. The leaders in practically every productive activity in the Nation are waiting for the same opportunity. The wise program to follow now would include the repeal from the present law of every vestige of the iniquitous undistributed-profits tax which, although the effect of it has been minimized to a great extent, still contains the destructive germ which may spread out at any time. Until this destructive germ is destroyed, root and branch, businessmen will always be scary.

Secondly, there is an unfavorable psychology arising from the presence in the law of the capital-gains tax. While this is not in itself destructive of business activities, it has had a depressing effect upon expansion and reemployment. I would also repeal every vestige of this law.

In the third place, the capital-stock tax should be repealed because it is not based on earnings or ability to pay. It is just simply a tax.

I would substitute for all of these taxes a straight corporate income tax based on net earnings. I would provide a small exemption to small corporations by way of encouragement. I would also give tax concessions to corporations which would make special efforts to restore employment by capital expenditures and business expansion.

The initial urge in corporate financing, of course, is profit, but with that must go responsibility to share reasonably with those who produce the wealth and a desire to provide a wholesome atmosphere toward their employees. When we offer encouragement to legitimate corporate expansion we are in effect giving encouragement to the employment of labor. The most progressive thought among labor leaders now appreciates the situation and they are to be complimented for their attitude. There never has been a finer opportunity for employment and labor to work together than at this time. The interest of labor in tax revision is evidenced by the resolutions adopted by the American Federation of Labor at its recent meeting in Miami.

The resolution is in line with what the Republicans in the House have been trying to do for years. The country is ready to march again to prosperity but the principal impediment has been the attitude of the administration toward business. Statements by Hopkins, Morgenthau, and the President would be encouraging if sincere. It is a case of the voice of Jacob and the hand of Esau.

Hunters Point, San Francisco Bay

EXTENSION OF REMARKS
OF
HON. RICHARD J. WELCH
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 13, 1939

TELEGRAM FROM SAN FRANCISCO CHAMBER OF COMMERCE AND REPLY THERETO

Mr. WELCH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following telegram from the San Francisco Chamber of Commerce and my reply thereto:

MARCH 12, 1939.

HON. RICHARD J. WELCH,
House Office Building, Washington, D. C.:

With full realization of your tireless efforts in behalf of west-coast shipbuilding and national-defense measures and the large personal contribution which you have made to recent progress in these matters, we must register our opposition to your present position concerning Bethlehem Co. and your advocacy of Government acquisition of the company's properties at Hunters Point. We believe it is grave error to encourage tax-free enterprises in competition with private industry, especially in face of present efficient operation by the Bethlehem. Present owners advise the property is not for sale; and, furthermore, that should national emergency occur, all facilities will be turned over to Government which adequately meets all requirements. We also wish strongly to reaffirm our recommendation for immediate allocation of necessary funds for construction of Oakland naval supply depot, and respectfully request your cooperation.

WILLIAM W. MONAHAN,
Executive Vice President, San Francisco Chamber of Commerce.

MARCH 13, 1939.

MR. WILLIAM W. MONAHAN,
Executive Vice President,
San Francisco Chamber of Commerce,
San Francisco, Calif.:

Your telegram relative to Hunters Point received. This naval national-defense necessity was referred to in following statement made by Admiral W. D. Leahy, Chief of Naval Operations, on March 9, during hearings before House Naval Affairs Committee on the

naval public-works authorization bill: "The program does not provide for a naval drydock in the San Francisco Bay area capable of taking a major capital ship. The privately owned drydocks at Hunters Point lacking in the equipment necessary for repairs to our large war vessels are not a satisfactory solution to the Navy's problem in time of war. In my opinion, the Navy should acquire the Hunters Point drydocks and should provide weight-handling facilities, power connections, galley latrines, storehouse, and an assembly plant to permit the overhaul of our largest vessels in conjunction with the Mare Island Navy Yard." The highest naval authorities for the past 20 years, as records will show, have referred to the strategic importance of San Francisco Bay and Hunters Point. To my personal knowledge, the Bethlehem Steel has made no improvements at Hunters Point in 20 years. Evidently it is as indifferent to the national-defense requirements of this Government at Hunters Point, particularly at this time, as it is to building ships in its San Francisco plant, where thousands of men should now be employed. If it is the opinion of the chamber of commerce that the private interests of the Bethlehem Steel Corporation transcends the national-defense requirements of our Government, that is your privilege, but I am not of the same opinion and will continue to base my naval national-defense policies on the requirements of the Navy as expressed by Admiral Leahy and other high naval officials.

Re Oakland supply depot: My action relative to this matter will be consistent with the fight I have led for years to return shipbuilding and provide drydock facilities on the west coast in the interest of national defense.

RICHARD J. WELCH, M. C.

The Organized Reserves

EXTENSION OF REMARKS
OF
HON. LEWIS D. THILL
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Monday, March 13, 1939

ARTICLE BY STEPHEN A. PARK

Mr. THILL. Mr. Speaker, under leave to extend my remarks in the RECORD I include therein an article written by Stephen A. Park on the status and needs of the Organized Reserves, as follows:

THE STATUS AND NEEDS OF THE ORGANIZED RESERVES AS PRESENTED TO THE BUREAU OF THE BUDGET AND COMMITTEES OF THE CONGRESS

(By Col. Stephen A. Park, Infantry Reserve, national president, Reserve Officers' Association of the United States)

GENERAL MISSION OF THE ORGANIZED RESERVES

As there are only 12,760 officers in the Regular Army and about 13,000 officers in the National Guard, it is estimated that the Officers' Reserve Corps must furnish at least 80 percent of the officer personnel for the National Army required for the first phase of a major national emergency.

A large percentage of this Officers' Reserve Corps would be needed immediately for Regular Army active and inactive units, for the corps area service commands, and for the M-day duties.

It would have to furnish the great bulk of the officer personnel for the Organized Reserve divisions, which would be organized, trained, and equipped and be made available for service in the theater of operations in accordance with the demands of the emergency.

To quote from the annual report of the Secretary of War, 1938: "Continuous progress in individual and organizational proficiency has characterized the activities of the Organized Reserves. In the event of a grave national emergency, upon the officers of this component of the Army of the United States eventually will fall the brunt of our military effort."

STRENGTH AND COMPOSITION OF THE ORGANIZED RESERVES

There are at present on the active list of the Officers' Reserve Corps (i. e., eligible for assignment, active duty, and promotion) a total of 100,116 officers, of whom 65,552 belong to the arms or combatant branches and 34,564 belong to the services or noncombatant branches. There is, therefore, a shortage of at least 20,000 Reserve officers required for the first phase of a major national emergency.

Whereas immediately following the World War the Officers' Reserve Corps was made up practically exclusively of officers (66,000 in 1922) who had had war experience, at the present time less than 15,000, or 14.8 percent of those on the active list, belong to this category.

The much larger group of 85,000, or 85 percent of the total active strength, is composed, according to sources and previous training, in round numbers, as follows:

1. Reserve Officers' Training Corps, 50,000, or 50 percent.
2. Retired Regular Army officers and enlisted men, 2,600, or 2.6 percent.
3. Citizens' military training camps, 3,000, or 3.8 percent.
4. Direct from civilian occupations, with little or no military training, 27,700, or 27.7 percent.
5. Flying cadets, 900, or nine-tenths of 1 percent.

PROBLEM OF LOSSES IN THE OFFICERS' RESERVE CORPS—NEED FOR ALLOWANCES FOR UNIFORMS AND INACTIVE STATUS TRAINING

The heavy losses in the Officers' Reserve Corps have caused our association grave concern because they indicate a lack of interest and incentive on the part of these officers to remain active in the corps.

The losses in the group having World War experience, while particularly great (77 percent in 16 years), are more readily understandable than those in the groups of younger officers. Death, physical disability, and pressure of civilian occupations have naturally exacted a terrific toll among the older officers.

In the R. O. T. C. group, while over 92,000 have been commissioned since 1920, as shown above, only 50,000 of these are now on the active list of the Officers' Reserve Corps. This represents a loss of 46 percent.

In the C. M. T. C. group, over 6,600 have been commissioned since 1920, and we find only 3,800 of these still active. This represents a loss of approximately 43 percent.

While the total losses in the R. O. T. C. and C. M. T. C. groups since 1920 have been somewhat less than 50 percent, in late years they have been much greater, e. g., the number of R. O. T. C. graduates commissioned in the O. R. C. increased from 47,343, on June 30, 1936, to 48,373, on June 30, 1937, a gain of only 1,030, although 5,704 R. O. T. C. graduates were commissioned in 1937. Thus, in this particular year, the losses among officers secured from the R. O. T. C. in former years amounted to 80 percent of the number of newly commissioned R. O. T. C. graduates.

During the same year the number of C. M. T. C. graduates commissioned in the corps increased from 3,678 to 3,718, a gain of only 40, although 547 C. M. T. C. graduates were commissioned during the fiscal year 1937.

Attempting to alleviate these losses, the War Department has recently canceled the requirement of physical examination as a condition for the first reappointment and has provided for automatic promotion to the grade of first lieutenant in the case of graduates of senior R. O. T. C. units.

While these liberal provisions may have been responsible for the slight improvement shown in the figures as of June 30, 1938, they are hardly calculated to cure the real cause of the losses.

After many years of careful study and investigation, our association has become convinced that the basic cause of these heavy losses of Reserve officers, particularly those of junior grades, is economic.

It is an indisputable fact that most Reserve officers on the active list, especially those of the junior grades, actually spend more money in providing themselves with the necessary uniforms and equipment and maintaining their military proficiency through various forms of inactive-status training than they receive in the form of active-duty pay.

That so many have been willing to make such financial sacrifice during a long period of general economic distress speaks volumes for the loyalty and patriotism of the Officers' Reserve Corps. While the older officers, more firmly established economically, can more readily afford such a hobby or avocation, most of the officers of junior grades, experiencing real difficulty in making a bare livelihood, naturally cannot stand this additional financial burden—hence the majority are resigning or allowing their Reserve commissions to lapse at the end of 5 years or 10 years.

Naturally these losses in Reserve officer personnel are not only serious from the national-defense standpoint, but they also indicate that the Government is losing a large percentage of the money invested in the R. O. T. C. as a means of securing trained leaders for a national emergency. It is estimated that the average cost of producing an R. O. T. C. graduate is $1,100. The loss of 42,000 such graduates from the O. R. C. since 1920 thus means a total loss of over $46,000,000 for the 18-year period. And if we are now losing 3,000 to 4,000 of such graduates each year, it is safe to assume that this represents an annual monetary loss of about $4,000,000.

With the sole desire to develop the esprit, morale, and efficiency of the Organized Reserves and to make it a truly strong and reliable component of the Army of the United States, our association submits and urges adoption of its plan, which we are convinced is the only logical and effective solution for this problem.

This plan is in two parts, the first calling for allowance for uniforms of $50 per year for the first 3 years of commissioned service of each Reserve officer, under such regulations as the War Department may prescribe; the second for an allowance of $1 to all Reserve officers on the active list for each hour of credits earned in Army extension courses and other forms of inactive status training approved by the War Department, provided that such allowance shall apply only to inactive status credits earned in excess of the 20 hours required for maintaining active status, and shall not exceed $75 in any one year; and further, that such inactive status credits shall not be cumulative from one year to succeeding years.

Under this plan the uniform allowance is limited to newly commissioned Reserve officers and for a period of only 3 years. It is contemplated that evidence of interest and activity as Reserve officers, and proof of actual purchase of some articles of uniform or equipment would be required for qualifying for this allowance.

On the basis of this year's number of original appointments (less than 8,000), the maximum cost of this proposed uniform allowance would be 24,000 (three annual groups) times $50, or $1,200,000.

Theoretically, all Reserve officers on the active list would be eligible for the maximum inactive status training allowance. Practically, however, the three accompanying restrictions, viz, the initial requirement of the 20 hours for which officers would receive no reimbursement, the maximum number of credit hours for which officers could receive reimbursement, and the noncumulative feature, would serve as effective limitations on the total amount of money needed for this part of the plan.

Considering the large number of Reserve officers whose professions and businesses do not permit them to devote more than the minimum amount of time required to remain on the active list, 75,000 is probably a liberal estimate of the number of eligible officers who would qualify for any such allowance. Also, $40 would doubtless be a liberal estimate of the average amount payable to the 75,000 qualifying officers. The product of these two figures is $3,000,000.

Thus the total cost of putting this plan into effect should not exceed $4,200,000, or practically the same amount as the Government's present annual monetary loss suffered as the result of the excessive numbers of R. O. T. C. graduates separating from the Officers' Reserve Corps.

Certainly, adoption of the proposed plan would be sound financial economy and serve as a tremendous stimulus to the strength and morale of the Reserves.

TRAINING OF THE OFFICERS' RESERVE CORPS

The $12,235,783 appropriated for the Organized Reserves for the current fiscal year 1939, including the $313,443 reappropriated, was estimated to provide active duty training for the following:

(a) Thirty thousand for 14 days;

(b) Six hundred and fifty for 1 year with the Regular Army, with 10 percent to receive permanent commissions in the Regular Army;

(c) Two hundred and fourteen at the special service schools;

(d) Twenty-four at the Command and General Staff School;

(e) Eight hundred and fifty-seven Air Corps officers on extended duty with the Regular Army; and

(f) Ten on extended duty with the War Department General Staff.

Upon the basis of this year's number of active duty trainees, officers of the arms would receive training on the average of once in every 2.5 years and officers of the services once in every 6 years.

It should be borne in mind that in the event of a major emergency these officers will have to perform the same command and staff functions as their brother officers in the Regular Army and National Guard.

Three reasons have been advanced in attempting to justify the infrequency of the Reserves' training:

(a) Economy;

(b) Lack of Regular Army personnel and facilities; and

(c) Time available after the beginning of the emergency during which the training of the necessary Reserve officers could be completed.

In view of the present state of world affairs and possible developments, no time should be lost in training the Reserves in a manner comparable with the other components of the Army.

To economize longer at the expense of the training and efficiency of the Reserves would be short-sighted and dangerous; furthermore, the Government gets more for the money it appropriates for training the Reserves than for the same amount devoted to any other defense purposes. In this connection, the annual report of the Secretary of War makes the following significant statement:

"The comparatively small sums expended for betterment of our Organized Reserves will pay manifold dividends if this reserve element of the national defense is ever summoned to the colors for war duty." If more Regular Army personnel is required it should be provided, but it is believed that the present strength is sufficient to train a much larger number of Reserve officers on active duty than have been provided for up to the present time.

Likewise the necessary facilities for such training should be provided.

Finally, the history of the last few years with its undeclared wars should prove that it is no longer safe to assume that the necessary number of Reserve officers can be procured and trained as needed after the start of an emergency.

Again quoting from the current annual report of the Secretary of War:

"Not since the War of 1812 has a foreign invader set foot upon our soil. We are therefore too prone, I believe, to visualize preparation for a future war in the light of our preparation for war in 1917. We must not be deluded by recollection of huge cantonments where divisions had opportunity to undergo training for several months before engaging in combat. We cannot have any assurance that the military situation will permit the establishment of training centers where potential commissioned personnel may undergo instruction for comparatively long periods."

The Chief of Staff, in his recent annual report, issues a similar warning:

"The rapidity with which modern wars are launched shows clearly that the time available for training after the outbreak of any emergency will be brief in comparison with our past experience. For this reason thorough training of our Organized Reserves in time of peace is imperative."

It should be self-evident that when appropriations limit active duty to less than 32,000 out of the 100,000 Reserve officers on the active list, thorough training of the Organized Reserves is not being provided.

Hence, for the reasons which I have outlined, our association urgently advocates provision for annual active status training for 14-day periods of all active and eligible Reserve officers.

Furthermore, to provide the Organized Reserves with a reasonable nucleus of officers with special instruction and training which can be utilized in developing the efficiency of the Reserves in both peacetime and time of emergency, we also urge:

(a) That the number of Reserve officers to attend the Command and General Staff and special service schools be increased from 214 to 300;

(b) That the number of Reserve officers on duty with the General Staff be continued at five as at present;

(c) That the number of Air Reserve officers on extended active duty with the Regular Army Air Corps be increased from 857 to the authorized 1,350, and that the annual active duty for other Air Reserve officers be established at 36 days, 14 days at one time and 2 days a month throughout the balance of the year;

(d) That the number of Reserve second lieutenants given active duty for 1 year with the Regular Army, under provisions of the Thomason Act, be increased from 650 to the original authorization of 1,000, and that 10 percent of these be permanently commissioned in the Regular Army at the expiration of the year's duty.

Due to the inadequate provision for active duty, increasing reliance has been placed in inactive status training as a means of preparing Reserve officers for their possible wartime duties.

Here, again, we find the instructional personnel and facilities for training inadequate for the purpose.

The number of Regular Army officers and enlisted men detailed to duty with the Organized Reserves and the provisions for the travel of such personnel in the performance of their duties are insufficient to cover the territory assigned and conduct the inactive status training of the Reserves in the manner required for the proper development of this component.

Attention should also be given to the necessity of improved training facilities, including drill halls, classrooms, ordnance material, textbooks, extension-course material, and administrative supplies.

ENLISTED RESERVE CORPS

Upon the War Department's recommendation, the Congress has seen fit to provide for a Regular Army Enlisted Reserve consisting of 75,000 discharged Regular Army enlisted men to be paid $2 per month merely for reporting by mail, at an annual cost of nearly $2,000,000, to say nothing of the $500 bonus each such Reservist will receive when called to active duty.

The Reserve Officers' Association heartily approves of this provision, but it calls the Budget Bureau's attention to the fact that the Enlisted Reserve Corps, provided for as a part of the Organized Reserves under the National Defense Act, exists practically in name only and continues to be an inoperative and ineffectual element in the framework of our national defense, due to lack of appropriations for its development.

Our association does not seek a large Enlisted Reserve Corps comparable to the enlisted strength of the Regular Army or National Guard, but, recalling the chaotic days of 1917 when precious time was lost in seeking and training potentially qualified enlisted men for key positions in the companies, battalions, regiments, and higher units being organized, trained, and equipped as rapidly as possible for service overseas, we urge that provision be made for enlisting and training enlisted cadres for the Organized Reserve units.

It is not difficult to visualize the tremendous benefits to be derived from such financial provision. Thousands of young men who have been unable to complete their R. O. T. C. or C. M. T. C. courses and others who may not be qualified for commissions are eager to have such an outlet for their interest and enthusiasm in military affairs. And incidentally, the active duty pay, at $1 per day for 14 days, and rations, at 70 cents per day, would cost less than the annual reporting fee of $24 now being paid Regular Army enlisted reservists. If such enlisted reservists are needed for the Regular Army inactive units they are likewise needed for the Organized Reserve units.

RESERVE OFFICERS' TRAINING CORPS

The importance of the R. O. T. C. as a vital element in our national defense structure is generally understood and appreciated. As previously noted, R. O. T. C. graduates now constitute 50 percent of the Officers' Reserve Corps; others have been commissioned in the Air Corps and other branches of the Regular Army, and quite a number are commissioned in the National Guard.

In view of the fact that the R. O. T. C. is the chief source of replacements for the Officers' Reserve Corps, and that, due to the heavy losses among its graduates, the O. R. C. is 20,000 short of the desired minimum strength, it should be obvious (1) that the product of the R. O. T. C. must be increased and (2) that such graduates must be retained after being commissioned.

To increase the product, our association urges both the establishment of additional units, in all qualified colleges and universities, and provision for larger enrollment in the advanced course to the end that a minimum of 8,000 students will be graduated annually from the senior units and become eligible for commissions in the Officers' Reserve Corps.

If the Regular Army personnel needed for this purpose is at present inadequate, then we earnestly urge that the necessary officers and enlisted men of proper grades be provided.

Provision should also be made to supply the crying needs of our R. O. T. C. units with respect to armories and modern military equipment. With the present inadequate facilities the students of these units cannot be trained properly for their potential duties as military leaders.

The problem of retaining the interest and activity of R. O. T. C. graduates has already been discussed.

In addition to the uniform and inactive status training allowances which would apply to all members of the corps, we urge that a minimum of 1,000 R. O. T. C. graduates and other newly commissioned second lieutenants be trained for 1 year with the Regular Army (Thomason Act) and that from this group 10 percent be selected for permanent commissions in the Regular Army.

CITIZENS' MILITARY TRAINING CAMPS

The number of young men desiring the opportunity of C. M. T. C. training continues to be two to three times the number provided for by the appropriations.

This is the most democratic and economical element in the entire national-defense structure. Last summer about 35,000 young men were trained in these camps at an average cost of only $65 per trainee.

In addition to creating a great reservoir of earnest, enthusiastic young American citizens possessing the potential qualifications as officers or noncommissioned officers in a national emergency, the C. M. T. C. serves as a great indoctrinator of Americanism and the duties and responsibilities of American citizenship.

For these reasons our association earnestly advocates the expansion of the C. M. T. C. to provide training for at least 50,000 youths annually.

REGULAR ARMY

Appreciating the many and varied responsibilities of the Regular Army, the most important of which perhaps is that of training the civilian components, we heartily support the proposed increase in the strength of this component to 14,659 officers and 180,000 enlisted men with appropriate grades and ratings.

We also seek fair and adequate treatment of Regular Army enlisted men on duty with the Organized Reserves and other civilian components, including grades of higher rating, increased allowances for quarters and rations, restoration of the reenlistment bonus, and the elimination of discrepancies in allowances now existing.

NATIONAL GUARD

With due appreciation, also, of the important role which the National Guard would have to play in a national emergency, we advocate an increase in the strength of this component to 210,000 enlisted men and a proportionate number of officers, with provision for 48 armory drills and 15 days of field training each year.

NATIONAL BOARD FOR THE PROMOTION OF RIFLE PRACTICE

The association requests continuance of the current provision for the annual rifle and pistol matches, including adequate assistance to all civilian rifle and pistol clubs.

RESPONSIBILITY OF THE CITIZENRY AND THE GOVERNMENT

In concluding this presentation it should be pointed out that, while we have primarily stressed the status and needs of the Organized Reserves and its principal replacement institutions, the R. O. T. C. and C. M. T. C., the Reserve Officers' Association continues to stand foursquare on its broad objective as enunciated in the second article of its constitution; namely, "to support and assist in the development and execution of a military policy for the United States which will provide adequate national defense."

In this Republic adequate national defense depends upon a loyal, patriotic citizenry "trained and accustomed to arms." That citizenry must be given the opportunity to demonstrate its appreciation and support of adeqaute national-defense measures; it must be given the opportunity to prove to all foreign countries and their rulers that it is prepared to defend this Nation by force of arms if necessary; it must be given the opportunity to secure the maximum amount of training and experience for possible wartime duties.

Trading in Futures on Idaho Potatoes

EXTENSION OF REMARKS

OF

HON. HENRY C. DWORSHAK

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1939

JOINT MEMORIAL OF THE LEGISLATURE OF IDAHO

Mr. DWORSHAK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following joint memorial of the Legislature of the State of Idaho:

Senate Joint Memorial 9

Joint memorial to the honorable Senate and the House of Representatives of the United States of America in Congress assembled:

We, your memorialists, the Legislature of the State of Idaho, respectfully represent that:

Whereas in recent years the Chicago Mercantile Exchange and other similar exchanges in the United States have included the white potato as one of the commodities in which their members may deal in future trading during certain months of the year; and

Whereas Idaho potatoes are the only potatoes produced in the United States in which there is any trading to any great extent, and that trading is limited to the Chicago Mercantile Exchange; and

Whereas this form of trading in futures on Idaho potatoes has resulted in greatly depressed prices for Idaho potatoes on the Chicago market and other principal terminal markets of the United States; and

Whereas the Chicago terminal market on potatoes is the principal terminal market for potatoes of the United States and any depressed prices thereon affect all other markets on which Idaho potatoes might be sold; and

Whereas this form of trading and dealing in potato futures, particularly as they apply only to the State of Idaho, are beyond any control or regulation by this body; and

Whereas the matter of regulating all forms of exchange trading in all commodities is subject only to the laws passed by the Congress of the United States: Now, therefore,

We, the Legislature of the State of Idaho, do hereby most respectfully urge of your honorable body, the Congress of the United States, that your honorable body pass such legislation empowering the honorable Secretary of Agriculture to prohibit the sale of potatoes and other vegetables of like character for future delivery on any and all exchanges in the United States: Be it

Resolved, That the secretary of state of Idaho be authorized, and is hereby directed, to immediately forward certified copies of this joint memorial to the Secretary of Agriculture, the Senate, and the House of Representatives of the United States, to the Senators and Representatives in Congress from the State of Idaho, and to the President, Franklin D. Roosevelt.

Tax-Exempt Securities

EXTENSION OF REMARKS

OF

HON. H. CARL ANDERSEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1939

CONCURRENT RESOLUTION OF THE LEGISLATURE OF THE STATE OF MINNESOTA

Mr. H. CARL ANDERSEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following concurrent resolution of the Legislature of the State of Minnesota:

Concurrent resolution memorializing the Congress of the United States to propose an amendment to the Constitution of the United States preventing the issuance of tax-exempt securities

Whereas the United States, the several States, and subdivisions thereof, issue from time to time tax-exempt securities; and

Whereas such securities being tax exempt the purchasers thereof are avoiding payment of their fair share of taxes; and

Whereas such tax-exempt securities, for the most part, are purchased by those best able to pay taxes; and

Whereas the result is that an intolerable burden of taxation is placed upon those least able to pay; and

Whereas further result is that money has been diverted from the pay rolls of business and industry and invested in tax-exempt securities, thereby retarding and preventing the progress of business and industry and creating unemployment; and

Whereas the Legislature of the State of Minnesota believes that the situation of the taxpayers has assumed proportions bordering on national calamity, imperatively requiring action by the United States with a view of a speedy and permanent relief and solution: Therefore be it

Resolved by the Senate of the State of Minnesota (the house of representatives concurring), That the State of Minnesota does hereby memorialize the Congress of the United States to propose to the States an amendment to the Constitution of the United States in the manner and form as follows:

"No evidences of indebtedness hereafter issued by the United States, or by any Territory or dependency thereof, or by any State, or by any municipality or any other subdivision thereof, or by any private person, corporation, or other organization, shall be exempt

from taxation by the United States or by any State, Territory, or dependency or subdivision thereof"; and be it further

Resolved, That the secretary of state be, and he hereby is, instructed to forward exemplified copies of this resolution to the Honorable Franklin D. Roosevelt, President of the United States; the Honorable John N. Garner, Vice President of the United States; the Honorable William B. Bankhead, Speaker of the House of Representatives of the United States; and to each of the Senators and Representatives from the State of Minnesota to the Congress of the United States.

The Newark Airport

EXTENSION OF REMARKS
OF
HON. ROBERT W. KEAN
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Monday, March 13, 1939

Mr. KEAN. Mr. Speaker, it is a well-established fact that, owing to its fortunate geographic location and other features of its terrain, the Newark Airport renders unsurpassed service to the metropolitan New York area. The municipal authorities in New York seem to have finally realized this, as well as the fact that no other new airport could possibly fill the needs of these great communities to anywhere near the same extent, for having found that it was impossible to persuade honest and reputable people that any other air fields could match Newark, they have in desperation stooped to methods which are, to say the least, unethical.

Bearing upon this, I include in these remarks an article which appeared in the New York Times of March 10, and various editorial comment from the Newark newspapers, as follows:

[From the New York Times of March 10, 1939]

CITY RESCINDS BID IN ROW WITH SLOAN—CANCELS ORDER FOR 109 POLICE CARS—REBUKE FOR BACKING NEWARK AIRPORT IS SEEN—4-YEAR-OLD LETTER SHOWN—GENERAL MOTORS HEAD WROTE TO WHALEN OPPOSING BENNETT FIELD AS A TERMINUS

The board of estimate took a contract for 109 police cars away from General Motors Corporation yesterday and gave it to a higher bidder after Deputy Mayor Curran had produced a 4-year-old letter written by Alfred P. Sloan, president of General Motors, in which he had said he was not concerned with New York City's interest in developing Floyd Bennett Airport in Brooklyn.

Last week the board voted the contract to General Motors, although Police Commissioner Valentine had asked that it go to the Fargo Motor Corporation so his automotive equipment might remain standardized. Mr. Curran, who sits for Mayor LaGuardia on the board of estimate, gave photostatic copies of Mr. Sloan's letter to each board member yesterday.

When the board reversed its earlier action, Controller Joseph D. McGoldrick and Borough President Stanley M. Isaacs, of Manhattan, said they were acting only upon the police commissioner's request.

Mr. Sloan's letter, dated September 3, 1935, was addressed to Grover A. Whalen, who had asked him to serve on a committee to promote Floyd Bennett Airport as the eastern terminus of the air mail, now Newark Airport.

CONCERNED WITH "MAJORITY"

Mr. Sloan wrote: "In my position, and I think it is a sound one, I am concerned primarily with the best service at the lowest price, or speaking more broadly, perhaps I should say the best service or the best merchandise at the lowest price that modern efficiency makes possible. I cannot be concerned with sacrificing this principle for the sake of any particular interest. I am concerned with the interests of the majority, rather than the interests of the minority.

"Applying this principle to the case at hand, frankly, I believe that the Newark Airport is a far more effective place to serve the interests of the community—metropolitan New York and the surrounding territory—than the Floyd Bennett Airport ever could be, and I say this because, as you know, I have rather a direct interest in aviation operations, and I personally have an interest because I use air transport to a considerable degree.

"Naturally, I appreciate that it is probably to the interest of New York City, if we are to consider that by itself, to have Floyd Bennett designated, but I am not concerned with that," he continued. "As I said before, I am concerned in this case with the best service at the lowest price, and according to my belief, the Newark Airport meets that issue better than Floyd Bennett does.

"I am sorry, but as we often say, it is the difference of opinion that makes horse-racing possible."

Borough President Raymond V. Ingersoll, of Brooklyn, voted against changing the bidder. Borough President James J. Lyons, of the Bronx, said he had agreed to cooperate with the mayor and voted for the change because "the mayor feels that in this case it might teach Mr. Sloan a lesson."

[From the Newark Evening News of March 10, 1939]

SMALL TOWN STUFF

Mayor LaGuardia is an apostle of tolerance. His views on civil rights, including freedom of speech and opinion, are well known. But—

Alfred P. Sloan, head of General Motors, dared, as of September 3, 1935, to write a letter in which he said Newark Airport was "a far more effective place to serve the interests of the community—metropolitan New York and surrounding territory—than the Floyd Bennett Airport ever could be."

Floyd Bennett, in the days before North Beach, was Mayor LaGuardia's darling. So as of March 9, 1939, Mayor LaGuardia takes a contract for 109 police cars away from General Motors, low bidder.

Need more be said?

[From the Newark Evening News of March 11, 1939]

LAGUARDIA VERSUS LAGUARDIA

"Our Government provides for free speech, and in this city that right will be respected. It would be a strange kind of free speech which permits free speech for those we agree with. That's the kind of free speech they have in Fascist countries, but it isn't free speech.

"It would be a strange thing, if because I do not agree with the sponsors of this meeting and because they abuse me, that I should move to prevent this meeting. I would then be doing exactly as Hitler is doing in carrying on his abhorrent form of government."

These were the words of Mayor LaGuardia on February 17 in authorizing the now memorable German-American Bund meeting of 3 days later in Madison Square Garden. They are fine words. But how about the broad application of the excellent principles thus expounded? Less than 3 weeks later the mayor had the board of estimate repeal the award to the General Motors Corporation, lowest bidder, for 109 Chevrolet police cars and give the contract to the Fargo Motor Corporation for as many Plymouths.

Mr. LaGuardia, his spokesman said, was punishing Alfred P. Sloan, chairman of the board of General Motors, for a letter written in 1935 praising Newark Airport in comparison with Floyd Bennett Field. It is, in the mayor's words, "a strange thing" for him to so resent Mr. Sloan's expression of an honestly held conviction. It is "a strange thing" for the executive of the Nation's greatest city to have an important award of contract rescinded because Mr. Sloan ventured to disagree with him 4 years ago in an altogether different connection. What's this about Herr Hitler?

[From the Newark Ledger of March 10, 1939]

FIORELLO THE TEACHER

Mayor LaGuardia, of New York, is out to persuade the Nation that Newark Airport can't possibly be as good as the airport he is currently promoting for New York. And the mayor is a powerful persuader! Straight to the point go his arguments.

Take the case of Alfred P. Sloan, of General Motors. He was asked 4 years ago to serve on a committee to back Floyd Bennett Field in Brooklyn as a competitor to Newark Airport. He declined to serve, stating that Newark Airport was obviously the better of the two from the standpoint of the public.

The mayor evidently took mental note of the fact that Sloan needed persuading. The other day the mayor saw his opportunity.

General Motors had been the lowest bidder on 109 cars for the use of the New York police department. The mayor called in the members of the board of estimate, showed them Sloan's letter and persuaded them to award the contract to another company.

Thus Sloan has learned about airports. And automobiles!

[From the Newark Ledger of March 11, 1939]

SALESMAN'S ERROR

Much has been said about the complex nature of modern industrial society. If anything were needed to illustrate the subtle interplay of forces affecting each other, a striking illustration is furnished by the recent minor calamity suffered by General Motors in New York City.

This corporation, apparently guided by a simple but obsolete belief that selling its products was a matter of price, quality, and service, submitted a bid to New York City for 109 police cars. Learning that its bid was considered the most satisfactory of those submitted, the company confidently expected to make the sale.

The company was mistaken, because it did not reckon with all the innumerable considerations affecting business today. The order is go to another company which may be higher in price but more satisfactory in its views on the comparative virtues of different airports.

One may ask what relationship there can possibly be between the desirability of a car for police purposes and the maker's views on airports. But asking would be displaying ignorance. There is a difference. At least in New York under Mayor LaGuardia there is a difference.

Any airport sponsored by LaGuardia in New York is the world's greatest airport, certainly better than Newark Airport. Alfred P. Sloan, of General Motors, once wrote a letter praising Newark

Airport. This proves that he is not qualified to sell cars to New York. All those in favor of LaGuardia's airports say "aye" and receive the privilege of doing business with New York City.

LaGuardia reasons, apparently, that any man who doesn't agree with him on airports can't be right about anything.

[From the Newark Sunday Call of March 12, 1939]

PUNISHING DISSENT

Alfred P. Sloan, chairman of the board of General Motors, believed Newark Airport could offer better service at a lower price than Floyd Bennett Field. For that reason he refused, 3 years ago, to go on a committee to promote the transfer of the air mail from Newark to the New York airport.

Because of that New York's Board of Estimate now decides not to buy police cars manufactured by General Motors and accepts a higher bid from another company. It may be all right with New York's taxpayers to be penalized to satisfy a spiteful city government, but such actions make the big town look pretty silly.

Punishing a man for his opinions somehow doesn't seem to square with Mayor LaGuardia's stalwart defense of democracy and civil liberties.

Savage River Dam

EXTENSION OF REMARKS

OF

HON. WILLIAM D. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1939

RADIO ADDRESS BY HON. WILLIAM D. BYRON, OF MARYLAND, FEBRUARY 26, 1939

Mr. BYRON. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address broadcast by me on February 26, 1939:

I want to say at the beginning of my remarks that I have not come to Cumberland to speak in behalf of any organization or group having any connection with the Savage River Dam project. During my campaign for Congress I was told by practically everyone I met that there was a real interest in this project and that everyone was in favor of seeing it go through in one way or another. Consequently, I feel that it is, besides being a great privilege, my duty to acquaint the people of this section with the information I have gathered on the subject since I have been in Washington. Most of this information is already well known to you, but some of it, I am sure, is in the nature of recent developments. In order to more properly present these recent developments, I will give a short history of what I have learned has happened so far.

The Upper Potomac Board was organized in 1929 primarily to adjust conditions along the Potomac River as regards the quality of water. Each separate community and industry discharged waste material into the stream, which made the conditions downstream objectionable.

The Maryland State Department of Health and representatives of the largest industries were brought together to discuss matters.

The scope of the board did not extend downstream of Cumberland. The deliberations of this Board were predicated upon the understanding that towns and manufacturing interests would agree that any materials accumulated would not be used in litigation so far as pollution was concerned. This agreement helped to maintain harmony between the towns and industries involved.

The river board started to function and, through the arrangements with the various interested parties, weekly tests were made to determine the progress being made in the cleaning of the stream; that is, the reduction of pollution. After about 3 years of study with the cooperation of these various people, it was decided that the stream was as clean as it was economically possible to get it, with the present small low-water flow.

The next thing necessary to be done would be to get more water into the stream during the dry season, beginning around July and extending in some years up to November. There was insufficient water to supply the needs of the various interests and the cities during this period of the year. The city of Cumberland is interested because sanitary sewage is now being emptied into the North Branch of the Potomac River. Unless there is proper dilution, a nuisance occurs. A supplementation of low flow may reduce the amount of treatment which the city of Cumberland will be required to provide.

There were several plans studied for the provision of more water at low-flow periods. One of these was advanced by Mr. C. H. Lance, who suggested putting storage dams on Stony River, and the subject became so prominent that it was decided to hire some engineers to study the area and make recommendations for the building of these dams, and to select the best possible locations. In 1933, the board hired the engineering firm of Gannett, Seely & Fleming to study the tributaries of the Potomac River and to determine where dams could best be located.

Their conclusions were that the Savage River offered the best type of water, the purest quality, and the best location for building a dam. The Savage River site was therefore selected, and the possible construction of a reservoir in this locality was presented to the Mississippi Valley Committee. The Upper Potomac River Board submitted the proper data and organized a locally constituted commission to secure the necessary easements and rights-of-way for construction.

Following this presentation of the matter to the Mississippi Valley Committee, the Upper Potomac Board turned over part of its activities to the Upper Potomac River Commission, which had been created by the Maryland State Legislature by chapter 409, which was approved April 29, 1935.

One of the members of this commission asked me, when I first went to Washington, to really attempt to find out just what the attitude of the Federal Government would be in supplying funds for the construction of this dam. After frequent meetings with engineers and department heads, I am convinced that there is only one source of Government help for it. I say this because it was suggested to me that the dam might be built by a 100-percent Federal grant. I am positive this cannot be done by any agency now set up in Washington. Also, the P. W. A., which might have given a 45-percent grant, has allocated all of its funds, and there is no present indication that this agency will continue. Consequently, the best advice I can get is that the only Federal agency that can help in the project is the W. P. A.

Figuring the dam will cost two and one-half or three million dollars, the Government is offering to whatever agencies are willing to sponsor this project a dollar for every 40 cents contributed by them.

However, the offer is conditioned on the assumption that Congress will appropriate sufficient funds for the operation of W. P. A. subsequent to June 30, 1939, and that there will be no different restrictions placed on the use of this money. This brings me to the point which I want to make to authorities and the people of this section of the State, namely, that if you want and desire Government help on this project it is highly desirable that prompt action be taken. I am sure you all know as well as I that there is a tendency—rightly or wrongly—in both Houses of Congress to cut down on appropriations of funds for public works. In other words, it is my humble opinion that you will have no more favorable time than the present to apply for Government aid on this project. As I said in the beginning, I am not here to advocate any special plan or even advocate the building of the dam. But I do feel very strongly that if it is going to be built that now is the time to act. I know that I need not mention, besides other benefits, the amount of work it would give the laboring men of this community, and this at a time when it is difficult to find proper W. P. A. projects. It is my understanding the county commissioners have agreed to ask the State legislature for a million dollar bond issue, part, at least, of the proceeds to go toward the construction of this dam. I think the commissioners should be congratulated on this action, as undoubtedly it will bring matters to some conclusion. I want to close by saying again, as I said at the flood-control dinner on February 13, that I am at your service to aid in any way possible to work out these problems.

Loan to Dawes Bank in Chicago Denounced By United States Circuit Court of Appeals

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1939

ARTICLE FROM RECENT ISSUE OF LABOR

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein a brief article from a recent issue of Labor, the official journalistic organ of the railroad brotherhoods. It has been contended on the House floor that the loan to the Central Republic Bank & Trust Co. by the R. F. C. was in every way justified and that the Dawes-controlled bank merited the loan.

I commend the reading of the following article for the benefit of those who may entertain such views. It will be found that the United States circuit court of appeals condemned the loan in no uncertain terms, so that expressions from the gentleman from Michigan [Mr. WOLCOTT] that the loan under the same conditions would be remade today by the R. F. C., would seem not to be supported by the learned

court which had made an intensive study of the whole problem and was in possession of all the facts.

The article is as follows:

[From Labor]

DAWES LOAN FROM R. F. C. HIT AS GIFT

CHICAGO, February 23.—The Reconstruction Finance Corporation this week won another round in its fight to collect $14,000,000 from the stockholders of the Central Republic Bank & Trust Co., which faded out of the financial picture in October 1932.

The United States circuit court of appeals upheld a Federal district court decision that stockholders of the defunct bank were liable for its debts to the value of their stock.

The suit is an outgrowth of $90,000,000 in loans made by the Federal Government to save the bank from collapsing during the dark days that preceded the 1933 bank moratorium.

Former Vice President Charles G. Dawes, a dominant force in the bank, had been brought to Washington by President Hoover to head the R. F. C. When his bank got into trouble in 1932, Dawes resigned his Government job and a short time later got the R. F. C. to agree to pour $90,000,000 into the tottering institution. The loan, it turned out, was just a shot in the arm. The bank finally was taken over by another Dawes institution.

In fighting the Government's suit, the stockholders contended the R. F. C. loan was illegal because they held, Dawes really arranged it before he left the R. F. C.

The circuit court was unsparing in its condemnation of the loan.

"As to the hasty and ill-advised action of the R. F. C. in lending such large sums of money without adequate security and without full investigation," the court said, "we find no excuse or justification. The loan was made within a few hours and apparently without approval of members of the Board.

"The only party who was a loser in this transaction was the Government. Half of what is here called the $90,000,000 loan might more properly have been called a gift."

The Fort Wayne Housing Plan

EXTENSION OF REMARKS

OF

HON. GEORGE W. GILLIE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1939

ARTICLE FROM BALTIMORE EVENING SUN OF WEDNESDAY, JANUARY 25, 1939

Mr. GILLIE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to insert the second of a series of two newspaper articles on the Fort Wayne housing plan which appeared in the Baltimore Evening Sun of Wednesday, January 25, 1939. The first article was included in the RECORD last Friday. The concluding story follows:

[From the Baltimore Evening Sun of January 25, 1939]

THE FORT WAYNE PLAN

(By Philip Wagner)

Something was said on this page yesterday about the supershanties—small, snug houses built to rent for $2.50 a week—which are Fort Wayne's contribution to the problem of low-cost housing.

Fort Wayne now has 50 of these houses, scattered here and there about the city. They were built this winter at the rate of 1 a day, and there is some talk of building 150 more of them. They represent the Fort Wayne Housing Authority's idea of the irreducible minimum of decency and comfort. They naturally lack the approval of those warm-hearted reformers who consider that the poorest elements of the population must all be equipped with dwellings which measure up to conventional middle-class notions of comfort, pulchritude, and efficiency.

Though the Fort Wayne supershanties fall far short of this beautiful ideal, the fact is that they are much better than anything which their tenants have ever known before, that there is already a waiting list of 600 would-be tenants (Fort Wayne's population is about 122,000), that the rental is within the means of all save paupers, and that the rental thriftily covers both maintenance and mortgage.

Thus, in a field where failure has been the rule, a field notable more for wishful thinking and misrepresentation than for practical achievement, the Fort Wayne scheme seems singularly direct and effective. It is an answer to an everyday problem—that of the slums—stated not in utopian terms but in terms of everyday American life. No one is likely to suppose that the Fort Wayne answer can be translated literally to every other town and city. The slums of Fort Wayne tend more to shanty architecture, for example, than do the slums of Baltimore. The shape and history of Baltimore have produced slum areas which, except for some of the slatternly outskirts, are compact and vertical. Our building lots in some of the small-house districts are actually only 12 feet wide. Obviously, a supershanty which is all on one floor and which provides the answer to conditions in the shanty towns of Fort Wayne will not fit into the urban pattern of Baltimore. A Fort Wayne supershanty wouldn't even fit sideways into a typical slum lot in Baltimore. But the guiding principles behind the Fort Wayne scheme—cheap land, cheap and temporary but substantial construction, and adherence to minimum standards—ought to be capable of some variation to fit local circumstances.

The Fort Wayne project rose out of a blend of governmental authority and private enterprise. Fort Wayne had some banks and insurance companies which were willing to lend money on F. H. A. insured mortgages. Fort Wayne also had a housing authority (established about the same time as the Baltimore housing authority) which wanted to build some low-rent dwellings but had no wish to go in for the heavily subsidized projects which are provided for by the current Federal Housing Act and no wish to commit the city to a larger obligation than it could handle. It also proposed to concentrate its efforts directly on those who needed it most, the poorest and worst housed families of the city, the dregs of the population.

The Authority quickly determined that rentals for these people would have to be no more than $10 a month, or $2.50 a week, if they were to be collected regularly. The Authority also determined that a three-room dwelling, consisting of two bedrooms and a combination kitchen-living room plus a bathroom, would be the most suitable size. Anything smaller would be too small; anything larger would tempt such families as these to double up and thus defeat the object of the enterprise. The Authority also determined that a rent of $2.50 a week would support a 20-year mortgage of $900 and leave enough left over to pay for maintenance.

How, then, to build such a house for $900 cash?

First, the cost of the land would have to be brought down to nearly nothing. The Authority promptly abandoned the conventional method, which is to buy, with the help of condemnation, a big tract and develop it as a unit. No such piece of land was available anyway. The Authority instead fixed its eye on the many vacant lots scattered through the poor and run-down parts of town—none of them yielding revenue, most of them delinquent as to taxes, and most of them having no prospect of profitable use in the visible future. The Authority decided to try to borrow these lots, offering the owners tax exemption in return.

Actually what the Authority succeeded in doing was to buy the lots for $1 apiece, giving the owner an option to repurchase for the same price. In this way the owner could avoid his tax burden yet hang onto any chance, unlikely though it might be, of turning the property to profit later. In case any owner exercises his repurchase option within 5 years he stands the cost of having the supershanty knocked down and put up on another site.

Thus land for the 50 houses cost practically nothing.

Next, labor costs. The Authority reasoned that since many of those who would eventually live in these houses were W. P. A. workers anyway, it was not unreasonable to use them in the building of their own future dwelling places. This was done. The local building-trades people raised a howl when they heard about this aspect of the plan, contending that the W. P. A. was being used to take the bread out of their mouths. The Authority replied that work on low-cost housing of this sort was not in the least competitive with the normal work of the building trades, since, without the help of W. P. A. labor, the whole project would have to be abandoned. Eventually the Housing Authority won its point and the building-trades people backed down. W. P. A. labor has been used entirely in the work of prefabrication as well as the actual job of construction. The difference between W. P. A. wages and prevailing wages is, of course, subsidy. It is one of the things that keep the Fort Wayne enterprise from looking like a 100-percent prefabricated miracle.

Next, the design of the house and its actual construction. All the technical details are not yet available. Much of the basic work in such matters as the testing of materials and the design of prefabricated units had been done previously at Purdue University. The Authority made lavish use of this assembled wisdom and has no doubt as to the sufficient durability and all-around efficiency of its design. The Authority admits quite freely that these houses are built not for the ages but only to outlast their mortgages. It questions the wisdom of designing low-cost housing for long life. It expects that the coming years will see such improvements in construction methods as will presently render the houses obsolete anyway. Furthermore, houses such as these have the virtue of being as easy to dismantle as to build, so that the land on which they rest is not permanently committed to any one use.

In working out the details of design and construction the technical advisers to the Fort Wayne Authority cut corners wherever they could find corners to cut and eliminated the abracadabra of the building trades wherever they could. The object was to hold down the cost of materials to a minimum and to make every step in actual construction so simple that even W. P. A. workers could do it without botching things. This is not pleasing to such necromancers and miracle men as plumbers, plasterers, and paperhangers. The current issue of the Master Plumber contains a long and heavily sarcastic article which is supposed to show what dreadful things these Fort Wayne houses are from the point of view of a master plumber.

But, however displeasing the result may be to master plumbers, the Authority has actually succeeded in building these houses within their $900 limit.

The financing of the plan was not difficult. The Housing Authority needed $900 per house, or $45,000. This sum was advanced by one life-insurance company and two banks, the loan being secured by the houses. The mortgages bear 4½-percent interest, are tax-exempt, and are for 20 years. The financial set-up is as follows:

Gross annual income (rent at $2.50 per week)	$6,500
Loss from tenant movement (4 percent)	260
Net income	6,240
Capital charges (interest, amortization, insurance)	3,600
Upkeep ($32 per house)	1,600
Repainting (every 4 years)	500
Reroofing (10 years)	270
Equipment replacement	150
Hazard insurance	80
Management, etc	600
Annual surplus	1,040

The loans seemed good to the lending institutions, first, because rentals are placed so low that there is unlikely ever to be a shortage of tenants; and, second, because the mortgages carry F. H. A. insurance (premium included under "capital charges" in the table above).

That, briefly, is the Fort Wayne plan. Its virtues are these: That it goes straight at the problem of providing low-rent housing for the poorest elements of the population; that it is the cheapest effort yet made to solve the problem; that it is based on standards of shelter which are adequate but not high; that it is financed not by taxpayers but by private investors.

On the other hand, it does carry a measure of subsidy, as has every other low-rent housing project so far devised. The subsidy consists partly of the W. P. A. labor and partly of the tax exemption of the properties and of the mortgages. The reply is, of course, that the W. P. A. workers would have been paid wages anyway, so that the taxpayers have been put to no extra expense by the employment of them; that the properties were contributing nothing in the way of taxes before the houses were put up, and were unlikely to in the immediate future, so that the city is not actually out of pocket; and that by providing decent housing for those people who are already the greatest expense to the community, the community will actually reap dividends in the form of savings on public health and relief costs. This latter argument remains to be proved. These are, perhaps, valid arguments; nevertheless, the subsidies, moderate as they are, rule out the possibility that the Fort Wayne plan can be adopted by private industry. Furthermore, there is an ugly sound to the argument of the building-trades people that, under the Fort Wayne plan, W. P. A. workers are actually being used in order that two banks and an insurance company shall get their tax-free 4½ percent.

Thus the Fort Wayne plan turns out to be no miracle. It has both its virtues and its defects, which will doubtless be debated at length and heatedly in the months to come. But while the ideologists are tearing it apart and putting it together again, defending and abusing it, there is this satisfaction to be had—the 50 houses are being lived in.

Everything Is Free to a Congressman in the City of Washington

EXTENSION OF REMARKS

OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1939

Mr. BURDICK. Mr. Speaker, it is generally believed throughout the country that everything is free to a Congressman in the city of Washington, and that the taxpayers pay for all of the necessary and imaginary wants which they may wish to satisfy. I submit herewith a list of expenses which the public believes are furnished to Congressmen gratis, and paid out of the taxpayer's money.

First. Barber shops.—Free shaves and free hair cuts. I have been here 4 years and more and usually get shaved when my whiskers get long enough to get in my soup, and I get shaved, usually, in the House Office Building, but I have always been asked to and do pay for the work. I have my work done in the barber shop at the Capitol and the rates for work there are the same as those charged in private shops downtown. Occasionally I have to have my hair cut—usually before it is long enough to braid—and I pay in a Government barber shop the same price I pay in private shops in North Dakota and elsewhere.

Second. Meals and lunches—The public believes that meals and lunches are free to Congressmen, and it is as false as the barber-shop story. Meals are served to House Members in the House dining room and you can order any combination you desire, but the prices are listed in a bill of fare and when you finish your meal you pay for it. The prices are much higher than the same service at downtown restaurants, and for the information of the public I include herewith a regular menu card for the House restaurant of this date:

HOUSE OF REPRESENTATIVES RESTAURANT—UNITED STATES CAPITOL

(Jack Midyette, manager)

MENU

LUNCHEON SELECTIONS

Relishes—sea food—cocktails: Lynnhaven 30, cocktail 35; blue points 25, cocktail 30; cherrystone clams 25, cocktail 30; little neck clams 25, cocktail 30; clam juice 20; fresh lobster cocktail 60; combination sea-food cocktail 60; green shrimp cocktail 50; lump crab-flake cocktail 50; fruit cup 25; tomato juice 20; hearts of celery 20; olives, queen, ripe 20.

Soups: Cold jellied tomato broth 15; English beef broth with barley 15; white navy bean 15; chicken consomme 15; oyster stew with milk 35, with cream 50.

Sixty-cent plate: Spring lamb stew en casserole, fresh vegetables, new parsley potatoes, fried hominy grits, choice of pie or pudding; coffee, tea, or milk.

Seventy-five-cent plate: Roast prime rib of New York beef au jus, baked stuffed Idaho potato, buttered fresh string beans, yorkshire pudding; choice of pie, pudding, or ice cream; coffee, tea, or milk.

Forty-five-cent plate: Spareribs and skinless frankfurter with sauerkraut, new boiled potatoes, bread and butter; coffee, tea, or milk.

Sixty-five-cent dietary platter: Fresh green jumbo shrimp salad, mayonnaise; rye bread, cottage cheese, boiled egg, apple sauce, milk, buttermilk, tea, café au lait.

Third. Congressmen do not pay income tax.—This is another one. Every Congressman pays an income tax and his salary is taxed just the same as all other incomes. I have no income except my salary, and the average tax will be approximately $450 per year. If I had any other income, it would be taxed the same as any other citizen.

Look at that salary of $10,000 per year. The public, our constituents, who elect us and who themselves, many of them, are living on relief, believe this sum is unreasonably large. If every Congressman could keep his salary, I would agree that the salary was large—too large for the service most of us render; but the fact is we do not get $10,000 for ourselves—if we try to serve our constituents. I am elected at large in North Dakota and receive as much mail as a Senator, but under the House regulations I am entitled to only one stenographer. There is no stenographer living who can handle this work. I handle it, but pay for my extra stenographer. People in my State are poor as they are in most States. They are in distress as they are in most States; they want to wire me and let me know their desperate situation. They send wires collect, as they should do; I pay for it and the more distress cases there are the more I pay.

Fourth. Congressmen have free franking privilege.—That is true on public business, but on all private letters we pay the same postage as anyone else. I adhere strictly to the law and I believe every other Congressman does. We send out speeches free of charge. The public believes this. Nothing could be farther from the truth. If we desire to send out a speech, we have to have it reprinted at the Government Printing Office, and every request must be covered by a check in advance. We pay for every speech.

I have introduced a resolution to investigate the grain exchanges of the country because I believe the evidence shows that the gambling places keep down the price of agricultural products. I want to advise the farmers of the Nation of these facts. The Government will print as many speeches as I want, providing I pay for it. It is not unusual for a Congressman to have to put up $250 to $500 for one speech. If he is active, if he is fighting for the people, he will naturally get out his speeches. The result is that if he is actually carrying on a fight to better conditions, and doing it single-handed and alone, as most of the fights are made, he will publish speeches and send them out. When the session ends such a Congressman is lucky if he does not have to borrow money to pay his expenses home.

Fifth. Traveling expenses.—Every time a session is called I get a check for mileage for $733. This is a terrible graft, the public thinks. Let us see. When Congress adjourns I immediately go home to North Dakota, and I travel around until there is another Congress—not campaigning, for in my own case I have spent much of my time traveling in other States to gather facts on the needs of the people living in the Dust Bowl and checking up alleged abuses in the administration of Indian affairs. I pay my own expenses, and at the end of the year anyone who has ever traveled by car will see that a lump sum of $733 is not nearly the equal of 4 cents per mile if we were paid that much in the proper discharge of our public business. I live 2,000 miles from Washington, and my travel check is large. Congressmen who live near Washington get less, much less; some of them not over $35.

There is no Congressman, especially those living in the Dust Bowl, who cannot make good use of his salary and mileage checks. We do a pretty good job of distributing relief, as many of our constituents will testify. We have to carry on relief right here in Washington—that is, if we have any milk of human kindness in our systems, but that is beside the point. What I want to say is that there is nothing furnished free to a Congressman with the one and only exception—on public business he does not stamp his letters. On private letters he sends them at the same cost as do every other citizen.

Election expenses.—Of course, no Congressman or Senator is elected without some expense, and whatever that expense is it is the personal expense of the individual Senator or Congressman. Personally I have never spent much money on campaigns. I do not get out pictures and advertise, but I presume, if I persist in spending so little on campaigns, the day will come when I will be left at home to think matters over more carefully on campaign expenses.

My conclusion is that Members of Congress are paid enough, but not too much if they make a fight for the elimination of the defects of government. The more we think of this Government, and the more arduous we are to perfect it and keep it, the more we will be compelled to expend. It is no place to make money and attempt to save it. It cannot be done.

Participation by Marine Band in Opening Day of the Elks National Convention at St. Louis

EXTENSION OF REMARKS

OF

HON. C. ARTHUR ANDERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1939

EDITORIAL FROM THE ST. LOUIS POST-DISPATCH OF MARCH 10, 1939

Mr. ANDERSON of Missouri. Mr. Speaker, several days ago I introduced a bill to bring the Marine Band to St. Louis for a concert on the opening day of the Elks' national convention. This is to be a 1-day stand and all expenses are to be paid by the Elks. Had there been any expense to the Government I would not have offered the bill.

As soon as an article appeared in the St. Louis papers that this proposal was introduced a loud cry of protest arose from the musicians' union in that city. The union has the colossal effrontery to allege that the Marine Band would be in competition with the local bands when in truth the union well knows that arrangements have been made by the Elks to employ any number of local bands during the convention.

I am not angered at the union because it is opposed to a measure I introduced. But I am grieved to think that a union has set itself up to deprive the people of St. Louis, if it can, of a chance to see and hear one of the greatest musical organizations in the world. The taxes of the people make the Marine Band and other Service bands possible, and certainly a union cannot be tolerated to deprive the people of an occasional and infrequent glimpse of this fine organization.

Let me call your further attention to another intolerable phase of the musicians' union in St. Louis. This union has recently gone so far as to object effectively to the use of collegiate bands at hockey games played between college teams in our city. It has objected to the use of school and organizational bands on public occasions, and, in short, has set itself up to deprive the people of St. Louis of something to which they are entitled as free American citizens.

Anyone who has the interests of organized labor at heart can see what will be the outcome of such a policy. Public resentment is bound to be crystallized to a point when unionism will suffer severe penalties for its own folly. Nothing is more apropos of this occasion than a splendid editorial from the St. Louis Post-Dispatch of March 10. I commend it to each and every Member of this House as being expressive of the feelings of every right-thinking citizen.

Mr. Speaker, at this point I ask unanimous consent to conclude my remarks on this subject by including herein the editorial to which I have just referred. I hope every Member of this House will read it.

[From the St. Louis Post-Dispatch of March 10, 1939]

MUSICIANS' UNION DICTATORSHIP

A bill was introduced in Congress yesterday to authorize the United States Marine Band to play in St. Louis, July 10, at the opening of the Elks' national convention. But a formidable power that has risen in this city, and has assumed dictatorship over activities whose freedom had previously been beyond question, has the effrontery to object. The musicians' union wants to keep the Marine Band out, because, says its president, Sam P. Meyers, "it is direct competition with union musicians."

Could grasping short-sightedness go further? The taxpayers, who maintain the Marine Band, rarely have a chance to hear it since the union's national office has succeeded in stopping its radio concerts, along with those of the Army and Navy Bands. The Elks' committee plans to hire union bands for the convention. But "no" says President Meyer; pressure will be brought on Congress at once to prevent the Marine Band's visit.

This outrageous demand is fully in keeping with other recent actions of the musicians' union. It has given orders—and made them stick—to St. Louis and Washington Universities, McKinley High School, the Elks Lodge, the Boy Scouts, the city firemen, the Sixth Infantry at Jefferson Barracks. Now it is trying to order Congress around!

The recent hockey games were a strictly intercollegiate event. They were not a commercial venture, as is shown by the fact that 13,600 tickets were given free to school children. Receipts fell so far short of expenses that one of the sponsors had to pay $85 from his own pocket to return the University of Illinois team to Urbana. Despite all this, the musicians' union had the brazen insolence to insist that no student bands participate in the event, but that 20 union musicians be hired at a cost of $152.75.

Student band music is a traditional part of any collegiate sports event. It offers no possible competition with professional musicians since they would not be hired for such affairs anyhow.

The musicians' union got no jobs for its men by its demand. Instead, the event was marred by the fact that brassy and discordant "canned" music from a phonograph had to be used to accompany the exhibition skaters. And students of four institutions of higher education—St. Louis, Washington, and Illinois universities and Concordia Seminary—got a decidedly unsavory impression of labor union tactics.

The case of the Elks' Americanism week parade was an even more sickening demonstration. The Elks planned to have the McKinley High School Band and those of the Sixth Infantry and the firemen to march with 1,000 Boy Scouts in its patriotic celebration. (The 55 boys and girls of the McKinley Band had practiced 2 weeks for the parade.) But the union said "No"—unless three paid bands also took part. The American Legion was brave enough to defy the union's power; it sent three drum and bugle corps to supply the music.

Which brings up the question, What happens if an organization does not submit to the union bosses' dictates? Would the musicians have had the gall to picket the United States Army if the Sixth Infantry Band had participated in the Boy Scout parade? Would they have tried to call a strike among employees of St. Louis and Washington universities if their bands had played at the hockey games? Will they now denounce the United States Marine Corps as "scab labor"?

The president of the musicians' union justifies the hockey game veto by the fact that his organization has an agreement with the arena that only union musicians may play there. Such a contract is surely contrary to public policy when it keeps a voluntary and amateur student band from appearing at a school function.

Unions are justified in seeking work by honorable methods for their members. But their activities are a boomerang to their own

cause in rousing public antipathy when they resort to such fantastic demands as those of the musicians' union.

Why should anyone continue to submit to these high-handed tactics? The American Legion called the bluff when its fife and drum corps marched with the Boy Scouts, and nothing has happened. Why do not other groups, when faced by a ukase from this insufferable dictatorship, simply ignore it for the preposterous thing it is? If the facts are then made known public opinion will do the rest.

THE LEATHERNECKS AND THEIR BAND

If anything can emphasize the Herculean gall of the local musicians' union in trying to stop the United States Marine Band from giving a public concert at the Elks' convention here next July it is a look at the proud history and patriotic traditions of that military organization.

The Marine Band—"the President's own"—is almost as old as the Republic. Congress created it in 1798, but its ancestry extends further: to the bands aboard American frigates in the Revolution. Two of its drummers and a fifer, some historians say, are portrayed in Willard's celebrated painting: The Spirit of '76. Historic assemblages gay and grave have heard its stirring music: Dolly Madison's White House fetes, Lafayette's visit, Jackson's cheese-cutting party, Lincoln at Gettysburg, the White House weddings of Nellie Grant, Grover Cleveland, Alice Roosevelt. And what American foot has never kept time to the lively airs created by its former leader, John Philip Sousa, the "March King?"

There is a historic link with St. Louis as well; the Marine Band played at the opening of the Louisiana Purchase Exposition in 1904. Its last appearances here were in 1929 and 1930, when great throngs turned out to hear the Nation's, and perhaps the world's, finest military band. Yet, because of a union's assumption of dictatorial power, demands will be made upon Congress to deny our citizens—taxpayers who help support the Marine Band—an opportunity to hear it again.

The situation poses a question for Bernard Dickmann, in his triple role as mayor of the city, former exalted ruler of the Elks, and former gunnery sergeant of Marines. What does a leatherneck do, Mr. Mayor, when he comes up against an attempted outrage like that?

Restrictions on Shipments Via the Great Lakes to Foreign Markets

EXTENSION OF REMARKS
OF
HON. FRED BRADLEY
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, March 13, 1939

CONCURRENT RESOLUTION OF THE LEGISLATURE OF THE STATE OF MICHIGAN

Mr. BRADLEY of Michigan. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution recently adopted by the Legislature of the State of Michigan:

Senate Concurrent Resolution 17

Concurrent resolution memorializing the United States Maritime Commission to restore and enforce the natural and legal rights of the people of the State of Michigan to ship direct from the Great Lakes to foreign markets

Whereas the people of Michigan possess the natural right to ship agricultural and industrial products direct from the Great Lakes to the markets of the world free from artificial and illegal restrictions imposed by groups or interests of other waterways; and

Whereas this right is recognized by existing Federal maritime legislation and court interpretations thereof; and

Whereas North Atlantic Steamship conferences have deprived our people of their natural and legal rights to ship direct from the Great Lakes by compelling our shippers desiring contracts and contract rates with them to deliver such contracted commodities to such steamship lines at Atlantic coast ports; and

Whereas North Atlantic conference contracts prohibit any of our contracting shippers shipping direct from the Great Lakes on the penalty of having the contract canceled and being compelled to pay the open or higher rates of both past and future shipments of the season; and

Whereas such North Atlantic conferences are thereby illegally presuming upon the rights of both our sovereign State and the United States Maritime Commission; and

Whereas the attorneys general of Michigan, Wisconsin, Indiana, and Ohio, the Great Lakes Harbors Association, the Detroit Board of Commerce, and the Detroit Port Authority, acting in behalf of the port cities, have made formal protest to the Maritime Commission against the artificial, abnormal, and illegal restrictions imposed on the Great Lakes by the North Atlantic Steamship conferences: Therefore, be it

Resolved by the senate (the house of representatives concurring), That we do formally and respectfully request the Maritime Commission forthwith to order the North Atlantic Steamship Lines to remove from all contracts all restrictions depriving our people of their legal right to ship direct from the Great Lakes to the markets of the world; and be it further

Resolved, That a formally attested copy of this concurrent resolution be served on the United States Maritime Commission, that copies be forwarded to our Senators and Representatives in the National Congress, to the attorneys general of Wisconsin, Indiana, and Ohio, and to the Detroit Board of Commerce, and the Detroit Port Authority.

The Farm Program

EXTENSION OF REMARKS
OF
HON. WALL DOXEY
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES
Monday, March 13, 1939

RADIO ADDRESS BY HON. MARVIN JONES, OF TEXAS, MARCH 11, 1939

Mr. DOXEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address delivered by Hon. MARVIN JONES, of Texas, on March 11, 1939, on the National Farm and Home Hour:

I especially appreciate the generous words of my good friend, Ed O'Neal, who has long been a wheel horse in the farm movement.

During recent years there has been much discussion of the farm program. Many ideas have been suggested. Many remedies have been proposed.

At present there are scores of bills pending before the Committee on Agriculture. Some of these call for minor changes in the present program; some for major changes. Others call for complete substitution. Many speeches have been made. Many promises have been uttered. Many glowing pictures have been painted. Some people seem to think the farm problem is a simple one.

May I remind you that there are some 200 individual basic farm commodities. There are a great many major commodities, each of them divided into many types and grades grown in various sections of the country and in varying quantities. Some of these commodities are produced in what is called surplus quantities; that is, more than is needed for consumption in this country. All together these make up many phases of a most difficult problem that directly affects 30,000,000 people and indirectly affects all the people of this country.

A hundred years of tariffs, freight-rate discriminations, high interest rates, and marketing discriminations are woven into the fabric of this national problem.

Americans always reserve the right to "beef." They like to kick if anything does not suit them. They have a right to complain, and out of these complaints may arise a better plan.

There is one thing, however, that should not be overlooked. A great deal of the complaint of recent months has been from those who have no interest in the farmer. They are interested only in volume production, regardless of the price. They will be completely happy if they can convince the farmer that he has nothing in the present act that is worth while, and thus put an end to the farm movement, which has shown real progress during the past few years.

Let us stop and think.

We have a farm program. Whatever its defects, it has improved farming conditions. Whatever the mistakes of the administration, and these have been made, we have a program that belongs to the farmers.

All great things have simple, crude beginnings. The first railway chartered in America was the Baltimore & Ohio. The original engine, built by Peter Cooper, was matched in a race with a famous gray mare. History records that the boiler sprang a leak and the gray mare won the race. If the locomotive had been discarded because of its imperfections, we would not have the great transportation system of today.

The first automobile, the first electric light, the first reaper, were all crude affairs. Much fun was made of them. Much criticism was offered. They were ridiculed and laughed at, but the genius of America kept on.

In the current discussions of the farm bill many of the most desirable features have been overlooked. Some people have thoughtlessly urged that the whole measure be repealed. They overlook some worth-while features which I do not believe any thinking person would want to sacrifice.

(1) The present act has a freight-rate provision. For many years agriculture has suffered from freight rates that are too high.

Under the act, the Secretary is authorized to file applications to correct these rank discriminations against agricultural products, which have been one of the greatest burdens agriculture has had to bear. I do not believe any thinking person actually interested in the success of the American farm would want this provision repealed.

(2) The present law contains a research provision which sets up laboratories to search for new markets, new outlets, and new channels of distribution for the various farm products. Much of the fine progress in industry in America has been the result of the search by industry for new uses and improvements in the articles which they produce.

(3) The existing farm act contains an export provision which sets aside 30 percent of all tariff collections—more than $100,000,000 per year—to be devoted to exporting farm commodities and to distributing these commodities and their products among the needy people in America. Our country should produce all that it can sell, both at home and abroad. This fund has proved of great benefit. Surely no wise person wants this provision repealed.

(4) We have the soil-building and soil-conservation provisions. Every man, woman, and child in America is interested in the conservation and rebuilding of the soils. Some of the finest work that has been done in this generation has been in connection with the soil-conservation provisions of the act. I do not see how anyone can object to this provision.

(5) Let us not forget that we have the lowest farm-interest rates that have ever prevailed in the history of this country. Thousands of farmers have had their mortgages refinanced and their burden of debt has been eased. They have had a source of current credit when the doors of private lenders were closed to them.

Last year we produced the greatest cotton crop in history. We produced the greatest wheat crop since 1915. In 1932, with a smaller cotton crop than in 1937, cotton sold for 4 and 5 cents per pound. In 1932, with a smaller wheat crop than in 1937, wheat sold at 20 cents per bushel.

Low and unsatisfactory as prices are now, they are infinitely better than they were in 1932. You have only to look at the farm cash income of $4,300,000,000 in 1932 and contrast to that the cash income of $7,600,000,000 in 1938 to realize how great the improvement has been. In addition, the cotton and wheat farmers are receiving soil-conservation payments. The cotton farmer is receiving a price-adjustment payment, and the cotton and wheat and corn farmers are to receive some additional parity payments.

If any cotton or wheat farmer will take his pencil and figure these payments and prices alongside the 1932 tragedy, he will find how much better off he is with the present program than he would be with no program at all.

In 1937, when we had no control program, nearly 19,000,000 bales of cotton were grown. Any program, any plan that may be offered must deal with this tremendous carry-over. It is this production in a year when there was no control that has complicated more than anything else the cotton problem of today.

While it is proper to suggest improvements and changes, any act, for its success, depends upon three things:

(1) The form of the law.

(2) The manner of administration.

(3) The cooperation of those in whose interest it is enacted.

No law, however perfect, can be successful unless it is well administered. No law, however perfect, even if well administered, can succeed unless the people who are affected are willing to cooperate. He does the farmer no service who lights the torch of intolerance and who undertakes to create dissatisfaction at the very time that the most critical part of the work is being done.

The agricultural program today is not a bill. It is a movement, and the bills are but various steps in that movement.

I feel that some improvements can and will be made in administering the program.

The allotments should be made known much earlier so that the farmer can make his plans prior to preparation for seeding.

The payments should be made much more promptly.

It is generally agreed that only minor changes will be made in this year's program. Hearings are being held by the House Committee on Agriculture in reference to any major changes that may be found advisable in connection with the long-range program. Such changes will not be made effective before 1940.

These hearings will be thorough. Every member of the committee is anxious to improve the program in every possible way. We hope that from these hearings definite improvements can be worked out.

We not only expect to devote our time at this sesison but to continue our efforts in the next and succeeding sessions to bring the farmers' returns as nearly as possible to the level of industry.

I hope that you farmers away out there in the open spaces will realize that there are many difficulties. Not only are there many commodities with many types and grades but in the carrying out of any program every effort must be made to protect the small producer, the tenant farmer, and the sharecropper. Many different proposals are pending. Many of these, however, overlook the necessity of protecting the family-size farm, the tenant, and the sharecropper. Any program that increases the prices without protection for these is in grave danger of aggravating an already difficult situation.

The struggle for agriculture has been a long one. Some of us have gone through the period from 1920 on. Through a long period of years many of us worked in season and out urging equality for the farm and ranch and claiming that was all we wanted. We met defeat after defeat, coming back empty-handed, and then finally, after gaining victory, had our bills vetoed.

In carrying on that fight we had two obstacles: First, those who did not want to do anything, and, second, those who wanted to do too much, and by claiming too much wound up by getting nothing. Those who went through that long struggle realize how important it is to keep what we have builded and not, by claiming more than can be attained, lose the substance of what we have.

That was the story of the dog in Aesop's fable which had a good piece of meat in his mouth. Looking down into the water he saw what he thought was a better piece of meat. Turning loose the meat he had in his mouth, he grasped for the reflection in the water and found himself without anything. The moral of the fable was this: Beware, lest in grasping at the shadow you lose the substance.

Aesop said that 2,600 years ago. It was built on folklore and the experience of the human race. True then, it is true today, and will be true tomorrow.

I want to thank the American Farm Bureau Federation for their courtesy in extending this invitation to speak. This fine organization has contributed much to the farm program and farm movement in America. Other farm organizations have also contributed thought, study, and many helpful suggestions.

I also want to say a word about the work of the Committee on Agriculture—the fine group of 25 members representing as many different States.

For more than 6 years I have been chairman of this committee. I have never known a more earnest, hard-working, or sincere group of men anywhere. On the shoulders of these men rests the responsibility, in a large measure, of continuing and improving the farm program. They must endeavor to separate the good from the bad. It is not easy to reject a proposal that sounds good but which, upon analysis, proves that it would do more harm than good.

I know that these men are interested in the farm movement. I know that they are interested in better prices for the farmer. I am proud to be associated with them and to have worked with them in the attempted solution of this most difficult of all national problems.

I do not believe that the solution of this age-old problem can be achieved or even materially contributed to by extreme attacks and bitter personalities. I am sure that if all those who have a simple heart interest in the success of the greatest of all American businesses—American agriculture—will calmly analyze and show a disposition to cooperate in working out the final program, great progress can be made.

Problems of Agriculture

EXTENSION OF REMARKS

OF

HON. WALL DOXEY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1939

RADIO ADDRESS BY EDWARD A. O'NEAL, PRESIDENT OF THE AMERICAN FARM BUREAU FEDERATION, MARCH 11, 1939

Mr. DOXEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address by Edward A. O'Neal, president of the American Farm Bureau Federation, on the National Farm and Home Hour, March 11, 1939:

The board of directors of the American Farm Bureau Federation met in Washington during the past week, and I am glad to have the privilege to report today, directly to the membership, some of the important actions taken on various problems of agriculture. To begin with, several of us testified before the House Committee on Agriculture. In my opening statement to the committee, at the direction of the board, I endorsed the principles of law as embodied in the Soil Conservation Act, the Agricultural Adjustment Act of 1938, the Marketing Agreements Act, and the authorization given in section 32 for the use of funds to remove surpluses from market channels.

The principal amendments we suggested for the A. A. A. of 1938 were (1) an amendment that will make available for export Government loan cotton in amounts necessary to regain and maintain our normal share of the world market without depressing the domestic market; (2) an amendment placing wheat under the same market classification and restriction as corn when marketing quotas are in effect; (3) an amendment raising the bushelage exemption for wheat in marketing quota restrictions from 100 bushels to 200 bushels; and (4) an amendment to eliminate nonquota years in determining tobacco allotments and quotas in nonquota years in order that the minority may not rule the majority.

We also favored amendment of the Marketing Agreements Act which will permit the producers of any commodity to utilize the advantages of the act.

Probably the most important of all our recommendations to the House committee was one asking for such additional appropriations as may appear necessary under present disturbed world-trade conditions to permit this Nation to regain and maintain the normal percent of the world markets for our exportable farm surpluses without, however, affecting adversely domestic markets. We favored also such additional restrictive measures as may be necessary and workable to reduce competitive imports to their normal share of our home markets.

I will discuss in this talk only our cotton recommendations for the reason that cotton is the immediate problem, and because only 2 days ago the Senate Committee on Agriculture voted to report out the bill sponsored by Senator SMITH, of South Carolina, a bill which we fear would if enacted into law cause serious decline in the market price of cotton and would tend to nullify the loan program. In addition, the Smith bill would require huge appropriations which we are convinced would be simply impossible to obtain from Congress. Our plan would be very much less costly, it would continue the loan program, and it would not involve additional cuts in cotton acreage. We feel that the cotton producers have gone as far as they can in reducing acreage. Everybody knows how serious is the weight of the surplus cotton on both the world and the domestic markets. Our plan would require no additional legislation except an amendment to "unfreeze" the loan cotton, authorization of a Government agency to handle the cotton, and a comparatively moderate appropriation to absorb any possible loss on the cotton that is moved into world-trade channels.

Here is the plan in its entirety. It is called the "ever-normal warehouse export plan":

(1) To merchandise the excessive cotton stocks governmentally controlled which resulted from the huge 1937 crop in such a way as to put our export cotton on a fully competitive basis with foreign growths in all the import countries of the world and maintain our fair share of the world market.

(2) To sell chiefly, but not necessarily exclusively, through regular commercial channels for export.

(3) To hold the domestic price up to at least the loan value.

(4) To acquire a substantial amount of Government loan cotton as soon as possible, classify it, and make it available to the world trade in an orderly but competitive manner.

(5) Employ such measures as may be necessary to restrict imports to their normal position in the domestic market.

Our board drew up its plan only after deliberate and detailed consideration of the entire cotton problem and careful examination of the provisions of the Smith bill. We took the position that the immediate problem is to sell cotton. If we have to sell it at a loss in order to get rid of it, then let's sell it at a loss, but sell it. It's costing the Government almost $50,000,000 just to carry the surplus now, and it seems like plain common sense to spend some money now to get rid of this drain on public funds.

Nobody knows just how much the loss will be on foreign sales. It is almost certain that the world price will go down below the loan level once we start selling abroad, but we are not recommending flooding the foreign market to such an extent as to cause serious price breaks. If the American cotton is fed into the market in an orderly way, we are convinced that enormous quantities can be disposed of without any great damage to the price structure. Experience has demonstrated that the market behaves much better when free movement according to market demands is permitted. The mountainous accumulation of surplus American cotton has been a heavy drag on market movements, and we are convinced that once these surpluses have been made available for foreign selling the market will regain a buoyancy that it has lacked for a long time.

Our plan calls for safeguarding the American market at the loan level or above. It is fundamentally essential to protect our own producers in their price. The loan level is not a high price, and garments made out of cotton at that price should sell to consumers at very moderate prices. In fact, the parity price for cotton, which is a price representing a fair exchange value with respect to goods and services purchased by the farmer, is nearly double the loan figure.

If we sell cotton in foreign markets at less than the American price some folks will wonder if our own cotton would not be sold back to us in the form of raw cotton to American spinners or in the form of finished textiles. That contingency is already taken care of, for the original Agricultural Adjustment Act contained a provision in section 22 which was not affected by the Supreme Court decision of 1936, which permits the President to impose such limitations on imports as may be found necessary to prevent such imports from interfering with or rendering ineffective the adjustment program with respect to any commodity in the A. A. A. program. Under this provision the President could, by proclamation, reduce the importation of such imports to 50 percent of the average quantities imported during the 1928–33 period. It is fortunate for our plan that the means for protecting our own market is available without further legislation.

Our board has taken the position that the time has arrived, in the face of demoralized world-trade conditions, when we simply must demand and fight for our fair share of the export market. We want to be fair about it, and we will reciprocate by permitting other nations to have their normal share of our markets for certain products, but we can see no virtue in permitting other nations to raid our markets while we stand by with millions of bales of unsold cotton which normally should move into the markets of the world. We are faced with the necessity of selling this cotton, and the American Farm Bureau Federation intends to do everything in its power to see that it is sold, so that the cotton industry, upon which the entire South depends so heavily for its prosperity, may be permitted to operate once more in a normal manner.

I want to repeat, and I can't say it too emphatically, that this surplus cotton must be sold. It won't rot, you can hardly burn it, and it is utter folly to keep on paying nearly $50,000,000 a year to carry it. We can't get rid of all of it in 1 year or even in 2, but for the sake of the cotton industry and everybody connected with it, let's make a start.

Many of our own Farm Bureau people in the South have looked with favor on the Smith plan. I ask those people in all kindness if they want their leaders to endorse a plan that would call for the appropriation of hundreds of millions of dollars which we know we can't possibly get from this Congress, when our own plan will do the job better and will require much more moderate appropriations, appropriations which we have a fair prospect of getting?

Let us frankly face a fact that all of you know, namely, that since the new A. A. A. program has been in effect, the loan has furnished an effective floor under prices. Every cotton grower knows that the price following our 19,000,000-bale crop in 1937 would have gone down to a perilously low level if there had been no Government loan. The Smith plan would practically nullify the loan, and I don't believe that there is a cotton grower anywhere who, if he knows the facts in the situation, would be willing to cooperate in a plan which will certainly reduce the market price for cotton. We are told that the Government will make up the difference in cash payments but must remember that huge amounts of money would be needed to do this, and how many of you really believe that this Congress will give us the hundreds of millions of dollars that this would require?

People seem to forget the fundamental philosophy of the A. A. A. of 1938. The purpose of the act is to control production and marketing in such a way that the crop will sell for a fair price. It gives us an opportunity to run our business so that we can maintain prices. Government payments are incidental. I am not one of those who believes that the Government should not help farmers with cash benefit payments, but I do believe that there is a limit beyond which our Congress will not go in the matter of appropriations for agriculture. This is known as an economy Congress, and there is very little to indicate that Congress this year would be disposed to make the huge appropriation necessary to make the Smith plan effective. It is reasonable, however, to expect, and we are demanding, that Congress give us sufficient funds for soil conservation, for parity payments, and additional funds to move surpluses into export and relief channels.

The Smith plan might cost the Government nearly as much as the entire appropriation for the Soil Conservation Act amounts to at present. Under the A. A. A. of 1938 all commodities covered receive equitable treatment. The Smith plan singles out one commodity for preferential treatment. We must remember that whatever gains we have made through farm legislation have been made because of the unity of agriculture. We have gotten legislation because all of the great producing regions have united on a program for all. The corn growers alone are helpless to get legislation for themselves, because there are not enough votes in the Corn Belt to put over a bill. The same thing is true for wheat and tobacco and cotton and rice. Now, if the cotton growers try to go it alone on a plan that the other regions cannot endorse, they are going to get into trouble.

My plea to cotton farmers is that they support the present cotton program as it is, and in addition a workable plan to unfreeze the cotton in the loan and move it gradually into foreign markets. That is all we need to make the present program function 100 percent. The rest of the plan—acreage control, cotton loans, marketing quotas—is working. All we need is to get rid of the cotton that has been piling up in the loan and costing the Government nearly $50,000,000 a year to carry.

As a cotton farmer myself, and as the president of the great organization that has honored me with its presidency, I appeal to southern farmers to continue their almost 100-percent cooperation under the present program, and to refuse to listen to plans for fundamental changes that might wreck the entire program.

The record does not bear out the contention that cheap cotton means greater domesic use. In 1931–32, with prices at a 10-year low of 5.66 cents a pound, our domestic consumption was only 4,866,000 bales. In the 1936–37 season, with a price of 12.3 cents a pound, our domestic use was 7,950,000 bales. Every cotton farmer knows the tragedy of cheap cotton, not only to himself, but to the entire South. Are you going to back up a plan which, if enacted into law, will inevitably mean cheap cotton for our southern farmers?

Under the present program, cotton farmers last year received just as much, in price and benefit payments, for their cotton as the Smith bill contemplates, if Congress will give them a lot of money, namely three-quarters of parity price, or around 12 cents a pound on their normal production. Why jeopardize what you have, namely, a plan that has worked, for an untried plan which, even if it works, offers you no more than you are now getting?

One Hundred Percent Reserves Back of Demand Deposits as a Means of Preventing Booms and Depressions and Bank Failures

The plan whereby the 50,000,000 demand depositors can all go to their bank at the same time and check out all their money without the slightest loss or inconvenience to the banks or to the Government.

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1939

RADIO DISCUSSION BY SENATOR GEORGE W. NORRIS AND PROF. IRVING FISHER

Mr. VOORHIS of California. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include the second of a series of discussions of the congressional breakfast talks presented each Tuesday morning from 8:15 to 8:30 over WOL under the personal supervision of former Congressman Charles G. Binderup, of Nebraska.

This particular broadcast took place on Tuesday, March 7, 1939, the guest speakers being Senator GEORGE W. NORRIS, of Nebraska, and Prof. Irving Fisher, professor emeritus of economics at Yale University, both of whom are depended upon in a great degree to guide our great Nation in the solving of its economic and social difficulties.

Before I present the remarks of Senator Norris, Professor Fisher, and Mr. Binderup, allow me to comment briefly on the continuing efforts of Mr. Binderup toward the correction of our monetary system to the end that it will be in agreement with the provisions of the National Constitution.

As president of the executive business council of the Constitutional Money League, Mr. Binderup is now conducting a Nation-wide educational program to combine the forces interested in our economic problems; to bring together the views and policies of groups and individuals of the highest caliber regarding stabilization of the dollar; and, finally, to arrive at the best method of restoring to Congress its unquestioned authority to discharge the duty imposed upon it by the Constitution "to coin money and regulate its value."

Such a program is indeed of the very utmost importance at this particular time.

The particular broadcast herewith included is especially interesting to me, since I have today introduced a bill which contains so exactly the provisions advocated in this talk that I feel greatly encouraged by what the speakers have had to say.

It is with pleasure, therefore, that I include the following in my remarks:

RADIO DISCUSSION OVER WOL BY SENATOR GEORGE W. NORRIS AND PROF. IRVING FISHER

ANNOUNCER. Last week the city of Washington was treated to a new feature on WOL, known as the Congressional Breakfast Chats. This morning once again we present Mr. Charles Binderup, former Member of the United States House of Representatives who will introduce this morning's speaker—Mr. Binderup.

Mr. BINDERUP. Morning greetings to the President and the Congress of the United States and with hearty appreciation to this broadcasting station WOL in the Nation's Capital City.

It is with great pleasure I introduce the guest speakers this morning: First our Senator GEORGE W. NORRIS. He came to the Senate, drafted by the people of our State, Nebraska. We didn't ask about his political platform for he had long since built for himself a platform, a monument of righteousness in the hearts of his fellow citizens, and it is with equal pleasure I introduce Prof. Irving Fisher, professor emeritus of economics at Yale University, from whose words and pen we have gleaned the plan for constitutional money, Government monetary control, and in whose philosophy the Nation sees today the only hope for continued democracy.

The subject for discussion this morning is 100 percent reserves back of demand bank deposits; preventing booms and depressions and bank failures. The plan that will make it possible for all the 50,000,000 depositors in the United States to go to their local bank all at the same time and get all their money without the slightest disturbance to our monetary or our banking systems, and without the slightest cost to either the banks or the Government.

I now present Senator GEORGE W. NORRIS, from Nebraska, who will open the dicussion.

Senator NORRIS. Professor Fisher, I believe we are agreed that our economic and political systems need to be consistent with each other. Political democracy cannot live in an economic system in which substantially equal opportunities are denied our citizens because of monopolies on the one hand and because of the frequent break-down of our monetary system on the other. If we wish to keep our most precious heritage handed down to us, namely, our constitutional liberties, we must wake up to the fact that this can't be done by trying to operate our streamlined economy with a "horse and buggy" monetary system. When violent booms and depressions rob millions of people of their savings and deny millions of people of the opportunity to work, constitutions become mere scraps of paper. We have seen this happen in other countries. It can certainly happen here. It is no accident that the world depressions coincided with destruction of democratic systems of government the world over. What is your suggestion, Professor Fisher?

Professor FISHER. My suggestion is this: Let us try, above all, to do away with violent booms and depressions. I am not speaking in a partisan way. Quite the contrary. We want to get all that is good in the New Deal and at the same time not discard anything that is good in the old deal. Primarily, we want to reach the causes of these violent booms and depressions, which threaten to destroy our liberties, as they have destroyed the liberties of other peoples in other lands.

Senator NORRIS. I agree with you, Professor Fisher, that the problem of depression, with its inevitable toll of evils—unemployment, bankruptcies, hunger, distress, and suicides—is the central problem which must be solved if we are to preserve the doctrine of individual freedom of initiative. Just how do you propose to attack this problem, Professor Fisher?

Professor FISHER. Years of study have convinced me that the depression has been primarily a monetary matter. The simple failure to have a sound and stable monetary system has been the most fundamental reason for business and bank failures, foreclosures, bankruptcies, and unemployment—in a word, for the depression. It was the depression, the pressure of starving and disillusioned men and women, which mainly caused and still causes the great world upheavals—economic, political, social, and even religious.

Senator NORRIS. But how can our money system have such a powerful influence?

Professor FISHER. Simply because money has become a prime necessity in our civilization. Without it, goods cannot be sold and will not be produced. There may be crying need for the necessities of life; there may be all the iron, coal, lumber, and other raw materials used for manufacturing; there may be millions of able-bodied men anxious to work, yet, if there is no money there is no production; there is unemployment and starvation. You have witnessed all this. Scarcity of money is called deflation. It is just as great an evil as its opposite, superabundance of money, called inflation. Inflation makes booms; deflation makes depressions.

Senator NORRIS. I agree with you, Professor Fisher. I judge that you believe the first step toward preventing future booms and depressions is to find a practical method of scientifically controlling the amount of money available for the production and distribution of goods and services which are necessary to sustain the American high standard of living. To do this we must first understand what we use for money.

Professor FISHER. You are quite right, Senator NORRIS. The greatest confusion comes from a general lack of understanding of what we use for money. Our principal money has no existence whatever, except in the figures on the ledgers of our commercial banks. We call it bank credit. It is the credit balances in the checking accounts of the individuals, firms, and corporations of the Nation. It is created and destroyed by the commercial banks. When you borrow $500 from a commercial bank, it is quite different from borrowing $500 from a friend. When you borrow from a friend, the transaction adds $500 to your cash and takes $500 from the cash of your friend. The total sum of money in circulation is not changed, but borrowing $500 from a commercial bank is an entirely different transaction. The bank creates the $500 credit which it enters on its ledgers, and you enter on the stub of your checkbook. It is, in effect, $500 of new money. The purchasing power of the Nation has increased $500. It is almost as if the bank had printed $500 of new bank notes to lend to you. Actually, there is no such money in the bank, but only that pen-and-ink record on the bank's books. It is merely a promise of the bank to furnish you $500 of currency and coin on demand. You transfer the title to that promise by drawing checks against it just as if it were real money, and those to whom you pay these checks accept them as money. We may therefore call these promises checkbook money, as contrasted with real or pocketbook money. The important fact, however, is that, call it what you will, this $500 you have borrowed is new money. It never existed before you borrowed it. Your act of borrowing added $500 to the circulating medium of the United States.

Senator NORRIS. What really happened when you borrowed that $500 is that you and the bank swapped promises. You promised to pay the bank $500 in 3 months with interest, and in return for this promise the bank promised to furnish $500 in money upon demand at any time. You really do not want the actual money ordinarily. You really want this credit upon which you can draw checks and transfer to others. The recipients of your checks do not ordinarily want the money in actual cash. They, too, want the credit, which they in turn can transfer by check, and so this credit continues to circulate in the continuous transfer of goods and services and serves just as actual currency and coin. And yet, as you have stated, it has no actual existence excepting in figures upon the ledgers of the banks.

Professor FISHER. Precisely. Nine-tenths of our money consists of such debt-created checkbook money instead of real or pocketbook money. It is in continuous circulation. Checks are drawn against most of these checking accounts almost daily. Other checks drawn against other accounts which were created by other loans are deposited. Later on when you pay your note to your bank you draw a check on the balance in your checking account payable to the bank itself, and your promise to the bank is paid, and in return the bank's promise to furnish money on demand is canceled. Now, the cancelation of the bank's promise is a cancelation of $500 of checkbook money. That $500 no longer circulates as money. It no longer exists. The purchasing power of the Nation decreases by $500.

Senator NORRIS. So what really happens is that making bank loans creates checkbook money and paying these loans destroys checkbook money. That is the reason that the volume of checkbook money and the volume of bank loans fluctuate together as is shown by bank statements.

Professor FISHER. Precisely. If the banks loan freely so as to generate money, we have a boom. If there are few borrowers or if the banks do not wish to lend we have a depression. Creating money and lending money used to be wholly separate. They ought to be separate. But under our present system in our commercial banks the two functions are tied together. If the volume of bank loans fluctuates then the volume of our checkbook money fluctuates too. Fluctuations in the volume of our active money do great harm. Our checkbook money shrank $8,000,000,000 between 1929 and 1933, causing the great depression. That eight billions was more than a third of our money—more than a third of the Nation's purchasing power. How can we expect to buy the same amount of goods with two-thirds of our money? The restoration of a portion of this destroyed checkbook money by Government borrowing from the banks made our partial recovery. A second destruction of checkbook money in 1937 caused the recent recession while a second restoration is making a second partial recovery.

We should never have permitted the destruction of the vast sum of checkbook money which was destroyed in 1929 to 1933. We should not have permitted the destruction of checkbook money which caused the recent recession. These fluctuations of checkbook money could not occur if there were 100-percent real pocketbook money in the banks in our checking accounts—if the banks were not permitted to create this imaginary money—bank credit. That 100-percent reserve was the original banking system. Banks did not create credit. They received for deposit actual cash and they loaned actual cash, but they loaned only the cash which was deposited in time deposits, and which were deposited for the specific purpose of being loaned by the bank. There were no low-reserve checking accounts in those days. All business was transacted with actual cash. Deposits of cash which the depositor expected to use in his business remained in the bank in cash at the disposal of the depositor.

Senator NORRIS. As I understand your proposal, Professor Fisher, you propose that we return to the old banking system under which the banks would receive and lend actual money. The balance shown on your checking account would be real money actually issued by the Government as authorized by Congress—100-percent money. There would be no more of this peculiar imaginary money which you call checkbook money. The total of the Nation's purchasing power could not fluctuate. It could be regulated by Congress to just balance our productive capacity with everyone employed.

Professor FISHER. You have correctly stated my proposal, Senator. That was the original principle on which banks operated. We had relatively stable money. The old Bank of Amsterdam operated on this basis for over a hundred years. When it finally failed, it was said to be because its managers had finally violated their trust and had secretly loaned out the money of their depositors.

Senator NORRIS. Would it not be very difficult to change over to the system you advocate? Would it not be necessary to issue a large amount of new currency?

Professor FISHER. The answer is no to both your questions. There was never a time in our recent history when the change could be effected so simply. The banks now, as a system, hold cash and Government bonds equal to the total balances in the Nation's checking accounts—what we call demand deposits. If all these bonds were made instantly convertible into cash at the demand of the banks, the banks would now have, as a system, all their checking account balances in cash or its equivalent. A very simple law would preserve this desirable situation. Thereafter it would only be necessary for the Government to issue any additional money needed to promote full recovery, this would be in cash, which the Government would deposit in the banks and spend into circulation. If this is done, it is my belief that we shall never again see another depression like the 10-year depression which we have just had, and if this had been done 10 years ago we would never have had this depression at all. Senator NORRIS, if you will get such legislation enacted in the Senate and your fellow Congressmen at the other end of the Capitol will do their part, you will have accomplished, in my opinion, more for the good of your countrymen than has been accomplished by legislation for a generation. I take this opportunity to express my gratification that you are now adding this problem to the many which you have handled so successfully already.

ANNOUNCER. Be with us again next Tuesday morning at this same time for another congressional breakfast chat, arranged and conducted by Mr. Charles Binderup, former United States Congressman from Nebraska. Mr. Binderup, can you tell us now the name of your guest next Tuesday?

Mr. BINDERUP. I am pleased to announce for our next Tuesday morning congressional breakfast talk, we shall have the Honorable Robert L. Owen, former Senator from Oklahoma, and for a number of years chairman of the Committee on Banking and Currency in the Senate; Senator M. M. LOGAN from Kentucky, who introduced Senate bill No. 31, a bill for monetary reform; and we hope Congressman PATMAN, in a three-way discussion.

ANNOUNCER. Fine; we'll be here waiting for your visit. This is a special presentation of the Musical Clock.

Loans to Small Industries

EXTENSION OF REMARKS

OF

HON. JOSEPH C. O'MAHONEY

OF WYOMING

IN THE SENATE OF THE UNITED STATES

Tuesday, March 14 (legislative day of Monday, March 13), 1939

RADIO ADDRESS BY HON. JAMES M. MEAD, OF NEW YORK, MARCH 13, 1939

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that there may be printed in the Appendix of the RECORD a speech delivered last evening by the junior Senator from New York [Mr. MEAD], over the facilities of the National Broadcasting Co., on the problem of loans to small industries.

I recommend the reading of this speech to all Members of the Senate and of the House, and, indeed, to all those to whom copies of the CONGRESSIONAL RECORD may come. It deals with one of the most important problems before the Nation. The studies of the Temporary National Economic Committee have already developed a fact probably known to a great many persons before the committee started its proceedings, namely, that there has been a tremendous concentration of financial assets. It is not necessary to criticize anybody, any institution, or any person with respect to this condition; but certainly one result has been that small business throughout the country has been unable to secure the credit facilities which it needs to maintain itself in its present economic status.

My own feeling is that, while loans to small industry are of primary importance, it is also necessary that Congress take whatever steps may be eventually found to be necessary to protect small business, after it has been sustained by Government aid, from the restrictive effects of what we have commonly called antitrust practices.

Without trespassing further upon the time of the Senate, I renew my recommendation to Members of the body that they give consideration to this most excellent speech by the junior Senator from New York.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Small business is the backbone of America. The little plant, factory, and shop contributes to the prosperity of thousands of our communities. The successful operation of small enterprise means employment and spells economic well-being. We know the tragedy that comes to a village when the local plant, which has been hiring the bulk of that community's employables, closes its doors. In some instances, that tragedy could not be prevented, but in a great many cases, if adequate financial aid, reasonably offered, were available, the story would have been a happier one.

Congress is trying to do something for small business. I believe it is vitally necessary that the problem be immediately and thoroughly considered and that helpful legislation be adopted.

At the last session of Congress I introduced a bill which had for its purpose the establishment of Federal industrial banks to make direct loans to small enterprise on a long-term, low-interest-rate basis. Admittedly there was room for improvement in its provisions, but I was astounded at the widespread and favorable reaction to the proposal. Since that time I have received hundreds of letters from every State of the Union coming from shopkeepers, tiny merchants, remote factory owners explaining their financial plight, and in nearly every instance, pleading for easier and more available credit. These letters portray the plight of small business more vividly than all the statistically prepared reports and economic reviews that have ever been published. They say in unmistakable terms that private credit is not available to them and that the Federal Government must become the resuscitating agent to rescue them from financial strangulation.

For example, a small employer at Rochester, N. Y., writes: "I have a small business employing seven people and I have tried to borrow money from the local banks for expansion where it is needed. I am unable to get any money for this expansion, although I can submit a net worth statement of $18,000. The banks generally tell me that nothing that I have, such as my real estate or accounts receivable, are worth anything, and that the only thing on which they can loan me money is my insurance policies."

A merchant in Phoenix, Ariz., cites his problem: "The banks do little at this time to help the small merchant, no matter what his standing may be in the community. In 1920 I got $8,500 on my personal note. In 1929 I went into the bank and asked for $4,000 on a personal note and got it without any trouble. Now, recently, I went to the same bank and asked for $2,000, but all they would allow me was $1,000. Now, nothing has happened to my personal record. I have had a clear record since I entered business in 1912. I want to say that the fear that existed from 1930 to 1933 is returning and some law must be enacted to relieve small-business men."

A small Philadelphia manufacturer is having his credit troubles. He states: "Our business is small. We employ 10 employees steadily. We could add 5 to 8 more employees if we could procure $5,000 to $8,000. This is not guesswork. We have developed new products but need money to produce and market the products. Like most small-business men, we want to stay in business, but we have consumed most of our working capital trying to hold our business together through the bad years and we are now unable to proceed without assistance. The papers state that the banks are bulging with money. That is easy to understand because they won't loan it out."

A Georgia businessman discusses his problem and remarks: "As a rule, when bank loans are available for the small-business man, it is for a period of 60 to 90 days, and when repaid, leaves him in about the same condition as when the loan was made. The banks have plenty of money to loan. Loans on long terms to solvent concerns would, in my opinion, immediately create a demand for more goods, which would put more people to work and would be a substantial aid to reemployment, to the banks, and to their stockholders."

An Omaha, Nebr., firm explains that it has been refused a loan of $15,000 because it failed to show profits during the depression years. A long-term loan at a reasonable interest charge would put this important little industry back on its feet. But it cannot be obtained, either through private banks or through the Reconstruction Finance Corporation. The concern writes: "We feel our case is typical of a great number of businesses in this country. It is the reason why the Federal Government should take more action in providing capital for small business so that labor can be employed, plants can be equipped, and materials can be purchased."

Another Pennsylvania company explains present-day credit needs. Here is the company president's story: "I have been in the manufacturing business since 1906. I always employed between 160 and 170 employees 9 or 10 months a year. I was a depositor for 20 years in a large bank, and I established a credit of $30,000 with this institution. By having this credit I was in a position to solicit business, make up my orders in time for delivery, and meet my weekly pay roll without difficulty, embarrassment, or fear. Today, I am still in the manufacturing business and have the facilities to employ from 60 to 70 people. However, because I lack the financial assistance and credit which I formerly enjoyed, I am forced to run my plant only 3 or 4 months out of the year and only employ 20 people. This situation is common here and probably is true throughout the country. Therefore, there is a steady increase in unemployment. The sooner the forgotten small-business man gets some kind of financial assistance the quicker business generally will improve and the quicker unemployment will be reduced."

Typical of hundreds of similar instances, just consider the situation confronting this Ohio manufacturer: "Up until this year, I operated two small mills, employing about 40 men. But because I could not raise or secure from banks a capital loan of only $2,500, I was closed out."

When we realize the practical effect of idle plants and wholesale community unemployment, we can grasp the imperativeness of legislative action to relieve such situations.

If it is true, as it is time after time indicated, that the unavailability of adequate credit lies at the bottom of this appalling dilemma, then why not make such credit available and why not take positive action immediately?

It is perfectly true that we would not be discussing this problem, for it would not exist, if the banks were loaning for capital purposes in any appreciable amount. We know that this is not due to lack of money in our banks. The causes of present banking policies constitute a long story, but the fact remains that small business is being slowly smothered for want of credit.

The bank in your village or city contributed vastly to the development of America. Its principal contribution was to loan money for the creation, operation, and expansion of small business. So-called character loans used to be common. The banker and the businessman were close together. They understood each other's needs, and they worked harmoniously to fill those needs. The banker built up his community because he had faith in it and faith in his neighbors. It is an unhappy circumstance that that relationship no longer applies. Today character loans are a thing of the past. Today, although 10-year credit terms satisfy the law, banks make few long-term loans. The result is they are not of great practical assistance to small industry, and they have, in effect, lost much of their former value to the community.

The investment banker is of little or no assistance to the types of small business about which we have been talking. He floats security issues, which are easily salable, for large and well-known companies. As a rule, he is not interested in the flotation of capital loans of less than $1,000,000, and he is not interested in aiding new and unknown concerns. He is probably correct in pointing out that the cost of distribution of small amounts would be prohibitive. But, again, the fact remains that he is proving of no direct help to smaller business and is, in effect, contributing to their difficulties through his assistance to large firms that often approach the monopoly size.

Therefore we have the deplorable absence of any reasonable credit facilities for our small-business man. Neither the local, commercial, or investment bank will give him the helping hand he so sorely needs.

An important New York banker wrote to me last week stating that his bank is giving increased attention to loans for small business. He intimated that they were satisfying most requests and that not many were being received. The numerous letters in my files plus the flood of applications filed with the Reconstruction Finance Corporation would not bear out the assumption that this is generally true. In fact, running through innumerable cases is the complaint that banks cannot or will not approve loan applications. The record of the R. F. C. fails to furnish evidence that it has been of any significant or widespread assistance to small enterprise. Congress endeavored to liberalize the original R. F. C. Act and to provide additional loans to industries. Some aid has been granted under this liberalization, it is true, but it is not a drop in the bucket so far as a really effective program is concerned.

In the face of these circumstances it does seem beyond question that we lack an adequate mechanism through which small industry can satisfy its capital and credit needs.

Several bills are now pending in Congress to cope with this problem and to assist small business in obtaining its required capital. Representative ALLEN of Pennsylvania and myself are jointly sponsoring a measure which has for its purpose the insurance by the R. F. C. of loans made by banks to business enterprises for the increasing of production, extension of operation, modernization of plants, etc. If enacted, such a law would insure banks against losses they might sustain in making such industrial loans. We have endeavored to be liberal in the amortization requirements. Insurance will be provided banks in cases where their industrial loans are not in excess of $200,000. A 7-year amortization period is permitted and an interest rate in excess of 4 percent may not be charged. A service charge may not exceed 1 percent and the loans or advances of credit may be secured by a first mortgage upon real estate or by a chattel mortgage upon personal property.

We have presented this bill with the thought that it would stimulate small business loans and involve the expenditure of no Federal funds. It is, in many respects, similar to the program of the Federal Housing Administration which is now insuring bank loans for the construction of homes. The F. H. A. has been popular with the banks because it uses Federal credit to secure loans made by the banks at a profitable rate of interest. If it has proven practical to extend long-term loans for home building, why will it not likewise prove practical to extend long-term loans to business? A man may now borrow $10,000 to build a home, repaying it perhaps on a 20-year installment basis. Why should he not be able to borrow $10,000 for industrial capital purposes and pay it back on a 7-year installment basis? That, in effect, is the reasoning behind our proposal. Of course, the whole picture is disappointing because it should not be necessary to establish such means to obtain a free flow of private credit. Nevertheless, the necessity obviously does exist and steps must be taken along this line.

Another interesting proposal has been advanced by Senator PEPPER, of Florida, who is sponsoring a bill to establish a system of regional industrial credit banks to furnish additional direct credit and capital facilities for business purposes. He would provide liberal terms for the extension of such loans—not dissimilar to the procedure now employed by the Federal land banks in making loans for the refinancing of farm mortgages. Senator LOGAN, of Kentucky, is likewise sponsoring legislation for the establishment of intermediate credit banks to make industrial loans.

A new bill which I am introducing this week will attack the problem in still another manner. This measure will provide for the organization of bank affiliates, expressly set up to extend loans to industry.

These are some of the legislative suggestions that are being made to assist business enterprises in the United States. They

demonstrate that among Members of Congress there is a definite realization of the lack of industrial credit and that there is a genuine desire to do something about it.

Congress is concerned with providing more adequate credit facilities for small business because the problem is national in scope and acute in its serious effect upon our economy.

To get a picture of the immensity of those affected, we must understand that over 400,000 companies in this country may be classified as "small business" concerns. Such a number have assets of less than $5,000,000, and approximately 386,000 companies have assets of less than $1,000,000. Companies with assets of less than $5,000,000 make up 26 percent of the total assets of all corporations in this country. In addition to the small corporations, there are many business partnerships and individual proprietorships, the great majority of which fall into the "small business" class.

It is, therefore, self-evident that the well-being of our economy cannot be divorced from the well-being of these small and medium-sized corporations.

Big business is, to a great extent, dependent upon small industry for its raw materials and its markets, and likewise for its basic prosperity. With this in mind, it is true that small industries in our medium-sized towns and cities are fundamental to the successful functioning of our economic system. Therefore, it is of the utmost importance to consider the means by which small business can be revitalized, and the method by which its importance to the economic welfare of the whole Nation can be increased. The essence of the revitalization of small business requires that they be provided with more capital and with better credit facilities.

We are inclined to overlook the fact that without an adequate and properly directed flow of capital into industry there can be no efficient operation of our national economy. New capital investment is not only required for the construction of additional plants and for the purchase of new machinery so that industry may expand and maintain employment, but such investment is also necessary in order to provide for the proper maintenance and modernization of existing plants so that business may be in a position to continue the employment of those who are now at work.

To secure the full benefit of capital investment a private business enterprise which will use capital is required, as well as a credit mechanism which will make it available to business. It is at this point that small business enterprises are of vast significance to our national economy. New enterprises are usually small units and their financing sets into motion a spiral of economic activity which encompasses a wide area and brings into play other business enterprises. Healthy small business enterprise, adequately financed, is essential to the stability of our whole national structure.

The small-business man is by nature adventurous. His organization is relatively flexible. He can take chances. He likes to generate new methods for increased profits. We depend upon him for the continued progress and development of our industrial and economic system. If he is ill from financial malnutrition, our entire economic system suffers likewise.

I have said that there is an increasing demand by small business for intermediate capital—a demand that is not being met by either private or existing public agencies. I have mentioned that this demand is reflected in the numerous applications for industrial advances and participations being filed with the R. F. C. The Federal Reserve banks are likewise reviewing hundreds of loan applications. I repeat that the extension of $50,000,000 or even $100,000,000 annually by these public agencies has been helpful. They have not, however, been able to provide the necessary credit that small business so badly needs. Whether the law is not sufficiently liberal or whether the administering officials are overly conservative is beside the point. The fact is credit needs are not being satisfied and some means must be found to accomplish that purpose.

Small business concerns represent a desirable channel through which funds for additional capital investment may flow, thereby enabling us to employ more people and to keep at work those who are now employed.

I consider the solution to this problem of adequate financing for small- and intermediate-sized business most vital to our national welfare. For this reason, without attempting to destructively criticize, I am frankly disturbed by the lack of adequate financial mechanisms on the part of public agencies and of existing banking institutions. Something is drastically wrong when, at a period when bank deposits are close to a record high, the small-business man is unable to depend upon his banks for his credit and capital requirements.

A source of capital must therefore be brought into existence which can be tapped by new and small enterprises which, even though they may not yet have established high credit ratings, do nevertheless constitute good risks and do offer promising prospects.

I am not sniping at any public or private agency, nor am I discrediting the efforts that many of our banks have put forth, but which, unfortunately for the most part have proved futile. I am simply asserting that, in my judgment, a definite need for easier credit does exist, and that it is incumbent upon Congress to recognize that demand and to effectively deal with it at the earliest possible date.

Too many small shops and plants are closing their doors; big business in many instances is growing bigger; our small communities are directly suffering. Mass production is not frequent in small industry. They should be healthy little units, providing gainful employment in villages and hamlets throughout the United States. The trend is in the opposite direction, and I, for one, do not think it is a salutary trend. It is definitely our job to help correct the ills of small business.

Jackson Day Celebration

EXTENSION OF REMARKS
OF
HON. CHARLES O. ANDREWS
OF FLORIDA
IN THE SENATE OF THE UNITED STATES
Tuesday, March 14 (legislative day of Monday, March 13), 1939

ADDRESS BY HON. JAMES A. FARLEY AT MIAMI, FLA.

Mr. ANDREWS. Mr. President, I ask unanimous consent to have printed in the RECORD the address delivered by Hon. James A. Farley at the Jackson Day celebration at Miami, Fla., on Saturday, February 18, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Before addressing you this evening I wish to read the following message which I have just received from President Roosevelt:

Hon. JAMES A. FARLEY,
Miami Biltmore Hotel:

It fills me with sincere regret that, although I am within the hospitable borders of the State of Florida, I cannot participate in a more direct way in the deferred Jackson Day dinners being held tonight. But the U. S. S. *Houston* is lying at anchor in the main ship channel off Key West ready to take me to the fleet maneuvers in the Atlantic to the eastward of the West Indies, and I must be off. It gives me, however, the greatest pleasure, through you, to extend to our fellow Jacksonians in Miami or wherever they are assembled tonight my hearty felicitations and warmest personal greetings. Once more I desire to remind the faithful that the chief duty of the Democratic Party is to make democracy work. The present administration is following in the Jackson tradition, and therefore will not recede from its determination to advance the national unity by promoting the security and happiness of the greatest number of the people.

FRANKLIN D. ROOSEVELT.

It is an honor and a privilege to talk to my friends of Florida in general and Miami in particular on such an occasion as this. You are so practiced in hospitality, so skilled in making your visitors feel at ease, that the stranger in your midst catches the spirit unconsciously and feels that he is one of the family. I do not have to tell you that from the moment I step from the train here I count myself at home, and it is a comfortable sensation. So, surrounded by familiar faces, and warmed by the generous welcome you have accorded me, it is easy to discuss our mutual problems, enjoy our mutual satisfactions, and, with the security of intimacy, talk over our desires, political and otherwise.

Every community contributes something to the national total of comfort and well-being. One city affords us the convenience of passing along the goods of overseas; another distributes to us the products of the farm; a third sends out its quota of manufactured things—fabrics, automobiles, and the thousands of other materials and utilities that give our country the highest standard of living in the world. We accept these matters as being merely in the natural course of events—like sunshine and air—never stopping to realize that they are all elements in the build-up of general content, made possible by orderly government and the ingenuity and enterprise of our people.

Who will say that the contribution of this section is not as important as any of the elements suggested? Miami and its sister Floridian communities are merchants of entertainment, diversion, and relaxation. Not that they do not perform other functions that help in the comfort of the country at large. You enable us in New York, for example, to get your delicious fruits and vegetables, while we are still in the stern grip of winter. That form of activity you share with other Southern States; what you do not share largely is your tourist trade. Your chambers of commerce and kindred organizations give the statistics of your winter visitors. Some come in their yachts, some come in their automobiles, and some come whose means of getting here is a puzzle. But, rich and poor, they come to revel in your sunshine, to swim at your beaches, and enjoy whatever form of entertainment they can afford. In one way or another probably you furnish the world with more direct happiness than any other division of the United States. Of course, the distribution of happiness is not without its flaws.

If you have followed the recent debates of the economists referring to the difficulties of restoration of prosperity, you will have observed that the one point on which these experts agree is that in the shortcomings of the system of distribution lie most of our troubles. We produce an abundance of goods and commodities and yet millions of our people cannot buy the things they need. So Miami has no reason to be discouraged in its distribution of pleasures, because the dweller in the trailer camp cannot have the seaside palace that a millionaire enjoys. In a world of inequalities there must always be these contrasts. The remedy does not lie in making things difficult for the palace tenant, and nobody in authority has any such notion, despite the view voiced by some of our economic royalists, that every measure calculated to im-

prove the lot of the poor chap is an assault on wealth and an approach to confiscation.

The meaning of democracy is the persistence of effort to improve conditions of the underprivileged; a constant striving to get to him the things he ought to have, which, of course, includes a job.

Among the other absurdities that the opponents of democracy advance is that the present Democratic administration is an enemy to business. It is perfectly obvious to everybody, except those who refuse to see, that the only means of attaining more comfort for the have-nots is to nurture business. In no other way can the jobs be supplied, and joblessness is our biggest handicap today. Nurturing business, however, does not consist in giving additional opportunity to exploit those who have already been exploited into penury.

In our advance toward permanent prosperity we must all rise together—business and its customers, capital and labor, industry and agriculture. The consumer must have the means to buy if the producer is to make money. There is neither wealth nor progress in shelves full of goods with an inadequate number of purchasers. The remedy lies with business. The purchasing power of the people comes mainly from the wages the people receive. If private industry holds back, the Government must supply the lack of wages in one form or another, but a bare subsistence wage is not enough to do the job. Business is coming to an appreciation of this self-evident fact. It is moving—too slowly perhaps—but gradually the slack is being taken up. I haven't the statistics at hand, but generally we know that employment is increasing and that the big industries are progressing. Whenever I hear anybody moaning over the state of the country I go back to where we stood when the Democratic administration took over the business of government. The comparison should not be between where we are and where we would like to be, but where we are and where we were. That is the true measure of the national trend.

This is an Andrew Jackson occasion. You know what that great Democrat did for Florida away back yonder when it was Spanish. I have been told that what he did then offended the legalists of his day. He even quarreled with the Supreme Court over the title of the American settlers to their lands.

As President he was accused of pretty much everything Franklin D. Roosevelt is accused of today by his enemies. Business was intensely shocked when he took on the Biddle Banks and insisted on the independence of the Federal Government as against the domination of the great bank. Business learned in time that he was right and they were wrong. They said he was going ahead in his advancement of real democracy too rapidly When he saw a job that needed to be done, he did it, and he put the Democratic Party on such solid ground that it has been alive and active for a century. It was only at such times as the party ceased to be genuinely democratic that the people turned to the opposition.

It is our business today to heed that warning. Our political foes are seeking to discredit what this administration has done. It is eagerly striving to promote such a rift in our party as will give them a look-in in 1940. It has all the money in the world to work with. It is putting up a front of progressivism in some sections, to mask its purpose of reestablishing a reactionary regime that would undo what the Democrats have done. It is skillfully avoiding any declarations of policy or principle, and making its campaign solely on criticism without offering anything approaching a remedy. I am sure their effort will be unsuccessful, but it would be foolish to underestimate the perils of the coming campaign. We must put up as intensive a fight for the retention of the gains of real democracy as if the perils were doubly apparent.

It is the job of the Democratic national organization to carry on this battle. The affairs being held throughout Florida tonight are part of the movement to provide us with funds to meet the assault, and I want to thank you on behalf of our party for that service. I deem it as part of your splendid hospitality, that you combine this delightful occasion with the really important contribution to our cause. I have no misgivings as to what is going to happen in 1940. In the nature of things every party in power has to meet a test of its popularity whenever the 4-year period rolls by. As chairman of your national committee I can take nothing for granted. Our opposition is well-organized, resourceful, and unscrupulous. With no responsibility it can and will make every promise that suits its purpose, and even though its promises are contradictory in different sections and before different audiences, they cannot be ignored safely.

We can and will meet these assaults, and repel them, but to do so is going to involve a lot of work, and while we cannot possibly match their campaign fund—for the massed wealth of every privilege-seeking agency and individual will be at their disposal—we are going to need every dollar we can raise to keep the people advised as to the real issues of the campaign. For this reason Florida's patriotic generosity is doubly welcome.

What they are striving for is to undermine and nullify the New Deal measures. Our task is to preserve what has been accomplished and to finish the job so auspiciously conducted by our great President. His courage and devotion to the people's welfare, his infinite patience and matchless energy has brought us far on the road to recovery. He has not pleased all the people all the time. Errors have been made, for in an enterprise of the magnitude of the task that was placed on his shoulders some mistakes were inevitable. But taken in its full aspect, no administration since the founding of the Republic has accomplished so much for the well-being of the Nation. He has kept us at peace in a disturbed world. He has so handled the affairs of the United States to make us the envied of all the states on earth. He has kept our national credit at the top and preserved for us respect and prestige among the powers, great and small.

That is our strength; that is why I feel that regardless of the ill will of every exploiter among our people, and all they can muster to their support, the Democratic Party can look forward to another endorsement by our people next year.

Admission of German Refugee Children

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Tuesday, March 14 (legislative day of Monday, March 13), 1939

RADIO ADDRESS BY ALEXANDER WOOLLCOTT, MARCH 7, 1939

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD a very scholarly address by a distinguished American writer, Alexander Woollcott, on the subject of the admission of German refugee children into this country.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ANNOUNCER. [Bell] Hear ye! [Bell] Hear ye! [Bell] Hear ye! Alexander Woollcott, the town crier.

Mr. WOOLLCOTT. This is Woollcott speaking. The old bell you've just heard—I found it under the galoshes in the hall closet and brought it to town with me because I've something on my mind. Indeed, I've come hat in hand to this network and asked for a chance to be heard. You see, I have a story to tell—a story first told me nearly half a century ago by a neighbor and dear friend of mine. That neighbor was a warm-hearted and altogether delightful woman who's been dust in the churchyard these many years. I submit her story now—I know she would have wished me to—as a free-will offering to a cause which is close to my heart. A cause important enough in all conscience for its own sake; important in terms of the wounds it will heal, the eyes it will dry, the hearts it will reassure. But also a cause which as a symbol—most of all as a symbol—is of an importance I have no words to convey. My story is a parable which was good and true when first it was set down on paper, but which has never, I think, had so many overtones as it has at this moment—this anxious moment in the history of the world.

This anxious moment. In Prague the other day a young Jewish university student went to a travel agency there and asked to buy a ticket. "Where to?" said the clerk. "Well," said the young man, "what kind of tickets have you got?" Yawning, the clerk pushed forward a globe on which was spread a map of the entire world. The boy looked thoughtfully over every inch of it before he pushed it back, and asked, "Haven't you anything better?"

In London the other day two refugees came face to face in Picadilly. One of them told how he'd just succeeded in booking passage to Australia. At this his friend was aghast. "Isn't that terribly far off?" "Far off?" the first refugee repeated. "Far off from where?"

Well, we will have our little jokes. For, mark you, folks laugh at the most unlikely times. Have to. Remember the *Cavalier*? That air liner from New York to Bermuda? The one which, on a day in January, 200 miles off Cape May, sank in a trackless sea? Remember how, buoyed up by life belts and clinging close to one another for comfort and support, these pieces of human flotsam rode those desolate waters for 10 mortal hours until the candle of their hope was guttering in its socket? Did you note—of course you did; we all did and with a certain pride—how, even when hope was dimmest—especially when hope was dimmest, and their strength almost gone, they told one another stories and cracked jokes and sang songs? Cracking jokes and singing songs on the very edge of eternity. That, you'll agree, must have taken a bit of doing. They were, you will say, of the stuff that can joke and laugh on the rim of the pit of despair. Well, aren't we all? What else do you think is going on tonight under the evening lamps in any house in England or France? Or in Holland? Don't forget Holland.

These rescued 10 from the *Cavalier*—they had helped one another. It's not always the easiest thing in the world for shipwrecked men on a raft to hold out a hand to people floundering in the sea.

None know that better than some who survived the maiden voyage of the *Titanic*—the proud palace now lying full fathom five in the North Atlantic. When she struck the iceberg 25 years ago—no, 27; the *Titanic* went down in 1912—some of her passengers got away in lifeboats. More jumped with life belts and of those a few were still alive in the icy sea at sunrise when ships came steaming to the rescue. But the best life preservers were the rafts—the collapsible rafts. So many were able to get aboard them. No wonder they became dangerously overloaded. Men and

women standing and kneeling upon them, awash with the sea. Surely the most dreadful memories of the *Titanic* were those brought ashore at last by the haunted men and women on the rafts who had fought off with oars the desperate people in the sea who tried to climb up beside them. Why, sitting in his comfortable chair beside the fire, there may be listening to me now—there is always something fateful, you know, in the reach of any broadcast—there may be listening to me at this moment some aging survivor of the *Titanic* who did just that. One wonders how well he sleeps o' nights. Even after 7 and 20 years one does not envy him his memories.

Beating the drowning people off our raft, striking them with our oars so that their despairing hands let go and they slip back into the sea—that is what happens at time of shipwreck. Time of shipwreck. For great multitudes, what else, my friends, is this? Beating the drowning people off our raft. Isn't that just what we, the luckier nations of the world, are doing every day to the refugees in flight from the despotism of middle Europe? Barring the road to the most pitiful migration since the world began? What else are we doing, and, in heaven's name, what else can we do? Not much. But a little more than we are doing—a little more. So little—but something.

I think every decent person in this country felt a wave of relief when the news came from Washington the other day that Senator WAGNER had introduced the bill now known as the Wagner-Rogers bill. This, with no hurt to anyone anywhere, will, at least take care of some of the children. It is proposed for this year and next so to raise the German quota that 20,000 youngsters—the oldest no more than 14—can come into this, a free country. Here is a small boy adrift because his folks are Catholics. Here is a little girl whose black crime is that her grandfather was a Jew. Here's a kid whose dad is in a concentration camp because he had the spunk to show a little of that independence which you and I take for granted as our birthright. Twenty thousand kids. Homes here are waiting for them and would be waiting hungrily for as many more. The Quakers, those friends in gray who always stand by in time of trouble—the Quakers will see that all creeds and all kinds are represented. The only difficulty is a technical one. All that is needed is a temporary change in the immigration law. The Wagner-Rogers bill takes care of that.

I assume that bill will pass. Yet I could wish that before they go to bed tonight every voter within the sound of my voice would send word to Congress in its behalf. For I hope it passes unanimously, a fresh reminder that this country is still strong enough to be—as it was in the beginning—a refuge for the oppressed. The Wagner-Rogers bill. It's the least we can do for the least of these.

When I heard the bill had been introduced, I found myself wishing that someone among its spokesmen would tell the story of Miss Vilda's dream. That story seemed to me meant for this moment. Then I knew I must tell it. Must? Had to; on my own hook, if not on my own hook-up. So here it is. I first came across it in a dog's-eared old book called Timothy's Quest by the late Kate Douglas Wiggin.

I don't know who reads Timothy's Quest today, but if you don't know it by heart you can probably get it at the library 'round the corner. It wouldn't hurt you to read it.

Timothy was a shabby and stout-hearted foundling—a 9-year-old ragamuffin who played knight-errant in behalf of a girl called Gay. Gay needed a protector, for she was very beautiful and only 4 and, like Timothy himself, she, too, had been left on the doorstep of the world—left on the windy doorstep by someone who rang the bell and ran away. In a swarming alley in the meanest part of Boston a blowsy old wanton had, for a time, been paid by some person or persons unknown to look after Timothy and Gay, but when she died there was no one to say who the kids were nor where they had come from. So among the neighbors who laid her out there was talk of shipping them off to an orphanage. When the anxious Timothy overheard that talk, he and the lady, Gay, lit out for parts unknown, the boy pulling her in a home-made cart that was just an old clothes basket on wheels. Gay must go to no orphanage. She must have a home, and he was going to find one for her.

It was close to sundown when, after a wild ride on a freight train and another on a hay wagon, this lady in distress and her champion, stained with the dust of the road and now almost tuckered out, passed through a village and paused before a neat farmhouse with elms standing sentinel beside it and a white picket fence 'round about. The apple trees drooped with the weight of their fruit, and the shining milk cans winked in the reddening sunlight. "This," Timothy said, "will do." And he knocked at the door.

In that house so spotless, so cheerless, there lived a bitter and lonely old maid, Miss Vilda Cummings. Imagine her feelings when she opened the door and found those two refugees standing expectant on her front stoop. Land o' liberty. "Please," said Timothy, "do you need any babies here, if you please?" Dear me, suzz, what a commotion. Out in the barn, milking cows, the hired man thought it was a good idea. Might make Miss Vilda human. And in the kitchen, Samantha Ann 'lowed as how it was a good idea, too. But Miss Vilda, rocking furiously, would not listen to such balderdash. What? Take in two dirty little waifs from heaven knew where? They must be crazy. Would she turn the children out then? Well, no, not exactly. Not with night coming on and them so hungry and tired. She was a good Christian woman, and she hoped she knew her duty. She'd wash them and feed them and give them a bed for the night. But in the morning she'd send them to an orphanage. That's what she thought. Yes, that's what Miss Vilda thought when she went to bed. But before morning the stone had been rolled away from the sepulcher of her heart. For in the night Miss Vilda had had a dream.

She dreamed that on a day of blinding heat it was her doom to climb a mountain. The way was steep and the road was rough and the briars caught at her skirt. A little girl, with a face like Gay's, came running toward her, holding out her hands as if she wanted to be taken up into Miss Vilda's arms. But Miss Vilda pushed her aside. It was all she could do to go on alone. The merciless sun beat down upon her and her back was lame. The sharp stones cut through her shoes and the briars caught at her skirts. Again the child appeared before her and again she pushed her away and again she went on with the weary climb, her spirit fainting, her strength almost gone. When once more the child reappeared Miss Vilda was too weak to put her aside and the child crept into her arms. And then, quite suddenly, Miss Vilda felt no more the heat of the sun. The stones scattered before her step. The briars parted to make a path for her. She lost all sense that she was climbing at all, the way now seemed so easy, so easy. Before she knew it she had reached the top. And there an angel was waiting and took the child from her. Stooping, the angel dipped a finger in the dust and with it wrote on Miss Vilda's forehead a single word. And the word that the angel wrote was "inasmuch."

Admission of German Refugee Children

EXTENSION OF REMARKS
OF
HON. ROBERT F. WAGNER
OF NEW YORK
IN THE SENATE OF THE UNITED STATES

Tuesday, March 14 (legislative day of Monday, March 13), 1939

EDITORIAL AND LETTERS CONCERNING GERMAN REFUGEE CHILDREN

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Galveston (Tex.) News of February 20, 1939, entitled "German Refugee Children," and also letters on the same subject from A. S. Langsdorf, dean of the School of Engineering and Architecture of Washington University, St. Louis, Mo; Susan M. Kingsbury, president of the American Association of University Women; and Mary Riis, of New York.

There being no objection, the editorial and letters were ordered to be printed in the RECORD, as follows:

[From the Galveston (Tex.) News of February 20, 1939]

GERMAN REFUGEE CHILDREN

No decisive objection can be offered to the proposal to admit 10,000 German refugee children into the United States during each of the calendar years 1939 and 1940. Introduced into the Senate as a joint resolution by Senator WAGNER, and referred to the Committee on Immigration, the proposal has the support of many prominent Catholic and Protestant churchmen, and also of the leaders of both branches of organized labor.

Admission of these refugee children, all of whom would be 14 years of age and under, would not affect the domestic unemployment situation. The stipulation that none should be admitted until provision for their care had been made by responsible American citizens or private organizations would insure against their becoming public charges.

It should be emphasized that the Wagner law would not suspend existing quota restrictions on the immigration of adults. Its sole effect would be to make possible the rescue of 20,000 hapless and helpless children whom Nazi persecution deprived of parental protection. In giving some of those children a chance to grow up free and self-supporting, with the help of kindly Americans, our country would be following the lead of England and Holland. Despite their crowded populations, those countries are admitting refugee children as rapidly as arrangements can be made to accommodate them.

Among the victims of Europe's politically inspired hate none are more pathetic than the German children whose parents have been sent to concentration camps or who, for other reasons, have been thrown upon the mercy of the world. It is estimated that 50,000 children under 14 have suffered that dreadful fate. About half are Jewish and the rest are Catholic and Protestant. Some of the latter group are treated as outcasts because they had one Jewish grandparent. Others of pure Aryan ancestry had the misfortune of being born to parents who insist upon thinking for themselves, which in the Nazi code is a crime as great as the possession of Jewish blood.

Much as Americans sympathize with the oppressed peoples of Europe, it is impossible to offer sanctuary in this country to all refugees, however urgent their need. It would dishonor our traditions of humanity and freedom, however, to refuse the small measure of help contemplated by the Wagner resolution.

WASHINGTON UNIVERSITY,
St. Louis, March 7, 1939.

Senator ROBERT F. WAGNER,
Washington, D. C.

DEAR SENATOR WAGNER: I am very much interested in favorable action by the Congress on the Wagner-Rogers bill permitting the admission of German refugee children during the calendar years 1939 and 1940. I hope very much that every effort will be made to expedite action on this important matter.

Very respectfully,

A. S. LANGSDORF, *Dean.*

WOMEN'S UNIVERSITY CLUB,
Philadelphia, Pa., March 11, 1939.

Senator ROBERT WAGNER,
United States Senate, Washington, D. C.

MY DEAR MR. WAGNER: On behalf of the Women's University Club, Philadelphia branch of the American Association of University Women, composed of 1,100 women, I am writing you in support of the resolution you have introduced and that has been referred to the Committee on Immigration.

The bill authorizes, as I understand it, the admission into the United States of a limited number of refugee children; that is, 1,000 in the calendar year 1939 and 1,000 in the calendar year 1940. Arrangements would be made for the placement of these children in families of their own nationality or religion. They would not become dependent upon the United States as they will be guaranteed care. Thus there is no danger of their becoming a public charge. Also, they would in no way affect our labor problems as they would not reach, within 5 years, the age at which they would enter the labor market.

Again, therefore, may we express our approval of the legislation.

Cordially yours,

SUSAN M. KINGSBURY, *President.*

NEW YORK, *March 10, 1939.*

Hon. ROBERT WAGNER,
United States Senate, Washington, D. C.

MY DEAR SENATOR: May I send my profound hope that the Wagner-Rogers bill, providing for the admittance to this country of 10,000 children from Germany, meets with immediate and enthusiastic passage.

Surely we are not so niggardly that we hesitate to share whatever we may have with innocent children unable to help themselves.

With appreciation of your altruistic and sympathetic stand, believe me,

Very sincerely,

MARY RIIS.

President Roosevelt's Words in Europe

EXTENSION OF REMARKS

OF

HON. GEORGE W. NORRIS

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Tuesday, March 14 (legislative day of Monday, March 13), 1939

ARTICLE BY HAROLD CALLENDER IN THE NEW YORK TIMES MAGAZINE OF MARCH 12, 1939

Mr. NORRIS. Mr. President, I ask unanimous consent to have printed in the RECORD an article written by Mr. Harold Callender, of London, published in the New York Times Magazine of March 12, 1939, entitled "Roosevelt's Words Re-echo in Europe."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times Magazine of March 12, 1939]

ROOSEVELT'S WORDS RE-ECHO IN EUROPE

(By Harold Callender)

If the question "Who are the men who most influence European affairs?" were asked at random in London, Paris, Berlin, and Rome, the overwhelming answer in all these capitals and among all classes would be: Hitler, Mussolini, Chamberlain, and Roosevelt.

By many subjects of totalitarian states, as well as by citizens of constitutional countries, President Roosevelt's necessary inclusion among the leading four is regarded as a reassuring sign in uncertain times. For millions of people living on both sides of the ideological frontier look upon the man in the White House as a powerful, possibly a decisive, force for peace; and it is this very fact which partly explains the fury with which he has been attacked by the government-controlled press in the unconstitutional countries.

In many European minds America has taken on somewhat the shape of a good fairy who, having once changed the course of history at a crucial moment and then vanished from the European scene, might conceivably turn up again to fill the role of a deus ex machina by insuring a favorable ending of the European drama—next time, it is hoped, not by turning the tide of battle but by preventing it.

Few informed Europeans can discern many hopeful signs amid the darkness of pessimism and fear which armaments and aggression have spread over an entire continent; but America seems to them to be one, perhaps the greatest, of such signs. It is to her that many look to save Europe, not merely from the dominion of any one power or creed but from war itself—from a war which, as many, including Mr. Chamberlain, believe, would bring chaos from which Europe might not recover.

It is highly significant that, whereas after August 1914 it was the rallying of a transatlantic ally in war that was awaited with natural impatience, today it is the mobilization of America's sympathy and resources for the preservation of a threatened civilization which some hope for and some count upon. The last great war came suddenly, taking Europe by surprise. The so-called next war has been steadily and visibly approaching for years, like a sinister comet announcing its measured advance; some believe it has already struck in spots; and the problem is to check or avoid it.

When Europeans think of America's preventive role they think chiefly of her tremendous economic resources and the moral power with which they have endowed her. As they see it, the mere probability that those resources will be thrown against an aggressor will cause him to pause before making war. They believe that probability already exists, and that the pause may have begun. They feel certain that Mr. Roosevelt's outspoken note to Berlin last September greatly helped to prevent an invasion of a small neighbor, and that his plain words since have strengthened the hands of all those in many countries who are struggling to keep Europe from exploding.

They think the President has stiffened the backs and raised the spirits of Britain and France, who have repeatedly paid such heavy prices for peace that none can doubt their pacific intentions. They think his words and acts have served to restrain the impulses toward violence which only too obviously exist.

But it would be unfair and inaccurate to assume that in championing peace and democracy Mr. Roosevelt has necessarily spoken on behalf of one group of powers. He has not adopted the British or the French foreign policies; in some respects he has cut sharply across them. He has expressed the thoughts and desires not only of the bulk of the British and French but of the bulk of the Germans and Italians. For the subjects of dictators—though many dare not say so—are as fearful of war and as desperately eager for peace as citizens of freer countries. This correspondent has visited in the last year or so all the four great capitals of western Europe mentioned above, as well as a score of other cities in Germany, Italy, Spain, Britain, and France; and his deepest impression is of the obvious and profound longing for peace that exists even in the most warlike of states.

Thus Mr. Roosevelt, in pleading for peace and for the tolerance and the live-and-let-live freedom associated with democracy, has expressed the yearnings of most Europeans, whatever flags they live under. Peace is an almost universal human desire today in spite of the unprecedented proportion of national incomes which governments are spending to prepare for war.

Like Woodrow Wilson, who in 1917 and 1918 called upon the Germans to overthrow the Kaiser (the most effective single bit of wartime propaganda), Mr. Roosevelt today has appealed to the German and Italian people over the heads of their governments. And how those governments hate it! Many of his appeals have been kept out of the German and Italian press; others have been indignantly answered by somewhat irrelevant attacks on the domestic vices of the United States. But many have been heard. This is quickly discovered by anyone who travels in those countries and understands their languages.

In this sense Mr. Roosevelt has set the pace for Mr. Chamberlain, who, in a milder way, has followed suit by saying that all the peoples of Europe wanted peace, but he could not be sure those feelings would always be shared by their governments.

But the President's attitude has been fundamentally different from the official British one. The British Government, even when Anthony Eden was at the Foreign Office, repeatedly argued that nations should not be divided into hostile camps on ideological lines, that internal regimes of other countries were none of Britain's business; and Mr. Roosevelt's Ambassador in London spoke in this same vein when he said that the doctrinal differences between dictatorships and democracies should not be allowed to grow into unrelenting antagonisms.

Mr. Roosevelt, on the other hand, frankly draws a sharp line between the theory and practice of dictatorship and those of democracy. He insists that internal regimes concern the whole world when they spill over frontiers and menace free countries. His antagonism to dictatorship is, in this sense, already unrelenting. And many Europeans are glad of it.

Nor have the President's policies been in close harmony with those of the French Government. M. Bonnet, the French Foreign Minister, takes a much more complacent view of the Munich agreement than Mr. Roosevelt takes. Only a fortnight after Mr. Roosevelt withdrew the American Ambassador from Berlin M. Bonnet welcomed the German Foreign Minister to Paris and signed with him an agreement which to some suggested a rapprochement between the French Republic and the Nazi Reich. There are numerous Frenchmen besides M. Bonnet who think France must somehow make friends with Hitler and refrain from irritating him.

There are still some in Britain who agree with M. Bonnet. On the other hand, there are many who agree with and applaud Mr. Roosevelt.

The British, like the French, however, are chary of vociferous enthusiasm for two reasons: First, they wonder whether Mr. Roosevelt is not several jumps ahead of his own people and Congress; second, they fear that excessive jubilation on their part might be misconstrued.

"It's too bad we haven't settled those war debts," said an Englishman recently. "Why not do so now?"

"Oh, no; it's too late," said another Englishman. "If done now it would look as if we were paying because we wanted America's help in an emergency."

Everywhere one travels in Europe one is asked whether the neutrality law will be repealed, whether Mr. Roosevelt will "get away" with his policy of backing the European democracies by selling them arms and by warning the dictators. Many Europeans—including Germans and Italians—hope and believe America will support the President's policy, but they recall their disillusionment when the Senate rejected the peace treaty and the League. This seems to justify certain doubts.

"It is wonderful how Roosevelt talks up to Hitler," said a distinguished German. "He is the only one who seems to know how or to be willing to do it. He is a valuable restraining influence, for Germans have reason to respect the power and the opinion of the United States."

The Nazi press may inveigh against Mr. Roosevelt as a "war monger" and as a spokesman of "Jewish capitalism" (which seems to be oddly allied in the Nazi mind with "Jewish bolshevism"). The Italian Fascist press may overflow with venom, calling Roosevelt a madman. But millions of Germans and Italians are cheered by his utterances, while in speeches by Hitler and Mussolini they find only grounds for apprehension.

After Munich, pessimism seized many in democratic countries. "If we sell the pass, why should be expect America to help us?" they asked. "If the European democracies abandon a small nation and continue to retreat, Americans can no longer regard Britain and France as the first-line defenses of the democratic world. We shall now lose the respect and sympathy of the United States."

Since then the British and French have recovered much of their equilibrium and confidence. They have convinced themselves that Europe is not yet lost; that the line can be held against the forces of militarism, even though the Czech defenses have been sacrificed. They still hope that war can be avoided, though some would avoid it by further concessions, while others feel that a show of strength is the only way.

It is America's influence which probably will decide between these two policies. If in the next crisis America seems to stand firmly behind the democracies, holding out the promise of her resources to reinforce them if need be, Britain and France will be less disposed to submit to further extortions. But if the hope of American backing should diminish, the "spirit of Munich" would be more likely to revive and the demands of the dictators would be pressed more boldly.

In this sense it is correct to say that British and French foreign policies, and with them the fate of Europe, depend largely upon the attitude of the United States. The potential aggressors know they could not win a war if America's economic power were against them, and the prospect of winning by a sudden air attack dwindles with every week that passes. They know also that massacre of civilians with aerial bombs would be sure to incense Americans and would tend to insure their support for the democracies. Consequently, the dictators are reduced to bluffs and threats which they can only hope will not be called.

Many Europeans, including specialists in foreign affairs, believe Mr. Roosevelt has greatly contributed to the hesitation to make war. He has so far committed the United States to nothing excepting sympathy for free countries and for victims of attack. He has simply shown his own dislike of dictatorship, which most Americans share, and his aversion to a neutrality statute which might actually aid an aggressor. He has suggested that Americans cannot be indifferent to the triumph of violence and brutality in Europe and has hinted that America's economic power should be used to restrain them. He has implied that the most satisfactory way of all for America to keep out of war is to insure that no great war takes place.

In 1933 Mr. Roosevelt appeared to Europeans as a stubborn and unaccommodating nationalist, since he flatly refused to assist in the world currency stabilization proposed at the economic conference in London; and to conservatives, notably in Britain, he seemed almost a revolutionary, or at least an economic heretic, because of his bold ventures in public works and currency manipulation and an unbalanced Budget. At that time he was widely feared in Europe for the strange things he seemed bent upon doing to the economy of the United States, which was so vital to Europe's recovery.

Today, when he seems disposed to utilize that economy to buttress the menaced structure of peace in the interest of both America and Europe, whose destinies seem more closely linked than ever before, Europeans generally look to him and America as bearers of hope to an imperiled world. And this is no less true—the point cannot be overemphasized—of Germans and Italians than of British and French. It may be even more true of the subjects of dictators; for the compulsory silence imposed upon their opinions by ruthless governments probably intensifies the comfort they derive from hearing (through illicit radio hook-ups) their own sentiments expressed by a fearless voice in the White House.

Economic Data Concerning Brazil

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, March 14 (legislative day of Monday, March 13), 1939

INFORMATION AND DATA SUBMITTED BY HON. ROBERT R. REYNOLDS, OF NORTH CAROLINA

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be published in the Appendix of the CONGRESSIONAL RECORD some information and data which I have gathered concerning our sister Republic of Brazil, which was the subject of discussion on the floor of the Senate on yesterday and which subject was so ably discussed by my honorable colleague the senior Senator from Illinois [Mr. LEWIS], at which time he—displaying his usual courtesy—permitted me, along with others of this body, to join with him from time to time. The data submitted will, no doubt, prove of interest to the Members of Congress as a whole since the eyes of America have been turned southward in a study of world commerce, in which we are all naturally vitally interested.

There being no objection, the data were ordered to be printed in the RECORD, as follows:

Brazil is the largest South American country in area and population. In size it slightly exceeds that of the United States, not including Alaska. The population is estimated at approximately 45,000,000, of which 75 percent live in rural areas. The standard of living is low, and probably not more than 15 percent of the people are able to purchase anything beyond meager living necessities.

Coffee has been Brazil's leading export product for approximately a century. During the decade 1924–33, coffee accounted for 71 percent of the total value of exports. Owing to the rise of cotton cultivation, the relative importance of coffee has trended downward for several years and in 1937 it accounted for only 42 percent of the total value of exports. Cotton was the second largest export in 1938, accounting for 19 percent of the total. Cacao is also an important item of export.

In recent years Brazil has made a strong effort at diversification both in agriculture and in industry. Manufacturing is confined principally to the simpler types of consumer goods, but some headway has been made with quality articles and with heavy industry. The progress of diversification is of special interest on account of its effect on the character of the foreign trade and its distribution by countries. With the decline in the relative importance of coffee, the United States has taken a smaller proportion of Brazil's exports while Europe, particularly Germany, has taken a large proportion. Nevertheless, the United States is still by far Brazil's best customer, taking 36 percent of her total exports in 1937. Germany was second with 17 percent.

The United States was also in first place in Brazil's import trade from the time of the war down to 1936, when Germany took first rank by a slight margin, according to the official Brazilian statistics. Germany was also slightly in the lead in 1937.

During the 3 years 1935–37 the average total value of Brazilian imports was $267,300,000, of which the United States furnished $61,100,000 (22.8 percent).

The average value of Brazilian exports during the period 1935–37 was $312,300,000, of which $118,900,000 (38.1 percent) went to the United States. Thus exports to the United States exceeded imports from us by $57,800,000.

Brazil normally has a large surplus of exports which provides exchange to cover debt services, remittances of profits on foreign investments, etc. However, Brazil was in partial default on its foreign obligations down to November 1937 when all debt service was suspended. Remittances of profits and dividends have also been restricted through exchange control measures. Imports were

unusually heavy during the first half of 1938, while the value of exports declined, reflecting the declining world market prices for Brazilian products, with the result that there was an import balance during the January-June period of $11,234,465.

WHAT BRAZIL NEEDS FROM THE UNITED STATES

Brazil in recent years has been making a strong effort to achieve diversification of production through new crops and the promotion of manufacturing. Emphasis is also being placed upon the improvement of transportation and communication facilities, both as a means of bringing about a greater degree of national unity and for the purpose of opening up undeveloped resources. The Government has recently formulated a 5-year economic plan, which calls for large outlays for communications equipment, industrial machinery, and other forms of capital goods. No official statement of the probable amounts of these goods which will be required has been issued by the Brazilian Government, but on the basis of estimates it appears likely that upward of $50,000,000 additional might be used to advantage during 1939.

Principal capital goods needed are as follows:

Railroad materials equipment and supplies	$25,000,000
Industrial machinery	11,000,000
Iron and steel	4,000,000
Motor vehicles	2,500,000
Transport planes	1,000,000
Airport construction	2,000,000
Army planes	3,200,000
Total	48,700,000

Furthermore, if it were possible to regain even part of our lost markets in Brazil for wheat, coal, office appliances, and many other goods, a very considerable increase in trade would result.

Railway equipment

Brazil has long been one of our leading foreign markets for railway equipment. During the 25-year period, 1910–34, about 38 percent of Brazil's total imports of railway equipment came from the United States. The 5-year economic plan puts particular emphasis on the improvement of transportation and communication facilities. In an area larger than the United States, Brazil has only about 21,000 miles of railways, and present facilities are inadequate to handle the demands made upon them. It is estimated that approximately $25,000,000 is needed in the immediate future for the purchase of locomotives, rolling stock, and construction materials. This estimate does not include labor costs, which, it is assumed, would be met by the Brazilian Government. Furthermore, the figures relate only to the needs for rehabilitating the present net. New construction designed to tap undeveloped resources, particularly iron, manganese, nickel, and other mineral deposits, would involve expenditures of far greater magnitude.

Industrial machinery

Brazil's imports of industrial machinery from the United States have been greatly reduced in recent years by the diversion of orders to Germany—this despite the fact that the United States is the logical supplier by reason of world leadership in technology of the equipment involved.

In addition to this current business Brazil has need of additional equipment for the economic development of the country. Purchases from the United States for these purposes might be approximately as follows:

Road-building machinery	$2,000,000
Construction, pumping, and other equipment for irrigation program	3,000,000
Mining machinery for developing Itabira iron-ore deposits	2,500,000
Vegetable oil extracting and processing machinery	1,000,000
Total	8,500,000

Iron and steel products

Consumption of iron and steel has shown an upward trend for some years, owing to its greater use in connection with building construction and to the demand from numerous secondary metal-working industries which have sprung up in recent years. Domestic production of pig iron, steel, and rolled goods is also expanding, but local plants are able to supply only a part of the total demand. Imports of the major items of iron and steel in 1937 amounted in value to about $40,000,000, of which the United States furnished approximately one-fourth. The inauguration of extensive economic developments would entail an additional demand for approximately $4,000,000 of iron and steel products which the United States is in a position to supply.

Motor vehicles

Brazil has steadily increased its purchases of American motor vehicles since the low point reached in 1932, but American participation in the Brazilian markets has declined continuously from 98 percent in 1934 to 87 percent in the first 9 months of 1938. In 1938 these purchases will approximate only 30 percent of the 1929 peak. More automotive highway transport equipment is a pressing need in Brazil and this need will be supplied practically 100 percent from the United States providing means can be found to overcome German trade practices. Under these conditions, we might expect the following increased American automotive business in Brazil during 1939 as measured against our 1938 volume:

	Number	Value
Passenger cars	1,000	$590,000
Trucks and busses	700	390,000
Assembly parts		500,000
Total		1,480,000

The automotive replacement parts and accessory business would presumably show a proportionate advance, possibly by $1,000,000, because this class of business has been seriously affected by fluctuating exchange rates and the delays in effecting dollar settlements.

Aeronautical equipment

Because of the time and expense involved in providing more extensive access to the Brazilian hinterland by land transport, aviation development is also a matter of prime consideration to the Brazilian Government, as a part of its program of national unification. For some time there has been under consideration a supplementary air transport network which would be operated by the Brazilian Army. It is well known that American planes are preferred for these proposed operations. Our estimate of the Brazilian requirements for American transport planes for this purpose are:

Year	Under 12-place	12- to 25-place	Over 25-place	Total	Approximate total cost
1939	17	5	2	24	$1,000,000
1940	20	6	2	28	1,100,000
1941	34	4	2	40	1,250,000

To make possible this more extensive and efficient operation of schedule transport services considerable airport construction (by American engineers) and airport-airways equipment (lights, hangars, radio aids to flying, etc.) would be needed. Such American services and materials as could be used for these purposes might cost about $2,000,000 annually.

Coal

Brazil currently consumes around two to two and one-half million tons of bituminous coal, of which two-thirds is imported. In 1926 the greater part of these imports were American coal worth about $10,000,000. In 1937 our coal exports to Brazil were approximately 190,000 tons, valued at $900,000, while the bulk of the trade was divided about equally between Great Britain and Germany. Although considerable British capital is invested in railways, gas plants, and electric-power plants in Brazil, there are other public utilities, the state railways, and federal shipping lines which might be buyers of American coal under favorable conditions.

Consumer goods

Although Brazil's principal requirements for United States merchandise are in the capital goods field, particularly in connection with the development of the country's vast resources, there are a number of instances in which the present competitive situation regarding consumer goods deserves special consideration.

An important example is the market for breadstuffs, which is one of the largest items of Brazil's import trade. Only 13 percent of Brazilian consumption of wheat and wheat flour is supplied by domestic production. Most of our market from Rio de Janeiro south was lost to Argentina before the World War, but American flour (and to some extent wheat) was preferred in the Northeastern States prior to 1931. In 1926 Brazil's imports of breadstuffs from the United States amounted to over $18,000,000. Since that year Brazil has developed its milling industry, and Argentina wheat has largely replaced American flour.

Brazil normally sells considerably more to the United States than it buys from this country. This export surplus enables Brazil to buy its breadstuffs elsewhere, principally in Argentina. On the other hand, Argentina normally buys more from the United States than it sells to this country. Recently, Argentina has been insisting upon a policy of bilateral-balancing; that is, that imports from the United States must not exceed in value its exports to the United States; and restrictions have been placed on imports from the United States. However, Argentina has an export balance in its trade with Brazil, owing to large sales of wheat. Argentina should not expect "to have its cake and eat it, too." Unless it is willing to admit United States' goods in excess of United States purchases in that country, it cannot consistently demand that Brazil buy Argentine breadstuffs in preference to American wheat or flour.

The market for office machines also deserves special consideration. Prior to the outset of subsidized Germany exporting, the United States supplied 80 percent of the Brazilian market for office machines, but this proportion has subsequently declined to around 50 percent. Brazil's annual requirements average about $4,000,000, of which the normal share of the United States is $3,000,000. Under normal competitive conditions the United States could also increase its share of the Brazilian market for scientific instruments, photographic and projection goods, and miscellaneous specialties—markets, which, in the aggregate, amount to about $6,000,000.

Trade Agreement With Brazil

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Tuesday, March 14 (legislative day of Monday, March 13), 1939

ARTICLE BY WALTER LIPPMANN

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Walter Lippmann appearing in the Washington Post this morning concerning economic conditions in Brazil.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of March 14, 1939]

TODAY AND TOMORROW

(By Walter Lippmann)

THE GOLDEN KEY

As a contribution to the peace of the world and to general recovery the agreement just made with Brazil has great importance. It inaugurates what may fairly be described as a positive and constructive phase of American foreign policy.

Up to this point we have had moral exhortation and moral judgment. They were necessary. They have helped to keep alive in the minds of men the elementary principles of law and justice and decency. We have had a program of rearmament. It is essential. It has made clear to the world that in the regions where we are concerned these principles are not pious sentiments but effective convictions. We have had Mr. Hull's trade agreements. They have been useful in promoting some trade; they have been even more useful in preserving the theory and the practice of normal and peaceable commerce. We have had the declarations and the demonstrations of the good-neighbor policy toward Latin America. They have done much to persuade the peoples of this hemisphere that the United States genuinely desires in its own national interest that they should remain independent self-governing republics.

KEY CAN UNLOCK NUMEROUS DOORS

But this Brazilian agreement, which has grown out of negotiations between Dr. Aranha and Mr. Hull, is in principle the most constructive measure that has yet been taken to restore peace and prosperity in the world. For here at last we are using the key which can unlock so many of the doors that are now closed against an economic revival.

That key is the stupendous hoard of gold we have been accumulating only to bury it in the vaults of the United States. Out of $26,000,000,000 worth of monetary gold in the whole world, more than half, over fourteen billions, are in the United States. The fact that this gold has poured into the United States and has been buried in the ground has been both the result of and a cause of the closing of the doors to normal trade. With this gold much can be done to open those same doors.

NOT MUCH OF GOLD WAS MINED IN UNITED STATES

In order to appreciate the importance of the Brazilian agreement we must see in its simplest form what has happened to bring to the United States more than half the gold of the world. For not much of that gold was mined in the United States. The gold has come here because we have bought it.

Some of it we have bought because we offer $35 an ounce to anyone who will sell us gold. But more of it we have bought by giving foreigners automobiles and cotton and tobacco and other goods that we export. Unable or unwilling to exchange our products for their ordinary products, we have been willing to exchange our products for one special product, namely, their gold.

FOURTEEN BILLIONS EARN NOTHING FOR NATION

So we possess $14,000,000,000 worth of a metal that everybody would be glad to have but that nobody is able to touch. This gold will not buy anything anywhere. It is the greatest single supply of universal purchasing power in existence, and at considerable expense to ourselves we have buried it carefully and made it totally useless. This is an absurdity. If there is nothing produced anywhere in the world that we wish to buy with it, or with any substantial part of it, then the only sane thing to do is to lend it to someone who will buy something with it and make a profit and repay us with interest.

A man who stuffs his savings in the mattress of his bed or buries it in the back yard is known not as a businessman but as a miser. And a nation which buries its surplus savings, for that is just what this gold is, so that its savings earn nothing for the Nation, is doing the same thing, however much the reality may be disguised by technical words about gold reserves and what not.

CONCRETE MEASURE TO REVIVE TRADE

Because the Brazilian agreement signifies our realization that the gold has some function beside that of being buried in Kentucky, it is an event which will have favorable effects all over the world. For it demonstrates that we have passed from preaching about the revival of trade to concrete measures which will in fact revive trade.

We have started with Brazil because we have such friendly relations with Brazil that this was the best opportunity to enter upon a new and initially difficult undertaking. But now that Dr. Aranha and Mr. Hull have shown how the operation can be done there is a practical precedent for extending it to other countries, the technical details of the agreement need not concern us here. The thing that matters is the fact that we have begun to use a little part of an inert and hitherto useless horde of gold as a loan to enable Brazil to reconstruct a normal financial system and to restore normal commercial practices. If anyone can think of a better use for our gold than that, it would be interesting to know what it is.

LIKELY TO AFFECT GERMAN BUSINESS

This is the real value of the agreement, that it inaugurates a movement to revive world trade by normal methods rather than by the highly artificial methods which are now so widely practiced. It would be a gross misinterpretation of this agreement, therefore, to say that we are using our gold to wage economic war against Germany in South America.

For this thing would be desirable and necessary if Germany were not in the grip of the Nazis. No doubt it will make Nazi trading methods less successful. No doubt it will make less effective Nazi political agitation in Brazil. But it will accomplish these results by methods that a German like Dr. Schacht, for example, would have to regard as wholly legitimate and entirely orthodox.

REMEDY MUST NOT CREATE DISORDER

No doubt the restoration of normal commerce between Brazil and the United States, and also between Brazil and the other free nations, will handicap the abnormal commerce of the totalitarian states. But there is only one remedy for that. The remedy is not to leave the world in disorder. The remedy is not to imitate the abnormal trade methods of the Nazis. The remedy is for Germans to restore in Germany the capacity to take part in normal commerce.

When they have done that they will be able to benefit, along with the rest of us, from a genuine revival of world trade.

Importation of Commodities Produced in America

EXTENSION OF REMARKS

OF

HON. EDWIN C. JOHNSON

OF COLORADO

IN THE SENATE OF THE UNITED STATES

Tuesday, March 14 (legislative day of Monday, March 13), 1939

EDITORIAL FROM THE HOLY CROSS TRAIL, REDCLIFF, COLO., FEBRUARY 10, 1939

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a startling editorial, which appeared in the February 10 issue of the Holy Cross Trail, published at Redcliff, Colo. Mr. Patterson, Assistant Secretary of Commerce, has checked the figures used and finds them to be correct.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Holy Cross Trail, Redcliff, Colo., February 10, 1939]

It is almost unbelievable that we imported from other nations in 10 months in 1938, $184,012,000 worth of silver; that we imported in 11 months in 1938, 367,173,650 pounds of copper valued at $33,564,140, and with the same volume of purchases still continuing.

But this is unexplainable. We imported:

Hay	$103,590
Cotton, manufactured	27,751,391
Wool:	
Unmanufactured	15,951,486
Manufactured	13,084,916
Paper	91,383,959
Coal	3,501,981
Lead, all types	1,479,105

Time and time again we have deplored the fact that we are importing millions of commodities which should be produced at home to give our home-owned people a job. American people will come to life again with a bang, and soon we hope. We are playing one extreme of the game at present; the pendulum will swing back soon to the other extreme and eventually settle down to a happy medium.

It is true we are exporting many more millions of dollars of commodities than we are importing, but the goods we are exporting comes from the outer rim of the United States. We could set the Nation afire with business by shipping our commodities

through the transportation companies across the continent to where they can be consumed. The sooner all this comes to a show-down the better. It would relieve the ten or fifteen million unemployed people, the several unemployable, and the ten or fifteen million undernourished children—"So mote it be."

Just think a minute. The Panama Canal is taking an immense toll of the traffic that should go cross country by rail. The St. Lawrence River, the Great Lakes, and the Canadian rails are taking another toll of cross-continental traffic. We know the long way around is wrong, we know it by results.

The Only "Ism" for America—Americanism

EXTENSION OF REMARKS
OF
HON. GEORGE H. BENDER
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 14, 1939

Mr. BENDER. Mr. Speaker, there are those who argue that America must choose between fascism and communism, that we have no other alternatives in the drama of the future. To hear them say it, democracy is a dying institution. Its stream of vitality has dried up. Its day is done. They point to the rapidity with which the "isms" have conquered Asia and most of Europe. In the brief 20 years since the World War Russia, Italy, Germany, and Spain have succumbed to the fantastic pretensions of Karl Marx and Benito Mussolini. Their cry has been, "Anything to bring order out of chaos, even the loss of liberty. Bread before spirit." And from the increasing examples of the Old World the prophets of gloom have drawn their own inspiration. They insist that in this great age of international commerce, when goods and ideas alike circulate easily from continent to continent, America cannot resist the invasion of the "isms."

But their reasoning is faulty. Neither history nor logic rushes to their defense. America has led a life apart from Europe since the first days of her independence. To be sure, we have been drawn into conflicts across the seas, but the reasons for our participation have never been the reasons which motivated Europe. We have fought only for principles which were part of the American tradition; never for lands, never for "racialism," never for the spread of a creed of state supremacy. When the revolutions of 1830 and 1848 shook Europe to its foundations, American ideals were never threatened. The spirit of intolerant nationalism which welled up in Italy and Germany in their struggle for unification did not penetrate the basic conceptions of American living. America has never accepted the fanaticism of the Old World in 150 years. There is no reason why America must accept today.

Our people have developed a system of living in the years since our Nation was born, a system which we call "the American way." It has never been formulated into a creed, yet it has all the elements of a religious faith. We believe here in America in the glory of the individual. For us the submergence of our individual personalities into a blind worship of the state is unthinkable. We know that the "ideal" society of Plato, in which there would be no "happy" individuals but a "happy" state, is incredible. Every American shares in this feeling of glory and confidence in his right to freedom, to opportunity, to live as he desires. We know full well that there are times when opportunity seems lacking, when freedom seems a paltry goal, when living as one desires seems impossible. All of us have moods of pessimism; yet we know deep within ourselves that these ideals cannot be surrendered because of the emergency of the moment; that they must rather be restated with new vigor, and that we must rededicate ourselves to the task of giving them real meaning.

We believe in America in the right to work, in the right to think and speak our thoughts without let or hindrance; and it is the objective of every true American to make work possible for our people without danger to the rights of free speech, free thought, and free conduct. No less than the foreign nations which have bowed to alien gods, we too could find work for our unemployed at European wage levels, on the huge projects designed to intimidate the world. We refuse to take this course, because it is not the American way. We refuse to subscribe to these alien methods because they do not accord with our conceptions of the relation between state and people.

America is rallying to the side of its own flag these days. We have discovered at long last that the bait of the Communist and the Fascist will not feed American workers and American children as they must be fed. The entire Nation is wakening from its moment of shock at the spectacle of a Europe clawing itself to bits, and is uniting to reassert its belief in the fundamentals which have made us a great people. Over the radio, on the stage, in our literature, there are signs of this awakened public consciousness. A new burst of patriotism, not a blind chauvinism, not a romanticized pageantry, but a solid, earnest expression of the Nation's spirit, is sweeping America. Such plays as The American Landscape are reviving the pride of our people in the heritage of the New World. We have re-declared our freedom from the bitter passions which have made Europe a cauldron of seething hatreds. We have decided for ourselves that we cannot create in America a new set of Balkans. Our land can be no place for the intolerance of Nazi Germany, nor for the living standards of Soviet Russia.

Our destiny is not linked to Europe forever and a day. We have built on this North American continent a nation apart. It must remain apart. It must continue to chart an independent course through history, unfettered by the geographic restrictions which have made Europe a perpetual battlefield. Our way must be the American way. We, too, have our "ism." But it is Americanism. It is not national socialism, intolerance, and saber rattling. It is not Soviet communism, restraints upon religious freedom, and the suppression of human freedom. It is not fascism, with its emphasis upon the state and its contempt for the individual. Ours is the tradition of America, with a love of liberty, with an ideal of equality, and with the practice of human brotherhood. We fall short all too frequently in our approach to these ideals; but the ideals are part of America. They must be preserved for the sake of mankind. They will be preserved in America.

A. F. of L. and C. I. O. Peace Negotiations

EXTENSION OF REMARKS
OF
HON. SHERMAN MINTON
OF INDIANA
IN THE SENATE OF THE UNITED STATES
Tuesday, March 14 (legislative day of Monday, March 13), 1939

EDITORIAL FROM THE WASHINGTON POST OF MARCH 14, 1939

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Washington Post of this morning entitled "Peace Comes First."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post of March 14, 1939]

PEACE COMES FIRST

When the Senate Committee on Labor meets in executive session this morning it will doubtless accede to the stated desire of its chairman, Senator THOMAS, for a postponement of the hearings on proposed amendments to the Labor Relations Act.

It was after these hearings were scheduled that the President urged the appointment of representative committees from the A. F. of L. and the C. I. O. to negotiate a constructive peace between the two embittered labor factions. These committees have now been appointed and are in conference in New York. The difficulties confronting their negotiations are formidable. But the desirability of a successful outcome is a matter of Nation-wide concern.

Continued warfare between the C. I. O. and the A. F. of L. means much more than a weakened labor movement. It means, additionally, an unstable and disorganized labor movement, characterized by irresponsible leadership, indulging in unauthorized and

destructive strikes, impeding the forces of recovery at a time when their smooth operation is of vital importance to all.

On no issue has dissension between the two labor factions been more pronounced than on the functioning of the Labor Relations Act. Designed on the assumption of a unified trade-union movement, the working of this act, and that of the Board which it established, has been damaged at every turn by the hostility between the A. F. of L. and the C. I. O. Naturally the legislation has operated to favor now one, now the other, of these factions. Because of the consequent recriminations the Wagner Act has had less than a fair chance to prove its worth.

If there were no cleavage in the ranks of labor this act would undoubtedly still be in need of amendment. But to make rational changes under the present circumstances is impossible. One line of revision is desirable if organized labor unites its forces and another will be necessary if the split continues. Indeed there is ground for arguing that without a merger between C. I. O. and A. F. of L. it would be well to repeal the Labor Relations Act in its entirety.

Obviously, therefore, no good can come out of opening the projected hearings until the upshot of the peace negotiations between the two factions is known, or at least clearly foreshadowed. At this moment, indeed, the hearings can only serve to stimulate irritation, on one side or the other, and thereby render a satisfactory compromise even more difficult to achieve.

Senator THOMAS has acted wisely in suggesting postponement of the scheduled hearings. The burden of proving their desirability at this time will weigh very heavily on any Senator who opposes the chairman's sensible lead.

The Cotton Problem

EXTENSION OF REMARKS

OF

HON. HUGH PETERSON

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1939

ARTICLE BY H. W. NALLEY, OF ALAMO, GA.

Mr. PETERSON of Georgia. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article on the cotton problem prepared by Hon. H. W. Nalley, of Alamo, Ga.:

For the past 6 years the farm problem has been pursued in a bold, experimental course, and yet the cotton problem of the South still remains in an unsettled and chaotic condition from the standpoint of the producers and a headache to the administration in Washington. One of the greatest obstacles in the pathway of the production of cotton and rendering it a problem of uncertainty is the pest known as the boll-weevil pest. No cotton grower knows what he is going to reap when he plants his fields to this important plant in the world's productivity.

In the solution of the boll-weevil problem the remainder of the cotton problem may be solved by regulating production to conform to consumption.

IS THERE A SOLUTION TO THE PROBLEM OF BOLL-WEEVIL CONTROL?

If you are a cotton grower, there is hardly anything you had rather know. I offer an affirmative answer to this question, which has been eagerly sought since the boll weevil crossed the Rio Grande practically a half century ago.

There is only one feasible remedy, easily accessible and practical, whereby the boll weevil may be brought under control and totally exterminated, and at the same time bring about a condition whereby cotton production will be kept on a parity with consumption.

In a speech in the United States Senate in 1858, John H. Hammond said: "No, sir; you dare not make war on cotton. No power upon earth dares to make war upon it. Cotton is king. Until lately the Bank of England was king, but she tried to put her screws upon the cotton crop and was utterly vanquished. The last power has been conquered."

But, alas, not so. War has been made on cotton by an enemy upon earth whose line of march has been one steady advancement against all opposition since the tocsin of war was sounded in 1892. Over 650,000 square miles of territory have been traversed and much of it laid waste by this enemy not only of "King Cotton" but of the entire human race. Prior to the advent of the boll weevil from Mexico the cotton crop had a valuation approximately of two thousand million dollars annually. The boll weevil cut this valuation in half as a direct annual toll to the cotton growers of the South, not to speak of the millions and billions which resulted as a consequential damage each year throughout the world.

THE BIG FOUR

Cotton is one of the big four of the great industries upon which the world's trade rests. Coal, iron, cotton, gold—these are the four cardinal foundation stones upon which has been built the gigantic commerce of the twentieth century, and cotton is by no means the least of these mighty four. For the entire century cotton has been the mighty dam which controlled and diverted a Pactolian stream of wealth toward our shores, and if payment had been made in gold instead of barter, the South would have long since bankrupted the world and gathered to itself all of its gold. From the invention of the cotton gin to the advent of the boll weevil this enormous wealth continued to flow southward completely dominated by cotton.

While coal and iron and other industries have grown up under the fostering shelter of a tariff wall, cotton, unprotected and unfostered by law, has fought its way on its merits alone, clothing the world with fabrics suited to the purposes of the poor and displaying for the rich a multitude of beautiful weaves, lighter than linen, softer than silk, lustrous as satin, in designs that rival the lilies of the valley, so that woman, arrayed in one of these fabrics, would cast into despairing envy a queen arrayed in Tyrian purple.

So vast was the cotton industry in its proportions until a few years ago it was estimated that fully 100,000,000 people over the world lived off cotton alone in its various ramifications, and the total value of manufactured cotton goods reached the staggering sum of six and a half thousand million dollars annually. The sorrowful fact in connection with this great industry is that the producers have not reaped a fair share of the profits arising from the great commerce which they have been instrumental in creating. Their cotton-growers' cooperative associations have gone a long way to remedy this evil, and the bow of achievement that spans this apartment looms large in the heavens in the future for the long-overburdened producers.

But I do not stop here to discuss and feret out the question of equalizing the benefits of industrial consolidation. Neither do I need to enter into a discussion to refute the oft-expressed opinion held by many southern people who contend that the boll weevil is "a blessing in disguise." I merely point them to the thousands and millions of impoverished southern homes as a crushing refutation of this violent and ignoble opinion. Low yield means high cost of production. My own State, Georgia, for instance, in 1911, the last year before his entrance into Georgia, with five and a half millions of acres planted to cotton, gathered 2,700,000 bales, while in 1923, with practically the same acreage planted, harvested only 600,000 bales of cotton—less than one-fourth of the yield in 1911, yet at practically the same costs of production. There is no "blessing in disguise" in figures like these. The depredations of the boll weevil in 1938 here in the Southeast were as severe as they have ever been since his advent into the Cotton Belt in 1892, and with the acreage cut down from 40,000,000 to 27,000,000 acres added to the ravages of the boll weevil has left the people of the South in bankruptcy and starvation. The funeral dirge has been pronounced and nothing remains but the interment of King Cotton's producers into the cemetery of the dead, unless the National Congress changes the administrative measures and comes quickly to the rescue in both the eradication of the boll-weevil pest and the curtailment of production in keeping with the consumption of cotton.

The great interest manifested in boll-weevil control brought forward a multitude of preparations and machines in almost every region infested with boll weevils. Many farmers have been exploited, and many useless devices have been sold to them in every section in which the boll weevil first made his appearance, and the direct losses sustained by the boll weevil have been increased by the expense of buying nostrums of various kinds, most of which have been cast aside as worthless, because not based upon scientific tests.

Heretofore we have talked much of boll-weevil control through the agencies of State and Federal Governments. These methods of control have been based upon extensive study and much field experimentation. They represent all that is known about combating this all-important enemy of the cotton plant. They form a system composed of several parts, but the grower cannot insure success, though combining all of these different parts. These agencies summarize by saying, "with restricted acreage, good seed bred for fast growing, high fertilization and poison used properly, cotton could hold its own as a money crop in the South." But all of these methods are inadequate and ineffective to bring about boll-weevil control or add one penny to the pockets of the cotton producers of the South.

The boll-weevil problem is not an individual problem. It is a social problem and must be solved as such. In thousands of instances the individual grower is too poor to apply the remedies that are the most effective in an attempt to constantly rid the fields of this enormous pest. There is nothing compulsory on the part of any farmer requiring him to join with his neighbor to effect boll-weevil control. One planter will make a huge effort to rid his fields of this pest while his indolent neighbor just across the fence will do absolutely nothing to rid his fields. Thus the efforts of the industrious farmer are destroyed by his neighbor who raises enough boll weevils to destroy a whole community of cotton. One farmer may be ever so anxious and willing to do his part in an effort to bring about boll-weevil control, but he has no cooperation of a sufficient number of his neighbors in the industry to make a dent in the line of march of this pesky pest.

Conscious of the tremendous depredations caused by the boll weevil during past years, and confident that some plan should be devised for the complete eradication of the evil, I offer this solution. In doing so may I presume that there is not a child in the public schools of the South but who could give an accurate description and history of an adult boll weevil, for it is in this stage of his existence that the boll weevil reaches his winter quarters after a summer's busy life of propagation and devastation.

From winter quarters the boll weevil emerges in the spring, and throughout the fruiting season of the cotton plant the eggs of the female are deposited in the cavities formed by eating into the fruit of the cotton plant. An egg thus deposited hatches in 3 days, when it begins immediately to feed upon the fruit in which the egg has been deposited. In 7 days the larva or grub develops into the pupa stage, where it remains from 3 to 5 days, when the adult boll weevil appears and begins a life of reproduction of a generation of new offspring. We know by experimental tests that an adult boll weevil is produced in 15 to 20 days.

The age to which this adult boll weevil attains varies according to conditions. During the winter months, during which the boll weevil is in hibernation, its longevity is much longer than in the summer months. During the hot days of the summer the boll weevil does not live longer than 50 days, but during the cooler seasons of the year many of them live as long as 6 months. The longest-lived boll weevil on record lived from the 10th of November to the following October, a period of time less than 11 months.

Scientific research has shown also that a boll weevil can subsist and propagate on no plant other than the cotton plant. It has proven that this plant is absolutely essential to the development of an adult boll weevil. There is no other plant known to science that affords just the conditions whereby an adult boll weevil can be developed under any circumstances.

Accepting both of these truths at their full face value—that the life of a boll weevil is in no instance longer than a single year, and that he can propagate in no plant other than the cotton plant, it is easy to arrive at no other conclusion, to wit, that the best method for boll weevil control is the creating of a cessation period from production for a period of 1 year over a noncotton zone covering the entire cotton-growing States. This method will absolutely guarantee the extermination of the boll weevil pests. By the cessation period from production we destroy the source of the boll weevil's life by taking away from him the only plant upon which he can subsist and propagate.

The best method to secure this cessation period from production is through the agency of the Federal Government. Let the National Congress pass a law empowering the Secretary of Agriculture to adopt the cessation period from production over a noncotton zone covering the cotton-growing States. This would rid the cotton fields of the South of this awful pest as well as all others, and at the same time and through a continuation of the cessation period from production at specified intervals or at irregular intervals, keep the production of cotton within the bounds of consumption.

"If the cotton grower is to be saved as a farmer, cotton must be saved as a commodity. Up until now, acreage restrictions, market quotas, Government loans, and the payments on benefits to farmers have all been directed toward the farmers' immediate welfare, while the welfare of cotton as an object of commerce and a commodity of consumption has been left to shift for itself," says Dr. Claudius T. Murchison, president of the Cotton Textile Institute, "and now faces the prospect of virtual extinction unless there is an early change in Government policy."

May I conclude with the confident hope that we can all join in the formation of this broad plan in a solution of the cotton problem for the ultimate restoration of our dear old Southland to that high state of productivity that characterized it when it was the seat of a civilization and an aristocracy of wealth that is one of the immortal traditions of the old ante bellum South.

Uncle Sam Should Get Out of the Rum Business

EXTENSION OF REMARKS
OF
HON. LOUIS LUDLOW
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 14, 1939

Mr. LUDLOW. Mr. Speaker, in recent years of unprecedented governmental expansion, with new and unpredictable activities springing into existence overnight like mushrooms, the Federal Government has injected itself amazingly into fields of competition with private industry which it should never have entered. I have in mind particularly one governmental venture which, in my opinion, is indefensible, either from the standpoint of sound morals or sound governmental policy, and that is the Government's rum activity.

The extraordinary conditions existing in our country in recent years have necessitated new policies and new machinery of Government to cope with dire emergencies, but I believe thinking people everywhere will agree that nothing has occurred, or ever will occur, to justify the Government's foray into the rum business. Surely that is one business the Government should stay out of. There are two convincing reasons why it is wrong.

First. It is contrary to good morals.

Second. It is a wrongful policy because it puts the Government in direct competition with legalized, privately owned distilleries.

I am especially concerned with the first reason, although I do not believe that the Government has any right to finance enterprises that compete with legitimate private business and the repeal of the eighteenth amendment made distilling a legitimate business.

I have introduced a resolution to take the Government out of the liquor manufacturing field which I wish to bring to the attention of the House and the country. It is known as House Joint Resolution 4, of the Seventy-sixth Congress, and it reads as follows:

Joint resolution prohibiting the manufacture and sale of rum by any activity financed by funds from the United States Treasury

Resolved, etc., That the manufacture and sale of rum by the Virgin Islands Co., or by any other activity that is financed in whole or in part by funds from the United States Treasury, is hereby prohibited.

It is a duplicate of a resolution I introduced in the Seventy-fifth Congress.

The Government's rum operation is under the control of the Virgin Islands Co., which received a P. W. A. grant of $2,000,000 as a capital fund with which to buy cane-producing land in the Virgin Islands and to rebuild and recondition sugar mills and the distillery.

Two additional grants, one for $200,000 in July 1934 and one for $170,000 in July 1936, and a loan for $150,000 in July 1934, have furnished a capital fund of $520,000 from the United States Treasury to carry on the operations of the company.

I do not know the exact size of the liquor flood—90 proof—which the United States Government-promoted distillery has turned loose on the people of the United States during the years since the Government undertook the financing of the enterprise, but I do know that it has been prodigious and that this tide of high-powered rum has overrun 36 States and the District of Columbia.

Under the head of "Rum Sold," the annual report of the Virgin Islands Co. to the Secretary of the Interior for the year ended June 30, 1938, submitted the following information:

	Cases
Government House Gold Label in bottles	19,751
Government House White Label in bottles	7,479
Government House Gold Label in bulk (5,256 gallons which is the equivalent of 2,190 cases)	2,190
Total	29,420
	Gallons
Proof gallons of rum manufactured	88,265
Proof gallons of rum on hand, June 30, 1938	478,554
Special distillate manufactured	26,619
Special distillate sold for Angostura Bitters	17,280

This report covers only 1 year, and I have not been able to get the statistics of production for the entire period of operation. A New York liquor house has a monopoly of distributing the rum to the trade throughout the United States under a perfectly systemized plan. It is sold under the name of Government House Rum in bottles with highly colored ornate labels, which tempt the purchaser with suggested recipes for mixed drinks, using this product. Over the rum factory at St. Croix floats the Stars and Stripes, and a member of the Cabinet at Washington is chairman of the board.

I know that the purpose of those who originated this enterprise was to improve the distressing economic conditions prevailing in the Virgin Islands, and I cannot find it in my heart to criticize them too severely, though I disagree with them.

At most, it is a strange and ill-starred experiment, which should not be permitted to continue under the American flag. The moral sense of America ought to arise and demand that it be terminated. It places our Government before the boys and girls of the Nation as sanctioning the use of rum, and that should not be. As I said in the House last year, if one poor inebriate, crazed by Government House rum, should seize an ax and brain his children, it would take all of the success out of this experiment.

For Boys and Girls

EXTENSION OF REMARKS
OF
HON. WILLIAM L. NELSON
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 14, 1939

Mr. NELSON. Mr. Speaker, Missouri, with three recreational demonstration areas, is one of 22 States anxious that funds be provided for continuance of this work, which has meant so much to thousands, principally boys and girls, including the underprivileged from the large cities. Among the many who have written me in support of this work is Gov. Lloyd C. Stark, of Missouri.

The three Missouri recreational areas are Lake Ozarks, Miller, and Camden Counties, 15,983 acres; Cuivre River, Lincoln County, 5,751 acres; and Montserrat, Johnson County, 3,444 acres.

On the shores of the beautiful Lake of the Ozarks, with its 1,400 miles of shore line, additional camp grounds, with modern facilities for health and pleasure, have been provided under Federal direction. To these camps come each year Boy Scouts, Camp Fire Girls, and those belonging to similar organizations. In addition, arrangements are made whereby groups of children, mainly from homes of limited means in the large cities, are afforded brief vacations. In some instances, entire families come together. The fathers and mothers, who, otherwise, would have no opportunities to get out for a little while and enjoy nature, come with the children and pay their way by doing some work at the camp.

In the Lake of the Ozarks area, with which I am most familiar, as this lies entirely within the district which I have the privilege to represent, there is, in addition to the camps made available for organizations, an area open to the public generally, where the individual family may come and camp. All activities are under careful supervision and strict rules for health and safety, and law and order are enforced.

Everywhere complete organized camping and day-use developments on the projects are receiving most intensive public use. Bathing beaches and picnic areas were used by approximately 1,000,000 people in a single year. Both types of use of these areas can be reasonably expected to increase greatly during the coming year as developments now under construction are completed and as facilities available become better known to the public in the large centers of population near which most of the projects are located.

States other than Missouri having recreational areas are Alabama, Georgia 3, Kentucky, Maine, Maryland, New Hampshire, North Carolina, Pennsylvania 5, Rhode Island, South Carolina 8, Tennessee 3, Virginia 8, Illinois, Indiana 2, Michigan 2, Minnesota, North Dakota 2, South Dakota, Oklahoma, California, and Oregon, a total of 400,000 acres.

Although the Federal Government has spent large sums in developing these recreational areas in more than 20 States, no appropriation to make them further available to those for whose pleasure and benefit they were created has been provided for 1940. The National Park Service, I understand, has prepared an estimate, showing that $249,000 will be sufficient. Surely it seems that it would be a serious mistake, now that these health and recreational centers have been provided, to see that they are no longer open to the public.

Just here it might be stated that, in accordance with Executive Order No. 7496, dated November 14, 1936, the Secretary of the Interior, through the National Park Service, was authorized by the President to complete and administer the recreational demonstration projects.

The National Park Service has no regular funds for administration, operation, and protection. They have used funds made available through the emergency-relief acts. They have no assurance of any additional funds after July 1, nor have they any legal authority to dispose of the areas. Consequently they must have either regular appropriation or provision must be made in the 1939 proposed emergency-relief appropriation act to allow funds for the National Park Service not only for development but for administration, operation, and protection.

I cannot understand why no appropriation has been approved to maintain and operate these recreational centers. Rather do I prefer to think of them as health centers—health of mind, body, and heart. The America of tomorrow will be what the boys and girls of today make it. If these young people are given an opportunity to know nature, to enjoy the beauty of hill and stream, to get out of the crowded cities, even for a little while, to live among flowers and birds and growing things, it will mean for America a better tomorrow.

While putting hundreds of millions of dollars into war material, surely we can afford to spend a fraction of this to brighten and better the lives of our young people. City congestion leads to civic indigestion. As our great cities pile up in population, the problem of what to do with our young people takes on added importance. It is disease, not health, that is contagious. Surely, then, this Congress should not fail to provide funds as needed for the operation and care of recreational areas already established.

Pros and Cons on Exportation of Peeler Logs

EXTENSION OF REMARKS
OF
HON. JOHN M. COFFEE
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 14, 1939

LETTER FROM MACKIE & LEWIS, OF SEATTLE, WASH., AND REPLY THERETO

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein a letter from the firm of Mackie & Lewis, of Seattle, Wash., addressed to myself, and my reply thereto. These letters discuss a matter of tremendous importance to the people of the Pacific Northwest in particular and to the citizens of the entire Nation in general. I have introduced a bill, known as H. R. 3579, providing for the limitation of the export of what we denominate as old-growth Douglas fir peeler logs. Just now the State of Washington is very much excited about the pendency of this measure because of the opportunity its passage would provide, not only for conservation of a God-given resource but likewise for added employment to our skilled workers. But let the letters speak for themselves. Here they are:

MACKIE & LEWIS,
Seattle, March 1, 1939.

Hon. JOHN M. COFFEE,
House Office Building, Washington, D. C.

DEAR SIR: In connection with the pending bill, Senate bill No. 1108, regarding which we wrote you yesterday, and the House Resolution No. 3579, which you introduced in connection therewith:

There are certain results that would develop in your district from the passage of this bill that may not have been called to your attention. Tacoma, which is in your district, is the center for the exporting of logs from the Puget Sound area, and more logs are shipped from there than from all of the other sound ports combined. There are at least five different booms maintained in Tacoma for this purpose, all of them employing union boom men; the towing both into Tacoma and to the ships is done by union towboat men, largely by Tacoma firms; the longshoremen employed in handling these logs are all Tacoma men and members of the union there; some of the loggers who produce these logs in the woods are in your district. All of these men would be thrown out of employment, as far as this business is concerned, and would suffer loss of income accordingly.

Presumably there should be some gain to offset this loss, but this is not possible.

The 1938 Review of the United States Foreign Trade in Logs, Lumber, and Allied Products shows that Douglas fir log exports have been decreasing for the past 4 years and in 1938 totaled 67,062

M. B. M. only, of which 30,529 M. B. M. went to Canada, 28,736 M. B. M. went to China, 5,028 M. B. M. to Japan, 55 M. B. M. to Australia, and 3,213 M. B. M. to all other countries.

From Canada we imported 104,437,000 feet board measure of fir, spruce, and hemlock logs in the same period. China takes only small, common logs to be used in rebuilding their country, Japan imports most of her logs from the Philippines, and this leaves 3,213,000 feet board measure, which are not all peeler logs. Our total exports are about 1 percent of our total log production and some part of one-twentieth of this may be peeler logs.

When we say that it is not possible for anything to replace this, we are speaking advisedly. To our knowledge the export log business which we previously enjoyed with Japan has been lost to the Philippine Islands, where they can purchase many fine timbers at prices, delivered in Japan, cheaper than our Douglas fir, with the result that last year our total exports to Japan were 5,028,000 feet board measure of Douglas fir. Also to our knowledge, British Columbia ships far greater quantities of Douglas fir logs, peeler and otherwise, than does the United States of America. Also, to our knowledge, Africa ships logs to the European factories of a type satisfactory to compete with Douglas fir.

Should this bill become a law, these countries could supply the entire demand of the factories that would be affected, in fact, we are advised that this demand could be supplied without British Columbia or the Pacific Northwest, so that the competition would be the same as at the present time and the net result, as far as the United States of America is concerned, would be nothing.

Very truly yours.

P. D. MACKIE.

HOUSE OF REPRESENTATIVES,
Washington, D. C., March 11, 1939.

Mr. P. D. MACKIE,
Mackie & Lewis, American Bank Building,
Seattle, Wash.

DEAR MR. MACKIE: I have your letter of March 1 in which you comment on the peeler log bill (H. R. 3579). I shall endeavor to answer the points raised in your letter in the order you mention them.

The log-export trade unquestionably gives employment to a number of boom men, but the extra work involved in transporting the logs from boom to ship's side is a very small item and is far outweighed by the increased employment given to labor in this district if the high-grade logs now exported were processed in our own conversion plants. You have observed that the bill specifically excludes logs not suitable for peeler purposes; and according to your own statement, the percentage of such logs is deemed by you to be very inconsequential. Therefore the argument that it would benefit labor to export logs suitable for peeling purposes is hardly resting on a substantial basis.

You seem to overlook the growing scarcity of high-quality timber which has been so acute in this part of the State that a large organization owned by workers have found it necessary to move their plant from Puget Sound to Oregon in order to cope with this log situation. I am also informed that the increasing demand from foreign countries for high-grade Douglas fir logs has seriously upset the plywood industry in particular. There are innumerable instances where Japanese, German, and other foreign interests have offered a premium on high-grade logs for which our own mills are paying as high as $35 per thousand. You also know that the logging companies are not complaining that the plywood industry is not paying what the logs are worth and that in comparison pulp logs are selling at $8.50 to $10 per thousand, which is considerably below the cost of production.

If you will consider the high-grade timber supply on this basis—that it is a resource which can never be replaced—I am sure that you will admit that from a national point of view, as well as from that of business and labor, it is shortsighted, to say the least, to have timber owners cut this supply at a faster rate than is demanded by our own mill requirements.

The plywood industry has grown from 200,000,000 feet in 1932 to about 650,000,000 feet in 1938, and all indications are that this industry will expand in the future if the raw material supply permits. Therefore, to export a single log of high-grade Douglas fir timber is indefensible from any point of view, except from the point of view of the person directly engaged in this trade. Labor can certainly not be tempted by an immediate gain of $2 per ton in wages for logs exported when it is a well-known fact that we have a well-developed industry needing these logs, and in a position to add $25 per ton in labor in conversion charges.

While you did not mention it, I have at times been told by logging interests that the plywood industry is seizing upon this opportunity of depressing the log market. I am sure as a practical operator, you have no such idea, since it is a well-known fact that several of the large logging companies, both on Puget Sound and in Oregon, are ready to start their own plywood plants should this happen. We may, therefore, dismiss this possibility of concerted action to depress log prices through the passing of this bill.

You do not seem to know that our plywood exports from the Northwest have dropped from 68,000,000 feet in 1933 to 18,000,000 feet in 1938, and that the largest single contributing cause has been the production of Douglas fir plywood in foreign countries, coupled with high tariffs and even import bans levied against the American product. Since we have been the sole country in the world having a highly developed wood conversion industry and willing to furnish the raw material for export without restrictions, we have naturally lost our foreign markets. I am reliably informed that a considerable portion of this lost plywood export trade will automatically be recuperated the moment our logs are not available to the foreign plants. This, of course, will mean increased employment for our labor, now laid off as a direct result of this log export trade.

You mention the 1938 statistics, showing the exports of Douglas fir logs, but you are not correct in your statement that during the last 4 years our Douglas fir log exports have declined. Quoting from the Department of Commerce statistics, I find that in 1932 the total exports of fir logs was 9,870,000 feet, which increased rapidly until they reached 131,995,000 feet in 1936. In 1937 they dropped to 78,999,000 feet, and in 1938 to 67,062,000 feet. The reason for this drop during the last 2 years has been a decrease in the purchases from Japan and China, which is a natural consequence of the war. Japanese purchases of logs in 1936 amounted to 74,584,000 feet, but dropped in 1937 to 22,877,000 feet, and in 1938 to 5,028,000 feet.

It may interest you to know that Japanese companies, with reported Government support, are operating their own logging camps on Vancouver Island and that these Japanese interests have approached American plywood mills in regard to the sale of peeler logs since, on account of the financial conditions in Japan, the Japanese mills were unable to take their own logs. In view of the extremely limited quality of peeler logs available in British Columbia, this action on the part of the Japanese clearly shows how hard-pressed their own industries are for the moment.

You do not seem to have the correct slant on the uses to which fir logs are put in China. Both in China and in Japan there are important plywood factories using Douglas fir as raw material and exporting their products to the markets of the world. The logs which you say are used for the rebuilding of China are, to a large extent, moving into Shanghai, in which district a number of plywood factories are maintained, using this type of material. Whether the logs are to be used for manufacture into lumber or into plywood in China is immaterial as far as our national interests are concerned. We have lost a market for our manufactured wood products, and American labor and American industry is suffering accordingly. You do not mention that the imports into China and Kwantung have increased appreciably in 1938 over 1937 and that in the case of China alone, the exports of fir logs to that country showed 13,434,000 feet in 1937 and 28,736,000 feet in 1938. Unquestionably, a number of medium- and low-grade logs are shipped to China, but you will also notice that the bill only covers logs suitable for plywood manufacture and that all other logs and all other species than fir and Port Orford cedar may be freely exported. Your statement that only one-twentieth of 1 percent of our total log production is represented by Douglas fir peeler logs for export is unsubstantiated and is not in accordance with facts as developed by an analysis of foreign plywood manufacturing conditions. The misunderstanding on your part may possibly rest upon the misconception of the term "peeler log," which in this bill is specifically defined as a log of Douglas fir 24 inches and over at either end and suitable for peeling purposes. In other words, consideration has been given to the ultimate use of the logs in the foreign country rather than to the classification of logs for domestic purposes.

In regard to the Japanese imports of peeler logs you undoubtedly know that war has brought about important changes in the Japanese industry and that it would be a fallacy to base our future calculations on what has taken place during the past 2 years in that country. Once normal conditions are restored in Japan, the Japanese will again make their demands on our timber industry for raw material just as they did before the present hostilities.

You mention the exports of peeler logs from British Columbia, but you entirely overlook the fact that our exports to British Columbia of high-grade Douglas fir logs have increased from 4,041,000 feet in 1935 to 13,523,000 feet in 1936 and 31,522,000 feet in 1937, and dropping only to 30,529,000 feet in 1938—this in spite of the world-wide depressed conditions last year. I am sure you fully realize that these logs shipped to Canada are nearly all high-grade fir logs, since by your own admission you state that Canada is furnishing larger quantities of fir logs for export than does the United States. You also know that the Canadian fir timber is different in character from that available in Washington and Oregon, that it is smaller in size, is more knotty, and that as a consequence the percentage of peeler timber is very limited. The exportation from British Columbia of peeler logs is, to a large extent, a reexport of American supplies, especially in the case of Germany.

You mention the supply of African logs and the shipment to European countries where these logs compete with Douglas fir. I noticed your article in the Seattle Times a short time ago and the answer correcting your misinformation. You presumably refer to Okume logs of African origin, more familiarly known as Gaboon mahogany. This wood, as is well known to anyone in the trade, is a cabinet wood, and it does not in the least compete with Douglas fir either in the form of logs or in plywood. As a matter of fact, Okume plywood made in the European countries under a low scale of wages costs 50, 75, and even 100 percent more than imported American Douglas fir plywood of the same sizes and grades. This African supply is nothing new. The logs have been on the European market one or two generations, and the supply is tightening up and the prices are constantly increasing. It is regrettable that you should have made this statement, since it has misled some people unfamiliar with the facts and assuming that you had reference to comparable softwood timber.

You are likely unfamiliar with the fact that every country in the world possessing high-grade softwood timber is diligently conserving these timber resources and is drawing on us for its supplies in order to conserve its own. Do you not think that one should take a broader point of view in these matters and have in mind that without these high-grade Douglas fir timber resources the economic position of the Northwest would be in jeopardy? I shall not discuss the question of conservation with you since your letter indicates that you are more interested in the log export trade. However, our people have finally come to the realization that the Pacific coast has the last stand of virgin timber and the time has now come to reserve those supplies for our own use. To take any other viewpoint would be working contrary to public interests, and I am in favor of this bill even if it means a slight shift of labor from the log boom to the wood conversion plants.

You mention the importation of fir, spruce, and hemlock logs from Canada. This is an entirely different question, since it concerns logs beyond the scope of the bill under consideration. You undoubtedly know that the Northwest can develop its industries on the basis of its own raw material supply and that the bulk of the importations from Canada is made up of low-grade or very cheap logs, which I am told has a depressing effect on the log market in the United States and on labor employment conditions. I am purposely not touching on this matter any further because the conservation of our high-grade Douglas fir timber is of paramount importance.

Very cordially yours,

JOHN M. COFFEE, M. C.

Envoys of Good Will in the East

EXTENSION OF REMARKS

OF

HON. WILBURN CARTWRIGHT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1939

ARTICLE BY MR. PORFIRIO U. SEVILLA, LL.B., PUBLISHER-TREASURER OF THE PHILIPPINE-AMERICAN ADVOCATE

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to have printed in the RECORD the article Envoys of Good Will in the East, published in the March 1939 issue of the Philippine-American Advocate. The article is interesting and informative. I am glad to place this in the RECORD, by request.

[From the Philippine-American Advocate]

ENVOYS OF GOOD WILL IN THE EAST—THE AMERICAN WAY

Notwithstanding the fact that the Philippine question is of such great interest and that it will be difficult to settle tariffs and trade agreements until committees iron things out, we should not overlook the fact that, no matter what the outcome will be, the United States should have an official High Resident Commissioner in the Philippine Islands, for daily we are seeing new instances of the growing importance of these islands.

As the commercial gateway to the entire Orient, the Philippines are fast assuming international importance both economically and politically. It is necessary as a political representation and gesture of good will, that the United States have as its representative one who has more than the necessary background and connections.

The representative decidedly should have lived and traveled extensively in the east, for in no other way is it possible to understand the outlook and attitude of the peoples in the Orient and Near East.

As we check the list of possible candidates for this post, we find only one who is ideally suited and fills all the main requirements to perfection. For the past several years, this man and his wife have traveled widely and lived in practically every country in the Orient. Painstaking study and careful observation during these years of travel, have given their well-trained minds a broader outlook and richer understanding of the peoples of the east.

In their travels in the Far and Near East this man and his wife have brought to those many countries a better understanding of Americanism and good will than 100 trade agreements. He is the type we must have in the Philippines to represent the United States. We refer to James H. Cromwell and his thoroughly American wife, Doris Duke Cromwell.

The Cromwells are now living in the Hawaiian Islands, the crossroads to the Orient. Although American, the Hawaiian Islands have the feel of the Orient and many of its ways. The democratic and tactful Cromwells have won the complete admiration of everyone. This is a remarkable accomplishment when we realize that many people live there for years and, regardless of their influence, are never accepted. So unassuming is James H. Cromwell, few realize that, in addition to a fine character and great personal charm, he has a tact for diplomatic and political understanding that is really uncanny (and would do credit to some of our ablest officials).

Never have either of the Cromwells abused or taken advantage of the power and wealth at their command. Doris Duke Cromwell is a splendid example of true American womanhood—this American Psyche has kept both her character and personal life free from all unsavory front-page sensationalism.

While other American heiresses cavorted with everything, from gangsters to questionable titles from mythical countries, buying the titles and then their freedom, and at times creating such scandals by their actions in certain foreign countries that they were asked to leave the country, Doris Duke Cromwell was studiously preparing and training for a life of usefulness and accomplishments. Her marriage to prominent but equally conservative James H. Cromwell has proven ideal. Their interests are alike—to be useful to humanity, to serve mankind and their country, and to always be true Americans. We need the Cromwells for this position.

President Roosevelt has shown that he knows ability when he sees it. He has led the way by appointing Miss Ruth Bryan, daughter of William Jennings Bryan, thrice Presidential candidate of the Democratic Party, as Ambassadress to Denmark. Daily we read that women in politics are proving themselves to be capable and understanding, and fighters when necessary.

Many women now hold important political positions in American politics. We feel Doris Duke Cromwell would be perfectly suited for the position of High Resident Commissioner to the Philippines, if a woman can be chosen, and why not? And let it be understood that if a Cromwell is appointed and given plenipotentiary authority, it will be administered with tact and understanding toward the natural feeling of the people in the Philippines.

In choosing Government representatives to go to other countries, it is of the utmost importance the choice be of one who has kept personal dignity and character above criticism and reproach, for we can be certain such an individual will never fail in his duty to his country. Both James H. Cromwell and Doris Duke Cromwell have proven themselves acceptable and capable by their natural inbred dignity and understanding. To appoint James H. Cromwell to the commissionership, would bring not only the ability and prestige necessary to the office, but with it, the intuition and clear understanding of his brilliant wife. Today, as in the past, many threatening political situations are warded off by a woman's intuition. Let us not forget that, when given the chance, women in Government service have proven themselves equal to men.

James H. Cromwell has in his blood the frontier spirit of the American man, a spirit that enables the American to stand and fight for honor, righteousness, and country even though alone and at the farthest end of the earth. This American spirit in James H. Cromwell would unquestionably give a bulwark of prestige and dignified power to the office of the commissionership.

The United States has never been reluctant to give any man a chance to hold public office, and it is common knowledge that many a high official continues to hold power and office because of the wise counsel he receives from his wife.

Doris Duke Cromwell, in her travels in the Far East, has been received by the most powerful potentates in the Orient. Although these men have traveled throughout the world, it was only when Doris Duke Cromwell was a guest that these international cosmopolitans were able to, for the first time, realize the grace, charm, and dignity of this brilliant American woman.

The United States should take every advantage possible of the splendid impression created by the Cromwells in their Far East good-will tour. There is no doubt whatsoever this intimate personal contact with the East, combined with true American spirit and clear understanding, would be invaluable to problems requiring an understanding of how to bring the American methods and the Filipino methods to an amiable working plan.

It would be almost unpardonable if advantage were not taken of this unusual opportunity to appoint either James H. Cromwell or his wife, Doris Duke Cromwell, as High Commissioner in the Philippines.

No one can dispute the fact that each is splendidly equipped and thoroughly able to maintain the dignity and uphold the prestige of the United States in the Islands.

PHILIPPINE POST A BUILDER OF AMERICAN POLITICAL LEADERSHIP

This suggestion, to appoint either of the Cromwells as Resident Commissioner to the Philippines, might bring forth some criticism. But before these critics speak, let them weigh the matter very carefully, and they will see that today's conditions in the Islands are very different from the time when the United States first took over the job as protector.

In the beginning of the American administration, we had from military to governors general, such distinguished Americans as Gen. Douglas MacArthur and William Howard Taft.

We have, for example, the life of William Howard Taft, the first Governor General of the Philippines. After serving his term as Governor General, Taft was appointed Secretary of War, then elected as President of the United States. Afterward he became Chief Justice of the Supreme Court of the United States. Who

was Mr. Taft before his appointment as Governor General of the Philippines? He was just a practicing attorney.

Then we have Governor General Henry L. Stimson. After he became Governor General of the Philippines it is a matter of public knowledge that he was recalled by former President Herbert Hoover to head the Cabinet as Secretary of State. Prior to the appointment of Mr. Stimson as Governor General, he was credited as being one of the most distinguished international and corporation lawyers in New York City.

Then we have the latest successor to American Governors General in the Philippines, in the person of Attorney General Murphy, an illustrious American. Attorney General Murphy, before his appointment as Governor General of the Philippines, was only a city mayor, of Detroit, Mich. We believe that everyone will agree with us that prior to the ascendancy of Murphy as American representative, no one had heard much of him, except after he served the term as Governor General of the Philippines.

In 1936, Attorney General Murphy was recalled by the chief of his party, Franklin D. Roosevelt, to carry the banner of democracy in the State of Michigan. He succeeded and was elected Governor of the State of Michigan. After his defeat for reelection, he was appointed to his present post of Attorney General to head the Department of Justice.

The Filipinos are often oriental in their ways; Murphy had no training that would enable him to understand this difference in ideas, yet he fulfilled the position up to expectations. But, at that time, the Philippines were not going to be given their freedom in a few years. Now the picture is vastly changed—they will be independent shortly—more certain and positive in all affairs. Things will have to be seen more through their outlook; their attitudes will be more definitely pronounced; they will stand firmly on any position affecting them; they will be unshaken in many beliefs foreign to the American people; they will refuse to be browbeaten in any manner or form.

The strength of feeling that comes with new-found independence brings forth unbendable defiance. They will be entitled to and demand attention as a nation. Interference and disregard will be fatal to friendly understanding. Thinly veiled coercion of any sort will be characterized as a cause for breaking off negotiations. They will not be on the defensive, but will be proud and conduct themselves as an independent country and will weigh matters more precisely.

The general and complex disposition of the Filipinos will require tactful handling. The United States representative must have great self-command and equanimity but remain sensitive and understanding of the rights of others.

The United States cannot appoint to this vital position a man who is inclined to be imperiously confident that he is always right. Many foreign countries will be competing against the United States for advantageous agreements with this nation of 16,000,000 people. The American people must never forget that for a second. The United States must not only keep but try to better this advantageous position it now holds in the Philippines.

SUCCESS TO THE CROMWELLS

It is suggested that James H. Cromwell, because of his exceptional ability, be given the position of Commissioner in the Philippines. But, if it is felt that Doris Duke Cromwell, because she is such a brilliant woman, would give a new tenor to this position, she should be appointed. In either instance, one of these two should definitely be appointed to the office because then there would be two brains working toward one goal—a better and more complete understanding of affairs between the Filipino people and the American.

We cannot overstress the fact that at this time national affairs move so quickly those in Government office must have training and understanding in order to avert strained diplomatic relations. The East is always the East, although it is fast becoming accustomed to American ways of thinking and acting. Nevertheless, at times, situations arise between eastern and western interpretations which require extreme tact and complete understanding of racial differences.

The wide personal contact the Cromwells have had with peoples in the near Orient would undoubtedly guide them to a brilliant, successful, and peaceful solution in any strained and tense disagreement or problem.

Mr. James H. Cromwell has been interested in politics for some time and his political activities as a nonprofessional politician have given him great training and understanding of political problems. He is very highly thought of in political circles, and his energetic ability and high-minded character is representative of the type of men that we definitely need to represent the United States as Commissioner to the Philippines.

The Filipino people have confidence that the Cromwells as Commissioners would make for a clearer interpretation of Philippine ideas and feelings on any matter. Proof and evidence of American good will can only be shown in this matter by appointing a Commissioner capable of understanding the Oriental interpretation of Americanism. It would be a smart political maneuver for the United States to show its respect and understanding of the importance of the coming Philippine independence by appointing as Commissioner either of the Cromwells, as this would bring a closer and better understanding between the two countries.

A Tribute to the Memory of Hon. J. Burrwood Daly

EXTENSION OF REMARKS

OF

HON. CHARLES F. RISK

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1939

Mr. RISK. Mr. Speaker, on Sunday the Lord took from our midst our beloved friend and colleague, Hon. J. BURRWOOD DALY, of Pennsylvania. I am without adequate words to express my deep sorrow at the passing of this noble man. Judge DALY was one of the finest men that I have ever been privileged to know.

His great humanitarianism, his innate kindliness, and his respect for his fellow man was evidenced in his every activity, public or private. It was given to some of us to know him intimately and thereby have the opportunity to look within him and see a man of great heart, loyal and true to his friends, possessed of a fine sense of honor, and impelled by pure patriotism and a strong sense of duty to give of his time, his boundless talent, and unlimited energy in a fearless endeavor to render to this country of ours the highest possible service.

I first met Mr. DALY during the Seventy-fourth Congress, and out of that meeting there was born a friendship never to be severed but by death. Death has come to him and severed that friendship. I have lost my closest friend in this House.

But his gracious wife at home has lost a faithful and loving husband and his children a devoted and generous father who felt keenly and carried with head high his responsibilities to his family. The bench and bar of Pennsylvania has lost one of its outstanding lawyers. This House has lost one of its broadest and most whole-souled Members.

Mr. Speaker, Judge DALY was truly one of God's noblemen.

The Legion Counts 20 Years

EXTENSION OF REMARKS

OF

HON. ANDREW C. SCHIFFLER

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1939

ARTICLE BY SAMUEL T. WILLIAMSON

Mr. SCHIFFLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Samuel T. Williamson, published in the New York Times Magazine of March 12, 1939:

[From the New York Times Magazine of March 12, 1939]

THE LEGION COUNTS 20 YEARS

(By Samuel T. Williamson)

It makes no difference whether the landscape is rolling prairie, southwestern vastness, or chilly New England stone walls; everywhere in this country some things are the same. In every American settlement is at least one church, schoolhouse, town hall, chain store, filling station, and American Legion hall.

Among more than 4,000,000 still living who served in the United States Army or Navy (or Marine Corps) during the World War are slightly less than a million Legionnaires; and their posts are at almost every whistle stop. It wouldn't be Memorial Day, Fourth of July, or Armistice Day without them. Politicians of both parties court them, doctors of philosophy examine them as social phenomena, chambers of commerce display symptoms of coronary thrombosis at their bonus campaigns, and left-wing comrades strain both larynxes and adjectives in expression of

extreme distaste. The Legion is as American as tomato juice, chewing gum, drug-store sandwiches, and cigarettes in packages of 20.

It has grown up. It celebrates its twentieth birthday this week. The years have brought a change in the members who joined up in 1919 and the early nineteen-twenties. Then most of them were ramrod-backed youngsters. They were yet to get their first jobs, or else were wondering about getting their old ones back. Today, shoulders have slumped forward, waistlines show greater expansion than chests; what hair remains worth shearing is turning gray. Some members are still worrying about jobs. Their children are growing up, and new grandfathers are more usual than new fathers. Legion squads are called out with greater frequency to fire three volleys over freshly-dug graves, but another 50 years will pass before the Legion becomes a pathetic little remnant like the Grand Army of the Republic.

And it appears destined to have a different history from the G. A. R. The majority of Union veterans of the Civil War voted as they shot—the straight Republican ticket. G. A. R. and G. O. P. were inextricably entwined. No such propensity exists among the men who wear the Legion's blue overseas cap. The Legion has its own politics. Its State and National conventions are scarcely different from similar meetings of political parties—standards in the aisles, "demonstrations" for candidates, delegate hunts, and trades and logrollings. Many a party politician has graduated from Legion affairs to public office. World War veterans comprise more than one-quarter of the membership of the House of Representatives. A score are United States Senators. The Legion has produced politicians, but it has been free from party politics. Every attempt of a political party to capture the Legion has been blocked by Legionnaires.

It has been that way since the beginning. The Armistice found 2,000,000 American soldiers in France, an equal number executing "squads right" in the United States, and 1,000,000 who wore sailor suits and squirmed every night into Navy hammocks. In France everybody wanted to go home at once, but there was barbed wire to be rolled up, a Rhine bridgehead at Coblenz to be guarded. Technically the war was still on, for there was no telling whether the Germans would sign a peace.

The A. E. F. was as homesick as a boy on his first night at boarding school; and if it couldn't see the Statue of Liberty, it had heard a lot about Paris. Courts martial were busy trying case after case of absence without leave. Company clerks, if they weren't in that status themselves, marked "A. W. O. L." on thousands of service records. Officers and men were as touchy as though they had hives. John Pershing wouldn't have been sure of the soldier vote for dog catcher.

Persons who didn't sleep well of nights feared what would happen when the soldiers were demobilized, and the specter of "bolshevism" Suzie-Q'd over their blankets. They had heard of soldiers' and sailors' councils in other armies, and they wondered. As a matter of fact, although the A. E. F. was somewhat rough and forgetful of Sunday-school lessons, it was no more bolshevistic than Bishop Manning. It merely wanted to go home.

There was no denying that morale was considerably frayed and that further unraveling must be stopped. Mere general orders could not assuage a winter of discontent. The people at G. H. Q. took a leaf from civilian practice; they decided to call a conference. Twenty officers from 10 Infantry divisions and as many other units in the A. E. F. were summoned to Paris. They included Lieut. Cols. Bennett Champ Clark, Theodore Roosevelt, David M. Goodrich, Franklin D'Olier, Col. William J. (Wild Bill) Donovan, and Capt. Ogden L. Mills. All were former civilians of prominence who held National Guard or Reserve commissions, and 2 days were consumed in telling Regulars what was wrong with the Army and what should be done in the way of less restriction, more leaves and programs of athletics, entertainment, and study.

On February 15, the night before the officers were to return to their commands, Roosevelt invited them to dinner. Until little cups of what the French fondly believed was coffee were passed, the guests were occupied with the A. E. F.'s favorite conversational exercise; their own division had won the war single-handed. Roosevelt interrupted these historical liberties with announcement that he had something on his chest. Steps would be taken at once to lift Army morale, but what would happen when the soldiers returned to civilian life? He proposed a veterans' organization comprised of all—officers and men—who had served with the colors, at home or abroad, during the World War.

Although a few diners sought to attach their pet ideas to the project, the group agreed to put the whole question of a veterans' organization before a meeting to be held in Paris a month from then, a meeting of officers and men representing all elements of the A. E. F.

In the shadow of Eiffel Tower lay the gas house-shaped Cirque de Paris. There acrobats once allez-ooped and little white dogs walked on their hind legs and leaped through paper hoops, and there in the presence of the future King of the Belgians (who was chewing gum), Pvt. J. J. Tunney, United States Marine Corps, was soon to win the light-heavyweight championship of the A. E. F. Five hundred officers and a like number of enlisted men were expected there March 15, 16, and 17. The thousand delegates arrived in Paris, but a third of them never reached the hall. Pressure of other engagements.

The virtuous two-thirds chose Lieutenant Colonel CLARK (now United States Senator from Missouri) temporary chairman. Motion was made and carried that all matters of rank be waived during the caucus, and one bogy that the proposed veterans' organization would develop into an "officers' only" affair was definitely laid. Buck privates were entitled to the same voice as wearers of Sam Browne belts, and the men in hob-nailed hikers were not slow in expressing their minds. There were few reticences.

The committee on name failed lamentably to rise to the occasion. The best it could propose was "Legion of the Great War." Second choice was "Veterans of the Great War." Another high favorite was "Liberty League," and the committee's report was thrown to the wolves. Long after it was time for lunch, Maurice K. Gordon suggested "American Legion," which was adopted, amid cries of "When do we eat?"

The committee on constitution submitted a preamble beginning with a slight run of fancy: "We, the members of the military and naval service"—fancy because, with the exception of a few Marines, all delegates to the caucus were soldiers. But on the last day of the session a lone sailor poked his head through the door. He looked surprised, and "I thought there was a show going on here," and immediately was made representative of "the naval service."

Roosevelt returned with a group to the United States to lay the groundwork for a meeting in St. Louis which should be a duplicate of the Paris affair, while in France Col. Milton J. Foreman, of Illinois, found himself "the temporary head of an interim committee of a proposed organization."

Which was as it should be. Few great organizations were as free of self-seeking founders as the Legion. The group of 20 officers at the Roosevelt dinner in February had deferred to a caucus at the A. E. F. at which enlisted men would be represented. And now the A. E. F. veterans left results of their 3-day meeting to the verdict of the men at home.

Every State but one was represented by the 1,000 delegates who met in St. Louis on May 8. For 6 months the country had been "welcoming the heroes home" and now the heroes were a problem. For more than a year between 4,000,000 and 5,000,000 men had been taken out of productive work while others filled their places; now they wanted their old jobs back again. If they were united behind one leader, they could take things into their own hands. The St. Louis caucus gave the country its answer.

"The floor is open," said young Theodore Roosevelt, "for nomination for permanent chairman." The floor was of but one howling mind. It went crazy over "young Teddy." Then and there the American Legion might have committed suicide in willing to become a personal organization of a man who bore a magic name. Roosevelt was not without political ambition and the temptation must have been enormous. "He rose to meet it superbly," Marquis James chronicles in his history of the Legion, "and guided the Legion for the last time it needed one man's guidance."

He declined nomination. He was elected unanimously. He declined to serve, was renominated, declined again. That clinched it, and later the caucus made sure that the Legion never could become a one-man organization by stipulating that the national commander should serve for 1 year only and might not succeed himself.

The Legion's next answer was to those who feared that demobilized service men "were poisoned by radicalism." The caucus heard, then shouted down an earnest delegate from the soldiers and sailors council. The Legion had shown that it would not be an officers-only group; now it refused to have any truck with an outfit that sought other class distinctions.

Finally the caucus quieted down to the one-two-three-fours of a constitution. Again it declined outside assistance. One delegate brought from New York a proposed draft, written by the country's greatest constitutional lawyer, Elihu Root. It was masterly, but it left the veterans cold. A committee set to work upon a new draft. The committee emerged with a document containing a preamble that ranks with the most eloquent statements of American principles. No one hand produced it; the phrasing and thought came from 20 or 30 men, most of them young lawyers. But with that preamble the Legion went proudly to the country and to its comrades; and within 18 months it had 800,000 members.

Today, 20 years later, that preamble seems more than ever worthy of attention and adherence, for it reads:

"For God and country we associate ourselves together for the following purposes: To uphold and defend the Constitution of the United States of America; to maintain law and order; to foster and perpetuate a one hundred-percent Americanism; to preserve the memories and incidents of our association in the Great War; to inculcate a sense of individual obligation to the community, State, and Nation; to combat the autocracy of both the classes and the masses; to make right the master of might; to promote peace and good will on earth; to safeguard and transmit to posterity the principles of justice, freedom, and democracy; to consecrate and sanctify our comradeship by our devotion to mutual helpfulness."

The first matter to which the Legion, with rapidly growing membership, gave its attention was the plight of the ex-service man. The Federal Government's vocational training board was snarled in its own red tape. Likewise engulfed was the War Risk Insurance Bureau, with 300,000 unacted-upon cases before it. Congress was so bogged down that its leaders "deeply regretted" that legislation for care of the disabled must wait; but a Legion delegation boiled into Washington, with the result that within 2 days rules were suspended and the bill was passed setting up the Veterans' Bureau.

Folks on Capitol Hill soon discovered in the Legion's legislative committee a persuasive force. The committee's Washington representative, who is still John Thomas Taylor, reaches congressional ears with little difficulty, because legislators have found that his arguments are repeated in a flood of letters from their home districts. Contrasted with other lobbies, the Legion's Washington lobby is small. It knows what few pressure groups realize, that the voice of a home constituency is louder than all the noise of organized pilgrimages and marches on Washington.

For the first few months the young organization handled the bonus problem gingerly. Its first convention at Minneapolis declared veterans entitled to "an adjustment of compensation," which was referred "with confidence to the Congress" because the Legion "could not ask for legislation in its own selfish interests." But as the weeks of the next legislative session dragged on without action, the Legion lost its "confidence" in an unpersuaded Congress. It turned on the heat. Congressmen were toasted on both sides, and for 4 years the bonus ranked with prohibition as a subject impossible of discussion without loud words, bad names, and high blood pressures. After two Presidential vetoes, it was passed in the form of a 20-year endowment policy. Hard times brought demands, not officially sponsored by the Legion, for a 50-percent loan upon these policies in 1931, and by 1936 bonds were issued which veterans might cash for the remainder.

Legion insistence was behind successive appropriations for what is now the greatest Government hospital system in the world—$150,000,000 worth of veterans' hospitals. Only once was the Legion lobby set back on its heels; the 1933 Economy Act took away much of what the Legion had pressed for, but another year came by and Congress restored most of it over a Presidential veto. Thus far Legionnaries have not demanded pensions for all veterans; their present goal is annuities to widows and orphans.

A bad time would be in store for anyone who should say that Legion legislative influence had helped to make it possible for some veterans to get more from their Government than they gave to their country. In behalf of that influence it may be claimed that without the powerful voice of the Legion care for the disabled or rehabilitation of jobless veterans might have been mere pious promises.

The Legion has given as well as compelled aid. The part that it plays in community undertakings depends considerably upon the quality of its local leadership. It has not been found wanting in rising to emergency responsibilities; in many a disaster the Legion has raced with the Red Cross to be first at the scene. As an organization it has taken part in no labor wars or strike-breaking activities.

Few persons realize the social-welfare work undertaken by the veterans. Almost from the Legion's start it had a child-welfare program. Last year it had 30,000 volunteers at work among 320,000 needy children, and spent $4,000,000. More than 3,000 Boy Scout troops are Legion sponsored.

In fact, the Legion on parade and at play has been better known than the Legion at work. Its annual conventions capture a city like an invading army, but each year the horseplay tapers off. Maybe it's because the Legionnaires are now middle-aged. Maybe it's because they now take their wives and children with them; the Legion's women's auxiliary now numbers nearly a half million, and the 6-year-old organization, Sons of the American Legion, with a monthly publication, the Legion Heir, has a membership of 60,000. For the Legion is becoming a family affair.

In times of need and distress it can be counted upon to do more than its part. It does not hesitate to say what it wants. No love is lost between it and comrades of the left wing who call those who don't like them Fascists. But anyone who has ever seen an American Legion convention with its accompanying didos knows that Legionnaires would laugh themselves sick at the suggestion of wearing shirts all of the same color. They did once, and that's what's the matter with them.

The Importance of Hunters Point, San Francisco Bay, As an Essential Part of Our National Defense

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EXTENSION OF REMARKS

OF

HON. RICHARD J. WELCH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1939

Mr. WELCH. Mr. Speaker, the strategic value of San Francisco Bay has been emphasized by the highest naval and military authorities of our Government for a great many years, and more particularly during recent years.

The importance of the San Francisco Harbor and Hunters Point drydocks has been stressed by the War and Navy Departments on every occasion when legislation was under consideration before the Committee on Naval Affairs, Committee on Rivers and Harbors, and other congressional committees, and for reasons which I shall give, the Hunters Point drydocks should be purchased and maintained at their highest efficiency by the Navy.

For years the War Department, joined by the Navy Department, opposed any bridge across San Francisco Bay north of Hunters Point. The objection was based primarily on the desire to avoid any possible obstruction to navigation between the fleet anchorage including the Hunters Point drydocks, and the open sea.

In confirmation of the foregoing, I read the following from the hearings before the House Committee on Interstate and Foreign Commerce when it was considering a bill to authorize the construction of a transbay bridge from San Francisco to the Oakland side of the bay. This quotation is from a statement made by Admiral Charles F. Hughes, then Chief of Naval Operations:

The Navy Department has endeavored to weigh the real needs of the bay cities for a bridge against the requirements of the national defense and has always come to the conclusion that the construction of a bridge across San Francisco Bay, north of Hunters Point, would be such a detriment to the national defense that the Navy Department must oppose it.

The Navy Department is charged with the preparation of the fleet for war and would be derelict in its duty if it assented to any action on the part of any community that would curtail the mobility of the fleet or unduly restrict its readiness to meet any emergency. San Francisco Bay is, as you know, the principal harbor of the Pacific coast. To my mind, it belongs to the Nation; it is not the property of California nor of the cities that are on its shores. From its natural advantages and its location, San Francisco Bay is certain to be the major continental fleet base for any extensive campaign in the Pacific. It will be the point where the fleet will concentrate at the beginning of a war.

I also wish to bring to the attention of Members of the House of Representatives the report from the Helm Commission with reference to Hunters Point when it was proposed to establish a naval base on the southerly end of San Francisco Bay. Admiral J. W. Helm was senior member of this commission and I quote from this report, which was submitted on December 7, 1919:

The strategic map of the Pacific Ocean clearly indicated the advantageous position of San Francisco Bay. This is the only capacious harbor near the central and most salient section of our Pacific coast, available for the establishment of a naval base.

San Francisco is approximately 300 miles nearer Honolulu than San Diego, 125 miles nearer than the mouth of the Columbia River, and 300 miles nearer than the Puget Sound Navy Yard.

San Francisco is now, or can be made, secure from attack by a hostile fleet. Flank attack by land forces which may effect a landing either to the northward or southward can be provided against. Its present fortifications are extensive and powerful and are being increased.

San Francisco Bay is the only body of water on the Pacific coast south of Cape Flattery offering a safe anchorage from wind and weather to a large number of ships, which can be entered under all ordinary conditions of wind and sea, except possibly in a combined dense fog and heavy sea.

San Francisco Bay has ample anchorage with a good holding ground for a fleet of any size.

The report makes reference to a 1,000-foot dock at Hunters Point as being the only dock on the Pacific coast north of the Panama Canal capable of accommodating the six battle cruisers of the then building program. From careful inspection of the site and after weighing all information received, the commission reached the conclusion that Hunters Point possessed the following important advantages, among others, in considering its development for naval purposes:

First. It adjoins permanent deep water.

Second. It adjoins the largest and best anchorage ground in the bay. Drydocks can be constructed there at a saving of fully a million dollars per dock as compared with docks constructed elsewhere owing to more favorable material.

Hunters Point is the end of a promontory extending into the Bay of San Francisco and covering over 40 acres of level land of rock foundation. To those of you who are unfamiliar with San Francisco Bay, may I state that Hunters Point, which is within the city and county of San Francisco, extends to an easterly direction into the Bay of San Francisco to a distance equal to Yerba Buena—Goat Island—from the San Francisco shore line. It extends into the main channel of San Francisco Bay where there is a depth in excess of

70 feet and where dredging never was and never will be necessary.

Hunters Point drydocks in San Francisco Bay and the Bremerton Navy Yard drydocks are the only docking facilities along our entire Pacific line—extending more than 2,000 miles from the Canadian-Mexican borders—which are capable of handling large ships, such as men-of-war, airplane carriers, or large merchant vessels for repairs. The Hunters Point drydocks are advantageously located about midway between the Canadian and Mexican borders, while the Bremerton facilities are 815 miles north of San Francisco Bay and near the Canadian border. The drydock facilities at the Bremerton Navy Yard are considered inadequate in this respect and another large dock is now under construction at that yard. As a matter of fact, if you will follow the great triangle, extending from the Aleutian Islands to Hawaii and thence to the Panama Canal, often referred to by the Navy Department, there are only four battleship docks within the triangle—two on the Pacific coast, one at Pearl Harbor, and one at the Panama Canal. The dock at Pearl Harbor can accommodate only the smaller, obsolete battleships.

The Navy pays approximately $45,000 a year for a prior or preferential use of Hunters Point drydocks in the form of docking charges based on tonnage. All repairs are in addition to the docking charge. In the year 1938 the Navy paid the Bethlehem Shipbuilding Corporation approximately $89,000, which included dockage and repairs.

When the *President Coolidge* recently needed repairs before sailing from the port of San Francisco on a round-the-world trip it was necessary for the American President Lines, formerly the Dollar Lines, now owned and operated by the United States Maritime Commission, to secure permission from the Navy Department to use the facilities of the Hunters Point drydocks while a United States naval vessel waited in the stream. This emphatically indicates the necessity for increasing drydock facilities in the San Francisco Bay area.

There are two graving docks at Hunters Point—the larger of the two will dock any ship that can pass through the Panama Canal. The smaller dock can accommodate ships of the cruiser type.

The Bremerton Navy Yard drydock, like Hunters Point drydock, can receive the larger ships of the Navy, such as the aircraft carriers *Lexington* and *Saratoga*, and battleships. The Mare Island Navy Yard drydocks can dock ships of the cruiser type, limiting, as you can see, the facilities on the entire Pacific coast to two docks which can provide for carriers and battleships.

The fact that the Hunters Point drydock is the only dock, in addition to the Bremerton Navy Yard, 815 miles to the north, that can accommodate a battleship or similar large naval or merchant ship, is tantamount to a monopoly on the part of the Bethlehem Shipbuilding Corporation, which owns and operates these docks. This may account for the present inadequate facilities necessary to meet the requirements of the Navy. This naval national defense necessity was referred to in the following statement of Admiral Leahy, Chief of Naval Operations, on March 9 during the hearings on H. R. 2878, known as the naval public works authorization bill:

> The program does not provide for a naval drydock in the San Francisco Bay area capable of taking a major capital ship. The privately owned drydocks at Hunters Point, lacking in the equipment necessary for repairs to our large war vessels, are not a satisfactory solution to the Navy's problem in time of war.
>
> In my opinion, the Navy should acquire the Hunters Point drydocks and should provide weight-handling facilities, power connections, galley, latrines, storehouse, and an assembly plant to permit the overhaul of our largest vessels in conjunction with the Mare Island Navy Yard.

Compare the inadequate facilities on the west coast with the Atlantic, which has 18 drydocks, 3 of which will take carriers and battleships, namely, the South Boston Dock, Drydock No. 3 at the Philadelphia Navy Yard, and Drydock No. 4 at Norfolk. In addition, Brooklyn Drydock No. 4 will take a battleship but not a carrier. The other 14 drydocks are of various sizes.

During recent years the American merchant marine, which is our auxiliary navy, has undergone a complete change. In the interest of national defense, it has become imperative that the Federal Government, through the Maritime Commission, take over and operate steamship lines, such as the Dollar Line, now known as the American President Lines.

The Hunters Point drydocks are between 2 and 3 miles by water from the Union plant of the Bethlehem Shipbuilding Corporation. At the present time all materials used for the repairing of ships have to be conveyed from the shipbuilding plant to Hunters Point.

It should also be borne in mind that if Congress authorizes the Navy to take over these docks they will become self-liquidating. As I have stated, the Navy now pays a large sum for the use of these docks. The Maritime Commission's ships and other American-flag ships would reimburse the Navy in the same manner that they pay the Bethlehem Shipbuilding Corporation for the use of Hunters Point drydocks.

I have quoted the highest naval authorities of the past 20 years as to the strategic importance of San Francisco Bay and Hunters Point relative to the security of this Nation on the Pacific Ocean. They have consistently emphasized the great naval value of these facilities and, more recently, they have in unqualified terms strongly recommended that they be acquired by the Navy.

The Fascist Menace to the Americas

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1939

RADIO COLLOQUY BETWEEN HON. EMANUEL CELLER, OF NEW YORK, AND DR. MAX WINKLER, ASSOCIATE PROFESSOR OF ECONOMICS, CITY COLLEGE, CITY OF NEW YORK

Mr. CELLER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following colloquy broadcast over station WMCA at New York City and the intercity chain, March 11, 1939:

Mr. CELLER. We are agreed, are we not, that owing to the important position which the United States occupies in the field of commerce and finance with regard to Latin America, we cannot remain indifferent to happenings south of the Rio Grande. Can you tell us, Dr. Winkler, what the extent is of America's commitments in Latin America?

Dr. WINKLER. According to most reliable estimates, American investments in Latin America amount to more than $4,500,000,000. Of this, $3,300,000,000 represent investments in plants and properties, and about $1,300,000,000 in the bonds of Latin American Governments, States, cities, and corporations.

Mr. CELLER. What is the present status of these investments?

Dr. WINKLER. Our direct investments, that is, American money placed in plants and properties have, on the whole, given a reasonably satisfactory account of themselves. That is to say, American creditors are, to a certain extent, receiving interest and dividends on their investments. Unfortunately, Mexico seems to constitute the only real sore spot. Perhaps, Congressman, you could enlighten us on the position which Mexico has taken and the reasons, if any, which she advances for her attitude toward American creditors?

Mr. CELLER. The present Mexican Government, headed by General Cárdenas, has decreed the expropriation of American oil properties, basing or justifying this move upon article 27 of the country's constitution. This article provides that "In the nation is vested the direct ownership of * * * petroleum, and all solid, liquid, or gaseous hydrocarbons."

Dr. WINKLER. Do you mean to imply that Mexico's Constitution permits confiscation of foreign property without compensation?

Mr. CELLER. Theoretically, no; because the same article 27 also provides that "Private property shall not be expropriated except for reasons of public utility and subject to payment of indemnity." Furthermore, article 14 of the Mexican Constitution provides that "No law shall be given retroactive effect to the prejudice of any person whatsoever." However, for all practical purposes, Mexico has seen fit to disregard her own constitution and the rights of her American creditors as well.

Dr. WINKLER. Nevertheless, Congressman, it would seem to me that neither Mexico, nor any other foreign country for that matter, is free to destroy without adequate compensation valid titles obtained by foreign citizens under Mexico's laws.

Mr. CELLER. I quite agree with you, Dr. Winkler; I contend that a policy of expropriation, regardless of who may be pursuing it, strikes at the very foundation of international law and order. I further maintain that it is only on the basis of property rightfully owned under the laws existing at the time of acquisition that commercial transactions between two nations are possible. I am, therefore, wholeheartedly in agreement with the protests which our Government has lodged with Mexico, and I hope sincerely that General Cárdenas will soon see his way clear to restore confiscated oil property, representing, as I am informed, an investment of over $200,000,000, to the rightful owners, or offer them, in place of vague promises, adequate and concrete compensation.

Dr. WINKLER. How do you view the sale by Mexico of oil taken out of confiscated properties to Germany and Italy?

Mr. CELLER. I see no difference between these transactions and those represented by the sale of stolen property to "fences." The trouble is that these despicable characters are subject to the law while Germany and Italy may unfortunately indulge in such practices with impunity. International brigandage is what I should call it, and that is putting it mildly. How about American investments in Latin-American bonds?

Dr. WINKLER. It is regrettable that the major portion of these investments, aggregating about $1,300,000,000, is now in complete or partial default.

Mr. CELLER. But Dr. Winkler, from your study of and familiarity with Latin-American affairs, would you say that nonpayment of debts owing to American citizens constitutes willful repudiation on the part of our neighbors, and is it not a fact that default is the result of a set of circumstances over which the countries in question have little or no control?

Dr. WINKLER. I wonder, Congressman, could you possibly be somewhat more explicit?

Mr. CELLER. Indeed, I can, or at least, I shall try. It is a fact that the totalitarian countries are broke, that their finances are in a hopeless condition, and that their currencies have no backing or substance. This is especially true of Germany, a highly industrialized country to whom foreign trade is the sine qua non of her very existence. Even Der Fuehrer was forced to admit in a speech the other day that Germany must export or die.

Dr. WINKLER. But is it not true that in order to carry on trade one needs capital or credit? We know that Germany has no capital except what she manages to take away by force from helpless minorities, while her credit has been destroyed as a result of her repudiation of practically all legitimately contracted commitments.

Mr. CELLER. That is absolutely so, but in order to overcome these obstacles Germany has entered into a series of so-called barter agreements with a number of Latin American countries. These agreements provide that the nations affected sell their raw materials to Germany, receiving in payment therefor German marks which must remain blocked in Germany and be employed in the purchase of German merchandise. Since Germany does not pay real money for raw materials acquired in this manner, she is in a position to offer what looks like a higher price than anyone else is willing to to pay and who has to make payment with real coin of the realm—that is, dollars or pounds or guilders. Many of the Latin American countries with which Germany has barter arrangements are debtor nations, owing large sums abroad, especially to the United States. Since the temptation, at least in the early stages of a barter deal to sell to Germany is very great, the country does not receive any real money for its exports with which to meet its obligations held by American creditors. In this way Germany may be held directly responsible for the default by Latin American countries on their bonds outstanding in the hands of American investors.

Dr. WINKLER. This is most illuminating, and I am wondering why one does not hear more about this. Is it not also true, Congressman, that Germany, in order to secure a foothold in Latin America, is offering her own manufacturers and exporters all sorts of bounty? Only the other day it was announced in dispatches from Berlin that all losses which German exporters may or will sustain as a result of foreign-exchange fluctuations will be taken care of by the German Government. Now, where does Germany obtain funds for such purposes? You said only awhile ago that the Reich is hopelessly insolvent.

Mr. CELLER. The answer is not difficult. For the past several years Germany has pursued a systematic, methodical policy of confiscating the assets belonging to certain of her people, forcing them to turn over their property for a figure set by the German Government, payments to be made in German currency at a rate determined by the Government. In other words, whereas the German monetary unit is officially quoted at above 40 cents, the German Government is buying from or, to put it more accurately, is forcing certain of its people to sell marks for less than 2½ cents a mark. It is therefore obvious that so long as the German Reich can purchase quantities of its own money for less than one-fifteenth of its official quotation, Germany can afford to be liberal with money derived in this manner.

Dr. WINKLER. How long can such a process last? In other words, when will Germany find herself unable to loot and pillage helpless people, employing the spoils to interfere with the normal channels of commerce?

Mr. CELLER. Unfortunately, it may last for quite a while. After she will take all that is left in the hands of the Jews, she will turn to the Catholics. Can you tell us, Dr. Winkler, of the extent to which the Fascist nations, especially Germany, have penetrated Latin America, and the seriousness of the competition which we are obliged to meet there?

Dr. WINKLER. Penetration by Nazi Germany—Italy and Japan, the two other Fascist nations, do not yet play an important part—of Latin American commerce and interference therewith has, so far, at least, not been sufficiently marked to cause serious apprehension. For example, last year German exports to Latin America amounted to 623,000,000 marks, compared with 235,000,000 in 1932; that is to say, for over 100 reichsmarks' worth of merchandise shipped to Latin America in 1932 last year's sales amounted to RM265. American sales to Latin America during the same period increased from $220,200,000 in 1932 to $564,200,000 last year. America's gain is just as impressive as that registered by the Reich. In other words, penetration in the commercial field is as yet no ground for apprehension or objection.

Mr. CELLER. The United States has never objected, and never will object, to honest competition. On the contrary, we welcome it as a healthy stimulus to the incentive of the Nation. What we are objecting to is the sinister methods employed by some of our competitors, who aim not alone at undermining American commerce but also at the undermining of American ideals and institutions.

Dr. WINKLER. Are not the Latin American countries themselves aware of this menace and, if so, what have they done or what are they doing to combat it?

Mr. CELLER. Indeed, they are, as is abundantly clear from the many resolutions which were adopted at the Eighth Pan-American Conference, which was held at Lima, Peru, only a short while ago. It was at this conference where the so-called Lima Declaration was adopted, which consists of a pledge on the part of the representatives of all 21 American Republics to defend continental solidarity against any aggression, to prevent the infiltration of foreign ideas in the Western Hemisphere, and to fight against any persecution because of one's race or religion.

Dr. WINKLER. Although these declarations are commendable and although it is sincerely hoped that all the Americas will live up to them, I am afraid that they are not enough.

Mr CELLER. Apparently, what you mean is that we should contrive to meet our competitors who use unfair methods on the same grounds. Fight fire with fire. If they hit below the belt, and there is no referee, we must take matters into our own hands. If Germany can afford to extend credits or to grant concessions to Latin America, we must be prepared at least to equal, if not to better, Germany's terms. If it pays Fascist nations to do so, it should pay us to do likewise. It may and probably will cost much more later. Do you not think, Dr. Winkler, that America's economic destiny lies in this hemisphere rather than in the Old World?

Dr. WINKLER. I do, Congressman. It has been said, and I believe rightly so, that the Western Hemisphere constitutes the most perfectly self-sufficient economic unit in the world, and that America's most logical and profitable field is located here, and not in Europe, which is torn asunder by national antagonism, political animosity, and racial hatred. So long as totalitarian nations are willing, and apparently able, to aid financially Latin America, it should be incumbent upon us to better, or at least equal, the terms offered by our competitors. I hope that you and your colleagues in the House will appreciate the desirability—nay, necessity—of such aid, and that you will take such steps as will bring this about.

Mr. CELLER. I believe that most of us do, and that the arrangement which has just been concluded with the spokesman from Brazil, relative to a credit on behalf of our neighbor, bears out this view. I am particularly gratified because in the arrangement for aid to our southern neighbor we appear to manage that the credit granted will be used for the financing of constructive and strictly revenue-producing projects, affording a stimulus for the maintenance and enhancement of America's commerce and providing new sources of income for the faithful discharge of whatever obligations our neighbors may be permitted to contract.

Now, I should like to ask you this: Will our concentration upon Latin America hurt us in Europe?

Dr. WINKLER. I do not believe so. Our trade with Europe has been steadily declining while our trade with Latin America has been going up. In 1913, our exports to Latin America were only 14½ percent of our total exports. Last year, they amounted to 18¼ percent. Our sales to Europe in the last pre-war year were 60 percent of the total. In 1938, they dropped to a little over 33½ percent. Furthermore, much of Europe's buying has been paid for by American investors who together with our Government now hold Europe's I O U's on which they may never see any payment made. I wonder whether one realizes that our total of defaulted Latin American bonds is very much less than the total of defaulted bonds of Germany alone? If we were to be as liberal toward Latin America as we were to Europe, the results would be far more satisfactory.

I am certain they will. I therefore applaud the efforts of the President and our Secretaries Hull and Morgenthau, who were instrumental in making the new accord with Brazil. It is the first step to block the infamous Nazi inroads into South American trade, a beginning which may well prove a suitable pattern to be adopted with respect to other American nations. We have not yet forgotten that our losses in Latin America are relatively small compared with the billions of dollars of American money poured into the Old World—money which is not only irretrievably lost but which has enabled Europe seriously to compete with and undermine American economy and threaten American ideals and institutions. We need entertain no such fears as regards Latin America. While losses have been sustained by American investors, these losses are insignificant compared with the benefits derived from the increase in American trade with the southern republics and

also compared with the income which Americans derive from their so-called direct investments in Latin America.

I can see how aid to our neighbors, carefully planned and properly used, can do a great deal to restore normality and bring back prosperity not alone to the United States but to all the Americas.

Gullible America

EXTENSION OF REMARKS
OF
HON. JAMES SECCOMBE
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 14, 1939

EXCERPT FROM ADDRESS BY HON. FELIX HINKLE, OF CANTON, OHIO

Mr. SECCOMBE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an excerpt from an address by Hon. Felix Hinkle, of Canton, Ohio, as follows:

Not since 1917 has there been so much agitation in this country about war—about guns and battleships and fortifications. Congress is appropriating millions of dollars to strengthen our position—to manufacture munitions and to train men to fight.

But what is all this war excitement about? Whom are we going to fight and why? As far as I know, no country has even threatened to take anything away from us and, most certainly, we want nothing from any other nation. Just why, then, are we placing this big chip on Uncle Sam's shoulder?

One reason we hear advanced is based on the theory that Europe is about to become embroiled in a major war, and that we must get ourselves into a position to protect our rights against an aggressive victor.

It appears to me that there are a lot of "ifs" in this supposition. In the first place, the odds are about even that there will be no immediate European war. In the second place, there is no assurance that the unfriendly nations would wind up on the winning side. And, in the third place, if such a war should occur, the victorious countries would be so horribly mutilated, so utterly exhausted, that they could not possibly wage an effective campaign against us even if they so desired.

The other excuse in support of our becoming mixed up in this foreign quarrel is based on the nonsense that we should fly to the aid of the so-called European democracies. According to the present line-up, this would place us on the side of England, France, and Russia and against Germany, Italy, Japan, and possibly Franco's Spain.

Herein lies the greatest hazard in the whole matter. First, because it presents an emotional appeal, and, second, because there really are no democracies in Europe as we Americans understand the term. The background of the European is different—different culturally, economically, and socially. This explains England's King and House of Lords. Even though they have little to do with government, yet the very fact that these social distinctions exist marks a vast psychological difference between the English people and us. Down in France the Government may change overnight. The dissent of any one member can dissolve the entire administrative cabinet. One of the strongest parties in France is the Anarchist Party—a political situation our country would not tolerate for one instant; and, as far as Russia is concerned, there is absolutely nothing comparable to our idea of freedom and individual initiative in the Soviet Union.

So what do we mean when we say that we should assist our sister democracies?

Besides this, I have a feeling that England and France are deliberately conforming to the Rome-Berlin axis. I think that there is a lot of diplomatic maneuvering going on under cover between these two factions—understandings that we know nothing about. How else can one explain the Munich pact? Why has there not been a war before now? How is it that England and France can stand by while Germany and Italy actually fight Franco's civil war—a war against a so-called democracy—right in their front yards? Why was Franco's government recognized even before the Spanish war is over?

Whether we like it or not, Europe is rapidly coming under the influence of the totalitarian powers. Old World democracies, such as they are, appear to be on the way out. To me it seems the height of folly for our country to become involved in this mad scramble upon the mere pretext of saving democracies. If we should go so far off balance, I predict that we shall be left holding the bag for the whole outfit.

I have a hunch that we could trace the roots of all this war propaganda to the other side of the Atlantic. Furthermore, I believe that what we read about the mammoth European preparations for war is largely window dressing, promoted with the idea of involving the United States in some way or another.

It must be remembered that the nations of Europe are practically bankrupt. They have little to gain from fighting each other. On the other hand, Uncle Sam holds most of the world's gold and most of the developed natural resources. Should there be any doubt what the objectives in Europe really are?

There may be some excuse for bolstering our defenses; maybe we should build a few more airplanes and train a few more flyers, but by all means we should turn a deaf ear to this jargon about saving the European democracies. It's nothing but a come-on.

The most helpful and worth-while program we can follow is one of complete neutrality, insofar as possible, and then turn our attention exclusively to the pressing matter of saving our own democracy. God knows it neeeds serious attention.

Taxation, Confiscation, Repudiation?

EXTENSION OF REMARKS
OF
HON. THOMAS A. JENKINS
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Monday, March 6, 1939

ADDRESS BY DR. R. J. C. DORSEY

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an address on Taxation, Confiscation, and Repudiation, by Dr. R. J. C. Dorsey, an able attorney, bank specialist, and tax authority, as follows:

Taxation without representation was one of the causes of our American Revolution. Prior to its commencement the colonists maintained that the navigation acts were not applicable to them because the people of the colonies were not represented in the English Parliament that enacted them. Because of this lack of representation they held that they could not be justly taxed by England. Apparently the lack of representation was more the foundation of their objection than the amount of taxes levied. After the American Colonies had won their independence from England care was taken that our Federal Constitution should provide that the people and the States should be represented in the Federal Congress. The constitutions of the several States likewise provide for the representation of the people in their respective State legislatures. Both limited representation but failed to place any limit on the powers and amount of taxation. The Federal Constitution, in giving Congress the power to lay and collect taxes, duties, imposts, and excises, did not place any limit thereon. The framers of our Federal Constitution apparently did not apprehend that at a future time a clique of political buccaneers would take advantage of this unlimited power to tax and embark upon such a reckless spending expedition as to involve the inheritance of our people. True, they had experienced that taxation without representation was tyranny, but evidently did not consider that taxation with representation might result in partial or complete confiscation of property. It is possible that they did not visualize that the time would come when the American people would only control their representatives as to local matters and that national affairs might be left to the legislators' individual discretions or dictated by group pressure.

Under correct theory taxes are imposed for the support of the Government in return for the general advantages derived from the protection which a government should afford the taxpayer and his property. There should be no just right to tax where there is a partial or total failure of such benefit or exchange of equivalents. There should be a quid pro quo; the taxpayer must receive a legal consideration of a pecuniary or protective nature to his person or his property for the taxes he pays.

Today the basic principles underlying taxation have been willfully ignored. No longer is the taxpayer's money entirely used for protection. It is used to provide sinecures for party faithfuls and those who advocate changing our Government from a representative republican form of government to a socialist state. It is used to politically seduce the minds of the masses to cause them to become discontented, so that they may be made the instruments to wreck the very institutions that try to protect them. Under the many laws recently enacted to pick the pockets of the American people it is impossible to discover any quid pro quo for the taxes paid. Without that, the taking of one's property, though under the disguise of taxation, and so, in form, by due process of law, is tantamount to confiscation. The aim of both Federal and State Governments today is to ignore the basic theory underlying taxation and to replace it with subtle confiscation. In gangster parlance, American taxation has degenerated into a vicious "racket."

The fifth amendment to the Federal Constitution provides that no person shall be deprived of property without due process of law. This provision is a restraint upon the Federal powers only. The fourteenth amendment supplements this by providing that no State

shall deprive any person of property without due process of law. Due process of law, in reference to taxation, is that which is due and appropriate in that class of cases as demonstrated by our experience in the enjoyment of self-government. There is no doubt that due process of law applies to tax proceedings. However, it must be exercised so as to deprive no person of property without due process of law. In the taking of property for unpaid taxes legal proceedings must be followed and the law must have been enacted by the proper legislative authority. A tax should be held to be unconstitutional and in violation of the due-process clause when it results in such flagrant and palpable inequality between the burden imposed and the benefit received as to amount to an arbitrary taking of property without compensation; also when it attempts to raise money for private use or for public use by methods contrary to reason and justice. The crux of the whole New Deal is to distribute and control what the people have by means of excessive taxation. This has given rise to two sets of judges—conservative and liberal. Conservative justices refuse to permit confiscation of property under the disguise of taxation. Liberal judges would permit it. This is why liberal Justices are sought for the bench of the Supreme Court of the United States. The question now presents itself: Shall the United States Constitution be used as an instrument to impoverish us through an unjust interpretation of the general-welfare clause by liberal Supreme Court Justices?

The New Deal is a system of government based upon Marxian fundamentals. In the end individuals and private property shall be subject to the wills of those who at any given moment may constitute the compelling power. In present political parlance "new dealer" and "liberal" are synonymous in meaning and interchangeable in use and indicate persons favorable to constitutional change coupled with legal and administrative reform.

Our Federal Constitution provides that "no money shall be drawn from the Treasury, but in consequence of appropriations made by law." Congress has the power to pay the debts of the United States, and when the money is raised may appropriate it to the same object. Congress appropriates; sets money aside for special use. Congress raises money through taxation. It has the power to commit the country to a huge debt, so large that it would be impossible to liquidate it. This is now the result of our uncalled-for spending program. Excessive taxation makes the people the slaves of the state, for what they earn goes to pay their taxes. There is no limitation on the amount of congressional appropriation. There is no limitation on the amount of taxation except the endurance of a people. Our United States Supreme Court has never attempted to set any limitation to the power of our Federal Congress to appropriate money. Montesquieu wrote: "The effect of excessive taxes is slavery." We, the people, are to become slaves. The American worker must carry most of the burden, for much of his wages must go to pay the high prices for the necessaries of life, for their cost contains scores of hidden taxes. Dr. Paul Henry Nystrom, in the American Weekly, has analyzed this situation and even now estimates that 25 percent of the wage earner's income goes for hidden taxes. This cripples purchasing power and lowers the standard of living. He lists the many necessities of life and the hidden taxes in their price—even one's funeral contains 157. Many schemes under as many distinct terms have been evolved to pick the pockets of the American people.

The American taxpayer is bewildered by the maze of tax technicalities and the legion of appellations used to distinguish one type of tax from another. We evidently are no longer a free people, but have degenerated into a vast congeries of taxable entities who are being exploited by a highly organized group of liberals.

The prevalence of this taxing mania is due to the accelerated cost of maintaining the intricate political machine of Federal and State Governments rather than a rise in the cost of protection. Expenditures far exceed annual income. Between March 4, 1933, and March 4, 1938, the Federal Government spent over $38,000,000,000. The huge deficit reflects itself in our gargantuan national debt. The disease continues its ravages, for our estimated expenses for 1939 will be $9,492,000,000, or $18,000 a minute—far more than most people save in a lifetime. Our revenues are estimated to be $5,520,000,000. It is estimated that our annual deficit will amount to $3,972,000,000, which will cause our total national debt to be at least $41,132,000,000.

Our pre-war debt was $1,282,044,345 on March 31, 1917. Our post-war high debt was $26,596,701,648 on August 31, 1919. In 11 years and 3 months we reduced this to $16,026,087,087 and no contingent liabilities. The average rate of reduction per annum was $932,701,284. This was a period of conservative government and not one of reckless spending and managed poverty. From $16,000,000,000 our public debt has now reached to over $41,000,000,000.

All this has nothing to do with the States, for most of them are spending far more than they receive in taxes. The gross State and local debt is well over $20,000,000,000. The taxpayer paid over $7,000,000,000 in taxes to his State government, in addition to the five billion to his National, in 1937. The Federal Government has practically forced the States to spend, and many of the objects must now be maintained. A grant to the States by the Federal Government cannot be considered a gift. The past 5 years have seen many grants to the States by the National Government. These are in the nature of a first trust or mortgage on the property of the citizens in each of our 48 States—not only the principal but the interest must be paid. The State must raise this by taxing its people and at the same time must secure money by the same method to run the State.

From 1877 to 1913—36 years—our total ordinary and postal expenditures amounted to $18,582,966,317 ($516,935,508.80 per annum as an average).

From 1934 to 1938—5 years—our total ordinary and postal expenditures amounted to $42,499,056,561 (about $8,500,000,000 per annum as an average).

Our total estimated expenditures for 1939 are $9,492,000,000. Two questions logically arise: 1. Where is the money to come from to liquidate our National and State debts? 2. Where is the money to come from to pay the current expenses of our National and State Governments? The $60,000,000,000 of acknowledged debt of the National and State Governments shall surely vex not only the present but future generations if this is liquidated. The only legal means of raising this money is by taxation. Confiscation and repudiation would be possible. Our people could not withstand both Federal and State taxation at a rate they will have to be taxed. Something has to give way at some point. The assistance of a few so-called wealthy persons would avail little, for much they have consists of largely representative values. Forty-six persons have reported in 1933 to have net incomes of over a million dollars annually (since the advent of the present huge Government expenditures, 60 are now listed). In 1933 there were 84 individuals with incomes of between $500,000 and $1,000,000, and 139 with incomes of $300,000 to $500,000 annually.

We have been skillfully guided into our present financial predicament. Some liberals have been quite frank in reference to their ultimate objective, which is confiscation of our property. Norman Thomas wrote: "No Socialist Party can renounce under any and all circumstances the right to confiscate." Earl Browder wrote: "After this first step of taking State power has been realized, the workers make use of the State power to take possession of the instruments of production." Paul Blanchard wrote: "Having once captured the Government and shelved the Supreme Court, we Socialists would nationalize as many large industries as we could chew." Harry W. Laidler wrote: "Should capitalism suddenly collapse and the people decide to socialize the essential industries at one fell swoop, peacefully or otherwise, transfer would probably be effected without compensation."

Our people evidently thought that force would be used and apparently never thought that the same ends could be attained through other methods. Partial confiscation was the theme of the N. I. R. A. and the A. A. A. That the wealth of the people could be sapped by indirect means was evidently unthought of by most conservatives. They never realized that there would be set up over 75 new Government establishments such as bureaus, boards, commissions, divisions, and corporations, to help attain such end—that our Government would become a vast holding company; that for 5 years the pump would be primed with borrowed money; that a high Government official would say, "The more you borrow and spend the more prosperous you are," and "A public debt is a public blessing."

The annual report of the Secretary of the Treasury for the fiscal year ending June 30, 1938, reported the public debt issues of bonds outstanding as of that date to be $37,167,487,451.30. Of this amount, $36,578,684,982 bore interest. The annual interest charge on this to the public is enormous, that for the fiscal year ending June 30, 1938, being $947,164,071. The Treasury estimates that our gross public debt for the fiscal year ending June 30, 1939, will be $41,132,000,000 and the interest charge at least $976,000,000. The interest charge on our public debt for the fiscal year ending June 30, 1916, was $23,084,635. The whole public debt on June 30, 1916, was $971,562,590, and we now pay more than this amount in 1939 for interest alone. Our interest-bearing debt is in the possession of the public and is evidenced by United States bonds of various types: Treasury notes, certificates of indebtedness, Treasury bills, and other I O U's. Under normal conditions serious apprehension might not be present, for a conservative Congress would arrest the increase of debt and make some provision for its slow liquidation. But our Government being in the grasp of a liberal group who have avowed their antagonism toward it and may gain in event of financial chaos, there is a well-founded basis for fear. When we dwell on the ruthless slaughter of swine and cattle, the plowing under of crops, the debauching of our currency, and the attacks upon those advocating a conservative government, repudiation would be consistent with liberal tactics.

Repudiation of Government obligations would seriously affect our banks, which aggregated on June 30, 1937, 15,580, with a total of $7,359,638,000 of capital, surplus, and undivided profits. These banks held securities directly and indirectly guaranteed by the United States Government amounting to $16,967,486,000. This is $9,607,848,000 more than their combined capital, surplus, and undivided profits, and after these were eradicated the loss would have to fall on the $59,822,370,000 deposits to the extent of 16 percent plus.

The report of the Board of Governors of the Federal Reserve System at the beginning of 1938 showed that it held United States Government bonds, Treasury notes, and bills amounting to $2,564,015,000. It also showed that it held United States Treasury gold certificates in the amount of $9,119,981,000, most of which amount represents paper payment for confiscated gold. In addition there was in actual circulation Federal Reserve notes amounting to $4,283,611,000. These represent a contingent liability of the Government. The Treasury gold certificates are not carried as part of the public debt. Repudiation would work havoc with the Federal Reserve bank and its members, who might lose at least

the sum of $11,683,906,000, and included a loss of their total deposits of $7,026,809,000 and their capital stock in the Federal Reserve bank of $674,000,000. All of this would fall on the depositors. Our banking system is completely at the mercy of the liberals in power. Our bankers are our highest type of citizens.

On December 31, 1937, our 49 legal reserve life-insurance companies held $4,416,000,000 in United States Government bonds. They also held in State and municipal bonds $1,424,000,000—a total of $5,840,000,000. Their admitted assets were $24,250,000,000. Repudiation would affect these companies.

The widely advertised Federal Deposit Insurance Corporation, which is supposed to insure certain amounts of preferred bank deposits, has over $350,000,000 in United States securities, which represent about all of its assets. Repudiation would terminate this financial venture.

On June 30, 1938, there was held by the 20 funds created under various provisions of law $2,832,083,000 in United States securities. Repudiation would work havoc here and cause great distress to those depending on many of them for an existence.

On June 30, 1937, the Postal Saving System, out of total assets of $1,307,134,961.51, had invested in United States securities directly secured by the Government $933,382,570.97, and indirectly $166,546,483.85. Repudiation might cause considerable financial embarrassment to the 2,791,371 depositors. The Secretary of the Treasury's report of June 30, 1938, shows that United States savings bonds sold were $1,355,412,432.40, and redeemed $114,980,377.25—a balance of $1,240,432,055, largely held by the poorer classes.

We thus are able to trace $29,303,398,625.97 of the evidences of the public debt. The balance is held by individuals and trust estates.

While considering the direct liability of the United States Government, we must also bear in mind the contingent as that may become direct in whole or in part.

The forces that advocate liberalism, change of government, distribution of wealth, confiscation, and repudiation are undoubtedly aware of the condition of the financial structure of our country. It is imperative that the conduct of our affairs pass into conservative direction at once. Even then it shall take years before an approach to normalcy is possible. The liberals have no sympathy, and, once given the opportunity, would be as ruthless here as in Russia. In any event we must continue to carry on the cost of government. In the event of civil war or invasion, there necessarily would be outright confiscation.

Just what method of repudiating the national debt may be followed is purely speculative. In any event, it would be as effective as was the repudiation of the gold clause in the bonds. There is no constitutional provision to prevent our National Government from repudiating its contracts; there is of the States. No one may sue the Government without its consent. There are situations that might arise; it might become impossible to meet the interest charges through taxation, or as obligations mature it may be impossible to refund. The unpaid interest and principal would affect the market price and banks and other holders of these securities would have a depreciation as to market value. This the banks would have to charge off against their capital, surplus, and undivided profits as long as they lasted. The integrity of the bank being impaired, it would have to close. The interest from Government obligations may be taxed and thus depreciate the market and holders suffer a loss. We know that every bank in the United States was made to close its doors once; such is the power of the liberals. True, 90 percent of them reopened shortly and 50 percent of those remaining closed opened later. We also know the fate of the German mark, French assignat and mandat.

Our Treasury Department publishes no statement of assets and liabilities as such. Most of the report is in reference to liabilities. But we do have some assets. They report a gold value of $12,962,953,931, against which the Federal Reserve banks hold Treasury gold I O U's of $9,119,981,000, the alleged value of the gold being fixed by legislation. We have some silver bullion and subsidiary silver. Then one must not forget the obligations of 15 foreign countries in the amount of $11,157,796,272.30. We also own $654,354,250 in German bonds as well as $204,561,214.86 unfunded indebtedness due from Russia (including Armenia, $11,959,917.49), all of which are in the "try and get it" class.

The Federal Government set up a series of corporations and credit agencies and holds stock in these 24 entities in the amount of $2,851,437,427.04 as of June 30, 1938. These corporations have authority to issue bonds, debentures, and notes to the amount of $16,229,325,000 which our Government must guarantee in full. It is computed that about $8,000,000,000 worth of these have been sold to the public. The Government should make good its guaranty.

There is also reported $33,315,915.88, capital stock of certain war emergency corporations, composed of: United States Housing Corporation stock, $33,414,915.88; United States Spruce Production Co., $100,000; and War Finance Corporation, $1,000 stocks. It is difficult to say what value these have, if any.

As for other assets, a sale of the Panama Canal might pay for the maintenance of the T. V. A. There are a few dams whose pools could be used to breed mosquitoes until stopped by the birth-control section of the Agriculture Department. These dams may become a valuable adjunct to the W. P. A. as the waters therefrom may be used to irrigate crops that must necessarily be plowed under with hired labor. Just the value of the miles of proposed trees in the shelterbelt is problematical. Each little village has its imposing post offices, and these, if well located, might be used for filling stations.

But why criticize political insanity when complacent voters put men in public office to be liberal with our liberties and money?

Disunity Is Fascism's Weapon

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1939

EDITORIAL FROM THE PHILADELPHIA RECORD

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to insert the following. The world has seen defenseless nation after defenseless nation fall before the onslaught of Hitler. He has a technique all of his own that it would do well for all who believe in the democratic principles as we practice them in America to examine.

His methods might be termed the policy of "oozement." That procedure has already started in America and it is high time we take notice of it. An editorial from the Philadelphia Record so ably describes his way of working that I submit it for the consideration of all. It is as follows:

[From the Philadelphia Record of March 14, 1939]

DISUNITY IS FASCISM'S WEAPON

The current disorder in Slovakia should be carefully studied by all who fear fascism. They will find it an illuminating example of the skillful use of fascism's chief weapon, the deliberate creation of disunity.

Slovakia, the central, autonomous Province of Czechoslovakia, is vital to the Nazi "drive toward the east." If it goes Nazi, there would be a clear road, through Austria and Slovakia, to Carpatho-Ruthenia and to Rumania and Russia. Therefore, in German reasoning, Slovakia must become Nazi soil.

Out of nowhere a violent "separatist" movement flared up last week in Slovakia, hitherto content with its new autonomy. Speeches demanding independence flooded the Province's radio receivers—they came from the official Nazi broadcasting station in Vienna. The Premier of Slovakia, Joseph Tiso, joined in the demands after a trip to Vienna.

At the same time (the Nazi strategists never miss a bet) the tiny German minority in Slovakia began to stage provocative parades, hoisting the swastika. When the parades were stopped by loyal Slovak police, they cried out against "Czech" outrages and, as by a signal, the German press began to denounce "atrocities by the Czech monsters," the same phony stories printed in the September crisis. German mobilization began.

By the time these lines appear, Slovakia may be no more. Tiso, ousted as Premier, is conferring with Hitler in Berlin, asking Hitler to "free Slovakia." The German news agency is pumping the wires full of lies about "chaotic" conditions in the Province, so that Hitler may have the excuse that he wants only to "preserve order"—the excuse he used when he took Austria.

Thus, by setting Nazi Germany against Catholic Slovak, Slovak against Protestant Czech, Czech against Jew, Hitler weakens what is left of the little country, makes his entry easy. It is the technique of disunity. It is what Hitler hopes to accomplish by creating anti-Semitism in this country through his bunds.

But we are not afraid. If you want to see a true picture of a unified United States, look at the poll conducted last week by the Gallup Institute of American Opinion, on the question of our foreign policy. The poll showed that so far we have avoided deep divisions and that most Americans are following the same line of thought.

Gallup reports that while 3 voters out of 4 favor selling food to Britain and France during a war in which those nations might be involved, and while 52 percent favor selling arms to these countries, even during a war, 83 percent are opposed to sending our Army and Navy abroad to help either country.

Only 1 percent of all the people say their sympathies would be with Germany and Italy in a war.

That picture makes sense. Help the democracies while we can safely do so, but no more shipment of American soldiers to foreign soil to fight. No sympathy for fascism and yet no disposition to risk American lives in settling European quarrels. The Record is proud that this national show of opinion coincides almost exactly with its own editorial position on foreign affairs.

The Territory of Hawaii

EXTENSION OF REMARKS
OF
HON. SAMUEL W. KING
DELEGATE FROM HAWAII
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 15, 1939

ADDRESS BY HON. SAMUEL W. KING, DELEGATE FROM HAWAII, FEBRUARY 15, 1939

Mr. KING. Mr. Speaker, under leave to extend my own remarks in the RECORD, I include a portion of a speech I made recently at the Departmental Auditorium here in Washington as part of a program sponsored by the National Park Service of the Department of the Interior on the subject The Territory of Hawaii. It is as follows:

Hawaii has been a part of the United States of America for over 40 years, having been annexed, with the consent and upon the application of its people, by a joint resolution of Congress approved July 7, 1898. On April 30, 1900, Congress passed "An act to provide a government for the Territory of Hawaii," which organized the former Republic of Hawaii as an incorporated Territory of the United States. It may be of interest to note that Hawaii and Texas are the only two parts of the United States that came in by voluntary annexation.

The hoisting of the American flag over the Hawaiian capitol, Iolani Palace, an event I witnessed as a boy, occurred during the Spanish-American War, and was perhaps hastened by America's venture in imperialism at that time, but it was the culmination of over 50 years of negotiations. In the words of the then President, McKinley, "Under such circumstances annexation is not a change, it is a consummation."

From the time of Daniel Webster America had followed a policy of protecting the native kingdom against outside interference and had obtained the consent of Great Britain and France to a joint guaranty of independence for Hawaii. During a part of this period of the independence of the islands there was a possibility of their coming under the sovereignty of some other power—Great Britain or France; possibly Russia, when that country still owned Alaska and was making abortive efforts to extend its authority to California; or even, at a later date, possibly Japan.

But "manifest destiny" brought Hawaii eventually under the American flag. It must be remembered that British and American explorers and traders were the first to bring the islands into touch with the world, after centuries of isolation; and that American missionaries from New England first carried the message of Christianity to its people. The rapid acceptance of Christianity by the Hawaiian people, the gradual evolution of their government from an absolute monarchy to a constitutional monarchy and then to a republic was greatly influenced by this early association.

During the 100 years of Hawaii's independence its industries and trade were controlled principally by British and American citizens, pioneers in developing in the islands a new industrial economy to replace the old subsistence and barter economy of the Hawaiians. The reciprocity treaty between the United States and the Kingdom of Hawaii, approved January 30, 1875, granting to each country a free market for the other's products, gave a great impetus to this development in Hawaii. The economic ties this treaty brought about, already very close, now became even closer; and made it certain once and for all that Hawaii would, sooner or later, and in some manner, come under the American flag. From this time on American influences steadily outgrew all others, and annexation became simply a matter of time.

It may be of interest to mention that during the negotiations over this reciprocity treaty our then ruler, King Kalakaua, visited Washington, and attended a joint session of Congress held in his honor, December 18, 1874, where mutual greetings were exchanged, the Speaker of the House, Hon. James G. Blaine, expressing the felicitations of Congress, and our Hawaiian Minister to the United States, Mr. E. H. Allen, replying for the king, who was too hoarse from a bad cold to speak for himself.

The background of Hawaii comprises no period of domination by any foreign nation and its culture, therefore, is fundamentally Anglo-Saxon. The ancient Polynesian culture of its native people, the contribution of immigrant groups, add color and variety to our local life; but our institutions and concepts of life, our customs and standards of behavior, were rooted in English and American principles long before annexation took place. I, myself, illustrate that fact, born in Hawaii of Scotch, New England, and Hawaiian ancestry, descended in the fifth generation from a Yankee who settled in Hawaii in 1793, when George Washington was still President, and this city of Washington had not yet become the Capital of America.

Annexation brought no great changes and required no material readjustments. Under the Constitution of the United States and the Hawaiian organic act we simply took our place as another organized Territory, of which there were three then in existence—Arizona, Oklahoma, and New Mexico—Alaska at that date being still a district. Our statute law, based on the common law, remained in full effect where not inconsistent with the Constitution and the organic act. The reorganization of our local government was easily carried out, because we already had most of the features of American governmental institutions, including free public schools, established in Hawaii soon after they had been started in Massachusetts. The President of the Republic of Hawaii, Sanford B. Dole, son of an American missionary, became the first Governor of the Territory of Hawaii; public employees of the Republic continued in their positions as employees of the Territory. All of the citizens of the former little nation became American citizens, and joined that brotherhood already well versed in the principles of democracy.

The basis of this community of interest and thought is primarily a matter of geography. Hawaii lies closer to America than to any other nation; its natural dependence is upon the North American mainland; and its location makes it inevitably an outpost of America. From the earliest days this physical association was recognized; a hundred years ago American naval officers surveyed Pearl Harbor and urged their Government to obtain exclusive rights to its use by treaty; America's concern that no other nation should trespass where it had such imperative interests dictated America's foreign policy as expressed by Daniel Webster and his successors in office, and America, unprepared to consummate annexation, supported Hawaii's independence against any efforts to terminate it in favor of some other nation. On the other hand, Hawaii, willing to become completely a part of the American Nation, desired only that the terms of such inclusion should be fair to its people; no alternative destiny was sought, but every effort was made to cultivate even closer relations with the nation that so long had been its inspiration and model.

Now, after 40 years as an American community, Hawaii has justified the record of the past and the wisdom of our former leaders who worked for annexation. The establishment of a fleet naval base at Pearl Harbor, protected by military forces which render that base impregnable from attack, gives America the control of the North Pacific, so essential for the security of its western shores. In Hawaii, as the western outpost of America's plan for national defense, there is being created one of the greatest naval bases under the American flag. Projects completed and pending will equip the navy yard at Pearl Harbor to handle all of the requirements of the United States Fleet as to repairs and supplies. Except for actual shipbuilding, which is not contemplated will be done in the islands, the fleet naval base will have every other facility required to keep the vessels of the Navy ready for any service. In order that this base may not fall as a rich prize to any enemy attack, the United States has stationed on the island of Oahu, where Pearl Harbor is located, the largest number of soldiers grouped under one command, organized as the Hawaiian Department of the United States Army. This force comprises several Coast Artillery forts on the south shore of Oahu and a mobile Hawaiian division, consisting of all branches of the Army, stationed at Schofield Barracks, near the center of the island, ready to oppose the enemy at any point of the coast line. The air force will be sufficient when present plans are carried out to repel any air raid and to give our defense forces ample warnings of the advance of enemy sea forces. America has built here on Oahu a base that extends its frontier 2,000 miles into the Pacific and places a screen in front of the mainland from Alaska to Panama, through which no enemy is likely to penetrate.

The growth of the Territory in trade and commerce, supporting an exchange of goods and commodities in excess of $200,000,000 annually, makes Hawaii a valuable unit of the American economy. We sell to our fellow Americans on the mainland in excess of $100,000,000 annually of our products, principally sugar and pineapples, and we buy back within the tariffs that include us with the rest of the United States the products of American farms and factories in excess of $100,000,000 annually. Our per capita consumption of American foods and merchandise is higher than that of many States, and our total purchases exceed that of all but the six or seven great nations of the world, being greater than that of any nation of the three Americas except Canada. In addition, Hawaii supports from local taxes the entire cost of its local governments, Territorial and county, except for the salaries of a few federally appointed Territorial officers, and pays into the Federal Treasury annually as its proportionate share of the cost of the National Government an amount greater than that paid by many States; sometimes as many as 19 paying less Federal taxes than Hawaii.

All national laws apply with equal force in Hawaii as on the mainland. Federal revenue tax laws, including both corporate and individual income taxes, and other imposts, have full effect in the Territory and bring a substantial revenue to the Federal Treasury, averaging about $10,000,000 annually. The immigration laws, the customs laws, and more recent legislation, such as the Social Security Act and the Fair Labor Standards Act, are all applicable to the Territory of Hawaii as an integral part of the United States. I am sometimes amused by the letters I receive, in many cases addressed to me as the Hawaiian ambassador or consul, asking me what coinage we use, and requesting Hawaiian stamps, which indicates a belief on the part of the writer that we are a semiforeign community under the general protection of the United States but not fully incorporated as a part of this Nation. Of course, not many are so uninformed, but it may be worth while to mention the fact that we in no way differ from the rest of the country in these national features of American life. We pay the same tariffs

on foreign goods that our people may buy, and the United States customs in Hawaii collects nearly $3,000,000 annually on such imports. We use American postage, and the receipts of the Honolulu Post Office run annually close to $1,000,000. Our commerce with the mainland ports of America is coastwise trade, just as is the trade between New York and Miami. Foreign vessels may not engage in freight and passenger traffic between mainland ports and Hawaii any more than they can between two ports on the mainland, as the coastwise navigation laws include Hawaii in its prohibition against foreign competition with American vessels. Honolulu is one of the great American seaports, and its commerce helps maintain the American flag on the Pacific.

All of this is evidence of Hawaii's complete inclusion in the American scheme of things, without exemptions or special subsidies, and connotes an industrious and thrifty population, some 400,000 people, busy creating wealth and using that wealth to maintain themselves. The 100,000 school children in Hawaii's public and private schools, 85,000 in the former and 15,000 in the latter, the public institutions of all kinds, the splendid physical condition of Hawaii in all of the aspects of American life, is further evidence that Hawaii's standards are American and not that of some exotic tropical community; and that its prosperity—for on the whole it is a prosperous country—has been extended to include a large number of its people. The high ratio of persons who file Federal income-tax returns is another evidence of the wide distribution of Hawaii's wealth.

Of course, Hawaii has its local problems, and all is not perfection in our paradise of the Pacific. A readjustment of its labor economy and a greater diversification of its agriculture are perhaps the two major subjects where improvements should be sought. But the aptitude for self-government its people have shown in the past, and the current study being made of its faults by local civic and governmental agencies are sufficient assurance that Hawaii will solve its own difficulties successfully, and in accordance with the best American principles.

I have touched on the history back of annexation and upon Hawaii's economic status as matters concerning which mainland people usually are not well informed. A workaday world of business and trade, of finance and labor, of taxes and politics, exists in Hawaii as elsewhere. The joy that is Hawaii, the beauty of the land and the sea, the mild climate, the vivid colors of flowers and green hills, the music and dancing, have all been so well advertised that the average mainland resident thinks of us only in such terms.

I would not spoil this picture one iota, because it is all true; but I would like our mainland fellow citizens to give some thought also to the high standards of the islands in other phases of life. Again our location has brought us great natural advantages. Situated in the north Pacific just within the Tropics, we are subtropical rather than truly tropical. The northeast trade winds, which blow for nearly 10 months of the year, mitigate the heat of the sun; and we enjoy a climate that ranges from 65° to 85° temperature, with a mean of 75°, nearly always tempered by a cooling breeze off the north Pacific. We are too far north for the hurricanes that sometimes sweep the islands that lie south of us; we are too far south for the gales that originate in the Bering Sea and rage north of us. Our rainfall, while extreme in a few localities high on our mountains, is never excessive over the greater part of the islands. The humidity is not as great as right here in Washington, and we suffer neither from heat nor cold. We have neither snow nor ice, except at the highest elevations reached by two or three of our great mountains, where, curious as it may seem, skiing may be enjoyed for a few weeks during our winter season a few miles away from summer beaches and fields of sugarcane and coffee.

The eight islands of the Hawaiian group proper have been built up from the bottom of the North Pacific Ocean by volcanic action through a fissure in the earth's crust, and today the last remaining action of this ancient volcanic process is visible on the southernmost island, Hawaii, in the great volcano of Kilauea, at an elevation of about 4,000 feet, on the slopes of the mountain, Mauna Loa, which is nearly 14,000 feet high; and at the peak of that mountain, which terminates in a huge crater. Kilauea volcano, and a large part of the mountain on whose slopes it is located, is contained within the boundaries of the Hawaii National Park. Its beauties have been preserved and made available to the sightseer by the National Park Service in its usual efficient manner, and it is the Mecca of thousands of tourists and local visitors annually. On another island, Maui, another huge but extinct crater, at the summit of a 10,000-foot mountain, Haleakala, is also a separate section of the Hawaii National Park. From a lookout station at the top of the rim of this crater, 10,000 feet above the sea and often above the clouds, one may see a panorama of six islands of the eight that comprise Hawaii proper, and look down into a crater 3,000 feet deep and about 20 miles in circumference. Hawaii offers great mountains, deep valleys, and rolling plateaus, all within the eye of the beholder at one time, a rare panorama of varied color and beauty.

The total area of these eight islands is about 6,500 square miles, equal to that of Connecticut and Rhode Island together, and not so much less in size than several of the smaller States. The islands extend in a general southeastern-northwestern line over a distance of about 350 miles; and extending beyond the northernmost, Kauai, for another 1,000 miles there are a line of volcanic peaks and coral atolls which are also a part of the Territory of Hawaii. Midway Island, a cable station for many years, is located near the end of this leeward chain and has now become of considerable importance as a way station on the trans-Pacific air route. Directly south of Hawaii nearly 1,000 miles away is Palmyra Island, also a part of the Territory, and possibly also to be used as an air station for the proposed American-Australian air route. Somewhat southwest of Hawaii lies Johnston Island, another coral atoll of potential value as a base for our air defenses. Quite recently America perfected its title to several other islands in this Pacific area—Howland, Baker, Jarvis, Canton, and Enderbury Islands—which, while not properly a part of Hawaii, may eventually be grouped for convenience within the jurisdiction of the Territory. They lie along and south of the Equator and are sometimes referred to as the American Equatorial Islands. The development of air commerce in the Pacific may give these islands a value which they do not now possess.

Hawaii is organized into four counties, the largest island, Hawaii, comprising one county of the same name; the four islands lying close together, Maui, Molokai, Lanai, and Kahoolawe, comprising the county of Maui; the island of Oahu, organized as the city and county of Honolulu, and including all of the small islets I have already described as extending north and south of Hawaii; and, last, the county of Kauai, comprising the island of Kauai and the adjacent smaller island of Niihau. The islets within the jurisdiction of the city and county of Honolulu extend 2,200 miles in distance from the southernmost to the northernmost, and this gives rise to the boast that Honolulu is the largest city in the world. This is, of course, true, if linear distance is the criterion of size. The Territorial government and the four county governments function as does the State and county governments on the mainland, except that a few of the principal Territorial officials, including, of course, the Governor of Hawaii, are appointed by the President of the United States instead of being elected by the people of Hawaii. It is also true that Congress has final legislative jurisdiction, our legislature operating within the limitations prescribed in the Hawaiian organic act, the constitution of the Territory, which can only be amended or modified by the Congress. The transition from our present Territorial government to that of a full-fledged State, when Congress decides that such a change is justified, can be accomplished by the same procedure followed by the 29 former Territories. An enabling act authorizing the adoption of a State constitution would be the first step. The approval of that constitution by Congress would complete the process, and this document would provide the manner in which the first State officials and representatives to the two Houses of Congress would be elected. A Territory has an anomalous position. In the words of Champ Clark: "A perpetual chrysallis existence as a Territory is repugnant to the genius of our institutions and out of harmony with our entire history. Home rule has been our policy from the beginning."

Hawaii has long aspired to admission into the sisterhood of States, and is working, and will continue to work, for that ultimate goal, the final justification for its annexation and organization as an incorporated Territory.

The people of Hawaii, nearly 80 percent American citizens, while composed of many racial elements, are united in their loyalty and allegiance to the United States. The voters for the most part are divided between two national political parties, as on the mainland. We have no separate or local political party, but join with our fellow citizens in being Democrats and Republicans. Political campaigns are waged much the same as here, with rallies, newspaper advertisements, radio speeches, and other means of soliciting the support of the electorate. However, we do add one special feature to our campaigns by providing at our rallies groups of musicians, who sing and dance in honor of their special candidates; and the latter are bedecked with flower wreaths, our Hawaiian leis, the number of which denotes in some degree their respective popularity.

With the exception of minor local variations, such as exist between different sections of the mainland, Hawaii is very completely a part of the American body politic, desires no other destiny, and aspires only to the closest possible union with the sisterhood of States.

Business Needs Tax Reform

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1939

JOINT DISCUSSION BY HON. EMANUEL CELLER, OF NEW YORK, AND HON. JOHN W. McCORMACK, OF MASSACHUSETTS, BROADCAST OVER A COAST-TO-COAST NETWORK FROM WASHINGTON, D. C., MARCH 14, 1939

Mr. CELLER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following joint discussion by Hon. JOHN W. McCORMACK and me, which was

broadcast over a coast-to-coast network from Washington, D. C., on March 14, 1939:

Mr. CELLER. Business has been waiting for some time to receive assurances on any changes that may be contemplated so far as tax legislation is concerned. The recent statements made by President Roosevelt and Secretaries Morgenthau and Hopkins, each following the other and each promising tax relief, were welcomed by business and the Nation as an intention to prove the administration's policy of business understanding.

Mr. MCCORMACK. It is timely, therefore, to discuss this evening some of the tax proposals business is talking about and see how they fit into the picture.

Mr. CELLER. May I digress for a moment, Congressman MCCORMACK, to publicly compliment you on the splendid work you did in working for tax relief for business during the writing of the 1938 revenue measure? Your personal leadership in the fight against the proposed punitive tax on closely held or family owned corporations, which resulted in its rejection, won the admiration of the public, who now regard you as one of the constructive leaders in tax legislation. This is fitting, in view of the important part played by the Ways and Means Committee, of which you are a distinguished member, in framing tax bills.

Mr. MCCORMACK. Any part I may have played in bringing about tax relief and in opposing unsound tax proposals was freely contributed, and the results in the business field during the past year have confirmed my beliefs, expressed during the writing of the measure, and also shared by associates of mine on the committee and in the House.

Mr. CELLER. Since a very large part of Federal revenue is derived from corporate and individual income taxes, I think it is proper that in our discussion this evening emphasis should be on income taxation. Every tax measure requires earnest consideration of the effect it will have on individual savings and business savings, as well as upon their relation to other major factors of our enterprise system.

Mr. MCCORMACK. There is another point, Congressman CELLER, that must be borne in mind in any discussion of this subject. The fiscal condition of the Government requires that we must have due regard for the amount of revenue required to carry on Government operations. We must keep in mind, therefore, the fact that the Government cannot stand any loss of revenue at this time, and this must be considered when suggestions are made for further tax revision.

Mr. CELLER. That, of course, is a proper attitude. It is my feeling, however, that if through tax revision there should be a temporary loss of revenue but a stimulation of business, Congress should still favor such changes, even at the cost of a small deficit to the Treasury. Increased business activity will quickly absorb such temporary losses, and the Government will in the long run profit greatly from increased future revenue receipts.

Mr. MCCORMACK. Suppose we discuss briefly, first, corporate income taxes and, second, individual income taxes. What changes do you think could be made in the corporate income-tax structure without serious loss of revenue?

Mr. CELLER. Many suggestions have come to my attention in recent weeks; however, I believe that one tax only should be imposed on corporate income. Included in this tax would be the corporate income tax, the capital-stock tax, and the excess-profits tax. I am assuming, of course, that no effort will be made to reenact the undistributed-profits tax.

Mr. MCCORMACK. The undistributed-profits tax automatically expires at the end of this year, and so far as I am concerned I am opposed to the continuance of even its limited application of 2½ percent contained in the present law. The plan you suggest for incorporating the other taxes into one tax possesses merit. It should not be difficult to arrive at a flat rate which would bring into the Treasury as much revenue as is now received from these various separate taxes. The repeal of the capital-stock tax and corporate excess-profits tax would be a tremendous stimulant to business, removing the grave uncertainty that these taxes now impose upon business. In addition to the fact that there would be no loss of revenue, an important factor would be the tremendous savings in the preparation of tax returns. Such a plan would reduce very greatly the records which business is now forced to maintain; would eliminate many reports now required; and, in addition, the administrative problems of the Government would also be greatly simplified.

Mr. CELLER. Bravo! Congressman MCCORMACK. Permit me to suggest that your committee could also very properly give consideration to other changes. For example, provision should be made for permitting business to carry over its net losses for at least 2 years as an incentive to expansion and to assume risks. A major obstacle to business expansion is the reluctance to venture into new enterprises with a prospect of 2 or 3 experimental years resulting in losses which could not be deducted or offset against subsequent years' gains. Such a provision was contained in previous revenue measures.

Other worthy suggestions made to me by business groups include the filing of consolidated returns by parent and subsidiary corporations and the elimination of taxes on intercorporate dividends.

Mr. MCCORMACK. So far as I am concerned, Congressman CELLER, I am very sympathetic to such suggestions. The abuses which brought the repeal of the consolidated returns were confined to a limited field. That situation has now been substantially adjusted. We now allow banks, railroads, and street railway companies to make consolidated returns. Study of the extension of that principle is clearly in line.

I agree with you, Congressman CELLER, that an immediate study of the carry-over of corporate losses should be given by the appropriate committees.

Secretary Morgenthau stated that extensive tax studies have been made by his Department, and that he would place this information at the disposal of congressional committees. I assume the studies made by the Treasury Department include data on the items you have just mentioned. If so, I am sure the Ways and Means Committee will be glad to examine this material very thoroughly when it comes to a consideration of tax revision.

The studies of the Treasury Department will, undoubtedly, be presented to the committee by Hon. John W. Hanes, Under Secretary of the Treasury. Mr. Hanes is a man of great capacity, courage, vision, and is a businessman who understands and appreciates the problems of business. Our great leader, President Roosevelt, and the country are fortunate indeed in having John Hanes in the public service.

Mr. CELLER. I agree thoroughly with you, Congressman MCCORMACK, in your complimentary reference to Under Secretary Hanes, which he so justly deserves. There has been much discussion recently of the tax rates on individual income; particularly the surtax rates, and the thought has been freely expressd that these rates are too high. It is contended that government cannot take away everything a man makes and, at the same time, encourage business. The first object of taxation, of course, is to secure revenue. When the problem is approached with that purpose in view the next step is to find a rate which will produce the largest returns. What suggestions have you to offer here, Congressman MCCORMACK?

Mr. MCCORMACK. In the matter of encouragement to private enterprise, I am of the opinion that our surtaxes on incomes are too high. There is a saturation point beyond which we should not go. Taxes that limit or restrict the incentive to invest in private enterprise are not wise. Not only do such taxes reduce sharply the amount of revenue that Government receives, but, insofar as they prevent capital investments in production, they increase unemployment, or to put it in converse language they prevent reemployment.

I believe in the right of individual initiative, of the profit system, and that an individual is entitled to the legitimate profits of his or her efforts.

Mr. CELLER. Experience shows that high rates do not produce the largest revenue. Experience is all the other way. The truth of this statement is found in the striking comparisons that may be made in the tax yield during the years 1924 and 1927.

Mr. MCCORMACK. Reference is frequently made to experience during those years as demonstrating that a rate lower than now exists will produce increased revenue and will release private investment capital so that it can function in private industry and business in a constructive way. Suppose, Congressman Celler, you give the radio audience a few additional details covering the official record in those years.

Mr. CELLER. In the year 1924 the maximum rate, normal and surtax, under the Federal income-tax law was 46 percent. It produced revenues aggregating $704,000,000. In 1927 the maximum rate, normal and surtax, was reduced to 25 percent, and it produced revenues aggregating $831,000,000. A further break-down of the figures for those 2 years is illuminating. It will show that the 25-percent maximum rate in effect in 1927 produced $38,000,000 less from taxes levied on the salaries and earnings of those with taxable income ranging from $1,000 to $25,000, while from those whose taxable income ranged from $25,000 to $1,000,000 and over there was collected $175,000,000 more.

Mr. MCCORMACK. Analyzing the figures you have just given, Congressman CELLER, it is apparent that the $175,000,000 increase in revenues from levies on those in the higher brackets is a levy on many times that amount invested in productive industrial and commercial activities, and those investments were making jobs. At the same time, also, this system was reducing the levies on the incomes in the lower brackets, thereby releasing more to the individuals in those groups for their own comforts, pleasures, and savings, and resulted in greater purchasing power.

Mr. CELLER. That is correct, Congressman MCCORMACK. In other words, the lower tax rates encouraged investment capital to finance private business and industry, produced more governmental revenues, and removed the "incubus" to which Chairman O'MAHONEY, of the Temporary National Economic Committee, referred in a recent speech in Chicago, during which he said: "We have got to replace Government spending with private spending. Taxation is the great incubus upon the back of enterprise." We have a wealth of precedents to support our contention in this matter.

Mr. MCCORMACK. It is difficult for many persons to understand that you can reduce tax rates and at the same time increase revenues. Yet such is the fact. By such action you are simply offering an incentive to production and trade and a stimulation to the flow of capital, and that is what creates jobs. This fact was clearly recognized by the late President Wilson when he stated in his message to Congress in 1918: "The Congress might well consider whether the high rates of income and profits taxes can in peacetime be effectively productive of revenue and whether they may not, on the contrary, be destructive of business activity and productive of waste and inefficiency. There is a point at which, in peacetime, high rates of income and profits taxes discourage energy, remove the incentive to new enterprise, encourage extravagant

expenditures, and produce industrial stagnation with consequent unemployment and other attendant evils."

Mr. CELLER. The late President Coolidge also supported President Wilson in this position. He went further and fixed the rate at which Treasury experts estimated the maximum revenue would be produced at 25 percent.

I believe this is sound doctrine. I see no element of danger to Federal revenue. If past experience is any criterion, revenues should actually be increased very materially. This system—the American enterprise system—gave the American people the highest living standard in the history of the world and, what is more important, a living standard that was still the best in the world even at the depth of the depression.

Mr. MCCORMACK. You seem to have made out a good case for a reduction in the surtax rates, Congressman CELLER, and I believe it is a matter that the Ways and Means Committee should take into consideration.

At this time I should like to refer briefly to the capital-gains and losses tax. The United States is the only important nation in the world that imposes such a tax. It has been asserted by some economists that the outright repeal of the capital-gains tax would induce such a tide of investment that the Government would be floated right off the financial reefs it now faces. It is asserted that this one act would create a sufficient prospect of profit to overcome the inertia of businessmen about which Secretary Morgenthau complained. Because of its actual effect in dollars and cents, it alone might exert the kind of power which will unfreeze the great mass of capital now lying idle in banks and seeking profitable investment. Such a step would permit men to take profits commensurate with the risks.

It is my opinion that the tax on capital gains and losses should be sharply amended so as to induce the existing frozen capital to invest in productive enterprise, thereby resulting in reemployment and at the same time bringing in greater revenue to the Government.

Mr. CELLER. That is a bold suggestion, Congressman MCCORMACK. We must not lose sight of the fact, however, that this administration is accustomed to taking bold measures to meet any crisis, and I am convinced that the present situation warrants such a step. Certain it is that the investment of capital would produce immediate and general benefits that far outweigh all the theoretical disadvantages. It seems to boil right down to this: The resumption of private investment is absolutely necessary. None of our other problems can be dealt with unless we can bring about the resumption of private investment. That being the case, we ought to use whatever proper means are necessary to achieve the end. There is too much at stake to jeopardize the future by half-way measures.

Mr. MCCORMACK. Above all, what we need is tolerance and understanding on the part of all of our people—on the part of employer, employee, and Government itself. Legislation along the lines we have discussed will go a long way toward restoring confidence and will insure a speedy return to prosperity for all of our people. That is what we all seek—that is what we want.

The Reorganization Bill

EXTENSION OF REMARKS

OF

HON. JOHN C. KUNKEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1939

Mr. KUNKEL. Mr. Speaker, our democratic form of government has been preserved by the system of checks and balances between the branches of the Government established in the Constitution. This equilibrium can best be preserved by a jealous insistence by each branch of the Government upon those rights and powers given it by the Constitution. Consequently I conceive it to be the duty of Congress and my individual duty as a Congressman to refuse to yield any power to the Executive office. It is, therefore, impossible for me to support the reorganization bill unless it is amended by the Sumners amendment, because, in my opinion, the bill involves a grant of power by the legislative to the executive. If one branch of the Government fails to preserve its powers and yields them to another branch, there is grave danger that the delicate equilibrium which has so successfully maintained our democracy during the past century and a half may be thrown out of balance and that our free institutions may in time cease to exist.

Clear the Slums Everywhere and Build Better Homes

EXTENSION OF REMARKS

OF

HON. WILLIAM I. SIROVICH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1939

SPEECH OF HON. WILLIAM I. SIROVICH, OF NEW YORK, IN THE HOUSE OF REPRESENTATIVES, JUNE 12, 1934

Mr. SIROVICH. Mr. Speaker, under leave granted me to extend my remarks in the CONGRESSIONAL RECORD I include the following speech which I delivered in the House of Representatives on June 12, 1934:

Mr. SIROVICH. Mr. Speaker, when a future historian shall record the great messages that have been sent by the different Presidents to the Congress of the United States, outside of the Emancipation Proclamation, in my humble opinion, the greatest message thus far sent to any Congress is the stirring and humane communication sent by President Franklin D. Roosevelt, calling for consideration of the great triad, old-age pensions, unemployment insurance, and preservation of the home. [Applause.]

Since the Seventieth Congress, during each session, I have repeatedly spoken upon this floor in behalf of and appealed to the membership of this House to enact legislation providing for the adoption of old-age pensions, unemployment insurance, and preservation of the home. [Applause.]

Mr. Speaker, back of our Government, back of our religion and custom is the home. The home is the foundation of all society. Upon it the superstructure of all civilization rests. The home is the institution where the father is the king, mother the queen, and the children are the subjects. In every home, whether it be in the large cities or upon the plains, valleys, farms, or mountain sides, there is a little sentiment upon the walls which inspires every man, woman, and child, which says, "God bless our home." What sweet, tender memories this sentiment always evokes in our heart and mind. Faith and hope should never depart from these humble firesides. The home is the cradle that nurtures our offspring. The home is the institution that shapes the destiny of our brood. As go the parents, so go the children; as go the children, so goes the home; as goes the home, so goes the Nation and the world. Destroy the home, and you destroy society, civilization, and everything that goes with it. [Applause.]

Everyone is praying for happiness, for comfort, and prosperity to return to all who struggle for their daily bread in order that their home may be maintained. We are hoping for a new day to break in upon all of us. Today the mortgages upon the homes of millions of our people are being foreclosed. Hunger, penury, want, and destitution stare these millions in the face. Today the homes of these unfortunate people are being threatened as never before. Economic conditions threaten to achieve what fire, flood, wind, and invasion have never done before. Property is gone, fortunes have been swept away, men and women beyond the middle age are back where they started, helpless and hopeless, not knowing where to turn for tomorrow's bread and shelter. And what is the cause of it all? It is the lack of money with which to preserve the home, rebuild the home, and build new homes.

Our honest and self-respecting citizens living in their modest homes have been imposed upon through chicanery, high-pressure salesmen of stocks and bonds, fraudulent investments in guaranteed mortgages, failures of mismanaged banks and investment organizations that have fleeced them of their life savings. Thus 10,000,000 of our American citizens are still helpless and hopeless, the tragic victims of this frightful economic depression that has deprived millions of their homes and their farms and robbed them of their economic security now and in old age. But the message of President Franklin D. Roosevelt pleading for old-age pensions, unemployment insurance, and the protection of the home has given them renewed faith, hope, and courage.

Mr. Speaker, I sincerely hope the housing bill, now under debate and discussion, which will provide for the improvement of Nation-wide housing standards, make possible employment of labor, stimulate industry, improve conditions with respect to home-mortgage financing, prevent speculative excesses in new-mortgage investment, eliminate the necessity for costly second-mortgage financing, create a system of mutual mortgage insurance, and by making provision for the organization of additional institutions to handle home financing will promote thrift and protect savings, amend the Federal Home Loan Bank Act, amend the Federal Reserve Act, and for other purposes that would be instrumental in bringing about clearance of all slums and the building of new homes, will pass the House today and mark the triumphant victory of human rights over property rights. [Applause.]

Mr. Speaker, the slums of great cities are the most terrible sores on the body politic. There is nothing that requires reformation more than the block tenements that are the pestholes of proud cities. The marble halls of business and finance, the splendid buildings that are the terminals of great railroads, the broad streets and fine highways that cities, States, and the Federal Government have built to make easy and comfortable the means of traffic communication between centers of population are futilities if the abodes of those who use them are foci of infection and of disease.

Starting at Eastport, Maine, and coming down all along the Atlantic coast are sections unfit for human beings to live in. Tenements, some of them built a hundred years ago, with dark rooms into which the sun never casts its health-giving rays, with filthy hallways and so-called "courts," into which an outstretched arm touches the opposing wall, with sinks in the hallways and no provisions made for bathing or other necessary needs greets you everywhere. From these disease-breeding slums owned and operated by old aristocratic family estates and other heartless landlords the last penny that can be extracted in the form of rent is extorted that their owners may bask in the sunshine of Florida or find pleasure at St. Moritz, Monte Carlo, Nice, Villefranche, Cannes, Deauville, or other centers of play and amusement to the everlasting shame of the Nation and the degradation of its people.

Take New York City as an example—the Battery gives out on one of the most fascinating harbor views in the world. The Statue of Liberty stands with uplifted torch against the sunset sky, a promise of faith and hope to all mankind. Broadway stretches away to the north, lined with magnificent towers of beauty and splendor. West Street, buttressed with great piers to which the shipping of the world harbors with the products of every nation. But between Broadway and West Street are some of the worst tenements of which any city should be ashamed. Here some of the poorest and least adaptable of our immigrants for generations have found temporary shelter, if it can be called such, a shelter unfit for animals much less for human beings to live in.

Two great bridges spring from the shores of Manhattan to the strands of Brooklyn. One, the Brooklyn Bridge, is famous the world over; the other, the Manhattan Bridge, is a remarkable example of magnificent engineering; yet between these two splendid structures exists 200 acres of land comprising over 50,000 dilapidated old buildings, some of the worst tenements known to mankind. There are no words in the English language vile enough to describe the living conditions that are offered, at high rentals, to those who came to the land of freedom seeking health and happiness for themselves and their children. For more than a century in these frightful pestholes crime, disease, and immorality have festered together.

"Hope springs eternal in the human breast", as Pope expressed it, and that eternal hope has been the beacon light that has led some of our best citizens from these terrible tenements to the great places in the life of the Nation. These men and women could not look back with anything but loathing to the days of their childhood and youth. No vine-clad cottage lured their memories back to lovely and happy days. No rose gardens spread their blossoms in the first days of summer to lift their hearts to higher aspirations. If some of them succeeded in escaping from their early environment, it was because of that eternal hope for better things that animated them and not because of memories of a lovely home.

The East Side of New York, the district which nurtured Al Smith, its beloved, honored, and famous son—yes, its idol—has produced many splendid men and women, yet these people had their impetus within themselves and not from their environment. If they did as well as they have done with all these inhibitions, what might they not have accomplished if their initiation into life were under fine, healthy, and uplifting conditions instead of the depressing and unwholesome status from which only their determination to succeed enabled them to escape?

I have pointed out this section in which I live as an example. But there are other districts in New York City, as there are in other cities, cheap walk-up flats as well as unfit tenements, that are menaces to public health and decent citizenship. Boston, Providence, Springfield, Hartford, New Haven, Albany, Newark, Philadelphia, Baltimore, Chicago, St. Louis, Cleveland, even the great Capital of our Nation, Washington, are infested with slums in alleys and back streets that will equal in squalor anything of which New York can be ashamed. Nor is this condition limited to the Atlantic coast. The same situation exists in the wide Mississippi Valley, in the Gulf States, and along the west coast. No city can point the finger of scorn at any other city and forget its own alley and back-street pestholes.

The greatest problem facing mankind today should not only be the restoration of prosperity, the increase in commerce, the expansion of industry, the curtailment of crops, but, above all, it should comprise a provision for decent homes in cities; homes for the man who works with his hands; homes for the men and women who are in the so-called white-collar class; homes for children and for the youth of the land; homes for which they need make no apology in their later years, the sort of homes that youth can look back to when maturity is reached with a decent and wholesome pride, and not with apology. [Applause.]

Such homes cannot be built by idealist dreamers filled with the aspirations of the Beaux Arts in Paris, the classicism of the Parthenon and Pantheon; the stately grandeur of St. Paul's in London; the splendor of St. Peter's in Rome; the Beauty of St. Stephen's in Vienna; the mysterious beauty of St. Sophia in Constantinople; or the dignity and majesty of St. Patrick's Cathedral in New York City. Human beings cannot live in comfort in monuments. A monument of architectural magnificence cannot be a home.

Stately colonnades do not balance with cozy kitchens, nor pediments with comfortable living rooms or nurseries. The line of the poet Moore, "I dreamt that I dwelt in marble halls," does not compare in its appeal to the human heart of the simple words of Payne's, "Be it ever so humble, there's no place like home."

In this House of Representatives of the Congress of the United States there are men from every walk in life. Men who come from the congested areas of large cities; men who come from the lesser cities, where life is less emphatic and who find time to think; men who come from small communities, where their commune with Nature is so constant that they feel its impulses following them to this Capital, and who apply to their problems of legislation the great common sense of the soil, men who do not know from actual experience that slums are in great cities. To them, as well as to my colleagues who do know, I appeal for cooperation to demolish and stamp out these pathological slums, dark, foul, pest-ridden tenements, humanity's deadliest foe.

We are all human beings striving to do the best we can with what nature has given us to work with. Let me appeal to you, my colleagues, you who are familiar with the open fields, the paths through the sweet woods, the green banks of streams, the feel of the bare earth through unshod feet, I invite the sympathetic cooperation of you men who have beheld the glory of the myriad stars at night, the splendor of the dawn and sunset, unmarred by high buildings, I beseech you who have felt the quiet of the still ponds and the serenity of lakes and the soft silence that comes when the sun has set at its place in the west—to you, as well as to my colleagues who know only hard-paved streets, bare parks, ground to brown earth by the feet of playing children, I entreat you all to wipe out our slums, our national disgrace.

I insist that the slums of cities be eradicated and that the festering sores of large communities be excised. I demand that the children of the cities be given fresh, clean air to breathe, wholesome places to sleep, open grounds in which to play, a chance to see the sky clear and undisturbed, a place to sit, not on the curbstone with feet in the putrid gutter, but where their feet may find solace and comfort from the clean earth—that good mother earth from which we all come and to which we shall all return—that place in the sun, a place in the air, a place in the home. Only a few days ago our great and beloved President Roosevelt said, "The slums must go," and go they will. The call of civilization and our American humanity must be heeded. [Applause.]

Mr. Speaker, you have provided for all that I have asked by the appropriation you have made for the purposes I set forth, but these appropriations have not been put to the purposes that you intended—the eradication of the slums of great cities. Instead of practical application of the money granted to produce the results you intended, great dreams have been dreamed, great plans have been planned—to do what? Not to eradicate the festering slums of great cities, but to build utopian communities outside these cities in their suburbs, in the outlying districts, from which to his place of employment it will take a man in his car from half to an hour and a half to reach his job. Look at the advertisements in the "help wanted" columns in any newspaper—what do you find? "Man wanted—with car." It is not enough that the man wanted supplies his services, but he also must supply his transportation. No wonder Mr. Hoover wanted two cars in every garage. One to take the man to his job and the other to take the children to school, the wife to market, and all on a bare subsistence wage. Could you do it? Could any man do it on a mere subsistence wage? No.

Forty years ago in New York City, when the region west of Central Park and north of Fifty-ninth Street was being developed with apartment houses, tiled baths, electric lights, telephones, gas ranges, steam heat, hot water, with janitor service, five-room apartments rented for less than $30 a month in new buildings in good neighborhoods. There were no superintendents in those peaceful halcyon days; just janitors, and good ones, too. Tenants were usually from month to month. No long leases were required. Often from 1 to 3 months rent free were given for the first year if the incoming tenant only promised to stay for the second year without a lease being asked.

These apartment houses still exist, and, as they were well built, most are yet in fair to good condition. They are 40 years older They have long since paid up their original cost and an income since then. But are the rents what should be asked for 40-year-old apartment houses? They are not. Their rents have been doubled, tripled, and quadrupled. Their assessed value has not been increased much but the amount asked when they are sold has risen in price comparable to the rise in rents. They have been sold and resold many times, each time at greater price. There are exceptions, of course, but in the majority of cases the facts are as I have given them. These apartments are used by the white-collar class in New York and are given fair care by their present owners although at extortionate rentals. Years ago leases were shifted from May 1 to October 1 by the owners, to avoid vacancies in the summer—vacancies that came when residents of New York began, about the first of this century, to go to bungalows at beaches, or suburbs, or country. The tenant usually got the worst of the deal when any shift was made—as he or she does today. Nor is this confined to New York. When President Coolidge approved

the Welch Act, giving increases to Federal employees, the majority of landlords in Washington immediately raised their rentals to the amount of the increase so the Welch Act betterment was absorbed by the landlords.

I have spoken of the white-collar class of apartments in New York to use them as a comparison to the slum tenements. These apartments are usually halfway decent, but if you want to see humanity at its worst housing, take a trip through any of the tenement districts in any of the five boroughs and you will be astounded at what is offered by greedy landlords, at exorbitant rentals, for human beings to live in. Yes; to live in. Crowded and herded together in never ventilated, small rooms, whole families swelter in the summer heat and shiver in the cold of winter. The fire escapes are their front lawns; the roofs are their parks; and for the children, in the summer, the hydrant furnishes their beaches.

The worst conditions do not show from the street, but in the back yard, where old law tenements are crowded into spaces once used for gardens, now, often, more fit for garbage. Sing Sing Prison at Ossining provides for convicts better housing than do most of these tenements. One sink in the hall often is the entire water supply for many families. Oil lamps are still used for lighting. The halls are seldom swept or scrubbed, though many of the womenfolk keep their rooms as clean as it is possible to make them, encrusted with the dirt and grime of many preceding generations. Air spaces often are less than the square of the two-pane wide window. I have seen stables, cow barns, and public garages that were superior to these dens as living places.

To these slums in past generations came peasants from the green fields of Erin; from the lovely Rhineland; from the plains of Hungary; from the slopes of the Alps; from the lovely coasts of Italy; from the fjords of Norway; from the Welsh hills and the highlands and lake region of Scotia; from the isles of Greece and the age-hoary mountains of Armenia; from The Steppes of Russia, and the vales of Poland, and with them also came artisans from the greater and lesser cities of Europe, North Africa, and the two Asias, all seeking happiness, peace, and liberty in a free country. [Applause.]

How many young brides trying a hazard of new fortunes in the America of their dreams have found the sordid reality of the slums so soul-destroying, so heart-breaking, so terribly different from the humble but pleasant homes of their native country, that they have cried as only a homesick woman can cry, in deadly loneliness, in a strange country, speaking a strange language, and among strange people.

How many young husbands among these immigrants have eaten their hearts out with disappointment over their inability to provide better homes for their young brides and the mothers of their babes? And this not in some poverty-stricken country wasted by the ravages of centuries old wars, or rigid class distinctions, of life and death, of men and women, in the same status into which they were born, but in the wealthiest city the world has ever known, the commercial capital of the most prosperous of nations, the seat of three great and many lesser institutions of learning, of splendid museums and galleries of art, of magnificent theaters, of every convenience of modern civilization except those of decent housing for the poor.

Who is responsible for this state of affairs in which poor and hard-working men and women and children growing up into life and its opportunities are compelled to live in squalor amid surroundings unfit for human beings? The greed of landlords is primarily responsible. The laxity of local legislation controlling the existence of what can only be called "pesthouses" is partly responsible. The lack of voice crying from the housetops that these folks shall be provided with fit homes within their means has been partly responsible.

The lassitudinous dilettantism of the man in whose charge these matters have been put for solution has been very much responsible, since there has been earmarked for the use of the Housing Authority, by the Public Works Administration, the sum of $25,000,000 definitely for slum clearance and rebuilding of the slum sections in New York, which money was provided by Congress so that no responsibility can be laid at the door of the Members of this honorable body.

In addition to the twenty-five millions earmarked for slum clearance, there has been allotted $11,485,000 for other projects in better neighborhoods in Manhattan, the Bronx, and Queens. Congress has not been lax. Public Works Administration has not been lax. Secretary of the Interior Ickes has been very gracious, and the laxity lies at the door of the architect who should have prepared practical plans for the clearance of slum sections and the building thereon of model and modern apartment houses, if not of the type, along the lines of those erected in late years in Berlin, Vienna, London, and Moscow.

The name of the dreaming, pussyfooting, and dilatory architect is Robert D. Kohn, director of housing, Public Works Administration. He solely is responsible for this crying and tragic delay.

Slum clearance and rebuilding on the cleared area is not a new thing that has to be thought out over a long period of time and that involves difficult technical planning. In New York City the building of apartment houses in the last 40 years has almost been standardized into fixed-price classes. All the lighting, heating, plumbing, and cooking accessories are practically as standard as a pound of granulated sugar. Flooring of wood, tiling, terrazza, or other form is also standardized. The steel structure or the concrete structure involves no problem. Steel framework for any requirement is sold like coal by the ton and delivered as quickly. Concrete is as simple as sifting ashes. Elevators, stairways, gutters, fire escapes, shutters, interior trim, window framing are equally standard.

The money is ready as soon as plans are ready. What is there to dream about? A monument to architectural aestheticism? We have enough architectural monuments now in New York. What New York needs is slum clearance and the building of decent apartment houses, with modern equipment, on the slum sites.

The people who are anxiously waiting for such decent housing do not care whether the style of the curtain walls or the coping is modernistic, arabesque, paleo-renaissance, neo-renaissance, or Mozambique. What they want is immediate clearance of slums and decent houses put in their place—5-story walk-ups or 10-story elevator apartments—the type of housing that is applicable to suburban development, as the rows of houses in Philadelphia, Baltimore, and Washington. Apartment houses are what are wanted. The apartment house is eminently suitable to Manhattan Island.

Manhattan Island is almost a solid block of gneiss. A central ridge runs through it from north to south. This gives a surface drainage into the three rivers, the North River, the East River, and the Harlem River, which makes Manhattan Borough of New York City one of the healthiest civic communities in the world. There is very little soil to absorb sewage, or the street dirt of a city, or any of the effluvia common to great cities.

Sailor's Snug Harbor, which owns a large tract of land in lower central Manhattan, and which is in my congressional district, has shown what can be done to provide decent housing at reasonable rates of rental.

Action, quick action, is what is needed. It may be a delightful occupation to dream of Sir Christopher Wren, Inago Jones, the Adams brothers, or to dally over the loveliness of Westover, Webley, Shirley, Haworth House, Red Hill, Poplar Forest, or other architectural anachronism.

Manhattan is New York. It will always be New York. The four sister boroughs in Greater New York are splendid sections, but Manhattan is New York. In the days before the consolidation that formed Greater New York, from the close of the Civil War to the start of the War with Spain, the heart of residential Manhattan was the region lying north of Twenty-third Street and between Broadway and Lexington Avenue, where beautiful residences were erected and occupied by old-time New Yorkers—a region now given over to great retail stores, theaters, Radio City, fine churches, and small, smart shops.

REBUILDING OF SLUMS

Then came the development of Riverside Drive, with great apartment houses facing the North River, and this was succeeded by the tearing down of the old-style apartment houses and private residences on Park Avenue and the erection over the tracks used by the New York Central and the New Haven Railroads, but still owned by the old New York & Harlem Railroad, which controls the north rail entrance to New York.

The pessimists said that people would never live in costly apartment houses built over railroad tracks. But the pessimists were in error, as they usually are, and the optimists won, as Park Avenue is now the finest residential street in the five boroughs that form New York City. If proper housing were built in the regions I have mentioned on the East Side, many who have moved away from Manhattan would return. Small parks for adults, playgrounds for children, would add to the attractiveness of the section, and while it will not rival Park Avenue, it would give decent, self-respecting people proper housing. But dreaming of architectural splendor never built any apartment house.

The East River, which is really a strait joining New York Bay with Long Island Sound, is one of the most attractive and busiest stretches of water courses in the United States. Every form of watercraft, from junk boats to stately sound steamers, plies its waters day and night. In the summer the Detroit River is a busy place, but with winter its interlake traffic stops, but the East River, like Tennyson's Brook, goes on forever, and it gives a beautiful outlook for the East Side through the four seasons of the year. If an east Riverside Drive, with a wide sidewalk on the waterfront, were built, it would pay—not only provide fine, healthy breathing space for the residents of the section but would increase the value of adjoining property, as did Riverside Drive on the west side of Manhattan. The development of Morningside Park from One Hundred and Tenth Street to One Hundred and Twenty-first Street was the primary cause of the selection of the heights to the west of Morningside Park as the site for Columbia University.

The transformation of Seventh Avenue from Twenty-third Street to Forty-second Street and the region abutting thereon was due to the location of the Pennsylvania Terminal on Seventh Avenue between Thirtieth and Thirty-third Streets. The city post office back of it, on Eighth Avenue, is another example of what may be done by the substitution of good buildings for shabby and unfit old ones.

Even when good buildings are replaced by better ones—Fourth Avenue from Twenty-third Street to Thirty-fourth Street being one example of this, and the substitution of the present buildings on Fifth Avenue from Twenty-third Street to Fifty-ninth Street for the old, stodgy brownstone fronts that lined that thoroughfare up to the beginning of this century, is a conclusive example not only of improvement in the status of the region but a strong appreciation in value of the land.

Nearly every city in the United States needs to be rebuilt in part. There are East Side pestholes in many of the largest cities of our Republic.

Suppose a great conflagration, like those at San Francisco and Baltimore, were to strike Manhattan and level the East Side to ruins and ashes; would the people of New York sit amid the wreck and weep, or would they begin to make plans, as did San Francisco and

Baltimore, before the ruins were cooled off—as Boston and Chicago did before them? There is only one answer—New York would be rebuilt even better than before.

Why wait for a holocaust to clear the way? Must catastrophe lay a heavy hand on our great city before action is taken, to make its residential sections what they ought to be—the equal, if not the superior, of any model houses found today in all the world.

Must disaster overtake a city before the civic pride of all its citizens is aroused to reform abuses that are the results of generations of greed and neglect?

God forbid!

London began its work of rebuilding in 1666, after the great fire. It extended it at the end of the nineteenth century, when the Duke of Westminster of that time, the greatest landlord in London, tore out miles of rookeries and alleys back of Trafalgar Square and replaced them with decent buildings and fine streets. Manchester, Birmingham, Bristol, Liverpool all cleaned up, as also did Edinburgh and Glasgow in Scotland. Berlin has replaced poor buildings and narrow streets with good buildings and wide streets. Vienna has done the same, as has Moscow on a much larger scale.

Why must the United States lag behind Europe? Why must New York follow the procession in improvements in living quarters, instead of leading it to splendid results along practical lines; instead of dallying with aesthetic sketches on drafting paper that are not even definite plans?

Why? Because Robert D. Kohn, director of the housing authority, who ought to be thoroughly familiar with the urgent needs of New York in the matter of slum clearance and the building of decent apartments to replace ramshackle buildings—buildings, I repeat—that are unfit to house animals, much less human beings, plays with pencil and paper on an idealistic drafting board, instead of getting out practical plans that would put thousands at much needed work, and that would give proper housing to the poor and the moderately circumstanced people of New York, not only in the East Side but in other sections of the city.

Manhattan is proud of its citizens. They are proud of their city. A community that in less than 100 years has risen by its own energy and capacity, as well as its natural advantages, from a population of about 100,000 to be the focus of a cosmopolitan area containing 10,000,000 persons needs no explanation nor apologia from me, nor from anyone else. Manhattan is a cross section of the peoples of the world—the adventuresome; the challengers of fortune and fate; the seekers of freedom of person and liberty of thought and speech; the youth and the mature of all the races of the world.

They are not alien to each other as many carping critics assume. They were and are all inspired with optimism and the search for greater opportunities than were possible in their original homelands. Many of them brought little to the city but their capacity to work at many trades or at any work obtainable.

In their inexperienced, greenhorn, immigrant days they were exploited, often by shrewder and less honest members of their own races. But they have outgrown all that. Children came and these children went to American public schools and universities, and what they learned there they often taught their parents at home after school. Many a foreign-language immigrant has learned to speak English from his school-taught son. Many a mother has learned from her daughter how to speak and know the difficult new tongue.

As the children of the immigrants grew to manhood and womanhood and married they sought better homes in other sections of the city. In Brooklyn, Queens, the Bronx, Staten Island, and in Long Island, New Jersey, Westchester, and in Fairfield. The old folks remained in the old home, the home of their youth in this country. As other immigrants came in they took the places made vacant by the removal of the second generation, and this has gone on since the Civil War.

If these residents are to become Americanized, are to become citizens, they need some practical demonstration of the pledges made in the Declaration of Independence and the Constitution of the United States. Their bill of rights should start with the right to live in a decent home amid decent and healthy surroundings.

The money has been earmarked for the purpose of providing such homes. The United States Government by its appropriation of funds has shown in the most emphatic way—by the allotment of money—how to achieve this purpose. Why should its intention be delayed in execution by the errant will of a single individual—one who from experience should be most sympathetic—is the director of the housing authority a friend of the poor and lowly or is he a little brother to the exploiting landlord who seeks no change in the pesthole slums of our cities?

Second Avenue, which is in the heart and center of my congressional district, was planned to be when originally laid out what Fifth Avenue has become today—the greatest thoroughfare in New York. On Eighth Street and Second Avenue is the old St. Mark's Church in the Bowery, which was the garden spot of New York and where lie the mortal remains of the famous Dutch Governor, Peter Stuyvesant, who was the ancestor of our distinguished colleague HAMILTON FISH, colloquially known to us as "HAM FISH," the ferocious nimrod of modern communism.

Americanized continental Europe to the extent of the third and fourth generation is well represented in my district—German, French, Spanish, Italians, Swiss, Austrians, Hungarians, Poles, Ukranians, Swedes, Danes, Czechs, Slovaks, English, Scots, Irish, Jewish are all represented as courageous and patriotic Americans in the Fourteenth Congressional District of New York. The best blood of Europe, who came here to seek adventure and fortunes in America, whose sons and daughters and their descendants represent today the highest grade of modern civilization, are found in our midst.

New York City is the most cosmopolitan city in the world. My congressional district is the most cosmopolitan section of any congressional district in America. Its diversified citizenship represents a cross section of the life of our Nation. Rich and poor, high and low, success and failure are represented in my district. All of my fellow citizens of my community are inspired by one common ideal: "Be it ever so humble, there's no place like home." However, they feel that this home to which they aspire should be in conformity with the high standards of the twentieth century, clean, wholesome, habitable, modern, up-to-date American homes. That is what I, as their Representative, appeal to you to grant to them as their just and human right. [Applause.]

Mr. Speaker, the Tennessee Valley project, which was perfected, elaborated, and developed through the construction of the great Muscle Shoals, is a great pioneer project in public power production. This national experiment cost the taxpayers of the United States hundreds of millions of dollars and will improve the social, economic, and agricultural opportunities of the great States of Louisiana, Mississippi, Alabama, Georgia, Tennessee, and Arkansas. The members of the New York delegation, including myself, voted for that project to help the people of the middle South.

When the tributaries of the Mississippi overflowed their banks and brought ruin and havoc in the homes, hearts, and firesides of most of our Americans living in that section, almost $400,000,000 was voted by the Congress of the United States to prevent the future ravages of the Father of Waters. Our congressional delegation from New York, including myself, voted for that measure.

Boulder Dam, one of the greatest engineering feats in the history of our Republic, that will revolutionize irrigation possibilities of many western arid lands and serve cheap electricity to eight States of the Union, cost the taxpayers of the United States more than $400,000,000. We, the members of the congressional delegation from New York, voted for that project to help the great States of the West.

Hundreds of millions of dollars have been appropriated by the Rivers and Harbors Committee for public-works improvements for harbors and rivers that will bring happiness and prosperity to different sections in our country. Our delegation in Congress from the State of New York has voted for these improvements that will benefit our neighboring and far-distant States throughout the Union.

Mr. Speaker, the time has arrived when the great Empire State of New York, talking through its congressional delegation for the greatest city in the world, New York City, appeals to the membership of the Congress of the United States to help it eradicate and clean out the 150-year-old slums and pestholes that are still called homes and are found in every part of Greater New York. We should concentrate on the Nation's greatest slums in New York City, comprising over 1,000 acres in Greater New York, as a major experiment in improving housing and living conditions of the working classes through the securing of cheap rentals that will be within the reach of the great producing masses. We should immediately perfect a comprehensive long-range housing program that will act as a guide for the rest of the country to follow. This program will act as the foundation of the "new deal." Upon it the superstructure of new homes will be reared. It will end unemployment and help to bring us back to prosperity. [Applause.]

Greenwich Village, originally one of the early settlements of the English in New York City, later the home of Thomas Paine, and today the home and mecca of the literary and artistic colonies of our Republic, is also in my congressional district.

All these locations today need rehabilitation. They are crying aloud for clean, wholesome, modern homes that have the equipment and appurtenances that modern civilization demands.

Mr. Speaker and fellow colleagues in the House, think of it! At this very moment 2,000,000 New Yorkers still live in old slum-law tenements. Fifty percent of the tenements condemned by the tenement house commission of 1885 are still standing, harboring unfortunate people who have to live in these contaminated and vitiated homes.

England, Germany, Austria, Russia, and Holland are half a century ahead of us in model housing and construction.

A survey of vacant apartments in New York City showed 3 out of 4 without hot water, 4 out of 5 without steam heat, 3 out of 5 served by water closets in the hall. In the slum areas of New York the death rate from TB averages 113 per 100,000, as compared to 27 per 100,000 in nonslum areas.

In the congressional district, the Fourteenth New York, that I have the honor to represent in Congress there still stand houses that were built before the Revolution. In some of these houses still live the descendants of the original builders. In my district stands the splendidly noble Washington Arch, through which the returning soldiers of the last two wars marched in quiet triumph. Fifth Avenue, that street the name of which is known the world over, starts at Washington Square, the site of the Washington Arch.

On Fifth Avenue, in my district, lived the beloved Mark Twain, Samuel Langhorne Clemens, and he was only one of the many thousands who rose to fame and lived at least part of their lives in my community. But my district also has produced many men and women who never rose to public notice but who were and are splendid fathers and mothers, God-fearing, decent, wholesome folk, rearing their families in honesty and truth and bringing their children up to be good, self-supporting, and self-respecting American citizens.

My district is a cross section of the Nation and of the world. Every State of the Union is represented therein by its sons and daughters who have come to New York to test their fortunes. Every nation and race of the world is represented in my district by immigrants who have sought in the United States the freedom they were denied in their own countries.

My district is both east side and west side, and almost runs "all around the town," as the song goes. Much of it has been rebuilt. All of it ought to be rebuilt with deeper and more secure foundations and higher living buildings set in parked spaces, open to the sun and air. The homes of the people of my east side should be as healthy, commodious as the homes of my constituents on the west side. The same number of persons could be housed in tall towers like the present towers of finance and commerce in New York, each in its own park, as are now jammed into wretched, insanitary tenements.

Trinity Church Corporation owns many of the worst of the tenements, and that institution might become more popular than it is if it started the work of rebuilding its slums. That is the gospel of true Christianity.

This is the twentieth century, and the housing in great cities, especially New York, must proceed along twentieth-century lines. Our first thought should be the comfort and happiness of the men and women who are to live in the cities and work at every form of human endeavor and not the amount of profit that may come from extortionate rentals.

Let us therefore build wholesome homes for decent people. Homes that will be clean, sanitary, commodious, and serve as the index of the civilization of our day.

Mr. Speaker, what the Nation needs is a great national drive for the entire eradication of the slums of all the large cities. These places of pest, these tragic sources of disease, these obsolete structures that are not fit to house an animal, much less a human being, should be leveled to the ground and in their places erected housing suitable for the living quarters of the men, women, and children of the American family wherein they can live in decent dignity commensurate with the greatness of the Nation of which they are citizens.

This should be done now, immediately. Not piecemeal and over a period of time, but now, at once, when such great effort is being made to restore employment and to return to prosperity. The building trade is one of our basic industries. It gives employment to all classes of labor, from the lumberman who fells the trees that are made into lumber that goes into construction; the lumber-mill worker who changes the timber into beams, pillars, posts, shingles, and other structural lumber; the trim maker who makes the doors, window sashes, and other trim; the brickmakers and stonecutters and the clay banks and quarries from which they get their base supply; steam and water piping makers; electrical-wire makers, and other supply manufacturers and other building supply makers. It would give new impetus to railroads and motor trucks to transport the material.

Architects and their staffs, stonemasons, bricklayers, tile layers, plasterers, plumbers, painters, pipe fitters, electricians, would be put to work at once. There is not another industry that uses so many different sources of supply, obtained from so many sources all over the country, as does the building industry. It would invigorate these trades I have mentioned at once, start pay rolls going, and do more to restore prosperity and happiness to those who can labor and cannot find work than anything I can think of.

With newer houses would also come modern equipment for living, electrical and gas refrigeration, electrical and gas lighting, better light fittings, new bathtubs and bathroom fittings, radios, telephones, better furniture, rugs, pictures, kitchen utensils, and other innumerable devices, besides modern methods of cooking. All along the line there would be gigantic improvement in means of living. It would be a design for living that would give the American people in the cities what they should have and what they easily could have. Its influence would be Nation-wide. It would put the entire Nation again happily at work.

Competition would force the owners of semislums to reconstruct their properties and to reduce their outrageous rents in competition with the low rentals that would be charged for this new construction. It would force improvement in the single and double houses, since no one would care to live in them unless they met the new requirements of this American pattern of living, which should be national and not local, so that all would benefit.

Had this been done 2 years ago, when, in January 1932, I introduced in the House two bills providing ways by which such a project could be financed under the control and direction of the Government of the United States, and had Robert D. Kohn, director of housing, instead of dilly-dallying over aesthetic dreams, set resolutely to work to do that for which he was given his place in the public service, the work of national building construction, which should be universal throughout the Nation, would have been half done, and there would have been no need for the President to include in his last message to Congress any proposals covering housing in any form.

The Federal Government, of which the citizens of every State are also citizens, should sponsor, finance, and, if necessary, construct the type of collective and single family homes that I have described. It should not turn over many millions to the unscrupulous real-estate mortgage racketeers and criminals who mulcted the investors of America of billions of dollars. Citizens should be able to deal directly with the Government through agencies and not have Federal money advanced to the same group of unscrupulous high binders and their successors who wrecked so many fake real-estate financial projects to the lining of their own pockets.

Much of the money could be obtained from the Postal Savings, on which the depositors get a low interest. The interest charged the borrower should not be over 4 percent per annum. Principal amortization should run not less than 20 years—30 if necessary—the same as is being done today in Europe and in South America. The Postal Savings would be well secured by investment in the homes of American people. This collateral security of the real estate and the home, in my humble opinion, is superior security to most of the paper that is rediscounted in the Federal Reserve banks of our country today.

In each of the States of the Union and in the District of Columbia Federal home-loan agencies could be established and the present Federal home-loan set-up could be modified so that instead of giving the money for homes to these real-estate sharks it would go directly to the people themselves. Details are not needed; they can be worked out later. The general idea is the thing.

By this method there would be no such gigantic collapses of mortgage-loan groups, which has been one of the most distressing and lamentable of the disasters of the depression, because it worked two ways—it wrecked the investor and it wrecked the borrower.

Congress last year created the Home Owners' Loan Corporation. Today it is operating in every State in the Union, and has saved over 200,000 homes from foreclosure worth over $600,000,000, and is operating to save from foreclosure over a million homes, the value of which will run into billions of dollars. The Home Owners' Loan Corporation is paying millions of dollars in delinquent taxes to local communities; is spending millions of dollars in repairs, thus increasing employment; and is restoring income to tens of thousands of investors, thereby aiding and increasing purchasing power.

No word in the English language brings up a more tender sentiment than the word "home." It is the foundation upon which the superstructure of our Government is reared.

If the word "home" has great significance, the actual thing itself, with all its loving associations, has a far deeper hold on the human heart. The saving of a home is a most worthy effort. It keeps the family together and preserves the family and relative ties. Best of all, it provides a secure haven for the young folks. It gives them an incentive to establish another such home when they grow up, meantime protecting those who are not secure in family life. [Applause.]

The operations of the Home Owners' Loan Corporation not only have saved homes for their owners but the obligations it has incurred in so doing will be cleared by the income coming to it by amortization, with no cost to the taxpayer.

Through the Home Owners' Loan Corporation the Federal Government makes it possible for every wage earner to own his own home, in which he will live and be secure, not only while his family is growing up but in his old age, when they have flown to new nests. It has been proven that a single plan of home-mortgage financing, on a long-term basis, insures complete security for the lender and gives the borrower confidence that he can carry through his obligations to the very end.

The 5-day week and the 6-hour day, now on its way, and the shorter hours of labor now in effect and coming on, will give the workingman more time to spend at home, if he has a home. This will mean that he will know his wife and children better, understand and sympathize with their problems and help solve them. It does not mean that the man will be a "nuisance around the house," but it does mean that he can do much of the work that now falls to the lot of the wife, and as four hands are better than two, the work will be done quicker and provide more leisure for them to develop their adult education and interests.

In every great crisis of war, on its own soil or abroad, in which the United States has been engaged since its foundation, it has called on the men of the homes to protect the Government, the wealth of the Nation, and the property of the Nation. Now has come a great crisis of peace, of longer duration than any of the last three wars in which the Nation has been engaged, in which not only the men, but the women and the children of the homes, have endured trial and suffering equal to and superior to that of actual war.

As it was the duty of the men of the homes to rally to the defense of their country in time of combat—war—to which they nobly responded, so now it is the equal duty of their country, and its wealth and property in this time of a prolonged and terrible crisis of peace, to come to the aid of those on whom it and they must always rely for preservation. The home is the basic foundation on which the welfare of our Republic is built. If the homes, single or collective, fell into dilapidation and decay, those who live in the homes will become the victims of destitution and despair. Who, then, will defend the Nation, the Nation's wealth and its property, when our Republic and its wealth and property is not only confronted with enemy attack but, possibly, engaged in a terrific struggle for its very existence and preservation?

Can the Government, as such, defend itself? No! Can wealth, as such, defend itself? No! Can property, as such, defend itself? No! Can the Nation defend itself against a foe determined to conquer a rich and fertile country? They cannot! Men are needed to fight. Today our working classes need homes in times of peace. Not any kind of a structure that a grasping landlord would think fit, but what the American citizen and his family think adequate, just, fair, and proper. Construction is needed. Immediate construction. Now! At once! Let us build new homes for our working classes. [Applause.]

More construction and still more construction, until every American family can live in a decent home and have all the comforts and happiness that such a home will provide. Let the Government build new homes, collective and single, for the men and their families, on whom its very existence depends. Let the building continue over decades, if need be, until the work is complete. Let there not be left in the entire Nation a slum, a dilapidated shack, at which the finger of scorn can be pointed. Then every American family will be housed in healthy and happy habitations and the Government will have done its duty to those who work in every quarry of human endeavor, to make our country great, rich, glorious, and prosperous, the noblest republic in all the world. [Applause.]

Reconstruction, or repair of old structures, is not what public opinion demands. What the great masses of our people are clamoring for is the construction of new buildings and the clearance of slums in our great cities. This problem will not be solved until the old pestholes are deliberately wrecked and in their places are erected newly built homes of which humanity may be proud and the tenants not be ashamed.

The day for expediency has passed away. The moment for action has arrived. Expediency will no longer serve. It only plasters the sore and does not heal it. We must cure these slum sores that exist everywhere in our civic communities. There is only one way to accomplish this purpose and that is to face the housing problem frankly, fearlessly, courageously, honestly, by admitting our errors in the past and starting fresh and anew to accomplish our purposes and our ideals. Will the clearance of slums pay? It certainly will. Not only in improved citizenship but in the health and happiness of our working people as well as in cold financial returns.

In all the great cities of Europe slums have been supplanted by decent, wholesome housing where human beings can live as God intended them to exist. Let us make a new start right here in America. Let the "new deal" be given in housing to those who have been the tragic victims of the "raw deal" in the past.

Congress will soon adjourn. Let us refuse to adjourn until this wholesome human appeal for habitable homes will have been given to the citizens of our Republic, who are entitled to the best that civilization and humanity can give to them. Let the building of new ideal homes be the contribution of the Seventy-third Congress of the United States to the people of our country, when we have been sent here to serve and represent. [Applause.]

The SPEAKER. The time of the gentleman from New York has expired.

Mr. BANKHEAD. Mr. Speaker, I yield the gentleman from New York 2 additional minutes.

Mr. SIROVICH. Mr. Speaker, the home is the place where we are treated the best and grumble the most. Millions of men, coming from every home in our Republic, have been willing to give up their lives upon the altar of war and bare their breasts to shot and shell in order that our homes might be preserved. From the Fourteenth Congressional District, which I have the honor to represent, immigrants from every clime in the world, as well as natives, have gladly made the supreme sacrifice and hallowed our soil and foreign soil with their lifeblood in order that our Republic and our institutions might be preserved.

Mr. Speaker, without our homes we would be a nation of nomads, wanderers on the face of the earth, with no settled habitation nor permanent abode. Every act passed by Congress, no matter how apparently remote, in its final results affects the home. The act may deal with economics, finance, industry, agriculture, or commerce, but it becomes a good or bad law according as it helps or harms the home.

The home must and shall be preserved; on its preservation depends the perpetuation of the Republic itself. We, Members of the Congress of the United States, will do our duty to our Nation and its people only when our first and last thought is, How will our work in Congress affect the home, and how will it affect and maintain the welfare, the happiness, and the contentment of the father, the mother, and the children of the home? Let us give thanks to President Franklin D. Roosevelt for his courageous message to abolish slums and build new homes. God bless the homes in America. Be it ever so humble, God help us to preserve and maintain the American home. [Applause.]

The Reorganization Bill

EXTENSION OF REMARKS

OF

HON. HATTON W. SUMNERS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1939

Mr. SUMNERS of Texas. Mr. Speaker, while the House has technically lost jurisdiction of the reorganization bill, that bill is still in process; and if the Members of the House should become convinced as I am convinced that some such amendment as that offered by me in the House when the bill was under consideration here should be incorporated before the bill becomes law, that result would probably take place.

The House, by its own bill, has cut itself off from the opportunity itself to prevent the going into effect of a reorganization plan which it may believe to be contrary to the public interest. There can be no question about that. The amendment proposed would not disturb the general plan of the bill to have the Executive work out the details of a proposed reorganization. The necessity for this arrangement, as explained, that the Houses of Congress do not have the time, the knowledge, or the facilities to work out these details, is accepted. Neither would the arrangement in the bill be disturbed which provides that when the Executive shall have worked out a plan it be transmitted to the Houses of Congress, and unless there be positive adverse action within 60 days the suggested plan becomes operative.

The only thing which the amendment proposes, and I am discussing this bill from the House Member's standpoint, is to prevent the House from surrendering its individual constitutional power to prevent that which it is convinced would be to the public hurt.

There is a very definite similarity in relationship and in responsibility between the submission to the Houses of Congress by the President of proposed legislation and the submission by him of a proposed reorganization. Under the Constitution, if the President submits proposed legislation, either House of Congress is possessed of the power and charged with the duty to prevent its enactment if in its judgment the proposed legislation is contrary to the public interest. That arrangement is much older than our own Constitution. It began with the beginning of the British Parliament. That arrangement in the long history of Anglo-Saxon government has helped to preserve stability in government.

This reorganization bill ignores the philosophy of that arrangement, and the House by its own legislation cuts itself off from the opportunity independently to prevent a reorganization from going into effect which in its judgment would be contrary to the public interest. In other words, it proposes by its own bill that if the Executive submits a plan of reorganization and the Senate agrees, that plan may become effective and have the force of law, notwithstanding the objection by the House of Representatives.

The amendment proposed would restore to the House of Representatives its constitutional power and constitutional responsibility with regard to reorganization which is exercised with regard to legislation.

What answer can there be when this action on our part is examined other than that we are afraid to trust ourselves in reorganization matters with our ordinary constitutional powers and responsibilities? And the question seems pertinent that if we are afraid to trust ourselves with that responsibility and power with regard to reorganization, why should the public trust us with them with regard to legislation?

It is a remarkable thing that the House of Representatives by its own bill has made it so that it cannot exercise its individual constitutional power to prevent going into effect of a reorganization plan which it is fully convinced is against the public interest.

The proposed amendment would bring the mechanics of the bill, insofar as power and responsibility are concerned, into harmony with the allocation of constitutional governmental power. If the House does not approve a bill it votes against it and it does not become a law. Under the amendment referred to, if the House should not approve a proposed reorganization it would vote against it, and it would not go into effect. But under the reorganization bill proposed by the House the House could vote against any reorganization plan and it could still go into effect. That would be true only because the House by its own act had cut itself off from its constitutional powers.

This thing which the House proposes to do to itself, to its power, and its responsibility is far more important than its relationship to the particular item of legislation. We know that fundamental changes in governments like ours are brought about by precedents and practice. When we put our feet into the road and begin to walk we are going somewhere, and where we arrive depends upon the direction we take. This bill unamended leads in the wrong direction. It is a bad precedent.

There is no question that in formulating this bill we of the House could either keep or surrender this constitutional power without interfering with the efficiency of the Executive in carrying out the purposes of the bill. Any assumption to the contrary must be based upon the notion that the House as an institution is unfit to be trusted with the exercise of its constitutional powers. We raise the question ourselves that if the House cannot be trusted with its constitutional powers with regard to reorganization, as we seem to believe, why should the House be trusted with regard to legislation?

It is the surrender of the power conferred by the Constitution to protect the people against that which we may believe to be bad which is the vicious thing in this bill unamended.

Considering it from the standpoint of the broadest public interest, the present Members cannot afford to put the House of Representatives in the attitude before the country of being afraid to retain and exercise its constitutional powers when in its judgment the public interest requires their exercise.

Politics in W. P. A.

EXTENSION OF REMARKS
OF
HON. RAYMOND S. SPRINGER
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 15, 1939

ARTICLE FROM THE MUNCIE (IND.) PRESS

Mr. SPRINGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Muncie Press, Muncie, Ind.:

[From the Muncie (Ind.) Press]

POLITICS IN W. P. A.

EDITOR, MUNCIE PRESS:

This talk of taking the W. P. A. out of politics is causing the average W. P. A. worker to laugh. One would think by reading the newspapers that such is the case, but the truth is that politics is being played now as much as ever before.

Supervisors and foremen are selected for their political activities more than because of their ability to handle men or know the work they are assigned to. In one case the foreman assigned to our particular project did not have the least idea what was required to do and had to ask the men under him how to do the work.

I have in mind one man who is classified as a laborer and is using a pick and shovel, although this man is fully capable of filling the job as a supervisor. But he is a Republican, and they know it. This man has been a superintendent, factory manager, and chief engineer in his time, but now is a shovel pusher and has no chance of getting anything better from the W. P. A.

On a project using, say, 100 men, 1 foreman is assigned to the job, and he must appoint 3 or 4 "straw bosses," who each handle a crew of men, but these bosses get no more than the men working under them. Is that fair?

Good carpenters are working for $52 a month, while the union scale is $1.15 per hour.

On the average sewing projects any woman doing anything out of the ordinary gets more than the $52 a month payable to ordinary sewers. The men get nothing more for doing work requiring more than ordinary ability.

Another thing: A large number of men have been sent into the county to work on the highways. The majority of these poor souls have no means of transportation and must pay others to haul them to work. This, of course, reduces their incomes that much.

Don't envy the W. P. A. worker, but pity him.

DISGUSTED.

Tax on Federally Held Land

EXTENSION OF REMARKS
OF
HON. FRED BRADLEY
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 15, 1939

CONCURRENT RESOLUTION OF THE LEGISLATURE OF THE STATE OF MICHIGAN

Mr. BRADLEY of Michigan. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following concurrent resolution of the Legislature of the State of Michigan:

House Concurrent Resolution 8

Concurrent resolution respectfully memorializing the Congress of the United States to enact legislation providing for a tax of 10 cents per acre on land held by the Federal Government, especially as national forests

Whereas thousands of acres of land in Michigan have been taken over by the Federal Government, especially for national forests, thereby crippling many Michigan communities through loss in tax revenue; and

Whereas the Legislature of the State of Michigan in recognition of this problem, under Act No. 305 of the Public Acts of 1931, which amended Act No. 116 of the Public Acts of 1917, provided for the payment by the State of Michigan of a tax of 10 cents per acre on lands held by the department of conservation, with certain minor exceptions, which tax was to assist local units of government due to the loss of revenue from such lands when taken over by the State; and

Whereas similar action on the part of the Congress of the United States would greatly benefit local units of government in Michigan in such localities where the Federal Government has vast holdings which are not contributing to the cost of government: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the Michigan Legislature hereby respectfully memorializes the Congress of the United States to enact legislation providing for a tax of 10 cents per acre on land held by the Federal Government, especially as national forests; and be it further

Resolved, That this resolution be spread on the journals of the house and senate and copies be sent to the President of the United States, the President of the Senate, and Speaker of the House of Representatives of the Congress of the United States, and to the Michigan Members in the Congress of the United States.

Federal Income Taxes

EXTENSION OF REMARKS
OF
HON. ALBERT L. VREELAND
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 15, 1939

RESOLUTION OF THE NEW JERSEY ASSEMBLY

Mr. VREELAND. Mr. Speaker, up to a few years ago the people of our country had implicit confidence in their Federal Government in believing that their legislators would operate the Government to the greatest efficiency at the least cost, as was evidenced by the passage of the sixteenth amendment without restriction on the power of taxation of incomes.

Lately, however, the public has become tax conscious and become greatly alarmed at the unprecedented expenditures by the Federal Government and the steady increase in the national debt. They have become more and more aware of the fact that the power to tax is the power to destroy. This is evidenced by a resolution passed by the Assembly of the State of New Jersey, introduced February 27, 1939, by Assemblywoman Hand, of Essex County.

The suggestion is well worthy of consideration and serious thought; and, therefore, I ask to have the resolution printed in the RECORD. It is as follows:

Resolution memorializing the Congress of the United States to adjust and regulate the collection of income taxes

Whereas the sixteenth amendment to the Federal Constitution gives to the Congress the power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the States and without regard to any census or enumeration; and

Whereas the Congress has enacted appropriate legislation to enforce the amendment, and has enacted an income-tax statute which in many instances works inequitably, resulting in hardships to citizens and corporations; and

Whereas in order that business may be encouraged and promoted: Therefore be it

Resolved by the house of assembly, That the Congress of the United States is hereby memorialized and requested to provide by proper amendment that in no case shall income taxes levied exceed 25 percent of the total of such income; and be it further

Resolved, That copies of this resolution, signed by the speaker and attested to by the clerk, be transmitted to the Senate and House of Representatives of the United States and to the Senators and Members of Congress from New Jersey in the Senate and House of Representatives.

This resolution shall take effect immediately.

Refugee Children

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, March 16, 1939

RADIO ADDRESS BY HON. ROBERT R. REYNOLDS, OF NORTH CAROLINA

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be published in the Appendix of the RECORD a radio address which I delivered yesterday in Washington, D. C., from station WOL of the Mutual Broadcasting Co., in acceptance of an invitation extended to me by the local chapter of the Daughters of the American Revolution. The subject deals with Refugee Children, which subject interests itself in Senate Joint Resolution 64, as introduced in the Senate by the distinguished senior Senator from New York [Mr. WAGNER].

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Good afternoon, ladies and gentlemen; I am deeply indebted to the Mutual Broadcasting Co. for providing me with the facilities of this station, and at the same time I desire to thank with my full heart the committee of the local chapter of the Daughters of the American Revolution for having extended to me this invitation to address the patrons of this broadcasting station upon a subject which, in my opinion, is an extremely important one, and particularly so at this time—I refer to the subject of restricted immigration.

This, I contend, is an extremely important subject with the American people today for the reason that reports reveal that there are approximately 12,000,000 men and women without employment, and of this large number of our citizens who are daily looking for jobs it is appalling to note that one-third are young people of working age under 25 years. And it might interest you to know at this juncture that 600,000 young people reach working age each year in the United States, and, unfortunately, from the present outlook they face a jobless future.

In one eastern city there is what has been referred to as a "slave market," where both Negro and white girls gather on the street corners in the hope of securing a few hours' work in wages ranging from 15 to 20 cents an hour. Unemployment naturally breeds discontent and provides opportunities for activities in some cases outside of the law, which serious condition of unemployment among our youngsters is probably attributable to the fact that about one-third of all the crimes committed in America are by the unemployed youth of our land. In the city of New York alone 35 percent of the arrests are young people. We must at this hour give attention to the youthful element of our population, because the boys and girls of today are the men and women of tomorrow, and it is upon them and them alone that we base the future of America. We must not only provide employment for these youngsters of America, gainful employment and employment beneficial to themselves and to the respective communities in which they reside, but we should provide the educational facilities and opportunities to which they are entitled as the sons and daughters of American fathers and mothers. In one eastern city four out of every five unemployed youths have no vocational education, and this is attributable to the fact that there are not a sufficient number of schools to accommodate those who seek opportunities for preparation in vocational instruction. Thousands of American children today are forced to limit their school hours only to part time because in many sections of the country our public schools are overcrowded.

Some time ago I had the honor to talk at length with a lady of our Capital City interested in governmental affairs and who is vitally interested in any movement to preserve America for Americans, and who suggested at the time that we should have now as our slogan, "Our citizens, our country, first." I was delighted with her suggestion, and since then at every opportunity I have, by word of mouth and otherwise, passed this slogan on to many throughout the length and breadth of our land. Today, in speaking of the youth of America, I am more impressed than ever that this slogan should be broadcast from every housetop, because never before in the history of our country have we found a greater opportunity and a more rightful cause for the employment of such a patriotic battle cry, particularly for the fathers and mothers of America, because they are interested in the future of their own flesh and blood, their sons and daughters, the children of America. America's children are truly America's problem and that statement will bear repetition.

My honored colleague, United States Senator ROBERT F. WAGNER, of the Empire State of New York, has introduced a resolution calling upon our National Congress to authorize for permanent residence in the United States 20,000 German refugee children. These 20,000 to be an addition to the regular annual quotas—that is to say, in addition to the number of immigrants permitted under the law to enter the United States annually from Germany. I might add that similar resolutions have been introduced in the House by Congresswoman EDITH NOURSE ROGERS, of Massachusetts and Congressman JOHN H. DINGELL, of the Commonwealth of Michigan. These bills must be defeated. America's first duty is to feed, clothe, and educate her own millions of ill-fed, ill-clothed, and ill-housed American children, the sons and daughters of American fathers and mothers.

As a matter of fact, this is not the first time that such ill-advised proposals have been introduced in Congress. And in my opinion, of all times this is the most ill-advised time for such a suggestion as carried in the afore-mentioned bills, and certainly the most ill-advised time for the introduction of such bills in Congress when we take into consideration the fact that 80 percent of all unemployment in the entire world is to be found within the confines of the United States of America. In many sessions of Congress since the World War similar bills have been introduced from time to time in an effort to capitalize on the sympathy of the American people and for the one and express purpose of breaking down restrictive immigration.

For years those who have opposed our immigration laws have been endeavoring to place a wedge by which our immigration gates might be opened wide, and here is another attempt wherein the sympathies of the American people are being appealed to with a view to opening wide these gates to the refugee children of the world. I contend that our first sympathies should be given to American children.

In connection with these attempts made heretofore by way of the introduction of bills, I am happy to be able to report to those whom I reach at this hour that in every case so far the common sense of the American people has prevailed; not one such proposal has ever been enacted, and I am confident that at this critical hour the common sense of the American people will continue to prevail and that they will oppose the passage of a bill that would authorize the admission of 20,000 German refugee children into the United States at this time when the unemployment situation is so very, very serious.

Now, let's look at the grim fact. Every single State in the Union, as the records will reveal, has a tremendous number of children in want of proper food, clothing, medical attention, and better school facilities. For instance, let's turn our eyes southward to the children of the sharecroppers. Millions are ill-nourished or starving, improperly clothed or half naked—the sons and daughters of 8,000,000 sharecroppers live in hovels. They are here at home. Their tumble-down shacks have no windows; they sleep on rags. Their clothes are tattered and torn and filthy. They derive their meager nourishment from thickened gravy and biscuits as a year-round diet. They have no medical care. They fall easy prey to disease. They are unschooled. From out of these dingy huts of tragedy comes a reeking army of destitution, while the false idea of humanitarianism and internationalism is wailed by many.

Shall we first take care of our own children, our citizens, our country first, or shall we bestow our charity on children imported from abroad. What is American citizenship worth if it allows American children to go hungry, unschooled, and without proper medical attention while we import children from a foreign country? We'd better look after our own. Let the sympathies of the American people be with American children first and then—

I have spoken of children of the sharecroppers. Now let us turn to the children of the cities. Slum children live in sullen poverty.

In hundreds of American cities millions of American children are growing up in squalor and poverty huddled together in cramped quarters. These American children of every race and foreign extraction cry for the right to breathe fresh air, eat good food, and for the right to play and live in the American way. Shall we sentence these slum children to crime, poverty, and hoplessness while we import children from a foreign country, or from foreign lands? Well, the Wagner-Rogers-Dingell bills propose to import 20,000 refugee children from Germany. They argue that all are under the age of 14, but I answer that 5 years from now the great majority of them will have attained the age of 19, and then they will be competing with the sons and daughters of America. How many of your sons and daughters today are without employment? How many of them have prospects of employment? Are you interested in the future of your sons and daughters, or is it that your sympathies provide you with more interest for the sons and daughters of foreign countries who, if admitted under these bills, will be providing more competition for your children?

They say that these refugee children are to be placed in American homes. Organized minorities who are interested in bringing in these foreign children state that homes have already been provided for them by applications now on file. If that statement be true, then this is my answer, your answer, and America's answer: If homes are available for the adoption of alien children, Americanism demands that needy American children also be adopted into these American homes.

My heart beats in sympathy for those unfortunate children across the seas, but my love and duty belongs firstly to our children here at home.

And in conclusion, ladies and gentlemen, may I repeat that America's slogan at this critical hour should be: Our citizens, our country, first.

I thank you.

Veterans of Foreign Wars Radio Hour

EXTENSION OF REMARKS

OF

HON. HOMER T. BONE

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Thursday, March 16, 1939

RADIO ADDRESS BY HON. BENNETT CHAMP CLARK, OF MISSOURI, FEBRUARY 15, 1939

Mr. BONE. Mr. President, on February 15 the Senator from Missouri [Mr. CLARK] delivered an address over a Nation-wide radio hook-up on the eighth annual Veterans of Foreign Wars "Hello America" radio hour. I ask unanimous consent that the address, which is very brief, be published in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a rare privilege for me to again be permitted to participate with the commander in chief in welcoming into the Veterans of Foreign Wars so many thousands of our old comrades long eligible to our ranks but now coming for the first time into our ranks to stand with us for the principles to which this organization is dedicated.

I am proud to be a member of this great gold-chevron organization, proud of the intelligent and patriotic interest which its members have taken and now take in the public affairs of the Nation, fulfilling in peacetimes, as they did in wartimes, to the fullest degree their duties as citizens of the great Republic. I am infinitely proud that this organization, the very terms of whose eligibility insures that its members shall all have been personally familiar with the grim visage of war, is today one of the very greatest forces in our Nation for the prevention of war.

I am sure that no one will misunderstand me when I indulge the hope that we are a dying organization. It has never reached a greater height of influence and usefulness. I should like to see the day when every American qualified to membership shall be in this organization and contribute to its increasingly widespread influence for citizenship and peace.

But since the fundamental requirement for membership is service overseas, I hope that this great organization may die with the death of the last person now qualified for membership. I hope that in the time to come our sons and grandsons may be proud to know that we were eligible to membership in the Veterans of Foreign Wars, but my fervent prayer is that no more American boys may ever become eligible to fight or die on foreign fields. To bring this to pass has been the tremendous effort of this organization.

The Veterans of Foreign Wars has been in the forefront of those who have sought to prevent the involvement of the United States in a possible new and more dreadful conflict by the adoption of a settled and reasoned permanent neutrality policy designed to keep us out of war, even if war should develop abroad. This law—imperfect though it be and in need of strengthening and extension—is now on the statute books. It should be made permanent and mandatory and steps taken to insure its application in every proper case, which has not been done under the present law. No less important is the valued support of the V. F. W. for the measure designed to take the profits out of war.

Our membership looks upon the twin questions of neutrality and the taking of profits out of war with the hard practical realism of men who in times of national stress have been prepared to bare their breasts to the storm, who understand from actual experience what war is, who lost any romanticism on the subject in the the bitter crucible of war itself, who realize that the desperate disaster of depression from which the country has been suffering is but the aftermath of the last war. They look upon current events from the standpoint of men whose personal loyalty to our Government and our institutions cannot ever be questioned but who are firmly resolved to save this country from needless involvement in future wars and to save our sons or nephews or grandsons from the sacrifices, either physical or economic, which our generation made in the last war.

The V. F. W. stands for the proposition that every sacrifice compatible with national honor and national safety should be made and must be made to prevent our Nation from being involved in the quarrels of foreign nations which do not concern us. But the V. F. W. stands with equal firmness for the proposition that if war should again come to us—which God forbid—it is essential that there should have been made provision in advance for any automatic system of taxation which will insure in the future what has not been true in the past, that there shall be equality of sacrifice, at least of wealth as well as blood.

In the hearings before the Senate Munitions Committee a few years ago I heard the head of two of the great munitions plants passionately testify that he thought it would be an act of unspeakable infamy for the Congress of the United States to provide for the payment of a debt long overdue to the service men of this Nation by the payment of the bonus at that time. And then in the same breath he admitted that for safe civilian services as far behind the line as Bethlehem, Pa., in the manufacture of munitions for sale to the Government at exorbitant rates in a time of great national crisis, in addition to a princely salary he had received bonuses of about $3,000,000. Many of us could not reconcile this with the sacrifices of the doughboys who went forth to do or die for the glory of the Old Flag at a dollar and a quarter a day.

Accordingly, as a result of the munitions investigation, a measure was reported by the old Munitions Committee designed to tax the profits out of war by steeply graduated income and other taxes in order to provide for an effective national defense, to promote peace, to encourage actual neutrality, to discourage war profiteering, to distribute the burdens of war, and to keep democracy, and for other purposes. In the last Congress this measure was introduced into the Senate by 27 Senators, of whom I am proud to have been one. It received the undeviating support of the Veterans of Foreign Wars. In my judgment, it could have passed the Senate.

But under the Constitution tax bills may not originate in the Senate, and since the House did not send us a bill to which our proposal could be attached as an amendment, the measure died with the Congress. But in this Congress it is being reintroduced by our able and splendid former commander in chief, JIMMY VAN ZANDT, now a Congressman from Pennsylvania, and in the Senate will be introduced by an even larger number than in the last session. The V. F. W. are pledged to its support. We appeal for the whole-hearted support of our comrades and of the public at large, to the end that we may establish it in advance as a fundamental principle of government that if war shall come—which God forbid—wealth shall be compelled to make sacrifices comparable as far as sacrifices of material things can be with the sacrifices in human suffering and blood which will undoubtedly be demanded. I can conceive of no greater deterrent to war. I can conceive of no more patriotic enterprise than the support of this measure.

I thank the commander in chief for the opportunity of participating in this memorable initiation.

Kappa Alpha Dinner

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Thursday, March 16, 1939

EXCERPTS FROM ADDRESS BY HON. CLAUDE PEPPER, OF FLORIDA, JANUARY 19, 1939

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the RECORD excerpts from the address delivered by the distinguished Senator from Florida [Mr. PEP-

PER] at a Kappa Alpha dinner at Baltimore, Md., on January 19, 1939.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

The United States is in the process of making one of the most important decisions in its history relative to what the foreign policy of this country is going to be. There are some who contend that we should ally ourselves with the British Empire and all times protect, defend, and maintain that Empire because it, in the opinion of some people, is the greatest stabilizing agency in the world today, and the greatest guarantor of the integrity of South America and the United States. They contend that by the conjunction of the British power with ours we would be able to be the world's policemen, maintaining stability. They contend that we have no appreciable economic conflict with England, and having as we do the same traditions, the same language, the same historic background, we are natural allies.

There are others who contend that our course should be one of complete detachment from any other world power; that we should trade with all who will trade with us, be the friend of all who will be our friend; that we should not concern ourselves about the form of government within any foreign state, that being a matter for the people of that country to determine; that we should not concern ourselves about the changing boundaries of European nations, because the boundaries of those countries have been changing from the beginning of history according to the ebb and flow of deep, dynamic forces; that we should not decline to execute trade agreements with Italy because she has conquered Ethiopia, because that is a matter with which we are not concerned, and that a doctrine that we will not recognize territory gained by conquest conceived of in relation primarily to South America is not applicable to other parts of the world. These people say that our military and naval strength should be such that we should stand entirely upon our own feet, giving no aid to others, expecting no assistance from others.

There is yet another school of thought which contends that the roll that England has played for decades of being the world's greatest arbiter, and in fact the world's policeman, she can no longer play, first because she has not the physical and economic strength to continue to play that role. Second, because she is not a mobile power. That is to say, one which through the action of a small number of officials constituting her responsible Government can throw the British Empire to one course or another within a short time; that this lack of mobility is due to the fact that the British Empire in many respects has become an instance of the tail wagging the dog; that the far-flung dominions who are having their own geographical distinctiveness will not permit the British Parliament to throw them either to an alliance or to a war without their individual consent, which if war is involved would be most reluctantly given and will be given in no case where the very integrity of the British Empire is not in question.

Those of this school say further that where England once was geographically isolated by the English Channel, this isolation has been destroyed by the modern airplane, and that in fact the Atlantic ocean is no wider to the modern airplane than the English Channel formerly was to the ship in the preairplane days; that the United States is the only nation in the world which can succeed to England's ancient role of the world's strongest power the world's acknowledged arbiter, the world's policeman. We do have military and naval power sufficient to sustain this role. We do have economic strength adequate for this position. We do have mobility. Ours is the compact nation, and only the concurrence of the Congress and the President all assembled together in Washington are necessary to determine this Nation's course. Those who have this thought, therefore, say that destiny has given us this duty to play this part upon the world's stage, which we cannot shirk, as no outstanding nation has ever been able to shirk its responsibility for the trend of world events.

We therefore, they say, should fearlessly and courageously assert our world position for the purpose of bringing about and maintaining in the world those things which are a part of our faith. That means that we would go into world affairs as an aggressor, that, on the contrary, we want nobody's land. What we get we are willing to pay for, and pay for in the best currency in the world. We merely want to stop brigandage in the world. We want to stop the world's bullies from cowering peace-loving mankind into a corner with a waving club. We want to give whatever aid, encouragement, and protection we can to the right of freemen to live free lives. We want to abide by and to maintain in world affairs law and order instead of anarchy and the highwaymen. Our objects, they say, are peaceful, and will always be peaceful, but not peaceful at the price of letting a few willful nations with scornful disdain of all human rights run rough-shod over a timid world which shrinks from violence and wants only to be able to live in peace.

Whether we know it or not, whether we intend it or not, we are determining our course—we are making our place. This very Congress will, in my opinion, make the most far-reaching decision we have made about our international policy since the resolution of 1917 by which we entered the World War. We at least need to discuss the matter fully and candidly. We should at least know where we are going and determine what we are willing to do. It leads to nothing but confusion in what we do to be confused in what we think. Therefore we should search our minds and hearts; we should search our traditions; we should examine our interests; we should weigh and balance the advantages and the disadvantages; we should contemplate the awful responsibility either of action or inaction, and in the counsels of a free government arrive at a decision which befits a free people.

Practical Patriotism

EXTENSION OF REMARKS

OF

HON. CHARLES L. McNARY

OF OREGON

IN THE SENATE OF THE UNITED STATES

Thursday, March 16, 1939

ADDRESS BY HON. ALEXANDER WILEY, OF WISCONSIN, MARCH 9, 1939

Mr. McNARY. Mr. President, on March 9, 1939, the distinguished Senator from Wisconsin [Mr. WILEY] delivered a very interesting address before the Kiwanis Club of Alexandria, Va., on the subject of Today's Practical Patriotism. I ask unanimous consent that the address be published in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Speaking before men, I always feel a challenge. This is particularly true when I speak to service clubs. In each one of you there is so much that can be aroused into action, so much that should be aroused into action. In this age, with all its convictions and bewilderment, and yet, this age with all its opportunities for development and success—you leaders are called upon to do a job. You know that the Gethsemane that America has gone through, and is going through, presents a challenge to you—a challenge that you cannot afford to let go, a challenge that you must meet head on. I'm sure you will not lay down on the job. You will breathe new life by your thoughts and deeds into the economic structure; you will overcome the suffering born of our economic fever; you will reinstate the faith that we have in America; you will establish harmonious relationships between capital and labor. For I believe that business, labor, and professional men are beginning to ask for guidance and direction from the only source—God. In other words, men aren't so self-sufficient as they were. They are getting more receptive; they are tuning in and developing selectivity in that they are more considerate and kindly. They are getting rid of the rubbish in their minds, consisting of prejudice, hate, false thinking, and gossip. For they know that God will never set a mind full of rubbish "on fire." Men are looking—yes, actually reaching out—to get hold of great convictions that they may be tools in the hands of this age to solve its problems; and they are finding great joy and exultation in doing the job. Yes, men, there is a big job up ahead for you to do; and, as Justice Holmes used to say, any job is big that is worthily done. This job calls for service to God and country. I don't think anyone here will let either down.

The subject of my talk is Today's Practical Patriotism. Speaking to the Press Club in Washington the other night, I told them that there were three rules that I was applying to my life in Washington. I could see no reason to change those rules, because I applied them out in the Middle West and found that they worked. The first one was to keep and build up a reservoir of humor. In other words, develop a sense of humor. The second one was not to take yourself too damn seriously. The third one was to build perspective.

I think if this remedy were applied seriously to each individual of the Nation, we would commence to get out of the mess we are in. I believe this is part of the practical patriotism that is necessary before we can "go places." That is, each one of us must develop a little sense of humor—not take ourselves too seriously—and get a perspective on life. Thus will man glimpse the meaning of life and the relation of things to each other and find the way out.

I illustrated my third point by telling the story of the gentleman who, in 1933 in Boston, had lost everything in a material way and was contemplating suicide. He had been a millionaire; and now, as he walked across Boston Common toward the river, he met another friend whom he knew had also lost everything. Within the eyes of the second friend there was a light—something that gave this first man courage. He said to him, "John, you've got something that I haven't. I know that you have lost everything, but what is it?" John looked into the deep, discouraged eyes of the first man and said, "You really want it?" "Yes." "Well, then, you go out to Harvard Conservatory tonight and I'll arrange that you get what I've got." And out there the first man went. He took his place before the great instrument. By his side stood a young man, the assistant to the great Shapely. This young man came from my own town. He showed him the glories of the heavens. He turned the telescope to Arcturus. He told him that the light that he saw from that star had been traveling some 25 years. He turned the telescope to another speck of light and said that star was a million times larger than the sun, and the sun was a million times larger than the earth. Back and forth through the heavens he took this tired, discouraged, broken businessman—back and

forth—showing him the glory of the handiwork that was God's; and as he showed it to him the ruffled brow of this man unruffled itself, the discouraged eyes were filled with light, and after an hour's treatment he came forth a healed man. He no longer talked of the river as a cure-all. He went forth, renewed, rebuilt because he had found perspective. He saw he had lost nothing—just some worldly goods. His real wealth—wife, children, love of music, great books, philosophy, religion—he still possessed. He still had his health, he had the sunrise and the sunset, and he had America. Today this man is again a successful businessman just because he had obtained perspective. Through this experience he laid aside the things that would have destroyed him. He got "light." He saw things in their true relationship. He realized that man has a habit of making mountains out of mole hills; but through his experience in looking up at God's candles he retraced the process and made mole hills out of mole hills, and the mountains he saw as a place whereon he could get "light" and direction and guidance. He learned through perspective to hold in check and conquer fear and lack of vision and their effects. You and I must see that we are not bullied by these twin evils.

Life is a battle for a cause, for a loved one, for a family, for a nation, for liberty. A great psychologist has said that none of us uses over 10 percent of the mental equipment that we are endowed with. Just think what it would mean if we were to use 20 percent of our ability (which lies dormant) and then give this added power guidance and direction. Think what this would do toward giving us "sight" to discern between the true facts and what is propaganda.

Speaking of guidance and direction, that is what the world needs now. Sorely does it need them. We have gone up many "blind alleys," and today we find ourselves politically and economically in a stalemate. So we ask, "Whither shall we go to find light?"—the light that will lead us out of the gloom, out of the economic morass, out of the political mix-up. No man has the complete answer, and no group of men can provide that answer. We can think about the problem rationally. We can try to get above the mist of the petty and the small, above class hatreds and misunderstandings, and then perhaps we will get the perspective that will lead us to the promised land. Glorious results individually and nationally will be accomplished if we seek the answer in faith and hope.

As practical patriots, you and I must first realize that, consciously or unconsciously, willingly or unwillingly, we are molders of human clay into the "soul stuff." We are teachers of men. It's a great job to lead men on. Teachers don't just exist in schools. How shall we teach youth? How shall we teach the people we contact? Shall we make these people leaners, chiselers, grafters; or shall we take them up on the heights and show them the glorious way of life? Will it be to make them creatures who are dependent upon material values? Or will it be to show them—our children and our neighbors' children and friends—that life here is but an interlude, and that out there, beyond, are other opportunities for great adventure? Will it be to show them—the people that we contact—that the lost horizons are not lost; that within their souls can be found the greatness that is God's? The Persian puts it this way: "I was common clay until rosebuds were planted." And our own poet puts it this way:

"Two men looked through prison bars.
One saw mud; the other, stars."

The practical patriotism of the day requires we realize that the well-being of the Nation in the future depends upon the clear thinking of the individuals who constitute the Nation. You can't make a good omelet out of bad eggs.

I call upon you as leaders in thought and leaders in the economic and political fields of the Nation to stop the trend that would make defeatists out of our people—that would make them creatures of fears and worries. Bring to the people you contact, to the youth whom you see everyday, to the discouraged man and woman who look to you for help—bring to these people the need of faith and industry, hope, and mental perspective. If there is one thing in life that provides a real thrill, it is to watch a human being come into being, come into life, as it were; to see this human being break his narrow shell and grow into the consciousness of power. Yes; we are all in bonds. It is a great relief to feel them breaking—to be released from the prison of small thinking, of small living. It is great to see the hardness vanish from people that we know. It is great to see the pettiness and the cynicism depart, and in their places to see strength and power and sympathy and love and faith come into being. In practical patriotism of today we would get rid of our differences, get rid of every "ism," except Americanism, with its foundation composed of the great freedoms the fathers wrote in letters of flame in our organic law.

In New York a few weeks ago I heard Raymond Massey portray the Life of Lincoln in Illinois. I can hear him say, when interrogated by the clergyman, "I believe in that doctrine that man should love his God with all his heart and all his mind and all his soul and his neighbor as himself." It's a great play. See it if you can, and Massey has done a great job. When you and I have a genuine love for our neighbor in our hearts and remember who our neighbor is, then life, individually and nationally, will be kept under control. When men have the "light" within, then the world will be better.

I know that some who are listening to me are saying, "Now that's an impractical talk." What I am trying to get across on this angle of my talk is this—that you and I have a job to do, and that job is to recreate ourselves, sluff off the accumulation of things that limit us, and make ourselves creatures to serve our country in this crisis. You remember that Moses was out in the wilderness, and the word came to him that he should go down to Egypt to free his people, and he said: "Who am I, Lord?" That's what you say every day, when a problem comes up. Only, you put it in a different vernacular. You simply say: "Well, who am I? I can't do that job." Something happened to Moses. It happened to Lincoln. It took that man who came from the backwoods of Kentucky and made him the savior of the Nation. With Moses, what was it? Well, at your radio you can tune in to the great symphonies and to the fine choruses, and feel the joy and the strength and the power and the exaltation come into your being. Or you can tune in to the trashy programs and feel almost the nausea affect you. Perhaps here we find something that points to us the way. Moses made contact with reality. He got hold of something that made him do something great. He did the job by becoming fearless instead of fearful.

If you want to be a practical patriot, you've got to arm yourself. You've got to be competent to meet the situation. I remember last spring, when I was up to my farm in Wisconsin, I saw the old cat climb up a tree and on to the branch toward a nest. I saw the mother robin fly at it and dart past it, keeping the cat interested, at least. The cat approached nearer and nearer, and then, at the last, I saw the mother robin strike that cat, and down it went, and the robin, too. But the little robins, the young, were saved. There was something there—something elemental. There was something that gave that robin power. You and I have to get into action soon against some of these group exponents of foreign political notions—and show them America needs straight thinkers, who believe in democracy.

Today our world, our country, our State, and each community need men and women who can see straight and think straight. The real need is for Christian men and women who understand, who are willing to give of their time and their energy, to bring light to those who dwell in a darkness of fear and hate. You cannot build an ideal state by simply passing laws to regulate life's activities. Making people dependent upon the state is not building the state or the individual. To make man self-sustaining, adventuresome, a builder reaching out to find self and his Maker, that is practical patriotism.

May we come to understand just what America really is. She isn't made up of big buildings, well-kept farms, and large cities; she isn't made up of her Grand Canyon, her mountain ranges, her million lakes. America is not a stretch of land with geographical borders. No! To me, particularly now in this world of conflict with the old hydra-headed monster of absolutism, which has captured a large portion of this earth, America is a spiritual thing. You can see the conflict that is being waged between the ideas of absolutism and democracy. You are needed to save this thing we call America. I said it was a spiritual thing. There are 130,000,000 of us who compose her. Thank God, we have not, with our confused thinking, yet lost the meaning of America. We have here freedom of worship, freedom of speech and press, the basic ideas of the Bill of Rights, the right to private ownership of property.

Much as I love this Nation—and I've seen a lot of it—if we should lose "this America of ours," this spiritual thing, the geographical boundaries of the Nation would have little or no value for me. If in my time I should see this spiritual thing leave this continent, and my children and I become intellectual and political slaves—as I have seen occur in other lands—then will the light have gone out, and I shall be more than ready to say farewell to life.

I believe, my friends, you feel the same way. If America is in danger it is due to our complacency, our lack of alertness. The forces of reaction (disguised sometimes as liberals), the forces of tyranny and bigotry—right here in America—raise their heads. You and I must be on guard like the Greeks at Thermopylae to preserve our heritage. If you fail, then like Esau you despise your heritage.

But I know that you will combat and win for America, if you just get perspective. And remember, the man who gets perspective is not complacent and self-satisfied. He is not living in a sleeping condition, apparently unaware of the needs which America has to meet. Over a generation, certain of our politicians have builded up barriers between labor and capital, with the result that today labor and capital, instead of cooperating and building, have in many places—due to the agitation of these false prophets—literally prepared themselves to spring at each other. Then there are those false prophets who have been inoculating us with hate of certain races. The result is apparent. Ten million unemployed; foreign products coming into America which American labor and American capital should be producing, destruction of our capital in practically every segment of our capital structure, a reduced national income, a broken morale.

Seeing this misunderstanding, seeing these barriers, is not enough. We have to stem that misunderstanding. What have you done to bring courage to the fear-ridden, unhappy, hatred-filled minds that are involved in this war of classes? What have you done to antidote the poison of race hatred? You and I know that there are certain political philosophies in America that want this thing to go on—these philosophies would like to see 20,000,000 more unemployed. Then they feel that their philosophy would find fertile resting ground.

Practical patriotism requires that "with malice toward none and with charity for all" (in the words of Lincoln) we approach the reconstruction days which are up ahead; that we teach and preach and know that the old way of work, initiative, invention, cooperation, reasonable profit is the right way; and that we are going to

get rid of the demagog who separates us. The old slogan applies: "Eternal vigilance is the price of liberty." It is the price and part of practical patriotism that you and I must apply. The story is related that every morning one of the great men of Europe was awakened by his servant with this salutation: "Awake, sir. You expect to do great things today." May I paraphrase that statement and say: "Awake, sirs. You no longer will sleep the sleep of complacency and self-satisfaction; from now on you will do great things, for your country needs you."

Gentlemen, Browning says: "Life has meaning, and to find its meaning is my meat and drink." Our way is the way of "practical patriotism."

"God send us men with hearts ablaze,
All truth to love, all wrong to hate;
These are the patriots nations need,
These are the bulwarks of the state."

Dismemberment of Czechoslovakia

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, March 16, 1939

EDITORIAL FROM THE NEW YORK DAILY NEWS

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be published in the Appendix of the CONGRESSIONAL RECORD a most able editorial—with which I agree—from the columns of the New York Daily News of yesterday and reprinted in the Times-Herald of Washington, D. C., entitled "Hitler Grabs Again." I call special attention to these lines in the editorial:

We can't get so excited about it, and don't see why other Americans should—

And—

All this, to Americans, should be merely an interesting show to watch; not a fight to mix in.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Daily News]

HITLER GRABS AGAIN

"What's Hecuba to him, or he to Hecuba,
That he should weep for her?"
—*Hamlet, Act II, Scene 2.*

Czechoslovakia has come undone, following a slight push from Adolf Hitler.

After a couple of days of simulated war scares, artificial riots, and gestures at invasion by the German Army, Slovakia quietly detached itself from Czechia, and the Praha Government formally announced dissolution of the Czechoslovak state. Carpatho-Ukraine, eastern tag end of what used to be Czechoslovakia, has been under Hungarian domination for some days—which means under German domination, since Hungary is dominated by Germany.

There is a great deal of breast-beating among the local "reds" and their fellow travelers over the latest development. As we get it, the "red" interpretation is that Chamberlain and Daladier are to blame, and that Czechoslovakia's blow-up is felt to be another move in a British-French plot to sick Hitler on Russia.

AN ARTIFICIAL BUFFER STATE

We can't get so excited about it, and don't see why other Americans should.

Czechoslovakia was an artificial country, put together after the war, at the instance of France, from fragments of the old Austro-Hungarian Empire. There were Czechs and Germans in its western end, and Russians, Hungarians, and Poles in Carpatho-Ukraine.

We will now tell about the Slovaks, having just found out about them by looking in the Encyclopedia Britannica. For the benefit of those who haven't yet had time to consult their encyclopedias—the Slovaks are a Slavic race (so are the Czechs) who inhabit the southern exposures of the northern Carpathian mountains. Their bailiwick was in northern Hungary until 1918. The Slovaks speak a different language from that of the Czechs. The Slovaks came under Magyar rule about 900 A. D., while the Czechs founded the Kingdom of Bohemia—a deed which has been felt by the Czechs ever since to have given them a certain superiority over the Slovaks. The Slovaks disagree.

Anyhow, these nationalities and others were lumped together after the war to make the artificial state of Czechoslovakia. The French object was to set up a state for the continued suppression of Germany. That was also the object of the resurrection of Poland after the war, Poland having been divided up in the late eighteenth century by Prussia, Russia, and Austria. The Poles are reported much worried over the collapse of Czechoslovakia; and well they may be.

NO FIGHT OF OURS

The old Austro-Hungarian Empire was an artificial creation, too—but it was somewhat less artificial, more nearly an economic natural, than Czechoslovakia. It was keyed to the Danube River to a great extent; and the Danube is the economic jugular vein, so to speak, of Central Europe.

Europe's multitude of troubles are to be solved, according to most impartial analysis, only by eventual formation of a United States of Europe. To which we would add, by adoption of one language to replace the 40 or 50 languages and dialects now spoken in Europe. The common language might be German, French, Italian, or English; it wouldn't matter what.

It seems to us that Hitler, in smashing some of these frontiers and consolidating German economic power over larger and larger areas, is restoring Central Europe to something of its pre-war logical arrangement. We have no love for Hitler; but Central Europe before the war was happier than it has been since.

All this, to Americans, should be merely an interesting show to watch; not a fight to mix into. See the Hamlet quotation heading this editorial.

Discussions Concerning Arrangements Between the United States and Brazil

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Thursday, March 16, 1939

NEWS RELEASE ISSUED BY THE DEPARTMENT OF STATE ON MARCH 9, 1939

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a news release issued on March 9, 1939, by the Department of State, containing discussions between Senhor Oswaldo Aranha, Minister of Foreign Affairs of Brazil, and officials of the Government of the United States, touching the agreement which was entered into between the two Governments.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

[Department of State, March 9, 1939, No. 84]

DISCUSSIONS BETWEEN HIS EXCELLENCY SENHOR OSWALDO ARANHA, MINISTER OF FOREIGN AFFAIRS OF BRAZIL, AND OFFICIALS OF THE GOVERNMENT OF THE UNITED STATES

The Minister of Foreign Affairs of Brazil reached Washington last month, in response to an invitation extended to him on January 9, 1939, in which reference was made to the close and friendly ties which have traditionally united Brazil and the United States and to the various questions of importance in which the two Governments are equally interested. Senhor Aranha's visit has been especially gratifying to the Government of the United States. His distinguished service as his country's Ambassador in Washington is recalled with particular pleasure, and he returned to the United States as a friend visiting friends.

During the past several weeks a series of discussions on all topics of mutual interest has been held between the Minister and the officials and experts of the Government of Brazil accompanying him, and officials of the Government of the United States. In these conversations the area of possible collaboration has been carefully explored, and important decisions on matters of mutually beneficial cooperation have been reached.

The Government of Brazil plans to free the exchange market for commercial transactions and to facilitate the transfer of an equitable return upon investments made in Brazil by United States citizens under normal conditions in the Brazilian balance of international payments. In order to facilitate this improved exchange situation the Export-Import Bank will extend appropriate acceptance credits to meet amounts due American exporters for imports from the United States. Moreover, the Minister has indicated that it is the desire of the Government of Brazil to observe a general policy which will encourage the cooperation of United States citizens who have invested or who in the future may invest their capital and technical experience in the development of Brazilian resources and national economy.

Arrangements have also been made by the Export-Import Bank for the extension of credits which will facilitate the purchase by Brazil of American products, the importation of which will assist in improving Brazil's transportation facilities and the development

of her other domestic undertakings designed to increase the productive capacity of the Brazilian Nation and her trade with the United States. These facilities will at the same time aid American manufacturers and exporters in extending the market for their products.

It is anticipated that the Brazilian program of national development may likewise benefit by plans for surveys of tropical agricultural possibilities by experts of the United States Government and by the subsequent loan, should the Government of Brazil so request, of experts available under the terms of Public, No. 545, enacted last year. In that connection views have been exchanged relative to the development in Brazil of complementary, noncompetitive products for which a substantial market is believed to exist in the United States, provided an assured supply can be developed. In the development and expansion of complementary trade it is believed that the two Governments may find a field for increasingly effective cooperation.

The Government of Brazil has indicated its desire to organize and operate a central reserve bank, and the Treasury Department is prepared to lend appropriate assistance to that end. Moreover, the President has stated that he is prepared to make a recommendation to the Congress for suitable authorization to place at the disposal of the Government of Brazil gold up to the amount of $50,000,000 to serve as possible supplementary assets in case of need, such amount as is drawn upon to be repaid from Brazil's future production of gold.

There are attached copies of notes exchanged between the Minister of Foreign Affairs of Brazil and the Secretary of State, with accompanying texts.

Cooperation in many other fields of activity not taken up in the above-mentioned exchange of notes was also profitably discussed with the Minister and the officials and experts of the Brazilian Government who accompanied him to this country.

The Minister has likewise engaged in discussions with the Foreign Bondholders Protective Council, Inc., relative to the status of the Brazilian dollar debt, and has announced that the Government of Brazil intends to resume payments on July 1, 1939, on account of interest and amortization on such debts in accordance with a transitional arrangement the details of which will be made known following his return to Rio de Janeiro. The Minister has also stated that it is the hope and expectation of his Government that, with the improvement in its foreign commerce which it now foresees, a permanent settlement which will be equitable and satisfactory to all interests involved will follow upon the expiration of the temporary arrangement.

Enclosures:

1. Translation of a note dated March 8, 1939, from the Minister of Foreign Affairs of Brazil to the Secretary of State; appendix A, communication dated March 8, 1939, from the Minister of Foreign Affairs of Brazil to the Export-Import Bank of Washington; appendix B, communication dated March 8, 1939, from the Minister of Foreign Affairs of Brazil to the Secretary of the Treasury.

2. Note dated March 9, 1939, from the Secretary of State to the Minister of Foreign Affairs of Brazil; appendix A, communication dated March 9, 1939, from the Secretary of the Treasury to the Minister of Foreign Affairs of Brazil; appendix B, communication dated March 8, 1939, from the president of the Export-Import Bank of Washington to the Minister of Foreign Affairs of Brazil.

[Official translation]

BRAZILIAN EMBASSY,
Washington, March 8, 1939.

To His Excellency CORDELL HULL,
Secretary of State of the United States of America,
Department of State, Washington, D. C.

MR. SECRETARY OF STATE: The Brazilian Government presents through Your Excellency to your Government its thanks for the courtesies which were extended to me and to my companions during my visit to your country.

Your Excellency may be assured that my grateful recollection of the period during which I had the honor of being my country's Ambassador to the United States, and that the amity of my people toward the American people and the mutual confidence that exists between our two Governments, have been enhanced by the repercussion of the new and expressive demonstrations of cooperation and of friendship toward Brazil which we have witnessed during the course of this visit.

With a desire to foster continued mutually beneficial economic relations between Brazil and the United States and to develop the national economy and natural resources of Brazil, the Government of Brazil, after due deliberation and the considered discussion of its authorized representatives with the authorized representatives of the Government of the United States of America, is undertaking or intends to undertake in the near future the following policies and actions to attain the objectives mentioned:

I

It is the decision of the Government of Brazil to issue a decree law freeing the exchange market for commercial transactions. This will insure the provision of funds in payments for imports from the United States in accordance with the note of the Brazilian Ambassador to the Secretary of State of the United States of February 2, 1935. This measure will also facilitate the transfer of an equitable return upon investments made in Brazil by United States citizens under normal conditions in the Brazilian balance of international payments. The Brazilian Government will give further study to this matter. I believe that, as a result of the discussions between the authorized representatives of our respective Governments during the course of my visit, a substantial accord has been reached as to the basis of these provisions and for the necessary cooperation between our institutions.

In order to proceed with this proposed facilitation of exchange transactions, the Government of Brazil finds it necessary to provide dollar exchange to meet amounts now due American exporters. To make this provision, my Government has addressed a communication to the Export-Import Bank of Washington with a view to obtaining the extension of appropriate acceptance credits for this purpose by that organization. A copy of this communication is enclosed as appendix A.

II

The Government of Brazil has decided to create a central reserve bank which will have the functions of regulating the internal and external value of the milreis, and of controlling credit and the money market. The central reserve bank will endeavor to eliminate unusual fluctuations in the balance of international payments and those arising from the irregular timing of in- and out-payments by a policy of adapting the balance of payments to normal exchange resources. To this end a line of credit in American currency, intended exclusively for this purpose, would be desirable in order to insure relative stability in the value of the milreis within the policy described. A copy of a communication addressed by my Government to the Treasury Department regarding this matter is enclosed as appendix B.

III

With particular view to the systematic economic development of the Brazilian Nation, my Government, in its communication to the Export-Import Bank of Washington, a copy of which is enclosed as appendix A, took up the question of obtaining longer-term credits to finance Brazilian purchases of industrial goods in the United States, and the terms of repayment of such credits. These credits are believed to be necessary to the proper utilization within a reasonable period of the known resources of Brazil, for the benefit of the Brazilian people and the further stimulation of Brazilian-American trade.

IV

The Government of Brazil is especially desirous of stimulating the systematic large-scale production of agricultural products native to Brazil or capable of successful introduction to Brazil which will complement production and find a market in the United States. The Government of Brazil will, of course, appreciate the cooperation of the Government of the United States in the study and development of such products which may provide the United States with assured sources of supply.

V

In connection with all of the phases of economic relationships between the United States and Brazil, my Government has given renewed thought to the dollar bond indebtedness of the Government of Brazil and of the Brazilian states and municipalities. The decision has been reached, as part of its general economic program, to resume payment on July 1, 1939, on account of interest and amortization on these external dollar debts. A transitional arrangement for a brief period to effect this has been discussed with the Foreign Bondholders Protective Council, Inc. These discussions in regard to the scale and amount of payment will be continued after my return to Rio de Janeiro and subsequent announcement will be made by my Government. It is the hope and expectation of my Government that with the improvement in its foreign commerce which it now foresees a permanent settlement which will be equitable and satisfactory to all interests involved will follow upon the expiration of this temporary arrangement.

VI

Still with the desire of giving to the friendship between our two countries economic and juridical bases commensurate with the purpose of promoting cooperation between our two peoples, I wish to emphasize that my Government intends to observe a general policy which will inspire the confidence of United States investors, giving them no more restrictions than those to which Brazilian investors may be subjected. I can assure Your Excellency that my Government has decided to encourage in any way and means the valuable and desirable cooperation of United States citizens who have invested or who in the future may invest their capital and technical experience in the development of Brazilian resources and national economy.

Renewing my expressions of appreciation to your Government and to all the officials of the various departments who have given us inestimably valuable assistance during the period of our negotiations, believe me,

Your sincere friend,

OSWALDO ARANHA.

[Enclosure]

APPENDIX A

BRAZILIAN EMBASSY,
Washington, March 8, 1939.

EXPORT-IMPORT BANK OF WASHINGTON,
Washington, D. C.

GENTLEMEN: In order to increase trade between the United States and Brazil, the Government of Brazil would like to meet without delay all present and future trade obligations to United States firms and nationals, an arrangement that will be mutually beneficial to the United States of America and the United States of Brazil. My Government also contemplates the improvement

and extension of Brazil's existing transportation facilities and the establishment and expansion of basic industries essential to the domestic economy of Brazil. To accomplish this, credits will be required, credits extending in some instances as long as 5 and possibly 10 years, depending upon the character of the purchases for which the credits will be used.

These objectives can be greatly facilitated by the establishment by your bank of acceptance credits in favor of the Banco do Brasil in order to permit the Brazilian Government to meet amounts due to American exporters to Brazil and to enable the prompt remittance of dollar exchange for future purchases of industrial and agricultural products of the United States of America. Such acceptance credits, if extended, will be utilized from time to time as required during the remainder of the calendar year 1939; and will be reimbursed in quarterly installments over a period not exceeding 24 months for any individual item.

Suitable steps will be taken by the Government of Brazil to insure the acquisition by the Banco do Brasil of the dollar exchange required to extinguish the obligations as they mature.

The Government of Brazil is undertaking the economic development of the Brazilian nation and proposes, among other things, to assist in the establishment of certain basic industries, improve transportation facilities, and to undertake other projects designed to increase the productive capacity of the nation. The cost of the activities contemplated will be met by revenues other than those presently allocated to meet the normal expenses of the Government.

Substantial quantities of industrial goods produced in the United States are urgently needed to accomplish the purposes envisaged, but the acquisition of such goods against cash payments would seriously affect the ability of Brazil to continue normal purchases from the United States and would strain my Government's foreign exchange resources. To obviate the inconvenience of restricting normal trade and the danger of too rapidly depleting Brazil's supply of foreign exchange, the Brazilian Government will need the longer-term credits indicated, all of which will be used for the purchase of American products.

The amount of such credits and the time within which they can be most advantageously utilized, and repaid, will depend largely upon the progress of developments in Brazil. The tenor of individual credits will naturally be governed largely by the character of the product to be financed, but it is hoped that provision can be made in certain instances for payments over a period of 10 years from the date of purchase.

It is our understanding that industrial credits approved by the Export-Import Bank ordinarily require the cooperation of the interested American manufacturers or financial institutions. We further understand that under existing law the Export-Import Bank is not empowered to advance funds subsequent to June 30, 1941.

We will welcome an expression of your attitude toward the two proposals we have outlined herein.

Very truly yours,

(Signed) OSWALDO ARANHA.

[Enclosure]

APPENDIX B

BRAZILIAN EMBASSY,
Washington, March 8, 1939.

The Honorable HENRY MORGENTHAU, Jr.,
Secretary of the Treasury, Washington, D. C.

MY DEAR MR. SECRETARY: The Brazilian Government has decided to create a central reserve bank which will have the functions of regulating the internal and external value of the milreis and of controlling credit and the money market.

The creation of a central reserve bank is desirable first and foremost in order to coordinate under the direction of one competent board of directors all the functions and operations of a central bank—many of the elements of which already exist in one form or another in the several departments of the Bank of Brazil and of the Brazilian treasury—so that that body may guide and carry out effectively the monetary and banking policy of Brazil. At the present time these functions, insofar as they exist, are carried on by the virtually uncoordinated exchange and rediscount departments of the semiofficial Bank of Brazil (the commercial department handling fiscal agency operations) and the note issue section of the treasury.

In addition to this major objective of coordinating the external and internal aspects of monetary policy, there are a number of specific ways in which an efficient central reserve bank may be of assistance in the development of the Brazilian economy, including: (1) it may regulate the issuance of notes, removing this function from the direct exigencies of public finance; (2) it may be instrumental in the establishment of an effective money market and in improving techniques for its control, as have been the recently created central banks in other American countries; (3) as a consequence of (2) it may facilitate the regular issuance of Treasury bills, notes, and bonds, and aid in the development of additional banking and credit services for the financing of Brazilian industry and agriculture; and (4) it may establish efficient methods for collecting economic data necessary for the proper determination of external and internal monetary policies.

The draft organic law for the proposed central reserve bank is outlined below. The Minister of Finance of Brazil, during his visit to the United States in 1937, explained the subject to the Secretary of the Treasury and American technicians, and he then had the opportunity of discussing and clarifying details for the project.

The capital of the bank shall be 60,000 contos of reis, one-third to be subscribed by the Government, one-third by banks operating in Brazil, and one-third by public subscription. The bank shall be governed by a board of directors consisting of a president and vice president appointed by the Government and additional directors elected by the shareholders.

The principal activities of the bank shall be:

(a) To issue notes.

(b) To hold the monetary reserve deposits of the banks of Brazil.

(c) To buy and sell, discount and rediscount bills of exchange.

(d) To make advances guaranteed by gold bullion, bills of exchange, or Federal securities.

(e) To buy and sell gold.

(f) To buy and sell foreign exchange.

(g) To engage in open-market operations in certain Federal securities as well as in gold, exchange, and commercial bills.

(h) To act as fiscal agent.

(i) To act as clearing house.

The bank shall be required to maintain minimum reserves of 25 percent of the total of its outstanding notes and sight obligations. This reserve will be composed initially of gold holdings, of balances abroad in free currency, and of public-debt certificates of the national treasury. As gold holdings are increased (such increase being insured through purchases of gold produced within the country) the bank will reduce by an equivalent amount the part constituted by bonds.

The Treasury already possesses 30 tons of gold worth about $35,000,000, or, at prevailing exchange rates, about 13 percent of the currency in circulation. Purchases of domestically produced gold may be estimated at an average of 8 tons annually; thus it may be foreseen that within 5 years the gold reserve will have attained 70 tons (about $80,000,000), or, in other words, more than 32 percent of the present note circulation.

Until the minimum reserves of the bank can be constituted entirely in gold and exchange and until the economic position of Brazil attains a definitely favorable level, the central reserve bank will endeavor to eliminate unusual fluctuations in the balance of international payments and those arising from the irregular timing of in-and-out payments by a policy of adapting the balance of payments to normal exchange resources. To this end, in the manner of an exchange equalization fund, the bank will resort to the sale of Federal securities in the open market whenever it becomes necessary to prevent inflows of capital from having their full effect on the domestic money market. In the opposite circumstances, the bank would find it necessary to draw against available funds abroad. To this end a line of credit in American currency, intended exclusively for this purpose, would be desirable in order to ensure relative stability in the value of the milreis within the policy described.

Believe me,

Sincerely yours,

OSWALDO ARANHA.

DEPARTMENT OF STATE,
Washington, March 9, 1939.

His Excellency OSWALDO ARANHA,
Minister of Foreign Affairs of Brazil.

EXCELLENCY: I have received with genuine appreciation Your Excellency's very friendly note of March 8, 1939, with reference to the matters which I have had the privilege of discussing with you during your visit to Washington. I need not assure you of the personal satisfaction which it has been for me to cooperate with you in a comprehensive survey of all phases of the questions interesting our two countries, and I am convinced that the traditionally close and cordial relations which have always existed between the people of Brazil and those of the United States will be materially strengthened as a result of the decisions taken during your visit.

I have noted with especial satisfaction that in your communication under acknowledgment you have enumerated policies and actions which the Government of Brazil, after due deliberation and the considered discussion of its authorized representatives with the authorized representatives of the Government of the United States, is undertaking or intends to undertake in the near future in order to foster continued mutually beneficial economic relations between the United States and Brazil and to develop the national economy and national resources of Brazil. As you well know, my Government is keenly desirous of taking any steps possible in order to continue and expand the economic cooperation between Brazil and the United States.

My Government is pleased to note that it is the intention of the Government of Brazil to establish and maintain a free exchange market for commercial transactions and to facilitate the transfer of an equitable return upon investments made in Brazil by United States citizens under normal conditions in the Brazilian balance of international payments. I am informed that the Export-Import Bank of Washington has found it possible to assist in the facilitation of exchange transactions by extending appropriate acceptance credits in order to provide dollar exchange to meet amounts due American exporters for imports from the United States.

I am also informed that the Treasury Department finds itself heartily in sympathy with the objectives stated in your communication to it regarding the establishment of a central reserve bank, and will be glad to assist your Government in the establishment of such a bank and in its operations, by placing at your disposal its advisory facilities and by the extension of a line of credit.

In the latter connection, I understand that the Secretary of the Treasury, with the approval of the President, is informing you that the President is prepared to make a recommendation to the Congress for suitable authorization.

I am further informed that the Export-Import Bank, with a view to cooperating in the facilitation of trade between the United States and Brazil and in the development of Brazilian natural resources, has agreed to consider the arrangement of suitable longer term credits to finance Brazilian purchases of economic equipment in the United States.

Copies of communications in regard to these matters addressed to you by the Secretary of the Treasury and by the president of the Export-Import Bank are enclosed as appendixes A and B.

The Government of the United States is interested in cooperating with the Government of Brazil in every practicable way in the study and development of agricultural products and production which will complement production in the United States. In this regard, as you are aware, legislation has already been enacted which authorizes the loan of experts of the Government of the United States to assist the Government of Brazil in specialized agricultural studies and developments. Plans have also been formulated for surveys of agricultural possibilities, including the development of tropical hardwoods, rubber, and other products, which surveys could readily include the coincidental study of many additional native products of Brazil. Draft legislation which would provide authorization for these surveys is now before the Congress.

In relation to this general program of economic cooperation between the United States and Brazil, I welcome the information that your Government plans to resume payment on July 1, 1939, on account of interest and amortization of the external dollar debt of the Government of Brazil and of the Brazilian states and municipalities, in accordance with a transitional arrangement, and that it is the hope and expectation of your Government that with the improvement in its foreign commerce which it now foresees a permanent settlement which will be equitable and satisfactory to all interests involved will follow upon the expiration of this temporary arrangement.

I likewise welcome with sincere gratification the assurance that it is the intention of the Government of Brazil to observe a general policy which will encourage the participation of citizens of the United States in the economic life of Brazil.

In reiterating to Your Excellency the assurances of my most distinguished consideration, allow me to add my sincere thanks to you and to the officials of the Brazilian Government accompanying you for the close and valuable cooperation invariably accorded throughout the period of our important negotiations, and to wish you all a safe and pleasant journey in returning to Brazil.

CORDELL HULL.

(Enclosures:

Appendix A: Communication dated March 9, 1939, from the Secretary of the Treasury to the Minister of Foreign Affairs of Brazil.

Appendix B: Communication dated March 8, 1939, from the President of the Export-Import Bank of Washington to the Minister of Foreign Affairs of Brazil.)

[Enclosure]

APPENDIX A

THE SECRETARY OF THE TREASURY,
Washington, March 9, 1939.

MY DEAR MR. MINISTER: I have before me your letter of March 8, 1939, containing an outline of the plan which the Brazilian Government has under consideration for the establishment and operation of a central reserve bank.

Our discussion appears to me to bring out plainly the soundness of the objectives envisaged in this plan and of the useful results that may be attained both for the Brazilian economy and for the future development of Brazilian-American trade and monetary relationships.

I am, therefore, instructed by the President to advise you that when and as the Brazilian Government may decide to move forward in this matter, this Government will be glad to assist it by placing at the disposal of your Government the advisory facilities of the Treasury Department. Moreover, if the Brazilian Government in its further examination of the question decides that, as part of the plan of cooperation between the financial and monetary authorities, it can usefully be assisted by the according of loan facilities to the new institution, the President will be glad to present to Congress a request for authorization to place at the disposal of the Government of Brazil, under such terms and conditions as deemed wise, gold up to the amount of $50,000,000, to serve as possible supplementary assets in case of need. This fund, I understand from you, might or might not be drawn upon, but it would be certain to be helpful in the event that the new institution should have to deal with special situations of a temporary character. You have informed me that in the event this amount is drawn upon, the Government of Brazil would plan to make repayment from its future production of gold.

I would also like to recall our discussion of last week with reference to the maintenance of a financial attaché by your Government at the Embassy in Washington. I think the work of such an official in Washington would be helpful and would doubtless serve to extend the field of cooperation between the two Treasuries. This will be particularly true since this Government intends to maintain at the Embassy of the United States in Rio de Janeiro an officer fulfilling a similar role and the officer so designated will proceed to Rio de Janeiro in the immediate future. The appointment of these officials should facilitate and expedite the course of further discussion of the objectives above mentioned.

Believe me,

Sincerely yours,

H. MORGENTHAU, Jr.

His Excellency, OSWALD ARANHA,
Minister of Foreign Affairs of Brazil,
Brazilian Embassy, Washington.

[Enclosure]

APPENDIX B

EXPORT-IMPORT BANK OF WASHINGTON,
Washington, March 8, 1939.

MY DEAR MR. MINISTER: Reference is made to your communication of March 8.

The Export-Import Bank will undertake to establish acceptance credits for the Banco do Brasil in order to assist the Government of Brazil in its purpose to discontinue official control over foreign-exchange operations insofar as such control affects commercial relations between Brazil and the United States. Such credits will be provided directly or through American commercial banks satisfactory to the Banco do Brasil and ourselves, and shall be repayable in installments over a period not exceeding 24 months.

To permit the Banco do Brasil ample opportunity to liquidate its obligations under the credit, it is suggested that each original draft shall be payable at 3 months' sight and may be satisfied at maturity by the payment of 10 percent of the face amount thereof and the delivery of a renewal draft payable at 3 months' sight for the balance; and thereafter at 3-month intervals, similar transactions shall take place, except that the two last installments shall each represent 20 percent of the face amount of the original drafts. The total amount of such credits outstanding at any one time, whether representing original or renewal drafts, shall not exceed $19,200,000. The discount, including the acceptance commission, shall be nine-tenths of 1 percent flat upon each draft or acceptance—equivalent to an annual rate of 3.6 percent. The details of the transaction will hereafter be arranged between the Export-Import Bank, or the approved commercial banks, and the Banco do Brasil, but it shall be understood that all drafts shall be liquidated on or before June 28, 1941.

To aid in improving Brazil's transportation facilities and the development of her other domestic undertakings designed to increase the productive capacity of the Brazilian nation and her trade with the United States, the Export-Import Bank will cooperate with the American manufacturers and exporters in supplying the requirements for these developments by participating with such manufacturers and exporters, to the extent that its funds may be available for such purposes, in the extension of credits of a tenor calculated to enable the Government of Brazil and the Banco do Brasil to create the necessary exchange without disrupting normal purchases from the United States, or too rapidly depleting Brazil's supply of foreign exchange.

The Export-Import Bank understands that credits of the kind under consideration will be of a commercial character and will bear a rate of interest commensurate with the individual transactions, not in excess of 5 percent per annum. Accordingly, we would prefer that any advances should be against the obligations of the Banco do Brasil or other qualified banking institutions, and that adequate assurances be made by the Brazilian authorities that the requisite dollar exchange will be available for repayments. It is suggested likewise that provision be made for periodic payments to the end that no single payment will occasion any serious depletion of your country's exchange reserve.

Within the period during which the bank is in position to assist in providing these credits, and to the extent that its funds may be available for this purpose, we will consider any specific proposals as they may develop.

Sincerely yours,

WARREN LEE PIERSON, *President.*

The Honorable OSWALDO ARANHA,
Minister of Foreign Affairs.

H. R. 3840—The Bandmaster Bill

EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1939

ADDRESS BY CAPT. HOWARD C. BRONSON, FEBRUARY 27, 1939

Mr. SHANLEY. Mr. Speaker and my colleagues, I have asked unanimous consent to extend and revise my remarks on H. R. 3840, the so-called bandmaster bill, introduced by my distinguished colleague from Connecticut, the Honorable

J. JOSEPH SMITH, and to include therein a very pertinent and helpful address of Capt. Howard C. Bronson, president of the United States Army and Navy Bandsmen's Association, at the American Bandmasters convention at Fort Dodge, Iowa, on February 27. I have also asked permission and unanimous consent to extend therein the resolution adopted by the American Bandmasters Association on March 6, 1939.

The address and resolution are as follows:

Honorable President and fellow members of the American Bandmasters Association, it is indeed an honor to bring you greetings from that organization, which it has been my privilege to serve during the past 4 years, the United States Army and Navy Bandsmen's Association. May I at this time express our deep appreciation to the American Bandmasters Association for the sympathetic and active interest the membership, collectively and individually, has shown in the problems of the service musician? In behalf of the United States Army and Navy Bandsmen's Association I wish to take this opportunity to thank the American Bandmasters Association for the invaluable assistance it has rendered in our struggle for the betterment of conditions surrounding the bands of our Army and Navy. And I should be remiss indeed were I to neglect to thank those individuals who have taken of their time and lent their influence to the cause of better service bands—Dr. Goldman, Dr. Simon, President Karl L. King, Dr. Harding, Herbert L. Clarke, A. R. McAllister, and many others, who, because the list is too long to permit their inclusion, we nonetheless appreciate their work and sincerely thank them for the valuable and fine work they have done in our behalf.

There is a wide difference between the personal status of the membership of the American Bandmasters Association, composed, as it is, of men outstanding in their field, free agents, if you please, capable of exercising their right of franchise and possessing in varying degrees prestige outside the circle of their profession, and the membership, broadly speaking, of the United States Army and Navy Bandsmen's Association, in which a considerable number are not free agents, have no status of citizenship, and oftentimes are subjected to reprisals from those in power should their voices carry into the holy of holies. Yet our purposes are identical—the advancement of music.

Better bands are the result of better conditions under which music is produced. Better pay, better administration, provides the playing difference between the Army, Navy, and Marine Bands at Washington and the regimental and ship bands of the line. This is as true in the service as it is in civil life.

The United States Army and Navy Bandsmen's Association is the sole representative organization of the musicians of the military service. Its purpose is the procurement of better conditions for the service musician, to the end that we may have better military bands.

Last fall our secretary-treasurer, Lt. A. R. Teta, attended as a delegate the annual National Guard officers' convention, which was held in San Francisco, Calif. En route he visited practically every section of the central, south, and western United States. Regional conventions of our association were held in Chicago, Fort Worth, Phoenix, Los Angeles, and Portland, Oreg.

Our national organization now consists of a president, secretary-treasurer, an executive council with a representative in each corps area, and a department in each State, presided over by a vice president. A constant flow of bulletins goes forth from our secretary's office to each vice president, whose duty it is to transmit the information to the membership within his department. Our own publication, the Army and Navy Musician, does not have a regular schedule, but issues are printed not less than four times yearly. It carries all pertinent, new information and it is sent to every band leader and every noncommissioned officer member of this association in the Regular Army, National Guard, Navy, and Marine Corps.

We have a liaison officer in Washington, D. C., whose duty it is to maintain close contact with the War Department, Navy Department, and Congress.

No member of the association receives any remuneration for his services. A part-time stenographer and clerk is employed from time to time. The distribution of information and the necessity of frequent conferences with officialdom, at Washington, creates a heavy financial obligation which is oftentimes difficult to meet. While our potential membership is very large, there are still many who do not belong. However, as the rank and file become familiar with what is being accomplished in their behalf, their interest in becoming active members increases.

May I explain that the three great military bands at Washington, the Army, Navy, and Marine Bands, and the academy bands are separate and apart from the other bands of the service? They operate under special enactments of Congress; their leaders have received commissioned status; the pay and rules governing these bands are entirely and peculiarly for just those organizations. They are the favorite sons of military music. The line band is an animal of distinctively different breed. It has no fairy godfather in the way of this or that admiring Member of Congress—yes; even a proud President. It has no representation whatsoever on the General Staff of the Army; and, may I add, the musician is the only professional man who does not have representation on the General Staff of the Army or the Bureau of Navigation of the Navy, as the case may be. Each regimental band is designated as a section—a part of that heterogeneous unit of the Army, the service company, composed of clerks, cooks, truck drivers, mule skinners, and what not.

The leader of the band section does not command his organization. Yet he is responsible for its training and efficiency. Conditions of pay, administration, and social status are such that few, except the economically pressed, enter the service as bandsmen. The advantages of education and promotion are too ephemeral to attract the young talent of our Nation.

Fed upon that horrendous falsification that the musician is unstable, unfit for responsibility, flighty, and temperamental, it is not difficult to secure sufficient opposition in each Congress to defeat those measures which have been regularly submitted by us each year which, if enacted into law, would provide the machinery for the beginning of a constructive, intelligent, and American program of development for our bands of the line, thus permitting the art of music to secure that degree of recognition within the service which is its due, as well as to provide military bands of a caliber that would allow the citizens of our Nation, including the soldiers in the rank, to point with pride to them and say, "That's our regimental band."

The opposition to commissioned status for Army band leaders is deeply imbedded into the social fabric of the military service. Because the position of band leader has been a sinecure in the past, largely sidestepped by American-born and educated musicians, it is not difficult for the senior officers of the service to recall to memory certain leaders who did not possess elegant drawing-room manners and whose personal traits were not all that a paragon of virtue should have, but, by the same token, who were there among the rough and readies of the early days to cast a critical eye upon the polish, or lack of it, of those who were willing to "woo the Muse" with a ten-, twelve-, or, glory be, a twenty-some-piece aggregation of artists who often found it difficult to converse, except musically, for the want of a common language.

Is it not strange, gentlemen, a line of reasoning which denies that a man capable of training and directing a group of musicians does not exercise the function of command, but sees no inconsistency in commissioned status for the dentist, the chaplain, the judge advocate, the nurse, and the veterinarian?

The United States Army and Navy Bandsmen's Association has at the present time two bills before Congress. One, sponsored by the Honorable JOSEPH SMITH, of Connecticut, provides commissioned status in the grades of second and first lieutenant for band leaders. This is known as the bandmasters bill, H. R. 3840, and S. 1306, sponsored by the Honorable ELBERT THOMAS, of Utah. It does not accomplish our objective in rank, nor does it provide for a chief bandmaster of the Army. However, if passed, it will be a decisive step in the right direction. The second bill, sponsored by Senator LISTER HILL, powerful member of the Military Affairs Committee, provides for the rank of warrant officer for the assistant band leader, master sergeant for second assistant band leader, the addition of several other noncommissioned ratings and specialist grades which will, if enacted into law, make possible a more equitable distribution of rank and pay within the band.

While the American Bandmasters' Association should encourage that which is designed to improve the musical qualities of bands of the military, because of its interest in better music, there is, I believe, perhaps a more practical reason for your support, and that is to provide an attractive career for a portion of the fine, young musical talent now being developed in our public-school systems, universities, and colleges. Whatever we may do to brighten the future course for those who are ambitious to continue in the realm of music after school days is surely worth while. Under present conditions, that for which they are seeking is lacking in our military structure. The prestige of the American Bandmasters' Association and the influence of its members exerted in their behalf will do much to bring about those conditions which must prevail if our ambitions are to be realized.

Each of you gentlemen possesses the power to help materially in making certain the passage of these two bills. When you return to your own localities, urge the music clubs, service clubs, unions, and public-spirited citizens to write or wire your Members of Congress in both the House and the Senate to actively support these measures. Let us remove the stigma of mediocrity which has always been placed upon our bands of the military. We cannot passively tolerate a condition of inferiority for our brothers of the service; and I do, therefore, on behalf of those whom it is my privilege to represent, ask for your full and unqualified support of the "bandmaster" and "bandsmen" bills now before Congress.

I thank you for this opportunity to present our cause to this distinguished group and the courteous manner in which you have received me.

Resolved, That the American Bandmasters Association, in convention assembled at Fort Dodge, Iowa, on the 27th day of February 1939, does now urge and petition those in authority that a commission be created composed of three Regular Army band leaders of the line, three National Guard band leaders, the leader of the United States Army Band, the leader of the United States Military Academy Band, and three bandmasters who are members of the American Bandmasters Association and not connected with the military service. The members of the commission to be selected as follows:

(a) Members of the Regular Army and National Guard to be selected by the executive staff of the United States Army and Navy Bandsmen's Association, secretary, Mr. A. R. Teta, post-office box 1826, New Haven, Conn., to conduct an election for that purpose.

(b) Members of the American Bandmasters Association to be appointed by the board of directors of said organization. The commission to meet at a determined time, not later than May 1, 1939,

in the city of Washington, D. C., for a period of 5 days, during which time a proposed administrative plan for the operation of the musical branch of the Regular Army and National Guard of the United States shall be formulated and submitted to proper authority for consideration.

Military members of the aforesaid proposed commission shall receive pay, as well as regular travel and subsistence in grade. Civilian members of the commission shall receive per diem pay of $20, plus actually incurred travel and living expenses, beginning the date of departure from their respective home cities until their immediate return thereto at the close of the aforesaid meeting in Washington, D. C.; and be it further

Resolved, That the American Bandmasters Association does hereby recommend the passage of the so-called bandmasters bill and the bandsmen's bill, now before the Congress of the United States, and that these be enacted into law during the present session of the United States Senate and House of Representatives and, further, that said bill be received favorably by the President of the United States to the end that bands and the leaders of the bands of the Armies of the United States may assume a position of equality among the bands of other nations, as well as to attain a degree of efficiency comparable to that which is now regarded as standard for the class A bands of the high schools, universities, and colleges of our Nation.

Wanted—A National Conservation Program

EXTENSION OF REMARKS

OF

HON. KARL E. MUNDT

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1939

RADIO ADDRESS BY HON. KARL E. MUNDT, OF SOUTH DAKOTA, MARCH 11, 1939

Mr. MUNDT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address delivered by me in Baltimore, Md., on March 11, 1939, at the occasion of the annual dinner of the Maryland State Game and Fish Protective Association:

Good evening, ladies and gentlemen, one week ago today America commemorated the one hundred and fiftieth anniversary of the first session of Congress, and citizens in every walk of life gave thanks for the fact that organized and successful self-government in this country looks back over a century and a half and gets new courage and revived inspiration to meet the challenges of the future. Compared to the hazards of the past, the dangers of the present seem not so important, and a nation which has successfully solved the problems of 150 years can approach with confidence the solution of the problems yet remaining.

One of these unsolved problems of today is the matter of working out and putting into practice a national conservation program so that the natural resources of America, which for 150 years have pretty much had to shift for themselves, can be safeguarded against the exploitation of population pressure, of industrial inroads, or sheer neglect, and of careless oversight. In our normal desire to gain profit at the moment we have grossly failed to protect our country from the world-old rule that once a nation has sufficiently exhausted its natural resources, all the king's money and all the king's men cannot restore that nation to leadership again.

WANTED—A NATIONAL CONSERVATION PROGRAM

America has made sporadic attempts at conservation, to be sure; but the development and the practice of a comprehensive national conservation program still remains as the golden opportunity for some national leader to accept and for some wise administration to achieve. By abrupt starts and sudden stops our progress toward systematic, Nation-wide conservation has resembled a car on a busy street stopping for traffic lights every few blocks; only our progress in conservation has been even more uncertain than that, because we have not always jerked along in the same direction, and much lost energy is found in a wilderness of detours where well-meaning but ill-timed and poorly planned excursions of conservationists have gone astray. So the picture in 1939 to a very sorry extent resembles the picture confronting our First Congress—those charged with the national responsibility of conserving the greatest natural resources in the world have fumbled their opportunity and have dodged their responsibility.

A DRAMA OF INCONSISTENCIES

We conserve a wilderness area in one place and destroy it by commercializing a national park some place else; we engage in reforestation in one State and reward rapacity in some other natural forest area; we reclaim grasslands in one section and permit overgrazing to denude the mountain slopes of our public domains; one State sets up effective antipollution laws and another beckons to its industries with regulations so lax as to amount to public prostitution of Nature for the benefit of private gain; we pass laws regulating the shooting of wild game while permitting the destruction of its natural habitat to the point that an army of boys with slingshots can annihilate what remains unless we rebuild breeding grounds and resting areas; we decrease hours of labor and increase leisure time while decreasing recreational opportunities and increasing the potentiality for crime.

ALERTNESS MUST CHANGE TO ACTIVITY

America has become alert to these problems after 150 years of wishful hoping that isolated intelligence could solve a national problem, and America must now become active in a unified effort to build at least the rudiments of a national conservation policy.

The present session of Congress has at least two opportunities to make its influence felt in the development of national conservation; unquestionably the present Congress has many other chances to help conserve America for future generations, but in these two instances pending legislation affords it the occasion to record itself for or against putting the creatures of Nature and the resources of the public above the greed and the lure of private profit and selfish preferment. And just as Congress has this opportunity to divide itself between those who would conserve and those who would corrupt the resources of Nature, so, too, has everyone at this dinner and in this radio audience tonight a similar opportunity. Because, good friends, this is your Government and it is only temporarily held in trust by your representatives and your President.

In America these officials are elected to serve you and to represent and reflect your wishes—they are never chosen to hand down to you from imaginary mountain tops of political power such laws, regulations, and proclamations as you oppose. Your Government is what you make it, and in America we always get the type of government which we deserve. If we sulk in our tents when things do not please us, we have no right to complain if somebody comes along and steals away the tent pole—ours is the glorious privilege in America to take an active part in influencing the trends of government. When and if we make our influence felt vigorously enough, we always can bend the trends of government in conformity with our influence.

These two opportunities to serve conservation, therefore, come knocking at the doors of each of you tonight. The first has to do with the development of recreational areas all over America, the production of better fishing and more abundant hunting, the preservation of wildlife, and the protection for future generations of privileges which most of us can still happily enjoy. Congress is soon to decide whether the full amount of the excise tax placed upon ammunition for the alleged purpose of protecting and propagating wildlife is to be used for that purpose and be distributed to the various States in full amounts as the spirit of the Robertson-Pittman law directs or whether only a part of this excise tax shall be so used and the remainder thrown into the general fund to disappear in the giddy arithmetic of trying to meet the astronomical expenses of government as you are now ordering it.

DO NOT BLAME YOUR CONGRESSMAN

In the general fund, the part shaved from this special tax to promote conservation would not pay the expenses of present-day government for a single minute of the day and could not at most avert such disasters and dangers of wild Federal spending as inflation or repudiation or bankruptcy for more than the time it takes to blink your eyes. But in this special conservation fund, it can help avert the disasters and dangers of national despoliation of nature for all eternity. Your Government should do your bidding in this connection. If you want to help save this money from the Robertson-Pittman Act for the purposes for which the tax was levied you can write or wire your own Congressman and Senators, urging them so to represent you. If you oppose this conservation program, you are equally charged to make your wishes known, but if the last fish and the last duck and the last tree in America go the way of the last heath hen, the last buffalo, and the last passenger pigeon, do not blame your Congressman or your President unless and until you do your part to prevent such a catastrophe.

OPPORTUNITY KNOCKS TWICE

Your second opportunity tonight concerns clean streams and pure drinking water and wholesome recreation. In this session of Congress are two antipollution bills which the conservationists of America have helped to write and which Senator CLARK of Missouri has introduced in the Senate and which I have introduced in the House. These bills simply have as their purpose the outlawing of pollution as an American privilege and the protection of public waters in the interests of the public health. They would make it illegal to dump human sewage and industrial wastes into the drinking water of the general public and would put a stop to the wholesale pollution and despoliation of the navigable streams of America. They provide the machinery of enforcement through the United States Army engineers and the courts and make provisions for helping communities and industries to correct their pollution practices. My bill is H. R. 4170 and was introduced on February 15; the Senate bill is S. 1691 and was introduced by Senator CLARK of Missouri on March 3. The bills differ somewhat in detail but are companion bills in that both aim at the objectives above outlined. Usually, referred to as the Mundt bill and the Clark bill, these bills have incurred the displeasure of all polluting industries who have lobbyists in Washington working against their enactment.

YOU ARE THE GOVERNMENT

Here again, however, you are the Government. America is not run by its lobbyists any more than by its Representatives, its

Senators, or its President. The people rule America * * * only when the people fail to function do officials who would serve the people flirt with the illusion that they are the people's rulers. If you share with me the thought that pollution should stop, you can advise your Congressmen and Senators to support the two bills I have named. And it is most important that you do so because both the House and the Senate have before them other so-called antipollution bills which not only would not prevent pollution but which approach the problem so courteously and so apologetically that the very industries whose pollution practices are the most offensive have sent lobbyists to Washington to lobby in favor of these other bills. To my thinking, no stronger indictment could be offered of a corrective piece of legislation than the enthusiastic support of the culprit which it seeks to correct.

THE TIME TO CONSERVE IS NOW

Sooner or later America must develop a national conservation program if it is to survive.

We have traveled a long way down the trail marked despoliation * * * it is my hope that now that we have passed our one hundred and fiftieth birthday we shall have the courage to attack the problems of conservation to the end that those who commemorate our three hundredth birthday may be able to do so in a land in which clean waters flow, in which trees abound, and in which such ancient and honorable diversions as hunting and fishing shall not be included among the lost arts. The time to conserve is now—let us now begin a program of conservation.

First, the Wounded Man

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1939

RADIO ADDRESS BY H. A. CHURCH, MARCH 10, 1939

Mr. VAN ZANDT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered over the radio on March 10, 1939, by Mr. H. A. Church, national legislative chairman, Military Order of the Purple Heart:

The recent report of Gen. Frank T. Hines, Administrator of Veterans' Affairs in Washington, in which he states that the average compensation received by veterans not injured in combat service is $40.79 per man, whereas the average received by men wounded or gassed on the front is but $37.33 a month, is startling news, inasmuch as the condition undoubtedly has existed for some time and should have been "spotlighted" long ago. After 20 years this information becomes public property. Why hasn't the American public been told before now that wounded and gassed men have been the victims of spurious legislation and have been brutally treated in their search for health and subsistence? This quiescent attitude on the part of the Federal Government has led the average taxpayer to believe that all veterans' legislation was designed primarily to aid those who saw service on the front, but was not intended as a vehicle for the creation of a perpetual gratuity to men whose only claim to disability is a post-influenza cough, flat feet, hernia, stomach ulcers, or a long list of such illnesses. It should be remembered that these illnesses were suffered also by our wartime civilian population engaged in the manufacture of war materials, and other occupations vital to the maintenance of war, and for which no benefits have ever been asked. This erroneous impression does not end here. The public has a right to know that, according to figures released by the Veterans' Bureau in June of 1938, there were 192,369 men wounded in action on the front. Of this number—and this is startling information—only 69,335, or 36 percent, are now in receipt of Federal compensation; 123,034 men or 64 percent of these wounded in actual combat with the enemy are drawing no compensation whatever.

More revealing is the statement that at the present time 346,775 veterans are drawing compensation for service-connected disabilities—despite the fact that only 69,335 of this number were actually wounded in action. When it is realized that but 20 percent of those drawing compensation were injured on the "front" and 80 percent or 277,440 were never injured in combat service, a condition exists that needs immediate public attention and condemnation. The public should also know that immediately after the close of hostilities in 1918, the American people, anxious to show their appreciation to their war-disabled veterans, caused to have enacted certain legislation, the purpose of which was to rehabilitate and compensate for physical losses suffered in actual combat with the enemy. It wasn't long, however, before all those wounded boys were called in by the Veterans' Bureau, perfunctorily reexamined and rerated. Many of them with gas-scared lungs, tuberculous chests and other respiratory diseases, who had been drawing compensation checks for 4 or more years, and who paid $6.50 a month for insurance against such possibilities, were told that their condition had so far improved that they were no longer entitled to compensation and that, henceforth, would be dropped from the Federal pension rolls. Hurried individual appeals were made through friends and politicians but, because of post-war reconstruction work and the voluminous legislation speedily created to cope with the tempo of the times, these appeals were lost in their journey for want of significance. Concerted action, in an effort to reestablish former disability ratings, proved futile. Sickly, disillusioned men cannot fight, and it appeared to them that their only recourse to justice was affiliation with military organizations. The combat membership represented a minority group, consequently, as far as the politician was concerned, their cause was secondary to one which would benefit a much larger number of the military organizations' membership; hence, disability allowance, a piece of legislation intended to aid any veteran who could show a 10-percent disability regardless of time or place of service. It can be said with impunity, that while the military organizations were sincere in their desire to aid their wounded comrades, this legislation alone, successful as it was, because of the powerful vote at the command of its sponsors, was responsible for the sad plight in which the worthy gassed or wounded man found himself. Those who at first appeared to be benefactors of the wounded man turned out to be sadly misguided friends.

Mr. Roosevelt, prior to his last election, had the courage to kill this selfish piece of legislation because he was fully aware of its demoralizing influence on present and future veterans' benefits, but he failed unfortunately to encourage a probe of veterans' affairs, especially as they referred to the changed status of those battle-scarred men who lost their compensation after being "sold out" by mercenary politicians who were alert enough to recognize the voting weakness and inarticulate appeal at the command of this minority group.

This is not the kind of treatment the American public intended its wounded men should have. Selfish legislation of this type is a sad commentary on American generosity—an inconclusive and unsatisfactory method of adjudicating rightful claims. And it must always stand indicted as such. It is a matter of common knowledge and, indeed, personal observation, that if an appeal is brought by a politician or influential civic leader, favorable action is likely to be received. The American people should insist that the personnel of the Veterans' Bureau give every consideration to nervous, wounded, and gassed veterans appealing their cases in an attempt to regain that which was taken from them. They should urge that these men should not be "tossed around" promiscuously, nor made to run the gantlet of interdepartmentalism—a subtle subterfuge calculated to dissuade renewed effort and encourage neuropsychiatric bewilderment. The American public should insist that there be no repetition of Government indifference manifested so flagrantly in 1924.

The case of the three veterans, illustrates the manner in which wounded men are being "tossed around"—because of Government indifference, and failure to recognize legitimate disabilities. The story would be ludicrous were it not for its serious implications. Frank was a gassed veteran of the World War, having served his country on four fronts in France. In his appeal for compensation it was admitted by the Veterans' Bureau that the effects of gas were apparent, yet not serious enough at that time to rate compensation. Subsequent appeals for disability recognition were futile and no further check-ups on Frank's physical condition were ever made. Joseph, a navy man, never out of American waters, suffered from an arthritic condition of the right knee and was awarded $28.50 a month compensation. John, who remained in a local camp during the period of war, was awarded $100 a month compensation for ulcerated condition of the stomach, a latent weakness, perhaps, that manifested itself prematurely. The three men, along with 15 others, took a civil-service examination for two vacancies that existed in the office of the local welfare department. Frank, the gassed veteran received 96.4 percent, John 81.5 percent, and Joseph 80.3 percent. A statutory law of the State in which the examination was taken makes mandatory the appointment to the position of any veteran who receives 70 percent or more and who is in receipt of a pension or compensation from the Government. Thus, Joseph and John were appointed to the vacancies leaving the gas-seared veteran, because of the Veterans' Bureau's refusal to recognize his disability, figuratively, "out in the cold." The good people of the community, not knowing the true facts of the case, believe that the ends of justice have been served.

This case is typical of thousands of similar cases in which wounded and gassed veterans suffer because of Government indifference and political chicanery. The wounded veteran has never been presented to the American public in his true light. He has been branded a Treasury raider and an exploiter of patriotism. But the fact remains and, indeed, authentic figures substantiate the statement, that the wounded or gassed veteran has never received adequate compensation for his physical and mental losses suffered at the hands of the enemy.

It was inevitable that sooner or later, men imbued with the spirit of Christianity and high purpose, would lead the way for those whose appeal to righteousness seemed so inaudible; inevitable, too, that men, bound together by a common complaint, would submit to modern regimentation as a means of expressing their displeasure at Government indifference. And so, in an attempt to emulate their more numerous comrades, the Military Order of the Purple Heart was born. The Military Order of the Purple Heart is an organization composed exclusively of men

actually wounded and gassed in combat service on the lines. The membership of this organization is limited and, consequently, has no appeal to the politician because of such limitation. But it has on its side the good will of every liberty-loving American man and woman in the country, willing, and even anxious to take up the cudgels in behalf of these wounded men. This organization, through its legislative committee in Washington, will soon introduce legislation which has for its purpose the restoration of benefits to wounded and gassed veterans. It is hoped that on the witness stands before congressional committees, ill-treated and disillusioned veterans will be given an opportunity to tell the good people of these United States how, for 20 years, they have suffered at the hands of conniving politicians and at the same time, have an opportunity to set up a defense to the charges of "chiselers" flung at them by those who have been purposely misinformed. It is earnestly hoped that out of the exposé will come the authority for a congressional investigation that will startle the American public into a realization of its obligations to wounded and gassed veterans and a renewed attempt to see that justice is done.

The membership of the Military Order of the Purple Heart believes fully in the integrity of the people and the Government of these United States, and feels that it will never be necessary to hang on the doorbell of any of its citizens the oft-quoted line from William Shakespeare, "He jests at scars that never felt a wound."

The Townsend Plan—H. R. 2

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1939

LETTER OF A. A. AKERS, OF PUYALLUP, WASH.

Mr. COFFEE of Washington. Mr. Speaker, the merits of H. R. 2 have appealed to tens of thousands of people in my district. More and more are the voters coming to realize that stop-gaps and palliatives are not the remedy for continuing distress among the plain people. They are insistently demanding that a recovery plan which contemporaneously will condignly furnish to the elderly of America a decent pension, free from any niggardly attributes, deserves passage now. Their Representatives have been importuning the Ways and Means Committee of the House to report out H. R. 2, which incorporates the principles of the Townsend Plan. There are likewise sincere Representatives who advocate H. R. 11, known as the General Welfare Act. With these I have no quarrel, though I prefer the former bill.

Mr. Speaker, there is no stronger issue before the American people today. They demand action. They no longer can be deluded by words, promises, delays, or mirages. We exhort the members of the Ways and Means Committee to report out H. R. 2, with or without recommendation. Let the Members of the House debate this bill on the floor fully and vote upon it that the people may know upon which of their Representatives they can depend in this crisis.

Because one of my constituents, Mr. A. A. Akers, of Puyallup, has incorporated in a letter the sentiments entertained by many thousands of my people at home in the State of Washington, I am appending hereto, through the courtesy of my colleagues, his epistle in which he discusses ably and eloquently that very issue and points out the transcendent need for the passage of H. R. 2 now in the interest of justice and fair play for the plain people of America.

The letter is as follows:

PUYALLUP, WASH., *March 5, 1939.*

Hon. JOHN M. COFFEE,
United States Congress, Washington, D. C.

DEAR MR. COFFEE: I desire to thank you for the information contained in your letter of February 28 relative to H. R. 2, known as the "Townsend bill." I also wish to assure you that I appreciate the copy of your speech, which was, beyond the shadow of a doubt, a gallant defense of the principles for which we both stand.

I fully recognize the fact that it is impossible to "ramrod" any bill through Congress, and I wish you to know that I fully appreciate your position there.

Personally, I am not interested in any pension scheme. They are practically all alike, and all demand something for nothing. But having had my ear to the ground for 10 years in the hope against hope that I would hear the voice of someone competent and with a plan that would solve this question of unemployment and destitution among our people, I feel that I am justified in saying that Townsend is the only man so far who has offered anything that could not be concocted by, possibly, any high-school graduate.

What is the trouble with the country? Why so much unemployment and destitution in a land of plenty? The preachers say we need more religion; the lawyers say we need more laws. Both are incorrect. What we need is more purchasing power in the hands of the people. It does not take a professor of some big university to figure this out. Simply get the money into the hands of the people. They will then buy the goods and start the wheels of industry. Townsend is the only man so far who has offered anything like a solution. If his scheme is no good, then it is up to the Congress to prove that it will not work, and offer something that will work.

Regardless of all the billions that have been dumped into the W. P. A. and other relief schemes, the fact remains that we still have close to 10,000,000 unemployed people in this country. What do we propose to do with them?

There are no jobs in private industry for them and never can be. Private industry is now dumping onto the market more goods than can ever be consumed, simply because the people have no purchasing power. We have taxed everything that we can lay our hands on, and yet we are just as far from the solution of the problem as we were 10 years ago.

Do you know that it is costing us over $1,000,000 every 24 hours to enforce the laws against crime in this country? Are you aware that the majority of criminals are made criminals by circumstances over which they have no control? Are we to continue to punish criminals and at the same time do nothing to remove the cause of crime? If man is a social animal, as claimed by society, then he will reform himself if provided with decent employment whereby he may be able to purchase the necessities of life—such as food, clothing, and shelter.

Are we destined to head again into the Dark Ages simply because we refuse to solve the problem of unemployment and consequent crime among our people?

I wish you could see the never-ending line of unemployed and ragged people wending their way to relief offices in this State. Do you know what they get? The sum of $6.40 per person per month. Out of that amount of money they must purchase groceries, clothing, pay doctor bills and house rent, and so forth. And all who receive that $6.40 per month must be citizens of the State and county and, of course, are all voters.

If you ask a man for a job he will look at you as though he thinks you are crazy, while at the same time the berries, of which the Puyallup Valley is famous, are drying out simply because the growers cannot find a market and thus cannot afford to hire labor to tend the vines—all this in the year of the grand jubilee of the State of Washington.

Do you wonder that the people back home are flocking to the Townsend recovery plan? The eyes of America have been on that Ways and Means Committee ever since Congress met. They are now being weighed in the balance.

I am glad that H. R. 2 will be brought out on the floor for debate and vote, as only in this manner will a possible 15,000,000 voters be able to determine just who their friends are. With this information in hand, this vast army of voters, possibly augmented by five or ten million more, can march to the polls in 1940 and "do their stuff."

The people are flocking to the Townsend plan simply because there has been nothing else offered in its place, and they do not elect to stand idly by and see the country go completely on the rocks for the want of a system that will provide a purchasing power for all.

This letter is written in a spirit of cooperation and helpfulness, and I hope you will keep me informed regarding the contemplated action on the above matter.

Sincerely yours,

A. A. AKERS.

Neutrality

EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1939

Mr. SHANLEY. Mr. Speaker and my colleagues, in all this talk about foreign policy there seems a woeful absence of understanding of the term "neutrality." May I suggest

that the definition of Prof. Edwin M. Borchard, one of the world's best-known international authorities, be taken as a starting point for the word:

Neutrality is an old institution, which finds its source in candor, in the obligation to hold the scales even, to remain a friend of both belligerents, to lend support to neither, to avoid passing judgment on the merits of their war. It assures both belligerents that they are dealing with a friend, not a disguised enemy. The belligerents must know who is in the war and who is not. In return for obligations assumed by a neutral, the belligerents undertake to respect his rights as a neutral, including the right to remain out of other people's wars.

To use an expression that was employed by Edmund Burke in the Preface to Brissot's Address the cold neutrality of the impartial judge is meant.

The Way to Governmental Economy

EXTENSION OF REMARKS
OF
HON. CLIFFORD R. HOPE
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 16, 1939

LETTER OF HON. CLIFFORD R. HOPE, OF KANSAS

Mr. HOPE. Mr. Speaker, under leave to extend my remarks in the RECORD, I submit herewith a letter which I have written on the subject of governmental economy:

HOUSE OF REPRESENTATIVES,
Washington, D. C., March 15, 1939.

Mr. DON RICKSECKER,
Chairman of the Board, Westport Avenue Bank,
Kansas City, Mo.

DEAR MR. RICKSECKER: I am in receipt of your letter of recent date in which you express your approval of the economy talk which is now going on in governmental circles. I say "talk" because up to date that's all it is. As a matter of fact, if this Congress keeps up the scale of appropriations that it has maintained this session, it will appropriate more money than was appropriated the last session. Frankly, therefore, I do not look for much in the way of economy unless the President takes an active interest in the matter. My 12 years' experience in Congress has convinced me that under ordinary circumstances the only way economy in government can be obtained is for the urge to come from the executive branch. This is not only because Congress as a whole is susceptible to the influence of well-organized groups demanding increased spending but also because every Member of Congress is firmly convinced that economy ought to start elsewhere than in his own district. The explanation for this conviction is that every Congressman's constituents feel the same way about the matter and every Member is under intense pressure to support all demands for appropriations from his own district.

If the people of the country generally would make up their minds that economy begins at home and that governmental economy is possible only when Members of Congress start voting against projects for their own districts, then it will be possible to depend upon Congress to initiate economy measures. Until then such measures will have to originate with the Executive, who is in a position to take a national rather than a local viewpoint on spending. Unfortunately, during this administration, Executive leadership has all been the other way and still is, as far as I am able to ascertain.

With this thought in mind, I am going to suggest that if the people of this country want Congress to really go in for economy, instead of writing general letters on the subject, they write their own Congressman something like the following:

"Believing that economy begins at home and that you should have the cooperation of your home folks in bringing about a reduction in governmental expenditures, I am writing to tell you that we do not want the Federal Government to make any expenditures in our community except in those that are absolutely necessary. I feel that until times get better and our Federal Budget is balanced that you ought to do everything you can to reduce Federal spending in our own district, no matter what goes on elsewhere.

"We can make our present Federal building do until a new one can be built without paying for it out of the deficit. We would prefer not to have any further P. W. A. projects, and feel that expenditures for the W. P. A. can be cut very materially.

"Too much money is being spent in our district on roads and highways, and expenditures for flood control and rivers and harbors work can very well be cut by as much as 50 percent. I believe also that the various Federal agencies operating in this community can do a good job and yet get along with a considerably smaller number of employees. I am sure also that this community can and should take care of a larger part of the relief burden than has been the case in the past.

"In addition, Federal expenditures for the following purposes in this community can be materially reduced:

(Fill in here all of the other Federal expenditures which you feel can be reduced)

"Trusting that you will be able to reduce Federal expenditures in this particular community at least 50 percent, and assuring you that you will have my complete cooperation in your efforts to do so, I am,

"Very truly yours."

However, let me caution you that if you send a letter of this kind to a Member of Congress, I hope you will give him some warning in advance. Half a dozen such letters would make the average Congressman begin to wonder whether it was he or his constituents who were crazy, and a dozen such letters all at once would likely cause him to drop dead. However, administered in homeopathic doses and after due warning, such a course of treatment would have surprising results.

The above, of course, is written in something of a facetious spirit, but nevertheless I seriously propose it as the quickest and most effective way for bringing about governmental economy.

Very sincerely yours,

CLIFFORD R. HOPE.

Congress—Showmanship and Statesmanship

EXTENSION OF REMARKS
OF
HON. LEE E. GEYER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 16, 1939

RADIO ADDRESS BY HON. T. V. SMITH, OF ILLINOIS, MARCH 7, 1939

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks I insert a radio address over the Columbia Broadcasting System by Representative T. V. SMITH, of Illinois, in a debate with Senator TAFT. This was the third broadcast in the Columbia Broadcasting System series Foundations of Democracy. The topic was Congress—Showmanship and Statesmanship. The address is as follows:

Kinsmen in Texas, neighbors in Illinois, friends in Massachusetts, where at last the Bill of Rights is ratified—men and women of America—greetings from Washington!

Though I'm only on ignorant man and a politician, I can see that a century and a half is a long, long time. That's the life span thus far of our National Congress, whose birthday we celebrated Saturday. This week we legislators have settled to our one hundred and fifty-first year of competitive talk. Thrilled over the week-end as I was by the magnificent ceremony, I came back Monday to my seat in the House to hear a visitor from our gallery exclaim, "God must be with America for any progress to come from a bedlam like that." Her companion, referring to the vacant seats, replied: "It was more like noise in a vacuum," adding: "They certainly are frivolous to be engaged on such serious business."

Truth to tell, my fellow countrymen, Congress is and has been both frivolous and serious. It is so frivolous that I myself can hardly practice proper mirth control when I think of it. In the House of Representatives there have been, and are, lean men and fat men, tall men and short men, bald men and Beau Brummels, old men and young men, sober men and smiling men, modest men and mere men, rich men and poor men, college men and self-trained—men, indeed, of every sort and condition. Yes; and women, too—with their own color, warmth, and shrewdness.

The Senate, the same, unless my good colleague Mr. TAFT, from over there, wishes to amend my impression.

The men of the Senate who will tell average 58 years of age; the men of the House 51. As for the five women in both, I don't know; your guess is as good as mine. Of the 96 Senate Members, the Congressional Library tells me, 66 are lawyers (68 percent), 9 are businessmen (10 percent), 8 are journalists (9 percent), and 5 are listed as farmers (5 percent). Of the 435 House Members, 239 are lawyers (55 percent), 84 are businessmen (20 percent), 20 are journalists (5 percent), and 10 are medical doctors (2 percent), with an honorable horse doctor or two thrown in. You may be surprised that only about 60 percent of national lawmakers are lawyers. That's double, too, the proportion of State legislators who are lawyers. If surprised, be also pleased. Lawyers tend to make two laws grow from the spot where only one grew before, and I suspect, to let the juice of life be lost by attending too closely to the letter of the law. Lawyers are fine, but law to be living must grow from life rather

than merely from previous law. (Let the figures be a warning to farmers, who send less than 6 percent of Representatives to speak for more than a third of the Nation that's agrarian.)

Now I ask you, how could you get such human variety together without a lot of frivolity? It wouldn't be natural, nor, as a matter of fact, wholesome, either. The American way of life is a way of humor, and we are the official representatives of the American way. It's not merely that much horseplay goes on in Congress; it's also that one side of politics is necessarily showmanship. Abraham Lincoln, of Illinois, for instance, used during his single term in the House to prance up and down the aisles, waving his ungainly arms while pouring out stories that barely passed the bar of good taste. But he's dead now, and so a statesman. The more ordinary way of exhibiting ourselves is merely—

* * * to set our tongue a-going
And forget to stop it
When our brain has quit
A-thinking thoughts to furnish it.

If you've ever watched monkeys chattering, you know how funny speech can be from the gallery of any zoo, human or simian. A talkfest is funny enough even when you know what it's all about. Nobody can talk much without outtalking his information; and to see a grown person doing that, especially if he doesn't know it, is always funny, unless you're sympathetic with the person whose show-off it is that's taking up the logical slack. Easy as it is to laugh at the other fellow, however, each of us, you see, is "it" in turn. We'd as well admit it; we all frequently talk, not to say something, but to see what it was that we were going to say, if anything. You'll remember, too, that the exhibitionist is only the fellow who tells you all the things about himself that you were going to tell him about yourself, if he'd given you a break.

Let Congress, then, plead guilty to an overproduction of talk, but we represent you—in nothing more than in this. You force us to get elected on the verbal easement of oratory. We swell the flood of wind and word during our terms of talk. And we pass, when pass we must, upon the gentler receding flow of elegaic whisperings, "too full for sound or foam." While we live, however, and represent you, we must dignify as best we can the larnyx, demonstrating to you daily from the galleries (whether we listen to one another or not) that "we also serve who only stand and talk" (White and Smith, Politics and Public Service (New York, Harpers, 1939), pp. 343–344).

You really expect it of us, you know; and we succumb to nothing like temptation, especially when it be temptation to talk. We know that you oftentimes think ill of us for our much speaking; but we also know that you'd not forgive us if we didn't do it. Indeed, this curious quirk in you builds in us defenses that protect us personally but impair the serious work of Congress, to which I must shortly turn.

As long as we outtalk our information you brand us as politicians. You don't like politicians. So we must become statesmen to please you. This consists, while men are still living, in talking big about the same little subjects. Pomposity is a prerequisite for a living statesman. Simplicity and good humor count for statesmanship only after a politician's dead. So we must pass as rapidly as is possible from the despised cocoon of sensible silence to the soaring wings of magniloquence. We must become statesmen or cease to be politicians the next election. All of us, your own kith and kin in Congress, are therefore on the verbal up and up from the first day out. This irresistible temptation you offer us to jump the guns on statesmanship impairs the apprenticeship of those who like myself are ignorant; it hampers the legislative effectiveness of other new members who are already knowing; and it cramps the style of older members, who are of course uniformly sagacious, efficient, and genuinely statesmanlike.

Of course, Senator TAFT has some advantage in this regard, for over in the Senate where he sits there are only 96 talkers to divide the time. Still he has his own problem, for the Senators divide the precious hours as in a marathon rather than a relay race. Effectiveness of action even in the Senate has been known to bog down in laryngeal liquidity of the filibuster. But I'd better leave his branch of Congress to the Senator, as also to him largely the heavy side of Congress as a whole. (Our sedate Senator TAFT is frowning at me already for my own frivolity.)

Having, however, told you the truth about our frivolity, perhaps you'll believe this, my closing tribute to the more serious aspect of our legislative craft.

The legislator is of all men the man who knows for certain that he's not God. His personal preferences count for no more than the personal preferences of several hundred others, each responsible to his sovereign constituency with no one in Congress responsible to anyone in Congress. Nor does the legislator's deepest convictions boot him anything unless he can get others to share them. Each representing interests equally legitimate and regions equally precious, each must come to terms with all the others, or nothing's done.

Men who think they're God, caught in such a situation, call their equals devils and depart, like Lucifer, for fairer fields out of preference to rule the roost rather than to serve the Nation in Congress. Congressional government crushes weak men, makes cynics of men more proud than patient; but rewards sagacity with an overview of conflicts in which cooperative endeavor can prevail. Those who all too naturally suppress conflict, all too inexorably crucify cooperation. The extremity of individual Congressmen becomes thus the opportunity for Congress itself.

This magnificent institution has ever been and today still stands as the Nation's most trustworthy training school for tolerance. Wherever you find our retired graduates you'll find men who know what man's life together is all about—its pains, its precariousness, its preciousness. A country with Congress at its core creates men, not puppets; builds morale not terror; fortifies the souls of men against their own baser undertows. Congress socializes the fanatical conscience and turns the raspy will to power toward what our fathers called "the perfectibility of mankind."

You see I think well of Congress and believe profoundly in the remedial work of Congressmen—in their showmanship no less than in their statesmanship. After all a simple thought will tell you how central Congress is to our constitutional system; it makes the laws which the Court interprets and which the President applies. Where does that leave Congress, last or first? First, if I could have my way. But I've learned from Congress that I cannot have my way. History has given the Court first place by giving it the last say; and the cumulative initiative of our greatest Presidents—Washington, Jefferson, Jackson, Wilson, and the two Roosevelts—has given the Executive a strategic advantage over the legislative in the eyes of the country.

Many legislators complain at this. But complaint is not enough. (Congress lacks even a congressional council to bring it abreast of progressive States, like Kansas and Illinois, that are attending to their leadership through legislative councils.) Republicans in Congress who are set to oppose executive reorganization without doing anything to facilitate legislative efficiency do but advertise to the Nation that what they want is inaction, which in dynamic times like these means reaction. If I myself do not complain at executive and judicial dominance in our present constitutional system, it is because I am too much a humorist to quarrel with history about the judiciary, too much a realist weakly to envy in the executive what we cannot produce in the legislative, and too much a patriot to wish my country to drift leaderless in a world attuned to vibrant leadership. I know, alas, that leadership cannot be complained into existence; nor can it be legislated, not even by Congress for Congress. "Leadership is," I repeat, "as leadership does." * * * Moreover, I see work enough left for Congress to do, work that it can actually do and honorably do—and work that it is doing today.

This work is not the finished product which Congress turns out, important as that is in all conscience. Its major work is but the finishing process which it applies to its Members and dramatizes to the Nation. (Here, indeed, whatever must be done gets done—and little else, save the continuous "lathering of one another's ego.") Though not all wrongs get righted in Congress, all needs do get aired, all subjects debated, all dissident voices heard. To inform the public mind through public debate, to allay private aggressions through public hearings, and to adjust collective tensions through public compromise—this is Congress at work; this is the work of Congress. Not less talk but more, more debate and better—this is the manner in which the very principle of revolution is peaceably preserved in our American institutions and the spirit of evolution is made the deepest law of our land. Thus Congress saves the Constitution from cultism, and thus it furthers civilization through the high art of continuous consultation and accommodation.

Men and women of America, you may still think Congress "the cave of the wind" where puny men do but mouth their way to eminence. But I tell you that it is a gentle wind; it blows few people ill and it clears of mustiness the vasty corridors of our national life. Touched with mirth and not untouched by greatness, Congress is our people themselves incorporated. (We representatives, your own board of directors, are bone of your bone and sinew of your sinews.) Combining as best we may the ridiculous and the sublime, the comic and the urgent, we labor for a cause that cannot be ever wholly lost nor ever fully won. We work, indeed, to make America the homeland of brave men, of free women, of happy children.

You may not like the way the cards are shuffled,
But still you like the game and want to play.
So through the long, long night will we unruffled
Play what we get until the break of day.

Mr. TAFT. I propose a toast to our honorable body: "Showmanship and statesmanship; long may they live, united, as in the Congress of the United States."

Threats to Our Constitutional Form of Government

EXTENSION OF REMARKS
OF
HON. DONALD H. McLEAN
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 15, 1939

ADDRESS BY HON. DONALD H. McLEAN, OF NEW JERSEY, FEBRUARY 28, 1939

Mr. McLEAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me at the 1939 George Washington Birthday

celebration of William Byrd Chapter, Daughters of the American Revolution, at Richmond, Va.:

It is appropriate on this occasion that we revere the memory of Gen. George Washington, not only because of the recurrence of his birth date but because at this particular time we so much need to be reminded of his philosophy of government. Any phase of that great life would be an appropriate guide to our present-day activities. Washington was the soul of America, and he lives with us today. His hopes and aspirations for his countrymen were without the taint of selfishness. He craved no financial remuneration or position in return for his services to his country, and consequently his contributions are enduring.

Some will say that the doctrines for which he has credit were not of his own creation, but were prepared by his advisers. Such conclusion need not be regarded as in derogation of Washington. It is a smart man who will surround himself with wise counsel, and it is a great man whose character justifies his leadership. These things must be said of Washington. It was his character that inspired the hopes and aspirations of the American people and fortified them against the sacrifices necessary that we might today enjoy the privileges which come with being citizens of a free country.

The commemoration of the birthday of so great a man would be entirely without purpose if it were not made the occasion for a rededication of ourselves to principles which are the foundation of our Government and which were made so by his influence. We are inviting disaster in disregarding his advice in certain phases of our international relations and in the application of principles intended to guide us in the development and preservation of a system best suited for the government of a free people.

We live in a troubled world. Recent events have made us anxious as to our part in it. George Washington advised that we "observe good faith and justice toward all nations and cultivate peace and harmony with all." He warned against "inveterate antipathies against particular nations and passionate attachments for others," and urged that "just and amicable feelings toward all should be cultivated." When that was written conditions were somewhat the same as they are now. William Pitt was saying, "England, having saved herself by her energy, would save Europe by her example." If Washington were speaking to us now he would probably say that we are indulging in too much talk about impending war, in too many antagonistic references to our neighbors. He would, perhaps, repeat what he said to posterity in his Farewell Message: "Antipathy in one nation against another disposes each more readily to offer insult and injury, to lay hold of slight cause of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. * * * The peace, often, sometimes perhaps the liberty of nations, has been the victim."

He would probably say the place of America in world affairs is as an example; that our successful existence as a free people should be an object lesson for the people of the world to follow if they would enjoy the blessings of liberty which are ours.

Interference with the affairs of another nation tends to solidify its people in the support of their government, whatever the form and no matter how dictatorial it may be. We seem bent on creating fear and anxiety among ourselves, and, whether designedly or not, we are engendering the suspicion and unfriendliness of other nations. It is not necessary to agitate a war, or circulate rumors of war, to obtain the necessary support for any program of preparedness. The adequacy of our national defense must be determined by the trusted leadership of the experts of our armed forces. The American people will follow that leadership with unanimity when occasion requires. Washington admonished us "to keep ourselves, by suitable establishments, on a respectable defense posture." The world will not criticize us for following that precept. The American people will have less enthusiasm for it if, as an excuse for providing adequate national defense, we fool them with the specter of an imaginary foe, and nations made unfriendly by such tactics will not recognize our virtues, and, therefore, cannot be expected to profit by our example.

Our danger at the moment is not to be found in an attack from a foreign foe. Our real danger is from the threat to our constitutional form of government. In any system of preparedness we must be certain that our own Government is sound and secure, and we need to evaluate our internal situation in terms of national security. We are told that Communists and Fascists and other organized groups would overthrow our Government by force. Serious as we know that threat to be, there is a more serious challenge beyond it. We, who are charged with the responsibility of government and its preservation, may ourselves provide the machinery by which these elements may attain the object they seek. There are weakening practices which should be avoided by those entrusted by the people with the administration of their Government.

One of these is the development of a centralized government through the machinery of which all of our State and National affairs may become concentrated in the control of one man or group of men. It was the intention of the framers of the Constitution to avoid this. A system of restraints and denials of power was provided to prevent the Government from getting too far beyond the direct control of the people. Our Government was intended to be a government of principles, not of individuals. The controversy for supremacy between the States and the Federal Government began the moment the Constitution was sent out of the Convention to the States for ratification. It has continued ever since. The desire to preserve the liberty which had been won at so much sacrifice and hardship was the basis for most of it. Increase of population, development of means of transportation and communication have intensified the struggle and have weakened the resistance of the States to the encroachments of the Federal Government. The inadequate revenue system of many States has made it difficult for them to finance the numerous activities of present-day demands. The Federal Government, taxing on a national basis, with tremendous resources made available by the system of direct taxation, under the sixteenth amendment, is called upon to assist in various enterprises alleged to be for the welfare of the Nation as a whole; and there has developed, as a direct result, a system whereby subsidies are granted to the States. By accepting these subsidies the States must conform to certain requirements laid down in the Federal statutes, admitting a degree of supervision and control which does violence to State independence.

The practice of granting subsidies is not new, but until recently it has been predicated on some element that found justification within the scope of the activities intended for the Federal Government. The improvement of navigable waters was as an adjunct to interstate commerce and national defense; likewise the grants of public lands to States for maintaining colleges required of the students a limited amount of training and the study of military science. Lands were granted to railroads, but these were with the idea of developing lands not yet divided into States which belonged to the United States; subsidies granted for the purpose of building ships and the development of the merchant marine provided that the ships should be used as a part of the national defense and in the transportation of the mails.

The practice of granting subsidies to the States for public works and essential State activities has expanded rapidly in recent years with the idea that the public health, public roads, and education were matters in which the States had a common interest, and because their importance transcended State boundaries, and, most recently, with no other justification than the necessity of assisting the States in granting relief and in aid of economic recovery. These suggestions for Federal aid uniformly come from States less fortunate hoping to benefit through the medium of Federal taxation out of the resources of others.

In 1925 during the administration of President Coolidge the appropriations for those purposes amounted to $110,000,000 annually, as compared to billions now being appropriated annually. The dangers incident to the practice have frequently attracted attention. On January 13, 1921, the Governor of Wisconsin, in his annual message to the legislature, referred to it as a "species of bribery" and recommended that every project presented under the pretense that the State would receive the bounties of the Federal Government be "closely scrutinized." On April 9, 1924, the General Assembly of the State of Maryland memoralized Congress by a joint resolution requesting and urging the repeal of all laws which authorized appropriations to the several States in the form of Federal aid on condition that similar appropriations be made by the respective States, the reason given being that under this system a State was compelled to undertake work which it might not wish to undertake, or lose its share of the Federal appropriation, in which case it would be compelled to contribute in taxes to the work of other States of which its people disapproved and from which they derived no benefit.

The enactment of the sixteenth amendment is responsible for the rapid increase in the practice. It was more difficult when the requirement was that taxes had to be raised by apportionment among the States. The sixteenth amendment gave the Federal Government the power of direct taxation, and there seems no limit to which that power may be exercised. Congress is so far removed from direct contact with the people that it does not suffer the restraints which accompany the power to tax by local or State Governments, which are constantly and directly under the watchful eye of the taxpayer.

There can be no quarrel with the States marshaling their resources under emergency conditions, but there should be a return to normal conditions as soon as the emergency is passed. My anxiety is toward the movement that would make these alphabetical relief agencies a permanent responsibility of the Federal Government. We are told, for example, that it is contemplated to have a permanent Board with a reservoir of approved public works always available so that when a downward economic trend threatened the Federal Government could take quick, effective measures to halt the downward curve and bend it upward before economic harm were done. Maybe so. But any observer of the idiosyncracies of human nature and political partisans knows that some way would be found to open the floodgates of that reservoir around election, even in prosperous times.

The obvious political significance makes it easy for those in control of the purse strings to comply with the demands. Thus the power of the Federal Government is increased. Power once attained begets power. Bureaucracy once established expands itself. The political mind, in its desire for perpetuation in office, is ever ready to yield to those influences which will provide for a constituency benefits which otherwise might not be enjoyed by those possessing the voting power. These elements are peculiarly active at this time, and they direct our thoughts to a day when the States will no longer be separate, independent entities, possessing their own sovereignty, but will be mere administrative agencies of a strong central government.

It has been demonstrated how under our system of government it is possible for the legislative branch to become subservient to the will of the Executive; how a program of "must" legislation may be carried into effect by his dictation, and how large sums of money may be appropriated annually to be spent at his discretion without earmarking or other designation, the

form of the legislative enactment being a mere subterfuge to ease the conscience of legislators and administrative officers, and an ostensible compliance with law to avoid popular criticism. This power to raise money, and to spend it without restraint, can create the instrumentality by which America may become a totalitarian state, entirely within the law.

In times of economic distress people look to their Government for aid. The plea of necessity results in shortsightedness as to the consequences of these Federal contributions. Under the measures enacted by Congress to provide relief and bring about recovery from depression conditions, contributions were made on condition that like amounts would be contributed by the States; also, that working conditions dictated by the Federal Government should govern the operation, and specified materials should be used. There is pending in Congress a bill, pursuant to which the Federal Government is to make contributions to the States for educational purposes, but, in order to obtain such contributions, the State must conduct its educational system according to the dictates of the Federal Bureau of Education.

Congress has also provided for making large contributions of money to the farmers, but to obtain such contributions, the farmer must comply with the dictates of the Federal Government as to the kind and extent of the crop he can produce. We have seen that large amounts of money may be appropriated and spent without restraint at the discretion of the President and his advisors; we have seen how easily this money can be raised by the power of the Federal Government to tax directly the individual and business, and we have seen the evils that can flow from such practices and how men entrusted with such power have yielded to the temptation to serve their self-interest. As proof of this, reference need only be made to the public expenditures which were largely increased during the few weeks immediately preceding recent elections, and it is no secret that this happened where it would best suit the personal interests of those in authority. It is the weaknesses of human kind we must guard against. They are not peculiar to any one political party. We would probably find like evils in Government no matter what party happened to be in power.

With the advancement that has come through science and invention there has developed an expansion in the power and jurisdiction of the Federal Government. The general welfare perhaps requires that the people of Maine have reason to think more of the needs of the people of Texas, and that such things as the care of the underprivileged, the aged, and infirm should be provided through the medium of social security laws which can be most efficiently managed through a government in which all of the States have an interest, even though it acts directly upon the individual. There is a tendency to permit means of transportation, communication, flood-control, and electric-power development to come within the jurisdiction of the Federal Government because of the manner in which they touch the lives of the people, and because they are essentially interstate services. The operation and control of these services is the power of which I spoke, when once attained begets power, the bureaucracy which enlarges itself.

As developments have come, new conditions have arisen, but dangers of concentration of power in a strong central Government should give us as much concern as they gave the founders. The demand for its enlargement cannot be denied. Some suggest division of the country into groups of States, but this is only a step toward ultimate concentration of power in one place.

The stronger the Federal Government becomes the more our everyday life is directed from Washington, the further will the Government be removed from direct popular control. Until it shall be definitely determined that the Government founded by Washington and his advisors has failed to serve its purposes, it is the obligation of every American to conform to it. Our Government has met every emergency which has arisen for 150 years, and, although the country has grown in size, and its activities have become more numerous than in the days of Washington, there is no immediate danger of its disintegration so long as the principles upon which it was builded direct its operations. The experiences of the past are an assurance of the future. We are only concerned with present abuses. "The habits of a thinking people in a free country," said Washington, "should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. Let there be no change by usurpation; for though this in one instance may be the instrument of good, it is the customary weapon by which free governments are destroyed."

In what I have had to say it has been my hope that I might stimulate your faith in our American institution of government. While pointing out to you tendencies of the times to drift away from fundamental principles, and by drifting weaken the safeguards of liberty, or because of necessity and exigencies to consciously disregard the safeguards of the Constitution, and by so disregarding, weaken or destroy the purposes of Washington to establish and preserve a government which would be the best government ever devised for a free people, I would not have you believe that I have any apprehension of any immediate change in our situation. Our Constitution has been described by Sir William Gladstone as the most wonderful document ever struck off at a given time by brain and purpose of man. It will endure so long as its fundamental principles are properly observed and applied. It is the obligation of every citizen, particularly those of us in public life and of our patriotic societies, to constantly observe and participate in directing the trend of the times and the attitudes of those who possess the power to preserve or destroy that which has come to us out of the experience of the ages. "Eternal vigilance is the price of liberty."

Extension of the Social Security Act to Puerto Rico

EXTENSION OF REMARKS
OF
HON. SANTIAGO IGLESIAS
RESIDENT COMMISSIONER FROM PUERTO RICO
IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1939

Mr. IGLESIAS. Mr. Speaker, during the last session of Congress I devoted a great deal of time and effort to have the Social Security Act extended to Puerto Rico. Unfortunately I was unsuccessful because of the desire on the part of Congress not to open the law to any amendment at that time.

Inasmuch as the Ways and Means Committee is now considering recommendations from the Social Security Board and from groups and organizations which are deeply interested in having the benefits under the act flow more freely and more generously to all American citizens who come within its scope, I want today to again renew my efforts on behalf of Puerto Rico.

Mr. Speaker, as Resident Commissioner for Puerto Rico, representing 1,800,000 loyal American citizens, I ask for my constituents the same consideration and the same treatment which Congress has already extended to American citizens in every other area in the United States, including the Territories of Alaska and Hawaii and the District of Columbia. To further deprive Puerto Rico of many of the benefits of the Social Security Act would be not only unjust but unfair to the million of American citizens who reside in the island.

Before taking up the specific titles of the Social Security Act which are most important to the people of Puerto Rico, I want to call the committee's attention to the fact that notwithstanding our limited financial resources, we have been deeply interested for many years in the health and welfare of our people, and that we have today a health department which compares most favorably with those of many of the States which lead in this field of work.

In order that this House may better understand the work that Puerto Rico has been doing in trying to improve the condition of her people, I would like to call your attention to the department of health appropriations for the fiscal year 1939, which are as follows:

Department of health

Office of commissioner of health:	
Office of the commissioner of health	$40,265.00
Insular board of health	5,212.25
Child welfare board	2,370.00
Division of property and accounts	22,895.00
Public health review	812.25
General expenses, department of health	80,097.79
Total, office commissioner of health	151,652.29
Division of public health:	
Bureau of epidemiology and vital statistics, central office	160,371.25
(Emergency fund for control and suppression of epidemics $10,000)	
Hospital for contagious diseases	25,289.00
Insular leper colony	31,786.00
Total, bureau of epidemiology and vital statistics	217,446.25
Bureau of general sanitary inspection, central office	15,630.00
Division of foods and drugs	15,570.00
Division of milk supplies	9,880.00

Department of health—Continued	
Division of public health—Continued.	
Bureau of general inspection of construction and plumbing	$11,970.00
General expenses	2,500.00
Total, bureau of general sanitary inspection	55,550.00
Bureau of sanitary engineering	88,725.00
Bureau of infant hygiene	29,476.75
(Additional authorization to match Federal grants for maternal and infant health service, $76,175.50.)	
Bureau of tuberculosis	13,245.00
Public-health units and other field personnel	463,266.75
(Additional authorization to match Federal grants for extending the services of the public-health units, $46,000.)	
Biology laboratory, San Juan	46,784.75
Auxiliary laboratory, Ponce	9,862.00
Auxiliary laboratory, Aguadilla	7,900.00
Chemical laboratory, department of health	24,840.00
Total, division of public health	957,096.50
Division of public welfare:	
Section of public welfare, central office	61,974.00
Bureau of social welfare	24,000.00
(Additional authorization to match Federal grants for aid to crippled children, $52,110.52.)	
(Additional authorization to match Federal grants for work in cooperation with the Federal Children's Bureau, $10,000.)	
Insular home for boys	84,195.20
Insular home for girls	70,575.50
Institute for blind children	25,746.00
Blind asylum for the indigent of Puerto Rico	33,082.00
District hospital, Ponce	43,842.00
Antitubercular sanatorium in Rio Piedras	152,849.50
Care of tuberculous patients, San Juan	10,619.00
Maintenance of tuberculosis hospitals under the control of the department of health	68,000.00
Insular insane asylum	238,350.50
Total, division of public welfare	813,233.70
Total, department of health	1,921,982.49

Mr. Speaker, on February 14, 1939, I introduced bill H. R. 4082, which is now before the Ways and Means Committee. The purpose of this bill is to extend titles I, V, VI, and X of the Social Security Act to Puerto Rico so as to enable the island government to extend its health and welfare activities through the Federal assistance and cooperation provided for under the Social Security Act.

Under title V of the Social Security Act the Secretary of Labor, through the Children's Bureau, is authorized to administer an annual appropriation of $8,150,000 for grants to States, which is apportioned as follows: (1) $3,800,000 for maternal- and child-health services; (2) $2,850,000 for services for crippled children; and (3) $1,500,000 for child-welfare services.

Miss Katherine F. Lenroot, Chief of the Children's Bureau, United States Department of Labor, states the primary purpose of the maternal- and child-health services to be as follows:

> The primary purpose of this portion of the Social Security Act is to extend and to strengthen services for mothers and children in rural areas, in areas suffering from severe economical distress, and among groups in special need. These are the people who have been hitherto and for the most part outside the reach of health and welfare services that have been more generally available in cities.

Miss Lenroot also explains that a uniform allotment of $20,000 is to be made to each State, plus an additional amount proportionate to the number of live births and to the financial need of the State.

In connection with this part of the Social Security Act, I wish to point out that the Department of Health of Puerto Rico is in the position to improve and to extend the maternal- and child-health services, child-welfare services thrcugh its bureau of infant hygiene. The standard of this bureau has been approved by the Children's Bureau, and the island bureau is so organized as to be in a position to comply with any anticipated future requirements. In connection with maternal and child-health and welfare services, and in anticipation of my bill being approved by Congress, the insular government has already authorized the expenditure of $76,175.50 to match the Federal grants under parts 1 and 2 of title 5.

With reference to that portion of the social-security program which relates to child-welfare services, Miss Lenroot makes the following statement:

> The appropriation of $1,500,000 for child welfare, to be allotted $10,000 to each State and the remainder on the basis of rural population, is made available for the purpose of cooperating with State public-welfare agencies in establishing, extending, and strengthening, especially in predominantly rural areas, public-welfare services for the protection and care of homeless, dependent, and neglected children and children in danger of becoming delinquent. These grants are to be used for payment of part of the cost of district, county, or other local child-welfare services in areas predominantly rural, for developing State services, and for the encouragement and furthering of community child-welfare organizations in rural areas and in areas which have a special need for this type of work.

The Bureau of Social Welfare of the Department of Puerto Rico has been engaged in child-welfare work for some time. Although it has been somewhat handicapped because of financial limitations, it is sufficiently well organized to be able to extend these services without any serious change in its present organization. All that is needed is additional field personnel to aid the specialists now in charge. In preparation for extending child-welfare work, and in order to match the Federal grant, the insular government has authorized the expenditure of $10,000. The insular government has also authorized the expenditure of $52,110.50 in order to match the Federal grant for aid to crippled children, which services are also administered by the bureau of social welfare.

Title VI of the Social Security Act provides for a comprehensive Nation-wide health program through an annual appropriation of not more than $8,000,000. This appropriation is to be allotted to the several States and Territories by the Surgeon General of the United States Public Health Service. In order to participate in the plan, it is understood that the States and/or Territorial organizations must have a health department which complies with the following requirements: (1) A qualified full-time State or Territorial health officer; (2) an acceptable vital-statistics service; (3) an acceptable State public-health laboratory service; (4) adequate service for study, promotion, and supervision of maternal and child health; (5) adequate services for study, promotion, and guidance of local activities, for control of preventable diseases, and for health promotion; and (6) services for study, promotion, and supervision of environmental sanitation.

Furthermore, the following conditions are required for participation of a local State service through the State or Territorial organization: First, the public health service of the city, county, or district should be under the direction of a full-time health officer; second, the personnel of the city, county, or district health department should include, in addition to the full-time health officer, such medical assistants as public-health nurses and sanitary officers or clerks as will insure at least the minimum of effective health service commensurate with the population and health problem of the area concerned.

In connection with this title of the Social Security Act I want to call the House's attention to the fact that Puerto Rico is now engaged in an extensive public-health program. Her appropriations for the fiscal year ending June 30, 1939, for health work amounts to more than $1,100,000. There can be no question but that her department of health is sufficiently well organized and equipped to carry on the work contemplated under this title and to cooperate with the United States Public Health Service. My purpose in asking that the benefits of this title be extended to Puerto Rico is so that we may improve and expand the work now being done by insular departments of health. The island government has authorized the expenditure of $46,000 to carry out this part of the Federal health program.

Mr. Speaker, while our problem of old-age assistance is not a serious one, nevertheless we feel that the time has come when we must take care of persons who have reached the age when they can no longer engage in useful employment. On

May 15 of last year the insular government approved legislation creating a commission for old-age assistance and creating a special fund to assist them. While the returns under this act are not yet sufficient to match the Federal grant under title I, we nevertheless desire that this title be now extended to Puerto Rico so that we will be in a position to give old-age assistance as soon as the island treasury permits it. To postpone action at this time would only mean that we would have to wait so much longer once our financial position will enable us to match the Federal grant. I therefore urge that favorable consideration be given to Puerto Rico with respect to this title.

Title X of the Social Security Act provides for grants to the States and Territories for aid to the blind. For many years the insular department of health has done extensive work in the care, treatment, and education of the blind. As I have already explained, the annual expenditures for this purpose amount to more than $48,000. With the aid of the Federal grants Puerto Rico will be in a stronger and better position to help out these poor unfortunates who in most cases are practically helpless and in need of care, treatment, assistance, and training. The extension of this title of the act to Puerto Rico will be a blessing to hundreds of blind persons who are now receiving but little of the help and assistance which they need so badly.

Mr. Speaker, it is not the purpose of my short talk to outline all of the work of the insular department of health. I have briefly taken up only those activities which have a definite relationship to the Social Security Act. From my statements you will agree that the Department of Health of Puerto Rico is a well-organized branch of the insular government, that it has carefully provided for the health and welfare of the people of Puerto Rico in the past, and that it is in a position to comply with the provisions of the Social Security Act. Besides it is in a position to furnish all the skilled personnel necessary to administer the additional funds which will become available under the several titles of the Social Security Act. The effective work done by the department of health in the past is a sufficient guaranty that its high standards will be maintained with the additional funds which she will receive from the Federal Government. As to the need for expanding the health and welfare work in Puerto Rico, there can be no question, and the Federal grant which Puerto Rico will receive from the Federal Government will put her in a position to further expand her work in this field.

I sincerely trust that the House will give favorable consideration to my bill, H. R. 4082, when the social-security bill be favorably reported.

AUTHORITIES AND PERSONALITIES FAVORING THE EXTENSION OF THE SOCIAL SECURITY LAW TO PUERTO RICO

EXCERPTS FROM LETTERS

President Roosevelt has said that his attention has been called to the omission of Puerto Rico from the provisions of H. R. 7260, although Alaska, Hawaii, and the District of Columbia are included.

I very much regret this omission. However, you will be interested to know that as soon as the original draft of the bill was prepared, the Division of Territories and Island Possessions of the Department of the Interior took up this matter with solicitors of the Department and is submitting an amendment which, if adopted, will rectify this situation insofar as Puerto Rico is concerned.

The president of the American Federation of Labor, Mr. William Green, stated in a letter to Mr. ROBERT L. DOUGHTON, chairman of the Ways and Means Committee, "that he wishes very much that the provisions of the social-security legislation recommended by the Ways and Means Committee would be extended to the people of Puerto Rico."

The House Resolution 4120, as originally introduced, provided that "As used in this title the term 'State' shall include Alaska, Hawaii, Puerto Rico, and the District of Columbia." I understand that the social-security measure as recommended by your committee does not include the Territory of Puerto Rico in its definition of the United States, notwithstanding that its provisions are extended to Alaska, Hawaii, and the District of Columbia.

There does not seem to be any good reason why the people of Puerto Rico should be excluded from the benefits of the social-justice provisions of this legislation herein referred to. May I ask, in the name of labor and of the organization of labor in Puerto Rico, that you favor the inclusion of Puerto Rico in the provisions of the social-security legislation recommended for enactment by the House Ways and Means Committee.

Hon. Harold L. Ickes, Secretary of the Interior, in a letter to Hon. MILLARD E. TYDINGS, enclosed a draft of a proposed amendment to H. R. 7260, the social-security bill.

The amendment related to titles I, IV, V, and VI, dealing with grants for old-age assistance, aid to dependent children, maternal and child welfare, and public-health work. The bill in its present form provides for grants for these purposes to the States, the District of Columbia, Alaska, and Hawaii, but not to the insular possessions. The proposed amendment would extend the definition of the term "State," where used in those titles to include Puerto Rico and the Virgin Islands.

The need for aid of this sort in those possessions is at least as great as in the States and Territories. It is demonstrable by figures that in the case of Puerto Rico actual need per capita is very much greater than in any State of the Union. Puerto Rico has suffered particularly from legislation designed to benefit the American people as a whole to the cost of which Puerto Rico has contributed, but the benefits of which were not applicable to its citizens. There seems to be no just reason for discriminating against these possessions. Indeed, because of their lack of representation in Congress, it seems to me that we should be particularly solicitous that they do suffer economically through their lesser political status.

In the original economic security bill—H. R. 4120—Puerto Rico was included among the States entitled to grants under the titles corresponding to titles I, IV, and V. In the present bill—H. R. 7260—Puerto Rico has been excluded and the amounts authorized to be appropriated have been somewhat reduced. The proposed amendment would restore the amounts authorized to be appropriated in those titles in the original bill, in order to make some provision for the needs of the island possessions.

I am advised by Mr. A. J. Altmeyer, Second Assistant Secretary of Labor, on behalf of Miss Perkins, the chairman of the President's Committee on Economic Security, that "the Committee on Economic Security has never given specific consideration to the question of whether the security legislation should cover the Territories and possessions of the United States," and that he believes, therefore, that I am free to make such recommendations on this subject as I deem proper.

In view of the urgent need for aid of this sort, so essential to social security in these possessions, I strongly recommend that this amendment be given favorable consideration.

The bill to which I am referring is as follows:

Be it enacted, etc., That subsection (a) of section 1101 of the Social Security Act, approved August 14, 1935, is hereby amended to read as follows:

"SEC. 1101. (a) When used in this act—

"(1) The term 'State' (except when used in titles V and VI) includes Alaska, Hawaii, and the District of Columbia. When used in titles V and VI (except when used in section 531) it includes Alaska, Hawaii, Puerto Rico, and the District of Columbia. When used in section 531 it includes Hawaii.

"(2) The term 'United States' when used in a geographical sense (except when used in titles V and VI) means the States, Alaska, Hawaii, and the District of Columbia. When used in titles V and VI it means the States, Alaska, Hawaii, Puerto Rico, and the District of Columbia.

"(3) The term 'person' means an individual, a trust or estate, a partnership, or a corporation.

"(4) The term 'corporation' includes associations, joint-stock companies, and insurance companies.

"(5) The term 'shareholder' includes a member in an association, joint-stock company, or insurance company.

"(6) The term 'employee' includes an officer of a corporation."

The Enslavement of American Authors and Composers by Unfair Copyright Legislation

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EXTENSION OF REMARKS

OF

HON. WILLIAM I. SIROVICH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 28, 1939

ADDRESS BY HON. WILLIAM I. SIROVICH, OF NEW YORK, IN THE HOUSE OF REPRESENTATIVES, MARCH 3, 1936

Mr. SIROVICH. Mr. Speaker, under leave granted me to extend my remarks in the CONGRESSIONAL RECORD, I include

the following speech which I delivered in the House of Representatives on March 3, 1936:

Mr. BLANTON. Mr. Chairman, I yield 40 minutes to the gentleman from New York [Mr. SIROVICH].

Mr. SIROVICH. Mr. Chairman, ladies and gentlemen of the Committee, the subject of copyright is one of the most intricate and complicated problems that confronts the Members of Congress today.

In the time allotted to me I shall endeavor to trace the history of copyright legislation so that any Member of Congress may be in a position to comprehend all the complexities and ramifications involved in this extremely technical subject.

Mr. Chairman, you may search through the writings of ancient and medieval times and not find a word indicative of any right possessed by the author of a book to control the multiplication of copies.

During the Dark Ages of civilization all books were written by hand with colored initial illumination, sometimes taking years to produce one book. This method made it difficult and expensive to multiply copies. In the year 1454 Guttenberg invented the movable type of printing, which made the multiplication of copies extremely easy and brought the printed text within the reach of all the people of Europe. It was this great invention, accidentally discovered, that brought about the Renaissance of literature and made it possible for learning, culture, and education to be disseminated amongst the peoples of the world.

In the year 1533 King Henry VIII requested the Pope to grant him a divorce from his wife, Anne Boleyn. Clement the Seventh, the supreme pontiff of the Catholic Church, refused to grant his request. Henry VIII severed all spiritual relationships with the Catholic Church and founded the religious reformation in England and named the Archbishop of Canterbury the supreme power in all ecclesiastical matters of Great Britain.

In order to control the publication of pamphlets opposing his action in regard to the differences between himself and the Pope of Rome, Henry VIII, King of England, issued special exclusive licenses to 20 printers of his kingdom, granting them a monopoly to print such books as passed his censorship. The shrewd Henry required all printers to serve an apprenticeship of 7 years, thus assuming control of the printing craft from all angles.

After the death of Henry VIII in 1547, up to the year 1776, an acrimonious controversy raged between printers, booksellers, and lawyers as to whether the right to multiply copies of their books was a privilege or an inherent property right. The courts finally decided this function to be a property right.

During the subsequent reigns of Elizabeth, James I, Charles I, the protectorship of Cromwell, the reigns of Charles II, James II, William and Mary, up to Anne, the controversy raged without abatement. In Anne's time Scottish printers were flooding the English market with their piratical publications, underselling the English printers in their own land. The English publishers appealed to Parliament for relief, and Dean Swift is reputed to have drawn the so-called Statute of Anne granting the English publishers protection against the infringement of the Scots. This act was probably the first copyright law ever enacted in the history of the civilized nations of the world.

The tragedy of the Queen Anne statute was that it placed copyright in the name of the publisher instead of the author. This made the author the intellectual slave of the publisher, and this grievous error has been perpetrated in every copyright law of our Nation up to the present time.

The Queen Anne statute provided that the person breaking that law should be fined a penny a page, one-half the fine to go to the Crown and the other half to the printer or bookseller whose rights had been infringed.

The Queen Anne statute further provided that if a bookseller charged too high a price for the publications he sold, on complaint before named officials he was haled before the bench and fined 5 pounds sterling, and Anne got half of that. Books in Latin, Greek, or other foreign languages were exempted from the effects of the statute of Anne.

George I and George II reigned and passed on. Under the regime of George III revolution broke out in the American Colonies of Great Britain, and culminated in the establishment of a new nation. The colonies, and later the States, had passed separate copyright laws, which were limited to their own territories. Connecticut led off and New York was last. Delaware never passed a copyright act. To the Second Continental Congress were submitted a series of petitions for a clarification of the various State copyright laws. These petitions were turned over to a committee of Congress composed of Madison, Williamson, and Izard. Congress took action in a resolution dated May 2, 1783, which read:

"*Resolved*, That it be recommended to the several States, to secure to the authors or publishers of any new books not hitherto printed, being citizens of the United States, and to their executors, administrators, and assigns, the copyright of such books for a certain time not less than 14 years from the first publication; and to secure to the said authors, if they shall survive the term first mentioned, and to their executors, administrators, and assigns, the copyright of such books for another term of time not less than 14 years, such copy or exclusive right of printing, publishing, or vending the same, to be secured to the original authors or publishers, their executors, administrators, and assigns, by such laws and under such restrictions as the several States may deem proper."

When the Constitution of the United States was drawn there was much discussion as to how the accepted rights of authors and inventors should be protected; and finally, under the inspiring influence of the leading author, inventor, and scientist of the United States, Benjamin Franklin, who was a member of the Constitutional Convention in 1787, Pickney, of South Carolina, moved the adoption of article I, section 8, paragraph 8, of the Constitution, which states:

"Congress shall have the power * * * to promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries."

The First Congress under the Constitution, in its second session, on May 31, 1790, passed the original Copyright Act of the United States. This act was a digest of the basic elements of the Copyright Act of Great Britain and the copyright acts of the various States. The phrase "sole right and liberty" of the Copyright Statute of Anne was used twice in reference to the first term of 14 years and "exclusive right" of the Constitution for the second term of 14 years.

The Copyright Act of 1790 applied to maps, charts, and books. The new immigrants needed maps to indicate the routes they might take toward the free land in the new country; charts to show the water routes; copyright on books to protect the future development of American authors, since there were few American authors at that time. The majority of the immigrant families had only two books, Shakespeare and the Bible. It might interest my distinguished colleagues in the House to know that the first American history written by an American over 200 years ago was the work of Cadwallader Colden, of colonial days. Cadwallader Colden was one of the forebears of Congressman CHARLES J. COLDEN, of California, a member of the Committee on Patents. The title of the work was "A History of the Five Tribes" and was written for the purpose of arousing the sympathies of the English people to protect the New York colonies engaged in the fur trade of New York and the Great Lakes against the encroachments of the French fur traders who operated from Montreal. Judge Charles S. Colden, of Queens, N. Y., and other Coldens are descendants of this early pioneer, historian, botanist, scientist, and Lieutenant Governor of New York. The Copyright Act of 1790 lasted, unamended, until April 1802, when the benefits of the first act were extended to the arts of designing, engraving, and etching historical and other prints. In 1819 an act was passed by the Congress extending the jurisdiction of the Federal circuit courts in law and equity to original cognizance of suits, actions, controversies, and cases "arising under any law of the United States, granting or confirming to authors or inventors the exclusive right to their respective writings, inventions, and discoveries."

Note the use of the words "granting" and "confirming." In the Constitution the word used is "securing."

In 1831 an act was passed by Congress "to amend the several acts respecting copyright." Between that time and the present, 26 amendments of the law on copyright have passed Congress. Copyright to dramatic productions was accomplished by the act of 1856, which encouraged and protected the latent capacities of potential dramatists of that time and the future, and to photographs by the act of 1865, due mainly to the extraordinary photographic work of the famous Brady. The Copyright Acts of 1870, 1874, 1891, 1897, and 1909 were of major importance, particularly the Copyright Acts of 1871, 1897, and 1909, in which was inserted the manufacturing clauses, which compelled books in English to be printed in the United States whether written by Americans or foreigners, thus protecting the American printing industry and printers from the importation of foreign books printed in English and manufactured abroad by European cheap labor; only under these conditions would American copyright be granted.

From 1909 up to the present time, 1936, a period of 27 years, no important amendments have been passed by Congress that change the basic elements of the copyright law. Revolutionary developments in communications, such as radio broadcasting, wired wireless, and the application of the spoken word or dialog to motion pictures have brought entirely new phases to the transfer of thoughts from the author to the auditor. To these accomplished facts must be added television, which, although just out of the research laboratory, has progressed far enough to competent observers to be ready for public performance reaching into every household in the country, challenging the future stability of radio, motion pictures, theaters, newspapers, magazines, periodicals, and publications.

All of these methods of communication far removed from type, lithography, or the later methods, require protection, and that protection can only be given through the copyright bill that I have introduced in Congress.

For 225 years, from 1709 to 1936, the author, the creator of intellectual offspring, has been demanding the right to copyright in his own name instead of the name of the stepfather—the publisher. The copyright bill that I have introduced in the House of Representatives, H. R. 11420, emancipates the author from his bondage to the publisher and releases him from intellectual peonage. For the first time in the history of our Nation copyright is granted to the author in my copyright bill.

Everyone, including the publishers, now seem agreed that, starting with the author as the copyright owner, all rights, titles, and interest derived in any part of his work will be clearer, better protected, and more easily traced. Let us shatter the millstone that has been hung around the neck of the author since the time of Henry VIII, due to Henry's sinister intention to control free

print by monopolies granted to publications. In patents, the letters patent is granted to the inventor and not to the manufacturer. Then, why should not the author be given the same right to have copyright in his own name as the inventor has letters patent in his own name? Why make flesh out of the inventor and fish out of the author?

Under the provisions of my bill the author can never lose copyright except by his own act, either by assignment through sale or by granting a license to print. Under my bill the author has the right to the divisibility of copyright. That means that every author has complete legal right to convey any and all privileges to licensees. As an illustration of this provision, the author of a novel may legally license the serial rights to a magazine, book rights to a book publisher, theatrical rights to a manager, motion-picture rights to a producer, and radio rights to a broadcaster. My bill further protects the licensee to the same extent as the present act protects the copyright proprietor. Without looking to anybody else, the licensee has the absolute legal right to enforce and protect his license. This again makes for clarity of titles, and clarity of title is as essential to the author as it is to the licensee.

My bill protects the innocent infringer. The present law, except in the case of certain infringements by motion-picture producers, takes no account of innocence in infringement. My bill takes account of innocence; for instance, innocent printers who act merely to print a work and have no other interest in it are subject only to injunctions against future printings.

Aside from these specific instances, all innocent infringers are treated alike under the provisions of my bill, and are protected by provisions which limit the amount of recovery and the character of the remedy when the infringement is innocently performed.

The Sirovich copyright bill provides a single term of 56 years in place of the present dual terms of 28 years. I believe the long single term to be better for the author than two split terms. Once his or her copyright is granted, it is granted for the full term and no further attention by the author is required to protect his rights under the grant.

In European nations which are signatories to the Bern Convention, which convention was created for the protection of literary and artistic works, no formalities whatever are necessary to secure copyright. In our country for a period of 146 years we required registration, notice, and publication. The author is required to place upon his work a copyright notice and to register his work in the Copyright Office in Washington and deposit copies of his work with the Register of Copyrights. The European method of copyright is known as the automatic copyright, because no formalities whatsoever are required. In America we demand registration notices and publication, in order that everyone may know the names of the author, the publisher, and the fact that the work has been copyrighted.

To my mind, the automatic copyright method, which is the European system, is a most dangerous one. It is conducive to countless suits of infringement and rackets, which would bring chaos and confusion to the author and publisher. The American system is simple and well understod by authors and publishers, and has worked to the satisfaction of the American people, as is evidenced by the fact that only about 800 suits for infringement of copyright have been brought in the last 100 years, most of these in the last decade.

If Congress adopts the European method of copyright, as set forth in the Bern Convention, while most of the nations of Europe are under the absolute dominance of dictators, where freedom of press, freedom of speech, freedom of action, and freedom to worship God is denied to the inhabitants of these countries, and the works of the greatest scholars are being burned in the fires of bigotry, America will be false to the democratic traditions embodied in the Declaration of Independence and concentrated in the Constitution of the United States of America. [Applause.]

If the United States of America declines, through legislative action, to enter the Bern Convention, my bill endows the President of the United States of America, if he should find in any foreign country any prohibitions or limitations of any sort detrimental to American copyright holders, with power to apply to those countries the same prohibitions or limitations that they have applied to American citizens and such additional measures as he may deem appropriate. The President, by proclamation, may fix the methods by which aliens can obtain copyright in the United States of America and the President may revoke any retaliatory proclamation against a foreign country when such country has removed the causes that led to such retaliation.

Mr. Chairman, ladies, and gentlemen of the committee, in order to indicate the significance of the Bern Convention, let me give you the history of the formation of this so-called intellectual league of nations.

In 1878 an international literary and artistic society was formed in Paris under the presidency of Victor Hugo, with the purpose in view of extending copyright protection beyond national frontiers. It held annual meetings in various European capitals.

The project of a general convention for world-wide copyright protection and the formation of an international copyright union was advanced at the meeting of 1882; the Swiss Government issued invitations to an official conference, which was convened in 1884 and followed by a larger one in 1885, the latter including a consultative delegate from the United States.

This original Bern Convention creating an international union for the protection of literary and artistic works was ratified and entered into force in 1887. By its terms the contracting States were "constituted into a union for the protection of the rights of authors over their literary and artistic works." Authors in one of the countries of the union were to enjoy in the others the rights which the respective national laws granted or might subsequently grant to natives, such enjoyment to be "subject to the accomplishment of the conditions and formalities prescribed by the law of the country of origin of the work." The term of enjoyment in other countries could not exceed the term granted in the country of origin.

Thus the keynote of the convention was the national treatment of literary and artistic property, provided the owner had complied with the requirements of the law of copyright in his own country or the country where he first published his copyrightable work.

The convention was applicable to all such works, which, when it came into force, had not fallen into the public domain of the country of origin. The countries parties to it were, however, left free to regulate the manner of application of this principle, each by its own domestic legislation.

The union was provided with an international office or bureau, charged with the collection and publication of useful information and preparation for subsequent conferences, contemplated in order that the convention might be periodically revised and amended.

The first such revision took place through the signature at Paris, May 4, 1896, of an additional act and declaration which undertook to clarify certain of the articles of the convention of 1886 and to increase its protective influence. An officer in the United States Diplomatic Service was designated to attend the conference at Paris.

A complete revision was prepared by a conference meeting at Berlin in 1908, at which an observer for the United States was present. The revised convention was signed on November 13.

The latest revision of the convention creating an international union for the protection of literary and artistic works took place at Rome in 1928. The revised instrument was signed June 2 on behalf of 33 countries. The delegates of the United States were not authorized to sign.

Compared with 1908, the developments of 1928 are few and unimportant. There are, however, three new articles and changes in half a dozen others. Protection of the author against mutilation of his work in such a way as to be prejudicial to his honor or his reputation, the term of copyright in the event of two or more collaborators, and the specified right of authors to control the use of their works in radio broadcasting, form the principal additions. The convention as revised in 1908 permitted adhering countries to substitute for any provision the corresponding provision of the original convention or the revision of 1896. As revised in 1928, such privilege was limited to certain stipulations regarding the translation of literary works.

The Rome revision entered into force August 1, 1931, among the countries which had deposited ratifications. Other countries remained members of the union by virtue of participation in an earlier form of the convention. Preparations for the next conference, to meet at Brussels in 1936, are in progress.

The international union is now composed of 45 countries. The office of the union remains at Bern and continues to exercise much the same functions as were stipulated for it in the beginning.

Mr. Chairman, ladies and gentlemen, revolutionary changes have taken place in these European countries, adherents to the Bern Convention. The constitution of many of these governments have been destroyed and an entirely new system of alleged government, in which force, terror, and other forms of coercion have been substituted for the forms of legislative control which were in operation in the early days of the Bern Convention. The situation today is vastly different throughout all Europe than it was when Victor Hugo first proposed his ideal solution for the protection of the artistic and literary creations of authors. Today, throughout these governments that have been made safe for dictators through the destruction of democracy, authors, composers, novelists, and poets have become the social, economic, and political derelicts upon the ocean of uncertainty. American newspapers, magazines, periodicals, publications, and books are not permitted to enter many of these countries controlled by dictators because their views are in conflict with the autocracy of the dictators who control these governments.

There is no means of enforcing any of the provisions of the Bern Convention. The Bern Convention, as revised at Rome, is a league of nations with reserve power to each of the signatory countries to apply sanctions. It is merely a league of nations applied to the literary and artistic creations. In theory it is intended to protect the authors of literary and artistic works (art. 1).

Article 4 of the convention as revised at Rome grants the following protection:

"(1) Authors who are nationals of any of the countries of the Union shall enjoy in countries other than the country of origin of the work, for their works, whether unpublished or first published in a country of the Union, the rights which the respective laws do now or may hereafter grant to natives, as well as the rights specially granted by the present convention."

The obvious purpose of this article is to prevent discrimination in one country against the copyrighted works of authors who are nationals of another country. If the convention prevented such discrimination, it would have accomplished the object of the International Union. Since the adoption of the convention as revised at Rome, however, the signatory powers have adopted one form of discrimination after another against the copyrighted works of nationals of other countries. This has been particularly true in the field of copyrighted motion pictures, but it also extends to other

fields of literary endeavor, such as newspapers, periodicals, books, and music.

The copyrighted works of nationals of other countries have been discriminated against in almost every country of the Union. Foreign nations have enacted a variety of oppressive and discriminatory regulations and special laws applying only to nonresidents, to harness the motion-picture industry, and to curtail the importation of American films. There are special regulations such as quotas, "kontingents", and other economic and legal restrictions under separate laws governing copyrighted works that hamper the free and unfettered distribution of American pictures abroad. There are oppressive taxes on royalties accruing from copyrighted works payable to nonresidents of such countries. There are importation duties, taxes, censorship laws, and blocked currency restrictions that tend to destroy our foreign market. Newspapers, periodicals, and magazines protected by copyright which do not print the news that some countries in which they circulate wish them to carry or whose editorial policies touch the national sensibilities of some of the countries, or which do not conform to the principles of the dictatorships ruling some of the nations are suppressed and banned from such countries.

Foreign nations are clamoring that we join the Bern Convention in order to eliminate the so-called manufacturing clause from existing copyright laws. This will enable some of them to successfully carry out their policy of "dumping" their printed works in the English language for circulation in cutthroat competition with American labor.

It has been the time-honored policy of this Nation, commencing with the Copyright Act of 1891, as a condition for granting copyright to foreign and native authors, to require them to manufacture their books in the United States. That is, each and every book in the English language copyrighted and circulated must be set to type, printed, and bound wholly within the United States. (Sec. 15 of the existing law.)

The genesis of the act was the exportation to the United States of cheaply made foreign editions of books in the English language intended for the American market. The Senate Committee on Foreign Relations in its report recommending, advising, and consenting to the adherence by the United States to the International Convention of the Copyright Union, as revised and signed at Rome on June 2, 1928 (to accompany Executive Report E, 73d Cong., 2d sess.), strongly recommends "the repeal of the manufacturing clause and the ratification by the United States of the Copyright Convention." The repeal of the manufacturing clause is a condition to this country's adhering to the Bern Convention. The purpose and object of the convention is to eliminate all formalities, conditions, and notices, in order to secure copyright protection in all countries adhering to the convention. The elimination of "the manufacturing clause" will mean the throwing out of employment of many persons engaged in the printing and bookbinding trades in the United States.

Wallace McClure, connected with the Department of State, in hearings before the Committee on Foreign Relations, United States Senate, Seventy-third Congress, second session, part 2 on Senate bill 1928, a bill to enable the United States to enter the International Copyright Union, testified on May 28, 1934:

"There were in 1931 a total of 254,461 wage earners in the printing and publishing trades, of whom 134,302 were in the book printing and publishing trades.

"For the year 1929 the corresponding figures were, for the printing and publishing trades as a whole, 289,119, and in the book publishing and printing trades alone, 150,649."

Mr. M. J. Flynn, representing the International Allied Printing Trades Association, in opposing the bill, testified (pp. 10, 12):

"The present copyright law calls for according copyrights to books that are printed and manufactured in the United States. This bill, without saying so, would repeal those provisions of the law. With 45 percent of the printing trades of this country unemployed at the present time, we cannot very well see our way clear to going along with a policy which may further increase that unemployment. * * * We do not believe, with conditions as they exist today, that we ought to add further to the unemployment at a time when the country is spending its utmost in an attempt to get people back into industry.

He further testified that tariff duties do not meet the situation and do not afford complete and adequate protection to American labor because of the many devices resorted to by foreign exporters to circumvent and defeat tariff regulations (p. 12).

William Green, president of the American Federation of Labor, declared on February 6, 1936:

"The federation estimate shows 11,401,000 out of work in December (1935) * * *. The vast majority have no assurance of anything but continued joblessness and dependence on relief and Government work projects. (New York Times, February 7, 1936.)"

The "manufacturing clause" bars the United States from adhering to the Bern Convention.

In the hearings above mentioned, the following colloquy took place between Dr. McClure and Senator PITTMAN (p. 11):

"The CHAIRMAN. I would like to ask the representative of the State Department at this point whether the retention of the manufacturing provision of the present law as it relates to the printing provision, to which Mr. Flynn has directed attention, would in anywise conflict with the principle laid down in the treaty before us and recognized in the treaty? [for adherence to the Bern Convention].

"Mr. MCCLURE. I think it would; that is, the treaty itself, regardless of the act, would repeal that provision, should the treaty come into force, because the treaty would grant copyright regardless of whether the publication took place in the United States. Under the manufacturing clause we do not permit copyright in this country of books in English unless manufacture takes place here.

"The CHAIRMAN. It would not be in harmony, then, with the principle upon which this treaty has been negotiated?

"Mr. MCCLURE. It would not."

Thorvald Solberg, former Register of Copyrights, in his article on The Present Copyright Situation, 40 Yale Law Journal 184, says at page 203:

"The Copyright Act of 1891 brought into our legislation for the first time the requirement of American manufacture as a condition precedent to obtaining copyright in the United States. It was carried over into the act for the general revision of our copyright statutes of March 4, 1909, although that act released from the typesetting stipulation books of foreign origin printed in a language or languages other than English. This requirement is the principal obstacle which prevents the entry of the United States into the International Copyright Union, whose articles of convention provide that copyright protection shall not be conditioned upon compliance with any formalities."

During the debate on the Duffy bill, the manufacturing clause was offered by Senator Trammell and unanimously adopted as an amendment to the bill (CONGRESSIONAL RECORD, 74th Cong., pp. 12756, 12917), and is now section 11 of such bill.

The obvious purpose of the incorporation of the manufacturing clause in the bill was to protect labor. But this provision only lulls labor into a false sense of security. The amendment will fail of its purpose because its inclusion in the bill defeats the very purpose sought to be accomplished by the treaty; that is, to abolish all conditions, formalities, and notice in order for foreigners to secure United States copyright.

The following colloquy at the above-stated hearings shows the inconsistency between the Trammell amendment and the Bern Convention (p. 35):

"Mr. EDWIN P. KILROE. Dr. McClure, it is your contention that the ratification of this treaty by the Senate would supersede existing copyright laws, so far as the treaty terms are concerned?

"Mr. MCCLURE. That is the belief; yes, sir. * * *

"Mr. KILROE. Is it your contention that if the Senate ratifies this treaty foreign authors get automatic copyright in the United States without any formality?

"Mr. MCCLURE. If this treaty should go into effect by adherence, after the Senate has given consent to adherence, then automatic copyright would necessarily be a part of the law of the United States."

The social, political, and industrial conditions with cheap labor, cheap money, and modern machinery prevailing in some countries threaten not only American workingmen, but American industries dependent upon copyright material.

"Dumping" in the book trade has already become a menace. The New York Post (August 13, 1935) says:

"NAZIS PUSH BOOKS ABROAD

"BERLIN, August 13 (Havas).—The book-publishing industry today moved to encourage foreign sale of Reich books by offering a 25-percent discount abroad as compared with domestic prices. The difference will be made up to publishers under a book-dumping fund created by the Minister of Economy, Dr. Hjalmer Schacht."

The sponsors of the Duffy bill contend that adherence to the Rome Convention will materially benefit American authors, and will protect our exports abroad of copyrighted material. The Senate report on the Duffy bill (report to accompany S. 3047), states:

"Partly because of the demand for American motion pictures, growing out of their technical perfection, but also because of the inherent literary and musical worth of American fiction, songs, and drama, the United States has become a great exporter of copyrighted works, which contribute measurably to the wealth of the Nation. The problem of adequate protection of copyrighted works in other countries has, accordingly, assumed proportions never hitherto reached.

"* * * the protection to American exporters accorded by the treaty promises to stimulate the manufacture of books and so to increase employment in this country."

The much-proclaimed blessing that would flow to American industry dependent upon the use of copyright material by our adherence to the Rome convention is a snare and a delusion.

The treatment that has been accorded to such industries by some foreign nations is most conclusive proof that instead of promoting American industry it would further enable foreign governments to fetter, shackle, and put in strait jackets such industries and disable Congress from retaliatory laws, regulations, and restrictions.

N. D. Golden, chief, motion-picture section, Specialties-Motion Picture Division, United States Department of Commerce, in an article entitled "Film Outlook Abroad at the Turn of the Year", Film Daily Year Book, 1935, points out that American producers dominate the motion-picture screens of the world because of the international appeal of their product; that "the typical American feature is excellently suited to foreign markets because of its universally human qualities—whether of laughter or romance or sweeping dynamic power."

Says the Daily, London, January 1, 1936:

"America captured the world film market by a deliberate policy of internationalism. In Hollywood a man's art has mattered and his nationality has not.

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"* * * A good film is the flag with which a country tries to hold a territory which is more difficult to conquer than any land or sea; it is the territory of the heart. A good film achieves a great deal for the country whence it comes. Each good film is an ambassador of its country."

America's dominance of the world motion-picture market has contributed largely to discriminatory regulations, confiscatory taxes, excessive tariffs, unreasonable censorship demands, and special laws, which, while in form applying to all countries, have been in fact enacted to curb the United States as far as possible in this field. (New York Times, November 24, 1935; Hollywood Reporter, December 24, 1935.)

Mr. Golden states at page 1013:

"Film quotas and import restrictions still remain the bugaboo of American exporters of motion pictures. No less than 12 major countries have quota or contingent laws restricting or limiting the number of foreign motion pictures allowed to be shown during a given period, and another half dozen countries are clamoring for legislation which will adversely affect imports of American motion pictures."

Says Motion Picture Herald, November 2, 1935:

"The pressure to 'keep the home fires burning' and maintain a favorable balance of trade, expressing itself in drastic restrictions and regulations, is making it increasingly difficult for American film companies to do business abroad."

And in the November 23, 1935, issue, page 61, it is said:

"Behind this nationalism is the fight to keep foreign competition from swallowing the domestic markets and the press for international business. Since Americans are the heaviest exporters, with 60 percent of the world's playing time to their credit, the decrees place the brunt of the burden on the United States.

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"ARTISTRY HAMPERED

"Artistic development of motion pictures is considerably hampered, too, by the objections to the filming of books and plays which may run afoul of national sensitiveness. * * *

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"In addition to quotas, dubbing, and taxation regulations, European countries are quick to impose censorship on films which have a political tinge or are considered offensive to national customs and traditions.

* * * * * * *

"Quotas against American films are imposed by Germany, Great Britain, Italy, Austria, Hungary, Czechoslovakia, New South Wales, and New Zealand. France has no specific quotas with respect to American pictures, but foreign language films can be shown in only 5 theaters in Paris and 10 in the provinces. * * *

"Dubbing must be done locally in France, Italy, Germany, Austria, and Czechoslovakia, and those governments exact a dubbing fee ranging from 9,000 marks in Germany to 25,000 lira in Italy and 20,000 kronen in Czechoslovakia on each film. Besides there are import duties, censorship cost, distribution charges, and other taxes. No subtitles are permitted, such as are seen in foreign-language films in this country.

"Of 315 foreign pictures released in France in 1934, 224 were American. These figures clarify attempts to pass drastic decrees governing the film industry which would be so stringent as to drive American film companies out of France, imposing as they did a 30-percent quota requirement, forcing French theaters to show a minimum of that number of feature films made domestically, giving in return an advantage in taxes to exhibitors.

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"European countries might regard our nominal footage duty on importations as a 'restriction,' but aside from this the United States is a wholly free and open market subject only to investment and entertainment values. The progress made by European distributing companies in this country is pointed to as evidence of that American policy."

Restrictions against the importation of American films into foreign countries have increased by introduction of quality in addition to quantity quotas.

In the past American producers have met local quota requirements either by producing pictures in foreign countries, or by purchasing local pictures for as low a price as possible so as to keep the additional cost at a minimum. This is no longer feasible, however, because of a "quality quota," under which the foreign producer may not satisfy quota requirements where the local picture acquired is held to be inferior:

"* * * on the ground that their artistic or photographic merit, or their appeal to the interest of the public generally, or their general quality, is not sufficient to warrant their being taken into account for the purposes of computing the distributor's quota or the exhibitor's quota * * *." (Australian Quota Act, 1935, sec. 3 (1) (g).)

The foreign producer is compelled to give up local production because there is no assurance that his pictures will come within the "quality quota." To satisfy quota requirements he is compelled to buy native product at a price that may be fixed by the Government (sec. 7 of Australian act).

To satisfy the exhibitor's quota, any exhibitor may reject foreign films (i. e., films which are neither British nor Australian) contracted for before the act was passed (sec. 8). He may also reject 25 percent of all such foreign films contracted for (sec. 9).

Foreign films imported and exhibited in the United States in 1933 totalled 113; in 1934 there were 147 and in 1935 the number increased to 190. Such importations for the past 2 years originated in the following countries (Variety, Jan. 1, 1936):

	1935	1934
German	59	59
Spanish	38	20
British	33	33
French	19	7
Russian	16	12
Hungarian	12	4
Swedish	5	4
Polish	3	4
Italian	3	1
Yiddish	1	3
Armenian	1	0
Total	190	147

The Daily (London, Jan. 1, 1936), recognizing the handicaps of American producers in foreign countries as contrasted with the equality of foreign and American producers in the United States, says:

"The foreign producer, having to pay an import duty to bring his negatives and prints into this country, finds himself the only element in business life which is then subject to another duty—the requirements of the Films Act.

* * * * * * *

"On the other hand, when the British producer—or, for that matter, the producer of any other country—sends his product to America, he is only asked to pay the customary import duty, thus allowing him a free market for the distribution of his pictures."

Foreign nations, by means of suppression and censorship of the press, books, and motion pictures, are seeking to interfere with our democratic process of free inquiry, discussion, and expression in respect of all matters of public interest.

Unlike other countries, we have no national censorship laws. In the States and municipalities where we have censorship, it does not interfere with freedom of speech. Our censorship laws are limited generally to prohibiting obscene, indecent, immoral, inhuman, and sacrilegious matter, or matter of such a character as tends to corrupt morals or incite to crime.

It is the duty of Congress to safeguard our free system from the strait-jacketing influences of alien doctrines of suppression and censorship. Congress can protect our citizenry by appropriate retaliatory amendments to our copyright law. Once we adhere to the Bern Convention, Congress surrenders that power.

INTELLECTUAL SANCTIONS

Notwithstanding the Bern Convention, Italy by way of reprisal has banned copyrighted newspapers, books, and motion pictures, and has forbidden performance of plays of the nationals of the powers that voted for the sanctions against it as the aggressor in the Italian-Ethiopian conflict.

Says the New York Times (December 10, 1935):

"BRITISH NEWSPAPERS BANNED

"Italy has inaugurated a policy of much greater severity toward newspapers that by unguarded comments on the Anglo-Italian and general European situations are deemed to increase rather than allay international tension. It was revealed today all British newspapers had been banned from Italy, with only four exceptions, including the Morning Post, Daily Express, Daily Mail, and Sunday Observer.

"The question is now being examined whether subscribers to banned newspapers shall be allowed to receive their copies. They have not been doing so hitherto.

"This ban on British newspapers is declared temporary, and it is said the advisability of repealing it will be examined every week.

"Replying to an inquiry, the Ministry of Press and Propaganda said there was at present no idea of repealing the ban against the New York Times on account of its editorial policy."

The New York Times of January 3, 1936, reports:

"ITALY ADMITS THE TIMES—LIFTS BAN ON NEWSPAPER—ENDS CURB ON CHICAGO TRIBUNE, TOO

"ROME, January 2.—The ban on the New York Times, applied last June, was officially lifted today and the Ministry of Home Affairs has been instructed to cease seizing copies that come in through the mails. The Chicago Tribune, banned at the same time, is also again permitted to enter the country.

"The initiative for today's action was attributed to Capt. Galeazzo Ciano, Minister of Press and Propaganda, who is in Rome on a brief leave from the Eritrean front. After having consulted the Italian Embassy in Washington he proposed to Premier Mussolini that the order be rescinded, and the Premier immediately agreed.

"Under a new policy the government will decide week by week on the strength of the editorials and the news each paper publishes which will be allowed to enter the country and which will not. It is understood all Italian diplomatic representatives abroad have been instructed to send their recommendations in this regard to the Ministry of Press and Propaganda."

There is a possibility that sanctions will be applied against American copyright owners if Congress forbids oil and other

articles capable of being used for war purposes to be exported to Italy under any new neutrality program. (New York Times, January 4, 1936.)

Gayda, editor of the Giornale d'Italia, unofficial press spokesman for Premeir Mussolini, opened the campaign of condemnation of President Roosevelt's stand on neutrality by the declaration (New York American, January 7, 1936)—

"Roosevelt's proposal (neutrality) would signify not only clear intervention by the United States in conflict against every principle of neutrality, but also their adherence to a League policy in direct submission to British policy."

Continues the New York American:

"Premier Mussolini's approval of the bitter attacks [against President Roosevelt] was seen by observers because the Government suppresses newspapers when it disapproves what they say."

Says the Hollywood Reporter, January 4, 1936:

"ITALY BAN HITS U. S. PIX—EDICT AGAINST ALL FILMS WITH BRITISH FLAVOR—PARAMOUNT'S "BENGAL LANCER" FIRST KILLED

"LONDON.—Many American pictures will be banned by Italy as a result of its newest edict on films, resulting from the League of Nations sanctions and the current friction with Great Britain.

"The newest order issued not only bans British-produced pictures but also any others which are of British nationalistic flavor, no matter where or by whom made. The first victim of the ban is Paramount's Lives of a Bengal Lancer.

"Film observers here say that the new ban will seriously hurt the American companies, so far as the Italian market is concerned, on account of the unusually large number of Hollywood films produced recently which extol British institutions and background and can be considered of a propaganda nature in the eyes of other countries.

"Some of the recent pictures which have not yet played Italy and which are predicted to fall under the ban are Mutiny on the Bounty, Captain Blood, Perfect Gentleman, and the two Dickens' pictures, David Copperfield and Tale of Two Cities.

"London film men look upon the situation as more serious than would be assumed on the surface, especially in view of the plans of American companies to come to England to make pictures for the European market."

RACIAL DISCRIMINATION—THE "ARYAN" DECREES

Germany, openly and notoriously in defiance of treaty obligations, discriminates against the literary, cultural, and scientific works, including drama, motion pictures, music, and the plastic arts of non-Aryans.

The ban on the public pursuit of a person's artistic or cultural activities has been made to apply to foreign non-Aryans. (New York Times, Feb. 2, 1936.)

The New York Post (January 16, 1936) reports:

"RACE BANS ALSO HIT ALL FOREIGN CITIZENS

* * * * * * *

"The Ministry of Propaganda has informed foreign consulates that the anti-Jewish laws apply to all Jews in Germany, including foreign nationals.

"The statement was made in reply to protests by the consulates to the ministry against an order requiring all Jews, German and foreign, to dispose of printing plants and publishing houses * * *."

"ULTIMATUM TO PUBLISHERS

"The Propaganda Ministry's order gave the publishers the alternative of either liquidating their businesses or selling them to Aryan citizens. The order hits a number of publishing houses of international reputation."

This destroys one of the fundamental rights granted under all copyright laws, namely, the right to publish and vend. American "non-Aryans" are barred from printing and selling their own copyright works in Germany.

To eliminate non-Aryans from the "intellectual and cultural life of Germany," foreign newspapers, books, music, and motion pictures have been barred from that country.

The New York American, January 30, 1936, states:

"Hans Frank, minister without portfolio, told the German Academy's economic counsel: 'We do not care what the world says about our Jewish legislation. * * * The Jew may do business in Germany unhampered, but he must under no circumstances deposit his intellectual excrements with us.'"

There is a law forbidding the publishing, selling, performing, or broadcasting of "Jewish music" no matter if it is Mendelssohn, Offenbach, or Gilbert, and in addition thereto there is a ban on "Negro jazz" (Variety, January 1, 1936). "Negro jazz" is essentially the creation of American composers.

The American-made pictures starring the American comedian Eddie Cantor—Whoopee, The Kid from Spain, and Roman Scandals—have been banned by the Nazi Government.

Concerning such bannings and wholesale censorship of American pictures abroad, the Hollywood Reporter of December 24, 1935, says:

"DEFY FOREIGN CENSORS—INDUSTRY UNITED ON STAND AGAINST EUROPEAN MEDDLERS; WILL APPLY OWN "SANCTIONS"

"The film industry is all set to take a firm and united stand against the foreign countries which have recently been making unreasonable censorship demands on American films.

"With bannings and wholesale censoring of pictures growing, the industry leaders, both here and in New York, realize the serious situation that will arise unless some means are taken to curb the practice. They have now reached a uniformity of mind not to knuckle down in future on any censorship demands that are at all unreasonable.

"Officials of the various companies, both in the distribution and producing ends, have tacitly agreed to make an issue of the next flagrant case that arises, with talk of withholding all American pictures from the particular country involved in the same way that the industry stood together in withdrawing films from Mexico over the recent tax squabble.

"The stand taken by Spain over the Paramount picture, the Devil Is a Woman, was the first indication to the industry of just how serious a country's dictatorial policy could be. This, in conjunction with the Turkish stand on M-G-M's Musa Dagh, the Italian attitude on Warner's Stiletto, and the French dictates on Paths of Glory has aroused the top industry executives to a point where they are ready to stand together as a unit and fight the next flagrant issue with a boycott of the country involved."

A number of the nations have entered into alliances for mutual reciprocal action on films claiming to offend national sensibilities. So that if one nation declares itself to be offended on whatever slight grounds, all other nations are bound to apply sanctions against the aggressor picture company. The situation is reviewed in Variety, January 1, 1931:

"INSULTS

"Spain became worried about censorship and 'insults' in films. Made alliances with Mexico, Nicaragua, and practically all the South American countries for mutual reciprocal action on films when 'affronted.' If any country anywhere makes a picture that any of the participant nations dislike, all of them mutually act against the offender. It's the first international film pact of the sort and affects all the Spanish-speaking countries of the world. Censorship was increasingly tough around the world but continued its curiously haphazard way, making decisions for producers difficult. Thus, a film which was banned in one spot was accepted with open arms in another. Hungary turned thumbs down on I Cover the Waterfront (UA), Caravan (Fox), Merry Widow (M-G). Madrid didn't like Don Juan (UA). Cuba objected to Rumba (Par.). China banned Bengal Lancer (Par.). Budapest also banned Whoopee (UA) and Rain (UA). Algeria banned Lancer. Sydney wouldn't let in G-Men (WB) or Let 'Em Have It (UA). Copenhagen nixed Little Miss Marker (Par.). Capetown refused Let 'Em Have It entrance. There were many more in many parts of the world.

"It all wound up in one big scrap over Devil Is a Woman (Paramount) which Spain resented to the point that it threatened Paramount with a ban from the country of all its products if this picture wasn't removed from the world market. Paramount held out until the last minute. This all broke heaviest as Major Herron (Hays office) was in France on the decree law trouble. He rushed to Madrid, but the matter couldn't be straightened out easily. Only way out was to give in, and Herron used the phone to convince Paramount in New York. Picture was withdrawn from the world market."

Some nations have been charged with using the power of censorship as a means of mutilating American pictures for no other purpose than to destroy their box-office value. Says the Hollywood Reporter (January 8, 1936):

"AUSSIE CENSORS CHARGED WITH KNIFING UNITED STATES FILMS—MALICIOUS CUTS TO HELP OWN INDUSTRY

"Increased evidence of foreign censors unreasonably cutting and eliminating American films in order to help their own picture industries has extended to Australia, according to producers. They notice a growing tendency there to mutilate American pictures since the Antipodes became active in building up its own film production.

"Australian censors, it is claimed, are following the procedure of some European censors in ordering cuts for which there can be no excuse on the grounds of morality, politics, or injury to national pride; and to which no reason can be ascribed other than a malicious intent to lessen a picture's box-office popularity.

"As a result of this growing tendency on the part of the censors of almost every country, it is no secret that the producers are growing more and more befuddled as just what will be or will not be accepted abroad. A check-up has shown that the same censors will allow one thing to be shown in one picture and yet delete it from another. This is proof to the American picture makers that censorship abroad is a hit-and-miss affair, almost wholly aimed at crippling American business.

"One of the most flagrant instances lately of alleged unreasonableness in censorship in Australia is reported on Alice Adams, a Radio picture that got a 100-percent clean bill here from the Hays office, yet which has been ordered severely cut in that country.

"Cuts were ordered in minor scenes, such as the moving of furniture around the room; Katherine Hepburn powdering her nose; Hepburn in a party dress; and other footage that had not the least sex implication or any connection with other legitimate reasons for deletion. One of the orders was to shorten certain dialogue between Hepburn and her leading man, a matter purely editorial and not within the legitimate scope of a censor."

These discriminations are of great concern to the American picture industry.

"Two years ago American films averaged 60 percent of their net from the foreign markets. At one time it was higher, some countries being as high as 75 percent." (Variety, January 1, 1936.)

But this has been badly cut by the various devices resorted to by foreign governments to restrict and curb American pictures.

These measures are very costly to American citizens because the cost of motion pictures varies from $15,000 to $2,000,000; for example, Mutiny on the Bounty. The average cost of producing a feature picture is $250,000 (U. S. Department of Commerce Reports in Motion Pictures Abroad, May 15, 1935).

The situation has been so critical that in some countries, notably Czechoslovakia and Mexico, American film companies withdrew from those markets.

GERMANY

Germany was the first country to adopt a quota law or "kontingent" (contingent licenses) directed against foreign films, particularly those coming from the United States. A German law of February 15, 1925, provided that no foreign films should be given a permit entitling them to be censored unless the importer agreed that it would distribute one German film of the same length as the foreign film for each foreign film imported.

As a result a traffic grew up in the purchase and sale of inferior German-made pictures which had no value, which were never distributed or exhibited but shelved. Their only use was to meet the "kontingent" requirement. These films could be bought for approximately $4,000—a sum really paid for the privilege of importing one foreign picture.

In addition to the purchase of a German picture to meet the "kontingent" picture requirement, a decree was issued in November 1934 by the Nazi government fixing the price of "Kontingent" licenses payable to the Government at RM20,000, effective immediately.

The Film Daily Year Book of 1935 states at page 1055:

"This price in effect places the German market for American films in the prohibitive class and may ultimately result in forcing a decision from the American companies either for a greater participation in domestic production, through producing themselves or distributing locally made products or shut up shop."

The Motion Picture Daily of November 13, 1934, carries the following article:

"New tax may mean United States to quit Berlin.

"Twenty thousand mark levy apt to prove last straw.

"Withdrawal of American companies from Germany is a strong probability unless a new tax of 20,000 marks (approximately $8,000) on all features sent into that country is reduced or made noneffective. * * *

"Several foreign managers were stunned by the news and at the outset refused to credit the information. While all of them declined to talk for publication, their remarks, made in private and independently of each other, hit it off in complete unanimity. Typical of the comment was:

" 'This looks like the last straw. This move appears to be a deliberate step to crowd us out of that market, which is O. K. with us. We can't get our money out of Berlin anyway, so what's the difference?'

"Universal some months ago disposed of its German business. Warners are virtually cut of the market, having been in the process of liquidation since the early days of the Hitler regime.

"* * * Fear was expressed that the Berlin decision may influence identical action on the part of neighboring nations, such as Austria and Hungary."

All but three of the American film companies have discontinued their branches in Germany.

The New York Times, February 2, 1936, states that the severe restrictions placed upon foreign films through contingent regulations admit not an inch more of the celluloid strip than is absolutely necessary to fill the gap left open by the realm's own industry.

With the introduction of sound and talking films, it became necessary for American film manufacturers to remove the sound track containing dialogue in English and to substitute a sound track containing dialogue in the language of the country into which the film was imported. In order to accomplish this substitution, it is necessary to have the speeches of all actors duplicated in the particular foreign language, so that the substituted sound track will coincide with the lip movements of the actors whose original speech was in English. This process of substitution is called "dubbing."

Since 1932 Germany has required that all dubbing of films into German must be done in Germany, and that only 50 percent of the number of permits issued for importation of films may be used for the release of such dubbed films in Germany.

Permits may be issued for foreign educational and cultural sound films only on the basis of a simultaneous distribution of twice the length of German educational and cultural sound films.

Before contracts are closed granting the right to exhibit foreign films to German exhibitors, the film must be once publicly shown in Germany. This provision does not apply to domestic German productions. (Sec. 4, decree of June 28, 1932.)

The law provides that import permits may be refused for films, the producers of which distribute on the world market, films whose tendency or effect is detrimental to German prestige. The same applies to films in which actors appear who have appeared in other films that were adjudged detrimental to Germany.

The effect of these restrictions on the exportation of American pictures to Germany is reflected in the following tabulation showing imports of films into Germany since 1926:

1926	229
1927	192
1928	205
1929	142
1930	97
1931	80
1932	43
1933	68
1934	37
1935 (8 months)	22

Even if a film is admitted into Germany, there is no guarantee that the film can be distributed. It must be first approved by the censor, who may reject the film at his whim or caprice. Under the guise of censorship many foreign films are kept out, notwithstanding the fact that the exporter has committed himself to the distribution of one German film for every foreign film imported and for which "Kontingent" he has paid $4,000.

According to the United States Bureau of Foreign and Domestic Commerce, the German censor approved films of the following origin for the first 8 months of the year 1934–35:

Feature films

Germany	87
United States	22
France	6
Austria	6
Czechoslovakia	5
England	3
Hungary	2
Denmark	1
Poland	1
Switzerland	1

In startling contrast with the German importations of 22 American pictures in 1935 are the importations of American films to other non-English-speaking countries for the same year:

	Total	American
Egypt	300	250
Greece	300	200
Palestine	200	150
Poland	600	300
Rumania	350	250
Yugoslavia	300	200

The requirement that foreign-made films are admitted into Germany against "kontingents" costing $4,000, together with the cost of "dubbing" and the cost of securing a permit to censor the film, coupled with the fact that there is no assurance that the film will be approved, is sufficient to keep all but a few very profitable American pictures out of Germany. These requirements make the importation of the average American picture unprofitable and prohibitive.

A film that has passed the censor may subsequently be barred under section 12 of the German film law of February 16, 1934, "in order to exclude from German film theaters all films which are not in harmony with the spirit of the new time" (Nazi regime). The law gives the Reich Minister for Culture and Propaganda the power to cancel any decision of the censorship bureau by ordering a reexamination of any film and prohibiting the exhibition of the film pending the new decision of the censor. Where a reexamination for the censor is ordered, the ultimate fate of the film is a foregone conclusion. Such fate was meted out to Eddie Cantor's picture The Kid From Spain.

Retroactive laws have been passed revoking all licenses for importations granted prior to January 30, 1933. The revocation of such importation licenses is made, notwithstanding the fact that the distributor has been compelled to pay the cost of acquiring a German film for each foreign film imported and to pay the cost of the censorship and "dubbing" in Germany.

All films admitted to Germany prior to January 30, 1933, must again be submitted to the censor, and a new fee paid, with a great likelihood that the film will be banned from Germany.

If a foreign (American) producer employs a non-Aryan writer, composer, director, or player for a picture for world-wide distribution and exhibition, he runs the risk of having the picture banned from Germany. The reason for this is given by the special deputy for supervising the cultural activities of non-Aryans, Hans Hinkl (Frankfurter Zeitung, August 11, 1935; Geistiges Eigentum, vol. 1, No. 3, p. 323):

"The question as to our attitude toward the foreign film, in which Jewish artists are employed, is very simple and can be answered without equivocation. In the first place, our measures for the elimination of the Jewish influence on our cultural and artistic life are entirely an internal German affair which is not to be confused with questions of international film economy; secondly, in a foreign country the Jews do not in intellectual and artistic

fields hide behind straw men because they may there express themselves openly and unhindered. On the contrary, if in other film-producing countries Jewish artists are employed, that is solely an internal affair of the respective countries."

Following out this view, the importer of a foreign film is required to furnish an affidavit to the German film censor listing each participant in the picture as to his being Aryan or non-Aryan—manifestly to assure the elimination of non-Aryans "from intellectual and cultural life."—New York Times, December 30, 1935.

"The most far-reaching measure to bend the cultural life of Germany to the purposes of an exclusive racialism was the establishment in September 22, 1933, of a Reich Chamber of Culture, with subdivisions devoted to literature, the press, broadcasting, the theater, music, and the plastic arts. * * * Exclusion from membership in the Chamber of Culture invoked a ban on the public pursuit of a person's artistic or cultural activities. * * * The Minister for Enlightenment and Propaganda ruled that non-Aryans were not entitled to admission to the Chamber, because non-Aryans did not possess the necessary reliability and capacity for cultural work (Annex, McDonald letter of resignation, p. 9)."

Manifestly having excluded its own from engaging in these pursuits, the Nazi government will not permit non-Aryans from other lands to disseminate in Germany their cultural, intellectual, and artistic works despite their copyrights.

The Motion Picture Daily (March 18, 1935) states:

"German censors do not permit the importation of German-language talkers made in Budapest [Hungary] into Germany, on the ground that too much non-Aryan talent is employed."

Dr. Kurt Zimmereimer, court assessor in Berlin, states—Geistiges Eigentum [copyright], May 1935, volume 1, pages 56, 69:

"Any film which represents concepts at variance with the fundamental doctrines of the nationalist-socialist movement as expressed, e. g., in the 25 points, in the programmatic speeches of the leader, and in the writings of Alfred Rosenberg, are held to offend against National Socialist concepts. Films have been held to offend where the principal characters are played by Jewish performers, whatever their nationality, and where these performers are portrayed as heroes of sports and moral victors or where German emigrants are employed as leading players."

Even after a film has been imported and approved by the censor and has met all other requirements, there is no chance of securing payment owing to foreign exchange restrictions, such as "blocked" marks, bartering, and other restrictions intended to prevent the exportation of German currency. American producers secure payment for films shown in Germany in marks, good only for the purchase of German-made goods.—New York Times, January 9, 1936, page 30. This results in "dumping."

"Dumping" has caused price disruptions, creating havoc in our domestic market and tending to break down our wage scales and our standards of living (New York American, February 10, 1936).

If our Government permits this practice, the United States will be swamped with German industrial products, sold necessarily at "dumping" prices, in competition with legitimate American industries, while the last ounce of financial advantage is being extracted by Germany from the large sums which American distributors must pay for the privilege of distributing their pictures in Germany.

This scheme was devised by Germany to assist German exports. If successfully pursued, other nations will follow the example.

An editorial in the New York Times of December 11, 1935, states:

"* * * No country in the world within the last few years has shown half as much ingenuity in devising new methods of blocking the free flow of world trade as Germany. She has taken the leadership in quotas, complicated "blocked" currency, bilateral dickering, and the requiring of special licenses to import. * * *

"* * * This drastic reduction of purchases from the United States was achieved by the German official policy of not permitting imports without special license.

"* * * All her ingenuity and lack of scruples in recent years in repudiating debts, rigidly controlling imports and subsidizing exports, have not helped her in creating an export excess."

The supreme court of Naumburg, Germany (January 5, 1935) held that a native of Germany need not pay an uncontested debt to a foreign non-Aryan, on the ground that it would result in taking money out of Germany and placing it in the hands of such foreign non-Aryan (New York Post, August 22, 1935). The decision reads:

"According to the actual purified conception of the law, a debtor is entitled to refuse execution of an obligation, even if that which is to be performed is neither contrary to law nor to morals, if it could be used, without cogent reason, for bringing parts of the national property, particularly immovables, into the hand of a non-Aryan foreigner and thereby deprive the national community."

Under this theory, any German could infringe at will the copyright of any non-Aryan American without making any payment for the piracy.

James G. McDonald, in resigning his League of Nations post as High Commissioner for Refugees Coming from Germany, pointed out this and similar decisions "explain why Jews and other 'non-Aryan' elements can no longer look to the law for protection of their elementary civil rights." (Annex accompanying letter of resignation, pp. 29–30.)

The term "non-Aryans" is not limited to Jews but is "a more comprehensive term which has disqualified numerous persons who are Christians and have had no relations with the Jewish community." (New York Times, December 30, 1935.) Of the treatment of non-Aryans by the German courts, Mr. McDonald states:

"This development of their function has been made possible through the avowed abolition by the Nationalist Socialist regime of the three cornerstones of judicial morality: Equality of all men before the law, independence of judges, and the doctrine that only those acts are to come under the prohibitions of the law for which the law specifically provides (the maxim, in criminal law, nullum crimen nulla poena sine lege).

"These fundamental guaranties of civilized justice have been rejected as non-German, 'non-Aryan,' and as Judeo-Roman in origin. * * *

"Under the new Nuremberg legislation, the courts are bound to apply as a fundamental law the principle of the inequality of race and blood as a decisive judicial rule in all cases brought before them. The rights of a German 'Aryan' citizen must, necessarily, be accorded the greatest weight in any judicial proceeding, and must be given precedence over those claimed by 'non-Aryan.'

"This method of administering justice is in conformity with the definition of the law given by Alfred Rosenberg, leader of the department of foreign affairs of the National Socialist Party: 'Law is what the "Aryan" man deems to be right; legal wrong is what he rejects.' The protection of the rights of the 'Aryan' against the 'non-Aryan' is, therefore, the principal purpose and function of the law and the courts. * * *

"On the basis of these declarations, it may be concluded that apart from any specific legal disabilities imposed by legislation, the judges of Germany are bound by law and by the terms of their office to regard "non-Aryan" as a dangerous and fundamentally criminal element, devoid of morality, biological and intellectual inferiors, and deserving of no protection for whatever civil or legal rights they may still dare to claim. * * *

"Whatever small minimal rights might still be claimed by Jews or non-Aryans, however strong the evidence presented, or clear the terms of the laws to which appeal was made, the courts of Germany have on racial grounds denied those rights, overlooked the evidence brought to sustain them, have, wherever possible, rendered the laws more harsh or have, wherever necessary, on their own authority filed the lacunae in the system of legislative discrimination."

What measure of redress can an American non-Aryan secure in the German courts against a German Aryan literary pirate? Of what earthly value is a copyright in a country where such shocking doctrines are practiced?

The German Government has excluded certain American, British, and other important newspapers from Germany, on the ground that at one time or another they carried news items or editorials not in harmony with Nazi doctrine and ideology.

Unless foreign non-German newspapers, books, and motion pictures are in sympathy with the Nazi doctrine and ideology and willingly goose-step to Nazi music, despite their copyrights, they are in danger of suppression in and exclusion from Germany.

The New York Post—December 24, 1935—reports the following penalties for importing foreign newspapers:

"Nuremberg: A 20-year-old Catholic was sentenced to 15 months' imprisonment for importing foreign newspapers.

"Cologne: A member of the Convent of St. Lazarus has been sentenced to 5 months' imprisonment for importing foreign newspapers."

Germany is notorious for ignoring treaty obligations. Says the New York Times, February 10, 1936, in article headed "Munich Cardinal Assails Nazi Press 'Lies' ":

"The cardinal declared it was time for responsible officials to see to it that the Government's (Germany) signature was honored."

He referred to the concordat with the Vatican.

SPAIN

The Premier announced the Government's intention of setting up a quota system for foreign films; exempting all domestic film activity from any class of tax, direct or indirect, and requiring each exhibitor to present a certain proportion of native films.—Motion Picture Herald, December 28, 1935.

In March 1934 a proposed bill was submitted to the Council of Ministers placing restrictions on the importation and distribution of foreign films and providing for a 5-percent quota on exhibitors which may be increased every 6 months; prohibiting foreign-language films in Spain 6 months after promulgation as a law; requiring that foreign films be dubbed in Spain with 90 percent Spanish personnel; and taxing first- and second-run theaters one-half centimo per meter on foreign films and subsequent-run theaters one-quarter centimo per meter on such films. The Minister of Industry and Commerce will be empowered to adopt such complementary measures as he deems convenient.

There is now a discriminatory turn-over tax against motion pictures produced in foreign countries. The tax on foreign pictures was 7½ percent as against the tax of 1½ percent on pictures produced in Spain. Commencing January 1, 1936, the tax on foreign pictures is reduced to 3 percent, while the tax on pictures produced in Spain remains 1½ percent.

All foreign exchange is controlled by the Spanish Government, and permits to export money are granted only as and when foreign currency is available.

Foreign companies must make application every week for permission to transfer money abroad. The delay in allocating foreign currency is very great and steadily increasing. The delay is now

more than 11 months, such delay increasing at the rate of about 3 weeks every 2 months.

Under a decree published in the Gaceta de Madrid on October 27, 1935, the Minister of the Interior of Spain has been authorized to prohibit the exhibition of all motion pictures produced by companies which within or outside of Spain distribute pictures which tend to misrepresent historical facts, or to impair the prestige of Spanish institutions or personalities.

Prior to the pronouncement of this edict, Spain had barred the American picture The Devil Is a Woman on the ground that an officer of the civil guard was shown drinking in a cafe. (See New York Times of November 24, 1935; Motion Picture Daily, November 1, 1935.)

Spain threatened to keep all Paramount pictures out of that country and to confiscate Paramount's prints unless The Devil Is a Woman was withdrawn from world circulation. Paramount was forced to withdraw the picture from world circulation and to destroy the master print because of the threat to ban all of its pictures from all Spanish-speaking countries, as well as from Spain, by reason of an agreement between such countries that if one Spanish-speaking country objects to a certain film, the producer company's product will be barred in the whole Spanish-speaking world.

The Motion Picture Herald (November 23, 1935, p. 61) reports:

"The Spanish Government issued an ultimatum threatening to confiscate all of Paramount's prints in that country and to bar the company's pictures from exhibition in Spain if the company refused to discontinue world circulation of the Marlene Dietrich picture and destroy the prints.

"The American State Department interceded and, taking cognizance of the official protests over the 'insults to the Spanish armed forces,' advised Adolph Zukor, Paramount chairman, 'to withdraw the film as soon as possible.' While the Madrid Government described the edict as 'very satisfactory,' it has advised its embassies throughout the world to observe the progress of the withdrawal of the film and to expedite it where possible.

"Paramount is taking steps immediately to comply with the demand and will negotiate individual settlements with exhibitor accounts who had the picture under contract but have not played it. The master print was burned last Thursday in the presence of the Spanish consul general in New York."

TURKEY

Turkey, following the example set by Spain, has threatened to bar the Metro-Goldwyn-Mayer picture, The Forty Days of Musa Dagh, which portrays Turkish maltreatment of Armenians during the Great War. The New York Times of November 24, 1935, says:

"The case of Musa Dagh is engaging us at the moment, and it may be the final protest that will set off the explosion and force the Government to take some action. * * * If Turkey does bar American films because Metro makes Musa Dagh, the loss in itself will be slight. But one film must be made an issue. The feeling in Hollywood is that this picture, which gives evidence of being one of the greatest the industry has made, should serve as the means of bringing the whole thing into the open. There is nothing objectionable in the script. It is pro-Armenian rather than anti-Turkish. The studio has done everything it can, without distorting history, to put the Turks in as favorable a light as possible. But it does present facts."

Martin Quigley, editor of the Motion Picture Herald says (Motion Picture Herald, December 7, 1935):

"This incident of The Forty Days of Musa Dagh brings into sharp focus an exceedingly difficult problem which confronts motion-picture producers. The very existence of the motion picture is dependent upon the picturization of suitable story material. Such material is exceedingly scarce. There are instances of stories which contain excellent dramatic situations which must be sacrificed because of lack of suitability for the general audiences which comprise the patronage of motion-picture theaters. There are other stories which are essentially acceptable but for which no suitable treatments are to be found. In Musa Dagh, however, the material is of right character and it is a story that readily lends itself to motion-picture treatment. In addition, it has been one of the famous best sellers of recent years. But the Turkish Government says 'no.'

"The objection of the Turkish Government is based on the fact that the story portrays Turkish persecution of the Armenian people—a historical fact which is about as plain as, say, the German invasion of Belgium in 1914. Yet the Turkish Government, brushing aside the plain facts of history, ignoring the essential truth of the story, simply introduces arbitrary objection to which, of course, is added at least an intimation of exerting the full measure of its influence against the producer in event the story is produced.

"In view of the negligible importance of the Turkish market and other markets directly influenced by Turkish authority, it would be easy for M-G-M to ignore the protest and proceed with the picture. But the complication does not end here. * * * Every foreign government which is friendly to Turkey might also accept Turkish representations and exclude the picture.

* * * * * * *

"It is not too much to say that if existing circumstances are allowed to go on indefinitely, it will not be long before the producer becomes so hemmed in in his selection of story material that the result will be a severe curtailment in the interest and entertainment value of the motion picture."

FRANCE

The Hollywood Reporter of November 14, 1935, says:

"WASHINGTON SEES FILMS AS FOREIGN-TREATY FOOTBALLS—FRANCE, TURKEY IN 'MUSA DAGH' PACT

* * * * * * *

"According to State Department representatives in Europe, the matter of harnessing American films now quite often figures in political agreements between countries. It is reported that in a recent trade and political treaty between Turkey and France the matter of the filming of Musa Dagh by M-G-M figured prominently to the extent where France is said to have agreed to ban the showing of such a picture in that country if it is made into a picture.

"MUSA DAGH TRADE

"Musa Dagh treats of Turkish atrocities on Armenians during the regime of a former Turkish Government, but in no way could give offense to France. If the picture is made and France should ban it as called for in the reported agreement it would be further proof to Washington that Hollywood-made films are to be used for bartering purposes in diplomatic negotiations between countries.

"Similar agreements as to films exist between Spain and Spanish-language countries in South and Central America. If any one of these countries should object to anything in a picture, then, according to treaties, the picture is subject to banning by all the countries."

Only 94 "dubbed" films may be shown in France for each 6-month period. All "dubbing" must be done in France, within a period of 4 months from the date the request to "dub" is made, coupled with the payment of the required tax. Foreign pictures cannot be exhibited in their original version except in 5 theaters in Paris and 10 in the rest of France.

When pictures are "dubbed," American copyrighted songs and musical scores must be eliminated and French musical scores and songs substituted.

It costs about $20,000 to launch a "dubbed" film even modestly, including "dubbing" and printing costs.

Although American citizens have invested huge sums in engaging French studios and French labor, there is no assurance against further restrictions and burdens that may force them to withdraw from France.

In 1934 the duty on foreign films was increased 100 percent.

A decree formulated in 1935 required foreign producers of film to send to France a complete version of the film as made in the United States in English. Changes are often made here after a picture is completed and oftentimes after its first public showing. Notwithstanding such changes, the complete film would have to be imported into France, only to have further changes made there. The decree would require all "dubbed" pictures to bear all the original English titles, together with an exact translation into French. Exact translations, especially of idioms or colloquialisms, often make little or no sense in a foreign tongue. This requirement can have no other object than to handicap films of foreign origin.

This decree also provided for the exclusion of all pictures of any producer, actor, or author who at any time or in any place might publish, write, or produce anything that might be regarded as contrary to French national interests.

Article 36 of the decree would prohibit American as well as other foreign producers from distributing their own films in France.

Articles 39 and 40 of the decree required that 30 percent of all films exhibited must be made in France by French producers, actors, and authors.

The decree was finally held in abeyance, but there is now a movement to revive it.

The Film Daily of September 24, 1935, reports the temporary demise of this decree, as follows:

"Last week they nearly pulled a fast one in France. A bill was hurried through and on the verge of signature that would have practically closed the industry to American product."

The Motion Picture Herald (November 30, 1935) points out the possibility of the danger of the new decree, as follows:

"While the Government has permitted the decree for regulation of the industry to die, by refusing to give its approval, the menace has not been permanently removed. A law for governmental control will be proposed when the new Parliament comes into session, but for the present, at least, the industry has recovered its breath.

* * * * * * *

"The sponsors of the measure had expected to begin by forcing all cinemas to show a minimum of 30 percent French films.

"Americans would have been restricted on importations and a newly established national agency would have collected all the money due American companies for rental and the Americans might have been called upon to finance production of French films.

"The unanimous protests caused Mario Roustan, Minister of National Education, to eliminate some of the most severe proposals, such as the national agency.

"Even after compromise, however, the decree would have been a blow to American companies.

"PETSCHE TO PRESENT NEW BILL

"With the report that Maurice Petsche will present a new control bill before the new Parliament, there is every need of maintenance of the united front displayed by film interests."

The Motion Pictures Daily (December 24, 1935) has the following article:

"SEE NEW FRENCH LAWS

"PARIS, December 23.—French producers supported by labor and reform elements are planning new legislative assault on American film importations. The new measure which will probably be introduced at the winter session of Parliament is expected to parallel the provisions of the attempted decree law which was blocked last fall by French distributors and exhibitors working in conjunction with American film interests."

If the decree, which was suspended in October, should be reenacted, American motion-picture producers would be compelled to withdraw from France.

The French quota system was criticized by N. B. Golden in Film Outlook Abroad at the Turn of the Year—Film Daily Year Book, 1935, page 1013—as follows:

"In July 1934 the French quota, which formerly was on an annual basis, became a semiannual affair, and in November of 1934 a decree was published extending the regulations of July for the first 6 months of 1935. Short-term contingents of this type handicap American exporters in setting their sales program, as there is no telling what the next law will bring forth to curtail imports of American films."

ITALY

Italy forbids the showing of any film in any language other than Italian. Even film with Italian written subtitles but with foreign spoken dialog are forbidden. The result is that the track of all American films must be completely removed when imported into Italy and a complete Italian version substituted. This "dubbing" must be done in Italy by an exclusively Italian artistic and executive personnel.

For each film "dubbed" in Italy, a tax of 10 percent of the gross receipts must be paid. Originally, the maximum tax was 25,000 lire (about $2,025), and there was no tax for "dubbing" of short subjects. Recently, however, the maximum was removed, so that on a film that grosses 500,000 lire, a "dubbing" tax of 50,000 lire (about $4,050) must be paid.

On all films greater than 1,000 meters in length, a minimum tax of 15,000 lire (about $1,200) for each film must be paid, in any event.

Although the "dubbing" tax imposed upon foreign pictures was increased, there was a prohibition against passing this tax on to the exhibitor.

The Motion Picture Herald, March 31, 1934, says:

"There are 300 foreign films needed in Italy every year at present. The cost of 'dubbing' runs around 50,000 lire so that the total cost of 'dubbing' 300 foreign films would be about 15,000,000 lire, of which 60 percent, or 9,000,000 lire would be paid by American companies.

"ONE MILLION ONE HUNDRED AND TWENTY THOUSAND COST TO AMERICANS

"Adding the cost of 'dubbing,' 9,000,000 lire, to the total of the new tax of 5,000,000 lire, we have a total of 14,000,000 lire (about $1,120,000), which American companies will have to spend in Italy to carry on their business.

"Of course, the probable answer will lie in the direction of reduced American film exports to Italy. Only the big first-rate films, for which high rentals can be charged, will be exported. The reduction of film imports here generally considered likely will be from 25 to 40 percent."

All Italian theaters must show one Italian picture for every three foreign films. Film Daily Year Book, 1935, page 1061.

The recent increase in the "dubbing" tax imposed an additional financial burden upon American film producers.

In October 1935 the importation of foreign films was further restricted by limiting them to 25 percent of the footage imported the preceding year. This applies only to films imported from America, Germany, Austria, and Hungary, since films from all other countries are barred by the application of Italian sanctions.

In applying "sanctions," Italy has banned all British-made pictures, as well as American pictures dealing with British subjects. Among the American pictures banned by Italy are Lives of a Bengal Lancer and Clive of India.

CZECHOSLOVAKIA

On April 23, 1932, Czechoslovakia promulgated a decree retroactive to November 13, 1931, requiring of importers of film two permits for each film brought in, until a sufficient number had been acquired to cover features imported since November 13, 1931. The permits could be bought only from producers of domestic features at a price of 21,000 crowns ($840) each. Domestic producers were given seven permits by the Government for each sound feature produced in Czechoslovakia (not more than 120 foreign films to be imported into Czechoslovakia).

This regulation made the cost of importing pictures into Czechoslovakia prohibitive, with the result that all American film companies withdrew from that country. Prior to 1931 American film companies received $700,000 annually from distribution of pictures in Czechoslovakia.

Sam E. Woods, the American commercial attaché at Prague, states in the Department of Commerce publications of motion pictures abroad (February 15, 1935):

"AMERICANS LEAVE THE MARKET

"As a result of the high prices charged for 'kontingentscheine' (quota permits), the five American companies maintaining distributing organizations in Czechoslovakia found it unprofitable to bring in their products and stopped importing on May 5, 1932.

"The shortage of American pictures was not serious during the first half of 1932, but it became more noticeable later in the year.

"In 1933 the absence of American pictures resulted in serious disturbances, and local exhibitors approached the Government on several occasions, requesting that imports of American pictures be made possible."

On November 16, 1934, a new system was introduced, which is described as follows by Mr. Woods:

"Under the new regime the quota system was abandoned and imports put on an unlimited basis. The erstwhile 'kontingentscheine,' were replaced by a registration fee of 20,000 crowns ($800) payable through the Czechoslovak Association of Film Industry and Trade into a special fund with the Provincial Bank of Bohemia, the fees to be used for subsidizing domestic production to the extent of 140,000 crowns ($5,600) per feature picture produced in the Czech language and an additional 40,000 crowns ($1,600) for each foreign language version of the film produced locally. Further provisions of the instruction stipulated that for every five sound features brought in during a 12-month period the importer was required to offer for distribution one cultural propaganda short produced according to the suggestion of the film advisory committee created under the new system. Imports of pictures were permitted only in the language of the country of origin and 'dubbing' of imported pictures to be shown locally was permitted only in the Czechoslovak language. Importers of news reels had to include Czechoslovak subjects in a minimum of 20 percent of the total length."

Even this concession did not warrant the return of the American film companies, and a further concession was made enabling American companies to bring in one picture "dubbed" in German for every eight American features (for which a total registration fee of $6,400 must be paid). This gave American companies a limited market for pictures compulsorily "dubbed" in Germany.

All films imported into Czechoslovakia must be registered at the Association of the Film Industry and Commerce in Prague. The films must pass a precensorship board, which determines whether or not a film is suitable for the Czech market. If passed, a fee of 20,000 crowns, plus a "handling fee" of 200 crowns, must be paid for each film.

HUNGARY

The quota law of Hungary is similar to that which prevailed in Czechoslovakia from 1932 to 1934.

The quota is applied by requiring that at least 15 percent of all films exhibited must be Hungarian speaking. One-third of such pictures must be entirely Hungarian-made, and the remaining two-thirds may be produced in foreign countries but must be "dubbed" in Hungary.

All films must be censored. Feature films will be censored only upon presentation of import licenses. These licenses are issued only to those who produce or "dub" films in Hungary.

For every film produced or "dubbed" in Hungary, seven import licenses are issued. These licenses or permit tickets can be bought at a price between 1,000 and 1,300 pengös (about $300).

It says (Motion Picture Herald, October 26, 1935):

"The second edict rules that features over 1,200 meters of length may be admitted only on presentation of one permit ticket. In other words, the producer of one Hungarian film or Hungarian language synchronization is entitled to import seven foreign pictures on the basis of the tickets received as a premium. Thus the local branches of American producing firms, which do not produce or synchronize pictures here, are compelled to buy the permit tickets from the local distributors who also go in for production. The market price of these permit tickets is between 1,000 and 1,300 pengös (roughly, $300), meaning that local producers get a premium of 8,000 pengös for each picture made or synchronized here, while importation expenses for nonproducing firms are increased on the average by 1,000 pengös a picture."

The duties on the importation of films are as follows (Film Daily Yearbook, 1935, p. 1014):

"In further modification of the original decree of 1932, Hungary in October 1934, raised the duty on films for which titles were prepared abroad from 50 fillérs to 1 pengö per meter. In addition there is charged a regular censorship fee of 4 fillérs per meter on films made in Hungary and 10 fillérs if made abroad. These funds are turned in to the Hungarian film fund, which is used to subsidize Hungarian production in competition with American films."

Says Motion Picture Herald (January 4, 1936):

"This is an extremely difficult market, owing chiefly to the strict currency decree which makes it almost impossible for local branches of American companies to take money out of the country. The other difficulty which American film companies have to cope with the decree in accordance with which 10 percent, and from January on 15 percent, of the films shown must be Hungarian or locally synchronized in Hungarian. American distributing companies are collectively against such synchronization for two

reasons. For one thing, it does not pay to have films synchronized for Hungary only. Then, again, Rumania, Czechoslovakia, and Yugoslavia refused, for political reasons, to admit films synchronized in Hungary, even though the Hungarians living in these countries would gladly welcome them. Secondly, if American companies should start synchronizing their pictures in Hungarian, other smaller countries would demand the same thing, citing the Hungarian example."

AUSTRIA

The quota system in Austria is similar to that in Hungary. The Motion Picture Herald (January 4, 1936) states:

"* * * The import is free except for the kontingent tax to be paid on distributed prints, which costs 1,560 schillings if the titles are made abroad, and 1,200 schillings if they are made in a local laboratory. In case of two prints, 2,160 schillings and 1,800 schillings are to be paid."

BELGIUM

It is proposed to establish first a quota—at first small, to be gradually increased—on Belgium cinemas, forcing them to show a fixed percentage of Belgian films.

GREAT BRITAIN

Great Britain has a quota law requiring at least 20 percent of the pictures distributed by any company to be British made. This means that for every four pictures imported into England one British picture must be acquired by the distributor.

Says the Motion Picture Daily (December 23, 1935):

"The quota situation means that one-fifth of available dates are compulsorily filled with British films. The American distributor has open to him, for American films, only 80 percent of the market; the practical effect is much the same as if he were allowed to book only to 3,200 of the Kingdom's 4,000 houses. He approaches this artificially restricted market with a product compulsorily diluted by 20 percent of British films. To these difficulties of marketing are added the further one that, whereas the earning powers of big pictures tend to increase, due to the public's willingness to patronize them even in very late runs, the programmer becomes a more and more difficult problem. Where it is a question of just filling a date, the second-rate British picture is apt to get the business; it is not much worse as entertainment than the American, and it helped the exhibitor with his quota."

In addition to the quota on imports, there is a further quota applying to exhibitors. At least 20 percent of the pictures exhibited in each motion-picture theater must be British-made. As applied to smaller theaters, the actual operation of the quota requires that approximately 33 percent of the pictures shown be British.

Says the Daily (London, January 1, 1936):

"To qualify for quota at present, exhibitors practically have to rely upon features. As the act applies to the entire program, and we are unable to get sufficient good British shorts, it necessarily follows we must book that amount of features to come within the act. To the small hall which is showing 104 pictures a year at 2 a week, the quota is almost 1 in 3 in their features, which, on the face of it, is more than 20 percent."

No film may be exhibited in Great Britain unless it has previously been registered with the board of trade.

After a film has been registered it must be trade-shown before any contracts can be made for the licensing of the picture.

NEW ZEALAND

In New Zealand there is a 20-percent-quota law on the importation of films and a 20-percent quota on the exhibition of films.

AUSTRALIA

As of October 1, 1935, New South Wales adopted an import quota requiring the distribution of 5 percent of domestic films the first year and ranging up to 15 percent in the fifth year. Exhibitors are required to show 4 percent domestic pictures the first year, rising to 12½ percent in the fifth year. All quota films must be registered by the distributor within 7 days of the date of acquisition.

A similar law has been passed in Victoria, and it is expected that a similar bill will be introduced shortly in Queensland.

Says Motion Picture Herald (May 11, 1935):

"British films receive preferential treatment under the provisions of the bill, as do the distributors of British films. British distributors in Australia are not obliged to release Australian-produced quota films, and exhibitors are not allowed to reject British pictures to make room for their Australian quota films, British product being exempted from the rejection clause."

Variety (January 1, 1936) states:

"AUSTRALIAN FILM QUOTA IN EFFECT JANUARY 1 IS TOUGH ON AMERICAN PICTS

* * * * * * *

"That [film quota] doesn't make things easy for the Americans down here. They must have pictures, but if there aren't any they must make them. And, of course, the majority of American distributors don't want to go into local production. They feel that it is unnecessary expenditure and will tie up a lot of money which may or may not be returnable to them.

* * * * * * *

"What makes it even tougher from the standpoint of Americans down here is that even the production of a local film for quota purposes isn't enough. After a film is produced it must be submitted to a governmental jury, which rules on its quality and has the right to reject it for quota or any distribution purposes if it doesn't figure the film 'good enough.' In other words, after spending coin for the production of a local film the film might be thrown on the scrap heap and still not qualify for either coin-return or quota-law satisfaction.

"Another angle that distribs here point out as inequitable is that films acceptable in England for quota purposes there are not acceptable here. England, of course, will accept locally made films for the quota in England, but Americans are afraid that if they switch their production of British quota productions down here, England will reciprocate with some sort of tougher quota in London and complicate the problem even more."

BRAZIL

All exhibitors must show a minimum of 100 meters of Brazilian-made film at each performance.

All films must be censored, the fee being 400 reis per meter for foreign films and one-half that sum for domestic films.

There is also a law requiring 50 percent of the music broadcast by Brazil stations and played in Brazil theaters, cafes, and restaurants to be by Brazilian composers.

MEXICO

High duties on the importation of foreign films and taxes on remittances to foreign countries have compelled American producers to withdraw from Mexico.

Film Daily (December 17, 1935), states:

"DEADLOCK OVER TAX CAUSING UNITED STATES FIRMS TO QUIT MEXICO

"In view of their deadlock situation with the Mexican Government in negotiations designed to modify that country's excessive taxes, major American distributors have decided to shut up shop completely in Mexico and are giving their employees there the usual 2 weeks' notice. These companies suspended film deliveries on September 30, but retained their staffs."

There is a duty ranging from 25 to 75 pesos per kilo for each print of sound film imported.

A tax of 2 percent must be paid on all remittances to persons outside of Mexico. In addition, there is a 10-percent tax on the gross income of foreign motion-picture companies.

CANADA

In addition to all other taxes imposed by the Canadian law, a tax of 5 percent is imposed on all persons who are nonresidents of Canada in respect of all royalties payable to such nonresidents on account of the use in Canada of the copyrighted works of such nonresidents. The amount of the tax is required to be deducted by the Canadian debtor from the amount paid or credited to such nonresidents. Specifically, the tax applies as payable on royalties accruing from the sale of books, music, periodicals, newspapers, motion pictures, etc.

TRINIDAD

An ordinance was enacted in 1932 requiring that 20 percent of ordinary films and 50 percent of the newsreels exhibited shall be of British origin.

CONCLUSION

Americal film companies have a capital investment of $2,500,000,000. Twenty-eight thousand people are regularly employed in the production of motion pictures in the United States in addition to 25,000 extras or supernumeraries. Hollywood's annual pay roll is $75,000,000. The industry spends $120,000,000 annually for supplies and other requirements. (U. S. Department of Commerce Reports on Motion Pictures Abroad, May 15, 1935.)

The importance of the motion picture has been emphasized by President F. D. Roosevelt in these words:

"You have done important work in an important field. Your program for the enhancement of the average quality of motion pictures, and particularly for their heightened usefulness in the educational and juvenile spheres, is to be commended. Intelligent friends of the motion picture should strive to direct its influence toward ends that are recognized as socially desirable.

"While necessarily conforming to the normal requirements of entertainment, I believe that our motion pictures should be sane and salutary, enlightening and mentally stimulating, expressive of the best ideals of our community consciousness. This undoubtedly can be accomplished without subjecting the industry to onerous restrictions." (New York Times, February 9, 1936.)

The production schedules for the 1935–36 season provide for 443 feature pictures. (Variety, January 15, 1936.)

The burdens now imposed upon the motion-picture industry in the form of quota laws, restrictions, prohibitions, and so forth, show that it is of the greatest urgency that the House of Representatives should not adopt any bill designed to give foreign nations a stranglehold on this industry.

The frantic appeals of our Government officers to the offending nations to remedy these practices are met by the stereotyped and almost universally used diplomatic phrase, "Interference in internal policies and affairs by outside nations cannot be permitted."

Congress should be free from the restraints of the Bern Convention, so that it may place restrictions upon the protection afforded under the Copyright Act to the nationals of any country enacting discriminatory or oppressive measures against owners of American copyrights. The only power Congress has to effectively safeguard American copyrighted works against discrimination abroad is by amendment of the copyright laws if, as, and when the occasion arises. Adherence to the Bern Convention bars Congress from the exercise of this salutary power. Congress should not obligingly surrender this power and thereby lead foreign nations to believe that their discriminatory practices against

American copyrighted works may continue with increased intensity and even multiply.

A refusal to pass the enabling act (the Duffy bill) for the avowed reason that the discriminations practiced against American copyrighted works by some nations are intolerable will be more effective than the futile and feeble protests of our foreign representatives. Defeat of the Duffy bill will make the nations which are so anxious for us to join the Bern Convention rudely awake to the fact that there is a limit to which these discriminations can go. [Applause.]

Mr. DALY. Mr. Chairman, will the gentleman yield?

Mr. SIROVICH. I yield to my distinguished colleague from Pennsylvania.

Mr. DALY. Am I correctly informed that the Copyright Act of 1909 contains the manufacturing clause the gentleman refers to, which compels the printing of all of these works in American printing establishments?

Mr. SIROVICH. That is right.

Mr. DALY. And that clause is in the Duffy bill as well?

Mr. SIROVICH. That is right; but Senator TRAMMELL offered the manufacturing clause on the floor of the Senate. It was not in the original Duffy bill. It is now in the Duffy bill, but I call attention to the fact that in order to enter the Bern Convention it must be taken out, otherwise we cannot be parties to that convention.

Mr. DALY. That is just the point I wanted to raise. The Duffy bill also would compel us to go into the Bern Convention.

Mr. SIROVICH. Yes.

Mr. DALY. And that would nullify the manufacturing clause.

Mr. SIROVICH. Yes; an the American Federation of Labor is for the manufacturing clause to protect 250,000 American printers, and is against going into the Bern Convention.

Mr. DALY. I would also like to ask the gentleman from New York if the Copyright Act of 1909 does not contain the punitive damage clause of $250 to be paid to an association of composers known as the American Association by anyone who pirates or violates their copyright?

Mr. SIROVICH. That is true. Let me give you the history of the American Society of Composers, Authors, and Publishers. In 1909 the Supreme Court of the United States, through Judge Oliver Wendell Holmes, rendered a decision in the case of Victor Herbert, the great musical composer, against Shanley's Restaurant, in which he stated that anyone who used music for the public performance for profit must pay a royalty to the author and composer whose work he uses.

After that great decision was rendered by Judge Oliver Wendell Holmes most of the great authors and composers of our country assigned their copyrights to an organization which they founded and which they called the American Society of Composers, Authors, and Publishers. The purpose of this organization was to give the cumulative works of all these talented creative geniuses to anyone who is desirous of using their musical and artistic creations.

It was impossible for one author or composer to ascertain who was using his compositions in the different cities of our Nation. The cost of detecting those pirates who used music without having a license to do so would be beyond the financial resources of any author or composer. It is, therefore, the duty of this American Society of Composers, Authors, and Publishers to license every user of music in our country. The collected funds are then divided among the 45,000 authors and composers. Accordingly the 15,700 motion-picture houses pay royalties of 5 cents, 10 cents, and 15 cents a year for each seat and can use the millions of copies of music in their theaters. A theater that has 300 seats would pay 10 cents a year for a seat which would give a license of $30 a year to use the entire repertoire of this organization.

From all these motion-picture houses the American Society of Composers, Authors, and Publishers collected $860,000 during the fiscal year 1935. Most of the hotels of the United States use music for the public performance for profit. People come there to eat and dance. The total amount of money collected from all the hotels of the United States for the utilization of the music that is in the catalog of the American Society of Composers, Authors, and Publishers is the sum of $186,000 a year for the fiscal year of 1935. Any hotel that has no orchestra pays no royalty.

If a hotel, restaurant, cabaret, tavern, or saloon has only a radio set to bring in music no fee is charged by this society. It is only when an orchestra of more than two pieces with or without vaudeville entertainment is used in any of these hotels, restaurants, or taverns that a license fee is charged to collect royalties for the use of the compositions of 45,000 authors and composers. The minimum fee charge for a tavern is $20 a year. The average hotel pays $60 a year and can use all the music of these 45,000 authors and composers. The highest amount of money paid as a license fee to the American Society of Composers, Authors, and Publishers is paid by the Waldorf-Astoria Hotel, that has eight large dance restaurants, wherein music is used for public performance for profit. This hotel pays $1,400 a year license fee. The 616 radio stations that use music from early morning, through the afternoon and late into the night, which have collected over $100,000,000 in advertisements, have paid to this society during the fiscal year 1935 the sum of only $2,500,000. So that the sum of between three million and a half and four million dollars represents the total amount that has been collected by the American Society of Composers, Authors, and Publishers to be distributed amongst 45,000 authors and composers who have contributed to the entertainment of our American people in the homes, hearths, firesides, motion-picture theaters, hotels, and restaurants of our Nation.

When Congress in 1909 passed the last Copyright Act it inserted a statutory damage fee amounting to $250 as a minimum damage to anyone who would steal or pirate the music and infringe upon the rights of authors and composers. In 27 years since this copyright law was passed, in spite of all the propaganda which has saturated the offices of most of the Members of Congress, the amount of $8,800 has been levied against those who attempted to steal the music of our authors and composers. This statutory damage fee of $250 was placed upon the statute books simply to deter anyone from using property that did not rightfully, legally, and justly belong to him.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SIROVICH. May I have more time, Mr. Blanton?

Mr. BLANTON. Mr. Chairman, how much time does the gentleman want?

Mr. SIROVICH. I would like to answer any question from any Member, and I think I need 20 minutes.

Mr. BLANTON. Mr. Chairman, I yield the gentleman 15 minutes more.

Mr. DALY. Am I correctly informed, I ask the gentleman from New York, that the Duffy bill eliminates that $250 punitive clause and substitutes a clause to the effect that the composer whose copyright has been violated and whose music has been stolen may have recourse only to what damages he can prove?

Mr. SIROVICH. The question that my distinguished friend from Pennsylvania has propounded to me contains the real meat in the coconut. The $250 minimum statutory fee, which is not contained in the Duffy bill, would be instrumental in destroying the only rights and protection that an American author and composer today possesses. This minimum statutory law was expressly put into the copyright bill to prevent thieves from stealing the copyrighted works of artists, composers, and writers. If you eliminate the $250 fee from a congressional bill, there would be no way of proving damages in any Federal court. Federal judges have decided over and over again that there is no way to prove damages an author would entail when his musical compositions are stolen. Honest men protect the property rights of their fellow citizens. This statutory fee of $250 is intended to protect the innocent composer against the deliberate thief who would illegally steal property that does not belong to him.

I appeal to the loyalty and to the justice of every Member of Congress when I say to you, help and protect the author by not abolishing the $250 minimum fee. It is the only thing that he has that will protect him from making the great pilgrimage over the hill to the poorhouse.

Several Members rose.

The CHAIRMAN. Does the gentleman yield further, and to whom?

Mr. SIROVICH. I yield to my friend from Washington, Mr. Zioncheck.

Mr. ZIONCHECK. Mr. Chairman, the gentleman made a statement a moment ago to the effect that under the Duffy bill an author who would produce a creative work, as the gentleman would—he is a dramatist and an author—would get only 2 cents, or at least would get only 1 cent, and someone else would get the other cent. Does not the Duffy bill provide that they must go to court if there is an infringement and prove damages, and if the damages are $20,000, then the author can recover $20,000, whereas under the present law the author can get only $5,000.

Mr. SIROVICH. Mr. Chairman, I yielded for a question and not for a speech.

Mr. ZIONCHECK. Then I will ask the question.

Mr. SIROVICH. Oh, the gentleman has asked the question. He has placed several questions in there, and which one does the gentleman want me to answer?

Mr. ZIONCHECK. This one.

Mr. SIROVICH. The first question that the gentleman asked was absolutely irrelevant to the second, because it dealt with compulsory licensing. In 1909 Congress inserted a section in the copyright law to the effect that when one manufactured a phonographic record, all the author could collect from the producer, the manufacturer of the record, was 2 cents, and one of those cents went to the author and one of them went to the manufacturer of the record. Mr. Chairman, that compulsory license of 2 cents was absolutely unconstitutional, because article 1, section 8, paragraph 8, of the Constitution states that Congress shall have the power to promote the useful arts and sciences by securing to every author and every inventor for a limited number of years the exclusive right to his writings and discoveries. Therefore, if he has an exclusive right, then we have no right to hang a millstone of 2 cents around his neck, which is being used today in the greatest little Ethiopian joker in the Duffy bill, which protects mechanical reproduction through television and wired wireless records that will destroy the royalties of every author.

When television comes out you can take the work of any great orchestra or band and send it over the wired wireless, and give the author only 2 cents; and that is what, unconsciously, the gentleman from Washington is advocating, because I know Brother Zioncheck, and I know that he is not a bad-hearted fellow and is kind-hearted, generous, and fair, but he is being used as a tool today by exploiting and commercial interests against the greatest creative geniuses in our Nation.

Mr. ZIONCHECK. Mr. Chairman, will the gentleman yield further?

Mr. SIROVICH. I gladly yield further to my good friend and colleague.

Mr. ZIONCHECK. The present copyright law, which has not been changed since 1909, provides for $250 minimum damages, regardless of how much damage is proved; and now let me ask a question. Has not the Ascap Corporation—or Association—used that particular provision as a club to blackmail people into damages?

Mr. SIROVICH. Let me answer that question. I want to say here and now that I resent once and for all the calling of the greatest writers of our country racketeers, gangsters, and crooks because they are fighting for justice and protection of their legal and constitutional rights. [Applause.] It is an outrage. These men, who are today the greatest writers——

Mr. ZIONCHECK. I never said anything about authors. I referred to the Ascap Corporation.

Mr. SIROVICH. The Ascap is an organization known as the American Society of Composers, Authors, and Publishers. They have such men on their roster as Victor Herbert, John Philip Sousa, Irving Berlin, George Gershwin, Gene Buck, Sigmund Romberg, Rudolph Friml, Rudy Vallee, George M. Cohan, Carrie Jacobs Bond, Fritz Kreisler, Rachmaninoff, and countless other men who are as eminent in their respective lines of endeavor as we are Members of Congress. They are working for their livelihood. They ought to be protected by you, and you ought not to do what your State is doing in violating the law that was put there by Congress to protect the copyright rights of the creative talent of our Nation.

Mr. KRAMER. Will the gentleman yield?

Mr. SIROVICH. I yield.

Mr. KRAMER. Does the gentleman know that in Germany Hitler has forbidden the showing of Charlie Chaplain's picture because there is a similarity of his mustache to Hitler's mustache? [Laughter.]

Mr. SIROVICH. Apropos of that question, it might interest my distinguished friend from California, since he visited Germany recently, to know that Adolf Hitler is the president of the Ehar Publishing Co., of Munich, Germany, which controls the largest printing plant of books, pamphlets, and periodicals in Germany. He is hoping our country will join the Bern Convention so that he can send English books printed in his printing establishment to the United States, flooding the markets of our country and putting more unemployed printers upon the dole and relief.

It is estimated that Hitler draws at least $1,000,000 profit out of this business every year and invests this money in securities of foreign nations.

I want to call the attention of my distinguished colleague to the fact that in Germany and other of these dictatorial governments they insist on dubbing out of every selection of American authors and composers. They displace and take out the pictures of American men and women who may not be the Aryans that the German people want. The German Government wants you to join the Bern Convention. You Members of Congress who represent the greatest nation of the world are asked to vote your country into the League of Nations that is using vicious, cruel, and brutal sanctions against helpless men and women, whose only crime is the crime that they are using their brains to make the world better in which they live.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. BLANTON. Mr. Chairman, I ask that the rules be obeyed, that Members do not interpolate remarks unless they have the recognition of the Speaker.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. SIROVICH. I yield.

Mr. ZIONCHECK. The gentleman from New York was very much interested in the prohibition question. Now, there is some inconsistency in the question I am going to ask. This Ascap Corporation has sued beer parlors for using phonographic records, and has put a lot of them out of business. How can the gentleman reconcile his previous action?

Mr. SIROVICH. I reconcile that in the same way. For 10 years I stood upon the floor of this House, as a man who never drank and never smoked, fighting for the liberty and freedom for those who wanted to have an opportunity of having the eighteenth amendment repealed.

I spoke scientifically on the basis that you could accomplish what you want through education and not through legislation. Let me send this message to the fine, honorable people of the State of Washington. In behalf of the American Society of Composers, Authors, and Publishers, I challenge any Member of Congress, at the expense of this society, to bring any owner of a tavern, beer saloon, hotel owner, or restaurant keeper before our committee to prove that one penny has been charged to them as a license fee unless they used an orchestra of two or more pieces for the public performance for profit. I repeat again, Mr. Chairman, I challenge you to bring any witness before the Committee on Patents and let him prove he has ever been called upon to pay one cent unless it was for a public performance for profit, in which an orchestra was used. I leave that to you, Mr. Zioncheck, and to any Member of Congress. We will have hearings for the next 3 weeks. Bring us one person to prove these allegations and the society will pay the expense.

Mr. ZIONCHECK. Will the gentleman yield further for a question?

Mr. BOILEAU. Will the gentleman not yield to me? He has yielded several times to the gentleman from Washington.

Mr. SIROVICH. I must yield to some other Members. I gladly yield to the gentleman from Wisconsin.

Mr. BOILEAU. I would like to say to the gentleman that in Wisconsin in the last several years the American Society of Authors, Composers, and Publishers, through their attorney in the State, arbitrarily places an assessment upon all dance halls and other places of public amusement in the State who play this copyrighted music. It is an arbitrary figure. They will ask for $100 from some little isolated dance hall out in the country. When this payment is refused there will be an offer to accept $50, and probably they will compromise at $60, or something like that.

It is an arbitrary system of collecting fees. I think the authors and composers should be protected, but I do not believe they should have the absolute right to say to a user of their music, "You pay what we ask you for this music, regardless of the number of dances you have," and give to the user or property owner no protection whatever. I know of one case where they sued a man operating a country dance hall for playing copyrighted music. They were unable to prove their case in court. The man came to me and asked me as a public official, more or less, to make an offer for him to the Society of Authors and Composers. I offered a certain amount—I think $25—for a year's license. They said they would not give him the privilege to play that music unless he paid $101 and some cents, which was the cost involved in the case they lost. They tried to highjack this man. That was not the authors and composers themselves, but it was done through their organization.

Mr. SIROVICH. Let me answer the gentleman's question as sincerely and earnestly as he has brought it to my attention, because we have had this testimony every day, and the gentleman knows what a personal esteem I have for his statements. Now, let us get the true facts.

The State of Wisconsin has contributed to the American Society of Composers, Authors, and Publishers, for all of its hotels, restaurants, taverns, the sum of $10,000.

Mr. BOILEAU. Is that what goes to the attorneys or to the association?

Mr. SIROVICH. That goes to the society.

Mr. BOILEAU. That is, after the attorneys' fees are deducted?

Mr. SIROVICH. Let me answer the question. I will bring out the point the gentleman has in mind so clearly and fully that the gentleman will appreciate my answer.

Mr. BOILEAU. I thank the gentleman.

Mr. SIROVICH. The American Society of Composers Authors, and Publishers in the State of Wisconsin have hundreds of tavern keepers. In New York we call a tavern keeper a beer-saloon keeper, who sells sandwiches, beer, refreshments, and whatever may be sold in an ordinary tavern. The tavern pays for its gas; the tavern pays for its electricity; it pays for its food; it pays for the liquor it sells.

All that these authors and composers say to any tavern, not only in the gentleman's State but in all the country, is, in substance, this: "We want nothing from a tavern which uses no music. Neither do we want anything from it if it uses music that comes in on the radio for dancing and for entertainment. If it has one musician playing a violin or an accordion, we do not want anything from it. But, in God's name, if it uses five or six pieces of music to lure people in to hear a fine musical entertainment or to dance, and keeps on playing music that these creative geniuses have given to our country, it is no more than the right and the duty of that place to pay for the music it uses, the same as it pays for its beer, wine, or food." The minimum charge is $20, and the highest amount paid by any hotel in the United States is paid by the Waldorf-Astoria in New York, which pays $1,400 a year. This hotel has eight large music auditoriums and pays Rudy Vallee $5,000 a week and Paul Whiteman $4,500 a week. It assesses cover charges to all of its patrons.

This great big hotel that uses more music than any hotel in America pays for all these things for a whole year only $1,400.

Mr. BOILEAU. Does the gentleman think it is fair to charge a little fellow $20 for holding one or two dances a year and probably not making $20 profit out of both of them? Notwithstanding this, they have the arbitrary power of saying to the little fellow: "You must pay $20." They usually ask $100, but compromise on $20.

Mr. SIROVICH. I think the gentleman is absolutely right, but the great hotels have organized, they are here en masse now. They refuse to pay their just share to the authors and composers. A large hotel like the Waldorf-Astoria ought to pay at least from $5,000 to $10,000 a year. The little fellow ought to pay in conformity with his means; but what are these helpless authors and composers to do when they have an octopus, the greatest organization of America, united against them, flooding Members of Congress with all kinds of letters opposing them?

When a tavern keeper or hotel man is convicted of violating the copyright law, and fined the minimum statutory fee of $250, the American Society of Composers, Authors, and Publishers does not take this money. All they ask the offender to do is to take out a license which will enable him to use the music and compositions of the greatest and humblest composers. In addition to the license fee they make the offender pay the actual disbursements the society has made to the clerk of the court and to the marshal. They do not take any other fee from the hotel owner or restaurant or tavern keeper.

Mr. Chairman, as an author and dramatist, God reveals Himself to me and to my colleagues in three mysterious, mystical, and inexplicable ways: First, through the life of the universe, which we term "nature"; second, through the thoughts of man, which we term "art"; third, through the precision and exactness of the mind in correct thinking and observation, which we term "science."

The cumulative contributions of everything that has been written regarding nature, science, and art constitutes the culture and civilization of the world.

Mr. Chairman, I appeal to you and through you to the membership of this House to help protect and aid the great scholars, authors, writers, and composers who have contributed to science, to art, to literature, to philosophy, and to statesmanship—to all those beautiful ideals that ennoble mankind—to give them adequate copyright protection that will enable them to bequeath to posterity those magnificent contributions in the realm of literature and letters that will make the twentieth century stand out as the great literary age, where writers have been ennobled and mankind bettered for their having lived in it. [Applause.]

[Here the gavel fell.]

The Return of the Flag of the Republic of Alabama by the State of Iowa

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Friday, March 17 (legislative day of Thursday, March 16), 1939

ARTICLE FROM THE MONTGOMERY (ALA.) ADVERTISER AND AN EDITORIAL FROM THE DES MOINES (IOWA) TRIBUNE

Mr. HILL. Mr. President, I ask unanimous consent to place in the Appendix of the RECORD an article from the Montgomery Advertiser written by my able friend, Mr. Grover C. Hall, Jr., telling of the gracious return of the flag of the Republic of Alabama by the State of Iowa.

I also ask consent to place in the Appendix of the RECORD an editorial, Iowa-Alabama, by Mr. William W. Waymack, the distinguished editor of the Des Moines Tribune. Mr. Waymack was most helpful and influential in securing the return of the flag.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the Montgomery (Ala.) Advertiser of March 10, 1939]

FLAG TIES BOND OF AMITY 'TWIXT ALABAMA AND IOWA

(By Grover C. Hall, Jr.)

A ceremony memorable for its depth of cordiality and sentimental appeal attended the formal restoration yesterday of the flag of the "Republic of Alabama."

The emblem, made by the hands of Montgomery women 78 years ago, was first unfurled in the chamber of the house of representatives in the short period in which Alabama was a "nation"—just before it became a member of the Confederacy. After long and divers wanderings, the flag was again unfurled in the house chamber yesterday—come home to stay through the gracious gesture of the State of Iowa.

The flag, cherished the more because of its decaying, dusty brown nondescriptness, will be placed on view in the department of archives and history.

Governor Dixon received the flag yesterday as an earnest of "the kindness, thoughtfulness, and courtesy" of Iowa. This was in response to the presentation by Senator B. C. Whitehill, of the Iowa Legislature.

CORRECTING A MISTAKE

"Iowa comes today, not bearing a gift, but to correct a mistake made many generations ago," Senator Whitehill said.

The house chamber was festooned with greenery and bedecked in Confederate and American flags. Senate members sat with house colleagues and the gallery overflowed. Many stood in the lobby to hear, though they could not see.

All stood as two Confederate veterans—Gen. J. R. Kennedy, of Tuscaloosa, and Paul Sanguinetti—walked to the speaker's rostrum. Then came Governor Dixon, followed by his lady; Senator Whitehill; J. A. Lucas, representative in the Iowa Legislature; Thomas Jefferson Noll, Union Army veteran, of Iowa; and Mrs. Marie Bankhead Owen, director of the department of archives and history.

Lt. Gov. Albert Carmichael, who presided, sketched briefly the history of the battered emblem and introduced Senator Whitehill.

"In 1864," began Senator Whitehill, "you were in the midst of a great war; the enemy was abroad in your land; a member of the Eighth Cavalry (Wilson's Raiders) came upon this flag and took it back with him to his home in Iowa.

"How, when, or where he found it we do not know. Why he took it, we can but conjecture; he was a soldier, and like all soldiers in any war, he took whatever he found, regardless of ownership. * * *

TILL ITS THREADS MOULDER

"In a joint resolution, passed unanimously by both branches of our legislature * * * it was ordered that this flag be returned to you. * * * It is yours by all that is historical and sentimental. It links up a part of our history and we sincerely hope that its travels are over and that it will safely rest in your archives until its silken threads have mouldered into dust * * *."

Mrs. Owen, who perhaps gloried more in the occasion than any present, sat on the speaker's rostrum, eyes fixed on the senator, She hung on his words like, if Mrs. Owen will permit, Grant hung on to Richmond.

Governor Dixon prefaced his acknowledgment with the observation that he was "moved by the same sentiment that moves every man and woman here." In his next words were observed a thread that has run through most of his addresses on solemn occasions:

"The most important things in life are not material, they are the intangible, spiritual things—the love of a man for his wife, the love of a parent for his children, the love of a people for their State. * * *

"They say we are a sentimental people in Alabama. We are. We go into the depths of sentiment on things like this. * * * In the war in which this flag was taken, we of the South were the defeated people. Perhaps that is why we treasure this emblem so.

"We love all such things. I think a defeated people love these things more than things with which they associate victory. * * * Most of the people in this hall had grandfathers who fought in the defeated army. * * * Iowa realizes how near and dear these things are to us. * * * We will always remember with a depth of sentiment the fine, gracious gesture of our Iowa friends * * *."

Those who heard the Governor and sensed his own feeling could not but be moved. Those in attendance felt the ceremonies had been gloriously appropriate.

NOT RUNNING AWAY

The solemnity of the occasion ebbed as the Governor and his party filed out. G. A. R. Veteran Noll, pert as a robin, walked with Mrs. Dixon. He chortled, "Boys, don't worry—I'm not going to run away with the first lady of your land."

Senator LISTER HILL, who played an important part in effecting the restoration, and Senator JOHN BANKHEAD sent telegrams expressing regret that they were unable to attend because of congressional business strongly affecting the welfare of the South.

Senator HILL, who had accepted an invitation to speak at yesterday's ceremonies, sent Col. W. P. Screws a telegram expressing regret that important business detained him in Washington.

In his telegram Senator HILL explained how the flag was finally secured by the State and said Alabama should always be grateful to those responsible for its return. The junior Senator added that the people should also be grateful to the Legislature of Iowa because of whose action the flag returned home yesterday.

FIRST OVERTURES

He explained that after the unsuccessful efforts of those representing this State to secure the return of the flag. H. M. Stanfill, president of the Mobile Chamber of Commerce, asked him to help in the matter. "I immediately contacted Senator Clyde Herring, of Iowa; Mr. William Waymack, editor of the Des Moines Register; Frank Dillon, secretary of the Des Moines Y. M. C. A.; John D. Adams, secretary of the Des Moines Chamber of Commerce; Mr. William Riley, one of the leading lawyers of the State, and my brother, Luther L. Hill, of Des Moines, and they constituted themselves an unofficial committee to contact the Governor, the legislature, and the Grand Army of the Republic, and to do all possible to secure the return of the flag," Senator HILL explained.

"The success of their efforts," he added in his message to Colonel Screws, "speaks for itself. Alabama should ever be grateful to them as well as to the Legislature of Iowa because of whose action the flag comes home to us. I am disappointed, indeed, that I cannot be with you to welcome the distinguished representatives from Iowa, who are our honored guests, and to join with you in expressing to them and through them to the people of Iowa our deep and heartfelt appreciation for the return of the flag.

"The gracious and gallant act of the Legislature of Iowa in returning the flag is an earnest of the fact that just as men of Iowa and Alabama, as fellow soldiers of the Rainbow Division on the battlefields of France, mingled their blood and heroically fought the common enemy, so today Iowa and Alabama with common interest with common problems, and with common purposes stand side by side in friendship and fraternity striving together for the happiness of their peoples and the welfare of our common country," the telegram closed.

Senator HILL is a member of the subcommittee of the Senate Committee on Interstate Commerce, which is now considering the confirmation of the President's appointment of Haden Alldredge, formerly of this city, to the I. C. C.

[From the Des Moines (Iowa) Tribune of March 7, 1939]

IOWA-ALABAMA

The historic flag of the "Republic of Alabama" has been sent back to Montgomery, by a fine and gracious gesture of the State of Iowa, to be kept in the archives of the Alabama Historical Society.

A delegation from the Iowa General Assembly has taken it there.

The formal presentation is scheduled to be made at a joint session of the two houses of the Alabama Legislature Wednesday.

With the Iowa delegation is a representative of the Iowa G. A. R. And the Iowa G. A. R. took a delightfully generous part in bringing

about the flag's restoration, which our legislature voted unanimously.

At Montgomery to receive it will be, besides the State officials and Historical Society people, some Confederate veterans.

And some notice will be given, we understand—very appropriately given—to the fact that Iowa and Alabama troops fought together in the Rainbow Division in the World War.

They were not merely in the same division: they fought side by side, at times intermingled, and they left many dead together in the Argonne and elsewhere.

This restored flag, as has been explained before, was taken from the Alabama capital after the Civil War by an Iowa Union soldier.

It had not been a Confederate battle flag, and was not taken in battle.

It is of great historic interest in Alabama, and was of little here.

The handclasp of the States that its return signifies is a contribution to national unity which we need to build today as truly as it had to be preserved in the sixties.

The act is a symbol of good will. Good will is essential to the search for understanding. There are problems of the old South that we in the North need to understand much more than we do.

Our channels of communication have tended to be East and West.

Too few of us are even aware of conditions that make it possible for many an intelligent southerner to say today that not yet has the old South been readmitted to the Union—that reconstruction, which was so tragically boggled, has never yet been completed—that the old South, through discriminatory transportation rates and blighting national tariff policies and various other things, has been treated in reality as a "colonial appanage" of the East and North.

As we warm to the spirit of the return of the flag let us open not only hearts but our minds.

Let us recognize that the States of the old Confederacy are part of our national oneness.

Let us recognize that their basic economic and social problems are of tremendous ultimate importance to us and to the whole of our national society.

Let us perceive that a fuller sharing in the Nation's economic progress is the right of the old South, and not only the South's right but also the essential condition of a sound democratic national society, made up of healthy, educated, reasonably prosperous people—with a prosperity that is ever better diffused, eliminating "unfavored regions."

The old South has special problems, complex and difficult ones.

We of the western Corn Belt cannot solve them for her.

It is our duty to ourselves and the country no more to set ourselves thoughtlessly in the way of their solution.

Our regions must come closer together.

In our continent-wide economic empire they are all members, one of another.

National Labor Relations Act

EXTENSION OF REMARKS

OF

HON. EDWARD R. BURKE

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Monday, March 20 (legislative day of Thursday, March 16), 1939

RADIO ADDRESS BY HON. EDWARD R. BURKE, OF NEBRASKA, SATURDAY, MARCH 18, 1939

Mr. BURKE. Mr. President, I ask to have printed in the Appendix of the RECORD an address delivered by me over the Columbia Broadcasting System on Saturday, March 18, 1939, on the subject What Shall We Do With the Wagner Act?

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Three opinions are expressed in answer to the question as to what we shall do with the Wagner Act. There are those who say, "Do nothing." Holding this view are the C. I. O., the Labor Board, the Secretary of the Department of Labor, and most radicals of the extreme type who have little love for the American economic system. Together they comprise but a small minority of the people of this country. They argue that in the past, labor has been the under dog. The scales have been weighted against the worker, they say, because of his unequal bargaining power. If now the act and its administration are one-sided, if the employer is in a strait jacket, it is well for a time to have the tables turned. The goal of industrial peace is forgotten. Ignored, also, are the consequences of the policies pursued—millions of workdays lost; expansion of industry checked; more idleness; increasing relief rolls; the threatened danger of collapse and chaos.

The second answer is that the law is so faulty and its administration has been so biased that the best thing to do would be to wipe the slate clean by outright repeal. Those who take this position are not necessarily opposed to the principle of collective bargaining. They point to England, where voluntary collective bargaining produces results far more satisfactory than those attained by our attempt at statutory compulsion. There is much to be said in favor of limiting Government interference in this labor relationship in which good will, mutual confidence, and cooperation are prime essentials. In any event, the proponents of repeal contend that it would be better, if we are to have a law, to make a fresh start rather than to try to draft healthy twigs on the diseased trunk that we call our national labor relations policy.

In my judgment, neither of the positions outlined is well taken. Certainly we cannot continue under the law as it is. It is a disrupting influence. It multiplies instead of diminishing the causes of labor disputes. From one end of the country to the other it has shaken the confidence of investors, disheartened business management, put fear and doubt into the hearts of millions of workers. There must be a change, and that without delay. But it need not be repeal. Only if the forces persist that oppose any change in the law and in the agency that enforces it is there danger that they may defeat their own purpose. Look to Wisconsin, Michigan, Oregon, and other States, and read the answer as to what the public may do when fully aroused.

The sensible action to take is to follow the third course. Let the law be improved. Not in haste, not in passion, but with the vision of real statesmanship this law may be rewritten to accomplish its lofty purpose. Begin with the preamble which sets forth the declaration of policy. Strike out the language which prejudges and condemns the employers of the country as being solely responsible for industrial strife. There has been fault on both sides. Forget the past and plan for the future, for an era of industrial peace. Amend the act so as to make it clear that the national policy is to encourage the development of friendly and mutually fair relations between employer and employee. Nowhere in the law now on the statute books, and certainly not in any conduct of the Labor Board, will you find the slightest emphasis upon the necessity of fostering good will between workers and management. In drafting this law and enforcing it, there seems to have been a complete failure to recognize that unless business and industry can be given a chance to succeed, there is no hope for higher wages, shorter hours, better working conditions, or a fair return on capital. The correct policy is set forth in an amendment, which reads in part as follows:

"It is hereby declared to be the policy of the United States to eliminate such causes of substantial obstructions to the free flow of commerce and to mitigate and eliminate these obstructions when they have occurred by encouraging the development of friendly and mutually fair relations between employers and employees, by protecting the practice and procedure of voluntary collective bargaining, by protecting the exercise by workers of full freedom of voluntary association, self-organization, and designation of representatives of their own choosing for the purpose of negotiating the terms and conditions of their employment or other mutual aid or protection, and by imposing reasonable restraints in the public interest upon certain improper practices, by whomsoever engaged in, in the employer-employee relationship."

The amendment offered defines and prohibits improper practices that interfere with the freedom of voluntary association and self-organization of workers for the designation of bargaining agents of their own choosing—improper practices by whomsoever engaged in. It will be an unfair labor practice for anyone—let it be employer, employee, or labor organizer—to interfere with the right of a worker to join or refrain from joining any labor organization, to continue or to cease employment, to select according to his own free will representatives to bargain for him. The employer will be within his rights in advising and counseling with his employees, provided that he refrains from every form of conduct that could be construed as threatening, interfering with, or intimidating them. The labor organizer or fellow employee would likewise have complete freedom in selling the benefits of unionization by argument and persuasion, but further resort to methods of intimidation or violence would be outlawed.

The check-off system of collecting union dues has no proper place in a program that aims to leave the worker his own master in the matter of joining and continuing membership in any organization. It is not a proper function of government to encourage, promote, or coerce unionization of industrial workers. If that is permitted today, we may find tomorrow a government that will discourage and prohibit such organization. One is as bad as the other. To carry out this principle, government must cease its efforts to spread the doctrine of the closed shop. If all of the workers in a unit are of a mind to voluntarily join and remain members of a union, that is well. They should be protected in that right. It is abhorrent to freedom-loving Americans that an honest workman should be denied employment because he does not choose to join. That is as bad as discriminating against him because he does belong.

The right to participate in a lawful strike must be preserved. There should be no strike except upon majority vote by secret ballot, and none in violation of a valid contract. When there is no dispute between workers and management over wages, hours, or working conditions, but only between rival groups of employees, there should be no interference with the conduct of the business. In order to speak as the bargaining agents of all of the workers in an appropriate unit as determined by the Board, representatives should be selected by the free choice of a majority of all of the employees entitled to vote in that unit. Since the employer must deal with the representatives of the majority, he should have

the right to call upon the Board to hold an election to determine what is that majority. The will of the employees should be supreme in determining all questions as to the bargaining unit and the bargaining representatives.

Certain minimum standards should be required of any labor organization that asks to be recognized for collective-bargaining purposes. An amendment specifies that such organization should keep on file with the Labor Board a copy of its constitution and bylaws, the names of its officers, and of the individuals who will serve as bargaining agents, all of whom must be American citizens. A current financial statement should be in the hands of the Board, and a copy furnished to each member of the union.

The act provides for a Board of three members. No qualifications are specified. Enormous powers and almost unlimited discretion are vested in this body. It has a free hand in selecting its agents, attorneys, economic advisers, and trial examiners. There is a widespread belief that the present Board has abused these vast powers; that it has been partisan and biased; that a general house cleaning is in order. An amendment is offered to abolish the present Board. In its place the President would nominate and, by and with the advice and consent of the Senate, appoint a Board composed as follows: One member would be selected because by temperament, training, and experience he has demonstrated his ability to deal with the delicate problems of labor relationship with full understanding of the situation from the standpoint of industrial workers. A second with like qualifications on the employers' side. The third would have the wisdom to enable him to view all questions in the light of the interests and rights of the general public.

If an unfair labor practice is charted against anyone, he should be notified in plain terms of the grievance and afforded a reasonable chance to correct it. If that is not done to the satisfaction of the aggrieved parties, then the Board may proceed by complaint setting forth the details of the accusation. Upon the trial the rules of evidence that prevail in courts of law and equity shall be substantially followed. All parties shall have equal treatment in the matter of costs, in the issuance of subpenas, and otherwise. The findings of fact of the Board shall be final on review if supported by the weight of the evidence, except that in the case of an order requiring affirmative action the findings shall be prima facie evidence only.

If, despite these precautions, it is still not posssible to have fair trials and unbiased judgment, provision is made that any person complained against may, within 20 days thereafter, have the cause removed to the United States district court for trial. Adequate regulations are specified that will prevent undue delay. It is felt that the existence of the right of removal will be sufficient to insure fair trials before the Board.

I have outlined a few only of the numerous amendments on file. What is now desired by the sponsors of all the proposed changes is the opportunity to call witnesses to establish the need of amendment and the evils that must be corrected. The Senate Committee on Education and Labor has voted to hold hearings. The question remains when they will start. On next Tuesday the committee will decide. There are powerful voices that will urge delay. Postponement much beyond the 1st of April will mean no action at this session. Citizens have the right of petition. If you are strong in the conviction that full hearings on the question of proposed amendments to the Wagner Act are essential, and that they should be promptly held, word to that effect should be given to Senator ELBERT THOMAS, chairman, to your own Senators, or to me. Results will follow.

Radio Address on Twentieth Anniversary of American Legion

EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Friday, March 17 (legislative day of Thursday, March 16), 1939

RADIO ADDRESS BY STEPHEN F. CHADWICK, NATIONAL COMMANDER OF THE AMERICAN LEGION

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the speech of Stephen F. Chadwick, national commander of the American Legion, delivered over the network of the National Broadcasting Co. on the occasion of the celebration of the twentieth anniversary of the Legion, on March 15.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE LEGION COMES OF AGE

The American Legion tonight enters upon its twenty-first year. The Legion has come of age—rich in the memories of its early years, proud of the accomplishments of its vigorous youth, hopeful of its future, as it seeks to give of its knowledge and experience in service to the Nation.

Tonight in 11,538 posts a million men and women who served in the Army, Navy, and Marine Corps in 1917 and 1918 are gathered together in the spirit of reunion and celebration.

The American Legion presents a spectacle of constructive service in peace such as has been presented by the veterans of no other country. Let us appraise that service. It will renew our strength for the years that lie ahead and at the same time acquaint our friends and fellow countrymen with a knowledge of our aims and purposes.

Who are we? We are citizens, largely men, but with a considerable number of women, who saw service in the World War. We are of an average age of 46 years and 8 months. Aside from our individual character as veterans, we are the citizens of our communities, our States, and of our Nation. We are the fathers and mothers of children of another generation. We have been the beneficiaries of an enormous experience—an educational experience. We were, through the necessities of our Nation, called upon to matriculate in a school of experience, from which we have at all times desired to save our children and all the children of the Nation. Many of those who were the children of our generation were called upon during the war to make the supreme sacrifice for their country. Others, as a result of the hazard and exposure of their service, were rendered sick in mind and body.

Those of us who escaped the experience, sound in mind and body, felt it our first duty to minister to the needs of the dependents of those who did not return and to those of our comrades who were handicapped through wounds, sickness, or disease for the continuing struggle which is life. With this in mind, the American Legion throughout the years of its existence has been faithful to the interests of our deceased and disabled comrades.

Our mothers, wives, sisters, and daughters, through the American Legion auxiliary, have joined us in this, our first concern, and through it we have all found a means of satisfying our souls in beneficent labor. We will continue in this work; it is meet, right, and our solemn duty so to do. We have sought through our organization to interpret to all citizens of the Nation, the appreciation, which we realized during the years of our service, of the great values which exist in these United States of America of ours.

Through the battle deaths and casualties of the men of our own generation who responded to the Nation's call, without thought of color or creed or circumstances of birth, we received a first-hand lesson in the great virtue of tolerance—seeing and appreciating in all men who respected the liberties which had been won for them by the sacrifices of their fathers, values which are sometimes overlooked and can only be fully appreciated when two strong men meet face to face or move into common danger side by side.

In the Legion there is no distinction of race or creed or rank. All are considered equal by virtue of a common service. It was one of the purposes of our organization to preserve and transmit to posterity our appreciation of this revelation. We abhor religious and racial intolerance as unworthy of the spirit of free men.

Likewise, as reasoning men we realized that the war had not made the world safe for democracy. We felt, and have continued to feel, that if the lessons of the war are properly appreciated here at home, then we did perform a great service in making democracy safe for and in America.

We recognize that there have been throughout recorded history the autocracies of individuals and the autocracies of classes, and so at the inception of the Legion, we declared ourselves as in opposition to the autocracy of both the classes and the masses, and we dedicated ourselves to make right the master of might, and to promote peace and good will on earth. In going about it to accomplish our purposes we have relied upon the intelligence of our citizens. We have fostered every movement designed to develop within the citizen, both young and old, the faculties of a reasoning mind. We have combated every group which has sought to exist upon a spirit of racial, religious, or class hatred. We have denied, and will continue to deny, that there is in this Government of freemen any room for classes or for what is known as class struggle.

In constructive programs for the Nation we have fostered the elementary and secondary schools as institutions in which the great genius of the free American Government should be so ingrained in the hearts and minds of youth that they may, in institutions of advanced learning, be prepared to compare them favorably with all of the other systems of government which man from time to time has set up for himself.

We have supported academic freedom and the inquiring mind, but we have denied the right of any man or group of men to tell our children that they are incapable of their own self-government, incapable of solving their problems in reason, and as a consequence should surrender their liberties to the dictation of either a class or of an individual. We have sought to preserve for our children and for the Nation the great advantages which come from free opportunity—opportunity which permits every citizen, free from regimentation, to make his finest contribution to the welfare of the country.

We have given to the country a program for the rehabilitation and care of the veteran excelled by no other nation. We have presented to the legislatures of our States and the Congress of the Nation programs for the welfare of the children of America which have advanced the interests of the Government in its youth far beyond the laissez faire conditions which existed with reference to youth's problems at the time of our return from service.

For those who do not know the Legion as do its members, may I call your attention to some of the ventures which the Legion has established as institutions?

The schoolboy patrol that sees your children across the street was the brain child of the Legion. The junior baseball program, which challenges the interest of youth up to the age of 17 and each year keeps in this healthful activity a half million boys, is a Legion endeavor. The school award, presented throughout the Nation for outstanding citizenship and designed to encourage just that quality among high-school students, began in the American Legion. Boys' state, now in active operation in 27 departments and probably this year to serve 10,000 boys in 33 of our States—a summer camp of applied citizenship for high-school juniors—is a Legion development. The national oratorical contest, conducted each year by the Legion to stimulate thought along constructive governmental lines, and the coordinating counsel to solve the community's problems of juvenile delinquency are Legion conceptions.

In community service, ambulances in isolated communities, iron lungs, oxygen tents, wading pools, playfields, parks, summer camps, orphans' homes, rest billets for people recuperating from disease—a thousand and one various types of endeavors evidence the applied energies of America's veterans for the welfare of the communities in which they live. They are accomplishments of the American Legion.

Organized upon a national basis, through the State department headquarters, is the Legion's emergency-relief set-up. Designed out of the order and discipline which we learned to be so necessary in time of war, it brings men who were trained in such discipline into immediate action wherever disaster strikes. Outstanding has been the service in instances of flood, earthquake, fire, and other disasters which from time to time strike portions of our country. Always and subject to instant call, the Legionnaire organized for this service is standing by, prepared to drop matters of his immediate and personal concern and respond to the Legion's call to civic duty.

The Legionnaires as they see their organization come of age are grateful to the American people for the high appreciation in which the American Legion is held throughout the length and breadth of our land. We are a last man's organization. A few short years, measured in the life of the world, and the last World War veteran will have gone to his reward. The time is short, my comrades, in which we can fully impress the lessons which we have learned upon the citizenry of our Nation.

As we seek to promote peace and good will on earth, we must lend the best of our thought to the defense of our Nation from the dangers which continue to beset it from without and, particularly, to the dangers which, through the ignorance and lack of appreciation of some of our citizenry, beset it from within. Many years of vigorous strength lie ahead of us. In those years we should develop a national-defense establishment which will each year and every day be at a peak of efficiency.

Too often we have surges of support for the national defense, and then let our interest wane. This is not a sensible procedure. The Legion has for 20 years warned against it. The present laws for the national defense which we are advocating should overcome this condition, and if they do, we must be constantly on the alert to see that we do not again fall into a state of obsolescence or insufficiency as to our national defense.

In the years that lie ahead we must lend our best efforts to the solution of our domestic problems of unemployment. We cannot long be boastful of the success of our democracy if millions of our people are permitted over long periods of time to be without gainful employment. For this reason we must continue to be insistent, as the Legion has been insistent, that we raise the bar to immigration to this country until such time as our domestic problems of unemployment have been solved.

It is regrettable, but it is a fact, that we no longer in this country have a public domain into which we can invite the liberty-loving peoples of other lands. We have vast numbers of unemployed in our manufacturing cities, and we have people located on marginal lands where they cannot gain their subsistence by their own labor. These conditions must be remedied, and until they are remedied, regardless of the feelings of our heart toward oppressed peoples in other lands, we must devote ourselves first to the distressed peoples of our own Nation.

While the veterans of other nations returned to their home countries to march with sword and gun, we of the Legion, through the years of our existence, have worked with the weapons of reason, constantly seeking to build a better America and to impress the benefits of our knowledge upon those who must assume the responsibilities of citizenship.

We want our children better prepared not only for the normal life, but for life's emergencies. We seek to impress that responsibility which exists in the words of our preamble—"a sense of individual obligation to the community, State, and Nation." This, in a measure, we have done. We are recognized throughout the Nation as a significant force.

In recent conversation with Gen. John J. Pershing, General of the Armies of the United States in the World War, I asked him if out of his experience he had any criticism to offer of the American Legion. He told me that he had none to offer; that he felt that the mind of the Legion, as expressed through its mandates arrived at through its democratic processes, was a great and constructive force in the Nation. I asked him if he had any suggestion of future course to be pursued, and his only suggestion was that the Legion carry on in the spirit in which it had carried on as a constructive force, doing its utmost to impress its reasoned conclusions upon the generations which would follow after.

Such commendation from the man who led us during the years of our service should be appreciated. We know not what the verdict of the great Commander of all may be when the last of the American Legionnaires have been called to their reward. We know not what the memory of our children will be of those of us of our generation, but it is my sincere hope that out of the unselfishness of our service, out of the intelligence of our thought, out of the visible evidence of our endeavors, generations yet unborn will remember the American Legion as an organization devoted in its service to its country and its God.

To the development of this appreciation, I invite the continued activity of every post and of every Legionnaire, and particularly I invite the activity of those who have not yet seen fit to join us.

Through what other avenue can we, as ex-service men, hope to keep our children from the necessity of learning the things that we have learned in the same painful way we learned them? Through the avenue of our combined efforts alone can we impress our thoughts as men who knew the days of war upon those whom we would hope to save from the necessity of learning in the same cruel school of experience. May the Legion, with the coming years, grow stronger and may its accomplishments be even greater in the years that lie ahead than during the days of its lusty youth. May its manhood as it passes 21 be all that we who have been a part of its infancy and its growth have hoped and wished and worked that it might be.

May the future enshrine the American Legion in the hearts of all citizens as a constructive force of unselfish, devoted, appreciative, and patriotic veterans serving in peace as its members served in war.

Philippine Independence

EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Monday, March 20 (legislative day of Thursday, March 16), 1939

EDITORIAL FROM NEW YORK HERALD TRIBUNE

Mr. GIBSON. Mr. President, I ask unanimous consent that there may be printed in the CONGRESSIONAL RECORD an editorial from the New York Herald Tribune dealing with the Philippine problem and the situation in the Orient.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE LUCKIEST OF ORIENTALS

With its usual aptness in phrase making, Life, in its number of February 13, devotes several pages to the Filipinos, whom it describes as the "luckiest people in the Orient." Their luck resides in the fact that 40 years ago the American Government took them under its wing, and that so long as this protectorate lasts they are safe from foreign invasion, they are permitted to run their own affairs with almost no restrictions, and they are helped to maintain the highest living standard of any people in the Orient.

All of this has been done gratis by Uncle Sam. As a matter of fact, money and advantages of all sorts have been showered upon these people during the last four decades. Living conditions in the islands have been greatly improved, public health has been put on a high standard, illiteracy has been cut in half, all under the impetus of the Government of the United States. Hundreds of millions of dollars have been poured into the defense of the islands. Foreign commerce, largely with the United States, has been consistently encouraged. The result is that the mass of the Filipino people today are infinitely better off than they were in 1899.

What next? That remains the great question. Independence, complete and absolute, was voted a few years ago, effective as of 1946. Today in the islands a movement is growing to continue indefinitely the present relationship of guardian and ward. Recently Senator GIBSON, of Vermont, introduced a bill which had as its purpose to give the Filipinos the advantages of preferential trade through a treaty, at least until 1960. Others are now talking in favor of changing the provisions of the independence bill so as to establish a sort of indefinite protectorate over the islands.

Certainly, if there is anything in the Chinese theory that a man who saves another's life becomes responsible for the maintenance of the man whom he saved, Uncle Sam should continue to support the Filipinos. As Life well shows, the benefits which the Filipinos have derived from American rule are enormous. It is the hope of the Filipinos that a situation can be created in which the Filipinos will continue indefinitely to be helped and protected.

The one factor which, more than any other, has changed sentiment in the Philippines from support of complete and immediate

independence to an indefinite prolongation of the protectorate is, of course, fear of Japan. Certainly the constant expansion of the Japanese cannot be ignored by those who believe in Philippine independence. Already there are many Japanese in the Philippines, and there can be little doubt that they will send back to Japan information which can be of value if ever Japan decides that it wants to take over the Philippines for its own use.

As between domination by Japan and by the United States there can be no doubt which the Filipinos would prefer. In theory, of course, they would like to be dominated by neither nation, but despite the fact that they are arming quickly and developing a large corps of good soldiers, they are not—and cannot be for years—strong enough to stand by themselves. The grim logic of world events is thus making the complete separation of the islands from America impractical and unlikely. The eloquent words in which Senator GIBSON concluded his admirable speech recently deserve the thoughtful consideration of every American. After watching and studying the Philippine adventure for more than a quarter of a century, he had reached a profound feeling that "the great Philippine Commonwealth will yet remain with us, not under us, on their own volition and with our own concurrence, with Filipino self-respect intact, Filipino security insured, and Filipino self-government assured under the American flag."

Radio Regulation and Monopoly

EXTENSION OF REMARKS

OF

HON. BURTON K. WHEELER

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Monday, March 20 (legislative day of Thursday, March 16), 1939

STATEMENT BY S. HOWARD EVANS, SECRETARY, NATIONAL COMMITTEE ON EDUCATION BY RADIO, AT THE MONOPOLY HEARINGS HELD BY THE FEDERAL COMMUNICATIONS COMMISSION DURING THE WEEK OF MARCH 14, 1939, AT WASHINGTON, D. C.

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement by Mr. S. Howard Evans at the monopoly hearings of the Federal Communications Commission during the week of March 14, 1939.

There being no objection, the statement was ordered to be printed in the RECORD as follows:

I have some hesitation in appearing before this committee because definition of the term monopoly is very inexact and any statement made concerning its application to radio must be highly tentative. However, there seems to be, between the processes of Federal regulation and certain of the practices existing in broadcasting, relationships which may help to explain the charges of monopoly so freely and so frequently made. There is at present a vicious conflict between conditions under which stations are licensed by the Communications Commission and conditions under which these stations are used in competition for commercial advertising. This results in a complete invalidation of the present system of station allocation and a severe limitation on any possible opportunity for freedom of speech on the air.

The purpose of my appearance, then, will be to describe these relationships and indicate why their implications are so grievous.

Authority for the kind of regulation now in effect in broadcasting was created originally by the Radio Act of 1927. That act established the Federal Radio Commission and gave it certain powers among which were the following: (1) to classify radio stations, (2) to prescribe the nature of the service to be rendered by each class of stations and each station within any class, and (3) to assign bands of frequencies to the various classes of stations and assign frequencies for each individual station and determine the power which each station shall use and the time during which it may operate.

Under these powers the Radio Commission established a pattern of allocation which has been continued by the Communications Commission without substantial change, and which has determined in large measure both the structure and operation of broadcasting as an industry. This close connection between the regulatory body and the stations licensed by it puts the Communications Commission in a position where it can claim credit for much of the improvement which has taken place in American radio and where it cannot escape some of the criticism for unsatisfactory conditions which have developed.

In both the Radio Act of 1927 and its successor, the Communications Act of 1934, the right to classify stations, to assign frequencies, and to make grants of power was conferred subject to the requirement that such authority be used in the "public interest, convenience, and necessity." This requirement was in effect a limitation on the broad powers of discretion delegated by these acts and it made necessary, as a basis for licensing facilities, some determination of the factors which might have an important bearing on the public interest in broadcasting and some attempt to give proper weight to these factors.

In the beginning of Commission regulation no group of human beings could have made a perfect selection of factors. Trial and error had to play its part. Mistakes were inevitable. Their correction had to be a slow process which is not as yet complete.

However, the former Federal Radio Commission and the present Communications Commission might have made a more complete study of the results of their actions, both positive and permissive. Had they done so they would have discovered long ago that there is a fundamental conflict between two basic practices in broadcasting. One of these practices was instituted by the Commission. The other was allowed to develop privately with the blessing of the Federal Radio Commission, as will be indicated later. Each practice, considered by itself, is perfectly sound and defensible. Between the two a conflict has developed which, in my judgment, is responsible for most of the current charges of unsoundness, unfairness, and monopoly.

The first of these practices is the procedure established by the Commission in connection with the allocation of facilities. While details of this procedure have been changed, the allocation continues to be made in accordance with a classification of stations recommended by engineers in 1928. That classification divided the 90 available broadcasting frequencies into 3 types of services, namely—

(1) Forty frequencies were set aside for use by high-powered stations on cleared channels. This was in order to serve rural and remote areas.

(2) Forty-four frequencies were set aside for use in regional areas.

(3) Six frequencies were designated for strictly local stations.

From a technical point of view, all the inequalities made possible by this classification of stations and by its modifications are entirely justifiable. It is only when they are considered in connection with the uses to which radio has been put that the unsoundness in the present system of regulation becomes evident. These uses constitute the second set of practices to which reference has been made. The theory behind them seems to have been built on four fundamental principles, which may be stated somewhat as follows:

(1) The Government shall license to private interests that number of stations which can make most effective technical use of the comparatively few air channels available for broadcasting.

(2) Station owners shall be allowed to create among themselves a system of commercial competition for advertising revenue. This private competition can be depended upon to keep them operating in the public interest.

(3) The public as the listening audience will determine the outcome of the competition by tuning its receiving sets to stations according to the excellence of their programs.

(4) Under such a system broadcasting will achieve a greater freedom and usefulness than is possible under more stringent Government regulation.

Now, let us consider where the conflict develops between what is admittedly a sound system of allocation and what seems to be a sound and reasonable theory of commercial competition in the use of facilities. The conflict grows out of the fact that the Communications Commission allocates the facilities to be used but has no adequate control over the use to which they are put. For example, it licenses a broadcaster to operate a high-powered station, technically designated for the service of rural and remote areas, and then, under the theory of private competition, is powerless to prevent him from using that station to sell advertising to listeners in the immediate vicinity of his transmitter.

Perhaps such commercial use of broadcasting facilities is desirable. Perhaps it is the only way or the best way to finance American radio. Nevertheless, it puts this Commission, as the representative of the Federal Government, in the position of giving 50,000 watts' power to one person and 100 watts' power to another person with the knowledge that these two stations are going to compete directly for advertising revenue. By making these unequal grants of power the Commission—the Government—is favoring one station owner as against another. It is helping to determine the outcome of commercial competition before it begins and thus is destroying the principle of fair competition on which the system of American radio is supposed to rest.

What I am saying does not imply that the Commission should destroy the present structure of broadcasting in order to eliminate the present unequal competition. It means much less than that. It may mean simply introducing into the process of regulation new factors designed to compensate for the unfair advantages which certain stations now enjoy. It cannot mean anything more than a determination of all the factors which have an important part in the total picture of broadcasting and the making of such an adjustment among those factors that the "public interest, convenience, and necessity" is completely protected.

Such a step is necessary to establish a defensible system of regulation. To say that it is a move toward Government ownership is to indicate either complete ignorance of the functions of regulation or a willingness to engage in deliberate misrepresentation. To say that it should be delayed until all of its possible effects upon the industry have been determined is to argue that the maintenance of the industrial status quo with all its instability is more important than the establishment of a sound basis of regulation to which the industry can adjust itself and on which alone the industry can build a stable and secure future.

There never has been any comprehensive statement from the Commission indicating the factors entitled to consideration in the regulation of broadcasting. Instead a policy has been adopted under which the Commission takes up individually the cases before it and makes a separate decision for each case. While this practice has ample precedent, it has not created an entirely fair basis for regulation of the new field of radio. It has left the Commission free to give great weight in certain cases to factors which it has scarcely considered in other cases.

It is common knowledge that the Commission, in the exercise of its official discretion, has placed more emphasis on the mechanical and technical aspects of broadcasting than on its social and economic implications. In the area of technical regulation the Commission has developed rather exact standards which are a matter of public record and which are completely defensible in the courts. So far as the social and economic aspects of radio are concerned, the Commission has no objective standards. The most positive move in that direction was the report of the special committee on the proposed new rules and regulations, which in January 1939 recommended the development of program standards, although it took the position that such standards could not be rigidly defined.

This lack of any scientific basis on which to deal with certain of the factors known to have a bearing on the public interest in the granting of broadcast licenses puts the Commission in an unenviable position. The Commission has to depend for the justification of all of its acts, some of which have strong social implications, largely upon the standards which have been developed for technical operation. In every case it must emphasize the importance of the technical aspects and minimize the social and economic factors, because this is the only practical way to support a decision with the objective factual evidence necessary to sustain it if taken before the courts.

Legitimate criticism can be directed at the Commission for its failure to develop objective standards for every factor to which it gives weight in any of its decisions. Without standards there is almost certain to be inequality, however unintentional, in the treatment of those who come before the Commission. There is also the possibility of deliberate discrimination and unfairness. How completely the Communications Commission has left itself open to such charges is indicated by Mr. Robert J. Landry, radio editor of Variety, in an article which appeared in the October 1938 issue of the Public Opinion Quarterly. Mr. Landry said:

"By July 1938 the number of challenges of F. C. C. authority had increased notably. One of the points made by aggrieved broadcasters in 1937 was that the Commission made its decisions, then passed the matter to the legal department to write an opinion. This, it was charged, amounted to a determination of the issues on undisclosed reasons followed by a leisurely thinking up of an official explanation after the fact."

While I am not asserting that deliberate discrimination or unfairness has been practiced by the Commission, there are cases on record which suggest such a possibility. I will cite two which have to do with educational broadcasting. The first was a news release issued by the former Radio Commission in December 1931. Its opening paragraphs read as follows:

"The following statement was today authorized by the Commission:

"In re the use of radio broadcasting stations for advertising purposes.

"The Commission believes that the American system of broadcasting has produced the best form of radio entertainment that can be found in the world.

"This system is one which is based entirely upon the use of radio broadcasting stations for advertising purposes. It is a highly competitive system and is carried on by private enterprise. There is but one other system—the European system. That system is governmental. Under that system broadcasting is conducted either by the government or by some company chartered by the government. There is no practical medium between the two systems. It is either the American system or the European system."

What place was there, under the terms of that release, for the educational broadcasting stations then operating in the regular broadcasting band? How could such stations expect due consideration from a commission which had gone out of its way to say that the "American system" of broadcasting was one "which is based entirely upon the use of radio broadcasting stations for advertising purposes"? Apparently the noncommercial stations in the United States could anticipate no real acceptance by the Federal regulatory body and could only hope to be tolerated as part of a system of commercial operation to which they were foreign.

As a second illustration, I quote from Examiner's Report No. I-671, in re the applications of the Agricultural and Mechanical College of Texas and the State Capitol Broadcasting Association as entered in dockets 4928 and 5011. The report was submitted to the Commission under date of June 7, 1938. On page 11 occurs the following paragraph:

"The frequency involved (1120 kilocycles) is designated by rule 120 as a regional frequency and allocated for use by regional stations in the regular broadcast commercial field. On January 26, 1938, the Commission allocated certain frequencies to broadcast stations to be known as 'noncommercial, educational broadcast stations,' to be licensed to organized nonprofit educational agencies for the purpose of transmitting educational and entertainment programs. In accordance with the rules governing such stations, the broadcast service to be rendered must be primarily of an educational character and no sponsored program of any character may be broadcast (release of January 28, 1938). The applicant, station WTAW, propcses a service primarily devoted to educational and entertainment matters, and hence falls within the purview of the 'noncommercial, educational broadcast stations' provided for as indicated (rules 1057–1059)."

Please note that the examiner refers to the regular broadcast band which contains both commercial and noncommercial stations as "the regular broadcast commercial field." This strongly suggests that the philosophy of the 1931 press release still exists within the Commission.

Much more significant is the attempt to apply in the regular broadcast band rules designed specifically for one set of ultra-high frequencies. Quite apart from the fact that the examiner had no legal authority for such an application of the rules, there is another implication to which attention should be called. He is setting up a double standard. To one applicant for the frequency of 1120 kilocycles he would apply one set of rules, and to another applicant he would apply a set of rules which contained additional requirements.

If the Commission were able, in licensing facilities, to make its decisions entirely on the basis of mechanical or technical evidence, the evidence which I am submitting would have little validity. The Commission's predicament grows out of the fact that almost none of its decisions can be confined to questions on which it is prepared to pass objectively. When a station applies for 500,000 watts power, the mechanical and technical problems can be disposed of readily. The really important questions center around the economic and social implications of the application. Will it tend to create unfair competition? Will it tend to create a monopoly of power in the hands of one man or a few men?

The same is true of most of the other applications which come before the Commission. It is even more true of the cases which are appealed from the decision of the Commission to the United States Court of Appeals for the District of Columbia. The magazine Variety, in its July 13 issue, made an analysis of the more significant questions then on appeal to the court. It stated five issues, as follows:

(1) If the Commission can consider ancient history in punishing stations for violations of law or failure to serve public interest.

(2) If economic considerations should be weighed in deciding whether to grant a newcomer's plea.

(3) Whether local monopolies should be considered in deciding on requests for new facilities.

(4) Whether other occupants of a shared channel shall have a crack at time vacated by a transmitter going off the air.

(5) Adequacy of F. C. C. findings. This matter was involved in most of the outstanding cases settled by the courts last year.

While I hold no brief for the analysis as Variety has stated it, I believe that it serves to emphasize my point; namely, that by the very nature of radio, the Commission cannot confine its decisions to the mechanical and technical matters on which alone it is prepared to render an objective judgment.

Every area to which the Commission gives consideration, but for which it has no objective standards of measurement, is a no-man's land where law breaks down and all sense of security and stability in broadcasting is destroyed. It makes possible the playing of favorites so long as that fact is not evident in the legal record. It invites the use of economic pressure and political pull. It fosters the development of conditions which may lead to monopoly.

Ideally the remedy for this condition would be the development of standards which could be applied to every phase of regulation with the same exactness that mechanical standards are now being applied to certain technical aspects of radio. Unfortunately the social and economic implications of broadcasting do not lend themselves to that kind of measurement. As a practical matter, therefore, standards of a different type have to be developed for these areas. While this may require additional authority from Congress, it is a job that must be done before the Commission can extricate itself from its present vulnerable position.

The best method of developing standards for social and economic regulation is still a matter for debate. However, there seems to be increasing agreement among students of radio that, for all areas in which standards cannot be determined mathematically by experts, they should be determined democratically through the participation of responsible civic, educational, religious, farm, labor, and other interested groups, which would constitute a cross section of organized public opinion. These groups would cooperate actively with the broadcasting industry under the supervision of the Federal Communications Commission. Experience seems to indicate that in such cooperation each participating group should select its own representatives rather than allow those representatives to be appointed or invited by either the radio industry or the Federal Communications Commission.

The only proposed alternative to this democratic procedure is to have standards in these areas determined arbitrarily either by the Federal Communications Commission or by the radio industry through some system of self-regulation. To this alternative I am unalterably opposed and on the grounds that such control over this great instrumentality of communication, with its power instantaneously to reach and to influence millions of people, cannot safely be entrusted to either of these groups. Each has limitations which make it unsuitable as an agency to function for this purpose.

The great objection to the Federal Communications Commission is that it is created by and is subject to the control of the Federal Government. Recent experience with radio in European countries suggests that there is a real danger to democracy in turning over to any central government more than the necessary minimum of authority over what shall be spoken on the air. As a result the indications seem to be that few Americans would favor any attempt by the Commission itself to set social and economic stand-

ards. This attitude represents a philosophy of government and is no reflection on either the Commission or its personnel.

There is less popular objection to the proposal that the additional standards which are needed should be developed by the industry through self-regulation. This is because many people believe that self-regulation offers the best way to establish and maintain freedom of the air. If this belief were well founded it would create an overwhelming reason for leaving the entire matter to the broadcasters.

Unfortunately the facts are on the opposite side. They indicate that, while some of the elements of freedom may be present, at least one grave danger exists. This danger grows out of another conflict between the conditions under which stations are licensed and the conditions under which they are used.

Under the conditions of each broadcasting license issued by the Federal Government, the individual station is given full authority and has to assume full responsibility for its operation. Under present conditions of use many individual stations become part of broadcasting networks and carry programs which may originate hundreds of miles away. This network relationship creates a divided responsibility and, in the handling of controversial issues, at least, opens the door to serious abuses of the freedom of the air.

Generally speaking, controversial issues on the networks are handled in accordance with a carefully worked out formula. This formula provides that controversial issues shall be barred from sponsored programs and shall be discussed, if at all, on sustaining time. It also provides that, in the interest of fairness, any responsible group protesting against the presentation of a controversial issue shall be given an opportunity to state its point of view.

The formula reads well and serves as a complete answer to any charge of prejudice on the part of the networks. However, it offers no guaranty that opposing sides of a controversial issue will be given an equal opportunity to put their case before the listening public. The reason is that since these programs are not on advertising time, and member stations of the networks are not under contract to carry them, the coverage of any specific program depends upon the number of individual station managers who choose to broadcast it. Under such conditions one program may be put on the air by nearly a hundred stations, and the answer to it may be transmitted by less than a dozen stations.

There is at least one case on record in which the President of the United States discussed a controversial issue over the facilities of the three major networks with practically all of their affiliated stations carrying the program. A United States Senator, trying to answer that broadcast on the following evening, was given a single chain and not all of that. There is another case in which certain stations refused to carry a network broadcast by a representative of the Communist Party, but did lend their facilities later to another broadcast designed to be an answer to the Communist speech.

If the present practice could be continued and if public confidence in it could be maintained, it would be possible for an unscrupulous political party in power nationally to bring such concealed pressure on individual stations, subject as they are to Federal license, that it could give itself what might amount to an effective monopoly on the radio discussion of controversial issues. There could be no greater threat to the freedom of the air. So long as conditions within the industry make possible the continuation of such a potential danger self-regulation can never be more than a phrase.

In bringing this statement to a conclusion may I return to the suggestion that the best way to end the charges of unfairness and monopoly in radio and to provide for the future stability of broadcasting is to take steps immediately looking toward the development of standards. Where mathematically possible these standards should be determined by experts. In all other areas the standards should be determined democratically through the participation of responsible and interested citizens' organizations. While such a procedure may involve some difficulties, it has none of the fundamental weaknesses which characterize the proposed alternative procedures. In my humble judgment, it offers the only defensible course for this Commission to pursue.

Accounting System of the Federal Government

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Monday, March 20 (legislative day of Thursday, March 16), 1939

ADDRESS DELIVERED BY E. F. BARTELT, COMMISSIONER OF ACCOUNTS AND DEPOSITS, UNITED STATES TREASURY DEPARTMENT, BEFORE THE NATIONAL ASSOCIATION OF STATE AUDITORS, COMPTROLLERS, AND TREASURERS, AT THE BUENA VISTA HOTEL, BILOXI, MISS., NOVEMBER 16, 1938

Mr. MEAD. Mr. President, our Nation is this year celebrating the one hundred and fiftieth anniversary of its founding. So complex have the services of Government grown during this century and a half that the extent of its operations is almost beyond human comprehension. Particularly is this true of the management of our fiscal affairs.

As a source of authoritative information on a subject vital to all of us, I ask unanimous consent to have printed in the RECORD the address on the accounting system of the Federal Government, in abridged form, delivered by E. F. Bartelt, Commissioner of Accounts and Deposits, United States Treasury Department, before the National Association of State Auditors, Comptrollers, and Treasurers, on November 16, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman and gentlemen, it is a pleasure to be with you today to discuss, and perhaps to clarify in your minds, the principles upon which the Federal Government's accounting system rests.

It is appropriate that we should exchange information on governmental accounting systems. Both the area and the scope of fiscal relations between the Federal Government and the States have increased markedly in the last two decades; but, aside from such interrelations, your problems are essentially the same as ours.

All of us realize the immense importance of proper accounting in the transaction of the public business. Informative fiscal accounts are a primary essential to an intelligent understanding of government. They are not only important tools of management, but are also the chief conservator of the public funds against waste and graft. In a true sense, the real "watchdogs" of the public funds are those keepers of the public accounts who are on duty day after day and year after year faithfully and currently recording the transactions that go to make up the great cooperative activities which we know as government. * * *

The fundamental principles are common to all public accounting, whether of the Federal Government, of the States, or of subordinate units of government. As to expenditures, we have to proceed on the basis first of clear authorization, properly attested and recorded; second, administrative officers must be held accountable for seeing that all expenditures are made for the purpose of carrying out express authorization; third, there must be a careful record and classification of expenditures; and fourth, there should be thorough audits by an authority independent of the administrative and disbursing authorities. As to receipts, the records must, of course, disclose whether all money due to the Government from various sources is being efficiently collected and faithfully accounted for. * * *

FUNCTIONS OF AN ACCOUNTING SYSTEM

In the administration of an accounting system there are involved four major functions, namely:

(1) The designing of the system;

(2) The maintenance of the system—that is, the keeping of the books;

(3) The interpretation of accounting data for management purposes; and

(4) The auditing of the accounts and records.

We will have time to discuss only the second of these four major functions.

For convenience, I shall divide the system into two broad classifications—

The first may be termed "administrative accounting" in the several departments. It consists principally of scattered sets of books with which approximately 175 operating units exercise control of the respective appropriations made to them by the Congress. This classification also embraces cost accounting, in agencies where it is necessary to maintain cost records. It also includes the maintenance of accounts for money due to or payable by the Government.

The second classification might be termed "fiscal accounting" in the United States Treasury Department, which has to do with the financing of all governmental activities. This involves the collection of the revenue; the safe-keeping and disbursement of the public funds; the maintenance of revenue and appropriation accounts relating to all activities of the Government; the control of appropriations through Treasury warrants; the management of the depositary system; the borrowing of money on credit of the United States, and the production, issue, and redemption of securities, currency, and coin.

GOVERNMENT STRUCTURE

To comprehend the accounting system of the Federal Government it is necessary to consider the principles upon which the Government is organized; the source of its authority; how it functions; and the scope of its operations.

Its general purposes, as stated in the Constitution, are:

"To establish justice, insure domestic tranquility, provide for the national defense, promote the general welfare, and secure the blessing of liberty * * *."

To attain these objectives it is organized under three great branches, namely,

1. The legislative branch, which makes the laws.
2. The executive branch, which executes the laws.
3. The judicial branch, which construes the laws in cases of dispute.

be broadcast (release of January 28, 1938). The applicant, station WTAW, propcses a service primarily devoted to educational

indications seem to be that few Americans would favor any attempt by the Commission itself to set social and economic stand-

LEGISLATIVE BRANCH (CONGRESS)

The Congress occupies a position in the Federal Government similar to that of a board of directors in a large corporation. It determines the policies of the Government through the enactment of laws. It has the sole power to levy taxes. No money may be paid from the Treasury except pursuant to its authorization.

EXECUTIVE BRANCH

The President is the general directing head of the business organization of the Government. Under the Constitution he must see that the laws are faithfully executed. In the executive branch of the Government are 10 major executive departments; about 40 independent boards, commissions, offices, and establishments; and approximately 125 subordinate bureaus and divisions within the executive departments. Each of these 175 administrative agencies maintains its own system of accounts.

JUDICIAL BRANCH

The judicial branch is composed of the Supreme Court of the United States, 10 circuit courts of appeals, the United States Court of Appeals for the District of Columbia, and 85 district courts. There are also several special courts such as the Court of Claims, a Court of Customs and Patent Appeals, a United States Customs Court, and a United States Court for China.

SCOPE OF GOVERNMENT ORGANIZATION

During the 150 years of its existence the scope of the Government's activities has expanded to a point almost beyond human comprehension. The Government is a far-reaching institution. Its operations extend to every part of our own country and into every foreign land. Its operations have become so extensive and its financial transactions so complex that it would be impossible, except through exhaustive study and extensive research, clearly to visualize the accounting problem in its entirety.

NUMBER OF EMPLOYEES

The Government employs about 1,200 000 men and women. In addition there are some three and one-half millions employed on work-relief projects and the Civilian Conservation Corps. Contrary to popular belief, only 10 percent of the Government's employees work at the seat of government in Washington.

VOLUME OF FINANCIAL TRANSACTIONS

In 1792 the total receipts of the Government, including postal revenues and receipts from the sale of public-debt obligations, amounted to less than $9,000,000.

In 1915, just before the World War, the total receipts from all sources was less than a billion dollars.

In 1938, including public debt issues and exchanges, the receipts had jumped to over $18,000,000,000. In addition, there were currency redemptions of $3,351,000,000. Its combined money transactions in all accounts in that single year were in the neighborhood of $45,000,000,000.

The Government's revenue last year (including postal) amounted to over $7,000,000,000. Its budgeted expenditures exceeded eight and one-half billions. Its bonded indebtedness is about thirty-eight billions. It has a cash balance of two and one-half billions, exclusive of the $2,000,000,000 stabilization fund. It has a proprietary interest of about four billions in various governmental corporations whose combined assets are more than $12,000,000,000. It has contingent liabilities of some five billions, secured, of course, by assets.

The Treasury handles investments for approximately 25 different agencies and trust accounts, the holdings for which now amount to about $5,000,000 000. The Treasury holds over sixteen billions of gold and silver against which there is a $13,000,000,000 liability. (Exclusive of $1,800,000,000 liability to stabilization fund.) It also holds about $13,000,000,000 in foreign obligations.

PHYSICAL PROPERTIES

The Government owns about 400,000,000 acres of real estate having an estimated fair market value of approximately $5,000,000,000. The combined area is equal to one-fifth of the whole country. It maintains over 2,900 buildings; 300 foreign embassies, legations, and consulates; 45,000 post offices; about 100 courts; 300 hospitals; 130 parks and cemeteries; 150 national forests; 200 Indian reservations; 350 Indian schools; 225 Army posts; 2,400 vessels; 350 quarantine and immigration stations; 22 prisons; 400 customs houses; 820 internal revenue collection offices (including substations); 29,000 lighthouses and aids to navigation; and many other activities too numerous to designate.

VOLUME OF DISBURSEMENTS AND COLLECTIONS

Over 12,000 administrative officers and employees are authorized to incur obligations on behalf of the United States or to certify pay rolls and vouchers to Government disbursing officers for payment. The Government's check books are in the hands of some 1,500 carefully selected disbursing officers, who are authorized to draw checks on the Treasurer of the United States. It handles over 25,000,000 collection items annually and makes approximately 140,000,000 payments a year. The Treasury has paid as many as 1,790,000 checks in a single day.

DEPOSITARIES

The bulk of the Government's fiscal business is transacted through the Federal Reserve banks and their branches. However, in addition the carrying on of the Government's business requires the Treasury to maintain accounts with commercial banks throughout the country, where the receipts or disbursements of the Government are sufficiently large to justify such action. On June 30, 1938, there were 2,851 authorized depositaries. Of these, 1,544 were special depositaries carrying deposits amounting to six hundred and ten millions, representing the proceeds of sales on credit of Government securities; 1,295 were general and limited member-bank depcsitaries carrying deposits of forty-four millions; and 12 were foreign depositaries with deposits of three millions. Deposits with Federal Reserve banks amounted to about $929,000,000.

NUMBER OF ACCOUNTS

The Treasury maintains over 9,000 revenue and appropriation accounts relating to the activities of all departments and establishments of the Government, approximately 6,700 disbursing accounts, 25,000,000 accounts with taxpayers, 2,000,000 accounts with registered owners of Government bonds, and about 700,000 loan accounts with clients of the Farm Security Administration. The Social Security Board maintains almost 33,000,000 accounts with employees subject to the Social Security Act. The Railroad Retirement Board maintains approximately 116,000 individual accounts with railroad employees. The Home Owners' Loan Corporation has in excess of a million accounts with borrowers. The Veterans' Administration maintains almost one and one-half million accounts with pensioners, beneficiaries, and policyholders. The Farm Credit Administration and affiliated agencies have approximately 4,000,000 accounts with borrowers, and the Reconstruction Finance Corporation has over 26,000 accounts with banks, insurance companies, railroads, credit unions, building and loan associations, mortgage loan companies, etc.

This is only a part of the picture, but it serves to illustrate the immensity of the Government's accounting problem. It may be observed in passing that no mention has been made of the Government's equipment, the value of which would be difficult to estimate.

GENERAL OUTLINE OF ACCOUNTING SYSTEM

In view of what I have said, you will perhaps be surprised to learn that there is not in the Federal Government today a master set of accounts which reflects all financial transactions of the Government. For the most part, the accounts are kept in 175 different administrative agencies and, as I will later point out, on various bases. The accounts in the administrative agencies are not correlated with the central financial accounts of the Treasury, and therefore are not designed for the purpose of controlling the financial affairs of the Government as a whole. They are designed almost exclusively for the needs of the respective operating units.

CENTRAL ACCOUNTS KEPT ONLY ON "WARRANT" BASIS

The central accounts of the Government relating to receipts, appropriations, and expenditures are, by law (U. S. C., title 5, sec. 255), maintained upon the books of the Division of Bookkeeping and Warrants of the Treasury Department, in which were vested the bookkeeping functions originally performed by the Register. These accounts, however, as presently constituted, are based only upon warrants issued by the Secretary of the Treasury and countersigned by the Comptroller General.

These warrants are formal statutory documents issued by the Secretary of the Treasury authorizing (1) the setting up of appropriation accounts; (2) the advance of money to disbursing officers; (3) the payment of claims settled directly by the General Accounting Office; (4) the covering of money into the Treasury; (5) the transfer of funds from one appropriation account to another; and (6) the clearing from the books of unexpended appropriation balances. They constitute the control of Treasury receipts and appropriations. Since the central books of the Government are based only on Treasury warrants, they do not reflect the current financial condition of the Government.

In the accounting for Government revenue there are involved at least four basic transactions:

First, the assessment of taxes or duties;

Second, the collection of such taxes or duties;

Third, the deposit of the collections into a Federal Reserve bank or designated depositary for account of the Treasurer of the United States; and

Finally, the formal acknowledgment of the receipt into the Treasury on a covering warrant.

Of these four transactions only the last is reflected in the central accounts of the Treasury's Division of Bookkeeping and Warrants.

Now, let us look at the expenditure side. The expenditure of money involves eight basic transactions:

First, the setting up of the appropriation account;

Second, the apportionment of the appropriation according to the months in which the funds are to be obligated;

Third, the allotment of money to operating units;

Fourth, the incurring of obligations of various kinds and descriptions;

Fifth, the approval of vouchers for payment;

Sixth, the advance of funds for credit in checking accounts of disbursing officers;

Seventh, the drawing of checks by disbursing officers; and

Finally, the payment of the checks by the Treasurer of the United States.

Of all these transactions only two appear in the central accounts of the Treasury Division of Bookkeeping and Warrants. One of these is the warrant setting up the appropriation account, and the other is the warrant advancing funds to disbursing officers. (Note: Subject to qualification that under Executive Order of July 27, 1933, certain budgetary data is reported to the Treasury by executive departments and establishments.)

TREASURER'S ACCOUNTS

The second and entirely different set of accounts are those maintained in the office of the Treasurer of the United States.

brating the one hundred and fiftieth anniversary of its found-

3. The judicial branch, which construes the laws in cases of dispute.

These accounts are based upon moneys received and disbursed by the Treasurer. They also include the checking accounts of disbursing officers through whom the major part of the Government's expenditures are made.

When funds are advanced by the Secretary of the Treasury to a disbursing officer, the warrant is reflected as a charge against the appropriation account on the books of the Treasury Division of Bookkeeping and Warrants and as a corresponding credit in the checking account of the disbursing officer on the books of the Treasurer of the United States. The Treasurer does not keep a separate account for each appropriation; nor does the Division of Bookkeeping and Warrants keep a separate account for each disbursing officer. (Note: Under section 304 of the Budget and Accounting Act of 1921, the personal accounts of collecting and disbursing officers formerly maintained in this division, were transferred to the General Accounting Office.)

DISBURSING OFFICERS' ACCOUNTS

The third set of accounts are the accounts maintained in the various disbursing offices of the Government. These accounts are on a different basis from either set of accounts previously mentioned. They are based primarily on advances of funds to disbursing officers through warrants of the Secretary of the Treasury and upon checks issued in payment of Government obligations. To some extent disbursing officers also account for collections received from miscellaneous sources through the various operating agencies of the Government.

COLLECTING OFFICERS' ACCOUNTS

The fourth and fifth sets of accounts are the accounts of collectors of customs and collectors of internal revenue. There are 48 collectors of customs and 64 collectors of internal revenue throughout the country. The bulk of the Government's revenue is received through these officers, who make daily deposits in Federal Reserve banks and designated depositaries for account of the Treasurer of the United States. Their accounts are based principally on assessments, collections, and Treasury deposits.

ADMINISTRATIVE APPROPRIATION AND FUND ACCOUNTS

The sixth set of accounts are the administrative appropriation and fund accounts of the several departments and establishments of the Government. Except in the case of the Emergency Relief program, these accounts are scattered throughout the departments, bureaus, offices, and field services of the Government. They are based primarily on congressional appropriations, Budget apportionments, administrative allotments, encumbrances for pay rolls, contractual obligations, purchases, etc., and approved vouchers. In some cases administrative agencies also maintain cost accounts. While such accounts are related to appropriation accounts, they are usually operated as separate systems.

The expenditures identified with a particular appropriation account do not always represent the entire cost of a service, function, or activity to which the appropriation relates, because frequently additional expenditures are properly chargeable to other appropriations. The standardization, development, and correlation of the administrative accounting in the several executive departments and establishments present the most difficult problem in the improvement of the Government's accounting system.

SECURITY AND PROPERTY ACCOUNTS

Finally, there are property accounts, mint accounts, security accounts, and supply accounts, all operated more or less as separate systems.

The correlation of these different systems undoubtedly offers a fertile field for constructive study.

CENTRAL ACCOUNTS OF THE GOVERNMENT

Notwithstanding the limitations which I have mentioned, an understanding of the Government's accounting problem must commence with a study of the Division of Bookkeeping and Warrants of the Treasury Department, since that organization is in a sense the hub of the Government's accounting system. (Note: The term "accounting," as here used is to be distinguished from "auditing.") It is important to know how the accounts relating to the revenues, appropriations, and expenditures of the Government center in this bookkeeping organization.

In its archives are the original manuscript accounts kept by Gen. George Washington, in his own handwriting, covering his financial transactions as commander in chief of the military forces during the Revolutionary War. Of equal interest are the accounts of Robert Morris, first superintendent of finance, during the period 1781 to 1784. The first Treasury circular of instructions in the original handwriting of Alexander Hamilton is another document which fires the patriotism of every real American privileged to see it. The history of the United States as a Nation and the history of the Federal Treasury come down the years together.

The Treasury Division of Bookkeeping and Warrants has three important statutory functions, all of which date back to the very beginning of the Government:

1. To issue the warrants acknowledging the receipt of money into the Public Treasury, or authorizing the withdrawal of money therefrom;

2. To keep the public accounts relating to the revenues, appropriations, and expenditures of all departments and establishments of the Government. (Note: The Treasury's accounts relating to the Post Office Department represent only the postal surplus or postal deficit. The Secretary of the Treasury issues a warrant to the Post Office Department on the General Treasury to cover postal deficits.)

3. To prepare an annual report to the Congress relating to revenues, appropriations, and expenditures of the Government.

It will be recalled that the Treasury's control of receipts and issues is exercised through the medium of documents called "warrants." Section 147 of title 31 of the United States Code reads:

"The Treasurer shall receive and keep the moneys of the United States, and disburse the same upon warrants drawn by the Secretary of the Treasury, countersigned in the General Accounting Office, and not otherwise. He shall take receipts for all moneys paid by him, and shall give receipts for all moneys received by him; and all receipts for moneys received by him shall be endorsed upon warrants signed by the Secretary of the Treasury, without which warrant, so signed, no acknowledgment for money received into the Public Treasury shall be valid."

The legality of all warrants issued by the Treasury is attested by countersignature of the Comptroller General of the United States.

Perhaps I should explain here that the Treasurer of the United States receives certain special deposits which are not covered into the Treasury on a warrant. An example is the unemployment funds belonging to the States. Another example is where the Treasurer acts merely as a banker for or custodian of funds of governmental corporations.

In order to give you a bird's-eye view of the system I have brought with me an accounting flow chart which will now be projected on the screen. (Description of charts omitted.)

We will begin with the receipts. Remittances are sent by collectors of revenue to Federal Reserve banks daily. When the bank receives such remittances it credits the account of the Treasurer of the United States and issues a certificate of deposit. At the close of each day's business the original certificates of deposit (together with paid checks, coupons, etc.) are sent to the Treasurer of the United States at Washington, accompanied by a transcript of the Treasurer's account showing all debits and credits.

After the certificates are examined in the Treasurer's office and checked against the bank's transcript, the Treasurer charges the bank and credits his revenue account. The original certificates are then sent to the Secretary's Division of Bookkeeping and Warrants. Here they go to a control desk where they are checked, classified, and posted to an "Uncovered moneys" controlling account. * * *

From the uncovered moneys control desk the certificates are sent to the deposit covering clerks. At the present time there are about 40 of such clerks, working in 14 groups, to each of which is assigned a certain class of deposits. For example, one group is responsible for internal revenue, another for customs, another for War Department deposits, another for Navy, and so on.

COVERING-IN PROCESS

In the covering of money into the Treasury the Department uses bookkeeping machines. At the time the warrant is written there are posted by carbon process several different records, all ruled exactly alike.

First, a depositor's register, on which are posted all deposits relating to a particular depositor. This register is made in triplicate. At the end of the month two copies are sent to the General Accounting Office for auditing purposes. The other remains in the permanent files of the Treasury.

The next record (prepared by carbon process in the same operation) is a revenue or appropriation register (as the case may be), upon which are posted all deposits relating to a particular revenue or appropriation account. This record is prepared in duplicate. At the end of the month one copy is sent to the General Accounting Office for auditing purposes and the other is retained in the permanent files of the Treasury.

The third record (also prepared in the same operation) is known as a departmental deposit list, which is sent currently to the operating agency concerned in order that it may be immediately informed concerning the deposits covered into the Treasury relating to its activities.

The depositors' register furnished the General Accounting Office is checked against monthly accounts current rendered to that Office by accountable collecting and disbursing officers. The departmental deposit list is checked by the executive department or operating agency against triplicate copies of certificates of deposits. Covering warrants are also checked against collection schedules transmitted to the General Accounting Office by administrative agencies. There is thus provided a double check upon the covering of money into the Treasury. * * *

A copy of the certificate of deposit issued by the collecting officer in the field is sent to his superior officer in Washington, called the administrative officer. The departmental deposit list, issued by the Treasury, is also sent to the same office. This step serves two purposes. First, it informs the administrative department or agency concerned of the formal covering of money into the Treasury, and second, it operates as a check by the administrative office upon both the collecting office and the Treasury. Copies of the depositors' register, the repayments to appropriation register, and the revenue ledger, are sent to the General Accounting Office. Collection schedules are also sent to the General Accounting Office by the collecting officer, thus providing an additional check upon the covering of money into the Treasury.

(Note.—When collections are made by administrative officers and turned over to accountable collecting or disbursing officers for deposit, the collection schedules are transmitted to the General Accounting Office by administrative officers.)

The "repayments to appropriation register" is totaled for each appropriation account and is sent to the appropriation and expenditure section of the Division of Bookkeeping and Warrants,

where the items are posted to the proper appropriation accounts in the appropriation ledgers.

GENERAL, SPECIAL, AND TRUST ACCOUNTS

The accounts in the revenue ledger consist of general accounts, special accounts, and trust accounts.

Although the Federal Government has, in the popular sense, three different funds, namely, general, special, and trust, actually all moneys are deposited in the general fund. Within the general fund, however, are general, special, and trust accounts.

The general accounts represent moneys which are not designated by the Congress for specific uses. They consist principally of income taxes, duties on imports, miscellaneous internal revenue, and collections from miscellaneous sources such as fees, fines, penalties, forfeitures, sales of Government property, and so forth.

Special accounts (commonly referred to as special funds) represent moneys which the Congress appropriates for specified uses in advance of their collection. Strictly speaking, they are permanent appropriations, the amount of the collections being in the nature of a "yardstick" for determining the amount authorized to be expended.

The term "trust accounts," of course, is self-explanatory. These accounts include the Government life-insurance fund, various retirement funds, Indian tribal funds, and many others.

On the basis of the receipts in special accounts and trust accounts there is prepared an appropriation warrant for the purposes of establishing the related appropriation accounts and making the money available for authorized uses. Such warrants, after being countersigned in the General Accounting Office, are posted to the detailed appropriation accounts in the appropriation ledgers as indicated on the chart.

A separate public-debt account is maintained showing with respect to each security the total amount issued, the amount retired, and the amount outstanding. * * *

APPROPRIATIONS AND EXPENDITURES

Under the Constitution no money may be drawn from the Treasury except pursuant to an appropriation made by law. Accordingly, the accounting relating to the expenditure of money begins with the appropriation of money by the Congress.

Appropriations are of four general types: (1) Annual, (2) permanent indefinite, (3) permanent specific, and (4) continuous.

Annual appropriations, provided in the several departmental supply bills, are voted each year by Congress. They are in considerable detail and specific as to amounts. They may be obligated only during the fiscal year for which made, but the unexpended balances remain on the books of the Treasury for 2 additional years to meet outstanding obligations.

Permanent appropriations, on the other hand, are available year after year without annual action of Congress. They may be either definite or indefinite as to amount. An example of the latter is the permanent-indefinite appropriation for payment of interest on the public debt which gives the Secretary of the Treasury continuing authority to pay interest as it falls due.

A permanent specific appropriation is one where the Congress appropriates a specific amount more or less permanently for a number of years. For example, Congress may make a limited appropriation, say, of a million dollars a year for each of 5 years. In such a case the Treasury would set up an appropriation account of a million dollars at the beginning of each fiscal year for the 5 years without annual action by Congress. Or it may appropriate a specific amount permanently without limitation as to time.

Then, again, Congress may make an appropriation in a specific amount to be available until expended. These are called continuout or "no year" appropriations. That is, they do not lapse at the end of the fiscal year.

In a limited number of cases—such as good roads and public buildings—Congress authorizes the entering into of contracts to be paid from future appropriations.

Considering the fact that there are over 7,200 appropriation accounts on the books, and bearing in mind also that Congress frequently enacts legislation affecting accounts already on the books, it will be seen that the Treasury accountants and bookkeepers must not only keep abreast of appropriation legislation but must keep alert to the possible effect of other new legislation on existing appropriation accounts.

After an appropriation act has been approved by the President the original is sent to the State Department for custody and safekeeping. The State Department furnishes the Treasury Department with a certified copy of each appropriation act.

APPROPRIATION WARRANT

On the basis of the act an appropriation warrant is prepared in the Division of Bookkeeping and Warrants, upon which is listed the amount to be credited to each appropriation account. After the warrant is countersigned by the Comptroller General of the United States it is posted to the detailed appropriation accounts in the Treasury Division of Bookkeeping and Warrants.

A certified copy of the appropriation warrant is sent by the Division of Bookkeeping and Warrants to each administrative agency to which the appropriations are made. This is in the nature of an official notice from the Treasury that the funds are available for obligation and requisition and is used as the medium for posting the appropriation accounts in the operating agency.

APPROPRIATION TRANSFER WARRANTS

Frequently the Congress authorizes the transfer of unexpended balances from one appropriation account to another. Such transfers are accomplished by appropriation transfer warrants.

SURPLUS-FUND WARRANTS

We now come to what are known as surplus-fund warrants.

Pursuant to the act of June 20, 1874, the Treasury clears from its books, as of the last day of each fiscal year, the unexpended balances of all annual appropriations that have remained on the books for 2 full fiscal years after the close of the year for which the appropriations were made. This is known as carrying money to the "surplus fund of the Treasury." The term "surplus fund" is somewhat misleading since it does not represent surplus money as the term would ordinarily imply in accounting terminology.

Appropriations when made by Congress and set up on the books of the Treasury Department do not represent income or cash set aside in the Treasury for the purposes specified in the appropriation acts. They are only record accounts and merely represent the limit to which administrative offices may obligate Government funds for specified purposes. They are basely largely on anticipated tax collections and other receipts. It follows, therefore, that when appropriations, or unexpended balances of appropriations, are carried to what in the law is termed the "Surplus-fund of the Treasury" it involves simply a matter of writing such appropriations off the books without increasing the cash in the Treasury or affecting it in any manner. * * *

APPORTIONMENT OF APPROPRIATIONS

Before arrangements are made to obligate the appropriations each administrative agency must submit to the Director of the Budget its financial program showing the amount which it proposes to obligate during each month. This is known as the "apportionment of appropriations."

Budgetary apportionments are made only with respect to the total amount which may be obligated during each month under each appropriation. They are not subdivided either with respect to particular projects, types of work, or objects of expenditure.

ALLOTMENTS

Allotments for specified objects are then made to field and other operating units by the head of the administrative agency in Washington. Since allotments are in the nature of authorizations to obligate and spend money, they must be kept within the apportionments approved by the Bureau of the Budget.

OBLIGATIONS AND ENCUMBRANCES

Within the limitations of such allotments, field agencies and other operating units are authorized to employ personnel, make purchases, enter into contracts, and incur such obligations as may be authorized under the appropriation.

In the Government these transactions are usually called encumbrances. To a large extent they are merely estimates, adjustments later being made to the actual amounts when the vouchers are approved for payment.

Transactions relating to Budget Bureau apportionments, administrative allotments, and obligations incurred are not recorded on the central books of the Treasury, except upon the basis of reports submitted pursuant to an Executive order issued July 27, 1933.

PAYMENT OF GOVERNMENT OBLIGATIONS

The payment of the Government's bills is accomplished in two ways:

First, by bonded disbursing officers who draw checks on the Treasurer of the United States against funds placed to their credit on accountable warrants, and

Second, by the Treasurer of the United States who draws checks in favor of claimants on authority of settlement warrants.

Federal Reserve banks are authorized to pay matured or called bearer obligations and matured interest coupons upon presentation and to charge the Treasurer's account for the amount so paid. The payment of interest on registered bonds is accomplished through checks drawn by the Division of Loans and Currency on the Treasurer of the United States. Registered bonds are redeemed by checks drawn by the Treasurer of the United States. At the end of each month the Treasurer submits to the Secretary of the Treasury a requisition for a warrant to cover the payments. The redemptions of matured or called bearer obligations and matured interest coupons are the only cases wherein payments precede the issuance of an authorizing warrant.

ACCOUNTABLE WARRANTS (ADVANCES OF FUNDS TO DISBURSING OFFICERS)

Virtually all of the current bills of the Government are paid by bonded disbursing officers to whom funds are advanced by the Secretary of the Treasury on accountable warrants. (Note.—Accountable warrants do not draw money from the Treasury but merely represent authorizations for disbursing officers to draw checks on the Treasurer in payment of Government obligations.) Such funds, however, must remain in checking accounts with the Treasurer of the United States until disbursed, unless the Secretary of the Treasury specifically authorizes the disbursing officer to pay bills in cash as a result of local conditions. In such cases the Secretary of the Treasury fixes the amount of cash which the disbursing officer may have on hand at any one time. Such cash, of course, is carried at the disbursing officer's own personal risk.

The procedure relating to the advance of money to disbursing officers begins with the preparation of a requisition for funds by the administrative office to which the appropriation is made. This requisition is drawn in favor of the disbursing officer to whom the advance is to be made, and shows the amount which he may disburse under each separate item of appropriation.

The requisition for disbursing funds is first sent to the General Accounting Office for approval. If the officer is not delinquent in the rendition of his accounts and if they are in satisfactory condi-

tion, the General Accounting Office approves the requisition and sends it to the Treasury Department, Division of Bookkeeping and Warrants.

This warrant, as is true of all other warrants, is sent to the General Accounting Office for countersignature. It is—

1. Charged against the detailed appropriation accounts of the Division of Bookkeeping and Warrants; and

2. Credited to the disbursing officer's checking account on the books of the Treasurer. (Note: The warrant is also charged against the disbursing officer on the records of the General Accounting Office, and so remains until the officer has fully accounted for the money contained therein.)

After it is countersigned it is forwarded to the Treasurer of the United States, who pays the warrant and credits the proceeds in a checking account of the disbursing officer. You will recall that under the law the Treasurer of the United States is authorized to disburse money only on warrants of the Secretary of the Treasury, countersigned by the Comptroller General.

As evidence of such credit, the Treasurer issues a certificate of deposit and sends it to the disbursing officer. Within the amounts advanced by the Secretary of the Treasury, disbursing officers are authorized to make disbursements.

Before a payment may be made the disbursing officer must have two things:

1. An approved voucher, properly certified by an authorized administrative officer, showing the services have been performed or goods received. (Note: Or a certificate of settlement of the Comptroller General.)

2. A sufficient balance to his credit on the Treasurer's books. While the Treasurer does not keep a separate account relating to each appropriation the disbursing officer must see from his own books that he has a sufficient unexpended balance under the particular appropriation involved. If he does not have a sufficient balance under the particular appropriation involved he so advises the administrative agency concerned in order that it may requisition the necessary funds from the Treasury.

DISBURSING OFFICERS' ACCOUNTS CURRENT

Disbursing officers are required to render periodic accounts to the Comptroller General for audit and settlement. (Note: The accounts are given an administrative examination by the agency having jurisdiction over the appropriations before being sent to the General Accounting Office for audit and settlement.) In most cases this is done monthly. In the account currently rendered to the General Accounting Office the disbursing officer charges himself with the amounts of the accountable warrants and takes credit for the disbursements. These disbursements, of course, must be supported by approved vouchers of administrative agencies.

The advances taken up by the disbursing officer are checked by the Comptroller General against the accountable warrants. Against such charges the Comptroller General credits the disbursing officer with the amount of paid vouchers which the Comptroller General determines to be authorized and legal disbursements. The balance is stated as an amount due the United States by the disbursing officer.

Money no longer required for disbursement is returned to the Secretary of the Treasury through the medium of checks drawn by the disbursing officer in favor of the Treasurer of the United States. Such checks are charged by the Treasurer against the disbursing officer's checking account and a certificate of deposit issued therefor in the name of the disbursing officer for credit to app'icable appropriations. The Treasurer sends the certificate of deposit to the Secretary of the Treasury. On the basis of the certificate the Secretary issues a warrant crediting the appropriation account, and sends the warrant to the Comptroller General for countersignature. The Comptroller General credits the officer's account and returns the warrant to the Treasurer.

SETTLEMENT WARRANTS

Settlement warrants are used only for the payment of claims settled by the Comptroller General. On the basis of these settlement warrants the Treasurer issues checks directly to claimants. Under the Budget and Accounting Act the Comptroller General may send his certificates of settlement to disbursing officers for payment. Should the latter practice be followed universally the settlement warrant would entirely disappear. * * *

TRANSFER-COUNTER WARRANTS

Adjustments between appropriation accounts for expenditures previously made are effected through warrants known as transfer and counter warrants. These warrants are in the nature of journal entries debiting one appropriation account and crediting another. These warrants are to be distinguished from appropriation transfer warrants. As stated, transfer-counter warrants cover adjustments of appropriation accounts after expenditures have been made, whereas appropriation-transfer warrants are issued for the purpose of transferring money from one appropriation account to another in advance of expenditure, in cases where the Congress authorizes interappropriation transfers.

Except in the cases of the Army and the Navy, advances to disbursing officers are made under specific appropriations and all expenditures must be accounted for accordingly. The Army and Navy, however, are authorized to requisition their funds under what are known as "general accounts of advances." That is, the requisition and the warrant need not specify the appropriations under which the expenditures are to be made. The warrants are charged on the Treasury's books to the appropriate "general account of advances," and on the basis of expenditures reported in accounts subsequently rendered by Army and Navy disbursing officers, the amounts expended are charged against applicable appropriations and a corresponding credit is entered in the related general account of advances. These adjustments are made through the medium of transfer-counter warrants. * * *

CONCLUSION

Before closing it may be advisable to summarize the purposes which are served by the procedure I have outlined.

First, the requirement that the receipt of money into the Public Treasury shall be acknowledged on warrants issued by the Secretary of the Treasury and countersigned by the Comptroller General provides the legal basis for accounting for the revenue received by public officers.

Second, the requirement that the Treasurer of the United States shall disburse the money only on warrants issued by the Secretary of the Treasury and countersigned by the Comptroller General provides the basis for compliance with the constitutional provision that no money shall be drawn from the Treasury except in consequence of an appropriation made by law and is surely a wise precaution.

Third, there is provided a centralized record of money covered into the Treasury and subsequently withdrawn therefrom.

Fourth, it provides the basis for compliance with section 15 of the act of July 31, 1894, which requires the Secretary of the Treasury annually to lay before Congress a combined statement of the receipts and expenditures of the Government, classifying the receipts, wherever practicable by districts, States, and ports of collection and the expenditures under each separate head of appropriation.

Fifth, it provides information relating to the actual receipts and expenditures of the Government which are included in the President's annual Budget and compared with the estimates for the current fiscal year and also the ensuing year.

Sixth, to some extent it provides the Secretary of the Treasury with information for use in the management of the Nation's finances.

I would not wish to leave the impression that I think the Government's accounting system is perfect. On the contrary, I believe there are many things that could be done to improve it. Nor do I think that all wisdom on the subject of Federal accounting rests with those who are employed in the Federal Government. On the contrary again, I feel that the Government would and should profit by advice and suggestions from others. Among those from whom we should be especially happy to receive advice and suggestions are the members of the professional accounting fraternity and the accounting and financial officers of State and municipal governments. We are anxious at all times not only to receive advice and suggestions, but to exchange information and confer on our mutual problems. It seems to me that cooperation between State and Federal accounting officers would be of great and continuing value to both. I am privileged to invite this cooperation in the name of the Secretary of the Treasury.

I therefore urge you to think carefully over the statements I have made today, and also to think carefully over suggestions which you may receive or which may occur to you from time to time concerning the proper fiscal and accounting administration of the affairs of the United States Government. I urge you to lend your aid whenever you can intelligently and thoughtfully be of assistance to those who, like myself, are endeavoring to administer for the information and protection of the citizens the accounting system of the United States Government.

St. Patrick's Day Dinner

EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Monday, March 20 (legislative day of Thursday, March 16), 1939

ADDRESS BY HON. JAMES M. MEAD, OF NEW YORK, AT THE ONE HUNDRED AND FIFTY-FIFTH ANNIVERSARY DINNER OF THE SOCIETY OF THE FRIENDLY SONS OF ST. PATRICK, IN NEW YORK CITY ON MARCH 17, 1939

Mr. MALONEY. Mr. President, I ask unanimous consent that there be printed in the Appendix of the RECORD an address delivered by the junior Senator from New York [Mr. MEAD] at the one hundred and fifty-fifth anniversary dinner of the Society of the Friendly Sons of St. Patrick at the Hotel Astor, in the city of New York, on March 17, 1939, on the subject, "Democracy and the Irish."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The ceaseless strivings of restless humanity for types and formulae of government to afford protection, to expand freedom, to insure liberty, have characterized every age.

Since the beginning of time mankind has banded together in some form or another, for mutual protection and security. Finally organized government was instituted to provide for the social well-being of the people, to establish by man-made law, a code under which all might live in safety and security.

The progress of civilization has been marked by the recurring struggles of mankind to perfect government to suit its current needs. Great civilizations and cultures have thrived at periods through the ages—they developed under conscientious leadership; they deteriorated and vanished under autocracy and violence.

The tragedies of civilization are written in the finished chapters of vast and wealthy empires which decayed under misrule and maladministration.

The Chinese civilization, the oldest known to history, found its glory in the ages of benevolent government. When foreign influences were reflected in the Far East, the brakes were set on Chinese culture.

The civilizations that once were the pride of Athens and Rome met their nemesis in the form of waste, extravagance, and indulgence. The untold splendor and refinements of the ancient Egyptian civilization is said to have fallen through its own weakness and its inability to resist alien invasions.

Through all of the ages man has striven for a system of government which would withstand every test—meet every emergency. Political changes have closely followed economic and social trends. Where democracy has proved itself too slow to cope with rapidly changing conditions, it has been shunted aside for a more direct rule. Monarchs and despots wrought great benefits when concerned with the welfare of their people. But the rule of the Pharaohs, the Caesars, and the Czars too often neglected the people and were crushed under revolution, violence, and bloodshed.

What will be the fate of the dictatorships of this day and age? Will they succeed where democracies apparently have failed? Will they exert a continuing concern over human rights and individual security? Will they decimate representative self-government and institute a new and permanent political philosophy?

The history of man-made governments predestines the failure of totalitarianism. The class rule of the modern dictator cannot succeed, because it is founded upon racial hate, territorial ambition, and vulgar paganism.

The constant yearning, groping strugle of man for equity and stability in government cannot be stopped. By the process of trial and error he has discovered that a democracy most perfectly meets his personal, political, and economic needs. He likes it, because it affords his personal, political, racial, and religious freedom. He likes it, because he is part of it and shares in the responsibility for its success.

Naturally, the representative form of government advocates human justice; pleads the cause of economic opportunity; teaches the futility of warfare and strife; it points the way to happier relations between men and governments.

But as we meet on this 17th of March the outlook for democracy—favored system of the Irish everywhere—is beclouded by the European parade of new and tempestuous dictatorships. Communism, fascism, and nazi-ism are displacing weakened and distorted republics as well as tottering monarchies. Revolt, civil strife, oppression, and the wholesale splintering of representative governments represent the world's pitiful predicament today. In continental Europe practically the last feeble gasp of representative government has been snuffed out.

There are few capitals in the world today where there is a real respite from uneasiness as the rapacious rush of violent political systems sweeps the earth. Dublin and Washington are two of these capitals. Freed from rivalries, the hatreds, and the jealousies that warp the minds of absolute leaders; freed from the dreams of grandeur and world power that grips the autocrat, Ireland and America live in peace but not without apprehension.

The fabric of democracy, so close to the Irish heart, has been woven from countless years of mankind's effort and progress in the development of government. Into its fiber has gone the hopes and fears and sufferings of oppressed and persecuted peoples. Democracy may be destroyed by termites who bore within and undermine its principles, by dry rot and decay that accompany abandonment of its complete use, by the corrosion and rust that goes with inflexibility, by ravishment and devastation at the hands of its enemies.

Meticulous care, powerful safeguards, and heroic defense must be provided by democracy's friends to ward off every malicious attack which threatens its welfare.

In this present day of fallacious doctrines and pagan philosophies of government, the sturdy example of Ireland and of the Irish people may well be heeded. The lust for power and influence, the devotion to national greed and avarice, the will to war for ambitious aggressions—all contribute to the immorality of government, to gross materialism, and to the break-down of religious ideals. Ireland has been unfertile ground for the sowing of the seeds of communism, nazi-ism, or fascism. In a nation which contained much poverty and had its difficult social problems, the democratic way was ever sought as a means to the solution of its problems. Differences in religious worship exist in Ireland, yet all live together in peace, and tolerance, and respect. Catholic, Protestant, and Jew formulate its laws and administer its government. This is Ireland's answer to present-day intolerance. Ireland, like America, wishes only her own freedom and her right to self-government. She violently rejects foreign isms alien to her national autonomy. Time and again she suffered defeat. Frequently her ambition was thwarted. But faith, determination, and courage remained her bulwark through the long, weary years, until, at last, she elects her own legislature, runs her own Government, and kneels again in the open, unmolested before the altar of her patron saint.

Deep in the memory and born into the fiber of every Irishman is his passionate love of liberty. He will fight to the end for human rights and personal liberties, but he is the least gullible of any man when the instruments of propaganda set out to trap him. The ancient Irish have traditionally been peaceful, law-abiding, liberty-loving people. Even before the coming of Patrick, when pagan gods were recognized, the people enjoyed a fraternization which encouraged individual initiative and racial development. Their Government, their music, their art were ancient cultures equal to that of the older and larger nation. Divided into a number of relatively small kingdoms, governed judiciously by rulers who submitted their differences to the great priest-king for conciliation, Ireland advanced progressively in the perfection of her Government. Living, then as now, in isolation, free from continental warfare, this noble people were seldom torn with civil strife. Their internal problems were settled in peace and understanding; their Government became more efficient, their culture more refined, their progress more marked as the years went on. Because this tiny nation lived aloof from the intrigue and wars of Europe, she developed a sturdy, moral, peace-loving race. With the coming of St. Patrick and Christianity, the fullness of the character of her manhood was made complete; she was then made ready for her noble mission of service for mankind. Stanch advocates of self-government everywhere, defenders of religious freedom for all, her children served with marked distinction in nearly every noble cause.

For centuries, Irishmen have honored their religion and their ancestry with inspiring accomplishments in every laudable endeavor. In government, science, theology, art, and in military activities, men of Erin have carved for themselves distinguished places. In a speech delivered before your society a few years ago, mention was made of the names of many great Irish-Americans who are honored in history and others who command contemporary respect and admiration. That list included Robert Fulton and his *Clermont*, Robert Morse and his telegraph, Cyrus McCormick and his reaper, John P. Holland and his submarine, Victor Herbert and his immortal compositions, John McCormack and his magic voice, Augustus St. Gaudens and his sculpturing artistry. We were then reminded of the adventure and exploits of Mad Anthony Wayne, Commander John Barry, General Montgomery at Quebec, Capt. Jerry O'Brien on the sea. It was noted that 11 of Washington's generals were Irish; that Robert Morris financed the Revolution; that 12 signers of the Declaration of Independence were of Irish lineage; that Matthew Lyon, who served with Ethan Allen at Champlain, later represented three different States in the Congress of the United States; that General Shields, hero of the Mexican War and of the Civil War, served as a judge of the Supreme Court of Illinois, as Governor of Oregon, and was the only man in our history who served three different States as a representative in the United States Senate.

We were told of the familiar story of the nine intrepid Irishmen who were banished because of alleged treason to England and that each of them rose to high ranking office in the Governments of Australia, Canada, and the United States. Mention was made of Irish heroes who fought for freedom in many lands—of McKenna and O'Higgins, whose names are sacred in the history of Chile; of O'Connell, the hero of Venezuela; O'Leary, of Colombia; O'Reilly, of Cuba. There is scarcely a single democracy that has not enshrined in its history the deeds and achievements of Irishmen. This small island of democratic, peace-loving people has furnished leaders who have improved the character of many nations.

Ireland, without a far-flung colonial empire, without imperialistic ambition, has progressed through sheer virtue of an innate thirst for freedom, a passion for tolerance and understanding, a rugged courage, and a tireless determination to succeed. Its record at home, in Europe, and in the Americas in the cause of human rights, in every crisis, summons Irishmen everywhere for service, today, in the struggle to preserve religion and to save democracy in a confused world.

We thought democracy's victory in the World War would end forever the misplaced devotion of any people to absolute rule. We now ruefully reflect on the fallacy of that reasoning and upon the futility of that conflict. I, perhaps, misspoke when I mentioned the "devotion" of a people to one-man rule. They succumb to dictatorship rather than subscribe to it.

Human rights and personal liberties are flouted tonight in many nations. If the World War was a triumph of right over might its effectiveness has been dissipated, and we stand again (God forbid) on the threshold of human destruction.

Here are the wretched facts that bespeak contemporary international political immorality: World War treaties, agreements, and pacts have been sabotaged; the League of Nations made a mockery by its so-called friends; collective security given way to intense nationalism; international trade and finance thrown into hopeless chaos; violence, oppression, and persecution made part and parcel of political programs; democracy scorned and derided by the new totalitarian states and sometimes questioned by its friends.

These conditions describe the plight of representative government and religious liberty as well. With the growth, through fear and distrust, of political systems which desecrate the very name of self-government, has come the rush of armaments and the will to kill. Ambition, avarice, and godlessness are once more hav-

ing their hey-day on earth, and the struggle of mankind for tolerance and sanity and peace is yet to be won.

There is nothing new in this usurpation of human liberties. There is nothing new in war, itself. But, by reason of modern inventions, human slaughter is made more horrifying than ever before in history. Just as man has developed new and violent forms of Government, so too, has he created new instruments of murder and torture.

The deadliness of new weapons of warfare; the speed in transportation and communication that has come with our age; these are factors that contribute to swift and merciless death in modern battle.

Will economic bewilderment, and the ruthless lust for power destroy the gains of mankind which have been achieved by centuries of struggle and determination? Will they blot out another civilization?

When tributes are paid to Ireland's patron, in the years to come, let it be said that in this political upheaval we are passing through, men of Irish blood added luster to the race by their stirring defense of religion, democracy, and international good will.

While the map of Europe changes from week to week; now when the cause of democracy looks darkest; we rededicate ourselves to the philosophy of Patrick, who found his strength in reason, his success in tolerance, and his faith in God.

Andrew Jackson Speech

EXTENSION OF REMARKS

OF

HON. JOSEPH W. BYRNS, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1939

ADDRESS BY HON. JOSEPH W. BYRNS, JR., OF TENNESSEE

Mr. BYRNS of Tennessee. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by me on March 16, 1939, before Andrew Jackson Lodge, No. 120, A. F. & A. M., Alexandria, Va., in commemoration of the one hundred and seventy-second birthday of Andrew Jackson, March 15, 1939:

In considering such a virile character as Andrew Jackson, it is a waste of time to confine one's self to a mere dry chronological account of the various high points in his interesting and eventful life. A study of Jackson is a study of a man rather than the study of dates—a man who appears just as alive today as he did when his gaunt but striking form trod the trails of wilderness of Tennessee, the battlefield of New Orleans, the Halls of Congress, or the Executive Office in the White House.

Andrew Jackson was born in 1767 in a house near the dividing line between the States of North and South Carolina, thereby causing a rivalry for the honor of his birthplace, which still persists at the present time. At an early age his father and mother, with his older brother Robert and young Andrew, moved from North Carolina to the then Territory of Tennessee. This trip was fraught with many hardships. His father, who was a mild-mannered draper, died, leaving the care of his two sons to his worthy spouse. Andrew Jackson's mother was, indeed, a worthy woman, as was another woman who later came into his life and exerted the foremost influence therein. We know little of his mother, but we can judge the soil from the kind of fruit it produces, and she must have been—and undoubtedly was—an example of the finest type of pioneer womanhood, which made America what it is today. When he was barely 15, Andrew Jackson joined a group of "bushwhackers," or, as they are termed at the present, "guerrillas," whose chief amusement consisted in taking potshots at troops of British cavalry. After one such foray, Andrew Jackson and his brother Robert were taken prisoners and were assigned as menial body servants to a British officer whose name we do not know. On one occasion, soon after their capture, this officer ordered the young Andrew to black his boots. Jackson refused amid a flood of vituperation, whereupon the officer struck the boy across the face with his saber. As a result of this blow two scars were left, one of which—and this was by far the least of the two—Andrew Jackson bore to his tomb, but the other was in the breast of Mother England, for this unfortunate and unwarranted occurrence was one of two instances which had more to do with the formulation of Andrew Jackson's character, and thereby the history of this country and of the world, than anything else which happened in his career. This blow was returned a thousandfold, and we may visualize this fledgling eagle harboring in his high-strung soul this deadly insult and injury. It was a sad day for Mother England when this blow was struck, but an omen as to the future of the glorious independence which this country was to enjoy, partially as a result of his efforts. Jackson and his brother were thrown into a prison camp, both contracted smallpox, and Robert died. About a year after he returned to his mother she, too, sickened and died, and young Andrew was left alone in the world, practically a boy, but never yet was any boy better equipped by nature and ability to be thrown upon his own. Young Jackson was a self-educated man. While studying law he financed himself as a school teacher, and what a school teacher he must have been, for he had barely the fundamentals of spelling, and to the end of his days a few of the commonest words in our language he misspelled, but throughout this period there became ingrained in his soul the steady, sterling qualties of the young oak, which develops from little acorns, and the puny shoot into the stalwart, towering monarch of the forest.

From this point life dashes onward for Jackson, the young lawyer, the prosecuting attorney, and—the duelist. History has too often recorded his duels, and some personal encounters which did not dignify the name of dueling, but without exception and in every one of these instances it will be found that he always had ample provocation, and, in fact, in the case of the duel with Dickinson, he had been pressed beyond the power of endurance of any man in insults directed toward the one person in the world whom he held most dear—his wife. The circumstances, briefly, underlying this unfortunate occurrence were these: Rachel, his beloved wife, had been formerly the wife of a Captain Robards, in whose home Jackson had been a boarder. Robards appears to have been a very jealous man, and on the last two occasions which history records had made statements that his wife and Jackson had been intimate. On one of these occasions Robards barely escaped with his life. From a study of history we cannot develop a great deal of enthusiasm for Captain Robards, for on two occasions he deserted his wife, leaving her to shift for herself. On the latter occasion he left what is now Tennessee and went to Virginia, announcing his intention of securing a divorce. At that time in Virginia, under the existing law, a divorce could be secured only by first securing the permission of the legislature to sue. This permission Robards secured and conveyed information of that fact to his wife, only to find later that, even after securing legislative permission to sue for divorce, he had no grounds and therefore could not secure the decree. This latter fact he did not communicate to his wife. We must admit at this point that Jackson was a bit careless as a lawyer, for he did not institute a search among the court records to determine whether or not a final decree had been issued, but, relying upon the legislative action in Virginia, Jackson and Mrs. Robards were married. Nearly 2 years later information was received that a divorce had not been granted, and immediately Jackson separated from Rachel and remained separate and apart until she secured a divorce on the ground of desertion, and immediately thereafter they were remarried. The charge of carelessness may be rightfully laid at Jackson's door, but never the charge of adultery, for one of the requisites of any crime is a criminal intent, and that neither Jackson nor his wife ever possessed. This woman became, in every sense of the word, the wife of his bosom—a true helpmate, a companion, a confidant, and we may say almost an idol. In this sophisticated day and time, when it is thought smart to speak slightingly of all of the traditions of the past, we read statements that Rachel had a "dumpy figure"; that she was uncouth and illiterate. Be this as it may, Rachel was a true sample of her age and time, when there were no finishing schools for young ladies and when the women as well as the men came into constant and daily contact with the soil and with the forces of nature. Whether she had what we now regard as the social graces or not, the fact remains that this woman inspired in the breast of one of America's greatest men one of the foremost examples of enduring love which has illuminated the pages of our country's history.

In 1796, when he was 29 years old, Andrew Jackson was elected as the first and the only Member in the House of Representatives from the State of Tennessee. Tennessee had been admitted to the Union as a State June 1, 1796, just a few months before his election. On December 5 of the same year he took his seat in Philadelphia, where the Congress then met, and it took over a month for him to make the journey from his home near Nashville. One may imagine the hardships attendant upon such a trip at that time, a trip now covered in comparatively few hours in the comforts of a Pullman coach, almost a moving hotel, or transported almost instantly in a comfortable and commodious air liner. The vast subject of our progress from that time to this is nowhere more clearly demonstrated than in this improvement in our modes of transportation.

During his first few days as a Member of the House, Jackson saw and heard George Washington deliver his last address to the Congress. Jackson was never, as we have seen, an imaginative person, but still the distant strains of his Irish ancestry must certainly have caused thoughts to arise in his mind as he sat there and listened to a man whom his keen knowledge of human nature must have caused him to recognize as one of the great men of all times. Twenty-four days after being sworn in as a Member of the House, Jackson made his first speech. He spoke again on the following day, and never again was his voice lifted in the House of Representatives. In the House of Representatives, during Jackson's service, there were other great men, such as James Madison, Fisher Ames, Albert Gallatin, for whom the town near his tomb is named; while serving in the Senate at this time was a romantic figure who had much effect upon American history and, indeed, upon Jackson's career, the brilliant but erratic Aaron Burr. We may pause to devote a minute's thought to this scene—the young Jackson, untutored and unlettered, sitting in the same body with men of great brilliance, and destined by a presence that overshadows us all, to become the greatest of this assemblage.

On November 22, 1797, Jackson was appointed a United States Senator from Tennessee, but in June 1798 resigned, and in October of that year became a judge of the Superior Court of Tennessee, the then equivalent of our present Supreme Court, in which capacity he served until July 24, 1804. On May 1, 1814, he was appointed a major general in the United States Army. This appointment may cause some of us at the present time who have been accustomed to think of soldiers, and especially generals, in terms of military academies and West Point, that the appointment was ill advised, but here history, with its impartial and dispassionate story, shows the appointment to have been vindicated by the results. Jackson was not schooled in military strategy, yet he was a great general. He was not schooled in law, yet he was a great judge. He was not schooled in political science, yet he was a great statesman. Why was all this? Because of the natural, innate genius of the man. Once in a long time the grim sisters who weave the warp and woof of our complex existence run through an otherwise drab and uniform surface a thread the brilliance of whose color causes it to stand out even though buried among thousands of others. Just such a thread was Andrew Jackson.

On January 1, 1815, Jackson, as a major general of the United States Army, commanded the American forces at the Battle of New Orleans. Many essays have been written, many tears have been shed over the fact that this battle was actually unnecessary, because the treaty of peace between Great Britain and the United States had been signed at the time the battle was fought but, of course, due to the fact that there were then no trans-Atlantic cables or wireless stations, the news was not received in time to prevent a great and useless slaughter. Be that as it may, this battle demonstrated to the world at large and to history for all time the fact that the illiterate hill boy was a natural military genius, for in less than 25 minutes the British troops lost 1,971 men and the Americans lost only 13, many of these being said to have "exposed themselves needlessly." Regarding the Battle of New Orleans, a number of books have been written, and so I cannot here hope to give a comprehensive account of that victory but suffice it to say that the ultimate results showed the capacity for generalship on the part of the American leader, which is best evidenced by the statement of a ranking British officer present at the battle who said, "We were beaten by bullets." Not to the glamorous, romantic figure of Jean Lafitte, as dramatized by the present-day Hollywood movie producers, goes credit for this victory but to a stalwart, sturdy son of the South who has been often termed of late "an illiterate." God give us more of his breed and character!

Of all the phases of Jackson's career, no one man could treat in one address. On March 3, 1821, he was appointed Governor of Florida by President Monroe, which office he resigned in October of the same year.

I feel that we must hasten on to the greatest days of his career. In November 1828 he was elected the seventh President of the United States. Much has been written about the disorderly crowds which attended his first inaugural party at the White House. Historians revel in declarations that the common people swarmed through the White House, overlooking the fact that had there been no common people there would have been no White House and no United States. Jackson never posed as anything but a representative of the common people, and, after all, it is the so-called common people who have made this Nation what it is today.

Much has been said of Jackson's fight on the Bank of the United States. This was the second such bank but for the purpose of brevity reference will be made only to the second bank which existed during part of his administration as President. This bank had $25,000,000 capital, of which the Federal Government had $7,000,000 on deposit, private citizens had $6,000,000 on deposit. There was in circulation $12,000,000, and the discounts were $40,000,000. The profits to the bank amounted to $3,000,000 a year, and it is a significant fact that foreigners owned $80,000,000 of the stock of the bank, and a renewal of the charter would have raised the market value of the stock 20 or 30 percent, which would have meant a present to foreign stockholders of several million dollars. Foreign-owned stock was not taxable, which would have given the stock owned by the foreigners a value of about 15 percent more than that owned by citizens of the United States. The fight was long. The bank spent much in lobbying and in actual retainers to public servants. A letter from Daniel Webster, who was at that time a United States Senator, to Nicholas Biddle, at that time president of the bank, asks that his former retainers, "be refreshed." Henry Clay was also paid retainers by the bank while he was a United States Senator.

Under the law the bank had a right to issue bank notes in an amount equal to its capital. These notes were payable in specie on demand and were accepted for taxes and other public debts as well as private. The bank, under the law, did establish 25 different branches and under its charter, to which Andrew Jackson made objection, all of the funds of the Federal Government were to be deposited in the bank unless the Treasury otherwise directed. In return for these favors the bank paid the Federal Treasury one and a half million dollars. The trouble with this arrangement was that this Bank of the United States could break private banks by accumulating their notes and then demanding payment of them, sometimes presented after almost a bale of them had been accumulated. Upon failure to pay off in cash the note thus presented the local bank was publicly declared a defaulter. Naturally this led to great power and prestige in political circles on the part of the directors of the bank and this is what Andrew Jackson principally objected to. Andrew Jackson opposed this bank and thereby inaugurated a very bitter political fight. Those who study the character of the man and the conduct of this bank realize that he did not seek to plunder the Nation. What he asked for was what he thought America stood for—opportunity, the chance to grow into something bigger and finer—as he, an illiterate, unlettered mountain boy, had grown into the greatest figure of the world at that time. He did not envisage America as standing for wealth alone, nor as a reproduction of European classes and conditions. He saw America as standing for freedom and opportunity for himself, and those like him, to rise to greater levels than that to which they had been born. Jackson is a member of a type which may not have done much for American culture in its narrowest sense but which has held fast to the true American dream and which has made the common man the greatest single force in American history.

In this struggle between the great and powerful bank and the President Jackson won, and to his credit goes a victory not alone for his own sturdy, rock-ribbed opposition, but a victory for the common man and woman.

Heretofore reference has been made to the love which Jackson bore to his beloved wife, Rachel. After his election as President, but prior to his leaving Nashville and his assumption of the office, his beloved wife, Rachel, passed from this vale of tears, where she had suffered so deeply, to another and a better world. She is interred in the garden at the Hermitage near Nashville in my district, and her tomb, which is as he would have wished it, alongside his, over which is placed a marble slab on which is inscribed the following:

"Here lie the remains of Mrs. Rachel Jackson, wife of President Jackson, who died the 22d of December 1828, aged 61 years. Her face was fair, her person pleasing, her temper amiable, her heart kind. She delighted in relieving the wants of her fellow creatures and cultivated that divine pleasure by the most liberal and unpretending methods. To the poor she was a benefactor; to the rich an example; to the wretched a comforter; to the prosperous an ornament. Her piety went hand in hand with her benevolence, and she thanked her Creator for being permitted to do good. A being so gentle and so virtuous, slander might wound but could not dishonor; even death, when he bore her from the arms of her husband, could but transport her to the bosom of her God."

It has been said by later day historians, who are inclined to deal slightingly with the traditions of the past, that this inscription was not written by Jackson but by, as some say, Senator Eaton, and as others say, by Van Buren. This, those of us who from the reading of history, know and love the old statesman, lawyer, and soldier, know to be false for as he fought for his convictions as a lawyer, as he fought for his convictions as a soldier, as he fought for his convictions as a statesman—we find, like him, the fire which illuminated his fights, his love for this woman. Jackson was a sort of man who did not need an Eaton nor a Van Buren to help him pay tribute to the memory of his beloved Rachel. He defended her memory on this earth with his very life and it is not unlikely that this stern old man having offered to pour out his life blood in her defense during her life would pour out his heart in a tribute to her memory. To those today who consider Jackson as a brawling, duel fighting, hillbilly roughneck, we would say that he was the product of an age, an age in which gentleness was not at a premium on the frontier from which he sprung, an age in which American history was formed and it is because of such stalwart characters as his that this country has risen to the heights which it has attained.

Jackson is not the figure alone of one period of our history, he is the symbol of Americanism, a product of the soil striving upward and onward to heights undreamed of by those that preceded him. A simple man, unlettered and untutored in the "finer graces" but a figure of substance, a figure of granite or of steel, if you please, a figure of the real American. There are those who believe that those who have passed on know nothing of that which is happening here today but I like to think that stalwart figures of our country's early history are somewhere, somehow, looking down upon us today and, in some mysterious way which you and I may now not understand, guiding our collective footsteps into the paths which we as true Americans may follow. To think that we today have the guidance of those who have been promoted to a higher life, is a thought which I like to dwell upon and which may give us, one and all, new and inspired hope of the future.

George Washington

EXTENSION OF REMARKS

OF

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, March 20 (legislative day of Thursday, March 16), 1939

SPEECH OF HON. CLAUDE PEPPER, OF FLORIDA, BEFORE THE WASHINGTON DAY DINNER, AT RICHMOND, VA., FEBRUARY 24, 1939

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very able and

eloquent address delivered by the Senator from Florida [Mr. PEPPER] at the Washington Day dinner at Richmond, Va., on February 24, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Commenting upon the character of George Washington, Thomas Jefferson, by way of summary, used these words:

"On the whole, his character was, in its mass, perfect; in nothing bad, in few points indifferent; and it may truly be said that never did nature and fortune combine more perfectly to make a man great and to place him in the same constellation with whatever worthies have merited from man an everlasting remembrance. For his was the singular destiny and merit, of leading the armies of his country successfully through an arduous war, for the establishment of its independence, of conducting its councils through the birth of a government new in its forms and principles, until it had settled down into a quiet and orderly train; and of scrupulously obeying the laws through the whole of his career, civil and military, of which the history of the world furnishes no other example."

Napoleon said: "Washington's measure of fame is full. Posterity will talk of him with reverence as the founder of a great empire, when my name shall be lost in the vortex of revolutions."

Speaking in Springfield, Ill., in 1842, Abraham Lincoln said: "Washington is the mightiest name on earth—long since mightiest in the cause of civil liberty, still mightiest in moral reformation. On that name no eulogy is expected. It cannot be. To add brightness to the sun, or glory to the name of Washington, is alike impossible. Let none attempt it."

Heartily do I congratulate you of Virginia, from the fallow soil of which came this man, George Washington, that have assembled here to honor his name and from the recollection of his noble career to draw inspiration for the future. No more fitting time could be selected in which to revere the memory and to emulate the example of George Washington than now, when the times are troubled. Many men are afraid, others suffer unspeakably; and doubt about the future for that Nation that George Washington's genius created hangs like a pall over many who feel and see.

George Washington throughout his whole life was a pioneer, ever grappling with new problems, following a way blazed by no predecessor, charting a course which had its principal support only from his keen judgment, noble conscience, and irresistible will. He always led other men, and ever his way was forward. It is impossible to conceive of George Washington as a negative quality, satisfied with that which was not right, willing to accept less than what was reasonably attainable. It is not possible to imagine George Washington as a negation, content merely to oppose what others propose without the exertion of his own great purpose.

Born to a frontier in a new country, his earliest efforts were to survey that country, bringing it from uncertainty to man's certain use, marking it out for habitation and cultivation, and domesticating, as it were, the wild acres for man's sustenance and comfort.

At 20 years of age, Washington, like an ancester ahead of him, was a major in the Virginia Militia. Thus, early in his country's service against the Indians, and later the French in the Ohio Valley, began the foundation of his illustrious military fame. Insensible of personal fear, indefatigable in action, cool and in command of himself at all times, at 23 he was the commander of all the Virginia Militia forces. His many-sided life was already unfolding, as he was a member of the Virginia House of Burgesses, of the First and Second Continental Congresses. Finally, at 43, this gallant Virginian, by the unanimous choice of the Continental Congress, came to be Commander of the Continental Army. As he had been a pioneer in frontier warfare, a pioneer in the legislative efforts of his country, so did he become the first to assume the responsibility for the creation and command of an American army. Without a competent Congress, facing, as he said, the most difficult task which any commander of an army since the beginning of time had ever faced, without any precedent to guide him, George Washington made the American Army into an effective and victorious champion of American independence and liberty. No pen will ever aptly describe the herculean effort of those 7 years when George Washington was in the American Revolution.

Though his private inclination and the yearning of his heart drew him from the field of battle to his vine and fig tree at Mount Vernon, he was at once engaged upon another effort no less magnificent than that of American independence by force of arms. That is to say, the task of creating an effective American civil government which would preserve the independence he had wrought upon the field of battle from Lexington and Concord to Yorktown. Here again there was no precedent, no other man to lead that fight, to consolidate the forces who wanted to salvage American military success. No other man whose name, character, and judgment could have been the foundation of the United States of America.

And then, that Government finally established, there must be a first President and a new pioneer. Back from his vine and fig tree at his beloved Mount Vernon came George Washington, again the pioneer, defining the office of President, giving it character, organizing the machinery of government, selecting men through whose actions it would become real. And then the establishment of this new Government in the Federal City, the acquisition of the land, marking it off, the location of the buildings, approval of the architecture of these new edifices. At last the conduct of this Government in the first 8 years of its history, fixing the orbit of this new America in the constellation of nations, the laying down of a new foreign policy of neutrality in the controversies of Europe, avoiding permanent commitments abroad. In his wise and cautious mind had to be marked out the territorial limitations of his country for all time to come; what should be America's boundary to the west, the north, the south; how should the West be tied in with the East, and those two sections bound together by indissoluble ties; how could the commerce of this country be stimulated until there was a happy sufficiency for all arising from a free interchange of goods and services among the people? How could the Government increase trade and serve the public good by internal improvements? What kind of a citizenry were we to have? Comes forward the patron of public education, the enthusiastic sponsor of a national university in the Federal City, in the field of invention; also the patron of the pioneer. What about the agriculture of America? See him in correspondence with the British Commissioner of Agriculture and illustrious men in that field abroad. An enterprising businessman, curious and inquisitive about everything capable of improvement.

Here was a man who was of and was the genius of America bound by no tradition outlasting the cause of its establishment, locked into no narrow sphere by prejudice, ever possessing a mind alert and open, a judgment seeking unerringly the truth, always seeking the practical application of principle, and judging that best which works best.

Today America finds itself with new problems, as novel as those of Washington's day. There is no precedent, there is not even unanimity in the admission that the challenging problems exist. There is division in counsel. There are threats that all that we have yet achieved may be lost, and that those aims and aspirations of the patriots of the War for Independence, of the fathers who founded the Constitution, though almost within our grasp, may never be achieved.

The America of George Washington, Thomas Jefferson, Andrew Jackson, even of Abraham Lincoln and Ulysses S. Grant, was essentially the same America. It was primarily an agricultural economy; the factory system had not risen to chain men to a machine and drive families into dark and unsanitary abodes, to detach men and women, families, from the soil, and interweave their destiny with that of the owner of some aggregation of machines or him who directs the course of capital.

Until 1890 the primary influence upon American life was the American frontier. Ever to the west lay new escape from the congestion of the East, and wave after wave of hearty pioneers ebbed across the American continent until they came sharp against the Pacific Ocean in the last years of the nineteenth century. Individualism, liberty, freedom, individual opportunity, absence of restrictive control upon the citizen's movement, or his conduct, whether in business or otherwise, were but a natural inheritance from the War of Independence. But there was born with the restriction of that frontier in 1890, if a date be fixed, a new America, as new as the America of George Washington's day, even more complex as a problem, challenging a new effectiveness in government, a new organization of government; demanding, paradoxical as it might seem, that license be destroyed, that liberty might be preserved. For man could look no longer to the West; there was no Louisiana Purchase, no more Indians to be displaced, no free country beyond the mountains. Americans had to live with one another where they were. Men had to stay at home with their problems, or fly to others equally as bad.

The modern corporation came into being. A new and intricate fiscal structure grew up. An age of specialists demanded of each a peculiar fitness for a task, and then perhaps when his ability related only to one job, that opportunity was destroyed by technological improvements. Just as men lived in the corridors of great cities, as they were confined in the chasms of narrow streets, so did they fall into restricted crevices of an economic order that was unyielding and inflexible to their puny efforts to escape.

Men began to wonder what really was liberty, and what the forefathers really meant by freedom, and what kind of an independence it was that Americans gained.

Thomas Jefferson, when he said that "that government is best which governs least," had in mind the preservation of the kind of freedom that the citizen enjoyed upon the farm in his day. He feared that if the Government expanded its reach, gave its subsidy to a growing industry, if the maintenance of the fiscal structure and the preservation of the industrial order became its chief concern, the very enterprise that it should create would come to engulf the liberties of the individual citizen.

In an earlier day Jackson protested against the rise of a national bank which, under the guise of aid to industry, should come to be a tyrant over the business of America, and destroy the effective liberties of American citizens.

In a later period Grover Cleveland created the Interstate Commerce Commission to restrain the railroads from avaricious domination of farm and factory and to break the shackles of a monopoly that controlled the destinies of men and their businesses.

Later Woodrow Wilson, with the Federal Trade Commission, imposed upon private business a code of fairness. Through the Federal Reserve System he broke the control of a private banking group over the country's commerce and, with the aid of a crusading Virginian, made the public interest the first concern of a nation's fiscal structure.

In the same spirit has this Government laid its hand upon influences in our national life which were destructive of individual liberty. It has tried to open the way of economic opportunity to the individual.

Faced with millions of unemployed, it has tried to give American citizens an opportunity to enjoy an American's heritage, the

right to work. It has replenished the arid areas of capital and credit with new funds available to the business public. It has encompassed the larger view of the public interest and the general welfare and concerned itself about the health of American men, women, and children; about the security and comfort of America's old men and old women; about the price they get for their labor and the produce of their farms; about the security of their deposits and the honesty of representations made to secure their investments.

This modern world, with its perplexities, with its myriad machines producing goods faster than men can buy them, with its specialization, with its marvelous productivity from the ground, with its delicately balanced and complicated interdependence, challenges big minds, big men like George Washington.

There are three forms government may take. Modern government may be a policeman which shall preserve order, maintain the framework of governmental institutions, carry on the business of preserving orderliness in society, without any concern whatever as to how men, women, and children actually get along. That theory of government never pertained in this country even in George Washington's day. It never for long pertained in any government, because no government can honorably abdicate the duty to govern.

Government may satisfy itself merely by being a policeman of an ordered society plus a compensatory force to preserve the balance of things; that is to say, pitting its energy against a force detrimental to the public interest, restricting currency in circulation when there is a tendency to inflation, buying in certain cases when others are selling, and selling while many buy. If every tendency contrary to the public good could effectually be counteracted by such a government, it would surely be desirable that public action stop there.

But experience indicates to many that the Government restricted to either of such spheres can neither promote nor preserve the general welfare, the common defense and security, nor even, indissoluble, the Union itself. They say that government representing the social will and the social conscience cannot escape responsibility for the direction of things, the trend of courses and events; that government which conscientiously desires to preserve liberty cannot allow monopoly to go unrestrained; that a government that is anxious to stimulate the commerce of its citizens cannot suffer millions to go unemployed and deprived of a purchasing power which alone can assure a nation's prosperity; that a government determined to keep order and make men's lives and property safe cannot adequately perform its duty by merely laying a hand upon crime without destroying the conditions from which crime inevitably rises; that a government which cherishes its security cannot permit that security to be undermined by ignorance, poverty, disease, avariciousness or any sinister forces; that government is the only instrumentality through which public problems may be attacked and any hope of solution entertained.

Here we are in America with our problems. We know that 14 percent of our 29,000,000 American families make annually less than $500 a year; that 42 percent of our families make annually, less than $1,000 a year; that 65 percent of our families make less than $1,500 a year; 87 percent less than $2,500 a year; 97 percent less than $5,000; 99 percent less than $10,000 and 1 percent $10,000 or more.

We know that there are perhaps ten to twenty million of our fellow Americans unemployed. We know that between 1925 and 1930 at least 250,000 were added to the tenant farmers of America. We know that there are a million or more illiterates than college graduates in this country. We know that a million of our fellow citizens probably go annually to an untimely grave from preventable disease and infirmity. We know that America's crime bill is annually $15,000,000,000. We know that our resources are being depleted, our lands denuded of their forests, our soil washed into the sea.

No one, to my knowledge, in the Federal Government is greedy for power. I challenge any man to show that the National Government has assumed and continued jurisdiction over any sphere of our activities which has not been responsive to the clamor of public demand because abuses arose which thwarted every effort save that of the social well through government.

Here, then, is an America, confused, troubled, precariously in the balance, as in George Washington's day. The problems of 1939 cannot be solved by the formula of 1776. They cannot be answered from the experience only of an old world. They call for a peculiar genius, one borne in the fallow character of America illuminated only by American purpose.

If we, therefore, who honor George Washington's name and memory, desire to follow his illustrious example and to emulate his noble qualities, let us first see and want to see the deplorable facts and the troubled state of our country's affairs; second, approach those problems with all the skill and knowledge and learning of the age, bringing to bear upon them the searchlight of honest scrutiny always, with the blindness of prejudice and the shadows of pettiness eliminated; third, a resolute will to succeed, a positive philosophy, sensitive, delicately so, of individual welfare, freedom, liberty, yet as well-determined that, challenging as is the difficulty, it shall be solved; be affirmative, like George Washington—not negative in our approach to the day's tasks.

Here, with all the heritage of the past behind us, with all the glorious opportunity of the present before us, with all the learning of this day, the good will of the many earnest men and women of this generation around and attending us, and the Divine Eye looking from above sympathetically upon us, as ever it has, let us bring to the stately figure of George Washington, as it reposes in the spiritual shades across the river, a satisfaction that can come only from his knowledge that the rich blood of his generation has not run thin; that we are worthy beneficiaries of his heritage.

Parity Payments for Cotton Producers

EXTENSION OF REMARKS

OF

HON. HAROLD D. COOLEY

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1939

Mr. COOLEY. Mr. Speaker, if, as we are told, the South is the Nation's economic problem No. 1, it is time for the South to demand fair treatment at the hands of the Federal Government. No one seems to question the fact that our cotton problem is the Nation's agricultural problem No. 1. To demand parity is only to demand justice long delayed. Farm leaders, including officials of the Department of Agriculture, seem to be suffering with an inferiority complex.

We seem to be able to raise millions and even billions for various and sundry other purposes; we can operate Works Progress Administration and Public Works Administration and sundry other agencies of the Government; we can build battleships costing millions and erect monuments to dead heroes and statesmen, but when we ask for parity and justice for the farmers of the Nation the question comes from all sides, "Where will you get the money?" The House Committee on Agriculture reported the Agricultural Adjustment Act of 1938 containing section 303 which approved the principle of parity payments and authorized and directed the making of parity payments to the producers of cotton and other major agricultural commodities, and this principle of parity and the authorization contained in section 303 were approved by both Houses of Congress and became the policy of this administration and the law of the land. Yet the money has not been made available. Parity is delayed and denied while agriculture continues to suffer. I am frankly of the opinion that Congress should appropriate the money and raise the necessary revenue to make effective the very vital provisions of the law as contained in section 303 of the Agricultural Adjustment Act of 1938.

If the farmers of America are actually given parity price and receive their fair share of the national income we will be once again on the road to national prosperity. I am not only anxious for the bill I am today introducing to become a law but I shall welcome an opportunity to vote for an appropriation of an amount sufficient to assure parity prices to the producers of other major agricultural commodities, and shall likewise welcome an opportunity to vote for a tax bill which will raise the necessary revenue.

I am advised that parity price for cotton at the present time is 15.6 cents per pound. With a market price of 8.4 cents and 2 cents per pound soil conservation benefit payment from the $500,000,000 soil conservation fund and the 1.6 cents per pound payment from funds made available by title 5 of Public, 122, which became a law at the last session of Congress, both payments being upon the normal production on allotted acres, assuming that cotton of the 1939 crop can be sold for 8.4 cents per pound and that farmers will take advantage of the acreage allotment program, they will receive a total of 12 cents per pound. To bring cotton producers up to parity the difference would be the difference between the selling price and benefit payments, a total of 12 cents per pound, and 15.6 cents per pound, or 3.6 cents per pound.

I am advised that if the $500,000,000 soil conservation fund is made available it will take $216,000,000 in addition to this fund and funds available under the act passed at the last session of the Seventy-fifth Congress to bring the cotton producers up to parity. I am, therefore, today intro-

ducing an appropriation bill for $216,000,000 to enable the Secretary of Agriculture to make parity payments to producers of cotton pursuant to the provisions of section 303 of the Agricultural Adjustment Act of 1938.

If the bill is enacted into law the cotton farmers will, for the first time in many years, receive parity price.

The time has come to stop rendering mere lip service to agriculture and to stop merely talking about parity. After all parity is only justice for the farmers of the Nation and the farmers and our farm leaders, including officials of the Department of Agriculture, should demand parity prices.

Founder's Day Celebration

EXTENSION OF REMARKS

OF

HON. CHARLES W. TOBEY

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Monday, March 20 (legislative day of Thursday, March 16), 1939

RADIO ADDRESS BY HON. H. STYLES BRIDGES AT FOUNDER'S DAY CELEBRATION, LINCOLN, NEBR., MARCH 14, 1939

Mr. TOBEY. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by my colleague the senior Senator from New Hampshire [Mr. BRIDGES] at Lincoln, Nebr., on March 14, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Fellow Republicans, I am happy to be here tonight to contribute my small part in this celebration commemorating the founding of the State of Nebraska. It can truthfully be said that we, tonight, meet in the heart of America. No longer to the west of us stretch vast, uncultivated prairies and badlands inhabited by the Indians. No longer to the east of us lie sparsely settled areas and small towns and villages connected by wagon trails. Instead, we find on this March day, seventy-two years after the admission of this great State to our Union, a highly developed, compact nation of 130,000,000 people, a people who enjoy the most enlightened form of government which man has ever been privileged to experience.

Potentially we are a Nation of untold economic resources, of vast untapped wealth, and of people who are energetic, courageous, and eager for an opportunity to build a future for themselves and for our country. Today we are at a standstill. Something is wrong with our economic machinery. It is time we took stock of ourselves. It is time we got back to earth. We inhabit the same country, the same good earth over which our forbears trekked in their wagon trains. Can it be that we lack their spirit and their will to succeed? Can it be that this last decade has been a delusion and a snare? Can it be that there is no short cut to recovery and prosperity except hard work and deep thinking? Again, I repeat, let us get back to earth.

The people of my own New England are descendants of the Pilgrims who landed on our shores to start a new life, to develop this new country, and to insure free expression of their political ideals. The descendants of those pilgrims plowed the fields and hewed the forests. They marched steadily westward—Ohio, Illinois, Nebraska, Nevada, California. The America of our times was their dream. That dream was realized. But that does not mean an end of opportunity, or an end to the development of minds or political ideals.

Today we are all pilgrims. We are still searching for opportunities. We are still a people of ambition and initiative. The time has come when we, as Americans, and as Republicans, must undertake a great mission. We must undertake to gather into our party the majority of the people of this Nation. We can do this by the use of common sense arguments, by good example, by being honest, by keeping our promises, and by a back-to-earth philosophy. We must convince them that the salvation of our Nation depends upon the return of the Republican Party to power in 1940.

Dangerous things have crept into high places within the last 6 years. Dangers that have resulted from a succession of small changes in integral parts of our Government. It is not the great and striking alterations which are so advertised that must be shunned. In 1933, when the present administration came into power, a large portion of our people adopted a philosophy of "Let Roosevelt do it." The President was more than glad to do it. Humility has never been one of his weaknesses. So much harm has since been done and so much good undone that the very foundation of our Government has been shaken. Change, reform, and control have been New Deal watchwords.

A succession of small changes, a perpetual tampering with the small parts which steal away the breath though they leave the body, is what we must fear. We must call a halt to further encroachments on our liberties. A government may lose all its character, its genius, and its temper without losing its appearance. The ultimate end is a dictatorship under the name of a democracy. Our Government as developed by our forefathers was a good government because it was genuinely free. It was a good government because it was practical. It was the production of men of honor, experience, and wisdom. Its object was to secure and protect the weak against the strong, to unite the forces of the whole community against the violence of oppressors. All people are capable of comprehending its principles and its operations. It is capable of being changed at the will of the majority and to pass from the hands of one political party into those of another. Of the comparative merits of different administrations, of their honesty, their talents, their patriotism we have here nothing to say. That must be decided by posterity. But to protect this Government we must preserve a correct and energetic tone of morals. The truth of the matter is that liberty consists more of the habits of the people than anything else. When the public mind becomes defective and weak every attempt to preserve liberty is in vain. Laws become a nullity and our Constitution a piece of scrap paper. Ambitious men must be restrained by this public morality. We have not lost this morality to date, but, as a people, we have skated mighty close to the thin edge.

In times of great crises a superhuman hand seems to reach out and protect the American people. Sometimes it protects them from their own follies. I am firmly convinced that such a hand put a stop to the New Deal last November. Let us not be deceived—it was not Republicans alone who realized that our very form of government was being threatened. For 6 years the Roosevelt administration has been running this country. Literally and figuratively, it has been running this country into the ground, not as the farmers of this section, for instance, might plant seed from which crops would grow but for the purpose of burying the last vestige of individual initiative and individual opportunity. Last November it was the people, the whole people, who spoke. The election of 1938 was a mandate to preserve those principles of democracy which were being plowed under. November 1938 will long be remembered as a turning point in American political history. The people revolted from the New Deal. It could not stand the shock. Today the Democratic Party is split wide open. It is a mockery, and a just mockery, that in their attempt to plant the seed of class consciousness, in their attempt to separate the people of this Nation into groups the new dealers themselves have divided their party. On the one hand stand the ardent, blind followers of Franklin Roosevelt, men such as Harry Hopkins, Harold Ickes, Alben Barkley, George Norris, Benjamin Cohen, and Tommy Corcoran. On the other hand stand the old-line Democrats, men who could not tolerate the direction in which the New Deal was traveling, men who put the welfare of their country above their party. In this latter group we find such figures as CARTER GLASS, HARRY BYRD, MILLARD TYDINGS, BENNETT CLARK, Vice President GARNER, and your own able Senator ED BURKE.

We would be blind as Republicans if we did not see that the opportunity to take advantage of this disruption in the ranks of our political opponents is at hand. But I wish to utter this warning. The security and the hope of the American people is more important than the return to power, or the removal from power, of any political party. We do not deserve to take over the reins of Government in 1940 if we fail to appreciate the lessons of the past 6 years. I am sure we are all dedicated to the proposition that the Republican Party can return to power only under progressive leadership and only if it submits to the people a progressive, intelligent program. In short, we, as a party, must not be destructionists. We must offer something constructive. That is what the people are looking for. Last, but not least, all the elements of our program must be consistent with each other.

The period of planned economy is at an end. The American people have repudiated it. Planned economy is not wrong of itself, but under the New Deal there have been too many plans and no economy. Here in Nebraska you people know that it is possible to run a State government without going up to your necks in debt. During my 2 years as Governor of New Hampshire, 2 years in which the country as a whole was at the bottom of the depression, we balanced the State budget. We balanced our State budget because we did not spend beyond our income. We did not provide huge outlays for bureaucracies, commissions and committees, and organizations whose administration ate up 50 cents of every dollar. We ran our State on a pay-as-you-go basis. There is no reason that the United States Government cannot be run on a pay-as-you-go basis. To be sure, such a program causes discontent, but the discontent exists only among those who cannot feed from the Public Treasury. The spending program of the Federal Government is completely insane.

What can one hope for when spokesmen of the administration publicly state that we cannot have recovery and economy at the same time. What can we expect when some say the national debt need never be paid. Our national debt is rapidly approaching that figure set as the ultimate danger point. No attempt has been made to curtail expenditures. No attempt has been made to cut down the bureaus or to remove the nonsensical duplications existing among the various Federal agencies. In its spending program, as in all of its other programs, this administration is concerned only with its ability to control, to regulate, and to regiment the business, working hours, and the very lives of the American citizens. Despite 6 years of pump priming which has proved the

fallacy of New Deal economics, the people of this country still have the will to save.

The Republican Party stands ready to put into operation a program of curtailment of Government expenditures. Such a program will not deprive a single American citizen of the necessities of life. The President has been acclaiming the philosophy of sharing the wealth and bettering the lot of the underprivileged third, but you know and I know that a continuation of the administration program will mean nothing else than the sharing of poverty. The entire Nation will be underprivileged. We Republicans stand ready to offer the country both recovery and reform. A Republican recovery will be a real recovery. It will mean the opening of new opportunities. It will mean the curtailment of the terrific tax burden imposed by the present administration. Its reforms will be based upon curing the evils of waste, extravagance, and low morality which exist under the present administration. Republican reforms will not mean State socialism financed by the Federal Government. We in New England, you in the Middle West, and the majority of people throughout the rest of the country must realize that it is no honor to be in debt.

How has the present administration solved the problem of relief? Has there been any real attempt to put the unemployed back in the channels of private industry? The answer is no. Let us not read the words of our present leaders; let us look at their actions. When they came into power in 1933 they undertook positive and needed emergency action. That was called the first New Deal. But as time passed the emergency acts became permanent acts. Various relief administrations were seen to have political possibilities that were too good to relinquish. The relief vote was an important asset in the elections of 1934 and 1936. The relief vote of 1938 was the only thing that prevented a complete Republican landslide. We all know of the "purge" and of the use of relief money in politics in Kentucky, California, Tennessee, and in your neighboring State of Iowa. We all share the open disgust of the country at the political activities of the New Deal henchmen as they rode around the country capitalizing on human misery. In my estimation, the solution of our relief problem is the return of the entire administration of relief to the States and localities. Those agencies should have handled it from the beginning. Such a reform would enable the taxpayer to see how his money is expended and to know that most of every dollar went into the pockets of the needy and not into the pockets of administrators, commissioners, inspectors, and other bureaucrats.

Relief and unemployment are the great issues before the people today. They are the problems that must be solved. For the last decade they have marched hand in hand through our economic life. By returning relief to the States we can help solve the problem by cutting down the costs of administration but that is not the permanent solution. The permanent solution of the relief problem rests with the solution of the problem of unemployment. The problem of unemployment can be solved only by encouraging industry and agriculture to take up the slack. Our Republican program does not believe that business or agriculture can be induced to undertake its share in taking up the slack in unemployment by the imposition of excessive taxes, by regimentation and excessive control. For 5 long years, the President has been harping about business recovery and about making friends with business, and about business and Government sitting down at the table together. Mr. Harry Hopkins expounded the beauties of a Government business friendship in his recent visit to Iowa. Things which have been said cannot be reconciled with what the New Deal has been doing. First it was the N. R. A., then it was the A. A. A., then it was the National Labor Relations Act, then it was the undistributed-profits tax, then it was the capital-gains tax. Throughout this period there has been spying, and investigating, and snooping. There has been reviling of business in every forum in the land. The aggression which the New Deal makes upon business and civil rights is always cloaked with an aspect of humanitarianism. Such tactics, however, certainly lend no encouragement to industrial expansion or agricultural development.

Let it not be said that the Republicans approve of all the activities of big business, for that is not true. We do believe that reforms should be for the purpose of aiding everyone. The National Labor Relations Act, for instance, was a necessary reform. We, as a party, believe in the rights of collective bargaining. We believe in labor unions. But we also believe that the differences between industry and labor, and between the two great labor organizations, can be better solved by using methods of arbitration instead of crack-downs—by using methods which will keep the wheels of industry turning instead of fomenting strikes and shut-downs. All businessmen are not devils, and all labor leaders are not angels, and should not be so classified. The National Labor Relations Act should be kept, but it should be amended along the lines suggested by Senator WALSH, of Massachusetts, and by your own Senator BURKE.

The Roosevelt administration has taken great pride in its leadership in social-security legislation. There is nothing new about social security. It has been practiced for years by leading nations of the world. Many aspects of social security were adopted by some of our States long before the Federal social-security law was enacted. During my administration as Governor of New Hampshire we enacted social-security legislation. In a spirit of New England thrift, however, we paid our bills and kept our State budget in balance at the same time.

Republicans believe in social security. The Republican Party stands foursquare on the subject of social security. We believe the present act should be amended because it is misleading. It has misled the very workers out of whose pay envelopes funds are exacted in the form of taxes. The workers believe their money is being saved. They believe it is being kept in a giant fund which will some day provide for them during their old age. In truth, such a vast fund is but a figment of the imagination. There is no social-security fund, and there never has been, and it was not the intention of this administration that there ever should be. The money paid by the American employers and the American workers as social-security taxes is used to meet the current running expenses of the Federal Government. There is now talk of broadening the base of the social-security law. This will give more American citizens the benefits of social security—which is good. It will also give more American citizens the privilege of helping balance the New Deal Budget—which is an impossibility. When the Republican Party comes into power in 1940, one of our first acts should be to put the social-security law on a pay-as-you-go basis. That is only honest to the people who pay the taxes and to the entire population which must otherwise bear the burden of continuing deficits.

From top to bottom the structure of our Federal Government must be decentralized. The powers which have been usurped from the States must be returned. It is indeed strange for Republicans to get together and talk about States' rights. For generations our party has been one which supported a strong Federal Government. It is not the Republican Party which has changed, however. It is the Democratic Party. Historic supporters of States' rights, the Democratic Party, under the leadership of Franklin D. Roosevelt, dedicated itself to the proposition that 48 sovereign States were no longer elements of American democracy. Slowly but surely, tentacles of the administration have reached into every farm and every village throughout the country and sought to regulate the very lives of our most humble citizens. For 6 long years we Republicans have stubbornly fought every inch of the way in support of what we believe to be right. The Federal Government is as responsible to the Constitution of the United States as are the governments of the 48 States and no less. When the Constitution was a stumbling block in the path of the New Deal, the trigger men in Washington, the brain trusters, and the White House palace guards, tried backstairs methods to frustrate the very purpose of that document. The Supreme Court was one power they could not circumvent so they tried to sabotage it by packing it with yes-men. They tried to rob Congress of its power by a reorganization bill whose basic purpose was nothing more than to give more control to the Chief Executive. Today it is our party, the Republican Party, that champions States' rights. It is the Republican Party that seeks to end the tyranny of Federal domination and one-man rule.

What have the new dealers done in the field of agriculture. Not content with a policy of procrastination and fumbling they have now decided it is best to rob the farmer of his American markets. This they have almost accomplished by their trade agreements with foreign nations. The entire special session of Congress in 1937 was given over to the enactment of farm legislation. It took 62,000 words to tell the story of a program any farmer could have told at a glance was unworkable. The first important step toward the solution of our agricultural problem is to adjust our trade laws so that the American market is reserved to the American farmer. The second step is to encourage the development of new uses for farm products. In this respect I have particular regard for the use of excess farm products as motor fuel. To make real progress toward the solution of the farm problem we should concentrate on scientific ideas instead of political ideas. Our American farmers do not want to be a burden on the rest of the population. They seek only an opportunity to work their farms and receive a fair return for their crops. They would rather have earned wealth than a subsidy, and that is what the Republican Party offers them.

Our Republican program is based on reality. It truly subscribes to the back-to-earth movement. The period of muddling through at home, and meddling in European affairs must come to an end. Consistent home and foreign policies are the crying need of this generation. We want peace and recovery. We have only pricked the surface of the field of opportunity offered us in this country. If we have not the sense to change an administration of our Government when it has proved a failure, we can expect no change in our economic outlook.

That gross blunders have been committed by the present administration is generally admitted. But blunders, however inexcusable, or apparently injurious, must be deemed irretrievable only in the last resort. Heaven forbid any admission that this Nation can be wrecked by any one administration. The truth here, as almost always, lies between extremes, between arch conservatives on the one hand and so-called liberals on the other. One would put back the hands of the clock a hundred years and have us live and act as if the conditions of Washington and Franklin were still about us. The other would have us believe that to act well our part on the world-wide stage which alone limits the activities of modern civilized states, we must imitate all the international follies and vices of our period. Between these extremes lies the path of honor, of morality, of safety, and of patriotism. Notwithstanding the present turmoil, the American people may be absolutely trusted to find the right path and walk in it. This middle path is the path which the Republican Party must adopt. The people of the United States are ready for a progressive form of government. They are ready for an active attack on the problems of our time. We are the most truly progressive of all people.

Our destiny does not lie abroad. The future of our youth does not lie in communism or fascism. It lies here in this country

between the Atlantic and the Pacific. Here is where democracy is casting its light. We are the best examples of our times of an enlightened democracy. We have not reached that state by trickery and by cajolery. We have not reached that state by searching for the easy way out of our difficulties. The American people are basically sound. They are not fools. A few of them are lazy. Some of them feel that it is easier to mortgage the future to pay for the pleasures of the present than to work, but they know it is wrong. It is the duty of the Republican Party to present a progressive candidate and a progressive, workable program which will harness the opportunities of Nature and the initiative of the American people.

I have not attempted to cover more than the highlights in this brief talk. There are a thousand and one things that we must do, but we are on the right track. As a party, we are alive and we are vigorous, and after that display of confidence which the public gave us last November, nothing save our own mistakes can stop us in our march to victory in 1940.

Presentation of Gavel

EXTENSION OF REMARKS

OF

HON. ALVA B. ADAMS

OF COLORADO

IN THE SENATE OF THE UNITED STATES

Monday, March 20 (legislative day of Thursday, March 16), 1939

ADDRESS BY HON. EDWIN C. JOHNSON, OF COLORADO, ON PRESENTATION OF GAVEL TO REPRESENTATIVE TAYLOR OF COLORADO AT A MEETING OF THE COLORADO STATE SOCIETY OF WASHINGTON, D. C., MARCH 17, 1939

Mr. ADAMS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the remarks of my colleague the distinguished Senator from Colorado [Mr. JOHNSON] on the occasion of the presentation of a gavel to the Honorable EDWARD T. TAYLOR, Representative from the Fourth Congressional District of Colorado, at a meeting of the Colorado State Society of Washington, D. C., on March 17, 1939.

There being no objection, the presentation remarks were ordered to be printed in the RECORD, as follows:

I am thrilled that it is my good fortune today to have the very great honor to present to my beloved colleague and warm personal friend the veteran Congressman from the Centennial State, the Honorable EDWARD T. TAYLOR, on behalf of the Consolidated Chamber of Commerce of the North Fork Valley and the Chamber of Commerce of Montrose this unique gavel, symbolic in its composite structure of the scenic attractions of his district and conveying as it does their heartfelt appreciation and high esteem.

During his long, outstanding career of legislative service—12 years in the Colorado Senate and 30 years in the Congress—he has accumulated hundreds of legislative achievements in the form of statutes and constitutional amendments to his credit. Silent monuments of majestic splendor and rugged strength dotting his congressional district—one of the most scenic congressional districts in America—by legislative action have been set apart and preserved for all time for the recreation and pleasure of all the people through his wisdom and foresight.

Among the more spectacular and fascinating of these memorials is the Black Canyon of the Gunnison National Monument, fittingly named the Black Canyon because its sides are of black granite and micaceous schists—rocks of the oldest known or Archean age. The cedars on surrounding mountains are thousands of years old.

Peering down 2,700 feet of precipitous walls to the very bottom of this deep, narrow gorge, enthralled by its compelling beauty of color, depth, and immensity, a strange feeling of insignificance of self and reverence for the Creator comes surging over one. Through his legislative efforts this wonderland belongs to all the people and will remain in their natural state for their perpetual enjoyment and inspiration.

Congressman Taylor, this beautiful composite gavel is significantly constructed of materials gathered from different sections of the monument by loving, devoted, and admiring friends of yours. The head of the gavel is made of red cedar from the north edge of the Black Canyon. The handle is of mountain mahogany from the south edge. The polished stones are from the canyon rims, while the gray and pink unfinished granite is from the canyon walls. The bands are, of course, made from Colorado silver.

A signal honor has come to Colorado. For the first time in the history of the Nation a man from the West has been chosen chairman of the powerful Committee on Appropriations, a position of responsibility second only to that which the Speaker of the House enjoys. Under EDWARD T. TAYLOR, its efficient executive head, the Appropriations Committee performs its great tasks with diligence and dispatch. Long may he rule over this important committee with wisdom and justice, holding in his hand this beautiful gavel, the emblem of his high office.

Congratulations, dear Congressman, upon your mighty works, and double congratulations that so many loyal friends love you.

Protection of American Farmer and American Labor

EXTENSION OF REMARKS

OF

HON. J. HARDIN PETERSON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1939

Mr. PETERSON of Florida. Mr. Speaker, I have introduced H. R. 4536, which is designed to protect the American producer, farmer, and vegetable grower against the low-cost production of foreign products as affected in the legislation of the reciprocal-trade agreement.

The standard of living in many foreign countries with whom reciprocal-trade agreements exist is such that our American farmers are at a decided disadvantage in competing with farmers in foreign countries.

As an example, the farm laborer in Cuba is paid a maximum wage of $1 per day, and actually is paid much less than this per day, while the laborer on American farms is paid wages from $2 per day up, and his living costs, taxes, and other expenses are higher.

Under the trade agreement with Cuba promulgated in 1902 Cuba is granted a preference of 20-percent reduction of custom duties during the entire year, and under the reciprocal-trade agreement entered into with Cuba in 1934 that country is granted a further reduction on various farm products of from 20 percent to 50 percent from this reduced figure. For instance, the 1930 tariff rate on tomatoes is 3 cents per pound, and with the general 20 percent reduction makes the duty 2.4 cents per pound. Then, under the agreement of 1934, there is the further reduction during December, January, and February of each year of 50 percent, or a tariff rate during those months of 1.2 cents per pound. As to cucumbers, the rate is 3 cents per pound under the 1930 tariff, and under the general tariff agreement with Cuba this is 2.4 cents per pound during the entire year, with a further reduction under the 1934 reciprocal-trade agreement of 25 percent for January, February, and December, or 1.8 cents per pound.

Cuba has such climatic conditions that cost of living and cost of production expense are much lower than in the United States; and, in fact, the United States Tariff Commission found in 1930 that the difference in cost of production on tomatoes was about 3 cents per pound. I venture to say that it is much more now.

That is, it cost the Cuban vegetable grower, in 1930, 3 cents per pound less to raise tomatoes than it did the vegetable grower in the United States. Yet, during the months when the Florida growers, and the greenhouse growers, raise vegetables for the American winter market, to wit, the months of December, January, and February, Cuba has the advantage of a tariff rate of 1.2 cents per pound when they can raise them at a cost of 3 cents per pound less than the American vegetable growers can. Thus, when Florida vegetable growers and American hothouse vegetable growers are raising and marketing tomatoes, cucumbers, and other vegetables for the winter trade, they must compete with Cuban tomatoes, cucumbers, and other vegetables raised by low-standard, peon labor and placed on the American market in New York by water transportation, which is very cheap, when our own American vegetable growers must use railroad or truck transportation, and pay American-standard living wages to American labor, and compete with them on the same market.

What this does to the American vegetable trade is shown by the head line in a vegetable trade journal, which reads:

CUBA PUTS A GREAT LOAD OF TOMATOES ON MARKET—BANG

The article continues:

Unloads of Cuban tomatoes reached the season's high mark when close to 95,000 lugs arrived and most sold at the two sales on Tuesday and Thursday. These offerings were almost double those of a year ago, when only 57,000 lugs sold at the two corresponding sales. Considering the heavy offering, the cold weather, and low quality of most stock, nothing better could be expected than the drop in prices that resulted.

Monday about 43,000 lugs were offered, with prices at $1.10 to $2.50 per lug, while at the same sale last year 29,000 lugs were sold, ranging from $1.50 to $3.40. Those receivers who had tomatoes that were satisfactory to buyers on Monday realized the better prices, while offgrades were in the dumps. On Wednesday there were about 48,000 lugs sold, with some stock going as low as $1, with tops of $2.40 per lug (lug is 30 pounds).

The further consequences of this low tariff is shown by the statement of Mr. H. D. Brown, secretary of the Vegetable Growers of America, a national organization of American vegetable growers, having membership from all parts of the United States, which statement was made recently.

I quote Mr. Brown:

In 1933 nearly 10,000,000 pounds of tomatoes were shipped from Florida alone during the month of December; 14,592,000 pounds in January 1934; and 25,416,000 pounds in February 1934. Tomatoes and other vegetables imported from Cuba can be raised also in California and Texas during these same months. Due to the trade agreement with Cuba the shipments from Florida had decreased 10 percent from 1933 to 1937, while shipments from Cuba had increased from 2,516,581 pounds in December 1933 to 15,568,000 pounds in 1937.

Tomatoes, cucumbers, and other vegetables are grown in hothouses throughout the United States. This branch of the industry in the United States has a capital investment of $125,000,000 and employs 50,000 people in 2,100 plants. All of these plants face financial ruin if the present low-tariff rates on tomatoes and cucumbers shipped in from Cuba are allowed to stand a year or two longer.

Regarding this hothouse industry, which is so disastrously affected along with my Florida growers, I quote from a statement of Mr. O. Keith Owen, president of the National Association of Hothouse Vegetable Growers, an organization of hothouse growers with plants all throughout the Middle West, as follows:

The hothouse vegetable industry has an investment in greenhouses, land, and equipment of some $125,000,000, and 40,000 to 50,000 Americans gain direct livelihood therefrom. One million five hundred thousand tons of coal are consumed annually, 15,000 cars of fertilizer, and 2,000 cars of shipping containers. Large quantities of insecticides, chemicals, seeds, paint, and miscellaneous items are used in the industry. The employment created in the mining of coal, manufacture of fertilizer and shipping containers and miscellaneous items, and the employment furnished to employees of transportation companies, furnish employment to several thousand additional American citizens.

Under normal greenhouse operation, a crop of tomatoes, or cucumbers, is grown in the fall, immediately followed by another crop, the crops frequently being rotated.

Since the existing trade agreement was effected with Cuba, many greenhouse operators have found it impossible to grow two crops per year, with the result that only one—the long spring crop—which produces from January to July, is grown. This discontinuance has been brought about by an increase in importation of tomatoes from Cuba since the effecting of the Reciprocal Trade Agreement Act in June 1934.

Under the above-mentioned act, Cuba was granted a reduction in duty on tomatoes and cucumbers during the months of December, January, and February, commencing in December 1934. In December 1934 there was an increase in imports of tomatoes from Cuba of 400 percent over December 1933, 450 percent in 1935, 450 percent in 1936, 600 percent in 1937, and it is estimated approximately 600 percent in 1938. December is one of the most important hothouse tomato producing months.

In the case of cucumbers, it is all 3 months—namely, December, January, and February, when the reduction in tariff under the Cuban agreement is in effect, are important producing months.

The first December, January, and February after the reciprocal-trade agreement with Cuba was effected, an increase of over 50 percent in imports of cucumbers took place. The second year, an increase of 100 percent; the third year, approximately 150 percent; and a like level of imports of cucumbers has been going on since.

The discontinuance of the so-called fall crop has thrown out of employment thousands of employees, as well as the shrinkage in employment of coal miners and other American workers.

During the first 4 depression years, namely, 1930, 1931, 1932, and 1933, one of the plants in this group alone paid $43,087.44 in Federal income tax. During the first 3 years of the reciprocal-trade agreement with Cuba, $6,735.51 in Federal income tax was paid by this company. In other words, the company in question paid an average per year of $10,771.86 during the first 4 years of the depression and before the reciprocal-trade agreement with Cuba, and paid an average of $2,243.80 annually in Federal income tax during the first 3 years of the reciprocal-trade agreement with Cuba. This shows how the National Treasury loses by reason of this reciprocal-trade agreement.

The plant in question is the largest plant of its kind in existence and consequently has the lowest possible cost of production. It is one of the finest examples of American industrial and agricultural developments and should not be destroyed.

During the past summer, two of the plants belonging to the above-mentioned group have discontinued growing hothouse vegetables. One of them has been junked at a total loss to the investors and the other one is lying idle.

Since effecting the reciprocal-trade agreement with Cuba, large hothouse producing plants in Kansas and Oklahoma have failed and are rotting to the ground, throwing labor out of employment, as well as almost total financial losses to investors.

Two plants in Iowa are operating with the assistance of Reconstruction Finance Corporation loans, and several other hothouse vegetable producing plants in the country are operating at losses and are operating only on account of getting Government loans.

The census of 1930 shows 386 greenhouses producing vegetables in the State of Massachusetts. The bulk of these greenhouses have either been torn down or are lying idle at the present time due principally to the lack of ability to compete with imported vegetables from Cuba.

The hothouse vegetable industry in the United States, as a matter of fact, originated in or near Boston, Mass.

Thirty-three greenhouses were torn down in Ashtabula, Ohio, this past summer because they could not compete with imported vegetables from Cuba.

To this abundant testimony of the effect of the Cuban reciprocal-trade agreement could be added the disastrous effect of various other trade agreements upon the American farmer and vegetable grower, and the result thus produced is caused by the low cost of production abroad as compared with that in the United States.

American labor cannot compete with cheap foreign labor, and these reciprocal-trade agreements, if we are to have them, should at least protect the American farmer and vegetable grower against the difference in cost of living and production abroad. I hope that this bill will be made a law by this Seventy-sixth Congress as a definite, constructive aid toward overcoming the evil forces of the depression and restore our American workers to their jobs in private industry.

I have set forth today the problems of many sections of the country. You will note particular reference to the West, the Middle West, the Southwest, and the Northeast. I have done this to show you that the problem is not just the problem of the State of Florida. We are suffering acutely because we feel the effects of the competition in Cuba, Mexico, and certain offshore areas, but we are enlisting the aid of those interested in the farmer, labor, and American producers throughout the Nation.

In this connection our former colleague, Hon. Virginia E. Jenckes, a former Member of this House from the State of Indiana, included in the RECORD of January 18, 1938, a warning of the effect upon the hothouse vegetable-growing industry. In Florida nature has provided a hothouse, nature has given us the soil and the climate. We can produce at a time when the Nation needs the early vegetables, but to do this we should be fostered rather than handicapped. We cannot maintain the American standard of living and yet encourage the importation of foodstuffs raised with cheap labor in competition with our own.

I wish to urge the Members of the House to study this particular problem and to assist in the passage of legislation which is fair and just to all sections of the Nation.

Allocation of W. P. A. Funds

EXTENSION OF REMARKS

OF

HON. CARL HINSHAW

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1939

LETTER AND STATEMENT FROM THE BUILDING TRADES COUNCIL OF LOS ANGELES, CALIF.

Mr. HINSHAW. Mr. Speaker, there has come to my attention a procedure followed by the Administrator of the W. P. A. in allocating funds to the Engineer Department of the War Department, and perhaps other departments, which I believe is detrimental to craftsmen in the building trades and other skilled workers in other trades.

I received today a communication from the secretary of the Los Angeles Building Trades Council which I attach hereto, and also a statement and a resolution of that organization showing the demoralization to the craftsmen of the building trades growing out of this destructive policy of W. P. A.

LOS ANGELES BUILDING TRADES COUNCIL,
Los Angeles, Calif., March 11, 1939.

Hon. CARL HINSHAW,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN HINSHAW: Enclosed you will find a resolution adopted by the Los Angeles Building and Construction Trades Council which we believe is self-explanatory.

We would appreciate your full cooperation and assistance in this matter, as we feel sure that the construction industry cannot carry on under its present burden and will eventually be torn asunder with wage scales and standards destroyed because of the partially trained men who have been used and given so much protection on W. P. A. being thrown into the labor market.

It appears to the undersigned and the council that instead of curtailing the activities of W. P. A., they are broadening so much that at the present time clauses are being inserted in specifications on governmental contracts which have been won by private contractors, providing that the private contractor must employ all labor from W. P. A. relief rolls which in this particular district has created havoc and left our regularly trained building tradesmen walking the street while private contractors are forced to employ incompetents from W. P. A. relief rolls, thereby placing a premium on relief workers to the exclusion of free, independent building tradesmen who have followed the construction industry for their entire lives and it is the only business they have.

Trusting that you will give your full support in this matter and with best wishes, I am

Yours very truly,

C. J. HAGGERTY,
Secretary, Los Angeles Building and Construction Trades Council.

After receiving a report from its employment and organizing committee, the Los Angeles Building and Construction Trades Council, in its regular meeting held on March 2, 1939, instructed its committee and officials of the council to use every fair and legal means in their power to bring to the attention of proper officials in the State and Nation, the conditions which are now existing and have been existing because of the W. P. A. in this district.

The council is convinced, after a thorough study of the situation, that the W. P. A. is steadily and surely causing great havoc and injustice in the building and construction industry due to its interference in the natural functioning of the industry and instead of relieving unemployment, as it was originally set up to do, it is, by its methods and because it is doing work with relief labor that is normally performed by the industry itself in its usual function, throwing more independent and union building-trades men on relief rolls due to the fact that various governmental subdivisions are quick to take advantage of the low cost to themselves by having their construction projects performed by W. P. A.

It was the unanimous opinion that the W. P. A. was inducting thousands of workmen into the building and construction industry and there training them to become building tradesmen in every craft in the industry and glutting the market which is already oversupplied with building tradesmen. In addition to being supported by W. P. A., these partially trained mechanics are permitted to work on private jobs when their allotted number of hours are completed with W. P. A., and no attempt has been made by this department to prevent its clients from accepting work in private employment while at the same time they are employed on W. P. A. projects, which private employment is taken for a wage scale far less than is paid to union building tradesmen or is recognized as prevailing in a particular district.

In view of these facts and with full recognition of the great injury sustained by the building and construction industry, it was regularly moved and seconded that the following resolution be adopted; that copies be sent to President Green, of the American Federation of Labor; President McInerney, of the building and construction trades department; the officers of all State councils and federations, and to the Senators and Congressmen from California.

"Whereas after a thorough study of the conditions in the methods pursued by W. P. A. in the field of the building and construction industry wherein W. P. A. is setting up construction projects in direct competition to those engaged in the industry and on which projects, due to the regulation provided, it is practically impossible for the regular building-trades mechanics, who have spent their life in the industry, to be certified; and

"Whereas the W. P. A. is, by its methods of operation, training men to become building tradesmen to the great detriment of those already engaged in that industry, which industry is already glutted with a surplus of mechanics due to lack of private construction work and curtailment of P. W. A. activities; and

"Whereas the different political subdivisions of Government, such as the several States, counties, cities, and townships are taking unfair advantage of the W. P. A. grants to do construction projects under W. P. A. conditions when such construction projects would normally be done by the contractor engaged in the industry who would employ regular and properly trained building and construction mechanics; and

"Whereas it is our belief that the P. W. A., through its aforesaid activities, is greatly retarding the recovery of the building-trades industry, and by this said slowing up of the second largest industry in this Nation, is hindering the entire business recovery; and

"Whereas W. P. A. is further encroaching on private initiative and replacing regularly trained building-trades mechanics by recently inserting in War Department contracts a provision that relief labor "must" be employed, thereby placing a premium on men who are on relief and who are not building tradesmen, to the exclusion of regular building-trades mechanics who have spent their life in the industry: Therefore be it

"*Resolved*, That we petition the President of the United States and our Representatives in Congress that when the next appropriation for W. P. A. is made that it specifically specify that no part of the appropriation be used for financing any building or construction projects which are commonly recognized as coming within the construction field; and be it further

"*Resolved*, That all construction work be brought under P. W. A. and a proper appropriation be made to enlarge the activities of P. W. A.; and be it further

"*Resolved*, That copies of this resolution be sent to all officials of the American Federation of Labor, and the building-trades department, as well as the delegation in Congress from this State, urging their cooperation in the above resolution to prevent further destruction and deterioration of the building and construction industry.

"Unanimously adopted March 2, 1939.

"C. J. HAGGERTY,
"Secretary-Treasurer, L. A. Building and "Construction Trades Council."

Twenty Years

EXTENSION OF REMARKS

OF

HON. JOHN C. SCHAFER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1939

EDITORIAL FROM THE MILWAUKEE JOURNAL OF FEBRUARY 26, 1939

Mr. SCHAFER of Wisconsin. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Milwaukee Journal of February 26, 1939:

Twenty years ago at this time representatives of our Government were sitting at a peace table in Paris. The World War had ended in the previous autumn. We had gone to the aid of France and Great Britain. We had saved the democracies.

This Nation had gone into that war in good faith. We had stood for more pushing around, more humiliation than ever before in our history. When it was no longer possible to stay out, Congress recognized that war was being made on us. And we went in.

We went in and in good faith. For the "little peoples" of this country, the men and women of our farms and our factories, it was a war to "make the world safe for democracy." It was a war to banish autocracy. It was a "war to end wars." And they gave the full measure of devotion.

Twenty years ago at this time autocracy had capitulated. The figurehead of autocracy, the German Kaiser, had fled ignominiously

into Holland. Democracy was triumphant. And now our representatives sat at the peace table in Paris.

Our representatives asked nothing for this country. They asked only that a just peace be made. They asked that the peace be as just as possible to the defeated peoples as well as to the victorious. And then they learned of the secret treaties our Allies had made among themselves. Then the "little peoples" of this country learned of the agreements and commitments their allies had made to distribute among themselves the lands and goods and possessions of the vanquished.

These agreements, of course, were perfectly legal. They complied with international law. They hadn't been made behind our backs. They had been made before we got into the war. Only we hadn't been told about them. At least, not the "little peoples" of our streets and fields.

No need to go back and recall the details of the bickerings around the peace table. No need to recall how President Wilson, in disgust, sailed for home in the midst of the quarreling among these European victors over what each was to get. Wisdom, it seemed, dictated that we return to the peace table and do the best we could. Wilson went back.

So the spoils were divided, with Italy complaining that it had been cheated in the division. Of course, it wasn't simply a matter of taking a crayon and recoloring the map. Into the bargaining entered the play and interplay of international and national jealousies, the demands of minorities, that new idea called the "self-determination" of peoples, and rewards demanded for services rendered by this and that racial group in the hour when the French and English allies had been hard pressed. In the end, however, it was a division of the spoils of war.

We asked nothing. We refused to be cajoled into taking "mandates" over territory that nobody else at the victors' table wanted. At our insistence, provisions were written into the treaty for revising terms and possibly for returning possessions to the defeated as time should heal the animosities of war. We came home empty-handed, except for the I O U's our allies had given us for the billions we had lent them.

We thought, some of us, that as the hatreds of conflict cooled, the machinery for revising the bitter terms of the treaty would be set in motion. And then America, its people wearied of the whole business, turned its back on Europe. The weight of our influence for revision was lost. The weight of our influence for collective security was lost.

Soon Germany began to wiggle out of its obligations. France and England drew the cords tighter. The defeated were to be kept on the ragged edge of poverty. Did Germany want to form a trade union with Austria, that both might breathe easier? France said "No." Better were it that Austria should be given another loan of British pounds and French francs. Good money sent after bad. And the day was only postponed until Germany grew desperate enough and strong enough to take Austria.

Twenty years have passed since our representatives pulled their chairs up to the peace table to write the treaty which was to "make the world safe for democracy." Just 20 years. And again we hear the talk that America must "save the democracies."

Our old I O U friends, France and England, are in trouble again. They have grimly held to the gains of the peace table. And in the Germany from which was driven autocracy as represented in the person of a Hohenzollern who was called the Kaiser, is a new autocracy represented by the person of a Hitler, who is called the Fuehrer.

We must "lift democracy high above the ugly truculence of autocracy," said President Roosevelt, sailing to review the Navy in its Caribbean maneuvers.

"Lift democracy above autocracy."

"Make the world safe for democracy."

How similar they sound.

We are told that there isn't room enough in the world for both Fascist states and democracies. We are told that there is no escape from the "clash of ideologies." Yet, geographically, it's a wide world. And we lived a good many generations in a world with Russian czars, whose ideology was anything but compatible with democracy.

What is the meaning of these days in which we live? Some who can take the long view believe that the World War was just the first skirmish in a series of upheavals and violent adjustments in the relations of men, adjustments that will stretch over a century. But nowhere do we hear of a people who want war. They all pray for peace. Yet we all seem as helpless to resist the current of events as a cork floating on a stream.

What lies in the future none can foresee. Should the turn of events bring war again to our doors we shall again give a good account of ourselves. We shall again give the full measure of devotion.

But whoever cherishes democracy should realize that no nation will emerge from another world conflict without a dictator at its head. No nation will be able to survive the ruin and decay of another such struggle, with its depressions and unemployment and wreckage of trade, and its destruction of national wealth, except under dictatorship.

In these 20 years we ought to have learned some things. We ought to have learned to be very careful not to be jockeyed into a corner from which there is no escape except through war. We ought not allow ourselves to be talked into a fury over "ideologies" and other people's ways of government.

The World Around Us

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1939

ARTICLE FROM AN ALEXANDRIA, VA., NEWSPAPER OF SEPTEMBER 24, 1938

Mr. COFFEE of Washington. Mr. Speaker, in connection with a debate on the Interior Department appropriation bill relative to the Grand Coulee Dam in the State of Washington, I believe it would be helpful to place in the RECORD an article by an easterner, in which he ably describes that great project. It appears in the column entitled "The World Around Us," published on September 24, 1938, in an Alexandria, Va., newspaper. The author is Mr. O. J. Schuster, well-known journalist and writer. The article is as follows:

The Grand Coulee in the State of Washington is a stupendous spectacle and attracts many motorists each summer; but few of them get so much as a glimpse of the mystery and wonder that hedge about this dry river bed over which, ages ago, flowed the Columbia River, a river a thousand times greater than the Columbia is today. Few tourists are students of geology, and as yet the Government furnishes no trained guides in Grand Coulee to instruct the visitors and so the mighty chasm in which is written one of the greatest mystery stories of the American continent remains to them a closed book.

The Coulee Dam over the Columbia River is not in the Grand Coulee. The dam is at the upper extremity of the great gorge and a hill more than a thousand feet high separates the present course of the Columbia from the entrance to Coulee. Many thousands of years ago a massive ice sheet covered the whole region, in fact covered not only the northern half of the United States but all of Canada and a vast area around the North Pole and beyond it. More than a mile in thickness in many places, this gigantic glacier plowed its way over the hills and through valleys, moving slowly but irresistibly. The climate gradually grew warmer, the glacier receded, and the melting snow and ice formed rivers of mighty proportions. The most gigantic of all these glacial rivers was the Columbia when it was forced out of its old channel and flowed through the great gorge, now called the Grand Coulee, more than 50 miles long and at some points more than 5 miles wide. When the ice sheet had vanished the Columbia was again diverted in its course and returned to its old bed, leaving Grand Coulee high and dry.

Motoring along the length of Grand Coulee, from the dam southward, the thoughtful student may dimly conceive the vastness and grandeur it must have presented in prehistoric times when it was the bed of the Columbia. Geologists tell us that the "most gigantic waterfall in all geological history" was located in it, the volume of water surging over it being at least 40 times that which now tumbles over Niagara Falls. The traveler sees only the dry falls, located about 30 miles from the upper extremity of the Coulee. Here a volume of water more stupendous than that of any other known river of present or past time dropped over a ledge 5 miles wide, in a mile and a half of its width it tumbled over a sheer cliff 417 feet high.

As a conservation project the Coulee Dam dwarfs all other plants of its kind in the world. Nowhere else in the world can a plant of like proportions ever be built. Its capacity will be 2,700,000 horsepower—more than Boulder Dam and Muscle Shoals and all other Federal plants combined. Although the Columbia River is now only a midget compared to what it was when it flowed through the Grand Coulee it still carries five times as much water at Coulee Dam as the Colorado does at Boulder Dam. The whole project, electric and irrigation, will cost about $400,000,000. It will, however, be a self-liquidating investment, paying for itself from the sale of current and of water rights.

A quarter of a century will pass before the irrigation part of the project will have reached its maximum service. During the next 25 years the Columbia Basin, now a desert, will be one of the most productive agricultural areas of the country. A million and a quarter acres with very fertile soil, adequately irrigated, will support and make prosperous half a million people—five times as many as in the whole State of Nevada. Under the Government's conservation program, the land in this basin will be divided into small tracts and sold to actual farmers. Towns and villages will spring up. Electrification will be universal. It is no more to be expected that visitors to Grand Coulee can envisage what developments it will bring in the next 25 years than the American people could foresee the automobile of today when they beheld Henry Ford's first motor contraption jolt along the road.

Give the District of Columbia Debtor a Chance

EXTENSION OF REMARKS

OF

HON. WILLIAM LEMKE

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1939

Mr. LEMKE. Mr. Speaker, on January 3, 1939, I introduced H. R. 72, a bill which if passed would give to the judgment debtors, mortgagors, and subsequent lien holders the right of redemption from a sale of real estate in the District of Columbia by a judgment creditor or mortgagee after execution or foreclosure sale. Most of the States in this Union now have some kind of a period of redemption. This period extends all the way from 3 to 6 months up to from 1 to 3 years. That is, after the sale the owner of the property may recover it if he pays the amount of the indebtedness plus interest plus expenses of foreclosure. Yet here in the Nation's Capital, which ought to set an example for the Nation, we find that there is no right of redemption, not even a day. This bill would give a 1-year period of redemption.

I have so far been unable to get a hearing on H. R. 72. In the previous sessions of Congress I repeatedly tried to get hearings on this bill without success. I shall renew my endeavors. The time has come that we ought to at least be patriotic enough and honorable enough to give to the property owners and home owners in this District an opportunity to protect their interest in case of misfortune.

I appeal to all the Members of the House, after they have read these remarks, to read H. R. 72. This bill is patterned after some of the laws that exist in other States. It is reasonable and just.

Let me give you an example of what has been taking place in the city of Washington during the past 10 years in this connection. And this is in no way an unusual example. It is typical of hundreds of similar instances. It concerns a realty-holding company organized in this city in 1927 to purchase local residential and apartment properties. The management of the company was capable, and with an assured income from its real-estate holdings, the stockholders had reason to believe their investment would be safe and profitable. The properties were mortgaged for about one-half of their value.

Then came the depression, with its adverse effect on real estate, and all other unfavorable developments incident to the past 10 years. We all know there were times when it was impossible to refinance any loan on real estate, and unless the mortgagee would renew the existing loan the property would go under the hammer. Remedial legislation was passed in most of the States and moratorium became a household word throughout the Nation, but in the District of Columbia nothing was done to relieve distressed mortgagors.

Powerful organizations saw to that, and the local strong-arm squad stood in the way. Of course, many holders of mortgages acted fairly and honorably throughout this period, but you all know that there were a great many instances of fraud and sharp practice which could and should have been prevented. However, the hue and cry of the distressed mortgagors in Washington, D. C., could not be heard in the halls of Congress.

Foreclosures are seldom a matter of court action in the District of Columbia. They are effected through a sale of the mortgaged property by trustees to whom the property is transferred by the borrower for the protection of the noteholders. The customary period for real-estate loans in the District of Columbia is 3 years, with interest payable semiannually, so that lenders have only a short period to wait before putting thumb screws on the borrower if they so elect. During the past 10 years thousands of deeds have been recorded in Washington, representing properties taken over by mortgagees or their agents at distress prices. Often suits for deficiency judgment are instituted to enforce payment of the balance of the debt.

Among the properties purchased by the real-estate company to which I refer was the Meridian Hill Apartments, situated near Meridian Park in a preferred residential section in Washington. This property cost the company in excess of $100,000 in 1927. It was then assessed at more than $80,000. Now let us trace the history of this property and judge for ourselves whether or not remedial legislation is necessary. The original loan of $60,000 at 6½-percent interest on the Meridian Hill Apartments had been placed on this property by one of the oldest mortgage corporations in Washington. This loan represented from 50 to 60 percent of the value of the premises. The trust or mortgage notes securing the indebtedness were sold by the mortgage company to investors, and in determining all questions affecting the loan the mortgage company acted as their agent.

The Meridian Hill Apartments had few vacancies, and the net income was sufficient to show an annual return on the investment. Every 3 years when the loan became due it was renewed by a written agreement with the mortgage company. When the loan matured in 1931, as a condition to its extension the owner was compelled to appoint the mortgage company exclusive agent to manage the property and impound the rents, for which the mortgage company exacted a fee of 5 percent of the gross income as rental commissions in addition to the renewal fees and charges. This gave the mortgage company complete supervision of the apartments and the determination of the rent schedules, as well as the control of all income, repairs, and improvements to the premises. Their total fees and commissions over the period of the loan and extension date amounted to several thousand dollars.

In 1934 the notes were renewed in a like manner, but when the loan was extended in 1937 the mortgage company insisted upon an annual curtail of at least $2,500 on the principal. At this time the original loan of $60,000 had been reduced to $50,000. Based on previous earnings the Meridian Hill Apartments could readily support this amortization if the mortgage company's management proved to be economical and efficient.

Despite the heavy overhead during the last half of 1937 the net earnings of the apartments were sufficient to pay operating expenses, renewal fees, commissions, taxes, insurance premiums, upkeep, and interest on the mortgage, together with a semiannual reduction of $1,250 paid on the principal in January 1938, but during the next 6 months in some manner which would be difficult to explain, a large number of vacancies occurred and the property failed by $996 to earn the July curtail.

The trustee, who was vice president and director of the mortgage company, proceeded to advertise the property for sale, and notice of an auction was prominently placed on the premises. This action seriously impaired its marketability, and prevented the owner from making a sale then in a process of negotiation. At the public auction there was but one bid and the property was purchased by attorneys for the mortgage company at $49,000, which is $14,250 below the present assessed value.

It is especially interesting to note that the mortgage company has continued to manage the property since the foreclosure, and the large number of vacant apartments existing prior to the sale were promptly rented afterward by the mortgage management.

If the bill introduced by me had been enacted into law the loss of this property could not have occurred and the shareholders of the realty company would not have been deprived of their property by legal legerdemain.

Under the laws of the District of Columbia a foreclosure can be consummated in 2 weeks, and the owner of the property has no equity of redemption. The owner may not even know of the sale, as the only notice required is a series of brief announcements in one of the Washington newspapers. Usually the property is bought in by the holder of the mortgage. The sale extinguishes all right, title, and interest the owner has in the property. It is the most indefensible

system ever devised to protect the lender, and is an invitation to the unscrupulous to take advantage of the borrower under conditions similar to that to which I refer.

In this instance the owner of the property appealed to the court for an injunction to prevent the sale, and alleged that the mortgage company by its mismanagement, excessive fees, and wrongful conduct had brought about the default in the payment of the curtail.

The following allegations are taken from the brief and transcript of record filed in the action against the mortgage company: It is alleged that the mortgage company made arbitrary reductions in the rent schedules, which they refused to change at the request of the owner. That they wrote insurance policies through their own agencies in excessive amounts and forms which were unnecessary for the protection of the loan; they were extravagant, wasteful, and generally mismanaged the property.

The realty company wrote letters of protest, but was powerless to prevent the mortgage company from taking advantage of their position as agent under the contract renewing the loan. Relief was refused by the lower court, and it may be noted here that the judges in the District of Columbia have established a record without parallel in the entire Nation in the matter of failure to grant any relief to distressed mortgagors during the past 10 years. I leave it to you to determine whether this sort of thing shall be permitted to continue. Is it not high time we put a stop to this racket at the National Capital, as well as elsewhere in the United States of America?

The Utility Tax Problem in Tennessee

EXTENSION OF REMARKS

OF

HON. GEORGE A. DONDERO

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1939

LETTER FROM THE TENNESSEE TAXPAYERS ASSOCIATION

Mr. DONDERO. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from the Tennessee Taxpayers Association:

TENNESSEE TAXPAYERS' ASSOCIATION, INC.,
Nashville, Tenn., March 18, 1939.

DEAR MR. DONDERO: Congressional consideration and appropriate action appear to be required if the people of Tennessee are to obtain a scund, equitable solution of one of the serious problems confronting them.

In brief, the problem requiring your aid in its solution is this:

Privately owned electric utilities have been one of the large taxpayers in 93 of Tennessee's 95 counties and in more than 140 of the municipalities. Approximately 90 percent of these properties have been or are being purchased by the Tennessee Valley Authority and the related local electric distributing agencies which are being created.

The purchase of these utility properties by public agencies brings our State and local government in Tennessee face to face with the problem of replacing the $3,500,000 of annual revenues which will be lost through the exemption of these properties from taxation unless remedial legislation is promptly enacted.

The taxes now being paid on properties which have already passed or will pass to the Tennessee Valley Authority (as distinguished from those passing to municipal distributing agencies) will require replacement in 76 of the 95 counties. In a number of counties the revenues lost represent from 15 to 40 percent of the county's entire property tax revenue. And in Tennessee as in most of the States property tax is the principal revenue dependence of local government.

Since Tennessee's constitution makes our counties and municipalities largely and fixedly dependent upon this property tax, the utility tax problem facing the people of our State resolves itself into choosing one of two alternatives. These are:

1. Increasing heavily the taxes levied upon homes, farms, and other taxable property of rural and urban people in order to present consumers of electric current with a second and in this case an artificially created reduction in electric rates; or

2. Securing from the Tennessee Valley Authority and the municipal electric distributing agencies a continuation of the tax payments which have heretofore been made by the privately owned electric utilities. State executives in Tennessee have been told by T. V. A. engineers that the present T. V. A. rate structure probably provides a margin sufficient to cover a continuation or replacement of all State and local taxes now being paid by the privately owned electric utilities.

Under an existing Federal statute the State of Tennessee is now receiving a sum equal to 5 percent of the gross proceeds of the sale of T. V. A. current produced at Norris Dam in Tennessee and 2½ percent of that portion of the sales of current produced at Muscle Shoals Dam in Alabama through certain overseasonal flows due to Norris Dam feedings. These payments now amount to but around $10,000 a year. At most, in 1945, after all Tennessee dams are completed and the product sold, these payments, according to T. V. A. engineers, will amount to only about $625,000 a year. Even at the eventual top level these payments will replace only about 18 percent of the present revenue losses of State, county, and municipal government in Tennessee.

The insertion in Senate bill 1796 and in H. R. 5068 of mandatory provisions for continuing to State, county, and municipal government all the present tax payments on those electric utilities sold to the Tennessee Valley Authority would assure the citizens and taxpayers of Tennessee of an equitable solution of the grave problem now pending.

A copy of the 20-page report prepared by this association to present the significant factors of this problem is being sent to you under separate cover today. It is hoped you will give this report a careful reading upon its receipt.

Your usual thoughtful consideration of this problem—which is not confined to Tennessee—and your cooperation in prescribing and applying a sound and adequate solution will be appreciated by the citizens and taxpayers of Tennessee and we feel sure by those of the other States similarly affected.

Yours truly,

C. W. BAILEY, *President.*
WILLIAM R. POUDER, *Executive Secretary.*

The Bituminous Coal Commission

EXTENSION OF REMARKS

OF

HON. JOE B. BATES

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1939

Mr. BATES of Kentucky. Mr. Speaker, the Bituminous Coal Commission has come in for its share of censure and criticism during the 2 years of its existence under the Bituminous Coal Act of 1937. In my opinion the greater portion of such criticism is unmerited. I say this because I have gone at some length to check on the progress being made by this Commission.

It is true that minimum prices and marketing rules and regulations provided for under section 4 of the act are not now in effect. However, allegations that this Commission has been unduly tardy in carrying out the declared purposes of the act are unjustified. The trials and tribulations of the Coal Commission are no different from anybody setting forth on an undertaking which has little precedent or experience to follow. This Commission was confronted with an uncharted and unmarked course, and, of necessity, must make its own precedents and gain its own experience.

Congress has laid down in the act standards which the Commission must follow. It has been demonstrated there are no short cuts in the procedure necessary to put into effect the standards Congress has decreed. The Supreme Court, as well as other Federal courts, have insisted on orderly procedure in the administration of acts such as the Coal Act.

The Coal Commission has recognized the worth of the requirement of orderly and legal procedure in the establishment of minimum prices and marketing rules and regulations. It has carefully and methodically for more than a year proceeded on practical lines to put into effect the mandates of Congress and the decrees of the courts. No detail has been disregarded. No step necessary to be taken has been avoided. Time has been precious to a failing industry, but time has been sacrificed only to insure a permanent cure to the most pain-wracked industry in the entire country.

This Commission has not been unmindful of the millions invested in the capital structure of the coal industry. It has not been callous to the hundreds of thousands of men, women, and children dependent upon the industry for the bare necessities of life. It is these very things that inspire the Commission to beware of the many pitfalls; to avoid unstable ground; to so conduct the administration of the act that in the end the industry may be stabilized on a firm basis and enjoy a structure of prices not subject to attack on the grounds that they are unfair to any producer or any consumer, or from that small minority of producers that is intent on the destruction of the act because they feel they can live without it, to the detriment, no doubt, of the great majority of producers who cannot realize cost of production.

The Coal Commission is now on the eve of instituting procedure looking toward the final establishment of coordinated minimum prices in all common consuming markets in the United States. It has long since determined the weighted average of the total costs required by the act, which involved incalculable computations and reconciliations. The district boards have proposed initial prices based on these costs, and the Commission has made findings of facts and conclusions as a basis for the coordination of minimum prices into all common consuming markets.

These steps have required exhaustive hearings in which all interested parties have had an opportunity to be heard. In the hearings previously held on minimum prices and marketing rules and regulations each member of the bituminous-coal code has been given an opportunity to protest, and to be heard on his protest, any action of his district board.

In fact, each party at interest, whether or not a producer of bituminous coal, is given an equitable opportunity by the Commission under the democratic processes of the act to present factual evidence. Rules of practice and procedure have been promulgated by the Commission, which are a constant reminder to all concerned of the impartial character of this body.

A word here regarding the general plan of the act is not amiss. In the first place, no act of Congress could be more democratic in its concept. Every step in the establishment of minimum prices and marketing rules and regulations is participated in by members of the code. Every code member is constantly advised regarding action of the Commission on all matters affecting code members. Every code member is given an opportunity to present his particular problems to the Commission. After minimum prices have been finally established the code member may still come in and present evidence, should he believe the decisions of the Commission in his particular case are unsatisfactory. This privilege is also accorded the district boards, any State or political subdivision of a State, or the Consumers' Counsel, who was provided under the act to represent the consuming public.

The district boards, elected to represent code members in the administration of the act, are chosen in a democratic manner, namely, one-half of the producer members on a tonnage basis and the other half by a majority vote of the code members. Further, one member of each district board is chosen to represent the workers in the industry and is selected by the organization of employees representing the preponderant number of employees in the industry of the district in question. The act specifically provides that members of the district boards chosen by the producers shall be "truly representative of all the mines of the district." The Commission has the power to remove board members—

> Upon its finding, after due notice and hearing, that said member is guilty of inefficiency, willful neglect of duty, or malfeasance in office.

It is clear that the act intends the Coal Commission to act as an impartial tribunal in deciding all of the questions which are presented in the administration of the act. Hence it is necessary, as provided, for the Commission to hold lengthy and thorough hearings. In addition, the Commission must be informed on all matters directly or indirectly concerned with the production, sale, and distribution of coal. For these reasons the Commission has gathered together the most complete file of information concerning the kinds, qualities, and grades of coal, the analytical qualities of coal by size as loaded on transportation facilities for the market at the code member's mine, the methods of mining employed in the various districts, the methods of sale and distribution, the methods of transportation, and much technological data not directly concerned with minimum price provisions of the act. For the first time in the history of the industry the Commission has gathered together complete information regarding the many thousands of mines which distribute coal by means of trucks and wagons.

Since early in December, 22 district boards, representing 23 coal-producing States, have been engaged in the intricate processes of coordination. Coordination, involving as it does the consideration of the kinds, qualities, and sizes of coal from more than 100 producing or mine-origin groups within the 22 districts and more than 13,000 separate and distinct mines, is not a minor task. In addition to these factors is the cost of transportation, involving literally hundreds of thousands of freight rates, consideration of which is necessary in order to carry out the requirement of the act, that the prices of the many kinds, qualities, and sizes of coal for shipment into any common consuming market shall reflect, as nearly as possible, the relative market value at points of delivery. Mandatory also are the requirements that prices proposed shall be just and equitable, and not unduly prejudicial or preferential, between and among districts, and preserve as nearly as may be existing fair competitive opportunities.

Further, such prices must have due regard for the consuming public, and in the aggregate may not exceed the weighted average of the total costs for each minimum-price area. These are several of the many requirements of the act in the work of coordination. There are others and each must be accorded proper consideration and weight by the district boards and later by the Commission.

Subsequent to proposals by the district boards of coordinated minimum prices and marketing rules and regulations, the Commission, before making effective and establishing such prices and rules and regulations, will hold a final and complete hearing to adduce substantive evidence that each and every price and rule or regulation meets each and every requirement of the act.

Immediately upon making prices and rules and regulations effective, the Commission will be face to face with the problem of enforcement. Carefully laid plans have been made to protect the price structure. The time for action in this respect is not far distant. The Commission then will require, in order to properly safeguard its interests, a much larger force than is now employed. Thirteen thousand coal-mining operations will not be easy to attend. The great majority, of course, will endeavor to live up to all requirements. They want the act, and they have realized the need of stabilization. However, it is the insistent, subversive, and thoughtless minority which will make necessary the constant watch of the Commission over the entire industry.

Every person who has lived within a coal-producing field is acutely aware of the fact that the question is not whether business is good or bad but whether it is bad or worse. I believe the Bituminous Coal Act of 1937 will remedy these conditions, and I further believe the Coal Commission should be supported in its manifestly sincere and fruitful efforts, under this act, to bring order out of chaos, peace and security to large populated areas of our country, and finally to bring to a basic industry, the bituminous-coal industry, a measure of stability which it certainly has not enjoyed during my lifetime.

Kentucky and Kentuckians believe in this act. We know it is sound and constructive. We know these things because, if for no other reason, my distinguished predecessor in Congress, Fred M. Vinson, was its sponsor in this House and labored long and unceasingly for its adoption.

Republicans on the March

EXTENSION OF REMARKS
OF

HON. KARL E. MUNDT
OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1939

RADIO ADDRESS BY GOV. HARLAN J. BUSHFIELD, OF SOUTH DAKOTA, AT WASHINGTON, D. C., MARCH 18, 1939

Mr. MUNDT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address delivered by Gov. Harlan J. Bushfield, of South Dakota, over the National Broadcasting Co., in a program originating in Washington, Saturday evening, March 18, 1939:

I speak to you tonight as Governor of my native State of South Dakota conscious of my own limitations in presenting the cause of "Republicans on the march." Yet I speak with a song of gladness in my heart that South Dakota is no longer a lonely isle in that vast Democratic sea of States lying west of the Alleghenies, but now forms a span of that mighty bridge of Republican Commonwealths over which the American people will march to victory and a restoration of their Government in 1940. We, too, were led astray in 1932 by the seductive strains of a pied piper promising a Utopia. But we returned safely in 1936 and we came back all the way in 1938.

The fact, however, that my State of South Dakota was one of the first to regain political consciousness after the deluge of 1932 gives me courage to speak for the great Middle West.

SOUTH DAKOTANS ARE TYPICAL AMERICANS

In South Dakota, where our lives are lived close to Nature, where farming, mining, and politics occupy the major portion of our thoughts, we believe that we are typical Americans and that our collective judgment is representative of the American people.

The other night in New York I made the statement: "With a fervency that will brook no denial our people want peace; we do not want armed conflict forced upon us by those seeking a personal profit, nor by emotionalists whose patriotism is taken from dictionaries, nor by political leaders whose thirst for power, or whose unsensible alliances have placed us in a position from which we cannot retreat.

"Our duty is to defend liberty on this continent. We went to war once to make the world safe for democracy; from the ruins of that war rose the brutal theories of nazi-ism and communism. Another war would be a mortal blow to civilization. Liberty cannot survive another great war, and if liberty dies in America it is gone from the world."

National defense has been much in the public eye of late. Much has been said and written upon that subject, but may I point out that national defense, like religion, covers a multitude of sins, and unless carefully watched by those placed on guard by the people may be used for purposes far removed from that objective.

Those in high places drinking the heady wine of public applause often become so intoxicated by it that they lose contact with the people; few of us are gifted to drink deeply of that draught without losing our sense of proportion and there have been instances in which popular leaders have imbibed that exhilarating liquor so freely that they lost all consciousness of the authority which created them.

OURS IS A PEOPLE'S GOVERNMENT

For 5,000 years humanity has been struggling upward toward freedom for the individual; sometimes they have slipped backward, but each time the ground lost was recovered. Each loss was compensated by a gain until at last we reached a point from which there was no turning back. Our forefathers for the first time in history set up a people's government that was to derive all power from the consent of the governed.

Attilla and Genghis Kahn had swept across Europe burning, devastating, and murdering; the Moslems had been driven back to the wilds of Africa from whence they came to continue their worship of Mohammed. The Crusaders, like the waves of a storm-tossed ocean, had swept across Europe through the snowy Alps, through steaming Asia, fighting for an ideal, a symbol, the alleged tomb of Christ; the Dark Ages, with their futile savagery, their enslaved peasantry, and incessant wars, had given way to organized governments. King John of England had signed the Magna Carta; Charles I had lost his head to the rising tide of democracy; America had been peopled by adventurous souls seeking religious freedom. A wilderness had been conquered. The forests, the mountains, and the prairies had been invaded and made to answer to the will of man.

Out of this background of bloodshed and suffering, of human misery, oppression, cruelty, and hardship came the American idea of a government by the people. There never has been a benevolent despot; there never will be. In some inspired way the founders of the American Government realized that and it was their effort, as it has been that of their descendants, to maintain a people's government.

FREEDOM IS THE HEART OF AMERICANISM

In the 150 years that have followed that momentous achievement of constitutional government, civilization has advanced more than in all previously recorded history. That accomplishment is not an accident. Through the welter of warring tribes, kingdoms, and empires that have flowed across the pages of history since the beginning of time, the individual has always been a negligible quantity. Not until the establishment of the American Government was he given freedom of movement, thought, and achievement. That, my friends, is the answer to the unbelievable strides of the human race in the last 150 years. Freedom. That is why America has been the mecca of all other peoples; that is why the Statue of Liberty in New York Harbor has been a beacon to the oppressed of every land. That is why we have, in that short space of time, been able to conquer a continent by our inventive genius, by our daring to achieve, by our individualism. Our belief in and support of that freedom is the basic tenet of the Republican Party.

And we do not subscribe to the statement made on Tuesday that the present administration is responsible for the "definite policy that needy persons out of work should not be allowed to starve." No one in America has ever starved, and no one ever will, because that policy belongs—not to the President—not to Congress—but to America, and has been our policy since the Revolutionary War.

With matchlock in one hand and the Bible in the other, those incomparable ancestors of ours penetrated the mountains, forded the rivers, marched across the plains, and on to the Pacific coast, fearless, independent, self-reliant. My home in the great Midwest was not settled by a dependent people; the men and women who invaded the then savage prairies threw up sod shanties, dugouts, board cabins, and reared their families by the warmth of cow chips and twisted hay—neither asked nor expected help from any source. They were the pioneers. Through their arteries coursed the red blood of Americanism. It was they and men like them who built the railroads, the telephone and telegraph, the motor car, radio, airplane, and all the thousands of mechanical and electrical appliances that have given America the highest standard of living ever known.

Those men and women were not interested in the racial jealousies that eventually brought on the World War, but we, of today, are interested in what has happened since. When the guns were silenced at last, humanity turned hopefully to rebuilding a shattered civilization. Like an epidemic of measles the people of Europe espoused popular government. The monarchies of Russia, Germany, and Austria disappeared. Republics were established, and we thought popular government was here to stay; that the long struggle for freedom had been won. And yet within a decade we have seen all this changed. From the Russian revolution emerged Stalin—more harsh, more terrible than the Czars. The Republic of Germany fell before the goose-stepping minions of Hitler. Austria is but a memory, and now the wolves are snarling over the carcass of Czechoslovakia.

AMERICA MUST CHOOSE IN 1940

The issue today is broader than party—deeper than politics; it is an issue of life and death for an ideal—the ideal of popular government. Either we will continue upon the broad highway of individual liberty by which we have achieved so much, or we will take the left-hand turn that leads backward to governmental oppression. Republicans are on the march because we believe that in the retention of our freedom, as we have known it, lies our hope for the future. We want our children to have the same opportunity we have enjoyed. We want the American form of government to continue as our monument to liberty.

As our marching host gets under way toward 1940, party labels will be submerged beneath the greater ideal of Americanism. There can be no temporizing. There can be no compromise. There can be no hesitation. Either we go forward to the great destiny that is blazoned across the horizon of our future, or we go backward to what we see depicted in Europe today.

FEDERAL LARGESS DRUGS THE BODY POLITIC

Make no mistake, my friends, about the issue in this conflict. It is no longer possible to say "It can't happen here." Let me tell you that it has happened here. No one not in the Governor's chair realizes how fully it has happened here. Every avenue of State endeavor, every function of State government, every objective plotted by State legislatures is blocked with the words "You must not because it will lose you Federal funds." Highway building, public health, unemployment service, State activities of all kinds end in a blind alley, forbidden of passage by some Federal bureaucrat. From Washington into every State capitol the ribbons of control stretch like guiding reins, each bearing the golden treasure of Federal largess, to drug the will and control the activities of our people.

You ask me what can be done about it. Stop wasteful spending. The people are sickened by it. They are ready for a national leader with intestinal strength enough to make it an issue. In South Dakota last year we made it an issue, and in keeping with our promise, the legislative session just ended made a record in the reduction of the cost of State government.

REPUBLICANS ARE ON THE MARCH

Republicans, yes, Americans, are on the march today. Have we the courage to lead them? Have we the courage to stand up and be counted?

Belshazzar, in his gilded palace, could read the message written on his palace wall no more than our modern Belshazzar can read the warning blazoned upon our national sky today. The rumbling of the approaching storm is audible to those who will listen. Republicans on the march. Yes: A march to save the American form of government. A march to preserve liberty for all future Americans.

We, in South Dakota, pointed the way in 1936. We are still pointing the way in 1939. My message to you tonight is that we of the Middle West have our eyes on 1940 and you will find us marching with the men of the East, as well as the West, toward a victory for constitutional government.

Subsidized German Imports

EXTENSION OF REMARKS

OF

HON. ALLEN T. TREADWAY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1939

CORRESPONDENCE WITH THE SECRETARY OF THE TREASURY AND A RULING BY THE TREASURY DEPARTMENT

Mr. TREADWAY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following correspondence which I have had with the Secretary of the Treasury, and also a ruling of the Treasury Department:

MARCH 1, 1939.

Hon. HENRY MORGENTHAU, Jr.,
Secretary of the Treasury, Washington, D. C.

MY DEAR MR. SECRETARY: I desire to call to your attention an article appearing in the Boston Transcript for Tuesday, February 28, in which it is stated that the Treasury has quietly and secretly abrogated the countervailing duties which previously have been assessed under section 303 of the Tariff Act against certain subsidized German exports. The article indicates that such action was taken in December 1936, at the instance of German interests, and that little, if any, publicity was given to the matter. It appears that the first notice many New England industries had of the arrangement was their discovery of German goods on the American market at exceptionally low prices.

According to my understanding of the provisions of section 303 of the Tariff Act, the Treasury has no discretion but to apply the countervailing duties whenever any country, person, partnership, association, cartel, or corporation pays or bestows, directly or indirectly, any bounty or grant upon the manufacture, production, or export of goods, and such goods are imported into the United States. If the allegations contained in the newspaper article are true, it would appear that the Treasury is not carrying out the plain mandate of the law in assessing countervailing duties against certain German exports to this country, and is thereby causing American industry and labor to be subjected to unfair competition in the domestic market.

In a separate article in the Transcript, there appears a dispatch from its Washington correspondent indicating that the Treasury was defending its action on the ground that the private-barter subsidy method involved did not come within the purview of section 303. May I say in this connection that both the articles to which I have referred point out that the German Government is directly involved in the subsidy. The latter of the two contains this statement:

"The German Government has full facilities for giving its exports to the United States a concealed Government subsidy. Several years ago the German Government forced business and industry to raise a billion mark fund for the subsidization of foreign exports. Later the Government itself contributed a part of the subsidy."

The first article above-mentioned quotes Mr. William H. Cliff, of the Home Market Club, as saying:

"An overseas buyer of German goods gets in practice a discount varying from 15 to 40 percent, or even more, from the list price. When this price concession is not sufficient to obtain the business, the German exporter may be directly subsidized by an additional 10 to 15 percent. Moreover, exporters are allowed to reduce prices abroad and remove losses through the repatriation of German bonds which are lower in the foreign market than in Berlin, and thus the German exporters make a profit on bonds which compensates them for the loss on merchandise exported. Furthermore, the German Government frequently pays bounties to exporters so as to enable such exporters to quote lower prices in the American market."

Whether the subsidy is from Government or private sources, or both, and whether it be direct or indirect, it would appear from a reading of section 303 of the Tariff Act that Congress intended that countervailing duties should be imposed. Moreover, inasmuch as such duties have previously been collected, it seems to me that it is up to the Treasury to show cause why such countervailing duties should not be continued.

You are of course familiar with the managed currency system of Germany, under which its so-called inland marks can only be used to buy German goods. It is my understanding from the first newspaper article above-mentioned that an indirect subsidy on German exports is being effected by paying in inland marks prices for American cotton, copper, and oil which are 33 percent above the world market, and requiring American exporters of these products to spend the inland marks for German goods which are subsequently imported into this country and sold for far less than the fair market value, to the detriment of American producers of competitive products. Clearly such an indirect subsidy method is within the purview of the countervailing duty provisions of section 303, and certainly it at least comes within the purview of the Antidumping Act, which as you know imposes a special dumping duty on foreign goods imported into and sold in the United States at less than their fair market value.

I would appreciate it if you would give me, at your earliest convenience, a full explanation of the Treasury's action regarding this matter, and thereby obviate the necessity for my introducing a privileged resolution formally calling upon you for such information.

Very truly yours,

ALLEN T. TREADWAY.

THE SECRETARY OF THE TREASURY,
Washington, March 7, 1939.

DEAR MR. TREADWAY: I have your letter of March 1, 1939, requesting a statement with respect to articles appearing in the Boston Transcript for February 28, 1939, regarding alleged subsidies and dumping practices affecting exports from Germany to the United States.

The Treasury Department agrees with you that it has no discretion but to apply countervailing duties under section 303 of the Tariff Act of 1930 whenever it is satisfied that any bounty or grant is paid or bestowed directly or indirectly upon the manufacture, production, or export of goods imported into the United States which are subject to regular duties under the Tariff Act of 1930.

The articles in the Boston Transcript and your letter suggest that German exports to the United States are being subsidized in three ways:

1. By cash payments to exporters from a fund originally created by forced contributions from German business and industry and later supported by contributions from the German Government.

2. By sales of German merchandise in the United States at reduced prices with permission to offset the price reductions through the purchase of German bonds outside Germany and their sale in Germany at a profit.

3. By so-called "barter" trading in which imports into Germany are sold at prices substantially above the world-market level, and the funds derived from such sales used to purchase German goods which are sold after importation into the United States at far less than their market value.

Numerous investigations conducted in Germany by agents of the Treasury have satisfied this Department that cash subsidies from a fund built up under a German law approved June 28, 1935, were paid in connection with the exportation of German goods to certain countries, but failed to establish that such payments were made on any direct or indirect exports to the United States. Under date of December 6, 1935, the German Government gave formal assurance to the United States that such funds had not, and would not, be used to promote exports to the United States.

Bond procedures such as are described in the articles and your letter were discovered by Treasury investigations, and formed in part the basis for the Treasury's countervailing duty order against German merchandise issued on June 4, 1936 (T. D. 48360). Under date of August 12, 1936, the German Government gave official assurance to the United States that it had "taken measures to the effect that neither the use of the scrip and bond procedure will be permitted, nor will the payment of a public or private premium or subsidy, or the use of other German currency and reichsmarks freely convertible into foreign currency or reichsmarks freely utilizable in Germany, be allowed in connection with the direct or indirect exportation of dutiable goods from Germany to the United States of America, so far as such exportation takes place or may take place on the basis of agreements which were concluded on or after August 3, 1936."

On the basis of this assurance the Treasury Department in Treasury Decision 48479, of August 14, 1936, instructed collectors of customs that estimated countervailing duties need not be collected on merchandise exported from Germany if the collector concerned were satisfied by documentary evidence that the contract of purchase or other agreement pursuant to which the goods were exported from Germany was entered into after August 2, 1936. Under existing instructions, countervailing duties may still be applicable to the classes of German merchandise specified in Treasury Decision 48360 in the absence of satisfactory evidence that their export from Germany was pursuant to an agreement entered into after August 2, 1936.

Continual investigation has failed so far to establish any recent instance in which the Antidumping Act, 1921, should be applied to importations from Germany. Dumping orders are now outstanding against German thumbtacks and wire fencing of certain

descriptions. (Treasury Decision 46615 and Treasury Decision 46826.)

In the fall of 1936 numerous requests were received from American importers and exporters for advice as to the applicability of countervailing duties to merchandise imported from Germany pursuant to various arrangements described in the requests for advice. In view of the volume of these requests, the Treasury Department on December 23, 1936, issued a press release summarizing certain of the previously made rulings holding that certain procedures in connection with imports from Germany would not involve the payment or bestowal of any bounty or grant within the purview of section 303 of the tariff act. This press release was given wide publicity. One of the procedures not involving a bounty or grant was the payment of the purchase price of imports from Germany in whole or in part with the proceeds of the sale in Germany of merchandise exported from the United States, provided the proceeds so used were continually owned by the person for whose actual account the American merchandise was sold in Germany and the German goods were purchased in that country.

The agents of the Treasury Department stationed in Germany, as well as customs officers in this country, have been and are closely scrutinizing procedures in German-American trades to keep the Department supplied with information concerning such procedures in order that it may determine whether they require the application of any special provisions of our customs laws. These, as I think you will realize, are not simple matters to determine. Even with all the facts at hand there are naturally great difficulties in attempting to fit the generalized provisions of our laws to the special circumstances surrounding trade with those countries which have adopted exchange control and other restrictions on commerce. I can only assure you that the Department is continually making earnest efforts to get all the facts and just as earnestly endeavor to apply our laws promptly and fairly to the facts of the situation as they are developed.

Sincerely,

H. MORGENTHAU, Jr., *Secretary.*

Hon. ALLEN T. TREADWAY,
House of Representatives.

TEXT OF ORDER DEFINING CUSTOMS PENALTIES TO BE IMPOSED ON SUBSIDIZED NAZI IMPORTS

Notice of countervailing duties, to be imposed under section 303, Tariff Act of 1930, by reason of the payment or bestowal of a bounty or grant upon the exportation of certain goods from Germany. Collectors of customs instructed to suspend liquidation of entries covering dutiable imports from Germany and to collect estimated additional duties in certain cases.

TREASURY DEPARTMENT,
OFFICE OF THE COMMISSIONER OF CUSTOMS,
Washington, D. C.

To Collectors of Customs and Others Concerned:

The Bureau is in receipt of information concerning the operation of so-called "barter" transactions through which the importation into the United States of merchandise from Germany is financed by means of premium prices for certain products, particularly cotton and copper, which satisfies the Bureau that such transactions involve the payment or bestowal of bounties or grants within the meaning of section 303 of the Tariff Act of 1930 (U. S. C., title 19, sec. 1303).

Accordingly, notice is hereby given that dutiable merchandise imported directly or indirectly from Germany, which has been or shall be acquired by or through the disposal of other goods on a premium basis (regardless of the character of such other goods or of the method or means of such disposal), if entered for consumption or withdrawn from warehouse for consumption after the expiration of 30 days after the publication of this decision in a weekly issue of Treasury Decisions, will be subject to the payment of countervailing duties equal to the net amount of any bounty or grant determined or estimated to have been paid or bestowed upon its exportation from Germany.

Upon entry for consumption or withdrawal from warehouse for consumption, on or after the effective date of this notice, of dutiable merchandise imported directly or indirectly from Germany, there shall be collected in addition to any other duties estimated or determined to be due, estimated countervailing duties at the rate of 25 percent of the invoice value. The liquidation of entries covering such merchandise shall be suspended and the facts concerning the manner of payment for the goods shall be reported promptly and in full to the Bureau.

JAMES H. MOYLE,
Commissioner of Customs.

Approved March 18, 1939.

HENRY MORGENTHAU, Jr.,
Secretary of the Treasury.

Partial text of the Attorney General with respect to the above Treasury decision, explaining how the penalty tariff could be applied in specific cases, follows:

MARCH 18, 1939.

The Honorable SECRETARY OF THE TREASURY.

MY DEAR MR. SECRETARY: Reference is made in your memorandum to the President, dated November 28, 1938, in which you outline practices now prevailing in Germany, and to your recent informal request for my opinion as to whether those practices require the imposition by the Treasury Department of countervailing duties under section 303 of the Tariff Act of 1930. * * *

HOW SYSTEM OPERATES

From a subsequent memorandum, dated January 20, 1939, it appears that the following example will serve to illustrate how the present German practices operate:

An American importer desires to import into the United States from Germany certain cameras. Before this can be done approval of the transaction must be obtained from the German exchange control authorities, without whose approval nothing can be exported from Germany.

This approval is obtained, and under arrangement approved by the German import control authorities, without whose approval nothing can be imported into Germany, a German agent acting for the American importer buys American cotton at the world price for $1,000 and sells it in Germany for 2,500 reichsmarks (the world price at the prevailing rate of exchange of 40 cents), plus a premium of 33⅓ percent, making a total sales price of 3,333 reichsmarks, the equivalent of $1,333.

This sales price has been fixed in advance by the German import control authorities, and the German purchaser of the cotton is required to pay it into a special account in a German bank in free German marks, which immediately become blocked and frozen, and thereafter, for all practical purposes, are usable only by the American importer in the purchase of cameras which the German exchange control authorities have authorized to be exported from Germany.

The American importer thereupon buys cameras for $1,333 (3,333 reichsmarks) and imports them into the United States. Thus, for cameras which cost the American importer $1,000 the German exporter is paid $1,333, with the result that the German exporter is enabled to compete unfairly with, and probably to undersell, American camera manufacturers, while the exportation to Germany of American cotton is correspondingly restricted or curtailed.

IDENTICAL IN EFFECT

Comparison of the present German practices and those considered in the above-mentioned opinion of the Attorney General shows that they are identical in purpose and effect.

Adopting the language of that opinion (pp. 497–498), the present practices, like the former, "are * * * for the benefit of German exporters and enable them to export their goods so as to be in a position to compete with our domestic products * * *"; under them "export transactions are completely controlled by the German Government, which permits only such exports as it deems to be in the German interest, and the devices described are means by which the German Government enables the German exporters to export without incurring loss"; "the German authorities also completely control imports into Germany, permitting only those which are deemed for the benefit of that country"; and, manifestly, "the whole policy indicates a desire to encourage exports from and discourage imports into Germany * * *."

In an opinion dated June 2, 1936 (38 Op. 489), the Attorney General had occasion to consider certain practices then prevailing in Germany, including that of currency manipulations by the German Government through "controlled," "frozen," or "blocked" mark accounts known as "Aski mark accounts" and "Barter mark accounts," and held them to constitute "the payment or bestowal, directly or indirectly, of bounties or grants upon German exports" within the meaning of the above-quoted section of the Tariff Act of 1930, "calling for the imposition by the Treasury Department of countervailing duties" under that statute.

Since the German practices now prevailing are identical in purpose and effect with those discussed in the above-mentioned opinion of the Attorney General, it follows that they likewise call for the imposition by the Treasury Department of countervailing duties.

DECISION REEXAMINED

From other data available it appears that in December 1936 the German Government was advised, with your approval, that certain practices then proposed by the German authorities to govern the exchange of proceeds of American goods sold to Germans for German goods sold to Americans would not call for countervailing duties.

An examination of those practices, however, shows a fundamental difference between them and the practices now under consideration.

The former contemplated that both the sales of the American goods and the purchase of the German goods concerned were to be upon an uncontrolled market "at the current fair German open-market prices for such goods," while the latter involves a controlled market for both American and German goods, and, as to American goods, prices arbitrarily fixed by the German Government.

The practical effect of the present practices is the same as that which would flow from the imposition and collection by the German Government of a special duty or impost upon American goods and the subsequent use of the funds thus derived to subsidize German exports to America in order to enable German exporters successfully to compete in the markets of this country.

Insofar as they involve imports into Germany of American goods, such imports are restricted to essential raw materials which Germany does not produce in quantities sufficient to supply its

needs, and which, therefore, must be imported. Instead of permitting those raw materials to be purchased at world prices and paid for in foreign exchange, as is customary in international trade, the German Government requires them to be purchased and paid for under the practices outlined.

Thus burdensome import restrictions are imposed upon American goods, and at the same time substantial subsidies are bestowed upon German goods exported to this country.

It is my opinion, therefore, that it is the duty of the Secretary of the Treasury to impose countervailing duties under section 303 of the Tariff Act of 1930 upon such goods imported into this country from Germany as are affected by the practices outlined in the above-mentioned memorandum of November 28, 1938, and that the proposed Treasury decision, copy of which accompanied the memorandum, is appropriate in form to carry out that purpose.

Respectfully,

FRANK MURPHY, *Attorney General.*

Governmental Propaganda

EXTENSION OF REMARKS
OF
HON. J. PARNELL THOMAS
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1939

CORRESPONDENCE WITH THE ATTORNEY GENERAL OF THE UNITED STATES

Mr. THOMAS of New Jersey. Mr. Speaker, under leave to extend my remarks in the RECORD, I quote the correspondence between the Honorable Frank Murphy, Attorney General of the United States, and myself on the question of a study and investigation by the Attorney General into the dissemination of propaganda by our governmental agencies:

FEBRUARY 27, 1939.

Hon. FRANK MURPHY,
Attorney General of the United States,
Washington, D. C.

MY DEAR MR. MURPHY: On October 22, 1913, the Congress of the United States enacted into law (38 Stat. L., 212) the provision that "no money appropriated * * * shall be used for the compensation of any publicity expert unless specifically appropriated for that purpose." Yet it is definitely apparent from the findings of the Select Committee of the Senate to Investigate Executive Agencies of the Government, appointed pursuant to Senate Resolution 212 (74th Cong.), from my own personal study, and from the investigation of others, that numerous agencies in our Federal Government have not obeyed such mandate of Congress.

And as Government agencies have no more right to disobey Federal statutes than have individuals or private corporations, it would seem to me that a study and investigation of this question by your office is warranted. Will you, therefore, consider such action your immediate responsibility?

I am confident that if your office will make such an investigation it will not only show numerous flagrant violations by existing Government agencies of Statute 38, Law 212, but it will also demonstrate the extent to which Government agencies are annually spending millions of dollars of taxpayers' funds to perpetuate themselves in office on their present enormous scale. It would also show the degree to which certain agencies are resorting to the dissemination of propaganda to sell the public on the theory of [illegible]al bureaucracy and collectivism.

To me the current wave of Government propaganda is an extravagant, unfair, and malicious civil practice. It is a waste of the taxpayers' money, and an impartial portrayal by the Attorney General of its usage should lead to its ultimate curtailment.

Trusting that you will give my suggestion your earnest attention, and assuring you of my hearty cooperation, I remain.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., March 3, 1939.

Hon. J. PARNELL THOMAS,
House of Representatives, Washington, D. C.

MY DEAR MR. CONGRESSMAN: This acknowledges your letter of February 28, in which you call my attention to the provision of the act of October 22, 1913 (U. S. C., title 5, sec. 54), that "no money appropriated by the act shall be used for the compensation of any publicity expert, unless specifically appropriated for that purpose."

I note your request that a study and investigation should be made by my office as to whether any agency of the Federal Government has violated this statute.

In reply, I desire to call your attention to the fact that the enforcement of this act is not vested in the Department of Justice, and that consequently I have no function to perform in the premises.

With kind regards.

Sincerely,

FRANK MURPHY, *Attorney General.*

MARCH 20, 1939.

Hon. FRANK MURPHY,
Attorney General of the United States,
Washington, D. C.

MY DEAR MR. MURPHY: You state in your letter of March 3, which is in answer to mine of February 27, that:

"I note your request that a study and investigation should be made by my office as to whether any agency of the Federal Government has violated this statute (U. S. C., title V, sec. 54, enacted October 22, 1913, relating to compensation of publicity experts). In reply, I desire to call your attention to the fact that the enforcement of this act is not vested in the Department of Justice, and that consequently I have no function to perform in the premises."

It is hard for me to reconcile this answer of yours with the simple request which I made, namely, a request for study and investigation which you apparently construed to mean "enforcement." At no place in my letter did I suggest that you enforce the statute. I merely recommended that you determine through a study and investigation whether or not the Government agencies are living up to the mandate passed by the Congress in 1913 that "No money appropriated by any act should be used for the compensation of any publicity expert unless specifically appropriated for that purpose."

In view of your apparent misunderstanding of my letter, I again wish to recommend that you make such a study and investigation. If, on the other hand, you would not have time or are not equipped to make such a study and investigation, I would appreciate it if you would endorse the enclosed resolution calling for a special committee of seven Members of the House of Representatives to investigate the subject of publicity and propaganda by our Government agencies.

Sincerely.

The resolution referred to in my letter to the Attorney General is as follows:

Whereas an act was passed by Congress on October 22, 1913 (38 Stat. L. 212), which provided among other things, that "No money appropriated * * * shall be used for the compensation of any publicity expert unless specifically appropriated for that purpose", and

Whereas it is apparent from the investigation of executive agencies of the Government by the Select Committee of the Senate to Investigate Executive Agencies of the Government, appointed pursuant to Senate Resolution 212, Seventy-fourth Congress, and from other investigations and studies on the subject of publicity, and the dissemination of propaganda by the executive departments in our Federal Government, that the law of the land has been and is being grossly violated; and

Whereas millions of dollars of the taxpayers' funds are being squandered each year through this pernicious use of propaganda to further the existence of our costly bureaucratic agencies: Therefore be it

Resolved, That the Speaker of the House of Representatives be empowered to appoint a special committee of seven Members of the House of Representatives (1) to determine which and why executive agencies are violating the mandate of Congress as set forth in Thirty-eighth Statutes at Large 212, and (2) to investigate the whole question of publicity and dissemination of propaganda by our executive agencies; and be it further

Resolved, That this special committee submit a written report of its study and findings to the House of Representatives at its earliest possible opportunity.

Social Security Taxes

EXTENSION OF REMARKS
OF
HON. ALBERT G. RUTHERFORD
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1939

EDITORIAL FROM THE PHILADELPHIA INQUIRER

Mr. RUTHERFORD. Mr. Speaker, several times last session I stated that the tax paid by employees under the Social Security Act was simply an income tax. I am glad that my views have been confirmed by a great newspaper

of my State. I insert in the RECORD an editorial on the subject by the Philadelphia Inquirer:

The comparatively small proportion of the population that filed income-tax returns last Wednesday were reminded by one of the printed instructions of an additional income tax from which no deductions are permitted.

It applies to 40,000,000 persons, including a huge number of those earning the smallest wages and salaries, many times more than those who pay the regular Federal income tax.

This is the tax taken from pay envelopes, to which employers add an equal amount, to cover benefits and costs of administering the social-security system. It amounts at present to 1 percent for each and has yielded more than a billion dollars, which the Government has promptly spent for its running expenses.

Washington officialdom has never liked to regard this levy as an income tax. It has preferred to lay stress on the benefits it is expected to provide for the aged and make the contributors look upon the enforced assessment, impossible to escape, as an investment potential of rich returns.

But so much confusion had arisen over attempts by income-tax payers to deduct their social-security contributions that it was found necessary to print this statement: "Tax withheld or paid under section 801 of the Social Security Act for or in behalf of the employee is a Federal income tax and is not deductible by the employee."

It is equally a tax on the income of employers, large and small. In the case of millions of wage earners and salaried folk in the lower brackets, it is the poor man's income tax and, as has been said, without a dollar of deductions for dependents.

An interesting poll was recently taken on the question of levying income tax on those earning $15 to $20 a week. The vote against it was 88 percent. Yet a considerable proportion of the opponents, receiving small wages or salaries, undoubtedly now pay this other income tax which, unless the law is changed, will eventually impose an individual burden three times as heavy as at present.

The movement to lessen this handicap on the buying power of the people and therefore on recovery, or at least to prevent the progressive increase in a tax that bears so heavily on all, is receiving especially strong support from two sources.

Small business has been making its voice heard at the hearings before the House Ways and Means Committee in Washington. The American Federation of Labor has called for reform of the reserve plan which puts unnecessary hardships on the workers.

Witnesses before the committee have asserted that social-security taxes are forcing small business establishments to the wall. Operating on a narrow margin, the levies spell the difference between profit and loss. In addition, it is charged that the small firms pay more for each employee's old-age insurance in proportion to dollar sales than do the large corporations.

Big business, which means large concerns owned by a multitude of persons of moderate means who are more or less dependent on dividends for their support, can cite some instructive figures.

These are the concerns furnishing the bulk of employment in normal times. Three corporations contribute in social security taxes more than $13,000,000 a year, or from 10 to 15 percent of their total taxes. Numerous companies report that these levies are equivalent to a dollar or more per share. If there is that much less for stockholders, there is that much less for the merchants dependent on their trade and for industry languishing for lack of new capital.

Reports from 137 representative businesses show total contributions of nearly $136,000,000, for both old-age and unemployment insurance.

If this money were all needed for the beneficent purpose, and the benefits were commensurate, there would be no ground for criticizing the Social Security Act. But, unfortunately, this is not the case.

What the Treasury Department recently referred to euphemistically as "the old-age retirement tax" is an income tax, bearing most heavily on the little fellows and, as has been pointed out, is being spent as quickly as received. By this time most persons understand that the so-called reserve fund—supposed to be built up to forty-seven billions by 1980—is a sham, composed of paper I O U's put in the social-security cash drawer for the money drawn out.

The only way these promissory notes can be redeemed is by more taxes—that is to say by making the contributors, with the rest of the people, pay all over again.

The House Ways and Means Committee is considering several proposals designed to insure that every dollar taken from employees and employers for old-age security is devoted to that purpose; to provide more substantial and, as Mr. Roosevelt has recommended, earlier benefits, instead of waiting until 1942; and to institute a system of pay-as-you-go that would do away with that mammoth though really mythical reserve fund, which is the excuse for the unreasonably heavy assessments.

President Roosevelt has forwarded to Congress the Social Security Advisory Council's suggestion for stabilizing the combined tax at 3 percent in 1940 instead of stepping it up to 6 percent by 1948, as now provided.

Uncle Sam must not act as an "Indian giver," granting pensions already paid for and then virtually taking them back by requiring the recipients or their relatives to pay a second time. No more important duty confronts this Congress than making social security real, while easing the heavy burden it now imposes on millions of wage earners and employers.

Great Lakes-St. Lawrence Seaway

EXTENSION OF REMARKS

OF

HON. BERNARD J. GEHRMANN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1939

JOINT RESOLUTION FROM THE LEGISLATURE OF WISCONSIN

Mr. GEHRMANN. Mr. Speaker, the army of unemployed evidently is not getting smaller, and we all agree that Federal works projects will be necessary for years to come.

All of us are opposed to continue many types of projects that were undertaken, simply because worth-while projects could not be undertaken on short notice, and without sufficient data. There is one international project that can, and should be, undertaken immediately, and that is the Great Lakes-St. Lawrence seaway.

Not only would this be a great aid to commerce in the United States but it would be of still greater value in case we should ever be invaded by a foreign foe. It is hard to estimate the actual value this great international waterway will be to the United States, but the Army engineers have for years advocated its construction. Canada is willing, and I am sure the people of the United States are overwhelmingly for it. A lot of misinformation and unfair propaganda has been spread about this great waterway in the past. But I believe that many of those who opposed it for different reasons have since come to the conclusion that this waterway will be of immense value to every section of the United States. I am therefore very glad to find that the legislature of my State has passed a joint resolution asking the President and the Congress to resume treaty negotiations with Canada immediately, so that we may have the Senate ratify this treaty before Congress adjourns. I include the joint resolution of the Wisconsin Legislature, as follows:

Joint resolution memorializing the President and Congress of the United States to resume negotiations for a Great Lakes-St. Lawrence seaway treaty

Whereas a piecemeal approach to the settlement of the matters and issues involved in the joint use of the Great Lakes-St. Lawrence Waterway would not fulfill the long-time needs of the Midwest or the country at large; and

Whereas a complete cooperation of all States and countries is essential so that specific problems and usages may be determined and consummated by a comprehensive treaty containing adequate and sufficient safeguards and provisions for mutually compensatory objectives of inland waterways and defense bases; and

Whereas the position of all interested parties should be indicated and declared so that our country will not be hampered by any uncertainty as to the future source and availability of supply of cheap and adequate hydroelectric power; and

Whereas the demands of national defense and productive power for our great industrial centers require multiple sources of hydroelectric power, and in an age so dependent upon power and transportation disastrous consequences will follow a failure to anticipate future needs of cheap power sources; and

Whereas such seaway will provide a means of transportation connecting and unifying the agricultural sections of the Midwest with the industrial sections of the East by a reduction of transportation costs that will be productive of expanded markets, added industries, increased purchasing power of the United States at large, improved capital and physical power plants for industry and defense, and stimulated employment; and

Whereas the Canadian and American Governments may extend and continue an inspiring example of cooperation for constructive improvement instead of cooperation only for destructive purposes; and

Whereas negotiations for a treaty should not be permitted to lapse and lull by reason of early failures caused by opposition created by special interests seeking to maintain their abilities to exploit the needs of the people: Now, therefore, be it

Resolved by the senate (the assembly concurring), That the Legislature of Wisconsin memorializes the President and the Congress

of the United States to resume treaty negotiations and to enact necessary legislation for the procurement of a Great Lakes-St. Lawrence seaway; be it further

Resolved, That properly attested copies of this resolution be sent to the President of the United States, to both Houses of Congress, and to each Wisconsin Member thereof.

WALTER S. GOODLAND,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.
VERNON W. THOMSON,
Speaker of the Assembly.
JOHN J. SLOCUM,
Chief Clerk of the Assembly.

Tolerance as Practiced by Those of Irish Extraction

EXTENSION OF REMARKS
OF
HON. JOSEPH J. O'BRIEN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, March 20, 1939

ADDRESS BY HON. JOSEPH J. O'BRIEN, OF NEW YORK, AT THE TOMB OF THE UNKNOWN SOLDIER, MARCH 17, 1939

Mr. O'BRIEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address made by me at the Tomb of the Unknown Soldier, March 17, 1939:

Mr. Commander, members of the clergy, ladies, and gentlemen, the placing of this wreath at the Tomb of the Unknown Soldier on this auspicious occasion proves in a most conclusive manner that we of Irish descent and extraction practice the virtue of tolerance.

Earlier this morning a wreath was placed at the statue of Commodore John Barry, the Irish-American patriot, by this organization, the Irish-American Veterans, and now this same organization is honoring a hero of the World War. We do not know his nationalistic extraction nor his religious denomination, and we care less. We do know that he offered the supreme sacrifice to his God and his country with the principal thought in mind that the ideals and traditions, precepts and policies of a democratic country might live. We of Irish extraction honor him today because his memory is sacred. We accept the responsibility of carrying on the glorious traditions of our patriotic ancestors in exactly and precisely the same manner that they fought and died to perpetuate.

As our Irish ancestors leave to us the rich heritage of historical value, it is up to each and every one of us as true sons of Erin to thank God for the privilege of having been born in this country and to be allowed all those things that are near and dear to the heart of every descendant of St. Patrick, the right to life, liberty, and the pursuit of happiness, and to worship divine Providence as we see fit.

Our Irish ancestors have glorified the pages of history, and we must so conduct ourselves in appreciation of our American birthright to do everything within our power to keep the pages of history unblemished by those who do not appreciate the rare privilege of living in this great and glorious country. Let us of Irish extraction never do one thing to besmirch the pages of history that were so zealously guarded by our ancestors. Let this be our program, let this be our determination, and America the great will be greater because we American veterans of Irish extraction have helped to make it so.

God bless our United States.

Our Foreign Trade and Foreign Affairs

EXTENSION OF REMARKS
OF
HON. JOHN G. ALEXANDER
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 20, 1939

Mr. ALEXANDER. Mr. Speaker, Members of the House, I hope you will, if you have not already done so, take time to read the following March press dispatches and news releases which have appeared in less than a month after my predictions made in this House on February 22—that Japan would do precisely what has now been disclosed in the course of debate in the Japanese Parliament she is doing.

JAPAN REVEALS PLAN TO PROVIDE OWN MUNITIONS—THREE-YEAR PROGRAM DESIGNED TO MAKE NATION SELF-SUFFICIENT

TOKYO, March 9.—Hitherto secret details of a gigantic industrial expansion program designed to give Japan complete self-sufficiency in war materials within 3 years was disclosed today in Parliament.

The plan embraces Japanese-occupied China and Japanese-protected Manchukuo as well as Japan proper.

PROGRAM ALREADY UNDER WAY

Kazuo Aoki, president of the cabinet planning board, told the lower house budget committee the program already was under way and was scheduled for completion in 1941. Hence, he said, some phases might be disclosed.

Raw materials derived from newly occupied areas of China play a major role in the production scheme. The majority of industries and articles coming under the plan relate directly to war materials.

The plan envisages the following percentage increases over present output: Ordinary steel, 60 percent; special steel, 100; steel ingots, 60; pig iron, 100; iron ore, 150; coal, 30; magnesium, 1,000; copper, 80; lead, 90; zinc, 70; tin, 100; natural gasoline, 30; synthetic gasoline, 2,900.

The gasoline would be ordinary medium test, not airplane fuel.

PROPOSED INCREASES

Still other products and the proposed percentage increases: Natural oil, 40; synthetic oil, 800; dehydrated alcohol, 1,200; soda, 20; caustic soda, 40; industrial salt, 65; ammonium sulphate, 40; paper pulp, 20; gold, 20; machine tools, 100; railway locomotives, 30, passenger cars, 70; freight cars, 50; automobiles, 400; wool, 240.

Aoki told the Diet the actual details of how these increases would be effected could not be disclosed at present.

JAPAN TO BAR UNITED STATES TRADE IN CHINA, CHAMBER HEARS

The Chamber of Commerce of the United States yesterday published advices from China that developments there "indicate the Japanese are determined to eliminate American business from North China."

The chamber of commerce at Tientsin reported the Japanese-sponsored government had adopted export embargoes and restrictions and exchange controls to the disadvantage of American businessmen.

And in an article on Spys at the Panama Canal Zone, by H. R. Knickerbocker, foreign correspondent for the International News Service, we find the following:

German "grand strategy" in respect to the Panama Canal is based on their common interest with Japan in crippling or destroying the United States Fleet in time of war.

Their calculation is that in case Germany were to go to war with England and France they would win if the Americas were kept out. They count upon Japan to nullify the American intervention, and destruction of the Canal is the key.

Now, let us see how they are prepared to do that very thing, and without the loss on their part of a ship, an airplane, or a man. Here is the International News Service copyrighted article, which I have obtained special and personal permission to use, with the hope that I may awaken America to the dangers inherent in the present world situation unless we take stands everywhere to protect our rights and further the preservation of peace:

(By H. R. Knickerbocker)

SAN JOSE, COSTA RICA.—Because the American island of Guam is 1,500 miles "near" Japan, the Japanese declared it would be an unfriendly act if we fortified the island, our own territory. Today the Japanese have established a potential military airfield just 300 miles from the Panama Canal, and provided themselves with a base whence a fleet of fast bombers could reach America's life line in 90 minutes.

I flew over and photographed this field, the first time it has been visited by an American newspaperman.

It is 1 square mile of the flattest, smoothest, best-drained land in Costa Rica, 2 miles from the unguarded shore of the Pacific Ocean, about 15 miles from Puntarenas, on the Gulf of Nicoya.

On it are engaged today 30 Japanese "farmers." They say they are "growing cotton."

Their boss is a reserve officer of the Japanese Navy.

The field could not have been better designed for a base from which to attack the Panama Canal if its present owners had been able to ask for bids on the following specifications:

Wanted, an air base capable of accommodating large fleet of heavy bombers; field must be absolutely level, dry, and near the sea.

Good road to seashore necessary and each must be suitable for landing in small boats. Field must be located in country with no coastal defense, and a minimum army.

Meeting these specifications, the field is, in Costa Rican measurements, 350 "manzanas" in area, or 595 acres, or just under 1 square

mile, and its diagonal provides a runway long enough for the take-off of bombers loaded to capacity.

The field is level as a billiard table.

It is drained by the nearby Barranca River, which leaves it dry even in the rainy season when the surrounding country is swamped.

In 15 minutes a slow truck can haul a heavy load from the beach to the field.

The beach slopes gently at the precise gradient most favorable for landing small boats laden with men or materials.

The position is ideal for landing secretly.

Large bodies of men could come ashore from freighters and considerable supplies could be landed by night without detection.

Airplanes in parts, gasoline, and bombs could be put off ordinary commercial vessels and smuggled into the "cotton plantation" with no one to witness.

Costa Rica has no coast guard, and its army numbers around 400 men. Normally, nearly all of them are in the capital.

None of them are anywhere near "El Chaguite," the Costa Rican name of the Japanese "cotton plantation."

Between the headquarters of the Imperial Japanese Navy in Japan and its farthest outpost here there are in fact only two obstacles; one Costa Rican policemen in Puntarenas and about 8,000 miles of Pacific Ocean.

It is precisely the function of "El Chaguite" to help the Japanese Navy span those 8,000 miles.

At this moment the United States fleet is in the Atlantic. The approach of a Japanese aircraft carrier or any part of the Japanese Navy to a point near enough to the Canal to arouse suspicion would bring the United States Navy posthaste back through the Canal into the Pacific.

But the Japanese fleet, or parts of it, can cruise freely without arousing suspicion at a distance of 2,000 to 3,000 miles away from the Canal.

In order to be able to fly from such a distance, Japanese bombers would need a refueling field. A bombing plane laden with bombs might do 2,000 miles in one hop. Without its bombs it could do 3,000 miles.

Thus, with a field in Costa Rica, Japanese bombers laden with bombs could take off their carriers at 2,000 miles from the Canal, fly over and drop their bombs on the Canal locks, land on their Costa Rican air field, refuel, and fly back to their mother ship.

Or, without bombs, they could take off at 3,000 miles away, land first at El Chaguite, refuel there, take on a load of bombs, fly over and bomb the Canal, then return to their Costa Rican base, refuel again, and return to their carrier.

From the first appearance of the Japanese planes over Panama and Costa Rica to the completion of their enterprise the time elapsed would not be over 3 hours.

Is this vision far-fetched? Is this an alarmist view to take of an innocent cotton plantation? United States Army and Navy authorities do not think it alarmist.

Here are the facts:

Mr. Takahiro Wakabayashi is Japan's No. 1 agent in Latin America. He is a sort of traveling ambassador and superspy extraordinary, with a territory which he once defined as "everything from the Rio Grande to Tierra del Fuego."

He speaks Spanish, English, French, and German as well as his native tongue.

He served as consul general in Panama, Bogota, and Buenos Aires, and after 12 years in the formal Japanese foreign service he resigned and came back as general manager of the important semi-official Federation of Japanese Importers and Exporters.

In this capacity Mr. Wakabayashi took a warm interest in Costa Rica's trade with Japan. He noted with concern that Japan was selling many times more to Costa Rica than she was buying.

In 1936, the year Mr. Wakabayashi began to take an interest in the matter, Japan sold Costa Rica goods to the value of $654,947 and bought only $5,121 worth.

This was only natural, because Japan does not use much of Costa Rica's principal products, coffee, bananas, and cocoa, while the poorer Costa Ricans demand the cheap Japanese goods.

It had always been so, but Mr. Wakabayashi suddenly came forward with an ingenious remedy.

He would teach the Costa Ricans to grow cotton and then Japan would buy the cotton and thereby rectify the trade balance. But first he would have to bring in some Japanese to see if cotton could be grown at all.

The Wakabayashi plan pleased the Costa Ricans. The first batch of 21 Japanese entered the country July 13, 1937. They were stationed on a so-called experimental farm at Alajuela, just outside of San Jose.

Here appears the true delicacy of the Japanese plan which would appear calculated to a degree improbable were it not for the factual evidence that the field is intended for an airfield.

The Alajuela farm was merely a blind. It bore no resemblance to an airfield and could not be used for one. It was intended to camouflage the ultimate purchase of El Chaguite.

Nobody could charge the Japanese at Alajuela with anything worse than planting cotton in a place where it would never grow.

It didn't, so the wily Wakabayashi then set forth to acquire the property he had in mind from the beginning.

Now the price of land in the vicinity of El Chaguite was about $12 an acre, and until the Japanese entered the market this parcel was for sale for 40,000 colones, or $7,200.

But the Costa Rican landowners, having reason to suspect that the Japanese had more than a commercial interest in the land, put up the price until the usually thrifty businessman, Mr Wakabayashi, finally paid $12,727 for a 4-year lease on the 595 acres.

Thus, he pays $21 an acre for 4 years' rent of land which an ordinary purchaser could have bought outright for $12 an acre.

This was the first clue to the character of the Japanese "cotton plantation."

The second was the fact that every expert who has inspected the place has reported it is impossible to grow cotton profitably there and that no serious effort to do so is being made.

This was the opinion of Prof. Loren G. Polhamus, of the United States Department of Agriculture, who visited El Chaguite a few months ago.

It is all very odd and very oriental, but the men concerned with the defense of America's life-line want to take no avoidable chances. They would like some sort of diplomatic action to nullify this, the nearest threat that has appeared in the neighborhood of the canal.

To any mind which is trained to observe the fast-moving chain of events in Europe, it is apparent that the outbreak of war is imminent, and if America can stay out, it will be a miracle of God's goodness. We should be in constant prayerful contemplation, study, and discussion of this most serious problem confronting America today.

Cape Cod

EXTENSION OF REMARKS

OF

HON. CHARLES L. GIFFORD

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1939

LETTER FROM A CONSTITUENT

Mr. GIFFORD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter from one of my constituents:

To Hon. CHARLES L. GIFFORD,
Washington, D. C.:

The directors of the New York World's Fair have officially recognized Cape Cod as the forty-ninth State of the Union.

To select pictures for the contemporary art section of the fair, they appointed committees for each State, but Cape Cod has a special committee apart from Massachusetts, the only section of the United States to be so segregated.

While we are conscious of a certain honor implied by this recognition of our independence, I maintain that we are more than just another State; in fact we are a separate republic, and Mr. Roosevelt has tacitly, though regretfully, agreed to our secession, and accepted Congressman CHARLES L. GIFFORD as our ambassador to Washington.

"Cape" Cod is really an island, entirely surrounded by salt water, and though we heard there has been a depression in the United States, it didn't affect us much, except to make our imports cheaper. We kept up the old tradition of economy, honesty, and simple living and remained Republican.

When 46 States seceded from the Union in 1936, leaving only Maine, Vermont, and Cape Cod to carry on, I told Mr. Roosevelt that I thought we ought to have our own Cod Island republic, since Massachusetts had gone New Deal and the Democrats had cut a canal and left us out at sea.

Mr. Roosevelt replied that though he hated to think of Cape Cod as a foreign country, because he had so many relatives here, he was glad that Mr. GIFFORD would be sent as ambassador. However, he felt that we should now pay Mr. GIFFORD's salary, and also maintain the expense of the canal, harbor dredging, lighthouses, and buoys.

To this I asserted that we didn't want the lighthouses and buoys, as they tended to ruin the good business in wrecking that we used to have. The dredging, too, is a nuisance, I declared, as it stirs up the quahogs so. But as a gesture of appeasement, I promised that when his Weather Bureau got stuck, any one of our fishermen would call up and tell him what to expect tomorrow or next day.

So while we feel that it is very gracious of Mr. Whalen and Mr. Lehman to treat us as a separate entity, and shall be proud to be represented at your fair; we want you to realize that we have a dignity beyond that, and feel somewhat slighted because you never invited us to have our own building there. We could have sent you a fishhouse that would have stolen the show, since man is still primitive, in spite of your modern magnificence propaganda.

HAROLD DUNBAR.

CHATHAM, CAPE COD, *January 26, 1939.*

Admission of German Refugee Children

EXTENSION OF REMARKS
OF
HON. ROBERT F. WAGNER
OF NEW YORK
IN THE SENATE OF THE UNITED STATES
Monday, March 20 (legislative day of Thursday, March 16), 1939

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD a number of editorials advocating the enactment of legislation admitting German refugee children into the United States notwithstanding the quota. I ask that they be printed in the body of the RECORD.

Mr. CLARK of Missouri. Mr. President, this matter of printing a large number of editorials in the body of the RECORD is strictly contrary to the rule. In a matter of exceptional importance it has been done on a few occasions, but to include a large number of editorials in the body of the RECORD seems to me to be contrary both to the rule and to good practice. Therefore, I feel bound to object.

Mr. WAGNER. Very well. I ask that they be printed in the Appendix of the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Bridgeport (Conn.) Post of February 16, 1939]

REFUGEE CHILDREN

Senator WAGNER has introduced a resolution, which has been referred to the Committee on Immigration, which would provide for the admittance into this country of 10,000 German refugee children this year and next year, in addition to the ordinary immigration quotas.

The measure has the endorsement of clergymen of all denominations and of both of the large organized labor groups. The latter fact is significant, as ordinarily organized labor is not keen about increasing immigration quotas and theoretically increasing competition for jobs. In this case it is different.

Of all the things done under Nazi dictatorship, nothing was more distressing to the sensibilities of the rest of the world than the packing of thousands of helpless children into trains, each with a bare 40 cents in his pocket, and sending them away, while their parents were herded into concentration camps. About half of the children thus segregated are Jewish, and the others are Catholic or Protestant children whose parents fell into disfavor with the Nazi Government for some reason or other.

Other nations are opening their doors to quotas of these children. America alone among the great nations has failed to take any save those who might be brought in through the ordinary immigration quotas.

In this case nothing is asked of the Government except an act of generosity which would appeal to the hearts of all. These children would not become public charges as they would be brought into this country only upon the request of those able and willing to look after them. It would be many years before these youngsters became old enough to enter our own labor market and then they would be thoroughly Americanized.

Surely there could be no hesitancy on the part of the United States in making this gesture of friendliness to a group of frightened and bewildered youngsters.

[From the Bridgeport (Conn.) Times-Star of February 18, 1939]

"OF SUCH IS THE KINGDOM OF GOD"

Democratic and Republican leaders of the Nation, churchmen of all faiths and denominations, and both the big labor organizations have joined in a move to open the doors of the United States to admit 20,000 refugee children forced to flee from Nazi persecution in Germany. In Bridgeport, as in other cities, the proposal is winning support, as it should.

The movement began with an appeal from 49 clergy—Catholics and Protestants. It was promptly endorsed by ex-President Hoover and by organized labor. And now Senator WAGNER has given it official form with a resolution introduced into the Senate.

His plan is to admit 10,000 children this year and 10,000 next year, as each child is assured of a home. Thousands of families and charitable organizations, he says, have offered to take in these shelterless children, forced from their own homes in Germany because of their race or because of the faith of their fathers. Catholics as well as Jews are increasingly under the persecution of the Nazis.

Mr. Hoover and Mr. WAGNER and the labor organizations assure us that this influx of children will not add to the distress of our unemployed nor interfere with our labor policies. The topmost limit of age is 14 years. England and Holland, the Senator says, have given sanctuary to these little waifs and now the United States is planning to do so, too.

It is comforting to see the broad-gage Nazi persecutions at last meeting a broad-gage answer in America. It is encouraging to find all religious faiths here, all political parties, united in this humanitarian endeavor. The Nazis are striking blindly at innocent children, and the heart of America gives the Christian answer.

[From the Dayton (Ohio) Daily News of February 20, 1939]

SUFFER LITTLE CHILDREN

"Breathes there the man with soul so dead" that he can oppose Senator WAGNER's bill to raise the immigration quotas for the benefit of 10,000 refugee children this year and the same number next?

Ten thousand German refugee children under 14 years of age would be admitted, regardless of quotas, provided responsible citizens or institutions guaranteed their education and support, once they are here. This is the provision of the New York Senator's joint resolution now before the Immigration Committee of the Senate.

How many child refugees there will be in all from Germany—Catholic, Lutheran, and Jew—in these 2 years, no one can tell. Ten thousand, we may be sure, will be but a small fraction of them all. We shall be admitting 20,000 in all. At the rate of 10,000 a year it would take a century to bring a million here. Twenty-five years ago we were receiving a total of a million aliens a year.

Now we are asked to approve a special dispensation to permit the entrance of an extra 20,000 children, their support assured. There is a rumor that the plan will be opposed. We don't believe it. This is a land which professes admiration and even reverence for the source of the saying: "Suffer the little children to come unto Me, and forbid them not."

If there is a soul in free America so shrunk that he would not suffer these few children to come to us, there's more pre-Christmas Scrooges in the world than we had counted on.

The labor organizations are of all groups most sensitive to immigration acts. Confirming what has been said, the Wagner resolution has the approval of both John Lewis and William Green.

[From the New Orleans Item of February 23, 1939]

REFUGEE CHILDREN

It is fitting that Senator WAGNER, of New York, a man who for years has concerned himself with bettering the lot of others, should be the author of a proposal for salvaging happiness and self-support to a large group of the refugees from Central Europe. He asks that the United States admit 10,000 German-born refugee children, outside the quota limits, within the next 2 years. The New York Times says of his plan:

"It is hard to see how Congress or the American public can refuse the plea. * * * If we had a barbed-wire frontier, as some less fortunate countries have, and could see these children, whose parents are dead or in prisons and concentration camps, we would not hesitate. All we need is imagination. They cry out to us from their darkness."

So far, we believe that ninety-nine out of a hundred Americans will read with sympathy and generous acquiescence. We know that help is needed; we know that help of some kind we can give. But there remains the problem of helping while at the same time we protect ourselves; protect our native labor against heightened competition at a time when competition already is fiercest. The Times says:

"Can the admission of these children do harm? To ask the question is to answer it. All would be under 14 and so would not compete for employment. None would become public charges, for the law would require that their support be guaranteed by responsible individuals or organizations. They would be 'of every race and creed.' If heredity means anything, they would grow up to be good citizens, for in most cases they are alone in the world, because their parents put obedience to conscience above obedience to tyranny. They would love liberty, because they know from bitter experience what the loss of liberty means."

Can any nation that pretends to Christian civilization afford to repudiate the words, "Suffer little children to come unto Me; for of such is the kingdom of heaven."

[From the Asheville (N. C.) Times of February 23, 1939]

ACTION TO SUPPORT EMOTION

Senator WAGNER reports that thousands of families are supporting his bill to authorize admission of German refugee children of every race and creed to the United States this year and in 1940—10,000 each year.

This is as it ought to be. There is involved in the plan no suspension of the quota restrictions for adults. Children 14 years of

age and under would thus be taken into American homes able to take care of them, and there would be no question of these refugees from despotism becoming public charges.

Americans have longed to do something feasible and forthright in giving aid to the victims of Nazi Germany's oppressions and persecutions. As former President Hoover says of the Wagner proposal: "It befits the American wish to aid suffering. It answers the appeal to every American heart for the protection of children."

[From the Idaho Statesman, Boise, Idaho, February 28, 1939]

THE CHILD REFUGEES

Elsewhere on this page is an editorial from the New York Herald Tribune describing a bill introduced by Senator WAGNER, of New York, which would permit 20,000 children under the age of 14 years to be received in the United States outside of quota restrictions within the next 2 years. Purpose is to permit persons in the United States to receive some of the refugee German children, whose parents are in concentration camps or "have been thrown on the mercy of the outer world."

It is noteworthy that Senator WAGNER is one of the stanchest supporters of organized labor in the Senate, that the measure has the endorsement of both the A. F. L. and the C. I. O., and also Catholic and Protestant churchmen.

After reading the Herald Tribune editorial, it is impossible to reach any other conclusion except this—humanity demands the bill's passage.

[From the San Francisco Chronicle of March 2, 1939]

TENDER CHILDREN AT MERCY OF IRON REGIME

When the first consignment of Jewish children went from Germany to England, where homes awaited them with benevolent British families, the final picture as they crossed the German border was that of the Nazi officials taking the poor tots' toys away from them.

This inconceivably petty and senseless piece of tyranny is a touchstone to indicate the fate of the estimated 50,000 young children still in Germany, Jewish and others, whose parents are in concentration camps or who are otherwise thrown on the merciless Nazi world.

The United States cannot be expected to take on itself the whole burden of the refugee problem. It has duties to its own that come first. Yet surely what it can reasonably do it should do. It is hard to be comfortable in an American home with the feeling that it could, without harm to its own, but is failing to, take in one of these tender children tormented by bitter persecution. They are on the conscience of the civilized part of the world. Great Britain and Holland have taken a considerable number of them. Senator WAGNER, of New York, has introduced a resolution in Congress which would, without disturbing the present immigration laws and quotas, give special visas to 10,000 German children under 14 for whom adequate assurance of support and care has been given by responsible American citizens or private organizations.

Senator WAGNER points out that this number is too small to set up any future of disadvantage to American labor, and on this point he asserts that both branches of the labor movement have expressed their sympathy with the objective he seeks.

This seems, as the Senator says, a practical contribution to the cause of human freedom and one that we can and ought to make.

[From the Youngstown (Ohio) Vindicator of March 5, 1939]

ADMIT THE REFUGEE CHILDREN

One of the most pitiful results of Nazi persecution is a great throng of helpless children, deprived of parents or other protectors and thrust upon the mercies of a world which seems to be losing a sense of mercy.

There are about 50,000 children under 14 thus cast adrift in Germany because their parents have been "liquidated" or thrown into concentration camps. Half of them are Jewish, the rest Catholics and Protestants.

Senator WAGNER has introduced a resolution authorizing admission into the United States of 10,000 of these children in each of the years 1939 and 1940. It should be passed in spite of the Nation's proper concern for its own refugees from economic misfortune.

None over 14 is to be admitted, so there will be no competition with wage earners. None is to be admitted unless "satisfactory assurances are given that such children will be supported and properly cared for through the voluntary action of responsible citizens or responsible private organizations and consequently will not become public charges." The number to be brought in will not be noticed in American life, for it represents only 1 refugee child for every 2,000 children under 14 now in the country.

The crowded little nations of England and Holland are taking 7,000 of these hapless waifs. What Senator WAGNER proposes is the least America can do to alleviate the misery resulting from suppression of liberty. As he says, it is "the most immediate and practical contribution by our liberty-loving people to the cause of human freedom, to which we are inseverably bound by our institutions, our history, and our profoundest sentiments."

The American Federation of Labor and the Development of Education

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1939

RADIO ADDRESS BY PAUL SCHARRENBERG, LEGISLATIVE REPRESENTATIVE OF THE AMERICAN FEDERATION OF LABOR

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks, I include a radio address given by Mr. Paul Scharrenberg, legislative representative of the American Federation of Labor, in a Nation-wide broadcast over the N. B. C. network sponsored by the National Educational Association. As will be seen by this address, the American Federation of Labor supports the Harrison-Thomas bill providing aid to local schools.

The subject of Mr. Scharrenberg's address was "The American Federation of Labor and the Development of Education."

The text of the address follows:

A. F. OF L.'S INTEREST IN PUBLIC SCHOOLS STRESSED BY SCHARRENBERG—UNITED SUPPORT OF LABOR MOVEMENT FOR HARRISON-THOMAS BILL PROVIDING FEDERAL AID TO LOCAL SCHOOLS IS PLEDGED BY FEDERATION'S LEGISLATIVE REPRESENTATIVE: "WE BELIEVE THAT THE VERY ESSENCE OF DEMOCRACY LIES IN EQUAL EDUCATIONAL OPPORTUNITIES FOR ALL CITIZENS," HE SAYS

WASHINGTON, D. C.—The important part played by trade unions in the United States in establishing and developing the American public-school system and the urgent necessity of financial aid for local schools by the Federal Government along the lines of the bill introduced in the Senate by Senator ELBERT D. THOMAS, of Utah, and Senator PAT HARRISON, of Mississippi, were emphasized by Paul Scharrenberg, legislative representative of the American Federation of Labor, in a Nation-wide broadcast over the N. B. C. network sponsored by the National Education Association in its program, Our American Schools.

The Harrison-Thomas bill, on which hearings have been held by the Senate Committee on Education and Labor, has the full support of the American Federation of Labor.

The subject of Mr. Scharrenberg's radio address was The American Federation of Labor and the Development of Education. The text of the address follows:

"The American labor unions took a leading part in establishing our public-school system as the cardinal principle in social planning. In the early years of our Republic children of working people could learn to read, write, and figure in free schools, but there was a stigma of poverty attached to attendance in such schools.

"As our population and industries grew, wage earners organized in unions and made known their wants and needs in public affairs. Property and other personal qualifications for suffrage were eliminated and equal voting rights given first to all male citizens and later to all female citizens. In a democratic government equal educational opportunities are a natural sequence of manhood suffrage.

ADEQUATE SCHOOL MAINTENANCE STRESSED

"The American Federation of Labor has, from its organizing convention in 1881, made public schools a matter of its primary concern. After the establishment of the public-school principle, the American Federation of Labor has continued to work for adequate maintenance of these schools so that educational opportunities for all citizens should expand as our wealth increased.

"We have insisted upon enrichment of the curriculum, better prepared and better paid teachers, better buildings and equipment. We have fought for child-labor laws and for compulsory school-attendance laws to give all children opportunity for physical and mental growth before assuming wage-earning responsibilities. We have insisted that boys and girls have such protection until 18 years of age. The purpose of public education is, we maintain, development of each individual for satisfaction in personal living and for effectiveness as a citizen in a democracy. The heart of training for citizenship is understanding of our economic, social, and political institutions—our only guaranty of maintenance of democratic institutions.

LOCAL CONTROL IS ESSENTIAL

"The United States in its development has been a land of opportunity for workers and the A. F. of L. wants to make it a land of equal opportunity for all citizens. We believe that the very essence of democracy lies in equal educational opportunities for all citizens.

"Control over schools and educational policies should be in the hands of those immediately concerned, exercised through the local government. The American Federation of Labor believes that only local control of educational policies will provide equal educational opportunities or the kind of training suited to the life of various communities.

FEDERAL GRANTS ARE NECESSARY

"The American Federation of Labor was among the first to ask for Federal aid to equalize educational opportunities for the citizens of all sections of the country. We well know that incomes in the Southern States averaged about one-half as much as incomes in the United States as a whole.

"Only Federal grants can overcome existing obstacles in those areas where average incomes are lowest. With this fundamental thesis the American Federation of Labor is in full accord. We are equally convinced that Federal grants should in no way interfere with local determination of local educational policies.

"It is our belief that the tests used as a basis for making grants to States should be objective and equitable. With Federal funds granted according to need, with local determination of educational standards, the Federal Office of Education could, through the administrative use of State reporting and accounting, exercise a leadership to raise educational standards generally.

"In any such large program of Federal aid to public education the federation believes there should be a general advisory committee to assist the Commissioner of Education in carrying out the functions vested in him. Such a provision is in conformity with our local public-school practices that school politics should be formulated by citizens.

"Finally, we believe that any Federal-aid program should be reviewed periodically so that policies may be reconsidered in the light of experience and changing circumstances.

PUBLIC FUNDS FOR ADULT EDUCATION

"Expanding our program of public education, the Federation has repeatedly endorsed the use of public funds for adult education. We believe that the very perpetuation of our democracy depends upon the widespread education of youth and adults alike. Education does not end with the classroom or the school teacher but should continue throughout life.

"Last, but not least, the American Federation of Labor believes in academic freedom for teaching and research and holds that freedom must be the final goal of all social policies. Freedom has continued to exist only as it begets responsibility in those who exercise it."

The Interior Appropriation Bill and the Housing Act

EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1939

Mr. SHANLEY. Mr. Speaker and my colleagues, I certainly wish to add my emphasis to the Interior Department appropriation bill, and especially to the sections dealing with the Housing Act. In this connection I consider that the White amendment would be a death blow to the real purposes of this legislation, and I shall vote against it. The opponents of housing would seem to put us in the quandary of the man who said that a house ought to be built, but it ought to be built out of the materials of the old house, and until the new house is completed the old one ought to be occupied.

I hardly think that such legislative Houdinis meet with the approval of those who have spent so much time in the study of the English housing efforts and the experience we have had. I believe our housing efforts represent the highest type of intelligence and direction, and though mistakes and errors have been made, they were fewer than expected.

I have a number of telegrams, as have all other Members, but I include the one which came from my chief industrial city as typical, and under permission to include it in my remarks, I here append it:

Earnestly request elimination of rider on Interior appropriation bill limiting cost land and dwelling under United States Housing Act to $3,500. Absolutely impossible construct decent housing in New England city under such provisions. Inclusion of this clause would eliminate Connecticut from Federal housing program and confine its benefit to parts of West and South. Twenty million dollars for Connecticut at stake.

C. E. A. WINSLOW,
Chairman, New Haven Housing Authority.

Will "Government Investment" Promote Business Recovery?

EXTENSION OF REMARKS

OF

HON. LELAND M. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1939

ARTICLE FROM THE GUARANTY SURVEY

Mr. LELAND M. FORD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article from the Guaranty Survey, published monthly by the Guaranty Trust Co. of New York:

[From the Guaranty Survey of February 27, 1939]

WILL "GOVERNMENT INVESTMENT" PROMOTE BUSINESS RECOVERY?

(There is no question regarding the possibility of a national income of $80,000,000,000 a year in the United States. But a mere rise in prices would not, in itself, enhance prosperity or increase employment. It would not even materially improve the fiscal position of the Government. To have the desired effects, an advance in national income must be due to an increase in the volume of production.)

The persistent idea that the country can spend its way to prosperity has recently appeared in a new and more extreme form. Under the revised theory, the deficit of the Federal Government is no longer regarded as merely an emergency device to provide employment and promote business recovery at a time of crisis. It is now advocated as a means of raising the national income to a predetermined figure by holding Government relief and recovery expenditures (or, as they are now called, "investments") at the existing level until the resulting business expansion increases the national income to a point where it automatically balances the Budget by yielding the necessary revenue.

The advocates of this policy maintain that their program is capable of raising national income to a point where unemployment will be greatly reduced and the Budget will be brought into balance without any increase in tax rates or any reduction in expenditures. The figure of $80,000,000,000 has been mentioned as representing the level of annual national income that would support the present scale of Government expenditures under the existing tax schedules. This total compares with a 1938 income estimated at $60,000,000,000.

To bring the expenses of the Government into balance with its present revenues, it is contended, would imply acceptance of the 1938 income total as a normal and representative figure to which the people of the country must be prepared to adjust themselves, since it is held unlikely that the higher level of income will be reached in the near future if public expenditures are reduced. In other words, it is believed that business recovery cannot be expected to take place unless the Government continues to spend greatly in excess of its current income.

There is no question regarding the possibility of a national income of $80,000,000,000 a year in the United States. The estimated income in 1929 slightly exceeded that figure, and the income in 1937 was less than 13 percent below it. Moreover, the population of the country has increased about 7 percent since 1929, so that a given total of income at present implies a lower income per capita than it did 10 years ago. And technological improvements have increased potential productivity. To restore the 1929 level of national income, therefore, is not an unreasonable aspiration.

But it is of fundamental importance to recognize that a national income stated in terms of dollars is the product of two factors—a volume of production and a price level. An increase in either factor—the other remaining unchanged—would raise national income. The effects of the two types of increase, however, would be entirely different. A mere rise in prices would not in itself enhance prosperity or increase employment. It would not even materially improve the fiscal position of the Government, since any increase in revenue would be offset by a rise in the cost of almost every branch of governmental activity.

To have the desired effects, an advance in national income must be due to an increase in its other factor—the volume of production. This, obviously, would require greater employment of labor and would increase Treasury receipts without correspondingly raising costs. It must be assumed, therefore, that it is an enlarged output, not a higher price level, that governmental "investment" is primarily designed to bring about.

LESSONS FROM PAST EXPERIENCE

In considering the factors that would be helpful in increasing the national income to $80,000,000,000, it may be pertinent to examine some of the conditions under which that level of income was achieved before. In the fiscal year 1928–29 the expenditures of the Federal Government, exclusive of debt retirements, total $3,299,000,000, as against the estimated total of $9,492,000,000 for the current fiscal year. Receipts of the Treasury exceeded expenditures by $734,000,000, instead of leaving a net deficit

of $3,972,000,000, as is estimated for this year. The national debt has been decreasing continuously for 10 years and showed an aggregate decline of $8,551,000,000 for the period. State and local debt, however, was increasing. Altogether, public indebtedness—Federal, State, and local—increased by an estimated amount of $834,000,000 during the 7 fiscal years from 1922 to 1929.

In the same interval, corporate securities were issued (according to the compilation of the Commercial and Financial Chronicle) in the amount of $39,121,000,000, of which $31,600,000,000 represented new capital, rather than refunding operations. This comparison takes no account of the increase in short-term credit or of the enormous amount of new capital employed through the reinvestment of current earnings by corporations and other business concerns without resort to the capital market. It was private investment, therefore, not governmental "investment," that provided the funds to finance the great industrial expansion which produced a national income in excess of $80,000,000,000.

The same has been true of every period of expansion following a depression in the past. Never before was it assumed, merely because the normal flow of capital into industry had been temporarily interrupted, that it would not be restored and must be replaced through the "investment" of borrowed funds for government. On the contrary, public policy was directed toward balancing the Budget, maintaining confidence in the soundness of the currency, and, in short, creating a favorable environment for private business expansion.

NATURAL VERSUS ARTIFICIAL RECOVERY

To assume that a public policy similar to that followed in the past would, in the present instance, entail an indefinite period of industrial stagnation, rather than a sound business recovery, would be to assume that the system of private enterprise has definitely broken down and can no longer function without governmental support. There is no more warrant for such an assumption than there has been in previous periods of severe depression. It is true that certain far-reaching and probably permanent changes have taken place in the economic and political background. But the same has been true in the past. Such changes are continually taking place; and the system of private enterprise has repeatedly demonstrated its ability to survive these changes, together with the wide business fluctuations that accompany them, and to rise to new levels of prosperity.

It must be emphasized, however, that these past recoveries took place under a set of rules that not only allowed business to expand but gave it an incentive to do so. Investors risked their funds in productive enterprise in the confidence that they would be left free to earn and keep such profits as existing business opportunities permitted, subject only to the ordinary revenue needs of government. They were called upon to face the natural hazards of business, but not the present artificial burdens of regulated costs, excessive and restrictive taxation, and Government competition.

THE EFFECTS OF RECENT POLICIES

By way of contrast, it is appropriate to examine the effects of recent attempts to stimulate recovery by Government borrowing and spending. The low point of the depression, as measured by national income, was reached in 1932 at approximately $40,000,000,000. The policy of governmental borrowing and spending to promote recovery began in the following year and has been followed for nearly 6 years. During that time, the national income has risen about $20,000,000,000; that is, it has regained about one-half of the ground lost between 1929 and 1932.

These comparisons, while providing a rough measurement of the degree of recovery that has taken place, reveal almost nothing concerning the factors that have produced the recovery. To assume that the rise in the national income since 1932 has been due wholly to the borrowing and spending program—or, in other words, that the income would not have risen at all in 7 years without governmental aid—would, of course, be contrary to all reason and experience. But how much recovery would have taken place under other public policies can only be conjectured.

There is some evidence to support the view that recovery would have progressed quite as swiftly, and, in all probability, more so, under the traditional public policy of economy and noninterference with business. It appears that seldom, if ever, in the past has recovery from a major depression proceeded so slowly as in the present instance.

Adequate explanations for the sluggishness of recovery are not far to seek. The borrowing and spending program itself, while it may stimulate business and increase the national income temporarily, provides no effective substitute for private investment, since it is limited for the most part to public works and other nonrevenue-producing projects that make little or no permanent contribution to industrial productivity and earning power. At the same time the policy tends to defeat its own purposes by shaking confidence in the future of currency, credit, prices, and costs, and thus discouraging private investment.

FACTORS PREVENTING INVESTMENT

But the Government's fiscal position, serious as it is, is not the sole obstacle, or perhaps even the most important obstacle, to recovery. The crux of the problem lies in the outlook for profits, which has been impaired in various ways by recent legislative and administrative policies. Close regulation, particularly in the field of labor relations, has raised and frozen some of the principal operating costs of business concerns. Heavy direct taxes on commerce and industry have imposed a further burden on earning power. Tax rates on capital gains and on large incomes in general have reached almost confiscatory levels, threatening actual and potential investors with the loss of a large part of any profits they might make through successful use of their capital. Over a large section of the business field, actual or threatened governmental competition has obscured the prospects of profitable operation to such an extent that expansion has been very sharply curtailed. And in all these directions there hangs over business the ever-present possibility of new and unknown measures of a similar nature.

When difficulties of this kind become too great, the sacrifices, exertions, and risks that businessmen and investors must incur in expanding their operations cease to be worth while. No theory of "equitable" distribution of income or of "social justice" can alter the practical fact that the system of private enterprise rests squarely upon the principles of freedom of contract and security of property, and that such a system cannot expand and prosper under a set of rules that violates these principles.

In the face of these conditions, it seems clear that the practice of incurring huge Treasury deficits in the hope that the excess expenditures will increase the national income to a level where the Budget will balance itself automatically not only has small prospects of success but is a deterrent, not an aid, to recovery.

Cycles of Intolerance, Bigotry, and Persecution

EXTENSION OF REMARKS

OF

HON. WILLIAM I. SIROVICH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1939

ADDRESS BY HON. WILLIAM I. SIROVICH, OF NEW YORK, IN THE HOUSE OF REPRESENTATIVES, MAY 26, 1936

Mr. SIROVICH. Mr. Speaker, under leave granted me to extend my remarks in the CONGRESSIONAL RECORD, I include the following speech which I delivered in the House of Representatives on May 26, 1936:

The SPEAKER. Under the order of the House, the Chair recognizes the gentleman from New York, Dr. SIROVICH, for 30 minutes.

Mr. SIROVICH. Mr. Speaker, ladies and gentlemen of the House, comets were regarded in ancient times as presagers of evil, forecasting the death of kings and the destruction of nations. Edmund Halley, an English astronomer, the friend of the great Newton, observing the comet of 1682, checked back on previous appearances of comets and decided that this comet had a definite orbit about the sun covering 75 years, and predicted the return of this comet in 1737. His forecast was derided; but when 1737 came in the course of time Halley's comet appeared again, and has since that time made its route according to the schedule of Halley. Its latest appearance was in 1910. Superstition faded before knowledge and understanding.

Depressions and panics seem to have cyclic orbits, and with them also seem to come cycles of intolerance, bigotry, and persecution, as if both were parts of some cosmic disturbance. Like the lag of the tides after the meridian passage of the moon, these cycles of bigotry are not always immediate with the economic cycles, but, nevertheless, they seem concomitant with them. I could cite you many instances which seem to bear out this thought, but will not take the time now to do it, except to call attention to the fact that great wars seem to be followed by deep economic depressions, and during these depressions nationals of one nation try to put the blame for the situation on nationals of another nation, and often on minority groups within their own nation.

This latter case is the situation in Germany between the Austrian Dictator Hitler and native Germans of Jewish religion. Germany had failed in the World War. She had lost her colonies; her navy lay at the bottom of Scapa Flow; her foreign markets had been taken away; a loaf of bread sold for a billion paper marks; and the financial condition of the people in general was appalling, so those who had assumed power looked about for a scapegoat. The Jewish element of the German people provided such a scapegoat by the dictatorship and those behind it. Jews had led in steel making, shipping, foreign trade, and domestic commerce out of all proportion to their numbers compared to other Germans; nor were the Jews behind in music, the arts and sciences, and philosophy. This state of affairs first led to jealousy, then to bigotry, and, finally, to persecution, with all of which the world is familiar.

There could be no escape to asylum elsewhere in the world, though longing eyes were cast on America, since Jewish money and goods had been commandeered by the Nazis, and families once well-to-do or in comfortable circumstances were herded into ghettos and denied expatriation.

In other generations persecution because of political or religious differences has given some of its best immigrant stock to the United States of America. The Pilgrims and Puritans, Huguenots, Lutherans, Irish, German, English Catholics were striking examples. It is also true that love of liberty, freedom of conscience and speech, and a desire to better their economic condition brought many fine men and women to America whose descendants are a credit and an honor to our Nation.

For almost 150 years America has been the haven, the mecca to which the proscribed, the persecuted peoples of occidental civilization have longed to migrate. Every cycle of bigotry, economic depression, and racial intolerance in continental Europe drove millions to our shores. America, the land of liberty and opportunity! America, the land where they cradled religious respect for all faiths! America, the land of freedom and equality! That America was their destination.

From the west coast of Ireland to the eastern shores of the Black Sea these emigrants sought America. From the White Sea in the north to the Straits of Messina in the Mediterranean they set sail for America. In the last 15 decades America was the one word in the mind and on the tongues of millions of all the nationals within these regions. America, the land of hope and faith. The land where a man could be a man, free and independent, no matter what tongue he spoke or what his racial stock might be. A land where wages were high, worktime short; a land open for settlers, jobs for all workmen—the land of promise and plenty.

So the adventuresome took ship in the steerage at as low as $15 a head, providing their own food and bedding. They came in millions and spread all over the land of plenty from Maine to Oregon, and from the Great Lakes to the Gulf of Mexico. They built the railroads. They manned the river steamboats. They built the wharves and docks. They did anything to which they could turn their willing hands. Coal and iron mines, rolling mills, textile mills, blast furnaces, coke ovens, tunnels, subways, bridges, roads, commercial and domestic buildings. All these and much more they dug down, laid down, or built up.

All who came to the land of plenty were not brawn; also came brains—fine brains, the seat of great minds. The list is too long to name them here, but Carl Schurz, Joseph Pulitzer, Jacob Schiff, Prof. Abraham Jacoby, Steinmetz, Einstein are not the lowest on the list. A roster of those whose thought, rather than their hands, helped mold this Nation to one of the greatest in the world would fill multiple pages of the CONGRESSIONAL RECORD. To this roster would be added many names besides those recorded of the Jewish race, as well as names of Irish, Scots, Welsh, English, German, French, Italian, Austrian, Hungarian, Polish, Scandinavian, Russian, and Balkan derivation.

There is much discussion these days of the alien immigrants to the United States of America and their effect on the ethical, political, economic, industrial, and employment present-day status of the Nation. Some of this discussion has been vitriolic in its denunciation of the immigrant. In order to get a true viewpoint it may be well to have a look backward at the situation as it existed in the Original Colonies and in the United States of America in the nineteenth century.

America was not settled by a homogeneous race, Nordic or otherwise. The original settlers came from many lands, nor were the English settlers in the various Colonies all of one blood and religious or political thought. Florida was settled by Spaniards, as was California and other parts of the west coast. Louisiana and the lower tributary valleys of the Mississippi were settled by the French, who also penetrated the Great Lakes region, the upper Mississippi region, and the adjacent territory.

Swedes settled in Delaware and along the Delaware River. German colonists occupied the fertile valleys of eastern Pennsylvania, where later they were joined by Scotch-Irish, Irish, English, and Welsh. Scandinavians, including Swedes, Norwegians, and Danes, took possession of fertile homesteads in Delaware, Wisconsin, Minnesota, and the then Territories west. Poles came to Pennsylvania, as did Letts and Lithuanians. New York, originally called New Amsterdam, was settled by Hollanders, Flemings, and Walloons. Massachusetts Bay and Plymouth Colony were settled by English from the southwest of England.

Maryland was settled by English Catholics, Virginia by English Anglicans. Great rivalry existed between these two Colonies, and Maryland still calls itself the Free State because of its early attitude toward liberty of conscience and thought. Georgia was founded by James Edward Oglethorpe. It became a refuge for persecuted Protestant sects, then opposed to the Anglican Church, and unfortunate debtors, but worthy classes of England. The early Georgian colonists were English, German Lutherans, Piedmontese, Scottish Highlanders, Swiss, Portuguese, and Jews.

Portuguese and Spanish Jews were among the first settlers of the now exclusive Newport, R. I., and one of the oldest cemeteries in the United States of America is the Jewish Touro Cemetery in Newport. In my district in New York is an ancient Jewish cemetery, just off Sixth Avenue, and another near the Bowery and Chatham Square, containing a few graves of early Manhattan Islanders who were Jews and settled in New York City in 1654.

Persecution is not new in what is now the United States. Witch trials were common in Salem. The ostracism of Roger Williams from Massachusetts founded Rhode Island. Virginia cavaliers harassed the Catholics of Maryland. Anglicans scouted Lutherans. Mormons were driven from Palmyra to Fayette, to Kirtland, to Jackson County, Mo., to Nauvoo, and finally established Utah under Brigham Young.

Persecution need not be physical or depend upon personal harm. It may be by ostracism, terrible to sensitive souls. It may be by boycott. It can take many forms, developed over centuries of practice by baiters of a people whose ideals are not understood by their antagonists. Persecution is not always a conflict of races. It may and has existed between elements of homogeneous races, usually due to differences in religion and politics.

History repeats itself by generations, by centuries, and by millennia. Thomas Torquemada, the sadistic inquisitor in the Spain of King Ferdinand and Queen Isabella, having driven out the Moors from Spain, turned his attention to the Jews, and, after royal consent to their expulsion, expatriated 800,000 Jewish families, who fled to Holland, Russia, the Balkans, Italy, the Dutch East Indies, Tunis, Tripoli, Morrocco, and other countries that granted them shelter. These countries of refuge profited greatly by the arrival of the new Jewish immigrants, but Spain lost her commanding position among the nations of that time and has been on the downgrade ever since. The great empire of Spain has disintegrated.

Today in Germany the same conditions obtain that did in Spain under Torquemada. Hitler is the modern Torquemada. Today the same conditions obtaining in Germany under Hitler will produce the same results that occurred in Spain under Torquemada. I repeat this to emphasize it. The next world war will destroy Germany—southern Catholic Germany will secede as a nation from northern Protestant Germany.

Civilization was said to have been thrust into Spain on the point of a Moorish lance. The famous Giralda Tower of Seville was built by the Moors and used by them as an astronomical observatory. When the Spaniards drove the Moors out they did not know what use to put the beautiful tower to, so they let it stand idle. Much of the so-called kultur of Germany is, like the culture of Spain, not indigenous to German soil, but has been borrowed from other sources, with the possible exceptions of Goethe's and Schiller's works.

Prior to 1700 Germany did not figure in the culture of Europe to the extent that she later achieved. The new Europe of the Rennaissance was born in Italy, nurtured in France, developed in England, and thence spread to the rest of Europe, Germany being the last to accept the new culture. Leonardo da Vinci, Michelangelo, Raphael, Titian, Dante, Descartes, Rabelais and Montaigne, Columbus, de Gama, Copernicus, Gallileo, and Magellan were not German. The mothers of Rabelais and Montaigne were Jewesses.

René Descartes preceded Immanuel Kant as a philosopher, and his work was of great aid to Pascal and Newton, and Descartes was not a German. Immanuel Kant was of Scotch descent. Latins, not Germans, led the way in the new civilization. Dante, Cervantes, Rabelais, Shakespeare, and the lesser authors are well known outside of their native lands, but the best of German poets, Goethe, is not read much outside of Germany. Shakespeare competes with Goethe on the German stage, but Goethe does not compete with Shakespeare on the English-speaking stage. Schiller's dramas deal more with non-German subjects than with those concerning his own nationals. Schopenhauer, Kant, and Nietsche drew their inspiration from non-German sources. German culture was influenced by foreign sources more than the culture of any other race in Europe.

Baruch Benedict Spinoza, the distinguished Portuguese-Holland Jew, has been the brilliant, gifted, dominating, intellectual figure of German philosophic culture for the past 200 years. Such talented writers as Goethe, Lessing, Schiller, and Herder were inspired by Spinoza's contributions and their works were profoundly influenced by his conceptions and ideals. Nietzsche was of Polish descent. Whenever and wherever we find Nietzsche dilating upon the superior qualities of his superman we find him always drawing his inspiration from the great foreign, oriental prophet of the Persians, Zoroaster. The great pessimist Arthur Schopenhauer was of Dutch descent and propagandized the Buddhistic-Hinduistic philosophy into Germany. His object was to replace the Biblical influence of the New and Old Testaments. Neander is universally considered the most distinguished and representative German church historian. He, too, was a baptized Jew. Heinrich Heine, the supreme lyric poet of his day, was a Jew. Karl Marx, the avatar of Soviet Russia and the author of the world famous Das Kapital, was of Jewish extraction. Wassermann, the great serologist; Ehrlich, the world's most famous biochemist; Henle, one of the greatest anatomists of his time; Albert Neisser, the greatest bacteriologist of his day, discoverer of the gonococcus and the leprosy bacillus, were all Jews.

In the realm of physics where names are comparable to the four outstanding Jewish-German physicists, such as Hertz, of the Hertzian or X-ray fame, Helmholz, Einstein, and Plank. Max Reinhardt, the greatest theatrical impressario, is a representative German member of the Jewish faith. The most important modern German poets, such as Zweig, Werfel, Hoffmanstahl, and Wassermann, are members of the Semitic race. Emil Ludwig and Leon Feuchtwanger are two of the world's most famous modern German-Jewish novelists. The three greatest German publicists of the last century, Maximilian Harden, Alfred Kear, and Ludwig Boerne, were non-Aryans, disciples of Judaism. The founder of Germany's modern merchant marine and the North German Lloyd Steamship Co. was the Jew, Alfred Ballin. The Junker Party, the great political reactionary party of Germany, was founded by a baptized Jew, Fritz Stahl. Mendelssohn is considered one of the foremost musical composers of the world; he, too, was of Jewish extraction. The greatest tenor that Germany produced in the last 5 decades was Yadlowker, a Russian Jew. One of the most brilliant statesmen

of modern Germany was the distinguished Rothenau, Minister of Foreign Affairs, who was assassinated by the Nazis. His father was the founder of the general electric industry of Germany.

A brief cursory of the facts that I have presented proves conclusively that neither German culture, so-called, nor modern German civilization are of purely German creation. German "kultur" is the cumulative contribution of the creative effort of a conglomeration of different races, religions, and peoples from all over the world, who lived in Germany and were inspired by the creative geniuses of the world to ennoble mankind by the product of their mentality.

A pureblooded German "kultur and civilization" is a myth, an aspersion, and an insult upon the intelligence of any liberal-minded citizen of the world.

The list of great ones in German history, in art, music, science, biology, medicine, and surgery, is saturated with non-German names and with countless Jewish names too numerous to mention. Because of religious bigotry, intolerance, and racial persecution by Germany's modern Torquemada, Hitler, Germany will disintegrate. Its empire will suffer the fate of medieval Spain. The Prussian-German empire will be succeeded by a German confederation based on southern Catholic Germany, as Bavaria, Saxony, and Wutenberg, united with Austria, of which Vienna may yet be the titular capital. Northern Prussian Germany, or Protestant Germany, has always been militaristically inclined. Prussian Germany has given to Germany its great warriors. It has oppressed its neighbors in war and peace. It has given to a unified Germany the autocracy of the Hohenzollern dynasty, against which Woodrow Wilson and Congress declared war. No great names in science, art, and literature have come from its bowels. On the other hand, southern Germany and the Rhineland have contributed to Germany on the altar of its culture and civilization its most eminent scholars, savants, scientists, musicians, painters, and philosophers.

After the next world war a ring of Catholic nations will surround Prussian-Hitler Germany. Catholic nations, such as Belgium, France, Czechoslovakia, southern Catholic Germany, Austria, Hungary, Poland, Rumania, and Yugoslavia, will destroy Prussian junkerism, Hitlerism, and militarism and make the world safe for free men to exist.

Mr. Speaker, ladies and gentlemen of the House of Representatives, on May 17, 1929, a distinguished, gallant, and lovable personage, a Representative of the great Commonwealth of Virginia, the Honorable Henry St. George Tucker, delivered an address in this House on the subject of reapportionment. It was a masterpiece of verbal elegance and forensic legal lore. In his peroration this brilliant scholar stated that "children from the Sons of the Covenant were never intended by our forbears to participate in the Government of the United States."

It was my privilege to respond to that address. When I concluded my remarks that great personality arose and clarified his expressions, so that no one could misconstrue or misinterpret them. It was a sublime effort, worthy of the great statesman that he was. Since that memorable occasion the Honorable Henry St. George Tucker has made his eternal pilgrimage to that "bourne from whence no traveler ever returns." To commemorate that heroic and immortal event in my congressional experience I now desire to call to your attention that address and Mr. Tucker's response thereto. Henry St. George Tucker's answer is a ringing challenge to anti-Semitism, racial bigotry, and religious intolerance wherever it may be found.

The address and response are as follows:

"Mr. Speaker, ladies and gentlemen of the House, the Commonwealth of Virginia has contributed some of the most distinguished names to the history of our Nation. Out of 56 men who signed the Declaration of Independence, 7 of them came from the great Commonwealth of Virginia.

"In the early history of our Government the Old Dominion gave four of its most eminent sons as President of the United States—George Washington, Thomas Jefferson, James Madison, and James Monroe. A quartet of famous names that have never been equaled or been surpassed by any State in the Union. [Applause.]

"Next to the founder of our country, George Washington, stands the name of Thomas Jefferson, the founder of the great Democratic Party of our Nation.

"The life and character of Thomas Jefferson symbolizes, to my mind, all the ideals and virtues that prompted our forefathers to establish this great democratic-republican Government of ours. [Applause.]

"When the Sage of Monticello passed beyond the Great Divide he left a will in which he requested that when a tombstone was erected to commemorate his memory only three sentiments should be expressed thereon: First, that he was the author of the Declaration of Independence; second, that he was the founder of the University of Virginia; and third, that he was the author of religious liberty and freedom of worship in the Commonwealth of Virginia.

"What an extraordinary trinity of ideals to which Thomas Jefferson consecrated his life. First, education; second, the right of worshiping in conformity with a man's own conscience; and third, as author of that imortal document, that great charter of human rights, worthy of God himself, the Declaration of Independence. [Applause.]

"Mr. Speaker, ladies, and gentlemen, picture to yourselves the modesty of that extraordinary intellectual giant, Thomas Jefferson, the greatest man of his day. He never put upon his tombstone that he was twice President of the United States. He never had inscribed upon his eternal shaft that he was Vice President of the United States. Never did he declare to those who might read his epitaph that he was first Secretary of State in the administration of George Washington. Nor did he state that he was ambassador of the United States to France and helped to bring to a successful conclusion the great Revolution which brought liberty and freedom to our forbears through the assistance of France in aiding the American cause in its hour of need. [Applause.]

"Seven famous names are penned to the great Declaration of Independence from the State of Virginia—George Wythe, Richard Lee, Thomas Jefferson, Benjamin Harrison, Thomas Nelson, Jr., Francis Lightfoot Lee, and Carter Braxton. Where is there a schoolboy today throughout the length and breadth of our country who has not heard of the militant Maccabean sentiments of Patrick Henry in his clarion call to the people of our Nation when he said 'Give me liberty or give me death'? Such is the contribution of the Commonwealth of Virginia to the early history of our country. [Applause.]

"A century has passed since the death of Thomas Jefferson. The great Commonwealth of Virginia has 12 distinguished men who represent that great State in the House and Senate. Let me have them pass before you in panoramic fashion as their names come to my mind. Andrew Jackson Montague, former Governor of Virginia, and named after the militant and aggressive leader of democracy, Andrew Jackson; R. Walton Moore, a descendant of Lewis Morris, the New York signer of the Declaration of Independence, and also a descendant of the Walton family, of New York, a family of merchants in the old days, one of whom was mayor of New York, and all of whom are buried in the churchyard at Trinity Church; Schuyler Bland, Patrick Henry Drewry, Clifton Alexander Woodrum, Senators Carter Glass and Claude Swanson, and last but not least Virginia's illustrious son, Henry St. George Tucker. [Applause.]

"Where is there a State in our Union that can match these names for brilliancy in their accomplishments, and for extraordinary manifestations in service to our people? [Applause.]

"For 14 decades the distinguished family of Tucker has been represented in the Congress of the United States. The original Thomas Tudor Tucker served as a Member of Congress during the administration of Gen. George Washington. George Tucker, a kinsman of St. George Tucker, our friend's great-grandfather, was a Member of this historic forum. In 1825 Thomas Jefferson appointed him as professor of moral and intellectual philosophy in the University of Virginia. Henry St. George Tucker served from 1815 to 1819 in the Congress of the United States.

"Thus we behold the picture of great-grandfather, grandfather, father, and son serving the best traditions of our people and our Nation.

"The present Henry St. George Tucker, in my humble opinion, is one of the greatest constitutional lawyers in the Congress of the United States. [Applause.]

"As former acting president of Washington and Lee University, as former president of the American Bar Association, as a Member of this House on and off since 1889, and as professor of law he is one of the outstanding and distinguished representatives of the great Commonwealth of Virginia. [Applause.] He comes from the town of Lexington, Va. Lexington that was the home of Robert E. Lee, the illustrious general and distinguished soldier of the Southern Confederacy; Lexington, Va., where that distinguished soldier, Stonewall Jackson, taught mathematics.

"In the center of that community is the city of Staunton, which is the birthplace that cradled and nurtured the greatest exponent of the philosophy of democracy, one of the greatest Presidents of all times, Woodrow Wilson. [Applause.]

"Since the inception of our Government four successive generations of Tuckers have represented the State of Virginia in the House. Henry St. George Tucker, the present incumbent, carries in his vest pocket a watch, an heirloom from colonial days, whose ticks and beats were heard by John Randolph, of Roanoke, its original owner. Edmund Randolph, of this distinguished family, was the first Attorney General in the administration of George Washington.

"Surely, with all these antecedents that I have enumerated, anything that Mr. Tucker would say on the floor of this House carries great weight. Our distinguished colleague delivered a speech in this historic forum on the 'power of Congress to exclude aliens in the enumeration of the population of the United States for Representatives in Congress.' It was a brilliant effort. A masterpiece of forensic lore. A debatable constitutional question. His main contention being that when the Constitution was adopted in 1787 aliens were not present. Therefore he infers they should not be counted now.

"As a matter of fact, immediately after the Revolution, proportionate to its population, we had as many aliens then as we have now. In our midst were the Tories, hillbillies, the Hessians, English troops, and other soldiers of fortune, who fought against our forbears in their desire to establish a republican form of government. But when the Constitution was adopted, a general amnesty was declared and everybody was permitted to participate as citizens of our Republic. That was why we had so few aliens.

"However, when the fourteenth amendment to the Constitution was passed, after the abolition of slavery in 1868, section 2 declared—

" 'Representatives shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State, excluding Indians not taxed.'

"Surely, in 1868 we had millions of aliens then as now, and it was the intention of our forefathers to count all of its people. They left nothing to be inferred and only excluded Indians not taxed. Therefore, it is my contention that an alien is a person under the fourteenth amendment to the Federal Constitution, and should be included upon the basis of fixing representation, excluding only 'Indians not taxed.' As a matter of justice, all the people living in our country are aliens or the descendents of aliens. The only true Americans are the Indians, whom we have deprived of their land and even disfranchised by not permitting them to vote. [Applause.]

"While we are on the subject of the aliens I would like to state that there are 45,000 people in the United States today who are the sons and descendants of former alien immigrants, who, since their entrance into this country, have contributed to our happiness, glory, and prosperity in times of peace and have fought upon every battlefield in defense of our country in times of war. For almost 100 years these aliens, through their sweat and blood, have helped to build our great American railroads, have perfected our great American industries of steel and iron, have worked in the mills, in the looms, and in the factories. They have gone down into the bowels of the earth to bring forth the hidden mineral resources of our Nation, have dug the subways, have built the great skyscrapers and dwellings, which have made our Nation and our people the most wonderful, the most respected, and the richest of all the world. [Applause.]

"Directly in front of the home of the President of the United States there are monuments on each corner erected to perpetuate the name and fame of five aliens who gave up everything they held near and dear to help our colonial forefathers establish this mighty Republic of ours.

"Pulaski, a Polish count, who organized the Foreign Legion, marching these soldiers through Maryland, Virginia, North and South Carolina, fighting all the way for our cause, until he fell wounded in the Battle of Savannah and was buried at sea. Gen. Baron von Steuben, the great German strategist, who trained and disciplined the American soldiers at Valley Forge and made it possible for Washington to win his subsequent victories. Rochambeau, the great French soldier, who, in conjunction with Lafayette and Washington, was responsible in lowering the colors of Cornwallis at Yorktown, that brought victory to the arms of America. Kosciusko, the great Polish engineer, who designed and built West Point and was wounded at the battlefield of Saratoga, that caused to bring about the defeat of Burgoyne. And last, but not least, the distinguished and gifted General Lafayette, who brought the aid of the French people to the cause of the American Revolution, that made success possible. Everywhere, throughout the length and breadth of our land, there are humble shafts that commemorate the lives of these alien immigrants who worked for our happiness in times of peace and were ready to die for our Republic in times of war. [Applause.]

"Mr. Speaker, ladies, and gentlemen, my purpose in addressing the House today is to take exception to the peroration of my distinguished colleague, Mr. Tucker. In his concluding remarks he said "aliens from the commonwealth of Israel and strangers from the covenants of promise were never intended to be given participation in the Government of the United States." If this figure of speech, this Biblical sentiment of Mr. Tucker, were literally interpreted, exclusive of its text, it would cast aspersions upon one of the most patriotic and loyal group of citizens in our country.

"Since no religious test is required by our Constitution to hold public office to serve our people, why pick out one group of people and say 'aliens from the commonwealth of Israel and strangers from the covenants of promise were never intended to be given participation in the Government of the United States'?

"Let me tell my colleague, Mr. Tucker, who these strangers from the covenant of the land of promise are.

"For 25 centuries these covenanted people from the land of promise have been persecuted and been proscribed. They have been pillaged. They have been plundered. They have been burned at the stake. They have been driven from the land that God covenanted as their own. As wanderers in the world, they have gone through pogroms, massacres, and inquisitions; and while all these monarchies, emperors, and others who have persecuted them have been forgotten in the ashes of time, these aliens from the commonwealth of Israel lived on, and will continue to live wherever the influence of civilization and humanity exists, because Judaism stands for three ideals that it has preached from the time of Abraham. First, the belief in one ever-living God. Second, the belief in the inspiration of the Holy Bible containing within it the Ten Commandments given by God to Moses on Mount Sinai. Third, the belief in the immortality of the soul. For these reasons the Jewish race will and must continue to live. [Applause.]

"When the Assyrian king destroyed the commonwealth of Israel, many of these people settled in Phoenicia. Prior to the Christian era the Phoenicians were the Yankees of the East. Living near the forests of Lebanon, they hewed down the trees and converted them into ships. They settled in Greece, the lower part of Italy, and particularly Venice, which is called Venetia, derived from Phoenicia, and Carthage.

"As their ships plowed through the Mediterranean and through the Straits of Gibraltar, they went to England. There they went down into the mines and brought back tin, which they used to alloy copper, and were among the first bronze makers of the world. It was these Phoenicians, the most civilized and cultured people of their day, who called England British. The term 'British' comes from two Hebraic words, 'b'rith,' which means covenant, and 'ish,' which means son. Therefore 'British' means the covenanted son.

"In 1492 two of these sons of the covenant, Spanish Morranos, Louis St. Angel and Gabriel Sanchez, gave 20,000,000 maravedis, which amounts to about $200,000, to Queen Isabella to finance the expedition of Christopher Columbus. On the three ships, the *Pinta*, the *Nina*, and the *Santa Maria*, that set sail with Columbus for a northwest passage to Indian were 108 men; 18 of them were Jews—sons of the covenant. Dr. Maestral and Dr. Marco were physician and surgeon, respectively, on the ships. Rodrigo Sanchez was superintendent of the vessels. The first man to sight land was Rodigro de Triana. The first man to set foot on American soil was Louis de Torres, whom Christopher Columbus took along with him to act as interpreter with the Grand Kahn of India. All these men were of Jewish extraction. Jehuda Cresques, a Jew, was the man who perfected the compass for the first time that made it possible for Columbus to sail away from the harbor and guide his destiny. Abraham Cecuto presented Christopher Columbus with the astronomical charts that made it possible for him to follow the North Star and wend his way westward. So you see, fellow Members of the House, it was aliens from the commonwealth of Israel who not only financed the expedition of Columbus but were present with him in those strenuous and frightful months that he must have gone through ere he discovered this wonderful country or ours that our forefathers and divine Providence decreed should be the haven and home for all the oppressed of the world. [Applause.]

"When Washington was at Valley Forge and the cause of the American colonists looked helpless and hopeless, General Washington sent his emissary to one of the sons of the commonwealth of Israel in the person of Haym Salomon, who was an immigrant from the city of Lodz, Poland. Mr. Salomon was one of the richest men of his time. He took out $675,000, all the money he had in the world, and sent it to General Washington to help our colonial forbears. For this act of generosity a servant betrayed him to the British. He was imprisoned, court-martialed, and sentenced to be hanged. Haym Salomon died in prison, but his money helped to save the cause of the American Revolution. This money was never returned to his wife and children, who were left penniless.

"In the city of Charleston, S. C., in 1777, Col. Emanuel M. Noah gathered together 100 sons of the covenant who fought under the leadership of Captain Lushington, with General Moultrie as their presiding officer, all throughout the American Revolution. Since that time the children of Israel—first, last, and all the time true American citizens and patriots—have contributed to every line of human endeavor to make our Nation the greatest, the most glorious in the world. In science, in art, in literature, in philosophy, in journalism, in medicine, in law, in jurisprudence, in banking, and in statesmanship the Jew has contributed his all upon the altar of our Nation. In every war, from the American Revolution, the War of 1812, the Mexican War, the Civil War, the Spanish-American War, the allied war, Jewish blood has saturated and hallowed the soil of our country and of Cuba, the Philippines, and France that our institutions might be preserved. [Applause.]

"I appeal to you, Mr. Henry St. George Tucker, an illustrious citizen of the State of Virginia, distinguished Member of the greatest representative body in the world, the Congress of the United States, to name any group of citizens within the confines of our country who are more loyal, patriotic, sincere, and devoted to the institutions of our Nation than are the children of the covenant, the Jewish people. [Applause.]

"During the Civil War your sainted father was a soldier of the Confederacy. During the darkest hour of this fratricidal war Judah P. Benjamin, a son of Israel, was attorney general, secretary of state, and secretary of war of the southern Confederacy. He dined in your home and took from his back his own coat to give to your honored father. You have served in the Congress of the United States with many men who were members of the Jewish faith, such as Isidore Strauss, who was your devoted friend and broke bread in your home.

"In view of the respect and regard that everyone has for you, Mr. Tucker, I contend it is your privilege, nay, I should say it is your duty, in justice to your name and fame, to define what you meant when you said that, 'aliens from the commonwealth of Israel and strangers from the covenants of promise were never intended to be given participation in the Government of the United States.'

"[Applause.]

"I yield now, for a reply, to my friend from Virginia [Mr. Tucker]. [Applause.]

"Mr. TUCKER. Mr. Speaker, I have been greatly distressed to learn from my eminent and distinguished friend from New York [Mr. SIROVICH] that the remark made by me in what was a legal argument has been construed by some a reflection on the great Jewish race. It gives me pain. I know that there is no man who knows me who will say that I ever could have been guilty of such a thing.

"Mr. Speaker, I would be false to the tenderest memories of my life, I would be false to some of the most ennobling companionships of my life if I could ever, by word or act, say or do anything to reflect upon the great Hebrew race. [Applause.]

"All through my argument I spoke of aliens as "unnaturalized foreigners"—applying to all races. This was a mere figure of speech and in no sense was it intended to diminish the accomplishments of the Hebrew in the march of human progress in science and law, in philosophy and theology, and in the highest development of family life known in American life.

"I thank my distinguished friend, Dr. WILLIAM IRVING SIROVICH, for giving me this opportunity to explain the expression used by me in the close of my speech referred to by him. I deeply regret that anyone has seen in that phrase any evidence of any intention to disparage or criticize the Jewish race. Nothing could be further from my thought. No act or word of mine would ever be so construed by you who know me. To do so I would have to forget some of the sweetest friendships and most ennobling associations of my life with Hebrews. The words used were from the Apostle Paul—it was his language, not mine.

"Mr. Speaker, I desire to reiterate, in closing, my profound respect for the citizenship of our Nation of every race and creed, and especially for those of the Jewish race. [Applause.]

"Mr. SIROVICH. In behalf of the Jewish race I want to thank you for the manly way in which you have corrected the sentiment that you have expressed and for the great regard and respect that you have for the citizenship of the Jewish race.

"In this country we pledge allegiance to one flag and to one Nation. As an American, I extend to you, Henry St. George Tucker, the hand of brotherly love, and sincerely hope that you will live far beyond the Biblical threescore and ten in happiness and in contentment with your people.

"Within the great Liberty Bell in Philadelphia there is a sentiment taken from the Third Book of the Holy Testament which says: 'Proclaim liberty throughout the world, unto all the inhabitants thereof.' When that bell rang it spread liberty and freedom to all the people of our country. Your manly and courageous sentiments today will bring happiness and contentment to the descendants 'from the commonwealth of Israel and strangers from the covenants of promise.' [Applause.]"

Mr. Speaker, all religions are the result of the accident of birth, place, time, and circumstance, modified by the racial tendencies of the peoples among whom the worship arose. The solitary Jehovah of the Jews, the Trinity of the Christians, the polytheism of the gods of ancient Greece, and of surviving Buddhism and Brahmanism; Mohammed, the prophet of Moslemism; Confucius, the analector and interpreter of ethics; the Code of Hammurabi; the Great Spirit of the North American Indian; the many gods of the Mayans, Toltecs, and Incas; Mithraism, Molochism, idolism, fetishism, totemism, and all the varieties of figure worship had their beginning and continued being in the search of many peoples for knowledge of a Supreme Being, of an All-Powerful One, Omnipotent in all things, as revealed to them by one or more prophets of their own race or adjacent races. That such conditions continue to exist through millennia indicates that the true God cares little about the form of worship, over which mankind has fought so long and bitterly. Bigotry and intolerance are solely human characteristics and have no place in the truly divine scheme of things. The true God is so tolerant that it behooves humanity to imitate this quality of godliness. Let every true American, therefore, be ever ready to offer up everything he holds near and dear in life to bring about racial tolerance to all, through the brotherhood of man and the fatherhood of God.

National-Defense Policy

EXTENSION OF REMARKS

OF

HON. HIRAM W. JOHNSON

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Tuesday, March 21 (legislative day of Thursday, March 16), 1939

RADIO ADDRESS BY HON. H. STYLES BRIDGES, MARCH 16, 1939

Mr. JOHNSON of California. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the Senator from New Hampshire [Mr. BRIDGES] on the radio program of the Town Hall of the Air on March 16, 1939. The subject of the address is What Should Be Our National Defense Policy?

There being no objection, the address was ordered to be printed in the RECORD, as follows:

WHAT SHOULD BE OUR NATIONAL DEFENSE POLICY?

Congress is now considering the largest peacetime defense program ever undertaken by the United States. In the minds of both the House and the Senate, and surely in the minds of the American people, this vast armament outlay is to provide adequate defense for our country. Its basic purpose is to insure peace and, failing in that, to provide a stanch bulwark of self-defense.

I am of the firm opinion that the American people want peace. They will go to great lengths to prevent the sacrifice of American lives on foreign battlefields. They understand fully the lesson of the last war. They have not forgotten that thousands of our young men were killed or wounded. They have not forgotten that billions of dollars were lost in property destroyed and repudiated debts. The last great war resulted in disillusioned lives, broken bodies, and the great depression—a sure price for such a conflict. America cannot afford again to pay such a price. Now, what defense policy and what foreign policy should we adopt? What is the surest means of maintaining peace with the rest of the world?

I realize that we cannot stick our heads in the sand and pretend that occurrences in Europe and Asia are no concern of ours. I am not an isolationist in the sense of one who believes that the Atlantic and Pacific Oceans are sure protection, and therefore we can let the world explode around us. Science has robbed us of the protection of nature. Neither am I an internationalist in the sense that it is the best policy to aline ourselves with foreign nations and be part and party to their plots and plans. Our defense policy should be hemispheric in scope. The democratic ideals of the North and South American Continents should be our charge. But the Western Hemisphere should be our limit. I am unalterably opposed to our country's sticking her nose in the business of Europe and Asia unless the safety of our own democracy is challenged. I am convinced that a safe-sane defense policy should be one that is based on no entangling alliances, no understandings, no commitments, and agreements by which we could be drawn into the controversies of Europe. We are after a defensive defense policy, and as such we must have a defensive foreign policy. We cannot go traveling around the world trying to settle the boundary disputes of Europe, Africa, and Asia, which have been constantly going on for some 25 centuries. If we do, we are going to get our fingers burned.

Great confusion exists in the minds of our people as to the present foreign policy of the United States. I am not trying to inject partisanship into this debate because the issue is too important. We should leave politics at the water's edge. It is evident, however, that the confusion in the minds of many is caused by the President himself. Let me give you a few illustrations of his inconsistency.

In 1936, speaking at Chautauqua, N. Y., he said: "We are not isolationists except insofar as we seek to isolate ourselves completely from war."

In 1937 he said in Chicago: "When an epidemic of physical disease starts to spread the community approves and joins in the quarantine * * *."

In his opening address to Congress last January he said: "There are many methods short of war, but stronger and more effective than mere war, of bringing home to aggressive governments the aggregate sentiments of our people."

Following his congressional address of last January the President indulged in the ill-fated secret airplane deal with France. At a closed meeting with the Senate Military Affairs Committee the President attempted to explain the deal and outlined to the committee his foreign policy. Three days later at a press conference he released a statement which contained the following: "We are against any entangling alliances, obviously." This policy was far different from the policy that he had outlined to the Military Affairs Committee.

The President is the spokesman of the Nation. His word in these vital matters of foreign policy may lead to war or peace. What assurance have we that in another month or so he will not come forth with a new foreign policy? His periodic changes in foreign policy are very dangerous not only to the peace of mind of the American people but to the very safety of the country.

Americans as a whole are opposed to the dictator powers; our sympathies are naturally with England and France. On the other hand, I do not believe it to be the duty of this country to thrust itself into the internal workings of foreign governments and dictate, using methods "short of war," how they should be run. The intrigue of European diplomacy has not changed. Let us not be under any illusions. The "have not" powers are after some of the territory which the "have" powers now hold. England and France and the so-called democracies are in our favor only by comparison.

The American public is being subjected to the greatest campaign of high-pressure propaganda ever to take place in our history. This so-called "method short of war" policy that we are being talked into is dishonest. Unless we are prepared to go the whole distance, which may mean war, such a policy misleads the very nations which we favor in Europe today. Refer to the recent Munich pact, out of which grew the present appeasement doctrine adopted by the democracies of Europe. Does anyone suggest that if the United States gave assurance of military aid to back up England or France last September Germany would not have marched into Czechoslovakia? We know now, or at least we have reasonable assurance, that the German dictator was not bluffing. He had the men and the planes. The French people and the British people did not want war. They were willing that Czechoslovakia should pay the price for their peace. A hundred and fifty years ago Poland was carved up to keep peace. This carving up of minorities and little countries is nothing new.

It is the American form of government which we must protect and which we would not be protecting if we were to inject ourselves, using "methods short of war," to police every European scrap. Our defense policy must be built upon a foundation of self-defense. The Monroe Doctrine is an element of self-defense. The protection of the Panama Canal is an element of self-defense. The maintenance of military and naval stations in the Hawaiian Islands are elements of self-defense. Contrast this with the policy of "collective security." What is collective security? It is a policy by which the United States would practically guarantee the Governments and territories of France and England and others—guarantee them with the lives of American boys. Is that the

policy we want? Let us understand this means war. If we adopt it as the best way to secure peace we merely fool ourselves. The French and British are not following this policy of appeasement because it is the ideal policy. They are following it because it is the best practical policy. The United States should formulate a defense policy based upon the farewell address of our first great President, and abide by it, not because it is the ideal policy but because it is the best practical policy which will insure peace to our people.

I maintain we should not flirt unless we are serious. We should not make even temporary alliances. We should not place the frontier of our country abroad unless we are prepared to go to war. Some condemn me for taking issue with the President's secret airplane deal with the French. The actual sale is not the issue. We will sell planes and we have sold planes to anybody. The secrecy of this deal caused distrust and fright on the part of great numbers of our people. Although the President assured us that our policy was to avoid entangling alliances, we found we were engaged in undercover deals in implements of war and the disclosure of military secrets to a foreign country, this particular deal being discovered only by accident. Make no mistake—foreign governments judge us by our actions as well as by our words.

The whole subject of America's defense policy must be based on reality. Let us be honest with ourselves. Let us look through this propaganda. Our country today is rampant with propagandists. The followers of Hitler hold a meeting in Madison Square Garden to tell us of nazi-ism. Outside crowd thousands of followers of Stalin who would break up the meeting of the Nazis only to impose upon us the ideology of communism. If we spent more time cleaning out the rats within our own house, we would be better able to protect our country when the time came.

We must have an army, a navy, and an air force to protect our Western Hemisphere. The dictators know we may bluff about rushing about giving aid to warring nations abroad. But they know we do not bluff in maintaining a self-defense policy for North and South America. Actual visible instruments of American war power prepared to defend this country will do more to discourage aggression than all the plots and plans of diplomats put together. Let the marching men and the medals and the bugles and the drums and the phony salutes stay abroad. Couple an adequate defense program with a workable neutrality act and pass legislation to take the abnormal profits out of war and we shall have a practical defense policy that will go a long way toward insuring peace for our country.

Americanism

EXTENSION OF REMARKS

OF

HON. EDWARD R. BURKE

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Tuesday, March 21 (legislative day of Thursday, March 16), 1939

ADDRESS BY HON. MILLARD E. TYDINGS BEFORE THE ELKS' CLUB OF BALTIMORE, MD.

Mr. BURKE. Mr. President, I ask unanimous consent to have inserted in the RECORD a patriotic and stirring address on "Americanism" delivered by the senior Senator from Maryland [Mr. TYDINGS] before the Elks' Club, in Baltimore, Md., on March 16, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, we are living in an age of restlessness and change in the field of governments. In many countries old philosophies and methods by which governments are administered are being discarded and strange and out-moded philosophies and methods are being substituted therefor. The trend in many nations is against democratic philosophy. Indeed, the very foundations upon which rest human life are being torn up and reconstructed with breathless rapidity.

In Europe many of the leading nations have had two or three different styles of government since the World War began. Some of these changes of government have been accomplished by armed revolution. Propaganda, economic pressure, and threats and resort to arms are widely employed by nations seeking to improve their own economic well-being at the expense of other nations or to force their own peculiar philosophies and ideologies on weaker nations.

International law, international traditions, and international morality are being abused and assailed on every hand. The people of the world stand stunned before the rapid course of events. In many powerful nations the millions of humans have their lives directed by a single man. What such a man says is law. Attempts at petition or of protest meet with death or imprisonment for those who complain. In many of the countries the masses of the people are unrepresented and inarticulate. There the conception of government is that men exist for the government and not that the government exists for men.

All of these circumstances cannot help but cause us some concern. We are impressed by what is taking place in other countries. We find our citizenry growing more and more alert to the ominous possibilities of the future. We realize, more and more, that our own philosophy of government in the United States, our time-honored institutions and traditions are being challenged from within and without. We must meet this challenge. If reason guides our actions and experience our thoughts, I believe that we shall meet it successfully, and the constitutional democracy of the United States of America will not be overthrown in the years that are ahead.

Because we believe that our system of government is the best in the world; because we believe that it transmits more of economic well-being, more of freedom, more of opportunity, more of humanity to the men, women, and children of our country, by comparison with the government of any other nation on earth, we are anxious to assert the virtues of our national government in order that it may be preserved in this time of international turmoil.

That is why we are assembling here tonight to present the record to show the things which America possesses which the people of other lands, with different philosophies of government, do not possess.

We call our particular form of government, the political institutions of our Nation, and the opportunities, rights, and liberties of our people, Americanism. It is a way of life as well as a system of government. Americanism is antipathetic to dictatorship. Here our people are free. Under dictatorial forms of government people are not free, for there they are denied the rights, opportunities, and liberties which we have.

In dictatorial forms of government men are the servants of their governments. In the United States of America they are the masters of their Government. In dictatorial countries men exist for the state. In the United States government exists for men, so it may promote and safeguard their welfare and freedom.

In dictatorial countries the people live under the government of a single man. In the United States the people live under a government of laws made by their own duly elected representatives. In reasserting the great value of our free institutions which we call Americanism, it is well for us to look back over the pages of history and, to review the long struggle of men to be the masters of their own destiny, to have the God-given blessings of life and of liberty and the pursuit of happiness, the struggle to be free and to live among their fellows in security and without fear, which only came into full flower when our country was born 150 years ago.

Let us go back to the time of Athens, to a period some 500 years before the birth of Christ. Then men were beginning this long struggle which was not crowned with success until it was won and safeguarded in the Declaration of Independence and the Constitution of the United States written some 2,500 years later.

In the day of Athens sincere friends of freedom were rare. Yet even then people with no freedom or history to rely upon were groping for liberty.

In the early days of Athens the cruel domination of class over class, the oppression of the poor by the rich, and of the ignorant by the wise, was the order of the day. From this degradation Athens lit and held on high, the torch which has since guided man on the road to freedom.

In early Athens a wise man name Solon was appointed to revise the laws of the country. To the rich Solon gave a voice in the government commensurate with the burden of public service in taxes and war which this class bore. The poorer classes as before were excluded from holding public office. However, Solon gave them for the first time a voice in electing their magistrates from the classes above them. This novelty introduced the idea that men ought to select those upon whose wisdom they were compelled to rely for the preservation of their property and families and their lives. Thus democracy was born in a small way 25 centuries ago. By making every citizen the guardian of his own interest, the element of democracy was first introduced. Solon stated boldly that no governing authority was to be entirely trusted and he subjected all who exercised the power of government to the vigilant control of the persons they governed. He diffused power by placing some of it in the hands of the people. This was the beginning of our present representative form of government.

When in the Persian war the services of the masses far eclipsed those of the upper classes, particularly upon the sea, new influence and new privileges were given to the masses of the people. The offices of state, which had been a monopoly of the select few, were thrown open to the people as a whole and the people came into a larger measure of representative government, and with it more opportunity, liberty, and security.

Always men felt dimly that they were the creatures of Almighty God and not the creatures of the state.

After democracy was first put on trial its faults became apparent gradually, too. Men found it was bad to be oppressed by a majority as they had found it bad to be oppressed by a minority. But a start was made and men began to think of government as something that belonged to them and not as something to which they belonged.

From the remarkable beginning at Athens the struggle for freedom next had its seat in Rome. The Romans proved to be a practical people. Then, too, they had the history and the precedents of Athens to draw upon. Thus they began to combine the lessons

of experience and history with their desire for changes in government. Their progress was slow, but because progress was slow it was generally sure in the strength of its foundations.

Due to a long period of war the masses of the people were reduced to dependence upon the rich or upon the charity of about 2,000 wealthy families who really owned most of the state. Wise men sought to induce the rich to allot some share of the public lands to the common people, but the rich resisted.

The character of the common people became sterner in this dispute, although the fight was carried on with comparative moderation. At one time there were 320,000 people dependent upon public rations for food.

In this situation Julius Caesar, supported by the army which he had led in a career of successful conquest, and by the impoverished masses, seized power, and he immediately through the medium of the law was wise enough to accomplish the transformation by a series of measures which were moderate and not injurious.

Eventually the right of Roman citizenship was extended to the people of the provinces. A roman civil law system was devised and set up. As Rome progressed religious toleration of a sort came into being and the real beginning of the laws of nations was made.

Curiously enough, the republic which Caesar had overthrown was less democratic and less free than the monarchy which supplanted it, and the Romans, too, learned the lesson that it is more important to regulate the power of government than to regulate liberty, for they found that under a regulated government liberty flourished and grew. Gradually the Romans evolved a mixed constitution as they pioneered for freedom. That constitution is different from our modern conception of a constitution. It sought to give the people, however, a maximum of democracy, but with such restraint that democracy could not injure the minority or destroy itself.

In a way the Romans blended monarchy, aristocracy, and democracy together, and, considering the slender experience of the past, made decisive progress toward the fuller democracy and constitutional government which we enjoy in America today.

Then, too, the Romans distributed much power among the several parts of the state in the form of local self-government. This acted as a restraining influence upon the central or national government. By extending the principle of local self-government, there was a diffusion of political knowledge and a maintenance of healthy and independent opinion.

So from the early beginnings at Athens to the height of Rome's grandeur men were beginning to achieve freedom. The masses were admitted to citizenship. The masses not only had their duties to government but had won their privileges and rights from it. A beginning of religious toleration was made. A beginning of local self-government took place. Government was beginning to exist for the benefit of men and not men for the benefit of government. Men secured more of their rights, had their voice in national policy, and the seeds of democracy planted by Solon and Athens were growing in the fertile soil of democratic Rome.

Following the decline of Rome and the rise of western Europe the struggle for more and more freedom and more and more representative government met many defeats, but the urge that men were the creatures of God and not of the state still throbbed in the hearts of many men.

In the Middle Ages the institution we call parliament or congress got a firmer foothold, although it was composed of people from a selected class for the most part, rather than from and by the whole people.

In the year 1215 the barons at Runnymede induced King John to define the rights and liberties of mankind. These were exhibited and agreed to in the Magna Carta for that country. Freedom was consolidating its gains and men were continuing their struggle to put the rights of men beyond the touch of any constituted government.

Following the Middle Ages, in the seventeenth century, the Habeas Corpus Act became a part of the law of the land. Formerly it had been possible for monarchs to throw men into prison where they might languish, suffer, and die. But after the Habeas Corpus Act was enacted, it was possible for any other citizen to go into court and demand that the body of the imprisoned citizen be produced as well as an airing of the charges upon which he was incarcerated.

Of course, during all these struggles of the Middle Ages, wars between nations went on. Countries vied with each other for the influence and support of the clergy, of the feudal lords, and connived with each other for the acquisition of the territory of other nations.

The impetus given to freedom in Athens and Rome was not wholly arrested, for looking back over the space of 1,000 years, which after Rome we call the Middle Ages, we find the following more firmly embodied in the lives of mankind:

Representative government was almost universal in one form or another; election methods were, of course, still crude, but elections were held nonetheless; the principle that no tax would be lawful that was not consented to by the class that paid it; that the right to tax the people was inseparable from their right to be represented in government; in short, not a penny of tax could be levied without the consent of the people or their representatives. The institution of slavery practiced by the ancients was almost everywhere extinct; and the absolute power of rulers over men was held to be a wrong little less than slavery itself. The right of the people to insurrection against government was both admitted and defined. The rights of mankind had been blazoned forth in Magna Carta. Agitation for the Habeas Corpus Act was already under way. Governments consisted of a system of states in which authority was restricted.

However, it was a period of great religious intolerance, a time when kings offered huge sums of money for the murder of an enemy, when kings declared which religions were legal and which were illegal, usually with the idea of making the dominant religious faith a support to their own continuance in power. By royal command, one nation in a single generation passed four times from one faith to another.

These acts on the part of monarchs were but the result of the restlessness of men desiring a greater voice in their government and greater safeguard for their rights and liberties.

Mainly from the intolerance of one religion toward another, hundreds of people left the countries of Europe during more modern times to come to America in the quest for what they had been denied at home, and because quite frequently the nations of the Old World had abandoned the fate of the people to an authority it could not control.

From the early settlements States grew and Provinces were fashioned, and here in Maryland religious liberty became a part of our early Government. The old idea that taxation and representation were inseparable likewise was carried to these shores, and the conflict between the ideas and oppression of the Old World and the ideas and liberty of the New World found expression in the Declaration of Independence and, after the Revolution, in the Constitution of the United States of America.

Since our country was born 150 years ago we have realized and consummated the struggle that began 2,500 years ago in Athens. Moreover, we have safeguarded what has been won through all these centuries in the Constitution of our beloved country. No President and no Congress may take away from men what thousands of men and women have died to win for you and for me.

Now, let us see what Americanism is, in the light of the struggle which I have briefly outlined and as portrayed in the Constitution of our Nation. These things are Americanism: First, a government of limited powers, of three branches—the Presidency, the Congress, and the courts. Congress has certain limited powers; the President has certain limited powers; and the courts are the umpires which see that neither the Congress nor the President exceed the powers given them by the people.

Ours is a representative Government. No man holds legislative office except by direct election by the people themselves and then only for a limited term. Congress can make no law, under our Constitution, respecting the established religion. By law, man can have any religion he cares to embrace in this country. Congress can pass no law prohibiting the free exercise of religion. It cannot abridge the freedom of speech. It cannot take away the freedom of the press. It cannot deny to the people the right to peaceably assemble and to petition the Government for the redress of grievances.

Our Constitution provides that the people shall be secure in their persons, their houses, their papers, and their effects against unreasonable searches and seizures; that no man can be arrested except upon probable cause, supported by oath or affirmation; that no man can be made to answer for any infamous crime unless he is indicted by the grand jury; that he cannot be tried twice for the same offense; that he cannot be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property without due process of law; that he shall have the right, when charged with an offense, to a speedy and public trial by an impartial jury from the State in which the crime was allegedly committed; that he must be publicly confronted with the witnesses against him; that he cannot be held in prison awaiting trial without being given the opportunity to put up bail; and that cruel and unusual punishment shall not be inflicted upon a citizen.

These things are the warp and woof of Americanism and set the Government and the life of our people far apart from the governments and lives of people in other countries. Our rights are defined. No one man or group of men can take them from us. Our Constitution defines them and preserves them for you and me and the courts—which are independent of the executive and legislative branches of our Government—are there for us to appeal to if there is need.

We have the right to say who shall make our laws, and the conditions under which these laws shall be made, and the limitations surrounding the making of laws.

We have the right to worship God as we see fit, to speak out, to print what we desire to print, to petition our Government for the redress of grievances, without fear of prison camps or death; to enjoy the security of our homes and our families; indeed, to sum it all up, to be free men.

In the United States we have asserted that we are the creatures of Almighty God, that our Governments, State and National, are set up to protect our liberties, our freedom, our rights, our opportunities, and our privileges, and that governments cannot infringe upon these things.

These things are Americanism. These are the things which have grown from the little seed planted at Athens, which continued its growth through the various governments of Rome, survived the persecution and blighting influences of the Middle Ages, started to bud with Magna Carta and the Habeas Corpus Act, and came into full flower in the definite provisions of the Constitution of the United States.

These things are Americanism, may I repeat; and who is there with soul so dead who does not with these privileges feel a glow of inner satisfaction that he is of and in a country where freedom

does not depend upon the whim of some one man, but rests secure in the Constitution of his country, under a representative form of government of limited powers, with the final power in all things residing in the people themselves.

Shame on those who would retreat from the high state we have won for ourselves in this land. Shame on those who would destroy the religious freedom which Americans enjoy. Shame on those who would supplant a constitutional representative democracy with the rule of a dictator, whose acts we could not foretell or know. Shame on those who, being citizens of the United States, profess a love for foreign lands which seems at times to be greater than their love for America, and double shame on those who, enjoying the fruits of the struggle of martyrs and patriots who have died through all the ages, would set their sufferings and sacrifices at naught, and walk backward to the days of oppression, gloom, and hardship, when men were little more than dumb animals, whose lives, employment, and conduct was subject to the order of cunning rulers, more interested in preserving and extending their own power than in furthering the welfare of the masses of the people.

I have no fear, my friends, that any man on the face of the earth can prove by fact or logic that, taken all in all, there is any government beneath the sun which gives to its people more opportunity, more humanity, and more freedom than our own system of constitutional government gives to them.

Why, then, do we find here and there these groups that advocate change? Why, then, would they take us backward to the slavery of the centuries that are dead? They are too avaricious in seeking by revolution, by blood, the fruits which they are unwilling to win by toil. They embrace a conception that the rights of mankind are not God-given but are to be subjected to the whim of some other man. They would supplant the code of laws with the policeman's club. They would supplant the Ten Commandments with armed force, God's plan with man's plan.

And, finally, remember that America is the oldest continuous Government on the face of the earth today, and, incidentally, the greatest land on the face of the earth today. For, since we came into being as a nation 150 years ago, the governments of all other countries have gone through violent and contradictory changes. We have existed because we have won and safeguarded in the United States the rights of mankind, where we have set up a government of, for, and by the people, under a constitution limiting the powers of our rulers, while preserving to each individual the inalienable and God-given blessings of freedom.

Here we have exalted individual man, diffused the widest measure of local self-government, and in the main realized in its highest perfection the ideal of liberty for which thousands have died in the past that we, their heirs, might enjoy this happy state of being.

That there will always be some imperfections in our Government, it being a human institution, is inevitable. But compare it with any other government and its imperfections are small and of little consequence.

Let us, then, rededicate ourselves to the principles and tenets of our country, its ideals and its blessings, which we call Americanism. Let us be conscious of the fact that here is one of the few remaining spots on the face of the globe where men are the masters of their destiny. Let us reconsecrate ourselves to preserving the free institutions of our land, confident in the belief that by so doing we will make the next 150 years of our history even more remarkable than the 150 years that are behind us.

We make no mistake when we set aside a day from time to time to examine our inheritance, for as we examine into all the long dim past we, like those who have gone before, learn the truth, and the truth has made us free. This truth causes us to pledge our allegiance to our Constitution, our philosophy of government, and to the flag of our country, and to make us proud that we are citizens of the United States of America.

Town Meeting

EXTENSION OF REMARKS

OF

HON. H. STYLES BRIDGES

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Tuesday, March 21 (legislative day of Thursday, March 16), 1939

EDITORIAL FROM THE HANOVER (N. H.) GAZETTE, MARCH 9, 1939

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial from the Hanover (N. H.) Gazette, of the issue of March 9, 1939, entitled "Town Meeting."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Hanover Gazette, March 9, 1939]

Before another publication of this local newspaper, the electorate will have met under the auspices of a pure democracy, and expressed themselves fully and completely, we hope. They will at least, have had the opportunity. In reality, most of the town's business will have been considered and judged long before the meeting and close observation will reveal directed moves and motions. This is as it should be. Town Government has become too complicated to permit it to spring from the head of "Jove," or Farmer Brown on the day he tunnels his way through the mud into town.

There are other reasons for predigestion of facts and figures. In effect town government is one of the quintuplets puddling around with the county, the State, the National Government, and alphabet soup. One needs to have a bowing acquaintance with the family to become oriented in the scheme of things. Strained expressions will indicate a variety of headaches when explanation is being given of interrelated, participating tax appropriations. It cannot be helped. It is influenza on a national rampage. Some of the doctors will say that it is inevitable and try to make a case. In doing so, they will tell you to build the bridge, since the State or the alphabet is in on the deal, and the town contributes only a "bag-of-shells." This beats the rubbing of Aladdin's lamp, by several nautical miles.

The skeptical gentry, however, are difficult to sell. Some of them keep books. They have an income account, an inheritance account, an interest and dividends account, an incorporate income account, a social-security account, a stock-in-trade account, a gas-tax account, and, on page 1492, the accounts are still indicated. It is volume 1, with others coming up. In fact, every time these voters see a white-collared stranger coming up the street with a brief case, they groan with Washingtonian neuritis and grab another tabular sheet. The pain is accompanied by a high temperature and, historically speaking, is known to be very dangerous.

Translated into terms of "town meeting day," the democratic formula is anemic. In certain communities easy money has already robbed the town of its essential character. The spigot is still open, but the day of reckoning is not far distant. When it comes a good dry cave will be a nice place to live.

The Epidemic of Hatred

EXTENSION OF REMARKS

OF

HON. LYNN J. FRAZIER

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, March 21 (legislative day of Thursday, March 16), 1939

RADIO ADDRESS BY DR. HARRY EMERSON FOSDICK, FEBRUARY 19, 1939

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address delivered by Dr. Harry Emerson Fosdick on February 19, 1939, on the subject The Christian and the World-Wide Epidemic of Hatred.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE CHRISTIAN AND THE WORLD-WIDE EPIDEMIC OF HATRED

We are living in the midst of a world-wide epidemic of hatred and nothing is more contagious than that. The Japanese ransack the Chinese with unbridled fury; in Palestine the Arab hates the Jew and the Jew the Arab; in Spain apparently everybody hates everybody; the Italians hate the French; the Russians hate the Germans; the Germans hate the Jews. As for the rest of us, more and more we hate the forces that are destroying the religion we believe in and the democracy we desire. Ours is a world afflicted with one of the most virulent epidemics of contagious hatred in all history.

Obviously this presents the Christian with a serious problem. Whatever else Jesus taught and exemplified, He taught and exemplified good will. "Love your enemies; bless them that curse you; do good to them that hate you." We cannot erase that from the Sermon on the Mount. "Father, forgive them, for they know not what they do." We cannot erase that from the memories of the Cross. Nevertheless, today, out of what sometimes seems our best ethical life, moral indignation and righteous anger rise in the face of outrageous wrongs that threaten our freedom, our democracy, our religion, our sense of humane decency. What sensible meaning can we put into the love of enemies in a time like this?

Be sure I am talking to myself as much as to you. I, too, am indignant. What humane heart can avoid indignation? There is

infamy in the air. And so serious is the emotional response in this country, so easily can politicians who need public support, warmongers who profit from munitions, fanatics with bitter prejudices, and good men and women with humane feelings, all together whip up popular indignation, that one of our most competent journalists said it would be easier to carry this country into another war now on a wild and rising tide of anger than it was in 1917.

What, then, is the message of the Christian gospel to us in this situation?

In the first place, it says moral indignation does have a place in life, but do not let it spoil your intelligence. After all, say what we will on behalf of moral indignation, it is one of the cheapest drugs on the market. Anybody can be morally indignant. Walk down the street and throw a stone in any direction and you will probably hit somebody morally indignant about something. One of the most eagerly sought after emotional indulgences in the world is to be righteously angry at someone.

Now, the first effect of intense moral indignation is to muddy the stream of clear thinking. No man, and especially no mob or society of men, can be deeply stirred by anger, however justified, and still keep a fair, objective, clear, impartial mind fitted to diagnose what really is the trouble and prescribe for its correction. The more indignation we indulge in the less clear thinking we do.

Remember those occasions in our personal experience when we were morally indignant! Of how many of them we are now ashamed! What premature explosions of unwarranted feeling they caused! What injustice we afterward discovered we unwittingly had done!

If thus in individual relationships we constantly face the peril of moral indignation to clear thinking, how much more when the turbulent stream of public life is roiled, as it is today? The first result of this situation is that we begin to explain our trouble by devils whom we hate—the Japanese, the Germans, the Russians are devils; if only we could crush them all would be well. But the Japanese are not devils; they are human beings like ourselves. They live in one of the most overcrowded lands in the world. Here in the United States we have 41 people to the square mile. In Japan they have 465 people to the square mile, and their population increase is annually between 800,000 and a million. They face a constantly lowered standard of subsistence and the ultimate peril of starvation. They are afraid. Eighteen years ago in Tokyo I met a group of Japanese leaders. They were liberals, supporters of the League of Nations, looking forward to an increasingly progressive and democratic regime. Even then, however, when they turned their eyes to the continent of Asia one could see they were afraid. They had to have those raw materials or die. Then Russian communism swept down from the north and in from the west on China. France in the south of China had a great empire. Great Britain was carving out a huge sphere of influence in the Yangtze Valley. The Japanese are not devils; they are human beings, afraid, who think they must do what they are doing or die.

That does not mean that I am complacent about what they are doing. I am not. I am indignant. I hope they fail. There is no way through to a decent civilization by the road they are traveling. And as an American I am ashamed and humiliated that for profit's sake we have been supplying them with raw materials and munitions, without which they never could have done to China what they have done. Nevertheless, in this, as in every situation, it still remains true that the more ill will the less clear thinking. Only good will keeps its eyes open and its head level. Only good will puts itself in the other's place and sees the whole situation. Only good will can maintain a physician's attitude and diagnose what really is the trouble behind the things that we hate.

One of the finest things I ever heard in a Christian pulpit was Maude Royden's statement of the case for Germany. Maude Royden is a British woman with all her sympathies naturally British, and she abhors Hitler's policies as we do. "Nevertheless", said she, "let me for a moment state Germany's case." Well, let me for a moment state Germany's case: A defeated and humiliated people forced in the peace treaty to assume the sole guilt for the World War, an assumption which every intelligent historian now knows to be untrue; lured to peace by President Wilson's fourteen points and then let down on all of them; disarmed under promise of general disarmament only to discover that no other great nation in Europe had the slightest intention of disarming; burdened by taxation for war reparations that made helots and slaves not simply of the guilty generation but of their children and then of their children; forming a democratic government only to discover that the democracies had not the slightest interest in making it possible for a representative government to survive in Germany—until at last Hitler arose, promising to redeem them from that hopeless situation, and, what is more, doing it, so that today Germany is the most powerful nation on the continent, and all the world anxiously waits for the nod of the Fuehrer's head. Well, supposing that had been our experience, wouldn't we be giving Hitler all the gangway he might desire?

This does not mean that I am not indignant at the Nazi regime. I am. It is outrageous in its cruelty. Nevertheless, always the devils we thus hate are symptoms, not causes, and no good physician ever centers his attention on symptoms.

This, then, is the first thing the Christian message says: Moral indignation has its place in life, but do not let it spoil your intelligence!

The second thing is this: Moral indignation has its place in life, but do not let it spoil your humility. Always there is a head-on collision between righteous anger and humility. The more one fans the flame of moral indignation against another's sin the less able or inclined is he to see his own. One reason why moral indignation is so satisfying is that in passing condemnatory judgment on another's evil one is happily unconscious of his own.

This is true in the very realm where probably today it is hardest for us to see it—with regard to our feeling concerning the Nazi persecution of the Jews. Such racial prejudice seems to us outrageous, and it is. Nevertheless, for a moment let us think about ourselves. Granted that in this country we have nothing equal to the governmentally directed attack upon the Jews in Germany! Nevertheless, anti-Semitism itself is a rising menace in America, such that no one knows what is going to happen. Every man in public life receives a constant stream of the vilest kind of anti-Semitic propaganda, not simply from obscene and illiterate fanatics, but from organizations, well financed, well manned, able, and clever. We have our racial problem, too.

Not long since, a Nazi journal called for a Jim Crow car for Jews in Germany. Jim Crow cars for Jews—that is an outrage! But Jim Crow cars are not a Nazi invention; they are an American invention. The Nazis, working out their program of racial discrimination, are borrowing some of their techniques from us. We have our problem of racial prejudice too and history is keeping the record of the injustice with which personally and governmentally we have sometimes handled it, North and South alike, so that in that realm humility becomes us well.

Yes; go further! Few things did more to turn Japan away from confidence in the West than the insult she suffered when the United States refused to put the Japanese upon the quota. That seemed to say that all other peoples are good enough to be welcomed here except Asiatics. Putting Japan upon the quota would have meant about 150 Japanese immigrants each year. We would not stand it. They are an inferior people, we said in effect, and we cannot endure 150 of them a year. No one can estimate what that meant to Japan. My friend, Dr. Nitobe, a great Japanese, representing his people at the League of Nations, married to an American wife, a believer in and a lover of this country, wept like a child when he heard it and vowed that never again would he set foot on American soil. That Exclusion Act stands still as one of the most senseless, needless, intolerable pieces of racial prejudice ever perpetrated by a great nation. If we have any moral indignation to spare on racial prejudice, let us spend a little of it on ourselves!

On this point Jesus is terrific. He troubles me here sorely. Remember the scene where the Pharisees brought to him the woman taken in adultery, seeking his backing for the old Mosaic law that would have stoned her to death. How noble such ethical indignation as theirs can be made to appear. But when Jesus turned their attention from her to themselves, saying, "He that is without sin among you, let him first cast a stone at her," they "went out," we read, "one by one, beginning from the eldest, even unto the last." So in these days of angry feeling, one finds oneself gathering rocks to stone others, until one meets the eyes of Christ. "He that is without sin among you, let him first cast a stone." "Why beholdest thou the mote that is in thy brother's eye, but considerest not the beam that is in thine own eye? * * * cast out first the beam out of thine own eye; and then shalt thou see clearly to cast out the mote out of thy brother's eye." How we should like to avoid all that. But how can we? Moral indignation has its place but don't let it spoil our humility.

The third thing is this: Moral indignation has a real place in man's experience, but do not let it spoil your confidence in good will as the only ultimately constructive power we know. Granted that by violence we sometimes can coerce, inhibit, restrain. But never yet has violence built anything. Only intelligent good will builds anything.

Here is the final fault in moral indignation. When it gets control it produces a situation often illustrated in the relationships between a father and his son who has done wrong. The father is indignant. The son is, as it were, in the prisoner's dock, the father is on the judge's bench; and from that aloof and elevated place he issues his condemnatory verdict on the son's misdeeds. So father and son are torn apart by moral indignation, and there is no hope until moral indignation is overpassed. Let the father say "Son, I am trying hard to put myself into your place and understand what the trouble really is; perhaps some of the blame is mine." Let the father say, "Son, when I was your age I did something just as wrong as you have done; I never told you that before, but I did." Let the father say, "Son, you and I are done up into one bundle of life; I love you, and you, I think, love me. If one of us sinks life can never be the same to the other again. We must be saved together." Only when the father thus gets off the judge's bench and gets the son out of the prisoner's dock and puts the whole situation on some other basis than moral indignation can there be any hope. Well, today moral indignation is splitting the world up, each nation climbing into the judge's bench and trying to put all other nations into the prisoner's dock. That does not represent the realistic fact. The realistic fact is we all share guilt together, we are all done up in one bundle of life together, and we all must be saved together.

Where would this country be now if after the Civil War, which, far from saving the Union, left us still a disunited and dissevered people, there had not been enough good will on both sides to say, "We must be saved together." After the evacuation of Richmond, Abraham Lincoln visited the city; and, remembering that General Pickett, who had led the Confederate charge at Gettysburg, lived there, he slipped away by himself and called at Pickett's home. As he rang the bell, Mrs. Pickett, with the baby on her arm, fol-

lowed the servant to the door to see who the visitor might be. "I am Abraham Lincoln," said the caller. Mrs. Pickett gasped with surprise. "The President?" she said. "No," was the answer. "Abraham Lincoln, George's old friend." We say the Civil War saved the Union. That is not even a half truth. The Civil War nearly ruined the Union. It was only enough of Lincoln's spirit on both sides of the line to heal some of the wounds that saved the Union.

That is true of every war. After the Napoleonic Wars, Carlyle is reported to have said, "The clock of the world might have been set forward a thousand years if there had been enough moral and religious force to rebuild our shattered civilization upon a new and Christian foundation." Who would not say that about the Great War too? And if now, following the baying of the dogs of war once more unleashed and in this country too much hallooed on by those who seek popular support for vast expenditures, we go into another war, when that is over the cry will still be, "We are not saved; all the victories that we trusted in have not saved us."

There is no salvation save intelligent, constructive good will—some decent international economic planning, for example, to make raw materials accessible to all—and the road to that goal is not mainly moral indignation but intelligent good will.

I think I never understood so well before what Paul meant when he said, "Be ye angry, and sin not." Of course, we are angry. "Anger," said an old writer, "is one of the sinews of the soul; he who lacks it hath a maimed mind." Read the twenty-third chapter of Matthew's Gospel and see to what heights the Master's moral indignation could rise. But to be angry and sin not—that means not to let it spoil our clear-headed intelligence or our penitent humility or our faith in the ultimate necessity and efficiency of good will. Ah, my soul! In these days be ye angry and sin not.

Prayer: Eternal God, our Father, who hath set us in this troubled time, keep us still among those steady, far-seeing, intelligent men and women of good will, the minority that yet can save the world. So help us, even in this difficult era, to live in the spirit of Christ. Amen.

Freedom of the Press

EXTENSION OF REMARKS

OF

HON. H. STYLES BRIDGES

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Tuesday, March 21 (legislative day of Thursday, March 16), 1939

ARTICLE FROM THE PITTSBURGH PRESS, FEBRUARY 21, 1939

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article from the Pittsburgh Press of February 21, 1939, having to do with the freedom of the press, and, in addition, offering some good suggestions to Mr. Harold Ickes, Secretary of the Interior, who recently has had something to say on this subject.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Pittsburgh Press of February 21, 1939]

Freedom of the press is as essential to a free nation as is religious freedom or freedom of speech.

Unmistakable signs of an ugly and ominous storm are becoming increasingly evident. A carefully planned campaign of hate against the newspapers of the Nation is now in progress. Its purpose is to mold public opinion in view of future legislation to curb the press.

The self-styled archpriest of this unholy crusade is the all-wise Mr. Harold Ickes, who considers everyone to be out of step and out of date but himself.

Faultfinding is an indication of neither wisdom nor self-righteousness. It would be folly to deny that the newspapers are not perfect. Being human institutions they are heir to human frailties. The publishers and editors are among the first to admit this fact. It is well to bear in mind that to serve and please the public requires the wisdom of a Solomon. Unfortunately, Solomons are an extinct species and Ickes' are most prolific.

It would be the height of folly to destroy or make inoperative and ineffective a thing because of certain defects or abuses, which may be only occasional and less effective than its record of past performances and future possibilities for the public good. This is a self-evident truth even to the average citizens. But Mr. Ickes is above the average.

Being or pretending to be so much concerned about the abuses, evils, crimes * * * ad nauseam, of the daily press, it is only logical that all branches and phases of the press should receive at least equal attention and consideration from Mr. Ickes. Their potentialities for good or evil are equally great, if not greater than that of newspapers. Here I refer specifically to the cheap and indecent literature which appears in the form of magazines and periodicals that swarm the land like a plague of locusts, leaving in its wake warped and broken lives and crimes, destruction, and misery.

According to the latest and most reliable survey, there are at present "421 periodicals (exclusive of books, yellow sheets, and leaflets) published in the United States which are devoted principally to the exploitations of the evil in people's lives, to the publication of fact and fiction which have an appeal to the lowest animal instincts in the human being, to the report of crime in such wise as to glorify both the crime and the criminal. Most of these magazines—to be accurate 366 of them—have come into being since the advent of the industrial depression. The publishers have taken advantage of the leisure time of the unemployed youths to feed them religious and moral poison, and, in some instances, actually to start them on the road of moral ruin."

Little wonder that Canada and even far off Australia have imposed a ban on most of these American magazines that have only a crime and sex appeal to offer. Attention, Mr. Ickes!

It is now a belatedly recognized fact that these periodicals contribute in an appallingly large measure to the general weakening of the social standards upon which our modern civilization rests.

In confirmation thereof witness the repeated warnings of Mr. J. Edgar Hoover against such explosive reading. Witness the call of the Catholic hierarchy to rally in a campaign against indecent literature. Our juvenile court judges are most emphatic in their condemnation of this "literary realism." Witness the unhappy marriages, broken homes, and the cluttered divorce courts. Witness further (horrible even to contemplate) the ever-increasing number of morons and sex criminals at large. God-fearing parents are living in mortal fear lest their boy or girl become a pathetic victim of this erotic literature or a prey of such a victim. Witness also the uncontrolled spread of the social disease, syphilis. Does Mr. Ickes wish to condone all or any of these crimes and criminals against which the newspapers wage a relentless campaign?

Any single one of these crimson blots on society should arouse every God-fearing and law-abiding citizen, including Mr. Ickes, to spare no effort or sacrifice in order to blot out every trace of this blight which is afflicting society so cruelly.

Here, Mr. Ickes, is a most glaring abuse of the freedom of the press which is crying to heaven for vengeance. It merits your respectful attention. These periodicals enjoy all the privileges of the freedom of the press which they put to the most destructive use. Here is a cause worthy of the chivalrous and courageous crusader of old, a cause which is truly patriotic and nonpolitical, unselfish and nonpartisan, noble and American—a cause which is the root of the evil you appear to be so zealous to eradicate. Yet you choose to remain silent about it. Why the apathy or inconsistency?

Mr. Ickes, you are in the right church but in the wrong pew.

REV. A. M. BEDNARCZYK,
Mount Carmel, Pa.

The Proposed John Muir-Kings Canyon National Park

EXTENSION OF REMARKS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1939

ADDRESS BY HON. HAROLD L. ICKES AT SAN FRANCISCO, CALIF., FEBRUARY 15, 1939

Mr. GEARHART. Mr. Speaker, in order that the arguments that he there advanced, the compelling reasons he then pointed out, in support of the pending legislation for the creation in California of a John Muir-Kings Canyon National Park may not be lost upon those who did not have the privilege on February 15, last, of hearing him, either at the luncheon tables of the Commonwealth Club of San Francisco or over the ether waves of the radios, the facilities of which were made available, I am, the entire membership of the House of Representatives approving, their unanimous consent having been given, extending the address of the Secretary of the Interior, the Honorable Harold L. Ickes, in the CONGRESSIONAL RECORD.

It is as follows:

In England, an invitation to visit the King is considered a royal command. In San Francisco, an invitation to speak before the Commonwealth Club is a democratic command. I am nothing if not democratic.

When that invitation is not merely to speak before this audience but to speak upon the subject of the John Muir-Kings Canyon National Park, the duty of complying is transformed into a privilege.

During the few days I have been in California, I have been deeply impressed with two things connected with this proposed national park. First, the very high character of the support given it among the people of California; and second, the way in which this California support, by its influence during the formative period of the park proposal, has diminished the opposition to the establishment of this park by eliminating the basis of opposition.

In elaborating upon that theme, I wish first of all to pay a tribute to the principles and standards of the Sierra Club. I wish to compliment the Sierra Club in this public fashion upon the stand it has taken regarding national parks in general, and the John Muir-Kings Canyon National Park in particular. Its position was that it would not commit itself offhand, to any national-park proposal that might be made, or to any bill that might be offered to carry out a project which it favors. On the contrary, perhaps because of its long record of consistent support of national parks, the Sierra Club has insisted that any project it supports shall be of the highest type, and that the law establishing the park shall be the best law obtainable.

I do not believe a bill has ever been offered in Congress to establish a national park which represented a more thorough threshing out of all points of view than this national-park bill sponsored by Representative GEARHART, of Fresno. His purpose, and the purpose of those collaborating with him, has been at all times to obtain the best possible park, and to protect the rights and interests of all groups of people who have a legitimate interest in the manner of administration of the public lands involved, especially where it touched on irrigation.

Congressman GEARHART, in framing his bill, had the benefit of the studies that have been made by the Bureau of Reclamation and of the many conferences that have been held between the reclamation officials and the representatives of the irrigation interests in the San Joaquin Valley. To show how close the collaboration has been, I think there is no harm in stating that the Bureau of Reclamation and the Kings River Water Association were consulted by Congressman GEARHART on practically every word of the provisions in the park bill relating to reclamation, and agreement was reached on every word. This was essential, because it was necessary to leave the park boundaries indefinite at two points until final studies by reclamation engineers should fix the location of power dams supplemental to an irrigation and flood-control storage dam, all of which had to be outside the park.

At the same time the principles of wilderness conservation had been so thoroughly discussed with the directors of the Sierra Club, both by Congressman GEARHART and the National Park Service, that there was no difficulty in dealing with what would otherwise have been a hard task, indeed—to make the provisions of the bill satisfactory to the irrigation people without making them unsatisfactory to those chiefly interested in preserving the wilderness. I think it is a triumph in conciliation, a triumph in cooperation, to have such understanding and agreement come about in dealing with a subject which might so easily lead to a conflict, and which has been a source of injurious conflict in past years.

In the Gearhart bill protection of the wilderness is written into the law instead of being entrusted to the changing and changeable personnel of any administrative body. The desire of the Sierra Club to have the Kings Canyon wilderness thoroughly protected furnished part, at least, of the inspiration toward this step. The wilderness provisions of the Gearhart bill embody, in general, the principles worked out by the Sierra Club through several years' study with due regard to the interests of the general public.

My own preference, in one respect—and I think it will be a general preference—is to go a little further in the direction of wilderness simplicity than Congressman GEARHART'S bill goes. But of that I shall speak a moment later. First, let me outline the provisions of the Gearhart bill.

As most of you know, the proposed John Muir-Kings Canyon National Park combines the Kings Canyon country, the General Grant National Park, both of which already belong to the Nation, and the great privately owned Redwood Mountain Sequoia grove. The Kings Canyon section of the park is treated as a wilderness. The Gearhart bill excludes all new roads and truck trails from the Kings Canyon area, except in the valley of the South Fork of the Kings River below Copper Creek. That is, automobile roads in the park are limited to the new State highway now under construction, plus a short extension on the floor of the canyon. This will give all visitors, coming in by motor car, a chance to see this magnificent canyon with its walls three to four thousand feet high, threaded by a beautiful river and bordered by cascades coming from the tributary streams.

The rugged wilderness above and beyond the canyon floor is to be without roads, and without buildings except trailside shelters for the use of hikers and horseback riders. This is written into the bill, and when the bill passes, it will be part of Federal law.

In order to exclude the pressure of invested private capital, and other features especially inharmonious with a wilderness park, there is to be no concessionaire system. That is excluded by a requirement that all buildings in the park shall be erected with Government funds, that no exclusive privileges shall be granted on roads or trails, and no concessions of any sort shall be for a longer period than 1 year. On account of existing contracts, this does not apply to General Grant National Park, which, however, is not a part of the wilderness.

The effect of the wilderness provision is to permit only trails and trailside shelters in the Kings Canyon country, except in the valley of the South Fork, where the highway extends, and where housing structures and other conveniences may be erected for the public.

Under the bill as introduced these housing structures may be of any type, from a simple cabin up to the most sumptuous hotel. My personal preference, I started to say, would be to go a little further in the wilderness direction. I do not think that elaborate hotels fit the picture of the Kings Canyon region. No such hotels will be authorized, even though Government money is available for them, while I am Secretary of the Interior. I do not believe the general public wants them, and I should be pleased if Congress decided to exclude them by law, so that there will be no opportunity in the future for grandiose mistakes. I submit this matter to your thought, so that you leaders of conservation here in California may be prepared to express your views on the subject, whatever your views may be, when this national park bill comes up before the Public Lands Committees of the House and Senate for consideration and amendment

It is not for the sake of using complimentary words that I refer to leaders of conservation in California. This State has furnished true leaders and true partners, especially in the development of the national-park system. Everybody knows what we owe to Stephen Mather, of California, the first Director of the National Park Service, who devoted the later years of his life, and so much of his money, in generous constructive work for the development of national parks, and especially for the acquisition of private lands in them.

You in California well know what the country owes to Franklin K. Lane, Secretary of the Interior under President Woodrow Wilson. It was Secretary Lane who gave the second strong push to the movement, now well on toward completion, to change the Department of the Interior from a department of despoliation to a department of conservation. The first push in that direction was to be found in the general policies of President Theodore Roosevelt, and the national park system made notable progress through the helpful influence of both of these men.

Neither the Nation nor California will soon forget the devoted labors of the late Congressman Everett Kent, who gave Muir Woods to the Nation, and who took so great a part in the saving of the big trees of the Sierra Nevada Mountains, as well as the coast redwoods. If or when the John Muir-Kings Canyon National Park is established, it will consummate one of the labors to which Congressman Kent devoted his patriotic energies. The type of devotion he showed is indeed a form of patriotism, for it springs from love of country, love of the people of this country, as truly as any other form of disinterested service to the Nation.

Among the Californians who have helped to create our national-park system, or above them all, shall I not place the beloved name of John Muir? From the time he led the movement, a decade before the end of the nineteenth century, to create the Yosemite National Park, down to his death in 1914, John Muir engaged in a ceaseless campaign, a never-ending struggle, to arouse the American people to the need of preserving the wonder spots of Nature. It was he, more than any other man, who brought to a halt the savage and senseless destruction of the big trees. It was he who built that wall of human feeling about them until today to cut a living sequoia has become the badge of infamy.

It is no empty gesture, no undeserved capitalization of fame, that causes the name of John Muir to be attached to the proposed national park in the country he loved so well. The suggestion for this action did not originate in Washington; it came from California. The John Muir Association, I believe, most actively sponsored the proposal, in connection with the present bill, but the same thought had long been lying dormant. Stephen Mather, of California, more than 10 years ago, proposed that a national park be named for John Muir, but never until the present year has there been a project which so inevitably connected itself with his name.

Forty-eight years ago John Muir first called on the country to make Kings Canyon a national park before the pressures of a heedless society destroyed it as a wilderness. More than 30 years ago he first called on the people of America to save the beautiful sequoia grove on Redwood Mountain, the only sequoia grove in existence which presents a sky line of big trees upon a mountain top.

Today the 7,000 big trees of Redwood Mountain and Redwood Canyon are menaced with saw and axe, or rather, I might say more accurately, menaced with dynamite, for it is only by dynamiting these huge trees that they can be put into condition for commercial use. Commercial use for what purpose? To serve as grape stakes and fence posts.

In Redwood Canyon is a giant sequoia known as the Hart Tree. If you were able to climb that tree to a height of 160 feet and cut it off at that height, you would have a circular floor way up there 20 feet in diameter. If that seems incredible, let me repeat it. The Hart Tree is 20 feet in diameter at a height of 160 feet above the ground. I asked the Otis Elevator Co. how many men could stand on that circular cross section of a tree trunk 160 feet in the air, figured on the same basis as elevator capacity, and they told me—how many do you suppose? One hundred and fifty-seven. I suppose if I had asked a streetcar company, they would have said 300. Anyway, 157 men could stand on the circular top of that tree trunk, if it were sawed off 160 feet above the ground. It contains more wood than any other tree on earth.

Not only this tree but 7,000 others are marked for destruction, not because anybody wants to cut them, but because of the pressure of unpaid taxes, the ruthless compulsion of debts that cannot

be paid except by sacrificing the forest. These big trees can be saved only if the Federal Government steps in to save them, and it must be done this year.

These two magnificent spots on the earth's surface, beloved of John Muir, are both brought within the compass of the John Muir-Kings Canyon National Park. One of them—Kings Canyon—must be guarded against the insidious demands of a civilization which has been remorselessly invading the wilderness; the other—Redwood Mountain—must be saved from immediate and total destruction. I believe that public opinion, in California and throughout the Nation, will rally to this cause, and when the movement is crowned with success, we must give the greater part of the credit to old John of the Mountains. The spirit of John Muir, which broods over the mountains of California, is coming to the aid of Redwood Mountain and of the movement to preserve forever the wilderness of the Kings River.

I can see, in the present attitude of leaders of thought in California and especially in the attitude of the Sierra Club, a rededication of effort in behalf of our national parks, a renewal of the leadership which has meant so much to them in the past. I believe that this has been due in part, I hope it has been due, to a rededication on our part in Washington to the basic principles of a sound national park policy.

The thoughts and purposes of John Muir, his outlook toward Nature, live today in the men who are carrying on his work in California. In such men as William Colby, and Walter Starr, and Francis Farquahar, and Joel Hildebrand—those I have come most intimately in contact with during the past few months—I can see a carrying on of the work of their great predecessors, nor would I confine that statement to the men I have named.

I have been told something of the activities and interests of unnamed thousands of young people in California, who have made the high Sierras part of their lives, in both winter and summer. I have been told how they are learning the art of traveling light in the high mountains, learning to throw a diamond hitch on a burro, and, I suppose, what to do when the burro throws the diamond hitch, so that mountaineering of a kind that was once a sport for millionaires has now become part of the American way of living, or perhaps I should say the California way, of living.

I want national parks for these young people, and I want these young people for our national parks.

In the ideals of those who truly love the mountains I see a goal for those who administer our national park system.

We have learned something, in the last 20 years, about the administration of national parks. We look upon our work, and in its broad and enduring aspects we find that it is good. We look upon our work, and in its transient, temporary aspects we do not find that all of it is good. But we know how to make it better.

In some of our national parks we might apply the opening line of Wordsworth's sonnet, "The world is too much with us." And where that holds true, it is an eternal struggle to avoid the line which follows: "Getting and spending, we lay waste our powers."

It is with this thought in mind that I invite your attention to another bill which has been introduced in the present Congress by Senator ADAMS, of Colorado, and Representative DEROUEN, of Louisiana, the chairman, respectively, of the Senate and House Committees on the Public Lands, a bill representing the views of the Department of the Interior.

This is a measure empowering the President of the United States to set aside by proclamation wilderness areas in national parks and national monuments from which roads, hotels, and permanent camps shall be perpetually barred. It applies both to existing national parks and national monuments and to any which may be established in the future.

If this bill is enacted into law, it will be possible to protect the great wilderness of the newly established Olympic National Park from unwise road construction and from hotels which might better be operated in the nearby local communities.

If this bill for national park wilderness areas becomes a law, the eastern forests of the Great Smoky Mountains National Park, in North Carolina, can be held as a wilderness in contrast with the more highly developed western slope in Tennessee. It will enable us to protect the areas that still remain roadless in Mount Rainier National Park. Under this bill a proclamation by the President will establish a wilderness area, and once it is established only a new act of Congress can take away this wilderness protection.

This plan to safeguard national park wilderness areas by law is a direct outgrowth of the conferences which have been held in the past few months between myself and my Department and various conservation leaders in California. It is an enlargement of the plan to put wilderness safeguards in the law establishing the John Muir-Kings Canyon National Park.

In asking Congress for the passage of this bill on wilderness areas, I am asking that the discretionary power of my own Department be cut down. I suppose that is something new in the annals of government, for the head of a department to ask that part of his own power be taken away. But that is what I desire. I want these wilderness areas so protected that neither I nor any future Secretary of the Interior can diminish their protection merely by signing an administrative order.

The wisdom of such a law has been more and more impressed upon me, as I see how strong and persistent the pressure becomes upon all branches of government, for deviations even from established administrative policy, even when that policy is publicly announced. I suppose that the creation of a national park, under existing laws, removes about 90 percent of the danger that a great scenic asset will be damaged or ruined. What I want to do is get rid of the other 10 percent, which remains after the national park is established. That can be done for wilderness areas in national parks by giving them the same protection by law against overdevelopment and overuse by recreation seekers that the national parks now have against industrial exploitation.

This wilderness policy is consistent with a wide use of the areas affected. In the first place, there will always be portions of the park which are connected with the highway system, and therefore will receive a heavily concentrated quota of visitors. When Congressman GEARHART was drafting his bill for the John Muir-Kings Canyon National Park, he made the comment that he wanted the limit on road building to be so placed that any person, though crippled or handicapped by age, could see the marvelous canyon which begins at Cedar Grove and reaches its greatest magnificence at Zumwalt, 5 miles higher up the river. He has drawn the bill to make that possible, and I approve of it.

In the roadless areas of this park, there will be a different type of visitor. If trails are well maintained and occasional shelters and supply depots are furnished, you will find sturdy young men and women, and older ones, too, going into the mountains on their own two legs, and many of them will go where a horse cannot follow. The wilderness will be opened to use, but it will be opened in a way that will keep it a wilderness.

This distinction between wilderness areas and other portions of national parks, I should observe, is to a large extent blotted out where winter sports are concerned. The concentrations which occur in winter sports cannot harm the wilderness, unless accompanied by unsightly permanent works which are out of place anywhere except in a commercial resort. When the land is buried under 8 feet of snow, no damage can be done to grass or flowers, and the only road that can be seen is the one that ends where the snow begins. In the depth of winter, the wilderness is restored even where it has been destroyed by the thronging crowds of midsummer. The trails and dusty paths are gone, the tired look of the landscape has vanished. And if, before the winter ends, the crowds of skiers have left their own deep mark upon the landscape, that too vanishes with the melting snow. The ski trails disappear, and where the true wilderness exists, it is a wilderness when summer comes.

Let me caution you against a misconception of this wilderness policy. It is not intended that a line shall be drawn between the finest areas, and those not so fine, and to say that one class shall be treated as a wilderness, and the other shall not. There is no intention, nor would it be right, to block off the finest works of Nature for the exclusive use of those with the physical stamina to go on foot or the wealth to go by saddle horse and pack train. Rather, the intention is that the most beautiful areas shall be divided into two classifications, one of them open to the motoring thousands, and protected as well as possible from the deterioration that results from our motor civilization; the other, equal in majesty, left for those who love the grandeur of mountains and forests untouched by the works of men.

In this connection, let me say that it is not necessary to treat each national park as a complete unit, which must be divided in strict geographical ratio between wilderness and nonwilderness areas. We can afford to keep all of the Kings River a wilderness, in the high country above the South Fork Canyon, because the motorist who wants to drive amid the peaks of the high Sierra and the high mountain meadows can do so on the Tioga road in Yosemite. If he wants to reach the forests of lodgepole pine just below timberline, he can do so in Sequoia National Park. The Kings Canyon wilderness area will in truth be the wilderness section of a composite group of national parks whose nonwilderness features are comprehended in Yosemite and Sequoia. These three parks must be seen in relation to each other to appreciate their balance and unity.

The unity of these three parks, I may add, has nothing to do with physical contact or continuity. To make them supplement each other, it is enough that they can all be approached from the same general section of California.

In a slightly different sense the same principle of unity in detached areas holds true of the area proposed for the John Muir-Kings Canyon National Park taken by itself. It is composed of three disconnected units—Kings Canyon, the present General Grant National Park, and Redwood Mountain. These three areas are bound together administratively by the fact that the only highway running into Kings Canyon runs through General Grant Park, while Redwood Mountain borders the highway running from General Grant Park to Sequoia. These areas are linked together in another sense, because Kings Canyon is and will remain a primitive high-mountain area, while Redwood Mountain is and can be kept the most primitive of all the great groves of big trees. There is an advantage in the physical separation between Kings Canyon and the remainder of the park. It will make it easier to maintain Kings Canyon as a wilderness. In 1924, when this park proposal was before Congress, it was planned to include in the park all of the national forests between General Grant Park and Kings Canyon, thus taking in Hume Lake and the territory about it. We do not desire Hume Lake in the John Muir-Kings Canyon National Park, because it has been developed by the Forest Service as a recreation center with summer home sites leased to private individuals. It is much better for everybody concerned that territory devoted to summer home sites shall be left out of national parks.

There will actually be greater unity in the national park with Hume Lake omitted than if it were included. The national park is for all people on equal terms, because the land belongs to the Nation, and if individual rights and privileges are set up the scenic

values are no longer a common heritage. The unity found in the John Muir-Kings Canyon National Park will be in part a spiritual unity growing out of the harmony men find in the mountain area and the forest area of a park dedicated to the memory of John Muir, and administered in accordance with that dedication.

I hope that you in California who have this feeling for the wilderness will put your strength back of the effort we are making to protect it, not merely through the wilderness provisions in the bill for the John Muir-Kings Canyon National Park, but in the more comprehensive movement represented by the Adams-DeRouen bill for wilderness areas in all or any national parks and monuments.

It is a provision in fundamental harmony with the national-park law as it exists today, which protects these chosen areas against commercial and industrial activities. The finest natural features of our country cannot be protected and exploited at the same time. You cannot cut down a scenic forest and still enjoy it. You cannot dam up a high mountain lake and raise and lower its level through the year and still retain its natural beauty.

Neither can you thread a mountain wilderness with roads and deck it with hotels and have it long retain the full charm which forms the basis for its renown.

The United States, rich beyond all other parts of the world in economic resources drawn from the earth and water, can spare from economic use those choice regions where, by a happy union of circumstances, the economic value is low and the scenic value is high.

And again the United States, rich beyond all other countries in the beauty of its mountains and forests, can afford to set aside and protect some of these mountains and forests, not merely from industrial exploitation, but from too intensive use in recreation. In dealing with some spot of supreme beauty, let us not, like a boy holding a butterfly, destroy it by too ardent a laying on of hands.

Nature and the needs of man have combined to make it easy for us to preserve Kings Canyon and Redwood Mountain. The big trees of California, oldest and largest of all living things on earth, are not coveted by the lumbermen. Its wood, though almost indestructible, is too brittle to be used as lumber.

The Kings Canyon highlands, which David Starr Jordan rated as the mightiest, most awe-inspiring mountain panorama on the American continent, furnishes one economic asset, and one only, but that one important beyond all others—the living water which converts the central valley of California from a desert to an ever-blooming garden.

It is a vital and integral part of the plan for the John Muir-Kings Canyon National Park that it shall not interfere with but shall supplement and strengthen the use of the waters of Kings River for the people of the valley below. Water in a high mountain country has one most satisfactory attribute which it shares with water generally—it flows down hill. It is not necessary for the people of the valley to go up into the high mountains to get that water; it will all come out of its own accord. Our problem, the problem of reclamation, is to see that it comes out the way we want it to, and does what we want it to do when it comes out.

That has been looked after in the bills Congressman GEARHART has introduced in Congress. It has been looked after in Mr. GEARHART'S Pine Flat reclamation bill, for irrigation, power, and flood control. It has been looked after in the John Muir-Kings Canyon National Park bill, drawn in partnership, not in conflict, with the economic interests of the San Joaquin Valley.

It is because of this common interest, because of this determined effort to make sure a common interest was served, that we have succeeded so well in winning to the support of this national park those who once were apprehensive regarding it.

Let me at this point express my appreciation of the attitude that has been taken by the United States Department of Agriculture and the Washington office of the Forest Service, regarding the inclusion of Kings Canyon in the national-park system. I find, in speaking to the people of California, that it is necessary to make a distinction between the Washington office of the Forest Service, and some of the regional employees in California, and thus clear up a misconception.

For 19 years, without a single break in the record, the Department of Agriculture and the policy-making officials of the Forest Service have supported the proposal to make Kings Canyon a national park. The first declaration to that effect was made by Secretary of Agriculture Meredith in 1920. The last declaration supporting the park was made by Secretary of Agriculture Wallace on February 8, 1939. The letter from Secretary Wallace to me, which I made public in San Francisco 2 days ago, did not represent a change of policy on the part of the Department of Agriculture. On the contrary, Secretary Wallace adhered to a long-established and consistent policy. This national-park project has been supported by the Secretary of Agriculture and by the Chief of the Forest Service on every occasion when their opinion has been sought by committees of Congress, beginning in 1920. If, out here in California, some of the regional employees of the Forest Service have engaged in a campaign which conflicted with that record of the Government department to which they belong, we may, perhaps, describe it as an example of what one of the framers of the Constitution called "an excess of democracy."

Secretary Wallace, in pledging the continued support of his Department for the national-park measure, has reaffirmed the policy of his own father, who was Secretary of Agriculture under Presidents Harding and Coolidge.

I wish also to express my appreciation of the attitude of Chief Silcox, of the Forest Service. In the discussions that have taken place among departmental officials in Washington, Chief Forester Silcox took a position comparable to that of the Sierra Club. At the very outset he indicated that he would support a national park provided the boundaries were adequate to make it a real park, and provided assurance were offered that the park would protect the Kings Canyon wilderness as it ought to be protected against all forms of commercialism.

In other words, while some of the minor employees of the Forest Service were so busy in California, getting articles in newspapers opposing a national park, because it would lock up economic resources in a mountain country whose chief value was for recreation, their superiors in Washington were taking the precisely opposite position, and the statesmanlike position, that they would support a national park in a country which they believed to be primarily of national-park usefulness, provided the park as established would measure up to what it ought to be. When they found that it would measure up, the Department of Agriculture announced itself once more, as it had done repeatedly in the past, in favor of the park.

I ask you to take special notice that in this decision of the Department of Agriculture and the Forest Service to support the transfer of Kings Canyon from national-forest to national-park status the determining factor was the approval, by Secretary Wallace and Chief Silcox, of full protection of the wilderness. It is quite plain, therefore, that when some of the boys in the regional office of the Forest Service here in California got that bright idea, to drop the principle of wilderness protection and talk about the great danger of bottling up economic resources, they cooked their goose with their own superiors. In other words, the newspaper articles and speeches by Forest Service employees in California against this national park were a powerful influence in causing the Department of Agriculture to declare its renewed support of the national-park project.

I must say that the local Forest Service boys did a good job of it. For concentrated publicity, blowing up a bubble which Secretary Wallace has pricked, I don't know when I've seen anything better. One feature of it is so incredible that I can hardly believe it is true. A few days ago I received a copy of a remarkable letter, written by a man in Dunsmuir, Calif., to the editor of one of the metropolitan California newspapers. I won't identify the newspaper further, except to say that it is published considerably less than 10,000 miles from the city of San Francisco. The Dunsmuir man told the editor that, being a former employee of the Forest Service, he had a personal slant which made him inclined to oppose the creation of this national park. But, he said, he had been told that this newspaper refused to publish letters and articles favorable to the park, and even though he was in the opposition, he protested against this policy because he wanted to read and study the other side. He also said—and I suppose that is why he sent me a copy of the letter—that it verified the charges I had made against newspapers in the Town Hall of the Air debate with Publisher Gannett of the denial of freedom of the press by newspaper publishers themselves. I greatly admire the spirit of that man at Dunsmuir, Calif. I can think of few things more admirable than for the opponent of any proposal to desire for himself and insist upon the right of others to read the arguments of the other side. It would be interesting indeed to know whether the report he had heard was true.

I cannot agree, however, that this incident is an indictment of the California press, because it contrasts so strikingly with the fair treatment given the national-park proposal by most of the newspapers of this State. I believe that in general the columns of California newspapers have been hospitable toward all arguments, both pro and con, on the subject of the John Muir-Kings Canyon National Park.

I also think that in an atmosphere where so much smoke has been engendered the air will be much clearer now that it is known that the Forest Service and the National Park Service are in agreement, and they will unite in recommending to Congress that it pass Congressman GEARHART'S bill establishing the John Muir-Kings Canyon National Park.

Freedom Is As Freedom Does

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1939

ADDRESS BY HON. HAROLD L. ICKES, SECRETARY OF THE INTERIOR, FEBRUARY 10, 1939

Mr. PATMAN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I insert herewith an address entitled "Freedom Is As Freedom Does" by Secretary of the Interior Harold L. Ickes, delivered before the third annual

conference of the National Lawyers Guild at the La Salle Hotel, Chicago, February 10, 1939.

Some of you may remember that a month ago I had occasion to plead at the New York Town Hall of the Air for a press freed from the shackles put upon it by its own publishers and editors. My opponent in the discussion was Mr. Frank Gannett, proprietor of a chain of 19 newspapers.

I had hoped, being a passionate believer in democracy and in a genuinely free press, that this prominent publisher would present a convincing case. But as he spoke I was disturbed by an impression of inadequacy. Judging from the letters that I have received since, many people all over the country seem to have had the same feeling.

I want to sketch for you my experience in connection with that town meeting of the air debate.

I made three charges: That a section of the press has financial affiliations which limit its freedom; that it is influenced by advertisers; that it is unfair to certain groups of citizens, especially workingmen. I illustrated each one of these charges with specific facts and examples. I concluded then, and I repeat now: "While as to Government regulation and control the press of America is free, it is not, because of its own financial and economic tie-ups, what it should be—a free servant of a free democracy."

As lawyers you will agree with me that these specific charges should have been met, if possible, with specific refutations.

But how did the press react to my criticism, which was made with a feeling of genuine concern for the public interest? To begin with, without even attempting to meet my points, except in one instance, my opponent immediately began to shout "Unfair!" and a good portion of the press followed his lead. To prove how "fair" they are the newspapers proceeded to throw dust in their readers' eyes. I was "unfair" because, instead of dealing in dazzling generalities, I raised embarrassing, specific questions. I was "unfair" because I was unable to agree that all of the publishers, the columnists, and the editors of America are a galaxy of Galahads.

From the manner in which some of our great publishers reacted to my observations on the freedom of the press, I am led to believe that they are a thin-skinned lot. As Heywood Broun said 2 weeks ago in the New Republic, "The modern newspaper publisher and his representatives can dish it out, but cannot take it."

Editors would be surer of themselves and the people would be surer of their newspapers if more editors and publishers were willing to defend newspaper integrity in the give and take of public debate. It isn't healthy for any man to come to feel that he can attack with impunity from a protected position. Nor would a good sportsman want to do it. With the great power of the press ought to go an equal responsibility for fair play. To quote Heywood Broun again: "American publishers need a shot in the arm * * *. A rubber-stamp Congress may be an evil thing, but a rubber-stamp press is still more dangerous to democracy."

To the best of my knowledge, in commenting upon my charges, only a very few papers in their editorials tried to hold the scales evenly balanced. This was notably true of the Philadelphia Record which was frank enough to express its regret in an editorial pointedly entitled "Spare the Rod and Spoil the Press," that the press had been bludgeoned by advertising interests into fighting the Pure Food and Drugs Act in 1935. It thought that to criticize the press was a good thing for the press.

I may say that practically every other paper ignored this principal issue of the Pure Food and Drugs Act of 1935.

The New York Times and Herald Tribune were among the papers that gave a fair rendering of the speech. The Associated Press declined to send me an authentic copy of its release. The International News Service report, as printed in the Washington Herald, might be characterized as a successful attempt to prove that the press can be unfair and biased and willing to color the news. The United Press gave a fair report.

As for the Gannett papers, they reacted characteristically. The following tabulation was made by the Guild Reporter:

One of the Gannett chain, the Massena (N. Y.) Observer, gave 26 inches of space to Mr. Gannett and no space to Mr. Ickes. Another, the Malone (N. Y.) Telegram, gave 24 inches to Mr. Gannett and not an inch to Mr. Ickes. In fact, the Telegram contained no reference that its publisher had debated with a man named Ickes. Three other Gannett papers, the Plainfield (N. J.) Courier-News, the Utica Press, and the Observer-Dispatch, gave the merest summary of my words. But they printed the text of their owner in full. A check-up of the stories that appeared in 16 Gannett papers on the first day shows that, altogether, 487 inches of space were given to Gannett and 158 to Ickes. "There has been no suppression of Mr. Ickes," Mr. Gannett had proudly exclaimed during the debate.

The Denver Post, further to prove how fair the press can be, printed Mr. Gannett's speech in full with never a separate reference to the views of Mr. Gannett's opponent. The Scripps-Howard chain indulged in an editorial outburst full of such barnyard humor that many of its readers were moved to protest.

In short, a general can-can was danced around the real issues in order to detract attention from them. There are editors who, when they cannot meet an issue, make a face at it.

I did not need this demonstration to prove how exocannibalistic an editor can be if one has the audacity to suggest that all of his qualities are somewhat less than godlike. A cynical associate of 20 years' metropolitan newspaper experience insists that nobody is ever going to win an argument with editors in their own columns. Our editors are graciously proving this to be a true aphorism.

The newspapers zestfully played up two overstatements that I made in my New York debate in order to discredit an entire position. It happened that, in reply to a question from the floor, I stated that, so far as I knew, no newspaper had carried the story of the findings of a scientist to the effect that tobacco was a short cut to Heaven. Since I am trying to build a truthful record, it is my duty to admit that this was an exaggeration. I should have said that the majority of the newspapers had suppressed this story which, according to the magazine Time (March 7, 1938), was sensational enough "to scare the life out of tobacco manufacturers and make tobacco users' flesh creep."

In New York City, for example, it was suppressed by 72 percent of the daily papers. Throughout the Nation the percentage of suppression was probably much higher. The scientist in question, according to the New Republic, admitted that he had received 250 clippings, which may seem like a "pailful" if one overlooks the fact that there are in the United States more than 2,000 daily newspapers and over 10,000 weekly publications.

My second overstatement was in connection with a certain accident that occurred in Boston. This also was in answer to a question from the floor. I said that the sensational story of the killing of two men by the chaffeur of a department store did not appear in any Boston newspaper, except one. Frankly, I should have phrased my statement in different terms so as to make the point I wanted to bring out—namely, that department stores, being heavy advertisers, are "sacred cows" to newspapers.

In this instance it happened that certain newspapers that carried the story did not mention that the owner of the car was a department store. In two or three newspaper accounts the name of the owner of the car did not appear at all. In another, buried about two-thirds of the way down the column, the name was printed, but there was no reference to the fact that he was the proprietor of the department store, the display "ad" of which was carried in a contiguous column. The name was given, followed by a residence instead of a business address.

With these qualifications, I admit my mistakes. And in admitting them I do it on as prominent an occasion as that on which the errors were uttered. I admit my overstatements over a Nation-wide hookup of the same National Broadcasting Co. that carried my original words. I do not publish my retraction in an inconspicuous paragraph buried back of the want "ads," as newspapers sometimes do on those rare occasions when they admit one of their errors.

I will be interested to see whether the newspapers will be as candid in admitting their errors of overstatement with reference to my slip on these two items as I have been. My guess is that they will prefer to continue the flank attack that has been inaugurated by such knights of the quill as Westbrook Pegler and Hugh S. Johnson—two gentlemen who in the past have submitted to a censorship of their writings on the part of their employers.

Inviting resentful editors to brew up another mess of editorials to fling at me, I will repeat what I said in New York last month—that owing to economic tie-ups our press is not as free as it should be in a democracy. I am not alone in this opinion. Let me put on the stand a few distinguished witnesses.

A few weeks ago, William Allen White, perhaps the outstanding editor in America today, said: "We have ceased to be a profession and are now an industry."

Paul Bellamy, of the Cleveland Plain Dealer, in 1928, told the American Society of Newspaper Editors some blunt truths:

"Better be frank and admit that we have one rule for the strong and another for the weak. * * * Who of us will deny that the paper he serves has published scores, if not hundreds of * * * misadventures * * * when the actors were humble persons? Why, such stories are the warp and woof of the newspaper. * * * But here, forsooth, stands the great John Goodman, pillar of society and advertiser to boot. At once the kind of editorial sixth sense, the trouble detector, flashes red, and we hesitate. * * *"

Finally I want to quote the pungent line of J. David Stern, publisher of the Philadelphia Record and the New York Post: "If publishers would listen more to reporters than to bankers they would publish better newspapers."

There is no doubt that publishers enjoy complete freedom to print or suppress, to omit, to distort, or invent. There is no doubt that they are responsible to nobody save their consciences and their affiliations. Consider the case of Dr. Rexford G. Tugwell, an honest, able, and disinterested public servant. Because he had the temerity to support a bill that would protect the people from deleterious and poisonous drugs and cosmetics, he was lampooned, ridiculed, and lied about by a press subservient to the advertising interests, until he quit the Government service.

In the Philadelphia Record editorial to which I have referred, occurs this frank and significant admission:

"Much of what Secretary Ickes had to say is true. We are ready to confess that along with the rest of the newspapers we deserve criticism for the shameful part the press played under pressure from patent-medicine advertisers in fighting the pure food and drug bill, the so-called Tugwell bill, in 1933."

In this same connection I call to your attention an article by Chester H. Rowell, former editor and present columnist of the conservative San Francisco Chronicle. In May 1936 he wrote:

"When the Tugwell Food and Drugs Act was first before Congress, the newspaper opposition to it was directly and openly organized by

advertising agencies acting through the advertising departments of newspapers. * * * The vagaries and excesses of Tugwell should have been combated by some more legitimate method than this form of advertising blackmail."

From the very nature of their enterprise, publishers are, perforce, motivated by a profit psychology. Since even a small newspaper represents an investment of thousands of dollars, publishers are inevitably men of property. Their property sense in many instances gives them a bias. They think of their newspapers as business enterprises to be devoted, only if and when it is pleasing to them, to the public interest. The Wall Street Journal (January 20, 1925) admitted as much with startling candor:

"A newspaper is a private enterprise, owing nothing to the public, which grants it no franchise. It is, therefore, 'affected' with no public interest. It is emphatically the property of its owner who is selling a manufactured product at his own risk."

(May I say, parenthetically, that, instead of a franchise, a generous Government grants a subsidy that, last year, amounted to some $90,000,000.)

William Allen White wrote me a letter the other day in which he puts it this way:

"The tremendous capital investment now needed to buy the machinery and establish a circulation gives the owners of American newspapers an abiding sense of property. That property sense biases editors and owners—mostly unconsciously—and incidentally employees, so heavily that almost instinctively and automatically newspapers take the property side of every controversy. * * * The direct influence of advertising on an American newspaper is negligible. Most publishers have enough moral and business sense to fight direct advertising influence. But association with the plutocracy of every community, association in the country club, in the university club, in the chamber of commerce, in the interlocking directorates in every town, sooner or later, will degrade a publisher, however nobly he may aspire, and give him a sense of the eternal rightness of the established order."

Anyone who has the money can buy or start a newspaper. Nor does it matter how a publisher made his money, who he is, or what standing he may have as a citizen. Sometimes the mere accident of birth makes a publisher. Reputable doctors, through their associations, try to weed out quacks, and the lawyers of the country make at least a feeble effort toward purging the bar of shysters and crooks. But newspaper publishers, even those of fine standing and of high personal integrity, seldom seem to have scruples about some of their associates. You members of the Lawyers' Guild, who are yourselves liberal dissidents from the hide-bound—or shall I say precedent-bound?—groups within your own profession will understand why J. David Stern resigned in protest from the American Newpaper Publishers Association.

Many papers show their cynical contempt either for the memory or the intellectual integrity of the American people. The Hearst output may be cited as an example. During the 1936 campaign Hearst used every contemptible weapon to discredit President Roosevelt. The "Lord of San Simeon" even referred to the President as "you and your fellow Communists." Yet on the day after the election Hearst had the effrontery to write:

"If Mr. Roosevelt is a good President, if he is a democratic President, if he is an American President, the Hearst newspapers will support him again * * *."

To which the New Republic made the appropriate answer: "In view of the fact that the Hearst papers, after hitting below the belt every day for many months, have just been repudiated in the most overwhelming landslide in political history, the impudence of such an attempted bargain with the President leaves one breathless."

And while we are on this subject, Chicagoans will recall the tactics employed by the Tribune during the 1936 campaign. You remember the fake photographs that appeared in the Tribune showing a worker wearing a social-security "dog tag" and another depicting a street cleaner sweeping away Roosevelt buttons. These were pure fabrications. Those who posed for these pictures did it for a price.

Let me tell you another typical Tribune story. Last fall the "Mourning Kernel" employed one Clifford Blackburn, who had been suspended by W. P. A. for drunkenness and later discharged for letting a tree fall on a city truck, to write a series of articles smearing W. P. A. Mr. Hunter produced facts and affidavits to disprove case after case. As part of its attack the Tribune printed another fake picture, a disreputable practice to which it has apparently become an addict. Need I say that the Tribune characteristically did not see fit to print Mr. Hunter's refutation?

We know what happened in 1936, despite the Hearsts, the McCormicks, and the whole chorus of newspapers that assaulted the President day after day with "news" and cartoons that ranged all the way from coloration to flagrant fake. This 1936 anti-Roosevelt press campaign was so notorious, in fact, that Mark Ethridge, general manager of the Louisville Courier Journal, declared: "Newspapers never so badly failed to give guidance and leadership to social and economic changes and were never so unfaithful to their trust to present unbiased news, with editorials free from selfish interests * * *."

I believe that such a situation is not healthy for the newspapers. The press exists by public favor, and not vice versa. There is at least one publisher who recognizes this. Capt. Joseph Medill Patterson, of the New York Daily News, has suggested that it would be well for Congress to investigate the press. He offers his own paper as the first to be scrutinized, and he is willing that the Chicago Tribune, in which he also has a very large interest, should follow in its order. It is understood that Dean Ackerman, of the School of Journalism of Columbia University, has conceived the idea of a Nation-wide scientific study of the press.

These two gentlemen have raised an interesting question. It seems to me that an investigation would undoubtedly bring to light important information and relevant facts about the press. And because newspapers play the tremendous role that they do in our political and economic life, the Nation has a right to know more about them. I hold that we must do everything to defend the freedom of the press for the sake of our general liberties and our democratic institutions—that is why I am speaking tonight on this subject. And without waiting for an investigation, I suggest that it would be a wise idea for the publishers themselves voluntarily to print at appropriate intervals a frank and detailed statement of their financial relationships.

Although I am a severe critic of the shortcomings of the press, I am also a defender of its freedom. I want it to free itself from its own voluntary servitude. I am of the opinion that governmental control of the press would be a calamity, and the very idea is abhorrent to me. Despite self-serving insinuations on the part of some publishers, I am happy to say that no one in this administration has ever proposed or contemplated any censorship or coercion. I quote from a letter of President Roosevelt written to the St. Louis Post-Dispatch November 2, 1938:

"I do not think that anyone would seriously argue that the freedom of the press to criticize the administration in office has in any manner been curtailed since the spring of 1933. A casual reading of a representative digest would reveal the fallacy of allegations to the contrary. Praise be! And may that freedom ever prevail—throughout this administration and throughout every administration in all the years to come."

I should also like to quote these forthright words from a recent editorial in the Charleston (W. Va.) Gazette:

"The truth of the matter is that there has been no instance when any publisher in this country has been threatened with the loss of his freedom of the press by the present administration.

"There has been a lot of moaning and weeping, but there has never been a bill of particulars.

"There has not been even one substantiated instance. * * *

"There has been plenty of freedom of the press as this newspaper can attest and as can any other honest newspaper.

"But that, in general, in this country there has been a fair press cannot be maintained. It exists only in rare instances."

Despite abuses that are inexcusable from the point of view of the press itself, no fair-minded person would deny that American newspapers are still the best, as they are the freest, in the world. Generally speaking, they print much misleading propaganda, they color the news to suit themselves, they distort the news, they suppress the news, they even invent "news," but they also carry much news that is vital to the public weal.

Although they are swimming against the current, there are, in this country, a number of excellent and honest newspapers, which serve the public welfare sincerely and effectively. Instantly, there springs to mind William Allen White's Emporia (Kans.) Gazette. Many of you will think of others where the editors and publishers have had the courage and character not to succumb to the insidious property sense and are, therefore, free to serve their fellow citizens. Even some of our big metropolitan newspapers like the New York Times, the New York Daily News, the Washington Star, the Christian Science Monitor, the St. Louis Post-Dispatch, the Philadelphia Record, and others, come well within the limits of what a fair and objective newspaper ought to be. There are still others which, while more partisan and therefore more disposed to color the news and to editorialize in the news columns, are nevertheless capable of behaving in an honorable and sportsmanlike manner. You Chicagoans will recall that during the 1936 campaign the Daily News, whose publisher, Col. Frank Knox, was the Republican Vice-Presidential candidate, carried on its front page a dispatch in which it was indicated that Howard Vincent O'Brien, the News' own columnist, had said that the colonel did not have "a Chinaman's chance" of being elected.

I would also like to pay my particular respects to the New York Daily News, a supporter of the New Deal, which during the 1936 campaign scrupulously opened its columns to both major parties, an example that was later followed by the Chicago Times. However, we Chicagoans must admit that it takes more than the Daily News and the Times to make a sensitive native feel that this city is respectable journalistically. We recall that Leo C. Rosten in his book, Washington Correspondents, wrote that, according to the opinion of this informed body of high-class newspaper writers, the Chicago Tribune, next to the Hearst press, is the least credible of all the newspapers in the country.

An instance of fairness similar to that of the Chicago Daily News comes to me from the other edge of the continent, and the mentioning of it also gives me pleasure. In the course of a warehousemen's strike in San Francisco the union made an attack on Paul C. Smith, editor and general manager of the San Francisco Chronicle. Mr. Smith featured both the attack and his reply. One marvels how Mr. Smith ever got a job on the San Francisco Chronicle, or, having gotten it, was able to hold onto it.

However, notwithstanding the bouquets that can be handed to particular newspapers in particular instances, the fact is, as Grover C. Hill, editor of the Montgomery Advertiser, wrote in the Bulletin of the American Society of Newspaper Editors: "Our newspapers are better today than ever before, but they are not yet half good enough."

It seems to me that the newspapers need not necessarily be the tools and servants of their economic interests. They seem not to

know that business houses are as dependent upon newspapers as newspapers are upon them. Advertisers cannot live without newspapers, and it is a pity that newspapers have become so servile to advertising. It is even more a pity that so many of them persist in representing a class interest, a money interest, instead of the public interest; that the Bill of Rights, excepting only the right of a press free from Government interference or control, means little to them; that they oppose and misrepresent the workingman; that they ignore the rights of the underprivileged to justice and equality of opportunity; that they color news, distort news, suppress news, and invent news in favor of those with whom they are allied financially and socially and with whose objectives they are in sympathy.

I should like to conclude with the wise words which William Allen White spoke to his fellow editors a few days ago in Fresno, Calif.:

"The people will turn to us if we just keep the Government a democracy; if we will just listen to the voice * * * of the American people and see that that voice is free. * * * The freedom of the press will take care of itself, if we ourselves are free of those things that make for the restriction of the press. * * * If we, as editors, will only keep the faith, the democratic faith, there need be no fear of change; there need be no fear of tyranny."

I join my friend, William Allen White, in urging the newspapers of the country "to keep the faith."

Hawaii Has No Race Problem

EXTENSION OF REMARKS

OF

HON. SAMUEL W. KING

DELEGATE FROM HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1939

ARTICLE BY HON. SAMUEL W. KING, DELEGATE FROM HAWAII

Mr. KING. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include, with the permission of the publishers, an article written by me and published in the March issue of the monthly magazine Asia, as follows:

Since the time, more than a century and a half ago, when the people of the Hawaiian Islands were first brought into contact with the outside world, the door of opportunity in Hawaii has been open to all, regardless of racial origin. Our public schools and the paths leading to economic advancement and political office have offered no barriers based on race. Hawaii's greatest athlete, for example, a full-blooded Hawaiian, is held in universal esteem and affection; the city and county attorney of Honolulu, a man of Japanese ancestry, has the respect of the entire community, as have also a former chief justice of the Hawaiian Supreme Court who is of Portuguese ancestry, and a young man of Chinese extraction sent to the Territorial senate by an electorate that numbers but few voters of his racial group—to mention only a few shining examples. In other words, from the beginning Hawaii has solved her racial problem by refusing to consider racial differences as constituting a problem.

Our racial relations today are merely the natural evolution of the Hawaiian spirit, supplemented by the Christian teachings of the American missionaries. This pattern of life was stated by King Kamehameha III, whose rule covered most of the missionary period. In promulgating the first constitution in 1840, he said, "God has made of one blood all the nations of men, that they might alike dwell upon the earth in peace and prosperity."

The rapid decrease of the native population and the rapid development of Hawaii's agricultural resources brought into Hawaii, over a period of about 50 years, people of many racial strains. The United States offered a refuge and a land of opportunity to the oppressed millions of Europe and absorbed them and their children into the economic and political life of the Nation. Too remote and small for this great migration, Hawaii offered economic advancement to its thousands of immigrants, mostly but not entirely from the Orient, as the nearest source from which she could attract the manpower she needed.

Today the races of Hawaii live together as one people, owing one common allegiance to their American nationality. Racial origin means nothing to the individual in his status as an American. Among the racial groups there is mutual understanding and friendly sympathy. The spirit of old Hawaii governs, and "race prejudice" as such is not countenanced. Her people are building out of the varied constituents that make up Hawaii a new Hawaiian, proud of his Hawaiian nativity, of his ancestry, and, above all, of his citizenship in the great American democracy.

President Roosevelt, in his farewell message to the people of Hawaii at the end of his visit in 1934, said in recognition of this spirit: "In a fine old prayer for our country I find these words: 'Fashion into one happy people those brought hither out of many countries and tongues.' That prayer is being answered in the Territory of Hawaii. You have a fine tradition in the ancient beliefs of the islands, and I am glad that this tradition is so well maintained. You have built on it, built on it wisely, and today men and women and children from many lands are united in loyalty and understanding of the high purposes of America."

Occasionally the question of racial origin is raised by recent comers, expressing prejudices that prevail in their former homes and are foreign to Hawaii. To those of us who belong to Hawaii through birth or long residence the community of spirit among the different races that make up Hawaii's people warrants no special mention. In the business and professional life of Hawaii, in governmental employ and in politics, in the schools and sports of the island life, the citizens of Hawaii participate as individuals, fellow members of the Hawaiian community, with no concern as to one another's racial ancestry.

Such an attitude has made Hawaii a happy country, where people dwell together in peace and amity, where the spirit of the Hawaiian greeting, "Aloha", governs the relations between the races. As the youth of Hawaii progress through the public schools, imbibe the principles of American democracy and absorb the spirit of Hawaii, they carry on the pattern of life established 160 years ago; and they go out into the world free of the hates and prejudices, the animosities, and jealousies that make racial barriers. Knowing one another as individuals, they like and respect one another as individuals. Knowing representatives of all the several races in Hawaii, they find the same human traits common to all. As Chester E. Rowell said in the Honolulu Star-Bulletin: "For over a hundred years the descendants of traders and missionaries and the descendants of the original inhabitants of the island have lived there together, singularly free from that institution of racial caste which has cursed the American mainland. * * * Whether in crime or aristocracy, Hawaii has considered the individual, not the race. It will be a sorry service if we, who have failed in our race problem, impose our standards on Hawaii, which has succeeded."

That Hawaii should ever lose its happy freedom from intolerance because of a new philosophy brought into the islands from elsewhere would be indeed a tragedy.

Foundation Stones of the United States

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1939

PORTIONS OF GREAT DOCUMENTS OF AMERICAN HISTORY

Mr. VOORHIS of California. Mr. Speaker, under leave to extend my remarks in the RECORD, I am including portions of the great documents of American history.

FOUNDATION STONES OF THE UNITED STATES

In these times of trial it is good for every American to go back from time to time and read with care the great passages from our public documents and the great utterances of our great men. It is in the hope that the reading of them will help to steady us all and help us to face the future with resolute determination to solve our problems for the sake of continuing greatness and increasing justice in our country that the following collection of foundation stones of the United States has been brought together.

I. FROM THE DECLARATION OF INDEPENDENCE

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness—That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed, * * * (from a declaration by the Representatives of the United States of America in General Congress assembled, July 4, 1776).

II. THE PREAMBLE TO THE CONSTITUTION

We, the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.

III. THE BILL OF RIGHTS OF THE CONSTITUTION

The first 10 amendments, commonly known as the Bill of Rights, were adopted in order to quiet the apprehension that, without some such declaration, the Government would assume, and might be held to possess, the power to trespass upon those rights

of persons and property, which by the Declaration of Independence were affirmed to be inalienable rights. They "were not intended to lay down any novel principles of government, but simply to embody certain guaranties and immunities which we had inherited from our English ancestors * * *." (Constitution of the United States of America, annotated. Compiled under authority of S. Con. Res. 35, 75th Cong.)

AMENDMENT I

Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof; or abridging the freedom of speech or of the press; or the right of the people peaceably to assemble and to petition the Government for a redress of grievances.

AMENDMENT II

A well-regulated militia being necessary to the security of a free state, the right of the people to keep and bear arms shall not be infringed.

AMENDMENT III

No soldier shall in time of peace be quartered in any house without the consent of the owner, nor in time of war but in a manner to be prescribed by law.

AMENDMENT IV

The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures shall not be violated, and no warrants shall issue but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched and the persons or things to be seized.

AMENDMENT V

No person shall be held to answer for a capital or otherwise infamous crime unless on a presentment or indictment of a grand jury, except in cases arising in the land or naval forces, or in the militia, when in actual service in time of war or public danger; nor shall any person be subject for the same offense to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself; nor be deprived of life, liberty, or property without due process of law; nor shall private property be taken for public use without just compensation.

AMENDMENT VI

In all criminal prosecutions the accused shall enjoy the right to a speedy and public trial by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor; and to have the assistance of counsel for his defense.

AMENDMENT VII

In suits at common law, where the value in controversy shall exceed $20, the right of trial by jury shall be preserved, and no fact tried by jury shall be otherwise reexamined in any court of the United States than according to the rules of the common law.

AMENDMENT VIII

Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted.

AMENDMENT IX

The enumeration in the Constitution of certain rights shall not be construed to deny or disparage others retained by the people.

AMENDMENT X

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people. (Constitution of the United States.)

IV. A PORTION OF GEORGE WASHINGTON'S FAREWELL ADDRESS

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little political connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith. Here let us stop.

Europe has a set of primary interests which have to us none or a very remote relation. Hence she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves by artificial ties in the ordinary vicissitudes of her politics or the ordinary combinations and collisions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation; when we may choose peace or war as our interest, guided by our justice, shall counsel. * * *

'Tis our true policy to steer clear of permanent alliances with any portion of the foreign world. (George Washington in his Farewell Address, September 19, 1796.)

V. THOMAS JEFFERSON'S STATUTE OF RELIGIOUS LIBERTY FOR THE STATE OF VIRGINIA

Be it enacted by the general assembly, That no man shall be compelled to frequent or support any religious worship, place, or ministry whatsoever, nor shall be enforced, restrained, molested, or burthened in his body or goods, nor shall otherwise suffer on account of his religious opinions or belief; but that all men shall be free to profess, and by argument to maintain, their opinion in matters of religion, and that the same shall in no wise diminish, enlarge, or affect their civil capacities.

And though we well know that this assembly elected by the people for the ordinary purposes of legislation only, have no power to restrain the acts of succeeding assemblies, constituted with powers equal to our own, and that therefore to declare this act to be irrevocable would be of no effect in law; yet we are free to declare, and do declare, that the rights hereby asserted are of the natural rights of mankind, and that if any act shall be hereafter passed to repeal the present, or to narrow its operation, such act will be an infringement of natural right. (Extract from statute of religious liberty, proposed by Mr. Thomas Jefferson, to the General Assembly of Virginia, and passed by that body in October 1785. 12 Hennings (Va.) 84.)

VI. JOHN MARSHALL ON THE CONSTITUTION

It must have been the intention of those who gave these powers (to the Federal Government), to insure, as far as human prudence could insure, their beneficial execution. This could not be done by confiding the choice of means to such narrow limits as not to leave it in the power of Congress to adopt any which might be appropriate, and which were conducive to the end. This provision is made in a Constitution intended to endure for ages to come, and consequently, to be adopted to the various crises of human affairs. (John Marshall in *McCulloch* v. *State of Maryland*.)

VII. THE MONROE DOCTRINE

We owe it, therefore, to candor and to the amicable relations existing between the United States and those powers (European) to declare that we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety.

Our policy in regard to Europe, which was adopted at an early stage of the wars which have so long agitated that quarter of the globe, nevertheless remains the same, which is not to interfere in the internal concerns of any of its powers; to consider the government de facto as the legitimate government for us; to cultivate friendly relations with it; and to preserve those relations by frank, firm, and manly policy, meeting in all instances the just claims of every power, submitting to injuries from none. (From President Monroe's message to Congress on December 2, 1823.)

VIII. FROM DEMOCRACY IN AMERICA, BY ALEXIS DE TOCQUEVILLE (1835)

"As soon as land began to be held on any other than a feudal tenure, every discovery in the arts created so many new elements of equality among men.

"Men are not corrupted by the exercise of power or debased by the habit of obedience, but by the exercise of a power which they believe to be illegitimate and by obedience to a rule which they consider to be usurped and oppressive."

IX. A PORTION OF ANDREW JACKSON'S FAREWELL ADDRESS

"The immense capital and peculiar advantages bestowed upon it (the Second Bank of the United States) enabled it to exercise despotic sway over the other banks in every part of the country. From its superior strength it could seriously injure, if not destroy, the business of any of them which might incur its resentment; and it openly claimed for itself the power of regulating the currency throughout the United States. In other words, it asserted (and undoubtedly possessed) the power to make money plenty or scarce at its pleasure, at any time, and in any quarter of the Union by controlling the issues of other banks and permitting an expansion or compelling a general contraction of the circulating medium according to its own will. The other banking institutions were sensible of its strength, and they soon generally became its obedient instruments, ready at all times to execute its mandates.

In the hands of this formidable power, thus organized, was also placed unlimited dominion over the amount of the circulating medium, giving it the power to regulate the value of property and the fruits of labor in every quarter of the Union, and to bestow prosperity or bring ruin upon any city or section of the country as might best comport with its own interest or policy. * * *

Yet, if you had not conquered, the Government would have passed from the hands of the many to the hands of the few, and this organized money power from its secret conclave would have dictated the choice of your highest officers and compelled you to make peace or war, as best suited their own wishes. The forms of your Government might for a time have remained, but its living spirit would have departed from it. * * * Let us abide by the Constitution as it is written, or amend it in the constitutional mode if it is found to be defective. (From President Jackson's farewell address, March 4, 1837.)

X. LINCOLN'S GETTYSBURG ADDRESS

Fourscore and seven years ago our fathers brought forth on this continent a new nation, conceived in liberty, and dedicated to the proposition that all men are created equal. Now we are engaged in a great civil war, testing whether that Nation, or any nation so conceived and so dedicated, can long endure. We are met on a great battlefield of that war. We have come to dedicate a portion of that field as a final resting place for those who here gave their lives that that Nation might live. It is altogether fitting and proper that we should do this.

But, in a larger sense, we cannot dedicate—we cannot consecrate—we cannot hallow—this ground. The brave men, living and dead, who struggled here, have consecrated it far above our poor

power to add or detract. The world will little note nor long remember what we say here, but it can never forget what they did here. It is for us, the living, rather, to be dedicated here to the unfinished work which they who fought here has thus far so nobly advanced. It is rather for us to be here dedicated to the great task remaining before us—that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion; that we here highly resolve that these dead shall not have died in vain; that this Nation, under God, shall have a new birth of freedom; and that government of the people, by the people, for the people, shall not perish from the earth. (An address by Abraham Lincoln at Gettysburg, November 19, 1863.)

XI. ABRAHAM LINCOLN ON LABOR

In the early days of our race the Almighty said to the first of our race, "In the sweat of thy face shalt thou eat bread"; and since then, if we except the light and the air of heaven, no good thing has been or can be enjoyed by us without having first cost labor. And inasmuch as most good things are produced by labor, it follows that all such things of right belong to those whose labor has produced them. But it has so happened, in all ages of the world, that some have labored, and others have without labor enjoyed a large proportion of the fruits. This is wrong and should not continue. To secure to each laborer the whole product of his labor, or as nearly as possible, is a worthy object of any good government. (From Abraham Lincoln, edited by John G. Nicolay and John Hay, vol. I, p. 92.)

XII. GIFFORD PINCHOT ON CONSERVATION

* * * Conservation stands for the same kind of practical common-sense management of this country by the people that every businessman stands for in the handling of his own business. It believes in prudence and foresight instead of reckless blindness; it holds that resources now public property should not become the basis for oppressive private monopoly; and it demands the complete and orderly development of all our resources for the benefit of all the people, instead of the partial exploitation of them for the benefit of a few. It recognizes fully the right of the present generation to use what it needs and all it needs of the natural resources now available, but it recognizes equally our obligation so to use what we need that our descendants shall not be deprived of what they need. (From the Fight for Conservation, by Gifford Pinchot.)

XIII. CHARLES E. HUGHES ON LEGISLATION AND THE COURTS

* * * I like to think of the courts as in the truest sense the expert agents of democracy—expressing deliberate judgment under conditions essential to stability, and therefore in their proper action the necessary instrumentalities of progress. We are constantly reminded of the fact that legislation, even when making important changes, is new only in part. It cannot escape its roots. In providing what is new it also brings forward what is old. Concepts long familiar in the law are introduced into new statutes; language can hardly be used otherwise, despite crudities in drafting, and in nearly every line is a connection with the past which demands the expert judicial interpreter. And, further, what may seem at the time to be an abrupt or catastrophic change takes ultimately its place in legal history, when causes and effects are better understood, as a natural evolution. It is undoubtedly the duty of the courts to construe legislation according to the intent of the legislature. (From an address before the New York Bar Association on January 14, 1916.)

XIV. A PORTION OF THE MESSAGE TO CONGRESS OF PRESIDENT FRANKLIN D. ROOSEVELT, JANUARY 4, 1939

Storms from abroad directly challenge three institutions indispensable to Americans, now as always. The first is religion. It is the source of the other two—democracy and international good faith.

Religion, by teaching man his relationship to God, gives the individual a sense of his own dignity and teaches him to respect himself by respecting his neighbors.

Democracy, the practice of self-government, is a covenant among free men to respect the rights and liberties of their fellows.

International good faith, a sister of democracy, springs from the will of civilized nations of men to respect the rights and liberties of other nations of men.

In a modern civilization all three—religion, democracy, and international good faith—complement each other.

Where freedom of religion has been attacked, the attack has come from sources opposed to democracy. Where democracy has been overthrown, the spirit of free worship has disappeared. And where religion and democracy have vanished, good faith and reason in international affairs have given way to strident ambition and brute force.

An ordering of society which relegates religion, democracy, and good faith among nations to the background can find no place within for the ideals of the Prince of Peace. The United States rejects such an ordering and retains its ancient faith.

There comes a time in the affairs of men when they must prepare to defend, not their homes alone but the tenets of faith and humanity on which their churches, their governments, and their very civilization are founded. The defense of religion, of democracy, and of good faith among nations is all the same fight. To save one we must now make up our minds to save all. (From Franklin D. Roosevelt's Annual Message to Congress, January 4, 1939.)

Trade Agreements Disastrous to Agriculture

EXTENSION OF REMARKS

OF

HON. FRANCIS D. CULKIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1939

RADIO ADDRESS OF HON. FRANCIS D. CULKIN, SCHENECTADY, N. Y., MARCH 17, 1939

Mr. CULKIN. Mr. Speaker, under leave to extend my remarks, I insert the following radio address made over station WGY, Schenectady, N. Y., March 17, 1939, on The Effect of Trade Agreements on Agriculture.

Good evening friends, I will prove to you tonight that trade agreements do not benefit agriculture but, on the contrary, have well-nigh destroyed the American farmer.

There were three vehicles of recovery adopted by the present administration for the purpose of bringing agriculture and business back to normal condition. First came the N. R. A., then the A. A. A., and, finally, the trade-agreement program. The first two of these measures were torpedoed and sunk by the Supreme Court.

Under the last of the "recovery" measures, the trade-agreement law, the President was authorized to enter into trade agreements with foreign nations and to reduce the existing tariff 50 percent without the concurrence of the Senate and House. This power was delegated by the President to the present Secretary of State, the Honorable Cordell Hull. Mr. Hull is, in point of character and ability, the outstanding member of the present administration, but he hails from the deep South, and for years has been an ardent free trader. He believes, with all the fervor of his strong nature, that a tariff is unjustifiable from any angle and is, in fact, a sin against the Holy Ghost.

In carrying out this program of trade agreements, Mr. Hull named as his chief of staff Prof. Francis B. Sayre, who, while an able and persuasive gentleman, is an internationalist pure and simple. Professor Sayre is one of the few men who believe the League of Nations is still alive, and has the fixed belief that this trade-agreement program will insure peace and good will among the nations of the world. Placing the trade-agreement program in charge of these two eminent gentlemen was like putting a Quaker in command of the Army and a pacifist in charge of the Navy. With their starry-eyed idealism, they were no match for the virile Canadian, the shrewd Dutchman, and the realistic Englishman.

CAVIAR AND COCKTAILS

In the background, with a passion for anonymity, making out the schedules, was a group of young men mostly fresh out of college who have had no experience with business or actual contact with the sordid affairs of life. Mr. Smith, of General Motors, in his radio talk last week, complained of the backscratching and logrolling that occurred when the Congress had power to make these tariffs. We in Washington know that under the present scheme tons of caviar and oceans of cocktails have been consumed in the subterraneous process of making these trade treaties. I wish I had time to go into that. It is stated that when the schedule for Holland was up for consideration one of the American technicians was playing golf daily with the bright young men of the Dutch Legation. That may have been innocent, but it suggests possibilities. So much for the men who have written these trade agreements.

TRADE AGREEMENTS A FAILURE

Now, let me tell you what the law proposed to do. The Trade Agreement Act of 1934 proposed to restore the American standard of living, overcome domestic unemployment, and increase the purchasing power of the American public. The law has been in operation since 1934, and 20 treaties have been written. In these treaties the United States has made concessions totaling 1,056 reduced rates, 96 bound rates, and 142 items bound free. Of the 1,056 rates which have been reduced, 928 can be directly compared with the rates of the act of 1922. Over 80 percent of these comparable rates have been reduced below the rates provided in the act of 1922 as passed, or, in other words, 776 rates were reduced below the 1922 rates.

Obviously the trade-agreement law has not helped the American standard of living. Today domestic unemployment presents a more serious problem than in 1934. The purchasing power of the American public is lower than it was in 1934, this despite the fact that the Federal Government in the last 6 years has expended for relief over $21,000,000,000.

The added plea for the trade-agreement program has been based on the claim that these treaties will make for world peace. Everybody subscribes to the desirability of world peace, but the trade-agreement program has, in fact, endangered world peace. In the attainment of this objective, the trade-agreement program is another complete flop. In addition, handing out the American

home market of 130,000,000 people, the greatest market in the world even in these unhappy times, has disrupted American economy, retarded and palsied industrial recovery, and well-nigh destroyed American agriculture in its various branches.

If my hearers will recall the provocative and inflammatory notes which Secretary Hull has been writing Japan and Germany, they will know how completely this highly fantastic peace theory has failed. Despite the surrender of our American markets to the foreign farmer, the world spent 18 billions last year for munitions of war. We, ourselves, are developing a great armament program, and last week Secretary Hull made a strong speech in behalf of vastly greater disbursements for armament. The meshing of America's economy with that of the rest of the world is one of the sure pathways to war.

HOW ABOUT FOREIGN TRADE

Just a word about foreign trade. In the days when we were living under a protective tariff, we had a $90,000,000,000 income. During that period our foreign trade amounted to about 6 percent of that figure. It is authoritatively stated that if we eliminate the intercompany relations, that is where an American company has a subsidiary abroad, and over 1,600 of them have, the true volume of our foreign trade in normal times is not more than 3 percent. In other words, the buying power of our 130,000,000 normally takes care of 97 percent of our production.

FOREIGN PLANTS

I mention with some regret that General Motors has 20 auto and truck plants in America and 23 in foreign countries. Mr. Smith's company manufactures for the American market largely in America, and for the foreign market abroad where a substandard of living and wages exists. General Motors is now manufacturing Opel cars in Germany. It is shipping these cars in increasing numbers to the Argentine, Brazil, and other South American states. I think this is a disservice to America where General Motors was built up under a protective tariff and with the dollars of the American people. Of course, I give due credit to the genius and skill which has made the General Motors product what it is, but suggest that if Mr. Smith is sincere in his protestations of devotion to American agriculture and labor, that he use his high influence to stop this rather extraordinary practice.

The fact is, we have never been an exporting nation like Great Britain, Germany, Belgium, and France. Their export of national production will average at least 25 percent.

In express violation of the letter of the statute, the President and Secretary of State have made these trade agreements multilateral. In other words, if they give a concession to Canada on dairy products, 72 other nations participate, and only Germany is excluded. I wish I had time to discuss this disastrous practice. May I add that the Congress intended these treaties should be reciprocal or bilateral, and the debates in both the Senate and House demonstrate that beyond question.

FOREIGN FARMERS IN OUR MARKETS

Now, as to agriculture. The effect of these treaties has been to take the American farmer out of the foreign market and put the foreign farmer in the American market. In the twenties, in the days of the protective tariff, we sold the produce of 80,000,000 acres for export. Under the gentle auspices of the trade agreements, this amount has been reduced to an average of less than 30,000,000 acres. Let me explain that in 1937 foreign agricultural imports actually displaced an American acreage of 87,234,280. The opposition will say that in 1932, under the protective tariff, our exports were the lowest in history. They should remember that in 1932 we had a world-wide depression. They should also remember that in this year of our Lord all nations, we only excepted, have forged ahead to almost complete recovery.

In 1938 our domestic exports of agriculture were $827,000,000. The yearly average of our agricultural exports during the years 1926 to 1930 amounted to $1,692,000,000, or about twice what our agricultural exports were in 1938. Our imports of agricultural products for 1938 amounted to $955,000,000. This was about $125,000,000 more than our agricultural exports. These figures are a complete condemnation of the workings of the trade-agreement policy and establish the fact that American agriculture has been laid on the altar of foreign trade.

AGRICULTURAL DUTIES LOWERED

Agricultural duties in these various treaties have invariably been lowered, and where concessions have been obtained they are, in fact, more seeming than real. For instance, a concession granted by the United Kingdom includes the binding of duty on canned pigs' tongues and animal sausage casings We are also allowed to ship into Great Britain free of duty pigs' heads, pigs' feet, and edible pigs' offal in unlimited quantities. These were typical of the concessions our anonymous representatives obtained, and in return we reduced the duty on nearly every variety of dairy products, including cheddar cheese. These were reduced below the level of the 1922 tariff, which, experience had shown, was not sufficient to protect our dairymen.

THE DAIRYMAN DESTROYED

The fact is that these trade agreements have all but destroyed the 3,000,000 dairymen and their 12,000,000 dependents. For the first time in history butter and cheese are selling at about the same figure in London and the United States. The fact is that the dairy monopolists—the Bordens, National Dairies, and the "packer kings," Armour and Swift—have used Canadian cheese as a battering ram to hammer down the price of the American product. The prices of dairy products are interdependent, and if you destroy the one you destroy all. The dairyman's grievous condition has been greatly depressed by the fact that John Bull and Canada in combination have outtraded Uncle Sam.

THE PEEK PLAN

Take a look at cotton. During the so-called pernicious days of the protective tariff, we sold approximately some 8,000,000 bales of cotton in the world market. In 1938, we sold about 4,000,000 bales of cotton. Today the Government has 11,000,000 bales of cotton on its hands, with the 1939 crop to be heard from. This debacle is due to the fact that these treaties have been multilateral, and no attempt was made by the United States representatives in this program to follow the Peek plan of using the Export-Import Bank for reciprocal trade. The same is true of wheat, corn, and meat products. We gave all the nations of the world except Germany the advantages of all these treaties. The result was we had nothing to trade on, and they went elsewhere. The whole program has been characterized by a star-eyed idealism that has been fatal to the American farmer.

THE BALANCE OF TRADE

Let us look at the balance of trade as it appears from a complete record of 1938. Our exports of merchandise amounted to $3,094,000,000. Our imports were $1,960,000,000, leaving an apparent balance of $1,134,000,000. However, we had $1,974,000,000 in net gold imports and net silver imports of $223,000,000. Gold and silver is a commodity and we are paying a fancy price for it. It is properly chargeable as an import, and putting this metal in the scale we find that our imports over our exports amounted to $1,063,000,000. We are in fact a debtor nation, and if the President and Secretary Hull had used the trading powers given them by the Congress through the medium of the Export-Import Bank, we could have marketed each year an additional billion dollars worth of agriculture products abroad.

FARM INCOME

Now a word about farm income. Farm income in 1938, including benefit payments, was approximately $7,625,000,000. This is a billion dollars less than the average for the 5-year period of 1925–29 when the protective tariff was functioning. Our farmers are not prosperous, as Mr. Smith would seem to imply. They have had their buying power cut down two and one-half billion dollars a year. This, of course, reacts tremendously to the disadvantage of both the farmer and the worker in industry.

WHO IS FOR TRADE AGREEMENTS?

Let me call the roll of who is for these treaties: First, the internationalists of the State Department; second, the importers; third, the international bankers who have financed the vast propaganda that has been thrown about these treaties; fourth, the foreign producer of agricultural or industrial products.

WHO IS AGAINST TRADE AGREEMENTS?

Now let me call the roll of those who are against trade agreements: First, the National Grange; second, the American Federation of Labor, the most numerous body of organized workers and consumers in America; third, the Farmers' Union; fourth, the National Manufacturers Association of the United States, representing American industry that does not manufacture abroad; fifth, the national dairymen's organizations.

Consider the opponents and proponents of this program. That tells the story. A man usually knows when his ox is gored, and the informed farmer of the United States is today in complete opposition to this trade-agreement program that is destroying him. The fact is that this fatal program has fallen of its own weight and has already reduced the standard of living of every citizen of America, whether he is on a farm or in a shop.

This trade-agreement program is, in my judgment, one of the principal reasons why American agriculture and industry has not kept pace with world recovery. Its repeal will save the American farmer and factory worker from destruction. God speed that day!

Good night.

St. Patrick's Day Address

EXTENSION OF REMARKS

OF

HON. CHARLES KRAMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1939

RADIO ADDRESS OF HON. JAMES A. FARLEY, MARCH 17, 1939

Mr. KRAMER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of the Honorable James A. Farley, Postmaster General of the United States, delivered before the Friendly Sons of St.

Patrick, of Providence, R. I., at 8:30 p. m. Friday, March 17, 1939, and broadcast over a Nation-wide hook-up:

You have all heard, I dare say, of that distinguished gentleman who was one day walking quietly down the street when he received a resounding thump on the back from one who had mistaken him for an old friend. The gentleman straightened up and wheeled sharply around, only to find himself looking into the face of a total stranger. "Well," he managed to say when he had regained his composure, "I do not know your name but your manners are certainly familiar."

In coming here this evening to join you in the celebration of the feast of the great apostle of Ireland, I feel that although I do not know the names of all of you, I am nevertheless among fast friends; for there is something about the Friendly Sons of St. Patrick, wherever you find them, that reminds one of those who have grown up in the same neighborhood, who have imbibed the same lessons of loyalty, and who have followed the same hallowed traditions and not only are their manners altogether familiar, but there is a quickness of mutual understanding that is very reassuring to one who has the privilege to speak before them.

I need not tell you, I trust, that I deem it a distinct honor to address this society which George Washington joined in Philadelphia in 1781; and which had on its roll of membership during the Revolution such noted generals as Wayne, Butler, Hand, Irvine, and Moylan. Since that time it has numbered among its sons, in almost every State of the Union men who have made a secure place for themselves in the history of the United States not only as statesmen, poets, historians, and philosophers but also as leaders in business and in the professions.

I do not believe I shall be accused of exaggeration when I say there is no other race on the face of this earth that has had the difficulties and hardships to contend with that the Irish have experienced, and that has still survived and flourished in spite of all the cruelties the mind of man could invent to ruin it. Other races, for the most part, have been protected and guarded by the power called government; they have gone along the even tenor of their way peacefully and quietly; their history is the record of their lives. Erin, however, has had to fight the very power that should have protected her; she has had to flee from the very arms that should have been raised in her defense; her history is the record of her martyred dead. And the only reason she has any history at all to record today is because of the living faith and sterling character of her sons, who have always loved justice and hated oppression wherever these qualities were to be found.

I am not going back over those years of famine and persecution which you know only too well. In those times everything possible was done to destroy or discourage the Irish people. Their lands were taken away and given to usurpers in the hope that the tyranny of the new landowners would wipe the race out of existence. But those who waged this campaign overlooked one fact. They had not reckoned on the Irish girl. No matter how furious the invaders were when they landed on Irish soil, no matter what means they employed for the annihilation of the Irish, sooner or later they were destined to meet the Irish colleen. And when they did, all their plans were shattered. The English settler married the Irish girl, and from those marriages came the most patriotic Irishmen the world has ever known. They have rightly been called "more Irish than the Irish themselves."

In the time of Queen Elizabeth the inhabitants of Ireland were put to the sword, their dwellings burned, their cattle and crops destroyed. The country was left in such a pitiable condition that a bird could scarcely find subsistence there. Yet Elizabeth had scarcely gone to her judgment when the exiles came back from the mountains, the woods, and the caverns, where they had been in hiding, and in a remarkably short time the land began to blossom again like a flower.

During the reign of Charles II practically every ship that traded with the colonies in America was an Irish ship, built by Irish hands and manned by Irish seamen. Irish woolen manufacturers were the most prosperous in the world, and Irish cattle and horses filled every English market. I mention these things simply to remind you that the Irish were always prosperous if given half a chance. They wanted no concessions and no privileges from any government. All they ever asked for was simple justice, and whenever they got justice they made their own prosperity.

When I hear men speak of the history of Ireland I am reminded of that big Irishman who came home one night with two of the blackest eyes that were ever seen in the face of a white man. One of his companions, meeting him at the door, said to him in a rather plaintive voice: "For God's sake, man, who gave you the two black eyes?" The big fellow became indignant, and shaking his fist in the face of his companion he said to him: "Who gave me the two black eyes? No one gave them to me! I had to fight like a demon to get them." And so it has been with the Irish. They have had to fight to the last ditch to have any history at all to record. But through persecution and starvation they have walked manfully, with their face to the stars, and today they look back on those times of oppression and slaughter, not in a spirit of anger and reprisal, not with a feeling of hatred and revenge, but with the spirit of forgiveness that has always burned like a light in the heart of the Irish. When they were no longer able to tolerate or avoid the tyranny of their oppressors, and they came to America, the land of freedom and opportunity where every man is on an equal footing with his neighbor, where every man is given an opportunity to use his talents and his labor for his own betterment, we still find the Irish among the champions of justice and liberty, and ever grateful for the privileges they have received in the United States. And to prove their gratitude they are and always have been ready to shed their blood and to lay down their lives for the country that has befriended them. Major General Robertson testified before a committee of the House of Commons that one-half of Washington's army was composed of Irishmen. And while that statement may seem an exaggeration, it was nevertheless repeated by Joseph Gallaway on the witness stand before an English tribunal and by General Lee. Both of these men were competent judges, and were certainly in a position to know the facts.

It will be held by some, of course, that it was not American patriotism that caused Irishmen to join an army that was fighting England. Many will believe that they looked upon such a venture as an outdoor sport. One reputable historian tells of a company of Irish who were defending a hill in the Revolution. After the battle it was discovered that all the gunlocks were either bent or twisted, and an investigation proved that when the Irish ran out of ammunition, instead of climbing the hill for more, they used their guns on the heads of their enemies. It is true, of course, that there was little love lost between Ireland and England, but uppermost in the minds of these Irishmen who fought in the Revolution was the safeguarding of that liberty and freedom which they had been deprived of in their own land. And they have amply proved the fact by the number of enlistments in every war in which this country has ever engaged.

When the passion of the hour brought the great Civil War and other wars to this land, we find the sons of the Gael fighting just as courageously in support of their cause as they did in the Revolution; and in all generations they have written their names, not on gold or silver, not on marble or bronze, but on the hearts and minds of a grateful American people.

I trust that this country will never be called upon to enter another war, especially a foreign one. I hope that our time may be given in future days to the straightening out of our own problems and to the making of our land a better and more contented place in which to live. I pray that the Irish, who so well appreciated the opportunities that America gave them in their days of oppression and who were so ready to lay down their lives that those opportunities might continue, will bend all their efforts today in an endeavor to drive from our shores those internal enemies who do not appreciate the liberty that is theirs, and who are trying to undermine and destroy the very foundations on which our Government is built.

In recent years, as you are aware, there have come to our shores from the Old World men and women who could no longer tolerate the tyranny of their mother country. These people have been given the same protection, the same liberty, and the same opportunities for which the sons of Erin are so grateful. But, instead of showing gratitude for these blessings which were denied them in their own country, instead of being ready to shed their blood that such freedom might continue, they are using their liberty to instill into the hearts and minds of their fellow men a distrust for American institutions, to arouse religious intolerance, race hatred, class conflict, and even a denial of the God who created them. Some of these have proclaimed openly that they would not engage in even a defensive war to save this Nation. What, we sometimes wonder, do these people want? Is it communism? They can have it at its source for the small price of a trip across the water, without the necessity of tearing down the existing Government to build upon its ruins. Is it fascism? The ideal Fascist state has been set up in the Old World and welcomes all those who believe in its principles and are ready to work for its success. The fact is that you could not drag any of these agitators with a team of horses to a boat embarking for any of these countries. They know they can have no such freedom there as they have in the United States. And yet they are perverted enough to spend their time and their energies in an endeavor to destroy what is today the best country on earth in spite of the evils that exist here.

What is there across either ocean that can compare to advantage with American democracy? There are abuses here, of course; and there will be, here and everywhere, so long as humanity is what it is. But can we find a more genuine spirit of devotion to the common good in those countries where the rulers dictate what you shall eat, what you shall drink, what you shall wear, where and at what age and at what kind of labor you shall work, what you may read, what you may listen to, what you may speak? The American citizen has still the final word in government in this country. In spite of politics and propaganda, it is he who will ultimately determine who shall be the President of the United States, who shall sit in our legislative halls, and who shall judge our people. He may be indifferent at times, he may be unwatchful, but when he is aroused, when he is indignant with Government policy, he knows that he and his neighbor from coast to coast can put a stop to any kind of arbitrary abuse or injustice.

This country still recognizes that every individual has certain rights which do not come from society, but are the essential claims of those who go to make up society. These rights do not come from the state, because they existed before the state. But it is the duty of the state to protect its citizens in the enjoyment of these rights. Every man not only has the right to live, but also he has the right to the enjoyment of liberty, the right to an education, the right to labor, and the right of worshipping God, and of practicing his religion according to the dictates of his conscience. And where, I repeat, are these rights better safeguarded than in our own country?

No one contends, I dare say, that our democracy is perfect. We have unemployment, we have a serious farm problem, we have trouble between labor and capital. But these things can be ironed out, if we have patience and good will, in the American way. When people tell you that foreign countries have no unemployment, that statement should be taken with a grain of salt. For when you come to examine the wages these countries pay their laborers and the purchasing power of their money, you will usually find that a great many of their people are working for what would be starvation wages in the United States. In fact, many of our people on the relief rolls are getting more than some of those who are working 10 and 12 hours a day in other countries.

This, then, is the problem of America at the present time, as I see it. Lord Macaulay said some 80 years ago, when writing to a friend in America: "Your Republic will be laid waste in the twentieth century as the Roman Empire was in the fifth; with this difference: The Huns and the Vandals who ravished the Roman Empire came from without, but your Huns and Vandals will have been engendered within your own country, by your own institutions." Macaulay must have foreseen a condition in our country when numbers of our citizens were swinging to a dangerous left, away from all the traditions and the philosophy of the men who established the foundations of our democracy. These enemies are not so firmly entrenched yet that they cannot be circumvented. And it is to patriotic Americans like the Friendly Sons of St. Patrick to whom we must look if we would keep our country the land of opportunity, the home of civil and religious liberty that our fathers loved and fought for. And there is every reason to believe that you will not be found wanting in your duty any more than were your fathers before you.

Bryan's Contribution to Religion

EXTENSION OF REMARKS

OF

HON. J. BUELL SNYDER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1939

ADDRESS OF HARRY B. FLEHARTY, OF OMAHA, NEBR.

Mr. SNYDER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Harry B. Fleharty, of Omaha, Nebr., at an observance of Bryan's birthday, in response to the toast "Bryan's Contribution to Religion":

Mr. Toastmaster, distinguished guests, ladies, and gentlemen, it was my privilege when I began the practice of law in Nebraska some 40 years ago to come in contact in a rather intimate way with William Jennings Bryan.

That contact, while it resulted in the practice of law becoming secondary to interest in public affairs, served to broaden my conception of life's realities and enrich it with visions that otherwise probably would never have been within the scope of my experience.

In most things I have been his disciple and while not always agreeing, I found in him one who could disagree without being disagreeable. His personality and philosophy have been and always must be vital factors in my life.

In considering the phase of Mr. Bryan's activities assigned me, his "contribution to religion," I felt it necessary to first attempt to obtain a definite conception of religion. Langdon Smith in his great poem Evolution says:

> There came a time in the law of life
> When over the nursing sod
> The shadows broke and the soul awoke
> In a strange, dim dream of God.

This awareness of God, the mythical dawning of which the poet pictured, would, I think, describe Mr. Bryan's conception of religion. It provided the foundation for every structure he sought to establish. Bryan's ability to form firm, clearly defined opinions concerning any important problem confronting him undoubtedly had its root in his firmly established religious convictions.

He realized that before one can form a definite opinion concerning anything he must have a definite faith concerning everything; that it is not possible to properly place a part of anything without some conception of the whole.

Bryan confronted a generation demanding knowledge; a generation that, admitting the importance of doing right, failed to recognize the impossibility of even a standard of right without basing it on some faith concerning life's realities.

He witnessed the tragedy of great minds and great hearts becoming helplessly confused as they sought to measure the unknown by the known, as they attempted to retain in the mind of man consciousness of a moral imperative requiring the use of such words as "ought" and "should," while denying the necessity for and the power of any kind of faith.

Mr. Bryan met both thoughtlessness and confusion with a simple positive declaration of faith in God, in Jesus Christ, and in the Bible.

An appeal in the name of science has tremendous force to the enthroned intellect of today; and when in the name of science the declaration was made, "We have now no need of the hypothesis of God," William Jennings Bryan caught the menace of that statement and challenged the materialistic conception of the universe with emphatic reiteration of his faith, the Bible faith, that, "In the beginning God created the heaven and the earth."

The dominant thought and purpose of Mr. Bryan in his last years was to make sure that in interpreting God's revelation in nature his revelation in the Bible was not blotted out. He knew the Christian religion rested for its authority upon the Bible; that to discredit the Bible in the minds of men would discredit the Christian faith in the life of the race.

Materialism was not slow to seize upon the conclusions of science and carry them to unwarranted extremes. Minds that rejected the conception of an omnipotent God were perfectly willing to bow before an all-powerful protoplasm. Intellects that refused to see in Jesus the Son of God were eager to see in man the product of self-created mechanical laws. Brains that scoffed at the conception of divinity in humanity readily imagined a Lincoln, a Shakespeare, a Michelangelo, a Jesus of Nazareth in a drop of protoplasmic matter.

To this materialistic philosophy destroying all awareness of God, uprooting all religion, William Jennings Bryan flung the gantlet and, mastered by his faith, entered the arena bringing into dramatic conflict with these arrogant assumptions of science the force of his personality, the richness of his experience, the power of his intellect, the magnetism of his oratory, and the simplicity of his religious faith.

Materialistic philosophy followed the theory of science to life's first manifestation in protoplasmic matter and then leaping over the chasm which separates organic and inorganic matter held up this microscopic atom and cried out "Before God was, I am."

William Jennings Bryan walked with science as it claimed to trace life to that atom and then bridged the gulf between the organic and inorganic with the first four words of the Book he loved, "In the beginning, God."

Mr. Bryan sought no conflict between religion and science. He believed there must be absolute harmony between the word of God and the works of God. He was not concerned with those conclusions of science which accepted evolution as a progressive development. Whether or not it was scientifically sound did not engage his serious attention so long as it did not strike at the source of creation and attempt to substitute a molecule for a Maker.

Mr. Bryan thought of the universe as you and I think of the construction of a great skyscraper. We note the hundreds of men who work in different ways at different times with materials from different lands and with various tools and we watch the great edifice assume form and perfection under the contributions of all those hundreds of laborers each of whom we willingly give his mead of praise and gladly acclaim their united achievement but at no time does the accumulated services of the army of toilers or the distinctive contribution of an individual toiler dispense with the necessity for or detract from the glory of the architect.

Mr. Bryan found in the theory of a progressive development of life no denial of the divine source of life. In whatever degree the theory of evolution may ultimately be found true, he found in it but a method, not a cause. A process, not a producer. A design which presupposed a designer, and to the confusion of the atheistic science which rejected the hypothesis of God, Bryan went back of its carefully elaborated theory of design and laid the finger of faith on the great Designer, "In the Beginning, God."

The divergent expressions of individual lives, the sometimes apparently malignant manifestations of animate and inanimate matter, neither misled nor confused him. He felt that the blending of apparently discordant notes from individual instruments of an orchestra into a volume of sound that, swelling and sobbing from a hundred instruments, burst into the triumphant melody of a great oratorio, negatived the theory of accidental harmony and conclusively demonstrated the existence of a great composer.

He felt that if it be true that man is but the finished product of a process, he is by that very fact cut off from the process and launched into the realm to which as a finished product he is adapted, just as a great vessel builded in the wharves when it is the finished product of the process that built it is not permitted to rot upon the beach but is cut off from the process and launched into that new realm for which it was prepared by the process.

It is impossible to estimate the value of Mr. Bryan's defense of fundamentalism as it is sometimes termed. The fruit of the seed of his sowing has hardly begun to mature. It is not too early, however, to note the fact that he solidified the religious world, those who are devout and those who are indifferent, into a unit of opposition to arrogant atheism. He demonstrated that, while religion was not menaced, the authority of science was endangered. It became clear through his contribution that if science should willingly permit its conclusions to be made a vehicle for atheistic propaganda, the religious men and women of this and other Christian nations would regretfully but unhesitatingly abandon Ephraim to his idols. There will be no releasing of Barrabas, no crucifixion of Jesus this time.

Bryan forced into the consciousness of the scholarship of America the fact that to humanity with its heartaches, its sins, and its longings, Jehovah is more gratifying than geology, Christ is more comforting than chemistry, and the Bible more beneficent than biology.

"Cribbed, cabined, and confined" by the limitations of our knowledge, standing where knowledge ends, where faith begins, we sometimes seem to sense the proximity of souls set free from those limitations. For those of us who loved him, the passing of William Jennings Bryan will make significant the words:

"It seemeth such a little way to me
Across to that strange country, the beyond.
And yet not strange for it has come to be
The home of those of whom I am most fond.
They make it seem familiar and most dear,
As journeying friends bring distant countries near."

Time Clauses in Government Contracts

EXTENSION OF REMARKS
OF
HON. LELAND M. FORD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 21, 1939

LETTER AND RESOLUTION FROM THE LOS ANGELES BUILDING TRADES COUNCIL

Mr. LELAND M. FORD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter and resolution from the Los Angeles Building Trades Council:

LOS ANGELES BUILDING TRADES COUNCIL,
Los Angeles, Calif., March 11, 1939.

Hon. LELAND M. FORD,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN FORD: Enclosed you will find a resolution adopted by the Los Angeles Building and Construction Trades Council which we believe is self-explanatory.

We would appreciate your full cooperation and assistance in this matter as we feel sure that the construction industry cannot carry on under its present burden and will eventually be torn asunder with wage scales and standards destroyed because of the partially trained men who have been used and given so much protection on W. P. A. being thrown into the labor market.

It appears to the undersigned and the council that instead of curtailing the activities of W. P. A., they are broadening so much that at the present time clauses are being inserted in specifications on governmental contracts which have been won by private contractors, providing that the private contractor must employ all labor from W. P. A. relief rolls which in this particular district has created havoc and left our regularly trained building tradesmen walking the street while private contractors are forced to employ incompetents from W. P. A. relief rolls, thereby placing a premium on relief workers to the exclusion of free, independent building tradesmen who have followed the construction industry for their entire life and it is the only business they have.

Trusting that you will give us your full support in this matter and with best wishes, I am

Yours very truly,

C. J. HAGGERTY, *Secretary.*

After receiving a report from its employment and organizing committee, the Los Angeles Building and Construction Trades Council, in its regular meeting held on March 2, 1939, instructed its committee and officials of the council to use every fair and legal means in their power to bring to the attention of proper officials in the State and Nation the conditions which are now existing and have been existing because of the W. P. A. in this district.

The council is convinced, after a thorough study of the situation, that the W. P. A. is steadily and surely causing great havoc and injustice in the building and construction industry due to its interference in the natural functioning of the industry and instead of relieving unemployment as it was originally set up to do it is, by its methods and because it is doing work with relief labor that is normally performed by the industry itself in its usual function, throwing more independent and union building tradesmen on relief rolls due to the fact that various governmental subdivisions are quick to take advantage of the low cost to themselves by having their construction projects performed by W. P. A.

It was the unanimous opinion that the W. P. A. was inducting thousands of workmen into the building and construction industry and there training them to become building tradesmen in every craft in the industry and glutting the market which is already oversupplied with building tradesmen. In addition to being supported by W. P. A., these partially trained mechanics are permitted to work on private jobs when their allotted number of hours are completed with W. P. A. and no attempt has been made by this department to prevent its clients from accepting work in private employment while at the same time they are employed on W. P. A. projects, which private employment is taken for a wage scale far less than is paid to union building tradesmen or is recognized as prevailing in a particular district.

In view of these facts and with full recognition of the great injury sustained by the building and construction industry, it was regularly moved and seconded that the following resolution be adopted; that copies be sent to President Green, of the American Federation of Labor; President McInerney, of the Building and Construction Trades Department; the officers of all State councils and federations; and to the Senators and Congressmen from California.

"Whereas after a thorough study of the conditions in the methods pursued by W. P. A. in the field of the building and construction industry wherein W. P. A. is setting up construction projects in direct competition to those engaged in the industry and on which projects, due to the regulation provided, it is practically impossible for the regular building trades mechanics, who have spent their life in the industry, to be certified; and

"Whereas the W. P. A. is, by its methods of operation, training men to become building tradesmen to the great detriment of those already engaged in that industry, which industry is already glutted with a surplus of mechanics due to lack of private construction work and curtailment of P. W. A. activities; and

"Whereas the different political subdivisions of Government such as the several States, counties, cities, and townships are taking unfair advantage of the W. P. A. grants to do construction projects under W. P. A. conditions when such construction projects would normally be done by the contractor engaged in the industry who would employ regular and properly trained building and construction mechanics; and

"Whereas it is our belief that the W. P. A., through its aforesaid activities, is greatly retarding the recovery of the building trades industry and by this said slowing up of the second largest industry in this Nation, is hindering the entire business recovery; and

"Whereas W. P. A. is further encroaching on private initiative and replacing regularly trained building trades mechanics by recently inserting in War Department contracts a provision that relief labor must be employed, thereby placing a premium on men who are on relief and who are not building tradesmen to the exclusion of regular building trades mechanics who have spent their life in the industry: Therefore be it

"*Resolved*, That we petition the President of the United States and our Representatives in Congress that when the next appropriation for W. P. A. is made, that it specifically specify that no part of the appropriation be used for financing any building or construction projects which are commonly recognized as coming within the construction field; and be it further

"*Resolved*, That all construction work be brought under P. W. A. and a proper appropriation be made to enlarge the activities of P. W. A.; and be it further

"*Resolved*, That copies of this resolution be sent to all officials of the American Federation of Labor and the building trades department as well as the delegation in Congress from this State, urging their cooperation in the above resolution to prevent further destruction and deterioration of the building and construction industry.

"Unanimously adopted March 2, 1939.

"C. J. HAGGERTY, *Secretary.*"

Exclusion of Aliens From W. P. A. Rolls

EXTENSION OF REMARKS
OF
HON. RUDOLPH G. TENEROWICZ
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 21, 1939

Mr. TENEROWICZ. Mr. Speaker, it would seem to me that it is appropriate at this time to clarify in the minds of the people the term "alien" as applied to those persons recently dropped from our W. P. A. rolls. I think we should analyze just what type of persons they really are and then determine just what our responsibility is toward them.

If by the term "alien" we are to mean the man or woman who attempts to incite hatred for our American form of government or who seeks by means of subversive propaganda or other means to undermine our institutions, or to be antisocial in any manner whatsoever, I say this type of person or persons should be deported, after charges have been proven against them.

But, it is not for this type of alien that I wish to intercede today. I should like to speak on behalf of the men and

women who came to America from Europe to find the same degree of freedom and economic security that our fathers and forefathers came here to find. You know all of us are only one or two generations removed from the classification of foreigner, as only the Indians are the true American stock. These men and women have come to us from England, Ireland, Scotland and Wales, Germany, Italy, France, Poland, and Austria; from Norway, Sweden, Denmark, Switzerland, and all of the other countries of the globe. When we needed strong men to build our industrial life 20 years and more ago, we invited and welcomed these people here. They managed to secure the money to pay their way here to help us build our Nation into the greatest industrial country on earth. Their contribution to our industries, to our mining, and to our farming interests is boundless. They went into our blast furnaces, into our production lines, down into our mines, and in many instances became some of our finest and most productive farmers, mechanics, and miners.

In some instances, it may have been true that these people sent some money back to their respective countries. However, this was not the general rule. Their children were reared and educated here, and are citizens today. These people obtained property, they paid city, county, State, and Federal taxes the same as everyone else, and they too were victims of the depression in which thousands of persons lost their life savings and their homes. With their life savings gone, and having reached an age where it is difficult to obtain employment in industry, and their children unable to secure employment sufficient to sustain them, they now ask us for the privilege of digging sewers, repairing roads, building bridges, and other forms of public improvements, in order that they may earn a subsistence wage of $15 a week with which to maintain their families.

Some say the solution to the problem is deportation. Some say "away with them, we do not need these foreigners any longer. Deport them. We will permit their American-born children to remain, but the 'old folks' must return to the country from which they came." A country, by the way, that they have not seen in 20 years or more, and to which they have no desire to return.

My colleagues, these people do not want charity. They want work and security, as do native-born Americans. They have earned their right to this consideration from us. Their only sin is that they failed to become American citizens. Many of them tried to become citizens, and failed in the examinations because the questions asked were too difficult to answer. Anyone who has witnessed the fear that takes possession of some of these people when they are becoming naturalized can understand what has hindered many of them from becoming citizens. The questions asked could not be answered by some of our finest citizens. A person's ability to answer difficult or catch questions should not be a criterion or yardstick of good citizenship. These people have shown their good faith and eagerness, in most instances, to become citizens by going to night schools where they are prepared for citizenship. They are constantly seeking pamphlets and literature on citizenship, and thousands have already secured their first papers, but have been unable to secure their final papers.

I sincerely hope, my colleagues, you will appreciate what I am attempting to portray to you. The man I am fighting for is the one who has made his healthy contribution to the industrial life of America, who has mined our minerals from the bowels of our earth, and who has worked the land on our farms. It is always labor that creates wealth, and for this contribution on their part, these men have become a part of us. We fed them to our industrial machines, we drafted them during the World War—without citizenship papers in many cases—and our casualty lists show thousands of them who fell at the front fighting for these United States. Some of them came back maimed. To those who returned we granted citizenship in reward for their services.

It is to be hoped this condition is only a temporary emergency, and, to my way of thinking, cutting these people off W. P. A. is not economy nor is deportation a sane and humane solution. There must be another way to economize other than by adding to the sum of human misery. Our aim is to alleviate and relieve want and suffering. Therefore, let us admit our obligation to the men and women of these various nationalities who have given all they had to help us build this country into the greatest industrial nation on earth.

Our individual States, we realize, are not capable at this time of coping with the present emergency, so I pray, let us be fair and reopen the W. P. A. rolls in order to assist these people.

[Western Union]

DETROIT, MICH., *March 13, 1939.*

Hon. RUDOLPH G. TENEROWICZ,
House of Representatives, Washington, D. C.:

Due to our critical financial situation brought about by the depression and recession and additionally due to recent removal of aliens from W. P. A. projects, thereby throwing this burden on our welfare rolls, I place myself, city officials, and the community on record as approving the President's request for a second W. P. A. deficiency appropriation. We strongly urge you and your colleagues to do all in helping the President in this humanitarian task, as otherwise undue hardships and misery will result in this community.

WALTER KANAR,
Mayor of the City of Hamtramck, Mich.

[Western Union]

DETROIT, MICH., *March 15, 1939.*

RUDOLPH G. TENEROWICZ,
House Office Bulding:

W. P. A. today discontinued taking employables from welfare rolls, due to lack of funds. Curtailment of W. P. A. activity will bring disaster to the financial situation in Detroit. City of Detroit financially unable to care for these people on relief. Detroit Common Council urges one hundred fifty million appropriation now under consideration for continuance of W. P. A. activity and requests your active support.

FRED D. CASTATOR, *City Clerk.*

Philosophy of the New Deal, or Yesterday, Today, and Tomorrow

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EXTENSION OF REMARKS

OF

HON. WILLIAM I. SIROVICH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1939

ADDRESS BY HON. WILLIAM I. SIROVICH, OF NEW YORK, IN THE HOUSE OF REPRESENTATIVES, APRIL 24, 1934

Mr. SIROVICH. Mr. Speaker, under leave granted me to extend my remarks in the CONGRESSIONAL RECORD, I include the following speech which I delivered in the House of Representatives on April 24, 1934:

The SPEAKER. At this time under the special order of the House the gentleman from New York [Mr. SIROVICH] is recognized for 1 hour.

Mr. SIROVICH. Mr. Speaker, I most respectfully request that in order that I may present my thoughts in orderly sequence I be not interrupted until I shall have finished my discussion. I shall then be glad to yield for questions from any Member of the House.

Mr. Speaker, ladies and gentlemen of the House of Representatives, the day is March 4, 1933. The hour is noon. The place is a pavilion erected over the east steps of the Capitol. The eyes of a crowd of 50,000 persons are fixed intently on 2 men standing in the forefront of a large group of distinguished men and women.

The elder man, wearing his robes of office, is the Chief Justice of the Supreme Court, Charles Evans Hughes. The younger man, about to be inaugurated into the highest office in the gift and disposal of the American people, the Presidency, is Franklin Delano Roosevelt, of New York.

The vast crowd is silent as the Chief Justice holds out an open Bible on which the incoming President lays his hand. The Chief Justice recites the momentous oath of office which the incoming President repeats after him in a clear and cultured voice.

As the last words are said the great crowd, almost as one person, broke into loud cheers and applause. President Roosevelt began to read his inaugural address and this event, long awaited as the keynote of the policy of the new administration, was given earnest attention by all. The President's historic words on that occasion

were his desire to "do first things first" and that "the only thing the American people need fear is fear."

The immediate result over the Nation might be summed up by the statement so often made in the next few days:

Now we have a President who will do something.

Optimistic hope succeeded pessimistic depression in the public mind.

For 4 years the American people had manfully stood up under a condition in economics, finance, industry, agriculture, and commerce in all its branches that was astounding. There was no planning ahead in economics. In finance there had been an orgy of flotation and speculation in bonds and stocks. In industry there were 18,000,000 men idle, willing and anxious to work, who were drifting about the country unemployed, helpless, and hopeless.

Agriculture had become overproductive, with the result that wheat was a glut on the market, while men, women, and children in cities were without bread. Commerce was in confusion. The railroads found their mainstay—the hauling of freight—decreasing and passenger transit dropping steadily. Banks were closing by the thousands, tying up and freezing the deposits and savings of the people.

Farms and homes were being foreclosed all over the Nation. Federal expenditures were excessive and often for futilities. Prohibition absorbed countless millions of appropriations in order that a fanatical theory might be enforced on our people.

Capitalism had gone mad with a lust for power. Eighty-five percent of the money and resources of the entire Nation was held by 15 percent of the people. Many highly placed executives were being paid fabulous salaries and commissions running individually into millions annually, while workmen who had jobs were being grudgingly paid a bare subsistence or starving wage.

Political leaders were "taking hopeful views" but were not doing anything to produce definite results in recovery. Without a charted course, no reliable compass, and no captain, the ship of state was drifting like a derelict on the ocean of events.

The vicious practices of frenzied capitalism in the issuance and manipulation of alleged "securities," as exposed by Pecora during the investigation of stock exchanges and banking methods, astounded the average citizen beyond all measure. It was "rule-or-ruin" policy, designed for the greedy benefit of a favored few at the expense of the plundered many.

Gold was hoarded in sums from a few hundred dollars to millions and great amounts of gold were sent out of the United States to foreign countries for "safety's" sake, as if American gold would be any safer in the vaults of Europe, in the event of a catastrophe, than it would be in the United States Treasury or in the Federal Reserve banks.

To the south, from the Rio Grande to the Straits of Magellan, our American neighbor nations were suspicious of the policies of the United States. We may be assured that these suspicions were carefully fostered by European nations which were and are jealous of our great country.

American marines in Nicaragua and in Haiti were a source of objection to the larger South American nations as well as to the nations on which they were billeted. This objection took the form of continuous and emphatic protest from our Latin neighbors. The free United States was commonly referred to among them as "the Colossus of the North."

Continued depression in agriculture heavily reduced the purchasing power of farmers. Since the 40,000,000 farmers could not buy the products of industry the purchasing powers of industrial workers fell off and for 4 years these two conditions continued to act and react on each other in a lamentable and tragic reciprocation.

The people of our country lost faith in the administration at Washington and its reactionary standstill policy, if what was not done can be called a "policy." Our people became distrustful of all financing and financiers. When billions were lent to banks, railroads, life-insurance companies, and other financial institutions with the foolish claim that prosperity would percolate and filter down to the great mass of people from the top, the great common sense of the people showed them that such an economic policy was not and could not be for the benefit of the many, but was deliberately designed as a dole for the advantage of the privileged few.

Small groups of men in allied and interlocked banks and industries were rapidly absorbing the resources of the Nation. Light, heat, and power companies, public utilities, public service of transport were owned or controlled by a few, and the utmost was extorted from the people in the way of charges to pile up profits. Alleged securities, sold to the public at high expansion prices, were bought back at low depression prices. They were salted away for the so-called long-haul pending the time when another boom market could be worked up and these same securities resold at new expansion prices. It was an old game. This plan had been worked before. It had always been effective. Even if the quotations of these securities dropped to bottom prices on the stock exchange, they represented ownership and control.

All that these groups wanted was to be left alone, and so the infamous laissez faire policy of other days became supreme. All any racketeer, gunman, burglar, or easy-money man wants is to be let alone. But as it is the business of the police not to let the criminal alone, so it is the business of the Government not to let alone this unscrupulous laissez faire outfit.

The old dealers have had their day, and the way they dealt with the American public is shameful in its exhibition of avarice and greed. No application of social justice to the people ever was discussed at secret board meetings. The American consuming public was a huge cow, they thought, to turn the grass of agriculture, industry, and commerce into rich, thick cream of profits for those who controlled the pastures. [Applause.]

All these conditions that I have enumerated occurred prior to March 4, 1933. That was yesterday that I have outlined to you, but today there is an actual New Deal abroad in the land. Living human beings and human rights were placed above nonliving property, and alleged property rights take second place to human rights. [Applause.]

It has been the great good fortune of the United States of America that, at every crisis in its history, Providence has raised up a man to lead the way out of depression and tribulation. Today the United States of America has such a man in Franklin Delano Roosevelt, who combines high idealism with splendid practicality. [Applause.] President Roosevelt by most of his acts, as well as his words, during his first year of office has done more than restore hope for the present and future in the American people. He has given them confidence in themselves and their country and has instilled again the national courage that had almost disappeared between November 1929 and March 1933. [Applause.]

President Roosevelt acted as promptly as the contingencies of the moment demanded and as he had told the American people he would act. Within a short time he issued a proclamation prohibiting the hoarding or exporting of gold coin, currency, or bullion, and forbidding all banks to reopen except under such conditions and restrictions as might be set by the Secretary of the Treasury. Congress was summoned on the same day to meet in special session by President Roosevelt.

There was need for this prompt action. Public distrust of banks spread to the dollar. Within a short time the growing confidence of the American people toward President Roosevelt manifested itself by their return of hoarded money to banks. Gold came out of hiding, and the panic of the public, so far as preferring gold in hand to a bank account, was over.

A short time later President Roosevelt placed 250,000 of the unemployed youth in our Republic in the Civilian Conservation Corps, the so-called C. C. C.

Soon after this the President, through congressional enactment, created the Tennessee Valley Authority, through which the Muscle Shoals project is to be finished.

This tremendous undertaking provided more work for the unemployed and gave cheap power for the development of that great region in the Middle South.

At the urgent solicitation of the President of the United States legislation was immediately enacted providing for relief of mortgage distress among the farmers and the home owners of the Nation. This was accomplished through the agencies of the Farm Credit Administration and the Home Owners' Loan Corporation. President Roosevelt was leading the forces of unemployed toward the road of recovery.

There were two halves to the sphere of action. One was reform. The other was recovery of prosperity. But recovery of prosperity without reform of methods that had led to the debacle of 1929, after 2 years of boom, would only again lead to the morass through which the people of the United States had floundered for 4 years—4 years of terrible depression to balance 2 years of whoopee and hoop-la speculation.

The sore spot in the body politic was finance and financial means and methods. The farmers had overproduced; so had industrialists. But the land was still fertile and could produce crops; skilled workingmen could still produce machine and hand products. Finance had gone wild. It had to be put in a strait jacket and controlled. The only institution capable of controlling finance is the National Government.

So a series of legislative acts and Executive orders were put through. The Banking Act and the Securities Act were passed by Congress. The first required commercial banks to separate themselves from the security affiliates which banks had established in the boom days for the purpose of selling stocks and bonds, a method of doing business never countenanced by good banking ethics.

The functions of investment selling and those of deposit banking were dissociated and a guaranty of deposits up to $2,500 for each deposit account in National and State banks under the Federal Reserve System, was established.

The Securities Act was modeled on the British Companies Act of Parliament, but went further in controlling and in penalizing than the English act.

Federal supervision was established over the sale of investment securities, and purchasers of such securities were protected by giving them the right of legal action in case of omission or of misrepresentation of material facts by the issuers and sellers of securities. The Securities Act was passed without a dissenting vote in either the House or the Senate of the United States. [Applause.]

Abandonment of the gold standard, fixing the price of gold from $20.67 an ounce to $36 an ounce, followed. Thus the dollar was devaluated, with a view that such depreciation would be followed by higher commodity prices for goods that the dollar buys.

The chief difficulty in escaping from the depression was the tragedy of unemployment because of the maladjustment prevailing between the prices of products and produce and the load of private and public debt.

In a few quick legislative recommendations the Congress of the United States and the President immediately enacted several legislative enactments, such as the Agricultural Act, the Reconstruction Finance Corporation Act, the National Recovery Act, the

Banking Act, Emergency Railroad Transportation Act, and the Farm Credit Act.

No previous Congress in the history of our Republic has ever passed such a series of legislative acts affecting the welfare of the Nation in such a short period of time. [Applause]

That this legislation has operated for the welfare, happiness, and prosperity of the people of our Nation is attested by the present improved condition of agriculture, industry, commerce, transportation, and the wholesale and retail trades.

Under the National Recovery Act, the so-called N. R. A., the major industries of the United States to the extent of 90 percent, affecting 20,000,000 employees, have been brought under codification. The first code covering the cotton-textile industry was approved by President Roosevelt on July 9, 1933. Between this first code and the end of March 1934, 975 national codes have been prepared, of which 362 national codes have been passed to approval by the President.

Codes of industry to the number of 478 have been prepared and are in various stages of development leading toward Presidential approval, leaving 135 industrial codes "in works" and under initial consideration. All of these codes are subject to revision, under the procedure that has been followed, if they are found to work hardship on either the employers or employees whom they affect, and many have been so amended.

The ideas on which these industrial codes are based are three in number. First, minimum wages for employees to increase the amount of wages paid and thereby increase the purchasing and consuming power of industrial employees; second, maximum hours that employees may work to increase the number of employed and spread employment; and, third, collective bargaining by employees through their own organizations to thus prevent the exploitation of labor by capital. This legislation is the magna carta of labor. It is their emancipation proclamation. [Applause.]

Because of my belief in the principles of the N. R. A., as outlined, I voted against the economy bill which took 15 percent of their wages, amounting to almost $190,000,000, from over 1,000,000 Government employees. I felt that the Government, in fairness, should not reduce the wages and the consuming power of its own employees and ask industry in general to increase wages of its employees. I objected to taking away and reducing the pensions and compensation of service-connected and disabled American soldiers who fought for the United States in Europe during American participation in the World War or who were under military command ready to go overseas when called to the colors. My vote in this case has since been approved and sustained by Members of Congress who have come to realize that I was right in my negative vote on the economy bill, and have by congressional act and vote restored their former pensions.

Congress voted an appropriation of $3,500,000,000 for the Federal public works bill, commonly known as the P. W. A., for the purpose of providing labor with employment in the building of bridges, tunnels, viaducts, roads, in the language of the National Recovery Act. As experience proved and forethought should have shown, a long course of preparation of plans, examination of proposed projects, and other essential technical work was necessary before men could be put to actual work, outside of drafting, surveying, and specification writing. So the Federal Civil Works Administration was set up for the proclaimed purpose of providing work to C. W. A., as it became known, financing came through a series of transfers from other emergency administrations.

It is my point of view that while the spending of this money for emergency relief did furnish emergency work to the unemployed, in the last analysis it is a dole; it is charity covered with the cloak of emergency employment.

Doles or charity are not what the American workman wants. He wants work, real work, because work means self-supporting labor, and self-supporting labor means self-respecting labor. [Applause.]

Self-supporting and self-respecting labor of any sort means good American citizens. [Applause.] Charity in any form means a treatment of the symptoms and not of the disease. It does not go to the cause. The present situation and the situation of the past 4 years was considered by many Americans as evidence of the impending collapse of the capitalistic system. If the capitalistic system cannot cure its own ills and bring back a decent prosperity for all, the Government of the United States will have to bring back decent, self-respecting, permanent prosperity by means that will have to be devised, that will go to the root of affairs, and not merely trim the leaves and twigs of one season. [Applause.]

Is the capitalistic system following lines of the decline and fall of Rome? You remember that in the late days of the Roman Empire the plebeian populace were fed and entertained by panem et circensis—bread and the circuses. This marked the ending of the great Roman Empire. Many Americans contend that C. W. A. marks the beginning of the end of the American Republic.

Let us pause, ponder, and deliberate over this contention.

A few months ago I stood in the crypt of the cathedral in Warsaw before the tomb of Henrik Sienkiewicz, the brilliant and distinguished novelist of Poland, the author of the great novel Quo Vadis, which means "Whither goest thou?" To paraphrase it to my present purpose, I translate Quo Vadis into Which Road?

Which road are Americans traveling?

Dr. William A. Wirt, of Gary, Ind., says it is by a secret bypath to communism.

I say, "No."

Several Members of Congress have characterized it as the road to socialism.

Again I say, "No."

Our distinguished colleague the Honorable James M. Beck contends that Congress has abdicated its constitutional powers and has made our Government one of dictatorship. Is it the type of dictator symbolized by the despotic ethnocrat, Adolf Hitler, of Germany?

No.

Is it the autocratic dictatorship of the theocrat, Adelbert Dolfuss, of Austria?

No.

Is it the absolute dictatorship of proletariocrat Stalin, of Soviet Russia?

No.

Is it the road trod by the British Empire to the British Commonwealth of Nations, with its peculiar organization of autonomous nations, created from former dominions which, while establishing practical independence, yield only voluntary allegiance to the British Crown?

Again I say, "No."

Is it the old, smooth, well-oiled, exclusive road dedicated to big business and the policy of laissez faire, or let us alone?

No.

Is it the road of democracy as built by Jefferson, Jackson, and Wilson?

Some say "yes" and some say "no."

Then what is the road we are taking to reach the ideal temple of democracy as conceived and designed by the founders of our Republic? Our Commander in Chief, Franklin Delano Roosevelt, says it is the road of the New Deal that will lead us to a remodeled republic that will bring economic security, equal opportunity, happiness, prosperity, and justice to the people of the United States. [Applause.]

That there may be no misunderstanding, let me state to the membership of this House that I am not a disciple of reactionaryism; I am not a follower of ultraconservatism; but that in all my deliberations and actions I have uniformly fought for stability and order in government, coupled with progress and reform. I am therefore a liberal and progressive in my political faith and ideals. [Applause.]

Let me briefly analyze the social, economic, and political philosophies and practices of the various forms of government I have enumerated.

Mr. Speaker, what is communism? Communism pleads for an economic administration where all land and material capital shall be public instead of private property; where the state and not the individual capitalists shall be the employers of labor; where production and distribution shall be left not as they are today, subject to speculation and competition, but through a planned economy they shall be regulated in conformity with the laws of supply and demand, so that no one need be left idle, uncared for, ignorant, illiterate, or poor. Furthermore, through world revolution communistic concentration would come from the proposed organization of nations of the world into one gigantic confederation of mankind. Concentration of all private wealth into communistic control and its subsequent dispersion to labor would then be in order. Persuasion, propaganda, and in the end violence and revolution by force are the means proposed to attain these ends. This is communism in the abstract. In the concrete, it is actually an attempted return to the methods of patriarchial days, a breaking up into original units of nations and a vague plan of bringing all mankind to a common level based on manual labor. In modern times communism is the exploitation of capital by labor. Communism is an extreme form of collectivism.

There is nothing in this formula of communism that I have just presented wherein can be found one iota with which the President of the United States is in sympathy. It is a shame to pillory and excoriate the ideals and principles of our liberal and progressive democratic President as being in accord with the program of the Communistic Party of the world. [Applause.]

In socialism the state would retain its national existence as a political entity and own, control, and manage all means of production and distribution. The Socialists claim that it was the purpose of the proposed Socialist Party in each country where it was established to educate the masses politically. Revolution by force and great general strikes were originally opposed. Labor, manual labor, was to be made class conscious and to be organized into militant trade-unions as well as into political parties. The strongest weapon was not, in the ideal socialistic program, the general strike or the bullet and bayonet of revolution, but the ballot. By political means the Socialists proposed to wrest control of production and distribution from the present-day ruling classes for the present-day ruled classes; to shift ownership and control from exploiting classes to the exploited classes. The Socialists originally were known as "Communists," but after suppression of the Commune of Paris in 1871, and adoption by the anarchists of that time of the name of communism, their party name was changed to that of Social Democrats.

The great past prophets of social democracy were Karl Marx, Frederick Engels, Ferdinand La Salle, William Liebknecht, August Bebel, Jean Jaures, and Karl Kautsky.

No fair-minded man in this House of Representatives or elsewhere could accuse the President of the United States of being a devotee of socialism as I have just outlined it to you. [Applause.]

Mr. Speaker, I now come to the subject of dictatorship. When the executive, legislative, and judicial powers of government are ruthlessly seized through stratagem, force, or revolution by an arrogant individual and fused into a one-man power this form of government is called "dictatorship." In Germany Adolf Hitler is

a despotic ethnocrat—a racial autocrat—where only the pure Aryan or Teuton can be the beneficiary of the munificence of the state.

Nazi-ism is Hitlerism. Originally it started as a revolt against the rigorous terms of the Versailles Treaty and the economic tragedy that the German people had to contend against. Nazi-ism has become a farce, a one-man farce, that came into being with Hitler and will pass out of being with his passing. It is a temporary fever of sadistic emotionalism besetting the German people, a transitory stage in the renationalism of Germany, which the good sense of the great mass of the great German people eventually will discard into the sewer of time. Soiled brown shirts can never be satisfactory substitutes for Goethe, Wagner, Kant, and Schiller. [Applause.] It is too bad that the swastika was adopted to the debased use it has been put as the emblem of Hitlerism. The swastika is a geometrical design which is the symbol of a great natural truth known to some deep students, but it can never mean Hitlerism, for its inference and scope is cosmic, not national.

State capitalism instead of private corporate capitalism finds its greatest expression and operation today in Germany, where it is in full control of the lives and liberties of the German people. The state and not mankind is the doctrine—man is made for the state, and not the state for man. This doctrine is not new. In one form or another it has always been the doctrine of tyrants, exemplified by the statement attributed to Louis XIV, "L'Etat c'est moi!": "I am the state!" Tyrants were the state of their time and place. Hitler symbolizes the state of Germany. Hitlerism and the German state typify the combined racial tyranny of the person and the state. State capitalism is the exploitation of labor by capital.

Mr. Speaker, I shall not insult the intelligence of the membership of this House by considering a comparison between despotic Hitlerism government with that of the human program of our President of the United States. [Applause.]

Democracy is dead in Austria. The autocratic dictatorship of Dolfuss has succeeded it. State capitalism reigns supreme. The claim of the Hapsburg dynasty to rule by the divine right of kings has been transferred to the new Austrian State. There again the state is supreme. Freedom of the press, freedom of speech have been denied to the individual. The bullet has supplanted the ballot. Liberty and freedom are a myth in that former socialistic stronghold. Instead of the first article of the former constitution; which declared that Austria is a democratic republic and that its laws emanate from the people, the first article of the new constitution is that Austria is a federal state and its laws emanate from God, the Almighty.

Mr. Speaker, I challenge the assertion that there is the remotest similarity between the archonocrat of Austria, Dolfuss, and the Democratic President of our Republic. [Applause.]

It is 17 years since, in the midst of the World War, social revolution burst out in Russia. I shall not review the first days of this gigantic turn-over, nor the conflicts between the Bolsheviki, the majority party, and the Mensheviki, the minority of the Socialist Party, but come directly to Nicholas Lenin and Leon Trotsky, Russian disciples of Karl Marx. Until that momentous day both had entertained the belief of the other social democrats the world over that social revolution would have to be contemporary and world-wide to be successful. Lenin and Trotsky seized their historic hour to expropriate the lands owned by the crown and the nobles and to allot sections of this seized land to the peasants of Russia, title, however, to remain with the social democratic government. Out of this action grew the present Union of Soviet Socialist Republics, composed of seven constituent republics, or the "Soviet," as it is now called. Mines, railways, mills, factories, and workshops were seized for the benefit of the workers and the people as a whole.

A planned economy was thought out and worked out and a 5-year plan was put into operation. This later was extended to an additional 5 years. Planned economy was the base of the Soviet system. Under this system crops were controlled on distributed lands, industrial development and operation on a gigantic scale was begun; discovery and export of materials of which the Russian and Siberian lands had a natural monopoly, and development of water power, rail, and road communication were encouraged; rationing of the Russian people was inaugurated; huge initial purchases of American and other machinery were made; Lenin was practically deified after death; all resources were conscripted to the state; abandonment of the old religion was decreed; the academic, manual, and technical teaching of the young of both sexes and the primary and common education of illiterate adults was started. The erection of huge housing systems for the masses; the formation and spread of close Soviet groups, called cells, into all parts of the Union of Soviet Socialistic Republics to act as bonds with Moscow; the organization, training, and equipment of a huge army; the spread toward the Pacific Ocean in Siberia are some of the things which Stalin, the successor of Lenin, has put into operation since his accession to the absolute dictatorship of Russia and Siberia—a dictatorship such as Peter the Great or any of the subsequent Romanoffs never conceived possible. The latest development of sovietism is the recognition of the Soviet Government by the United States of America, modified by insistence that no American credits be granted the Soviet until the old Russian Kerensky debts are paid. This is the sovietism of today. That is social democracy as it has been developed in Russia and Siberia.

What characteristic of political sovietism can be found in the program of the President of the United States? None! [Applause.]

Those developments and utilizations of the resources of the vast Russian country which have proven successful have really been adopted from the business methods of other countries. The Government of the United States is not indebted to Russia, but the Soviet Government is indebted to the United States for many innovations that they have adopted in developing their country.

Syndicalism was the base of Mussolini's Black Shirts, but since the day in 1922 that Il Duce marched at their head into Rome and took possession of the Italian Government that form of government by syndicates of workers' unions has been expanded to the present fascism and has been so modified that Mussolini has become the Italian Government. One after another he has assumed the titles of the departmental chiefs and absorbed their duties in addition to those of the commander in chief of the Army and Navy of Italy. Mussolini transformed Italy into a closely united nation, rescued her people from poverty, restored all her production of materials and farming—nay, raised them to a higher plane than they had ever occupied. Today Il Duce is Italy more than Augustus ever was the Roman Empire or Napoleon the French Empire. Napoleon won great battles of war; Il Duce has won great battles of peace. He, too, has a "long haul" plan—a 60-year plan for Italy—at the end of which time he asserts that Italy will be even greater than his present dream. Italy is looking to the sea again. She is looking toward northern Africa. She is looking toward the Danube and the western shores of the Adriatic. Sixty years hence—what?

We are familiar with Mussolini the man, but fascism, the system, is not so well known.

In fascism the state is absolute, superior to individuals or groups. It is claimed to be a guiding spirit with a will and personality and represents the spirit of the Italian nation. In fascism the individual is deprived of individual liberty and freedom, save that which the state wishes to give him. In fascism the rulers have no responsibility or obligation to those whom they rule. They make the law and are superior to the law. Hence dictatorship follows. In fascism the law is an agent of power, but dictatorship—authority—is above the law. In Italy the dictator, Il Duce Mussolini, is the state.

Where is there any comparison between the situation in the Government in Italy and that of the Government of the United States? Again I say none. [Applause.]

Let us behold the great British Government. It is no longer the British Empire. That great political institution has ceased to be. It has been succeeded by the British Commonwealth of Nations. There we find a union of free and independent nations only vowing allegiance to the British Crown. The people of these nations control their own domestic and extraterritorial affairs, which are beyond the pale and scope of the King and the British Parliament.

The new union of English-speaking people has given to the dominions of Great Britain a great freedom that is almost equal to complete independence. Commonwealth means common weal. It was the common welfare of the people in the various sections of the British Empire that has been the stronghold of the establishment of the British Commonwealth of Nations. Please observe the word is "nations," not dominions.

The only visible economic condition that we find present in the Roosevelt administration which is comparable to the social, economic, and political set-up of the British is the Civil Works Administration, which is equivalent to the British dole system in camouflage.

Kemal Pasha, the dictator of Turkey! What a name to conjure with! Its former Sultans would not recognize Turkey under the present regime. The removal of the capital from its historic site on the Bosphorus—which as Byzantium and Constantinople had been the capital city since 657 B. C.—to Angora, in Anatolia, shows the far-reaching peaceful revolution to which the Turks have been subjected. The liberation of women from Moslem restrictions; the expansion of commerce; the education of the young; the liberalism introduced by Kemal Pasha under the strict reign of a dictator, as well as many other changes, have created and brought forth a new nation with new ideals, dedicated to the principles of liberalism and progressiveism.

That is why Turkey is growing and developing under the benign influence of occidental civilization. Surely there is nothing in the program of Kemal Pasha to which the President of the United States, Franklin Delano Roosevelt, is indebted!

Let us look over the great Republic of France. The French tricolor still reigns supreme as the symbol of united people that are ready to live for their country in time of peace and to die for it, if necessary, in time of war. France is still a republic, despite outbreaks in Paris and elsewhere, which cumulatively became so serious as to incite riots and other disturbances that resulted in a call to Gaston Doumergue to come from retirement to assume the presidency of the council of France.

His recent patriotic appeal to the French saved the day. Rioting ceased. Peace has been restored and the risk of foreign invasion has been dissipated. Surely this is an indication of the wonderful stability and order that French valor and courage always offer on the altar of their Republic.

What is there in the program of modern France to which this great Republic under Franklin Delano Roosevelt must pay tribute? None. [Applause.]

The situation in the rest of Europe, of Hungary, Poland, Czechoslovakia and Yugoslavia, Rumania, and the Balkan States shows the same general unrest. Revolution is in the air. Discord, dissension, strife, and dissatisfaction with our modern economic condition seem to be prevalent everywhere. Many plans have been tried, yet no permanent solution seems to be visible upon the horizon.

This is not unusual in politics, but is unusual in economic, industrial, and agricultural affairs in Europe. A world-wide social, economic, financial, commercial, capitalistic, labor war is on. Great

battles are being fought between new theories and established practices. The Soviet outlaws the accepted idea of God. Its followers seem to be atheistically inclined. The Fascisti restore God to honor and reverence. Hitler and Dolfuss substitute the state for God. Kemal Pasha knocks the shackles of Moslemism from the arms of the Turks and forbids the use of the fez for prayers. The Oxford movement spreads in England. Agnosticism seems to be growing in America. Expediency has supplanted sincerity. Opportunism discards rational development. Class is not only against class, but subclasses are opposed to each other. The world is at peace officially, but there is no prospect for peace in the world. Warfare, not yet of bullets and bayonets, or, rather, of airplanes and poison gas, but of economics, commerce, political strategems, and the subtleties of diplomacy is as vigorous and as vicious as it had ever been in the history of the world.

Laissez faire is the wisdom of all the conservatives. The adherents of this principle believe that the state should not interfere in business, nor have anything to do in the quarrel between labor and capital, unless property rights are threatened and impaired. Its sole duty is to protect property and life. It is not concerned with human but with property rights and is deeply anchored in economic individualism. Its slogan is, "Get it and keep it." But this principle is antiquated and can no longer regulate economic forces, because it endangers the existence of orderly government. [Applause.] Even the Iron Chancelor, Bismarck, the embodiment of ultraconservatism, recognized the danger in the laissez faire principle and embarked upon a policy of economic and social reform to secure the good will of the masses for the authorities of the state. He introduced old-age pensions, social insurance, and all forms of social reforms, and made the state supreme, not only in matters military and political but also in matters economical and social. Within one generation after Bismarck's death all the western countries began to emulate this example. In England it was Lloyd George who, by his income-tax and social-reform legislation, dealt a death blow to the laissez faire principle. In France it was Waldeck-Rousseau and the Socialists Briand and Clemenceau who first followed in Bismarck's path.

Today only China, India, and the United States are still addicted to the laissez faire principle. The world historic enterprise of President Roosevelt consists of giving up this antiquated principle of laissez faire in favor of a more modern, more advanced, and more humane social reformation theory of state, society, and government. [Applause.] This theory reduced to its shortest formula is: The state has not only the right but also the duty to interfere with economic forces and determine their course, because the state is not only the watchman but also the dispenser of justice. It is the duty of the state not only to protect life and property but also to come to the aid of the weak and downtrodden. In short, the state is not only a source of power but must also be a source of economic justice to its people. [Applause.]

In abandoning the antiquated principle of laissez faire President Roosevelt has not abandoned the principles of Jefferson, Jackson, and Wilson. Democracy itself is an abstract principle and unless intelligently applied to the emergencies of experience and pragmatic life remains only a theory. President Roosevelt, in planning and executing his New Deal, is revitalizing democracy by applying it to the new economic realities. Like all great historical enterprises of this sort, it requires initiative and courage. This philosophy has nothing in common with dictatorship. [Applause.] That the New Deal has nothing in common with either communism, socialism, and fascism can clearly be seen from the following facts:

Communism appeals squarely to reason and to intellect. Communism is purely rationalistic in origin and motive and is unemotional, or free from all tinges of emotionalism. Hence the cold-blooded brutality communism displays in the execution of its plans, because emotions do not influence reason. Communism is born of logic to the exclusion of love. Hence its affirmation of equality and denial of freedom. Emotionalism originates in love and comes from the heart just as rationalism, reason, and intellect originate in hunger. There is nothing lovable and charming about communism. Behold the multiplicity of its purges and the merciless destruction of human life that disagrees with its tenets. It is the very incarnation of severity and rigorism. Communism, both of the mind and of nature, is something artificial. It requires a dictatorship to translate it into reality. There is freedom in nature, but there is no equality in nature. Real statesmanship consists of fusion and a synthesis between freedom found in nature and equality, the product of the civilized mind.

Communism is not a fusion of these two great outstanding features of life—equality and freedom—but an over emphasis of the first, equality, at the expense of the second, freedom. Since communism denies all and every freedom it denies an important factor in the life of man and hence has a perverse element in its make-up.

But, to say that the New Deal denies freedom is either a misinterpretation or a falsehood. What the New Deal attempts to do is to harmonize and to bring into cooperation the freedom of nature, with equality, which is the product of the civilized mind to fit into the present day political and economic realities. That is the principle of true democracy. [Applause.]

While the principle of democracy is permanent and eternal, its forms change with the passing of time. Democracy in ancient times was different from democracy in modern times. Nineteenth-century democracy is vastly different from twentieth-century democracy because economic and political conditions have changed. To harmonize democracy with the new exigence of life is the motive power of the New Deal, and only gross mental aberration can misinterpret it as an attempt to plant communism in America. [Applause.]

Fascism, whether brown, black, green, or blue, is a revolt against reason in politics and statesmanship, and is wholly emotional in character. Its display of color, its appeal to the senses or to the blood, its bellicosity, its whipping the masses with slogans, and its opposition to all rationalistic methods of government—like parliamentism, the ballot, free press, and so forth—testify best to the emotional primacy of fascism.

In fascism the leader is the state and the source of law. He creates the law. He is therefore superior to the law. To himself he takes all the freedom; to his subjects he grants a crumb of liberty. He claims to be the fountain of truth. To uphold the freedom of the leader the equality of man must be destroyed, for no equality originates in reason. The contempt of the Fascists for men of intellect by burning books, testifies best to their rebellion against reason. Just as the Communists rule with an iron hand because of the exclusive use of reason, so do the Fascists rule with despotic power, because of the exclusive use of emotions. It is the emotional basis of fascism which explains best the sadistic brutalities perpetrated in the concentration camps in Germany. This denial of all reason on the part of fascism and its exhibited contempt for the intellect makes it the perfect antithesis to communism. The paradox of communism and fascism consists in this: The philosophy of communism is reason; the philosophy of fascism is emotion. Both, in practice, lead to despotism and dictatorship in government. The philosophy of true democracy, on the other hand, being more realistic than either communism or fascism, is a balanced fusion of reason and emotion in government. [Applause.]

Democracy recognizes man as both a rational and an emotional being who must be treated accordingly. Communistic or Fascist rule is simple. All it requires is an iron hand. But democracy is constantly engaged with difficulties, because it is always striving to adjust and harmonize two opposing forces—reason and emotion. It requires true statesmanship to bring about this adjustment and deep knowledge of human nature to be a successful ruler of a democratic country.

Such a ruler is our President, Franklin Delano Roosevelt. [Applause.]

The topography of a country is conducive to either communism or individualism. European Russia is a great prairie. At one time it must have been the bed of a great ocean. Upon its steppes everywhere the poor moujik, or peasant, cultivates the soil. The Russian agricultural plain cries aloud for equality. It reflects itself in the communistic philosophy that is found today in the Union of Soviet Socialist Republics. Therefore, the flat plain is conducive to a level common thought, which is equality. Wherever a country has great mountain ranges that tower in their magnificent beauty, and to human eyes seem to defy the very heavens, that ruggedness of peak after peak reflects itself in the rugged individualism of the person who lives in those mountains. In such countries as Switzerland and other countries that have these mountain ranges communism could never exist. Rugged individualism always manifests itself in either monarchial or democratic forms of government.

In countries where they have great forests nature reflects itself on individuals. In nature freedom exists. Man and animal can rove from place to place. No equality exists. The strong eat or destroy the weak. Therefore a great deal of cruelty manifests itself. This cruelty reflects itself in the long wars that such nations usually go into. They never know when they are beaten. That is why Germany, the land of great forests, has had the 40-year war, the 100-year war, and the recent war with the Allies. They never know when they are licked. That may explain the cruelty of present-day rulers of Germany against racial minorities.

Whenever a country has jungles, the tooth and talon law prevails. India being the land of jungles, reflects the laws of nature upon the people who live there. Class hatred, the caste system, bigotry, and intolerance are found everywhere. The untouchables are manifestations of the contempt in which one group of human beings holds another.

Those who live in the foothills and in the Himalayas reflect the rugged individualism which conquers those who are the victims of jungle life.

Afghanistan, being a great mountain region, has held its own against Great Britain, India, and Russia, and against the ancient Manchus and Mongols.

In the United States we have great mountain ranges, great valleys, and great plains. In the mountain sections of our Republic communism can never exist because of the influence of the character of the country. Rugged individualism will and must prevail. The hill people of the great States of Kentucky and Tennessee have remained independent and Elizabethan despite the development of the country all around them. During the American Revolution the mountain citizenry from the White, Green, and Allegheny Mountain Ranges were the most obdurate fighters for our colonial forebears and fought a most valiant and courageous battle.

In later days many radical, liberal, and progressive movements of our Republic have usually sprung from the Middle West, the great Central Plain of our Republic. Greenbackism, the Populist movement, silver movement, and abolition were either started or developed in that section. Only a year ago in one of our western prairie States a judge and sheriff were intimidated by a group of citizens to prevent the execution of the law. Law and order finally prevailed.

Let me call the attention of the Members of the House to the fact that these were group movements animated by community of thought and action. Therefore communism is more likely to pre-

vail in flat lands. The mountain regions of our country, whether north, south, east, or west, will always battle for democracy and the individualism that it represents.

The abuse of economic freedom by certain individuals is past history. It is the record of yesterday which, in terms of time, is the immediate past. It symbolized the freedom of unrestricted individualistic materialism, which was known as rugged individualism or capitalism.

Another school of economic thinkers believe that today, which is the immediate present, sees the beginning of the disintegration of unrestricted individualistic materialism. It is the road which has led from rugged individualism to ragged individualism. This school believes that any leader, whether he be Roosevelt, Mussolini, Hitler, Dolfuss, or Stalin, who mostly disintegrates unrestricted individualistic materialism will be chiefly exalted. To many observers it seems that it is not the destiny of these five men to play other than necessary transitory roles toward a future ultimate system, which they believe is neither fascism or communism, but which some day will be known as "universalism." By universalism this school of economic thinkers mean the true fulfillment of Jefferson's illumined declaration that all men are created free and equal, just as they are in the universe. In universal law and principle this school of philosophic thinkers believe men are not equal physically, not equal emotionally, not equal mentally, but equal spiritually. They believe in spiritual leaders, and a spiritual government, with the material values subservient to them. This to their mind is but the recovery of the past, when ancient Judea, Egypt, India, and Greece had the same form of universal government. Therefore they contend true Americanism or real democracy is simply the fulfillment of the great universal motto, "E pluribus unum," which means one from many, one government from all governments, one corporation from all corporations, one religion from all religions, one race from all other races. That is what they interpret as the democracy of Jefferson, Franklin, and Lincoln. They are opposed to the plutocracy of Alexander Hamilton and the materialistic American leaders who inverted the spiritual destiny of this great universal country. The disciples of universalism see tomorrow's future as the end of material competition in our country and the beginning of material cooperation. This is the only way they claim they can destroy unrestricted individualistic materialism which is capitalism. They see the displacement of material competition with material cooperation and the establishment of economic security for everyone that is desirous of working with body or mind, and the great competition for the things that come from the mind and the spirit which is the only true individualism because in life the mind is the only individualist. Tomorrow or the near or distant future they contend, will bring the establishment of this material security, by material cooperation. Then mankind can compete, to become greater individualists, in the things of the mind and spirit, in the realm of science, art, and philosophy.

Vox populi, vox del. The voice of the people is the voice of God. This they believe is true democracy—and true democracy is theocracy. In such a spiritual theocracy the spiritual leaders will be the mouthpieces of the people through whom the voice of God makes itself heard.

Ancient Greece, Egypt, India, and Judea when they reached their power and glory were theocratic—that is, democratic—for their rulers were spiritual rulers, referred to as priests and prophets, representative of the universal mind. Universalists point to the fact that they have had in this great universal country men and women who had carried on and are carrying on their universal work. One State alone, Massachusetts, the cradle of the new age, gave us great universalists, such as Ralph Waldo Emerson, Harriet Beecher Stowe, William Lloyd Garrison, Henry Thoreau, Julia Ward Howe, Margaret Fuller, Wendell Phillips, and Oliver Wendell Holmes, the father of the former Supreme Court Justice Holmes. This distinguished author and writer once said: "Build thee more stately mansions, oh, my soul." The stately mansion that they would erect in this country today is universal in its dimensions and fulfilling the dream of the American universalists. Thus their economic philosophy is called "universalism."

These people stand neither with the nationalists or the internationalists, but with the universalists of history who, through their present leader, David Sturgis, believed that the universe is the model for all governments and the guide for all people everywhere.

The rise of individualism in Europe coincides with the rediscovery of atomism in the sixteenth century. The atomistic world picture assumes freely moving atoms in infinite space. The scientists of the sixteenth century concluded that, as the macrocosmos consists of freely moving atoms, of free units, so must the microcosmos, or social cosmos, consist of freely moving social atoms, and that the social atom, the individual, must be as free in his movements as is the physical atom.

This is the philosophical background of liberalism and individualism. Its contrast, or opposite, is universalism, the philosophical background of which consists in the denial of atomism of every other individualistic force in the universe. The starting point of universalism is the oneness of God, the universe, nature, man, and humanity.

As a great liberal and progressive, President Roosevelt would like to give economic security to every man, woman, and child in our Republic. [Applause.] The curtailment of economic and financial individualism is not a violation of the principles of American democracy, but is an assurance of its continuation in the future. Without this curtailing of unbridled financial and economic individualism the future of American democracy would have become problematic within a very short time.

In conformity with the traditional ideal of democracy, President Roosevelt is now engaged in restatement of American democracy in terms of present-day political and economic realities. Thus does President Roosevelt emerge as the savior and redeemer of the heritage created by Jefferson, Jackson, and Wilson. [Applause.]

Just as the modern conception of government is different from the paternalistic order of things, so is modern democracy somewhat different from the democracy of yesterday. Since it is no longer the function of the state to exercise the duties of a watchman, so it is not the task of democracy to be limited to the ballot. Political democracy can survive only when it is economically orientated. Economic orientation of democracy is claimed by some for socialism, but socialism is still abhorent to the people of our Republic. It should be pointed out that socialism, as the symbol for Marxism, according to its disciples, stands for collectivism as opposed to free individualism and is exemplified by proposed national ownership of all industry, utilities, and all economic and material resources.

Many Americans are not afraid of national ownership and operation of industry, utilities, and natural resources. What are Muscle Shoals, Boulder Dam, the national forests, and other reservations but actualities of socialism? What are the water, light, heat, and power utilities operated by the cities but other examples of socialism?

American people are putting into practice many of the principles advocated by Socialists. Why be afraid of the name when they stand in no fear of the thing itself? There is certainly no cause for worry for our Republic so long as the city, State, and National Governments strive to bring about good will between labor and capital, prevent the employment of children in mines and factories, provide constant employment for able-bodied men at saving wages, and take care of their citizens in their old age. [Applause.]

"Equal and exact justice for all; special privileges to none." This motto has been adopted by the Democratic Party, and under this motto America demands the abolition of special privileges to favored classes and equal justice to all who labor for their livelihood, whether by mind or hand, or both. [Applause.]

Men, fearful of the future, cling to the living order of things, and are afraid of innovation. It is for this reason that many people consider the changes wrought by our President as something revolutionary in character. His words and deeds are supposed to be in violation of the two great documents of our entire political fabric, the Declaration of Independence and the Constitution.

In my study of the President's program I can find nothing that is contrary to the principles of human rights. I can find nothing that sets the State above the citizen. I can find nothing that provides establishment of a dictatorship. I can find nothing that provides for great armies, in times of peace, of brown, black, blue, or any color shirts. I can find nothing that provides for any symbol of hammer and sickle, of battle-ax bound with rods, of the swastika, nor of any symbol except that of the free American eagle and the stars of heaven, set in a blue vault, one for each State of the Union, the white of peace and the red of courageous hearts that had bled to preserve our Republic. [Applause.] Even the Blue Eagle is intended to represent an eagle, heraldic rather than actual, but still an eagle.

The edifice erected on the specifications of the Declaration of Independence and the Constitution is still the temple of democracy. It is still the temple of the people. It is still the temple of "government of the people, for the people, and by the people", and I pray God that it may ever remain thus. [Applause.]

The additions made in the past by those who misread the specifications must be removed, and like Independence Hall in Philadelphia, the edifice restored to its original simplicity and beauty.

New architects have been called to the work. Some people call them the "brain trust." New workmen must build what they plan, and the edifice must be restored to its original lines. It must not have Russian iron, German paint, Italian marble, British oak, French decoration, or anything but American material. [Applause.]

The original temple of democracy was built in a hand age; the restoration will be completed in a machine age, but the object of the restoration is to bring about the greatest welfare to the greatest number of people and to reopen the temple doors to those who seek the "pursuit of life, liberty, and happiness", guaranteed to them by the immortal Declaration of Independence. [Applause.]

"Quo vadis"?

Whither the road to the future?

I propose that we take the path of planned economy along the course of which there are 10 guideposts.

First. To freeze minimum wages below which no human being should be permitted to be exploited. To have maximum hours so that work could be divided between those that are unemployed. And to abolish child labor wherever it may be found, in mills, mines, looms, and factories, so that children can be in the temples of schoolhouses and not be exploited on the altar of mammon.

Second. To continue and make a permanent part of our institution the Reconstruction Finance Corporation. To enlarge its functions so that loans may be made to small as well as to the large corporations and business people, to employ the army of unemployed to make them self-supporting and self-respecting.

Third. To place agriculture on a parity with industry by extending loans and credit to independent farmers and especially to the present transient tenant and crop farmers to give them permanent

tenure of the land they cultivate and also protect them in the foreign markets of the world by giving them an equalization fee or debenture to put them on a parity with industry and protect agriculture against international price cutting. [Applause.]

Fourth. Planned, systematized, and correlated development on a national scale of all means of transportation and communication. There is to be no building of railroads, airways, highways, or development of water courses, or means of communication such as telephone, telegraph, radio, without approval of this planning board.

Fifth. The encouragement of foreign trade by the establishment of reciprocal-trade agreements with other nations of the world, and the encouragement of the American merchant marine by favoring American ocean freighters through subsidies and other similar means.

Sixth. The strengthening and enlarging of the power of the Federal Trade Commission with a view of eliminating unfair trade and business prices, unfair competition, and purchase of goods dumped on the market through fraudulent bankruptcies.

Seventh. The guaranty of bank deposits and enactment of a uniform banking law through Government control. The encouragement of savings accounts with the Government, either in postal savings or with the Treasury, at a nominal rate of interest, with the entire resources of the United States as security. [Applause.]

Eighth. The national ownership and operation of natural resources, such as public utilities, which are essential to the life of every human being in every home of our country, and means of transportation and communication, which represent the arteries and nerves of our great Republic.

Ninth. National and international bimetalism, and the use of both metals, in adjusted proportions, as a basis for currency. [Applause.]

Tenth. The national ownership of all munitions of war and armor-producing plants, with the trade in munitions and firearms, explosives, and war gases, and other munitions of war, limited to the Federal Government, States, and municipalities. [Applause.]

We in the United States are molding the civilization of the future. In the short period of a century and a half the pioneers of our country, animated by courage, by fortitude and bravery, and inspired by ideals, have converted a wilderness into a great nation. Associated with them in this gigantic achievement have been other liberty-loving men and women who have given up their old heritage, forsook what they held near and dear, and have come to this new land seeking liberty and justice and bringing with them the will and capacity to work. In the great crucible of American principles and traditions these two elements are fusing into a new national alloy, which, like the alloys of modern metallurgy, will possess qualities beyond the capacities of any of the original elements. [Applause.]

I have briefly outlined before, some of the characteristics of today's governments in Europe. Each form of government has originated either through the collective will of the people or has been forced upon the people by organized force, substituting might for right.

In our own country we have achieved a political union that has withstood the test of armed invasion, civil war, foreign wars, the World War, and attacks of undermining forces alien to American spirit. Ours is still—and pray God it may ever be—a great democracy in which vox populi; vox Dei—the voice of the people is the voice of God. [Applause.]

The Old Testament speaks of the Jews as the "chosen people." The rulers of Europe today have appropriated and altered this phrase. Thus we find that Italy is the "chosen state;" Russia, the "chosen class;" and Germany, the "chosen race." But superior to all these is our United States, for ours is the "chosen nation," chosen by people from all over the world who came to our shores, where rule is not by race, nor class, nor creed, nor color, but in which human beings can realize for themselves the highest aspirations that can be found in life. [Applause.]

Under the liberty and freedom which our Republic grants to body, soul, mind, and spirit, from all these diversified national elements among us, will ultimately be developed one group superior to all—the E pluribus unum of America, symbolic of one for all and all for one. [Applause.]

This great American group will carry on its constant faith in their Nation, founded in the struggles and the traditions of the past; glory in its peaceful triumphs and conquests of the present, and shine resplendent in the hope and confidence of its tremendous future. [Applause.]

Imbedded in the heart and soul of our people will be the two great mottoes—"E pluribus unum" and "In God We Trust"—the glorious symbols of America of yesterday, of America of today, and of America of tomorrow. [Applause.]

Mr. Speaker, I shall be pleased at this time to answer any questions that any Member is desirous of propounding to me.

Mr. KELLER. Mr. Speaker, will the gentleman yield?

Mr. SIROVICH. I yield.

Mr. KELLER. I observed that in referring to the accomplishments under Bismarck in Germany the gentleman left out old-age pensions. Was not that enacted under his regime?

Mr. SIROVICH. I included that. I am very glad the distinguished gentleman from Illinois has brought that up, because every bit of social legislation that we find in our own country was first enacted by the archreactionary, the ultraconservative, Iron Chancelor Bismarck, in 1881. And I was very much surprised to see my good friend Tom Blanton as a liberal Democrat stand in opposition this morning to the subject of old-age pensions.

Mr. BOYLAN. Mr. Speaker, will the gentleman yield?

Mr. SIROVICH. I yield.

Mr. BOYLAN. I congratulate the gentleman upon his very able speech. I am sure it proved very informative to the House. The gentleman believes, does he not, that the policies he has enunciated as the policies of today are the policies we are now pursuing? These principles and policies are based upon justice and equality and are in accordance with the tenets proposed by the gentleman?

Mr. SIROVICH. I am very glad that my distinguished colleague from New York, Mr. Boylan, asked that question. What I wanted to bring out is that the philosophy of the principles of Franklin D. Roosevelt are symbolic of the old principles of democracy. They are the same as those enunciated by Thomas Jefferson, Benjamin Franklin, and Thomas Payne. The only difference is the form, because democracy is eternal in its principle, and its form changes as the years come and go, just the same as clothing. The shape and design of clothing of 1934 is different than the shape and design of clothing that was worn in the days of our mothers and fathers. Still the cloth is the same. President Roosevelt is trying to orientate the democracy of today to fit the social, economic, and political conditions that confront us in order to give to every man and woman of our Republic economic security and enable them to compete for the mental and spiritual opportunities in life that will ennoble mankind. This is the philosophy that underlies the New Deal of Franklin D. Roosevelt.

Mr. DUNN. Will the gentleman yield?

Mr. SIROVICH. I yield to the gentleman from Pennsylvania.

Mr. DUNN. Will the gentleman please explain how we are going to get out of a depression when practically every factory in the United States has what they call an age limit? In other words, I am a member of the Labor Committee. When we were discussing the 5-day 6-hour bill, which I hope will be passed at this session, practically every man that appeared before us, who was the head of an industry, maintained that they had an age limit. I asked every one of them, What is your age limit? I do not hesitate to say that practically every one of them stated between 40 and 45 years of age. If the United States Government is not going to provide old-age pensions and unemployment insurance and all of our industries have an age limit, preventing men and women from getting a job when they attain the age of 40 or 45 years, how are we going to get out of the depression?

Mr. SIROVICH. In answer to my distinguished colleague from Pennsylvania [Mr. DUNN], who has loyally and consistently supported labor legislation in this House, permit me to advise him that at the present time in this mechanistic age the slogan or shibboleth of modern industry seems to be, "Equal opportunities for all with the exception of those past the age of 40."

It is a tragic indictment of the civilization of our machine age that men past the age of 40 are being relegated to the scrap heap. However, the 5-day week and the 6-hour day, with which I am in thorough sympathy and accord, would be instrumental in dividing the work so that all of our citizens who are willing to work could be employed.

The profit motive which is being utilized for the benefit of the few in industry should be distributed for the benefit of the great mass of our unemployed. Competition for individual materialism should be supplanted with cooperation, making it possible to have economic security for every man and woman who is willing to work to earn his daily sustenance. Since labor is the producer of capital and wealth it should be entitled to a fairer share in the distribution of the wealth it creates. When men and women arrive at the age of 50 or 60 and are no longer able to work in the quarries of industry, commerce, and agriculture the Government of the United States, in cooperation with the States of the Union, should have old-age pension laws which would pension every worker, every father and mother who have contributed their all upon the altar of industry, to be provided for in their old age. If it is patriotic to pension every soldier who is ready to make the supreme sacrifice upon the altar of war that his country might endure, it is just as noble, just as humane, just as patriotic to pension through old-age pensions the worker, the toiler and laborer, including helpless fathers and mothers, who are dependent upon charity for having given of their lives, health, and strength to make our country great, glorious, and prosperous. [Applause.]

In 1927 I spoke for 1 hour upon the subject of old-age pensions. That bill has become the model for all other bills that have since been introduced upon the subject. The speech that I then made made a most profound impression upon Franklin D. Roosevelt. When he became Governor of the great State of New York he wrote me a letter that it inspired him to appoint a commission to investigate the subject of old-age pensions, and through his cooperation and magnificent effort an old-age pension law was written upon the statute books of the State of New York. Old-age pension is now operating in almost 14 States of the Union. Old-age pensions are found in every civilized country of the world with the exception of China, India, and the United States. I am appealing to the membership of this House to help us secure an old-age pension act before China and India leave this, the greatest civilized Nation of the world, still in the background for having failed to do justice to those who have appealed for aid in their declining age.

Mr. Speaker, in 28 nations of the world we have the compulsory contributory form of old-age pensions, in which the state, the em-

ployer, and the employee contribute an equal percentage for an old-age pension fund. This usually amounts to about 3 percent of the salary of the employee, a like sum being contributed by the nation and by the employer. Second, the voluntary contributory form of old-age pension, which is found in 10 different countries of Europe, in which the state just grants old-age pensions to men and women who have grown old and feeble in the service of agriculture and industry. The workingmen do not have to contribute to any old-age pension fund. The state provides for it alone. Third, there is the old-age savings fund, as found in Japan, in which the nation matches the savings of the workingman and provides for him when he is no longer able to work in the quarries of industry.

Mr. MEAD. Will the gentleman yield?

Mr. SIROVICH. I yield to the gentleman from New York.

Mr. MEAD. I am very much interested in the splendid statement the gentleman is making, and I agree with his statement that President Roosevelt is carrying forward the principles of true democracy. I would like to have my distinguished colleague explain to the House, as I know he can, the fact that President Roosevelt is meeting with the same opposition that the reforms advocated by Jefferson and Jackson met with in their day; that he is meeting with the same opposition that the square-deal program advocated by Theodore Roosevelt met; that the new-freedom movement advocated by Woodrow Wilson met; and that that opposition, Torylike, as it was called in the reactionary days of early history, is ready and willing to step in in strong opposition. We see their opposition to the stock-market control, and yet they forget the Insulls and the Kruegers. We find their opposition to the Securities Act, to the Wagner Dispute Act, and we find partisan debate even in the matter of the air-mail cancelations. Much of this, in my judgment, is an organized effort to defeat the progressive reform advocated by the New Deal and sponsored by Franklin D. Roosevelt.

Mr. SIROVICH. My distinguished friend has asked a very pointed question, but the question is age old in its conflict.

If the gentleman is conversant with the Bible, he will note the same battle being waged between the Sadducees and the Pharisees in Biblical times. You will find the same controversy between the hoi-aristoi and the hoi-polloi in Greece. You will observe the same discord, dissension, and disagreement between the Roman patricians and plebeians. In medieval times the same conflict was waged between the barons, lords, and dukes, and the serfs. In those days the serfs had economic security, but they had no liberty or freedom. Today the modern workingmen have liberty and freedom, but have no economic security. To digress further, please observe that in the parliamentary constitutional form of Great Britain's Government the struggle between the Whigs and Tories and between the Conservatives and Liberals has always persisted. In this the Seventy-third Congress of the United States you can see the same line of demarcation between the reactionary element which is found on both sides of the aisle amongst Republicans and Democrats and the liberals and progressives found in both the Republican and Democratic ranks.

I am a great admirer of the President of the United States and was one of his early and first supporters as a Presidential possibility, yet I have never voted for a gag rule and I have never voted for a measure because the President wanted it. I voted for every measure of Franklin D. Roosevelt when I believed it was a liberal and a progressive measure designed to bring about the reforms that we have been speaking about. [Applause.]

Mr. KENNEY. Mr. Speaker, will the gentleman yield?

Mr. SIROVICH. I yield to the gentleman from New Jersey.

Mr. KENNEY. Will the gentleman explain why there should be any opposition to a great American institution and the first means of raising revenue that this country knew before a system of taxation was put into vogue? Will the gentleman explain to us why this body that objects to so many things should really object to a national lottery conducted by the Government for public benefit, such a lottery as is conducted by more than 30 countries of the world?

Mr. SIROVICH. For the benefit of my distinguished friend from New Jersey, I desire to say that we have to observe a moral code in this Republic. Every honorable man and woman in this country is against gambling. It is unmoral and unethical. However, we have legitimized gambling on Wall Street. We have gambling on race tracks in various States of the Union. We gamble in the future of wheat, cotton, and other commodities necessary for life. We should have a uniform law that is equitable and just to every American citizen. If we allow one form of gambling, we should allow another, and lotteries belong to this category. My theory therefore is, let us eliminate all forms of gambling and let men and women earn their living in conformity with the dictates of humanity, in which social and economic justice reign supreme.

Mr. DOUGLASS. Does the gentleman think a lottery improves the moral code?

Mr. SIROVICH. Does the gentleman think gambling in Wall Street improves the moral code?

Mr. DOUGLASS. No; but does lottery improve the moral code?

Mr. SIROVICH. Not at all; but, as I said, if you allow one form of gambling, you should allow all others. There should be no privileges for one that are denied for others.

Mr. DOUGLASS. Two wrongs do not make a right.

Mr. SIROVICH. I agree with the gentleman that two wrongs never made a right, so we are battling in this House to bring about a fundamental doctrine of democracy which is the greatest good for the greatest number. [Applause.]

Present Issues Before Congress

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Wednesday, March 22 (legislative day of Thursday, March 16), 1939

ADDRESS BY HON. HARRY S. TRUMAN, OF MISSOURI, BEFORE JOINT SESSION OF MISSOURI LEGISLATURE

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD a very able address delivered by the junior Senator from Missouri [Mr. TRUMAN] on the 21st of March 1939 before a joint session of the Missouri Legislature.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The honorable Senate and House of Representatives of the State of Missouri, you can hardly estimate my feelings when I received a copy of your resolution asking me to address a joint session of the legislature of this great State. I consider it a very high honor and I haven't the words to adequately express my appreciation. You, of course, are interested in the Congress of the United States, just as I am interested in this honorable body, and I am sure you have asked me here to discuss some of the things that are of national interest. I shall endeavor to give you my views on some of the issues now pending in the Congress.

Missouri honored me in 1934 by electing me as one of its two United States Senators. I consider that honor a great responsibility, and I have to the very best of my ability worked exceedingly hard to meet that responsibility.

I had had no legislative experience and only about 2½ years of law school when I went to Washington. My whole experience in public service had been executive and administrative. When confronted with a highly responsible and technical command in the World War I tried my best to learn all about it. I have done the same thing with my duties in the Senate. The fact that I have been a lifelong student of world and United States history has been a very great help.

I was assigned to two of the Senate's busiest and most powerful committees—Appropriations and Interstate Commerce. One controls the Budget of the greatest government in the world and the other has enormous influence on its transportation and communications.

I found out very soon after I had settled down to a study of my duties that the business of a good legislator is not to get things done quickly and efficiently, as a good administrator has to do, but to prevent, if possible, the enactment into the law of the land many crazy and crackpot measures. I have found that much deliberation and study on all proposed legislation is a great deal better for the public welfare than too much hurry and immediate action. I have also found that the man whose interests are of most importance to the country is not usually represented in the lobbies of Congress and that the bill on which the lobbyist and propagandist expend the greatest efforts is the one that needs the most deliberate consideration and, perhaps, obstruction.

It has been my privilege to serve through what I believe is one of the greatest periods in the long and honorable history of the Senate of the United States. I have rubbed elbows with and heard words of wisdom (and some not so wise) from men who will be historical figures in the next generation—John Garner, Joseph T. Robinson, Huey Long, Carter Glass, our own Bennett Champ Clark, Charles McNary, Robert La Follette, Jr., Hugo Black, and many other able and distinguished men.

I arrived in Washington in the midst of the great depression and became a member of the committee that recommended for passage the largest single peacetime appropriation ever made in the history of the country—the $4,800,000,000 relief bill of 1935. I was a member of the committee that investigated the utility scandal and recommended the holding company death sentence. It was my duty to sit day after day and listen to railroad woes and to learn how so-called great bankers, financiers, and rail management had ruined great transportation systems. I was the chairman of the Subcommittee on Interstate Commerce that helped to set up the regulation of air commerce. I had to make a special study of the organization of the National Government in order to vote intelligently on appropriations. Because of my military experience I have had to study the national defense set-up, and having been a farmer until the World War, I have been vitally interested in farm legislation, although I'm not on the Committee on Agriculture.

Now, while trying with all the brain power I have at my command to master great national issues and problems pending in the

Congress, I've had to answer personally thousands and thousands of letters, see hundreds of people, and act as a sort of national employment agency for all the thousands of Missourians who feel that it is their patriotic duty to become attached to the pay roll of the Federal Government. It has been necessary for me to get up early in the morning and burn considerable electric energy at night, both at the Government's and my own expense; but it has been a grand experience, and no one can say that I haven't honestly tried to make you a proper representative in the Senate.

I am very much interested in transportation. I have a feeling that if the agricultural producer and the manufacturer of the necessities and luxuries that our standard of living requires could economically and efficiently place their products in the hands of the users without undue assessments for handling and transportation, many of our woes would be settled.

The railroads were constructed in the boom days of expansion after the Civil War. Until 1920 they had practically a monopoly in the movement of goods and passengers, and they cultivated the attitude of every monopoly—a smug, public-be-damned attitude that is now sending them into bankruptcy. They sat idly by and saw us build thousands of miles of concrete highways for the use of 30,000,000 of automobiles and trucks, and their managements, with 1893 ideas, still believed they had a monopoly in transportation. Airplanes are carrying millions of passengers and thousands of pounds of mail and express. The small manufacturers, who have been discriminated against, have bought their own trucks and haul their products themselves. Livestock is moving by truck, and a man with a "flivver" isn't going to wait for a train.

Railroads are asking for legislation and the committees of Congress are studying the situation. I hope something can be done to help them. But when a patient asks for a doctor he must take the medicine prescribed and have a will to get well if the doctor is to do him any good. The railroads and railroad labor, in self-defense, maintain one of the most powerful lobbies in Washington, and they are vociferous about the legislation that they need to cure their ills.

I think that the rails are still our most useful and our most necessary means of transportation, but railroads need to "live" today and to meet today's conditions. They need men with young ideas, and I hope that they'll realize that.

Automobile and truck manufacturers are making use of every new idea. The airplane manufacturer and the air transportation companies are using every possible means at their command to improve service and to convince the people that air travel is to their advantage.

When railroads were the only means of transportation, excepting the horse and wagon, the simplest way to increase profits was, of course, to increase the price of transportation—charge "all the traffic would bear," or, as they said, charge for "the value of the service." It made no difference what the cost of the handling of traffic was in the calculation of freight charges, and as far as that is concerned it apparently makes no difference to them now. Rail freight charges have no rhyme or reason in their set-up. There is a fairly reasonable rate structure in the northeast section of the country, a rather patchwork crazy quilt in the southeastern section, and one that will really make you dizzy to contemplate in the West and Southwest. Try to cross from one of these so-called freight-rate territories into another with a car of freight, and you get socked with all the traffic will bear plus a real jolt for having the temerity to want to ship from one zone to another.

Competitive marketing is something the railroads seem to know nothing about. There are two basic fundamentals for increasing profits under competition, which are the opposite of monopoly marketing practices. They are, first, reduced operating costs or prices or both, and, second, increased sales through increased sales effort.

The railroads aren't altogether to blame for their present condition, however. They have been bled white by their bankers and financial advisers and have been the object and butt of every tax racket in existence the country over. I believe that they are entitled to the same fair and honest treatment, from every standpoint, that every other means of transportation receives. I believe that the problem before the country is a transportation problem and not a railroad problem. I think that air, auto, water, and railroad transportation must be considered in the light entirely of the public interest. I am sure that every method by which we travel from place to place and move our goods and merchandise is absolutely essential to the welfare of the country, and as long as I am a public servant that will be the policy I shall support.

I believe that the man who does the work and makes our machines of travel perform is entitled to every consideration, and that any legislation affecting any method of transportation must take him into consideration and see that his interests are fully protected. I have spent much time and effort on transportation problems and legislation, and in my opinion we are still far from a proper solution.

While I am very much interested in transportation, I am also interested in the farmer, because, as I have said, I have been a farmer.

The farmer is an individualist, and the hardest thing on earth is to get him to organize even when his best interests require it. The Roosevelt administration has made an honest effort to help the farmer, but I am not convinced that the present A. A. A is working in the interest of the man for whom it was created. There have been too much red tape and paper work and too much recognition of the men who farm the farmer. I am convinced that if world trade can be revived—and I think Cordell Hull has made an honest and practical approach toward its revival—some of the farmers' troubles will cease to exist. Cotton, wheat, and meat are world products and require a world market for their distribution, and if the world markets cannot be restored these crops are going to have to be handled on a domestic-allotment or cost-of-production basis. Our ideas of land uses must be revamped also. Marginal and submarginal land now cultivated must be put to other uses—reforestation, wildlife preserves, and, in some instances, just plain abandonment, and let Nature take her course. Soil conservation is one of the greatest of undertakings and ought to be continually carried forward. All the money spent on the whole farm program isn't a drop in the bucket when compared to the soil depletion of the last 50 years. There isn't a reason in the world why soil conservation and the domestic-allotment, or some other practical plan, would not work together.

National defense, in my mind, means just that. I am for an adequate navy, a well-trained and sufficient air force, and enough men of other arms for training purposes only. Battleships and airplanes cannot be built overnight. Neither can antiaircraft guns and artillery weapons. A policy that would insure safety without aggression on our part is what we need. In my opinion, the program presented to Congress by the President is reasonable and necessary. With world affairs in their present chaotic condition, common sense would indicate that the richest nation on earth should be ready to defend itself against the wild men who are running the dictator states.

This country has finally awakened to the fact that foreign policy and national defense go hand in hand. World disturbances have their effect on us no matter how much isolation we may try to maintain. With transportation and communication what it is today there is no such thing as isolation, and if we don't want to take our proper place in world affairs we must be ready to defend our own policies at home and in the Western Hemisphere.

The whole country should be agreed on a foreign policy, and we should face the world as a unit, no matter what our internal differences may be. I think the recent statements of Mr. Landon and Mr. Stimson are patriotic documents, and I am sure that the votes in the House and Senate on the National Defense Act show that the country is united.

The world is no longer a very large place. We can go around it now in 3 or 4 days, and the time is fast approaching when we'll have airplane passenger service between all the continents at four or five hundred miles an hour. If we are to have world peace we must have world understanding.

If this great Nation of ours were divided into 48 independent governments with 40 different languages and dialects, we'd be having the same trouble that Europe is having. Suspicion of neighbors and neighbor States comes about through ignorance and lack of understanding. I am one who hopes eventually for world peace, but until that time comes I am also one who wants the Nation to "keep its powder dry."

I also believe that if there are any inhabitants here who believe that certain forms of government in Europe are better than ours, they should be sent to those countries they admire and not be given any opportunity to overturn or destroy our Republic. No one on earth thinks more of the Republic of the United States than I. I have sworn to uphold and defend the Constitution of the United States 17 separate and distinct times, and have even gone to the extent of offering my life for it, and I was never more thoroughly impressed with the greatness of the country than at the one hundred and fiftieth anniversary of the meeting of the first Congress, March 4. Every man and woman in this hall should read those three speeches, one by William B. Bankhead, Speaker of the House; one by Charles Evans Hughes, Chief Justice of the Supreme Court; and one by our great President, Franklin D. Roosevelt. You'll be a better and more patriotic citizen for having read them and you'll also be convinced that you have the best government in the world.

We have our troubles and plenty of them, but there is not one of them that we can't solve by honest effort. We are living in an age of transition. We've come from oxcarts to airplanes in less than a generation. We are going through a complete readjustment and it is a painful operation. More progressive legislation has been passed in the 6 years of the Roosevelt administration than in any other half dozen administrations, and we must adjust ourselves to an entirely new theory of existence. Our social-security legislation may not be perfect, but it is a step in the right direction. No one wants to repeal it. It is an effort to give the everyday citizen, who works for a living, some hope and security that he won't be a burden in his declining years. If you'll read history, you'll find that concentration of wealth and power in the hands of a few was the fundamental cause of the downfall of the greatest nations of the past. We are trying to profit by those examples. Monopoly cannot exist in a republic, and a republic cannot exist when its resources are in the hands of a few. I am not an admirer of bigness. I have said on the floor of the Senate that a thousand insurance companies, with $4,000,000 each in assets, are better for the country than one company with four billions. I think that is true of steel factories, packing plants, and grocery stores. I want to do whatever I can to help the small-business man—the big one will take care of himself.

I think the tax burden has to be adjusted in such a way as to give the businessman, particularly the little-business man, a chance to operate and to take up the slack in employment. Tax systems are and always have been cumbersome, patchwork affairs. The Federal system has grown up around income and excise taxes

and import duties. States are adopting income and sales taxes as a means of raising revenue. Then there are counties, schools, and municipalities to be supported. In times gone by, land has always been the basis of most tax systems. As government grows and continues to add service after service to the tremendous number already in existence, means must be found to support them. For every government service rendered the bill must be met by taxation. Most people want all the benefits and service, but want them for nothing. I've heard that Senator Sorghum, that famous old cartoon statesman, stays always in office by voting for every appropriation and against every tax bill. That is an unbeatable system, but, practically, some members of the legislative bodies must vote for taxes.

If we could get an equitable, honest system whereby the people who benefit most from government could be made to pay for it, and have our dual State and Federal system of government so arranged that there would be no duplication of methods of raising revenue, the tax millennium would be here. Since that seems to be an ideal condition, it may never come. We have to do the best we can under conditions as we find them.

When I was a part of the administrative government of Jackson County it occurred to me that it would be a great thing for the taxpayer if the Federal Government had certain taxes that only it could levy, the State certain other things to tax, and leave land and property taxes exclusively to counties and municipalities. Then some of the taxpayers' woes would be over. Nowadays, by the time a man has made out all the forms and returns that he has to make, particularly if he is in business, he is ready to do without any government whatever. I am hoping that an honest effort will be made in Washington to ease and simplify the tax system. But in the meantime, we cannot let people go hungry in a land of plenty. You see how this whole question dovetails into one great problem. Some of us are honestly trying to find the answer to it.

We are approaching another Presidential campaign, and you will hear all sorts of wild and demagogic remedies for all the ills we are heir to, but the American people are hard to fool. They know whom to trust. They know that the Democrats under the leadership of that great President, Franklin D. Roosevelt, have given the common man a chance. They know that selfishness and greed under a Republican regime brought us almost to ruin, and I am perfectly willing to trust the people when 1940 rolls around. Again I want to thank you for this very great courtesy.

Which Way Recovery?

EXTENSION OF REMARKS

OF

HON. JAMES E. MURRAY

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Wednesday, March 22 (legislative day of Thursday, March 16), 1939

RADIO ADDRESS BY HON. JOSEPH C. O'MAHONEY, OF WYOMING, MARCH 12, 1939

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD a very able address delivered by the senior Senator from Wyoming [Mr. O'MAHONEY] over the radio during the American Forum of the Air on Sunday, March 12, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Let me begin by pointing out at least two roads which do not lead to recovery. Whatever we may believe to be the right answer to the question proposed for tonight's discussion, of one thing I am certain, namely, that the American people are not willing to surrender their economic freedom to either private monopoly upon the one hand or to government on the other. Regimentation of the individual by either private or public power is not a solution of our economic ailments. Indeed, it is regimentation by one or the other that has been the primary cause of most of the ills from which the world suffers.

Any effort to find the antidote for modern chaos must start with recognition of the principle that the rights of the individual are supreme and that both governments and business organizations are maintained only for the purpose of serving the people. When government becomes so all-powerful that the individual cannot act without its permission, then the political system can no longer be said to be free. Likewise, when business is so organized that the individual cannot freely engage in it, the economic system can no longer be said to be free. Before we shall even begin to lay the basis for a sound recovery program we must realize that men were never made for any system but that all systems were made for men.

THE CRISIS IS WORLD-WIDE

This modern crisis which engulfs the whole world arises from the fact that for some reason our economic system no longer provides security for men. Almost every element of the population is clamoring for Government action to correct the results of this failure. Farmers, though they produce an abundance, are unable to secure even the cost of production. The industrial worker is without certain employment and in great numbers is dependent upon the Government for his daily bread. Businessmen, manufacturers, traders, particularly those whom we generally classify as belonging to "little business," and even great transportation agencies like the railroads, turn to Government for credit with which to maintain themselves, and the Government in turn is able to provide this credit only by piling deficit upon deficit.

In the abstract everybody agrees that man can support himself only by work. The trouble is, however, that he has lost the opportunity to work. In the search for the answer to our question, therefore, we must first determine, if we can, what the reasons are why men cannot today freely work, freely produce, and freely exchange the products of their labor.

The explanation of the modern anomaly of want in the midst of plenty seems to me to be a perfectly simple one, arising from the fact that the modern world has become so highly complex in the field of industry, trade, and commerce that man is no longer protected by the simple rules which were sufficient to maintain economic freedom before modern invention changed the face of the earth. The task is to find the rule that is suitable to our times and one that is in harmony with our fundamental ideals. No merely negative remedy would be adequate. It must be constructive, but it must also be democratic.

ECONOMIC FREEDOM ESSENTIAL

No one who has had the opportunity to feel the pulse of the people of America can doubt for 1 minute that they are still devoted to our traditional principles. They believe in freedom. Every person who had the opportunity to witness or to hear over the radio the proceedings which took place in the Chamber of the House of Representatives on March 4 last in commemoration of the one hundred and fiftieth anniversary of the commencement of the First Congress of the United States could not fail to have been thrilled by what took place. It was a rededication, as it were, of the Government and the people of America to the tolerant, patient, and courageous principles of democracy.

My answer, therefore, to the question which has been propounded to us tonight is another question. Do we have the courage to be democratic? If we believe in that personal liberty which guarantees to every man the right to think, worship, speak, and vote as he pleases, then we cannot avoid the next necessary conclusion, that we must guarantee him economic freedom also. Just as man through all past centuries has struggled painfully to achieve the liberties of which we boast when we gather in patriotic assembly to vindicate our system, so he is today struggling to achieve industrial democracy.

That is why I say tonight that there can be no permanent recovery unless, first of all, we securely establish economic freedom. Commerce and industry must be free from arbitrary restraints, whatever their source. The door of opportunity must be kept open for each rising generation, for otherwise all talk of liberty is a delusion.

This is the heart of the so-called monopoly problem—the abolition of those restraints which have closed the door of equal opportunity. And yet, it is no simple thing to discuss monopoly understandingly, for many monopolies are altogether justifiable and beneficial. Monopoly must not be confused with mere size nor with efficiency. The monopoly which is to be condemned is only that which by artificial means, by fraud or force or chicanery, gains undue advantage and fastens a mortgage on the future.

All competition tends to monopoly, for the natural objective of competition is supremacy. Just as the runner seeks to demonstrate his superiority over those against whom he runs, so the worker or the businessman seeks to demonstrate his superiority over those with whom he competes and thereby to build up an ever-expanding trade.

There can be no quarrel, therefore, with that type of monopoly which results from geographical or strategic advantage, from the nature of the business, or from the superior qualifications of the persons or corporations which carry it on. The evil arises when exclusive opportunity to engage in business is secured by methods which do not rest upon merit alone.

BUSINESS NOW NATIONAL IN SCOPE

Fifty years ago the individual who resorted to indefensible practices could be more or less readily controlled by public opinion, because his customers could ordinarily, without great difficulty, take their trade elsewhere. They could exhibit their disapproval in such a way that public opinion itself would tend to be a corrective. But when business ceased to be carried on primarily by men in their natural capacities and when the corporation came to be the effective agency of commerce, public opinion ceased to be a speedy and effective corrective. Men no longer deal with their neighbors, because business is no longer local. It is national in its scope. And so we are necessarily in search of a national remedy.

For half a century our people have been struggling to find the rule that would be applicable to the complex society in which we live. We have vacillated backward and forward between theories of strict enforcement of the so-called antitrust laws, on the one hand, and complete exemption from their prohibitions, upon the other.

The lawbooks are full of cases which condemn as both unethical and illegal combinations by which prices are fixed, trade territory divided, earnings pooled, competitors excluded, rebates granted, and business restricted, and yet as long ago as 1916 Congress passed a shipping act, the purpose and effect of which was to license such activities so far as certain shipping corporations were concerned. In 1918 Congress passed another statute repealing the Sherman antitrust law for associations formed to engage in export trade.

PRIVATE MONOPOLIES INTOLERABLE

And while this was going on both political parties, in words of varying formula, have repeatedly declared that private monopolies are intolerable. But all the time forces were at work which were utterly destroying the local character of business and herding the people into great cities, where they could no longer support themselves by their own labor upon the land, where they could no longer maintain themselves by commerce and trade with their neighbors, but were made dependent for their very existence upon the activities of the giant instrumentality of modern commerce, the corporation.

While this was going on, particularly since the end of the World War, the share of agriculture in the national income was constantly declining and the numbers of unemployed were constantly increasing. Finally, in 1929 the whole system collapsed. The same effects were manifest in other countries. The natural person everywhere was finding himself utterly unable to resist restraints of trade, the geographic radius and effect of which became greater as the means of transportation and communication improved.

Everywhere men have turned to government for relief. In Europe they have allowed government to become absolute, with the result that both personal liberty and business liberty have been suppressed.

In the United States we have been trying to restimulate private industry by Government spending, but, though billions have been borrowed and spent, the problem has not been solved. One great difference we see, however, between what has transpired abroad and what is transpiring here. We have maintained the democratic system. Religious and political freedom here remain unimpaired. It is only economic freedom that has been threatened, and the undermining of that freedom began at least a quarter of a century ago.

Indeed, one of the first efforts of the present administration to achieve recovery was said to be an effort to allow business to govern itself. The N. R. A. was established. Like the shipping act and the foreign-trade act it repealed the antitrust laws for business associations. But the result was not the abolition of restraints of trade nor the reopening of the door of opportunity to free private enterprise.

Thus we are driven to the conclusion that the road to recovery is to be discovered by identifying and effectively prohibiting the practices which close the door of opportunity in national commerce. The duty of Government always is to establish the rule of society which will best preserve order and, as our Declaration of Independence puts it, preserve the "unalienable rights of man to life, liberty, and the pursuit of happiness."

There is no power but the government of all the people which has the authority in a democracy to make and enforce the rule by which all must live. And so I say that Government and business must unite in a common, tolerant, and patient effort to develop the rule which in our complex civilization will preserve economic freedom. Let it be emphatically stated, however, that such a rule must not clothe government with power to direct business. It must make business free, just as it must make the individual free.

SOME SIGNPOSTS TO RECOVERY

It must be a rule that will counteract the depressing effect on small business of the concentration of economic power. It must provide for a decentralization of income—not by breaking big business down but by building small business up and by stabilizing employment, so that worker and farmer shall have a larger and a more certain share of the national income.

Here, then, are some signposts to mark the road to recovery:

(1) The establishment and maintenance of economic freedom.

(2) The decentralization of income by encouragement to small business and the stabilization of employment.

(3) A recognition of the fact that corporations are not persons but artificial agencies created by law for the better utilization of the collective assets of the people for the public good.

(4) A recognition of the fact that the rule of national commerce can only be laid down by the National Government but that it should be laid down upon the abiding foundations of democratic faith.

Democracies are said to be endangered by the development of foreign dictatorships. Let no one imagine, however, that democracy is to be maintained by military operations abroad. It must save itself by doing here at home what no dictator has yet done—namely, to establish a free economic system to raise and maintain such a standard of living for all as will justify the faith of the generations which founded and have thus far maintained America as the home of the free.

Our Present Prosperity

EXTENSION OF REMARKS

OF

HON. ARTHUR H. VANDENBERG

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Wednesday, March 22 (legislative day of Thursday, March 16), 1939

RADIO ADDRESS BY HON. CHAN GURNEY, OF SOUTH DAKOTA, MARCH 21, 1939

Mr. VANDENBERG. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very interesting address on the subject of Our Present Prosperity delivered by the Senator from South Dakota [Mr. GURNEY] over the Columbia Broadcasting System on March 21, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

OUR PRESENT PROSPERITY—WHAT IS IT, HOW PERMANENT, AND WHAT CREDIT SHALL WE GIVE TO THE ADMINISTRATION AT WASHINGTON?

Hello everybody, some of our people have compared this year of 1939 with that year of 1916, just a year before we took an active part in the last great World War. I personally have not gone that far, thinking more about keeping our own house in order, trying to emulate the efficient housewife, whose home is always in apple-pie order—always ready for company, the pantry well filled—so today I am concerned about our present prosperity. What is it, how permanent, and what credit shall we give to the administration at Washington?

I want to put this question up to you today, to give it a few minutes consideration. I wish I might have more time to speak and you to listen. The subject is worthy of our deepest thought.

We are all interested in prosperity—deeply so. It is essential to our enjoyment of life, to our contentment; and if it be true that any administration of Government affairs at Washington brings about prosperity, then I would not be so unfair as to deny it credit for such accomplishment. As a matter of fact, it would do me no good to take such stand, for you would look the situation in the face and you would overrule me if I were not fair and reasonable.

So I think we ought to ask ourselves these questions:

Are times better? Are they permanently, soundly better, or have we merely been taking a "shot in the arm"?

I take up the first question: Are times better? My first short answer is, Yes, times are better, but not good enough to brag about. Or, if I may amplify the answer just given, I would say that times are better than they were in the fall of 1932 or in 1933 or 1934. They are not better than they were in any one year of the 30-year period from 1900 to 1930—and that is taking in lots of territory. In all those years, a young man out of school, or any young man just entering manhood, could reasonably expect to find a job. In all those years, any man having a piece of property—a farm for instance, or a home—could reasonably expect to find a sale for it, if he might wish to sell, at a reasonable price. In all those years, a man might go in debt for his requirements, and within reason, hope to pay those debts. In all those years, a man with a family could reasonably hope to support that family. Today, what is his chance to find a job, his chance to sell any property, his chance to pay any debts, his chance, if a laboring man, to support a family? You listeners, answer these questions, please, and you will look the facts in the face, I am sure.

Let me repeat the questions, for you to answer: Has the young man a chance for a job? Can you sell property? Can you pay debts? Can you support a family in comfort, now?

And when you have made answer to conditions as to these very essential requirements, you will understand the answer I gave a few moments ago: "Yes, times are better, but not good enough to brag about."

It is true that our farm products bring a better price than in the fall of 1932, or in 1933, or 1934. It is true that retail trade is better; true that banks have ceased to fail; true that more people ride in new cars than in the bitter days of depression; but I ask you to take a comprehensive view of the entire field, and then we will have a more clear grasp of the case.

In the late fall of 1929, the world, financially speaking, went topsy-turvy. It would take long hours to discuss all the phases of that monetary landslide. I content myself with the statements that values fell, markets went flat, debts became a burden, and led to bankruptcy, consumption of goods in all homes went to the minimum, employment largely ceased, and distress stalked everywhere—not merely in America, but all over the civilized world. Then, as to our country, the situation was aggravated by the election year of 1932, and by impending changes in the administration at Washington. It should be remembered, too, that in the 2 years prior to 1932, we had a Republican President, heckled by a Democratic Congress.

Our Democratic friends now love to make comparison of conditions today with those of 1932 and 1933. I submit the unfairness of this comparison and insist that the very uncertainty of that time, and the ensuing distress, were at least half chargeable to themselves. In fairness, if they talk farm prices of today, they should compare with the range of many Republican years of the 30 years prior to 1930, during which the general range of prices was better than it is today.

Yes, times, that is, prices of things we sell, are better today than in 1932, but prices of things we have to buy are much higher too. If you have bought anything lately, whether a wagon or plow, a cotton or wool dress or a hair cut, you have found this out. Taxes are very much higher, and with certainty of becoming burdensome. Our unemployment problem is still with us, some 12,000,000 adults are still out of work. And all the new cars are still largely bought on the installment plan.

So I give again my answer of before, "Yes, times are better, but not good enough to brag about." And this, after 8 years of Democratic Congress and 6 years of a Democratic President!

My second question is: "Are times permanently, soundly better, or have we merely been taking a 'shot in the arm'?"

This question should be answered carefully and correctly, not with any political bias, for a correct understanding and solution are vital to the welfare of all America. The thinking, sensible, and patriotic citizen must study and honestly answer this question. I have little patience with the mentality of a man who will be swayed in his judgment, merely because he has received from the public treasury, as in the case of a farmer, a check of a few hundred dollars for planting a lesser number of acres. In point of fact, I do not believe many farmers are so swayed. They cannot be bought for a hundred dollars or so.

Every intelligent man knows we have been "taking a shot in the arm." The President calls it "priming the pump." Critics call it "boondoggling." In old time idiom, it is the "pork barrel"—but the pork barrel multiplied 1,000 times.

I would like to present an imaginative situation, but one which is illustrative and applicable. Here it is: There is a certain fair-sized city—its name is Anymanstown. We have there an uncle—call him Uncle Bim, if you wish. He is immensely wealthy; his credit is unquestioned, though in truth he owes considerable. Uncle Bim was elected mayor on a platform condemning his predecessor. Uncle Bim got the notion he would make Anymanstown prosperous, the city having been in the dumps for some years before.

The first thing Uncle Bim did was to guarantee all the deposits of the three banks in town. This was a fine thing for the depositors and for the community, but pretty rough on Uncle Bim. If any of the banks might fail, the money to pay the depositors would have to be realized from the notes in the bank. Thus Uncle Bim has in effect signed the notes of every borrower in town. Maybe some of you who hear me have signed other people's notes. I leave judgment to you. But in all events, you made some prosperity for a little time in the home of the fellow for whom you signed the note. Mind you, I am not discussing the wisdom or the unwisdom of guaranteeing bank deposits. What I am trying to get across is the idea that signing every borrower's note would surely bring a flush of prosperity—temporarily, at least. Then Uncle Bim put out a manifesto in Anymanstown saying, in effect, "I will organize an office known as Home Owners' Loan Corporation, and another known as Federal Housing Authority. If your debts trouble you I will help you with 40-year loans, which I will guarantee. If you need an ell built onto the house, or you wish to paint the house, or put in a new bathtub at high costs, or if you have a shop and need new machinery on the installment plan, even at high costs, my Federal Housing Authority will see you through. We will sign your notes for all these things." Here again is a good thing (maybe) for the borrower, but rough on Uncle Bim; some of these chickens will and have come home to roost; Uncle Bim will foot the bill. I am not discussing the wisdom or the unwisdom of Home Owners' Loan Corporation or Federal Housing Authority. The thought I have is that these measures must produce, temporarily at least, a certain prosperity, but not the solid, enduring prosperity that always did before come to people through thrift and economy.

When Uncle Bim decided to produce prosperity in Anymanstown he said, "I was elected mayor on my promise to make prosperity all about, so hire every idle man through our P. W. A. office, build necessary bridges, match dollars with residents to grade or pave or build or improve." Then he organized W. P. A. to take the place of P. W. A.; told them to spend money regardless, but get men on pay rolls—cut down hills and wheelbarrow the dirt around. Don't bother about need of the work, just spread out the cash. This, after three full years of H. O. L. C. and F. E. R. A. and P. W. A. and F. H. A. and what not—now, dish out the money regardless. We have billions of dollars—all borrowed—to spend in this way.

Again, the wisdom or the unwisdom of these measures is no part of my discussion today. I am trying to tell you that these things should produce a flush of ease, but I ask you, Are they permanent cures? Are we on the right road?

All this time Uncle Bim has been borrowing money—borrowing in billions. Mark well, there will be groanings in plenty when his children, in future years, dig and delve to pay back Uncle Bim's notes, which plentifully stuff every bank vault in Anymanstown.

So much for Uncle Bim.

In a way, I have been trying to answer the question, "Have we been taking a shot in the arm?"

We have!

Every Democrat admits it.

He tells you the patient was awful sick. Maybe so, but all the time I am trying to ask him and you, Is our little prosperity of today permanent?

Or, to put it bluntly, has Dr. Franklin D. Democracy been giving us food, or just medicine?

Remember, please, that the human body can't go along indefinitely on dope. To be healthy, it requires food.

We of the United States are all the same kind of folks, having firm belief in maintaining our principles of freedom. Therefore, with chaotic conditions prevalent in the major portion of the so-called civilized world, let us take immediate action to make secure the benefits which have accrued to our people under our free Government. Let us immediately give more than lip-service promises to tax-harassed business, big and little; then will honest jobs in private industry take the place of relief which requires further taxation. Let's give back to the farmer of the United States, the food market of his own country, so recently taken from him with reciprocal-trade treaties and their most-favored-nation clauses. All new wealth comes from the soil. Farm prosperity means good customers for a healthy industry that is supplying honest jobs.

The President of the United States

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Wednesday, March 22 (legislative day of Thursday, March 16), 1939

RADIO ADDRESS BY HON. FRANK MURPHY, ATTORNEY GENERAL OF THE UNITED STATES, MARCH 17, 1939

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address delivered before the Hibernian Society of Baltimore on March 17, 1939, by Hon. Frank Murphy, Attorney General of the United States.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

There have been times in our history when a toast to the President could be approached with a large degree of unconcern—times of uneventfulness when no controversy or dispute as to the Executive's place in the American scheme of things troubled the thoughts of the people. Such a time was the famous "Era of Good Feeling", presided over by James Monroe.

We are not now so blessed with peace and harmony. For a decade we have wrestled with the problem of an elaborate economic mechanism possessed of vast potentialities for productive usefulness, yet so disorganized that at one time we have seen 15,000,000 of our people without opportunity for gainful employment and self-support. Indeed, we have seen the entire system on the border of paralysis.

It has been a period seldom equaled for the number and the gravity of issues pressing for solution. And it was natural that this should come to be, for as the evidence mounted that the economic machine would not adjust itself, sheer human distress compelled government to take a hand as it had never done before.

Inevitably, the expansion of governmental activity has raised doubts in the minds of many as to the value of old concepts and traditions. At times, suspicions—both warranted and unwarranted—have seemed to run riot. And of all the new questions that have been born of the depression, certainly one of the foremost is that of the Presidency and its place in the America of 1939.

On rare occasions, however, situations arise which place upon the President a responsibility of the gravest import—situations in which the fate of the Nation and the security of its institutions are at stake. The events of this week illustrate how quickly conditions can be materially altered in the world about us. They give us serious warning that we should be prepared to act promptly and intelligently as becomes a great and powerful nation for the protection of our interests in any emergency that may arise at home or abroad. It is at these rare and emergent occasions that we are made conscious of the magnitude of the office and the measure of our collective dependence on the individual who at the moment is charged with the exercise of its vast prerogatives and duties. It is not then merely a question of legal powers and constitutional arrangements. At such a time human elements may play a decisive role.

One of these rare occasions is still fresh in the memory of all of us. I refer to that fateful day on March 4, 1933, when the present Chief Executive assumed the duties of the office in circumstances more difficult perhaps, more delicate and baffling, more fraught with danger to that political and economic freedom which is basic in our system of government and enterprise, than any that ever confronted our people.

In that awful crisis, when a whole nation was in the grip of a deadly paralysis of fear and temporary collapse, our anguished hopes and anxious prayers centered not on the Congress, not on the Supreme Court, not on those great industrial leaders and their skilled aides who manage and direct our vast business enterprises and financial institutions, but on the President of the United States surrounded by a small inner circle of men and women chosen to assist him in the execution of the powers vested in him by the Constitution and the laws of Congress. In that hour he became the hope of America.

In the hands of a weak or selfishly ambitious man, animated by a lust for power, or one inexperienced in statecraft and without profound loyalty to the democratic ideal, our liberties might have perished. With magic words of reassurance he comforted a stricken and bewildered nation; with bold, swift, and wise use of the powers provided by his great office he brought about a quick revival of that confidence and the vital processes of trade and exchange that are essential to our economic life and well-being. Here was an outstanding instance in which the office of President, administered by a man of great qualities of mind and heart and enormous talent for executive action, became the means of saving our country from disaster.

Looking backward, it seems unlikely that so much significance would have been attached to this question if it had not been for a curious combination of historical events. One event was the great depression itself; the other was the emergence in full flower of the totalitarian philosophy of government represented by the Fascist and Nazi states. At almost precisely the same moment, historically speaking, the American Nation was confronted on one side by an economic calamity that demanded vigorous leadership and swift corrective action; and on the other by the threat of an absolutist theroy utterly repugnant to our democratic ideals and thoroughly disliked by the American people.

For a time, at the height of the crisis, the Government acted with all the vigor that the emergency demanded. With the President leading the way, the people's representatives in Congress launched a powerful counterattack against the spreading epidemic of business bankruptcy and human insecurity. It is doubtful if ever before, except in time of war, the American people had presented a front so thoroughly united against a common danger.

Since that time, and particularly during the past 2 or 3 years, the Nation's attack on basic problems has unquestionably slowed down. It was natural, of course, that after the first flush of emergency there should be a slackening of the pace. In a democracy where public policy is determined through legislative deliberation, this was not only natural but desirable.

But the change of pace in our search for security has not been due entirely to this natural process. Other factors have entered the picture, and I am referring now particularly to the fear that too much power has been concentrated in the hands of the President.

This issue, of course, is not new to American politics. The charge of ambition has been leveled at various executives almost since the birth of the Republic. It would probably have been directed at anyone elected President in 1932 who was determined to act vigorously to prevent a complete economic collapse. But fate, in its mysterious way, intervened to give an emotional content to the issue far beyond its intrinsic merits. For across the Atlantic Ocean, at this same moment, flesh-and-blood autocrats were actively practicing the despot's creed of coercion, suppression, and aggression as they are today.

There is no doubt that with these living examples providing an atmosphere of realism the question of dictatorship has continued to play a significant part in the public deliberations. Certainly it has influenced and even frightened many well-meaning citizens. And there is good reason to believe that it has helped to reduce the cooperation between the executive and legislative branches which was so strikingly effective in the early days of the present administration.

In a sense we are caught between two conflicting needs—first, the necessity for keeping a strong, united front against dictatorship, and second, the equal necessity for courageous leadership in the fight against mass unemployment and insecurity.

It is true the great emergency is behind us, but we are far from being out of danger. The great problems of providing steady work at a living wage for every employable, of bringing security to the aged, and health to the ailing, and of doing away with strife between capital and labor, are calling insistently for careful, permanent solution. There is the sturdy protection of our democratic ideals and traditions and all the interests of our people.

These are not partisan objectives; these are our common objectives. These are the objectives which should unite us without regard to wealth or race or creed. They are the aims of every American of good will and generous heart. They far eclipse in importance any issue that may now or in the future divide our ranks. It is inconceivable that we can permit disunity to keep us from their achievement. It is inconceivable that democracy should drift into the very thing we fear because of irresolution and division.

Yet contemporary history indicates that this is very much a possibility. In one great nation, where basic economic problems were neglected or ignored, a bloody revolution ushered in a dictatorship of the proletariat. In others where similar conditions prevailed, the "man on the horse" won his way to power with promises of a better life and swiftly proceeded to strip the people of the liberties without which life is poor and cheap, indeed.

However remote these things may seem, they will remain very definitely in the category of possibilities as long as our need for action to preserve democracy is obscured by fear and our capacity for action limited by disunion. Democratic impotence is much more to be feared than democratic leadership.

Remember that the founding fathers were men who led a revolution against despotism. They needed no schooling in the nature of autocratic rule. The memory of its evils was fresh in their minds. Yet they recognized that even in a republic there is need for vigorous leadership, for some central figure to take the initiative in searching out the Nation's problems and devising effective methods for their solution. To phrase it in the language of today, they sought to create a spearhead for the struggle to make democracy work. But wisely they left to the people's representatives the vital lawmaking power and the control of the public purse.

It seems reasonable to believe, also, that the authors of the Constitution contemplated such an exercise of the powers with which they endowed government as would be commensurate with the needs of the Nation—as would permit the activities of government to be expanded in times of stress and strain and to be contracted in periods of quiet and calm. Such, apparently, has been the belief of many occupants of the Presidential chair, many whom we revere for their patriotism and devotion to the democratic way of life.

Andrew Jackson, for example, in his fight against the powerful Bank of the United States, used the Executive powers so boldly that his noted contemporary, Henry Clay, gloomily predicted the speedy transformation of the Government into an "elective monarchy." Yet the people continued to choose not only the Executive but their Representatives in Congress, and that body continued to wield the lawmaking power, and the Bill of Rights survived unscathed.

Of all our Presidents, I venture to say there is none less thought of as autocratic than Abraham Lincoln. Yet, confronted by the emergency of the Civil War, Lincoln took steps which led him to write these significant words of justification:

"No organic law can ever be framed with a provision specifically applicable to every question which may arise in a practical administration. The whole of the laws are being resisted, and all will be destroyed if not protected. * * * The Constitution is silent on the emergency."

Here again, in an emergency, the Executive acted promptly and vigorously to protect the people from dangers which threatened the orderly administration not of any one law but of all law. Yet when the crisis was past America still stood as the world's foremost haven of liberty and of popular rule under a written constitution.

And so it has remained until this day, despite war and panic and, in our own time, an economic catastrophe as serious as war itself.

In the desperate days of 1933 the President was invested by the Congress with powers never before held by the Chief Executive of the United States. Since that time the Presidency has dominated American politics to a degree seldom equaled in time of peace.

What does it all mean? Does it signify that America is gradually abandoning representative government? Are we to believe that democracy has been tried and found wanting?

I am convinced the contrary is true. I am convinced that each expansion of Executive activity, from Jackson's fight against financial monopoly to the recovery fight made since 1933 by President Roosevelt, has been merely another evidence of the capacity of our political system to adjust itself to the condition and the needs of the people. It is democracy's answer to those who sneeringly contend that popular government is doomed to failure because it lacks the capacity for swift action in a crisis. It is unshakeable proof that democracy can meet its problems, can still be responsive to the popular will, and can still retain the Bill of Rights which has kept us a free Nation.

This does not mean that we need to relent in our opposition to dictatorship. We must not relent. We must be as irreconcilable to dictatorship, whether of the right or the left, as we are determined to safeguard our heritage of democratic liberties. But it is equally imperative that we do not lose perspective. We must not confuse the leadership that democracy needs in a crisis with dictatorial ambition, and in this confusion render our leadership powerless to lead.

Plainly the need for leadership is not past. The task of effecting permanent recovery is still largely before us. It is a long-range proposition that cannot be disposed of hastily or easily. It is an undertaking that will require a generous measure of the spirit of give and take. It can only be completed at the willing hands of a united people. It will not be done by a people disorganized by unfounded suspicion and crippled by partisan strife. Above all, it is a job that must be done if the political and economic systems under which this Nation has grown are to endure.

Recent events abroad give warning that democracy must be able to act as well as to talk to protect its people from unsolved social problems at home and from wanton foreign aggression. Action in a democracy requires moral as well as material preparedness, self-discipline, and responsible leadership. Modern democracy must demonstrate its ability to act in accordance with reason as well as to debate the reasonableness of action. In these critical times democracy must be militant enough to defend itself. Democracy needs, as never before, effective moral leadership.

It has been my privilege during recent months to work near the man whom the American people have twice chosen as their Presi-

dent during one of the most difficult periods in our history; and I have been moved, as I believe any man would be, by his unwavering determination to do what he believes is right, what he believes is just for all the people—not for this faction or that group but for the Nation as a whole.

Two weeks ago I was privileged to be present at the church services which he attended, as he does every year on March 4, in commemoration of the day when he first took office. For 6 years he has borne a burden such as few men have ever known. Grave problems were still resting upon his shoulders. Yet he wanted spiritual sustenance, and as he humbly bowed his head to the Divine Power that has never forsaken us there was evident an indescribable yearning to better the lot of his fellow men, to lead them wisely, and to serve them well.

To the President of the United States I propose this toast—may he continue to serve democracy, and by his interpretation of our precious American tradition and ideals continue to give hope and comfort to all who cherish liberty and love justice.

Vice President Garner

EXTENSION OF REMARKS

OF

HON. H. STYLES BRIDGES

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Wednesday, March 22 (legislative day of Thursday, March 16), 1939

EDITORIALS FROM WASHINGTON TIMES-HERALD AND PHILADELPHIA INQUIRER

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the RECORD two editorials relative to the Vice President of the United States, one published in the Washington Times-Herald of March 22, and the other published in the Philadelphia Inquirer of the same date.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Times-Herald of March 22, 1939]

ELLIOTT SAYS GARNER LEADS

Elliott Roosevelt, son of the President, surprised the customers in his Texas broadcast night before last by delivering a resounding pat to the back of Vice President JOHN NANCE GARNER. The meat of Elliott's speech was contained in this paragraph:

"This much, however, is certain: JOHN GARNER is in the driver's seat right now, well in the lead as a likely Democratic candidate for the Presidency in the 1940 elections."

The logical inference is that that came from the feedbox; but whether the White House or the Garner feedbox, we don't know.

Anway, there seems to be a good deal in it. Mr. GARNER, a conservative old devil at heart, is nevertheless popular with persons of all shades of political opinion in Washington. The Vice President usually retires into obscurity like a cuttlefish hiding behind its own ink.

Mr. GARNER has done anything but that. Such a wisecracking, good-natured, magnetic old boy is he that practically all the men enjoy his company, and most of the ladies consider him a card.

His chances for the 1940 Democratic nomination, as Elliott Roosevelt says, look good. Garner would probably have the southern delegations pretty solidly behind him if he should go after the nomination in earnest. He's the kind of man the South generally likes. And the growing conservatism in various other parts of the country would find at least one rallying point in GARNER.

At this time, 16 months before the conventions, the 1940 line-up looks as if it might be Garner against Dewey.

If that proves to be the 1940 line-up, we think Dewey will outlast the old man in a tough campaign.

[From the Philadelphia Inquirer of March 22, 1939]

WHAT IS SON ELLIOTT UP TO, ANYHOW?

Speaking of rugged individualists, has anybody mentioned young Elliott Roosevelt, radio commentator extraordinary? For several months this son of the President, in his semiweekly broadcasts from Fort Worth, has been promoting another renowned Texan, Vice President GARNER, for the Democratic Presidential nomination in 1940.

Son Elliott makes bold to hail Mr. GARNER as "well in the lead" for the nomination. Since there is reason to believe that young Mr. Roosevelt's enthusiasm for the Vice President is not fully shared by the gentleman in the White House, there may be some wonder as to what it all means.

Elliott has from time to time taken it upon himself to criticize the Government's policies toward oil operators, small-business men, private electric companies, pump priming, and wage-hour legislation. His support for the Presidency of a man who represents, in his words, "the conservative element as opposed to the New Deal," necessarily causes a bit of eyebrow raising.

It is hardly thinkable that Elliott is riding off the family political reservation just for the fun of it or to act smart. On the other hand, if he has political aspirations for himself in his new home on the range, it may be that, the sturdy Texans being what they are, he has adopted a clever strategy.

Flood Control Program for the Mississippi Valley

EXTENSION OF REMARKS

OF

HON. JOHN H. OVERTON

OF LOUISIANA

IN THE SENATE OF THE UNITED STATES

Wednesday, March 22 (legislative day of Thursday, March 16), 1939

ADDRESS OF MAJ. GEN. JULIAN L. SCHLEY BEFORE THE MISSISSIPPI VALLEY FLOOD CONTROL ASSOCIATION AT ITS ANNUAL MEETING IN WASHINGTON, D. C., MARCH 22, 1939

Mr. OVERTON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very able address, delivered by Maj. Gen. Julian L. Schley, before the Mississippi Valley Flood Control Association, at its annual meeting in Washington, D. C., on March 22, 1939, on the subject The Flood Control Program for the Mississippi Valley.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President, members of the Mississippi Valley Flood Control Association, ladies and gentlemen, it is a privilege and pleasure to address you again on the vast program of comprehensive flood-control work that the Congress of the United States has authorized for the great valley of the Mississippi River. To the members of this association who are so thoroughly familiar with the results of disastrous floods on that great river system, who have so carefully studied the vital problem of controlling those floods, I wish to express the appreciation of the Engineer Department for your cooperation in the formulation of the program to accomplish that control. This year I shall endeavor to describe to you what has been accomplished to date by the Corps of Engineers in carrying out the mandates of Congress for flood control in the Mississippi Valley, and to outline what the Department expects to undertake in the near future to carry the authorized program toward completion.

For simplicity I shall first deal with the work that has been undertaken and that we expect to undertake in the near future in the main tributaries of the Mississippi River and in the upper part of the basin outside of the limits of the alluvial valley. I shall then describe the Department's work in the alluvial valley itself.

As you know, the first general authorization for flood control outside of the alluvial valley of the Mississippi River was contained in the Flood Control Act approved June 22, 1936. In that act, Congress declared that flood control on the navigable waters of the United States or their tributaries is a proper activity of the Federal Government in cooperation with the States, their political subdivisions and localities thereof, placed Federal investigations and improvements of rivers and other waterways for flood control and other allied purposes under the direction of the Secretary of War and the supervision of the Chief of Engineers, and authorized the amount of $320,000,000 for the prosecution of a Nation-wide flood-control plan. This act contained further provisions requiring States, political subdivisions thereof, or other responsible local agencies to provide without cost to the United States the lands, easements and rights-of-way required for flood-control projects, hold and save the United States free from damages due to the construction works, and maintain and operate the works after completion in accordance with regulations prescribed by the Secretary of War.

On April 6, 1937, shortly after the great flood of January and February of that year, the Chief of Engineers reported to Congress his recommendations on a comprehensive flood-control plan for the Ohio and lower Mississippi Rivers. This report is printed in Committee Document No. 1, Committee on Flood Control, House of Representatives, Seventy-fifth Congress, first session. In this report the Chief of Engineers recommended the construction of 45 reservoirs on tributaries of the Ohio River and 24 reservoirs on other tributaries of the Mississippi River, the construction of levees and flood walls at some 155 cities and towns in the Ohio River Valley and the modification of the project for flood control on the lower Mississippi River. This modification consists of the purchase in fee simple of all lands in the Morganza, West Atchafalaya, and Eudora floodways (including its extension) and the construction of each of these floodways as soon as the lands therefor have been acquired, the protection of lands in the vicinity of Cairo, and

the appropriation of $52,000,000 in addition to sums previously authorized, to be applied to the strengthening of levees, to the extension of the levee road system, to the prosecution of the program for increasing the discharge capacity of the main stem of the Mississippi River, and to the protection of the Cache Creek area.

In the Flood Control Act of August 28, 1937, Congress took the first step toward the adoption of the comprehensive plan just described when it authorized $24,877,000 for the construction of local protection works for cities and towns in the Ohio Basin, these projects to be selected by the Chief of Engineers with the approval of the Secretary of War. Since your last annual meeting, Congress approved this comprehensive plan as it applies to the Mississippi Valley by the Flood Control Act of June 28, 1938, and authorized the amount of $243,600,000 for the initiation and partial accomplishment of that plan as it pertains to the basin outside of the limits of the alluvial valley. Provision is made in this act for such modifications of the plan as may be deemed advisable in the discretion of the Secretary of War and the Chief of Engineers. The act also contains one major change in policy whereby local cooperation is no longer required for flood-control reservoir-channel improvement and channel-rectification projects.

I am sure that all of you are, as I am, interested in knowing what will comprise the program of construction in the next fiscal year, and it would give me very great pleasure to discuss these proposed activities with you in detail. I regret to state, however, that such information is not yet available as the Department has not yet appeared before the House Appropriations Committee to present data pertaining to the proposed program for the fiscal year 1940. Consequently I cannot state definitely what projects will be undertaken in the immediate future, but I can, by using the information contained in my annual report for the fiscal year 1938, indicate to you in a general way the tentative program for the coming fiscal year.

In those parts of the annual report which concern the several districts of the Department, there are inserted statements of the amount which can be profitably expended on each authorized project during the second fiscal year following the year of the report—thus the 1938 report contains such figures for the fiscal year 1940. The sum of these itemized amounts is reported to the Bureau of the Budget as the total amount that can be profitably expended during the forthcoming fiscal year. That Bureau then adjusts the reported amount to fit the requirements of the Budget, and the Department at the proper time submits suitable data on the adjusted amount to the Appropriations Committee for its consideration.

The Bureau of the Budget has set up the sum of $110,000,000 for authorized general flood-control projects and investigations for the fiscal year 1940, outside the alluvial valley. Of this amount, $3,000,000 was set up for flood-control investigations by the War Department and $3,000,000 for watershed investigations by the Department of Agriculture. Thus, under Budget limitations, approximately $104,000,000 would be available for flood-control projects throughout the entire country outside the alluvial valley of the Mississippi River.

The details of the individual authorized projects are shown in my annual report for 1938. Many of you, no doubt, have studied the data in that report concerning the projects of particular interest to you. At the risk of repeating part of that information, I should like to discuss the outlines of the program for the entire Mississippi River Basin. My statements will be premised largely on the data in the annual report and the total budget figure of $110,000,000.

In the Ohio River Basin three of the flood-control reservoirs authorized in the 1936 act, namely, Tionesta Creek, Crooked Creek, and Mahoning Creek, are now under construction. I anticipate that work on these reservoirs will be continued at a rapid rate during the coming fiscal year. Allotments have also been made to enable the district engineers to obtain the basic engineering information on 16 other reservoirs in the Ohio River Basin which might be initiated pursuant to the authorizations in the 1936 and 1938 Flood Control Acts. I expect that the construction of about 12 of these will be undertaken before the end of the fiscal year 1940. These projects will provide reservoirs on the principal tributaries of the Ohio, such as the basins of the Allegheny, Monongahela, Muskingum, Kanawha, Big Sandy, Scioto, Licking, Kentucky, and Wabash Rivers.

Also, in the Ohio River Basin 19 local protection projects are actively under way, or will be under way this spring, in accordance with the acts of 1936 and 1937. Among some of the most important of these are works now under construction at Johnstown, Huntington, Ironton, Tell City, Middlesboro, and Paducah, and the Brevoort Levee in the Wabash Basin. The 1938 act authorized an additional $50,300,000 expenditure for local protection in the Ohio River Basin. It is probable that during the fiscal year 1940 about 17 of the previously authorized projects can be completed, that the others can be advanced well on toward completion, and that it will be possible to initiate some 12 new projects which will be constructed under the additional authorization of the 1938 act.

The Dry Run Reservoir near Decorah, Iowa, was authorized in the upper Mississippi River Basin by the 1936 act. The act of June 1938 contained an additional authorization of $6,600,000 for reservoirs in that basin. It should be possible to initiate the construction of this system of reservoirs early in the fiscal year 1940.

A great many levee projects along the upper Mississippi, Illinois, Sangamon, Rock, and Kankakee Rivers are included in the 1936 authorization. Already 31 of these projects are under way. The 1938 act authorized an additional $2,700,000 for local protection in the upper Mississippi and Illinois River Basins. I expect that about four more projects under the 1936 and 1938 authorizations can be placed under construction in this area during the fiscal year 1940.

The act of June 1936 authorized projects for the protection of the Kansas Citys and Council Bluffs on the Missouri River itself and for seven communities on the tributaries of that river. At Glasgow, Mont., the levees and appurtenant structures on the Milk River have been completed. The levees and flood walls at Topeka, Kans., are under construction at the present time and will be completed with present allotments. Authorization for the expenditure of $9,000,000 for reservoirs in the Missouri River Basin is included in the act of June 28, 1938. I expect that allotments can be made from forthcoming appropriations for initiating the other local protection projects and reservoir construction in this basin.

Five reservoirs, Conchas, Caddoa, Fort Supply, Great Salt Plains, and Wallace Lake, are now under way in the great southwestern area drained by the Arkansas and Red Rivers and their tributaries. Conchas Reservoir will be completed before the end of the fiscal year 1940, and the construction of the others will be expedited as rapidly as funds will permit. In addition to these reservoirs three others were authorized in the 1936 act for the basins of the Red, Ouachita, Arkansas, and White Rivers, and the 1938 act added authorizations totaling $100,000,000 for reservoir construction in the White, Arkansas, and Red River Basins. Studies and investigations are well under way to develop the detailed plans for the great Denison Reservoir on the Red River, and it is expected that the construction of this project may be commenced in the coming fiscal year if sufficient funds are made available.

Funds may also be allotted for starting the construction of some five or six of the reservoirs in the Arkansas and White River Basins under the 1938 authorizations.

While perhaps less in the public eye than the reservoir programs for the southwestern rivers and their tributaries, the local protection projects authorized on the tributaries entering the alluvial valley from both the east and west are also of great importance. Practically all of these projects, 18 in number, for which the required local cooperation has been furnished, have been started and are being pushed to completion. Doubtless part of the appropriation expected to be provided by the War Department Civil Appropriation Act can be made available for continuing this important part of the flood-control program.

I have devoted much of my comments up to this point to an outline of general flood-control projects scattered throughout the vast Mississippi watershed outside of the alluvial valley of the lower river in order that you might gain a broad view of the operations of the Department. Let us now turn to consideration of the status of flood-control work in the alluvial valley and its prospects for 1940.

As you know, flood-control work in the alluvial valley is being prosecuted under authorities contained in the Flood Control Acts of May 15, 1928, June 15, 1936, and June 28, 1938, which authorize the appropriation of $637,000,000 for this purpose. With the $351,000,000 that has been appropriated to date, highly satisfactory progress has been made. The valley has enjoyed 12 long years without accidents and overflows, despite the fact that several high waters have occurred with crests that exceeded those of former floods which caused great damage. Although the comprehensive project has operated true to its design, let us not be lulled into a false sense of security, for construction has not yet reached the point that would enable this project to protect the valley lands against the maximum predicted flood. Such a flood may or may not occur, but it is prudent to prepare for such an eventuality as rapidly as practicable. The Department is therefore vigorously prosecuting those works to which local interests have agreed and is also strengthening the existing works wherever the need has been indicated.

In the St. Francis Basin, excellent progress has been made on both the Wappapello Reservoir and the levees along Little River. Some delay was experienced in getting this work started, but favorable weather and working conditions in the late summer and fall of last year pemitted rapid progress to be made. The construction of the White River backwater levee was prosecuted strenuously after being repeatedly delayed by high water, and earth has been placed in these levees at a rate exceeding the most optimistic hopes. Across the river in the Yazoo Basin, excellent progress has been maintained in the construction of Sardis Dam and final preparations are being made for starting construction of the Arkabutla Dam when funds become available.

In the past year the operations in the Atchafalaya Basin have resembled a beehive in activity. The 1938 act, providing for the immediate construction of the Morganza floodway, was not approved until after the 1939 appropriation which did not contemplate large expenditures in the Morganza area. However, by careful planning and the judicious distribution of available funds, work was started promptly on the guide levees of this floodway. The earthwork on these levees is now well advanced. Dredging in both the Wax Lake outlet and the Charenton Drainage Canal has been advanced to the railroad and highways, where plugs will be left until elevated crossings have been constructed. Agreements having been consummated with the railroad company and now being consummated with the highway commission will probably permit actual initiation of work on these crossings in the near future. With the single exception of the Eudora floodway, noteworthy progress has been made on all important features of the comprehensive plan for the lower Mississippi River, including items added or affected by the 1936 and 1938 acts, and main river work has been performed where needed most.

Sufficient funds have been requested for the fiscal year 1940 to maintain present rates of work and, perhaps, to step them up some-

what. It is expected that construction of crossings over the Wax Lake outlet and the Charenton Canal will be placed under way to open the way for additional levee and dredging work in the Atchafalaya Basin. Foundation tests and investigations are now being made for the elevated railroad crossings over the Morganza floodway and before the end of fiscal year 1940 plans will probably be ready to begin construction on one or more of these crossings. Concurrently with the starting of this new work in the Atchafalaya Basin it is contemplated that levee work in the St. Francis Basin and on the White River backwater levee will be extended; construction of the Wappapello, Sardis, and Arkabutla Dams will be pushed vigorously, and work on main Mississippi River levees, revetments, and dredging will be accomplished to the greatest extent possible with available funds.

The alluvial valley of the Mississippi River may justly be called the cradle of national flood control. Long before floods on smaller rivers were of more than local significance, the frequent and devastating overflows of the Mississippi itself were attracting national attention which early expressed itself in the form of financial help. As early as 1824, Federal funds were allotted toward the control of floods on that river and, after 1881, these amounts were increased steadily until in 1928 Congress adopted a comprehensive plan to be constructed at Government expense. At this time, some opponents of this plan suggested the abandonment of the valley to save money, but the Nation realized that the inhabitants of the Delta should not give up the fertile lands that have become the agricultural backbone of the Nation. It has been stated that the losses from the flood of 1927 touched the whole Nation and subtracted something from the wage or income of every worker, whether he lived in a mill town in New England or tilled the soil in Kansas. The project authorized by Congress in 1928, with subsequent modifications, is now known as the Army engineer plan. Thus, under the jurisdiction of the War Department, the comprehensive development of flood control at Federal expense was started and, in accordance with the will of Congress and the approval of the President, this activity has become Nation-wide under the same governmental agency that began such work. It is fitting in Government organization, as in private enterprise, that the maximum use be made of the knowledge created by the experiences of the established agencies that possess the voluminous records and trained personnel essential to the design of practicable and economical projects.

In addition to new flood-control projects being authorized for construction under the War Department, when economically justified, improvements and extensions to existing projects have been made as the need thereof has been indicated by increased records and hydrological data and as warranted by the increased wealth and population of the areas to be protected. This growth and development has been rational. It was logical to undertake flood-control projects elsewhere in the country after the development of policy and the experience gained in the alluvial valley of the Mississippi River. Similarly it is logical to improve existing projects when such improvement becomes justified. The $325,000,000 project that was adopted for the Mississippi River in 1928 would have been outside all reason in 1880, when such a sum of money exceeded by millions the total annual expenditure of the United States for all purposes. Also, in 1928 it would have been unreasonable to attempt to authorize the supplemental works approved by the acts of 1936, 1937, and 1938 which have augmented the authorization for Mississippi River flood control to $637,000,000 for the alluvial valley and $415,000,000 for the tributaries and upper basin.

At a time when the world password seems to be "change," when worthy procedures of the past are attacked without reason, when unsuspecting persons are urged to abandon tried and true principles, when peace-loving people are forced to prepare for armed conflict, when international boundaries are changed overnight, it is reassuring and comforting to observe the orderly development of flood control under an experienced agency, sworn to serve and protect the welfare of the people of this great democracy.

I am grateful of this opportunity to appear before you and to discuss a subject in which you are so vitally interested, and to which you have contributed so much in the past. May I express to your great association on behalf of the Corps of Engineers our sincerest wishes for a happy and successful meeting and for continued success in years to come?

Look at the Future Through the Past

EXTENSION OF REMARKS

OF

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, March 22 (legislative day of Thursday, March 16), 1939

ARTICLE BY DR. JOHN J. WICKER, PUBLISHED JANUARY 15, 1939

Mr. BYRD. Mr. President, I ask unanimous consent to insert in the Appendix of the CONGRESSIONAL RECORD an able and most interesting article written by a prominent Virginian, Dr. J. J. Wicker, president of the Fork Union Military Academy, Fork Union, Va., which appeared in This Week magazine of January 15, 1939.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From This Week Magazine, January 15, 1939]

I have been mixed up with the affairs of this world in a rather active way for nearly half a century. I was born in the lap of a great depression following the War between the States.

I know what it is to work for 15 cents a day from daylight until dark the longest days in the year under the hot Virginia sun, and this when I was only 14 years old—and I cried when the job ended.

Some people think we have a depression now, but some of the older people who can remember the days of the 70's know we are in the midst of a real boom compared with those times.

When we compare 50 years ago with today it is the difference between wading through mud on foot, frequently barefoot, and riding on smooth-paved roads in an automobile! It is the difference between an oxcart, at best, and the airplane. It is the difference between a log or board cabin with pine knots in the fireplace for light or, at best, an old smoky kerosene lamp, and today's steam-heated (often air-conditioned) houses with electric lights, baths, and every modern convenience.

It is the difference between a straw or shuck mattress on the floor and an inner-spring mattress resting on mahogany.

It is the difference between wool and cotton carded by hand, made into thread by the old spinning wheel, and woven by hand on a loom and the finest machine-produced, tailored clothing.

In those days of 60 years ago you might have had a wood stove for heat if you were rich, and your baths were confined to the summertime in some brook, creek, or millpond.

I have known people who walked a mile at daybreak (when the fire had gone out overnight) to a neighbor's house just to "borrow" a chunk of fire because the family could not afford matches (and matches cost 5 cents a box).

I have seen the day when persimmon seeds were converted into buttons for one's coat, and if there were no persimmons, thorns were used instead; when cornoobs were burned to make soda; when wheat was parched to make coffee; and the only sweetening in the so-called coffee was sorghum molasses, stirred with a stick for the lack of a spoon. Those were days when the old smokehouse floor, where the salty drippings from the slaughtered hogs of better days had fallen, was taken up and sawed into bits, soaked in water, and the water evaporated to get the salt for seasoning.

Able-bodied men were glad to work from daylight until dark 6 days a week, 52 weeks in the year, in all sorts of weather—and do the chores on Sunday besides—and receive, for the entire year's work, $100 and board. And out of that salary they had to buy all their clothes and every other thing that they needed.

Many great men were born out of such "great tribulation" because, perhaps, they had "the driving power of poverty."

There were no "free schools" then. My father had to pay tuition for me and for my sister, and we walked 3 miles through the mud to a log cabin where one lady taught everything from A B C's to Latin. I never knew what an overcoat or umbrella was.

Compare this with all the modern comforts and conveniences in our magnificent public-school buildings today, with free textbooks and an automobile bus calling at the door at public expense to take children to and from the school!

But why keep on? The differences went all through the social and economic strata; in those days there was a real depression.

Now we are all "going to the poorhouse in automobiles." The more we have the more we complain. It takes prosperity to make Communists.

When I was in my teens I did the hardest year's work that any man could ever do, seeking to get money to go to college; and at the end of the year when I had paid all my bills I had exactly $1.46 left for my 12 months of labor.

Hard years? Yes. But those were the most valuable years of my life. Those early days gave me a physical constitution that makes me young in my sixties. Life is strangely compensative. My struggles made me love work, and I made up my mind to become independent in my old age.

I asked a 13-year-old boy the other day, "How much is a man's salary?" and he promptly answered, "What he saves." There is hope for this generation when a 13-year-old boy can give an answer like that.

But what is the matter with America? Is it lack of money or manhood? Do we need less load or more horse? Is our trouble within or without? Look without—and what do we see? Better homes, better streets, better roads, bigger and better libraries, more schools and better advantages in all grades of education, more and better-equipped hospitals, an increased number of charitable institutions and organizations, more educated people, more amusements and sports, more luxury, and, in short, more of everything than ever before in the history of our country. So the trouble must be within. If we could only get ourselves in hand, and not act like a lot of spoiled, pampered children, we should soon put this country where it ought to be.

We need self-imposed discipline and regard for the rights of every man. We are trying to build men through their bellies rather than through their brains. What a man is, is far more important than what he has, and we need to work on ourselves.

If we want to build structures that will stand the storms of life, we must put our sweat into the mortar.

We cannot buy our way out of this depression, we have got to work it out.

You know the old story of the woman who thought money was everything: When she was advised to take her daughter out of college because the girl "lacked capacity," the mother retorted, "Give it to her—I will pay for it."

It may be a good thing to have what money can buy, but it is a tragedy beyond expression to fail to have what money cannot buy.

After all, character makes coin; coin doesn't make character. You will never fill the pantry by cultivating a vicious appetite; and you can never destroy a person who learns self-control.

The Silver Program

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Wednesday, March 22 (legislative day of Thursday, March 16), 1939

ARTICLE BY HERBERT M. BRATTER IN THE NEW YORK HERALD TRIBUNE, MARCH 19, 1939

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Silver Leaders' Reserve Note Stand Assailed," by Herbert M. Bratter, and published in the New York Herald Tribune of Sunday, March 19, 1939.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of March 19, 1939]

SILVER LEADERS' RESERVE NOTE STAND ASSAILED—BLOC'S OBJECTION TO FEDERAL BANK ISSUES IS DESCRIBED AS UNSOUND POSITION

The silver bloc has discovered a new excuse for the silver program: "It relieves the people who use silver certificates of an interest burden." When all our currency is silver and there are no more Federal Reserve notes, the bankers presumably will shut up shop and go home.

According to Representative C. I. WHITE, of Idaho, through the silver-purchase program, "all the American people are relieved of the interest charge as the cost for the issuance and circulation of this money." The motive behind the opposition to the Government's silver policy, the Representative states, "is the simple matter of collecting interest by the banks of this country on the money in circulation." We have some $1,600,000,000 of "interest free" silver certificates "which displace an equal amount of Federal Reserve notes, the kind of currency which * * * must be supported as long as it is in circulation by * * * interest-bearing obligations * * *."

To retire the silver certificates, according to Representative WHITE, would cause the public to pay the banks $96,000,000 in interest every year. This figure he reaches by assuming that the people would have to borrow $1,600,000,000 from the banks at 6-percent interest.

But Chairman M. S. Eccles, of the Federal Reserve System, denies that the issuance of silver currency has the advantages claimed for it by Representative WHITE. In a letter to Senator JOHN G. TOWNSEND, JR., of Delaware, published in the CONGRESSIONAL RECORD of March 13, Mr. Eccles wrote:

"The issuance of Federal Reserve notes as such does not involve interest payment any more than the issuance of any other kind of currency. A person who has a bank deposit can withdraw it in currency and does not have to pay interest; a person who has no deposit and has to borrow must pay interest on his loan, regardless of the kind of currency in which he withdraws the proceeds, or whether he leaves them on deposit and checks against them.

"The issuance of silver certificates in payment for silver purchases by the Treasury in no way diminishes the interest burden on the general public. It is true that if the Treasury paid for silver purchased otherwise than by issuing silver certificates it would have to increase the public debt by the amount of these payments, but that is not, I believe, what is meant by the question. There has never been a proposal that the Treasury pay for silver out of general revenues or out of borrowed funds. Aside from this, the issuance of silver certificates has no bearing whatsoever on the interest burden. * * *

"The issuance of silver certificates adds to excess reserves, and this in turn would tend to reduce interest rates were it not for the fact that they are already at the lowest level on record, and for short-term paper are at the vanishing point * * *."

There's not much comfort for the silver bloc in Mr. Eccles' letter.

So long as the banking system possesses its present large excess reserves, depositors with idle funds on hand may draw against their checking deposits and demand United States currency without borrowing from the banks or incurring any obligation to pay interest. That the banks currently pay out silver certificates rather than more Federal Reserve notes is merely a matter of convenience with them. The Government-issued silver certificates are deposited with the banks, and the banks pay them out. The silver certificates are nonretirable by the Government and must be reissued, whereas Federal Reserve notes turned back to the banks need not be reissued.

Since bank accounts are kept in terms of dollars the man in the street is accustomed to thinking of a bank deposit as a device for storing currency. Actually, Federal Reserve notes are merely the tokens of bank deposits. Every possessor of a checking account has the option either of spending checks drawn against his account or demanding cash—paper currency to pay his expenses. In other words, "currency" merely represents a fraction of a bank account.

DEPOSIT PROPER COLLATERAL

It is like a check in its use, but differs in that it requires no depositor's signature and no payee's endorsement. The employment of currency in place of bank checks, or the alternative of checks in place of currency, in no way alters the "interest burden" which the public pays to the banks for funds borrowed.

The banks today may obtain all the Federal Reserve notes they require without incurring any interest burden. When member banks demand Federal Reserve notes at a Federal Reserve bank, the latter obtains them from the Federal Reserve agent by depositing the proper collateral.

At present this presents no problem at all to the Federal Reserve banks, since the latter have plenty of eligible collateral. The amount of Federal Reserve notes now outstanding might be increased by $3,000,000,000 overnight without in any way adding to the interest burden of the public or to the banking system's income from interest.

MONETIZATION OF SILVER

The member banks would simply be using their present excess reserves as collateral for the notes, and no one would pay a cent's interest. In fact, to meet public demand for Federal Reserve notes the member banks could draw not only $3,000,000,000 more of Federal Reserve notes but even larger sums by pledging other assets now in their possession. In doing so, they themselves would have to pay interest, but that would not represent a burden on the public.

The member banks currently are borrowing almost nothing from the Federal Reserve banks, and therefore there is at present practically no connection between the amount of Federal Reserve notes in circulation and the interest burden on the banks' clients.

The fact is that, potentially, the monetization of silver under the Government's silver program results in the issuance of currency which expands the reserves of the banks. This expands the banks' power to make loans and hence expands their interest-earning capacity. Therefore, potentially, the silver program may increase the public's total interest payments to the banking system.

Consider the following hypothetical case applying to Salt Lake City, where member-bank reserve requirements against deposits are 17¾ percent. Assume that the banks have no excess reserves. The following events occur:

(1) A miner who has sold silver to the Government receives from the latter $1,000 and deposits it in his bank.

PLAN SEEN INFLATIONARY

(2) The bank adds $1,000 to its reserves. In view of the reserve requirements in that particular city (17¾ percent), the bank may lend against the $1,000 reserve almost $5,000. If we assume Representative WHITE's interest rate of 6 percent on the bank's loan to its clients, the bank may earn approximately $300 a year more than before the Government bought the miner's silver.

The silver program is inflationary because it gives to silver sellers "dollars" they did not previously have, which new dollars compete with the dollars of the rest of us. It is further inflationary because it expands member-bank reserves. Such expansion at a time when the banks hold $3,200,000,000 of excess reserves is entirely unnecessary. Since the Federal Reserve System has ways of expanding credit through adjustment of reserve requirements and open-market operations, inflation through silver is completely superfluous. The substitution of a rigid, uncontractable element for a flexible element in the monetary system is not only of no advantage to the country—it is disadvantageous.

In short, silver dollars and certificates have no advantage over Federal Reserve notes to anyone except silver producers and other sellers of the metal.

Too Much Public Debt

EXTENSION OF REMARKS

OF

HON. H. STYLES BRIDGES

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Wednesday, March 22 (legislative day of Thursday, March 16), 1939

EDITORIAL FROM NEW YORK SUN, MARCH 21, 1939

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the New York

Sun of Tuesday, March 21, 1939, entitled "Too Much Public Debt."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

President Roosevelt may be backing away, as has been reported, from the advanced position on business "appeasement" which his subordinate generals, Secretary Hopkins and Secretary Morgenthau, have occupied for him. On the other hand, he seems to have backed down himself on the subject of public alarm over the mounting public debt. Feelers from the administration to Congress to obtain an amendment to the second Liberty Bond Act which would permit a public debt, as evidenced by bonds, notes, bills, and other obligations of the Treasury, in excess of the $45,000,000,000 limit imposed by that act have been withdrawn. Instead, the President has transmitted with his endorsement to Congress a letter from Secretary Morgenthau declaring that there is no need, during the remainder of this year, at least, to increase the debt limit, as it will permit an additional $5,000,000,000 of borrowing within the present limitations.

So far as it goes, that is all to the good. It may also be assumed that the Treasury is well informed on the money market in asking for an increase in the limit of $30,000,000,000 upon borrowing on long-term bonds. Good monetary policy requires that the short-term debt be made, if it can be without undue increase in interest charges, small enough to avoid any maturity difficulty in case of conditions involving sharp advances in interest rates. Moreover, it does not seem possible that interest rates can be lowered much if any, or indeed kept at the present extremely low levels indefinitely. This means that the advantage of postponing refunding of short-term debt into long-term obligations is doubtful.

Now that the question of debt limits has been presented to it by the President, the Congress has a splendid opportunity to clear up much of the monetary mess into which New Deal financing has plunged the country. To begin with, the time is overripe for repeal of the authority now held by the President to devalue the dollar further to half its former gold value. Along with that, repeal of the legislation giving permission to issue $3,000,000,000 in greenbacks and repeal of the Silver Purchase Act would go a great distance toward restoring confidence, and thus right the unbalanced Budget of Government expenditures and revenues by stimulating business activity and lifting the national income.

Nobody need be deceived into thinking that the administration has decided to be content with a $45,000,000,000 debt limit. The debt, direct and indirect, already is well above that figure. It is evident the strategy that has been decided on is to seek at this time more pressing legislation and wait until the direct debt already has come to the borders of the legal limit before asking for an extension as a matter of imperative necessity to carry on the ordinary affairs of government. Meanwhile, through the device of guaranteed debt, the Treasury can borrow large amounts under the name of the Reconstruction Finance Corporation, the United States Housing Authority, and other agencies. The President is in no danger of feeling cramped in the $5,000,000,000 spending room still open for his use.

What Shall We Do About W. P. A.?

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1939

Mr. BENDER. Mr. Speaker, there is far too much confusion of thought on the problem of W. P. A. Even if we grant that any effort to deal with 3,000,000 men and women must necessarily cause difficulties, we still do not account for all the complications on this subject. I am in favor of voting W. P. A. appropriations for every needy citizen, but I want to know the facts. Congress finds it far too difficult to obtain complete statistics on W. P. A. The Nation is certainly entitled to know exactly how many men and women are working on W. P. A. at any time. We are certainly entitled to know the nature of every project which W. P. A. is undertaking at any stated date. But we are constantly being surprised by new revelations. We wake up to discover that W. P. A. funds are being used to provide an exhibit at the New York World's Fair; that they are going toward the editing of guide books to Soviet Russia; that they are used to tear down the wrong buildings.

In one breath the President of the United States demands an appropriation for $875,000,000. In the next we hear the mayors' conference holding out for one billion fifty million. Colonel Harrington, of the W. P. A., does not appear to be particularly impressed by either figure. We know that our National Government can spend any given amount. By simply using the technique of calling more and more people to work on W. P. A., any gain in private employment can easily be nullified. In Cleveland, newspapers have been talking about men going back to private industry in constantly increasing numbers for some time. But the W. P. A. rolls scarcely reflect this at all, because all that happens when men go back to work is that a large group of folks who are doing something called "awaiting assignment" simply take their place on W. P. A. W. P. A. does not believe in stopping. This kind of thing could go on indefinitely, and no amount of private reemployment would make the slightest impression on the situation.

In the last 6 years Congress has had one relief "crisis" after another before it. We have been voting funds for C. W. A., P. W. A., and W. P. A. without trying to solve the basic problem of stimulating private enterprise. On the present basis we can go on indefinitely doing exactly what we have been doing until we wind up in the national poorhouse.

I propose that Congress do two things at this time:

First. We are confronted now with another emergency. No matter how earnestly I believe that the national administration through its policy of talking industrial peace on Monday and declaring industrial warfare on Tuesday is in itself causing these emergencies to constantly arise, I recognize that we are faced with a serious situation today.

To meet the need immediately before us, Colonel Harrington must show us exactly what the picture really is. We want him to tell us the entire story, including the figures which the administration occasionally forgets—such as the amount of balance still on hand and the amount which is being figured on for carry-over after the expiration of the period for which the appropriations are voted. We want to know how many people are actually needy as distinguished from the number now on W. P. A. rolls.

When we have this information before us, I am in favor of voting whatever sum is honestly needed; not a nice, round figure of $150,000,000, such as the President has suggested as a means of showing that he was right in his original demand. If the needs of our people honestly require half a billion dollars, I am in favor of voting this sum. If the Nation could get along on $50,000,000, I am in favor of this figure. But whatever figure is really needed must be provided, and neither more nor less is justified.

But there is something else which we must face courageously in dealing with our W. P. A. problem, and this is my second point:

There is no longer the slightest use in deceiving ourselves or the Nation. Relief problems can be approached only if we recognize at the beginning that they are going to be with us for some time to come. We must have a long-term program mapped out before us so that we shall not flounder hopelessly about from crisis to crisis.

The National Government must alter its policies, so that we can look forward to a return of thousands of our working people to private employment. We must take steps to liquidate unemployment through stimulating private work. And we must plan a relief program to take care of those who cannot be employed for years to come.

We must examine our relief rolls thoroughly, weeding out those who are not properly there. We must remove unnecessary personnel, so that relief does not become a career. Projects for relief workers must be planned from the viewpoint of their utility rather than their ability to spend time.

Right now, our job is clear enough. We must not vote a cent of American taxpayers' money unless we know that the need for such an appropriation exists.

For the future, we should plan now to revamp W. P. A. and begin all over with a new program which will be useful and just.

Prospects Ahead for Tacoma, City of Destiny

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1939

RADIO ADDRESS BY HON. JOHN M. COFFEE, OF WASHINGTON, OCTOBER 5, 1938

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herewith a radio speech delivered by me last fall at Tacoma, Wash.

Through the courtesy of the merchants of Tacoma I am happy to address the citizens of this area upon the prospects for Tacoma's future from the standpoint of Federal projects and heavy expenditures of Federal money in this area.

First of all, I congratulate the merchants of Tacoma upon the excellent spirit of unity they are displaying in conducting their 3-day sale of specially priced goods and wares at a city-wide event commencing tomorrow morning. I urge everyone who can possibly do so to participate in this enterprise, to demonstrate to our merchants we have faith in their integrity, that we encourage them to expand and improve their premises, that to the limit of our purchasing power we wish to contribute to an additional circulating medium for Tacoma. Though these are, of course, difficult times, many of us are in a position to create the demand for the products of our local factories which will provide additional employment by the purchase of the products of our factories at Tacoma retail stores.

There is no need for a Tacoma citizen to wander to other cities to buy house furnishings, clothing, or any of the normal needs of life. They can be readily found in our own Tacoma stores. We should patronize mercantile establishments in the community where we make our own home.

The recent action by the Reconstruction Finance Corporation of authorizing a loan of upward of $3,000,000, in addition to the generous gift or grant heretofore made by the Public Works Administration, makes possible the letting of the contracts within the next few weeks for the construction of the great Narrows Bridge. Thus the struggle of civic-minded citizens over a period of 15 years has culminated happily for us all. Soon we shall see the steel girders of this bridge being put into place; ere long we shall speed across this bridge over the Narrows in our cars. High in the air, as we look down upon the Puget Sound waters, we will wonder why this bridge was not erected long ago.

Tacomans, conjure in your minds the advantages which will accrue to the city of destiny by reason of the bridge. The entire peninsula country will become, in fact, our own hinterland. Summer homes will spring up like magic on North, Horsehead, and Henderson Bays; property values will improve; Gig Harbor will be stimulated; Tacoma thus will become the gateway to Hood Canal and the new Olympic National Park. The residents of Port Orchard and Bremerton will find it convenient to trade with Tacoma merchants. The entire peninsula country will be opened up. National defense will be strengthened by making easy transportation of men and equipment between the Bremerton Navy Yard, Fort Lewis, and McChord Field. Nearly six and one-half million dollars will be spent for labor and materials upon this great structure.

On the White River not far from Buckley stands the site of the Mud Mountain Dam. Here there will be spent more than a million and a quarter dollars in the initial construction of the dam. The appropriation has been made, and the money is authorized. As soon as technical details can be worked out and the complicated problem in connection with engineering and land acquisition overcome in the next few weeks, bids will be called for and the contract will be let for this flood-control undertaking.

Mr. Bertram P. Thomas, intercounty river improvement engineer, pioneered this enterprise. Unflaggingly he devoted himself to the task of building up sentiment in its favor. Warm-hearted approval was secured from labor, commercial, and farmers' groups throughout the valley and the city of Tacoma. We were happy in our office to lend our support to the end that the money needed would be assured. The dam will hold in check the turbulent waters of the stubborn White River, which has had a habit through the years of cutting many a swath in rich valley farm land during flood seasons. The great sums of money to be expended upon this engineering feat will have an incalculable effect in promoting the prosperity of Tacoma, as well as the nearby cities of Buckley and Enumclaw.

At Buckley, in our own county, there is now being constructed a State custodial school, for which we secured funds from the Federal Government of a quarter of a million dollars. to be added to the State's share.

One hundred and twelve thousand dollars has been secured for the payment of a turning basin at the northeast end of Hylebos Creek. More than $7,000,000 will be spent in the next 9 months at Fort Lewis and McChord Field on grounds and new construction. Rainier National Park, McNeil Island Penitentiary, American Lake Veterans' Hospital, the United States Tacoma (or Indian) Hospital will pour hundreds upon hundreds of thousands of Federal funds into Tacoma channels of trade during the coming year. We are about to construct a new Federal building, costing a half a million. The Coal Commission and the Weather Bureau, recently secured for Tacoma, are giving us much welcome new funds from the Federal Government. The Hylebos Bridge on East Eleventh Street is costing nearly a half a million. Millions of dollars have been granted or loaned by Uncle Sam to municipal corporations within Pierce County for the purpose of improvements by the P. W. A. or W. P. A. in connection with schools, sewers, sidewalks, paved streets, parks, playgrounds, and general community improvements.

The millions of dollars thus secured for Tacoma presage an era of good feeling within our city. Let us no longer take a pessimistic view. We need imitate none of our neighbors. We are catching up with the destiny we have been talking about. On our onward course we are nearing the outskirts of a new prosperity; we are entering the epoch of better things. Abandon, then, defeatism! Drive hopelessness out of the door! Tacoma can get what she strives to obtain. Behold, a new city spirit is appearing—Tacoma on her toes! Unity has been demonstrated; we have shown a willingness to submerge our differences, to subordinate our petty jealousies, to hold in the background our local quarrels, so as to combine all groups in a strategic, solid battle line to attain the goal sought. By so conducting ourselves you enable me, as your Congressman, with the help of my colleagues, to enlist the cooperation and sympathetic backing of powerful Federal officials and of Congress to bring this money to our people.

I often reflect on the blessings of the Puget Sound country. Though the going may be hard and the way be long, though economic pressure may irritate, yet we are endowed by the Almighty with manifold advantages that make this an incomparable region in which to reside, free from excessive heat and biting cold, from poisonous snakes and insects, exempt as we are from dust storms, hurricanes, and destruction by hail; enriched by matchless scenery of mountain, forest, and salt water; pioneered by fearless forebears who knew not the word "defeat" nor recognized the phrase "it can't be done." Let us be proud of this chance to live in Tacoma and Pierce County on glorious Puget Sound. Let us exult in the fact that we live in a democracy where freedom of speech, of press, of religious worship is scrupulously protected. Yes, we are privileged to live here and be a part of America—not to sense the sword of Damocles which hangs by treacherous threads over the heads of all Europeans tonight. I am proud to have been born in Tacoma and to have been raised in this community. Here one finds real people, stanch friends, and an inspiring atmosphere. Tacomans, let us march forward, hand in hand, shoulder to shoulder, our hearts singing and our minds concentrated upon reaching the glorious objectives just ahead.

The Mississippi River, the Father of Waters and of Floods

EXTENSION OF REMARKS

OF

HON. WILLIAM M. WHITTINGTON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1939

ADDRESS BY HON. WILLIAM M. WHITTINGTON, OF MISSISSIPPI, BEFORE THE MISSISSIPPI VALLEY FLOOD CONTROL ASSOCIATION

Mr. WHITTINGTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered on this day, Wednesday, March 22, 1939, at the meeting of the Mississippi Valley Flood Control Association, Washington, D. C., to wit:

The Mississippi River, since the Louisiana Purchase, has been considered the most important possession of the United States. The Federal Government, from the earliest days, originally to aid navigation, has assumed jurisdiction over flood control in the alluvial valley of the lower Mississippi River.

As citizens of the United States we advocate flood control throughout the country, but as residents of the lower Mississippi Valley, we promote flood control along the Mississippi River and its tributaries.

The project authorized by the act of 1928, except for floodways and diversions, has been largely completed. For the first time in 1937 a great flood was carried without mishap between the levees to the Gulf of Mexico.

The Boeuf fuse-plug diversion, in the act of 1928, was not acceptable to the people directly interested, and the main purpose of the act of June 15, 1936, was to insure the construction of a diversion in order that excess floodwaters of major floods might be permitted to escape from the main river leveed channel and thus remove the hazards to the controlling levee lines.

At the last meeting of this association in the city of Washington, I stated that in my view no legislation to clarify the Mississippi Flood Control Act of June 15, 1936, would be passed unless it applied to both the Eudora and Morganza floodways and further unless it was embraced as a part of a comprehensive flood-control bill for all of the principal drainage basins of the United States. It was my view that Congress would hardly make provision for the lower Mississippi Valley unless protective works were provided for other parts of the country. Moreover, I stated to the association that merely providing for the Morganza floodway and, for that matter for the Eudora floodway, or provision for their separate construction, was not enough. I advocated an additional authorization for increasing the levee foundations and for strengthening the levees in the lower Mississippi Valley.

FLOOD CONTROL ACT OF 1938

The protection of the alluvial valley of the lower Mississippi River is of paramount interest to the entire country. All obstacles to accomplishing such protection should be removed. The modifications of the acts of 1928 and 1936 in the act of 1938 will provide, when the floodways are constructed, the protection contemplated by the act of 1928.

The provisions with respect to acquiring flowage rights are similar for the Eudora and its northward extension and for the Morganza.

FORTY MILLION DOLLARS

The bill authorizes $40,000,000 primarily for channelization, strengthening the levees, and increasing the discharge capacity of the Mississippi River. The Chief of Engineers is given discretion respecting the contemplated engineering features of the Morganza floodway and in both the Eudora and Morganza floodways the Chief of Engineers is authorized to acquire by purchase or condemnation flowage rights.

MORGANZA AND EUDORA

Following the flood of 1927 it was evident that levees only would not protect the lower valley. It was imperative to plan or to perish. The most effective plans are those that cooperate with nature. Before levees, the natural outlets supplemented the main river as the banks overflowed. After all, the greatest plans are the simplest plans. The adopted project provided for supplementing the Mississippi River levees with a floodway in the upper section between Cairo and the mouth of the Arkansas River. Provision was made for the Atchafalaya floodways and the Bonne Carre spillway in the lower section between the mouth of the Red River and the Gulf of Mexico. The middle section between the mouth of the Arkansas River and the Red River was supplemented by the diversion through the Boeuf Basin. The Eudora floodway has now been substituted for the Boeuf diversion.

The present Chief of Engineers and all preceding Chiefs of Engineers since the great flood of 1927 have recommended a diversion comparable to Eudora in the middle section of the Mississippi River and have stated that neither cut-offs nor reservoirs can be substituted therefor. Again, cut-offs in the vicinity of Arkansas City have accentuated the necessity for the Eudora floodway. The Chief of Engineers is given discretion for the condemnation of both Morganza and Eudora and he is given discretion as to the order of their construction. The act of 1938 provides that the authorizations for the Eudora and Morganza floodways cannot be used for any other purpose. Two natural outlets are required to carry major floods below the Red River to the Gulf. There the Mississippi River is supplemented by the Atchafalaya. The main river is aided by the Bonne Carre spillway. An outlet in the vicinity of Morgan City is now under construction to supplement the Atchafalaya. Cut-offs have reduced flood levels. They have been beneficial, but the main river levees in the middle section cannot carry the excess flood waters that require two natural outlets supplemented by three artificial floodways in the lower section to carry from the mouth of the Red River to the Gulf of Mexico.

Both floodways should be promptly constructed. The plans of nature, therefore, to supplement levees in the upper section have been executed by the construction of the New Madrid floodway. The plans of nature have been executed in the lower section by the construction of the Bonne Carre spillway, the Morganza diversion, and the Wax Lake outlet. It remains for the plans of nature in the most critical and probably the most highly improved section between the mouth of the Arkansas and the mouth of the Red River to be executed by the construction of the Eudora floodway.

Now is the time to begin the construction. Prior to 1922 there was a natural outlet through the Boeuf and Tensas Basins. The Eudora follows a natural outlet; 75 percent of the lands are uncultivated.

I regret any litigation growing out of the provision for the fuse-plug levee through the Boeuf Basin. If the Supreme Court of the United States sustains the contention that the Government is liable even though there be no physical invasion or taking, the lands for which the Government pays damages should be promptly utilized for the construction of the diversion. The waters that come down the Mississippi can only find their way to the Gulf of Mexico through Louisiana. The purpose of the Eudora diversion, as well as of the Morganza diversion, is to provide in advance where the excess floodwaters will go so the least damage may be done. Doubt and uncertainty should be removed.

ARKANSAS, WHITE, AND RED RIVER BASINS

Not only did the act of 1938 authorize the expenditure of $40,000,000 for the additional protection of the lower Mississippi Valley, but generous provision was made for the chief tributaries of the Mississippi River. Reservoirs along the headwaters are authorized to detain the waters at their source. Increased protection will thus result to the valley.

A general flood-control plan for the construction of reservoirs along the White River Basin is approved and $25,000,000 is authorized to begin construction for the partial accomplishment of the plan.

The act provides for $21,000,000 for the construction of reservoirs along the Arkansas River. The Chief of Engineers is authorized to select the reservoirs to be constructed.

The Red River is an important tributary and the act authorizes the construction of the Dennison reservoir at an estimated cost of $54,000,000.

Previously, Congress had authorized $48,000,000 for flood control in the Yazoo Basin and $16,000,000 for flood control along the St. Francis River. The Wappapello and Sardis Reservoirs are under construction. The act of 1938 provides that the entire costs of the reservoirs should be borne by the Federal Government and that the Federal Government will maintain the reservoirs when they are completed. It had been evident for some time that reservoirs for flood control would not be constructed unless the Government paid the entire cost of construction.

The lower Mississippi River and its tributaries in the alluvial valley have been given generous treatment in all flood-control legislation.

It will be difficult in the future, as it has been in the past, to secure the passage of additional legislation for only the Mississippi River or for only any other river in the United States. The degrees of protection vary, but the country demands protection for all rivers wherever the benefits will exceed the costs of construction.

APPROPRIATIONS

The act of 1936 contemplates an appropriation of approximately $40,000,000 annually. The President, in his Budget message, recommended $31,000,000. He is entitled to the thanks of the association for a supplemental recommendation of $6,000,000. The total recommended appropriation for the next fiscal year is $37,000,000. It is now for the Senators and Representatives of the lower Mississippi Valley to be on guard to see that the appropriations are made. It is the province of the members of this association to cooperate not only with the Senators and Representatives from the lower valley but with all champions and advocates of flood control in the United States so that adequate appropriations may be made for flood control in all parts of the country.

CUT-OFFS

The most significant development in flood control during the past 10 years has been the construction of 13 cut-offs from Calk Neck to Glasscock, including the natural Yucatan cut-off between the mouth of the Arkansas and Red Rivers, under the supervision of the president of the Mississippi River Commission, Gen. Harley B. Ferguson. The distance from Calk to Glasscock, 330.6 miles, has been shortened, as the river flows, by 115.8 miles. The Mississippi River has thus been shortened 115.8 miles. It is believed that no more successful operation of changing the water-carrying capacity of a stream in all human history has been accomplished. It is claimed that a given flood will be reduced from 9 to 12 feet at Arkansas City, 4 to 6 feet at Vicksburg, and 1 to 2 feet at Natchez. The flood of 1937 was the highest of record above the mouth of the Arkansas River, and while a great flood, it was not a major flood south of the mouth of the Arkansas. It is significant that the gage at Natchez was the highest of record. The cut-offs were made possible because of the genius, daring, and courage of the president of the Mississippi River Commission, Gen. Harley B. Ferguson. The wisdom of Congress in providing for the experimental waterways laboratory at Vicksburg has been vindicated.

The construction of cut-offs constitutes a reversal in flood-control engineering and while some engineers maintain that results are speculative, and that only time and a major flood will tell, the engineering profession seems to be coming around to accept the Ferguson cut-offs as sound. They will reduce floods, especially in the vicinity of the cut-offs. It remains to be seen what will happen below the cut-offs. The cut-off theory is against all precedent.

General Ferguson has dared to do where others faltered, and if the cut-offs are successful in the light of major floods, he will go down in history as one of the greatest engineers of all times. The administration of General Ferguson is a complete answer to the charges that the Corps of Engineers of the United States are not original, progressive, and constructive. The very last word in engineering talent is utilized.

The most effective flood-control reservoirs ever constructed have been constructed in the Muskingum Valley under the supervision of the Corps of Engineers. It should be a source of satisfaction

to the members of this association that the Wappapello Reservoir along the St. Francis and the Sardis Reservoir along the Yazoo-Tallahatchie-Coldwater River System will be among the outstanding reservoirs in the United States.

We accord to General Ferguson credit where credit is due. Cut-offs like diversions supplement the levees. Diversions are still required; they will be utilized less frequently and may be materially narrowed. They should result in fewer acres being required for diversions to supplement the main river levees.

FLOOD CONTROL CONTINUOUS

As we assemble today the muddy waters of one-half the continent are pouring down between the levees past Cairo, Vicksburg, and New Orleans to the Gulf whence they came. We cannot prevent, but we can control these waters.

Our country and the oceans surrounding depend upon rivers. To me there is nothing quite so inspiring and potential as a river. In flood there is nothing so defying as a river.

Rivers have been symbolic in ancient and modern times. A river—the Styx—for the ancients was the barrier between the earth and Hades. In India mothers throw their babes into the muddy Ganges to appease the wrath of the river they worship. The Romans used to pray to Father Tiber, the stream on which Rome became the greatest of empires. The River Jordan, for Christians, lies between earth and paradise.

Great books have been written by outstanding Americans on rivers. Mark Twain has given us Life on the Mississippi. Henry David Thoreau wrote A Week on the Concord and Merrimack Rivers. They have told us of the strength and ruthlessness of rivers. Other writers have been inspired by the music of rivers. We are charmed by Lanier's Song of the Chattahootchie. We are delighted with Beautiful Ohio, On the Banks of the Wabash, and Old Man River.

I live on a river. I have learned much from them. I like to hear the music and the rhythm of flowing waters as—

"It flows along forever,
With trees on either hand."

Rivers are beautiful and powerful. They should serve and not harass mankind.

The problem of flood control along the mighty Mississippi, the father of rivers and of floods, will be completely solved when we find out what Old Man River wants to do and then help him to do it.

International Crisis Has Repercussions for Us

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1939

Mr. COFFEE of Washington. Mr. Speaker, the newspapers have recently been filled with discussions of current developments in central and eastern Europe. The march to the east of the Fascist powers has again assumed another spurt. Hitlerized Germany seems unaffected by admonitions from the democratic countries. There is honest difference of opinion as to what attitude should be assumed by the United States in connection therewith.

There are those who believe in isolation. These insist that the United States has no concern in the problems of Europe or of the Orient; that we should "mind our own business"; that no matter what happens without our own borders, we are immune from attack. These statesmen contend, in all sincerity, that we should refrain from embarking on any program of unity with other democracies against the Fascist coalition; that we should refrain from boycotting the aggressor nations; that we should not amend our neutrality bill in the interest of discriminating against totalitarian aggressors; that, comforted by the existence of 3,000 miles of the Atlantic and 6,000 miles of the Pacific Ocean, we are safe from molestation and uninterested in the fate of sister democracies beyond the Western Hemisphere.

Then there are those sincere thinkers and students who insist that the fate of the United States is inseparably interwoven with the fate of other democracies; that we are vitally concerned in the territorial integrity and inviolability of nations already established; that we should take reasonable steps by means of embargoes, sanctions, and boycotts to discourage aggressors and refuse to participate in their treaty-breaking invasions of peaceable neighbors. These intellectuals repeat the Biblical injunction: "Can ye not discern the signs of the times, when the skies are red and lowering?"

As an able contribution to this discussion, I include herein an article by one of America's foremost journalists, Mr. David Lawrence. This article, in my judgment, points out soundly the dangers to the United States of our refusal longer to heed the handwriting on the wall:

[From the Washington (D. C.) Evening Star, March 16, 1939]

WHAT SHOULD BE OUR ATTITUDE TOWARD THE NAZIFICATION OF EUROPE?—UNITY NEEDED IN FACE OF FASCISM—AMERICA IS HELD IMPERILED BY PROPAGANDA DUPES

Simply as an example of the new technique of conquest—by undermining a small country and stirring up sentiment for partition of territory—the events in central Europe in the last 24 hours have presented to official groups here a realistic picture of modern dictatorships.

To a government which is being importuned to "mind its own business" and close its eyes to what is happening abroad, the demolition of the Czechoslovakian state after assurances had been given by the German leaders that its independence would be respected is not a development easy to ignore.

Nothing is said officially, of course, but disappointment and chagrin is evident on every side. The pronouncement by Prime Minister Chamberlain that the dismemberment of Czechoslovakia is "contrary to the spirit of the Munich agreement" affords small comfort here to those in the State Department who have believed all along that the British policy of "appeasement" has been wrong. Being confronted with a series of accomplished facts, the diplomacy of the hour is to say nothing but to strengthen the policy of armament building.

DEFENSE SNIPING GOES ON

The administration will have a substantial majority in Congress for its national-defense program, but this is not saying that persons whose views coincide with those of the Fascist leaders would not like to undermine the American project. Thus already one hears sniping here and there about "nobody ever attacking America," about air invasions being fantastic, and the like. But congressional committees have uncovered evidence that agents of foreign governments seek in every way to distract the attention of the authorities from policies which may be unfavorable to foreign countries.

One of the favorite forms of attack against governmental policies of national defense and one in which innocent Americans are being duped is that which accuses the administration of wanting to go to war to assist oppressed persons abroad. These latter peoples are pictured as "the scum of Europe," and there is a complete indifference even to the fact that intellectuals have been persecuted along with the others.

So-called "patriotic societies" are being urged to fight a "letting down of immigration bars," when in truth back of such urging is an effort to develop nationalistic sentiment here coincident with the type of thinking one encounters in the Fascist state. Some of the same elements which would like to see union labor crushed and subjected to the Fascist type of governmental regulation appear every now and then to be backing the propaganda which is being spread against the extension of American sympathies, for example, to unfortunate Czechs or other peoples who have come under the heel of the dictatorship states.

HUMANITARIANISM BRUSHED ASIDE

While it is true that emotionalism does not make and should not dominate foreign policy at any time, it is strange to read some of the propaganda against American interest in oppressed peoples which pours into the National Capital daily from those who profess to be interested only in America. The idea of humanitarian motives in a governmental policy seems to have been brushed aside by these critics as something not to be accepted any more, and as if it were only a relic of bygone days of mistaken sentimentality.

That nearly 2,000 years ago a great religion was founded on the principle of human brotherhood and of seeking to spread tolerance, kindliness, and consideration for one's fellow man, instead of hates and selfishness and indifference to human suffering, has been overlooked in the literature of race hatred emanating from so-called "patriotic" groups. It is as sure a way to divide Americans as the Germans used in Czechoslovakia.

Military wars never settled anything satisfactorily, to be sure, and there isn't in the National Capital any group which believes America must engage in a war with a European power in order to secure respect for her citizens or for her point of view. But it can hardly be denied that the importance of building up armaments now has been fully recognized as a means of preventing war. What is happening in central Europe will insure, if anything was needed to do it, the passage of the President's defense program, and it is assumed here it will speed up the British and French programs, too. For the foreign news carries with it the implication that no material change can be expected in the dictatorship policies until the democracies show much more solidarity than they have to date.

H. R. 2, the General Welfare Act—Townsend Old-Age Pension and National Recovery Plan

EXTENSION OF REMARKS

OF

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1939

ADDRESS BY HON. MARTIN F. SMITH, OF WASHINGTON, DELIVERED BY ELECTRICAL TRANSCRIPTION AT WASHINGTON, D. C., MARCH 16, 1939

Mr. SMITH of Washington. Mr. Speaker, under leave to extend my remarks, I insert a letter written to me by one of my constituents, Hon. Harry L. Bras, editor of the Centralia Daily Chronicle, Centralia, Wash. Mr. Bras is one of the pioneer newspapermen of southwest Washington, was one of the first editors in the entire country to espouse the Townsend plan and has for several years served as a national trustee of the Townsend organization.

The letter of Mr. Bras is as follows:

CENTRALIA DAILY CHRONICLE,
HARRY L. BRAS, EDITOR,
Centralia, Wash., March 6, 1939.

HON. MARTIN F. SMITH,
House of Representatives, Washington, D. C.

DEAR MR. SMITH: I wish to congratulate you on the wonderful speech you made February 15, 1939, before the Ways and Means Committee, sitting in conference on the Townsend plan, H. R. 2.

I have read it several times and you certainly have made the best argument in its behalf of any yet presented. It shows deep study of the underlying principles of the plan.

Only prejudiced Congressmen can now stand in the road of the bill's release to the House. The Third Congressional District of this State of which you are the Representative is still loyal to the plan and will give you the credit you are entitled to when enacted into law as it surely will in time.

Many aged people have died during the past 2 years in this district who were ardent supporters of the Townsend plan, but unfortunately could not stay with us to rejoice in its passage.

We trust that the Ways and Means Committee will release it soon and that we will be able to know definitely the Congressmen that have the great cause of humanity in their hearts.

Cordially,

HARRY L. BRAS.

I also insert the address delivered by me by electrical transcription at the invitation of Dr. Francis E. Townsend at Washington, D. C., March 16, 1939. It contains many of the salient portions of the statement which I previously made before the Committee on Ways and Means of the House of Representatives in support of H. R. 2.

The address is as follows:

Friends and fellow citizens, my interest in the Townsend old-age pension and national recovery plan is well known not only to the people of my congressional district and State but also to the entire Nation. I first became interested at a time when there was not a single Townsend club in my district, and I placed in the CONGRESSIONAL RECORD on April 4, 1934, the first statement and explanation of the Townsend plan which was made in the Congress of the United States and the first official notice which it received in the Capital. I have studied it continuously since then, and was one of a small group of House Members who drafted the first and second and all subsequent bills, including the present bill, and have taken an active, prominent part in the campaign waged in its behalf in and outside of Congress. I addressed both the Chicago and Cleveland conventions, and on two occasions remarks which I made on the floor of the House were broadcast by the March of Time. H. R. 2 is comparatively simple in its terms and provisions. Briefly stated, it provides for the payment, financing, and compulsory expenditure of a Federal monthly old-age pension of not to exceed $200 per month to all law-abiding citizens 60 years of age and past by levying a 2-percent transactions tax.

It is thereby proposed to retire our senior citizens from gainful employment and utilize their services in placing in circulaton the purchasing and spending power of the pension money. This will make it possible for their jobs to be filled by younger citizens who are now unemployed.

The Townsend plan proposes to apply a 2-percent transactions tax on both big and little business alike—to develop business and prosperity in America. A dollar transaction will be taxed 2 cents; a thousand-dollar transaction will be taxed $20. The man selling a hundred-thousand-dollar yacht will pay $2,000, while a man selling a $10 rowboat will pay 20 cents. Everybody will pay according to the volume of business that prosperity brings to them. The tax will apply to speculative transactions in Wall Street as well as on the sale of a box of face powder.

The transaction tax was endorsed in principle by the largest business organizations in America in 1921. I recently drew the attention of the Ways and Means Committee of the House of Representatives to the extended hearings held in 1921 before the Committee on Finance, United States Senate, Internal Revenue Hearings, May 9–27, 1921, on the then proposed Revenue Act of 1921, as printed by the committee and now on file in the Congressional Library, for a very complete discussion of this entire subject.

Some people fail to differentiate between national income and national business turn-over. They confuse the two and assume that the pension payments must be deducted from the present national income and without any increase of the latter. They confine the volume of the Nation's business to the national income, and consequently place themselves in the position of claiming that every time a dollar of national income is spent that dollar ceases to exist, that it stops right then and there and can never be spent again. No other conclusion can logically follow for they can point to no year in which the amount of business transacted in the United States did not exceed many, many times over the amount of national income. The national cash income in 1929 was $81,000,000,000. The national business turn-over for the same year was $1,200,000,000,000.

A manufacturer may do a gross business, turn-over, of $1,000,000 and have an income of $100,000. Another manufacturer may do a business of $10,000,000 and have an income of only $10,000. Another manufacturer may do a business of $200,000 and have no income—in fact, may lose money. The transaction tax is not based on income or profits, but upon the gross volume of all business transacted.

To illustrate: If a small merchant did a $50,000 business at a net profit of $5,000 in 1935; then, because of increase in sales because of the Townsend plan going into effect he did a $100,000 business in 1939 at a $10,000 profit, the Government would collect 2 percent of the $100,000, or $2,000, leaving a net profit of $8,000 as against only $5,000 in 1935. Thus, by paying $2,000 tax to support the Townsend prosperity plan the merchant increased his business and profit. And his income was not taken or taxed to support the Townsend plan.

The fallacy most often used against the Townsend plan is the statement that the monthly pensions will be paid from the present national income. Economists know full well that money of itself has no value whatever, that it simply is a symbol used in registering the amount of labor or goods involved in a transaction.

Russell Leffingwell, of the firm of J. P. Morgan & Co., recently declared: "Money is not an end to itself; it is a means to an end."

Henry Ford, in the American Magazine, October 1934, said: "The function of money is not to make money but to buy goods. Money is only one part of our transportation system. It moves goods from man to man. A dollar bill is like a postage stamp, it is no good unless it will move commodities between persons. If a postage stamp will not carry a letter, or money will not move goods, it is just the same as an engine that will not run. Someone will have to get out and fix it."

The records show that our national income has increased in the face of increased taxes; or, putting it the other way, increase in taxes does not decrease the national income.

The administration levied a processing tax on farm commodities, better known as the A. A. A. tax. It was a transaction tax on processing. This tax exceeded over a billion dollars before it was nullified by the Supreme Court. Who paid this tax? The highest authorities are in disagreement. Some say the farmers paid it, some say the processors, and others say the consumers paid it. But that is beside the point.

The point is that in the face of this new billion-dollar transaction tax, collected by the Federal Government, the farmers' income increased, the railroad income increased, business income increased, deposits increased in banks, and the national income increased. So much for the claim that the Townsend plan pensions would be paid out of national income—or "involving one-half of the national income."

Walter E. Spahr, of New York University, in a radio address on January 3, 1939, said: "Thus to pay the annual cost of the Townsend pension scheme would require 40 percent of the national income." This, of course, is untrue. The Townsend plan will not "rob Peter to pay Paul," which is another oft-repeated statement made by opponents of the plan.

A man without income in 1935 may, in 1939, invest his money, or credit, employ idle men, buy unused raw products, turn out new goods, and sell the new goods thus produced to men heretofore unemployed. Thus, taxes can be paid, idle men employed, business and freight receipts increased, and a profit made in addition, without taking a single penny from the present "national income"—or from any person now employed.

It is therefore possible to increase taxes, increase freight income to railroads, increase pay rolls, increase the buying of life insurance, increase medical and dental service, increase the consumption and production of food, clothing, and luxuries, and increase the expenses

of operating and building bigger and better mills and factories without taking anything from those who now have property or from those now employed. This is because we have unused materials, unused money and credit, idle men, and idle machinery. These will create new wealth without taking wealth or income from others.

Many confuse the "national income" with what the United States Department of Commerce calls "national business turn-over." For the purpose of clarification, the Department of Commerce reports the national income for 1929 as $81,000,000,000, while the business transactions for that year were approximately $1,200,000,000,000, according to the research department of the Federal Reserve Board at Washington.

A. E. Goldenweiser, Director of Research and Statistics of the Federal Reserve Board, testified before the Ways and Means Committee of the House of Representatives, May 2, 1932 (long before the Townsend plan was proposed): "The total volume of transactions in this country in 1929 was about $1,200,000,000,000, and it decreased by 1931 to about $600,000,000,000. This is a decrease of $600,000,000,000 largely due to decline in velocity."

The Dow-Jones organization, leading business statisticians of New York, December 5, 1934, reported $1,165,000,000,000 in business in 1929.

The United States Department of Commerce, Division of Economic Research, gave out "partial data on business transactions in the United States." This report says that the check transactions in 141 principal cities, "estimated by the Board of Governors of the Federal Reserve System to represent roughly 70 to 75 percent of all checks drawn in the country," was $935,000,000,000 in 1929. Adding 25 percent for the balance of the country, the total check transactions that year would total $1,245,000,000,000. This report says "that around 10 percent of all transactions are settled by currency payments." This brings the total transactions to approximately $1,380,000,000,000. This, of course, includes transfer of funds from one account to another by corporations, which could not be classified as business transactions. But, on the other hand, this report says: "If security purchases are considered a 'business transaction,' it may be noted that such purchases are often settled by adjustment of balances or by debits on brokerage accounts," which are not included in check transactions, but which would be subject to a transaction tax.

Taking the foregoing authorities, it is, therefore, conservative to say that the business transactions in the United States in 1929 amounted to $1,200,000,000,000.

Dr. Goldenweiser's testimony tends to corroborate the figures set forth in an authoritative work, Business Cycles and Business Measurements, by Carl Snyder, published in 1927, pages 144, 148, and 180, respectively, in which it is stated that at that time (when business was normal) the total of all business transactions in the United States amounted to $800,000,000,000 a year.

The Director of Research and Statistics of the Federal Reserve Board has stated that the decrease in national business transactions in 1929 from $1,200,000,000,000 to $600,000,000,000 in 1931 was due largely to "decline in velocity," as we have noted.

The Dow-Jones organization says: "In October 1929 a deposit of $1 in a New York bank was being used fast enough to do $132.70 of work in a year. October 1934 the same dollar was being called upon to do annual work of only $22.50." It is estimated that the annual turn-over of the dollar is now $34. In other words, the money is not circulating. There is great need of not only putting money in the hands of the masses but it must be kept in circulation. Therefore, H. R. 2 provides that the pensions must be spent within 30 days. If, when money was in circulation in more prosperous times, a dollar did $132 worth of work, as against only $34, or approximately one-third of the work when not circulating, it is apparent that money must be made to circulate. The more rapidly it circulates the greater service—the greater work—it will do for humanity. That is the main objective of the Townsend plan.

It was estimated at the social-security hearings in 1935 that the cost of living would rise by 10 to 12 percent, and even the group of University of Chicago professors who oppose the Townsend plan on other grounds stated in the pamphlet issued by them that "an examination of statistics for one or two representative industries (not included in the pamphlet for lack of space) confirms the reasonableness of the estimate that the rise would be on the order of 10 percent." However, if the increase in the price level proved greater, owing to the stimulation of business, trade, industry, and agriculture which would result, it would be governed by the law of supply and demand, the same as in the past and at the present time. Prices would go up and wages go up in proportion. Hence, no damage or injury could be caused to the vendor of any commodity, who would, in the very nature of things, be greatly benefited on account of the improved market and demand for everything that is produced on the farms and manufactured in the factories.

Three years ago there appeared in the Washington, D. C., press the statement that Secretary of the Treasury Henry Morgenthau had submitted several alternative tax proposals to President Roosevelt, and among them a "1½-percent turn-over tax." I recently suggested that the Ways and Means Committee of the House of Representatives question Secretary Morgenthau in regard to this type of taxation.

The General Welfare Act, H. R. 2, provides for a 2-percent transactions or gross business turn-over tax, which is a broader tax base than a gross income tax, which comes the closest to a transaction tax of any form or type of taxation. The transactions tax will raise even more revenue. Instead of being used to defray the expenses of government as in Hawaii, it will be prorated among the pensioners to the maximum amount of $200 per month, to be expended within 30 days, and the surplus to be applied to the reduction of the national debt. It is a pay-as-you-go national recovery plan and far less costly than our present bond-debt-creating system with its appalling interest burden. It will solve the problems of old-age security, relief, business depression, unemployment, and reduce materially our annual crime bill. Mr. J. Edgar Hoover, Director of the Federal Bureau of Investigation, has estimated the latter item to be $15,000,000,000 per year. We have expended for relief $12,000,000,000. The Brookings Institution has estimated our total loss in national income since 1929 to amount to over $200,000,000,000. Is it a sound investment to tax ourselves 2 cents on every dollar transaction to meet these social, economic, and financial conditions? Not one cent of the money is to be borrowed by the issuance of tax-exempt interest-bearing bonds. Do you realize that the interest on the bonds we issued during the World War to finance the Allied powers and our own participation has already amounted to over $12,000,000,000? How much interest will we and our children and our children's children pay on the bonds issued during the depression since 1929 before they are finally paid? The total sum will run into astronomical figures. How much longer are we going to delay the adoption of the tax formula of the General Welfare Act and the Townsend plan, which applies the velocity principle of money turnover and provides a revolving fun upon a pay-as-you-go basis to create active, liquid, working capital, available currently every month in the year, to finance the potential productive capacity of our industrial and agricultural structure? The old-age assistance phase of the General Welfare Act is the means to the more important end sought. The pensions to the aged to be expended currently each month in the purchase of goods and services is the modus operandi by which the working capital is made available to the productive enterprise of the Nation. The General Welfare Act, H. R. 2, is the only proposal pending before Congress which will meet the requirements of the price system, the profit motive, and credit capitalism and should, and will, become the law of the land.

The General Welfare Act

EXTENSION OF REMARKS

OF

HON. NOBLE J. JOHNSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1939

RESOLUTION OF THE SENATE AND HOUSE OF REPRESENTATIVES OF THE STATE OF INDIANA

Mr. JOHNSON of Indiana. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution of the Senate and the House of Representatives of the State of Indiana memorializing Congress to enact suitable legislation providing for the general welfare of the Nation as set out in H. R. 2, now pending before the Congress of the United States:

HOUSE RESOLUTION

Mr. Speaker, I offer the following resolution and move its adoption:

Be it resolved by the house of representatives, That the General Assembly of the State of Indiana hereby respectfully memorializes the Congress of the United States to enact suitable legislation providing for the general welfare of the Nation as set out in H. R. 2 now pending before the Congress of these United States.

SEC. 2. That the clerk of the house is hereby instructed to send a copy of the resolution to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to each United States Senator and Members of the House of Representatives in Congress from Indiana.

Wolf, R. Anderson, Clay, Black, Batman, Klen, G. Slenker, Evans, Beasley, Crawley, Henley.

Adopted March 3, 1939.

SECTION 1. *Be it resolved by the senate general assembly*, That the General Assembly of the State of Indiana hereby respectfully memorializes the Congress of the United States to enact suitable legislation providing for the general welfare of the Nation as set out in H. R. 2, now pending before the Congress of the United States.

SEC. 2. That the clerk of the senate is hereby instructed to send a copy of the resolution to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to each United States Senator and Members of the House of Representatives in Congress from Indiana.

Legal Status of Flood Control in the Mississippi Valley

EXTENSION OF REMARKS

OF

HON. WADE H. KITCHENS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1939

ADDRESS BY HON. JOHN E. MILLER, OF ARKANSAS, BEFORE THE RIVERS AND HARBORS CONGRESS

Mr. KITCHENS. Mr. Speaker, the National Rivers and Harbors Congress, an unofficial organization attended and supported by patriotic citizens of the Nation, convened in annual session yesterday and is now in session here in the Capital. The State of Arkansas and her people are vitally interested in flood control, navigation, and power development. We have many fine rivers—the Red, Ouachita, Arkansas, St. Francis, White, and Mississippi. We are studying and working to protect ourselves against the periodical losses and damages caused us by floods and overflows, while at the same time converting our rivers into great instruments for the benefit of our people. I now extend my remarks and include therein an address delivered today by Hon. JOHN E. MILLER before the Rivers and Harbors Congress:

Mr. President, distinguished guests, and members of the Mississippi Valley Flood Control Association, I am not unmindful of my limitations in a discussion of the legal phases of the flood-control program of that part of the Mississippi River from Cape Girardeau, Mo., to Head of Passes.

May I at the outset congratulate this organization for the splendid contribution made by it to the solution of those problems? Its members have wrought well in consolidating and coordinating the various programs and projects which have been utilized in the effort to control the floodwaters of this great river. The wisdom of the organization is well reflected in its choice of officers, and particularly in its choice of a president, Senator JOHN H. OVERTON, of Louisiana. It has been my pleasure to personally know him for more than 8 years. During this time I have been more or less closely associated with him and without any intention to detract from the contribution made by others, the record of the achievement of this man justifies not only your faith in him but justifies the unlimited confidence that his colleagues on Capitol Hill have in him. Although a Senator from the State of Louisiana during most of this time, he has viewed these problems from the standpoint of the valley and has sought at all times to promote the general welfare of the valley. He has proposed and advocated measures and compromises which at times did not appear for the best interests of his own State. Such service on the part of any public official who is dependent upon the suffrage of the people within a certain State for continuation in office, is worthy of the praise and commendation of all of us.

In the enactment of legislation dealing with this question, the Congress has for many reasons been compelled to rely upon the judgment of men and organizations in whom the Congress has confidence. In the adoption of the various plans submitted to the Congress by the Chief of the United States Army Engineers in cooperation with the Mississippi River Commission, the Congress has demonstrated its faith not only in the integrity of those organizations, but in their judgment as to the best methods to be followed in the prosecution of the work. To say that no mistakes have been made would be to give to these gentlemen attributes which no mortal man possesses, but the fact that few mistakes have occurred and that great progress has been made is the strongest testimony that can be given as to the wisdom of the policy of the Congress.

To the uninitiate the many intricate problems are not immediately revealed, but the experience of those dealing with these problems over a period of years has been such that they are aware of the many difficulties, and they are in better position now than ever before to adequately and permanently provide for relief. It would be calamitous to the Mississippi Valley and to all other river and harbor and flood-control work wherever situated if the Congress should, as a result of certain influences, ever agree or consent to place the direction and supervision of this work in the hands of any organization other than the engineers of the United States Army. To you this may not seem a possibility, but to some of us it appears a probability, and a word of caution should be a sufficient warning for you to withstand the various influences that are seeking to establish superplanning boards in our Nation and thus probably not utilize all of the experience and knowledge gained over the period of years in which you have been dealing with this work.

The first definite plan for the improvement of the river from Cape Girardeau to Head of Passes is what was designated as the Eads plan. A comparison of the Eads plan with the many other plans that have been submitted to and approved by the Congress discloses most convincingly the extent of the progress that has been made since 1881 in the solution of the flood-control problem in the valley.

Had the Congress authorized and carried into full execution the Jadwin plan which it adopted by the act of May 15, 1928, it is thought that most of the problems would now be solved, but again experience and study indicated that the plan should be modified. Accordingly it was modified by the adoption of the Markham plan by act of Congress dated June 15, 1936, and again the Markham plan and the Jadwin plan were further modified by the adoption of the act of June 28, 1938.

It is not necessary to recall to this audience the provisions of these various plans, but in order to present for consideration by this organization and by the distinguished guests some presently pressing questions it is necessary for me to call attention to some of the provisions of these various acts of Congress. Section 4 of the act of May 15, 1928, provides:

"The United States shall provide flowage rights for additional destructive floodwaters that will pass by reason of diversions from the main channel of the Mississippi River."

This provision may well be treated as surplusage since the fifth amendment to the Constitution of the United States provides:

"Nor shall private property be taken for public use without just compensation."

However, it is a healthy sign for the Congress in its legislation to occasionally recognize that we still have a Constitution.

By the adoption of the Jadwin plan the Congress specifically directed that excess waters should be diverted into the Boeuf Basin and from thence into the Gulf of Mexico. It should be remembered that the Congress undertook in that legislation to take the water out of the stream and to divert it into other passages. An entirely different question would be presented if the Congress had made no attempt to take the water from the stream, but had attempted to confine the water in the channel of the river.

Section 2 of the act of June 15, 1936, provides:

"That the Boeuf floodway authorized by the provisions adopted in the Flood Control Act of May 15, 1928, shall be abandoned as soon as the Eudora floodway provided for in Flood Control Committee Document No. 1, Seventy-fourth Congress, first session, is in operative condition and the back-protection levee recommended in said document, extending north from the head of the Eudora floodway, shall have been constructed."

In section 10 of the same act it is provided that after the Eudora floodway shall have been constructed and ready for operation the fuse-plug levees at the head of the Boeuf and Tensas Basins shall be constructed to the 1914 grade and the 1928 section.

Probably the most important section of the act of June 15, 1936, insofar as the liability of the Government for damages is concerned, is section 11, which reads as follows:

"That the back-protection levee north of the Eudora floodway shall be constructed to the same grade and section as the levees opposite on the east side of the Mississippi River: *Provided*, That this levee extending from the head of the Eudora floodway north to the Arkansas River shall be so located as to afford adequate space for the passage of floodwaters without endangering the levees opposite on the east side of the river and shall be constructed contemporaneously with the construction of the Eudora floodway; except that, until the Eudora floodway is in operative condition, there shall be left in this back levee north of the head of the Eudora floodway openings which shall be sufficient, in the discretion of the Chief of Engineers, to permit the passage of all floodwaters to be reasonably contemplated in the event of any break in the riverside fuse-plug levee prior to the time the Eudora floodway shall be in operative condition."

General Jadwin, in submitting his plan, had said:

"The practical remedy is to raise the levee grade 3 feet on both sides of the Mississippi below the Arkansas River to strengthen these levees so that they will not fail from causes other than accident or overtopping and to preclude overtopping by insuring that the water in excess of the capacity of the leveed channel be spilled out near the mouth of the Arkansas.

"To insure that excess water will leave the main river, a fuse-plug section of the levee in the vicinity of Cypress Creek must be kept at its present strength and at its present grade, viz, 3 feet below the new levee grade. This relatively weak section will be long enough to discharge the greatest predicted possible excess water over and above the capacity of the leveed river below. In order to limit the land in the Tensas Basin overflowed by it, levees will be constructed on each side of the Boeuf River bottom where natural ridges do not serve, from the Cypress Creek levee to back water in the lower Tensas Basin."

It is provided in the act of June 28, 1938:

"That the Chief of Engineers is hereby authorized to construct the Eudora floodway at such location as he may determine in the vicinity of Eudora * * * provided that pending the completion of the northward extension all of the riverside fuse-plug levee extending south from the vicinity of Yancopin to the vicinity of Vau Cluse, Ark., and so as to connect with the existing levee of 1928 grade and section, shall be reconstructed to the 1914 grade and 1928 section."

The northward extension as recommended by General Markham was to consist of a back-protection levee extending from the head

of the newly proposed Eudora floodway north to the Arkansas River and was designed as a safety valve to relieve the pressure on the levees along the east bank of the river until the excess waters entered the Eudora floodway proper. The intake of the Eudora floodway was to be situated 120 miles below the confluence of the Arkansas with the Mississippi.

Other provisions of the act of June 28, 1938, provide that the construction of the Eudora floodway and the guide-line levees shall proceed at the discretion of the Army engineers.

It will thus be seen that the present legislation has designated certain areas along the river as floodways, yet the Government has not taken actual possession of this land, nor has it physically carried out the Jadwin or Markham plans, although the legislation has cast a servitude or easement upon all of the property within the Boeuf Basin; and also by the act of June 28, 1938, has placed a servitude or easement upon all land in the northward extension of the Eudora floodway.

In the enactment of the various statutes to which I have referred, the Congress has created a legal liability on the part of the Government to all property owners within these floodways, and this liability is a continuing one until it is discharged either by payment of damages or by the removal of the easement or servitude which the Congress has placed upon the land by positive enactment.

No doubt the Congress, as well as those charged with the execution of the plans, have proceeded upon the theory that floodwaters are the natural enemy of mankind and that they may be combatted by the building of necessary structures or other means that will afford protection to the land sought to be protected. This general rule exists today the same as before, but the general rule does not authorize the Congress by the enactment of legislation to cast a servitude or easement upon property and to thus use that property without compensating the owner.

In fact, the adoption of the original plan whereby the fuse-plug levee was created was in itself a taking of the property within the Boeuf Basin, and subsequent plans have merely added to the extent of the damage by providing for the utilization of the lands in the Tensas Basin.

Any plan that provides for the protection of one side of the river by the construction of a levee of a certain grade and section, and at the same time prevents the construction of a levee of the same grade and section on the opposite side of the river is a taking of the land thus discriminated against.

No doubt all concerned, the Congress, the Army engineers, the Mississippi River Commission, and others, have relied too strongly upon the decision of the Supreme Court of the United States rendered June 13, 1913, by Mr. Chief Justice White in the case of *Jackson* v. *United States* (230 U. S. 1), in which it was held that an individual landowner had no right to insist that primitive conditions be suffered to remain and that all progress and development be rendered impossible, and that the owner of property might protect it from a common natural danger, but in so protecting it he obtained no right to insist that other owners or that the Government should not adopt the same method or that they should not adopt different methods for the protection of their respective properties or for the public good. The facts in that case were such as to create in the minds of many the opinion that the Congress by the enactment of these statutes heretofore referred to was not violating the fifth amendment to the Constitution, and that the amendment would not apply except and until the property in the floodways was actually taken or used for the purpose. But a close reading of that decision, as well as other decisions cited by the Chief Justice, will convince anyone that, while the decision on the facts in that case is sound, it does not in anywise militate against the proposition that the United States Government must pay for land which it places in a floodway or which it dedicates by any act to a public use, as has been done by the building of leeves of a certain grade and section in certain areas for the express and deliberate purpose of forcing water from its natural course onto and upon individual land.

The Supreme Court in the case of *Hurley, Secretary of War*, v. *Kincaid* (285 U. S. 95) said:

"We may assume that as charged, the mere adoption by Congress of a plan of flood control which involves an intentional additional occasional flooding of complainant's land constitutes a taking of it as soon as the Government begins to carry out the project authorized. (Citing cases.) If that which has been done or is contemplated does constitute such a taking the complainant can recover just compensation under the Tucker Act in an action at law as upon an implied contract, since the validity of the act and the authority of the defendants are conceded. (Citing cases.)"

It will be remembered that this was a case in which a landowner sought to enjoin the carrying out of any work in the Boeuf floodway under the act of May 15, 1928. The injunction was denied because the remedy at law was adequate, but if the remedy at law had been less clear and adequate, because of the large public interest involved the court would probably have not issued the injunction because such would have seriously embarrassed the accomplishment of important governmental ends. In other words, it was not a case where an injunction was necessary to prevent an irreparable injury.

There can be no doubt of the validity of the acts under which we are proceeding nor can there be any question as to the authority of those who are designated to execute the plans. Neither can there be any question that a part of each plan has been executed in that certain levees have been raised to the 1928 grade and section and other levees have been held to the 1914 grade and section in order that they might crevasse and divert the water upon and along either of the two floodways that are now in existence.

Everyone is familiar with the decision of the United States Circuit Court of Appeals, Eighth Circuit, in the case of *Sponenbarger et al.* v. *United States*, decided February 8, 1939. The decision was by a divided court, and while some may consider that this may weaken the force of the decision, on the other hand, the probabilities are that the decision is more sound coming from a divided court because the mere fact that the court was divided is proof conclusive that the case was thoroughly considered.

The court clearly pointed out the distinction between the present case and those cases in which liability has been denied, and where "it did not appear either that the flooding was intended or anticipated by the Government or its officers, or that it was attributable directly in whole or in part to the improvement rather than to natural conditions."

The court pointed out that the guide levees were not necessary except to serve merely to limit the quantity of the lands subject to diversion overflow; that the lands on both sides of the river were bound together as parts of the same section of the alluvial valley, but that under the law as now existing the lands situated in these floodways are subjected to a planned and practically certain overflow in case of any major flood.

The court referred to the opinion of Chief Justice White in the case to which I have called attention, and then held:

"The appropriation of private property for a public use requires the return of a full and exact equivalent to the owner. That equivalent in the case of complete appropriation is the market value of the property at the time of the taking, contemporaneously paid in money. In case an easement only is impressed and taken, the rule is to determine the fair market value before the easement is imposed, next to find that value after the taking, and the difference is the amount of liability."

I hope I may not be considered presumptuous or that I am undertaking to assume the function of an adviser, but in view of the status of the law, I respectfully submit to this organization and to those to whom the Congress of the United States looks for advice and suggestions, that the time has now arrived when we must execute some definite plan and repeal all unnecessary legislation. I consider it my duty as a United States Senator to protect the citizens of Arkansas in their claim for compensation, but at the same time it is incumbent upon the Government to take steps to reduce the damages by removing the cause thereof.

A part of each plan has been executed and certain liabilities have been incurred. This damage cannot be removed but further damage may be prevented by prompt recognition of the legal effect of the existing legislation. If it is necessary that any one of the floodways be constructed then this should be done and the rights of the landowners recognized by purchase or condemnation of such titles as the Congress may determine is necessary. We should not permit these floodways to exist in their present condition. Public interest can best be promoted by a definite and final program of strengthened and uniform levees or by the construction of the floodway and guide levees. In no other way can we make progress and render justice to all.

Michigan State College

EXTENSION OF REMARKS

OF

HON. FRANK E. HOOK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1939

LETTERS PERTAINING TO CONDITIONS EXISTING IN THE MICHIGAN STATE COLLEGE

Mr. HOOK. Mr. Speaker, under leave granted to me to extend my remarks in the CONGRESSIONAL RECORD, I include the following letters of Joseph F. Cox to John Hannah, secretary, Michigan State College, East Lansing, Mich., and various newspapers in Michigan:

MARCH 20, 1939.

EDITOR, STATE JOURNAL,
Lansing, Mich.

DEAR SIR: In the Lansing State Journal of March 10 you published an article quoting Mr. John A. Hannah, secretary of the Michigan State College, and using my name in a libelous manner, in view of the erroneous impression conveyed to the public.

Enclosed herewith is a copy of a letter that I addressed to Mr. Hannah on the date of March 20 demanding a correction of his erroneous and libelous statement. I herewith request that you publish in the State Journal a copy of this letter in order to correct the misstatement of fact to your reading public, for which you are jointly responsible with Mr. Hannah.

Yours truly,

JOSEPH F. COX,
Forest Glen, Md.

Copies of the above letter sent to the following papers: Detroit Free Press; Pontiac Daily Press; the Lansing State Journal; the Mining Journal, Marquette, Mich.; the Grand Rapids Press; Flint Journal; the Grand Rapids Herald; the Detroit Evening News.

MARCH 21, 1939.

Mr. JOHN HANNAH,
Secretary, Michigan State College,
East Lansing, Mich.

DEAR MR. HANNAH: My attention has been called to a statement in the Lansing State Journal of March 10, 1939, in which you connect my name with the grand jury investigation of the Michigan State College, in 1932, in a way that is libelous in view of the impression that you conveyed to the public. You also misrepresent the official efforts of Congressman FRANK E. HOOK, of Michigan, to correct present conditions at M. S. C. that are contrary to the public interests.

Following are some facts of the recent past that bear upon the present situation at the Michigan State College:

Judge Leland W. Carr, who conducted this one-man grand jury investigation of the affairs at the Michigan State College, stated to me that his grand jury report did not in any way point to Dr. Kedzie, Mr. Hasselman, or myself, the three members of the college faculty of long standing discharged by the board of agriculture. The three of us were called before the judge and presented facts to him in regard to certain unethical and fraudulent practices to which we had objected in line of duty. These objections were known to the board of agriculture and college executives, and had received previous official attention by the Board under the chairmanship of the Honorable L. Whitney Watkins. The official records of the State board, published in the Michigan State College Record in 1931, disclosed that at that time the State board of agriculture ordered the discontinuance of business transactions by staff members with the Michigan State College that hired them in accordance with sound ethics and Michigan's constitutional law. The board also ordered a clean-up of what the late Dr. Kedzie termed "the music rackets" of an exploitive nature.

However, L. Whitney Watkins and Mrs. Dora Stockman were not named for return to the State board of agriculture, and the board, as constituted in 1932, did not carry out the program of the correction of bad practices ordered by the board in 1931. On the contrary, the board of agriculture of 1932 gave protection to college officials engaged in unethical and illegal banking transactions, land deals, horse deals, theft, and misuse of funds that involved the public funds of the Michigan State College. Mr. Clark L. Brody, Mr. William Birkey, and Mr. M. B. McPherson were members of the board at that time, and their removal was recommended by the senate committee investigating Michigan State College.

It is now apparent that essential facts were withheld or misrepresented by certain college officials and board members to Judge Leland W. Carr in his one-man grand jury proceedings. The report of the Michigan State Senate investigating committee, authorized and paid for by the Michigan State Senate, indicates that board members and college officials gave protection to malefactors. This same senate report states that all statements made by Dr. Kedzie and Mr. Hasselman and myself were found to be true.

On August 27, 1935, the Lansing State Journal carried a statement to the effect that the agricultural board was suing on the treasurer's bond for $20,000 illegally withheld from the college, etc., by the treasurer of the college, who was president of the bank where the funds were deposited.

The report of Judge Leland W. Carr indicated a discrepancy in accounting in the military account. College officials had previously denied before Judge Carr irregular transactions with the faculty-controlled bank. The judge's report was falsely supported by Joseph Baldwin, Special Assistant Attorney General, according to the report of the Michigan State Senate Committee. The report of the Michigan State Senate Committee, substantiated by an investigation at Washington by Congressman FRANK E. HOOK, indicated that over $8,600 was stolen from the military funds and that the financial administrators of the Michigan State College knew of this at the time of testifying before Judge Carr, and that the Board immediately after Judge Carr's decision reimbursed the Federal Government for this theft but did not fix responsibility or reimburse the funds of the State that were thereby filched.

As to the land deals involving officials and faculty members, the records will show, based on my request as dean of agriculture, that the State board of agriculture authorized the expenditure of $25,000 in 1932 for the purpose of buying a farm on which to isolate experimental work with undulant fever and put an end to the rental of farms to the Michigan State College by certain faculty members, thereby causing the college herds and flocks to be infected with undulant fever, and endangering the student body and community, and to a certain extent the livestock interests of the State. This effort to properly isolate this dread disease and to prevent an occurrence, such as the recent epidemic of undulant fever that affected 45 students, and caused the death of one, was frustrated by the avarice of certain members of the faculty and faculty-controlled bank who took over a farm and attempted to secure my approval and recommendation of its purchase. This land was unsuited, and the price asked was exorbitant; hence, the recommendations of the director of the experiment station and the dean of veterinary that the Nickerson farm be bought were not approved by myself as dean of agriculture. The report of the State senate committee shows that this farm, owned by faculty members and officials of the faculty-controlled bank, was actually rented to the college subsequently. The faculty members and bank officials owning this farm are listed in the senate report.

In addition to last month's epidemic, it is stated that over 40 cases of undulant fever have occurred among members of the faculty and students and townspeople during the past 6 years. These cases have resulted from the failure to isolate all experimental work in field and laboratories with this disease.

Congressman FRANK E. HOOK, of Michigan, has officially interested himself in cleaning up graft at the Michigan State College and in protecting students and the faculty, and farmers, and the livestock interests of Michigan from the results of improperly isolated experiments with undulant fever at the present time. He has interested himself as a Michigan Congressman in the protection of Michigan farmers from continued exploitation through the sale of a misrepresented and inadequate livestock feed at exorbitant prices through an agency controlled by a member of the State board of agriculture. The sale of this feed continues at present. Congressman HOOK (as a member of the Agricultural Committee of Congress) also objected to the suppression of the results of experiments with this feed at the Michigan State College during the past 7 years, knowledge of which would have saved Michigan farmers hundreds of thousands of dollars in warning them against paying an excessive price for this misrepresented feed. He refers to malefactors now on the State board of agriculture and the college pay rolls.

Congressman HOOK should be supported by every citizen of Michigan and every honest member of the board of agriculture and friends of the Michigan State College. The purpose of the college is to teach the truth, of the experiment station to ascertain the facts, and of the extension service to disseminate these facts to the farmers and to the public. I need not remind you that every cent of the money appropriated by the Congress of the United States or the Legislature of Michigan carries with it the obligation of using this money for fact-finding and truth-telling.

I demand an early statement from you to the public and through the newspapers to whom you issued your incorrect and libelous statement on March 10.

Very sincerely,

JOSEPH F. COX,
Dean of Agriculture, Michigan State College, 1928 to 1932.
FOREST GLEN, MD.

State, National, and International Trade Barriers

EXTENSION OF REMARKS
OF
HON. WADE H. KITCHENS
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 22, 1939

Mr. KITCHENS. Mr. Speaker, on yesterday, in a colloquy with the gentleman from Wisconsin [Mr. GRISWOLD] in connection with the discussion by him of Canadian trade treaties and industry of his State, a matter was touched upon in which I am interested. I am interested in facilitating the development of trade not only of our Nation with other countries, but I am vitally interested in the trade here at home between the States. I wish to see demolished, consistent with the best interest of our people as a whole, every barrier that causes friction and obstruction in the exchange of goods and commodities between the people.

There are now being heard before the Interstate Commerce Committee of the House and a similar committee of the Senate the proponents and opponents of a bill to place all transportation agencies under the Interstate Commerce Commission. Frankly, I am not enamored of this proposal. This Commission now has jurisdiction over railroads and their rates, and has not been able to eliminate glaring discriminations in the rates of railroads but has countenanced for half a century a division of this country into arbitrary zones that favor one section at the expense of other sections.

A complaint of over one-half of the Nation is now being made against barriers to State and interstate commerce, and more particularly against discriminatory freight rates and rate structure.

Our country is composed of 48 separate States. Under the Constitution they surrendered to the Federal Government all right to regulate interstate and foreign commerce. It was the intention of our forefathers that all States should have equal rights in commerce among themselves and foreign nations. They did not and could not anticipate or vision the schemes to circumvent the Constitution or obtain advantages, one section against another, as has occurred under the guise

and pretext of regulating interstate and foreign commerce. It is idle to say any Federal law which, by design or operation, favors the commerce of one State or section as against another is vicious and contrary to the spirit and letter of the Constitution.

Mr. Speaker, there are 45 separate countries in Europe, or were a short time ago. For ages those countries have been and are continuously devising and adopting discriminatory trade measures that militate against the good of all. There has been and is friction, bitter antagonism, war and rumors of war at all times. Most of this friction and these wars in Europe and elsewhere have been and are economic or trade wars. Nations are today being destroyed because of trade restrictions and strangulation of commerce by one country against another. The World War was due to ever-increasing trade restrictions by one country against another. Each of those countries, small or large, has been continuously seeking advantages over their neighbors by various ways and means of burdening, profiting from, and limiting traffic across boundary lines. The result was and is retaliatory tariffs, duties, irritating inspections, regulations, and impositions of one character or another at their boundary lines. This attitude and action burden free commercial intercourse between the people of those countries, and generate a progressive spirit of hatred, rivalry, selfishness, isolation, and war.

Are there any who see and observe parallel causes in this country for friction, retaliation, and reprisal by the acts of certain States and sections against other States and sections?

It is unfortunate there exists in Europe a lack of neighborliness, practical, common business sense, statesmanship—lack of vision to see beyond territorial limits. Yet right here in the United States some of us are so short-sighted that we have been and are creating and countenancing conditions that tend to bring about the same results as in Europe. One State and section against another State and section of our own country are devising and permitting parallel State and regional trade restrictions by impositions in the nature of tariffs, zones, inspections, discriminatory freight rates, and other irritating obstructions that interfere with State and interstate commerce. In order to avoid competition, procure an advantage, and prevent the free flow of interstate commerce, certain States enact and enforce laws under the guise and under pretext of protecting their public health, labor, safety, sanitation, and industry. They do this by means of zones, fees, tariffs, licenses, rates, taxes, quarantines, forms of labeling, modes of packing, and special transportation requirements. The admitted discrimination in freight rates existing under Federal law and regulations is the most unfair, injurious, and costly of all the barriers yet devised in this country. It has cost the southern and western people of this Nation billions of dollars. It has retarded their social, cultural, and economic development.

A little over 50 years ago Congress created the Interstate Commerce Commission as its agency for the definite purpose of correcting the abuses and preventing the injustice of discriminatory freight rates. The Commission, under the then-existing conditions and sectional differences, undertook to prevent, as much as possible, the abuses of the railroads. The Commission formulated, or rather adopted, an arbitrary zoning formula for freight rates. This formula operated fairly equitably for a time. Since then conditions have changed very materially. The population has increased, new modes of transportation developed, but that zoning formula has not been materially changed, and today, under modern conditions, is working a grave injustice to about three-fourths of the territory of this Nation. The rate structure of 50 years ago is now archaic, still arbitrary and artificial, and the Commerce Commission still builds flimsily about it.

Mr. Speaker, what concerns me mostly is a concerted effort on the part of those reaping freight-rate advantages to prevent any change of the old rate structure that operates injuriously and unfairly against a large portion of the United States. The present Governor of New York claims that to remove these freight-rate advantages, accruing to his section, or to change the structure for rate-making purposes, will be contrary to the interests of the Northeastern States, including his State. This is a frank statement and admission, but cannot be based on sound reason, and his conclusion cannot be justified, either morally or legally.

The Governor's State belongs to a council of favored States, organized for the purpose of preventing an equalization of freight rates. Those States have made appropriations from their State funds, and have employed the most learned attorneys to sustain the present system of freight rates. In other words, these favored States claim the selfish right to ship their goods into the South, West, and Middle West at a cheaper freight rate, mile for mile, than those sections may ship to them, mile for mile, similar goods of their States. The Governor of New York pleads that to give the other portions of the Nation a nondiscriminatory freight rate for manufactured goods would make it "even more attractive than it now is for industries to move from New York State to the South."

It is unfortunate that the Governor of New York, or any other Governor, should take this view. It is a demonstration of a lack of vision not to see that equitable freight rates over all the Nation will redound equally to the people of the State of New York. It is regrettable indeed that the Governor of New York, and other Governors in that section, fail to visualize the injustice to the many millions of other people in this country.

In the CONGRESSIONAL RECORD of February 27, 1939, appears a letter from the Governor of New York to Hon. W. G. ANDREWS, a Member of this House, giving statistics to show that the number of wage earners in manufacturing plants in his State in 1935 was 22.1 percent less than the number in 1923; while in the Southern States there was an increase. He further shows that the total wages paid by the manufacturing industries in his State in 1935 were 35.6 percent less than in 1923; while in seven Southern States the decrease in wages was only 14 percent. There can be no logic in his favor to justify discriminatory freight rates in those statistics. Some other cause must explain the decrease in wage earners and wages in his section as compared with the Southern States.

The true cause and explanation is that the purchasing power of the other sections of the country has been so reduced that they can no longer support the industry and wages of northern and eastern States by paying the freight both going and coming. The statistics relied upon by the Governor conclusively prove to me that the beneficiaries of unfair freight rates in one section of the country cannot continue to prosper at the expense of other sections of the country by artificial means through discriminatory laws, unfair regulations, or arbitrary trade barriers.

I was pleased to note a few days ago that the Supreme Court of the United States nullified a statute of one of our Southern States which, in the guise of imposing an inspection fee, had placed a tariff on foreign cement. If one State has such a right, then all States should have equal rights. It is no more constitutional or just for one State to place or have a tariff on foreign products than it is to enjoy a tariff or favorable freight rate on products of one or several States. These State and sectional boundary-line obstructions such as arbitrary zones, restrictions, and regulations cause friction, bring about retaliation, throttle, and stagnate business. The people cannot and will not submit forever to such discriminatory rates. We are free and equal as individuals and as States under the letter and in the spirit of the Constitution, and no law can be justified that favors one or more at the expense of others.

The State of Wisconsin, in the guise of protecting the health of the people, has legislated against cottonseed oil of the South used in margarine, a pure, wholesome vegetable oil, from entering that State in competition with the dairy interests. There is no real excuse for the law, and the tax Wisconsin imposes upon this commodity is nothing more than a tariff. However, I wish to commend to the Governors of New York and Connecticut the vision, wisdom, broadmindedness, and statesmanship of the new Governor of Wisconsin, Hon. Julius P. Heil. At Madison, Wis., recently the Governor of that great and progressive State had the courage, intelligence, and patriotism to denounce isolation and erection of trade bar-

riers by one State or section against another State or section. Among other things, he said:

We cannot live within our own shell. We cannot set up a barrier. We must act so that our products will be acceptable to the other 47 States.

Mr. Speaker, such courage and unselfishness in this day and time is rarely shown. Governor Heil is entitled to the admiration of all of the thinking people of America. He knows that the tax of 15 cents per pound on cottonseed oil used in margarine by his State merely furnishes injurious food upon which politicians feed the people. Such a tax, no doubt, appealed powerfully to the dairy farmers. Such a tax, no doubt, was proclaimed from the house tops as a benefit to the dairy industry of Wisconsin. In the long run such a tax can but work a serious injury and permanently cripple the dairy interests of that fine State. The splendid, fair-minded progressive, and thinking people of Wisconsin, if they know the facts, upon mature reflection, will see that such a tax on a pure and wholesome commodity, produced by their neighbors, will limit their trade, cause irritation, arouse a spirit of reprisal and retaliation, bring about competition in dairying, an unfriendly feeling and possible boycott of goods of Wisconsin.

Fourteen other dairy States have similar laws, and they might well heed the wise admonition of the new Governor of Wisconsin. I mention this merely to point out one of the causes that give trouble to all the people of this Nation. It must not be forgotten that more than 40,000,000 of people, occupying the great agricultural and raw-material empire of this Nation, enjoying a fine climate, blessed with rich soil, wishing to live and let live, anxious to improve their economic condition, lift their purchasing power, cannot be mistreated or legislated against unfairly without stubborn and never-ending opposition.

Certainly it must be known today that there is a great awakening, gradual enlightenment, and progressive development in every section of this country. Discriminations of whatever character by or in favor of one State or section as against another will not be tolerated and will be attacked and avoided in one legal way or another, whether that discrimination be by State or Federal legislation.

Mr. Speaker, there is no desire on the part of the South, West, or Middle West to injure any industry or transplant any industry of the North and East to their sections. Their only desire is that new and future industry must not be further curtailed, centralized, or monopolized, under protection of discriminatory laws or regulations. No great section of this country is going to sit idly by, rest supinely on its oars, and allow its people to be exploited, its resources exhausted, and later have nothing but a barren waste land. Is there anyone so deluded as to feel or believe that this country can endure if the people and natural resources of one-half of the Nation be exploited and exhausted and 60,000,000 or more people and future generations be left helpless? Is anyone so selfish or prejudiced not to see the injury that will result eventually to the Nation as a whole if more than one-half of the Nation be utilized solely as provinces from which to draw raw materials? If such a condition is to remain or continue, then this Nation has reached the limit of its growth and retrogression begins. However, I venture to suggest there will be no submissive devolution or dissolution. Today, in large part, the only industry of the South is industry that is removing and exhausting its raw materials and leaving no substitute. Its timber, coal, oil, soil, minerals, and human resources are being depleted and exhausted. Something must be done to maintain the continuous purchasing power of every section of the Nation, and, to accomplish this, special advantages under law cannot and must not exist to any State or any combination of States.

The freight-rate discriminations have been most oppressive to the laboring man in the South and other zoned sections. He and the consumer there have been bearing the burden of the differential in freight rates by lower wages and a higher cost of living. Such little industry as now exists in some sections of the country has been acquired at the expense of labor in those sections. The laboring man knows no factory can compete if it has to pay the same wage and a higher freight rate. To continue such a condition will mean that there can be no industrial enterprises in the South, and such few factories as now exist must inevitably cease or move to some other section. The unfavored sections of this country, the sections suffering from these discriminations and barriers, will use every possible means for their future welfare and preservation. They will give, if necessary, bonuses and sites to new industry. They will be, and now are, exempting in self-defense, industry from taxation. If an exemption for 7 or 10 years be not sufficient, then complete tax exemptions may be given to offset discriminatory rates and other barriers. If this does not succeed, then possible State and municipal subsidies may be offered, and, further, we may have the spectacle of towns, cities, and municipalities bonding themselves or using other means to erect industrial plants. Even compacts may now be entered into between States for self-protection. Thus we can see there can be no end to increasing difficulties if we do not heed the injunctions of men like Governor Heil, of Wisconsin.

I am amazed, Mr. Speaker, at the unrest, congestion, and economic condition of the many people in some of our great industrial centers of the North and East. It is well known that practically all Federal relief money now is spent in those regions. More relief money is spent in one Northeastern industrial State than in all the Southern States combined.

I note with a considerable degree of apprehension the increasing migration, concentration, and congestion of our people in large industrial centers of the North and East. Such a condition is to be expected. Those regions have been profiting by tariffs, advantageous freight rates, concentration of wealth, and the result is that wealth has centered there in a few, industry is centralized, and monopoly flourishes. This migration and congestion has become a critical national problem. Is there a remedy? Unquestionably and obviously a removal of the unfair handicaps to other regions, equitable freight rates to all sections, thereby increasing purchasing power and elevating the spirit of the people in the discriminated sections, will be most remedial. Let us slow up this unnecessary migration, stop immigration for a while, reduce centralization, prevent further monopoly, encourage decentralization, and thereby bring about greater harmony and happiness and a more equitable distribution of jobs, goods, commodities, and wealth.

It is well known that one of the great troubles in this country is lack of proper distribution of goods and commodities. Much is now stored in our warehouses, on which the Government has loaned hundreds and hundreds of millions of dollars, while much is wasted for lack of purchasing power and fair means of exchanging these goods and commodities. We have too much cotton in the South. There are too many apples in Washington and Oregon; too many potatoes in the Dakotas, Vermont, and New Hampshire; too much grapefruit and other fruits and vegetables in California and Texas; too many oranges and vegetables in Florida; too much tobacco in Kentucky, Tennessee, and the Carolinas; too much rice in Arkansas, Texas, and Louisiana; too much corn in Iowa, Indiana, and Illinois; too much wheat in Kansas, Nebraska, and other States; too much milk and butter in Wisconsin, Indiana, and New York; too much wool, meat, and oil in the Middle States, South, and West; too much lumber; too many clothes in our stores, cloth and shoes in our factories; too much money in our banks; and, in fact, it seems and is claimed we have too much of everything, and the result thereof is that millions of our people suffer for the real necessities of life. This is an anomaly rarely, if ever, experienced by any nation or civilized people before us.

Mr. Speaker, we have millions and millions of fine citizens in want today for those very goods and commodities. In great part, the barriers erected by the States against each other and discriminatory freight rates, penalizing one section at the expense of another, cause this condition. In my opinion, we are dealing merely in palliatives, temporary expedients. We seem to be incapable of courageously, unselfishly, and patriotically joining our efforts to remove the causes

of this condition. We must have a better and freer distribution of our goods and commodities and of the products of industry in this country. Nature and justice demand this, and to accomplish the purpose we must increase the purchasing power of discriminated millions, and to do so must remove these State, interstate, and national barriers to a freer exchange of our goods and commodities. In this way only can we halt incessant migration of our people from one section to another, prevent their congestion in large industrial regions. When we accomplish this, we will confer one of the greatest boons ever enjoyed by any people.

The things I am mentioning justify our best efforts for their correction. The evils enumerated, if permitted to continue, will prevent general prosperity over the Nation. Therefore, I plead for an enlightened, unselfish, nonsectional, patriotic consideration of the subject.

St. Patrick's Day Address

EXTENSION OF REMARKS

OF

HON. THEODORE F. GREEN

OF RHODE ISLAND

IN THE SENATE OF THE UNITED STATES

Thursday, March 23, 1939

ADDRESS BY HON. JAMES A. FARLEY, MARCH 17, 1939

Mr. GREEN. Mr. President, I ask unanimous consent that there may be printed in the Appendix of the RECORD an eloquent address delivered by Postmaster General Farley before the Friendly Sons of St. Patrick at Providence, R. I., on Friday evening, March 17, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

You have all heard, I dare say, of that distinguished gentleman who was one day walking quietly down the street when he received a resounding thump on the back from one who had mistaken him for an old friend. The gentleman straightened up and wheeled sharply around, only to find himself looking into the face of a total stranger. "Well," he managed to say when he had regained his composure, "I do not know your name, but your manners are certainly familiar."

In coming here this evening to join you in the celebration of the feast of the great apostle of Ireland, I feel that although I do not know the names of all of you, I am nevertheless among fast friends; for there is something about the Friendly Sons of St. Patrick, wherever you find them, that reminds one of those who have grown up in the same neighborhood, who have imbibed the same lessons of loyalty, and who have followed the same hallowed traditions; and not only are their manners altogether familiar but there is a quickness of mutual understanding that is very reassuring to one who has the privilege to speak before them.

I need not tell you, I trust, that I deem it a distinct honor to address this society which George Washington joined in Philadelphia in 1781, and which had on its roll of membership during the Revolution such noted generals as Wayne, Butler, Hand, Irvine, and Moylan. Since that time it has numbered among its sons, in almost every State of the Union, men who have made a secure place for themselves in the history of the United States, not only as statesmen, poets, historians, and philosophers but also as leaders in business and in the professions.

I do not believe I shall be accused of exaggeration when I say there is no other race on the face of this earth that has had the difficulties and hardships to contend with that the Irish have experienced, and that has still survived and flourished in spite of all the cruelties the mind of man could invent to ruin it. Other races, for the most part, have been protected and guarded by the power called government; they have gone along the even tenor of their way peacefully and quietly; their history is the record of their lives. Erin, however, has had to fight the very power that should have protected her; she has had to flee from the very arms that should have been raised in her defense; her history is the record of her martyred dead. And the only reason she has any history at all to record today, is because of the living faith and sterling character of her sons, who have always loved justice and hated oppression wherever these qualities were to be found.

I am not going back over those years of famine and persecution which you know only too well. In those times everything possible was done to destroy or discourage the Irish people. Their lands were taken away and given to usurpers in the hope that the tyranny of the new landowners would wipe the race out of existence. But those who waged this campaign overlooked one fact. They had not reckoned on the Irish girl. No matter how furious the invaders were when they landed on Irish soil, no matter what means they employed for the annihilation of the Irish, sooner or later they were destined to meet the Irish colleen. And when they did, all their plans were shattered. The English settler married the Irish girl, and from those marriages came the most patriotic Irishmen the world has ever known. They have rightly been called "more Irish than the Irish themselves."

In the time of Queen Elizabeth, the inhabitants of Ireland were put to the sword, their dwellings burned, their cattle and crops destroyed. The country was left in such a pitiable condition that a bird could scarcely find subsistence there. Yet Elizabeth had scarcely gone to her judgment when the exiles came back from the mountains, the woods, and the caverns, where they had been in hiding, and in a remarkably short time the land began to blossom again like a flower.

During the reign of Charles II practically every ship that traded with the colonies in America was an Irish ship, built by Irish hands, and manned by Irish seamen. Irish woolen manufacturers were the most prosperous in the world, and Irish cattle and horses filled every English market. I mention these things simply to remind you that the Irish were always prosperous if given half a chance. They wanted no concessions and no privileges from any government. All they ever asked for was simple justice and whenever they got justice they made their own prosperity.

When I hear men speak of the history of Ireland I am reminded of that big Irishman who came home one night with two of the blackest eyes that were ever seen in the face of a white man. One of his companions meeting him at the door said to him in a rather plaintive voice: "For God's sake, man, who gave you the two black eyes?" The big fellow became indignant, and shaking his fist in the face of his companion he said to him: "Who gave me the two black eyes? No one gave them to me. I had to fight like a demon to get them." And so it has been with the Irish. They have had to fight to the last ditch to have any history at all to record. But through persecution and starvation they have walked manfully, with their face to the stars, and today they look back on those times of oppression and slaughter, not in a spirit of anger and reprisal, not with a feeling of hatred and revenge, but with the spirit of forgiveness that has always burned like a light in the heart of the Irish. When they were no longer able to tolerate or avoid the tyranny of their oppressors, and they came to America, the land of freedom and opportunity, where every man is on an equal footing with his neighbor, where every man is given an opportunity to use his talents and his labor for his own betterment, we still find the Irish among the champions of justice and liberty, and ever grateful for the privileges they have received in the United States. And to prove their gratitude they are and always have been ready to shed their blood and to lay down their lives for the country that has befriended them. Major General Robertson testified before a committee of the House of Commons that one-half of Washington's army was composed of Irishmen. And while that statement may seem an exaggeration, it was nevertheless repeated by Joseph Gallaway on the witness stand before an English tribunal and by General Lee. Both of these men were competent judges, and were certainly in a position to know the facts.

It will be held by some, of course, that it was not American patriotism that caused Irishmen to join an army that was fighting England. Many will believe that they looked upon such a venture as an outdoor sport. One reputable historian tells of a company of Irish who were defending a hill in the Revolution. After the battle it was discovered that all the gunlocks were either bent or twisted, and an investigation proved that when the Irish ran out of ammunition, instead of climbing the hill for more, they used their guns on the heads of their enemies. It is true, of course, that there was little love lost between Ireland and England, but uppermost in the minds of these Irishmen who fought in the Revolution was the safeguarding of that liberty and freedom which they had been deprived of in their own land. And they have amply proved the fact by the number of enlistments in every war in which this country has ever engaged.

When the passion of the hour brought the great Civil War and other wars to this land, we find the sons of the Gael fighting just as courageously in support of their cause as they did in the Revolution; and in all generations they have written their names, not on gold or silver, not on marble or bronze, but on the hearts and minds of a grateful American people.

I trust that this country will never be called upon to enter another war, especially a foreign one. I hope that our time may be given in future days to the straightening out of our own problems and to the making of our land a better and more contented place in which to live. I pray that the Irish, who so well appreciated the opportunities that America gave them in their days of oppression, and who were so ready to lay down their lives that those opportunities might continue will bend all their efforts today in an endeavor to drive from our shores those internal enemies who do not appreciate the liberty that is theirs, and who are trying to undermine and destroy the very foundations on which our Government is built.

In recent years, as you are aware, there have come to our shores from the old world men and women who could no longer tolerate the tyranny of their mother country. These people have been given the same protection, the same liberty, and the same opportunities for which the sons of Erin are so grateful. But instead of showing gratitude for these blessings which were denied them in their own country, instead of being ready to shed their blood that such freedom might continue, they are using their liberty to instill into the hearts and minds of their fellow men a distrust

for American institutions, to arouse religious intolerance, race hatred, class conflict, and even a denial of the God who created them. Some of these have proclaimed openly that they would not engage in even a defensive war to save this Nation. What, we sometimes wonder, do these people want? Is it communism? They can have it at its source for the small price of a trip across the water, without the necessity of tearing down the existing government to build upon its ruins. Is it fascism? The ideal Fascist state has been set up in the old world and welcomes all those who believe in its principles and are ready to work for its success. The fact is that you could not drag any of these agitators with a team of horses to a boat embarking for any of these countries. They know they can have no such freedom there as they have in the United States. And yet they are diverted enough to spend their time and their energies in an endeavor to destroy what is today the best country on earth, in spite of the evils that exist here.

What is there across either ocean that can compare to advantage with American democracy? There are abuses here, of course; and there will be, here and everywhere, so long as humanity is what it is. But can we find a more genuine spirit of devotion to the common good in those countries where the rulers dictate what you shall eat, what you shall drink, what you shall wear, where and at what age and at what kind of labor you shall work; what you may read, what you may listen to, what you may speak? The American citizen has still the final word in government in this country. In spite of politics and propaganda, it is he who will ultimately determine who shall be the President of the United States, who shall sit in our legislative halls, and who shall judge our people. He may be indifferent at times, he may be unwatchful, but when he is aroused, when he is indignant with government policy, he knows that he and his neighbor from coast to coast can put a stop to any kind of arbitrary abuse or injustice.

This country still recognizes that every individual has certain rights which do not come from society, but are the essential claims of those who go to make up society. These rights do not come from the state, because they existed before the state. But it is the duty of the state to protect its citizens in the enjoyment of these rights. Every man not only has the right to live, but also he has the right to the enjoyment of liberty, the right to an education, the right to labor, and the right of worshipping God and of practicing his religion according to the dictates of his conscience. And where, I repeat, are these rights better safeguarded than in our own country?

No one contends, I dare say, that our democracy is perfect. We have unemployment, we have a serious farm problem, we have trouble between labor and capital. But these things can be ironed out, if we have patience and good will, in the American way. When people tell you that foreign countries have no unemployment, that statement should be taken with a grain of salt. For when you come to examine the wages these countries pay their laborers and the purchasing power of their money, you will usually find that a great many of their people are working for what would be starvation wages in the United States. In fact, many of our people on the relief rolls are getting more than some of those who are working 10 and 12 hours a day in other countries.

This, then, is the problem of America at the present time, as I see it. Lord Macaulay said some 80 years ago, when writing to a friend in America: "Your Republic will be laid waste in the twentieth century as the Roman Empire was in the fifth; with this difference: The Huns and the Vandals who ravished the Roman Empire came from without, but your Huns and Vandals will have been engendered within your own country, by your own institutions." Macaulay must have foreseen a condition in our country when numbers of our citizens were swinging to a dangerous left, away from all the traditions and the philosophy of the men who established the foundations of our democracy. These enemies are not so firmly entrenched yet that they cannot be circumvented. And it is to patriotic Americans like the Friendly Sons of St. Patrick to whom we must look if we would keep our country the land of opportunity, the home of civil and religious liberty that our fathers loved and fought for. And there is every reason to believe that you and the members of patriotic organizations of a like character will not be found wanting in your duty any more than were your fathers before you.

Where Stands America in this Hour?

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Thursday, March 23, 1939

RADIO ADDRESS BY HON. J. HAMILTON LEWIS, OF ILLINOIS, MARCH 22, 1939

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD extracts from a radio address delivered by the Senator from Illinois [Mr. LEWIS] on Wednesday, March 22, 1939, on the subject Where Stands America in this Hour?

There being no objection, the extracts from the address were ordered to be printed in the RECORD, as follows:

Recall the demand of the great tribal leader when, turning to the prophets, he called out: "Hearken ye, and speak to our people."

I say, hear ye—and ask—what is the meaning of this affliction upon our people, designated in the street jargon of "jittery"? Why should our courageous Nation be in tremor, frighted with the danger of being overwhelmed by conflict, our country deluged in war?

From what comes such imagined horrors? Here we recall the great truth law telling us: "Know the truth and the truth shall make ye free." My countrymen, this country has no purpose of having war with any other country. Its people have no intent of having war with any other people. Officials of America do not seek to attack any people or any country. If lands abroad find it to their purpose to shatter civilization, through cannons on the land and bombs in the air, to serve some purpose of military grandeur or seizing of territory, none of this seduces America, save to express amazement and regret. We do not enter into this warring. We do not approve of this contest. We will not allow any country to draw us into such. We will not permit any people to announce us a war ally nor to hold us before the world as willing to enter into any controversy that will take our Nation to arms.

If there be around us circulated report that this United States is to be taken by its officials into conference with foreign nations looking to consolidation of forces for military encounter, let it be answered: This country will attend no such conference in Europe; it will invite no such conference to America; it will not be trapped into designs that shall license any European statesman to announce us to the world as an ally of international murder and appropriating envied territory. We remain America.

America does not endorse a course of any leader or war power who would adopt to self the imperialism of Caesar or the militarism of Napoleon. We behold with sadness that there are captains of military aggression who dream of world domination to achieve personal grandeur. They who would reenact the drama of Napoleon as acted in the presence of the great prelate, the Pope of Rome. History informs us that at Milan, Italy, the Pope being present to crown Napoleon emperor, this military master seized with his hands from the possession of the sacred majesty, this bauble, and crunched it upon his own head, saying, "God has given this to me; war to all who dare to touch it." That we have this event in the shadow of its repeating has awakened the world to fears of another dynasty of the military march and the annihilation of nations.

We ask, Why should America enter this era of fear and suspicion? This is a government of the people, not of kings or princes. This is a country of citizens not of military captains. Our people have chosen at the ballot box their President and officials of control. These represent peace and religion. What purpose have our officials in destroying all this, what object could they have of value or profit? Is there anything in the past history or present experiences of these American officials to justify the citizen in taking to himself the fears that are inspired by the unjust reports and false rumors which have taken possession of the minds and shaken the souls of the American citizens? When President Roosevelt as the head and voice of America was asked in public conference by his legislative colleagues, if he contemplated that anything could arise from his plans that would call for this land using force, or being drawn into a conflict of force from other lands, his reply was promptly "No, under no circumstances can I see such."

I beseech you to recall how falsely have our people been deluded by propaganda that has come from the outside with deliberation, or from our own people through hasty suspicion. When the rumor went forward and the great press of America was imposed upon by the accusation that the President had said "The front line of our interest in international affairs was at France," a natural uncertainty seized us. Now it is seen that no such statement was ever made. No such expression came forth from anywhere. When the charge went forward that the President had had a secret alliance or understanding with a foreign nation to join it in its enterprises of conflict, our people naturally felt a tremor of fear. Now it develops that no such ever existed, no such secret alliance, or suggestion along such line was ever advanced.

These misconceptions have done much to bring upon the President false accusation and unjust judgment. Also to put the administrators of our Government under the suspicion that it had some design of taking our country into conflict, and that there was being held out from the people some conspiracy that would involve our Nation into possible catastrophe.

I ask you to reflect and note that our people have never been tricked or trapped in anything by this administration. Will you not recall that right or wrong in theory, perfect candor, and open frankness has ever been given to the people by the President on all purposes. Why now should there be that want in our citizens of complete confidence? Why the denial of praise by our people to its Government that every other nation is enjoying from its people? England turns from one administration to another at the will of its electorate, praising whatever is in power and supporting it with all the warmth of its patriotism. France forsakes every political distinction to join in conferring complete power on those whom the people have placed in position of authority. Italy, though in the past fighting its government in different forms, joins into one union to praise and accord glory to the leaders in

control of their Government. Germany, without consideration of any past, has her millions swarming about her leaders to proclaim confidence and to give assurance of complete faith in their Government and whatever it does.

Painfully we behold that it is only in free and true America that there is to be seen the reflections of discredit upon its officers and suspicion addressed against its head official. I warn you that the enemy, wherever it is, understands from experiences it has beheld in the divisions between Austrian leaders, the absence of union in Czechoslovakia, the distractions within the smaller countries, that in these oppositions among themselves there is fulfilled the ancient Latin war maxim of "Divide and conquer." If we in the United States allow ourselves to be divided, and upon small matters of politics or personalities continue upon ourselves divisions and distractions, such will be the hour the enemy will seize as the fitting time to open assault and carry to extreme what certain scurces have long desired—the dissension and then the destruction of America. Only a union cemented by patriotism can ward this from us. On this beware!

Citizens, this is the hour that calls for America to stand steady upon its feet, to hold high its head and keep its brain cool, with its heart loyal. We need action of quiet and comfort; kindly to all—fear of none. We request our country to rejoice in our great history. Behold our achievement in industry, our generosity in charity, our guardianship of the poor and humble, our efforts to prosperity—the acknowledged honor and righteousness of our Nation. On all this may we declare, as the Great Master to the Apostle Peter: "On this rock we build our house, and the gates of hell shall not prevail against it."

Here we turn to our fellow citizens in this hour, with complete confidence again restored—all proclaim that ours is a land of peace and faith. Our people are in the arms of loving friends and religious guidance. We this day salute the flag of our Nation, rejoice in the splendor of our Republic, and join anew in the refrain:

"My country, 'tis of thee,
Sweet land of liberty,
Of thee we sing."

The Housing Issue

EXTENSION OF REMARKS
OF
HON. CLAUDE PEPPER
OF FLORIDA
IN THE SENATE OF THE UNITED STATES
Thursday, March 23, 1939

EDITORIAL FROM THE WASHINGTON EVENING STAR OF MARCH 23, 1939

Mr. PEPPER. Mr. President, I ask unanimous consent to have published in the Appendix of the RECORD an editorial from the Washington Evening Star of March 23, 1939, entitled "Threat to Housing."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of March 23, 1939]

THREAT TO HOUSING

The solid Republican bloc in the House which has stood four square against major New Deal legislation under the adroit leadership of Representative MARTIN of Massachusetts was split this week on the shoals of the housing issue.

Reversing a previous action of the House, a large number of the minority party deserted to the Democratic side Monday to help defeat, by a landslide vote of 290 to 77, a Republican amendment that would have paralyzed the entire slum-clearance and low-rent housing program had it become law. The astonishing result was a complete vindication for the United States Housing Authority, subjected to stinging criticism for allegedly excessive construction costs. To supporters of public housing in and out of Congress, however, the vote was even more cheering. For it seemed a convincing demonstration that the elected representatives of the people rightly regard the cause of public housing as one in which partisan politics should have no role.

The defeated White amendment, which would have limited the over-all cost per dwelling unit to $3,500, a cost impossible to achieve, would have resulted in the cancelation of millions of dollars in loan contracts to 140 cities. As soon as word of its earlier passage reached the country, protests poured into Washington from all sides. In Philadelphia, the Republican controlled housing authority felt compelled to call a halt to all housing work until the final outcome was known. The headquarters of the C. I. O. and the A. F. L. realized more than others, perhaps, the disastrous effect a cessation of the housing program would have on the building trades. Forgetting their differences over the control of labor in general, each sent a vigorous protest to Congress.

The U. S. H. A., however, soon found that it had escaped the frying pan only to get burned in the fire. As the Interior Department supply bill containing the housing appropriation passed the House, language was deleted on points of order with the result that the administrative expense allowance will, in effect, be reduced $2,500,000 below the $4,500,000 authorized in the bill. Representative White was again the sponsor of this destructive move which, unless remedied in the Senate and in conference, may compel the Authority to discharge at least half of its administrative staff of 1,307 employes after June 30. The points of order were sustained under the House rules.

When the effect of this drastic curtailment of funds becomes fully realized, it is believed that Republicans in both the Senate and House will rally to correct it before it is too late. The threatened reduction in administrative expenses comes at a time when the work load of the U. S. H. A. is approaching its peak.

The Government's Monetary Policy

EXTENSION OF REMARKS
OF
HON. KEY PITTMAN
OF NEVADA
IN THE SENATE OF THE UNITED STATES
Thursday, March 23, 1939

ARTICLE FROM WALL STREET JOURNAL OF MARCH 22, 1939

Mr. PITTMAN. Mr. President, I ask unanimous consent to have printed in the RECORD an article published in the Wall Street Journal of Wednesday, March 22, 1939, discussing the Government's monetary policy, and particularly the position taken by Chairman Eccles, of the Federal Reserve Board, and myself before the Senate Silver Committee.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal of March 22, 1939]

ECCLES, PITTMAN CLASH ON LATTER'S DEMAND FOR MONETARY STEPS—WESTERN SENATORS ATTACK SPENDING POLICY AS FAILING TO AID COMMODITY PRICES, RECOVERY

WASHINGTON.—A sharp clash between Chairman Marriner S. Eccles, of the Federal Reserve Board, and westerners on the special Senate silver committee developed yesterday on the currency-inflation controversy as Senator PITTMAN (Democrat, Nevada) joined with his colleagues in a strong demand for some monetary step by the administration to raise the general commodity price level.

The Senators attacked the administration's spending policy as among the "subterfuges" which completely failed as a stimulant to domestic commodity prices or as an aid to economic recovery.

Senator PITTMAN had charged that the enormous expenditures of the Government had completely failed to raise the price level, and wanted to know why the Government did not attempt a controlled currency-inflation program.

Mr. Eccles insisted that price level is much more favorable than it was in 1932, 1933, and 1934. He also contended that the monetary policy of the Government has not substantially raised price levels nor has the silver-purchase program. He contended that if one of the efforts has failed all three have failed.

"You stated that currency inflation would result in a rapid rise in prices," Senator PITTMAN said in questioning Mr. Eccles. "I wonder why you do not do it until the purchasing power of the farmer has reached parity."

Chairman Eccles in reply stated: "I have attempted to point out that no monetary action, unless purchasing power of consumer is increased, is likely to result in increases in prices."

WILL NOT RAISE PRICES

"Merely further increase in excess reserves or bank deposits, unless it results in putting more money in hands of people as a whole, will not raise prices," Mr. Eccles continued. "Now, I would like to know in what way the Federal Reserve can by itself contribute toward increase in prices to which you refer?" Mr. Eccles asked Chairman PITTMAN.

"You have stated that currency increase would do it. You would have complete control," Senator PITTMAN declared.

Mr. Eccles insisted that the Reserve Board could not do that because if it merely issued currency it would not stay in circulation.

The committee started out to propound prepared questions to Mr. Eccles on Reserve operations, but members got into a discussion of inflation and prices and orderly questioning was completely abandoned in favor of informal discussion of the whole monetary and economic problems.

Senator PITTMAN openly criticized the reserve requirement action of the Federal Reserve System between 1936 and 1938. He drew from Mr. Eccles statement that the reserve requirement increases had a psychological effect and perhaps did reduce speculation in securities.

RESERVE REQUIREMENTS

With respect to the reduction in reserve requirements of April last year, Mr. Eccles stated because of the abundance of funds this reduction could not have had more than a psychological effect.

Both Senators PITTMAN and THOMAS of Oklahoma implied that the Federal Reserve, by its reserve requirement action, checked an improvement in business and industry.

Mr. PITTMAN insisted that if the reduction in reserve requirements had the psychological effect of stimulating activities, the reductions in 1936 and 1937 had the effect of retarding efforts toward recovery.

Senator PITTMAN contended that the Government during the past 6 years has attempted by every means, including subterfuge, to raise the commodity price level. He then asked Mr. Eccles if that was not a fact.

"I think everybody felt prices should go up, that it would be desirable to have higher prices," Mr. Eccles replied.

Senator PITTMAN then asked if the effect of currency inflation would not be rapidly raising the price level, and Mr. Eccles said that he thought that that was right.

"Then why not do it?" Senator PITTMAN shouted.

"Because it cannot be done by currency operation alone," Mr. Eccles said.

"I still go back to your answer that currency inflation will raise prices," the Senator declared.

CURRENCY IN USE

"The mere issue of currency doesn't mean inflation unless currency is put to use. I don't disagree with those that want to encourage or hurry private investment in new enterprise. The inducement for new investment at this time is certainly not very great. The problem can't be solved by currency or monetary manipulation beyond the point of having adequate supply of reserves and adequate supply of deposits to sustain full employment," Mr. Eccles said.

Continuing, Mr. Eccles contended that "our trouble today is not the volume but the turn-over of money. Turn-over is very low."

Senator BORAH wanted to know what could be done to increase the volume of turn-over.

Mr. Eccles said that he thought the Government should do all it could to remove impediments to encourage private capital. But to reduce the Government's contribution at this time would make less desirable the use of private capital. The principal problem today, he said, is that the people do not have purchasing power because they do not have money.

"Lack of opportunity to get a profit is the principal impediment to recovery today," Mr. Eccles stated. He said that the opportunity for hugh investment does not exist.

In answering charges that the Federal Reserve had checked prosperity, Mr. Eccles argued that action of the Reserve Board on reserve requirements did not effect the credit policy, and he called attention to the exceeding low Government bill rates.

"Do you think it is good for bills to be selling on a no-yield basis?" Mr. Eccles asked Senator PITTMAN.

Senator PITTMAN said that he did not imply by his questions that that was a good situation.

A Napoleonic Parallel?

EXTENSION OF REMARKS

OF

HON. PAT McCARRAN

OF NEVADA

IN THE SENATE OF THE UNITED STATES

Thursday, March 23, 1939

EDITORIAL FROM THE WASHINGTON EVENING STAR OF MARCH 22, 1939

Mr. McCARRAN. Mr. President, on March 21, as is disclosed by the RECORD, I made some statements on the floor of the Senate on the subject of the analogy between Mr. Hitler and Napoleon, and between the present situation in America and the conditions prevailing under the Napoleonic rule. At this time I ask unanimous consent to have printed in the RECORD an editorial from the Washington Star of March 22 on the same subject.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of March 22, 1939]

A NAPOLEONIC PARALLEL?

It is almost exactly 130 years ago this spring that George Canning, masterful young Foreign Secretary of Great Britain, turned to challenge the mounting power of Napoleon in Europe and the "continental system" established by him after a series of conquests that left England isolated and apparently doomed to be his next and final victim.

The "little Corsican" was absolute master of Western Europe. As Historian John Richard Green narrates, "its whole face changed as at an enchanter's touch." Prussia was occupied by the imperial legions. Holland was converted into a monarchy by simple decree of the man on horseback, and its crown bestowed on his brother Louis. Another brother, Jerome, became King of Westphalia, a realm created out of the electorates of Hesse Cassel and Hanover. A third brother, Joseph, was made King of Naples, while the rest of Italy, including Rome itself, was annexed to the French Empire.

It was the hope of eventually crushing the world power of Britain which drove Napoleon to his worst aggression, the wanton attack upon Spain. In May 1808 a French army entered Madrid and proclaimed Joseph Bonaparte King of Spain. Spain rose as one man against the stranger. Desperate as her effort seemed, the news of the rising was hailed with enthusiastic joy by the English people. "Hitherto," cried Sheridan, a leader of the Whig opposition, "Bonaparte has contended with princes without dignity, numbers without ardor, or peoples without patriotism. He has yet to learn what it is to combat a people animated by one spirit against him." Tory and Whig alike, Green records, "held that never had so happy an opportunity existed in Britain to strike a bold stroke for the rescue of the world." Canning determined to abandon the campaign of "desultory descents on colonies and sugar islands" for vigorous warfare in the Spanish peninsula. Pitt, after Trafalgar, 4 years previous, had said in what were destined to be his last public words, "England has saved herself by her courage. She will save Europe by her example!" Nelson having crushed Napoleon's dream of invading England, the Emperor concentrated his energies upon subjugation of the continent. Then Canning ventured to vindicate Pitt's prophecy. In 1815 came Waterloo.

If the latest news from London is verified by events, Neville Chamberlain seems minded to draw inspiration from George Canning by moving to crush the Napoleonic terror of this hour—Hitlerism. The nation stands behind him. It is authoritatively reported that the Prime Minister has proposed an anti-aggression declaration by Britain, France, Soviet Russia, and any other country willing to join a common "stop Hitler" front. Smaller European powers—among them Poland, Rumania, Yugoslavia, Greece, Turkey, and Bulgaria—are mentioned as among the states that might be invited into the proposed coalition. Along with the U. S. S. R., these six states lie directly in the path of the Drang nach Osten thrust which assumed menacing actuality for them after the Nazis' seizure of Czechoslovakia.

It goes without saying that much water will flow under the bridges of the Thames, the Rhine, the Seine, the Neva, the Dnieper, the Volga, the Tiber, and the Danube before any effective "stop Hitler" alliance, either diplomatic or military, can be consummated. But amid fast crystallizing events—now at Memel, tomorrow possibly in Rumania, or in whichever direction the victory-drunk Fuehrer may next decide to goose-step—the conviction is clearly taking root in London that the sands of mere protest and remonstrance are running out, and that nothing but action will now avail to halt the Nazi juggernaut in its tracks.

Fair Labor Standards Act in Puerto Rico

EXTENSION OF REMARKS

OF

HON. SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1939

Mr. IGLESIAS. Mr. Speaker, the House Committee on Appropriations has not recommended an additional appropriation of $3,000,000 as requested for the relief work in Puerto Rico because of the great advancement in unemployment that has occurred in consequence of the Fair Labor Standards Act. With respect to the situation represented as having been brought about by the Fair Labor Standards Act, attention is invited to the following excerpt from the hearings of Mr. Fairbank, assistant administrator of the Puerto Rico Reconstruction Administration:

Within the past 6 months several things have happened that have presented us with an unprecedented and unexpected situation. The wage and hour law has worked havoc in Puerto Rico. The needlework industry, employing approximately 100,000 persons, will be practically wiped out by the Fair Labor Standards Act, and, in anticipation of its immediate enforcement, the industry is already folding up and moving to the Orient. In the meanwhile, pending such reorganization as will be necessary to meet the new conditions, the tobacco industry is at a standstill. This year the sugar industry will not employ by many thousands the

usual number because of efforts on the part of the sugar operators to readjust their grinding season and through the installation of labor-saving equipment to meet the increased manufacturing costs brought about by the Wage and Hour Act and aggravated by the present low price of sugar. Practically every sugar mill on the island has reduced its budget for the year by from 20 to 60 percent, and no one cares to predict just what will happen in Puerto Rico after the grinding season.

Today it is estimated that approximately 150,000 employable persons are without work, in spite of the sugar season being at its height and in spite of the activities of the Puerto Rico Reconstruction Administration, Public Works Administration, and other Federal aid. According to figures received by wire this morning, they estimate there are around 110,000 regularly employed people, or people who are regularly employed during the grinding season, who are without work, and about 90,000 or more that ordinarily would try to find work but who could not be considered as having regular jobs during the grinding season. The number of cases certified for relief had risen in November 1938 to 222,606, involving 1,121,035 persons, a sharp increase as the result of the above-mentioned factors, and this number will increase as the year progresses.

We are hopeful that, aside from this request for additional funds for the Puerto Rico Reconstruction Administration, the Congress will take under advisement the necessity of special legislation to correct the disadvantages under which Puerto Rico is laboring and to put the reconstruction program on a sound, self-liquidating basis. However, in the meanwhile we cannot permit these people to starve, especially when they are thrown out of employment through no fault of their own.

The committee thought that the grant of $3,000,000 "would be a poor palliative," and further added that "a cure is what is needed in Puerto Rico, and it is more to accentuate that fact and to stimulate action in that direction that the additional appropriation is not recommended."

It is true that the Fair Labor Standards Act is applicable to the island of Puerto Rico and that it has caused some unemployment among the people in various industries down there. But the philosophy of this argument as it appears in this report means that if Congress is not going to grant the $3,000,000 to help those people is because they are not going to get the results we are looking for. This, in my opinion, seems to be the application of a penalty to the people of the island of Puerto Rico which they do not deserve. Of course, the workers have the ambition, the noble desire, to be assisted and cooperated with in their efforts of uplifting the conditions of the men and women who are working hard over there.

The denying of this relief will be an economic catastrophe at this time. To deny relief will be a terrible blow to the people of Puerto Rico. To deny such assistance and cooperation we asked of the Congress of the United States to the people of Puerto Rico, would never be understood, and it could not be explained to them, that it is because of the wage and hour law applied over there as well as here, that they are going to be penalized. It appears that because of said law Congress is going to cut out an appropriation of $3,000,000, which was suggested by the President and approved by the man in charge of the administration of the Budget.

We have had unemployment in the island for many years, before this law was extended to the island, and there are other economical reasons that cause it. Ultimately the House approved the grant of $1,000,000.

I would like to insert herewith a resolution adopted by the Free Federation of Workingmen of Puerto Rico, affiliated to the American Federation of Labor, in connection with the Labor Standards Act, which reads as follows:

FEDERACION LIBRE DE LOS TRABAJADORES DE PUERTO RICO,
(Afiliada a la American Federation of Labor)
San Juan, P. R., March 17, 1939.

The honorable House of Representatives, Washington, D. C.:

In compliance with instructions of the Free Federation of the Workingmen of Puerto Rico (a State branch of the American Federation of Labor), I have the honor of bringing to your attention and consideration a resolution adopted today by the executive council of this body, as follows:

"This Federation of Labor having been advised that amendments are being considered by the House Labor Committee intended to exempt Puerto Rico from the provisions of the Fair Labor Standards Act of 1938 and providing at the same time that special committees for each industry composed of representatives from the United States Government and from the Government of Puerto Rico will be created to adjust and fix minimum rates for this island, as agreed upon, wants to go on record as follows:

"We cannot deny the fact that strict enforcement of the Fair Labor Standards Act of 1938 in Puerto Rico has caused disturbances in certain industries. However, the big problem for us in this island, as viewed from the standpoint of labor, is to provide adequate working conditions and fair wages for over 400,000 workers employed in intrastate commerce, as against 100,000 workers employed in interstate commerce.

"Excepting tobacco stripping and the needlework industry, in our opinion, all the other industries covered by the Fair Labor Standards Act, such as the manufacture of sugarcane, transportation, hair nets, mother-of-pearl buttons, distilleries, men's hats, diamond polishers, can afford to pay the minimum wages as provided by the Fair Labor Standards Act of 1938, a fact which could be easily ascertained through a fair investigation, and a good number of the above-mentioned industries are actually paying the rate of 25 cents an hour or more.

"The difficulties confronted by the tobacco-stripping industry have been practically met successfully and settled by amendments approved by the Administrator of the Wage and Hour Division on the 23d of February 1939 to the definition of what constitutes an area of production and the creation of a first concentration point at which the tobacco may be stripped. Through these amendments to the original definition of the area of production the difficulties for tobacco farmers and dealers who use the first point of concentration for their stripping have practically disappeared, and the portion of the tobacco-stripping business declared to be covered by the Fair Labor Standards Act of 1938 is that affecting the manufacturers who strip the tobacco to be converted by themselves into cigars or cigarettes.

"This information is intended to prove that the problem even for the tobacco-stripping business has been partially solved.

"It is our honest opinion that the main problem for us at the present is to accommodate the needlework industry, which in most of its main lines, we have to admit, cannot afford to pay the minimum wage of 25 cents per hour.

"Notwithstanding these facts, and in view of our peculiar conditions and the disadvantage in which we are to compete with the mainland industries and with foreign industries, the organized labor of Puerto Rico, as represented by this federation, is ready and willing to help, protect, keep, and stabilize all our industries in Puerto Rico, including the needlework industry which so badly we need, if adequate protection is given to labor interests through insular legislation or through any special Federal legislation that might be deemed necessary to be adopted by the United States Congress in view of special conditions prevailing in this island and providing that in such Federal legislation creating any special board, boards, or committees, adequate representation of organized labor is assured, and providing also that in such amendments a fair minimum wage for the island according to local conditions is assured, and providing further that no provision of such amendments shall justify any employer in reducing a wage paid by him at the present which is in excess of the minimum wage applicable under such amendment, and that no employer would be justified in increasing hours of employment maintained by him which are shorter than the maximum hours applicable under the amendment proposed.

"It has been also demanded by organized labor in Puerto Rico from the insular legislature to provide for adequate legislation to regulate home work and to establish fair minimum wages for intrastate commerce.

"In line with this demand a joint committee composed of three representatives of this federation and three representatives of employers of the needlework industry, at the request of the honorable the Governor of Puerto Rico, has been working hard for several days in the discussion and drafting of bills covering regulation of industrial home work and the establishment of fair minimum wages for intrastate commerce through joint wage boards composed of employers and employees and presided over by a representative of the public, all the members to be appointed by the Governor of Puerto Rico.

"These drafted bills, which are agreeable to both parties concerned, have been already handed to the honorable the Governor of Puerto Rico for study, and it is our hope that same will be considered and passed by the insular legislature.

"If, as stated above, the amendments proposed to the Fair Labor Standards Act of 1938 do provide for adequate representation of labor, for a fair minimum wage in this island, to protect against reduction of wages paid at the present which would be higher than the minimum, and which will assure adequate remedies for industrial home work and minimum wages for intrastate commerce through action of our insular legislation, we have no objection to offer to amendments to the Fair Labor Standards Act of 1938 being considered by the House Labor Committee.

"Conditions at the present in Puerto Rico as to employment are worse than they were ever before in this island, and we urge that adequate remedies be adopted promptly by the administration in Washington and the United States Congress without unnecessary harm to labor and industry in the mainland or in Puerto Rico.

"We also respectfully request that if public hearings are called to consider this most important matter, and particularly to discuss the wage to be fixed for Puerto Rico, that this labor organization be advised with ample time in advance to be heard and present our side on the proposition."

In complying with the instructions of the executive council of this State federation of labor in transmitting to you the above-quoted resolution, I beg to remain,

Very respectfully yours,

NICOLÁS NOGUERAS RIVERA,
General Secretary, Free Federation of the Workingmen of Puerto Rico.

The All-American Canal

EXTENSION OF REMARKS
OF
HON. ED. V. IZAC
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 20, 1939

REPORT OF THE DEPARTMENT OF THE INTERIOR

Mr. IZAC. Mr. Speaker, ever since the inauguration of reclamation activities by the Federal Government we of the West and our predecessors before us have come before our colleagues and asked their cooperation in what means not only the prosperity of vast sections of our Nation but the very survival of the people of those sections. But seldom do we report back to our colleagues the progress being made and the resultant good that has been accomplished.

Now that the Interior Department appropriation bill has successfully run the gantlet of well-intentioned economy advocates, I want to make a few remarks in the nature of information so the Members of the House may know what they have made possible by the continuous appropriation of funds for a project of great importance to the whole Southwest.

Upon completion of the Boulder Dam, excavation work for the All-American Canal was begun. This latter has now been practically completed and the water which was turned into the canal last October has now reached a distance of 22 miles. Above Boulder Dam a lake 115 miles long now provides water for the irrigation of the lands of Imperial Valley, hundreds of miles to the south. As soon as the silt-laden water of the Colorado has properly sealed the bottom and sides of the first 22 miles of the canal, similar operations will be conducted throughout the nearly 100 miles of the length of the main All-American Canal.

That everyone may have a clear idea of the nature of the undertaking, I am giving herewith a report released by the Department of the Interior on March 10 of this year.

The report is as follows:

Seasoning operations through the first 22 miles of the All-American Canal were in progress throughout February, while heavy releases of water from Lake Mead were being made at Boulder Dam.

About 1,500,000 acre-feet of water were released from Lake Mead in order to empty the lake to a point where it can handle without difficulty the spring flood of the Colorado River as anticipated on March 1. Snow surveys indicated in February that the run-off of the river would be slightly above the average this spring. If additional heavy snows are received, there will be time to make additional withdrawals from Lake Mead prior to the flood which is expected in late May or early June.

The heavy releases at Boulder Dam provide a flow at Imperial Dam, where the All-American Canal heads 300 miles downstream from Boulder Dam, of approximately 24,000 cubic feet per second, the largest amount which has been noted there since 1933.

These releases also, through scouring the river bottom, carried heavy silt loads. The river carried more silt during February than in any comparable period during the last 5 years.

Bureau of Reclamation officials at Imperial Dam had been awaiting a rise in the silt content of the river to begin large-scale seasoning operations on the All-American Canal, since silty water was desired to seal the sides and bottom of the canal.

The silty water was allowed to flow through the desilting basin to determine the actual compactness of the "fills" or walls enclosing the basins and the tightness of the basin floors. Progress planned on the basis of this and subsequent tests is significant to all of the area to be surveyed by the canal system, for before Colorado River water can be released for actual use in the canal, operation of the desilting works must be demonstrated.

The ultimate maximum diversion of water into the All-American Canal will be 15,155 cubic feet per second. Some idea of the tremendous task which the desilting works must perform, can be gained from studies which indicate that on the average approximately 8,000,000 cubic yards of silt will pass the head gates annually during the first 10 years of operation. The three pairs of basins now installed are designed to remove 70,000 tons of silt every 24 hours when in full operation, eliminating an annual expense of approximately three-quarters of a million dollars which would be necessary for canals and laterals if the silt were permitted to flow into the system. Provision has been made for additional units later, if required.

The desilting basins are located immediately downstream from Imperial Dam, and are equipped with 72 rotary-type scrapers, each 125 feet in diameter. Silt deposits will be moved by the scrapers into trenches, forced through a disposal system into a sluiceway channel leading into the river below the dam. Only water from which the heavy silt has been removed will flow down the canal system. Each basin is approximately 269 feet by 769 feet, with a rated capacity of 2,000 second-feet. The embankments separating the basins are compacted with selected material, and the slopes are paved with 18-inch dry-rock paving.

During the tests the large revolving scrapers were not in operation, and a limited flow of water which was not desilted was admitted into the All-American Canal. On February 7, the flow reached the Pilot Knob Wasteway, a distance of approximately 22 miles from Imperial Dam. At the Pilot Knob Wasteway the flow intermingled with the river diversion of the Imperial Canal through the Rockwood Heading.

While the discharge through the canal was not large in amount, the hydrographic and other observations, taken during its passage and since, will be of value in the seasoning and priming operations.

Current Waterways Program of the Army Engineers

EXTENSION OF REMARKS
OF
HON. WILL M. WHITTINGTON
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 23, 1939

ADDRESS BY MAJ. GEN. JULIAN L. SCHLEY BEFORE THE NATIONAL RIVERS AND HARBORS CONGRESS

Mr. WHITTINGTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Maj. Gen. Julian L. Schley, Chief of Engineers, before the Thirty-fourth Annual Convention of the National Rivers and Harbors Congress, Washington, D. C., on March 23, 1939, to wit:

Mr. President, ladies and gentlemen, it is with genuine pleasure that I come before you once again to recount to you something of the present activities and program of the Army engineers.

Since your last meeting several items of legislation have been enacted, affecting the work prosecuted by the Corps of Engineers and the policies under which it operates. The River and Harbor Act of June 20, 1938, adopted 52 projects and authorized investigations at 67 localities. The Flood Control Act of June 28, 1938, broadened Federal flood-control policy, modified 5 major projects, and adopted comprehensive projects for 13 basins. The act further directed that investigations be made on 96 streams. Since the enactment of the 1936 Flood Control Act there have been entrusted to the Engineer Department the construction of some 370 projects and prosecution of 650 investigations for flood control. The sums authorized for the accomplishment of these flood-control works total $689,074,000, of which less than 19 percent has thus far been appropriated.

I recently reported to Congress that approximately $403,000,000 could be profitably expended during the fiscal year 1940 for river and harbor and flood-control work.

In 1938 the sum of $200,704,000 was expended on similar works by the Department, and for 1939, $218,821,800 was appropriated.

RIVERS AND HARBORS

Although my annual report for the fiscal year 1938, recently released, contains full details, I will outline briefly the present status of the major features of our current program.

At present there are authorized approximately 1,000 river-and-harbor projects. Active work is in progress on approximately 350 of these. Investigations, including preliminary examinations, surveys, and reviews, are under way on over 500 proposed projects. To complete the new work on the authorized projects $227,000,000 additional to that already appropriated will be necessary. I have reported that $102,975,000 can be profitably expended for new work and $51,738,000 for maintenance during the next fiscal year, a total of $154,713,000 for river-and-harbor work. This latter figure compares with $136,483,000 expended on river-and-harbor works in the fiscal year 1938 and $112,020,000 made available for the year ending June 30, 1939.

HARBORS

It was only a decade ago that a port with a controlling depth of 30 feet or over was considered a class A harbor. Since that time development of steamships has so advanced as to demand much greater depths. A depth of 40 feet is being established at harbors frequented by the latest-type vessels, and New York is to be deepened to 45 feet.

INTRACOASTAL WATERWAY

The intracoastal waterway from Boston to the Rio Grande is gradually being attained. Construction of the enlarged Cape Cod Canal is in progress, and the 32-foot project is practically complete. In January I submitted my report on the New Jersey intracoastal waterway and recommended the adoption of a project to provide a channel 12 feet deep and generally 100 feet wide from the Atlantic Ocean at Manasquan Inlet, N. J., to Delaware Bay above Cape May, N. J. A board of officers is now making a study of the New York Bay-to-Delaware River section of the waterway. I expect to receive its report the latter part of next month.

GREAT-LAKES-TO-GULF AND CONNECTING WATERWAYS

During the current fiscal year 4 contracts have been completed and 12 awarded for work on the Federal improvement of the Great Lakes-to-Hudson River waterway, scheduled for completion in 1943.

The project for canalization of the upper Mississippi River is rapidly approaching completion. While there remains much to be done on the project in the way of land acquisition, clearing, construction of esplanades and buildings, all structures essential to the creation of the 9-foot channel have been completed except dam No. 24, which will be in operation next year.

The Missouri River project is progressing at a satisfactory rate. Over 90 percent of the fill has been placed in Fort Peck Dam and construction of the main control gates is in progress. Between Sioux City and the mouth, during the present fiscal year, approximately 19 miles of new dikes have been built, 17.5 miles of revetment placed, and over 8 000,000 cubic yards of material dredged in new-work operations. Bids for seven additional contracts on the project were opened last month. It has been gratifying to note that the depths and widths obtained have been generally well in excess of the present project dimensions, 6-foot depth and 200-foot width. A report has recently been submitted to Congress recommending increasing the project depth to 9 feet from the mouth to Sioux City.

In great measure the navigation improvement program on the Ohio River and its tributaries is in the nature of reconstruction, extension of lock guide walls, and revetment and dredging in connection with open-channel work.

I have recently submitted my report on the proposed Ohio-Great Lakes Canal in which I recommended construction of a waterway extending from the Ohio River through the Beaver-Mahoning and Grand River Valleys to Lake Erie, with minimum depth of 12 feet, and generally 250 feet wide, at an estimated cost to the United States of $207,257,000.

There have been no major changes made or recommended in the Mississippi River project above Baton Rouge. I have just submitted my report on the section from Baton Rouge to the passes in which I recommended increases in depth and width, including the establishment of a 40-foot depth at New Orleans.

Construction of the Tuscaloosa Dam on the Warrior River, which will replace three of the existing dams, will be completed by the end of 1939. Several studies of this waterway and proposed extensions are now under way, of which two are giving consideration to a connecting waterway to the Tennessee River. One route proposed is via the Tombigbee, the other by way of the Black Warrior. A third study covers the feasibility and advisability of replacing four of the existing locks and dams by a new high-lift structure near Demopolis.

Construction of a 15-foot channel in the Columbia River between Vancouver and Bonneville is under way and can be completed with available funds. The full authorized 27-foot depth can be dredged next year at a cost of approximately $2,000,000. The Bonneville Dam including the initial installation of two power units is practically complete. The present work consists largely of installation of four additional power units, with four more to be built as funds become available.

SACRAMENTO RIVER DEBRIS CONTROL

Under the project for Sacramento River Debris Control, the North Fork debris dam on the American River, authorized in 1935, is practically complete. Construction of the $4,000,000 Upper Narrows Dam on the Yuba River is in progress, and the Ruck-a-Chucky Dam will probably be started shortly.

GENERAL FLOOD CONTROL

The need of rapid construction of sound flood-control works was emphasized twice during the year by the occurrence of improbable events. In March an exceptionally heavy downpour over the headwaters of the steep flashy streams in Los Angeles County caused a devastating inundation. Thirty inches of rainfall were recorded at some points within the California storm area. It is rare in this country to record such a precipitation during a single storm and particularly rare to experience such a rate of fall when a storm covers such a great area. Then in September a freakish tropical hurricane swept through New England at a time when the rivers were already swollen. The deviation of the storm from the accustomed hurricane paths, the sudden acceleration of its travel as it passed the coast of Maryland, and the fury with which it struck inland at a latitude where it would be expected to be well spent, were all unlikely events. The disastrous effect was increased by the fact that rivers were at high stages and the resulting flood was second in magnitude in many instances only to that of March 1936.

More recently, high waters in the Ohio, Susquehanna, and other valleys have reminded their dwellers that the work of control is only started. We do not know when or where floods will strike again. We must continue unstintedly the work of protecting our cities and valleys from flood even in years when we do not have these recurrent reminders.

Work has been placed under way on 143 flood-control projects and 17 of these have been completed. Plans are ready or nearing completion for 79 more. I reported to Congress that $195,525,000 could profitably be expended on general flood-control works during the next year. In 1938 the expenditures of the Engineer Department for general flood control totaled $36,584,000 and for the fiscal year 1939 the sum of $75,001,000 was made available.

Under the Flood Control Act approved June 22, 1936, local interests were required to furnish all lands and easements and to pay for railroad, highway, and utility relocation, hold and save the United States free from damages, and maintain and operate all works after completion. The rapidity with which construction could be begun depended very largely on the promptness with which local interests met these requirements. The act approved June 28, 1938, relieved local interests of all costs in connection with reservoir projects and channel improvement or channel rectification projects, and has thus made it possible to start actual construction on these types of projects with a minimum delay.

LOWER MISSISSIPPI RIVER

Since many of you were present yesterday when I spoke of the works on the lower Mississippi River, I will not detail that work. In that area considerable levee work is being carried on in the St. Francis and White River Valleys. The Wappapello Dam on the St. Francis and the Sardis Dam in the Yazoo Basin are under construction, and work on the Morganza floodway and Wax Lake outlet is going forward.

In general, the flood-control program has been progressing satisfactorily and under present law the delays encountered have been fewer and less serious to the work than formerly. I repeat, however, that in spite of the splendid progress of the past years, we must consider the program as just started. Assuming ample appropriations are available, it will require several more years to complete the present authorized work.

RESEARCH

During the past year, more than ever, the research facilities of the Department have been of great value. The major portion of our experimental work in hydraulics and soils mechanics has been carried on at the waterways experiment station in Vicksburg. However, use has been made of hydraulic laboratories at several of the colleges and universities of the country, particularly in connection with design of flood-control structures. Soils research laboratories have been established at the sites of most projects where earth is a principal material of construction. The Department's concrete laboratory at West Point, N. Y., is becoming increasingly valuable.

This laboratory work serves a dual role. Its primary purpose is to serve as an aid to design and a help to perfection of plans so that the constructed works will perform their intended functions properly and yet be as economical as possible. The second role played is in the advancement of scientific knowledge. Nearly every hydraulic experiment adds something to the store of information on the action and characteristics of water and so helps advance the science of hydraulics. Similarly, the young science of soils mechanics is aided. The contributions to our general knowledge of materials of construction, other than soil, while perhaps no less important in themselves, attract less general attention because so much research in this field is carried on elsewhere by other organizations.

NATIONAL DEFENSE

Let us not overlook the defense aspects of the country's waterway program.

We cannot tell when we shall be engaged in armed conflict again. We do not know whether our efforts to preserve the Nation in the next war will be restricted to the continental limits of the country. But we do know that a sound program demands that we be ready to meet any eventuality. Whether or not the theater of operations includes our shores, the entire Nation will be engaged in the service of supply. And no supply system can function without proper communications.

The communications network will require properly equipped and well-distributed termini. This means inland and coastwise harbors with adequate depths and transfer and terminal facilities. If we were required to rely on a few termini only, our traffic would clog and all operations would be delayed. Should a few coastwise harbors fall into hostile hands, our defense would suffer greatly unless we had other satisfactory harbors.

Our internal networks of communications systems must be complete and independent yet interlocking. Railroads, highways, and waterways—each integral and supplementary. We saw in 1918 that available rolling stock of the railroads was wholly inadequate to meet our internal transportation requirements. All existing water carriers were pressed into service and additional ones were built.

We would be guilty of culpable neglect if we did not construct and protect our communications system in time of peace. Consider the unnecessary waste, delay, and setbacks we might suffer if we had to divert men, materials, and money from the urgent, immediate defense problem to protect or rehabilitate our railroads, highways, and manufacturing plants from flood disaster. Consider the needless loss we would encounter should it be necessary to divert a part of our energies to complete waterways we might have finished during time of peace. I can see an untold value to our defense in a well-developed waterway system adequately protected from flood danger. Let us bear in mind that a preparedness program is not limited to

the development of our armed forces and the procurement of necessary military equipment. It includes a development of our commerce and industry to enable mobilization of all our resources with a minimum of effort.

Today, as it has for more than a century past, the Corps of Engineers stands ready to undertake studies and construction projects wherever they may be desired, to the end of advancing proper development of waterways necessary to the existence and progress of our country. It has been a pleasure and a privilege for me to be with you today as a representative of that corps, of which I have been a member since 1903, and to report our present activities and program in the execution of those projects which you and the people you represent recognize as essential to your well-being.

I thank you for your attention and wish you a happy and successful meeting.

Why Direct Appeals to the Supreme Court of the United States Are Asked in Indian Authorization Acts

EXTENSION OF REMARKS
OF
HON. USHER L. BURDICK
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 23, 1939

Mr. BURDICK. Mr. Speaker, there seems to be some confusion in the House with respect to the appeal in Indian cases. Many Members insist that the Indians do not need a clause in an authorization act permitting them to direct appeal to the Supreme Court of the United States in reviewing a case decided adversely in the Court of Claims. Many lawyers in this body insist that all the rights which Indians need and can secure can be preserved to them under a review by a writ of certiorari. In other words, there is no difference in effect between a direct appeal and a review of the case under a writ of certiorari. These advocates always stipulate that the attorneys, if they know what they are doing, can secure through this writ all that they can secure under an appeal. For the reason that this opinion is so widespread in the House, I desire to set forth the difference between these two methods of reaching the Supreme Court of the United States.

First. An appeal is a matter of right that cannot be denied, and when the petition properly sets forth the jurisdiction of the Supreme Court of the United States, and a proper question is presented, the review comes as a matter of right and cannot be denied.

Under a writ of certiorari the whole proceeding is not a matter of right at all but a matter within the sound discretion of the Supreme Court. They may or may not grant the writ, no matter what the petition presents. Going into the matter further, we find that in cases where the Court is apt to grant a writ of certiorari, some one of the following propositions must appear.

Rule No. 38, Supreme Court of the United States, section 5:

5. A review on writ of certiorari is not a matter of right but of sound judicial discretion and will be granted only where there are special and important reasons therefor. The following, while neither controlling nor fully measuring the Court's discretion, indicate the character of reasons which will be considered:

(a) Where a State court has decided a Federal question or substance not therefore determined by this Court or has decided it in a way probably not in accord with applicable decisions of this Court.

(b) Where a circuit court of appeals has rendered a decision in conflict with the decision of another circuit court of appeals on the same matter; or has decided an important question of local law in a way probably in conflict with applicable local decisions; or has decided an important question of general law in a way probably untenable or in conflict with the weight of authority; or has decided an important question of Federal law which has not been, but should be, settled by this court; or has decided a Federal question in a way probably in conflict with applicable decisions of this court; or has so far departed from the accepted and usual course of judicial proceedings, or so far sanctioned such a departure by a lower court, as to call for an exercise of this court's power of supervision.

(c) Where the United States Court of Appeals for the District of Columbia has decided a question of general importance; or a question of substance relating to the construction or application of the Constitution, or a treaty or statute, of the United States which has not been, but should be, settled by this court; or where that court has not given proper effect to an applicable decision of this court.

The language of that ruling does not say that if any or all of the precedents are present that the writ will be granted. It says, "The following, while neither controlling nor fully measuring the court's discretion, indicates the character of the reasons which will be considered." There you have it. There is absolutely no rule which can be followed in obtaining a writ because, no matter how well the petition sets forth the various reasons which the court may consider, it does not have to consider any of them.

Let me turn to the history of Indian cases that have been headed for the Supreme Court since 1918. It is open and obvious that the method of reaching the Court by the writ of certiorari process is one that is almost certain from percentages of the Court's action to meet with failure. I submit the following table in Indian cases:

Indian cases in the Court of Claims in which appeals were taken to the Supreme Court from May 22, 1918, to Mar. 15, 1939

Docket No.	Name	Decision of Court of Claims (dismissed, judgment for plaintiff, or judgment for defendant)	Type of appeal to Supreme Court	Decision of Supreme Court
29821	Winton *v.* Amos et al.; services Mississippi Choctaws.	Dismissed	Appeal	Affirmed
31002	Omaha Indians	Judgment for plaintiff $117,735.31	do	Modified and affirmed.
33731	Sisseton and Wahpeton Tribes of Indians	Dismissed	do	Affirmed.
H-121	Okanogan Indians et al	do	Certiorari	Do.
B-38	Osage Indians	do	Appeal	Dismissed.
K-335	Chickasaw Nation	do	Certiorari	Denied.
F-205	The Creek Nation	Judgment for plaintiff $86,823.19	do	Reversed and remanded.
		On remand dismissed	do	Do.
		On remand judgment for plaintiff $296,011.42, with interest on $136,357.25 (on mandate).		
J-31	The Assiniboines	Dismissed	do	Denied.
			Appeal	Dismissed.
F-64	The Kansas or Kaw Tribe of Indians	do	Certiorari	Denied.
E-346	Klamath and Modoc Indians	do	do	Affirmed.
	Reinstated under special act of Congress of May 15, 1936, and	Judgment for plaintiff $5,313,347.32, with interest at 5 percent from June 7, 1937, until paid on $2,871,250.	Appeal	Do.
H-76	The Chippewa Indians	Dismissed	Certiorari	Denied.
			Appeal	Affirmed.
H-37	Choctaw Nation	do	Certiorari	Denied.
F-181	The Choctaw and Chickasaw Nations	do	do	Do.
42077	The Eastern or Emigrant Cherokees	do	do	Do.
42081	Eastern or Emigrant Cherokees	do	do	Do.
H-219	Shoshone Indians	Judgment for plaintiff $793,821.49	do	Reversed and remanded.
		On remand judgment for plaintiff $4,408,444.23 with interest (on mandate).	do	Affirmed.
L-51	Seminole Nation	Judgment for plaintiff $1,317,087.27	do	Reversed and remanded.
		On remand judgment for plaintiff $10,099.25 (on mandate).		
J-231	Choctaw Nation	Dismissed	do	Denied.
C-531(3)	The Sioux Indians et al	do	do	Do.
C-531(1)	do	do	do	Do.
H-192	Chippewa Indians	do	Appeal	Affirmed.
C-531(5)	The Sioux Indians et al	do	Certiorari	Denied.
K-345	Coos (or Kowes) Bay Indians	do	do	Pending
H-155	Chippewa Indians	do	Appeal	Do.
K-376	The Chickasaw Nation	do	Certiorari	Do.

When we add to all of these considerations the fact that in all of these Indian cases the Government is the guardian of the Indian and exercises supervision over his property and his independent existence, and the Indians are, through no action of their own, the subservient and helpless wards of this system of protection, why should the Government send the Indians out of this Congress armed with a right to sue where there is in fact no opportunity of appeal, at least a most slim chance of appeal? Is it because we are afraid to trust the facts in the highest court of this land? Are we afraid of our stewardship? Are we fearful that our guardianship has been a most careless, negligent, wasteful, and wholly unauthorized course of conduct that has left the helpless Indians victims of a system that they had no voice in creating?

If this Congress is disposed now, after years of improper conduct on our part toward the first citizens of the United States, to give the Indians their day in court and have our stewardship scrutinized, under the adopted doctrine of strict accountability, as that doctrine obtains in our general court where the ordinary citizen is involved, we will write into every Indian authorization act a provision for appeal. To do less is to avoid our own accountability to those whom we have undertaken to defend and protect.

Theophilus Eaton, First Citizen of New Haven

EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1939

ADDRESS BY LEONARD WOODS LABAREE AT NEW HAVEN, CONN., NOVEMBER 20, 1938

Mr. SHANLEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Leonard Woods Labaree, associate professor of history and fellow of Davenport College, Yale University, at the unveiling of the memorial cenotaph in memory of Theophilus Eaton, founder and first Governor of the Colony of New Haven, in Center Church, New Haven, Conn., November 20, 1938:

"Take you wise men and understanding and known among your tribes, and I will make them rulers over you." (Deut. 1: 13.)

"Moreover, thou shalt provide out of all the people able men, such as fear God, men of truth, hating covetousness, and place such over them to be rulers of thousands, and rulers of hundreds, rulers of fifties, and rulers of tens." (Exod. 18: 21.)

These two texts from the Bible were read by John Davenport, minister of this church, at the first meeting in New Haven for the election of civil officers in 1639, in order to show, as the record has it, how "a magistrate according to God's mind is described. And Mr. Theophilus Eaton," the account continues, "a member of this church, a man well known and approved by the court as fitly qualified for that office according to the said description, was by full consent chosen magistrate for the term of one whole year. And Mr. Davenport gave him his charge grounded upon Deuteronomy 1: 16 and 17," which read as follows: "And I charged your judges at that time, saying, 'Hear the causes between your brethren, and judge righteously between every man and his brother, and the stranger that is with him. Ye shall not respect persons in judgment; but ye shall hear the small as well as the great; ye shall not be afraid of the face of man; for the judgment is God's, and the cause that is too hard for you, bring it unto me, and I will hear it.'"

Such is the official account of the election and installation of Theophilus Eaton as first magistrate of New Haven, an office which expanded with the growth of the jurisdiction into that of Governor of the New Haven Colony.

The man thus chosen was born in 1590 at Stony Stratford, Oxfordshire, the son of Richard Eaton, an Anglican clergyman. Soon afterward his father became rector of Holy Trinity Church in Coventry, and here Theophilus spent his childhood. When the boy was about 7 years old his father was called upon to administer baptism to the infant son of the mayor of Coventry, Henry Davenport. To anyone with the gift of prophecy, the solemn moment when the two fathers, minister and magistrate, confronted one another at the baptismal fount would also have seemed unusually dramatic. For the two sons not only were destined to be intimately associated in later life, but, reversing the religious and secular positions of their fathers, they were to become the cofounders and leaders of a new community. The son of the magistrate, who was this day given the name of John, was to become the pastor of a little band of Christians establishing their church and homes in the wilderness 3,000 miles away. The minister's son, Theophilus, was to become their secular leader, and for almost 20 years was to occupy the position of chief magistrate among them.

Eaton's parents hoped that he would follow his father's footsteps into the church, but in spite of a deeply religious devotion, his preference was for a career in business. Accordingly, he was sent to London as a youth, where he was apprenticed to a merchant. Upon completing his term of service and training, he became himself a merchant and a freeman of the city, engaging in the trade to the Baltic region. In the selling of cloth and the buying of lumber and naval stores—pitch, tar, turpentine, and hemp, which were the chief commodities of this commerce—Eaton soon became so much of a leader that he was made deputy governor—or, as we should say today, vice president—of the Eastland Co., the association of merchants which controlled that trade. For several years he traveled extensively in the Scandinavian countries expanding the company's business. He served for a time as agent of the English Crown at the court of the King of Denmark, and later acted as commercial agent for the Danish King in England. Eaton's mercantile activities were not without their material reward, and, as we are told, he came to be recognized as "a merchant of great credit and fashion in the city of London."

But his attention to business during these years in no way interfered with a deep and sincere interest in the religious problems of the time. About 1630 he became a parishioner of St. Stephen's Church, Coleman Street, whose eloquent young minister was his childhood neighbor, John Davenport. For some years Davenport had been coming more and more under the suspicion of the ecclesiastical authorities as a Puritan and it seems certain that the views of the minister were not far in advance of those held by several of his leading parishioners. In any case Eaton and Davenport, together with Sir Richard Saltonstall, Mathew Cradock, and Samuel Aldersley, all prominent members of St. Stephen's parish, were among the group of merchants and others who in 1628 formed the New England Co., later reorganized as the Massachusetts Bay Co., and secured a grant of land in America. The purpose of the organizers was perhaps largely commercial at the start, but the idea of providing a refuge across the sea for Puritans became more and more a factor in their calculations. When the decision was reached to transfer the company with its charter to the New World under the leadership of John Winthrop; Eaton and Davenport remained behind, but Eaton was appointed one of five men to manage the financial affairs of the company in England.

By 1633 Davenport realized the hopelessness of reforming the English Church from within and, upon the appointment of William Laud as Archbishop of Canterbury, fled to Holland with the help of some of his parishioners. There is no direct evidence of correspondence between Eaton and Davenport during the years of the minister's exile on the Continent, but that the two men kept in touch is probable. Eaton was not without his own troubles during the early 1630's. The affairs of the Eastland Co. were threatened by the course of the Thirty Years' War, necessitating two trips on his part to the Continent, in 1631 and 1633. Two years later he was summoned before the Court of King's Bench as a charter member of the Massachusetts Bay Co. to answer charges brought against it. When he disclaimed any responsibility for the proceedings of the colony in America, he was forbidden to act in any way under the authority of the charter. Religious difficulties were brought closer home to him when a younger brother, a clergyman, was imprisoned as a schismatic. Theophilus succeeded in bailing him out and the minister went into hiding. In the eyes of Puritans, clergymen, and laymen alike, matters were going from bad to worse, and by the time Davenport returned to England in disguise in 1636, Eaton was ready to lead another party of emigrants to the New World with Davenport as their spiritual guide.

It is not necessary here to repeat the story of their trials and tribulations in reaching Boston in June 1637. It is enough to recall the welcome Massachusetts gave the band of prospective settlers, a welcome made unusually warm, partly because of the quality of the group as a whole and partly because of the eminence of its two leaders—Davenport recognized as one of the most distinguished of Puritan divines; Eaton as the prominent London merchant, the man of substance and standing, who would bring fresh capital to the colony's material resources and deep wisdom to its civic councils. Nor need we dwell upon the reasons why these two and their followers declined to stay in Massachusetts but decided to strike out for themselves. At this point Eaton showed himself clearly as the man of action. In investigating possible sites for their new plantation, in heading the expedition which explored the shores of Long Island Sound, and in choosing finally the harbor of the Quinnipiac, to which be brought his company in April 1638, his leadership was clear. In all the many plans and decisions which had to be made before the independent settlement could become a reality, his was the prevailing judgment, his the authoritative voice.

It was a happy circumstance that in every question concerning the form and organization of the infant colony, and particularly in the matter of the relation of church and State, Eaton and Davenport were in complete agreement. From the moment of the first landing at Quinnipiac, and even before, until the two men were

parted by death nearly 20 years later, there is no evidence of serious disagreement between their conceptions of the ideal community organized and managed according to the word of God. Cotton Mather has called them "the Moses and Aaron of the Christian colony" here erected, and the comparison in cooperative leadership is not without foundation.

Unquestionably, before the minister presented his famous series of queries at the meeting of the planters on June 4, 1639, laying the groundwork for church and civil government, he had gone over the whole matter thoroughly with his colleague. It is specially significant that when discussion at the meeting came to the critical fifth query—whether the right to vote should be restricted to church members only—Eaton was the first to speak in favor and moved the question. And when one man, believed to have been his own brother Samuel Eaton, spoke in dissent, it was Theophilus who took up the argument in support of the limitation. In all the steps which followed leading to the final establishment of the church and government Eaton took the foremost part. His name stands first among the 11 men nominated for the "foundation work of the church", he heads the list of the "seven pillars" who actually organized this church on August 22, 1639; and when on the following October 25, the church members met as a court to elect civil officers and begin the formal government of the community, Theophilus Eaton was chosen, for the first of 19 successive times, chief magistrate of the settlement.

In reviewing the years of Eaton's governorship until his death in 1658, in order to form an estimate of the men, we are confronted with one serious difficulty. Unlike William Bradford and John Winthrop, the civil leaders of Plymouth and of Massachusetts Bay, he left no first-hand account of his colony. From Bradford's and Winthrop's histories it is possible to gain insight into the real natures of the men themselves and to judge of their attitudes and feelings on most of the important events in their respective colonies. But from Eaton we have no history of New Haven, no journal, not even a body of correspondence upon which to base our estimate. He was essentially a man of affairs, one who preferred posterity to know him through his deeds rather than through his written words. We are forced, then, to draw our conclusions largely from the official records, formal as they are, and from the accounts of other seventeenth century writers, using such historical imagination as we may possess to read between the lines into the character of the man himself.

In his capacity as a public officer the evidence shows that he fully justified the confidence placed in him at his first election. Cotton Mather emphasizes "the discretion, the gravity, the equity with which he * * * managed all their public affairs." This is borne out in his handling of relations with the Dutch in New Netherland. In this connection his position was particularly difficult. Both colonies had commercial ambitions which were in bitter rivalry, and the Hollanders were far stronger than their English neighbors. New Haven was bitterly disappointed when she failed to win the vigorous support against them of Massachusetts, the most powerful member of the New England Confederation. Yet Eaton maintained a policy of dignified protest at the insulting attitude of the Dutch director, on the one hand restraining his fellow colonists from rash acts of retaliation and on the other quietly encouraging them in their efforts to gain a commercial foothold in the contested region of the Delaware.

As magistrate and lawgiver, we might by twentieth-century standards call him harsh and narrow, but by the standards of seventeen-century Puritanism—that is, of the society in which he actually lived—he was very nearly all a ruler ought to be. Again Cotton Mather reports that "in all his dispensations of justice he was a mirror for the most imitable impartiality, * * * being awfully sensible of the obligations which the oath of a judge lays upon him." Today we criticize the code of laws he drew up for the colony in 1655 as overrigorous, leaning too heavily upon Mosaic authority as a source instead of upon the English common law. Actually the code, especially the section on capital offenses, was largely copied from the Massachusetts laws of 1648 and was in thorough harmony with the Puritan ideas of the times. Eaton has been sharply called to task for abandoning the practice of trial by jury. One historian has explained the omission on the ground of practicality, pointing out that with the relatively small numbers of male church members in the various towns of the jurisdiction it would often have been impossible to draft a sufficient panel of disinterested but properly qualified jurors to hear the cases. Another interesting suggestion comes with the authority of that eminent jurist and historian, the late Simeon Baldwin who believed that the New Haven code called for trial by a bench of magistrates because of Eaton's "preference for the methods of trial with which he had become familiar during his life [on the Continent of] Europe." In either case it is worthy of remark that New Haven's first Governor was in fact anticipating a procedure favored by many thoughtful lawyers of today and actually permitted at the option of the accused in the present Connecticut code.

In the sphere of economic matters Eaton had an unusual breadth of outlook and a constructive imagination bordering on the visionary. In his earlier commercial career he had been no mere provincial Englishman. He belonged to that group of aggressive merchants of Elizabethan and early Stuart times who thought in terms of overseas enterprise and who through their vigorous efforts built the foundations of England's great foreign trade. This broader outlook remained with him when with his merchant associates he came to lay the economic basis for a new settlement in America. New Haven—significantly named—was not to be a mere farming village in the wilderness as were so many of the other New England towns. In Eaton's mind it was to be the nucleus of a commercial development beyond anything which Englishmen had yet achieved in America, a port which tapping the resources of a virgin region, would send its cargoes to wide-flung markets and draw to itself in return a generous share of the world's treasures. Nor was this all. The colony might, under Providence, expand territorially far beyond the borders of the little town itself. The settlements on Long Island fostered by New Haven, the repeated efforts to plant a trading post on Delaware Bay, and the appeal to Cromwell for military aid suggest that Eaton and his associates hoped to drive the Dutch from New Netherland and some day to see the New Haven jurisdiction covering the whole area from the Connecticut River to the Delaware. Had such a dream been fulfilled, His Excellency Governor Cross might be today chief magistrate of a State of New New Haven, which would include not only the southwestern part of the present Connecticut but all of Long Island, at least southern New York, and all New Jersey, with perhaps Delaware and a little piece of Pennsylvania thrown in—in short, exactly the area which is now the richest and most populous part of the United States. That such an expansion of the New Haven colony was thought of at one time may seem to us fantastic, but it is no less a testimony to the wide horizons of its founder.

The collapse of the plan was doubtless inevitable, granting the circumstances surrounding the settlement. With all their comparative wealth, the merchants of New Haven were hardly supplied with enough liquid capital to launch successfully an extensive commercial enterprise. Furthermore, New Haven, for all the attractiveness of the harbor which so appealed to Eaton on first inspection, lacked one great requirement of a thriving commercial port—a rich and easily accessible back country. To the northward lay only a forest wilderness inhabited by unenterprising and poorly organized natives. And even to this region there was no easy access, no great water highway remotely comparable to the Hudson and Mohawk Rivers, which made possible the rich fur trade between the Iroquois country and the Dutch traders of Fort Orange and New Amsterdam. When the New Haveners sought to tap the resources of that other great inland waterway, the Delaware, they found their Dutch rivals not only too strong for them on the spot but also barring their line of communication through the western end of Long Island Sound. All this, we may say, might have been anticipated by Eaton and his associates in planning their commercial colony and in choosing the site for settlement. With our 300 years of hindsight it is easy for us to charge them with a certain lack of practicality. But the fact remains that only through the exercise of such imagination as theirs has the American Continent been settled at all. Only by repeated experiments like this, with failures as well as with successes, has the development of this Nation been made possible.

The failure of Eaton's commercial schemes suggests another quality of the man which justly entitled him to his position of leadership: his courage and persistence in the face of difficulties and sorrows. It was no easy thing for him, on seeing the collapse of his plans and the dwindling of his estate, to turn from trade, which had been his whole business life before, to agriculture. With the Puritans now in power at home, he might have returned to England, as a few of his neighbors did, but rather than surrender to his disappointment, and thereby discourage all the other settlers, he set the example of constancy by staying in the colony and helping as a farmer to establish a surer basis for its economic life.

Eaton faced other tribulations, personal as well as public, with equal courage. Almost upon his arrival in America he developed a physical ailment which called for repeated surgical treatment. The only surgeon available was a bungler who confessed that he did not know how to effect a cure. Yet Eaton encouraged the man to use the knife as best he could—without benefit of anesthetic—by the words, "God calls you to do and me to suffer." With unusual fortitude even for that day of stern repression, he later met the death of his ablest and most promising son. There were in his home life burdens even more difficult to bear. And yet, with all the accumulated sorrows and misfortunes which beset him, there is no record of complaint, no sign of regret for the easier life he had given up in England. Indeed, the testimony on this point is clear. Gov. Edward Hopkins, of Connecticut, a relative, reports with admiration having heard Eaton say "that he never had a repenting or a repining thought about his coming to New England."

The source of this courageous attitude was his deep and abiding Christian faith. His was no lip service to the religion he professed. It was his religious ideals which brought him to America and sustained him here. His ambitious plans for commercial activity in the New World notwithstanding, he never would have surrendered his assured position as an affluent London merchant, high in the membership of one of England's great trading companies, primarily for the sake of possible prosperity in a new environment. Those who, ignoring the realm of the spirit, seek to explain all human history in terms of economic motives, will find small comfort in the example of Theophilus Eaton. The kind of colony he founded, the regard in which he was held by his most sincerely religious neighbors, and the character of his private life all bear testimony to the reality and the power of his Christian faith and to the personal philosophy which sprang from it. "Some count it a great matter to die well," he was wont to say, "but I am sure 'tis a great matter to live well. All our care should be while we have our life to use it well, and so when death puts an end to that it will put an end to all our cares."

Such was the man in whose memory we are gathered here today, the first citizen of New Haven, the man to whom this community is indebted for so much of the courage and idealism that marked its beginnings. As we bring the observance of the tercentenary year to a close with the unveiling of this monument to the founder we can sum up his character and the human qualities of his person no better than by repeating the words in which a contemporary once described him. "This man had in him great gifts," wrote William Hubbard, "and as many excellencies as are usually found in any one man. He had an excellent princely face and port, commanding respect from all others; he was a good scholar, a traveler, a great reader, of an exceedingly steady and even spirit, not easily moved to passion, and standing unshaken in his principles, when once fixed upon; of a profound judgment, full of majesty and authority in his judicatures, so that it was a vain thing to offer to brave him out; and yet, in his ordinary conversation, and among friends, of such pleasantness of behavior, and such felicity and fecundity of harmless wit, as hardly can be paralleled; but, above all, he was seasoned with religion, close in closet duties, solemn and substantial in family worship, a diligent and constant attender upon all public ordinances, taking notes of the sermons he heard, exactly, and improving them accordingly; in short, approving himself, in the whole course of his life, in faithfulness, wisdom, and inoffensiveness before God and man."

Flood Control and States' Rights

EXTENSION OF REMARKS

OF

HON. WILLIAM M. WHITTINGTON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1939

ADDRESS BY HON. WILLIAM M. WHITTINGTON, OF MISSISSIPPI, BEFORE THE NATIONAL RIVERS AND HARBORS CONGRESS

Mr. WHITTINGTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered on this day, Thursday, March 23, 1939, at the Thirty-fourth Annual Convention of the National Rivers and Harbors Congress, Washington, D. C., to wit:

The wise use of land and water is essential to the highest development of any people. Rivers are the friends and not the enemies of man.

Since the last annual meeting of the National Rivers and Harbors Congress, progress has been made in national flood control.

The House Flood Control Committee conducted hearings from March 30 to April 19, 1938, and they are entitled "Comprehensive Flood Control Plans."

All advocates of flood control in the country submitting requests were heard. The Chief of Engineers, division engineers, and district engineers appeared before the committee. These hearings cover substantially all of the drainage basins of the Nation. They constitute complete information respecting flood control in the principal valleys of the United States.

FLOOD CONTROL ACT OF 1938

The Flood Control Act of June 28, 1938, is the most comprehensive legislation ever passed by this or any other country to promote flood control. It authorizes the expenditure, over a period of 5 years, of $375,000,000 for the protection of the lives and property of the people of the United States.

More than 10 years ago Congress, anticipating the public demand for improvements for flood control and allied purposes, authorized comprehensive surveys for the purpose of initiating actual improvements, with tangible results. Great numbers of surveys were completed by the Corps of Engineers and Congress was supplied with the information necessary for sound legislation

The act of June 22, 1936, effected a beginning to accomplish the national purpose, but it did not fully meet the demand. Additional legislation and a largely increased program of construction for flood control were demanded by the people of the country.

In recent years we have heard a good deal about planning. There is a proper place for planning, but much proposed planning respecting flood control has been all theoretical and has been lacking in practical results. The issues have been confused; the need has been legislation for the actual initiation of projects.

The reports of the Corps of Engineers cover practically every drainage basin of importance in the United States. The smaller tributaries are covered in sufficient detail to formulate many more projects than can be financed at the present time. Congress and the country demanded that flood-control works be initiated in all parts of the country.

The act of 1936 established a national policy for flood control and this policy was reaffirmed in the act of 1938. Flood-control improvements on navigable rivers and their tributaries, including the watersheds thereof, for flood-control purposes, were authorized wherever the benefits are in excess of the estimated costs, and where the lives and social security of the people are otherwise adversely affected.

The act of 1938 continues and enlarges the policy for the investigations of watersheds and measures of run-off and waterflow retardation, and soil erosion prevention on watersheds, under the jurisdiction of the Department of Agriculture.

The act covers the drainage basins comprehensively and approves general comprehensive plans for each of the drainage basins considered, but it authorizes only enough money to initiate the more important projects in such drainage basins. The works authorized will fit into the final comprehensive plan. The necessity of delaying the urgent improvements has been avoided. Practical results can be accomplished in no other way. All railroads started as single-track lines, but double-tracking has been done when the funds were available.

Time has vindicated the wisdom of the policy declared for the first time in the act of 1936. Soil conservation, reforestation, measures of run-off and waterflow retardation were placed under the jurisdiction of the Secretary of Agriculture. Flood-control works proper were placed under the Corps of Engineers. The policy is coordinated; the program is national. There has been full cooperation between the Department of Agriculture and the War Department. The act of 1938 enlarges and expands the policy and the program adopted in 1936. No new agencies have been established, but existing agencies, familiar with the problems involved, that have devoted years to studies and investigations, as well as the construction of works, are utilized.

The problem of flood control is attacked on all fronts. Flood walls and river walls are authorized for priority and emergency protection. Reservoirs on the tributaries are authorized to detain the waters at their source. Wherever power can be developed in reservoirs, provision is made for such power. All reservoirs in the act of 1936 and in the act of 1938 provide primarily for flood control. Only two of the dams in the act of 1938 provide for the development of power. These are, Dennison on the Red River, which is primarily for flood control but, in accordance with the policy, where power and flood control can be combined, provision is made for power at the Dennison Dam along the Red River. The other multiple reservoir which provides for both flood control and power is on the New River in West Virginia, and is known as the Bluestone Reservoir.

The Congress and the country believed that we had had enough of theoretical planning. There was universal sentiment that it was time for action. Both the Congress and the country are agreed that the planning and the execution of flood-control projects should be under the jurisdiction of the Corps of Engineers of the United States Army. The act of 1938 reaffirms and declares such to be the policy of the United States.

LOCAL CONTRIBUTION

The principle of local contribution is recognized and reaffirmed, but such local contribution is confined to local protective works, consisting primarily of levees and flood walls. The acts of 1936 and 1938, as well as the Mississippi flood-control acts, all provide that the local interests must provide the rights-of-way for levees and flood walls.

RESERVOIRS

It has been generally conceded that additional reservoirs for flood control, except in a few areas, would not be constructed unless local contribution was abolished. Reservoirs in one county benefit lands in another. Reservoirs in one State protect another State. Not more than five or six reservoirs authorized in the act of 1936 have been placed under construction. The two or three reservoirs under construction above the city of Pittsburgh are the only reservoirs that have been begun where the costs of rights-of-way are considerable. The city of Pittsburgh is one of the wealthiest in the Nation. In other areas where reservoirs are under construction the costs of rights-of-way are negligible. It has been evident that reservoirs for flood control would not be constructed unless the cost of these reservoirs is borne by the Federal Government. The act of 1938, therefore, for the first time provides that reservoirs for flood control shall be constructed at the expense of the Federal Government. Authorizations are made for construction in the several drainage basins. The reservoirs will be constructed in the order of their priority, as selected by the Chief of Engineers. Authorizations for one drainage basin cannot be transferred to another. Many reservoirs are eligible. The reservoirs will, therefore, be first constructed where the local interests cooperate most generally. It will be a long time before reservoirs are constructed in any area where there is not local cooperation. The Federal Government has constructed locks and dams for navigation, but generally the local interests have cooperated in furnishing rights-of-way.

The act of 1938 as it passed the House provided that the Federal Government was to pay 70 percent of the costs of lands, easements, and rights-of-way for reservoirs and dams for flood control. As finally passed it provides for the payment of 100 percent from the Federal Treasury. If the argument for the Federal Government paying the greater part of the costs of reservoirs is sound, the argument for paying all of the costs is much more sound.

For my part I have advocated for years that if reservoirs are to be utilized in solving the problem of national flood control, they would never be generally constructed unless constructed at Federal cost and by the Federal Government.

HEARINGS

It has been stated that there have been no hearings on dams and reservoirs at the cost of the Federal Government. For more than 10 years and ever since the great flood of 1927 along the lower Mississippi River, at all hearings on flood-control projects, including those conducted during the years 1937 and 1938, advocates of national flood control at national expense have appeared before the Food Control Committee. For 10 years and during the consideration of every flood-control bill, champions from various sections of the United States have appeared not only in behalf of dams and reservoirs, but for local protective works at national expense. During the hearings on the flood-control bill of 1938 and previously there were advocates including representatives from New England and Oklahoma who appeared and advocated dams and reservoirs at the expense of the Government.

Sufficient time has elapsed since the passage of the act of 1936 for Congress and the country to know definitely that unless the Federal Government assumes substantially all costs of dams and reservoirs they will not be constructed for flood control.

There is not much difference between 70 percent and 100 percent, particularly when the 100 percent is better safeguarded for the Federal Treasury than the 70 percent.

HYDROELECTRIC POWER

Under the act of 1936, pen stocks may be installed in any dam approved by the Secretary of War upon the recommendation of the Chief of Engineers. The act of 1938 goes a step further. The Federal Power Commission represents the Government in its power policies. The Commission will have an opportunity to examine all dam and reservoir sites. The act provides that pen stocks shall be installed when approved by the Secretary of War upon the recommendation of the Chief of Engineers and the Federal Power Commission. Substantially all of the reservoirs are primarily flood-control reservoirs. It should always be remembered and never forgotten that the reservoirs to be constructed are selected by the Chief of Engineers.

There should be no conflict between the Federal Power Commission and the Chief of Engineers. The provision with respect to pen stocks is fair. Inasmuch as the Chief of Engineers selects the projects, he should have a voice as to the construction and as to the installation of pen stocks.

There should be no apprehension with respect to the Federal Government engaging in power development as a result of the 100-percent cost of dams and reservoirs, because no power can be developed until Congress passes additional legislation. The act makes no provision for the generation of power. If power is to be developed at any dam authorized in the act, except at Dennison and Bluestone, it would be necessary for the plans to be changed and to be approved by Congress. There is no provision anywhere in the act that provides for superseding any existing State law with respect to the use or appropriation of waters.

WORKS AUTHORIZED

The act provides for flood-control works in the Connecticut River Basin; along the Hudson and Mohawk Rivers; in the Ohio River Basin; in the Upper Mississippi River Basin; in the Missouri River Basin; in the White River Basin; in the Arkansas River Basin; in the Red River Basin; in the Santa Anna River Basin; in the Willamette River Basin, and along the Spokane River and tributaries.

COOPERATION WITH OTHER ORGANIZATIONS

The bill authorized the Secretary of War and the Secretary of Agriculture to cooperate with all organizations and to utilize the services of all Federal, State, and other public agencies to carry out the provisions of the act.

EXAMINATIONS AND SURVEYS

Additional examinations and surveys are authorized by the Secretary of War and Secretary of Agriculture. Run-off and water flow retardation and soil erosion prevention are provided for.

WEATHER BUREAU SERVICE

Not to exceed $375,000 per annum is authorized to be appropriated for flood forecasts, flood warnings, and services by the Weather Bureau for furnishing suitable information on precipitation. Many lives and much property can be saved by adequate warnings and forecasts by radio, telephone, and telegraph.

AUTHORIZATIONS

The act authorizes appropriations, but authorizations are not enough. The immediate task is to secure the appropriations authorized. The Budget has recommended $110,000,000 for works under the acts of 1936 and 1938. These two acts contemplate the expenditure of at least $140,000,000 annually. The passage of authorizations should be followed by appropriations. Authorizations are not self-executing. It is for the Senators and Representatives to see that appropriations are made to provide for the construction of the projects authorized. The job immediately ahead in national flood control is to secure the appropriations authorized for the initiation of imperatively needed projects in all parts of the country.

STATES' RIGHTS

The doctrine of States' rights is often used as a cloak to cover up purposes that would otherwise command but little respect. The use of the term with regard to the act of 1938 is running true to form. Much hollow bombast surrounds the alleged invasion of States' rights. It is time for clear thinking; it is time for accurate statements; lives are at stake; there is no time for quibbling; there is no occasion for politics. Flood control is demanded by all political parties; the issue is nonpartisan. No question of States' rights should be injected unless States' rights are really involved. The issue, when injected, should be sound.

It has been alleged that the power to acquire land and rights-of-way for reservoirs is an invasion of States' rights. The spokesman for States' rights is Gov. George D. Aiken, of Vermont. It has been stated that the power to condemn without the consent of the State is an invasion of States' rights.

There is a State sovereignty, but there is also a national sovereignty. If flood control along navigable rivers is a national problem, to be solved by the Federal Government, it must follow as the night the day that the Federal Government is sovereign in the solution of the problem. It is unthinkable that utility companies in Vermont and Pennsylvania have the power of eminent domain to build dams and that power be denied to the United States in the exercise of its Federal function of flood control.

There is nothing revolutionary about the power to acquire property, either by condemnation or by purchase, without the consent of the States. The power to condemn is an inherent part of the sovereignty of any government—National, State, or local. The Federal Government has the power to condemn. It has been decided that property may be acquired for Federal functions without the consent of the States. Exclusive jurisdiction may not be acquired unless the State consents, but all jurisdiction that is necessary for the Federal function can be acquired without the consent of the State. The Government can acquire all of the right, title, and interest in and jurisdiction over property within the State without its consent that are reasonably necessary to build and maintain dams for purposes of flood control. The question has been decided by the Supreme Court of the United States.

It is to be noted, however, that no agency of the Federal Government is empowered to develop hydroelectric energy at any of the reservoirs provided for in the act of 1938, and that further legislation would be required to authorize such development.

Again, where a flood-control project is constructed under the act of 1938, under existing law no governmental agency can develop hydroelectric energy there without further legislation of Congress; and it is to be further noted that as the law now stands, States and municipalities would be given preference as licensees to develop power at such flood-control projects. The right, therefore, of Vermont and of the municipalities of Vermont in the event hydroelectric energy should be developed in the future is expressly protected.

There is nothing new about the power of eminent domain in the Flood Control Act of 1938. The War Department has possessed such power with respect to river and harbor projects for more than 50 years. It has the power to condemn for navigation dams without the consent of the States. As a part of its sovereignty it is essential that the Federal Government have the power of eminent domain.

The people only delegated to the Congress the power that was not reserved in the States. If Congress has the power to pass flood-control legislation, it must have the inherent power to construct the works. If the Federal Government is to pay the entire costs of the reservoirs, the Federal Government should have the power to protect the Federal Treasury by condemning in the event excessive damages are demanded.

But it is said that title to reservoirs in the Federal Government is an invasion of States' rights. The title to the Tygart Dam in Pennsylvania and West Virginia is in the Federal Government; the title to the Parker Dam, the Grand Coulee Dam, the Bonneville Dam, the Fort Peck Dam, and all of the dams in the Tennessee Valley is in the United States. All of the projects mentioned provide for title in the Federal Government without the consent of the States. There is nothing novel in having title vested in the Government. All public improvements made at the sole cost of the Government provide, as I recall, that title shall be vested in the Federal Government.

The title to Farm Security and Farm Tenant projects is in the United States. The title to forests and submarginal lands is in the Federal Government. Under the Reclamation Act, the title to reservoirs for reclamation is in the Federal Government. The act was passed more than 35 years ago, and there have been constructed, as I am advised, by the Bureau of Reclamation, some 80 storage reservoirs for reclamation, while 35 are now in process of construction. The title to every one of these reservoirs is in the United States of America.

Congress has passed legislation to construct reservoirs for national flood control. The localities in which the reservoirs are to be constructed will not pay the costs of the rights-of-way. The State itself will not furnish the rights-of-way if the protection is for another State. The program, therefore, without the power to condemn in the Federal Government would be thwarted. Cities below the dam, in another State, would be left to the fury of the floods without the power in the Federal Government to condemn for the construction of reservoirs in another State. The issue is not States' rights but the issue is whether States prefer floods to reservoirs.

PURCHASE AND NOT CONDEMNATION THE POLICY

State compacts are no longer necessary under the terms of the act of 1933, as the Federal Government is underwriting the entire costs of reservoirs for flood control. While the Federal Government must have the inherent power to condemn if the Federal Government is to construct, it has been the policy of the Federal Government to purchase and not condemn. Ordinarily the Federal Government will not construct public works unless desired by local interests. It has been the universal policy

of the Corps of Engineers in river and harbor and flood-control works to cooperate with the States and with the local interests. It has been their policy to do no work where the local people oppose such work.

REIMBURSEMENT

In Farm Security projects, in forestry and reforestation areas, and in other Federal projects, it has been the policy of the Federal Government to compensate the local taxing units for lands taken from the tax rolls where the title is in the Federal Government. I advocate the extension of such a policy to lands acquired by the Federal Government for the construction of reservoirs. These lands may be leased as they will not be overflowed every year, and it is my view that a part of the proceeds from the income of the lands in reservoir sites should be paid to the local taxing units to compensate them for lands that are required for reservoir areas.

Reservoirs mean the taking of lands in one area for the benefit of lands in another. Adequate reimbursement should be made for the loss of local taxes.

INTERNAL IMPROVEMENTS

I advocate public improvements to relieve unemployment. I favor works that are beneficial. We are still battling with the problem of unemployment. I believe that one of the best ways to solve the problem is to provide for sound and permanent public works. The public knows the enormous loss of life and property from recent floods. The country has been sold on flood protection. I know of no more satisfactory or permanent works than flood-control improvements.

I stand for public works that are permanent and enduring. I stand for public works that will benefit humanity.

BUILDERS, NOT DESTROYERS

We hear much of wars and rumors of war. We hear much of conquest and of persecution. War always destroys; peace always builds. The builder renders a greater service to humanity than the warrior or his legions.

The most constructive achievement of Napoleon Bonaparte was not his victory at Austerlitz, but it was the sale of Louisiana to the United States of America.

I want to live in a constructive age. I want the age in which I live to build.

The constructive works of other ages endure. The columns of Persepolis have crumbled into dust, but its aqueduct still challenges the admiration of man.

Not one stone is left of the costly and magnificent architecture of the Holy City, but the Pool of Bethesda still attracts the attention of travelers.

No one can locate the tomb of Moses, but the Well of Jacob is known to all of the world.

The gorgeous palaces of King Solomon, with their cedar, gold, and ivory, have crumbled into dust, but the great reservoirs of Solomon are preserved.

If any of the achievements of the twentieth century, in our great and glorious country, shall survive in the annals of time, it will not be the temples or the palaces; it will not be the skyscrapers in the cities, but it will be some vast dam, great highway, or mighty reservoir. If one name shall be honored above another, it will be the name of the engineer-builder who promoted the well-being of his fellow man and linked his name with the construction of some mighty work to serve mankind throughout the ages.

The Silver-Purchase Program

EXTENSION OF REMARKS

OF

HON. COMPTON I. WHITE

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1939

EDITORIAL FROM THE NORTHERN IDAHO NEWS AND REPLY THERETO

Mr. WHITE of Idaho. Mr. Speaker, that the facts may be presented as to the operation and effect of the Treasury's silver-purchase program, under permission to extend my remarks in the RECORD, I insert herewith an editorial which appeared in a recent issue of the Northern Idaho News and my reply thereto. Particular interest attaches to the operation of the Treasury's silver-purchase program at this time on account of the deliberations of the committees of both the House and Senate on legislation that has been introduced to extend the authority of the President to expand the currency and extend the purchase of silver and maintain the stabilization fund. The editorial and my reply are as follows:

[From the Northern Idaho News]

COST OF OUR SILVER POLICY

Supporters of the silver-purchase plan, enacted by Congress in 1934, are using a quotation from the monthly summary of the National City Bank as refutation of the claim of their opponents, who say that money for the purchase of silver comes out of taxes. The silver people rely upon this passage in the bank circular: "In other words, the effect of silver purchases was not to raise taxes, but to increase the currency."

However, more careful study of the question will show that the conclusion to be derived from that passage alone is not correct in respect to the meaning of the whole statement, nor is it correct as to fact as may be seen by analysis of the statement.

There has been purchased, under the Silver Act, about 1,870,000 ounces of silver, at a cost of about a billion dollars. About a quarter of this amount was paid to domestic producers of silver, leaving the other three-quarters, or about $750,000,000, for foreign silver. At first the Government paid 74 cents an ounce for domestic silver but lately it has been paying only 64 cents, as the market has sagged. The foreign silver was bought at the world price, which was considerably lower. During the past year the price for the foreign silver has averaged 42 or 43 cents.

The outlay for this billion dollars' worth of silver was provided by the issuance of silver certificates for a part of the silver purchased, the certificates which circulate as money being issued in the amount of $1.29 for each ounce of silver, leaving an apparent profit for the Government.

The problem, however, reveals some hidden factors that are not on the surface, and these are mentioned in the bank circular, though the conclusions drawn by the opponents of the Silver Purchase Act are not expressed. This passage from the circular should also be considered:

"To the extent that silver certificates are issued they take the place of Federal Reserve notes in circulation; thus, a currency supported by silver worth in the market about a third of the face value of the currency is supplanting the Federal Reserve note, with all its carefully devised security and elasticity."

Now, let us see how the question of the payment sizes up. It is probable that the domestic producers, who furnished about a quarter of a billion of the currency, accepted silver certificates or their equivalent without any quibble. Our Government keeps all its currency at par because it is in a strong position financially.

But, in paying for the foreign silver, only gold can be used, as with other foreign trade. Our Government, therefore, paid about three-quarters of a billion of its gold for the foreign silver, which it cannot use in any international payments whatever.

While the Government does not follow literally to the full amount the requirement that silver certificates shall be issued for the silver bought, it generally issues sufficient of the certificates to cover the outlay for the metal acquired. For about a billion dollars paid for purchased silver it has issued about a billion dollars' worth of the certificates.

It looks, on the surface, as if the Treasury were made whole, but let us look a little more closely. It has put a billion dollars of the certificates into circulation, but it has also shipped some of its gold to some foreign country to pay for the silver. The certificates are nowhere as good as the gold, but we happen to have a large stock, and we don't miss it so much.

But the catch is in the statement of the bank, quoted above, that the certificates put into circulation supplanted the Federal Reserve notes. These Federal Reserve notes are issued by the Federal Reserve banks to their members when those banks need currency and put up the collateral. When business gets slow and the currency piles up in the bank, it goes to the Federal Reserve bank and puts up the currency it secured and redeems its collateral. The reserve currency is then retired.

That is the meaning of the term "elasticity" as used above in the bank discussion. There is no provision for the retirement of silver certificates when business declines, and they pile up as idle funds earning no interest.

One assumption we should be careful about is in reference to that three-quarters of a billion dollars gold paid for foreign silver. That is not represented by the same proportion of the certificates issued. It must be that the Government still has some of that foreign silver in its vaults. We can get a fairly approximate idea by considering that the Government paid for the foreign silver about 43 cents an ounce, and that it issued the certificates at the rate of $1.29 an ounce.

In other words, the Government paid in gold for the foreign silver about a third of the face value of the certificates—such as were issued upon it. That is, it paid about a third of the face value in gold, or, for the total, say, a quarter of a billion dollars.

This gold reserve we have piled up is not, it is true, derived from taxation. It is the produce of our favorable balance of foreign trade. Nevertheless, it should be husbanded with the same care as if it were tax money.

The fact remains, then, that we paid out three-quarters of a billion in gold for a currency which crowded out another currency that was already supplying our need in a better way and which did not cost anything.

The preceding deals with the effect of the purchase of foreign silver. But the silver people are misrepresenting the effect en-

tirely. We suppose that a mining man like our State mine inspector would be expected to take that side. Yet why should the rest of us be particeps criminis? No earthly benefit accrues to the people of the country for that quarter billion dollars sent abroad for foreign silver. That is the irritating part of it. These silver people are willing enough—indeed, they are anxious—to indulge in any sort of hocus-pocus to conceal the real facts.

The effect of the purchase of the domestic silver is the same, with some qualifications. We pay more per ounce for the silver, but we do not take the money from our gold reserve. We are now paying 64 cents for an ounce of silver to be used as backing for $1.29 of silver certificates, when we are getting the same service as currency from the Federal Reserve notes at almost no cost. That shows what the silver-purchase policy costs us.

HOUSE OF REPRESENTATIVES,
Washington, D. C., February 21, 1939.

EDITOR, NORTHERN IDAHO NEWS,
Sandpoint, Idaho.

DEAR SIR: With reference to the editorial, Cost of Our Silver Policy, appearing in your issue of February 10, for the information of your readers I feel a statement in your editorial discussing the purchase and use of silver as money in our currency system should square with the facts.

As a matter of record, as fast as silver is acquired by the United States Treasury it is immediately put into circulation as money in the form of silver certificates as evinced by the Treasury's daily balance sheet, the amount of silver certificates put into circulation increasing day by day as silver is purchased. In consulting the daily balance sheet of the Treasury, we find on January 10, 30 days before the date of your article, under the heading of silver, there was $1,647,152,490.35 on hand against which there was in circulation in the form of silver certificates and Treasury notes of 1890, $1,592,489,142, leaving $54,663,348.35 in silver in the general fund of the Treasury. Thirty days later, on February 10, the date of your article, there was $1,665,195,233.48 in silver in this account, and the currency in circulation in the form of silver certificates and Treasury notes of 1890 was $1,600,744,889, showing an increase of $8,255,747 in new currency placed in circulation in the month preceding your article.

By this statement there is over a billion and a half dollars in silver in the Treasury, which is in use as money circulating throughout the country in the form of silver certificates which is the only money policy of the Treasury on which the Government is making a profit, and by which the American people are relieved of an interest charge as the cost for the issuance and circulation of money. On its silver purchases the Government is making 100 percent profit on domestic silver bought at 64.64 cents per ounce and issued into circulation in the form of silver certificates in paying Government expenses at $1.29½ per ounce, and 200 percent profit on foreign silver bought around 43½ cents an ounce and issued into circulation in the form of silver certificates, but as large as this advantage appears to be, it is of minor importance compared to the benefit the American people derive from the Government silver monetary policy. When we consider that this currency (legal tender silver certificates) is issued into the channels of trade and business by the Government in paying current expenses, it is paid out minus interest and circulates interest free. As an illustration of how silver certificates are placed in circulation, it is interesting to note that Members of Congress and their clerical help in cashing pay checks at the disbursing office in the Capitol are paid in brand-new silver certificates which they proceed to put into circulation.

You state "A currency which crowded out another currency which was already supplying our needs in a better way and which did not cost anything"—let us examine the facts concerning this currency which did not cost anything. How are Federal Reserve notes created and issued into circulation? To get this money and put it into circulation, the people engaged in business must borrow money from the bank on short-term interest-bearing obligations (eligible paper) which must be guaranteed by the bank and rediscounted by the Federal Reserve bank to secure the issuance of Federal Reserve notes equal to the amount of the promissory notes (eligible paper) deposited with the Federal Reserve bank as security. By this operation business then must pay current rates of interest on every dollar of money in the form of Federal Reserve notes (legal tender money) that is placed in circulation and the businessman must pass this item of interest as a part of the cost of doing business on to the consumer.

If this currency system has "already supplied our needs in a better way," what was wrong with it in 1929 and 1930, and why was it necessary to establish the Reconstruction Finance Corporation to finance business and prevent the collapse of the country's business and financial structure by creating an agency to draw on the collective credit of the American people to finance individuals and business organizations, an agency which at the same time created the greatest reservoir the world has ever known for the storage of wealth out of reach of taxation, relieving the capitalists and financiers of the risk and expense of making and collecting loans and at the same time relieving them of taxes on all money invested in tax-exempt bonds exclusively used to finance the lendings of the Reconstruction Finance Corporation, an agency of the Government that absorbs the bulk of all the money available for investment to finance business and constructive enterprises, with the result that business is forced to turn more and more to the Government as represented by the Reconstruction Finance Corporation for money to finance its operations and development.

Now what is the motive behind this opposition to the Government silver policy? Principally it is the simple matter of collecting interest by the banks of this country on the money in circulation. We have $1,599,577,227 in silver certificates circulating in the form of "a currency which crowded out another currency," that is, the Federal Reserve currency, which forces business to pay the banker an annual interest yield computed at 3 percent, or $47,987,316.81, but we all know that current rates of interest on business notes are more than 3 percent; if we calculate the interest at 6 percent, then the Federal Reserve notes that would replace the silver certificates now in circulation would yield the banks $95,947,633.62 annually. Ninety-six million dollars every year—something for the bankers to fight for, money to come right out of the pockets of everyone every time a purchase is made from a business firm that has a note (eligible paper) made to the bank and rediscounted by the Federal Reserve bank to obtain the issuance of money of "the currency that is already supplying our needs in a better way and which does not cost anything" (?).

You say "when business gets slow and currency piles up in the bank, it (the local bank) goes to the Federal Reserve bank and puts up the currency it secures and reduces its collateral. The reserve currency is then retired." Might I say that is just the trouble with the system. The trick is to get the bank to create and issue the money again when needed at the very time when it is badly needed. Will anyone seriously contend that the kind of money that goes out of existence when business slows up is better than the kind of money that remains on deposit to be withdrawn and put to work at the will of its owner? Does anyone contend that business and employment is made more secure by a monetary system dependent for its creation and circulation on banking conditions and the confidence of the banker in making loans as against a currency (money) that is permanent and remains the property of some owner to be paid to use whenever wanted? Surely a billion and a half of silver certificates (legal tender money) is an invaluable stabilizing influence in the Nation's monetary system.

Let me remind you that this country is $44,000,000,000 in debt on which an annual interest charge must be paid and that all the silver certificates in circulation would hardly pay the interest on this debt for 1 year. As to the part this faulty and unworkable money system foisted on the American people by organized capitalists and financiers has played in creating unemployment, the ruin of business, and the distress of the American people and in sinking the Nation into debt, I leave you to judge.

But let me tell you in all seriousness, my dear editor, that there can be no permanent prosperity in this country until our Government devises and gives to the American people a workable, adequate monetary system free of a continuing interest charge which in my opinion must be based on the unlimited coinage of both gold and silver as a means of establishing a stable monetary unit—the dollar—to provide for the security of business and business commitments. If the Government will do this and protect business by the enactment and enforcement of the necessary laws to eliminate unfair competition and unfair trade practices, a plan which will operate to establish a parity between the prices of the basic industries, farming, mining, and lumbering, with prices of the products of the manufacturers to be secured by the free play of the law of supply and demand through competition, the American people by their business enterprise, industry, and thrift will do the rest in restoring permanent national prosperity.

Sincerely yours,

COMPTON I. WHITE, M. C.

The Film Industry's Pledge of Americanism

EXTENSION OF REMARKS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1939

ADDRESS BY JOSEPH M. SCHENCK, OF BEVERLY HILLS, CALIF., AT A LUNCHEON OF THE FIRST DIVISION ASSOCIATION

Mr. GEARHART. Mr. Speaker, during the course of the National Convention of the American Legion at Los Angeles last September, there were many notable gatherings, impressive events that will linger long in the minds and memories of those, like myself, whose privilege it was to have attended and participated therein.

No one of that long succession of ceremonials could have left a more lasting impression than the midday luncheon of simple appointments which was given in the honor of Gen. Charles B. Summerall, Maj. Gen. Frank Parker, and Brig.

Gen. Harcourt Hervy at the Beverley Hills studios of the Twentieth Century-Fox Corporation by Mr. Joseph M. Schenck, chairman of the board of that internationally known moving-picture concern and head of the Motion Picture Producers Association.

Not only is that assemblage to be remembered because of the graciousness of our most distinguished and genial host, who, it would seem, had provided well for our entertainment, but the occasion became an important and historical one in that there was there pronounced by one of America's foremost business executives a credo of Americanism which will live long in the memories of all of us.

For one, I will never forget that great speech that fell from the lips of Mr. Joseph M. Schenck that day, inspired as it must have been by the presence of the distinguished heroes of our great Republic whom we were endeavoring to honor. As he spoke I saw, as he must have seen, the shadowy forms of those marching men who, two long decades ago, laid down their lives upon the "fields where poppies blow" that we might be free. And my American citizenship took on new values.

It was a pledge to the brave men of the "Fighting First Army" and through them to all the American people, a pledge of militant Americanism, not only in his own behalf but in behalf of the film industry of the United States in the name of which no one can speak with greater authority than he.

Because I believe that there was much in that speech that will impress and interest those who were not so fortunate to have been present I have asked the unanimous consent of the membership of the House of Representatives, the consent that has been so graciously accorded, to include that which he then said in the pages of the CONGRESSIONAL RECORD.

Mr. Schenck said:

We of the film industry are glad to do you honor. Not only because you fully deserve what small meed of praise we can bestow for your proved devotion to your country in time of need but also because you have united to carry on in a tremendously worthwhile cause after your task over there was done.

You men not only endured indescribable hardship, suffering, and danger in your Nation's service in time of war but you are not resting on your well-earned laurels in time of peace.

That this Nation remains a white spot on the world map is due in large measure to your heroic efforts. You have helped make the United States a bulwark of civilization and decency in peace as in war.

You are carrying on your constructive work today. We honor you for it. The motion-picture industry wants you to know that it is willing to cooperate with you in this work in any manner or form you designate. The motion-picture industry stands ready at all times to join you unreservedly and wholeheartedly in any patriotic cause you espouse.

To us who are engaged in the making of motion pictures the rapid and terrifying sequence of events abroad have been deeply shocking. We know we are not alone in this feeling. Democratic government seems to be on the defensive. The rule of the people, by the people, and for the people has been engulfed in many spots on the world map by the aggressive ascendancy of dictatorships.

We feel with you that our most priceless heritage—liberty—is endangered. We are determined to safeguard it not only because we treasure our freedom as individuals but also because we feel it as a duty to the millions of liberty-loving men and women who look to this Nation as a refuge and a hope.

As head of the Motion Picture Producers Association I feel that I am not boasting when I say that motion pictures today have become one of the world's greatest mediums for the transmission of ideas. Therefore it is doubly imperative that the screen stress the American point of view, rally the decent forces of the Nation and the world to the defense of democratic ideals, and emphasize the advantages and benefits of the system of government under which we are privileged to live.

This we are determined to do. It is a trust in which we, as loyal Americans, will not fail.

There is this in closing which occurs to me. All of you here have fought for your country on the battlefield. Many of your comrades gave their lives in defense of the Nation. They did it willingly and unquestioningly. The record of your division forms one of the most glorious pages in the military annals of the Nation. Nothing can mar that record. It stands for all time as a vivifying example of the courage and the gallantry of American manhood.

But that is past now. The drums are silent, the cheers and the plaudits have subsided.

Yet involuntarily we now find ourselves in another war, a different kind of battle in which ideas and words are the major weapons. The attack on our institutions is just as menacing as it was in the days of actual war, perhaps more so. For we are fighting an enemy who seeks to conquer not openly but insidiously by undermining that which we hold most sacred and dear.

Your inspiring example in meeting this new enemy is not lost on the film industry. We are eager to be your comrades. We pledge ourselves with heart and soul in this new war for the preservation of American ideals in which you have taken the lead.

Completing the Bill of Rights

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1939

RADIO ADDRESS BY HON. LOUIS LUDLOW, OF INDIANA, AT NEW YORK HERALD TRIBUNE FORUM, OCTOBER 26, 1938

Mr. LUDLOW. Mr. Speaker, one of the really worth-while institutions of America is the New York Herald Tribune Forum. As organized and directed by Mrs. Helen Rogers Reid, the gracious and able publisher of that outstanding newspaper, it is one of the greatest clearing houses of public opinion in the world—a forum of free speech without a parallel. It is no longer just an interesting experiment in the realm of public discussion. It is a fixed institution and a credit to American achievement.

It is something very fine to contemplate, for it seems to me to typify in a big way the meaning of America, with its freedom of thought and freedom of speech and all the other priceless blessings which are vouchsafed to us under our Constitution and which combine to make up the inestimable franchise of freedom.

Every year the Herald Tribune Forum brings together in New York City men and women from all parts of our country and its possessions for a week of discussion of all sorts of imaginable subjects, the only requirement being that the topics presented shall be worth-while and shall have a recognized and sustained place in the public interest. Statesmen, politicians, captains of industry, Socialists, authors, sculptors, painters, musicians, poets—indeed, an infinite variety of the human kind—touch elbows with each other on the speakers' platform, and each and every one has carte blanche to tell his own story in his own way. Absolute fairness is observed in allowing both sides—or all sides—of a controversial issue to be presented. All of the addresses go out to the country over a Nation-wide radio hook-up, so that the people in the remotest villages and hamlets and country places may have the same facility of listening to the discourses as those who sit in the front seats before the footlights.

Through the graciousness of Mrs. Reid, I had the honor of being invited to this charmed circle last October 26 to speak on my proposed constitutional amendment to give the people the right to vote on participation in wars in the other hemisphere; and in presenting me to the audience she said:

There is great popular interest in the Ludlow amendment—with considerable emotion but insufficient knowledge on both sides. Its author, a Representative in Congress from Indiana for the past 9 years, was the first newspaper correspondent in Washington who stepped down from the press gallery to the floor of the House. In spite of his part in the political campaign going on in his home State, he has come to New York in order to present to this audience the case for an amendment involving a national referendum on war. I am delighted to be able to present to you a newspaper alumnus, the Honorable LOUIS LUDLOW, of Indiana.

By unanimous consent of the House, I am privileged to submit for printing in the RECORD the address I delivered on that occasion, as follows:

I appreciate immensely the distinguished honor of being invited to the Herald Tribune Forum to discuss the subject that is nearest to my heart, the proposed referendum on foreign wars, although when I contemplate the magnitude of the subject and the limita-

tions of time at my disposal I can visualize the predicament of an eminent divine a few years ago when the moderator of the Presbyterian General Assembly arose and said:

"The next number will be an address by Rev. James McCosh, chancellor of Princeton University. Subject, The Immortality of the Soul. Time allotted, 1 minute."

It is recorded in the annals of the church that the learned doctor consumed his 60 seconds very creditably without exhausting his subject, and I have a very conscious misgiving that when I shall have concluded tonight my subject will not be at all exhausted.

WHAT IS DEMOCRACY?

We boast that we are the world's greatest democracy. What is the meaning of democracy? It means the right of the people to rule themselves—a right which we who subscribe to the faith of the founding fathers believe comes from God Himself.

A nation that is founded on that rock cannot be swept from that rock by the sophistry of academicians and the ingenious arguments of designing individuals who would have us believe that when, for the sake of convenience in administration, we chose representative facilities to execute certain duties and functions we by that very fact changed the fundamental character of our Government so that it became exclusively a representative form of government and the people no longer can exercise direct control.

It is obviously necessary to have a Congress to represent the people in ordinary, every-day functions. If, for instance, the task before us is the enactment of a marine law, a law to construct a Federal building, or a law controlling the rights to public domain, it must be done by a small representative body of legislators. It is not practical in a nation of 130,000,000 souls to submit all the infinite and varied minutiae of legislation and governmental management to a direct vote of the people.

OUR INALIENABLE RIGHT TO RULE OURSELVES

But the thing we must not lose sight of is that all of these delegated functions stem right back into the main principle of our Government, which is our democcracy—our fundamental and inalienable right to rule ourselves.

There is not one of these representative functions that cannot very properly be recaptured, to be exercised in the future by the people themselves. Such recapture would do no violence to our theory of government, but, on the contrary, would be in strict harmony with the spirit and purpose of the founding fathers who had a vision that swept the future, and who were alive to the changes which ages of evolution and progress would necessitate, not at all in our fundamental democracy but in the forms and mechanisms which would be needed to make that democracy secure and operative and effective through all the years to come. It was that gift of foresight which prompted them to write article V into the Constitution, prescribing a procedure by which that instrument may be amended from time to time to meet changing conditions.

It is my contention and the contention of others who think as I do and who, according to the Gallup polls comprise an enormous majority of the people of the United States, that the time has come when our democracy should take over to itself the authority to decide by a referendum vote whether or not under any given set of circumstances our American boys shall be sent to distant parts of the globe to die in foreign wars. This capture of the war power by the people, to be exercised by the people, would be a strengthening rather than a weakening of our basic institutional democracy which has made America outstanding in history as "a government of the people, by the people, and for the people." Assumption of the war power by the people would not destroy or in any way impair the representative character of our Government. For convenience sake the ordinary functions would continue to be exercised by representatives, as usual. The argument so strenuously urged by opponents of the war referendum that the transfer of the war-making power from Congress to the people would break down our representative form of government is utterly fallacious and ridiculous. It would simply mean that in respect to the greatest and most tragic of all issues the people comprising our great American democracy have themselves chosen to make the decision.

That is where this question of paramount importance should be decided, because that is where sovereignty abides.

WHY FOUNDING FATHERS DID NOT FAVOR REFERENDUM

Someone may ask: If the right of the people to decide whether we shall enter nondefensive wars is so essential to a real democracy, why did not the founding fathers write such a provision into the original Constitution? Why did not Washington favor it? Why did not Jefferson include it in his cherished Bill of Rights? Pertinent and proper questions, all of these, and I shall try to answer them.

At the time the Constitution was written there were two trends of thought on this subject. One trend, strongly tinged with monarchism, wanted to vest the power to declare war in the President. The other element, fired with the spirit of the new democracy, wanted the war power lodged in Congress. Jefferson was the leader of the latter school. The constitutional debates show the line of cleavage very clearly. There was a battle royal and after it was over Jefferson wrote triumphantly to James Madison:

"We have already given in example one effectual check to the dog of war by transferring the power of declaring war from the Executive to the legislative body, from those who are to spend to those who are to pay."

Thus the war power was given to Congress, which, under the conditions then existing, was the closest to the people it could be placed.

In that primitive era means of communication were either nonexistent or else so slow and imperfect as to make a referendum on war so obviously impracticable that it was not even considered or discussed. Letters mailed on the eastern seaboard were 6 months reaching the farthermost frontiers, if, indeed, they ever reached there at all. Now it is all different. The express train roars its way across the continent in 100 hours, the airplane in less than 24. The automobile, the telegraph, the telephone, and radio have annihilated time and space.

Sitting before the microphone at Washington the President talks to the entire country. Modern perfection in the means of communication has made a referendum on foreign wars practicable. Can anyone, knowing how Jefferson loved and trusted the people, have any doubt where he would stand today on a referendum on foreign wars? Can anyone doubt that he who wrote into the great Declaration the precious doctrine that "all men are created equal" would hesitate to place all men on a basis of equality when it comes to the most important and tragic of all decisions? The time has come in this twentieth-century era of quick communication to complete the Bill of Rights by adding a provision for a referendum on foreign wars.

DUAL DEMOCRATIC AND AUTOCRATIC CONTROL

We now have in this country a strange combination of democratic and autocratic control, with democracy stopping at the water's edge. In its foreign relations our Government is not a democracy at all, but a pure autocracy. Our people can vote on the election of a constable or dog catcher or on the location of a pesthouse or waterworks, but on the great and tragic question of war, which rips up family ties, tears heartstrings asunder, and throws the lives of millions of our precious boys into the holocaust, the people are singularly impotent, with no vote at all. Surely this is an incongruous situation to exist in a democracy. If the principle of popular rule is to be vindicated in our national life, if it is to have any virility and effect whatsoever, it surely should apply in the great and tragic decisions, as well as in the minor and inconsequential things of life.

Under the existing war mechanism, war is declared by a little coterie in Washington, which is singularly overlorded and impressed and more or less dominated by one other individual—that other individual being whoever may happen at any given time to be the President of the United States. Members of Congress usually are elected on hundreds of different local issues having no reference whatever to war, so it can be seen that Congress has no standing war mandate from the people and never directly reflects popular will in international relations unless it just happens so. After they are elected they are subject to a thousand different kinds of influences and pressures, local and otherwise—influences and pressures that could not possibly be brought to bear on the Nation as a whole to force a declaration of war. The Congress is composed of 531 Members, but war today may actually be declared by 267 individuals, comprising a bare majority of House and Senate, and every one of those individuals is immune from military service. In the Seventy-fifth or existing Congress only 6 Members are women, which shows how pathetically impotent is the opportunity to give expression to whatever may be woman's viewpoint on any particular war proposal. At the present time the women of America are out of the war picture, except the privilege vouchsafed them of doing an awful lot of the suffering when war comes. And why should women not have a vote on declarations of war? Women go down into the valley of the shadow of death to bring our boys into the world. Why should they not have something to say as to whether their flesh and blood shall be hurled into the hell of a foreign conflict?

ANTIDOTE FOR WAR IS DEMOCRACY

Why should the war power be transferred to the people? My answer is simply this: Because the antidote for war is democracy. Woodrow Wilson, scholar and thinker, spoke as with the voice of inspiration when he said that he had known of governments making war on governments but never had he known of "peoples making war on peoples." When the war power ceases to be centralized and becomes democratized, when those who have to do the dying and the suffering and to bear the unspeakable burdens and griefs of war comprise the jury that is to decide this question we will begin to see the end of wars. I repeat that the best antidote for war is democracy. We will get rid of war as we build up the democratic processes.

As we survey public sentiment we behold a strange incongruity. Nearly 100 percent of the people of America, if the question were put to a test, would vote now against America's participation in any war that is waging in any part of the globe. Try that out by canvassing sentiment in your own neighborhood or your own church or your own club. You probably will not find one person who is in favor of going in. And yet a large majority of the people of America tonight are almost worrying themselves sick over the war outlook and are living in daily dread that we will be dragged into another world conflict. How? By the votes of the people? No; not at all.

The general fear—and it has a foundation in realism—is that, with the people having nothing to say about it, we will be maneuvered into a world war by unseen forces and influences over which the people have no control. With such unseen operations going on, it is easy for a situation to arise where we would be headed

straight for war without consulting, even in the remotest degree, the people whose homes are ruined, whose heartstrings are torn asunder, and who have to bear the brunt of war when war comes.

DANGERS OF SECRET DIPLOMACY

So I say, down with secret diplomacy. It has been the cause of much grief and is capable of a great deal more unless restrained. Let us relegate it to oblivion, just as we would any other relic of the Dark Ages. Give the people all of the facts, and let them decide, and I will guarantee that America will be more likely to keep out of unnecessary foreign entanglements than it will if the fate of the Nation is entrusted to the ineptitude of internationalist diplomats and roving ambassadors.

I pause here to refer briefly to the philosophy which I think America must adopt and cling to tenaciously and unswervingly if our Nation is to have permanent peace at home and is to radiate its influence for peace throughout the world. Great deeds spring from great philosophies. In my opinion, the true philosophy that should govern America in its international relations has been stated by two Presidents of the United States with incomparable clarity and forcefulness—George Washington, the first President, and Benjamin Harrison, the twenty-third President. Washington's Farewell Address to the Nation which he founded and fathered, in which he counseled friendly relations with all nations and entangling alliances with none, has always impressed me as one of the most shining examples of inspired wisdom in the literature of the world.

WISDOM OF BENJAMIN HARRISON

In my young manhood I was a reporter on a newspaper of Indianapolis, the city I now represent in Congress. Among the outside papers I represented was the New York World. That was over 40 years ago. At that particular time there was much excitement over some foreign imbroglio—I forget its nature or location—and one day the World telegraphed me to get a statement from President Harrison giving his opinion as to whether the United States should or should not intervene with armed forces. I never knew a public man who could compress as much meaning in as few words, but I was hardly prepared for an answer of such breath-taking brevity as came from his lips. His reply was one sentence of 10 words:

"We have no commission from God to police the world."

The wise words of these two Presidents drive home the point that America will attain the great destiny which Providence seemingly intended for it if it will keep out of foreign wars and free from foreign entanglements. The farther we keep away from the power politics, blood feuds, and boundary disputes of Europe the better it will be for America.

In such a vital matter as a declaration of war (except a war of defense) the principal instead of the agent should act, and in this case the principal is the 130,000,000 people who comprise the American Nation. The proposed referendum on foreign wars would not interfere in any way, shape, or degree with national defense. It would simply reconstruct the war mechanism so that in the case of a foreign war (not a war of defense) the trigger that starts hostilities will be pulled by the people of America and not by a little group or coterie subject to all the heat and pressures that opportunism can invent and special interests can bring to bear. Many advocates of the war referendum believe, as I do, that a combination of adequate national defense and a constitutional referendum on foreign wars is the very best formula to keep America out of war that human ingenuity could devise.

AFTER THE DELUGE COMES THE DICTATOR

After the next war comes the dictatorship. We should bear that in mind. There is not 1 thinker in 100 who believes that our democracy could survive another world war. Freedom of speech, freedom of the press, the personal unregimented freedom so essential to human happiness, all of these blessings that have come down to us from the fathers are at stake in this crisis of our country's history. God forbid that we should ever surrender our heritage of free institutions! In a world where 19 democracies have perished since the war that was to make the world safe for democracy, and where centralization and regimentation are advancing with 7-league boots, we must wake up and be prepared to defend our institutions from these modern trends or run the risk of seeing them perish from the earth.

The will and the resolution of the American people is to stay out of foreign wars. They have no sympathy with the defeatist attitude of overwrought and excitable diplomats and public officials who, when under nervous tension, exclaim over and over again, with parrot-like repetition, so often that it has almost become a stock phrase, that if another world war comes "America cannot stay out of it." The people know we can stay out and they are determined we shall.

There are "defense" wars and there are "policy" wars. All America would rise in its might to fight a war of defense, and no referendum would be had or required. But when it comes to deciding whether or not it is the best policy for America to enter any foreign war the young men who have to shed their blood, and their wives, sweethearts, fathers, and mothers, are entitled to have something to say about it. What could be more elementally just than that?

My proposed constitutional amendment would save America from being pushed into war by unseen forces. If it becomes a law, when a war situation develops which suggests our participation in a foreign war, the cards will be laid before the American people and they will make the decision, which is as it should be. Every citizen of the United States, including both sexes, will have a right to vote on war if this amendment is adopted.

I DO NOT COME ALONE

When I come before you tonight I do not come alone. Three times the Gallup poll has found three-fourths of the people of America to be for my proposal. Standing with me are 188 Members of the National Congress, representing 60,000,000 people, who voted on January last to bring my resolution before the House for action. And back of them are untold millions of honest, God-loving people whose hearts are yearning for peace and who are hoping and praying that something will be done to keep us out of war.

We throw the torch to you. If you who hear me want to be a part of the national jury to decide when our young manhood is to be sacrificed in future foreign wars, I implore you to fall in line and support the great body of representatives of the people who have joined forces back of my resolution in this supreme fight for humanity.

Save the Great Lakes Fisheries

EXTENSION OF REMARKS

OF

HON. J. FRANCIS HARTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 24, 1939

ARTICLE FROM THE JANUARY 1939 ISSUE OF OUTDOOR AMERICA

Mr. HARTER of New York. Mr. Speaker, under leave granted me, I am pleased to call the attention of the Members of this House to the following article which appeared in the January 1939 issue of Outdoor America, the splendid publication of that fine organization the Izaak Walton League of America:

[From Outdoor America of January 1939]

SAVE THE GREAT LAKES FISHERIES

(By Dr. John Van Oosten, in charge, Great Lakes Fishery Investigations, U. S. Bureau of Fisheries)

At its meeting in Chicago on December 5, 1938, the Council of State Governments reaffirmed the stand it took at Detroit on February 25, 1938, that the only salvation of the seriously depleted commercial fisheries of the Great Lakes lies in uniform regulations on each lake, which regulations can be obtained only by granting full discretionary powers governing the fisheries to the conservation department of each State involved or to an interestate commission established by a State compact, as authorized recently by Congress, or to an international commission established by a treaty with Canada.

The problem of protecting the valuable commercial fisheries of the Great Lakes is not a local one, but affects the general welfare of our entire Nation because a valuable natural resource which involves both a national food supply and a national sport fishery is threatened with serious depletion. The mass of our people do not realize the grave importance of the situation on the Great Lakes.

Our country consumes approximately 150,000,000 pounds of freshwater fish each year, about two-thirds of which are produced by our fishermen on the Great Lakes. In addition, the Canadian fishermen on these lakes produce another 30,000,000 pounds, most of which are exported to the United States. Further, although we have no statistics to support our statement, yet it may safely be said that in some areas the angler takes out of the Great Lakes more poundage of certain varieties of fish than does the commercial fisherman. For example, it is believed that the sportsmen take more pike, rock bass, sauger, smelt, white bass, yellow perch, and wall-eyed pike out of Lake Michigan than are taken by the commercial fishermen. With the rapid development during the last 2 years of deep-sea trolling for lake trout it was learned that in at least one important locality the anglers' catch of this species exceeded that of the entire commercial fishing fleet operating at this port.

Because many commercial varieties of fish are also important sport fish, the angler has as legitimate an interest in the Great Lakes fisheries as has the commercial fisherman.

Hundreds of thousands of our touring citizens visit the Great Lakes each year primarily for the fishing they provide. Hundreds of Great Lakes communities and villages are dependent for their existence on commercial fishing and the tourist trade. At least ten and a quarter million dollars are expended annually in wages and for Great Lakes fishery products, and numerous allied industries are involved in the welfare of the commercial fishing industry, such as manufacturers of and dealers in marine supplies, trucks, engines, gasoline, oil, twine, boxes, barrels, tin cans, paper, ice, and salt, or builders of boats, or transportation companies, or telephone and telegraph companies and other utilities.

Then, too, it cannot be overemphasized that at least 10 of our most highly prized freshwater species of commercial fish have their

only or chief source in the Great Lakes. I refer to the whitefish, lake trout, wall-eyed pike, perch, blue pike, sauger, chubs, cisco, herring, and suckers. No wonder that several national organizations, such as the Izaak Walton League of America, the American Fisheries Society, and the Council of State Governments, have taken a very active interest in the preservation of the commercial fisheries of the Great Lakes.

There is no longer any excuse for "beating around the bush" in discussing the most effective method of regulating the Great Lakes fisheries. The situation is too critical. One by one the more important species are being exterminated commercially. Drastic measures are needed now to save them, but to be effective these measures must not only be made constructive but also uniform since fish do not recognize the State or National boundaries on a lake. Under the present system of divided State control it has been impossible to obtain the needed uniform legislation. Some 23 international and interstate conferences have been held previous to 1938 in attempts to secure uniform regulations, but all to no avail. Let us hope that the four called by the Council of State Governments in 1938 will lead to more concrete results.

Under the present system of State control the sturgeon has been nearly exterminated in all of the lakes. Likewise the bloater of Lake Ontario, the blackfin of Lakes Michigan and Huron, the bluefin of Lake Superior, and the Lake Superior longjaw in Minnesota waters have either been wiped out completely or now form an insignificant component of the chub catches. The other important varieties of chubs are making their last stand, the 1937 production in Lake Huron, for example, having decreased 64 percent from normal. The famous Lake Superior whitefish has decreased 90 percent in Michigan waters, the only remaining important source, and according to recent testimony of the fishermen the extremely valuable lake trout of this lake is following the same course. In Lake Huron the yellow perch has decreased 56 percent from normal and the whitefish has started a progressive decline from an average of 3,394,000 pounds during the years 1930–34 to 1,121,000 pounds in 1937.

In Lake Michigan the lake trout has declined 42 percent from normal, the whitefish 42 percent—the 1936 catch being the lowest on record—the lake herring 41 percent, the wall-eyed pike 38 percent, the perch 57 percent, except during 1935–36, when they increased somewhat, and the decrease from normal was reduced to 30 percent. In fact, the production of every important species of fish in Lake Michigan is now below normal.

In Lake Erie the most valuable species, the cisco, has been wiped out commercially, the normal production of 18,907,000 pounds having been reduced to 68,000 pounds in 1936. The whitefish has also been seriously reduced in numbers. The Erie perch production has now fallen below normal in spite of the intensive fishing for this species. The 1937 catch showed a decrease of 79 percent from the productive years 1930–34. In 1934 the production reached an all-time record of 14,219,000 pounds and equaled seven and eight-tenths times the normal yield. But in 1935 the poundage dropped to 9,045,000, in 1936 to 2,051,000, and in 1937 to less than 1,750,000.

The Lake Erie blue pike show a similar trend in production. Following the high yield of perch in 1934, the catch of blue pike rose to the unprecedented peak of 19,909,000 pounds in 1936, or three and one-tenths times the normal. In 1937 the blue-pike production decreased 57 percent, and if the story of the yellow perch is repeated this yield will be below normal in 1939 in spite of all the efforts of the fishermen. Then, unless something unusual happens, Lake Erie, the most productive body of water in the world, will suffer the greatest collapse in its fishery ever experienced, for with its cisco, perch, blue pike, and whitefish seriously depleted nothing remains in any large quantities except the yellow pike, sheepshead, and carp, and virtually none of these species are taken in gill nets, the second most important type of gear operated on the lake.

With reference to Lake Ontario, all that need be said is that its once important fisheries have been reduced to insignificance, this body of water now producing only seven-tenths of 1 percent of the Great Lakes production; that is, less than the yield of the small boundary lakes in Minnesota—Lake of the Woods, Rainy Lake, and Namakan Lake. The normal yield in Lake Ontario has been reduced from about 3,000,000 to about 600,000 pounds.

Here in brief is the sorry-looking picture portrayed by the production statistics and developed under the present system of divided control. On every lake our most valuable species of fish have undergone a serious decline in abundance, and no evidence exists that this trend will be reversed. Under present methods of control the Great Lakes fisheries are doomed. What are you American conservationists going to do about it? Remember this, the extinction of the economically valuable commercial fisheries also means the end of the extensive sport fisheries on the Great Lakes and the consequent reduction in the tourist trade in the various lake States. I appeal, therefore, to the sportsmen, businessmen, conservationists, and to every citizen to actively support every move made to save the Great Lakes fisheries.

Bills will be submitted to the 1939 legislatures of the Great Lakes States by committees of the Council of State Governments to grant discretionary powers to the conservation departments or to an interstate committee established by a compact. Further, the State Department at Washington will continue its efforts toward the establishment of an international commission on those lakes bordered by both the United States and Canada.

All of these and other constructive conservation movements initiated by the Council of State Governments (or by any other agency or individual, for that matter) will be bitterly opposed by an organized minority among the commercial fishermen, and unless the public awakens to its sense of duty this minority will win, the present methods of control will continue, and the Nation's most important fresh-water fisheries, both sport and commercial, will follow the forests of the North Central States, which were so thoroughly exploited by the short-sighted lumbermen of the early days. A public united, the fisheries stand; divided they fall. Save the Great Lakes fisheries, Mr. Citizen; they belong to you.

The Keller Analysis of the Dies Committee Reports

EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 24, 1939

LETTER AND STATEMENT OF MRS. CHARLES LUNDQUIST

Mr. ALEXANDER. Mr. Speaker, after receiving the letter which I have inserted below with the assistance of my colleagues, I took occasion to read the article entitled "Un-American Activities" in the RECORD, by Hon. KENT E. KELLER, on February 3, 1939.

I note in the fourth paragraph of his statement that he says the report by Congressman DIES is not an honest report. He then goes on to analyze the Dies committee hearings and himself makes the very amazing misstatement to which my correspondent in the following letters refers:

For the benefit of the readers of the RECORD and in order that judgment may be passed on such unfounded statements as used by the gentleman from Illinois, I will say that there is no finer or more public-spirited and honest woman in the country than the writer of the following letter, and I can vouch for the truth and sincerity of every word she has written, which is as follows:

3438 ELEVENTH AVENUE SOUTH,
Minneapolis, Minn., March 18, 1939.

Hon. JOHN G. ALEXANDER,
Representative in Congress, Washington, D. C.

DEAR MR. ALEXANDER: I note in the CONGRESSIONAL RECORD of February 3 that Representative KELLER, of Illinois, made a talk in which he grossly misrepresented the Minnesota people who testified before the Dies committee investigating un-American activities in the United States. I resent some of the things he said very much and have prepared the enclosed statement in correction of them.

I am,
Sincerely yours,

MRS. CHAS. LUNDQUIST.

STATEMENT BY MRS. CHARLES LUNDQUIST

The CONGRESSIONAL RECORD of February 3 contains an address made by the Honorable KENT E. KELLER, of Illinois, in the House of Representatives, purporting to be a statement of the result of his investigation of the methods and procedures of the Dies committee investigating un-American activities in this country, which contains a paragraph about the Minnesotans who testified before that committee that is wholly erroneous.

I am surprised that Mr. KELLER did not check the verity of his information which could have been done by consulting with anyone of the Minnesota delegation in Congress before publication in such a widely distributed document as the RECORD, and I expect him to be pleased to have the correction of his mistake read into the RECORD when he realizes that the source of his information was at fault.

The paragraph in Mr. KELLER's address to which I refer is contained in the CONGRESSIONAL RECORD, page 1107, and reads as follows:

"Another piece of political activity on the part of the Dies committee was in relation to the election in the State of Minnesota. Mr. Gehan, one of the Republican campaign managers, came to Mr. DIES at Detroit and secured six subpenas. He returned to Minnesota, gathered up six stooges, one at least a mental defective, all ardent Republicans, and brought them to Washington and presented their remarkable testimony, which he had written himself for them on the train from Minnesota to Washington. One of these statements was so well done as a piece of political propaganda that it was published as a campaign document and was broadcast against Governor Benson in the campaign as the work of the Dies committee."

None of this statement is true.

The six Minnesotans who testified before the Dies committee were well known Farmer-Laborites, none of us ever has been a "stooge" for anyone, Mr. Gehan made no effort to coach anyone,

and the testimony given by us before the committee was not published until after the campaign.

Ever since women have voted I have been identified with the third-party movement in Minnesota. I have been an official in Farmer-Labor Party, in the Farmer-Labor Association, and the Farmer-Labor Women's Federation in various capacities. For 10 years preceding this last campaign I was chairman of the Farmer-Labor Women's Federation and directed its organization throughout the State.

During the last campaign I worked for a governor from another party because a group of racketeers, including known Communists, had invaded our party and were looting the State, whose welfare I place above any party in my regard. Succeeding events which have so far resulted in the conviction and sentencing of four State officials and the indictment of seven more have fully justified our revolt against the small group who were mismanaging State affairs in Minnesota under the guise of being true Farmer-Laborites.

Respectfully submitted.

MRS. CHARLES LUNDQUIST.

In view of the above statement one wonders as to the source of all of our colleague's information and the objective sought in his diatribe based on such misinformation.

Flood Control and States' Rights—The Vermont Plan

EXTENSION OF REMARKS
OF
HON. CHARLES A. PLUMLEY
OF VERMONT
IN THE HOUSE OF REPRESENTATIVES
Friday, March 24, 1939

ADDRESS BY HON. CHARLES A. PLUMLEY, OF VERMONT, MARCH 24, 1939

Mr. PLUMLEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered on this day, Friday, March 24, 1939, at the Thirty-fourth Annual Convention of the National Rivers and Harbors Congress, Washington, D. C., to wit:

It may be true as suggested yesterday by my friend the distinguished chairman of the Rivers and Harbors Committee, Representative WHITTINGTON, of Mississippi, that the assertion by a State of a determination on its part to protect and preserve its rights against invasion and usurpation by the Federal Government, under the cover of an alleged flood-control project, in order to develop hydroelectric energy, is "hollow bombast" as he characterizes it. That may be so, but it is true, however, that there are very few rights left to the States for them to undertake to protect or to defend, and they are growing fewer day by day.

It is also a rather strange situation which confronts us, when a Representative from the sovereign State of Mississippi characterizes the pronouncement of a determination on the part of a sovereign State to attempt to protect its rights and its property as "hollow bombast."

In his speech, which is to be found in the extension of his remarks found in this morning's RECORD, the gentleman states several legal propositions, and so far as he goes he is substantially correct. He knows, however, that the contention of the State of Vermont with respect to all these matters and things involved in the flood-control program rests squarely upon the proposition, a legal one, admitted by the Attorney General of the United States to be correct, and if it were not so admitted it nevertheless is the law, that no agency of the Federal Government is empowered to develop hydroelectric energy at flood-control projects provided for in the Flood Control Act of 1938, and that further legislation of the Congress would be required to authorize such development.

This has been repeatedly recognized as the law, as evidenced by the agreed necessity for the enactment by the Congress of particular statutes for the construction of dams at which hydroelectric energy is developed and the provision therein for compensation to States for tax revenues otherwise lost by the acquisition of their lands for such projects.

The distinguished chairman of the Committee on Rivers and Harbors admits the correctness of this, if I understand him correctly. Moreover, as a matter of information, if you are not familiar with the hearings had before the joint committee on the judiciary of the Massachusetts Legislature relative to flood control, as of date of February 6, 1939, you may be interested in the following colloquy:

"House Chairman SHERMAN. Now, with relation to the Government being allowed to go into another project outside of the flood-control project, Senator, isn't it true that there is no specific authority in either of the statutes passed by the Federal Government relative to the disposition of power generated by the dams, when constructed? Isn't it true there is no power explicitly given in those bills?

"Senator WALSH. None at all.

"House Chairman SHERMAN. Or stated in that legislation?

"Senator WALSH. I want to make it clear. I have it from the President himself, from the War Department, the Secretary of War—I have it from the Federal Power Commission that it will be necessary to get another act of Congress before any power developments can be inaugurated in connection with flood control.

"House Chairman SHERMAN. Then it is true, isn't it, Senator, that once we give the Federal Government exclusive jurisdiction Congress could come along and amend the present act so as to provide for the generation of power and the building of power plants?

"Senator WALSH. That is undoubtedly true."

Someone has well said, in substance, to the effect that the point raised by Vermont is not "a tempest in a teapot," as the President would have it to be, but that it involves the whole question of how far the States are going to permit their rights to be invaded under the bribery of the wasteful, wanton, extravagant, and unjustifiable spending of the taxpayers' money as a bribe.

Neither is the assertion and the contention, as made by Vermont, that a State has a right to say what shall be done to its people, with its property, and with its rights "hollow bombast," as my friend Representative WHITTINGTON would have it.

The truth is, some people will, or can, neither see nor read "the handwriting on the wall"; others know that it is just as true and certain as that one day follows another that in a world where democracy is so viciously attacked by centralized and totalitarian authority, and even right here where sovereign States are being either choked into submission or strangled and robbed by a vast gargantuan bureaucratic robot, the accumulation and centralization of all these rights and powers will not much longer be tolerated by the people of the United States. Evidence of this fact, incontrovertible, is found in the fact that 81 Republican Congressmen were elected and that 16 Democratic Congressmen were returned by "the skin of their teeth" and are holding their seats only by virtue of the plurality of under 1,000 votes, which plurality will entirely disappear, as will the total number of Republican Congressmen be very largely increased at the next election. This may be "a tempest in a teapot"; and if it be "hollow bombast," why, make the most of it.

But enough of this. Let's talk about "the Vermont plan."

THE VERMONT PLAN

In order that you may really understand the position which Vermont has taken with respect to flood control you will have to know something about the people of Vermont, their antecedents and their environments.

"It seems incredible," says Dorothy Canfield Fisher, "in our modern world, so tormented with fears about its safety, that a whole State full of people have no ground for apprehension; but it is true. The Vermonter is so used to the moral freedom of not dreading anything that he is hardly conscious of it. It is the breath he draws, this lack of fear; it is the marrow of his bones. Why should he be afraid of anybody or anything?

* * * * * * *

"This tradition of looking the world in the eye and asking no odds of it, probably seems to the rest of you a rather curious tradition for a small, poor, rustic State with hardly a millionaire to its name, no political pull of any sort, and nothing to distinguish it in the eyes of the outside world. But all Vermonters know where it comes from, straight down from our forefathers who did look the world in the eye and made the world back down. With nothing on their side but their fearlessness and a sense of human rights as against property rights, they held out stoutly and successfuly against oppression and injustice, though dressed up in all the fine names of 'legality' and 'loyalty to the organization of society.'

"Not many people outside Vermont know the dramatic story of the State's early life, but everybody inside the State does. There are fewer people in the whole of Vermont than in the city of Buffalo, which is not at all huge as cities go now. But even at that, there are a good many men, women, and children in the State—over 300,000. There is hardly one of this number who does not know about the history of the New Hampshire Grants, and how our great-grandfathers stood up against all the then existing British state for their naked human rights, and won the fight.

"I know you are vague on this point, though you probably had it as a lesson one day in high school; so I will give you a sketch of it, compressed to a brevity which ought not to bore you too much. After the end of the French and Indian War Vermont was safe ground for American settlers, and the bolder spirits began to come in from New Hampshire and Connecticut. They settled, went through the terribly wearing toil of pioneers, felled trees, reclaimed land, drained swamps, built houses and mills, braved isolation, poverty, danger, health-breaking labor, and made Vermont a region of homes. They had learned to love it as we love it now, silently, undramatically, steadfastly, detesting any florid, high-flown talk about it, burying our love in our hearts, and pretending to outsiders that it is not there. Vermonters are not sentimental, articulate Celts but hermetically sealed Yankees. But they live on this love for their homes, and they have shown themselves quite ready to die for it.

"Well, to make a long and complicated story short, the rough handful of ignorant men did continue to hold the land they had earned; and we, their descendants, are living on it now. They did

more. For 14 years after that those men, our great-grandfathers, ruled Vermont, free of any sovereignty, an independent republic on the continent of North America. You never heard that quaint and colorful fact about our little State, did you? Yes; for 14 years they stood straight and strong on their own feet, owing allegiance to nothing in creation but their consciences. They stood steady in a whirling, shifting world, and proved to their own satisfaction that to stand steady is not an impossible task.

"Down to this day, down to the last corner of our green, wooded, mountain-bedecked State, we all stand steadier because of that memory back of us. Every foot of the land on which we live was held for us by the courage, almost absurd in its simple-heartedness, of our tall, lean, ironic grandfathers, and by their candid faith in the inherent strength of a just cause. They risked their fortunes and their lives on their faith in this principle: That those who work and create have certain sacred rights, no matter what laws may be, more than those who do nothing. With that principle as our main inheritance, we Vermonters can cock our feet up on the railing of the porch and, with a tranquil heart, read the news of the modern world and the frightened guessing of other folks at what is coming next."

So the suggestion to the effect that the Federal Government was coming up into Vermont to take by right of its might our land, and without our consent, did not meet anything like a welcome. However, let me make it plain, and right here, that Vermont, in a spirit of cooperation, has offered its consent for the construction of the much-discussed dam at Union Village. That consent was offered in accordance with a plan which was outlined in a verbal contract and in a written agreement, tentative, submitted by the War Department engineers, which was approved by the State of Vermont but not approved by the Federal powers that be.

I am informed—and correctly, I believe—that Vermont stands ready to cede jurisdiction to the Federal Government over such lands as may be necessarily required to carry out the so-called Union Village Dam project as the same was outlined and defined in the tentative agreement submitted by the Army engineers, to which I have above referred. There should be no misunderstanding with respect to our attitude toward our sister States. It is a matter of record that we joined with them in the contracts originally made and submitted by the Governors of those several States involved which are affected by the flood-control proposals for New England.

Let me reassert, as our Governor has said: "Vermont has an earnest desire to be neighborly to its sister States to the south, and will cooperate with those States and with the Federal Government to secure all possible flood control for those States, insofar as it reasonably can.

"Vermont cannot, and will not, give blank consent to the Federal Government to build dams wherever it chooses, and when it chooses, and as it chooses in Vermont. Vermont has not consented to the unlimited acquisition of our resources by the Federal Government." And, may I add, that it will not do so.

The people of Vermont, speaking through their chief executive, have tried to make it plain that their position as a sovereign State, and as one of the Union, is that it proposed to retain and to defend against all comers those rights which were reserved to the States, namely, those not specifically granted to the Federal Government.

At Hartford, Conn., the other night, when interrogated with respect to the attitude of the State of Vermont in regard to flood control, Governor Aiken took occasion to say:

That "the location of such dams should not be determined by Army engineers alone, but in cooperation with the States whose people such dams affect in the following ways:

"(1) Direct tax loss on farms which are flooded.

"(2) Indirect tax loss through decreased appraisal value of adjoining lands.

"(3) Ruination of residential or recreational development of land within smelling distance of storage reservoirs, which often involve a million-dollar investment and bear on the economic structure of a whole State."

That "the Federal Government is ill-advisedly trying to exploit flood-control dams as power sources for its own selfish purposes, which, if achieved would:

"(1) Involve a wasteful building of dams when a few would suffice to adequately control rivers.

"(2) Be economically destructive to a State that has only a limited number of storage sites.

"(3) Cheat the State of flood insurance, as the State would lack the authority to regulate the amount of free storage maintained back of the dams to check flood waters.

"(4) Cause serious erosion damage, because dams are not built with primary intent to prevent floods."

He criticized dams proposed by Army engineers as "affording no protection whatever to the people of Vermont, because they are nearly all close to the mouths of the larger tributaries emptying into the Connecticut River."

"Ninety-five percent of the September flood damage in the West River Basin," he added, "was above the site of the proposed dam and would not have been prevented in any way had that dam been in existence.

"If flood protection had been the real desire of the Federal Government, there would now be dams nearing completion on tributaries of the Connecticut in Vermont, New Hampshire, and Massachusetts.

"God did not create the hills and streams of New England for the enrichment of the power companies."

May I add on my own responsibility that God did not create the natural resources belonging to the States in order to permit the Federal Government to go into business in competition with them, with their municipalities or their citizens, in furnishing a supply of sufficient power under proper State and municipal regulation as to rates and service for the people of the State, and those contiguous thereto, and for that larger area which they serve.

We know that without our consent the Federal Government under existing laws cannot take our land or resources for power-development purposes. This is the well-established law of the land. This contention is now assented to and acknowledged by the War Department, or so I am advised. It is inconceivable that the sovereign States by their lawfully constituted Representatives in Congress would by the enactment of any proposed statute modify or amend, or extend the present law restricting the rights of the Federal Government with respect to these reserved and fundamental rights of the States, deprived of which they will become nothing but cogs in the wheel of a vast Gargantuan, totalitarian state. The time has not come, as yet, when our Chief Executive of these United States can issue an order and command the States to obey because he says, "L'etat c'est moi!"

We have a State planning board, created pursuant to an act of the legislature, charged with the responsibility of examining that section of the Connecticut River drainage basin, which lies in Vermont, and the development of information as to possible flood-control reservoir sites on tributary streams, and their feasibility for inclusion in a comprehensive plan for the control of floods on the Connecticut River.

The legislature charged this planning board with the instruction that the investigation should be made in order to determine what the character and location of reservoir sites should be in order to be most beneficial to the State of Vermont.

The planning board, so created, has made a preliminary report, from which I quote, as follows:

"In 11 years there have been three major floods in the Connecticut Valley, each following a different pattern, and future floods may follow still different ones."

We Vermonters insist that we know. We do not theorize; we have seen the futility of the attempt to combine flood control and power development in a dam. We have seen the accentuation of devastation caused by that kind of a combination. We do not have to be shown again. It cannot be done.

We have at least two and perhaps three bona fide flood-control dams. The rivers flow uninterruptedly along their channels through the area to be protected by the flood-control dam until there is a flood warning, then the floodgates are closed, the water is impounded, the people and property below the dam are protected and saved. That is flood control 100 percent.

A power dam is a menace as a flood-control dam. "Menace" is right, and no excuse need be made for the use of the word "menace." Full of water, setting back for miles the pond offers no protection whatever. Moreover, the pond itself is rapidly and perpetually being filled with silt which limits the impounding capacity of the dam itself. This is not theory.

No, gentlemen; the two theories mix as do water and oil when it comes to the practical demonstration of the proposition. You are either for flood control or you are for power development, and the answer is found in the position you take relative to the kind of a dam to be constructed. Assuming you are rational human beings, you cannot be for both if you are for either.

The State planning board has been studying the problem, trying to determine whether a system of smaller dams up on the tributary streams would not afford protection to Vermont lives and property, and at the same time by reducing the flood heights of these Vermont streams, measurably assist in the control of the main stream.

In the preliminary report of the State planning board the following statements are made:

"There is possibility of differences of opinion as to location of reservoir sites that would be most beneficial to Vermont in a flood-control development program. It has been argued that, despite any other considerations, dams located to protect St. Johnsbury, Springfield, Bellows Falls, and Brattleboro would fulfill that requirement.

"But in approaching the problem of finding flood-control reservoir sites most beneficial to the State, it seemed that somewhat more comprehensive views of the whole situation of the State, its future as well as its present development, should be taken into consideration if this requirement was fully to be met. For, since it is expected that the dams are to be permanent, it may be anticipated that their effects on development in the area will also be permanent; so it seems axiomatic that the greatest benefit would accrue to the State under a program which took the least toll of other values.

"Of the four reservoir sites in the preliminary plan to which reference has been made, two are located near the mouths of streams tributary to the Connecticut River, and in such location would give flood protection to the main river and little or none to the inhabitants of their respective valleys. Yet, on the other hand, they would not interfere with travel; they would not be detrimental to recreational development; they would not be destructive to the scenic character of the valley or the region; and, if operated for the single purpose of flood control, it is hardly conceivable that they would adversely affect possible future development of the region.

"In these respects these two sites are almost unique among the sites recommended for the larger reservoirs in Vermont.

"The search for reservoir sites that would be most beneficial to the State turned, therefore, to the tributaries of the Vermont

rivers which are themselves tributary to the Connecticut. This is but an application to our rivers tributary to the Connecticut of the underlying theory in the plan for control of the Connecticut itself—namely, dams on the tributaries to control the main stream.

"In some of the basins of Vermont rivers, tributary to the Connecticut, it has been possible to find feasible sites for flood-control reservoirs with combined capacity sufficient to control the whole tributary basin. Not all the basins are susceptible of such development without resort to use of sites on the principal streams.

"As a generalization, it is true of these smaller reservoirs on the tributaries that no first-class agricultural land would be required for them. Their development would require the abandonment of few, if any, farmsteads. They are away from the principal travel ways, particularly from those used by recreational travelers. They would be effective to protect roads and other property in the basin. Those that have possibility for conservation storage, in addition to flood-control storage, would benefit Vermont streams, as well as the Connecticut, by increasing the flow in low-water periods. Finally, the serious objections to the larger reservoirs would not be raised against them.

"The feasibility of constructing dams for flood-control reservoirs on these subtributaries may be denied by those who note that the total estimated cost of development in a basin exceeds the estimate for the larger reservoirs in that basin. It is true, as shown on the accompanying table, that the estimated development cost for the larger number of small reservoirs exceeds the estimated cost for the smaller number of large reservoirs. But it should be noted that there have never been included in the estimates so far prepared for the larger reservoirs any sums as liquidating damages for the permanent losses to agriculture in the region above each dam, and to the recreational industry, locally and State-wide, that would result from the construction of all the proposed larger reservoirs.

"In the investigation of the Connecticut drainage basin field surveys of possible sites were started November 1937. This work was discontinued June 30, 1938, when the flood-control law of 1938 became effective.

"The surveys were designed to supply information on sites which could not be obtained from the United States Geological Survey topographic maps. With one or two exceptions, the surveys were each confined to a small area immediately around the tentative location for a dam. The field work consisted of obtaining a profile along the center line of the proposed dam. Sections at critical points along the center line, and some additional topography to provide data for preliminary designs and cost estimates. Flowage line and data for determining quantities of storage were obtained from the topogrophic maps.

"It should be understood that no survey was sufficiently extensive to provide data for final plans and estimates, and that no examination of subsoil conditions was made at any site. The limitation on funds forbade either procedure.

"The estimates of cost are preliminary only, and are made without knowledge of foundation conditions, except as those conditions might be judged from visual examination of the site. But it is believed that the estimates are sufficiently liberal to cover normal difficulties of construction that may be encountered.

"Field surveys were made at 29 sites. Eighteen sites are recommended in the following pages. Two sites need further investigation and study before definite recommendations can be made.

River	Sites surveyed and studied	Sites recommended	Notes
West	9	7	
Saxtons	1	1	
Williams	2	1	
Mill Brook	1	1	West Windsor Town.
Ottauquechee	2	1	
White	7	4	
Waits	1	1	
Passumpsic	4	1	2 need further investigation.
Mill Brook	1	1	Maidstone Town.
Paul Stream	1	1	

"The flood in the West River Valley which followed the hurricane of September 21, 1938, presented additional evidence of the need of control reservoirs on the smaller tributaries.

"Examinations and surveys on other tributaries of the West River should be made when funds are available for that work.

"In the two reports of the Corps of Engineers, United States Army, for control of the Connecticut River, reservoirs at 23 sites and at 3 alternate sites have been recommended for construction in Vermont. Twelve sites of this number have been investigated from the standpoint of their effect on Vermont. The latest comprehensive plan prepared by the Corps of Engineers contains 13 recommended sites and 3 alternate sites in this State. Eight of the recommended sites have been investigated.

"The recommended reservoirs at East Haven, Lyndon Center (new location), Harveys Lake, South Branch of Waits River, North Springfield, and the alternates at Centerville, Ludlow, and Perkinsville have not been investigated."

It is not to be overlocked, for it is a fact that at present the State of Vermont and the towns in Vermont have an annual income of over $1,000,000 from taxation of hydroelectric energy, and the reservoirs, powerhouse, and transmission lines by which it is generated and transported; that we have there undeveloped locations within the State where electricity might be generated profitably and without serious damage to other lines of development is also acknowledged.

If these sites are developed with public funds, we would not only lose a huge amount of taxable property from our grand list, but under our present law, would incur an annual tax bill of large proportions.

We wish to remain on good terms with our neighboring States, but the water power of Vermont is our heritage, a natural resource bestowed upon us, even as other States have their natural advantages, and it should not be surrendered.

In conclusion may I say, paraphrasing the statement made by the Honorable R. E. Flanders, chairman of the Flood Compact Committee, that Vermont is cognizant of the damage done to sister States by the drainage from her slopes, and is desirous of rendering all possible assistance in reducing the damage to the dwellers in New Hampshire, Massachusetts, and Connecticut.

The compacts as they were drawn provided for the mutual interests of the only States involved, and there was no intention of or endeavor to encroach on existing Federal rights, powers, or laws. On the other hand, the people of the State of Vermont are determined to protect, defend, and retain all or any powers which it now possesses.

In particular the State is determined that no action of its own shall diminish the existing rights of its citizens to say what shall be done with its own valleys. It does not propose to surrender existing rights to its sister States, who do not ask it, or to private power companies, or to the Federal Government.

Did the Communist Party Originate the C. I. O. Proposal for Unity?

EXTENSION OF REMARKS

OF

HON. E. E. COX

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 24, 1939

STATEMENT BY JOHN P. FREY

Mr. COX. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement made by John P. Frey, president of the Metal Trades Department of the American Federation of Labor:

When representatives of the American Federation of Labor and the Congress of Industrial Organizations met President Roosevelt on March 7, 1939, in response to his invitation, Mr. John L. Lewis used the White House as a sounding board to broadcast his proposals for a united trade-union movement. The substance of these proposals were that a convention should be held in which the American Federation of Labor, the Railway Brotherhoods, and the Congress of Industrial Organizations would participate, and join in organizing a national labor federation which would include the three groups.

In part the C. I. O. proposals read—

"Not later than June 1, 1939, there shall assemble in the city of Washington, D. C., in the hall owned by the Daughters of the American Revolution, a convention of representatives of cooperation (a) the American Federation of Labor, (b) the Congress of Industrial Organizations, and (c) the four brotherhoods in the railroad transportation field, heretofore independent

"This convention is to organize and dedicate the American Congress of Labor, designed to supersede and embrace the membership of the C. I. O. and the A. F. of L., and to include the membership of the before-mentioned railroad organizations. The convention will outline its objectives, adopt a constitution, and elect officers for a term of 1 year."

The C. I. O. proposals were received by the uninformed as an original proposition coming from Mr. Lewis, while those who keep in touch with the Communist Party's efforts to infiltrate the American labor movement so that they could advance their un-American purposes, and secure directive control in the labor movement, were aware that these proposals had been advanced by the Communist Party in the United States for some time.

The evidence in the record is conclusive. The New York Daily Worker, the official organ of the Communist Party, in its issue of July 3, 1937, on page 6, reproduced a resolution adopted at the plenum of the central committee of the Communist Party, June 17–20, 1937. From this we quote:

"We must never cease to demand the unification of the trade-union movement. In line with this policy, the party has raised the question of the convocation of a trade-union unity congress of the unions of the C. I. O., A. F. of L., railroad brotherhoods, and other

unaffiliated unions. Let all those who stand for unity and solidarity come to such a congress. As for those who refuse to come, they would by this very action place themselves outside the movement."

In the New York Daily Worker for October 20, 1937, on page 3, is published an article by William Z Foster, chairman of the Communist Party, under the caption "Regarding Trade-Union Unity."

From this article the following quotation is taken:

"Provision might be made for the holding of a special broad representative trade-union unity convention, to which the railroad brotherhoods and other independents should be invited. In fact, the brotherhoods might well be drawn into the unity negotiations from the outset. This convention could complete the unification process by the adoption of necessary constitutional provisions, elections of officers, etc."

It is evident that the substance of the proposals for unity submitted by the C. I. O. at the White House conference, and those prepared and published by the Communist Party in the United States 2 years ago are identical.

In the C. I. O. News for March 13, 1939, a cartoon on page 4 used the three musketeers as a medium. In heroic poise and cross swords they stand, one labeled "A. F. of L.," one "Railroad Brotherhoods," and the other "C. I. O." Underneath the three are the words "all for one, one for all."

The use of these particular words carry with them an interesting value for the statement "all for one, one for all" is one of the Communists' slogans. It is the statement made by members of the Communist Party and fellow travelers when they addressed trade-union or other meetings by which they identify themselves to each other.

One of the most serious problems presented by the C. I. O. has been the infiltration of communism, Communist policy, and Communist tactics and the control secured in many local unions and national organization affiliated with the C. I. O.

It will not make the problem of unity between the A. F. of L. and the C. I. O. easier to solve when it is understood that the first proposals for unity advanced by the C. I. O. were identical to those prepared by the Communist Party, with Moscow's approval, 2 years ago.

The Red River of the North

EXTENSION OF REMARKS

OF

HON. R. T. BUCKLER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 24, 1939

Mr. BUCKLER of Minnesota. Mr. Speaker, the valley of the Red River of the North has been called the bread basket of this country. For many years the fertile soil left by the once great body of water, former Lake Agassiz, gave every indication that the territory had been named correctly. In the early seventies large agricultural enterprises, called bonanza farms, proved most successful. Their chief purpose was to demonstrate on a spectacular scale the potential wealth of the Red River Valley. And succeed they did. Those were the days of plentiful rain. The streams and rivers were alive, and so thousands of sturdy immigrants came to this valley in the hope of providing amply for their families. They worked diligently and hard, and out of their struggles emerged large cities—Fargo, Grand Forks, Moorhead, Wahpeton, Detroit Lakes, and others. Today the population of that valley is nearly 500,000, about equally divided between Minnesota and North Dakota.

But, Mr. Speaker, no longer are the rivers in this valley "alive." There are many months of every year when the flow of the Red River is practically zero. The continuation of the drought of the past few years has reduced the flow in these streams to such a degree where for long periods the use of water had to be restricted in most of the cities in this valley and only through the most rigidly prosecuted emergency measures was sufficient water made available for ordinary household use. For a number of years the stream flow was simply sewage, the water being reused several times before reaching the lower cities of the valley. Technicians have termed the water supply in this area as probably the most unsatisfactory supply in any part of the United States. It is realized, of course, Mr. Speaker, that the drought cannot continue indefinitely. But a period of 7 to 10 years of critical water shortage, even if such a period occurs only once every 20 or 30 years does call for action on our part.

The Red River of the North is fed by a number of minor tributaries, the most important of which in North Dakota is the Sheyenne River. Although these streams do contribute to the flow of the Red River, data on precipitation and runoff show that these tributaries cannot be relied upon to furnish an insured flow of water to the Red River that will meet the demands of these 500,000 citizens. There can be only one solution, Mr. Speaker, and that is to obtain a sufficient supply from the Missouri River by the proposed diversion of about 600 second-feet annually from this river to the James and Sheyenne Rivers. When one considers the widespread extent of this critical water shortage in the States of South Dakota, North Dakota, and Minnesota it is difficult to believe that this Government would close its eyes to a situation that demands immediate relief.

Importation of Pears from Argentina

EXTENSION OF REMARKS

OF

HON. JOHN Z. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 24, 1939

EXCHANGE OF LETTERS BETWEEN HON. HENRY A. WALLACE AND HON. JOHN Z. ANDERSON OF CALIFORNIA

Mr. ANDERSON of California. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following exchange of letters between Secretary Wallace and myself with reference to the importations of pears from Argentina:

FEBRUARY 21, 1939.

Hon. HENRY A. WALLACE,
Secretary of Agriculture, Washington, D. C.

DEAR MR. SECRETARY: I am in receipt of an article recently released by the Oregon-Washington-California Pear Bureau with regard to shipments of Argentine pears to this country. I beg to quote a part of this release:

"The Argentine Williams in today's sale were generally of quality that ranged from fair to ordinary, and many of these pears were quite mean. They had evidently been picked very immature and most of them were a dark, unsightly green. There was considerable bruising, which had developed into discoloration."

I also quote the following from the release:

"There was much crippled stock and considerable russetting in some invoices. The pack on most boxes was satisfactory, although there was quite a little irregularity in pack as well as quality."

The concluding sentence of the release reads as follows:

"However, pear values as low as these are bound to have a downward pull on those pear values already established."

I wish to particularly call your attention to the last sentence, quoted above, with reference to the effect on the market that such pear values as these are bound to have. The pear growers on the Pacific coast have spent many years in developing this great industry. They have at all times striven to place on the market an excellent grade of fruit packed according to or better than United States grade requirements. Such competition as is offered by present imports from the Argentine constitute a serious menace. For instance, if you will ascertain the cost of shipping a box of pears from the Pacific coast to New York as compared to the cost of shipping a box of pears from the Argentine to New York you will then have a fair idea of what is causing us so much concern. Incidentally, if you should make this comparison, I should be interested in knowing the actual figures.

The pear growers of the Pacific coast, especially in California, now pay the highest wages to agricultural labor that are paid in the United States. In other words, protection for the pear growers also means protection for the men who are working for the pear growers.

I also wish to call your attention to the fact that the Argentine is endeavoring to bring about a reduction in purchases from the United States. I have just read an Associated Press item, dated February 15, 1939, which quotes Pedro Groppo, Minister of Finance, as follows:

"Groppo declared that United States imports must be reduced to the level of 3 or 4 years ago because the imports far overbalanced United States purchases of Argentine goods."

I understand a reduction of imports to previous levels would mean a cut of 40 percent from 1938 figures, or about $31,000,000.

The announcement of Minister Groppo was published as a half-page advertisement in the newspaper in Buenos Aires. The implication was felt that Germany and Great Britain would get more of the business that formerly was given to the United States.

I should greatly appreciate hearing from you on this subject at your earliest convenience.

Sincerely yours,

J. Z. ANDERSON.

DEPARTMENT OF AGRICULTURE,
Washington, March 18, 1939.

Hon. JOHN Z. ANDERSON,
House of Representatives.

DEAR MR. ANDERSON: This is in reply to your letter of February 21, 1939, relative to imports of Argentina pears into this country.

Imports of fresh pears from Argentina into the United States amounted to the equivalent of 115 carloads in 1937, or slightly over 1 percent of the total carlot receipts of pears in 66 United States cities. In the same year imports of fresh pears from the Argentine Republic arriving in New York City amounted to the equivalent of 92 carloads, or only about 3 percent of the total carlot receipts of pears in that city. Inasmuch as pears imported from the Argentine are sold in the United States during the first 6 months of the year at a time when a relatively small proportion of our crop is marketed, it appears that competition created by our imports of Argentina pears with the pear industry of the United States is relatively unimportant.

It is recognized, however, that pears from the Argentine may constitute a significant proportion of the sales on the New York auction market on particular days during the months in which they are imported so as to compete directly with the longer-keeping varieties of Pacific coast fall and winter pears. Sales of the inferior quality Argentina pears referred to in your letter no doubt are detrimental to the public acceptance of all pears, but at the present time there appears to be no way of preventing such pears from entering the United States so long as they meet the requirements of the Food and Drug Act and the specifications of local health regulations.

With reference to your inquiry as to the cost of shipping a box of pears from the Argentine to New York City, as compared to the cost of shipping a box of pears from the Pacific coast to New York City, the following figures have been ascertained:

Argentina	Per box of pears	Pacific coast	Per box of pears
Freight from Rio Negro Valley to Buenos Aires.	$0.275	Freight to New York City.	$0.715
Ocean freight to Buenos Aires to New York City, including refrigeration.	.60	Refrigeration	.09
United States tariff on pears at ½ cent per pound.	.22		

Inasmuch as approximately 45 percent of all shipments of Pacific coast fall and winter pears are sold in foreign markets, the prosperity of the industry is dependent largely on the maintenance of this export volume. Under an agreement between the Secretary of Agriculture and the Oregon-Washington-California Pear League, Inc., a payment of 50 cents per box is made to members of this organization who export pears to certain foreign countries which do not normally import pears in any appreciable amount. It is believed that this program has been successful in assisting the Pacific coast pear industry through developing new foreign markets.

With regard to the Associated Press item quoted in your letter, it is regretted that Argentina apparently intends to pursue a course of limiting purchases of American goods but no doubt the State Department is doing what it can to prevent this situation from arising. Although American pear producers do not participate to any great extent in our trade with Argentina, as you know, such producers do benefit indirectly from such trade.

Enclosed for your information is a copy of Foreign Agriculture in which there appears an article on the Argentine pear industry.

Sincerely yours,

H. A. WALLACE, *Secretary.*

MARCH 23, 1939.

The Honorable HENRY A. WALLACE,
Secretary of Agriculture,
Washington, D. C.

DEAR MR. SECRETARY: This will acknowledge your letter of March 18 with reference to Argentine pear importations, which I have read with a great deal of interest.

I cannot agree with your statement that the sale of pears imported from the Argentine is relatively unimportant. Despite the fact that present importations constitute a small percentage of the total carlot receipts in New York City, we must face the fact that pears from the Argentine compete only with those varieties of domestic pears which are marketed after January 1.

It happens that the winter pear industry on the Pacific coast usually has approximately 500,000 boxes of pears to market in the eastern United States after the first of each year. A recent survey of the rapidly expanding pear industry in Argentina would lead us to the conclusion that within 5 years we can expect an importation of about 500,000 boxes of pears from that country. These figures are arrived at after a study of the recently released publication put out by the Department of Agriculture entitled "Foreign Agriculture."

You state in your letter that the sale of inferior quality Argentine pears is no doubt detrimental to the public acceptance of all pears, but that "at the present time there appears to be no way of preventing such pears from entering the United States so long as they meet the requirements of the Food and Drug Act and the specifications of local health regulations." I maintain that if growers in this country are compelled to meet certain requirements as to grading, packing, and labeling of fruit sold in the United States, then competing fruit from foreign countries should measure up to the same standards. You no doubt are familiar with the fact that the term "extra fancy," when stamped on a box of domestic pears, designates that the fruit packed under that specification must be of a quality equal to the "U. S. No. 1" or better.

I am in receipt of a letter from F. G. Robb, of the Bureau of Agricultural Economics, with reference to the designation of the quality of pears and the labeling requirements pertaining thereto. His letter states: "It is our feeling that a term like Extra Fancy, which has been in such general use for apples and pears from the West for the last 25 years, has come to have more than a general meaning. In fact, it is one of the best-recognized of established grades today, and our Food and Drug Administration has repeatedly held that such a quality designation must be interpreted in the light of its established use."

Mr. Secretary, I have seen Argentine pears on the New York market labeled "Extra Fancy" that would not begin to come up to the standard of "U. S. No. 1." Certainly there must be some method of compelling competing fruit from foreign countries to meet our grade regulations.

I note with interest the figures you have furnished comparing the cost of transportation to New York from the Pacific coast and from Argentina. The total cost per box from the Pacific coast, including refrigeration, amounts to $0.805. The total cost from Argentina amounts to $0.875. Added to the cost of transportation from the Argentine is a tariff of one-half cent per pound, amounting to 22 cents per box. However, the South American pears go on the market immediately, without storage costs, whereas pears from the Pacific coast selling during this period have been held in storage for several months, and the additional cost per box amounts to 22 cents. This just about evens the cost of transportation, refrigeration, and storage. Assuming that packing costs are about equal, i. e., $0.50 per box, we come to the cost of production, and here is where the fruit growers of the United States are at a decided disadvantage.

The August issue of Foreign Agriculture states that the average farm wage in Argentina is approximately $1 per day. The fruit growers on the Pacific coast pay an average wage of approximately $3 per day. I maintain that the present low rate of tariff on pears imported from Argentina places our domestic industry at a decided disadvantage. An increase in the present tariff rate, which would equalize the difference in the cost of production between this country and Argentina, would certainly give our domestic growers no more than they are justly entitled to in their efforts to maintain their high standard of farm living and farm wages.

You state that approximately 45 percent of all shipments of Pacific-coast fall and winter pears are sold in foreign markets and that the prosperity of the industry is dependent largely on the maintenance of this export volume. The industry recognizes this fact and I am sure asks no more than an even break where their home markets are concerned. I think you will agree that they are entitled to that.

Your present agreement with the Oregon-Washington-California Pear League, for the further development of markets, both at home and abroad, is generally recognized as one of the most helpful and forward-looking plans ever adopted by the industry in conjunction with the Secretary of Agriculture. However, while these new markets are being established, the present domestic markets which have been established over a period of many years, must not be ignored.

Sincerely yours,

J. Z. ANDERSON.

Trade Agreement With Great Britain

EXTENSION OF REMARKS
OF
HON. HARRY SANDAGER
OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES
Friday, March 24, 1939

LETTER FROM THE MERCHANT TAILORS ASSOCIATION OF PROVIDENCE, R. I.

Mr. SANDAGER. Mr. Speaker, during the comprehensive address on trade agreements yesterday by the distinguished

gentleman from Massachusetts [Mr. TREADWAY] he took occasion to comment upon the invasion of the tailoring business in New England by British merchant tailors as a consequence of the trade agreement with Great Britain. In corroboration of these facts I desire to present a letter received by me from Mr. Julius A. Lofdal, president of the Providence Merchant Tailors Association. You will note in his letter Mr. Lofdal gives the name of a representative of a British firm who is making a tour of the most important cities of the United States and who has on his business cards that "owing to the new trade agreements the duty on imported clothing is now only 30 percent, which makes a reduction of approximately $15 per suit."

Mr. Lofdal and his associates know where to fix the blame for this competition. They recognize the right of the British firms to compete; but in the last paragraph of his letter you will notice whom he holds responsible for any possible loss of business. Certainly no one can criticize the celerity with which British business has taken advantage of the new opportunity created for foreign trade, but our own stupidity in this instance is revealed when we consider the blow dealt to both the American woolen manufacturers and the American tailors.

As I pointed out in my comment during the course of Mr. TREADWAY'S remarks yesterday, the trade agreements in this particular instance do not hurt the big-business man but, instead, affect the little fellow when, burdened with heavy taxes, he can ill afford to lose any part of the small amount of business he enjoys in these days of the Roosevelt depression.

I wonder if Assistant Secretary of State Francis B. Sayre would classify the merchant tailors among the "autocratic and selfish forces" which are attempting to "cripple" the New Deal trade-agreements program?

The letter from the Merchant Tailors Association of Providence follows:

MERCHANT TAILORS ASSOCIATION OF PROVIDENCE,
March 17, 1939.

Hon. HARRY SANDAGER,
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: As president of the Providence Merchant Tailors Association I have been delegated by that group to draw to your attention the invasion of our business by a representative of British merchant tailors who have been soliciting business in our city.

A Mr. W. F. Lovegrove, representing the well-known British firm of J. Hoare & Co., of Piccadilly, London, England, has been recently in our city, as one of the many stops he has made in a tour of several of our more important cities which started January 26.

We recognize the right of British firms to compete on an equal basis with us for such business as is obtainable. Though it is not a fact, many persons are laboring under the impression that British fabrics and manufactures, as far as men's clothing is concerned, are superior to our own. Any well-informed person who knows textiles and who appreciates the skill of our tailors, who have made Americans the best dressed people in the world, will confirm the fact that American products and American skill in manufacturing have no superior anywhere.

The particular reason that we are writing to you is that for some months we have followed the discussion of reciprocal trade agreements in the public press and we note the vigor with which Secretary Hull has defended this plan and his frequent assertions, direct or implied, that American industry and American workers have nothing to fear from this competition. In this contention we believe Secretary Hull to be definitely mistaken.

The British representative who has been here in Providence has been taking away business from American tailors and American workmen and has been enabled to do so by the reduction in tariffs on men's clothing granted by the Department of State when the reciprocal-trade treaty with the United Kingdom was executed.

On his business card this gentleman states that "Owing to the new trade agreements the duty on imported clothing is now only 30 percent, which makes a reduction of approximately $15 per suit."

There can be no quibbling or hairsplitting on this statement. There it is, definitely and without evasion. For every order this gentleman has taken away from American tailors we hold the reciprocal-trade treaty with the United Kingdom and its proponents directly responsible.

We protest emphatically against the provisions of the trade treaty which makes this condition possible. We respectfully inquire if this was the intent of the agreement, or was Secretary Hull mistaken in his expectations as to what might happen?

Very sincerely yours,

JULIUS A. LOFDAL, *President.*

The Public Domain

EXTENSION OF REMARKS
OF
HON. FRANK O. HORTON
OF WYOMING
IN THE HOUSE OF REPRESENTATIVES
Friday, March 24, 1939

JOINT MEMORIAL OF THE LEGISLATURE OF THE STATE OF WYOMING

Mr. HORTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following joint memorial of the Legislature of Wyoming:

Senate Joint Memorial 4

Joint memorial memorializing the President of the United States to amend Executive orders withdrawing all vacant, unreserved, and unappropriated lands of the public domain from settlement, location, sale, or entry, to permit and facilitate the entry and development of suitable lands under the provisions of the act of Congress of August 18, 1894, popularly known as the Carey Act, and acts amendatory thereof and supplemental thereto

Whereas the act of Congress of August 18, 1894 (28 Stat. 422), popularly known as the Carey Act, and acts amendatory thereof and supplemental thereto, have for many years been effective in assisting the settlement of arable lands of the public domain by providing homes for many people; and

Whereas the Congress of the United States has expressed the intention and policy of retaining the benefits obtained under the Carey Act, and acts amendatory thereof and supplemental thereto, by granting in section 7 of the act of June 28, 1934 (48 Stat. 1269), as amended by the act of June 26, 1936 (49 Stat. 1976), popularly known as the Taylor Grazing Act, authority to the Secretary of the Interior to make classification and segregation of such arable lands of the public domain and to open the same for entry; and

Whereas Executive Order No. 6949, dated February 5, 1935, and Executive Order No. 6910, dated November 26, 1934, by the President of the United States, as amended by Executive Order No. 7084, dated May 20, 1935, and Executive Order No. 7599, dated April 1, 1937, withdrawing all vacant, unreserved, and unappropriated public lands in 12 Western States, including the State of Wyoming, remain in force and effect, thus delaying the classification of and effectively preventing the segregation and entry of arable lands of the public domain, and rendering inoperative the provisions of the said Carey Act and amendments thereof; and

Whereas there remain large areas of arable lands, adjacent and supplemental to existing developments in the livestock industry and suitable for the production of needed forage crops, within the said Western States including the State of Wyoming, which if permitted to be developed under the uninterrupted operation of the Carey Act and acts amendatory thereof and supplemental thereto, would rehabilitate and provide homes and employment for the many people now suffering from the effects of drought and dust storms: Now, therefore, be it

Resolved by the Senate of the Twenty-fifth Legislature of the State of Wyoming (the house of representatives concurring), That we hereby memorialize the President of the United States to so amend the above-described Executive orders that development of arable lands of the public domain may be made under the provisions of the Carey Act and acts amendatory thereof and supplemental thereto by facilitating the classification and permitting the segregation and entry of such lands under the provisions of the said Carey Act and amendments; be it further

Resolved, That certified copies of this memorial be sent to the Honorable J. C. O'MAHONEY, the Honorable H. H. SCHWARTZ, and the Honorable FRANK O. HORTON for transmittal to the President of the United States.

Managed Money

EXTENSION OF REMARKS
OF
HON. JERRY VOORHIS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, March 24, 1939

EDITORIAL FROM THE LONDON TIMES OF FEBRUARY 7, 1939

Mr. VOORHIS of California. Mr. Speaker, frequently England is pointed to, especially by Republican speakers, as

an example of a nation that has done an excellent job of coping with her economic problem. The same speakers, however, are prone to laud the gold standard and criticize even the very small measure of monetary management which the present administration has exercised. The recent statement of the Federal Reserve Board, moreover, ought to be compared with the experience of foreign nations. In view of these two facts the following editorial from the London Times is, I think, most illuminating:

[From the London Times of February 7, 1939]

MANAGED MONEY

It may be that the year 1938 will prove a fertile source of education for the economic historian; but, seen at close quarters, it does not fit into any simple pattern at all. The Financial and Commercial Review of the year, which is published as a supplement to the Times this morning, leaves the inevitable impression of a patchwork year—a year of mixed influences from first to last. If it has any educative value, it lies in the experience which it has provided of the ability of our economic institutions to cope successfully with a period of abnormal instability and financial caprice. It was certainly designed to put our financial system to a severe test. In terms of pure trade cycle, in the first place, it might well have been a year of severe slump. A long period of business expansion came to an end in the middle of 1937, and according to precedent the ensuing slump should have proceeded to its extremes during 1938. During the first half of the year, in fact, international trade fell heavily in volume and value, and primary commodity prices completed a collapse resembling that of the early thirties. In relation to the preceding boom, indeed, the past 12 months could not unreasonably be compared with the period from the spring of 1930 to the spring of 1931. During the latter part of 1938, moreover, the financial system was subjected to very much the same kind of strain as it was during the summer of 1931. Although the motives were different, we had the same large-scale drain of foreign funds from London as we experienced during the period which immediately preceded our abandonment of the gold standard. The fear of war colored the whole of the latter part of 1938; and, coming as it did hard on the heels of a severe international recession in business, it was a burden of discouragement for which business was ill prepared.

It might well be argued therefore that the financial system was afflicted in 1938 by an even more formidable collection of adversities than it was in 1931. But it needs no effort to realize that we have suffered few of the financial difficulties and relatively little of the business depression which we experienced in those dark slump days 8 years ago. What, then, have been our defenses this time against the difficult circumstances with which we have been beset? The answer is one which is suprisingly at variance with the financial and economic teachings on which most of us have been nourished. We have had a heavily unbalanced budget—far more heavily unbalanced recently than even the estimated deficit suggests. While foreign funds to the amount of some £250,000,000 have taken flight from London, we have continued to have a 2 percent bank rate, while short-money rates, apart from a brief interval in which they rose just over 1 percent during a serious war scare, have remained at one-half percent or thereabouts. In addition the national currency has been unstabilized and has become almost completely divorced from any strict relation with gold reserves. We have thus enjoyed nearly all those conditions which pre-war doctrine decisively taught—and pre-1931 doctrine was inclined to suggest—to be the inevitable signposts of the road to ruin. But in fact experience has proved that in this condition we have been able to surmount a combination of difficult circumstances with probably a greater degree of success than ever before. The currency and credit position has remained stable. The cost of living started to decline appreciably during the year. The price of Government securities has fallen by only a few points, and that fall can be mostly explained by sales on the part of the war scared—sales which no policy could have averted. The decline in business at the same time has been very moderate, and total employment (though admittedly only with the aid of a slight statistical accident) was actually higher in December 1938 than in December 1937. For better or worse these results are undeniable. It may be rash to leap to the conclusion that the former canons of orthodoxy have been disproved. But it would be unreasonable and churlish to deny that extremely satisfactory results have been achieved by the use of systems which were the heresies of yesterday. It is hardly to be wondered that much of the financial doctrine which centered around the old form of orthodox gold standard has fallen into disrepute.

There is no sphere, even in a world of great changes, where standards have so much altered as in that of monetary policy. Already the automatic working of the old system tends to be forgotten, although it is only necessary to go back to 1931 for an example of how the gains and losses of gold governed the credit position, how big increases of the bank rate automatically followed on the efflux of foreign money, and how in one way and another domestic monetary conditions turned on the maintenance of a fixed foreign exchange rate for sterling. It is almost forgotten, too, how the original replacement of an automatic system by one of management was originally a result not of deliberate choice but of inability to retain the former. If that is remembered, the extent of progress can be better appreciated. The last 12 months have seen a steady and deliberate advance in the technique of creating a currency system to suit domestic needs and of isolating that system wholly from external influences. The extreme tests to which that system has been put during the past year are well known. And it is well to remember the amount of planned management which has been necessary in order to operate it successfully. The Exchange Equalization Account has sold gold and foreign currency to the amount of well over £200,000,000 and has withdrawn gold to the value of £350,000,000 from the Bank of England. Over £200,000,000 of treasury bills have been withdrawn from the market. Finally, if we include the proposed change under the new currency bill, there have been two major and two minor changes in the Bank of England's fiduciary note issue within a year. In big matters, as well as small, management has been nothing if not thorough.

The new bill, which received its second reading unopposed yesterday, completes a process which has long been on the way. Under it the gold in the Bank of England reserve will in future be valued at its market price, and even the formalities of a pure gold standard will be abandoned. It is a logical step, and few people will question the necessity under present conditions for developing the technique of monetary management to its highest pitch. Some sections of city thought, however, have felt a certain uneasiness at the implied suggestion that the system of pure monetary management is likely to be permanent. That uneasiness is not unnatural, for the system of management has its weaknesses—most obviously in the instability of the exchange rates—and no monetary policy which involves any wide fluctuations in exchange rates can be considered ideal. But even so, the fullest possible development of the technique of monetary management must be the only course to pursue. There is no longer any real faith in the old orthodox gold standard as such. The valuable elements which it contained may be well recognized; but there can be no actual going back. It may indeed be remembered that the virtues of a managed currency without a fixed gold value are most apparent in unstable circumstances like the present, and that, if conditions should become more stable again in the future, so the virtues of a currency with a fixed gold value would again thrust themselves to the fore. But experience in recent years has confirmed the view that in any monetary policy management must be the first objective. The old system cannot, as such, be restored; and it is impossible to do more than consider how much of it is valuable and how much can be grafted on to the new.

Helping the Democracies of the World

EXTENSION OF REMARKS

OF

HON. ROBERT F. JONES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, March 24, 1939

ARTICLE BY PAUL BLOCK

Mr. JONES of Ohio. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Paul Block:

MR. ROOSEVELT'S OPPORTUNITY

To help the democracies of the world without joining them in war is the wish of every true American and, of course, must be the wish of President Roosevelt.

Well, there never was a greater opportunity for a man to do just this, than the opportunity which now lies in the hands of our President.

What is most necessary at this time to combat the actions and arguments of the dictators, is to help the democracies to attain a stronger economic position. This is something our country can do.

Every statesman in England and France agrees that if business in the United States will improve and flourish, this will have a great effect on their business and on the business of the smaller democracies.

No one need question Mr. Roosevelt's desire to see this occur, but some do question his willingness to accept the advice of those most experienced in business and economics.

Some feel that the reason the President has not listened to this advice to give actual cooperation to industry, is because it might mean that he would have to reverse himself on some of his statements and actions of the past. Surely, this would be no disgrace, and surely no one will find fault with such reversal, if by such actions he first helps business in our country to revive, helps millions of men and women to get jobs in private industry, and indirectly helps to stimulate business conditions in the free countries of the world. This would help destroy the lawless dictators more certainly than powder and cannons.

Surely, Mr. Roosevelt will not allow this great opportunity for world help to be passed by, because of a possible stubborn desire not to give in.

We trust not. It means too much to us all.

What P. W. A. Has Accomplished in St. Louis County, Mo.

EXTENSION OF REMARKS
OF
HON. C. ARTHUR ANDERSON
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Friday, March 24, 1939

STATEMENT BY HON. C. ARTHUR ANDERSON OF MISSOURI

Mr. ANDERSON of Missouri. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following brief outline of what the P. W. A. has accomplished in my district:

Mr. Speaker and Members of the House, committees of the Congress now have under consideration, and I know each one of us has given some thought to, proposed continuation of the Public Works Administration, possibly as a permanent agency. For its bearing on the broad national subject, I wish to summarize today P. W. A.'s operations in the district which I have the honor to represent.

The situation in St. Louis County and the adjacent Missouri area prior to the establishment of P. W. A. in 1933 was no different from that in other sections of our country. We were practically at a standstill in public construction. Our communities needed schools, hospitals, sanitary sewers, and other public works, but were by themselves unable to finance such construction. At the same time our workers needed employment at living wages to support themselves and their families.

The Congress created P. W. A. and directed it to put its shoulder to the wheel of industrial recovery. P. W. A. was expected to give the push which would help our communities to help themselves. At the outset we had very little definite information as to what a program such as that assigned to P. W. A. could accomplish.

Today St. Louis County has obtained, or is obtaining, fine new schools, public buildings, and other developments—66 projects in all. That is the number of allotted P. W. A. non-Federal projects under all programs in the county. It does not include the numerous P. W. A. developments in the city of St. Louis, which, because of their number and scope, are deserving of a separate summation.

Every section of our county will have gained one or more of these projects. More than a score of cities, towns, and villages within its borders are obtaining the public improvements they needed and wanted. These non-Federal projects have a total estimated cost of $10,806,965.

At the conclusion of P. W. A.'s current program we will have built, added to, or remodeled 35 schools at a cost of $4,561,046. New, modern structures will have replaced outmoded, overcrowded, unsafe, and insanitary buildings, thus providing safe and sanitary havens for our children and centers of community life for our adults. Throughout Missouri, under the current P. W. A. program alone, educational facilities costing more than $10,000,000 are being constructed. Reporting on this phase of the program more than one paper in my district recently used this headline: "P. W. A. comes to the rescue of schools." That's just what it has done.

Also, among these St. Louis County developments are seven sanitary sewer projects requiring $3,350,781; two disposal plants costing $100,700; three hospital projects, $639,700; two park improvements, $358,165; four street and highway projects, $1,203,498. Ten new public buildings, such as a city hall, libraries, a municipal building, fire station, etc., will have been erected at a total cost of $482,063.

Of these projects, 32, with a total estimated cost of $4,424,248, are being erected under the 1938 P. W. A. program. These range in type from schools, hospitals, and sanitary sewers to park improvements, a police radio station, a fire department, and a standpipe. They vary in cost from $14,000 for a highway bridge and $12,070 for building improvements up to $1,700,571 for sanitary sewers.

In addition to these non-Federal projects the county and State of Missouri is sharing in the benefits of Federal projects for which P. W. A. allotted funds to other agencies. These Missouri Federal allotments now amount to $39,070,806. Among projects of this type are the channel developments on the upper Mississippi and the Missouri Rivers, developments of the utmost importance to the St. Louis area, situated, as it is, at these waterways crossroads. The non-Federal projects in Missouri, numbering 562, under all programs, have a total estimated cost of $120,139,894, of which P. W. A. allotments amount to $47,079,695.

What the F. W. Dodge Corporation said recently as to the manner in which P. W. A. is functioning in the national economy undoubtedly also is true as regards my State. You will recall that T. S. Holden, vice president in charge of statistics and research for the Dodge Corporation, reported to Administrator Ickes that 1938 was the "fifth consecutive year of increased construction volume," and said that major credit for the increase was "due to public construction expenditures, principally those stimulated by P. W. A. loans and grants." In other words, P. W. A. has been the backbone of public construction—and of all construction—in the country.

A purpose of the Public Works Administration allotments of these projects was to put men to work in useful jobs. Men have been so employed on the St. Louis County construction. On the basis of studies made by the Bureau of Labor Statistics of the Department of Labor the P. W. A. projects within the county would provide about 10,000,000 man-hours of gainful work. Much of the pay these workers received was spent for goods and services within the area, the economic benefits accruing directly to local enterprises and indirectly to Nation-wide industries.

Men were employed not only on the construction sites but also in the behind-the-lines industries, in producing, processing, and transporting the materials for this construction. Production of the brick and tile, sand and gravel industries, the cement plants, and the other materials and equipment works in and around St. Louis climbed upward to fill the resulting orders. As the St. Louis area supplied materials for construction elsewhere, so also did it receive products from other regions.

University City's sewage project well might serve to show how P. W. A. functions. This residential suburb of the city of St. Louis obtained a P. W. A. grant for sewer-system additions and improvements, costing $1,700,000, because existing facilities were very inadequate and were blocking its further growth. Now under construction, this improvement requires a vast amount of materials, of cement, etc. It will release as much as $631,000 in orders for materials, equipment, and supplies. The city estimates that about 431,610 man-hours of employment will be afforded on the site and that it will place wages totaling some $416,316 in the pockets of these workers. Unskilled labor, semiskilled and skilled workers such as carpenters, steel setters, hoisting engineers, bricklayers, and concrete finishers will fill the jobs. And when their work is finished University City will have a system that should last for more than half a century—a fine example of planning for the present and for the future.

To summarize: The communities in my district have obtained some of the public improvements they had to have. Their construction provided employment, keeping men and families off relief rolls. Undertaken at a time when industry and business in general were at a low ebb, these developments immediately began and continue to exert a strong bolstering effect.

I said that at the outset we had few ways to determine with any degree of accuracy the probable effects of P. W. A. We now have that information. We know, and the people back home know, what P. W. A. can do. As Administrator Ickes so well said, "We saw strikingly demonstrated in the last half of 1938 the soundness of the economic theory that by properly timing a public-works program it would be possible quickly to stimulate industry.

In concluding, I say that by all standards P. W. A. has met the test. It has operated successfully in my district and, I am sure, in yours. We must not stop here. We should continue this splendid organization—a machine which will be ready for action when economic emergencies threaten in the future.

Amendment of Reciprocal Trade Act

EXTENSION OF REMARKS
OF
HON. FRANK O. HORTON
OF WYOMING
IN THE HOUSE OF REPRESENTATIVES
Friday, March 24, 1939

JOINT MEMORIAL OF THE LEGISLATURE OF THE STATE OF WYOMING

Mr. HORTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following joint memorial of the Legislature of the State of Wyoming:

Senate Joint Memorial 2

Joint memorial memorializing the Congress of the United States to consider and pass proposed Federal legislation relating to the Reciprocal Trade Act

Whereas there is now pending, or will be pending, in the current session of the Congress of the United States of America proposed legislation amending the Reciprocal Trade Act so as to require a two-thirds vote of the United States Senate to confirm any reciprocal-trade agreement negotiated in the future; and

Whereas thousands of Wyoming citizens, especially all citizens interested in the livestock interests in Wyoming, are keenly interested in the passage of said amendment: Now, therefore, be it

Resolved by the Senate of the State of Wyoming (the house of representatives concurring), That the Congress aforesaid be, and is hereby, memorialized to promptly consider and pass said amendment; and be it further

Resolved, That certified copies hereof be promptly transmitted to the President and Vice President of said United States, the Speaker of the House of Representatives of said Congress, United States Senator JOSEPH C. O'MAHONEY, United States Senator HARRY H. SCHWARTZ, and Representative FRANK O. HORTON.

Rivers and Harbors Congress

EXTENSION OF REMARKS

OF

HON. SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Friday, March 24, 1939

ADDRESS BY HON. BLANTON WINSHIP, GOVERNOR OF PUERTO RICO, BEFORE THE NATIONAL RIVERS AND HARBORS CONGRESS

Mr. IGLESIAS. Mr. Speaker, since the inauguration 5 years ago of our Governor of Puerto Rico, Hon. Blanton Winship, he has always and at all times dedicated his intelligence and continued activities in the island and here in Washington to the promotion and defense of the well-being and welfare of the people of Puerto Rico in every direction.

I have the pleasure at this time to print in the RECORD his illuminating address before the Rivers and Harbors Congress, as follows:

Once more the people of Puerto Rico, 1,800,000 loyal American citizens, thank you for the help and cooperation you have given us through your splendid organization—the National Rivers and Harbors Congress. Our island depends for its commercial, industrial, and social development on its water-borne commerce. Its native products—sugar, coffee, tobacco, citrus fruits, embroideries, linens, cigars, etc.—must be exported, while its imports include machinery, clothing, shoes, lumber, cement, rice, and practically everything worn and consumed in the island.

The improvement of Puerto Rico's harbors, and additional maritime facilities, are thus vital to the island's welfare.

The work on San Juan Harbor, now being carried out, includes widening the entrance channel and enlarging the anchorage basin, all to a depth of 30 feet, which will accommodate large liners. A graving dock of the most modern type will also be under construction in a short time.

Puerto Rico is "where the Americas meet," less than 1,400 miles from New York and only 1,000 miles from the Panama Canal. Its strategic value has been recognized by naval and military authorities and a naval air and submarine base is now in prospect at San Juan.

In 1936, Puerto Rico was the best customer of the United States, south of the Rio Grande, buying more American goods from American manufacturers than any other Latin American country—more than Argentina, Brazil, Cuba, and Mexico.

As shown by the 1937–38 figures, 97 percent of the Island's exports and 91 percent of the total imports, were with the United States. Among the different commodities imported from the mainland, I desire to mention the following:

One and a half million dollars' worth of automobiles, one and a half millions worth of beans, three millions worth of shoes, three and one-fourth millions worth of cigarettes, six and one-third millions worth of cotton fabrics, two and one-tnird millions worth of fertilizers, two and one-third millions worth of wheat flour, and one-fourth millions worth of cigarettes, six and one-third of lard, seven and one-half millions worth of rice, and three millions worth of wood manufactures.

Sugar is our principal export, then coming needlework. In the whole world you cannot find any finer needlework than that made in Puerto Rico, done largely by hand, its reputation rests on high quality and beautiful and delicate design.

Puerto Rico rum is known all over the world as the rum of quality and age. Its shipment to the United States increased from a little above $1,000,000 in 1935–36 to more than $3,000,000 in 1937–38.

As I stated before, the American public has had no opportunity of really knowing Puerto Rico. The insular government therefore has entered into a wide publicity and advertising campaign to let the American people know that Puerto Rico is part of the United States, its people American citizens, and the only spot under the American flag where Christopher Columbus really set foot. In time we hope that it will become the preferred American tourist resort.

Visitors to the island, including naval personnel, have increased from 6,027 three years ago to 29,076 last year. New hotels, restaurants, beaches, and places of entertainment are in development. Certainly no other area of equal size on the face of the globe is more favored in the three important respects of a perfect climate, beautiful scenery, and a courteous and hospitable people, and no place in the New World has examples of Spanish architecture of greater antiquity and historic interest. Add to this the picturesque and charming traditions of 400 years of Latin culture, and we find in our island a blend of attractions that may justly be called unique.

I could continue at length to enumerate many things we have done or are doing to develop Puerto Rico into a true connecting link between North and South America. Our school of tropical medicine, we expect, will be supplemented in the near future by schools of tropical forestry and tropical agriculture. We expect further to establish a permanent industrial exposition in Puerto Rico where firms and manufacturers from North and South America may exhibit their products.

In closing, I thank you once more for everything that you have done for Puerto Rico in improving our harbors. I want to extend to you all a most cordial invitation to "discover Puerto Rico" and come down and visit the island "where the Americas meet."

Importation of Canned Meat

EXTENSION OF REMARKS

OF

HON. CARL T. CURTIS

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 24, 1939

EDITORIAL FROM THE OMAHA (NEBR.) DAILY JOURNAL-STOCKMAN OF MARCH 21, 1939

Mr. CURTIS. Mr. Speaker, at this time, when we are considering the agricultural appropriation bill, I want to take this opportunity to insert in the RECORD for the benefit of both Congress and the Nation a very pointed editorial. It was published in the Omaha Daily Journal-Stockman on March 21, 1939, which is published at Omaha, in the great State of Nebraska.

The editorial is as follows:

[From the Omaha (Nebr.) Daily Journal-Stockman of March 21, 1939]

STILL IMPORTING CANNED MEAT

It certainly seems strange that a country as rich in livestock resources as the United States should continue to import so much canned meat from abroad. Comparatively few live cattle are being brought into this country, but our imports of canned beef are enormous. According to the National Provisioner, during the first week in March alone Argentina sent 170,137 pounds of canned beef to New York, and Brazil sent us 270,000 pounds of canned beef.

In the record of canned pork the figures are even more formidable. For the week ending March 10, New York reported 25,817 pounds of "cooked ham in tins" from Denmark; Estonia sent us 91,155 pounds; Germany, 5,866 pounds; Holland, 120,760 pounds; Hungary, 62,907 pounds; Lithuania, 24,425 pounds; Poland, 143,901 pounds; and Rumania, 46,156 pounds. All this in addition to thousands of pounds of other cooked and cured pork.

Since the above imports of beef and pork were made in a single week, it is not difficult to figure out that America's imports of foreign canned and cured meat would amount to a tremendous volume for 52 weeks, or an entire year. And these importations, of course, displace just that volume of American meat.

It would seem to be about time for American livestock producers and farmers to look into the matter of protecting their home market. If we are barred from foreign markets, why should our own market be wide open to foreign meats?

Coinage of Fifty-Cent Pieces in Commemoration of Fiftieth Anniversary of the Admission of Wyoming to Statehood

EXTENSION OF REMARKS

OF

HON. FRANK O. HORTON

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Friday, March 24, 1939

JOINT MEMORIAL OF THE LEGISLATURE OF THE STATE OF WYOMING

Mr. HORTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following joint memorial of the Legislature of Wyoming:

Senate Joint Memorial 5

Joint memorial memorializing the Congress of the United States to consider and act upon a bill now pending in the Congress of the United States authorizing the coinage of 50-cent pieces in commemoration of the fiftieth anniversary of the admission of Wyoming into the Union as the first State guaranteeing equal suffrage to women

Whereas there is now pending in the current session of the Congress of the United States of America, proposed legislation authorizing the coinage of 50-cent pieces in commemoration of the fiftieth anniversary of the admission of Wyoming into the Union as the first State guaranteeing equal suffrage to women; and

Whereas the Legislature in the State of Wyoming now in session believes that this fiftieth anniversary should be fittingly commemorated: Now, therefore, be it

Resolved by this Senate of the State of Wyoming (the house of representatives concurring), That the Congress aforesaid be and is hereby memorialized to promptly consider and pass said bill: and be it further

Resolved, That certified copies hereof promptly transmitted to the President and Vice President of said United States, the Speaker of the House of Representatives of said Congress, United States Senator JOSEPH C. O'MAHONEY, United States Senator HARRY H. SCHWARTZ, and Congressman FRANK O. HORTON.

Monetary Education

EXTENSION OF REMARKS

OF

HON. ED. V. IZAC

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1939

DISCUSSION OF THE MONEY QUESTION ON CONGRESSIONAL BREAKFAST TALK, MARCH 21, 1939

Mr. IZAC. Mr. Speaker, I have obtained this permission to extend my remarks in the RECORD for the sole purpose of making available to all the American people information on the money question. Each Tuesday at the breakfast hour, through the facilities of WOL radio station here in Washington, a 15-minute period is given over for the enlightenment of the general public in a matter of the greatest national importance. I congratulate the management of WOL and the Mutual Broadcasting System, and I cannot praise too highly the unselfish efforts of those courageous souls who are showing us the way to real monetary reform.

Former Congressman Binderup, of Nebraska, is conducting the broadcasts and is rendering to the American people a service beyond recompense. On last Tuesday Mr. Binderup presented two of our best-qualified colleagues, Congressman HILL, of Washington, and Congressman OLIVER, of Maine, and their contribution to this fine educational endeavor is well worth the consideration of not only our colleagues in the House and the Senate but of the people generally. I submit herewith the radio program of last Tuesday morning:

ANNOUNCER. Once again we bring you the Tuesday morning congressional breakfast talks, conducted and arranged by Mr. Charles G. Binderup, former United States Congressman from the State of Nebraska. Mr. Binderup.

Mr. BINDERUP. Thank you, Mr. Brown, and once again thanks to the WOL broadcasting station for this privilege. It is a pleasure to introduce my friends and colleagues, the guest speakers who will take part in our congressional breakfast talk this morning. They come from the remotest corners of the Nation. First, we have a Republican from the extreme Northeast, Congressman JAMES C. OLIVER, from Maine; and a Democrat from the extreme Northwest, Congressman HILL, from Washington; and I shall take a small part representing Nebraska, which is about the geographical center of the Nation. It should be interesting to hear the opinions and political conclusions of men living thousands of miles apart and of different political parties expressing themselves on this all-important and timely question, "Government monetary control and constitutional money."

Our program this morning consists of answering letters from the Members of the Senate and House relative to the plan for Government control of the people's money supply, which determines progress or poverty.

I will ask Congressman OLIVER to read the first letter, which was received from Congressman PIERCE of Oregon.

Mr. OLIVER (reading):

Hon. CHARLES G. BINDERUP,

3200 Sixteenth Street, Washington, D. C.

MY DEAR FRIEND: I listen with a great deal of interest to the broadcast at the breakfast hour that you have promoted on the money question.

I want to congratulate you on the fine education you are giving the American public. I know of nothing more important than education of the people on the question of money.

Under the Constitution the Congress is delegated the sole right to manage the currency. Why does Congress not do this?

I shall watch with deep interest future broadcasts that you may give on this very interesting subject.

Very sincerely yours,

(Signed) WALTER W. PIERCE, M. C.

Mr. HILL. That to me is an outstanding question. Also I would like to ask Congressman OLIVER, Why do you Republicans set up a wailing howl in Congress about sticking to the Constitution which we heard so much about in the last session of Congress when we tried to add a few members to the Supreme Court. You would have thought from the cries in and out of Congress the Democrats were going to swallow up the entire Constitution. But when it comes to the constitutional provision in article I and section VIII, which definitely and positively provides that Congress must coin all the peoples' money and control the value thereof, these same Republicans shout horrors, inflation, fiat money, and printing-press money. They try to make it appear that you are a criminal of the first rank because you want to defend and live up to the Constitution. This part of the Constitution, to them, seems to be merely a scrap of paper.

Mr. OLIVER. Now just a minute, my good friend and colleague, Congressman HILL. You are turning this discussion into politics, and I would like to remind you of the old saying. People living in glass houses shouldn't throw stones. I received a letter—followed up by a telegram—a few days ago from the Constitutional Money League of America. I think it was written by our friend Mr. BINDERUP. I understand similar letters and telegrams were sent to 600 Senators and Representatives, the President, and others in and around the Capital. This telegram and letter called attention to the promise you Democrats made to the people in every platform you have written for 40 years in which you declare for constitutional money.

Let me read a portion of this letter. It is headed: "Why do we fiddle while Rome is burning?" The Democratic platform for 1932 reads: "We maintain the depression of 1920 and 1929 were due to the indefensible contraction of credit for private gain at public expense (that is, by the banks calling old loans and their refusal to make new loans), and we pledge the Democratic Party to preserve a sound currency at all hazards. We promise to restore property values and to endeavor to establish a dollar of uniform permanent debt-paying purchasing power. * * * We approve the objective of a permanent sound currency established so as to prevent the former wide fluctuations in value, injuring in turn the producers, debtors, and property owners on the one hand, the wage earner and creditor on the other hand—a currency which will permit full utilization of the country's resources."

That was a beautiful statement, wasn't it?

And now I would like to remind my good friend and colleague, Congressman HILL, from Washington, that apparently your Democratic Party considers your national platform a mere scrap of paper, for during all these years you have carried this plank in your platform you have had a Democratic majority in Congress and if you had wanted to could have established this dollar without the aid of a single Republican. In fact, right now and for the past 6 years you have had a Democratic President and an overwhelming Democratic majority in the House and Senate, with a Democrat at the head of every committee. The way was clear for you, and what have you done?

Mr. HILL. All right, my friend Congressman OLIVER, from Maine. How about your own platforms? The letter you refer to also contained the plank in your Republican platform referring to Government monetary control, constitutional money, and, while I will admit your party has been in the minority and the Democratic Party has taken leadership, thereby assuming the greater responsibility, yet this did not relieve the Republican Party from making a fight for the principles contained in their platform and you as a party have not made a single effort to carry out the plan for constitutional money as not alone your platform promised but as the Constitution demands.

Let me read to you from this same letter. "The Republican platform of 1932 reads, 'We pledge a sound currency at all hazards. We will restore to the Congress the authority lodged with it by the Constitution to coin all money and regulate the value thereof.'" And that statement is just as fine a statement as the Democrats made, and again your platform for 1936 reads: "We advocate a sound currency." And again repeating: "We will restore to Congress the authority lodged with it according to the Constitution to coin all money and regulate the value thereof." And that was another beautiful promise.

And so when you speak of people in glass houses throwing stones you might examine the architecture of your own house.

Mr. BINDERUP. You have both referred to a certain letter from the Constitutional Money League and to the platforms of your parties as quoted therein, so let me also refer to this same letter and remind you there are two more party platforms contained in this letter. First, the Progressive platform for 1938, which reads as follows:

"The ownership and control of money and credit, without qualifications or reservations, must be under public and not private control." Well, that's another good statement.

And the Farmer-Labor platform for 1934 is short but definite: "Congress shall exercise its constitutional power to coin all money and regulate the value thereof." The truth in a nutshell. But I am pleased to have observed that every Progressive and every Farmer-Laborite did remember their party platforms when the opportunity presented itself to vote or work for constitutional money.

And I am pleased to extend to you, our much appreciated guest speakers this morning, a well-earned compliment, and in this I know I speak the sentiment of the multitude who are looking for courageous leaders in this hour of political darkness. You and many others in Congress never forgot as individuals your party pledges.

Mr. OLIVER. Since we are airing out the platforms of the different political parties relative to their stand for constitutional money, I have a plank of the Democratic platform following the crime of 1920. I think it is in the platform of 1924. I overlooked this when reading the Democratic platform before:

"We denounce the recent cruel and unjust contraction of legitimate and necessary credit currency, which was directly due to the so-called deflation policy started on May 18, 1920. * * * We demand that the Federal Reserve banking system be so administered as to give stability to industry, commerce, and finance, as was intended by the Democratic Party which gave the Federal Reserve banking system to the Nation."

That is really the most specific of all planks in the Democratic platforms.

Mr. HILL. And I would like to add that the cause for constitutional money is a holy cause. For did not every Member of Congress, the Senate and the House, pledge to the people they would carry out this constitutional mandate to provide constitutional money? And in order to make it still more sacred and binding and still more forceful, did not every Republican, Democrat, Farmer-Laborite, and Progressive, as well as the President of the United States, when they accepted office and assumed the responsibility, hold up their right hand and take a solemn oath that they would uphold the Constitution of the United States, which so plainly and definitely stipulates that Congress shall coin all money and regulate the value thereof; in other words, that Congress and not the money changers shall regulate the measurement used to determine the compensation of labor and farmer?

Mr. OLIVER. Now, what I would like to know, Mr. Binderup, and I think our radio audience would also like to know; what in your judgment is that powerful factor that can hold back this righteous cause when all political parties in their platforms have made solemn pledge to the people and taken an oath before their God to carry out this constitutional mandate?

Mr. BINDERUP. In answering this question, let me be frank and fearless. How well do I realize that I am making myself vulnerable not alone to the money powers but to an uninformed prejudiced society, and having answered this question without fear, telling the whole truth, I am prepared to hear the shouts and the hisses and the ridicule of bigots and the intolerant and the uninformed who are still plodding in the old monetary rut that was created and supported by a Rothschild that spoke through an Alexander Hamilton, that echoed through a Wall Street and is today amplified through a Federal Reserve banking system that extracts from the people the products of their hands and brains that so justly belongs to them and gives it to the money changers. And so with a full realization of the cost, fully conscious of the price I shall pay, I challenge the enemy of humanity with an irrevocable determination. It shall be done!

Congressman OLIVER. I would like to shout this reply from the mountain top that the people might know. It is the invisible government, the power behind the throne that by the power of money, compels our Congress against its desire to repudiate the will of the people. It is Wall Street and the international bankers, clothed in the raiment of the American Bankers Association and large organizations and corporations and associations of vast capital. These, my friends, are the political cancers at the heart of our great Government.

The threatening communism, nazi-ism, or fascism, or any other isms are but the symptoms of a nation in decay on which feed the worms of war. These are but the pimples of the body politic of our Uncle Sam, the outgrowth of money monopoly, economic dictatorship. Believe me, the issue is the money changers versus the people, the same enemies that fought Christ and they are still fighting the principles of Christ. Every great government that ever was and is no more, encountered this enemy and died, and out of the mists and the clouds and the shadows of money monopoly, born of the money changers and economic dictatorships, some day will come a blacksmith, or a paper hanger, or a steel worker who will say to the people, "You are hungry. I will give you a crust of bread for your liberties. Trade your economic dictatorship and what you have left of your great democracy for me. I will at least give you food to eat. I will take from the rich and give it back to you. Your economic dictator has taken from you your homes and your farms, your jobs and your constitutional rights to life and liberty and the pursuit of happiness. I promise you bread." And the great multitude, sorrowfully, woefully, and reluctantly will reach out their hands for the crust of bread, and they will reply in the words of Shakespeare's old apothecary, "My poverty and not my will consents." And the new dictator will reply in the words of Romeo, "I pay thy poverty and not thy will."

Mr. HILL. In conclusion let me say to Members of Congress listening in, in reviewing this morning the platforms of our political parties I am sure you will all understand this is not done in the spirit of reproach as much as it is just a gentle reminder to all of us, but these platforms do suggest some explanation. Why do we not act collectively against this common enemy, the money changers. Is it because, recognizing the power of money, we are afraid to fight? Then let me suggest to you that this fight is ours, and the sooner we take up the fight the sooner can our great Nation be brought back and in no other way can we solve the political problem facing us in Congress today.

Mr. BINDERUP. I don't really think our talk this morning needs an apology; we have only reminded Congress. This was the covenant we made with our people, this was our promise, and in reply they said to us by their ballots, "Go you to the Nation's Capital. We have confidence in you."

And then when President Roosevelt reiterated in his inaugural address, "The money changers must be driven from the temple"—oh, how we rejoiced and answered back, "Then you are the peoples' champion come from wealth and plenty down to fight for the cause of humanity. Then you are the great leader for whom the toiling masses have so religiously hoped and prayed for over a hundred years."

And then do you remember when we heard the echo from that most notable message our President Roosevelt sent to the London monetary conference: "Let me be frank in saying that the United States seeks the kind of dollar which a generation hence will have the same purchasing power and debt-paying power as the dollar we hope to attain in the near future." And we shouted back to our President, "Yes, yes; amen"—for with such a dollar there can be no more money panics and depressions and without such a dollar there can be no justice nor economic freedom.

And when our President called attention to the one-third of our people ill fed, ill clothed, and ill housed—suffering humanity, like the shipwrecked, floating on a raft—cold and hungry, waving their garment that a passing ship might see, dried their tears and whispered, "He has seen us. Thank God; now we will be saved."

But the hidden government, the money changers, were at the helm and the winds of selfish greed wafted the old ship of state in the opposite direction and so today the raft with its one-third are still adrift, still waiting and hoping and praying that someone will take the place at the helm of the great ship of state with the courage to save them.

And now in conclusion let me again thank you, Congressman HILL and Congressman OLIVER, for this contribution to our congressional breakfast talks.

ANNOUNCER. I understand you have a very interesting discussion planned for next Tuesday morning's congressional breakfast talk. We would like to know who will be your speakers and what will be the topic for discussion.

Mr. BINDERUP. Yes; I am pleased to announce for our next Tuesday congressional breakfast talk: Senator GUY M. GILLETTE, of Iowa, and Congressman JOHN F. HUNTER, of Ohio, on the subject The Quantity Philosophy of Money, the Control Lever for a Permanent Dollar.

And at this time I wish to announce that we invite Members of the Senate and the House to come to WOL and sit at the table with us in discussion of this question on Government monetary control. We welcome especially anyone having an opposing viewpoint on Government monetary control.

ANNOUNCER. Mr. Binderup, that sounds interesting, all right. So until we have another congressional breakfast talk, we say, "So long," until next Tuesday morning.

The Old Gray Mule, He Ain't What He Used To Be

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Saturday, March 25, 1939

LETTER FROM HON. GEORGE H. HEINKE, OF NEBRASKA

Mr. BENDER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter written by Hon. GEORGE H. HEINKE, of Nebraska:

JANUARY 30, 1939.

Mr. EDGAR HOWARD,
Editor, Columbus Telegram, Columbus, Nebr.

DEAR FRIEND EDGAR: My attention has been called to your editorial of January 18, 1939, in which you intimate that you discern spavins and ringbones on my political legs because of my negative vote on that wicked 1939 W. P. A. deficiency appropriation.

Edgar, what you perceive on my political legs are not spavins or ringbones. They are the remains of the scratches, welts, and Charley horses that I received going through some of those political fences in my race for Congress last fall, but I assure you that you

would have to look mighty close to see any evidence of them now.

Talking about mules, I am reminded that a number of years ago, when I was scouring the countryside buying cattle, a friend came to me and said, "George, while you are riding the country, I wish you would keep your weather eye open for mules. I am in the market for mules, and here is what I am interested in: I want a span of molly mules, matched either in black, bay, or gray; aged 6 or 7 years; height, 14 hands; weight, 1,400 pounds or thereabouts; broke to work; and that will stand without hitching, and if they are in foal, all the better. I want them worth the money. I want no pointed rumps, no drooping rumps, no crooked legs, no swinney, no spavins, no ringbones, nor cold shoulders. Examine the eyes, the teeth, and the wind. Look at their kidneys, their appetites, and their intestines if you can."

Edgar, I tell you a mule like that is hard to find.

I remember the mule you had on or about March 4, 1933. I refer to the one that those New Deal bureaucratic mule skinners have been herding around for almost 6 years.

I was never overly fond of that mule and especially his braying. I must admit, however, that he did a little work, had a little shape and some good mule sense. But look at him now, mooneyed, blind staggers, a whisky cough, shimmies, and walks in circles. His whole constitution is undermined and it takes appropriations of nine or ten billions of dollars to even keep him on his feet. At his best he is nothing now but a common, no-account, flea-bitten, knot-headed jackass and a stump-sucker, besides.

Edgar, the only mule you ever had is ruin't.

Sincerely yours,

GEORGE H. HEINKE,
Member of Congress.

Our Foreign Policy

EXTENSION OF REMARKS
OF
HON. ADOLPH J. SABATH
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Friday, March 24, 1939

Mr. SABATH. Mr. Speaker, on March 18, 1938, answering an attack upon Secretary Hull and the administration's foreign policy, I made a lengthy speech giving my opinion of European conditions. By that speech I hoped to draw attention to the menace of Hitler to world peace, and particularly to the shadow he cast over Poland, Czechoslovakia, Yugoslavia, and Rumania.

I was convinced that Great Britain and France could weigh gravity of coming events, but suspected those nations of viewing the sweep of fascism and nazi-ism as preferable to the growth of communism. They have sanctioned dismemberment of a sister democracy, Czechoslovakia, and are poised to deprive other countries of their independence. I cannot help wondering whether they do not approve of the barbaric and bloody policies of Hitler.

In my speech on March 18, 1938, I said:

Not until 1912, when I had the pleasure of obtaining the privilege of the House floor for Count Luetzow, ex-Austrian statesman who visited the United States to warn of the dangers of the approaching European war and advocate measures tending to universal peace, and shortly thereafter, when I heard the late President of the Republic of Czechoslovakia, Professor Masaryk, lucidly explain the aspiration of Germany to acquire by any means necessary not only control of middle western Europe and the countries of the Danube but also another outlet to the sea, did I really begin to give serious thought to the danger of the then approaching war.

EXPRESSED BELIEF IN SECRET CONSPIRACY 3 YEARS AGO

Three years ago I voiced belief that a secret or tacit agreement existed between Hitler, Mussolini, and Japan, but my warning went unheeded. The strategy practiced by those countries conformed exactly to that predicted by Professor Masaryk, who was intimately aware of Germany's ambitions.

In the Orient Japan pursued a course toward domination of the yellow races, apparently with preassurance that Italy and Germany would so engage the attention of the European democracies that interference in China would be impossible.

In Ethiopia Mussolini's war machine grinded to its conquest while Hitler's silence gave approval.

Internal dissent in Spain, nourished by the dictator countries, finally flamed into civil war, and the legions of Italian and German soldiers took stand in battle against the established government.

Hitler, demanding the return of Germany's lost colonies, only cloaked his purpose of European aggression, and it was long ago clear that he would one day climax the years of planned propaganda in Austria by an invasion of that country. His seizure of Austria is but a prelude of more ambitious plans. Peace- and liberty-loving Czechoslovakia, Rumania, Hungary, and the other small independent nations now see his shadow across their lands—Memel, Danzig, and the Polish Corridor, Alsace-Lorraine, and the much-desired Ukraine.

For the time being, engaged in consolidating his gains, he may utter reassuring words to Poland and Yugoslavia. But they have only to recall his utter disregard of treaties, and his oft-repeated statements as to his ultimate aims, to realize how necessary it is that they prepare to resist invasion, for invasion is bound to come.

IL DUCE MAY BE MAKING SAD MISTAKE IN TRUSTING HITLER

Whether Il Duce is as smart as he thinks he is in cooperating with the imperialistic-minded Hitler only the future will tell. But there are many sapient observers who have their doubts. They believe that Hitler will not hesitate to throw his now comrade, Il Duce, overboard when and if he becomes strong enough to be able to get along without him.

AMERICA MUST TAKE NOTE OF WHAT IS GOING ON IN THE WORLD

One may properly ask how does all this affect America? Who knows? In this fateful hour, with all the civilized world well-nigh breathless, I do not feel that we should follow the vacillating policy of Great Britain, who, in the opinion of many well-qualified students of international affairs, may be the next prey of the remorseless triumvirate. Many ripe scholars feel that the suppression of Great Britain will mean the consummation of a plan to form three great powers outside of North and South America. I doubt very much that France, which is fighting domestic problems with her back to the wall, and Russia, despised by the capitalistic groups of the world, could, after the disappearance of the other countries I have named, long withstand being dismembered also. There is not the slightest doubt in my mind but that Hitler, Mussolini, and the raving-mad Japanese war lords are in a conspiracy to divide the entire world among themselves, or at least as much of it as they can manage to grab.

POLISH LEADERS SHOULD NOT FORGET TREATMENT ACCORDED POLES IN PRUSSIA

Great Britain, rather late, is commencing to realize its danger. Does Poland realize her danger?

The leaders in Poland might well hearken back to other days, and consider the former treatment of Poles in Prussia. I remember in 1908 how Prussia prohibited, by edict, the teaching of the Polish language in their own schools, and how they proposed in their Parliament a compulsory dispossession of the homes of Polanders. For 2,000 years the Poles and their fathers before them had occupied this land, but notwithstanding and in contravention of the Congress of Vienna of 1815, and in violation of Prussia's organic laws prohibiting distinctions between citizens of the Kingdom, that Kingdom's Parliament even then showed its prejudice and discrimination against the Polish.

At the time I speak of, Congressman Arthur L. Bates, of Pennsylvania, was impelled to introduce into this House a resolution extending good wishes and sympathy to the Poles in Prussia in their efforts to maintain their property rights.

Recalling this, and viewing the present prejudice which governs in Germany, Poland should properly estimate the future insofar as her relations with that country are concerned.

AMERICA MAY NOT BE AS SAFE AS SHE FEELS

Up to about 12 years ago we confidently believed ourselves properly protected against possible attack from any and all quarters; but in view of the increased and ever-increasing knowledge of aviation and mammoth airplane carriers, are we really free from military danger?

If this nefarious triumvirate should effect the dismemberment of the great British Empire, what would become of Canada? Could we still feel free and at ease without present-day Canada?

Only a little while ago I read in the public press about concessions that had been or were contemplated to be granted by Mexico to Japan in Lower California. That recalled to my mind the tentative offer by Germany in 1917, in the Zimmerman note, to give Mexico a part of the United States if Mexico would join Germany, and the offer to Japan of the Philippine Islands in return for military aid. When those audacious offers were first brought to light it was thought they were sheer allied propaganda, but we were convinced of the authenticity of these reports by documentary evidence that came into possession of our Government.

In view of all this and our enemies within, I feel that it behooves us adequately to protect ourselves against even the remotest eventuality. I have heard it said with plausibility that if England had stated her position unequivocally in the early days of 1914, and if America had been prepared in 1916, these acts would have had a most salutary effect, and it would not have been necessary to send millions of our young men across the sea and expend billions of dollars. Consequently, and repeating, I feel that we owe it to ourselves to prepare for any, even the most imaginable possibility. Therefore, I am ready to vote for the construction of a navy and an air force that will be unmistakably adequate for our proper defense.

DO NOT CLAIM TO BE MORE PATRIOTIC THAN THOSE WHO DISAGREE

It is not my aim to try to make anybody believe I am more patriotic than those who do not favor this increased naval plan. We all recognize among that group a highly patriotic impulse. They, too, think their judgment would be better for the country. The only interest I have in the problem of national defense is the welfare of our whole country, to which I owe much and for which I am ready to give everything I possess. This great country of my adoption has been kind to me, and if I leave behind only one legacy, I want it to be a contribution, weak though it be,

to the defense, not offense, and the promotion of the welfare of the land that made me whatever I am and gave me whatever I have.

Let me say that I feel a grave mistake was made by some of the political leaders of 20 years ago, who, for purely political purposes, prevented the United States from joining other peace-loving nations in a hopeful effort to outlaw war and all its frightful consequences by the League of Nations. That failure unquestionably weakened the League at the outset, and it has in no small measure destroyed its usefulness.

I well remember when President Wilson returned from his first trip to Paris and invited the members of the Senate Committee on Foreign Relations and the members of the House Committee on Foreign Affairs to the White House to hear his explanation of the League plan, because I was at the time a member of the Committee on Foreign Affairs. The only sitting members of the Committee on Foreign Relations are Senators PITTMAN and BORAH. I am the only sitting Member of the House who participated in that historic meeting.

Mr. Wilson made a confidential report to the members of these two committees, and in a 3-hour session he endeavored to obtain the advice and consent of those present. All present were asked to question the President on each and every provision, which many, as I recall, did, and all were apparently satisfied by the President's lucid and masterly exposition of the infinite possibilities of that great humanitarian plan. In addition to securing the advice and consent of the members of those two committees, Mr. Wilson consulted such eminent Americans and Republicans as former President Taft, former Secretary of State Elihu Root, and others, all of whom acquiesced in the President's conclusions. I especially remember that the chairman of the Committee on Foreign Relations of that time, Mr. Lodge, of Massachusetts, propounded to President Wilson many questions and appeared satisfied, yet a few months later, unfortunately, the same Senator Lodge who had given unmistakable assurance of accord with the plan, became, in his important official position, the spearhead, largely for political purposes, of the opposition to the League plan. It is a fact that there was opposition to the League of Nations, simply because it was the only issue Republican leaders of that day could evolve in opposing the Democratic Party. In this opposition they were aided by the disgruntled, vitriolic Jim Reed, then a Senator from Missouri.

It was alleged that the League Covenant provided for sending our boys across the sea; while in fact there was nothing in the League Covenant that justified such a conclusion. I maintained then, and I repeat, that the underlying opposition to the League, aside from the political consideration, was the objection of industrial leaders of the Nation to the international labor provisions, which provided, in article 20 of the Covenant of the League, that—

"The high-contracting parties will endeavor to secure and maintain fair and humane conditions of labor for men, women, and children, both in their own countries and in all countries to which their commercial and industrial relations extended, and to that end will agree to establish as part of the organization of the League a permanent bureau of labor."

BELIEVE AMERICA'S MEMBERSHIP OF THE LEAGUE WOULD HAVE BEEN BENEFICIAL

I am confident today, beyond all doubt, that had the United States joined the League of Nations it would have strengthened and preserved the League in full vigor and effectiveness and we would not have present-day conditions, with all democracies of Europe either destroyed or on the verge of destruction. I still believe that under the terms of the League Covenant we could have precluded the mad rearmament race by close adhesion to and renewal of the provisions of the Washington Arms Conference after the 10-year limit, to the lasting benefit of all civilization. At the conclusion of the Washington Arms Conference the United States felt fairly easy; and it was only our absence from membership in the League that led first Germany, then Italy, and, shortly thereafter, Japan to withdraw from membership in the League. Then trouble began. The plot thickened. Now we have the fruit.

Moreover, I feel that if Great Britain and France had taken a firm stand against the initial rearmament of Hitler, Mussolini, and Japan, and had not been lulled to sleep by undependable peace assurances, they would have been in position 2 years ago to stop Mussolini and Hitler in their mad rush toward a menacing world conquest. Should we, then, follow the vacillating and always unloading policy of Great Britain or should we be ready to properly defend ourselves and our possessions against any and all?

I LIKE TO FEEL THAT I CAN CHANGE MY VIEWPOINTS IN ACCORDANCE WITH CHANGED CONDITIONS

And so, in conclusion, let me say that in view of the alarming world conditions to which I have alluded, I shall vote and work for the passage of the pending bill. This may be surprising to some of the critics who have accused me of being a pacifist, charging that I was against adequate national defense; but let me say to them it is not they who have changed my view. I was just as conscientious when I opposed large Army and Navy appropriations in past years as I am conscientious today in supporting this bill. I have changed my views because and only because world conditions have changed. When I get so old or so benumbed of brain and character that I cannot change my view in accordance with changing conditions and a changing world, it is time for me to be carried out feet first, and I want to be.

I have criticized conditions and things at times, and I shall do so again whenever I see anything that I think merits criticism. But I love this country. I will vote any amount of money necessary to protect it from enemies either within or without. Today, perhaps more than at any other time in its history, the United States of America stands out against the dark and stormy seas of racial persecution, intrigue, conspiracy, and jealousy as the one and only enduring beacon light of hope.

I am grateful to the people of my district for having permitted me for so many years to be a Member of this great American Congress, the greatest democratic legislative body on earth, wherein every man is accorded the unfettered right to say what he pleases. Let us strive to preserve and promote this priceless heritage for ourselves and posterity. I do not expect to be here forever, but I do want the Stars and Stripes and a democratic form of government to endure here forever.

These are words I spoke a year ago. Today they are as true as they were then. I can only hope that England and France, realizing their mistakes of this past year, will no longer permit Hitler to dictate their diplomacy and to move their statesmen about as players on a chessboard.

The Fish Industry and Reciprocal-Trade Agreements

EXTENSION OF REMARKS

OF

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, March 25, 1939

Mr. REED of New York. Mr. Speaker, since this industry to be prosperous must have an export outlet for some of its products, as well as a large domestic market, it is reasonable to conclude that it would be the policy of the Government to protect the American fishing industry through true reciprocal-trade agreements. This is a very important industry, especially to the northeastern and northwestern sections of this country, employing over 125,000 fishermen in 1935, and 13,000 additional persons in the canning and curing of fish. The value of the products of this industry in that year was estimated to be over $104,000,000.

The United States received concessions in 13 of the 16 trade agreements which had been negotiated and were effective prior to January 1, 1938. Of the agreement countries, Canada, the Netherlands, and France were important outlets for our fish and fish products in 1929. To two of these three countries—Canada and the Netherlands—we gave concessions on fish and, in turn, Canada and France gave this country concessions.

Figures from official sources show that agreement countries as a whole took slightly more than 29 percent of our total export market in value in 1929. Our total fish exports in 1937 were but 58.4 percent of their value in 1929. However, in 1937 our exports to nonagreement countries had recovered to 65.1 percent of 1929, while to agreement countries which gave us concessions they were but 49.6 percent of the 1929 level in value. It is evident that our recovery of our former fish market has been more rapid to the non-trade-agreement countries than to the agreement countries. Thus it is apparent that the concessions received under reciprocal-trade agreements have not been of particular value to this country. On the other hand, we in turn gave concessions on fish in both the Canadian and the Netherlands agreements which were generalized in our tariff schedules to the entire world. We likewise gave concessions to Cuba, but these were not generalized because of the special treaty in effect between this country and Cuba.

While the value of fish exports in 1937 was nowhere near the 1929 level, the value of fish imports for 1937 was 85.3 percent of the 1929 level. Our imports from agreement countries in 1937 were 86.6 percent of the 1929 level, while to nonagreement countries they were 84.2 percent. From these figures it is obvious that the trade-agreements program has helped foreign countries to recover their market in this country, while the concessions we received from agreement countries have not been of any help to us in reacquiring our former foreign market for fish.

It is especially noteworthy that, while the Netherlands received a concession from us which has been very helpful to them in bringing their volume in this country back to approximately the 1929 level, they did not in turn give us the concession which would have made it possible for us to have reacquired our former market in the Netherlands. In 1929 we exported to the Netherlands 19,833,000 pounds of canned fish, while in 1937 this figure had dropped to 1,791,000 pounds.

Another country which has materially increased the sale of its products in our home market is Japan. In 1929 Japan exported to this country 26,543,000 pounds, while in 1937 they exported 47,703,000 pounds. Here is another industry which the New Deal claims to have helped through its reciprocal trade agreements program. However, all of the evidence shows the contrary to be true.

Dr. Towne Nylander

EXTENSION OF REMARKS

OF

HON. THOMAS F. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, March 25, 1939

DOCUMENTS FROM THE NATIONAL LABOR RELATIONS BOARD

Mr. THOMAS F. FORD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following documents from the National Labor Relations Board:

N. L. R. B. LIFTS SUSPENSION OF DR. TOWNE NYLANDER AS REGIONAL DIRECTOR OF TWENTY-FIRST REGION

The National Labor Relations Board on February 27, 1939, announced the suspension of Dr. Towne Nylander as regional director of the twenty-first region, at Los Angeles, pending an investigation of the accuracy of the reporting of an address made by Dr. Nylander at Inglewood, Calif., on February 6. The newspaper account of the address quoted Dr. Nylander as expressing views which are in no sense those of the Board.

An investigation was undertaken at the request of the Board by Prof. James E. Brenner, lieutenant commander, U. S. Navy, (retired), professor of law at Stanford University. His findings have been received and studied by the Board. In them the Board does not find cause to continue Dr. Nylander's suspension. It has therefore advised Dr. Nylander that his suspension has been lifted, and has requested him to reassume his duties as regional director.

A copy of Professor Brenner's findings in the matter, and of Chairman Madden's letter of transmittal to Dr. Nylander, are attached.

NATIONAL LABOR RELATIONS BOARD,
Washington, D. C., March 24, 1939.

Dr. TOWNE J. NYLANDER,
2638 West Adams Gardens, Los Angeles, Calif.

DEAR NYLANDER: As you know, the Board requested Prof. James E. Brenner, of Stanford University, to investigate the accuracy of an article in the Inglewood Daily News which reported an address made by yourself before the Ingleside Community Forum on last February 6. In addition to the inquiries made of yourself, Professor Brenner in the course of his investigation has interviewed many of those who listened to your address and has taken the testimony of the writer of the Daily News article, Mr. Roy Rosenberg. The Board has received Professor Brenner's findings. A copy of them is attached.

You will note that the findings go directly to the statements which disturbed the Board and which was the cause of its action in suspending you. The purported statements were to the effect that, when a complaint is actually served, the Twenty-first Regional Office does not have a scintilla of doubt as to the employer's guilt, and that the employer "hasn't got a chance."

Professor Brenner finds that you did intend to convey the meaning of the first statement to your audience; he finds conflicting evidence as to your words and meaning on the second point. As an overall finding, Professor Brenner presents a failure on your part to describe Board procedure in such a way as to convince listeners, unfamiliar with that procedure, that it affords an employer adequate opportunity to defend himself against allegations made against him in a complaint.

The Board recognizes that it is the duty of a regional director not to issue a complaint in a case unless his investigation of the facts has led him to conclude that an unfair labor practice has been committed. It is assumed that your remark, "When a complaint is actually served the twenty-first regional office does not have a scintilla of doubt as to the employer's guilt," is an expression of confidence that you in your investigation have so sifted the facts that you are certain a complaint can be sustained. You may claim that cases in your region are so carefully investigated and prepared that only those in which the unfair labor practices are certain of proof under testimony could reach the stage of a public hearing. However, the Board regrets that your discussion of procedure dealt only with those early stages of our cases entrusted to the regional director, and failed to deal with the later stages which are the responsibilities of the trial examiners and the Board.

Your error in judgment according to our reading of Professor Brenner's report, arose from not "* * * laying a foundation by making a complete and accurate explanation of the National Labor Relations Board procedure." Such an explanation would have involved a clear demarcation between your duty in presenting the case and the totally different functions of the trial examiner who hears the testimony, of the Board itself which must review the testimony, and of the circuit court of appeals which passes on the entire record. Your role in the first stage of this familiar and legally-approved procedure is so routine that you were perhaps blinded to the possible effects on listeners of a presentation which left them to believe that employers have no recourse after a complaint is once served upon them. Unless you had so informed them, your listeners could not know that complaints are in proper cases dismissed upon subsequent presentation of pertinent facts, that employers have opportunity to refute allegations in complaints by sworn testimony, that trial examiners can and do dismiss complaints upon proper evidence, and that the Board itself in numerous cases has, upon its consideration of the transcript of evidence taken at the hearing, dismissed a part or all of a complaint issued by a regional director.

In respect that your error in judgment caused an unfounded alarm in the minds of parties to Board proceedings and in members of the public, with reference to the fairness of Board proceedings, the Board finds reason for reproof in your Inglewood address as weighed in the findings of Professor Brenner. Those findings also state the opinion of Professor Brenner that you "did not intend to convey the impression that the procedure of the National Labor Relations Board does not provide a full and impartial hearing for employers against whom formal complaints have been filed."

The Board also accepts this finding and upon it concludes that there is no valid cause, in the facts themselves, for further disciplinary action against you. You are reminded, however, that your suspension took place after the Board had waited for several days for a report from you concerning your remarks.

Your suspension as regional director is hereby lifted and you may immediately reassume your duties.

Sincerely yours,

J. WARREN MADDEN, *Chairman.*

FINDINGS OF PROF. JAMES E. BRENNER, SUBMITTED TO N. L. R. B. AFTER INVESTIGATION OF ACCURACY WITH WHICH ADDRESS BY TOWNE J. NYLANDER WAS REPORTED

The article in the Inglewood Daily News appears to be a case of reasonably accurate reporting, but it includes interpretations not intended by the lecturer.

There is a square conflict as to whether Dr. Nylander used these exact words: "I'll tell you frankly when we go into a hearing the employer hasn't got a chance."

With the exception of this controversial sentence, Mr. Rosenberg's statement made at the hearing is substantially correct, that "The statements which appear in the adjoining starred box are Dr. Nylander's words in every instance. The article is the running account, of the running story, is a review of what happened at the meeting in an effort to hit the high spots and does not purport to be a verbatim account of what Dr. Nylander said."

The content of the paragraphs in the body of the article is substantially correct, but in some instances the interpretation which results from taking statements from their context and joining them as consecutive statements was not that intended by the speaker.

The title of the article "National Labor Relations Board Is for Workers and Against Employers, Claim" might be inferred from the remarks of Dr. Nylander by members of the audience who were not familiar with the part of the National Labor Relations Board procedure, which was not explained by Dr. Nylander, but Dr. Nylander did not intend that such an inference should be drawn.

Dr. Nylander made a qualified statement that he personally hoped the A. F. of L. and C. I. O. would remain two distinct organizations.

The captions "Communism Feared" and "Favors C. I. O." are the reporter's own phrasing.

Dr. Nylander did not always make clear to his audience when he was quoting another person and when he was expressing his own views.

Dr. Nylander did not intend to expressly state or to imply that the Board is partial in its views concerning complaints filed against employers.

Dr. Nylander did not intend to convey the impression that the procedure of the National Labor Relations Board does not provide a full and impartial hearing for employers against whom formal complaints have been filed.

If Dr. Nylander intended to restrict his statements regarding the procedure of the National Labor Relations Board to the procedure of the twenty-first region, the record shows that he did not make his intention clear to all of his audience. Dr. Nylander did

intend that his audience should be impressed with the fact that when a complaint is actually served the twenty-first regional office does not have a scintilla of doubt as to the employer's guilt.

The Inglewood audience was a receptive one and there is evidence which indicates that Dr. Nylander became very enthusiastic about the subject matter of some of his remarks and made statements which could reasonably be interpreted in more than one way.

Dr. Nylander did fail to fully describe the procedure of the National Labor Relations Board and the lack of that explanation or knowledge resulted in a number of the members of the audience misinterpreting remarks made by him.

Dr. Lylander, as regional director of the National Labor Relations Board, should have recognized the necessity for his laying a foundation by making a complete and accurate explanation of the National Labor Relations Board procedure if he desired to make statements which might reasonably be misunderstood if this precaution were not taken.

J. E. BRENNER.

That Cash and Carry Plan

EXTENSION OF REMARKS
OF
HON. GEORGE W. GILLIE
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Saturday, March 25, 1939

Mr. GILLIE. Mr. Speaker, America is hovering dangerously near the brink of another European conflict. Our war-minded Chief Executive is directing us on a course of international intrigue that will surely and certainly lead the United States into a second world war.

Unless Congress intervenes to strengthen existing neutrality legislation as a counterstroke to the current administration effort to weaken such legislation, the history of the Wilson administration will be repeated. Only this time our boys will be sent to the Old World slaughterhouse on the pretext of making democracy safe for the world.

Senator PITTMAN, with the blessings of the administration, has introduced a bill that would scrap the present neutrality law in favor of one permitting the sale of war supplies to foreign nations on a cash-and-carry basis.

Cash and carry sounds inviting, but how long would the cash hold out? If Europe can pay cash for new war supplies, she can pay debts incurred for purchase of supplies in the last European bloodletting.

Millions of Americans hungry and in need can furnish customers for more than we have ever yet produced without going into the murder merchandising business whose ultimate consequence must be destruction of civilization and creation of the very conditions that brought dictators to Russia, Germany, and Italy.

The way to keep out of war is to keep out. Since Congress has the responsibility of declaring war, Congress should hold the reins to prevent the President from following a course of international meddling that will make such declaration a mere perfunctory formality.

The President has usurped the power that belongs to Congress and the people. I intend to condemn this procedure by signing at once the petition to discharge from committee the Ludlow war referendum resolution. I urge my colleagues to join me in this effort to give the mothers of America the right to decide whether their sons and husbands shall again be sacrificed on the European slaughter block.

I also urge my colleagues to study carefully the following editorial from the Fort Wayne (Ind.) News-Sentinel of March 23, 1939:

THAT CASH-AND-CARRY PLAN

Says Representative LOUIS LUDLOW, Democrat, of Indiana, "With the war spirit sweeping the world; with every great nation weighing itself down with clanking armaments; with international friendships long so prized and so eagerly sought breaking down and giving way on a wholly unprecedented scale to international hatreds and discord—if there ever was a time when Americans should set aside all other matters and give their best thought to the problem of how to keep America out of war now is that time."

There are as Representative LUDLOW points out no signs that any nation intends to attack us either with arms or with the economic weapons which are secondary only to arms as a means of offensive action—economic weapons applied through such discriminatory foreign policy as in the case of current American proposals is hypocritically labeled as "new neutrality legislation." But—

"There are" as Representative LUDLOW reminds us "forces that are likely to pull us into war unless we take some effective steps to prevent it. These forces—financial, political, or what not—reach across the seas and constitute the danger element of the situation, as far as America is concerned."

In this juncture, Senator PITTMAN'S cash-and-carry proposal appears very well—on the surface. But it is utterly unrealistic.

For—just where are the European nations to get the money with which to pay cash for the war supplies they are to be permitted to obtain in the United States? They haven't been able—or so they have said—to pay a penny on their old war debts for years! And most of their great armaments programs have been financed with recklessly borrowed money!

When their other sources of credit have been exhausted, when they are in the middle of a war, when they have (by means of loans) pumped up a great artificial structure of blood-soaked prosperity here in the United States—what then?

Will not World War history repeat itself? Will not the administration at Washington, dreading collapse of such a bubble of apparent economic well-being, follow in Woodrow Wilson's footsteps to arrange, either openly or secretly, extension of, first, private, then public credits to those nations which it makes no secret about favoring in the curernt European brawl?

We dare not fail to count the cost of such a policy's most probable—nay, almost certain—consequences. The Roosevelt-Welles-Pittman road is the road that leads straight to war.

And, as Mr. LUDLOW asserts, "A declaration of war is no idle and inconsequential thing. It sounds the knell of our fine young manhood. It breaks up family ties, tears heartstrings asunder, and dooms countless thousands to premature death."

We hear much sentimental talk about the suicides in Czechoslovakia. Surely there is in no quarter a lack of sympathy for those who have felt constrained to take their own lives in consequence of the new shift of the map of Europe. But can we bring back those lives by slaughtering millions? Is a Czechoslovakian suicide sadder than the ghastly deaths of hundreds of thousands of American (and other) soldiers ripped from their homes and firesides and sent into the awful shambles that is war?

Should not, at the very least, our representatives in Congress have the say-so as to specific foreign-policy commitments even potentially tending toward involvement of the United States in foreign strife when the ultimate responsibility for declaring war rests with those representatives?

If our neutrality legislation is repealed or relaxed, then, talk all our rulers will about democracy, ours will not be a democracy at all, but a pure autocracy.

Please bear all these things in mind as you prepare a message to Representative GEORGE W. GILLIE, and Senators FREDERICK VAN NUYS and SHERMAN MINTON, Washington, D. C., urging them to hold out to the last against the effort to make us scrap our Neutrality Act!

J. Burrwood Daly

EXTENSION OF REMARKS
OF
HON. JOHN M. HOUSTON
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Saturday, March 25, 1939

On the life, character, and public service of Hon. J. BURRWOOD DALY, late a Representative from Pennsylvania

Mr. HOUSTON. Mr. Speaker, when I entered the House of Representatives 4 years ago and met my colleagues from Pennsylvania, I was a stranger to the group, but as time passed, I learned to know and appreciate them, and there was none in the distinguished list of Congressmen from Pennsylvania for whom I had higher regard than J. BURRWOOD DALY. His recent death has taken from me a personal friend, and the people of the State of Pennsylvania have lost a legislator of ability and high standing. He was experienced and of sound judgment. I was always glad to consult him on many questions coming before the Congress and it was my pleasure to serve with him on several committees.

As a lawyer and as a citizen, he stood for the best interests of his community and his country. He traveled life's highway without hyprocrisy or cant; his duties he took seriously, and his obligations he discharged faithfully.

The finest words that can be spoken of him tell of devotion to his family. They were always uppermost in his thoughts and he gave them a full measure of service.

J. BURRWOOD DALY was an unusual man in that he could hold the respect and esteem of his adversary, notwithstanding

the fact that he brought to his work a grim determination and an unfaltering purpose. Through the force of his strong personality he managed to achieve that which seemed impossible to the man of ordinary strength. His rugged honesty and integrity of purpose aroused and held the confidence of those with whom he worked, and no man rendered a greater measure of service than he was called upon to perform during the hectic days of the Seventy-fourth and Seventy-fifth Congresses and this session of the Seventy-sixth Congress.

By electing him as its United States Representative, the State of Pennsylvania greatly honored J. BURRWOOD DALY; and in turn, he greatly honored the State of Pennsylvania.

Discriminatory Freight Rates

EXTENSION OF REMARKS

OF

HON. MALCOLM C. TARVER

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, March 25, 1939

RESOLUTION OF THE GEORGIA LEGISLATURE

Mr. TARVER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following memorial from the legislature of the State of Georgia:

Whereas on February 27, 1939, Commissioner William E. Lee and Examiner Michael T. Corcoran reported to the Interstate Commerce Commission that rates on 13 commodity groups were "unduly prejudicial" to southern producing points "to the extent that such rates are beyond levels higher than at present in effect on like articles within the North"; and

Whereas the said report further stated that there was no substantial argument while the rate level for a given commodity shipped from a southern to a northern point should be higher than the level of rates between two northern points of equal distance; and

Whereas it is fitting and proper that the Interstate Commerce Commission immediately equalize rate structures so as to have uniform rates on like articles which are or which may be produced in different sections of the country from such sections to common markets in conformity with the aforesaid report: Therefore be it

Resolved by the senate (the house of representatives concurring), That the Interstate Commerce Commission be memorialized and petitioned by the general assembly of this State to immediately effectuate the said uniform rate structures in conformity with the said report of February 27, 1939; be it further

Resolved, That a copy of this resolution be dispatched to the Interstate Commerce Commission, to each member of the Georgia delegation in the National Congress, and to the press of this State and Nation.

Poor Economy

EXTENSION OF REMARKS

OF

HON. JOHN Z. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, March 25, 1939

EDITORIAL FROM THE NEW YORK TIMES

Mr. ANDERSON of California. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the New York Times with reference to the second deficiency bill recently passed by the House of Representatives:

[From the New York Times, Friday, March 24, 1939]

POOR ECONOMY

Although economy is increasingly necessary in Washington, the House of Representatives has used poor judgment in deleting from the second deficiency bill appropriations of $4,000,000 in cash and $6,000,000 in contract authorization asked by the National Advisory Committee for Aeronautics for the creation of an additional research center in California, as well as $250,000 to enable the committee to stimulate research in scientific institutions. This is a case of penny wise, pound foolish. The total appropriations asked by the N. A. C. A. are a drop in the bucket compared with the sums already authorized for the procurement of aircraft. Yet fundamental research in aerodynamic problems is the very thing which has given us our technical superiority in aircraft.

Before the Appropriations Committee of the House Dr. Joseph S. Ames, chairman of the N. A. C. A., expressed the opinion that additional research facilities are now more than ever required because "another power has recently developed aircraft of greater military effectiveness than any American aircraft," and this same power "has expanded its research organization to such a degree as to constitute a foundation for enduring supremacy in the technical development of aircraft, unless the United States takes effective action." Curtailment elsewhere in our new aircraft program would be preferable to the deletion of this necessary item.

Everything "Short of War"?

EXTENSION OF REMARKS

OF

HON. RAYMOND S. SPRINGER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Saturday, March 25, 1939

EDITORIAL FROM THE MIAMI (FLA.) HERALD

Mr. SPRINGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Miami Herald, Miami, Fla., March 21, 1939:

[From the Miami (Fla.) Herald of March 21, 1939]

EVERYTHING "SHORT OF WAR"?

While Europe is seething with war hysteria at the moment, there is ample evidence that the United States apparently is about to be seized with the same virus; perhaps, in degree less violent than that afflicting Britain and France, but a bit hysterical nonetheless.

Our State Department started it last week when Sumner Welles took occasion to cuss out Hitler for the seizure of Czechoslovakia. That was followed by plans to exercise economic pressure upon Germany, raising her import duties 25 percent and putting the former Czech territory on the blacklist. Formal denunciation of German lawlessness in taking Czech land will follow. In fact, the President has announced that the administration will do everything "short of war" to make Hitler feel the displeasure of the United States over the situation in Europe. To this he has added Italy and Japan.

All of which is a little confusing.

The American tradition, if we understand it correctly, has been to keep itself out of other peoples' quarrels.

We were propagandized into the European war in 1917, and sent many hundreds of thousands of American youths to France to fight for the safety of democracy. It wasn't our democracy that was endangered then, and our democracy isn't endangered now.

The worries of Great Britain and of France and of Russia are not of sufficient importance to us to justify taking any steps that conceivably might lead this Nation into another war for the preservation of the European conception of democracy.

The President undoubtedly is sincere in taking action "short of war," but the question is: Will Germany, Japan, and Italy be willing for him to stop "short of war?"

The President may find himself unable to determine at what point economic pressure ends and war begins. The nations against whom the pressure is exerted may answer it with gun and bayonet. Japan, for example, could drop a few bombs on American possessions in China, drop a few more on Manila, send a portion of her fleet into Philippine territory on a marauding expedition. What answer could our President give to that sort of argument "short of war?"

If we are going to scold the dictator governments, punish them by economic sanctions, rule them out of the league, for foulness, we must be prepared to follow such action all the way through.

The people of the United States do not want war, Mr. President. They are not of a temper to send their sons into battle with Germany, Italy, or Japan, just because the leaders of those nations have revived the barbaric standards of Attila the Hun, Timur the Lame, and Baber the Tater, and are attempting to apply them to modern civilization.

The American people want peace, to stay in their own back yards, and be so well prepared for war that all other nations will stay in theirs, so far as we are concerned.

If we get off on a tangent of writing persnickety notes to nations that haven't stepped on our toes we simply are heading into war.

The note-writing proclivity of our war-time president, Woodrow Wilson, had considerable to do with our getting drawn into the World War. We still are more than $10,000,000,000 in the red on account of it, and many thousands of Americans remain in shattered

health because of it, while thousands of stone markers over American graves in foreign soil bear silent witness to the futility of it all.

Today our pens are shaping themselves into swords as the administration in Washington moves toward doing everything "short of war" to help Czechoslovakia, to help England and France.

We would better serve the American people by giving central Europe all the silent sympathy which we feel for it in our hearts, but keep our fool mouths shut, sheath our pen-swords, and look to our own defenses.

The Railroad Problem

EXTENSION OF REMARKS

OF

HON. BURTON K. WHEELER

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Monday, March 27, 1939

RADIO ADDRESS BY HON. HARRY S. TRUMAN, OF MISSOURI, MARCH 26, 1939

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very able and interesting address on the railroad problem, delivered by the junior Senator from Missouri [Mr. TRUMAN] over the Mutual Broadcasting System on Sunday evening, March 26, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I thank the Mutual Broadcasting Co. for this opportunity to discuss a subject in which the Congress and the entire Nation is so vitally interested—the railroad problem.

Our great country, to preserve its economy and to maintain its social order, must have an adequate and efficient system of transportation; one which will move to the markets and to the distant consumer, at the lowest possible cost, the cotton of the South, the manufactured products of the East, the potatoes of Idaho and Maine, the fruits of California and Florida, the grain of the Northwest, and the mules of Missouri. Such a system, to be truly adequate, embodies more than a single form of transportation. It embraces the fullest use not only of railroads but also of motor transport, waterways, and air lines.

The economic importance of railroads cannot be overestimated. They constitute the Nation's most important form of transportation. They are at present beset with conditions which endanger their continued operation. Approximately one-third of all the railroad mileage in this country is bankrupt; another third totters helplessly on the very brink of bankruptcy. The railroads have reached a crisis. Their financial condition challenges the right of the public to unimpaired rail service.

Our whole economic structure is at present suffering because of the financial condition of railroads. In 1923 railroad purchases of fuel, materials, and supplies totaled over $1,700,000,000. Their average purchases of supplies between 1921 and 1930 was about $1,400,000,000. In 1938 their purchases of such goods amounted only to about $600,000,000. Any time a billion dollars a year, or any sum approaching that amount, is taken from the stream of commerce, you have there the difference between prosperity and a so-called depression or recession. A billion-dollar purchase is a pretty good pump primer in itself.

Another of the most serious phases of the railroad problem is the shocking amount of unemployment among railroad workers who, because they have devoted a lifetime to the service of that industry, cannot without the greatest difficulty readjust themselves to another field of endeavor.

Unemployment and the undermaintenance of rail properties, with their resulting effects on the economic life of the Nation, are most serious. And as yet I have not mentioned the investor in rail securities. A tremendous loss will be his if no solution to the railroad problem is found in the near future. While the railroad worker suffers, while the railroad plants suffer, while those industries with whom railroads deal suffer, while the railroad investor suffers, the public faces an equal danger. The Nation is menaced with the prospect of a completely ruined transportation service—a service vital to the country.

While the future of the railroads does not appear any too bright, I cannot believe that it is as black as many people predict. I am not alone in my optimism. Senator WHEELER, the chairman of the Senate Interstate Commerce Committee, has repeatedly stated that there is a solution for the railroad problem, and I am collaborating with the distinguished senior Senator from Montana in the introduction of a legislative program based upon facts gleaned from years of study and investigation. We feel that this program will do much toward solving a problem which many regard as the key to economic recovery.

Of course, no legislation can correct the fundamental cause of the railroad problem—lack of enough tons of freight to pay a profit—but legislation can materially aid the railroads in the readjustment of their financial structures and their physical plants. It can at least place rail carriers upon a basis of equality with competing forms of transportation, and do it in such a manner as to protect and preserve the advantages of motor, water, and air carriers for the public. Legislation can place the control of rail properties in the hands of the men who actually operate the railroads.

As a member of a special subcommittee of the Senate Committee on Interstate Commerce I could enumerate almost without end examples of railroad mismanagement, of costly and scandalous practices which contributed materially to the present financial distress of the railroads. Nothing can be gained by dwelling upon them, but our knowledge of these destructive practices has prompted the introduction of legislation which will empower the Interstate Commerce Commission to investigate and obtain all necessary information from railroad subsidiaries and railroad bankers. This, with the regulation of the issuance of rail securities, will guarantee that the recurrence of many abuses will be less likely in the future.

Last Monday Senator WHEELER and I introduced a railroad reorganization bill. It is not a drastic measure, but we believe that it will be effective It was drafted with great care and is designed to correct and to facilitate the processes of reorganization by providing certain standards which must be met and by creating a special court to handle financial reorganizations. We believe that this is a step in the right direction.

The need for a sound procedure in financial reorganizations can be clearly shown by the following statement: Companies which operate over 75,000 miles of railroad, employ over 250,000 workers, and whose stocks and indebtedness exceed five and one-half billions of dollars are already in the bankruptcy and receivership courts. However, no reorganization at all is to be preferred to a reorganization which is to be followed only by another period of insolvency and another bankruptcy. Such practices have occurred in the past, and while no benefits from these reorganizations have come to the public, to the company, or to the workers, the highly paid lawyers and great bankers have enjoyed fees of hundreds of thousands of dollars.

On the other hand, a reorganization on a sound basis will rehabilitate the railroads by providing a capital structure which will permit the payment of obligations from the revenues of a lean year. Such a reorganization is not only desirable but is urgently necessary in the interest of all concerned.

Railroads have been subjected to unfair competition. They have been compelled to observe certain regulations, make certain rates, and provide certain facilities for the public while their competitors have been free to engage in cutthroat activities injurious to themselves and to the railroads. The railroads at the outset refused to recognize trucks and other forms of transportation as real competitors but now they do. They saw us build thousands of miles of concrete highways for the use of 30,000,000 automobiles and trucks, and they still thought they had a monopoly in transportation. They have awakened at last and have asked us to introduce and secure the passage of legislation which will place them on a basis of equality. In making their requests, I feel that they have in some measure disregarded the public interest, and for that reason Senator WHEELER and I are studying and redrafting their legislative recommendations. We will introduce our several bills this coming week.

The legislation which the senior Senator from Montana and I will offer represents the requests of the railroads and the railroad workers, and will be in the public interest. We are rewriting the entire Interstate Commerce Act and are subjecting all forms of competing transportation to the regulation of a single independent regulatory agency. Neither Senator WHEELER nor I propose to destroy motor carriers or water carriers. Those asking for the destruction of either the motor or the water transportation industries are entirely selfish. They are disregarding the right of the public to the lowest possible freight rates which are compatible with a sound national transportation system.

No form of transportation, by legislative act, should be favored over another. No form of transportation should be destroyed to favor another. But no form of transportation should be permitted to enjoy an unnatural advantage over its competitors.

There are many problems in the transportation field with which the Congress is not familiar and which are deserving of a study not hitherto possible for one reason or another. Therefore, Senator WHEELER and I are drafting legislation designed to create an impartial board whose purpose and function would be to make a thorough study of transportation and its related problems. The results of this study and the recommendations of the investigating board will constitute a basis for future legislation by Congress.

Consolidation, unification, or merger of facilities may tend toward a solution of the railroad problem, but the greatest care and caution must be used in affecting any proposed mergers. Proper regard for the communities served by the railroads, for the workers, and for the public must be exercised.

Still other phases of the railroad problem are altogether beyond the scope of Congress. States, counties, and cities levy taxes on the railroads which are greater and greater each year. Railroads have been the victims of every tax racket known to the country. Payment of these taxes are a real financial burden, even to the most prosperous roads. Too often, to my knowledge, State regulatory

agencies compel a railroad to operate lines that are unprofitable, and then levy exorbitant taxes on these unprofitable lines. Before the problem can be completely met the city, county, and State governments will have to correct this situation and show a proper cooperative spirit if we are to save our greatest system of transportation.

Before I close let me say that while it is difficult to offer any hope for immediate relief of the railroads, more debt is certainly not the solution for these debt-ridden carriers.

However, we can promise to the railroads, to railroad labor, to railroad security holders, and to the public, the right for the roads to meet competition on an equal basis; the means for sound reorganizations based on changed economic and commercial conditions; freedom from banker and holding-company control; a careful and impartial study of transportation; and the cooperation of a Congress that is anxious to assist in solving their problems.

It Must Not Happen Again

EXTENSION OF REMARKS
OF
HON. H. STYLES BRIDGES
OF NEW HAMPSHIRE
IN THE SENATE OF THE UNITED STATES
Monday, March 27, 1939

EDITORIAL FROM CLAREMONT (N. H.) EAGLE

Mr. BRIDGES. Mr. President, I ask unanimous consent to have inserted in the RECORD an editorial from the Claremont (N. H.) Eagle entitled "It Must Not Happen Again."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Claremont (N. H.) Eagle]

"IT MUST NOT HAPPEN AGAIN"

Sunday paper headline: "United States Aid Sought in Hitler Crisis—Ambassador Kennedy Discusses Situation in Long Conference With Lord Halifax."

The late Will Rogers touched the heights of truth in an utterance we will do well to remember at this time. Rogers said in effect "The United States of America has never lost a war or won a conference."

In Europe today there is a crisis. Call it a Hitler crisis if you like, but when the history of these last 20 years is written, that history if it be accurate and honest will call it the crisis of national dishonors, of national dishonesties, of broken faiths, and worthless agreements, of hypocritical pledges and worthless guarantees, of national avarice and intrigues—and to the indictment none of the major nations of the Old World may plead innocence.

The Sunday headlines quoted above are ominous. We harbor no Anglophobia, but we do remember.

We remember 1914 and the propaganda years immediately preceding the entry of the United States into the World War. We remember those war debts—they were word-of-honor debts—contracted by England and France and the other Allied nations and since repudiated, their payments now left to the wage earners of America, to you and to me, who raised the money that was loaned abroad.

We remember we were sold the idea that we were fighting in democracy's cause—and we remember that England and France already had a secret agreement on the "split" of the spoils of victory before we even entered into that frightful conflict. We remember that in the post-war adjustments, England and France did divide those spoils.

We remember Versailles. We remember that in the treaty terms imposed by pressure and intrigue on the President of the United States, who could neither comprehend nor combat the subtleties of Old World diplomacy in his own fine high idealism, there was laid the groundwork of the holocaust now confronting Europe.

We remember that if nations now so concerned had given their magnanimous support to a new German republic in its formative stages, rather than imposing terms so harsh—yes, and so intent on acquisition—as to make existence that of virtual enslavement, Hitler would still be hanging wallpaper in his native Austria or languishing in a prison cell. We remember that if England and France had thrown their earnest weight behind the League of Nations, Japan would have hesitated long before her aggression against luckless China. We remember that if England and France had thrown their earnest influence and power behind their fellow league member, Ethiopia, Italy's conquest of that hapless nation would have been halted. We remember that had France and England, invoking the alliance with Russia, been less indifferent to the fate of Czechoslovakia in the months prior to the Sudeten crisis a firm stand then might have halted "Europe's No. 1 Gangster." We remember that as Hitler has violated every international and every humane and civilized decency, those nations which are now panicked into action have ignored their commitments, obligations, and pledges and if experience is any criterion will do so again if it best serves their interests.

We remember "the war to end all wars." We remember the "noble experiment." We remember the making of a world "safe for democracy." We remember the thousands of American boys sprawled in the grotesqueries of death on the blood-soaked battlefields of Europe. We remember the thousands of American youths whose shattered minds and bodies find today little surcease from pain on the hospital cots in institutions throughout this country. We remember some four millions of American lads snatched from homes and work for a period of a year or two in the most formative stages of careers and turned back into society with lives too dislocated by their experience to adjust themselves to old routines.

And we remember—and reiterate here and now—the words of President Warren Harding, spoken over the flag-draped caskets of the American soldiers returned from France to their home shores for burial: "It must not happen again."

Our sympathies are with the democracies of Europe in this crisis. What we can do, without active involvement, we should and must do in support of international decencies and in absolute and unmitigated horror at the ruthlessness of the master rapist of our time. Beyond that we must not go.

Our physical frontier is not on the Rhine, it is not anywhere in Europe or in Asia. If and when war comes to Europe we'll be told otherwise. Propaganda, not too new or too different from that of pre-World War days, is already being pressed here.

But our frontier is our own shoreline, and if the veterans, organized or otherwise, of the last war, if the press of this Nation, if the pulpits of this country do not insist that this is so; if they do not insist that not one drop of American blood be spilled beyond the confines of our own boundaries and in defense thereof, then they will have betrayed America.

Because if England or any other overseas nation succeeds in involving us again in active participation in another foreign conflict to save their "democracy," we shall find, in the course of trends and events, that we have sacrificed and lost our own.

Fiorello H. LaGuardia

EXTENSION OF REMARKS
OF
HON. HENRY F. ASHURST
OF ARIZONA
IN THE SENATE OF THE UNITED STATES
Monday, March 27, 1939

REMARKS OF HON. HENRY F. ASHURST, OF ARIZONA, ON SEPTEMBER 14, 1938, IN PRESENTING HON. FIORELLO H. LaGUARDIA, MAYOR OF NEW YORK CITY, TO AUDIENCE IN PRESCOTT, ARIZ.

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the remarks made by me on September 14, 1938, in presenting Hon. Fiorello H. LaGuardia, mayor of New York City, to an audience in Prescott, Ariz.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

Mr. Mayor Timerhoff, of Prescott, ladies, and gentlemen, our distinguished guest is Prescott's most constant, most famous, and most powerful friend and champion; and we are assembled here in this city where many of the radiant days of his boyhood were spent to welcome him and to pay tribute to his worth and work.

Doubtless many persons of a reflective turn of mind have wondered how and in what manner the far-shining fame and stupendous destiny of our great friend was achieved.

Where does he find that superabundant energy, that genius for success which seemingly triumphs easiest in what at times might appear to be unfavorable, if not hopeless, situations?

What is the secret of the wonderful progress of this aggressive, romantic, and intensely practical statesman, who is so fascinating that he appears like some classic figure from the antique world?

The secret is his courage, his militant honesty, his deep enthusiasm for justice, and his unconquerable willpower.

He knows that character speaks with ampler utterance than words can give; he has unfailing sympathy for the sufferings and sorrows of mankind; and he knows that while beautiful words are the choice sons of the earth, good deeds are the choice daughters of heaven.

I need not introduce, but present to you Prescott's pride and joy, the home-town boy who has achieved world-wide renown, brave soldier, honest public servant, capable administrator, brilliant orator, mayor of New York, the world's largest city, Hon. Fiorello H. LaGuardia.

Foreign Policy

EXTENSION OF REMARKS
OF
HON. HENRY F. ASHURST
OF ARIZONA
IN THE SENATE OF THE UNITED STATES
Monday, March 27, 1939

EDITORIAL FROM THE ARIZONA DAILY STAR OF MARCH 21, 1939

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial appearing in the Arizona Daily Star on Tuesday morning, March 21, 1939, entitled "A Suggested American Foreign Policy." Although one may not agree with all the editor's conclusions, one will perceive that the editor clearly sets forth his own views.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From The Arizona Daily Star of March 21, 1939]

A SUGGESTED AMERICAN FOREIGN POLICY

With Senator BORAH seeking to prohibit the sale of munitions to all belligerents; with Senator PITTMAN seeking to revise the neutrality law so as to permit the sale of munitions in time of war on a cash and carry basis; with Senator CLARK advocating the Ludlow amendment; with President Roosevelt asking for authority to take action against aggressors "anywhere," and to distinguish between aggressors and victims; and with the State Department attempting to put up a bold front, American foreign policy is in a state of flux marked by widely varying differences. Yet these very differences, so apparent in the different demands of high officials, represent accurately the differences and bewilderment of the American people.

While it is most advantageous that this matter of foreign policy be thoroughly discussed in order that the people of the country may be informed on its maze of ramifications, yet the time is coming when the people, through Congress and the President, must make a decision as to what American foreign policy should be. The past 3 years have shown how, in the case of France and Britain, timidity and indecision have brought humiliation and encouraged the forces of Mars. From a study of past history and more recent events common intelligence should be able to formulate an American policy which would call for universal respect and thus protect American interests.

At a time when the Nation is being deluged with propaganda seeking to arraign American power on one side or the other, seeking to get a political commitment from Washington, there are certain fundamental principles which should be learned by heart Since the days of bluffing are over, the first of these fundamental principles should be that in no circumstances shall the American Government make any political commitments abroad. America in no instance should ever make a promise that her people might refuse to keep. For the American Government to promise to come to the aid of Britain, France, or any other nation outside of the Western Hemisphere would be making a promise which the American people might repudiate, just as the French repudiated their promise with Czechoslovakia. Let us not give our word, and then we will not break our word.

Just as definitely as we refuse to make political commitments anywhere, just that definitely let it be the very heart of our policy to maintain at all times complete freedom of action. Unentangled and uncompromised by any political engagements, complete freedom of action would permit a wide range of policy and thus enable us to act in given circumstances as our interests would dictate.

If our policy of complete freedom of action is to command respect, it must be backed by strong force. Events in recent years have shown that certain powers in the world respect only force. By keeping ourselves strong, particularly on the high seas, even the most daring of dictators would be inclined to leave us alone and cautiously would avoid provoking us. Complete freedom of action would allow us to act as our interests might require.

Our present neutrality law restricts our freedom of action and is, moreover, grossly unjust. For the United States of America to haul down its flag from the high seas just because a war happens to be going on is a shameful display of cowardice. It is a denial of our own existence. We would not be a nation today if other nations had in the past imposed such a policy. To tell belligerents fighting for their lives that we are afraid to send our ships out on the oceans just because such voyages might be dangerous would be cowardly. It would mark a moral disintegration and forecast the consequences such morale decadence always brings.

Instead of seeking to avoid danger we should follow our historic policy of the freedom of the seas. By all means we should respect effective blockades, just as we demanded respect for our blockade of the South during the Civil War. But we should insist on our right to trade with neutrals and with belligerents not surrounded by an effective blockade. That insistence would, however, have to be backed by force. If belligerents, irrespective of who they might be, should attempt to interfere with that trade, then we should assign warships to convoy our ships and dare anyone to touch them, and no belligerent would dare touch them. Dangerous? Of course, such a policy would be dangerous, but not nearly as dangerous as hauling down our flag from the oceans and literally sneaking for cover.

Such a policy would mean sale of munitions and food supplies to belligerents. We bought munitions and other supplies from abroad during wars in which we have fought, and there may come a time when we might need the same kind of help. Do we want to establish a policy which might react harmfully to us at some time in the future?

To assume that the people of this country are so lacking in virility as meekly to withdraw their commerce from the seas during a great war would be a false assumption. With no place to sell our wheat, our copper, and our cotton, the internal reverberations would bring about a profound internal reaction. Our life would become so stifled that we might easily face a disintegration which such policy would justify. But in adopting the policy of trading, it should be distinctly understood that its entire effectiveness would be ruined, if we as a government should adopt an unneutral policy of discriminating between aggressors and victims. If we are to keep out of war we must at all times be neutral.

The significant part of this suggested policy is that by making no political commitments we will not be bound; by keeping at all times our freedom of action, keeping ourselves strong, and maintaining our neutral rights by force if necessary, we will be highly respected by all nations. To attempt to plan for every eventuality, to attempt to outline a policy in detail as our neutrality law does, and as the Ludlow amendment would do, we would be tying our hands and giving exactly the encouragement certain of the dictator nations want.

The adoption of this suggested foreign policy would, of course, imply the recognition of certain other facts. It would mean we would go to war overnight against any threat by a European or Asiatic power to use military force anywhere in the Western Hemisphere. It would mean that we recognized the fact that change, often by aggression, would take place from time to time in other parts of the world. It would mean that we would keep aloof and maintain our neutrality in such instances, and neither be bullied or denied our just rights, nor bamboozled into believing that it was our duty to guarantee the plunder of previous wars. We would recognize the just rights of others with full reciprocity, but we would expect those who claim the privileges of a sovereign nation to accept all the responsibilities such sovereignty implies.

The gist of this entire suggested policy is that a strong, just nation, uncompromised by any political engagements, filled with determination to protect its rights and minding its own business, will not be bothered, will not be bullied or threatened by any other power on this earth. Instead it will be respected and carefully allowed to pursue its destiny without provocation from others.

Possible Results of a European War

EXTENSION OF REMARKS
OF
HON. BURTON K. WHEELER
OF MONTANA
IN THE SENATE OF THE UNITED STATES
Monday, March 27, 1939

RADIO ADDRESS BY HON. WILLIAM E. BORAH, OF IDAHO, MARCH 25, 1939

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the RECORD a very timely as well as a very able speech, which was delivered by the senior Senator from Idaho [Mr. BORAH] over the radio on March 25, 1939, on the subject of what would happen in this country if we should permit ourselves to be drawn into a European war. I wish to say that in my judgment it is a great American speech and one which should be widely read.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, what would happen in this country if we should permit ourselves to be drawn into a European war? It is a legitimate question to propound and about which we ought all to be thinking, for powerful influences at home and abroad are

seeking by all kinds of methods to bring us to that end, to involve us in all the racial, territorial, and financial problems of Europe, and ultimately, in war. What will happen to the American people, their homes, their children, and their liberty? What will happen to this Republic? For war, of all things on earth, is freedom's greatest enemy. We are told that we may have to go to war. Nevertheless, it is proper to ask: What will happen if we do? If we reflect sufficiently upon these matters, it will at least help us to weigh carefully—and may I say, prayerfully—the steps by which we may be led into these European controversies and into European wars.

First, what are the conditions in these days of peace, the conditions which will confront us, if war comes, for upon these conditions we will have to build for war. We now have a national debt, including obligations underwritten, of $45,000,000,000, a Budget of something over ten billion, a deficit somewhere around three and one-half billion. We have a tax burden so heavy that it is breaking the spirit and paralyzing the energy of millions of our people. Do these things have anything to do with preparedness for war? Do they have any bearing upon the stability or perpetuity of this Government? We also have eleven million unemployed, and we have the squalor and the misery, the sorrow and the discouragement which come with such unemployment. We have one-third of our industrious, law-abiding citizens, it is estimated, men and women anxious to win back prosperity and a decent way of living, to rear in respect and happiness their children, living on the bare necessities of life or upon charity. Do these things have anything to do with the question of whether we should enter a war? Do not these conditions show we are wholly unprepared for war, regardless of the extent of our armaments? Do they not show that we are indeed a sick nation and that in this condition of affairs is to be found the real danger to our democracy? Are not these things which make for confusion and demoralization, socially and politically, the very things which are sapping the foundation of this Republic? Do they not create the soil from which spring the isms and systems which constitute the real menace to democracy?

But, had I the time and you the patience, I would take you to the legislative Isle of Patmos, that is, to the congressional files where rest the bills introduced and to be considered and probably passed in case of war. You will find there such revelations, and you need not possess the vision of the apostle of old, as I venture to say you have never dreamed of. You will get an intimation of what will happen when war comes to this country. These measures would not leave untouched or uncontrolled any duty or any right of the citizen except that of paying taxes and going to war. These bills are offered in good faith by able men, by men who confidently believe that in case of war they would be an essential part of the war program. They ask for your money, if you have any. There would be no free speech, no free press, no liberty, except such liberty as would be essential to serve the cause of war.

It is urged, especially by our friends abroad, that we as a nation and as a people have great responsibility. We certainly have! Our first and supreme responsibility is to put our own house in order, to demonstrate that this free enterprise, this democracy of ours, is a success. At a time when doubt and challenge rest like mildew upon the faith of men and women in free government and free institutions, our first responsibility is to drive want and hunger from our midst, to give men and women an opportunity to work. Ours is an imperative responsibility to prove to the world that there is such a thing as free government with a free people—a happy, prosperous, contented, and loyal people. This would give inspiration to people everywhere who covet freedom, and above all, it would be the very best security we could have for our own peace and liberty. But, if in addition to our own tremendous task, we undertake to place all other peoples in their proper places, to designate what kind of a government they should have, to guarantee boundary lines, to cleanse and purify the inhuman creeds of other lands, I venture to say this Republic would break down in the effort and our people would be compelled to take up a load they could not possibly carry.

Twenty-two years ago we laid the conscriptive power of this Government upon the youth of our land and took them across the sea to fight and die in an effort to adjust other peoples' problems. I have no intention of reflecting upon either the wisdom or the patriotism of that sublime adventure. But has it no lesson to teach? Do we not now realize how toughly engrained and how inherently imbedded in the whole structure and civilization of Europe are the ambitions of rulers, racial antipathy, intolerence, and, most of all, the belief that only by force can such matters be dealt with. We entertained the hope then that in the presence of the power of this Republic, these things would give way, governments would become more liberal, and liberty more secure, and, above all, the people would have a happier outlook. We returned home, leaving our dead in foreign soil, bringing with us the maimed and the insane, leaving behind a Europe poisoned and torn with bitteress and hate, the breeding ground of many wars, and saturated with more imperialistic schemes and personal ambitions than have been known since the days of the Caesars. All these things were embodied in so-called peace treaties to be preserved, fostered and nurtured until the time should ripen them for action. Not since the Hundred Years' War was Europe so embittered and impoverished as it was the day the Versailles Treaty was signed and the great Frenchman, Clemenceau, truly said, in substance: "This is a continuation of the war."

About the only treasure we brought home was the story of endurance and undaunted heroism of the untrained American boy, taken from the factory or the farm and thrown almost overnight into the hell of European battlefields—a story without precedent in all the annals of war.

It is important that we discuss among ourselves and fully realize what the issue is in Europe. What is it that is threatening the world with another war? I must say that, in my opinion, it is imperialism—that is, territory, colonies, raw material, trade. These are the things which are dominating the movements of the different governments regardless of what may be said by individuals of these governments as to the issues. Let the imperialistic questions be adjusted satisfactorily to democracies and the creed of intolerance, war upon liberty, are passed over, condoned. In no official coming together of the totalitarian states and the democracies, in the discussion of differences, has the question of nazi-ism, with all its teachings, ever been brought forward, much less made an issue.

No better friend since Hitler became the master of Germany has Hitler had than the British democracy. Apparently regarding arbitrary, centralized government in Europe as the best guarantee of stability, it has built up Hitler's strength and favored his cause in every crucial situation. There is material in Europe for a crusade in behalf of morals and liberty with which a Gladstone could fire a continent, but democracies with more than half of their subjects denied such guarantees and privileges as may be found in our Bill of Rights will not make use of this material. I will say in fairness they cannot under the circumstances make use of this material or make it the issue. I will give some facts in support of my contention.

When Japan seized Manchuria and our government asked that Great Britain join in a protest, the British government sent one of her ablest men to Geneva and, in the face of two treaties, defended the lawless act of Japan. It was argued that British interests would be better protected by Japan. This seizure of Manchuria and its success laid the foundation for the present war against China.

When Hitler was preparing for the taking over of Austria, a representative of the British Government let Berlin know that it might be well for Europe if Austria passed into stronger hands. As the time drew near for the use of the political guillotine on this weak nation, Ribbentrop, Hitler's special friend and representative, visited London, arriving March 9th, and spent several days with the members of the British Government. He dined with the King, with Mr. Chamberlain, Lord Halifax. On March 11th, after the preemptory ultimatums of Hitler began to pour in upon Austria, Schuschnigg, Austria's Prime Minister, in his desperation, began a hunt for friends among the democracies. He used the phone. He called up Paris, but no member of the government could be found. He tried London, but he could not contact with any member of the government. It was at this time, this very time, when it was fully known what was transpiring, that the representative of Hitler was visiting with the King, with Mr. Chamberlain, Lord Halifax, and others. It is reported that the Archbishop of Canterbury was among them. There was no voice to be found here against the seizure of Austria or in behalf of democracy.

During the dismemberment of Czechoslovakia, no mention was ever made of the teachings and practices of nazi-ism or of the danger of enlarging its influence in Europe. Although they were turning over a vast number of people, some of whom it was too well known, bore the mortal enmity of their new master, no suggestion was ever made in the settlement of territorial matters in behalf of or as to proper treatment and reasonable protection of these people. Can anyone find anything unfriendly in these proceedings, or any antipathy, to nazi-ism, as such, during the period in which the only real Republic in Europe was on the operating table. After the deed had been done and the two republics had sent the ultimatum of September 19th near midnight, to Czechoslovakia calling for a decision within a few hours, Mr. Chamberlain made his settlement with Hitler and exhibited it to the world saying, in effect, that you can trust this man. I take up my place alongside of him. I ask for no modification of his philosophy of government. In doing so, he gave greater power and greater prestige to Hitler throughout Europe than he perhaps himself ever hoped to enjoy. Nothing was said, nothing was suggested that the individual with whom he had taken up his position was to change his creed or to modify in any respect his views which had startled the world and which in the near future was to enact a scene which in its cruelty and hideousness beggars description.

My time is limited, and I shall not follow up the facts demonstrating beyond all question that what the democracies are contending for is the realization of their imperialistic schemes and not the destruction of nazi-ism. I will call the roll of the States who can testify to this fact. The roll, as given to the world by one of England's distinguished statesmen: China, Ethiopia, Austria, Czechoslovakia, and the Republic of Spain.

For myself, I would adhere closely to the advice of Washington—no entangling alliances, express or implied. I would regard the Monroe Doctrine as a part of our national defense and a cornerstone of our foreign policy. I would send no money to European war chests, no munitions to any nation engaged in war, and above all, no American boy to be sacrificed to the machinations of European imperialism.

Extracts From Diary of Senator Ashurst

EXTENSION OF REMARKS

OF

HON. HENRY F. ASHURST

OF ARIZONA

IN THE SENATE OF THE UNITED STATES

Monday, March 27, 1939

EXTRACTS FROM DIARY OF HON. HENRY F. ASHURST, OF ARIZONA, UNDER DATE OF OCTOBER 14, 1918

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an extract from a diary kept by me, the entry being under date of Monday, October 14, 1918.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

MONDAY, OCTOBER 14, 1918

When the Senate convened the galleries were empty (no visitors allowed because of influenza); the sun shone but the day was cold. Senators charged that Wilson had softened toward Germany and that (by opening correspondence with the German Government) he was resuming "note writing."

Senators were mystified, as the President had not taken any of them into his confidence. Many feared that the President's "altruism" would lead him to a reply to Germany that would lack directness. We knew that an ambiguous reply would chill the ardor of the people and depress the Liberty Loan. The strain was enormous; the rumors were that the President's mind was not made up, so I resolved upon my own course; I called an automobile and went to the Executive Offices of the White House, where the President's secretary, Mr. Tumulty, read me a three-page letter he had just sent to W. W. urging that a firm reply be sent to the German note. Mr. Tumulty's letter was eloquent and embraced a coherent plan for future peace. I then dispatched a note to W. W., saying that I was in the Executive Offices and desired an interview with him. He received me graciously; we exchanged salutations, whereupon the following dialogue took place:

"Sen. H. F. A. Mr. President, you might as well know in advance that I am going to say plain and unpleasant things. The time for plain talk is here.

"Pres. WILSON. Why, my dear fellow, sit down and tell me what is the matter.

"Sen. H. F. A. Mr. President, the Senate, the press, and the people are nervous; they expect and desire that you demand an 'unconditional surrender' of the German armies. Please give assurances that your reply to the German note will be one that will meet America's expectations. If your reply should fail to come up to the American spirit, you are destroyed. It is now widely feared—indeed, charged in the Senate—that by your 'notes' to the German Government you are signing away with the pen much of the advantage that our valorous soldiers won with the sword.

"Pres. WILSON. So far as my being destroyed is concerned, I am willing, if I can serve the country, to go into a cellar and read poetry the remainder of my life. I am thinking now only of putting the U. S. into a position of strength and justice. I am now playing for 100 years hence; I laid down my terms to Germany in my fourteen points speech to Congress on January 8th last, and in my 4th of July speech and my speech of September 27th. When Germany fully meets our terms, we are through. Can it be that the people do not remember my fourteen points and my speeches of July 4th and September 27th?

"Sen. H. F. A. No, Mr. President; they do not remember the details of those speeches.

"Pres. WILSON. Well, I remember.

"Sen. H. F. A. Mr. President, it is feared everywhere that an armistice would permit Germany to gain some advantage by diplomacy that she could not obtain militarily.

"Pres. WILSON. I am not making armistices, they must be left to the commanders in the field.

"Sen. H. F. A. Do you intend to demand that Alsace and Lorraine shall be restored to France?

"Pres. WILSON. Read my speech of January 8th, 1918, wherein I said: 'The wrong done to France by Prussia in the year 1871 in the matters of Alsace and Lorraine must be righted.' Now what was that wrong? It was the taking of Alsace-Lorraine.

"Sen. H. F. A. The Allies should demand of Germany a ship for every ship sunk by the German submarine.

"Pres. WILSON. Such matters can be left safely to the peace treaty.

"Sen. H. F. A. Mr. President, you should, as a symbol, require the German commander actually to deliver his sword to General Foch, Haig, or Pershing in Berlin.

"Pres. WILSON. Why?

"Sen. H. F. A. Because symbols, next to habit, most powerfully influence human beings."

He then asked me to speak in the Senate and say that the country need have no fear as to what he would do. I started to leave, and told him I was "somewhat" cheered. He said, "Why are you only 'somewhat' cheered?" And I told him that his failure to demand unconditional surrender would give him leisure in which to read poetry, and that he would read it in a cellar to escape the cyclone of the people's wrath, and I then walked out.

The Plight of the Rich

EXTENSION OF REMARKS

OF

HON. HOMER T. BONE

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Monday, March 27, 1939

ARTICLE BY ERNEST K. LINDLEY

Mr. BONE. Mr. President, a few days ago a bill was introduced, S. 1885, looking to the capture of the major part of incomes within certain brackets for the purpose of paying for the conduct of a war while a war is being fought.

In view of the interest aroused in that measure, and the misinformation regarding it which seems to exist in certain quarters, and the inability of certain folks to understand its terms—which are in large part a restatement of the orthodox provisions of our regular revenue law, with the taxes on incomes in certain brackets very drastically raised—I send to the desk, and ask unanimous consent to have printed in the RECORD, an article by Mr. Ernest K. Lindley, entitled "The Plight of the Rich," dealing with this particular measure.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of March 27, 1939]

THE PLIGHT OF THE RICH

(By Ernest K. Lindley)

WAR CONSEQUENCES

My colleague Miss Dorothy Thompson is aghast at Senator BONE's bill to take the profit out of war by limiting corporation profits and drastically taxing personal incomes.

She says that, for example, if a man with an income of $1,000,000 paid Senator BONE's war income tax, plus the present New York State income tax, he would be minus $61,000.

I can think of worse consequences of war than the loss of $61,000 by a man with an annual income of $1,000,000.

Miss Thompson can, too. That we may appreciate the full horror of Senator BONE's bill, she describes what it would do in New York City to the head of a family of four with a gross income of $20,000 a year. At present his Federal and State taxes leave him a net income of around $17,445. Under Senator BONE's war tax, plus the present State income tax, he would have left only about $8,774. You can see already that his plight is going to be terrible.

First he has a 3-year lease on an apartment at $3,000 a year. He keeps two servants at a total cost of $2,200 a year. He spends at least $1,000 a year on schools for his two children because the public schools are notoriously overcrowded. There are other fixed charges: for laundry, food, dry cleaning, outside valeting, hand laundry, etc. And there is the $2,000 annual premium on his insurance policy.

These fixed charges add up to $9,300 a year, without counting maintenance of a car, doctor's bills, entertainment, clothes, amusement, or anything else. So, according to Miss Thompson, our hero must move into a cheaper "flat," dismiss a servant, send his children to public school, and let his insurance policies lapse.

His family won't starve; she concedes that.

But, she warns us, the same thing is going to happen all at once to everybody getting $5,000 or more, and the result will be "the most awful panic imaginable."

Miss Thompson's gripping account of the disaster Senator BONE would inflict on "Mr. $20,000-a-Year" left me sleepless. On reflection it seemed to me that she made the picture unnecessarily black. With a little ingenuity "Mr. $20,000-a-Year" and his thrifty wife could mitigate the blow.

For example, they might ease the rent bill by taking in a roomer—or paying guest. It has been done. If we are fighting in Europe, the port of New York will be busy and there will be a housing shortage.

Maybe one of their two servants is a man of military age. He may be drafted and "Mr. $20,000-a-Year" may find that he cannot get another manservant at any cost.

A FEW POSSIBLE SAVINGS MENTIONED

Khaki, or something like it, will be in vogue. "Mrs. $20,000-a-Year" may spend her afternoons in uniform at a canteen, with a

consequent saving in expense for afternoon gowns and the cost of dry cleaning, hand laundering, or outside valeting them.

How to keep the children in private school may be a more serious problem. Who knows? Perhaps all the private teachers of French will have been drafted as translators for the intelligence service, so that the children might as well go to public school anyway.

Perhaps one of the children is a boy nearing military age. If so, he can escape the public school. With his parents' consent he can enlist, even if he is not 18, and his further instruction will be taken care of by the United States Army or Navy. No more tuition fees! Here "Mr. $20,000-a-Year" can get something substantial in return for the money wrested from him by Senator BONE's taxes. If both children are boys near military age, the saving will be at least twice as great. "Mr. and Mrs. $20,000-a-Year" should be able to get along comfortably with only one servant and will have another room or two free to rent to paying guests—perhaps permanently available.

"Mr. $20,000-a-Year's" annual premium of $2,000 on his insurance is a big item, which requires special study. It becomes an especially tough problem if his children are young, so that he cannot effect the savings outlined in the preceding paragraph. But if they are too young to be accepted for military service, even with their parents' consent and assistance, "Mr. $20,000-a-Year" himself probably is still young enough to put on a uniform. He may be too old for the first and second drafts—which means that he must undergo 2 hard years of managing on $3,744 a year. But the third draft probably will catch him—and so save his family from the disaster envisioned by Miss Thompson.

During the first months in the Army, the ordeal for his family will be severe—worse than the worst that Miss Thompson has depicted. For Miss Thompson spared our nerves her conception of the catastrophe that will befall the Nation when all the "Messrs. $20,000-a-Year" and their families have to get along on the monthly income of a mere colonel or major—not to mention a buck private. But obviously it will be worse than "the most awful panic imaginable" to her when she wrote her column, because the monthly income of "Colonel" or "Major $20,000-a-Year" will be less than Senator BONE's tax would allow him in private life. It's pretty clear, at least, that the children will have to drop out of private school.

But the darkest moment's just before the dawn; remember Valley Forge, etc. With a little luck "Mr. $20,000-a-Year's" problems—including that formidable item, the $2,000 insurance premium—will be solved. With the same bit of luck, his wife can be supplied with funds to pay the rent on the apartment, the children's tuition, and all the costs of hand laundering, dry cleaning, and outside valeting—and the Nation will be rescued from Miss Thompson's panic

One well-directed bullet will do it.

Live Poultry and the Reciprocal-Trade Agreements

EXTENSION OF REMARKS

OF

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 27, 1939

Mr. REED of New York. Mr. Speaker, any legislation which affects the poultry-raising industry of the country has some effect on nearly every farm home in the country. Since the magnitude depends on the amount of production on the individual farm and in the individual section, the Middle Atlantic and Pacific Coast States would be more seriously affected because of the specialized poultry farms located in those sections, but poultry raising is important to all the farmers of the United States not only as a source of food but also as an income producer. In 1934 production of live poultry was 2,372,800,000 pounds and had a value of about $300,000,000.

As a step toward insuring the domestic market for domestic producers, in the Tariff Act of 1930 the Republican Party raised the tariff from 3 cents a pound to 8 cents. The wisdom of this policy is shown by the drop in the value of imports of live poultry from $355,856 in 1929 to $17,016 in 1932 and $7,841 in 1933.

In the reciprocal-trade agreement with Canada the Democratic Party lowered the tariff to 4 cents a pound effective on January 1, 1936. Although total imports showed a large decrease in value from 1929 to 1935—the last year in which the 8-cent rate was effective—imports increased tremendously as soon as the tariff was lowered. In 1936 they were 8 times greater than in 1935 and nearly 34 times larger in 1937 than in 1935. Even more significant is the fact that the value of total imports increased 121.5 percent from 1929 to 1937, while over the same period the value of imports from Canada—the country which received the concession on live poultry—declined 35.2 percent and the value from all other countries increased almost sixty-two fold. Thus the present administration has opened our markets not only to Canada but to the rest of the world as well.

Of equal significance to American producers is the type of poultry entering the country today. During the period of the higher tariff the import price per pound was well above the price after 1935, due to the fact that imports consisted largely of poultry for breeding purposes. However, with the lower tariff the price per pound dropped because of the increased imports for consumption. This factor threatens to retard further the growth of this important farm industry.

These increased imports and lower import prices have been a definite handicap to an important and growing farm industry, and have been of little, if any, benefit to the consumer. The big problem of this branch of farming has not been production but the development of better marketing procedure. The lowering of this tariff through the Canadian trade agreement has worked a hardship on this industry and has handicapped the poultry farmer in developing better marketing methods.

Extracts from Speeches of Senator Ashurst

EXTENSION OF REMARKS

OF

HON. HENRY F. ASHURST

OF ARIZONA

IN THE SENATE OF THE UNITED STATES

Monday, March 27, 1939

EXTRACTS FROM SPEECHES OF HON. HENRY F. ASHURST, OF ARIZONA

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an extract from a speech I made in the Senate on March 30, 1938, regarding sea power, and an extract from a speech which I delivered on April 8, 1938, regarding taxation.

There being no objection, the extracts were ordered to be printed in the RECORD, as follows:

IN THE SENATE MARCH 30, 1938

Mr. ASHURST. Mr. President, it was sea power that saved Rome from Greece.

It was sea power that saved Greece from Persia.

It was sea power that gave to the Phoenicians the command of the ancient maritime world. Sea power built up the far-flung commercial empire of Carthage. Sea power made Athens ruler of vast territories, and it was sea power that made the Rome of antiquity mistress of the civilized world. Rome could not have subsisted without her sea power, because nearly all her wheat came overseas.

When Spain had great sea power she dominated Christendom; and Spain's decline began when storms and British seamanship wrecked her great armada.

The sea power of the American Colonies with the sea power of France won the American Revolution and the naval blockade defeated the Confederacy.

During the World War the Allies would had starved had it not been for sea power.

IN THE SENATE APRIL 8, 1938

Mr. ASHURST. Mr. President, this bill—or, at least, the spirit of the bill—is an encouragement to the country. I congratulate the able chairman of the Senate Committee on Finance, the Senator from Mississippi [Mr. HARRISON], upon his courage and vision in handling the bill; and in saying this I am assuming that the undistributed-profits tax is repealed.

Doubt and fear, twin spectral forms of evil, have descended upon business. Whether or not business is justified in its fear of Congress is a question I do not now discuss. It is sufficient to know that such fear actually exists.

The person who now addresses you during his youth time believed in ghosts, and was morbidly and frenziedly afraid of any man who was dead. It would be the subject of an interesting homily, if the Senate had the time to hear it, for me to relate

the circumstance which permanently eradicated my fear and dread of ghosts and wraiths. I may do so some day, but not at this time.

The country will not recover, nor will it make progress, unless and until Congress gives assurance that when citizens engage in legitimate business enterprises they will not be the subject of unnecessary taxes and amercements. Business now fears that should it launch legitimate enterprises its activities would be pounced upon by Congress and penalized by unnecessary taxes, and that some sort of invisible radiation, such as a ghost or wraith of the enterprise, would be all that would ever flow from the undertakings.

Congress must dispel this fear and doubt with which it has enshrouded business. Congress should say to labor, "You shall have a fair day's wage for a fair day's work," and should say to business, "You shall not be exploited."

Taxes will be, to say the least, moderately heavy during the lifetime of all persons now in existence. Taxes may be reduced only by reducing expenditures. The remedy for heavy taxes is somewhat within the hands of the taxpayers themselves. If and when taxpayers quit the practice of telegraphing Congress for more appropriations, and begin instead to telegraph Congress to vote against appropriations, Congress will grant relief from heavy taxes.

But I do not entirely despair. There are in this world some laws that may not be repealed, such as the law of the survival of the fittest, the law of supply and demand, the law of compensation, and the law of reactions. Even if Congress should refuse to grant relief from excessive taxes, the law of reactions would ultimately do its perfect work.

As jealously is the concomitant of violent love, as Aristides the Just was banished because people grew weary of hearing him called Aristides the Just, as a fiercely raging fire will burn itself out, as a rapidly running river will create obstructions for itself, likewise an era of prodigal expenditures will be followed by economy to the point of parsimony.

I therefore declare to the Senate, as I said last autumn in my addresses to various civic organizations, "You are wise in getting money from Uncle Sam's Treasury 'while the getting is good'; for under the law of reactions, this prodigal era in due time will be followed by a regime that will make Calvin Coolidge look like a spendthrift." [Laughter.]

The Prospect of War

EXTENSION OF REMARKS
OF
HON. LESLIE C. ARENDS
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 27, 1939

EDITORIAL FROM THE CHICAGO TRIBUNE OF MARCH 25, 1939

Mr. ARENDS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Chicago Tribune of March 25, 1939:

[From the Chicago Tribune of March 25, 1939]

THE PROSPECT OF WAR

Prime Minister Chamberlain in his speech last Friday laid the blame for the Czech-German controversy of last autumn on the Treaty of Versailles and the failure "of the statesmen of the last 20 years to take a broader and more enlightened view of their duty."

Because Mr. Chamberlain did not amplify his remarks about Versailles, several interpretations are possible. He may have meant to agree with the great majority of American critics of the Treaty of Versailles who have insisted that to the cruel terms inflicted upon Germany by the Allies may be attributed the reaction we have seen and the emergence of a Hitler. On the other hand, he may have meant to agree with those Europeans who have held that the crisis was due to a failure of the Allies in restraining Germany when she began to rebuild her military power.

Whatever was the purport of his remarks, it is clear that the Allies owe the crisis to their own deeds. By the Versailles Treaty they exacted from Germany an acknowledgment of guilt for the World War and a promise to pay for the damages done by the war. By that instrument they also took away her colonies and some of her adjacent territory for the convenience of newly created states. They also destroyed her Army, Navy, and air force. This was done by the Allied Powers, by which is meant principally England and France. In that the United States did not join. It is true that President Wilson participated in the drafting of the treaty, but the Senate refused to give its approval. Peace between the United States and Germany was established by another treaty having none of the provisions which Prime Minister Chamberlain agrees created the present crisis.

The United States participated in the World War because Germany refused to respect our rights on the seas. What was done to Germany at the conclusion of the war was not of our doing. What we might have hoped for in the peace was not the arrangement which was set up. The treaty which France and England exacted from the Germans could result in a long peace only if France and England were willing to keep Germany from rearming. The severity of the treaty terms was bound to lead to a rearmament on Germany's part to deliver herself of the onerous terms and to rewin her lost territory if she were permitted to rearm.

In 1933 Hitler came to power with the declared program of breaking the Versailles Treaty. If peace was to last on the basis chosen, Hitler would have to be stopped in the beginning from carrying out his plans. But recall what was done. In 1935, in the midst of Mussolini's Ethiopian campaign, Hitler introduced universal conscription. There were protests from England and France but no action. And so rearmament proceeded. The next year, while England and France were arguing about sanctions against Italy, Hitler moved his reichswehr into the Rhineland. At this point the superiority of the French Army was such that it could have terminated the Rhineland occupation quickly. But that was not done. The Allies did nothing when Austria was taken and gave their consent and even coerced Czechoslovakia when the Sudeten land was demanded by Germany. All the while the German's military strength was increasing. Now it is the greatest military power in Europe.

The present crisis is the result of the failure of France and England, having insisted upon a peace treaty which we refused to have anything to do with, to use the necessary implements to see that the treaty was carried out. Hitler may well intend to get back all the rights, power, and territory which Germany and her close ally, Austria-Hungary, had at the outbreak of the war. Hitler probably intends to try to obtain all that Germany and its satellite would have had if there had been a German victory in 1916.

It may well be recalled what the American position was then. A President was elected in November of that year on the platform "He kept us out of war." That was long after the Belgium atrocities had been widely publicized. The people didn't like what Kaiser Wilhelm did, but they were opposed to going to war about it.

There can be no question but what the American people do not like what Hitler is doing. But they are as much against going to war with Germany about it as they were in 1916 for what the Germans did then. However, the popular will against being drawn into war again is likely to be defeated unless some restraint is placed upon our President, our Ambassador to France, and our Acting Secretary of State.

Labor Not Falling for the Chains

EXTENSION OF REMARKS
OF
HON. FRANK W. FRIES
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 27, 1939

ARTICLE FROM THE BRICKLAYER, MASON, AND PLASTERER

Mr. FRIES. Mr. Speaker, I am inserting herewith an editorial from the Bricklayer, Mason, and Plasterer, which shows that the effective propaganda of the interstate chain stores spread throughout the Nation and on the front pages of most of the daily newspapers to the effect that the American Federation of Labor in convention at Houston, Tex., last October denounced the Patman chain-store bill, of which I am a coauthor, is absolutely untrue. I hope that the newspapers that were misled by this clever and nefarious propaganda will make the proper correction.

The editorial is as follows:

[From the Bricklayer, Mason, and Plasterer]

LABOR NOT FALLING FOR THE CHAINS

The public press gave generous space to the January conference of the executive council of the American Federation of Labor in Miami, but it overlooked one interesting and important feature—the refusal of the council to react favorably to an intensive and expensive drive by the chain-store interests to enlist labor on its side and against the Patman bill.

In the drive were men, rated as influential in the labor movement, engaged for the purpose of helping the chains prevent enactment of the bill.

Profiting through influence with labor unions and labor men is not new. Men have flourished in the traffic. Some few have grown wealthy. Every experienced labor man has known of these persons. Many an honest fellow has been used by them.

Few, however, are fully cognizant that selling influence with the labor movement has become an industry, organized more or less loosely, to serve the needs of business, big or little.

The inception of the Miami drive to line up the council came after Representative PATMAN, of Texas, announced his intention of reintroducing his bill, calculated to put chains on the big chain stores. To beat it, the chain-store moguls felt it necessary to get the aid of the labor unions they had despised and fought.

The thing came into the American Federation of Labor convention in Houston in the form of two resolutions presented by a veteran labor man whose desire to help the people he has served long and faithfully made it easy for him to be imposed upon. The resolution interlocked neatly.

One recited that enactment of the Patman bill would dislocate 1,000,000 workers and increase the cost of living of those who labor.

If adopted, it would have placed the federation, and those for whom it speaks, squarely on record as opposing "the Patman bill and all forms of taxation which prostitute the taxing power of the Government * * * for the destruction of worthy enterprises by business rivals."

The other, after reciting the desire of business and the well-to-do, to shift the burden of government to "the necessaries of life" declared:

"Inequitable, discriminatory, and punitive taxes have detrimental effect not only on the cost of living but upon wages, hours, working conditions, and employment," and concluded with a provision for the executive council "to establish a committee for the study of and appropriate action on the crucial problem of equitable distribution of the tax burden with especial reference to taxes of discriminatory and punitive character."

The latter resolution was adopted. The other the convention sent to the executive council with directions that if it deemed proper to consider it in connection "with the tax study authorized by the previous resolution."

Immediately followed a campaign in State and central bodies and among representative labor men asking the adoption of comparable resolutions in an attempt to induce action favorable to the chains in the council.

In some instances, bodies did as asked, not being fully familiar with the antiunion activities in the past of the chains, and of the further fact that promises of the chains to reform were on a par with the facts recited in the ancient doggerel:

"When the devil was sick,
The devil a monk would be.
But when the devil was well,
The devil a monk was he."

Thus armed, the chains proceeded to put on a big show in Miami.

Some of the big shots in the chain-store game were early on the ground. With them were lawyers and lobbyists. Also on the ground were men selected because of their acquaintance with labor to help secure denunciation of PATMAN and all his works by the council.

There was wining and dining at the expense of chain-store people for those of the council and international union heads in attendance on its sessions who would accept either or both plus solicitation for action desired by the chains.

Few cared for either the drinks or the eats.

As the meeting progressed, the soliciting, at first subtle became open and brazen, so much so that it was almost impossible to escape the chains' friends in the hotel lobbies.

The executive council broke the hearts of the chain people and their friends, when after a full discussion of the chains and their records, it deferred action on the Patman bill and all other taxation matters pending the report of a special committee.

The Problem of the Present and the Task of the Future

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 27, 1939

ADDRESS BY HON. JOHN W. McCORMACK, OF MASSACHUSETTS, OCTOBER 20, 1938

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me before the members of the Associated Industries of Massachusetts at its twenty-third annual meeting and industrial conference, held at Boston, Mass., October 20, 1938:

Mr. Chairman and gentlemen, needless to say, I am very appreciative of the invitation of the Associated Industries of Massachusetts which enables me to address you on this occasion of your twenty-third annual meeting. I also welcome the opportunity of sharing this platform and this discussion with Mr. Batty and Mr. Ching. To me, it is a stimulating and heartening sign of better things to come that we can meet here on the plane of a fair, friendly, and constructive exchange of ideas. Congratulations are certainly in order to the Associated Industries of Massachusetts for providing this opportunity. And yet this should not be a rare occasion. Business groups throughout the country and in fact all economic and social organizations should hold such meetings where the problems of each can be discussed, the views of different groups expressed, and an attempt made to harmonize differences in the common welfare of all.

I am happy in the confidence that you do not expect me to say things which I think you might like to hear, nor would you respect me if I did. While it may sound nice to hear things that we want to hear, it is not always good or advisable. The wise man hears and considers the views of all. It is nice to hear self praise but it is sometimes wiser to hear self criticism. Whatever criticism I might express or indicate will be in the hope that it will serve a constructive and beneficial purpose and you may be sure that it will not fall upon any one group.

It is no startling observation, even from one who is an elected representative in government and a strong advocate of much of the social legislation of the last 6 years, that the primary need of the present is of a tolerant and understanding state of mind on the part of all in approaching the solution to the great problems that confront us. It is a plea which I have made many times before to men in business and industry and to the public in general. It is my thought that if all of us—and that includes those who are temporarily entrusted with the control of government—should approach our problems from a tolerant and understanding viewpoint, the good flowing therefrom will quickly bring about the compromising of conflicting views and the establishment of policies in all walks of human activity and in government that will result in the national unity that is absolutely necessary for our success.

You and I will agree that the attainment of this ideal demands leadership possessed of vision and courage. It demands leadership that can, without regard for political affiliation or any other group affiliation, accept the simple fact that our paramount interest is the welfare of this Nation and the people that it represents.

I need not inform you that considerable hostility and honest misunderstanding exists among the most important factors in our national existence. It is this very fact that proves the necessity of cooperation, of mutual respect, and willingness on the part of all to work together in providing for the highest measure of security and justice to all the peoples of our country, and it is this fact which prompts me to accentuate as strongly as I can, the necessity of tolerance and understanding.

You and I accept the philosophy of the democratic form of government. We reject the ideology of the totalitarian state. You and I know that our type of government pays dividends of a spiritual and material nature that are not offered by the totalitarian state or by any other system of government that man has devised. While we realize these facts we also recognize that our system of government places such a reserve of power with all the groups in our Nation that a common objective of social betterment cannot be fully realized or even well served without a harmony of approach by all.

A benevolent dictator might, by the exercise of power, resolve all conflicting interests, misunderstandings, and quarrels into a unity of action. But we do not want that type of government. We would rest uneasy under the yoke of servitude and would fear its future consequences. But we must prove, at a time when it is the fashion of the world to sneer at democracies, that democracy, by the harmonious union of its forces, can meet and most successfully overcome any obstacle of an economic nature.

I have no illusions that our task, present or future, is easy of accomplishment. All of us are creatures of limited wisdom. We are all victims of human emotions that make it difficult for each of us to eliminate selfish and self-serving motives from our approach to questions of great public moment. I have no desire to attempt to conceal from you that men in public life, whether in an appointive or elective position, are not possessed of superhuman intelligence, or that mistakes have been made and will continue to be made. This reference also applies to persons engaged in all other human activities. We account for these departures from the most enlightened course, with the generalization that all of us are human, none of us is perfect.

In the thoughts that I have expressed and will express I speak to you as one who believes in the right of individual initiative, of the profit system, and as one who believes that an individual is entitled to the legitimate profits of his or her efforts, but who also believes that the exercise of this great right and the fruits derived therefrom must be with a regard to the welfare of all. We all recognize the distinction between liberty and license. I also speak to you as a legislator who must keep in mind that no person or group can consider their position and problems separate and distinct from the problems of others and that the problems of each State and each section of the country are interrelated.

The position of a legislator is, in a sense, somewhat different from the position of most persons engaged in the activities of private life. That fact should be recognized and respected. One of the most powerful influences that men in public life must and should consider is public opinion. In a democracy, public opinion is the source of all power. We must bear in mind that legislation invariably follows public opinion, and a full appreciation of this fact will serve to prevent misunderstandings among various groups. The viewpoints of these groups make public opinion. Thus, one

of the practical functions of government is to try to keep a proper balance between the various economic groups that make up the people of this Nation. The general opinion in one group cannot be ignored, nor should it be ignored by other groups whose views might differ, if a satisfactory compromise of conflicting views is to be arrived at and accepted.

Let me illustrate. Those dependent upon the soil for their livelihood and a degree of happiness which they feel that they are reasonably entitled to for themselves and their families, contend that the tariff discriminates against them, The farmer says, "I buy in a protected market and I sell in an unprotected market." He further says, "No matter how high a tariff the Government gives the farmer to protect him from loss in wheat, cotton, and other farm products, an exportable surplus exists. The tariff is of no effect. Our domestic prices are determined by world prices."

The farmer claims that the best interests of the country require that this great group of our citizens, so important to the life of our Nation, be given compensatory consideration. This is a practical question. We must face the cold hard facts. For industry and finance to take a complete position of opposition would be inequitable, unjust, and inconsistent with the best interests of our country. The proper attitude to take, I submit, would not be one of opposition but understanding, in an attempt to bring about, as far as is humanly possible, a satisfactory solution. None of us, not even the farmer, wants to see a condition exist where legislation is necessary but the fact remains that the condition does exist and something has to be done about it no matter what political party is in power.

Business might say, "No. Such legislation is unnecessary and would create a dangerous precedent." Government, however, must give it consideration. If business recognized the equities and, instead of opposing, collaborated in the solution of these problems, how much better it would be for all of us and how valuable would be their advice and counsel in arriving at the best solution.

In like manner, legislators must apply themselves to the considerations of all other problems that arise from the force of public opinion. How much better it would be for the welfare and peace of mind of the Nation if the various groups having conflicting interests would recognize or accept the necessities of action, give unselfish ear to the viewpoints of other groups, resolve their differences in a spirit of compromise, and collaborate with Government in the solution of the problem.

Let us not make the mistake of believing that we have no problems. We have problems and problems of a serious nature. Not only history but our own personal experiences teach us that serious legislative problems arise during and following a period of great economic progress. We must realize that the problems of a strictly agricultural nation are more simple and different than the problems of a distinctly industrial nation. We must also realize that the problems of a nation such as ours, where two-thirds of our people are dependent for their material—and, yes, spiritual welfare—upon business of all kinds, and one-third upon agriculture, make the difficulties of our Government and our people more complicated than if we were distinctly an agricultural nation or an industrial nation.

We must also realize that great legislative problems become uppermost when people are in pain. During times of prosperity, even that legislation which everyone admits should be passed, is unable to command the attention of those forces which operate in the making of public opinion. Legislative problems that should have been considered prior to the depression were deferred. Public opinion could not be aroused, but with the pain of the present depression, the demand quickly crystallized itself in a brief period of time in support of the passage of legislation—much of which should have been considered years ago. A tolerant and understanding mind would appreciate the fact that under such circumstances mistakes were bound to be made. Such a mind would also appreciate the fact that with the passage of time and the attaining of experience, such mistakes are bound to be corrected. The nature of the broad legislative program would likewise demonstrate the necessity of unselfish cooperation among all groups to make it accomplish its purpose.

I have said that legislative problems arise when rapid progress is made in our national economy. Let me sketch briefly what I mean by this statement.

On December 17, 1903, the first flight in heavier-than-air machines was made. The flight lasted for 20 seconds. As we look back we realize, in a sense, that a new economic era started with that event. We have seen the progress that the inventive genius of man has made in the production of automobiles. Today 25,000,000 automobiles are on our highways. Out of this basic industry have developed other business activities on a broader scale than even the keenest mind of 30 years ago could visualize. New roads, repair facilities, new means of transportation, new hotels, new oil fields to meet the increased demands for petroleum and many other new important avenues of activity appeared.

Since that period, the planning and construction of buildings have greatly changed due to lowered construction costs. New structural materials have been made available for our everyday use. Rapid strides were made in the improvement and installation of telephones, telegraph and wireless and there was great progress in rail and water transportation, bringing all sections of the country and yes, of the world, closer together. As a result, competition that was local for the most part became Nation-wide and in many instances, world-wide. The radio at that period was undeveloped where today it is an integral part of our national life, and rapid improvement was made in the development and use of electricity. This great economic progress resulted in social changes out of which rose new and great problems. Readjustments were necessary to meet these radically different conditions of our economic life. We are transferred from a country that was in great part agricultural, to a highly geared and rapidly moving industrial Nation. The adjustment which had to be made was deferred and we experienced the crash of 1929.

There are some who in all sincerity believe that government should not concern itself with the solution of the problems presented in 1929 or with the control or correction of existing abuses. I respect their opinions and their right to entertain such opinions but I disagree with them. Government is a living organism and no matter what form it takes, it must serve its people. To serve, it must work. That applies to a democracy just as it does to other forms of government. When, as today, we see the people of other nations accepting the totalitarian state, willing to sacrifice personal liberty for economic security and ultimately receiving neither, we should and must realize that democratic processes of government, because of necessity if for no other reason, must follow at times, policies that will stay our people from following the journey of the people of other nations where they heeded the arguments of their false prophets. While I am not intimating such a possibility and I do not entertain the thought that we will ever take such a journey, nevertheless, an understanding mind will not want conditions to exist which might be exploited along such lines.

Let us then inform ourselves clearly that the times immediately preceding and immediately following 1929, brought with them tremendous problems of adjustment. No group and no social force can be adequately prepared to perform their rightful function during this period of readjustment unless they fully understand that drastic readjustment is necessary, not only for the welfare of the Nation but also for their own personal good.

With the exigencies of 1929 and with the need for immediate adjustments to protect ourselves against a demoralized state of mind, government was the only agency organized to assume the leading role. Now, however, we have become so thoroughly conversant with the situation and the nature of our problems that the interests of business and the interests of labor should be prepared and willing to assume the major role in combatting our economic ills. This role very properly belongs to business and labor; it is only because of the exigencies of the time that government was compelled to shoulder the burden with which the other factors in our national existence were unable to cope.

Let me explain this thought in another way. To my mind, and in the minds of the legislators who have the proper understanding of their responsibilities, the essential duties of any government are fourfold. They must provide adequate defense against foreign invasion. They must adequately police the peoples of the Nation to preserve good order. They must maintain diplomatic relations with foreign countries, and to bear the expense of this function they must levy and collect taxes. All other activities of government are the result of pure necessity that arise when the other forces in our national economic life are unable to provide for the things which a nation owes its people. These activities result from public demand and public opinion which cannot be ignored, and when other agencies in our social economy are unable to meet these demands of public opinion there is the irresistible force upon government to make the secondary duties primary responsibilities.

I now feel, however, that the time has come when the interests of business, the interests of labor, the interests of finance, and the interests of agriculture should be prepared, in a spirit of sympathetic understanding and tolerance, to take up the burden of readjusting our social economy so as to meet the exigencies of the time and to provide ways and means of absorbing our 10,000,000 unemployed into private business and activity. The problem is here, and it is much better that the interests other than government should assume the primary responsibility of instituting constructive action to meet this problem.

I should like to treat briefly of some matters which appear to assume undue importance in the minds of some of the people of this country. In recent years there has been tremendous agitation over the thought of dictatorship in this country. Now, while I recognize the fact that one might not agree with the legislation that has been proposed, in all fairness, the cry of dictatorship is purely a political one. I refer to this as an illustration of a political appeal to the emotional rather than the rational mind, and yet I have seen many close friends of mine in business affecting great concern and fear over such an emotional appeal.

We also hear the argument of States' rights. I believe in States' rights. States' rights is a principle consistent with our dual system of government that is and must be applied to the current conditions. This application varies from time to time and from generation to generation, as is quite apparent from the decisions of the United States Supreme Court. The question of States' rights during and preceding the Civil War was purely a political question centering around the problem of slavery. Today the application of States' rights is dependent upon an economic system and the rapid advances we have made in recent years calls for the application of the principle of States' rights in accordance with present conditions. The arguments of States' rights in relation to the slavery question cannot be practically or properly applied to present-time conditions. This fact must be borne in mind and given consideration.

I have spoken at length on the necessity of tolerance and understanding. I have tried to give you some picture of the duties and problems of a legislator. I have also tried to present a broad

picture to you in the hope that you, as I try to do, will attempt to understand the problems of another person or another group and from this broad sympathetic viewpoint to attempt to create a spirit of partnership in the attention to our national problems.

I do not want to close, however, without expressing some of the opinions which I entertain—opinions that I would like to see enacted into law, and yet opinions which must be compromised with those of my colleagues in Congress who entertain different views. I must approach these opinions in a spirit of compromise in order that the passage of such legislation as I consider to represent progress and to be conducive to the best welfare of our people may be assured.

Believing as I do in the system of individual initiative, and our unemployment problem being the most serious of the problems that confront us, I know that it is only through the encouragement of private business that this problem can be properly met. In the attainment of the objective of solving our unemployment problem, all of us should cooperate with one another and with government, and government should cooperate with all of its people. The happy solution of this problem demands men of vision and courage, not alone in business and other avenues of private activity, but also in government. The man who cannot adjust himself to the recognition of a new social outlook and to the attempt of obtaining objectives in a manner consistent with our ideals of democracy should step aside and let some other person assume his place of leadership.

Parenthetically, during the past several years we have seen the passage of very controversial legislation. The cry of radicalism has been hurled at it. It is amazing how often, as we look back through history, the radical proposals of one generation became the accepted conservative policies of another.

While I have agreed with the objectives of social legislation that have been passed, there are portions of this legislation passed that I have not agreed with. The mere fact that I have opposed the provisions of a bill is not of itself sufficient justification for my opposing the passage of the bill—with the objective of which I am in agreement. Furthermore, let us hold in mind that important legislation is always amended from time to time as experience shows the necessity.

Likewise, we must accept the fact that the legislation of the past several years is here to stay. Its passage was the result of the demands of a strong public opinion. While amendments from time to time will be made, the present legislation will stand. To those who are opposed to all of such legislation or to some particular bill, it seems to me to be the logical course to accept this legislation, and if there are provisions of existing law which should be amended, to constructively advocate proper amendments that will serve to strengthen the existing law and to make it work more equitably. This would appear to be more desirable than to continue the useless effort of trying to repeal the law or to engage in a campaign of hatred and destruction by overemphasis upon the mistakes of the human agencies that administer the law.

Among the most controversial laws enacted in the past several years are the National Labor Relations Act, the Social Security Act, and the Securities and Exchange Commission. All of this legislation is here to stay. I remember when the bill regulating stock exchanges was pending in Congress, and I remember the charge that was made, and honestly, although erroneously entertained by some, that the passage of this bill would result in the destruction of business. In the few years following its passage, we have seen such a change that the very people who formerly vigorously opposed it, would today oppose its repeal.

Whether one agrees with it or not, and I do, the right of labor to collectively bargain is now provided by law. It is here to stay. Instead of blind opposition, why would it not be sound business course to recognize that it is here to stay, to accept it and to try to improve upon it by amendments that will enable this important legislation to operate with satisfaction to both employer and employee. There is no doubt in my mind but that amendments will be made to this act—amendments which experience shows to be necessary. Blind and intolerant opposition will only defer the arrival of that time. Blind and intolerant insistence that no amendments be accepted which experience shows to be necessary will also defer the time when both capital and labor will reap the benefit of proper understanding and sympathies.

We all recognize that there is one common ground upon which business and industry and labor stand, and that is that industry shall function, employ fully, and produce abundantly, and to do so in such a manner as to perform their essential social functions to other groups and to government. But it is only through a broad and general economic recovery that all of our people and classes can fully participate in the benefits of democracy and the material possibilities of our Nation.

Let me speak of the Social Security Act. This legislation, like other social legislation, is the natural and probable consequence of the great economic changes that have taken place since the beginning of the century. Why not acknowledge this fact and accept the principle of this legislation? Personally, I believe that it is unnecessary under the Social Security Act to maintain the large reserve fund that is evolving at present. It is only a matter of time, in my opinion, when we will adopt a policy which is somewhere between the present large reserve fund and a pay-as-you-go plan. If such a policy were enacted into law, it would result in a reduction of the tax and contribution provided for in the existing law. Such an amendment would constitute a great relief to business.

In the solving of this problem we all have one interest in common. We all want business and industry to function as freely as possible, and we want abuses of industry and business and labor controlled so that the honorable businessman will not be subject to the tactics of the unscrupulous competitor.

It is only through investment of capital in productive enterprise and a distribution of earnings in a proper manner, that our economic system can function in a normal and proper manner. Disagreements have existed, and disagreements will exist in the future, but disagreements cannot and will not be adjusted, unless the spirit of understanding and of compromise exists in the minds of all.

In the matter of encouragement to private enterprise, I am of the opinion that our surtaxes on incomes are too high. I believe that capacity to pay should be the test for the imposition of taxes. However, there is a saturation point beyond which we should not go. Taxes that limit or restrict the incentive to invest in productive enterprises are not wise. Not only do such taxes reduce sharply the amount of revenue that Government receives but insofar as they prevent capital investments in production, they increase unemployment, or to put it in converse language, they prevent reemployment.

I believe that the capital gains and loss tax should be improved upon, allowing greater capital investment, more revenue for Government, and contributing toward the solution of our unemployment problem. While the undistributed surplus tax might be theoretically correct, experience has shown that it works a hardship upon business. I believe that a permanent return to the normal tax would be a proper and desirable incentive to business.

I have come very close to the end of my remarks. I am hopeful that I have made some contribution to your understanding and appreciation of the problems of the present and that the honest viewpoint of a man in Government will assist in bringing all of our groups closer together in the work that lies before us. I believe that I can, with perfect assurance, express the opinion that Government in the next few years will concern itself with the refinement and equitable adjustment of the social legislation of the past.

You and I will agree that we have had great problems of readjustment in the recent past and have great problems today. Let us all accept the fact of the presence of these problems. Let us all agree that these problems cannot be solved while the great forces in our Nation—business, industry, finance, labor, agriculture, and government—are fighting themselves and not the depression. Let us all accept that a nation cannot be legislated into prosperity, that government can only assist the natural forces of democracy in stimulating economic progress, and in its efforts must heed the demands of public opinion and resolve the different opinions of various groups. Let us all admit that it is unfortunate that government is compelled to tackle these problems, that it would be much better if business, industry, finance, labor, and agriculture were collectively able to compromise their differences, determine upon constructive programs, and seek the assistance of the Government in putting them into operation. In 1929, these groups were not able to quickly provide the leadership necessary. Today, however, they have had the experience of living with these problems for 10 years and now they should and must assume their proper responsibilities. It can be done only when there is leadership in all these groups possessed of broad human sympathies, broad understandings, and broad tolerances.

In closing I want to make some definite recommendations.

To labor I would recommend that it solve the differences within its own ranks, that it seek to provide for responsible leadership throughout its vast organization, and that it be prepared to work in a spirit of compromise and sympathetic understanding with all other groups to the end that malice toward none and justice to all will result.

To business and industry I would recommend that they accept the fact that readjustments are necessary, that they vie with government and labor in suggesting and putting into operation constructive and affirmative progress that will best serve the needs of our times, that they will accept the fact that labor organizations on a broad scale are here to stay, that the labor movement today is subject to growing pains, and that a strong advance toward peace will result through the encouragement of proper bargaining agencies for labor. I would also suggest very strongly that all men in business and industry should closely study all legislation, approach it with a broad viewpoint, and appear in person before the committees of Congress to present the facts and suggestions they might have. You can become a strong factor in molding public opinion along proper lines if you appear openly and in numbers before committees and not be betrayed into feeling that the most effective work can be done behind closed doors.

To government, the necessity of wise and tolerant administration of laws—that public officials always remember "that this is a Government of laws and not of men," and to act accordingly, judiciously, not arbitrarily.

To all of us as individuals, as groups—economic, social, and otherwise—to realize that the common welfare of all will be more quickly and advantageously obtained, without harmful misunderstandings, and bitter antagonisms eliminated, by an approach to all problems with a tolerant and understanding mind.

"We're Blundering Into War"—Article by Charles A. Beard

EXTENSION OF REMARKS
OF
HON. ARTHUR CAPPER
OF KANSAS
IN THE SENATE OF THE UNITED STATES
Monday, March 27, 1939

ARTICLE BY CHARLES A. BEARD

Mr. CAPPER. Mr. President, I wish every American, and especially every American in public life responsible in any way for the direction of our foreign policies, might read an article in the current issue of The American Mercury, by Dr. Charles A. Beard, the eminent historian and scholar.

Dr. Beard sees the United States blundering into war, largely because of lack of understanding of Old World affairs, aided by the missionary zeal of native Americans, and the racial passions and prejudices of hybrid Americans in our midst.

I ask unanimous consent to have printed in the Appendix of the RECORD the article, which I send to the desk, entitled "We're Blundering Into War," by Dr. Charles A. Beard, taken from the April issue of The American Mercury.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From The American Mercury, April 1939]

WE'RE BLUNDERING INTO WAR

(By Charles A. Beard)

In her column recently Dorothy Thompson, after speaking of the riches of the United States, said, "No country with such economic power can avoid international political responsibilities." In the same column she said, "In practically each American heart there is a timid soul pursuing hapiness and wishing to avoid the burden and the headaches of power." These two sentences, so noble in emotional urge, express the vague sentiments which make difficult realistic thinking about foreign policy for the United States and tend to drive the country in the direction of war.

The first sentence is an empty truism. Of course, the United States has "international political responsibilities." But at the very touch of exploratory questions the flimsy structure of the aphorism falls into meaningless dust.

What responsibilities? To help France, Britain, and Russia police the world? To take part in suppressing all disturbers of world peace, everywhere? To give the world's billions of poverty-stricken people economic goods sufficient to satisfy them? To see that the present distribution of territory and resources is altered only by "negotiation" in a manner to bring justice to all? What justice? Who are to be the judges of the justice or equity?

Responsibilities to whom? To the peoples of the fifty-odd nations possessing independence? To the peoples of the British, French, Belgian, Dutch, Portuguese, and Italian dependencies? To the Negroes of British South Africa? To Nationalists in India? To the natives of Zululand as well as the natives of Ethiopia?

And how much responsibility? Responsibility equivalent to the full economic and military power of the United States? To the uttermost limits of physical and moral capacity? Responsibility equal to the ability of the upper and lower income groups in the United States to pay the bills? And who is to fix the limits of capacity and ability?

Besides uttering a Peter-the-Hermit cry, Miss Thompson tries to spur Americans on by shaming them. Americans are timid souls. They are selfish. They love their happiness. They shrink from the dreadful task she has laid before them. They are, in short, a cowardly crew.

President Roosevelt is apparently Miss Thompson's flaming knight ready to lead embattled hosts. In other places she has portrayed him as a man in a mess at home, and yet in foreign adventurism she makes him the hero competent to straighten out the whole world by assuming "international responsibilities." Who, in such circumstances, wants to be a coward? The psychological trick is simple and telling. The fact that it draws such cheering crowds indicates that a lot of American thinking about international complications is no more realistic than the apocalyptic visions of a backwoods camp meeting.

If we look less ecstatically on the world's nations and governments and consider their practices, as distinguished from their general professions, we do not find them wholly controlled by noble conceptions of their international responsibilities—responsibilities to other peoples and governments. On the contrary, we see them pursuing their national interests. But when it is proposed that the United States look to American interests and security, this is denounced as cowardly, selfish, and immoral—before the world of moral nations. According to this strange ethic, it is indecent for the United States to take advantage of its geographical position and seek to maintain peace and security in its sphere, where it is able to accomplish its purposes. How can this strange state of affairs be explained? Why is it that loose thinking and passionate cries evoke loud echoes?

One clue to the anomaly is the fact that the United States is treated by resident foreigners as a boarding house, not as the permanent home of a people engaged in trying to make a civilization in their own land. These foreigners in letter or spirit are actuated by emotional interests in conationals in other countries and yet look with contempt upon Americans whose primary affections are attached to ties of their own.

When a British-born American delivers an oration on the duty of the United States to join Britain in saving democracy in Europe, he is acclaimed as noble in motive, high-spirited in morals, and generous in outlook—by one crowd. When an American of German or Italian origin argues against serving notice on Germany and Italy that the Monroe Doctrine applies to them, he is greeted as heroic—by another crowd. When an American of whatever national strain refuses to have anything to do with either of these crowds and insists upon protecting the American sphere of interests against all alien intervention and upholding democracy here, he is condemned by members of the boarding-house and home-grown missionaries as ignoble, narrow, and greedy.

Between the boarders and the missionaries it has become well-nigh impossible for the United States to follow any realistic foreign policy based upon its geographical position and its democratic ideals. No other government in the world is compelled to the same extent to shape its foreign policy under the pressure of powerful interests whose hopes and passions are linked with the fate of foreign governments and nationalities. If to aliens in fact are added missionaries hell-bent on spreading the American brand of democracy from Rhodesia to Formosa, and the communistic dreamers dedicated to saving Russia at any cost to America or making a world conflagration, it becomes painfully clear that the task of framing and pursuing an American policy is staggering in its proportions.

A few figures illustrate the fantastic situation. Of the 130,000,000 people in the United States, about 40,000,000 are either foreign-born themselves or are the offspring of foreign-born or mixed parents. In this class are 7,700,000 Germans and 4,500,000 Italians, 3,300,000 Poles, 7,600,000 British and Canadians, and 3,100,000 Irish. About one-fifth of the total American electorate is potentially composed of men and women from this group. And what a din they can make about an American policy for the United States as distinguished from a British or German or Italian policy for the United States!

II

But putting aside for the moment all the conflicting domestic interests which make American foreign policy a muddle and granting that the United States has unlimited responsibilities in Europe, it seems proper to inquire a little about the responsibilities assumed by the European powers themselves. What are they doing to bring peace, security, prosperity, a fair distribution of the world's goods, and stability in Europe? What are they doing to brighten up the corner where they are?

Judging by all the weeping, wailing, and hand-wringing in the United States, the poor, little peace-loving countries of Europe are threatened by two monster powers, Germany and Italy, and could not, if they would, defend themselves against these frightful Leviathans. The truth of the matter is far different. The countries threatened by Germany and Italy outnumber them in population by at least three to one. For every soldier that Germany and Italy can put in the field, they can put three or more. These menaced nations far outstrip the two foes in wealth, natural resources, metals, and war materials of every kind. They have command of the seas and can impose an iron blockade on Germany and Italy.

And this reckoning leaves out of account all the man power and material power of the natives in the British, French, and Dutch Empires. Even if Japan should throw herself on the side of Germany and Italy in a new world war, the overbalance of power for war would still be on the side of the opposing nations immediately affected.

Poland, Yugoslavia, Rumania, and Turkey alone, to say nothing of France and Russia, have about 80,000,000 inhabitants, and surely they are directly and immediately interested in escaping German and Italian domination. Their combined population is equal to that of Germany, counting Sudetens and Austrians. Their combined armies, including trained reserve troops, number nearly 6,000,000 men. According to the estimates of Col. Frederick Palmer, their present armed forces are nearly double those of Germany.

In other words, the countries immediately, directly, and palpably interested in preventing German and Italian domination are Great Britain, France, Belgium, Poland, Russia, Yugoslavia, Rumania, Turkey, Greece, the Netherlands, the Baltic States, and Scandinavia. By their side we may also place the British Empire, the French Empire, and the Dutch Empire. And they have overwhelming power in men and materials.

These are the helpless pygmies that must be saved from the menacing Leviathans by the blood and treasure of the United States. Here is the American responsibility.

Such are the ponderables. Then there are the imponderables to be considered with reference to the formulation of American foreign policy in this relation. What are the secret wishes, hopes,

and maneuvers of Great Britain and France, so immediately concerned with the doings of Germany and Italy? I do not refer to any hints, notes, and friendly communications that they have sent to the State Department at Washington or that have been revealed to the Olympian columnists who daily instruct the people of the United States. I refer to the real intentions and preferences cherished by the Governments of Great Britain and France. On this point we have no authentic information. Not for fifty or a hundred years will the archives of London and Paris be open to our children or grandchildren. For the Government of the United States to operate on the ostensible fiction that a mere test of despotism and democracy is at hand would be nothing short of childish.

Some obvious facts run counter to the fiction. As to some real or pretended issues the objectives are clear. The quarrel between France and Italy is plainly over the spoils of empire in Africa. Italy demands more loot. The Italians were not given their "share" of the German spoils at Paris by the Treaty of Versailles. In fact the treatment of the Italians in 1919 was, from the point of view of French and British imperialism, nothing short of scandalous. They were greeted by noble words about self-determination while France and Britain carried off German colonies in Africa, under the high-sounding phrase of "mandates in sacred trust for civilization." Now Italy demands her share of the loot. I do not say that France should surrender it, but I do say that the present quarrel between Italy and France is openly, without palaver and hypocrisy, a quarrel over imperial spoils.

Should the United States pour out blood and treasure to help France hold Tunisia or Djibouti, or even Corsica?

And what has the Tory government of Britain really been doing in the past few years? I do not pretend to know. I suspect that its primary aim is to let Hitler liquidate Soviet Russia. Should the United States pour out blood and treasure in support of that British Tory policy?

If the countries of Europe that are directly and immediately involved in preventing German and Italian domination are primarily or even fundamentally interested in that operation, they can call the bluff and stop the peril within 48 hours. They can establish solidarity, if that is their real and secret wish. They have the men, the materials, the money, and the power. But they do not establish solidarity. And my guess is that they do not for the reason that other hopes, fears, and ambitions enter into their designs.

Convinced that this is the truth of the business, I come to the conclusion that the intentions and enterprises which the United States is asked to underwrite with blood and treasure are only incidentally related to the fear of German and Italian domination. The business is far more complex than any such simple hypothesis. The internal conditions of the countries affected, as well as their external relations, are involved in their various maneuvers.

In saying all this I do not mean to condone in any way the recent conduct of the German, Italian, and Japanese Governments. It has been, in most respects, barbaric, indecent, cruel, and inhuman. What I do say is that the underlying issues accompanying their conduct cannot be reduced to a single issue—democracy against despotism, humanity against inhumanity. And I insist that the business of preventing German and Italian domination in Europe is the business of the powers immediately and directly interested and that they have the men, money, and materials to do the work, if that is what they really want to accomplish.

For the United States to rush in and do what they obviously do not want to do seems to me quixotic beyond anything Cervantes ever imagined.

III

What, then, should the Government of the United States do in this situation? First of all, its officials, high and low, should stop preaching, lecturing, and hectoring the governments of other countries. They have done enough of that. Far from checkmating the egomaniacs of Berlin, Rome, and Tokyo, this tongue lashing merely inflates their importance, gratifies their egotism, flatters their vanity, swells their self-importance, and evokes retaliations. It defeats its professed ends.

Of all the crazy institutions ever established in the United States, the press conference on foreign relations is the worst. On its face it is preposterous for the President of the United States or the Secretary of State to allow himself to be heckled by 25 or 30 newshawks bent on snatching sensations even out of burning homes and new-made graves. There is dignity—and power—in silence, especially about ticklish matters, when light words may be seized upon and twisted and slips of speech are sure to be made, even by the coolest President and Secretary. The press conference on foreign affairs should be abolished. If the President or the Secretary of State has anything to say of importance on foreign affairs, let him write it out in measured words and give it to all newspapers, without fear or favor.

As to the passion of underlings for ego inflation through criticizing other countries, that should be suppressed immediately. No subordinate in the national administration has any business thundering at foreign governments in the press. It would be well, too, if the chairmen of congressional committees in charge of foreign affairs held their tongues and confined their sermonizings to the floors of their respective chambers.

The President of the United States is the official channel of communication with foreign governments, save in such matters as he chooses to delegate to the Secretary of State. Toward all countries with which the United States is at peace, the President should maintain a correct, formal, and reserved attitude. He should put his personal likes and dislikes aside when speaking to the public about foreign affairs. If he feels duty bound to tell the minister of a foreign government something unpleasant, he should call that minister to the White House, look him straight in the eye, give him the message in terse English, and let him guess as much as he likes. If the President is convinced that peace with any country is impossible, he should formulate his case, lay it before Congress, and call for action—for war, if he deems that necessary. In my opinion this is the only way to make the United States respected and feared in all matters in which respect and fear redound to the national interest. Any other procedure is both undignified and dangerous.

If the Roosevelt administration had really wished to put the screws on Germany, at a cost far below that of any war, it could have stopped the sale of war materials to Germany long ago by applying preexisting law and without resorting to any hostile acts under the laws of war. Lawyers have argued, and with force, that the sale of certain munitions to Germany has been in contradiction to express treaty obligations and that the State Department has winked at these obligations. However that may be, the State Department could have interpreted the law in a way to stop the sales of airplane materials and other specific articles of war demanded by Germany. But it has refused to take advantage of this power, while clamping the embargo on Loyalist Spain in clear violation of treaty obligations and the established rules of international law.

A still more important power belongs to the administration under our own tariff acts, which have been on the books for years. The antidumping provisions of those measures are drastic, and the administration has wide authority to retaliate against any country that engages in such practices. Germany has flaunted her defiance of these legal barriers by dumping goods in the United States, and the administration has winked at it. Only by violating antidumping rules can Germany buy necessary raw materials in the United States. By applying these rules the Government can stop this life stream that flows into Germany without committing any acts of hostility.

All the reasons for failure to act in this manner are not known, but it is known that Germany is also a buyer of agricultural products, including cotton, and the influence of farmers and planters with the administration is immense. Although it would be cheaper for the Government to buy up the farm produce and cotton than to prepare for and get into war, the administration pursues the policy of cursing Germany publicly and allowing private interests to supply her with the sinews of economy and war.

So much for official procedure. On the other hand, citizens and newspapers are free to express their opinions on foreign as well as domestic affairs. And foreign governments are to be informed that such is the situation in the United States, if they are so foolish as to protest against private utterances.

Now as to policy: in my opinion, the United States should and can stay out of the next war in Europe and the wars that follow the next war. The countries immediately and directly concerned have the power to prevent German and Italian domination if they want to do it. If they do not want to do it, then it is certainly not the business of the United States to take on the job.

If, as assumed at the outset, it is the duty of the United States Government to promote, protect, and defend the security and welfare of the American people, then its foreign policy should be determined with reference to that objective. It should maintain correct diplomatic formalities with all governments which it recognizes as de facto and de jure. It should take no notice of the fulminations made by the reptile press of dictatorships or the roaring speeches of their tyrants. It should deliver no sermons against them and make no threats that are not to be backed up by deeds. It should not dabble in quarrels and squabbles in Europe or Asia, about the origins and intentions of which it knows little or nothing. It should make known to the world clearly and positively that it does not propose to take part in any European or Asiatic war over any European or Asiatic interests. It need not say any more about the exclusion of alien interests from this hemisphere under the principles of the Monroe Doctrine. Enough has been said. Naval preparations adequate to this purpose are more important than words. They tell their own story and call for no verbal embellishments.

Under this American policy the countries that may want to prevent German and Italian domination will know what they must depend upon; that is, their own power and ability. They will not be able to shirk their own responsibilities and in a pinch shift an enormous burden to the shoulders of the American people. Nor will they be deceived any longer by the American practice of lecturing and eating crow, threatening and scuttling, boasting and writing letters of humiliation, asserting and denying.

IV

Can the Government of the United States pursue a policy of nonintervention and stay out of the next European war and the subsequent European wars? "Can" is an elusive word. Legally this policy can be followed. No treaties of alliance commit us to upholding any status quo in Europe. The Constitution permits the President and Congress to formulate and maintain such a policy. In respect of economic necessities, the policy is possible. Another war in Europe would no doubt materially disturb American economy, but appropriate domestic measures could mitigate the difficulties and internal adjustments could even raise the level of American production and consumption. It would be foolish to minimize the task; but, judging by the experiences of the World War, the perplexities, strains, and burdens connected with neutrality would scarcely equal the

costs, dislocations, and explosions inevitably associated with participation in a European war.

Legally and economically, abstention is possible. Will passions permit it? Is the prospect of a temporary escape from the impasse in American political and economic life too great for politicians to endure? There is nothing in human knowledge that permits unequivocal answers to these questions. If and when war comes in Europe, the emotional explosion in the United States will be immense and frightful. Missionaries and members of the great American boarding house will seek to bend American policy to fit their ideological or national or racial passions. The difficulty of maintaining any reasoned policy will be increased by the fact that Germans and Italians in the United States will be shouting for peace. When it is remembered that man has been and is a warlike animal—none more warlike than most peace advocates—then we can easily foresee an emotional storm of the first magnitude and a sacrifice of national welfare to the violence stirred up by sentimental attachments to the belligerents.

To any administration in power at Washington, Republican or Democratic, a foreign adventure in war would be a temporary godsend—after us the deluge. All the politicians, as well as businessmen and the rest of the people, are bewildered, befuddled, and baffled by the economic crisis that has continued practically unabated since 1929. They talk bravely about lowering trade barriers and other political thimblerig, but they know that they have no answer to the problem of business stagnation and unemployment that has stared them in the face for nearly 10 years and still stands there before them, stark and brutal in its reality.

Are there any politicians in America as courageous as Lincoln in 1861? The Government of the United States was then in a frightful jam. It confronted a major domestic crisis. The slick and sinuous William H. Seward saw a way out for his crowd in a war with Great Britain. Lincoln would not have it. He insisted on facing his domestic crisis and applying his talents and energies to it. The analogy is suggestive, and readers can make their own applications and deductions.

No less important for thought about American policy than the posture of our own domestic economy and politics is an inquiry into the nature of policy itself. The very essence of great statecraft at home and abroad is a sense for the limitations of power and for the consequences that may flow from the exercise of power. Theoretically, the sovereignty of the state is absolute; practically, it is limited. As a matter of cold fact—men, guns, ships, and equipment—the United States cannot "whip creation" and police it. Nothing is easier than to get into a war and to hurl armed forces into a war. But participation in any war likely to break out in Europe would be participation in a coalition as an "associate" if not an "ally." What the United States could do and would be called upon to do would depend on the posture, designs, demands, and intentions of the associates or allies.

In a coalition the very attributes of sovereignty disappear. The will of the state must be bent to other wills and purposes. On this point the experiences of Woodrow Wilson are illuminating. And what guaranty is there now that so-called "democratic purposes," if actually espoused by the United States, would prevail in any coalition with which this country might be associated in a war against Italy and Germany? No guaranty. On the contrary, experiences indicate that the United States would merely become a tail to the coalition kite, would receive lip praise, would have to supply more and more men and materials to the bitter end.

Beyond victory, immediately and at a distance, would be the consequences. Practice under the Wilson administration makes it as certain as death and taxes that civil liberty would perish in the United States as soon as war is declared. We are not yet rid of the persecution mania let loose by the last World War, and the prospects of another emotional rage are alarming to contemplate. Nor are the almost certain effects of a war upon our domestic economy, now deranged and debt-ridden, to be contemplated with any less anxiety. Even a victorious army on its return home will not accept the misery of unemployment and destitution such as we now have and which is likely to be augmented after the war speed-up and let-down. Why should it? Merely to authenticate the speeches of the war cheer leaders?

And what of the consequences in Europe and Asia? Far more than the last World War, the next one would be for the avowed purpose of making internal revolutions in enemy countries. Immense propaganda efforts would be directed to that end—revolutions in Germany, Italy, and Japan. But would the revolutions to follow the defeat of these powers be to the liking of the United States and its associates? (Remember the Allied and American intervention in Soviet Russia.) Could the revolutions be confined to the introduction of Sunday-school methods and the moderation of the New England town meeting? If not, what will the associates do after the war has nominally closed? Assuming, without warrant, the best of will on their part, could they assure to the defeated countries an economic underwriting that would sustain representative democracy in politics? Experiences after 1919 and knowledge of the economic conditions of Italy, Germany, and Japan make the very idea ridiculous—as ridiculous as the Communist idea that out of a universal conflagration Utopia will spring in full panoply.

No, the United States could not hold the war to any alleged democratic purpose, and a rational adjustment of the consequences would be beyond the power of any government, in Washington or anywhere else.

In these circumstances, underwriting Great Britain and France in advance, allowing them to count upon the aid of the United States in whatever hidden schemes they may be pursuing, seems to me to be the policy of reckless gambling, not of reason or idealism. No better illustration of the follies inherent in such underwriting can be found than the action of the United States Government in imposing an embargo on the republican government of Spain—presumably to aid the beautiful nonintervention policy of Great Britain and France which may help to bring Germany and Italy into the Atlantic. It is one thing to underwrite Great Britain and France in their tortuous diplomacy. It is another thing to prepare to meet the possibility that German and Italian Navies may acquire dominance in the eastern Atlantic.

To entagle ourselves in the mazes and passions of European conflicts and tie our hands to British and French manipulators on the remote contingency of a German and Italian domination in the Atlantic seems to me to embrace immediate calamities when the possibility of security and peace in this hemisphere is clearly open to us. If this be immorality, the foreigners now boarding here and the home-grown missionaries can make the most of it.

Utah State Income Tax—Opinion of United States Supreme Court

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Monday, March 27, 1939

DECISION OF THE SUPREME COURT

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the Appendix the decision of the United States Supreme Court, delivered by Mr. Justice Black, which seems to have been a unanimous one, in *State Tax Commission of Utah et al., Petitioners,* v. *W. Q. Van Cott.*

Mr. KING. Mr. President, I understand that case was sent back to the State court.

Mr. BARKLEY. Yes, Mr. President.

Mr. MINTON. The Court says in the opinion:

Salaries of employees or officials of the Federal Government or its instrumentalities are no longer immune, under the Federal Constitution, from taxation by the States.

Which would seem to overrule the decision in *Dobbins* v. *Commissioners of Erie County.*

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

[Supreme Court of the United States—No. 491—October term, 1938—*The State Tax Commission of Utah et al., petitioners,* v. *W. Q. Van Cott.*—On writ of certiorari to the Supreme Court of the State of Utah.—March 27, 1939]

Mr. Justice Black delivered the opinion of the Court.

The State of Utah's income-tax law, effective in 1935, exempts all "amounts received as compensation, salaries, or wages from the United States * * * for services rendered in connection with the exercise of an essential governmental function."[1] In his return of income taxes to the State for 1935 under this law, respondent claimed "as deduction" and "as exempt" salaries paid him as attorney for the Reconstruction Finance Corporation and the Regional Agricultural Credit Corporation, both Federal agencies. The exemptions were denied by the Tax Commission of Utah, but the Utah Supreme Court reversed.[2] Before the commission and in the Supreme Court of Utah respondent asserted, first, that his salaries were exempt by the terms of the State statute itself, and, second, that they could not be taxed by the State without violating an immunity granted by the Federal Constitution. In holding respondent's income not taxable the Supreme Court of Utah said: "We shall have to be content to follow, as we think we must, the doctrine of the Graves case (*Rogers* v. *Graves,* 299 U. S. 401) until such time as a different rule is laid down by the courts, the Congress, or the people through amendment to the Constitution."[3] The Graves case applied the doctrine that the Federal Constitution prohibits the application of State income taxes to salaries derived from Federal instrumentalities. We granted certiorari in the present case because of the importance of the principle of constitutional immunity from State taxation which the Utah court apparently thought controlled its judgment.[4]

Respondent contends that the Utah Supreme Court's decision "was based squarely upon the construction of the Utah taxing statute, which was held to omit respondent's salaries as a subject of taxation, and therefore that decision did not and could not

[1] Revised statutes of Utah, 1933, sec. 80–14– (2) (g).
[2] 79 Pac. (2d) 6.
[3] *Id.,* 14.
[4] — U. S. —.

reach the Federal question and should not be reviewed." But that decision cannot be said to rest squarely upon a construction of the State statute. The Utah court stated that the question before it was whether respondent's salaries from the agencies in question were "taxable income for the purpose of the State income-tax law," and that the answer depended upon whether these agencies exercised "essential governmental functions." But the opinion as a whole shows that the court felt constrained to conclude as it did because of the Federal Constitution, and this Court's prior adjudications of constitutional immunity. Otherwise it is difficult to explain the court's declaration that respondent could not be taxed under the "doctrine of the Graves case until such time as a different rule is laid down by the courts, the Congress, or the people through amendment to the Constitution. If the court were only incidentally referring to decisions of this Court in determining the meaning of the State law and had concluded therefrom that the statute was itself intended to grant exemption to respondent, this Court would have no jurisdiction to review that question.[5] But if the State court did in fact intend alternatively to base its decision upon the State statute and upon an immunity it thought granted by the Constitution as interpreted by this Court, these two grounds are so interwoven that we are unable to conclude that the judgment rests upon an independent interpretation of the State law.[6] Whatever exemptions the Supreme Court of Utah may find in the terms of this statute, its opinion in the present case only indicates that "it thought the Federal Constitution (as construed by this Court) required" it to hold respondent not taxable.[7]

After careful review of this Court's decisions on the question of intergovernmental immunity, the State court concluded that the Reconstruction Finance Corporation and the Regional Agricultural Credit Corporation were "instrumentalities" performing "essential governmental duties" and that State taxation of respondent's salaries violated the Federal Constitution as interpreted by the Graves case. Anticipating that this Court might reexamine that interpretation and apply a "different test," the State court said that "Until such is done the States are bound by the decision of the Supreme Court in * * * *Rogers* v. *Graves*, supra."

We have now reexamined and overruled the doctrine of *Rogers* v. *Graves* in No. 478, *Graves* v. *O'Keefe*, this day decided. Salaries of employees or officials of the Federal Government or its instrumentalities are no longer immune, under the Federal Constitution, from taxation by the States. Whether the Utah income tax, by its terms, exempts respondent, can now be decided by the State's highest court apart from any question of constitutional immunity, and without the necessity, so far as the Federal Constitution is concerned, of attempting to divide functions of government into those which are essential and those which are nonessential.

"We have frequently held that in the exercise of our appellate jurisdiction we have power not only to correct error in the judgment under review but to make such disposition of the case as justice requires. And in determining what justice does require, the Court is bound to consider any change, either in fact or in law, which has supervened since the judgment was entered. We may recognize such a change, which may affect the result, by setting aside the judgment and remanding the case so that the State court may be free to act. We have said that to do this is not to review, in any proper sense of the term, the decision of the State court upon a non-Federal question, but only to deal appropriately with a matter arising since its judgment and having a bearing upon the right disposition of the case."[8]

Applying this principle, we vacate the judgment of the Supreme Court of Utah and remand the cause to that court for further proceedings.

Judgement vacated.

The Chief Justice took no part in the consideration or decision of this case.

[5] *Miller's Executors* v. *Swann*, 150 U. S. 132, 136; *Interstate Railway Co.* v. *Massachusetts*, 207 U. S. 79, 84; *Louisville and Nashville Railroad Co.* v. *Western Union Telegraph Co.*, 237 U. S. 300, 302; cf. *Carmichael* v. *Southern Coal Co.*, 301 U. S. 495, 507.

[6] *Abie State Bank* v. *Bryan*, 282 U. S. 765, 773.

[7] Cf. *Red Cross Line* v. *Atlantic Fruit Co.*, 264 U. S. 109, 120; *Tipton* v. *Atchison Ry. Co.*, 298 U. S. 141, 152, 153; *Illinois Cent. R. R.* v. *Messina*, 240 U. S. 395, 397.

[8] *Patterson* v. *Alabama* (294 U. S. 600, 607).

The Case of Dr. Nylander and the N. L. R. B.

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 27, 1939

CORRESPONDENCE CONCERNING SUSPENSION OF DR. TOWNE NYLANDER

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks, I include letters to Dr. Towne Nylander, myself, and to the National Labor Relations Board. These letters, except to myself, are copies sent to me from the writers and were supplied by neither the Board nor Dr. Nylander.

These are only a few chosen from my files containing many others coming from both A. F. of L. unions and C. I. O. unions, civic groups, and individuals.

I have inserted them into the RECORD because the suspension was discussed on the floor of the House and the editorial that caused that suspension also was placed in the RECORD.

I have waited until the case was closed in order that no one could claim that I was trying to influence the decision of the Board. Now that Dr. Nylander has been vindicated and reinstated into his former position, it seems but just and fair that the other side of the story be told. Let those who were close to the picture tell the story.

The letters follow:

HAWTHORNE, CALIF., *February 24, 1939.*

Mr. LEE GEYER,
Congressman, California Seventeenth District,
Washington, D. C.

DEAR MR. GEYER: I am enclosing a copy of a letter from our club to the Labor Relations Board, as our members feel that we can look to you for fair representation in Washington and we believe that you will be interested in the action we have taken regarding the perverted report in the Inglewood Daily News, of an address made by Dr. Nylander in that city on February 6.

Yours for democracy,

ELIZABETH MOON,
Secretary, Labor's Nonpartisan League,
46th A. D. Club, 250 Washington Ave., Hawthorne, Calif.

HAWTHORNE, CALIF., *February 24, 1939.*

NATIONAL LABOR RELATIONS BOARD,
Washington, D. C.

DEAR SIRS: At a regular meeting of the Forty-sixth Assembly District Club of Labor's Nonpartisan League in Inglewood, on Monday evening, February 20, I was, by unanimous vote, instructed to communicate with you regarding an address given by Dr. Towne Nylander before the Inglewood Community Forum on February 6, and the report of this meeting in the Inglewood Daily News of February 7.

We wish to compliment Dr. Nylander on his analysis of the present labor conditions and the National Labor Relations Board's part in correcting the evils of "unfair labor practices."

We also wish to point out that the story told in the Daily News was very misleading, conveying the impression that Dr. Nylander stated that N. L. R. B. is prejudiced in favor of labor and therefore not qualified to give the employer a fair trial in cases brought before it. Members of our club who attended the forum feel that the entire report was extremely biased and unfair, giving an incorrect impression of Dr. Nylander's address.

An item in the editorial column of the Daily News of February 8 leads us to believe that they are using this method to discredit the National Labor Relations Board and the Wagner Act.

This club wishes to inform you that its members are well satisfied with Dr. Nylander and the N. L. R. B.'s work and are wholeheartedly against amendments to the Wagner Act.

Yours very sincerely,

ELIZABETH MOON,
Secretary, Labor's Nonpartisan League, Forty-sixth Assembly District Club, 260 Washington Avenue, Hawthorne, Calif.

UNITED RUBBER WORKERS OF AMERICA,
Los Angeles, Calif., March 2, 1939.

Mr. LEE GEYER,
Member of Congress, Washington, D. C.

DEAR BROTHER GEYER: Enclosed please find copy of letters sent to Dr. Nylander and Mr. Warren Madden, Chairman of the National Labor Relations Board, regarding the suspension of Dr. Nylander as regional director of the twenty-first region. The same are self-explanatory.

I will not attempt to pour out my thoughts to you on this matter as I know that you have lived in our community long enough to understand the conditions that exist and I think it needless to suggest that you do everything in your power to clear Dr. Nylander's name and restore him back to the position where he may continue to serve the people in a fair and honest manner. It is still evident that we have certain groups of people who do not desire to have honest men holding office and representing all the people.

In conclusion might I take this opportunity in congratulating you on the wonderful work you are doing and hope in time to come that the people will have more Representatives in Washington who are interested in representing all the people instead of a privileged few.

With kindest regards and best wishes for your continued success, I am

Sincerely and fraternally yours,

GEORGE B. ROBERTS, *District Director.*

MARCH 2, 1939.

WARREN J. MADDEN,
Chairman, National Labor Relations Board,
Washington, D. C.

DEAR MR. MADDEN: It is evident that there are still a group of people in the State of California that do not desire an honest person in any position where they must represent all the people without fear or favor. I am speaking of none other than the case of Dr. Nylander.

I have had the opportunity and pleasure of dealing with many regional directors as well as trial examiners throughout the United States and I might say, although I have had the highest respect for all of them, I have never dealt with any that I felt were more honest and fair in their dealings than Dr. Nylander. There have been times when I thought a case warranted the action of the Labor Board but after careful study, he has refused to handle the case unless and until there was sufficient evidence to substantiate the charges that I wished to prefer.

I fully appreciate that no one could be selected as regional director who would meet the 100 percent approval of both the manufacturers, businessmen, and organized labor. I don't mind telling you that when I go to the polls to elect judges, governors, representatives, etc. I do not vote for them because I want them to always agree that I am right or because they will always vote in my favor; I vote for them because I feel that they are honest, fair, and fearless and will make decisions without fear or favor.

I am sure that you will give serious consideration to this matter and return Dr. Nylander to the position that he was so ably filling. I would like to conclude by saying that he not only holds the respect of many employers but he has the respect of both the American Federation of Labor and Congress of Industrial Organization groups in this district.

Hoping that this matter will soon be corrected and that we may continue to handle our problems as we have in the past.

With kindest regards and best wishes, I am

Respectfully yours,

GEORGE B. ROBERTS,
District Director, United Rubber Workers of America.

MARCH 2, 1939.

DR. TOWNE NYLANDER,
Regional Director, National Labor Relations Board,
Twenty-first Region, 2638 West Adams Gardens,
Los Angeles, Calif.

DEAR DR. NYLANDER: That which has happened was to be expected sooner or later from the reactionary newspapers and people with whom we must deal in this community.

Although I did not attend the meeting in question, I have had the pleasure of hearing you speak on other occasions, and I did not, at any time, ever hear one thing that could have been frowned upon by either organized labor or members of the manufacturing association. From all my past experiences with you, I know you have taken a neutral stand and carried out your duties as fairly and honestly as you knew how. I even know that there have been times that I thought a case warranted the action of the Labor Board, but after your careful study you refused to handle the case unless there was more evidence to substantiate my charges and until I could present better arguments.

I have had the occasion to deal with regional directors of the National Labor Relations Board, as well as many trial examiners throughout the United States, and I might say, although I have had the highest respect for all of them, I have never dealt with any that I felt was more honest and fair in their dealings than yourself. Knowing you as I do, I have too much respect for your intelligence than to believe such an article as was printed in the Inglewood paper.

I am a firm believer that right is right and wrong is wrong and all Hell won't change it. If there is anything humanely possible that I, as an international-labor representative, might do to correct this wrong that has been done, please call upon me and you can rest assured that I will be more than glad to help.

I sincerely trust that this matter will be cleared up entirely in a short while and that you may continue to serve the people as you have in the past.

With kindest regards and best wishes, I am,

Sincerely and respectfully yours,

GEORGE B. ROBERTS,
District Director, United Rubber Workers of America.

LONG BEACH CENTRAL LABOR COUNCIL,
Long Beach, Calif., March 9, 1939.

HON. LEE GEYER,
Congressman, Seventeenth District of California,
Capitol Building, Washington, D. C.

DEAR SIR: Enclosed herewith find verbatim copy of resolution introduced in our meeting of March 7, 1939, and adopted by the undersigned council, which you will find self-explanatory.

Yours respectfully,

CENTRAL LABOR COUNCIL,
GEO. C. BENTSON, *Secretary.*

Whereas Dr. Towne Nylander has been known to our organization since his appointment in March 1935;

Whereas it has always been our experience that Dr. Nylander discharged the duties of his office as directed by the National Labor Relations Board without prejudice toward any of the parties involved;

Whereas we, in the twenty-first region, have felt fortunate in having so fair a director; and

Whereas because of Dr. Nylander's record in the twenty-first region we cannot believe that he ever uttered the statement alleged by the Englewood newspaper: Therefore be it

Resolved, That the National Labor Relations Board and the Congress of the United States of America conduct a complete investigation of the charges against Dr. Nylander, and that he be granted every opportunity to prove the falseness of the charges against him.

In Memoriam—Allard H. Gasque

EXTENSION OF REMARKS
OF
HON. MARTIN F. SMITH
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Monday, March 27, 1939

RESOLUTION OF COMMITTEE ON PENSIONS

Mr. SMITH of Washington. Mr. Speaker, under leave to extend my remarks, I insert the resolution in honor of the memory of our late colleague and committee chairman, ALLARD H. GASQUE, of South Carolina, which was unanimously adopted by the Committee on Pensions on March 23, 1939.

The resolution reads as follows:

The Committee on Pensions in regular meeting assembled, desires to spread upon its records the deep regret and sorrow of its members owing to the death of Hon. ALLARD H. GASQUE, of South Carolina, who departed this life immediately after the adjournment of the Seventy-fifth Congress.

Our late colleague was first appointed to the Committee on Pensions on February 22, 1924—Sixty-eighth Congress—and served continuously on the committee until December 15, 1931—Seventy-second Congress—when he was made chairman. He served as chairman of the committee to the date of his death on June 17, 1938. He rendered able and distinguished services in the capacities in which he served and was beloved by the veterans of our wars, whose true and loyal friend he ever proved himself to be. He was held in high esteem by his colleagues in the House, who mourn his passing. The members of the Committee on Pensions crave the privilege of tendering to his widow and children sincere sympathy in their loss and bereavement.

Unanimously adopted this 23d day of March, 1939.

Boys' Republic

EXTENSION OF REMARKS
OF
HON. ROBERT R. REYNOLDS
OF NORTH CAROLINA
IN THE SENATE OF THE UNITED STATES
Monday, March 27, 1939

SPEECH BY COL. T. S. WILCHER

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very interesting address delivered by Col. T. S. Wilcher, founder of the Boys' Republic and the Girls' Republic, of Arlington, Va.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Preamble of the constitution of the Boys' Republic: "In order to foster, encourage, and perpetuate the ideals of true Americanism among the boys and girls of the United States of America, and for the purpose of inculcating and cultivating the highest duty of civic responsibility, as well as to uphold, guard, and protect the honor and integrity of our National Government, its flag, and the principles it represents; to mold our lives and characters around the principles of self-government based upon the ideals, self-respect, and self-sufficiency of our illustrious forefathers; we, the young people of America, believing that faith in our God, truth, justice, democracy, liberty, and freedom should guide us in our every endeavor; and further believing that acceptance of the brotherhood of man and reverence for law and order are conducive to the welfare of our country, do hereby ordain and establish this constitution and bylaws of the Boys' Republic and the Girls' Republic."

Americanism defined: "Americanism is the recognition of the truth that the inherent fundamental rights of man are derived from God and not from governments, societies, dictators, kings, or majorities." This is the faith by which our people have existed for over 150 years as the United States of America, and this is the faith which is now passing through the acid test of insidious and undermining influence of foreign propaganda.

I have had a lifetime of experience in dealing with boys and girls and in other social work, and it is becoming more apparent to me as time goes on that a counteracting influence must be instituted among our youth if we are to save our youth for what our forefathers intended them. Since the World War we have let down our barriers to foreign influence to such an extent that various countries have been enabled to establish spheres of influence on our territory. It is a well-known fact that there exists today in the United States a college which advocates the principles of communism as interpreted by the Communist International, derived from the Communist manifesto, or Manifesto of the Communist Party, by Karl Marx and Friedrich Engels, first published in January 1848. The students of this college are expected to go forth and, by various methods of assuming position by way of parliamentary procedure, contradictory and subversive literature, and word of mouth, to spread their doctrines among the weaker-minded members of our college group. I say weaker minded advisedly, because certainly no strong-minded person could embrace that which the Communists proclaim to be their way of living.

To quote the report of the Dies Investigation Committee on Un-American Activities: "The Communists in the United States openly admit their allegiance to the Communist International at Moscow, and glory in the fact that they obey all the orders issued there immediately and implicitly." September 1919 saw the institution of the Communist Party in the United States. The first meeting was held at Chicago and was composed mostly of foreign-born workers. The organization of this party was found to be illegal and it was consequently driven under cover. Two years later a "front group" was organized under the name of the "workers' party of America" in order to cover the Communists, who because of their illegality were forced to remain quiet. However, in 1928 the Communists came out in the open under the name of "the Communist Party of the United States of America, section of the Communist International." At this point they embarked on a vast campaign of propaganda with which they were to assume power in this country. The Communists have stopped at nothing to gain their ends by propaganda. The statement by George Dimitrov in an address to the Seventh Congress of the Communist International in Moscow on August 20, 1935, was made showing clearly their methods: "Comrades, you remember the ancient tale of the capture of Troy. Troy was inaccessible to the armies attacking her, thanks to her impregnable walls, and the attacking army, after suffering many sacrifices, was unable to achieve victory until with the aid of the famous Trojan horse it managed to penetrate to the very heart of the enemies' camp. We revolutionary workers, it appears to me, should not be shy about using the same tactics." It would surprise the average person to know that this plan is working to perfection within our "walls" today. Communists, and in turn, Nazis and Fascists, are boring like termites into the foundation of our great Nation. They make our churches, synagogues, schools, social organizations, etc., stand the stead of a "trojan horse." They assume precedence in meetings, they lead children in games, while at the same time they express by doing their respective doctrines.

Any number of approaches are used among the workers in industry, farming, and other walks of life. Positions of strategic impor ance are seized and placed in charge of full-fledged Communists. Disputes are created, and the superiors of the workers, or the capitalists directly involved, are always put in a bad light, and while the persons who are being impressed have their better judgments clouded, they are filled with the subtle campaignings which have originated in Moscow, Berlin, or Rome. In the early days of the present vast system of industrial unionism, when the founders were in need of organizers, the foreign interests had an easy time of securing key positions in these unions. At this point it must be said that the founders of the unions were in full faith with America and her affairs, but the "pup" got out of hand and became a Great Dane, and the agitators were anticipating a field day within the unions. Then came William Green and other conscious, competent Americans, putting a temporary quietus on un-Americanism. As to the morals, ethics, and character of the Communist code, it is nil. They openly admit and boast of the bombings, beatings, robberies, perjuries, and murders that have been committed to stifle any and all opposition that their party has met. Lenin condensed this code perfectly in his speech to youth, published in 1936: "Our morality is entirely subordinated to the interest of the class struggle of the proletariat. For the Communist, morality consists entirely of compact united discipline and conscious mass struggle against the exploiters. We do not believe in eternal morality, and we expose all the fables about morality." Such things as the love and respect that we have for our women in America are unheard of in the Communist creed. In their place exist contempt, lust, and corruption of principle. And this is what they expect us to embrace.

It is little known to the average person that there are over 200 separate and distinct organizations among our youth which embody the principles of Marxian socialism, and the present-day interpretation of communism. The American Student Union, part of the World Student Association for Peace, Freedom, and Culture, formerly known as the Student League for Industrial Democracy and the National Student League, is one of the chief organizations among youth of this type. The American Student Union was conceived in the coalition convention held at Columbus, Ohio, in 1937. Moscow heralded this as one of communism's greatest triumphs (p. 80, report of the Dies Committee on Un-American Activities). The American Student Union claims to have a following of over 500,000 in its movement against constituted authority, known to us in the form of secondary and collegiate faculties. Our investigations show that a definite attempt is being made to attract the Negro to the fallacy of communism. This movement was uncovered and exposed to light as the "Provisional International Trade Union Committee of Negro Workers." On the face of it this is seen as just another of our many labor unions, but in reality it is a section of the red international of labor unions, part of the Third International, the organization which controlled communism in our labor unions.

While not as quiet moving and underhanded as communism, nazi-ism and fascism are as equally destructive of American principles as communism. Within the organizations known as the Teutonia Society, the Friends of New Germany, the Italian Blackshirts, and the German-American Bund, one finds high-powered methods of organization, spreading of propaganda, and other procedures which are regarded as definitely un-American. We have classified these methods into the following subtitles:

(1) Storm troops, (2) correspondence and records, (3) youth movement, (4) consular aid, (5) funds and propaganda, (6) guns, (7) rifle ranges.

The German-American Bund and the Italian Blackshirts have merged in principle to form a clearing house for the propagating of their ideas among the Latin-American countries. These organizations are centralized to such a high point of thoroughness that they can receive advance information from their home countries almost before an event takes place. This is shown in the official newspaper of the German-American Bund by its ability to give more accurate information of events of civil interests in Germany than the American newspapers.

Foreign propaganda, then, is something more than a topic to discuss during idle moments. It presents a real danger to the granite-like foundation of Americanism as long as it is allowed to continue. It is not necessary for anyone to tell an intelligent adult that children learn by observation and a natural tendency to mimic. What, then, is in store for our country if these alien influences are allowed to perform before the youth of the Nation? No concerted effort is made to keep boys and girls away from these influences, although we all realize this danger, and the foreigners are thereby given a rich field, unopposed.

The stopping of this movement is the basic principle of Boys' and Girls' Republic. We hold that to fight un-Americanism, we must use the fencing method of parry and thrust, parry by occupying the attention of the boy or girl in healthy, American activities, and thrust by driving home the traditions, customs, and methods that have been ours as Americans since July 4, 1776.

We now have in process of organization a number of units of the Boys' Republic. Citizens are writing in and demonstrating their interest and support. This results from its widespread and systematic method of operation, with fundamentals that no sensible person could justly criticize for the reason that it appeals to all creeds, classes, and religions. It is not a charity, but a self-supporting organization. We believe that we have found a formula for the solution of a great problem where all—and I must lay emphasis upon the words "Where all"—boys and girls, irrespective of his or her station in life, underprivileged or privileged, religion or creed, can meet without fear of restraint or self-consciousness on a common meeting ground and understand each other's problems, yet retain their individuality.

This movement will do more to educate youth in the traditions of our American democracy than any other movement that we know of and will offset any tendency toward the inculcating of foreign "isms" in the impressionable minds of our boys and girls. This is a field of young people's work that has no real competition because in this country we have been too long divided up into little cliques and selfish interests; that the time has come for a unity of purpose, a unity of spirit, and tolerance.

We have been prone to look only at material gain, paternalism, and political expediency. This modus operandi will eventually destroy initiative, self-respect, and self-sufficiency. We have built great buildings, new homes, increased our bank accounts, clipped our coupons and watched dividends and in our desire to build material things we have either through commotion, procrastination, or lackadaisical attitude or unknowingly forgotten that the county, State, and Nation's greatest asset is human values and community achievement. This, to me, is a far greater asset than all material success because human values are lasting while material gain depreciates and fades into oblivion, or, like the snowball in the river—one moment here is gone forever, for fame is like the poppy's spread, you seize the flower and the bloom is dead.

We, in the boys' republic and the girls' republic, are interested only in human, spiritual, and community assets. Our only desire and determination is to build men and women to become better American citizens and educating them by a practical application of civic responsibility, self-respect, and self-sufficiency and at the same time taking care of the body through athletics and other progressive measures. Our compensation and profit shall be human assets and not monetary profits. Human depreciation results in degradation, sin, and lack of respect for law and order. Excessive paternalism is the father of iniquity and the only way to begin to build is to lay a foundation, solidified with honor, integrity, and courage.

The Townsend Plan

EXTENSION OF REMARKS
OF
HON. R. T. BUCKLER
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 27, 1939

LETTER FROM ANDREW TROVATON, OF McINTOSH, MINN.

Mr. BUCKLER of Minnesota. Mr. Speaker, under leave to extend my remarks in the RECORD, I ask permission to include a short letter which I have received from a strong advocate of the Townsend plan who is a friend of mine in my home county of Polk, in Minnesota.

This letter expresses some very important views and observations concerning the Townsend plan and old-age pension legislation.

Since the general public, and especially our constituents back home, do not have the opportunity of offering their ideas and suggestions concerning the old-age pension problem, I think it essential that we respect and study correspondence we receive on the subject.

I believe that the Townsend plan would benefit the whole population of this country. Its adoption would result in the reemployment of the millions of jobless, and I am satisfied and convinced it will bring prosperity back to this country.

Many of our counties, and some of our States are not able to match the Federal share of the old-age assistance under the present program.

This situation discriminates against the States which are in poor financial circumstances. The Townsend plan would remedy this and also would do away with a lot of red tape, and I believe it would be much easier to administer than the present social-security, old-age program.

To give you some additional views and observations on the Townsend-plan legislation, I offer the letter which I have received from Mr. Andrew Trovaton, of McIntosh, Minn. The letter follows:

DEAR FRIEND: Being I could not appear before the Ways and Means Committee to testify at their public hearings on social-security legislation, I wish you would try to get permission to put into the RECORD the following points against some of the social-security provisions and favoring the Townsend plan—H. R. 2—as I would like to have a voice in this testimony, but cannot come to the Capital.

The title of the Social Security Act, establishing old-age pensions, should be carefully contrasted and compared with the pending H. R. 2, which is the Townsend plan. If all Members of Congress would do this there can be no doubt in my mind but what they could pass H. R. 2, and repeal this title of the Social Security Act.

The social-security pensions only cover a minority of the country's population. The Townsend plan, H. R. 2, covers the whole population.

The Social Security Act taxes only certain workers and their employers, H. R. 2 taxes all estates, gifts, and transactions, except workers' pay and governmental securities transactions.

The Social Security Act takes money out of circulation and ties it up in United States bonds, which represent funds already spent. The Townsend plan puts all pensions or annuity payments back into productive circulation 30 or 60 days, except in certain cases, 10 percent which shall be applied on old debts.

The Social Security Act will not pay pensions before 1942, and full effect of the law will only be due about 1976 or 1980. The full effects of the Townsend plan will come in about 90 days after its passage.

The Social Security Act will pay annuities on a basis of pay received by workers covered. H. R. 2 will pay pensions on a pro rata basis of money collected the previous month, each one receiving an exactly even amount if applied for.

The Social Security Act makes no provision for the pensioners to spend any of their annuity, so they may hoard it or invest it in bonds and thus keep the money out of production direct. The Townsend plan requires that they spend it all for commodities and for services except as stated.

The Social Security Act does not require annuitants to quit working for pay. H. R. 2 does.

Thus it will be seen that as an emergency measure to reemploy the jobless, the Social Security Act is much worse than nothing until 1942, and for years afterward the pensions will be too small—mostly minimum of $10 per month, while under the H. R. 2 the most conservative estimates are $60 to $70 per month.

The Social Security Act dishonors the old folks by requiring them to declare their extreme need for aid. H. R. 2 is a public acceptance of and obedience to the Lord's Commandment, "Honor thy father and mother, etc."

ANDREW TROVATON,
McIntosh, Minn.

Shall We Limit the Rights of Political Groups With Alien Ties?

EXTENSION OF REMARKS
OF
HON. J. PARNELL THOMAS
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Monday, March 27, 1939

RADIO ADDRESS BY HON. J. PARNELL THOMAS, OF NEW JERSEY, MARCH 23, 1939

Mr. THOMAS of New Jersey. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following address which I delivered over the radio at America's Town Meeting of the Air program, broadcast from the Town Hall, New York City, Thursday, March 23, 1939:

Under the Constitution of the United States Congress shall make no law abridging the right of the people to assemble peaceably. Therefore political groups, even though with alien ties, at least have the right to assemble, but such assemblage must be without disorder. The municipal fathers of New York City recognized this constitutional right when they recently granted the German-American Bund a permit to assemble in Madison Square Garden. However, when the bund assembles for the purpose, among others, of advocating and fostering religious intolerance, it tends to incite riot, as a result of which its meeting is not a peaceable assemblage. The performance outside the Garden that same evening was clearly a riot caused by another un-American group, the Communists.

From what happened inside of the hall and from what took place outside of the hall, I would judge that the whole affair was a case of the kettle calling the pot black. The bund and the "reds" are two peas in a pod. They differ only in their methods. Both the German-American Bund and the Communists, in fact, the Silver Shirts and other newfangled versions of political artistry, have the same aims. They would make over what has taken the citizens of this great Nation 150 years to build. They would destroy our democracy in order that we might have a government patterned after some foreign ideology. If they should complete their task there would be no free press, no free speech, no free religion, no private enterprise, and no individual opportunity. As in Russia, we would be slaves of the Comitern, or, as in Germany, we would be pawns of a Hitler.

I admit, though, that the recent world tide has been away from freedom; that government after government has gone off the reservation; that we have seen one power after another take from the people almost their last vestige of individual liberty. In most nations today the people are much less free than they were only a few years back. Throughout the entire world it has become fashionable for the central government to assume more control and more power over its citizenry. I deplore and detest this trend.

Even here in the United States, on the question of added centralized power, we have witnessed a disposition of late to get in step with the proletarian or dictator nations. Aided by the silvery-toned Chief Executive, and by the incessant boring from within of the political bureaucrats the New Deal unequivocally has grasped for everything but for the moon. The Court-packing plan, the 1938 version of the reorganization bill, and the purge are but some of the examples of the administration's attempted shift. Thanks to the people, many of the schemes misfired, so we still have a democratic form of government. We have not yet been carried away by the world tide.

Changes in the governmental fashions are in the main caused by economic conditions. If it were not for the prolonged adverse economic conditions here in the United States, political groups with alien ties, such as the German-American Bund and the Communists would have made little headway. Subversive groups feed on economic adversity. When the economic barometer rises one is not interested in communism, nazi-ism, or fascism.

Now that we have these un-American groups, however, the question occurs: What should be done about them? Our natural inclination is to forcefully disband them, but this is America, a land of free people and free institutions, where individuals and groups of individuals have definite rights given to them by their Constitution. If this were Germany or Russia those who belong to such groups would be quickly incarcerated in detention camps.

If you and I were to travel to Russia and Germany and there attempt to form the Russian-American league or the American-German league for freedom of the Jews, we would last about 30 seconds. One thing which we can do and which will help some is to ship back all Communist aliens and Nazi aliens from whence they came. Although even to accomplish this we must first look for a definite change in the attitude of our present Secretary of Labor and a few of her associates who have not only been coddling outstanding Communist aliens, but have suspended the deportation of all Communist aliens pending a further clarification of Federal statutes. Some years ago the Congress of the United States presented a mandate to the Secretary of Labor relating to the deportation of aliens who advocated the overthrow of the Government by force and violence. Every Secretary of Labor up to the present one recognized such mandate. Therefore, it is difficult to understand why our present Secretary of Labor should persist in deportation delays. Frances Perkins is to be severely criticized for her dilly-dallying.

In addition to existing statutes which would aid us to curb un-American groups with alien ties, we also need new legislation. I advocate the enactment of legislation which would force these groups into the open. I advocate incorporation and license. I would register and fingerprint the membership. I would make them publish periodical statements of purpose and financial condition. I would see to it that they divulge the source of their funds and a list of their expenses. I would make it necessary for them to publish the salaries of their officers. Such a scrutiny would place them foursquare before the microscopic eye of public attention, and, believe me, I have tremendous faith in the healing qualities of public opinion.

Communism, nazi-ism, and fascism serve no good purpose in America, so let us make it difficult for them to function. Let us not attempt to limit their constitutional rights, but let us freeze them out of existence. They are un-American, political termites, whose philosophy is political and economic chaos, social and religious intolerance, and individual and institutional destruction.

Surely, it is just as important that we protect our form of government, our institutions, and our people from these dangers as it is to protect them from any others. We want none of Stalin's new deal for Russia. We want none of Hitler's new deal for Germany. Irrespective of what may happen in foreign lands, we in the United States are satisfied to live a peaceful, happy life under a democratic representative government, with its guaranty of justice, domestic tranquillity, and individual opportunity. And if I judge the people of this Nation rightly, they'll not tolerate very long any ism but Americanism. Further, we intend to preserve America for Americans who believe in the American way.

New York State Income Tax

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Monday, March 27, 1939

OPINION OF THE UNITED STATES SUPREME COURT

Mr. BARKLEY. Mr. President, today the Supreme Court rendered a decision which I regard as an important decision, touching the ability of States to tax the salaries of employees of the United States Government. I ask unanimous consent to have printed in the Appendix of the RECORD the majority opinion, delivered by Mr. Justice Stone, and the dissenting opinion, delivered by Mr. Justice Butler, and the separate opinion of Mr. Justice Frankfurter, in order that the Senators may have those decisions available.

The hearing arose in the particular case of an employee of the Home Owners' Loan Corporation. The question was whether the State had the power to tax the income of an employee of the Home Owners' Loan Corporation, and, by analogy and implication, whether the State had the power to tax the salaries of all employees of the United States Government.

Mr. KING. Mr. President, is the decision based upon the ground that the employee of the Home Owners' Loan Corporation was not engaged in an activity essential for the maintenance of the government of the State?

Mr. BARKLEY. I have not read the full decision carefully. I have but hastily glanced through it. I wish to put it in the RECORD for the benefit of Senators. I understand that it establishes the principle that the States have the power to tax generally the salaries of the employees of the United States. I understand, though I would not state, that an implication arises from the decision, although it is not a decision, that the Government of the United States might tax the salaries of State employees. If that is the full effect of the decision, it may have some bearing upon pending legislation, which is described as a reciprocal-tax measure, which authorizes the Federal Government to tax State employees, and the States to tax Federal employees.

Mr. KING. I was interested to know whether or not there had been a departure from the original case decided many years ago, and its modification in the recently decided Gerhardt case. In the latter case it was held, as I recall, that the employees of the port of New York were not engaged in a work essential to and indispensable to the maintenance of the government of the State, and therefore they were subject to taxation. I should be surprised if the Supreme Court has held that Congress has the right to tax the employees of States who were engaged in matters essentially governmental, and relating to the States; and I should also be surprised if the Supreme Court should hold that the Federal Government, by the policy of reciprocity, could tax the employees of the States. However, the opinion itself will indicate what the decision is.

There being no objection, the majority and other opinions were ordered to be printed in the RECORD, as follows:

[Supreme Court of the United States—No. 478—October term, 1938—Mark Graves, John J. Merrill and John P. Hennessy, as commissioners constituting the State Tax Commission of the State of New York, petitioners, *vs.* The People of the State of New York, upon the relation of James B. O'Keefe—On writ of certiorari to the Supreme Court of the State of New York—March 27, 1939]

Mr. Justice Stone delivered the opinion of the Court.

We are asked to decide whether the imposition by the State of New York of an income tax on the salary of an employee of the Home Owners' Loan Corporation places an unconstitutional burden upon the Federal Government.

Respondent, a resident of New York, was employed during 1934 as an examining attorney for the Home Owners' Loan Corporation at an annual salary of $2,400. In his income tax return for that year he included his salary as subject to the New York State income tax imposed by article 16 of the Tax Law of New York (Consol. Laws, c. 60). Subdivision 2f of section 359, since repealed, exempted from the tax "Salaries, wages, and other compensation received from the United States of officials or employees thereof, including persons in the military or naval forces of the United States * * *." Petitioners, New York State Tax Commissioners, rejected respondent's claim for a refund of the tax based on the ground that his salary was constitutionally exempt from State taxation because the Home Owners' Loan Corporation is an instrumentality of the United States Government and that he, during the taxable year, was an employee of the Federal Government engaged in the performance of a governmental function.

On review by certiorari the Board's action was set aside by the Appellate Division of the Supreme Court of New York (253 App. Div. 91), whose order was affirmed by the court of appeals (278 N. Y. 221). Both courts held respondent's salary was free from tax on the authority of *New York ex rel. Rogers* v. *Graves* (299 U. S. 401), which sustained the claim that New York could not constitutionally tax the salary of an employee of the Panama Railroad Co., a wholly owned corporate instrumentality of the United States. We granted certiorari December 19, 1938, the constitutional question presented by the record being of public importance.

The Home Owners' Loan Corporation was created pursuant to section 4 (a) of the Home Owners' Loan Act of 1933 (48 Stat. 128; 12 U. S. C., sec. 1461 et seq.), which was enacted to provide emergency relief to home owners, particularly to assist them with respect to home-mortgage indebtedness. The Corporation, which is authorized to lend money to home owners on mortgages and to refinance home-mortgage loans within the purview of the act, is declared by section 4 (a) to be an instrumentality of the United States. Its shares of stock are wholly Government-owned (sec. 4 (b)). Its funds are deposited in the Treasury of the United States and the compensation of its employees is paid by drafts upon the Treasury.

For the purposes of this case we may assume that the creation of the Home Owners' Loan Corporation was a constitutional exercise of the powers of the Federal Government. (Cf. *Kay* v. *United States*, 303 U. S. 1.) As that Government derives its authority wholly from powers delegated to it by the Constitution, its every action within its constitutional power is governmental action, and since Congress is made the sole judge of what powers within the constitutional grant are to be exercised, all activities of government constitutionally authorized by Congress must stand on a parity with respect to their constitutional immunity from taxation (*McCulloch* v. *Maryland*, 4 Wheat. 316, 432; *Van Brocklin* v. *Tennessee*, 117 U. S. 151, 158–159; *South Carolina* v. *United States*, 199 U. S. 437, 451–452;

Helvering v. *Gerhardt*, 304 U. S. 405, 412–415). And when the National Government lawfully acts through a corporation which it owns and controls those activities are governmental functions entitled to whatever tax immunity attaches to those functions when carried on by the Government itself through its departments. (See *McCulloch* v. *Maryland*, supra, 421–422; *Smith* v. *Kansas City Title Co.*, 255 U. S. 180, 208; *Federal Land Bank* v. *Crosland*, 261 U. S. 374; *New York ex rel. Rogers* v. *Graves*, supra.

The single question with which we are now concerned is whether the tax laid by the State upon the salary of respondent, employed by a corporate instrumentality of the Federal Government, imposes an unconstitutional burden upon that Government. The theory of the tax immunity of either Government, State or National, and its instrumentalities, from taxation by the other has been rested upon an implied limitation on the taxing power of each, such as to forestall undue interference, through the exercise of that power, with the governmental activities of the other. That the two types of immunity may not in all respects stand on a parity has been recognized from the beginning (*McCulloch* v. *Maryland*, supra, 435–436), and possible differences in application, deriving from differences in the source, nature, and extent of the immunity of the governments and their agencies, were pointed out and discussed by this court in detail during the last term (*Helvering* v. *Gerhardt*, supra, 412–413, 416).

So far as now relevant, those differences have been thought to be traceable to the fact that the Federal Government is one of delegated powers in the exercise of which Congress is supreme; so that every agency which Congress can constitutionally create is a governmental agency. And since the power to create the agency includes the implied power to do whatever is needful or appropriate, if not expressly prohibited, to protect the agency, there has been attributed to Congress some scope, the limits of which it is not now necessary to define, for granting or withholding immunity of Federal agencies from State taxation. (See *Van Allen* v. *The Assessors*, 3 Wall. 573, 583, 585; *Bank* v. *Supervisors*, 7 Wall. 26, 30, 31; *Thomson* v. *Pacific Railroad*, 9 Wall. 579, 588, 590; *People* v. *Weaver*, 100 U. S. 539, 543; *Mercantile Bank* v. *New York*, 121 U. S. 138, 154; *Owensboro National Bank* v. *Owensboro*, 173 U. S. 664, 668; *Shaw* v. *Gibson-Zahniser Oil Corp.*, 276 U. S. 575, 581; *Oklahoma* v. *Barnsdall Corp.*, 296 U. S. 521, 525–526; *Baltimore National Bank* v. *State Tax Comm'n*, 297 U. S. 209, 211–212; *British-American Company* v. *Board*, 299 U. S. 159; *James* v. *Dravo Contracting Co.*, 302 U. S. 134, 161; *Helvering* v. *Gerhardt*, supra, 411, 412, 417; cf. *United States* v. *Bekins*, 304 U. S. 27, 52.) Whether its power to grant tax exemptions as an incident to the exercise of powers specifically granted by the Constitution can ever, in any circumstances, extend beyond the constitutional immunity of Federal agencies which courts have implied, is a question which need not now be determined.

Congress has declared in section 4 of the act that the Home Owners' Loan Corporation is an instrumentality of the United States and that its bonds are exempt, as to principal and interest, from Federal and State taxation, except surtaxes, estate, inheritance, and gift taxes. The Corporation itself, "including its franchise, its capital, reserves and surplus, and its loans and income," is likewise exempted from taxation; its real property is subject to tax to the same extent as other real property. But Congress has given no intimation of any purpose either to grant or withhold immunity from State taxation of the salary of the Corporation's employees, and the congressional intention is not to be gathered from the statute by implication. Cf. *Baltimore National Bank* v. *State Tax Commission*, *supra*.

It is true that the silence of Congress, when it has authority to speak, may sometimes give rise to an implication as to the congressional purpose. The nature and extent of that implication depend upon the nature of the congressional power and the effect of its exercise.[1] But there is little scope for the application of that doctrine to the tax immunity of governmental instrumentalities. The constitutional immunity of either government from taxation by the other, where Congress is silent, has its source in an implied restriction upon the powers of the taxing government. So far as the implication rests upon the purpose to avoid interference with the functions of the taxed government or the imposition upon it of the economic burden of the tax, it is plain that there is no basis for implying a purpose of Congress to exempt the Federal Government or its agencies from tax burdens which are unsubstantial or which courts are unable to discern. Silence of Congress implies immunity no more than does the silence of the Constitution. It follows that when exemption from State taxation is claimed on the ground that the Federal Government is burdened by the tax, and Congress has disclosed no intention with respect to the claimed immunity, it is in order to consider the nature and effect of the alleged burden, and if it appears that there is no ground for implying a constitutional immunity, there is equally a want of any ground for assuming any purpose on the part of Congress to create an immunity.

The present tax is a nondiscriminatory tax on income applied to salaries at a specified rate. It is not in form or substance a tax upon the Home Owners' Loan Corporation or its property or income, nor is it paid by the Corporation or the Government from their funds. It is laid upon income which becomes the property of the taxpayer when received as compensation for his services; and the tax laid upon the privilege of receiving it is paid from his private funds and not from the funds of the Government, either directly or indirectly. The theory, which once won a qualified approval, that a tax on income is legally or economically a tax on its source, is no longer tenable (*New York ex rel. Cohn* v. *Graves*, 300 U. S. 308, 313, 314; *Hale* v. *State Board*, 302 U. S. 95, 108; *Helvering* v. *Gerhardt*, *supra*; cf. *Metcalf & Eddy* v. *Mitchell*, 269 U. S. 514; *Fox Film Corp.* v. *Doyal*, 286 U. S. 123; *James* v. *Dravo Contracting Co.*, *supra*, 149; *Helvering* v. *Mountain Producers Corporation*, 303 U. S. 376), and the only possible basis for implying a constitutional immunity from State income tax of the salary of an employee of the National Government or of a governmental agency is that the economic burden of the tax is in some way passed on so as to impose a burden on the National Government tantamount to an interference by one government with the other in the performance of its functions.

In the four cases in which this Court has held that the salary of an officer or employee of one government or its instrumentality was immune from taxation by the other, it was assumed, without discussion, that the immunity of a government or its instrumentality extends to the salaries of its officers and employees.[2] This assumption, made with respect to the salary of a governmental officer in *Dobbins* v. *Commissioners of Erie County*, 16 Pet. 435, and in *Collector* v. *Day*, 11 Wall. 113, was later extended to confer immunity on income derived by a lessee from lands leased to him by a government in the performance of a governmental function, *Gillespie* v. *Oklahoma*, 257 U. S. 501; *Burnet* v. *Coronado Oil & Gas Co.*, 285 U. S. 393, and cases cited, although the claim of a like exemption from tax on the income of a contractor engaged in carrying out a government project was rejected both in the case of a contractor with a State, *Metcalf & Eddy* v. *Mitchell*, *supra*, and of a contractor with the National Government, *James* v. *Dravo Contracting Co.*, *supra*.

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[1] The failure of Congress to regulate interstate commerce has generally been taken to signify a congressional purpose to leave undisturbed the authority of the States to make regulations affecting the commerce in matters of peculiarly local concern, but to withhold from them authority to make regulations affecting those phases of it which, because of the need of a national uniformity, demand that their regulation, if any, be prescribed by a single authority. (*Cooley* v. *Board of Wardens*, 12 How. 299, 319; *Minnesota Rate Cases*, 230 U. S. 352, 399–400; *Kelly* v. *Washington*, 302 U. S. 1, 14; *South Carolina State Highway Dept.* v. *Barnwell Brothers*, 303 U. S. 177, 184–185; *Milk Control Board* v. *Eisenberg Farm Products*, decided February 27, 1939. As to the implications from congressional silence in the field of State taxation of interstate commerce and its instrumentalities, see *Western Live Stock* v. *Bureau of Revenue*, 303 U. S. 250; *Gwin, White & Prince, Inc.*, v. *Henneford*, decided January 3, 1939.)

[2] In *Dobbins* v. *Commissioners of Erie County* (16 Pet. 435), a Pennsylvania tax, nominally laid upon the office of the captain of a Federal revenue cutter, but roughly measured by the salary paid to the officer, was held invalid. The Court seems to have rested its decision in part on the ground that a tax on the emoluments of his office was the equivalent of a tax upon an activity of the National Government, and in part on the ground that it was an infringement of the implied superior power of Congress to fix the compensation of Government employees without diminution by State taxation.

In *Collector* v. *Day* (11 Wall. 113), this Court held that the salary of a State probate judge was constitutionally immune from Federal income tax on the grounds that the salary of an officer of a State is exempt from Federal taxation if the function he performs as an officer is exempt, citing *Dobbins* v. *Commissioner of Erie County*, supra, and that there was an implied constitutional restriction upon the power of the National Government to tax a State in the exercise of those functions which were essential to the maintenance of State governments as they were organized at the time when the Constitution was adopted. The possibility that a nondiscriminatory tax upon the income of a State officer did not involve any substantial interference with the functioning of the State government was not discussed either in this or the Dobbins case.

In *New York ex rel. Robers* v. *Graves* (299 U. S. 401), the question was whether the salary of the General Counsel of the Panama Railroad Co. was exempt from State income tax because the railroad company was an instrumentality of the Federal Government. The sole question raised by the taxing State was whether the railroad company was a Government instrumentality. The Court, having found that the railroad company was such an instrumentality, disposed of the matter of tax exemption of the salary of its employees by declaring: "The railroad company being immune from State taxation, it necessarily results that fixed salaries and compensation paid to its officers and employees in their capacity as such are likewise immune" (*New York ex rel. Rogers* v. *Graves*, supra, 408).

In *Brush* v. *Commissioner* (300 U. S. 352), the applicable Treasury regulation upon which the Government relied exempted from Federal income tax the compensation of "State officers and employees" for "services rendered in connection with the exercise of an essential governmental function of the State." The Court held that the maintenance of the public water system of New York City was an essential governmental function, and in determining whether the salary of the engineer in charge of that project was subject to Federal income tax the Court declared, citing *New York ex rel. Rogers* v. *Graves*, supra, 408: "The answer depends upon whether the water system of the city was created and is conducted in the exercise of the city's governmental functions. If so, its operations are immune from Federal taxation and, as a necessary corollary, 'fixed salaries and compensation paid to its officers and employees in their capacity as such are likewise immune'" (*Brush* v. *Commissioner*, supra, 360).

The ultimate repudiation in *Helvering* v. *Mountain Producers Corporation, supra,* of the doctrine that a tax on the income of a lessee derived from a lease of government owned or controlled lands is a forbidden interference with the activities of the government concerned led to the reexamination by this Court, in the Gerhardt case, of the theory underlying the asserted immunity from taxation by one government of salaries of employees of the other. It was there pointed out that the implied immunity of one government and its agencies from taxation by the other should, as a principle of constitutional construction, be narrowly restricted. For the expansion of the immunity of the one government correspondingly curtails the sovereign power of the other to tax, and where that immunity is invoked by the private citizen it tends to operate for his benefit at the expense of the taxing government and without corresponding benefit to the government in whose name the immunity is claimed. (See *Metcalf & Eddy* v. *Mitchell, supra,* 523–524; *James* v. *Dravo Contracting Co., supra,* 156–158.) It was further pointed out that, as applied to the taxation of salaries of the employees of one government, the purpose of the immunity was not to confer benefits on the employees by relieving them from contributing their share of the financial support of the other government, whose benefits they enjoy, or to give an advantage to that government by enabling it to engage employees at salaries lower than those paid for like services by their employers, public or private,[3] but to prevent undue interference with the one government by imposing on it the tax burdens of the other.

In applying these controlling principles in the Gerhardt case the Court held that the salaries of employees of the New York Port Authority, a State instrumentality created by New York and New Jersey, were not immune from Federal income tax, even though the Authority be regarded as not subject to Federal taxation. It was said that the taxpayers enjoyed the benefit and protection of the laws of the United States and were under a duty, common to all citizens, to contribute financial support to the Government; that the tax laid on their salaries and paid by them could be said to affect or burden their employer, the Port Authority, or the States creating it, only so far as the burden of the tax was economically passed on to the employer; that a nondiscriminatory tax laid on the income of all members of the community could not be assumed to obstruct the function which New York and New Jersey had undertaken to perform, or to cast an economic burden upon them, more than does the general taxation of property and income which, to some extent, incapable of measurement by economists, may tend to raise the price level of labor and materials.[4] The Court concluded that the claimed immunity would do no more than relieve the taxpayers from the duty of financial support to the National Government in order to secure to the State a theoretical advantage, speculative in character and measurement and too unsubstantial to form the basis of an implied constitutional immunity from taxation.

The conclusion reached in the Gerhardt case that in terms of constitutional tax immunity a Federal income tax on the salary of an employee is not a prohibited burden on the employer makes it imperative that we should consider anew the immunity here claimed for the salary of an employee of a Federal instrumentality. As already indicated, such differences as there may be between the implied tax immunity of a State and the corresponding immunity of the National Government and its instrumentalities may be traced to the fact that the National Government is one of delegated powers, in the exercise of which it is supreme. Whatever scope this may give to the National Government to claim immunity from State taxation of all instrumentalities which it may constitutionally create, and whatever authority Congress may possess as incidental to the exercise of its delegated powers to grant or withhold immunity from State taxation, Congress has not sought in this case to exercise such power. Hence these distinctions between the two types of immunity cannot affect the question with which we are now concerned. The burden on government of a nondiscriminatory income tax applied to the salary of the employee of a government or its instrumentality is the same, whether a State or National Government is concerned. The determination in the Gerhardt case that the Federal income tax imposed on the employees of the port authority was not a burden on the port authority made it unnecessary to consider whether the authority itself was immune from Federal taxation; the claimed immunity failed because even if the port authority were itself immune from Federal income tax, the tax upon the income of its employees cast upon it no unconstitutional burden.

Assuming, as we do, that the Home Owners' Loan Corporation is clothed with the same immunity from State taxation as the Government itself, we cannot say that the present tax on the income of its employees lays any unconstitutional burden upon it. All the reasons for refusing to imply a constitutional prohibition of Federal income taxation of salaries of State employees, stated at length in the Gerhardt case, are of equal force when immunity is claimed from State income tax on salaries paid by the National Government or its agencies. In this respect we perceive no basis for a difference in result whether the taxed income be salary or some other form of compensation, or whether the taxpayer be an employee or an officer of either a State or the National Government, or of its instrumentalities. In no case is there basis for the assumption that any such tangible or certain economic burden is imposed on the government concerned as would justify a court's declaring that the taxpayer is clothed with the implied constitutional tax immunity of the government by which he is employed. That assumption, made in *Collector* v. *Day, supra,* and in *New York ex rel. Rogers* v. *Graves, supra,* is contrary to the reasoning and to the conclusions reached in the Gerhardt case and in *Metcalf & Eddy* v. *Mitchell, supra; Group No. 1 Oil Corporation* v. *Bass,* 283 U. S. 279; *James* v. *Dravo Contracting Co., supra; Helvering* v. *Mountain Producers Corp., supra; McLoughlin* v. *Commissioner,* 303 U. S. 218. In their light the assumption can no longer be made. *Collector* v. *Day, supra,* and *New York ex rel. Rogers* v. *Graves, supra,* are overruled so far as they recognize an implied constitutional immunity from income taxation of the salaries of officers or employees of the National or a State Government or their instrumentalities.

So much of the burden of a nondiscriminatory general tax upon the incomes of employees of a government, State or National, as may be passed on economically to that government through the effect of the tax on the price level of labor or materials is but the normal incident of the organization within the same territory of two governments, each possessing the taxing power. The burden, so far as it can be said to exist or to affect the government in any indirect or incidental way, is one which the Constitution presupposes, and hence it cannot rightly be deemed to be within an implied restriction upon the taxing power of the National and State Governments which the Constitution has expressly granted to one and has confirmed to the other. The immunity is not one to be implied from the Constitution, because, if allowed, it would impose to an inadmissible extent a restriction on the taxing power which the Constitution has reserved to the State governments.

Reversed.

Mr. Chief Justice Hughes concurs in the result.

Mr. Justice Frankfurter, concurring.

I join in the Court's opinion, but deem it appropriate to add a few remarks. The volume of the Court's business has long since made impossible the early healthy practice whereby the Justices gave expression to individual opinions.[1] But the old tradition still has relevance when an important shift in constitutional doctrine is announced after a reconstruction in the membership of the Court. Such shifts of opinion should not derive from mere private judgment. They must be duly mindful of the necessary demands of continuity in civilized society. A reversal of a long current of decisions can be justified only if rooted in the Constitution itself as a historic document designed for a developing nation.

For 120 years this Court has been concerned with claims of immunity from taxes imposed by one authority in our dual system of government because of the taxpayer's relation to the other. The basis for the Court's intervention in this field has not been any explicit provision of the Constitution. The States, after they formed the Union, continued to have the same range of taxing power which they had before, barring only duties affecting exports, imports, and on tonnage.[2] Congress, on the other hand, to lay taxes in order "to pay the debts and provide for the common defense and general welfare of the United States," article I, section 8, can reach every person and every dollar in the land with due regard to constitutional limitations as to the method of laying taxes. But, as is true of other great activities of the State and National Governments, the fact that we are a federalism raises problems regarding the vital powers of taxation. Since two governments have authority within the same territory, neither through its power to tax can be allowed to cripple the operations of the other. Therefore State and Federal Governments must avoid exactions which discriminate against each other or obviously interfere with one another's operations. These were the determining considerations that led the great Chief Justice to strike down the Maryland statute as an unambiguous measure of discrimination against the use by the United States of the Bank of the United States as one of its instruments of government.

The arguments upon which *McCulloch* v. *Maryland* (4 Wheat. 316) rested had their roots in actuality. But they have been distorted by sterile refinements unrelated to affairs. These refinements derived authority from an unfortunate remark in the opinion in McCulloch against Maryland. Partly as a flourish of rhetoric and partly because the intellectual fashion of the times indulged a free

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[3] The fact that the expenses of the one government might be lessened if all those who deal with it were exempt from taxation by the other was thought not to be an adequate basis for tax immunity in *Metcalf & Eddy* v. *Mitchell* (269 U. S. 514); *Group No. 1 Oil Corporation* v. *bass* (283 U. S. 279); *Burnet* v. *Jergins Trust* (288 U. S. 508; *James* v. *Dravo Contracting Co.* (302 U. S. 134); *Helvering* v. *Mountain Producers Corporation* (303 U. S. 376).

[4] That the economic burden of a tax on salaries is passed on to the employer or that employees will accept a lower Government salary because of its tax immunity, are formulas which have not won acceptance by economists and cannot be judicially assumed. As to the "passing on" of the economic burden of the tax, see Seligman, Income Tax, VII Encyclopedia of Social Sciences, 626–638; Plehn, Public Finance (5th ed.), p. 320; Buehler, Public Finance, p. 240; Lutz, Public Finance (2d ed.), p. 336, and see *Indian Motocycle Co.* v. *United States* (283 U. S. 570, 581, footnote 1). As to preference for Government employment because the salary is tax exempt, see Dickinson, Compensating Industrial Effort (1937), pp. 7–8; Douglas, The Reality of Non-Commercial Incentives in Industrial Life, ch. V of The Trend of Economics (1924); vol. I, Fetter, Economic Principles (1915), p. 203.

[1] The state of the docket of the High Court of Australia and that of the Supreme Court of Canada still permits them to continue the classic practice of seriatim opinions.

[2] Article 1, sec. 10, U. S. Constitution.

use of absolutes, Chief Justice Marshall gave currency to the phrase that "the power to tax involves the power to destroy" (Id., at p. 431). This dictum was treated as though it were a constitutional mandate. But not without protest. One of the most trenchant minds on the Marshall court, Justice William Johnson, early analyzed the dangerous inroads upon the political freedom of the States and the Union within their respective orbits resulting from a doctrinaire application of the generalities uttered in the course of the opinion in McCulloch against Maryland.[3] The seductive cliché that the power to tax involves the power to destroy was fused with another assumption, likewise not to be found in the Constitution itself, namely the doctrine that the immunities are correlative—because the existence of the National Government implies immunities from State taxation, the existence of State governments implies equivalent immunities from Federal taxation. When this doctrine was first applied Mr. Justice Bradley registered a powerful dissent,[4] the force of which gathered rather than lost strength with time. *Collector* v. *Day* (11 Wall. 113, 128).

All these doctrines of intergovernmental immunity have until recently been moving in the realm of what Lincoln called "pernicious abstractions." The web of unreality spun from Marshall's famous dictum was brushed away by one stroke of Mr. Justice Holmes' pen: "The power to tax is not the power to destroy while this Court sits" (*Panhandle Oil Co.* v. *Mississippi*, 277 U. S. 218, 223 (dissent)). Failure to exempt public functionaries from the universal duties of citizenship to pay for the costs of government was hypothetically transmuted into hostile action of one government against the other. A succession of decisions thereby withdrew from the taxing power of the States and Nation a very considerable range of wealth without regard to the actual workings of our federalism,[5] and this, too, when the financial needs of all governments began steadily to mount. These decisions have encountered increasing dissent.[6] In view of the powerful pull of our decisions upon the courts charged with maintaining the constitutional equilibrium of the two other great English federalisms, the Canadian and the Australian courts were at first inclined to follow the earlier doctrines of this Court regarding intergovernmental immunity.[7] Both the Supreme Court of Canada and the High Court of Australia on fuller consideration—and for present purposes the British North America Act (30–31 Vict., c. 3) and the Commonwealth of Australia Constitution Act (63–64 Vict., c. 12) raise the same legal issues as does our Constitution[8]—have completely rejected the doctrine of intergovernmental immunity.[9] In this Court dissents have gradually become majority opinions, and even before the present decision the rationale of the doctrine had been undermined.[10]

The judicial history of this doctrine of immunity is a striking illustration of an occasional tendency to encrust unwarranted interpretations upon the Constitution and thereafter to consider merely what has been judicially said about the Constitution, rather than to be primarily controlled by a fair conception of the Constitution. Judicial exegesis is unavoidable with reference to an organic act like our Constitution, drawn in many particulars with purposed vagueness so as to leave room for the unfolding future. But the ultimate touchstone of constitutionality is the Constitution itself and not what we have said about it.[11] Neither *Dobbins* v. *Commissioners* (16 Pet. 435), and its offspring, nor *Collector* v. *Day*, *supra*, and its, can stand appeal to the Constitution and its historic purposes. Since both are the starting points of an interdependent doctrine, both should be, as I assume them to be overruled this day. Whether Congress may, by express legislation, relieve its functionaries from their civic obligations to pay for the benefits of the State governments under which they live is matter for another day.

Mr. Justice Butler, dissenting.

Mr. Justice McReynolds and I are of opinion that the Home Owners' Loan Corporation, being an instrumentality of the United States heretofore deemed immune from State taxation, "it necessarily results," as held in *New York ex rel. Rogers* v. *Graves* (1937) (299 U. S. 401), "that fixed salaries and compensation paid to its officers and employees in their capacity as such are likewise immune"; and that the judgment of the State court, unquestionably required by that decision, should be affirmed.

From the decision just announced, it is clear that the Court has overruled *Dobbins* v. *The Commissioners of Erie County* (1842) (16 Pet. 435), *Collector* v. *Day* (1871) (11 Wall. 113), *New York ex rel. Rogers* v. *Graves*, *supra*, and *Brush* v. *Commissioner* (1937) (300 U. S. 352). Thus now it appears that the United States has always had power to tax salaries of State officers and employees and that similarly free have been the States to tax salaries of officers and employees of the United States. The compensation for past as well as for future service to be taxed and the rates prescribed in the exertion of the newly disclosed power depend on legislative discretion not subject to judicial revision. Futile indeed are the vague intimations that this Court may protect against excessive or destructive taxation. Where the power to tax exists, legislatures may exert it to destroy, to discourage, to protect or exclusively for the purpose of raising revenue. See e. g. *Veazie Bank* v. *Fenno* (8 Wall. 533, 548); *McCray* v. *United States* (195 U. S. 27, 53 et seq.); *Magnano Co.* v. *Hamilton* (292 U. S. 40, 44, et seq.); *Cincinnati Soap Co.* v. *United States* (301 U. S. 308).

Appraisal of lurking or apparent implications of the Court's opinion can serve no useful end for, should occasion arise, they may be ignored or given direction differing from that at first seemingly intended. But safely it may be said that presently marked for destruction is the doctrine of reciprocal immunity that by recent decisions here has been so much impaired.

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[3] *Weston* v. *City Council of Charleston* (2 Pet. 449, 472–473).

[4] "I dissent from the opinion of the Court in this case, because it seems to me that the General Government has the same power of taxing the income of officers of the State governments as it has of taxing that of its own officers. * * * In my judgment, the limitation of the power of taxation in the General Government, which the present decision establishes, will be found very difficult of control. Where are we to stop in enumerating the functions of the State governments which will be interfered with by Federal taxation? * * * How can we now tell what the effect of this decision will be? I cannot but regard it as founded on a fallacy, and that it will lead to mischievous consequences" (11 Wall. 113, 128–129).

[5] E. g., *Gillespie* v. *Oklahoma*, 257 U. S. 501; *Panhandle Oil Co.* v. *Mississippi*, 277 U. S. 218; *Macallen Co.* v. *Massachusetts*, 279 U. S. 620; *Indian Motocycle Co.* v. *United States*, 283 U. S. 570; *Burnet* v. *Coronado Oil & Gas Co.*, 285 U. S. 393; *New York ex rel. Rogers* v. *Graves*, 299 U. S. 401; *Brush* v. *Commissioner of Internal Revenue*, 300 U. S. 352.

[6] E. g., Mr. Justice Brandeis, dissenting, in *Jaybird Mining Co.* v. *Weir*, 271 U. S. 609, 615; Justice Holmes, dissenting, in *Panhandle Oil Co.* v. *Mississippi*, 277 U. S. 218, 222; Mr. Justice Stone, dissenting, in *Indian Motorcycle Co.* v. *United States*, 283 U. S. 570, 580; Mr. Justice Roberts, dissenting, in *Brush* v. *Commissioner of Internal Revenue*, 300 U. S. 352, 374. See also Mr. Justice Black, concurring, in *Helvering* v. *Gerhardt*, 304 U. S. 405, 424.

[7] *Bank of Toronto* v. *Lambe*, 12 App. Cas. 575; *D'Emden* v. *Pedder*, 1 C. L. R. 91.

[8] Especially is this true of the Australian Constitution. One of its framers, who afterward became one of the most distinguished of Australian judges, Mr. Justice Higgins, characterized it as having followed our Constitution with "pedantic imitation." *Australasian Temperance and General Mutual Life Assurance Co., Ltd.*, v. *Howe*, 31 C. L. R. 290, 330.

[9] *Abbott* v. *City of St. John*, 40 Can. Sup. Ct. 597; *Caron* v. *The King*, (1924) A. C. 999; *Amalgamated Society of Engineers* v. *Adelaide Steamship Co., Ltd.*, 28 C. L. R. 129; *West* v. *Commissioner of Taxation*, 56 C. L. R. 657.

[10] E. g., *James* v. *Dravo Contracting Co.*, 302 U. S. 134; *Helvering* v. *Mountain Producers Corp.*, 303 U. S. 376; *Helvering* v. *Gerhardt*, 304 U. S. 405.

[11] Compare Taney, C. J., in *Passenger cases* (7 How. 283, 470): "I * * * am quite willing that it be regarded as the law of this Court that its opinion upon the construction of the Constitution is always open to discussion when it is supposed to have been founded in error, and that its judicial authority should hereafter depend altogether on the force of the reasoning by which it is supported."

Waterways versus Railways

EXTENSION OF REMARKS
OF
HON. JOHN G. ALEXANDER
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 27, 1939

ADDRESS BY HON. JOHN G. ALEXANDER, OF MINNESOTA

Mr. ALEXANDER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me recently before the National Rivers and Harbors Congress:

I appreciate having been invited to address you on the subject of our inland water highways. It seems best to approach the issue from the angle of our waterways versus our railways.

It seems to me it is high time that we take careful inventory of our several modes of transportation and then acquaint the people of the Nation of the facts or at least broadcast such facts as can be understood by the average citizen and taxpayer of this country.

I think I would start out by stressing the importance of our vehicular highways. These highways, now becoming highly improved over the entire Nation, serve nearly every home throughout the land. They constitute our most important means of transportation by a wide margin. Without our vehicular highways the railways and the water highways and the very life of our Nation could not be of much importance. Life, as we all know it today, just could not exist.

When the people thoroughly understand that our vehicular highways are the most important and vital means of transportation in our scheme of distribution, and when they equally understand that this system of vehicular highways has been developed at public expense and now belong to all the people for their uninterrupted use, they will quickly understand that the waterways and the railways are the auxiliary means of transportation and should be

treated as such wherever the subject of transportation or distribution is under consideration.

The water highways—like the vehicular highways—were developed at public expense and belong to all the people. The cost has been distributed over all the people in the form of taxes. The great improvement work necessary to give us these two arteries of commerce is nearly completed and the producers and the consumers of the Nation are about to realize the convenience and the economy in the use of these highways that was visioned when the work of improvement first started. The tremendous economy of transportation by water is best understood by a simple comparison. That comparison shows that the average cost for moving 1 ton of freight 1,000 miles is—by water, $1; by railway, $10. In other words, the average cost by railway is 10 times greater than the average cost by water. Our inland waters have been improved for the purpose of making lighter and less burdensome the cost of getting the essentials of life from the producer to the consumer. This important and substantial saving in the transportation cost of distribution applied to every article of commerce each producer must sell and every article of commerce each consumer must buy—definitely benefits every producer and every consumer. It has been difficult for some producers and for some consumers to realize the benefit they obtain from low-cost water transportation. This is particularly true where the producer or the consumer is located inland some distance from a water port. There will be a better appreciation and understanding of the economy of water transportation when all the producers and all the consumers become acquainted with the factors that are controlling in the price the producer receives for his production and in the price the consumers pay on their consumption. Educational work on this issue should be vigorously carried forward and it should tell the story in substantial detail. It should unfold the methods and practices involved in the long chain of services between the producer and the consumer. It should show how the price being paid for butter in New York actually determines the price the farmer gets for his raw milk—for his cream and for his butter—even though the said farmer operates in Wisconsin or Minnesota or some other dairy State. It should show how the same controlling factors determine the price every farmer gets for his wheat regardless of where his farm is situated. An educational campaign of this character will show how the prices being paid for butter—for flour and for all other products of the farm—in New York City and throughout the great consuming areas of the East determine and fix the price received by every farmer, no matter what State he calls his home. From these eastern prices there is always deducted the freight cost from the farm. The consumer in New York City does not pay any more or any less for his butter or his flour if it comes from milk or wheat produced within 50 miles of New York City than if it comes from milk or wheat produced west of the Mississippi River. The consumer just pays whatever he can afford to pay or whatever he may elect to pay and the producer farmer gets that price less the cost of freight from his farm. The further the farmer is from his consumer the less he gets for his labor and his production. If the freight cost by railway is 25 cents the same service by water will be 2½ cents on the average or putting it another way the freight by water is generally one-tenth of the cost by railway.

The producers and the consumers must insist upon this relationship within close limits. The producers must be made to understand that the dairy farmers in Wisconsin or Minnesota do not get any greater or different price for their butter fat that is converted into butter and consumed close at home than they get for the same product if consumed in New York City. This will be readily understood through a knowledge of the factors that combine to give the consuming regions their control over all prices throughout the land—except as to some very extraordinary and unusual local situations. Without adding one penny to the consumers' cost for farm products the farmer's income can be increased by hundreds of millions of dollars every year by a full use of the improved water highways of the Nation.

Let us now take a squint at our water highways and see what there is to see in them as a medium of distribution at low cost

Everyone today is quite familiar with the enormous tonnage moving over the Great Lakes waterway system. This has been made possible through improvements at Government expense. Before improvements were made the present harbors serving the Lake ports were shallow and nonapproachable with any of the boats of today. The several Lakes were connected by only shallow rivers that had to be dredged and deepened and must be maintained. The great locks at Sault Ste. Marie, Mich., had to be built before our lake cargo boats could move from Lake Superior to the other Lakes. Several hundred million dollars of tax money, and with common consent of the people, went into these improvements, until today the largest of the lake boats can navigate this chain of lakes from end to end. The westerly ports of Lake Superior are Duluth, Minn., and Superior, Wis. The westerly ports of Lake Michigan are Milwaukee, Wis., and Chicago, Ill., with several other important ports along its western shore. It has been through these western lake ports that the products of the farms from all Western States took to water on their journey to the consumers of the East. Between Lake Superior and Lake Huron the improved St. Marys River must be used for some distance. The next improved river is the St. Clair River, connecting Lake Huron with Lake St. Clair. Between Lake St. Clair and Lake Erie is the improved Detroit River for some distance. Between Lake Erie and Lake Ontario is the great Welland Canal, just west of Buffalo. Then across the State of New York we have the New York State Barge Canal, connecting on the west with Lake Erie at Buffalo and with Lake Ontario at Oswego, N. Y.

The authorized improvement for this canal calls for a depth of 14 feet, and the work is progressing as rapidly as sound engineering will permit. The eastern end of this canal connects with deep water at Albany, N. Y., over the improved Hudson River right down to the heart of New York City and the ocean liners of the world. Another ocean route from Lake Ontario is the St. Lawrence River, over which boats of considerable size can navigate. Some ocean-going vessels traverse this route to Duluth and Chicago. The distance from Duluth to Buffalo by water is almost exactly the same as the distance by railway—both being approximately 1,000 miles. The rate on wheat from Duluth to Buffalo normally is under 75 cents per ton over the water route. Over the railway route it is $6.30. The producers, shippers, and consumers should understand and appreciate the benefits they have derived from the improvements in the Great Lakes Waterway route.

More recently and during the past 20 years the Federal Government has been directing its effort toward the completion of the Mississippi Waterway system. This improvement work is approaching completion and will be completed within the next 2 years if appropriations are made to the United States Army engineers in the amounts they can efficiently handle. The Army engineers want $102,000,000 for the next year—1940. The Commissioner of the Budget, presumably with the approval of the President, is asking the Congress to cut this amount down to $30,000,000. I cannot see the justification for this in view of the other enormous requests totaling upward of $2,000,000,000 for defense and possible war. Why not rather spend $102,000,000 for wise internal practical improvements such as requested by the Army engineers to complete authorized projects? This will delay the completion of the needed work and withhold from the common people, the producers and the consumers, the benefits they should have within the next 2 years. It will mean further that the expenditures already made on these improvements will continue as a frozen investment until the final work is complete. There is no economy in delay, and the Congress should be urged to back up the Army engineers in their ability to do a good job in the right way. It should be your first order of business before you leave this city to call upon every Member of Congress and plead for his cooperation and support to a program that will complete all authorized projects without further delay, and especially the members of the Appropriations Committee.

Some people do not yet know much about the Mississippi Waterway system. I would advise you to adopt a program of education on this water highway. The producers and the consumers should be told some of the more important facts concerning this newly improved artery of transportation. They all should know that informed men, and men of proven vision, regard this waterway as being the most important development of the Government during its existence. The people should know the importance of this waterway as compared with the Great Lakes. They should know that the average lake cargo boats have a capacity of around 8,000 tons, with the largest boats having a capacity of around 14,000 tons. One tow on the Mississippi system moves from 8,000 to 24,000 tons. The cost of floatage per ton per mile is substantially the same where full tonnage cargoes are available. The floating capacity of the Great Lakes system is limited to the maximum capacity of its connecting rivers—the St. Mary's, the St. Clair, the Detroit, and the Welland Canal. The rivers in the Mississippi system are the equal of those connecting the lakes. They are the Father of Waters himself, the Ohio, the Missouri, the Illinois, the Tennessee, and several others. The Mississippi River runs from north to south through the center of the Nation for 2,000 miles from Minneapolis to New Orleans and the Gulf of Mexico. The Missouri runs in an easterly direction from Sioux City, Iowa, to St. Louis while the Ohio runs in a westerly direction to Cairo. These two rivers in an east and west direction run through the very heart of the Nation's productive area for a distance of 2,000 miles. The Illinois River connects this system with the Great Lakes at Chicago. This waterway is nearly 400 miles closer to the agricultural area than is the Great Lakes system. It penetrates the heart of the industrial area of the Pittsburgh district in Pennsylvania. It taps the coal fields of the eastern district. The most of its mileage is navigable for 12 months of the year as compared with 7 months on the Great Lakes. Within its watershed is produced the following important commodities:

	Percent of United States production
Iron ore	98
Coal	82
Petroleum products	72
Zinz	70
Agricultural products	70
Lead	50

This great system as now set up barely penetrates the city limits of my town of Minneapolis. We cannot enjoy its benefits until the authorized project is completed in every particular. Because of this and because of the importance of this improvement in our agricultural and industrial life and stability as well as to the producers and consumers throughout the Nation and even to perpetuation of democracy itself, it is my intention to extend every effort to obtain the appropriation necessary to keep the Army engineers busy for the next 2 years.

Again I want to thank you for the opportunity to lay my views before you and hope you will do your part in the program, and I know you will do this.

Current Observations on Trade Agreements and Foreign Trade of the United States

EXTENSION OF REMARKS
OF
HON. FRANK H. BUCK
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Saturday, March 25, 1939

Mr. BUCK. Mr. Speaker, my attention has been called to the debates in the Canadian House of Commons on the new trade agreement with Canada. I was particularly interested in a statement by the Prime Minister of Canada, the Honorable Mackenzie King, in defense of the agreement on that side of the line. In enumerating the value of the new agreement with the United States he detailed the benefits to consumers. On this side we say very little about consumer benefits of lower rates of duty. I think we might well begin to emphasize the importance of import trade to industry and to the consuming public.

An excerpt from Mr. King's address on consumer benefits follows:

Here are some of the other benefits that consumers will derive from the agreement. Let me begin with food products. Important concessions have been made on these. United States fresh fruits and vegetables are made available on easier terms to Canadian consumers in those seasons when domestic products are not on the market, while the Canadian fruit and vegetable grower retains his domestic market in his own producing season. On a large variety of fresh vegetables the basic ad valorem rate is reduced from 15 to 10 percent. United States oranges are admitted free of duty in the 5 months from December to April, inclusive, while a duty of 35 cents per cubic foot is retained for the remainder of the year. The duty on fresh grapes is reduced from 1½ cents to 1 cent a pound in the period from July to January inclusive. Small reductions are made in the duties on dates and figs, and a reduction from 22½ percent to 15 percent is made in the duty on dried fruits, n. o. p. Rates on canned corn, beans, and peas are reduced from 2 cents to 1½ cents a pound, and rates on canned vegetables n. o. p. are reduced from 27½ percent to 20 percent.

Those of us who are interested in exporting our surpluses appreciate the Prime Minister's position. When he points out the benefits to consumers on his side, that means benefits to the producers on our side. The rates of duty on a number of items mentioned by him have been reduced from 20 and 30 to 15 and 10 percent since the beginning of 1936. Practically all of the products which Mr. King mentioned are important exports of my own State.

FOREIGN TRADE IN AGRICULTURAL PRODUCTS

Since there seems to be considerable misunderstanding relative to the exports and imports of agricultural products, the following excerpts from Foreign Crops and Markets, Department of Agriculture, for March 18, 1939, seem significant:

All of the groups of agricultural exports other than cotton for which quantity indexes are separately computed (tobacco, fruits, wheat and flour, grains and grain products, cured pork, and lard) were exported in greater quantity during the first 7 months of the current fiscal year than during the corresponding period a year ago. An increase of 46 percent occurred in cured-pork exports, 34 percent in fruits, and 33 percent in grains and grain products.

The United States foreign trade in butter, which has been the subject of frequent inquiry, shifted from an import to an export basis, as illustrated by the following figures:

	July–January 1937–38	July–January 1938–39
Butter:	*Pounds*	*Pounds*
Exports	394,000	1,445,000
Imports	1,833,000	705,000

It is important to note that this tabulation includes imports for January, ordinarily the month of heaviest butter importation.

The value of agricultural imports during the 7-month period this year was 26 percent lower than in the corresponding period last year. The decline was even greater for supplementary (competitive) agricultural imports, which were 30 percent below their last year's value.

The decline in competitive imports was general, only a very few commodities showing an increase. Of the leading items, sugar and hide imports increased slightly in quantity and leaf tobacco increased considerably in both quantity and value. Vegetable oils, however, decreased considerably as a group. So did wool, flaxseed, feeds, and fodders, nuts, and molasses. Many of the smaller items that have been attracting a good deal of attention, such as hogs, Cheddar cheese, dried eggs, and cream, also declined by large percentages.

EFFECTS OF TRADE AGREEMENTS ON THE FOREIGN TRADE OF THE UNITED STATES

That the trade with the agreement countries has increased by a greater percentage than the trade with nonagreement countries is fairly well understood. This indicates that trade agreements have had an influence in our substantial recovery of foreign trade. I am now speaking of both imports and exports combined. Both sides of the ledger must be examined for a proper perspective of foreign trade. No one is inclined to claim that all of the increased foreign trade since trade agreements went into effect resulted from the agreements. There are always special and varied factors involved in our trade relations with foreign countries. It is realized that in certain individual cases the trade has increased greater with nonagreement than with agreement countries. This, however, does not invalidate the principle that lowering trade barriers inevitably increases the flow of trade. Removing a dam from across a stream always permits a greater flow of water.

The following table shows the total United States foreign trade with agreement and nonagreement countries for 1934 and 1935—a substantial preagreement period—with 1937 and 1938, the 2 latest years. This table also compares 1938 trade with that of 1937:

Total United States foreign trade with trade-agreement countries and with all others

	Comparison of 1937–38 with 1934–35			Comparison of 1938 with 1937		
	1934 and 1935 average value	1937 and 1938 average value	Change	1937 value	1938 value	Change
	Millions	*Millions*	*Percent*	*Millions*	*Millions*	*Percent*
Total imports and exports with agreement countries	$1,553.7	$2,298.4	+47.9	$2,522.8	$2,074.3	−17.8
Total imports and exports with nonagreement countries	2,505.4	3,445.3	+37.5	3,910.2	2,980.3	−23.8
Total all trade, all countries	4,059.2	5,743.7	+41.5	6,432.8	5,054.6	−21.4

Source: Statistical Abstract and Monthly Summary of the United States.

For those who wish to examine the course of imports and exports separately, the following table shows the figures with agreement and nonagreement countries for 2 preagreement years and the 2 more recent agreement years.

[Department of Commerce figures]

	Comparison of 1937–38 with 1934–35			
	1934 and 1935 average value	1937 and 1938 average value	Change	
			Value	Percent
United States exports, including reexports:	*Millions*	*Millions*	*Millions*	
Total, all trade-agreement countries	$759.8	$1,224.8	+$465.0	+61.2
Total, all nonagreement countries	1,448.0	1,996.8	+548.8	+37.9
Total, all countries	2,207.8	3,221.6	+1,013.8	+45.9
United States general imports:				
Total, all trade-agreement countries	793.9	1,073.6	+279.7	+35.2
Total, all nonagreement countries	1,057.4	1,448.5	+391.1	+37.0
Total, all countries	1,851.3	2,522.1	+670.8	+36.2

These figures show that during the 2-year period, 1937 and 1938, the relative increase in value of American exports, as compared with the 2-year preagreement period, 1934 and 1935, was 61.2 percent to the agreement countries and of 37.9 percent to the nonagreement countries. I believe anyone who is willing to view the results from an unbiased standpoint will agree that such figures indicate substantial success as far as exports are concerned.

The figures show that imports from nonagreement countries have increased more than imports from agreement countries. While this may not indicate that agreements have increased the importations, at least it does not indicate that trade agreements are ruining the country by flooding us with foreign goods, as is frequently claimed.

Since there are some who claim to represent the interests of agriculture and who oppose trade agreements, we might examine the trade figures in farm products with agreement and nonagreement countries. These are shown by the following figures:

United States foreign trade with trade-agreement countries[1] and with other countries

[Department of Agriculture figures]

	Year ended June 30—			Increase (+) 1937–38 over 1935–36	
	1935–36	1936–37	1937–38[2]		
United States (domestic exports of farm products):	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Percent*
To the 16 countries	186	207	288	+102	+55
To all other countries	580	525	600	+20	+3

[1] Belgium; Brazil; Canada; Colombia; Costa Rica; Cuba; El Salvador; Finland; France, including her colonies, dependencies, and protectorates other than Morocco; Guatemala; Honduras; Haiti, Kingdom of the Netherlands; Nicaragua; Sweden; and Switzerland.
[2] Preliminary.

Farm products exported from the United States to the 16 countries rose by $102,000,000, or increased by 55 percent, from the fiscal year 1935–36—when only three of the agreements were in effect throughout the year—to the fiscal year 1937–38. Farm exports to all other countries rose by $20,000,000, or by 3 percent, for the same period. We realize that our largest farm export is cotton, which has not suffered directly from foreign-trade barriers, and which, therefore, cannot be greatly benefited by trade agreements.

A detailed analysis of the increase in the exports of farm products to agreement countries shows that the major portion was in products on which foreign countries granted concessions. This occurred in spite of the fact that two of the greatest droughts in our history held down farm exports, while these droughts increased competitive imports from 1935 to 1937. The plentiful harvests of 1937 and 1938 have naturally had the reverse effects on imports of agricultural products.

There is one other general phase of our foreign trade which should be examined. So much has been said to the effect that trade agreements have injured agriculture by inducing the importation of farm products, it might be reiterated that no one in the administration desires to increase foreign trade in competitive farm products in such a way that they will have a disruptive effect on domestic markets. The official figures of imports from agreement and nonagreement countries would seem to bear out that general proposition. When I say this I realize that there are claims by this and that group that they have been injured by imports.

The following table shows the imports of farm products by agreement and nonagreement countries:

United States imports from trade-agreement countries[1] and other countries

[Department of Agriculture figures]

	Year ended June 30—			Increase (+) or decrease (−) 1937–38 over 1935–36	
	1935–36	1936–37	1937–38		
United States imports (for consumption) of agricultural commodities:	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Percent*
From 16 trade-agreement countries	468	600	454	−14	−3
From Canada and Cuba	204	249	131	−73	−36
From 14 other trade-agreement countries	264	351	323	+59	+22
From nonagreement countries	674	937	701	+27	+4

[1] Belgium; Brazil; Canada; Colombia; Costa Rica; Cuba; El Salvador; Finland; France, including her colonies, dependencies, and protectorates other than Morocco; Guatemala; Honduras; Haiti; Kingdom of the Netherlands; Nicaragua; Sweden; and Switzerland.

A careful examination of the above data shows that where the agreements have tended to increase the importation of farm products, safeguards included in the agreements have prevented increases which have substantially disturbed domestic markets.

It is important to remember that, in evaluating the figures for total imports of agricultural products from countries with which trade agreements have been concluded, except for a few countries such as Canada and Cuba, most of the agricultural products involved consist of such commodities as rubber, coffee, cacao beans, and other tropical products in which the American farmer is interested as a consumer, rather than as a producer.

Defends Veterans' Administration in Wage-Deduction Controversy

EXTENSION OF REMARKS

OF

HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 27, 1939

LETTER BY GEN. FRANK T. HINES, OF VETERANS' ADMINISTRATION

Mr. SHAFER of Michigan. Mr. Speaker, to enable all Members of this Congress to have both sides of the controversy concerning compulsory deductions from salaries of employees of Government institutions for quarters, subsistence, and laundry, I desire to extend my remarks and to include therein a letter from Administrator Frank T. Hines, of the Veterans' Administration.

The letter follows:

MARCH 20, 1939.

Hon. PAUL W. SHAFER,
House of Representatives, Washington, D. C.

MY DEAR MR. SHAFER: Reference is made to the recent consideration and the discussion of the independent offices appropriation bill on the floor of the House. In calling the attention of the Congress to deductions from salaries of employees for quarters, subsistence, and laundry, you stated that some 37,000 employees in veterans' hospitals and facilities were being subjected to compulsory deductions and that the Government had profited.

I appreciate your interest in the situation and your desire that adjustments be made. I wish, however, as I am sure you do, that there be no misunderstanding of the true situation because of the viewpoint that might be gained by one's assuming that all of the employees of the Veterans' Administration facilities are deducted for quarters, subsistence, and laundry. As of June 30, 1938, there were 30,361 employees in the facilities. Of this number, only 16,709, and not the total, had deductions for allowances (quarters, subsistence, and laundry), or for a part of such allowances.

As you are aware, during a period of years the Veterans' Administration has amended policies and instructions relative to allowances in line with our efforts to improve working conditions and requirements that affect employees. A major step was taken in this direction when a revision of rates was approved in 1932. Until then the charges for quarters and subsistence were fixed according to classes of employees. Since then they have been fixed according to actual service and accommodations received. In 1934 provisions were made that were significant as to revision of rates. Adjustments recently have been contemplated that will provide further relief to the fullest extent possible consistent with good administration.

The rates for subsistence now are $27.50 and $22.50 a month with waiter service and cafeteria service, respectively, three meals daily. These rates have been reduced from charges of $30, $27.50, and $25. Rates for quarters have been revised so as to make them equitable in relation to the type of quarters, which takes into consideration the condition of the quarters, size, convenience thereof, etc. This has resulted in lower rates in many instances. For example, prior to 1934, for a class A room without private bath, occupied by two employees, there was a charge of $12.50 a month each; now the rate is $10 each. If occupied by more than two employees, the rate then was $10 each; now it is $7.50 a month each. Another example, for a class C room, occupied by two employees, the charge is $7.50 a month each; $5 each if occupied by more than two; still lower rates prevail if maid service is not furnished. When charging according to classes of employees, there

was a flat rate of $10 a month for nonhousekeeping quarters, for maintenance and operating personnel, the charges for subprofessional, clerical, and administrative personnel ranging up to $15.

It is not considered that a profit is made with respect to allowances. The rates have been established with a view to assuring a sufficient return to cover actual costs. In evaluating the cost of allowances, many factors necessarily must be taken into consideration. In setting a rate for subsistence, for instance, the actual cost of food is not the only item to be figured in arriving at a fair charge. Other items enter into cost, such as fuel, preparation and serving of food, and other service charges.

It appears that your interest primarily centers in making allowances optional with employees. This office approves of an optional feature to the extent permissible. The occupancy of quarters should be required of those whose duties call for their living on the station. It may be optional with others whose duties do not require this. A step in allowing employees to be relieved of quarters was taken in 1936 when instructions were promulgated whereby those in certain classes at facilities, CU–1 to CU–4 and SP–1 and SP–2, and other employees, such as cooks, chefs, and bakers, were given adjustments. It was stipulated that adjustments would be made up to the point of retaining 50 percent of such employees in quarters on the station. This 50-percent quota is still maintained; in making current adjustments, consideration is given to employees with dependents and those who have been in the service a year.

Assuring you again of my appreciation of your interest in these matters, I hope that the above statements will give you a better understanding of the questions at issue. The Veterans' Administration is interested in the welfare of its employees and you may be assured that in line with our past efforts, it is our intention to make other progressive changes as they may be in order and in line with pertinent conditions and factors.

Very truly yours,

FRANK T. HINES, *Administrator.*

We Must Not Let Wage-Hour Act Cut Off Farmer's Telephone Service

For the protection of our rural communities enact H. R. 3842, to exempt operators employed in telephone exchanges having 1,000 subscribers or less from the provisions of the Fair Labor Standards Act of 1938.

EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 27, 1939

Mr. HARRINGTON. Mr. Speaker, on February 7, at the urgent request of a number of rural telephone exchanges in my district, I introduced this bill in the House, and it was referred to the Labor Committee. A companion bill in the Senate is sponsored by the Honorable CLYDE L. HERRING.

Since introducing this bill I have received hundreds of messages from small-town telephone exchanges all over the country urging enactment of this measure as a means of preserving the very existence of rural telephone communication. Many of my colleagues have had similar messages. These letters supply a mass of incontrovertible evidence that it is economically impossible for these little exchanges to comply with the wage-hour law and still remain in operation.

With all due respect for the wage-hour law, and I voted for it, there is no question but that it imposes an unbearable hardship on the owner of a small telephone exchange. I have heard the answer usually given that if the little fellows cannot comply they should get out of business and turn the field over to the big, successful corporations which are financially able to comply with this act, principally by passing the buck on to the consumer. This is a philosophy with which I am unable to agree.

In the case of the small town and rural telephone exchange, however, this reasoning does not apply anyway. All of us remember that before the Rural Electrification Act was passed it was impossible to get electricity wired to the farm because it simply was not profitable for the private utilities to supply this service. The same thing has been true of farm telephone service. The Telephone Trust finds no profit inducement to enter the rural field, but usually has supplied rural service principally and only to give further value to the town and city telephone, making it possible for people to communicate with the farm.

The job of supplying telephone service to small rural communities has been pretty much left to cooperatives and to small independent exchange operators which furnish very little profit to the owner other than a living to the people employed and to their owners. Mind you, the exchanges affected by this act with which I am concerned are these independent and locally owned exchanges. While the Bell Telephone System has some exchanges this size, the large bulk of them are owned independently and are separate financially from the Bell System.

It hardly seems necessary to impress the United States Congress with the importance of maintaining telephone service in our rural communities. Aside from time-saving convenience and its facility for furnishing a means of social contact in sparsely settled areas, the rural telephone exchange has on innumerable occasions proved of invaluable assistance in giving the alarm of fire, crime, and disaster. All of you know of cases where the lone night operator in the small exchange has been the heroine of a fire, a flood, a robbery, or a similar catastrophe threatening the lives and property of our small-town and rural citizens. And to these same people the telephone on the wall is a symbol of security and protection and freedom from anxiety, both during lonely daytime hours and each night when they retire to their pillows. It is a vital service and a protection to our farm people, and we must not permit the wage-hour law to deprive them of this social and economic necessity.

Another thing, when we passed the Wage-Hour Act it was clearly understood that the farmer was to be exempt, nor was it intended that he should directly bear the burden of this act. We wrote in every possible provision to keep this law from working a hardship on the man who tills the soil.

As I think of it in the size and type of communities in my State to which I am referring there is at the present time only two institutions now interpreted as being subject to the Wage-Hour Act. One is the small telephone industry, to which I am referring, and the other is possibly the local bank. The burden that this means to the telephone company is manyfold emphasized by the fact that it is necessary to have someone on duty in the telephone exchange 24 hours a day, whereas in other lines of endeavor the usual work period is 8 hours per day. Certainly we do not want these little exchanges to go back 25 years to the time when service was rendered only during a limited time of the day, with no telephone service whatsoever at night and until early morning.

We further provided for the exemption of so-called retail and service establishments, yet the Wage-Hour Administrator has ruled that a rural telephone exchange is not a service institution and that it must comply with the law by putting on more operators, and increasing the cost of this service to the farmer, who cannot possibly pay the extra charge and therefore would probably give up his telephone. Surely none of us want this to happen.

I understand that my bill to exempt the small telephone exchanges from the Wage-Hour Act is being given some consideration in the House Labor Committee, and that the Administrator has indicated his willingness to recommend the exemption of telephone exchanges having less than 500 telephones. I sincerely appreciate this recognition on the part of the Administrator and the House Labor Committee to the importance of the problem I am seeking to solve in H. R. 3842. I am even advised that the Administrator and the Labor Committee as a whole have been sympathetic to the acute situation faced by these small telephone exchanges if they are forced to comply with the wage-hour law.

However, to exempt 500 telephones, my friends, is just not enough. When the request for an exemption of 1,000 subscribers was inserted in my bill, it was done so having in mind all of the different sections of the country, and done so in order that relief be given to that group in all sections of the country that could not continue on their present basis if they were to comply with this law.

To exempt exchanges with 500 telephones or less is just the same to the small telephone exchanges in the Middle West, which section of the country I represent, as saying to a man under death sentence, that we have decided not to put you to death but instead we are only going to cut off both legs and one arm.

Here is why this is true, gentlemen. The Middle West is a vast agricultural section. A small telephone exchange in our country has lines running 8 or 10 miles on all sides of town to serve the many farm customers in the town's trade territory. The trade territory of a small town out there is the lifeblood of that small community, and to disassociate its trade territory from the community by creating a situation that would reduce the number of farm telephone subscribers would be a serious blow to the small town.

A telephone exchange of five or six hundred telephones in Iowa means that about one-half of those telephones are out in the country on farms, serving farmers; consequently, to exempt a telephone exchange having 500 stations in the Middle West would exempt exchanges in towns of 1,000 population or less. Whereas the same exemption in States like Virginia, North and South Carolina, Georgia, and others would be to exempt exchanges in a town having a population of five or six thousand people. We must have this same kind of exemption for our section of the country.

For example, the town of Altavista, Va., with a population of 2,367 persons, has a telephone exchange serving 256 subscribers; whereas, George, Iowa, has 592 telephones which is only a town of 907 people. Another one, Statesboro, Ga., with a population of 3,996, has 617 telephones; whereas, Lakefield, Minn., a town of 1,349 persons, has 929 telephones.

Such comparisons could be made by the hundreds. My point is, sir, that 500 is not enough, will not do the job unless it excludes counting telephones serving farm customers; or putting it another way, if 500 stations and less are to be exempted, then the 500 should not include telephones serving the farmers.

It is my further understanding that in the Administrator's research in regard to this question he made inquiry of all State regulatory public-service commissions having jurisdiction over telephone service and that he received 37 replies. Have in mind, these are the regulatory bodies that have for years, and based on fact, been regulating the very telephone exchanges about which I am speaking. It is to be noted that 27 out of these 37 recommended an exemption of at least 1,000 telephones or less. Some others recommended exemptions based on revenues and population.

These commissions that are responsible for the welfare of the public served, the employees, and the owner predominantly recommended an exemption of at least 1,000 telephones. Further, a number of these State commissions said the farm subscribers should not be included at all in this figure, and that the exemption should apply to exchanges having 1,000 or less urban or town telephone subscribers.

One of the most detailed answers to the Administrator's inquiry came from the State Public Service Commission of Wisconsin. I believe everyone will concede that Wisconsin is anything but a reactionary State and that the commission of that State has been a leader and outstanding in strict regulation of its utilities. We can suppose that the Wisconsin Public Service Commission would be hostile to any unfair exemptions under the wage-hour law. Much to my surprise the Wisconsin Public Service Commission not only endorsed my bill but sets the minimum figure up to 1,000 urban or town telephone subscribers, thereby exempting farm telephones altogether, which, in my opinion, is correct.

The Wisconsin statement further shows that the farm service is operated at a loss which must be borne by the town subscribers of the same exchange. Further, they state that even at the present rates a very high percentage of farmers have had to give up their telephones during the depression and still are not financially able to have them reconnected. On the other hand, and in comparison, a great percentage of the urban telephone subscribers who disconnected during the depression have since resumed their service.

A long, detailed letter from the Public Service Commission of Illinois is very similar in sentiment. These regulatory bodies fully appreciate the impossible situation faced by the small telephone exchanges if forced to operate under the Wage-Hour Act. It is up to us to correct this impossible situation.

Many of the Members of this body have called my office to offer cooperation in getting this bill passed. I urge all of you who are interested, and I believe most of you are interested, that you make known your wishes to the Committee on Labor and to the Wage-Hour Administrator. Let them know that we are not interested in saving telephone service for only 25 percent of the farmers, we want the interests of all farmers safeguarded as was promised when we passed the Wage-Hour Act.

Development of the Water Resources of the Columbia River Basin

EXTENSION OF REMARKS

OF

HON. COMPTON I. WHITE

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1939

ADDRESS BY HON. COMPTON I. WHITE, OF IDAHO, MARCH 23, 1939

Mr. WHITE of Idaho. Mr. Speaker and Members of the House, under permission to revise and extend my remarks in the RECORD, there is inserted herewith an address to the convention of the National Rivers and Harbors Congress on the Development of the Water Resources of the Columbia River Basin.

The address is as follows:

Mr. Chairman and members of the National Rivers and Harbors Congress, representing the people of a large area in the Rocky Mountain region of the Northwest, where our rivers and water resources have only recently been included in the Government's development program, I esteem it a privilege to join with you in discussing the plans for the future development of our national water resources.

I am certain that most of us appreciate the major part the utilization of our streams and rivers have played in the upbuilding of our great Commonwealth, and if we are to follow the constructive program that has placed our country in its preeminent position, it is apparent that we must continue to broaden and expand the national program for the development and utilization of our streams and water resources.

Let me bring to your attention a program for the development of the empire known as the Pacific Northwest, embracing the States of Montana, Idaho, Oregon, and Washington, which merits your attention because it is only through national cognizance that relief can be secured for the critical situation facing the existing industries and only by the improvement of the water facilities of the area that exercitation of the enormous latent resources of the area can be realized.

A few years ago discussion of the development of the Columbia River and its tributaries could be classed by those not familiar with the possibilities as phantasy, but, with the construction of the Bonneville and Grand Coulee Dams, a part of the dream has been realized. To further dispel doubt as to the feasibility and practicability of improving the Columbia and its main tributary, the Snake River, for navigation purposes the Army engineers made a comprehensive survey and economic study of the question which has been submitted to Congress by the Secretary of War.

The Columbia River, with a length of 1,200 miles, rises in British Columbia and flows southward, crossing the international boundary in northeastern Washington and flowing south to its confluence with the Snake River, and thence west to the Pacific Ocean. The Snake River rises in Wyoming and flows 1,026 miles before it reaches the Columbia. The area tributary to these rivers along that section over which the proposed navigation would be realized consists of 90 counties in the four Northwest States and embraces 54 percent of the gross area of the region.

With its annual production of about 4,000,000 tons of grain, 1,750,000 tons of fruit and vegetables, large quantities of livestock and its products, including poultry and eggs, agriculture heads the list of basic industries of the Northwest.

The enormous forests of western Montana, Idaho, eastern Oregon, and eastern Washington, both privately and publicly owned, are

capable of an annual production of 5,000,000 tons of forest products on a sustained yield basis. Of the approximately 161,000,000,000 feet of merchantable saw-timber now standing in these forests, approximately 75 percent is State and federally owned and it is probable that transportation facilities that would permit an economic harvest of this timber by affording equitable marketing conditions would return to the Government the entire cost of the investment for navigation purposes.

Nor is navigation the only facility that is needed. Cheap power is a necessity for further development in the Northwest. The Government through the Bureau of Reclamation under the Department of the Interior has recently made a survey and examination of one of the best potential power developments in the West at Cabinet Gorge near the Montana-Idaho boundary line on the Clarks Fork River, a tributary of the Columbia. It is located in the center of the vast holdings of federally owned timber and close to the large producing mining districts, and it is apparent that the development and availability of power at Cabinet Gorge would provide the necessary energy for economical manufacture of lumber, pulp, and paper, and the extensive and valuable stands of Government-owned timber, much of which is now mature and wasting due to natural decay. It is easily seen that the development of the potential power at Cabinet Gorge would be of immense direct relief and benefit to the Federal Government and contribute in a large way to the general business prosperity throughout the country.

While mining now ranks as the third major industry of this region, the surface has as yet only been scratched insofar as possible mineral production in that general area is concerned. Gold, silver, copper, lead, zinc, and phosphate rock are mined and the present producers include the famous copper lodes in Montana and the silver lead mines of the Coeur d'Alenes. The area adjacent to the Snake River through the famous Snake River gorge for a distance of 300 miles is known to be highly mineralized but is undeveloped because at present there is no method of transportation in that district. Of tremendous importance to this Nation's welfare is the enormous deposit of high-grade phosphate rock located in western Idaho and allied territory. These deposits account for approximately 57 percent of the known world supply of this material and about 95 percent of the total known deposits on this continent. Development of these deposits is discouraged because existing freight rates make its distribution impossible at any item of profit but a rail-water rate that would be provided through the improvement of the Columbia and Snake Rivers for navigation would entirely change this situation.

That you may vision the plight of this great inland empire of the Pacific Northwest, it must be borne in mind that at the present time its rail lines exact an average charge of 25 mills a ton-mile. This is more than double the national average for a similar service and almost four times the average charge on the rail lines that serve the Ohio and Mississippi Valleys. These exhorbitant freight rates apply to all the products of the basic industries and not only hamper present production but prohibit expansion.

Four million tons of grain from the Northwest interior are marketed through the North Pacific ports. The average charge to move that grain crop to shipside, via rail lines, is 14.5 mills per ton-mile. The average charge for the same service where the benefit of water-borne commerce has been realized in this country is 1.6 mills per ton-mile. Obviously our farmers face bankruptcy if they are forced to continue paying into rail lines a unit cost for moving their wheat that averages nine times the unit cost that competitors pay for similar service performed by water carriers.

It was in June of last year that the Secretary of War submitted to Congress the report of the Army engineers on the plan to improve the Columbia and Snake Rivers for a distance of 400 miles at a cost of $138,000,000. Excerpts from this report state:

"Based upon production data, upon analysis of traffic movements, and upon information submitted by local interests, the total present commerce moving between the tributary area and tidewater is estimated to be 3,352,745 tons. Local interests are of the opinion that the improvements proposed when completed would result in a material reduction in existing freight rates between the interior and tidewater. The resultant average annual savings in freight rates, over the amortization period, creditable to the proposed improvement are estimated by local interests as $25,287,259.

"Indirect benefits, which cannot be reduced to dollars and cents, would accrue to the general public in large measure from the provision of low-cost water transportation and cheap power throughout a vast interland containing large agricultural and industrial resources only partially developed."

And at this point I should like to interpolate that the cheap power has been provided for a large part of the area by the construction of the Bonneville and Grand Coulee Dams, and that such power can only be absorbed by accelerated industrial development which in turn is predicated on reasonable transportation costs. Quoting again from the Army engineers' report:

"The interests that would be directly benefited by improvement in accordance with the coordinated plan presented herein for navigation, irrigation, and power development.

"The electrometallurgical and electrochemical industries that will locate in the lower Columbia River area will require large quantities of raw materials such as iron ore, limestone, silica, clays, magnesites, and phosphates. These raw materials, as well as other valuable minerals, are to be had in the area tributary to the Snake River points. Although the deposits in this area are as yet not fully explored and developed, it is believed that they would be mined and used extensively if they could be shipped out by river transportation. The average volume of this prospective traffic for the Snake River, over a long period of time, is estimated at 1,000,000 tons per year."

There is none who will contravert the exhaustive study or sincere recommendations of the Army engineers. The report of their findings as to the feasibility and practicability of the improvement of the Columbia and Snake Rivers for navigation proves the theory of the advocates of water transportation for the Pacific Northwest as a necessary unit of the economic development of the region. This report is pending before the Rivers and Harbors Committee of the House of Representatives, and there is legislation pending in Congress providing authorization of the project.

It is urged upon the National Rivers and Harbors Congress that a resolution be adopted urging upon the Federal Government the wisdom and necessity for improving the water resources of the Pacific Northwest, and for this purpose I submit herewith the following:

"Whereas existing industries located in the interior of the Pacific Northwest cannot operate with profit nor expand until given the facility of water transportation; and

"Whereas there are many and varied natural resources of the area which now lie dormant awaiting marketing facilities that would be provided through low-cost transportation; and

"Whereas the enormous amount of publicly owned merchantable saw timber located in the interior Northwest can be harvested when the Government provides equitable transportation; and

"Whereas the Federal Government already has large investments in irrigation and reclamation projects in the Northwest, and another huge sum in the power projects of Bonneville and Grand Coulee, and as yet has failed to adopt a unified plan for the orderly development and utilization of the Columbia River and its tributaries; and

"Whereas a physical survey and an economic survey have been made by the Army engineers showing the feasibility and practicability of improving the Columbia and Snake Rivers for navigation which has been submitted to Congress by the Secretary of War; and

"Whereas legislation is now pending in Congress to authorize the construction of the project: Now, therefore, be it

Resolved, That the National Rivers and Harbors Congress urges upon the Members of Congress the adoption of the report of the Army engineers and the enactment of legislation enabling the Federal Government to undertake the construction of locks and dams and channel improvements of the Columbia and Snake Rivers to provide low-cost transportation which will be the means of developing the vast resources of the Pacific Northwest and adding to the Nation's wealth."

"Joe Hess Day" in Danville

EXTENSION OF REMARKS

OF

HON. NOBLE J. JOHNSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Saturday, March 25, 1939

ARTICLE BY GEORGE WEYMOUTH IN THE INDIANA FARMERS' GUIDE OF MARCH 11, 1939

Mr. JOHNSON of Indiana. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial of George Weymouth in the Indiana Farmers' Guide for the issue of March 11, 1939:

[From the Indiana Farmers' Guide of March 11, 1939]

"JOE HESS DAY" IN DANVILLE—A PERSONAL TRIBUTE TO THE NEIGHBORLY ATTITUDE OF INDIANA COMMUNITIES

(By George Weymouth)

Joe Hess is dead. Joe Hess, of Danville, Hendricks County, Ind. Perhaps that doesn't mean a lot to you, not knowing much about Danville and the typical kind of Hoosier town it is; not knowing about Joe Hess and his adventures in storekeeping; not aware either of the funeral at the Methodist Church last month or the kindly Hendricks County citizens who followed Joe Hess to his resting place in South Cemetery.

I was over at Danville about a year ago, writing a little history of Hendricks County, which some of our good readers of the Guide may happen to remember. They told me about Joe Hess, then, both the farmers and the town people.

"Why, that is a good story," I said. "A remarkably good story," and I have kept it in mind ever since.

So I was shocked when I read in the Indianapolis Star that Joe Hess had passed away, and felt a little sad about it, as you do when you hear that a good man has had to go, and a little glad also because Joe Hess left something behind him so much more significant than money.

Danville, as you may know, is a little county-seat town 20 miles or so west of Indianapolis on United States Highway No. 36. The population, as I happen to recall because the newspaper editor there made a little joke about it when he told me, was "1,930 in 1930." Just one of those little towns that has been holding its own around the 2,000 mark for a long time. Maybe it will show up with 1,940 people when the census taker finishes his count for 1940.

You know how friendly and cooperative these little towns are for which Indiana is so justly famous. For instance, the editor I was interviewing went next door to get me a copy of a special edition of his rival's paper with some good historial material in it.

"You seem to be on good terms with your competitor," I said, a little surprised, because one paper was loyally Democratic and the other stanchly Republican, and I have seen times and places when they might have hated one another like "pizen."

"Oh, we are good neighbors. Why shouldn't we be?" asked the editor. "We swap conveniences back and forth, type set-ups and so forth. If his press breaks down I print his paper till he gets it fixed. That's the kind of town Danville is." Then he told me about Joe Hess and his big day.

I am featuring the incident here because I have been asked to write an article about community cooperation and my first thought is that "here is the perfect example of what being a good neighbor means." The passing of Joe Hess is fresh in my mind and if you'll forgive me for rambling around I'll tell you about him.

Joe Hess was a German immigrant who came from the old home along the Rhine with his parents 57 years ago, when he was 10 years old. The family settled at Ligonier, and Joe Hess came to Danville 32 years ago to clerk in Joe Schwartz's clothing store, and in the course of time married the boss' daughter. Like a regular romance, isn't it?

Also in the course of time the business belonged to the Hesses and became Danville's largest dry-goods store. Everybody liked to trade there. Joe was friendly and accommodating—too much so for his own good, perhaps. Because after the depression came along and just kept staying and growing worse before it started to grow better, Joe found that he had more on the books than he had on the shelves. He couldn't prese these good neighbors for payment, when their corn and wheat were down to nearly nothing and their livestock hardly worth feeding, even on feed that was hardly worth selling. When folks said, "charge it," the Hesses just charged it and smiled and continued on their kindly and benevolent way.

You can see what was due to happen when the wholesalers began to get restless and the credit men shook their heads and frowned as Joe's orders came in. The worst of the hard times was about over, but it seemed a little late for Joe Hess, who was up in his sixties. He still was cheerful and able to enjoy the cigar he liked to stuff in his pipe and smoke, but it might naturally be hard for him to stage a come-back.

Danville heard about it, of course. They liked Joe Hess and knew that he had always carried his share of the load, and the word went around that something had to be done.

"Let's have a Joe Hess bargain day," they said and such a sale you probably never saw, nor such wonderful bargains. Hendricks County farmers and Danville neighbors came flocking in and took charge of the Hess store. They made Joe go back and sit down when the sale started, and the place was full of volunteer clerks and eager cash customers.

"Here's a pair of cotton socks, good old Joe Hess work socks. How much am I offered? Only $15. Well, take 'em along. And this fine white handkerchief, it was originally marked a dime, but how much will you give? Ten dollars? Sold, and now who wants another one at the same price?"

When that sale was over the Hess store was just as solvent as any retail establishment you would like to own. And old Joe (Mrs. Hess had gone on ahead of him several years earlier) continued to operate the store and smile on customers up until his last brief illness which terminated fatally the first day of February.

Now, isn't that just like Danville and Hendricks County and like the rest of Indiana, where the businessmen and the laboring men and the farming men all work together in building up the finest community spirit ever seen in any nation in the world, or at any period of human history?

I think it is, and I am glad to give you this sketchy account of Joe Hess Day in Danville in this particular issue of the Guide, a progress number devoted to Farm Equipment Week. Enterprising dealers all over the State are holding open house for their neighbors, with the cooperation of local newspapers, distributors, salesmen, and the sponsorship of the Indiana Farmers Guide itself. Farm Equipment Week, March 11–18, is just another example of that helpful community spirit so typical of hundreds of Hoosier communities.

Joe Hess Day in Danville just happens to be one spectacular incident of the neighborly attitude of Indiana people. It is shown everywhere in a multitude of ways—by the churches, lodges, business clubs, women's clubs, farmers as individuals and as groups. If Jones is sick or has fractured a leg, the neighbors come in to harvest his wheat or husk his corn. If somebody has a baby, or dies, or gets sick, or loses his money, or is burned out—here comes help from all directions at once.

Hard luck doesn't have a chance to break the morale or make anything more than the merest dent in the close-knit solidarity of these communities. It may smite the individual now and then, but just watch the group gang up to protect itself against any outside enemy. We are hospitable, of course, and gracious to the stranger within our gates, but he may find it uncomfortable to plot against a member of the clan or to menace the public welfare. If he wants to stay with us and be one of us, we take him to our hearts.

For years it has been amazing to everybody to see how nearly all the nonindustrial communities of Indiana withstood the worst onslaughts of the not-so-recent depression. Business just went along as usual on Main Street and agriculture continued to grow crops—a bit pinched perhaps, but never panicky or downright discouraged. Even when some of our banks caught the Wall Street fever a few years ago and folded up, the farmers and storekeepers went ahead on their own like stout soldiers. I have always thought our agricultural centers fared so well through the hard times mainly because we decided to gang up on Old Man Depression as an unwelcome alien and didn't give him a chance to lick us.

We began this shoulder-to-shoulder movement a century ago when the pioneers took the raw, rich lands from the Indians and laid the foundations for us. We have met the usual obstacles—hard times, wars, droughts, floods, epidemics—but always we go forward and make gains, even while we grumble. I can see the results of this steady progress in my community and you can see it in yours, looking back over the years.

New homes are being built. The schoolhouses and the courthouses and other private and public structures are bigger and better. Merchants have added to their stocks many lines of superior goods and are constantly giving better service. There is a greater degree of comfort in the farm home, thriftier livestock in pasture and feed lot, more abundant crops grown with less labor in fields tilled with magically improved tools.

We call this progress, and it is reflected materially all around us. And right along with it go the cultural and spiritual qualities, still imperfect but evolving always into a better way of life. We send more of our children to high school and college. We have learned new lessons in cooperation, both in business and social affairs. We may complain and not without reason, about politics and our politicians, but even here we find by making comparisons with the past that distinct gains have been made.

Every fellow is out for himself, of course, and is looking after his own profits, but that is one of the ways we make progress. When you work hard, manage well, and keep your own business thriving you are definitely a better asset to your community. When hundreds of other industrious citizens are selfishly promoting each his own welfare in the same manner, you can add the combined results and find that vast reserves have been stored for the common good, and we call this civilization.

The Relief Problem From the Inside Looking Out

EXTENSION OF REMARKS

OF

HON. DUDLEY A. WHITE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Saturday, March 25, 1939

Mr. WHITE of Ohio. Mr. Speaker, on May 12, 1938, I offered an amendment to the relief bill, designed to give unemployed men and women a chance to make up time lost by reason of illness.

The amendment to section 10, page 10, line 10, of that measure read as follows:

Provided further, That any person employed on a project under this appropriation who is unavoidably absent from work because of illness, as certified by a licensed physician, shall be given the right to make up the time lost by reason of such illness, through an assignment of an equivalent number of hours then in effect; provided that such persons shall be required to make up lost time within a reasonable period, and that the amount of leave because of sickness shall not be more than 60 days in any one calendar year: *And provided further*, That no persons shall forfeit eligibility to relief by reason of such illness.

The CONGRESSIONAL RECORD of that date contained the following contentions in support of the amendment:

This amendment corrects a terrible injustice. It affects thousands of unfortunate people in every State and district. It does not deal with new fields of activity—the objection offered to many proposals here this afternoon. It is confined to the question of fairness in relief operations.

When a man or woman becomes sick under present relief regulations, the pay stops the minute he cannot report for work. If a person is out of a job and cannot find one, that is bad enough; but if, on top of that, he or she is stricken ill, certainly that is a whole lot worse. The person who must depend upon relief for an income needs assistance twice as much when sickness adds to his troubles and burdens. His family has to eat just the same, and

he must have medical treatment; and yet, under present regulations, the only wages he receives are shut off.

Under this amendment, a person on the relief rolls who is stricken by real illness would have an opportunity to make up that lost time and restore that lost income. He or she would be given an assignment of an equivalent number of hours of work in addition to the regular monthly schedule then in effect, and would receive pay accordingly. Upon the completion of this process the individual would have the same number of hours of both work and pay that he would receive if the illness had not occurred. Is not that plain justice?

At the present time eligibility is also lost under these circumstances and recertification becomes necessary. Also, under the amendment, such forfeit will be eliminated.

By voting for this amendment you are saying to the jobless man or woman that they will not be penalized by a condition of illness they cannot help; that you are not going to refuse them the opportunity to restore their regular pay and the necessities which it affords, at a time when tough luck has hit them an extra blow.

Furthermore, the amendment is safeguarded against any possibility of playing sick or attempted chiseling. A doctor's certificate must be furnished. If the person fails to make up the lost time by extra work, he fails to restore the lost pay. The cheater cannot cheat, and it saves those who are willing to perform this work from being cheated. In the name of fairness and humane treatment I believe this amendment should be adopted.

Let me emphasize that this amendment was introduced on May 12, 1938, and the Relief Act was finally passed on June 21, 1938. On July 11, 1938, just 20 days later, order No. 65 was issued over the signature of Harry L. Hopkins. Part 3, section 6 (B), is the first instance on record recognizing the very principles outlined in my contentions on the floor just a few weeks prior to this issuance. It is interesting to note that the similarity even extends to the language of this order and those issued by various State headquarters, such as form E–182, dated December 12, 1938, by the Ohio W. P. A. office, entitled "Authorization of Make-up Time for Project Workers Absent Because of Personal Illness."

In the first place, the idea for the amendment which has resulted in this action really belongs to a man who seems to have given as much thoughtful and discerning consideration to relief problems as any one I know. He was then, and he still is, on relief. The problem he presented struck me as being worthy of attention and remedy. As a result I undertook this action. Since he speaks directly from experience and with a degree of logic, worthy of careful thought, I believe his contentions as outlined in the following letter will prove useful to Members of this House. This communication contains references to the authorization of make-up time for project workers absent because of personal illness, showing the value of that principle and why it should be maintained, even though the House did not see fit to adopt it as an amendment to the Relief Act, but since the move in this direction has been successful I would more particularly like to direct your attention at this time to the other problems included in the discussion:

Representative DUDLEY A. WHITE.

DEAR SIR: Because of the fact the nature of my work allows me to center my thoughts on such actions as the Congress may take which would primarily benefit us "reliefers" most, while you have many other items to consider that are of equal import to others of your constituents, besides being concerned with the affairs of the State and Nation at large, it is just remotely possible the information about to be given you herein is new and that I am not presumptuous in believing it may interest and aid in such action as you deem necessary in furthering a cause in which we are mutually interested. I refer to your amendment.

It is quite hard for one of my limited education to properly express himself in an understandable manner, but I'll endeavor to accurately picture the case as it now stands as briefly as possible, so as not to unnecessarily usurp your time.

I got wind that administrative orders had been issued at Columbus by Watson and that they had also been transmitted by Schmuhl to the jobs. It is a fact—orders at last have come to the jobs. But I was not entirely satisfied with that, for there are still ways of defeating the intent, so I wrote to Schmuhl's office, requesting the posting of bulletins on each project. He sent me one only of the bulletins. Next I wrote Watson. Just a short reply; no other action.

I wrote Hopkins in a rather positive vein, certainly not belittling our strength, because it seems to me it has not been their intention to willingly grant this claim, and they have only done so when it appeared they most certainly would suffer more lost prestige by having this brought to the country at large in the next session of Congress.

They had no intention of granting this till it at last dawned on them we are going to win during this session of Congress, and that it would endanger their status to be still on record as denying this humane measure, also in order to take away that credit which is rightfully yours, I am going to cite a few facts:

This injustice was brought to your colleagues' attention by you during consideration of the last relief act, which was finally passed June 21, 1938.

On July 11, 1938, 20 days later, over the signature of Harry L. Hopkins, Administrator, order No. 65 was put out.

Part 3, section 6 (B) of that order is the first instance on record where the "powers that be" were willing to concede anything along that line. Even then I do not believe they intended any good to come of it or else they would have specifically instructed State administrators.

As told in my letter to Hopkins, National Administrative Orders No. 54 and No. 56 granted no actual concession because of the fact 5 days consecutively lost because of illness called for mandatory discharge. Likewise, the bulletin on page 52, State Finance Manual, was a farce.

A State Administrative Order No. 727 was finally issued by Watson on November 29, 1938. And on December 12, 1938, Watson issued order No. E.182. Am going to enclose this form, gotten from Schmuhl. It shows form E.445 as superseding form FA-45. This letter form is the old one they used in allowing make-up time of less than 5 days and then only when they wanted to.

The administrative orders have finally been relayed all the way down till it now appears one point has been entirely won. But appearances are often deceiving. W. P. A. officials could easily rescind their orders or, if the men are not going to be informed of their new rights, most of them will know nothing about those rights unless all W. P. A. officials having any chance to abridge to any extent are absolutely honest and unselfish in their interpretations of the order. The two dates, November 29, 1938, when order No. 72 was issued, and December 12, 1938, when Watson issued order No. E–182, shows quite a lapse of time before part 3, section 6 (B) of Hopkins' order No. 65 became effective in Ohio. And I wonder how many States still have been neglected.

The Washington W. P. A. office seemed to disclaim any knowledge of the "5-day rule." So they forwarded my letter to the Ohio headquarters and I am just in receipt of a letter from Watson informing me the "5-day rule" is in effect in Ohio, but adding it is only in order to "exercise some degree of control over our projects," and that a person who has been laid off because of 5 consecutive workdays' absence is placed on the rolls again when able to work and that the time lost because of that personal illness is carried as allowable time until it is entirely made up.

So you most certainly have done a most wonderful thing—and many are the workers who know it was from your efforts this concession has been gained.

There are none of us who can find fault with the workings of that rule, providing this policy is understood and the proper sequence of forms filled out by those directly in charge of that work. When that is so, a worker is fully protected, in that his actual personal sickness will not cause him nor his family added hardship from lost time. And that certainly is all we can ask along that line. So again I thank you for myself and all other interested W. P. A. workers.

So much for that.

The money earned on W. P. A. is supposed to be to take care of the needs. If, as in our region, $48.40 is what is a just monthly wage for single people, then how can Hopkins or Roosevelt believe that a person supporting wife and numerous children can adequately provide for them at that scale of wages.

I have no kick on the hourly rate; only the monthly rate. If people with large families are forced to reduce expenditures to their earning capacity of $48.40, it will be the children who suffer first. When the children are made to suffer, it means only one thing: A lowering of the mental and physical standards of our future men and women—of our future businessmen, lawmakers, soldiers, nurses, etc. And what could be more harmful than chancing the very future of our country on a standard of living which, for large families, is little less than starvation wages.

I believe it is the intent of the Republican Party to place relief back where it belongs when they become strong enough—back to the local States, counties, and townships, with the help of Federal aid.

When that time arrives, I am certain these moneys will be budgeted according to need, which can only be figured by the size of the family.

It is not that we wish something for nothing—only that an equalization be made in the form of extra duty because of the extent of need. As it is, the life of the Nation (these people who rear children) are penalized in this set-up because of their own good citizenship, their assuming the proper functions of true patriotism and, with each added child, they, and each one of their children, are penalized only the more.

* * * * * * *

We thoughtful people on W. P. A. know that no matter how hard we work for our wages this is "made work," and because it is relief it should be a more just distribution of these funds according to need.

This need, which can only be based on the size of the family and their immediate conditions, is best known by such local agencies having supervision on the grounds—the State, county, and townships.

Because Federal funds would be allotted for that purpose, the Congress itself would set the regulatory rules.

One of the most evident injustices at this time is curtailing the income of heads of large families—granting them less money than smaller families or even single people.

I believe the hours of work, the monthly income, should be based on the size of the family—the need.

* * * * * * *

This would not be either more or less than a budgetary allowance, an allowance for which a person would have to work his full allotted hours to gain the full benefits the size of his (or her) family entitled them.

* * * * * * *

Should this be worked out, I believe adequate relief could be given every case at a substantial saving to the Government.

First. By returning it locally a huge savings could be had, because many high-salaried supervisory employees could be dropped when central offices were either discontinued or personnel sharply reduced.

Second. By returning the supervision to local agencies, chiselers could more easily be caught. Certainly there are known chiselers in every locality, for surely it is chiseling to accept this form of charity and to then spend any portion of that money on other than family necessities. Surely this relief money was not intended as pleasure money for some recipients simply because their need is less than others.

Third. While it may seem the cost of a workable plan of this nature might be more than under present circumstances because of the fact possibly half the W. P. A. workers would be getting some addition to their monthly earnings, it must be remembered that each individual case would be governed by the size of the family, and, with the present monthly wage as a base, for a certain size family the cost of more hours of work to those in that group would be counterbalanced by a reduction in hours of those not in such dire need, or by elimination of chiselers.

* * * * * * *

I have just turned from a radio, where a news broadcast quoted Harrington as saying that in the reduction to come over W. P. A. (if Congress does not appropriate the thrice demanded $150,000,000) he has told the committee that rather than investigate individual cases in order to lay those off first who are in the least need of relief he will shut down an entire project.

In other words the needy and chiselers are to be treated alike.

There could easily be a reduction in both W. P. A. expense and personnel by examining the needs of relief clients, but if they do that it would not create the fear of wholesale reductions in a given area, it would not cause those in need to join forces with those they knew were not in such need and pressure groups would not then have the power to coerce the Congress to submit to the whims of one man.

I think not when the realization of facts become widely known, especially so, when no added money is needed for a just distribution—when the motto "Adequate relief for all; graft for none" is rigidly enforced.

* * * * * * *

Times have changed since last June, and I think the Congress is now anxious to write into a relief bill such regulatory items as seem to them for the best interest of the country in general.

Thanks for your last letter and for your aid.

Very respectfully yours,

P. D. STARK.

The New York Cotton Exchange Is Purely a Gambling Machine Operated and Controlled by Speculators and Manipulators

EXTENSION OF REMARKS

OF

HON. HAMPTON P. FULMER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Saturday, March 25, 1939

Mr. FULMER. Mr. Speaker, under leave to extend my remarks in the RECORD, I want to quote some excerpts from a statement issued by Mr. Edwin A. O'Neal, president, Farm Bureau Federation, referring especially to the operations of the New York and New Orleans Cotton Exchanges. In doing so I am not proposing to go along with the idea of subsidizing cotton at the rate of 6 cents per pound for the purpose of exporting any part of our surplus cotton to foreign countries at a time when we have millions of people who have very little bedding and not enough clothing to take care of the needs of their families.

I hope to go into this surplus-cotton problem a little later on, offering a program which I believe will help solve this serious problem; but it will be a program whereby we shall be able to consume the cotton in the United States, which will put our cotton mills to work and bring about the employing of a considerable number of the unemployed, all of which will tend to increase purchasing power and home consumption in the way of new uses and the supplying of our own people.

Mr. O'Neal states:

The fight of the New York and New Orleans Cotton Exchanges and other cotton-trade interests, some of which claim at least in part to represent farmers, to protect speculators by killing off the cotton export subsidy plan that would help the farmers and put over some plan to lower domestic cotton prices, is a public scandal.

The fight has as its chief purpose the protection of speculators, including foreign speculators, and American owners of gins, compressors, and warehouses in Brazil who finance the production of Brazilian cotton and who are interested in holding up the world price of Brazilian cotton, which is being harvested at this time, at the expense of the sale of American cotton to foreign mills.

Some days ago I stated that the New York Exchange was nothing but a gambling machine, operating in the interest of speculators, gamblers, and manipulators. For instance, when the news item went out to the country the other day that the Secretary of Agriculture, Mr. Wallace, had a conference with the President about the subsidizing of cotton to foreign countries, on the strength of this rumor speculators proceeded to sell March contracts, putting the price of cotton down to the extent of $2.85 per bale.

A statement was issued in the press by those operating the exchange that the reason for this wholesale selling of March cotton was because of a very prominent partner of a large spot concern had temporarily left the floor of the exchange in New York, and therefore was unable to protect the buying side so as to prevent just what happened.

If this statement is true and, of course, it is not true, just think what you have operating in this country, which is supposed to be operating in the interest of cotton farmers, where one man can take either side, the buying or selling, and control the selling or buying of cotton on this exchange.

As stated by Mr. O'Neal, certainly, the Cotton Exchange is absolutely controlled by speculators, not only in this country, but in foreign countries.

Sometime ago when the Smith bill was being considered seriously it was thought at that time that perhaps some 2,000,000 or more bales of cotton would be placed on the market.

One of the large operators in the South, representing spot cotton people, as well as speculators and gamblers, advised one of his clients that that time, stating:

It is my belief that they are going to put some of this surplus cotton on the market; therefore, I would advise you to sell your March and buy October.

The reason for this is that if even 1,000,000 bales of this cotton should be placed upon the market at the present time, the near months would, naturally, go down, as they did in the case of the rumor some days ago; but, in that the distant months, October, for instance, being 100 points below March, naturally, they would be buying October while selling March and, instead of October going down, perhaps it would hold its own or advance, which was absolutely the case when they sold March the other day, to the extent of $2.85 per bale.

Mr. O'Neal states further:

In order to protect their selfish interests, the cotton exchanges and their satellites are trying to destroy a plan that aims to maintain and increase the price of cotton to American growers.

This is absolutely true. Under all farm legislation passed during this administration, hoping to bring about a decent control of the production of cotton, not for the purpose of bringing about a scarcity of cotton, these various groups who do not produce cotton, including speculators, gamblers, and manipulators, have been doing everything possible to destroy the program for the purpose of having farmers, in that they operate as individuals, to proceed to produce large and small crops over the years, in line with weather conditions and boll-weevil infestation, which is the only control that we have had in the past.

Now, why do I make this statement? It is for the reason that they understand, as in the past, that farmers have no control over their production and marketing, and will have no place to go to borrow on their cotton; therefore, they will be forced to place same on the market, in that they have to sell in order to pay their obligations; and, naturally, during the cotton season, with all of this cotton going on the market, these speculators, gamblers, and manipulators are able to make profits by selling the market, and, in that spot holders are able to carry this cotton, in that they are under these circumstances largely able to control the marketing and distribution of same, they stand a fair chance of making considerably more money out of speculating and the handling of the cotton than farmers can possibly make in producing the cotton crop in the South.

Some days ago I received a letter from the president of several cotton mills in the South, which gives the real picture in dealing with the New York Cotton Exchange, and which would clearly indicate to you that my charges are absolutely correct, all of which is absolutely known to those who administer the Cotton Futures Act.

In other words, when farmers are blessed with good weather, and they are not troubled with the boll weevil, thereby producing a larger crop than the average, instead of it proving to be a blessing it proves to be disastrous, in that very often the smaller crop brings in more cash than the larger crop.

The following is a letter just referred to herein.

I am inserting also at this point copy of my letter addressed to the cotton-mill president, in reply to his letter, and letter written the Secretary of Agriculture, together with his reply thereto:

MARCH 3, 1939.

DEAR CONGRESSMAN FULMER: Whenever the New York Cotton Exchange quotations fail to reflect the actual value of cotton, that exchange ceases to be an asset and becomes a liability to the cotton-textile industry and the cotton farmer alike.

Several days ago the closing quotations on the New York Cotton Exchange which are based on ⅞-inch Middling cotton were:

Spots	9.01
March	8.41
May	8.08
July	7.79

At the same time a large cotton manufacturer asked several important members of the exchange to quote a sizable quantity of ⅞-inch Middling cotton, landed at mill, for each of these four deliveries. The following quotations were received:

	Spots	March	May	July
A	9.31	9.51	9.58	9.64
B	9.36	9.41	9.48	9.54
C			9.73	9.54
D	9.51	9.56	9.68	9.89
Average	9.39	9.49	9.62	9.65

Everyone knows that no single fiber of cotton can be here in July which is not here now. Everyone also knows that if cotton is to be available for July delivery, the cost of storage, insurance, and interest must be added to its present value. Whenever members of the exchange are asked to quote actual cotton, these facts are written clearly into the quotations. On the other hand, when a legitimate hedge is put in against the purchase or sale of cotton cloth, under their own New York Cotton Exchange contract, these fundamental facts are flouted by precisely the same group who demand carrying charges when they are faced with actual physical delivery of cotton.

The reason for this strange situation happens to be quite simple. Under the Cotton Exchange contract, upon which published quotations are based, the seller has the right to make delivery of all or any portion of the quantity involved at any of 8 delivery points, in any of 20 grades, in any of 3 staples, as follows:

Delivery points: New York, Norfolk, Charleston, Savannah, Mobile, New Orleans, Galveston, and Houston.

Grades: Middling, fair; Strict Good Middling; Good Middling; Strict Middling; Middling; Strict Low Middling; Low Middling; Good Middling, extra white; Strict Middling, extra white; Middling, extra white; Strict Low Middling, extra white; Low Middling, extra white; Good Middling, spotted; Strict Middling, spotted; Middling, spotted; Good Middling, tinged; Strict Middling, tinged; Good Middling, yellow, spotted; Good Middling, gray; and Strict Middling, gray.

Staples: ⅞-inch, 15/16-inch, and 1-inch.

This means that on a single contract for 100 bales, a mill may be compelled to accept 60 different kinds of cotton, or that, on a larger contract, a mill may have to take delivery on as many as 480 bales at 8 separate ports scattered along the Atlantic and Gulf of Mexico coasts with no two bales alike at any single port. In practice, it is utterly impossible to spin such a conglomeration of cotton. Whether put there for the purpose or not, this provision of the contract effectively estops any cotton mill from insisting upon actual delivery and forces it, like any pseudo trader, to buy in or sell out whatever transactions it has made on the exchange. Last year the several cotton exchanges dealt in some 42,000,000 bales of cotton. So safe, however, is the seller in the knowledge delivery is only a remote possibility that the most recent report shows at all 8 ports only 36,360 bales of cotton ready for delivery. This "certificated" stock, like the wooden sandwiches of Raines law days, is used over and over again.

After it leaves the farm cotton may change hands many times, but the final purchaser is ever and always a cotton mill. It naturally follows that when the possibility of this final purchaser demanding delivery is effectively destroyed a seller's market is created and quotations are chalked up which no longer reflect the real value of the commodity. Such distorted quotations can never be above real value because under any such circumstance shippers immediately would deluge the market with actual cotton.

On the other hand, the buyer has no such remedy at hand. When delivery is threatened, he dares not call the bluff by saying, "Ship me the cotton." He has to step up and settle. The cotton exchange collects another commission. The same lot of cotton is used to threaten another buyer, and quotations, so far below real value that they constitute a commercial joke, are allowed to stand unchallenged.

The present "inverted" cotton market supported by these misleading quotations is published by the daily newspapers throughout the land. Buyers naturally regard it as authentic and expect mills to price their cloth on this commercially impossible basis. Such buyers find it hard to believe that July cotton costs a mill 2 cents a pound more than these perfectly reputable newspapers report it to cost. Skeptical by nature, they press, press, press for lower levels or simply decline to lay down the forward commitments so necessary to the proper functioning of the textile industry and to the intelligent distribution of a cotton surplus which has become a major headache.

The vagaries and failings of the administration cotton program have come in for a lot of unfavorable criticism. Much of it is richly deserved; but a goodly portion of this criticism should be laid where it justly belongs, at the doors of this inequitable cotton contract. Furthermore, some effort should be made to prohibit the publication of cotton quotations which mislead the public, injure the farmer, and damage a great industry.

Sincerely yours,

——— ———.

HOUSE OF REPRESENTATIVES,
Washington, D. C., March 3, 1939.

MY DEAR MR. ———:

I appreciate your letter of March 3 which, in a great many instances, is absolutely in line with the contention that I have had all along, and which I have expressed on many occasions, that is, the operations of the New York Cotton Exchange is an absolutely one-sided proposition.

In the Smith-Lever Act we have two sections governing the selling and the buying of cotton. One of them would give the buyer equal rights with the seller, but it is not operative for the reason that those dealing on exchanges will not operate under that section.

We all know that the buying and selling of cotton on the exchange does not take into consideration seriously the delivery of any actual cotton, and, if, as stated by you, a buyer should call for the actual cotton, the seller is able, under the transactions now permitted on the New York Exchange, to offer such a type of cotton, or at such delivery point, or various delivery points, that it would be impossible for the buyer, regardless of what line of business he is engaged in, to accept such delivery; and, therefore, it amounts to nothing but a paper transaction.

However, when you would attempt to amend legislation or write legislation, having in mind the functioning of the cotton exchange, in the interest of buying and selling actual cotton, which is claimed now by those who speculate on the exchange, that this is the purpose of the exchange, it is impossible to get favorable consideration.

If it were possible for your mill to purchase a contract for cotton on the New York Exchange for delivery, writing into that contract the type of cotton that you desire to purchase and naming the place of delivery, you would then tend to make this operate as a real medium of buying and selling, as well as legitimate hedging, instead of it being as operated today, nothing but a speculative, gambling machine.

If those who speculate on the cotton market had any assurance whatsoever that from two to four million bales of the present surplus would be put on the market commencing within the next 30 days, then you would see just the reverse of the quotations in New York. That is, they would sell the nearer months, which they have been buying under the present program, and hedge on the distant months.

I note in your third paragraph that several of the members of the exchange have quoted on a sizable quantity of ⅞ Middling cotton landed at the mill for certain delivery months. In these quotations they have completely turned the picture around. In the first place, they do not deliver spot cotton. In the second place, they gave you these quotations, because they knew that if they had to go out on the market today and actually buy spot cotton for delivery, they would be unable to do so unless at the quotations contained in your letter, under the various months listed therein.

I regret exceedingly that, should I call on the Department of Agriculture to thoroughly investigate this matter, and submit the facts to the Congress, which would do the thing stated in your last paragraph, I would be unable to get anywhere for the reason that it appears that those connected with the Department in charge of the administration of the grain and cotton exchanges are more interested in the folks who are operating all of these exchanges than the producer of cotton, and the actual buyer and manufacturer of same.

With best wishes, I am,

Yours very sincerely,

H. P. FULMER,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, D. C., March 3, 1939.

Mr. H. A. WALLACE,
Secretary, Department of Agriculture, Washington, D. C.

MY DEAR MR. WALLACE: I am enclosing herewith a letter just received from Mr. ———, who is deeply interested in cotton manufacturing in the South, together with my reply to his letter.

Mr. ——— is absolutely right, and just why we permit exchanges in the country to operate as purely gambling machines with every advantage over the buyer, as far as buying cotton is concerned, taking every opportunity to either put cotton up or down, even on a slight rumor, is beyond me.

It is true that they have southern delivery, but it is a joke. In the first place, they buy and sell millions of bales of cotton during any 1 year, and the amount of actual cotton for delivery is a joke.

Some days ago I saw a letter from a party who has considerable business with the New York Exchange, addressed to one of his customers in my State. He advised this customer that it was very apparent that Congress was going to turn loose some cotton. That was when they had a conference over in the Senate, talking about turning loose from two to four million bales. He advised this customer to sell his March contract cotton and buy October.

Now, the reason for this is very simple. He knew that spot cotton turned loose on the market would cause the present months to go down, and in that October is over 100 points before March, it would put his customer in a much better position as far as speculating is concerned.

I am wondering if you would care to comment on Mr. ——— letter, and whether or not you would suggest any legislation which might remedy this purely speculative gambling outfit, so that it might be made to operate in the interest of those who produce and who actually buy cotton, as well as manufacture actual cotton.

With best wishes, I am,

Yours very sincerely,

H. P. FULMER, M. C.

DEPARTMENT OF AGRICULTURE,
Washington, March 22, 1939.

Hon. H. P. FULMER,
House of Representatives.

DEAR MR. FULMER: Your letter of March 3 has been received, in which you comment upon a communication received from Mr. ——— relative to certain features of the New York cotton futures contract.

Mr. ——— correctly states that the inverted position of the market is a deterrent to the cotton manufacturing business. It is detrimental also to all branches of the cotton industry, a view subscribed to by mills, merchants, cooperatives, and exchanges generally. Meetings have been held by these trade groups to consider proposals to modify the futures contract and improve it. Exchange officials are now giving serious thought to these proposals and it is expected that modifications will be made which will be helpful.

It is not believed that the current market situation is due principally to artificial and uneconomic provisions of the futures contract. The loan program with the loan level above the price the world is willing to pay for American cotton has resulted, as you know, in the accumulation of large stocks of cotton. This is an important factor in the present market. It has placed a premium on cotton future quotations in near positions. The advance of the futures prices to equal that of spot cotton as the futures mature is evidence of the sustaining effect of the loan upon price. The possibility of changes in the loan program is necessarily reflected in the more distant futures.

Mr. ——— contends that the inverted position of the futures market is caused by the advantages of the seller over the buyer because of the multiple quality and delivery point provisions of the futures contract. During the Senate investigation in 1936 it was brought out that these multiple features tend to depress the near futures prices rather than the distant months. This is directly contrary to the views expressed by Mr. ———. The multiple provisions have been in effect for several years, during which there have been years of normal markets with carrying charges between futures.

You refer to the volume of speculation on the cotton exchanges. There is always some speculative trading, but it is interesting to note in this connection that as of a recent date reports made to the Commodity Exchange Administration on large accounts (those accounts long or short holding positions of 5,000 bales and over in any future) showed that long speculators held 2.7 percent of the long positions and short speculators only one-half of 1 percent of the short positions. Hedgers accounted for 15.3 percent of the long positions and 55.8 percent of the short positions. Spreading accounted for 3.1 percent of the long positions and 6.1 percent of the short positions. The remainder of the open positions was held by small accounts (those holding less than 5,000 bales) who held 78.9 percent of the long side and 37.6 percent of the short side. It is evident from these percentages that the volume of speculation upon the cotton exchanges is exceedingly small, as has been the case for some time.

The present market situation is most unsatisfactory for all concerned, but the enactment of proposals before Congress to release additional cotton now held under the loan should go a long way toward adjusting the pattern of the present inverted market.

Mr. ——— letter, as well as the copy of your reply, is returned herewith for your files.

Sincerely,

H. A. WALLACE, *Secretary.*

You will note that the Secretary of Agriculture, Mr. Wallace, in his reply, is simply in a large measure quoting the language of those who are operating the cotton exchange, who, when questioned along this line, make similar statements. In other words, these statements would lead you to believe that actual cotton is involved in these transactions, which is absolutely untrue, in that practically every transaction winds up in a paper settlement, without any delivery of actual cotton from anybody to anybody.

I make the further charge that some days ago when these speculators and gamblers sold March to the extent of $2.85 per bale, not a bale of spot cotton was delivered to anybody in connection with these transactions. As previously stated, all of these sales and purchases were absolutely paper transactions.

If it is, as stated, a good thing for farmers to have the type of operation that we now have on these exchanges, why would it not be a good idea to permit the buying and selling of farm machinery, tractors, and automobiles, in like manner on an exchange?

Oh, no; this would not work, because these well-organized and well-financed groups do their own fixing of prices, which are absolutely monopolistic, and which have been and which still are destroying the cotton farmer on account of these high, fixed prices, in comparison with the very low prices that farmers receive for that which they produce.

If farmers were able to organize and control their own production, marketing, and distribution, then you would not find this type of speculating and gambling on the farmers' crops, because farmers would then be in the same position of these well-organized groups; but it is a known fact that farmers cannot within themselves do these things, and we in Congress permit these organized groups to dictate to the Congress just what type of legislation they want or do not want, so that they may be able to continue, purely on a selfish basis, to bring about poverty and misery to millions of honest American citizens, because of their hopeless and helpless condition.

It appears to me that the time has come, if we ever expect to bring about real recovery, that we should take out of the hands of these speculators and manipulators, as well as thousands of middlemen, operating as commission merchants and brokers, many of whom are real parasites, operating between producers and consumers, sapping the very lifeblood out of both of these groups, the marketing, distributing, and fixing of prices of farm products, and establish by legislation an up-to-date marketing and distributing system from the county, State, on through National agencies, where farm products may be properly graded and properly distributed, with some opportunity of having the same type of price-fixing and bargaining power that all of these other groups have.

All of this would tend to bring about equality on the part of agriculture with price-fixing groups, including labor, and in line with what is actually done by these other groups, which are able to do that which farmers will never be able to do.

If we were just as anxious to do these constructive things as we are to create new activities and appropriate millions to be spent by and through these new activities, millions of which are absolutely wasted, then we would put these unorganized groups in a position to take care of their own interests in line with these other groups, and, certainly, this should tend to bring about increased purchasing power, employment, and a much higher standard of living for the masses of the people, and prosperity all the way up the line.

War or Peace?

EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Tuesday, March 28, 1939

ARTICLE BY DR. JOSEPH F. THORNING

Mr. WALSH. Mr. President, I ask unanimous consent to have inserted in the CONGRESSIONAL RECORD an article entitled "War or Peace?" written by Joseph F. Thorning, Ph. D., Litt. D., chairman of the department of social sciences, Mount St. Mary's College, of Emmitsburg, Md.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WAR OR PEACE?

(By Joseph F. Thorning, Ph. D., Litt. D., chairman, department of social sciences, Mount St. Mary's College, Emmitsburg, Md.)

The theory upon which the Roosevelt administration's foreign policy appears to operate is that the best way to avoid war is to accord every favor "short of war" to Great Britain and France, the two empires which were eminently successful in procuring American soldiers for European combat in the last world conflict.

Furthermore, it may be assumed that the French and British, although they now insist that their privileged purchases of arms and munitions will continue on a "cash and carry" basis, will be perfectly willing, at a later stage in the negotiations, to permit the taxpayers of the United States to finance the high-minded venture in "collective security."

The term "collective security" reminds us that Josef Stalin, of Soviet Russia, has his own interpretation of that protective phrase. His satellites all over the globe are popularizing the notion that "to make the world safe for democracy" is to maintain the stability of the Soviet fatherland. Stalin and his mouthpieces no longer attack British, French, or American "imperialism."

On the contrary, the "democracies" are reproached from Moscow for their failure to "make a stand" against the dictatorships, overlooking the fact that the Communist paradise is, if anything, more "totalitarian" and more savagely "dictatorial" than Nazi Germany or Fascist Italy. The Moscow newspapers do not play up the apt description of Soviet Russia as "a species of tyranny tempered by assassination."

The Czar Stalin also soft-pedals the fact that he can have ready access to the war planes, siege guns, and tanks which we may be persuaded to ship to Paris or London. The experts in the United States Department of State know as well as the Review that the French-Soviet alliance has never been denounced. To be sure, it creaked a little in the hinges at the time of the Czechoslovak crisis.

Walter Winchell to the contrary notwithstanding, it was the Soviet Union that curled up on that contract. But Leon Blum and his Socialists are still the largest bloc in the French Chamber of Deputies, and they have not yet been disillusioned as to the doubtful benefits of the Moscow pact. Nor do they have to worry about the attitude of the 72 Communist members of the Parliament at Paris. The French "popular front," although weakened by the defection of the Radical-Socialists, has by no means repudiated the "Trojan horse" policy dictated by Georgi Dimitroff and the Third International.

This is as good a time as any to remember that the Daladier government, however well intentioned at the moment, has no mandate or lien on permanent power. How many votes would be required to overthrow the rightist regime? How large is the majority upon which M. Georges Bonnet, Minister of Foreign Affairs, can rely in case of emergency? What would happen in another general election?

Although the leftists, embittered by jealousy and strife, are in retreat in France as in many other parts of the world, they are fighting a stubborn rear-guard action. Plucking a leaf from the history of Russia, they assert proudly, defiantly: "The last stand of an embattled host need not always mean a catastrophe."

A world war is the last desperate card of these world criminals. In France, Great Britain, and the two Americas their ranks will be swollen by refugees from the international brigades, whose valor, be it acknowledged honestly, saved Madrid in November 1936.

It has just been revealed that in November 1938, 200 ex-members of the international brigades who fought for communism in leftist Spain occupied the Renault automobile factory outside Paris in defiance of the Garde Mobile. The "veterans" of the American battalions who were organized to fight foreign wars are the loudest, most active proponents of "a preventive war by the democracies."

Of course, Communists, "liberals" and "leftists" are not the only warmongers. Many sincere conservatives are supporting the movement to grant Great Britain and France "every facility and means short of war" in order to back up the foreign policy of these two nations. The attitude of these groups is predicated upon reasons of alleged self-interest. The "nonisolationists" claim that, if we stand idly by while Germany and Italy revise the map of Europe, Africa, and Asia, we will constitute the "dessert" on a menu which had Czechoslovakia and the Ostmark as "hors d'oeuvres."

The argument has a measure of plausibility. The utter defeat of the French and British empires would clear the European boulevards for the wheels of the Rome-Berlin axis. The prospect of the Swastika Ueber Alles is not a subject for supernatural contemplation.

Happily, the conclusion of French and British collapse is not one that we have to accept. According to the most responsible British statesmen themselves, the air force of the empire is formidable enough to bombard the Rhine. The French general staff The Swastika Ueber Alles is not a subject for supernatural conline.

The European war, if it comes this year or next, will be a replica of the last; a war of attrition. Both sides, unfortunately, will suffer terribly for every success. The game is not worth the candle. No one will win. No one did win. No one can win. The balance is even, unless we encourage the allied empires to "defy" the dictators—except Stalin!

"Steps short of war," it may be noted, usually facilitate active participation in armed conflict, sometimes in cruel frustration of the hopes and intentions of those who urged the unwarlike preliminaries.

"Steps short of war" led directly to United States entrance into the World War. The munitions traffic, loans, financial understandings led from neutrality in 1916 to warfare in 1917.

A Permanent Agricultural Program

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, March 28, 1939

ADDRESS BY HON. EDWARD CORNEABY

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have published in the Appendix of the RECORD a most interesting address by Hon. Edward Corneaby entitled "A Permanent Agricultural Program." Mr. Corneaby formerly served as director of the department of agriculture in the State of Minnesota, division of markets and marketing, and it was while serving in this capacity that I first had the pleasure of making his acquaintanceship through our then mutual friend the late Floyd B. Olson, three times Governor of Minnesota, when Governor Olson and Mr. Corneaby visited Washington in behalf of the farming and agricultural interests of their great Commonwealth. Today, as secretary to my colleague the junior Senator from Minnesota [Mr. LUNDEEN], Mr. Corneaby is one of the most capable and popular secretaries on Capitol Hill. I know something of his career. He was instrumental in the establishment of municipal markets that spread from his progressive State over the entire Nation. As director of the department of agriculture in Minnesota, he designed and aided in the pas-

sage of laws that proved of great assistance to the farmers. He also assisted in the passage of laws that protected the farmer from "chiseling" buyers. I know that he is heart and soul interested in farm legislation. He has spent the best years of his life in the study of markets and farm problems. He is an "America first" American, who believes in saving our own people first. He says, "Keep out of the quarrels and wars of Europe and the lands beyond the seas." I am confident his address will prove interesting and informative to those who peruse the lines which I have requested to be printed in the pages of the Appendix.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The tragedies of the economic depression which the American people have been compelled to tolerate, in the midst of plenty, for the past 6 years have caused many intelligent people to wonder if our representatives really want to adjust our economic structure in such a way that it will function in accordance with the needs of all humanity.

When you prime a well, whether it is in the kitchen or the barnyard, you expect to get more water out of the well than the amount used in the process of priming. If you don't get a substantial water supply, the well isn't worth priming, or else you have pumped the water up before it made connection with the source of supply.

Something certainly has been fundamentally wrong with the priming processes which our Federal Government has used in an effort to restore economic prosperity. One reason for this fact is that both Congress and the industrial East do not and apparently will not agree that agriculture is America's basic industry.

A little incident which occurred in 1920 will illustrate my point of view. We had what appeared to us then a serious business and agricultural depression.

For example, corn which sold in 1919 for $1.75 per bushel was selling in 1920 for 40 cents per bushel. A group of about 50 farmers, business and professional men, representing the agricultural Northwest, were called to Washington for advice and counsel. While there they listened to an address by an outstanding eastern industrialist. During his address he made these remarks: "The United States is, principally speaking, an industrial nation. In order that our industries can succeed it is necessary to have cheap food products, and in order to have cheap food products it is necessary to have an agricultural peasantry." This attitude has been, and still is, characteristic of the industrial East. It explains in part, at any rate, the pump-priming policy practiced by our Federal Government.

Our priming policies have benefited big business for the most part. Our railroads, public utilities, the steel industry, and large construction corporations have been the principal beneficiaries of all Federal and State grants used in an effort to stimulate business.

The aid given agriculture has not been an intelligent aid nor has it resulted in any permanent benefits to agriculture. When the Government grants seed loans to the farmers only to create a surplus at the time of harvest, which under our present system demoralizes the price of agricultural commodities, it is difficult to identify any benefits. A 5-percent surplus under our present system of marketing, subject to the manipulation of vicious, crafty, exploiting grain speculators, often demoralizes the price of grain from 50 to 70 percent.

The A. A. A. was a gesture on the part of the Federal Government to guarantee the benefits of monopoly price for agricultural commodities. They hoped to accomplish this by arbitrarily curtailing the production of farm products.

It soon became evident that the benefits of an economy of scarcity would not function with the same degree of accuracy in the case of agriculture as occurred when this policy was applied to monopolized industries. There were too many unpredictable factors, consequently the policy was abandoned. It demonstrated, however, that our industrial structure is at present built on two vastly different economic policies. Our monopolized industries operate in accordance with what the economist terms the paradox of values, or the monopoly price, meaning that a small output artificially controlled is worth more in dollars and cents to the manufacturers than a larger unit production. Agriculture, on the other hand, operates in accordance with the laissez faire policy when a small surplus completely demoralizes the price of the commodities produced.

The criticism of the A. A. A. presented a strange paradox. People often said it was un-American to curtail the production of wheat, cotton, and hogs when mothers and children and many groups of deserving citizens in this country were in need of these commodities. Their interest, however, in the needs of society seemed to vanish rather abruptly because they failed to apply the same logic and say that it was un-American for the textile mills, the flour mills, and the packing plants not to make these commodities available for the public at a price at any rate not in excess of the cost of production.

A nation such as ours, with a population of 130,000,000 people, should not encourage an economy of scarcity, especially when it applies to necessities of life. In a democracy the men and women who produce the raw materials used in food, clothing, and homes should share equitably in what they produce and enjoy the advantage of an economy of abundance.

A permanent, healthy prosperity in America will never be realized until agriculture is established on a sound economic basis. Present methods may check the depression, but at best they only allow our industrial structure to "mark time." In priming the industrial well and only priming the railroads, the public utilities, the construction enterprises, so to speak, and not have the priming apply in an intelligent and substantial way to agriculture, will never restore prosperity. Agriculture is the only industry in America possessing the potentialities to sustain and to put in motion our entire industrial structure.

The annals of the commercial history of the United States demonstrate that whenever the prices of agricultural commodities fall and become demoralized it results in chaos in every phase of industrial activity, while, on the other hand, if agriculture is in a healthy economic condition all industry in America flourishes. Our railroads, mines, public utilities, large construction companies don't carry and perpetuate agriculture. It is, rather, agriculture that makes these activities prosper.

It is good, shrewd, practical business to guarantee a certain rate of income and profit for our railroads, telephone companies, electric-light companies, insurance companies, etc. Why shouldn't the same economic principles apply to agriculture? Why should agriculture be asked to shift for itself when other industries have a price structure which guarantees an income based on capitalization and services rendered? (In many instances the capitalization reflects a high-water mark. Earnings and dividends allowed being based on actual investment plus watered stock.) How long would our railroads and public utilities last if they were compelled to absorb the price fluctuations characteristic of agriculture?

If an insurance company receiving $20 per thousand for a certain life-insurance contract would be compelled to sell that contract for $12 six months from now, it wouldn't be long before such extreme price variations would completely cripple the industry. The American farmer, however, is expected to thrive under such a system. Wheat may sell for $1 per bushel today, and 3 months from today the same grade of wheat sells for 60 cents per bushel, with the price of all other farm commodities produced by the farmer varying accordingly, and the farmer is expected to pay the fixed charges guaranteeing a profit and the cost of production for all services and articles he requires, freight rates included. Such an unfair condition just can't continue without making paupers and peasants out of our agricultural population. The American farmer deserves and rates something better.

The solution lies entirely in a practical, scientific, and intelligent handling of the surplus of farm commodities produced in the United States. Some feeble, unsuccessful, impractical attempts have been made to control the surplus.

The Hoover administration used the empty-bin storage method plus buying of grain futures. The empty-bin storage method refers to the practice of buying and storing grain, but allowing the same grain to be constantly on the market for others to buy and sell. The storage actually exists only in the form of a bookkeeping transaction. This attempt to stabilize the grain market in reality had a demoralizing effect because the grain trade didn't know from one day to the next when these large grain holdings on paper would be turned back on the market. The present method of attempting to control the surplus and encourage an orderly marketing of grain by making available loans at the rate of one-half or less of the cost of production helps, but it is far from a permanent solution of the problem.

A practical solution of the surplus problem can be intelligently accomplished by having the Federal Government establish Federal elevators and buy and sell the surplus grain and thereby actually take the surplus grain off the United States market.

Such a system has many advantages. In America we have approximately 130,000,000 people. As a Nation with a basic necessity like wheat, we should never begin to think in terms of a surplus until we have at least 1 year's supply in storage. We use approximately 650,000,000 bushels of wheat in the United States annually. If there is a carry-over of over 200,000,000, it demoralizes the price, especially if there is a good wheat crop in the offing. If the Federal Government would actually purchase and store in Federal elevators a year's supply of the basic cereals and deal with the surplus over a period of years in a businesslike way, thereby stabilizing the price of agricultural commodities, this devastating depression would be at an end. The Federal Government has an oil reserve, why wouldn't it be even more sensible to have a wheat and cereal reserve? Such a policy would provide security and stability throughout the country, both in times of peace and times of war alike.

It would only be necessary for the Federal Government to buy, store, and dispose of the surplus of the basic grain crops, because if this was done, the farmer could easily adjust the balance of what he produces, such as livestock and special crops.

Some people may react to this plan and say that Canada tried this system and it failed. The situation in the United States and Canada is, however, not at all comparable. In the United States we have over 130,000,000 people compared with Canada's population of 10,376,786. The United States has a substantial domestic market while Canada is forced to rely for all practical purposes on a foreign market.

The policy recommended provides that the Federal Government would buy all grain of specified grade and quality offered for sale at the basic minimum price.

In reality, under such a system, the Federal Government would only be required to purchase a fractional part of the surplus due to the fact that as soon as the price increased above the minimum basic price, the Federal Government would cease purchasing grain. A price structure would be determined by a national agriculture board as a result of a scientific study by agricultural experts, establishing a price schedule guaranteeing a reasonable income based on efficient farming.

Example of price schedule

	Basic price [1]	Minimum crop-year price [2]	Selling price to farmers for seed and feed, 10-percent increase [3]	Selling price, open market, 25-percent increase [4]	Import price, 30-percent increase [5]	Export price [6]
Wheat	$1.00	$1.00	$1.10	$1.25	$1.30	(7)
Corn	.75	.75	.83	.93	.98	(7)
Oats	.32	.32	.35	.40	.42	(7)
Rye	.65	.65	.72	.81	.84	(7)
Barley	.50	.50	.55	.63	.65	(7)

[1] The basic minimum price after once being established would remain fixed. The Federal elevators would never pay less for established grades of grain than the basic price.

[2] Minimum crop-year price: Under ordinary conditions, the minimum crop-year price would be exactly the same as the basic price. If, however, the value of the dollar fluctuated and we had inflation or cheap money, the National Agricultural Board could establish an increase in the minimum price for that crop year.

[3] Selling price to farmers: It would be the policy of this plan to sell grain to bona fide farmers for seed and food purposes at an increase of 10 percent over the minimum price.

[4] Selling price open market: In the event of a poor crop year, the plan provides for selling the grain on the open market at an increase of 25 percent of the minimum price. Large fluctuations in the price of grain are disturbing and damaging to the farmer. Whenever there is a shortage of grain, the farmer is one of the largest purchasers.

[5] Import grain price: No grain would be imported until the domestic price was 30 percent above the minimum price. A substantial tariff on all farm commodities would apply. The price structure above the basic minimum price could vary in a normal way without any interference on the part of the Government.

[6] Export price: If after a period of 4 or 5 good crop years, a year's supply of basic food cereals had accumulated in Federal elevators, the National Agriculture Board would be empowered to dispose of any additional surplus to the best advantage of all countries concerned. In handling the surplus, it is not intended that the Federal Government would make money on the undertaking, rather it is anticipated that a deficit would be incurred each year. If, however, agriculture is placed on a sound, sensible businesslike basis, the benefits would be tremendous, and offset any deficit which might occur.

[7] Price to be adjusted in accordance with best possible advantages of all countries concerned.

This plan would not only restore confidence in agriculture but it would affect in a positive way every phase of our industrial life. The banker could consider agricultural paper as a good investment and experience no difficulty in rediscounting it to his advantage. The businessman, contractor, and implement man could extend credit to the farmer and know, as was the case in years past, that the bill would be paid. The wheels of industry would be set in motion from a natural cause and all business as a result would prosper.

The farmer likes to see his prosperity manifest itself in a physical form. He likes good equipment, fine stock, well-painted and furnished buildings, and clothes for his family. The farmers are the best group we have in America to put money to work and get it in circulation.

It is because the buying power of the farmer has been substantially curtailed that all industry is in a state of stagnation and requires artificial stimulation periodically.

Handling the surplus of basic grains through Federal elevators would restore stability to the entire price structure of agricultural products. Under the plan suggested, there would be only one transaction between the farmer and the Government. No corps of inspectors would be required to travel from farm to farm and examine corncribs and granaries. The Federal Government would buy just like any elevator whenever a farmer decided to sell at the basic minimum price and the grain trade and domestic market would purchase all grain sold above this price. It is conspicuously evident that the first step in the restoration of normal business conditions in the United States is to establish a permanent, sensible, businesslike policy for agriculture. After such a program is placed in operation the other steps in a recovery program will be more discernible. The farmers of America will find that if they unite on a definite agricultural program that organized labor will render substantial assistance by way of having such a program crystallize into law and put in operation.

Organized labor has had years of experience in promoting legislation and, if given an opportunity, would stand shoulder to shoulder with the American farmer in sponsoring a national agricultural program. The welfare of America would be greatly benefited by immediate action establishing a long-time agricultural policy. Whether we have a limited or unlimited production in the agricultural industry this sensible method of surplus control is necessary.

Suggested Amendment of Bituminous Coal Act

EXTENSION OF REMARKS

OF

HON. HARRY S. TRUMAN

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Tuesday, March 28, 1939

LETTER FROM COMMISSIONER WALTER H. MALONEY, OF THE NATIONAL BITUMINOUS COAL COMMISSION

Mr. TRUMAN. Mr. President, I ask unanimous consent to have printed in the RECORD a letter addressed by Commissioner Walter H. Maloney, of the National Bituminous Coal Commission, to the Kansas City Star concerning the so-called Allen bill proposing to amend the Bituminous Coal Act.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GENTLEMEN: On March 21 you gave considerable space to the statements of Mr. E. M. Douthat regarding the Allen bill, recently introduced in the House of Representatives, to amend the present Bituminous Coal Act. Those statements are by no means correct. They also lack substantiating facts and data.

He mentions the great losses of the coal industry this year which may aggregate $75,000,000, and blames them on "demoralized prices caused by provisions of the act." Those losses are the result of the need for the present coal law, which will be in effect when our Commission establishes minimum prices, which now are in the final stages of compilation. Therefore, the loss in the coal industry cannot be the result of any law; but when minimum prices are made effective by this Commission, they will prevent such losses, because the coal industry must then sell its coal at or above the cost of production.

However, until the minimum prices are made effective, the coal industry likely will continue to sell its coal below the cost of production, which has resulted in the losses mentioned by Mr. Douthat. It must be observed that this law does not fix prices of coal; it only sets a base below which coal may not be sold at the mines.

While in Kansas City the other day I found records of coal being sold at the mines for 25 cents and 50 cents a ton that cost about three times the sale price to produce. Effective minimum prices under our law will prevent sales at such prices.

The Allen bill apparently eliminates any cure for the above-mentioned conditions. Briefly, it may be said to be an effort to avoid the effect of the present antitrust laws with no corresponding benefit to the coal industry. It provides for the establishment of marketing agencies—so does the present law provide for marketing agencies. To date our Commission has approved many of them, and they may now perform many of the acts permitted under the proposed Allen bill, but they are not doing it, and coal is now being sold at cutthroat prices regardless of marketing agencies. It is very similar to the law which was a failure in England until basic coordinated prices were established. This Commission has cooperated completely with the marketing agencies, some of which have existed for years; but marketing agencies cannot prevent the sale of coal below the cost of production. The only cure for that is a minimum-price system, which this Commission will establish shortly. Such was the experience in England.

Mr. Douthat complains about the cost and expense of administering the present law. That cost and expense is part of the cost of production which is always, in the course of good business, passed along by the producer to the consumer. However, it is only a drop in the bucket compared to the enormous losses suffered by the coal industry for many years, all because there has been no law to save the industry from itself and prevent it from selling its product below cost. He likewise complains of the limitations of the 30-day clause upon the right to contract. That limitation is removed automatically when minimum prices are established.

Practically all features of the proposed Allen law have heretofore been discussed in Congress and have been found insufficient. It is a plan advocated by low-cost producers who produce only a small percentage of the coal necessary to supply the needs of the people in the United States, and it is apparent that the Government must protect the balance of the producers in order that there will be fairness in the opportunity of producers to market their product and insure an adequate supply of fuel. With few exceptions, those who are supporting the Allen bill opposed the present law.

It should be observed that the minimum-price provisions of the present law were declared constitutional by the circuit court of appeals in the District of Columbia at or about the time this committee became active. It was apparent then, and is now, that a system of minimum prices in the coal industry is entirely legal and

constitutional, so the only remaining move for enemies of the present law is to repeal it. This statement is made for the reason that members of the so-called committee to reorganize the coal law are engaged in soliciting support from producers and distributors of coal in various parts of the country by representation such as you published, and it is feared they may be misled unless they are correctly advised. Any charge or complaint made by that committee has been and can be exploded with facts and data now in the possession of this Commission and generally known in the industry. It is also generally known minimum prices would now be in effect if it were not for the resistance offered by some large producers and some large consumers.

In support of my statement, may I quote from a letter of Mr. J. D. A. Morrow, leader of the so-called committee for amendment of the Coal Act, under which Mr. Douthat works. The letter was written to Chairman Tetlow, of our Commission, on January 23, 1939, in explanation of a speech Mr. Morrow made at Birmingham, Ala. I quote from Mr. Morrow's letter:

"In order that you may have a clear understanding, first, that my criticism is directed toward the price-fixing provisions of the act only; second, that I am not in favor of repealing the act (nor abolishing the Commission), but of improving it and trying to make it of really practical help to the industry; and third, that in no sense was I criticizing the Commission or its personnel."

The entire letter is available for publication if you want it. Therefore, in the light of these facts and a mass of data available in this Commission to establish the truth, I hope and trust you will give my statement as much publicity as you gave to those of Mr. Douthat.

Conservation in Missouri River Basin

EXTENSION OF REMARKS

OF

HON. ERNEST LUNDEEN

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, March 28, 1939

ARTICLE ON CONSERVATION

Mr. LUNDEEN. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Conservation—the Missouri River—Progress and Prosperity for North Dakota and South Dakota." It has to do with the water resources of the great Missouri River.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

The development of the Missouri River Basin must be considered a definite and integral part of any program for the rehabilitation of the Northern Great Plains. The importance of this great area to the Nation is so vital to our economic structure that any plan of water utilization that will tend to rehabilitate large sections of this area must transcend State lines in its interest to the Congress. It is true that the Missouri River Basin embraces only all or parts of Kansas, Nebraska, the Dakotas, Montana, Wyoming, and Colorado, but this section of the country plays a most important role in the welfare of the Nation.

It is generally agreed that the fundamental need of this basin is the conservation of the available water resources. I consider conservation a process of making available water in an area for use where and when needed. It is a tragedy indeed to witness on the one hand devastating floods and on the other hand a starvation of water by our people when remedies for both of these conditions are available.

The Northern Great Plains area is one of the problem areas of this country. This area is capable, under normal conditions, of providing an ample livelihood for the thousands of its inhabitants if proper use is made of the land and water resources. But recurring droughts, dust storms, and water shortages have laid waste to thousands of acres of soil capable of high productivity.

One of the areas that has been especially hard hit has been the States of North and South Dakota. The story of the hardships of the peoples in this area is too well known to need elaboration here. They now ask of this Congress help that they rightly deserve.

I have given considerable study to the proposed Missouri River diversion project in North Dakota, and I concur with the Honorable JOSEPH J. MANSFIELD that this project is definitely one of conservation and should be rightfully considered as a major part of the ultimate development of the Missouri River Basin.

It has been estimated that an area of about 40,000 square miles or 25,600,000 acres in North Dakota, South Dakota, and Minnesota would be directly benefited by this project, which has for its objective the diversion of water from the Missouri River into Devils Lake and the Sheyenne and James Rivers. This area is capable of producing livestock and crops annually valued at $250,000,000. The importance of this area to our Nation cannot be dismissed.

In some sections of this area over 50 percent of the population are presently or have been on Government relief. The industry of the area here is in peril of going under. Cities have for years been treating sewage for their water supplies because the streams have stopped flowing. One section of the area that receives its water supply from wells because of lack of water in the streams has been subjected to a serious health hazard because of dissolved fluorides in the water.

It has been shown that over 22,000,000 acre-feet of water passes through the Missouri annually in North Dakota. It is proposed to divert only about 2 percent of this water into the James and Sheyenne Rivers and Devils Lake. Surely the welfare of nearly a million people should deserve our careful consideration of such a project.

Civil Liberties

EXTENSION OF REMARKS

OF

HON. CHARLES H. LEAVY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 28, 1939

ADDRESS BY HON. FRANK MURPHY, ATTORNEY GENERAL OF THE UNITED STATES

Mr. LEAVY. Mr. Speaker, the Honorable Frank Murphy, Attorney General of the United States, last night in his first Nation-wide broadcast since becoming Attorney General, very completely and fully expressed his views upon matters of vital concern to the Nation as a whole, and in the expression of those views he disclosed his philosophy of democracy clearly so no fair-minded person can longer doubt for a moment that the head of the Justice Department is a man of rare attainments, sound judgment, and great courage, and typifies the ideal of American citizenship.

I feel it is a privilege and an honor to make this extraordinary address a part of the permanent records of this body by having it placed in the CONGRESSIONAL RECORD.

The address of the Attorney General is as follows:

Democracy today is in a fight for its life. Wherever we look we see determined efforts to tear down the things that the masses of mankind have been painfully struggling to achieve all through the ages. The right of self-government, the right of every man to speak his thoughts freely, the opportunity to express his individual nature in his daily life and work, the privilege of believing in the religion that his own conscience tells him is right—all these precious things that men have won through blood and anguish are hanging in the balance.

We must not let the scales drop the other way. If we do, we shall have betrayed civilization itself. We must fight to keep these treasures just as bravely and vigorously as those who have gone before us fought to gain them. Democracy will not save itself. It isn't something automatic that will go on and on by its own power. We can't just be dreamy and sentimental about it. We must bestir ourselves and see that it works smoothly and efficiently in every respect. We must actually apply the principles of democracy to the world we live in—give them life and substance and meaning.

It will not be enough to do just half the job. We will have to be thorough and conscientious, because those who would like to destroy democracy are doing a thorough job of it wherever they have the chance. They are giving no quarter; neither must we.

The phase of democracy that I have in mind particularly tonight is civil liberty. But I want to emphasize once more that our fight will not be won by half-way measures. Not only must we make civil liberty a living reality but the democratic ideal must be applied in every part of our life—social, political, and economic.

Perhaps it would be helpful to start at the beginning and ask, "Why have civil liberties at all?" Generally speaking, we believe in them because we are convinced they represent the best possible compromise between the governmental regulation that is necessary for an orderly society and the absolute freedom that has no limits except the laws of nature. But there is another reason that comes closer home. We who are devotees of democracy believe in civil liberties because we know that without such rights as freedom of religion, freedom of speech and press, freedom to assemble peacefully and to petition our Government for the correction of wrongs, democracy cannot possibly exist.

If this, in brief, is the reason for our faith in civil liberties, what is our present situation?

It is common for orators on patriotic occasions to point to the early years of our Union as the period in which love of civil liberty was at its height. They remind us that it was the denial of liberty that drove the fathers into violent revolution. They point out that the Colonies refused to ratify the Constitution until they were assured that a Bill of Rights would be added. From such good evidence, they picture the period surrounding the Revolution as a "golden age" of liberty from which, for one reason or another, we have steadily declined.

There is another view—which, I suspect is held by a considerable number of people today—that seems to take civil liberty pretty much for granted. Those who subscribe to it look back over 150 years of political democracy in this country and conclude that what has existed so long will continue to exist. If they see any present danger to their liberties, it is at best a long way off.

There is a good deal to be said for both these attitudes, and particularly the first. Certainly none of us can forget or ever cease to revere the spirit of those who wrote and embraced the Declaration of Independence. We cannot forget how bravely they took up Patrick Henry's challenge of "liberty or death" and fought their way to liberty at such terrific cost.

But if we examine these attitudes closely, we will find that neither is entirely accurate. The first, which views the present with alarm, is unrealistic because actually we have made progress in public tolerance since those early days. As evidence, we need only to recall the notorious Alien and Sedition Acts, legislated and enforced by the last Federalist administration which preceded the term of Thomas Jefferson. Under the Alien Act, noncitizens could be deported or could be imprisoned for 3 years without trial or hearing. Under the Sedition Act, a newspaper editor or public speaker or, for that matter, a person in private conversation, could not utter any word which might be interpreted as a reflection on the administration. Violation of this law could be punished by Presidential order without trial, hearing, or the right of appeal. Unbelievable as it may seem today, the proprietors and editors of the four leading anti-Federalist newspapers of the day were prosecuted under this statute for sedition. One man was given a sentence of 2 years for erecting a sign which read, "Downfall to the traitors of America."

In 1800 public feeling against the Alien and Sedition Acts resulted in the election of a new administration. But political persecution was by no means at end. From time to time in the history of the succeeding years we find strong evidence that the group in power or in the majority was actively intolerant of those whose political views differed from their own.

In those days, as now, it needed a broad mind and a great heart to be tolerant of a political philosophy utterly opposed to one's own. Here was an infant nation embarking on a political experiment without equal in the history of the human race. The principle of government by the people was on trial before a world committed almost entirely to government by kings. What could be more natural than that men of strong convictions, each convinced that his way was the best and each one determined that the new experiment must succeed, should come to disagreement over policies and methods? In fact, every ingredient of a period of great stress in the national life was at hand. And it is a time like that when men are most sorely tempted to look upon civil liberty as a protection only to themselves and not to those with whom they disagree.

Obviously we are in a period of that kind today. The danger of class consciousness—something for which the vast majority of Americans have little sympathy in normal times—has been increased by unemployment and insecurity. The danger is not a theoretical one. It is not something invented in the mind of the social psychologist. It is an actual condition evidenced by happenings that come almost daily to my attention.

Only recently I received a letter from a wife and mother complaining that the small business conducted by her husband and son had been ruined because they opposed the political principles of the city administration. Intimidation had driven their customers away. Here is a form of persecution without benefit of an alien and sedition act.

In another community a young man who actively opposed the boss of the local political machine was indicted on a false charge. He was tried and convicted by a jury consisting entirely of persons connected politically with the leader of the machine. He was denied bail on appeal. After several postponements the case came to the appellate court but not until after the defendant had served his term.

Reports have come to the Department of Justice that persons who have testified before congressional committees have been beaten or discharged from their employment. In other words, for exercising the elementary right of conveying their views to their Government they were subjected to physical cruelty or loss of their jobs.

I believe most of you will remember the recent Harlan County prosecution which brought to light widespread denial of the rights of workmen to organize and bargain collectively. That unfortunate condition is steadily being corrected, and I believe that as time goes on there will be less and less of it.

Events such as these are the reason for my earlier statement that the casual attitude which takes civil liberties for granted and recognizes no danger to them is just as unrealistic as the view that the American people are steadily leaving their love of liberty behind them.

I do not wish to appear to you as an alarmist. I have the greatest confidence that the American people will ride through this storm with their liberties and their faith in those liberties unharmed.

I only want to repeat, and to stress as strongly as I can, that warning which John Curran uttered 150 years ago for his generation, for our own, and for all that are to follow: "The condition upon which God has given liberty to man is eternal vigilance." My purpose is to emphasize that if we wish to keep what we have gained and so long held, we must be alert. We must be on guard against those tendencies and attitudes, in ourselves as well as others, that open the door to one denial of liberty and then another.

The Government, of course, can help us keep watch. It can take the initiative and lead the way. But we must remember—and this is important—that government cannot do the whole job.

I am afraid that a great deal of the present apathy toward civil rights traces back to the notion that their protection is the sole responsibility of the Federal Government. I am afraid there is considerable misunderstanding as to the meaning and effect of the Federal Bill of Rights, which includes the first 10 amendments of the Federal Constitution.

Students of law know, of course, that the Bill of Rights in the Federal Constitution is a prohibition on the Federal Government. In other words, its forbids the Federal Government to deny to the people those liberties of speech and assembly, of religion and the press, that are so vital to our freedom. Each State having its own constitutional bill of rights, it was assumed by the authors of the Federal Constitution that the State governments would protect their own citizens from infringement of these liberties not caused by the Federal Government.

Since the Federal Constitution was adopted, however, another amendment—the fourteenth—has been added, which provides that no State shall make any law abridging the privileges and immunities of United States citizens or deprive any person of life, liberty, or property without due process, or deny to him the equal protection of the laws. Under this amendment it has been held that a citizen may invoke the aid of the Federal courts when he is denied full protection by the courts of his State.

I do not wish to give the impression that the Federal Government is powerless to protect civil liberty. For, although most of a citizen's rights are created and protected by the Constitution and laws of his State, there are certain rights which he obtains not from his State but because he is a citizen of the United States. The distinction should be kept in mind, however, when the Federal Government fails to act in situations that seem to call for its intervention. It serves to explain why it does not take action in every situation where some liberty has been abused.

The Federal Government today is determined, nevertheless, to protect civil liberties by all means available to it. It will not be for this faction or that, this class or that class, this nationality or that one, but for all the people. We propose to protect civil liberties for the businessman and the laborer alike, for the Jew and the gentile, and people of all racial extractions in our midst. We believe it must be done consistently and with a fine impartiality, otherwise it cannot be truly democratic.

In this determination we have recently created a separate unit on civil rights in the Criminal Division of the Department of Justice. One of the first duties of this unit has been to consider and determine just where the Federal Government can act and to define the limits of its jurisdiction. Within those limits it will exercise its second duty of ordering investigation and prosecuting for violations of rights which the United States Government is charged with protecting.

The unit is now at work under my supervision. The complaints of citizens which have already reached me have been given careful consideration. In many cases we have had to reply that the matters complained of were so completely outside of the Federal Government's jurisdiction that we could do nothing. In other cases we have proceeded to obtain the facts and to determine whether or not a Federal law has been violated.

Yet when all this is done, when the Federal Government has done its part, and when the State has given all the portection it can, something more is required. The courts cannot review every denial of civil rights that may occur in our midst. Year by year since the Constitution was adopted it has become more and more obvious that tolerance cannot be enforced by law. No government, however strong, can guarantee complete observance of the spirit of the Bill of Rights. The Golden Rule cannot be made effective by United States marshals. The great protector of civil liberty, the final source of its enforcement, now and always is the invincible power of public opinion.

No court or law can make wholly inviolate the right of freedom of speech. Once it is denied by ordinance or some arbitrary exercise of power, what decree or court award can restore to the citizen denied his right to speak on that occasion? Only the insistent will of a tolerant and informed people can insure freedom at all times to the voice that utters an unpopular view.

What injunction of law can undo the murder of the mob that acts by no other authority than its passions? The victim, lynched and lying dead has no appeal. It is only the spirit of restraint and tolerance deeply abiding in all our people that can prevent this type of trespass.

And so it is with the secret vigilante and the guerilla organizations that carry conviction by fear and persuasion by tar and

feathers. The courts can provide a remedy for their lawlessness, but for its complete prevention there is only one place to look, and that is to an overwhelming public determination that it must not happen here.

It is anything but an easy job, this task of protecting civil liberty, and it is made twice burdensome by the fact that there is little pleasure in enforcing liberty for those who would deny liberty to others if they were in power. It is not easy to detest an extremist philosophy and yet insist on the right of any man to advocate it freely.

Yet, apparently we must do just this if we are to practice our faith in democracy. We must remember that America was founded by men who came to these shores to escape intolerance in other lands. We must remember that the political system which they advocated, fought for, and established under the Constitution was heresy in the eyes of the government that ruled them. We must never forget that the democratic way is not to crush the alien view but to let it be heard and to defeat it by demonstrating that our own way of living contributes the most to human happiness.

Only in this way—through the vigilance of a citizen body thoroughly schooled in the meaning and purpose of civil liberty—will we achieve the general enjoyment of civil liberty. Government, by precept and example, and by providing remedies in individual cases of denial of liberty, can make a large contribution. But in the last analysis, the American tradition of individual freedom, handed down to us by Roger Williams, Thomas Jefferson, Abraham Lincoln, and many other devotees of liberty, will be carried forward only if each of us practices every day that faith in which Voltaire declared to his adversary, "I disapprove of what you say, but I will defend to the death your right to say it."

Difficulties of the New Deal Agricultural Program

EXTENSION OF REMARKS

OF

HON. J. ROLAND KINZER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 28, 1939

Mr. KINZER. Mr. Speaker, under leave to extend my remarks in the RECORD, may I state that one of the greatest difficulties of the agricultural program of the New Deal during the past 6 years is that it has not distinguished the problem of relief of persons situated on farm land from the basic problem of agricultural recovery. There are a large number of persons cultivating farms that are not and never could be financially successful agriculturalists because the land they cultivate is distinctly submarginal. The existence of such submarginal farms and the rendering of public assistance thereto has confused and complicated the problem of the development of a sound public policy in relation to what would normally be successful agricultural enterprises. The present policy of restricting agricultural production blanketwise on good land as well as bad land and of stimulating the artificial increase of prices of agricultural commodities has had the undesirable effect of stimulating the spread of agricultural enterprise to additional submarginal land areas.

DIFFICULTIES

After 6 years of the New Deal literally nothing has been done to treat separately these two problems: First, the rendering of public relief to persons cultivating submarginal farms; and, second, the development of a sound agricultural policy relative to farms that can be successful agricultural enterprises. In order to effectuate such a differentiation of policy it is necessary to have detailed information concerning the extent of submarginal land in the United States. Where is this land located? How much is there? Is this land concentrated in specific problem areas or is it generally scattered throughout the country? What is the value of the land? What crops are produced on such land? What is the value of those crops? If we are producing a surplus of any commodity, is it not desirable to limit the production of such surplus on submarginal land rather than in the more efficient areas of production? What is the record of farm tenancy in each of these areas? Are the farms mortgaged or do the owners possess an unencumbered title? Are the people cultivating these submarginal farms on relief? What has been the total amount of public money spent for relief purposes in such areas during the past year? After 6 years of the New Deal and the spending of billions of dollars, I surmise that the Department of Agriculture has already gathered, correlated, and synthesized this information, and that it is merely waiting an opportunity to present it to the public. It is my wish to afford them such an opportunity, and I have therefore requested the Secretary of Agriculture for detailed information by which an intelligent consideration could ge given by the Congress to these highly important matters.

Political Significance of the Word "Appeasement"

EXTENSION OF REMARKS

OF

HON. NOAH M. MASON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 28, 1939

Mr. MASON. Mr. Speaker, the word "appeasement" has become quite hackneyed the past few weeks, so much so that a discussion of the word and its present-day application should be of interest to the Members of the House. I therefore submit the following illuminating discussion of the word "appeasement."

THE OLD GRAY SQUIRREL

My little friend Stuffy, the old gray squirrel of the White House lawn, greeted me this morning with the following: "Congressman, when the word 'appeasement' is used within the hearing of the President, it has the same effect upon him as a red flag has upon a Spanish bull. What does 'appeasement' mean?" I chuckled and answered as follows: "The word 'appeasement' came into prominence with Prime Minister Chamberlain as the word that best expresses his policy toward the so-called aggressor nations of Europe. In substance it means 'to pacify,' to 'humor,' 'to give in to,' 'to placate'—in order to avoid the effort necessary to control or to check. It is the attitude that short-sighted parents take in dealing with their children, and it inevitably results in spoiled, badly behaved youngsters." Stuffy grinned at me and said, "It's easy to see you have been a schoolteacher. I'll bet there weren't many spoiled children around your school." Wondering what my bushy-tailed friend had in mind when he asked me to define "appeasement," I asked, "Why should the President see red every time the word 'appeasement' is used?" Stuffy's answer was enlightening, to say the least. Here it is: "Do you remember the President's Madison Square Garden campaign speech when he said rather boastingly, 'During the past 4 years big business has met its match. During the next 4 years big business will meet its master'? Well, in an effort to carry out that boast, business has been handicapped and hamstrung by restrictive legislation, shackled with crippling taxes, strangled with unfair Government competition, and reformed(?) almost to death.

"As a result of this ill-considered treatment, recovery, that was once 'just around the corner,' has been frightened away until no one knows just where, or how, or when we can locate it again. By these tactics business has been prevented from employing idle men; has been discouraged from making any effort to expand and create jobs for the unemployed; while capital has been driven into bulging bank vaults and industry has been allowed to stagnate. At the same time our Government's spending program has been carrying the Nation toward bankruptcy, repudiation, or inflation. Today the real statesmen of the Democratic Party are trying to get the President to change his advisers, to change his policies, to change his attitude toward business. They want him to forget his reform crusade for awhile and adopt a recovery program. They want him to reverse this downhill trend before it is too late; and this whole effort is being called 'appeasement.' Just who is to be appeased is not very clear.

Some think it is business; some think it is the President; and some think it is the worried Democratic statesmen. The great question, however, is whether as a result of these 'appeasement efforts' we are to have permanent peace and resultant recovery, or whether the best we can hope for is another short breathing spell, followed by another 'reform crusade.' This wonder and uncertainty is demoralizing to business and a real deterrent to recovery. Our economic future is about as uncertain as the political future of middle Europe, and for the same reason, because each depends very largely upon the whims or caprices of dictator-minded leaders. Don't you think so, Congressman?" I refused to hazard a guess. What do you think?

Southern Problems—Freight Rate Discriminations

EXTENSION OF REMARKS

OF

HON. DAN R. McGEHEE

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 28, 1939

ARTICLE BY LOUIS M. JIGGETTS IN WASHINGTON POST OF MARCH 5, 1939

Mr. McGEHEE. Mr. Speaker, on March 5 there appeared in the Washington Post the first of a series of six articles by the Honorable Louis M. Jiggetts, national Democratic committeeman for the State of Mississippi, the title of which is "Southern Problems—Freight Rate Discriminations."

The series of articles that is being written by this distinguished gentleman have appeared in the Post each successive Sunday, and the last will be in the issue of April 9.

These articles are timely and will give to the Membership of the Congress an idea of the problems of the South, as well as a portrayal of the thoughts of the people of that section.

Mr. Speaker, under leave granted by the House to extend my remarks, I have the pleasure to include the article above referred to.

[From the Washington Post of March 5, 1939]

SOUTHERN PROBLEMS

(By Louis M. Jiggetts, vice chairman, Democratic National Committee)

I. FREIGHT RATE DISCRIMINATIONS

The South doesn't need uplifters, professional or amateur, to diagnose its ills, economic and otherwise. We of the South know very well where the principal trouble lies. For over half a century this section has been the milk cow of the Nation, with the economic status of a colony. We have suffered from continuous economic and political discrimination. And, after having been exploited these many years, is it to be wondered that southerners are more than a little skeptical over the belated interest in their welfare?

To say that we are appalled at the display of ignorance on the part of those who profess to know our ills is to state it mildly. But this ignorance, of course, is of long standing. Nor is it, unfortunately, a monopoly of the uplifters.

Assuming that the South presents a problem for the Nation as a whole, certainly an intelligent approach to it can best be obtained by an understanding, not only of economic conditions but also of southern psychology. It is time that the citizens of other sections should know that much of what they have been reading about the South of today is fiction, pure and simple; a great deal is unadulterated venom; and a large portion of the remainder of it is just plain nonsense.

The professional uplifters harp upon the alleged ignorance and supposed laziness of southerners. They invade the South in the spirit of crusaders, determined to foist their theories upon its citizens willy-nilly. These uplifters, agitators, and plain, ordinary buttinskies serve only to impede the progress toward a practical and orderly solution of our problems. For of this we are certain—life in the South isn't going to be recast in the mold of any impractical and visionary uplifter's pipe dream. We are not going to be sacrificed to make a reformer's holiday.

We know that industrial development in the South has been retarded principally by freight-rate discriminations and tariffs. The very fact that the Northeastern States are opposing the removal of the present freight-rate discriminations because it will supposedly give this section an advantage is in itself strong evidence in support of the contention that this has been one of the reasons for the lack of industrial development in the South.

Discrimination in freight rates is indefensible. The theory upon which it is based—that is, density of traffic—is, in our opinion, pure hokum. We believe this freight-rate discrimination is now being continued solely for the purpose of giving advantage to the Eastern States as against the South and the West. As a matter of fact, there are some areas in the South where the traffic density is greater than in some areas in the East where the lower rates prevail.

There is no logical reason why the freight rate shouldn't be the same mile for mile from the South to the East as it is from the East to the South. To demonstrate further that the South has been treated as a colony from which raw materials are gathered for manufacture in Eastern States, there is the fact that the rate level on raw materials has been kept uniformly low. In fact, no restriction on the movement of raw products from the South to the East has been tolerated. The discrimination exists principally as to manufactured goods. For example, it costs a southern manufacturer approximately 40 percent more to ship his goods to the North than it costs the northern manufacturer to send his goods south.

An idea of the discrimination may be obtained from considering a few examples. On first-class goods the rate from Boston, Mass., to Toledo, Ohio, a distance of 759 miles, is $1.30 per hundred. From Grenada, Miss., to the same destination, a distance of 749 miles, the rate is $1.85 per hundred. From Boston, Mass., to St. Louis, Mo., a distance of 1,174 miles, the rate is $1.75 per hundred; while from New Orleans, La., to St. Louis, Mo., a distance of only 687 miles, the rate is $1.90 per hundred.

In other words, while the distance from New Orleans to St. Louis is 487 miles less, the rate is actually higher. And from Memphis, Tenn., to Louisville, Ky., a distance of 399 miles, the rate is $1.35 per hundred, while from Pontiac, Mich., to Louisville, Ky., the rate is 96 cents per hundred, and the distance is 375 miles; in other words, the rate going north is 40 percent higher than the rate coming south.

From Fort Smith, Ark., to Cincinnati, Ohio, a distance of 755 miles, the rate on first-class goods is $2.04 per hundred; but from Cincinnati, Ohio, to Pittsfield, Mass., exactly the same distance of 755 miles, the rate is only $1.37 per hundred. Likewise, from Shreveport, La., to Cincinnati, a distance of 808 miles, the rate is $2.15 a hundred, while from Cincinnati to Holyoke, Mass., with the same mileage of 808, the rate is only $1.43 a hundred.

As a matter of fact, the book investment per mile of road in the East is $184,274, as compared to $81,435 in the South. On this ground alone the rates, to provide return on the investment, should actually be higher in the East. Furthermore, the average tax per mile of road is $2,600 in the East, compared with $850 in the South. On this ground, too, the eastern rates should be higher.

I could continue almost ad infinitum, and certainly ad nauseatum, with such statistics, but since the purpose of these articles is to cover the southern viewpoint on several matters, space will not permit an elaboration of this subject. Suffice it to say that the South has been severely throttled by the discrimination in freight rates.

A survey of freight rates was made by the T. V. A. and published as House Document No. 264, Seventy-fifth Congress. First, the letter of Arthur E. Morgan to President Roosevelt, dated May 28, 1937, is interesting. A quotation from part of the letter follows:

"This survey shows that the present freight-rate boundaries, which are the outgrowth of tradition, constitute barriers against the free flow of commerce which are hampering and restricting the normal development of the Nation as a whole by preventing a full utilization of the varied natural resources that exist in the different regions of the country. It reveals that the existence of these barriers tends to retard substantially the commercial and economic development of the Tennessee River drainage basin and adjoining areas in the South. The report suggests that the establishment of a uniform principle of making interterritorial freight rates will aid the commercial development of such regions as the Tennessee Valley and redound to the benefit of the Nation as a whole."

The South has no desire to harm the East industrially or in any wise. There is no feeling of enmity against the East or any other section of the country. The South is no longer concerned with the prejudices of the Civil War. It is a part of the whole Nation and in seeking its own advancement it wishes to advance for the good of the whole.

With the possibility that the mechanical cotton picker will become perfected, there is the specter of unemployed millions. Something must be done to provide employment for those who will be affected by mechanization of the farm in the South. A great part of this labor can be absorbed by industry.

Unless the South is permitted to develop industrially the Federal Government is going to have to continue relief for unemployed in the South with the constant threat of growing unemployment. To furnish such relief will require taxation that will touch the pocketbooks of citizens throughout the Nation. Certainly it is for the good of the country as a whole that some kind of employment be found for these people. Furthermore, it is perfectly obvious that the more prosperous the South becomes and the greater its purchasing power the more benefit it will be to the Nation as a whole. We of the South do not view industrial development here as one of competition with other sections of the country. Rather we are anxious to take our part of the industrial load so that the country may be economically balanced. We have no intention of deserting agriculture, but we are going to balance agriculture with industry.

The report made to the Interstate Commerce Commission during the past week substantiates the claims of southerners in respect to existing rate discrimination. It is an encouraging sign and should prove a distinct step forward in the fight to abolish trade barriers between sections of our country. It should be realized that a victory for the South and the West in their fight for lower freight rates will be a victory for the entire country.

Indian Claims

EXTENSION OF REMARKS
OF
HON. USHER L. BURDICK
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 28, 1939

Mr. BURDICK. Mr. Speaker, the gentleman from Missouri has several times brought up the question in this House that he was opposed to Indian jurisdictional bills for the reason that during his absence from the House three jurisdictional bills were allowed to pass and that the recovery under these authorizations was something like $10,000,000 and that the attorneys received approximately $800,000.

Standing alone, without any explanation, this statement, especially when repeated so often, might prejudice the House against the passage of all Indian jurisdictional bills. There is no doubt in my mind that the gentleman from Missouri has repeated these statements on the floor of this House for the very purpose of creating a prejudice against Indian bills.

Let us see what these bills were and whether or not this House committed a wrong in allowing them to pass, or whether this House did allow the Indians involved to receive a fair measure of justice under the facts. Let us also look into the matter of attorneys' fees.

The first case is Docket No. H–219, the Shoshone Tribe of Indians against the United States.

Here are the facts: Under the terms of the treaty with the Shoshone Indians entered into July 3, 1868, the Shoshones were to have set aside for their use and occupancy a reservation in Wyoming of 3,054,182 acres. Later the United States appropriated half of this reservation for the use and occupancy of the Northern Arapahoe Tribe of Indians, while the Shoshones were unwilling to this procedure.

In this case there was no dispute about the taking—that is admitted. It is admitted that the Government never paid the Shoshones for this land. The only question in the case was as to when the "interest" should begin to run.

The Government was allowed to offset every claim it had, and the Court of Claims found the Shoshone Indians entitled to recover $6,364,677.91, and that the Government could offset an amount of $1,956,233.68, hence, judgment was entered for the difference, or $4,408,444.23, with interest at 5 percent since June 1, 1937. The Court started the interest to run only from the date of the judgment.

In this case the matter has been pending since 1878, the date of the Arapahoe invasion under law, or a period of 60 years. It is unnecessary to review the procedure, the protests, the petitions of those Indians from 1891 to the date of the passage of the jurisdictional act. It is enough to say that this Congress refused to authorize any suit against the Government until March 3, 1927. The suit was filed May 27, 1927, and at the time of entry of judgment had been pending 10 years and 11 months.

There is absolutely no doubt that the work of these attorneys did not begin when the jurisdictional act was passed in 1927 but years before that, and I am reliably informed that some of these attorneys have been connected with this case for 18 years.

Their contract for attorney fees was passed upon by the Secretary of the Interior and finally fixed by the Court. Their total fee amounted to $449,490, plus an expense of $9,517.65.

Anyone can at once see what an undertaking one of these cases is. In this case before judgment was entered these attorneys had expended over $9,000 in expenses. The gentleman from Missouri would no doubt have stopped this act from passing had he been present. He has the power to do that, inasmuch as most Indian cases come up on the Consent Calendar. Had he prevented this act from passing you can see what an injustice would have been done. In this case there was no dispute at all concerning the facts. The gentleman from Missouri says these Indians never received a cent of this money. He knows better than that. The Indians' share of the money, approximately 90 percent of it, was deposited in the Treasury of the United States for the benefit of these Indians. It is still there, less what the Government has expended for them.

I am not in favor of disposing of the Indians' money in this manner. I have been for sometime and am now in favor of abolishing the Indian Bureau altogether, pay the Indians in cash what we owe them, and let them become full citizens of this country, with the same freedom of action as any other citizen. If we must hold lands in trust for them, or some of them, let the States where the land is located hold the trust. The States then, where the Indian lives, would be responsible for the proper protection of the estates. If this Government would pass one single jurisdictional act and let the Indian claims—all of them—be presented and adjudicated and settled, it would be a simple matter to abolish the Federal protectorate over the Indians. As long as the autocratic Bureau remains, the money due Indians will be deposited in the Treasury of the United States and doled out as the Bureau thinks just. The Bureau will continue, however, to use enough of this money to perpetuate itself. If the gentleman from Missouri will join me in passing H. R. 794, then any recovery will be paid to the Indians.

Taking the number of years this case has been pending, and the great amount of work and expense involved, I do not think the Court was wrong in fixing the fee at 10 percent. This fee was passed on three times. First, by the Interior Department; second, by the Court of Claims; and last, by the Supreme Court of the United States. I hold no brief for any lawyer in an Indian case. I have never acted as a lawyer for Indian claims. I never have had personally a matter pending before the Congress of the United States. I am not associated with anyone who has, and what I say in this case is dictated by my own sense of justice and right.

I have not examined into the other cases the gentleman from Missouri complains of, but I will as soon as I can get to it, and then present them to this House. As a part of my remarks here, I refer the membership and the country to the decision of the Court of Claims in this case, a copy of which may be secured from the court. It is too long to print as a part of my remarks. The printing expense would not justify the printing, and I have not therefore asked to include it.

The gentleman from Missouri bemoans the fact that the interest accumulations in this case were stupendous. I refer him to the fact that no interest was found in this case, except the interest accumulations at the date of judgment, June 1, 1937. In finding 9 of the opinion of the Court of Claims, this language is used by the court:

> The above-mentioned additional amount of $4,683,392.92 is arrived at by computing interest, not as interest, but as a part of just compensation, on the value of the property rights taken from March 19, 1878, to June 1, 1937.

Good-Neighbor Policy

EXTENSION OF REMARKS
OF
HON. JAMES A. SHANLEY
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 28, 1939

Mr. SHANLEY. Mr. Speaker, in view of the efforts of our good-neighbor policy to strengthen our relations with our South American nations I am anxious to call the attention of the Congress and the people to the report of the

Eighth Annual Conference of the American States at Lima in December of last year. The resolution of that body with regard to the approaching four hundred and fiftieth anniversary of the discovery of America presents, in my estimation, an excellent opportunity to cement the feelings of our Latin American cousins in a joint effort to commemorate the incomparable discovery.

I have introduced a resolution asking for the formation of a committee to work in conjunction with whatever agencies may be available or may be necessary by the action of the other American states.

Undaunted by the fact that the ordinary dictionary has not a word to govern the four hundred and fiftieth anniversary, I have obtained from the Library of Congress a compound that may describe the period. It is quadrietsemicentennial, which I believe will bear the inspection of students of words and word structure. I hope that the enthusiasm and strong approbation of the conference in wording these resolutions will not be missed by those who are concerned with the outlook for a better day in South and Central America.

The American Farmer Wants a Fair Price and His Home Markets

EXTENSION OF REMARKS

OF

HON. GERALD W. LANDIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 28, 1939

Mr. LANDIS. Mr. Speaker and my colleagues, the present agriculture program has been a failure. During the last 6 years of the present administration the farmers have received over a billion dollars less each year for farm products than they did during the previous 6 years.

The American farmer is entitled to a fair price for his products and the advantage of the American markets.

Business, industry, and labor are, therefore, as vitally concerned with agricultural prosperity as our farmers themselves. Every real patriot is vitally concerned in agricultural prosperity and stability, whether he be a farmer or not.

The cost of production to the farmer is the remedy. The cost-of-production bill will give the American farmer his home markets and a decent price for his products.

This bill is primarily designed to regulate interstate and foreign commerce in agricultural products, having an annual value of $10,000,000 or more. It makes it unlawful for dealers to purchase such farm products from farmers at less than the average cost-of-production price on the percentage and quantity needed for domestic consumption.

It provides for the handling of the surplus, if any, without expense to the Government. For the surplus the farmer is to receive world price less cost of handling and marketing and administration. The cost of handling and administration is charged to the proceeds from the sale of the surplus in the world market.

It protects the home market by prohibiting the importation of competing farm products at prices less than our domestic price level.

It puts farm products now owned by the Government in the classification of surplus to be sold abroad.

This legislation calls into use the same Federal power and applies it in the same manner to the aid of agriculture as the same Federal power has been used in the aid of business, transportation, and industry.

This bill will repeal the crop-control features of the Agricultural Adjustment Act of 1938. It specifically saves the provisions of that act for soil conservation, for adjustment in freight rates, for new uses, and new markets for farm commodities, for continuing Federal Surplus Commodity Corporation, for loans on agricultural commodities, and section 32 of the A. A. A. to aid agricultural exports.

It will stabilize the minimum price level for agricultural products needed for the domestic market on the basis of cost-of-production prices.

It will export when necessary that portion of excess farm production for which there is no market in the United States.

It provides the means of selling the surplus, if any, in the world market at world prices.

This bill will protect the price level of farm commodities sold in the domestic market against fluctuations caused by the importation of cheaper competing farm products, and to protect the domestic price levels from the violent fluctuations caused by gambling in the futures market on farm products of this country.

It will provide that the total cost of administration be charged to the proceeds from the sale of exportable surpluses.

It will enable the farmers to produce freely and abundantly without restriction, fully supplying the home market and producing as much or as little as the farmers themselves may choose to produce.

It will provide the simplest machinery with no cost to the Federal Government, no restriction or regimentation of the farmers, and assuring a cost-of-production price to farmers of this Nation.

BENEFIT TO SMALL FARMER

In 1938 under the A. A. A., the wheat farmer that had an acreage allotment that produced 1,000 bushels of wheat received 60 cents per bushel for 69 percent, or 690 bushels, which would bring this farmer $414, plus a 10-cent bonus on each bushel, $69, making his total under the A. A. A. for 690 bushels $483.

Under the cost-of-production program, with 69-percent allotment and a price established at $1.50 per bushel, this same wheat farmer would have received 690 bushels times $1.50, making $1,035, or $552 more than he received under the A. A. A. He would also be entitled to some revenue for his 31-percent surplus that would be placed on the world's market.